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HOUSE OF REPRESENTATIVES—*Wednesday, May 1, 1974*

The House met at 12 o'clock noon.

The Reverend Robert W. Jackson, First Reformed Church, Hawthorne, N.J., offered the following prayer:

Almighty God, who has called us to the demanding responsibilities in this Chamber, and who provides the talent and ability to meet the challenges of each day's work and decision, bless us in the exercise of our constitutional duties in this House, where Your hand has so often inspired the growth of our Nation.

Throughout the centuries, You have provided us a foundation of law and the proper response of a man to man. Now, by our decisions, may we respond to You out of a sense of—

Humility, accepting Your sovereignty over all human living;

Fasting, accepting Your example of sacrifice and giving as the prerequisite to Your prevailing food to all men;

Prayer, which is our attitude of trust and dependence upon You for the fulfillment of all needs, spiritual and temporal.

So bless us all, in the name of our redemptive God. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

REV. ROBERT W. JACKSON

(Mr. ROE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROE. Mr. Speaker, I rise to join with you and our colleagues in expressing our deep appreciation to today's visiting host chaplain, Rev. Robert W. Jackson, for the quality and richness of his eloquent and inspirational contribution to our deliberations this day on behalf of the people of our Nation.

Reverend Jackson is the pastor of our First Reformed Church of Hawthorne, which is located in my Eighth Congressional District, State of New Jersey. He, his good wife, and two children joined us from the State of New York in July 1973. During this past year they have truly endeared themselves to the church congregation and the people of our district. He has inspired us by his prayer and good example as a leading citizen and most respected member of our clergy. He has served in the vanguard of our community as adviser and counsellor in many charitable and civic endeavors.

We are indeed honored by his presentation and want to share with him, his wife, and his children the great pride we have in his distinguished and dedicated lifetime of outstanding service and contribution to the religious, cultural and spiritual enrichment of our community, State, and Nation.

NO MORE MR. NICE GUY

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, as a result of the Nixon transcripts being released, we are privy to a conversation which took place in the autumn of 1972 which seems to me to be the most chilling of statements that could possibly be made by the President. In talking about the White House "enemies," he said:

> I want the most comprehensive notes on all those who tried to do us in. They didn't have to do it . . . They are asking for it and they are going to get it. We have not used the power in the first four years, as you know. We have never used it.
>
> We have not used the bureau (the FBI) and we have not used the Justice Department but things are going to change now. And they are either going to do it right or go.

Then his counsel John Dean responded:

> What an exciting prospect.

Mr. Speaker, one cannot help but find this conversation reminiscent of those undoubtedly conducted in the chancelleries of the Soviet Union, Germany, and Italy in the 1930's.

The tag line to this conversation between the President and Mr. Dean that immediately comes to mind is: "From now on it's no more Mr. Nice Guy." This might be amusing if the attitude demonstrated by the President toward critics were not so frightening. But, it is too serious for that and we are indeed fortunate that this aspect of the President's character has been unveiled.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS TO FILE CONFERENCE REPORT ON S. 3062, DISASTER RELIEF ACT AMENDMENTS OF 1974

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a conference report on S. 3062, the Disaster Relief Act Amendments of 1974.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AMENDING CERTAIN LAWS AFFECTING COAST GUARD

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9293) to amend certain laws affecting the Coast Guard, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

> Page 4, strike out all after line 12 over to and including line 3 on page 5.
>
> Page 5, line 4, strike out "(11)" and insert "(10)".
>
> Page 5, line 15, strike out "(2)" and insert "(11)".
>
> Page 5, strike out line 17 and the matter following.
>
> Page 5, line 18, strike out "(C)" and insert "(B)".
>
> Page 5, line 20, strike out "(13)" and insert "(12)".
>
> Page 6, line 1, strike out "(14)" and insert "(13)".
>
> Page 6, line 10, strike out "(15)" and insert "(14)".
>
> Page 6, line 16, strike out "(16)" and insert "(15)".

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, the various changes proposed in H.R. 9293, would affect the Coast Guard's authority relating to aids to maritime navigation, to Coast Guard personnel matters concerning housing, promotion, the Coast Guard Reserve, and the Coast Guard Auxiliary, and enact into permanent legislation certain provisions which now appear annually in appropriations bills. These provisions are related to the continuing availability of construction funds.

The bill contains three amendments to update and expand Coast Guard aids to navigation authority. The proposed amendments to sections 83 (which makes it unlawful to establish aids to navigation without Coast Guard authority), 85 (which authorizes the Secretary of the Department to regulate aids to maritime navigation on fixed structures), and 86 (which authorizes the Coast Guard to mark obstructions) of title 14, United States Code, extends the Coast Guard's jurisdiction under those sections to additional waters within and without the territorial boundaries of the United States.

Sections 83 and 85 changes involve the extension of jurisdiction to the high seas for persons and instrumentalities subject to the jurisdiction of the United States, and to internal waters subject to the jurisdiction of the United States which are not navigable waters of the United States. The Coast Guard does not seek authority to establish aids to navigation in waters subject to the jurisdiction of the United States which are not navigable waters. However, it is necessary for the Coast Guard to be able to exercise regulatory control over any aids to navigation established in those waters consistent with their safety responsibilities under the Federal Boat Safety Act of 1971.

The proposed amendment to section 86 would make that section parallel to section 81 of title 14, United States Code. Under section 81, the Coast Guard has general authority to establish aids to navigation beyond the navigable waters in waters above the Continental Shelf. This includes the marking of obstructions.

The extension of section 86 is necessary to enable the Coast Guard to recover the cost of marking obstructions in those waters beyond the territorial sea.

The amendments in the bill to sections 214, 283, 285, and 288, of title 14, United States Code, deal with situational and legal problems that have developed in recent years with officer personnel as a result of experiences with previous revisions of Coast Guard personnel laws. These include anomalies such as reductions in pay after promotions, denial of retirement after 20 years service because of a 10-year requirement of commissioned service, and a reduction in career life because of selection for early promotion.

The amendments to sections 656 and 657, of title 14, United States Code, relate to the continuing availability of construction funds, and for payment of confidential investigative expenses. These latter two are the result of past congressional requests to the Coast Guard for permanent legislation to replace substantive provisions which inappropriately appear in appropriations bill.

The amendment to sections 760 and 832, of title 14, United States Code, would provide greater protection to members of the Coast Guard Auxiliary when performing duty for the Coast Guard. This includes increases in disability benefits and injury and death benefits for accidents which occur traveling to and from assigned duties.

The proposed new section 765 of title 14, United States Code, would permit enlistment of Reserve members with a minimum of interruption in their full-time schooling. This would be accomplished by authorizing the Coast Guard to split the 4-month initial period of active duty required by section 511(d) of title 10, United States Code. This would permit the training of new members of the Reserve without interrupting their education. This additional flexibility will be of help to the Coast Guard in reducing the recruiting problems the service is now facing in the no-draft environment.

The proposed amendment to title 10, United States Code, would allow the Secretary of Transportation to relinquish to a State legislative jurisdiction of the United States over lands under his control in that State. This amendment is necessitated by a situation that has arisen at the Coast Guard Academy in New London, Conn. Within the Academy grounds there are two plots of land which are subject to exclusive Federal jurisdiction. These areas are in the more populous sections of the Academy reservation and, within those areas, State and municipal criminal statutes and common law do not apply. While the Coast Guard considers it desirable on occasion to seek the assistance of the New London Police Department within these areas, they, the police, are prohibited from entering or assisting Academy officials by the fact that exclusive Federal jurisdiction exists in these areas. This amendment permits a solution to that problem.

The total budget implications for this proposal will be less than $25,000 for 1974, and can be absorbed within available funds.

During 2 days of hearings held on this bill on July 31, and August 1, 1973, Coast Guard witnesses testified that the legislation would be beneficial to the service in terms of both efficiency and effectiveness. There were no witnesses opposed to the bill which passed the House on September 18, 1973. I urge the House to accept the Senate amendments and move this legislation to the President's desk, in view of the benefits it will have for the Coast Guard.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

LEGISLATION TO PROHIBIT RECORDINGS UNKNOWN TO PARTICIPANTS

(Mr. WYMAN asked and was given permission to address the House for 1 minute.)

Mr. WYMAN. Mr. Speaker, I am utterly appalled that there has been a practice of taping conversations with the President in the White House under the late President Kennedy, the late President Johnson, and present President Nixon without letting people talking with the President know beforehand that they were being recorded. Whether motivated by a dedication to preservation of a historical record or not, it smacks of unfairness and deceit to make such recordings without the prior knowledge and consent of participants. When this is extended to foreign heads of state or Senators or Members of Congress, it becomes reprehensible in the extreme.

Accordingly, I have today introduced a simple bill to prohibit recording conversations with a President without the prior knowledge and consent of participants, excepting, of course, such things as press conferences or meetings where recordings are a matter of public knowledge.

This reprehensible practice should be prohibited by statute. In my opinion such a prohibition does not infringe or constitutionally impinge on executive privilege.

My bill also has teeth in it. It provides that anyone doing this, or participating in it at the staff level, upon conviction thereafter shall permanently lose entitlement to Federal salary or benefits, including retirement pay.

I urge adoption of this proposal at the earliest moment.

ELECTION AS MEMBER OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 1083) and ask for its immediate consideraiton.

The Clerk read the resolution, as follows:

H. Res. 1083

Resolved, That the following-named Member be, and is hereby elected a member of the Committee on Merchant Marine and Fisheries: Robert J. Lagomarsino.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION AS MEMBER OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 1084) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1084

Resolved, That the following-named Member be, and is hereby elected a member of the Committee on Interstate and Foreign Commerce: Edward R. Madigan.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION AS MEMBER OF COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 1085) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1085

Resolved, **That the following-named Member be, and is hereby elected a member of the Committee on the District of Columbia: Clair W. Burgener.**

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION AS MEMBER OF COMMITTEE ON AGRICULTURE

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 1086) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1086

Resolved, That the following-named Member be, and is hereby elected a member of the Committee on Agriculture: Peter A. Peyser.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 196]

Adams
Alexander
Anderson, Ill.
Blatnik
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Carey, N.Y.
Chisholm
Clark
Conyers
Corman
Davis, Ga.
Diggs
Dingell
Drinan
Findley
Fish
Fulton
Grasso
Gray
Griffiths
Gubser
Haley
Hanna
Hansen, Wash.
Harsha
Hastings
Hébert
Heckler, Mass.
Helstoski
Hillis
Howard
Hudnut
Kazen
Kemp
Kluczynski
McSpadden
Milford
Murphy, Ill.
Myers
Owens
Patman
Pepper
Pickle
Powell, Ohio
Rangel
Rees
Reid
Roberts
Roncallo, N.Y.
Rooney, N.Y.
Rose
Ruppe
Sandman
Seiberling
Smith, N.Y.
Staggers
Steiger, Ariz.
Stokes
Stubblefield
Stuckey
Teague
Tiernan
Udall
Wilson, Charles, Tex.

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION AS TO VOTE

Mr. DANIELSON. Mr. Speaker, during the week of April 8, 1974, I was absent and missed the following recorded votes. For the Record, I now state how I would have voted on each of these rollcalls:

MONDAY, APRIL 8, 1974

Rollcall No. 149: Amendment to H.R. 12473 providing for a nonbinding advisory referendum by the registered voters of the District of Columbia on the construction of the Dwight D. Eisenhower Memorial Bicentennial Civic Center. I would have voted "yea."

Rollcall No. 150: Amendment to H.R. 12473 that sought to delete the $14 million authorized to be appropriated for the Eisenhower Memorial Center and to remove the congressional oversight provision contained in the Public Buildings Act of 1959. I would have voted "no."

Rollcall No. 151: Passage of H.R. 12473 to establish and finance a bond sinking fund for the Dwight D. Eisenhower Memorial Bicentennial Civic Center. I would have voted "yea."

TUESDAY, APRIL 9, 1974

Rollcall No. 153: Adoption of House Resolution 1018, the rule providing for the consideration of House Resolution 998 to amend the House rules. I would have voted "yea."

Rollcall No. 155: Amendment to House Resolution 998 to strike the section requiring at least 40 Members to request a recorded vote whenever the Chair determines that more than 200 Members are present. I would have voted "no."

Rollcall No. 156: Adoption of House Resolution 998 amending the House Rules. I would have voted "yea."

Rollcall No. 157: Passage of H.R. 14012 making appropriations for the legislative branch for fiscal year 1975. I would have voted "yea."

WEDNESDAY, APRIL 10, 1974

Rollcall No. 159: Amendment to H.R. 14013, making supplemental appropriations for the fiscal year 1974, that increased funds for comprehensive manpower assistance by $150 million. I would have voted "aye."

Rollcall No. 160: Amendment to H.R. 14013 to add language providing $4.5 million for child abuse prevention and treatment. I would have voted "aye."

Rollcall No. 161: Amendment to H.R. 14013 that sought to strike $230 million for the Postal Service fund. I would have voted "no."

Rollcall No. 162: Amendment to H.R. 14013 that sought to reduce all funds appropriated by the bill by 5 percent. I would have voted "no."

Rollcall No. 163: Passage of H.R. 14013, making supplemental appropriations for the fiscal year 1974, I would have voted "yea."

Rollcall No. 165: Adoption of House Resolution 1029, the rule providing for the consideration of H.R. 13113, to amend the Commodity Exchange Act. I would have voted "yea."

THURSDAY, APRIL 11, 1974

Rollcall No. 168: Amendment to H.R. 13113 that sought to require that members of the Commodity Futures Trading Commission be full time. I would have voted "aye."

Rollcall No. 169: Passage of H.R. 13113, to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation. I would have voted "yea."

PERSONAL EXPLANATION

Mr. ABDNOR. Mr. Speaker, in the Congressional Record for April 30, 1974, I am listed as "not voting" on rollcall No. 195 making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for fiscal year ending June 30, 1975, and for other purposes. I was present in the Chamber at the time and cast my vote for the appropriation and I desire to have the Record show how I voted.

PERSONAL EXPLANATION

Mr. McCOLLISTER. Mr. Speaker, on rollcall No. 195 of April 30 I am recorded as "not voting." I was present and voting for passage of H.R. 14434, the energy research appropriations bill.

PROVIDING FOR CONSIDERATION OF H.R. 14368, ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1082 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1082

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14368) to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit or without instructions.

The SPEAKER. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta) pending which I yield myself such time as I may consume.

Mr. Speaker, this is an open rule with 1 hour of general debate, making in order the committee amendment in the nature of a substitute as an original bill for the purpose of amendment.

There was no controversy on this resolution before the Committee on Rules. I have heard of no opposition to it. Therefore, Mr. Speaker, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1082 is the rule on H.R. 14368, the Energy Supply and Environmental Coordination Act. It is an open rule with 1 hour of general debate. In addition, the rule makes the committee substitute in order as an original bill for the purpose of amendment.

The three primary purposes of this bill are: First, to permit narrowly defined variances from specific clean air requirements; second, to grant authority to increase the use of coal resources; and third, to direct the Federal Energy Administrator to obtain information on the Nation's energy supply situation.

Following the veto of the Emergency Energy Act earlier this year, the Committee on Interstate and Foreign Commerce began work on a new energy bill in early April 1974. At the conclusion of this consideration the committee voted to delete from the energy bill the provisions relating to alterations of clean air requirements, coal conversion and energy information reports. These provisions were then incorporated into the present bill, H.R. 14368. According to the committee report, the intent is to bring before the House in a separate bill those essential parts of this comprehensive package on which there is substantial agreement.

The cost of this bill is estimated to be $5,000,000 for fiscal year 1974, $35,000,000 for fiscal year 1975, and $5,000,000 for each of the 3 fiscal years following.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 12993, BROADCAST LICENSE RENEWAL ACT

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1080 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1080

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12993) to amend the Communications Act of 1934 to provide that license for the operation of broadcasting stations may be issued and renewed for terms of four years, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1080 provides for an open rule with 1 hour of general debate on H.R. 12993, a bill to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years.

H.R. 12993 requires the FCC to establish procedures to be followed by broadcast licensees to ascertain the needs, views, and interests of residents of their service area for purposes of their broadcast operations. The bill also provides that in determining whether a broadcast license should be renewed, the FCC must consider: First, whether the licensee has followed the prescribed ascertainment procedures during the preceding license period; and second, whether the licensee's broadcast operations during the preceding licensee period have been substantially responsive to the ascertained needs, views, and interests of residents of its service area.

H.R. 12993 also provides that appeals from certain decisions and orders of the FCC involving a broadcast station are to be taken to the U.S. Court of Appeals for the circuit in which the station is, or is proposed to be located.

Mr. Speaker, I urge the adoption of House Resolution 1080 in order that we may discuss and debate H.R. 12993.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

(By unanimous consent, Mr. LATTA was allowed to speak out of order.)

NATIONAL BROADCASTING SYSTEMS SLANTED

Mr. LATTA. Mr. Speaker, I made this unanimous-consent request to speak out of order because some of my remarks may not be directly related to this bill. I want to say at the outset that I support the rule, and I support the bill. I would have preferred an increase of the term for broadcast licenses to 5 years. I understand, however, an amendment will be offered during the 5-minute rule to extend the same for 5 years.

I also want to compliment most of the local stations in this country. I think they are very fair in the use of their licenses. I think they try to be fair in reporting on activities of the President, the Congress, the Supreme Court, and the various agencies of the Government, just to mention a few. I wish I could say the same thing for all of the media of this country.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6175, AMENDING PUBLIC HEALTH SERVICE ACT TO PROVIDE FOR ESTABLISHMENT OF NATIONAL INSTITUTE ON AGING

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1079 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1079

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6175) to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1079 provides for an open rule with 1 hour of general debate on H.R. 6175, a bill to amend title IV of the Public Health Service Act to provide for the establishment of a National Institute on Aging.

H.R. 6175 provides for the carrying out of biomedical, social and behavioral research and training relating to the aging process and the diseases and other special problems of the aged. The bill also establishes a new National Advisory Council on Aging.

H.R. 6175 also directs the Secretary of Health, Education, and Welfare to carry out public information and education programs to disseminate the findings of the Institute and all other relevant information which may assist all Americans in dealing with problems associated with aging.

Mr. Speaker, I urge the adoption of House Resolution 1079 in order that we may discuss and debate H.R. 6175.

Mr. LATTA. Mr. Speaker, I agree with the statements just made by my friend and colleague from California (Mr. SISK).

Mr. Speaker, as noted before, House Resolution 1079 provides for the consideration of H.R. 6175, the Research on Aging Act of 1974. This is an open rule with 1 hour of general debate.

The purpose of H.R. 6175 is to establish a National Institute on Aging as part of the National Institutes of Health.

This new Institute would conduct and support research relating to the aging process and carry out public education programs to disseminate the findings of the Institute.

With regard to cost, the bill contains no new authorization. The committee report indicates that the legislation will require minimal administration costs and "while the committee cannot estimate these costs, they should be slight."

Legislation similar to H.R. 6175 was pocket vetoed at the end of the 92d Congress.

The committee report contains letters from both HEW and OMB opposing an earlier bill similar to H.R. 6175. The administration opposes the bill because it would create a new institute, duplicating work which is already being done by other institutes. The HEW letter points out that this bill will adversely affect ongoing aging research by fragmenting existing, well-integrated research efforts.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 13053, AMENDING PUBLIC HEALTH SERVICE ACT TO IMPROVE NATIONAL CANCER PROGRAM

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1081 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1081

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13053) to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next three fiscal years, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1081 provides for consideration of H.R. 13053, which, as reported by our Committee on Interstate and Foreign Commerce, would provide new authority for the support of the national cancer program through a 3-year extension of the National Cancer Act of 1971. The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and the ranking minority member of the committee.

After general debate, the bill would be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee would rise and report the bill to the House with such amendments as may have been adopted, and the previous question would then be considered as ordered on the bill and amendments thereto, to final passage, without intervening motion except one motion to recommit.

Mr. Speaker, the story of cancer as a devastating illness is a familiar one. Too many American families have felt its tragic effects. Mine has too. It is appropriate, therefore, to underscore the need for the proposed legislation. On the basis of past experience, we know that some 655,000 Americans will develop cancer in 1974, and that well over 50 percent of that number—355,000—will die. The second leading cause of death, next to heart disease, cancer exacts an incalculable toll in suffering, family disruption, and economic loss. Despite this grim scoreboard, the outlook for cancer patients is increasingly becoming one of promising hope. One out of every three persons who now have cancer can expect to be alive 5 years after treatment. It is reported that there are one and a half million Americans who have had cancer but are now well. Their number is expected to be increased by at least an additional million Americans who have been treated for cancer in the last 5 years and are expected to live.

Mr. Speaker, the instrument of hope is the national cancer program. Notable progress has been made in the two principal areas encompassed by the program: Research and prevention. Every effort is being made to speed the development of new knowledge by intensive and coordinated research involving the medical, biological, chemical, and physical sciences. At the same time, available knowledge for the prevention and control of cancer is being disseminated widely to the people of this Nation by means of demonstration and education projects. This expanded, intensified and coordinated fight against cancer was made possible by the National Cancer Act of 1971. That act enlarged the authority of the National Cancer Institute and the National Institutes of health.

It is of primary importance that the momentum of the national cancer program be maintained. H.R. 13055 is designed to accomplish that objective.

While including a number of amendments to improve the 1971 Cancer Act, the proposed legislation basically would extend the existing program through fiscal year 1977. It would authorize a total of $2.765 billion for the 3-year period. Of that sum, $2.565 billion would be allocated for the National Cancer program, and $200 million for cancer control programs.

Mr. Speaker, I urge the adoption of House Resolution 1081 in order that H.R. 13053 may be considered.

Mr. LATTA. Mr. Speaker, the gentleman from Hawaii (Mr. Matsunaga) has made a very comprehensive statement. Rather than be repetitious, and having no requests for time——

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. Mr. Speaker, I am happy to yield to my friend from Iowa.

Mr. GROSS. Mr. Speaker, I thank my friend from Ohio for yielding only to note and observe that this is the fourth rule presented in about 20 minutes that is wide open; no waivers or points of order. The legislation which it makes in order is subject to amendment.

Mr. Speaker, this massive atonement of the Rules Committee for its errors of omission and commission in the past is almost unbearable.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. LATTA. Mr. Speaker, I thank the gentleman for his comments.

Mr. Speaker, I have no further requests for time.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

BROADCAST LICENSE RENEWAL ACT

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12993) to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12993, with Mr. Bevill in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. Staggers) will be recognized for 30 minutes, and the gentleman from North Carolina (Mr. Broyhill) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 12993—the Broadcast License Renewal Act—like almost every other important piece of legislation which the House considers reflects numerous compromises. As such it will probably not completely satisfy anyone. Yet when the various alternatives are concerned, I think you will agree with me that it is a good bill. One which should be passed by the House.

The bill was drafted and introduced by our Subcommittee on Communications and Power under its able chairman, the gentleman from Massachusetts (Mr. Macdonald). Over a year ago, on March 14, 1973, to be exact, the subcommittee began hearings on the broadcast license renewal bills which were pending before the committee. There were 115 such bills sponsored and cosponsored by 232 different Members of the House. Most of the bills were identical. These bills would have given broadcasters 5-year licenses. In addition, they would have assured any broadcaster that his license would be renewed if he showed that his broadcast service reflected a good faith effort to serve the needs and interests of his area and had not demonstrated a callous disregard for law or the Commission's regulations. Such a showing under these bills would have assured the broadcaster of renewal even if he had the only broadcasting station in the area and also published the only newspaper.

Seventeen days of hearings were held on the legislation. In those hearings over 60 witnesses appeared and testified. A total of 125 statements were placed in the hearing record.

From this the subcommittee developed the bill now under consideration by the House—H.R. 12993.

Three provisions in the bill have raised some controversy and I would like to discuss these issues.

FOUR-YEAR LICENSE TERM

The bill would establish a 4-year term for broadcast licenses. Since the Radio Act of 1927 the maximum term for a broadcast license has been 3 years. I am persuaded that the time has come when an increase in the license term is in order.

Today the filing of a license renewal application is a substantial undertaking for a broadcaster. I understand that it is not unusual for such an application to run several thousand pages. The processing of such applications involves many man-hours of time at the FCC. By increasing the license term by 1 year there would be a substantial lessening of these burdens without any impairment of the public interest.

The FCC would continue to wield its power to levy forfeitures, order early renewals, issue cease-and-desist orders and revoke licenses which would permit it to deal with any serious breaches of the public interest.

Furthermore, the ascertainment and negotiation procedures provided for in the legislation would subject the licensee's broadcast operations to more meaningful scrutiny by persons in the licensee's service area.

In the early days of broadcasting the total investment of most licensees in plant and equipment could be calculated in thousands of dollars. Today, in the age of color television, hundreds of thousands, even millions of dollars, are involved. These investments of capital are necessary in order to provide the American people with the quality of broadcast service which they expect and should receive. Adding another year to the broadcast license term should make it easier for licensees to obtain the capital necessary to build the plant and purchase the equipment necessary to provide quality broadcast service.

Another consideration worth noting, Mr. Chairman, is that of the television frequency assignments which have not been granted to applicants most are in the UHF service. For reasons not pertinent here UHF stations are the least profitable in the broadcasting industry.

As long as these frequencies remain dark, people are being deprived of television broadcast service. Adding a year to the term of a broadcast license should improve the viability of these UHF stations. It is my hope and expectation that as a result of this provision, applications will be filed for some of these unused UHF assignments.

For these reasons, Mr. Chairman, I believe the 4-year broadcast license term in the bill should be adopted.

However, Mr. Chairman, I understand that an amendment will be offered to increase the broadcast license term to 5 years. I am opposed to this. I do not think it is either warranted or wise to provide for a two-thirds increase in the term of broadcast licenses at this time.

CROSS OWNERSHIP

Mr. Chairman, another provision of the bill which has apparently caused some concern is the one which provides that the FCC may not, in a proceeding for the renewal of a broadcast license: First, consider the ownership interests or official connections of the renewal applicant in other stations, other communications media or other businesses, generally referred to as "cross ownership," or, second, consider the participation of ownership in the management of the station which is referred to as "integration of ownership and management"; unless the Commission has adopted rules thereon and given the renewal applicant a reasonable opportunity to conform to such rules.

Mr. Chairman, these two factors are given the greatest decisional weight when there is a comparative hearing for the initial grant of the broadcast license. But once the license has been awarded to a newspaper or to a person proposing a certain level of integration of ownership and management, is it fair at a subsequent proceeding for renewal of the license to refuse to renew the license and grant it to a challenger on these grounds?

In the late 1940's and early 1950's when the profitability of television broadcasting was still in doubt, television authorizations were literally going begging. In many instances newspapers filed for and obtained television broadcast licenses as a community service. If they are now to be divested of these licenses, I think, that the least that should be required is that it be done pursuant to rules adopted after notice and opportunity for comment.

Some people have read these provisions as completely prohibiting the FCC from considering cross ownership and integration of ownership and management in a renewal proceeding. This is not the case, Mr. Chairman. The bill is clear that the FCC may adopt rules on these matters and proceed to apply the rules in renewal proceedings. In fact, section 6(b) of the bill requires the FCC to conclude action on its docket No. 18110 within 6 months after the date of enactment of the legislation. Docket No. 18110 is a rulemaking proceeding in which the proposed rule would prohibit the publisher of a daily newspaper from holding a broadcasting license for a station in the market in which the newspaper is published.

Mr. Chairman, the committee believes that newspapers should not be required to divest themselves of broadcast licenses on a case-by-case, hit-or-miss basis. The Anti-trust Division of the Justice Department has filed petitions to deny renewal of broadcast licenses held by newspapers in Minneapolis-St. Paul, Des Moines, and St. Louis. It failed to meet the deadline for filing such a petition against renewal of a broadcast license held by a newspaper published in Milwaukee. Restructuring of a major industry should not be done on such a hit or miss basis. If it is to be done it should be done in an orderly fashion on the basis of rules adopted in compliance with prescribed administrative procedures.

LOCAL COURTS OF APPEALS

Mr. Chairman, section 5 of the bill provides that appeals from decisions and orders of the FCC relating to broadcast authorizations must be taken to U.S. Court of Appeals for the circuit in which the broadcast station is located. Apparently opposition has developed to this provision also. At present such appeals must be taken to the Circuit Court of Appeals for the District of Columbia.

Most contested broadcast license renewal proceedings take a long time for final decision. For example, WHDH filed its renewal application in 1963 and the District of Columbia Court of Appeals did not render a final decision in that case until 1970. This is by no means an extreme case. The time to dispose of appeals in the District of Columbia Court of Appeals is the longest of any court of appeals in the United States. By providing that appeals be taken to local courts of appeals, it is hoped that the overall time taken to process contested broadcast cases will be reduced.

In addition, it is the general policy of the FCC to conduct broadcast license renewal hearings in the community to which the license is assigned. Providing that appeals from decisions and orders of the FCC in such cases and others involving broadcast authorizations be taken to local courts of appeals should better serve the convenience of the parties who are in most cases residents of such communities.

Some argue, Mr. Chairman, that the District of Columbia Court of Appeals is an "expert" court since it is now the only court that considers appeals from the decisions and orders of the FCC under section 402(b) of the Communications Act.

However, proceedings to enjoin, set aside, annul, or suspend orders of the Commission under 402(a) may be and are brought in the court of appeals for the circuit in which the petitioner resides or has a place of business. It seems to me, Mr. Chairman, that having different courts of appeals consider these matters should result in the development of the best possible rules of law. As I understand it that is one of the concepts which underlies our Federal judicial system.

OTHER PROVISIONS

The other provisions of the bill have proved to be less controversial, Mr. Chairman. Nonetheless, they are important and I want to comment on them.

ASCERTAINMENT

Under the FCC's existing rules licensees are required to engage in ascertainment to determine the significant problems in the community or communities they are licensed to serve. This is done by consulting with a representative range of community leaders and members of the general public. The purpose of the process is to permit the licensee to present programing responsive to the ascertained community problems. The FCC has recently revised its ascertainment procedures but review of their past operation would indicate that observance of the FCC's ascertainment procedure was in the form of paper filings rather than performance.

H.R. 12993 would completely overhaul the process of ascertainment and provide that its observance and whether the broadcast operations of the licensee were substantially responsive to the process would be major considerations in determining whether the licensee would obtain renewal of his license.

PETITIONS TO DENY

The bill would require the FCC to prescribe and abide by time limits for filing petitions to deny broadcast authorizations. We intend that any party in interest have a reasonable opportunity to file a petition to deny against an application, but that dilatory devices such as filings out of time which have the effect of delaying proceedings be prevented.

NEGOTIATION PROCEDURES

Section 4 of the bill would require the Commission to prescribe procedures to encourage licensees and persons raising significant issues regarding the licensees' broadcast operations to conduct negotiations to resolve such issues. Compliance with issues would be voluntary.

Mr. Chairman, the committee was impressed with the fact that the petition to deny has in many instances been used as a means of compelling broadcast licensees to enter into discussions with community groups critical of the broadcasters' programing or other operations. The committee believes that the filing of many of these petitions which are time consuming and costly might be avoided if procedures are established so that community groups and licensees can meet together and discuss their differences and seek for mutually acceptable solutions to them in an atmosphere of good faith and good will.

STUDY OF REGULATIONS

Under section 6(a), the FCC is required to carry out a continuing study to determine how it can eliminate regulations applicable to broadcast licensees which are required by the Communications Act, but which do not serve the public interest.

Mr. Chairman, we believe that there must be effective regulation of broadcasters in order that the public interest be served. But needless regulation is not effective regulation of the broadcasting industry.

In conclusion, Mr. Chairman, let me say that the bill, although involving compromise, is fair. It will resolve the confusion which now exists with respect to law applicable to the renewal of broadcast license. I hope it will be passed by the House.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am speaking today to urge passage of H.R. 12993, the Broadcast License Renewal Act. Passage of this legislation is vital because it clarifies each licensee's responsibility to serve his local broadcast area; it stimulates each broadcaster to remain constantly aware of his listeners' needs, views and interests; it provides for more dialog with those served; it lends stability to the radio and television industry and predictability to the renewal process; it expedites court review of FCC action and it offers the possibility of less Government regulation yet stronger incentives for better performance.

Perhaps most importantly, it brings the operation of American broadcasting more squarely into line with the foundations of the Communications Act of 1934, that is, maximum expansion of broadcast outlets, diffusion of a diversity of programing, and responsiveness to each unique local service area.

We have this bill before us, Mr. Chairman, because over the past few years the renewal process has been marked with confusion, ambiguity, and inconsistency, due in large part, to precedent-shattering court decisions, bureaucratic "meanderings" of the FCC, and the activism of a number of interest groups. Former FCC Chairman Dean Burch called the present license renewal process a "morass." In fact, broadcasters today do not know by what criteria they will be judged at renewal time.

In response to this situation the Subcommittee on Communications and Power attempted to clarify renewal standards, while encouraging performance incentive for licensees and stability in the broadcasting industry. The subcommittee held 17 days of hearings on over 100 license renewal bills. We heard over 60 witnesses, representing every facet of the issue. A tremendous amount of time was invested by members of our Subcommittee on Communications and Power, including myself, meeting and working with representatives of the industry, the networks, individual stations, communication law firms, individual members of the general public and a host of other involved groups. We wrote and rewrote countless drafts, and have worked over a year to develop the compromise legislation now before you. The subcommittee reported it unanimously. The full committee suppported it unanimously. I now ask you to consider and approve the provisions of the legislation, which has elicited much widespread backing.

First, the bill specifies upon what criteria a licensee will be judged in the renewal process. The FCC is required to establish ascertainment procedures by which each broadcaster must constantly identify the needs, views and interests of his local service area. Under this bill, the licensee is renewed only if he follows these procedures, and only if his broadcast operations have been substantially responsive to the locally ascertained needs, views, and interests. Thus, in determining renewal, the FCC must focus on performance quality and its relation to locally defined needs, views, and interests. With this emphasis, the focus is now on the genius of the American system of broadcasting—the pluralism created by thousands of stations making individual judgments tailored to the needs of each particular locale served.

At the same time, H.R. 12993 precludes the FCC from considering on a case-by-case basis the issues of media cross-ownership and station-management integration as determinants in comparative renewal judgments. If the FCC feels that changes in media holdings or other business holdings of existing broadcasters, or changes in their management-ownership structure might be in the public interest, the Commission should decide such matters through a general rulemaking process where all implications of such action can be heard and studied. As the committee has stated, if reforms in media ownership and structures are in the public interest, they ought to be done uniformly, not haphazardly. Reforming on a case-by-case basis would result in restructuring the broadcast industry in a subjective and ofttimes inconsistent manner. The legal chaos that followed the WHDH case well demonstrated the instability that case-by-case rulings could cause.

To balance this provision and accomplish this uniform policy, the legislation calls for the FCC to complete its ongoing study of the effects of media cross-ownership, docket 18110. The Commission began proceedings in this docket in 1968 and it is imperative that it conclude the study so all of us in Congress, the public, the industry and the Commission can have an integrated body of information on this question to guide our future action.

In addition to clarifying the criteria to be used in the renewal process, H.R. 12993 requires the FCC to develop procedures to promote good faith negotiations between critics of a station and its representatives of the station. We intended that this provision have four basic effects. First, it can encourage critics and licensees to confer freely and openly throughout the license period about station operations. Second, prescription of discussion procedures can alleviate much of the confrontation, disorder and disruption that have too often marked broadcaster-complainant disputes. Third, the reluctance of either party to confer can be overcome. Finally, we hope such negotiations can obviate the unneeded filing of license challenges or petitions-to-deny—so time-consuming and costly to all parties—by resolving complainant issues fairly through this more informal means. For instance, the number of petitions-to-deny filed went from 2 in 1967 to 68 in 1972.

While we want to afford anyone a reasonable opportunity to file a petition-to-deny a license or to file a competing application, we also wish to prevent abuses of this opportunity by those who may file pleadings out of time which unduly prolong the consideration process, and delay timely decisions. Consequently, section 3 of the bill asks the FCC to adopt rules to delineate time periods for petitions to be filed and requests the Commission to decide the issue in question on the basis of the petitions so filed.

The license term is increased in this legislation from 3 years to 4 years. This action facilitates a more thorough FCC review of each license by reducing the number the Commission must process each year, and provides a reasonable compromise between the 5-year term proposed by most bills and the substantial opposition voiced against any increase in the license term. As you know, too, to produce quality programing, a station must evidence the stability necessary to attract investment, and to plan operations adequately. A one-third increase in the license term helps broadcasters achieve such stability, yet, in concert with other parts of the bill, the increase in term does not sacrifice their need to be responsive and competitive.

At present, court appeals relevant to many FCC decisions must be taken to the U.S. Court of Appeals in the District of Columbia. We felt that the time taken to resolve a contested license could be reduced by having decisions and orders appealed to the U.S. Court of Appeals for the circuit in which the involved broadcast station is located. The District of Columbia Court of Appeals now has the longest median disposal time of any court of appeals in the Nation. Moreover, moving the appeal to the community of the licensee in question could well be more convenient and less expensive for the parties involved since they usually reside in the area served by the broadcaster.

Finally, H.R. 12993 mandates the FCC to conduct a continuing study to determine how it might eliminate those regulations which do not serve the public interest. For example, the act does not now fully account for differences between AM radio and television, or significant differences between commercial and noncommercial broadcasters or between those operating in large and small markets. It is our hope that through this required study and continuing recommendations, regulation can diminish where feasible, and have greater relevance in other instances to the differences among media and markets.

IN SUM

In summary, H.R. 12993 clarifies the criteria upon which a licensee is judged. In so doing, it reaffirms and pinpoints the broadcaster's responsibility to identify and serve the needs, views, and interests of his local service area.

It encourages more frequent and continuous communication between a broadcaster and all segments of his service area; promotes more accessibility, and provides a means for more orderly, rapid resolution of complainants' disputes.

It adds stability so essential to the development of quality performance and adequate planning in the industry.

Finally, it offers greater opportunity for less government regulation in areas of no need, and for more relevant regulation where changes are necessary among different media and markets.

H.R. 12993 is a well-conceived compromise bill which can bring immeasurable strength, diversity, and responsiveness to our system of broadcasting. I urge its adoption.

Mr. MACDONALD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the time that I will consume will be very short inasmuch as I think that the bill has been explained very well by the chairman of the full committee, as well as the ranking member of the subcommittee. However, I should like to take this opportunity to thank the members of the subcommittee who have put in so many hours and worked so hard on a bill that was sent up by the industry—which we changed around almost completely but which in the end, and to a large extent, the industry was willing to accept.

Mr. Chairman, I should like to point out that every member of the subcommittee, after we got out a clean bill, cosponsored the bill with me. Also Mr. BROYHILL of North Carolina was a cosponsor inasmuch as he is a member of the full committee on Interstate and Foreign Commerce, and was the ranking minority and very valuable member of our subcommittee.

The one thing, I think, that has to be touched upon and should be by way of explanation, although the rest of the bill has been explained very well, indeed, is that this for the first time gives both a challenger, if there are challengers, and the broadcast licenses some standards to go by so that they do not have to, in their own words, read the minds of the Commissioners at the FCC, as those Commissioners are shuffled around by each incoming President.

For the first time there are standards that are, as the gentleman from Ohio (Mr. BROWN) pointed out, local in nature, but under which the licenseholder will know whether he has lived up to his ascertainment requirements. The ascertainment process today is a mere formality, where a mayor such as Mayor Yorty of Los Angeles would hold ascertainment day and get 42 stations in the surrounding areas and in Los Angeles itself and say, "OK, tell me what you want to know about ascertainment."

Under this bill we have made it clear to the FCC that licensees are not just to go to the so-called establishment, the mayor of the city or to their local Congressman, who is here in Washington more than he is at home watching TV or listening to the radio, but that they have to go among the people to find out whether the needs are being met and served that they promised to meet and serve in getting their license, "the public interest, necessity, and convenience."

This for the first time, when combined with the standards, will insure that a challenger is not just throwing his money away. We have made it very clear that for the first time the FCC is to help the parties who feel aggrieved. There is spread out on our committee hearing record the fact that some of the more highhanded broadcast owners just would plain not meet with any groups.

We have given the FCC the duty and asked the FCC to set up a bureau within the FCC to get the people together to discuss matters of consequence to both sides. While it is not in a sense bargaining as in the National Labor Relations Board bargaining in good faith, they are to discuss in good faith the problems that are bothering some citizens of the community that are served by that licensee.

In conclusion I once again would like to compliment the subcommittee and point out to the Members of this body that this legislation came out of our subcommittee unanimously and in the full committee unanimously.

I understand and I know very well that the gentleman from North Carolina (Mr. BROYHILL) put in a few minority views of his own on the subject, and if he sees fit to offer an amendment I will answer to the best of my ability and give the reasons why I think his amendment is neither necessary nor desirable.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, with all due respect and at the risk of embarrassing the gentleman in the well, I would like to say had it not been for the masterful leadership of the gentleman in the well, the gentleman from Massachusetts (Mr. MACDONALD), we probably would not have had this bill, because it was put together after a great deal of controversy and it remained for some time a rather fragile piece of legislation. There were many divergent interests who have had very strong and divergent views on this piece of legislation. I think most of those views are fairly resolved in the bill that was struck out of the subcommittee, thanks to the leadership of the gentleman in the well. And also thanks to his leadership since this bill was put together, I think most of the concerns that have been expressed have been answered and I think the test will come further when this bill is put into practice after its passage.

But I do want to pay that compliment to the gentleman in the well because his leadership in the broadcast field has been salutary, I think not only for this Congress, which of course has an oversight responsibility, but also for the quality of the legislation which the FCC has to administer, and more importantly for the public interest, which is the objective of the Communications Act of 1934, which we are here amending.

Mr. MACDONALD. I deeply appreciate the comments of the gentleman.

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. The distinguished gentleman from Massachusetts knows that I have a couple of reservations that we attempted to work out. One is the fact that to the best of my ability I could not find where the committee had ever sought the views of the Attorney General or the people in the Antitust Division on the monopoly question.

Had the Conference on Judicial Reorganization's views—I do not know the exact name of the organization—been requested with respect to the appellate jurisdiction reverting back to the local areas. This removes it from what I had always had the impression was created as a body of specialists to deal with that.

I recall our conversation of yesterday in which the gentleman told me he would seek to secure those views. I well realize he has not had an opportunity to do that this soon and I am not asking for that; but I wanted to make that point again if I could.

The second thing the gentleman might have spoken to this earlier, I did not hear his complete remarks; but with respect to the 3-, 4-, or 5-year extension, I gather from the discussion we had in the Committee on Rules, or at least from the statement of the gentleman before the Committee on Rules, this was a question of compromise of from 1 year to perhaps as many as 5; is that correct?

Mr. MACDONALD. Yes, that is correct.

Mr. LONG of Louisiana. Well, am I correct in my understanding with the gentleman that he will secure the views of the Antitrust Division of the Department of Justice relating to monopoly and the appropriate body created by Congress on jurisdiction; the gentleman can secure that much more easily than I.

Mr. MACDONALD. I will be happy to do so.

For further explanation of H.R. 12993, the Broadcast License Renewal bill, which originated in the Subcommittee on Communciations and Power, on which I serve as chairman. It was reported out of the subcommittee unanimously, bearing the names of all nine members plus Mr. BROYHILL of North Carolina, a member of the full Interstate and Foreign Commerce Committee and formerly ranking minority member on our subcommittee. H.R. 12993 was also reported out of the full Commerce Committee unanimously.

The aim of this bill is to put some reality into the form of FCC requirements for licensees of television and radio stations, and to promote stability within the broadcasting industry.

The bill directs the Federal Communications Commission to establish procedures for licensees to ascertain the needs, views and interests of their communities, and to demonstrate—on a continuing basis—that they are serving those needs. The rules that result from this action will insure that broadcast licensees keep in touch with their audiences, and not simply go through the motions at license renewal time.

Like a number of provisions in this bill, the purpose of this strengthened "ascertainment" procedure is to give the people a greater say in what is broadcast by their local stations. To underscore that principle, the committee has broadened the criteria which a licensee must meet in order to secure renewal of his license: not only must he seek out all views, needs and interests of the area he serves, but he must demonstrate that all of his broadcast operations respond to those needs, views and interests. This obviously includes hiring practices and programing. Minority groups are thus insured of having their voices heard in terms of what goes on the air and of who is responsible for putting it on the air

Should a station prove recalcitrant in meeting with citizens groups who have petitioned them for a redress of their grievances, this bill directs the FCC to prescribe procedures to see to it that the licensees and community groups sit down and discuss their differences.

The ultimate weapon for citizens groups who are dissatisfied with the operations of a broadcaster is the "petition to deny" his license renewal. That weapon is left untouched by this bill.

Your committee listened hard and long to every witness that wanted to be heard, over 126 in all, during 17 days of hearings. Some held both morning and afternoon.

Broadcasters gain from this legislation, although not nearly as much as do citizens. The license period is extended for 1 year, from 3 to 4, for two reasons: This reduces the burden of paperwork for the 7,000 radio stations in the country, many of which are very small operations, and the extension gives the FCC an opportunity to study license renewal applications somewhat more thoroughly.

More important to clarifying the law as it applies to broadcasters, is the provision of this bill which prohibits the FCC from considering, at license renewal time, whether a station is owned by a newspaper or whether its owner has other broadcast licenses, unless the FCC makes a rule prohibiting such ownership. This does not freeze in perpetuity the current owners of newspapers and broadcast licenses; what it does is direct the FCC, within 6 months after the enactment of this bill, to complete its docket on cross-ownership, and make a policy that will apply across the board.

With this provision of this bill on the books, there will be no possiblity of restructuring the broadcast industry on a case-by-case basis. There should be no more reckless license challenges based on the complicated case of station WHDH in Boston, which resulted in the transfer of that license and the subsequent loss of a newspaper in that city. There should be no more challenges based on political grounds, such as the groups that are seeking to take away the licenses of two stations in Florida merely because they happen to be owned by a newspaper that is politically unpalatable to the challengers.

Finally, there is a provision in this bill which enables parties wishing to appeal FCC decisions in broadcasting to appeal them in the district court where the station is located, instead of the District Court of the District of Columbia. The District of Columbia court is the most crowded in the Nation, and the committee believes that hearing cases in other parts of the country will enable petitioners to have their cases judged on a more reasonable time schedule by people who do not have to travel to Washington.

This bill is a far cry from the bill that was originally considered by your committee. This bill leaves the door open to legitimate challengers for the license of stations that are not serving their communities. It does not extend the license period to 5 years, which was desired by the industry. It does not leave the criteria for renewing a broadcast license so murky that it becomes a matter of judgment by whatever FCC Commissioners happen to be appointed by the President.

The bill does give the people a greater say in what they see on television and hear on radio, and it does give the broadcaster stability so that he can plan and produce programing to meet the needs of the people. I urge you to adopt it.

Mr. MURPHY of New York. Mr. Chairman, I rise in strong support of H.R. 12993, a bill which was reported out of our subcommittee, the Subcommittee on Communications and Power, of the House Committee on Interstate and Foreign Commerce. This bill, if enacted, will enhance the operation, regulation and responsiveness of the broadcasting industry in America. Our subcommittee worked long and hard to report out this bill, to place the finishing touches on this vital piece of legislation, as exemplified by our detailed study of the testimony of over 60 witnesses. It is my deep conviction that the final product represents a process of responsible, rational and intelligent markup on the part of the House Commerce Committee. This bill received the unanimous endorsement of every member of the subcommittee and the full committee as well.

One of the most important factors affecting the cohesion and quality of our body politic is the communications sector. The broadcasting industry serves as a necessary cement for a well-informed and effective citizenry. In an era of increasing national and international interdependence, with rapid information flow and split-second decisionmaking, the American people have a right to expect the Government to place this sector within its highest priority purview and to see that it remains a viable, stable and well-serving mechanism. The Subcommittee on Communications and Power of the House Committee on Interstate and Foreign Commerce has been entrusted with much of the legislative responsibility in this area. This bill symbolizes its continual effort to serve our people well.

This bill aims to add stability, order and effectiveness to this industry. It embraces greater incentives for perfomance in the industry than presently exist. The procedures to be employed by the Federal Communications Commission in the exercise of its supervisory role will be better defined as a result of this bill. They will also be more substantial in content. A better definition of what standards the industry must meet will give the broadcasters themselves an increased ability to perform well. The result will be better regulation; improved performance; and a stronger broadcasting industry. The public needs this bill. The industry needs this legislation. The Government needs it. I urge all Members of the Congress to vote for it.

Under this bill, a license will be granted only if the licensee has followed the established procedures for performance. These procedures will be rooted in the desire on the part of the authorities that they encourage the meeting of local needs. Community service lies at the heart of the standards to be followed. This many-pronged approach to the structure of the broadcasting industry is a constant theme running through this bill. It establishes the proper balance between the needs of the various parties involved. Its ends are worthy and the means for meeting them sound. Let me again pledge my entire support to this broadcast license renewal bill.

Mr. JARMAN. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Oklahoma.

Mr. JARMAN. Mr. Chairman, I rise in support of H.R. 12993, which would improve the performance of broadcast licensees by: First, increasing their responsiveness to their service areas; and second, promoting stability within the broadcasting industry. Our committee has given careful consideration to this bill and reported the bill to the House by a unanimous vote. I urge the passage of H.R. 12993.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, I will be very brief. My concern about this bill deals mainly with our broadcasters out in rural America where many of us depend on them for information dealing with school closings in the event of bad weather. We deal with them constantly every day.

The investment required for those stations is very high, as compared to the dollar income involved. There is a need for assurance of continuity of their investment so that they may plan to serve the district better on a long-term basis.

In the provisions of this bill, if there is a violation of what we expect from them, they can be denied a license.

Next to that is a provision that will give them a chance in the event of being aggrieved and in the event of being denied a license, an appeal can be taken close to home, rather than coming way into Washington, which is very expensive.

I join with the statements that were earlier made by the gentleman from Ohio (Mr. LATTA) about some displeasure with some of the national networks about reporting the news and some of the facts that go out. The committee had some difficulty with CBS years ago. It might be that some review of such complaints is in order; but this bill, I think, is a good bill. I hope the House will pass it.

I think there will be an amendment for a 5-year extension, which I support and would support by an amendment on the floor.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL of North Carolina. Mr. Chairman, I support enactment of H.R. 12993, the broadcast license renewal bill. As an original sponsor of similar legislation and as a member of the Interstate and Foreign Commerce Committee, which has worked hard to produce this necessary legislation, I believe it is time for the Congress to inject procedural and economic stability into a market that the courts have rendered increasingly uncertain and to retain and promote fairness for the consumer, the broadcast industry, and the new station applicants.

My colleagues are undoubtedly aware that recent changing FCC guidelines and shifting court decisions have seriously clouded over the entire issue of broadcast license renewal. The only way out of this uncertainty is for the Congress to take the steps provided in this bill which are designed to bring into focus the procedures and issues of broadcast license renewal. The public interest requires a more orderly procedure for consideration of license renewal applications. Further, a clarification of renewal proceedings is necessary to insure continuity of service by the broadcaster to the listening public.

H.R. 12993 provides the means for meeting both of these criteria. First, section 3 requires the Federal Communications Commission to issue and adhere to rules establishing time limits for filing petitions to deny applications for broadcast licenses. Additionally, section 4 requires the FCC to prescribe procedures to encourage broadcast licensees and persons raising significant issues regarding the operations of the licensee's broadcast station to conduct good faith negotiations to resolve such issues. Second, the bill provides that in renewal determinations, the FCC must consider whether the licensee has followed the prescribed ascertainment procedures during the preceding license period, and whether the licensee's broadcast operations during that period have been substantially responsive to the ascertained needs, views, and interests of the community.

The broadcast industry is a unique product of both our free enterprise system and our constitutional tradition of a free and unfettered press. It offers a wide range of programing formats, entertainment, news, and news analysis. The broadcast system, under the Communications Act and the regulations and policies of the FCC, has shown remarkable growth as a responsible public trustee. By relieving the broadcast industry of archaic laws and muddled rules that hamper the rational operation of radio and television stations, we will be continuing our role in promoting a free and responsible broadcast media for the listening public.

Mr. BAUMAN. Mr. Chairman, the bill before us is, as are many such measures, a compromise. There are those in the House who would exercise greater control over the broadcast industry, piling on more and more reporting and "service in the public interest" requirements. And there are many who believe that we have already burdened broadcast licensees with too many such requirements, and that the heavy regulation to which stations are already subjected could, if pushed much further, amount to Government influence or even control over program content.

I am among the Members who fall into the latter category, and several of the provisions in this bill are of considerable concern to me, although I do intend to support the bill's passage. The most important of these is the section pertaining to "ascertainment," a Federal policy requiring stations to "ascertain throughout the terms of their license the needs, views, and interests of the residents of their service area for the purposes of their broadcast operations," according to the committee report.

Section 2 of the bill requires the Federal Communications Commission to spell out the exact procedures to be used in this ascertainment process, and leaves the FCC considerable latitude in deciding whether a station has done a good job of "ascertaining" or not.

The ascertainment provisions is an attempt to deal with the problem of contested license renewals which have multiplied rapidly in the past few years. Since the earliest days of Federal regulation of broadcasting, licensed stations have been required to operate in the public interest, convenience and necessity. The question which arises in cases where a broadcast license renewal is contested by a group competing for the license is which group can better serve the public interest? By writing the ascertainment language into law, this bill attempts to establish a set of standards by which "service in the public interest" can be judged, and that is not necessarily bad. The Commission must have some method of determining a station's performance with regard to its statutory responsibility.

But I am worried that this bill, as written, leaves the door open for the FCC to utilize quantitative programing rules. The FCC has already considered proposals that it set requirements stating that various types of programing must be given certain percentage of air time, a proposal which I regard as very serious and quite objectionable. I believe this bill ought to provide that the FCC is expressly prohibited from making such percentage programing requirements. Such direct control over programing on the part of the Federal Government must not be allowed to occur.

In addition, I am afraid that the provisions allowing the FCC to evaluate a station's responsiveness to community "views" could lead to influence over a station's format, programing or scheduling. I realize that the bill's authors have said they do not intend that this language should give the FCC any authority over programing, but I also know that there are many shades of gray where interpretation of language as general as the section in question is concerned. Federal regulatory agencies seem to have a common tendency to interpret such language in a way which gives them a maximum amount of authority, and I think we run that risk here.

The committee states that ascertainment is designed to "promote the responsiveness of broadcast licensees consistent with the guidelines set out herein without imposing needless economic burdens on licensees." With all due respect, I fear that this bill imposes considerable economic burdens needlessly, just as the FCC has already done, and these burdens will fall especially hard on smaller stations.

The bill requires the FCC to "establish procedures" to ascertain the needs, views and interests of the residents in their service areas, a requirement which must necessarily involve a good deal of staff time which smaller stations are often unable to provide. This section actually gives a congressional blessing to regulations issued by the FCC last fall, and which took effect on the first of this year, requiring that television licensees place on public file a list of "significant problems and needs of the area served by their stations" during the preceding year, and a description of programs the station has broadcast, exclusive of newscasts, on those problems and needs. For a small station with limited staff and production capabilities, this requirement can be a heavy burden indeed.

Another section places what I believe to be an unreasonable burden on broadcasters. It requires stations to engage in "good faith negotiations" with any "persons raising significant issues regarding the operations of such stations," in order to "resolve such issues."

Placing stations at the beck and call of anyone wishing to complain about their programing will undoubtedly lead to a year-round version of the conflicts which now occur principally at renewal time, and absorb enormous amounts of staff time and energy in order to respond. Surely there must be a saner way of assessing a station's performance in "serving the public interest" than subjecting them to a trial by forced negotiation with anyone who wants to complain! Franky, any station must meet the public needs to survive economically, and most of them do so very well.

Expanding the license term to 4 years is fully justified, in my opinion. In fact, I will support an amendment to be offered by the gentleman from North Carolina (Mr. BROYHILL) to make the term 5 years. Broadcasting, especially in the age of television, has become a very big industry economically, and the 3-year license term, which has been in effect since passage of the Communications Act in 1934, does not allow for the sort of long-range planning and investment necessary for efficient operational management of broadcasting stations in this day and age.

Finally, I am encouraged by the apparent recognition by the committee that there must be latitude in the law to allow a reduction in the burden which regulations place upon smaller stations. I hope that the Commission will take this into consideration in the future. I have been greatly impressed by the excellent service rendered by the many stations in my district, and most of this good work has resulted in spite of governmental interference, not because of it.

Mr. FRENZEL. Mr. Chairman, I am pleased that the committee in H.R. 12993, has extended the broadcast license term from 3 years to 4 years. In my judgment, a 5-year term would have been more appropriate, and I shall support the amendment to increase it by 1 more year.

The negotiation procedure established in section 4 of the act is controversial. Nevertheless, I believe that with the definition of "good faith negotiations" which appears on page 21 of the committee report, the section would not unreasonably encumber broadcasters or interested parties within the broadcast service area who have a legitimate criticism or question. Since it is not the committee's intention to establish a cumbersome and expensive system, I hope the Federal Communications Commission understands this intention and protects it in its establishment of regulations.

On balance, H.R. 12993 is a good bill which I will support. If the license term can be extended to 5 years, I would support it even more enthusiastically.

Mr. SHRIVER. Mr. Chairman, it is vital that Congress act to clarify the relicensing procedure for broadcasters used by the Federal Communications Commission. It has been 47 years since the 3-year license term was adopted. The provision in H.R. 12993, which extends the license period to 4 years is long overdue, but it does not go far enough.

I am a cosponsor of a bill which would have extended the license period to 5 years. I feel that extending this period to 5 years, rather than 4 years, would be in the public interest. The additional time provided would allow broadcasters to do a better job of program planning, staffing and providing the expensive equipment necessary to operate a broadcast facility. This stability of operation that a longer term would give broadcasters would greatly benefit the community as a whole.

The present requirement that broadcasters reapply every 3 years does involve many costs and inconveniences including the retention of outside legal assistance. The frequency of the application process does in many cases actually interfere with the broadcasters' ability to serve the public, thereby imposing an unnecessary social cost as well.

Present law provides for continuing oversight of broadcast licensees by the FCC during the entire license period. In addition, this bill provides additional safeguards that broadcast licensees will serve the public interest during the license period.

Mr. Chairman, I commend the committee for its work on this legislation and for moving it to the floor for action at this time. While I have outlined my reservations concerning the bill, it is important that any broadcast license renewal procedure should encourage continuity of broadcast service when that service has substantially met the needs and interests of the community.

In Kansas we are fortunate to have broadcasters who sincerely carry out their responsibilities of public service in their communities, and generally have an outstanding record of fulfilling their obligations.

Mr. BROYHILL of North Carolina. Mr. Chairman, Congressman PAUL FINDLEY is out of the country on official business this week, and therefore will not be able to vote on the Broadcast License Renewal Act. He has, however, a strong interest in and commitment to this bill, and the amendment which I have offered to it. He has outlined his views in a letter to me, which I would like to insert in the CONGRESSIONAL RECORD at this point:

APRIL 29, 1974.

Hon. JAMES T. BROYHILL,
House of Representatives,
Washington, D.C.

DEAR JIM: A matter of considerable humanitarian magnitude will prevent me from being present when the House takes up the Broadcast License Renewal Act. I would like, however, to go on record in support of the bill, and one of the amendments to be offered to it.

The Interstate and Foreign Commerce Committee is to be congratulated for its hard work on the Broadcast License Renewal Act. The Act serves a much needed purpose, and shows considerable understanding of the problems facing the nation's radio and television broadcasters as well as the Federal Communications Commission.

The increased stability in the broadcast industry which would be provided by the bill is complemented by procedures designed to insure the increased responsiveness of broadcast owners to the needs of the areas they serve.

I am impressed by the provisions for handling the controversial question of cross-ownership, for there is a definite need for fair and equitable resolution of this problem.

The introduction of the "good faith negotiating" provisions should ensure not only that disruptive confrontations are avoided where possible at renewal time, but that when controversies arise critics and licensees can work out their differences swiftly and in a manner beneficial to the community.

The matter that is of the greatest interest to me, though, is the amendment you are offering to extend the term for broadcast licenses to five years. It is a mark of your amendment's merit that the National Association of Broadcasters, the Office of Telecommunications Policy and the Federal Communications Commission have all endorsed the concept of a five-year license.

I myself view it, taken along with the other provisions of the bill itself, as one of the most important contributions to the well-being of the broadcast industry since the inception of the FCC in 1934. It will give the owners an opportunity to serve their local communities with increased excellence, as well as allow the FCC more time to carefully weigh the merits of each renewal application.

It is just these reasons which have led me to sponsor similar legislation in past years. I am delighted that at long last this much-needed reform is about to be made, and I commend you for your leadership to bring it about.

Sincerely yours,

PAUL FINDLEY,
Representatives in Congress.

Mrs. HOLT. Mr. Chairman, I rise in support of H.R. 12993, the Broadcast Renewal License Act, which has finally reached the floor after too long a delay. Perhaps now, the inconsistencies and uncertainties of licensing procedures will be replaced by uniform Federal safeguards and guidelines.

This legislation is a carefully balanced measure, guaranteeing stability in the industry on one hand, and more responsive service to the public on the other. The Federal Communications Commission's licensing authority will have as its sole criterion, service to the public. Clay Whitehead, Director of the Office of Telecommunications Policy has said:

> We think the only thing that ought to be considered at renewal time is whether the station is putting out the kind of programming the public wants.

The broad powers which the FCC has exercised to date in renewal licensing have been misused in the prosecution of antitrust violations, equal opportunity disputes, and taxation difficulties. Through the redrawing of these powers, the emphasis will now be on the licensee who must ascertain, on a continuing basis, the needs, views, and interests of the people living in the area served by his station.

The Broyhill amendment would extend the renewal term to 5 years; this will result in reducing the number of renewals coming up each year, and should expedite the FCC's handling of the procedures. I am very pleased to support this amendment, drawn from legislation which I cosponsored last year, which my colleague from North Carolina (Mr. BROYHILL) has introduced this afternoon. In my opinion, the determination to move licensing decisions from the District Circuit Court of Appeals to the Circuit Court of Appeals closest to each broadcaster will also serve to expedite final licensing decisions.

Although this legislation does not resolve every issue, relating to licensing, it is certainly a forward step toward more responsive service to the public interest.

Mr. Chairman, I urge my colleagues to join me in the speedy passage of this significant legislation.

Mr. BROOMFIELD. Mr. Chairman, I rise today in support of H.R. 12993 to amend the Federal Communications Act of 1934. As a cosponsor of this legislation, I am pleased to see it reach the floor, and I urge my colleagues to vote its passage.

Enactment of this bill will establish by law procedures for the consideration of applications for renewal of broadcast licenses. It would also extend from three to four years the term for which broadcast licenses are granted.

Mr. Chairman, these provisions are vital not only to the broadcasting industry, but to the public as well. In order to better serve the public, broadcasters must make long-range plans and substantial investments of both time and money. To make these plans and investments, broadcasters must have some degree of assurance that they will be allowed to remain in operation. Under the present system, a licensee is granted only a 3-year license period, and further, must assume the burden of proof if his license is challenged by another group. This situation could have the disastrous effect of driving responsible broadcasters from the industry.

Three years is not a long time for a station to accomplish goals such as community involvement and improvement of service to the public. A 4-year license would provide a much better basis for judging a broadcaster's performance in these areas. In fact, the 5-year program proposed by the gentleman from North Carolina (Mr. BROYHILL) would be even more acceptable.

It is important to note that this legislation will not make it easy for an irresponsible broadcaster to remain in business. They will still be subject to challenge. But at least it will give the licensees the opportunity to stand on their previous record of service.

The broadcast license renewal procedure should encourage continuity of service as long as that service has met the interests and needs of the area being served. The bill being considered today will reestablish this procedure and return a certain degree of stability to the broadcast industry; stability that is essential to enable the industry to better serve the public.

Mr. DORN, Mr. Chairman, the Broadcast License Renewal Act now before us is in the interest of broadcast freedom and stability. It will encourage continued excellence in broadcasting and will clearly establish the standards for license renewal. This has my complete support, Mr. Chairman, and I urge the House to approve this landmark bill by overwhelming vote. We further urge approval of the 5-year license amendment.

Mr. Chairman, there is no group or profession more dedicated to the public interest than our broadcasters. Their vital role in keeping our people informed is one of the cornerstones of our democracy. Our broadcasters are entitled to have the Congress of the United States clearly indicate what is expected of them at license renewal time. Our stations deserve the right to run on their record at renewal time. With this bill the Congress can make it clear that a station which has met its obligation to serve the public interest will have its license renewed. This will provide some assurance so that a station can engage in long range planning as to how best to meet the public interest. It would be extremely difficult for any business to make necessary investment and planning decisions when its very existence was threatened every 3 years by the reckless claims of irresponsible outsiders. But under this bill, where the station has performed its duty to broadcast in the public interest, it can proceed with assurance.

This will be in the interest of freedom of expression and excellence in broadcasting. To insure an added measure of stability, Mr. Speaker, we would recommend a 5-year license term. This amendment would allow broadcasters to become even more responsive to their public by making possible more long-range planning and investment.

Mr. Chairman, it is interesting to note that the House considers this license renewal bill on May 1, a day that in some countries is devoted to glorification of the all-powerful State. Our bill, in contrast, is in the democratic tradition of free speech and due process of the law. This bill will help to insure the continued strength of an independent broadcasting industry free from Government control.

Ms. ABZUG. Mr. Chairman, I rise in opposition to H.R. 12993, the Broadcast License Renewal Act, particularly in light of the adoption of the Broyhill amendment.

When the Federal Communications Act of 1934 became law and even before that with the work and policy of the Federal Radio Commission, it has been established policy that the airwaves belong to the people and not to the licensees who operate the broadcasting stations for private or selfish interests and profits. This sound policy will be gone with the adoption of this bill. Passage of this measure will guarantee to current license holders their continued profits with little or no chance of ever losing their license.

This will be accomplished through many of the separate features of this bill.

I am not sure that extending the length of time between renewals from 3 years to 4 years was not too long a period. But certainly the extension of the time to 5 years, as the Broyhill amendment demands, violates the spirit and intent of the Communications Act. It is my belief that 5 years between renewals will make the broadcaster less likely to respond to the needs of the community. By increasing the length of time between renewals competition will be lessened.

The issue of increased competition, a free marketplace and the value of those factors to producing a better quality product is also critical in the provisions of section 2(B) of H.R. 12993.

By specifically prohibiting the Commission from considering the issue of cross-ownership and integration of ownership and management in its renewal and license granting applications the bill will allow the continuing control of mass communications to be lodged in the hands of a very few individuals and corporations. I believe that a fundamental right—the public's right to know, to have information—is severly threatened when the same company owns, in the same town or market, one or more newspapers, the local TV station and maybe even a radio station or two. To try, as this bill orders, to establish a single policy for the whole country is a way of eliminating consideration of the deleterious effect of cross ownership totally. There is also a secondary consideration of the jurisdictional problem of limiting antitrust action in a bill from a committee other than the Judiciary Committee.

There are other items in the bill that I oppose.

The Court of Appeals for the District of Columbia has developed a highly respected expertise in the complicated field of communications law. By allowing the decisions and orders of the FCC to be appealed to the court of appeals for the circuit in which the broadcast station is located will result in precisely what the committee objected to in the cross-ownership provision—"haphazard, subjective and ofttimes inconsistent manner" of decisionmaking. By allowing the local circuit to make decisions about license renewal and granting for locally powerful and influential broadcast stations we run the risk of undue influence in the decisionmaking process.

I also oppose the provision that sets a time limit on filing petitions to deny without a concommitant time limit on the FCC to make decisions about them. There are currently pending petitions to deny from California that have been sitting in the Commission's office for 3 years. The license renewal is coming up again for those stations and the last go-round has not yet been settled. This is also important when you realize that before a petitioner can proceed to court all administrative remedies must have been exhausted.

Mr. Chairman, there is a fundamental question raging in the broadcast industry and among those who are interested in mass communication: who controls broadcasting and communication. The industry can be characterized as totally controlled by a white, male establishment. This lack of diversity, this lack of representation of all segments of the society, in a basic and critical industry of America threatens the ability of America to maintain an informed citizenry. There have been many attempts made by citizen groups and other interested parties to open the communications industry to those elements in the society that have been excluded from the broadcast industry. These attempts will prove more difficult and have less likelihood of success because of this bill.

Mr. Chairman, I know that many Members will find it difficult to vote "No" on this bill in an election year. The influence and power of the communications industry is that strong. But it is for precisely those reasons that I oppose this bill and urge its rejection.

Mr. CLEVELAND. Mr. Chairman, I rise in support of H.R. 12993 as a measure to provide a more orderly and equitable procedure for broadcast license renewal. I cosponsored the Rooney-Broyhill bill and many predecessor measures over a period of years.

This bill goes far toward protecting the ability of broadcasters to do their job of serving the public free of harassment. I regret that the committee has provided only a 4-year period, however. While I am prepared to accept the bill, as written, I will strongly support the amendment by the gentleman from North Carolina (Mr. BROYHILL) or any other Member to set a 5-year period.

The 5-year period is not excessive, in my view, given the burden imposed by the bill, namely that broadcasters must make a showing of legal, financial, and technical qualifications, compliance with the law and the regulations of the Federal Communications Commission, and of a record of service in terms of the needs of the area served.

On a somewhat different level, I also feel it incumbent on the Congress to take this action in view of the continuing need for assurance that administrative procedures are carried out according to the real intent of Congress. This is particularly true when the courts intervene.

My only regret is that it has taken so long to produce this legislation. It was somehing like a year ago that I supported this approach before the committee. And in concluding, I should like to recall just one item from that testimony:

> The requirements (in the legislation) would serve to protect both the public interest and the applicant against harassment, expense and uncertainty arising when he must pit performance against promises of the axe-grinders, angleshooters, or fly-by-night fast guns who might be tempted to challenge endlessly a renewal at a time of momentary controversy.

I recognize that the 4-year extension provision represents something of a compromise. Nevertheless, I urge the support of my colleagues for a 5-year extension and for the basic bill, regardless of the fate of any amendment to that effect.

Mr. FREY. Mr. Chairman, passage of the License Renewal Act, H.R. 12993, is essential, I feel, to stimulate better licensee performance, clarify renewal standards, simplify FCC procedures, and lend stability to the broadcast industry.

First, the bill specifies upon what criteria a licensee will be judged in the renewal process. The FCC is required to establish improved continuing ascertainment procedures by which each broadcaster must identify the needs, views, and interests of his local service area. Under this bill, the licensee is renewed only if he follows these procedures, and only if his broadcast operations have been substantially responsive to the locally ascertained needs, views, and interests.

In fact, the committee noted explicitly in its report on the legislation that the FCC should prescribe different ascertainment procedures for different classes of licenses. Furthermore, we have called on the Commission to simplify renewal forms and licensing procedures. The committee intends that the FCC, in judging station performance, recognize that economic limits, station profitability, technical restraints, talent availability, and so forth may limit the degree to which broadcast operations can be responsive to ascertained needs, views, and interests.

The Commission is also required to undertake a general rulemaking on the issues of media cross-ownership and station-management integration before applying them as determinants in comparative renewal judgments. In this way, not a case-by-case basis, if reforms in media ownership and structure are found to be in the public interest, they can be formulated fairly, and applied uniformly to all stations. And, FCC actions on this question ought to be based, in part, on the findings of FCC Docket 18110, an ongoing study of the effects of media cross-ownership. That is why H.R. 12993 calls for the FCC to complete the study, now in its 6th year, within 6 months.

In the past, certain court decisions, interest-group activism and FCC inconsistencies have made the renewal process a morass, and an undue economic burden on many broadcasters, especially the smaller ones. The bill not only clarifies renewal standards and gives broadcasters more incentives to perform for their locales, but helps relieve economic hardships faced by the smaller-market broadcasters.

Currently, licensees must undergo the legalities involved in renewing their license every 3 years. Under our bill, they would have to file for renewal every 4 years. More time can now be devoted to better program planning and production for audiences, and less needs to be spent on administrative burdens.

In addition, the License Renewal Act mandates the FCC to determine how its regulatory scheme can better account for the differences between media, between commercial and noncommercial stations, and between those operating in large and small markets. For example, all of the same rules and regulations that apply to a large television station certainly need not apply to a small radio station. This area of regulation is just one instance in which the public interest can be better served by relevant deregulation and more applicable reregulation.

H.R. 12993 also provides for a more efficient adjudication of appeals from the FCC. The D.C. Court of Appeals—to which appeals relevant to many FCC decisions now must be taken—has the longest median disposal time in the United States. Under our bill, such FCC decisions or orders would be appealed to the U.S. Court of Appeals for the circuit in which the involved broadcast station is located. This is intended to make appeals more convenient and more economical since the parties involved usually reside in the locale served by the broadcaster.

Finally, the legislation directs the FCC to set up guidelines to promote good faith negotiations between broadcasters and critics in each service area. This provision is designed to encourage dialogue between licensees and complainants, and informally resolve issues of dispute. It is our hope that such discussions can alleviate the expensive, time-consuming filing of petitions-to-deny where they are unnecessary. Hopefully, more broadcaster-complainant communication guided by FCC procedures can settle disputes that have too often been marked with disorder and confrontation. Neither party would be forced to make concessions in these discussions, but simply would be encouraged to confer before taking other more formal, involved steps.

In summary, I feel that this bill is an extremely well conceived compromise, due in large part to the leadership and creativity of our subcommittee chairman, TORBERT H. MACDONALD, and the ranking minority member, CLARENCE J. BROWN. The subcommittee unanimously approved it. I urge the Congress to give H.R. 12993 similar support.

Mr. HOGAN. Mr. Chairman, I rise in support of the Broadcasting License Renewal Act, H.R. 12933. First of all, I want to congratulate the members of the committee and subcommittee who have drafted this comprehensive legislation. Since I was elected to the House in 1968, attempts have been made to write an acceptable bill for license renewal, and I applaud the committee and subcommittee for succeeding in this endeavor.

This bill as amended contains three major improvements over the license renewal procedure as it now exists.

First of all, the bill would extend the

period of renewing licenses an additional 2 years to now require that stations renew their licenses every 5 years rather than every 3 years. This provision will reduce the burden of paperwork for the radio stations in this country, many of which are small stations, and will permit the Federal Communications Commission to have additional time to study license renewal applications more thoroughly.

Second, the committee has broadened the criteria which a licensee must meet in order to secure renewal of his license. A station must not only seek out all views, needs, and interests of the area it serves, but must now demonstrate that all of those needs, views, and interests have been responded to in his broadcast operations. This provision will stimulate each broadcaster to remain constantly aware and accountable to his listeners' opinions. Finally, I am supportive of the provision in the bill which will enable parties to appeal FCC decisions in broadcasting to appeal them in the district court where the station is located, instead of the U.S. District Court of the District of Columbia. Not every station is as close in proximity as the ones in my district to the Washington area. This will reduce considerably the expense of smaller stations who might have to travel to and from the District of Columbia court to appeal rulings.

My only reservation with the bill as reported from the committee is the absence of stronger language indicating to the FCC that preferential treatment should be given to stations seeking renewals versus stations competing for a license for the first time. In the 92d Congress I introduced legislation which stated that:

> Notwithstanding any other provision of the Communications Act of 1934, the Commission, in acting upon any application for renewal of license filed under section 308, may not consider the application of any other person for the facilities for which renewal is sought. If the Commission finds that the public interest, convenience, and necessity would be served thereby, it shall grant the renewal application. If the Commission determines after hearing that a grant of the application of a renewal applicant would not be in the public interest, convenience, and necessity, it may deny such application, and applications for construction permits by other parties may then be accepted, pursuant to section 308, for the broadcast service previously licensed to the renewal applicant whose renewal was denied.

Under the current system of holding "Comparative Hearings," stations seeking renewal are not only subject to proving to the FCC that they have responded to the needs, views and interests of the community they serve, but they must defend themselves against competing applicants for the license. I feel that preference should be given to those with a record of public service over those whose applications that would have to be judged only on their promises.

The committee report, however, does implicitly recommend to the FCC to give preference to those who are seeking renewal of their licenses. I hope that the Commission will put particular emphasis on this preferential treatment if this legislation is successfully adopted.

Mr. CULVER. Mr. Chairman, I would like to take this opportunity to comment on H.R. 12993, the broadcast license renewal bill, which increases the term of broadcast licenses from 3 to 4 years.

As all of us know, more Americans than ever before now depend on broadcasting as their primary source of entertainment, information, service, and news.

Those of us in public life—whether we be public servants, educators, or business and community leaders—know we can reach the public quickly and directly through the airwaves.

The bill we consider will make it easier for the Nation's broadcasters to fulfill high standards of professionalism and community service. The bill, as the Interstate and Foreign Commerce Committee points out, can serve to improve the performance of the Nation's radio and television stations by underscoring procedures reflecting community responsiveness.

In my judgment this bill strikes a good balance between public interest objectives and the values of a stable yet responsive broadcasting industry. In my own State of Iowa we have had such a tradition of community orientation, and our cities, towns, and farms have been well served by radio and television. There has not been a breach between public expectations and station performance. There has not been stagnation or inertia among broadcasters.

This bill gives assurance that our broadcasters across the land will recognize their essential obligations in our democracy and continue to seek even greater levels of accomplishment and diversity of service.

Mr. MATSUNAGA. Mr. Chairman, I am pleased to voice my support for H.R. 12993, a bill which would update and improve the present system of broadcast license renewal.

Over a period of 6 months in 1973, the distinguished Subcommittee on Communications and Power, chaired by the able gentleman from Massachusetts (Mr. MACDONALD), held 17 days of hearings on this subject, which touches every American in his or her daily life.

Perhaps it would be better if the Federal Government were not involved in the regulation of broadcasting, either radio or television. But the simple fact is that there are a relatively small number of broadcast frequencies available. If two or more persons want to occupy the same frequency, there must be some scheme for deciding which person will be permitted to broadcast, and under what conditions. The basic legislation in this area is the Communications Act of 1934, which has served the country well for many years. There is no doubt in my mind that one of the principle strengths of America is the vigor and richness of our broadcast media. News, sports, entertainment of every description, for every taste, are available at the flick of a dial.

In order to accomplish the principle goal of the Communications Act, that is, that the public interest, convenience, and necessity be served by the Nation's broadcasters, some amendments of the act are in order. H.R. 12993, in my judgment, represents a skillful balancing between safeguarding the public interest and assuring reasonable continuity to private broadcasters, who must commit hundreds of thousands, if not millions, of dollars, with no guaranty of relicensing beyond the life of their license term.

This balancing is particularly necessary in view of what has become known as the WHDH case, in which a television license was awarded to a competitive applicant instead of the holder of the expiring license, and in which a number of procedural questions about renewal criteria and decisionmaking processes were raised.

The bill as reported makes a number of improvements over existing law:

It extends from 3 years to 4 the maximum period of broadcast licenses. Many broadcasters, and Members of Congress, had suggested 5-year terms. Many public interest groups advocated retaining the present length.

It requires setting of standards for broadcast stations to find out the needs and interests of the area being served. Perhaps the most controversial aspect of this entire matter involves the recent high number of complaints that some licensees were not responsive to some elements of their service populations, particularly minority groups. This "ascertainment" requirement will help all parties toward a more equitable settlement of this sensitive issue.

It specifies that, in a renewal proceeding, the FCC must consider the quality of service actually given by the licensee over the term of the license. Where service has been good, the bill provides that the license renewal ought to be granted. It seems most unreasonable that, where one applicant has a record of experience, that that record not be considered a significant factor in whether or not to renew his license.

Mr. Chairman, this is a good piece of legislation, and I commend the gentleman from Masachusetts (Mr. MACDONALD), the gentleman from West Virginia (Mr. STAGGERS), and the other members of the Commerce Committee, for their fruitful efforts in this difficult area.

I urge the House to approve H.R. 12993.

Mr. BROWN of Ohio. Mr. Chairman, I have no further requests for time.

Mr. MACDONALD. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Broadcast License Renewal Act".

ASCERTAINMENT; LICENSE RENEWAL PERIOD AND PROCEDURES

SEC. 2. (a) Section 309 of such Act is amended by adding at the end thereof the following new subsection:

"(i) The Commission shall by rule establish procedures to be followed by licensees of broadcasting stations to ascertain throughout the terms of their licenses the needs, views, and interests of the residents of their service areas for purposes of their broadcast operations. Such rules may prescribe different procedures for different categories of broadcasting stations."

(b) Section 307(d) of the Communications Act of 1934 is amended to read as follows:

"(d)(1) The term of any license, or the renewal thereof, granted under subsection (a) for operation of a broadcasting station may not exceed four years, and the term of any license, or the renewal thereof, for any other class of station may not exceed five years.

"(2) (A) Any license granted under subsection (a) may upon its expiration be renewed, in accordance with section 309, if the Commission finds that the public interest, convenience, and necessity would be served by the renewal of such license. In determining if the public interest, convenience, and necessity would be served by the renewal of a broadcast license, the Commission shall consider (i) whether the licensee, during the preceding term of its license, followed applicable procedures prescribed by the Commission under section 309(i) for the ascertainment of the needs, views, and interests of the residents of its service area for purposes of its broadcast operations, and (ii) whether the licensee has engaged in broadcast operations during the term of the license which were substantially responsive to those needs, views, and interests.

"(B) In considering any application for renewal of a broadcast license granted under subsection (a), the Commission shall not consider—

"(i) the ownership interests or official connections of the applicant in other stations or other communications media or other businesses, or

"(ii) the participation of ownership in the management of the station for which such application has been filed,

unless the Commission has adopted rules prohibiting such ownership interests or activities or prescribing management structures, as the case may be, and given the renewal applicant a reasonable opportunity to conform with such rules.

"(3) Consistently with the foregoing provisions of this subsection, the Commission may by rule prescribe the period or periods for which licenses shall be granted and renewed for particular classes of stations, but the Commission may not adopt or follow any rule which would preclude it, in any case involving a station of a particular class, from granting or renewing a license for a shorter period than that prescribed for stations of such class if, in its judgment, the public interest, convenience, or necessity would be served by such action.

"(4) In order to expedite action on applications for renewal of broadcasting station licenses and in order to avoid needless expense to applicants for such renewals, the Commission shall not require any such applicant to file any information which previously has been furnished to the Commission or which is not directly material to the considerations that affect the granting or denial of such application, but the Commission may require any new or additional facts it deems necessary to make its findings. Pending any hearing and final decision on such an application and the disposition of any petition for rehearing pursuant to section 405, the Commission shall continue such license in effect.

"(5) Any license granted or renewed for the operation of any class of station may be revoked as provided in section 312."

TIME LIMITATION APPLICABLE TO PETITIONS TO DENY

SEC. 3. (a) The first sentence of section 309(d)(1) is amended to read as follows: "Any party in interest may file with the Commission, within such time periods as may be specified by the rules of the Commission, a petition to deny any application (whether as originally filed or as amended) to which subsection (b) applies."

(b) The first sentence of section 309(d)(2) of such Act is amended by inserting after "pleadings filed" the following: "by the parties within the time periods specified by the rules of the Commission."

NEGOTIATION

SEC. 4. Section 309 of such Act is amended by adding after the subsection added by section 2(a) of this Act the following subsection:

"(j) The Commission shall prescribe procedures to encourage licensees of broadcasting stations and persons raising significant issues regarding the operations of such stations to conduct, during the term of the licenses for such stations, good faith negotiations to resolve such issues."

COURTS OF REVIEW

SEC. 5. Subsection (b) of section 402 of such Act is amended by striking out "to the United States Court of Appeals for the District of Columbia" and inserting in lieu thereof ", as provided in subsection (c),"; and subsection (c) of such section is amended by inserting after "(c)" the following new sentence: "An appeal under subsection (b) from an order or decision of the Commission—

"(1) made on an application (other than one under section 325) involving a broadcast facility and described in paragraphs (1), (2), (3), or (6) of subsection (b), or

"(2) described in paragraph (5) of such subsection modifying or revoking a construction permit or station license of a broadcast facility,

shall be brought in the United States court of appeals for the circuit in which such broadcast facility is, or is proposed to be, located; and appeals under such subsection from any other order or decision of the Commission may be brought in the United States Court of Appeals for the District of Columbia Circuit or the United States court of appeals for the circuit in which the person bringing the appeal resides or has his principal place of business."

STUDIES OF REGULATION OF BROADCASTERS AND OF EFFECT OF CONCENTRATION OF OWNERSHIP

SEC. 6. (a) The Federal Communications Commission shall conduct a study to determine how it might expedite the elimination of those regulations of broadcast licensees required by the Communications Act of 1934 which do not serve the public interest and shall make annual reports of the results of such study (including any recommendations for legislation) to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. The Commission shall include in its first annual report under this section its conclusions with respect to the differences among broadcast licensees on which are or may be based differentiation in their regulation under such Act.

(b) The Federal Communications Commission shall (1) conduct a study of the social, economic, political, or other consequences of the ownership of more than one broadcasting station by one person and the ownership by one person of one or more broadcasting stations and one or more newspapers or other communications media, and (2) submit a report to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives on the results of such study (including any recommendations for legislation). In conducting such study, the Commission shall consider relevant data and other materials of the Departments of Justice, and Health, Education, and Welfare, of the Office of Telecommunications Policy, and of other public and private agencies. Such report shall be so submitted not later than two years after the date of the enactment of this Act.

EFFECTIVE DATE

SEC. 7. (a)(1) Except as provided in paragraph (2), section 6 and the amendments made by sections 2 and 4 of this Act shall take effect on the date of enactment of this Act.

(2) The last sentence of section 307(d)(2)(A) of the Communications Act of 1934 (as added by section 2(b) of this Act) shall apply with respect to applications for renewal of broadcast licenses which are filed after rules prescribed by the Federal Communications Commission under section 309(i) of such Act (as added by section 2(a) of this Act) have become effective.

(b) The Federal Communications Commission shall issue, within the ninety-day period beginning on the date of the enactment of this Act, rules establishing time limits for the filing of petitions to deny under section 309 of the Communications Act of 1934. The amendments made by section 3 shall apply with respect to petitions to deny filed under such section 309 after such rules have become effective.

(c) The amendment made by section 5 shall apply only with respect to appeals under section 402(b) of the Communications Act of 1934 from decisions and orders of the Federal Communications Commission made after the one hundred and eightieth day following the date of enactment of this Act.

Mr. MACDONALD (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 6, strike out lines 12 and 13, and insert in lieu thereof the following: "STUDY OF REGULATION OF BROADCASTERS; ACTION ON FCC DOCKET".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: On page 7, strike out lines 4 through 19, and insert in lieu thereof the following:

(b) The Federal Communications Commission shall, not later than six months after the date of the enactment of this Act, complete all proceedings and take such agency action as it deems appropriate in connection with proposed amendments to the Commission's rules (47 C.F.R. 73.35, 73,-240, 73.636) relating to multiple ownership of standard, FM, and television broadcast stations (Federal Communications Commission Docket Numbered 18110).

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. BROYHILL OF NORTH CAROLINA

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of North Carolina: Page 2, line 12, strike out "four years" and insert in lieu thereof "five years".

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment to H.R. 12993. This amendment would extend for 5 years the term for broadcast licenses, rather than the 4-year term provided for in the bill. The 5-year license renewal period was included in the bill I sponsored earlier in this Congress, H.R. 3854, which was cosponsored by over 200 Members of the House.

The 4-year license renewal term contained in the bill is a compromise between those of us who favored a 5-year term and those who opposed any extension of the present 3-year term. I believe that an extension to 5 years would be in the public interest and would be more consistent with recent congressional objectives of streamlining the Federal bureaucracy and reducing the paperwork burden, both for the Federal Government and for broadcasting stations, most of which are local small businesses.

Additionally, the extra time provided by a 5-year term would allow broadcasters to do a better job of program planning, staffing, and acquiring the expensive equipment necessary to operate a broadcast facility. The continuity of substantial service and the stability of operation provided by my amendment would greatly benefit the community as a whole.

Opponents of this amendment have stated that it would give broadcasters a free rein to operate as they see fit, without regard to the public interest or to regulations established by the Federal Communications Commission. This is not the case. Present law provides for continuing oversight of broadcast licensees by the FCC during the entire license period. The measure also provides additional safeguards that broadcast licensees will serve the public interest during the license period. Therefore, during the license period, if the FCC believes that a station is not properly serving the public interest, it can revoke the license, levy a forfeiture, recommend criminal proceedings, or grant only a short-term renewal for cause.

Further, the bill adds to existing law a new ascertainment section—section 309(i)—which requires licensees to ascertain throughout the terms of the licenses the needs, views and interests of the residents of their service areas. Presently, such determination of community needs is required only immediately prior to license renewal. Section 309(j) of the bill also requires licensees to conduct good faith negotiations during the term of the license to resolve significant issues raised about their operations.

Mr. Chairman, I firmly believe that the language provided in H.R. 12993, coupled with the existing powers of the Federal Communications Commission, provides adequate safeguards that broadcast licensees would not abuse the 5-year term provided by my amendment. Therefore, I urge my colleagues to support this amendment.

At this point in the RECORD, I insert separate views that I included in the committee report:

SEPARATE VIEWS OF CONGRESSMAN JAMES T. BROYHILL

BROADCAST LICENSE RENEWAL ACT

I wish to express my continued support for a five-year term for broadcast licenses, rather than the four-year term provided in this bill. During the Committee's consideration of this measure. I offered an amendment to provide a five-year term, which the Committee rejected. The bill as originally introduced and co-sponsored by more than 200 Members of the House included provision for a five-year license term.

In approving this bill, the Committee has indicated its support for an extension of the present three-year term of broadcast licenses. I feel that extending this period to five years, rather than four years, would be in the public interest. The additional time provided would allow broadcasters to do a better job of program planning, staffing, and providing the expensive equipment necessary to operate a broadcast facility. The stability of operation that the longer-term would give broadcasters would greatly benefit the community as a whole.

Present law provides for continuing oversight of broadcast licenses by the Federal Communications Commission during the entire license period. In addition, this measure provides additional safeguards that broadcast licensees will serve the public interest during the license period. The bill adds to existing law a new ascertainment section (Section 309(i)) which requires licensees to ascertain throughout the terms of their licenses the needs, views, and interests of the residents of their service areas. Presently, such determination of community needs is required only immediately prior to license renewal. In Section 309(i), the bill also requires licensees to conduct good faith negotiations during the term of the license to resolve significant issues raised about their operations.

I feel that this new language, coupled with the existing powers of the Federal Communications Commission, provides adequate safeguards that broadcast licensees would not abuse the five-year term provided by my amendment. I plan to offer my amendment providing the five-year license term when this bill is considered on the floor of the House.

JAMES T. BROYHILL.

Mr. CONTE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia.

This amendment would extend the broadcast license to 5 years. At the present time, it is just 3 years. In the committee bill before the House, the broadcast license period would be extended to 4 years. This would help, but it does not go far enough.

I have long supported this measure. On the first day of the 93d Congress, I introduced a bill, H.R. 408, to extend the license renewal period to 5 years. I had also introduced an identical measure in the 92d Congress.

As the ranking minority member of the Select Committee on Small Business, I have studied very closely the paperwork burdens and the business uncertainties imposed on small businessmen by Federal regulations. I have found that one of the most difficult burdens on small broadcasters is the 3-year licensing period. It is far too short.

The 3-year limitation has imposed a substantial paperwork demand on small broadcasters all too frequently, and it has exposed them to license renewal challenges in intervals that come too often.

The vast majority of broadcasters are small businessmen. In my congressional district, for instance, in the western portion of Massachusetts, there are 18 radio stations. These radio stations are located in communities like Pittsfield, Amherst, Holyoke, North Adams, Greenfield, or Ware.

None of them are owned by one of the major networks or by a large corporation. They are all locally owned and operated. They are responsive to their communities, and they are only modestly profitable.

A major portion of their expenses consist of payments to big, expensive law firms here in Washington that they have had to hire to represent them in their frequent appearances before the Federal Communications Commission. By granting broadcasters a longer license period, 5 years instead of 3 or 4, they would be significantly relieved from this heavy expense.

The broadcasters in my district, and the majority of broadcasters throughout the United States, are small businesses. But thus far they have had to live under Federal laws written to control big businesses. It is time the small guys got a break from their representatives in Washington.

I urge my colleagues to support this amendment.

Mr. ZWACH. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. Mr. Chairman, I am delighted to yield to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Chairman, I appreciate the gentleman's yielding. I further appreciate the introduction of this amendment and rise in full support of it. I would like to say to the gentleman that with respect to the small stations that are located in our countryside regions, this is a very, very necessary and worthwhile amendment.

Mr. BROTZMAN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Colorado.

Mr. BROTZMAN. Mr. Chairman, I thank the gentleman for yielding.

I would like to congratulate him on the amendment. As I recall, when I had the pleasure of serving on the Interstate and Foreign Commerce Committee in years gone by, I joined with the gentleman at that time in support of the 5-year amendment. I thought it had a great deal to recommend it, and I think as time goes on that there is a lot to recommend it now.

Therefore, I would like to congratulate him on his leadership in this regard and inform the gentleman that I would like to support this amendment.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I support the gentleman's amendment, and I associate myself with his remarks. I appreciate the gentleman's leadership.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I now yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, I, too, support the amendment calling for the 5-year license renewal extension. I congratulate the gentleman for offering the amendment.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding.

I would like to say that I associate myself with the gentleman's remarks, and I indicate my strong support for his amendment.

Mr. YOUNG of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from South Carolina.

Mr. YOUNG of South Carolina. Mr. Chairman, I would also like to associate myself with the remarks of the gentleman from North Carolina relative to his amendment for the 5-year renewal.

I support the gentleman's amendment.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, I support the gentleman's amendment.

Mr. TAYLOR of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Missouri.

Mr. TAYLOR of Missouri. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this amendment because of my desire to ease the burden of the broadcasters of this Nation who find that their efforts at serving the public are being repaid by having to fill out more and more Federal forms that are required for their license renewal.

The broadcasters of this Nation, and particularly those of southwest Missouri do more than just project programs of entertainment. They provide vital information such as tornado alerts, snow warnings, school closings, and announcements of public events. They give time to various community organizations to discuss their activities. They provide free time for fund drives, for voting information, for fund-raising activities to better the lives of the handicapped and less fortunate. At the same time they have invested heavily in buildings and equipment and continue to add to their facilities to provide even better service.

I think it is time that the Congress recognize the fine contribution that our broadcasters have made to our way of life and permit them to do an even better job by easing Federal regulations that restrict their activities and do absolutely nothing to protect the public interest.

I will vote for extending the license term to 5 years and I encourage my colleagues to do likewise.

Mr. MARAZITI. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from New Jersey.

Mr. MARAZITI. Mr. Chairman, I compliment the gentleman in the well and associate myself with his remarks and say that the 4-year period should be extended to 5 years.

Mr. MACDONALD. Mr. Chairman, I rise in opposition to the amendment.

Mr. MATHIS of Georgia. Will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. Mr. Chairman, I thank the gentleman from Massachusetts for yielding.

I rise in support of the amendment.

Mr. MACDONALD. Mr. Chairman, usually I reluctantly oppose an amendment offered by such a valued member of our committee as the gentleman from North Carolina (Mr. BROYHILL) but I am not at all reluctant to oppose this amendment.

Mr. Chairman, any of the Members who have had the experience of being disfavored by a statement, be it over a radio or a TV station, with very little recourse excepting appeal to the FCC to apply the fairness or the equal-time doctrine, realize just how much power these broadcasters have. They already have a 3-year period when their license and performance is almost inviolate.

Mr. Chairman, in the interest of getting a consensus bill and all the rest, especially considering the radio stations, some of the small ones, which have a difficult time in making legal expenses, we have instructed the FCC to simplify the form and the licensing procedures that renewal calls for. I think that we have been more than solicitous of the problems of these broadcasters in many areas and especially in this one.

Mr. Chairman, I had great difficulty even in going to the 4-year period. This increase, which they have lived with, calling for 3 years, for some 37 years, is such that, to my knowledge, there has only been one TV license lifted during that entire period. That was the much celebrated case that was referred to earlier in my home area of Boston.

I think the Congress has dealt very fairly with the broadcasters in this. I have been assured by many broadcasters that while they obviously would like a license given to them in perpetuity, which was the gist of the bill they sent up here in the first place, so that they could never be challenged by anyone, still I think we have met their problems more than half way.

I think to give them an extra year, in other words, a 5-year period, where you cannot get after a broadcaster directly, during that period, would not be the way to proceed. As we all know, their service gets much more public oriented in the year just before their license is up for renewal. That is not merely an opinion of mine, but, rather, it is a fact.

I think that the bill as now constituted gives everybody a very fair shake indeed. The FCC, I repeat, has been told to simplify its type of renewal procedures and especially not to take the same attitude toward the rural and small radio stations as they do toward the much larger TV stations.

Mr. Chairman, I urge this body to reject the amendment.

This amendment was in the original NAB bill. I repeat that we have been more than fair with them, in my judgment, and I hope this body in its wisdom will see to it that we do not give a runaway permit to the broadcasters of this country against whom appeals are very difficult.

Even though the fairness doctrine is in existence, I know of many stations that in the past disobeyed the fairness doctrine and the equal time doctrine and merely get a letter of reprimand from the FCC and then stop exercising their muscle. Obviously they have muscle, or else I do not think there would be this number of Members express their deep interest in this 5 year amendment. And I do not mean anything personal by that, because I understand it completely. However, I have been assured that the broadcasters can live with the 4-year period, and I repeat that of course they would like the license in perpetuity, but I think 4 years is more than fair.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. O'HARA, Mr. MACDONALD was allowed to proceed for 1 additional minute.)

Mr. O'HARA. Will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman.

Mr. O'HARA. Will the gentleman from Massachusetts agree that men and women who have a license that has to be renewed every 2 years, as we Members of the House have, should not be overly concerned that broadcasters have to have their licenses renewed every 4 years.

Mr. MACDONALD. I agree completely with the gentleman and point out to him that the number of turnovers in the broadcasting field is very, very minimal, whereas I cannot say the same thing about the Congress itself.

Mr. BROWN of Ohio. Mr. Chairman, I rise in opposition to the amendment.

I want to make this observation. I have great respect and affection for the gentleman from North Carolina who has served very effectively as the ranking member of the subcommittee and whose help and interest have been obvious from the beginning of our consideration in this matter.

I think the bill represents a sound compromise between the two goals that we have in this legislation: One, to stabilize the process by which license renewal procedures are conducted; and, two, the effort to tie the broadcasters more closely to their local constituencies or their areas.

That compromise was also struck when we split the difference between the current 3-year license renewal period and the 5-year license renewal period, which was proposed by spokesmen for the broadcast industry.

I think it should be pointed out that our objectives here ought to be: First, to act in the public interest, second, to act in the interest of more efficient government, and only finally to act in the interest of those people who hold the licenses.

Obviously, in the public interest it is tying the broadcaster closer to his service area, the area which he has been licensed to serve in the public interest; this is the most important thing. And we have done that in other aspects, or in other facets of this legislation. A 3-year term would tie them more closely than a 4-year term or a 5-year term. But the fact of the matter is that 3-year terms have seen licenses frequently extended beyond that 3-year term because the Federal Communications Commission just did not get around to dealing with the paperwork of renewing the license. So in order to help alleviate the burden on the Federal Communications Commission, because we have tied the broadcasters more closely to the areas they are supposed to serve in the public interest, in the legislation, we thought an extension to a 4-year term made sense, and that an extension to a 5-year term or a 6- or a 7- or an 8-year term, or a term of a license in perpetuity, I think tends to move us over toward serving the broadcasters rather than serving the public interest.

Perhaps that also has merit, but it should not be our objective here because the objective should be, as the Communications Act of 1934 admonishes us to say, that the business of operating the Nation's radio waves and TV waves be conducted in the public interest. Therefore, Mr. Chairman, I think that the 4-year term is an adequate modification of the current 3-year license renewal term, and I would oppose the amendment to make it a 5-year term.

Mr. STAGGERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

Mr. Chairman, I think that a very fine agreement has been worked out by the subcommittee and the full committee, and I think that when we have an agreement such as this that it would be unwise to try to change the bill at this time.

I too wish, as the gentleman from Ohio says, to commend the gentleman from North Carolina (Mr. BROYHILL) for the terrific work the gentleman has done on the committee. I believe that the committee has done an excellent job, and as I say, the gentleman from North Carolina has worked on the bill very hard. The committee held many, many days of hearings, the complete record of which takes up two volumes.

I think that what we have come up with is a good bill.

So, Mr. Chairman, I would oppose the amendment offered by the gentleman from North Carolina (Mr. BROYHILL). I know that the intentions of the gentleman from North Carolina are right, but I believe it is in the best interest of the Congress and the people of the United States that we have a 4-year license term.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina (Mr. BROYHILL). I might suggest that in my district broadcasters are of modest size, and that some are obliged to enter into contracts with the UPI for periods of 5 years, in order to obtain UPI's service. Were I an owner of such a broadcasting station, I would be very apprehensive about entering into such an agreement if I had only a 4-year license upon which to rely. I thank the gentleman for yielding.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

I would like to emphasize once more the concern that I earlier expressed of many of us who come from rural areas, and say that these little stations that we have back home are the only stations that provide the local news, the local reports on the weather, school closings during bad weather. The dollar investment of those small organizations are extensive, and they need some assurance of permanency in the business.

If they violate any of the provisions that we have set forth, their license can be denied. I would have been happy to go along with something that might have provided a closer supervision of the large networks, because, in my judgment, there have been violations as to proper reporting of news in that area. However, we treat them all in this bill the same way.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina (Mr. BROYHILL), extending the broadcast license renewal term to 5 years.

Current regualtions require triennial license renewals for radio and television stations, large and small, involving extensive paperwork, expensive and time-consuming reporting, imposing a heavy burden upon the smaller, community-oriented broadcasters throughout our nation.

Under existing regulations, the FCC closely monitors radio broadcast operations between renewals, making certain that the licensee is fulfilling its commitment to the public. Regulations regarding broadcasting policy are strictly enforced. For example, each licensee must retain files of letters and written comments regarding broadcast policy received from the public and open to public inspection. In this way the FCC reinforces the accepted belief that the air waves belong to all of the people, imposing special responsibilities upon the broadcasters.

Because of the continual close surveillance carried out by the FCC, frequent license renewals are not necessary, but merely create additional burdens for the local broadcasters and superfluous paperwork for the licensing staff of the FCC

For this reason, I am endorsing the proposed amendment to extend the time period for license renewal to a 5-year period and I urge my colleagues to voice their support of this proposal.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I rise in support of the amendment of the gentleman from North Carolina to extend the period of broadcast licenses to 5 years. In the case of all broadcasters, but particularly in the case of small stations serving rural areas the cost in money and manpower in preparing renewal applications and supporting such applications is considerable. Such stations do not make large amounts of money, but they deliver invaluable service to their communities. It is unnecessary to require such stations or any station to go through this cumbersome protracted and expensive procedure each 3 years, after all, the FCC has continuing authority to lift the license of any broadcaster any time that his mode of operations might warrant such action. As long as the licensee is pursuing the principles of ascertainment provided in this bill he should be allowed to carry on for a 5-year period between license renewals.

Mr. BROYHILL of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from North Carolina.

Mr. BROYHILL of North Carolina. I thank the gentleman for yielding.

I do not like the statements that have been made here making it appear that an extra year in some way is not in the public interest. It seems to me that if we can give an extra year to give these broadcasters an opportunity to do a better job of programing, to do a better job of staffing in order to give them more stability in their operation, this is in the public interest so that they can do a better job of serving the public in their listening area.

Present law provides for adequate oversight of the Federal Communications Commission over the operations of the broadcast stations. If they are doing anything wrong, something not in the public interest, there is adequate authority in the present law and rules and regulations issued by the Federal Communications Commission to stop it, and the 5-year license renewal period has nothing to do with that issue.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of the gentleman's amendment and urge my colleagues to vote favorably to increase the license period for broadcasters from 4 years to 5 years. The committee report made note of the fact that many of the provisions of the 1934 Communications Act were obsolete. One of the provisions that would fall in this category is the short time between license renewal.

I commend the committee for adding 1 additional year to the licensing period, but feel we should go a step more and increase it further to 5 years. This would appear to be a much more logical time frame and one that would be in the best interest of the listening and viewing public. As it stands now, radio and television stations are having to spend entirely too much time cutting through the bureaucratic redtape at the Federal Communications Commission when they would prefer, and the public would be better served, to spend this time improving their programing in response to the people living in their service area.

The overregulation of local stations that we now have is causing much more harm than any of us can imagine. Maybe it was necessary in 1934, 40 years ago, when there were few stations and those in operation virtually had a monopoly in their service area. However, this situation is no longer true. I daresay there is not a market area anywhere in the United States that does not have competing radio and TV stations. This competition has done more to improve programing content than any bill passed by the Congress or regulation promulgated by the FCC.

Mr. Chairman, station managers are well aware that unless they are responsive to the residents of their service area they will lose their viewers or listeners to their competition, their advertising revenue will drop and they will soon be out of business. In my opinion, this provides ample incentive without having to face the threat of possible loss of license from the FCC every 3 years under present law. For this reason, I feel the Congress would be most wise to increase the term of licenses to 5 years as proposed by Congressman BROYHILL and I urge my colleagues to vote favorably on his amendment.

Mr. Chairman, while I have the floor, I would also like to urge my colleagues to give their approval to the bill. While I do not agree with all provisions of the legislation, such as section 4, I do feel that the bill is a step in the right direction and worthy of our support. I hope we will pass the measure today and send it to the Senate for their favorable and speedy action.

In closing, I would like to mention the apparent slowness of the FCC in approving simple and routine requests such as the installation of new transmitters. I do not know if it is a case of under staffing at the Commission or a case of loss of efficiency on the part of the staff. However, I do feel that just as radio and TV stations are required to be responsive to the public, the Federal Communications Commission must and should be responsive to the broadcast industry it is suppose to serve.

Mr. DEVINE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes. I would merely point this out. The present law, for some reason or other, provided for license renewal each 3 years. This matter has come up from time to time, and the gentleman from Massachusetts has chaired the subcommittee quite well over the years, and the committee now in its wisdom has rejected the 5-year renewal in favor of the compromise of 4 years, which to me seems reasonable, particularly since the broadcasting industry has agreed.

I have tried to compare the license renewal to terms of Members of Congress. We are required under the Constitution to face the voters each 2 years, and if we are not serving in what they consider to be the public interest of their particular district, if we do not satisfy the interests of the majority of our constituents, they have an opportunity each 2 years to do something about it. The broadcasters, of course, would favor a 5-year term, and I can understand that, because they have an immense investment of funds to maintain their communications and their media outlet; but it would seem to me that the public interest would best be served by accepting the compromise—not 5, not 3, but 4 years, as provided in the committee bill. If a station operates consistantly in the public interest, the renewal of the license should be almost automatic. But to know they are being reviewed each 4 years, like a President, will remind them they are using the public airways and that the public interest must be served.

Mr. KASTENMEIER. Mr. Chairman, I would like to offer just a brief explanation of my vote in opposition to the amendment to H.R. 12993 which would have the effect of increasing the term of broadcast licenses from the present 3 years to 5 years.

In conversations with broadcasters from my own district, I am convinced that the present license renewal procedures cause considerable hardship. This is particularly true for those who hold licenses for the lower power radio stations. They, of course, must file elaborate reports every 3 years even though the performance of the station is seldom, if ever, challenged by the listening audience or the communities in which they operate. I believe such broadcasters have a legitimate complaint and are fully justified in seeking corrective legislation.

The provisions of H.R. 12993 as reported from the Committee on Interstate and Foreign Commerce would have done much to ease the owner's burden during the license renewal process, and further would have extended the term of the broadcast license from 3 to 4 years. The bill attempted to provide a sensible compromise between the understandable interests of the viewing and listening public whose public airwaves are made available to the stationowners.

I could not, however, support the amendment which would increase the license period to 5 years. Because that amendment was successful, I will also oppose the measure on final vote, although I concede that it contains many provisions that are both desirable and necessary.

Mr. DRINAN. Mr. Chairman, there was a time when broadcast licenses were issued for 90 days. The owners thought that contributed to instability, so the period was increased to 6 months. That duration also caused dissatisfaction among broadcasters. The term was expanded to 1 year. Not enough, the licensees complained again. We acquiesced, and gave them a 3-year term.

The broadcasters are back. When our committee held hearings last year, the licensees testified that 3 years was not enough; it created instability, uncertainty, and other undesirable conditions. The resulting bill, when we began debating it earlier this afternoon, contained a provision for a license term of 4 years. But that was several minutes ago. The House has now passed an amendment extending the period to 5 years. Time and tide wait for no one.

Several years ago then Chairman of the FCC Newton Minnow, described broadcast fare as a "vast wasteland." Anyone who has spent time watching the tube is hard pressed to challenge that description. We see and hear programs that pander to crass commercial interests. We see and hear advertisements that are replete with racial and sexual stereotypes. And we see and hear opinions that represent a narrow segment of American thought.

A cursory examination of the employment practices of licensees discloses rampant discrimination based on sex and race. It is estimated that only about 20 percent of the employees in commercial television are women, and 75 percent of them are in the lower paying jobs. The situation for blacks is not much better.

The absence of minorities and women in the professional categories is, of course, reflected in program content. Take, for example, the daytime shows which draw a large female audience. They are shot through with characters who portrary women in traditional roles. The doctors are men, and the nurses are women. The males are dynamic and heroic; the females are passive and in distress.

In a speech to the New England Broadcasting Association 2 years ago, I noted:

> It has always been astonishing to me that in the whole history of the Federal Communications Commission not a single one of the present 7,200 licensees of TV and radio has ever been deprived of a license for inadequacy of broadcasting.

I should add that none has ever been deprived of a license for discriminatory practices either.

These statistics reflect the difficulty of challenging license holders. Public interest groups and private citizens now only get a crack at it once every 3 years. If this bill passes, they will have that opportunity only once every 5 years. In the name of business stability, we are jeopardizing the only hope we have of improving the quality of broadcasting and its employment practices.

It is frequently forgotten that the airwaves belong to the people. It is one of the few pieces of property that is truly held in common ownership. That unique character of broadcasting has been recognized over and over again by the Supreme Court and by the Congress in regulating the industry. But somehow the concept gets lost in the concerns of the entrepreneurs who own the stations.

By increasing the term of a license from 3 to 5 years, we are further undermining the rights of the public. In the words of Whitney Adams, a representative of the National Organization for Women, we are "bolting an already closed door."

There is, to be sure, a need to revise the manner in which the FCC regulates the broadcasting industry. But the reform measures lead in quite the opposite direction of H.R. 12993. The FCC needs more staff so that license renewal is a serious process, not a sham. A decentralization of the agency might be helpful in order to bring the regulators closer to the people.

The number of blacks, Spanish-speaking, and women in the industry must be increased dramatically. And the programs and commercials which reflect minority and female stereotypes ought to be eliminated. It would be helpful if the FCC affirmatively sought out potential applicants in areas where existing licensees are not serving the public interest. It should work with other government agencies to encourage new entrants into the field. In short the FCC should stop defending the status quo.

But those reforms are not on the horizon. In their absence the least we can do is minimize the damage which in my judgment will flow from this bill. I urge my colleagues to vote against the Broadcast License Renewal Act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 308, noes 84, answered "present" 2, not voting 39, as follows:

[Roll No. 197]

AYES—308

Abdnor
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Ashbrook
Ashley
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blackburn
Boggs
Boland
Bowen
Brasco
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
Dellenback
Denholm
Dennis
Derwinski
Dickinson
Dingell
Donohue
Dorn
Downing
Dulski
Duncan
du Pont
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fascell
Fish
Flood
Flowers
Flynt
Forsythe
Fountain
Frenzel
Froehlich
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goodling
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hays
Hébert
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kemp
Ketchum
King
Kluczynski
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Mezvinsky
Michel
Miller
Minish
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murtha
Natcher
Nedzi
Nelsen
Nichols
O'Brien
O'Neill
Owens
Parris
Passman
Patten
Perkins
Pettis
Peyser
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rarick
Regula
Rhodes
Rinaldo
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Ryan
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Udall
Ullman
Vander Jagt
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NOES—84

Abzug
Adams
Aspin
Badillo
Barrett
Bingham
Bolling
Brademas
Brown, Ohio
Burke, Calif.
Burton
Carney, Ohio
Chisholm
Clay
Collier
Collins, Ill.
Collins, Tex.
Conyers
Corman
Delaney
Dellums
Dent
Devine
Drinan
Eckhardt
Edwards, Calif.
Evans, Colo.
Foley
Ford
Fraser
Frelinghuysen
Frey
Giaimo
Goldwater
Gonzalez
Green, Oreg.
Harrington
Hawkins
Hechler, W. Va.
Holifield
Holtzman
Jordan
Karth
Kastenmeier
Koch
Leggett
McFall
Macdonald
Mazzoli
Metcalfe
Mills
Mink
Mitchell, Md.
Mollohan
Murphy, N.Y.
Nix
Obey
O'Hara
Pike
Podell
Rangel
Rees
Reuss
Rodino
Rosenthal
Roybal
St Germain
Sarbanes
Schroeder
Seiberling
Staggers
Stanton, James V.
Stark
Studds
Thompson, N.J.
Tiernan
Traxler
Van Deerlin
Vander Veen
Vanik
Waldie
Whalen
Yates
Young, Ga.

ANSWERED "PRESENT"—2

Armstrong
Riegle

NOT VOTING—39

Alexander
Anderson, Ill.
Blatnik
Brooks
Brown, Calif.
Brown, Mich.
Buchanan
Carey, N.Y.
Clark
Davis, Ga.
de la Garza
Diggs
Findley
Fisher
Fulton
Grasso
Gray
Haley
Hanley
Hanna
Hansen, Wash.
Hillis
Howard
Hudnut
Kazen
Milford
Murphy, Ill.
Myers
Patman
Pepper
Pickle
Reid
Roberts
Roncallo, N.Y.
Rooney, N.Y.
Rose
Stokes
Stubblefield
Wilson, Charles, Tex.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

I wish to make one observation, if I may, about this legislation and the debate which we have had on it.

Mr. Chairman, this legislation, as I said earlier in my prepared remarks during the general debate and in my remarks under the 5-minute rule on the previous amendment, has been the result of a process of careful negotiation and rather carefully drafted language, and I also hasten to point out, a very carefully written report. In this rather technical area of law, when there are court interpretations made of subtle points of law, the courts frequently look at the debate in the House of Representatives or in the Senate for their guidance in interpreting the legislative language.

Mr. Chairman, I would like to call the attention of the House at this point that in addition to the debate which has here been relatively brief, both on the legislation in general and on the amendment just adopted, the courts would be well advised also to look at the language of the report for interpretation of the language of the legislation, because the language of the report, perhaps, was as carefully drawn as the language of the legislation itself.

I think the language of the report gives better guidance to the purposes of the language of the legislation than does the debate in the House merely because that debate was so brief. I think it ought to be made clear, with respect to any future interpretation by the courts, that they ought to be admonished to consider carefully the langauge in the report.

Mr. Chairman, when we get back into the full House, I will ask permission to include specific portions of the language of the report, and that only, with no prefacing comments or concluding comments, following my remarks at this point in the RECORD:

SECTION-BY-SECTION DESCRIPTION OF THE BILL, AS REPORTED

SECTION 1. SHORT TITLE

This section provides that the legislation may be cited as the "Broadcast License Renewal Act".

SECTION 2. ASCERTAINMENT; LICENSE PERIOD; AND RENEWAL PROCEDURES

This section (1) requires the FCC to prescribe acertainment procedures; (2) makes the observance and substantial response to those procedures by a broadcast licensee a central consideration in determining whether the public interest would be served by renewing the broadcaster's license; (3) increases the term of broadcast licenses from three to four years; and (4) prohibits the FCC from considering a broadcast licensee's ownership interests or official connections in other broadcast stations, communications media, or businesses, or its participation in the management of the station in a proceeding for the renewal of the license, unless the Commission has adopted rules thereon. The other provisions in proposed section 307(d) of the Act (as it would be rewritten by section 2(b) of the bill) are a restatement of existing law.

Ascertainment Under the Bill.—Subsection (a) would amend section 309 of the Act by adding a new subsection (i) thereto. This proposed new subsection would require the Commission to establish procedures by rule to be followed by licensees of broadcasting stations to ascertain throughout the terms of their license the needs, views, and interests of the residents of their service area for the purposes of their broadcast operations. Different procedures could be prescribed for different classes of broadcast stations.

The emphasis which the bill places upon licensee ascertainment of, and response to, the needs, views, and interests (as those terms are defined in this report) is not intended to suggest that a licensee's efforts to meet the demands of his service area for entertainment and sports programming are improper or undesirable. Not only is the satisfaction of these demands an important public-interest goal but it is almost always essential for the establishment of an audience or a following which will listen to or view the non-entertainment and non-sports programming of the licensee.

Continuing ascertainment.—Until the FCC adopted its Final Report and Order in its Docket No. 19153, ascertainment was an activity which, in the main, was carried out triennially in the six month period preceding the expiration date of the broadcaster's license. Your committee approves of the manner in which such *Final Report and Order* seeks to stimulate continuous interaction between the broadcast licensee and its audience.

Your committee believes that the existing requirement for consultation with representative community leaders and members of the public in the area being served by the broadcast licensee must likewise be spread out by demographic sample over the whole population of the area served—not just its leaders—with particular attention to any particular audiences the station may serve and over the entire period of broadcaster's license so that the licensee can be aware of shifts in community needs, views, and interests; shifts which can occur with great rapidity due in large part to the effectiveness of the broadcast media. An advantage in spreading such consultation over the entire license term is that it will become a normal part of broadcast operations making for a continuing dialogue between the broadcaster and residents of its service area rather than an arduous triennial obligation the performance of which now seems to be reflected more in the filing of papers than in substance.

However, insofar as any formal or statistical ascertainment procedures are established, the committee sees no objection in permitting stations serving part or all of the same service area to jointly conduct such a survey directly or through a third party.

Needs, views, and interests.—"Needs," as used in the bill, is synonymous with the term "problems, needs, and interests" used by the FCC in its *Primer on Ascertainment*. It can best be translated as issues or problems in the licensee's service area, for example, drug use among high school students, the adequacy or lack thereof of welfare programs, the needs for additional public services for the elderly, police treatment of juvenile offenders, modification of local zoning laws, etc.

"Interests" is intended to be reflective of the widest possible range of interest groups (including among others, agricultural, labor, professional, racial, ethnic, economic, religious, charitable, business, political, social, educational, and cultural groups) within the service area. Consultation with persons representative of the various interest groups in a service area is a necessary component of ascertainment.

"Views" injects a new factor into the ascertainment process. By adding "views" to the matters which must be ascertained by the broadcast license in his service area, the committee intends that the licensee ascertain the responsible contrasting positions with regard to ascertained needs so that in its response those contrasting positions can be taken into account. In addition, such ascertainment of views should be a means of increasing the licensee's awareness of public attitudes towards its operations.

The overall purpose of ascertainment, in the committee's view, is to provide a procedure through which each broadcast licensee can, on a continuing basis, be made aware of interests, issues, and attitudes within its service area and the diverse and contrasting positions thereto to which it must be substantially responsive in order to fulfill its obligation to serve the public interest.

The committee affirms the position taken by the FCC that the ascertainment of needs, views, and interests, is not to be regarded as requiring a broadcast licensee to seek out individual or community preference for particular programs or program formats.

Service areas.—The bill requires that ascertainment be carried out by broadcast licensees with respect to their service areas. This reflects a shift of emphasis from the present ascertainment process under which ascertainment is carried out with respect to communities with particular focus on the community to which the license is assigned. Your committee believes that a licensee's broadcast service must be related to the area in which his signal is received and his audience within that area. To emphasize service to a particular political subdivision because the broadcast license happens to be assigned to that subdivision is undesirable. Instead, a broadcast licensee should engage in ascertainment throughout the area within his service contour (but not beyond a reasonable distance as determined by the Commission). The depth and intensity with which ascertainment is carried out within any part of a licensee's service area should, generally speaking, be related to the strength of the licensee's broadcast signal which is received in such part and the relationship of the portion of the population in that part to that in the overall service area.

However, the committee recognizes that there may be areas or audiences within the broadcast licensee's service contour to which the licensee may choose to give less emphasis in his service because the needs, views, and interests of those audiences or of the residents of those areas are being given broadcast service emphasis by other licensees serving the area. In those instances the licensee should in reporting on his observance of the ascertainment requirements indicate with specificity the areas and audiences he chooses to serve, and with what emphasis, together with his reasons therefor.

Broadcast Operations.—Under the FCC's existing rules and regulations ascertainment is carried out to permit the licensee to broadcast matter in response to the problems, needs, and interests which are ascertained. That is similiar to the main purpose of ascertainment under the bill. In addition to the more comprehensive "needs, views and interests" in this legislation, as discussed above, ascertainment also has a broader purpose of relating the broadcast licensee's overall broadcast operations to the needs, views, and interests of his service area. This is intended to make matters such as the licensee's hours of service, employment practices, good will and promotional practices, etc., responsive to the ascertained needs, views, and interests of its service area.

The committee recognizes that there are several specific constraints on the degree to which broadcast operations can be responsive to ascertained needs, views and interests. These include but may not be limited to legal and technical restraints imposed by the FCC, economic limits related to the profitability of the station, the availability of talent and program material, etc. For example, a commercial broadcast station could not modify its broadcast operations so as to cause it to violate the terms of its license or the FCC's rules and regulations; nor would it serve the public interest to expect changes which would threaten the station's economic viability.

Whenever a broadcast licensee's ability to be substantially responsive to the ascertained needs, views, and interests of its service area is hampered by actions or decisions of a person who is not subject to the licensee's control (such as the FCC, a radio or television network, or an equipment manufacturer), it is anticipated that the licensee will notify such person of that fact.

Different Procedures.—The bill specifically provides that different procedures may be prescribed for different categories of broadcasting stations. For example, the procedures prescribed for noncommercial educational broadcast stations may be different than those for commercial broadcast stations. It would also be consonant with these provisions for different procedures to be established for television broadcast stations, standard (AM) radio stations, and FM radio stations, and within those groupings for stations based on their economic strength and the extent of their service area.

In addition, it is appropriate to provide for those broadcast stations whose formats are directed to particular audiences within their broadcast contours by allowing such stations to give special consideration in the ascertainment of the needs, views and interests of their service area to the needs, views and interests of their particular audience and to be especially responsive thereto. Such stations may emphasize a particular kind of programing such as all news, ethnic, a particular type of music, talk, or entertainment formats. In this connection your committee believes that such special format stations, which have become increasingly common in radio, should be permitted in any service area as long as the overall needs, views, and interests of the residents of that area are met by the aggregate of broadcast signals covering that area.

Your committee wants to emphasize that the purpose of ascertainment is to promote the responsiveness of broadcast licensees to the needs, views and interests of their service areas. This should be achieved consistent with the guidelines set out herein without imposing needless economic burdens on licensees. This objective, the committee believes, can be furthered by careful tailoring of ascertainment procedures to different categories of broadcast stations. Thus, for example, we would expect that the ascertainment procedures which would have to be observed by a small radio station would be far less exacting in terms of cost and time than those procedures which would have to be observed by a more profitable television station having a large population in its service area.

Test for Renewal.—Under the bill as under existing law, the ultimate test for renewal of a broadcast license continues to be whether the public interest would be served thereby. The bill, however, makes two factors of paramount importance in determining whether the public interest test would be met in a renewal of a particular broadcast license. They are whether the licensee during the preceding license period (1) has observed applicable ascertainment procedures, and (2) has engaged in broadcast operations substantially responsive to the ascertained needs, views, and interests of residents of his service area. Thus, there is a retrospective assessment of whether ascertainment has been carried out by a broadcast licensee and whether its broadcast operations have been substantially responsive to the determinations made from the ascertainment process. By contrast, the entire focus of the existing ascertainment process of the FCC is prospective with little evaluation of the results flowing from that process.

The bill's ascertainment provisions further implement the major policy objective underlying the Radio Act of 1927 and the broadcast provisions of the Communications

Act of 1934[29]—the promotion of broadcast service designed to serve the area where the licensee's signal can be received, and thus in the aggregate, the interest of the nation.

In determining whether or not the licensee has been substantially responsive to the needs, views and interests of his service area, it is not the expectation of your committee that the licensee will deal in depth with every identified need, that his operation will respond fully to every interest or that the station will explore every shade of viewpoint. Rather, your committee expects that the licensee will (1) give consideration to the ascertained needs, views, and interests in order to make a determination which are the most important to the service area and any particular audience within that area the licensee serves, (2) assess the capacities and limitations of his own operations and the resources available to him, and (3) respond to the ascertainment in terms of those determinations and assessments in a manner that is sincere and diligent. If such be the case, the committee assumes the FCC will determine, based on the established service of the incumbent licensee, that the public interest will be served by renewal of the license in any noncomparative situation. Of course, it should also be noted that in order to obtain renewal of any broadcast license, the licensee must continue to possess the necessary legal, technical, and financial qualifications to hold the license, and in addition, must not have engaged in acts or practices during its expiring license term which would render it unfit to hold a broadcast license.

A question remains unresolved, even after the above descriptions of the principal considerations which apply in determining whether the public interests would be served by the renewal of a broadcast license. The problem is whether the public interest requires the same standard of performance of a broadcast licensee in a noncomparative situation as in a comparative one. We think not, but we would hope that every licensee would conduct its operations as if it were about to face a comparative hearing at the time of its next renewal.

If a broadcast licensee comes up for renewal in a noncomparative situation, i.e., one involving no challenge or only a petition to deny, we agree that the test should be the one stated by the Chairman of the FCC,[30] namely, whether the applicant has served the public interest in a manner that is sufficient—but no more. Stated another way, in such a situation the applicant/licensee should be granted renewal if it has provided minimal service to its service area, because even minimal service is to be preferred to no service at all.

However, for the Commission to be satisfied with minimal service from an incumbent licensee in a comparative situation when another applicant would clearly provide much better service would not only ill serve the public interest, but would make a mockery of the hearing process. We believe that stability in the broadcasting industry is highly desirable, but that it should not be achieved at the cost of imposing barely sufficient service on the public by freezing out competitors who would provide better broadcast service.

To summarize, we would propose that an applicant for renewal of a broadcast license be assured of renewal where overall during the expiring term of its license, it has provided *good* service to its service area and its broadcast operations have not been marked by serious deficiencies, i.e., violation of law or of the Commission's rules or policies. We used the term *good* in its defined sense, to wit: having the right qualities; as it ought to be; right. As we use *good* in this context, it is synonymous with *substantial* as used in the *Commission's Policy Statement on Comparative Hearings Involving Regular Renewal Applicants* and with *meritorious* as used by the Commission in the *WBAL* case.

Broadcast License Term.—The bill would increase the term of a broadcast license from three to four years. Early radio licenses were issued for 90 days. Later the term was increased to six months, and then to one year. Finally, the Radio Act of 1927 extended the term to three years where it remains today.

The majority of the FCC and most of the broadcast license renewal bills which were referred to the committee propose a five year broadcast license term. On the other hand there was substantial opposition voiced in the hearings on broadcast license renewal legislation to any increase in the broadcast license term. Opponents argue that increasing the term of broadcast licenses might decrease the broadcaster's responsiveness to his service area.

Your committee believes that a one-third increase in the term of a broadcast license is reasonable and prudent in view of other modifications of the license renewal process contained in the bill. The four-year license period would result in a substantial reduction in the number of renewal applications which the FCC would be required to process each year and would therefore facilitate a more thorough review of each such application. The Commission would retain its powers to levy forfeitures, order early renewals, issue cease and desist orders, and revoke licenses which would permit it to deal with any serious breaches of the public interest.

Crossownership; Integration of Ownership and Management.—The bill would prohibit the Commission in a broadcast license renewal proceeding from considering (1) ownership interests or official connections of the license in other stations, communications media, or businesses (hereinafter referred to as "crossownership"), or (2) the participation of ownership in management of the broadcast stations (hereinafter referred to as "integration of ownership and management"), unless the Commission has adopted rules prohibiting such crossownership or prescribing ownership or management structures or their composition and has given the renewal applicant a reasonable opportunity to conform with such rule.

Although the Commission has indicated that it does not intend to apply these factors in future broadcast license renewal proceedings, in the absence of applicable rules, there is nothing which would prevent it from doing so or to prevent the courts from requiring consideration of the factors on a case-by-case basis. To apply them in broadcast license renewal proceedings would result in restructuring the broadcasting industry in a haphazard, subjective, and ofttimes inconsistent manner which the Committee feels would be unfair and undesirable. Furthermore, it is unfair and unsound to oust a broadcast licensee on grounds of crossownership or of integration of ownership and management when the license was granted to it with full awareness of the crossownership or of its intentions with respect to integration of ownership and management.

The committee intends that, if crossownership is to be prohibited or management or ownership structures or their composition are to be prescribed, it must be done by rules adopted by the Commission after compliance with prescribed rule-making procedures where there has been notice and opportunity to comment afforded to interested persons in the industry and the general public.[31]

Some concern has been expressed about the apparently broad prohibitory language in proposed section 307(d)(2)(B). This concern is probably based at least in part on the broad language of paragraph 34 of the Commission's *Further Notice of Proposed Rule Making* in Docket No. 18110 adopted March 25, 1970 which reads as follows:

"34. The rules which we propose would be aimed at reducing common ownership, operation, or control of daily newspapers and broadcasting stations within the same market. They would require divestiture, within five years, to reduce holdings in any market to one or more daily newspapers, or one television broadcast station, or one AM–FM combination. Under the provisions of the rules, if a broadcast station licensee were to purchase one or more daily newspapers in the same market, it would be required to dispose of any broadcast stations that it owned there within one year or by the time of its next renewal date, whichever is longer. No grants for broadcast station licenses would be made to owners of one or more daily newspapers in the same market."

Notwithstanding the broad prohibition stated in paragraph 34, the committee is of the view that the Commission, in connection with any rules it may adopt, could take into account, among other things, such factors as the size of the market in question; the other interests of the ownership; the number of broadcast stations in the market; the other communications media, such as newspapers and cable systems, in the market; the extent to which other broadcast signals are received in the market; the circulation of newspapers in the market which are published outside thereof; and the extent to which there is concentration of media control as reflected by various other factors.

SECTION 3. TIME LIMITATION ON PETITIONS TO DENY

This section requires the Commission to adopt rules prescribing reasonable time periods during which petitions to deny may be filed and requiring it to decide the matter in issue on the basis of petitions filed during the prescribed time period. This section is intended to afford any party in interest a reasonable opportunity to file a petition to deny against the granting of an application, but it is also intended to prevent abuses of this opportunity through use of the dilatory device of filing pleadings out of time which have the effect of delaying decisions for lengthy periods.

The "right to petition" is one which is cherished but as in the case of all rights, if the reasonable and orderly procedures which are designed to effectuate that right are abused, the rights of others may well be placed in jeopardy. The amendments made by section 3 are reasonable corrective measures to prevent abuses of the petition to deny procedure.

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[29] See section 307(b) of the Act which requires that there must be a fair, efficient, and equitable distribution of radio service among the several States and communities.

[30] Hearings on Broadcast License Renewal, Part 1, Serial No. 93–35, page 58.

[31] At the present time petitions to deny filed by the Antitrust Division of the Department of Justice are pending against applications for renewal of broadcast licenses for stations KSD–TV—AM. St. Louis, Missouri, filed by the Pulitzer Publishing Company which also publishes the St. Louis *Post-Dispatch* daily newspaper; for station KTVI–TV, St. Louis, Missouri, filed by Newhouse Broadcasting Corporation which controls the St. Louis *Globe-Democrat* daily newspaper; for stations KRNT–AM–FM–TV, Des Moines, Iowa, filed by Cowles Communications Inc., publishers of the Des Moines *Register* daily newspaper and the Des Moines *Tribune* daily newspaper; and for stations WCCO–AM–FM–TV, Minneapolis-St. Paul, Minnesota, filed by Midwest Radio-Television, Inc. which is controlled by the Minneapolis Star and Tribune Company publisher of the Minneapolis' only newspapers and by Northwest Publications, Inc., publisher of St. Paul's only newspapers.

SECTION 4. NEGOTIATION

Under this section the FCC is required to prescribe procedures to promote good faith negotiations between licensees of broadcasting stations and persons raising significant issues regarding the operation of such stations in order to resolve such issue. In recent years, attempts have been made to resolve such issues by means of confrontations by complainants and the filing of time consuming and expensive petitions to deny. As the following table indicates, use of the petition to deny against applications for renewal of broadcast licenses has been increasing:

Petitions to deny filed against applications for renewal of broadcast licenses

Fiscal year:	(1)	(2)
1967	2	2
1968	3	3
1969	2	2
1970	15	16
1971	38	84
1972	68	108
1973	50	150
1974 to Mar. 8, 1974	25	35

[1] Number of stations filed against.

[2] Number of petitions.

It is in the interest of all to avoid disruptive confrontations and, whenever possible, the time, effort, expense, and acrimony which result from the filing of a petition to deny against a broadcast station if the issue can be more efficiently resolved. To this end section 4 is intended to promote good faith negotiations so that significant issues can, if possible, be resolved as they arise.

The prescribed procedures should, among other things, be addressed to determining what are significant issues for negotiation, how such negotiations should be initiated, who would be appropriate participants in such negotiations, where they should take place, who should preside at them, and what matters are not appropriate for consideration in such negotiations.

In using the term "good faith negotiations" there is no intention to incorporate the body of law and administrative rulings which have developed in the field of labor law in connection with that concept. Rather as indicated above, the intent of this provision is to require the Commission to prescribe procedures by which persons critical of the operation of a broadcast station and representatives of the station would be encouraged to meet in good will and confer in good faith during the term of the station's license in a candid and sincere effort to resolve the issues presented by such criticism. It is not intended by this provision to require any licensee to agree to any particular concession or to reach agreement with any particular group.

Observance of the procedures prescribed by the Commission under this section is voluntary. However, it is your committee's intention to study the operation and effects of these provisions and the procedures prescribed thereunder so as to assess their impact and effectiveness for whatever further applicability may be appropriate.

SECTION 5. APPEAL OF CERTAIN DECISIONS AND ORDERS OF THE FCC TO LOCAL CIRCUIT COURTS

Decisions and orders of the FCC in each of the following instances would have to be appealed to the United States Court of Appeals for the circuit in which the broadcast station involved is, or is proposed to be, located:

(1) Grant or denial of a broadcast authorization (i.e. a construction permit for a broadcast station or a broadcast station license).

(2) Grant or denial of a renewal or modification of a broadcast authorization.

(3) Grant or denial of an authorization to transfer, assign, or dispose of any broadcast authorization (or any rights thereunder).

(4) Modification or revocation of a broadcast authorization by the Commission.

Decisions and orders of the FCC affecting authorizations in services other than broadcasting (for example, the aviation, maritime, safety and special, citizens, industrial, and amateur radio services), cease and desist orders under section 312 of the Act, and suspension of radio operators licenses could, under the amendment made by section 5, be appealed either to the United States Court of Appeals for the circuit in which the person bringing the appeal resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia circuit.

At present under section 402(b) of the Act all appeals referred to above must be taken to the United States Court of Appeals for the District of Columbia circuit.

The processing of most contested broadcast license renewal applications takes a long period of time. For example, WHDH filed its renewal application in 1963, and the Court of Appeals for the District of Columbia Circuit did not render a final decision in that case until November 1970. We note that the median time to dispose of an appeal in the Court of Appeals for the District of Columbia Circuit is 11.7 months, the longest of any Court of Appeals in the Nation.[32] It is hoped by transferring these appeals to other circuits that the overall period of time taken to finally decide a contested broadcast license renewal application will be shortened.

Furthermore, since broadcast authorizations usually involve parties residing in the communities to which the authorizations are or are proposed to be assigned, it better meets the convenience of most parties to an appeal involving a broadcast authorization if the appeal is brought in the United States Court of Appeals for the circuit in which such community is located. In this connection your committee notes with approval that the general policy of the FCC is to conduct hearings on renewal and revocation of broadcast licenses in the communities to which the licenses are assigned.

SECTION 6(a). STUDY OF REGULATION OF BROADCASTERS

Under this section the FCC is required to carry out a continuing study to determine how it might eliminate regulations applicable to broadcast licensees which are required by the Act but do not serve the public interest. The Commission must make annual reports on its study (together with any recommendations for legislation) to the Senate Commerce Committee and the House Interstate and Foreign Commerce Committee. The first such report must include the FCC's conclusions with respect to the differences between broadcast licensees on which are or may be based differentiation in their regulation under the Act.

As noted earlier in this report, the framework of the Act insofar as it relates to broadcasting was established by the Radio Act of 1927 long before FM radio or television became actualities. Consequently the Act does not take into account the differences between those two types of broadcasting and standard (AM) radio broadcasting around which the Act was conceived. Nor does the Act reflect the differences between commercial and noncommercial educational broadcasting or between broadcasters operating in large and small markets or between economically large and small broadcasters operating in those markets. Your committee believes that there must be effective regulation of the broadcasting industry in order that the public interest be well served. But that does not mean that the same rules and regulations must apply, or apply to the same extent, to all broadcasters. We look to the Commission to recommend amendments to the Act which will facilitate more fair, efficient, and effective regulation of the broadcasting industry.

The committee is aware that the Commission in 1972 established a task force to undertake a comprehensive study looking toward re-regulation of radio and television broadcasting. During 1972 and 1973 a number of Orders were issued based on the activities of the task force. It is not the intention of section 6(a) of the bill to interfere with the activities of the task force. The purpose of the task force is a good one and its operation should continue. Rather, the provisions of section 6(a) should be regarded as complementary of the activities of the task force, and the task force should participate in recommending amendments to the Act where its process of re-regulation is hampered by the Act's provisions.

SECTION 6(b). COMPLETION OF ACTION ON DOCKET NO. 18110

This section requires the FCC to complete all proceedings and take such agency action in its Docket No. 18110 as it deems appropriate within six months after the date of enactment of the legislation.

Proceedings in Docket No. 18110 were commenced by *Notice of Proposed Rule Making* released by the FCC on March 27, 1968. The original purpose of the Docket was to consider amendments to certain of the Commission's rules relating to multiple ownership of broadcast stations. Comments filed by the Antitrust Division of the Justice Department and others urged that the scope of the docket be extended in some form to newspaper-broadcasting combinations and to license renewal proceedings. In its *First Report and Order*[33] released March 25, 1970, the Commission adopted with certain minor changes the proposed one-station-to-a-customer rule. In a *Further Notice of Proposed Rule Making*[34] in such Docket adopted the same day, the Commission proposed an amendment to its rules so as to require divestiture within five years in order to reduce any person's media holdings in any market to one or more daily newspapers, one television station, or one AM–FM combination. It is now four years since the *Further Notice of Proposed Rule Making* was adopted in Docket No. 18110. The committee is aware that the Commission has scheduled oral argument before it on June 18 and 19 of this year on this matter, but it insists that the Commission press on after such oral arguments to a conclusion within the six-month period fixed by the legislation so that the issue be resolved for the sake of those it will affect and so that the Commission may direct its attention to its other responsibilities.

SECTION 7. EFFECTIVE DATES

This section provides when the various provisions of the legislation will take effect.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Massachusetts.

Mr. MACDONALD. Mr. Chairman, I wish to thank the gentleman for yielding, and I congratulate him for his very straightforward statement, one that is absolutely correct. This is the most carefully written report that I have ever had anything to do with in 20 years in the House, and I think it is about time that the Congress stop legislating by having people come in the door and saying, "What's up?"

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[32] Management statistics for United States courts, 1973, a report . . . from the Director of the Administrative Office of the United States Courts, at DC–0.

[33] 22 FCC 2d 306.

[34] Loc. at p. 339.

When the gentleman referred to the date of April 3, I would like to point out for the RECORD that this is not a cutoff of anything. It is merely the fact that there were not that many people on the floor who were able to gain any knowledge about what they were voting for or what the amendment was even about. They just violated an agreement made, as the gentleman knows, by many of the Members and the industry itself. I think this is about tops in futility in keeping or trying to keep the integrity of the House intact as long as the membership itself decides to vote yes or no merely by flipping a coin.

Mr. BROWN of Ohio. I am sure the chairman of the subcommittee would join me in assuming that most of the Members of this body have read the report and would support the language of it.

Mr. MACDONALD. I agree with the gentleman.

Mr. BROWN of Ohio. And I have observed that perhaps we were fighting an uphill battle in trying to set the length at 4 years, because many of our Members have put in language a couple of years back urging the 5-year amendment be adopted.

Mr. MACDONALD. I would say to the gentleman he is probably correct except for the fact that the industry itself has agreed that they could and would live with the 4-year limitation, on which basis we adopted this language in the committee, reducing it from the 5-year period.

PARLIAMENTARY INQUIRY

Mr. CONYERS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONYERS. Mr. Chairman, would it be appropriate during the course of the discussion of this bill to introduce an amendment that would limit the licensing to 2 years? Is that not in order yet?

The CHAIRMAN. If the gentleman wishes to present an amendment, of course, the Chair will recognize the gentleman.

Mr. CONYERS. And it would be in order?

The CHAIRMAN. The gentleman knows that the amendment that has just been adopted in the committee set the period at 5 years. However, if the gentleman from Michigan wishes to submit an appropriate amendment at this time, it will be reported.

Mr. CONYERS. Not at this time, Mr. Chairman. Is the bill not open to amendment at any point?

The CHAIRMAN. It is, and if the gentleman wishes to submit an amendment, the Chair will certainly be willing to recognize him for that purpose.

Mr. DELLENBACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, before we vote on this proposal I wish to include in the record—as I have on various occasions in the past when the House has dealt into legislation affecting broadcasting—another reference to my personal involvement in the broadcasting industry. I am the owner of a minority interest in an Oregon corporation which holds broadcast licenses in AM radio, FM radio, and TV.

Passage of this legislation would certainly in a series of ways affect the operations of this licensee. In the main that effect would be to increase the burdens and obligations on the licensee. Even though license terms are potentially increased, the argument is I think soundly made that this potential extension of term should end in benefitting the listening and viewing public.

So also would I point out that the other features of the bill increasing the burdens on licensees would, in my opinion, be beneficial to the listening and viewing public. So, after pointing out the above mentioned fact of ownership, I intend to support this legislation and urge my colleagues to do likewise.

AMENDMENT OFFERED BY MR. LANDGREBE

Mr. LANDGREBE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANDGREBE: Page 5 strike out lines 4 through 12.

Redesignate the succeeding sections and references thereto accordingly.

Mr. LANDGREBE. Mr. Chairman, my amendment simply eliminates the provision requiring the Federal Communications Commission—FCC—to prescribe procedures for encouraging licensees of broadcasting station and persons raising significant issues about their operations to conduct "good faith negotiations" during the licensee's term.

I recognize the committee's intent is to attempt to eliminate the growing number of "confrontations" at license renewal time between the licensee and those filing petitions to deny renewal. However, this "negotiations" provision will probably make the situation worse, not help correct it.

What kind of negotiations would be required? What would these procedures amount to? And, of course, a "significant issue"—who is to decide whether it is a significant issue? And would it not be possible for a perfectly legitimate operator to be just bogged down constantly in trying to negotiate some insignificant issue. In other words, it would certainly encourage groups to simply harass a radio station, the opinions of when they did not particularly agree with.

In addition, the provision could lead to censorship by local pressure groups. How many radio stations—particularly the smaller ones—could afford the time and expense of "negotiations" with groups that disagreed with their operation? Most would be forced to simply not broadcast views that these groups disagreed with to avoid the harassment of negotiations. It is certainly unjust to subject broadcasters to this kind of pressure in the form of forced negotiations.

Mr. Chairman, with the removal of this provision plus the amendment we just passed granting license terms of 5 years, this would be a very good bill—it would indeed go a long way toward granting the broadcasters the kind of protection and freedom they need and deserve.

Mr. MACDONALD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana (Mr. LANDGREBE).

Mr. Chairman, I did not hear everything the gentleman from Indiana had to say, but I can say that I know the reason that this part of the bill is in here, and it is a very good reason for its inclusion. As I indicated in the earlier debate, and I do not know whether the gentleman from Indiana was here or not, that this section was put in for a very good reason, and that is to give an opportunity to those people in a community who do not feel that the station is serving the public interest, convenience and necessity. As of now, as I indicated earlier, there have been cases, and they are in the record of the hearings, where management on the one hand would refuse to see people with legitimate complaints and, on the other hand, some complainants were merely doing it to upset orderly procedure.

So the word "negotiation" does not mean negotiation in the same sense as it is used in the National Labor Relations Board, exactly, when they talk about negotiating in good faith.

This encourages a discussion between the parties that is necessary to prevent unnecessary challenges that will possibly issue that people feel aggrieved by that station, and its performance, to air their grievances to the management, and the management, the licensee, in turn, can explain the reasons for the procedures that he had been following earlier.

It is not binding. It does not hold either party to anything. It merely opens a discussion, a discourse, an across-the-board listening forum so as to save both sides money when a party who feels aggrieved finds it necessary in order to be heard that they either bring a petition to deny or challenge the license even though it is a rather frivolous challenge in the sense that they would not know what to do with the station if it were successfully challenged, but merely a forum to review their complaints.

So I urge strongly that this amendment be rejected, because this section is a very integral part of this entire bill.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment offered by the gentleman from Indiana (Mr. LANDGREBE).

Mr. Chairman, I have great respect for my colleague, the gentleman from Indiana (Mr. LANDGREBE), but I would draw the attention of the gentleman to the language appearing on pages 20 and 21 of the report with reference to the area of negotiation.

The ambition of this language in the report is not to force anything on the station or the broadcaster, nor yet again to force anything on the general public in terms of the broadcaster's refusal to discuss differences of opinion between the public and the license holder about the operation of the station.

Rather, it is to provide through the Federal Communications Commission, which administers the public interest in the use of the networks and in the use of the airways, specific methods by which discussions can be held on differences of opinion about the operation of the station.

During the course of our hearings we had a wide variety of individual groups who had criticism of broadcast licensees, and we had broadcast licensees themselves come in and tell us about the difficulty, sometimes on the part of the complainant, sometimes on the part of the broadcaster, in getting a full and open discussion on a rational basis of the problems that arose between broadcasters and complainants.

The language in the negotiations section is nothing more nor less than an effort to see that the expression of complaints and the opportunity of the broadcaster, the licensee, to respond to those complaints, is undertaken in an orderly fashion. We had many instances presented to us where complainants came in, in large groups, and tried to disrupt the operation of the station.

Similarly, we also had legitimate complaints about broadcast licensees who refused to listen to groups who had complaints about the operation of the airways.

I think that the language drawn here does make a legitimate effort to try to resolve those two problems, and I do not feel that it ought to be stricken from the bill based upon the fact that, as much as anything else, we put it in the bill to try to resolve this problem. Should we take the provision out, I think we would expose both broadcasters and the public to the chaotic situation which prevailed in too many instances prior to the effort to resolve it with this negotiations language.

Mr. LANDGREBE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. LANDGREBE. I thank the gentleman for yielding.

Is it not really the business of the FCC to enforce their own regulations? In the case of the ICC, where a carrier is in violation, the customer of that truckline goes with his complaint to the ICC. Here we come up with an idea that the Commission is going to prescribe procedures whereby we are going to have "good-faith negotiations" between the licensee and the public.

It seems to me that there is a real danger here in the licensee being just simply bogged down in negotiations constantly. If the licensee is in violation, it is up to the FCC to enforce regulations and not create this stalemate situation.

Mr. BROWN of Ohio. I know the gentleman is intimately familiar with the regulated transportation industry because he has been involved in that in his private career. I know that the gentleman would not want every one of the customers of the trucking company to automatically take any complaint they might have to formal legal action before the ICC, or to try to get a license revoked, or to try to take action before the courts, rather than take the complaint directly to the individual trucking company or transporattion company.

Of course, what we are trying to do here is to assure that those complaints come before the broadcast licensee so that the broadcast licensee and the complainant sit down and discuss the complaint and objections to the operation in an orderly fashion laid down by the FCC. In this way, complaints may not come in, say, with 50 people and try to stop the broadcasting operation, but rather they may come in with a limited number of people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DON H. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, I am a coauthor of this legislation revising the renewal term for broadcast stations and I am pleased it has been brought before the House at this time.

I strongly urge the House to adopt the bill and get it enacted into law.

H.R. 12993 will add a degree of stability to the broadcast industry that is vitally needed and reflects the realities of both the broadcasting business and broadcasting regulation.

A good deal of the credit for advancing this legislation goes to the distinguished gentleman from North Carolina (Mr. BROYHILL). His recognition of the public interest and his leadership in developing a response to it is the reason we have moved the bill to the floor with the unanimous support of the Interstate and Foreign Commerce Committee.

I shall support the Broyhill amendment to place the renewal term at 5 years rather than the 4-year term included in the committee bill.

Five years is the term included in our original legislation and, in my judgment, is a more appropriate length of time.

It should be noted that this legislation, when enacted, will mark the first time the term has been amended since the initial Federal Radio Act was approved in 1927. It would be difficult to overstate the vast changes that have occurred in the broadcasting field during the past 43 years.

We need to recognize these changes and H.R. 12993 does this in responsible fashion.

The committee's report on H.R. 12993 effectively spells out the rationale for this legislation and needs no elaboration from me.

I hope we will approve the Broyhill amendment today and then give this bill our final approval.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. LANDGREBE).

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEVILL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12993) to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years, and for other purposes, pursuant to House Resolution 1080, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. O'HARA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 14, answered "present" 2, not voting 38, as follows:

[Roll No. 198]

YEAS—379

Abdnor
Adams
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Ashbrook
Ashley
Aspin
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dorn
Downing
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hinshaw
Hogan
Holifield
Holt
Horton
Hosmer
Huber
Hungate
Hunt
Hutchinson
Ichord
Jarman

Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kemp
Ketchum
King
Kluczynski
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead,
  Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Perkins
Pettis
Peyser
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Randall
Rarick
Rees
Regula
Reuss
Rhodes
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton,
  J. William
Stanton,
  James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson,
  Charles H.,
  Calif.
Wilson,
  Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—14

Abzug
Badillo
Chisholm
Conyers
Dellums
Drinan
Holtzman
Kastenmeier
Koch
Mitchell, Md.
Obey
Rangel
Stark
Tiernan

ANSWERED "PRESENT"—2

Armstrong
Riegle

NOT VOTING—38

Alexander
Anderson, Ill.
Blatnik
Brown, Calif.
Brown, Mich.
Buchanan
Carey, N.Y.
Clark
Davis, Ga.
de la Garza
Diggs
Findley
Fisher
Ford
Fulton
Grasso
Gray
Haley
Hansen, Wash.
Hillis
Howard
Hudnut
Kazen
Madigan
Milford
Murphy, Ill.
Myers
Patman
Pepper
Pickle
Railsback
Reid
Roberts
Roncallo, N.Y.
Rooney, N.Y.
Rose
Stokes
Stubblefield

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Stubblefield for, with Mr. Reid against.

Until further notice:

Mr. Howard with Mr. Ford.

Mr. Rooney of New York with Mrs. Hansen of Washington.

Mr. Carey of New York with Mr. Anderson of Illinois.

Mr. Haley with Mr. Findley.

Mr. Kazen with Mr. Hillis.

Mr. de la Garza with Mr. Brown of Michigan.

Mr. Davis of Georgia with Mr. Madigan.

Mr. Fulton with Mr. Buchanan.

Mrs. Grasso with Mr. Fisher.

Mr. Diggs with Mr. Gray.

Mr. Alexander with Mr. Hudnut.

Mr. Clark with Mr. Blatnik.

Mr. Murphy of Illinois with Mr. Milford.

Mr. Rose with Mr. Railsback.

Mr. Stokes with Mr. Brown of California.

Mr. Pepper with Mr. Patman.

Mr. Pickle with Mr. Myers.

Mr. Roberts with Mr. Roncallo of New York.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks with respect to the bill, H.R. 12993, just passed, and the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 14368 to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee on the Whole House on the State of the Union for the consideration of the bill H.R. 14368, with Mr. DORN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes and the gentleman from Minnesota (Mr. NELSEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I yield myself whatever time I may require.

Mr. Chairman, I rise in support of H.R. 14368, the Energy Supply and Environmental Coordination Act of 1974.

As everyone knows, this body has been considering legislation to cope with the energy situation since October of last year. The Congress did act to pass energy legislation, but that bill—S. 2589—was vetoed by the President.

Now the immediate crisis has passed. But the oil embargo could be reimposed at any time. Bad weather, strikes, or accelerated increases in demand could cause serious energy shortages. In my view and in the unanimous view of the Commerce Committee, there are some steps we can and should take now to deal with this possibility.

First, the Administrator of the new Federal Energy Administration must be given, and must exercise, the authority to get and verify necessary information on the Nation's energy supplies. Second, the FEA Administrator must be authorized and directed to make more effective use of our Nation's coal resources. Third, some carefully limited adjustments must be made to certain specific environmental requirements.

These provisions have been separated from the controversial provisions of the energy legislation. They have passed the committee unanimously and have previously passed both the House and the Senate. The President in his veto message did not oppose these provisions.

This bill will help meet the Nation's energy needs, but will not abandon our commitment to a healthy environment. For these reasons, I urge passage of H.R. 14368.

Mr. NELSEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. HASTINGS).

Mr. HASTINGS. Mr. Chairman, I thank the gentleman from Minnesota for yielding me this time.

Mr. Chairman, I do not believe that the House has to spend a great deal of time in going over the provisions of title II of the conference report that has been before this body on two separate occasions, and that has received favorable consideration on both of those occasions by the House.

Mr. Chairman, as the gentleman from West Virginia, the chairman of the full committee (Mr. STAGGERS), has pointed out, the bill before us today is precisely the language of the conference report on the so-called Emergency Energy Act, as it relates to the Clean Air Act. I would like to point out to the Committee, however, that we started deliberations on this matter back in October of 1973, and we are now at this point in time of May 1, 1974, where we have not as yet given congressional approval to an energy plan.

The reason that I introduced a separate measure is because of the difficulties we had encountered with title I. I think it is entirely fair to present to the auto industry the means whereby they can proceed to manufacture their automobiles. The Congress holds in its hand the decision as to what type of emission controls standards are going to have to be met by the automobile industry, and we have been delinquent in not providing any date certain for them, and I urge that we today do so as quickly as possible, and try to overcome the five months of deliberations and equivocations on the entire question of what standards are in fact going to be in place.

The automobile emission standards referred to in this bill would keep the 1975 standards in place for the year 1976. It would give the Administrator the option of granting an additional year of delay in the implementation of the standards.

The coal diversion sections are as minimal as possible. They allow conversion of plants to coal where the Administrator finds it necessary, and yet protect the environment by demanding down the line that if they continue to utilize coal, they install scrubbing equipment.

Mr. Chairman, I strongly advocate as a compromise measure that we very quickly, without change, pass this measure and let the automobile manufacturers especially know what date they can proceed to manufacture their automobiles with the knowledge of what emission standards they will be required to meet.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. I thank the gentleman for yielding.

I wish to associate myself with the remarks of the gentleman from New York, particularly those suggesting to the committee that the bill be passed in its present form, both because it is the result of a legislative process that has been too long at work, and because there are many divergent views. This Member will oppose any amendment, and he will vote for the bill in its present form.

Mr. HASTINGS. I appreciate very much the comments of the gentleman from Nebraska. I might add that there are people who would like to change this measure. There are people who would like to tighten up on the standards. There are people who would like to loosen up on the standards.

The gentleman from Florida, Chairman ROGERS, has indicated that the Clean Air Act will undergo complete hearings, and will consider all changes at the appropriate time of hearings. But as the gentleman has mentioned, the time has come to pass this extremely minimal Energy Act and pass it as presently constituted, without any further attempt to change it.

The House can well remember being on this floor for hour after hour after hour debating various amendments. That bill never did see the light of day. Now we have arrived at a point where it is time to move, and pass this measure.

Mr. Chairman, I strongly advocate that this measure be approved without any changes whatsoever.

I yield back the remainder of my time.

Mr. NELSEN. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire (Mr. WYMAN).

Mr. WYMAN. Mr. Chairman, I have a great deal of respect for my colleague, the gentleman from New York, and for the position which he and other members of the committee urge in respect to this bill. However, the hard fact of the matter is that unless certain amendments are offered to this legislation at this time, the prospect is that they will not become a reality in regard to the next run of U.S. automobile production, or possibly in the future at any time.

I want to make very clear at the outset of discussion on this subject that I yield to no one in this House in my enthusiasm for clean air, clean water, noise abatement, and all of the other things that help to make America a better and more comfortable place for its citizens to live in.

But one of the things that is being done in this bill, in my opinion, ought not to be done, and that is to put the 1975 automobile clean air standards into operation. They are unnecessarily high and far too wide ranging in application. Let me explain, if I may, so that it will be understood. There are two or three basic facts that we need to be aware of. One is that there is no need for automobile emissions controls on any automobiles in better than 90 percent of the geographical area of the United States for any realistic public health interest on the part of our citizens. Specifically, there is no need for any emission controls on automobiles, for example, in the States of North Dakota, New Hampshire, Florida, Maine—one could go right on across almost this whole country.

The only automobile emission pollution that relates to public health in this country extends in a corridor from Boston, Mass., down to Richmond, Va., and in the Chicago area and in and around the Los Angeles area and to some extent in Phoenix and Tucson at certain times, and all of these areas are protected in an amendment which I will offer at the appropriate time in deliberations on this bill.

It seems to me it is unwise and unnecessary, at a time when the country is facing a gasoline shortage, and in fact, whether or not the country faces a gasoline shortage, it is unwise and unnecessary for us to be so enormously wasteful of energy in this country as to insist that everyone in the country have an automobile that is equipped with expensive emission controls unless there is an honest-to-goodness, down-to-earth public necessity for this.

The package of emissions controls in the 1974 models cost about $314 a car and everyone in the country is being required to buy them. At the proper time, if the language which the gentleman from New York and the chairman of the committee insist upon is maintained in the law of this country, there will have to be catalytic converters on all the 1975 cars. This will add in the vicinity of $150 a car to every single new car cost, which will bring the package of emissions gadgets pretty close to $500 per car. In addition, these catalytic converters will shrivel up and die and become ineffective if they eat leaded gasoline. The country in the future is going to have to have a different kind of gasoline nozzle at the pumps and it is going to have to have unleaded gasoline all over the country at an enormous cost and at a refinery penalty, for a barrel of crude for unleaded gasoline of 4 or 6 percent.

It has been urged that there will be a fuel economy from the use of the catalytic converter, but the economy is lost in the penalty that occurs at the refinery in the reduced number of gallons of gasoline one can obtain from each barrel of oil.

I put in the RECORD yesterday, and it is in the Appendix of the RECORD today at page 12482, a factsheet attempting to answer some of the questions about my first amendment that will be offered today, to take emissions controls off of automobiles registered to residents of approximately 90 percent of the geographical area of the United States. It will thus relieve Americans who operate and own cars in those areas, because it applies to persons who are residents of those areas. It will relieve them of the very substantial initial cost burden and also relieve them of a fuel penalty burden that EPA itself in its latest report advises is an average for all cars in the country of at least 10 percent or 1 gallon out of every 10. It will provide that residents of those parts that do have a pollution problem—the persons who operate automobiles there better than half of the time will continue have to have emission-equipped cars.

I think this is a significant improvement on the situation. I cannot understand for the life of me why it is that the committee and members of the committee decline to take America to a two-car policy. It will save billions of gallons of gasoline and billions of dollars. Apparently some of the gentlemen are of the opinion that automobile emissions go up into the atmosphere and pollute the world's air.

The fact of the matter is that the breezes blow and the rains fall and these emissions are dissipated. They are not present in sufficient quantity to injure the public health in most of America. Required on cars in areas in which there is virtually no concentration of pollution they impose an enormous fuel penalty and an enormous capital wastage on the citizens of this country.

Under my amendment the EPA Administrator is authorized to designate the geographical boundaries of the so-called emissions-related problem areas. These are air quality regions. There are 13 of them designated. After he has once designated them, and he must do it within 60 days from the time the amendment becomes law, if he wants to add another area in America that he feels has a problem, he can do so but he must first come to the Congress and to the Commerce Committee and obtain approval of the Congress before he does this.

Now, if we take, just for example, a State such as Florida and we total the number of 1975 cars that will be registered in the State of Florida, that will be bought there, if we assume it was nothing but 100,000, if there is to be a penalty of nearly $500 a car, to insist upon a requirement that all of the people of Florida should have this kind of a restriction on their automobiles imposes a capital penalty on them of nearly $50 million in that one State alone. It seems to me this is wrong for America—an unjust and unnecessary burden.

Now, how much gasoline will be saved? The answer is that the existing shortage of 15 percent will be virtually wiped out. Seventy-five percent of the cars in this country will be costly and wasteful emissions controls free if this amendment goes through.

The automobile industry can live with this two car policy very easily. Their production lines will simply have an additional step for the 30 percent of the cars that have to have emissions controls on them. They will not have emissions controls on the 70 percent of the other production. The dealers can live with this also.

What is to stop, we may ask, for example, a person who resides in an air quality region from going outside the region and buying a car that does not have emissions controls on it? The answer is that under the amendment it is a misdemeanor punishable by a fine or a sentence in jail. Everyone can live with this. The savings will be very substantial.

More importantly, the ambient air quality of the regions that the Administrator designates as air quality control regions will not be significantly adversely impacted by the in and out traffic of cars that do not have emission controls because that traffic ranges anywhere from 2 to 6 percent and it is not large enough to create a real problem.

The savings for the people of America would be billions of gallons of gasoline a year. If we are short of gasoline and energy, if we are looking as we are to get more energy from coal and possibly make oil and gas from coal, to expedite additional drilling and recovery of gas and oil from places in this country where it is available, we ought to give our attention to this problem and do it right now. It is the one way we can act right now to end the gasoline shortage in this country overnight.

The facts concerning my amendment are as follows:

General Factsheet

1. The amendment proposes suspension to emissions requirements on light-duty vehicles until September 30, 1977. How many cars will be affected?

Answer: Approximately 70 percent of all new cars manufactured 60 days after passage and a substantial number of older cars already on the road that may legally be modified by dealers to achieve greater mileage and economy.

2. Whose cars are affected?

Answer: Those belonging to persons resident outside of thirteen air quality regions the boundaries of which must be designated by the EPA administrator within 60 days after passage.

3. Will this impair air quality or mess up the clean air of the non-air quality regions?

Answer: Not in the slightest. Most of the United States has no significant air pollution from automobile emissions that adversely affects public health. The winds blow, the air moves, the rains fall. The emissions are not cumulative. They are dispersed and they do not exist in quantities that make people sick or impair their required air quality except in heavy concentrations and these areas are specified as "air quality regions".

4. Will it save gasoline?

Answer: In the billions of gallons each year.

5. Will it save money?

Answer: Hundreds of millions of dollars in costs to consumers in what they must pay for their cars (approximately $314 per car) and for their operation thereafter.

6. Can the automobile industry live with what amounts to a two car standard?

Answer: Yes; the industry will make two types of cars, one with emissions controls and the other without. This assembly line technique is not unduly burdensome.

7. Can automobile dealers live with the requirement?

Answer: Yes; persons (customers) will purchase the same number of cars but residents outside of air quality regions will mostly purchase cars without emissions controls because they will cost less and operate more inexpensively.

8. What is to prevent persons who reside in air quality regions from going to dealers with emissions free cars and buying one?

Answer: This is a criminal misdemeanor under the amendment punishable by fine and imprisonment.

9. What will be the effect of the amendment on the gas shortage?

Answer: It will cut it virtually in half (or at present levels eliminate it entirely). Under the amendment persons owning earlier model cars may have them modified by professional experts to increase their gas mileage. This is prohibited by dealers under existing law. Manuals of instruction on this will be prepared and furnished to dealers by manufacturers.

10. What savings in gas mileage is involved in terms of present cars and new cars yet to be manufactured?

Answer: EPA itself estimates the overall fuel penalty under the 1970 standards ranges downward from 18% on larger cars to an overall average exceeding 10 percent. 70% of new cars will have no fuel penalty because they will have no emissions controls. Older cars may be modified at individual owners option. Net gas savings at least one gallon in ten, and in some instances much more.

11. What about the in-and-out traffic into air quality regions of cars without emissions controls?

Answer: It will not significantly adversely affect the air quality in those regions because the traffic in and out is not that heavy; it ranges from 2–6 percent.

12. What about the inequity between persons who live in such regions and those who live outside of them in terms of what they have to pay for their cars?

Answer: Why require the entire nation to bear the hugely energy wasting burden that is a problem only in a small part of the country? When a person moves from an air quality region to an unrestricted area he may acquire an emissions control free vehicle if he desires. Similarly when the reverse applies the additional cost is part of the price of maintaining clean air standards in the controlled region. There is little sense, for example, in requiring all of the residents of the entire State of North Dakota to purchase emissions control equipped cars when the area has no emissions control related air pollution. Multiplied nationwide the energy cost of such a requirement becomes both ridiculous and energy wasteful to a point deserving of the rising public criticism that prevails in the United States on this matter at this hour.

Mr. NELSEN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I rise in support of this bill. I wish to point out that this bill as originally enacted, including the total energy problem, we will recall, was here for lengthy debate and was finally vetoed.

It seemed crystal clear to the committee that title II of the bill was a necessary step that must be taken at this time so that the automobile industry would know where to go and know what our instructions to them would be. This we have tried to do.

I want to speak briefly to the amendment that has been offered and point out that many changes have been made in engineering, so that some of the catalytic converter attachments have been improved to a degree that some fuel economy has been restored. We will be speaking to that at a later time when the debate centers on that amendment.

I would like to mention the provision in the bill dealing with stationary standards dealing with emissions where we are seeking to get our coal conversion program going and more use of coal. It becomes crystal clear that the United States of America does not have the available crude oil, the available gas, even if the Alaskan pipeline comes in. It means that the only way that the United States of America can finally stand on its own, be independent, have an energy supply, will be with proper attention to our development in the field of coal.

I think as time goes on, when we extend the Clean Air Act, I hope to offer some amendments, and I hope the House will support them, where we can do a better job on developing our own energy resources looking to the future.

In this bill, we do have some provision in it where our stationary sources can convert to coal, and they have been doing so over a period of months. I believe the bill is moving in the right direction.

Mr. Chairman, I want to say that title II of this bill has in it some reporting sections that seem to be in some controversy, but I think can be clarified later. However, I think the bill in itself is a necessary piece of legislation. It ought to be passed; it must be passed. I hope the House gives it its support.

Mr. STAGGERS. Mr. Chairman, I take this time to yield to the gentleman from Pennsylvania (Mr. Moorhead).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I thank the gentleman very much for yielding to me. As I advised the chairman, I received a letter today from the Under Secretary of Commerce expressing some concern about the language in section 11 which might breach the confidentiality of information which people submit to the Department, including the Bureau of the Census.

What I would like to ask the gentleman from West Virginia, in order to establish some legislative history, is about the words in section 11 "where a person shows" and the words "upon a showing—by any person"—does this mean that the initiation must come from the person who supplied the information, or can the Administrator unilaterally seek it?

Mr. STAGGERS. Mr. Chairman, several Members have expressed the concern that subsection (e) of section 11 appears to give the Administrator of the Federal Energy Administration unqualified access to the files of all other Government agencies. This is not the case. Subsection (e) is designed to protect suppliers of information from the burdens of filing duplicate reports. The Administrator would be given access to information in the possession of another agency only when an individual or business concern asks to be relieved from complying with the Administrator's requests for information. It should be emphasized that under the language of subsection (e) the Administrator may not exempt business entities on his own motion. If no one asks for an exemption, he cannot get the information from the other agency.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I thank the gentleman. I presume the explanation would also apply to subsection (f), which uses similar words "upon a showing—by any person."

Mr. STAGGERS. This is correct, at least to my knowledge. I would believe so.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman very much.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, I find this a very deceptive bill. It is labeled the "Energy Supply and Environmental and Coordination Act," but it contains no energy conservation measures. As a matter of fact, the bill, as I read it—and I am not on the committee—provides nothing related to the supply or conservation of energy that we do not already have in existing laws or programs.

What it does, essentially, is use this as a pretext for suspending some very important environmental safeguards. There are some people who want to balance environmental safeguards against energy conservation, and I can appreciate that, but there is not a question of balancing. This bill simply scuttles significant environmental provisions without cause, and without doing anything about energy.

Mr. Chairman, I am really quite concerned that the committee reported out this bill.

What does it do?

One. It would allow major powerplants to convert to coal without having to meet primary health standards for 4 years. It changes the present law which requires such facilities to comply with emission limitations not later than mid-1975. These plants are encouraged to switch to coal now and control their pollution later, while under present law they could begin to burn coal only after they had installed control equipment. Carl Bagge, president of the National Coal Association, testified before Senator JACKSON's committee, that significant new supplies of domestic coal could not be made available for several years—and that it would take several years for railroads to get the kind of rolling stock and refurbish the track needed to deliver coal in quantities to powerplants now burning oil.

The American Public Health Association has estimated that extensive conversion from oil-burning to coal-burning powerplants will cause "an increase of 20 to 40 percent in both morbidity and mortality due to respiratory and cardiovascular disease"—New York Times, January 23, 1974.

Coal conversion is made to look even more absurd when one realizes that coal is currently in shorter supply than oil.

The New York City Environmental Protection Administration revoked a short-term variance to Consolidated Edison to burn coal and high sulphur oil once it realized that the shortage of oil conforming to State and local pollution control standards was far less than expected and this is so all over the country.

The present energy crisis has now made us painfully aware of how good environmental policy is, also good energy policy, by demonstrating another ill effect of our unbalanced transportation system—its unconscionable waste of energy.

In response to the command of the statute, as interpreted by the courts the Environmental Protection Agency last year promulgated transportation control plans for a number of major cities. EPA's transportation control plans encouraged the use of carpools and exclusive bus lines. As we have found out this winter, carpooling saves energy as well as improving air quality.

A number of EPA's transportation control plans also required the imposition of a so-called parking surcharge, which would have placed a small daily charge on cars parking in parking lots within a metropolitan area during rush hour. The proceeds of this surcharge were to be used to support and expand mass transportation facilities. As the revenues from the surcharge enabled expansion of mass transit facilities, the surcharge was to be gradually increased. It was hoped that this practical combination of carrot and stick would be an effective means to lure increasing numbers of people from private cars into mass transit, reducing air pollution accordingly.

Yet the bill before you would prohibit EPA altogether from initiating the proposal.

Two. This bill would also freeze auto emissions at the interim 1975 levels for 1976 model year vehicles and postpone the achievement of the NOX standard until 1978. Since recent EPA hearings showed that auto companies could meet the 1975 standards, further delay is not justified. This delay would actually waste energy. Freezing auto emissions at the interim 1975 level will delay a shift to catalytic converters which, according to GM's own figures, would save up to 13 percent in gasoline consumption. Other figures presented by Ford and other motor companies are much higher.

Third. The bill would also curtail and delay aspects of the transportation control strategies developed by the EPA under the act. The clean air amendments, section 110(a)(2)(B), require that, where necessary to attain air quality meeting the national air quality standards protecting public health, States shall institute measures to curtail the total miles driven, or "transportation controls." This requirement was placed in the act in recognition that in some heavily polluted areas, reductions in emissions from new cars would not be sufficient to produce healthful air quality quickly, if at all.

The congressional decision to require transportation controls was one of the most far-sighted aspects of the clean air amendments. Though focused on reducing air pollution, it represented congressional recognition that a major cause of the unhealthful levels of air pollution in many of our cities was our unbalanced transportation system, which placed far too much reliance on the private car as a means of transporting people on the routine trip to and from work. It was a decision that the States and cities should move toward increased reliance on mass transit facilities for such trips.

In the recent period of the "fuel crisis" it was demonstrated that other ways can be found by the citizens of this country to conserve oil. And they did conserve oil. If the Members believe that they can go back home and say that this is an energy bill, they will not succeed. It has only the word "energy" in it, but there is not one provision in this bill which does anything to roll back prices, which does anything to control profits, or which does anything to make certain there will be a proper allocation of oil on a priority basis so that, for example, low-sulfur oil will be allocated to areas that have serious air pollution problems. The bill does nothing.

If we should pass this bill, then we will have, by this action, participated in invading the atmosphere, not just a bit, but we will be responsible for creating serious hazards to health which will be immediately affected.

There is nothing in this bill which will do anything about the real problems of energy. Such provisions which purport to deal with such problems are already provided for in other regulations or legislation.

As far as the reporting provisions are concerned, as I recall, the FEA Act which we passed has reporting provisions. These may be a little different but not enough to warrant our turning back the clock. As far as studying the problem of energy and the problem of energy supply, it seems to me we have provided for that in other legislation. With respect to allocation of fuel on the basis of need or priority, the Emergency Petroleum Allocation Act and regulations exist under which the administration could act to properly allocate with a view to priorities if it wished to. With respect to studies on the need for mass transportation they are underway and significant new mass transportation legislation is being drawn.

So, Mr. Chairman, the purpose of this bill seems to be to fool the public. The purpose of this bill seems to be to utilize this moment opportunistically and take unfair advantage of the generations of the future by trying to scuttle and destroy the Environmental Protection Act and the Clean Air Act. This I suggest is a goal many special interests have sought for a long time. Let us not hand it to them on a silver platter.

Mr. Chairman, I urge that if the Members have any sense of responsibility, they should vote this bill down, and then let us proceed to work on a real energy bill.

Mr. NELSEN. Mr. Chairman, I have no further requests for time.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from Florida, the chairman of the subcommittee (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I rise in support of the provisions of H.R. 14368, a bill authored by our hardworking colleague on the Subcommittee on Public Health and Environment, Mr. HASTINGS. This bill is virtually identical to the environmental provisions of the conference report on the energy bill adopted by this body in February, but which unfortunately was vetoed. The conference report on these provisions was agreed to after a bipartisan conference consisting of Mr. HASTINGS and myself for the House, and Senators RANDOLPH, MUSKIE, and BAKER for the other body. It was agreed to by the conferees to the energy bill without dissent. And it was agreed to by this body. Moreover, the Hastings bill—which embodies these provisions—was adopted without dissent by the Interstate and Foreign Commerce Committee last week.

Mr. Chairman, the long and complex deliberations which accompanied development of these provisions, in my judgment, make it vital to the public interest that this bill not be amended on the floor today. The automobile companies must make immediate decisions with respect to automotive controls. They must base their decisions in certain features of this bill. They are entitled to a final decision now.

The provisions of this bill have not been objected to by the Environmental Protection Agency or the White House. They have already received favorable support in the House and in the Senate. They have been thoroughly debated. These provisions deserve continued support—as they now exist—by this body.

Mr. Chairman, these are provisions which are energy related. Other provisions of the Clean Air Act which are not related to the energy situation also need attention. The Subcommittee on Public Health and Environment will conduct hearings on these provisions in June, and we intend to submit further amendments for the consideration of our colleagues before June 30

Mr. WYMAN. Will the gentleman yield?.

Mr. ROGERS. I yield to the gentleman.

Mr. WYMAN. Is the gentleman aware of the fact that the automobile industry will start production on the 1975 models within 60 days?

Mr. ROGERS. That is exactly the point; that is what they need to do to protect health. I know the gentleman does not want catalytic converters on all automobiles, but the industry is already prepared to do so because they are needed to protect the health of our Nation. The health of the American people ought to be the primary factor. The energy crisis has eased up, and I know the emotions of the gentleman, and I respect his feelings. However, some of the facts that were given do not jibe with the record. For instance, it will not cost $300 an automobile by any means to install converters. The record is very clear on that from the manufacturers themselves who are building it. The cost is more like $150, half the amount the gentleman suggested.

The administration is ready for us to move on the bill. People all over the country are ready. The Congress itself ruled on this amendment twice in December, and we are ready to move now.

Mr. WYMAN. If the gentleman will yield further, the people of this country in the places where there is no need for automobile emission controls object to paying the additional hundreds of dollars in the aggregate for the gadgetry that must be put on these cars as well as the fuel penalty. Why should we require the industry to produce cars with emission controls on them with this cost involved if we know in advance of the production of the new cars that we do not need them for 70 percent of the cars involved and therefore can save billions of dollars?

Mr. ROGERS. Because the facts that the gentleman states are not supported by the record or by the experts. As a matter of fact, 66 cities would be adversely affected if the gentleman's amendment were to be adopted and two-thirds of the people of this Nation would be adversely affected by it. I can go right down the line to show you what the health effects would be on the Nation, because it is all documented. It is not just my idea. I am not grabbing facts out of the air. None of the large automobile companies support the gentleman's amendment. They know they should proceed to clean up the air. I do not know of anyone who is supporting the gentleman.

In fact, let me say this: Recently a poll was taken in the suburbs around this metropolitan area, and do you know what its results were? They wanted more done by Government with regard to three things: Schools, transportation, and air pollution. In some cases in this poll, which was just published today in the Washington Post, efforts against air pollution ranked even before more efforts for schools.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. I yield one additional minute to the gentleman from Florida.

Mr. ROGERS. I thank the gentleman from West Virginia for yielding me the additional time so that I might yield for a further inquiry from the gentleman from New Hampshire (Mr. WYMAN).

Mr. WYMAN. Mr. Chairman, I would ask the gentleman from Florida: Where does the gentleman get the figure of 66 cities in this country with pollution from automobile emissions that significantly impact on the public health? Where does the gentleman get that figure?

Mr. ROGERS. From a study that was done by scientists that I have here with me.

Mr. WYMAN. By what scientists?

Mr. ROGERS. I would be happy to provide the gentleman with a list. I believe he has such a list, and I notice the gentleman from New York also has the list that he can give to the gentleman.

I might say also to the gentleman from New Hampshire that we have had significant problems in Florida contrary to what I know the feeling of the gentleman is. They had an alert in Miami caused by pollution from automobiles in Miami. We have also had that occur in Tampa. Tampa is a city that will be affected along with 66 other cities, two-thirds of the people.

So, Mr. Chairman, I think the House used good judgment when it twice voted down the amendment offered by the gentleman from New Hampshire in December. I recognize the sincerity of the gentleman from New Hampshire, but I do think the House has already rendered a proper judgment on the amendment, and I believe it will do so again.

Mr. WYMAN. Why should the people who do not live in those areas, and do not operate cars in those areas, have to pay such bills?

Mr. ROGERS. Because of the pollution effect.

Mr. WYMAN. How does it do so?

Mr. ROGERS. The gentleman himself recognizes that air moves around. It does not stay in one place. So the pollution can move around. In fact, we had it move from the Northeast to Birmingham a few years ago, with a huge, black cloud of pollution, necessitating temporary closure of the steel mills in the cities.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, this bill in its present form threatens to undermine the strict confidentiality historically accorded data relating to individual persons and establishments collected by the Bureau of the Census. Title 13, United States Code, places strict limitations on access to such data. These limitations would be swept aside by the provisions of section 11(e) of this bill, which allow the Federal Energy Administrator to obtain data from other Federal agencies notwithstanding any other provision of law.

This bill, if passed in its present form, would jeopardize past promises of confidentiality made by the Government to the people of these United States. The Census Bureau has an outstanding record of preserving the confidentiality of information furnished to it by respondents. A forced violation of such confidentiality practices could damage that reputation and thereby impair the Census Bureau's ability to procure information essential to this country's well-being. Moreover, it would do further damage to the integrity of the Government—integrity which has already been tarnished in too many other areas.

The amendment I propose would keep intact the standards of confidentiality for census data now imposed by title 13. Adoption of this amendment, I believe, is essential if the Government is to continue to depend on the Census Bureau to provide constitutionally mandated population counts and other information on conditions in our society.

The amendment follows:

AMENDMENT TO H.R. 14368, AS REPORTED OFFERED BY MR. WHITE

Page 76, line 17, insert before the comma the following: "Pursuant to any provision of law (other than title 13, United States Code)".

Page 76, line 20, insert before the final comma the following: "(other than title 13, United States Code)".

Mr. STAGGERS. Mr. Chairman, I have no further requests for time.

Mr. NELSEN. I have no further requests for time.

Mr. Chairman, I only wish to say I

reviewed this problem with the chairman, recommending that we might ease the situation and make some change of words. The information that he feels is important can be attained at the same time by a change of structure of the amendment to satisfy the concern that has been expressed, and I wish he would review that at the time for amending.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield such time as he may require to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman, the distinguished chairman of the committee (Mr. STAGGERS) for yielding.

Mr. Chairman, I should like to tell the committee that I should like to offer an amendment which would slightly change the language relating to fuel efficiency standards. The bill in its present form talks about fuel efficiency standards, and seeks a 20-percent improvement by 1980. I think that is entirely inadequate. I do not think it is going to meet the urgency of these times.

I should like to offer and expect to offer an amendment which would provide that by 1980 we would have fuel efficiency of at least 20 miles per gallon, because I think the urgency of the energy crisis calls for that kind of efficiency.

Mr. HARRINGTON. Mr. Chairman, America's consumers, helpless as utility bills have skyrocketed, are demanding relief from Congress.

The response that is being offered today—the so-called Energy Supply and Environmental Coordination Act—would not satisfy their real demands—lower fuel costs and the assurance that they and their children and grandchildren will not be forced to live in a filth-clogged world where every breath of air is a risk.

While the price of coal is presently lower than the equivalent amount of oil, Bureau of Mines figures indicate that the very passage of this bill might change that situation. The wholesale price index, where 1967 coal prices are used as a base, show that the price of coal had risen 97 percent by 1972, 110 percent by 1973, and 160 percent by January 1974.

Coal, therefore, is clearly rising in cost. With the increased coal demand that, of course, would accompany the passage of this bill, the rise in coal costs would surely accelerate. In fact, some experts have warned not of a future "oil crisis" but of a "coal crisis."

In addition, the price of coal will likely be forced to rise even further due to the impending expiration of the United Mine Workers' contract later this year. A new contract will be negotiated under a new union president committed to improved working conditions. Improvements, while certainly needed, are also costly.

Should management and labor fail to reach an acceptable settlement, coal workers may decide to strike. If we increase our dependence upon coal and find ourselves in the unfortunate and crippled position Great Britain was in last winter, we shall hardly have done our constituents a service.

I might add that the utilities want to negotiate long-term contracts, but the coal companies are not willing to do so, since such long-term contracts would involve uniform prices of coal over a number of years. Instead, the utilities are forced to buy coal on the spot market, where prices continually move higher.

The combination of these factors, with the emphasis on the rise in demand in an industry with several production problems, suggests that the now attractive price differential between coal and oil may narrow appreciably.

There are other reasons for opposing the bill, though. Seven of the 15 largest coal producers in the United States are oil companies.

This trend toward horizontal integration poses threats to competition. Oil companies are unlikely to encourage large production of coal to the point where it decreases the price of oil. It is much more likely that coal prices will move upward to meet oil prices, leaving us in the position we are in now—at the mercy of the major oil companies. We can hardly expect price competition when oil companies control a significant sector of the coal industry. Congress simply should not be a party to accelerated anticompetitive behavior, especially in a bill ostensibly designed to cut consumer costs.

By far my greatest reservations, however, are in the environmental and health areas. Relaxed air standards would directly affect the lives of thousands of people who suffer from respiratory and cardiovascular diseases. Statistics gathered by the American Public Health Association show that long-term conversion by industry to coal would increase the mortality rate 20 to 40 percent among these people. It seems to me that this unthinkable cost in human health and well-being renders unacceptable any conversion to coal as a primary electric-generating fuel in urban areas.

In addition, the safety record among mine workers is appallingly low. Underground mining is one of the most hazardous industrial occupations in the Nation. And surface mining poses questions of soil erosion, pollution of surface waters, and destruction of wildlife habitats. Some look to western coal, which has a low sulfur content—and is therefore, more attractive environmentally—for our new sources of coal. Yet, a National Academy of Sciences study points out that in many parts of the West, where there is little rainfall, soils cannot retain moisture, and reclamation is not possible

If we opt for a higher sulfur content coal, we may encounter acid mine drainage, where sulfuric acid leached from exposed coal seams contaminates surface and ground waters.

While I oppose the use of coal in the context of this bill, I would propose a crash program to perfect stack gas cleaning techniques, to find ways to liquefy and gasify coal, and to exploit deep coal in the East. Further, I would like assurances that coal prices will stay reasonably priced by diversifying coal company ownership and by removing coal's hidden environmental and health costs. Meanwhile, we must forego strip mines, which are so abhorrent environmentally that it seems pointless to pursue the subject.

Generally speaking, the Congress must stop approving bills without considering long-range, as well as short-range, implications. If we continue to be environmentally and economically shortsighted, we will continue to be plagued by problems that we should have solved ourselves. A little more care will go a long way toward assuring that we will, in fact, alleviate the energy crisis without exacerbating the environmental crisis.

Mr. FRASER. Mr. Chairman, I rise in opposition to H.R. 14368, the Energy Supply and Environmental Coordination Act.

In the bill before us this afternoon, we find, in effect, certain of the amendments to the Clean Air Act of 1970, which the administration proposed to Congress on March 22. These amendments would establish congressional authority to delay clean air standards established by the act. I wish to express my opposition to any long-term comprehensive plan to relax air quality standards as proposed in the legislation we are considering this afternoon.

Problems invariably occur in the implementaiton of a law as far reaching as the 1970 Clean Air Act. Some minor changes in the law may be needed. However, a wholesale sellout to the administration's proposals is not a justifiable answer to the problem. Under the authority we are reviewing today, the President, through the Administrator of the Environmental Protection Agency, would be given outright power to suspend provisions of the present Clean Air Act without opportunity for review and without requiring any environmental or other assessment.

H.R. 14368 WILL NOT INCREASE COAL SUPPLIES IN SHORT RUN

The declared purpose of the bill before us is to permit increased use of coal resources. The Clean Air Act does not prohibit the burning of coal. It prohibits the burning of coal without emission controls.

No matter how much we relax our air quality standards, the best estimates are that it will be 2 or 3 years at least before significant additional amounts of coal will be available. Labor problems, shortages of railroad equipment for transport, shortages of mining machinery—all these factors place constraints on the amount of coal we can produce.

EPA Administrator Russell Train has stated that—

> Relaxing or relinquishing our environmental effort will release, over the long run, only marginal amounts of supply, and over the short run, no new supply at all.

STACK-SCRUBBING EQUIPMENT

If we have to grant variances to permit use of high-sulfur coal, we should at the same time require the use of stack-scrubbing equipment. What is at issue here is the feasibility of stack scrubber technology. The EPA has affirmed, time and again, that the technology is available and practicable. Industry says that it is not—that it is overly costly and unreliable.

This morning's New York Times tells of General Motors' success with a new stack-scrubbing system at its Chevrolet Motor Division plants near Cleveland, which cut sulfur dioxide emissions by 90 percent. The difficulty with the system is that it adds about $10 to the cost of each ton of coal used.

The savings in benefits to human health is not calculated.

COSTS OF AIR POLLUTION IN HUMAN HEALTH

An American Public Health Association study has projected the number of extra deaths among the elderly, and additional respiratory illnesses among the very young, which can be expected from an extensive increase in use of coal by electric powerplants without installation of emission-control equipment. In 1 year alone, the sulfur dioxide pollution that would result in densely populated areas would bring about an additional 13,000 to 14,000 cases of respiratory illness in children under 5 and an extra 12,000 deaths in people over 60.

A February 1973 EPA report calculated the dollar costs of air pollution for 1968 at $16.1 billion. One fourth of this—roughly $4 billion—can be attributed to sulfur dioxide emissions from powerplants. The cost of controlling this pollution could not equal the enormous cost of these emissions in terms of damage to human health and to vegetation and residential property.

H.R. 14368 WOULD MEAN CHANGE IN FEDERAL-STATE ROLE IN AIR QUALITY CONTROL

If the proposed revision in the Clean Air Act is accepted, there would be a change in the relationship of the State and Federal Governments in establishing clean air standards. In the past, Congress has recognized the right of the individual States to adopt more stringent pollution control standards and to set more stringent deadlines for compliance. With the passage of the amendments, the whole emphasis on cleaning up our environment would be changed, and States would be prevented from setting their own standards.

My home State, Minnesota, has made great strides in implementing procedures and establishing deadlines for fulfillment of the act. The Minnesota Pollution Control Agency is charged with the responsibility of implementing and enforcing regulations mandated under the Clean Air Act. In a letter to my office, MPCA executive director Grant Merritt discusses how the proposed amendments will adversely affect Minnesota's efforts to protect and enhance our air. He suggests possible solutions to the problems facing us as we cope with the energy crisis. The health and well-being of our human as well as physical environment are at stake.

I include in the Record at this point the relevant portions of Mr. Merritt's letter:

> The [Minnesota Pollution Control] Agency does not believe that problems with the [Clean Air] Act have been of a magnitude sufficient to justify approval of the Administration's proposed amendments. . . .
>
> 1. Discretionary authority granted the Administration would be excessive. This not only could cause an endless series of administrative changes that would confuse and frustrate enforcement efforts, but would also further limit the role of Congress in establishing national policy—this at a time when there is great concern over the diminishing leadership role of Congress.
>
> 2. At least one change, that of "freezing" the 1975 automotive emissions standards through 1977, may have unnecessarily detrimental consequences. In addition to causing potentially serious problems with the maintenance of vehicle emissions standards, this proposal also could result in needless energy waste. To meet the 1975 emissions standards, the automobile industry likely will rely on the oxidation catalyst (a muffler-like device that fits on the tailpipe and converts carbon monoxide and hydrocarbons to harmless carbon dioxide and water). A problem with the catalyst is that emissions of sulfates likely will increase substantially. By freezing the 1975 deadlines, reliance on the catalyst may likewise be extended, not only adding to the sulfate-emission problem but possibly delaying development of energy-efficient and pollution-reducing new engine technologies. Moreover, the catalyst likely would cause a wholesale changeover to lead-free gasoline facilities, for which the energy cost would be high.
>
> As you also are aware, the National Academy of Sciences is engaged in an extensive study on various aspects of the Clean Air Act. The study is to be completed this summer. In view of the importance of the matter, it seems that it would be prudent to wait a few months for the results of this study before action is taken on any major changes in the Clean Air Act.
>
> In carrying out one portion of the Clean Air Act, the Agency devised a transportation-control plan for the Minneapolis central business district where emissions of carbon monoxide violated federal and state standards. The cooperation of the City of Minneapolis and several state agencies, including the Minnesota Highway Department and the Metropolitan Transit Commission, resulted in the development of a plan that will succeed in meeting the standards by the May 31, 1975, compliance date. The Minnesota transportation plan will not be affected by the Administration's proposed amendments.

H.R. 14368 WILL NOT SOLVE OUR ENERGY PROBLEMS

Our energy and environmental problems come from the same source—habitual forms of development and growth that are wasteful both of energy and other environmental resources.

We can achieve significant energy savings through increased emphasis on mass transit, recycling of materials, smaller cars, and other energy-efficiency measures. The preliminary report released by the Ford Foundation's Energy Policy Project estimates that by cutting fuel used for transportation by 7 percent—possibly through rescheduling of airlines and gasoline rationing—we could save as much oil as through a massive switch of power plants from oil to coal—and without the terrible price in human health.

We must not jeopardize, for an illusory short-term gain, the hard-won advances we have made in air quality over the past few years. The bill before us would unnecessarily relax air quality standards without necessarily increasing our supplies of energy. I ask you to join me in voting against it.

Mr. BINGHAM. Mr. Chairman, on December 12, during the debate on the original Energy Emergency Act, I said that that the bill was an incomplete package of proposals, plans, and short term authorizations which avoids some of the hardest and most important questions about how this Nation should deal with the impending shortages of petroleum products. That statement is as true today as it was then. We still do not have viable legislation to provide for rationing should it be needed; we have no provision to respond to the inevitable economic hardships caused by the fuel crisis; and we still do not have a Federal commitment to improve mass transit facilities in our Nation's cities. What we have here is a scalpel with which the oil industry and their White House allies can dismember our enviromental protection laws.

This legislation represents half of the bill the Congress considered last year. It is the half the President has said he would not veto—the other half which he has promised to veto again contained a provision which would have reduced the price of domestic crude oil in this country to tolerable levels. H.R. 14368, according to the report filed by the Interstate and Foreign Commerce Committee, seeks to consolidate those provisions from the Energy Emergency Act upon which there is substantial agreement that the White House would not exercise its veto.

While some sacrifice in the quality of our atmospheric environment is inevitable as we strive to meet our energy demands, this bill would go far to institutionalize the negation of our environmental protection laws which much of the energy industry has long sought.

Included in this bill are provisions which would sharply relax air quality standards; encourage the burning of high pollutant coal without a concomitant responsibility to install antipollution equipment; ease auto emission standards for 2 years and negate any environmental regulation which would interfere with mandated coal conversion actions.

There are provisions in the bill I would prefer to see enacted into law. For example, the bill would authorize the FEO to collect and disseminate energy data it compels the energy industry to disgorge. The publication of verified and accurate energy data is long overdue and constitutes a step in the direction we should have taken a long time ago: make the energy industry responsible to the needs of the American people through their Government. But legislation to gather reliable energy data should not be held captive by what essentially is a bad bill that would gut our environmental laws and deface our world with a cloud of pollutants. There is enough support for an energy data bill in the House, that one standing on its own merit would gain easy passage.

In addition, I do not believe there are sufficient safeguards, as argued by some, to protect the environment should the bill become law. There is no assurance in the legislation, for example, that New York City, which is a high pollution problem area would be guaranteed sufficient low sulfur fuels to meet its needs, allocating higher sulfur fuels to areas that can sustain the added pollutants without an adverse impact. Just today, John Sawhill, in a meeting with the New York delegation said he could do nothing to aid the city. Moreover, he refused to reallocate New York any domestically produced low sulfur residual oil. I believe it would be a mistake to institutionalize the power to order variances such as I have described when the people running the Federal energy program say they will not help New York solve its severe energy pollution problem.

We have succeeded so far in meeting the majority of the country's energy needs to date without this legislation, and I intend to cast my vote against its adoption because the present situation is far preferable to what this bill portends for New York City.

Mr. WOLFF. Mr. Chairman, I rise in opposition to H.R. 14368, "The Energy Supply and Environmental Coordination Act."

During the past several months the energy crisis has been a frustrating experience for all Americans. Few groups, however, have felt the anxieties which the environmental movement has suffered during this period, constantly being bombarded with rhetorical statements placing the blame for the energy crisis on their shoulders. Nothing could be further from the truth. For environmentalists first gave impetus to the energy conservation movement. The legislation we are considering only continues to impugn the environmental movement.

Allowing coal to be burned without cleaning it, particularly at large urban center generating facilities, will have disastrous effects on the Nation's air quality and on the health of millions of Americans. In the New York metropolitan area, a variance to burn coal by the Consolidated Edison Co. was refused because of the deleterious impact it would have on the quality of life in the region. The decision to burn coal at power generating facilities, because of its critical impact upon the populace, should not be made by the Administrator of the Federal Energy Administration unless the coal is filtered and cleaned.

However, the most disturbing aspect of the legislation we now have under consideration involves the section to relax the provisions of the National Environmental Policy Act of 1969. When the House considered the Alaskan Pipeline measure, several months ago, a hole was made in the wall of the dam. Now, we are witnessing legislation which would open the flood gates to NEPA. Again, our environment is to suffer unnecessarily for our energy shortages. Several months ago, when the Consolidated Edison Company in New York applied to the New York City Environmental Protection Agency for a variance to burn coal at its Ravenswood facility, an environmental impact analysis was carried out, involving Federal, State, and local authorities. There was no need to suspend NEPA, but only carry out its provisions swiftly and effectively. This same action can be done for all future variances and conversions involving clean air standards and the National Environmental Policy Act. Consequently, I see no reason for the inclusion of this section in H.R. 14368.

I am also concerned that the legislation we are considering may undermine the decision of the Supreme Court in Sierra Club against Ruckelshaus. According to the majority of the Court, further degradation of air quality in areas subject to standards was contrary to the Clean Air Act of 1970. By suspending provisions of the Clean Air Act, we may actually be in conflict with the principles of the legislation we are amending.

The need to maximize our available fuel resources will not be aided by the provisions of H.R. 14368, which would suspend portions of the Clean Air Act. However, the Nation's fuel supplies could be increased by the continued concerted efforts aimed at energy conservation, efforts to maximize clean sources of energy, action which environmentalists have been proposing for years.

Mr. BROYHILL of North Carolina. Mr. Chairman, I rise in support of H.R. 14368, the Energy Supply and Environmental Coordination Act of 1974. I have spoken before on the floor of the House in support of many of the provisions of this legislation. Enactment of legislation to deal with the energy shortages our Nation is facing is long overdue. This bill comes before us today approximately 6 months after the Congress first began considering legislation to deal with energy shortages.

In the consideration and final passage of such legislation, we have encountered innumerable controversies, delays, and differences of opinion. But the problem which this legislation seeks to deal with is still with us and we must still provide some solutions so that our Nation can get through the years ahead with an adequate supply of energy to meet our needs.

After the President vetoed the recently passed Energy Emergency Act, the House Interstate and Foreign Commerce Committee began consideration of new energy legislation which incorporated many of the same provisions as the vetoed bill. In the final consideration of this legislation, the committee divided the provisions into two separate bills. The bill before us today is one such bill and, I feel, contains the less controversial language to deal with energy shortages.

This bill provides several amendments to the Clean Air Act. It provides temporary suspension of air emission standards under the Clean Air Act to stationary sources which are unable to obtain clean fuels. These suspensions apply until June 30, 1975, or one year after enactment, whichever is earlier. If the Environmental Protection Agency determines that clean fuels are available, or if there is a significant risk to public health, suspension of standards would not be allowed.

This suspension of standards would provide some relief from the shortage of fuels, particularly fuels of low-pollution characteristics, which may make it impossible for many fuel burning stationary sources to comply with existing requirements.

The bill also provides exemption from air pollution requirements until January 1, 1979, for stationary sources which convert to coal as a major source of fuel. This exemption may be overridden if conversion to coal results in significant threats to health. This section should result in the opening of new coal mines by sustaining demand for coal, and will tend to shift supplies of natural gas and oil to the production of gasoline and home heating oil. If necessary, a coal allocation system would be provided for coal users.

Another important section of this bill deals with automobile emissions. It provides that emission standards for 1975 model cars would continue during the 1976 model year. A second year of postponement is also authorized if the Administrator of EPA finds it is necessary to prevent a significant increase in fuel use. This section attempts to strike a balance between continued development of a clean automobile engine and the technological problems associated with achieving that goal particularly during a period of critical fuel shortage. Passage of this section, which has previously been approved by the House, is necessary so that automobile manufacturers will know the emission standards for 1975 model cars which are soon to go into production.

The bill also provides for reporting of energy information from those engaged in the production, processing, refining, transportation by pipeline, or distribution of energy resources. The Federal Energy Administration is directed to develop, within 30 days of enactment, an accurate measure of domestic reserves, production, imports and inventories of oil, natural gas, and coal. In addition, industry information must be updated every 90 days to ensure timeliness and accuracy of energy information. This section should ensure that the Federal Energy Administration and the Congress have the necessary information to evaluate energy problems and will be able to take action based on accurate and complete information.

Congressional passage of this important energy legislation is long overdue. I urge my colleagues to act swiftly to approve this badly needed measure.

Mr. KOCH. Mr. Chairman, the Energy Supply and Environmental Coordination Act, now on the floor, would be disastrous for the environment of our cities.

The bill does have some good provisions—requiring reports from persons engaged in the production and distribution of energy resources, and directing the Federal Energy Administration to conduct conservation studies and to publish reports on energy supplies.

However, the sections which would allow pollution of the atmosphere, to a dangerous extent in many cities, including New York, far outweigh the helpful portions of the bill.

The environmentally destructive provisions which I am talking about would temporarily suspend stationary emission limitations under the Clean Air Act, such as smoke from factories; would encourage, and in some cases require, the burning of coal, potentially extremely harmful to the health of many persons in cities already burdened with heavy air pollution, including New York; would suspend stronger automobile emission standards planned for 1976; and would suspend for 1 year actions under the National Environmental Policy Act.

This bill would in a gross, adverse way affect the health of our citizens by further impairing the quality of the very air we breathe. This is neither conscionable nor necessary. Conservation of energy need not conflict with environmental safeguards. This bill dumps the safeguards at the public's expense, and I must therefore vote against it.

Mr. RANDALL. Mr. Chairman, I support H.R. 14368, the Energy Supply Act of 1974. I shall be brief in my remarks. One of the most important provisions of this bill is section 11 on energy information reports. As I have said many times, while we may have suffered from an Arab oil embargo, we continue to suffer today from an energy information embargo. H.R. 14368 should go quite a ways toward correcting that problem. As I read the bill, reports may be required by the Federal Energy Administrator even by means of subpena if necessary to bring in all relevant books, records, papers, and other documents relating to domestic reserves and also all production reports and inventories of crude oil, residual fuel oil, refined petroleum products, and natural gas.

It is required that these reports be furnished for each calendar quarter. If there is no other purpose, then this bill deserves prompt enactment in order that we may know, instead of having to continue to guess, about such things as refinery capacity, stocks on hand, how much product is in the pipeline, how much is in tanks above ground and all of the many other necessary statistics needed to prepare a national energy plan or policy.

Of course, we should also applaud the Committee on Interstate and Foreign Commerce for providing in this measure a sensible suspension of the requirement for devices that must be attached to cars to control emission of pollutants.

In addition, there is an important section on coal conversion and a most important section on a fuel economy study. All in all, H.R. 14368 is a bill which has merit; it provides many benefits, and as far as I can determine it is without any detriments. About the only apology that has to be made is that this legislation should have been passed much earlier in this session.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

SECTION 1. SHORT TITLE; PURPOSE.

(a) This Act, including the following table of contents, may be cited as the "Energy Supply and Environmental Coordination Act of 1974".

Sec. 1. Short title; purpose.
Sec. 2. Suspension authority
Sec. 3. Implementation plan revisions.
Sec. 4. Motor vehicle emissions.
Sec. 5. Conforming amendments.
Sec. 6. Protection of public health and environment.
Sec. 7. Energy conservation study.
Sec. 8. Reports.
Sec. 9. Fuel economy study.
Sec. 10. Coal conversion and allocation.
Sec. 11. Energy information reports.
Sec. 12. Definition.

(b) The purpose of this Act is to provide for a means to assist in meeting the essential needs of the United States for fuels, in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and improve the environment, and to provide requirements for reports respecting energy resources.

SEC. 2. SUSPENSION AUTHORITY.

Title I of the Clean Air Act is amended by adding at the end thereof the following new section:

"ENERGY-RELATED AUTHORITY

"SEC. 119. (a)(1)(A) The Administrator may, for any period beginning on or after the date of enactment of this section and ending on or before the earlier of June 30, 1975, or one year after the date of enactment of this section, temporarily suspend any stationary source fuel or emission limitation as it applies to any person, if the Administrator finds that such person will be unable to comply with such limitation during such period solely because of unavailability of types or amounts of fuels. Any suspension under this paragraph and any interim requirement on which such suspension is conditioned under paragraph (3) shall be exempted from any procedural requirements set forth in this Act or in any other provision of local, State, or Federal law; except as provided in subparagraph (B).

"(B) The Administrator shall give notice to the public of a suspension and afford the public an opportunity for written and oral presentation of views prior to granting such suspension unless otherwise provided by the Administrator for good cause found and published in the Federal Register. In any case, before granting such a suspension he shall give actual notice to the Governor of the State, and to the chief executive officer of the local government entity in which the affected source or sources are located. The granting or denial of such suspension and the imposition of an interim requirement shall be subject to judicial review only on the grounds specified in paragraphs (2)(B), (2)(C), or (2)(D) of section 706 of title 5, United States Code, and shall not be subject to any proceeding under section 304(a)(2) or 307 (b) and (c) of this Act.

"(2) In issuing any suspension under paragraph (1) the Administrator is authorized to act on his own motion without application by any source or State.

"(3) Any suspension under paragraph (1) shall be conditioned upon compliance with such interim requirements as the Administrator determines are reasonable and practicable. Such interim requirements shall include, but need not be limited to, (A) a requirement that the source receiving the suspension comply with such reporting requirements as the Administrator determines may be necessary, (B) such measures as the Administrator determines are necessary to avoid an imminent and substantial endangerment to health of persons, and (C) requirements that the suspension shall be inapplicable during any period during which fuels which would enable compliance with the suspended stationary source fuel or emission limitations are in fact reasonably available to that person (as determined by the Administrator). For purposes of clause (C) of this paragraph, availability of natural gas or petroleum products which enable compliance shall not make a suspension inapplicable to a source described in subsection (b)(1) of this section.

"(4) For purposes of this section:

"(A) The term 'stationary source fuel or emission limitation' means any emission limitation, schedule, or timetable for compliance, or other requirement, which is prescibed under this Act (other than section 303, 111(b), or 112) or contained in an applicable implementation plan (other than a requirement imposed under authority described in section 110(a)(2)(F)(v)), and which is designed to limit stationary source emissions resulting from combustion of fuels, including a prohibition on, or specification of, the use of any fuel of any type or grade or pollution characteristic thereof.

"(B) The term 'stationary source' has the same meaning as such term has under section 111(a)(3).

"(b)(1) Except as provided in paragraph (2) of this subsection, any fuel-burning stationary source—

"(A) which is prohibited from using petroleum products or natural gas as fuel by reason of an order issued under section 10(a) of the Energy Supply and Environmental Coordination Act of 1974, or

"(B) which (i) the Administrator of the Environmental Protection Agency determines began conversion to the use of coal as fuel during the period beginning on September 15, 1973, and ending on the date of enactment of this section, and (ii) the Federal Energy Administrator determines should use coal after the earlier of June 30, 1975, or one year after the date of enactment of this section, after balancing on a plant-by-plant basis the environmental effects of such conversion against the need to fulfill the purposes of the Energy Supply and Environmental Coordination Act of 1974,

and which converts to the use of coal as fuel, shall not, until January 1, 1979, be prohibited, by reason of the application of any air pollution requirement, from burning coal which is available to such source. For purposes of this paragraph, the term 'began conversion' means action by the owner or operator of a source during the period beginning on September 15, 1973, and ending on the date of enactment of this section (such as entering into a contract binding on the operator of the source for obtaining coal, or equipment or facilities to burn coal; expending substantial sums to permit such source to burn coal; or applying for an air pollution variance to enable the source to burn coal) which the Administrator finds evidences a decision (made prior to such date of enactment) to convert to burning coal as a result of the unavailability of an adequate supply of fuels required for compliance with the applicable implementation plan, and a good faith effort to expeditiously carry out such decision.

"(2)(A) Paragraph (1) of this subsection shall apply to a source only if the Administrator finds that emissions from the source will not materially contribute to a significant risk to public health and if the source has submitted to the Administrator a plan for compliance for such source which the Administrator has approved, after notice to interested persons and opportunity for presentation of views (including oral presentation of views). A plan submitted under the preceding sentence shall be approved only if it (i) meets the requirements of regulations prescribed under subparagraph (B); and (ii) provides that such source will comply with requirements which the Administrator shall prescribe to assure that emissions from such source will not materially contribute to a significant risk to public health. The Administrator shall approve or disapprove any such plan within 60 days after such plan is submitted.

"(B) The Administrator shall prescribe regulations requiring that any source to which this subsection applies submit and obtain approval of its means for and schedule of compliance. Such regulations shall include requirements that such schedules shall include dates by which such sources must—

"(i) enter into contracts (or other enforceable obligations) which have received prior approval of the Administrator as being adequate to effectuate the purposes of this section and which provide for obtaining a long-term supply of coal which enables such source to achieve the emission reduction required by subparagraph (C), or

"(ii) if coal which enables such source to achieve such emission reduction is not available to such source, enter into contracts (or other enforceable obligations) which have received prior approval of the Administrator as being adequate to effectuate the purposes of this section and which provide for obtaining (I) a long-term supply of other coal or coal derivatives, and (II) continuous emission reduction systems necessary to permit such source to burn such coal or coal derivatives, and to achieve the degree of emission reduction required by subparagraph (C).

"(C) Regulations under subparagraph (B) shall require that the source achieve the most stringent degree of emission reduction that such source would have been required to achieve under the applicable implementation plan which was in effect on the date of enactment of this section (or if no applicable implementation plan was in effect on such date, under the first applicable implementation plan which takes effect after such date). Such degree of emission reduction shall be achieved as soon as practicable, but not later than January 1, 1979; except that, in the case a source for which a continuous emission reduction system is required for sulfur-related emissions, reduction of such emissions shall be achieved on a date designated by the Administrator (but not later than January 1, 1979). Such regulations shall also include such interim requirements as the Administrator determines are reasonble and practicable including requirements described in clauses (A) and (B) of subsection (a) (3) and requirements to file progress reports.

"(D) The Administrator (after notice to interested persons and opportunity for presentation of views, including oral presentations of views, to the extent practicable) (i) may, prior to the earlier of June 30, 1975, or one year after the date of enactment of this section, and shall thereafter prohibit the use of coal by a source to which paragraph (1) applies if he determines that the use of coal by such source is likely to materially contribute to a significant risk to public health; and (ii) may require such source to use coal of any particular type, grade, or pollution characteristic if such coal is available to such source. Nothing in this subsection (b) shall prohibit a State or local agency from taking action which the Administrator is authorized to take under this subparagraph.

"(3) For purposes of this subsection, the term 'air pollution requirement' means any emission limitation, schedule, or timetable for compliance, or other requirement, which is prescribed under any Federal, State, or local law or regulation, including this Act (except for any requirement prescribed under this subsection, section 110(a) (2) (F) (v), or section 303), and which is designed to limit stationary source emissions resulting from combustion of fuels (including a restriction on the use or content of fuels). A conversion to coal to which this subsection applies shall not be deemed to be a modification for purposes of section 111(a) (2) and (4) of this Act.

"(4) A source to which this subsection applies may, upon the expiration of the exemption under paragraph (1), obtain a one-year postponement of the application of any requirement of an applicable implementation plan under the conditions and in the manner provided in section 110(f).

"(c) The Administrator may by rule establish priorities under which manufacturers of continuous emission reduction systems necessary to carry out subsection (b) shall provide such systems to users thereof, if he finds that priorities must be imposed in order to assure that such systems are first provided to users in air quality control regions with the most severe air pollution. No rule under this subsection may impair the obligation of any contract entered into before enactment of this section. To the extent necessary to carry out this section, the Administrator may prohibit any State or political subdivision from requiring any person to use a continuous emission reduction system for which priorities have been established under this subsection except in accordance with such priorities.

"(d) The Administrator shall study, and report to Congress not later than six months after the date of enactment of this section, with respect to—

"(1) the present and projected impact on the program under this Act of fuel shortages and of allocation and end-use allocation programs;

"(2) availability of continuous emission reduction technology (including projections respecting the time, cost, and number of units available) and the effects that continuous emission reduction systems would have on the total environment and on supplies of fuel and electricity;

"(3) the number of sources and locations which must use such technology based on projected fuel availability data;

"(4) priority schedule for implementation of continuous emission reduction technology, based on public health or air quality;

"(5) evaluation of availability of technology to burn municipal solid waste in these sources including time schedules, priorities analysis of unregulated pollutants which will be emitted and balancing of health benefits and detriments from burning solid waste and of economic costs;

"(6) projections of air quality impact of fuel shortages and allocations;

"(7) evaluation of alternative control strategies for the attainment and maintenance of national ambient air quality standards for sulfur oxides within the time frames prescribed in the Act, including associated considerations of cost, time frames, feasibility, and effectiveness of such alternative control strategies as compared to stationary source fuel and emission regulations;

"(8) proposed allocations of continuous emission reduction systems which do not produce solid waste to sources which are least able to handle solid waste byproducts of such systems; and

"(9) plans for monitoring or requiring sources to which this section applies to monitor the impact of actions under this section on concentration of sulfur dioxide in the ambient air.

"(e) No State or political subdivision may require any person to whom a suspension has been granted under subsection (a) to use any fuel the unavailability of which is the basis of such person's suspension (except that this preemption shall not apply to requirements identical to Federal interim requirements under subsection (a) (3)).

"(f) (1) It shall be unlawful for any person to whom a suspension has been granted under subsection (a) (1) to violate any requirement on which the suspension is conditioned pursuant to subsection (a) (3).

"(2) It shall be unlawful for any person to violate any rule under subsection (c).

"(3) It shall be unlawful for the owner or operator of any source to fail to comply with any requirement under subsection (b) or any regulation, plan, or schedule thereunder.

"(4) It shall be unlawful for any person to fail to comply with an interim requirement under subsection (i) (3),

"(g) Beginning January 1, 1975, the Administrator shall publish at no less than one-hundred-and-eighty-day intervals, in the Federal Register, the following:

"(1) A concise summary of progress reports which are required to be filed by any person or source owner or operator to which subsection (b) applies. Such progress reports shall report on the status of compliance with all requirements which have been imposed by the Administrator under such subsections.

"(2) Up-to-date findings on the impact of this section upon—

"(A) applicable implementation plans, and

"(B) ambient air quality.

"(h) Nothing in this section shall affect the power of the Administrator to deal with air pollution presenting an imminent and substantial endangerment to the health of persons under section 303 of this Act.

"(i) (1) In order to reduce the likelihood of early phaseout of existing electric generating facilities, any electric generating powerplant (A) which, because of the age and condition of the plant, is to be taken out of service permanently no later than January 1, 1980, according to the power supply plan (in existence on January 1, 1974) of the operator of such plant, (B) for which a certification to that effect has been filed by the operator of the plant with the Environmental Protection Agency and the Federal Power Commission, and (C) for which the Commission has determined that the certification has been made in good faith and that the plan to cease operations no later than January 1, 1980, will be carried out as planned in light of existing and prospective power supply requirements, shall be eligible for a single one-year postponement as provided in paragraph (2).

"(2) Prior to the date on which any plant eligible under paragraph (1) is required to comply with any requirement of an applicable implementation plan, such source may apply (with the concurrence of the Governor of the State in which the plant is located) to the Administrator to postpone the applicability of such requirement to such source for not more than one year. If the Administrator determines, after balancing the risk to public health and welfare which may be associated with a postponement, that compliance with any such requirement is not reasonable in light of the projected useful life of the plant, the availability of rate base increases to pay for such costs, and other appropriate factors, then the Administrator shall grant a postponement of any such requirement.

"(3) The Administrator shall, as a condition of any postponement under paragraph (2), prescribe such interim requirements as are practicable and reasonable in light of the criteria in paragraph (2).

"(j) (1) The Administrator may, after public notice and opportunity for presentation of views in accordance with section 553 of title 5, United States Code, and after consultation with the Federal Energy Administrator, designate persons to whom fuel exchange orders should be issued. The purpose of such designation shall be to avoid or minimize the adverse impact on public health and welfare of any suspension under subsection (a) of this section or conversion to coal to which subsection (b) applies or of any allocation under section 10 of the Energy Supply and Environmental Coordination Act of 1974 or the Emergency Petroleum Allocation Act of 1973.

"(2) The Federal Energy Administrator shall issue exchange orders to such persons as are designated by the Administrator under paragraph (1) requiring the exchange of any fuel subject to allocation under the preceding Acts effective no later than forty-five days after the date of the designation under paragraph (1), unless the Federal Energy Administrator determines, after consultation with the Administrator, that the costs or consumption of fuel, resulting from such exchange order, will be excessive.

"(3) Violation of any exchange order issued under paragraph (2) shall be a prohibited act and shall be subject to enforcement action and sanctions in the same manner and to the same extent as a violation of any requirement of the regulation under section 4 of the Emergency Petroleum Allocation Act of 1973."

"SEC. 3. IMPLEMENTATION PLAN REVISIONS.

(a) Section 110(a) of the Clean Air Act is amended in paragraph (3) by inserting "(A)" after "(3)" and by adding at the end thereof the following new subparagraph:

"(B)(1) For any air quality control region in which there has been a conversion to coal to which section 119(b) applies, the Administrator shall review the applicable implementation plan and no later than one year after the date of such conversion determine whether such plan must be revised in order to achieve the national primary ambient air quality standard which the plan implements. If the Administrator determines that any such plan is inadequate, he shall require that a plan revision be submitted by the State within three months after the date of notice to the State of such determination. Any plan revision which is submitted by the State after notice and public hearing shall be approved or disapproved by the Administrator, after public notice and opportunity for public hearing, but no later than three months after the date required for submission of the revised plan. If a plan provision (or portion thereof) is disapproved (or if a State fails to submit a plan revision), the Administrator shall, after public notice and opportunity for a public hearing, promulgate a revised plan (or portion thereof) not later than three months after the date required for approval or disapproval.

"(2) Any requirement for a plan revision under paragraph (1) and any plan requirement promulgated by the Administrator under such pargraph shall include reasonable and practicable measures to minimize the effect on the public health of any conversion to which section 119(b) applies."

(b) Subsection (c) of section 110 of the Clean Air Act (42 U.S.C. 1857 C–5) is amended by inserting "(1)" after "(c)"; by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and by adding the following new paragraph:

"(2)(A) The Administrator shall conduct a study and shall submit a report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committee on Public Works of the United States Senate not later than three months after date of enactment of this section, on the necessity of parking surcharge, management of parking supply, and preferential bus/carpool lane regulations as part of the applicable implementation plans required under this section to achieve and maintain national primary ambient air quality standards. The study shall include an assessment of the economic impact of such regulations, consideration of alternative means of reducing total vehicle miles traveled, and an assessment of the impact of such regulations on other Federal and State programs dealing with energy or transportation. In the course of such study, the Administrator shall consult with other Federal officials including, but not limited to, the Secretary of Transportation, the Federal Energy Administrator, and the Chairman of the Council on Environmental Quality.

"(B) No parking surcharge regulation may be required by the Administrator under paragraph (1) of this subsection as a part of an applicable implementation plan. All parking surcharge regulations previously required by the Administrator shall be void upon the date of enactment of this subparagraph. This subparagraph shall not prevent the Administrator from approving parking surcharges if they are adopted and submitted by a State as part of an applicable implementation plan. The Administrator may not condition approval of any implementation plan submitted by a State on such plan's including a parking surcharge regulation.

"(C) The Administrator is authorized to suspend until January 1, 1975, the effective date or applicability of any regulations for the management of parking supply or any requirement that such regulations be a part of an applicable implementation plan approved or promulgated under this section. The exercise of the authority under this subparagraph shall not prevent the Administrator from approving such regulations if they are adopted and submitted by a State as part of an applicable implementation plan. If the Administrator exercises the authority under this subparagraph, regulations requiring a review or analysis of the impact of proposed parking facilities before construction which takes effect on or after January 1, 1975, shall not apply to parking facilities on which construction has been initiated before January 1, 1975.

"(D) For purposes of this pragraph, the term 'parking surcharge regulation' means a regulation imposing or requiring the imposition of any tax, surcharge, fee, or other charge on parking spaces, or any other area used for the temporary storage of motor vehicles. The term 'management of parking supply' shall include any requirement providing that any new facility containing a given number of parking spaces shall receive a permit or other prior approval, issuance of which is to be conditioned on air quality considerations. The term 'preferential bus/carpool lane' shall include any requirement for the setting aside of one or more lanes of a street or highway on a permanent or temporary basis for the exclusive use of buses and/or carpools.

"(E) No standard, plan, or requirement, relating to management of parking supply or preferential bus/carpool lanes shall be promulgated after the enactment of this paragraph by the Administrator pursuant to this section, unless such promulgation has been subjected to at least one public hearing which has been held in the area affected and for which reasonable notice has been given in such area. If substantial changes are made following public hearings, additional hearings shall be held in such area after such notice."

SEC. 4. MOTOR VEHICLE EMISSIONS.

(a) Section 202(b)(1)(A) of the Clean Air Act is amended by striking out "1975" and inserting in lieu thereof "1977"; and by inserting after "(A)" the following: "The regulations under subsection (a) applicable to emissions of carbon monoxide and hydrocarbons from light-duty vehicles and engines manufactured during model years 1975 and 1976 shall contain standards which are identical to the interim standards which were prescribed (as for December 1, 1973) under paragraph (5)(A) of this subsection for light-duty vehicles and engines manufactured during model year 1975."

(b) Section 202(b)(1)(B) of such Act is amended by striking out "1976" and inserting in lieu thereof "1978"; and by inserting after "(B)" the following: "The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light-duty vehicles and engines manufactured during model years 1975 and 1976 shall contain standards which are identical to the standards which were prescribed (as of December 1, 1973) under subsection (a) for light-duty vehicles and engines manufactured during model year 1975. The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light-duty vehicles and engines manufactured during model year 1977 shall contain standards which provide that emissions of such vehicles and engines may not exceed 2.0 grams per vehicle mile."

(c) Section 202(b)(5)(A) of such Act is amended to read as follows:

"(5)(A) At any time after January 1, 1975, any manufacturer may file with the Administrator an application requesting the suspension for one year only of the effective date of any emission standard required by paragraph (1)(A) with respect to such manufacturer for light-duty vehicles and engines manufactured in model year 1977. The Administrator shall make his determination with respect to any such application within sixty days. If he determines, in accordance with the provisions of this subsection, that such suspension should be granted, he shall simultaneously with such determination prescribe by regulation interim emission standards which shall apply (in lieu of the standards required to be prescribed by paragraph (1)(A) of this subsection) to emissions of carbon monoxide or hydrocarbons (or both) from such vehicles and engines manufactured during model year 1977."

(d) Section 202(b)(5)(B) of the Clean Air Act is repealed and the following subparagraphs redesignated accordingly.

SEC. 5. CONFORMING AMENDMENTS.

(a)(1) Section 113(a)(3) of the Clean Air Act is amended by striking out "or" before "112(c)", by inserting a comma in lieu thereof, and by inserting after "hazardous emissions)" the following: ", or 119(f) (relating to energy-related authorities)".

(2) Section 113(b)(3) of such Act is amended by striking out "or 112(c)" and inserting in lieu thereof ", 112(c), or 119(f)".

(3) Section 113(c)(1)(C) of such Act is amended by striking out "or section 112(c)" and inserting in lieu thereof ", section 112(c), or section 119(f)".

(4) Section 114(a) of such Act is amended by inserting "119 or" before "303".

(b) Section 116 of the Clean Air Act is amended by inserting "119 (b), (c), and (e)," before "209".

SEC. 6. PROTECTION OF PUBLIC HEALTH AND ENVIRONMENT.

(a) Any allocation program provided for in section 10 of this Act or in the Emergency Petroleum Allocation Act of 1973, shall, to the maximum extent practicable, include measures to assure that available low sulfur fuel will be distributed on a priority basis to those areas of the country designated by the Administrator of the Environmental Protection Agency as requiring low sulfur fuel to avoid or minimize adverse impact on public health.

(b) In order to determine the health effects of emissions of sulfur oxides to the air resulting from any conversions to burning coal to which section 119 of the Clean Air Act applies, the Department of Health, Education, and Welfare shall, through the National Institute of Environmental Health Sciences and in cooperation with the Environmental Protection Agency, conduct a study of chronic effects among exposed populations. The sum of $3,500,000 is authorized to be appropriated for such a study. In order to assure that long-term studies can be conducted without interruption, such sums as are appropriated shall be available until expended.

(c) No action taken under section 10 of this Act shall, for a period of one year after initiation of such action, be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 856). However, before any action under section 10 of this Act that has a significant impact on the environment is taken, if practicable, or in any event within sixty days after such action is taken, an environmental evaluation with analysis equivalent to that required under section 102(2)(C) of the National Environmental Policy Act, to the greatest extent practicable within this time constraint, shall be prepared and circulated to appropriate Federal, State, and local government agencies and to the public for a thirty-day comment period after which a public hearing shall be held upon request to review outstanding environmental issues. Such an evaluation shall not be required where the action in question has been preceded by compliance with the National Environmental Policy Act by the appropriate Federal agency. Any action taken under section 10 of this

Act which will be in effect for more than a one-year period or any action to extend an action taken under section 10 of this Act to a total period of more than one year shall be subject to the full provisions of the National Environmental Policy Act notwithstanding any other provision of this Act.

(d) In order to expedite the prompt construction of facilities for the importation of hydroelectric energy thereby helping to reduce the shortage of petroleum products in the United States, the Federal Power Commission is hereby authorized and directed to issue a Presidential permit pursuant to Executive Order 10485 of September 3, 1953, for the construction, operation, maintenance, and connection of facilities for the transmission of electric energy at the borders of the United States without preparing an environmental impact statement pursuant to section 102 of the National Environmental Policy Act of 1969 (83 Stat. 856) for facilities for the transmission of electric energy between Canada and the United States in the vicinity of Fort Covington, New York.

Sec. 7. Energy Conservation Study.

(a) The Federal Energy Administrator shall conduct a study on potential methods of energy conservation and, not later than six months after the date of enactment of this Act, shall submit to Congress a report on the results of such study. The study shall include, but not be limited to, the following:

(1) the energy conservation potential of restricting exports of fuels or energy-intensive products or goods, including an analysis of balance-of-payments and foreign relations implications of any such restrictions;

(2) federally sponsored incentives for the use of public transit, including the need for authority to require additional production of buses or other means of public transit and Federal subsidies for the duration of the energy emergency for reduced fares and additional expenses incurred because of increased service;

(3) alternative requirements, incentives, or disincentives for increasing industrial recycling and resource recovery in order to reduce energy demand, including the economic costs and fuel consumption tradeoff which may be associated with such recycling and resource recovery in lieu of transportation and use of virgin materials;

(4) the costs and benefits of electrifying rail lines in the United States with a high density of traffic; including (A) the capital costs of such electrification, the oil fuel economies derived from such electrification, the ability of existing power facilities to supply the additional power load, and the amount of coal or other fossil fuels required to generate the power required for railroad electrification, and (B) the advantages to the environment of electrification of railroads in terms of reduced fuel consumption and air pollution and disadvantages to the environment from increased use of fossil fuel such as coal; and

(5) means for incentives or disincentives to increase efficiency of industrial use of energy.

(b) Within ninety days of the date of enactment of this Act, the Secretary of Transportation, after consultation with the Federal Energy Administrator, shall submit to the Congress for appropriate action an "Emergency Mass Transportation Assistance Plan" for the purpose of conserving energy by expanding and improving public mass transportation systems and encouraging increased ridership as alternatives to automobile travel.

(c) Such plan shall include, but shall not be limited to—

(1) recommendations for emergency temporary grants to assist States and local public bodies and agencies thereof in the payment of operating expenses incurred in connection with the provision of expanded mass transportation service in urban areas;

(2) recommendations for additional emergency assistance for the purchase of buses and rolling stock for fixed rail, including the feasibility of accelerating the timetable for such assistance under section 142(a)(2) of title 23, United States Code (the "Federal Aid Highway Act of 1973"), for the purpose of providing additional capacity for and encouraging increased use of public mass transportation systems;

(3) recommendations for a program of demonstration projects to determine the feasibility of fare-free and low-fare urban mass transportation systems, including reduced rates for elderly and handicapped persons during nonpeak hours of transportation;

(4) recommendations for additional emergency assistance for the construction of fringe and transportation corridor parking facilities to serve bus and other mass transportation passengers;

(5) recommendations on the feasibility of providing tax incentives for persons who use public mass transportation systems.

The Administrator of the Environmental Protection Agency shall report to Congress not later than January 31, 1975, on the implementation of sections 2 through 7 of this Act.

Sec. 9. Fuel Economy Study.

Title II of the Clean Air Act is amended by redesignating section 213 as section 214 and by adding the following new section:

"FUEL ECONOMY IMPROVEMENT FROM NEW MOTOR VEHICLES

"Sec. 213. (a)(1) The Administrator and Secretary of Transportation shall conduct a joint study, and shall report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committees on Public Works and Commerce of the United States Senate within one hundred and twenty days following the date of enactment of this section, concerning the practicability of establishing a fuel economy improvement standard of 20 per centum for new motor vehicles manufactured during and after model year 1980. Such study and report shall include, but not be limited to, the technological problems of meeting any such standard, including the lead-time involved; the test procedures required to determine compliance; the economic costs associated with such standards, including any beneficial economic impact; the various means of enforcing such standard; the effect on consumption of natural resources, including energy consumed; and the impact of applicable safety and emission standards. In the course of performing such study, the Administrator and the Secretary of Transportation shall utilize the research previously performed in the Department of Transportation, and the Administrator and the Secretary shall consult with the Federal Energy Administrator, the Chairman of the Council on Environmental Quality and, the Secretary of the Treasury. The Office of Management and Budget may review such report before its submission to Congress but the Office may not revise the report or delay its submission beyond the date prescribed for its submission, and may submit to Congress its comments respecting such report. In connection with such study, the Administrator may utilize the authority provided in section 307(a) of this Act to obtain necessary information.

"(2) For the purpose of this section, the term 'fuel economy improvement standard' means a requirement of a percentage increase in the number of miles of transportation provided by a manufacturer's entire annual production of new motor vehicles per unit of fuel consumed, as determined for each manufacturer in accordance with test procedures established by the Administrator pursuant to this Act. Such term shall not include any requirement for any design standard or any other requirement specifying or otherwise limiting the manufacturer's discretion in deciding how to comply with the fuel economy improvement standard by any lawful means."

Sec. 10. Coal Conversion and Allocation.

(a) The Federal Energy Administrator shall to the extent practicable and consistent with the purposes of this Act, by order, after balancing on a plant-by-plant basis the environmental effects of use of coal against the need to fulfill the purposes of this Act, prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment of this Act, has the capability and necessary plant equipment to burn coal. Any installation to which such an order applies shall be permitted to continue to use coal or coal derivatives as provided in section 119(b) of the Clean Air Act. To the extent coal supplies are limited to less than the aggregate amount of coal supplies which may be necessary to satisfy the requirements of those installations which can be expected to use coal (including installations to which orders may apply under this subsection), the Administrator shall prohibit the use of natural gas and petroleum products for those installations where the use of coal will have the least adverse environmental impact. A prohibition on use of natural gas and petroleum products under this subsection shall be contingent upon the availability of coal, coal transportation facilities, and the maintenance of reliability of service in a given service area. The Federal Energy Administrator shall require that fossil-fuel-fired electric powerplants in the early planning process, other than combustion gas turbine and combined cycle units, be designed and constructed so as to be capable of using coal as a primary energy source instead of or in addition to other fossil fuels. No fossil-fuel-fired electric powerplant may be required under this section to be so designed and constructed, if (1) to do so would result in an impairment of reliability or adequacy of service, or (2) an adequate and reliable supply of coal is not available and is not expected to be available. In considering whether to impose a design and construction requirement under this subsection, the Federal Energy Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner or operator to recover any capital investment made as a result of the conversion requirements of this section.

(b) The Federal Energy Administrator may by rule prescribe a system for allocation of coal to users thereof in order to attain the objective specified in this section.

(c) It shall be unlawful for any person to violate any provision of this section or section 11, or to violate any rule, regulation, or order issued pursuant to any such provision.

(d)(1) Whoever violates any provision of subsection (c) shall be subject to a civil penalty of not more than $2,500 for each violation.

(2) Whoever willfully violates any provision of subsection (c) shall be fined not more than $5,000 for each violation.

(3) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of an applicable order or regulation issued pursuant to subsection (b). Any person who knowingly and willfuly violates this paragraph after having been subjected to a civil penalty for a prior violation of the same provision of any order or regulation issued pursuant to subsection (b) shall be fined not more than $50,000 or imprisoned not more than six months, or both.

(4) Whenever it appears to any person authorized by the Federal Energy Administrator

to exercise authority under this section or section 11 that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of subsection (c), such person may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is prohibited by subsection (c).

(5) Any person suffering legal wrong because of any act or practice arising out of any violation of subsection (c) may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment or writ injunction. Nothing in this paragraph shall authorize any person to recover damages.

(e) Authority to issue or enforce orders or rules under subsections (a) and (b) of this section shall expire on midnight, June 30, 1975, but the expiration of such authority shall not affect any administrative or judicial proceeding pending on such date which relates to any act or omission before such date.

SEC. 11. ENERGY INFORMATION REPORTS.

(a) For the purpose of assuring that the Federal Energy Administrator, the Congress, the States, and the public have access to and are able to obtain reliable energy information throughout the duration of this section, the Federal Energy Administrator, in addition to and not in limitation of any other authority, shall request, acquire, and collect such energy information as he determines to be necessary to assist in the formation of energy policy or to carry out the purposes of this Act or the Emergency Petroleum Allocation Act of 1973. The Federal Energy Administrator shall promptly promulgate rules under the authority of subsection (b) of this section requiring reports of such information to be submitted to the Federal Energy Administrator at least every ninety calendar days.

(b) In carrying out the provisions of subsection (a) the Administrator shall have the power to—

(1) require, by rule, any person who is engaged in the production, processing, refining, transportation by pipeline, or distribution (other than at the retail level) of energy resources to submit reports;

(2) sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents;

(3) require of any person, by general or special order, answers in writing to iterrogatories, requests for report, or other information; and such answers or submissions shall be made within such reasonable period and under oath or otherwise as the Federal Energy Administrator may determine; and

(4) to administer oaths.

(c) For the purpose of verifying the accuracy of any energy information requested, acquired, or collected by the Federal Energy Administrator, officers or employees duly designated by him upon presenting appropriate credentials and a written notice to the owner, operator, or at reasonable times and in a reasonable manner, enter and inspect any facility or business premises, to inventory and sample any stock of energy resources therein, and to examine and copy records, reports, and documents relating to energy information.

(d)(1) The Federal Energy Administrator shall exercise the authorities granted to him under subsection (b) to develop within 30 days after the date of enactment of this Act, as full and accurate a measure as is reasonably practicable of—

(A) domestic reserves and production;

(B) imports; and

(C) inventories;

of crude oil, residual fuel oil, or refined petroleum products, natural gas, and coal.

(2) For each calendar quarter beginning with the first complete calendar quarter following the date of enactment of this Act, the Federal Energy Administrator shall develop and publish quarterly reports containing the following:

(A) Report of petroleum product, natural gas, and coal imports; relating to country of origin, arrival point, quantity received, geographic distribution within the United States.

(B) Report of domestic reserves and production of crude oil, natural gas, and coal.

(C) Report of crude oil and refinery activity; relating allocation of crude oil to refiners with products to be derived from such crude oil.

(D) Report of inventories, nationally, and by region and State—

(i) for various refined petroleum products, relating refiners, refineries, suppliers to refiners, share of market, and allocation fractions;

(ii) for various refined petroleum products, previous quarter deliveries and anticipated 3-month available supplies;

(iii) for refinery yields of the various refined petroleum products, percent of activity, and type of refinery;

(iv) with respect to the summary of anticipated monthly supply of refined petroleum products amount of set-aside for assignment by the State, anticipated State requirements, excess or shortfall of supply, and allocation fraction of base year; and

(v) with respect to LPG by State and owner: quantities stored, and existing capacities, and previous priorities on types, inventories of suppliers, and changes in supplier inventories.

(e) Where a person shows that all or part of the energy information required by this section is being reported by such person to another Federal agency, the Administrator may exempt such person from providing all or part of such energy information to him, and upon such exemption, such Federal agency shall, notwithstanding any other provision of law, provide such energy information to the Administrator.

(f) Upon a showing satisfactory to the Administrator by any person that any energy information obtained under this section from such person or from a Federal agency would, if made public, divulge methods or processes entitled to protection as trade secrets or other proprietary information of such person, such information, or portion thereof, shall be confidential in accordance with the provisions of section 1905 of title 18 of the United States Code, except that such information or part thereof shall not be deemed confidential for purposes of disclosure, upon request, to (1) any delegate of the Federal Energy Administrator for the purpose of carrying out this Act and the Emergency Petroleum Allocation Act of 1973, (2) the Attorney General, the Secretary of the Interior, the Federal Trade Commission, the Federal Power Commission, or the General Accounting Office when necessary to carry out those agencies' duties and responsibilities under this and other statutes, and (3) the Congress or any committee of Congress upon request of the Chairman. The provisions of this section shall expire on midnight, June 30, 1975, but such expiration shall not affect any administrative or judicial proceeding pending on such date which relates to any act or omission before such date.

(g) As used in this section—

(1) the term "Federal agency" shall have the meaning of the term "executive agency" as defined in section 105 of title 5, United States Code;

(2) the term "energy information" includes all information in whatever form on fuel reserves, exploration, extraction, and energy resources (to include petrochemical feedstocks) wherever located; production, distribution, and consumption of energy and fuels wherever carried on; and includes matters relating to energy and fuels, such as corporate structure and proprietary relationships, costs, prices, capital investment and assets, and other matters directly related thereto, wherever they exist; and

(3) the term "person" means any natural person, corporation, partnership, association, consortium, or any entity organized for a common business purpose, wherever situated, domiciled, or doing business, who directly or through other persons subject to their control do business in any part of the United States, its territories and possessions, the Commonwealth of Puerto Rico, or the District of Columbia.

(h) Information obtained by the Administrator under authority of this Act shall be available to the public in accordance with the provisions of section 552 of title 5, United States Code.

(i) Any United States district court within the jurisdiction of which any inquiry is carried on may, upon petition by the Attorney General at the request of the Administrator, in the case of refusal to obey a subpena or order of the Administrator issued under this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

SEC. 12. DEFINITION.

For purposes of this Act and the Clean Air Act, the term "Federal Energy Administrator" means the Administrator of the Federal Energy Administration established by H.R. 11793, Ninety-third Congress (popularly known as the Federal Energy Administration Act of 1974) if H.R. 11793 is enacted; except that until such Administrator takes office, such term means any officer of the United States designated as Federal Energy Administrator by the President for purposes of this Act.

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

AMENDMENT OFFERED BY MR. WYMAN

Mr. WYMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYMAN: On page 59 insert immediately after line 13 the following: I. TEMPORARY SUSPENSION IN DESIGNATED AREAS

(a) Section 203 of the Clean Air Act (42 U.S.C. 1857f–2) is amended by adding at the end thereof the following new subsection:

"(d)(1) During and after the period of partial suspension of emission standards (as defined in paragraph (3)(A)—

"(A) it shall be unlawful for any person to register within an area designated in paragraph (3)(B) a new motor vehicle or new motor vehicle engine which is manufactured during the period of partial suspension of emission standards and which is not labeled or tagged as covered by a certificate of conformity under this part, and

"(B) no State shall permit any person to register a motor vehicle in violation of subparagraph (A).

"(2) During the period of partial suspension of emission standards—

"(A) subsections (a) (1) and (4) of this section shall be inapplicable;

"(B) it shall be unawful for any manufacturer to sell, offer to sell, or introduce or deliver for introduction into commerce (or for any person except as provided in regulations of the Administrator, to import into the United States), any new motor vehicle or new motor vehicle engine which is labeled or tagged as covered by a certificate of conformity unless such new motor vehicle or new motor vehicle engine is covered by a certificate of conformity issued (and in effect) under this part, or unless such new motor vehicle or new motor vehicle engine was manufactured prior to the period of partial suspension;

"(C) subsection (a) (3) shall not apply to any motor vehicle or engine attached thereto which is registered outside an area described in paragraph (3) (B) of this subsection;

"(D) it shall be unlawful for any manufacturer (i) to sell or lease any new motor vehicle or new motor vehicle engine which is labaled or tagged as covered by a certificate of conformity unless such manufacturer has complied with the requirements of sections 207 (a) and (b), or (ii) to fail to comply with subsection (c) or (d) of section 207 insofar as such sections apply to motor vehicles or motor vehicle engines to which subsection (a) (1) of this section applies or applied or which are labeled or tagged as covered by a certificate of conformity;

"(E) it shall be unlawful for any dealer to sell any new motor vehicle or new motor vehicle engine which is not labeled or tagged as covered by a certificate of conformity to an ultimate purchaser unless such purchaser provides such dealer with a signed statement that such purchase will not register such vehicle in an area designated under paragraph (3) (B), and

"(F) it shall be unlawful for any ultimate purchaser to provide a statement described in subparagraph (E) knowing such statement to be false.

"(3) (A) For purposes of this subsection and section 209(C) the term 'period of partial suspension of emission standards' means the period beginning sixty days after enactment and ending on the later of September 30, 1977, or 12 months after the date on which the President determines that there is no longer any significant shortage of petroleum fuels in the United States. Any such determination shall be published in the Federal Register.

"(B) Within sixty days after the date of enactment of this subsection and annually thereafter, the Administrator shall designate, subject to the limitations set forth in this subparagraph, geographic areas of the United States in which there is significant auto emissions related air pollution. The Administrator shall not designate as such area without subsequent legislative authorization, any part of the United States outside the following air quality control regions as defined by the Administrator as of the date of enactment of this paragraph:

"(i) Phoenix-Tucson, intrastate.

"(ii) Metropolitan Los Angeles, intrastate.

"(iii) San Francisco Bay Area, intrastate.

"(iv) Sacramento Valley, intrastate.

"(v) San Diego, intrastate.

"(vi) San Joaquin Valley (California), intrastate.

"(vii) Hartford-New Haven (Connecticut)-Springfield (Massachusetts), interstate.

"(viii) National Capital (District of Columbia-Maryland-Virginia), interstate.

"(ix) Metropolitan Baltimore, intrastate.

"(x) New Jersey-New York-Connecticut, interstate.

"(ix) Metropolitan Philadelphia (Pennsylvania-New Jersey and Delaware), interstate.

"(xii) Metropolitan Chicago (Illinois and Indiana), interstate.

"(xiii) Metropolitan Boston, intrastate.

For purposes of this subparagraph, the term 'significant auto emissions related air pollution' means the persons of air pollutants from automobile emissions at such levels and for such durations as to cause a demonstrable and substantial adverse impact upon public health.

"(C) For purposes of this subsection and section 209(c) a motor vehicle shall be considered to be registered in a geographic area—

"(i) in the case of a motor vehicle registered by an individual if the individual's principal place of abode is in that area, or

"(ii) in the case of a motor vehicle registered by a person other than an individual, if the State of registration determines that such vehicle will be principally operated in such area.

"(D) Each State shall not later than sixty days following enactment of this Act, submit to the Administrator a plan for implementing subsection (d) (1) (B) of this section. Such plan shall contain provisions which give assurance that such State has one or more adequately financed agencies with sufficient legal authority to enforce such subsection (d) (1) (B) as determined in accordance with regulations of the Administrator."

(b) (A) Section 202(a) of the Clean Air Act is amended by inserting "and section 203(d)" after "subsection (b)".

(B) (1) Section 203(a) of such Act is amended by striking out "The following" and inserting in lieu thereof "Except as otherwise provided in subsection (d) of this section, the following:".

(2) Section 203(b) (2) of such Act is amended by inserting "or (d) (2) (A)" after "subsection (a)".

(C) Section 204(a) of such Act is amended by inserting before the period the following: "or section 203(d)".

(D) Section 205 of such Act is amended by inserting "(a)" after "Sec. 205.", by inserting "or paragraph (1) (A) or (2) of section 203(d)" after "section 203(a)", and by adding at the end of such section the following new subsection:

"(b) If a State fails to submit a plan under section 203(d) or if the Administrator determines (after notice and opportunity for hearing) that such State is not adequately enforcing such a plan, then such State (including any political subdivision thereof) shall lose its entitlement to and may not thereafter receive any Federal grant or loan assistance under this Act or under the Federal Water Pollution Control Act."

(E) Section 206(b) (1) of such Act is amended by striking out "being manufactured by a manufacturer" and inserting in lieu thereof "which are being manufactured by a manufacturer and which are covered by a certificate of conformity".

(F) The second sentence of section 209(a) of such Act is amended by striking out "No State" and inserting in lieu thereof "Except as provided in sections 203(d) (1) (B) and 203(a), no State".

(G) Section 209(c) of such Act is amended by striking out "Nothing" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, nothing"; and by adding at the end thereof the following new paragraph:

"(d) During the period of partial suspension of emission standards (as defined in section 203(d) (3) (A)—

"(1) no State may (in an applicable implementation plan or otherwise) adopt or attempt to enforce any standard relating to the control of emissions of motor vehicles (including engines attached thereto) registered outside of any area designated under section 203(d) (3) (B); and

"(2) no State may (in an applicable implementation plan or otherwise) adopt or attempt to enforce any law or regulation prohibiting any person from removing or rendering inoperative any device or element of design installed in compliance with regulations under this title in or on a motor vehicle (including any engine attached thereto) which is registered outside of any area designated under section 203(d) (3) (B), and

"(3) the Administrator may not promulgate any implementation plan which contains a provision prohibited by paragraph (1) or (2)."

(c) Willful and deliberate violation of section 203(d) (1) (A) of the Clean Air Act, as amended by subsection (a) of this amendment, shall be punishable by a fine of up to $1,000, or imprisonment up to one year, or both.

(d) Motor vehicles registered in areas other than those designated in paragraph (3) (B) herein on the date of expiration of this amendment shall not be required to be retrofitted with emissions control devices or to comply with emissions control standards or regulations issued pursuant to the Act of 1970 (42 U.S.C. 1857f) as amended.

(e) This amendment shall take effect sixty days after passage.

Mr. WYMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

POINT OF ORDER

Mr. STAGGERS. Mr. Chairman, I make a point of order against the amendment.

Mr. Chairman, it is not germane to the bill. The amendment offered by the gentleman from New Hampshire (Mr. WYMAN) is not germane because:

First, it amends section 203, 204, 205, 206, and 209 of the Clean Air Act, provisions which are nowhere else amended by this bill, (H.R. 14368).

Second, it, in effect, amends the Federal Water Pollution Control Act, by providing for termination of State grant eligibility under that act, if the State fails to take certain actions under this amendment. Clearly this is not germane. Moreover, it discusses a subject matter clearly within the jurisdiction of the Public Works Committee.

Third, the bill would limit State authority to register motor vehicles, a subject which is not addressed in this bill in any way. It also deals with Federal and State authority to adopt and enforce provisions relating to in-use vehicles, a subject which is not addressed in this bill in any way. It also deals with grant provisions which are not amended in any way by H.R. 14368. It subjects ultimate purchasers to regulation for the first time under the Clean Air Act and no provision of this bill refers to ultimate purchasers of motor vehicles.

Mr. WYMAN. The gentleman is essentially trying to say that an amendment that relates to the standards or emissions controls on automobiles in a time and under a title that relates to clean air is not germane. I think it is so obvious that it is germane that the point of order should be overruled.

The CHAIRMAN (Mr. DORN). The Chair is prepared to rule.

The gentleman from West Virginia (Mr. STAGGERS) makes the point of order that the amendment offered by the gentleman from New Hampshire (Mr. WYMAN) is not germane to the committee substitute for H.R. 14368.

The Chair has examined the amendment and is aware that it provides that States shall lose their entitlements to Federal grants under the Clean Air Act and under the Water Pollution Control Act for failure to comply with the provisions of the amendment.

While the committee substitute does amend several sections of the Clean Air Act to permit defined and limited variances from certain diverse provisions of that act, in order to coordinate the questions of energy supplies and environmental protection, the committee substitute does not affect entitlements under the Water Pollution Control Act, a matter within the jurisdiction of the Committee on Public Works.

As recently as December 14, 1973, when the Committee of the Whole was considering the Energy Emergency Act, Chairman BOLLING ruled that to a proposition temporarily suspending certain requirements of the Clean Air Act, an amendment suspending other provisions of all other environmental protection laws was not germane.

For these reasons, the Chair feels that the amendment is not germane to the committee substitute and sustains the point of order made by the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I move to strike the requisite number of words.

I wish to assure the gentleman from New Hampshire that when we do consider the Environmental Protection Act his provisions will be considered, when this bill is taken up again. I can assure the gentleman of that.

Mr. WYMAN. Mr. Chairman, if the gentleman will yield on his time, I would simply like to say it will take me about 3 minutes to strike out from the amendment in the form in which it has been proposed the sanctions that relate to the objectionable features of which the Chairman just spoke, and the gentleman from New Hampshire intends to resubmit in the next few minutes the amendment without those features.

Mr. STAGGERS. The gentleman still has time, and I would like to say we would have to oppose the amendment. But I wish to assure the gentleman he will be given every fair treatment in the committee if he will come before the committee to present his views. There must be a new bill extending the authority of the Clean Air Act before June 30. I think if the gentleman will present his views before the committee, that is the proper time, when the hearings can be held and we can evaluate the situation, and the full membership of the committee will have a chance to hear the gentleman and he can make his points. I believe they will be given every consideration.

I do not believe this is the proper place to offer those amendments because I believe every member of our committee would be impelled to vote against and work against the gentleman's amendment. I believe if the gentleman will come at the proper time and present them in the proper way he will receive a sympathetic hearing from the members of the committee.

Mr. WYMAN. If the gentleman will yield further, I can assure the gentleman first I do not represent the automobile industry. All I am trying to do, as the gentleman knows and has known for some months now, is to get out something on this before the industry goes into the 1975 production in order to save millions of gallons of gasoline and hundreds of millions of dollars of cost to the purchasers and operators of automobiles in this country.

I think the gentleman is taking a position here that appears kindly and courteous but it seems to me to be contrary to the interests of the consumers of this country and contrary to energy crisis needs at this time. I will endeavor to make the corrections to the amendment in the shortest possible time.

Mr. STAGGERS. Mr. Chairman, in response to the gentleman I will say I do not think the House will accept the amendment and I think the gentleman will be just delaying progress on this bill. We are trying to be helpful to the country and the automobile industry and to the gentleman. We wish to do it in an orderly way.

The gentleman will have an opportunity to appear before our committee.

I would say this, when this part of the bill was broken away from the other parts, we agreed to oppose all amendments to this bill. I hope we can do this in order to get it by and down to the White House in the next day or so.

Mr. WYMAN. Mr. Chairman, if the gentleman will yield, I do not think we ought to be guided by what we think the other body will do. We know that the other body is under the domination of a point of view that accepts no amendment in this field whatsoever.

I am willing to submit the question to the House today. I believe that the House will adopt the amendment and that we ought to insist on it in conference.

Mr. STAGGERS. I would say we have voted it down twice and it is unlikely to get through now.

Mr. WYMAN. We have not considered this precise amendment in this House. It is a more thorough amendment and more carefully considered and worded than the one presented in December.

Mr. STAGGERS. I would like to say that if there is an amendment adopted, it would hold up this bill for some time.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Fifty-eight Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 199]

Alexander
Anderson, Ill.
Barrett
Blatnik
Breaux
Brown, Calif.
Buchanan
Burke, Calif.
Carey, N.Y.
Chisholm
Clark
Clausen, Don H.
Conyers
Culver
Davis, Ga.
de la Garza
Diggs
Drinan
Esch
Findley
Fulton
Giaimo
Grasso
Gray
Haley
Hansen, Wash.
Harsha
Hébert
Hillis
Howard
Hudnut
Kazen
Landrum
Long, La.
Long, Md.
McFall
Martin, N.C.
Mathis, Ga.
Milford
Minshall, Ohio
Murphy, Ill.
Myers
Passman
Patman
Pepper
Pickle
Podell
Rees
Reid
Riegle
Roberts
Robison, N.Y.
Roncallo, N.Y.
Rooney, N.Y.
Rose
Ruppe
Stanton, James V.
Stokes
Stubblefield
Teague
Thompson, N.J.
Whitten
Williams

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DORN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 14368 and finding itself without a quorum he had directed the Members to record their presence by electronic device when 370 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

AMENDMENT OFFERED BY MR. WYMAN

Mr. WYMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYMAN: On page 59 insert immediately after line 13 the following: I. TEMPORARY SUSPENSION IN DESIGNATED AREAS

(a) Section 203 of the Clean Air Act (42 U.S.C. 1857f-2) is amended by adding at the end thereof the following new subsection:

"(d)(1) During and after the period of partial suspension of emission standards (as defined in paragraph (3)(A)—

"(A) it shall be unlawful for any person to register within an area designated in paragraph (3)(B) a new motor vehicle or new motor vehicle engine which is manufactured during the period of partial suspension of emission standards and which is not labeled or tagged as covered by a certificate of conformity under this part, and

(B) no State shall permit any person to register a motor vehicle in violation of subparagraph (A).

"(2) During the period of partial suspension of emission standards

"(A) subsection (a) (1) and (4) of this section shall be inapplicable;

"(B) it shall be unlawful for any manufacturer to sell, offer to sell, or introduce or deliver for introduction into commerce (or for any person except as provided in regulations of the Administrator, to import into the United States), any new motor vehicle or new motor vehicle engine which is labeled or tagged as covered by a certificate of conformity unless such new motor vehicle or new motor vehicle engine is covered by a certificate of conformity issued (and in effect) under this part, or unless such new motor vehicle or new motor vehicle engine was manufactured prior to the period of partial suspension;

"(C) subsection (a)(3) shall not apply to any motor vehicle or engine attached thereto which is registered outside an area described in paragraph (3)(B) of this subsection;

"(D) it shall be unlawful for any manufacturer (i) to sell or lease any new motor vehicle or new motor vehicle engine which is labeled or tagged as covered by a certificate of conformity unless such manufacturer has complied with the requirements of sections 207 (a) and (b), or (ii) to fail to comply with subsection (c) or (d) of section 207 insofar as such sections apply to motor vehicles or motor vehicle engines to which subsection (a)(1) of this section applies or applied or which are labeled or tagged as covered by a certificate of conformity;

"(E) it shall be unlawful for any dealer to sell any new motor vehicle or new motor vehicle engine which is not labeled or tagged as covered by a certificate of conformity to an ultimate purchaser unless such purchaser provides such dealer with a signed statement that such purchaser will not register such vehicle in an area designated under paragraph (3) (B), and

"(F) it shall be unlawful for any ultimate purchaser to provide a statement described in subparagraph (E) knowing such statement to be false.

"(3) (A) For purposes of this subsection and section 209(C) the term 'period of partial suspension of emission standards' means the period beginning sixty days after enactment and ending on the later of September 30, 1977, or 12 months after the date on which the President determines that there is no longer any significant shortage of petroleum fuels in the United States. Any such determination shall be published in the Federal Register.

"(B) Within sixty days after the date of enactment of this subsection and annually thereafter, the Administrator shall designate, subject to the limitations set forth in this subparagraph, geographic areas of the United States in which there is significant auto emissions related air pollution. The Administrator shall not designate as such area without subsequent legislative authorization, any part of the United States outside the following air quality control regions as defined by the Administrator as of the date of enactment of this paragraph:

"(i) Phoenix-Tucson, intrastate.

"(ii) Metropolitan Los Angeles, intrastate.

"(iii) San Francisco Bay Area, intrastate.

"(iv) Sacramento Valley, intrastate.

"(v) San Diego, intrastate.

"(vi) San Joaquin Valley (California) intrastate.

"(vii) Hartford-New Haven (Connecticut)-Springfield (Massachusetts), interstate.

"(viii) National Capital (District of Columbia-Maryland-Virginia), interstate.

"(ix) Metropolitan Baltimore intrastate.

"(x) New Jersey-New York-Connecticut, interstate.

"(xi) Metropolitan Philadelphia (Pennsylvania-New Jersey and Delaware), interstate.

"(xii) Metropolitan Chicago (Illinois and Indiana), interstate.

"(xiii) Metropolitan Boston, intrastate.

For purposes of this subparagraph, the term 'significant auto emissions related air pollution' means the persons of air pollutants from automobile emissions at such levels and for such durations as to cause a demonstrable and substantial adverse impact upon public health.

"(C) For purposes of this subsection and section 209(c) a motor vehicle shall be considered to be registered in a geographic area—

"(i) in the case of a motor vehicle registered by an individual if the individual's principal place of abode is in that area, or

"(ii) in the case of a motor vehicle registered by a person other than an individual, if the State of registration determines that such vehicle will be principally operated in such area.

"(D) Each State shall not later than sixty days following enactment of this Act, submit to the Administrator a plan for implementing subsection (d)(1)(B) of this section. Such plan shall contain provisions which give assurance that such State has one or more adequately financed agencies with sufficient legal authority to enforce such subsection (d)(1)(B) as determined in accordance with regulations of the Administrator."

(b) (A) Section 202(a) of the Clean Air Act is amended by inserting "and section 203(d)" after "subsection (b)".

(B) (1) Section 203(a) of such Act is amended by striking out "The following" and inserting in lieu thereof "Except as otherwise provided in subsection (d) of this section, the following:".

(2) Section 203(b)(2) of such Act is amended by inserting "or (d)(2)(A)" after "subsection (a)".

(C) Section 204(a) of such Act is amended by inserting before the period the following: "or section 203(d)".

(D) Section 205 of such Act is amended by inserting "(a)" after "Sec. 205.", by inserting "or paragraph (1)(A) or (2) of section 203(d)" after "section 203(a)", and by adding at the end of such section the following new subsection:

(E) Section 206(b)(1) of such Act is amended by striking out "being manufactured by a manufacturer" and inserting in lieu thereof "which are being manufactured by a manufacturer and which are covered by a certificate of conformity".

(F) The second sentence of section 209(a) of such Act is amended by striking out "No State" and inserting in lieu thereof "Except as provided in sections 203(d)(1)(B) and 203(a), no State".

(G) Section 209(c) of such Act is amended by striking out "Nothing" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, nothing"; and by adding at the end thereof the following new paragraph:

"(d) During the period of partial suspension of emission standards (as defined in section 203(d)(3)(A)—

"(2) no State may (in an applicable implementation plan or otherwise) adopt or attempt to enforce any law or regulation prohibiting any person from removing or rendering inoperative any device or element of design installed in compliance with regulations under this title in or on a motor vehicle (including any engine attached thereto) which is registered outside of any area designated under section 203(d)(3)(B), and

"(3) the Administrator may not promulgate any implementation plan which contains a provision prohibited by paragraph (1) or (2)."

(c) Willful and deliberate violation of section 203(d)(1)(A) of the Clean Air Act, as amended by subsection (a) of this amendment, shall be punishable by a fine of up to one thousand ($1,000) dollars, or imprisonment up to one year, or both.

(d) Motor vehicles registered in areas other than those designated in paragraph (3)(B) herein on the date of expiration of this amendment shall not be required to be retrofitted with emissions control devices nor to comply with emissions control standards or regulations issued pursuant to the Act of 1970 (42 U.S.C. 1857f) as amended.

(e) This amendment shall take effect sixty days after passage.

Mr. WYMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Chairman and Members of the Committee, this is the same amendment to which a point of order was made a little earlier, but without the sanctions that were specified in the original amendment in the interest of compelling State cooperation.

I have caused to be introduced into the Record which is beneath the seat of each of the Members at page E2648, a fact sheet on what this amendment proposes, with relation to objections that may be made to it, some of which are more hysterical than real.

Mr. Chairman, my amendment would essentially remove the requirement of emission controls on automobiles registered to residents of the white areas shown on this map of the United States. This is most of the Nation. The Environmental Protection Administrator would be authorized to designate the geographical limits of the red areas, and to go outside of those red areas in the instance of residents who live where most of their driving is done within the red area. All persons who reside in those areas would continue to be required to have automobiles equipped with emissions controls.

What would this mean in terms of hard dollars and cents? It would mean that approximately 70 percent of all automobiles in this country manufactured in the years 1975, 1976, and 1977—because this amendment continues until September 1977—would not have to have emissions controls. It would save billions of gallons of gasoline effective almost immediately and hundreds of millions in new car costs.

It would also empower the automobile dealers of this country to modify automobiles in inventory, or that are sold or belong to residents of the white, uncontrolled areas, to increase their gasoline mileage.

You may hear here today that if you tamper with a 1973 or 1974 model, it is likely to increase its fuel consumption. There is a $10,000 fine under the existing law on a dealer who tries to do this. But if you are going to have it done on a new car or done then knowledgeably it should be done by a dealer who has the equipment and who has the necessary handbooks and guidelines to follow from his manufacturer. America's dealers want to be allowed to do this in the cause of solving the energy crisis before us, particularly as it relates to gasoline, as well as the sticker mileage improvement involved.

Let me say to the Members of the Committee that we had better do this today because if anything should happen, and an oil embargo should go into effect again, and the people start queing up in gasoline lines in America, those who vote against doing this now, today, are going to take the rap, and they are going to deserve the rap in the public's mind because they will be responsible for a gas shortage that can be avoided in America if we take off the emission controls on cars where there is no earthly need for them.

The gentleman from Florida (Mr. Rogers) has continued to say that there are 66 cities and places outside of this area on the map with a pollution problem from automobile emissions. The fact is that the problem is not that big. This is not to urge Members to think that all of what comes out of the tailpipe of a car is pure and clean, because it is not. It is a fact that the automotive industry in America is trying to improve engines so as to maximize gas mileage and reduce emissions. But there is no such health-related problem of any significant proportions in America in the white areas, and there is no earthly justification, my friends, for requiring cars to cost hundreds of dollars more, and have a fuel penalty that the Environmental Protection Administration admits is at least 1 gallon in every 10 on the average across the country to people in this country who are residents of areas with no actual automobile emissions related air pollution.

This sheet which is before the Members in the CONGRESSIONAL RECORD points out certain facts about this amendment. I hope I have made them clear. I think the Members are familiar with this amendment. Members should also understand that the automotive industry can live with this amendment, and with the two-car policy, and that it is not a meaningful burden upon the automobile industry. But the industry has got to have the answer before it goes into production for the 1975 models, and therefore we should adopt this amendment at this time.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment.

I do not think it is necessary for us to go through all of this again. The House has twice turned down this amendment, even at a time when all of us were under very heavy emotional pressures, when there were lines before the filling stations. I think the House then made an intelligent judgment that we must strive for our continued effort to clean up the air in this country, and that the provisions of the bill before us strikes a proper balance between energy needs and clean air.

Let me just give the Members a fact or two, and then I will conclude quickly.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman on his statement. He is looking at this matter very carefully. As he has pointed out, the House has twice looked at this matter and rejected this idea. I know the gentleman is well intentioned in offering this amendment, but I hope that the House will again act wisely.

As you recall, the House defeated this proposal by a record vote of 210 to 180. I sincerely hope that my colleagues will again move to defeat this proposal.

The arguments on this matter have not changed since December. As I mentioned then, Russell Train, appearing before the House Republican Task Force on the Environment, presented clear evidence that, in EPA tests, when emissions control devices were removed from small automobiles, it caused an increase in fuel consumption—not a savings, as the proponents of this amendment would have one believe—and there is considerable evidence that removal of the devices may well have a similar effect on larger cars.

Additional solid evidence, which argues strongly against the kind of "two-car" emissions standards which would be set up under this amendment, is presented in a report issued by the Aerospace Corp. in April 1973. Aerospace, under contract by EPA to study this very type of proposal, stated that even the auto industry was opposed to this type of system. Aerospace reported on numerous problems such a system would cause. They range from its effects on air quality to the problems it would create for auto manufacturers, parts manufacturers and dealers, and mechanics. The problems under such a system would be enormous—and the benefits nonexistent. In light of these facts, I must urge very strongly that the amendment be defeated. There is absolutely no assurance that it would save fuel. Indeed, all indications are to the contrary. If we wish to save fuel, we should press ahead with timely implementation of the full emissions standards, which tests indicate will result in fuel savings of 10 percent and more. This figure, incidently, was reached by General Motors, and has been substantiated by further EPA testing.

If we accept this proposal, there is the absolute certainty that air quality—and, therefore, the public health—will suffer greatly. Administration of a program of this nature would be a true nightmare. I urge the defeat of this amendment.

Mr. ROGERS. I thank the gentleman for his comments. I agree with what he has said. It would be really a tremendous step backward to adopt such an amendment.

First of all, the administration itself would oppose this amendment. It is opposed by EPA and by the White House. All of the major automobile companies do not support this amendment. Ford and General Motors representatives have both opposed it.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Did the gentleman say that the White House opposes this amendment?

Mr. ROGERS. Yes.

Mr. WYMAN. Mr. Chairman, I challenge that statement.

Mr. ROGERS. It was before the committee, and the gentleman can look at the record.

Mr. WYMAN. If the gentleman will yield further, the gentleman knows that my amendment was never before his committee, nor was I granted a hearing before his committee.

Mr. ROGERS. We have assured the gentleman from New Hampshire that he could come before the committee in June with his idea.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

The Administrator of EPA, speaking on behalf of the administration, opposed this bill. The Council on Environmental Quality opposed this amendment. Mr. Sawhill opposed the bill and stated it was not necessary; it was undesirable; and said it would probably not save any gas.

Mr. ROGERS. It is so that they do not support it. Furthermore, another reason for opposing this amendment now is that the automobile companies are ready to move to clean up the air. The initial tests, I think the House would like to know—and this is fairly important—show that on the 1975 model in the 4,500-pound class there has been nearly a 26 percent improvement over 1973 and 1974 models and, similarily, another car in the 5,500-pound class has shown better than 26 percent increase in mileage.

Now to prevent them from going ahead and taking these steps as called for by the law, which will—in 1975—increase mileage and at the same time will help clean up the air, does not make sense.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Let me read what the Deputy Director, now the Director, of the Federal Energy Office, had to say. He said, referring to removal of emissions control devices from 1970 to 1974 cars, if made by competent mechanics, and in most instances they will not be, it could theoretically result in a 4-percent fuel economy improvement for those model years. He went on to say, and I am now quoting directly:

> However, exhaust emissions do not increase as engines are retuned for better fuel economy and overall hydrocarbon emissions would increase one-sixth, 18 percent, and carbon monoxide by one-quarter, 25 percent. This may be too high a price to pay for better fuel economy, and I think it is.

Mr. ROGERS. I thank the gentleman for his remarks.

May I say this in trying to wind this up.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. The gentleman has already had his time, as I recall, so let me say this.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent, Mr. ROGERS was allowed to proceed for 2 additional minutes.)

Mr. ROGERS. Mr. Chairman, may I say we have just so much clean air in this great old world of ours. We know what has been happening. This Congress has made the judgment to help clean up the air. Now to take a step backward at this time when the automobile companies are perfecting and improving the mileage and when the energy situation has eased simply does not make sense.

We cannot stop now in continuing our efforts to clean up the air, particularly when we are almost over this business of the fuel penalty in our cars. The tests on 1975 automobiles are bringing in their first steps up to a 25-percent increase in gasoline mileage, and to do as the gentleman proposes at this time would build in the very worst penalty.

Mr. YOUNG of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Illinois.

Mr. YOUNG of Illinois. Mr. Chairman, I associate myself with the remarks of the gentleman from Florida.

I also would like to point out if any such amendment were adopted it would create all types of enforcement problems, and it would create havoc among the dealers who are in areas which are supposed to be full of air pollution, and it would create problems for the State authorities in trying to enforce motor vehicle laws.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

It is with some reluctance I rise to oppose the amendment offered by my good friend, the gentleman from New Hampshire (Mr. WYMAN). I know he offers the amendment in the best of good faith and I am satisfied he is sincere in the thought that it would be helpful in the problem we face with regard to energy.

In point of fact, Mr. Chairman, the map submitted by Mr. WYMAN does not reflect the areas which would be affected by the amendment but rather indicates only the areas where the worst of the air pollution happens to exist in the country.

In real point of fact the best arguments against the Wyman amendment, which I am satisfied my good friend does offer in the best of good faith, were submitted to me in a statement by the National Realty Committee, Inc., which is a national organization of realtors who sent a communication to the Commerce Committee in opposition to the amendment. Let me read some parts of this communication.

The portion reads as follows:

NATIONAL REALTY COMMITTEE, INC.,
Washington, D.C., April 23, 1974.

Hon. JOHN D. DINGELL,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN DINGELL: The National Realty Committee, Inc. thought that the enclosed letter from Al Walsh, President, to Chairman Harley O. Staggers of the House Committee on Interstate and Foreign Commerce indicating the problems that passage of the Wyman proposal (H.R. 13120) would create for new real estate development in your District would be of considerable interest to you. Please let us know if we can be of any assistance.

Sincerely,

JAMES A. SHARP,
Staff Counsel.

NATIONAL REALTY COMMITTEE, INC.,
Washington, D.C., April 5, 1974.

Re H.R. 13120.

Hon. HARLEY O. STAGGERS,
Chairman, House Committee on Interstate and Foreign Commerce, Rayburn House Office Building, Washington, D.C.

DEAR CHAIRMAN STAGGERS: I regret that, due to the Committee's full schedule this past week, a representative of the National Realty Committee, Inc. ("NRC") was not able to appear in person before the Committee to express the NRC's views on H.R. 13120, the Wyman Amendment to the Clean Air Act of 1970. However, the NRC believes that it is important to bring to the attention of the committee, and of the Congress, the staggering implications of the Wyman Amendment for the future growth of the United States, and for land use and development in particular. Accordingly, I would like to request the Committee to accept this letter as the testimony of the NRC and to incorporate these remarks into the hearing record compiled by the Committee.

The NRC is a business league of several hundred organizations involved, directly or indirectly, in the real estate industry throughout the United States, including real estate owners, investors, developers, and related organizations and institutions. The NRC supports the goals of the Clean Air Act and believes that it is possible to protect and enhance the quality of our nation's air resources without imposing disproportionate economic or social disruption upon any sector of our economy.

As set forth in detail below, the effect of the proposed Wyman Amendment will be substantially to increase air pollution from vehicular emissions in virtually every populated region in the United States. However, the ambient air standards adopted by the Environmental Protection Agency must still be reached by 1975, or, where an extension has been granted, by 1977. Particularly in urban areas, the increased pollutant emissions per vehicular mile which must necessarily result from the Wyman Amendment will require reducing vehicle miles traveled. This, in turn, will require more stringent transportation control plans and indirect source regulations than are currently proposed, thus imposing additional widespread limitations on otherwise desirable growth and development. Thus, construction projects which pump billions of dollars into the nation's economy and provide thousands of jobs will be hindered, delayed, or rendered impossible solely because the Wyman Amendment allows dirtier automobiles, and even though these projects can be carried out in full compliance with the Clean Air Act as now in effect.*

As a result, the NRC believes that the Wyman Amendment is not only inconsistent with the national commitment to protecting and promoting air quality, but will cause serious economic harm in virtually every congressional district by unnecessarily hampering desirable development. For these reasons, the NRC is strongly opposed to H.R. 13120.

Administrator Train has testified that the Wyman Amendment will cause the primary standards for one or more pollutants to be exceeded in 66 cities and regions throughout the United States. Hearings before the House Committee on Interstate and Foreign Commerce on H.R. 13834 (April 21, 1974). Thus, the effect of the Wyman Amendment will be nationwide. Most heavily impacted will be the 53 major urban areas in which transportation plans have either been promulgated, are currently proposed as necessary to attain the national ambient air standards, or will be necessary to attain the national standards in light of the effects of the Wyman Amendment, but in which the Wyman Amendment prohibits the enforcement of vehicular emission controls. These impacted urban areas include virtually every major city in the United States except for those in California and much of the Washington-Boston corridor, as well as Chicago and Phoenix-Tucson, which are exempted from the Wyman Amendment.

In order to indicate with some specificity just how pronounced the effects of the Wyman Amendment would be, the NRC retained Jay E. Norco, of Environmental Technology Assessment, Inc. ("ETA"), Oak Brook, Illinois, a recognized authority in the field of pollution control planning and assessment, to analyze the potential increase of vehicular pollutants which could result from passage of the Amendment, and the impact of any such increase upon the EPA's indirect source regulations and transportation plans. In view of the short time available to Mr. Norco and his associates due to the constraints involved in the preparation of this testimony, the complexity of the subject matter, and the incompleteness of available data, the figures set out below cannot be regarded as definitive, nor are they intended to be so. However, we believe that the following data do present a reasonably reliable picture of the magnitude of the impact which can be expected in the event the Wyman Amendment is adopted.

Table I demonstrates that hydrocarbon emissions from vehicles will be approximately one and one-third or two times higher in 1975, and one and three-quarters to three times higher in 1977, if the Wyman Amendment is adopted than if it is not, depending upon whether all or only some of the external pollution control devices are disconnected or not installed as original equipment. Similarly, Table II shows carbon monoxide emissions one and two-thirds to more than two times higher in 1975, and two to three times higher in 1977, with the Wyman Amendment than without it, under the same circumstances. Furthermore, these figures assume that the number of automobiles in service will not increase from 1972, the base year used by ETA in its calculations, to 1975 or 1977; that no crankcase or evaporative devices are disconnected or not installed as original equipment as a result of the Wyman Amendment; and that all eligible automobiles are decontrolled. Insofar as the automobile population increases, or crankcase or evaporative devices are eliminated, the pollutants caused by the Wyman Amendment will increase over the foregoing figures. Insofar as not all eligible vehicles are decontrolled, such pollutants will decrease.

TABLE I.—EFFECT OF WYMAN AMENDMENT ON HYDROCARBON EMISSIONS

[In percent]

	Baseline (under present act)	Wyman amendment, case I [1]	Wyman amendment, case II [2]
1975	100	204	133
1977	100	289	173

[1] Case I assumes that the vehicle population size remains stable and that all external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

[2] Case II is based upon EPA data and assumes that the vehicle population size remains stable and that some, but not all, external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

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*Furthermore, as materials submitted by others to this Committee indicate, there is substantial doubt that the Wyman Amendment will result in significant fuel savings, or indeed, in any fuel savings at all. Thus, while the Amendment's supporters have suggested that fuel savings of up to 17 to 20 percent could result from disconnection of vehicular pollution control devices, the EPA has concluded that it is probable that no fuel savings and perhaps even a slight fuel loss will result from the Wyman Amendment. *Compare* remarks of Representative Wyman, 119 Cong. Rec. H11173 (Dec. 12, 1973) *with* Office of Mobile Source Air Pollution Control, EPA, A Study of Fuel Economy Changes Resulting from Tampering with Emission Controls (January, 1974).

TABLE II.—EFFECT OF WYMAN AMENDMENT ON CO EMISSIONS

[In percent]

	Baseline (under present act)	Wyman amendment, case I[1]	Wyman amendment, case II[2]
1975	100	215	167
1977	100	292	209

[1] Case I assumes that the vehicle population size remains stable and that all external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

[2] Case II is based upon EPA data and assumes that the vehicle population size remains stable and that some, but not all, external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

Tables IIIA and IIIB set forth the impact in 1975 and 1977, based upon the same assumptions as to disconnection of control devices discussed above, of the dramatic increases in vehicular emissions resulting from the Wyman Amendment upon the EPA's indirect source regulations. For example, the present proposed indirect source regulations provide that no parking facility of 1,000 spaces or more may be constructed in any Standard Metropolitan Statistical Area ("SMSA") without an EPA construction permit, and that where the facility will attract vehicle traffic so as to impact the ambient air quality standards, such a permit will be denied. To achieve the same air quality levels in the event that the Wyman Amendment is adopted, the EPA will have to lower its control of construction permits in 1975 to SMSA lots with 464 to 599 spaces and to SMSA lots with 343 to 478 spaces in 1977.

In other words, the amount of pollutants emitted from vehicles using a 1,000 vehicle lot under the Act's present standards could result from a lot half that size in 1975 and one-third that size in 1977 under the Wyman Amendment. This, of course, means, that if a 1,000 vehicle lot is the maximum that can be constructed under the present Act, should the Wyman Amendment become law the permissible development on the same property would be only half as large in 1975 and one-third as large in 1977. As Tables IIIA and IIIB demonstrate, the same parameters hold true for every highway project and development with a parking lot. Thus, the implications of the Wyman bill on land use and development in the United States are truly staggering.

TABLE IIIA.—EFFECT OF WYMAN AMENDMENT UPON INDIRECT SOURCE REGULATIONS, 1975

	Baseline (current minimum size for control)	Equivalent minimum control size Wyman amendment case I[1]	Equivalent minimum control size Wyman amendment case II[2]
Parking lot construction in SMSAS (number of spaces)	1,000	464	599
Parking lot construction outside SMSAS (number of spaces)	2,000	928	1,198
Parking lot modification in SMSAS (number of spaces)	500	232	299
Parking lot modification outside SMSAS (number of spaces)	1,000	464	599
Highway construction (vehicles per day)	20,000	9,282	11,978
Highway modification (vehicles per day)	10,000	4,641	5,989

[1] Case I assumes that the vehicle population size remains stable and that all external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman Amendment.

[2] Case II is based upon EPA data and assumes that the vehicle population size remains stable and that some, but not all, external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman Amendment.

TABLE IIIB.—EFFECT OF WYMAN AMENDMENT UPON INDIRECT SOURCE REGULATIONS, 1977

	Baseline (current minimum size for control)	Equivalent minimum control size Wyman amendment case I[1]	Equivalent minimum control size Wyman amendment case II[2]
Parking lot construction in SMSAS (number of spaces)	1,000	343	478
Parking lot construction outside SMSAS (number of spaces)	2,000	686	955
Parking lot modification in SMSAS (number of spaces)	500	171	239
Parking lot modification outside SMSAS (number of spaces)	1,000	343	478
Highway construction (vehicles per day)	20,000	6,855	9,551
Highway modification (vehicles per day)	10,000	3,425	4,776

[1] Case I assumes that the vehicle population size remains stable and that all external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

[2] Case II is based upon EPA data and assumes that the vehicle population size remains stable and that some, but not all, external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman Amendment.

The Wyman Amendment will have a similar or perhaps even greater impact upon transportation plans in those areas in which emission control devices will not be required. In view of the limited time available for the preparation of this testimony, EPA personnel were not able to examine each of the proposed or promulgated transportation plans. Instead, EPA analyzed the plan for Denver, Colorado, published in the Federal Register on November 7, 1973, 38 Fed. Reg. 30818, and the impact of the Wyman Amendment upon that plan. Denver was chosen for examination because its situation is neither extreme nor atypical and because the Denever data were relatively easily available. While for the reasons set forth above, this analysis is in no way intended as definitive, we believe it does set forth with reasonable accuracy the nature of the impact of the Wyman Amendment.

The results of the examination of the Denver plan are set forth in Tables IV and V. They show that, with the adoption of the Wyman Amendment, it can reasonably be expected that the 1975 eight-hour carbon monoxide reading will be between 36.1 and 38.4 parts per million and the one-hour oxident reading will be .17 to .19 parts per million.[1] In order to improve the air quality levels of carbon monoxide and oxidents to those envisaged for 1975 under the present Act, a reduction of 75% to 76% in vehicle miles traveled is necessary for carbon monoxide and a 53% to 58% reduction is necessary for oxidents.[2] These reductions are in addition to the bus and carpool lanes, parking construction limitations, on-street parking limits, and mass transit improvements proposed under the present Denver transportation plan. Such a reduction in vehicle miles traveled could only come through a very stringent gas rationing system; with all its social and economic dislocations and hardships.

TABLE IV.—EFFECT OF WYMAN AMENDMENT ON DENVER TRANSPORTATION PLAN—CARBON MONOXIDE[1]

	Wyman amendment case I[2]	Wyman amendment case II[3]
Carbon monoxide 8 hr reading 1975 (parts per million)	38.4	36.1
Carbon monoxide additional VMT reduction over current plan—1975 (percent)	76.0	75.0
Carbon monoxide 8 hr reading 1977 (parts per million)	39.3	35.1
Carbon monoxide additional VMT reduction over current plan—1977 (percent)	77.0	74.0

[1] Denver calculations include correction for high altitude.

[2] Case I assumes that the vehicle population size remains stable and that all external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

[3] Case II is based upon EPA data and assumes that the vehicle population size remains stable and that some, but not all, external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

TABLE V.—EFFECT OF WYMAN AMENDMENT ON DENVER TRANSPORTATION PLAN—OXIDENT[1]

	Wyman amendment, case I[2]	Wyman amendment, case II[3]
Oxident 1 hr reading 1975 (parts per million)	0.19	0.17
Oxident additional VMT reduction over current plan—1975 (percent)	58	53
Oxident 1hr reading 1977 (parts per million)	0.15	0.12
Oxident additional VMT reduction over current plan—1977 (percent)	47	33

[1] Denver calculations include correction for high altitude.

[2] Case I assumes that the vehicle population size remains stable and that all external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

[3] Case II is based upon EPA data and assumes that the vehicle population size remains stable and that some, but not all, external control devices (not including crankcase and evaporative controls) are reversible and decontrolled on all vehicles eligible for decontrol under the Wyman amendment.

Furthermore, the situation is even more serious for 1977 because the similar percentage reductions must occur in addition to the requirements proposed under the present Act—which already include some gas rationing.

The foregoing discussion strongly suggests that the adoption of the Wyman Amendment must either lead to the wholesale abandonment of the goals of the Clean Air Act of 1970 or to severe limitations on growth imposed by indirect source regulations and transportation plans. The former alternative will mean the abandonment of the pursuit of air quality and the protection of our environment and the latter will cause tremendous economic hardship in almost every congressional district as development projects are delayed or cancelled and thousands of jobs lost. The NRC considers both of these alternatives to be unsatisfactory. Fortunately, both of these alternatives can be avoided by the rejection of the Wyman Amendment. The NRC believes that this Committee, and the Congress, should preserve the commitment to protecting both the nation's air quality and its economy. Accordingly, we respectfully urge that the Wyman Amendment be rejected.

Yours truly,
ALBERT A. WALSH,
President.

What this says is that Wyman amendment is going to cause impact in other areas which may not presently be avail-

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[1] These calculations assume that present emissions are divided half and half between stationary and mobile sources in Denver, as is the average nationwide.

[2] These calculations assume that all necessary reductions will be borne by mobile sources.

able to view. This is the kind of matter which requires careful consideration, because while we might be able to allow people through backyard mechanics or otherwise to take off air abatement devices, it follows that the Wyman amendment is going to affect automobiles which are going to be moving throughout the whole of the country.

It furthermore follows, and very regretfully I say, that not only will this have an effect, but it will result in further restrictions, limitations, and reductions in other economic activities which will be required to make the now-fixed statutory standards required by the Clean Air Act.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. KETCHUM. I have asked the gentleman to yield for a question. A few moments ago in the discussion preceding this the gentleman mentioned that someone from EPA testified in opposition to the Wyman amendment.

Mr. DINGELL. That gentleman was Mr. Train.

Mr. KETCHUM. That is Mr. Russell Train.

Mr. DINGELL. That is correct.

Mr. KETCHUM. I would remind the body that this is the same gentleman that established a set of regulations for the city of Los Angeles that were so ridiculous, they wanted to shut the city down.

Mr. DINGELL. That was not Mr. Train. That was Mr. Train's predecessor.

Mr. KETCHUM. If we want to see additional burdens imposed on the city of Los Angeles and other major cities amplified and made more difficult, then vote for the Wyman amendment. That is the way to get it.

Mr. TAYLOR of Missouri. Mr. Chairman, I rise in support of the Wyman amendment. I believe if this House is responsive to the people of the Nation and certainly to the car-buying public of this Nation, it behooves us to accept this amendment, because I believe the people of this Nation are sick and tired of having their lives controlled in all these ways.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NELSEN. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the Wyman amendment.

I yield to my friend, the gentleman from Missouri (Mr. TAYLOR) for his unfinished statement.

Mr. TAYLOR of Missouri. I thank the gentleman. As I was saying, I believe the car-buying public of this Nation, which is so important to the economy of this Nation, has shown their resentment to these octane octopuses being forced upon them and the gas guzzlers they must buy, by their resistance in the showrooms in this country. Certainly it has been made crystal clear in the plants that have been closed down, in the employees that have been laid off in our assembly plants, because of buyer resistance to automobiles as they are being equipped in the Nation today with so-called emission controls.

I think the people of this country, and certainly the ones that I come in contact with in my district, do resent this. I am an automobile dealer and I can say firsthand there is a great resistance in the people who come into the showrooms to buy automobiles that ordinarily would buy and trade automobiles. They are not trading, because they have a 1970 or 1971 model that gives them good gas mileage.

In the interest of saving millions of dollars to the motoring public, precious gasoline, and thousands of jobs in the automobile industry, I urge the adoption of this amendment.

Mr. NELSEN. Mr. Chairman and Members of the Committee, I served on the conference committee on the original bill, and at that time I argued with one of our members on the other side that the standards that we were demanding could not be reached in the time frame allotted in the legislation. So, this Congress really crowded the industry at a time when we should have given more time for engineering and research to do a better job.

In order to try to meet the standards that we set up, some of the gadgetry that we talk about was put on automobiles. Now, it has been suggested that a change can be made by a mechanic. It cannot be made, because some of the construction of the engine is such that even if the catalytic converter was taken off, we would still have our mileage problem with us in the same automobile. We find this, that by research, the catalytic converter has been improved. As has been mentioned, a 26-percent increase in mileage can be expected.

Mr. Chairman, many of us criticize some of the environmentalists for demanding things that are unattainable, but I want to say that certainly we must compliment those who are concerned about our environment. We want to applaud what they have tried to do and the goals they have set.

However, I think sometimes their demands have been too great. I believe we can work these things out. Certainly, we do not want to go backward. If we do have an automobile now that has the mileage potential, and if we do admit we are improving the environment, in my judgment we should not back down, as has been pointed out.

The administration of such a piece of legislation, containing the Wyman language, in my judgment, would be difficult where we have one area up a road with it on and another area with it off. How in the world are we going to enforce a situation like that where we have 66 cities involved? Miami, Fla., has been mentioned. Miami is concerned; Minneapolis would be concerned. How in the world are we going to enforce it?

Mr. Chairman, I want to say this, that I hope that this amendment is voted down, and I hope that when we do get to the Clean Air Act, we may look at all possibilities.

When we get to that bill, I hope the environmentalists of our country will recognize that there is a little give and take in this total picture; that we want to seek goals to improve the environment. At the same time, the economic problems of the country should be considered in conjunction with it. There are things we can do and should do when we extend the Clean Air Act.

Mr. JARMAN. Mr. Chairman, I rise in support of the Wyman amendment. I believe it proposes a commonsense approach to combating our energy shortages while still retaining our commitment to our environmental protection. I am totally aware of the importance of the Clean Air Act and not for a moment am I deferring from this program when I urge my colleagues to support this amendment.

Thirteen areas have been designated as having significant auto emission related air pollution. In the remaining portion of the country, approximately 90 percent of the geographical United States, there is no significant air pollution related to automobile emissions. The point and thrust of this amendment is that there is no sense in burdening the entire United States with the same emission control standards as are required for the heavily populated metropolitan areas of this country.

To discontinue temporarily the requirement for such auto emission control devices in the less populous areas of our country will save millions of gallons of gasoline annually. Figures indicate that the new emission control devices on cars decrease gasoline mileage by 7 percent or more. These devices are estimated to have increased annual gasoline consumption by more than 300,000 barrels a day.

We have here today the opportunity to correct part of the fuel shortage problem by adopting this amendment. We retain the Clean Air Act standards where they are most needed. This amendment accommodates them because it provides that in the areas most severely affected we will continue to use auto emission controls. I see no reason why we should continue to penalize every driver in the country because of the 13 areas with air quality problems. There is no sense in imposing an enormous energy loss to the Nation by requiring auto emission controls for the entire Nation. This loss of energy is unacceptable in this time of energy crisis.

Mr. Chairman, it is imperative that we strike a balance between our energy concerns and our environmental concerns. I believe this amendment offers that balance and I urge its adoption.

Mr. ICHORD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Wyman amendment, and I associate myself with the remarks of the gentleman from Oklahoma (Mr. JARMAN), and the gentleman from New Hampshire (Mr. WYMAN).

Mr. Chairman, I truly believe that this amendment should be termed the "Commonsense Amendment of 1974," and I think the vote on this amendment will determine whether the House is going to follow the advice of at least the caricature of the emotional environmentalists mentioned by the gentleman from Louisiana (Mr. WAGGONNER) who fail to realize that you are in quite a dilemma when you approach the problems of pollution: If you do not wash your body, you pollute the air; but if you do wash your body, you pollute the water.

Mr. Chairman, we are not going to solve the environmental problems overnight. They have been building up for many, many decades. There are tradeoffs to be made.

Mr. Chairman, it is absolutely devoid of commonsense—and I say this to the gentleman from Michigan—to require an emission device on an automobile in Podunk, Mich., where there are no problems of air pollution. Certainly we have problems of air pollution in Washington, D.C., in New York, in Los Angeles, and in several other areas around the country. But there is no real problem in Podunk, Mich.

Mr. Chairman, in a period of gas shortage, at a time when we could possibly be in another gas crisis, to require such an emission device defies commonsense and reason.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. Mr. Chairman, I will yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I think the gentleman ought to recognize, first of all, that automobiles do not stand still. Automobiles in Podunk and other automobiles are driven throughout the United States.

Mr. Chairman, this is reflected by the red areas on the map shown by the gentleman fom New Hampshire (Mr. WYMAN) the author of the amendment. But more importantly, two-thirds of the people and two-thirds of the automobiles are in those red areas.

Mr. ICHORD. Mr. Chairman, that is quite true, but 90 percent of the time those automobiles will never go into those red areas.

Mr. DINGELL. Mr. Chairman, I will say that the gentleman is in grave error.

Mr. ICHORD. Mr. Chairman, I will say to the gentleman from Michigan that this requirement is about as silly as the Department of Transportation regulation requiring seatbelts to be hooked up to the ignitions on all 1974 automobiles. I hope the gentleman will agree with me on that point anyway.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield further, I do agree that the seatbelt hookup is absolutely insane. In my judgment, I think that perhaps some of the judgments made under the clean air amendment are unwise.

I would point out to the gentleman that many of the Members in this body voted for the requirements of imposing a statutory technology upon the industry before the industry was prepared to meet it.

Now, the gentleman proposes to impose on the automobile industry the duty to produce essentially two different cars. This amendment imposes upon the communities the responsibility of picking and choosing which automobiles would be permitted in the area, where they do not meet the requirements of the law imposed on the residents.

Mr. ICHORD. Mr. Chairman, let me ask the gentleman if I understand him correctly.

Is the gentleman saying that because the automobile industry has perhaps tooled up to put this expensive device on automobiles, we should permit them to recover their investment?

Mr. DINGELL. Mr. Chairman, the automobile industry is going to make money. Whatever happens, they are going to charge things like this to the price of the automobile, and they are going to make a profit. I am not here to speak for or against the industry. The industry is going to do what the Government requires, and they are going to make a profit.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, the gentleman from Michigan has repeatedly give us inaccurate statements. I want to set the record straight.

Seventy percent of the cars in America would be decontrolled under this amendment. Only 30 percent of the cars in America would remain controlled for residents of the red or contiguous areas.

The in-and-out traffic into the red areas from the cars of the white areas would not have any appreciable effect on the ambient air quality in these regions, because there just is not enough of it.

Mr. COLLIER. Will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Illinois.

Mr. COLLIER. I thank the gentleman for yielding, to clarify one point.

Three previous speakers have suggested that there was a 26-percent improvement in gas mileage. I think the RECORD ought to show that what they are saying really is it is only 74 percent as bad as it was.

Mr. COLLINS of Texas. Will the gentleman yield?

Mr. ICHORD. If I have any time left, I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I want to say about this particular amendment, which has some merit in it, that I must stress the fact that it would lower the price of gasoline. The reason why the price is so high is because of the shortage. Fifty percent of the crude oil goes for automobiles. I know when you are running an automobile and only getting 9 miles to the gallon, when you used to get 15 miles to the gallon, you are automatically creating a shortage. Within 2 years we will have the greatest production and we will have a lower price on gasoline.

Mr. ICHORD. I agree with the gentleman, and I hope the House will adopt the Wyman commonsense amendment.

Mr. RANDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, yesterday I called into my office some representatives of the EPA from over in Foggy Bottom, not knowing this bill would be on the floor today. We asked them why they were distributing posters and circulars to certain mechanics who are not subject to restrictions as to removal of emission controls. They answered that the distribution was through trade association. They admitted they were preparing and distributing posters and circulars warning mechanics not to modify these emission control devices. I protested that these circulars left the impression and the innuendo that any mechanic who touched a device was proceeding contrary to law. My understanding is that the law only prohibits a dealer from making a modification, but does not apply to an independent mechanic—not working for a new car dealer. If that is true these posters and circulars are false and misleading.

I see the gentleman from Oklahoma, a member of the committee, nodding his head. Let me commend the gentleman, Mr. JARMAN, because he proved by his remarks in favor of the Wyman amendment that the committee is not unanimously against the amendment of the gentleman from New Hampshire.

Mr. Chairman, back in early December when we were debating this same amendment I happened to describe a demonstration that I observed. I would like to repeat that description now. It may not change any minds, but it may be an interesting description.

Someone mentioned today that the modification of emission devices would save only 2 or 3 miles to a gallon of gasoline. But if you read the material distributed by the gentleman from New Hampshire (Mr. WYMAN) which was alluded to by the gentleman from Texas (Mr. COLLINS) you will see that the saving of gas is not the only consideration. There would also be a big saving of money. Millions could be saved if this amendment could be adopted.

Now let me describe a modification of emission control devices which I witnessed just a few months ago in one of our county seat towns in our district in west central Missouri. The site was a vocational school with 35 or 40 young men attending a class in automobile mechanics. The teacher who was giving this demonstration said, "Let me tell you something about emission control devices." He had a 1973 or 1974 Pontiac, with its hood lifted and the engine hooked up to an expensive Sun tester. I do not know exactly what he did except I observed he took an ordinary screwdriver—and he did not have a lot of tools with him—he simply adjusted a certain part on the left side of the engine which I later found out was the recirculating valve. He said, "There are two things you need to know about the performance of an engine. One is the revolutions per minute and the other is the compression." He pointed to a gage on the Sun tester to say "Here is what the emission control devices are doing to the engine—it is causing the engine to drag." Then he adjusted the valve to let in some air. The rpms, which were before at 1,100, jumped up to 1,400 rpms. Then he said, "Watch carefully," and he went over to the right side of the engine. He said, "Look at that column of mercury. That tells you the compression. Slowed timing can put a load on an engine like a car pulling a big weight. He said, "It is like the car was pulling two or three heavily loaded trailers." Then he took his screwdriver and adjusted the timing. The engine immediately picked up without touching the throttle to almost twice its compression—or from 7 to about 14 inches of mercury on the gage.

This description is not a figment of my imagination. I actually saw it.

Then the teacher asked "Do you notice any increase in the carbon dioxide in this garage?" as he left the car running. My point is giving this description of an expert making an emission control modification, is to emphasize that anyone who could witness such a demonstration would immediately recognize the merits of this amendment offered by the gentleman from New Hampshire.

Mr. Chairman, in the Kansas City, Mo., area there are billboards which advertise the fact that the heart of America has clean air. The wording on the billboards recites that the metropolitan area of Kansas City has the cleanest air of any city in America. That is why mail from my constituents inquires "Why should we be penalized with pollution devices on our cars that reduce the gasoline mileage when we have no pollution problem?" That is a good question. It is one that is difficult or impossible to answer.

One point in this entire argument that is so quickly glossed over is the fact that if an emission device reduces gasoline consumption then that means that for the same car to accomplish all the chores that an owner requires of his car will be using more gasoline and pumping more pollutants into the air. If the pollution control device were removed less gasoline would be used and fewer pollutants would be added to the air.

Unfortunately too many think there should be no balance ever struck at all between strict and unbending environmental controls and some of the necessities of everyday life and living including the factor of unemployment caused from too strict enforcement of environmental regulations.

If there is one fair way to describe the Wyman amendment, it is to call it the "commonsense amendment." It will save billions of gallons of gasoline, and in these times of almost galloping inflation it will save hundreds of millions of dollars of money for consumers.

A quick glance at the map will show that there are really only four areas of significant auto-related air pollution in the United States. Quite frankly, the standards of the 1970 clean air laws as it relates to light duty automotive vehicles have proven to be too strict.

Why require the entire Nation to bear an energy-wasting burden that is a problem in only a small part of the country. A moment ago I mentioned the term "commonsense" to emphasize the proper description of this amendment. What sense is there in the requirement that all the residents of the entire State of North Dakota have to purchase emission control-equipped cars when that entire State has no emission control-related air pollution? The situation in North Dakota multiplied in State after State after State adds up to a huge energy cost all because of a requirement which becomes not only energy wasteful but ridiculous. This Congress will deserve public condemnation if we do not allow for the partial suspension of auto emission controls.

Mr. Chairman, the Wyman amendment should be adopted.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in favor of the amendment offered by the gentleman from New Hampshire (Mr. WYMAN).

Mr. Chairman, I am pleased to associate myself with the remarks made by the gentleman from New Hampshire (Mr. WYMAN) and the gentleman from Missouri (Mr. ICHORD), and to speak in favor of this commonsense amendment which will help to lower the gasoline prices and make it more convenient for the American consumers in this country who live in the nonpolluted areas shown on the map.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I am pleased to yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, I thank the gentleman for yielding me this time in order to give me a little time to respond to some of the misstatements that have been made, that are so inaccurate, and I refer first to the statement about the alleged 26 percent improvement in gas mileage. I would like to read one section from ETA's 1974 report on the penalties on this country from emissions controls, and I am quoting from page 1:

> The sales weighted average fuel economy loss due to emission controls (including reduction in compression ratio) for 1973 vehicles, compared to uncontrolled (pre-1968) vehicles, is 10.1 percent. However, vehicles less than 3,500 pounds show an average 3 percent gain (attributable to carburetor changes made to control emissions) while vehicles heavier than 3,500 pounds show losses up to 18 percent. The size of these losses, however, is highly dependent on the type of control systems the manufacturer has chosen to use.

One of the things that has been suggested here is that in some way automobile dealers or the automobile industry would be penalized by my amendment. I would like to call the attention of Members to the fact that one of the Members of this body who has spoken in support of this amendment is an automobile dealer, the gentleman from Missouri.

I want to call the attention of Members also to the fact that one of the things that is troubling the automobile dealers as they try to sell cars in America is that when potential customers look at that sticker on the window, the sticker that shows the low gasoline mileage because of these devices in this time of a gasoline shortage, it is enough to drive most anybody from wanting to buy an automobile.

This amendment would not apply to the areas about which the Members have protested so loudly, such as Chicago and Washington. The amendment does not affect the cars of residents of Washington, Chicago, or Los Angeles. They will still have to have emission controls on their cars.

But why should this requirement be imposed on the whole country, and thus impose an operating cost penalty, and a capital cost penalty on this whole Nation running into billions of dollars? It is a fact—and no one on this floor can refute it—that the in-and-out traffic into the red areas from cars that do not have emissions controls is not going to destroy their clean air. Yet opponents of my amendment would make everybody in the Nation face a capital cost of billions of dollars, and a waste of gasoline in the billions of gallons.

It seems to me that in the interest of fairness it should be noted that the statement that the energy situation has eased is really not correct, because a gasoline shortage still persists. If we are to earn the commendation of the people of this country we ought not to demand emissions controls on the cars in this country of residents in those areas where there is no honest-to-goodness emissions-related public health problem.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to make a brief statement, and then pose a question to the gentleman from Florida (Mr. ROGERS) if the gentleman will listen to my brief statement.

Mr. Chairman, I have been driving the same model automobile for 20 to 25 years. The last few models I have had I have gotten from 14 to 16 miles per gallon of gasoline, depending on the speed at which I drive, of course.

I am presently driving a 1973 model, and I am now getting 10 miles per gallon of gasoline. This 1973 model has all of the gadgets that we are talking about.

My question to the gentleman from Florida is this: Am I causing less pollution because I am burning one-third more gasoline?

Does the gentleman have an answer to that question?

Mr. ROGERS. Is the gentleman from Pennsylvania causing less pollution because he is out driving with less gas, or with more?

Mr. GOODLING. No, because I am driving with a third more gasoline. Am I causing less pollution because I have these gadgets on my car and using a third more gasoline?

Mr. ROGERS. Yes, the gentleman is creating less because the cars are geared with the pollution devices to produce less pollution per mile. The auto emission standards are based on the health standards and calculated on the basis of grams per mile. This has been checked scientifically. Even the American Medical Association has just reendorsed the standards for health.

I am amazed that people are saying there are no health effects.

Mr. GOODLING. What would the American Medical Association know about the mechanics of automobiles?

Mr. ROGERS. The gentleman asks, How are they concerned with it? I will tell the gentleman what they are concerned with—carbon monoxide, which is a toxic gas.

Mr. GOODLING. The gentleman is not answering my question. I am asking him if I am causing less pollution because I am burning a third more gasoline.

Mr. ROGERS. The gentleman is causing less pollution per mile because the devices have reduced it; so for the number of miles he is driving, he is creating less in that same number of miles he has driven.

Mr. GOODLING. One further question. The gentleman speaks about the 1975 models. Has the gasoline consumption decreased that much between the 1973 and the 1975 models?

Mr. ROGERS. On the new models that they are going into now, which will be in construction very shortly and be marketed in 1975, the initial tests are showing a gain of up to 26 percent. This has already been published in some of the newspapers.

With this advantage of improved mileage—and the companies have already testified before our committees—General Motors said their 1975 models will improve up to 13 percent; Ford said up to 6 or 9. Now the actual tests are showing they are going up as high as 26 percent in the large automobiles.

Mr. GOODLING. My friend, the gentleman from Alaska, would be delighted to hear the gentleman from Florida say that about the Ford, because he just sat there and told me a moment ago he is getting 8 miles per gallon on his 1973 model.

Mr. ROGERS. That is in the models coming out in 1975. They are doing the testing; this is what they saw with the new catalytic converter. To adopt the Wyman amendment would actually increase the fuel, if this economy and increased mileage comes about, which it now appears it will.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Illinois.

Mr. COLLIER. I thank the gentleman for yielding.

So that we understand this 26 percent improvement reference that is being thrown around here, the point is that if one was getting 14 miles a gallon and he is now getting 10, the 26 percent increase means he is still not getting 14 miles; he is getting 11. So, as I said before, what appears to be a 26 percent improvement in mileage is still 74 percent worse than what it was before the emission gadgets were required equipment.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Florida.

Mr. ROGERS. But the gentleman has not broken down what causes the loss of mileage. If he will break it down as to weight, the 2,500-pound car uses exactly one-half the gas of a 5,000-pound car. The penalty from air-conditioning is 9 to 15 percent, and the penalty from power steering and power windows is anywhere from 9 to 20 percent. The air pollution penalty has been anywhere from 3 to about 15 to 18 percent. The increase of 26 percent has overcome the air pollution penalty.

Mr. ECKHARDT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I support this bill. This bill is a part of a total package of two bills addressed to the energy problem. It contains not only provisions with respect to certain tolerances, certain reductions of standards with respect to auto emissions and with respect to emissions from plants, but also certain reporting requirements, extremely important concerning petroleum resources provisions. It is part of a total package, as I have said which includes another bill not yet before this body addressed to the total question of fuel allocation and prices.

I urge that this be not made a Christmas tree for relaxation of environmental standards. I want to support this bill. I commend the gentleman from Florida and the able staff of the Committee on Interstate and Foreign Commerce for examining the questions in deep technical detail. We should not simply utilize this instrument to reduce environmental standards. The committee has done a workman-like job and has produced a balanced program deserving of support.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, I associate myself with the remarks made by the gentleman from Texas. This bill is very much a moderate bill. It is the part of the total energy package that was deemed most noncontroversial and which might be presented in a short period of time today. The other bill is still to be pending before this House and it contains the provisions that many of us want to see in the energy bill. We agreed that this bill should go forward at this time.

I can state if we go into a Christmas tree operation like this, that many of us will be constrained to go back into the amending process we were in before. This amendment has been before the House. It has been voted down before.

I specifically asked the question, in answer to the gentleman who was previously in the well, as to why his car does not get as much mileage now, and it was agreed by all the witnesses who testified that the pollution devices are far down the list as a cause of loss of mileage. They are far behind air-conditioning and power steering and the increase in weight and the power windows and all the other accouterments, including the fact that they have not designed smaller engines and smaller cars.

I associate myself with the remarks made by the gentleman from Texas. I oppose this amendment. I hope it will be voted down. I hope this House will vote for this bill promptly without any further amendments.

Mr. ECKHARDT. I hope the committee will go along with the committee bill.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, it seems to me the amendment offered by the gentleman from New Hampshire (Mr. WYMAN) is based on the belief that removal of the pollution control devices will save gas and increase mileage.

Last winter a group of auto dealers came to see me, headed by one of the biggest dealers in my district, and he made the same sort of pitch for taking off the pollution device. Two days later his chief mechanic was quoted in the local newspaper as saying: "Do not take the controls off the cars; if you do you will worsen the gas mileage, because today's car engines are designed to operate with these emission controls." It seems to me the amendment is based on a false premise.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, I would think if the author of this amendment really wanted to save energy he would suggest we take off air-conditioning from automobiles which affects mileage more than air pollution control devices, and he would suggest taking off the power systems for windows, or he would suggest reducing the weight of the cars.

Why should we do something that will reduce pollution controls that would be of benefit to the health of the American people? The House has turned this down twice and I think it made a good judgment then and I hope it will do so again.

Mr. McEWEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, after I initially supported the efforts of the gentleman from New Hampshire there was one question raised that troubled me, and that was the question of whether or not the emission controls could be removed or modified, because I was told by some that this could not be done. Therefore the amendment that the gentleman from New Hampshire offered then and is offering now might be meaningless.

I took this up with one of the largest of the automobile dealers in my district. For obvious reasons I will not give his name or give the location of his business. Let me tell the Members what this gentleman wrote to me:

> It has been my opinion, and it is the opinion of some qualified people who work for me—

And he told me specifically he went right into his shop and talked to the mechanics—

> that some of the controls can be taken off successfully; and if done properly, the resultant increase in gasoline consumption performance per se is improved some 15 to 25 percent. It is also true, however—

And I would point this out to my friend from Ohio who spoke about the mechanic in his community—

> that if the equipment is removed by someone who doesn't know what they are doing, that it can actually result in a decrease in fuel consumption performance. In my opinion, it takes a pretty knowledgeable person to do it and do it correctly because there is no information available from the manufacturer with regard to this.
>
> I called Service personnel in Detroit for Cadillac and in Lansing for Oldsmobile to get suggestions from them as to the proper procedure inasmuch as there is nothing in our maintenance books with regards to this.

The answer that I received in each instance was that they did not even want to discuss it, and they also felt that I should not discuss it with anyone. There is a pretty strict law with regard to this, and I know that we, as a dealer or service organization, make any attempt to do this that the fines are rather severe, up to $10,000. It is obvious to me that the factory is brain-washed by the Environmental people in the Government responsible for the present law. And as a consequence, I could get no information for you from that source that would give us anything concrete to go on.

Mr. Chairman, I am satisfied that these emission control devices can be modified.

Now, each of us here today will make his own decision; but for me, Mr. Chairman, I am not going back to northern New York and tell farmers that own farm vehicles that never go as far as the State Fair at Syracuse, that go to the grist mill and go to the farm supply store, that they have to have these damnable octane octopuses that are guzzling up gasoline.

The chairman spoke as if the fuel crisis is over. We are happy, I say to my friend from Florida, that the long lines are no longer there; but there is also concern that we are in a false feeling of security, that possibly the energy crisis is not all behind us.

As long as that be true, I hope, that recognizing that, people can make corrections in these devices if they see fit in areas where pollution is not a problem. I hope the amendment of the gentleman from New Hampshire prevails.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I understand how the gentleman feels. I hope he will cure the health problems of the American people with the pollution we have. This if taken on will increase it dramatically. We are also finding out that the emissions from automobiles are affecting the chromosomes and some will be somewhat amazed when the scientific evidence comes out substantially that change that we had not previously known.

I am sure we know what has happened with lead in the State of Maine, where lead has been carried by the air into the waters of Maine. If we take off the pollution devices in those cars, it simply builds it up in these States and all the other States.

I think it would be tragic if we could not properly balance the health needs of this Nation for clean air vis-a-vis a very emotional argument about taking off a few devices which are not going to increase gasoline mileage, because they are already improved with the new models that are coming out.

Mr. McEWEN. Mr. Chairman, may I refer to the very authoritive publication of the New York State Department of Environmental Conservation, that air pollution from automobiles is only a problem where there is a concentration of automobiles. I do not have that concentration in my district.

Mr. ROGERS of Florida. Except that the air does not stay just in New York City.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman.

Mr. WYMAN. I just want to say that this argument has been made again and again. To say there is any health problem presented to this country by my amendment is pure unadulterated poppycock.

AMENDMENT OFFERED BY MR. REES TO THE AMENDMENT OFFERED BY MR. WYMAN

Mr. REES. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. REES to the amendment offered by Mr. WYMAN: Section 203 of Clean Air Act (42 U.S.C. 1857f-2.) is amended by

Section d(1): Strike section G(d)(1)(2)(c)(d) of the amendment and add after G(d):

(1) A state may adopt auto emission standards higher than the standards which are in force during the period of partial emission standards (as defined in Section 203(d)(3)(A)).

(2) A state, or local subdivision, not withstanding any other provisions of law, may adopt rules and regulations in conformance with regulations adopted by those states or subdivisions to prohibit the use of motor vehicles within their jurisdictions which do not qualify under those jurisdictions criteria on motor vehicle standards.

Mr. REES. Mr. Chairman, this is basically a States' rights amendment, and would affect those areas where we have a great deal of air pollution, where we want to see the catalytic converters, where we have to have tough air pollution control laws.

I represent a district in California right in the middle of that red area, the Los Angeles Basin, and we have a very difficult problem there of pollution. The various studies that have been made by the University of California School of Medicine show that because of air pollution, our lives are shorter in the Los Angeles Basin than they are in other parts of the country. So, we are very concerned.

Mr. Chairman, this amendment does two things. It would reaffirm that an area that is within the area defined by the gentleman from New Hampshire to qualify under the partial emission standards criteria of the amendment offered by the gentleman from New Hampshire, could, if it wished, increase the criteria in regards to air pollution control standards. So, if we have a State that is one of those States that is not within that red area, and that State felt that it should have higher air pollution control standards than are designated here in terms of partial emission standard criteria, then that State legislature or the authorized air pollution control body could do that.

Second, and this is even more important, and especially important in my area of southern California, which is a tourist area with a great many people coming to southern California from other parts of the country, it would give us the power to prohibit automobiles from other States that are under the partial emission standard criteria from coming into our area. That is all it would do. It would say that we would keep them from coming in because their cars do not have the equipment that the cars in the southern California area have, and they should not come in there because they will be causing more pollutants than do the automobiles that are registered in the State of California.

Mr. Chairman, it is a very simple amendment, and I would hope that the gentleman from New Hampshire would accept this amendment to his amendment.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. REES. Mr. Chairman, I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, is the gentleman aware of the fact that California was specifically excepted under the Clear Air Act of 1970, and that under existing law California is allowed to make many different standards than the rest of the country because of the Los Angeles problem?

Mr. REES. It is not a Los Angeles problem. Basically, it is a California problem. It would mean that we would have the power to keep other motor vehicles out of the State that did not qualify with the criteria on emission.

Mr. WYMAN. Would the gentleman's amendment applied nationwide mean that a State, if it wanted to, could build a fence around itself?

Mr. REES. If a State wanted to have higher air pollution standards, it could have higher air pollution standards than the standards in the amendment offered by the gentleman from New Hampshire, which are here termed as partial emission standards. The State would be able to come up to the standards of the Environmental Protection Agency. That is the intent of this amendment.

Mr. WYMAN. Under the gentleman's amendment, could a State keep trucks, for example, engaged in interstate commerce, out of the State if they did not have emission controls at the level the excluding State prescribed?

Mr. REES. If the truck did not have emission control standards that are deemed necessary for the State of California for the protection of the health of the people of the State of California, it would not be able to come into the State of California. That would apply also, of course, in the State of New Hampshire.

Mr. WYMAN. The gentleman does not agree with the fact that the in and out traffic is not large enough to adversely affect the air quality of his region?

Mr. REES. Mr. Chairman, I would say that in my area there is a great deal of transit traffic, and it has a very great effect on the air pollution control standards of the State of California.

Mr. WYMAN. Does the gentleman have figures on that?

Mr. REES. Yes; I do. I would say from the figures that I have seen, because I wrote most of the air pollution control law in the State of California when I was in the State senate, that we have about a 20 to 25 percent inmigration and outmigration of trucks and tourists and people from other parts of the country, and this would definitely affect them.

Mr. WYMAN. But you do not have authority to exclude traffic from other States as it comes into California, do you?

Mr. REES. Mr. Chairman, I have here that wonderful phrase "notwithstanding any other provision of law," and I would hope that that would take care of the situation.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Illinois.

Mr. COLLIER. Mr. Chairman, the gentleman is not serious in thinking that this could withstand any kind of test under the commerce laws, is he?

Mr. REES. We will try that out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the amendment offered by the gentleman from New Hampshire (Mr. WYMAN).

The question was taken; and on a division (demanded by Mr. REES) there were—ayes 30; noes 58.

So the amendment to the amendment was rejected.

Mr. STAGGERS. Mr. Chairman, I move to strike the requisite number of words.

I think we need to think carefully about this matter. We have gone a long way in protecting the health of America and we do not want to go backward.

Mr. Chairman, that is what we would do if we vote for the Wyman amendment. We would be going back in protecting the health of America.

Mr. Wyman's amendment—if accepted—will greatly endanger this bill in the Senate. If would make early enactment impossible.

We must bring another bill to this floor next month to extend the Clean Air Act. We invite Mr. WYMAN to press his amendment at that time.

We have been through all of this debate before.

The administration supports the Clean Air Act provisions of this bill—as written.

The Committee was nearly unanimous in support of these provisions—as written.

The automobile manufacturers support the bill—as written.

I urge you to vote down this amendment.

Do not lose sight of the fact that the auto industry desperately wants this bill—it needs its enactment in the next few days.

Mr. Chairman, I am asking this House to act with wisdom and act as men of judgment with respect to those who are to come after us, for the health of the Nation and for future generations.

I would like to ask you to pass this bill as it is now and dismiss this amendment which is before this body because it will be considered and voted on at a later time. I ask that the amendment be voted down.

Mr. HEINZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have had a number of very eloquent arguments here today about what the Wyman amendment does and does not do. We have heard a lot of conflicting facts, opinions, and arguments. I will try to give the committee something that maybe we can agree upon; namely, some numbers. Some numbers that I think could be useful to each of us to bear in mind when we made our individual decisions on this amendment.

We know that we use 18 million barrels of petroleum a day in the United States. That is a pretty well-established fact. We also know that about half of that, or 9 million barrels per day is used for transportation purposes. Furthermore, of the 9 million barrels, only about 55 percent is used for automobiles, or about 5 million barrels per day. The rest goes to trucks, which use enormous quantities of fuel, and to airplanes, ships, railroads, and the like.

That brings us down to how much fuel are we talking about when we talk about removing the emission controls. The cars which are the worst offenders in terms of an increase in fuel consumption are the 1973 and 1974 models. We know that some of that increase is due to heavier weight occasioned by the use of safety devices and to the use of air-conditioning. Let us make the inordinately generous assumption that the inefficiency caused by the emission control devices is 20 percent in those models. Then, we must remember that those models constitute only about 20 percent of all the cars on the road, which means that they use about 1 million barrels of oil, as gasoline, per day. Using the 20 percent inefficiency assumption, which I think is a tremendously high figure to attribute just to the emission control devices, 20 percent of 1 million barrels per day amounts to 200,000 barrels per day. Mr. Chairman, that number, 200,000 barrels a day is barely 1 percent of the 18 million barrels of petroleum we use in this country every day. My point is that for an absolute maximum of 1 percent saving in petroleum we are talking about taking a significant risk to the public health, and this assumes that every single one of the some 18-20 million 1973 and 1974 models are converted completely.

No mention has been made of the cost of taking those pollution control devices off the 1973 and 1974 models. I have heard that it could run to several hundred dollars.

Let us not forget the confusion that would exist both in terms of manufacture and enforcement. I must reluctantly say that on a benefit-cost basis analysis the Wyman amendment just does not stand up to a careful analysis.

Mr. WYMAN. Will the gentleman yield for a question?

Mr. HEINZ. I am glad to yield to the gentleman.

Mr. WYMAN. The gentleman cannot mean only the 1973 and 1974 models contribute to this, because the 1970 and 1971 and 1972 models also have significant emissions penalties. And the gentleman knows it is optional to modify such existing cars under this amendment. All it says is that you can do it when and if you want to. But when you get the new cars you will get 70 percent of them without any controls and this will save at least 1 gallon in every 10 for these cars on a weighted average.

Mr. HEINZ. The gentleman knows that it is the 1973 and 1974 models that are called the gas guzzlers, and that the 1971 and 1972 models were not nearly so greedy in their use of fuel.

Finally, as we also know, the 1975 models which will be available to us this September are much more efficient and economical, as has been pointed out by many of the Members today.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. HEINZ. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I have asked the gentleman from Pennsylvania to yield to me in order to see if we can get a time limit on the debate on this amendment.

Mr. Chairman, I ask unanimous consent that we have a vote on this amendment immediately.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. HUBER. Mr. Chairman, I object. I have been waiting for an opportunity to speak on this amendment.

Mr. STAGGERS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. HUBER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members of the Committee, about 6 weeks ago we had the president of the Chrysler Corp. meet with the Michigan delegation to discuss this problem. I am rather amazed that my fellow Members of the Michigan delegation have not been communicating to the other Members that which was brought to their attention at some great length by the president of the Chrysler Motor Corp.

The things that he said I believe bear repeating, and surely that gentleman knows as much as anybody on this floor does about manufacturing automobiles.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I will yield to the gentleman from Ohio if I have time, but first let me complete my statement.

Mr. Chairman, there are two things that bother me in what that gentleman said.

First, he talked about economics and what is going to happen, in his opinion, if these control devices are forced on the automobile industry. He painted a very bleak picture for production problems as well as for employment in the automotive industry. He did not mince any words about that. And there are Members sitting on this floor today who were present at this presentation, and who had the opportunity to ask questions on that subject.

The second thing that he said that bothered me, and I think probably this is the most important thing, he pointed out that the catalytic converter is set for lead-free gasoline, and if you put in a gas tank full of regular, then you knock out your converter system, and destroy it.

But, Mr. Chairman, when we have gone into gas stations in the last 6 months, we have not asked the gasoline attendant for regular or for ethyl, or for lead-free gasoline; we have said, "What do you have?" And we have taken whatever he has had in order to keep our cars going. Even though a car might be set for ethyl, it will run on regular, and even though it is set for regular, it will run on ethyl, and even though it is set for regular or ethyl, it will run on lead-free gasoline. But when the 1975 models come out with their catalytic converters on them, and you drive into a gas station, and your gasoline tank is down to zero and the man says, "I'm sorry, but we do not have any lead-free gasoline," what do you do? Do you abandon your $5,000 automobile, or will you say, "I will take whatever you have got."

If we want to save lead-free gasoline for the areas shown on the map in red, maybe we ought to pass some law saying that lead-free gasoline should only go into the areas marked in red on the map so that those areas that need the catalytic converters on cars, and need the lead-free gasoline, will have that gasoline available. Thus, areas as San Francisco and Los Angeles will not have an additional problem in obtaining lead-free gasoline when we are in a gasoline shortage.

When we are in a gasoline shortage then we ought to funnel that lead-free gasoline to those areas where it will do the most good. Let us let the ethyl and regular gasoline go into the other areas.

Let us adopt the amendment offered by the gentleman from New Hampshire (Mr. Wyman) and then the lead-free gasoline which is in such short supply all over the country can be concentrated in areas such as California, so that they may use it to maintain their air quality standards.

But for owners in those areas that do not need catalytic converters, and who go into a gasoline station where the only gas that they have is regular, or ethyl, and who do not have the lead-free gasoline, then they will take whatever they can get so as to keep their $5,000 automobile running, then their catalytic converter is going to be destroyed and will not help insofar as pollution is concerned.

So I think that we should specify that the lead-free gasoline goes into those critical areas that need the catalytic converters, and then those other areas that do not need converters really should not have to have them. Because that catalytic converter is not going to last in any car if the owner finds that he cannot get the lead-free gasoline to use with it. The owner will take whatever kind of gasoline is available. And I think everybody in the United States is going to have the same identical problem unless we do something about it.

So it would seem to me that the thing to do would be to adopt the amendment offered by the gentleman from New Hampshire (Mr. Wyman) and do something to put the lead-free gasoline into those areas on the map that are designated in red so as to help those people with cars who are going to have the catalytic converters in 1975 and need the extra protection.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentleman for yielding.

I would suggest, in connection with what I said in closing a few minutes ago, that if the gentleman is serious—and I know he is—that he come before our committee which has to act within 1 month, he and Mr. Wyman, and we can take care of the situation and debate it then. Then we can have all of the evidence from the different people.

If this bill does not pass now, there will be many thousands out of work at Chrysler within the next week or 2 weeks.

Mr. HUBER. I am of just the opposite opinion, that if the bill does pass, there may be thousands and thousands without jobs in the next 12 months.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield to the gentleman from New Hampshire.

Mr. WYMAN. I thank the gentleman for yielding.

Is it not a fact that if we take the suggestion of the chairman, the gentleman from West Virginia, on this point, the 1975 models will go into production with catalytic converters required for the entire country; is that not correct?

Mr. HUBER. That is correct, and we are going to knock the catalytic converter out on the first gas tank of non-lead-free gas. We are going to destroy the platinum used in the manufacture of the converter. The only places we can get platinum today are Russia and South Africa, so we are dependent upon Russia and South Africa in order to make our automobiles.

Mr. WYMAN. If the gentleman will yield further, for each barrel of crude oil, we get 4 to 6 percent less gallons of unleaded gasoline?

Mr. HUBER. Yes.

Mr. WYMAN. So the claimed 13-percent improvement against the 1974 automobiles for the catalytic converter is a fraud because we have a greater fuel penalty coming out of refinery losses before we ever get started.

Mr. STAGGERS. Will the gentleman yield?

Mr. HUBER. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Every one of the automobile manufacturers say they are for this bill.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New Hampshire (Mr. Wyman).

The question was taken, and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DINGELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 221, answered "present" 2, not voting 41, as follows:

[Roll No. 200]

AYES—169

Abdnor
Andrews, N. Dak.
Archer
Arends
Ashbrook
Baker
Bauman
Beard
Bevill
Blackburn
Bowen
Bray
Breaux
Brinkley
Brooks
Broomfield
Broyhill, Va.
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Denholm
Dennis
Devine
Dickinson
Dorn
Downing
Dulski
Duncan
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Fisher
Flowers
Flynt
Fountain
Froehlich
Gettys
Giaimo
Ginn
Gonzalez
Goodling
Gray
Green, Oreg.
Griffiths
Gross
Gubser
Guyer
Hammerschmidt
Hanrahan
Hays
Henderson
Hicks
Hillis
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Ketchum
King
Kluczynski
Landgrebe
Latta
Litton
Lott
McClory
McCormack
McEwen
McKay
McSpadden
Madigan
Mahon
Mann
Mathis, Ga.
Mayne
Michel
Miller
Mills
Mizell
Mollohan
Montgomery
Nichols
O'Brien
O'Hara
Passman
Poage
Powell, Ohio
Price, Tex.
Quillen
Railsback
Randall
Rarick
Robinson, Va.
Roncalio, Wyo.
Rousselot
Runnels
Ruth
Ryan
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Stratton
Symms
Taylor, Mo.
Teague
Thone
Thornton
Towell, Nev.
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Ware
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles, Tex.
Wright
Wyatt
Wylie
Wyman
Yatron
Young, Alaska
Young, S.C.
Young, Tex.
Zion

NOES—221

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Bafalis
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Brasco
Breckinridge
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Burke, Calif.
Burlison, Mo.
Burton
Carney, Ohio
Carter
Chisholm
Clausen, Don H.
Clay
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Davis, Wis.
Delaney
Dellenback
Dellums
Dent
Derwinski
Dingell
Donohue
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fascell
Fish
Flood
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Goldwater
Green, Pa.
Grover
Gude
Gunter
Hamilton
Hanley
Hanna
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hinshaw
Holifield
Holtzman
Horton
Hungate
Hutchinson
Johnson, Calif.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kemp
Koch
Kyros

Lagomarsino
Landrum
Leggett
Lent
Long, La.
Long, Md.
Lujan
Luken
McCollister
McDade
McFall
McKinney
Macdonald
Madden
Mallary
Maraziti
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Obey
O'Neill
Owens
Patten
Perkins
Pettis
Peyser
Pike
Podell
Preyer
Price, Ill.
Pritchard
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
St Germain
Sarbanes
Schroeder
Seiberling
Shoup
Sisk
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, James V.
Stark
Steele
Steelman
Steiger, Wis.
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thomson, Wis.
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Waldie
Whalen
White
Widnall
Wiggins
Wilson, Charles H., Calif.
Winn
Wolff
Wydler
Yates
Young, Fla.
Young, Ga.
Young, Ill.
Zablocki
Zwach

ANSWERED "PRESENT"—2

Lehman
Parris

NOT VOTING—41

Alexander
Barrett
Blatnik
Brown, Calif.
Buchanan
Carey, N.Y.
Clark
Crane
Davis, Ga.
de la Garza
Diggs
Findley
Fulton
Grasso
Haley
Hansen, Wash.
Hébert
Howard
Jones, N.C.
Kazen
Kuykendall
McCloskey
Martin, N.C.
Milford
Minshall, Ohio
Murphy, Ill.
Myers
Nix
Patman
Pepper
Pickle
Quie
Reid
Roberts
Roncallo, N.Y.
Rooney, N.Y.
Rose
Stokes
Stubblefield
Thompson, N.J.
Williams

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. STAGGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in order to get some accommodation on further amendments. I know the gentleman from North Carolina has amendments, which I think we on the committee will accept when we have heard them, but I would like to get some understanding on concluding the debate tonight.

Mr. Chairman, I ask unanimous consent that the committee complete its debate on this bill and all amendments thereto at 6 o'clock.

Mr. WYMAN. Mr. Chairman, I reserve the right to object.

Mr. VANIK. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Chairman, I move that all debate on this bill and all amendments thereto close at 6 o'clock.

Mr. WYMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman knows, I assume, that I have another amendment on the catalytic converter. Does the gentleman wish to limit the debate on this to 20 minutes?

Mr. STAGGERS. If the gentleman will yield, Mr. Chairman, we have debated for 2 hours or more, and I think the gentleman will have time reserved. The gentleman will have 5 or 10 minutes. I think we are going to accept the amendment offered by the gentleman from North Carolina (Mr. Broyhill) and then we can proceed with other amendments.

Mr. STAGGERS. Mr. Chairman, I renew my motion that all debate on this bill and all amendments thereto close at 6 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from West Virginia (Mr. Staggers).

The question was taken; and on a division (demanded by Mr. Derwinski) there were—ayes 104; noes 28.

So the motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for approximately 1 minute each.

The Chair recognizes the gentleman from North Carolina (Mr. Broyhill).

AMENDMENT OFFERED BY MR. BROYHILL OF NORTH CAROLINA

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Broyhill of North Carolina: Page 76, line 17, insert before the comma the following: "(other than the Bureau of the Census, the Bureau of Labor Statistics, or the Internal Revenue Service)".

Mr. BROYHILL of North Carolina. Mr. Chairman, the purpose of section 11 is to authorize the Administrator to obtain certain energy information, and this subsection says that where this information is reported to certain other Federal agencies, these Federal agencies shall submit this information to the Administrator.

As the Members know, the present law restricts certain agencies from divulging information to other agencies of the Government, particularly the Internal Revenue Service, the Bureau of Census, and the Bureau of Labor Statistics.

So my amendment is saying that these agencies will not be required to report this information to the Administrator.

I yield to the gentleman from Texas, who is the chairman of the Census Subcommittee.

Mr. WHITE. Mr. Chairman, I support the amendment offered by the gentleman, and I ask unanimous consent to yield my time to the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the amendment offered by Mr. Broyhill of North Carolina. As ranking minority member of the Post Office and Civil Service's Subcommittee on Census and Statistics, I share the gentleman's concern that the confidentiality of the information collected by the Census Bureau—13 U.S.C. 9—must be preserved.

As currently provided in section 9 of title 13:

> § 9. Information as confidential; exception.
>
> (a) Neither the Secretary, nor any other officer or employee of the Department of Commerce or bureau or agency thereof, may, except as provided in section 8 of this title—
>
> (1) use the information furnished under the provisions of this title for any purpose other than the statistical purposes for which it is supplied; or
>
> (2) make any publication whereby the data furnished by any particular establishment or individual under this title can be identified; or
>
> (3) permit anyone other than the sworn officers and employees of the Department or bureau or agency thereof to examine the individual reports.
>
> No department, bureau, agency, officer, or employee of the Government, except the Secretary in carrying out the purposes of this title, shall require, for any reason, copies of census reports which have been retained by any such establishment or individual. Copies of census reports which have been so retained shall be immune from legal process, and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.
>
> (b) The provisions of subsection (a) of this section relating to the confidential treatment of data for particular individuals and establishments, shall not apply to the censuses of governments provided for by subchapter III of chapter 5 of this title, nor to interim current data provided for by subchapter IV of chapter 5 of this title as to the subjects covered by censuses of governments, with respect to any information obtained therefor that is compiled from, or customarily provided in, public records. (Aug. 31, 1954, ch. 1158, 68 Stat. 1013; Oct. 15, 1962, Pub. L. 87–813, 76 Stat. 922.)

The effectiveness of the Bureau's data collecting activities is rooted in the fact that the confidentiality of the information submitted is safeguarded by the provisions in title 13. Section 11(e) of H.R. 14368 would seriously undermine the Bureau's ability to assure this confidentiality. In connection with the collection of energy information, under this subsection, the Administrator of a new Federal Energy Administration would have the authority, after determining that an individual has submitted information to the Census Bureau, to unilaterally "exempt" this individual, and then compel Census to provide this information.

Mr. Vincent Barabba, Director of the Bureau of the Census, appeared before our subcommittee in January to discuss the role of the Census with regard to energy statistics. In his statement, he discussed the importance of preserving the confidentiality of census information, and I quote:

> The Bureau maintains a highly integrated system of production, distribution, and consumption statistics. In these areas we have, over the years, developed an expertise in survey techniques, as well as established reporting relationships with companies, which are unexcelled. There is no doubt that the provisions of Title 13, U.S. Code, which afford complete confidentiality to respondents, have also enabled us to build an invaluable working relationship with business firms, as well as the general public. We have developed an atmosphere of trust based on our past performance of not disclosing to or furnishing

any person or group, public or private, with individual respondent data. Although Chapter 7 of Title 13 provides penalties for the falsifying of reported data or for the failure to report in mandatory surveys, it is the contract of trust that gets results rather than the invoking of penalties.

In early April, I participated in a special order which focused on the congressional commitment to privacy. The amendment being offered by Mr. BROYHILL of North Carolina is a simple one, and would preserve the confidentiality of census information, and I urge all my colleagues who share my concern about protecting the privacy of our citizens to support this amendment.

Mr. BROYHILL of North Carolina. Mr. Chairman, I hope the chairman of the committee could accept this amendment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent, Mr. SYMMS was allowed to yield his time to Mr. BROYHILL of North Carolina.)

Mr. STAGGERS. Will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the chairman.

Mr. STAGGERS. If I understand the amendment correctly, I would be inclined to agree with the gentleman and accept the amendment on this side as far as I am concerned.

Mr. DINGELL. Will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Michigan.

Mr. DINGELL. As I understand it, the amendment then simply says the confidentiality in the Bureau of the Census and the Bureau of Labor Statistics——

Mr. BROYHILL of North Carolina. And the Internal Revenue Service.

Mr. DINGELL.

And the Internal Revenue Service continues to be preserved but that the information may be procured by the Administrator.

Mr. BROYHILL of North Carolina. That is correct.

Mr. DINGELL. I have no objection to the amendment.

Mr. BROYHILL of North Carolina. Mr. Chairman, may I have a vote now because I have another inquiry I would like to make.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The amendment was agreed to.

Mr. BROYHILL of North Carolina. May I ask a question of the chairman?

In the latter part of section 11 the question or the allegation has been raised that where the energy information which has been supplied to the administration is then supplied to other agencies, such as the Federal Trade Commission, when that occurs it might destroy the confidential treatment of that information. I would like to have a response from the chairman with respect to those allegations.

Mr. STAGGERS. Mr. Chairman, in response to the gentleman, I might say that arguments have been raised that information which the Administrator supplies to the Attorney General, the Secretary of the Interior, the Federal Trade Commission, the Federal Power Commission, or the Government Accounting Office would no longer be protected and could be freely disclosed by those agencies. That is not the case. The information would have the same right to confidential treatment in the hands of the Attorney General as it would in the hands of the Administrator. This principle of law was well established in the case of the *Grumman Aircraft Engineering Corporation* v. *Renegotiation Board* in 1970 (425 F. 2d 578).

Thus, the Attorney General could only release such information to subordinates or make use of it in law enforcement proceedings. However, like the Administrator, the Attorney General would be barred from releasing to the public trade secrets and other proprietary information.

Mr. McCORMACK. Mr. Chairman, I am informed by Mr. ROGERS, the Secretary of the Subcommittee on Public Health and Environment, that his subcommittee shall initiate hearings early in June on extension of the Clean Air Act which expires on June 30, 1974.

I am also informed by Mr. ROGERS that in the extension of the Clean Air Act we can amend the bill that we are working on at this time. I believe this to be quite important because I am disturbed with the bill before us today insofar as its provisions for the burning of coal are concerned. I think the bill's provisions are a sort of "chewing gum and baling wire" approach, and I think there is room for substantial improvement.

I, therefore, wish to take this opportunity to inform the Members of the House, the members of the Committee on Interstate and Foreign Commerce, and in particular Mr. ROGERS and the members of the Subcommittee on Public Health and Environment that I shall appear before the subcommittee when it considers extension of the Clean Air Act to propose an amendment to that act. I will propose that provision be made for any utility with a powerplant burning coal to enter into an agreement on a 1-to-1 basis with the EOA to establish the best desulfurization technology available for the specific plant under consideration and the coal which it will burn. I will propose that under an agreement between EPA and the utility that the best desulfurization technology be agreed upon for each plant and the coal it will burn, provided that the additional cost required for amortization of the desulfurization equipment does not exceed 2 mils per kilowatt-hour, including all costs over a 10-year period. Incidentally, the costs will include any additional incremental cost for transportation of any fuel required under the agreement by EPA.

Under such an agreement, no other requirement for controlling or limiting sulfur dioxide emission would be made upon the plant during the 10-year period of amortization for the equipment; and operation of the plant would not be interfered with by EPA except in the case of an actual state of emergency for health purposes as determined and announced by the Environmental Protection Agency in the vicinity of the plant.

By following this technique of getting the best desulfurization equipment available installed in our coal-burning plants, we will be requiring that most sulfur dioxide be removed. Existing technology will do that. However, we will not be putting utilities in the unrealistic position of being forced to install very expensive scrubber systems or other similar gear which do not operate satisfactorily and which cannot meet today's air quality standards.

By requiring the best possible desulfurization technology at any given time we will, of course, be stimulating industrial competition in this arena. Perhaps over a period of 10 to 20 years we can develop at least one system which will actually meet the air quality standards we are now attempting to enforce.

I think this is a realistic approach. It allows this country to burn coal, and to have the maximum amount of electricity while protecting the environment in the most realistic way possible, protecting the utilities from administrative and economic harassment and working toward an actual solution to our air pollution problems.

The CHAIRMAN. The time of the gentleman has expired. The Chair recognizes the gentleman from Ohio (Mr. VANIK).

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 68, line 2 strike "concerning the practicability of establishing a fuel economy improvement of 20 per centum for new model vehicles manufactured during and after model year 1980."

And substitute "concerning the feasibility of establishing at the earliest practicable date a national fuel economy standard of 20 miles per gallon for all new automobiles."

On page 68, line 6 after the word "to," add "an analysis of the various regulatory and tax policies which could be instituted to implement such standard;".

On page 29, line 14 strike "(1)".

On page 30, strike "Sec. 213 (a) (2)".

(By unanimous consent, Mr. GIBBONS and Mr. RANDALL yielded their time to Mr. VANIK.)

Mr. VANIK. Mr. Chairman, the amendment I offer seeks to improve the existing section 9 of the committee bill. As it is now written, section 9 calls for a study by EPA and the Department of Transportation to investigate the practicability of establishing a fuel economy improvement standard of 20 percent for new motor vehicles manufactured during and after model year 1980.

I am fearful that this language is not ambitious enough. A 20-percent improvement in fuel economy may sound significant, but a closer look reveals a different story. At present, the average American automobile gets about 13.5

miles per gallon. A 20-percent improvement would only result in a fuel economy of 16.2 miles per gallon for the average car. In essence then, what the existing section 9 requests is a study of the consequences of setting a national fuel economy standard of 16.2 miles per gallon in model year 1980. Some automakers themselves are projecting more ambitious results. The fact is that we can produce automobiles which meet pollution standards—utilize powered accessories and air conditioning. If foreign manufacturers can achieve this goal—our producers should be able to follow suit.

In short, I feel a more aggressive investigation of this vital area is needed.

To strengthen the mandate for this study, I am suggesting the EPA and the Department of Transportation study the feasibility of establishing a national fuel economy standard of 20 miles per gallon for all new automobiles. I am suggesting 20 miles per gallon because there have been many studies which assert that it is feasible for Detroit to manufacture—with existing technology—an automobile which gets close to 20 miles per gallon without sacrificing comfort, styling, or exhaust emission control. The problem we face is how to insure that Detroit will make this commitment to efficiency as rapidly as possible without at the same time causing severe economic disruptions. We must investigate the consequences of establishing a national fuel economy goal as well as investigating the best policy options we can follow to achieve this goal.

On August 24 of last year Under Secretary of the Interior John Whitaker endorsed a plan to tax inefficient automobiles in order to encourage Detroit to engineer efficiency into their product. At that time Mr. Whitaker stated that the administration fuel economy proposal would be ready by February 1974, as yet there has been no indication that the administration will submit such a plan. Apparently, the idea has fallen victim to the energy reorganizations in the executive branch. I might mention that section 9 of this legislation, as drafted, would not include consideration for the policy alternative that Mr. Whitaker endorsed last August. This fact highlights the need to redraw the boundaries of the fuel economy study.

I commend the committee's foresight for recognizing that we must not sweep under the carpet the problem of inefficient automobiles. I seek with my amendment only to strengthen the mandate of this fuel economy study.

I hope the committee will accept my amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. Dingell).

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from West Virginia, the distinguished chairman of the committee.

Mr. STAGGERS. I thank the gentleman for yielding.

Mr. Chairman, I reluctantly state I have to oppose the amendment offered by the gentleman from Ohio. We do have a study provision in the bill now. It does not restrict it to 20 percent. It can go beyond that to any place it needs to be.

The Senate has agreed to the language of this bill. If we can pass this bill, it will be passed by the Senate, and it will go downtown to be signed by the President. Therefore, I would have to oppose the amendment in its entirety, and I hope that the House will oppose the amendment and take the bill as it is as it came out of the committee unanimously.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. HASTINGS. Mr. Chairman, I rise in opposition to the amendment and ask that it be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Vanik).

The question was taken; and on a division (demanded by Mr. Vanik), there were—ayes 23, noes 61.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire.

(By unanimous consent, Messrs. Bauman and Rousselot yielded their time to Mr. Wyman.)

AMENDMENT OFFERED BY MR. WYMAN

Mr. WYMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wyman: Page 59, strike out line 13 and all that follows down through line 11 on page 61, and insert in lieu thereof the following:

"(a) Section 202(b)(1)(A) of the Clean Air Act is amended to read: "The regulations under subsection (a) applicable to emissions of carbon monoxide and hydrocarbons from light-duty vehicles and engines manufactured for sale during or after model year 1975 shall contain standards which are identical to the standards which were prescribed (as of July 3, 1971) for light-duty vehicles and engines manufactured during model year 1974, except that no certificate of conformity pursuant to section 206 of such Act shall be required for light-duty vehicles and engines manufactured for sale during model year 1975.

"(b) Section 202(b)(1)(B) of such Act is amended to read: "The regulations under subsection (a) applicable to emissions of oxides of nitrogen for light-duty vehicles and engines manufactured for sale during and after model year 1975 shall contain standards which are identical to the standards which were prescribed (as of July 3, 1971) for light-duty vehicles and engines manufactured during model year 1974, except that no certificate of conformity pursuant to section 206 of such Act shall be required for light-duty vehicles and engines manufactured for sale during model year 1975."

Mr. WYMAN. Mr. Chairman, by the action taken on the earlier amendment that I offered, it has been determined now that all cars all over America shall have to continue to conform to the excessively far-ranging standards in the Clean Air Act that apply nationwide. This present amendment would freeze for 1 year the 1974 standards and suspend the certification procedures for a year in order to give a year's extension to allow a more careful approach to the expensive catalytic converter question.

The catalytic converter is a fraud on the country. One of our automobile manufacturers, General Motors, has a plant which is about to manufacture 6 million of these converters, so GM no longer has a neutral position on this issue.

If this amendment is agreed to, then we will not have to take the catalytic converter route until we know the catalytic converter will really work.

In the debate earlier it was pointed out again and again that proper action of the catalytic converter will require unleaded gasoline. All 1975 cars are going to be made with a neck on the gas receiver that comes out from the tank able to be fed only by a certain type of gas nozzle. All over America stations are going to have to have huge capital costs expended on putting in the unleaded gas and new equipment for the special pumps.

Mr. Chairman, there is absolutely no need to do this. It is going to add about $150 to the cost of each car. If we have a run of 9 million cars in 1975 production we are talking about $1.5 billion additional cost on the American consumer for the converters alone to say nothing of the several hundred million additional for the equipment to service them. The sticker price on new cars is going to go up by $150 more and the fuel consumption will be greater with the catalytic converter no matter what is claimed about the saving against the 1974 standards, because they will be getting less gallons of unleaded gas per barrel of crude oil.

Why not wait until we know more about the catalytic converter? I think we ought to do this much at the very least to hold the line for the consumers of this country and to help meet our energy shortages.

Mr. du PONT. Mr. Chairman, I rise in opposition to the amendment because it seems to me from the testimony that was presented before the committee and from the information we have on the catalytic converter, that we will if we adopt the amendment today offered by the gentleman, freeze in the fuel penalty at the worst possible moment. We now have a 14-percent fuel penalty, roughly speaking, on our pollution control devices. If we adopt this amendment we are never going to be able to do any better than that because it is going to freeze it at the current level, and the 1975 converter will be better and will allow us more mileage.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from New York.

Mr. HASTINGS. Mr. Chairman, for the reasons the gentleman from Delaware has stated and for the reasons that this would do damage to the Clean Air Act and to the automobile industry, I strongly oppose the amendment offered by the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. du Pont. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, the gentleman states the standards for 1973 required only 3 parts per million hydrocarbon and 20 parts per million carbon monoxide. The 1974 standards cut this in half. There is absolutely no need to cut this in half. The Clean Air Act standards were far too high and there is no need to impose this on the American public.

Mr. ROGERS. Mr. Chairman, I strongly urge defeat of this amendment. All of the companies have testified that if the freeze ended in 1974 it would freeze it at a penalty loss. They are going to make a gas gain in 1975. It would be unbelievable to stop in 1974 when they are making progress.

I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire (Mr. WYMAN).

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ANDERSON).

Mr ANDERSON of California. Mr. Chairman, I would like to ask the chairman, the gentleman from West Virginia (Mr. STAGGERS), a question. The previous energy bill, S. 2589, as passed by both Houses of Congress, contained provisions for a Tijuana-Vancouver, high-speed, ground transportation system study. However, in this bill, H.R. 14368, as reported, this necessary study has been deleted. Yet, in so doing, according to the committee report on page 25, the committee states that it "did not intend to express any opposition to such a study or system." The committee merely felt that it should be conducted under the criteria set up by the Committee on Interstate and Foreign Commerce.

Because we on the west coast believe that this study is very urgent, how soon may we expect this study to be commenced by the Interstate and Foreign Commerce Committee?

Mr. STAGGERS. I would say as soon as the committee can get to it. We have some other business to take care of, such as railroad safety, railroad pensions, and the big railroad bill. When those are completed, we will get to this right away. We might be able to do it right along with our other work.

Mr. ANDERSON of California. Could we do it within the next 6 months?

Mr. STAGGERS. If possible.

The CHAIRMAN. All time has expired.

Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DORN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 14368) to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes, pursuant to House Resolution 1082, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HASTINGS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 349, nays 43, not voting 41, as follows:

[Roll No. 201]

YEAS—349

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dorn
Downing
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fish
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Gettys
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hawkins
Hays
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kemp
Ketchum
King
Kluczynski
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCollister
McCormack
McDade
McEwen
McFall
McKay
McSpadden
Macdonald
Madden
Madigan
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—43

Abzug
Badillo
Bingham
Burleson, Tex.
Burton
Chisholm
Coughlin
Dellums
Drinan
Edwards, Calif.
Fascell
Fisher
Fraser
Gibbons
Goldwater
Gude
Harrington
Hechler, W. Va.
Holtzman
Kastenmeier
Koch
Lagomarsino
Landgrebe
Mahon
Melcher
Mitchell, Md.
Poage
Price, Tex.
Rangel
Rarick
Rees
Rosenthal
Roybal
Sarbanes
Schroeder
Stark
Studds
Waggonner
Waldie
Whalen
Wolff
Yates
Young, Ga.

NOT VOTING—41

Barrett
Blatnik
Brown, Calif.
Buchanan
Carey, N.Y.
Clark
Conyers
Crane
Davis, Ga.
de la Garza
Diggs
Findley
Fulton
Grasso
Haley
Hansen, Wash.
Hébert
Howard
Jones, N.C.
Kazen
Kuykendall
McCloskey
McKinney
Martin, N.C.
Milford
Minshall, Ohio
Murphy, Ill.
Myers
Nix
Patman
Pepper
Pickle
Reid
Roberts
Roncallo, N.Y.
Rooney, N.Y.
Rose
Stokes
Stubblefield
Thompson, N.J.
Williams

So the bill was passed

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Reid against.

Mr. Thompson of New Jersey for, with Mr. Conyers against.

Until further notice:

Mr. Howard with Mr. Barrett.

Mr. Stubblefield with Mrs. Hansen of Washington.

Mr. Carey of New York with Mr. McCloskey.
Mr. Rooney of New York with Mr. Williams.
Mr. Kazen with Mr. Rose.
Mr. Haley with Mr. Buchanan.
Mr. de la Garza with Mr. Jones of North Carolina.
Mr. Fulton with Mr. Crane.
Mr. Diggs with Mr. Brown of California.
Mr. Clark with Mr. Milford.
Mr. Murphy of Illinois with Mr. Kuykendall.
Mt. Stokes with Mr. Blatnik.
Mr. Pepper with Mr. Findley.
Mr. Pickle with Mr. Martin of North Carolina.
Mr. Davis of Georgia with Mr. Myers.
Mrs. Grasso with Mr. Roncallo of New York.
Mr. Nix with Mr. Patman.
Mr. Roberts with Mr. McKinney.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 14368.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR CLERK TO CORRECT SECTION NUMBERS

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that the Clerk may be authorized to correct section numbers in the engrossment of H.R. 14368.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

OIL AND GAS ENERGY TAX ACT OF 1974

(Mr. McFALL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous material.)

Mr. McFALL. Mr. Speaker, at the request of the gentleman from Arkansas (Mr. Mills), the chairman of the Committee on Ways and Means, I wish to read the following statement on his behalf:

Mr. Mills. Mr. Speaker, I wish to advise my Democratic colleagues in the House that the Committee on Ways and Means has ordered favorably reported H.R. 14462, the "Oil and Gas Energy Tax Act of 1974", and that I have been authorized and directed by the Committee to request a closed rule from the Rules Committee for the consideration of this bill on the Floor of the House of Representatives. We will file our Committee Report on the bill not later than midnight Saturday, May 4, which of course will make it available early next Monday morning. I am making this announcement particularly directed at my Democratic colleagues in order to comply in all respects with Rule 17 of the Democratic Caucus, which requires notice in the Congressional Record in instances where closed rules in connection with legislation are requested.

There is a summary of the bill available in the Committee offices of the Committee on Ways and Means, and, as I indicated, the Committee Report will be available next Monday morning. I would hope that we could schedule this bill for Floor action the week after next.

PERSONAL EXPLANATION

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, I was pleased with House approval of H.R. 12993, the Broadcast License Renewal Act.

Unfortunately, I was unable to return to the House Chamber in time for the vote on the Broyhill amendment, increasing the term of broadcast licenses from 4 to 5 years. I had accepted the opportunity to speak before the New York State Bankers Association meeting in Washington, in the hope that I would be back in the Chamber in time for all votes.

Had I been present, I would have voted in favor of the Broyhill amendment. I voted for the bill on final passage and am pleased that the final vote was 379 to 14.

DELAY IN VIETNAM VETERANS EDUCATION BENEFITS UNJUSTIFIED

(Mr. DORN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DORN. Mr. Speaker, I rise to advise the House of a crucial situation which is developing in the Vietnam veterans education program. On February 19 the House, by a vote of 382 to 0, passed H.R. 12628, a bill which would grant a 13.6 percent cost-of-living increase in the education and training allowance and extend the period of training from 8 to 10 years. It is the extension provision that is crucial. The eligibility period for several million veterans expires May 30—just 30 days from now. The Veterans' Administration needs some leadtime to make its plans for extension. Veterans planning to enroll in summer school must know whether they can depend on VA benefits for summer school. It is imperative that the other body act on H.R. 12628, the House-passed bill, so that Vietnam veterans may continue their education plans uninterrupted.

Mr. Speaker, the House bill contains an increase in rates. Delay in the other body in enacting this needed cost of living increase is costing the Vietnam veterans of this country $50 million a month.

The House passed bill has been delayed in the other body so long now that it is no help to veterans now attending the spring semester. If action is not taken immediately, the raises will be of no benefit to veterans attending summer school, and those whose time expires on May 30 will have no benefits even though it is clearly the intent of Congress to extend the time.

Mr. Speaker, the delay in the other body seems to result from consideration of certain radically different proposals which have been introduced there. We passed over these in the House so our legislation could move and are considering these proposals on a separate basis. Certainly the other body could do this. Our bill has been there 2 months and 10 days now. Certainly the other body could act in the next 10 days on the House bill and give Vietnam veterans their cost-of-living increase now and give them their extension now. Further consideration could be given to the separate tuition and accelerated pay issue at a later date. Incidentally, the cost of these new proposals in the other body is $1.4 billion and these provisions are strongly opposed by the administration and many Members of Congress. These proposals have been rejected by the Congress on several previous occasions. Why should Vietnam veterans be held up on their pay increase and extension while we go over that ground again?

Mr. Speaker, the Members of this body are getting many calls on this and I wanted them to be advised as to where to act immediately on the House passed the problem lies. I urge the other body bill H.R. 12628.

STUDY OF WORK AND WELFARE

(Mrs. GRIFFITHS asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. GRIFFITHS. I would like to call to the attention of my colleagues a staff study recently released by the Joint Economic Subcommittee on Fiscal Policy, which I chair. Prepared as a chart book, "Public Welfare and Work Incentives: Theory and Practice" analyzes in nontechnical terms the work incentive issues raised by the Nation's expanding list of income supplement programs. The chart book explores how public welfare benefits can affect fairness and work incentives and shows the necessity to make choices among competing goals that society seeks in income supplement programs.

Food stamps are a dramatic illustration that welfare and work no longer are mutually exclusive. The stamps provide a Federal income guarantee to the able-bodied who are willing to work as well as to persons presumed unable to work. Unless food prices stabilize before July 4, 1976, an estimated 60 million Americans—more than one in four—might be eligible for food stamps at some time during the Nation's Bicentennial year.

Studies indicate that if food prices rise five percent a year, and if all persons eligible for them on income grounds obtain food stamps, the total cost of the program could soar to $10 billion in fiscal year 1977. In contrast, 13.1 million persons received food stamps in February 1974 out of an estimated pool of about 37 million eligibles in that month and 50 million eligibles sometime during the year. Fiscal 1974 costs are estimated at $3 billion.

My concern about work incentives in public welfare programs has grown as—

An increasing proportion of mothers has joined the labor force, shattering the old consensus that they belonged at home. Today the majority of mothers work—50 percent of those with only preschoolers and 60 percent of those with only school-age children—including 70 percent of mothers raising school-age children by themselves—and welfare mothers are encouraged to work by cash supplements to their paychecks;

Some benefits have been opened up to "employables." Although Federal welfare cash still is denied to fully employed fathers of needy children more than one-third of the U.S. population lives in States that offer medicaid to children of the working poor, and more than half in States that offer Federal welfare cash to unemployed fathers—aid to families with dependent children of unemployed fathers AFDC–UF. Increasing numbers of workers and potential workers are eligible for a growing array of income-tested benefits—from cash, food, housing, and health care to college stipends and legal aid. The question today is not so much whether or not to extend aid to working people, but how to do it more rationally; and

The number of benefits targeted to the needy has mushroomed. Although the system leaves many in need, and still omits some from cash aid, it gives more help to some than we could possibly finance for everyone with similar incomes. Income-testing is an efficient way to aid the poor, but multiple programs can make work costly both by providing high benefit levels from combined programs—sometimes without work—and by sharply reducing benefits as earnings rise. The proportion of earnings that is subtracted from the benefit is called the benefit-loss rate. Beneficiaries of multiple programs sometimes find welfare more profitable than work, especially if the combined benefits are sharply reduced when their earnings rise, and conversely, sharply increased when their earnings fall. Each added benefit makes it more difficult to preserve work incentives.

The staff paper examines evidence about the impact of benefits upon work effort from experience with AFDC, social security, unemployment insurance, and the New Jersey negative income tax experiment. It concludes that in actual practice high benefit-loss rates and high guarantees tend to discourage work, as theory would lead one to expect; but that a moderate cash income supplement has only slight effect on work effort of able-bodied men and a moderate effect on the work of their wives.

By itself, the food stamp program scores well on the criteria of work incentives. The program offers moderate benefits to those without income and with low assets—$142 in free stamps per month for a family of four—and it takes back these benefits slowly as earnings rise—imposing at most a 30-percent benefit-loss rate. The price paid for substantial work incentives is a high number of eligibles. But food stamps do not operate in isolation. Almost 60 percent of food stamp recipients also receive cash welfare. The tax-free combination of AFDC and food stamps yields a family of four $221 monthly in Alabama, $405 in Massachusetts—$4,860 annually—$402 in Michigan, $386 in Minnesota, $375 in Kansas, $289 in Ohio, $266 in Kentucky, and $380 in New York. If you allow for Federal income taxes, social security taxes, and a modest $40 per month for work expenses, you will find that a worker would have to earn the following annual amounts to have gross earnings equal to AFDC and food stamps for a family of four: $5,900 in Michigan and Massachusetts, $5,700 in Minnesota, $5,500 in Kansas, and $4,200 in Ohio. More than half the food stamp participants probably receive medicaid; some also benefit from public housing and from unemployment insurance. The work incentives offered by food stamps are greatly diluted for such persons.

It is also interesting to note that because of such benefits combinations financial penalties for refusal to work under one program can be reduced or wiped out by benefit increases in other programs. For instance, a mother and three children, aged 5, 7, and 9, are eligible for a maximum cash payment of $168 in Maine. Once the youngest child becomes 6, the mother must register for work. If she refuses to do so, the AFDC grant is cut $49 to $119. But when the AFDC benefit is cut, the food stamp bonus increases by $13—since under that program, mothers are not required to work until children reach age 18 years of age—and the public housing subsidy rises by $12—because rent is reduced when the AFDC grant falls. Thus, the operation of food stamps and public housing reduce by over one-half the financial penalty imposed by AFDC for refusal to register for work.

The staff study shows that a generous benefit-loss rate can be more valuable to a low-income worker than a high guarantee. For instance, the current food stamp program provides a bonus of $996 in stamps to a father with three dependents who earns the minimum wage working full time all year. By contrast, the same father with the same wages would have received only $747 from the proposed—1971 family assistance plan—even though FAP's annual guarantee for a family with no income was $696 higher—$2,400—than today's food stamp guarantee—$1,704. However, to some recipients the worth of food stamps is less than their bonus value. This is because they are "funny money," legally negotiable only for food, and because they sometimes require recipients to allot to groceries a very high proportion of total income—cash plus food benefits.

Benefit-loss rates are an index not only to a program's generosity but also to its fairness. They determine how much goes to workers compared with nonworkers, to those who work more and to those who work less.

The volume demonstrates that welfare programs are plagued by conflicting objectives. To give poverty level benefits to the needy family of four would now require a guarantee of over $4,600. But then, to keep costs and caseloads within reason, benefits would have to be sharply reduced for those with earnings. On the other hand, to increase work incentives by reducing benefit-loss rates would increase costs and extend help to the less needy. For instance, to cut the benefit-loss rate in half—from 67 to 33 percent in a program with a guarantee of $2,400 per family of four—can almost triple the number of recipients. To maximize antipoverty effectiveness by high payments and high benefit reductions for earnings would reduce initial costs but discourage work by sharply limiting its rewards—and thus might raise ultimate costs.

The food stamp program illustrates the dilemma. It offers a penniless family of four an annual allotment of free stamps equal to the minimum cost of an "adequate" diet—$1,704. Those with income receive the full $1,704 allotment, but pay for it according to a scale that rises gradually with income. A family with $3,200 earnings pays $708 for its stamps. At about $6,800 earnings, the price of the food stamps rises to about $1,704, and the family becomes ineligible. Under new law the program is to be expanded nationwide on July 1, and twice a year the allotments are to be adjusted for food price increases.

This July the food stamp allotment is scheduled to be increased by 5.6 percent. This $96 boost in the annual allotment for a family of four will extend the eligibility limit to $7,350 in gross earnings. This is because the price of the stamps rises only 30 cents for each extra dollar of "net" earnings, and because "net" earnings exclude many items, among them social security and income taxes, relatively large rent and medical expenses, and an earnings allowance up to $30 per month. The mathematics of the program are inexorable.

To confine food stamps to the poorest and to limit costs, one would have to impose a high benefit-loss rate, such as 80 percent, for each extra dollar of "net" earnings. If that were done today, it would reduce the cutoff for eligibility to about $2,525 in gross income. This would cause a new problem: a reduced incentive for a low-wage person to work. At zero earnings one could receive $1,704 in free food stamps, but at net earnings of $1,704 the bonus would sink to $341 compared with a bonus of $1,260 under today's rules. The price of lower costs and caseloads is less reward for work. The book shows how to recognize the three elements of all public welfare programs: Guarantee (maximum benefit at zero earnings); benefit-loss rate; and cutoff income—and how the first two automatically dictate the third.

I have concluded that the existing array of noncash help for the poor, such as food stamps and housing subsidies, generally is unfairly distributed, costly, and—in program combinations—a threat to work incentives. Yet it is likely to grow, for noncash benefits escape debate over the difficult issues of income distribution that generally thwart proposals for cash supplementation to the poor.

There is a long list of remaining needs that could be converted into still more benefit programs earmarked for the needy. Given recent history, the establishment of clothing vouchers or utility stamps or transportation coupons is not inconceivable.

LAW DAY U.S.A.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 60 minutes.

Mr. CORMAN. Mr. Speaker, today, May 1, 1974, marks the 16th annual observance of Law Day U.S.A. Set aside by joint congressional resolution and Presidential proclamation, Law Day is a special day for the American people to rededicate themselves to the ideals of equality and justice under law.

It is not an exaggeration to say that a reaffirmation of the rule of law is more important today than ever before in our history. Public confidence in lawmakers has plummeted to new lows in recent months. The polls indicate that the faith of the American public in the President stands at a mere 25 percent. Their faith in Congress is only at 30 percent. In a nation founded upon and sustained by the notion that the law is supreme, such public distrust of Government is alarming.

A restoration of public confidence in Government will not come easily. We as individuals and we as an institution must work doubly hard to restore and maintain the trust of the American people. That trust is a privilege we dare not abuse—for it lies at the cornerstone of our very existence as a nation.

We should not, however, lose sight of the role law has played in dedicating America to the goals of equality and justice for everyone. Legislation insuring voting rights, equal employment opportunities, and fair housing stand as landmarks in the history of western civilization.

We have also used the law as a vehicle to improve the quality of our lives. The National Environmental Policy Act, embodying America's commitment to a clean, liable environment, comes immediately to mind. Other legislation deals with such diverse subjects as medical research, the arts, and our folklore.

In short, this Law Day we should take stock of what the law means to America. We should recognize our achievements and failures. We as a nation have come a long way toward realizing the ideals of equality and justice under law—and we have an even longer way to go.

COMMITTEE REFORM—HOUSE RESOLUTION 938

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HOLIFIELD) is recognized for 30 minutes.

Mr. HOLIFIELD. Mr. Speaker, all of us have concerns about one aspect or another of the resolution for House committee reform. I will make these brief observations from the vantage point of one who will not be in Congress next year, who will not have to live with these reforms. My remarks are, in that sense, disinterested.

Of course, I am very much interested in congressional reform, as shown by my record of 32 years in Congress. I supported congressional reform in 1946, and I have been active in other reform efforts, such as curbing arbitrary power in the Rules Committee, updating the House precedents, and gaining acceptance of electronic voting to conserve legislative time.

We must keep in mind the distinction between reform and change. House Resolution 983 offers many changes, but I am not sure that they all add up to reforms. Perhaps I should say that there is some reaction mixed in with the reform.

Reaction is part of the price we pay too readily for reform. The reaction is not in theory, but in the hard political facts.

Take the ban on proxy voting. In the abstract, this seems to make sense. "We ban proxy voting in the House," they say, "why not in committees? Let every man stand up personally and be counted."

The hard political facts are that if proxy voting is prohibited, many more committee decisions will be made by Republicans. The Democrats, so long as they are in the majority, have more things to do, more responsibilities to bear, than the minority. In consequence, Democratic attendance in committees simply is not as good as Republican attendance. A ban on proxy voting, theory aside, is a weakening of Democratic control.

Take the one-third staffing provision. In theory, it accords the minority a fair share of the staff resources. The hard, political facts are that the one-third staffing provision gives the Republicans effective control of a much larger proportion of the staff resources, up to one-half.

Why do I say that? First, because the regular committee staff provides legislative support works for both the majority and the minority, while the minority staff works only for the minority. Second, because a large share of the regular staff activities is administrative and nonpartisan in nature. The majority has to bear that workload, not the minority. Subtract the nonpartisan workload and the result is that the minority has a larger proportion of partisan staff resources than the majority.

The crowning inequity may be a Congress in which the Republicans have 25 percent of the membership, demand 33⅓ percent of the committee expense funds, and effectively control 50 percent of the staff resources. This is not a wild supposition, but a real possibility next year if the one-third staffing provision takes effect and the elections go as I anticipate.

The one-third staffing provision blossomed in the 1970 Legislative Reorganization Act, but we managed to nip it in the bud by concerted Democratic action. I recall that at the beginning of the 92d Congress, I persuaded this caucus to bind itself on a vote that defeated a resolution to give the Republicans control over one-third of committee funds. The caucus in an unprecedented action bound itself by more than a two-thirds vote.

If now we yield on staffing, ban proxy voting, and take other steps favored by the Republicans, they will have much more power as a party, but not more responsibility. They will have more power to harass and hinder, to obstruct and delay. They will have more staff resources to develop substitute bills and alternative reports.

Remember what the minority leader said before the National Press Club on February 22, 1974, reprinted in First Monday, the Republican bulletin—April 1974. A Congress controlled by the Democrats, he said, is incapable of action. Borrowing a term from former Senator Joe Clark, he referred to the Congress as the "sapless branch." Sounding a Republican campaign theme for next year's elections, the minority leader said, and I quote:

> So Congress will be hard pressed to justify itself to the American voters in November. And the bottom line to this has to be the question: Who controls the Congress?

So, here we Democrats sit, controlling the Congress and devising more and better ways for the Republicans to weaken these controls. They reduce our effectiveness and blame us for the results.

Apart from the question of Democratic versus Republican control of the staff, this resolution will authorize large staff additions to all committees whether they are needed or not, and there will be numerous new constellations of staff around subcommittees. An earlier proposal to limit the number of subcommittees to six apparently has been abandoned. The proliferation of subcommittees and the readjustment of jurisdictions will see committee staffs all over the place. The Committee on Government Operations will more than double its staff if it assimilates the staffs associated with the functions transferred to the committee. There will be staffs in every nook and cranny and crevice of the House office buildings, the House side of the Capitol, and the other structures owned or rented by the House. The Congress is on the way to developing the biggest bureaucracy in its history, and the greater the staff of that bureaucracy, the less independent the member.

So far, I have made these points: Congressional reform, as contemplated in this resolution, comes at a high price in concessions to the Republicans and in a burgeoning congressional bureaucracy. Another price we pay for reform, when it comes in big packages, is turbulence and turmoil in the next Congress. Members will be reassigned to conform to new committee jurisdictions and staffs will be transferred. The single track system, if it prevails, will require painful choices; in many cases, the loss of subcommittee chairmanships and, undoubtedly, a frantic search for new ones.

How long will the sorting out process take? One session? A whole Congress? What will be the end result? Abstractly, I was inclined to favor a single track system in the House, but on further reflection, I wonder whether it will serve any useful purpose, or even whether it can be enforced. If service is confined to a single major committee, then members will seek diversity in subcommittees, with the consequent proliferation I mentioned above.

The single track system will not apply to seven "B" committees and to joint committees. That leaves at least 200 committee positions available for second assignments. Who will get them? I assume that members with more seniority will get first choice. Those with less seniority and new members will be confined to single service. This may be a valid consequence of seniority, but it does not have much of a reform aspect.

The single track system, as I understand it, is linked with reorganization of committee jurisdictions. If members are to be confined to a single major committee, it has to have sufficient importance and workload to justify such specialization. Whether the reconstituted committee structure will improve committee posture and performance is a question not easily answered. One of the intriguing aspects is a seemingly deliberate attempt to pit committees one against another—legislative jurisdiction here, oversight jurisdiction there. Is this check-and-balance technique designed to keep committees honest and on their toes, or will it lead to more duplication, interference, and animosity?

Examples of this check-and-balance technique are not hard to find. Armed services will have legislative jurisdiction over defense research and development, but science and technology will do the oversight. Foreign affairs will have legislative control over arms control and disarmament, but armed services will do the oversight. Public works and transportation will have legislative jurisdiction over regional development and the TVA, but energy and environment will oversee the TVA. Energy and environment will have legislative jurisdiction over certain energy matters, but not over energy R. & D.—the most fundamental of all energy tasks. Its role here is confined to oversight, while the legislative responsibility for energy R. & D. goes to science and technology.

If this sounds a bit confusing, let me pursue the energy complications further. House Resolution 938 takes from the Joint Committee on Atomic Energy that part of its statutory jurisdiction relating to "nonmilitary nuclear energy." The joint committee is left dangling with an ill-defined, truncated jurisdiction. I say ill-defined because it is extremely difficult to separate, in AEC laboratory complexes, military and nonmilitary nuclear energy activities.

One wonders how the shift of jurisdiction is accomplished. Is the Atomic Energy Act, which assigns jurisdiction over all atomic energy matters to the Joint Committee, amended by implication and on the assumption that when the House makes changes in its rules it may disregard statutes because a higher constitutional duty is involved?

Now observe how the fruits of the shift are to be divided. Energy and environment will acquire legislative jurisdiction over nonmilitary nuclear energy, except for nonmilitary nuclear R. & D., which will go to science and technology. In the AEC, practically all its nuclear activities are in the R. & D. field. How nonmilitary nuclear activities will be divided between R. & D. and non-R. & D. for assignment between these two new committees is a real puzzler. In any case, for nuclear energy as a whole, two House committees and one joint committee will share in legislative jurisdiction. The oversight responsibilities, one can only assume, are up for grabs.

Dividing oversight and legislative jurisdiction among sets of committees means in effect, that the oversight function is being directed not only against the executive but against committees of the Congress. This will not only confuse the administrators but sharpen congressional committee contests for their time and attention.

House Resolution 988 really goes overboard on the subject of oversight. Such functions are to be performed in at least four criss-crossing and possibly conflicting ways:

First. Certain committees are charged with specific oversight functions when other committees have legislative jurisdiction on the same subject.

Second. Each committee is to have broadened oversight jurisdiction and an oversight subcommittee to help it perform this function.

Third. The Committee on Government Operations is to coordinate the oversight programs of all other committees; and

Fourth. The Committee on Government Operations is to continue its mandate to study the operation of Government activities at all levels for economy and efficiency, and additionally, is authorized to investigate any matter in the jurisdiction of any committee.

The Committee on Government Operations, with which I have been associated for about 28 years, gets unusual authority and prominence under this resolution, for which I, or at least my successor, should be grateful and rejoice. But the hard realities take away the joy. The committee is to be assigned new jurisdiction of such diverse matters as Indian affairs, territories and insular possessions, the census and Government statistics generally, the Hatch Act, holidays and celebrations, National archives, general revenue sharing, and internal security.

What that means, in effect, is that the committee will be so occupied with legislative chores—many highly technical or minor in nature—that it will have little time and resources left over to conduct its investigations and maintain its oversight, unless, as I said earlier, the committee resources are more than doubled. If they are doubled, our committee staff will have to double its quarters to maintain about 120 persons.

One thing is certain. The resolution invites our committee to become the most heartily disliked in the Congress. We are asked to sit in judgment on what other committees plan to investigate, although I see no means of enforcing our judgment. We will be able to investigate without worrying about other committees' investigations. We will be privileged to include our findings and recommendations in other committees' reports. We will have privileged status on the floor to offer amendments to other committees' bills.

Let me comment on one more provision of House Resolution 988.

Referring bills to more than one committee, either simultaneously, in sequence, or by splitting them, is unworkable except in special, infrequent cases. Committee jurisdictions inevitably overlap. The single referral is a necessary discipline for legislative procedures.

Multiple referrals create problems of scheduling and cause much delay, as the Senate experience shows. Also, to protect their jurisdictions, committees will generate numerous complaints requiring adjudication. The power of the Rules Committee to adjudicate referrals—at the Speaker's option—greatly enhances its power.

I take it that this caucus is troubled with these counterbalancing considerations: Many Members would prefer that this reform bill go away, but politically, they dare not vote against reform because they have nothing to lose.

In sum, the Democrats are divided. The Republicans are united, because they have nothing to lose.

My suggestion would be to put this resolution over until the 94th Congress. It will be a new Congress. It will have many more Democrats. It will have many new faces. Hopefully, the impeachment issue and Watergate problem will be behind us, so that the House then can get a clearer perspective on reform.

This perspective is important. We like to say, when the issue comes up in bill drafting, that no Congress can bind its successor. Each Congress can legislate what it wills. At this time in the history of the Congress, and, indeed, of the whole Nation, we have reached a kind of watershed. We are in transition to new institutions and new kinds of legislative tasks. Let us take another look at the issue of congressional reform through the eyes of the 94th Congress.

WE MUST LIMIT EXPORTS OF IRON AND STEEL SCRAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri, (Mr. RANDALL) is recognized for 5 minutes.

Mr. RANDALL. Mr. Speaker, I have today introduced a bill which would limit and restrict the exportation of iron and steel scrap. I have taken this action, because of the fact that a large steel mill located just across the boundary of our congressional district which employs a large number of my constituents may have to reduce or curtail its operations, because of a desperate shortage of ferrous scrap.

As I shall point out later in these remarks, the United States is just about the only country in the world that is careless enough to export its iron and steel scrap and thereby cause such a shortage in our own country as to result in a reduction in the operations of some of our steel mills. Certainly Britain has taken a sensible action to close off its exports and, as I will point out in a few moments, the European Economic Community allows only minimal exports of scrap.

The ferrous scrap situation threatens job stability, industrial growth and the American steel industry's ability to supply the Nation's need for steel.

Today, inventories of ferrous scrap have shrunk to their lowest level since World War II. As confirming evidence of shortages of scrap, especially in essential grades and sizes, scrap prices have soared far above their previous highs.

Unless the Federal Government acts now to further limit exports of iron and steel scrap, steel mills and foundries in the United States will incur additional disruption in their production scheduling, at a time when domestic demand for iron and steel continues at the highest level in history.

For well over a year, the industry's warnings have been answered with inadequate measures. As a result, the crisis has so deepened that only strong measures will now suffice.

The steel industry, with the support of the United Steelworkers Union and foundry companies is asking that present scrap exports currently authorized at a monthly rate of 700,000 tons—annual rate of 8.4 millions tons—be reduced to assure an effective response to the scrap shortage. Specifically, the industry urges that Congress support the following actions previously requested of the U.S. Department of Commerce:

> 1. That the Commerce Department impose an embargo on exports of carbon, alloy and stainless ferrous scrap—of sufficient duration to insure an adequate supply for domestic consumers.
>
> 2. That, as a minimum alternative, the Department stop issuing new export licenses, except for Canada and Mexico, for a period sufficient to insure an adequate domestic supply.
>
> 3. That the embargo be followed by a program limiting scrap exports to a maximum of 300,000 net tons a month for the rest of 1974.

Without these related measures, there is little hope that the overall supply/demand situation will improve.

It all adds up to an immediate need for further Government action on scrap exports until a reasonable degree of order can be restored to the scrap market.

Based on its analysis of rising domestic and world steel demand, in late 1972 the steel industry warned the Commerce Department that a serious scrap shortage would develop in 1973 and that this situation could worsen as world demand for steel continued to increase. That is what happened.

In the last 6 months of 1972, exports of ferrous scrap were running well ahead of averages over the previous 10 years.

The pace quickened still more at the turn of 1973. Compared with 1 year earlier, export tonnage in December 1972 was up 90 percent; in January 1973 it was up 160 percent.

The Government did not act until July 1973 and then it took only limited action. It was a case of too little and too late. When the books closed last year, 11.3 million tons had gone to export, badly depleting available domestic stocks.

This year, even if the supply of purchased scrap reaches the level achieved last year, projected domestic demand of 51.7 million tons in 1974 will require that exports be limited to 3 million tons this year—if domestic requirements are to be met.

The alternative: scrap exports at a higher level will result in a proportionate decline in the amount of finished steel available to meet the needs of the domestic economy.

Scrap prices, of course, have reflected—and continue to reflect—the intense pressure of the high demand on supply. Prices in 1973, when the cost of purchased ferrous scrap averaged $63.50 a gross ton, were 68 percent higher than in 1972.

But that was only the beginning. At the end of March this year, they were 200 percent higher than in 1972.

Consider what is done by countries of Western Europe and Japan.

Except when home demand is low, they forbid or, at best, allow only minimal exports of scrap. Last year, for example, scrap exports out of the European economic community—a steel market comparable to our own—approximated only 400,000 tons, compared with the 11.3 million tons exported by the United States.

As worldwide demand was soaring, Britain, in September 1972, imposed an embargo closing off its exports of ferrous scrap except for a few low-quality grades.

Thus, while other industrial countries assure their own needs for ferrous scrap, the United States alone permits massive and unprecedented exports of this essential commodity. In doing so, it has, among other things, put its own steelmakers and foundries at an unfair disadvantage.

Certainly, in line with America's new realization that raw materials are in finite supply, Government on the one hand and concerned industries on the other, should develop long-term programs for scrap recovery. But longer term programs cannot answer the immediate need to maintain production operations. And it is to this need that the steel industry points in asking for effective action to curtail ferrous scrap exports.

LAND USE PLANNING LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. STEIGER) is recognized for 15 minutes.

Mr. STEIGER of Arizona. Mr. Speaker, as you know, on February 26 of this year, the Rules Committee voted 9 to 4 to delay indefinitely further consideration of H.R. 10294, the Land Use Planning Act.

Last week, in what many believe was an effort to gain new support for this legislation, the Subcommittee on the Environment of the House Interior and Insular Affairs Committee held 3 days of hearings on this measure. If, in fact, this was the purpose of those hearings, they must be considered a failure. Rather than indicate new support for land use planning legislation, the bulk of the witnesses heard last week urged that further consideration and study is needed before this important and far-reaching legislation is acted upon by the House. Without question, the bulk of the testimony supported the Rules Committee's previous stand on this issue and disclosed that further consideration of this legislation by the committee at this time would not be in the country's best interest.

Approximately 70 people testified before the subcommittee and around 55 of these were opposed to enacting legislation of this type, before further consideration is given to the effects it will have on the citizens of this country. These people came from all parts of the country and were deeply concerned, and I believe justly so, about the lack of knowledge at the grassroots level as to the implications of this legislation. Almost to the person, the witnesses requested that field hearings be held to allow individual citizens across the country to express their concerns. It is my understanding that many more people wanted to testify but either lacked the funds to come into Washington or were unable to get on the list due to the time constraint of only 3 days of hearings.

The action of the Rules Committee in February plus the record made by the witnesses last week clearly reflect a growing opposition to blindly rushing into a comprehensive program that would become the third piece in the Clean Air and Water Pollution Control Acts puzzle. Make no mistake about this; the same people who pushed these well-intended programs through the Congress are now putting their efforts behind this land use legislation. They need this legislation to make their triple play.

To point this out clearer, consider these words of John Quarles, Deputy Administrator of EPA, in a speech to the Conservation Foundation in Boston on March 1 of this year:

> What is required is a full-scale national focus on land use. We need a statute to deal with land use as bold, as comprehensive and as far-reaching as the 1970 Clean Air Act or the 1972 Water Pollution Control Act.

I suggest that this country does not need to be shocked once more with another such "bold" legislative action.

The proponents of this legislation have been saying that the better people understand this legislation, the more they support it. This is simply not the case. The more this legislation is studied and talked about the more it is being questioned. A year ago, almost no one—except a small handful of people here in Washington—knew about the provisions of this legislation. Recently, concerned citizens from across the country have begun, for the first time, to wake up to the problems involved and they want to make their views known. Field hearings would accomplish this as well as provide an opportunity to discuss different approaches to land use legislation.

Congressman UDALL has indicated that he hopes the Rules Committee will reconsider its vote on H.R. 10294 within the next couple of weeks.

I submit that the record made at these recent hearings on H.R. 10294 reinforces and supports the original action of the Rules Committee. The case has been well made for a further and better study of the land use planning issue.

CUBA: CONTINUING THREAT TO THE AMERICAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, Secretary of State Kissinger has just reassured us that the United States is not ready to reestablish diplomatic relations with Cuba. A State Department spokesman has been reported as stating, "Our policy toward Cuba is unchanged."

These two recent statements follow several actions which would seem to be sending a different signal to the other nations of the world. The executive branch has allowed three foreign subsidiaries of U.S. auto manufacturers—Ford, General Motors, and Chrysler—to ship cars and trucks to Cuba. This was allowed while U.S. Government spokesmen maintained that the United States was opposed to a trade relaxation. Additionally, at a meeting of Western Hemisphere foreign ministers, Secretary of State Kissinger consented to a Mexican proposal that hemisphere governments be polled on whether they want Cuba invited to their next foreign ministers conference. In the words of Mexican Foreign Minister Emilio O. Rabasa:

> This is the first step toward ending the isolation of Cuba.

Furthermore, there was recently announced by a U S. manufacturing subsidiary in Canada a decision to sell about $14 million of locomotives to Cuba.

These recent events are signaling to the world a shift in U.S. policy toward Cuba. Some maintain that such a shift is long overdue. These same people maintain that we must learn to live with Cuba and must regard Castro and his cohorts as a mild annoyance. But is Cuba willing to live with the United States and other countries of the Western Hemisphere? And is Castro only a mild annoyance? A look at Cuba's actions and the exhortations of its leaders may tell a different story.

First, let us investigate the activities of the Cuban Communists in the United States and its dependencies. J. Edgar Hoover, testifying on behalf of 1973 appropriations for the FBI stated:

> The Cuban mission to the United Nations remains the focal point of Cuban intelligence activities directed against the United States. Members of the Cuban Intelligence Service, while cloaked in the diplomatic immunity of the mission, concentrate on obtaining intelligence regarding political and economic developments in Washington, D.C., as well as obtaining scarce electronic equipment for illegal shipment to Cuba.
>
> A close rapport exists between the Cuban Mission personnel and leaders of past Venceremos Brigade contingents.

The Cuban Communists are making use of their United Nations mission as an espionage and subversion center in the United States. Of course, there is nothing unusual in this as all the Communist countries do the same thing. What I find difficult to understand is any moves that would make the Castroites' job easier.

The remarks of the late Mr. Hoover on the Venceremos Brigade are interesting. It is under the name of the Venceremos Brigade that young Americans travel to Cuba to ostensibly help with sugarcane harvesting and in other ways, in Communist linguistics, "to gain solidarity with the Cuban working masses." It is instructive to read a report from a Cuban Communist publication which is contained in the House Committee on Internal Security hearing on the Venceremos Brigade. This report details the experiences gained and the lessons learned by Americans in Cuba. To quote part of the report:

> . . . they [the Americans] ask constantly, with great eagerness: Susan wants to clear up some confused points of Marighela's "Mini-manual of urban guerrilla;" Bob would like to know how the Tupamaros [an Uruguayan urban guerrilla group] function and organize themselves because "we could do the same in many cities of the United States;" a blond-haired young man worries about "What actions could we carry out to cooperate with Latin American revolutionaries in their struggle against Yankee imperialism"

As I am speaking, there are Americans in Cuba as part of the Venceremos Brigade learning how to subvert and terrorize these United States. Does this show a willingness on the part of Castro to live with the United States?

In the past Communist leaders of Cuba have issued repeated public declarations of support for rioters in the United States. As of 1967 links were reported between the Castro regime and some elements of the Puerto Rican independence movement. The Puerto Rican Socialist Party has sent party officials to Cuba to coordinate campaigns with Cuba. One of their campaigns was to free "Puerto Rican political prisoners who are in the United States and Puerto Rican jails." They have managed to send one of their number to "interview" some prisoners at Fort Leavenworth.

Furthermore, testimony before the House Internal Security Committee has linked the Young Lords with activities at Attica Prison. The Young Lords are a Puerto Rican revolutionary group which began as a street gang. The witness stated that the Young Lords, though small in number, had been "very active prior to the—Attica—riot." The Young Lords, the same witness testified, are followers of Fidel Castro. They also reportedly have organizations at other New York State prisons.

Communist Cuba is making its intentions toward the United States abundantly clear as these few examples illustrate. It seems to be observers and policymakers in the United States who desire to close their eyes to these realities.

Let us next take a look at Castro's involvement in terrorism and guerrilla activities in other parts of the Americas.

In the middle 1960's the Organization of American States issued a report describing Cuban involvement in guerrilla and terrorist activities in Venezuela. Since that time Cuba has been involved in training, supplying and/or supporting guerrillas and terrorists in numerous Latin American countries.

In Bolivia, Che Guevera attempted to start a revolution which was supported by Castro. Their attempts met with little success but it is interesting to note the makeup of the group that was with Guevera in Bolivia. There were no less than five members of the central committee of the Cuban Communist Party who were involved in the revolutionary attempts in Bolivia. This was the last time that the Cubans exported so many of their Communist leaders to help lead a revolution in another country.

Cuba provides, at least sporadically, money, arms, propaganda material, and/or training to guerrillas or terrorists in Venezuela, Colombia, Guatemala, the Dominican Republic, Haiti, Mexico, Puerto Rico, and the West Indies. Instructors in Cuban camps still train Latin American guerrillas in urban and rural tactics.

Cuba has give support to the terrorist Revolutionary Army of the People in Argentina. A leader of this group who escaped from prison fled to then Allende's Chile and then went on to Havana where he received a warm welcome. This is the same group which recently kidnaped an American official of Exxon oil. Exxon paid $14.2 million ransom. This kidnaping was only one of many carried out by this revolutionary group.

In Chile under Allende, Castro had the opportunity to help set up training schools for guerrillas. Allende allowed thousands of escaped leftist guerrillas and terrorists from other countries into Chile. There is also evidence that Cuba was shipping arms to Chile to arm Chileans for a civil war.

Castro continues his support of terrorists and revolutionaries throughout Latin America. Proof of any willingness on his part to live in peace with the countries of the Americas is completely lacking.

Another aspect of this issue that deserves attention is the use of Cuba as a Soviet military base 90 miles off our shores. Havana has served as a port for Soviet surface ships and submarines. In addition, Cienfuegos has been turned into a strategic submarine base. It has the capability of tendering nuclear submarines. Such tendering operations allow the Soviets to augment their submarine force off our coasts by being able to keep them at their stations much longer instead of having to retire to the Soviet Union for crew changes and other necessary operations. The United States does not presently have a strong antisubmarine capability in the Gulf of Mexico. Thus, the Soviets now have a forward submarine base in the Western Hemisphere which increases their threat to the United States.

Recently, the Soviet Union has been urging Cuba to improve relations with the United States. This is understandable as the Soviets probably hope to have the United States start picking up part of the bill for keeping Castro in power. Currently, the Soviets give Cuba over $1 million a day to shore up the Castro regime. The Soviets have had to provide Cuba with subsidies and credits. I am sure that the Soviets would not be opposed to the United States granting Cuba some of the same type of American taxpayer subsidized credits that our Government is presently allowing the Soviet Union.

Castro has managed to transform one of the formerly most prosperous countries in the Americas to one of the least prosperous. Food is rationed. Parts for machinery are difficult to obtain. The recent announced deal by American automobile plants in Argentina with Cuba will allow Castro to rebuild his badly depleted supply of motorized vehicles. It appears that American technology is once again going to rescue a Communist dictatorship.

The Cuban Communists, like their Soviet friends, hope that free men will forget their continuing atrocities, their continuing support for terrorist movements and their continuing disregard for truth. Cuba has shown little evidence of any changes. Is the United States going to change its policies toward Cuba even though Cuba will not change its policies toward the United States?

LAW DAY, U.S.A., TEACHERS RESPECT FOR THE LAW AS THE FINAL GUARANTOR OF AMERICA'S LIBERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, I had the honor and privilege, at noon today, to speak at the annual Law Day observances at the Pentagon. Sponsored jointly by the Pentagon chapter of the Federal Bar Association and the Judge Advocates Association, the Law Day observance has become an important civilian-military event each year. I was introduced by Maj. Gen. Harold R. Vague, the Judge Advocate General of the U.S. Air Force.

As I indicated to those men and women—both uniformed and civilian—who attended today's ceremonies, one reason that we are able to meet each year to take recognition of the role of law is because of the outstanding service rendered by our armed services—both on the battlefield and in times of peace, and both in protecting our freedom from foreign aggression and in abiding by the rule of civilian authority. The greatest tribute we can pay them is to help preserve the rule of law.

Because today is Law Day and is being celebrated throughout the Nation, I think it is important for those of us within this Chamber to also take stock of where we are in relation to the rule of law.

Let me, therefore, reiterate some of the points I made in my remarks at the Pentagon.

RESPECT FOR THE LAW

Because the theme of Law Day this year is directed at our young people—to preserve good laws, change bad ones, and make better ones—it serves us well to try to understand and to emphasize with the perspective and vantagepoint of young people toward the law.

As the parent of four children I appreciated the play "A Man for All Seasons." In a conversation with his wife, daughter, and son-in-law-to-be, and in reference to young Richard Rich, who was threatening his life, Thomas More, then Lord Chancellor of England and later to become a saint of the church, stated the necessity of having adequate respect for the law to his family this way:

MARGARET. Father, that man's bad.

MORE. There is no law against that.

ROPER. There is! God's law!

MORE. Then God can arrest him.

ROPER. Sophistication upon sophistication!

MORE. No, sheer simplicity. The law, Roper, the law. I know what's legal, not what's right. And I'll stick to what's legal.

ROPER. Then you set man's law above God's!

MORE. No, far below; but let *me* draw your attention to a fact—I'm *not* God. The current and eddies of right and wrong, which you find such plain sailing, I can't navigate. I'm no voyager. But in the thickets of the law, oh, there I'm a forester. I doubt if there's a man alive who could follow me there, thank God . . .

ALICE. While you talk, he's gone!

MORE. And go he should, if he was the Devil himself, until he broke the law!

ROPER. So now you'd give the Devil benefit of law!

MORE. Yes. What would you do? Cut a great road through the law to get after the Devil?

ROPER. I'd cut down every law in England to do that!

MORE. Oh? And when the last law was down, and the Devil turned round on you—where would you hide, Roper, the laws all being flat? This country's planted thick with laws from coast to coast—man's laws, not God's—and if you cut them down—and you're just the man to do it—d'you really think you could stand upright in the winds that would blow then? Yes, I'd give the Devil benefit of law, for my own safety's sake.

Thomas More was, of course, right—very right. History records clearly that there is no law where men take it into their own hands, or enact, or administer it without a clear and known standard of conduct in mind. Indeed, I feel somewhat an affinity for those—like Thomas More—who developed the English common law—which was premised on commonsense attitudes toward human conduct, rooted in terms of a known Judeo-Christian standard.

It is, of course, the responsibility of each of us—young, old, or in-between—to help lead our society toward a deeper respect for law. And, surely, respect for the law is the most important element in its effective administration. There is no number of policemen, prosecutors, judges, or even militiamen which can preserve the laws of our land, if there is no respect among the people for law as the guarantor of human faith.

THE LAW

The value of Law Day observances, in my opinion, is that they encourage us to look at the meaning and role of law. And, we all need a better, more accurate perception of what the law is—and what it is not—for too often we think of it only in terms of a specific investigation or trial, or in terms of bills and resolutions, or as a Perry Mason-type courtroom appearance. This is not the law about which I speak. I speak of that law which serves as the very thread which binds together—and holds together—the fabric of a free society itself.

The reason-for-being of law rests with a society's determination to establish enforceable standards below which personal acts will be subject to punishment. In this sense, law has a classical role of serving as an inducement to attaining higher ethical values. This is an important point, especially as we address our young people on the role of law, for this role of the law as an inducer of ethical values according to a known standard is one susceptible to obscurity during periods of philosophical and moral relativism. And, philosophical relativism constitutes much of what our young people of our society have been exposed to in recent times.

It can fairly be asked today, how can standards be met, when they are difficult for our young people to apprehend? How can punishment be meted out when avoidance can arise by generating confusion as to the standard against which conduct is judged? How can young people comprehend the importance of immutable, transcendant values when much of what they are taught existentially is devoid of absolute standards or even antagonistic to them? It is of little wonder to me that this role of the law has become obscured in our times and that we are only now beginning to reap the whirlwind of confusion which arises naturally from such relativism.

Against this background, let us make some important observations about the law.

The purpose of the law—as the 17th century English philosopher, John Locke, noted—is not to abolish or restrain but to preserve and enlarge freedom. Where there is no law, there is no freedom. For liberty is being free from restraint and violence from others, which cannot happen where there is no law. Our young people call out for an extension of human freedom, and rightly so. But they should look more to the law as the guarantor of that freedom and the means for its extension, not as a restraint upon it.

To be effective, the law must also relate to a generally known standard—for example, the Ten Commandments. Such a standard serves as the foundation stone upon which our secular laws, governing our daily lives, are based. This is an important point, for it works in both directions. On the one hand, for most, a respect for the Ten Commandments or a love of God is sufficient to induce law-abiding conduct, but, on the other hand, for others, corporal and capital punishments in this world—arising from those standards—is necessary. Thus, the law cannot be taken to be merely the average of human behavior or to be merely a codification of existing social policy, for to do so both resorts to relative standards and weakens the law itself.

Many despair today about the quality of law in our land. Everytime we pick up a newspaper or turn on the radio or television, the news of the day seems to be focused on some actual or alleged violation of law. In the sense that those laws neither encouraged adequately the meeting of the values inherent to them nor protected adequately life, limb, or property, we have a cause for concern. But, we should not despair.

In these days of disclosure of rascality in Government or in political parties, it is fashionable to say that our system is not working. Nothing could be further from the truth, for the very fact that disclosures are being made and those accused of illegal conduct are being called to answer for their deeds shows that our system is working. When such wrongdoing goes undetected—or when detected, it goes undisclosed—then, at that point, but not now, a conclusion that our system is not working would be valid. But, the fact is our system is working. We must never allow the understandable disspiritment which comes from seeing men brought to the bar for wrongdoing turn into a virtual despair of the system itself. It is the system which brought them to the bar.

My final observation relates to justice, and I think it an important one, for a misunderstanding of what justice is has led, I believe, many of our young people too easily cast aspersions at our system of justice. Justice is not just a goal, it is a process.

I think too many believe justice to be the 100-percent triumph of good over evil. As a goal, that is commendable, and we should all aim for it. But, justice is something more: It is a process through which a society determines the weight it wants to give between good and evil, truth, and untruth. Thus, when there is evil, it is because that society is not sufficiently committed to the eradication of evil.

Our task, therefore, is not just to criticize our society when justice as a goal has not been attained, but rather to strengthen our resolve to insure the movement of society toward the placing of greater weight upon that side of the scale which we know as good and truth.

As a foundation for this resolve, we must shore up our ethical convictions. As Alexander Solzhenitsyn has said, we must never acquiesce in lies and must never remain silent when permissiveness, hypocrisy, or corruption threaten to weaken or destroy our system. And, one of the most prevalent attitudes today is the absence of deep convictions on anything among many, or an increasing lack of conviction among others, giving glory to compromise and approval to passivity. Yet, it is a fact that whenever people become noncommital, they open the door to manipulation of their lives and their destinies by the few who seek power and dominion over others.

It seems to me that at other times and in other places, other civilizations that advanced far failed to make it to the next step of human achievement because they were unwilling to discipline themselves and to dedicate themselves to purposes of the spirit and to the realization of the law. When ethics, honesty, integrity, and self-discipline perish, the inevitable result is imposed discipline—we know that as totalitarianism. This we must never permit to happen.

We should be optimistic, and I am optimistic about the future. I am concerned about the present crisis, but I am not dismayed by it; there is a difference. I see the future as a challenge to our Nation, a challenge to restore the optimism that pervaded the original Spirit of 1776.

As we approach our 200th anniversary, let each of us pledge to himself and to his fellow citizens that the spirit of our next 100 years will be borne with the same dedication to tomorrow that prevailed at Independence Hall, because I believe it is 1776 all over again.

And, if we make this national resolve to build for a free tomorrow under law, we too will soon begin to see a gathering of eagles.

SOARING FOOD COSTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. Heckler) is recognized for 30 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, during the Easter recess, I conducted a day-long public hearing on soaring food costs and their effects on the lives of my constituents in the 10th Congressional District of Massachusetts.

Since Congress reconvened last week, I have submitted to the Record each day the dramatic and informative testimonies heard at the food hearing which was held in Natick on April 18. Each witness explained how inflationary food costs have adversely affected their individual lives and the businesses or organizations they represented.

Today I am submitting two additional statements for the Record so that my colleagues may also benefit from the statements delivered by food retailers, distributors, various consumer organizations, the poor, the elderly, and the school directors of food service departments which have provided me with a valuable insight into this serious problem:

STATEMENT OF ROBERT SIMINSKI, DIRECTOR OF FUNDS AND FACILITIES, ATTLEBORO PUBLIC SCHOOLS

I appreciate the pleasure of being able to speak here today. As Director of Funds and Facilities for the city of Attleboro, I'd like to tell you that we feed approximately five thousand school children every day. We, of course, have labored under the constraints of the type "A" lunch where we have to have certain commodities included in the program on a daily basis. I further would like to echo the statements from the gentleman from Natick who said that increased prices cause a decrease in participation by the students and the unavailability of government commodities. The future of government commodities I feel is very, very bleak.

I'd like to quote an article that appeared in last week's U.S. News and World Report . . . "The recent record shows this, in 1973 surplus food channeled into schools fell over about 70 million dollars short of filling school lunch program needs. The USDA contributed funds to bridge the gap. Next year the agriculture economists say the situation could be even worse with the shortage of basic food commodities growing even more critical." Now in a statement relative to the purchase of commodities by the government. "Our efforts to purchase food at market levels are facing stiff competition, the result being that sometimes the USDA receives no bids on orders at all." So you can see that we're going to be in for some difficulties.

Some of the commodities, again talking of commodities, that are no longer available are cheese, dried milk, canned fruit, canned vegetables, and the amount of meat that's available is greatly reduced. Now, if we look at some of the price increases that the community is facing—take canned peaches for example, they're up 65%; sliced apples, 96%; beef cubes, 55%; tuna, 42%; . . . I'll give you a copy of this.

And these things just go on and on, and its very difficult to prepare a budget when you don't know what's going to be the price of these commodities. The local subsidy in Attleboro started out in 1963 at about $800, 1973 saw that at $5,000. This, for the current budget that's under consideration, has risen to $8,000. So that you can see there is a considerable burden upon the local taxpayer. In Attleboro, we do not feed senior citizens, but if we did start to feed senior citizens, the subsidy, the local amount of money needed for subsidy, would be increased because under the guidelines proposed by the state, the city would be losing money. Again, we have some costs that we can't always pass on to the consumers and again, a problem is created.

The commodity program has allowed us to produce lunches at considerably less than the 81 and one half cents that it takes now. These are the types of things that keep the program solvent. And, of course, with the reduced amount of commodities, we're having to go into the marketplace as I said and this of course, creates difficulties and some of these things are not even available.

STATEMENT OF ANGIE WOOD, VOLUNTEER FOR UNITED PEOPLES, INC., FRAMINGHAM, MASS.

I am from United Peoples in Framingham. We are a multifaceted non-profit incorporated agency serving the people in the ten towns in South Middlesex. There is no question in our minds that there is a problem with the extremely high costs of food. We see it every day when we go to the markets. Prices are changing almost daily. The Food Stamp Program is about to get started in the entire state of Massachusetts. I'm working closely with the Welfare Department. It is clear that they are not going to be able to make the change over from food commodities to food stamps in time for everyone to receive the benefits which they are entitled to have.

We will soon be starting a program to assist the people in signing up for food stamps. Our delay is caused by the fact that training has just begun by the Welfare Department. Forms to fill out are not available and certifying welfare workers are not ready. There will be a struggle for the next four to five months to implement this program. We believe that if Massachusetts has adequately fed people, they will be healthier people and that health care costs will be lower.

Hungry children do not perform well in school. It is not decent to sponsor the present Food Stamp Program which fosters malnutrition and sickness over the long haul. Responsible office holders should fight a plan that forces mass malnutrition as a way of life for the poor. Therefore, the people for whom United Peoples speak demand that the starvation diet being planned in the present Food Stamp Program be changed to the low cost diet plan for the sake of humanity. It is time for our political leaders to join us in the peoples fight for survival. The families who will qualify for food stamps all share one vital problem, not enough money to buy a minimum sound diet.

Let's look at an example, a welfare family of four, a mother and three children, ages five, eight, and ten. The welfare budget for this family is as follows: rent and utilities, $134.27 per month; food $120.96 per month; clothing, $38.51 per month; personal care, $8.36 per month; home supplies, $7.40 per month . . . $309.50. A quarterly grant is also given of $104.90 which covers furniture, recreation, life insurance, transportation needs, nonprescription medical needs, school supplies, gifts, holidays, etc. A lot can be said for each of these budget's amounts as being too little, but let's focus our attention on rents, utilities, and food. These are the two biggest contributions to malnutrition. Since subsidized housing is available only to the chosen few, the typical family would be delighted if they could expend in real work figures as little as a $155 for rent and $50 for utilities per month. From the Food Stamp table, taking into account deductions, we find this family has to pay $59 for $142 in food stamps, but where does the excess rent-utility money come from? The food money is the only area in the budget to steal from. Is it any wonder that our elderly and poor are frequently in the court news for stealing food from the supermarket shelves?

Let's see how this family has to steal from this food budget. $205 actual rent and utilities minus $134.27 leaves $70.73 in the hole per month. $120.96 food budget minus $70.73 shelter leaves $50.23 for stamps. This family can only buy three fourths of their food stamp allotment or only $106 in food stamps. This leaves $5.98 for transportation to get the food or for paper products. The level of the low cost diet plan is $209 minus $106 in food stamps equal $103 short. These numbers speak for themselves when it comes to analyzing the terrible problem the low income have with food costs today. It is time that the political leaders knew what the low income have known for many years, that they are slowly starving to death, the future generations of this country. We are equally concerned that most of the elderly people will not be eligible for the Food Stamp program because of their recent SSI increase. We are also concerned about the large subsidies being given to farmers not to plant when there are so many people in this country dying of slow mass malnutrition. Needless to say, we are very concerned about the exports of our food when there's so many people in this country starving today.

There are so many people who are spending all of their money on rent and utilities, and the utilities have gone up so much . . . before they were stealing from their budgets to buy some food and now its even worse. We asked a nutritionist from Framingham State College to help us devise a budget for our people on what they get per month and they couldn't do it. They refused, simply could not do it on what the people had to spend for food unless they went out and bought soybeans or, you know, some special food. But they could not help us devise a budget for these people to go into the supermarket and buy a good nutritional meal. Mrs. Heckler: Well, as you can see from the charts that I've provided the food estimated food retail prices are much higher in Massachusetts than, or in the Boston area than in cities which the Labor Department studied throughout the country. Now would you favor a change in the food stamp program which took into account higher prices in certain regions, is that kind of change.

LAW DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, it is a privilege for me to join today with my distinguished colleague from California (Mr. CORMAN) in this observance of Law Day, 1974. Law Day, as you know, was set aside by congressional resolution and Presidential proclamation as a special day for we, the American people, to commemorate and rededicate ourselves to the principles of law, equality, and justice which have made this Nation strong and free.

We must never lose sight of the fact that this country was founded on the basic precept that we are a nation of laws and not of men, and that the law of the land applies equally to every citizen, regardless of his position, rank or power. It is this fundamental principle which set the cornerstone of our democracy. When the rule of law is viewed by those in the highest positions of power as outdated, irrelevant or immaterial, the path is laid to totalitarianism or anarchy; we can no longer say that our democracy is a strong and viable one.

In the past year, grave and serious doubts have been raised in the minds of the American people as to whether rule of law applies equally to every citizen of this country. As long as these doubts exist, "law and order, justice under the law, and equality under the law" lose their meaning, and we as a nation stand to lose our ability to govern ourselves as free and rational men.

Law Day carries a very special significance in 1974. Perhaps more than any other time in our history, we need to seriously reaffirm the principles for which Law Day stands. We cannot afford this day to simply pat ourselves on the back, commending our system of law, justice, and equality, for this system is in serious danger of becoming a mockery. It is incumbent upon every American, we in the Congress, those in the executive branch and the American public, to honestly reflect upon what the rule of law means in this country and to consider whether we will apply the law to those, be they weak or powerful, who view the law of the land as inapplicable or obsolete. Only by reaffirming the fact that we are a nation of laws and that there is equality under the law will we preserve the fundamentals of our democratic system.

OFFSHORE MINERAL RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, while the House Judiciary Committee is relatively unaffected by the Bolling committee report, there is one major jurisdictional loss which seriously concerns me.

I refer particularly to our present jurisdiction over "offshore mineral rights"—particularly Outer Continental Shelf minerals and leasing. I am extremely opposed to the Bolling committee recommendation, which transfers this jurisdiction to the Committee on Energy and Environment and I do not believe this shift is necessary or desirable.

While it is difficult to argue with the logic of placing all energy issues and legislation within one committee, there are several compelling reasons why the Judiciary Committee should retain jurisdiction over certain aspects of mineral leasing on the Outer Continental Shelf.

Before advancing these reasons, however, I believe a brief history of our jurisdiction in this area would be helpful.

In 1953 the Judiciary Committee initiated and processed both the Submerged Lands Act and the Outer Continental Shelf Lands Act. These laws attempted to resolve the Federal-State dispute over ownership of OCS minerals and authorized the Secretary of Interior to lease minerals within the Federal domain—specifically setting forth the procedures for such leasing. Since that time this committee has considered several legislative proposals regarding the distribution of Federal revenues derived from OCS leasing as well as proposals to extend coastal State jurisdiction on the OCS.

With this background in mind I will now explore what I believe to be the primary reasons for keeping this jurisdiction within the Judiciary Committee.

First of all, there is presently pending before the Supreme Court of the United States litigation involving the issue of the Atlantic Coastal States' jurisdiction over OCS resources. A Special Master has been appointed and his report is scheduled to be presented to the Supreme Court sometime this summer. Consequently, it is apparent that the Federal-State boundary issue may once again be resurrected in the event the Supreme Court renders a decision in favor of the U.S. Government and adverse to the coastal States. In other words, the constitutional and boundary issues, which were the primary justification for referral of the 1953 legislation to this committee, may very well be revived.

Second, since leasing on the Outer Continental Shelf involves competitive bidding, there are numerous antitrust implications—requiring the close oversight of the Judiciary Committee. In addition to these antitrust issues, there are numerous contractual matters inherent in OCS leasing and the legal expertise of the Members of the Judiciary Committee is needed to resolve these complex issues.

Third, the current law of the sea negotiations are considering a number of resolutions directly affecting OCS leasing and the distribution of revenues derived therefrom. The Judiciary Committee has general jurisdiction over international law as well as the legal aspects of international agreements and, consequently, we are in an appropriate position to reconcile the national and the international issues associated with OCS leasing policies.

Moreover, this committee has legislative jurisdiction over "State and territorial boundary lines" and as a result we are in the best position to consider the Federal-State relationship concerning the OCS. In other words, because of this committee's involvement in the Federal-State, the national and the international issues regarding the OCS, we can provide the needed perspective for a proper resolution of these pervasive issues.

Finally, several opponents of the Bolling committee resolution emphasized that the concentration of all energy legislation within the newly created Committee on Energy and the Environment would enable the oil industry to exert undue pressure on that committee.

While I agree that the fragmentation of energy jurisdiction is certainly undesirable, it is my firm belief that the OCS issue can be reasonably segregated, especially in view of the entirely different procedures which have been adopted for the development of OCS and land resources.

I fully support the objective of minimizing jurisdictional overlaps, but as a practical matter—notwithstanding the Bolling committee resolution—some will develop. If such overlaps are inevitable particularly in the energy field, it is my belief that they should be planned or otherwise designed to promote the orderly and efficient handling of legislation. By permitting the Judiciary Committee to retain jurisdiction over OCS resources and revenues, we would indeed be creating a minor overlap in energy jurisdiction, but at the same time we would insure the objective and comprehensive treatment of this important subject matter.

I am including at this point in the Record a recent article which appeared in the April 27 edition of the Washington-Star News entitled "Ocean Shelf Riches at Stake." The article briefly describes the case of United States against Maine which, as I noted earlier, is presently pending before the Supreme Court. It is quite clear from this case—contrary to the views which have been expressed by some individuals—that the legal and boundary issues concerning ownership of the mineral resources of the Outer Continental Shelf have not been completely resolved. The article follows:

U.S. Versus Nine Coastal States: Ocean Shelf Riches at Stake

(By Brian Kelly)

Richmond.—When Edgar the Peaceful declared himself "sovereign of the Britannic ocean" in the 10th century, neither he nor a host of succeeding kings and queens of England could have suspected they were laying the groundwork for a protracted legal battle across the sea 10 centuries later.

That battle is between Atlantic coast states and the federal government and is over the untapped riches of the outer continental shelf.

Billions upon billions in natural resources are at stake in the monumental, but little-known fight over proprietary rights to the shelf's seabed and subsoil. Billions in potential oil and gas resources, billions in mineral and mine rights, and anything else future man and his technology may be able to derive.

Now, after five years of courtroom battle, "The United States of America versus State of Maine, et al" is close to a climax.

In the years since the federal government filed suit to claim the continental shelf for itself, more than 2,800 pages of testimony have accumulated; more than 1,400 exhibits—some hundreds of pages in length—have piled up; batteries of lawyers have exchanged erudite salvos and submitted briefs as long as 541 pages, and squads of eminent historians appearing as opposing expert witnesses have argued over the sovereignty of the seas since before the Magna Carta.

It's been a case in which the "common counsel" states, represented by Virginia Atty. Gen. Andrew P. Miller and the prestigious Washington law firm of Covington and Burling, have gone back to the thoughts of Edgar the Peaceful and before and have cited legal writings from the days of the Saxon kings in England through Elizabethan, Colonial and post-Revolutionary times.

The nine "common counsel" states, headed by Virginia as "litigation chairman" and stretching from Virginia to Maine, also include Maryland, Delaware, New Jersey, New York, Rhode Island, Massachusetts and New Hampshire. In addition, North Carolina, South Carolina and Georgia are parties to the mammoth suit, but they elected to present their cases individually.

Florida, with both an Atlantic shoreline and a western coast on the Gulf of Mexico and a Spanish heritage, was severed from the case soon after it began in April 1969, because of its different history, Deputy Atty. Gen. Gerald T. Baliles said.

The federal suit stems from an action by the state of Maine granting a private firm, King Resources, exploratory rights to the offshore seabed beyond the three-mile limit Congress gave the states in 1953.

The States' major brief cites rulings by the British Privy Council, the Admiralty courts, the Star Chamber and the Exchecquer, to say nothing of the mouthings of kings and queens and extracts from 17th century speeches in Parliament. The nine common counsel states quote from esoteric sources such as a medieval French dictionary, the Black Book of Admiralty, even Herman Melville's "Moby Dick."

What it all boils down to is the states' argument of progressive sovereignty over the sea and its bed off their respective shorelines.

Under British law and practice, they contend, a vast body of historical documentation shows the Crown claimed sovereignty over both land and adjoining seas, a claim which sometimes led to war, but generally was accepted by the international community.

Then, the states also argue, the same sovereignty, generally a 100-mile, off-shore territorial claim, was extended to the American colonies, and when the colonies threw off the British yoke in 1776 to form the United States, the new American states retained their "territorial seas."

By chance, the 100 miles roughly coincides with the width of the outer continental shelf off the Atlantic beaches.

The federal government says just the opposite—that the states didn't retain any 100-mile rights. In effect, the government argues, the states should consider themselves fortunate that Congress in its Submerged Lands Act of 1953 gave them a three-mile offshore belt of their own.

Congress in 1953 reasserted federal "sovereignty" to the submerged "lands" beyond the three-mile limit.

The outcome of the case will be decided first by Special Master Albert B. Maris a senior judge of the 3rd Circuit Court of Appeals, whose name, incidentally, means sea in Latin. Selected to hear the case by the U.S. Supreme Court, Maris will report back to the nation's highest court, some think as early as June.

The Supreme Court then will accept his findings or modify them with a ruling of its own.

In economic scope, the pending decision will be one of the major rulings in the nation's history and have a constitutional and environmental impact, too.

"Obviously," says Miller, "the law suit has tremendous economic significance. There are any number of estimates as to the value of oil and mineral resources contained on or under the outer continental shelf. Even the most conservative estimates are in the amount of billions."

Noting that the outcome will give the states or the federal government regulatory and licensing powers over private exploiters of the ocean's bottom, Miller added: "We're talking about a possible source of state income (for Virginia alone) in the millions over the years."

Miller's chief assistant in the landmark case, Baliles, noted that Louisiana has garnered some $875 million in royalties, leasing fees, bonuses and assorted taxes from offshore oil and gas wells since 1948. Baliles and Miller also cite the potential boon such operations would be to any state's economy.

Constitutionally, the case involves issues the Supreme Court has not addressed before, Miller said.

"It's a fascinating constitutional question as to what happened to the proprietary rights of the colonies when they gained independence," he said. "Of course, our position is that they retained all rights they had before."

As for environment, Miller said, "If the proprietary right is established (for the states), the states would be in a much stronger position to assert legitimate state environmental concerns."

Miller compared the complex exercise in legal history to a gigantic title search, and Baliles noted that researchers for the states, himself among them, searched not only among the history books, but also in the Virginia State Library here, university and government archives from here to London, and even forgotten files in old courthouse basements in Virginia's Colonial Tidewater area in the effort to document the states' "title claim."

As a result, attorneys unearthed nuggets of historical data either forgotten or largely unknown today, including hitherto unpublished documents proving British prosecution of foreigners sailing the British seas for crimes other than piracy; references to English coal mining operations in mile-long shafts under the seabed as early as 1497, and references to Virginia's long defunct but once active admiralty courts.

Also found were Colonial-era maps clearly delineating a "Virginian Sea" extending for 100 miles and more off Virginia's coast and references to a Colonial practice of sending tobacco-laden ships "home" to England in convoys escorted for the first 100 to 150 miles by armed vessels guarding against pirates.

Both Baliles and the major brief filed by the nine states acting jointly claim the continental shelf case is different from Supreme Court rulings in earlier federal-state disputes over "offshore lands," because this one involves the Atlantic Coast states, 11 of which were among the original 13 American colonies.

"Unlike other states in the nation," Baliles recently told a Rotary group here, "the Atlantic states preceded the nation, formed the government and consequently were possessed of historical documents and other forms of evidence and claims."

Among the most critical, from the states' point of view, were the 1607 and 1609 charters granted to the Virginia colonists by King James I—specifically giving them rights to a territorial sea 100 miles broad and citing possible exploitation of mineral resources in the seabed.

The early convoys, the old maps, the references to Admirality courts and like documentation found in archives or courthouse basements demonstrate an active exercise of control over shelf waters before and after independence, the states assert.

FIVE-YEAR TERM FOR BROADCAST LICENSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. Bevill) is recognized for 5 minutes.

Mr. BEVILL. Mr. Speaker, earlier this afternoon I was requested by the Speaker of the House to preside as chairman of the Committee of the Whole during consideration of the bill H.R. 12992, to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years, and for other purposes. As chairman, it was my obligation to maintain a position of impartiality with respect to the debate and to the amendments offered.

Had I not had the duty and privilege of presiding over the Committee of the Whole during consideration of H.R. 12993, I would have supported the amendment offered by my distinguished colleague from North Carolina (Mr. JAMES BROYHILL) which amendment provides a 5-year term for broadcast licenses, rather than the 4-year term provided in the bill. In my judgment, this amendment greatly improved this bill.

An extension of the present maximum license period from 3 to 5 years is a practical measure which is long overdue. Such an extension would not limit in any way the ability of the FCC to regulate broadcasting in the public interest.

Since becoming a Member of Congress, I have given close study and attention to this problem. I believe the broadcast industry has a legitimate, genuine case for 5-year licenses.

The longer term license would be most helpful in reducing the magnitude of paperwork and eliminating the heavy backlog of the FCC. A 5-year period would give the stations more time in determining and meeting local community needs. The time, manpower, and money which both the licensee and the FCC must expend at license renewal time could be better used to improve broadcast service and thus better serve the public.

When visiting in my congressional district, I cannot help but notice that the administrative work of filing for renewal every 3 years is a great burden for many stations, especially those in the rural areas. These small stations do not have the required technical and legal staff to fulfill renewal requirements. License renewal time is unmistakable because broadcasters are obviously preoccupied with attempting to comply with application procedures.

Mr. Speaker, I have worked closely with the broadcasters in my State of Alabama over the past several years on the problem. I can say with every assurance that their primary concern is excellence in service. No Alabama broadcaster would favor licensing an unworthy broadcaster.

This would reflect on the entire industry in our State, and in the end, hurt them. Alabama broadcasters support reasonable regulations. They believe in fairness, in a policy which protects the public's interest. But they also believe, as I do, that we need a 5-year license renewal period.

Broadcasters must make long-range commitments for the future delivery of good programs. They need the incentive that a 5-year license would give them to make necessary improvements with a reasonable chance that they will be around long enough to recover their costs.

The amendment offered by my distinguished colleague from North Carolina recognizes the maturity of the industry while providing the stability the public requires and deserves.

I commend Congressman MACDONALD and his subcommittee for its fine work on this important legislation. I believe this is a good bill and I agree with and support it.

CONGRESSIONAL ACTION NEEDED NOW TO WARD OFF FOREIGN INVESTMENT INVASION OF AMERICA'S ECONOMIC SECURITY

(Mr. ROE asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. ROE. Mr. Speaker, rampant inflation here at home with wages unable to keep up with the soaring prices and cost of living; the deflating image and disfavor of America's "yankees" abroad, the devaluation of the dollar and a depressed stock market have projected America into the world markets as a thrift shop for foreign bargain hunters. Several of our colleagues have joined with me in seeking congressional action which would expressly prohibit foreign investment control or foreign management control of America's vital industries and resources. On April 2, 1974 I introduced my bills H.R. 13897 and H.R. 13898 proposing my suggested methodology to accomplish these most important safeguards for the national and/or economic security of our Nation. To date, 18 of my colleagues have joined me in sponsoring this legislation.

This proposed legislation is not intended to discourage and eliminate foreign investment per se but is designed to provide an insurance policy for America, insuring that we retain control over our essential natural and economic resources. Many foreign countries have already enacted, or are considering enacting similar legislation which prohibits noncitizens from acquiring investment control, management control, or even acquiring securities in certain areas of their national interest.

Twice in this century our Nation has been faced with worldwide confrontation and conflagration—all directed toward world domination by some sovereign power whose express goal was to dominate the world through the use of military force. This statement is not a startling revelation to any of us here in the Congress. The startling fact, however, is that we are already well into the third worldwide confrontation, insidious and subtle in nature, gnawing at the very foundation of our free enterprise system, potentially more dangerous to our country in its outcome, with the U.S. economy the main target.

We all know that we are already deep into a worldwide trade war with creeping financial paralysis and exploding unchecked inflation wreaking havoc with our domestic economy and placing unbearable financial burdens on our people.

As bad and perplexing as this situation is, do we dare run the risk by sitting back and doing nothing and allowing uncontrolled foreign investment interests to infiltrate and capture control over our U.S. industries, technology, and vitally important natural resources? Is this fact or fiction? Let us look at the record.

Many of you know, I am sure, of prime farmlands, timber resources, tourist facilities, coal mines, businesses, and industries in your States where ownership control has already been acquired by foreign interests and international cartels.

The obvious worldwide shortages of oil, minerals, metals, and manufacturing production capabilities together with shrinking farmland resources for food production will surely continue to make our country's industries and natural resources a prime target for foreign economic domination. Could we be guilty of being preoccupied or asleep at the switch while our national economic sovereignty and national security are in serious jeopardy?

My bill, H.R. 13897, entitled the Foreign Investment Control Act of 1974, would establish a Foreign Investment Control Commission in the executive branch to monitor and control foreign ownership of real property, resources, and industries in the United States and preclude foreign ownership control or management control of industries and resources deemed to be vital to economic security and national defense. Furthermore, the Commission would be empowered to order any foreign person or entity determined to have a controlling interest in an area vital to our national security as determined by the Commission to divest himself from all or a portion of his holdings.

At present we receive conflicting reports on the extent and location of foreign investment in our country, but we are all aware that it is massive and that it is increasing rapidly. My bill would also correct the information gap and provide a single source of data on foreign investment in the United States by setting up a National Registry of Foreign Investment. Foreign persons who own securities or property either directly or indirectly would be required to provide to the National Registry information as to the nature and size of their businesses. amounts of securities held or other ownership interest, and similar pertinent data. I believe that excessive investment in areas indispensable to our economic sovereignty, if left unchecked, could put the United States in a precarious situation by possibly allowing foreign control of our basic raw materials and key industries. Under present law it is very easy for a foreign investor to cloak his investment in conjunction with brokerage houses and banks and it is my intention to pierce this veil of secrecy through the provisions of this proposed legislation.

My companion measure H.R. 13898, establishing the Joint Congressional Committee on Foreign Investment Control would provide a congressional "watchdog" to oversee and monitor the proper implementation of the intent of the Foreign Investment Control Act to insure that its provisions are thoroughly and completely carried out by the executive branch.

Mr. Speaker, it is essential that we act with dispatch in providing the courage and leadership necessary to ward off any foreign monopolistic intrusion and invasion of the economic sovereignty of the United States. In testimony to the desperate need for congressional action now, I hereby submit the following in-depth study report that appeared in the April 1974 issue of one of our most prestigious veterans' magazines, the American Legion, Robert Pitkin, editor. This news feature which was prepared by Thomas Weyr of the Research Institute of America provides significant most telling facts on the vast umbrella of foreign investment that has already spread across our land, seeping into and involving our Nation's economic structure.

The article follows:

[From the American Legion magazine, April 1974]

THE GROWING FOREIGN OWNERSHIP OF AMERICAN BUSINESS AND INDUSTRY

(By Thomas Weyr)

It was less than ten years ago that the French economist, J. J. Servan-Schreiber, was screaming that American industry was buying up Europe so fast that our firms would soon own the Continent. At the same time, American labor was bitterly noting that our industry was taking its operations and its jobs overseas, leaving less work for American labor here. To make matters worse, even for those who usually think little about the jargon of economists, not only was there a "flight of American capital" abroad, but foreign-made goods (such as Italian shoes and you name a bigger list) were outselling our own products on the American market, causing numerous shutdowns of old, established businesses here.

Phrases like "the flight of capital" and "imbalance of trade" take on real meaning under such conditions, while other phrases, such as "buy American" take on less. Should you buy one of Buick's Opels to support American labor when it is made by German labor? It took a wise man to know what an American product was then—and it takes a wiser one now.

When he first started devaluing the American overseas dollar, President Nixon said that it would arrest "the flight of capital" and result in American firms investing more in operations and jobs here. He also said it ought to attract foreign firms to do the same, and thus put new life in our economy.

Today, you wouldn't believe how effectively it has persuaded foreign firms to invest in factories and business operations in the U.S. If anything, they have appreciated more than our own people how the changed dollar has made investment in America a Good Thing.

In the current depressed Wall Street market, many a foreign firm has been buying up control of U.S. firms by offering much more for their stocks than you can get in the stock market. Increasingly, the most familiar old American products and services are now "made in America" but by foreign owners. And, of course, the new flood of foreign investment here is bringing back millions and millions of the dollars whose flight we bemoaned such a short time ago.

Even the conservative British are in the act. It was the British-American Tobacco Co. which recently got control of the Gimbels' chain of department stores for $200 million. Nestle of Switzerland paid Litton Industries $100 million for the Stouffer food business. Saint-Gobain of France has shelled out $37 million to buy Certainteed. In the Carolinas, a host of foreign firms are erecting manufacturing plants of all sorts. Two British firms fought it out to buy Beech-Nut baby food from Squibb. J. Lyons beat out Cavenham Ltd., with a $55 million offer. Cavenham got back by buying 51% of Grand Union Co., of Paterson, N.J., our tenth largest supermarket chain. Cavenham had no qualms in offering $19 each for 3.2 million shares of Grand Union stock, far above what the shareholders could get in the open market.

The pace of all this, as you'll see, is only accelerating today. Let's backtrack and watch it happen in more detail.

Back in the fifties and sixties, American corporations went on a buying and investment spree overseas. By the time our overseas dollar collapsed in 1971, the total value of U.S. investments in other countries amounted to $95 billion.

All during those years our government had tried to get dollars back by interesting foreigners in investing their money in this country, either through buying into existing companies, or—better still from our point of view—building new plants and other facilities that would provide jobs for American workers. But Europe was cautious, Japan even more so.

For one thing the dollar was expensive. By converting their own money into dollars to invest here, they'd start with a disadvantage. Until the 1960's, West German businessmen had to pay 4.20 of their marks to buy one U.S. dollar; the Swiss 4.32 francs; the French 500 and more old francs (or better than 5 new francs after de Gaulle knocked off the zeros); and the Italians more than 600 lira. To give you some idea of what that kind of money was worth: it would buy a three-course lunch and a glass of beer or wine in any one of these countries. But exchanged for a dollar it would do no such thing here.

In fact, our money was so expensive in the 1950's that Heinz Nordhoff, then president of Volkswagen, got cold feet and pulled back from investing the millions it would have cost him to build an assembly plant for his VW beetles (and perhaps later a manufacturing operation) in New Jersey. Nordhoff had gone so far as to take an option on a plant site. Volkswagen has ruled his decision to withdraw ever since, though at the time it seemed the prudent thing to do.

Of course, there *were* foreign investments here all along. In 1960, they totaled $6.9 billion, which sounds like a comfortable amount until you compare it with $95 billion that our firms were soon to have invested abroad. The bulk of the $6.9 billion invested here was put up by old hands—Britain, Canada, Holland and Switzerland. Japan and West Germany, newcomers to the big time since WW2, did not have one-fifth of a billion invested here between them. Remembering that we had confiscated their property in WW2 they were leery, though our officials said that confiscation was a normal risk of international business that our firms took every day—and sometimes lost.

By 1967, foreign investment here had risen by one half, to well over $9 billion. This was still peanuts compared to our operations abroad—and more than two-thirds of the increase came from the same big four—the British, Canadians, Dutch and Swiss.

Then, in the late 1960's, the structure of foreign investments began to change. The growth rate quickened perceptibly, while money came from new as well as traditional sources. By 1970, foreign investments here had climbed to $13.2 billion. Then the monetary crisis in 1971 paralyzed most international finance and slowed the inflow.

But in 1972, with a cheaper dollar, foreign investors began to wake up to the new potentials of the American market. The book value of foreign investments rose by $708 million in one year. That, however, was just a trickle—less, it would turn out, than flooded into the U.S. in just the third quarter of 1973 when the total was $720 million. In fact, our government now estimates that when they've been tallied up by midsummer 1974, foreign investments here for all of 1973 will certainly top $3 billion, perhaps by a substantial margin.

That would put the value of foreign investments in the United States at $17.5 billion. Nor do officials in Washington expect any slowdown in this flow of foreign money in 1974. If anything, they expect higher investment totals, despite the energy crisis and mutterings of a business recession.

How come? First, because we are less dependent on Mideast oil; second, because our economy has the kind of basic, robust health that can snap back more quickly from even the severest of temporary illnesses than the newer and more fragile economies of Europe and Japan, and third, because our money and the shares in our major companies are suddenly cheap, and therefore good buys.

All this took a while to sink in. Everybody knew the dollar had been worth too much in terms of other currencies and ought to be devalued. But the dollar had become such an international standard, *the* medium of exchange, that literally nobody knew how to react when in August 1971 President Nixon stopped giving Fort Knox gold for overseas dollars, and shaved 10% of the dollar's value in relation to other major world currencies. For a while there was panic. Then, gradually, the world realized that the dollar—and the U.S. economy—were wildly undervalued.

That point was driven home hardest when the dollar was in its worst trouble ever. In February of last year it was devalued again and left to "float" against other currencies. That meant that our Federal Reserve Board and the European and Japanese Central Banks no longer stepped in to buy dollars and thus shore up their value against the attacks of currency speculators. These speculators dumped dollars to buy German marks or Swiss francs in the hope that sooner or later those currencies would appreciate in value against the dollar. In other words, they bet that the dollar would be worth less, the mark worth more.

For a while it seemed that even the float wouldn't work. At one point last May the dollar sold for 2.21 West German marks, just about half what VW boss Nordhoff had to pay for it back in the mid-1950's. Thus the Germans could have built their New Jersey assembly plant in 1973 for half of what it would have cost them in the 1950's. As irony would have it, while the dollar bumped bottom VW was in trouble. The beetlemakers didn't have the surplus cash to invest in a stateside production facility.

But just about everybody else in Europe, Japan and the Arab countries did, or thought he did. On June 16, 1973, the influential London weekly. The Economist, gleefully told its readers, "Now is the time to invade the United States." Wall Street, the weekly wrote, "seems a snap. For a European buying in devalued dollars it is a give away. . . . British industry, usually the most timorous overseas investors, have suddenly appreciated the song for which American assets can be picked up."

The magazine cited the British-American Tobacco Company's purchase of Gimbels'; Peninsular and Oriental's $110 million negotiations to buy a 50% interest in Zapata Naess, a Houston-based shipping company (P & O is a major British shipper); and Lloyd bank's agreement to buy the First Western Bank of California for $115 million, as examples of new British interest in establishing economic beachheads in their former colonies.

A month later, The Economist put the changed situation even more bluntly in a story headlined "A Good Time to Buy America."

"The plums of American industry have never looked so cheap to outsiders," it wrote. "The fall of the dollar and Wall Street together mean that any time in the past week Volkswagen could have bought General Motors for half what it would have cost just over two years ago" (provided VW had the cash, which it didn't). West German marks, The Economist continued, "will buy real assets in American industry today for a good third less than they would have cost two years ago, yen will buy them for a good quarter less and even pound sterling shows a saving of six per cent."

And once again there was no lack of examples, such as British Chloride Electric's bid for $20 million worth of a Florida battery-making business, Nestle's purchase of Stouffer, the French takeover of Certainteed.

These are just drops in the bucket. Britain's famous Barclays Bank is now putting the finishing touches to a nationwide American banking operation, something the Justice Dept. does not allow even the largest American banks to do. The German Hoechst chemical firm built an artificial fibre plant in South Carolina—one of many German firms attracted to the Carolinas—because it found that total wage costs, including fringes, were 15% lower in South Carolina than in a similar Hoechst plant in Bad Hersfeld, West Germany.

By last fall, the invasion of foreign money resembled a blizzard. Volvo, the Swedish automaker, announced it would build a $100 million auto assembly plant in Chesapeake, Va. Plans call for the employment of 3,000 American workers and an ultimate output of 100,000 cars a year, once the plant reaches full capacity sometime in 1978. Said Bjoern Ahlstroem, president of Volvo of America: "We combine the advantages of European design and engineering concepts with American techniques of mass production of components and market adaptation." Engines and transmissions will be manufactured in Sweden, then shipped to Virginia and put into Volvo's U.S.-made bodies.

The French Michelin tire company, stymied in efforts to set up a huge production facility in Nova Scotia, announced plans for construction of two tire factories in Anderson and Greenville counties in South Carolina, with investments to top $200 million for both. (U.S. officials are skeptical of many such announcements but particularly skeptical of this one. But no one can yet be sure if the French will put up the money or not. They have till 1975 to make good on the proposal.)

Nixdorf Computer Ag of Padeborn, West Germany, has begun a $100 million, seven-year investment program here. The first step was the purchase of Victor Comptometer Corporation's computer division, the second was establishment of a wholly-owned U.S. subsidiary, Nixdorf Computer Inc. of Chicago, which markets products that are still imported. Final plans call for assembly, training and manufacturing facilities here.

In late December, German industrialist Willy Korf announced plans to build a $50 million steel mill to manufacture wire near Beaumont, Tex. Korf purchased 500 acres of land on the east bank of the Neches River and says he'll begin construction of what he calls a "minimill" later this year. He expects to produce 500,000 tons in 1976 and employ 1,000 workers. Presumably Korf is anxious to trump a similar Japanese steel venture, an $18 million rolling mill which Kyoe Steel Works have under construction in Auburn, N.Y.

British companies expanded their holdings in our food industry. On top of J. Lyons control of Beech-Nut baby food, the British firm bought 83% of the outstanding shares in United Brands' Baskin-Robbins ice cream firm for $37.6 million in cash and notes. Lyons offered $18.50 a share when Baskin was trading over the counter for $12.50.

Cavenham, Ltd., failing to get Beech-Nut, tried to buy Liggett & Myers, a "diversified tobacco concern" that manufactures several brands of cigarettes including the popular L&M, as well as other products. But Cavenham failed to work out an acceptable stock swap.

Cavenham is the British manufacturing arm of a Paris-based holding company, Generale Occidentale, and makes dietary food, processed meats, tobacco, soft drinks, wines and pharmaceuticals. It had substantial investment capital and was determined to move into the American market. So, despite two setbacks, the firm tried again in November and this time struck pay dirt by getting 51% of Grand Union stores.

The point to note is that foreign investors felt the U.S. companies were still cheap, even though they paid as much as 50% over the daily stock exchange quotations to obtain enough shares for control. And the pattern has been repeated over and over in virtually every segment of American industry and business—and in just about every state.

The range of foreign activity is truly nationwide. Sony of Japan is putting up a TV assembly line in San Diego. Hitachi Metals America, of White Plains, N.Y.—part of the giant Hitachi group of Japanese companies—bought an 80% interest in an Edmore, Mich., magnet plant for $10 million. That may not seem a major acquisition in terms of capital outlay, but the firm produces a string of sensitive equipment: industrial magnets and magnetic materials used in military and consumer applications—for example, in TV and radio speakers.

Brown Boveri, a Swiss firm, has a $20 million plant in operation ten miles outside Richmond, Va., which employs 300 Americans. Their jobs are to inspect and test Swiss-made electrical turbines and ship them to U.S. customers. ICI America, Inc., subsidiary of England's Imperial Chemical Industries Ltd., makes "Melinex" polyester film at a $50 million plant near Richmond. Koye Seiko Co. Ltd., of Osaka, joined the many foreign firms attracted to the Carolinas. It is due to open a $10 million bearing plant in Orangeburg, S.C., this spring and employ 100.

The Carolinas, like many of our less industrialized states, have worked hard to attract foreign capital and construction. They maintain offices in major cities, send recruiting teams overseas and generally try to make their states as attractive to foreigners as possible. Both states have been particularly successful with German firms, which Charleston serves as a port.

At the last U.S. government count in October, 30 German firms had plants in North and South Carolina. They produced not only textiles, which is to be expected in that part of the country, but wire and springs, gauges for manufacturing wire, bearings, carbide tipped saws, textile machinery, veneer, water pumps, fuel injection systems, petrochemicals and dyestuffs and textile chemicals.

In all, more than 100 West German manufacturing and petroleum companies are active in 24 states and Puerto Rico—and that does not include banking, insurance or sales and service organizations. It's worth noting, though, that until very recently the Germans clustered around the New York metropolitan area where the U.S. headquarters of such giants as the BASF chemical complex, Hoechst and Bayer Ag are located. Bayer, of aspirin fame, just announced plans to invest another 300 million marks (about $115 million) over the next five years in its U.S. manufacturing facilities.

This local clustering of foreign firms was common and is only now beginning to disperse. Exceptions were the British and Canadians, who never suffered as much from it, since they spoke the same language and knew the country better. Moreover, they have long been active in a broad range of American business enterprises. Just look at this random sampling of what British-owned and controlled companies are into here: tobacco, food products, crab meat processing, paint, electric motors, hydraulic equipment, chemicals, pharmaceuticals, sheet music, newsprint, paper, synthetic fibres, cod liver oil, sugar cane (Britain's Brewer & Co. Ltd., owns the huge Wailuku Sugar Co. in Hawaii), paint, gasoline retailing, chocolate and candies (Cadbury in Pennsylvania), cider and vinegar, syringes, thermometers, baby foods, records (Decca Ltd. owns London Records), zinc, tires, circuit breakers, book publishing (Morgan-Grampion, a British publisher of trade and other business magazines, bought David McKay, one of the oldest U.S. book publishers, just last December), bricks, tea and coffee, malt, casement windows and screens, wallpaper, bicycles, real estate and laundry services. As for location, the British are active in 31 states, from Georgia to Texas, from Alaska to Florida and from Massachusetts to California and Hawaii. In all, 148 British firms have a share in 264 U.S. firms.

Even countries like France and Italy, not generally known for economic daring so far from home, have begun to pour capital into the U.S.

To be sure, the 45 or so French companies with operating subsidiaries here concentrate on fashion, food and toiletries—articles for which the French are famous. But the French firm, Air Liquide Co., owns U.S. subsidiaries in Oregon, Georgia and Arizona which make industrial gases and welding equipment. La Farge makes cement in Virginia. Rhone Poulenc S.A. has companies in New Jersey and Puerto Rico which manufacture chemicals, pharmaceuticals and synthetic fibres. Sarma S.A. owns American Sarma Inc. which produces airplane connecting rods in Nevada. Other French firms here make signal analyzers, high purity ultraviolet light absorbers, plastic lenses and electric equipment. An Italian company makes steel ingots and rods in New Jersey. Another, Olivetti (which long since took over Underwood), manufactures its typewriters and other office equipment here, while Montecatini Edison, another Italian firm, produces chemicals in West Virginia.

Swiss firms are active in 18 states with heavy emphasis on pharmaceuticals, chemicals, timepieces, foods, chocolates, and dyestuffs. At the end of 1972, Swiss assets in the U.S. were $1.6 billion, with $1.15 billion invested in manufacturing facilities and $373 million in such financial institutions as insurance companies, banks, etc.

Finance is an area of expanding foreign interest here. Though the Swiss are considered the world's bankers, only about a quarter of their holdings in the U.S. are in the financial area. The British, whose banking interests are probably wider than those of the Swiss but less well publicized (and don't the Swiss wish they could figure out how the British manage to hide their often dominant role in money management!) have about a third of their holdings in this area—$1.2 billion in finance and insurance at the end of 1972, out of total assets of $4.6 billion.

Over the last seven years the number of non-American banks in the U.S. rose from just over 200 to 430. In New York City, foreign banks handle a third of the international payments transactions conducted in that financial center. Foreign banks in the U.S. handle assets valued at about $20 billion.

Dutch investments in the U.S. reached $2.3 billion at the end of 1972, growing more slowly in the 70's than in the 60's. But the Netherlands' position is a special one. The bulk of Dutch holdings are in three multinational companies with extensive U.S. properties: Royal Dutch Petroleum, Unilever, N.V., and Philips, N.V.

Royal Dutch owns 10,000 Shell gasoline stations throughout the U.S. as well as lubricant, chemical and pipe firms. Unilever N.V. is the Dutch partner that shares ownership, with Unilever Ltd. of England, of the worldwide Unilever organization. Their U.S. subsidiaries include Lever Brothers, the big soap maker; T. J. Lipton Co., which makes tea and soups among other food specialties, and the Good Humor Ice Cream company. Finally, the American subsidiaries of Philips—more than 36 of them—make pharmaceuticals, chemicals, home appliances, electronic products (everything from tape recorders to Norelco electric shavers) and electrical equipment.

There is a good deal of unidentified foreign investment here. Getting information about it is much harder than pulling teeth. If you guess that a lot of it is quiet Arab money, you're probably right. About all I can specify from the Persian Gulf area is a chain of Iranian-owned gasoline stations in upstate New York, procured in a petroleum deal with Ashland Oil Co. of Kentucky.

The Iranians are not Arabs. You are entitled to draw your own conclusions about any Arab enterprises here shunning publicity.

This bewildering diversity of enterprise should not suggest that it is easy to set up a business in the United States as a foreigner. There is a maze of laws and restrictions on federal, state and local levels that must be learned first. And for every incentive to foreign investment there is often a larger obstacle. The Securities and Exchange Commission, for example, keeps a tight eye on any shenanigans that smack of stock manipulation or similar sharp exchange practices.

Moreover, the American market is a tough one to crack. Many a foreign manufacturer has fallen on his nose because he didn't do enough marketing and distribution homework. This has even happened to major oil companies. Just a few years ago, British Petroleum, one of the world's leading oil concerns, decided to take a fling at the American market. BP had some major concessions in the newly found Alaskan North Slope and other Arctic oil fields. There was talk then of the rapid construction of a pipeline from the oil fields, with one route proposed to cross Canada and terminate in the U.S. Middle West. A major regional U.S. oil distributor, Sinclair Oil, was in trouble and up for sale. BP took the plunge and bought Sinclair, after the Justice Department nixed a merger between Sinclair and Atlantic Richfield. For $400 million in cash and notes, BP took control of two refineries and a network of 9,700 gas stations in 16 states and the District of Columbia.

But BP managers realized quickly that they lacked the market know how and operational technology to run their U.S. subsidiary effectively. So they bought a 25% interest in Standard Oil of Ohio in the hopes of buying American managerial talent. But, as world oil supplies tightened, BP found it could not buy oil in sufficient quantity and at competitive prices to make its U.S. operation a good one. The story isn't over yet, but BP has cut back and it is doubtful whether it can hold on until the Arctic oil starts flowing. And even if it can, the Alaska pipeline has now taken a different route.

Another British fiasco involved a takeover attempt of a major Manhattan real estate firm. The British are big in that field in New York and already own several major hotels and office buildings. Last spring, British Land Co. offered $17.50 a share for Uris Building Corp. The firm's shares in 1973 cruised between a low of 10 and a top of 16½. At the time of the British offer the market had once again touched near bottom and Uris had slid down with it. The British buyers, after careful thought, felt that their $700 million offer was too high a price. A lower bid was submitted and in subsequent negotiations the deal went *phfft*.

Much more serious in its overall implications for foreign investment in the U.S. was the Canadian Development Corporation's attempt to take over controlling interest in Texasgulf Inc., a U.S. mining giant. That one was quickly tied up in the courts—where it still is—because CDC is a Canadian *government* agency. It raised a whole new set of questions about governments, rather than companies, buying U.S. properties. Moreover, the takeover bid emerged at about the same time that Mitsui & Co. Ltd., successfully bid $125 million for a 50% interest in the aluminum business of American Metals Climax. Japanese trading companies are so closely entwined with their government that it is often hard to tell them apart, with ownership and managing personnel almost interchangeable. Both cases served to make public some of the negative aspects of the foreign invasion.

The Japanese had received most of the publicity. In the late 1960's and early 1970's their exports had established them as a dominant force on the American market in everything from color television and high quality cameras to automobiles, steel and textiles. In fact, Japan had become such a power in the American economy that most of our domestic business woes were blamed on Japanese competition. At one time, just a few years ago, our trade deficit with Japan topped $4 billion a year, an intolerably high level. Washington began to put the heat on Tokyo, suggesting that it was time Japan made major trade concessions, both in opening the Japanese domestic market to American products and capital, and by investing Japanese money in the U.S. Dutifully, Tokyo did both—just a little bit of it and with more wrinkles in their actions than a California prune.

American firms were allowed to invest directly in the Japanese economy, but such investments were tied up with enough ribbons to make their long-term benefit questionable. And while Japanese investments in the United States grew enormously, it soon became evident that much of the growth was due to the use of trick mirrors.

The Japanese borrowed more American money, a fairly common practice, than anyone else, and they engaged in massive currency speculation against the dollar. Most of the gimmicks were legal enough in commercial terms. For example, Japanese businessmen gambled in 1971 and 1972 that the dollar would be repeatedly devalued and had their U.S. trading company affiliates prepay imports from Japan, which resulted in a huge capital outflow of high value U.S. dollars.

There was an outflow of $531 million in 1971 alone. After the devaluation, of course, they came back in with their currency gains to buy more shares in U.S. businesses and to start new enterprises. Strictly speaking this is not foreign money. It is profits the Japanese made from manipulating our currency. Since the in-and-out flow of capital was so much more pronounced between Japan and the U.S. than with other industrial countries, the growth of real Japanese investment in the U.S. has been hardest to chart accurately. This has also led to a number of myths about the extent of Japanese control of U.S. industry.

Few can deny the visible facts of the Japanese presence in the U.S. All through 1972 and 1973 evidence of Japanese economic prowess in the U.S. grew. Their total assets in the U.S. are hard to pin down because of constantly shifting capital, but $1 billion is not a bad guess.

Yet official figures at the end of 1972 showed a negative investment balance, i.e., more Japanese money departed than Japan had here in total assets. All foreign investors—including ours—take their profits home even if they spend operating money in the host nation. Moreover, although 1973 saw another burst of Japanese capital move into the United States to build leather, steel, bearing and television plants, the amounts are not large enough to justify some newspaper charges that Japan is about to buy up the United States lock, stock and barrel.

One paper even reported that the United States faced an economic Pearl Harbor as a result of the onslaught. And yet, there is an element of truth in these charges. Japan's presence in the American economy is more vital to her than those of other nations are to them. It is also newer and fresher and more innovative. Canadian and British money have been around forever. The Japanese are the new boys in town—and the most visible.

Thus, the Japanese challenge and, somewhat surprisingly perhaps, the Canadian Development Corporation's bid for the Texasgulf mining company, served to push the rush of foreign investments into a different, less favorable public light. Some lawmakers professed concern at a "sell-out" of U.S. industry to foreign capital, a complaint which some European governments freely made about us in the 1960's. France especially was then eager to block expansion of borders, and to put some shackles on freebooting American capital.

Both the U.S. Chamber of Commerce and the National Association of Manufacturers are studying the inflow of foreign capital in order to develop reasoned positions their organizations should take toward it. Rep. John Dent, of Pennsylvania, chairman of a House labor subcommittee, recently introduced legislation to limit foreign ownership of U.S. companies to 35%. Dent argues that his bill "is not devised to stop foreign investment. Thirty-five per cent of any corporation is still a good investment. It is designed instead to encourage diversification of foreign investment, as well as to prevent control of American businesses by foreign investors."

Organized labor—for all its anger at our firms moving abroad—is keeping a beady eye on the foreign invaders. Union leaders don't yet know what kind of employers many new foreign managers would make and they want to be sure that American workers are treated as fairly and as well by European or Japanese bosses as by their own countrymen. Nor do they regard this as a matter of course.

Labor feels that foreigners will conform to community standards in their dealing with workers—fine where such relations are good, not so fine where the unions wish they were better.

About the only cheers that came out of AFL–CIO leader George Meany's shop were those that greeted the Volvo announcement. The auto workers especially are happy that the Swedes are going to come on the American scene in a big way. Sweden, as a socialist country, is all but union run, while the Swedes have pioneered the idea of making assembly line jobs less boring. And on-the-job boredom has grown to a major social issue, both for unions and management.

But Volvo is not regarded as a typical newcomer in union circles. With at least as much foreign capital buying up established U.S. businesses as setting up new operations, labor feels the expansion of the U.S. labor market that results from foreign investment won't be that great. It often only means new bosses for old jobs.

In short, labor remains cautious and suspicious, perhaps even regarding the whole venture with a slightly negative twist.

Sen. Lloyd Bentsen, of Texas, was concerned enough by the Canadian government's effort to get Texasgulf to draft legislation that would bar takeovers by foreign governments or their "entities." But his measure would not bar a purely private foreign company from buying a U.S. concern. Bentsen worries about conflicting interests of shareholders, since foreign government interests could often differ from those of out-for-gain shareholders. But in general he does favor investments of foreign money here—as the Nixon administration does—as a substantive aid in solving our balance of payments problems and expanding our economy in the face of the retreat of our own capital overseas.

Finally, there is Rep. John Culver, of Iowa, who plans hearings this year to find out how large foreign investments really are, who owns what, and where the money is coming from—all areas where facts are hard to come by and often fuzzed up on purpose.

Some of it, certainly, is borrowed in the U.S. and that does not help the balance of payments, though as long as it is used to build new facilities like the Volvo plant, it will help provide new jobs. Money borrowed here to purchase shares in an existing firm, however, does not do the U.S. economy much tangible good.

In short, the issue of rapid growth of foreign investment is complex and subtle, but it is now an established fact of U.S. economic life, and will have to be dealt with as such. There are national security aspects that must be considered. Should a foreign firm, for example, be allowed to buy controlling interest in major defense contractors or subcontractors who manufacture sensitive component parts for weapons systems? On the other hand, could such ownership not lead to advance research and development that private U.S. capital may not be willing to risk? Then, too, how much overseas money should a foreigner be required to put up before he can borrow the rest from U.S. sources? And what about labor's attitude toward foreign management?

Some of these questions are now being widely examined. The Chamber of Commerce hopes to develop an international investment code or a series of what are described as "good conduct" rules which both business and government would have to follow. Such a code or set of rules would touch upon employment, community development, technology transfers and, of course, national security. It is also a sign of acceptance of the foreign investors. And there seems little doubt that foreign money, investment and personnel will play an increasingly large role in American society. Even small towns will have to get used to Japanese managers of steel mills or German bosses of a production line. And this time it won't be the melting pot. These new "ethnics" will stay only a limited time, say five years, and then be rotated home, just as American overseas managers are.

One area of impact of foreign money on the U.S. will be less visible—its role in the banks and board rooms and on the stock exchanges, where the big deals are made.

Mr. Speaker, many thanks for the opportunity to present these facts to the Congress. I urge priority consideration of this most important issue on behalf of our people.

AMNESTY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have made my view public on the subject of amnesty on the floor of this House on a number of occasions. I believe it is both moral and pragmatic to press for the adoption of the Taft-Koch conditional amnesty bill. That bill would provide amnesty to any draft evader who is willing to return to the United States and give 2 years of civilian service just as he would have been required to do if he had been a conscientious objector. That service would be performed in such institutions as veterans hospitals, public service hospitals, Indian reservations, or the poverty ghettos of this country.

I received a letter from a retired colonel of the U.S. Air Force which bears upon this subject and which I hope our colleagues will read. The letter follows:

Fairfax, Va.,
March 19, 1974.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: On conditional amnesty, I don't envy you your position in trying to push your bill but urge you to continue. For what it's worth, you have my full support.

I heard you discuss the issue on TV with Rep. Sandman and also a Representative from Mississippi (Rep. Bowen).

As a veteran of nearly 30 years of service through three wars, including Vietnam, I want you to know that the opponents of the bill do not speak for me when they repeat the idea that your bill would be a "disservice to those who served." And I don't feel as though I have been dishonored.

Mr. Sandman, for example, appears to lean heavily on emotional personal values and experiences, patriotism and the fact that he is a veteran of WW II and an ex-POW. I wouldn't tackle the patriotism aspect (though I can't help recalling a quote which went something like "my country right or wrong is like saying my mother, drunk or sober"), though I still disagree with Rep. Sandman. As for WW II service, there probably are well over 50,000 of us around who are ex-POW's of WW II, a fact one certainly should be proud of, but there's little correlation between WW II and Vietnam. We are divided by differences which are self-evident.

In WW II, we were viciously attacked by the Japanese and the Germans were on a path of world-domination and human destruction on a massive scale. Vietnam was based purely on political decisions. In WW II, we used all means at our disposal whereas in Vietnam we practised 'measured response/retaliation' which in effect allowed the enemy to set the pace of the war and also build up an immunity of sorts. It gave a lot of people something to think about and that's just what many of these young people did. This is not to say there were no cases of cowardice—undoubtedly there were deserters and draft evaders whose actions were based on cowardice rather than philosophical beliefs but we must discriminate between the two where we can—and where there is doubt, the 'defendant' is entitled to the benefit of that doubt, as is traditional in our country.

The fact that the need, depth and duration of our involvement in Vietnam has been questioned by prominent Americans as well as private citizens, too many to be ignored, make it vital that we fully consider all aspects of this important issue. I suppose at this point, I should make it clear that I have no relatives, friends or neighbors who fall in the category of those who might benefit by your bill. Neither do I have problems of conscience nor axes to grind. I do feel an indirect involvement and responsibility because of my age, however. It was our generation—yours and mine—which set the stage for the entire mess we find ourselves in and we owe it to our country and national conscience to consider and apply conditional amnesty on a case-by-case basis. If we don't, we're going to have thousands of living "Private Eddie Sloviks" around for years to come to remind us of how we missed a golden opportunity to practise the charity and forgiveness at home we have traditionally—in victory—granted enemy nations.

I have also heard opponents of conditional amnesty say it would set a bad precedent. Well, the precedent has been set in prior U.S. wars, it appears. And there are people around who feel that Mr. Agnew was granted amnesty of sorts. I also have heard prominent U.S. legislators propose that if the president resigns, we in turn should promise not to pursue any legal action regarding his possible involvement in illegal activities. Is this not unconditional amnesty not just for one unproven charge, as in the case of some portion of the Vietnam dissenters, but many?

I appreciate your continuing efforts in pressing for the passage of your bill for conditional amnesty. Thank you and best wishes for success.

Sincerely yours,
Col. Henry Scheingold.

THE NATIONAL INSTITUTE ON AGING

(Mr. PODELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, there are this week three interns working in my office. They are not smooth-skinned, shaggy haired college kids, out to make their mark on the world of politics. Rather they are two women and one man, who are well advanced in years, senior citizens, if you will. These three happen to be my constituents, who are here as part of a 2-week-long special program of congressional internship for senior citizens.

These three people are remarkable in their stamina, vitality, zest for living, and desire to become involved in the political process so that they can benefit their contemporaries. It is a genuine pleasure for me to have them on my staff for even the short period of time they will be here, and I expect that both I and my staff members will profit greatly from their presence.

It is hard for me to realize, though, that these three people are unique. They are among the few of the elderly in this country who have the strength, support, interest and money, as well as the time, to do the kind of work they are doing. Many of the elderly can retire and while away their golden years in gentle relaxation. Far too many more are placed in the impossible position of trying to survive in a big city that has no room or time for them. Their pensions, which they once thought would insure them a comfortable and pleasant retirement, now are too small to afford many of the decencies of life they once took for granted. They are often trapped in the four walls of their apartments, because crime in the streets is high, and the aged are always good victims for the mugger.

The aged have very special needs, differing greatly from those of children and teenagers, or troubled families, or addicts, or the other problem areas we are so ready to spend money on. The aged do not ask for special consideration. Rather, they ask for what is rightly theirs, by dint of their decades of work to make this a decent country for themselves and their children. They ask only some small return on their investment in American society.

We are a youth-oriented culture. We idolize the young, beautiful man and woman who go skiing every winter and surfing every summer. We want to forget that someday we will all grow old, God willing, because we have somehow come to believe that being old is not a pleasant experience. And because that is what we believe, we have in fact made it so. Being old in the United States can be a very unpleasant experience. We treat being old as if it were an incurable disease, something not to be discussed in polite society, rather than a natural step in the development of a human life.

Our attitude toward old age and the elderly citizens of this country is poor. It is all the more so because the aged are now perhaps the fastest growing sector of our population. By the year 2000, it is estimated that there will be some 28 million men and women over 65 in this country. As medical techniques are improved and new life-saving drugs are marketed, this number may well increase. We cannot go on in blithe ignorance of so large a group as the elderly, simple-mindedly assuming that social security will take care of them. We know very well that it will not.

Part of the problem of meeting the needs of the aged is knowing what those needs are. There are countless experts around today on early childhood development, or on the traumas and anxieties of the teen years. We overflow with marriage and sex counselors who deal with the troubles of our young adult and middle years. But only occasionally do we find someone who really understands how to communicate and work with the elderly, how to make them feel that their lives did not end at 65, that they are still useful, productive and wanted citizens.

We know so little about the medical effects of the aging process and whether these effects can be curtailed or prevented entirely so that our productive years will be lengthened. There is so little opportunity for the elderly to use their faculties and skills, and without use, they will atrophy. So it is all too possible that we are encouraging senescence, rather than trying to prevent it.

The nutrition and health needs of the elderly are something that we are all aware of, but we do not seem to be able to meet these needs. Everybody knows what the problem is, but no one seems to know quite what to do about it. I suggest, Mr. Chairman, that prompt passage of H.R. 6175 is a first and crucial step in meeting our obligation to the aged of this country.

The Institute that will be set up by this act will deal with both the behavioral and biomedical problems of aging. Being old is not merely a question of the slowing of bodily processes. There are psychological aspects to it, which deserve as much investigation, if not more, than the purely physical problems.

In order that the Congress meet its duty to legislate effectively and efficiently on behalf of the aged, we must know what the aged need in terms of programs. The proposed Institute will investigate these needs on all levels, and report back to us. That will make our job easier, because then we will be able to design and pass laws which go directly to the needs of the aged, rather than floundering around aimlessly, filled to the hilt with good intentions, but unable to really do anything because we are not sure what we should do.

I cannot stress strongly enough the need for this Institute. We spend countless millions studying the early childhood years, to make sure that this Nation's children get a proper start in life. I think it is only logical that we spend some money to make equally sure that the final years of our citizens' lives are also good. To do that, we must know what they need, and how best to get it to them. To do that we need the National Institute on Aging.

I wish that every senior citizen in this country were as strong and healthy and aware as the three who are in my office this week. I wish that there were no nursing homes in this country, that there were no loneliness or boredom or abject poverty among those who worked so long and hard to make this country great. Maybe that is an impossible wish. But I think we must begin making some concerted effort to make this wish a reality. We owe it to them. We owe it to ourselves, because someday we, too, will be old.

OPPOSE FREIGHT INCREASE FOR CANNED, FROZEN FOOD

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, today, 2½ years of attempts to control inflation by controlling prices and wages will end. The Senate is making a last-minute attempt to forestall the certainty of an immediate surge in prices by attempting to pass a bill extending the President's authority to control prices, but I fear that this measure will meet with defeat. At the same time, I notice the first rumblings in the tidal wave of higher prices about to engulf the Nation.

In Monday's Wall Street Journal, there was an article which stated that the Nation's railroads were applying to the Interstate Commerce Commission for a 10-percent increase in their freight rates. We are all aware of the rather difficult financial positions of most of the railroads in this country, and the fact that they periodically come to the Congress asking for help with their money problems. So it is not the 10 percent rate increase as such which I find troubling.

What disturbs me in this application, is the fact that the rail industry asked the ICC to approve certain exceptions to the overall increase. For example, newsprint and certain steel and iron products, and a small number of other, less significant items, will not have their shipping rates increased at all. Processed and frozen foods would be boosted by 5 percent.

At first this may seem like a good break for the consumer. After all, 5 percent is less than 10 percent. But, I ask you, Mr. Speaker, why not also exempt food products shipped by rail from the price increase? There are, after all, more people who eat canned peaches than who read the newspapers.

It is a simple fact of economics that the 5-percent cost increase in shipping canned and frozen foods will, by the time these goods reach the supermarket, turn into a 10-percent increase after pass-throughs and additional profit margins have been added on. This is highly inflationary, and, at a time when the annual rate of inflation is over 12 percent, it is unconscionable.

In certain respects, the exemption for steel and iron presents difficulties as well. The exemption would be limited to iron and steel products traveling to and from the South or within the South. Why not a nationwide exemption? Steel and iron are used all over the Nation in construction work, in manufacturing, and elsewhere.

Furthermore, there is no report of a proposed exemption, or rate reduction, for finished products made with steel and iron. Durable goods such as refrigerators and other household appliances, many of which are also transported by rail, can add to the toll inflation is exacting from our society. Why not an exemption for finished iron and steel products as well?

When exemptions to a rate increase are planned, consideration should be given to the effect on the overall picture of the economy those exemptions will have. I firmly believe that even a 5-percent increase in rail freight costs for processed foods will have an effect on supermarket shelves that may be nothing short of devastating to the average consumer.

Canned goods are already in short supply, partly because of processors refusing to send their goods to market under controlled prices, and partly because the products of the new growing season have not yet been processed. Short supplies cause high prices. There is no need to increase the price level of a can of tuna fish or a jar of pickles at this time, even for so laudable a motive as aiding financially troubled railroads.

My concern is twofold. I am a member of the Interstate and Foreign Commerce Committee, specifically the Subcommittee on Transportation, and therefore, questions concerning this Nation's rail system are constantly before me. I am well aware of the poor financial condition of our rail system, and the need to take drastic action to keep rail lines running.

On the other hand, there is the equally strong concern I have for the welfare of my constituents, who must buy the food the railroads will be carrying at higher prices. I owe a great debt to them, and I must make sure that I do everything possible to keep down the prices they pay for their life's necessities. A large minority of my constituents are senior citizens, a group who feel the burden of inflation far more than the rest of us, for they must manage on a fixed and often inadequate income. I have a special responsibility to these people, particularly as regards the prices they must pay for food.

Balancing these two interests, the need of the railroads to improve their financial condition, and the need of my constituents and of consumers all over the country to have food prices they can afford, I must come out on the side of the consumers. I realize the burden that this puts on those railroads who would be getting the requested rate increase. I know that they do need the money. But I ask in all seriousness whether their proposed exemptions to the requested rate increases are really in the public interest.

Would it not serve both the interests of the public and the railroads better were they to give food a total exemption to the new tariffs, and ask for a 5-percent increase in the tariffs for iron and steel products?

I am now in contact with the Interstate Commerce Commission, and I intend to follow the hearings on the tariff increases every step of the way, to make sure that the consumer is not the one who is taken for a ride by the railroads.

TAX EXEMPTIONS AND INFLATION

(Mr. BLACKBURN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BLACKBURN. Mr. Speaker, once again interest is being generated in behalf of increasing personal Federal income tax exemptions.

Once again, considerable discussion is being generated as to which segment of our society most needs an increased exemption and which segment of our society appears to be getting the best "break" with regard to income tax responsibility.

The answers to these questions vary according to the sources. From these answers and their argumentations one can only conclude the rather obvious fact that no one likes the Federal income tax system and that no one believes he derives a fair and equitable break therefrom.

In short, the general feeling seems to be that this system which, supposedly, makes all men equal before the tax collector seems to have developed into a system in which some people believe they are "less equal" than others come April 15.

The only real winner in all of this continues to be the Federal Government. Despite the heavy burden to the taxpayers, the deficits and the national debt continue to build, inflation continues to increase, and the wage earner, however he earns it, winds up with less and less control over the money he earns.

I would suggest, in all sincerity, that the Federal Government, at last, be given an opportunity to share the burden of inflation with the wage earner. I would suggest that it's about time that the Federal Government share some of the inflationary problems which, in great part, the Federal Government has, in fact, imposed upon our citizens.

I would, therefore, strongly suggest serious consideration to the proposition that personal income tax exemptions should be increased, and that these exemptions be increased on a retroactive basis in order to reflect the proper ratio of an individual's income vis a vis the rate of inflation which militates against that income in every given year.

If the highrollers in the Federal bureaucracy found themselves compelled to live with the same problems which their economic gamesmanship imposes upon others in our society, then the Federal Establishment would begin to share the burden felt by the individual taxpayer.

CHROME AND RHODESIA

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, on December 18 the Senate passed S. 1868 which provided that the provisions of the Strategic and Critical Minerals Stock Piling Act concerning the importation of chrome shall not apply to the prohibitions or regulations issued under the United Nations Participation Act of 1954. The House Foreign Affairs Committee is currently considering the House version of this Senate-passed bill, H.R. 8005, and the issue will no doubt be debated and voted on in the House in the near future.

As this is an extremely important issue involving complex foreign policy questions and raising the question of our relations with Rhodesia from which we now import a great deal of our vital chrome supplies, I would like to bring to the attention of the members of this body a recent editorial and resolution printed in the Rolla Daily News, Rolla, Mo., by the editors and my good friends Ed and Alma Sowers. The Sowers have just returned from a trip to Rhodesia and I recommend their insights and comments to my distinguished colleagues:

Around the World, Circa 1974—South America and Africa With Ed and Alma Sowers

(Editor's Note.—Parts I and II of "Jet Hopping Around the World Circa 1974" have been published. Parts III, IV and V have been held up to give way for the following timely report and editorial from much-maligned Rhodesia—timely because there is a bill before the House (already passed by the Senate)—"the Byrd Amendment"—which, if invalidated, would heap further injustice upon Rhodesia.)

PART VI—OUR GREAT INJUSTICE TO RHODESIA

Salisbury, Rhodesia.—For shame, America!

For 200 years, now, you valiant sons and daughters have stood for—and often did for—justice and freedom for all the peoples of this earth.

Yet, at this time, while we continue to stand for justice in Vietnam, in the Near East—in many parts of the world—we have followed blindly and given force to a rank injustice to the great African nation of Rhodesia.

Showing weakness rather than strength, the United States joined the pack, led by the Communist-inspired "emerging nations" in the United Nations, and, more heartbreaking still, by Rhodesia's mother country, Great Britain, and helped invoke "sanctions" restricting trade with Rhodesia, charged with "apartheid" or unfair policies dealing with its majority black population.

Seeking the truth of this situation, several of us on the National Newspaper Association Study Mission, concentrated on Rhodesia and the entire Mission was granted an hour-long interview with Mr. Ian Smith, the great, if beleaguered, Prime Minister of Rhodesia.

After the interview, and fact-finding forays into Rhodesia, this writer and several others are more firmly convinced than ever that Rhodesia is doing a great job of bringing civilization, culture, better living, education and health standards to its vast majority of black people, only a relatively few years removed from a primitive existence in the jungle.

Even as we talked to the Prime Minister, Rhodesia's expanded army was being buttressed to contain Communist-inspired (he said) terrorist attacks launched from borders to the northeast and Mozambique to the east. Sporadic shots across the Zambezi River to the northwest have killed several Rhodesians. (The river boundary area seemed peaceful enough to us as we enjoyed a sundown launch cruise on it.)

Later, we learned in Dar es Salaam, capital of Tanzania, that it is the object of the black-controlled governments of Tanzania (and other similar nations) to drive the white minorities (the colonizers who built the nations from the jungles) out of power and, in fact, out of the country. (A black government minister in Dar es Salaam very frankly told us just that!)

"The Communist-inspired terrorists are, unfortunately, killing black people, too," Mr. Smith said.

I asked the Prime Minister if the alleged International Communist Conspiracy is responsible for the sanctions and Rhodesia's isolation from the world? He answered:

"Not entirely. It is true that Red China- and Soviet-trained terrorists do stir up the trouble, while those nations and their satellites sit back and rub their hands with satisfaction. But the real force behind the sanctions is the British liberal Labor party."

An intense man, thin and rather tired-looking, Mr. Smith seemed downright sad (a sadness which was conveyed to us) when he referred to the mother country. One of his statements to us was delivered in confidence, but it can be said that Rhodesia, a nation most alike the freedom-loving, progressive states on this earth feels it is almost without friends, except, hopefully, the United States! "I think you have many friends in the United States, Mr. Prime Minister, even if our government doesn't always show it," I said, when it came my turn to shake Mr. Smith's hand as he left the conference room.

"Thank you, thank you, we do need your friendship."

The completeness of Rhodesia's isolation was emphasized when we realized that we do not maintain diplomatic relations with them, that Rhodesians—except those holding British passports—cannot get a visa to travel in the United States! Outlawed, too, by the United Nations, Rhodesia is traveling alone—well, almost alone. The Union of South Africa, meeting the same problems in race relations, is still closely allied with Rhodesia, as is Portugal.

(To show the domino effect of the lopsided world relationship with Rhodesia, a great hue and cry went up in Africa because the Portuguese Azores allowed the U.S. to use their bases recently to convoy military supplies to Israel. Obviously, the alignment of African nations includes North African Egypt, Libya and others!)

In its 200-year stand for justice and freedom, the U.S. needs friends too. Friends like Rhodesia, South Africa, Portugal, others! And the U.S. may be the loser in its unjustified, undocumented position. The adversity of sanctions seems to be making Rhodesia stronger, certainly more self-sufficient. The Prime Minister told us that, since sanctions were imposed, Rhodesia's gross national product (GNP) has doubled! Rhodesia is now producing almost all needed foodstuffs, is actually exporting some ag products, tobacco, etc.

The black man is "emerging" into his rightful place in the plentiful Rhodesian sun. Blacks and whites and coloured go to certain schools and colleges together. There are more and more hospitals for those who have been convinced they should accept free hospital care instead of the manipulations of witch doctors. The first newspaper I picked up in Cape Town carried the front-page headline: "Petty Apartheid Ended; 'Whites Only' and 'Blacks Only' Signs Come Down."

And, would you believe? (you U.S. Senators and Congressmen who may not know as much about S. Africa as we NNA reporters know), we visited the Soweto township Bantu Homelands where we saw 1,000,000 blacks living happily—some of them self-made millionaires—all of them in comfortable brick cottages, with running water, sewer, garden plots, and neatly uniformed children in nearby schools.

Several members of our Study Mission have signed a joint resolution urging the House to defeat the recent Senate action which, if passed by the House and signed by the President, would halt any purchases of chrome from Rhodesia, thus doing away with U.S. Senator Byrd's move to treat Rhodesia with the justice and dignity earned by this great free nation. Without benefit of Sen. Byrd's action, the U.S. bought low grade chrome from Russia—chrome which Russia had bought from Rhodesia—at a higher price than quality chrome from Rhodesia, the Prime Minister told us. If this be the price of detente, then . . .?!!!

Even if passed by the House, the President should find it difficult to toss any further shafts at Rhodesia as inconsistent with his policy of detente. Instead, he should order Secretary of State Kissinger to include Rhodesia in his diplomatic travels. In fact, that has already been arranged, unofficially. I asked Prime Minister Smith if he would welcome a visit from Secretary Kissinger.

"I certainly would," he answered. "We would welcome all friends who come in peace to our country!"

For shame, America!

Resolution: Supporting Rhodesia in the Unjust Sanctions Inflicted by the U.N., United Kingdom, U.S.S.R., and U.S.

Whereas, the undersigned U.S. editors and publishers, recently returned from a National Newspaper Association Study Mission to Africa, be it known that:

1. We interviewed Prime Minister Ian Smith, receiving a frank and thorough appraisal of Rhodesia's progress in providing improved health, education and economic facilities to its black majorities;

2. We inspected housing projects, job opportunities, cultural and political participation, moves to eliminate "petty apartheid;"

3. Heard the Prime Minister describe the need for strengthening Rhodesia's army to contain what he described as Communist-inspired terrorist attacks on its several borders; already responsible for numerous deaths, including innocent Blacks as well as Whites and Coloureds;

4. Noted with great concern the frank statement by a high government official in black-governed Dar es Salaam, Tanzania, that "we consider ourselves now at war with Rhodesia" and "it is planned for the Blacks to take over and drive out the imperialist Whites;"

Now, therefore, be it resolved that we deplore recent U.S. Senate vote to scrap the Sen. Harry Byrd (Va.) amendment (authorizing U.S. to buy chrome and other strategic materials from Rhodesia) which would force us to buy low-quality chrome from the USSR—chrome which the USSR purchases from Rhodesia and re-sells to the U.S. at higher prices; and

Be it further resolved that we encourage our Congressmen to keep the Byrd Amendment in force when voted on in the House of Representatives and thus make amends for the injustice about to be inflicted again upon freedom-loving, progressive Rhodesia.

(Signed) Mr. and Mrs. Edward W. Sowers, Daily News, Rolla, Mo. 65401; Dr. and Mrs. James Myers, MD, Rolla, Mo. 65401; Mr. Larry Sullivan, Maryland Independent, La Plata, Md. 20646; Ms. Muriel Selph, Maryland Independent, La Plata, Md. 20646; Walter Potter, Star Exponent, Culpeper, Va. 22701; Ralph Hostetter, Cecil-Wig Publ. Co., Elkton, Md., 21921; Frank Pfeiffer, Raton Daily Range, Raton, New Mex. 87740.

(Others: Sign, tear out and mail to your congressman)

A LIFELINE, NOT A LUXURY

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, I wonder how many of us would be able to function without the telephone. Our society has become totally dependent on this instrument for communication. As much as the automobile and the computer, the telephone has revolutionized 20th-century society.

We all know how crucially important the phone is to conducting our business and maintaining our friendships. Imagine how much more important a telephone is to a blind or elderly or disabled person. Too often, the phone is their only link to the outside world, the only way they have of staying in touch with friends and families, their only ally in an an emergency.

Over the last year, as prices for food, rents, medicines and other necessities for the elderly have been going up, these people have had to surrender many of the amenities they once took for granted. It is not necessary to reiterate how hard it is to live on the minimal income social security provides; particularly if you are unfortunate enough to be poor and old in New York. I have heard stories that made my heart break, about how some elderly residents of my district try to feed themselves on 50 cents or $1 a day. I defy any of you in this room to live like that for a week—and yet, there are thousands throughout the country who must live like that day in and day out.

One thing above all that these people try to keep is their telephone. They know, as only the elderly or disabled can know, that without a telephone they have no way of getting help in an emergency, or simply chatting with a friend for a few minutes each day. I have heard stories about old people living on their supplemental security income checks or social security who deny themselves food so that they may keep their telephone.

I do not know how things ever became so bad in this country that our elderly had to be put in the position of choosing between eating and having a telephone. I can venture some guesses, but they would be irrelevant to the question at hand. I cannot believe, that in a country with the resources we have, that people should be put to such a choice. Surely we can do something to keep these people from being totally stripped of their dignity. Surely we can see to it that they need not give up what may be their one remaining link to the outside world if they want to keep eating or paying the rent.

Therefore, I am proposing legislation today that would reimburse SSI recipients for a portion of their monthly telephone bills. The payments they would receive would be on a sliding scale for both local and long-distance calls. For example, somebody who is receiving the maximum SSI allotment, and no Social Security payments—in other words, the poorest of the poor—will be reimbursed for 75 percent of his local telephone bill, and 40 percent of his long-distance costs. At the other end of the scale, a person who is receiving the minimum SSI allotment will be reimbursed for 20 percent of the cost of his local calls and 10 percent of the cost of long-distance calls.

I believe this is an idea whose time has come. For many of the elderly, a telephone is simply another medical appliance. They need it to keep in touch with their physician, they need it in case there is a medical emergency, they need it because it is a link through which they can call their friends and talk and keep from going crazy with boredom.

I am not making this proposal simply to devise another way to get money out of the Government. There is a genuine need among many of the elderly for assistance such as this. They simply cannot live on what they get from SSI or social security. This program would meet the needs of the very poorest among them; it would not become a general subsidy of everybody's phone bills. It is a statement to the elderly that we are aware of their financial difficulties, and that we think they should not have to give up their telephones if they want to keep eating.

CONGRESSMAN BOB ECKHARDT'S STATEMENT ON BROWNWOOD FLOOD PLAN

(Mr. ECKHARDT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, today I have introduced a bill to provide relief for some 1,500 persons who live in a flood-prone area in sections of Baytown, Tex. Senator Lloyd Bentsen is introducing a similar bill on the Senate side. I would like to emphasize the urgent need for this legislation. This is not a run-of-the-mill situation, but a most unique problem which has been caused, not by dereliction or ignorance of the residents, but by the shortsightedness of nearby industries and municipalities.

The Army Corps of Engineers is nearing completion of a study of the project area, and intends to recommend the evacuation and relocation of some 450 families in the flood-prone area of 750 acres. The total cost would be $15.9 million, with the Federal Government providing $12.7 million and the city of Baytown providing $3.2 million.

In its study, the corps reports that the area has subsided 8.2 feet since 1915, with most of this subsidence occurring since Hurricane Carla struck the Texas coast in 1961. Furthermore, if ground water withdrawals are reduced by 1980 in an amount to permit the ground water to stabilize, we could expect an additional 2½ feet of subsidence. This subsidence has been caused by huge ground water withdrawals by industries along the Houston Ship Channel and by Gulf coast municipalities.

My reasons for introduction of such a special bill are these:

First, the subsidence will continue. It will not stop simply because the corps or Congress is delayed in getting a new Water Resources Development Act introduced. Since a freak Valentine's Day storm of February 14, 1969, wrecked the area, residents have lived with a terror of being flooded, having to move out what belongings they could, and then returning to homes in which 3 to 4 feet of water had stood.

Second. These residents, in effect, have subsidized the production of gasoline and other petrochemical products, since the industries involved have had the use of ground water, which is considerably cheaper than surface water. Had those firms been required to use surface water, the cost of their products would consequently have been higher, thus distributing the cost to every consumer of such products. If municipalities had been required to use surface water, they also would have had to pass along the increased cost to their customers, thus spreading the cost among millions of persons, rather than causing damage to the homes of 1,500 persons.

Third. The economics of the corps plan is justifiable. The Federal Flood Insurance Administration already has paid out a substantial amount in damages to homes in this area. For instance, Hurricane Delia alone cost the Federal Government $1,800,000, and Delia struck some distance down the coast from Baytown. Had it struck Baytown head on, all of the homes within the 50-year flood plain, the project area, would have been wiped out, thus increasing the amount which would have been paid out. Not only are these homes affected by storm tides, but any tide above normal threatens some homes. Already, there are several standing with 1 to 2 feet of water in them at all times.

I do not believe that Congress can afford to wait until the next Water Resources Development Act is drafted to provide relief for these long-suffering persons. Even if it were not economically feasible—and the corps indicates that it certainly is—Congress should provide relief for these residents who have been damaged by actions not of their doing.

The text of the bill follows:

H.R. ——

A bill to authorize a project for flood protection in and in the vicinity of Baytown, Texas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized to carry out a project for flood protection in accordance with the report entitled "Feasibility Report on Burnett, Crystal, and Scott Bays and Vicinity, Baytown, Texas, for flood protection", at an estimated cost of $12,700,000. In carrying out such projects—

(1) the additional payments authorized to be made by paragraph (1) of subsection (a) of section 203 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 may be made without regard to the $15,000 limitation contained in such paragraph, and such additional payments shall be made, in addition to displaced persons meeting the requirements of such paragraph, to those persons who owned and occupied a dwelling acquired by the Federal agency for not less than one hundred and eighty days prior to February 13, 1969.

(2) Any increase or decrease in the fair market value of real property prior to the date of valuation caused by subsidence or flooding occurring after February 13, 1969 will be disregarded in determining the compensation for such property if the owner of the property owned such property at the time of the subsidence or flooding.

HUD RELEASES REPORT ON URBAN RECREATION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, in January of this year, the Interior Department's Bureau of Outdoor Recreation—BOR—released its long awaited nationwide outdoor recreation plan. Public Law 88–29, passed by Congress in 1963, created BOR and required the Bureau to prepare within 5 years a plan to "identify critical outdoor recreation problems, recommend desirable actions to be taken at each level of government and by private interests."

The plan that was released this year is actually the second plan prepared by BOR. The first, completed in 1969, was squelched by the Office of Management and Budget, because it dared to put a price tag on its recommendations—a 5-year, $6 billion program of Federal assistance.

Few people outside the bureaucracy have seen the first plan. Those who have, however, state that it pulled no punches. It recognized that the Federal Government has barely scratched the surface with regard to recreation—and to dig deeper will cost a lot of money.

BOR's latest plan puts no price tag on its recommendations. Indeed, its recommendations are fuzzy with regard to any Federal commitment to recreation. Although it urges coordination among all Government agencies, it does not provide a framework for action or assign clearly defined roles or responsibilities for carrying out these activities.

The BOR plan does present a catalog of present efforts in the field of recreation. The key omission, however, is in the area of future needs. The plan does not estimate what the country's future needs will be or how these needs will be met. There are no specific proposals for future action, nor is there a timetable for carrying out what must be done.

The BOR plan's stated objectives are commendable. It calls for identification of superlative areas needed to round out Federal recreation lands; expansion of efforts to protect resources that have special scenic, historic, scientific, or recreational value; improved efficiency of present Federal recreation efforts; and continued use of the Land and Water Conservation Fund to acquire and develop needed lands. However, the plan merely codifies present administration policy. It does not blueprint the Nation's future recreational needs or pinpoint which agencies in Government will provide them.

Fortunately for Congress and the American public, the Department of Housing and Urban Development—HUD—has released one of the 10 task force reports used in preparing the nationwide outdoor recreation plan. The subject and title of the report is "Urban Recreation."

This report—which was the subject of only a few paragraphs and charts in the BOR plan—is one of the most far reaching reports on recreation since the highly acclaimed study of the Outdoor Recreation Resources Review Commission—ORRRC—in 1962. In publishing this report, HUD was not acting as one Department pitting itself against another. Four agencies in HUD participated in preparing the nationwide outdoor recreation plan, along with 19 other agencies in the Departments of Agriculture, Defense, Health, Education, and Welfare, Interior, Labor, Transportation, and the Office of Economic Opportunity. "Urban Recreation" is the original report of this interdepartmental work group and is not the sole work of HUD.

If it were not for HUD's perseverance and farsightedness—coupled with the Department's commitment to recreation—this report would probably have been buried within the maze of the Federal bureaucracy. As published, it offers an important new dimension to our understanding of urban recreation in America.

That HUD chose urban recreation as the work group topic to be published indicates the priority this subject must have in any general discussion of recreation. This is not to say that "rural recreation" has no importance or no needs of its own. As the urban recreation report points out, however, most Americans live in cities and the cities keep getting larger. The report states:

> By 1980, 54 percent of the Nation's population will live in urban areas with a million population. Fully 71 percent of all Americans will live in 125 metropolitan complexes whose populations exceed 250,000. Recreational opportunity will be most deficient in these populated areas where the supply of open space is diminishing rapidly while competing demands for it are increasing sharply.

Unlike the BOR plan, the work group report does not present a glossy view of Federal recreation efforts. The report goes beyond merely cataloguing current Federal programs; it points out where the Federal Government has been deficient:

> Present Federal recreation policy is imbalanced both in terms of populations sharing in Federal recreation benefits and in its total focus on "outdoor" recreation. Less than 1 percent of Federal recreation lands are located within urbanized areas. Federal recreation dollars have been spent primarily to nonurban areas which are accessible only to families with automobiles and then primarily on weekends or summer vacations.

The report also points out why cities have been unable to meet their recreation needs. Public recreation at the local level has been supported largely through the local property tax. Local funding is complicated by the "balkanization" of political jurisdictions and by budget crises facing many local government:

> A 1971 survey of 45 city park and recreation agencies reported that 40 percent of the respondents had suffered budget cuts. The budgets of an additional 20 percent had remained unchanged, but sharp increases in operating costs had effectively reduced maintenance and programming.

Unfortunately neither the work group report nor the BOR plan puts a dollar figure on their recommendations. The work group report, however, gives far greater emphasis to the Federal role while the BOR plan shifts most of the responsibility for recreation to the already financially hard-pressed State and local governments. The work group report specifies ways in which various Federal departments and agencies can integrate recreation in their programs. It also proposes a much needed Joint Center for Recreation Opportunity to be supported and staffed by HUD and Interior. It would use the resources of all relevant Federal departments and agencies to conduct research and demonstration projects and to create an urban recreation skills bank and subsidized personnel exchange between cities and other recreation jurisdictions.

It is understandable that, with the enormous and pressing needs facing our country, recreation may seem an obscure and distant priority in the total scheme of things. Yet the lack of recreational opportunities is a very real and growing problem in our country. As the work group report points out, our Nation's past policies have been consistently oriented to our worklife. Our lifestyles, however, have altered drastically since the Depression and the Second World War. Leisure, once the perquisite of the rich, has become a part of the life of all classes. And with early retirement and shorter workweeks, the need for recreational opportunities will grow even greater in the future.

Public policies have not reflected our country's change in life styles. Although the work group report does not suggest that recreation should become the major priority of our country, it does recognize that past efforts in recreation have been too narrow in scope. It proposes "the difficult but essential course of integrating recreation and other planning such as housing so that it can make its most useful contribution to better communities."

The report's recommendations are concrete and clear. They spelll out the needs, and specific ways of meeting them on the Federal, State, and local levels.

I was particularly pleased to see that the report contains an appendix with written comments from a number of State recreation agencies and other groups who reviewed the first draft. Some of the comments are negative; all are constructive. Most important, they open a dialog rather than closing the door on the subject.

I am glad that the report also includes the recommendations of the Government Accounting Office—GAO—report to Congress on the Land and Water Conservation Fund. The work group states they strongly support the GAO conclusion that—

> Greater benefits could have been achieved had more projects been located in densely populated, low income areas having few outdoor recreational opportunities and whose residents were limited by low income from traveling to areas having more abundant facilities and opportunities.

It is truly unfortunate that the HUD open space land program—which provided financial help to communities to acquire and develop needed urban recreation, conservation, and scenic areas—has been terminated. Since 1962 over 1,000 local units of Government were assisted in acquiring 348,000 acres of urban open space with grants totaling $442 million.

The program is intended to be replaced by the proposed Better Communities Act, which may or may not pass the Congress and which may or may not achieve the goals of the open space program. By holding the open space program hostage to passage of other legislation, the administration has tied the hands of State and local governments and cut off a vital source of funding for their recreation programs.

At a time when our country's energy resources are being severely strained, it is even more important than ever to provide recreational opportunities close to our cities where most of America's people live. And with increasing demands on precious urban open space, it is essential that we help preserve these lands before they are lost forever to commercial development.

Mr. Speaker, it is obviously impossible to reprint the entire "Urban Recreation" in the Record. I am hopeful that Members of the House will obtain a copy of their own and read it in its entirety. I would, however, like to insert the portion of the report dealing with recommendations to Congress. The BOR plan does not have any clearly defined recommendations to Congress; these are buried in the text of the plan with the suggestion that the administration will seek enactment of legislation to meet certain needs.

I would also like to point out that one of the work group's recommendations, to change the land and water conservation fund allocation and matching grant formulas, will require an increase in the fund's annual authorization. I recently introduced legislation, cosponsored by 32 Members of the House, to increase the fund's authorization from $300 to $900 million a year. Certainly this would be a great step in meeting the recreation needs—both urban and rural—of the people of our country.

The following are the interdepartmental work group's recommendations requiring legislation:

RECOMMENDATIONS REQUIRING LEGISLATION

1. Better Communities Act. Proposed HUD legislation would provide 100 percent grants primarily to cities over 50,000 population, urban counties, and others for a wide variety of purposes including acquisition, development, operation and maintenance of parks and other recreational facilities. Decisions on the use of these funds for recreation or other purposes would be entirely in the hands of local governments. Although concern has been expressed about the ability of recreation interests to compete with other interests in some cities, the Work Group endorses the proposal as embracing many of the reforms recommended in this Report.

2. Matching Requirements. Because the present 50–50 matching requirement has been the principal factor in denying LWCF and HUD funds to the central cities and for metropolitanwide activities, this should be changed. The proposed HUD legislation, if passed, would cope with the problem of central city priority adequately through its entitlement provisions and its 100 percent Federal funding LWCF should be amended to provide at least 90 percent funding so as to assure that metropolitanwide and urban county projects receive the assistance they require.

3. Bureau of Land Management Organic Act. The Bureau should be given a clearly defined mandate to manage recreational resources and to provide recreational services.

4. Urban Recreation Areas. The Federal Government should expand recreational services to metropolitan complexes through the establishment of urban recreation areas along the model of Gateway East and Gateway West. This could be accomplished by changing the criteria for National Recreation Areas or by establishing a new park category—the Urban Recreation Area.

5. Recreation Reservoirs. The Corps of Engineers and the Soil Conservation Service should be authorized to construct single-purpose recreation reservoirs in metropolitan areas.

6. Mass Transit. Funds for mass transit should be made available from the Highway Trust Fund.* Public transportation attacks one of the most critical problems affecting the availability of recreation in urban areas—accessibility. For the 30 percent of our population who, for one reason or another do not drive, public transportation to recreation areas is a necessity. Viable public metropolitanwide transit systems are essential to the provision of recreational opportunities to city residents.

7. Land and Water Conservation Fund (State). Several legislative options considered by the Work Group have already been proposed by the Administration to amend the Land and Water Conservation Fund Act. The Work Group endorses these proposed changes. If enacted, the legislation would implement several important options for meeting urban recreation needs:

Funding certain indoor facilities.

Revising the apportionment formula so that 20 percent (instead of 40 percent will be divided equally among the states; 75 percent according to need including urban population density and concentration; 5 percent to meet emergency situations.

Changing from 7 percent to 10 percent the limitation on any State's share of the Fund.

Enforcing requirements to meet urban needs through an annual review of the States' performance.

8. Increase Allocations to States Which Assist Localities in Matching LWCF Grants. A number of States currently make State funds available to help their local governments participate in the Land and Water Conservation Fund program, thereby reducing the local share of project cost. In order to encourage additional State involvement in meeting recreational needs in their urban areas, the allocation could be increased for those States which do give financial assistance to their neediest localities.

9. Expand State Consultation. As a LWCF State plan requirement: (a) require the establishment of State-level planning and policy committees comprising local government officials, individuals with expertise in natural resources, human resources, and urban problems; (b) publicize the plans as State policy documents; (c) improve communication between State and local recreation suppliers and consumers and; (d) focus State plan process on most needy groups and communities.

10. Federal Assistance. Although Federal funds assist in acquiring land and developing facilities, localities must permanently commit the funds necessary to operate programs and maintain these areas. Both States and localities consistently cite this operation and maintenance problem as one of their primary and most pressing concerns. While the Work Group believes that localities should retain full responsibility for maintaining their recreation lands and facilities, we find that financial assistance for open land is not only justified, but necessary. HUD's proposed Better Communities legislation would authorize funds for these purposes. Similar changes should be made in the Land and Water Conservation Fund.

LEAVE OF ABSENCE

By unanimous consent (at the request of Mr. O'Neill), leave of absence was granted to:

Mr. Jones of North Carolina, from 5 p.m., today, through Tuesday, May 7, on account of official business.

Mrs. Hansen of Washington, for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Holifield, for 30 minutes, today.

Mr. Randall, for 5 minutes, today.

Mr. Hechler of West Virginia, for 30 minutes, on Thursday, May 2, 1974.

(The following Members (at the request of Mr. du Pont) to revise and extend their remarks and include extraneous material:)

Mr. Steiger of Arizona, for 15 minutes, today.

Mr. Ashbrook, for 30 minutes, today.

Mr. Kemp, for 30 minutes, today.

Mrs. Heckler of Massachusetts, for 30 minutes, today.

Mr. Hogan, for 10 minutes, today.

(The following Members (at the request of Mrs. Schroeder) and to revise and extend their remarks and include extraneous matter:)

Mr. Wolff, for 5 minutes, today.

Mr. Murphy of New York, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Riegle, for 5 minutes, today.

Mr. Eilberg, for 5 minutes, today.

Mr. Bevill, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks was granted to:

Mr. Roe, to extend his remarks in the body of the Record, notwithstanding it exceeds two pages of the Record, and is estimated by the Public Printer to cost $574.75.

Mr. Holifield in two instances.

Mr. Bingham and to include extraneous matter notwithstanding the fact it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $731.50.

Mr. Conte to follow remarks of Mr. Broyhill of North Carolina in the Committee of the Whole today on Broyhill amendment on H.R. 12993.

Mr. Brown of Ohio, to include extraneous matter following his remarks during the 5-minute rule on H.R. 12993, in the Committee of the Whole today.

(The following Members (at the request of Mr. du Pont) and to include extraneous material:)

Mr. Frey.

Mr. Archer in two instances.

Mr. Carter in three instances.

Mr. Zwach.

Mr. Bell.

Mr. Shoup.

Mr. Walsh.

Mr. Frelinghuysen.

Mr. Young of Florida in five instances.

Mrs. Heckler of Massachusetts.

Mr. Regula in two instances.

Mr. Shuster.

Mr. Widnall.

Mr. Wyman in two instances.

Mr. Derwinski in three instances.

Mr. Broyhill of Virginia.

Mr. Whitehurst.

Mr. Huber.

Mr. Lagomarsino.

Mr. Hosmer in two instances.

Mr. Bob Wilson.

Mr. Kemp in five instances.

Mr. Cleveland in two instances.

Mr. Ketchum.

(The following Members (at the request of Mrs. Schroeder) and to include extraneous matter:)

Mr. Rogers in five instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Rooney of New York in two instances.

Mr. Flood.

Mr. de la Garza in 10 instances.

Mr. Badillo in two instances.

Mr. Mathis of Georgia in five instances.

Mr. Burke of Massachusetts.

Mr. Harrington.

Mr. Fisher in three instances.

Mr. Ford in four instances.

Mr. Roncalio of Wyoming in 10 instances.

Mr. Leggett in four instances.

Mr. Young of Georgia.

Mr. Addabbo.

Mr. Cotter.

Mr. Long of Maryland in 10 instances.

Mr. Dorn in three instances.

Mr. McCormack in 10 instances.

Mr. Blatnik.

Mr. Rangel in 10 instances.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8101. An act to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval a bill of the House of the following title:

H.R. 8101. An act to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

ADJOURNMENT

Mrs. SCHROEDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Thursday, May 2, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

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* This report was compiled prior to the enactment of the Federal Highway Assistance Act of 1973 which provides for the use of Highway Trust Funds for mass transportation systems.

2262. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the amounts realized from surplus, salvage and scrap sales and from the sale of lumber and timber products during the first 6 months of fiscal year 1974, pursuant to section 712 of Public Law 93-238; to the Committee on Appropriations.

2263. A letter from the Deputy Secretary of Defense, transmitting a supplementary report on the study by the National Academy of Sciences on the ecological and physiological effects of the military use of herbicides in Vietnam; to the Committee on Armed Services.

2264. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various facilities projects proposed to be undertaken for the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2265. A letter from the Commissioner of the District of Columbia, transmitting the annual report of the District of Columbia Office of Civil Defense for fiscal year 1973, pursuant to section 6 of Public Law 81-686; to the Committee on the District of Columbia.

2266. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to increase the limit on dues for U.S. membership in the International Criminal Police Organization; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

2267. A letter from the Comptroller General of the United States, transmitting a report on U.S. actions needed to cope with commodity shortages; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. H.R. 7386. A bill to provide a rule in cases of the pocket veto for the implementation of section 7 of article I of the Constitution of the United States, (Rept. No. 93-1021). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. H.R. 14354. A bill to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes; with amendment (Rept. No. 93-1022). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 14504. A bill to amend the Urban Mass Transportation Act of 1964 to authorize the appropriation of $150 million for research, development, and demonstration projects in urban mass transportation for the fiscal year 1975; to the Committee on Banking and Currency.

By Mr. CAMP (for himself, Mr. STEED, Mr. JARMAN, Mr. MCSPADDEN and Mr. JONES of Oklahoma):

H.R. 14505. A bill to amend section 103 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 14506. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide that taxes received by certain special districts which are not units of local government but which perform municipal services within cities and other units of local government shall be included in the tax effort of such cities and other units; to the Committee on Ways and Means.

By Mr. DIGGS:

H.R. 14507. A bill to establish a District of Columbia Urban Development Corporation; to the Committee on the District of Columbia.

By Mr. DUNCAN:

H.R. 14508. A bill to amend title 5, United States Code, to credit, in computing length of service for retention purposes in Federal reductions in force, former service performed for agricultural stabilization county committees and associations of producers by Federal employees in any executive department or agency of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 14509. A bill to amend the Internal Revenue Code of 1954 to encourage higher education, and particularly the private funding thereof, by authorizing a deduction from gross income of reasonable amounts contributed to a qualified higher education fund established by the taxpayer for the purpose of funding the higher education of his dependents; to the Committee on Ways and Means.

By Mr. HASTINGS (for himself, Mr. DAN DANIEL, Mr. DU PONT, Mr. VANDER VEEN, Mr. PODELL, Mr. LOTT, Mr. WARE, Mr. EILBERG, Mr. VANDER JAGT, Mr. ROBISON of New York, Mr. KEMP, Mr. BYRON, and Mr. GAYDOS):

H.R. 14510. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970; to the Committee on Interstate and Foreign Commerce.

By Mr. KARTH:

H.R. 14511. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. LEHMAN (for himself and Mr. CLEVELAND):

H.R. 14512. A bill to amend the Internal Revenue Code of 1954 to provide that certain interest forfeited by reason of premature cancellation of certain savings deposits shall not be included in gross income and for other purposes; to the Committee on Ways and Means.

By Mr. LEHMAN (for himself, Ms ABZUG, Mr. BAFALIS, Mr. BROWN of California, Mr. BURGENER, Mrs. BURKE of California, Mr. FRASER, Mr. HARRINGTON, Mrs. HECKLER of Massachusetts, Ms. HOLTZMAN, Mr. HUBER, Mr. KEMP, Mr. LENT, Mr. MADDEN, Mr. MATSUNAGA, Mr. PODELL, Mr. ROYBAL, Mr. ST GERMAIN, Mrs. SCHROEDER, Mr. STARK, Mr. STUDDS, Mr. TIERNAN, Mr. YATRON, Mr. YOUNG of Georgia, and Mr. YOUNG of Illinois):

H.R. 14513. A bill to amend the Internal Revenue Code of 1954 to provide that certain interest forfeited by reason of premature cancellation of certain savings deposits shall not be included in gross income, and for other purposes; to the Committee on Ways and Means.

By Mr. OBEY:

H.R. 14514. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PODELL:

H.R. 14515. A bill to amend title XVI of the Social Security Act to provide for special payments to recipients of supplemental security income benefits to reimburse them in part for their telephone costs; to the Committee on Ways and Means.

By Mr. REGULA (for himself, Mr. DUNCAN, Mr. HASTINGS, Mr. KETCHUM, and Mr. YOUNG of Alaska):

H.R. 14516. A bill to establish a Commission on Federal Elections to carry out the Federal Election Campaign Act of 1971 and to recommend further reforms with respect to regulation of campaign activities; and for other purposes; to the Committee on Ways and Means.

By Mr. RIEGLE (for himself, Ms. BURKE of California, Mr. DINGELL, Mr. EILBERG, Mr. FORD, Mr. HARRINGTON, Mr. HUNGATE, Mr. O'HARA, Mr. SEIBERLING, Mr. TRAXLER, and Mr. VANDER VEEN):

H.R. 14517. A bill to impose temporary quotas on motor vehicles imported into the United States from foreign countries which do not allow substantially equivalent market access to motor vehicles manufactured in the United States; to the Committee on Ways and Means.

By Mr. SCHERLE:

H.R. 14518. A bill to amend the Emergency Highway Energy Conservation Act to provide for a maximum national speed limit of 60 miles per hour; to the Committee on Public Works.

By Mr. SHUSTER:

H.R. 14519. A bill to provide for the improvement of roads in Raystown Dam area; to the Committee on Public Works.

By Mr. STRATTON:

H.R. 14520. A bill to amend the Federal Election Campaign Act of 1971, to provide free radio and television time to candidates for election to Federal office; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE:

H.R. 14521. A bill to provide relief for retired military personnel; to the Committee on Armed Services.

By Mr. ULLMAN:

H.R. 14522. A bill pertaining to the inheritance of enrolled members of the Confederated Tribes of the Umatilla Indian Reservation of Oregon; to the Committee on Interior and Insular Affairs.

H.R. 14523. A bill pertaining to land consolidation and development on the Umatilla Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. WYMAN:

H.R. 14524. A bill to prohibit the recording of conversations with a President without the prior consent or knowledge of the fact of recording by all parties thereto; to the Committee on the Judiciary.

By Mr. ZWACH:

H.R. 14525. A bill to provide for the establishment of an American folklife center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. ARMSTRONG:

H.R. 14526. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations on the amount of the deduction allowed for household and dependent care services necessary for gainful employment; to the Committee on Ways and Means.

By Mr. BLATNIK:

H.R. 14527. A bill to amend the Fish and Wildlife Coordination Act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of Ohio:

H.R. 14528. A bill to extend the time for filing certain claims for income tax refunds for 1970 based on the sick pay exclusion under section 105(d) of the Internal Revenue Code of 1954 in the case of certain taxpayers who have not reached the mandatory retirement age under their employer's retirement plan; to the Committee on Ways and Means.

By Mr. ECKHARDT:

H.R. 14529. A bill to authorize a project for flood protection in and in the vicinity of Baytown, Tex., to the Committee on Public Works.

By Mr. GINN:

H.R. 14530. A bill to amend title 10, United States Code, to permit the recomputation of retired pay of certain members and former members of the armed forces; to the Committee on Armed Services.

By Mrs. HECKLER of Massachusetts:

H.R. 14531. A bill to provide for the orderly transition from mandatory economic controls, continued monitoring of the economy, and for other purposes; to the Committee on Banking and Currency.

By Mr. HELSTOSKI:

H.R. 14532. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities; to prevent Federal support for unjustified dislocations and for other purposes; to the Committee on Education and Labor.

By Mr. RANDALL:

H.R. 14533. A bill to provide for a temporary embargo on the export of ferrous scrap and for other purposes; to the Committee on Banking and Currency.

By Mr. RODINO:

H.R. 14534. A bill to amend section 2254, title 28, United States Code; to the Committee on the Judiciary.

H.R. 14535. A bill to enlarge the trial jurisdiction of U.S. magistrates in misdemeanor cases, to make technical and administrative amendments in the Federal Magistrates Act, and for other purposes; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.R. 14536. A bill to amend chapter 34 of title 38 of the United States Code to make veterans with more than 89 days' active duty eligible for veterans educational benefits; to the Committee on Veterans' Affairs.

By Mr. SHOUP:

H.R. 14537. A bill to amend section 223 of the Flood Control Act of 1970 to provide compensation for certain employees of the Burlington Northern, Inc., due to the construction of the Libby Dam, Montana; to the Committee on Public Works.

By Mr. YATRON (for himself, Mr. Robert W. Daniel, Jr., Mr. Stratton, Mr. Long of Maryland, Mr. Derwinski, Mr. Thomson of Wisconsin, Mr. Kemp, Mr. Melcher, Mr. Rodino, Mr. Wright, Mr. Pike, Mr. Eshleman, Mr. Riegle, Mr. Harrington, Mr. Butler, and Mr. Steelman):

H.R. 14538. A bill to improve the coordination of Federal reporting services; to the Committee on Government Operations.

By Mr. YATRON (for himself, Mr. Mitchell of Maryland, Mr. Benitez, Mr. Mazzoli, Mr. Badillo, Mr. Melcher, Mr. Hawkins, Mr. Green of Pennsylvania, Mr. Diggs, Ms. Schroeder, Mr. Conyers, Mr. Stuckey, Mr. Roe, Mr. Gude, Mr. Seiberling, and Mr. O'Brien):

H.R. 14539. A bill to establish an office within the Congress with a toll-free telephone number to be known as the Congressional Advisory Legislative Line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Mr. YATRON (for himself, Mr. Sebelius, Mr. Robert W. Daniel, Jr., Mr. Stratton, Mr. Long of Maryland, Mr. Derwinski, Mr. Thomson of Wisconsin, Mr. Kemp, Mr. Melcher, Mr. Rodino, Mr. Wright, Mr. Pike, Mr. Eshleman, Mr. Riegle, Mr. Butler, Mr. Vander Jagt and Mr. Steelman):

H.R. 14540. A bill to require that new forms and reports, and revisions of existing forms, resulting from legislation be contained in reports of committees reporting the legislation; to the Committee on Rules.

By Mr. CLEVELAND (for himself, Mr. Abdnor, Mr. Bafalis, Mr. Baker, Mr. Derwinski, Mr. Forsythe, Mr. Gunter, Mr. Hastings, Mr. Hosmer, Mr. McKay, Mr. Regula, Mr. Roy, Mr. St Germain, Mr. Shriver, Mr. Snyder, Mr. Walsh, Mr. Wright, and Mr. Zion):

H.R. 14541. A bill to amend section 203 of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works.

By Mr. BELL:

H.J. Res. 995. Joint resolution authorizing the President to proclaim annually the day of May 19 as National Women in Education Day; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN (for himself, Mr. Archer, Mr. Burke of Massachusetts, Mr. Burleson of Texas, Mr. Broyhill of Virginia, Mr. Collier, Mr. Conable, Mr. Corman, Mr. Duncan, Mr. Fulton, Mr. Gibbons, Mrs. Griffiths, Mr. Karth, Mr. Landrum, Mr. Mills, Mr. Pettis, Mr. Rostenkowski, Mr. Schneebeli, and Mr. Waggonner):

H.J. Res. 996. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. HOWARD (for himself, Mrs. Burke of California, Mr. Conte, Mr. Esch, Mr. Ford, Mr. Hanna, Mr. Hansen of Idaho, Mr. Rees, Mr. Rosenthal, Mr. Stark, and Mr. Whalen):

H.J. Res. 997. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month, to the Committee on the Judiciary.

By Mr. YOUNG of Georgia (for himself, Mr. Luken, Mr. Grover, and Mr. Steiger of Wisconsin):

H. Res. 1087. Resolution to commend and congratulate Henry Aaron; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PATTEN:

H.R. 14542. A bill for the relief of William D. Erwin; to the Committee on the Judiciary.

By Mr. SHOUP:

H.R. 14543. A bill for the relief of Mary Red Head; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XX.

447. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Massachusetts, requesting Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States to prohibit forced busing; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

434. By Mr. SHRIVER: Petition of Marguerite H. McMahon, Wichita, Kan., relative to Federal financing of health programs; to the Committee on Interstate and Foreign Commerce.

435. By the SPEAKER: Petition of the city council, Akron, Ohio, relative to Federal support of community action programs; to the Committee on Education and Labor.

SENATE—*Wednesday, May 1, 1974*

The Senate met at 10:30 a.m. and was called to order by the Vice President.

PRAYER

The Reverend Robert J. Lignell, Faith Lutheran Church, Grand Rapids, Mich., offered the following prayer:

Eternal God, we thank You for life and strength, for some semblance of wisdom, and for the privilege of prayer. A thousand things press us. All of them remind us of how much we need You. We open our hearts and pray earnestly for our Nation and for our world. You know the troubles we have here at home as well as abroad. Train us and use us in the love of peace and brotherhood. Give success to all sincere efforts to end war abroad and hatred and mistrust at home. Grant peace to all of us assembled here this day, especially to the Members of the Senate. Frustrate all counsels of selfishness and greed. Teach us to find our joy in sharing and forgiving. Help us to live this day to Your glory and to the peace and unity of our Nation and world.

We ask it in the name of Him who is the Prince of Peace, even Jesus Christ, our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, April 30, 1974, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to consider executive business.

DEPARTMENT OF STATE

The VICE PRESIDENT. The clerk will state the first nomination.

The second assistant legislative clerk read the nominations in the Department of State, as follows:

> John P. Constandy, of the District of Columbia, to be Deputy Inspector General, Foreign Assistance.
>
> Rodger P. Davies, of California, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that those nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered and confirmed en bloc.

INTERNATIONAL MONETARY FUND

The second assistant legislative clerk read the nomination of Sam Y. Cross, of Virginia, to be U.S. Executive Director of the International Monetary Fund.

The VICE PRESIDENT. Without objection, the nomination will be considered and confirmed.

Mr. MANSFIELD. Mr. President, I request that the President be immediately notified of the confirmation of the nominations.

The VICE PRESIDENT. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The VICE PRESIDENT. Does the Senator from Pennsylvania desire to be heard?

Mr. HUGH SCOTT. Thank you, Mr. President.

MATERIAL RELEASED BY THE WHITE HOUSE

Mr. HUGH SCOTT. Mr. President, the largest amount of revelatory material to be released by any President is before the public, and I am sure that many people will never read all of it. Many people will never read some of it. Therefore, they will be dependent, in large measure, upon the interpretations given to this material by the press and television and radio. This raises a high sense of responsibility to fairly and justly report and analyze and freely comment, and I hope that that is the spirit in which the material will be received and read, and that judgments not be made upon fragmentary or disassociated aspects of the material, but upon the whole record.

I think that would be wise for all of us here, certainly, and certainly it would be wise for me as a Member of the Senate.

I hope that this will be the attitude of the American people, who are notably fairminded, who make their own judgments, whether they serve in petit juries or grand juries, whether they reply to opinion polls, and when and where and under what conditions they express their judgments through the franchise.

I think we need more than ever to be fairminded in the reportage of this material, because without it the public can be misled and the information misrepresented, or parts of it quoted out of context, or sections used simply to bolster prior prejudices or deeply held personal feelings.

So I think what we need to make sure is that these matters are as fully read as they possibly can be by as many people as can do so, and that they then be fairly and justly and honestly interpreted. When that is done, the public will have had an opportunity to make a just judgment, and I am satisfied that they will.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I yield.

Mr. GRIFFIN. Mr. President, I wish to commend and associate myself with what the distinguished Republican leader has said. As I came into work this morning, I listened to a network news program which focused upon and quoted from only one or two lines out of the whole 1,300 pages of transcript released yesterday. In my humble opinion, the newscaster's introduction to that quotation and the gratuitous commentary that followed his use of it were not appropriate, because there was no responsible effort to put the particular quotation in context.

So, I believe the Republican leader is very correct. In view of the fact that such a mass of material has been made available, a high degree of responsibility should be assumed by those who undertake to report it. Certainly, to print it in full is the best way to make it available. But those in the media who take it upon themselves to pick out and report only a certain portion of the material should be fair about the context from which that portion is taken and they should be cautious and objective in drawing conclusions from it.

Accordingly, I believe the leader's statement is justified, is needed, and that he has performed a valuable service by making it.

Mr. HUGH SCOTT. I thank the distinguished Senator from Michigan. That is precisely the point I am trying to make. I can illustrate it in closing. Last night I talked to a very distinguished and very honored attorney, who said he had been visiting with a client and said to the client in the course of his conversation:

> The heck with the antitrust laws.

He said:

> If people saw that in black and white, people would assume I was advocating noncompliance with the law or a willingness to evade it. All I meant when I said that was that the antitrust laws did not apply under those conditions, and if I cannot say that in a private conversation with my client, then I cannot have a conversation with my client.

So, in black and white, one meaning appeared; actually, in context, another meaning appeared. That is one way in which we can exercise our judgment of what actually is involved here.

ORDER OF BUSINESS

The VICE PRESIDENT. Under the previous order the Senator from Arkansas (Mr. McCLELLAN) is recognized for a period not to extend beyond 10:45.

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

Mr. McCLELLAN. Mr. President, in the past year in hearings before both the Committee on Commerce and the Committee on the Judiciary, and now most recently on the floor of the Senate, many arguments have been made in favor of S. 354. It has been said that the bill will correct problems which now exist in our automobile insurance system and that it will result in reduced premiums and greater benefits for the vast majority of people.

After carefully considering all of the arguments presented in favor of the bill, I have concluded that whatever benefits it might bring about—and whether these benefits will actually come about—are highly speculative. Furthermore, such benefits, if any, are far outweighed by the harm that the bill would cause—both to our constitutionally established system of government and to the very people it would supposedly benefit.

Mr. President, in my opinion, S. 354 is unconstitutional.

It must be admitted that the Federal Government, if it desired, could, through its power under the commerce clause, assume complete jurisdiction over the automobile insurance industry, preempt the jurisdiction of the several States, and then enact and administer a nationwide no-fault insurance system. Although such action would be unwise, in my opinion it would be constitutional.

Or, the Federal Government, if it desired, could establish national standards for such insurance and encourage the States to comply with those standards through a program of grants-in-aid.

There is ample precedent for that kind of procedure.

What the Federal Government cannot do, however—but what this bill undertakes to do—is to force upon the several States a program that is opposed by many States and then compel the States to administer the law—that is, to conform and to enforce, at their own expense, a Federal statute that is imposed on them.

Fundamental to our Federal system is the concept that the States and the Federal Government are partners in Government. Each has its own area of sovereignty that the other may not encroach upon. The Federal Government is not the master, and the States are not its servants. The Federal Government is one of enumerated powers and of other additional powers necessary and proper to carry out those enumerated powers. But these additional powers must always be limited by reason of the fact that the States themselves are sovereign governments that are responsible for the welfare of their people. To argue otherwise would be to reduce the States to the status of agencies of the Federal Government—to a status of servitude—which would inevitably lead to their disintegration and destruction.

Mr. President, we live in a time of an ever-expanding Federal Government, whose power is constantly increasing at the expense of the States. To pass this bill would be to take one more step in that direction—in an area that the Congress itself, in the McCarren-Ferguson Act (59 Stat. 33), has already rightly declared should be the primary responsibility of the State governments, because it is they who best know the needs of their people. It would be to open up a Pandora's box that would eventually result in greatly diminishing or in eliminating States' sovereignty.

This bill is not only unconstitutional; it also borders on cruelty. For it will take away from the citizens of this country the right of their States to authorize damages for the pain and suffering that might be caused by injuries inflicted on them by the carelessness and negligence of another. It is certainly unjust, if not cruel, to deny the right of recovery for pain and suffering to those who are victims of the careless and wrongful acts of another.

Some will argue that a State plan implemented under title II of the bill can authorize a suit for pain and suffering. But I would point out that the standards required to be met before such a suit may be authorized—death, serious and permanent disfigurement or injury, or 90 continuous days of total disability—are so limiting and restrictive as to eliminate suits for pain and suffering from all but the most severe cases.

Mr. President, pain that is not permanent, pain that might result in only 89 days or less of total disability, rather than 90 days, may be just as severe—even more severe—than pain that is "permanent." Does excruciating pain that lasts for 1 day short of 3 months not deserve compensation? Is it any less painful? The answer is no. And it should be compensated.

Or, what of pain that might be "permanent" and lasting for the rest of a person's life—a bad back, for instance? But pain that, under this bill, does not meet the definition of being "serious." Should that character of pain not be compensated when it is caused by the carelessness of another? This bill tells the victim that he will have to just "grin and bear it." This is not justice. It is rank and indefensible injustice.

The sponsors of the bill say that a limitation on the right to sue in tort is essential to a program of no-fault insurance if the benefits of such a program are to be realized. I cannot and do not accept that. Such a limitation is an unjustified incursion into and a denial of the human right to be compensated for an injury caused by the carelessness or even callous indifference of another.

Mr. President, just what are the benefits of this bill? Are the majority of the people and the States really going to profit by it—or only just a few? Are the urban areas of the country going to benefit at the expense of the rural areas?

A great many hypotheticals with a great many figures and estimates have been tossed around recently. But even as we approach a vote on the bill, no one can yet say for certain just what premium reductions and cost savings will result—and to whom they will accrue. Serious questions have been raised about these figures.

Even if I believed this bill were constitutional—and I do not—I still could not vote for it. I cannot support a bill that will deprive a person of his legal and moral right to recover for the pain and suffering that he has sustained and endured by the wrongful act of another.

Mr. President, among the greatest beneficiaries of this bill will be those who are responsible for the automobile accidents, those who cause accidents and injuries to occur—the negligent, the careless, the drunken, and irresponsible drivers of automobiles. They will surely benefit. They are the ones who cause most automobile accidents—they are the ones who inflict most automobile-accident injuries on others—and they are the very ones who would benefit most from this bill.

This bill will relieve such drivers, in most instances, from paying damages to the injured for the pain and suffering their neglect, carelessness, and reckless driving may have caused.

This is wrong—very wrong. Such an injustice should not be imposed by law upon the innocent victims of automobile accidents.

Mr. President, I shall vote against this bill, and I hope that it will be defeated.

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

The Senate continued with the consideration of the bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce.

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to the consideration of the unfinished business, which will be stated.

The assistant legislative clerk read as follows:

> A bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce.

Mr. MOSS. Mr. President, the pending business, as I understand it, is the Stevens amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On page 1, between lines 1 and 2, insert the following: "A State plan for no-fault motor vehicle insurance in accordance with this title may provide that".

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska is recognized for 5 minutes, and the manager of the bill, the Senator from Utah (Mr. Moss), is recognized for 5 minutes. Who seeks recognition?

Mr. MOSS. Mr. President, will the Senator from Alaska yield to me?

Mr. STEVENS. If I have the time.

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. STEVENS. I yield to the Senator from Utah.

Mr. MOSS. I have had an opportunity following adjournment yesterday to study the record of the provocative and high-level debate between the Senator from Minnesota (Mr. MONDALE) and the Senator from Alaska (Mr. STEVENS). With deference to the views of both distinguished Senators, I concluded that the things which unite them are far more significant than the things which divide them, and that there is in fact a middle ground which appears to me to respond adequately to the concerns of both of these dedicated champions of the consumer interest.

If I may summarize the views of the two Senators: The Senator from Minnesota believes that the consumer should have an additional option under S. 354, pursuant to which a group health insurance policy may be substituted for the allowable expense portion of the auto policy if it provides greater economic benefit than is available through coordination under section 204(f) of this bill and if it provides the same benefits, meets the same obligations, and is approved by the State insurance commissioner. The Senator from Alaska agrees that this option should be available, but only if the individual State decides to include it as part of its plan. He argues that this option may be prejudicial to the interests of consumers in some States, especially in States that have few residents who are covered under group health contracts of this type. The Senator from Minnesota responds that a legislature may fail to include this option in its State plan because of prejudice and hostility and that in view of its impact on interstate commerce it should be established as a national standard.

I have submitted an unprinted substitute amendment to the amendment of the Senator from Alaska which is, I believe, responsive to both problems. I ask unanimous consent that the substitute amendment be called up at this time.

The **PRESIDING OFFICER**. Is there objection?

It is the understanding of the Chair that the substitute is to be considered in lieu of the Stevens amendment. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On page 1, between lines 1 and 2, insert the following:
>
> "A State no-fault plan for motor vehicle insurance established in accordance with title II of this Act shall include the substantive provisions of this subsection, unless such State finds and reasonably determines, in the course of establishing such plan under section 201(b) of this title, that the inclusion of such provisions in the plan would affect adversely or discriminate against the interests of persons required to provide security covering motor vehicles in such State:"

Mr. **STEVENS**. Mr. President, I ask unanimous consent that my amendment be modified so to as adopt the language of the amendment of the Senator from Utah.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **MOSS**. Mr. President, may I, then, describe the language, and ask unanimous consent that the entire language not be read at this time?

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment, as modified, is as follows:

> On page 1, between lines 1 and 2, insert the following:
>
> "A State no-fault plan for motor vehicle insurance established in accordance with title II of this Act shall include the substantive provisions of this subsection, unless such State finds and reasonably determines, in the course of establishing such plan under section 201(b) of this title, that the inclusion of such provisions in the plan would affect adversely or discriminate against the interests of persons required to provide security covering motor vehicles in such State:"

Mr. **MOSS**. The substitute is very simple. It provides that the group health provision may only be available at the option of a State, as the Senator from Alaska has so eloquently urged. But the State may reject this option only if it—

> finds and reasonably determines, in the course of establishing such plan under section 201(b) of this title, that the inclusion of such provisions in the plan would affect adversely or discriminate against the interests of persons required to provide security covering motor vehicles in such State.

Under the bill, upon establishment under section 201(b), a State plan must be submitted to the Secretary of Transportation for certification that it meets or exceeds the national standards. This means that the Secretary would review to make sure that the State's exclusion of this provision was in fact "reasonable." That, I believe, meets the concern of the Senator from Minnesota that the legislatures of some States might unreasonably reject this option.

I believe that this amendment ought to be sufficient to enable the Senate to move on to consider the more basic question which is the wisdom of the substantive provisions of the option itself.

Mr. **STEVENS**. Mr. President, on my time I would like to ask the Senator from Utah a couple of questions.

It is my understanding that under the amendment as now modified, when the Senator is speaking of the State's making such findings, he is talking about the State legislatures of States promulgating no-fault plans?

Mr. **MOSS**. That is correct.

Mr. **STEVENS**. And, with the view to determining whether such a plan is reasonable, to enable the State, in effect, to opt out of a health insurance primary, would be reviewed by the Secretary as he reviews the entire State plan?

Mr. **MOSS**. The entire State plan, to see whether it meets or exceeds Federal standards.

Mr. **STEVENS**. Not just on this item only, but on total review of the whole plan, to see whether it meets the State's needs?

Mr. **MOSS**. That is correct.

Mr. **STEVENS**. I am indebted to the Senator from Utah. Thirteen of 14 states which have enacted no-fault have made auto insurance primary. Michigan is an exception—it has made the option available to the individual to choose which is primary.

No State has gone as far as the Mondale amendment, so its passage would reverse the choice made by the States which have enacted no-fault already.

The passage of the Mondale amendment without any amendment would cause health insurers costs to rise because they would be responsible for first party benefits and they would have to contribute to an assigned claims plan for automobile insurance. Therefore, health insurance costs would rise for the consumer of health insurance who did not have an automobile, and automobile insurance costs would rise for those people who are not involved in group health insurance.

I have obtained from the Library of Congress figures taken from the Social Security Bulletin of February 1974. The figures indicate enrollments as of December 31, 1972, which, were the latest figures available. I ask unanimous consent that these figures, indicating the number of individuals enrolled in group health insurance as opposed to individual plans, be printed in the Record at this point.

There being no objection, the figures were ordered to be printed in the Record, as follows:

Group Health Insurance as Opposed to Individual Plans

These figures are taken from the Social Security Bulletin of February 1974. The figures indicate enrollments as of December 31, 1972, which are the latest figures available.

PREPAID GROUP INSURANCE

Blue Cross-Blue Shield: 756,000.
Private insurance companies: 64,000.

Independent plans

1. Community: 3,700,000.
2. Employer-employee-union: 2,025,000.
3. Private group clinic: 140,000.

Total independent plans: 5,865,000.
Total group enrollment: 6,685,000.

INDIVIDUAL PRIVATE HEALTH INSURANCE

Hospital coverage: 49,909,000.
Surgical services: 32,489,000.
(Supplied by Library of Congress.)

Mr. **STEVENS**. Let me point out that the individual private health insurance coverage is 49,900,000, and that coverage under group enrollment plans is 6,685,000. There are more than eight times as many people covered by individual health insurance plans as are covered by group health insurance plans, and the net result of what the Senator from Minnesota would do, if it is not possible for a State to opt out where there are massive coverages under individual plans, would be to destroy the no-fault system, in my opinion.

We already have the yeas and nays ordered, but I am hopeful that the Senator from Minnesota might recognize the work of our distinguished floor leader. He has accomplished, I think, a synthesis of our views, and I can tell the Senator from Minnesota that if my amendment, as modified by the Senator from Utah, is adopted, I will be happy to support his amendment, but I cannot support it without it, and I am in hopes that the Senator from Minnesota, in view of our exchange last night, will recognize what the Senator from Utah has done, accept my amendment as modified, and proceed to the vote on his amendment.

I yield to the Senator from Minnesota.

The **PRESIDING OFFICER**. The Senator from Minnesota has 1 minute.

Mr. **MONDALE**. Mr. President, to see whether I understand it correctly, does the amendment offered by the Senator from Utah provide that this third alternative of coordinating against auto insurance in favor of group health coverage can be done unless the State finds that the inclusion of such a provision would adversely discriminate against the interests of persons required to provide security?

As I read this amendment, the finding they must make in order to deny this option is reviewable by the Department of Transportation. Is that correct?

Mr. **MOSS**. The Department of Transportation, in reviewing the whole State plan, might find that that was unreasonable.

Mr. **MONDALE**. It would have the option to reject that provision?

Mr. **MOSS**. That is correct.

The PRESIDING OFICER. The time of the Senator from Minnesota has expired. The Senator from Alaska has 1 minute remaining.

Mr. STEVENS. I yield my time to the Senator from Utah.

Mr. MOSS. Did I understand the Senator from Minnesota to say that with that understanding he would accept the substitute language, and thus accept the Stevens amendment?

Mr. MONDALE. Yes; as a matter of fact, I ask unanimous consent at this point to modify our amendment to incorporate this proposal.

Mr. MOSS. Mr. President, what I would do is ask unanimous consent that the yeas and nays which have heretofore been ordered on the Stevens amendment now be withdrawn.

The PRESIDING OFFICER (Mr. NUNN). Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I reserve the right to object.

Mr. MOSS. Mr. President, after consulting with the leadership, and because there was notification of this vote, I withdraw my request. I believe we ought to go ahead with the vote, since all Senators have been alerted to it.

Therefore, I suggest that we go ahead with the yeas and nays.

The PRESIDING OFFICER (Mr. NUNN). All time having expired, the question is on agreeing to the amendment (No. 1227, as modified) of the Senator from Alaska (Mr. STEVENS). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from New Jersey (Mr. CASE) are necessarily absent.

I further announce that the Senator from Florida (Mr. GURNEY) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "yea."

The Senator from Hawaii (Mr. FONG) voted "present."

The result was announced—yeas 88, nays 1, as follows:

[No. 159 Leg.]

YEAS—88

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Goldwater
Gravel
Griffin
Hansen
Hart
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—1

Taft

ANSWERED "PRESENT"—1

Fong

NOT VOTING—10

Bayh
Bellmon
Case
Fulbright
Gurney
Hartke
Inouye
Long
Metzenbaum
Nelson

So Mr. STEVENS' amendment, as modified, was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the amendment by the Senator from Minnesota (Mr. MONDALE), as amended and as modified, on which there is a 20-minute limitation.

Who yields time?

Mr. MONDALE. Mr. President, the pending amendment is a simple one. It simply provides this: Where the consumer of health insurance coverage can get the auto insurance coverage mandated, under this bill under group health insurance he should be permitted to get the benefit of a reduced auto insurance premium. There are procedural safeguards in the amendment which requires that that determination be made, after a public hearing, by the State commissioner of insurance.

Under the Moss amendment, which has just been adopted, the option can be denied where the State commissioner of insurance determines that such an option would be against the interests of the consumer, and that determination by the State commissioner is reviewable by the appropriate officials of the Department of Transportation.

What this amendment would do, in effect, would be to introduce competition, which is not now to be found in the pending bill, between the auto insurance companies and the group health insurance companies, to see which could provide the coverage mandated under this bill at the lowest cost. Without this amendment, there is no such competition. Even though group health policies could provide the same coverage at lower cost, under the present terms of the bill that option would not be available to the consumer.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. PASTORE. Is this competitiveness to be predicated alone upon the premium, or does it include the benefits as well?

Mr. MONDALE. The benefits are dictated by the terms of this bill.

Mr. PASTORE. So we do not disturb that at all?

Mr. MONDALE. Each has to comply with the complete terms of the measure. It is just the competition over the premium.

Mr. PASTORE. I congratulate the Senator for his amendment.

Mr. MONDALE. I thank the Senator. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. Quincy Rogers, a member of my staff, may be admitted to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that Mr. Norman Dix, a member of Senator MAGNUSON's staff, be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the amendment of the Senator from Minnesota, particularly as modified by the amendment of the Senator from Alaska, does add to the bill. This was a close question, one about which we had a great deal of concern. But I congratulate the two Senators for working out this problem and coming up with what appears to me to be a reasonable compromise on the issue raised.

Therefore, I do not intend to discuss this matter at any length. I will be glad to yield to any Senators who do wish to speak in opposition or to discuss the matter.

Does any Senator wish to take the floor in connection with this matter?

Mr. BEALL. Mr. President, will the Senator yield for a question?

Mr. MOSS. I yield.

Mr. BEALL. It seems to me that one of the desirable attributes of no-fault insurance is that it creates uniformity across the country for the insurance-buying public. In other words, it creates an atmosphere in which a customer in one State knows that when he leaves that State, he is going to have uniform coverage as he travels across the country.

Does not the addition of the Mondale amendment, as amended by the Stevens amendment, tend to detract from the uniformity, and are we not likely to have 52 different plans cropping up as a result of the adoption of this amendment to the amendment because the States now have the ability to opt in or out of the relationship, and is it not likely there will be wide variations in the rate structures because of this change in the amendment?

Mr. MONDALE. It is the understanding of the manager of the bill that this bill would not be affected as the Senator from Maryland has suggested it might, for two reasons: First, the State must find reasonable grounds for doing this, some reason for doing it; second, the State has to submit its plan to review by the Secretary of Transportation, who makes the judgment on whether it measures up to the minimum standards set out by this bill and, therefore, may be accepted.

If there is variation, and if it should

fall below Federal standards, the Secretary of Transportation would not certify it.

Mr. BEALL. Let me ask another question. As I understand the mechanics of the amendment, the State would make a finding as to whether or not it was cheaper for the person who was a member of the group to get his coverage under his group health policy, or under the automobile no-fault plan existing in the State at the time. What about the person who does not belong to a group? Is it not true that the costs would go up?

Mr. MONDALE. The Senator from Alaska addressed himself to that and I am glad to yield to him.

Mr. STEVENS. The Senator raises an interesting point. As I understand the approach of the Senator from Minnesota it permits the State to allow health insurance to be primary for those people covered by a group. Where the State legislature decides that that is in the interest of the people of that State, it really is avoiding duplicate health insurance for those people where there is a massive group, almost as large as the automobile driving public, such as the State of Michigan.

The State of Michigan is the only State that has used this approach so far and they decided health insurance would be the best approach. But if they decide to make automobile insurance primary, as 13 of the 14 States have, then there is no difficulty, and the question of the Senator from Maryland applies only to the members of the group.

Mr. BEALL. Actuarially what has been the result in the State of Michigan, or has there been enough time?

Mr. STEVENS. Actuarially there would not be the same result because in the State of Michigan they decided health insurance was primary for all people if they had health insurance. One State decided that individuals could make the determination.

Mr. BEALL. Does this amendment as presently written allow the States to make all health insurance primary or just private groups?

Mr. STEVENS. As I understand the Mondale amendment, as now amended, the State Legislature can make the determination and make automobile insurance primary if it finds that to do otherwise would discriminate against the people.

Mr. BEALL. The Senator did not answer my question. The Senator stated that in Michigan not only did they make group plans primary, but they made all plans primary. My question is: Does the Mondale amendment, as amended, give the States permission to make all health insurance primary or just the option to make group health plans primary?

Mr. STEVENS. I think it gives the option to make groups primary and defines what is a group.

Mr. BEALL. Then it is not comparable to the Michigan plan.

Mr. STEVENS. It gives the option to make groups primary. It is not comparable to the Michigan plan but there is nothing in the Mondale amendment, as amended——

Mr. BEALL. Is there not a distinction between letting anyone with health insurance make the option, and a group?

Mr. STEVENS. Nothing would prevent a State from saying it is primary for those who have health insurance. I hope that I will be corrected if I am wrong. What it does permit, as I understand it, is for a group to approach the State commissioner and have that group plan to be primary, and nothing in it says that the State no-fault plan cannot authorize individual health insurance.

I wish to ask the Senator from Minnesota if I am wrong.

Mr. MONDALE. The provision in my amendment applies to members of group health policies. We had to do that purely for administrative purposes. There was no other way to do it.

It is a very simple amendment. Under the bill in its present form, there is a mandate that, even in those instances where the consumer could get a better break in group health coverage, he must, nevertheless, pay the higher auto insurance premium and buy additional auto insurance.

We say: Permit the consumer to get the premium break where group health policies will provide the same coverage and provide protection against unwise decisions by putting certification in the hands of the State commissioner of insurance. This will create competition which is needed.

Auto insurance companies and group health companies will be competing to get a lower premium in order to become the primary insurer. So, if someone is worried about what is going to happen to premiums, if Senators believe in the free enterprise system, and I do, premiums will go down under my amendment.

The second question is: if the group health becomes primary coverage will the auto insurance rates will go up? That will not happen. The practice that we used to see in the insurance business of eliminating high risks will not be permitted. Everybody has to be covered. In order for a group health plan to be eligible for primary coverage, the membership has to be open generally, so there will be no risk-selection practice like we used to see. In fact, the whole idea behind this amendment is to promote competition to get premiums down.

Mr. BEALL. Mr. President, if the Senator will yield for a question, I appreciate the Senator's exhortation in favor of the free enterprise system, but I wonder if we cannot get back to my original question.

Mr. MONDALE. I wonder if the Senator was listening. I tried to answer his question.

What I said was this. Under the present bill, even if the group health premium for allowable expense coverage is less than comparable auto insurance coverage, group health coverage cannot be primary.

My amendment simply permits that option.

Mr. BEALL. If I may pose the same question again, to be sure we are talking about the same thing, the Senator from Alaska amended the Senator's amendment so States have the right to opt in or out of granting the privilege of allowing health insurance to be primary coverage.

The bill as originally written said that automobile insurance shall be the primary coverage in every instance. The Senator's amendment now says, as I understand it, that group health plans can be the primary coverage if a person is lucky enough to belong to a group, but where an individual has an individual health plan, his health insurance cannot be the primary coverage; he still falls in the category of having his automobile insurance the primary coverage. Is that correct?

Mr. MONDALE. Yes. There is good reason for that. The purpose of my amendment is to bring about reductions in premiums. There is no administrative way to bring about a reduction in premiums on an individual health insurance basis. The only way it can be done is through group plans. The other route would be administratively unworkable. We seek to make it possible for consumers to get a break on insurance rates for coverage mandated under this bill under circumstances where it is possible. That is all I am doing.

Mr. BEALL. I thank the Senator very much. Let me ask him another question. Suppose in a particular State a group of people who are fortunate enough to have group coverage go to the commissioner and show those people who belong to the group will benefit by having their health insurance made the primary coverage. What happens to the bulk of the general public that do not have group insurance? What happens to their no-fault rate? Is it not going to go up?

Mr. MONDALE. No; it will go down. The Senator is under the illusion that there are preferential selective requirements for group health plans.

Mr. BEALL. I was not under that illusion.

Mr. MONDALE. This is a very important point. The Senator's question assumes something which is not correct.

Under this amendment, in order to be a qualified group insurance plan, the plan must be available to everyone in the group. It is a cross-section; it is not preferred-risk. When people leave the automobile insurance coverage risk pool, the automobile insurance company does not pay their insurance. There will not be an increase in premiums. In fact, because we are introducing competition. Because health insurers will be competing with auto insurers to get the lowest premiums, we will have competition. I think that is why many auto insurers are against the amendment, because under the present bill they will keep their premiums high.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Utah has 3 minutes remaining.

Mr. MOSS. Mr. President, I do not want to terminate the discussion. I yield 2 minutes to the Senator from Maryland.

Mr. BEALL. Mr. President, I happen to be for no-fault insurance because we will get uniformity into insurance, but I do not think there is an actuarial justification made for the statement by the Senator from Minnesota because there is no proof that the rates will go down for the general public when members of a group will opt not to have their auto insurance coverage the primary coverage. It has not been proved to me on an actuarial basis that no-fault is going to cause people's premiums to go down. I am of the opinion that they are going to go up at the rates they have been going up in the past, but I do not think the Senator can make the statement on an actuarial basis that the rates are going to go down for those who have no-fault insurance when others in groups can opt out and have primary coverage in health insurance.

Mr. MONDALE. If the Senator from Maryland is for no-fault insurance and against my amendment, then he is for the highest cost no-fault insurance. My amendment introduces an option under which consumers can get mandate coverage at the lowest rates possible. The Senator argues that removing members of group insurance plans from the auto insurance risk pool will increase auto insurance premiums. That is not the case. Because a qualified group health policy is defined by my amendment to exclude underwriting, and a cross-section of individuals will be removed from the auto insurance pool, premiums will not rise. Because a representative sample of risks will be removed, any cost effect on insurance will be negligible. The group of auto insurance risks will remain as representative after my amendment as it would have without my amendment. Plus we are introducing competition, which will reduce insurance costs.

Mr. President, I ask unanimous consent that my amendment, which spells this out, be included in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1197

On Page 109, between lines 17 and 18, insert the following new subsection:

"(c) ALLOWABLE EXPENSE DEDUCTION OPTION—

"Benefits or advantages that an individual receives or is entitled to receive for allowable expense from a source other than no-fault insurance shall be subtracted from loss in calculating net loss for allowable expense where—

"(1) such source other than no-fault insurance provides or is obligated to provide such benefits or advantages for allowable expense, as defined in section 103(2) of this Act, without any limitation as to the total amount of such benefits or advantages obligated to be provided.

"(2) such benefits or advantages are provided by such source other than no-fault insurance on terms and conditions which comply wholly with the provisions of sections 103 (6), (7), and (16), 109 (c) and (d), and 111(d) of this Act and subject to all authority set forth therein;

"(3) such source other than no-fault insurance is required by the applicable State no-fault plan for motor vehicle insurance in accordance with this Act to share, on an equitable basis, in the financial burdens and costs of operation of plans established pursuant to sections 105 and 108 of this Act;

"(4) such benefits or advantages are provided by such source other than no-fault insurance through group insurance where the individuals who are likely to be the beneficiaries under such group insurance have received notice that there will be such subtraction; and

"(5) the commissioner finds that such subtraction will result in economic benefits greater than those which would result from coordination pursuant to section 204(f) of this Act, on the basis of a hearing in which interested parties present competent evidence.

The Commissioner shall promulgate rules to assure that the economic benefits found under paragraph (5) of this subsection are realized. As used in this subsection (A), 'group insurance' means any plan of insurance offered or provided to members of a group not organized solely for the purpose of obtaining insurance, under the terms of a master policy or operating agreement between an insurer and the group sponsor, and incorporating group average rating, guaranteed issue with or without minimum eligibility requirements, group experience rating, employer contributions, and any other benefit to the members as insureds that they may be unable to obtain in the ordinary channels of insurance marketing on an individual basis; and (B) 'group sponsor' means the employer or other representative entity of an employment-based group. Sections 103(10), (11), and (12) of this Act are inapplicable with respect to such definitions.

Mr. TAFT. Mr. President, the Mondale amendment stripped to its core is in fact the antithesis of a meaningful and consumer oriented no-fault bill. This amendment rejects the recommendations of the 3-year Department of Transportation study; it rejects the recommendations of the prestigious New York Insurance Department; and it rejects the considered judgment and thought of virtually every State which has considered no-fault insurance and concluded that the cost of automobile injuries should be borne not by the public at large but by those who make up the motoring public.

The arguments against having health insurers provide the first-party medical coverages that are provided in S. 354 go beyond the loss of revenues that both the State and Federal Government will suffer because organizations like Blue Cross do not pay premiums taxes and/or Federal taxes.

The arguments against the Mondale amendment go beyond the fact that in permitting health carriers to pay the first-party benefits a duplication of claims handling and a corresponding duplication in the moneys expended for the administration of claims will occur.

The arguments against the Mondale amendment go beyond the fact that members of the motoring public have no option or choice in deciding whether to have their automobile insurance company cover them for all their losses.

The amendment goes beyond the argument that coverages under health insurance may lapse or terminate or be insufficient and that as a result the injured victim in an automobile accident may find himself without compensation.

The argument against the Mondale amendment goes beyond the inability of the health carrier to swiftly and expeditiously provide the necessary investigations and controls that are necessary in the efficient administration of insurance benefits that are related to automobile accidents.

The Mondale amendment goes beyond the argument that one carrier, the casualty insurance carrier, is better prepared to handle the entire spectrum of auto insurance coverages than to split this mechanism into two parts.

And, yes, the arguments go beyond the fact that many individuals, those on fixed incomes, those who are not members of the motoring public but who nevertheless are participants in group health plans, are forced to subsidize, by their premium, those individuals within the group who are motorists.

Although any one of these arguments against the Mondale amendment looked at individually would be grounds for rejecting this amendment, the cumulative effect of the Mondale amendment, when read in light of the stated purpose and reasons for no fault, lead one to conclude that the Mondale amendment is totally inconsistent with the very concept of no fault and in fact reduces the wealth of experience, recommendations, and expertise that have been generated over this issue into a heap of legislative rubble.

One need only look at the first sentence of Senate bill 354, which states that this bill is to—

> Establish a nationwide system of adequate and uniform motor vehicle accident reparations Act and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public highways in order to promote and regulate interstate commerce.

This is the purpose of the bill. The purpose is to provide no-fault motor vehicle insurance, not a combination of no-fault motor vehicle insurance and health insurance, and to tie this insurance coverage into the use of motor vehicles, thereby clearly stating that this type of coverage is one that should be internalized; that is, to be borne by the motoring public for the benefit of the motoring public and those who are injured as a result of motor vehicle accidents. I would ask my colleagues to reject this amendment and to recognize in that rejection the complete inconsistency between the Mondale amendment and the real purpose and reason for no-fault insurance.

Mr. MOSS. Mr. President, I am willing to yield back the remainder of my time and proceed to a vote.

The PRESIDING OFFICER. Is all time yielded back? All time having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota, as amended and as modified (putting the question).

The amendment is agreed to.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

Mr. BEALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. GOLDWATER. Were not the yeas and nays ordered?

The PRESIDING OFFICER. The yeas

and nays were not ordered, and the result has been announced.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

Mr. HUMPHREY. Mr. President, a point of order. The Chair announced the result.

The PRESIDING OFFICER. The vote had been announced.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MONDALE. Mr. President, I move to lay that motion on the table.

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the amendment, as amended and modified, was agreed to. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright) and the Senator from Hawaii (Mr. Inouye) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett) and the Senator from New Jersey (Mr. Case) are necessarily absent.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) would vote "yea."

The Senator from Hawaii (Mr. Fong) voted "present".

The result was announced—yeas 32, nays 61, as follows:

[No. 160 Leg.]

YEAS—32

Bentsen
Bible
Brooke
Chiles
Cranston
Eagleton
Gravel
Haskell
Hatfield
Hollings
Huddleston
Hughes
Javits
Kennedy
Long
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Pastore
Pearson
Ribicoff
Schweiker
Stennis
Stevenson
Symington
Talmadge
Williams
Young

NAYS—61

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Biden
Brock
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Church
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Goldwater
Griffin
Hansen
Hart
Hartke
Hathaway
Helms
Hruska
Humphrey
Jackson
Johnston
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McIntyre
Moss
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Roth
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stevens
Taft
Thurmond
Tower
Tunney
Weicker

ANSWERED "PRESENT"—1

Fong

NOT VOTING—6

Bellmon
Bennett
Case
Fulbright
Gurney
Inouye

So Mr. Mondale's motion to lay on the table the motion to reconsider the vote by which the amendment was agreed to was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the motion to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, by voice vote the Senate, just a little while ago, adopted the Mondale amendment. It was my impression and understanding on yesterday that there would be a rollcall vote on the Mondale amendment. I so stated very clearly in the whip notice, and I also said in my statement of the program in the Record on yesterday that a yea-and-nay vote "will occur on the Mondale amendment."

I ask unanimous consent that the vote on the motion to reconsider may be waived, and that a vote occur ab initio on the Mondale amendment at this time.

Mr. GRIFFIN. Mr. President, reserving the right to object, and I shall not object, I wish to commend the distinguished majority whip for this action on his part, and to indicate that it was the understanding on both sides of the aisle, I think, that there would be a yea-and-nay vote, and also to say that I believe that the leadership, both the majority leader and the assistant majority leader, recognized that in their votes on the rollcall that just took place.

I shall support the Mondale amendment on its merits, but I voted against the motion to lay on the table because there was an expectation among the Members that there would be a yea-and-nay vote.

Mr. PASTORE. Mr. President, reserving the right to object, in fairness to those who voted to lay on the table, no request was made for the yeas and nays, and I do not think those who voted ought to be castigated one way or the other. I understand we have arrived at this to assist the leadership to carry out a promise that was made without the knowledge of the Senate.

Mr. GRIFFIN. It was a misunderstanding, I think, on both sides. Those who did not ask for the yeas and nays thought they had already been ordered.

Mr. ROBERT C. BYRD. Yes; and, without criticism of the Chair, the Chair had already announced the vote.

Mr. MOSS. Mr. President, reserving the right to object, I wish to concur in the request of the majority whip. I think we ought to do this just to preserve the integrity of what the Record says. Our offices, on the basis of the Record, said there was going to be a yea-and-nay vote at 11:30 on the Mondale amendment; if we get to the point where we cannot trust what the Record says, there will be chaos on the Senate floor. I think we ought to back up what we announced we would do, even though there was some technical gap here.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote be limited to 10 minutes, with the warning bell sounded at 2½ minutes.

Mr. METCALF. Mr. President, I object to the unanimous consent request. I object to this rather unusual procedure. The problem can easily be solved by the Presiding Officer propounding the question to reconsider, the reconsideration could be on the voice vote, and then we proceed without this business of ab initio setting aside by unanimous consent the question pending before the Senate.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on reconsideration occur now, without further debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The question is on agreeing to the motion to reconsider.

The motion was agreed to.

Mr. MOSS. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limit of 10 minutes on the vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment (No. 1197, as amended) of the Senator from Minnesota (Mr. Mondale). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD of West Virginia. I announce that the Senator from Arkansas (Mr. Fulbright) and the Senator from Hawaii (Mr. Inouye) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), and the Senator from New Jersey (Mr. Case) are absent on official business.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) would vote "yea."

The Senator from Hawaii (Mr. Fong) voted "present."

The result was announced—yeas 66, nays 27, as follows:

[No. 161 Leg.]

YEAS—66

Abourezk
Aiken
Baker
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cook
Cranston
Domenici
Eagleton
Gravel
Griffin
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams
Young

NAYS—27

Allen
Bartlett
Beall
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Goldwater
Hansen
Helms
Hruska
McClellan
McClure
McIntyre
Packwood
Percy
Scott, William L.
Sparkman
Taft
Thurmond
Tower

ANSWERED "PRESENT"—1

Fong

NOT VOTING—6

Bellmon
Bennett
Case
Fulbright
Gurney
Inouye

So Mr. MONDALE's amendment, as modified, was agreed to.

The PRESIDING OFFICER (Mr. ABOUREZK). Under the previous order, the Senate will now proceed to the consideration of amendment No. 1228 of the Senator from North Carolina (Mr. HELMS) on which there will be 20 minutes of debate to be equally divided.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senator from North Carolina will yield, I have discussed this amendment with the distinguished Senator and the manager of the bill and it appears that it would be agreeable that a further limitation of time be made and, therefore, I ask unanimous consent that there be a time limitation on the amendment of 10 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. I yield.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that Gerald R. Gereau have the privilege of the floor during the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so oredred.

Mr. HELMS. Mr. President, I would correct the Chair to state that the amendment now pending is amendment No. 1207 and not 1228.

The PRESIDING OFFICER. The clerk will state amendment No. 1207.

The assistant legislative clerk read as follows:

On page 59, line 10, strike out "or section 304".

On page 68, line 12, strike out"of title III".

On page 83, lines 3 and 4, strike out "or title III".

On page 90, line 14, strike out "or title III".

On page 95, line 7, strike out "or title III".

Beginning on page 96, line 18, strike out all through page 97, line 20.

On page 97, line 21, strike out "(f)" and insert in lieu thereof "(e)".

On page 99, line 20, strike out "or title III".

On page 113, line 8, strike out "or title III".

On page 113, beginning on line 18, strike out all through page 117, line 10.

Mr. HELMS. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, in the interest of time, I shall be brief.

Mr. President, the amendment that I have submitted would help alleviate this unwise invasion of the prerogatives of the States. It would deleate the alternative Federal plan for no-fault motor vehicle insurance which becomes effective if a State legislature fails to adopt a no-fault plan consistent with the so-called Federal standards. In other words, it would remove the element of compulsion. It reserves the right of the States to experiment with motor vehicle insurance plans. If a State chooses a no-fault plan, it would have to conform to the standards of the bill. But, the States would not be required to establish a no-fault plan if such a plan is considered to be unsuitable to the needs of its citizens. Where no-fault motor vehicle insurance is established, it would be substantially uniform on a national basis. This amendment is compatible with the basic spirit of the legislation, but it removes the element of compulsion.

Mr. President, I urge approval of my amendment.

Unless there are other Senators who wish to speak on behalf of it, I am prepared to yield back the remainder of my time.

Mr. HRUSKA. Mr. President, will the Senator yield me 3 minutes?

Mr. HELMS. I yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, at the outset of the debate on the pending measure, this Senator took the position, which I think is probably widely held here—and the upcoming vote probably will indicate that—that the real issue, the biggest objection to the bill, is not the no-fault part of it. No-fault as a concept has many merits; and, properly adapted to the needs of the individual States, it would be a very fine system, according to early indications in those States that have had it.

The big objection to this bill is that it seeks to thrust the field of automobile insurance into the Federal jurisdiction and for the first time put the insurance business world into the hands of the Federal legislative field. There are two reasons why it would be unwise to do that, and those two reasons lead to the conclusion that the amendment proposed by the Senator from North Carolina is a good one.

One reason is that it is of doubtful constitutionality that we, as a Federal Government, can order the States to enforce and administer Federal law. There is respectable constitutional authority each way. Erwin Griswold testified one way. However, on the other side of the constitutionality issue were Norman Dawson, professor of law at New York University; Dr. Mitchell Wendell, former counsel to the Council of State Governments, and Mr. Thomas C. Matthews, of the Washington firm that is noted for its expertise in this field.

It would take millions of dollars to shift from this new plan on a nationwide basis. The estimates vary. I will not even get into numbers on it, but it would be very expensive, and the issue of constitutionality undoubtedly would be litigated in the courts. Because of the doubtful constitutionality, we should not go forward with title III of the bill.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

The Senator from Utah has 5 minutes.

Mr. MOSS. Mr. President, I yield first to the Senator from Michigan for 1 or 2 minutes.

Mr. HART. Mr. President, the distinguished Senator from North Carolina (Mr. HELMS) has introduced an amendment to S. 354, No. 1207, which would delete title III of the bill. The effect of this amendment would be to eliminate the incentive to States to enact a no-fault plan meeting the standards prescribed under title II of the bill, since under the terms of the bill, a State adopting a plan meeting the requirements set forth in title II will not come under the more stringent requirements and higher benefits provided under title III.

Mr. President, I would like to point out that it is the expectation of the sponsors of this legislation that every State will seek to establish a plan meeting the standards of title II and, thus the emphasis in the discussions of the opponents to this legislation concerning title III vastly overemphasize the degree to which it will be utilized, if it is ever utilized at all.

The effect of deleting title III would be that States would be authorized to enact a no-fault plan, but nothing would occur if they chose not to do so. Their action would be purely voluntary. There would be no penalty and no sanction if they did not act. And, on its part, Congress would be enacting legislation which would accomplish nothing and would require no one to do anything. I cannot think that the Members of this body, after undertaking such a great effort on this bill, would consider taking such a futile approach.

This is an amendment which would completely and effectively destroy the bill.

Some opponents of this legislation who would favor deleting this incentive base their reasons on what they consider to be the questionable constitutionality of title III.

Mr. President, the Commerce Committee considered the scheme of the bill—relying on State officials and State institutions to enforce and operate no-fault systems—to be a proper allocation of responsibilities within our Federal system. Subsequently, the bill was referred to the Judiciary Committee where this entire matter was given extensive scrutiny during the course of the hearings. Following those hearings, a majority of the Judiciary Committee determined that S. 354 was constitutional "both overall and with respect to each of its provisions."

Most persuasive is the testimony of the former Solicitor General of the United States, Erwin N. Griswold. Mr. Griswold, the former dean of Harvard Law School, submitted an exhaustive opinion, 154 pages, concerning the constitutionality of S. 354. An extensive portion of that opinion—pages 92–138, reprinted in the Judiciary Committee hearings on S. 354

at pages 835–880—was devoted to the constitutionality of title III of the bill. Citing elaborate case precedent, Dean Griswold demonstrated that Congress may impose mandatory responsibilities upon State officials to enforce Federal law. In particular, he cited as an example the amendments to the Clean Air Act which, although it assigns certain supervisory authority to the Environmental Protection Agency, relies extensively for enforcement upon State officials.

Subsequent to Dean Griswold's testimony before the Judiciary Committee, one witness suggested that the Clean Air Act did not go as far as S. 354 with respect to the imposition of mandatory responsibilities on State instrumentalities. The former Solicitor General responded to that later testimony in a letter to the distinguished Senator from Nebraska (Mr. HRUSKA). In part, he stated in his letter:

> As noted in my opinion on the constitutionality of S. 354, pages 123–125, this aspect of the Clean Air Act does not alter the fact that it is a far more thoroughgoing imposition of mandatory requirements on the states than is S. 354.
>
> As a matter of principle, the remedial provisions of the Clean Air Act (principally Section 113, 42 U.S.C. § 1867c-8) do not qualify the absolute character of the state's affirmative obligations under that statute. They are intended to supplement state administration of implementation plans or to compel states to act, but, quite clearly, they are not substitutes for state administration.

Dean Griswold went on to say that from a practical standpoint, the specific responsibilities imposed upon the States under the Clean Air Act are so extensive that they could not be carried out by the Environmental Protection Agency and that the Congress itself in enacting this legislation assumed the States would play a predominant role in the Clean Air Act's enforcement.

The chairman of the House committee that reported out the amendments to the Clean Air Act described their purpose as follows:

> If we left it all to the Federal Government, we would have about everybody on the payroll of the United States. We know this is not practical. Therefore, the Federal Government sets the standards, we tell the States what they must do and what standards they must meet. These standards must be put into effect by the communities and the States, and we expect them to have the means to do the actual enforcing.

Mr. President, S. 354 contains far less detailed requirements for State officials than the Clean Air Act. It provides a mechanism under which Federal standards can be set while relying on a moderate approach to meshing a vital national objective with a tradition of predominant State administrative authority.

Mr. President, a majority of the Judiciary Committee found this approach to be an eminently sound technique for assuring the benefits of no-fault reparations to all American citizens.

Further, I ask unanimous consent that the full text of the letter from Dean Griswold, and from which I have just quoted, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 15, 1974.

Hon. ROMAN L. HRUSKA,
Senate Judiciary Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR HRUSKA: During my January 30, 1974 testimony before the Judiciary Committee, you asked me whether the Clean Air Act gives states an option, such as the option of foregoing federal funding for some purpose related to the statute, as a basis for declining to exercise the responsibilities imposed by § 110 of the Act (42 U.S.C. § 1857c-5). At the time I stated that I was certain as to the answer to your question. I have now examined the Act and have confirmed that there are in fact no provisions for a cut-off of federal funds, nor any other similar sanction that would permit a state legally to refuse to administer a § 110 implementation plan for air quality standards pursuant to the Act.

Since my appearance before the Senate Judiciary Committee on this matter, other witnesses have appeared before the Committee, and have made references to the Opinion which I filed on January 30th. There seems to be widespread agreement that Congress has the basic power to deal with the question of no-fault liability on a national basis, and with the scope of insurance coverage for automobile accidents. These are the matters covered in the first four points of the Opinion which I filed with the Committee.

I would also like to clarify one other point concerning the Clean Air Act. Subsequent to my appearance before the Committee, it has been suggested that the Clean Air Act is not analogous to S. 354, or at least that it does not go as far as S. 354, in respect to the imposition of mandatory responsibilities on state instrumentalities. In this regard, it has been asserted that the Clean Air Act provides for federal enforcement of air quality standards in the event of state default, whereas no similar backup federal remedies are set forth in S. 354. As noted in my opinion on the constitutionality of S. 354, pages 123–125, this aspect of the Clean Air Act does not alter the fact that it is a far more thoroughgoing imposition of mandatory requirements on the states that is S. 354.

As a matter of principle, the remedial provisions of the Clean Air Act (principally Section 113, 42 U.S.C. § 1857c–8) do not qualify the absolute character of the state's affirmative obligations under that statute. They are intended to supplement state administration of implementation plans or to compel states to act, but, quite clearly, they are not substitutes for state administration.

From a practical standpoint, the specific responsibilities imposed on states under the Clean Air Act are so extensive that they could not be carried out by the Federal Environmental Protection Agency through either of the two enforcement mechanisms provided by the Act—court actions for injunctions or administrative orders issued by EPA. As noted in my opinion, page 124, the Act requires states to undertake such programs as the establishment of vehicle inspection and maintenance programs, the retrofitting of certain pre-1968 vehicles with emission control equipment, and similar measures that only state government agencies could, as a practical matter, accomplish. The only manner in which such large-scale programs could be established through the Clean Air Act's enforcement mechanisms would be for EPA to seek federal court or administrative orders against the delinquent state agencies themselves, specifically mandating them to act.

This construction of the statute is confirmed by EPA's own practice. See, e.g., its analysis incident to the promulgation of certain state implementation plans at 38 Fed. Reg. 30632–33:

"Direct Federal enforcement and massive, duplicative Federal programs . . . were not the means contemplated by the Act to solve these problems. It is clearly necessary that implementation of transportation control plans be carried out at the State and local level. The Chairman of the House Committee that reported out the amendments to the Act described their purpose as follows:

"If we left it all to the Federal Government, we would have about everybody on the payroll of the United States. We know this is not practical. Therefore, the Federal Government sets the standards, we tell the States what they must do and what standards they must meet. These standards must be put into effect by the communities and the States, and we expect them to have the means to do the actual enforcing."

Although the proposed national no-fault bill itself makes no provision for a federal remedy in case of default by a state of its Title III obligations, as noted in my opinion (pages 138–150), court actions in the nature of *mandamus* or declaratory judgment would lie to enforce state obligations. Hence, in effect, the remedies for state default under both statutes are similar if not identical.

In short, I believe that a fair-minded reading of the Clean Air Act and S. 354 amply demonstrates that the former represents a far more extensive exercise of the Federal Commerce power to compel state action than is provided in the new bill. Furthermore, as stated in my opinion (pages 121–122), S. 354, unlike the Clean Air Act, would relieve a state of all its administrative obligations if such state opted to withdraw entirely from the regulation of automobile insurance.

In closing, let me say that I have noted the testimony of witnesses who appeared before your Committee subsequent to my appearance. Since none of these witnesses have disputed the judicial precedents assembled in support of the conclusions reached in my opinion, I believe that the opinion deals adequately with the points they have raised.

Sincerely,

ERWIN N. GRISWOLD.

RESPONSE TO MINORITY CONCERNS ON THE EXTENT OF CONGRESSIONAL POWER UNDER THE COMMERCE CLAUSE

Mr. HART. Mr. President, the minority views of the Judiciary Committee report on S. 354 quoted from a well-known opinion by Mr. Justice Frankfurter in the case of *Polish Alliance* v. *NLRB*, 322 U.S. 643:

> The process of adjusting the interacting areas of national and state authority over commerce has been reflected in hundreds of cases from the very beginning of our history.
>
> * * * * *
>
> The interpenetrations of modern society have not wiped out state lines. It is not for us to make inroads upon our federal system either by indifference to its maintenance or excessive regard for the unifying forces of modern technology. Scholastic reasoning may prove that no activity is isolated within the boundaries of a single State, but that cannot justify absorption of legislative power by the United States over every activity. (id at 649–650).

The majority of the Judiciary Committee which found this legislation constitutional and the Commerce Committee which originally devised this allocation of State and Federal responsibility do not dispute the views of the scholarly Mr. Justice Frankfurter. However, it is important to note the rest of the statement which the Justice made regarding this point. In the immediate sentences following the quotation above Justice Frankfurter went on to say:

> On the other hand, the old admonition never becomes stale that this Court is concerned with the bounds of legal power and not with the bounds of wisdom in its exercise by Congress. When the conduct of an enterprise affects commerce among the States is a matter of practical judgment, not to be determined by abstract notions. The exercise of this practical judgment the Constitution entrusts primarily and very largely to the Congress, subject to the latter's control by the electorate. Great power was thus given to the Congress: the power of legislation and thereby the power of passing judgment upon the needs of a complex society. Strictly confined though far-reaching power was given to this Court: that of determining whether the Congress has exceeded limits allowable in reason for the judgment which it has exercised. To hold that Congress could not deem the activities here in question to affect what men of practical affairs would call commerce, and to deem them related to such commerce merely by gossamer threads and not by solid ties, would be to disrespect the judgment that is open to men who have the constitutional power and responsibility to legislate for the Nation. (id. at 650–651).

This statement from the opinion of Polish Alliance points up the importance of the initial responsibility and judgment that is entrusted to Congress in determining whether a particular program is within the congressional power to regulate "interstate commerce" and whether the means selected are necessary and proper to carry out an appropriate legislative objective. It should also be noted that the holding by the Supreme Court in the Polish Alliance case was that the activities of the alliance engaging in the business of insurance where within the meaning of the National Relations Act's unfair labor practices "affecting commerce" which the board was empowered by the act to prevent. The Court also held that the application of the act to the business of insurance was a valid exercise of the power of the Congress under the commerce clause of the Federal Constitution. (Id. at 649.)

CONGRESS TO REGULATE INSURANCE UNDER THE COMMERCE CLAUSE

Mr. President, some have raised a question as to whether or not Congress has the authority under the commerce clause to regulate the auto reparations system unless it is demonstrated that the present system constitutes an undue burden on commerce.

The Commerce Committee did feel, and I agree, that the present tort system with its inadequate and uncertain benefits is an undue burden on commerce. The Judiciary Committee made its own independent analysis of the constitutional basis for this legislation. The committee was cognizant of the wording of article I, section 8, clause 3, of the Constitution which provides the Congress shall have the power "to regulate commerce—among the several States." This is a broad grant of power and has been so interpreted by the Supreme Court throughout the course of our history. The Judiciary Committee determined that the automobile insurance system is clearly within the Congress' purview on the basis of the case of *United States* v. *Southeastern Underwriters Association,* 322 U.S. 533 (1944). Since the business of insurance, including auto insurance constitutes interstate commerce, the congressional power to legislate in this area is clear. Even the minority views of the Judiciary Committee recognize that the business of insurance does constitute interstate commerce—minority views of the Judiciary Committee Report No. 93–757, on S. 354 at page 40.

There can be only one additional supplementary point that may be raised in connection with the activities covered by this legislation. That is the fact that some accidents will involve cars from the same State and that some insurance companies may sell insurance only in one State. The question arises as to whether Congress may appropriately regulate these activities. The answer appears to be very clearly in the affirmative. The most far-reaching measure to be sustained by the Supreme Court with respect to this point, has been the "loan sharking" prohibition of the Consumer Credit Protection Act upheld in *Perez* v. *United States,* 402 U.S. 146 (1971). In this case, as well as several other cases, the Supreme Court has found that although activities may be intrastate in nature, still it is within the power of Congress to determine that it was within a class the activities of which did affect interstate commerce, thus affording Congress power to regulate the entire class. The cases of United States against Darby and Maryland against Wirtz also support this congressional power.

For these reasons, it appears that S. 354 is constitutional and that the arguments raised against it and title III in part should be rejected. I urge my colleagues to oppose amendment No. 1207.

Mr. President, we have heard it said with respect to certain other amendments that they would effectively kill the likelihood of the adoption of reasonably uniform standards of no-fault legislation. I think it can be truthfully said with respect to this amendment that it would indeed have that effect.

As to the second concern, that of constitutionality, I am satisfied that the thoughtful presentation of Dean Griswold is the basis on which we can make the statement that, to the extent anything can be certain, we can be certain that this will be sustained upon test.

Admittedly, the citations provided by Dean Griswold are not on all fours with the bill before us, but they come as close as one could expect in the absence of an explicit court finding on a particular bill comparable to this on all fours. I am satisfied, as was a narrow majority of the Committee on the Judiciary, that it is constitutional.

Mr. MOSS. Mr. President, I must oppose, as vigorously as I can, the amendment of the Senator from North Carolina, which would delete title III of the bill. This amendment would take out the backup provision and leave in the bill absolutely nothing in its place.

It is expected that the States will develop plans—and we have expanded the time by giving them up to 4 years to do that—of no-fault insurance, and that they will ultimately comply. In that case, title III would be unnecessary. However, in the event they do not act within 4 years, title III would become effective. Without this backup authority, many States may be dilatory or may not move ahead on it.

If it is our desire to have a uniform system of no-fault insurance in existence in the 50 States within a 4-year timespan, title III is absolutely essential in the bill. We just cannot submit to having the bill effectively gutted by eliminating title III.

The amendments that have been adopted on the floor have greatly increased the State functions, such as the Mondale-Stevens amendment, which was voted on this morning. The threshold for noneconomic loss has been effectively lowered to a point where it provides relief for those who seek reparations for noneconomic damage, and it preserves the tort rights and gives the States total administrative power.

Once the State has developed its plan and submitted it to the Secretary and it is determined to be in compliance with the guidelines of this statute, there is nothing more the State has to do, other than to make a report, when the Secretary wants to examine it again. So the States operate the plan, and they operate the insurance, the traffic, and everything. Without title III, the bill would be so crippled that it would be ineffective.

The PRESIDING OFFICER. All time has expired.

Mr. COTTON. Mr. President, is a parliamentary inquiry in order?

The PRESIDING OFFICER. The Senator will state it.

Mr. COTTON. When was the unanimous-consent agreement entered into limiting the debate to 5 minutes on a side?

The PRESIDING OFFICER. Just prior to the debate. The request was made by the majority whip, Senator ROBERT C. BYRD.

Mr. COTTON. Previous to that, it was 10 minutes to a side?

The PRESIDING OFFICER. That is correct.

Mr. COTTON. I ask unanimous consent that the Senator from Nebraska be given 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Nebraska has 2 additional minutes.

Mr. HRUSKA. The Senator from Nebraska does not care to have 2 minutes additional time.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from North Carolina (Mr. HELMS). On this question the yeas and nays has been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Hawaii (Mr. Inouye), the Senator from Illinois (Mr. Stevenson), and the Senator from Georgia (Mr. Talmadge) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Stevenson) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

The Senator from Hawaii, (Mr. Fong) voted "present."

The result was announced—yeas 32, nays 61, as follows:

[No. 162 Leg.]

YEAS—32

Aiken
Allen
Baker
Bartlett
Bennett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Cotton
Curtis
Dole
Dominick
Eagleton
Eastland
Ervin
Fannin
Goldwater
Hansen
Helms
Hruska
Johnston
Long
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Thurmond
Tower

NAYS—61

Abourezk
Bayh
Beall
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cook
Cranston
Domenici
Gravel
Griffin
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Symington
Taft
Tunney
Weicker
Williams
Young

ANSWERED "PRESENT"—1

Fong

NOT VOTING—6

Bellmon
Fulbright
Gurney
Inouye
Stevenson
Talmadge

So Mr. Helms' amendment (No. 1207) was rejected.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the amendment was defeated.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. Abourezk) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 9293) to amend certain laws affecting the Coast Guard.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 8101) to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

The enrolled bill was subsequently signed by the Vice President.

HOUSE BILL REFERRED

The bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

The Senate continued with the consideration of the bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce.

The PRESIDING OFFICER. Under the previous order, the Senator from Nebraska (Mr. Hruska) is recognized to offer a motion to recommit, on which there is a time limitation of 90 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to recommit occur at the hour of 1:45 p.m. today. That is just 5 minutes earlier than was stated in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska.

Mr. HRUSKA. Mr. President, I yield myself such time as I may require.

Mr. President, the concept of no-fault insurance is very fetching indeed. The case for the particular version of a no-fault plan suggested by S. 354, however, has simply not been made.

In considering a motion to recommit the bill, it would be well to bear in mind that there have been some changes in the bill as originally introduced. They consist of the removal, for example, of the $2,500 deductible item contained in the original draft of the bill in the event of suit in tort where other conditions are met. Also, the 6 months continuous disability requirement has been reduced to a 3-month period. It is conceded, Mr. President, that those two amendments in themselves will wipe out any reduction in the premiums on automobile insurance as envisaged by the bill S. 354, and even by the Milliman and Robertson report.

That report itself, of course, is highly uncertain; it is conjectural. The Milliman-Robertson report, which is depended upon and relied upon, has stated that portions of the insurance rates will be decreased rather than increased. I read from the report itself, at page 51:

> Although the conclusions presented in this report are probably the best estimates available, it should nonetheless be recognized that they are subject to a high degree of uncertainty as well as being very susceptible to misinterpretation.

The study then goes on to specify the following caveats:

> 1. premium charges will vary by size of vehicle;
> 2. the study does not deal with changes in territory or classification which may be substantial;
> 3. cost implications of the input assumptions and supporting data base to model should not be underestimated or overlooked;
> 4. no attention was given to possible inadequacy or redundancy of existing premium rate levels;
> 5. the study is confined to the auto system and not the effects of changes in the system on other lines; and
> 6. there is no attempt to predict the effects of other influences on auto premiums such as auto safety or the energy crisis—it is confined to the cost of a single bill.

Certainly there has been that responsibility. It has been demonstrated during the course of the debate by some very unfounded claims made as to the impact of the bill upon the rate structure of automobile insurance.

One of the bases for the motion to recommit with instructions—one consideration—would be to project the cost of S. 354 on a State-by-State basis, utilizing the experience and the data based on an operational study of no-fault programs rather than unrelated economic material.

We should bear in mind that 22 States have a no-fault plan. Each one is different from the other. In making the Milliman-Roberts report, which seeks to compare what is an imagined and conjectured program base for S. 354, the auto-policy bill, as compared with the present tort system, has resorted, prior to enactment, to the no-fault plans which are now in effect in 22 States. So, first of all, a study based on an economic model, and not on actual experience, will thereby be unrealistic. The rates will not compare with premium rates being charged in the 22 States where no-fault plans have been adopted.

It seems to me that if we are going to buy a package and impose it on 50 States, we want to be able to assure anyone what the premiums are going to be under a policy that is rendering an injustice to the people of the Nation. We ought to furnish reliable statistics and reliable figures.

I know there will be those who will say that this is just a dilatory measure; that it is for the purpose of delay; and so on. That has been considered in this matter already. But because the States are going to have 4 years in which to enact legislation in this field, by reason of the amendments already adopted, a referral back to the committee for purposes of complying with the instructions contained in my motion will not delay that process at all. Certainly a 4-year period for that one purpose will not be taken—or any substantial part of it will not be taken—for the purpose of complying with the motion to recommit and the instructions contained therein.

I shall read the instructions I intend to submit in the motion to recommit the pending bill, before I move to recommit the pending bill to the Committee on Commerce.

Mr. President, this motion is grounded upon three primary unanswered questions with reference to the pending bill. They are: What will be the cost? That question has not been answered, and cannot be on the record that now exists.

Second, is it violative of the fundamental principles of federalism? Here we get into the concept of the McCarran-Ferguson Act and the deliberately adopted policy of Congress of 30 years standing, which is to leave the field of insurance to the States rather than to assert jurisdiction by the Federal Government.

The third question is, Will it complement rather than conflict with other related proposals?

The first two of these questions have been considered at length during the course of our debate.

On the constitutionality issue, former Solicitor General Griswold and others urge that the measure is sound. But Professors Kurland and Dorsen, the Department of Justice and others argue that it is defective. Surely, S. 354 can be modified to eliminate any ambiguity on this point.

On the question of cost, proponents argue that S. 354 will reduce automobile insurance premiums. Opponents contend that premiums will rise if the bill is enacted.

On the question of S. 354's role with respect to other Federal insurance programs, the record is bare.

Early this month, the Senator from Massachusetts (Mr. KENNEDY) introduced health insurance legislation which parallels exactly a bill introduced by Chairman WILBUR MILLS of the Ways and Means Committee of the House of Representatives. This legislation, S. 3286, is similar in many respects to legislation sponsored by the administration. Hearings are already underway by the House Ways and Means Committee and it is quite likely, I am told, that the Senate will have the opportunity to consider legislation establishing a national health insurance program at this session of Congres.

This legislation may have a profound impact on any no-fault insurance plan. Indeed, it could supplant the major provisions of S. 354 which deal with reparation for personal injuries. For example, under the Kennedy-Mills bill, the national health insurance system would cover all hospital and physicians' services above an annual deductible of $150 and 25 percent coinsurance. In addition, the full costs of services would be covered after a family has incurred annual expenses in excess of $1,000. Because these payments would be considered primary, the enactment of a national health insurance plan could obviate the need for the medical services portion of S. 354. Such provisions could be rendered nullities by a general health insurance bill.

It is imperative that two major pieces of legislation, such as national health insurance and no-fault automobile insurance, complement rather than conflict with each other. Recommittal of S. 354 to the Commerce Committee, with instructions to study the effect of a national health insurance plan on S. 354, will insure that the Senate is not working at cross-purposes.

Mr. President, before the Senate can act in an enlightened and responsible manner, these unanswered questions must be set to rest. I urge Senators who support the no-fault concept and those who oppose it to recognize the necessity of further review and to support my motion.

It is for this reason, Mr. President, that I made the motion in the form which I have read, and which I now send in writing to the desk.

The PRESIDING OFFICER. The motion will be stated.

The assistant legislative clerk read as follows:

> I move to recommit the pending bill to the Committee on Commerce with the following instructions:
>
> (1) to project the cost of S. 354, on a state-by-state basis, utilizing the experience and data base of operational state no-fault programs rather than unrelated economic models;
>
> (2) to examine the cost consequences of a discretionary, as opposed to a compulsory, federal auto insurance bill;
>
> (3) to catalog by feature all no-fault systems enacted to date in order to develop an optimal model:
>
> (4) to develop a methodology of implementing no-fault on a sound Constitutional basis; and
>
> (5) to study the proper scope of no-fault insurance as a supplement to national health insurance legislation.

Mr. MOSS. Mr. President, I rise to oppose the motion to recommit the bill. I think it would be a tragedy if, at this point, we recommitted this measure. I think it would be much better if we go on and vote the bill up or down, even if that should have the very unhappy result of our voting it down. I think it makes no sense at all to recommit the bill.

So I appeal to the commonsense and wisdom of the Members of the Senate to reject the motion to recommit the bill (S. 354) to the Committee on Commerce for further study of its cost implications in view of the amendments adopted by the Senate.

I, of course, oppose this motion because I am in favor of passage of the bill. But much more fundamentally, I oppose this motion because the people of the United States expect us to make decisions—yes or no—and they do not seem to have much patience with endless studying and parliamentary tricks to avoid making decisions. This bill is ready, more ready than most bills we vote up or down, to be decided on the merits. It has been the subject of voluminous hearings. It and its predecessor in the 92d Congress have been the subject of months of hearings and committee executive sessions and almost 2 weeks of floor debate. It has been talked at, picked at, lobbied about, and ducked for years.

The time has finally come to take a stand on the merits. I appeal to opponents as well as supporters to reject the motion to recommit.

Let us review the record of Senate activity on national no-fault. In the 92d Congress, the Committee on Commerce held 16 days of public hearings—March 10, 18; May 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 28; June 16; and October 13, 14 in 1971—on the predecessor bill, S. 945 in the 92d Congress, and many days of executive session before reporting a bill to the Senate floor by a committee vote of 13 to 4. After it had been reported, the full membership of the Senate debated that bill for a number of days in the summer of 1972 and then voted—on August 8, 1972—to re-refer the bill to the Committee on the Judiciary. That was a close vote, 49 to 46, as I remember.

In the 93d Congress, the Committee held an additional 10 days of public hearings on the new bill, S. 354—February 1, 6, 7; April 4, 10, 11, 12; May 23, 24; and June 7 in 1973—and then we had days of executive sessions before reporting the bill to the Senate floor by a committee vote of 15 to 3.

I might interject at this point that the Commerce Committee is composed of members of the bar. I think there is only one non-lawyer on that committee. So it had scrutiny both from its constitutional point of view and as to the legality of the bill, as well as the provisions that have to do with insurance, premiums, and consumer matters.

After the bill had been reported out of the Committee on Commerce, the chairman of the Committee on Commerce and the chairman of the Committee on the Judiciary and the distinguished Senator from Nebraska (Mr. HRUSKA) agreed that the bill should be re-referred, by unanimous consent, to the Judiciary Committee for its consideration. The Committee on the Judiciary held still another 10 days of public hearings on the bill as reported—December 4, 5, 6 and 12, 1973; January 24, 29, 30 and 31; February 5 and 7, 1974—plus 2 days of executive session before reporting the bill favorably to the Senate floor by a vote of 8 to 7.

Mr. President, in light of that record, what honest purpose would be served by further study and committee consideration?

It is said that the bill should be recommitted for study of its cost implications in light of the floor amendments deleting the $2,500 deductible from pain and suffering damage verdicts and reducing the tort threshold from 180 days to 90 days of disability. Mr. President, the cost study prepared by the firm of Milliman & Robertson—and incidentally these were the actuaries selected by the State insurance commissioners, the ones who were best able to do a study on this type of insurance problem and, therefore, they were retained by the Department of Transportation—was designed under contract by the Secretary of Transportation to be a comprehensive study not only of the bill as reported by the Commerce Committee but of all reasonable variations. The Senate has chosen two such variations and the exact cost implications have been readily derived from the data in the Milliman & Robertson study. I ask unanimous consent that a memorandum summarizing those cost implications be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM: VALUE AND COST OF NO-FAULT INSURANCE

To: Members of the Senate.

From: Floor managers of S. 354, the National No-Fault Motor Vehicle Insurance Act.

Re: Cost and value of insurance under S. 354 as amended on the floor compared to the cost and value of insurance under the present lawsuit system.

(1) Impact of floor amendments on costs of S. 354 insurance compared to cost of insurance under the present system.

In anticipation of arguments that S. 354 as amended on the floor will cause automobile owners to pay more for their insurance than they are now paying, the floor managers of S. 354 have instructed the staff to calculate the cost impact of permitting noneconomic (e.g., pain and suffering) lawsuits after 90 days rather than after 180 days. The cost comparisons presented in the enclosed tables were derived from information provided by the independent actuarial firm of Milliman and Robertson, Inc.

The enclosed material demonstrates conclusively that each State enacting a no-fault plan in compliance with the minimum standards in S. 354, including the minimum 90 day disability threshold, could effectuate a cost savings (or at least avoid a cost increase) in that State. For example, Alabama would experience a 16% savings in the average personal injury insurance premium; Nevada would experience a 17% savings; North Carolina a 2% savings; New Mexico a 12% savings; and Utah an 11% savings.

(2) S. 354 as amended affords a State the option of increasing the projected savings.

A principal way of increasing savings in a given State would be to exceed the minimum permissible restrictions on lawsuits—i.e., increase the disability time period from 90 to 120 or 180 days. But there are a number of other options open to a State which would produce additional cost savings without changing the benefit level standards or raising the minimum lawsuit restrictions.

Simply by eliminating motorcycles from the no-fault plan as permitted under S. 354 a State could produce additional savings. A State could also maximize the effectiveness of its compulsory insurance law and get more people to buy the required insurance, thereby decreasing the average cost to each person. In addition, a State could lower the survivor's benefits (e.g., from $5,000 as assumed in the Milliman and Robertson study to $3,000 or some lesser but reasonable amount as permitted under S. 354) or the State could lower the replacement services benefits (e.g., from one year as assumed in the Milliman and Robertson study to six months).

It should also be noted that the premium savings projected for S. 354 have assumed that no one will elect the permissible $100 deductible or one week waiting period. Experience would suggest that such deductibles and waiting periods will be selected, and, as a result, even greater savings will occur.

(3) By any measure the value of S. 354 insurance is far greater than the value of insurance under the present system.

The enclosed chart shows the value of S. 354 is far greater than the value of insurance presently being purchased. Under S. 354, far more injuries (including economic and noneconomic injuries) are compensated than under the present system, and far more dollars are paid to compensate those injuries. The value of S. 354 insurance compared to insurance under the present system is like the performance value of a 1974 automobile compared to the value of a horse and buggy. The irony is that the more valuable product costs less than the less valuable liability-based insurance product now being sold.

MEMORANDUM

VALUE AND COST COMPARISONS BETWEEN THE PRESENT LAWSUIT INSURANCE SYSTEM AND S. 354, THE NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT,[1] AS AMENDED BY THE SENATE—RESULTS UPON ENACTMENT OF MINIMUM STANDARDS[2] IN S. 354

	Percent increase in injuries [3] compensated—threshold (days)		Percent increase in dollars available to compensate injury—threshold (days)		Percent of average savings in personal injury premium—threshold (days)		Annual savings for present [5] insurance buyers—threshold (days) 180
State	180	90	180	90	180	[4] 90	
Alabama	55	58.0	48	58	−22	−16	$19,000,000
Alaska	25	26.0	35	42	−9	−3.4	1,017,800
Arizona	32	34.0	33	40	−19	−14	17,794,440
Arkansas	56	59.0	49	60	−19	−14	11,108,000
California	21	22.0	12	14	−28	−22	267,562,490
Colorado	38	40.0	40	48	−10	−6	7,929,840
Connecticut	6	6.5	18	22	−21	−15	30,662,700
Delaware	39	41.0	42	52	−10	−6	1,920,800
District of Columbia	17	18.0	24	29	−20	−15	4,230,800
Florida	26	27.0	30	36	−19	−13	25,184,300
Georgia	48	50.0	50	60	−16	−11	21,559,020
Hawaii	21	22.0	15	18	−25	−19	9,436,000
Idaho	49	51.0	40	48	−12	−7.4	3,020,000
Illinois	25	26.0	32	39	−16	−11	68,426,750
Indiana	40	42.0	36	43	−12	−6	21,489,700
Iowa	38	40.0	36	43	−12	−5.3	10,879,000
Kansas	49	51.0	42	50	−15	−11	10,758,120
Kentucky	42	44.0	50	61	−12	−7	10,550,300
Louisiana	42	44.0	43	51	−22	−17	27,320,020
Maine	35	37.0	44	52	−7	−1.2	2,241,700
Maryland	21	22.0	32	39	−10	−4.2	17,264,100
Massachusetts	1	1.0	6	7	−25	−20	45,934,800
Michigan	37	39.0	41	49	−6	−0.5	16,827,320
Minnesota	28	30.0	37	44	−14	−9	22,939,840
Mississippi	50	52.0	47	56	−20	−15	11,800,320
Missouri	27	28.0	32	39	−20	−14	36,327,330
Montana	52	54.0	45	54	−10	−5	$2,078,720
Nebraska	41	43.0	41	49	−8	−2	3,627,300
Nevada	48	50.0	38	46	−21	−17	4,177,680
New Hampshire	26	27.0	30	36	−14	−8	4,081,680
New Jersey	7	7.0	7	8	28	−23	107,420,600
New Mexico	45	47.0	40	48	17	−12	19,215,350
New York	5	5.0	9	11	22	−16	184,456,910
North Carolina	27	28.0	30	36	8	−2	16,199,440
North Dakota	60	63.0	58	70	−4	−.01	850,040
Ohio	36	38.0	31	37	−18	−13	61,831,560
Oklahoma	34	36.0	40	48	−18	−11	13,553,960
Oregon	39	41.0	37	45	−11	−5	10,021,500
Pennsylvania	24	25.0	27	33	−18	−14	69,980,480
Rhode Island	27	28.0	29	35	−18	−14	7,280,550
South Carolina	44	46.0	48	57	−3	[6] −2	2,038,970
South Dakota	54	56.0	42	50	−10	−7	1,839,160
Tennessee	31	32.0	35	42	−18	−13	24,550,640
Texas	40	42.0	31	37	−23	−17	71,969,120
Utah	34	35.0	35	41	−17	−11	5,518,940
Vermont	38	39.0	44	52	−6	±0	772,360
Virginia	43	45.0	45	54	−5	±0	7,822,840
Washington	35	36.0	35	42	−15	−10	7,932,120
West Virginia	39	41.0	38	45	−20	−14	9,007,520
Wisconsin	28	29.0	39	47	−8	−1.7	13,509,120
Wyoming	51	53.0	44	52	−8	−5	558,940

Footnotes on following page.

Mr. MOSS. Mr. President, it seems to me that if at this point we in the Senate simply recommit the bill, we have gone back around the track that we have been running on now for about 5 years, for it was 5 years ago that the Committee on Commerce initiated the action that was taken by the Secretary of Transportation to make a study of this whole problem of motor vehicle insurance.

We all know that it has become a scandal in many places in our country. Not only do we pay in premiums more than twice the amount that claimants ever get back from their insurance policies, but in fact the study found that a claimant who recovers on his insurance or the insurance of someone who has injured him can expect to get back only 44 cents out of every dollar that was paid in to the insurance companies to cover injury by automobile accidents. So he only has a chance of getting half of it back, and his chances, of course, are cut in half by the fact that in most areas—perhaps not most now, but in a large part of our country—the doctrine of negligence and contributory negligence is such that only one person out of two would be able to recover, because of the showing of negligence of some sort on the claimant's part.

Having been a trial lawyer myself, and tried a number of these cases, I know the great refinements that are utilized to determine what is negligence and what is not negligence. In the meantime, many people are injured, have hospital bills, miss days of work, and have other damages that flow out of automobile accidents, and they have no way of paying those expenses until the decision has been made by the insurance adjusters and by negotiation between the insurers on subrogation back and forth, or by piling up litigation—no way of getting that money until a decision is made, which may come 6 months or a year later or in some extreme cases, even a matter of several years. In the meantime, these people have no way to pay their medical expenses, which is one reason the study found that those who have a high incidence of injury coming out of an accident could only expect to get one-half of the real damages back, let alone anything for pain and suffering. This is one reason the fees are high. They are problematical. Many lawyers take cases on a contingent fee basis so that maybe one-third of the amount recovered, or as much as one-half, is retained by the lawyer rather than going to the injured party.

So in cases where we have direct physical damage to a person and medical expenses, he should be able to expect to get that at once, so that he can have medical attention and rehabilitative services and not have to wait for the problem to be straightened out by adjusters and litigation.

That is what this bill does. It says that anyone who is hurt in an accident will get his medical expenses forthwith from his own insurance company, and only those who have suffered great damage or have been incapacitated for longer than 90 days will be able to bring a tort suit.

The idea of whether a person has been deprived of his rights by not being able to bring a tort suit for any kind of injury is in some way unconstitutional or unlawful is a mistaken point of view. We have already crossed that bridge by enacting workmen's compensation laws where the right to sue was suspended and there was an absolute liability to pay workmen's compensation for anyone injured on the job involved in interstate commerce. This has been to the Supreme Court. It has been upheld. We are not doing any violence to law. As a matter of fact, we are following that as a general pattern.

Then we come to other cases where there is absolute liability without relying on a tort showing of negligence in order to recover. In this case, it is to be said that anyone injured in an automobile accident shall get his medical and rehabilitative expenses on his own insurance at once, up to the threshold limit beyond which he may bring an action if he has injuries that go beyond that point.

Another point often made against the bill, which we discussed a little earlier in one of the amendments, is that somehow or other this is a big Federal takeover in this field. As a matter of fact, it is not a Federal takeover. The bill provides that each State shall develop and perfect and put into effect by its State legislature, in its own area, its own no-fault compensation law for automobile accidents. The Federal Government has only the one function of determining whether that plan reaches the floor, the minimum standards, or higher, and if it does, then it becomes approved as the no-fault law.

The other thing we had, title III, which we discussed when the amendment of the Senator from North Carolina (Mr. HELMS) was pending, was that if after 4 years go by—and remember, we have already been on this for nearly 5 years—after 4 more years go by and the States have not acted, then there will be some Federal action taken in the State to put into effect a no-fault compensation law.

It seems to me that the greatest effort has been made to have the control of insurance and the control of traffic, and the rehabilitation in case of persons, remain at the State level. I think this is a total answer to those who say, as did the President, that no-fault is an idea whose time has come but then simply add "Do not let the Federal Government do anything about it. Just leave it to the States." We have been leaving it to the States for years and years. In fact, for a matter of 5 years, it has been said by the Department of Transportation to the States that, "We will defer now and let the next session of the State legislature have their chance." Then we defer again and defer again.

A number of States have come forward and adopted no-fault compensation systems. In this case, only two or three are up to the Federal floor level, but about 19 have some form of no-fault now in effect. So the States have begun to act. But there inevitably are many of them—more than half—who have not acted and may not act unless we have a federal law that sets a minimum floor or a standard that we know will be clearly in effect all across the United States for those who travel in interstate commerce.

We have a floor that applies all the way across, unless there is this matter of ultimately having Federal intervention if the State refuses to act. We adopted on this floor an amendment to provide even some funding for the States, on the basis that some States might be required to expand additional funds to convert over to a no-fault system. The bill authorizes an appropriation of $10 million that would become available to assist the States in making the conversion. So the States do not even have an economic excuse now.

If they have additional expenses on the conversion, they may seek reimbursement from the Department of Transportation, if this bill becomes law, and the authorized money is made available.

I venture the opinion that the States probably would not need that money, or at least any large part of it, because every State in the Union already has a department of motor vehicles and a commissioner of insurance. They already have their courts in place, laws on the statute books governing traffic, and all of these other things. So they are already geared up to handle the problem.

It is simply a change from the old idea

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[1] This comparison is based upon information derived from appendix II of the Milliman & Robertson, Inc. actuarial study presented to the Senate Judiciary Committee on Dec. 3, 1973. Information concerning the percent increase in injuries compensated was calculated by comparing the number of injuries under the tort system with the number of injuries to be compensated under the minimum standards in S. 354 (tight—disability thresholds of 90 and 180 days) and dividing the injuries compensated under S. 354 by the injuries compensated under the tort system. Percent increase in dollars paid to compensate injuries was calculated by adding the total costs of the designated benefits (total costs of above) to the costs of the medical payments option. Then 75 percent of that figure was calculated to take into consideration the percent of insurance company pay out used to pay attorneys rather than compensate injuries. The figure derived was then divided into the "total costs of above" of S. 354.

[2] The main features of the minimum standards are as follows: (1) Benefits paid without regard to fault for all medical and rehabilitation loss, up to $15,000 for wage loss, 1 yr of replacement services loss, and up to $5,000 for survivors loss; (2) Lawsuits are limited to those for economic loss which exceeds no-fault benefit levels and those for noneconomic detriment: (1) in excess of $2,500 if the injury results in death, serious and permanent disfigurement, serious and permanent injury, or more than 6 mo of continuous disability, or (2) if the injury results in death, serious and permanent injury, or more than 90 days of continuous disability.

[3] Injuries include both economic and noneconomic (e.g., pain and suffering) injuries. If a comparison were made only between economic injuries compensated then the percentage increase would be much higher.

[4] In appendix II of the Milliman & Robertson study, figures are provided for the total number of general damage injuries compensated under the "tight" 180-day threshold and the "loose" 60-day threshold. To determine the number of injuries to be compensated under the 90-day threshold the number of injuries under the 180-day threshold were subtracted from the number of injuries under the 60-day threshold and then multiplied by 0.66. This figure was then multiplied by the average claims cost under the 60-day threshold provision in order to reflect the elimination of the deductible feature. (Amendment No. 1204.) The figure produced from this multiplication was then added to the total system cost of the tight threshold to produce the total system cost under a 90-day/no-deductible threshold. To derive the percentage change in average personal injury premium, total system costs were divided by the projected percentage of insured vehicles under a no-fault program in the same way in which Milliman & Robertson created the percentage figures in their charts A-1, A-2, and A-3.)

[5] These savings are based upon 1972 premium data (Insurance Facts 1973). Because premium volume has increased the savings in 1974 would be even greater.

[6] Assumes that South Carolina under a compulsory insurance system is able to achieve the same degree of compliance as its neighboring State, North Carolina, has been able to achieve—i.e., 97 percent. See Milliman & Robertson, Inc. at p. 25.

of tort damage being the basis of recovery on the question of fault that must be settled always which has become such a deterrent to those who drive automobiles.

Now one other thing, let me say, is the question of requiring a person who drives a motor vehicle to have insurance—no-fault insurance. Most States have that in some form now.

In my State—whose law I think is not adequate because it was not required to have the insurance in the first instance when a person gets a driver's license—but any person involved in any kind of damage to a motor vehicle that is reportable in any way will have his driver's license suspended unless he has insurance thereafter. So we do have compulsory insurance in a sense now.

Many other States have gone that route. Other States may make it absolutely compulsory that a person have liability insurance when he drives an automobile. So that we try to relieve this damage to innocent people injured by the driving of a motor vehicle.

I think that the very poorest way for us to terminate our work on this bill would be to recommit it, because nothing would be gained by it. We cannot go over and over and over the same track again and again. I think we have got to come to grips with it now and vote up or down on whether we are going to have a no-fault motor vehicle insurance law in the United States with a degree of uniformity and with the States all participating in their own sovereign right but conforming to a basic standard which we in this body, with the other body of Congress, have a right to set for the general welfare of the public; and because of motor vehicle transportation being so completely interstate now, it almost has to come to this body to make the decision. We cannot wait for the individual States any longer. Having given the 4-year time for them to come into compliance, I think we must proceed forthwith.

I oppose the motion to recommit.

Mr. HRUSKA. Mr. President, I yield 7 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the Federal no-fault insurance bill, S. 354, and in favor of the motion to recommit by the distinguished and able Senator from Nebraska (Mr. HRUSKA).

I joined in the minority report on S. 354 urging defeat of the Federal no-fault insurance bill for the very sound reasons enumerated in that report. Additionally, I have submitted brief individual views which strongly declare a basic constitutional objection to S. 354. This objection is embodied in the 10th amendment to the Constitution.

The 10th amendment very simply states that:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Mr. Chief Justice Stone, speaking of the 10th Amendment in *New York* v. *United States*, 326 U.S., at page 587, stated:

> The National Government may not interfere unduly with the State's performance of its sovereign functions of government.

Justices Black and Douglas in the same case, at page 594, stated:

> The notion that the sovereign position of the States must find its protection in the will of a transient majority of Congress is foreign to and a negation of our constitutional system. There will often be vital regional interests represented by no majority in Congress. The Constitution was designed to keep the balance between the states and the Nation outside the field of legislative controversy.

Mr. President, if we ignore the 10th amendment and these very sound opinions, then our 50 States will be in grave danger.

S. 354, in my opinion, is a bill which is unconstitutional. It is a bill which will reverse the congressional policy established in 1945 in the McCarran-Ferguson Act. It is a bill that will hurt the small business insurance companies that operate in less than six States, but will aid the giant national insurance companies operating in most of the 50 States. It is a bill, that if passed into law, will not only destroy sovereignty and regulation, but will open the door to passage of even more disastrous laws relegating the States to a position of impotency.

Mr. Justices Black and Douglas in New York against United States, at page 592, make the above point by quoting President Woodrow Wilson as follows:

> The States of course possess every power that government has ever anywhere exercised, except only those powers which their own constitutions or the Constitution of the United States explicitly or by plain inference withhold. They are the ordinary governments of the country; the Federal Government is its instrument only for particular purposes. As stated in *U.S. v. Railroad Co.*, 17 Wall 322, 327–328, the right of the States to administer their own affairs through their legislative, executive, and judicial departments, in their own manner through their own agencies, is conceded by the uniform decisions of this Court and by the practice of the Federal Government from its organization.

I urge my colleagues in Congress to think seriously of the dangers to the sovereignty of the States if S. 354 is enacted.

Mr. President, on the grounds of constitutionality, as well as on the grounds that it is simply unwise, I hope Congress votes no to S. 354. The wise course, and the constitutional course is to permit the States to continue their fine efforts of passing first-party no-fault insurance laws. To date, 20 States have passed no-fault legislation. Additionally, there is a voluntary plan in effect in the State of Washington. Other State legislatures are presently considering the matter, and, in my opinion, they should be permitted to continue this consideration, keeping in mind the special needs and problems of each State.

Mr. President, in addition to the grave constitutional issues presented by S. 354, I would like to emphasize the cost factor of this proposed legislation. Significant in my mind is the data in appendix E and appendix G of the minority report which shows that the citizens of South Carolina could be paying increased premiums from 14 percent to 34 percent, depending upon the coverage obtained. If the owner of a vehicle lives in a rural area or if the vehicle is a private vehicle rather than a commercial one, then increased premiums would be even higher.

The higher premium costs will affect at least 44 States. These statistics are alarming to me and to many others. The proponents of Federal no-fault auto insurance have been telling the press and the people that one of the key factors of Federal no-fault is the significant reduction of auto insurance premiums that could be anticipated. This is simply not the case. Instead of significant reductions of premiums, my constituents and the people of at least 43 other States will be forced to pay significant increases in auto insurance premiums.

Mr. President, it is clear that the proposed legislation could have disastrous and far-reaching consequences. I hope my colleagues will give this matter the most careful consideration, and I hope they will see fit to recommit the bill.

Mr. President, in the 20 years I have been in the Senate, I have witnessed the Senate going into one new field of activity after another, and without constitutional authority. This is another example of Congress attempting to go into a new field of activity, without constitutional authority. If one will search the Constitution, he will find no authority in the Constitution for Congress to go into the field of no-fault insurance.

Many other fields have been gone into. Bad precedents have been set. But that is no reason now to inject the Federal Government into another new field of activity where it has no constitutional authority.

If we are going to be a law-abiding people, Congress ought to set the example and ought to abide by the Constitution, so that the people of the country will know that we are law-abiding, that we favor the Constitution, and that the laws we enact will be in accordance with the Constitution.

The PRESIDING OFFICER. Who yields time?

Mr. HRUSKA. I yield myself 1 minute.

Mr. President, reference has been made to the tremendously long periods of time taken for hearings and debate on this bill, the vast amount of testimony taken, and so forth. Those statistics are very interesting, but they have not produced what the people are entitled to know and what we as legislators should know. What are the definitive cost factors in this no-fault insurance that is prescribed in this bill? The question simply has not been answered and cannot be answered because of the fashion in which the report is set up.

Second, reference has been made to workmen's compensation as being a model for the proposed legislation. I fervently wish that were true. It is not true, because in workmen's compensation we have 50 State plans and the benefits are different and the periods of time are different. It is completely different from the situation here, in which the Commerce Committee has taken one of a possible 200 plans and has said, "We are going to arrogantly and imperiously say to the States, 'We don't care about your judgment in this thing. This one particular plan is going to be the law of every one of your 50 States, whether you like it or not.' "

It seems to me that is a presumptuous position to take.

Mr. President, the returns are in and it will be a gloomy day for America's auto insurance buyers if S. 354 should be approved at this time. This bill, as amended to take out the $2,500 deductible and to change the threshold from 6 months to 90 days, would increase auto insurance rates in 48 of the 50 States, while leaving them unchanged in the other two. No State will get a decrease under this measure.

Let there be no mistake. The American public, if it is sold on the concept of no-fault insurance, is sold on it basically for one reason—the siren song of lower auto insurance costs. S. 354 is a sour, discordant note. I repeat, this measure will increase costs for the consumer.

Proponents of S. 354 have based their claims of reduced premiums on the false assumption that half of the uninsured motorists in every State will buy auto insurance under S. 354's compulsory insurance. If they do not, the cost figures by Milliman & Robertson are not valid. Let us see what has actually happened, not what theoretically should happen. The first three compulsory auto insurance States were North Carolina, Massachusetts, and New York. Half of the uninsured motorists did not become insured, so the theory did not work.

New Jersey passed a State no-fault law with compulsory insurance. The M & R study says New Jersey will go from 88 percent insured to 94 percent insured. In a letter from one of the State's leading insurance executives to the Governor of New Jersey, it was reported that New Jersey insureds have actually declined from 85 percent to 75 percent. Even allowing for error, this is hardly 50 percent of the uninsured motorists buying insurance.

Florida passed a compulsory no-fault law also—a State law. Florida had 90 percent insured, but this dropped to 85 percent. Again, no 50 percent of the uninsureds buying insurance.

Mr. President, I am not and never have been sold on the Milliman & Robertson study completely. However, since proponents have made so much of it, let us examine it further. It makes a comparison between insurance costs under tort law and insurance costs under Federal no-fault for each State.

However, it includes medical pay coverage as a part of the tort system costs. Medical pay coverage is clearly and obviously a first party, no-fault coverage.

Thus, when we use the M & R figures, removing these two false assumptions—that half of the uninsureds will automatically buy auto insurance and that medical pay is a tort cost—we come up with the best possible estimate of costs of S. 354—based on M & R figures.

These figures are in the M & R report, but they needed revising to take into consideration the amendments which eliminated the $2,500 deductible and changed the threshold from 6 months to 90 days. The revisions have now been completed, and I want them not only to appear in the RECORD, but also to be heard by as many Senators as possible, who may be under the misimpression that S. 354 will lower costs.

Before reading the State-by-State list, I would like to note that my State of Nebraska would suffer a 34-percent increase.

Mr. President, I ask unanimous consent to have printed in the RECORD a revised table of figures as to 1972 indicating the amount the premium will be increased percentagewise after taking into consideration the presumptions set forth therein by eliminating the $2,500 deductible and changing the threshold from 6 months to 90 days.

There being no objection, the table was ordered be printed in the RECORD, as follows:

Alabama	43
Alaska	18
Arizona	27
Arkansas	40
California	7
Colorado	30
Connecticut	7
Delaware	29
District of Columbia	10
Florida	20
Georgia	41
Hawaii	6
Idaho	39
Illinois	21
Indiana	31
Iowa	32
Kansas	39
Kentucky	35
Louisiana	37
Maine	28
Maryland	17
Massachusetts	1
Michigan	27
Minnesota	23
Mississippi	39
Missouri	22
Montana	38
Nebraska	34
Nevada	36
New Hampshire	16
New Jersey	0
New Mexico	35
New York	0
North Carolina	24
North Dakota	44
Ohio	26
Oklahoma	33
Oregon	32
Pennsylvania	18
Rhode Island	15
South Carolina	34
South Dakota	40
Tennessee	22
Texas	31
Utah	26
Vermont	30
Virginia	31
Washington	26
West Virginia	30
Wisconsin	23
Wyoming	38

Mr. MOSS. Mr. President, I have listened to the discussion by the Senator from Nebraska (Mr. HRUSKA) and the Senator from South Carolina (Mr. THURMOND), and I must take exception to the expressions of both.

The Senator from South Carolina spoke at length about the fact that this was an unconstitutional action with no justification in the Constitution for the action of Congress. I submit it is entirely within the general welfare clause and certainly it is within the interstate commerce clause. Traffic flows in interstate commerce by the millions every day. Our citizens are involved and they do travel across State lines. There is no form of government that is more responsible for taking action in the field than Congress, so rather than to say we have no power to act and should leave it to the several States, indeed, we are committed to take some action.

I earlier called attention to the fact that this bill in this long consideration was submitted to the Committee on the Judiciary in the last Congress and in this Congress, and especially in connection with the bill before us, S. 354, the Committee on the Judiciary has acted on it.

I have before me a letter from which I would like to read several excerpts. The letter is written by our distinguished colleague from Michigan (Mr. HART), who is a member of the Committee on the Judiciary. He stated in the letter addressed to me:

> If your experience matches mine, some law school classmates or lawyer friends are calling to tell you that the Federal no-fault bill (S. 354) is unconstitutional, will increase insurance costs in your State, will drive small insurers out of business, and so forth. Therefore, I thought that you would like to have on hand the Report on S. 354 filed by the Senate Judiciary Committee.
>
> A thin majority of the members of the Senate Judiciary Committee, after thorough consideration, have ordered S. 354 favorably reported. By a 15 to 3 vote, it was reported favorably by the Committee on Commerce. In both committees, the bill received bipartisan support. The majority report of the Judiciary Committee concludes:
>
> (1) S. 354 is constitutional. (Report, pp. 6–14).
>
> (2) S. 354 will produce savings in the annual personal injury premiums paid by individual consumers in every State. (Report, pp. 22–27).
>
> (3) S. 354 will not affect adversely the competitive position of small insurance companies. (Report, pp. 20–22).
>
> (4) S. 354 does no violence to the principle of State regulation of insurance. Report, pp. 14–20).
>
> (5) There are no differences in needs and conditions among the States that cannot be and are not reflected in S. 354.)Report, pp. 27–28).
>
> (6) The need for national standards is clear. (Report, pp. 27–28).
>
> That law school classmate or lawyer friend may not have read the Report—or he may be looking at the issue with an eye on his "personal experience."

I find that the words of that letter are particularly compelling because, indeed, I have found that to be true among my lawyer friends. I, like every other Member of this body, have received telephone calls, letters and telegrams from lawyers, mostly trial lawyers, who say that for some reason this bill should not be passed by the Senate. Reviewing the arguments set forth by the Senator from Michigan (Mr. HART), I think we have given an answer to that plea. I think the warped viewpoint taken by those referred to in the legal profession is clear. They have a fear that this bill will decrease their opportunity to practice law and earn fees. I do not believe that is so. I think that there will be ample opportunity for help and assistance from the legal profession, and I have great pride in the legal profession.

I do not downgrade the legal profession or say anything in disparagement of it. Without lawyers we would have a very difficult time living in a complex society, as we do. We depend on lawyers and they give us good service. But I think in this instance, and I do not include all of them because I know there are many capable and competent lawyers who are Members of this body who strongly support this bill, some of them are myopic about this bill and are launching a campaign that has been very distorted and shortsighted, and not based on fact.

THE SEARCH FOR RELIABLE COST INFORMATION

During the debate on no-fault automobile insurance at the Federal and State levels, a wide variety of cost estimates have been provided by both proponents and opponents. The estimates of opponents usually show a cost increase, and those of proponents generally show a cost decrease for a given no-fault plan. In order to eliminate the bias and guesswork in the costing of no-fault automobile insurance plans, the National Association of State Insurance Commissioners, in cooperation with the Department of Transportation, conducted a search for a reliable actuarial firm that could cost various no-fault plans at the State and Federal level upon which policymakers could rely. After an intensive search, the National Association of Insurance Commissioners selected the actuarial firm of Milliman and Robertson to develop a standardized computer costing model which could be applied to various no-fault plans to produce reliable and comparable costing results.

MILLIMAN AND ROBERTSON'S COSTING OF S. 354 AS FAVORABLY REPORTED BY THE SENATE COMMITTEES ON COMMERCE AND THE JUDICIARY

Following the favorable report of S. 354 from the Senate Commerce Committee, Senator MAGNUSON requested the Department of Transportation to engage the actuarial firm of Milliman and Robertson, to cost S. 354, as reported, using its computer costing model. By the terms of this contract, variations not in compliance with the minimum Federal standards in S. 354 were also calculated in order to give members of the Senate necessary cost information so as to evaluate any proposed amendments to S. 354.

In costing S. 354, Milliman and Robertson concluded that, if S. 354 were enacted, there would be a reduction in average insurance premium costs, both total premium cost and personal injury premium cost, in each and every State. These projected savings appear in the Senate Judiciary Committee's Report on page 23 and page 68.

While Milliman and Robertson, as all competent actuaries would, included caveats with regard to the cost information they provided, the actuaries who prepared the report stated that: "the conclusions presented in this report are probably the best estimates available."

In the rear of the Chamber we have two large charts showing the computations made by that actuarial firm chosen by the State commissioners themselves as to the great value of S. 354 type of no-fault insurance and cost savings in each State that would be realized by policyholders. In every case there was a cost saving.

I return again to say that we are talking not only about savings in premiums by those who have to buy or who do buy insurance, but we are talking about insurance that returns almost twice as much money, because everybody who has a medical injury of any kind can get his hospital and medical costs paid promptly by his own insurance company, and everybody who is hurt will get paid, and not half of them just left out because of some exclusion based upon fault.

I therefore think we must not recommit the bill. I think we have more information now that has been developed before the Senate than any State legislature has had. My colleague said 20 State legislatures—I thought it was only 19, but 20—have already moved into the field of no-fault. I say more information has been gathered here, discussed more fully, and discussed from more angles, than has happened in any of the 20 State legislatures. If 20 of them are ready to move, certainly we have all of the information at hand for us to move. Therefore, to recommit the bill would certainly be the wrong way to dispose of the legislation before us.

Mr. HRUSKA. Mr. President, I yield 6 minutes to the Senator from North Carolina (Mr. HELMS).

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 6 minutes.

Mr. HELMS. I thank the distinguished Senator from Nebraska. I shall be brief.

Mr. President, with all deference to and respect for the distinguished Senators who support this legislation, I feel obliged to say that this appears to me to be just another instance in which the Senate is saying to the people of this country, "Washington knows best, and it does not really matter what you want or what your State legislatures think is best for your States."

Mr. President, speaking in a broad view, I must say again what I have often said before on this floor and elsewhere—that superior wisdom does not reside in Washington, D.C. If it did, we would not be in the economic fiasco that is gripping this country.

My own State operates on a balanced budget. It appears that the thought in Washington is that a balanced budget is a thing of the past, that it is outmoded; and it is precisely because of Federal programs like this, some of them even worse than this, that we are in the national fiscal mess that we are in.

On this particular matter of legislation, Mr. President, I think we ought to be candid with the people and say to them that "What we are doing here is voting to increase your insurance premiums unless you happen to live in 6 out of the 50 States—six urban States. If you live in any of the other 44, tough luck. Too bad about that."

In my own State, it is estimated that the increase in insurance rates may be as high as 25 percent, as a result of this legislation.

Yesterday, Mr. President, as I said on the floor here, I have reservations about the so-called National No-Fault Motor Vehicle Insurance Act. In my view, the policy underlying the McCarran-Ferguson Act which states that the "continued regulation and taxation by the several States of the business of insurance is in the public interest" is as sound and viable today as it was in 1945, the date of its enactment.

I think Congress should abide by its dictates. I deeply fear that to deviate from the current policy in favor of the course suggested by national no-fault motor vehicle insurance is to recognize the inevitability of eventual Federal control over all types of insurance. Such a result is to be feared because it is manifestly not in the best interest of the American motorist.

While it is not my primary purpose today to address myself to the constitutional questions presented by the bill, I do feel it is my duty to register my belief that this proposed legislation may very well be unconstitutional. It would compel the States to create and utilize their own instrumentalities, officials, and facilities to implement and administer the pervasive and far-reaching Federal program contemplated by this bill. Title III provides that in the event a State does not enact conforming legislation, the provisions of title III will be imposed upon the State to be administered and regulated by it. State agencies would be compelled to administer federally established requirements, and they would be required to legislate in response to Federal directions. One may very properly question whether Congress has the power to compel the States to administer a Federal law even if the States are not willing to adopt such provisions.

And that is precisely the point, Mr. President. I for one think we have had enough of Federal controls on the people. We have had enough—indeed, too much—preemption of the rights of the States. I for one think the State legislatures are still competent to decide what is best for the people of their States. I for one regret what has been correctly described as the twilight of the States. And I think the freedoms of the people lie inevitably in protecting and preserving the rights of the States to make judgments which, in my view of the Constitution, are solely within the purview of the State governments.

Therefore, I commend and support the motion to be made by the distinguished Senator from Nebraska to recommit this bill. I support the motion because I am opposed to this legislation, and I think there ought to be further consideration, notwithstanding the contention that sufficient consideration has already been given. I think the bill is defective and I think that much greater consideration as to its implications ought to be given than has been given to this point.

I thank the Senator for yielding to me.

Mr. MOSS. Mr. President, how much time remains on the motion of the Senator from Nebraska?

The PRESIDING OFFICER. The Senator from Nebraska has 4 minutes. The Senator from Utah has 3 minutes.

Mr. HRUSKA. Mr. President, I have no further requests for time.

Mr. MOSS. Mr. President, I had expected the Senator from Montana (Mr. METCALF) to come here, but he has not arrived yet. The time has about expired.

Mr. President, I am willing to agree with the Senator from Nebraska to yield back our time and then to suggest the absence of a quorum, because some Senators are counting absolutely on that 1:45 p.m. time for the vote to start.

With that understanding, I yield back my time.

Mr. HRUSKA. Mr. President, I yield back the remainder of my time on that understanding.

Mr. MOSS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that I may yield to the Senator from Montana (Mr. METCALF) for a statement not to exceed 3 minutes, despite the unanimous-consent agreement that was entered into earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, in 1937 I was a member of the Montana Legislature that passed a statute requiring that any insurance contract written on Montana property had to be countersigned by a resident Montana agent. Subsequently as an assistant attorney general I argued in behalf of the statute before a three-judge court in support of the constitutionality of such a regulation as being within the sovereign right of the individual State to control and regulate insurance. I briefed the case for an appeal to the U.S. Supreme Court and had hoped to argue it, but prior to the hearing the court decided a Virginia case (*Osborn* v. *Ozler*, 310 U.S. 53) and on the basis of that case in a memorandum opinion decided the Montana case (*Holmes* v. *Springfield Fire and Marine Ins. Co.*, 31 U.S. 606). The lower court case is reported in 32 F. Supp. 964.

I cite this early litigation in which I was involved solely to indicate that I have been long involved with the question of State or Federal control of insurance.

With the possibility of arguing a case before the U.S. Supreme Court, I read every case even remotely in point at that time. It was only natural, therefore, as I briefed the case of Holmes against Springfield Fire and Marine Ins. Co., I became so imbued with the rightness of the concept of State control of insurance that even today it is basic in my approach to the insurance business. Whenever I think of regulation of the insurance business, I still remember Paul against Virginia and can even today reel off several other leading cases supporting State regulation and State control.

Of course, that legislation related to property which had a fixed situs within the State and the legislation before us relates only to motor vehicles which in this day and age have a mobility upon a national scale.

Mr. President, in the course of consideration of this legislation, I have talked to representatives of trial lawyers from Montana. Many of them are very close friends and are plaintiff lawyers, without whose efforts scores of litigants would have been denied fair settlements by the insurance companies. I have talked with representatives of the Trial Lawyers Association and have a community of interest with this group. Over the years the insurance companies have been so defiant of simple justice and so derelict in their responsibilities to their insured that had it not been for the efforts of the trial lawyers, casualty insurance would have been nothing but a racket, all coming in and no benefits going out.

I refer to these cases and this background in order to help describe the ambivalence in my approach to this legislation.

In the years that have elapsed since my activities in the Montana Attorney General's office, I have been concerned with the regulatory activities of various agencies. In the days when I was enthused about support for Insurance Commissioner Holmes in his regulation of insurance companies, I did not realize he was almost unique among regulators. Most of the State regulatory commissions, in my experience, have been captives of the very companies they are required to regulate. This is especially true at the State level.

This is true for commissions regulating electric utilities, intrastate railroads, so called blue sky stock regulations, natural gas companies, food and drugs, and so forth. There is a profound disillusionment among the people of America as to the effectiveness of their regulatory agencies at the State level. Many and many times these regulators work hand in glove with the very companies they are required to regulate. This has been true in Montana.

A no-fault insurance bill was considered in the Montana legislature in this year's session just recently adjourned. It failed to pass by a substantial majority. During the recent Easter recess, I talked to some of the legislators about their reasons for voting against the bill. Some were flatly against the whole concept, others disagreed with certain provisions, but several, perhaps enough to have made a difference as to the passage of the legislation expressed dissatisfaction with the kind of supervision the incumbent insurance commissioner would give such legislation. These legislators believed that passage of a State no-fault law with the sort of regulation demonstrated by the present commissioner of insurance would not only deprive the citizens of the State of Montana of the kind of automatic regulation served by an active and alert bar, but would give the insurance companies further unshackled control. I can understand that attitude. The incumbent insurance commissioner consistently identifies himself with the companies he is supposed to regulate rather than the people whose interests he is supposed to protect.

I have had personal experience of this bias on his part. In the last Senatorial election he directed a letter to the insurance companies identifying himself with the insurance industry he was supposed to regulate and deploring "Federal encroachment on our business." Nevertheless, despite the fears expressed about Federal encroachment, this bill grants substantial authority to the State regulators and provides a great area in which the State legislatures have authority to act above the minimum standards set in the proposed Federal legislation. This is not pre-emptive legislation in the same sense that some Federal acts completely take over the regulation of an industry.

Almost all of the opponents of this legislation to whom I have talked have stressed that they too believe in the urgent need for some improvement in the manner in which casualty motor vehicle insurance is administered. For example, Mr. Chesterfield Smith, president of the American Bar Association, certainly one of the most eminent and distinguished lawyers in America today, while opposing "Federal no-fault without reservation," suggested that the States can best respond to this "urgent need for reform" and said that he wanted "the States to alleviate existing deficiencies in their automobile reparations systems."

In any event, the State legislatures, for one reason or another, have been reluctant to act. Meanwhile, the problems continue to increase.

Courts are clogged with automobile accident cases. Some who have lawyers and can survive the long wait for jury trials get adequate verdicts. Others who have relatively small claims and are unable to fight their cases through the courts get very little. The inequities become greater and greater. A system that has been productive has finally broken down in the sense of equality before the law.

I recognize that this breakdown is not so apparent in sparsely populated areas such as Montana. But even in our rural area, where insurance will be required and benefits will be more uniform, I think the merits of this bill are greater than the defects. Therefore, I am going to vote for S. 354.

Mr. CHURCH. Mr. President, the Senate is about to vote on the Federal no-fault insurance bill. I shall vote to recommit the bill to committee and, if the recommital vote fails, I shall vote against final passage of the measure.

I have no objection, on principle, to the concept of no-fault insurance, nor am I categorically opposed to enactment—at the proper time—of Federal legislation in this field.

However, I believe that national legislation establishing uniform standards for no-fault insurance is definitely premature.

A majority of the States have not yet passed any form of no-fault insurance. In Idaho, the State legislature has twice rejected no-fault proposals. Idaho's Governor, Cecil B. Andrus, who has expressed opposition to a Federal no-fault plan at this time, has assured me that prospects for passage of a suitable plan, at the State level, should be much brighter during the forthcoming legislative session. I sincerely hope this proves to be the case.

Of those States which have enacted no-fault laws, sufficient time has not elapsed to provide enough experience from which to draw reliable data. As the matter now stands, I have no way of knowing whether the Federal bill now before us would increase or decrease insurance premiums in Idaho.

Due to amendments already adopted on the floor, opponents of this bill argue that automobile insurance premiums in Idaho might be increased as much as 38 percent upon enactment, while those favoring the bill contend that overall automobile insurance premiums would decrease by 7 percent. Such a disparity in the figures bear out my misgivings that, at best, the impact of this bill is purely speculative. I do not believe the Senate should act in the dark when it comes to so significant a change in the law.

Second, Congress will soon begin consideration of a national health insurance plan. Every indication points to the adoption of a plan which, at the very minimum, will cover heavy medical care expenses above a certain threshold to be specified in the law. Such a plan will become the primary source of financial coverage for medical and rehabilitation care resulting from serious automobile accident injuries. Enactment of a national health plan would thus provide the basis for reducing automobile insurance premiums covering personal injuries, since the insurance policy would need pay only that part of the medical bill not covered by the national health insurance plan.

Enactment of the no-fault bill, at this time, simply puts the cart before the horse. Before Congress adopts a Federal bill, the States should be given sufficient time to enact and experiment with differing no-fault programs. In that way, reliable data based upon experience and comparison will become available to the Congress. Also, the passage of a national health plan in the interim will profoundly affect the type and scope of Federal no-fault automobile insurance that should be ultimately considered.

The time may come, after most States have adopted no-fault plans of their own, to establish Federal standards, in order to achieve a uniform national system. But now is not the time.

Mr. HRUSKA. Mr. President, I ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

Under the previous order, and the hour of 1:45 having arrived, the question is on agreeing to the motion to recommit the bill with instructions. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WEICKER (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Florida (Mr. Gurney). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Arkansas (Mr. Fulbright). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

The Senator from Hawaii (Mr. Fong) voted "present."

The result was announced—yeas 40, nays 54, as follows:

[No. 163 Leg.]

YEAS—40

Aiken
Allen
Baker
Bartlett
Bennett
Bentsen
Bible
Brock
Buckley
Byrd,
  Harry F., Jr.
Church
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Goldwater
Hansen
Helms
Hollings
Hruska
Johnston
Long
Mathias
McClellan
McClure
Montoya
Nunn
Packwood
Scott,
  William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower
Young

NAYS—54

Abourezk
Bayh
Beall
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cranston
Gravel
Griffin
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Williams

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Mansfield, against
Weicker, against

ANSWERED "PRESENT"—1

Fong

NOT VOTING—3

Bellmon
Fulbright
Gurney

So the motion to recommit was rejected.

Mr. MOSS. Mr. President, I move that the vote by which the motion to recommit was rejected be reconsidered.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOSS. Mr. President, while a number of Senators are still in the Chamber, I should like for just a few moments to talk about the bill.

First, let me say that I am very much gratified the Senate has faced up to the problem of dealing with this piece of legislation. It would have been a tragedy had we recommitted the bill and started around the course again because we have been doing this for about 5 years now.

As the debate on the National No-Fault Motor Vehicle Insurance Act (S. 354) draws to a close, I would like to discuss with my colleagues what I think their vote on S. 354 means.

A "no" vote on S. 354, to my mind, means that we are willing to turn your back on the thousands of automobile accident victims who receive no benefits whatsoever from the present automobile compensation system even though collectively all drivers spend more than $16 billion a year for automobile insurance. It means we are willing to see the families of seriously injured automobile accident victims spend all of their resources, lose their homes, and even go on welfare, because they have been, by delay in payments and the risk of litigation, compelled to spend every penny to keep a loved one alive. The debate on this bill has focused on most everything, but the automobile accident victim and the shoddy treatment he receives under the fault based automobile insurance system. The lifesaving potential of no-fault resulting from the fact that insurance dollars will be timely available to pay for emergency medical services of each and every automobile accident victim, has been largely ignored. The life-restoring potential of an insurance system which provides all automobile accident victims necessary medical and vocational rehabilitation has been mentioned only in passing.

A "no" vote, then means rejection of a fair and more humane methods of compensating automobile accident victims.

Those who vote against S. 354 may piously state that they are all for no-fault insurance and agree with the President that it is an idea whose time has come. But, they will argue, S. 354 intrudes upon the Federal system.

Ones so inclined to argue should read the bill, section 109(a) says regulation and taxation of insurance shall be left to the States. Rather than exercising Congress' preemptive power, the bill in all particulars exemplifies the Federal-State partnership or sharing approach which is in so much vogue today.

Some of my colleagues will justify their vote against this bill, because someone has said that it may increase the cost of automobile insurance. Actuarial information compiled by an independent source chosen by the National Association of Insurance Commissioners demonstrates beyond a reasonable doubt the cost-savings potential of S. 354.

The cost debate, however, ignores one essential ingredient. The no-fault automobile insurance package is far more valuable to the American consumer than the present automobile insurance package to which it is compared. While State no-fault plans under S. 354, as modified by the Senate, will save consumers in some States as much as 20 percent, the no-fault program wil compensate as much as 50 percent more injuries and pay automobile accident victims as much as 50 percent more dollars than does the present system to which it is compared.

It seems incomprehensible to me that in this time of spiraling inflation and dilution of quality, that elected representatives of the people could vote against a program which would assure American consumers a much more valuable product than the one they are presently buying and at a lower cost than they are presently paying.

Mr. MAGNUSON. Mr. President, will the Senator from Utah yield at that point?

Mr. MOSS. I yield.

Mr. MAGNUSON. Is it not true that after all these deliberations which we have had, one bit of evidence shows that in the States which did have some no-fault insurance laws, the premiums went down?

Mr. MOSS. That is correct. Also, automobile accidents went down.

Mr. MAGNUSON. The Senator mentioned something I was going to bring up and I wish to join him in it, and that is that all the conversation has been about details of the bill and nothing has been said about the victims.

Mr. MOSS. That is right.

Mr. MAGNUSON. I suppose that you and I would like to be able to say that we would like a bill that would be perfect, but we cannot. But I have never heard anyone in all this debate stand up in this Chamber, or anywhere else, and suggest that the present system is right and that we do not need to do something about it.

Is it not also true that over 2 million people are seriously hurt every year in automobile accidents, and even if they had adequate insurance to cover the claims, some of them have to wait 2½, 3, 4 years, before they even get a nickel. This is the victim I am talking about.

But here we are, sitting around with a system that we know is a national scandal. Yet Senators will vote against the bill, because of some little thing they just do not like. I wish I could write a perfect bill but this one is so complicated we cannot do so. But we have got to make a beginning. We would not be here if all the States would pass a no-fault insurance bill.

Mr. MOSS. Of course, not.

Mr. MAGNUSON. We would not need to be here at all discussing this bill. But we must have some sense of uniformity here. I cannot understand, for the life of me, why anyone would suggest that we should not be doing something about it.

Not one prominent newspaper in the United States has come out and said we should not pass a no-fault insurance bill. Most have said that we should have one, and they have looked into it. Even parts of the American Bar Association have done so. But as to the debate here that the Federal Government has no responsibility for the 2 million Americans who do not get anything, about half of them never even get paid up to 2 years.

Mr. MOSS. About half.

Mr. MAGNUSON. Even if they have insurance.

I received a notice about 6 months ago that my premium for personal injury liability was increased about 35 percent.

I cannot believe that the Senate is so insensitive to 2 million people as to let the matter drag alone. If I should be reelected to the Senate, it will be another entire term before anything shows up in the way of a national no-fault insurance plan. It will not happen. I know State legislatures. I served in mine. I know who handles these insurance bills. Most of them never even get out of committee, for one reason—just one reason.

I cannot see how the Senate can be so insensitive to the victims, as the Senator from Utah has pointed out.

Where does the $8 billion go? "You're in good hands." Put a buck in there and you have a chance at 50 cents.

Mr. MOSS. Forty-four cents, to be exact.

Mr. MAGNUSON. Forty-four cents, to be exact. Even Las Vegas has better odds than that.

I cannot understand the insensitivity of Members of the Senate to 2 million victims.

If every State were to pass a no-fault bill in the next 4 years, that would be fine, but it will be 10 years. In the meantime, these people are not getting paid. They are waiting. They are paying in double the amount they should.

The Senator has made a good point: We talk about everything on the Senate floor except the victims, the 2 million a year who are seriously injured.

Mr. MOSS. I thank the chairman, the Senator from Washington, for his remarks. I agree with him. We have been worrying a great deal about States' rights and about Federal intrusion, but we have not been worrying about the people who suffer now under the present system—about 2 million a year—who have no recourse for medical services after they have been injured in an automobile accident.

Mr. President, I yield to the Senator from California.

THE "PUBLIC PROFESSION" AND ITS POCKETBOOK

Mr. TUNNEY. Mr. President, it will come as no secret to our colleagues to learn that the negligence lawyers of this country will lose hundreds of millions of dollars in legal fees if the legislation before us passes.

I happen to believe that the tort-based open market in personal injury cases is a cruel drain on the insurance consumer's pocketbook and a notorious waste of skilled human resources of the legal profession.

I also believe that lawyers both individually and collectively have an absolute right under our Constitution to lobby us, to bombard us with pleas and arguments, and even to make clear their intention to punish by political action those who would deprive them of a substantial portion of their livelihood.

But when, in so doing, the lawyers wrap themselves in the robes of defender of the Constitution, officer of the court, public citizen, defender of the rights of man, they run the risk of weakening both the profession and those institutions of the organized bar through which they have labored long and hard to build a tradition of public service and advocacy which transcends the lawyer's pocketbook.

The Judiciary Subcommittee on Representation of Citizen Interests, which I chair, is particularly concerned with the impact of bar association activities on the quantity and quality of legal services available to the public. We have been exploring the extent to which the ABA and other bar groups are "self-serving or serving the public," and held a hearing precisely on this topic at the ABA midwinter meeting in February. While testimony by ABA witnesses and others at that hearing persuaded me that the bar has done much good and important work in the service of the public, its action in telegramming Members of the Senate to urge defeat of Federal standards for no-fault would clearly seem to be self-serving.

The recent director of the association's Washington office identified the unique strength of the ABA as lying in its "disinterested expertise." He continued:

> Congress and the Administration know they can look to the Association for expert technical advice and rely on it for *objective* comments on matters of policy. In Washington, where so much political influence is based on campaign money and potential votes, the ABA can only fall back on its prestige and on the credibility it has built up over the years.

There have been leaders of the bar who have recognized the dangers to the integrity of the bar's institutions inherent in the self-serving campaign to preserve negligence fees. In a speech to the District of Columbia in January 1973, dealing with the appropriate legislative role of the ABA, Robert W. Meserve, then president of the ABA, emphasized the unique public responsibilities of lawyers and their profession.

He said:

> We are members of a trade association but we have chosen to earn our living in a unique profession. In making this choice we have committed ourselves to unique obligations. Law is a public profession. Those who practice it have unavoidable public responsibilities. The individual lawyer is first obligated to the honest, competent and full representation of his client's cause. Beyond that, however, lawyers, collectively, have a responsibility for participating in the public

> life of our society. Lawyers, collectively, are possessed of talent and knowledge which others may not have. Lawyers, traditionally, participate as leaders, as well as technicians, in all major social enterprises. The combination of capacity and position describe the collective responsibility which lawyers have, with respect not only to their client's problems but with respect to their country's problems.

In that speech, Meserve set forth as a guiding principle for ABA advocacy the choice of issues "selected from among those touching on the good of the public in general, rather than on the particular interest of lawyers as lawyers. He referred to pressures by State bar groups on the ABA to assume an aggressive posture in lobbying against no-fault legislation. And he urged the bar to resist such pressures, cautioning that such advocacy could "bring us into disrepute for selling too hard, or over-selling."

Three months later, carrying out the instructions of the ABA's house of delegates, then-President Meserve delivered a strong statement in opposition to the National No-Fault Motor Vehicle Insurance Act. I had, and I continue to have, great respect for Robert Meserve and I believe that in many ways he ranks among the most enlightened and progressive presidents of the ABA. In delivering his testimony, he was plainly carrying out the wishes of the majority of the ABA house of delegates. The substance of his statement has since been reaffirmed by current President Chesterfield Smith in testimony before the Judiciary Committee earlier this year.

In Meserve's statement, he attempted to respond to the criticism that lawyers, having a vested interest in the present system—

> Cannot be trusted to speak with either objectivity or authority.

He answered that the lawyer's financial interest—

> Is minor in both relative and absolute terms compared to that of the automobile insurance companies in particular and other major segments of the insurance industry as well. That is, a relatively minor part of the legal profession's income comes from the automobile insurance premium while most of the income and the very existence of the automobile insurance industry is dependent upon it.

Furthermore, he admonishes us that—

> If the lawyer is disqualified because of his involvement in the system, this leaves the issue in the hands of those who would seem, on the basis of actual experience, to know the least about it.

It is not very comforting to be told that the financial interest of the lawyer is "minor in both relative and absolute terms," for in fact it is not. Not only do fees from auto accident cases account for fully a quarter of the income of the legal profession in this country, but these fees obviously account for a much larger proportion of the income of the trial lawyers. Within the ABA and its committees and sections, it is the trial lawyers among its membership that have spearheaded the drive toward aggressive anti-no-fault positions.

A letter to the Commerce Committee from the National Association of Criminal Defense Lawyers purports to express the opposition of "all lawyers across America" to the passage of S. 354, the National No-Fault Motor Vehicle Insurance Act.

But the fact is that not all lawyers oppose no-fault. Even with the intense lobbying within the ABA of the trial lawyers, the house of delegates was divided on the no-fault issue.

Nor is it unrealistic to believe that lawyers can transcend their pocketbook concerns in viewing no-fault reform. New York City and the New York Bar surely have no dearth of articulate trial lawyers with a heartfelt stake in the status quo yet the Association of the Bar of the City of New York has called for complete abolition of auto negligence lawsuits.

It has been my experience in speaking informally with lawyers throughout my State that the harshest critics of the present tort system are to be found among nonnegligence members of the bar—those who have seen the injustice and inefficiency of the system at close hand, but who are not blinded by their own economic stake in the tort system.

It would probably have been wisest for the ABA to emulate many State and local bar associations who adopted positions of neutrality on the no-fault issue. Or, the ABA could have established a study committee or commission made up of lawyers who had no economic stake in the preservation of the present tort system. It would have been possible for those members of the House of Delegates who had an economic conflict-of-interest in the preservation of the tort system to abstain from voting on the question of the ABA's position. In that way, it would have been possible for Congress to have benefited from the "disinterested expertise" of the ABA.

This was not done, and as a result neither Congress nor the organized bar have benefited by an objective appraisal from the ABA.

I ask unanimous consent that the remarks of then-ABA President Robert Meserve before the Bar Association of the District of Columbia on January 9, 1973, and an article in the December 1971, Juris Doctor, entitled "Where Insurance Fails: No Fault But the Lawyers," by Fred M. Lowenfels, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TUNNEY. I believe that Mr. Meserve was a very progressive president of the ABA and that he was innovative, but in this particular case he made a mistake. It is too bad that others connected with the bar have made a similar mistake.

I cannot help feeling that when the bar lobbies Congress heavily against no-fault, and we recognize that approximately $1.4 billion in legal fees are paid out every year as a result of tort liability related to automobile accidents, the bar is speaking from self-interest. Over 50 percent of the Members of the Senate are lawyers—two-thirds to be exact—and we have to separate our desire to see our profession do well from our desire to serve the public interest. We are not here as lawyers; we are here as Senators. We have a responsibility to the people of this country and that is our major responsibility. I am most disappointed that our trade association, the American Bar Association, has taken this very strong stand against the bill, a bill which would benefit the people of the United States.

EXHIBIT 1

REMARKS OF ROBERT W. MESERVE BEFORE BAR ASSOCIATION OF THE DISTRICT OF COLUMBIA, JANUARY 9, 1973

Ladies and gentlemen, it is indeed a privilege for me to have the opportunity of sharing this meeting with you. I bring you the greetings and best wishes of the one hundred sixty thousand members of the American Bar Association, some of whom, of course, are you.

One of the duties of the position I hold is to meet with as many state and local bar associations as possible. It is hard work and I love every minute of it. The list of places where I have not been is now substantially shorter than the list of places I have been and I can assure you that by next August, when I pass the gavel on to my successor, very few will have escaped. I would like to report on three incidents which have occurred in my travels—you may have heard me tell one or more of them before:

It would be very difficult for me to try to give appropriate individual accolade to the dozens, if not hundreds, of district lawyers who have given, and still give, faithful service to the American Bar Association and its affiliates. They include members of the judiciary like Judge William Jones, now the head of our Division of Judicial Administration; distinguished members of the administration such as the Solicitor-General, who will, I am afraid, always be Dean Erwin Griswold to me, who leads the American Bar Foundation; educators like Dean Clinton Bamburger of Catholic University, head of NLDA; and active members of the practicing bar like past American Bar Association President Charles Rhyne, now active at my request in the affairs of the proposed Institute for Justice; Ed Campbell, a member of our Board of Governors, and your State Delegate Sidney S. Sachs. I hope that no one of the rest of you will feel hurt at my failure to refer to him or to her. We are grateful for all their help and I see many of them here this noon.

[Stories—re brevity; re Identity of person; and re stories.]

Washington, D.C., is naturally enough a very special place for all Americans, and all the more so for lawyers. It is, to use the current expression, the place "where the action is". The very word "Washington" is synonymous with power and with events that materially affect our lives and the lives of every one in the world. There is a tendency to forget that there is a Washington which is a home of ordinary people—people not intimately connected with events which might influence the price of gold or the quality of the air or our chance for survival, or even of the survival of our world.

Because Washington is a city of more than ordinary beauty, we *auslanders* may forget it has at least its full share of the problems facing all our cities.

We also may forget that many highly skilled lawyers practice here the same kind of ordinary law as is practiced elsewhere. People are born and die here, are married and divorced here and become rich or poor here just as in Boston or Cleveland or Tulsa. Naturally if they are well advised, they will not attempt any of this without sound legal advice. We are too ready to view all Washington lawyers as "super lawyers" whose esoteric arts will save our clients from unspeakable conflict with the vast and unknowable government after we have given up in despair.

In any event, I am delighted to be here. As you know the American Bar Association will hold its Annual Meeting here next August. Around the Bar Center in Chicago and in accordance with long standing custom, the 1973 Annual Meeting is now referred to as "Bob Meserve's meeting". I suppose that means I am responsible, at least for anything that goes wrong. If that be so, I will tell you that there is no place I would rather be exposed to that risk than here. The hospitality from which I have benefited today and on countless occasions in the past, only reaffirms the satisfaction with which I contemplate that "my meeting" will be in Washington. My only hope is that the host committee can air condition the whole District.

I suppose it is understandable that I want to speak briefly this noon about an aspect of the American Bar Association's program which is most readily suggested by the unique character of Washington events. I refer to the Association's program of legislative involvement.

As you all know, not only is lobbying an honorable profession in this city, it is very much part of the life blood of the city. For good as well as for bad, for the benefit of the many as well as for the few, groups and individuals come to Washington to influence law makers. "Come to Washington" is incorrect in many instances. Hundreds of organizations are permanently here, the American Bar Association among them. Some would characterize lobbying, in general, as a corruption of the democratic process. But more and more we are seeing the need to provide representation for all interests. Congress needs to consider interests which are not easily identified or traditionally recognized; Congress needs information, fairly furnished to be sure, but information which only a party whose interests are involved in the subject under consideration can produce in many cases. So long as representation is clear as to interest and honest in presentation Congress will be aided if the points of view of all parties interested are fully developed. In this sense, the answer is not less lobbying, but more. That parties having an interest, whether traditional and well financed, or heretofore unorganized and largely without material resources, should seek to influence the legislative process indicates, after all, a certain commitment to that process and to democratic institutions in general.

The American Bar Association is unusual in that, while it maintains a legislative office in Washington, it operates on far more restricted basis than many organizations do. Again, to use the modern idiom, we maintain a very "low profile." There are hundreds of groups who employ more lobbyists; there are hundreds of groups who employ more lawyers in their legislative programs than does the ABA. The budget allocated to the legislative activities of our Washington Office represents a relatively small part of our total operating budget.

The scale of our operation here is not the result of oversight, or lack of sophistication, or some provincial view that the activities of the Federal government really aren't important to our members. Rather, it is the result of a deliberate determination as to what the Association's responsibilities are and how those responsibilities best can be met.

The first principle of the Association's legislative philosophy is that we can produce the best result by concentrating our efforts, and the prestige of our name, on relatively few issues. The second principle is that these issues are best selected from among those touching on the good of the public in general, rather than on the peculiar interet of lawyers as lawyers.

Behind these principles is a view of what a bar association is and ought to be. A bar association is, of course, in part a trade association. We are all, in one way or another, engaged in earning a living. It is natural that we should share common concerns in that respect. Part of the Association's total program is, and always has been, directed toward those concerns. The Association conducts a substantial educational program, a program which involves not only the substance of the law but the study and teaching of techniques and methods of practice designed to make the individual lawyer and the law firm more efficient, more productive economic units. While the client may benefit indirectly from these programs, they are primarily designed to aid the lawyer economically.

To some extent because the economic welfare of all of us depends on the degree of confidence the public is willing to extend to the legal profession in general, the Association is greatly involved with problems of professional standards. Just as the Association undertook a major revision of its own Canons of Ethics and produced the Code of Professional Responsibility a few years ago, the House of Delegates most recently adopted the Code of Judicial Conduct which is the first major revision of the Canons of Judicial Ethics. Although there are several grounds for involvement in this effort, it must be admitted that among them is the realization that the economic viability of our profession ultimately rests on the regard the public has for the total legal process. But self respect, public interest and professional responsibility, if that be any different, are also moving factors.

We are members of a trade association but we have chosen to earn our living in a unique profession. In making this choice we have committed ourselves to unique obligations. Law is a public profession. Those who practice it have unavoidable public responsibilities. The individual lawyer is first obligated to the honest, competent and full representation of his client's cause. Beyond that, however, lawyers, collectively, have a responsibility for participation in the public life of our society. Lawyers, collectively, are possessed of talents and knowledge which others may not have. Lawyers, traditionally, participate as leaders, as well as technicians, in all major social enterprises. The combination of capacity and position describe the collective responsibility which lawyers have, with respect not only to their client's problems but with respect to their country's problems.

This does not mean, of course, that every lawyer should seek public office, any more than it means that every bar association should take a position on every public issue. Many lawyers have found that support of and participation in the public service activities of a local, a state or the American Bar Association have provided the means of discharging at least part of their public responsibility.

Having determined that the American Bar Association's legislative program should be limited in scale, with its emphasis on depth rather than width, it followed that greatest emphasis should be placed on public matters. It is in this area that we can be of unique service to our members, it is here that we can be most responsive to the public character of our professional obligations. The "image", to use the Madison Avenue phrase, we seek to create is, therefore, one of public service orientation, centered on the establishment and preservation of a high degree of credibility. The technique is directed more toward information for Congress than pressure on it. The ABA, as such, controls no votes. It attempts to control none. Just as in advocating a client's cause, we ultimately must succeed or fail on the soundness of our arguments and the underlying evidence we produce.

The Association is fortunate in that, amongst its members, are not only very influential men and women, but experts in every conceivable area of the law and legally related problems. We call upon these individuals, and with great regularity they freely assist us in our legislative program.

This is our general procedural wish—objectivity, responsibility, selectivity. How do we determine what legislative programs we shall select for our effort?

Neither the American Bar Association nor any other bar association is the final arbiter of what is good for the public in general. That responsibility must rest with our elected officials. Yet when we presume to base argument before such officials on our concept of the public good, we do not do so lightly. Under its constitution and by-laws, neither the Association nor components of it, can take a public legislative position except after and as a result of action by the House of Delegates or the Board of Governors. The processes of these groups may sometimes be best described as ponderous. The fact that the logic of my presentation now demands that I defend the deliberate pace of these highly deliberative bodies cannot completely erase the frustration I have experienced in the past, and will experience again, in trying to produce an Association position. I must admit, however, that when a position is taken, it is taken responsibly and carefully, after full consideration, even in those instances when I as an individual may not agree with that position.

The time and effort which must be expended before the Association is able to adopt a legislative position partly reflects the diversity of opinions of lawyers. One of our staff men recently described one of our special committees as a group of nine men with fourteen distinct and incompatible points of view. Multiply this by one hundred sixty thousand and the dimension of the problem is apparent, for we deal with individuals whose training, experience and professional outlook seldom, if ever, direct them to unanimity.

One of the themes which is recurrent in debate before our House of Delegates is the position of the opposition that while that which is urged by the proponents cannot be said to be totally without merit, it deals with matters which are beyond the legitimate involvement of a bar association as such. It seems reasonable to me that the ABA ought not to take positions on issues at large which bear no relation whatsoever to the special skills or position of the profession. Most typically the link, the device which makes legitimate Association involvement, is that the policy is, or should be, reflected in substantive or procedural law. A given law should be passed or rejected, amended or repealed. I know of no convenient way to describe the line which must be drawn, other than the simplistic observation that a majority of the members of the House must be convinced that a proposed position is not only valid on the merits, but that it is appropriate for Association action—which means to me that lawyers, as such, have some special interest, involvement or responsibility to the rest of our society.

We are criticized, most typically (and, to some extent, justly) by the sponsors or opponents of specific legislation, on the grounds that our procedures are so slow, and result in our taking so few positions, that the ABA is often irrelevant with respect to its legislative program. We are also criticized, most typically by our members of a strong conservative disposition, that we take too many positions and thus dilute our credibility and effectiveness. Because I am in so optimistic a mood, as a result of this splendid lunch and this excellent company, I am going to assume that these complaints cancel each other out and that the existence of both is some evidence that we achieve a "golden mean".

The maintenance of a low profile, the concentration on the furnishing of information rather than on quotable argument, and the limitation to (largely) pro bono issues results, too often, in no one knowing what is being done by us, beyond those immediately involved in doing it. It is regrettable that, while we are so criticized for inaction even on some of the issues we select, the very nature of our approach, which we believe produces good results, makes it difficult to claim the credit which is our due. Every time I hear about the ineffectiveness of our ABA legislative efforts, I want to talk about our legislative role in the establishment, support and protection of the OEO Legal Services Program and to point out that the twenty-fifth amendment to the Constitution of the United States on Presidential succession is, in large part, the achievement of an ABA effort. These efforts indisputably involve the public welfare as well as the welfare of lawyers.

The ABA has supported and continues to support tax legislation to provide retirement benefits for self-employed individuals which are more nearly equal to those enjoyed by corporate employees. While many lawyers would directly benefit from such legislation, it is not a "lawyer's" bill. Professional people in general would benefit, and equality of treatment as a principle itself has merit. Thus, our support of Keough type legislation is not inconsistent with a general public interest approach, although it also may benefit self-employed lawyers.

Perhaps the most difficult area for the Association to operate in, is with respect to such matters as concern both the public, generally, and the economic interest of lawyers specifically. The obvious current example is "no fault" automobile insurance legislation. The American Bar Association has been strenuously criticized by some state bars for not actively leading a campaign against this kind of legislation on state as well as on the Federal level. That the current position of the House of Delegates could not be used to support such a campaign merely shifts the blame, as our critics see it, to that group. To them the fact that the long standing legislative approach of the Association is not compatible with such a campaign merely calls into question the appropriateness of the overall approach I have favored. That the experience of others who have tried to conduct such a strenuous—perhaps overstressed—campaign has not been good makes no difference to these critics, either.

It will come as no surprise to you to learn that other members of our Association are equally disturbed by the Association's failure to support a broad and strong "no fault" bill.

The only response we can effectively make to those who would have us take a clearer role on this question is to point out that, like the residents of the District of Columbia, the American Bar Associataion has no Senators (speaking legislatively or athletically). State bar associations are made up of influential people who may be able to influence their own congressional delegations. In any event they will have a better chance than the ABA has. We can, and should, tell the state and local bars where and when they might move on some legislative matters, and they can use their own judgment as to how they should move—but we should not change our own policy. I suggest, because by and large, it works, and does not bring us into disrepute for selling too hard, or overselling. And I surely hope that the American Bar will show, by its choice of legislation to support or to oppose, that we are not acting either in blind support of the *status quo* or going overboard for all new innovations just because some others may. We should act for good reason, in the public interest as we see it, and after the exercise of independent judgment. The need for independent judgment, fully informed, is illustrated for me by the [horse story.]

I am prepared, of course, to discuss fully the merits of the "no fault" insurance issue but I see my time has expired, for which, I suggest, we may all be sincerely thankful.

[Winston Churchill story.]

I would merely thank you again for your hospitality and urge that you all permit me to return it by inviting you to participate as fully as you can in the August Annual Meeting.

Where Insurance Fails: No Fault But the Lawyers'

(By Fred M. Lowenfels)

("Lawyers' opposition to no-fault is clearly worse than that of just another interest group seeking to protect its pocketbook.")

The legal profession seems now to be the only professional group opposing adoption of no-fault proposals to replace the present tort liability system—a system in which costs of coverage far exceed benefits, in which accident victims suffer inordinate delays awaiting payment of claims; which congests the courts with automobile accident litigation, and which results in the arbitrary termination of too many insurance policies.

This opposition raises serious questions of professional responsibility and integrity. It is time for lawyers to lead the search for a solution to the problems caused by the outmoded and inequitable tort liability system, and no-fault proposals hold out the most promise of achieving improvement. Until the bar as a whole starts to deal realistically with these proposals, the reputation of the profession will remain tarnished.

While plaintiff's negligence lawyers and the vocal American Trial Lawyers Association have led the battle against no-fault, the prestigious 150,000-member American Bar Association also flatly rejects the no-fault principle. (The ABA originally adopted its position opposing the no-fault concept in 1969, after an 18-month study of the issue, and reiterated the stand at its annual convention last July.) Although the ABA represents less than half of the 370,000-member profession, the public understandably has the impression that lawyers in general oppose no-fault, and that lawyers holding public offices and lobbyists for bar groups have blocked no-fault laws on the state level.

The bar's opposition to no-fault should be placed in the context of the present system's economic and social impact. Facts compiled by the staff of the Senate Commerce Committee show that of the $14.4 billion that motorists paid in premiums last year, net benefits (after legal fees and litigation costs) paid to victims of automobile accidents came to $7 billion, less than 50 percent of premiums. Insurance companies took approximately $6 billion of the $14.4 billion for overhead and profit. Attorneys involved in personal injury and property damage cases walked home with over $1 billion in legal fees last year, according to the major Department of Transportation study of automobile insurance.

These fees arise from the approximately 200,000 auto accident lawsuits which the present tort liability system generates each year. Such cases consume more than 17 per cent of the time of the nation's judicial system. This litigation probably costs society more than the poorly spent premium dollars, as its volume frustrates efforts to reduce backlogs and streamline the judiciary.

The no-fault concept can, apparently, resolve many of these problems. This is indicated by the experience in Massachusetts, the first state to adopt a no-fault plan. No-fault laws are also in effect in Florida, Delaware, Illinois and Puerto Rico, and are being considered by some 25 other states and both houses of Congress.

The Massachusetts law provides a new accident insurance coverage of $2,000 per person. It pays almost all victims for all reasonable medical, surgical, dental, hospital, nursing and funeral expenses incurred within two years of an accident, regardless of who was negligent. An injured person can recover from his insurer for salary lost becaue of inability to work, and an unemployed person who can show that he would have worked can also recover. Both are also entitled to reimbursement for the costs of "ordinary and necessary" household services that they would have performed themselves had they not been injured.

The Massachusetts plan has succeeded in meeting its prime objective of reducing automobile insurance costs. Milton G. McDonald, the chief actuary for the Massachusetts Commissioner of Insurance, told *Juris Doctor* that under the state's previous compulsory automobile insurance law, rates would have increased 20–30 per cent this year. Instead, they were reduced 15 per cent. and further decreases are likely, McDonald said, in light of a more-than-55 per cent reduction in the average claim cost to about $150–$160 and a 57 per cent reduction in the number of claims filed.

The state's Commissioner of Insurance, E. Eugene Farnum, estimates that these reductions will lessen insurance company expenses for this line of coverage by about 25 per cent in the plan's first full year, and pending legislation would require insurers to pass along this saving to policyholders through dividends or refunds. In addition, automobile accident cases have begun to move out of the Massachusetts courts, and no automobile reparation cases were initiated in the state in the first six months of this year, McDonald said. And the negligence bar has found no examples of accident victims unable to receive fair compensation for their injuries, despite the decline in negligence suits.

Perhaps it is unreasonable and naive to expect lawyers to react toward no-fault insurance any differently than any other special interest group might react toward change in an institution that so affects its lifeblood. After all, automobile accident cases are estimated to account for one-quarter of the profession's total earnings. But lawyers, as officers of the courts, sworn to protect the interests of the public as well as of their clients, and holding many influential government positions, owe the public a far higher degree of objectivity and rationality. Their opposition to no-fault is clearly worse than that of just another interest group seeking to protect its pocketbook.

First of all, Canon 8 of the Code of Professional Responsibility obligates lawyers to actively support legal reform in the public interest. This means that lawyers should deal in facts, not fears, and should suggest ways of improving proposed reforms instead of obstructing needed change in an outmoded system. The canon demands the exercise of social conscience above considerations of personal and financial interest.

Secondly, the public has traditionally looked to members of the bar, particularly those who are legislators, to analyze, explain and seek to improve legislation.

Thirdly, lawyers have a responsibility to all their clients to work for a reform that will decrease court congestion and thus improve the administration of justice.

It may be philosophically sound to argue in favor of a client's unimpaired right to sue those who have caused him wrong in an accident, but lawsuits do not generally redress that wrong. Thus lawyers can best serve clients injured in accidents by trying to change the current inadequate system. The Department of Transportation, or DOT, study shows that benefits are now paid to only 45 per cent of those seriously injured in auto accidents (or survivors of those killed), and that one out of ten receives nothing. An average permanently and totally disabled accident victim received liability payments of $12,556 for an average total economic loss of $78,000, according to figures compiled by DOT in 1967. Continuing this kind of "protection" to clients is a dubious service.

Finally, the major arguments that many lawyers have used against no-fault do not accurately reflect the facts. These arguments include:

No-fault will encourage careless driving by removing a deterrent to such behavior.

The ABA, particularly, has espoused this position, but insurance companies, not negligent drivers, pay for the results of negligence. And there is no evidence that the threat of a premium increase or policy cancellation significantly influences driving behavior.

No-fault will pay benefits to drivers who caues accidents while under the influence of alcohol or narcotics.

No plan has been adopted with this provision, and it is hard to imagine any such plan being passed. In Massachusetts, for example, drivers under the influence of alcohol or narcotics, committing a felony, seeking to avoid arrest, or intending to cause injury are not covered.

No-fault coverage disallows recovery for permanent disfigurement, amputation, loss of body function or pain and suffering.

This is untrue of most no-fault plans within certain limitations. Again, taking the Massachusetts plan as an example, a plaintiff cannot recover "for pain and suffering, including mental suffering, associated with ... injury" only when the cost of treatment does not exceed $500. If the injury causes deaths, loss of all or part of a body member, permanent or serious disfigurement, a fracture, or loss of sight or hearing, then a plaintiff can sue for pain and suffering in a traditional tort liability suit, without regard to the $500 limit.

This $500 limit will, admittedly, prevent the person whose medical bills are small but who suffers greatly from recovering in a tort suit. However, most of those who undergo pain and suffering have substantial medical bills. The interests of the small number whose losses do not exceed the limit must also be weighed against the benefits of better and quicker compensation for the majority of accident victims. This exemption from tort liability also removes the incentive to insurance companies to pay inflated settlements for minor injuries to avoid the costs of threatened litigation.

Ths basic point that lawyers have not stressed in the debate on no-fault is that the present system results in massive injustice. Evolution of more sophisticated and speedy tort litigation, as proposed by the ABA, for instance, would not sufficiently improve the situation.

Heavy economic losses for many lawyers are a definite price of no-fault reforms, and a fight by lawyers against the change can be understood, if not condoned. But offsetting the personal costs to negligence practitioners are substantial social benefits. Until the bar faces up to the need for this change—and its inevitability—the public image of a conservative profession fighting an overdue reform will prevail. The bar should instead seek ways to utilize legal resources freed by no-fault reforms.

As New York City's Mayor Lindsay told a session of the ABA convention last July: "If the legal profession remains indifferent to the social needs around it, it will not prevent change, but it will be bypassed by change."

Mr. MOSS. I thank my colleague from California for his statement. I concur with him. I think it is a disservice for the bar, as a collective body, to lobby against the bill, perhaps without full knowledge about it.

Some of my colleagues say they intend to vote no on this legislation and they argue that the bill unduly restricts the right to sue for pain and suffering.

This is patently false. Only the medical and rehabilitation care which are automatically paid for all are excluded from suit, and lawsuit restrictions in S. 354 have been cut in half on the Senate floor. No one can argue effectively that the lawsuit restrictions are unfair or unduly restrictive. The lawsuit restrictions are drawn in such a way as to insure that the abuses of the present system are not carried forward into the new no-fault system. The bill insures that the most seriously injured automobile accident victims will receive payments for their pain and suffering. Under the present system most payments for pain and suffering are made to the least seriously injured.

Some of my colleagues will not try to explain publicly why they voted against S. 354. They will privately tell me that they made a foolish and early commitment to State trial lawyers to vote against the bill. While understanding their desire to fulfill their commitments, I only ask them: "Did they not make an earlier commitment to the people whom they represent to vote in their interest."

Some who vote "no" will also say that their governor or their insurance commissioner, or their State legislatures asked them to vote against this measure. I ask my colleagues: Did your State officials ask you to vote against this measure on the basis of informed judgment or on the basis of misguided philosophical objections? I ask them if in all matters that come before the Senate they pay complete "defference" to the wishes of their State officials?

In discussing what a "no" vote on this legislation means, I have already explained what an "aye" vote means. It means a vote for a new system of automobile insurance which treats humanely and fairly the automobile accident victim in all automobile accident situations. An aye vote means much more than this, though.

An "aye" vote means a recognition that the people in this country deserve a break—they deserve to have their elected national representatives act on their behalf to bring them a more valuable product at a lesser cost.

An "aye" vote also means that, despite the steady and persistent pressure from certain lawyers in their State, the frantic communications of uninformed—or sometimes very informed—State officials, and the barrage of misinformation concerning this bill, the Senator has sifted through the flack and decided that S. 354 represents a reasonable no-fault reform effort that would bring into existence in all 50 States a humane and fair method of compensating automobile accident victims.

Those who vote "aye" on this bill not only believe that no-fault is an idea whose time has come but are willing to stand up and take positive action on behalf of the people of the United States to see that it comes about in our lifetime.

That, Mr. President, is what I think is at issue as we vote on S. 354.

Mr. TUNNEY. Mr. President, will the Senator yield to me for 1 minute?

Mr. MOSS. I yield.

Mr. TUNNEY. I note that the Senator said there had been certain commitments made by Senators to vote against no-fault insurance. In my travels across the country, most particularly in California, I found that some of the harshest critics of the present tort liability system are lawyers who recognize that far too much of the court's time, far too much of the lawyer's time is taken up with claims that come from automobile accidents. In addition, they recognize that there are many people who are injured who do not have their medical needs attended to and paid for, nor do they receive any compensation for loss of wages as a result of the present private insurance program we have in this country. I should perhaps say that some people are adequately covered. I feel I am adequately covered and probably most Members of this body are adequately covered, but many people in this country are not adequately covered, and it is those people to whom we are trying to extend a helping hand.

I did not want my remarks taken as a castigation of all lawyers in the country because clearly many, many lawyers are opposed to the lobbying activities of the American Bar Association in this matter and I would like to say as a person who has respect for the officials of the American Bar Association, and particularly the president of the American Bar Association, Mr. Smith, that I wish they had set up a committee to study this problem and had appointed to that committee lawyers who are not trial lawyers, who were receiving fees from the present tort liability system, because they may have been a bit more objective and if they had an opportunity to report to the House of Delegates we could take with far greater credence the position that committee came out with, and the present propaganda campaign being launched by the association.

Mr. MOSS. I appreciate what the Senator had to say. Certainly I do not wish to appear as being critical of all lawyers. Many of the great champions of this bill before us, this idea whose time has come, are lawyers and lawyers have been in the forefront of drafting the bill itself. I am talking about only that segment of the legal profession that seemed blinded by a self-interest, who perceive they would be injured in some way. I think they are wrong in making that judgment. But I do not want to blanket all lawyers with that because many of them are the stoutest defenders of this humane way of dealing with our people who suffer injury, the 2 million people a year who are involved in automobile accidents. Many people are driven to poverty because they have no recourse and no way to pay for medical expenses.

The family is burdened with it. It is a tragic situation. The Department of Transportation recognized long ago that it was, and said the system was so bad that something had to be done. As the Senator from Washington said rather eloquently, how can we ignore those two million people? Something has to be done. It is a national problem. Therefore, this is the place where the action has to come from at this time.

I yield the floor.

Mr. HRUSKA. Mr. President, it is extremely important to determine what is and what is not at issue here. We are not discussing the virtues of no-fault automobile insurance over the tort system. That is not the overriding consideration. It is true that S. 354 proposes a no-fault insurance plan. But opposing this bill is not, and I repeat, is not—the same as opposing no-fault insurance. Indeed, there are many variations of no-fault insurance. Of the 21 States that already have adopted no-fault plans, only few States have the same type of plan. The record contains testimony to the effect that there are as many as 200 plans and variations of no-fault automobile insurance. Testimony to that effect came to us from the head of the insurance department of one of the great Northwestern States.

There is testimony in the record, brought to us by representatives of the National Association of Insurance Commissioners, that that association authorized and executed a study and report on no-fault automobile insurance and that that study and survey and the report were founded upon the consideration of more than 100 different plans and variations of plans for no-fault automobile insurance.

What I am opposing—and what likeminded Senators are opposing, and what we ask our colleagues to consider opposing is the type of no-fault insurance that S. 354 adopts and the means by which the bill seems to bludgeon the States into following suit and adopting the Commerce Committee contrived, federally prescribed no-fault plan.

In other words, many of us do not like the idea that a single committee or committees of the Senate or the Senate itself will designate a particular plan of no-fault insurance out of the scores that are available and say somewhat regally and perhaps almost arrogantly to all the 50 States and to 211 million people, "this is the plan you must have and, if you do not adopt it and put into force this plan under force of the law of the State, we will impose it upon you." That is the overshadowing issue in the matter we debate today. So in the debate on this bill, Mr. President, I ask Senators not to equate S. 354 with the only concept of no-fault insurance. No-fault insurance is not monolithic; there are many different forms. A vote against S. 354 is not a vote against no-fault insurance as a concept. Instead, a vote against S. 354 is a vote for federalism, a vote to grant the States the opportunity to adopt a no-fault plan, if they wish, which is tailored to their own needs.

Mr. President, there are six basic reasons why the Senate should not adopt S. 354:

First and foremost, S. 354 is unconstitutional. Under the bill, if a State decides that it does not want the no-fault plan contemplated by title II, the State nevertheless will have a no-fault plan imposed on it by title III. Thus, the bill compels the States to create agencies and to staff and fund them to administer a Federal law, even if the States do not desire such a plan. In essence, S. 354 forces the States to become agents of the Federal Government.

Mr. President, few more powerful instruments for the centralization of the Government could be devised. Under such an approach, the Federal Government could sit here in Washington and dictate to the States to build superhighways with their own funds, to set up restaurants on interstate highways, and to perform a whole host of other functions all in the name of regulating interstate commerce. This is not cooperative federalism as envisioned by the Founding Fathers of our Nation. It is an approach that interferes with, indeed violates, the sovereignty of the States as manifested in the 10th amendment.

Second. S. 354 may jeopardize the citizen's right of recovery. Suppose a State refuses to adopt legislation under title II and to administer the Federal no-fault under title III. Or suppose title III of S. 354 were held unconstitutional. What would be the consequences? Quite simply, the citizen's right to recover or even protected by coverage would be jeopardized. Because S. 354 by and large abolishes the tort remedy, and because the no-fault plan would not be implemented, a citizen could not recover under either tort or no-fault.

In this connection we should remember that litigation involving issues of this kind are usually quite protracted, taking them all the way from the inferior courts of either the State or Federal system and necessarily going to the highest authority in the land for ultimate resolution, and a long period of time would ensue before that final decision were made. If the decision were adverse to the contention that the bill is constitutional, it would be a decision that ad initio, from the very beginning, all that proceeds therefrom and under its auspices would not be final and the interim would be a period of uncertainty and great jeopardy to all citizens under its terms and conditions. In my mind, such a risk on such a massive scale in 50 States and involving over 200 million people is not worth taking.

Third. S. 354 violates the basic tenets of federalism as manifested in the McCarran-Ferguson Act. This Nation has been nurtured on the idea that the country will fare best if the States, which are closest to the people, are capable of responding to the needs of its citizens. However, S. 354 constitutes another attempt to rectify perceived problems by encroaching on the power of the State. It is an attempt to arrogate to the Federal Government another incident of power that has been traditionally retained by the States. Our citizens have fared well under the McCarran-Ferguson Act.

That act, continued in force and effect the rule that the world of insurance should be regulated and supervised by the individual several States. That has been the rule that has been followed in this country since the conception of the insurance system well over a century ago. Congress should not disturb its underlying, well-considered, well-advised policy, as it is embodied in the McCarran-Ferguson Act.

Fourth. S. 354 presents serious inequities. It will grant a tremendous windfall to truckers, rental vehicle owners and other commercial vehicle owners. And this windfall will be at the expense of the common consumer. Moreover, the bill discriminates against the rural States. Consumers in the rural States will have to pay higher premiums but premiums for urban consumers will not be increased as much.

Should we penalize those who want to live in those parts of the country which are more sparsely settled? I would say no, and those who oppose the bill say no.

A fifth reason why the bill is vulnerable and should not be approved is as follows: Testimony before the Senate Judiciary Committee revealed that S. 354 is antismall business and anticompetitive. One president of a small insurance company located in North Dakota said that the year of enactment of S. 354 could be the last year of his company's existence.

If it fails, it will fail for the reasons stated during the course of this debate. Mr. President, in the past, we have steadfastly rejected any bills that jeopardize small businesses—the mainstay of our economy—and that give some companies a competitive advantage over others. We should reject S. 354 for the same reason.

Sixth. The last and probably the crucial issue, at least to consumers, is that S. 354 will increase, not decrease costs of auto insurance to the consumer. The early promise of the pending bill, S. 354, was that it would cut costs. But, it does not. An analysis derived from the Milliman and Robertson report reveals that consumers in 44 States will experience an increase in costs. During the course of this debate, we will cite other figures and tables that will prove that S. 354 will not lower costs.

It should be noted and it will be belabored later that the Milliman and Robertson report was a report on rates and the proposed fund for this insurance based on economical models that are built up in the computations that are engaged in by the drafters of the report, Milliman and Robertson, and those economical models are applied to New Jersey, Montana, Florida, Hawaii, and Alaska equally. Based as they are upon conjecture and upon supposition and upon the necessarily theoretical approach, it can hardly be accepted by the logical mind that economical models so contrived and so used can be of much value in determining what the future really holds for the consumer of automobile insurance, and that is the person who is most vitally interested in the debate and in the measure which is before the Senate at this time.

Mr. President, these are six basic reasons why we should reject the plan proposed in S. 354. Any one of the six reasons could stand by itself to justify rejection of S. 354. Taken together, they should illustrate how ill-advised and irreparable S. 354 really is.

Again, I want to say that there are a number of no-fault plans available to this Congress. The pending bill picked the wrong one; that is to say, a federally contrived no-fault plan which S. 354 seeks to forcibly impose on all the States. I believe it bears repeating that a vote against S. 454 is not a vote against the concept of no-fault insurance. It is a vote against a bill that will significantly increase costs to the consumer, that will interpose an interim of confusion and jeopardy to all drivers of automobiles, and a bill that is contrary to our system of government.

I urge my colleagues to consider carefully and reject S. 354 and to await the presentation of a legislative proposal that is more in keeping with traditional Federal initiatives and more responsive to the enlightened needs of the Nation.

Mr. President, I yield 5 minutes to the Senator from Ohio (Mr. TAFT).

Mr. TAFT. I thank the Senator for yielding. I send an amendment to the desk and ask to have it read.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 97 between lines 20 and 21 insert the following new paragraph:

"(4) If, after the alternative State no-fault plan for motor vehicle insurance becomes applicable in any State pursuant to paragraph (1) of this subsection, it is determined by law in any such State (a certified copy of which is submitted to the Secretary) that the government of such State for any reason may not perform any designated duty imposed under the alternative State no-fault plan for motor vehicle insurance, the Secretary shall assume such designated duty in accordance with this Act until such State withdraws or repeals its determination.

Mr. TAFT. Mr. President, at the outset, I want to take this occasion to commend the Senator from Utah and the distinguished members of the Commerce and Judiciary Committees who have considered S. 354. I think this is a very important area. I have studied this problem very closely over the last 4 years. I addressed the 100th anniversary of the Cincinnati Bar Association 3 years ago and endorsed the concept of no-fault insurance. I urged the bar at that time to proceed to support effective legislation in this area.

Since that time, the Ohio Legislature has considered various no-fault insurance measures. Indeed, they are still considering it. In view of the major differences between the bills in Ohio Senate and Ohio House, the likelihood of enactment of a strong no-fault insurance law in Ohio is not very great, unless the Senate adopts this legislation.

I am afraid that is going to be the pattern in far too many States.

The amendment I have offered today pertains to a constitutional question that continues to disturb me with regard to this legislation. By the alternative plan established under title III in the event a State does not proceed to the enactment of a no-fault insurance plan in accordance with Federal standards, the Federal Government can require States to carry out the Federal plan as enacted by the legislation we have before us.

The amendment I have offered creates, on page 97, after subsection (3), a new section (4):

> If, after the alternative State no-fault plan for motor vehicle insurance becomes applicable in any State pursuant to paragraph (1) of this subsection, it is determined by law in any such State . . . that the government of such State for any reason may not perform any designated duty imposed under the alternative State no-fault plan for motor vehicle insurance, the Secretary shall assume such designated duty in accordance with this Act until such State withdraws or repeals its determination.

I question whether we ought to have an operational provision in the event, for any reason, the alternative Federal plan is not enforced in a State.

I recognize there is a severability clause in S. 344, and I recognize the balance struck in this bill is consistent with the McCarran Act. There may, however, be a void which arises if a State does not act in certain areas pursuant to S. 354.

Certain Members in the Senate and the House are concerned about this question. If this legislation is sent to the White House this is a potential issue in connection with a veto.

I know the committee has considered this question. I understand that there is some reluctance on the part of those who support the bill to have this amendment accepted as it might set a precedent for the Federal Government to come into total regulation of insurance—something which I am toally against. The provisions of S. 354 are consistent with State control in the McCarran Act. I approve of this approach. The Federal Government should stay out of the administrative regulatory field insofar as insurance is concerned. If a State does not, however, act consistent with the guidelines in S. 354 practical problems might occur in certain isolated areas.

Would the distinguished manager of the bill comment on his feelings with regard to this issue and the amendment I have proposed?

Mr. MOSS. Mr. President, I thank the Senator from Ohio. I will try to respond very briefly.

First, let me say I appreciate the problem to which the Senator addresses himself, and I appreciate the statement he has made. This question has been considered in the committee, and we have felt it is not necessary to have an amendment of this sort.

To the extent that this argument has weight, it would only be applicable to those States which did not voluntarily adopt a plan of no-fault motor vehicle insurance in compliance with title II of S. 354. Given the very substantial incentives which all States, and concerned private interests, will have to adopt the relatively moderate standards of title II, title III is likely to take effect in only a very few States, if any. But even in those few title III States, there seems to us no basis for the charge that implementation of the bill would force dramatic confrontations between State and Federal authority, and that the result would be chaos in the administration of the automobile accident reparation system.

Furthermore, none of the State constitutional provisions alleged to be in conflict with S. 354 would in fact act as an impediment to implementing the insurance regulatory aspects of a title III no-fault program. The State constitutional provisions that are cited as creating a supposed constitutional dilemma relate solely to a change in the State tort law, as it is applied in State courts in the conduct of accident litigation.

I would think the amendment offered now by the Senator from Ohio, because it comes so late, after we have had a great deal of debate on the amendments, probably could not be accepted by the managers of the bill, and I would hope that we might address this problem when we have to go to conference with the House. The House has not yet acted.

I do not want to reject it out of hand, but I just feel I could not accept it at this point.

I wonder if the Senator from Ohio would withdraw the amendment, with the understanding that his statement is in the RECORD and that we will take it up with the House when we get to conference.

Mr. TAFT. I appreciate the Senator's position. I know this point has been dealt with by a former mentor of mine, Dean Griswold, for whom I have great respect, and I know there are briefs on the other side, have been filed including a letter from the Department of Justice. The question of tort liability does not concern me, I think the Senator is correct. I do not see a constitutional threat insofar as tort liability is concerned. I think the Federal preemption under the supremacy clause would be applicable. What I am more concerned about is the question of the separation of powers and the Federal system insofar as it exists under our Constitution.

I am aware of the precedent of the Clean Air Act. This act has not been completely tested in court. I question whether we are on sound legal ground in setting out a procedure under title III in which a State official would in effect be ordered by Federal law to carry out provisions of the Federal law rather than rely on a Federal law enforcement order to carry out that responsibility.

This is the issue I think the House ought to examine, and I hope it will examine it before further action in this area. I am going to take the chairman's suggestion insofar as the amendment is concerned, having pointed this out as a caution to future activity with regard to this legislation.

I ask to withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. MOSS. I do appreciate the Senator's thoughtfulness in not pressing the matter. I think it is better left to consider after going to conference.

Mr. HRUSKA. Mr. President, I yield 10 minutes to the Senator from New York.

Mr. BUCKLEY. Mr. President, I respectfully suggest that the merits or demerits of the no-fault approach to automobile insurance is and ought to be irrelevant to our consideration of S. 354. I say this because this is not a matter which should be before the Senate, because it is a question which clearly should be left to the States. There is no reason why the Congress must mandate that the States conform to a single system of auto insurance or to identical standards that might have a different impact on different States. My own State of New York, which has adopted a no-fault insurance system, lives with conditions which are substantially different than those of many of the rural, western States. It makes no sense that the Congress, through S. 354, should require Federal administrators to treat these States identically, as they would have to, when they are not the same.

The Senate has been told that we must have uniformity among the States, but the reasons are not persuasive. On the other hand, the differences which exist among the States argues the desirability of a diversity of approaches in this as in other areas. The supporters of this legislation have already had to make several concessions to differing conditions by accepting various amendments granting latitude to the States in exercising some independent judgment. In so doing, the supporters of Federal no-fault legislation are forced to surrender their point which is that there must be national uniformity among automobile insurance systems. The concessions already made create a limited diversity and to that extent are good. But here is an excellent example of something we should not have to do because we should not be mandating a national system in the first place.

I realize that many are concerned that citizens of States with no-fault systems who travel into States with different systems go into those States unprotected. This is not the case.

Travelers with insurance protection issued in one State will remain protected when they go into other States, irrespective of the laws in effect in those States. Their insurance remains in force. Individual protection is therefore in no way compromised by diversity among the States.

However, such a claim cannot be so clearly stated if the national no-fault system is adopted and subsequently found unconstitutional; a possibility that must be considered given the grave concerns already expressed by many constitutional scholars. The legislation now before us would have the effect of voiding provisions in the constitutions of several States that guarantee their citizens access to the courts. If the tampering with certain rights under State constitutions is held unconstitutional, there are substantial questions regarding the validity of insurance contracts issued during the period when insurance companies offered policies pursuant to a statute subsequently held unconstitutional. The point is that the situation would be far from clear, the answers not readily apparent. Individual policy holders would find themselves in a confusing and potentially dangerous situation. I believe we should move cautiously when the ultimate effect of our actions could well be to deprive policy holders of the protection they need and deserve. Adoption of S. 354 is not, under such potential circumstances, an act of prudence.

The Republic will not be better off with a uniform, national no-fault system; it will in fact be worse off for two very compelling reasons. First, this piece of legislation would in certain instances require States to violate their own State constitutions. Second, the Congress, through this legislation, once again, tells the State legislatures that it is we, Congress, not they, who have the greater ability to make laws primarily affecting conditions in their States. This drive for uniformity for its own sake, to bigness for its own sake, for more national regulation for its own sake is something the Congress should resist. Enforced uniformity stultifies organizations, in this instance State governments. It deprives us of the capacity to experiment with different approaches to common problems, which has been one of the great strengths of our Federal system. If this bill is enacted, Congress will emasculate even further the institution on which this Nation should increasingly rely: State government.

Mr. President, I am very much distressed at the implications of a national statute, of dubious constitutionality, which would, in order for certain States to comply, require that they violate their own State constitutions. There is no need for this move toward a standardized national no-fault system. There is no reason why the Congress should force upon the States the precedent that the national government's law-making powers includes the authority to force the States to do that which their own basic legal documents prohibit. This is no way to treat our Federal system. For the Federal Government to invoke the supremacy clause of the Constitution of the United States, especially in the matter of regulating public safety systems, there must be a compelling reason.

Twenty States, including my own, have adopted no-fault plans. They differ substantially. They will be tested, their diversity compared. Thirty States, some by act, others by omission, have chosen not to adopt no-fault, although a number of States are at present considering how, if at all, their automobile reparations system should be changed. Some States wish to follow a wait-and-see attitude toward no-fault; others are skeptical of no-fault's value. There is nothing wrong with this diversity. If the present experience with no-fault is not overwhelmingly positive I am sure the States currently without no-fault will quickly move to adopt it. There is, in short, no reason for us to make this decision.

S. 354 violates the Federal principle in that it represents a not-so-suitable attack on the constitutional framework of several of the State governments. It is an attack on democratic localism. This trend toward centralization of decision-making and responsibility should be arrested. The Senate of the United States could begin by specifically rejecting this centralizing proposal, thus leaving the States free to regulate their tort and insurance systems as they deem appropriate.

In recent years we have operated on the assumption that the national legislature has responsibility in almost all areas of human endeavor. As a result we have set up expensive, unworkable programs that have tended to stultify those governmental units closest to the people. In the process we have done great damage to the Federal system. This measure, if adopted, would further damage that system and do violence to the spirit of the Constitution of the United States.

S. 354 represents another example of the willingness to seize upon the commerce clause to assert the national power to regulate matters which have as a matter of law, tradition and sound policy been left to the States. On April 4, 1974, Prof. Philip B. Kurland, the distinguished professor of Constitutional Law at the University of Chicago, wrote to the senior Senator from Nebraska (Mr. HRUSKA), addressing himself to the constitutional issues raised by S. 354. It is enormously sad that Professor Kurland would have to respond:

> I have no question that Congress could constitutionally enact a uniform statute governing no-fault insurance applicable to the entire nation. The Commerce Clause is now a carte blanche to Congress to enact legislation, subject only to the limitations of the bill of rights.

Since the subject matter of this proposed legislation does not directly violate the bill of rights, Professor Kurland is telling the Senate that this no-fault bill will not be held unconstitutional. This is something entirely different than offering a view on whether he thinks the proposed legislation is constitutional. What Professor Kurland is pointing out is how the Constitution has come to be manipulated to serve purposes directly contrary to the original purpose and intent of the Founders.

Professor Kurland also notes that there is more to this legislation than the usual usurpation of State authority that so many of us have come to regard as routine.

This bill goes further; it includes direction from Congress to the several States to pass certain bills, to set up certain administrative functions so that this law may be carried out. Some of the laws mandated by the bill might be violative of State constitution. Should this bill become manifest as law, the States will properly be considered little more than administrative agencies, waiting for the Federal Government to give its marching orders. On reading legislation of this kind one can only conclude that federalism is dying a slow and painful death. To illustrate this point Professor Kurland notes that if the Federal Government has the constitutional authority to so direct the States than it has the authority to direct the State or its subdivisions to require a charge for garbage collection or to permit a turn at a red light. In other words, if this view of the Constitution is successfully pressed, we are confronted with the legal reality that, except for the guarantees in the Bill of Rights, there are no real limitations in present Constitutional law on the activities of the national government. It is worth lamenting that a document written to restrain the national government has become the instrument of national supremacy. When the process which includes S. 354 has run to completion, the inversion will be total.

Mr. President, I strongly urge that the Senate vote against S. 354.

Mr. HRUSKA. Mr. President, I yield 30 seconds to the assistant majority leader.

UNANIMOUS-CONSENT AGREEMENTS

Mr ROBERT C. BYRD. Mr. President, I ask unanimous consent—this request having been cleared with the Senator from North Dakota (Mr. Young), the Senator from Nebraska (Mr. Hruska), the Senator from Arkansas (Mr. McClellan), and others—that at such time as the supplemental appropriation bill is called up and made the pending business before the Senate, which will not be this week, there be a time limitation of 2 hours on the bill, 2 hours on the Schweiker amendment, and 1 hour each on all other amendments, one-half hour on any amendment to an amendment, and 20 minutes on any debatable motion or appeal, with the time division and control to be in accordance with the usual form.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this request having been cleared with the Senator from Missouri (Mr. Symington), the manager of the bill, and with Senators Thurmond, Tower, Proxmire, Cranston, Hartke, and McGovern, that at such time as S. 2999, a bill to authorize appropriations for military procurement, is brought up and made the pending business of the Senate, there be a time limitation of 3 hours on the bill, 1 hour on an amendment by the Senator from Massachusetts (Mr. Kennedy), and one-half hour on any other amendment, with 20 minutes on any debatable motion or appeal, with the division and control of time, and the agreement, to be in the usual form.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

The Senate continued with the consideration of the bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce.

Mr. HRUSKA. Mr. President, I yield the Senator from Virginia such time as he may require.

Mr. HARRY F. BYRD, JR. Mr. President, as I understand the arguments for no-fault insurance, one of the main features continually hearlded by those who favor national legislation is reduction in cost. Upon careful review of the reports of the Committee on Commerce and the Committee on the Judiciary, I am compelled to conclude that this Federal no-fault proposal will increase insurance premiums in many States, including Virginia.

In its study for the Department of Transportation, the firm of Milliman & Robertson, Inc., included numerous exhibits to explain its cost estimate study. According to the firm's estimates, five of their six variations of no-fault would result in increases in costs for Virginia motorists.

However, the plan which could be imposed upon Virginia under title III of the bill is not even covered in the cost study. The costs under such a system would be greater than the most liberal of benefits set out in the study. In other words, under title III, the costs to the Virginia motorist would jump—by the most conservative estimate—by over 15 percent.

The authors of the cost estimate study made several specific warnings concerning their results. While supporters of this national approach to no-fault insurance have referred to these warnings in passing, I believe they bear further inspection.

The authors of the study point out specifically that their conclusions "do not deal with expected changes in rating classification—which well may be profound."

Mr. President, "expected changes in rating classification," as I understand the term and its application in Virginia, means evaluating the potential risk a certain class of motorists poses for the insurance company and adjusting the rates to reflect that risk. Anyone with an 18-year-old son and an extra car understands the effects of such ratings.

Under the "no-fault" concept, though, the risks for insurance companies would be shifted dramatically. The driver whose potential injury would result in the greatest loss would become a high risk: and that means the driver who has a steady income, who has dependents to support and who provides valuable services for the benefit of himself and his family—in other words, precisely that class of motorists whose rates in Virginia today are among the lowest.

The Milliman and Robertson study also terms S. 354 "a powerful piece of consumer legislation." But the study also states:

> The important thing to recognize is that increased or accelerated payments by the carriers sooner or later must result in corresponding premium increases.

The caveat could not be clearer: Costs to the motorist will go up under S. 354.

At a time when inflation cuts deeply into every family budget—inflation, I might add, caused primarily by uncontrolled Federal spending and huge Federal deficits—I cannot support a measure which would add to this burden.

There is another point I would like to make. I do not feel that Federal legislation is the proper way to approach the subject of no-fault insurance. I think it is most inappropriate for the Federal Government to dictate to any State the form and substance of its automobile insurance system.

I call to the attention of my colleagues the fact that at the beginning of this 93d Congress, the Virginia General Assembly memorialized the Congress not to preempt the power of the States over this area of insurance. They specifically asked that the Congress "desist" from enacting no-fault insurance legislation and I ask unanimous consent that the Virginia resolution be inserted at the conclusion of my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARRY F. BYRD, JR. Virginia has an "open rating, competitive pricing" insurance system, in which the marketplace is allowed to determine the rates, subject to the review of the State Corporation Commission's Bureau of Insurance. Under this system, Virginia residents enjoy insurance rates which are among the lowest in the Nation.

Mr. President, the pending measure—a Federal no-fault law—is a complex and far-reaching piece of legislation. I have listened to the arguments—pro and con—on the constitutionality of this bill. While I cannot subscribe without reservation to all of the arguments of this measure's unconstitutionality, on balance I see serious problems with the propriety of this legislation at the national level. The very fact that the Committee on the Judiciary divided 8 to 7 is most telling.

I cannot support such legislation and shall vote against passage of S. 354 as I believe it will increase the cost to Virginia's motorists; and I doubt the wisdom of a Federal law. It is a matter to be handled by the individual States.

SENATE JOINT RESOLUTION No. 77

Memorializing the Congress of the United States to desist from enacting legislation relating to "no-fault" insurance

Whereas, the United States is comprised of a union of sovereign states to which powers not delegated by the Constitution of the United States are reserved; and

Whereas, historically, matters governing the insurance industry have been dealt with by the States; and.

Whereas, State control of insurance matters has proven beneficial as appropriate measures have been enacted to provide for conditions peculiar to local circumstances; and

Whereas, in recent times much attention has been given to various "no-fault" schemes to replace automobile liability coverage now available in many states and in this Commonwealth; and

Whereas, in determining if Virginia should require such "no-fault" insurance, it would seem best that such determination and the particulars related thereto would most properly be left to this General Assembly and all other State Legislatures; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That this General Assembly does hereby memorialize the Congress of the United States to desist from enacting "no-fault" insurance legislation thereby preserving the power of the States to supervise insurance activities.

Resolved, further, That the Clerk of the Senate is hereby directed to furnish a suitably prepared copy of this resolution to the President of the United States, the Secretary of Transportation of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate and each member of the Congress who represents the people of this Commonwealth.

Mr. HRUSKA. I yield 1 minute to the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I will cast my vote today in opposition to the no-fault insurance bill. I will vote "nay" not because no-fault is a bad concept—as a matter of fact, no-fault is a system whose time has come. The delays and expense inherent in our present system of tort recovery for automobile accidents is inexcusable.

I will vote in opposition to this bill for several reasons.

First, I believe no-fault insurance is the proper responsibility of State government. Already at least 21 States have passed some type of no-fault legislation. In this way each State can decide what system best satisfies its needs. We can, in effect, have 50 legislatures—50 experimental laboratories—working out viable no-fault insurance systems. What is good for Massachusetts may not be good for Oklahoma. I continue to believe that the government closest to the people is, in most instances, best able to determine the needs of its citizens.

Second, the minimum standards of the no-fault bill before the Senate exceed the standards of every bill passed thus far by the States. This would indicate to me that this legislation is out of step with the wishes of the people as expressed by 21 State legislatures.

I do urge those States, including Oklahoma, which have not adopted some form of no-fault legislation to begin working seriously in that direction.

Our present system is full of abuses, and the people expect and deserve a change.

Mr. HRUSKA. Mr. President, I yield to the Senator from New Hampshire such time as he may require.

Mr. COTTON. Mr. President, I will take only 1 minute.

I only want to say that on listening to the final appeal of the manager of the bill, the Senator from Utah (Mr. Moss) and the distinguished chairman of my committee (Mr. Magnuson), we could well be misled as to the issue before the Senate.

I do not object to their arguments. Their arguments were forceful, powerful, and logical, and I find myself in some agreement with them. But, to hear their suggestion, it is that the contest here is between those who want this particular Federal legislation and the opponents, who all want to revert to or to retain the old fault system.

I have not heard anyone in the Senate, that I can recall, in all these days of debate, suggest that the old system was right and should not be improved. It has been improved, for example, so that immediately after accidents, now, personal injuries are recompensed. Additionally, several other remedial steps have been taken to improve the present automobile reparation system. It has not been a static situation.

We must also remember S. 354 goes so far as to compel a State to set up emergency health services that must extend to "each victim" injured in such State. This could be extremely costly in rural States.

Remember also that this bill, if it passes, is in danger of putting out of business some of the soundest and best small insurance companies that have grown up in some of our States, such as the Farm Bureau, the National Grange Insurance Co. and other similarly situated organizations. They stand to be crowded out of business by the large insurance companies.

Mr. President, I am compelled to vote against this bill, because one thing I know is that, although it may reduce the premiums and put money in the pockets in the metropolitan areas of this country, it is going to make insurance cost more in my State and in many other rural States. It is going to take money out of their pockets. It is going to place a burden on them that may prove to be almost intolerable. It is the entering wedge for the Federal control of insurance.

These are some of the questions; but, most important, I did not want to let pass the suggestion that there are just two sides—those who want to approve the pending measure and those who are standing up for the old system. That is not the case, as demonstrated by the following letter, which I wrote almost 2 years ago, urging reform in my State, and which I ask unanimous consent to be printed at this point in the Record:

There being no objection, the letter was ordered to be printed in the Record, as follows:

December 20, 1972.

Mr. Bradford W. Mitchell,
Vice President and Secretary, National Grange Mutual Insurance Co., Keene, N.H.

Dear Brad: Thank you for your recent letter concerning the proposed National No-Fault Motor Vehicle Insurance Act (S. 945), which by the narrow margin of three votes on a record vote of 49 to 46 was referred to the Committee on the Judiciary on August 8th.

In your letetr you solicit my thoughts on the prospect for consideration by the 93rd Congress of legislation similiar to S. 945 and in connection with your membership on the Special Committee to Study Automobile Accident Reparation Plans of the New Hampshire Bar Association you pose the following two questions:

(1) "Should we join forces with the 'trial bar' of a number of other States and attempt to hold the line against meaningful change or should we support and advocate more progressive modifications?" and

(2) "Do you feel that a Federal solution to the problem will surely follow if the State legislatures do not respond soon?"

Before responding to your specific questions, I should like to point out that my position on S. 945 of the 92nd Congress is a matter of public record. For example, I filed Minority Views with the report of the Senate Committee on Commerce on S. 945 (see pages 85–87 of the enclosed copy of Senate Report No. 92–891), and those views are in keeping with my position stated during the hearing on October 13, 1971 (please see page 2133 of the enclosed copy of Part 5 of the Commerce Committee hearing Serial No. 922–18).

You will note from an examination of my Minority Views on S. 945 that I proposed the bill for two principal reasons—"first, there is probable adverse impact upon the citizens of my State of New Hampshire, and second, the timing of its consideration. I did not vote against this bill because I am against the concept of no-fault motor vehicle insurance." As for the timing of consideration of such legislation, I went on to express the view that "We should have at least until early next year during the 93rd Congress to see how this matter is being handled and is being worked out at the State level. . . ."

Next month on January 3, 1973, the 93rd Congress will convene so that within several short months thereafter we will be within the minimum time frame which I earlier stated should be when the Congress should undertake consideration of legislation dealing with no-fault automobile insurance. Therefore, if there is no appreciable State action taken to improve the present automobile insurace and compensation system within that time frame, then, in keeping with my earlier stated position, I believe it not only would be proper, but necessary for the 83rd Congress to undertake consideration of Federal legislation in this area. My concern in this circumstance would focus upon the form of such Federal legislation in the automobile insurance and compensation area, such as the reach of its incursion into those areas now left to State regulation, and its ultimate cost impact upon the citizens of our State. Thus, from my vantage point, if there is no timely, meaningful State action, then Federal action seems inevitable.

This leads me to the present outlook for the consideration of legislation similar to S. 945 in the 93rd Congress. It is my understanding that Senator Magnuson, Chairman of our Committee on Commerce, will introduce such a bill early in the First Session. This legislation may be slightly different than that reported by the Committee in the 92nd Congress, since it no doubt will incorporate provisions of the Uniform Motor Accident Reparation Act drafted by the National Conference of Commissioners on Uniform State Laws. And, while I cannot speak with any degree of authority concerning consideration of such legislation in the House of Representatives I believe that it would be safe to say that the Senate probably will give early and favorable consideration to such legislation.

Consequently, based upon the foregoing I respond at this time to your two questions in the following fashion:

(1) An attempt to hold the line against any meaningful change at the State level can only serve to strengthen the hand of those proposing far more sweeping changes at the Federal level. Therefore, I believe you would be well advised to heed the admonition of the President in his telegram of June 7th to the Chairman of the National Governors Conference in which he noted that "No-fault insurance is an idea whose time has come." Accordingly, I would urge that there be support and advocacy for more progressive modification at the State level.

(2) I believe that my response to your first question also answers your second question in that insofar as the Senate is concerned a Federal solution to the problem will surely follow if the State legislatures do not respond soon. Certainly this is borne out by the testimony of Secretary of Transportation Volpe when appearing before our Committee on Commerce on March 18, 1971 to discuss his Department's final report of the

automobile insurance and compensation study called for by Public Law 90–313 and specifically by his response to my question in which he noted in part the following:

"Secretary Volpe. * * * In other words, what we are saying is that we should come back to you in 2 years, and if we give you some answer that, in effect, says that no further Federal legislation is required, fine, but if by the same token we believe further Federal legislation is required because the States have not done the job, we are certainly willing to come back and say that. *And, that pretty well tells the States what they can expect if they don't do the job themselves.*" (Underscoring supplied; Hearings before the Committee on Commerce, U.S. Senate, 92nd Congress, First Session, on S. 945 et al., Part I, Serial No. 92–18 at page 117)

Brad, I hope that the foregoing will prove to be responsive to your inquiry and to your needs. Since my position on this matter is a matter of public record you have my permission to publish this response.

With best wishes.

Sincerely,

Norris Cotton,
U.S. Senator.

Mr. HRUSKA. Mr. President, I am ready to relinquish whatever time remains.

Mr. MOSS. Mr. President, could the Senator from Nebraska yield 1 minute to the Senator from Michigan? I am out of time.

Mr. HRUSKA. I am happy to yield 1 minute to the Senator from Michigan.

Mr. HART. Mr. President, I introduced the first no-fault bill on September 14, 1970, explaining that it was the result of about 5 years of on-again, off-again hearings by the Antitrust Subcommittee, which made clear that the fault was not with insurance and monopoly alone, it was with the law of fault, that is, in terms that victims were uncompensated for a long time.

I hope that the movement that has developed since September 1970 will be sufficient to see the adoption of this bill in 1974.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record a letter addressed to the distinguished Senator from Michigan (Mr. Hart) from Ursula Moyer of Columbia Falls, Mont., which I think will be of interest.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Columbia Falls, Mont.,
February 28, 1974.

Hon. Philip A. Hart,
Committee on the Judiciary, Dirksen Senate Office Building, Washington, D.C.

Dear Sir: National No-Fault Motor Vehicle Insurance Act S. 354.

No one knows how urgently the above No-Fault Motor Insurance is needed until they, or their relatives or friends have suffered under the present system. Even now, some of the insurance companies have come to recognize this.

No-Fault will save much court time, and for those who must go to court, the Court Docket will not be months or even years behind.

Let me relate one experience. My daughter, her husband and their two little girls in their small car were hit in a head-on collision by a drunken driver. It was in front of a popular "eatery" and there were many lay witnesses—also one city policeman.

These witnesses all testified that the drunken driver was clearly at fault.

My daughter suffered a fractured skull, and was not expected to live. When she did become conscious, she had loss of memory for quite some time. Her leg and ankle were badly broken and she was pinned in the wreckage until a cutting torch could release her.

Her husband also suffered a severe head injury and mass bruises, which affected his ability to work for several months. One child also suffered a serious head injury and both children suffered cuts and bruises.

Needless to say, they needed and received the services of several specialists because their injuries were so very serious. Although the family had only small medical insurance—these wonderful doctors and the hospital did not stint on their care, even when they learned that the insurance company of the offending driver would not pay but a small amount of the costs without a court battle. The lawyer who took the injured family's case demanded and got one-fourth of the settlement. (No wonder lawyers do not like No-Fault Motor Insurance.)

This case was not settled until two and one-half years after the accident. No need to relate the inconvenience and suffering of this family. Such Physical injuries and no money. Without the help of relatives, friends and charities, I can't imagine the outcome.

I am sure this is only one experience in thousands. Therefore, I beg you to approve the National No-Fault Motor Vehicle Insurance Act S. 354 without weakening amendments and to do all in your power to expedite its quick passage.

Very sincerely,

Ursula Moyer.

The PRESIDING OFFICER (Mr. McClure). The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute was agreed to.

Mr. MOSS. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. McGOVERN. Mr. President, while I recognize the circumstances which make comprehensive no-fault insurance an urgent need in some parts of the country, I must oppose S. 354 in its present form.

The exhaustive studies conducted in connection with this legislation have unquestionably demonstrated the need to go beyond the fault concept in compensating accident victims. A pure tort approach is certainly not satisfactory.

It is significant, however, that those same studies and the attention they have generated have inspired an increasing number of States to act on their own, and to approach the issue on the basis of any special circumstances which might make a given remedy quite suitable on one State but highly unsuitable in another,

My own State of South Dakota is an example. We have a new auto insurance reform law which became effective on January 1, 1972. Recovery in tort is not restricted. But insurers doing business in South Dakota are obliged to offer supplemental first party insurance coverage for medical expense benefits, wage loss benefits, and death benefits.

A system of this kind would likely be insufficient for a congested urban environment, or perhaps even for an average State. But, as our State Secretary of Commerce and Consumer Affairs, Mr. James Guffey, has pointed out in a memorandum discussing this issue:

> South Dakota does not rate as a problem insurance state, nor is it an average state in terms of premium cost, loss ratios, court congestion, and the things that would be salient points of a national no-fault bill.

I have a great deal of confidence in the judgment of the officials of State goverment in South Dakota who have examined this issue very carefully over several years. They advise me that the South Dakota plan is working out satisfactorily. In addition, they are concerned that the standards which would be established by S. 354 have been designed to reflect conditions in urban States and that they tend to discriminate against the rural parts of the country—that they would tend to cost the consumer substantially more than the benefits would warrant.

I find those arguments persuasive, and I will therefore oppose S. 354.

Mr. President, I ask unanimous consent that there be printed in the Record at this point a letter I have received on this subject from Governor Richard Kneip of South Dakota, a memorandum from Secretary of Commerce and Consumer Affairs James Guffey. and an analysis of the South Dakota insurance law prepared by the State Director of Insurance, Ralph Nauman.

There being no objection, the material was ordered to be printed in the Record, as follows:

State of South Dakota,
April 4, 1974.

Hon. George McGovern,
U.S. Senate,
Washington, D.C.

Dear George: I am writing to ask your opposition to SB 354 which I understand will soon reach the floor of the Senate.

The South Dakota Department of Commerce and Consumer Affairs, Division of Insurance, has reviewed the legislation and is recommending your opposition. Enclosed is a copy of a memorandum from Secretary Guffey outlining the reasons for the position of his Department.

State regulation of insurance in South Dakota has worked well and rates here are among the lowest in the United States. As you will note from the Secretary's memorandum, the pending legislation could raise the rates for our policy holders as much as 35%.

I fully recognize that larger states may have problems not found in South Dakota which require major changes in the auto insurance field. However, I do not believe it is appropriate to impose national solutions on problems which are not common to every state and which can be handled appropriately by the individual states.

In addition, I believe the legislation raises constitutional questions which threaten to further imbalance the federal relationship.

If you wish additional information on the effect of SB 354 in South Dakota, please contact Secretary Guffey.

Sincerely,

Richard F. Kneip, *Governor.*

South Dakota Department of
Commerce and Consumer Affairs,
Pierre, S. Dak., March 29, 1974.
To: Richard F. Kneip, Governor.
From: James V. Guffey, Secretary of Commerce and Consumer Affairs.
Re: Federal No-Fault Insurance Bill.

Insurance is the last frame of commerce that is still wholly state-regulated for the most part. It has been left in the jurisdiction of the states and for a state with a rural base like South Dakota this has been a distinct and decided advantage. We have low premium rates; we have a first party coverage law in South Dakota that is, in fact, a type of "no-fault". The Division of Insurance informs me that the states of Washington, Oregon, Arkansas, and some others have since passed a law similar to our approach in this area.

We have no-fault benefits without the completely compulsory insurance and would favor to keep it that way. The Division of Insurance informs me that a cost analysis has been made between Senate bill 354 and our own law by the actuarial firm of Mellman and Roberts which indicates that Senate bill 354 would raise the cost of insurance to the consumers in South Dakota by as much as 35% over the present law. In addition to this, it would be, in our judgment, definitely detrimental to the small domestic insurance companies because of the high and/or restricted benefit limits.

South Dakota does not rate as a problem insurance state, nor is it an average state in terms of premium cost, loss ratios, court congestion, and the things that would be salient points of a national no-fault bill.

Finally, I think there is a great deal to be said for this particular area of commerce to continue to be regulated almost totally on the state level and I hope that you would ask Senators McGovern and Abourezk to vote no on the Senate bill 354.

South Dakota Department of
Commerce and Consumer Affairs,
Pierre, S. Dak., March 14, 1974.
Senator George McGovern,
Dirksen Senate Building,
Washington, D.C.

This is a reply to your letter of February 26, 1974, regarding the National No-Fault Motor Vehicle Insurance Act (S-354) vs South Dakota Supplemental Automobile Insurance Coverage.

First of all our Supplemental ,Coverages consist of death benefits, disability benefits and medical expense benefits. These coverages must be offered with every application of automobile liability insurance covering any automobile registered or principally garaged in South Dekoa. The "Named Insured" shall have the right to reject in writing all or any one or more of such coverages.

Persons covered include Named Insured only for medical, accidental death and disability benefits. Other insureds (passengers, operators with consent of named insured, members of named insureds household and pedestrians struck by insureds vehicle) are covered for medical expenses only.

Our supplemental coverage has no provision for tort action nor tort exemption.

Our Medical Expense coverage is for at least $2,000, for expenses incurred within two years from date of accident. Again this is applicable to Named Insured and Other Insureds (see above Persons Covered). The Accidental Death Benefit of at least $10,000 applies to Named Insured while occupying an automobile or through being struck by a motor vehicle while a pedestrian.

Loss of wages includes indemnity of at least $60 per week beyond 14 days from date of accident, for 52 consecutive weeks. This applies only to the "Named Insured" for injuries and disability accidentally caused while occupying an automobile or being struck by a motor vehicle while a pedestrian. These injuries must prevent Named Insured from performing usual duties of his occupation.

Weekly indemnity for disability benefits may be reduced 50% provided the injured Named Insured is not gainfully employed at time of the accident.

Our Supplemental Coverage does not have a provision for Property Damage nor Auto Physical Damage.

One provision we do have is that disability benefits are paid in full with no reduction due to benefits available under any Workmen's Compensation Law or similar law or from any other source.

I do believe that it is important that this type of insurance be tailored to the needs of South Dakota and that we do have coverage which does a reasonably good job for South Dakota.

We do have approximately 15% of our drivers who do not carry this first party liability coverage. However, compulsory insurance has proven very costly in other states and it creates many enforcement problems. Our mandatory uninsured motorist law does a good job of protecting the insured from the acts of the uninsured motorist in our state.

The tort exemption of the Federal bill is completely absent in our law. We believe this is good. South Dakota does not have a large number of claims in our courts. The cost of our program is approximately $10 per person covered with an additional $3.00 for the uninsured motorist coverage.

I hope this will give you some idea of our so-called "No-fault" insurance in South Dakota vs the National No-Fault Motor Vehicle Insurance Act.

Enclosed is some information that may clarify any questions you may have.

Yours very truly,
Ralph A. Nauman,
Director of Insurance.

Mr. EAGLETON. Mr. President, my vote against the national no-fault insurance bill (S. 354) stems from three basic concerns:

First. The question of constitutionality. Congress, if it desired, could set up a federally administered, federally funded no-fault system. Congress can, as it has in many other areas of legislation, pass legislation inducing—usually by the offer of substantial money—States to conform to Federal standards, but the State itself ultimately either accepts or rejects the inducement. Congress can delegate responsibilities and enforcement authority for a program to the States—that is, Clean Air Act—but reserving Federal enforcement if the States refuse to act under the doctrine that Prof. Paul Freund refers to as "cooperative federalism."

But S. 354 is an entirely different approach. It compels the States to use State money and State officials for a comprehensive regulatory program whether or not the citizens of that State desire such a program. If a State does not act, or indeed if the State cannot act under its State constitution, the Federal law automatically becomes the State law. This is not inducement; this is not "cooperative federalism"; this is Federal coercion pure and simple and I have grave doubts that it would be constitutional. On this constitutional issue I recommend the reading of the testimony of constitutional law by Prof. Norman Dorsen of New York University School of Law before the Senate Judiciary Committee on February 7, 1974.

Second. Part of the basic premise of no-fault insurance is that routine property damages and nonsevere personal injuries be resolved promptly in this manner with serious or permanent injuries resolved in the traditional tort recovery manner. Without defining "serious and permanent injury," S. 354, as amended, did require "three continuous months of total disability" before one could sue in tort. This to me was too high a threshold and thus I supported Senator Baker's more realistic definition of a "serious or permanent injury" as being "death, or dismemberment, or serious and permanent disfigurement, or the permanent loss of a bodily function, or medical expenses of $500 or more, or weeks or more of disability which prevents a victim from working at his normal occupation, or 6 weeks or more of disability which prevents a victim from engaging in normal daily activities." Unfortunately, the Baker amendment was defeated.

Third. Costs. The advocates of no-fault contend that insurance premiums would be reduced under no-fault. The statistical evidence before the Senate committee was by no means clear and convincing in this regard. Since that time the bill has been amended in such a way as to increase the costs of the no-fault program. Even before these amendments, one of the staff studies indicated that whereas premiums might go down in few highly urbanized States, they would go up in most States with the estimated premium increase in Missouri being 11.1 percent. While I am not satisfied with any of the cost studies, it would be a very disturbing result to Missourians if instead of saving money under no-fault, they actually paid higher premiums.

Mr. STEVENSON. Mr. President, no major system of benefits to injured persons in this country is less efficient than the fault system of automobile insurance. Of each dollar motorists pay into the system, only 44 cents is paid out in benefits to victims. All the rest goes to the lawyers and the insurance companies.

What is more, the fault system is as inequitable as it is inefficient. Roughly half the victims of automobile accidents receive nothing at all through the fault system. Of those who are lucky enough to collect something, the victim who is slightly injured collects too much—because of nuisance value of his claim—and the seriously injured victim collects too little.

In short, if we had deliberately tried to create the worst possible system of compensating auto accident victims, we would come up with something which closely resembles the existing system.

That is why, 3 years ago, I publicly called for a national standards approach to automobile accident insurance. I then proposed—and I was the first Member of the Senate publicly to do so—that Federal legislation set standards under which each State would institute its own no-fault plan. That is exactly what this bill does. I am therefore especially pleased to have been one of the five initial sponsors of this landmark legislation, and to have supported it in the Committee on Commerce.

This bill is simple and fair. It will guarantee each victim full compensation for medical and most other losses. It will, at a time when the prices of most necessities are skyrocketing, produce reductions in auto accident premiums. And it will cost the Federal Government virtually nothing.

No bill we have considered in this Congress will be more beneficial to American consumers. I hope we will pass this bill and that the other House will now act promptly so that the bill can be sent to the President's desk at the earliest possible time.

Mr. NUNN. Mr. President, the concept of no-fault auto insurance is rapidly coming of age. But, this is not to say that the Federal Government should dictate the States' insurance laws. Contrary to what some may think, I do not believe that the Federal Government is all wise or all knowing in this new area.

S. 354 would require the States to enact laws which meet certain Federal standards, the merit of which is at the present unproven. It seems to me far more prudent to test the various no-fault plans that are being enacted by the States, and allow flexibility in this area.

The legislature of my own State of Georgia recently enacted a no-fault plan which it felt best met the needs and desires of the people of Georgia. The provisions of the new State no-fault law were subject to extensive consideration and deliberation in the State legislature.

Many feel that this State law is not sufficiently strong, but this question can be addressed in future years at the State level. I want to emphasize that such a testing of the State plans is quite important. It must not be overlooked that it was only in 1970 that Massachusetts pioneered the Nation's first no-fault law. Since then 19 other States have enacted their own plans. Within the last year alone, 7 or 8 States have passed such laws. Anyone who is familiar with the law will realize that this is rapid progress, especially when one considers that the tort basis of recovery has to date permeated our legal system.

In addition to my reluctance to overrule the recent judgment of those closest to the problem, I am deeply concerned about the unknown affects of this nationally-imposed plan. I am not satisfied that a State enacting a plan conforming to the minimum Federal standards will necessarily realize a reduction in the premium rates paid by the consumer. Efforts to project the cost implications of the no-fault system embodied in S. 354 resulted in several caveats concerning the results of an actuarial study performed under a grant from the Department of Transportation. Some testimony has suggested that S. 354 could possibly cost more than the present tort system. It is my understanding that under State law, insurance rates vary considerably from State to State. In some States having high rates, a national no-fault system may well lower rates. However, this may not be true in all States.

Mr. President, against this backdrop, we would be doing the States and the consumer a disservice if we required all States to comply with a plan that is not the result of a sequence of shared experiences, efforts and endeavors. It is too soon to conclude that the States cannot or will not enact adequate no-fault laws. Nor can we say with confidence that S. 354's plan is superior and sufficiently effective and workable to merit its imposition in all 50 States. Reason dictates that we judge by the success of experience, and federalism demands that the States be given a fair opportunity to enact appropriate no-fault laws for the benefit of their citizens.

Mr. DOMINICK. Mr. President, I want to take this opportunity to express my opposition to S. 354. I followed the debate through the hearings and on the Senate floor with great interest. I have heard from trial lawyers, insurance companies, insurance commissioners, consumer groups, local, State, and national bar associations, all indicating their opposition to S. 354.

The most common argument that I hear is that this is not an area for Federal legislation. Insurance has to be controlled at the State level, not the national level. The divergence between the 50 States is so great that this bill would have the effect of easing the burden for the populous northeastern States and cities while imposing a heavy burden upon the people of the States such as Colorado.

At the present time, 20 States, including my own State of Colorado, have no-fault insurance plans in effect. These States have had the opportunity to look at their own individual situations and have come up with their own solutions. The State legislatures of several other States have considered no-fault insurance and have rejected it as being an unworkable solution to their own individual needs. S. 354 is going to affect each and every State plan that is now in effect because these State plans will not meet many of the standards established in this bill. Those States that have considered no-fault and have rejected it, will have no choice if this bill passes because it will be imposed on them. Those States that have not considered no-fault will not even have the opportunity to do so if this bill passes. We should allow the States to determine the legitimacy and purposefulness of no-fault for their own citizens.

The major concern of most consumers regarding S. 354 is the cost. Under S. 354 it will be higher for millions of people. Several studies of both academic and industry experts, have predicted an increase in total personal injury premiums under S. 354. This bill would increase rates more heavily for residents of rural areas and low-income people, and it would also boost rates for most consumers in many of the 20 States which already have no-fault plans.

In hearings before the Judiciary Committee, expert witnesses, with one exception, expressed the view that the bill is unconstitutional or stated that substantial question exists as to its consitutionality. The result of its enactment would be violation of our system of federalism and the sovereignty of the States as embodied in the 10th amendment to the U.S. Constitution.

These witnesses also agreed the bill is incomplete and misleading. State action, both administrative and legislative, would be required. In view of the questions concerning the ability of the States to enact conforming legislation and the strong unanimous opposition to the bill by numerous State officials, including Governors, attorneys general, insurance commissioners and legislators, such State action cannot be anticipated. This would result in litigation for years to come, creating chaotic conditions in both the auto reparation and insurance regulatory fields.

The McCarran-Ferguson Act enacted by Congress in order to establish a national policy governing the regulation of the insurance industry clearly demonstrates that Congress intended to reaffirm the States power to regulate insurance and to insure that State legislation would not be impaired or overriden except by specific and explicit congressional enactments.

Section 102(a)(10)(A) of S. 354 sets out the need to "recognize, respect, and avoid interfering with the historical roles of the States in regulating and exercising legislative authority over the business of insurance." It goes on to contradict this long established public policy by incorporating provisions which are in direct conflict with this national policy and which interfere with existing State automobile insurance laws and regulations.

S. 354 directs that the ultimate judgment as to whether automobile insurance business is being regulated be made not by the States, not by Congress, but by a Federal administrative agency, the Department of Transportation.

S. 354's mandate for unlimited medical and rehabilitation coverages, along with its implications of ever-growing, costly, and cumbersome Federal regulation, would deal many, if not all, of the small auto insurance companies a heavy blow.

One expert witness noted that the large number of smaller firms will suffer and the consumer will pay a higher price due to the lack of competitive conditions.

The disruption of small company operations and the inevitable constriction of the insurance market in sparsely populated areas that would result under S. 354 would permit giant companies to capture, with Federal assistance, the share of the market now held by smaller insurers.

Supporters of S. 354 have continuously stated that Federal legislation is necessary to avoid "chaos" in interstate travel which 50 different State no-fault plans could cause. We have never been told how this chaos would come about nor its causes. They imply that people would be thoroughly confused as to their rights and obligations in interstate travel. In spite of the fact that 20 States have no-fault plans, this chaos has not occurred.

Insurance contracts have been revised to automatically guarantee full legal protection anywhere in the United States and Canada.

Moreover, no person insured in one State and involved in an accident in another will have his right to sue limited, unless he has a compensating right to no-fault first party benefits. Also, if the insurance policy requires payment of higher no-fault benefits than is required in the State of accident, the higher benefit shall be paid. This is a simple and fair procedure.

Mr. President, evidence presented for reform in the field of insurance is substantial. Such reform is directed toward a system that has developed over a very long period. I prefer to observe the results of reform efforts at the State levels. After ample opportunity for analysis of the cost implications of no-fault, the desirable features of the State programs might be adopted and molded into a reasonable uniform plan. At that time, we would have the benefit of experience, something that is lacking as we consider S. 354. Until that time, Mr. President, I intend to oppose this type of Federal legislation.

THE NEED FOR NATIONAL NO-FAULT AUTOMOBILE INSURANCE

Mr. SCHWEIKER. Mr. President, the Senate has been considering S. 354, a bill to establish a nationwide system of adequate and uniform motor vehicle insurance, and I urge my colleagues to join me in voting to pass this important legislation. In earlier consideration of the bill on the floor, I voted against amendments which would weaken its standards and thereby raise the cost to the consumer. In its final form, S. 354 remains a strong bill. It should be passed.

The plan would assure the accident victim prompt and adequate compensation for medical expenses and economic loss, and at the same time result in a reduction in the cost of premiums to the consumer. As the bill now stands, it is estimated that the Federal no-fault plan will result in a savings to the consumer of 14 percent in reduced premium costs, compared to the premium costs of present insurance in Pennsylvania alone. Thirty-three percent more dollars will be available to compensate injury; 25 percent more injuries will be fully compensated in Pennsylvania and savings of nearly $70 million in premiums will occur. It is also estimated that the present system of automobile insurance returns less than 50 percent of premium payments to the consumer in the form of benefits. The no-fault plan would make a much higher percentage of premium payments available to the consumer in the form of benefits, and provide full coverage of medical expenses as incurred.

The no-fault concept has been under study here for over 4 years and in the 92d Congress was briefly considered by the full Senate before the bill was referred to the Senate Judiciary Committee. Since that time, however, only 14 States have enacted plans which approximate the no-fault concept contained in S. 354. The Senate bill will still permit States to establish and run their own program since it merely sets Federal minimum standards which must be met in the State law. The State will retain its traditional role in the administration and monitoring of the insurance program.

I feel we must move ahead in establishing true no-fault automobile insurance in all States to improve our automobile insurance system and to bring much needed savings to the consumer. I urge my colleagues to join me in voting to pass this important legislation.

SENATOR RANDOLPH BELIEVES NO-FAULT INSURANCE PROGRAM, IN PENDING BILL, WILL NOT ACHIEVE OBJECTIVES OF PROVIDING JUST COMPENSATION TO ACCIDENT VICTIMS

Mr. RANDOLPH. Mr. President, after careful study and intensive consideration I have determined that the pending measure, S. 354, should not be enacted into law. My decision has been made with considerable reluctance, since this bill has been designed and pursued to help people through a uniform system of accident reparations—a worthwhile objective. I know also that the able chairman of the Committee on Commerce (Mr. MAGNUSON) has worked diligently to bring this legislation into being, as he has worked for many, many programs to aid all citizens. The Senator from Utah (Mr. Moss) has shown his expert leadership in this area and has been an effective advocate. I share their conviction that a system must be developed to insure compensation of accident victims.

However, Mr. President, it is my belief that for the time being the area of no-fault insurance is one which should remain with the jurisdiction of the States. One can, with some basis refute this belief, with the statement that the States have not acted quickly enough and now the Federal Government must establish a national, uniform no-fault program. While we are not totally satisfied with progress of no-fault within the States, it must be recognized that the States are moving, each in its own way, to cope with the problems presented by the automobile accident reparations system. Twenty States have enacted some version of no-fault, and the overall "no-fault automobile coverage population" is more than 42 percent. This has happened within a short period of time. Additionally, the commissioners of the National Conference on Uniform State Laws have given final approval to a uniform set for no-fault motor vehicle insurance. Thus, there appears, in my judgment, to be solid progress by the States. There are valid prospects for continued progress.

Setting aside the issue of whether the States are fulfilling responsibility in this area, I seriously question whether this is a time to add to the Federal system the task of implementing a system of no-fault insurance. There are many areas of Federal concern mandated by the Congress which are not being adequately met. As Senators know, the pending measure embraces more than national standards under Federal law. It includes the provision for imposition by our National Government of a no-fault program to be administered by the State in the absence of enactment of an adequate State law. I realize that this argument can be made at any point when the Congress is considering a new program or extensions of existing authority. However, I think it is very clear that we must become more selective in legislation to increase the Federal role, and one of the key elements in that consideration must be the history of jurisdiction on a particular issue. One fact we do know—the role of the Federal Government will not be decreased by this Congress or any future Congress. So, at every stage, we will debate measures to expand Federal involvement. Need and the ability of Government to respond will be critical. It is my feeling that in the pending measure neither the criteria of need nor ability of Government to respond has been met.

Mr. President, I am aware of the promise that S. 354 will provide substantial payment for losses of all victims and produce savings in automobile insurance programs, at a cost to the consumer which was significantly less than the cost of the existing system. There is, however, conflicting cost information on the pending bill. Members of the Committees on Commerce and on the Judiciary involved in this measure are in strong disagreement on the question of projected—I repeat projected—premium costs. Further, serious questions have been raised on the actuarial study on which S. 354 is being presented to the Senate. It is a serious point of contention as to whether the cost implications of S. 354 are accurately represented by the majority reports. For example, the minority report of the Judiciary Committee presents a totally different evaluation. It indicates that S. 354 would result in an increase in the cost of the entire automobile insurance system in 44 of the 50 States. The answer is far from certain. But I am of the opinion that the no-fault system embodied in S. 354 might cost substantially more than the present system.

Also, there is strong reason to believe that this bill will operate to the detriment of rural and semirural populations. Cost increases will possibly come in the overwhelming majority of States and cost decreases will likely be experienced only in the relatively few States containing large urban population centers.

As a Senator from a rural State, I am genuinely concerned with this issue. Why should people who live in the small and rural and sparsely populated States and communities be required to relieve the burden of those in the densely populated metropolitan areas?

Mr. President, an interesting ingredient in the consideration of this legislation has been the varied positions of the insurance industry. The Judiciary Committee report underlines substantial testimony received concerning the impact of the enactment of S. 354 on the competitive aspects of automobile insurance. Testimony on this question supported the proposition that the smaller insurers would be placed at a serious competitive disadvantage under the provisions of the Federal no-fault proposal. This question has not been adequately resolved. The major trade associations representing the majority of the smaller insurance companies are opposing the enactment of the legislation. The association which represents the largest companies is supporting the measure. It is, in my judgment, unique that these larger organizations are strongly supporting legislation to correct a problem involving the very business activity they control. They should be the companies creating a better climate for fair settlements of claims.

Mr. President, there is need for reform of the automobile reparations system. But, we should move in that direction carefully with full knowledge of the effect of such action. It has not been demonstrated that there is a compelling need for the Federal Government to intercede and provide a total revamping of the automobile insurance system at this time. It has not been demonstrated that S. 354 will achieve in a fair and equitable manner the objectives set forth by the proponents.

Mr. MATHIAS. Mr. President, the National No-Fault Insurance Act, S. 354, has been one of the most complicated and hotly contested pieces of legislation considered during this session of the Senate. As we come to the end of a long debate, I wish to add a few remarks of my own to the already voluminous record on this bill.

I believe that the general consensus is that the manner in which we as a society handle the problem of automobile accidents and automobile insurance is badly in need of reform. Many people who are injured in automobile accidents go uncompensated. Indeed, even innocent persons, those not found to be at fault in an automobile accident, are going uncompensated. Estimates are that nearly half of the moneys contributed each year by the public in the form of automobile insurance premiums are consumed by the present system and do not find their way to injured victims.

I should add that lawyers are often singled out for criticism in this connection. It is important to note that legal fees do not make up the great part of these premiums which do not find their way back to the public. The great part of this money goes to other segments of the current insurance system for claim investigation and other overhead.

S. 354 would provide Federal standards to substitute a new system for that generally in use in the United States. This new system is designed primarily to provide compensation for medical costs and loss of income. The bill removes the right to sue unless injuries reach a certain threshold of gravity, and the Senate has lowered that threshold during the course of its consideration of the bill.

My own State of Maryland has attempted to do something about the current system and has adopted its own automobile insurance reform plan. The Maryland system is not a true no-fault system, but it does have no-fault features. Early indications on the operation of the Maryland scheme are that it is enjoying success. The Maryland scheme also includes the use of a State insurance fund to cover bad risks, people previously unable to obtain coverage. This brings needed competition in a badly needed area. Happily, this feature of the Maryland law could be continued under S. 354. But because other features of the Maryland law would not be permitted under S. 354, I voted to recommit the bill in the hope that some of these better features could be retained.

I, with many of my colleagues have had difficulties with S. 354. In a number of respects I am dissatisfied with the bill. I doubt that it will result in lower insurance premiums in Maryland. In particular, I regret that it does not allow for the kind of progressive experiment that my State of Maryland has attempted. It will present Maryland and other States with many administrative difficulties.

But the Senate has reached numerous decisions on amendments to the bill which make retention of any of the Maryland features impossible. And it is clear that Maryland will not be able to stand alone in the Nation. In light of the failure of the current system of automobile insurance to provide prompt compensation to victims of automobile accidents, I have decided to vote for the bill in its current form on final passage, despite these objections. Some tort liability has been preserved. When and if the other body acts on this issue, there will be a conference to reconcile the several versions of the bill. In the course of this process greater wisdom may prevail and hopefully a better bill will result.

Mr. DOLE. Mr. President, the day of decision has now arrived. Today's vote on S. 354, the National No-Fault Motor Vehicle Insurance Act, culminates many months of discussion and debate. As has been pointed out many times and in many contexts, few issues have generated so great a public response. And this is only natural, since automobiles and, therefore, automobile insurance have become an integral part of life in America.

At the outset, I wish to commend the Senate Commerce Committee for its dedicated efforts toward creating a wide-based public awareness of the need for comprehensive reform of our automobile liability insurance system.

During the 90th Congress, at a time prior to any State activity with regard to no-fault insurance programs, the Commerce Committee was instrumental in promoting legislation which resulted in the Department of Transportation's intensive investigation and subsequent indictment of the then universal negligence-based insurance system.

DEFECTS OF OLD SYSTEM

As stated in the Department's final report:

> In summary, the existing system ill serves the accident victim, the insuring public and society. It is inefficient, overly costly, incomplete and slow. It allocates benefits poorly, discourages rehabilitation and overburdens the courts and the legal system. Both on the record of its performance and on the logic of its operation, it does little if anything to minimize crash losses.

In response to these 1971 conclusions, States began to initiate reforms of their respective insurance programs. And properly so, I believe, for the regulation of motor vehicle insurance is, and has traditionally been, a matter of State and not Federal jurisdiction.

During the 92d Congress, a Federal no-fault insurance bill, S. 945, was considered by the Senate, but was not brought to a final vote. The session ended with the bill still awaiting investigation by the Judiciary Committee as to the constitutional question raised by the proposed unprecedented involvement of the Federal Government in the jurisdictional spheres of the individual States. Strenuous objections were raised in that regard—objections which, I might add, remain unresolved in the minds of many to this day, and apply to the bill now before us.

STATE REFORMS

The individual States were urged to enact no-fault programs on their own initiative. In that way, it was hoped that the constitutional questions regarding possible Federal intervention could be avoided.

Now, 2 years later, 14 States have responded with plans that even the strongest advocates of Federal no-fault legislation have conceded are "genuine no-fault programs."

I am proud to say that Kansas is among those States to have taken the initiative in this important area. Fletcher Ball, Kansas State commissioner of insurance and president of the National Association of Insurance Commissioners, has written me discussing the State's no-fault program and its relationship to S. 354.

Because he also describes the activities of the various States with regard to the issue of no-fault insurance, I find his letter to be of particular merit, and ask unanimous consent that it be included in the RECORD at this point, along with a summary explanation of the new Kansas no-fault statute.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 27, 1974.

Hon. BOB DOLE,
U.S. Senator,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR DOLE: As Commissioner of Insurance of the State of Kansas and as President of the National Association of Insurance Commissioners, I feel it is incumbent upon me to reiterate my long-standing opposition to a federally mandated no-fault automobile insurance system. As evidenced by my strong support of the no-fault automobile insurance legislation enacted by the 1973 and 1974 Sessions of the Kansas Legislature and by the resolution adopted by the NAIC which I furnished you under date of June 26, 1972, neither I nor the NAIC as an organization are opposed to no-fault automobile insurance as a concept but we are opposed to the involvement of the federal government in areas which can best be served by action at the local level. Incidentally, the 1972 NAIC resolution was re-affirmed at its meeting last December and I am enclosing a copy of this reaffirmation for your information.

As you know, no-fault legislation involves fundamental changes in a complex and ongoing system. Since a multitude of factors, concepts, attitudes and values vary from area to area, public policy changes can best be made, in my opinion, on a state-by-state basis. This process not only enables each state to adopt those changes which are compatible with its own individual needs and which reflect the desires of its own citizens, but it also provides for experimentation with different alternatives. Of equal or perhaps even greater significance, the state legislatures can respond to changes dictated by experience under the alternative selected as opposed to being forced to abide by decisions made at the federal level which may prove to be detrimental to the interests of the motoring public in a particular state. I realize proponents of S. 354 maintain that it provides sufficient flexibility for the states to tailor a program to their respective needs but any reasonable reading of this proposal reveals that such flexibility is extremely limited.

In some situations I suppose the traditional "state versus federal" arguments could be perceived as a delaying tactic or an expression of support for the status quo. This is obviously not the case with respect to the no-fault automobile insurance issue. To date, at least nineteen states including Kansas have enacted some type of no-fault law and *every* state has considered or is now considering whether a move to a no-fault system is appropriate and the form it should take. The enactment of S. 354, or probably any federal measure, would disregard and supersede the judgment of not only state legislatures which have or are considering this subject but, even more important, it would discard and destroy the substantial progress that has been made in states such as Kansas which have already acted to reform the automobile reparation system and have implemented the changes resulting from such reformation. Quite frankly, it is difficult for me to conceive a situation which would be more confusing to Kansas citizens than the withdrawal of a no-fault automobile insurance system to which they are now being introduced and substitute a different system in its place.

I will not burden you with a detailed analysis of my objections to specific provisions of S. 354. I will, however, refer you to the comparison I furnished your office last August which briefly outlines the differences between S. 354 and the Kansas Automobile Injury Reparations Act. The Kansas law has been modified to some extent since this comparison was developed but the changes are not substantive as far as this discussion is concerned. In general, since the Kansas law was developed by Kansas citizens for Kansas citizens and to fit the needs of Kansas citizens, I suppose I could say that my objections to S. 354 embrace any variation between it and the Kansas law. Of particular concern, however, are the extremes to which S. 354 goes in terms of dictating the benefit levels and restricting tort liability in addition, of course, to the paternalistic philosophy inherent in any federal legislation of this kind.

Thank you for your interest in this matter and if I can ever be of service to you, please do not hesitate to contact me.

With my best personal regards, I am,

Very truly yours,

FLETCHER BELL,
Commissioner of Insurance.

MOTOR VEHICLES—NO-FAULT PLAN—REPEALS EXISTING NO-FAULT LAW AND REENACTS IT WITH AMENDMENTS

Compulsory—Yes. Motor vehicle owners must provide security for liability insurance in limits of $15,000/$30,000/$5,000 and first party benefits insurance. (Secs. 4(a) and 7(e)–(g)).

Providing and maintaining security is a prerequisite to vehicle registration. (Secs. 18(a) and (c)–(h)). Failure to provide and maintain security and operating or permitting operation of an uninsured vehicle is punishable as a class C misdemeanor (maximum of $500 fine and 1 month confinement). (Secs. 4(b)–(c), (e) and K.S.A. 1973 Supp. 21-4502, 4503).

Motor Vehicle Included:

Private Passenger—Yes. (Sec. 3(m)). Motorcycle owners have a right to reject first party benefits insurance. (Sec. 7(f)).

Public Passenger—Yes. (Sec. 3(m)).

Commercial—Yes. (Sec. 3(m)).

First Party Benefits:

Medical—Up to $2,000 (Sec. 3(k)).

Rehabilitation—Up to $2,000. (Sec. 3(r)).

Funeral—Up to $1,000 (Sec. 3(d)).

Work Loss—85% (100% if benefits includable in gross income for federal income tax purposes) of loss of income up to $650 per month for 1 year. (Sec. 3(b)). Benefits are payable to unemployed persons on the basis of the anticipated earnings from the time such person would reasonably have been expected to be regularly employed. (Sec. 3(1)).

Substitute Services—Up to $12 per day for 1 year. (Sec. 3(w)).

Survivors—Work loss benefits up to $650 per month for 1 year after death and substitute services benefits up to $12 per day for 1 year after death; survivors' expenses avoided because of the death are subtracted from substitute services benefits, and the number of months an injured person received work loss benefits before his death is subtracted from the number of months for which work loss benefits are payable to survivors. (Sec. 3(y)).

Benefits-Primary—First party benefits are provided without regard to other benefit sources, except that workmen's compensation benefits must be subtracted. (Sec. 10(a)). First party benefits must be subtracted from uninsured motorist benefits. (Sec. 13(e)).

Limitation on Special Damages—No limitation on right to recover special damages.

Limitation on General Damages—Cannot recover general damages unless injury results in: permanent disfigurement; fracture to a weightbearing bone; a compound, comminuted, displaced or compressed fracture; loss of a body member; permanent injury within reasonable medical probability; permanent loss of a bodily function; death; or medical expense in excess of $500. The reasonable value of services performed by a relative or a member of the household which would normally be performed by a nurse are to be included in computing the $500 medical expense threshold. (Sec. 17).

Insurance Follows-the-Family—For injuries sustained in the state of Kansas:

(1) owner's insurer pays first party benefits to owner injured while occupying, or struck by, any motor vehicle (Sec. 9(a)(1));

(2) owner's insurer pays first party benefits to household relative injured while occupying, or struck by, any motor vehicle; however, if a household relative is the owner of a motor vehicle subject to the insurance requirements of this act, his own insurer pays the benefits (Sec. 9(a)(3));

(3) owner's insurer pays first party benefits to any other person occupying the owner's motor vehicle and to any other Kansas resident struck by the owner's motor vehicle; however, if such person is the owner of a motor vehicle subject to the insurance requirements of this act, his own insurer pays the benefits (Sec. 9(a)(4)).

If 2 or more insurers are required to pay first party benefits for the same injury, the total amount of benefits payable by all insurers to one person is subject to the per person limits. Any insurer paying the claim is entitled to a pro-rata contribution from the other insurers. (Sec. 9(b)).

Subrogation and Reimbursement—There are 3 ways by which insurers may recover first party benefits:

Subrogation—If insured has a right to recover general damages against a tortfeasor and fails to commence such action within 18 months after the accident, the insurer has a right to commence the action "in its own name or in the name of the injured person" to recover the amount of first party benefits paid. The "prosecution or settlement of any such action without the consent of the injured person or his legal representative shall be without prejudice to the injured person or his legal representative to maintain an action against the third party." (Note: The quoted provision might serve to make a tortfeasor twice liable for damages to the extent of first party benefits.) (Sec. 13(c)).

Intercompany Reimbursement—If the tortfeasor is insured, an insurer may agree with the tortfeasor's insurer to have the issue of liability and the amount of reimbursement settled by arbitration. An insurer's use of this alternative would be in lieu of its right of subrogation. (Sec. 13(d)).

Reimbursement from Insured's Tort Recovery—An insurer can not reduce first party benefits because of the value of a tort claim. If, however, an insured has recovered on a tort claim, his insurer shall subtract the amount of tort recovery from first party benefits payable or, if benefits have already been paid, shall have a lien on the recovery. However, no "recovery of damages by an injured person or his estate shall be subtracted by an insurer in calculating benefits due after such person's death resulting from an injury for which the benefits were payable, and no recovery under [the Wrongful Death Act] shall be subtracted in calculating funeral benefits." (Sec. 13(a)).

Out-of-State Motorists—Nonresident motorists are subject to the same security requirement as resident motorists. Insurers must certify that the motor vehicle liability insurance policies of their nonresident insureds comply with the Kansas requirements. (Sec. 6).

Out-of-State Application—First party benefits are payable by the owner's insurer to the owner and household relatives for injuries sustained as an occupant of the owner's motor vehicle in an accident in the United States or Canada. However, if a household relative is the owner of a motor vehicle subject to the insurance requirements of this act, Secs. 9(a)(2) and 9(a)(3) would not permit him to recover under the owner's policy and it is not clear whether he may recover under his own policy.

Assigned Claims Plans—Insurers must organize and maintain an assigned claims plan for the payment of first party benefits. Such benefits are to be paid without regard to other benefit sources. (Sec. 16).

Notice of Cancellation or Nonrenewal—Notices of termination must include a warning that security must be maintained throughout the registration period, that operation of an uninsured vehicle is a class C misdemeanor, and the registration of an uninsured vehicle is subject to revocation for a 60-day period. Insurers must inform the Director of Vehicles of a cancellation at least 30 days prior to the effective date of the cancellation. (Sec. 18(b)).

Historical Note (March 1, 1974):

Kansas enacted a no-fault law on April 11, 1973. (K.S.A. 40-31; L. 1973, Chap. 198; 1973 Reg. Sess. H.B. 1129). The law went into effect on January 1, 1974.

In Manzanares v. Bell, a suit for declaratory relief decided in January 1974, the District Court of Shawnee County, Kansas, held the no-fault law unconstitutional on three technical grounds unrelated to the validity of basic no-fault insurance concepts. (Case Docket No. 122,937; Oral Decision, January 4; Journal Entry of Judgment rendered January 4, filed and entered January 23; Memorandum (Written) Opinion, January 24). The decision was appealed to the Supreme Court of Kansas, and the no-fault law remained in effect because the District Court decision was subject to consecutive stays issued by the District Court and the Supreme Court. However, on February 18, Kansas enacted S.B. 918, which repealed the existing no-fault law and substituted for it a virtual reenactment of the law with amendments designed to resolve its purported constitutional defects and to improve other provisions. The principal differences between these laws are summarized below and incorporated in the foregoing text of this Law Memo. S.B. 918's simultaneous repeal of and substitution for the existing no-fault law became effective, by its terms, "from and after its publication in the official state paper" (Sec. 23), which occurred on the morning of February 22.

The Supreme Court of Kansas is expected

to determine the constitutionality of both the former no-fault law (effective January 1 to February 22), which was at issue in the case on appeal, and the present no-fault law (effective since February 22).

The following are the principal differences between the former no-fault law (H.B. 1129) and the present no-fault law (S.B. 918). The citations refer to both laws.

(1) Motor Vehicles Included—H.B. 1129 exempted public passenger vehicles and most types of commercial vehicles from the scope of the law. S.B. 918, however, requires all motor vehicle owners to provide security, and limits their liability for general damages. (Secs. 3(m), 5, and 17).

(2) Limitation on Special Damages—H.B. 1129 permitted injured persons to recover special damages to the extent of first party benefits only if such persons were entitled to recover general damages (i.e. if they were seriously injured); injured persons were not limited in their right to recover special damages for loss in excess of first party benefits. S.B. 918 does not limit the right of injured persons to recover special damages to the extent of, or in excess of, first party benefits. However, a person entitled to recover only special damages presumably would not seek such recovery because of the expense of litigation and the duty to reimburse his insurer for first party benefits. (Sec. 17).

(3) Limitation on General Damages—H.B. 1129 granted a tort exemption for general damages to owners and operators of insured motor vehicles. S.B. 918 extends this exemption to owners and operators of all motor vehicles. (Sec. 17).

(4) Subrogation and Reimbursement—H.B. 1129 permitted an insurer to subrogate if its insured did not commence suit against an alleged tortfeasor within 18 months of the accident. S.B. 918 limits this right to subrogate to suits in which the insured is entitled to recover general damages. (Sec. 13(c)).

Note: Section 13(a) of both H.B. 1129 and S.B. 918 provides that insurers providing first party benefits have a right of set-off or of reimbursement, to the extent of those benefits, from an insured's recovery of special damages. Although there is no substantive difference between the laws on this issue, the language of Section 13(a) has been amended to clarify an ambiguity about the extent of damages subject to set-off or reimbursement which was noted by the District Court.

(5) Out-of-State Motorists—H.B. 1129 exempted motorists from noncompulsory insurance states from the scope of the law. S.B. 918 requires all motor vehicle owners—resident or nonresident—to provide security, and limits their liability for general damages. (Secs. 3(m), 5, and 17).

(6) Assigned Claims Plan—H.B. 1129's plan reduced benefits to the extent of all collateral sources available to claimants. S.B. 918's plan pays benefits without regard to collateral sources. (Sec. 16).

Effective: February 22, 1974

Mr. DOLE. Mr. President, as can be seen from the statement of Commissioner Bell, and the outline of the Kansas law, State action with regard to no-fault insurance is clearly preferable to the Federal intervention mandated by S. 354.

INCONCLUSIVE EVIDENCE ON COSTS

Because there has also been a great deal of conflicting information offered on both sides of this issue concerning the potential effects of the bill on insurance costs to the average policyholder, I would like to comment briefly on these.

Proponents of S. 354 have utilized figures from the actuarial study conducted by the firm of Milliman & Robertson to estimate a premium rate reduction of 15 percent for Kansas. Such a figure, of course, has great appeal, but I do not believe it has been shown to be valid. In considering this estimate, the following points must be considered:

The Milliman & Robertson study was based on 1972 data—that is, before Kansas enacted its own State no-fault plan. The new Kansas no-fault plan, as modified in response to constitutional objections of the Supreme Court took effect on February 22, 1974. Although figures concerning premium reductions under Kansas no-fault are, of course, not yet available, certainly the same rate reduction arguments as are offered in support of the federally mandated minimum standards no-fault plan of S. 354 can, to a significant degree, also be made for the Kansas plan. The point to be made here is that the claimed rate reduction figure of 15 percent is based on 1972 pre-no-fault data, and, as such, really is not much more than a guess in the present situation.

But even if Kansas had not, on its own initiative, enacted a State no-fault plan, this 15-percent reduction estimate still applies to last August's version of S. 354 as reported by the Commerce Committee—not the bill before us today.

Amendments have been adopted on the floor which change the bill to the point where these old figures are not accurate. I would also point out that, whereas supporters of S. 354 had previously made claims of decreased premium rates in every State should the bill become law, these claims have now been reduced and supporters of this Federal no-fault plan acknowledge that, because of the recent amendments, some States may realize no cost savings.

As Milliman & Robertson themselves took care to point out in their study:

> Although the conclusions presented in this report are probably the best estimates available, it should nonetheless be recognized that they are subject to a high degree of uncertainty as well as being very susceptible to misinterpretations.

In conclusion, then, I doubt that the predictions of either extreme are accurate. I do not believe, therefore, there is conclusive evidence—on either side—as to the bill's effects on the premium rates. Thus, the rate question cannot be seen as determinative on the possible merits or deficiencies of S. 354.

Mr. President, I believe a number of constructive amendments have been adopted in the course of debate on S. 354.

I was pleased to join in introducing an amendment to provide greater equity and fairness to motorcycle riders who faced the possibility of totally unreasonable premium increases under the original bill. The many millions of motorcyclists in America had, I believe, a valid and important objection to this feature of the bill as it was reported. And I was pleased that my amendment to permit total State exclusions or reasonable deductibles to be determined at the State level was adopted.

The amendment offered by the Senator from Delaware (Mr. BIDEN) was another positive measure which I supported. It provides a 4-year waiting period before the Federal no-fault requirements go into effect, and it should be an important help to the States. The 4-year period allows each State needed time to develop their own plan tailored to their own particular needs within the mandates of the Federal standards.

I also supported the Moss amendment which lowers the time threshold for bringing court actions for total disability. As reported, the bill set a requirement for 180 days of such disability, while the Moss amendment reduced this requirement to 90 days. This change should be especially important to the victims of the most serious injuries who will need to seek extraordinary relief beyond the statute's standard benefits.

Notwithstanding these improvements which were made in S. 354, I still believe the best course would be for Congress to refrain from acting at this time. Kansas has a good law, and other States should be able to respond in a reasonable time to the need for reforming their automobile insurance systems. I have confidence that the Kansas Legislature will monitor the operation of their new statute and will make the improvements which experience shows to be necessary and desirable. I believe the present and future Governors of the State will be responsible in suggesting ways for building on the progress which has been made. And I would hope that increased benefits will come along as the system is refined.

I believe this matter should remain with the States—which are making progress in dealing with it at this time. Perhaps at a later date, if conclusively proven that the States are failing to respond to this need, the Federal Government might more appropriately step in. But at this time, I believe the States—particularly the State of Kansas—recognize their obligation and are moving to fulfill their responsibilities. And the Federal Government should refrain from extending its influence into this new area which has traditionally been outpay more for their auto insurance.

Mr. HOLLINGS. Mr. President, it is my belief that Federal no-fault automobile insurance legislation cannot be justified at this time, and especially in the form of S. 354.

As a member of the Commerce Committee, I have had the opportunity to study the question of Federal no-fault legislation in great detail over the last few years. When the matter was first raised, I voiced my opposition to the Federal no-fault insurance. Since that time, the legislation has been revised numerous times and the committee hearings have been reopend to take additional testimony on many of these revisions. However, nothing in the hearing records or in the revised bill has removed my objections. Consequently, I am opposed to enactment of S. 354.

My objections to S. 354 are based on three grounds. First, Federal legislation in this area breaks with the long standing tradition that insurance regulation is a State function. There is no justification for enacting such a change, and instead the States should be afforded an adequate opportunity to act. Second, lack of real experience with no-fault plans, coupled with the extreme plan proposed in S. 354, makes it impossible to predict whether the benefits and premium rate reductions promised by the proponents will in fact occur. Third, is the question of the constitutionality of S. 354. Many of the views expressed by the expert witnesses before the Senate Judiciary Committee were that the bill is unconstitutional or that at least a substantial question exists as to its constitutionality.

Insurance regulation has traditionally been a State function, and it may be helpful to briefly trace the evolution of this tradition. As early as 1968, the Supreme Court held that the business of insurance was not commerce in the meaning of the commerce clause, and hence it was not subject to Federal regulation. Under the protection of this ruling, the States developed their own systems of insurance taxation and regulation. However, in 1944 the Supreme Court reversed its 75-year precedent by holding in *United States* v. *Southeastern Underwriters Association,* 322 U.S. 533 (1944) that the business of insurance was interstate commerce subject to Federal antitrust laws.

While not believing that the Court had erred in its new interpretation of the commerce clause, there was widespread concern over the threat which the ruling posing to the State regulatory systems that had developed under the previous ruling. The McCarran-Ferguson Act was enacted in 1945 in response to this concern and in order to preserve the State systems. The legislative history of this act clearly reveals a congressional finding that the States were in a better position to regulate the insurance industry, because of their proximity to local industry problems and because of their experience and expertise in regulating this business. As Senator Ferguson remarked:

> We believe that all the wisdom is not here in Congress.

Hence, the act reflects Congress' conclusion that the States rather than the Federal Government should have authority for this regulation. As recently as 1969, the Supreme Court has commented on the concept of this act saying:

> It is clear . . . that the focus of the Act was on the relationship between the insurance company and the policy holder. Statutes aimed at protecting or regulating this relationship directly or indirectly, are laws relating to the business of insurance, and hence within the state's authority. (*S.E.C.* v. *National Securities, Inc.*, 393 U.S. 453, (1968).

Previous experience has demonstrated the States' ability to respond to problems that occur. During the 91st Congress, the question of insurance company insolvency arose, and a national insurance insolvency guarantee bill was proposed. The argument for Federal legislation was that States would not act. Even though the Federal bill was not enacted, 48 States have responded to this need by enacting insolvency legislation.

While the concept of no-fault insurance is not new, it has been only recently that the concept began to be embodied in tangible proposals. Many people criticize the States for moving slowly, but it must be realized that there is a need for experimentation in molding the no-fault concept to the individual problems of a State, and each State must determine whether the no-fault concept would work well in that State.

Further, the fact is that State action has and is occurring in the area of automobile insurance reform. Approximately 90 million people are either now covered or soon will be able to obtain no-fault automobile insurance coverage in 21 States—Massachusetts, Florida, Oregon, Delaware, Minnesota, Virginia, New Jersey, South Dakota, Maryland, Connecticut, New York, Arkansas, Kansas, Hawaii, Michigan, Utah, Nevada, Georgia, Texas, Colorado, and Washington. Additional action can be expected in 1974 as 18 State legislatures carry over action on no-fault bills from their 1973 sessions. Returns are just coming in from those States that have adopted no-fault plans, and I feel that we should see what the results are before we commit ourselves to imposition of one nationwide plan.

Our prime concern should be the development of legislation that is responsive to the needs of the States. Since court docket size, auto repair and medical costs, legal fees, accident rates, and other actuarial factors vary from area to area, insurance policy decisions can better be made on a State level as opposed to the Federal level.

Just as the problems vary from State to State, so too the solutions will not be identical, and we should not be overly concerned with uniformity. Some measure of uniformity is desirable, and there is every reason to believe that the States will be able to achieve this in the same ways they have in the past, such as guidelines, model legislation and, of course, the force of example.

The danger with one national standard, such as S. 354, is that it cannot be drafted in such a way as to respond with equal force in Massachusetts, which has had a system of highly inflated claims along with high court and legal expenses, and in South Carolina where this is not the case, or the New York metropolitan area where there is at least a 2-year delay before a case comes to trial as opposed to South Carolina where there is no court backlog. Hence, the broad-brush national approach compounds the potential for error.

Next, arises the question of whether the benefits and premium rate reductions as promised by the proponents will in fact occur. The actuarial firm of Millman & Robertson, Inc., has carried on a study in an effort to project the cost implications of no-fault in the context of S. 354. In their study they point out that their estimates should be recognized as being subject to a high degree of uncertainty as well as being very susceptible to misinterpretation.

The theory behind no-fault is that there will be a reduction of general damage payments which will save enough claim payment dollars to pay all victims for economic loss payments. However, costs to pay economic loss could be more than the cost to pay the combined economic loss and general damage total under the tort system. In fact some actuarial computations indicate that South Carolina insurance rates would actually increase under the Federal no-fault proposal.

Not only is there a possibility of increased rates, but this system would also create inequities. One example of discrimination is against retired persons. In support of this claim, the American Mutual Insurance Alliance has cited the following features of the Federal bill as being discriminatory:

First. The near total elimination of the right to recover for noneconomic losses means that an innocent retired auto accident victim sufficiently injured to have his life style substantially disrupted by the accident, but not meeting the stringent qualifications for recovery for such losses, would likely receive no benefit whatsoever under the present projected system in S. 354—since no-fault benefits are not paid when medicare benefits are available and when there is no wage loss.

Second. If the innocent retired person should qualify for payment of his noneconomic losses, this payment would arbitrarily be reduced by $2,500 under the terms of S. 354.

Third. As for the allocation of costs, S. 354 continues to insist that private passenger automobile owners, including retired persons, subsidize the losses caused by commercial vehicles.

Fourth. Since S. 354 will totally preempt the actions taken in those 20 States that have already enacted no-fault laws, some 90 million consumers, including millions of retired persons, will have to pay more for their auto insurance.

Now I ask you, Mr. President, does this represent equity and justice? I think not, and for these reasons and others, we have the Insurance Alliance opposing no-fault on the Federal level.

Finally, the question arises as to the constitutionality of the Federal no-fault legislation. The issue is whether Congress has the power to employ a regulatory scheme that compels the States to devote their agencies, personnel, and facilities to administer a Federal law.

It is quite common for Congress to establish national minimum standards and to encourage States to adopt conforming legislation through the conditioning of grants-in-aid on satisfactory State action, or else by imposing direct Federal regulation wherever the State fails to adopt legislation that meets the Federal standards. It is also true that this type of encouragement has been upheld by the Supreme Court as being constitutional. However, the distinction must be drawn between cases where Federal law displaces State law and the Federal Government takes over the administration of the Federal program, and the cases such as the no-fault plan where the States are forced to take legislative or administrative action in carrying out the Federal plan. The proponents of this bill say that Congress has the power to control the States in this matter and they base this conclusion on the "Necessary and Proper" clause of the Constitution. However, in this instance the commerce power is exercised in such a way as to tamper with State sovereignty. This interference with the State sovereignty should be subject to limitation by virtue of the concept of federalism as manifested in the 10th amendment.

If the Federal Government were to enact elaborate plans and then require States to utilize their personnel and facilities in the implementation and administration of these plans subject to Federal supervision and direction, we could seriously deteriorate the Federal-State relations as set out in our constitutional system. Instead of having a partner relationship between the States and the Federal Government, as is contemplated by federalism, the relationship would be more analogous to that of master and servant.

In taking S. 354 as a whole, the State insurance commissioner would need considerable authority to administer the law, and the State would be forced to use existing personnel and facilities to regulate and operate the title III plan in accordance with sections 103 through 111 and section 114 of title I, sections 201(b), 203, 204(e), 204(f), 205, 207, 208, 210, and 211 of title II, and sections 302, 303, and 304 of title III. It is my belief that Congress does not have the power to impose grants of authority upon officials of another sovereignty nor does the Congress have the power to force the State to administer these programs.

In conclusion, Mr. President, it is my feeling that no one is certain what the impact of S. 354 would be. None of the testimony elicited in the many days of hearings was able to remove this cloud of uncertainty. While some reforms in the automobile insurance system may be called for, the reform should be tailored to the individual needs of each State. One national plan cannot do this but rather increases both the chances for errors and their impact. To experiment at the Federal level with a bill that would change a fundamental principle of jurisprudence poses risks that are as extreme as they are unnecessary.

Going back to the words of Senator Ferguson, it is true that all wisdom is not here in Congress, but I do hope that we have the good judgment to recognize the need for prudence, patience, and States rights by defeating this bill.

The PRESIDING OFFICER. Under the previous order, the hour of 3 p.m. having arrived, the Senate will now proceed to vote on S. 354.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. (after having voted in the affirmative) On this vote I have a pair with the distinguished Senator from Arkansas (Mr. FULBRIGHT). If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

I further announce that the Senator from Florida (Mr. GURNEY) is absent due to illness in the family.

The Senator from Hawaii, (Mr. FONG) voted "present."

The result was announced—yeas 53, nays 42, as follows:

[No. 164 Leg.]

YEAS—53

Abourezk
Aiken
Bayh
Beall
Bennett
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Gravel
Griffin
Hart
Haskell
Hatfield
Hathaway
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mathias
McGee
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—42

Allen
Baker
Bartlett
Bentsen
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Church
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Goldwater
Hansen
Hartke
Helms
Hollings
Hruska
Huddleston
Johnston
Long
McClellan
McClure
McGovern
Montoya
Nunn
Randolph
Scott, William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, for

ANSWERED "PRESENT"—1

Fong

NOT VOTING—3

Bellmon
Fulbright
Gurney

So the bill, S. 354, was passed, as follows:

S. 354

An act to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle in public roadways

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL PROVISIONS

FORMAL PROVISIONS

SEC. 101. (a) SHORT TITLE.—This Act may be cited as the "National No-Fault Motor Vehicle Insurance Act".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL PROVISIONS

Sec. 101. Formal provisions.
  (a) Short title.
  (b) Table of contents.
Sec. 102. Declaration of policy.
  (a) Findings.
  (b) Purposes.
Sec. 103. Definitions.
Sec. 104. Required motor vehicle insurance.
  (a) Security covering a motor vehicle.
  (b) Self-insurance.
  (c) Obligated government.
  (d) Obligations upon termination of security.
Sec. 105. Availability of insurance.
  (a) Plan.
  (b) Cancellation, refusal to renew, or other termination of insurance.
Sec. 106. Payment of claims for no-fault benefits.
  (a) In general.
  (b) Release or settlement of claim.
  (c) Time limitations on actions to recover benefits.
  (d) Assignment of benefits.
  (e) Deduction and setoff.
  (f) Exemption of benefits.
Sec. 107. Attorney's fees and costs.
  (a) Fees of claimant's attorney.
  (b) Fees of restoration obligor's attorney.
Sec. 108. Assigned claims.
  (a) General.
  (b) Assigned claims plan.
  (c) Time for presenting claims under assigned claims plan.
Sec. 109. State regulation.
  (a) Rates and rating.
  (b) Public information.
  (c) Accountability program.
  (d) Availability of services.
Sec. 110. Motor vehicles in interstate travel.
  (a) General.
  (b) Conforming coverage.
  (c) Applicable law.
Sec. 111. Rights and duties of restoration obligors.
  (a) Reimbursement and subrogation.
  (b) Duty to pay basic restoration benefits.
  (c) Indemnity.
  (d) Referral for rehabilitation services.
Sec. 112. Jurisdiction of Federal courts.
Sec. 113. Federal motor vehicle.
  (a) General.
  (b) Procedures.
  (c) Definitions.
Sec. 114. Separability.

TITLE II—NATIONAL STANDARDS FOR STATE NO-FAULT MOTOR VEHICLE INSURANCE PLAN

Sec. 201. State no-fault plan in accordance with this title.
  (a) Preemption.
  (b) State plan.
  (c) Determination by Secretary.
  (d) Periodic review.
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  (f) Procedure.
  (g) Exceptions.
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Sec. 202. National standards.
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  (b) Criteria.
Sec. 203. Right to basic restoration benefits.
  (a) Accident within a State.
  (b) Accident outside any State.
Sec. 204. Limitations on benefits.
Sec. 205. Source of basic restoration benefits.
  (a) Applicable security.
  (b) Multiple sources of equal priority.
Sec. 206. Restrictions on tort liability.
  (a) Partial abolition.
  (b) Nonreimbursable tort fine.
Sec. 207. Work loss.
  (a) Regularly employed.
  (b) Seasonally employed.
  (c) Not employed.
  (d) Changes in benefits.
  (e) Definitions.
Sec. 208. Net loss.
  (a) General.
  (b) Tax deduction.
  (c) Allowable expense deduction option.
Sec. 209. Added restoration benefits.
  (a) Optional offering.
  (b) Mandatory offering.
  (c) Territorial applicability.
Sec. 210. Ineligible claimants.
  (a) Converter.
  (b) Intentional injuries.
Sec. 211. Other provisions.
  (a) Included coverage.
  (b) Approval of terms and forms.

TITLE III—ALTERNATIVE STATE NO-FAULT MOTOR VEHICLE INSURANCE PLAN

Sec. 301. Provisions.
Sec. 302. Limitations on basic restoration benefits.
Sec. 303. Restrictions on tort liability.
 (a) Partial abolition.
 (b) Nonreimbursable tort fine.
Sec. 304. Added restoration benefits.
 (a) Optional offering.
 (b) Mandatory offering.
 (c) Territorial applicability.

DECLARATION OF POLICY

SEC. 102. (a) FINDINGS.—The Congress hereby finds and declares that—

(1) motor vehicles are the primary instrumentality for the interstate transportation of individuals;

(2) the intrastate transportation of individuals by motor vehicle over Federal-aid highways and other highways significantly affects interstate commerce, particularly in metropolitan areas encompassing more than one State;

(3) the maximum feasible restoration of all individuals injured and compensation of the economic losses of the survivors of all individuals killed in motor vehicle accidents on Federal-aid highways, in interstate commerce, and in activity affecting interstate commerce is essential to the humane and purposeful functioning of commerce;

(4) to avoid any undue burden on commerce during the interstate or intrastate transportation of individuals, it is necessary and proper to have a nationwide low-cost, comprehensive, and fair system of compensating and restoring motor vehicle accident victims and the survivors of deceased victims;

(5) exhaustive studies by the United States Department of Transportation, the Congress, and some States have determined that the present basic system of motor vehicle accident and insurance law, which makes compensation and restoration contingent upon—

(A) every victim first showing that someone else was at fault;

(B) every victim first showing that he was without fault; and

(C) the person at fault having sufficient liability insurance and other available financial resources to pay for all the losses,

is not such a low-cost, comprehensive, and fair system;

(6) careful studies, intensive hearings, and some State experiments have demonstrated that a basic system of motor vehicle accident and insurance law which—

(A) assures every victim payment of all his medical and rehabilitation costs, and recovery of almost all his work loss plus a reasonable amount of replacement services and survivor's loss; and

(B) eliminates the need to determine fault except when a victim is very seriously injured,

is such a low-cost, comprehensive, and fair system;

(7) nationwide adoption of the system described in paragraph (6) in place of the system described in paragraph (5) would remove an undue burden on commerce;

(8) pursuant to the power vested in it "to regulate Commerce . . . among the several States", the Government of the United States is authorized to require a nationwide low-cost, comprehensive, and fair system of compensating and restoring motor vehicle accident victims and the survivors of deceased victims;

(9) in all the States there should be uniformity as to the essential elements of the system of motor vehicle accident and insurance law to avoid confusion, complexity, uncertainty, and chaos which would be engendered by a multiplicity of noncomplementary State systems, but the need for a nationwide basic system does not require that the Federal Government itself directly administer, operate, or direct the administration or operation of such system; and

(10) a nationwide low-cost, comprehensive, and fair system of compensating and restoring motor vehicle accident victims can—

(A) recognize, respect, and avoid interfering with the historical role of the States in regulating and exercising legislative authority over the business of insurance; and

(B) save and restore the lives of countless victims by providing and paying the cost of services so that every victim has the opportunity to—

(i) receive prompt and comprehensive professional treatment, and

(ii) be rehabilitated to the point where he can return as a useful member of society and a self-respecting and self-supporting citizen.

(b) PURPOSES.—Therefore, it is hereby declared to be the policy of the Congress to establish—

(1) at reasonable cost to the purchaser of insurance, a nationwide system of prompt and adequate restoration benefits for motor vehicle accident victims and the survivors of deceased victims; and

(2) minimum standards which each State must meet or exceed so as to assure a nationwide low-cost, comprehensive, and fair system of motor vehicle accident and insurance law and which enables each State to participate legislatively, to administer without interference, and to continue regulating the business of insurance.

DEFINITIONS

SEC. 103. As used in this Act—

(1) "Added restoration benefits" means benefits provided by added restoration insurance in accordance with section 209 or section 304 of this Act.

(2) "Allowable expense" means reasonable charges incurred for, or the reasonable value of (where no charges are incurred), reasonably needed and used products, services, and accommodations for—

(A) professional medical treatment and care;

(B) emergency medical services;

(C) medical and vocational rehabilitation services; and

(D) expenses directly related to the funeral, burial, cremation, or other form of disposition of the remains of a deceased victim, not to exceed $1,000.

The term does not include—

(i) that portion of a charge for a room in a hospital, clinic, convalescent, or nursing home, or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semiprivate accommodations, unless more intensive care is medically required; or

(ii) any amount includable in work loss, replacement services loss, or survivor's loss.

(3) "Basic restoration benefits" means benefits provided in accordance with this Act for the net loss sustained by a victim, subject to any applicable limitations, exclusions, deductibles, waiting periods, disqualifications, or other terms and conditions provided or authorized in accordance with this Act. Basic restoration benefits do not include benefits for damage to property.

(4) "Commissioner" means the commissioner of insurance or the head of the department, commission, board, or other agency of a State which is charged by the law of that State with the supervision and regulation of the business of insurance.

(5) "Department" means the department of motor vehicles or the department, commission, board, or other agency of a State which is charged by the law of that State with the administration of laws and regulations regarding registration of motor vehicles.

(6) "Emergency medical services" means services necessary to mitigate injury to any victim during the period immediately and proximately following an accident (including, but not limited to, communications, transportation, and treatment by medical and paramedical personnel through an emergency medical services system), which are supplied or provided in accordance with applicable State law.

(7) "Emergency medical services system" means a system which provides for the arrangement of personnel, facilities, and equipment for the effective and coordinated delivery in an appropriate geographical area of health care services under emergency conditions, which is administered by a public or nonprofit private entity which has the authority and the resources to provide effective administration, and which meets the requirements of section 1206(b) (4) of the Public Health Service Act."

(8) "Government" means the government of the United States, any State, any political subdivision of a State, any instrumentality of two or more States, or any agency, subdivision, or department of any such government, including any corporation or other association organized by a government for the execution of a government program and subject to control by a government, or any corporation or agency established under an interstate compact or international treaty.

(9) "Injury" means accidentally sustained bodily harm to an individual and that individual's illness, disease, or death resulting therefrom.

(10) "Insurance" means a contract, self-insurance, or any other legally binding obligation to pay or provide no-fault benefits or any required tort liability.

(11) "Insured" means—

(A) an individual identified by name as an insured in a contract of basic restoration insurance complying with this Act; and

(B) a spouse or other relative of a named insured, a minor in the custody of a named insured, and a minor in the custody of a relative of a named insured if—

(i) not identified by name as an insured in any other contract of basic restoration insurance complying with this Act, and

(ii) in residence in the same household with a named insured.

An individual is in residence in the same household if he usually makes his home in the same family unit, even though he temporarily lives elsewhere.

(12) "Insurer" means a legally constituted entity, other than a self-insurer or an obligated government, which is authorized under State law to provide security covering a motor vehicle in such State.

(13) "Loss" means accrued economic detriment resulting from injury arising out of the maintenance or use of a motor vehicle consisting of, and limited to, allowable expense, work loss, replacement services loss, and survivor's loss.

(14) "Loss of income" means gross income actually lost by a victim or that would have been lost but for any income continuation plan, reduced by—

(A) ninety per centum of any income which such individual earns from substitute work;

(B) income which such individual would have earned in available substitute work he was capable of performing but unreasonably failed to undertake; or

(C) any income which such individual would have earned by hiring an available substitute to perform self-employment services but unreasonably failed to do.

(15) "Maintenance or use of a motor vehicle" means maintenance or use of a motor

vehicle as a vehicle, including, incident to its maintenance or use as a vehicle, occupying, entering into, or alighting from it. Maintenance or use of a motor vehicle does not include—

(A) conduct within the course of a business of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises; or

(B) conduct in the course of loading or unloading a motor vehicle unless the conduct occurs while occupying, entering into, or alighting from it.

(16) "Medical and vocational rehabilitation services" means services necessary to reduce disability and to restore the physical, psychological, social, and vocational functioning of a victim. Such services may include, but are not limited to, medical care, diagnostic and evaluation procedures, physical and occupational therapy, other medically necessary therapies, speech pathology and audiology, nursing care under the supervision of a registered nurse, medical social services, vocational rehabilitation and training services, occupational licenses and tools, and transportation where necessary to secure medical and vocational rehabilitation services. A restoration obligor is not obligated to provide basic restoration benefits for allowable expense for medical and vocational rehabilitation services unless the facility in which or through which such services are provided has been accredited by the department of health, the equivalent government agency responsible for health programs, or the accrediting designee of such department or agency of the State in which such services are provided, as being in accordance with applicable requirements and regulations.

(17) "Motor vehicle" means a vehicle of a kind required to be registered under the laws relating to motor vehicles of the State in which such vehicle is located, except that a vehicle having less than four wheels may be specially treated, at the option of a State establishing a no-fault plan for motor vehicle insurance in accordance with title II of this Act, with respect to the requirements and benefits of such plan.

(18) "Net loss" means loss less benefits or advantages required to be subtracted from loss in calculating net loss pursuant to section 208 of this Act.

(19) "Noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and other nonpecuniary damage recoverable under the tort law applicable to injury arising out of the maintenance or use of a motor vehicle. The term does not include punitive or exemplary damages.

(20) "No-fault benefits" means basic restoration benefits, added restoration benefits, or both.

(21) "No-fault insurance" means basic restoration insurance, added restoration insurance, or both.

(22) "Owner" means an individual, government, corporation, company, association, firm, partnership, joint stock company, foundation, institution, society, union, club, church, or any other group of persons organized for any purpose, other than a lienholder or secured party, that owns or has title to a motor vehicle or is entitled to the use and possession of a motor vehicle subject to a security interest held by another. The term includes a lessee of a motor vehicle having the right to possession under a lease with option to purchase.

(23) "Restoration obligor" means an insurer, self-insurer, or obligated government providing no-fault benefits in accordance with this Act.

(24) "Replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the victim would have performed, not for income, but for the benefit of himself or his family, if he had not been injured.

(25) "Secretary" means the Secretary of Transportation.

(26) "Secured vehicle" means a motor vehicle for which security is provided in accordance with section 104 of this Act.

(27) "Security covering a motor vehicle", "security covering the vehicle", and "security" mean the security which is provided in accordance with section 104 of this Act.

(28) "Self-insurer" means an owner or any person providing security pursuant to subsections (b) or (c) of section 104 of this Act.

(29) "State" means a State of the United States, the District of Columbia, Guam, and the Virgin Islands.

(30) "State vocational rehabilitation agency" means the agency in a State which administers the State plan for vocational rehabilitation services under the Vocational Rehabilitation Act (29 U.S.C. 35).

(31) "Survivor" means an individual identified in the wrongful death statute of the State of domicile of a deceased victim as one entitled to receive benefits by reason of the death of another individual.

(32) "Survivor's loss" means the—

(A) loss of income of a deceased victim which would probably have been contributed to a survivor or survivors, if such victim had not sustained the fatal injury; and

(B) expenses reasonably incurred by a survivor or survivors, after a victim's death resulting from injury, in obtaining ordinary and necessary services in lieu of those which the victim would have performed, not for income, but for their benefit, if he had not sustained the fatal injury,

reduced by expenses which the survivor or survivors would probably have incurred but avoided by reason of the victim's death resulting from injury.

(33) "Victim" means an individual who suffers injury arising out of the maintenance or use of a motor vehicle; "deceased victim" means a victim suffering death resulting from injury.

(34) "Without regard to fault" means irrespective of fault as a cause of injury.

(35) "Work loss" means—

(A) loss of gross income of a victim, as calculated pursuant to the provisions of section 207 of this Act; and

(B) reasonable expenses of a victim for hiring a substitute to perform self-employment services, thereby mitigating loss of income, or for hiring special help, thereby enabling a victim to work and mitigate loss of income.

REQUIRED MOTOR VEHICLE INSURANCE

SEC. 104. (a) SECURITY COVERING A MOTOR VEHICLE.—Every owner of a motor vehicle which is registered in a State in which a State no-fault plan for motor vehicle insurance in accordance with title II or title III of this Act is in effect, or which is operated in such State by the owner or with his permission, shall continuously provide security covering such motor vehicle while such vehicle is either present or registered in such State. Security shall be provided for the payment of basic restoration benefits, and at the option of a State establishing a plan in accordance with title II of this Act, for the payment of other benefits or tort liability. The owner or any other person may provide security covering a motor vehicle by a contract of insurance with an insurer or by qualifying as a self-insurer or as an obligated government.

(b) SELF-INSURANCE.—Self-insurance, subject to approval of the commissioner or department, is effected by filing with the department in satisfactory form—

(1) a continuing undertaking by the owner or other appropriate person to pay basic restoration benefits and any tort liability required by State law in amounts not less than those required by such State law, to perform all obligations imposed in accordance with this Act, and to elect to pay such added restoration benefits as are specified in the undertaking;

(2) evidence that appropriate provision exists for prompt and efficient administration of all claims, benefits, and obligations provided in accordance with this Act; and

(3) evidence that reliable financial arrangements, deposits, resources, or commitments exist providing assurance substantially equivalent to that afforded by a contract of insurance complying with this Act for payment of no-fault benefits, any required tort liability, and performance of all other obligations imposed in accordance with this Act.

(c) OBLIGATED GOVERNMENT.—A government may provide security with respect to any motor vehicle owned or operated by it by lawfully obligating itself to pay basic restoration benefits in accordance with this Act, and such added restoration benefits as are specified in the undertaking.

(d) OBLIGATIONS UPON TERMINATION OF SECURITY.—An owner of a motor vehicle who ceases to maintain the security required in accordance with this Act shall immediately surrender the registration certificate and license plates for the vehicle to the department and may not operate or permit operation of the vehicle in any State until security has again been furnished as required in accordance with this Act. A person other than the owner who ceases to maintain such security shall immediately notify the owner and the department, who may not operate or permit operation of the vehicle until security has again been furnished. An insurer who has issued a contract of insurance and knows or has reason to believe the contract is for the purpose of providing security shall immediately give notice to the department of the termination of the insurance. If the commissioner or department withdraws approval of security provided by a self-insurer or knows that the conditions for self-insurance have ceased to exist, he shall immediately give notice thereof to the department. These requirements may be modified or waived by the department.

AVAILABILITY OF INSURANCE

SEC. 105. (a) PLAN.—(1) The commissioner shall establish and implement or approve and supervise a plan assuring that any required no-fault benefits and tort liability coverages for motor vehicles will be conveniently and expeditiously available, subject only to payment or provisions for payment of the premium, to each individual who cannot conveniently obtain insurance through ordinary methods at rates not in excess of those applicable to similarly situated individuals under the plan. The plan may provide reasonable means for the transfer of individuals insured thereunder into the ordinary market, at the same or lower rates, pursuant to regulations established by the commissioner. The plan may be implemented by assignment of applicants among insurers, pooling, any joint insuring or reinsuring arrangement, or any other method, including a State fund, that results in all applicants being conveniently afforded the insurance coverages on reasonable and not unfairly discriminatory terms.

(2) The plan shall make available added restoration benefits and tort liability coverage together with other contract provisions which the commissioner determines are reasonably needed by applicants and are commonly afforded in voluntary markets. The plan must also assure that there is available through the private sector or otherwise to all applicants adequate premium financing or provision for the installment payment of premiums subject to customary terms and conditions.

(3) All insurers writing no-fault benefits and tort liability coverages in a State shall

participate in the plan in such State. The plan shall provide for equitable apportionment, among all participating insurers writing any insurance coverage required under the plan, of the financial burdens of insurance provided to applicants under the plan and the costs of operation of the plan.

(4) Subject to the supervision and approval of the commissioner, insurers may consult and agree with each other and with other appropriate persons as to the organization, administration, and operation of the plan and as to rates and rate modifications for insurance coverages provided under the plan. Rates and rate modifications adopted or charged for insurance coverages provided under the plan shall—

(A) be first adopted or approved by the commissioner; and

(B) be reasonable and not unfairly discriminatory among similarly situated applicants for insurance pursuant to regulations established by the commissioner.

(5) Subject to the supervision and approval of the commissioner, the plan shall afford required coverages for motor vehicles to any economically disadvantaged individual, at rates as determined by the State, which shall not be so great as to deny such individual access to insurance which it is necessary for him to have in order to earn income and to be or remain gainfully employed.

(6) To carry out the objectives of this subsection, the commissioner may adopt rules, make orders, enter into agreements with other governmental and private entities and individuals, and form and operate or authorize the formation and operation of bureaus and other legal entities.

(b) CANCELLATION, REFUSAL TO RENEW, OR OTHER TERMINATION OF INSURANCE.—(1) Every contract of insurance providing security covering a motor vehicle which is not one of five or more motor vehicles under common ownership insured under a single insuring agreement, except as provided by paragraphs (2) and (5) of this subsection, may not be canceled, modified, or otherwise terminated by the insurer nor may the insurer fail to renew except as specified dates or intervals which may not be less than six months after the inception of coverage or thereafter less than six months apart.

(2) An insurer may terminate insurance if written notice of termination, including the reasons therefor, is mailed or delivered to the insured at least thirty days before the effective date of termination—

(A) by cancellation at any time within seventy-five days after the inception of initial coverage;

(B) by cancellation for nonpayment of—

(i) premium when due, or

(ii) any premium installment when due for which reasonable and separate notice has been given; or

(C) by exclusion of an insured whose license to operate a motor vehicle has been revoked, following a hearing and pursuant to State law.

(3) Except as permitted in paragraph (2) of this subsection, any termination of insurance by an insurer which is permitted by the insurance contract and not prohibited by paragraph (1) of this subsection, including any refusal by the insurer to renew the insurance at the expiration of its term and any modification by the insurer of the terms and conditions of the insurance unfavorable to the insured, is nevertheless ineffective, unless written notice of intention to modify, not to renew, or otherwise to terminate the insurance has been mailed or delivered to the insured at least thirty days before the effective date of the modification, expiration, or other termination of the insurance.

(4) For purposes of this subsection a cancellation or refusal to renew by or at the direction of any person acting pursuant to any power or authority under any premium finance plan, agreement, or arrangement, whether or not with power of attorney or assignment from the insured, constitutes a cancellation or refusal to renew by the insurer.

(5) This subsection does not limit or apply to any termination, modification, or cancellation of the insurance, or to any suspension of insurance coverage, by or at the written request of the insured or upon the sale or other transfer of the secured vehicle to an individual who is not an insured under the same contract of insurance.

(6) This subsection does not affect any right an insurer has under other law to rescind or otherwise terminate insurance because of fraud or other willful misconduct of the insured at the inception of the insuring transaction or the right of either party to reform the contract on the basis of mutual mistake of fact.

(7) An insurer, his authorized agents and employees, and any person furnishing information upon which he has relied, are not liable in any action or proceeding brought because of any statement made in good faith pursuant to paragraph (2) of this subsection.

PAYMENT OF CLAIMS FOR NO-FAULT BENEFITS

SEC. 106. (a) IN GENERAL.—(1) No-fault benefits are payable monthly as loss accrues. Loss accrues not when injury occurs, but as allowable expense, work loss, replacement services loss, or survivor's loss is sustained.

(2) No-fault benefits are overdue if not paid within thirty days after the receipt by the restoration obligor of each submission of reasonable proof of the fact and amount of loss sustained, unless the restoration obligor designates, upon receipt of an initial claim for no-fault benefits, periods not to exceed thirty-one days each for accumulating all such claims received within each such period, in which case such benefits are overdue if not paid within fifteen days after the close of each such period. If reasonable proof is supplied as to only part of a claim, but the part amounts to $100 or more, benefits for such part are overdue if not paid within the time mandated by this paragraph. An obligation for basic restoration benefits for an item of allowable expenses may be discharged by the restoration obligor by reimbursing the victim or by making direct payment to the supplier or provider of products, services, or accommodations within the time mandated by this paragraph. Overdue payments bear interest at the rate of eighteen per centum per annum.

(3) A claim for no-fault benefits shall be paid without deduction for the benefits or advantages which are to be subtracted from loss in calculating net loss in accordance with section 208(a) of this Act, if such benefits or advantages have not been paid or provided to such claimant prior to the date the no-fault benefits are overdue or the no-fault benefits claim is paid. The restoration obligor is thereupon entitled to recover reimbursement from the person obligated to pay or provide such benefits or advantages or from the claimant who actually receives them.

(4) A restoration obligor may bring an action to recover reimbursement for no-fault benefits which are paid upon the basis of an intentional misrepresentation of a material fact by a claimant or a supplier or provider of an item of allowable expense, if such restoration obligor reasonably relied upon such misrepresentation. The action may be brought only against such supplier or provider, unless the claimant has intentionally misrepresented the facts or knew of the misrepresentation. A restoration obligor may offset amounts he is entitled to recover from the claimant under this paragraph against any no-fault benefits otherwise due.

(5) A restoration obligor who rejects a claim for basic restoration benefits shall give to the claimant written notice of the rejection promptly, but in no event more than thirty days after the receipt of reasonable proof of the loss. Such notice shall specify the reason for such rejection and inform the claimant of the terms and conditions of his right to obtain an attorney. If a claim is rejected for a reason other than that the person is not entitled to basic restoration benefits claimed, the written notice shall inform the claimant that he may file his claim with the assigned claims bureau and shall give the name and address of the bureau.

(b) RELEASE OR SETTLEMENT OF CLAIM.—(1) Except as otherwise provided in this subsection, no-fault benefits shall not be denied or terminated because the victim executed a release or other settlement agreement. A claim for no-fault benefits may be discharged by a settlement agreement for an agreed amount payable in installments or in a lump sum, if the reasonably anticipated net loss does not exceed $2,500. In all other cases, a claim may be discharged by a settlement to the extent authorized by State law and upon a finding, by a court of competent jurisdiction, that the settlement is in the best interest of the claimant and any beneficiaries of the settlement, and that the claimant understands and consents to such settlement, and upon payment by the restoration obligor of the cost of such proceeding including a reasonable attorney's fee (based upon actual time expended) to the attorney selected by or appointed for the claimant. Such costs may not be charged to or deducted from the proceeds of the settlement. Upon approval of the settlement, the court may make appropriate orders concerning the safeguarding and disposing of the proceeds of the settlement and may direct as a condition of the settlement agreement, that the restoration obligor pay the reasonable cost of appropriate future medical and vocational rehabilitation services.

(2) A settlement agreement for an amount payable in installments shall be modified as to amounts to be paid in the future, if it is shown that a material and substantial change of circumstances has occurred or that there is newly-discovered evidence concerning the claimant's physical condition, loss, or rehabilitation which could not have been known previously or discovered in the exercise of reasonable diligence.

(3) A settlement agreement may be set aside if it is procured by fraud or if its terms are unconscionable.

(c) TIME LIMITATIONS ON ACTIONS TO RECOVER BENEFITS.—(1) If no-fault benefits have not been paid for loss arising otherwise than from death, an action therefor may be commenced not later than two years after the victim suffers the loss and either knows, or in the exercise of reasonable diligence should have known, that the loss was caused by the accident, or not later than four years after the accident, whichever is earlier. If no-fault benefits have been paid for loss arising otherwise than from death, an action for further benefits, other than survivor's benefits, by either the same or another claimant, may be commenced not later than two years after the last payment of benefits.

(2) If no-fault benefits have not been paid to the deceased victim or his survivor or survivors, an action for survivor's benefits may be commenced not later than one year after the death or four years after the accident from which death results, whichever is earlier. If survivor's benefits have been paid to any survivor, an action for further survivor's benefits by either the same or another claimant may be commenced not later than two years after the last payment of benefits. If no-fault benefits have been paid for loss suffered by a victim before his death resulting from the injury, an action for survivor's benefits may be commenced not later than one year after the death or six years after

the last payment of benefits, whichever is earlier.

(3) If timely action for basic restoration benefits is commenced against a restoration obligor and benefits are denied because of a determination that the restoration obligor's coverage is not applicable to the claimant under the provisions of section 205 of this Act, an action against the applicable restoration obligor or the restoration obligor to whom a claim is assigned under an assigned claims plan may be commenced not later than sixty days after the determination becomes final or the last date on which the action could otherwise have been commenced, whichever is later.

(4) Except as paragraph (1), (2), or (3) prescribes a longer period, an action by a claimant on an assigned claim which has been timely presented in accordance with the provisions of section 108(c) of this Act may not be commenced more than sixty days after the claimant receives written notice of rejection of the claim by the restoration obligor to which it was assigned.

(5) If a person entitled to no-fault benefits is under a legal disability when the right to bring an action for the benefits first accrues, the period of his disability is not a part of the time limited for commencement of the action.

(d) Assignment of Benefits.—An assignment of or an agreement to assign any right in accordance with this Act for loss accruing in the future is unenforceable except as to benefits for—

(1) work loss to secure payment of alimony, maintenance, or child support; or

(2) allowable expense to the extent the benefits are for the cost of products, services, or accommodations provided or to be provided by the assignee.

(e) Deduction and Setoff.—Except as otherwise provided in this Act, basic restoration benefits shall be paid without deduction or setoff.

(f) Exemption of Benefits.—(1) No-fault benefits for allowable expense are exempt from garnishment, attachment, execution, and any other process or claim, except upon the claim of a creditor who has provided products, services, or accommodations to the extent benefits are for allowable expense for those products, services, or accommodations.

(2) Basic restoration benefits other than those for allowable expense are exempt from garnishment, attachment, execution, and any other process or claim for benefits attributable to loss sustained within the first sixty days following the accident resulting in injury. Other basic restoration benefits (except for items of allowable expense) are exempt to the extent that wages or earnings are exempt under any applicable law exempting wages or earnings from such process or claims.

ATTORNEY'S FEES AND COSTS

Sec. 107. (a) Fees of Claimant's Attorney.—(1) If any overdue no-fault benefits are paid by the restoration obligor after receipt of notice of representation of a claimant in connection with a claim or action for no-fault and the court determines that the claim or any significant part thereof is fraudulent or so excessive as to have no reasonable foundation, a reasonable attorney's fee (based upon actual time expended) shall be paid by the restoration obligor to such attorney. No part of the attorney's fee for representing the claimant in connection with a claim or action for no-fault benefits may be charged or deducted from benefits otherwise due to such claimant and no part of such benefits may be applied to such fee.

(2) In any such action brought against the claimant by the restoration obligor, the court may award the claimant's attorney a reasonable attorney's fee for defending such action, which shall be paid by the restoration obligor.

(b) Fees of Restoration Obligor's Attorney.—A restoration obligor shall be allowed a reasonable attorney's fee for defending a claim if the court determines that the claim or any significant part thereof is fraudulent or so excessive as to have no reasonable foundation. The fee may be treated as an offset against any benefits due or to become due to the claimant.

ASSIGNED CLAIMS

Sec. 108 (a) General.—(1) If a State no-fault plan for motor vehicle insurance in accordance with title II or title III of this Act is in effect on the date when the accident resulting in injury occurs, a victim or the survivor or survivors of a deceased victim may obtain basic restoration benefits through the assigned claims plan established, pursuant to subsection (b) of this section, in the State of domicile, if any, of the victim or deceased victim, or if none, in the State in which the accident resulting in injury occurs, if basic restoration insurance—

(A) is not applicable to the injury for a reason other than those specified in the provisions on ineligible claimants;

(B) is not applicable to the injury because the victim converted a motor vehicle while he was under fifteen years of age;

(C) applicable to the injury cannot be identified;

(D) applicable to the injury is inadequate to provide the contracted-for benefits because of financial inability of a restoration obligor to fulfill its obligations; or

(E) benefits are refused by a restoration obligor for a reason other than that the individual is not entitled in accordance with this Act to the basic restoration benefits claimed.

(2) If a claim qualifies for assignment under paragraph (1) (C), (D), or (E) of this subsection, the assigned claims bureau or any insurer to whom the claim is assigned is subrogated to all rights of the claimant against the restoration obligor legally obligated to provide basic restoration benefits to the claimant, or against any successor in interest to or substitute for such obligor for such benefits as are provided by the assignee.

(3) If an individual receives basic restoration benefits through the assigned claims plan for any reason other than because of the financial inability of a restoration obligor to fulfill its obligation, all benefits or advantages that such individual receives or is entitled to receive as a result of such injury, other than life insurance benefits by way of succession at death or in discharge of familial obligations of support, shall be subtracted from loss in calculating net loss.

(4) An assigned claim of an individual who does not comply with the requirement of providing security for the payment of basic restoration benefits, or of an individual as to whom the security is invalidated because of his fraud or willful misconduct, is subject to—

(A) all the maximum optional deductibles and exclusions required to be offered; and

(B) a deduction in the amount of $500 for each year or part thereof of the period of his continuous failure to provide security, applicable to any benefits otherwise payable except basic restoration benefits for allowable expense.

(b) Assigned Claims Plan.—(1) Restoration obligors providing basic restoration insurance in a State may organize and maintain, subject to approval and regulation by the commissioner, an assigned claims bureau and an assigned claims plan and adopt rules for their operation and for assessment of costs on a fair and equitable basis consistent with this Act. If such bureau and plan are not organized and maintained in a manner considered by the commissioner to be consistent with this Act and with State law, he shall organize and maintain an assigned claims bureau and an assigned claims plan. Each restoration obligor insurer providing basic restoration insurance in a State shall participate in the assigned claims bureau and the assigned claims plan in that State. Costs incurred shall be allocated fairly and equitably among the restoration obligors.

(2) The assigned claims bureau shall promptly—

(A) assign each claim for no-fault benefits to an assignee who shall be a participating insurer; and (B) notify the claimant of the identity and address of such assignee.

Claims shall be assigned so as to minimize inconvenience to claimants. The assignee thereafter has rights and obligations as if he had issued a policy of basic restoration insurance complying with this Act applicable to the injury or, in a case involving the financial inability of a restoration obligor to perform its obligations, as if the assignee had written the applicable basic restoration insurance, undertaken the self-insurance, or lawfully obligated itself to pay basic restoration benefits.

(c) Time for Presenting Claims Under Assigned Claims Plan.—(1) Except as provided in paragraph (2) of this subsection, an individual authorized to obtain basic restoration benefits through the assigned claims plan shall notify the assigned claims bureau of his claim within the time that would have been allowed pursuant to section 106(c) of this Act for commencing an action for basic restoration benefits against any restoration obligor, other than an assigned claims bureau, in any case in which identifiable no-fault insurance coverage was in effect and applicable to the claim.

(2) If timely action for basic restoration benefits is commenced against a restoration obligor who is unable to fulfill his obligations because of financial inability, an individual authorized to obtain basic restoration benefits through the assigned claims plan shall notify the bureau of his claim within six months after his discovery of such financial inability.

STATE REGULATION

Sec. 109. (a) Rates and Rating. The commissioner, in accordance with applicable State law, shall regulate restoration obligors providing security covering a motor vehicle in his State. The rates charged for security shall be established, determined, and modified in each State only in accordance with the provisions of the applicable rating law of such State.

(b) Public Information.—The commissioner shall provide the means to inform purchasers of insurance, in a manner adequate to permit them to compare prices, about rates being charged by insurers for no-fault benefits and tort liability coverage.

(c) Accountability Program.—(1) The commissioner, through the State vocational rehabilitation agency, shall establish and maintain a program for the regular and periodic evaluation of medical and vocational rehabilitation services for which reimbursement or payment is sought from a restoration obligor as an item of allowable expenses to assure that—

(A) the services are medical and vocational rehabilitation services, as defined in section 103(16) of this Act;

(B) the recipient of the services is making progress toward a greater level of independent functioning and the services are necessary to such progress and continued progress; and

(C) the charges for the services for which reimbursement or payment is sought are fair and reasonable.

Progress reports shall be made periodically in writing on each case for which reimbursement or payment is sought under security for the payment of basic restoration benefits. Such reports shall be prepared by the supervising physician or rehabilitation counselor and submitted to the State vocational rehabilitation agency. The State vocational rehabilitation agency shall file reports with the applicable restoration obligor or obligors. Pursuant to this program, there shall be provision for determinations to be made in writing of the rehabilitation goals and needs of the victim and for the periodic assessment of progress at reasonable time intervals by the supervising physician or rehabilitation counselor.

(2) The commissioner is authorized to establish and maintain a program for the regular and periodic evaluation of his State's no-fault plan for motor vehicle insurance.

(d) AVAILABILITY OF SERVICES.—The commissioner is authorized to coordinate with appropriate government agencies in the creation and maintenance of an emergency medical services system or systems, and to take all steps necessary to assure that emergency medical services are available for each victim suffering injury in the State. The commissioner is authorized to take all steps necessary to assure that medical and vocational rehabilittaion services are available for each victim resident in the State. Such steps may include, but are not limited to, guarantees of loans or other obligations of suppliers or providers of such services, and support for training programs for personnel in programs and facilities offering such services.

MOTOR VEHICLE IN INTERSTATE TRAVEL

SEC. 110. (a) GENERAL.—An owner of a motor vehicle who has complied with the requirements of security covering a motor vehicle in the State of registration of such vehicle shall be deemed to have complied with the requirements for such security in any State in which such vehicle is operating.

(b) CONFORMING COVERAGE.—(1) A restoration obligor providing security for the payment of basic restoration benefits shall be obligated to provide, and each contract of insurance for the payment of basic restoration benefits shall be construed to contain, coverage sufficient to satisfy the requirements for security covering a motor vehicle in any State in which any victim who is a claimant or whose survivors are claimants is domiciled or is injured.

(2) A restoration obligor providing security for the payment of basic restoration benefits shall be obligated to provide, and each contract of insurance for the payment of basic restoration benefits shall be construed to contain, coverage of $50,000 to protect the owner or operator of a motor vehicle from tort liability to which he is exposed through application of the law of the State of domicile of a victim (or in the State in which the accident resulting in injury or harm to property occurs if a victim is not domiciled in any State), but to which he would not have been exposed through application of the law of the State of registration of the motor vehicle.

(c) APPLICABLE LAW.—(1) The basic restoration benefits available to any victim or to any survivor of a deceased victim shall be determined pursuant to the provisions of the State no-fault plan for motor vehicle insurance in accordance with title II or title III of this Act which is in effect in the State of domicile of the victim on the date when the motor vehicle accident resulting in injury occurs. If there is no such State no-fault plan in effect or if the victim is not domiciled in any State, then basic restoration benefits available to any victim shall be determined pursuant to the provisions of the State no-fault plan for motor vehicle insurance, if any, in effect in the State in which the accident resulting in injury occurs.

(2) The right of a victim or of a survivor of a deceased victim to use in tort shall be determined by the law of the State of domicile of such victim. If a victim is not domiciled in a State, such right to sue shall be determined by the law of the State in which the accident resulting in injury or damage to property occurs.

RIGHTS AND DUTIES OF RESTORATION OBLIGORS

SEC. 111. (a) REIMBURSEMENT AND SUBROGATION.—(1) Except as provided in paragraphs (2), (3), and (4) of this subsection, a restoration obligor—

(A) does not have and may not contract, directly or indirectly, in whole or in part, for a right of reimbursement from or subrogation to the proceeds of a victim's claim for relief or to a victim's cause of action for noneconomic detriment; and

(B) may not directly or indirectly contract for, or be granted by a State, any right of reimbursement from any other restoration obligor not acting as a reinsurer for no-fault benefits which it has paid or is obligated to pay as a result of injury to a victim.

(2) Whenever an individual who receives or is entitled to receive no-fault benefits for an injury has a claim or cause of action against any other person for breach of an obligation or duty causing the injury or for breach of express or implied warranty, the restoration obligor is subrogated to the rights of the claimant and has a claim for relief or a cause of action, separate from that of the claimant, to the extent that:

(A) elements of damage compensated for by security for the payment of no-fault benefits are recoverable; and

(B) the restoration obligor has paid or become obligated to pay accrued or future no-fault benefits.

(3) Notwithstanding the provisions of paragraph (1)(B) of this subsection, a State may grant a right of reimbursement among and between restoration obligors based upon a determination of fault, where such restoration obligors have paid or are obligated to pay benefits for loss arising out of an accident resulting in injury in which one or more of the motor vehicles is of a type other than a private passenger motor vehicle and by designation the State has determined that the owner of such type would receive an unreasonable economic advantage or suffer an unreasonable economic disadvantage in the absence of the grant of such right of reimbursement; *Provided,* That in such event such right of reimbursement may be granted only with respect to benefits paid for loss in excess of $5,000.

(4) Nothing in this subsection shall preclude any person supplying or providing products, services, or accommodations from contracting or otherwise providing for a right of reimbursement to any basic restoration benefits for allowable expense.

(b) DUTY TO PAY BASIC RESTORATION BENEFITS.—A restoration obligor providing security for the payment of basic restoration benefits shall pay or otherwise provide such benefits without regard to fault to each individual entitled thereto, pursuant to the terms and conditions of the State no-fault plan for motor vehicle insurance applicable thereto.

(c) INDEMNITY.—A restoration obligor has a right of indemnity against an individual who has converted a motor vehicle involved in an accident, or against an individual who has intentionally injured himself or another individual, for no-fault benefits paid for—

(1) the loss caused by the conduct of that individual;

(2) the cost of processing the claims for such benefits; and

(3) the cost of enforcing this right of indemnity, including reasonable attorney's fees.

(d) REFERRAL FOR REHABILITATION SERVICES.—The restoration obligor shall promptly refer each victim to whom basic restoration benefits are expected to be payable for more than two months to the State vocational rehabilitation agency.

JURISDICTION OF FEDERAL COURTS

SEC. 112. No district court of the United States may entertain an action for no-fault benefits unless the United States is a party to the action.

FEDERAL MOTOR VEHICLE

SEC. 113. (a) (1) GENERAL.—Notwithstanding any other provision of law, a claim against the United States as a restoration obligor for injury arising out of the maintenance or use of a Federal motor vehicle which is a secured vehicle shall be governed by this Act. A Federal motor vehicle is a secured vehicle, for purposes of this Act, whenever it is located or operated in the territorial area of any State, Puerto Rico, Canada, or Mexico.

(2) The level of basic restoration benefits which the United States shall pay or provide shall be controlled by the no-fault plan for motor vehicle insurance in effect in the State of domicile of the victim, if any, or if none, in the State in which the accident resulting in injury occurs.

(b) PROCEDURES.—The Secretary, in cooperation with the Administrator of General Services, shall promulgate, and may from time to time revise, regulations with respect to security covering a Federal motor vehicle and administrative procedures to be followed in claims against the United States for no-fault benefits.

(c) DEFINITIONS.—As used in this section—

(1) "Federal agency" means any branch, department, commission, administration, authority, board, or bureau of, or any corporation owned or controlled by, the Government of the United States.

(2) "Federal motor vehicle" means a motor vehicle owned or leased by a Federal agency and operated with its express or implied permission.

SEPARABILITY

SEC. 114. If any provision of this Act or any application thereof to any individual or circumstance is held invalid, the invalidity shall not affect any provision or application of the Act which can be given effect without the involved provision or application, and to this end the provisions of this Act are separable: *Provided,* That if any provision in paragraph (5) of subsection (a) of section 206 of this Act, or any application thereof to any individual or circumstance, is held invalid, this Act shall be interpreted as if such paragraph (5) had never been enacted.

TITLE II—NATIONAL STANDARDS FOR STATE NO-FAULT MOTOR VEHICLE INSURANCE PLAN

STATE NO-FAULT PLAN IN ACCORDANCE WITH THIS TITLE

SEC. 201. (a) PREEMPTION.—Any provision of any State law which would prevent the establishment or administration in such a State of a non-fault plan for motor vehicle insurance in accordance with this title or title III of this Act is preempted.

(b) STATE PLAN.—By the completion of the first general session of the State legislature which commences after the date of enactment of this Act, a State may establish a no-fault plan for motor vehicle insurance in accordance with this title. Upon the establishment of such a plan, the commissioner shall promptly submit to the Secretary a certified copy of such plan, together with all relevant information which is requested by the Secretary.

(c) DETERMINATION BY SECRETARY.—Within ninety days after the Secretary receives a copy of a State no-fault plan established under subsection (b) or (e) of this section, the Secretary shall make a determination whether such State has established a no-fault plan for motor vehicle insurance in accordance with this title. Unless the Secretary determines, pursuant to this section, that a State no-fault plan is not in accordance with this title, the plan shall go into effect in such State on the date designated in the plan. In no event shall such State plan go into effect less than nine months or more than twelve months after the date of its establishment.

(d) PERIODIC REVIEW.—The Secretary shall periodically, but not less than once every three years, review each State no-fault plan for motor vehicle insurance, which has been approved under subsection (c) of this section and for which there is experience, to determine whether such plan is still in accordance with this title and to evaluate the success of such plan in terms of the policy set forth and declared in section 102 of this Act. To facilitate such review, the commissioner in each such State shall submit to the Secretary periodically all relevant information which is requested by the Secretary. The Secretary shall report to the President and Congress simultaneously on July 1 each year on the results of such reviews, including any recommendations for legislation.

(e) ALTERNATIVE STATE PLAN.—(1) The alternative State no-fault plan for motor vehicle insurance (the State no-fault plan in accordance with title III of this Act) shall become applicable following the completion of the first general session of the State legislature which commences after the date of enactment of this Act unless, prior to such date, the Secretary has made a determination that such State has established a no-fault plan for motor vehicle insurance in accordance with this title. The alternative State no-fault plan shall go into effect in a State on the first day of the ninth month after such plan becomes applicable or on a date designated by the Secretary, whichever is earlier.

(2) If, after the alternative State no-fault plan is applicable or in effect in a State, the Secretary, upon petition, makes a determination, pursuant to subsection (c) of this section, that such State has established a no-fault plan in accordance with this title, such State no-fault plan shall go into effect and the alternative State no-fault plan shall cease to be applicable or in effect on a date to be designated by the Secretary.

(3) If, after a State no-fault plan in accordance with this title is in effect in a State, the Secretary makes a determination, pursuant to subsection (d) of this section, that such State no-fault plan is no longer in accordance with this title, then the plan which is no longer in accordance with this title shall cease to be in effect on a date to be designated by the Secretary, and on that date the alternative State no-fault plan shall go into effect in such State.

(f) PROCEDURE.—(1) Before making any determination under this section, the Secretary shall publish a notice in the Federal Register and afford the State and all interested parties a reasonable opportunity to present their views by oral and written submission.

(2) The Secretary shall notify in writing the Governor of the affected State of any determinations made under this section and shall publish these determinations with reasons therefor in the Federal Register.

(3) Any determinations made by the Secretary under this section shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code, in the United States court of appeals for the circuit in which is located the State whose plan is the subject of such determination or in the United States Court of Appeals for the District of Columbia Circuit. Any such review shall be instituted within sixty days from the date on which the determination made by the Secretary is published in the Federal Register.

(g) EXCEPTIONS.—(1) The provisions of this section are inapplicable to the extent inconsistent with this subsection.

(2) Any State which is a no-fault State, as defined in paragraph (4) of this subsection, may establish a no-fault plan for motor vehicle insurance in accordance with this title by the fourth anniversary of the date of enactment of this Act.

(3) The alternative State no-fault plan for motor vehicle insurance (the State no-fault plan in accordance with title III of this Act) shall become applicable in any State which is a no-fault State, as defined in paragraph (4) of this subsection, on the fourth anniversary of the date of enactment of this Act unless, prior to such date, the Secretary has made a determination that such State has established a no-fault plan for motor vehicle insurance in accordance with this title.

(4) As used in this subsection, a "no-fault State" means a State which has enacted into law and put into effect a motor vehicle insurance law not later than September 1, 1975, which provides, at a minimum, for compulsory motor vehicle insurance; payment of benefits without regard to fault on a first-party basis where the value of such available benefits is not less than $2,000; and restrictions on the bringing of lawsuits in tort by victims for noneconomic detriment, in the form of a prohibition of such suits unless the victim suffers a certain quantum of loss or in the form of a relevant change in the evidentiary rules of practice and proof with respect to such lawsuits.

(h) REPORTING REQUIREMENTS.—The Secretary, in cooperation with the commissioners, shall annually review the operation of State no-fault plans for motor vehicle insurance established in accordance with this Act and report on—

(1) the cost-savings resulting from the institution of any such plan which meets or exceeds the national standards set forth in this Act and any subsequent savings resulting from the continuing operation of such plans;

(2) appropriate methods for refunding to members of the motoring public any cost-savings realized from the institution and operation of such no-fault insurance plans;

(3) the impact of no-fault insurance on senior citizens; those who live in farming and rural areas; those who are economically disadvantaged, and those who live in inner cities;

(4) the impact of no-fault insurance on the problem of duplication of benefits when an individual has other insurance coverage which provides for compensation or reimbursement for lost wages or for health and accident (including hospitalization) benefits;

(5) the effect of no-fault insurance on court congestion and delay resulting from backlogs in State and Federal courts;

(6) the impact of no-fault insurance, reduced speed limits, and other factors on automobile insurance rates; and

(7) the impact of no-fault insurance on competition within the insurance industry, particularly with respect to the competitive position of small insurance companies.

The Secretary shall report to the President and Congress simultaneously on July 1 each year on the results of such review and determination together with his recommendations thereon.

(i) FINANCIAL ASSISTANCE TO STATES.—The Secretary is authorized to provide grants to any State for the purpose of reimbursing such State for any governmental cost increases resulting from the implementation or administration of a no-fault plan for motor vehicle insurance in accordance with this Act. The Secretary shall, by regulation, establish procedures for awarding such grants on a fair and equitable basis among the States.

(j) AUTHORIZATION FOR APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out his responsibilities under this Act such sums as are necessary, not to exceed $10,000,000, such sums to remain available until expended.

NATIONAL STANDARDS

SEC. 202. (a) GENERAL.—A State establishing a no-fault plan for motor vehicle insurance in accordance with this title shall enact a law which incorporates, at a minimum, title I of this Act, except sections 101, 102, 112, and 113, and this title except this section and section 201. The provisions of these sections, taken together, shall be known as the "national standards" for State no-fault motor vehicle insurance.

(b) CRITERIA.—A State no-fault plan for motor vehicle insurance is in accordance with this title if it meets or exceeds all of the national standards. A provision in a State plan "meets" a provision in the national standards if the substance of the State plan provision is the same as or the equivalent of the corresponding provision in the national standards. A provision in a State plan "exceeds" a provision in the national standards if the substance of the State plan provision is more favorable or beneficial to an insured or a claimant or more restrictive of tort liability than the corresponding provision in the national standards. Any provision in a State plan as to which there is no corresponding provision in the national standards shall not be evaluated in determining whether such plan meets or exceeds national standards provided such provision is not inconsistent with the national standards or the policy set forth and declared in section 102 of this Act.

RIGHT TO BASIC RESTORATION BENEFITS

SEC. 203. (a) ACCIDENT WITHIN A STATE.—If the accident resulting in injury occurs in a State in which a no-fault plan for motor vehicle insurance in accordance with this title or title III of this Act is in effect, any victim or any survivor of a deceased victim is entitled to receive basic restoration benefits.

(b) ACCIDENT OUTSIDE ANY STATE.—If the accident resulting in injury occurs outside a State in which a no-fault plan is in effect, but in any other State, Puerto Rico, Canada, or Mexico, a victim or a survivor of a deceased victim is entitled to receive basic restoration benefits if such victim is or was—

(1) an insured; or

(2) the driver or other occupant of a secured vehicle.

LIMITATIONS ON BENEFITS

SEC. 204. A State establishing a no-fault plan for motor vehicle insurance in accordance with this title—

(a) may not limit basic restoration benefits for allowable expense, as defined in section 103(2) of this Act;

(b) may limit basic restoration benefits for work loss to—

(1) a monthly amount equal to the lesser of the following—

(A) $1,000 multiplied by a fraction whose numerator is the average per capita income in the State and whose denominator is the average per capita income in the United States, according to the latest available United States Department of Commerce figures; or

(B) the disclosed amount, in the case of a named insured who, prior to the accident resulting in injury, voluntarily discloses his actual monthly earned income to his restoration obligor and agrees in writing that such sum shall measure work loss; and

(2) a total amount equal to—

(A) $25,000 multiplied by a fraction whose numerator is the average per capita income in the State and whose denominator is the average per capita income in the United States, according to the latest available United States Department of Commerce figures; or

(B) such total amount as may be determined by the State but in no event less than $15,000;

(c) may provide reasonable exclusions from or monthly or total limitations on basic restoration benefits for replacement services loss;

(d) may provide reasonable exclusions from or monthly or total limitations on basic restoration benefits for survivor's loss;

(e) may provide that any contract of insurance for no-fault benefits allow an insurer to offer—

(1) a deductible not to exceed $100 for each individual;

(2) a deductible not to exceed an amount deemed reasonable by the insurance commissioner of such State for each individual if he sustains injury while he is operating a motor vehicle having less than four wheels, is a passenger on such a vehicle, or both; or

(3) a waiting period not to exceed one week. Deductibles and waiting periods shall be applicable only to claims of insureds and, in the case of the death of an insured, to the claims of his survivors; and

(f) shall permit any legally constituted entity, which is providing benefits other than no-fault benefits on account of an injury, to coordinate such benefits with benefits payable by any restoration obligor on account of the same injury. In order for such coordination to occur, there must be an equitable reduction or savings in the direct or indirect cost to the purchasers of benefits other than no-fault benefits. If benefits other than no-fault benefits are provided to an individual through a program, group, contract, or other arrangement for which some other person pays in whole or in part, then reduction or savings in the direct or indirect cost to such person of such benefits resulting from coordination shall be returned to such individual or utilized for his benefit.

SOURCE OF BASIC RESTORATION BENEFITS

Sec. 205. (a) Applicable Security.—The security for the payment of basic restoration benefits applicable to an injury to—

(1) an employee, or to the spouse or other relative of an employee residing in the same household as the employee, if the accident resulting in injury occurs while the victim or deceased victim is driving or occupying a motor vehicle furnished by such employee's employer, is the security for the payment of basic restoration benefits covering such motor vehicle or, if none, any other security applicable to such victim;

(2) an insured is the security under which the victim or deceased victim is an insured;

(3) the driver or other occupant of a motor vehicle involved in an accident resulting in injury who is not an insured is the security covering such vehicle;

(4) an individual who is not an insured or the driver or other occupant of a motor vehicle involved in an accident resulting in injury is the security covering any motor vehicle involved in such accident. For purposes of this paragraph, a parked and unoccupied motor vehicle is not a motor vehicle involved in an accident, unless it was parked so as to cause unreasonable risk of injury; and

(5) any other individual is the applicable assigned claims plan.

(b) Multiple Sources of Equal Priority.—If two or more obligations to pay basic restoration benefits apply equally to an injury under the priorities set forth in subsection (a) of this section, the restoration obligor against whom a claim is asserted first shall process and pay the claim as if wholly responsible. Such obligor is thereafter entitled to recover contribution pro rata from any other such obligor for the basic restoration benefits paid and for the costs of processing the claim. If contribution is sought among restoration obligors responsible under paragraph (4) of subsection (a) of this section proration shall be based on the number of involved motor vehicles.

RESTRICTIONS ON TORT LIABILITY

Sec. 206. (a) Partial Abolition.—Tort liability is abolished with respect to any injury that takes place in a State in which a no-fault plan for motor vehicle insurance in accordance with this title is in effect prior to such injury, if such injury arises out of the maintenance or use of a motor vehicle, except that—

(1) An owner of a motor vehicle involved in an accident remains liable if, at the time of the accident, the vehicle was not a secured vehicle.

(2) A person in the business of designing, manufacturing, repairing, servicing, or otherwise maintaining motor vehicles remains liable for injury arising out of a defect in such motor vehicle which is caused or not corrected by an act or omission in the course of such business, other than a defect in a motor vehicle which is operated by such business.

(3) An individual remains liable for injuring another individual, either intentionally or as a consequence of intending to injure himself.

(4) A person remains liable for loss which is not compensated because of any limitation in accordance with section 204 (b)(2), (c), or (d) of this Act. A person is not liable for loss which is not compensated because of limitations in accordance with subsection (b)(1) or (e) of section 204 of this Act.

(5) A person remains liable for damages for noneconomic detriment if the accident results in—

(A) death, serious and permanent disfigurement, or other serious and permanent injury; or

(B) more than ninety continuous days of total disability. As used in this subparagraph, "total disability" means medically determinable physical or mental impairment which prevents the victim from performing all or substantially all of the material acts and duties which constitute his usual and customary daily activities.

(6) A person or government remains liable if such injury was caused or not corrected by an act or omission not connected with the maintenance or use of a motor vehicle.

(b) Nonreimbursable Tort Fine.—Nothing in this section shall be construed to immunize an individual from liability to pay a fine on the basis of fault in any proceeding based upon any act or omission arising out of the maintenance or use of a motor vehicle: *Provided,* That such fine may not be paid or reimbursed by an insurer or other restoration obligor.

WORK LOSS

Sec. 207. (a) Regularly Employed.—The work loss of a victim whose income prior to the injury was realized in regular increments shall be calculated by—

(1) determining his probable weekly income by dividing his probable annual income by fifty-two; and

(2) multiplying that quantity by the number of work weeks, or fraction thereof, the victim sustains loss of income during the accrual period.

(b) Seasonally Employed.—The work loss of a victim whose income is realized in irregular increments shall be calculated by—

(1) determining his probable weekly income by dividing his probable annual income by the number of weeks he normally works; and

(2) multiplying that quantity by the number of work weeks, or fraction thereof, the victim was unable to perform and would have performed work during the accrual period but for the injury.

(c) Not Employed.—The work loss of a victim who is not employed when the accident resulting in injury occurs shall be calculated by—

(1) determining his probable weekly income by dividing his probable annual income by 52; and

(2) multiplying that quantity by the number of work weeks, or fraction thereof, if any, the victim would reasonably have been expected to realize income during the accrual period.

(d) Changes in Benefits.—(1) Sums for work loss shall be periodically increased in a manner corresponding to annual compensation increases that would predictably have resulted but for the injury.

(2) Beginning in 1978, and at five-year intervals thereafter, whenever a dollar figure limits benefits for work loss, that figure shall be multiplied by a number whose numerator is the average weekly earnings of production or nonsupervisory workers in the private nonfarm economy for that year and whose denominator is the average weekly earnings of this group of workers in the base year 1973, according to the latest available figures published by the Bureau of Labor Statistics of the United States Department of Labor.

(e) Definitions.—As used in this section—

(1) "Probable annual income" means, absent a showing that it is or would be some other amount, the following—

(A) twelve times the monthly gross income earned by the victim from work in the month preceding the month in which the accident resulting in injury occurs, or the average annual income earned by the victim from work during the years, not to exceed three, preceding the year in which the accident resulting in injury occurs, whichever is greater, for a victim regularly employed at the time of the accident;

(B) the average annual gross income earned by the victim from work during the years in which he was employed, not to exceed three, preceding the year in which the accident resulting in injury occurs, for a victim seasonally employed or not employed at the time of the accident; or

(C) the average annual gross income of a production or nonsupervisory worker in the private nonfarm economy in the State in which the victim is domiciled for the year in which the accident resulting in injury occurs, for a victim who has not previously earned income from work.

(2) "Work week" means the number of days an individual normally works in a seven-day period; "weekly income" means income earned during a work week.

NET LOSS

Sec. 208. (a) General.—Except as provided in paragraph (3) of subsection (a) of section 108 of this Act, all benefits or advantages (less reasonably incurred collection costs) that an individual receives or is entitled to receive from social security (except those benefits provided under title XIX of the Social Security Act), workmen's compensation, any State-required temporary, nonoccupational disability insurance, and all other benefits (except the proceeds of life insurance) received by or available to an individual because of the injury from any government, unless the law authorizing or providing for such benefits or advantages makes them excess or secondary to the benefits in accordance with this Act, shall be subtracted from loss in calculating net loss.

(b) Tax Deduction.—If a benefit or advantage received to compensate for loss of income because of injury, whether from no-fault benefits or from any source of benefits or advantages subtracted under subsection (a) of this section, is not taxable income, the income tax saving that is attributable to such loss of income because of injury is subtracted in calculating net loss for work loss. Subtraction may not exceed fifteen per centum of the loss of income and shall be in such lesser amount as the insurer reasonably determines is appropriate based on a lower value of the income tax advantage.

(c) Allowable Expense Deduction Option.—A State no-fault plan for motor vehicle insurance established in accordance with title II of this Act shall include the substantive provisions of this subsection, unless such State finds and reasonably determines, in the course of establishing such plan under section 201(b) of this title, that the inclusion of such provisions in the plan would affect adversely or discriminate against the interests of persons required to provide security covering motor vehicles in such State: Benefits or advantages that an individual receives or is entitled to receive for allowable expense from a source other than no-fault insurance shall be subtracted from loss in calculating net loss for allowable expense where—

(1) such source other than no-fault insurance provides or is obligated to provide such benefits or advantages for allowable expense, as defined in section 103(2) of this Act, without any limitation as to the total amount of such benefits or advantages obligated to be provided.

(2) such benefits or advantages are provided by such source other than no-fault insurance on terms and conditions which comply wholly with the provisions of sections 103(6), (7), and (16), 109 (c) and (d), and 111(d) of this Act and subject to all authority set forth therein;

(3) such source other than no-fault insurance is required by the applicable State no-fault plan for motor vehicle insurance in accordance with this Act to share, on an equitable basis, in the financial burdens and costs of operation of plans established pursuant to sections 105 and 108 of this Act;

(4) such benefits or advantages are provided by such source other than no-fault insurance through group insurance where the individuals who are likely to be the beneficiaries under such group insurance have received notice that there will be such subtraction; and

(5) the commissioner finds that such subtraction will result in economic benefits greater than those which would result from coordination pursuant to section 204 (f) of this Act, on the basis of a hearing in which interested parties present competent evidence, and such finding is reviewed as a similar procedure by the commissioner not less than once every three years.

The commissioner shall promulgate rules to assure that the economic benefits found under paragraph (5) of this subsection are realized. As used in this subsection (A), "group insurance" means any plan of insurance offered or provided to members of a group not organized solely for the purpose of obtaining insurance, under the terms of a master policy or operating agreement between an insurer and the group sponsor, and incorporating group average rating, guaranteed issue with or without minimum eligibility requirements, group experience rating, employer contributions, and any other benefit to the members as insureds that they may be unable to obtain in the ordinary channels of insurance marketing on an individual basis; and (B) "group sponsor" means the employer or other representative entity of an employment-based group. Sections 103 (10), (11), and (12) of this Act are inapplicable with respect to such definitions.

ADDED RESTORATION BENEFITS

Sec. 209. (a) Optional Offering.—Restoration obligors providing security for the payment of basic restoration benefits may offer or obligate themselves to provide added restoration benefits for injury or damage arising out of the ownership, maintenance, or use of a motor vehicle, including—

(1) loss excluded from basic restoration benefits by limits on allowable expense, work loss, replacement services loss, and survivor's loss;

(2) benefits for damage to property;

(3) benefits for loss of use of a motor vehicle; and

(4) benefits for expense for remedial religious treatment and care.

Subject to the approval of terms and forms by the commissioner, restoration obligors may offer or obligate themselves to provide other added restoration coverages.

(b) Mandatory Offering.—(1) Insurers providing basic restoration insurance shall offer the following added restoration coverage:

(A) for physical damage to a motor vehicle, a coverage for all collision and upset damage, subject to an optional deductible of not to exceed $100;

(B) for the payment of tort liability, if a State determines that security for the payment of tort liability is not required motor vehicle insurance;

(C) for economic detriment, a coverage for work loss sustained by a victim in excess of limitations on basic restoration benefits for work loss; and

(D) for basic restoration benefits, if a State determines that a vehicle having less than four wheels is not a motor vehicle.

(2) The commissioner may adopt rules requiring that insurers providing basic restoration insurance offer, in accordance with State law, any other specified added restoration coverages.

(c) Territorial Applicability.—All added restoration coverages are applicable in any State, Puerto Rico, or Canada.

INELIGIBLE CLAIMANTS

Sec. 210. (a) Converter.—(1) Except as provided for assigned claims, a converter of a motor vehicle is ineligible to receive no-fault benefits, including benefits otherwise due him as a survivor, from any source other than a contract of insurance under which he is an insured, for any injury arising out of the maintenance or use of the converted vehicle. If a converter dies from such injuries, his survivor or survivors are not entitled to no-fault benefits for survivor's loss from any source other than a contract of insurance under which the converter is an insured.

(2) For purposes of this subsection and subsection (c) of section 111 of this Act, an individual is not a converter of a motor vehicle if he used it in the good faith belief that he was legally entitled to do so.

(b) Intentional Injuries.—(1) An individual who intentionally injures himself or another individual is ineligible to receive no-fault benefits for injury arising out of his acts, including benefits otherwise due him as a survivor. If an individual dies as a result of intentionally injuring himself, his survivor or survivors are not entitled to no-fault benefits for survivor's loss. An individual intentionally injures himself or another individual if he acts or fails to act for the purpose of causing such injury or with knowledge that such injury is substantially certain to follow. An individual does not intentionally injure himself or another individual—

(A) merely because his act or failure to act is intentional or done with his realization that it creates a grave risk of causing injury; or

(B) if the act or omission causing the injury is for the purpose of averting bodily harm to himself or another individual.

(2) For purposes of subsection (c) of section 111 and paragraph (3) of subsection (a) of section 206 of this Act, an individual does not intentionally injure himself or another individual merely because his act or failure to act is intentional or done with his realization that it creates a gave risk of harm.

OTHER PROVISIONS

Sec. 211. (a) Included Coverage.—A contract of insurance covering liability arising out of the ownership, maintenance, or use of a motor vehicle registered in a State includes basic restoration benefits and any other benefit coverages required by the no-fault plan for motor vehicle insurance in effect in such States unless such contract—

(1) provides tort liability coverages only in excess of any of those required by such State no-fault plan; or

(2) is a contract which the commissioner determines by regulation provides motor vehicle liability coverages only as incidental to some other basic coverage.

(b) Approval of Terms and Forms.—Terms and conditions (including forms used by insurers) of any contract, certificate, or other evidence of insurance sold or issued pursuant to a State no-fault plan for motor vehicle insurance in accordance with this title or title III of this Act and providing no-fault benefits or any required tort liability are subject to approval and regulation by the commissioner in such State. The commissioner shall approve only terms and conditions which are consistent with the purposes of this Act and fair and equitable to all persons whose interests may be affected. The commissioner may limit by rule the variety of coverage available in order to give purchasers of insurance a reasonable opportunity to compare the cost of insuring with various insurers.

TITLE III—ALTERNATIVE STATE NO-FAULT MOTOR VEHICLE INSURANCE PLAN

PROVISIONS

Sec. 301. The alternative State no-fault plan for motor vehicle insurance (the State no-fault plan in accordance with this title), which becomes applicable and goes into effect in a State pursuant to subsection (e) of section 201 of this Act, is composed of title I of this Act, except sections 101, 102, 112, and 113; sections 201(d), 203, 204(e) and (f), 205, 207, 208, 210, and 211 of title II of this Act; and this title, except this section. A State may establish additional requirements provided that they are not inconsistent with the provisions of the alternative State no-fault plan for motor vehicle insurance or the policy set forth and declared in section 102 of this Act.

LIMITATIONS ON BASIC RESTORATION BENEFITS

Sec. 302. Basic restoration benefits payable to a victim or the survivor or survivors of a deceased victim for—

(a) allowable expense, as defined in section 103(2) of this Act, may not be limited;

(b) work loss may not exceed a monthly amount equal to $1,000 multiplied by a fraction whose numerator is the average per capita income in the State and whose denominator is the average per capita income in the United States, according to the latest available United States Department of Commerce figures; and

(c) replacement services loss and survivor's loss may not exceed $200 for the calendar week during which the accident resulting in injury occurs and for each calendar week thereafter.

RESTRICTIONS ON TORT LIABILITY

Sec. 303. (a) Partial Abolition.—Tort liability is abolished with respect to any injury that takes place in a State in which the alternative State no-fault plan for motor vehicle insurance is in effect, if such injury arises out of the maintenance or use of a motor vehicle, except that—

(1) An owner of a motor vehicle involved in an accident remains liable if, at the time of the accident, the vehicle was not a secured vehicle;

(2) A person in the business of designing, manufacturing, repairing, servicing, or otherwise maintaining motor vehicles remains liable for injury arising out of a defect in such motor vehicle which is caused or not corrected by an act or omission in the course of such business, other than a defect in a motor vehicle which is operated by such business; and

(3) An individual remains liable for intentionally injuring himself or another individual.

(b) NONREIMBURSABLE TORT FINE.—Nothing in this section shall be construed to immunize an individual from liability to pay a fine on the basis of fault in any proceeding based upon any act of omission arising out of the maintenance or use of a motor vehicle: *Provided*, That such fine may not be paid or reimbursed by an insurer or other restoration obligor.

ADDED RESTORATION BENEFITS

SEC. 304. (a) OPTIONAL OFFERING.—Restoration obligors providing security for the payment of basic restoration benefits may offer or obligate themselves to provide added restoration benefits for injury or damage arising out of the ownership, maintenance, or use of a motor vehicle, including:

(1) loss excluded from basic restoration benefits by limits on allowable expense, work loss, replacement services loss, and survivor's loss;

(2) benefits for damage to property;

(3) benefits for loss of use of a motor vehicle; and

(4) benefits for expense for remedial religious treatment and care.

Subject to the approval of terms and forms by the commissioner, restoration obligors may offer or to obligate themselves to provide other added restoration coverages.

(b) MANDATORY OFFERING.—(1) Insurers providing basic restoration insurance shall offer the following added restoration coverages:

(A) for physical damage to a motor vehicle, a coverage for all collision and upset damage, subject to an optional deductible of not to exceed $100;

(B) for physical damage to a motor vehicle, a coverage for all collision and upset damage to the extent that the insured has a valid claim in tort against another identified person; and

(C) for noneconomic detriment to a victim, a coverage in such amounts and upon such conditions as the commissioner directs and the insured selects.

(2) The commissioner may adopt rules requiring that insurers providing basic restoration insurance offer, in accordance with State law, any other specified added restoration coverages.

(c) TERRITORIAL APPLICABILITY.—All added restoration coverages are applicable in any State, Puerto Rico, or Canada.

The title was amended, so as to read: "A bill to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways."

Mr. MOSS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON and Mr. STEVENS moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. MOSS. Mr. President, I ask unanimous consent that the bill as passed be printed for the use of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 5-minute time limitation on a message from the House of Representatives on S. 1115, the time to be divided between the distinguished Senator from Nebraska (Mr. HRUSKA) and the distinguished Senator from Indiana (Mr. BAYH).

The VICE PRESIDENT. Without objection, it is so ordered.

NARCOTIC ADDICT TREATMENT ACT OF 1974

Mr. BAYH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1115.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1115) entitled "An act to amend the Controlled Substances Act to provide for the registration of practitioners conducting narcotic treatment programs," which was to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Narcotic Addict Treatment Act of 1974".

SEC. 2. Section 102 of the Controlled Substances Act (21 U.S.C. 802) is amended by adding the following after paragraph (26):

"(27) The term 'maintenance treatment' means the dispensing, for a period in excess of twenty-one days, of a narcotic drug in the treatment of an individual for dependence upon heroin or other morphine-like drugs.

"(28) The term 'detoxification treatment' means the dispensing, for a period not in excess of twenty-one days, of a narcotic drug in decreasing doses to an individual in order to alleviate adverse physiological or psychological effects incident to withdrawal from the continuous or sustained use of a narcotic drug and as a method of bringing the individual to a narcotic drug-free state within such period."

SEC. 3. Section 303 of the Controlled Substances Act (21 U.S.C. 823) is amended by adding the following after subsection (f):

"(g) Practitioners who dispense narcotic drugs to individuals for maintenance treatment or detoxification treatment shall obtain annually a separate registration for that purpose. The Attorney General shall register an applicant to dispense narcotic drugs to individuals for maintenance treatment or detoxification treatment (or both)—

"(1) if the applicant is a practitioner who is determined by the Secretary to be qualified (under standards established by the Secretary) to engage in the treatment with respect to which registration is sought;

"(2) if the Attorney General determines that the applicant will comply with standards established by the Attorney General respecting (A) security of stocks of narcotic drugs for such treatment, and (B) the maintenance of records (in accordance with section 307) on such drugs; and

"(3) if the Secretary determines that the applicant will comply with standards established by the Secretary (after consultation with the Attorney General) respecting the quantities of narcotic drugs which may be provided for unsupervised use by individuals in such treatment.".

SEC. 4. (a) Section 304(a) of the Controlled Substances Act (21 U.S.C. 824(a)) is amended by adding after the below paragraph (3) the following: "A registration pursuant to section 303(g) to dispense a narcotic drug for maintenance treatment or detoxification treatment may be suspended or revoked by the Attorney General upon a finding that the registrant has failed to comply with any standard referred to in section 303(g)."

(b) Section 304(d) of such Act is amended (1) by inserting after the first sentence the following: "A failure to comply with a standard referred to in section 303(g) may be treated under this subsection as grounds for immediate suspension of a registration granted under such section."; and (2) by striking out "Such suspension" and inserting in lieu thereof "A suspension under this subsection".

SEC. 5. Section 307(c)(1)(A) of the Controlled Substances Act (21 U.S.C. 827(c)(1)(A)) is amended to read as follows:

"(1)(A) with respect to any narcotic controlled substance in schedule II, III, IV, or V, to the prescribing or administering of such substance by a practitioner in the lawful course of his professional practice unless such substance was prescribed or administered in the course of maintenance treatment or detoxification treatment of an individual; or".

Mr. BAYH. Mr. President, the bill under consideration today, S. 1115, is designed to facilitate Federal agencies in their efforts to investigate and to curb the diversion and abuse of narcotic drugs used in the treatment of narcotic addicts.

In a similar form this bill was introduced by my distinguished colleague from Kentucky (Mr. COOK). I would like to take this occasion to commend Senator COOK and Senator HRUSKA for their special contributions to this important subcommittee matter.

In the summer of 1972 the Subcommittee To Investigate Juvenile Delinquency, which I chair, began its investigation into the diversion and abuse of methadone. We held field hearings in Los Angeles, San Francisco, Omaha, Indianapolis, Louisville, and Washington, D.C. During the course of the subcommittee's investigation we heard testimony from more than 60 witnesses, including representatives from the medical and treatment community, methadone program personnel, State and local health and law enforcement officials, and individuals participating in methadone maintenance and detoxification programs.

It is important to emphasize that methadone alone is not a cure for heroin addiction. Methadone is a narcotic similar to heroin and morphine. Although it is dangerously addictive, methadone has been used successfully to detoxify and maintain some heroin addicts. In maintenance programs chronic addicts are stabilized and permitted to concentrate on rehabilitative efforts. Some addicts are now leading more productive and fulfilling lives.

The subcommittee found that far too many programs had substituted the dispensing of methadone and the collection of urine for treatment and rehabilitation. The emphasis should be on the quality of services and not merely the number of persons processed. Reliance on the drug as a simple, inexpensive answer to heroin addiction is ill-conceived and will lead to assembly line programs with all their attendant problems, not the least of which is the diversion of methadone for illegal purposes.

In 1968 there were fewer than 400 persons enrolled in methadone treatment programs nationally; today there are an estimated 73,000 persons in more than 750 programs. This rapid expansion of methadone programs and the quantity of methadone dispersed as a result of this proliferation has provided increased opportunity for diversion of methadone into the illicit market. In fact, some of our cities are already suffering from an overdose of methadone, both figuratively and literally.

In many cities the subcommittee found that methadone is already widely available in the illicit market. A recent survey of heroin addicts in New York City found that 92 percent had been offered illicit methadone; that 56 percent had purchased illicit methadone; and that 13 percent had sold methadone.

Illegal methadone has several primary origins: Careless or unscrupulous physicians; thefts and diversion from methadone programs; and patients enrolled in methadone programs.

In some communities, one or more physicians have contributed substantially to the illicit traffic. A physician in the District of Columbia was, after a long and difficult prosecution, convicted on 22 counts of illegal methadone distribution. It was alleged that he sold 11,000 prescriptions—815,000 10 milligram doses—and accumulated more than a quarter of a million dollars for his efforts.

In my own State of Indiana, one such unscrupulous physician was selling methadone prescription for $3. He authored as many as 300 methadone prescriptions in a 3-day period. At our Indianapolis hearing, Lt. John Ferguson of the Indiana State Police told subcommittee members that a small Indiana community "was literally papered with these prescriptions." Currently several other legal pushers are under investigation for similar activities.

Employees and volunteers associated with methadone programs have been implicated as sources of illegal methadone. It appears, however, that such diversion is usually unwittingly permitted and can be attributed to poor organization and loose controls.

Illicit sales lead to the addiction of others. Polydrug abusers and experimenters are among the regular purchasers of illegal methadone.

Many of these new addicts are younger and less experienced with drug abuse than the seasoned heroin addict. Some doctors express concern that unless we rigidly control the distribution of methadone we may be creating a new generation of addicts: methadone addicts.

Already reports indicate a steady rise in the last 3 years in the number of persons addicted primarily to methadone. A survey of recent applicants for Miami methadone programs found that 40 percent were using illegal methadone along with other drugs, and 7 percent were using solely illegal methadone. In relative terms, the extent of methadone abuse does not presently rival heroin abuse, but the trend is alarming.

Methadone programs may create a demand as well as supply it. A recent study of 55 heroin addicts terminated from methadone maintenance programs found that 35 percent were abusing illicit methadone along with other drugs, and 8 percent were abusing solely methadone.

The impact of illicit methadone traffic is widely documented by the staggering numbers of methadone overdoses and deaths. In some communities methadone fatalities have increased annually in numbers and in proportion to total narcotic deaths. In New York City 10 percent of all narcotic deaths were directly attributed to methadone in 1971; in 1972, 15 percent.

During 1972, medical examiners/coroners around the country were contacted, by researchers in the Special Action Office for Drug Abuse Prevention, in order to obtain present, as well as past, data on narcotics-related deaths, by drug involvement. These contacts were carried through in 1973 thus making it possible to obtain data on narcotics-related deaths, by drug involvement, for the entire calendar year 1972.

Data gathered from these contacts showed that for 31 areas of the country, representing some 55 million persons, deaths involving methadone accounted for at least 20 percent of the narcotics-related deaths which occurred in 1972. On an historical basis, for 25 areas of the country with usable data for 1971, as well as 1972, it is shown that there were 156 deaths involving methadone in 1971. This is compared to 32 deaths involving methadone in these areas in 1972—an increase of 113 percent.

I ask unanimous consent that a table in connection with this matter be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The table below shows narcotics-related deaths for 30 areas of the country (excluding New York City) according to the proportion of deaths involving methadone.

TABLE B.—*Ranking of 30 areas of the country, according to the proportion of total narcotics-related deaths involving methadone, 1972*

Area and proportion of deaths with methadone involvement:

District of Columbia	71.8
Erie County (Buffalo), New York	60.0
State of Virginia	50.0
Hamilton County (Cincinnati), Ohio	40.0
New Orleans, Louisiana	37.5
Philadelphia County, Pennsylvania	34.5
Allegheny County (Pittsburgh), Pennsylvania	33.3
Maricopa County (Phoenix), Arizona	27.3
Cuyahoga County (Cleveland), Ohio	27.3
Marion County (Indianapolis), Indiana	27.3
State of Maryland	23.1
Dade County (Miami), Florida	23.1
Fulton County (Atlanta), Georgia	21.4
Essex County (Newark), New Jersey	20.0
Denver County, Colorado	14.3
Harris County (Houston), Texas	12.9
Santa Clara County (San Jose), California	12.5
Wayne County (Detroit), Michigan	12.0
Monroe County (Rochester), New York	9.1
San Diego County, California	6.5
San Francisco County, California	4.6
Bexar County (San Antonio), Texas	3.6
Dallas County, Texas	3.3
Sacramento County, California	0.0
Cook County (Chicago), Illinois	0.0
State of North Carolina	0.0
Lucas County (Toledo), Ohio	0.0
Milwaukee County, Wisconsin	0.0
State of Delaware	0.0
King County (Seattle), Washington	0.0
Average proportion	20.4

Mr. BAYH. Drug Enforcement Administration figures for the period January–September 1973, reveal that more than 25 percent—317 of 1,157—of all narcotic deaths nationwide were attributed to methadone. For the same period deaths clearly caused by the use of methadone surpassed those definitely caused by the use of heroin in both New York and New Jersey.

The investigation and hearings conducted by my subcommittee made it abundantly clear that more adequate safeguards must be developed to insure the effective operation of methadone programs and to protect our communities from the introduction of yet another potent drug of abuse and addiction.

The fundamental purpose of S. 1115 is to provide these adequate safeguards. This legislation amends title II—Controlled Substances Act—of the Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91-513. Authority exists under the CSA to require a separate registration for research programs using narcotic drugs. Since programs involving maintenance of addicts were considered to be research programs registration has been required. Similar requirements could not be extended to detoxification programs since this use of methadone was well recognized and not considered as research.

S. 1115 requires separate registration with DEA for narcotic treatment programs. Registration will be predicated on the demonstrated ability to comply with medical standards established by FDA and security standards established by DEA. The bill also provides authority to withdraw registration for failure to comply with these standards and facilitates, in appropriate cases, the institution of criminal prosecution. All narcotic treatment programs will be covered, not just methadone programs. The legislation supplements the existing FDA methadone regulations by enabling the DEA to assist in the enforcement of controls over treatment programs using narcotics other than methadone. However, the bill is not intended to expand DEA jurisdiction to include the practice of medicine or the setting of medical standards. Thus, DEA is provided with more and better law enforcement control, while maintaining with the Secretary of HEW—and by delegation, the FDA—the scientific, medical, and health determination necessary for proper control of drugs.

After completing hearings on S. 1115 on May 21, 1973, the subcommittee reported the bill to the full Judiciary Committee which unanimously reported the bill to the Senate. On June 8, 1973, this body unanimously passed the Methadone Diversion Control Act of 1973. The full text of the report—No. 93-192—can be found in the CONGRESSIONAL RECORD, Friday, June 8, 1973, beginning on page 18769.

On March 19, 1974, by a 375 to 0 vote, the House of Representatives passed S. 1115, inserting their own language for the text of the Senate version of the bill. The title was also changed to the Narcotic Addict Treatment Act.

The subcommittee investigation and hearings revealed one of the major sources of diverted methadone to be a small number of criminally inclined medical practitioners who were prescribing the drug to numbers of addicts for profit.

The primary purpose of the Senate bill was to assist efforts to curb narcotic diversion and particularly to facilitate the prosecution of the few practitioners who illicitly profit from black-market methadone. The bill covers the use of all narcotic drugs in general rather than methadone in particular for two reasons. First, it has been found that abuses similar to those which have occurred in the indiscriminate prescribing and dispensing of methadone have occurred with regard to other narcotic drugs such as morphine, numorphan, and demerol. Moreover, with the closing of existing loopholes in the use of methadone, it could be anticipated that unscrupulous practitioners would resort to the distribution of morphine or other narcotics as an alternative. Second, inclusion of narcotic drugs generally will also provide the flexibility necessary to anticipate new developments in maintenance programs. For example, the drug known as alpha-acetyl-methadol, also a narcotic, holds some promise of use in this regard and may be expected to become a popular drug of choice for maintenance treatment in the near future.

The House version is identical in purpose and its provisions are but slightly altered. I believe that the bill is a sound one. While the bill requires those who engage in the treatment of addicts to register and obtain necessary approval of their program from the Secretary of Health, Education, and Welfare and the Attorney General, it was not intended that other physicians, not specifically registered to treat addicts, would be deprived of the right to administer emergency treatment should the need arise. The intention of the bill is only to provide the means for regulating legitimate addict treatment programs and to close off loopholes which would permit physicians to administer, prescribe, or dispense narcotics to addicts over a period of days without having registered and complied with the standards required. Also, the bill relates solely to the regulation of programs for the treatment of addiction. It would not prevent the employment of any necessary detoxification procedures within hospitals for those patients who may have developed a temporary narcotic tolerance as an adjunct to medical or surgical treatment of other conditions. These are matters which can be further clarified through appropriate regulation.

S. 1115 is an important law enforcement measure. The Drug Enforcement Administration within the Department of Justice has indicated that the bill will significantly strengthen their hand to deal more effectively to minimize diversion from unscrupulous practitioners or negligent administration of programs. Likewise, representatives of the Indiana State Police testified that the bill would be a valuable law enforcement aid.

The tragedy of lives wasted or destroyed by our failure to cope with the problems of drug dependence is too often ignored amid the rhetoric of crime control.

Reduction of the incidence of criminal activity associated with heroin addiction is a high priority but by no means should it be our sole priority. When there is no hope but dope, an addict on methadone will turn to other so-called chemical solutions, usually barbiturates and alcohol.

However successful methadone maintenance has been in assisting certain addicts, we must not permit its use to "smoke-screen" the complex social conditions which spawn heroin addiction.

Much is said about the drug problem. In reality we have a collection of local problems. Nor do we have the solution. An approach that is successful in Washington, D.C., or New York is not necessarily appropriate elsewhere.

If you throw a dart at the map of America, however, it is far more likely to identify a community with a multiple or polydrug problem than one with an exclusively heroin problem. Few programs are even equipped to attempt to deal with multiple drug abuse, to which methadone is not even a partial solution.

The problems of drug traffic and abuse are not partisan concerns, but issues that transcend geographical, philosophical, and political differences. I am determined to see to it that adequate safeguards are developed to protect our communities. The Narcotic Addict Treatment Act, is not a panacea, but a step in this direction. The recognition of the need for such safeguards, however, should not be interpreted as an indictment of all methadone programs or practitioners dispensing methadone, but rather as a realization that methadone—a powerful addictive narcotic—can be as harmful as heroin when diverted and improperly used.

Passage of S. 1115 will reaffirm the commitment Congress made to the Nation when it passed the 1970 act, by once again facilitating the prosecution of those who engage in the criminal distribution of legitimate narcotic drugs for profit.

Mr. President, since the Senate and House were able to resolve their differences without the necessity for a conference, there is no conference report on S. 1115. I ask unanimous consent to have printed in the RECORD at this point a section-by-section analysis of the bill.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1: Provides that the Act may be cited as the "Narcotic Addict Treatment Act of 1974".

Section 2: Adds two subsections which contains definitions used in the Act (definitions) to section 102 of the Controlled Substances Act. "Maintaining treatment" is defined as the dispensing, for a period exceeding 21 days, of a narcotic drug in the treatment of an individual for dependence upon heroin or other morphine-like drugs.

"Detoxification treatment" is defined as the dispensing of a narcotic drug to an individual in decreasing doses, for a period not to exceed twenty-one days, for the purpose of alleviating adverse psychological or physiological effects incident to withdrawal from the continuous or sustained use of a narcotic drug in order to bring the individual to a narcotic drug free state. The definition of detoxification inherently requires the use of decreasing doses in order to reach a drug free state.

Section 3: Amends section 303 of the Controlled Substances Act containing registration requirements by adding a new subsection (g). This subsection provides that all practitioners who dispense narcotic drugs to individuals for maintenance or detoxification treatment shall annually obtain a separate registration for that purpose. The Attorney General is directed to register an applicant to dispense narcotic drugs for maintenance or detoxification treatment if:

(1) The applicant is a practitioner who is determined by the Secretary of Health, Education, and Welfare, under standards established by the Secretary, to be qualified to engage in the type of treatment for which registration is sought;

(2) The Attorney General determines that the applicant will meet the standards established by the Attorney General with respect to security of stocks of narcotic drugs used in such treatment, and maintenance of records on such drugs; and

(3) The Secretary determines that the applicant will comply with standards established by the Secretary (after consultation with the Attorney General) respecting the quality of narcotic drugs which may be provided for unsupervised use by those in maintenance or detoxification programs.

This section preserves the distinctions found in the Controlled Substances Act between the functions of the Attorney General and the Secretary of Health, Education, and Welfare. All decisions of a medical nature are to be made by the Secretary of Health, Education, and Welfare. Law enforcement decisions respecting the security of stocks of narcotic drugs and the maintenance of records on such drugs are to be made by the Attorney General. The Committee recognizes that the release of quantities of narcotic drugs to individuals for their unsupervised use, primarily a medical judgment, may have some law enforcement ramifications. Therefore, before the Secretary establishes standards respecting the quantities of narcotic drugs which may be provided for such use, he is to consult with the Attorney General.

The registration required under this section is separate and distinct from regular registration under the Controlled Substances Act. However, the amount of paperwork required of practitioners by this section will be minimal. This Act is not intended to impose a heavy new burden on practitioners, and the Committee expects every effort to be made to use registration forms which are brief, simple, and similar to other forms already in use. Rather, it is intended to bring in the expertise of the DEA in law enforcement matters and to complement the regulations the FDA has already promulgated in this area.

Section 4: (a) Amends section 304(a) of the Controlled Substances Act which contains the denial, revocation, or suspension of registrations by adding a new subsection (4) which provides that a registration issued pursuant to section 303(g) may be revoked or suspended by the Attorney General upon finding that the registrant has failed to comply with any of the standards required in section 303(g).

(b) Amends section 304(d) of the Controlled Substances Act to provide that failure to comply with a standard referred to in section 303(g) may be treated as grounds for immediate suspension of a registration granted under that section.

Under current law, the registration of a practitioner can only be revoked if he does not have a State license, has been convicted of a felony, or has fraudulently applied for registration. This has made it difficult for the Attorney General to take action in those instances in which he believed that a treatment program or detoxification program was not being properly conducted. This new subsection provides that in such instances, the Attorney General may immediately revoke or suspend the registration of any practitioner who does not meet the standards set forth in section 303(g). This section in no way restricts the authority that the Food and Drug Administration is already exercising in this area with regard to methadone treatment programs.

The suspension or revocation of a registration issued under section 303(g) does not in any manner affect a practitioner's basic registration under the Controlled Substances Act. Thus, while it is true that, if a practitioner loses his medical license or narcotics registration, he cannot continue to dispense narcotic drugs, the converse is not true. A practitioner who has lost his registration under section 303(g) would not lose his basic registration.

Section 5: Amends section 307(c) (1) (A) of the Controlled Substances Act so as to extend the recordkeeping requirements of section 307 to the prescribing or administering of a controlled substance by a practitioner in the course of maintenance or detoxification treatment of an individual.

These new recordkeeping requirements are not intended by the Committee to change or add to the existing requirements for practitioners who do not engage in either detoxification or maintenance treatment.

Mr. HRUSKA. Mr. President, I want to associate myself with the remarks of my distinguished colleague from Indiana (Mr. BAYH) and offer my support for the bill which is now before this body.

S. 1115, the subject bill, was proposed by the administration and introduced on March 6, 1973, by the distinguished Senator from Kentucky (Mr. COOK). The Senate passed this bill on June 8, 1973.

On March 19 of this year, the House passed an amended version of S. 1115, substituting the body of H.R. 12503, a similar bill. The provisions of the two bills are slightly different. Like my colleague (Mr. BAYH), I do not believe these differences are of major significance. The bill now before this body retains its original thrust and intent. I am advised, furthermore, that the Department of Justice has no objection to Senate passage of S. 1115, as amended by the House.

The purpose of this bill is to provide a means of regulating the use of narcotic drugs in the treatment of narcotic addiction. Its principal aim is to require a special registration of physicians who administer narcotics drug treatment and to establish a sound legal basis for imposing safeguards to protect the community against the diversion of narcotic drugs into illicit traffic.

I commend the leadership of the distinguished Senator from Indiana (Mr. BAYH) as chairman of the Juvenile Delinquency Subcommittee for his dedicated efforts in this area of endeavor. This subcommittee, of which I am a member, held a thorough and exhaustive set of hearings on this subject in 1972 and 1973. Hearings on this proposal were heard not only in this city, but also in Omaha, Indianapolis, Los Angeles, and San Francisco. A vast majority of the witnesses testified to the need for this type of legislation.

I am confident that properly regulated and controlled programs can provide a valid means of reducing or preventing heroin addiction and its attendant problems. It is important to emphasize, however, that methadone and similarly used drugs are not alone a cure for addiction. Drug treatment programs should assist addicts in working toward freedom from drug dependence and permit these persons to again become constructive members of society.

S. 1115, in its present form, will provide an additional means for the Federal Government to help insure the proper use of methadone and other narcotic substances in the treatment of narcotic addiction, while facilitating the prosecution of those who engage in the criminal distribution of legitimate narcotic drugs for profit.

Therefore, I strongly urge my colleagues to give their support to the pending bill, as amended by the House.

Mr. BAYH. Mr. President, I move that the Senate concur in the House amendment.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Indiana.

The motion was agreed to.

H.R. 11385—TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the leadership on the other side.

Mr. President, I ask unanimous consent that at such time as H.R. 11385, a bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, is called up and made the pending business, that there be a 2-hour limitation on the bill, 1 hour on a substitute to be offered by the Senator from Maryland (Mr. BEALL), one-half hour on any amendment, 20 minutes on any debatable motion or appeal, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS UNDER THE INTERNATIONAL ECONOMIC POLICY ACT OF 1972

The VICE PRESIDENT. Under the previous order, the Senate will now resume consideration of S. 2986, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 2986) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate before the Senator proceeds. Would the Chair ask that attachés and aides take seats in the rear of the Chamber or leave the Chamber and that we take our seats?

The VICE PRESIDENT. The Senate will be in order.

Mr. STEVENSON. Mr. President, I have cleared this unanimous-consent request with the distinguished Senator from Texas.

I ask unanimous consent that the committee amendment to S. 2986 be treated as original text for the purpose of further consideration of the bill.

Mr. TOWER. No objection.

The VICE PRESIDENT. Is there objection to agreeing to the committee amendment in the nature of a substitute and that the bill as thus amended be treated as original text? The Chair hears no objection, and it is so ordered.

Mr. TOWER. Mr. President, during further consideration of S. 2986 and the amendments thereto, I ask unanimous consent that the following professional staff members of the Banking, Housing and Urban Affairs Committee be allowed permission on the floor: Patton Abshire, Gerald Allen, Anthony Cluff, Edward Kemp, Kenneth McClean, Stanley Marcuss, Steven Paradise, Dudley O'Neal, and Howard Beasley.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the following members of the staffs of the Senator from Maine (Mr. MUSKIE), the Senator from Louisiana (Mr. JOHNSTON), and me be given access to the floor during the consideration of S. 2986, all amendments thereto, and during the votes thereon: Jack Weiss, Reid Feldman, and Bruce Thompson.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Jerry Jasinowski of the staff of the Joint Economic Committee be granted the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, inflation is one of the Nation's most pressing social problems. It cuts deeply into the fabric of our society and has profoundly disturbing implications.

It erodes lifelong savings, destroying the dreams which they embody. The hoped-for home, college education, or vacation vanish into thin air, victims of a cruel numbers game.

It terrifies the aged, who watch helplessly as their efforts to achieve security and dignity are frustrated by each new price increase. With escalating costs for medicine, food, transportation, and clothing—and no corresponding increases in income—the aged face the specter of seeing the accumulations of a lifetime depleted to meet basic necessities; and when those are exhausted, they face the humiliating prospect of becoming a public charge.

Inflation bewilders farmers and small businessmen who see profits erased by explosions in the cost of production.

Inflation encourages big business to engage in round after round of price increases in order to stay one step ahead of costs.

Inflation leads labor to seek catch-up wages and escalator clauses to guard against future price increases.

Inflation escalates State, local, and Federal Government budgets and adds to an already crushing tax burden, especially for those with low incomes.

Inflation makes borrowing more attractive than saving, exacerbating the pressure on interest rates, threatening the stability of thrift institutions, and drying up funds for housing.

Ultimately, inflation imperils the foundations of the democratic system. A democratic society depends on a reservoir of trust and confidence in the ability of government to govern and to do so fairly. American democracy, in particular, rests on a conviction that private expectations can be realized and that if an individual works hard and obeys the law, his goal of a better life for himself and his children will be fulfilled.

When inflation reaches levels of over 10 percent a year, that conviction is shattered. Confidence in the capacity and fairness of government is severely shaken, and belief in the ability to realize expectations within the existing framework of government is seriously undermined.

At 13 percent a year—the current rate of consumer price increases—incomes must double in less than 6 years just to keep up. Over the same time span, those whose incomes stay static or whose purchasing power depends on accumulated savings face a 50-percent reduction in what their money can buy.

What this means is that old numbers become meaningless. Familiar benchmarks evaporate; plans are knocked askew. An individual earning $10,000 today who hopes through diligence, imagination, and maybe luck to boost his income to $15,000 in the next 5 years would be living a pipedream. Even if he made it, he would have lost ground. Inflation would have robbed him of all the increase and more. And if he had put some of his earnings aside in a savings account, his savings would have been depleted.

A government which cannot act effectively to stem the resulting chaos, hardship, and deprivation may face serious challenges from within as well as seriously eroded power and influence abroad.

These are not mere possibilities. What seemed impossible a short time ago cannot now be dismissed. For 3 consecutive months, we have experienced an inflation in consumer prices at annual rates in excess of 10 percent. For March alone, consumer prices rose at an annual rate of over 13 percent. Except for February, when consumer prices rose 15.6 percent, this is the highest rate of increase since 1948. Moreover, it is 10.2 percent above the level of just 1 year ago. Meanwhile, wholesale prices continue their double-digit increases. They rose in March at an annual rate of 16.3 percent.

First-quarter performance was even more startling. Consumer prices rose at an annual rate of 14.5 percent. Wholesale prices rose at an annual rate of 28.8 percent. The overall rate of inflation reached 10.8 percent, the worst in 23 years. Meanwhile, the Gross National Product, the Nation's total output of goods and services, declined at an annual rate of 5.8 percent, the steepest decline in 16 years. And real earnings, following a February decline to 4.5 percent below those a year ago, fell another 0.9 percent in March. They are now 4.7 percent below their level of just 1 year ago.

For the first time in our history, we are experiencing sustained double-digit inflation along with declining personal incomes and production. People are fearful. They are desperately seeking ways to protect themselves and to provide a cushion against further deterioration in their economic prospects. And yet the Nixon-Ford administration is unprepared to do anything constructive about it. Worse still, many are willing to abandon all authority for effective government action. As a result, monetary policy is left to wage the battle alone, with record high interest rates the consequence. With prime rates of 10½ percent and more, the drain on funds available for housing will continue. Industry's ability to finance expanded productive capacity will be impaired.

The Economic Stabilization Act expired yesterday. Nothing has replaced it. Already there are reports that industry is planning catch-up salary increases for management. Price increases are sure to come. A new spiral of wage demands will follow. On and on the endless spiral will continue.

Are we in the Congress to stand helplessly by? Are we to say that because the executive branch will not act, we will not act either? Are our imaginations so limited that we cannot devise a way to forestall the trouble we know is coming? Are we to say that because on again, off again wage and price controls have not worked, we must abandon all efforts to fight inflation?

The question now is not whether to continue controls. They have been tried and found wanting. The issue before us is how to insure that we do not have a new surge of inflation and new pressures for more controls.

Experience with the first peacetime controls in our history is instructive. In August of 1971, consumer prices were rising at an annual rate of 4.4 percent. In retrospect, that figure looks modest. Yet, the hardship inflicted on wage earners, housewives, people on fixed incomes and others whose incomes were rapidly eroding brought irresistible pressures to erect a comprehensive economic stabilization program. Even though wage and price controls constitute a serious interference with the marketplace, they were believed justified by the spiraling rise in prices.

Initially, controls were effective; it was the transition that failed.

Just prior to phase I, consumer prices were rising at an annual rate of 4.4 percent. During the freeze that followed, that rise was reduced to an annual rate of 1.6 percent. During phase II, when certain price increases were permitted but controls remained in effect, inflation was held to an annual rate of 3.6 percent.

It was only with the abrupt dismantling of controls at the end of phase II and the administration's clearly signaled intent during phase IV to end the economic stabilization program regardless of the consequences, that consumer price took off. They immediately rose to an annual rate of 9.8 percent. The lesson is that regardless of their effectiveness, once controls have been instituted, they cannot be abandoned without provision for an orderly transition.

There is no disagreement today that wage and price controls should be ended, except in the petroleum sector. The danger is that if they are not dismantled carefully, and if authority to take corrective action if inflation gets out of hand is abandoned, the forces which led to their imposition in the first place will lead to their imposition again.

If price increases of under 5 percent were sufficient to generate an outcry for controls 3 years ago, the outcry will be heard again when prices are rising at over 10 percent a year. If a price bulge of over 6 percent occurred between phase II and phase III, when the controls program was still in effect, a bulge of even greater proportions is in store if all authority to take effective action is abandoned. That is why it is imperative that decontrol be structured in a way which prevents a new surge of inflation and insures that controls will not be imposed again.

The amendment which Senator MUSKIE has offered on his own behalf, mine and others will do that. It provides for an end to wage and price controls but offers safeguards against runaway inflation. It provides for decontrol but in an orderly fashion. It gives the President the power to enforce commitments which industry has given in exchange for decontrol. It requires the President to monitor all sectors of the economy to determine the underlying causes of inflation. It will help bring about increased production of commodities which are in short supply. It will help achieve price and wage restraint. It will protect the wage earner by moderating inflation and by permitting wage increases in line with the cost of living. Most important, this amendment will help assure that we have seen the last of wage and price controls.

The amendment has three basic provisions:

First, it provides an effective means of enforcing commitments which industry has given in exchange for decontrol under the Economic Stabilization Act. With the expiration of that act, the solemn promises which industry has given become difficult if not impossible to enforce. Under the proposed amendment, controls could be used as a tool for enforcement.

Second, it authorizes the executive branch to undertake a comprehensive effort to monitor the economy to determine the root causes of inflation and to devise measures to deal with them effectively. In the long run, this offers the best hope for a permanent solution.

Third, it provides standby authority to impose selective controls but only under very stringent conditions: There must be: first, serious inflation in the economy as a whole; second, serious inflation in a particular sector causing severe hardship or deprivation, and third, the need for controls must outweigh any potential adverse supply consequences. These requirements are not to be taken lightly. They mean that for most sectors of the economy, controls are off for good. But if inflation continues out of hand or is accompanied by irresponsible behavior, the Government will not be powerless to act. Careful analysis will be required. It will be subject to public scrutiny. Only if the need becomes overwhelming—something we all hope to avoid and will help to avoid by this bill—can controls be reimposed.

The need for this legislation is recognized by many distinguished economists. They include Walter Heller, Arthur Okun, Joseph Pechman, and George Perry. In a letter to me written when this proposal was announced last Friday, they said:

> In the face of inflation, it would be extremely unwise to drop all government authority to deal with major inflationary price and wage decisions. The amendment would preserve the right of the government to assert the public interest in these decisions and would permit it to protect the consumer against inflationary excesses. We therefore regard this action as a vital part of any program to cope with the virulent inflation that now infects our economy.

Dr. Dunlop, the Director of the Cost of Living Council, has recognized the peril. He has predicted a major inflationary surge if economic stabilization authority is dropped. Chrysler Corp.'s just-announced price increase of almost $100 per car, an action which Dr. Dunlop branded as "inflationary" and "a display of consummate gall," is one example of what may occur.

This amendment offers an alternative to surrender to the forces of inflation. It is a means of preventing the need for a new controls program. If all authority to fight inflation were simply abandoned, we would be in for a new period of uncertainty. Prices would continue their climb; real earnings would continue their decline. Decontrol commitments would be impossible to enforce. All those who cannot readjust their incomes rapidly enough would continue to suffer—and even more than in the past.

This is a wealthy nation suffering declining personal income, rising unemployment, declining industrial production, and an epidemic of shortages. For an already discredited government simply to walk away from controls with no provision for the transition, risks the free enterprise system and invites political instability as well as more economic distress. Instead of returning to a free market, the future would be in doubt.

The purpose of this proposal is to protect those who cannot protect themselves and make possible, this time, orderly and permanent decontrol. By providing for flexibility, for the appropriate exercise of discretion, and for serious efforts to root out the long-term causes of inflation, it will help to restrain the current inflationary psychology, help to restore stability and confidence, and ultimately prevent pressure for comprehensive new controls. The alternative for the short run is to abandon the fight against inflation. And that would be "grossly irresponsible."

It is said that price controls do not work. No one would pretend that they are the answer to inflation. They deal with symptoms, not the disease itself. But controls can deal effectively with symptoms. They did so during phase II. The on again, off again conduct of the controls program, not so much the controls themselves, is largely responsible for the dislocations in the economy. To precipitously abandon all controls now, and the authority to impose controls, would simply repeat history, invite another round of inflation and the reimposition of controls.

None of the sponsors of this measure seek a controlled economy. We seek a decontrolled economy, and that, indeed, is why we offer this amendment. The issue is not whether to impose controls. It is how to end them. To abruptly abandon all control authority would invite the reimposition of controls. This amendment is a proposal for orderly decontrol. Without it the administration would not even have the means with which to enforce decontrol commitments.

It is said that the authority to impose controls has been abused by the President. And that is true. But the Congress cannot execute the laws it makes. The execution of the laws must be left to the President, and the only President the Nation has is Richard Nixon. The Congress can write protections against abuse into the law. It did not do so in the Economic Stabilization Act in any effective way, but now it is the wiser.

Wages have been more stringently controlled than prices, and the wage earner has suffered. His real earnings have declined. It is not fair to make the wage earner bear the burden of the fight. This amendment, therefore, requires the President to give consideration to the right of wage earners to wage increases sufficient at least to keep them abreast of cost of living increases. Hence, the few wage earners whose wages are controlled would receive assurance of cost-of-living increases, as do many now under collective bargaining agreements, as well as some protection from price increases. Without some such protection, wages will lag even farther behind prices.

I am encouraged to believe that the Cost of Living Council is the wiser, too, for recent experience. The health industry has been subjected to a squeeze between rising costs and controlled prices. Health workers have had wages restrained to unfair levels. They have been the object of a discriminatory application of controls. But I have today received a letter from the Director of the COLC declaring his intention under any future control programs to take the controls off wages in this sector and to permit increases in recognition of reasonable cost increases, including wage increases. While this announcement presages increased health service costs, it also signals an end to the controls policy which penalized the institutions and individuals in this sector—and also threatened the quality of health services. I welcome Dr. Dunlop's announcement and ask unanimous consent that a copy of the exchange of correspondence between Dr. Dunlop and me be entered in the Record at the conclusion of these remarks.

The PRESIDING OFFICER (Mr. McClure). Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENSON. Mr. President, it has also been said that with the control authority expired, business will be tempted to hike prices quickly if the reimposition of controls is threatened. I believe, and earnestly hope, that the business community will behave responsibly. It ought to perceive one of those fortuitous convergences of enlightened self-interest and the national interest. Surely, the members of the business community can see that any precipitate action to increase prices, now that control authority has expired, would only assure and hasten the enactment of legislation to either authorize or impose controls. Any such action could mean a freeze, as happened when prices surged upwards after the termination of phase II. It could mean a rollback. This amendment would authorize a rollback of prices to April 24, 1974, levels.

I commenced this effort for orderly decontrol in February with Senators Muskie and Johnston. It has been a lonely fight against a broad array of powerful interests. But I am much heartened by the support it has gained from both sides of the aisle. This is not a partisan fight. It is a deadly earnest attempt, by Republicans and Democrats alike, to protect our economy and our way of life from the ravages of inflation.

I urge the Senate to approve the amendment offered by the Senator from Maine (Mr. Muskie).

Exhibit 1

U.S. Senate,
Washington, D.C., April 30, 1974.

Dr. John T. Dunlop,
Cost of Living Council,
Washington, D.C.

Dear Dr. Dunlop: In preparation for the imminent floor debate on legislation providing the Administration with standby authority to impose economic stabilization controls, it would be most helpful to members of the Senate to have the benefit of your thinking about the manner in which any new statutory authority would be implemented in the health sector. Toward that end, I would be most grateful if at your early convenience you could provide me with your answers to the following questions:

(1) Your public statements convince me that you share my conviction that continuation of the 5.5% wage increase ceiling is unfair to hospital employees and that the 5.5% ceiling is not a necessary component of an effective health industry stabilization program. Is it therefore fair to conclude that in any "Phase V" implemented pursuant to any legislation enacted by the Congress, the 5.5% ceiling will either be raised substantially or eliminated entirely and that employees in the health sector will not be singled out for treatment different from that accorded employees in any other sector?

(2) It is my judgment that the existing

ceilings on price increases which providers of hospital and long-term care may make will be too low for Phase V, particularly if the proper modification of the wage ceiling is made. Do you share that point of view? If so, how exactly do you propose to make the appropriate adjustments in the price ceilings? What is your target date for putting such modified ceilings into effect? Will the new ceilings be set at a level which will generate revenues sufficient to enable institutional providers to agree to equitable wage increases for their employees, to provide quality health care, and to retain their financial soundness?

(3) As you know, one of the paramount goals of our legislation is the orderly decontrol of all sectors of the economy. Will your Phase V health program be consistent with that goal? Do you anticipate that all economic stabilization controls on the health industry could be terminated within the coming year?

I look forward to your early response and would of course be most interested in any additional comments you may care to make.

Sincerely,

ADLAI E. STEVENSON, U.S.S.

MAY 1, 1974.

Hon. ADLAI E. STEVENSON III
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENSON: Thank you for your inquiry of April 30 concerning the position of the Cost of Living Council on regulations of health care costs to be effective May 1, 1974 should Congress extend some form of stabilization authority.

As I have repeatedly stated, without some continuing control authority over health care costs, a very large and unnecessary inflation will occur in this sector. Such an uncontrolled escalation of health costs would impact heavily on consumers and taxpayers, and would seriously jeopardize our future ability to finance broader national health insurance coverage.

Although adopted in the context of Economic Stabilization, Phase IV health controls were specifically designed to serve as a bridge to the long-run measures which will be a necessary corollary to a program of national health insurance. Phase IV controls embodying the principle of prospective budgeting should be flexibly adapted to developments in the general economy on and after May 1, 1974.

Should health care control authority be extended, the Council's Phase IV health policies would be modified in several specific aspects.

1. To insure equity of treatment between wage earners in the health industry, and those comparably situated in other sectors of the economy, the general wage and salary standards and regulations applied since 1971 would be eliminated. Health wages would then be allowed to move in concert with the pattern and structure of community labor markets.

2. I agree that a modification in prospective budgets is necessary to accommodate increased wage costs, including higher minimum wages effective May 1, 1974. It would be my intention to review the percentage limitations on a quarterly basis in light of actual cost experience in the major components of institutional budgets. I would expect that wage increases would probably exceed the assumptions used in calculating the current 7.5% (hospital) and 6.5% (long-term care) limitations. Accordingly, I would propose a review of those assumptions in consultation with all interested parties from labor, management, and the public.

Such a review could feasibly be conducted by June 1, and necessary adjustments promulgated to be effective no later than July 1, 1974. Such adjustments would insure that health care institutions can generate sufficient revenues to pay health care wages and benefits in line with levels of those comparably situated in non-health employment.

By its very nature, no nationally derived assumption for future wage increase will cover every conceivable community circumstance. I am also mindful that recently enacted minimum wage legislation will impact institutions differently. A flexible exceptions policy must take these facts into account.

An interim extension of the Phase IV prospective budgeting system, flexibly modified, would allow ample room for continued growth in the quality and quantity of medical care which our health system can provide.

As you know, it has been my position that the health industry should be removed from the purview of Economic Stabilization as soon as national health insurance legislation is enacted specifying a cost constraint program.

Prior to that time, I would continue the process, outlined in Phase IV regulations, of exempting from federal controls those health providers subject to alternative, effective regulatory programs at the State level.

Should control authority be extended, we would, of course, continue our efforts to increase the understanding and participation of the American people—both as consumers and taxpayers—in the opportunities for restraining health care inflation.

Thank you for giving me the opportunity to address these issues.

Sincerely,

JOHN T. DUNLOP.

Mr. BUCKLEY. Mr. President, given the disastrous consequences of our recent experimentation with wage and price controls, it astonishes me that anyone in this body should seriously propose that we continue to try to order the economic tides to recede. The controls which expired yesterday did not work, could not work. More than that, they not only failed to achieve their objective of controlling inflation, they actually succeeded in contributing simultaneously to unemployment and to inflation by creating a host of shortages that have had their impact on every sector of the economy.

Yet it is now seriously proposed that we authorize the President to extend for 30 days the price controls still in effect on April 30, 1974, and to provide him with a 1-year extension of power to impose or reimpose price controls under stated conditions. The sponsors of this proposal have simply turned their backs on not only our own recent experience, but on the lessons of history which document failure after failure of every effort to legislate a suspension of economic laws.

The Heritage Foundation has sponsored a study by Robert L. Schuettinger, under the title "Brief Survey of Wage and Price Control," that is particularly illuminating. Since the year 2800 B.C., when the first recorded attempt was made to control wages and prices, it has been demonstrated time and again that they do not work and cannot be made to work by any group of human beings no matter how altruistic their motives and no matter how imposing their power. The ultimate result of a persistent effort to impose price controls and make them work is to extend them to every aspect of an individual's life until producers are forced by the army and police to bring their produce to market, as was the experience of farmers during the French Revolution.

Mr. President, the sponsors of the proposed extension of economic controls are correct in their forecast that we will see a significant rise in prices now that controls have expired. Most economists, businessmen and labor leaders readily admit that an end to controls will produce a bubble of inflation. This is the price we must inevitably pay as a result of having imposed them in the first place. It will take time for a freed economy to produce the goods required to eliminate the shortages we have created, and to restore conditions where price stability is reachieved. But should even stand-by controls be enacted, we will cause the reaction to be even worse for the simple reason that the mere prospect of a restoration of wage and price controls will cause producers and workers alike to try to stake out early claims to higher prices and wages.

This point was graphically made by Dr. C. Jackson Grayson, Jr., who was in charge of the earlier phases of our recent attempt to regiment a free economy. In reply to a question while testifying before the Banking Committee, he stated:

> One unfortunate lesson learned by business and labor during the various phases is that you had better get wage and price increases when you can rather than exercise restraint. Time and again, "the good guys" got hurt by not getting increases as fast as possible. Many businessmen have told me that they will not reduce prices for fear that a new freeze, a new re-control will catch them with their prices down.

Mr. President, for the past 46 centuries, scores of governments have tried to limit wages and prices by authoritarian controls. When, inevitably, such efforts failed, many have tried to fix the blame on the recalcitrance of their citizens. Democracies, dictatorships, monarchies, and republics have all failed to make economic controls work, and governments have fallen when they have obstinately persisted in trying to make them work. It cannot be denied that the transition from controls to a free market will be difficult but in the long run, producers and consumers are more competent to cope with market conditions than Federal regulators.

Mr. President, I believe it important that the present measure be not only defeated, but that it be defeated so decisively. We must assure the Nation that we will not soon again be tempted to return to wage and price controls as a substitute for a politically more difficult, but nevertheless essential assertion of true fiscal self-control by the Congress.

Mr. CANNON. Mr. President, I am pleased to join with my Senate colleagues today in this important colloquy involving solutions to our serious economic condition. As a cosponsor of the Muskie-Stevenson-Johnson "Cost of Living Act" I must stress that price and wage controls are not in themselves the answer to our runaway inflation. Controls are merely a short-term cure to the "inflationary psychology" presently experienced by many American wage earners and businessmen.

The 14.5 percent rate of inflation during this last quarter has contributed heavily to this "inflationary psychology" phenomena. A wage earner will naturally incorporate this expectation of higher inflation into his wage demands, while the businessman may raise his prices more rapidly, anticipating worse inflation in the coming months.

Access to controls when needed will allow our wage earners and businessmen peace of mind while Congress goes to work on two of the real solutions to inflation—a balanced budget and tax reform. If, as a last resort, controls are found by the President to be necessary, certain segments of the economy should not be singled out unfairly. An even-handed application is needed so that our working men, medical professionals, and local government employees—who have suffered excessively—are treated equitably. For the most part, labor has not made excessive wage demands in the last few years. We must not fail to live up to their faith in us, especially now that their paychecks are shrinking, not growing. The working man's importance in society and his needs must be recognized in any economic controls policy.

While I hope that controls will not be needed, I am very enthusiastic about the proposed monitoring authority which will provide economic data to give the Government more leadtime in preparing for any dramatic economic shifts. The monitoring agency created in this legislation will also allow us to better assess the impact of government and private business policies upon the economy.

Mr. President, I urge prompt and favorable action upon amendment No. 1229 to the International Economic Policy Act.

Mr. TOWER. Mr. President, I ask unanimous consent that Mr. T. J. Oden, of the staff of the Committee on Banking, Housing and Urban Affairs, be permitted the privileges of the floor during consideration of S. 2986 and all amendments pertaining thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I move for a division of the question between section 205, relating to orderly decontrol and standby authority, and the rest of the bill.

Mr. TOWER. The rest of the bill? Mr. President, would the Senator clarify that?

Mr. JOHNSTON. Yes. Excuse me. The rest of Calendar No. 746, which is the Muskie-Stevenson-Johnston amendment. I move for a division of that amendment between section 205, relating to orderly decontrol and standby authority, and the rest of the amendment which is Calendar 746.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Is the amendment divisible without unanimous consent of the Senate?

The PRESIDING OFFICER. The amendment is divisible on demand if it technically can be divided.

Mr. TOWER. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Can the amendment be technicaly divided?

The PRESIDING OFFICER. The Chair would inquire of the Senator of Maine if there is anything in section 205 which when separated from the rest of the amendment cannot stand alone.

Mr. MUSKIE. Mr. President, may I say there is none. I discussed this matter earlier with the Parliamentarian, and it was his judgment, on the basis of our analysis of the bill, that it was divisible. I concur in the request.

Mr. TOWER. I thank the Senator.

The PRESIDING OFFICER. The amended will be so divided.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays on each of the two parts.

The yeas and nays were not ordered.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Does the ordering of the yeas and nays bar a motion to table?

The PRESIDING OFFICER. No, it does not.

Mr. JOHNSTON. It does bar a motion to table on both of the separate parts at one time.

The PRESIDING OFFICER. The ordering of the yeas and nays does not bar it, but it would be out of order to table both under the same motion.

Mr. TOWER. Would separate tabling motions be in order?

The PRESIDING OFFICER. Separate tabling motions on each as so divided would be in order.

Mr. TOWER. So only tabling motions would be in order?

The PRESIDING OFFICER. At the moment, the Chair cannot judge what might be in order. There might be a further division, or there might be other motions.

Mr. BROCK. Mr. President, I suggest the absence of a quorum.

Mr. JOHNSTON. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. JOHNSTON. Mr. President, a short explanation, I believe, is in order, for the action just moved for. There are essentially three parts to the Muskie-Stevenson-Johnston amendment. There is, first, authority for monitoring the economy. Second, there is authority to enforce commitments already in effect. Third, there is authority for standby wage-price controls. The demand I have just made is to separate standby control authority from the rest of the bill.

Frankly, I anticipate that some Senators on the other side of the aisle and some on this side of the aisle will join in a motion to table both parts or either of them. But we believe that all three parts of the bill are of extreme importance, subject to a motion to table the standby control authority, but not have it affect the monitoring authority, or vice versa.

Just a brief word about what standby authority provides, because there is a great deal of misinformation in the Senate, I think, relative to standby authority. The standby authority contained in this amendment does not provide the President with unrestrained authority to control wages or prices. All it does is to allow the President the authority to control wages or prices in a given sector, provided three factors are present: First, if there is inflation in the economy as a whole; second, if there is serious inflation in that particular sector which can be moderated by controls; and third, if the imposition of such controls would not restrict supply.

So the President would have to make those findings as to all three factors. But he would have to publish his findings in the Congressional Register before he could impose the controls that are authorized by the bill. It is not a general scheme of wage and price controls; rather, it is a rifling authority to give the President only that authority which is clearly needed and which would prove clearly to be effective under the circumstances of the act.

In the several weeks of hearings which were held in the Subcommittee on Production Stabilization, of which I was chairman, we heard no opposition to the enforcement of the commitments already given. We heard essentially no opposition to the monitoring authority. The whole opposition has been to the standby controls authority.

I want it clearly understood that the standby authority is not the kind of broad, pervasive authority or a continuation of wage and price controls that some have said the bill involves.

Mr. BROCK. Mr. President, it is sometimes difficult to know where to begin on a bill like this, but I shall start with the letter that was introduced into the RECORD as a part of the comments of the Senator from Illinois (Mr. STEVENSON) from Mr. Dunlop to the Senator from Illinois, in which Mr. Dunlop said he assured the Senator, and obviously Congress, that if we gave him standby authority, he would modify their program—I read his words—

> To insure equity of treatment between wage earners in the health industry and those comparatively situated in other sectors of the economy.

This is the day after the expiration of controls. Why did he not do that before? He goes on to say:

> As you know, it has been my position that the health industry should be removed from the purview of economic stabilization.

This is the qualifier—

> As soon as national health insurance legislation is enacted, specifying a cost-construction program.

In so many words, if we pass any form of standby controls, we have the implicit assurance of the Director of the Cost of Living Council that everybody in the health field will still be covered by wage and price controls regardless of their economic impact.

He points out, in addition, that if wages have to go up because of the minimum wage standards, their budget would obviously have to be raised. So he would undertake a review of the budget in the health field—nursing homes, hospitals, rest homes, and so on. He said that such a review could be conducted by June 1 in order to promulgate them not later than July 1.

Now, come on. What is he really saying to us? First, they are going to keep the health people under control. Second, he grants that inequities that wage earners employed in hospitals and nursing homes have been suffering have severely disadvantaged them under the current program. But that is not going to change the current program. He grants that the budgets of hospitals are going to be severely impacted by the minimum wage legislation passed by Congress. He thinks that the earliest they might do something about it is July 1.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

Mr. JOHNSTON. I invite the Senator's attention to remarks at the outset of the consideration of the bill, in which I stated that based on the testimony before the Subcommittee on Production Stabilization, I did not believe the health care industry would be eligible for controls at this time under the terms of the bill. First, because there is no present serious inflation in the health care field which is causing a serious deprivation or serious hardship. That is an absolute requirement. In other words, it is not sufficient unto the bill that serious hardships and serious deprivation have occurred to cause controls to be removed. Nor is it sufficient to say that if we took off controls, we would have that kind of inflation. But rather there must be, under the bill, present serious hardship and serious deprivation. They are not present.

There were other reasons why the health care industry would not be eligible under the bill.

But in my judgment, based on the testimony, they would not be eligible for control.

Mr. BROCK. As the Senator knows, I have great respect for him as a person and as a legislator. He is remarkably effective and assured. But I can only say that his amendment as drawn would be implemented and interpreted by the administration, and not by the Senator from Louisiana. And this letter tells me that they do not read it the way he does.

This letter tells me that they are going to continue controls of hospital employees, nursing home employees, doctors and nurses, and the entire healthcare system of this country, until, in his words, "national health insurance legislation is enacted." And even then, national health insurance has to, in his words, have a cost constrained program, and that is to me the real question: How do we deal with the fact that they interpret the bill differently from the Senator, and they implement it?

Mr. JOHNSTON. If the Senator will yield, I would suggest that he would have a good bit more influence with this administration than I.

Mr. BROCK. Not on this matter, because we do not agree at all on the economic policies of the administration.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. BROCK. I yield.

Mr. SPARKMAN. As a matter of fact, is it not true that the principal objective of Dr. Dunlop was the power to control health services?

Mr. BROCK. That is correct.

Mr. SPARKMAN. As a matter of fact, he asked for only two, as I recall: Health services and construction.

Mr. BROCK. I have, and will ask unanimous consent to have printed in the Record the plea of the National Protestant-Catholic Hospital Action Committee that standby authority be abandoned, because they know of the intention of the administration and Dr. Dunlop in this area.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement of the National Protestant-Catholic Hospital Action Committee to Members of the United States Senate

We have come to Washington today to urge the Senate to reject the Muskie-Stevenson-Johnston amendment to S. 2986 and any other bill which would extend the Economic Stabilization Act and grant the Administration discretionary authority to impose price controls on selected sectors of the economy. All of the economy should be equitably regulated, or none of it.

There should be no question about what is involved in the vote on the Muskie-Stevenson-Johnston amendment. A vote for that amendment is a vote to impose price controls on the health care industry, and in particular hospitals, but not on other sectors of the economy. Hospitals are not the cause of inflation; they are the victims of it. Any action by Congress that has the effect of singling out the health care industry for price controls will seriously impair the quality of health care provided in this country. It will unfairly limit the wages of the dedicated men and women who care for hospital patients.

The Action Committee represents hospitals operated by Catholic and Protestant religious organizations throughout this nation which provide approximately 200,000 hospital beds, or nearly one-half of all hospital beds provided by non-profit hospitals in the United States.

The health care industry, including in particular hospitals, is one of the few major sectors of the economy currently under Price Control Regulations. The Price Control Regulations applicable to hospitals which the Cost of Living Council has promulgated are unfair and continue to be a major threat to the quality of health care in this country.

Despite the vigorous efforts of the Action Committee, COLC has prohibited hospitals from raising their charges as is necessary to recover their increased costs. Yet hospitals have suffered from inflation. Their costs are in large part determined by factors they cannot control. The cost of food and drugs, for instance, has increased sharply, yet hospitals must continue to supply food and drugs to their patients. Unlike private industry, nonprofit hospitals have a public responsibility to continue to provide unprofitable services—such as emergency rooms. Moreover, hospitals have a legal duty to comply with doctors' orders for patients' treatment regardless of the cost.

Despite these unique characteristics, which make it far more difficult for a hospital to control its costs and its net revenues than other sectors of the economy, the COLC has refused to permit hospitals to increase charges as necessary to recover increased costs. Instead hospitals have been limited to increases of specific percentages which are substantially less than the current rate of inflation.

Consequently, numerous hospitals have been forced to operate at a loss as the direct result of Price Control Regulations, and to reduce the quality of patient care, to compensate for their loss of revenues. In effect, therefore, COLC has mandated that hospital patients, who are at the end of the chain of consumption, absorb the nation's inflation. Hospital suppliers can increase their prices to hospitals and increase their profits to the detriment of the quality of care provided the nation's sick.

COLC's Regulations, therefore, are unfair under the present circumstances. Yet the problems hospitals have already incurred under price controls would be aggravated if the Administration should be granted standby authority to impose price controls on any sector or sectors which it may determine requires such controls. For the Administration has testified in plain terms that it plans to control only the health care industry, and that it will permit the rest of the economy to be uncontrolled. It would be grossly unfair and unworkable to regulate the health care industry in such circumstances:

This is particularly true since the price regulations would, as we mention above, not permit hospitals to raise their prices as necessary to recover the increased costs they will incur because the remainder of the economy, including particularly hospital suppliers, will be decontrolled and be free to raise their prices without limit.

For this reason we urge you to vote against any grant of authority to the administration to provide selective standby controls. Moreover, to mitigate the unfair effect of any selective controls, should such legislation be enacted, we urge you at least to support an amendment which would permit firms, including hospitals, to recover at least their increased costs. Otherwise more and more hospitals will be forced into loss positions, and will be forced to reduce the quality of care they can give their patients. We cannot believe that the public interest is served by granting the Administration authority which will have that effect.

Respectfully submitted,

National Protestant-Catholic Hospital Action Committee

By Sister Myra James, S.C., Penrose Hospital, Colorado Springs, Colo.

Sister Mary Kieran Harney, R.S.M., Mercy Hospital, Des Moines, Iowa.

Thomas E. Callahan, Catholic Hospital Association, St. Louis, Mo.

Gaston Herd, Administrator, Fort Hamilton-Hughes Memorial Hospital Center, Hamilton, Ohio.

James P. Streitz, Administrator, St. Elizabeth Hospital, Danville, Ill.

James P. Richardson, President, Presbyterian Hospital, Charlotte, N.C.

Sister Mary Brooks, C.S.C., Administrator, St. Johns Hickey Memorial Hospital, Anderson, Ind.

William R. Furrey, Asso. Administrator, Memorial Hospital, Chattanooga, Tenn.

Charles D. Phillips, Ed. D., Executive Director, American Protestant Hospital Assn., Chicago, Ill.

Sister Mary Maurita Sengelaub, R.S.M., Executive Vice President, The Catholic Hospital Association, St. Louis, Mo.

L. R. Jordan, President, Baptist Medical Centers, 3201 4th Avenue South, Birmingham, Ala.

Mr. BROCK. The Senator from Louisiana says he is a friend of the small businessman, and I believe him. He says he is a friend of the working man, and I believe him. I believe that those who share his feeling on this amendment have that same motivation.

But there have been times in my life when I have said, "Deliver me from my friends," and in this particular case I think there may be some small business people and working people in this country who would feel the same way.

When this proposal was before the Banking Committee, it was defeated by a vote of 11 to 4. We not only defeated this measure, but went on to defeat the administration's bill by a vote of 15 to 0. The House committee rejected the same proposal 21 to 10.

Every witness—every one—testified against an extension of controls. The fact that controls do not work leads one to the conclusion that the worst possible can of worms that could be perpetuated on the people of this Nation would be to lead them to believe that the rapid inflation we are presently experiencing could be contained through an elaborate system of economic controls, even on a standby basis.

Not only will that fail to contain inflation, but the American people will never put up with the serious dislocations which will be brought about if controls are continued indefinitely.

We have controls now. The proponents of this amendment have made my argument, because we have had an escalating rate of inflation under controls. They talk about a 14.5 percent increase in the Consumer Price Index. That was not after controls, it was before they were taken off.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. BROCK. Yes.

Mr. MUSKIE. I do not agree with the Senator's analysis of what produced the escalation in prices in the past year. It is not the existence of controls or the existence of control authority. It was the abandonment of meaningful controls in phase II.

Controls had worked up until that point. They worked to the point of reducing the annual rate of inflation from something between 4.5 percent and 5 to 3.6 percent.

No one quarrels with the record on that point. We had disagreements with the President about some applications of control authority, but it was not the existence of controls that produced inflation; it was the abandonment of controls.

The Senator says we make his argument. We do not at all. We disagree with the theory that the existence of controls led to inflation. And we do not contend that the enactment of this legislation would necessarily control it. What we are saying is that we are not willing to let all control authority lapse on the assumption that there are no conceivable circumstances under which we would find it useful to have this kind of authority at hand to use.

Second, we believe, and we are joined in the belief by a number of eminent economists, that a rational phaseout decontrol, which the Cost of Living Act would allow, can have some inhibiting effect upon inflationary price increases.

From where I sit, and from the point of view of the American citizens with whom I talk, any small relief from inflation would be welcome.

The reason I offer this proposal is because I cannot see us moving into a period of unrestrained inflation without any authority in existence at any level of government to deal with it efficiently under any conceivable circumstances.

I understand, of course, that a majority of the Banking Committee has expressed disagreement on this point. I do not normally advocate bypassing such a capable committee. But, we disagree with the vote they took.

I have merely described my own motives and rationale. I simply wanted to respond to the Senator's suggestion that he was articulating our rationale. He was not at all.

Mr. BROCK. Well, Mr. President, despite my affection for the Senator, I could not more thoroughly disagree. Controls have resulted in incredible dislocation in this economy. They have created shortages, unemployment, and loss of jobs and property without due process of law, without protection to the individual, the family, the company, or anyone else; and I find it difficult to understand how we can go before the people of any State of this country—certainly I cannot in Tennessee—and justify to them a continuation of a policy which has literally clobbered the working people of this country. In the last year, they have lost almost 5 percent of their real income, not as a result of their own lack of effort, not as a result of lack of productivity, but because the Government of this country imposed restrictions on the production of this country, impeded the processes of the market, and made it impossible for them to compete.

Mr. MUSKIE. Mr. President, is the Senator saying to the American people that his policy of abandonment of all controls will bring inflation under control, and that there will not be, for the remainder of this year, shrinkage of earning power such as they have already experienced? Is that what the Senator is promising?

Mr. BROCK. I am saying this: that you cannot interfere with the workings of the marketplace without jeopardy. You cannot limit the right of the American worker to compete, to produce, without jeopardizing his job. That is happening today.

If you want to talk about throwing in the towel, the administration and the last administration did that years ago. We saw the signs. We saw the gold flow in 1970, and did nothing but window-dressing to hide it. We did not inhibit the gold flow to Germany. We did nothing.

Mr. MUSKIE. The Senator is not answering my question. I asked what his policy would produce in terms of increased prices, continued inflation, continued shrinkage of income, continued instability of inflation, of employment, of production, and continued shrinkage in the value of the dollar.

Mr. BROCK. My policy, in the last 4 or 5 years, would have produced a whole lot less inflation than controls, I will tell you that. If we turn the American people loose they will produce.

Mr. MUSKIE. Is the Senator saying that by the end of this year prices will be stable and there will be no more shrinkage of incomes? What is the Senator saying?

Mr. BROCK. The Senator is not saying that. Every witness who came before our committee testified that inflation would continue at an unbelivable rate. Some said as low as 7 percent, some said as high as 12 or 15 percent. Everyone said we would have continued inflation. I asked each witness in turn, "What would happen if we leave controls on?" We are going to continue to have inflation. What happens if we do take them off? It will continue. But if we take them off, we can produce and get a supply in the marketplace to give the American housewife some chance to buy a product on the shelf. Ultimately the marketplace will reduce supply. If we leave controls on, there will be no chance for the marketplace to respond. We will not deal adequately with inflation.

Mr. MUSKIE. Then the Senator would leave the problem to the marketplace?

Mr. BROCK. No. I would avoid the horrible price freeze by the Senator's amendment on standby controls, which are the most inflationary of all devices, that forces people to respond in anticipation, out of a desperate fear that the Government will reimpose on them, so that they will raise prices. Just wait until you get rid of them.

Mr. MUSKIE. If the Senator is not going to leave it to the marketplace, what is he going to do?

Mr. BROCK. I have been fighting for a long time in for Congress to reestablish its own controls. The Senator from Maine has shared in that fight with me for budget reform.

Mr. MUSKIE. But budget reform will not take effect until 1976.

Mr. BROCK. Then let us speed up the process and deal with the fundamental imperfections in Government instead of worrying about something else. Let us put our own house in order.

Mr. MUSKIE. With regard to budget reform, the Senator is a member of the conference committee. Does the Senator expect to be able to change that and make the change in that legislation to implement budget reform before 1976?

Mr. BROCK. I would be delighted to do so.

Mr. MUSKIE. I am asking the Senator again, does he propose to leave this problem to the marketplace between now and 1976?

Mr. BROCK. I believe in supply and demand in the marketplace. I would remove all impediments to production by the American people. They should be free from controls. We should make Congress do the job as well as the American people.

Mr. MUSKIE. What the Senator proposes to do is to permit the Economic Stabilization Act to rest in peace, let the controls die, and leave the rest of the problem to the marketplace. I am simply trying to get the Senator's policy——

Mr. BROCK. I do not want it to rest in peace, I want it to die a violent death.

Mr. MUSKIE. I should like to make that point clear—and it is not clear from what the Senator is saying—that what he is proposing as a policy is to leave it to the marketplace. Is that correct?

Mr. BROCK. I would propose a policy for this Congress and the administration to be more responsive than it has been in the 11 years that I have served here, to do their job responsibly as we should do it and not try to do the American people's job for them. Let them produce. They produce. We do not produce things of value here. Let us get off the backs of the American people so that they can produce.

Mr. MUSKIE. The Senator means leaving it to the marketplace then?

Mr. BROCK. Leave it to the American people.

Mr. MUSKIE. That is the marketplace.

Mr. BROCK. Yes.

Mr. MUSKIE. And not to Government policy?

Mr. BROCK. I would get off the backs of the American people.

Mr. MUSKIE. If there is to be no Govenment policy, then what is the Senator's policy?

Mr. BROCK. To have a constructive fiscal impact on the part of the Government but not to have us interfere in their policy. That is what the Senator is proposing, that we interfere with the right of the American people to produce.

Mr. MUSKIE. Every time I ask the Senator what his policy is, he gives his description of mine. Mine is clear. I am inquiring as to what the Senator's policy is and every time I ask him whether he is leaving it to the marketplace, he says, "Oh, no, no, no. We will have a policy." But, what is it, Senator?

Mr. BROCK. I would leave production in this Nation to business. I would leave it to the free enterprise system, to the people who constitute it. I would not interfere with the free working out of that process. I would establish a much more rational policy, had I the votes in Congress and in the administration. That is where our responsibility is.

Mr. MUSKIE. At the moment, the Senator has no policy, no Government policy at all. Is that what I understand correctly?

Mr. BROCK. Oh no, my policy is to remove Government impediments to production by the American people—all Government interference, all Government control, all Government restraints on freedom to produce. That is my policy.

Mr. MUSKIE. The Senator is going to leave it to the marketplace with no policy to deal with unpredictable circumstances——

Mr. TOWER. Mr. President, will the Senator from Tennessee yield to me now?

Mr. BROCK. I yield.

Mr. MUSKIE. All I want is some clarification. If I misstate the Senator's policy, I would want it clarified. But, once I understand it, I am going to analyze it with as little mercy as the Senator treats my policy. I want to understand it, because I would not want to misstate what the Senator's policy is.

Mr. BROCK. Make no mistake about it, I do not believe the Government is competent to run American business. It never has been and it never will be. I do not think we are competent to make market decisions. I do not want the Federal Government running a gas station, much less the energy field, or to practice medicine on my children, any more than I want someone out of this particular body to do so. That is my policy. If the Senator does not understand it, I should like to restate it, that I believe in freedom of the marketplace and in the capacity of the American people to produce, without restraints or impediments placed on them by the Government.

I now yield to the Senator from Texas.

Mr. TOWER. Mr. President, may I say that the proposal by the distinguished Senator from Maine is simply a cosmetic application. It is not a program. As a matter of fact, probably its worst effect would be to cause an expectational effect on business and labor and this would result in a rise in prices and wages. That would be worse than no policy at all. A policy, even the one by the Senator from Maine, would do nothing to control the worldwide efforts to control the inflation that we have.

Mr. President, we have debated this in the committee, and in the subcommittee, and we have debated it here on the floor of the Senate. There has been a great deal of talk about it. There has been debate in the conference of the two respective bodies. Debate still goes on. More and more amendments are lurking in the background. We probably will not get anywhere in the House anyway, so that this is an exercise in futility even if we could get some kind of decent economic stabilization bill.

I point out, therefore, that I think if this debate is continued, during the course of time, when controls have already expired, it will really precipitate some of the very things we are trying to avoid, and that is, an inordinate bulge in prices and wages.

Therefore, we must take a surgical approach to this matter. I do not like to gag anyone, but here has been considerable debate on this matter, and therefore, I move to table S. 2986.

Mr. MUSKIE. Mr. President, will the Senator withhold that for a moment?

The PRESIDING OFFICER (Mr. McClure). The question is on agreeing to the motion——

Mr. JOHNSTON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Louisiana will state his point of order.

Mr. JOHNSTON. Mr. President——

Mr. MUSKIE. Mr. President, will the Senator withhold that request for a moment? I may point out to the Senator that this is——

Mr. TOWER. I cannot hold it for long——

Mr. MUSKIE. I have not had a chance to speak on this amendment yet today, so that I believe he would indeed be gagging someone. I am for limiting debate, if I could reach agreement with the Senator——

The PRESIDING OFFICER. The motion is not debatable.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

Mr. JOHNSTON. Mr. President, a point of order.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSTON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Louisiana will state his point of order.

Mr. JOHNSTON. There has been a division of the question between section 205 of the bill and the rest of the bill. I believe that a motion to table directed to the entire bill would be out of order.

The PRESIDING OFFICER. The division was on the amendment. The motion to table is on the entire bill. The motion to table is in order.

Mr. MUSKIE. Will the Chair kindly repeat his parliamentary ruling?

The PRESIDING OFFICER. The division was on the amendment. The motion to table is on the entire bill. The motion to table is in order.

Mr. MUSKIE. Earlier the Parliamentarian ruled that——

The PRESIDING OFFICER. The motion is to table the entire bill. The yeas and nays have been——

Mr. MUSKIE. Mr. President, may I say to the Parliamentarian that there was discussion on the floor earlier, so that we were given clearly to understand that we could have separate votes on a motion to table the two parts of the Muskie amendment.

Mr. TOWER. Mr. President——

The PRESIDING OFFICER. The Chair would state to the Senator from Maine that the earlier colloquy and the earlier ruling was with respect to a division of the amendment. A motion has been made to table the entire bill. The earlier ruling on the motion to table was in response to a question concerning a division of the amendment, and tabling the amendment. The motion to table is to the entire bill.

The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, I do not question the Chair or what the Chair has just said. The understanding was earlier that a division of the amendment would be in order. The Senator from Texas is within his rights to move now to table the entire bill.

I merely take the floor at this time to ask the Senator from Texas whether he would consent to withhold his motion to table the bill at this time and give the Senator from Maine a vote either up or down on his amendment or move, instead, to table the amendment and let the Senator from Maine have a vote on both parts, or on tabling both parts of his amendment?

Mr. TOWER. In response to the inquiry of the Senator from West Virginia, I do not feel constrained to do that because of the rash of amendments that I feel are going to be offered; and I am afraid that we are going to be in a position of putting together an awful piece of economic stabilization legislation. It would be "destabilization" legislation. I, therefore, reiterate my motion to table the bill.

Of course, if others want to debate this subject for days, perhaps even weeks, then they can vote against this motion. But I think that every segment of this economy wants controls to end now.

Therefore, Mr. President, I reiterate my motion to table S. 2986.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. GRIFFIN. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The motion is not debatable.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his motion for another minute?

Mr. TOWER. I will withhold it for 1 minute, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I have a suggestion which would allow the Senate to vote on tabling both titles of the amendment and also the bill, without intervening amendments. It would simply be this: that we get unanimous consent to vote on a motion to table the amendment of the Senator from Maine, the vote to occur on tabling the price and wage control part of it first, immediately followed by a vote to table the monitoring part of it, to be immediately followed by a vote on tabling the bill, with no intervening amendments allowed to come in. There would be three votes to table, back to back. The Senator from Texas would then accomplish his purpose, and the Senator from Maine would also achieve his goal.

Mr. TOWER. I respectfully say to the distinguished Senator from West Virginia—and I think he knows that I have generally been disposed to be cooperative with the leadership on these matters—that, as a matter of legislative judgment, I would prefer to pursue my original motion to table S. 2986, and I reiterate it.

Mr. MUSKIE. Mr. President, will the Senator grant me 30 seconds?

The PRESIDING OFFICER. The motion is not debatable.

Mr. GRIFFIN. Mr. President, I call for regular order.

Mr. MANSFIELD. Mr. President, will the Senator from Texas allow the Senator from Maine to speak for 2 minutes?

I ask unanimous consent that, without the Senator from Texas losing his right to the floor, the Senator from Maine be allowed 2 minutes to make his remarks.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Provided that my motion will still be in order in 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maine is recognized for 2 minutes.

Mr. MUSKIE. I simply make the point that I was willing to agree to a total of 2 hours to debate the whole bill. The notion that we are going to debate this measure for days is simply not based on facts, as the Senator from Texas knows.

This is the first time in my experience in the Senate that the offeror of an amendment has been denied, by this kind of gag-tabling motion, an opportunity to speak on his own amendment.

I urge the Senate to oppose the motion to table.

Mr. HELMS. Mr. President, on Monday afternoon I presided over the Senate for the better part of 3 hours, and during that time I was privileged to hear the eloquent presentations by Senators JOHNSTON, CHILES, and MUSKIE as they advocated retention of so-called standby controls. I also heard the equally eloquent statements by Senators SPARKMAN and PROXMIRE, and others, in opposition to such controls.

As the distinguished present occupant of the Chair well knows, the presiding officer cannot participate in debate on the floor. So, in a sense, it is a limitation to be in the Chair. But it also provides time to think, and to analyze, and to view vital issues in perspective.

I thought to myself on Monday, Mr. President, how ironic the problem of inflation really is. Not for one moment would I reflect disparagingly upon any of my colleagues. They are wise and well-intentioned men. But when it comes to inflation, and how to prevent it, or how to cure it, a huge blind spot seems always to hover before the eyes of the Congress of the United States. It is amazing that the Congress for so long, and so constantly, has refused to face up to some elementary facts of economic life.

The first one, Mr. President, is the inescapable fact that the Congress, over a period of a generation, has been the principal architect of inflation. Oh, Mr. President, I well realize that nobody wants to take the blame for the economic shambles of our country. But deep down, I really doubt that there is one Member of the Senate, or of the House of Representatives, who does not realize that the cause of inflation lies right on the doorsteps of the Congress.

It began as long ago as 40 years ago, or more—at that point in history when it was considered smart politics to engage in deficit financing on an enormous scale. We told ourselves, and we persuaded the American people, that the Federal debt did not matter, that we just owed it to ourselves. So the sky became the limit, and we rolled out the pork barrels, we fought three wars, and we established every conceivable kind of Federal giveaway programs—and we did it all on credit. Now, the American people are paying for it.

Year after year we did it; decade after decade. At first, the erosion of the buying power of the dollar was of little concern. The clamor for a free ride on the gravy train drowned out all words of warning. Indeed, those who spoke of fiscal responsibility were often shunted aside as reactionaries and ultraconservatives.

So where, Mr. President, do we stand today? Well, a week or so ago—it was April 18, to be exact—I asked the Treasury Department to give me the exact total of the Federal debt as of that day. It turned out to be $473,014,648,856.11. And, upon further inquiry, the Department informed me that on the same day last year—April 18, 1973—the total Federal debt was $455,570,163,323.85. This represents an increase of about $18 billion in 12 months time.

Now, Mr. President, this is where the body is buried. This is the cause of inflation. We can talk about controls, we can debate bills and amendments all we like. We can go home and make political speeches to our hearts' content. But unless and until we balance the Federal budget, we're just kidding ourselves—and deceiving the American people. No kind of system of Federal controls is going to work. Indeed, adding Federal controls will simply continue to compound the miseries we thrust upon the American people by saddling them with a constantly increasing Federal debt.

The interest alone of the existing Federal debt, for the present fiscal year, will cost the American taxpayers an estimated $30 billion. That amounts to about $923 a second.

Think of it, Mr. President. Nearly a thousand dollars a second—for interest alone, on the existing Federal debt—every time the clock ticks.

These are facts, Mr. President. This is simple arithmetic. It is not pleasant to contemplate one's own folly—but I, for one, believe it is time for Congress to look the American people in the eye and confess: We caused it—we and our predecessors, who permitted the Government of the United States to wander around so long in the swamps of deficit financing—and, worse still, let the people believe that it was sound economics to do so.

So, Mr. President, here we stand today, again debating whether to enact legislation allowing the implementation of stand-by controls. I submit, Mr. President, that an amendment I have drafted, and which I will call up if the Senator from Texas (Mr. TOWER) is not successful in lobbying the Muskie amendment, offers the only hope of bringing inflation under control. There is only one mechanism that has the slightest chance of dealing with the inflation plaguing the American people, and that is a prudent, fiscally sound government which allows the free enterprise system to function.

It has been said many times on the floor, Mr. President, that the American people are looking to the Congress for action. I believe that is a correct assessment. Where I sincerely believe some of my colleagues to be in error lies in the kind of action they are recommending.

The time has come to bite the bullet, admit our economic mistakes of the past, and turn to logic and simple arithmetic for an honest solution to our problem. For the sake of the well-being of the people we represent, we simply must balance the budget and begin the hard and painful task of bringing this inflation to an end.

Mr. President, I ask unanimous consent that my amendment to S. 2986 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, even the most superficial glance at the budget proposal for fiscal year 1975 reaffirms my belief that the Federal budget must be balanced and fiscal sanity restored. This can happen only if we muster the courage and integrity to turn to principles of sound fiscal responsibility—a balanced budget, reduced Federal spending, and more budgetary control on future spending.

The administration has submitted a budget with projected outlays of $304.4 billion, based upon projected receipts of only $295.0 billion. On its face, then, this budget proposal calls for a $9.4 billion deficit. But this is not quite the full amount of deficit spending envisioned by the fiscal year 1975 budget. Because the administration persists, with the Congress aiding and abetting, in using the "unified budget" concept which allows special trust fund receipts to be included in the total of Government receipts, the true dimensions of deficit spending are not readily apparent. The Congress and the various administrations through the years share a common guilt in misleading the people in this matter. It is time that we atone for our sins.

Breaking the budget down by accounts gives a clearer picture of the true size of the deficit for fiscal year 1975. Projected receipts in the trust fund accounts are projected to be $115.8 billion, with projected outlays of $107.4 billion, leaving an obvious surplus in the trust fund accounts of $8.4 billion. Since trust fund monies cannot be transferred directly into the Federal fund, they must be borrowed by the Treasury, thereby increasing the national debt.

In the Federal fund account, projected receipts are estimated to be $202.8 billion, with projected outlays figured at $220.6 billion. Using the so-called "unified budget" concept to arrive at its projected deficit, the administration merely subtracted the $8.4 billion surplus in the trust fund accounts from the $17.8 billion deficit in the Federal fund account, and came up with a figure of $9.4 billion as its projected deficit. In other words, since the trust fund accounts have traditionally had a small surplus, this surplus is added to the Federal fund deficit and effectively camouflages the deficit spending in the Federal fund, which is used for general Government operations.

Therefore, I submit that a more accurate estimation of the projected deficit for fiscal year 1975 would be $17.8 billion. It is interesting to note here, Mr. President, that the administration, on page 28 of the budget proposal, projects a net rise in the national debt subject to a limit of $19.8 billion. The similarity of these two figures is more than interesting; this similarity seems to point out that the national debt, on which this Nation's taxpayers will pay an interest of $29 billion—twice the size of the entire budget outlays for fiscal year 1941, at the beginning of World War II—is raised this year by an amount close to the actual deficit that is projected for fiscal year 1975.

Mr. President, I ask that a table which I have prepared showing how the figures I have just broken down, be included in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Analysis of the fiscal year 1975 budget proposal

	Billion
I. Budget totals: [1]	
Projected receipts (including trust fund receipts)	$295.0
Projected outlays by the administration	305.4
Projected deficit	9.4
II. Budget breakdown by accounts:	
Projected receipts in the trust fund accounts	115.8
Projected outlays in the trust fund accounts	107.4
Trust fund surplus estimate for fiscal year 1975	8.4
Projected receipts in the Federal fund	202.8
Projected outlays in the Federal fund	220.6
Projected deficit in the Federal fund	[2] 17.8
III. Means by which the Nixon administration arrived at its deficit figures:	
Projected deficit in the Federal fund	17.8
Projected surplus in the trust accounts	8.4
Projected deficit	[2] 9.4

[1] Federal Budget for fiscal year 1975: Summary at p. 46.

[2] Actual Budget Summary figures are 17.9 billion dollars, due to "rounding off" by budget officials; however, adding the figures or subtracting them as the case may call for often gives slightly different results—in this case, the sum would be $17.8 billion.

Mr. HELMS. Mr. President, factors exist which possibly could tend to increase the size of the deficit for fiscal year 1975. The budget proposal is posited on the assumption that unemployment will remain at 5.5 percent, but private economists writing in the Wall Street Journal put the figure at 5.7 percent, a projection also put forth by Data Research Associates, Inc., a firm employed by the Congressional Research Service of the Library of Congress. This 0.2 percent projected rise in unemployment will mean that there will be fewer dollars taken in by the Government in the form of taxes and more outlays from the Treasury in the form of welfare and unemployment payments.

Based on a generally recognized rule of thumb that a one billion dollar increase in the deficit can be anticipated for each 0.1 percent rise in the rate of unemployment, this means that there well could be an additional $2 billion deficit this year.

Another factor which could increase the amount of the deficit for this fiscal year is an underestimation on the part of the administration with regard to the amount of projected revenues. This coming fiscal year, the administration projects $295 billion in revenues; estimates by staff members of the Joint Economic Committee put this figure as low as $282 billion. Here, Mr. President, we have a possible deficit of $30.8 billion.

These are gloomy figures indeed, Mr. President. If we in the Congress are to get a handle on this budget, if we are to prevent continued runaway inflation which deficit spending inescapably fuels, then we must take steps to balance the budget and reduce expenditures.

Five times already, the distinguished Senator from Virginia, Mr. Byrd, and I have attempted to have legislation passed which would balance the budget. Five times, the Senate has rejected such a move, although there is strong sentiment in the Senate to see that we have a balanced budget. On 1 vote, 43 of our colleagues indicated their support of such a move.

Exhibit 1

At the end of the bill add a new title as follows:

Sec. 1. Beginning with the fiscal year 1975, the nontrust fund expenditures of the Government of the United States during each fiscal year shall not exceed its revenues from all nontrust sources for such year.

Sec. 2. (a) Beginning with the fiscal year 1975, the President shall submit a budget pursuant to the Budget and Accounting Act of 1921, as amended, in which nontrust fund expenditures do not exceed nontrust fund revenues for each fiscal year.

(b) The provisions of this section may be adjusted to reflect any additional revenues of the Government received during a fiscal year resulting from tax legislation enacted after the submission of the budget for such fiscal year.

SENATOR RANDOLPH SUPPORTS EFFORT TO PROVIDE CREDIT TO AMERICAN CONSUMERS

Mr. RANDOLPH. Mr. President, I support the Muskie-Stevenson-Johnston amendment—the Cost of Living Act of 1974—which I cosponsor. The urgency of the responsibility of this body to stem the present inflationary cycle was stressed last week when the Senate Democratic Conference passed a resolution opposing the administration's abandonment of the fight against inflation and we pledged our efforts to restrain it.

Our Nation's present economic situation is confusing to laymen and economists alike. We have inflation, deflation, and acute shortages all at the same time. This month the American people are scanning the wage-price control scoreboard: for the first quarter of 1974, at an annual rate of increase, inflation is up 10.8 percent; Consumer Price Index has risen 14.5 percent; the wholesale price index has increased a whopping 24.8 percent; and yet average real wages continue to drop.

This bill, to provide standby wage-and-price control authority, is in many cases not a popular one as several colleagues have pointed out. I have weighed carefully the views of knowledgeable and articulate economic spokesmen who advocate discontinuation of the economic stabilization program. However, we must not forget the lesson of the hasty lifting of phase II controls in January of last year and the detrimental effects that such a recurrence could have in efforts to cool down inflation. Santayana gave wise words:

> Those who cannot remember the past are condemned to repeat it.

This is now a time for economic progress but with precautionary measures. It is my hope that meaningful standards can be established under this bill which will not cause unfair allocations or material shortages as we have recently experienced, and will aid in creating a better free market system for our country through a further gradual elimination of all controls.

I have been involved in cases with the Cost of Living Council which eased controls to companies in exchange for the company increasing production or placing ceilings on wages and prices. That process is not an easy one. Many questions are asked and paperwork is voluminous. It is a lengthy and expensive approach, particularly for small businesses. If sectors of business can exhibit responsible action to avoid the use of stand-by authority after this shaky period in our economy, the Senate will scrap this Cost of Living Act. Good faith bargaining can certainly continue on a larger scale without companies fearing an across-the-board freeze, which is prevented in this bill.

Guidelines still exist for some sectors of the economy now not directly under controls. There are as yet brush fires which need attention in the near future. Within a period of time, after a bulge in prices and wages are made commensurate with the cost of living, a restoration of critical shortages of materials will help us move toward a free market mechanism which will help bring a downward inflationary trend. Controls, I doubt, are not effective against natural economic forces.

This standby authority does not prevent firms from economically increasing their capacity. This act will allow companies to enter the front door of our domestic economy as opposed to going out the side door by exporting goods abroad for higher prices and greater profits.

It is my strong hope that the administration would use this standby authority wisely to encourage business whenever possible to lower its prices and use restraint so that with responsible measures, they would have no reason for fear of recontrol.

Mr. President, the administration has expressed no desire to continue the Committee on Interest and Dividends, which monitors bank rates and dividend payments. The Committee on Interest and Dividends was created in October 1971 by Executive order. It is anticipated that if the committee is not extended past April 30, a surge in interest rates on small business and consumer loans could occur. There is no question that if this committee and its voluntary dual prime interest rate system are discontinued, rates on loans to small business, farmers, and consumers will rise. This amendment authorizes the President to stabilize interest rates consistent with orderly economic growth. Business loans can be controlled without furthering the sluggishness of the economy by over-tightening the capital to small borrowers. Additional burdens must not be added to American consumers and homebuyers by the lack of availability of credit.

Mr. GRIFFIN. Mr. President, all of us share concern for the provision of quality health care at reasonable prices. The expiration of all price controls last midnight has now lifted a very difficult burden which was being borne by hospitals and nursing homes.

Many of these vital institutions have just survived a harrowing brush with economic disaster. Under phase IV, as we know, they were required to absorb price increases in the commodities they had to buy—while being prevented from raising the rates they charged for their own services.

The resulting economic squeeze on hospitals and nursing homes offers a valuable lesson in the serious perils which are inherent in resorting to selective wage and price controls.

In this regard, experiences of two hospitals in western Michigan have been brought to my attention by Mr. Donald F. Andrews, administrator of the North Ottawa Community Hospital in Grand Haven, and Mr. Donald E. Strange, associate director of the Holland City Hospital in Holland, Mich.

Holland City Hospital, in confronting the possibility of the continuation of wage and price controls into its 1974–75 fiscal year, provided me with a stark—but illuminating—analysis of its situation.

Mr. President, I ask unanimous consent to have this statement printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

The Phase IV regulations set hospital charge and expense increase limits at 7.5 per cent per inpatient stay. Hospital out-patient service charges are limited to a 6 per cent increase. Under Phase IV regulations Holland Hospital will have to cut its staff by 15–25 people. These staff cuts will include all areas of the hospital. Our new respiratory therapy service, greatly needed by our physicians and patients, will have to be reduced considerably. The Director of Volunteer Services position which the Hospital Auxiliary agreed to pay for will not be able to be added. Nor will we be able to add the staff members required in the new outpatient surgery program scheduled to begin July 1. Our budget requirements for 1974–75 will have to be reduced by over $360,000. Critical staff reductions will also be required in maintenance, housekeeping, laundry, laboratory, radiology, accounting, administration, nursing, medical records, pharmacy, and nuclear medicine. Before the year is over it is anticipated that we will have to begin to use our funded depreciation for day to day operating expenses. The only way which we can restrict our costs and revenues to comply with Phase IV while the price of all goods and services we purchase go uncontrolled is to reduce the quantity and quality of the services we provide. The 7.5% limitation is simply not enough to handle such price increases as:

Meat, 19–27%.
Lettuce, 60%.
Potatoes, 235%.
Sugar, 21%.
Pineapple, 30%.
Tomato Juice, 15%.
Beets, 13%.
Jello, 29%.
Flour, 35%.
Rice, 36%.
Eggs, 18%.
Milk, 15%.
Bread, 35%.
Institutional Dish Soap, 100%.
Soup Base, 32%.
Paper Forms, 9–93%.
Sleeper gowns, 50%.
Needles, 33%.
Catheters, 51%.
Surgery Gowns, 169%.
Pillows, 25%.
Syringes, 40–60%.
Adhesive Tape, 37%.
Suture, 9–64%.
Draw Sheets, 14%.
Blankets, 29%.
Surgical Gloves, 10%.
Cleaning Cleanser, 23%.
Mattress Pads, 15%.
Utilities, 6–20%.

These are representative of similar price increases for several thousand items which the hospital must regularly purchase. We have experienced such increases despite our participation in several substantive shared hospital purchasing organizations.

The inequities of being unable to pass through price increases in supplies and services is compounded by the continuation of Phase III wage controls for hospitals. The 5.5% wage controls continue for each employee unit. Hospital employees should not be expected to subsidize our health care system at a time when built-in cost-of-living clauses in many union contracts and the deregulation of all other industries will permit wage settlements of 9–13% per year. Hospital employees should have the same right as employees in other industries to earn a fair wage rate for their labors. To continue such controls is counter productive to the motivation required of many of our nation's hospital employees if we are to continue to refine and develop an ever more effective and efficient health care system.

Mr. GRIFFIN. Mr. President, on the wage front, North Ottawa Community Hospital compared the wages its employees received with those of workers in comparable jobs for city, county, State, and Federal Government. Under wage controls, the study found, "the hospital is paying less for similar work than the other governmental agencies." It concluded:

At the current rate of inflation it would be impossible for hospital employees to keep pace with the cost of living. If the hospital is kept under mandatory wage-price controls, we will drop even further behind, which can cause related employee problems, dissatisfaction, and perhaps lose some good employees to other employers.

Mr. President, experience and facts like those submitted by these two fine Michigan hospitals should serve to warn us against further flirtation with such an inherently inequitable device as selective wage and price controls.

Mr. TOWER. Mr. President, I move to table S. 2986.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. METCALF (when his name was called). Mr. President, on this vote I have a pair with the Senator from Ohio (Mr. Metzenbaum). If he were present and voting he would vote "aye." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Hawaii (Mr. Inouye), the Senator from North Carolina (Mr. Ervin), the Senator from Ohio (Mr. Metzenbaum) and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mr. Tunney) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Florida (Mr. Gurney) would vote "yea."

The result was announced—yeas 49, nays 43, as follows:

[No. 165 Leg.]

YEAS—49

Aiken
Allen
Baker
Bartlett
Beall
Bennett
Bible
Brock
Brooke
Buckley
Burdick
Church
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hartke
Hatfield
Helms
Hollings
Hruska
Mathias
McClure
McGovern
Mondale
Packwood
Pearson
Percy
Proxmire
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Thurmond
Tower
Weicker
Young

NAYS—43

Abourezk
Bayh
Bentsen
Biden
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Cranston
Eastland
Hart
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Randolph
Ribicoff
Roth
Stennis
Stevenson
Symington
Taft
Talmadge
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Metcalf, against

NOT VOTING—7

Bellmon
Ervin
Fulbright
Gurney
Inouye
Metzenbaum
Tunney

So Mr. Tower's motion to lay on the table S. 2986 was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote, and ask for the yeas and nays.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

Mr. MANSFIELD. Mr. President, I move to reconsider and I ask for the yeas and nays.

The VICE PRESIDENT. The motion to table has been made, and the question is——

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to lay on the table the motion to reconsider. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BIDEN. Mr. President, on this vote I have a live pair with the junior Senator from Ohio (Mr. Metzenbaum). Were he present and voting, he would vote "yea." Were I permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Hawaii (Mr. Inouye), the Senator from Ohio (Mr. Metzenbaum), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mr. Tunney) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

The result was announced—yeas 42, nays 50, as follows:

[No. 166 Leg.]

YEAS—42

Aiken
Allen
Baker
Bartlett
Beall
Bennett
Brock
Brooke
Buckley
Church
Cook
Cotton
Curtis
Dole
Domenici
Domenici
Eagleton
Fannin
Fong
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Long
Mathias
McClure
Packwood
Pearson
Percy
Proxmire
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stevens
Taft
Thurmond
Tower
Weicker
Young

NAYS—50

Abourezk
Bayh
Bentsen
Bible
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Eastland
Gravel
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Randolph
Ribicoff
Roth
Sparkman
Stennis
Stevenson
Symington
Talmadge
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Biden, against.

NOT VOTING—7

Bellmon
Ervin
Fulbright
Gurney
Inouye
Metzenbaum
Tunney

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The question now recurs on the motion to reconsider.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

Mr. TOWER. Mr. President, do I correctly understand that that motion is debatable?

The PRESIDING OFFICER. The motion is not debatable.

Mr. TOWER. Mr. President, I think we have witnessed today a textbook demonstration of party discipline that is seen very often in the British Parliament, but rarely in Congress.

Mr. MANSFIELD. Mr. President, I do not believe that the proposal before the Senate is debatable. I ask the Chair for a ruling.

The PRESIDING OFFICER. The motion to reconsider the motion to table is not debatable. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I was seeking recognition before the response. I ask unanimous consent——

The PRESIDING OFFICER. The Senator from West Virginia will withhold his statement.

Mr. ROBERT C. BYRD. Mr. President, I sought recognition before the response.

Mr. TOWER. Mr. President, a point of order. Is the question debatable or not?

The PRESIDING OFFICER. It is not.

Mr. ROBERT C. BYRD. Mr. President, I want to ask unanimous consent——

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. I should like to amend the request so as to provide 2 minutes to the distinguished Senator from Texas (Mr. Tower) and 2 minutes to the assistant majority leader.

The PRESIDING OFFICER. Objection was heard on the first request.

Mr. MANSFIELD. Mr. President, I resubmit my request.

The PRESIDING OFFICER. Is there objection to the request that there be 4 minutes, equally divided?

Mr. GOLDWATER. I object.

Several Senators. Vote! Vote!

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute, with the understanding that the Senator from Texas may proceed for 1 minute. I hope that the Senator from Arizona will not object. I am really seeking to save the time of the Senate.

Mr. TOWER. I, too, hope that the Senator from Arizona will not object.

Mr. GOLDWATER. The Senator from Texas cannot state his case in 1 minute or 1 hour. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I seek to propound the following unanimous-consent request, in order to save the time of the Senate. Obviously, we are going to vote on a motion to reconsider. If that motion carries, we are going to have to vote on a tabling motion again. If that fails, we are back where we started.

I ask unanimous consent that the vote on the motion to reconsider be waived and that the vote on the motion to table the bill be proceeded with instead.

Mr. TOWER. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will call the roll.

Mr. BIDEN (when his name was called). Mr. President, on this vote I have a pair with the Senator from Ohio (Mr. METZENBAUM). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Hawaii (Mr. INOUYE), the Senator from Ohio (Mr. METZENBAUM), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mr. TUNNEY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

I also announce that the Senator from North Dakota (Mr. YOUNG) is absent on official business.

I further announce that the Senator from Florida (Mr. GURNEY) is absent due to illness in the family.

The result was announced—yeas 50, nays 41, as follows:

[No. 167 Leg.]

YEAS—50

Abourezk
Bayh
Bentsen
Bible
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Eastland
Gravel
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Randolph
Ribicoff
Roth
Sparkman
Stennis
Stevenson
Symington
Talmadge
Williams

NAYS—41

Aiken
Allen
Baker
Bartlett
Beall
Bennett
Brock
Brooke
Buckley
Church
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Mathias
McClure
Metcalf
Packwood
Pearson
Percy
Proxmire
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stevens
Taft
Thurmond
Tower
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Biden, for

NOT VOTING—8

Bellmon
Ervin
Fulbright
Gurney
Inouye
Metzenbaum
Tunney
Young

So the motion to reconsider was agreed to.

Mr. ROBERT C. BYRD. Mr. President, after having consulted with the distinguished Senator from Texas (Mr. TOWER), the distinguished manager of the bill (Mr. JOHNSTON), the distinguished majority leader, and other Senators, I propound the following unanimous-consent request:

That the yeas and nays previously ordered on the motion to table be withdrawn.

The PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote by which the bill was tabled be vitiated.

Mr. DOMINICK. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The question recurs on the adoption of the motion to table.

On this question the yeas and nays have been ordered——

SEVERAL SENATORS. No, no——

The PRESIDING OFFICER. Oh, that is right. This occurs on the motion to table.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. MUSKIE of 20 minutes, to be equally divided between Mr. MUSKIE and Mr. TOWER; that upon conclusion of the time, a vote occur either on tabling the first part of Mr. MUSKIE's amendment, that which has to do with wage and price controls, or that an up or down vote on that part occur, whichever the Senate would wish; and that, back to back, following that vote, there occur a vote on a motion to table the second part, or an up-and-down vote on the second part, whatever the Senate would wish—but two votes back to back.

Mr. HUMPHREY. Mr. President, reserving the right to object, I have an amendment to the first part of the Muskie proposal which relates to the standby controls. I do not need a great deal of time on it. I would be more than happy to limit it to 10 minutes, 5 minutes to a side.

Mr. TOWER. Mr. President, reserving the right to object, I must say to my distinguished friend from West Virginia that apparently this thing is becoming unglued. So, I do not know—there might be other amendments to be offered to the amendment of the Senator from Maine, so I assume that this could keep us here indefinitely.

Mr. ROBERT C. BYRD. Would the Senator allow us to have a brief quorum call so we could work something out?

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I think I may be ready to renew my request. The Senator from Maine is wanting to modify his amendment. Would he state his modification?

Mr. HUMPHREY. Mr. President, would the Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. ROBERT C. BYRD. Mr. President, I renew my request.

Mr. GRIFFIN. Mr. President, reserving the right to object, what is the request?

The PRESIDING OFFICER (Mr. BIDEN). That there be a time limitation of 20 minutes to be equally divided on the amendment of the Senator from Maine, which has been divided, to be equally divided and controlled by the Senator from Texas and the Senator from Maine.

Mr. ROBERT C. BYRD. And that at the close of 20 minutes a vote occur on the first part of the Muskie amendment that deals with wage and price controls, the vote to be either on a motion to table or up and down on that part of the amendment.

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. That vote would be immediately followed by a similar vote—up or down, or on a tabling motion—with regard to the second part of the Muskie amendment.

The PRESIDING OFFICER. That is correct.

Is there objection?

Mr. MATHIAS. Mr. President, reserving the right to object——

Mr. HATHAWAY. Mr. President, reserving the right to object——

Mr. MATHIAS. Mr. President, what about amendments to the amendment?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if it is agreeable to the Senate, that no amendments to amendments be in order, because if this amendment is voted down, and I feel the votes are probably here to do it, the whole thing will be moot, anyway, and that will be the end of the ball game.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. HATHAWAY. Mr. President, reserving the right to object——

Mr. TAFT. Mr. President, reserving the right to object——

Mr. HATHAWAY. Mr. President, I object to the unanimous-consent request, that part that no amendments to amendments be in order. I will be glad to take 5 minutes to both sides.

Mr. ROBERT C. BYRD. Very well. Mr. President, I ask unanimous consent that there be a time limitation on any amendment to an amendment of 5 minutes——

Mr. TOWER. Two minutes.

Mr. ROBERT C. BYRD (continuing). To be equally divided in accordance with the usual form.

Mr. MATHIAS. Five minutes, 5 minutes.

Mr. TAFT. Mr. President, reserving the right to object—does that apply to the second part of the main amendment?

Mr. ROBERT C. BYRD. Does the Senator have an amendment to the second portion?

Mr. TAFT. I very well may have.

Mr. ROBERT C. BYRD. Mr. President,

I make the same request with regard to the second portion.

Mr. TOWER. Mr. President, I wonder, would the Senator modify that request to say that at any time a tabling motion may be in order?

Mr. ROBERT C. BYRD. That is in order anyway.

Mr. TOWER. Without the time of the Senator from Texas or the Senator from Maine having expired or having been yielded back.

Mr. ROBERT C. BYRD. There is so little time.

Mr. TOWER. But if we start adding amendments here all evening—it appears that everybody has amendments—I think it is an exercise in futility.

Mr. ROBERT C. BYRD. There would only be 5 minutes on any amendment. The Senator from Texas could yield back his 2½ minutes.

Mr. TOWER. Let us see how it goes.

The PRESIDING OFFICER. Is there objection?

Mr. PASTORE. Mr. President, reserving the right to object, without being critical, here we go again. It is 10 minutes past 5, and this is an important measure. It strikes me that we ought to proceed with a little more calmness and a little more judiciousness. This is important business. Everybody understands the problem. Let us strike an agreement and get going and do what needs to be done, without all this fussing around.

Mr. TOWER. That is all we are trying to do.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. MUSKIE. Mr. President, I am not sure what amendments are going to be offered, but I will take 2 minutes of the time allotted to me on the amendment simply to say what I have been trying to find 2 minutes to say all afternoon, without success.

First, I should like to thank those Senators who voted to give me the right to speak on this amendment.

Second, I should like to take the remainder of the 2 minutes to read something that gives my reasons for offering this amendment. This is from an article that appeared in the Washington Post on April 20 written by Hobart Rowan. This is what he wrote in reporting on the highest inflation rate in 25 years:

> Another worrisome aspect of yesterday's news is that while the sharp recent rise in food prices abated considerably in March, the price tag for nonfood prices and services continued to escalate even faster.
>
> In fact, the 1.5% increase in industrial prices for the month (an 18% annual rate) is the biggest in that category since the government began to keep such statistics in 1954.
>
> . . . All told, higher prices for gasoline and food—which until recently have been accounting for about two-thirds of the inflation, accounted for only 25% of it in March, which means that price rises have spread in a pervasive way to a wide range of other consumer goods and services.
>
> There were notable increases in physicians' fees (up at a 20.4% annual rate), apparel, gas, electricity, postal rates, newspapers, textiles, new cars, city bus fares, and household durable goods.

The Washington Post on March 24 reported Dr. Dunlop's prediction that doctor bills could go up 9 percent during the next fiscal year, and hospital fees as much as 17 percent, without control authority. Under controls, doctor bills would go up only 4 percent and hospital fees between 10 and 11 percent.

The New York Times on April 22 reported that—

> For millions of Americans, the ending of more than 32 months of wage and price controls next week is expected to bring another spasm of price increases that will further erode their already shrunken paychecks.

An official of a large food processing and distributing company was quoted as having the "feeling" that "everybody is busting to get out of the gate."

The Times article continued:

> Interviews with executives in a variety of industries late last week disclosed that a number of price increases were expected in the weeks ahead.
>
> . . . Among other industries where consumers can expect to face price increases this year, according to industry officials, are automobiles, cigarettes, whiskey, a variety of processed foods, machinery, home furnishings, furniture, and the cans that contain everything from soy beans to shaving cream.

The Baltimore Sun on April 21 reported:

> On April 30 most segments of American industry can be expected to heave a collective sigh of relief. . . . What cannot be expected on April 30 is that the sense of relief will extend to the consumer, for he faces an acceleration of price increases and continued rapid inflation. Whether he wants to buy a new house, car, or suit of clothes, it is going to cost him more. . . . How much more will prices go up? The industry is not talking. But Wall Street analysts, using their own data, come up with projections ranging from 15%-20% over the next twelve months.

These reports document that there is ample evidence that the fires of inflation are spreading from food and energy—and we are all aware of what their devastation has been there—into industrial commodities and into nonfood items.

I protest the absence of a policy of this Congress to deal with it. What the Senate seems to be about to say is that with these inflationary forces boiling under the surface of the economy, and with all the unpredictable circumstances that one could envision in the next 6 months, we are going to leave our Government without a policy, without a tool, without an authority to deal with it. Anybody who can predict with assurance that in the next 6 months a need for control authority will not arise has a blind faith in our economic future.

It is for this reason that I have made these two simple, clear-cut proposals: First, a monitoring authority to continue the function of the Cost of Living Council to keep tabs on the economy, to look out for shortages, to signal the danger spots, to generate the data, as a base for whatever policy we may need to adopt in the next few months; second, standby control authority—a fire extinguisher on the wall. We have had to use that authority before in the last 30 years in this country. It has worked. It has also failed. But in times of dire economic emergency, Presidents who have objected to it, including this President, have used it in circumstances when necessary, and with success.

I know the pressure which has been brought to bear against my proposal. Business and labor are lobbying to kill this measure.

But I disagree with their judgments. The Cost of Living Act which we have proposed to the Senate presents one of the most difficult public policy problems of current times—the control of inflation, the control of one of the most pervasive and destructive forces operating on the American people.

We have heard the statistics of inflation, their shock value depleted by repetition. And we know the reality behind those statistics—the elderly on fixed incomes who must choose between adequate food, adequate heat, or adequate medicine. And the businessmen staggered by cost increases or shortages of essential materials. And the wage earner who sees his paycheck shrinking weekly.

We know the reality of inflation and we have a responsibility to counter it with the best public policy tools we have.

The Cost of Living Act we consider today is the only constructive step available to Congress to meet the threat of inflation.

Double digit inflation in America is well-documented. The consumer price increase in the first quarter of this year, approaching 14 percent, represents, through a shorthand average, the millions of cases of hardship and instability experienced by Americans in the months just passed.

But the evidence also shows that we have cause for serious concern about continued and possibly more dramatic inflation in the months ahead. Part of the danger comes from total decontrol of the economy, except for petroleum, as of today. Yesterday, wage and price controls restrained 12 percent of the Consumer Price Index, 32 percent of the Wholesale Price Index, and 24 percent of the labor force. But 9 percent of the Consumer Price Index and 28 percent of the Wholesale Price Index were released from controls as of midnight last night—including health, autos and auto parts and insurance, metals and metal products, machinery and equipment, construction, and nonfood consumer items.

The aftermath of decontrol in those sectors could present significant dangers down the road. The decontrol process may have been gradual, but those sectors left under controls to the bitter end would now be free from all restraint. The wage-price bulge we know occurs when controls are lifted could be far worse than a "normal market correction," posing the danger of a new wage-price spiral. When phase II was prematurely ended, wholesale price increases went from a 6.9-percent annual rate to a 24.4-

percent annual rate during the first 5 months of phase III, mandating another dollar devaluation and a new 60-day freeze. A similar escalation of inflation from its current high rates would certainly require a damaging return to across-the-board controls. But that event could be avoided if selected controls were available now.

Far more troublesome than the direct consequence of decontrol is the danger of stripping from the Federal Government a necessary tool to deal with drastic inflation. The evidence of dramatic inflation in the coming months shows up in reports of a new automobile price increase, and the 35 percent annual rate increase in industrial commodities prices last month which will soon be translated into consumer price increases. And evidence comes from the reports from business and labor that a no-holds barred, possibly irresponsible inflationary psychology is taking hold.

At best, the economic prognosis for the months ahead is uncertain. And unless we can count on the bland assurances of administration policymakers who have so often been wrong before, we must prepare for a year when double digit inflation, combined with a recession, will present the most grave economic conditions, upsetting even further the stability of employment, investment, production, and income.

Those who see the possibility of these economic dangers ahead would agree that Congress must provide the most effective public policy response available. That best response is the Cost of Living Act we will vote on today. The authority it provides—an economic monitoring agency, with authority to enforce decontrol commitments, and the residual authority to impose limited wage and price controls—provides the necessary tools for Federal Government action to meet inflation if a crisis develops.

The economic monitoring authority under the Cost of Living Act is essential to any reasoned Federal policy on inflation. Our current economic problems certainly need close observation. And proper attention can only be provided through a separate institutional focus mandated by Congress.

Up-to-date and comprehensive monitoring of inflation requires attention to a variety of problems and government functions now distributed among many agencies: imports and exports; production of food, natural resources, and housing; labor relations; regulatory decisions; and budgetary decisions.

Understanding and forecasting inflation and shortages requires the collection and analysis of data beyond the normal function and capability of the Bureau of Labor Statistics or the Commerce Department.

And the special tasks of an effective anti-inflation agency—publicity, planning, and jawboning—are the responsibilities of no single office in the executive branch.

Only the Council of Economic Advisers has the potential economic overview required, and its small staff of only 46 professionals and clericals is far too small to perform the job adequately. So the economic monitoring function, to be performed effectively, must have the congressional mandate contained in the Cost of Living Act.

One tool of this monitoring agency should be the authority to enforce decontrol commitments entered into under the new-expired Economic Stabilization Act. In the process of decontrol, Dr. Dunlop and the Cost of Living Council negotiated voluntary commitments with the leading firms in 17 industries calling for restraints on prices, profits, labor settlements, and exports, and agreements to improve production and capacity, price reporting, and customer allocation.

The enforcement of these commitments, provided in section 204 of the Cost of Living Act, will give the necessary authority to the economic monitoring agency, to hold industry to the responsibilities they have already accepted.

And one additional tool necessary to the effective control of inflation is a limited authority to control wages and prices. This standby control authority provided by the Cost of Living Act is available only to meet the most severe inflationary dangers the coming months might hold.

Economic controls could only be imposed under the Cost of Living Act if the President made three findings: that there is serious inflation in the economy as a whole; that there is serious inflation in an economic sector which, without controls, "would lead to severe hardship or depravation"; and that the need for controls outweighs the possible adverse supply consequences they might bring about. These standards apply equally to all sectors of the economy. They protect against unjustified use of controls. But they make some controls available should they be needed in a real crisis.

There are three important points I wish to make about this limited control authority.

First, the limitations are an appropriaate and judicious congressional determination of when controls may be used. The precise application and administration of economic controls is a task only the executive branch can perform. In the Cost of Living Act, we place across-the-board restraints on that authority. We insure that the standards for using it are identical for all economic sectors. But beyond that we cannot go. We have but one President, and it is our responsibility to give him the tools as well as the direction for meeting the economic dangers we face.

Second, the control authority in the Cost of Living Act is far more limited, and far more precise, than the authority the President has exercised for the past 3 years under the Economic Stabilization Act. The findings require before controls could be imposed would make them far more predictable than the actions taken by the Cost of Living Council in the past. Indiscriminate, or arbitrary wage and price controls, would not be allowed. What is allowed is appropriate and firm Government response to an inflationary crisis down the road.

Third, this limited authority under the Cost of Living Act can be effective. Phase II told us that controls can work when properly administered. Even in 1973, according to Dr. Gardner Ackley, former Chairman of the Council of Economic Advisers, controls may have reduced the rate of inflation by between 1½ and 3 percent. And control authority is effective not only when direct restraints are applied. In addition, the fact that they are available to meet irresponsible inflationary action dampens inflationary psychology. Such a tool, which history teaches us can be effective, is essential to have available to the Federal Government.

Mr. President, the inflationary dangers we face demand a responsible congressional response. The Cost of Living Act provides an appropriate course: an economic monitoring agency to enforce decontrol commitments, with reserve authority to impose economic controls in limited, serious inflationary situations. It presents us with the best response to the economic dangers facing America.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield 2 minutes to the Senator.

Mr. HUMPHREY. Mr. President, I have been happy to associate myself in this entire effort with the Senator from Maine and other Senators who have cosponsored the proposed legislation.

I spoke here Monday night and gave the message that I believe represents the needs of this country. Today, again the Senator from Maine has stated it succinctly and positively.

Whether the administration administers the program as we like it or not, the fact is that Congress has the responsibility to lay down policy. If anybody thinks that inflation is not rampant in this country, he is either unaware of the facts of life or has closed his eyes and mind to it. Anyone who thinks that the free market forces are going to moderate that inflation, such belief flies in the face of all the advice that comes to us.

All that has been asked here—all that anybody is asking for—is that, somehow or other, as the Senator from Maine has put it, we have a fire extinguisher on the wall—or some medicine in the medicine cabinet in case you get sick. Whatever you wish. The issue is not who favors controls and who opposes them. The issue here is whether we are going to have an orderly program of decontrol or will it be decontrol with confusion and economic chaos. We are trying by our amendment to give some protection to the consumer.

So, again I say the Senator is right, and I compliment him for his courage and his vision. It is our duty to face up to the facts, and the facts of dangerous inflation are in every daily paper. Mark my words, there will be more harsh facts day after day. Many a company has held back on price increases, waiting for the day of decontrol. Steel prices are going up. Automobile prices are going up. Textile prices are going up. Food prices are not moderating. Rent is going up. Interest is a disgrace—usury. And, yet there are those who say we should wash our hands of it—ignore all of it. This I cannot do.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PASTORE. And while the Exxon Co. last year scored a profit of $2.2 billion, the price of oil and gasoline went up.

Mr. HUMPHREY. And they want it up more.

Mr. PASTORE. And nobody has done anything about it. That is what the name of the game is—to do something about it this afternoon in the Senate of the United States.

Mr. MUSKIE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BROCK. I yield 3 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I think this is one of the gravest questions the Senate of the United States has dealt with in many years.

What we are really talking about, in the words of Jack Grayson, who administered the price control program for several years, is this. As he put it:

> I believe the survival of just about our total economy is at stake.

What we are really trying to do is to amend the laws of human nature. What we have seen is a disaster under controls. As Jack Grayson has said,

> One overriding lesson is obvious: wage and price controls have never worked satisfactorily over an extended period of time. Consequently I strongly believe the trends toward wage/price controls and a centralized, or government-controlled, economy should be halted.

It could not have been worse than it has been under controls. What we do is distort the whole sensitive pricing mechanism of the free market. We have been utter failures at doing that. Under controls we try to take every pricing decision that is made by millions of consumers, and repeal all those decisions.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. PERCY. I cannot yield on our time.

Mr. PASTORE. Will somebody give me time to ask the question?

Mr. PERCY. I will be happy to yield on the Senator's time.

Mr. PASTORE. Who has the time? I have the question—who has the time? [Laughter.]

Mr. PERCY. I suggest that the Senator address it to the manager of the bill. If I had time remaining, I would be happy to yield to the distinguished Senator.

I should simply like to point out that there is ample evidence that the mere existence of the authority to impose controls, and of an agency to manage those controls, encourages higher prices, and prevents price decreases.

Let me give a practical example based on my own experience. When a company introduces a new product line, it has to determine a price for that line. Ordinarily, it would offer the product at an attractive price to consumers, even though it is not certain of the appropriate market price for the product when it is in full operation, and the costs of production are proven out.

In an ordinary market situation, a company is free to introduce the product at what it considers a competitive price, then raise, or lower, that price as the product comes into full production.

Under standby controls, however, the company would likely seek to introduce its product at "full price"—the highest price the product could reasonably bear. The reasons are clear. If the company fears the possibility that controls will be slapped on, it wants to have the highest base price possible. Furthermore, even if the company finds that its actual costs of producing the new product are much lower than anticipated, it will be reluctant to reduce the product's price just in order to keep a high base price.

In this way the standby controls will actually stimulate inflation—by encouraging higher prices, and discouraging price reductions.

Mr. President, I am absolutely convinced of the danger of standby controls. I say, let us get back to economic fundamentals. Every American has the clear evidence before him in his weekly grocery bill that controls have not worked. Controls are not the answer to this country's current price inflation.

Mr. TOWER. Mr. President, the monitoring provision of the amendment should be avoided as both unwise and unnecessary.

In the first place, the establishment of a monitoring mechanism, through which wage-price developments would be scrutinized by a single government agency, would create the same expectational pricing effect which standby controls would have. The net effect of this, as in the establishment of standby authority, would be to discourage price decreases and encourage increases out of fear that controls could indeed be imposed.

The establishment of monitoring authority could be accomplished through administrative, rather than legislative, action.

It would be a redundant move, since a great deal of monitoring wage and price developments is already conducted by various government agencies.

It may reduce the need for Congress and the administration to seek stability through appropriate monetary and fiscal policies and other stabilization tools.

Therefore, that provision should be defeated.

Mr. President, I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, I have an amendment to offer. Is this the proper time to offer it?

The PRESIDING OFFICER. The amendment is not in order until the time has been used or yielded back.

Mr. MUSKIE. Mr. President, I yield 2 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. STEVENSON. Mr. President, this debate always assumes it is a question of controls or no controls. There is not a single supporter of this amendment who wants controls. The real question is: How do we get controls off the economy? When phase II was terminated prematurely prices exploded and the freeze followed. If the authority to impose wage and price controls is abandoned now prices will surge, which has been admitted, and wages will follow. People will suffer and controls will be reimposed.

Controls were first imposed when prices were increasing at an annual rate of 4.4 percent. Prices are increasing today at an annual rate of over 14 percent. There is not a single Member of this body who can say that a government which imposes controls at 4.4 percent will not reimpose them at 15 percent, 16 percent, 17 percent, or 18 percent, and that is exactly what we are up against.

This is not a control amendment; this is a decontrol amendment. What it seeks to do is to provide for orderly control of the economy so that we can get rid of wage and price controls and in the meantime protect the people from the ravages of inflation. It would be a tragedy, in the name of the free market, if Congress abandoned that fight to protect the people from inflation and in so doing it led to a reimposition not just of controls or the freeze, but even a more severe dislocation in the economy than we have experienced already.

Mr. President, I urge the support of the amendment.

Mr. JOHNSTON. Mr. President, I am glad that we have finally heard some word in this Senate about monitoring and what is wrong with monitoring. I have been holding hearings in the subcommittee over a period of months and today we heard the first statement against monitoring. We have yet to hear one statement about the enforcement of commitments, and that is the second vote we are going to take today. They are commitments freely given by industry, many in such a way they will work. We are dealing with the question of whether we shall enforce those commitments.

It is incredible that in the face of 14.5 percent inflation this Senate should say, "Let us walk away from those commitments." What is unreasonable about enforcing commitments given? What is unreasonable about enforcing commitments relating to prices and productive capacity given by industry?

If we vote "No" on both phases of this bill we are going to tell industry, "What you promised you need not deliver to the American people." What is our response going to be when they walk out on those promises and raise prices through the roof? It is important that we consider that. To my friends in labor and business who urge so strongly that we vote this bill down, they are being led down the primrose path and we will be here this summer if the Senate votes this down, and not for standby controls, but faced with an emergency situation and total control of the economy.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Texas has 4 minutes remaining.

Mr. BROCK. Mr. President, I yield 2 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, the question I was asked by the manager of the bill was, "What is wrong with standby controls?" I would like to answer in the words of a man who is a distinguished academician, an administrator, and a man who did an outstanding job as the Chairman of the Cost of Living Council, Dr. Jack Grayson. He said:

> People have learned lessons from the various phases. One of the lessons they have learned is that good guys often get hurt worst. If you do not take your price increases as fast as your costs go up (and you certainly do not want to take decreases) you may be caught with your base price down.

Mr. President, I made a survey of our hospitals after they were limited to a 7.5 percent to 9 percent increase by the Cost of Living Council. I found that every last hospital in Illinois took the full increase. When I said to them, "How can you justify the full increase which, in effect, is the same for Chicago as for a small community in downstate Illinois?" They said, "Look, this is self-preservation. If we do not put ours at 7.5 percent to 9 percent now, then the next price increase will be on top of a reduced base and we will be at a disadvantage."

The same thing happens when an allowable increase goes in for an industry. Everyone takes the full increase. The inequities grow and grow until you finally must decontrol and find a way out. We have at last worked our way out.

Mr. President, I have been deeply impressed by the comments of some of our most distinguished economists and businessmen about the need to end the controls.

As a practical matter, it seem clear, wage/price controls would not work any longer in the current economic environment. According to Dr. Arthur Burns, a distinguished economist and the esteemed Chairman of the Federal Reserve Board:

> The character of the inflation in 1973 was very different from the inflation that troubled us in earlier years.
>
> . . . When an economy is beset by inflationary forces of such exceptional character, governmental intervention in pricing decisions or wage bargaining can hardly be expected to be very effective.

Worse, there is a widely held view that controls themselves have created scarcity. Dr. Burns has expressed his view that:

> (Government control efforts) aggravated the growing scarcity of a host of goods in our markets. In some instances, price controls have led to curtailment of less profitable lines of production. . . . In other instances, critically needed materials have been exported because domestic prices were kept by governmental fiat below the price level ruling in international markets.

I believe that a good case can be made that full-scale decontrol now would have the virtue of getting us through the price "bubble" quickly. Mr. David Rockefeller, the chairman of the Chase Manhattan Bank and a very astute businessman, put it very well:

> . . . both business and the public generally apparently understand that rapid price inflation is unavoidable in the first half of 1974. If the bulk of our decontrol-related price increases occur now, that could improve the chance that the inflation rate will moderate later in the year. That, in turn, would have a most beneficial effect on consumer spending and might also permit the Federal Reserve to pursue a more expansionary monetary policy.

Even though it is claimed that controls should be retained in construction, in fact now may be the best time for removal of controls in construction. According to Mr. Rockefeller:

> In the case of construction, one of the more sensitive areas, this may be as good a time as any for decontrol in view of the current weakness in housing and office building. In the future, as growth resumes, in these sectors, the wage and price increases following decontrol might be greater than they would be now.

Finally, I believe we must stop fooling the public that efforts to manage the economy can work. Dr. Grayson:

> Wage-price controls misguide the public. They draw attention away from the fundamental factors that affect inflation—fiscal and monetary policies, tax rates, . . . The danger is that attention will become permanently focused on the symptom-treating control mechanism rather than on the underlying problems.

Mr. BROCK. Mr. President, I wish to respond to the remark by the Senator from Louisiana that Senators may have to vote only for one of these or both because inflation is going up to 14.5 percent and we need the monitoring and we need the ability to enforce these agreements.

I do not argue with that except the fact that these agreements were made at different times. The average working person in this country lost 4.7 percent of his purchasing power in real dollars, and there are not fat cats; they are people who work for a living and who sweat for a dollar.

That is all Senators are going to penalize if they pass these controls, or if they pass a continuation. Monitoring or otherwise, the fact is that these people have been literally deprived of their earnings without due process because our policy was not cognizant of how the marketplace must operate. That is what is wrong with a continuation of the controls and that is why we have to have complete removal of them.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Texas has 1 minute remaining.

Mr. TOWER. I reserve my time.

The PRESIDING OFFICER. The other side has no time remaining.

Mr. TOWER. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. All time having expired or been yielded back, the question is on the first part of the amendment.

Mr. HUMPHREY. Mr. President, I have an amendment to section 205, which is the first part of the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. HUMPHREY. The purpose of the amendment, which is offered on behalf of the Senator from Delaware (Mr. ROTH)——

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

Mr. HUMPHREY. I do.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

> At the end of the matter proposed to be added, add the following:
>
> "CONGRESSIONAL REVIEW
>
> "SEC. —. (a) An order or regulation issued under section 205 shall take effect on the date on which the President transmits to the Congress a message setting forth the proposed order or regulation, together with the reasons therefor (or at such later date as may be provided for in the order or regulation), and shall remain in effect until the date on which such order or regulation by its own terms shall cease to be effective, or the date, not later than 30 days of continuous session of the Congress after the message is transmitted, on which either House of Congress passes a resolution stating in substance that such House disapproves such order or regulation, whichever is earlier.
>
> "(b) For the purpose of subsection (a)—
>
> "(1) continuity of session is broken only by an adjournment of Congress sine die; and
>
> "(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the 30-day period.
>
> "(c) In the consideration of any concurrent resolution under this section, the Senate or House of Representatives, as the case may be, should take into account, among other factors, whether the proposed order or regulation would—
>
> "(1) seriously impair production in a manner which would create shortages or economic distortions;
>
> "(2) stimulate foreign demand and encourage excessive exports of scarce commodities; or
>
> "(3) not effectively moderate the rate of inflation."

Mr. HUMPHREY. Mr. President, the purpose of the amendment, which has been introduced by the Senator from Delaware (Mr. ROTH) and myself, is that if standby controls were legislated and if the President saw fit to apply controls, then within the first 30 days of imposition of the controls, either House of Congress, by majority vote, could disapprove the controls.

In other words, if labor or business felt that either one was getting a bad deal, Congress could decide that the controls would come off. This makes it possible for Congress to participate, as was stated by Senator ROTH, in the ultimate decision as to the application of any proposal of wage and price controls. If either House thinks they are unfair, they would go out. The problem with controls is that they have been unfairly applied. We may not be able to change human nature, but we can do a better job of applying the law. Our amendment is designed to assure fairness as judged by the Congress. It is a restraint on the Executive.

Mr. JOHNSTON. Mr. President, we have no objection to the amendment. We endorse it. We think it improves the bill.

Mr. ROTH. Mr. President, I want to thank the distinguished Senator from Minnesota (Mr. HUMPHREY) for his strong support of my efforts to provide for congressional oversight of the stabilization process.

Briefly, this amendment would allow the Congress to disapprove any Presidential order or regulation to reimpose controls on any one sector of the economy. Under this amendment, either House of Congress will have 30 days to veto, by simple resolution, any Presidential attempt to impose controls.

The Roth-Humphrey amendment will insure that each Member of Congress has the opportunity to play a major role in the formulation of any such policy decision.

By providing that both the President and the Congress will be held responsible for any stabilization regulation, this amendment will take partisan politics out of the formulation of our economic policy.

Giving the President broad unlimited authority will not in itself cure inflation, although it may cause the American public to think so. It is, in my judgment such over-optimistic claims made for this and other legislation that leads to a lack of credibility on the part of the public and the faith and respect for Congress will continue to go down as long as these claims are being made.

I just do not see how we can seriously claim that we are taking positive action to fight inflation if we give all of the responsibility of control to the President when he does not even want that authority.

I am seriously concerned by the way we have repeatedly ducked our responsibilities by turning over broad grants of power to the President. And I know that the distinguished Senator from Minnesota shares my concern.

I tend to agree with the statement made last week by the distinguished Senator from Michigan (Mr. GRIFFIN) that if the Congress really believes in controls, we should write our own program.

If we are not willing to take that responsibility, the very least we can do is share the responsibility equally with the President.

Let me quote an interesting article that appeared in the Wall Street Journal yesterday. The author, Mr. Albert R. Hunt, is also concerned about the Congress granting the President broad unchecked authority.

In the article, he writes:

> Even if controls are needed to stop raging inflation and even if it's desirable to have a more orderly decontrol process, the notion that a President should again be given sweeping powers to affect people's lives with little regard as to how that power will be utilized isn't a very encouraging sign in the age of Watergate.

I know that many of my colleagues are also concerned about allowing the President to single out only one sector of the economy for mandatory controls.

I also believe that it would be discriminatory to place controls on one segment of the economy while all other segments are decontrolled.

The Roth-Humphrey amendment would insure that the Congress will have the opportunity to guard against such discriminatory controls.

Our experience with mandatory controls has shown that their indiscriminant use very often seriously impairs production in a manner which creates shortages and economic shortages.

Mandatory controls have also tended to stimulate foreign demand and encourage excessive exports of scarce commodities.

And, we have seen that mandatory controls very often do not effectively moderate the rate of inflation.

The Roth-Humphrey amendment will insure that each Member of Congress has the opportunity to take these factors into account.

I urge my colleagues to accept this amendment to insure the Congress of its constitutional responsibility.

Mr. BROCK. Mr. President, as I understand the parliamentary situation, it is that there are 2½ minutes allocated to each side. Is that correct?

The PRESIDING OFFICER. Yes.

Mr. BROCK. I rise in opposition to the amendment. I do not object to the concept that we have congressional oversight over controls, but the fault I find is that if we adopt the two proposals, or the single separated proposal, of the Senator from Maine and the Senator from Louisiana, there is a requirement that business and labor adhere to agreements entered into without approval of Congress. There is no due process at all, and there are people who will continue to be damaged by the fact that the rate of inflation has so far exceeded their expectations when they made those agreements. The fact is that those working people are going to be obligated, if the amendment of the Senator from Louisiana and the Senator from Maine is adopted, and those agreements cannot be broken with or without the review or consent of Congress. Those people lost 4.7 percent of their real earnings last year. They have no protection, and this amendment really does not change that situation.

Mr. HUMPHREY. That is right. My amendment applies to section 205. The Senator is correct in his analysis.

Mr. BROCK. I thank the Senator.

Mr. HUMPHREY. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

Is the Senator's amendment to the first part of the amendment?

Mr. JAVITS. The Senator's amendment is to the first part of the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

Will the Senator send his amendment to the desk?

Mr. JAVITS. I will.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. The Senator from New York (Mr. JAVITS) proposes an amendment——

Mr. JAVITS. On page 1, strike lines 1 to 3, inclusive.

The LEGISLATIVE CLERK. On page 1, strike lines 1 to 3, inclusive.

Mr. JAVITS. Mr. President, my only reason for offering this amendment—and I shall withdraw it—is that, under the procedure, there seemed to be no opportunity to adress oneself to this critically important subject without offering an amendment which would allow 5 minutes, but I shall not take that.

Mr. President, the debate has proceeded on two false assumptions in my view.

False assumption No. 1 is that inflation at the rate of 14 percent was attributable to controls; and the fact is, Mr. President, the economy is essentially decontrolled, and that there were only 12 percent of the items in the Consumer Price Index and 32 percent of the items in the Wholesale Price Index subject to controls.

What has happened is that phase II was a success and phase IV was a disaster because of decontrol, not because of controls.

The second point, which is critically important, and which we must always consider is, where would this situation have gone if we had had no controls or no machinery for controls?

After all, our friends in the Middle East did not think anything of raising oil prices 300 percent—not 14 percent; 300 percent.

When we think of the fact that controls have been iniquitous because prices were brought up, the workingmen had better decide that they could have been destroyed if they had not been put on.

The other factor which is sadly missing is that what we are contending for with standby authority is an Army, Navy, and Air Force in the economy. Would we think of stripping ourselves of this security? This is exactly what we are being asked to do. This Government is being asked to leave itself with no means to govern, not even in the obligation to enforce commitments in contracts, by those who would oppose this amendment. A government which would consent to a situation leaving itself unable to govern is not worthy of the name. We may lose, but we are contending for the right thing.

Finally, I have been in business also, like some of my friends here, including my friend from Illinois (Mr. PERCY), and I have been paid huge fees for running a business——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator has only 2½ minutes on his side.

Mr. JAVITS. Very well. I bow.

May I have half a minute?

Mr. BROCK. I yield half a minute.

Mr. JAVITS. Just to complete my thought.

It is argued that business will keep up prices because it will be afraid controls will be reimposed. If business has that kind of monopoly power, where competition will not bring prices down, then we had better have standby controls, which is the reason why the amendment should be adopted.

Mr. BROCK. Mr. President, I yield myself 2 minutes or the remainder of my time.

I think the Senator may have stated the concern I have when he said what we are going to do, by having standby authority, is to give ourselves an Army, Navy, and Air Force. I think that is exactly the point. I wonder if we need an Army, Navy, and Air Force to run the American people in their lives and production.

I wonder if controls should be enforced almost literally at the point of a gun and people told that if they do not operate at the will of the Government, rather than at the will of employees, employers, or the market place, they are going to be subject to Government. That is why I am against controls. There is nothing about them consistent with freedom. If we are going to face up to that, I think we had better get rid of controls, get rid of control of American business, and give it back to the people. That is the issue. I thank the Presiding Officer.

Mr. JAVITS. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the two back-to-back amendments there be a 10-minute time limitation which, I understand, is perfectly acceptable to all parties.

Mr. TOWER. Mr. President, that means the vote will take 10 minutes?

Mr. MANSFIELD. The Senator is correct.

Mr. PERCY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PERCY. Mr. President, is there time remaining to the managers of the amendment?

The PRESIDING OFFICER. No. There is no time remaining.

Mr. HATHAWAY. Mr. President, I have an amendment at the desk which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to state the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the appropriate place, following section 206(c), insert the following:

(d)(1) Except as provided in paragraph (2), all information reported to or otherwise obtained by any person exercising authority under this title which contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, shall be considered confidential for the purposes of that section, except that such information may be disclosed to other persons empowered to carry out this title solely for the purpose of carrying out this title or when relevant in any proceeding under this title.

(2)(A) Any business enterprise with annual sales in excess of $25,000,000 shall make public any information which relates to a substantial product and which is required under this title to be reported to the President or any person or agency exercising authority under this title. As used in this subparagraph, the term "substantial product" means any single product or service which accounted for 5 per centum or more of the gross sales or revenues of a business enterprise in its most recent full fiscal year.

(B) A business enterprise may exclude from any report made public pursuant to subparagraph (A) any information or data reported to the President or any person or agency exercising authority under this title, proprietary in nature, which concerns or relates to the amount or sources of its income, profits, losses, costs, or expenditures but may not exclude from such report, data, or information, so reported, which concerns or relates to its prices for goods and services.

(C) Immediately upon enactment of this title, the President or his delegate shall issue regulations defining for the purpose of this title what information or data are proprietary in nature and therefore excludable under subparagraph (B), except that such regulations may not define as excludable any information or data which cannot currently be excluded from public annual reports to the Securities and Exchange Commission pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 by a business enterprise exclusively engaged in the manufacture or sale of a substantial product as defined in subparagraph (A). Such regulations shall define as excludable any information or data which concerns or relates to the trade secrets, processes, operations, style of work, or apparatus of the business enterprise.

The PRESIDING OFFICER. The Senator's amendment is not in order because it amends section 206 as opposed to section 205.

The question now is on agreeing to section 205, as amended.

Mr. HUDDLESTON. Mr. President, I call up my amendment No. 1235.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to state the amendment.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

After the semicolon at the end of section 205(c)(2)(C)(ii) strike out "and".

Redesignate clause (D) of section 205(c)(2) as clause (E), and insert immediately before such clause (E), as redesignated, the following:

"(D) in the case of controls applicable to a service-oriented sector of the economy, the extent to which such controls will limit, or otherwise affect, the quality of services rendered; and".

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Mr. President, the argument provides for 10 minutes limitation of time on the entire amendment with a vote to come on the amendment as divided. Is that not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUDDLESTON. Mr. President, we are all aware of the three findings which the President must make before he can use the authority granted in this legislation to impose controls on any sector of the economy. We have had time to read and study the factors which the President must take into consideration in making these findings. And, we are aware of the importance of weighing all of these factors carefully lest the controls to be imposed prove more detrimental than advantageous.

My amendment, Mr. President, would add one more item to the list of factors which the President must consider.

In addition to requiring the President to consider the extent to which inflation can be moderated by economic controls on one sector without imposing them on other sectors; the extent to which competition moderates inflation; the effect of controls on supply and the time frame required for market correction of inflation, my amendment requires the President to consider the extent to which controls on a service-oriented sector of the economy would limit, or otherwise affect, the quality of services rendered by such sector.

As I stated when introducing my amendment, the output of service-oriented activities constitutes 41.5 percent of our approximately $1.3 trillion economy. In current dollars, this percentage represents a figure of $534.3 billion—well over 1½ times the proposed Federal budget for fiscal year 1975.

In view of this, it is, I believe, imperative to include an explicit requirement for Presidential consideration of the service sector. Before imposing any controls, it seems only logical for the President to examine any possible adverse affect such economic controls might have on services.

Mr. President, I believe this amendment is acceptable to the manager of the bill. And I yield whatever time I have remaining to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, the amendment is agreeable to me. And I ask unanimous consent to modify my amendment which would, I think, avoid a vote on it, to include the amendment of the Senator from Kentucky and include it in the context of the bill.

I am delighted to accept it.

I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to. All time has been yielded back. The question is on agreeing to the amendment as modified (putting the question).

The amendment was agreed to.

Mr. MATHIAS. Mr. President, I have an amendment at the desk which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

On page 17, line 3, after the words "Sec. 214" strike the following: "207 (relating to Administrative procedure),".

On page 17, line 16, after the words "Sec. 216.", add the following: "Administrative Procedure.

"(a) The functions exercised under this title are excluded from the operation of subchapter 11 of chapter 5, and chapter 7 of title 5, United States Code, except as to the requirements of sections 552, 555 (c) and (e), and 702 of such title, and except as to the requirements of section 553 of such title as modified by subsection (c) of this section.

"(b) Any agency authorized by the President to issue rules, regulations, or orders under this shall, in regulations prescribed by it, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or seeking an exception or exemption from, such rules, regulations, and orders. Such regulations shall include provision for a statement of exhaustion of administrative remedies which must be issued within sixty days of a request thereof unless a grant or denial is made. If such person is aggrieved by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the agency. The agency shall, in regulations prescribed by it, establish appropriate procedures, including hearings where deemed advisable, for considering such requests for action under this section, except that such agency shall issue no order which has the effect of reducing wages, or salaries in effect, or proposed to be in effect, in an appropriate employee unit unless such order is made on the record after opportunity for a hearing. Not less than thirty days after issuance of such an order a statement of explanation shall be directed to the affected parties and made available to the public. Such statement shall include a full explanation of the reasons why the existing wage or salary, or proposed wage or salary adjustment, does not meet the requirements of, or the standards established by, the regulations prescribed by the agency.

"(c) All rules, regulations, or orders promulgated pursuant to this title shall be subject to the provisions of section 553 of title 5, United States Code, except that all rules, regulations, or orders promulgated must provide for the following:

"(1) Notice and opportunity to comment which shall be achieved by publication of all proposed general rules, regulations, or orders issued pursuant to this title in the Federal Register. In each case, a minimum of ten days following such publication shall be provided for opportunity to comment, except that the requirements of this paragraph as to time of notice and opportunity for comment may be waived where strict compliance is found to cause serious harm or injury to the public interest due to rapid inflation or shortages of vital commodities.

"(2) Any agency authorized by the President or by this title to issue rules, regulations, or orders under this title shall hold public hearings on those rules, regulations, or orders which are likely to have a substantial impact upon the Nation's economy or large numbers of individuals or businesses or when such hearings serve to inform the public or aid in obtaining information on actions taken or proposed to be taken. To the maximum extent practicable, such hearing shall be held prior to the implementation of such rule, regulation, or order, but in all cases, such public hearings shall be held no later than 45 days after the issuance of any such rule, regulation, or order, which would have a substantial effect upon the Nation's economy or on large numbers of individuals or businesses.

"(d) In addition to the requirements of section 552 of title 5, United States Code, any agency authorized by the President or by this title to issue rules, regulations, or orders shall publish in the Federal Register all internal rules and guidelines which may form the basis, in whole or in part, for any rule, regulation, or order. Such agency shall also support any grant or denial of a request for exception or exemption from rules, regulations, or others provided for in subsection (b) above with a written opinion setting forth its findings of fact and a specific statement explaining the rationale for such grant or denial. Such opinions shall be published with such modifications as are necessary to insure confidentiality of information protected under section 55(b) of title 5, United States Code.

"(e) All rules, regulations, or orders issued pursuant to this title shall include the following:

"(1) Findings of fact and a specific statement explaining the rationale for each provision contained in such rules, regulations, or orders; and

"(2) Administrative definitions of the terms used in this title when pertinent to the rule, regulation, or order.".

On page 17, line 16, change the number "216." to "217.".

On page 17, line 18, change the number "217." to "218.".

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Mr. President, is this amendment in order?

The PRESIDING OFFICER. The Chair states that this amendment is to the second part of the amendment. Consequently, the amendment is not in order at this time. It will be in order when the second part of the Muskie amendment is pending.

Mr. MATHIAS. Mr. President, I withhold the amendment for the time being.

The PRESIDING OFFICER. The amendment is withheld.

Mr. TOWER. Mr. President, regular order.

The PRESIDING OFFICER. The question is on agreeing to the first part of the amendment of the senior Senator from Maine, as amended by the amendment of the junior Senator from Maine.

Mr. HATHAWAY. Mr. President, I have an amendment at the desk which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to state the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end of section 205, insert the following:

(d)(1) Except as provided in paragraph (2), all information reported to or otherwise obtained by any person exercising authority under this title which contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, shall be considered confidential for the purposes of that section, except that such information may be disclosed to other persons empowered to carry out this title solely for the purpose of carrying out this title or when relevant in any proceeding under this title.

(2)(A) Any business enterprise with annual sales in excess of $25,000,000 shall make public any information which relates to a substantial product and which is required under this title to be reported to the President or any person or agency exercising authority under this title. As used in this subparagraph, the term "substantial product" means any single product or service which accounted for 5 per centum or more of the gross sales or revenues of a business enterprise in its most recent full fiscal year.

(B) A business enterprise may exclude from any report made public pursuant to subparagraph (A) any information or data reported to the President or any person or agency exercising authority under this title, proprietary in nature, which concerns or relates to the amount or sources of its income, profits, losses, costs, or expenditures but may not exclude from such report, data, or information, so reported, which concerns or relates to its prices for goods and services.

(C) Immediately upon enactment of this title, the President or his delegate shall issue regulations defining for the purpose of this title what information or data are proprietary in nature and therefore excludable under subparagraph (B), except that such regulations may not define as excludable any information or data which cannot currently be excluded from public annual reports to the Securities and Exchange Commission pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 by a business enterprise exclusively engaged in the manufacture or sale of a substantial product as defined in subparagraph (A). Such regulations shall define as excludable any information or data which concerns or relates to the trade secrets, processes, operations, style of work, or apparatus of the business enterprise.

Mr. HATHAWAY. Mr. President, my amendment is simple, and would merely continue the policy of the act in the form in which it expired yesterday. It provides for administrative regulations to determine which information in the possession of the agency or officials administering the act shall be held confidential and which shall be subject to disclosure.

Trade secrets, work styles, suppliers and customer lists, and other types of operating information—including that information covered by the confidentiality requirements of title 18, U.S.C., section 1905—would be confidential as a matter of law.

Such information as single line-of-business firms may not omit from an annual report to the SEC under sections 13 and 15 of the 1934 Securities Act would be subject to public disclosure. In no event would any other information be disclosable under this provision than numerous business enterprises already make public annually. As a matter of practice, much less would be made public, because the economic stabilization program has required fewer types of information to be reported than does the SEC. Therefore, the disclosure would not be burdensome.

The provision basing disclosure on quarterly price increases exceeding 1.5 percent has been eliminated since that figure is no longer a goal of the Government's efforts to stem inflation. Limitation of the disclosure requirements to the Nation's larger firms has been retained.

Mr. President, the public will not tolerate the Government's operating in the dark. Hearings last year chaired by my colleague, the Senator from Maryland (Mr. Mathias) produced evidence of much dissatisfaction concerning the inability of both smaller business firms and private citizens and associations to know the factual premises upon which stabilization programs decisions were based.

To lessen the available information could only exacerbate that situation and further lessen citizens' trust of Government. Retention of the basic provisions of section 205 of the act is essential to maintaining the credibility of even a limited program.

Mr. MUSKIE. Mr. President, the Senator is correct when he says that the amendment is substantially similar to what was in the Economic Stabilization Act.

So I ask unanimous consent to so modify my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, a point of order. Is this amendment now in order?

The PRESIDING OFFICER. Yes, it is in order. It is in order. It is the correct section of the amendment, although it may not be sustained.

Mr. TOWER. Mr. President, since the Senator from Maine controls the time in opposition to any amendment, will the Senator yield me 1 minute?

Mr. MUSKIE. Mr. President, I yield 1 minute to the Senator from Texas.

Mr. TOWER. Mr. President, this is an amendment which requires disclosure of information that should be privileged. That information is supposed to be privileged. If it is disclosed, it places them at a competitive disadvantage. It is privileged information. Therefore, I think that the amendment of the Senator from Maine should be rejected. And when all time expires, I intend to move to table the amendment and ask for the yeas and nays.

Mr. HATHAWAY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATHAWAY. Mr. President, how much time remains?

The PRESIDING OFFICER. Thirty seconds remain to the Senator from Maine.

Mr. HATHAWAY. Mr. President, I would like to point out that this provision has been voted on and passed before by the Senate. It also has been voted on and passed by the full Senate.

It is no different than an amendment that was adopted a year ago. It has been part of the law for the past year.

I see no reason why we should not again continue with the same law.

The PRESIDING OFFICER. All time has expired.

Mr. TOWER. Mr. President, I move to table the amendment of the junior Senator from Maine.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the junior Senator from Maine to the first part of the amendment of the senior Senator from Maine (putting the question).

The motion was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the junior Senator from Maine, to the first part of the amendment of the senior Senator from Maine (putting the question).

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second (putting the question)?

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Mr. President, what are we going to vote on?

The PRESIDING OFFICER. The Senate will be voting on the amendment of the junior Senator from Maine to the first part of the amendment of the senior Senator from Maine upon which all time has expired except for amendments.

Is there a sufficient second (putting the question)? There is not a sufficient second for the yeas and nays.

The PRESIDING OFFICER. There is not a sufficient second.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the junior Senator from Maine.

Mr. GOLDWATER. Mr. President, I request a division.

On a division, the amendment was agreed to.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays on the standby control provision, the first part of my amendment.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I move to lay on the table the amendment of the Senator from Maine, and ask for the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. For just one moment.

Mr. President, I merely want to call attention to the fact that if we proceed now to vote on this part of the amendment—the order being that there be back-to-back votes, with the vote on the second part of the amendment to occur immediately following the vote on the first part, the Senator from Maryland (Mr. Mathias) would be shut out from offering his amendment to the second part of the amendment of the Senator from Maine. The order was for back-to-back votes, and I think we have to keep faith with our agreements.

Therefore, I ask unanimous consent that the able Senator from Maryland be permitted at this time to offer his amendment to the second part of the amendment of the distinguished Senator from Maine.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MATHIAS. Very well. Mr. President, I call up the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. Mathias' amendment is as follows:

On page 17, line 3, after the words "Sec. 214" strike the following: "207 (relating to Administrative procedure),".

On page 17, line 16, after the words "Sec. 216.", add the following: "Administrative Procedure.

"(a) The functions exercised under this title are excluded from the operation of subchapter 11 of chapter 5, and chapter 7 of title 5, United States Code, except as to the requirements of sections 552, 555 (c) and (e), and 702 of such title, and except as to the requirements of section 553 of such title as modified by subsection (c) of this section.

"(b) Any agency authorized by the President to issue rules, regulations, or orders under this shall, in regulations prescribed by it, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or seeking an exception or exemption from, such rules, regulations, and orders. Such regulations shall include provision for a statement of exhaustion of administrative remedies which must be issued within sixty days of a request thereof unless a grant or denial is made. If such person is aggrieved by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the agency. The agency shall, in regulations prescribed by it, establish appropriate procedures, including hearings where deemed advisable, for considering such requests for action under this section, except that such agency shall issue no order which has the effect of reducing wages, or salaries in effect, or proposed to be in effect, in an appropriate employee unit unless such order is made on the record after opportunity for a hearing. Not less than thirty days after issuance of such an order a statement of explanation shall be directed to the affected parties and made available to the public. Such statement shall include a full explanation of the reasons why the existing wage or salary, or proposed wage or salary adjustment, does not meet the requirements of, or the standards established by, the regulations prescribed by the agency.

"(c) All rules, regulations, or orders promulgated pursuant to this title shall be subject to the provisions of section 553 of title 5, United States Code, except that all rules, regulations, or orders promulgated must provide for the following:

"(1) Notice and opportunity to comment which shall be achieved by publication of all proposed general rules, regulations, or orders issued pursuant to this title in the Federal Register. In each case, a minimum of ten days following such publication shall be provided for opportunity to comment, except that the requirements of this paragraph as to time of notice and opportunity for comment may be waived where strict compliance is found to cause serious harm or injury to the public interest due to rapid inflation or shortages of vital commodities.

"(2) Any agency authorized by the President or by this title to issue rules, regulations, or orders under this title shall hold public hearings on those rules, regulations, or orders which are likely to have a substantial impact upon the Nation's economy or large numbers of individuals or businesses or when such hearings serve to inform the public or aid in obtaining information on actions taken or proposed to be taken. To the maximum extent practicable, such hearing shall be held prior to the implementation of such rule, regulation, or order, but in all cases, such public hearings shall be held no later than 45 days after the issuance of any such rule, regulation, or order, which would have a substantial effect upon the Nation's economy or on large numbers of individuals or businesses.

"(d) In addition to the requirements of section 552 of title 5, United States Code, any agency authorized by the President or by this title to issue rules, regulations, or orders shall publish in the Federal Register all internal rules and guidelines which may form the basis, in whole or in part, for any rule, regulation, or order. Such agency shall also support any grant or denial of a request for exception or exemption from rules, regulations, or orders provided for in subsection (b) above with a written opinion setting forth its findings of fact and a specific statement explaining the rationale for such grant or denial. Such opinions shall be published with such modifications as are necessary to insure confidentiality of information protected under section 55(b) of title 5, United States Code.

"(c) All rules, regulations, or orders issued pursuant to this title shall include the following:

"(1) Findings of fact and a specific statement explaining the rationale for each provision contained in such rules, regulations, or orders; and

"(2) Administrative definitions of the terms used in this title when pertinent to the rule, regulation, or order.".

On page 17, line 16, change the number "216." to "217.".

On page 17, line 18, change the number "217." to "218.".

Mr. MATHIAS. Mr. President, this amendment is very simple; I do not have to take much time to explain it. The Senate has already acted on the subject matter in connection with the energy bill which we passed last Christmas.

It provides procedural safeguards, so that the general public can find out what is happening to them, to their business, and to their means of livelihood in the course of dealing with wage and price controls.

The Subcommittee on Separation of Powers, of which the senior Senator from North Carolina (Mr. ERVIN) is the chairman, held extensive hearings on the operation of the Cost of Living Council, and we found out that procedurally the wage and price program is deficient in its dealings with the public. The public cannot find out what is happening; they cannot find out what are the baseline figures and statistics upon which decisions are made.

This is a means of getting to the average business man, the average consumer, the average wage earner, the means of finding out what is happening to his life and his livelihood, when and if the price control system comes into being. It simply provides some sort of administrative guarantees to the average citizen. It does nothing more.

The Senate overwhelmingly adopted the same safeguards on the energy bill, and I commend them to the Senate tonight.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSTON. Mr. President, we not only accept but endorse this amendment. It is an excellent one, and provides for those safeguards that have been recommended by the subcommittee. The Senator from Maryland is to be commended for offering the amendment.

The PRESIDING OFFICER (Mr. BIDEN). All time having expired, the question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the first part of the amendment of the senior Senator from Maine, as amended. On this question, the yeas and nays have been ordered.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Was there not a motion to lay on the table?

Mr. TOWER. The amendment of the Senator from Maryland came in under a unanimous-consent agreement. I ask for the yeas and nays on the motion to lay on the table.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, there will now be two votes back to back, and these are 10-minute votes.

Mr. EAGLETON. Mr. President, I am opposed to any extension of the wage and price control authority which this administration says it does not want and which the record shows it has badly used.

I agree with proponents of the extension that we need vigorous action against inflation. But inflation cannot be stopped by passage of an act the administration either will not administer or which it uses to hold down wages and pensions while letting prices soar out of sight.

We have been through this before. The Congress had to force the authority on an unwilling administration when it first passed the act in 1970. And I think the record will show the Congress was right at the time. When controls were applied meaningfully as they were through part of 1971 and 1972, the increase in the cost of living dropped to 3.4 percent compared with 6.1 and 5.5 percent in the first 2 years of this administration

Since then, however, the administration has shown less and less inclination to make effective use of the authority, beginning with its precipitous scrapping of the phase II program after the 1972 election.

The result was inflation soared to 8.8 percent in 1973 and today is running out of control at an annual rate of 14.5 percent through the first quarter of this year. Worse, the average American is losing ground with a decline in real earnings of 4.7 percent in the past year.

Inflation is the priority concern of Americans, but extension of a discredited program of wage and price controls is no answer. This administration has made it clear it does not want controls and will not use any authority Congress forces on it. I see no point in pursuing barren courses. I believe we should let the authority expire and turn our attention to new measures which have some chance of dealing with the problem. In this, the administration has a responsibility to the American people and Congress to come forward with its proposals.

Mr. TUNNEY. Mr. President, the Senate is now considering proposals to extend the legislative authority for wage and price controls. Inflation today is worse than at any time in our peacetime history. If a continuation of the present controls authority offered any real hope of reducing the rate of price increase, I would be among the leading proponents.

The sad fact, however, is that controls as we have known them simply do not work. When the Economic Stabilization Act was enacted in 1970, the rate of inflation was less than 5 percent. Under phase IV controls, inflation reached the astounding rate of 9.6 percent. Today, after almost 3 years of on-again, off-again controls, prices are advancing at a rate of more than 14 percent.

Congress can no longer deal with inflation by blindly delegating large blocks of authority to the President. If the administration presents a comprehensive set of proposals providing legislatively specific suggestions for dealing with the sources as well as the symptoms of inflationary pressures, I, for one, will be pleased to consider such suggestions with an open mind.

At present, however, I believe the interests of the American people would be ill served by a continuation of price control policies which have demonstrably failed the test of time.

Mr. CRANSTON. Mr. President, I want to state my principal concerns over proposals to enact standby wage and price controls, and to suggest some positive steps Congress and the administration might take to work towards damping down the current inflation and avoid future inflation.

I say damp down because that appears the most we can expect to achieve at the moment. Inflation is rampant worldwide. We operate in a world economy. We are dependent on foreign raw resources and foreign markets for selling many of our goods. The balance of payments is an important element of inflation and is linked to trade and our overseas military activities and foreign aid.

I advocate the elimination of wage and price controls because:

First, I am totally convinced that the Nixon administration cannot and will not properly administer a wage-price control program voted by this Congress. Irrespective of arguments about whether controls are or are not a good idea, the President has said he does not want controls. So have business and labor.

Second, there is some evidence that the controls program itself fueled inflation. Certainly the decision by Secretary of Agriculture Earl Butz to keep acreage controls in the face of mounting world demand for food is a dramatic example of the misuse and failure of a control program. Price restraints created many shortages, which could be relieved only by letting prices go up. More money could be made shipping logs to Japan than by processing them here. The beef freeze did nothing but freeze beef production. It only temporarily halted the climb in prices and once the lid was taken off beef went sky high. There simply was no rhyme or reason to any agricultural or food production and price controls. I have received many complaints from businessmen about unexplainable shortages of materials. The assumption always was: the material was being sold elsewhere or, perhaps, was not being produced due to virtually nonexistent profits on the item in question.

Fourth, one clear attack on inflation is through reduction of military spending and unnecessary foreign military and wasteful and carelessly planned economic aid. Our current inflation can be traced directly to the huge Vietnam expenditures by the Johnson administration which culminated in a $25 billion budget deficit in 1968. The Nixon administration moved in with monetary restraints and program impoundments but these policies produced unemployment and their own budget deficits: $23 billion in fiscal 1971; about $23 billion in 1972 and $14 billion in 1973. Another deficit booms for fiscal 1974.

Throughout all of these years we have had continued heavy military and foreign aid spending—the biggest military budget increases on record for a so-called peacetime era.

The end of the war in Vietnam has not brought a reduction in military outlays. They were $76 million in 1973, an estimated $80.6 in 1974 and now they are pegged at $87.7 billion for 1975.

In addition, the President last week announced that he will seek $5.1 billion in foreign aid for fiscal 1975. That package includes nearly a billion dollars for Southeast Asia to help shift those war-ravaged countries from war-time to peace-time economics, according to the President.

But I ask President Nixon: Where is the peace in Southeast Asia we are being asked to support with American dollars?

If there is peace why is this administration again seeking huge increases in military assistance spending in Southeast Asia?

And if there is peace why, once again, must the American taxpayers be asked to support military spending projected at $87.7 billion?

Mr. President, in the 5 years I have been in the Senate I have voted for every national defense budget, although I've never approved all aspects of any one of those budgets. In a world still ruled by force, we must remain militarily strong. But we cannot remain strong in the face of a raging inflation that threatens not only our economic system but our social system and private institutions as well.

Every inflationary wave in history was created by war spending. Today, even though we are supposed to be at peace with the world, we have a war-time-sized military budget. It fuels inflation, and it also is inflation's victim, with costs ballooning up month after month.

It also appears—incredibly, to my way of thinking—that this administration is using these huge, wasteful military expenditures in a misguided effort to help the faltering economy and provide jobs.

The March 1974, annual report of the Joint Economic Committee of the Congress, pointing to administration testimony and statements that admitted the use of military spending for pump-priming the economy, made the following observation:

> Defense spending tends to be inflationary. Defense goods and services cannot be consumed by the public, and to the extent that resources are employed by the military, they are unavailable for civilian purposes. The removal of goods and services from the civilian economy may create or contribute to shortages. Defense programs inject expenditures into the economy but they do not produce goods or services to satisfy consumer needs. Arms are not sold to the public.
>
> Furthermore, to the extent that increased defense spending does serve to increase income and employment, it may also serve to increase the danger of future dislocation and recession. The defense buildup of 1965–68 added to employment as well as inflation, and it also planted the seed of the 1969–71 recession.

What a tragic waste of our limited resources.

We should be creating jobs in the critical areas of energy development, mass rapid transit, housing, pollution controls, health and education, not by maintaining a huge military apparatus, some $30 billion of it overseas at some 2,000 foreign military bases where, incidentally, we also employ 160,000 foreign nationals.

We must come to grips with these enormous military budgets.

My fourth point, Mr. President, concerns productivity and efficiency in our economy.

The Labor Department reported last week that productivity—the amount of goods or services a worker produces in one hour—fell by the largest quarterly decrease since 1958.

The decrease was at an annual rate of 5.5 percent for the first quarter of 1974. By comparison, the decline was only 0.8 percent—eight-tenths of 1 percent—in the last quarter of 1973.

As you would expect, unit labor costs—the cost of labor for each unit of output in the overall economy—also rose. The increase was at an annual rate of 11.3 percent, the sharpest rise since the first quarter of 1956.

Now most of this decline in productivity is traceable to inflation but this pessimistic report illustrates another problem in our economy which also contributes to inflation—the poor productivity performance of the U.S. economy, especially in relationship to other major industrial economies in the world.

For it is a sad fact that our rate of productivity gain is below other industrial nations and if we continue to fall behind our long-term inflation problem, our balance of trade and the value of the American dollar will remain in jeopardy. Unfortunately, there are no quick solutions to productivity problems but there are some steps which Government can take:

First. Expand scientific and technological research and development. The Senate has before it the National Science Policy and Priorities Act, S. 32—Kennedy—to expand Government support of research. That legislation should be passed. There should no longer be question about the Government's role in research. Our long and heavy support of agricultural research has increased productivity on the farms every year for many years. Today, our agriculture is the most productive in the world and we have by no means reached our limits.

Second. Expand Government investments in education and training. The relationship between high technology, high productivity, and educational achievement of workers have been established beyond doubt. Yet, today hundreds of thousand of capable young men and women are denied the opportunity of higher education and advanced training because they and their families are too poor to afford it.

Third. Reduce structural unemployment by grants to workers enabling them to move from depressed economic areas to areas of higher employment and provide a greater Government assistance to geographical areas of high unemployment.

Fourth. Increase competition by tougher enforcement of anttrust laws and regulations and broaden foreign trade with proper safeguards against unfair foreign competition.

I remain convinced that our best weapon for improved productivity is the free enterprise system itself, with its internal reward systems of profits and high wages for highly productive workers.

And we know from long experience that the free enterprise system works best when it is free of restrictions on competition. Freeing up our free enterprise system should be our first and most immediate objective in combating inflation and avoiding a deepening recession, the first stages of which already are here.

The Government's role should be to encourage production of goods and services by private industry, not to discourage production; to encourage abundance, not scarcity.

Mr. ABOUREZK. I agree that inflation is uncontrollable, that the American people can no longer absorb what is happening to our economy.

But this legislation does nothing to stop that inflation. It merely gives once again unlimited authority to the President to be unfair and uneven in how he places the controls. Under the previous control legislation, prices of oil and other major items were allowed to rise without any check by the administration. They were unfairly administered and did nothing to alleviate the increase in prices.

If we want controls, then we, the Congress, ought to impose controls—fairly, but we should not give the President the opportunity to unbalance the economy with authority given by this body.

WAGE AND PRICE CONTROLS MUST END

Mr. HATFIELD. Mr. President, it is a simple truth that wage and price controls have not worked. The economy has not been bolstered by these controls, but has instead been thrown off course by their effects.

In approving the Economic Stabilization Act of 1970, the Congress was taunting the President to take steps against inflation, rather than assuming that responsibility itself. At the same time, Congress has begun to grasp the magnitude of its abdication to the executive branch. We struggle to reassert ourselves in the budgetary process, in confirmation powers, and as initiators, not reactors, to legislation. Yet, here in one sweeping gesture, by giving the President the authority to impose wage and price controls, Congress would give away much of its responsibility and power over much of American life.

The heart of the problem lies in whether the objectives of the wage-price controls have been met. They have not. After 2½ years of economic controls under the various phases of the administration's program, inflation is still with us. In fact, even the administration has admitted that the controls, particularly the price freeze imposed on June 13 and lifted for most products on August 12, 1973, may have contributed to inflation by creating shortages.

This is usually what happens when price controls such as those under phase IV are imposed—consumer prices are stabilized temporarily, but inflationary pressures continue, and price increases are only delayed. Only the appearance of price stabilization is achieved.

Chester Bowles, Chairman of the Economic Stabilization Board during World War II and in charge of rationing, recently observed that controls will work only if two factors are present: there can be no international trade, and Government must control the means of production. We can hardly abolish international trade, and Government control of the means of production during peacetime would be intolerable.

There are other ways to deal with inflation than by imposing wage-price controls. Reducing Federal spending is one. Substantial savings can be made by reducing defense spending. Useless domestic programs, Government subsidies, and other areas of waste can and should be curtailed in order to reduce the inflationary impact of deficit spending.

Perhaps the most compelling reasons to allow wage-price controls to expire are found in a simple recital of what has happened under them. We could look at the irrational picture of beef producers withholding cattle from the market, thereby turning hungry consumers to horsemeat markets which in turn set off cries of outrage from certain animal protectionist groups. U.S. fertilizer has been snatched up at low prices in the world market leaving a shortage in this country. Angry consumers who refused to pay supermarket prices turned to canning their food, creating a shortage in canning jars and lids. The endless cycle of pay raises and price increases was dramatized here in Washington when the Federal pay raise prompted increases throughout the District, starting in the Senate cafeteria where the day the pay raise went into effect, the price of toast doubled and all other prices went up as well. The ramifications of each new control become absurd, and still the problem is not understood or under control.

Mr. President, let us not abdicate our responsibility in this area once again by passing the buck to the administration. Let us not try to fool ourselves or the American consumer by attempting to keep up good appearances and treating the symptoms rather than the causes of inflation. Let us allow wage-price controls to expire.

THE DANGERS OF STANDBY WAGE/PRICE CONTROLS

Mr. PERCY. Mr. President, there is ample evidence that the mere existence of the authority to impose controls, and of an agency to manage those controls, itself encourages higher prices, and prevents price decreases.

Dr. C. Jackson Grayson, former Chairman of the Price Commission, has been most persuasive on this point—and he should know. He argues that—

> People have learned lessons from the various phases. One of the lessons they have learned is that good guys often get hurt worst. If you do not take your price increases as fast as your costs go up (and you certainly do not want to take decreases) you may be caught with your base price down.

Let me give a practical example based on my own experience. When a company introduces a new product line it has to determine a price for that line. Ordinarily it would offer the product at an attractive price to consumers, even though it is not certain of the appropriate market price for the product when it is in full operation, and the costs of production are proven out.

In an ordinary market situation a company is free to introduce the product at what it considers a competitive price, then raise, or lower, that price as the product comes into full production.

Under standby controls, however, the company would likely seek to introduce its product at "full price"—the highest price the product could reasonably bear. The reasons are clear. If the company fears the possibility that controls will be slapped on, it wants to have the highest base price possible. Furthermore, even if the company finds that its actual costs of producing the new product are much lower than anticipated, it will be disinclined to reduce the product's price in order to keep a high base price.

In this way the standby controls will actually stimulate inflation—by encouraging higher prices, and discouraging price reductions.

Mr. President, I am absolutely convinced of the danger of standby controls. I say, let us get back to economic fundamentals. Every American has the clear evidence before him in his weekly grocery bill that controls have not worked. Controls are not the answer to this country's current price inflation.

CONTROLS AUTHORITY SHOULD BE TERMINATED

Mr. PEARSON. Mr. President, last night the authority of the Economic Stabilization Act expired. This is as it should be. We have let expire a program that did not cure inflation but did create many inequities and distortions in the economy. Now that the machinery for controls has been abandoned, we would be ill advised to resurect that machinery even in the form of the amendment proposed by my eminent colleagues Senators MUSKIE, STEVENSON, and JOHNSTON.

Mr. President, when controls were first established in 1971 the inflationary rate was running at about 4½ percent. During the first quarter of 1974 the Consumer Price Index measured an annual rate of increase of 14½ percent. It is true that the early stages of the economic stabilization program did have a dampening effect on prices. But this was temporary and apparently did not do much more than simply delay later price increases.

The lesson we have learned is that price and wage controls, if they have any success at all, can only be effective over a fairly short period of time. Extended controls inevitably generate enormous inequities and distortions in the economy.

For example, many of the shortages we have experienced over the past year are in large part the result of artificially imposed price relationships which prevented the free market to properly reflect demand. For example, the shortages in fertilizers, essential to expanded food production, and shortages in tubular steel, essential to expanded oil production have been considerably magnified because of faulty price controls and there are many other such examples.

It is also to be noted that controls tend to be more effective in holding down wages than prices. Thus, while hourly earnings of wage earners increased 6.7 percent between January 1973 and January 1974, living costs increased by 9.4 percent. Also during that period, the corporate after tax profits increased by 27 percent.

Proponents of the Cost of Living Act amendment say, yes, existing controls should be terminated, but we must retain standby authority to reimpose selective controls at a later date if conditions warrant such action. But I am persuaded that the existence of standby authority would have an adverse impact. I think one of the reasons why we have been rather ineffective in controlling inflation is that we have tended to put too much reliance on the economic stabilization program. We have tended to look to price and wage controls as the principal instrument for controlling inflation and, of course, this has proved to be disastrous.

But retaining standby authority would continue to encourage this reliance on the control mechanism rather than looking to other more fundamental fiscal and monetary policies to curtail inflation.

Also, if standby authority is retained there would be enormous pressure to reimpose controls totally or selectively. The monitors find it almost impossible not to act even when price increases represented pure demand shifts.

Also, I think it is likely that the existence of standby authority would actually add to inflationary pressure. If the machinery were there to reimpose controls overnight this would likely encourage business and labor to adopt a psychology of "we had better get increases while we can. If we do not now we may get caught in a freeze later." And by the same token the existence of standby authority would discourage price decreases. Businessmen are simply not likely to reduce prices for fear that a new freeze would catch them with their prices down.

Mr. President, I do not suggest that wage and price controls should never again be reimposed. It is possible that conditions could develop where this type of drastic and last-ditch action would again be necessary. But should such conditions develop, Congress can act to create new control authority. It is far better that should such action ever be taken it be preceded by full public debate. The decision to reimpose controls should not be left to administrators in the executive branch.

Mr. President, I urge the defeat of this amendment.

WAGE-PRICE CONTROL EXTENSION AND TAX REDUCTION WITHOUT REFORM ARE MISTAKEN POLICIES

Mr. McGOVERN. Mr. President, I urge the Senate to reject the Stevenson-Muskie amendment to S. 2986 and any other bill which would extend the administration's unlimited authority to control the economy. I also will oppose any proposal to reduce taxes unless it also includes tax reform to close unjustified tax loopholes.

The proponents of these measures rightly point to the tremendous increase in inflation in recent months as evidence that we are in the midst of greater economic peril than at any time since 1929. But based on evidence to date, the extension of controls under the present administration and the reduction of taxes without tax reform would make the problem worse.

Economic controls are an uncertain and inadequate solution to inflation. Their effectiveness depends on how the Government uses the control period to treat the underlying causes of inflation. In the case of the present administration we have had phase after phase of wage-and-price controls and month after month of record inflation. In my view this is because the administration has repeatedly applied poor economic policy and the Congress has been unwilling to impose better policy.

For the first time since the 1930's, American jobs and American purchasing power are seriously threatened. In addition to increasing inflation and unemployment, we are now faced with critical shortages—all symptoms of serious economic illness. And the fault lies not with the free enterprise system, but in how that system has been perverted for the special interest of the most favored and the most powerful at the expense of the rest of us.

The problems we have today are not simply the result of incompetent administration. They are rooted in fundamental choices the Government has made over the past few years in wasteful military spending and in the budget and tax policies developed to counter inflationary pressures spawned by the Indochina war and its $100 billion deficits.

Despite frequent talk of returning to a free economy and getting Government out of the people's pockets, the Nixon administration has intervened extensively in economic matters—trying and abandoning several different policies.

During the first 2 years of his Presidency, Mr. Nixon sought to restrain prices by raising unemployment. The result was a major recession and an actual increase in inflation.

To combat this new crisis the President sharply altered his economic policy. Announcing that he had become a Keynesian, he sought to pull the country out of recession by unprecedented Government spending and budget deficits. And to combat war-induced inflation, he imposed wage-controls. At the same time he radically altered the tax structure.

But the emphasis of his program was to benefit the corporate sector. He predicted that higher profits would lead to greater investment and expansion and thus to more employment.

But wages were kept under control, while profits soared to record highs, fattened by multibillion dollar tax writeoffs.

The President is following the same strategy in dealing with the energy crisis today—permitting oil prices and profits to soar on the theory that there is no other way to secure additional fuel.

In the 1960's the Kennedy-Johnson administrations successfully revived the economy through increased Government spending and tax reduction, freer trade with foreign nations, and wage-price guidelines.

But while the Nixon administration has relied on wealth to trickle down from corporate interests to the rest of us, the Kennedy-Johnson administrations sought to benefit workers and consumers directly. Tax relief was basically a lowering of individual income tax rates to increase consumption and therefore production. And attempts to restrain inflation concentrated on prices rather than wages.

The policies I advocated 2 years ago—tax reform, decreased military spending, selective price controls, tougher antitrust enforcement in the case of highly concentrated industries, more public service jobs, and income redistribution—are all urgently needed steps. Their purpose was to improve consumption of needed goods and services and thereby increase investment and jobs, while moving to balance the budget by closing tax loopholes and reducing unnecessary and unproductive military waste.

I think that approach would have been more effective as well as more equitable. Although the abuses of the past would still have taken their toll, an earlier return to sound policy would have lessened the cost.

But now we have a new dimension which pushes even this debate into a secondary role. It virtually guarantees that the 1970's will mark a major turning point in American economic thinking—a period no less profound, and perhaps no less traumatic, than the 1930's.

Today the question is no longer one of choosing between alternative strategies, either of which will produce some measure of prosperity. It is one of coping with shortages of essential commodities which cannot be replaced. In other words, for the first time in our history the problems of inflation and recession are in supply, rather than in demand.

Inefficient uses of industrial commodities in short supply will insure that industry will not soon catch up with the demand for many essential products. And a shortage economy will insure that inflation will continue at the high rates we have seen this year.

No economic forecast I have seen paints a hopeful picture. Even the usually optimistic administration projections herald hard years ahead. The Chairman of the President's Council of Economic Advisers has projected a 33-percent increase in the unemployment rate, coupled with 6-percent inflation. The Department of Agriculture has forecast a 17-percent decline in farm income. Housing starts are already down by 33 percent, choked by the highest interest rates since the Civil War.

The past errors in Government policy should humble us in our future efforts. The President's veto of the oil price rollback deprived the Nation of one method of combating fuel inflation. The administration's disastrous experiment with price controls on agricultural products last summer should teach those who speak for food consumers and food producers that this will not lead to greater production on the farm or lower prices at the supemarket. And the administration's repeated refusal to control the profits of big business, interest rates and executive compensation should teach those who speak for working men and women that this bill will not restore the buying power inflation has robbed from their paychecks this past year.

As the sponsors of this amendment correctly point out, we are now in the midst of the second recession of this administration. Retail prices increased at an annual rate of nearly 15 percent in the first 3 months of this year. Joblessness, now at 5.2 percent, is on the rise again. And interest rates are at the highest level since the Civil War. But this legacy of the latest phase of the Nixon controls leads me to the contrary conclusion: If unbridled Executive power over the economy has produced these stark results, how will an extension of that power lead to better results.

Because bad policy has been a major source of the present disorder, only better policy will enable us to restore order. The band-aid solution of wage and price controls will prove to be no solution unless we treat the basic underlying causes of inflation. And before we embark along that road again, we must reserve to the Congress the authority in economic affairs the Constitution ordains so that in cooperation with the Administration we can adopt for the first time a truly effective economic policy. In my view this is as good politics as it is good economics: for it will profit us little to blame the President and his party for an economic policy if we have no better alternatives.

If the administration is able to formulate a specific economic plan, we in Congress can move swiftly to pass the necessary authorizing legislation. In retaining the power to do this we can protect ordinary people from the kind of discriminatory policies we have seen when the administration had a blank check to control the wages of workers while it permitted the profits of its big business friends to soar to record highs.

And if the administration fails to develop the proper policies, as seems likely, let us in Congress act prudently to reduce the budget deficit by pruning the fat from military and foreign spending, by reforming the tax structure, and by rolling back oil prices.

For these reasons, Mr. President, I will continue to oppose economic controls until the administration and the Congress demonstrate the will to combat the twin dangers of inflation and recession. For I believe that if the past is any guide to the future, economic controls will merely be used to make our current problems even more severe.

Since this administration took office the cost of living has gone up nearly 33 percent. Because of a 14.5-percent inflation during his first 31 months of office, the President imposed price-and-wage controls. Yet in the subsequent 33 months of Nixon controls, we have had 20-percent inflation. Each dollar we spend is worth 36.7 cents less than it was just over 5 years ago.

In these circumstances I can see no hope for the people if we pass the inflation buck to the administration. I think the Congress can do better; certainly we can do no worse. At times Congress may have been long on rhetoric and short on action. But this last year we have made substantial strides in the areas of budget reform and energy legislation, in passing historic farm legislation and pension reform. Let us add to those accomplishments a sound economic policy.

This great task is before us now. Let us not avoid the challenge and the opportunity by taking the easy course. We have made much of restoring the power of Congress. Let us now exercise that power for the good of the Nation.

In conclusion, Mr. President, let me again stress that the problems which we face are new.

If we treat shortages, inflation, and unemployment as temporary aberrations, and continue special interest policies in combination with military spending at an all-time high, our wealth and prosperity will ebb.

But, if instead, we fashion policies in the public interest, our wealth and strength will be renewed.

Mr. President, the Wall Street Journal of April 30, 1974, contains an excellent article by Mr. Albert R. Hunt, a member of the Journal's Washington bureau, entitled "Liberal Gamesmanship in Congress." Before voting on either wage-price controls or tax reductions, I urge my colleagues in the Congress to read Mr. Hunt's article. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIBERAL GAMESMANSHIP IN CONGRESS

(By Albert R. Hunt)

WASHINGTON.—No one, Henry Kissinger has said, possesses more of a penchant to work against their own self-interest than the French. But then, maybe the Secretary of State doesn't know congressional liberals very well.

Recently numerous Capitol Hill liberals have almost been tripping over one another to push plans that may have political appeal but which, on closer examination, seem clearly counterproductive to their own expressed interests.

Two excellent examples surfaced last week. In one, liberals are seeking to extend some wage and price controls beyond tonight's scheduled expiration, and in the other they're proposing an across-the-board personal tax cut. The Senate will vote tomorrow on continuing controls and the tax cut measure probably will be taken up next week.

Prospects for quick congressional clearance of either measure are doubtful. But the posturing of liberals on these two issues offers little hope to anyone expecting clear-cut and rational alternatives to the Nixon administration economic policies that have clearly failed to control inflation while producing a sharp drop in the first quarter gross national product.

"The liberals are hypocritical on these issues," laments a labor lobbyist who's fighting any controls measure and would like any tax cut to include some tax reform as well. "They're admittedly playing politics and I'm not sure it's even good politics."

DOING SOMETHING

The last-minute effort to extend controls, following lopsided votes in both the House and Senate Banking Committees to end controls tonight, came after the Easter recess, when some Congressmen apparently received an earful of complaints about rising prices. Their solution was to come back to Washington and at least appear to be doing something about the problem.

Yet many of these same lawmakers have been the harshest critics of the current controls, agreeing with organized labor's somewhat justifiable charge that the burden has fallen disproportionately on workers. Liberal Republican Sen. Jacob Javits of New York, for example, criticizes the "abuses and mishandling" in the administration of wage-price controls over the past year. The recent decline in workers' real purchasing power offers solid support for such complaints.

In view of their distaste with the way the program has been run, what new controls formulas have these legislators discovered?

Under their proposal, pushed primarily by Senators Edmund Muskie (D., Me.), and Adlai Stevenson (D., Ill.) controls in any economic sector could be reimposed if the President makes three findings: one, that there is serious inflation generally; two, that inflation in that particular sector would lead to "serious hardship and deprivation," and three, that the need for controls outweighs potentially adverse effects on supply.

If this seems vague and general, it is. Even some supporters acknowledge that it pretty much boils down to giving another blank check to the same people who supposedly have been doing such a bad job for the past year.

When asked what confidence he has this new program would be administered any better, Sen. Muskie simply replies that this is "irrelevant . . . our job is to give him [the President] a tool we think he ought to have and he ought to use."

Sen. Muskie has fathered a new definition of relevancy. Even if controls are needed to stop raging inflation and even if it's desirable to have a more orderly decontrol process, the notion that a President should again be given sweeping powers to affect people's lives with little regard as to how that power will be utilized isn't a very encouraging sign in the age of Watergate.

In the same vein, moreover, many sponsors of this move have rather eloquently decried Executive usurpation of Legislative prerogatives. But when Congress' response is to duck responsibility repeatedly by turning over broad grants of power to the Executive, these complaints ring rather hollow. There's no doubt that it would be far tougher and more politically perilous for lawmakers to try to legislate a specific controls program. But it at least would show a semblance of Legislative responsibility sorely lacking at the moment.

Actually, the primary short-run effect of this latest effort may well be to cause anticipatory wage and price hikes and thus worsen an already bad inflation. "Businessmen and unions will be encouraged to grab everything they can while the getting is good, so they will be in a good position if controls are reimposed," worries a top Treasury officials.

All of which lends credence to Senate GOP Whip Robert Griffin's charge that the Democrats (with some Republican help) are playing "pure, unadulterated politics." If these legislators really believe in controls, "they should put their program into effect," the Michigan Republican says, but instead they want to "give broad unlimited authority to the President so that they [can] criticize him later."

(Lest anyone think the Democrats have a monopoly on such games, if the resurrection of controls fails, be prepared in a few months for some Republican officeholder to criticize Congress for failing to give the President the necessary tools to combat inflation. That individual will be a leading contender for any "Hypocrite of the Year" award.)

Similar gamesmanship is evident on the tax cut issue. Ten days ago, the Washington offices of Democratic Senators Edward Kennedy of Massachusetts and Walter Mondale of Minnesota proudly heralded a joint tax cut proposal. At the time, Sen. Kennedy was in Moscow and Sen. Mondale in Paris, but such geographic inconveniences didn't halt the press release bandwagon.

The Kennedy-Mondale proposal, intended to spur the economy out of any recession, would raise the personal income tax exemption to $825 a year from $750, or give taxpayers the option of taking a $190 tax credit instead. (A credit is taken off of tax liability and thus is more valuable than a deduction, which is subtracted from taxable income.) This will be offered in the Senate as an amendment to a minor tariff measure next week, and if passed, would provide a $5.9 billion tax cut, retroactive to January.

Apart from arguments made by the administration and others that this would be inflationary, it's questionable whether this is the sort of tax cut two staunch liberals ought to be pushing. A $75 increase in the personal exemption, after all, is worth $52.50 to someone in the 70% tax bracket, but only $10.50 to a taxpayer in the 14% bracket. While it's true, as the Senators note, that more than 81% of the benefits would go to persons making less than $15,000 a year, the converse is that almost one-fifth would go to individuals making more than $15,000.

To be sure, the alternative, a tax credit, would favor less well-off taxpayers. But some Senate insiders believe there's a good chance this new concept will be stripped away in favor of an increase in the personal exemption.

WHAT'S POLITICALLY PALATABLE

Further, from the liberals' vantage point, it should seem more desirable to cut tax rates for lower- and some middle-income taxpayers instead of taking this blanket, across-the-board route. Maybe so, answer supporters of the Kennedy-Mondale proposal, but that's not as politically palatable as the more easily understood increase in the personal exemption.

But an even greater concern to these liberals, it would seem, ought to be that a tax cut, by itself, sharply diminishes prospects this year for any significant tax revision, supposedly one of their prime political goals.

In the real world of politics, the stick of loophole-closing almost invariably has to be accompanied by the carrot of personal tax cuts.

That is why some strong advocates of tax revision fear the liberals could be scoring political points now at the expense of more far-reaching achievements later. "What bothers us is that it's easy to vote tax relief, but the hard thing is to vote for substantial tax reform," says Robert Brandon, head of Ralph Nader's tax reform research group. "Certainly, reform should be quid-pro-quo for relief." (Several liberal lawmakers, such as Wisconsin's Gaylord Nelson in the Senate and California's James Corman in the House, take precisely this position.)

As with controls, of course, it's a lot more difficult and less politically appealing to hammer out revenue-raising tax changes to accompany the more popular personal reductions. But, to paraphrase President Nixon, politicians shouldn't always take the easy way out.

With one shocking revelation piling upon another, it's understandable why the Nixon administration is in such disrepute today. But when Congress chooses cheap and careless politics over filling the leadership void, it's no wonder that it's held in equally low esteem.

ANTICONTROLS

Mr. MONDALE. Mr. President, I cannot support issuing another blank check to this President. I say this with deep regret, because I believe that a carefully constructed and fairly administered controls program is a vital part of any strategy to control inflation.

However, this administration has shown by its record that it is either unwilling or unable—or both—to run such a program. The incredible decision to move to the voluntary phase 3 program, and the remarkably inept second price freeze, illustrate the dangers of having a controls program run by those who do not believe in controls. And former COLC Director Arnold Weber's admission that: "The idea of the freeze and phase 2 was to zap labor, and we did," makes it clear why labor and so many others have lost faith in this administration's willingness to run a fair controls program.

The administration has made it clear that it wants to abandon controls. Only John Dunlop laments their demise, but he stands alone. To continue authority for standby controls in the face of this administration attitude would be a futile gesture.

It has been argued that the administration has changed its mind on controls before, and exercised authority which it had said it would never use. That is true, and if that authority had been exercised responsibly before, that would be a good argument for continuing it on a standby basis. But it has not.

I do not believe this administration can be trusted with the standby control authority this bill would grant. There is an attempt in the bill to limit that authority, but it is too vague. Given the record of this President in ignoring even detailed and specific limits on his authority, I have little confidence that he will be bound by more general limits.

It is quite possible, in the weeks to come, that we can reach a position where Congress, the administration, business, labor, and others can sit down and work out a controls program that everyone can have confidence in. I am certainly prepared to lend my full support to such an effort. But in the present situation, with the mutual trust and confidence that is so essential for a successful controls program seriously eroded, I cannot justify voting another blank check for this administration.

Mr. MONTOYA. Mr. President, the amendment we are about to vote on gives the President continuing authority to impose controls on the economy, and what a storm of opposition has arisen against it.

This storm gathers its force from many sources: From the business community which has suffered under artificially induced shortages; from the unions which have suffered a decline of real income while wages have been suppressed; from hospital administrators who have suffered a continuing squeeze between rising costs and frozen prices; and from the average citizen who looks at the inflation rate for March and asks, "When will this end?"

This is the question we must address.

Here is the news on inflation over the first quarter of 1974:

Real gross national product declined at an annual rate of 5.8 percent.

The dropping GNP contributed to a 5.5-percent decline in productivity.

The Consumer Price Index increased at a yearly rate of 14.5 percent.

The Wholesale Price Index, which signals later developments in consumer prices, skyrocketed at an annual rate of 24.8 percent.

These are the facts we must address.

Like a fire burning deep underground, inflation is consuming our resources and yielding nothing in return. And just as an underground fire burns on and on, sometimes for years, this inflation will continue its destructiveness until we do something to extinguish it. It will not end by itself.

I do not covet the title of Nero, and neither does any other Member of this body. Yet the longer inflation continues and the higher its flames leap, the more our constituents are going to compare us to that former senator.

What is it that we can do about inflation? Economic science offers us several tools which we can use in our fight. Control of the Federal budget is one tool, and a change in the tax structure is another. Monetary policy is a third tool which is not in our hands but which is being used right now by the Federal Reserve Board in a most determined fashion. Export and import policy also comes into play when part of the inflation is induced by foreign factors, such as the recently ended oil embargo and the worldwide grain shortage which are major contributors to our inflation. And wage and price policy is a fifth tool.

Some will argue that with so many policy options available, why adopt one which has not worked? My answer is twofold.

First, so serious is our problem today that we need to make every possible anti-inflationary tool available; to have it on hand if it is needed quickly. This is especially important in the case of wage-and-price controls because part of their effectiveness depends on elements of speed and surprise in their implementation.

Second, wage-and-price controls have been effective. They were effective during phases I and II. Indeed, at the time phase II ended, it was widely said that the controls had helped considerably to dampen inflation. Even George Shultz, who was never an advocate for controls, admitted that this was true and says, in retrospect, that he can see that phase III came too early. Phase IV has not worked at all, as we know, but the policy of phase IV was one of dismantling controls, and this policy is leading nowhere but to ruin.

Sometimes we have to take bad-tasting medicine, and this is one of those times.

The bill that is before us is not a simple extension of the old Economic Stabilization Act, however. Just as we would be foolish to refuse to recognize the good that came out of phase II, so we would be blind to ignore the problems which the entire program caused and which I mentioned in my second paragraph. We have identified some of these problems and we have tried to write a piece of legislation which overcomes them

We have tried to overcome the problem of artificially induced shortages. The bill says in section 205(c)(1)(iii) that the President may not impose controls unless he finds that the benefit of controls outweighs "the possible adverse supply consequences," and directs him, at 205(c)(2)(C) (i) and (ii), to respect and consider supply problems caused by a "curtailment of production or productivity" or by an "increase in foreign demand" which controls might stimulate.

We have tried to overcome the just concern of the unions that they will once again be singled out to bear the brunt of this program by authorizing the President to control prices, rents, interest rates and corporate dividends as well as wages, and we have said in 205(d)(5)(e) that the President:

> In determining the wage increases to be permitted under economic stabilization controls . . . shall give consideration to the need for real earnings to keep pace with the cost of living.

I think we have also made clear in this debate that, as we have said in the bill, sacrifices between business and labor must be generally comparable.

Moreover, we have just passed the Humphrey amendment which will require the approval of the Congress whenever the President imposes controls on any sector or group for 30 days or longer. Thus, if the President cannot or will not understand the clear intent of this legislation to spread out the burden, then the Congress will carry out this intent. Labor, and every other sector, will be protected.

The hospital administrators have reason to be the most anxious of all groups about this bill because the Cost of Living Council has indicated that it intends to continue controls on the health industry. This concerns me, because what the Cost of Living Council has done during phase IV to the hospitals in New Mexico has been injurious to their financial health. I have reams of paper full of statistics showing hospital costs rising. The cost of everything from syringes to orderlies is up, and a somewhat arbitrary lid has been placed upon the prices which hospitals can charge.

We do, however, have a copy of a letter from Dr. Dunlop which he sent today in which he says that the principle of prospective budgeting should be flexibly adapted to the general economic situation. This is obfuscatory language and it does not really satisfy my concerns, nor will it satisfy the concerns of my hospital administrator constituents. But Dr. Dunlop and his associates, in meetings with my staff and others, have promised that relief will be forthcoming to the hospitals.

That promise, together with the Humphrey amendment, suggests to me that, in passing this bill, we are not abandoning the needs of our hospitals.

Another consideration we should bear in mind is that a determined effort is being made to hold the line on health costs while national health insurance legislation is before the Congress. As a sponsor of one such piece of legislation and as a representative of the State which ranks 40th in per capita income, I want to see some kind of health insurance program enacted. We should recall that such a measure will be anti-inflationary in its own right.

One final point deserves our attention, and that is the rather unfortunate finger pointing that is going on; the charges that this bill is being passed only so the Democrats can put the blame for inflation on the President.

I think that making charges and placing blame is something that matters only to politicians. What have we Democrats to gain by blaming the President? His popularity is so low now as to be almost nonexistent. A charge of economic mismanagement, however true or false, will not burden him more than he already is.

But far more important is this truth: The people want an end to inflation and they are holding their Government responsible for each day that it goes on. They do not say it is the Republicans who are responsible or the Democrats. They are saying it is the Democrats and Republicans both. Let no one doubt that inflation is a brush which blackens both parties, so let us do all we can to end it.

For these reasons, I support this amendment and urge that my colleagues do likewise. We have an amendment which has been crafted to steer a new economic stabilization program around the holes into which the old program fell. We also have a tool which can be, and which has been, an effective inflation fighter. I think it is prudent; I think it is responsible; I think it is mandatory that we adopt it.

Mr. BAYH. Mr. President, the continuation of the upward spiral of inflationary pressures was not deterred nor diverted by the broad control authority the administration had under the Economic Stabilization Act. With the lessons learned since the premature shifting from phase II to phase III in January 1973, I am convinced that renewing the administration's authority to control wages and prices—even on a more limited basis—will not solve our economic problems. Indeed, for reasons I will explain in a moment, renewal of now-expired wage and price control authority could actually exacerbate our economic ills. Accordingly, I have determined reluctantly to oppose the pending wage and price control amendment.

One need only look at the current statistics on the economy to see vividly the failure of the administration to use the Economic Stabilization Act effectively. The cost of living rose at an annual rate of 14 percent during the first quarter of 1974. At the same time real gross national product declined by an annual rate of 5.8 percent, a far greater drop than even the most pessimistic projections of last year. Unemployment remains above 5 percent, interest rates continue to rise and the economy is still beset by shortages of basic commodities.

In addition, the record-breaking inflation of the first quarter comes in the wake of an 8.8-percent rise in the cost of living last year. Throughout this period, beginning with the shift to phase III 16 months ago, wages have generally been kept within the 5.5 percent guidelines, resulting in a sharp drop in the real purchasing power of most Americans.

It strikes me as folly, Mr. President, to pretend that giving the administration authority to control the economy—authority which the principal sponsors of this amendment acknowledge is more limited than that which existed under the Economic Stabilization Act—will resolve the very real economic problems that face us. Time and again we have found that the administration views wage and price controls as a way to limit wage increases for American workers while letting the profits of big business go unchecked. Perpetuating such an inequitable system of economic controls will not mean an end to inflation, nor will it provide the impetus needed to shake the economy from the lethargy which makes the unlikely combination of serious recession and rampant inflation a real possibility.

I indicated a moment ago that I was concerned that renewal of wage and price control authority could actually exacerbate our economic problems. There are two reasons for my concern.

First, I fear that making it possible that controls will be reimposed on the economy at some future date will stimulate inflation. There will be a logical inclination for industry and business to set higher than necessary price increases, and for workers to press for even more than the catch-up wage increases to which they are entitled, in anticipation that future price and wage increases to which they are entitled may be limited. This so-called anticipatory inflation would further dislocate our economy in coming months, at the very time we should be striving to recover from the dislocation of past months.

Second, we found out that one consequence of economic controls is the creation of supply shortages which, themselves, aggravate the disruption of the economy. To cite just one example, with which I have been directly involved, small plastics processors have been hard hit in recent months by a shortage of plastic resins. This shortage was created by a combination of factors, including the economic incentive to export plastic resins in order to take advantage of the international price which was higher than the controlled domestic price. Had the Commerce Department been willing to use its authority, under the Export Administration Act, to limit plastic resin exports this problem would have been solved. But with the Commerce Department unwilling to act, the domestic shortage of plastic resins posed severe hardship for hundreds of small businessmen across the country.

Thus, Mr. President, given the administration's maladministration of its previous economic control authority, and the real prospect that renewal of that now-expired authority will further disrupt our economy, I think the Senate would do well to defeat the pending amendment.

We would be engaging in self-deception and deception of the American people if we left the impression that passage of this amendment would mean a turn-around in the inflation that so plagues American consumers. As I said earlier, with even greater authority over the past year and a half, the administration has permitted inflation to run wild, robbing millions of Americans of real purchasing power.

Rather than passing this amendment, Mr. President, we could go a long way to slowing the rate of inflation by putting a lid on oil prices. I should emphasize, in this regard, that while I am opposed to the pending amendment, I feel it is essential that price controls be maintained on energy—the sector of the economy which has contributed more than any other to the rise in the cost-of-living. Authority to control fuel prices exists under a separate law, the Emergency Petroleum Allocation Act, which does not expire until March 1, 1975.

The rise in the cost of living has been led by the rise in fuel costs, and it is essential that controls not only be maintained, but actually tightened in this area. This is why I was so disappointed by the President's veto of the Energy Emergency Act, which would have brought about a reduction in oil prices. Oil company profits are soaring, as the prices of gasoline and home heating oil continue to climb. For example, for the first three months of 1974 profits rose by 76 percent at Gulf and 81 percent at Standard Oil of Indiana.

The oil companies are quick to claim that their increased profits come from their international operations, but the fact is that large sectors of the domestic oil industry are now exempt from controls. This has created a disparity between the controlled price of oil of $5.25 a barrel and the average price of $10 a barrel for stripper and "new" oil, that is oil from wells producing less than 10 barrels a day and oil production in excess of the May 15, 1973 levels, respectively.

I continue to believe that oil prices should be brought under closer rein and reduced to reasonable levels. This would be the most direct way to reduce the rate of inflation, an action with guaranteed results rather than the indefinite consequences of renewing wage and price control authority.

Mr. President, I should note that long before the President instituted the first wage-price freeze in August of 1971 that I had advocated economic controls to cope with a deteriorating economy. Normally I am opposed to controls on our economy. However, when we have economic problems confronting our people, government must respond. Thus, I supported the passage of the Economic Stabilization Act, at a time when it was opposed by the President, because of my belief that equitable economic controls were needed at that time.

The fact is that the initial freeze and the controls in place through Phase II worked rather well and inflation was down to about 3 percent. Then, responding to pressure from big business, in the wake of the 1972 election, the administration quickly shifted gears into phase III and set loose the inflationary pressures which even today are growing worse.

With this background, it is obvious that to perpetuate an inequitable system of controls would neither stem the tide of inflation, nor provide workers with the opportunity to regain lost purchasing power.

Besides reducing oil prices, there are other things we can do immediately to help correct the course of the economy. For example, public service employment job opportunities should be expanded. I was distressed that the President only requested $250 million for this program in the Second Supplemental Appropriations bill. I offered an amendment which was adopted in Committee, to add $575 million to the amount requested by the President so that we can deal with high unemployment and an economic slowdown effectively.

For my own State of Indiana this will increase the available funds for public service employment from $1.2 to $10 million. Approximately 117,000 jobs would be created nationwide by the additional appropriations.

Finally, Mr. President, we should also be pushing for a reduction in interest rates. The record high prime rate of 11 percent, fostered by the Federal reserve discount rate of 8 percent, not only threatens to worsen our economic slowdown, it also has a significant inflationary effect by increasing the cost of borrowing for businesses and consumers.

If industry must set prices to allow for the high cost of borrowing, which for most companies is several points higher than the prime rate, it is obvious industry's products will cost more. With so much consumer buying done on credit—and with that credit costing more all the time—the final product cost to a consumer rises in line with the rise in interest rates.

Moreover, there is the unhappy fact that high interest rates tend to slow the economy, something we can little afford with unemployment above 5 percent and the real GNP down sharply in the first quarter.

The Federal Reserve's solution to our economic problems might make sense in a traditional economic model, but our unprecedented combination of record inflation in the middle of an economic downturn defies all traditional economic models. The high interest rate solution will not only fail, it will exacerbate the very problems it is supposd to be helping.

Mr. President, our economy is obviously in serious trouble, and as always happens when the economy runs aground, it is the average American worker and his family who are hardest hit by our economic problems. It is those workers who have lost real purchasing power, up to 5 percent in the last year, as their wages were held in check while the cost of living jumped. It is those workers who find themselves on the unemployment lines when times get tough, or if they don't lose their jobs they face shorter working hours and reduced income.

We should be addressing ourselves to those steps required to solve these problems for the average Americans who have been asked to carry the burden of the errors of recent years. Renewing wage and price control authority for the Administration is not one of those solutions; if it were I would be ready to vote differently. I certainly hope that if the pending amendment is adopted that the American people will not be led to expect a quick change in the present course of the economy, for that expectation would be the cruelest hoax of all.

Rather than the cosmetic touch of renewing wage and price control authority, we can begin to solve our problems by reducing oil prices and interest rates, by ensuring an adequate domestic supply of foodstuffs this year, by expanding the public service employment jobs program and by a major improvement in our unemployment compensation system. This will take some time, but it is the best hope for American consumers.

The PRESIDING OFFICER (Mr. BIDEN). The question is on agreeing to the motion to lay on the table the first part of the amendment of the Senator from Maine (Mr. MUSKIE), as amended. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METCALF (when his name was called). On this vote I have a pair with the distinguished Senator from Ohio (Mr. METZENBAUM). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MANSFIELD (after having voted in the negative). On this vote I have a pair with the distinguished Senator from Idaho (Mr. CHURCH). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Hawaii (Mr. INOUYE), the Senator from Ohio (Mr. METZENBAUM), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas (Mr. FULBRIGHT) and the Senator from California (Mr. TUNNEY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), and the Senator from North Carolina (Mr. HELMS) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. YOUNG) is absent on official business

I further announce that the Senator from Florida (Mr. GURNEY) is absent due to illness in the family.

I also announce that if present and voting, the Senator from North Carolina (Mr. HELMS) would vote "yea."

The result was announced—yeas 56, nays 32, as follows:

[No. 168 Leg.]

YEAS—56

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Clark
Cook
Cotton
Cranston

Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hartke
Hatfield
Hollings
Hruska
Huddleston
McClellan
McClure
McGovern
McIntyre

Mondale
Nunn
Packwood
Pearson
Percy
Proxmire
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—32

Biden
Byrd, Robert C.
Cannon
Case
Chiles
Eastland
Hart
Haskell
Hathaway
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McGee
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Randolph
Ribicoff
Roth
Stennis
Stevenson
Symington
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Metcalf, against
Mansfield, against

NOT VOTING—10

Bellmon
Church
Ervin
Fulbright
Gurney
Helms
Inouye
Metzenbaum
Tunney
Young

So Mr. Tower's motion to table the first part of Mr. Muskie's amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the second part of the amendment of the Senator from Maine (Mr. Muskie).

Mr. MUSKIE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I move to table the second part of the amendment of the Senator from Maine and ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is agreeing to the motion to table the second part of the amendment of the Senator from Maine (Mr. Muskie).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. METCALF (when his name was called). On this vote I have a pair with the Senator from Ohio (Mr. Metzenbaum). If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I, therefore, withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Hawaii (Mr. Inouye), the Senator from Ohio (Mr. Metzenbaum), and the Senator from California (Mr. Tunney), are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. Church), and the Senator from California (Mr. Tunney), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) and the Senator from North Carolina (Mr. Helms), are necessarily absent.

I also announce that the Senator from North Dakota (Mr. Young), is absent on official business.

I further announce that the Senator from Florida (Mr. Gurney), is absent due to illness in the family.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Helms), would vote "yea."

The result was announced—yeas 44, nays 45, as follows:

[No. 169 Leg.]

YEAS—44

Abourezk
Aiken
Allen
Baker
Bartlett
Bennett
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hartke
Hatfield
Hollings
Hruska
McClure
Nunn
Packwood
Pearson
Percy
Proxmire
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Talmadge
Thurmond
Tower
Weicker

NAYS—45

Bayh
Beall
Bentsen
Bible
Biden
Byrd, Robert C.
Cannon
Case
Chiles
Cranston
Eastland
Hart
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Randolph
Ribicoff
Roth
Stafford
Stennis
Stevenson
Symington
Taft
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Metcalf, against

NOT VOTING—10

Bellmon
Church
Ervin
Fulbright
Gurney
Helms
Inouye
Metzenbaum
Tunney
Young

So the motion to table the second part of Mr. Muskie's amendment was rejected.

The PRESIDING OFFICER. The question recurs on the adoption of the second part of the amendment by the senior Senator from Maine. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. METCALF (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Rhode Island (Mr. Pastore). If he were present and voting, he would vote "aye." I have already voted "nay." I therefore, withdraw my vote.

Mr. BIDEN (when his name was called). Mr. President, on this vote I have a pair with the Senator from Ohio (Mr. Metzenbaum). If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "aye." I withhold my vote.

Mr. GOLDWATER. Mr. President, has not that pair been made before?

The PRESIDING OFFICER (Mr. Huddleston). The Chair is advised that the pair has not been made on this vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from North Carolina (Mr. Ervin), The Senator from Arkansas (Mr. Fulbright), the Senator from Hawaii (Mr. Inouye), the Senator from Ohio (Mr. Metzenbaum), the Senator from Rhode Island (Mr. Pastore), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. Church) and the Senator from California (Mr. Tunney) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Massachusetts (Mr. Brooke), the Senator from North Carolina (Mr. Helms), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. Young) is absent on official business.

I further anonunce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Helms) would vote "nay."

The result was announced—yeas 44, nays 41, as follows:

[No. 170 Leg.]

YEAS—44

Abourezk
Bayh
Beall
Bentsen
Bible
Byrd, Robert C.
Cannon
Case
Chiles
Cranston
Eastland
Hart
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pell
Randolph
Ribicoff
Roth
Stafford
Stennis
Stevenson
Symington
Taft
Williams

NAYS—41

Aiken
Allen
Baker
Bartlett
Bennett
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hartke
Hatfield
Hollings
Hruska
McClure
Nunn
Packwood
Pearson
Percy
Proxmire
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Talmadge
Thurmond
Tower

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Metcalf, against
Biden, for

NOT VOTING—13

Bellmon
Brooke
Church
Ervin
Fulbright
Gurney
Helms
Inouye
Metzenbaum
Pastore
Tunney
Weicker
Young

So the second part of Mr. Muskie's amendment was agreed to.

Mr. BEALL. Mr. President, I move to reconsider the vote.

Mr. MUSKIE. Mr. President, I move to lay that motion on the table.

Mr. Baker and other Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 10 minutes on this vote, as long as most Senators are in the Chamber and this is practically a back-to-back vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the second part of the Muskie amendment was agreed to. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. METCALF. Mr. President, on this vote I have a live pair with the Senator from Ohio (Mr. Metzenbaum). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Hawaii (Mr. Inouye), the Senator from New Hampshire (Mr. McIntyre), the Senator from Ohio (Mr. Metzenbaum), the Senator from Rhode Island (Mr. Pastore), and the Senator from California (Mr. Tunney) are necessarily absent.

On this vote, the Senator from Rhode Island (Mr. Pastore) is paired with the Senator from Idaho (Mr. Church).

If present and voting, the Senator from Rhode Island would vote "yea" and the Senator from Idaho would vote "nay."

I further announce that if present and voting the Senator from California (Mr. Tunney) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Massachusetts (Mr. Brooke), the Senator from North Carolina (Mr. Helms), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. Young) is absent on official business.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Helms) would vote "nay."

The result was announced—yeas 43, nays 42, as follows:

[No. 171 Leg.]

YEAS—43

Abourezk
Bayh
Beall
Bentsen
Bible
Biden
Byrd, Robert C.
Cannon
Case
Chiles
Cranston
Hart
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
Mondale
Montoya
Moss
Muskie
Nelson
Pell
Randolph
Ribicoff
Roth
Stafford
Stennis
Stevenson
Symington
Taft
Williams

NAYS—42

Aiken
Allen
Baker
Bartlett
Bennett
Brock
Buckley
Burdick
Byrd,
Harry F., Jr.
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hartke
Hatfield
Hollings
Hruska
McClure
Nunn
Packwood
Pearson
Percy
Proxmire
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stevens
Talmadge
Thurmond
Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Metcalf, against

NOT VOTING—14

Bellmon
Brooke
Church
Ervin
Fulbright
Gurney
Helms
Inouye
McIntyre
Metzenbaum
Pastore
Tunney
Weicker
Young

So Mr. Muskie's motion to lay on the table Mr. Beall's motion to reconsider was agreed to.

Mr. TAFT. Mr. President, I have voted against standby controls but for the rest of the Muskie amendment. This approach would eliminate any authority for wage and price controls. However, it would provide continuing authority for a Government agency to act as an anti-inflation watchdog and to work for voluntary efforts to reduce further inflation. It would also provide authority for the agency to monitor and enforce the commitments to price restraint and to other anti-inflationary actions which the Cost of Living Council has already obtained from various industries.

I indicated last February 11 that I believe that the general phaseout of wage and price controls is overdue. The controls have hurt recently as much as helped in most fields. After long and detailed consideration I have also decided that the Muskie standby controls proposal would lead to inflationary price increases in anticipation of further controls, could result in inequitable treatment of controlled industries and workers and generally would allow too much Presidential discretion.

However, as I have also stated previously, a decision to kill any authority whatsoever for even a monitoring authority must be questioned in this time of the continued threat of crippling inflation. Despite the problems the controls have caused and the high proportion of recent inflation attributed to petroleum which will remain under price controls—and the food sector—for which price controls are of extremely limited usefulness—I do not see how it can be in our best interests to eliminate even the minimal authority necessary to insure at least to some extent that the remainder of the decontrol process can be carried out in an orderly fashion. I believe that Congress is going too far by not at least providing the Government the authority to monitor commitments to restrain it has already received from a wide range of industries varying from fertilizers to automobiles, or to negotiate with labor and industry for voluntary actions. It seems to me that the case for assuring that the Government would have the limited authority contained in the second part of the Muskie amendment is extremely strong.

I do not think that many Members of the Congress fully realize the number of voluntary commitments that were obtained from various industries by the Cost of Living Council during the decontrol process. In 17 sectors of our economy, the Council has obtained voluntary commitments from the leading firms to take serious and constructive measures to alleviate various inflation-related problems existing in their industry. In all but two, fertilizer and zinc, the major firms committed themselves voluntarily to some degree of price and/or profit restraint.

Commitments to increase production and to expand capacity were agreed upon by firms producing fertilizer, cement, zinc, semiconductors, petrochemicals, tires and tubes, canned fruits and vegetables, and coal. Firms in industries such as fertilizer, petrochemicals, paper and aluminum, made various commitments designed to limit exports or to maintain historic patterns of domestic sales. Improved price reporting to the Bureau of Labor Statistics was agreed upon by firms producing cement, semiconductors, and tires. Firms in the petrochemical sector committed themselves to preparing customer allocation plans and submitting these plans to the Government.

I believe that for Congress not to provide the Government machinery to monitor these commitments is to weaken the fight against inflation and perhaps even to undermine further the Government's credibility.

I should also like to emphasize the importance of the provisions which allow one Government agency to focus on inflation-related problems. Basically, those provisions would provide the authority necessary for an agency in the executive branch to monitor the economy as a whole, to recommend changes in the programs and activities of the Government and the private sector, to review and work with industry and Government to encourage price restraint, to improve wage and price data bases and to review and make recommendations on economic concentration and anticompetitive practices. Without this authority, no single agency of Government would be charged with these crucial tasks.

Mr. President, recent wholesale price statistics make it obvious that prices will continue to go through the roof for at least the next few months, regardless of the future of this amendment or any similar bill. In view of that situation and the feeling which appears to be prevalent that the continuation of wage and price controls would be unwise, it is incumbent upon us to provide the Government with the minimal authority to restrain inflation directly without controls which is contained in the second part of the Muskie amendment.

The bill is open to further amendment.

Mr. TOWER. Mr. President, there might be a number of additional amendments to the bill, but I think that the part relating to the Council on International Economic Policy goes to the substance of the bill itself. I expect that we could have some additional debate on the bill, but I think also that everyone would like to examine closely the provisions that have been included in the bill as a result of the amendments before they cast the final ballots on the bill. Therefore, I would expect that amendments will be offered. I think the Senator from Ohio (Mr. Taft) may have an amendment to the bill. Then, of course, there should be a discussion on the bill itself.

Mr. STEVENSON. Mr. President, this matter has been discussed at length. I know of absolutely no controversy. So far as I know, there is only one amendment, and there is no controversy with respect to it. We could, if the Senator from Texas is willing, proceed now to a quick disposition of the amendment which is to be offered by the Senator from Ohio. Then we could move to third reading and final passage of the bill.

Mr. MANSFIELD obtained the floor.

Mr. TOWER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. TOWER. Mr. President, if we expect to get to final passage tonight, it will be very late; it might be very early tomorrow. I am not willing to bring this matter to a final vote this evening unless all Senators are prepared to stay for a long time.

Mr. MANSFIELD. Mr. President, that is cheery news.

I suggest the absence of a quorum, with the proviso that I will not lose my right to the floor.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside until Tuesday next.

The PRESIDING OFFICER. Is there objection?

Mr. CHILES. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill be laid aside until Monday next.

Mr. PACKWOOD. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill be laid aside until Friday next.

Mr. COOK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. At least there is good orchestration.

Mr. TOWER. Mr. President, I would certainly be willing to lay the pending bill aside for this evening, until Tuesday. I do not know what the objections of my colleagues are. But I do think that if we laid it aside until Tuesday, it would give all Senators an opportunity to study the Record.

Mr. PERCY. Mr. President, reserving the right to object—

Mr. MANSFIELD. Mr. President, there have been nothing but objections, so the Senator does not have a right to reserve the right to object. But I will yield to him, so long as objection has been raised.

Mr. PERCY. Mr. President, I shall not object to this proposal if the floor manager on our side would prefer to go ahead. But the reason for my concern is as has been expressed on the floor of the Senate. There is grave uncertainty about the fact that we have ended controls.

We would have a period of time when companies and labor unions all over the United States are wondering what is going to happen. If they feel controls are not going back on, and we will have a period of uncertainty, we are opening up the economy for a tremendous bulge in prices.

Could we not vote tomorrow?

Mr. GOLDWATER. Mr. President, has the Senator considered Wednesday? We might not object to Wednesday.

Mr. TOWER. If the Senator will yield, perhaps we could have a motion to recommit and send it back to committee, with instructions to report on the matters germane to the original bill.

Mr. MANSFIELD. We could, but we will not.

[Laughter.]

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MUSKIE. May I make this point in regard to the suggestion of the Senator from Illinois? The votes this afternoon have disposed of standby controls. All that remains at issue is the continuation of the Cost of Living Council.

The Cost of Living Council will continue funded until June 30. So it is not critical that the final vote take place instantly.

I think the majority leader makes good sense.

Mr. BROCK. Is it not true that the Cost of Living Council continues only in the sense that their salaries are paid, but they have absolutely no authority in the sense of enforcing any existing standards or otherwise?

Mr. MUSKIE. I believe the Senator is correct. But voting final passage of the monitoring authority we will cloak them with is not so urgent that we need to decide it Thursday or Friday instead of Monday or Tuesday. If it took a long weekend——

Mr. MANSFIELD. No, no, we will not take a long weekend, because we have business to do.

Mr. MUSKIE. I mean for the Cost of Living Council.

Mr. MANSFIELD. Oh. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that it be resumed as the pending business on Wednesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. There will be no more votes tonight.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Huddleston). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The following morning business, transacted during the day, is printed here by unanimous consent.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

Proposed Amendments to the Budget, 1975, for the Senate (S. Doc. No. 93-80)

A communication from the President of the United States, transmitting proposed amendments to the fiscal year 1975 budget, totaling $6,137,140, for the Senate (with accompanying papers). Referred to the Committee on Appropriations and ordered to be printed.

Reports of the Immigration and Naturalization Service

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, reports concerning visa petitions which have been approved according the beneficiaries of such petitions third preference and sixth preference classifications (with accompanying papers). Referred to the Committee on the Judiciary.

Interim Report on Nurse Training

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the second interim report on the administration of title VIII (nurse training) of the Public Health Service Act (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Common Council of the City of Buffalo, New York, requesting the continuance of the Model Cities Process and Citizen Participation. Referred to the Committee on Banking, Housing and Urban Affairs.

A resolution of the Common Council of the City of Buffalo, New York, endorsing and supporting the designation of April 30 or the last school day in April as "National Pledge of Allegiance To Our Flag Day." Referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAKER, from the Committee on Public Works, without amendment:

S. 3124. A bill to increase the size of the Executive Protective Service (Rept. No. 93-797).

By Mr. HARTKE, from the Committee on Veterans' Affairs, with amendments:

S. 3072. A bill to amend title 38, United States Code, to liberalize the provisions relating to payment of dependency and indemnity compensation, and for other purposes (Rept. No. 93-798).

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

S.J. Res. 175. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 6, 1974, as "National Historic Preservation Week" (Rept. No. 93-799); and

S.J. Res. 197. Joint resolution to authorize the designation of the seven-day period beginning June 17, 1974, and ending June 23, 1974, as "National Amateur Radio Week" (Rept. No. 93-800).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S.J. Res. 195. Joint resolution to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day" (Rept. No. 93-801).

AUTHORIZATION FOR COMMITTEE TO FILE REPORT

Mr. HARTKE. Mr. President, I ask unanimous consent that, on S. 3072, the Survivors', Dependency and Indemnity Compensation Act of 1974, reported today, the committee have until midnight tonight to file the report.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry:

Richard L. Feltner, of Illinois, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MANSFIELD (for himself and Mr. METCALF):

S. 3411. A bill to provide for a First Americans Museum within the Smithsonian Institution. Referred to the Committee on Public Works.

By Mr. MONTOYA:

S. 3412. A bill to establish a temporary National Commission on Alien Labor to conduct a comprehensive study of certain matters relating to the use of alien agricultural labor. Referred to the Committee on Labor and Public Welfare.

By Mr. METZENBAUM (for himself, Mr. MANSFIELD, Mr. JACKSON, Mr. HUMPHREY, Mr. JAVITS, Mr. PACKWOOD, Mr. METCALF, Mr. KENNEDY, Mr. ABOUREZK, Mr. WILLIAMS, Mr. BAYH, Mr. TUNNEY, Mr. DOMENICI, Mr. MONDALE, and Mr. HASKELL):

S. 3413. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended. Referred to the Committee on Interior and Insular Affairs.

By Mr. INOUYE:

S. 3414. A bill to amend chapter 13 of title 38, United States Code, to make eligible for dependency and indemnity compensation widows of veterans who die of non-service-connected causes but who were at the time of death totally disabled as the result of one or more service-connected disabilities; and

S. 3415. A bill to authorize the widows of certain former members of the Armed Forces of the United States to use the services and facilities of post exchanges and commissaries. Referred to the Committee on Veterans' Affairs.

S. 3416. A bill for the relief of Mr. Liberato Divina. Referred to the Committee on the Judiciary.

By Mr. EAGLETON (for himself, Mr. SYMINGTON, Mr. HART, Mr. JAVITS, and Mr. METZENBAUM):

S. 3417. A bill to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances. Referred to the Committee on Finance.

By Mr. ERVIN (for himself, Mr. PERCY, and Mr. MUSKIE):

S. 3418. A bill to establish a Federal Privacy Board to oversee the gathering and disclosure of information concerning individuals, to provide management systems in Federal agencies, State and local governments, and other organizations regarding such information, and for other purposes. Referred to the Committee on Government Operations.

By Mr. MONDALE:

S. 3419. A bill for the relief of Dr. Jesus Cabrera Yap. Referred to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 3420. A bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate asphalt and asphalt derivatives, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 3421. A bill pertaining to the inheritance of enrolled members of the Confederated Tribes of the Umatilla Indian Reservation of Oregon; and

S. 3422. A bill pertaining to land consolidation and development on the Umatilla Indian Reservation. Referred to the Committee on Interior and Insular Affairs.

By Mr. TOWER (for himself and Mr. GOLDWATER):

S. 3423. A bill to provide relief for retired military personnel. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MONTOYA:

S. 3412. A bill to establish a temporary National Commission on Alien Labor to conduct a comprehensive study of cer;tain matters relating to the use of alien agricultural labor. Referred to the Committee on Labor and Public Welfare.

Mr. MONTOYA. Mr. President, I am today introducing a bill to establish a temporary National Commission on Alien Labor to conduct a comprehensive study of certain matters relating to the use of alien agricultural labor.

The world has changed a great deal since the Statue of Liberty was sent to us as a symbol of the freedom and welcome we offered to the poor and hungry of other nations. Our own needs have changed, our laws have changed, and world conditions have changed.

But there is truth in the old saying that the more things change the more they stay the same. This Nation is still the dream of those who are poor, oppressed, or unfree. Our standard of living, our labor and welfare laws, our opportunities for freedom are still seen as the best hope of many in underdeveloped countries.

The problems created by the entry of illegal immigrants are increasingly complex. Most of these immigrants come here to work on a temporary basis, and many remain to work periodically in agriculture or other related industry. Although many of these workers are in the southwestern States, there are increasing numbers in other parts of the Nation: Chinese coming into San Francisco, Dominicans and West Indians coming through Puerto Rico or the Virgin Islands into New York, French-Canadians coming into New England. This is not simply a problem of migrant laborers from Mexico, or a problem of a few States. It is a problem all of us must recognize and understand.

Many Americans, themselves worried by unemployment or inflation, are concerned about foreign workers disrupting our labor market, competing for jobs which do not exist in sufficient numbers any more. Other Americans have objected to the exclusion of these aliens when they are the only group willing to perform certain tasks on farms and elsewhere, thereby insuring that necessary work is done and is done at economical prices.

The States concerned have each responded in different ways, and with a variety of results. Unfortunately, no good or permanent solutions have been found, and the confusion is increasing.

In most cases the illegal immigrant is part of a tragic story of poverty and neglect, with his decision to enter this country resulting from a lack of compassion and humane living conditions in his own country. Our treatment of him in recent years has often been arbitrary and thoughtless. When labor needs are great, illegal immigrant labor is exploited. When labor needs are low, the alien worker is rejected and feels the rough hand of our justice as a lack of human understanding.

We are badly in need of facts about the various groups of illegal immigrants, their size, their probable future numbers, their various legal positions, their effect on our economy and on our labor market, their impact on our welfare statistics, and their treatment by both Federal and State agencies.

We need information on which a new and sensible national policy can be based. We need a policy which will provide protection for our own citizens without bringing shame on our history as a compassionate Nation or on our basic belief in the rights of man.

Mr. President, I am today proposing a temporary national commission to compile this information immediately. This commission should make a determination as to whether farmers can realistically find an adequate labor supply among our own citizens, and if not, then it should recommend practical legislation to meet the farmers' needs. I urge my colleagues to support this effort to make sense out of what has become a senseless, tragic, and frustrating situation.

By Mr. METZENBAUM (for himself, Mr. Mansfield, Mr. Jackson, Mr. Humphrey, Mr. Javits, Mr. Packwood, Mr. Metcalf, Mr. Kennedy, Mr. Abourezk, Mr. Williams, Mr. Bayh, Mr. Tunney, Mr. Domenici, Mr. Mondale, and Mr. Haskell):

S. 3413. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended. Referred to the Committee on Interior and Insular Affairs.

Mr. METZENBAUM. Mr. President, I am today proposing legislation which would raise the funding figure under the land and water conservation fund from $300,000,000 to $500,000,000.

As you are aware, there are provisions pending in several other measures that would alter the amount of funding under the act. This amendment is not geared to a specific proposal, nor to general legislation. It is intended as a single provision to provide both the States and the Federal Government the necessary funds to continue existing programs, and to acquire already existing properties.

The National Park Service has a considerable backlog of inholdings within national parks and recreation areas which have not been acquired because they have not received sufficient funds under the land and water conservation fund. Many existing State programs have not been completed, nor even initiated, due to the lack of available moneys under the matching grant program of the fund.

Given the energy situation, providing sufficient recreational opportunities for our urban residents is a serious problem with which we are all familiar. By fully funding this act to the extent that moneys are available we will meet this problem.

There are 14 Senators joining me in this legislation of both parties which, indeed, expresses the bipartisan support for this measure.

By Mr. INOUYE:

S. 3414. A bill to amend chapter 13 of title 38, United States Code, to make eligible for dependency and indemnity compensation widows of veterans who die of non-service-connected causes but who were at the time of death totally disabled as the result of one or more service-connected disabilities; and

S. 3415. A bill to authorize the widows of certain former members of the Armed Forces of the United States to use the services and facilities of post exchanges and commissaries. Referred to the Committee on Veterans' Affairs.

Mr. INOUYE. Mr. President, in assisting my constituents with their problems, I often come across situations in which particular individuals are excluded from certain benefits which would have been available to them, if their situation had been slightly different.

For example, a widow of a serviceman who died on active duty as a result of a service-connected cause is not entitled to exchange and commissary privileges. However, if the serviceman had lived long enough to have been honorably discharged with a 100-percent disability as a result of his injury, and then died, the widow would be entitled to unlimited exchange and commissary privileges.

Let me describe another situation. The widow of a 100-percent disabled veteran who died of his service-connected injuries is eligible to receive death compensation or dependency and indemnity compensation. Unfortunately, in the case of a 100-percent disabled veteran who is unable to be gainfully employed and his spouse who cannot seek employment because she must care for her husband, who then dies of a cause unrelated to his disability, the widow is not eligible for compensation.

To alleviate the apparent unfairness in these situations, I am introducing two bills. The first will authorize the widows of certain former members of the Armed Forces to use the services and facilities of post exchanges and commissaries. The second bill will make eligible for dependency and indemnity compensation widows of veterans who die of non-service-connected causes but who were at the time of death totally disabled as the result of one or more service-connected disabilities.

I hope my colleagues will act quickly to secure passage of these two measures.

By Mr. EAGLETON (for himself, Mr. Symington, Mr. Hart, Mr. Javits, and Mr. Metzenbaum):

S. 3417. A bill to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances. Referred to the Committee on Finance.

Mr. EAGLETON. Mr. President, today I am introducing a bill with the senior Senator from Missouri (Mr. Symington), the senior Senator from Michigan (Mr. Hart), the senior Senator from New York (Mr. Javits), and the junior Senator from Ohio (Mr. Metzenbaum) which would require the Secretary of the Treasury to enter into agreements with certain cities providing for the withholding of city income or employment taxes from the pay of Federal employees who are regularly employed within such cities.

This bill was introduced in the U.S. House of Representatives by my distinguished colleague from Missouri, Congressman William L. Clay.

The provisions of the bill apply only to cities which have ordinances imposing a duty on employers to withhold taxes from the pay of employees and in which 500 or more persons are employed by the Federal Government. It applies to executive agencies, the judicial branch, and the U.S. Postal Service.

Mr. Carl Sadler of the American Federation of Government Employees testified before the House Subcommittee on Manpower and Civil Service of the House Post Office and Civil Service Committee that—

> It is necessary to permit salaried and wage employees to pay these taxes on an installment basis. The denial of this opportunity imposes a real burden on those who must make a lump-sum payment most probably at a time when all other income taxes are due. Such an installment program is best achieved by deductions from pay as is done with Federal and State income taxes, U.S. Savings bonds and contributions to the Combined Federal Campaign.

The Department of the Treasury has said that there would be no significant additional costs resulting from enactment of this bill. Although there will be some initial costs involved, the computerized payroll systems of the agencies are constantly being changed to reflect pay and deduction adjustments, and the cost of adding city tax withholding would not be any greater to the agency than the normal payroll adjustment. No additional equipment or personnel will be required to implement this legislation.

This legislation will bring an additional $1,200,000 in revenue to the cities of St. Louis and Kansas City without increasing taxes. These two cities in Missouri would save $270,000 in administrative costs involved in collecting local tax from Federal employees. More than $750,000 would be added to local taxes from moneys uncollected because of Federal employees leaving the area before tax time. And, over $200,000 in interest from investment of the withheld taxes would accrue to the cities.

Other cities with more than 500 Federal employees, with a local tax ordinance, and which have ordinances imposing a duty on employers to withhold such taxes will be likewise benefited.

Mr. President, I ask unanimous consent that the text of the legislation I am introducing today be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter II of chapter 55 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 5520. Withholding of city income or employment taxes

"(a) When a city ordinance—

"(1) provides for the collection of a tax by imposing on employers generally the duty of withholding sums from the pay of employees and making returns of the sums to the city; and

"(2) imposes the duty to withhold generally on the payment of compensation earned within the jurisdiction of the city in the case of employees whose regular place of employment is within such jurisdiction; the Secretary of the Treasury, under regulations prescribed by the President, shall enter into an agreement with the city within 120 days of a request for agreement by the proper city official. The agreement shall provide that the head of each agency of the United States shall comply with the requirements of the city ordinance in the case of employees of the agency who are subject to the tax and whose regular place of Federal employment is within the jurisdiction of the city with which the agreement is made. The agreement may not apply to pay for service as a member of the Armed Forces. The agreement may not permit withholding of a city tax from the pay of an employee who is not a resident of the State in which that city is located unless the employee consents to the withholding.

"(b) This section does not give the consent of the United States to the application of an ordinance which imposes more burdensome requirements on the United States than on other employers or which subjects the United States or its employees to a penalty or liability because of this section. An agency of the United States may not accept pay from a city for services performed in withholding city income or employment taxes from the pay of employees of the agency.

"(c) For the purpose of this section—

"(1) 'city' means a city which is duly incorporated under the laws of a State and within the political boundaries of which 500 or more persons are regularly employed by all agencies of the Federal Government; and

"(2) 'agency' means—

"(A) an Executive agency;

"(B) the judicial branch; and

"(C) the United States Postal Service."

(b) The analysis of subchapter II of chapter 55 of title 5, United States Code, is amended by adding at the end thereof—

"520. Withholding of city income or employment taxes.".

Sec. 2. Section 410(b) of title 39, United States Code, is amended by striking out the words "and section 5532 (dual pay)" and inserting in lieu thereof "section 5520 (withholding city income or employment taxes), and section 5532 (dual pay)".

Sec. 3. This section shall become effective on the date of enactment of this Act. The provisions of the first section and section 2 of this Act shall become effective on the ninetieth day following the date of enactment.

By Mr. ERVIN (for himself, Mr. Percy, and Mr. Muskie):

S. 3418. A bill to establish a Federal Privacy Board to oversee the gathering and disclosure of information concerning individuals, to provide management systems in Federal agencies, State and local governments, and other organizations regarding such information, and for other purposes. Referred to the Committee on Government Operations.

ESTABLISHMENT OF A FEDERAL PRIVACY BOARD

Mr. ERVIN. Mr. President, with the concurrence of Mr. Percy and Mr. Muskie I introduce for reference to the Government Operations Committee a bill to establish a Federal Privacy Board, to oversee the gathering and disclosure of information concerning individuals, and to provide management systems in all Federal agencies, State and local governments, and other organizations.

Recent months have focused a great deal of attention, both in the Congress and with the public at large, on one of our most fundamental civil liberties—the right to privacy.

The Constitution creates a right to privacy which is designed to assure that the minds and hearts of Americans remain free. The bulwark of this constitutional principle is the first amendment. The first amendment was designed to protect the sanctity of the individual's private thoughts and beliefs. It protects the individual's right to free exercise of conscience; his right to assemble to petition the Government for redress of grievances; his right to associate peaceably with others of like mind in pursuit of a common goal; his right to speak freely what he believes; and his right to try to persuade others of the worth of his ideas.

The fourth amendment guarantees "the right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures." In addition to the privacy of one's home and personal effects, the privacy of his person—or bodily integrity—and even his private telephone conversations are protected by the fourth amendment. The fifth amendment guarantees that an individual shall not be forced to divulge private information which might incriminate him. It also protects individual privacy by preventing unwarranted governmental interference with the individual's person, personality, and property without due process of law.

The ninth amendment's reservation that "the enumeration in the Constitution of certain rights, shall not be construed to deny or disparage others retained by the people" clearly shows that the Founding Fathers contemplated that certain basic individual rights not specifically mentioned in the Constitution—such as privacy—should nevertheless be safe from governmental interference.

The Supreme Court has held many aspects of individual privacy to be constitutionally protected. In recognizing that "specific guarantees in the Bill of Rights have penumbras formed by emanations from those guarantees that help give them life and substance" (*Griswold* v. *Connecticut*, 381 U.S. 479, 484) the Court has found that those penumbras protect the right to give and receive information, the right to family life and child-rearing according to one's conscience, the right to marriage, the right to procreation, the right to contraception, and the right to abortion.

All Americans can testify to the power of those protections of the individual's rights. The Constitution assures these rights to all citizens whether their exercise is pleasing to Government or not. And by the same token, it assures the individual the converse of these rights: the right not to speak what he believes, whether his silence is pleasing to Government or not; and his right not to act, not to associate, not to assemble, whether his inaction is pleasing to Government or not.

The right of every individual in America to privacy has been a matter of considerable concern to me over the years. It seems that now, as never before, the appetite of government and private organizations for information about individuals threatens to usurp the right to privacy which I have long felt to be among the most basic of our civil liberties as a free people.

If we have learned anything in this last year of Watergate, it is that there must be limits upon what the Government can know about each of its citizens. Each time we give up a bit of information about ourselves to the Government, we give up some of our freedom. For the more the Government or any institution knows about us, the more power it has over us. When the Government knows all of our secrets, we stand naked before official power. Stripped of our privacy, we lose our rights and privileges. The Bill of Rights then becomes just so many words.

Alexander Solzhenitsyn, the Russian Nobel Prize winner, suggests how an all-knowing government dominates its citizens in his book "Cancer Ward:"

> As every man goes through life he fills in a number of forms for the record, each containing a number of questions. . . . There are thus hundreds of little threads radiating from every man, millions of threads in all. If these threads were suddenly to become visible, the whole sky would look like a spider's web, and if they materialized as rubber bands, buses, trams and even people would all lose the ability to move, and the wind would be unable to carry torn-up newspapers or autumn leaves along the streets of the city. They are not visible, they are not material, but every man is constantly aware of their existence. . . . Each man, permanently aware of his own invisible threads, naturally develops a respect for the people who manipulate the threads.

Perhaps it should come as no surprise that a Russian can master the words to describe the elusive concept we in America call personal privacy. He understands, in a way which we cannot, the importance of being a free individual with certain inalienable rights, an individual secure in the knowledge that his thoughts and judgments are beyond the reach of the state or any man. He understands those concepts because he has no such security or rights but lives in a country where rights written into law are empty platitudes.

Privacy, like many of the other attributes of freedom, can be easiest appreciated when it no longer exists. A complacent citizenry only becomes outraged about its loss of integrity and individuality when the aggrandizement of power in the Government becomes excessive. By then, it may be too late. We should not have to conjure up 1984 or a Russian-style totalitarianism to justify protecting our liberties against Government encroachment. Nor should we wait until there is such a threat before we address this problem. Protecting against the loss of a little liberty is the best means of safeguarding ourselves against the loss of our freedom.

The protection of personal privacy is no easy task. It will require foresight and the ability to forecast the possible trends in information technology and the information policies of our Government and private organizations before they actually take their toll in widespread invasions of the personal privacy of large numbers of individual citizens. Congress must act before sophisticated new systems of information gathering and retention are developed, and before they produce widespread abuses. The peculiarity of new complex technologies is that once they go into operation, it is too late to correct our mistakes or supply our oversight.

Our Founding Fathers had that foresight when they wrote the Bill of Rights. The first, fourth and fifth amendments are among the most effective bulwarks to personal freedom conceived by the mind of man. Justice Brandeis in his classic dissent in the wiretapping case, *Olmstead* v. *United States*, 277 U.S. 438, 478 (1927), described with unsurpassed eloquence the importance of the right to privacy set out in the Constitution. These words do not go stale from repetition:

> The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the signifi-

> cance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized men.

Government and private data collection on individuals is not a brand new phenomenon. The Federal Government has been collecting immense amounts of very sensitive information on individuals for decades. Income tax, social security, and census come to mind immediately. Various surveys by experts, private organizations such as the National Academy of Sciences, and a number of congressional committees have established the fact that the Federal Government stores massive amounts of information about all of us.

Nevertheless, the effect on the right to privacy of massive information-gathering and dissemination through the use of sophisticated computer technology is just beginning to be realized. Rich or poor, male or female, whatever one's cultural syle or religious or political views, each of us is the subject of cumulative records being stored by a variety of Government agencies and private organizations.

One of the most obvious threats the computer poses to privacy comes in its ability to collect, store, and disseminate information without any subjective concern for human emotion and fallibility.

Yet the increasing growth of information-gathering by Government and private organizations proceeds without any standards or procedures to regulate these organizations. It is because of this vacuum of authority that I am introducing, along with the very distinguished ranking minority member, Senator PERCY, this bill which is essential in order to preserve individual freedoms. We must act now to create safeguards against the present and potential abuse of information about people. I would like to provide a brief summary of its provisions.

THE FEDERAL PRIVACY BOARD

The bill establishes a Federal Privacy Board which shall have the primary function of overseeing the gathering, maintenance and disclosure of information concerning individuals by Federal agencies, State and local governments, and private organizations.

This Federal Privacy Board consists of five members, appointed by the President with the advice and consent of the Senate, not more than three of which are to be of the same political party. No member may engage in any other employment during his tenure.

In addition to its primary responsibility in enforcing the safeguards to personal privacy prescribed under section II of this bill, the Board is responsible for making an annual report to the President and to Congress, as well as publishing, on an annual basis, a descriptive directory of all information systems currently operating in the United States.

In order to carry out its functions, the Board is designated several specific powers. First, the Board shall have the power to compel, through subpena if necessary, the production of any documents relating to an information system, either private or public.

Second, upon determination of a violation of any provisions of this act, the Board is authorized to issue cease and desist orders and to recommend the institution of either criminal or civil suits.

Third, the Board can conduct open, public hearings on any petition for exemption from the provisions of section II of the act. Upon completion of its hearings, the Board will report its recommendation to the Congress.

SAFEGUARDS FOR PERSONAL PRIVACY IN INFORMATION SYSTEMS

The bill provides safeguards to personal privacy at all three stages of the information systems process: collection, maintenance, and dissemination of information.

COLLECTION OF INFORMATION

Under the provisions of the bill, information may be gathered by Federal agencies, State and local governments, or any private organizations only to accomplish the proper purposes of those agencies and organizations.

In gathering information, the individual must be the source of that information to the greatest extent possible; however, no individual may be forced to disclose any information not required by law, and he is to be informed of his right not to disclose.

The individual is to be notified of the existence of any information being maintained on him and the uses to which that information is being put.

No public or private organization may collect information on an individual's political or religious beliefs or affiliations unless specified by law.

A description of all information systems must be reported to the Federal Privacy Board on an annual basis.

MAINTENANCE

Restrictions on the maintenance of information systems used by Federal agencies, State and local governments, and other organizations include requirements that all information in these systems be accurate, complete, timely, and pertinent.

Any individual has the right to inspect the information maintained in a system relating to him with the exception of medical records. He has the right to know the nature of the source and the recipients of that information.

The individual also has the right to challenge any information on the basis of its accuracy, completeness, timeliness, pertinence, or necessity. Upon receipt of any challenge to its information by an individual, an organization must: First, investigate and record the current status of such information; second, purge any information that is found to be incomplete, not pertinent, not timely, not necessary to be maintained, or that can no longer be verified.

If the investigation does not solve the dispute, the individual may insert a statement, not in excess of 200 words, in his own defense, and he may appeal to the Federal Privacy Board.

DISSEMINATION

The bill places strict restrictions on the dissemination of information in personal information systems, both private and public.

All information systems must request permission from the individual before disseminating any information to any person or organization not having regular, authorized access to the information system.

Organizations maintaining information systems are required to keep an accurate list of all persons having access to the information including but not limited to those having access on a regular basis.

Federal agencies are specifically restricted in disseminating information only to authorized employees of Federal agencies.

SOCIAL SECURITY NUMBERS

The Omnibus Privacy Bill makes it unlawful for any organization to require an individual to disclose or furnish his social security number unless specifically required by law.

MAILING LISTS

The bill also provides for the removal of any name and address from a mailing list upon the written request of the individual.

REMEDIES

The remedies provided under this act include both criminal and civil sanctions.

The act provides for a criminal liability of up to $10,000 or 5 years in prison, or both, for any violation of the act.

In addition, the act provides that the Attorney General, upon the recommendation of the Federal Privacy Board, or an aggrieved individual, may file a civil suit in the appropriate district court.

EXEMPTIONS

Certain types of information are exempted from coverage of this act. Those information systems exempted include: any information maintained by a Federal agency and determined to be vital to national defense; criminal investigatory files of Federal, State or local law enforcement agencies; and any information maintained by the press or news media—except that information related to the employees of such organizations.

CONCLUSION

Mr. President, this bill provides a method whereby the Congress can guarantee that the right of every American to be let alone will be maintained. I encourage every Senator to support this important piece of legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection the text of the bill was ordered to be printed in the RECORD as follows:

S. 3418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—FEDERAL PRIVACY BOARD

ESTABLISHMENT OF BOARD

SEC. 101. (a) There is established in the executive branch of the Government the Federal Privacy Board which shall be composed of five members who shall be appointed by the President by and with the advice and consent of the Senate from among members of the public at large who are not officers or employees of the United States. Not more than three of the members of the Board shall be adherents of the same political party.

(b) The Chairman of the Board shall be elected by the members of the Board every two years.

(c) Each member of the Board shall be compensated at the rate provided for GS–18 under section 5332 of title 5 of the United States Code.

(d) Members of the Board shall be appointed for a term of three years. No member may serve more than two terms.

(e) Vacancies in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(f) Vacancies in the membership of the Board, as long as there are three members in office, shall not impair the power of the Board to execute the functions of the Board. Three members of the Board shall constitute a quorum for the transaction of business.

(g) Members of the Board shall not engage in any other employment during their tenure as members of the Board.

FUNCTIONS OF THE BOARD

SEC. 102. The Board shall—

(1) publish an annual Data Base Directory of the United States containing the name and characteristics of each personal information system;

(2) consult with the heads of appropriate departments, agencies, and instrumentalities of the Government in accordance with section 103(5) of this Act;

(3) make rules to assure compliance with title II of this Act; and

(4) perform or cause to be performed such research activities as may become necessary to implement title II of this Act, and to assist organizations in complying with the requirements of such title.

POWERS OF THE BOARD

SEC. 103. (a) The Board is authorized—

(1) to be granted admission at reasonable hours to premises where any information system is kept or where computers or equipment or recordings for automatic data processing are kept, and may, by subpena, compel the production of documents relating to such information system or such processing as is necessary to carry out its functions, except that the production of personal information shall not be compelled without the prior consent of the data subject to which it pertains;

(2) upon the determination of a violation of any provision of this Act or regulation promulgated under this Act, to, after opportunity for a hearing, order the organization violating such provision to cease and desist such violation;

(3) to delegate its authority under this title, with respect to information systems within a State or the District of Columbia, to such State or District, during such period of time as the Board remains satisfied that the authority established by such State or District to carry out the requirements of this Act in such State is satisfactorily enforcing those provisions;

(4) to conduct open, public hearings on all petitions for exceptions or exemptions from provisions, application, or jurisdiction of this Act, except that the Board shall not have authority to make such exceptions or exemptions but shall submit appropriate reports and recommendations to Congress; and

(5) to the fullest extent practicable, to consult with the heads of appropriate departments, agencies, and instrumentalities of the Government in carrying out the functions of the Board under this Act.

(b) The Board may procure such temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

REPORTS

SEC. 104. The Board shall report, annually, on its activities to the Congress and the President.

TITLE II—STANDARDS AND MANAGEMENT SYSTEMS FOR HANDLING INFORMATION RELATING TO INDIVIDUALS

SAFEGUARD REQUIREMENTS FOR ADMINISTRATIVE, STATISTICAL-REPORTING AND RESEARCH PURPOSES

SEC. 201. (a) Any Federal agency, State or local government, or any other organization maintaining an information system that includes personal information shall—

(1) collect, maintain, use, and disseminate only personal information necessary to accomplish a proper purpose of the organization;

(2) collect information to the greatest extent possible from the data subject directly;

(3) establish categories for maintaining personal information to operate in conjunction with confidentiality requirements and access controls;

(4) maintain information in the system with accuracy, completeness, timeliness, and pertinence as necessary to assure fairness in determinations relating to a data subject;

(5) make no dissemination to another system without (A) specifying requirements for security and the use of information exclusively for the purposes set forth in the notice required under subsection (c) including limitations on access thereto, and (B) determining that the conditions of transfer provide substantial assurance that those requirements and limitations will be observed;

(6) transfer no personal information beyond the jurisdiction of the United States without specific authorization from the data subject or pursuant to a treaty or executive agreement in force guaranteeing that any foreign government or organization receiving personal information will comply with the applicable provisions of this Act with respect to such information;

(7) afford any data subject of a foreign nationality, whether residing in the United States or not, the same rights under this Act as are afforded to citizens of the United States;

(8) maintain a list of all persons having regular access to personal information in the information system;

(9) maintain a complete and accurate record, including identity and purpose, of every access to any personal information in a system, including the identity of any persons or organizations not having regular access authority;

(10) take affirmative action to establish rules of conduct and inform each person involved in the design, development, operation, or maintenance of the system, or the collection or use of any personal information contained therein, of the requirements of this Act, including any rules and procedures adopted pursuant to this Act and the penalties for noncompliance;

(11) establish appropriate safeguards to secure the system from any reasonably foreseeable threat to its security;

(12) comply with the written request of any individual who receives a communication in the mails, over the telephone, or in person from a commercial organization, who believes that the name or address, or both, of such individual is available because of its inclusion on a mailing list, to remove such name or address, or both, from such list; and

(13) collect no personal information concerning the political or religious beliefs, affiliations, and activities of data subjects which is maintained, used or disseminated in or by any information system operated by any governmental agency, unless authorized by law.

(b)(1) Any such organization maintaining an information system that disseminates statistical reports or research findings based on personal information drawn from the system, or from systems of other organizations, shall—

(A) make available to any data subject or group (without revealing trade secrets) methodology and materials necessary to validate statistical analyses, and

(B) make no materials available for independent analysis without guarantees that no personal information will be used in a way that might prejudice judgments about any data subject.

(2) No Federal agency shall—

(A) require any individual to disclose for statistical purposes any personal information unless such disclosure is required by law, and such individual is informed of such requirement;

(B) request any individual to voluntarily disclose personal information unless such request is specifically authorized by law, and the individual is advised that such disclosure is voluntary;

(C) make available to any person, other than an authorized officer or employee of a Federal agency, any statistical study or reports or other compilation of information derived by mechanical or electronic means from any file containing personal information, or any manual or computer material relating thereto, except those prepared, published, and made available for general public use; or

(D) publish statistics of taxpayer income classified, in whole or in part, on the basis of a coding system for the delivery of mail.

(c) Any such organization maintaining or proposing to establish an information system for personal information shall—

(1) give notice of the existence and character of each existing system once a year to the Federal Privacy Board;

(2) give public notice of the existence and character of each existing system each year, in the case of Federal organizations in the Federal Register, or in the case of other organizations in local or regional printed media likely to bring attention to the existence of the records to data subjects:

(3) publish such annual notices for all its existing systems simultaneously;

(4) in the case of a new system, or the substantial modification of an existing system, shall give public notice and notice to the Federal Privacy Board within a reasonable time but in no case less than three months, in advance of the initiation or modification to assure individuals who may be affected by its operation a reasonable opportunity to comment; and

(5) assure that public notice given under this subsection specifies the following:

(A) the name of the system;

(B) the general purposes of the system;

(C) the categories of personal information and approximate number of persons on whom information is maintained;

(D) the categories of information maintained, confidentiality requirements, and access controls;

(E) the organization's policies and practices regarding information storage, duraation of retention of information, and purging of such information;

(F) the categories of information sources;

(G) a description of types of use made of information including all classes of users and the organizational relationships among them;

(H) the procedures whereby an individual may (i) be informed if he is the subject of information in the system, (ii) gain access to such information, and (iii) contest the accuracy, completeness, timeliness, pertinence, and the necessity for retention of such information;

(I) the procedures whereby an individual or group can gain access to the information system used for statistical reporting or research in order to subject them to independent analysis; and

(J) the business address and telephone number of the person immediately responsible for the system.

(d) Any such organization maintaining personal information shall—

(1) inform any individual asked to supply personal information whether such individual is required by law, or may refuse, to supply the information requested, and also of any specific consequences which are known to the organization of providing or not providing such information;

(2) request permission of a data subject to disseminate part or all of such information to another organization or system not having regular access authority, and indicate the use for which such information is intended, and the specific consequences for the individual, which are known to the organization, of providing or not providing such permission;

(3) upon request and proper identification of any individual who is a data subject, grant such individual the right to inspect, in a form comprehensible to such individual—

(A) all personal information about that individual except that, in the case of medical information, such information shall, upon written authorization, be given to a physician designated by the individual;

(B) the nature of the sources of the information, and

(C) the recipients of personal information about such individual including the identity of all persons and organizations involved and their relationship to the system when not having regular access authority;

(4) at a minimum, make disclosures which are required by this Act to individuals who are data subjects—

(A) during normal business hours;

(B) in person, if the data subject appears in person and furnishes proper identification, or by mail, if the data subject has made a written request, with proper identification, at reasonable standard charges for document search and duplication; and

(C) permit the data subject to be accompanied by one person of his choosing, who must furnish reasonable identification, except that an organization may require the data subject to furnish a written statement granting permission to the organization to discuss that individual's file in such person's presence;

(5) upon receipt of notice from any individual who is a data subject, that such individual wishes to challenge, correct, or explain information about him in such system—

(A) investigate and record the current status of such personal information;

(B) purge any such information that is found to be incomplete, inaccurate, not pertinent, not timely nor necessary to be retained, or can no longer be verified;

(C) accept and include in the record of such information, if the investigation does not resolve the dispute, any statement (not more than two hundred words in length) provided by such individual setting forth his position on such disputed information;

(D) in any subsequent dissemination or use of disputed information, clearly note that such information is disputed and supply the statement of such individual together with such information;

(E) make clear and conspicuous disclosure to such individual of his right to make a request under this paragraph;

(F) at the request of such individual, following any correction or purging of personal information, furnish to past recipients of such information notification that the item has been purged or corrected; and

(G) in the case of a failure to resolve a dispute, advise such individual of his right to request the assistance of the Federal Privacy Board.

(e) Each such organization maintaining a personal information system on the date of the enactment of this Act shall notify by mail each data subject of the fact not later than two years following the date of enactment of this Act, at the last known address of the subject. Such notice shall—

(1) describe the type of information held in such system or systems, expected uses allowed or contemplated; and

(2) provide the name and full address of the place where the data subject may obtain personal information pertaining to him, and in the system.

(f) Data subjects of archival-type inactive files, records, or reports shall be notified by mail of the reactivation, accessing, or reaccessing of such files, records, or reports not later than six months after the date of the enactment of this Act.

(g) The requirements of subsections (a) (3) and (4) and subsections (c) and (d) (1) and (2) of this section shall not apply to any organization that (1) maintains an information system that disseminates statistical reports or research findings based on personal information drawn from the system, or from systems of other organizations, (2) purges the names, personal numbers, or other identifying particulars of individuals, and (3) certifies to the Federal Privacy Board that no inferences may be drawn about any individual.

EXEMPTIONS

SEC. 202. The provisions of this title shall not apply to personal information systems—

(1) to the extent that information in such systems is maintained by a Federal agency, and the head of that agency determines that the release of the information would seriously damage national defense;

(2) which are part of active criminal investigatory files compiled by Federal, State, or local law enforcement organizations, except where such files have been maintained for a period longer than is necessary to commence criminal prosecution; or

(3) maintained by the press and news media, except information relating to employees of such organizations.

USE OF SOCIAL SECURITY NUMBER

SEC. 203. It shall be unlawful for any organization to require an individual to disclose or furnish his social security account number, for any purpose in connection with any business transaction or commercial or other activity, or to refuse to extend credit or make a loan or to enter into any other business transaction or commercial relationship with an individual (except to the extent specifically necessary for the conduct or administration of the old-age, survivors, and disability insurance program established under title II of the Social Security Act) in whole or in part because such individual does not disclose or furnish such number, unless the disclosure or furnishing of such number is specifically required by law.

TITLE III—MISCELLANEOUS

DEFINITIONS

SEC. 301. As used in this Act—

(1) the term "Board" means the Federal Privacy Board;

(2) the term "information system" means the total components and operations of a recordkeeping process, whether automated or manual, containing personal information and the name, personal number, or other identifying particulars;

(3) the term "personal information" means all information that describes, locates or indexes anything about an individual including his education, financial transactions, medical history, criminal, or employment record, or that affords a basis for inferring personal characteristics, such as finger and voice prints, photographs, or things done by or to such individual; and the record of his presence, registration, or membership in an organization or activity, or admission to an institution;

(4) the term "data subject" means an individual about whom personal information is indexed or may be located under his name, personal number, or other identifiable particulars, in an information system;

(5) the term "disseminate" means to release, transfer, or otherwise communicate information orally, in writing, or by electronic means;

(6) the term "organization" means any Federal agency; the government of the District of Columbia; any authority of any State, local government, or other jurisdiction; any public or private entity engaged in business for profit, as relates to that business;

(7) the term "purge" means to obliterate information completely from the transient, permanent, or archival records of an organization; and

(8) the term "Federal agency" means any department, agency, instrumentality, or establishment in the executive branch of the Government of the United States and includes any officer or employee thereof.

TRADE SECRETS

SEC. 302. In connection with any dispute over the application of any provision of this Act, no organization shall reveal any personal information or any professional, proprietary, or business secrets; except as is required under this Act. All disclosures so required shall be regarded as confidential by those to whom they are made.

CRIMINAL PENALTY

SEC. 303. Any organization or responsible officer of an organization who willfully—

(1) keeps an information system without having notified the Federal Privacy Board; or

(2) issues personal information in violation of this Act;

shall be fined not more than $10,000 in each instance or imprisoned not more than five years, or both.

CIVIL REMEDIES

SEC. 304. (a) The Attorney General of the United States, on the advice of the Federal Privacy Board, or any aggrieved person, may bring an action in the appropriate United States district court against any person who has engaged, is engaged, or is about to engage in any acts or practices in violation of the provisions of this Act or rules of the Federal Privacy Board, to enjoin such acts or practices.

(b) Any person who violates the provisions of this Act, or any rule, regulation, or order issued thereunder, shall be liable to any person aggrieved thereby in an amount equal to the sum of—

(1) any actual damages sustained by an individual;

(2) punitive damages where appropriate;

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

The United States consents to be sued under this section without limitation on the amount in controversy.

JURISDICTION OF DISTRICT COURTS

SEC. 305. The district courts of the United States have jurisdiction to enforce any subpena or order issued by the Federal Privacy Board under sections 102 or 103, respectively, of this Act.

RIGHT OF ACTION

SEC. 306. (a) Any individual who is denied access to information required to be disclosed under the provisions of this Act is entitled to judicial review of the grounds for such denial.

(b) The district courts of the United States have jurisdiction to hear and determine civil actions brought under subsection (a) of this section.

EFFECTIVE DATE

SEC. 307. This Act shall take effect one year after the date of its enactment.

AUTHORIZATION OF APPROPRIATIONS

SEC. 308. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. PERCY. Mr. President, I am pleased to join our distinguished chairman, Senator ERVIN, in introducing a bill to establish a Federal Privacy Board to oversee the gathering and safeguard the disclosure of information concerning individuals. The bill will provide standards for personal information maintenance and management systems in all Federal agencies, State and local governments, and other organizations.

The collection of information about individuals by Federal agencies, State and local governments, and private organizations, has vastly increased the potential for abuse of the individual's right to privacy. And the potential for abuse is magnified almost beyond imagination by the automatic data processing techniques that are now readily available to many organizations.

In the wake of this cybernetic revolution, many social scientists are turning to a new definition of privacy—a definition expressed by Professor Alan Westin in his book, "Privacy and Freedom." Privacy, according to Dr. Westin, is "the claim of individuals, groups, or institutions to determine for themselves, when, how, and to what extent information about themselves is communicated to others." Given this new attitude toward personal privacy, it is quite easy to understand the growing alarm with which many Americans regard the unchecked practices of Government and private organizations in collecting, maintaining, and disseminating personal information.

GOVERNMENT RECORDKEEPING AND THE RIGHT TO PRIVACY

Collection of data about people is of course not a new phenomenon. The Federal Government has been collecting immense amounts of very sensitive information on individuals for decades—income tax, social security, and the census come to mind immediately. This appetite for information has grown simultaneously with our increased reliance on the Federal Government for our health, safety and well-being. Americans have in general participated in this information-gathering process with good nature. Until rather recently there has been no widespread perception that the traditional recordkeeping practices of the Government posed any real threat to personal privacy.

However, the continuing application of highly sophisticated and centralized information technology to collecting and using personal data has drastically changed the implications of Government and private record-gathering for personal privacy. The advent of computers has increased by geometric proportions the amount of information the Government can collect about us. Prof. Arthur Miller of the Harvard Law School suggests that it will soon be feasible to store a 20-page dossier on every single American on a single piece of computer tape less than 5,000 feet long.

And we must be aware that, along with this increased capacity to gather and hold information, computerization has correspondingly enlarged the Government's ability quickly and automatically to disseminate personal information to other Federal agencies, State or local governments, and private organizations.

INFORMATION TECHNOLOGY AND THE PRIVATE SECTOR

The information-gathering impulse of the Federal Government is mirrored by similar developments in the private sector. Credit agencies with their consumer files have proliferated in recent years; educational institutions are beginning the process of computerizing student records; hospitals and medical centers are finding computers the answer to much of their recorkeeping difficulties. When such information is stored on tape, it is easily transferred from one user to another. The individual usually has no knowledge of the transfer, and no ability to correct information about himself that could ruin his chances for a new job, prevent his acceptance to college, or be taken as cause for investigation by a law enforcement agency—information that by its stigma could affect the entire course of his life.

Individuals are finding it increasingly difficult to make such simple transactions as obtain a loan, open a charge account, obtain a driver's license, or register to vote without divulging their social security number. The result is that the individual social security number becomes the code under which data about the person can be grouped, stored, and transferred from one agency to another. The effects of computer technology reach all of us in indirect, hidden ways that we may never know or even be able to know, as well as in obvious ways.

We have reached the time when we must assert control over runaway technology, and protect the individual's "freedom of privacy" from haphazard abuse. We must shape our tools, lest they shape us.

PRIVACY AND THE 93D CONGRESS

Despite the multitude of bills and resolutions introduced relating to personal privacy, there has to date been no bill introduced in the Senate which deals with the issue of privacy on a comprehensive basis. Most bills now pending are directed to only one aspect of the privacy question: pending bills range from banning the disclosure of social security numbers to prohibiting financial institutions from disseminating information on their customers to Government agencies. Hearings have been held on restricting existing practices of criminal information systems, banning political surveillance by the Army, and controlling illicit uses of wiretapping. With all this isolated activity taking place, it is difficult to understand and appreciate the major theme which runs through these seemingly disparate pieces of legislation.

The common thread is the individual's right to control how, when, and to what extent information about himself is communicated to others. Until today no legislation has attempted a comprehensive response to this problem. This bill is a companion measure to one introduced in the House under the inspired leadership of Congressman BARRY GOLDWATER JR. and Congressman EDWARD KOCH.

This bill is the first major effort to respond to the threat to personal privacy on a comprehensive basis. It is directed toward controlling the threat to privacy at three important and distinct stages: collection, storage, and dissemination of information on private citizens by Federal agencies, State and local governments, and by private organizations.

The bill establishes a Federal Privacy Board which will serve as an oversight agency, establishing and enforcing standard rules and regulations designed to protect individual privacy throughout all public and private information systems, with the exception of those that relate to national defense, criminal investigations, or information gathered by the media. The Federal Privacy Board will have the authority it needs to exercise centralized control over information systems through subpena power, the right to hold open hearings, and the right to recommend both criminal and civil sanctions against offenders. The bill will establish the procedures under which individuals may get direct access to information about them, and provide a ready means for challenging and correcting that information.

The protection of personal privacy is no easy task. It will require foresight and the ability to forecast the possible trends in information technology and information policies of our Government and of the private sector before they actually take their toll in widespread invasions of personal privacy. The Congress must act before these new systems are developed and before they result in even more widespread abuses.

By Mr. DOMENICI:

S. 3420. A bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate asphalt and asphalt derivatives, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. DOMENICI. Mr. President, I send to the desk for appropriate reference, a bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate asphalt and asphalt derivatives. The need for this legislation has been brought to my attention by construction company owners in New Mexico who are experiencing difficulty in obtaining asphalt used for roofing construction, paving highways, streets, and airport runways.

I received a letter from a contractor who was low bidder on a job, and before the contract was awarded, he was advised by the oil company that the price on asphalt had risen $5 per ton. There was no price escalating clause provided by the bid proposal. The contractor was further advised that the price to be charged would be that in effect on date of delivery of each shipment. This contractor was bound by the required bid bond and had no choice but to proceed.

Other contractors are disturbed by the fact that the supplier stipulates that delivery is contingent upon the availability of the material, with no guarantee or assurance that it will be furnished.

Mr. President, this type of situation is unhealthy for the construction industry as well as for the agencies who request bids, due to the uncertainty of the matter. I believe that if my legislation is enacted, it will help to alleviate this problem.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 411

At the request of Mr. McGEE, the Senator from California (Mr. TUNNEY), the Senator from Tennessee (Mr. BROCK), the Senator from Iowa (Mr. HUGHES), and the Senator from South Dakota (Mr. McGOVERN) were added as cosponsors of S. 411, to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S. 2363

At the request of Mr. CRANSTON, the Senator from Wyoming (Mr. HANSEN) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2363, a bill to amend chapter 39, of title 38, United States Code, relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces.

S. 2488

At the request of Mr. KENNEDY, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2488, to extend title VII of the Older Americans Act of 1954, the nutrition for the elderly program.

S. 3168, S. 3169, AND S. 3170

At the request of Mr. GRIFFIN, for Mr. TOWER, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3168, to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record; S. 3169; to amend title II of the Social Security Act to provide that an insured individual otherwise qualified may retire and receive full old-age insurance benefits, at any time after attaining age 60, if he has been forced to retire at that age by a Federal law, regulation or order; and S. 3170, to amend title II of the Social Security Act to provide that any individual who has 40 quarters of coverage, whenever acquired, will be insured for disability benefits thereunder.

S. 3238

At the request of Mr. BENTSEN, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 3238, the Taxpayer Privacy Act.

S. 3343

At the request of Mr. WEICKER, the Senator from Rhode Island (Mr. PELL), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 3343, to designate a national network of essential rail lines; to require minimum standards of maintenance on rail lines; to provide Federal financial aid for rail rehabilitation; to establish rights of access by rail carriers to rail lines and facilities, and for other purposes.

S. 3344

At the request of Mr. KENNEDY, the Senator from Rhode Island (Mr. PELL), the Senator from Missouri (Mr. EAGLETON), the Senator from California (Mr. CRANSTON) and the Senator from Minnesota (Mr. MONDALE) were added as cosponsors of S. 3344, a bill to authorize appropriations for activities of the National Science Foundation, and for other purposes.

S. 3371

At the request of Mr. EASTLAND, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of S. 3371, a bill to amend the Forest Pest Control Act of June 25, 1947.

S. 3378

At the request of Mr. ROBERT C. BYRD (for Mr. RANDOLPH), the Senator from Delaware (Mr. BIDEN) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 3378, the Developmentally Disabled Assistance and Bill of Rights Act.

SENATE JOINT RESOLUTION 203

At the request of Mr. ROTH, the Senator from Hawaii (Mr. INOUYE), the Senator from Ohio (Mr. METZENBAUM), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Joint Resolution 203, to authorize the President to issue a proclamation designating the month of May 1974 as "National Arthritis Month."

SENATE CONCURRENT RESOLUTION 83—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE SURGEON GENERAL'S REPORT

(Referred to the Committee on Rules and Administration.)

Mr. MAGNUSON (for himself and Mr. COTTON) submitted the following concurrent resolution:

SENATE CONCURRENT RESOLUTION 83

Resolved, by the Senate (the House of Representatives concurring), that there be printed for the use of the Senate Committee on Commerce 1,000 additional copies of its hearings of the 92d Congress, second session, entitled "Surgeon General's Report by the Scientific Advisory Committee on Television and Social Behavior."

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT—AMENDMENT

AMENDMENT NO. 1238

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, the amendment I am introducing to the Department of Defense supplemental appropriations authorization for 1974 (S. 2999), has three simple objectives.

First, it prohibits on the date of enactment any further transfer of funds for the Military Assistance Service Fund—MASF—for South Vietnam beyond those already obligated.

Second, the amendment reaffirms the decision of the Congress that the Pentagon must not spend one penny over the ceiling established for this fiscal year—$1.126 billion—for military aid to South Vietnam, notwithstanding the Armed Services Committee's finding that the Department of Defense wrongly charged $266 million to this year's ceiling.

Finally, Mr. President, the amendment puts the Pentagon on notice that the Congress is tired of the practice of shipping guns and ammunition now, and paying for them later. The amendment, in effect, supports the important recommendation of the Armed Service Committee that the Department must put its bookkeeping on military aid to South Vietnam in order, and that all military supplies delivered to Saigon during 1 fiscal year must be charged to that year's ceiling.

Mr. President, I ask unanimous consent that the full text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1238

On page 7, between lines 3 and 4, insert a new title as follows:

TITLE IV—PROHIBITION ON CERTAIN USE OF FUNDS

SEC. 401. None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

EDUCATION AMENDMENTS OF 1974—AMENDMENT

AMENDMENT NO. 1239

(Ordered to be printed and to lie on the table.)

Mr. ERVIN (for himself, Mr. ALLEN, and Mr. TALMADGE) submitted an amendment intended to be proposed by them jointly to the bill (S. 1539) to amend and extend certain acts relating to elementary and secondary education programs, and for other purposes.

AMENDMENT NO. 1241

(Ordered to be printed, and to lie on the table.)

Mr. BEALL (for himself, Mr. HARRY F. BYRD, JR., Mr. COOK, Mr. MATHIAS, and Mr. WILLIAM L. SCOTT) submitted amendments, intended to be proposed by them, jointly, to Senate bill 1539, supra.

EXTENSION OF NATIONAL LABOR RELATIONS ACT TO HOSPITAL EMPLOYEES—AMENDMENT

AMENDMENT NO. 1240

(Ordered to be printed, and to lie on the table.)

Mr. CURTIS submitted an amendment intended to be proposed by him to the bill (S. 3203) to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

OLDER AMERICANS NUTRITION ACT OF 1974—AMENDMENT

AMENDMENT NO. 1242

(Ordered to be printed, and referred to the Committee on Labor and Public Welfare.)

NUTRITION FOR THE ELDERLY

Mr. McGOVERN. Mr. President, I submit for appropriate reference an amendment to S. 2488, which is currently pending before the Labor and Public Welfare Committee.

The amendment is in two parts. First, it would increase authority for the nutrition program for the elderly to $250 million, in steps over a 3-year period. This figure has already been approved in the House of Representatives, and it is based on urgent needs which have been clearly demonstrated.

Second, the amendment would add authority for $35 million in new funds for supportive transportation services for the elderly nutrition program.

We know that one of the greatest obstacles to adequate nutrition for older Americans is the simple fact that it is often inconvenient, expensive, and in some cases impossible for them to move back and forth to the places where meals are available. That is especially true in areas where there is no public transportation system.

This portion of the amendment would emphasize aid in areas where transportation has proven to be a critical problem. Centers serving meals to the elderly could use these funds for such things as acquiring and operating small buses, paying for gasoline for volunteer drivers, or other efficient methods of providing transportation for the elderly where it is necessary to fulfill the purposes of the nutrition program for the elderly.

I commend these changes to my colleagues in the Senate, and I urge their early adoption.

SUPPLEMENTAL APPROPRIATIONS BILL, 1974—AMENDMENT

AMENDMENT NO. 1243

(Ordered to be printed, and to lie on the table.)

Mr. SCHWEIKER submitted an amendment, intended to be proposed by him, to the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

NATIONAL INSTITUTE OF HEALTH CARE DELIVERY ACT OF 1974—AMENDMENT

AMENDMENT NO. 1244

(Ordered to be printed, and to lie on the table.)

Mr. BEALL submitted an amendment, intended to be proposed by him, to the bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries.

AUTHORIZATION OF APPROPRIATIONS UNDER THE INTERNATIONAL ECONOMIC POLICY ACT OF 1972—AMENDMENTS

AMENDMENT NO. 1245

(Ordered to be printed, and to lie on the table.)

Mr. ROTH submitted an amendment, intended to be proposed by him, to the bill (S. 2986) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

AMENDMENT NO. 1246

(Ordered to be printed, and to lie on the table.)

Mr. HATHAWAY submitted an amendment, intended to be proposed by him, to Senate bill 2986, supra.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1198

At the request of Mr. BEALL, the Senator from Maryland (Mr. MATHIAS) and the Senator from Colorado (Mr. DOMINICK) were added as cosponsors of amendment No. 1198, intended to be proposed by him to the bill (S. 411) to amend title 39, United States Code, relating to the Postal Service.

AMENDMENT NO. 1215

At the request of Mr. DOMINICK, the Senators from Arizona (Mr. FANNIN, and Mr. GOLDWATER), the Senator from Georgia (Mr. NUNN), the Senator from Idaho (Mr. MCCLURE), the Senator from Kentucky (Mr. COOK), the Senator from Mississippi (Mr. EASTLAND), the Senator from New Hampshire (Mr. COTTON), the Senator from New Mexico (Mr. DOMENICI), the Senator from North Carolina (Mr. HELMS), the Senator from Oklahoma (Mr. BARTLETT), the Senator from South Carolina (Mr. THURMOND), the Senator from Texas (Mr. TOWER), the Senator from Utah (Mr. BENNETT), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from New York (Mr. BUCKLEY), and the Senator from Wyoming (Mr. HANSEN), were added as cosponsors of amendment No. 1215 to S. 3203.

NOTICE OF HEARING ON S. 1844

Mr. CANNON. Mr. President, I wish to announce that the Subcommittee on the Library of the Committee on Rules and Administration will hold a public hearing on S. 1844 to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes.

The hearing will be held on May 8, 1974, beginning at 10 a.m., in room 301, Russell Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact William M. Cochrane, staff director of the committee (202-225-6352).

POSTPONEMENT OF HEARINGS ON SECRECY IN GOVERNMENT

Mr. MUSKIE. Mr. President, the hearings on secrecy in Government of the Subcommittee on Intergovernmental Relations scheduled to begin May 2 and 3 have been postponed until later this month. The hearings are now scheduled to begin May 23 and to continue May 29, 30, and 31.

ADDITIONAL STATEMENTS

WEATHER MODIFICATION

Mr. TOWER. Mr. President, the suffering and economic hardship that the southwestern part of the Nation has faced because of drought is well known. Unfortunately, parts of Texas are even now suffering from decreased rainfall with a resultant loss of crops and shortages of municipal and industrial water. This critical situation exists just at the time this country is in need of the agricultural goods the State of Texas produces.

American research and technology have made some breakthroughs in the field of weather modification and the ability to create rainfall and modify weather is within our grasp. However, the governmental responsibility in this field is hopelessly divided among a number of Government agencies. This area of science has interstate and international overtones which must be considered and coordinated. Weather modification also has a potential for abuse and fraud which requires control.

Consequently, I have become a sponsor of S. 3314, to provide for a study of the need for regulation, the status of today's technology, and to ascertain where the responsibility should lie within the Government. I have also joined as a cosponsor of S. 3315, which provides this country with a national policy on weather modification. These bills would allow the United States to assess the benefits of weather modification and to establish procedures and laws to control it. They would also allow us to establish a national policy for the use of the critical and needed technology.

The ability to modify weather and thus relieve hardship and suffering is, indeed, of critical importance and I encourage the Senate to study these bills carefully.

NEED FOR IMPROVEMENTS IN VETERANS' EDUCATIONAL BENEFITS

Mr. HART. Mr. President, the need for substantial improvements in veterans' educational benefits has been fully documented, and over the past few months I am sure all of us have received many letters and calls urging support of various proposals to improve these benefits for Vietnam-era veterans.

It is my belief Congress will be responsive. It is encouraging that this week 58 Senators joined in the introduction of a separate bill to provide a 2-year extension of the period in which veterans, their wives, and widows may use their educational benefits. Expeditious approval of this measure is, of course, critical for many whose eligibility is due to expire the end of May.

The potential impact of this and other recommendations now under consideration is thoughtfully and compellingly brought home in some comments I have received from John Tomasik, a Michigan veteran, and Dr. George E. Gullen, Jr., president of Wayne State University, and I ask unanimous consent that their letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WYANDOTTE, MICH.,
January 13, 1974.

Senator PHILIP HART,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HART: I graduated from high school in June of 1960. On June 24 of that same year, I entered the United States Air Force. In August of 1962, because of medical reasons, I was discharged. Since that time I have been employed as a driver-salesman for a Detroit area beer distributor. I have recently enrolled in a night time college program.

Up until this time, I have not had the opportunity to use any of my benefits. Now that I have begun, I am very enthusiastic about a chance to better myself.

I would never have believed that after being out of school for so many years, I could do the amount of work that I have accomplished so far. I do now believe that an education is something that no one can take away from you.

I am writing this letter to ask for your support of the bill to extend veterans' benefits. As the law stands right now, I would not be able to complete my education under my benefits because my time would expire.

In order to obtain my degree, the benefits would need to be extended from 8 to 10 years.

The job opportunities awaiting me when I obtain my degree are vast. The chance to better myself and my family are important to me. Your support will be appreciated by all of us.

Sincerely,
JOHN A. TOMASIK.

WAYNE STATE UNIVERSITY,
Detroit, Mich., April 2, 1974.

Ref.: Comprehensive Vietnam Era Veterans Educational Benefits Act of 1973: Senate Bill 2789

Hon. PHILIP A. HART,
U.S. Senate, Old Senate Building,
Washington, D.C.

DEAR SENATOR HART: It has become apparent that Vietnam Era veterans are not utilizing the "G.I. Bill" as did their World War II predecessors. This certainly has been sufficiently documented. Although the basic structure of the G.I. Bill is still pretty solid, it is time to review what we have and improve it.

As you know, the congressionally commissioned report by the Educational Testing Service of Princeton (1973) provided the ground work for just such an overhaul. It is gratifying to see so many of the report's recommendations incorporated in the Comprehensive Vietnam Era Veterans Educational Benefits Act of 1973—Senate Bill 2789. We here at Wayne State University would certainly support its passage.

Of particular advantage to our veterans would be the adoption of the following major provisions:

1. A tuition payment made to the veteran for tuition costs above $400 per year. (The ETS study showed $400 to be the average tuition cost at a four-year public institution.) Passage of this provision would keep veterans from being locked out of institutions where fiscal responsibility requires a tuition rate beyond the $400 level. For example, the current tuition at Wayne is approximately $700 per year.

2. An increase from 8 to 10 years in the eligibility period. Presently veterans have eight years from the date of discharge to *complete* their education with the help of G.I. assistance. Here at Wayne State 29% of our veterans are graduate students. Many of these fellows have time left under the bill but are running up against the deadline date for completion. It doesn't seem logical to cut them off.

3. An extension of the present 36-month entitlement period for up to nine additional months subject to case-by-case approval by the V.A. This provision, intended for those who have lost credits because they have transferred from one school to another, or because they lacked sufficient preparatory background and need additional courses to complete their program of instruction, would be particularly advantageous to Wayne State University veterans. Being a large metropolitan University, Wayne State receives a goodly number of veteran students from the area's many community colleges—not to speak of transfers from other four-year institutions.

4. An increase in the basic subsistence allowance paid to veterans in educational programs. This would be consistent with action already taken in the House, and certainly the need for such a raise has been substantiated.

I could continue to relate the passages of Senate Bill 2789 to the needs of our student veterans, but I believe you can see the bill has my personal backing. I would urge your support and, certainly, there seems to be a call for immediate action. A bill on the President's desk soon could re-invigorate veteran enrollments throughout the country—and more importantly to us—could provide Wayne State's veterans with a better set of tools to get the job done.

Very truly yours,
GEORGE E. GULLEN, Jr.,
President.

ERTS—THE GROWING PAINS OF A FLEDGLING STAR

Mr. ABOUREZK. Mr. President, it was not until 1972, after years of budgetary constraints and bureaucratic infighting that NASA launched its first Earth resources technology satellite—ERTS. Its purpose was to demonstrate that the Earth could be surveyed inexpensively and effectively from space. In 22 months of operation ERTS has been one of NASA's most striking successes, and a second ERTS is being readied for launch late this year or early in 1975.

Once every 18 days, the satellite looks down on the same 115-mile swath running north-south as it circles the Earth from 567 miles up making 14 complete orbits every day. The satellite is equipped with a sophisticated device called a multispectral scanner that performs the actual phototaking as it "catches" the varying amounts of solar energy reflected and emitted from Earth in four different spectral bands of the electromagnetic spectrum. Its function is to record and provide data which can be processed into pictures depicting the real-time status of the Earth and its resources. Upon collecting its data by continually scanning the ground directly beneath the observatory, the multispectral scanner then periodically "dumps" its data into waiting Earth receiving stations.

By looking down from its near polar orbit, the scanner continues to transmit nearly 9,000 highly detailed pictures a week for processing, analyzing, recording, and establishing standards tables for use by over 300 investigators in at least 90 countries.

In addition, the satellite carries receiving and relay equipment to collect data from ground based, remotely located sensors, report on the water level of lakes, streams, and reservoirs; soil moisture content; snow depth; surface temperatures; ocean salinity; ice pressure; ocean currents and atmospheric pollution.

ERTS transmits its data back to three U.S. stations and one in Brazil. The key tracking stations for acquiring data are at Fairbanks, Alaska, Goldstone, Calif., and Greenbelt, Md. The operations control center and data processing facility for ERTS is NASA's Goddard Space Flight Center at Greenbelt.

When the space agency put its first ERTS satellite into orbit now over 18 months ago, the scientific community scorned the $200 million project as an adventure that would be best remembered for its waste. Cries of wasteful spending came from everywhere and demands that the program be terminated because of the pending fiscal squeeze emerged early from scores of doubtful critics.

Nothing has been further from the truth.

In NASA authorization hearings for fiscal year 1974, before the Senate Aeronautical and Space Sciences Committee, Charles W. Mathews, Associate Administrator for space applications proudly reported that "preliminary information from the (ERTS) investigators allows us to say that we are obtaining positive results in nearly every area of proposed applications."

NASA Administrator James C. Fletcher stated that:

> We're getting much more out of this program than anybody predicted. We more than realized our fondest hopes.

And indeed they are.

In agriculture, using ERTS data, experts have been able to differentiate between cropland and pasture, corn and wheat, and even between durum wheat and other spring wheat. And because each type of plant reflects its own unique pattern of light wave, scientists can sometimes even tell whether the crop is healthy and growing rapidly, or diseased and short of moisture.

Some of the people in land management have come to look at ERTS as one way to help them sharpen their estimates of the acreages and the condition of public range lands. In South Dakota, for example, people at the Remote Sensing Institute at South Dakota University, prepared an updated soils map of the whole State using only 20 ERTS images. In pre-ERTS days, an estimated 30,000 conventional aerial photographs were needed for the same job at a cost of about $250,000.

One of the earliest criticisms of ERTS was that its cameras were not good enough to get sharp pictures of the Earth's features—a criticism that has turned out to be unwarranted. The color cameras on the spacecraft have returned pictures twice as sharp as the critics expected.

Besides proving its usefulness in agriculture, the satellite has pinpointed all the strip mines in Indiana, charted all the burned out regions of California's forest land, found nickel in western Canada, large copper ranges in remote parts of Pakistan and even oil in the Alaskan wilderness.

Using ERTS data, scientists discovered that the snow runoff into Arizona's Verde River Valley last year would not threaten with the same severity that it did the year before, a prediction that closed 40 percent fewer roads last year than the year before.

Polluters have also felt the teeth of the EROS program. ERTS imagery has identified the sources of polluting smoke in Virginia, Illinois, Minnesota, and Pennsylvania. In New York, ERTS photos were used in a lawsuit against a papermill accused of dumping waste into Lake Champlain.

Demand for ERTS information is multiplying beyond even the most optimistic expectations. Literally thousands of orders are received each week. With the recently completed Skylab mission, new orders could even reach a million per month. Projected photo sales for 1974, merely 18 months since the first ERTS launch, are close to a million dollars. For 1975, figures are expected to increase 150 percent, if the EROS budget is allowed sufficient funds to obtain more equipment and personnel to keep up with the meteoric demand.

But, this remains a big, big "if."

Largely because of its experimental status, but also because there is no politically powerful constituency, the EROS program continues to lose operating funds with each new round of Nixon budget cuts.

In spite of the EROS success story, the Nixon administration last year drastically reduced the program funding. Almost $2 million, or 20 percent of the entire EROS budget was cut. The launch of ERTS–B, the second ERTS satellite, was postponed indefinitely. "Until the cost-benefit studies are completed," said OMB in a response to an inquiry from my office, "we believe any acceleration of the EROS program would be premature."

Yet, while they argued on that basis for a large cut in the relatively small EROS program, they saw no conflict in requesting 45 times as much, or $450 million, for the costly and controversial space shuttle.

Now, again this year, EROS faces a similar cut in its operating budget, with similar lame excuses from the administration. However, this time the situation is even more grave. While the cost of living in the last 12 months has increased over 8 percent, the EROS budget for fiscal year 1975 was slashed another 15 percent, causing a total fiscal operating loss of 23 percent.

In answer to questions posed by the Senate Aeronautics and Space Sciences Committee regarding the Department of Interior's budget for EROS, Dr. John DeNoyer, Director of EROS, admitted that, "we are putting about $760,000 into specific ERTS investigations." While even most feasibility studies run into the millions, EROS was left with a mere three quarters of a million dollars for research and experimentation with the millions of pieces of data returning from space. This year, that amount is bound to shrink again.

Had it not been for NASA's early development of ERTS and the work of hundreds of private scientists and researchers who have done thousands of studies of their own, the value of this program might have been lost in the bureaucratic shuffle which has killed scores of worthy programs in the past.

Dr. George Low, Deputy NASA Administrator described EROS' dependency on outside sources very succinctly before the Senate Space Committee:

> I think more than has happened in previous programs, the various user agencies are providing funds for their own to see how these products can be applied to their own use. These are small amounts of money but they are used to determine the best way to apply these results.

But Dr. Low hit the nail on the head when he commented:

> Secondly, I think it is quite clear that the Department of Interior would very much like to get started with an operational Earth resources satellite as soon as their own funding limitations will allow them to do that.

Until the EROS program becomes operational, it will continue to be at the mercy of the bureaucratic regime of administration budget planners whose only concern is to cut in areas where the complaints are most easily muted. An experimental program will continue to face the uncertainties and anxieties of fluctuating budgets, lack of administration interest and attention, and great reliance on private and interagency agreements for outside funding. Experimental projects are being planned not on their inherent value, but on the condition that a private organization or other governmental agency will be willing to pay for it.

EROS has been successful in spite of these stumbling blocks and aside from the fact that even a large majority of users who can pay are being given only half of the data relayed from the satellite. This is true because of many serious organizational limitations in processing and relaying the satellite information. It now takes weeks and even months, depending on the size of the order, to process a request for EROS photos.

With ERTS–B scheduled for launch within a year from now, and with the overwhelming supply of EROS data provided by Skylab, it is readily apparent that the present system of receiving and processing the data is grossly insufficient. EROS collects massive amounts of data from the Earth and demand for data is growing at a rapid rate. Unfortunately, there is neither enough manpower or equipment to handle both collection and distribution of the data.

We do not have a complete, modern data handling facility for EROS program and its ERTS photography. An EROS facility with the capacity to receive, process, and disseminate satellite data within, say, a 48-hour period would be invaluable to the effective use of the information. Rather than waiting a month to 6 weeks, as we do now, to use satellite data for a study on a diseased crop, information could be available almost in the same day to enable users to react to symptoms of disease before they spread across an entire area. I am proposing such a central system to accomplish these results.

The EROS Data Center in Sioux Falls, S. Dak., would be the logical choice for the advanced system. The facility already catalogs and disseminates all the EROS data and the new, modern 3-acre building would allow ample room for growth. It has been estimated that for less than $8 million the necessary hardware could be installed at the data center and be operating within 1 year. A system such as this could go a long way to paving the road to a fully operational system.

But administration support—or at least tacit approval—is almost a must. As long as the Interior Department and OMB insist on allowing EROS only half of the funds it requests, an operational program will be extremely difficult, if not impossible to achieve.

Despite repeated urging by the Congress in recent years, the administration has failed to bring about the institutional and bureaucratic arrangements necessary to bring about the benefits of Earth resources research to a stage of operational usefulness. Yet, the technology has moved ahead and the need for coordinated and careful management of our Earth's resources has intensified. The gap between promise and performance is widening. The time to move toward an operational system is now.

The tremendous potential of the EROS program has convinced me that to curtail this program, as has happened in the last 2 years, just to save a few million dollars today is a classic example of being penny wise and pound foolish.

There is not a single space endeavor that has received more unanimous and enthusiastic support from Congress. Nor is there a single space program worthy of higher prices. Before we spend additional billions of dollars to find out if man can survive in space, it is essential that we spend a few million dollars in space money to help people better survive here on Earth. This is the function and the goal of our EROS program, it is time we give it room to grow.

EMPLOYMENT STATUS OF VIETNAM VETERANS

Mr. INOUYE. Mr. President, two recent articles show clearly the gap between Nixon administration rhetoric on the present employment status of the Vietnam veteran and the realities facing the veteran on the unemployment line.

"Nation's Businessmen Credited With 'Jobs for Veterans' Success" is the title of an article in the April 15, 1974, issue of the Department of Commerce publication, Commerce Today. Three days after this story appeared, the Washington Star-News ran an article with the headline "Jobs for Veterans Get Scarcer."

The recent rise in unemployment rates for Vietnam-era veterans, especially between the ages of 20 and 24, shows that the President's new Domestic Council Committee on Veterans Services needs to find a better way to find training and jobs for veterans. OMB Director Roy Ash, who is a member of that committee, can take a first step by supplying the Manpower Administration's Veterans Employment Service with the congressionally authorized funds to hire the necessary staff to carry out their important task of helping vets to find jobs.

I ask unanimous consent that these two articles be printed in the RECORD. Together they point out why the credibility of this administration continues to fall.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Commerce Today, Apr. 15, 1974]

NATION'S BUSINESSMEN CREDITED WITH "JOBS FOR VETERANS" SUCCESS

Businessmen throughout the nation have played a major role in a dramatic turnaround in joblessness among returning Vietnam veterans. The turnaround saw the unemployment rate among Vietnam veterans drop from a peak of 9.8 percent in September 1971 to 3.6 percent in November 1973.

This disclosure, based on information compiled by the Department of Labor, is included in the final report to President Nixon made by James F. Oates, Jr., Chairman, National Committee, Jobs for Veterans. The Committee organized and spearheaded a nation-wide, many-sided campaign lasting more than three years to locate returning veterans in jobs, and to help them to be trained for jobs.

The results of this campaign, reflected in tables and charts prepared by the Labor Department, reveal that the wide unfavorable gap in unemployment for the Vietnam veteran prevailing in 1970 and 1971 began to shift in favor of the veteran. Non-veteran unemployment dropped from a high in recent years of 8.1 percent in November 1971 to 4.1 percent in October 1973.

"The causes of this movement are many," the report says. "There did seem to emerge, from all local reports and demonstrated community initiatives, a conscientious effort on the part of the employer to commence giving the veteran the 'edge', a major thrust of the Jobs for Veterans campaign. The Committee believed that the employer, . . . did earnestly begin to 'talk it up' and to seek out the veteran."

UNFINISHED JOB

The report, however, contends that the task of finding jobs for veterans is unfinished. It contains 20 recommendations for continuing the effort, particularly with respect to finding jobs for disabled veterans, helping disadvantaged veterans, continuing educational and vocational activities, increasing on-the-job training, continuing the GI Bill educational entitlements, and increasing job-placement activities.

President Nixon, in a recent radio address, pointed out that there had been a slight upturn in veteran unemployment in recent months. At the end of February, he said, the rate "stood at five percent, which is just below the national average.

"There are no doubt several causes—among them the problems relating to energy—but the causes are not what matters," the President said. "What matters is this: the men who fought on the battlelines in Vietnam must not come back to job lines in America. We must redouble our efforts to help these young men and women find jobs."

The President said the progress made in reducing the Vietnam veteran unemployment rate "is a credit to the federal agencies that have mobilized job programs and more especially to two private groups, the Jobs for Veterans Committee and the National Alliance of Businessmen.

"With the help of the government and public spirited businessmen," the President added, "more than 2.2 million veterans of the Vietnam era have been placed in jobs in the last 2½ years.

"There has also been progress on other fronts. Nearly three million veterans of the Vietnam era have financed their educations under the GI Bill since 1969. Education allowances have been increased by 70 percent during this same period. The number of veterans assisted through guaranteed mortgage loans has increased by 46 percent. The Veterans Administration, which operates the largest civilian medical care system in the world, is now undertaking the biggest hospital construction program in its history."

In his letter to the President transmitting the Jobs for Veterans Committee report, Oates said: "I realize that not all of our veteran job problems have been solved, but progress on all fronts has been unmistakable. We now have the means to continue veterans employment efforts in our cities and towns and our course is clear."

Oates said the Jobs for Veterans Committee only asked that the task be attacked in good spirit and faith, and that "I feel that America, its citizens and particularly its businessmen, have so responded."

In his radio address, the President announced a series of steps to further improve services to veterans.

TAKING A HARD LOOK

He directed Donald E. Johnson, Administrator of Veterans Affairs, and Roy L. Ash, Director, Office of Management and Budget, "to set up a crack management team which will take a hard look at the services provided by the VA (Veterans Administration) across the board."

He said also that he was creating a new Domestic Council Committee on Veterans Services to be chaired by Johnson and to include four Cabinet officers and others.

In addition, he directed Johnson "to conduct a thorough investigation of the conditions of our veterans hospitals and clinics, including a personal tour of some of those facilities," and to report to him directly in 60 days.

"Veterans need to know," he said, "if we can find a better way of delivering checks on time. They need to know if there is a better way of obtaining medical services. They need to know if there is a better way to find training and jobs.

"Those are the kind of questions I want answered from this new look at veterans affairs, and I am asking for those answers within eight weeks."

One problem facing Vietnam veterans, the President said, is the "staggering increases in the cost of higher education.

"That is why," he said, "I have proposed that we increase their education benefits by an additional eight percent to help them overcome the forces of inflation.

"This would raise the payments to a single veteran with no dependents to $240 a month, tax-free."

In an official briefing on veterans programs following the President's remarks, Johnson said the fact is that the bulk of checks for veterans arrive on time, but that he would not be satisfied until all of them arrive on time. The important thing, he said, is that the check should be in the hands of the veteran at the beginning of the month when he needs the money.

He said the management team announced by the President is attacking the problem, that he believed a solution had been found, and that he expected it to be in operation by the time of the fall enrollment this year.

Johnson said that at the present time 51.5 percent of all eligible veterans have taken advantage of the educational benefits under the GI Bill, a greater percentage than was true of the veterans of either World War II or the Korean War, and that he believed Vietnam veteran participation would exceed the previous record by 10 percentage points.

ENERGY IMPACT

The Jobs for Veterans Committee recommends in its final report that volunteer field organizations fostered by the Committee, together with the counseling, training and job placement activities of government agencies and the National Alliance of Businessmen, should continue their efforts to reduce the impact of the energy crisis on the Vietnam veteran and other service personnel scheduled to be discharged this year and next.

The report points out that, aside from the 3,500,000 veterans released to civilian life in the last three years, 470,000 service personnel are scheduled to be discharged during the current fiscal year, and a somewhat lesser number in fiscal year 1975.

Other recommendations contained in the report follow:

Concepts developed by the Jobs for Veterans Committee for mobilizing national and local efforts should still be applied in appropriate ways when needed in order "to sustain and influence public and employer interests for veterans and those emerging from our Armed Forces."

The Veterans Administration and the Department of Labor should annually inventory disabled veterans, principally those with 30 percent disability or more, to determine their employment needs in order to insure that everything continues to be done within the limits of their disabilities to move them into the ranks of normal employment, or to upgrade them.

The veteran unemployed population should be examined periodically and systematically in depth and on a person-to-person basis as nearly as possible to ascertain whether a hard core of unemployed, isolated, or unemployable young Vietnam era veterans has evolved who require direct attention.

Counseling of veterans by the Veterans' Administration and the Department of Labor should emphasize that education and training can be considered continuing functions during a veteran's lifetime, bringing job improvement or new career choices, and that unused GI educational benefits should be applied in pursuit of wider educational opportunities.

Coincident with career counseling, more veterans should be encouraged to enter into technical training programs during the period of their entitlement.

Special efforts should be made to obtain more employer commitments to on-the-job training with the aim of raising to at least 20 percent the number of veterans pursuing on-the-job technical training.

The job fair concept and procedures developed by the Jobs for Veterans Committee should continue to be utilized at the local level, and should be promoted by the United States Employment Service and state employment offices to combat the jobless problem. Well-timed job fairs could bring out employers who have jobs not uncovered by other means.

The task force programs set up throughout the nation in the campaign to provide jobs for veterans should be given continued support by the federal agencies having the national and local resources to aid in the effort.

The Veterans Administration in cooperation with the Department of Labor should arrange during an appropriate period in 1974 for a survey of representative groups of veterans to gain insight into their attitudes, opinions, aspirations and problems, as was done in the Harris Survey in 1971.

Because skills acquired in the military should not be lost, governmental and private licensing and certification agencies, labor unions in the apprenticeable trades, and the academic community should establish procedures whereby appropriate credits can be established for specific military job skills.

The Armed Forces as a matter of policy should determine that no individual should leave military service without the acquisition of a skill having a civilian counterpart with a reasonable expectation of a job, and as a minimum a high school diploma or its equivalent.

The career education and training programs of the military services, established to meet mission requirements, should be so developed or extended that individuals who have not been prepared for civilian counterpart skills would be provided with training to produce a civilian-related skill.

Both the military and civilian sectors should recognize that the All Volunteer Force must be sustained. One way to insure this is through career education and training of volunteers, who if they achieve job satisfaction upon reentry into civilian life will become the best recruiters for younger men and women for military service.

The Department of Defense should continue to organize Job Information Fairs at such locations and times overseas that their services would be provided to significant numbers of personnel scheduled to be discharged from the Armed Forces.

Full educational entitlements of the current GI Bill should be maintained to provide post-service readjustment for veterans in an all-volunteer environment.

The problem of veteran job mobility should be reexamined to determine if by administrative or legislative means a system can be established to move veterans out of ghettos, impoverished areas and declining job markets, provide them with such skill training as needed and relocate them and their families in new areas with a job guarantee.

The Labor Department should continue to cooperate with the Department of Defense for expansion of the predischarge placement system which would link military bases with Job Banks and other Employment Service job information systems for direct job placement.

A computerized man-job match system for job finding for all departing service personnel should be set up as soon as possible under Department of Labor management as a positive means of meeting the veteran unemployment challenge.

The Department of Labor's U.S. Employment Service and the Veterans Employment Service and the Veterans Administration field services should be provided with such additional or specialized resources as may be required from time to time to deal with a vastly expanded veteran population.

With respect to the drug problem among veterans, the report explained that it was found to be "quite limited when compared with the veteran population as a whole," and that the Department of Commerce in October 1971 had informed businessmen "that the problem was confined to a small percent of all veterans, and that overgeneralization to all veterans would be tragic."

Go through a series of increasingly stringent regulations each requiring industry to increase the technology of its product. This project will examine the effectiveness of these alternative approaches as actually experienced in specific industries, and as experienced in foreign countries.

Can the adoption of regulatory codes dependent upon the use of voluntary standards be accelerated so as to speed up the introduction of important new technologies?

Nuclear power plant licensing, for example, requires the development of appropriate health and safety standards by professionals regularly employed by manufacturers, users, and others who volunteer their time for standards development on an ad hoc basis. A project being conducted with the Atomic Energy Commission will explore ways of shortening the considerable period thus required for standards development and reactor licensing by hiring a core staff to integrate the voluntary standards work.

What methods are available to small firms in "fragmented" industries for achieving the coordinated research and development required for new technology of high national priority?

There may be several reasons why a particular industry might find it difficult to respond to a technological change required by government. It may be fractionated so there is no logical place for the change to take place. Or, the industry may be comprised of small firms that are individually in no position to conduct the needed R&D and to economically comply with government's requirements. The Small Business Administration is cooperating in this project to work out techniques for resolving the difficulties.

How can the Interstate Commerce Commission (ICC) stimulate railroad investment in modern refrigerated boxcars, which are in almost critically short supply?

This project is carried on with the cooperation of the ICC and the Federal Railway Agency. It is testing the thesis that if the costs of the cars were systematically reapportioned, railroads would find the investment in research, development and construction of new, modern cars both advisable and profitable.

What is the most efficient way in which the Environmental Protection Agency (EPA) can marshal its grant and regulatory powers to cause a technology to be perfected and disseminated through an industry?

This project will systematically examine methods of combining EPA grant and regulatory functions to facilitate technological changes benefitting the environment. Several case studies and related economic theory are being assessed for insight into the incentives most likely to bring about the needed changes.

When the government chooses among alternative building designs, would it do well to use Life Cycle Costing (LCC) techniques allowing for trade-offs between higher initial cost and lower life-operating costs?

The thesis being tested in this experiment holds that if building construction contract awards were based on LCC predictive analyses of the design alternatives, then building envelopes, materials and equipment would be chosen to provide lower total costs over the life of the building.

Can health care services be made more productive through better selection of technologies?

Health care equipment is presently purchased primarily through the personal choice of individual professionals, resulting in overuse of technology some of the time and under use at other times—a costly procedure because of the lack of systematic resource allocation. The ETIP/NBS experiment in this area is designed to develop and employ methodologies for selecting equipment on a cost-effective basis for operating clinical laboratories, patient-monitoring systems and other health care services. Cooperating are the Department of Health, Education and Welfare and the Veterans Administration, which is in a position to provide ideal testing ground because it controls 70 percent of all federal hospital beds.

STRENGTHEN BASE ASSETS

These and some 30 other current ETIP experiments have been conceived to explore means of strengthening the nation's basic assets through more creative use of labor, capital, natural resources and technology. Thus an energy-efficient room air conditioning procurement experiment may begin with questions of hardware and mechanics—improved condenser, evaporator, compressor, and so on—but these represent departure points for ETIP analysts. In the larger picture, each project reflects basic elements of the ETIP mission. That mission calls for conducing an interrelated series of experiments aimed at developing and testing federal policies providing private-sector incentives for investing in technological change, especially in socially desirable areas.

If ETIP scores a number of successes in the years ahead, they may prove to be extraordinarily significant. A few "bull's eyes" by the program's managers and cooperating experimenters could:

Help lead to an improved U.S. balance of trade as a result of export-generating new technology;

Increase the productivity growth rate of regulated industries;

Help to avert a variety of threatened materials shortages;

Lend new prominence to small business in the nation's economy;

Provide a prototype for state product development corporations. These illustrations suggest only a few of the many possibilities.

ETIP, with its emphasis on the generation of new-product, process and service technologies, represents the embodiment of a vital trend. Sociologist Peter Drucker described this trend recently in terms of an observed new spirit in industry:

"Ten or 15 years ago, most managements perceived their main challenges as lying within the enterprise. Today most managements perceive the important challenges as lying outside the enterprise."

Applying this spirit nationaly, the ETIP enterprise provides an unusual illustration of the maxim that the whole is bigger than all of its parts.

[From the Washington Star-News, Apr. 18, 1974]

Jobs for Veterans Get Scarcer

(By Ned Scharff)

A Labor Department report to be released in two weeks will show that the unemployment rate among Vietnam veterans—which appeared to be diminishing at the end of last year—is now as high as ever.

Preliminary figures collected by the Bureau of Labor Statistics indicate that unemployment among Vietnam-era veterans has soared from 4.1 percent to 5.1 percent since December.

The figures show that unemployment among veterans most recently discharged—those between the ages 20 and 24—is up to 9.9 percent, compared with a rate of only 7.7 percent for men the same age who did not enter the armed forces.

So far, the ups and downs of veterans' unemployment have followed trends in the overall national unemployment rate—with one important difference. Unemployment has remained a disproportionately serious problem for younger veterans, those struggling hardest to readjust to civilian life.

Many veterans now are finding that training which prepared them for combat in Vietnam does not necessarily make an impression on employers here.

"Besides Vietnam being an unpopular war that people would rather forget about, a lot of employers have the idea that veterans are drug-users—not the type who conform to the establishment work ethic," said Norman Hartnett, director of Disabled American Veterans.

The Labor Department report also will lend ammunition to critics of the Nixon administration—senators, congressmen and activist veterans—who have charged the President with making no significant effort to improve the veterans' unemployment problem.

Sources in the Labor Department's Manpower Administration, charged by Congress with helping veterans find jobs, say some programs have been held up because the Office of Management and Budget has delayed funding them.

The Vietnam Era Veterans Readjustment Act, which went into effect in January 1973, included a provision to double the size of the Manpower Administration's Veterans Employment Service, which then had about 60 staff members.

Only 35 of the additional 68 employes authorized have been hired so far, sources said, because OMB has refused to supply the funds to hire the new staff at the authorized GS-11 and GS-12 levels.

NORTH CAROLINA SUPREME COURT JUSTICE DISCUSSES FAITH IN AMERICA, WATERGATE COVERAGE BY MAJOR MEDIA

Mr. HELMS. Mr. President, on April 29, a distinguished jurist in my State, Associate Justice I. Beverly Lake, delivered an inspiring address before the Raleigh Lions Club. Dr. Lake is an associate justice of North Carolina, and has served ably on my State's highest court for nearly a decade.

Dr. Lake is a Democrat; thus his comments about Watergate, and the conduct of the major news media of this country, are quite significant. But even more significant is his eloquent formula for rebuilding faith in America.

Dr. Lake is a great American, and he is a treasured friend of mine. I invite Senators to spend a few minutes in reading the text of his address, which I ask unanimous consent to have printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Law Day 1974

The purpose of Law Day is not to honor lawyers, policemen or the judges who preside over our courts, but to call the attention of businessmen like you, homemakers like your wives, employees like your employees and neighbors like your neighbors to your government, what it means to you and what you can mean to it.

Forty-five years ago this coming August first, I began practicing law here in Raleigh. In those forty-five years I have had rare opportunities to come to know the lawyers of North Carolina. I say to you now, as I pause a moment here in the late afternoon of my own professional career, I am proud of my profession and I could wish for my little grandson no greater privilege, no more satisfying life than to be an active, busy, hard working lawyer in North Carolina. But I did not come here to tell you of the virtues of my fellow lawyers, individually or collectively. You know them well, for the ones of most importance are those also of the doctor, teacher, merchant, manufacturer, minister and police officer—industry, integrity, kindliness.

I came to talk to you on this Law Day about something much more controversial, more debatable, about which intelligent men have had sharply differing opinions and will have through the long future—the Government of our country, what it means to you and what you can mean to it.

The great tragedy of what is now summed up in the one word "Watergate" is the loss of faith of many of our people in the Government of the United States—not in an individual, not in an administration, not in a political party, but in the Government itself. This is a grievous injury to America. It may well be permanent. Whether it will be or not depends primarily upon you, and men like you throughout our country—men capable of leadership of community thought, respected for intelligence, industry, character and patriotic concern.

For this injury to our beloved land, historians of the future will not lay blame solely upon the perpetrators of stupidly inept criminal actions, largely motivated by excessive partisan loyalty. History will record as even more reprehensible those inquisitors, reporters, commentators and columnists who, for their own advantage, political or otherwise, or because of hatred for an administration they tried, unsuccessfully, to defeat at the polls, have sought to poison the minds of the people of America against the leader of that administration. By cartoon, verbal and printed, by unsubstantiated accusation attributed to some unidentified "informed source close to the White House," by innuendo, by the headlining and solemn recounting as gospel truth, of charges uttered by self-confessed criminals, virtually promised lighter sentences in exchange for alleged "revelations," the television networks, the press and members of the Congress, itself, have denied to a President, against whom no specific charge has been filed, the most elemental protections granted by the Constitution to the rapist, the murderer and the kidnaper.

On this Law Day, it is the proud boast of my profession, justified by the record, that, through its efforts, even one formally charged with one of these most vicious crimes is entitled to a fair trial, before a jury not previously brainwashed for automatic conviction. Surely, a President, even though he belong to a political party his critics do not like to have in power, is entitled to protection from pre-trial tampering with the jury by the television commentator, the press and those who claim the right to speak for Congress.

The real casualty from this sniping which has been going on for the past twelve months is not the present occupant of the White House but the American people, for it is their faith in our system of government which has been wounded. According to the public opinion polls, the people are saying in large numbers, "A plague on both your houses."

It is my belief, and I think the record supports that belief, that the future well-being of the American people and, indeed, the continuation of our country as a leader in the world, if not its actual survival as a free nation, depend upon the faith of our people in our system of government. For that reason, on this Law Day, I ask you business and professional men of Raleigh to engage in a continuing effort to restore and maintain that faith.

There never has been and almost certainly there never will be a time in which all of our people have had or will have faith in our system of government. There will always be those who do not believe in and do not want law and order to prevail in their communites.

Our country can remain strong and grow stronger in spite of such people, but it cannot remain strong and pursue a course of orderly progress toward the better life of our dreams if there is even a large minority who prefer the pleasures of a permissive society to an orderly and law-abiding community, and if the majority of our people have lost faith in the ability of their Government to provide an environment in which freedom from fear and freedom of individual action are kept in proper balance. No city has or can maintain a police force sufficient to give it freedom from fear if as few as ten per cent of its inhabitants elect to destroy it, and if the majority stands by in apathy or paralyzing panic. No country can maintain itself as a free nation, in prosperity and domestic peace, if the majority of its people have no faith in its system of government.

Our system of government merits your faith and mine. The Constitution of our country is its foundation sills. Those sills are as sound today as they were when first laid for the building of our Government upon them. No government in the world, past or present, ever set for itself an objective superior to that set before our Government by the men who laid its foundation sills. Listen to it:

"We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty for ourselves and our posterity do ordain and establish this Constitution."

That is the objective of government in America: Justice, tranquility, prosperity and a secure liberty. Do you know of a nation which has a better objective? Do you wish our country had a different one?

I do not say to you that today a just result is reached in the courts of this land in every trial of a controversy between government and an individual accused of crime, or in every controversy between individuals over contracts or property rights, but I do say to you that there is no other nation on earth in whose courts I would rather have a case of mine brought to trial than in the courts of America, specifically the courts of North Carolina. By no means are all of our people well housed, well clothed or well fed, that is not even true of all of our people who are willing to work, but do you know of a nation whose people are better housed, better clothed or better fed than ours? It is cause for much concern that tonight it will not be safe even for a man to walk alone, wheresoever he wishes, upon the streets of any city in our land and there are in force statutes and administrative regulations which appear to me to be unduly restrictive of individual liberty, but I do not know of any other nation where freedom from fear and freedom of individual action are so nearly in balance as they are in America, specifically in North Carolina.

No, we have not fully attained the objective set before our Government in our Constitution and I do not believe we ever shall do so but we have moved a long way toward it, in a zigzag fashion. I know of no other country which has made like progress toward this objective in the 200 years our country has lived. It is as true of governments as it is of those who claim to be prophets, "By their fruits ye shall know them." Upon its fruits, the American system of government may justly rest its claim to the faith of our people.

Those fruits of government in America have not grown by accident. The Constitution provides a blueprint of the machinery of government. That machinery was designed for one purpose and one purpose only: The attainment of our Government's objective of justice, tranquility, prosperity and a secure liberty. I urge you to study that blueprint. Then you business and professional leaders of Raleigh will be qualified to urge, in turn, your families, your customers, your employees and your neighbors to place their faith in the American system of government and you will also be qualified to call to account legislators, administrators and judges who depart from the blueprint in the discharge of their duties.

Let us look for just a fleeting moment at the blueprint. It provides for the separation of the powers of government between the President, the Congress and the courts, a similar division, of course, being found in our State Constitution for the Government of North Carolina. Why does the blueprint provide this separation of powers between the President, Congress and the courts, the clear implication being that within their respective spheres of authority, the Executive Department, the Legislative Department and the Judicial Department are each independent of control by either or both of the other two? It is because this separation of powers is necessary to attain the objective of American Government. We must today insist that this doctrine of separation of powers be recognized by the Congress in Washington, as well as by the President, for if we do not we shall endanger justice, tranquility, prosperity and liberty throughout this nation.

I do not ask you to accept my opinion as authority for this proposition. In the profound scholarly series of essays on the Constitution, called the Federalist Papers, in Essay No. 48, Mr. Madison, appropriately called the Father of the Constitution, quotes Mr. Jefferson as saying that the concentration of the legislative, executive and judicial powers in the same department of government is "precisely the definition of despotic government," and that this is just as true when the legislative branch takes over the powers of the other branches as when the executive does so. Mr. Jefferson cited as an example of the tyranny of an unchecked legislative body, the medieval republic of Venice. Perhaps an illustration more familiar to us would be the Jewish Sanhedrin in the days of our Lord's Crucifixion.

For precisely the same reason, the establishment of justice, the insuring of domestic tranquility, the promotion of prosperity and the securing of liberty, the Constitution provides also for a separation of the powers of government in America between the Federal Government and the governments of the several states. The Tenth Amendment to the Constitution expressly provides, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states, respectively, or to the people." Despite the astigmatism of the Supreme Court of the United States during the days of the Warren Court, which prevented the Court from seeing it, that provision is still part of the Constitution, still part of the machinery of government whereby justice, domestic tranquility, prosperity and liberty are to be established and promoted in America.

With the separation of powers of government goes a separation of responsibility. The most urgent threat to the continued prosperity and well-being of the people of this country is inflation, whereby the salary check, the dividend check, the retirement pension check and the social security check are being eaten away, interest rates have risen to astronomical heights and the value of equity holdings has declined. The tendency in our country today is to place the blame for this run-away inflation upon the Executive Branch of the Government. It may well be that it is not free from fault in this respect, and I do not forget the recommendation by the President of a budget with a huge built-in deficit, which is to inflation like gasoline poured on a fire. However, the Constitution gives to the President no power to appropriate a dollar, no power to levy a tax. These are powers conferred by the Constitution upon the Congress and where the power is there the responsibility lies.

The Constitution provides, "All [not some, all] legislative powers herein granted shall be vested in a Congress." The President has the authority to recommend legislation to the Congress to control inflation, but nothing whatsoever limits the authority of Congress to initiate legislation without waiting for the President's recommendation, or in disregard of that recommendation. In the Senate today sit the President's last two opponents in the political lists. Before they were unhorsed therein, these gentlemen traveled over the country and neither was noticeably reticent in claiming to know the solution to all of our ills, including inflation. In the House of Representatives sit some of the President's most articulate critics, one of them, especially, a recognized authority on financial matters. It may be that one or all of these gentlemen has or have introduced legislation designed to curb inflation but, if so, I have not noted any reference to it in The News and Observer or by Smith and Reasoner on the television network.

We now have three fine young gentlemen asking that they be elected to represent this district in the House of Representatives and I do not recall how many there are who want to go to the Senate. Nor do I recall any specific proposal by any of them for the limitation of the inflation which is destroying the foundations of your business, and of your family's security. This is the responsibility of the Congress. The blueprint of the machinery of government places the responsibility there in order to establish justice, insure domestic tranquility, promote prosperity and secure liberty.

What can you, the business and professional leaders of Raleigh, do about all of this? You can reexamine and revive your own faith in the American system of government, you can inform yourselves about the blueprint for the machinery whereby we are to achieve justice, tranquility, prosperity and liberty in this country of ours. You can raise your voice at the lunch table, in the business conference, on the golf course and in your home to see that those of the people of America, who are within the range of your voice, maintain their faith in the American system of government and exercise their constitutionally protected powers to elect to office men who will respect and comply with the Constitution of our country and discharge the responsibilities placed by it upon them. A great Democratic President, Grover Cleveland, once observed, "Your every voter, as surely as your chief magistrate, exercises a public trust."

It is sometimes said, "Politics is a dirty business." I have had some experience in politics and I have observed that part of our American life longer than have most of you. It is not exactly immaculate. In fact, the competition therein is not very different from the competition in your business. Statements by candidates for office on television frequently do not tell the whole truth, any more than do the commercials advertising detergents and hair rinses. Many of them are like the cigarette commercials of a few years ago, which implied that if a man smoked a particular brand of cigarette lovely women would be attracted to him like bees to a pot of honey. Having tried several brands in days gone by, my personal conclusion is that these commercials left out some factor in that equation.

But, if politics be a dirty business, it will not be any cleaner for your staying aloof from it. So, on this Law Day, I invite you business and professional men of Raleigh to take an active interest in politics and thus help to restore the faith of the American people in their Government.

COMPREHENSIVE VIETNAM-ERA VETERANS EDUCATIONAL BENEFITS ACT

Mr. INOUYE. Mr. President, as one of the original authors of the Comprehensive Vietnam-Era Veterans Educational Benefits Act, S. 2789, I have been pleased to see the support for this legislation grow. The 39 Senate cosponsors have all lent their efforts toward bringing about action on this measure. The Senate Veterans' Affairs Committee, under the able leadership of Senator Vance Hartke, has been giving the provisions of S. 2789 a fair and judicious review. Companion legislation has been introduced in the House of Representatives by Representative Lester Wolff. The chairman and ranking minority member of the House Veterans' Affairs Subcommittee on Education and Training, Representative Henry Helstoski and Margaret M. Heckler are cosponsors of H.R. 12584.

I ask unanimous consent that the following analysis of the Comprehensive Vietnam-Era Veterans Educational Benefits Act be printed in the Record. It was prepared by Forrest B. Lindley, a young Vietnam veteran, who has been instrumental in support of this legislation. This analysis contains many useful statistics on the present utilization and impact of the GI bill and makes a persuasive case favoring S. 2789.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

THE VIETNAM ERA VETERANS COMPREHENSIVE EDUCATION AND TRAINING ACT—(S. 2789)

The Comprehensive Vietnam Era Veterans Education and Training Act is the only legislation before Congress that will provide *equal* education, training assistance and opportunities for all Vietnam era veterans; that will assist veterans in their readjustment to society and their transition to civilian employment; and will equip veterans with the education, training and skills needed for secure and productive careers.

The present GI Bill system violates the intent of Congress and denies education and training to millions of needy Vietnam era veterans. The use of the present GI Bill is often inverse to the need for education, training, and readjustment assistance.

Today's GI Bill:

Discriminates against poor, minority and educationally disadvantaged veterans.

Discriminates against veterans with families to support.

Discriminates against veterans who live in states with high-cost public education.

Severely restricts the effective use of a veteran's total benefits.

Severely limits the number and types of educational and training programs available to veterans.

These are the conclusions of the congressionally commissioned Veterans Administration study conducted by the Educational Testing Service of Princeton, New Jersey. These conclusions are verified and supported by Veterans Administration statistics, hearings and studies conducted by the National League of Cities, U.S. Conference of Mayors, the American Association of Community and Junior Colleges, the New York City Mayor's Office of Veterans Action, and by the personal experiences and testaments of Vietnam era veterans.

HISTORY OF THE GI BILL

"The World War II GI Bill was one of the most important and effective pieces of social legislation ever enacted. It profoundly affected the fortunes of veterans and postwar society and it transformed the Nation's higher education system."—Report of the Educational Testing Service on Educational Assistance Programs for Veterans.

The World War II GI Bill extended education and training opportunities to World War II veterans, assisted their readjustment to society, and eased the impact of 17 million returning veterans on employment. This bill produced 450,000 engineers; 180,000 doctors, dentists, and nurses; 360,000 teachers; 150,000 scientists; 107,000 lawyers; 233,000 accountants; 36,000 ministers; 380,000 metal workers; 138,000 electricians; 83,000 policemen and firemen; 700,000 businessmen; and 17,000 writers and journalists.

Sixty-five members of the House of Representatives and twenty Senators trained under the World War II GI Bill.

The "GI Bill of Rights" was directly responsible for a 200% increase in the number of undergraduate, graduate and doctoral degrees conferred by institutions of higher learning—from 160,000 in 1946 to over half a million in 1950. GI Bill dollars enabled public colleges and universities to expand their facilities, academic resources and develop faculties to the extent that a college education became possible for the average American.

The massive scientific, medical, technological, cultural, political, economic, vocational, industrial and social contributions of World War II veterans, and others who owe their education to the World War II Bill, cannot be estimated, but the economic contributions of what the Veterans Administration called the "best investment in American history" can be. The Internal Revenue Service estimates the 14 billion dollars invested in the World War II GI Bill was returned six times over by veterans in increased tax revenues. If the Government's 62.5 billion dollar profit were to include revenues from non-veterans who benefited from the GI Bill's expansion of the educational system, it could reach over 150 billion dollars.

Despite the enormous benefit to both veterans and the Nation, the World War II GI Bill was subject to abuses and administrative problems. In 1952, a special Congressional investigating committee, headed by Congressman Olin Teague, concluded:

"In view of the waste, abuse, and inefficiency which occurred during the World War II program, it would be grossly unfair to veterans of the Korean conflict and to the Nation as a whole, to extend the present program without corrective action. Veterans of the Korean conflict are no less entitled to readjustment benefits than veterans of World War II. The scholarship allowance should be sufficient to maintain a veteran-student under reasonable and normal circumstances in a reliable institution with customary charges for nonveteran students used as a guide."

The resulting action was the abandonment of the separate tuition payment and monthly subsistance allowance system and the adoption of the present one-payment system of a monthly allowance payment for the purpose of covering both educational and subsistence expenses.

The present GI benefit system was adopted to prevent abuses, but has instead unintentionally denied educational and training benefits to the most needy of Vietnam era veterans.

COMPARISON OF THE WORLD WAR II GI BILL AND THE VIETNAM ERA GI BILL

I. *Tuition assistance*

A. World War II

The World War II GI Bill paid a monthly subsistance allowance *and* the full cost of tuition, books and fees at almost every public and private college, university, vocational, professional, and technical institution in America. By paying tuition, the World War II GI Bill accorded all veterans an equal opportunity to enter education and training programs. In the few schools where tuition, books and fees exceeded the $500 a school year ceiling, any veteran could accelerate the consumption of his 48-month entitlement to cover the difference. In current buying power, the World War II direct tuition payment is equivalent to $2,517 (per nine month school year).

B. Vietnam Era

The Vietnam Era GI Bill provides no direct payment for tuition, books and fees. It pays only a monthly subsistance allowance to veterans enrolled in education and training programs. Vietnam era veterans unable to pay the "educational" costs necessary to enter education and training programs receive none of the educational and training benefits they are entitled to. The financial resources available under today's GI Bill limits veterans without supplemental resources to education and training programs at low-cost public institutions.

II. *Monthly subsistence allowance*

A. World War II

The World War II GI Bill paid a monthly subsistence allowance equal to one-third the average national monthly earning. Since the GI Bill paid for tuition, books and fees, all of the veterans' subsistance allowance could be devoted to "living expenses".

B. Vietnam Era

The Vietnam Era GI Bill pays only a monthly subsistence allowance to veterans enrolled in school. Since the Vietnam veteran must pay the cost of tuition, books and fees from his monthly subsistence allowance, the portion of his subsistence allowance that can be devoted to "living expenses" depends upon the amount of the subsistence allowance that is left after "educational expenses".

All World War II veterans were assured of paid "educational expenses" and of receiving an equal monthly subsistence allowance for their "living expenses". The amount of a Vietnam veteran's monthly subsistence allowance that can be devoted to living expenses after educational expenses are paid varies greatly from veteran to veteran, school to school, and state to state.

III. *Cost of basic living essentials—food, shelter and transportation*

A. World War II

The World War II GI Bill went a long way toward providing the basic living essentials. Food and transportation were not expensive, and low-cost housing was available. Government housing was provided to World War II veteran students by converting existing military and federal facilities into student housing; furnishings, beds and equipment were provided at government expense; public war housing projects were converted into low-rent student housing facilities, and government surplus housing (quonset huts, barracks, etc.) were transported to and erected at government expense on college sites.

B. Vietnam Era

The Vietnam Era Veteran must cover not only the cost of living, but the cost of tuition, books and fees with his monthly GI Bill subsistence allowance. The cost of living has increased over 200% since World War II. Government subsidized housing is no longer available and housing near schools, especially for married veterans, is limited and expensive. The cost of food has increased 14% in the last year and the energy crisis has inordinately increased housing and transportation expenses.

IV. *Part-time Employment*

A. World War II

Part-time employment was readily available after World War II and most veterans required little or no supplementation of their GI benefits.

B. Vietnam Era

The Vietnam Era GI Bill requires substantial supplementation for veterans in private institutions in states with high cost public education and veterans with families to support. Part-time employment is scarce and Vietnam era veterans must compete with many other needy students for available jobs. The energy crisis is reducing the employment market and the number of part-time public service employment positions available to veteran students.

V. *Financial aid*

A. World War II

The World War II GI Bill required little or no supplemental financial aid since it paid the veteran's tuition, books and fees at almost every public and private school in America. Veterans received as much as $300 in "mustering out" pay, which could supplement their educational financial needs.

B. Vietnam Era

The Vietnam Era GI Bill requires substantial supplemental assistance for veterans desiring to attend private school, out-of-state public schools, or schools in states with high cost public education. Despite the great need for financial assistance, Vietnam veterans are often discriminated against by financial officers who refuse veterans scholarships because they are receiving "aid" from the GI Bill. The influx of many minority and economically disadvantaged persons into the educational system has put a substantial demand upon student financial assistance that might otherwise be available to veterans.

Vietnam era veterans do have the Work Study and Cost of Instruction programs which were not available to veterans of World War II. Presently these programs amount to $3 a month per veteran in training.

VI. *Period of entitlement*

A. World War II

The World War II veteran was entitled to a total of 48 months of benefits which could be accelerated to cover "educational expenses" in excess of $500 a school year.

B. Vietnam Era

The Vietnam era veteran is entitled to a total of 36 months of benefits which he must use over a period of 36 months or longer.

VII. *Special programs*

A. World War II

Mustering out pay

World War II and Korean War veterans received $300 in "mustering out" pay if they served outside of the U.S., $200 if they served wholly within the U.S., and $100 if they served less than 60 days. "Mustering out" money could be used however the veteran chose, including supplementing his education and training needs.

52–20 program

The 52–20 program, a Federal unemployment insurance payment, provided the unemployed World War II veteran with $20 a week for 52 weeks.

48-month entitlement

There were no "special programs" for "educationally disadvantaged" World War II veterans (veterans with less than a high school education). 28.3% of World War II veterans had 8 years or less education, and 26.3% had 1–3 years of high school, which made 54.6% of the World War II veterans "educationally disadvantaged" by today's standards. The 48 month entitlement period, however, did enable World War II veterans to take 12 months of remedial or preparatory work and still have sufficient benefits to pursue a normal 4 year college education.

Under the World War II GI bill there were thousands of institutions that provided "educationally disadvantaged" veterans with technical, vocational, educational and professional skills and opportunities they would not otherwise have been able to obtain.

B. Vietnam Era

Remedial and preparatory programs

There are three special programs for "educationally disadvantaged" Vietnam era veterans with remedial or preparatory needs that provide the same opportunities as the additional 12 months of education and training entitlement that were available to World War II veterans. They are:

Free entitlement. Free entitlement assists veterans with academic deficiencies in attaining a high school diploma, General Educational Development certificate, or refresher or preparatory courses needed to qualify for enrollment in a post secondary program, without charge to a veteran's 36 month entitlement period.

Predischarge Education Program. This is the inservice "free entitlement" program. It enables veterans to prepare (without charge to their entitlement) for their future education, training or vocational programs through programs of education or training while in the service.

Tutorial Assistance. Tutorial assistance programs provide special help to veterans in overcoming difficulties in a subject required for the satisfactory pursuit of an educational objective. In addition to his educational subsistance allowance, a veteran may receive an additional $50 a month for a maximum of 9 months or until a total of $450 has been used.

Other special programs

Work Study Program. The work-study program provides an allowance to veterans pursuing full time programs in exchange for services such as outreach activities, paper processing, school liaison and telephone staffing. The program is currently limited to a maximum $250 allowance for which the veteran must work 100 hours during an enrollment period. The work study program is also restricted to 4 million dollars during a fiscal year.

Cost of instruction payment program

The veterans' Cost of Instruction programs provides funds to schools who offer specific services and incentives to attract and assist Vietnam era veterans. The program is funded at 24 million dollars. The Administration has requested the discontinuation of the Cost of Instruction program in its Fiscal '75 budget.

INADEQUACIES OF THE VIETNAM ERA GI BILL

Congressional Declaration of intent of the Veterans Educational Assistance Program

"The Congress of the United States hereby declares that the purpose of the educational program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the armed forces of the United States, (2) extending the benefits of a higher education to qualified and deserving young persons who might otherwise be unable to afford such an education, (3) providing vocational readjustment and restoring lost educational opportunities to those servicemen and women whose careers have been interrupted or impeded by military service, and (4) aiding such persons in attaining the vocational and educational status they might normally have aspired to and obtained had they not served their country."

The present Veterans Educational Assistance Program violates the intent of Congress by denying education and training opportunities to millions of needy and deserving Vietnam era Veterans. The use of the present GI Bill is inverse to the need for education, training and readjustment assistance.

Vietnam era veterans most able to use the present GI Bill:

1. Single veterans. 1 in 2.6 single veterans is currently using his GI benefits for education and training, compared to only 1 in 7.5 veterans with dependents.

2. Veterans in states with low-cost public education. "There is a marked difference (35–60%) in participation rates between states in the eastern section of the nation and the western section of the nation. This may be due in part to low tuition costs, and greater access to public institutions (particularly junior colleges) in the West."—Department of Veterans Benefits, Veterans Administration, Information Bulletin, April 1973.

Veterans least able to use the present GI Bill:

1. Married Veterans. 2 out of every 3 Vietname era veterans are married, yet only 1 in 7.5 married veterans is currently using his education and training benefits. Out of 4,700,000 married Vietnam veterans, only 630,000 are using the GI Bill. (42% married vs. 58% single veterans *currently* using the GI Bill).

2. Black Veterans. The participation rate for black veterans under the Korean War GI Bill was 53%. It is less than 25% for black Vietnam era veterans.

3. Educationally Disadvantaged Veterans. The participation rate for educationally disadvantaged veterans (veterans with less than a high school education) is less than 30% compared to 50% for non-educationally disadvantaged veterans.

4. Veterans desiring to attend private schools. 18% of all Vietnam veterans using their benefits for college level programs are enrolled in private institutions with 50% of all World War II veterans enrolled in college level programs at private institutions.

INADEQUACIES OF THE PRESENT GI BILL

A. Discrimination against married veterans and veterans with dependents

Two thirds of all Vietnam era veterans are married, yet only one in 7.5 (13.8%) married Vietnam veterans is currently using his education and training benefits. The subsistance allowance paid to veterans with dependents goes only half as far in meeting their "living expenses" as does the subsistance allowance paid a single veteran. Discounting "educational expenses" (which are constant regardless of the marital status of a veteran) subsistance allowances (as approved by the House of Representatives in H.R. 12628) of: $250 for a single veteran is 1.6% less than the average amount needed for "living expenses", $297 for a veteran with one dependent is 46% less than the average amount needed for "living expenses", and the $339 for a veteran with two or more dependents is 58% less than the average amount needed to meet "living expenses". On the average a single Vietnam era veteran is 50% better off in meeting his living expenses under the GI bill than is the married veteran.

Married veterans have the difficult burden of pursuing an education and supporting a family. The scarcity of part time employment to supplement GI benefits makes it impossible for many married veterans to ever use their benefits. Often, veterans pursuing an education and supporting a family through part-time or full-time employment find that the dual responsibilities place an unacceptable burden on family and academic life. The 1972 Harris survey on veterans readjustment found that 60% of married veterans not in school would use their educational and training benefits if they were provided with adequate financial assistance.

B. Restriction on the type & number of institutions available to veterans for education and training

1. Public v. private institutions.

The World War II GI Bill paid the full cost of "education expenses" at almost every public and private educational, technical, vocational or professional institution in America. Regardless of his lack of funds, or place of residence, a World War II veteran needed only meet the admissions requirements of an educational or training institution, and the GI Bill would meet the financial requirements up to $500 a school year, the equivalent of $2,517 in today's buying power. In the few institutions where educational expenses exceeded $500 a school year, the veteran could accelerate the consumption of his 48 month entitlement. The World War II GI Bill provided veterans an equal opportunity to attend the educational or training program of their choice. Under the present GI Bill system, many of the colleges, universities, technical and vocational institutions that were open to World War II veterans are closed to Vietnam era veterans who cannot pay their "educational expenses".

The present educational assistance system pays only a monthly subsistence allowance to veterans enrolled in school. If a Vietnam veteran cannot pay the "educational expenses" needed to enter an educational or training institution, he will receive none of the benefits that he is entitled to.

"Educational expenses" were not a significant factor in a World War II veteran's choice of educational and training programs and institutions because the GI Bill paid "educational expenses".

"Educational expenses" are a major factor in a Vietnam era veteran's choice of educational and training programs and institutions because the veteran must pay for "educational expenses"

"Educational expenses" determine not only if a Vietnam era veteran will be able to use his benefits at all, but substantially limit the type of educational and training programs and the number of educational and training institutions available to Vietnam era veterans.

Under the World War II GI Bill 50% of the veterans in college level programs attended private colleges and universities. The average cost of "educational expenses" at private college level institutions under the World War II GI Bill was $446 for an ordinary school year (nine months), $54 under the $500 a school year limit.

The 1974 cost of "educational expenses" at a private college level institution is $2,245 a school year, $265 more than a single veteran's entitlement for a school year. This completely rules out a private education for Vietnam veterans without substantial supplemental resources. Less than 20% of the Vietnam era veterans in college level programs are attending private institutions.

C. Discrimination against veterans in States with high cost public education

"The accessibility of postsecondary education for the Vietnam conflict veteran is a function not only of his military service but also his particular state or residence. The effectiveness of the benefits is directly related to the availability of low cost readily accessible public institutions. The current veteran seeking to use his education benefits finds that equal military service does not provide equal readjustment opportunities with respect to attendance at post secondary schools."

"It appears that the states are subsidizing the cost of education for veterans of the Vietnam conflict as compared with earlier subsidation by the Veterans Administration. Since higher costs of education appear to reduce participation, this is a significant factor in determining whether the veteran in a particular state will participate in education."—Report of the Educational Testing Service September 19, 1973.

"There is a marked difference in participation rates between states in the eastern section of the nation and the western section of the nation. This may be due in part to low tuition costs, and greater access to public institutions (particularly junior colleges) in the west".—The Veterans Administration DVB Information Bulletin, April 1973.

Analysis of participation rates by state indicate a direct correlation between participation and the availability of low cost easily accessible institutions of higher learning.

39% of veterans participating in college level programs attend community colleges compared to 29% for non veterans.

D. Restriction to four-year programs of instruction

Under the present educational assistance system, a veteran with two or more years of honorable military service is entitled to $7,920 in benefits if he is single, $9,393 if he has one dependent, and $10,728 if he has two dependents. However, he is restricted to using those benefits at a maximum rate of $220 a month (single), $261 a month (one dependent), and $298 a month (two dependents), over a period of 36 months or longer. The 36 month restriction on a veteran's use of his benefits is the most serious shortcoming of the Veterans Educational Assistance system. The 36 month limitation makes the Veterans Educational Assistance Program ineffective except for single veterans attending low cost institutions. This restriction makes it impossible for the two thirds of all Vietnam era veterans to effectively use their GI Bill benefits without substantial supplementation even though they are rightfully entitled to total benefits that would enable many to fulfill their educational or training objectives.

Congress established the GI Bill "to provide vocational readjustment and restore lost educational opportunities to those service men and women whose careers have been interrupted or impeded by active military service". Married veterans often suffer the severest interruption in their family lives, and the greatest impediments to their careers, yet they are denied effective readjustment assistance by the present GI Bill.

Denying veterans access to educational assistance that would enable them to attend two year technical, vocational, or professional institutions, and to complete their education at private institutions or attend graduate, medical or law school, defeats the purpose of the GI Bill.

The Office of Education estimates that only one in five jobs will require a college degree in the next six years. Because the present GI Bill restricts veterans' access to many technical and vocational programs, it is denying large numbers of veterans the alternative of gainful employment in secure and productive careers where college degrees are unnecessary.

The average educational level for all Vietnam era veterans have completed one or more years of college prior to or during their military service. If they were attending a private institution, or are married, the current GI Bill does little to restore their lost educational opportunities.

The World War II GI Bill had a provision which enabled veterans to accelerate their benefits if their yearly "educational expenses" exceeded the $500 ceiling. This acceleration provision assured that every World War II veteran had opportunity and flexibility to attend the institution and pursue the education and training program of his choice.

ANALYSIS OF VETERANS ADMINISTRATION CLAIMS AND STATISTICS

The Veterans Administration's statistics and claims often convey the impression that the Vietnam era veteran is as well off, or better off, than the World War II veteran. Some of the most frequent VA claims are:

Claim

"Nearly 4.5 million veterans and servicemen have trained under the current GI Bill since it went into effect in June 1966" and ". . . the participation rates for Vietnam veterans have now exceeded those of World War II and Korean veterans".—The Veterans Administration Profile of the Vietnam Veteran, March 1974.

Reality

"The Veterans Administration has used participation rates only as an indicator of what percentage of eligible veterans use their entitlement, and not as a measure of whether the GI Bill educational programs were serving their intended purpose."

"While the Veterans Administration does now collect and report data on degree and vocational objectives, there is little data currently available on completion rates in such programs. Without this information it is difficult to determine the ultimate effectiveness of the GI Bill use.

"We have been of the view that the assessment of the effectiveness or quality of education and training has not been explicitly committed to the VA by the Congress. We believe this is a matter which should be considered further."—The Veterans Administration, September 1973.

The Veterans Administration participation rate statistics measures only the number of veterans who have received some benefits and not 1) the number of veterans who have completed educational and training programs, 2) the number of veterans forced to terminate programs and their reasons for termination, 3) the amount of time the veterans participated under the GI Bill, and 4) whether the GI Bill is fulfilling the intent of Congress and meeting its objectives.

Claim

"The average Vietnam veteran attending a 4 year public or a 2 year public institution has educational benefits slightly higher than his World War II counterpart when adjustments for changes in the Consumer Price Index are made." In terms of buying power, the educational assistance for Vietnam era veterans is comparable to that available to World War II veterans". "'The Vietnam era veteran actually has $292 (per nine month school year) more in buying power than did the World War II veteran!"—The Veterans Administration September 1973.

Reality

According to the Department of Veterans Benefits of the Veterans Administration, the $500 paid for tuition, books, and fees and supplies under the World War II GI Bill is currently equivalent to $2,517 in today's buying power. The current dollar value of the World War II subsistence allowance for a nine month school year is $1,278 for no dependents, $1,800 for one dependent, and $2,061 for two or more dependents. By adding the current buying power of the World War II tuition payment and subsistence allowance for a school year and comparing the total to the total a Vietnam Veteran receives from today's GI Bill for a school year ($1,980 for a veteran with no dependents, $2,349 for a veteran with one dependent, and $2,682 for a veteran with two dependents), it is apparent that the Vietnam era veteran actually has $1,896 (per nine month school year) less in buying power than did the World War II veteran!

LEGISLATION CURRENTLY BEFORE CONGRESS

There are currently three major GI Bill legislative efforts before Congress:

1. An increase in the benefits accorded by the present GI Bill.
2. A tuition equalizer provision.
3. The Comprehensive Bill.

They represent distinctly different strategies and scopes for providing Vietnam era Veterans readjustment assistance.

1. *Increases in the present GI Bill system*

The House and Senate Veterans Affairs Committees have both introduced (and the House has passed) legislation designed to increase the amount of subsistance allowance accorded under the present GI Bill system, and otherwise generally improve the GI Bill.

Senator Hartke's bill, S. 2784 (The Senate Committee Bill), known as the Vietnam Era Veterans Readjustment Assistance Act, provides for a 23% increase in the veteran's monthly subsistence allowance. Under S. 2784, the monthly rate for a single veteran with no dependents would increase from $220 to $270, or $50 increase. A veteran with one dependent would receive an additional $60 from $261 to $321. A veteran with two dependents would receive an increase of $69, or from $298 to $366 a month.

The 23% subsistance increase would be an invaluable asset to the 1.5 million veterans and servicemen currently pursuing educational programs. The increase would more than compensate for the 13% rate of inflation since the enactment of the present subsistance rates in October of 1972.

S. 2784 would also authorize low cost direct federal loans in amounts up to $2,000 a school year for those veterans attending higher cost institutions. The bill also contains amendments to improve and expand opportunities for disabled veterans and improve employment opportunities for widows of veterans who died of service connected disabilities, and wives of totally disabled veterans.

The loan provisions in S. 2784 are designed to assist veterans in meeting the high cost of tuition through loan opportunities which are otherwise unavailable because of discriminatory practices against veterans.

Most of the other provisions in the Senate and House Veterans Affairs Committee legislation are technical and perfecting amendments or provisions that are compatable with and should be incorporated into any final veterans legislation before it becomes law.

2. *The tuition equalizer provision*

The Tuition Equalizer Provision is a provision of the Comprehensive Bill and a separate legislative proposal. This provision would pay the cost of a veteran's tuition (excluding books, fees and other educational expenses) over $400 up to $1,000 for a maximum total of $600 per school year. The Veterans Administration reports that the "average" tuition at a public institution is $424. The tuition equalizer provision, by paying tuition expenses in excess of $400 (up to $1,000) gives veterans in states with high educational expenses an opportunity to enter education and training programs equal to the Veterans Administration's average veteran in states with low educational expenses.

The Tuition Equalizer Provision will equalize "educational expenses" up to $1,000 and thus eliminate the major obstacle (inability to pay educational expenses) preventing veterans without dependents from entering public institutions.

It would not:

Eliminate the major obstacle preventing veterans with dependents from using their GI benefits (inability to meet "living expenses").

"Substantially assist veterans wishing to pursue private two year technical or vocational programs, complete their education, or attend graduate programs at institutions with high educational expenses."

The Tuition Equalizer Provision is an integral and vital part of the Comprehensive Bill, but in itself is only a partial solution in providing all Vietnam era veterans with equal educational and training opportunities.

A. Cost

The Tuition Equalizer Provision is estimated by the Veterans Administration to cost $250 million.

B. Prospects for enactment

Prospects for enactment depend upon public and congressional support. The Comprehensive Bill containing the tuition equalizer provision has 39 co-sponsors in the Senate and the provision itself has over 70 co-sponsors in the House of Representatives.

The Comprehensive Vietnam Veterans Benefits Act amends the basic system of administering readjustment assistance for Vietnam era veterans in order to provide specific and flexible solutions to the inequities of the present system.

ANALYSIS OF THE COMPREHENSIVE VIETNAM VETERANS BENEFITS ACT

The Comprehensive Bill recognizes that the present system of administering veterans educational and readjustment benefits is not meeting the specific intent and objectives of Congress and is denying readjustment assistance to thousands of Vietnam era veterans. The Comprehensive Bill amends the current GI Bill to provide specific solutions to inadequacies and shortcomings of the present system and improve the effectiveness of existing programs and opportunities for Vietnam era veterans.

It will accord all veterans presently in training programs the same subsistence increases and similar improvements to House Act H.R. 12628, to include a 13.6% increase in the subsistence allowance and an extension of the time period in which a veteran must use his benefits from 8 to 10 years.

No Vietnam era veteran will receive less benefits than he is currently entitled to. All veterans will have greater flexibility to use their education and training benefits.

The Comprehensive Bill, in its present form, does not contain many technical and perfecting provisions that are generally supported and should be incorporated into final legislation. However, it does contain other provisions which appear similar to those approved in H.R. 12628, but are not. These provisions are the expansion of the Work Study Program and the Veterans Communication Center. (Those provisions will be clarified in section by section analysis.)

ANALYSIS OF SPECIFIC PROVISIONS OF THE COMPREHENSIVE VIETNAM VETERANS BENEFITS ACT

A. 13.6 percent increase in the subsistence allowance paid to veterans in vocational rehabilitation and education programs

Explanation of Provision

Increases the educational assistance allowance under all veterans vocational rehabilitation and education programs by 13.6%.

Justification of Provision

This provision is identical to an increase enacted by the House of Representatives. It increases the monthly subsistence allowance paid to veterans in educational programs to a level that compensates for inflation and the inordinate rise in basic "living expenses" since the enactment of the current benefit levels in Oct. 1972.

Safeguards against Abuse

This provision would be no more subject to abuse than the present system, therefore, no additional or special safeguards would be necessary.

Cost

The estimated cost of the 13.6% increase in educational allowance for fiscal year 1975, applied to veterans currently using their education and training benefits is $374.1 million (OMB). Total cost projections for fiscal 1975–79 are $1,415 billion. (OMB)

Since the purpose of the Comprehensive Bill is to enable many veterans to effectively use their readjustment benefits for the first time, it is possible that cost figures could exceed OMB estimates.

B. Extension of the 36-month entitlement period

Explanation of Provision

This provision would enable the VA to extend a veterans benefits up to an additional 9 months in special circumstances.

Due to circumstances beyond their control, many veterans are unable to complete their programs of instruction within the time frame they are entitled to receive benefits. Such circumstances include: credits lost in transfer from one institutions to another, change of a major or program of instruction, lack of sufficient preparatory background or training to complete a program of instruction. Under these or similar circumstances, the VA would have the authority to extend a veteran's benefits to enable him to complete his education or training.

Justification of Provision

The conditional extension of entitlement would provide needy and deserving Vietnam veterans with special circumstances a maximum of 45 months entitlement to complete their education. All World War II veterans were accorded a full 48 months of GI benefits to complete their training.

This provision is not intended to be a blanket extension of entitlement. Its intent is similar to the "free entitlement" accorded Vietnam era veterans who need assistance *to begin* education and training programs. The conditional extension of entitlement would benefit veterans who need assistance *to complete* education and training programs.

Safeguards Against Abuse

Safeguards and administrative procedures similar to those used to administer the "free entitlement" and "prep" programs would be required to administer the conditional entitlement extension. Since similar programs are now in affect, the VA should have the expertise to administer the program and prevent abuses.

Cost

The cost of the conditional entitlement extension is difficult to estimate, since the VA has no data on the effectiveness of the current program or the number and nature of problems veterans encounter in completing their education and training.

C. Extension of the delimiting period from 8 to 10 years

Explanation of Provision

This provision would extend the period in which a veteran must use his benefits from 8 to 10 years. Veterans who were discharged after January 31, 1955 and before June 1, 1966 whose eligibility for training is scheduled to expire on June 1, 1974 will have until June 1, 1976 to complete training.

Justification of Provision

This provision is identical to one passed in H.R. 12628. It would enable veterans discharged in the years 1965–66 who were unable to begin education and training until 1970 when benefits were raised (above $130) to complete their training before their eligibility expires. It provides the same relief to "Cold War Veterans" who would otherwise lose their entitlement on June 1, 1974.

Safeguards Against Abuse

This provision would not be subject to abuse.

Cost

$166 million, Fiscal 1975; $513 million, Fiscal 1975–79. (OMB estimates)

D. Acceleration of entitlement

Explanation of Provision

The Acceleration of Entitlement Provision is the most important provision of the Comprehensive Veterans Education legislation. It would enable a veteran in a full time program of instruction to receive a greater monthly subsistance allowance (reducing his total entitlement a proportional rate) provided acceleration would lead to completion of an educational or training program. Acceleration is the only means whereby millions of Vietnam veterans can use their existing entitled benefits to receive vitally needed readjustment assistance for education and training.

Acceleration would open up educational opportunities to veterans who have been denied assistance and opportunities under the present GI Bill system. Under acceleration, a two year technical or vocational education could be possible for every veteran. Veterans with previous college experience could complete their educations at private institutions or attend graduate programs.

Acceleration, combined with the tuition equalizer provision would enable veterans with dependents to attend education and training programs for three school years (24 months) at almost any public school in America.

Acceleration, combined with the tuition equalizer provision would enable single veterans and veterans with one dependent to receive two school years (18 months) of education and training at almost every private institute of higher learning, vocational, technical or professional institution in America. (See special supplement on acceleration/Appendix E).

Justification of Provision

Acceleration is the only provision that will enable the Educational Assistance Program to fulfill the intent of Congress and provide assistance to millions of veterans without massive supplemental cost to the GI Bill. Acceleration recognizes that readjustment assistance and education and training must not be restricted to a four year period and that two year programs of instruction can go a long way to restoring lost educational and career opportunities for Vietnam era veterans.

The World War II GI Bill had an acceleration provision that enabled veterans to use their "educational payment" at an accelerated rate to cover yearly educational expenses in excess of the alloted $500.

Safeguards Against Abuse

The acceleration provision requires that a veteran must be enrolled in a program that will lead to a recognized and predetermined vocational, eduactional, or technical objective in order to receive his monthly payment at an accelerated rate. The acceleration provision is the only provision of the Veterans Educational Assistance Act that makes the ability to complete a program of instruction a prerequisite for receipt of benefits. The Veterans Administration has substantial latitude to determine regulation for administering the provision. It is possible that an income ceiling could be applied, as was used in the World War II GI Bill.

Cost

With the exception of the cost of veterans using benefits for the first time, this provision would add no new cost to the benefits that all eligible Vietnam era veterans are currently entitled to. Current cost by veterans using their benefits is estimated by OMB to be $600 million for fiscal 1975.

E. Tuition equalizer program

Explanation of Provision

The Tuition Equalizer Provision pays the cost of tuition over $400 up to $1,000 (a total of $600) per school year. The purpose of the tuition equalizer provision is to provide veterans in states with high cost public education an equal opportunity to enter school by subsidized tuition costs to a level equal to the average tuition paid by veterans in public institutions, presently $424.

Justification of Provision

"Current benefits levels, requiring as they do the payment of tuition, fees, book, and supplies, and living expenses provide the basis for 'unequal treatment of equals'. To restore equity between veterans residing in different states with differing systems of public education, some form of variable payments to ameliorate the differences in institutional costs would be required."—Finding, Educational Testing Service Report, September 1973

The tuition equalizer provision is the form of variable payment that will restore equity between veterans residing in states with different systems of public education.

Safeguards Against Abuse

The tuition equalizer provision is not a return to the World War II system of VA payment to schools for total "educational expenses" and therefore precludes many of the abuses inherent in the World War II system. The tuition equalizer provision specifically prohibits veterans from being charged tuition rates exceeding those paid by nonveterans, and prohibits payment of educational expenses other than tuition, i.e. "fees, books, supplies and other expenses".

(See appendix for further analysis of safeguards against abuses)

Cost

Cost of the tuition equalizer provision is estimated by OMB to be $250 million for the fiscal year 1975.

F. Expansion of the work study program

Explanation of Provision

The Work Study program is currently operating on a budget of $4 million per fiscal year, limiting payments to veterans at $250 per school year. This provision lifts these severe restrictions to provide a comprehensive and effective Work Study program.

Justification of the Provision

The present work study program is so restricted that it cannot adequately augment a veteran's subsistance allowance, and cannot fulfill such critically needed functions as Outreach and the VA new VETREACH Program, veterans counselling, preparation and processing of administrative work, veterans hospital and health care work, etc.

(See appendix on Veterans Work Study programs).

Safeguards Against Abuse

Work Study programs would be determined by the Veterans Administration and the funds must be appropriated by Congress. Experience gained from other Work Study programs should provide effective guidelines against abuse.

Cost

To be determined by Congress and the Veterans Administration. ($30–$50 million/estimate)

G. Vietnam era veterans communications center and Vietnam era veterans advisory committee

Explanation of Provisions

This provision establishes a Vietnam Era Communications Center and a Veterans Advisory Committee. The purpose of the center would be to insure that the Vietnam era veterans' experience and perspective would be instrumental in the planning, coordination, implementation and administration of all government programs affecting Vietnam era veterans. The Advisory Committee would assist the Communications Center in a high level national effort to utilize the $6 billion a year the Defense Department spends on training its servicemen by civilian recognition, certification, utilization, or acceditation of military training, skills and experience.

Justification of Provision

"The limited affect of other federal agencies to provide education and training to veterans has been due in part to lack of overall direction, leadership and coordination."—Report of the Educational Testing Service, September 1973.

"It is recommended that government and private licensing and certification agencies, labor unions in the apprenticeable trades, and the academic community establish procedures whereby appropriate credits can be established for specific military job skills."—National Jobs for Veterans Report of the President, March 1974.

Safeguards Against Abuse

The only abuse inherent in this provision would be ineffective and uninspired implementation.

Cost

The Community Center and Advisory Committee would be funded through existing agency funds.

THE ACCELERATED ENTITLEMENT PROVISION

The present GI Bill system, by restricting an eligible veteran to using his entitled benefits over a 36 month period, and by effectively denying that a majority of Vietnam veterans have an opportunity to use their benefits, defeats the purpose of the GI Bill and violates the intent of Congress.

It is the intent of Congress that the GI Bill:

Extend the benefits of a higher education to qualified and deserving young persons who might otherwise be unable to afford such an education.

Provide vocational readjustment and restore lost educational opportunities to those servicemen and women whose careers have been interrupted by military service.

Aid such persons in attending the vocational and educational programs they might normally have aspired to, and obtained, had they not served their country.

The Educational Testing Service Report on Educational Assistance Programs for Veterans, the hearings conducted by the National League of Cities U.S. Conference of Mayors, the American Association of Community and Junior Colleges, the Mayor's Office of Veterans Action of the City of New York, and Veterans Administration statistics contained in this document clearly demonstrate that the present GI Bill is violating the intent of Congress and its benefits are inaccessible to all those except single veterans in low cost public institutions.

If the intent of Congress is to be realistically fulfilled, and all eligible Vietnam era veterans are to be given an equal opportunity to use the benefits they are rightfully entitled to, the 36-month restriction must be removed.

OPPORTUNITIES FOR EDUCATIONAL AND TRAINING PROGRAMS EXTENDED BY THE ACCELERATED ENTITLEMENT PROVISION

Technical and vocational opportunities

"By demanding educational reform now, we can gain the understanding we need to help every student reach new levels of achievement; only by challenging conventional wisdom can we as a nation gain the wisdom we need to educate our young in the decade of the seventies".—President Nixon, March 1970.

"At the very heart of our problem is a natural attitude that says vocational education is designed for somebody elses children . . . We have promoted the idea that the only good education is an education capped by four years of college. This idea, transmitted by our values, our aspirations, and our silent support, is snobbish, undemocratic and a revelation of why schools fail so many students. The attitude infects federal government which invests $14 in the nations universities for every $1 it invests in the nations vocational-education programs . . . The attitude must change. The number of jobs which the unskilled can fill is declining rapidly. The number requiring a liberal arts college education, while growing, is increasing far less rapidly than the number demanding a technical skill."—The National Advisory Council of Vocational Education.

"Henry Adams once wrote: 'Nothing in education is so astonishing as the amount of ignorance it accumulates in the form of inert facts'."

Whatever prompted Adams remark, he could not have been talking about trade and technical schools because the tools of that business are lively fact, facts that can be put to good use.

I have long been a critic of our nations public schools because I have never felt that they were achieving even a reasonable degree of their potential.

One reason is a philosophy of education which insists upon treating every student as though he were college material and tends to hold the blue collar worker in contempt.

I personally see the private trade and technical schools as a great resource for training millions of Americans, both the disadvantaged and others.

I believe that those educators and public officials who ignore the private trade and technical schools simply are not aware of the high quality of schooling offered by accredited proprietory schools and the unique ability they have to meet special educational needs.

It seems quite obvious that vocational education should be assigned greater importance in our scale of spending priorities at all levels of government.

It also appears quite clear that the rôle of the proprietory trade and technical school is vital to the success of the individual in a rapidly changing society.

I personally believe trade and technical schools should be given a far greater role in government training programs.

If equality of educational opportunity is not to be written off as a myth, we must expand the scope of vocational education and make full use of private vocational schools for training disadvantaged.

"People are this country's greatest resource. Whatever we do to develop our people to their fullest potential benefits the entire Nation. Every time we save an individual from the human scrap heap the lives of all of us will be enriched."—Gerald R. Ford.

The scientific and technical revolution is creating career opportunities literally by the millions. The demand for veterans with technical skills is growing twice as fast as the demand for veterans with college degrees. The energy crisis threatens to cost many veterans their jobs. The veteran hardest hit will be the married veteran who never had an opportunity to use his GI benefits because he was forced to take a job immediately after leaving the service to support his family.

The accelerated entitlement provision would enable these veterans to enter training programs, acquire meaningful, productive, and secure employment, and ease the impact of the energy crisis on the job market.

The Department of Labor and the Office of Education estimates that only one in five jobs will require a four year college education by 1980, while there will be over a million job openings in technical and vocational fields by 1975.

Most veterans have had extensive training and direct experience in complex and challenging vocational and technical fields by virtue of their military service. The Department of Defense reports that over fifty percent of military skills are related to civilian technical and vocational skills.

The following are major technical and vocational fields that have a substantial growth and employment potential:

Aeronautical and Aerospace.
Air Conditioning and Refrigeration.
Agricultural.
Architectural and Construction.
Automotive.
Chemical.
Civil Engineering.
Commercial Pilot.
Electrical and Electronic.
Electromechanical.
Electronic Data Processing.
Fire Protection.
Forestry.
Health Service.
Industrial Production.
Metallurgical.
Nuclear and Radiological.
Oceanography.
Office Specialists.
Police Science.
Sanitation & Environmental Control.

Under the provisions of the Comprehensive Bill, a veteran with two or more dependents could receive sufficient funds from his total entitlement to attend school at almost any 2 year public or private technical or vocational school in America. Under the current GI Bill the Vietnam veteran receives less money ($1,980) per year than the average yearly tuition ($2,000) at a private vocational or technical institution. The Comprehensive Bill would not limit any veteran's choice of education and training to a 2-year technical or vocational program the way the present GI Bill limits opportunities to single veterans in low cost public institutions, but would insure that every veteran who sought a technical or vocational education has a realistic opportunity to pursue it.

PUBLIC COLLEGE AND UNIVERSITY OPPORTUNITIES

The greatest fallacy of the 36-month restriction on the use of benefits in the present GI Bill system, in relation to a college education, is that it presupposes that every veteran wishing to attend college requires four school years of education. This assumption is particularly absurd in view of the fact that the average Vietnam veteran has little less than one year of college at the time of his discharge from the service. 20% of all Vietnam era veterans have one or more years of college education at the time of their separation from the service.

Under the Comprehensive Bill, the tuition equalizer provision would enable a veteran with no dependents to attend almost any four year public institution for a full four year education. The Comprehensive bill, with the tuition equalizer provision (the payment of tuition expenses over $400 up to a $1,000) and acceleration of entitlement to 24 months would enable almost every veteran with dependents to attend 3 school years at a public institution.

Veterans with dependents desiring a four year public education could supplement their income through the Work Study program (See Work Study appendix), receive the equivalent of a year or more of college education through testing advance placement, evaluation of inservice training and experience (See Communication Center and Advisory Committee Appendix), or take the additional courses required to complete a four year education in three years.

For those veterans with dependents and families who are reluctant to pursue four year educational programs which would delay the pursuit of their careers, the Comprehensive Bill would be flexible to the point of allowing veterans to pursue their education and training at a rate compatable with their personal career and family needs.

PRIVATE COLLEGES, UNIVERSITIES, AND GRADUATE PROGRAMS

The education at a private college or university that was available to all World War II veterans is completely out of reach for all Vietnam era veterans who must depend upon today's GI Bill for their financial support. The World War II GI Bill paid for an education at Harvard and Yale. In 1948 60% of the student body at the nation's most prestigious universities were veterans. Today, veterans represent less than 2% of the student bodies at these same universities. To provide the Vietnam era veteran the same opportunity to attend private institutions that was available to the World War II veteran, a monthly subsistance allowance of $600 would be required. The Comprehensive Bill recognizes that this is unfeasible. However, it does provide opportunities for all Vietnam veterans to complete the last two years of their education at a private institution or pursue two year graduate programs. (See Appendix —.) This would enable many veterans who were drafted while in school or upon graduation to use their benefits to complete their educations at private institutions or take graduate courses to augment their careers. The acceleration entitlement provision would reaffirm and restore the intent of Congress to "restore lost educational opportunities to those servicemen and women whose careers have been interrupted or impeded by military service."

SAFEGUARDS ON THE ACCELERATED ENTITLEMENT PROVISION

The Comprehensive Bill requires that any veteran using the accelerated entitlement provision must be enrolled in a program of instruction that will lead to a recognized and predetermined vocational, educational, technical, or professional objective before his total benefits are expended. The completion stipulation of the accelerated entitlement provision not only insures that veterans will not use their benefits solely to obtain extra money, but provides the first reasonable assurance that the GI Bill is fulfilling the intent of Congress, actually providing veterans with readjust assistance that will lead to a "vocational and educational status".

The Veterans Administration admits that "there is little data available on completion rates in such (education and training programs). Without this information it is difficult to determine the ultimate effectiveness of GI Bill use." With no way of assessing the completion, effectiveness or quality of education and training programs veterans are receiving under the GI Bill, there is little way the Veterans Administration can judge how the present GI Bill is being abused. The Comprehensive Bill would provide substantially more assurance than the current system than the GI Bill was fulfilling its intended function. It is possible that income limitation such as those on the World War II GI Bill could be applied to veterans using, the accelerated entitlement provision. A realistic ceiling (comparable to the World War II GI Bill) on earned income after payment, of educational expenses would be $350 for a veteran with no dependents, $500 for a veteran with one dependent, and $600 for a veteran with two dependents, with an additional $50 for each additional dependent, per month.

COST OF THE ACCELERATED ENTITLEMENT PROVISION

The accelerated entitlement provision would add no additional cost to the benefits all eligible veterans are entitled to today. However, by enabling the millions of veterans currently unable to use their benefits to use them for the first time, the Comprehensive Bill would incur the cost of veterans entering these education and training programs.

VIETNAM ERA VETERANS COMMUNICATION CENTER AND VIETNAM ERA VETERANS ADVISORY COMMITTEE

The Comprehensive Bill will establish a Vietnam Era Veterans Communication Center to insure that the perspective, experience, knowledge, needs and advice of Vietnam era Veterans will be an integral part of the coordination, planning and implementation of all federal government programs affecting Vietnam era veterans. The Communications Center will serve as a voice at the highest level of government for all Vietnam era veterans, including the alienated, the disadvantaged, the poor, the radicalized, the "silent majority", as well as those veterans with less than honorable discharges.

"If we are to be successful in our endeavors, we must first examine our attitudes and our reactions toward our Vietnam era veterans. We must do so for the very simple reason that most of us in VA have not had the opportunity to serve young veterans their age for a generation or more. Not since World War II or the Korean conflict, when some of the veterans we served were our contemporaries, have we thought young and acted young and reacted young. We can learn from youth and they from us. And we can profit in the process, especially if the drive and idealism of our Vietnam era veterans can rekindle the drive and idealism that once made our lives so exciting and promising."

"I would be the last to suggest that I have even the faintest concept of the kind of war our Vietnam veterans have had to fight, a war in which it is virtually impossible to tell friend from foe, a war in which there are no front lines, and no lasting, final battlefield triumps in the traditional, tactical sense."

"More than 54,000 of our fellow Americans have died in Vietnam and nearly 200,000 have been hospitalized for wounds. Thousands more still carry the psychological scars of their combat experience. Having paid this price they return home to what? To brass bands and parades and a hero's welcome? Perhaps a few have. For most, however, their return has been distinguished by indifference and even hostility. By the expectation on the part of their fellow citizens that they will get jobs, pick up the pieces of their lives, and be good citizens. But what about those who haven't? Have we bothered to ask ourselves why? Is it because in this difficult transition from a wartime to a peacetime economy jobs are scarce? Do they no longer "belong" because their old friends have scattered or they have found new friends to replace them? Or have they found it hard to be a "good citizen" in a society rampant with stress, polarized by racial tensions, and even hostile to young people whose manner of dress and lifestyle are at variance with the views of their elders? Or is it all of these reasons and more?

"Whatever the answer we must ask ourselves and answer at least one more question. What do we owe our Vietnam era veterans? I say that we owe them a sincere effort to understand them and the impact their military experiences and return to civilian life has had. We owe them a critical self-examination of everything that we do and the manner in which we do it. We owe them the honest recognition of the fact that many of our programs conducted primarily by employees much older than they are not fully attuned to their needs, their lifestyle, and their problems. And we owe them the responsibility to do something about it NOW."

"We must understand what we must do to meet their needs in a positive, individual and responsive way. It is not good enough to count "contacts", and to provide information and assistance in a formal, mechanical style or to treat their medical problems in our hospitals and clinics while ignoring their human needs. There is no better way to honor these courageous young veterans than to listen, think, discuss, and then, to ACT."

"We are agreed I am certain that there is a serious crisis of confidence on the part of many young people with regard to the willingness of public and private institutions of all kinds to be responsive to new needs and to be adaptable to contemporary society. And I might add that many older persons as well can express genuine concern when needed changes are not effected. VA has the opportunity to demonstrate that it can be responsive and adaptable."—Donald Johnson, Administrator, Veterans' Administration.

The Vietnam Veterans Communications Center will provide a voice for Vietnam era veterans within the federal government. The Advisory Committee will be located within the Veterans' Administration for administrative purposes only, and its scope shall cover programs pertaining, but not limited to:

1. Veterans educational and vocational training programs.
2. Veterans outreach programs.
3. Veterans medical programs (including drug treatment and psychological readjustment).
4. Armed Forces educational programs.
5. Project Transition.
6. The Veterans Employment Service.
7. The Pre-Discharge Education Program.
8. Office of Education veterans programs.
9. Department of Health, Education & Welfare veterans programs.
10. The Jobs for Veterans and the National Alliance of Businessmen's veterans programs.

The Vietnam Era Veterans Communication Center will have an Executive Director and four Assistant Directors all appointed by the President. All directors will be Vietnam era veterans and at least three must be less than thirty years old at the time of their appointment. No more than two directors can be employees of the Federal Government at the time of their appointment.

It is the intention of the Comprehensive Bill that the veterans appointed to the Communications Center owe their allegiance to Vietnam era veterans, and that they be responsive and receptive to the needs and problems of Vietnam era veterans as well as the agencies that they are working with. The members of the Communication Center should represent the many diverse economic, social, racial, educational, and political spectrums that comprise 6.8 million Vietnam era veterans. Additional employees may be appointed to the Communications Center to assist in carrying out its functions.

In working cooperation with the Communications Center in Washington, there shall be a Vietnam veteran in each of the following:

Veterans Administration Hospital, drug and out-patient clinic.

United States Veterans Assistance Center.

Veterans Administration Regional Office.

Veterans Employment Service Office.

All other federal agencies which administer programs for or have substantial affect on Vietnam era veterans.

It is not the intent of the Comprehensive Bill to circumvent the normal organizational structure of the Veterans Administration, but to insure that Vietnam era veterans have communication and input at all levels of government on programs that directly affect them.

VIETNAM ERA VETERANS ADVISORY COMMITTEE

The Vietnam Era Veterans Advisory Committee shall assist the Communications Center in insuring that the Vietnam veterans voice is heard and his experience and input are recognized. The membership of the Advisory Committee shall include the Veterans Administrator, the Secretary of Defense, the Secretary of Health, Education and Welfare, the Secretary of Labor, the Secretary of Commerce, persons who represent the major veterans organizations, and persons appointed by the President who are eminent in the fields of labor, management, education, State and Local government, the medical profession, and others whose expertise would be useful to the Advisory Committee in carrying out its functions.

FUNCTIONS OF THE VIETNAM ERA VETERANS COMMUNICATIONS CENTER

The Center shall evaluate and report to Congress the effectiveness of veteran outreach services and make recommendations for establishing new, and improving existing, methods and procedures for insuring that all Vietnam veterans are informed of and are assisted in applying for all benefits and services they are entitled to.

The Center will advise, assist, consult and participate in the coordination, development, planning and administration of all Federal programs pertaining to Vietnam era veterans. The Communications Center, in close cooperation with the Advisory Committee, shall:

(1) Promote and encourage, in cooperation and conjunction with the Jobs for Veterans Program and the National Alliance of Businessmen, publicize the skills, experience, training, maturity and leadership abilities of veterans, and assist in the development and procurement of employment opportunities consistent with veterans abilities;

(2) Encourage, with the assistance of all departments and agencies of the Government concerned, the incorporation of relevant military training skills and experience into Union apprenticeship and training programs;

(3) Advise and assist in the development of transition training programs and courses instituted by the Armed Forces to augment the military training of active duty personnel in order to meet employment or union apprenticeship standards after their release from active duty;

(4) Develop programs, in cooperation with business management to recognize and utilize in management positions, the leadership, discipline, responsibility and other assets acquired by veterans in military service.

(5) Work and consult with educational and training institutions to evaluate (and where possible, grant academic accreditation for) the special education and training given to members of the Armed Forces, including but not limited to, training received under the General Educational Development program, the College Level Examination Program, and courses of the United States Armed Forces Institute;

(6) Assist in the revision, expansion, improvement and the effective promotion and utilization of the "Guide to the Evaluation of Educational Experience in the Armed

Forces" and in the development of an information system to enhance the transfer of military skills, training and experience to civilian terms.

(7) Promote and develop programs under which employers and employment agencies will evaluate and give appropriate recognition to military occupational specialties of veterans.

(8) Assist in the development of programs and facilities that encourage and provide employment, training, education, housing, and other needed services for disabled Vietnam era veterans; including a compilation of schools, institutions, training programs, employers and housing that offer special services, facilities, or programs for disabled or handicapped persons, and a description of the nature of such services and programs.

(9) Perform other duties and functions that might be required.

THE DIFFICULTIES WE FACE

Mr. McINTYRE. Mr. President, this piece, written by the distinguished nuclear scientist, Ralph E. Lapp, points up the difficult choices we have to make and must continue to make if we are to continue to have the energy we need.

Fossil fuels that are readily available, the oil and natural gas that we have long taken for granted, are now running out. Even the pool of oil under the Middle East won't last forever.

In place of these fuels we must develop new substitutes through new technologies or revitalized old technologies. While I, for one, would prefer that we not destroy prairies mining for coal or saddle ourselves with nuclear waste products that would come from large nuclear powerplants, the need for energy must push us ahead.

As Lapp says:

> I have found that in lecturing about the subject of future energy supply people discount rather gloomy forecasts.

We must not discount the gloomy forecasts. We must work to avoid their coming true.

Mr. President, I ask that Ralph Lapp's "The Hard Energy Choices Ahead" be printed in the RECORD.

There being no objection, the article was orderd to be printed in the RECORD, as follows:

[From the Wall Street Journal, April 23, 1974]

THE HARD ENERGY CHOICES AHEAD

(By Ralph E. Lapp)

The United States is entering a disquieting new era in its economic history. We are moving out of an era when energy was easy to find and easy to exploit—a fundamental development whose implications will reach well into the 21st Century.

The Arab oil embargo has ended, the long lines at the service stations have disappeared at least temporarily and the short-run "energy crisis" has eased. Yet we remain an energy-short nation even now and the long-run trends are not comforting. An analysis of this nation's future energy needs leads inevitably to these conclusions:

There is no way we can meet the self-sufficiency goals of "Project Independence" by President Nixon's 1980 deadline, and probably not even by 1985. Dependence on foreign oil will be a brutal fact of life for at least a decade, more likely two.

There is no way we can sustain the giddy growth rates in energy consumption of recent years. Even under the best of circumstances energy conservation is going to be mandatory. We are going to have to adapt our transportation system—indeed our whole system of generating and using energy—to an age of energy scarcity, and this will require a whole series of profound political and economic adjustments.

There is no alternative, in the long run, to primary reliance for our energy needs upon coal and atomic power. Simultaneously, we are going to have to move toward an "all-electric" economy, perhaps even to the extent of eventually substituting electric automobiles for gasoline-burning ones.

Increasing U.S. energy consumption has accompanied a growing Gross National Product for well over a decade. Last year the U.S. consumed an amount of energy equivalent to the heat produced by burning 3 billion tons of high-rank coal or 13 billion barrels of oil. Actual oil consumption in 1973 amounted to 6.3 billion barrels; add to this the natural gas consumed and it develops that 77 percent of our energy was delivered in the form of pumpable fuels.

GROWTH EVERY YEAR

Last year our energy consumption increased 4.8 percent over that of the year before, and consumption increased 4.9 percent the year before that. If we were to continue growing at this rate, then in 1984 we would be using the energy equivalent of 24 billion barrels of oil annually. Of course, we could get some of this energy from non-petroleum sources, but even so, we would need some 11.6 billion barrels of petroleum products in 1985.

There is no way we can get those 11.6 billion barrels, unless the Arabs decide to act against their own self-interest and authorize greatly stepped-up production at low prices. There is no way we can get even the 9.5 billion barrels that the National Petroleum Council estimates we will need in 1985. And there is no easy way we can make up the difference out of U.S. resources either. America, to repeat, has run out of easy energy sources. It must now grapple with the touch choices.

What are those choices? Although our petroleum resources are not fully exploited, they hold little promise of keeping pace with demand. This means we must now look to coal, lignite and oil shale, all of which, unfortunately, must be mined. Mining, of course, entails many problems—not the least of which is the sheer volume of earth which will have to be moved. For example, production of 1 billion barrels of synthetic crude oil from oil shale would require mining and processing 1.7 billion tons of the shale, not to mention disposing of the talc-like waste. By way of comparison, the U.S. coal industry mines only about 0.6 billion tons annually.

The Fort Union Formation in the Upper Missouri Basin holds a vast treasure of subbituminous coal, some of it reaching 100 feet or more in bed thickness. Luckily, it's low in sufur and is quite close to the surface; and, because coal is a close chemical cousin to oil, it can be liquefied and/or gasified.

But will a Northern Plains state like Montana allow the industrialization that could convert it into a new Texas on the U.S. energy map? Can the necessary water be found to operate huge synthetic fuel plants? What price-per-barrel has to be assured the synthetic fuel industry to attract the necessary capital? What should be the use of the coal which is now being unit-train shipped to mid-western electric utilities? Who decides what fraction of the coal goes to boilers in steam-electric plants and what goes to making gasoline or aircraft fuels? These are critical questions for the nation's energy future.

But here's an even more fundamental question: Just what is an "allowable" annual growth rate in energy consumption? Our present growth rate of nearly 5% a year simply cannot be sustained. On the other hand, a "zero growth" policy, advocated by some environmentalists, would have an economy-wrecking potential.

Rather arbitrarily, I have calculated that each barrel of oil (or its energy equivalent) is linked to about $100 of Gross National Product. If so, a cutback of 1 billion barrels in annual oil consumption would mean a $100 billion dent in the GNP. Of course, this is a grossly simplified calculation, but it does indicate the scope and painfulness of the economic decisions we are going to have to make.

Detroit's monomania for the superhorsepower engine, coupled with the fuel robbery perpetrated by lowered compression ratios and air pollution controls, has contributed mightily to our fuel crisis. Yet with so much of the nation's well-being linked to the motor car, we can hardly afford to dislocate our economy by precipitous, ill-considered responses. Nor can we let environmental considerations alone dominate policymaking for such things as transportation, the location of power plants and the development of energy resources. I believe the much-publicized Environmental Impact Statement must be replaced by a "Triple E" statement that strikes a balance between environmental, economic and energy considerations.

SHIFT TO LIGHTER CARS

It seems obvious, however, that for the nation to live within its energy means, Detroit must at least shift to lighter, higher performance cars. I see no reason why Detroit cannot continue to increase unit sales, adding 25 million more vehicles to the car population by 1980—provided the gasoline mileage goes up to an average of 18 miles per gallon. This would allow full mobility for Americans—that is, 10,000 miles per-vehicle-year—while consuming no more fuel than automobiles did in 1973. It would, however, mean flushing the low-performance cars out of circulation.

Similarly, it is obvious that the air cargo business cannot rocket ahead on the vertiginous growth rate of past decades. Shipping cargo by air is energy lunacy, much more wasteful of fuel than transporting things by rail, measured on a ton-mile basis. Trucks, too, are less efficient than trains. Inevitably, we must return to the rail, and this will require a national metamorphosis that will occupy the remaining decades of this century.

The fact that the United States is running out of pumpable fuels places high priority on central station generation of power, using either solid fossil fuels or uranium. Next year about 30% of all U.S. fuel consumption will be directed to electric energy generation and this is expected to grow to 50% by the end of the century. By then, up to 60% of all electric generation is projected to come from nuclear power sources—from 1,000 nuclear stations. By the year 2000, uranium should be substituting for the annual burn-up of more than 2 billion tons of coal.

Atomic power raises environmental and safety issues which must be faced. But for anyone concerned about the ravages of strip-mining, it also offers immense advantages over coal and oil shale. In fact, once the power-breeder reactor comes on line, it will be possible to coast through the entire 21st Century without mining a single ton of uranium ore; industry will merely rework ore already mined and tap the full potential of the atom.

As we move toward massive reliance upon coal and atomic energy, we also will move toward an all-electric economy. Unlike oil and gasoline, which can be distributed easily for utilization in automobile engines and other small power plants, coal and atomic energy lend themselves best to exploitation in central power plants. If advances in electric batteries or other methods of storing energy make the electric car a reality, each garage, in effect, will become a private filling station, with the car charged up there overnight for use the next day.

The U.S. energy economy is so often projected only as far as the year 2000 that people overlook the energy requirements of the next century. Whereas this century will be reckoned by energy historians as 90% fossil and 10% nuclear, the relationship will become increasingly nuclear in the future. Although it's unlikely that 21st Century Americans will be free to waste energy the way we have, many experts think that the U.S. population will grow very slowly in the next century and not exceed 400 million by the year 2100. Thus, I would expect that total energy consumption would no more than triple in the next century and that nuclear sources could maintain a viable U.S. energy economy through the 21st Century.

A BLEAK PICTURE

The world-wide energy picture, on the other hand, is very bleak. The "easy energy" sources of other nations should run out rather soon in the 21st Century. The proved reserve of 500 billion barrels of oil in the Persian Gulf may seem immense, but it cannot satisfy the rising energy expectations of developing countries for very long. The run-out of "easy energy" and the on-set of "tough energy" could have revolutionary consequences for the growth of the planet's population. Merely feeding the growing populations of underdeveloped nations may eventually impose energy requirements that many nations will not be able to meet. Nor will many of these nations be able to afford the U.S. solution: a highly-electric economy designed to mate with nuclear power. Result—a widening of the gap between the have and the have-not nations.

I have found that in lecturing about the subject of future energy supply people discount rather gloomy forecasts as these by saying that "scientists will come up with a solution!" There are, of course, a number of energy options already in sight, but all have their drawbacks. None qualify as "easy energy," especially if all costs are reckoned, and it is this advent of "tough energy" that has such fundamental significance to our future way of life.

FOLLOWTHROUGH

Mr. MONDALE. Mr. President, a number of my colleagues in the Senate recently joined me in sponsoring an amendment to the supplemental appropriations bill to restore $20 million to the followthrough program. As one of the most successful programs in the Office of Education, followthrough has proven itself a valuable asset for improving, through education, the life chances of low income children. The administration's response has been to announce a nationwide phaseout of followthrough beginning next September with complete termination of the program by 1976.

The reaction to the program from parents, program directors, teachers and others connected with followthrough has been particularly impressive. They have expressed their concern for the need to retain this program and are dismayed when efforts such as followthrough, which are designed to improve opportunities for disadvantaged children, are frustrated by elimination of the programs. Parents unanimously convey a sense of new opportunity in followthrough, emphasizing the achievement their children have shown because of the program.

I understand that the Appropriations Committee in markup session just agreed to include in the supplemental appropriations bill the amendment I proposed. I want to thank and commend all the members of the committee for taking this positive step toward restoring $20 million to followthrough to allow the program to continue with an entry level grade class next year. And I want to especially thank the chairman of the Labor-HEW Subcommittee, the senior Senator from Washington (Mr Magnuson) for the special leadership he provided on this issue, and the humane and sensitive role he has played on behalf of all programs like this one that provide hope and opportunities for American families and their children.

I ask unanimous consent that appropriate background materials and correspondence be printed in the Record, including examples of the letters I have received from teachers and parents with children in followthrough program.

There being no objection, the material was ordered to be printed in the Record, as follows:

Follow Through

Building on Head Start's Gains: Follow Through was initiated seven years ago to sustain the impact of Head Start, as a response to studies which indicated that Head Start gains were often lost after the children entered elementary school. Follow Through continues through the third grade the same types of comprehensive health, education, and social services that Head Start provides in preschool, with heavy parent involvement.

Legislation Creating Follow Through—The Intent of Congress: An amendment to Title II of the Economic Opportunity Act launched Follow Through. The Senate report accompanying the 1967 amendment stressed that Follow Through was a service program, not a time-limited experiment. The report emphasized that Follow Through "builds on the experience of Head Start which shows that unless a systematic follow through is made with children previously enrolled in Head Start the gains made tend to fade away."

A Comprehensive Program: Follow Through is comprehensive in the services it offers. Instructional programs in the schools are strengthened by new, innovative teaching methods. Aides, drawn from the community, assist the teachers in the classroom as do parent volunteers. The health and nutritional well-being of disadvantaged children is improved by nutritional education and lunches provided through the program. Medical and dental care, social and psychological services are part of Follow Through. Career Development is fostered by Follow Through as low-income parents employed as aides are enabled to earn high school equivalency diplomas and take college level courses leading to degrees in teaching and other fields. Parental participation is another significant aspect of Follow Through. Classes and workshops are provided that help parents work with their children in the classroom or in the home. Parents are involved in decision-making as members of advisory committees, taking part in decisions on all phases of the program.

Administrative Alteration of the Program: Upon Congress' initiation of Follow Through as a comprehensive service program, the administration requested $120 million to operate a large-scale service-type program. However, before legislation was enacted, it became known that OEO would receive less money than had been appropriated, and that Follow Through, as a new program, would receive very little funding. An administrative decision was made, and agreed to by OEO, Department of Health, Education and Welfare, U.S. Office of Education and the Bureau of the Budget, that Follow Through should be an experimental program for the time being, designed to produce information which would be useful when the program was expanded to nationwide proportions.

Despite the alteration in program emphasis, the legislation was not changed and passed the Congress as originally intended. For the first several years, OE referred to Follow Through as "a research and development program in a service setting" and the appropriations justifications called it a pilot program with the objective being to capitalize on the gains made by poor children in Head Start. Since 1971, and despite the wording of the legislative authorization, Follow Through has been officially regarded as solely a research and development program.

Results of Evaluative Studies: National evaluation of Follow Through done by the Stanford Research Institute produced results significantly in favor of the program. The overall impact on pupil development, and on parent and teacher attitudes is positive. The effects of Follow Through become stronger as children progress through the program. Participation in Follow Through produces greater growth in children—both academic and nonacademic—than that displayed by the non-Follow Through comparison groups.

The Phaseout: The Administration has called for a phaseout of the Follow Through program, claiming that its so-called basic purpose as an experiment has been fulfilled, while legislative history indicates this was never intended to be just an experimental program. Follow Through has proven itself too valuable and successful to be eliminated. The phaseout will have an adverse effect on further planned evaluations. The integrity of the remaining classes will be jeopardized as key local administrators and teachers leave the program. The evaluation is being seriously compromised and the phaseout may prove to be self-justifying. Follow Through is in danger of going down as another compensatory education program that somehow turned out a failure.

Maintaining Follow Through at Present Level: There are currently 170 Follow Through projects throughout the nation providing new educational opportunities for more than 80,000 poor children in kindergarten through third grade. To maintain Follow Through with approximately the present number of children in grades K through 3 at the current level of funding will require approximately $60 million annually, $20 million in addition to the present appropriation authorization for next school year.

U.S. Senate,
Washington, D.C., April 5, 1974.

Hon. Warren G. Magnuson.
Hon. Norris Cotton.
Labor-Health, Education & Welfare Appropriations Subcommittee, Senate Office Building, Washington, D.C.

Dear Chairman Magnuson and Senator Cotton: We are writing to you of our intention to introduce an amendment to the Supplemental Appropriations Bill restoring $20 million to the Follow Through Program.

As you know, this program provides special follow up services to Head Start graduates during the first three years of school. At a cost of about $60 million annually, the Federal government has been funding about 180 Follow Thruogh programs across the country for the past several years.

Follow Through has been one of our most successful programs for the education of the disadvantaged and we believe it must continue without reduction. Unless these funds are provided in the Supplemental, no existing program will be able to support an entering class this fall and the program will be phased out over three years.

With warmest personal regards.

Sincerely,

Walter F. Mondale,
Harrison A. Williams,
Hubert H. Humphrey,
Robert Taft, Jr.,
Mark O. Hatfield,
John V. Tunney,
Claiborne Pell,
Robert T. Stafford,
Gaylord Nelson,
Jacob K. Javits.

U.S. Senate,
Washington, D.C., April 23, 1974.

Hon. Warren G. Magnuson, *Chairman,*
Hon Norris Cotton,
U.S. Senate, Labor, Health, Education & Welfare Subcommittee, Senate Appropriations Committee, Washington, D.C.

Dear Chairman Magnuson and Senator Cotton: On April 5th I wrote to you with Senators Humphrey, Taft, Williams, Hatfield, Tunney, Nelson, Javits, Pell and Stafford, indicating our hope that the Subcommittee would include in the supplemental appropriations bill for 1974, $20 million to be restored to the Follow Through program for the current fiscal year.

Since that time, a number of other Senators have asked to be associated with this effort. Specifically, Senators Cook, McGovern, Ribicoff, McGee, Clark, Hart, Fulbright, Randolph, Stevenson, and Brooke would like to be recorded as cosponsors of this measure.

Thank you very much for your consideration.

Sincerely,

Walter F. Mondale,
Chairman, Subcommittee on Children & Youth.

Cosponsors of Mondale Amendment

As of this time the following Senators have expressed their sponsorship of this measure: Brock, Brooke, Clark, Cook, Fulbright, Hart, Hatfield, Hughes, Humphrey, Javits, McGee, McGovern, McIntyre, Nelsen, Pell, Randolph, Ribicoff, Stafford, Stevenson, Taft, Tunney, and Williams.

Saginaw, Minn., *March 12, 1974.*

Senator Walter Mondale,
Senate Office Building,
Washington, D.C.

Dear Mr. Mondale: As a teacher in the Follow Through environment I have been able to observe many benefits to the students as a result of the the program. As you probably know, Follow Through puts a great deal of emphasis on developing a positive self concept of the child, giving emphasis to individualized instruction, and involving parents in the classroom.

Sincerely,

Frank Helquist.

Mounds, Ill.

Senator Walter F. Mondale,
Russell Senate Office Building,
Washington, D.C.

Sir: I am writing in regard to our school program, Follow Through. We have been informed that this year Our Kindergarten is being phased out and then each year after first through third grade until the program is gone. I have one child in Follow Through and one in the fourth grade who had Follow Through. I feel they both have benefited from this very much.

Our Community has benefited from this very much. It has increased parent, teacher and pupil relationship. I feel it is a great assist to Our Community.

I am asking for all the help and support you can give us in keeping Follow Through in Our Community.

Sincerely,

Phyllis Buckles.

THE 1974 CHESAPEAKE & OHIO CANAL HIKE

Mr. BEALL. Mr. President, I wish to pay tribute today to an intrepid band of some 33 persons, members of the C. & O. Canal Association, who on April 27 completed an 11-day, 184-mile long hike of the C. & O. Canal from Cumberland, Md. to Washington.

The purpose of the canal hike was to emphasize the unique recreational treasures which the canal offers our citizens and to call attention to the deteriorating condition of the canal as a result of tropical storm Agnes and the demands of time.

In June, 1972, Agnes caused an estimated $34 million worth of damage to the canal. The waterway suffered some 26 major breaks, and all along the canal, locks were destroyed, banks eroded and structures damaged.

Additionally, the process of decay has begun to claim more and more historic structures along the canal. For instance, on October 31, 1973, the 140-year-old Catoctin Creek Aqueduct collapsed, giving us dramatic evidence of the critical need for restoration.

Clearly, this year's hike was just as important as the first hike in 1954, which began efforts to make the canal a national historic park. That effort, of course, was culminated by the enactment of Public Law 91–664, the Chesapeake & Ohio Canal Development Act, in January 1971.

This year the walkers, starting from Cumberland, moved down the towpath at a rate of approximately 17 miles a day, camping along the way. Local supporters organized dinners for the hikers in Cumberland, Williamsport, Frederick and Washington, and many people joined the walkers for short stints in their home areas.

I was able to join the hikers for one of the last legs of the journey, from Great Falls to Sycamore Island, a distance of 8 miles, and it was well worth the effort, for we were exposed to some of the best parkland America has to offer.

As I pointed out, much work remains to be done to restore the canal. Unfortunately, since the 1972 storm, only $1.8 million has been spent to repair the damage wrought by Agnes, an amount little more than one-twentieth of the need. For fiscal year 1975, only $3 million is included in the budget, an amount I deem greatly inadequate. It is my strong hope that the Congress this year can rectify this fiscal oversight. Should any of my colleagues have some reservations on that score, I would invite them to walk the canal, as the members of the C. & O. Canal Association have done. That, I would think, would be more persuasive than any speech on the floor of the Senate.

I salute each person who walked the canal, and commend them for their dedication to this unique and irreplaceable parkland. I especially want to congratulate Mr. Bruce Wood, chairman of the C. & O. Canal Level Walkers, who more than any other was particularly responsible for organizing this most successful hike. Bruce Wood has been one of the champions of the C. & O. Canal, and by this walk he has helped immeasurable to bring attention to the need for renewed efforts to repair the canal.

Mr. President, it is by hope to translate the commitment of these people to the canal into legislative action to restore the C. & O. Canal in time for our Nation's Bicentennial.

THE DANGER IN A SYSTEM THAT REQUIRES FALSE REPORTING

Mr. HUGHES. Mr. President, on March 27, I told the Senate that I was pursuing an investigation into one of the unresolved issues of the secret war in Cambodia—the false reporting of tactical air strikes during and after the U.S. ground attacks in 1970. That investigation is now complete, and I want to report my conclusions to my colleagues.

This matter arose in testimony before the Armed Services Committee last August, when two witnesses testified that, on strikes deep inside Cambodia, they were required to call the Tactical Air Control Center—TACC—in Saigon to get "reporting coordinates" so that the bombing could be listed as having taken place close to the South Vietnamese border.

The Defense Department white paper, issued in September, confirmed these procedures but said that—

> Inquiries to date have failed to disclose the source of the orders . . . .

For nearly 8 months I have tried to pin down the source of these orders and the justification, if any, for them. I raised questions of several nominees for promotion and inserted the answers from four of them in the Record on December 14.

The Defense Department's own investigation of this matter was grossly inadequate. General Walter T. Galligan, the Commander of the TACC during the summer and fall of 1970 was never questioned. Nor were his subordinates.

It was only in February of this year, when General Galligan's name came before the committee for promotion, that a serious inquiry began in the Pentagon. I requested and received written anwers to key questions from General Galligan, but I was not satisfied with his responses. I sent two additional letters on February 28 and March 5, requesting further information.

When the committee finally acted on the nomination list on April 4, it took the unprecedented step of deferring action on General Galligan until my letters had been answered. Finally, on April 23, I received the long-delayed replies. I have been assured that these replies are based on lengthy and careful consideration of the available evidence.

My goal all along has been to get the Air Force to investigate this matter fully, and to report to the committee. By necessity, we must depend upon the services to police themselves and to put their own houses in order. The committee was reluctantly involved because of the failure of the Pentagon to come forth with a full explanation.

The newly provided materials show that the Air Force has still been unable to locate the precise orders which established the dual reporting procedures. These documents were apparently destroyed routinely during the withdrawal of U.S. Forces from Vietnam. Nor can the Air Force locate the orders from higher levels of command which General Galligan remembers as authorizing his actions.

In addition, there are discrepancies in General Galligan's letters, and I have lingering doubts as to the adequacy of his supervision of his subordinates since he does not recall knowing about their dual reporting procedures.

Nevertheless, I am prepared to have the committee and the Senate act on his nomination, and I shall not oppose his confirmation.

My basic conclusion is that General Galligan was not personally at fault. Rather, the "system" was to blame.

The military reporting system provided logistical and other data necessary for planning and accounting purposes. But many air combat missions were considered so secret that personnel were required to limit access to the information and to use special, more secure reporting channels. The computers which held the routine data could not be trusted with the facts of the secret bombing.

As the official Air Force letter says:

> To make the system work, . . . attributed targets were required.

In other words, our men were forced to falsify certain reports. For many men, the false report was the only one they ever made; it was up to others, elsewhere in the system, to make the accurate reports.

Was there no other way? Did falsification have to be a way of life for men in order to overcome the deficiencies of computers?

In the secret B-52 bombing—called menu—in the secret preinvasion tactical bombing—called patio—and in the subsequent Cambodia bombing under investigation now—called freedom deal—the basic procedures were the same. In fact, the dual reporting system which developed to conceal the first secret bombing was applied, without further question, to those later operations.

The pattern of falsification took on a life of its own.

One can question whether any of these operations deserved secrecy in general terms. After all, those who were subjected to the bombing knew about it.

But why could not the military trust its own personnel with the classified reports which included coordinates of past strikes? Or alternatively, why could not commanders simply delete a reporting requirement for target coordinates, while including all other information, as was in fact done on certain operations over North Vietnam?

Instead of trusting our men to preserve secrecy, the Air Force conditioned them to the practice of falsification. And as these men pursue their careers, can we ever be sure that they will not again surrender their integrity to that of the system?

General Abrams did not try to justify these procedures. He had told General Lavelle:

> We just cannot have a military organization where you are requiring people to falsify reports.

Referring to freedom deal, he later told the Armed Services Committee:

> I see no reason for falsly reporting any of these strikes.

Now, of course, we have the official rationale: The system could not work unless there was false reporting.

Contrary to the fine traditions of the U.S. Armed Forces, as well as the dictates of conscience and of the Uniform Code of Military Justice, thousands of men had to compromise their own integrity and surrender to the tyranny of computers.

If the military were ever to act so as to jeopardize our system of democratic government, it might well be because we did not take measures to prevent this behavior.

Even if one grants that false reporting was the easiest path to secrecy, why was the secrecy necessary?

What was being kept secret? In the case of the B-52 strikes, it was the fact that the President had widened the war into another country, without the knowledge or approval of the Congress; in the case of the patio strikes, it was that U.S. tactical aircraft had begun to attack in Cambodia just prior to the surprise U.S. ground invasion; in the case of freedom deal, it was that the United States was continuing and deepening its involvement in Cambodia, despite the official assurances that our actions were designed solely to permit the safe withdrawal of U.S. forces from Vietnam.

The North Vietnamese and their allies knew what was happening; the Cambodians knew; only the Congress and the American people were kept in the dark.

This secrecy cannot be justified as necessary for national security, it was plain and simple deception.

We cannot change what has happened. Maj. Hal Knight did what the system required of him; Capt. George Moses followed his orders; Gen. Galligan and his subordinates went along with the same system.

But looking to the future, I think it is clear that we have to change that system to prevent it from corroding our principles or corrupting our servicemen.

I have done what one Senator can to point the way toward reform. I hope and pray that the services themselves will carry out their responsibilities to restore integrity and ruthfulness to the system of command and control.

Mr. President, I ask unanimous consent that the various letters relating to this matter and specifically to the nomination of Gen. Galligan be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS, UNITED STATES
AIR FORCE SECURITY SERVICE,
San Antonio, Tex.

Hon. HAROLD E. HUGHES,
Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUGHES: I appreciate this opportunity to respond to questions submitted in your letter of 19 February 1974. The following answers reply to each question to the best of my knowledge:

1. Q. General Galligan, is it correct that you served as Director of the 7th Air Force Tactical Air Control Center from 11 June 1970 until 24 January 1971?

A. I was Director of the TACC from 11 June 1970 until 5 January 1971.

2. Q. On tactical air operations in Cambodia (1) during and (2) after the U.S. ground operations in that country, how were targets selected and validated?

A. I was new to the TACC for the 20 days prior to the cessation of U.S. ground activities in Cambodia and cannot recall the specifics of target selection for that period of time. However, between 1 July 1970 and until I departed, targets east of the Mekong in the area known as Freedom Deal were generated by a variety of sources including FACs, requests of ground force commanders, aerial photography, signal intelligence, POW/rallier information, etc. Targets developed west of the Mekong were primarily requests from the FANK or targets developed from intelligence sources. In each instance all targets were validated by FANK officers assigned to the TACC.

3. Q. How would you define "close air support"? When did the United States begin operations in Cambodia which would come within that definition of close air support for Cambodian forces?

A. The JCS definition of close air support is: "Air attacks against hostile targets which are in close proximity to friendly forces and which require detailed integration of each air mission with the fire and movement of those forces." I do not recall any air operations in Cambodia directed by the TACC while I was Director that I would classify as close air support.

4. Q. To whom did FACs report on air operations in Cambodia?

A. Through their Direct Air Support Centers in South Vietnam to the TACC.

5. Q. Did you receive reports or briefings from both FAC and fighter-bomber elements regarding air strikes in Cambodia?

A. I was deeply involved in our TACC air operations in Cambodia, but I do not recall receiving any briefings or reports from either FAC or fighter-bomber units.

6. Q. Were you aware of any differences in these reports, particularly in terms of where the strikes were conducted?

A. No.

7. Q. Were any Air Force personnel tasked with the responsibility of comparing after-action reports for completeness, accuracy and consistency. If so, why do you believe that they failed until shortly after you left TACC in 1971 to disclose the system of dual reporting?

A. I do not know.

8. Q. The Armed Services Committee has received testimony to the effect that, on

certain strikes deep inside Cambodia, there were written orders from 7th AF HQ instructing intelligence officers to call TACC for "reporting coordinates" which were at variance with the actual targets struck. Were you aware that this was being done? If so, please explain why and under what authority it was done.

If not, please describe the nature of your supervision of men in TACC and how they might have been able to respond to calls for "reporting coordinates" without your knowledge.

A. I have not read nor am I familiar with the testimony to which you refer. I know of no orders whatsoever directing intelligence personnel to call TACC for "reporting coordinates" which were at variance with those of the actual target nor am I aware that this was done. I supervised the TACC through the organizational lines established at HQ 7AF. I directly supervised about five or six division chiefs who in turn supervised their subordinates. I also coordinated with the VNAF and FANK, TACC representatives.

9. Q. The Defense Department has told the Armed Services Committee that "Instructions in the field relating to the reporting of such operations which occurred outside the designated Freedom Deal areas stipulated that special security communications channels would be employed." Who "in the field" originated these instructions? Were you aware of, and did you approve, these instructions?

A. I do not know who, or if anyone, "in the field" originated the referenced instructions. Authority for operations beyond "Freedom Deal" were contained in a HQ CINCPAC wire forwarding JCS authority, limitations, rules of engagement and special reporting instructions. All 7th Air Force activities of which I am aware strictly complied with 7th Air Force interpretation of these instructions.

10. Q. The Defense Department has also admitted that a system of "attributed targets" arose "in the field." Were you involved in any way in developing that system of reporting? Do you have any knowledge of how that system developed or who was responsible for its creation? Were you aware of any orders which could reasonably be interpreted as *forbidding* the development of such a system?

A. No, I am not aware of such a system being developed "in the field." I was not involved in developing such a system nor do I know how it was created, nor am I aware of any specific instructions forbidding the development of such a system.

As I indicated in answer to question No. 9 I am confident all reporting was carried out in accordance with 7th AF interpretation of instructions from higher authority.

11. Q. To your knowledge, what information regarding attributed targets, reporting instructions, or any other matters related to operations outside the Freedom Deal areas was conveyed to General Brown? What orders were received from General Brown with regard to these matters?

A. I have no knowledge of any such information that was conveyed to General Brown. I don't recall ever discussing operations west of the Mekong with General Brown.

12. Q. Who conducted BDA and post-strike reconnaissance on strikes in Cambodia?

A. I believe post-strike reconnaissance was conducted by RF-4 and FAC aircraft while BDA was done primarily by FACs.

Q. Was the information from these missions ever available to the same people who received the reports with attributed targets?

A. I do not know.

13. Q. What specific offices in Saigon received the after-action reports which contained the attributed targets?

A. I do not know.

Q. Did any of these people ever rely on them for information such as the amount of ground fire or other matters of the threat from the ground?

A. I do not know.

14. Q. Although DOD investigation has thus far failed to find the source of the orders for attributed targets, can you say on your own knowledge whether such an order existed or by whom it was probably issued or under what authority or guidance?

A. Reference my answer to question No. 9. I issued no such order nor was I aware such an order was issued. While I was Director of the TACC we operated and reported exactly in accord with our understanding of instructions from higher authority.

15. Q. The Armed Services Committee has received conflicting testimony on the question of what limits on air operations were imposed by the President during the U.S. ground operations in Cambodia in May and June of 1970. What orders set limits on penetration of Cambodian air space? What were those limits? Were there any exceptions to the general limitation? What were they?

A. I cannot answer this question since I was not at the TACC until 10 June and don't recall any specifics of target selection during my apprenticeship in the latter 20 days of June.

16. Q. In target planning and validation, what instructions did you have to distinguish between bombing requests which should have been classed as interdiction and those which were for the support of Cambodian forces or Cambodian objectives? How and when did those instructions change?

A. My instructions as I recall them were to *not* provide any close air support to the FANK who were directly engaged in combat with the enemy. Our mission was interdiction of troop concentrations, supply points, routes of communications and troop billeting/training areas. These instructions did not change during my tour at the TACC. Since each target was validated by the FANK, I assume that results were in consonance with Cambodian Government objectives.

17. Q. What coordination procedures were there between Cambodian and U.S. authorities to handle and verify bombing requests as being for interdiction purposes only? Were strikes planned and/or reported in terms of purpose such as interdiction or close air support? If so, please explain the basis for such distinctions?

A. All tactical air missions flown in Cambodia to support the FANK were coordinated between TACC and FANK personnel. These missions were only approved for execution when they were for interdiction. On several occasions requested "interdiction" missions were denied by 7th AF due to the presence of troops in contact or the close proximity of civilian population concentrations. In those circumstances the FANK was advised they would have to use their own aircraft or request aid from the VNAF.

WALTER T. GALLIGAN,
Major General, Commander.

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., February 20, 1974.

Hon. HAROLD E. HUGHES,
Committee on Armed Services,
Washington, D.C.

DEAR SENATOR HUGHES: This letter is in response to an inquiry from Mr. Stevenson of your office concerning six Air Force officers who were recently nominated to the Senate Armed Services Committee for promotion to either a permanent or temporary general officer rank.

Brigadier General William C. Burrows and Major General William M. Schoning served as Deputy Assistant for NSC matters in the 1968–1972 time frame. In this position, they were not in the direct line of communication between the Pentagon and the National Security Council. Instead, they were responsible for providing an Air Staff position regarding particular NSC issues which had been referred from the NSC through the Department of Defense and the JCS to the Air Force for action. In this job, neither General Schoning nor General Burrows were involved in the unauthorized transmittal of documents from the NSC to the Chairman of the JCS. Their activities instead were concerned with preparing Air Staff responses to requests from higher authority.

Major General Howard M. Fish was Director of the TAC Analysis Center at Seventh Air Force. This office was not connected to the TACC but instead was responsible for analyses which were directed primarily toward improving the efficiency of the functions of Seventh Air Force. Thus, General Fish's position was not in the operational chain of command.

Major General Ray B. Sitton and Brigadier General Bennie L. Davis both had positions in the Joint Chiefs of Staff whereby they had knowledge of the B-52 operations in Cambodia. Both officers, however, were in the action officer level and were not responsible for policy regarding the planning or directing of these B-52 operations.

Major General Walter T. Galligan was not contacted by the Air Force Inspector General preparatory to the white papers on Cambodia bombing; however, he was queried as part of the JCS investigation. It was concluded that General Galligan was not involved in the policy making aspects of planning or executing the Cambodian operation.

Sincerely,
(Signed) M. L. BOSWELL,
Major General, USAF, Director, Legislative Liaison.

FEBRUARY 28, 1974.

Maj. Gen. M. L. BOSWELL,
Director, Legislative Liaison, Headquarters, U.S. Air Force, The Pentagon, Washington, D.C.

DEAR GENERAL BOSWELL: Thank you very much for obtaining and forwarding General Walter T. Galligan's answers to my questions regarding his service in South Vietnam.

Quite frankly, I am puzzled at his denial of knowledge of reporting procedures followed by the men under his command at the Tactical Air Control Center (TACC).

George Moses and Maurice O'Connell both testified to these procedures, and the Defense Department White Paper on Cambodia bombing confirmed that these procedures, involving false reporting coordinates for strikes west of the Mekong River, were followed.

Perhaps these discrepancies could be resolved if I and the Committee could be provided with the documents referred to by General Galligan in his answer to question 9: the "HQ CINCPAC wire forwarding JCS authority, limitations, and rules of engagement and special reporting instructions" and the documents stating the "7th Air Force interpretation of these instructions."

I believe that a full clarification of these discrepancies is necessary before the Committee can properly act on General Galligan's promotion.

Sincerely,
HAROLD E. HUGHES.

MARCH 5, 1974.

Maj. Gen. M. L. BOSWELL,
Director, Legislative Liaison, Headquarters, U.S. Air Force, The Pentagon, Washington, D.C.

DEAR GENERAL BOSWELL: In your February 20 letter to me, you state that General Walter T. Galligan was not questioned by the Air Force Inspector General prior to the issuance of the Defense Department white paper on Cambodia bombing, but that "he was queried as part of the JCS investigation."

What was the nature of that JCS investigation? When and by whom was it conducted? What conclusions were reached? Can the Committee be furnished a copy of the report on this investigation?

In addition, will you please provide me with the names and current addresses of the "five or six division chiefs" who served under General Walter T. Galligan at the 7th Air Force's Tactical Air Control Center in Saigon?

Please also provide the names and current addresses of the subordinate personnel who handled calls from intelligence officers connected to tactical air units which reported to TACC.

Which, if any, of the aforementioned personnel were questioned by Air Force or JCS investigators?

I hope that this information can be supplied without such difficulty. Any delays will, in my judgment, require a postponement in Committee consideration of General Galligan's promotion.

Sincerely,

HAROLD E. HUGHES.

DEPARTMENT OF THE AIR FORCE,
San Antonio, Tex., April 23, 1974.
Hon. HAROLD E. HUGHES,
Committee on Armed Services,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUGHES: I am taking this opportunity to reply to your letters of 28 February and 5 March 1974 to General Boswell regarding my nomination for promotion and involvement with tactical air operations in Cambodia.

I believe it would be helpful to outline my duties as Director of the Tactical Air Control Center (TACC), and thus explain how a duty controller could be involved in a "reporting coordinates" procedure without my knowledge.

The 7th Air Force TACC planned and directed the air battle in South Vietnam and Cambodia. Within the TACC much activity was involved in preparing the daily operations order for each tactical fighter, B–57 bomber, FAC, gunship, and reconnaissance unit. Each strike request from U.S. Forces, the FANK and the RVNAF was analyzed prior to approval to insure that it was authorized by the rules of engagement. We prepared the next day's operational plan for briefing to the 7th Air Force Commander and reaccomplished those portions of the operations order he desired changed. I attended numerous meetings during the day to discuss the allocation of resources and to develop tactics to be employed as the situation changed in SVN and Cambodia. In addition, I was in charge of the four Direct Air Support Centers located throughout South Vietnam. As a result, I was often absent from 7th Air Force Headquarters to inspect those facilities, provide guidance, and check on the progress of the Vietnamization program.

The command post function of the TACC was supervised by a senior controller who monitored and reported to me the progress of our missions. I would check with the senior controllers when difficulties such as changing weather, a drawdown of alert aircraft due to stepped up ground activity, etc., would require an immediate diversion from the planned operation order. Very seldom did I have an occasion, or need, to get involved in routine operations of the duty controllers. While I was periodically briefed by their supervisor on the happenings within that area of responsibility, the organization was deliberately designed to free me of routine tasks so that I could concentrate on my role in prosecuting the war.

It is important to note that operational reporting was not a function of the TACC. We did not originate the "OPREP 4" reports nor do I recall ever seeing one while I was at the TACC. I did review drafts of the special security communications reports on selected strikes which were delivered to MACV for approval and transmission to CINCPAC and JCS. I was charged with recommending MACV or higher headquarters approval of missions to be flown outside the Freedom Deal area based on our intelligence at 7th Air Force. It is important to note that neither I nor my superiors at 7th Air Force had authority to approve Cambodian air strikes outside the Freedom Deal area. All of these had to be approved at least at MACV level. I was also responsible for guaranteeing the accuracy of the special security communications channel reports which covered these special missions. However, I did not become involved in the preparation or review of the more routine OPREP 4 reports on either normal missions or those special missions flown outside of the Freedom Deal area. For this reason, I suspect, I do not remember that a procedure of attributed targets was used for those targets outside of Freedom Deal and reported in the administrative channel. However, I can understand that a procedure such as this would be required for operations which were directed by higher authority to be reported through special security communications channels, in order to provide routine administrative and logistics data for accounting purposes.

What I'm saying is that the TACC was a busy place—24 hours a day—planning, coordinating and employing the myriad of resources available to 7th Air Force, the VNAF, and the FANK. Everything I saw accurately reflected how and where we employed our resources. But I must admit that I either didn't see, or don't remember the details of the reporting system which was used to provide the routine administrative and logistics data in "front channel" communications. I consider this understandable in view of the fact that the review of OPREP 4 reports was not invested in my agency and was much more of a routine matter than the hour-by-hour prosecution of the war in which I was involved. I can state, however, that all of our tactical air activities beyond the Freedom Deal area were fully authorized by higher authority and were fully reported in special security communications reports.

Q. Will you please provide me with the names and current addresses of the "five or six division chiefs" who served under General Walter T. Galligan at the 7th Air Force's Tactical Air Control Center in Saigon?

A. At the time I became Director, the TACC had only two Division Chiefs. Colonel (then Lt. Col.) James H. Ahmann (Commander 20th TFW, APO NY, 09194) was Chief of the Current Operations Division and Brigadier General (then Colonel) Malcolm E. Ryan (TAC Inspector General, Langley AFB, Virginia 23365) was Chief of the Current Plans Division. These were the two individuals primarily involved in the planning and execution of the Cambodian air campaign during the time period concerned. In October there was a major reorganization of the 7th Air Force DCS/Operations and I was redesignated as the Director of Combat Operations. At that time I lost the 7th Air Force TACC when the two Command Centers were combined into a new Directorate of Command and Control.

Q. Please also provide the names and current addresses of the subordinate personnel who handled calls from intelligence officers connected to tactical air units which reported to TACC?

A. Providing names of subordinate personnel who handled telephone calls from officers in the tactical units is much more difficult. Liaison with intelligence personnel of the tactical units was primarily handled through an intelligence desk within the TACC manned by an officer from DCS/Intelligence, 7th Air Force rather than by a controller assigned to the TACC. With the dissolution of 7th Air Force headquarters in Saigon most of the documentation which might have assisted in this research was destroyed. The one officer who immediately comes to mind as the expert on the hour-to-hour management of the duty controllers of the TACC is Colonel James C. Davis (Office of the Secretary of Defense, Security Assistance Agency, The Pentagon, Washington, D.C. 20330). Colonel Davis was the senior supervisor of the duty controllers within the TACC during the time period under question.

Q. Which, if any, of the aforementioned personnel were questioned by Air Force or JCS investigators?

A. I have been advised that none of the officers named in this letter were queried by either the JCS or Air Force regarding their knowledge of tactical operations in Cambodia.

I hope the above has clarified the questions posed in your letters.

WALTER T. GALLIGAN,
Major General Commander.

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., April 23, 1974.
Hon. HAROLD E. HUGHES,
Committee on Armed Services,
Washington, D.C.

DEAR SENATOR HUGHES: We apologize for the length of time it has taken to respond to your letters of February 28 and March 5, but in view of your continued interest we elected to review conduct of air strikes west of the Mekong. This review was to insure that what we have said in the past was complete or, alternatively, to determine if there were any additional facts which would further clarify reporting of our air operations in Cambodia. We hope the following will eliminate uncertainties and reservations you may have.

In the last paragraph of my letter to you of February 20, I referred to a JCS "investigation"—"investigation" is possibly too strong a description. It may be helpful to clarify that statement. You will recall that on August 9, 1973 during hearings before the Armed Services Committee Secretary Clements promised Senator Symington and the Committee a report on Southeast Asia operations. The Organization of the Joint Chiefs of Staff advises that they did participate in the gathering of information which resulted in the "Department of Defense Report on Selected Air and Ground Operations in Cambodia and Laos," dated September 10, 1973. We have been informed that there was no formal Joint Chiefs of Staff Investigation or Report as such. This activity was viewed by the JCS as staff action and not an investigation; and, in this regard, the entire Joint Staff participated as required in the preparation of the Department of Defense Report.

With regard to the HQ CINCPAC wire, the Air Force does not have a message matching General Galligan's description. In addition, regarding the Seventh Air Force "interpretation of these instructions" to which you refer, as was explained in the "Department of Defense Report on Selected Air and Ground Operations in Cambodia and Laos," it appears that the relevant directives were disposed of in accord with established security procedures during dissolution of MACV, establishment of the United States Support and Assistance Group (USSAG), and displacement of Seventh Air Force headquarters from Vietnam to Thailand in March of 1973.

The questions you have asked indicate your continuing concern lies primarily with the reporting associated with the Cambodian bombing. First, I would like to assure you that our restudy of the situation indicates that USAF air strikes in Cambodia were conducted and reported in consonance with directives and standard reporting requirements from authority higher than Seventh Air Force. The following explanations of how Operation Patio and those air strikes outside the Freedom Deal area were reported, their relationship to Menu, and why they were required to be reported in this manner, are offered to further clarify any points not understood.

As you know, Menu was the nickname for B-52 aircraft operations in Cambodia. Permission for these strikes was requested by MACV and approved by the JCS. In authorizing Operation Menu, the JCS directed that special security communications would be used for operational reporting of these strikes.

To further protect the sensitive diplomatic aspect of these operations, the JCS also directed use of cover (attributed) targets in South Vietnam. They were required because normal reporting had to continue to avoid compromising the close-hold security directed by the JCS, and also in order to maintain administrative and logistic data for sortie accounting purposes. Attributed targets for these purposes were provided by the normal targeting agencies. Operation Menu was very closely held—with access limited to those few personnel who had an absolute need to know in order to execute the mission. Reports in the special security communications channels kept those requiring the data accurately informed on actual happenings.

Finally, Menu was directed and reported through the JCS SAC/PACOM/MACV channel. Seventh Air Force neither generated nor received operational reports of Operation Menu.

The initial tactical air operations in Cambodia were conducted under the code name of PATIO. Authority to conduct PATIO was granted by the JCS after Macv requested permission to conduct tactical air operations—against lucrative fleeting targets not considered optimum for B-52 strikes—within Cambodia for a 30 day period. The request to conduct Patio preceded the incursion of U.S. and South Vietnamese troops into Cambodia. The JCS in approving the Patio operation stated: "Patio procedures will be identical to Menu procedures," and "due to the extremely close hold nature of these operations, only individuals with an absolute need to know will have access to Patio information."

The direction to conduct Patio operations using procedures identical to Menu required Macv to use special security communications channels for operational reporting. Front channel reports were required and attributed targets—in a strike zone in which normal reporting procedures were authorized—were used to satisfy this requirement. From all we have been able to determine, this is exactly what was done.

When the JCS authorized strikes outside Freedom Deal, reporting was again directed to be through special security communications channels. So again, to make the system work (i.e., to keep from compromising security and provide administrative sortie data), attributed targets were required. These procedures were necessary to satisfy security requirements directed by authorities above Seventh Air Force and were implemented in the field on an evolutionary basis starting with MENU, continuing through PATIO to those tactical air operations outside of the Freedom Deal area. Differences in missions and the capabilities of the executing units required some changes in methods of establishing attributed targets, but the basic framework for the procedures used was the same for all three of these operations.

Captain Moses testified to the existence of a message from Seventh Air Force which outlined a procedure requiring intelligence officers in the field to call the TACC for reporting coordinates. I think it becomes clear at this juncture that Captain Moses' reference to "reporting coordinates," is probably another term for attributed targets, the use of which I hope is fully explained above. While the Air Force has been unable to locate or verify the existence of a message outlining those procedures, it is known that on strikes outside the Freedom Deal area, units were given, by the TACC, the coordinates to which the strikes would be attributed in routine reports.

Finally, to address the question, "Why did it take until February 1971 to discover the dual reporting?" The requirement to maintain a constant flow of administrative information of a lower classification, while protecting the sensitive special security communications reports placed a considerable strain upon Seventh Air Force Headquarters.

In February 1971 the two parallel reporting systems—with attributed targets in the routine communications channel and operational reporting via the special security communications—apparently both became visible to CINCPAC. In this particular circumstance the loss of an aircraft—which was actually lost outside the Freedom Deal area, and so reported through special security communications—was also reported in the routine communications channel as having gone down within Freedom Deal (where normal reporting was authorized). With the entire reporting system thus surfaced it was ordered stopped by authority above Seventh Air Force. Why it was not stopped sooner cannot be precisely determined. It must be concluded that authorities above Seventh Air Force determined that the sensitivity of these operations justified and required special security handling irrespective of the inconvenience or demand that this placed on subordinate headquarters.

I am pleased to provide you in the enclosed letter General Galligan's response to those matters within his knowledge. Senator Hughes, I hope this summary of the Cambodian reporting situation has clarified your questions.

Sincerely

M. L. BOSWELL,
Major General, USAF, Director, Legislative Liaison.

THE TIME HAS COME FOR SMALL BUSINESS TAX REFORM

Mr. BIBLE. Mr. President, during the past week Americans have been recovering from their annual income tax ordeal. The term "ordeal" is an accurate one, I think, because most of our citizens are not acountants or lawyers, and yet they are asked to interpret and comply with one of the most complex laws ever devised by the mind of man. Our free society depends upon the considerable effort and good faith of our people in paying the taxes they assess upon themselves in hard labor over Federal and State forms, schedules, statements, records, and bills with the clock ticking away the hours to the deadline.

The way our Nation does this job every year reflects an exceptional exercise in good citizenship. The proof of this is a comparison with other countries, many of which are not so fortunate. I feel that congratulations are in order for the American people on the way they have honored their tax obligations year after year.

This performance is all the more remarkable in light of the questions which have arisen about the basic fairness of the laws with which we are asked to comply.

When low- and middle-income wage earners and small businessmen take an overall view of the tax system, they see the following:

One. Sharply regressive employment and effective corporate tax rates: Small manufacturers pay actual Federal taxes of more than 50 percent of their profits and the largest 100 companies pay less than 25 percent.

Two. High taxes on new enterprises: Beginning businesses pay a tax of 22 percent of their first dollar of profits, almost as much as the 100 or so billion-dollar asset corporations. This is also far higher than competing companies which were growing to maturity before World War II.

Three. Preferences for property over labor: Our system taxes income from labor at 100 percent, income from capital gains at less than 50 percent, and income from some larger aggregations of capital, in municipal bonds, at zero percent.

Fourth. Increasing discrimination in the law: The tax laws of 1969 and 1971 increased the advantages of large businesses over small businesses.

Fifth. Escalating paperwork: The number of forms, particularly for businesses, have been mounting sharply for the past 5 years, further snowing the enterpreneur under a pile of new regulations and forms. This makes it increasingly difficult for the smaller firm not only to compete but to stay in business at all.

Sixth. Lack of attention to the needs of the little man: It was in 1958, 16 years ago, that Congress last acted upon broad small business tax legislation.

The small business community is composed of 8½ million full-time commercial businesses, the nearly 3 million farmer-rancher businessmen and independent self-employed businessmen, as well as the part-time and would-be entrepreneurs, who together make up 97½ percent of the 12 million business units in this country. These taxpayers account for about half of all the jobs in the economy and close to 40 percent of the gross national product. I am also talking about the wage earner, almost 80 million nonagricultural workers. These people are the backbone of this country.

The evidence has been accumulating over recent years that the hard-working small businessmen and wage earners are paying more than their share of taxes. I would like the Senate to note their increasingly insistent calls for tax reform. And why not? Are the small businessmen and wage-earning taxpayers supposed to just grin and bear their unequal burden forever?

My colleague, the distinguished junior Senator from Nevada (Mr. CANNON), has put the matter as follows:

> The patience of middle and lower income taxpayers is exhausted with the tax loopholes for the rich and with a tax burden in 1974 that will eat away 2½ hours of wages every working day for the average family. Smoldering discontent breaks into anger over revelations of the . . . tax dodges and . . . statistics that last year some 402 wealthy Americans were able to earn over $100,000 and not pay one penny in income tax. Congress cannot remain mute in the face of evergrowing and justified public cries for positive action. Tax reform in 1974 should have an indispensable place on the legislative calendar of Congress.

Since 1970 I have attempted to restore some equity to the tax system by way of my introduction of the small business tax simplification and reform bill. The 28 Senators and 43 Representatives who have joined in the sponsorship of this measure three times in the past 4 years have tried to emphasize that this pervasive discrimination against smaller firms undermines our democratic government as well as the entire system of free enterprise which has formerly served America so well.

Regressiveness is a beacon attracting institutions and others with capital to invest to the largest corporations where it is more lightly taxed. It thus drains available capital away from smaller, newer and more venturesome enterprises. The result has been a further increase in concentration of assets and profits, which already are at levels inviting serious concern.

Small businesses which do not have the financial strength to raise money through stock or bond issues or commercial paper are penalized disproportionately by the tax system, when it heavily taxes the funds which they have already earned and on which they must rely. If, as a last resort, the growing firm elects to borrow money for expansion and modernization, interest rates of 10 percent plus, and personal guarantees make it doubly risky and onerous for the small businessman.

Perhaps it is not a coincidence that for the past few years we have been witnessing a breakdown in the free market mechanism in the United States to the extent that economic controls were imposed in August of 1971, and some of these mechanisms still persist.

As has been shown dramatically in relation to such diverse fields as independent truck drivers, service station operators, and small coal and oil producers, small business operates at vital junctures of production, manufacturing and distribution. Undermining small business, therefore, weakens our whole economy.

However, the most corrosive effect of this situation is upon the confidence of businessmen and wage earners about whether they are being fairly treated. Ultimately, this may be the most damaging consequence of all to what we like to think of as the American way of life.

Small businessmen who have been the mainstays of American industry and of cities and towns across the country for so many decades are beginning to "get the message" that they are "low men on the totem pole" of the American tax system. Many persons facing the decision about whether to go into business for themselves are receiving the same message loud and clear.

Since 1958, no small business tax bill has been enacted by Congress. The inequities have accumulated over the years.

We advocates of small business have been fighting an uphill battle. The distinguished chairman of the House Small Business Committee (Mr. Joe L. Evins) and I, as I have said, have for nearly 4 years been putting forward the tax simplification and reform bill (S. 1098 and H.R. 5222) as a framework from which to build toward meaningful small business tax reform. We have been encouraged by the 28 Senators and 43 House Members who have taken up this cause, including Representative Richard Fulton, a member of the House Ways and Means Committee, who introduced this measure as H.R. 8705.

Since the introduction of our bill, it has been evaluated widely throughout the country and has been endorsed in principle by 30 national business organizations. Additionally, two of the most highly qualified tax professional organizations in the Nation, the Section on Taxation of the American Bar Association, and the Tax Division of the American Institute of Certified Public Accountants have expressed support for specific provisions of the bill.

The Bar Association evaluation—current as of mid-April, 1973—is based upon consideration of many of the matters set forth in titles V and VI of our bill by the specialized committees and the house of delegates of the association.

The tax division of the American Institute of Certified Public Accountants is composed of 130 members from all parts of the country, presently under the chairmanship of Robert Skinner. The institute itself is the sole national organization of certified public accountants representing more than 100,000 members of this profession. It was founded in 1887 and has made many contributions toward improving professional standards in its own field and the national interest. A book by a former President of the group, J. L. Carey, states:

> The CPA's sense of social responsibility has been amply demonstrated. They have invested millions of dollars in research directed toward improvement of financial reporting, and toward tightening their own technical procedures. Through their professional societies they cooperate with government at all levels, and with lawyers, bankers, financial analysts, corporate financial executives (many of whom are CPAs themselves), stock exchanges, and business and trade groups. Individually, CPAs serve in countless capacities in civic and community affairs.

The establishment of a Washington, D.C., office by the institute for the purpose of working more closely with Congress and the executive branch is evidence that this commitment is taken seriously. We thus believe the comments of the AICPA are entitled to be given considerable weight in questions of small business tax reform.

The necessity for immediate action on this legislation was eloquently stated in recent remarks by a president of a venture capital organization, Milton Stewart, to a gathering including the Speaker of the House of Representatives and over 50 other Congressmen.

I recently had occasion to transmit to Representative Wilbur Mills, the distinguished chairman of the Ways and Means Committee, Mr. Stewart's remarks as well as this list of 30 organizations supporting the bill. I ask unanimous consent that these materials be printed in the Record at the conclusion of my remarks in order to make them more widely available.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BIBLE. Mr. President, the Ways and Means Committee is the instrument of the constitutional mandate that the House of Representatives act first in all revenue measures. That committee will soon return to executive sessions on the subject of general tax reform.

Representative Evins and I joined last April 17 in testimony before that committee to place the small business tax bill in formal consideration.

Representative Fulton has taken steps to obtain reports from the executive branch and detailed revenue estimates of the bill for the committee's information.

Thus, after 16 years a comprehensive and technically sound small business tax reform bill is at the threshold of consideration as a steppingstone toward the development of an appropriate small business tax reform bill. Our proposal has passed every hurdle in order to be formally considered on its merits by the Ways and Means Committee and the House of Representatives as a whole.

If the Congress delays further in this task, there may be substantially fewer small businesses in this country left to save. I, therefore, hope and urge that the Ways and Means Committee take affirmative action on small business tax reform and those provisions of the Bible-Evins-Fulton bill (S. 1098, H.R. 5222, H.R. 8705) as they believe it will be appropriate.

EXHIBIT A

April 5, 1974.

Hon. Wilbur D. Mills,
Chairman, House Ways and Means Committee, Washington, D.C.

Dear Mr. Chairman: The case for small business tax reform and simplification has never been better illustrated than it was one week ago on March 28 at a Capitol Hill meeting in the Rayburn Building attended by some 55 Members of the House, and a number of small business leaders, under the sponsorship of the National Small Business Association—a breakfast gathering attended by more Members of the House on small business matters than any of us knowledgeable in this subject can ever recall.

Our dual judgment is that this presentation set forth unequivocally a meeting of the minds and an evaluation by the small business community that the time is now for some kind of affirmative Congressional consideration of tax adjustments and simplification for this important segment of our business community. We believe that some provisions of our jointly sponsored Small Business Tax Simplification and Reform Bill, H.R. 5222, H.R. 8705 and S. 1098, might be utilized as a stepping-stone forward for meaningful small business tax reform.

Particularly incisive as to the plight of American small businesses in today's economy were some excellent remarks made by Mr. Milton Stewart, a House and Senate staff member of some years ago, and persently Vice President of the National Small Business Association and President of a New York City venture capital corporation. We attach a copy of his remarks for you and your staff's examination.

We might suggest that 30 national business organizations have endorsed this small business tax reform approach without qualification. Again, we respectfully urge that when your Ways and Means Committee confers in executive session on tax reform that this subject be appropriately considered.

Sincerely Your Friend.

Cordially,

ALAN BIBLE,
Chairman.
JOE L. EVINS, M.C.,
Chairman.

APRIL 9, 1974.

Hon. WILBUR D. MILLS,
Chairman, House Ways and Means Committee, Washington, D.C.

DEAR MR. CHAIRMAN: At the time of the hearings on tax reform last Spring, there were 20 business associations on record as supporting the Small Business Tax Simplification and Reform Bill, as indicated by a letter which is part of the testimony of the National Committee on Small Business Tax Reform.

Since there are presently 30 such organizations supporting the bill, I thought it might be appropriate to bring the Committee up to date in this respect, with a list of these organizations attached for your full information.

Also enclosed are the detailed comments of the Division of Federal Taxation of the American Institute of Certified Public Accountants which were transmitted to our Committee on August 16, 1973. The Division is composed of 130 members of the Institute from all parts of the country, and it has specifically endorsed 7 sections as parallel to its own recommendations. This evaluation is similiar to that of the Section on Taxation of the American Bar Association which endorsed 11 sections of the bill in a letter included as an exhibit to our April 17, 1973, testimony.

We hope that this additional information will be of assistance as the Committee approaches its executive sessions on general tax reform.

With best wishes.

Cordially,

ALAN BIBLE,
Chairman.

LIST OF ORGANIZATIONS SUPPORTING THE SMALL BUSINESS TAX SIMPLIFICATION AND REFORM BILL

1. American Association of Nurserymen.
2. American Hotel and Motel Association.
3. American Metal Stamping Association.
4. Associated General Contractors.
5. Association of Steel Distributors.
6. Automotive Warehouse Distributors Association.
7. Industrial Fasteners Institute.
8. Menswear Retailers of America.
9. National Association of Black Manufacturers.
10. National Association of Small Business-Investment Companies.
11. National Business League.
12. National Concrete Masonry Association.
13. National Home Furnishings Association.
14. National Home Improvement Council.
15. National Insulation Contractors Association.
16. National Jewelers of America.
17. National Office Products Association.
18. National Parking Association.
19. National Patent Council.
20. National Restaurant Association.
21. National Retail Hardware Association.
22. National Screw Machine Products Association.
23. National Shoe Retailers Association.
24. National Small Business Association.
25. National Society of Public Accountants.
26. National Sporting Goods Association.
27. Packaging Machinery Manufacturers Institute.
28. Professional Golfers Association.
29. Screen Printing Association.
30. Tobacconist Association of America.

STATEMENT OF MILTON STEWART, PRESIDENT OF CLARION CAPITAL CORP., NEW YORK CITY, N.Y.

(As part of the presentation of the National Small Business Association to members and the Staff of the House of Representatives, on a program of catchup growth for Small Business, March 28, 1974)

Let me say very quickly that my claim to fame is not that I am President of Clarion Capital Corporation, but that I worked in both Houses of Congress as a young person and was educated in small business by distinguished men whose names you would know. It was my privilege many years ago to work for Senator Murray of Montana over on the other side of the Hill and for young Mr. Roosevelt here; and from that you can deduce what political side of the fence I have lived on.

But I must tell you that for more than 25 years, I have never known an issue which has been as bi-partisan and as non-partisan in the Congress as small business. For me this has meant that—and I have to be perfectly honest, I have been as disappointed in the performance frequently of my own party colleagues as with the Members from the other side of the aisle. I say this with some sadness because there is no part of the government which is traditionally and historically as sympathetic, as sensitive, and as understanding about small business as a Congress. And why should not this be the case. Two-thirds of the Members are, themselves, lawyers who represented small companies looking for money, confronted with creditors rights problems, dealing with bankruptcy, and reorganization. They don't have to hear much from me about small businesses. They know about it in their bones.

Twenty percent of the Members, down to 15 percent from time to time, have themselves been in small business, or are in small businesses. So that when we come here after being lectured at and browbeaten down in the Executive Branch, and that's what has happened to us, we feel like we are coming home to our own. We are talking to our team now, because over the last 25 years there is not a significant measure helping small business which did not originate in the Congress of the United States.

Back in World War II, I remember the Smaller War Plants Corporation which General Johnson from down in New Jersey headed. Then Mr. Maverick from Texas acted in the Chamber here when Senator Truman and others, including Senator Meade from my State, persuaded President Roosevelt that small business needed a special agency to protect it during the war from the effect of material shortage. I kind of think we are going to be hearing more and more about that in the months ahead. So, we got the Smaller War Plants Corporation, courtesy of that Congressional pressure.

After the war, the Executive Branch, traditionally abolished it. Congress said, "No thank you." Along came Korea in 1950 and Congress set up the Smaller Defense Plants Administration. Mr. Truman signed the bill and again it originated in Congress. Later in 1953, President Eisenhower wanted to reorganize the Agency. Congress said fine, but it's going to be a permanent agency; it's going to be an independent agency. And that is where the Small Business Administration comes from.

In 1968, the national small business investment company program—which has now put over 2 billion dollars in more than 40,000 companies—again, courtesy, Members of Congress, House and the Senate, legislation originated up here and was accepted (let's be honest, somewhat grudgingly) downtown. So when we come here, we don't come with a sense of bellyaching, we come with a sense of coming to our partners in the continuing effort to maintain the diversity of America, economically and politically.

In the House especially, Members here are closer to their constituents than any part of the government. We don't have to talk long and hard to get across to you what the problem is. We're losing ground to big business. People who don't understand this are the people who tell you it's inevitable. I'm in the money business. I'm in the venture capital business. I scour the country for small companies to take risks with and I lose lots of my stockholder's money and some taxpayer's money. But, I'll fight with the Small Business Administration for the right to continue to do it and do it harder again and again and again, because once in a while we hit it good and we make up for lost ground.

I've had a hard schooling in financing problems of small companies, equity financing and debt financing. I spend probably 25 percent of my time talking to banks trying to arrange credit lines for small companies that have growth needs that can't be met by normal credit lines.

What I'm here to talk about is our Federal partner and every business in America has Uncle Sam as its partner, because of the way our tax laws are written. All of us pay taxes unless we can figure out some way not to and none of us are very good at that. But what I did want to emphasize to you is that we are not here seeking a tax loophole for a company, for an industry, for a group of companies, for a group of industries—we are here to argue to you for a taxing principle that's as old as this country: the principle that the broader the back is, the heavier the burden of public responsibility it ought to bear.

Ever since 1913, we have become accustomed to the idea that if you take 25 percent of the income of a poor farmer or a poor merchant or a poor workingman, and you take 25 percent of the income of a fat cat, you are not being fair, because you are leaving less disposable income in the hands of the poor people. Now, if that makes sense for personal income taxing will someone tell me why it doesn't make sense for business? And, of course, your magnificent small business Chairman here, Mr. Evins, in the Bible-Evins bill, has proposed to remedy exactly this, and that's the first step in what we regard as the tax magna carta which we urge the Congress to enact. That measure will go further than any single bill in my own opinion to make small business attractive to investment capital, because sit back and ask yourself: Suppose you are in my spot but you are not committed to small business; you run a mutual fund or you run a pension fund or you run an insurance company investment pool. You've got the choice of putting money in a big company or in ten little ones. Now what in the world is going to make you put the money in the 10 little ones if you are going to be taxed the same way as the large company if you have a gain or a loss?

That leads to Point 2 in our tax magna carta and what we're going to urge the Members of the Ways and Means Committee when they finish reporting and enacting the Bible-Evins bill. We should have a graduated capital gains tax that runs something like our personal income tax, which gives due recognition to risk and reward it, or penalizes it as it is taken or not taken in terms of size.

Remember that our capital gains tax began as an inducement to persuade people with money to risk it. It's an advantageous incentive tax rate lower than our personal income tax rate and it's designed to encourage us to make gains out of the use of capital. It has worked magnificently for about 200 big companies—the ones on the big board, the ones that really are the magnets for the capital dollars out of the major pension funds. But, it has actually hurt and worked as a repellent for millions of small businesses for a simple reason that if I have $10,000 to invest in either a big company or a little one, I have the following decision: I know that if I put the money in a little one, and I back it, some guy is going to spend his life building that company, and if 25 years from now he manages to sell it at a profit, I'm going to pay, let's say, 25 percent tax.

On the other hand, you know, just suppose I am a Wall Street type and I pick up my telephone and call my broker and tell him to buy me 100 shares of General-General. Then I hold it six months and one day, and I sell it and make a profit. The tax is exactly the same rate as what that man who put his life blood, sweat and tears in building a business pays as tax.

And I submit to you that this is not the best that this country can do for its small businesses. That's why we recommend a capital gains tax treatment which will cure this situation.

We ostensibly have a fair tax level, where every company is taxed at the same rate. But when you get into the way it really works and you know that's an awfully complicated document with a lot of sharp wiseguy lawyer language in it. You have got to understand what it finally winds up doing. Down at the bottom of the heap here, really the top of the heap, cause it's upside down, the companies that have over a billion dollars in assets get taxed at an effective tax rate of 35 percent.

Now go up to the top of the chart where most small businesses are under a million dollars in assets, and they get taxed at 51 percent. Now that 15 percent or 16 percent differential is life and death; attractiveness and unattractiveness for investment people. And this is the reason that you're getting the concentration of investment dollars in fewer and fewer pension funds, fewer and fewer mutual funds, and fewer and fewer insurance companies who in turn are putting the dollars in fewer and fewer companies.

We've got to provide incentive if we're going to liberate those dollars and get them down to small business where we need them. We're going to need some tax treatment changes: Number one, the Bible-Evins bill; Number two, improved capital gains rates; and Number three, I won't go into detail about this, we really, believe me ladies and gentlemen, need two tax codes, one for big companies and one for small companies. The reason is that in section after section, there are provisions written by the sharp lobby people advising Members of the House, and advising with the Treasury Department (and from 25 years of experience with the Executive Branch, no agency of government is as hostile to small business as the United States Treasury Department and I'm embarrassed to have to say that it has been as true under administrations of my party as it is under the present one). That place cares about the people who, I'm reluctant to say it, have the most to say about the most dollars. But the tax code as it should read should distinguish with every definition between large company and small company treatment.

To conclude, and you've all been terribly patient, I don't think many Americans get a chance to talk to many Members of Congress as I am here, and it's just an almost overwhelming privilege. I would just like to conclude by telling you there are no better people than the people who fight for small business through the National Small Business Association.

I'm a newcomer to it and one reason I am is most of the fellows in it are maybe a little more conservative than I am. I was raised on the liberal democratic side of the fence, so I start out with sort of maybe wondering whether this ought to be my crowd.

But when we get to talking about the problems of our country that go beyond party, that go way beyond region, that go way beyond everything expect what we want for our children and our grandchildren, all of us agree. We don't want them left with a choice of having to work for either a big government agency or a big corporation. We want them to be free to have the choices we have, to go into the independent professions and to start their own businesses. We know you'll do the job for us. Thank you very much.

STATEMENT ON CONSOLIDATION

Mr. PELL. Mr. President, S. 1539, this year's amendments to the Elementary and Secondary Education Act, have been faulted by the administration as having not carried out the administration's views on consolidation. This is probably an accurate statement but one which does not tell the full story.

The administration would have, in effect, done away with most of our categorical education programs on no basis of fact; they presented no evidence to support their proposals, and they did not submit anything which would have stated where a specific program failed or what would be gained by the so-called delivery systems.

It should be noted that S. 1539 does contain consolidation; indeed, it contains three separate consolidations. The report discusses these on pages 60 through 70. I believe the charts which I shall ask to be inserted in the RECORD will further explain to the Senate just how the consolidation is affected in the Senate bill.

What is even more interesting, Mr. President, is the fact that those very organizations whose programs would be affected by the Senate consolidation have sent me a letter and statement in which they strongly endorse the Senate view on consolidation. All too often we hear of interest groups that are intransigent and fault all change. It is heartening to receive this type of statement which puts the interest and needs of the Nation's youngsters before personal interest.

Mr. President, I ask unanimous consent that the charts, the letter and the statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THREE CONSOLIDATIONS

I. ADMINISTRATIVE—PAGE 195

A. Programs Whose Paperwork Is Consolidated (All Elementary and Secondary State Plan Programs):

1. ESEA Title I—Aid to Disadvantaged.
2. ESEA Title II—Library Assistance.
3. ESEA Title III—Innovative Programs.
4. NDEA Title III—Equipment.
5. Adult Education.
6. Vocational Education.

B. Changed From Many State Plans to One State Plan:

1. Long-range Plan Filed.
2. Single Program Plan Updated Yearly.

C. No Money Involved.

II. CONSOLIDATION OF STATE FORMULA PROGRAMS—PAGE 203

A. Consolidated Programs:

1. Title II ESEA (Textbooks and Library Resources).
2. Title III ESEA, 85% State Share (Supplementary Centers and Services).
3. Title V ESEA (Strengthening State Edutional Agencies).
4. Title III NDEA (Equipment).
5. Title V–B–2 EPDA (Attracting and Qualifying Teachers).

B. Consolidated Into a Single Program:

1. Hold Harmless for Programs Consolidated at Most Recent Appropriations Level.
2. When Appropriations Exceed Existing Levels, 50% of the New Money Could Be Used At the Discretion of the State Agency for Any of the Purposes Consolidated.
3. 50% Would Be Spent By the States in the Same Ratios as Spent Under Existing Law.
4. 15% Set Aside of Title III ESEA for Handicapped Remains.

C. New Eligibility Formula Applies to Funds Appropriated Over Existing Levels, Based on Three Factors:

1. Number of Children in the State, Multiplied by $20.
2. State Average Per Pupil Expenditure, Multiplied by the Number of Children in Families With Incomes Below $3,000.
3. The Relative Wealth of the State.

D. Authorization: Existing Levels (Approximately $340 Million), Plus $600 Million for Additional Consolidated Programs Under the New Formula.

III. COMMISSIONER'S DISCRETION—"SPECIAL PROJECTS ACT"—PAGE 226

A. Consolidated Programs (Remaining OE Discretionary Programs):

1. Cooperative Research Act.
2. Dropout Prevention.
3. Health and Nutrition.
4. Consumer Education.
5. Correction Education.
6. 15% Set Aside of Title III ESEA (Innovative Programs).
7. Education Professions Development Act.

B. New Discretionary Fund—"Special Projects Act":

1. Old Programs and Purposes Cease to Exist, But Are Given Priority in Funding.

C. Congressional Oversight and Control:

1. Authorizing Committee Approval of:
   (a) Yearly Spending Plan, Including Report on All Contracts Over $100,000.
   (b) Commissioner's Proposal to End Priority Status for Old Programs Consolidated.

D. Money to Be Determined By Programs Included.

E. Set Aside of 50% of Funds for New Categorical Programs As Follows:

AUTHORIZATION OF FUNDS

[In millions]

Section	Subject	Fiscal year 1974	Fiscal year 1975 through fiscal year 1978	
			Amount	Percent
404	Metric education		$10	5
405	Gifted and talented		12.25	6.125
406	Community schools (LEA)		15	7.5
	(higher ed.)		2	1
407	Career education		15	7.5
408	Consumers' education	$15	15	7.5
409	Women's educational equity.		30	15
410	Arts education		.75	.375
	Total	15	100	50
	Total authorization for Special Projects Act for each fiscal year.		200	50

Association for Educational Communications and Technology,
Washington, D.C., April 30, 1974.

Hon. Claiborne Pell,
U.S., Senate,
Washington, D.C.

Dear Senator Pell: On behalf of the 20 associations in this coalition and the thousands of other teachers, librarians, school administrators, school board members and concerned citizens, we would like to thank you for the leadership you provided in bringing S. 1539 to the Senate floor. We want you to know we are strongly supporting you in your effort to retain unamended the Senate Committee language on consolidation.

Although we would have preferred no consolidation—as you know so well from our testimony before your Sub-committee—we believe the version of S. 1539 which you wrote will provide a fair and equitable test of consolidation theories without abandoning tried and successful individual programs. And should the consolidation concept founder in practice, the Congress will have an opportunity, thanks to the Committee bill, to redirect the thrust of Elementary and Secondary Education Act legislation. The Committee bill preserves the vehicle to make such redirection in the event a change becomes necessary.

We support your Committee bill as a particularly acceptable compromise between those groups who oppose all consolidation of the particular programs affected and, on the other hand, those who want education revenue sharing with no earmarking of funds.

Because S. 1539 is such an effective compromise, we are urging all Senators to support you in voting against any floor amendments destroying the ratios and percentages in, or substituting other consolidation formulas for, the Senate Committee bill. By defeating all such amendments, the Senate can go to Conference with the strongest possible position, including ease of application and administration, consolidation, plus some degree of protection for library, guidance, counseling, and instructional media priorities.

In order that you and your staff may read our views, we are enclosing the joint statement of our 20 associations. If you would like further information, please do not hesitate to let us know.

Again, Senator, thank you for your support and leadership in education.

Sincerely,

Eileen D. Cooke,
Director, Washington Office.
Patrick J. McDonough,
Assistant Executive Director for Professional Affairs, American Personnel & Guidance Association.
Howard B. Hitchens,
Executive Director, Association for Educational Communications & Technology.

A Statement Concerning the Consolidation Provision of the Education Amendments of 1974 (S. 1539)

By these associations:	*Membership*
American Library Association	37,875
Association for Educational Communications and Technology*	10,000
American Personnel and Guidance Association	33,000
Impact Area Superintendents	4,900
Catholic Library Association	4,000
State Supervisors of the Association for Counselor Education and Supervision	50
Association of Chief State School Audio-Visual Officers	50
Association for Counselor Education and Supervision	4,000
National Vocational Guidance Association	10,000
Student Personnel Association for Teacher Education	500
American School Counselor Association	13,000
American Rehabilitation Counseling Association	2,000
Association for Measurement and Evaluation in Guidance	2,000
National Employment Counselors Association	1,250
Association for Non-White Concerns in Personnel and Guidance	1,000
National Catholic Guidance Conference	1,500
Association of American Publishers	260
National Audio-Visual Association	1,000
American College Personnel Association	8,249
Association for Specialists in Group Work	60

*Affiliate of the National Education Association (NEA).

IS CONSOLIDATION REALLY THE ANSWER?

Shortly after Congress enacted the landmark education programs of the 60's, efforts began to dismantle them. Here are a few of the critics' themes: we have too many individual programs, the Federal government has too much to say about local education, the Federal investment in education is excessive, and Federal programs have either outlived their usefulness or never worked in the first place. To each criticism, consolidation of programs has been offered as the answer. Is consolidation really the answer?

Every one of the above issues was thoroughly examined by the Senate Education Subcommittee and the Committee on Labor and Public Welfare before reporting the Education Amendments of 1974 (S. 1539).

The Senate Committee bill, while continuing the Federal commitment to certain priority areas of education such as school library materials, guidance and counseling, and instructional media for the classrooms, is responsive to requests for consolidation. Ease of application and administration is provided for along with some degree of protection for each of the key priorities in each individual state.

Furthermore, the Senate bill responds to the requests of several organizations in the education community who advocate general aid for education. Utilizing the consolidation language, the bill provides the basis on which general aid can be built, while still retaining for Congress the right to establish and maintain certain essential priorities to assure the American taxpayer that certain basic goals are being achieved. We believe this approach has great merit and we congratulate the Senate on its pioneering contribution in this area.

Consolidation has been viewed by many as a panacea and recommended as a substitute for highly successful individual programs. We believe the Senate bill provides a fair and equitable test of the consolidation theory without abandoning tried and tested successful individual programs. But should the consolidation concept flounder in practice, as we fear it may, the Congress will have an opportunity, thanks to the Senate Committee bill, to redirect the thrust of the Elementary and Secondary Education Act legislation. The Senate bill preserves the vehicle to make such redirection in event a change becomes necessary.

FLOOR AMENDMENTS WOULD DESTROY COMPROMISE

Therefore, we believe all amendments destroying the ratios and percentages in, or substituting consolidation formulas for, the Senate Committee bill should be rejected. Passage of such amendments would undermine the careful balance achieved by the Senate Committee in S. 1539 and would not serve the best interests of education in our land.

It should be emphasized that the Senate language on consolidation is a compromise between all who oppose all consolidation of the particular programs affected—and, on the other hand, those who want education revenue sharing or block grants with no earmarking of funds. Furthermore, it should be fully understood that this Committee bill compromise represents a major shift in the history of Senate education legislation. We do not agree with the fundamental pressures which encouraged this shift. But at the same time, we strongly advise the Senate to avoid the counsel of those who propose even more radical shifts than are now contained in S. 1539.

BILL CONSOLIDATES KEY PROGRAMS; PROVIDES BASIS FOR GENERAL AID

There are those who claim the Senate bill provides "no consolidation at all." We have examined the language of this bill thoroughly, and we have applied it to local situations; based on our knowledge of day-to-day operations at the local level throughout the nation, we feel that the bill will result in actual consolidation of programs in your state. Assuming there are sufficient appropriations for the consolidation provisions, the Consolidation will divert money which should have been available for the priorities of school libraries, instructional equipment and materials, and guidance and counseling. We have consistently opposed such diversion of funds. And we are absolutely opposed and could never agree to amendments on the Senate floor increasing the percentage of funds to be diverted—for any further diversion would be shortchanging our students and teachers.

There are those who claim the Senate bill rejects the concept of general aid or special revenue sharing targeted at education. On the contrary, the Senate bill provides the basis on which future general aid to education may be built. Through its consolidation language, the Senate bill contains the seed from which can grow future general assistance: while creating a new dimension in education funding, the seed would retain for Congress the right to establish and maintain certain essential priorities so as to assure the American taxpayer that several basic goals are being achieved. We believe this approach has great merit and we congratulate the Senate Labor and Public Welfare Committee on its pioneering contribution in this area.

SENATE LANGUAGE ASSURES AN END TO REDTAPE

There are those who claim the Senate consolidation does not go far enough. We believe it goes too far. For example, we believe most of the support for consolidation would disappear if state and Federal agencies would act to clear up unnecessary redtape.

Throughout the consideration of the Education Amendments of 1974, the number-one complaint by advocates of consolidation has been the excessive paperwork which is caused by the various basic Federal education programs.[1] It has been our contention that this problem of redtape could have been solved by (1) states acting within existing legislation to combine their administration and paperwork for Federal grants and (2) the U.S. Office of Education lifting some of the most onerous regulations which produce unreasonable burdens on local schoolpeople.

With the states having failed to act on this matter and with the U.S. Office of Education unwilling to provide the leadership required, it has become necessary for the Congress—as proposed in the Senate bill to authorize single grant applications and single administration of Federal programs. We believe these Senate bill provisions alone will adequately answer the critics and thus make grant consolidation unnecessary. Nevertheless, if there must be some consolidation of the actual funding, we believe S. 1539 carries solid assurance to your state and to every state in the Union that: (1) no state will be forced to administer the broadened authority in consolidation with fewer dollars than existed under categorical funding and (2) no state will be forced to interrupt the nation's commitments to sound and adequate guidance and counseling, and responsible support for library and instructional equipment and materials so essential to both student and teacher.

PAST CONSOLIDATIONS WERE FAILURES

In 1970, NDEA V-A, on guidance, counseling and testing, was consolidated with ESEA III, Innovative Programs, into a new consolidated structure, ESEA III—Supplementary Centers and Services; Guidance, Counseling and Testing (Public Law 91–230). The Guidance and Counseling program was no longer a line item.

While the new consolidation was broadened (to encompass both elementary guidance programs and guidance programs for junior colleges and technical institutes, as well as non-public school testing) the amount of money allocated has been decreased steadily, a 50% cut from $25 million to $11 million. Why? The program lost its identity and was forced together with other competing priorities. This failure is discussed in the Senate report on S. 1539, pp. 67–68.

Past experience with program consolidation has shown that all too often it has been used as a means of cutting funds for the programs consolidated. For example, Congress agreed to the Administration's proposals to consolidate title III ESEA (Innovation) and title V NDEA (Guidance, Counseling, and Testing) in 1970. That merger required that at least fifty percent as much be spent on guidance and counseling activities as had been spent by each State in the preceding fiscal year. Yet, as Dr. Judy H. Lombana, Consultant for Middle and Secondary School Guidance to the Florida Department of Education, testified before the Subcommittee on Education, *this floor of support all too quickly was interpreted by many States as a ceiling. Support for counseling, testing, and guidance programs dropped sharply. This was not what Congress intended by effecting the consolidation; however, the fact of consolidation was used as a budget-cutting device.* [Emphasis added.]

Only time will reveal whether or not the Administration will attempt to use the Education Amendment of 1974 as a further "budget-cutting mechanism" for reducing guidance, counseling and testing. However, we believe the Senate Committee has done everything it could in S. 1539 to ensure that the budget cuts will not emasculate the basic program.

Act and Title III of the National Defense Education Act—both programs subject to consolidation in S. 1539.

Another example of a consolidation which failed concerns NDEA III. When the National Defense Education Act first passed, provision was made for state level in-service training for teachers (Public Law 85–864). However, this authority was consolidated into Title V of the Elementary and Secondary Education Act when this program was enacted (Public Law 89–10). Since ESEA V began, the teacher training program has disappeared in most states. California, for example, let this program die quietly in 1972 while diverting the funds to "in-depth planning and evaluation of existing programs." Despite agreement among all experts on this subject—training is essential to successful utilization of educational technology in the classroom—training was abandoned when it was split away from NDEA III and consolidated into ESEA V.

Because of this experience, we fear consolidation. Any Senate floor amendment which tilts toward still further consolidation in S. 1539 can only contribute to the fears and to disenchantment with our system of commitments and national priorities.

DOCUMENTED NEED FOR CONTINUED FEDERAL FUNDS AND FEDERAL LEADERSHIP

Because all the consolidated programs (particularly NDEA III, ESEA II, and NDEA V–A) have been underfunded, the successes have not been as spectacular as we would have wished. With consolidation, we see no improvement in the funding picture.

The fact that the consolidation concept was contained in the proposed Better Schools Act is no guarantee that the Administration would advocate increased funding. This Administration has supported numerous "authorizations" without recommending the needed appropriations. We have only to recall our experience under the Education Amendments of 1972 to document this point.

What are the current unmet needs?

Is it true, as asserted by some, that many states do not need NDEA III or ESEA II or Guidance and Counseling (NDEA V–A) any more? That, in fact, all needs are being met? Here are the facts.

GUIDANCE AND COUNSELING, TITLE V–A, NATIONAL DEFENSE EDUCATION ACT (NDEA V–A)

While the need for more guidance and counseling programs was recognized in the 1970 amendments to the Elementary and Secondary Education Act, the states have actually reduced their effort in this area in recent years. With the consolidation of NDEA V–A into ESEA III in 1970, guidance, counseling and testing lost its identity and is fading into the background. The American Personnel and Guidance Association has repeatedly asked the Administration and the President's National Advisory Council to make the regulations compatible with the law; but no changes have been made. We can only hope to see improved treatment under the consolidation in S. 1539. The new provisions in S. 1539 are designed to assure observance of the law by administration officials.

We estimate that expenditures for guidance and counseling today should exceed the $24.5 million appropriated in fiscal year 1969. Yet, the actual expenditures are, in fact, less than half the needed amount—around $11 million. This, despite the importance of guidance and counseling to such continuing human service needs as career education, vocational guidance and placement, drug abuse prevention and those ordinary personal, social and educational needs of all normal youth and adults. If these human needs are decreasing, if life is becoming less complex, complete consolidation may be the answer. If not, why is a program such as guidance and counseling being threatened by Senate floor amendments to the consolidation provisions in S. 1539? What good is a national priority, which is given national publicity by the Office of Education, when the means to that priority—such as adequate guidance and counseling—are being cut off?

We regret to report to the Senate that today, because of declining Federal leadership and support, the student-counselor ratio in our schools is increasing; it is especially burdensome at the elementary level. The future under consolidation may be brighter if the Senate provisions in S. 1539 are left intact.

One measure of the increased need for the Federal commitment to guidance and counseling is contained in the Senate Report on S. 1539:

"(14) The term 'vocational training' means training or retaining which is conducted as part of a program designed to prepare individuals for gainful employment as semi-skilled or skilled workers or technicians or subprofessionals in recognized occupations and in new and emerging occupations, but excluding any program to prepare individuals for employment in occupations which the Commissioner determines, and specifies by regulation, to be generally considered professional which requires a baccalaureate or higher degree; *such term includes guidance and counseling (either individually or through group instruction) in connection with such training or for the purpose of facilitating occupational choices. . . .*" [Emphasis added.]

Here the Senate expands the concept of Vocational Training to encompass an essential career guidance component. Such a change recognizes the growing role of guidance and counseling in one of the nation's most pressing problems. Additionally, the Senate Committee bill recognizes the importance of career education and career guidance when in section 407 it expands the definition of career education to include the all-important concept of career guidance.

It is difficult to argue for more use of guidance and counseling without the protection so wisely afforded NDEA V–A and career guidance in S. 1539.

INSTRUCTIONAL EQUIPMENT AND MATERIALS, TITLE III, NATIONAL DEFENSE EDUCATION ACT (NDEA III)

Some maintain that there is no longer an important need for instructional equipment and materials in our nation. Do the schools have enough? Can equipment be safely lumped together with other programs, so that equipment money can be diverted to other uses?

The answer, according to the states, is no.

A survey conducted in the California State Department of Education shows that in fiscal year 1974, the states need $121.6 million in Federal NDEA III dollars, far more than double the actual FY 1973 appropriations ($50 million) and four times the actual FY 1974 spending level ($28.5 million). Is there a need? Today, less than 20 percent of our schools can meet the minimum standards for equipment and materials developed by the Association for Educational Communications and Technology in 1969, in cooperation with the American Association of School Libraries and some 20 other organizations.

On the basis of subject, some progress has been made under NDEA III, although, due to low funding levels, not near enough. For example, according to a 1972 HEW publication (State Department of Education and Federal Programs, p. 130):

PERCENT OF ADEQUACY

Subject	Elementary schools	Secondary schools
Science	15	50
Mathematics	35	60
Industrial arts	1	5
Reading	50	15
English	20	35
Economics	5	15

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[1] A poll of Virginia educators (conducted by former U.S. Senator William Spong) showed that the two most popular programs, least encumbered by redtape, are Title II of the Elementary and Secondary Education

In other words, our nation has not even approached the level of adequacy in some subjects, as reported by the U.S. Office of Education. Therefore, we can ill-afford to destroy the NDEA III program which can assure us that adequacy will continue to be a national priority.

Here are the results of the California survey of states indicating what the states need compared to what they received in fiscal year 1974.

1974 NEEDS COMPARED WITH 1974 ALLOCATION FOR TITLE III, NATIONAL DEFENSE EDUCATION ACT—BASED ON SURVEY OF STATES BY CALIFORNIA DEPARTMENT OF EDUCATION

State	State's estimated need in 1974	State's 1974 allocation
Alabama	$1, 178, 000	$601, 040
Alaska	300, 000	46, 093
Arizona	922, 000	283, 906
Arkansas	1, 250, 000	316, 892
California	18, 000, 000	2, 022, 468
Colorado	2, 000, 000	308, 533
Connecticut	500, 000	273, 152
Delaware	200, 000	68, 425
Florida	5, 000, 000	801, 383
Georgia	2, 500, 000	719, 417
Hawaii	400, 000	100, 573
Idaho	550, 000	123, 586
Illinois	6, 000, 000	1, 170, 627
Indiana	3, 000, 000	698, 869
Iowa	2, 500, 000	383, 739
Kansas	2, 000, 000	284, 277
Kentucky	2, 000, 000	510, 055
Louisiana	5, 000, 000	665, 617
Maine	600, 000	151, 626
Maryland	2, 000, 000	478, 438
Massachusetts	2, 000, 000	571, 303
Michigan	5, 000, 000	1, 173, 929
Minnesota	2, 500, 000	555, 186
Mississippi	1, 600, 000	414, 274
Missouri	1, 600, 000	593, 798
Montana	357, 000	115, 822
Nebraska	600, 000	199, 992
Nevada	150, 000	54, 435
New Hampshire	325, 000	99, 440
New Jersey	2, 500, 000	704, 875
New Mexico	600, 000	203, 849
New York	9, 500, 000	1, 487, 171
North Carolina	3, 500, 000	786, 782
North Dakota	340, 000	108, 710
Ohio	5, 000, 000	1, 379, 208
Oklahoma	1, 000, 000	352, 439
Oregon	1, 000, 000	266, 046
Pennsylvania	5, 000, 000	1, 354, 415
Rhode Island	400, 000	98, 994
South Carolina	1, 200, 000	467, 538
South Dakota	750, 000	113, 209
Tennessee	2, 000, 000	601, 447
Texas	10, 000, 000	1, 691, 985
Utah	650, 000	199, 440
Vermont	240, 000	65, 432
Virginia	3, 000, 000	644, 974
Washington	1, 400, 000	407, 302
West Virginia	1, 500, 000	266, 922
Wisconsin	2, 000, 000	632, 756
Wyoming	(1)	51, 026
Total	121, 612, 000	25, 671, 415

[1] No figures received.

SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS, TITLE II, ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA II)

This title provides grants to the states to acquire school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools. It requires that grants be used within each state on the basis of relative need. So this program fits well with the plans of those states moving toward equalizing school expenditures. States will more and more need ESEA II support to strengthen their own efforts.

School library and audio-visual materials and equipment have been used as essential ingredients in Right to Read projects around the nation and as such have made possible the survival of Right to Read and other local reading programs during a period of severe underfunding at the federal level. ESEA II has served many other priority programs such as compensatory education or drug abuse education which depend on an available supply of library and instructional materials.

The states report that on the average nearly one-third of their elementary schools lack libraries, and the Office of Education reported in 1970 that no more than half the secondary schools in any state met the standards for school libraries set by the states themselves. Much progress has been made since 1955 when the Elementary and Secondary Education Act was first enacted, but the job of providing all American school children access to adequate library resources is still not done, as the following figures show:

Estimated percentage of elementary schools without libraries: 1972

State	*Percentage*
Alabama	5
Alaska	60
Arizona	15
Arkansas	35
California	55
Colorado	30
Connecticut	40
Delaware	0
District of Columbia	0
Florida	0
Georgia	.001
Hawaii	13
Idaho	60
Illinois	20
Indiana	20
Iowa	8
Kansas	43
Kentucky	25
Louisiana	50
Maine	55
Maryland	11
Massachusetts	35
Michigan	30
Minnesota	.014
Mississippi	40
Missouri	48
Montana	75
Nebraska	50
Nevada[1]	27
New Hampshire	66
New Jersey	40
New Mexico	22
New York	5
North Carolina	3
North Dakota	51
Ohio	80
Oklahoma	68
Oregon	7
Pennsylvania	44
Rhode Island	7
South Carolina	3
South Dakota	95
Tennessee	2
Texas	59
Utah	15
Vermont	90
Virginia	4
Washington	20
West Virginia[2]	95
Wisconsin	49
Wyoming	48

[1] 1969 estimate latest available.
[2] 1969 estimate latest available.

BEFORE ENACTMENT OF ESEA

Estimated percentage of schools without libraries, 1965

Public Schools

	Percent
Elementary	69
Junior High	14
Senior High	6

Private Schools

	Percent
Elementary	47
Junior High	5
Senior High	3

ESEA II is administered by the Division of Library Programs in the U.S. Office of Education. As one test of the Administration's sincerity with respect to the continuation of ESEA II programs within the Office, the FY 1975 Budget for salaries and expenses specifically calls for the elimination of the entire staff of 10 who administer ESEA II as well as NDEA III. Thus, despite a small budget item under consolidation—for program grants—the Administration appears unwilling to fund the actual staffing of the programs. These programs do not run by magic, they must be staffed—as they are today—by dedicated hard-working professionals who can give guidance and leadership. If the Administration is unwilling to provide this staff, it is difficult to imagine them proposing funding under any new consolidation authorization in future years.

We believe S. 1539 strives to maintain the Federal commitment to school library programs and we believe any amendments to alter the language will only diminish or eliminate money available for libraries and thus undermine the progress we have made to date.

SUMMARY

The members of these 20 national associations believe the Senate Committee bill (S. 1539) is responsive to requests for consolidation. However, we do not believe consolidation is a panacea for education problems—as some maintain—and for this reason we have been vigorously opposed to consolidation plans which affect library, guidance and counseling, and instructional media programs in our schools.

The consolidation language in S. 1539 is a compromise between our position and the views of those who argue for more extensive consolidation.

We respect the careful balance achieved by the Senate Committee in S. 1539 and therefore oppose all amendments destroying the ratios and percentages in, or substituting consolidation formulas for, the Senate Committee bill. Any floor amendments would damage the compromise and divert funds away from three highly successful programs which have been consistently underfunded throughout recent years.

We already know past consolidations were failures. For example, two portions of the National Defense Education Act were consolidated by other Congresses. In both cases, the consolidation resulted in budget cuts, loss of identity, or destruction for the particular guidance, counseling and instructional media programs involved.

We believe the Senate Committee bill carries assurance to your state that (1) if adopted the consolidation in S. 1539 will not result in fewer dollars and (2) the nation's commitment to guidance and counseling, to equipment and materials, and to libraries will not be interrupted.

In this statement we have documented above the continuing need for Federal help in these vital areas. If we are to serve our children with the best possible education system we must meet these needs. Any amendments to consolidation language in the Senate Committee bill that divert funds from these priority programs, would not only destroy the compromise so judiciously worked out by the Senate Education Subcommittee and the Senate Labor and Public Welfare Committee, but would also dilute the effectiveness of currently successful efforts in every state, and postpone indefinitely the day we reach our national and local educational goals.

WAGE AND PRICE CONTROLS IN THE WOOD PRODUCTS INDUSTRY

Mr. PACKWOOD. Mr. President, last night, at midnight, the Economic Stabilization Act expired. After 2½ years of peacetime wage and price controls, we have finally decided to return to the market economics that made this Nation the economic giant it is and will continue to be.

Unfortunately, there are still some among us who would have us continue to ingest the narcotic of wage-price controls in the mistaken belief that for some strange reason free enterprise does not work any longer.

Recently, the president of the Weyerhaeuser Co., George H. Weyerhaeuser, presented a paper to a meeting of the National Association of Manufacturers. Contained therein is an excellent discussion of the truly harmful consequences of wage and price controls as they related to the wood products industry and consumers of wood products. As a Senator from the State of Oregon which produces more lumber and plywood than any other State in the Nation, I am painfully familiar with the conditions that developed in the wood products industry as a result of well-intentioned, but ill-conceived and unworkable wage and price controls on this vital sector of the Nation's economy.

Because so much of what Mr. Weyerhaeuser has to say in this paper is of value to the Senate as we debate the need for the maintenance of a controls program, I ask unanimous consent that the text be printed in the RECORD.

There being no objection, the text of the paper was ordered to be printed in the RECORD, as follows:

STATEMENT BY G. H. WEYERHAESER

The forest products industry has three basic components:

1. The growing of trees for harvest as raw materials.
2. The manufacture of wood products from those materials.
3. The manufacture of pulp and paper products.

The production of wood-based building materials, including lumber and plywood, provides residuals which, in combination with lower-grade materials from the forest harvest, provide the raw material for the production of wood pulp and the products, including paper and paperboards, which are made from it.

The growth, harvesting and marketing of raw materials is an agricultural activity, and it has remained free of controls throughout the various phases of Economic Stabilization.

Price controls helped to add to shortages of lumber and plywood during the building boom of late 1972 and early 1973, and amplify the price fluctuations in these products. Most of the lumber and plywood production industry was effectively decontrolled early in 1973 at the height of the shortage situation. Prices escalated quickly, new production was attracted by the higher prices, demand fell with the fall in housing starts, and prices fell just as quickly as they had risen, to levels below those which had existed before 1971. Lumber and plywood remain in a free market situation today.

In the lumber and plywood industry, production can be increased rather rapidly, within limits, by the addition of extra shifts and week-end overtime, and by delaying regular maintenance shutdowns. Lead times for planning and construction of new mills are two years or less, environmentally acceptable building sites are generally available for such investments, and they are of relatively low capital intensity. Wood products provide a concrete and classical example of the ability of an uncontrolled free market to respond to consumption needs through the reaction of supply to price. Controls hinder and cannot solve supply problems.

In the pulp and paper industry, there is no such operating flexibility, the planning and construction time frame is at least three years, environmental constraints on building sites are severe, and capacity additions require immense capital expenditures. Therefore, both the time and conditions requisite to investment in and start-up of new capacity is much longer.

My remarks today will be directed to the pulp and paper industry. It is the one major portion of the forest products industry in which shortage psychology, and actual shortages, prevail.

Controls obviously cannot bring about increases in production, but, they do lead to a distorted production mix in a shortage situation. Controls can indeed provide a temporary psychological brake in cost-push situations such as that which prevailed in 1971. to cool that type of inflation. But, if they are allowed to continue, they begin to have a different inflationary impact of their own, and the longer they continue, the more drastic this effect. Their inflationary impact comes in the disincentive they provide for investment in new production capacity. Even standby controls have this impact. Their very existence makes it impossible to chart normal market trends and price patterns with any certainty, and thus makes it more difficult to make new-capacity investment decisions.

SHORT-TERM IMPACTS

The short-term legacy of controls in the pulp and paper industry has been the current climate of shortages. Those shortages, for a few products, actually represent current capacity shortages. For others, they have resulted not from current capacity shortage but from consumer hoarding because of fear of such shortage. The shortages result from the uneven effect of controls upon various producers, and upon the product mix of those producers.

It is demand, reflected in price, that leads to the decision to make product runs of any of the hundreds of pulp paper, and paperboard grades, and it is price which leads to the decision to switch to other grades as overcapacity in one begins to appear. Price, then, is the allocation mechanism in the free market.

When price is removed as that mechanism, through controls, such economic decisions must be based upon productivity per machine hour—upon manufacturing cost. In uncontrolled free markets, consumers through price changes determine the products to be produced. Under controls and tight supply, the market must instead respond to the margins of the producer as he allocates his available production time to the products that produce the largest margin on his available machine time, regardless of whether or not the products match the demands in the marketplace. The result is a lack of freedom of choice among consumers, and the appearance of non-price bartering, allocations, and overuse or misuse of the products.

In the pulp and paper industry, with its extraordinarily high fixed capital costs, this can be the only response to a price-controlled economy. Weyerhaeuser Company has greater financial and product flexibility than most producers, but under controls in tight markets we have been forced to optimize returns by reducing our mix of market pulps from 41 grades to 20; our mix of fine papers from 86 grades to 42; and our mix of bleached paperboards from 30 grades to 8.

Controls did not cause the present shortfall in total U.S. pulp and paper production. They have aggravated the present shortage, through misallocation in production and misuse in the markets—and they have slowed growth in supply both in the short and long term.

LONG-TERM IMPACTS

During most of the past 20 years, the pulp and paper industry has been characterized by recurring surges of over-capacity, with a resulting pricing level which did not provide a return on investment adequate to make the industry an attractive channel for new investment dollars. Controls froze the industry in this depressed stance just as it was about to come out of its worst cyclical downturn in 20 years.

Industry annual cash flows (retained earnings plus depreciation) averaged $1.4 billion in 1969–71, rising to $1.9 billion in 1972 and to more than $2 billion in 1973. Industry capital investment in pulp and paper has averaged $1.3 billion annually during that period. However, from 30% to 40% of that total has gone for pollution abatement control. Thus, the remaining investment in maintaining existing capacity and in adding new capacity, has averaged considerably less than $1 billion per year, and many older mills during this period have been forced to close. Return on investment during the period has averaged only 7% to 8% on the old asset base, before the additional pollution control investment on these older facilities has been added to that base.

As a result of this low level of capacity investment, coupled with normal increase in demand, the overcapacity cycle has ended abruptly and apparent demand exceeds supply in most products. In this situation, in a free market, the rise in total profit and cash flow would lead to rapid debt repayment and major investment flows into new productive capacity. But, controls have held down both margins and prices, lowering the cash flows which otherwise would have resulted; and at the same time uncertainty over future conditions including price controls and pollution standards have seriously eroded or deferred major new investments.

If supply and demand are to come back into balance and halt the inflationary pressures for these commodities, the U.S. pulp and paper industry will have to invest in 80 new full scale (300,000 ton-per-year) mills by 1980. This would require industry investment at a rate of more than $3 billion per year in current dollars through the balance of this decade to bring supply and demand back into balance. That investment in new capacity will be required to catch up on the present shortfall, and to serve new demand growth projected at about 4% per year, on average.

So far this year, however, only one major new mill has been announced in the industry, and it will not come on line until 1977. My company announced plans last week for a new containerboard mill at Columbus, Mississippi.

This Mississippi investment is illustrative of the long-term nature of the pulp and paper industry, and its vulnerability therefore to short-term crisis management in governmental policy. The wood sourcing for this proposed mill began to be assembled more than 15 years ago, and we accepted losses or extremely low returns in that area throughout that period, as the mill wood supply land base was assembled, and timber growth stimulated through forest management investment.

Today, we are planning a $213 million investment at Columbus for a 2,000 ton per day mill, the first announced since linerboard and corrugating medium moved into tight supply world-wide more than a year ago. It will provide more than 600 jobs directly, most of them highly skilled. Its effect will spread into woods jobs, into jobs in related facilities, and into jobs in the service sector, accounting directly and indirectly for perhaps 2,000 new jobs in Mississippi and Alabama. It will provide a new market for the owners of small tree farms. And, it will help to close the gap between supply and demand for a product essential to the shipment of industrial and agricultural goods throughout our economy.

We have taken a calculated risk in announcing this project at this time. We think it is the way the log-jam will be broken. There is a need for such new investments to get product on the market as rapidly as possible, to blunt inflation, increase industry productivity, increase the efficiency of its use of raw materials, and increase its energy self-sufficiency.

The risk we have assumed is this: We have made this announcement, and have proceeded with this planning, on the assumption that the Congress and the Administration of this nation have recognized the ineffectiveness and counterproductiveness of maintaining a control structure. In other words, this investment is predicated upon our assumption that we will indeed have a control-free economy.

The rationale for this investment is that U.S. price for linerboard, the unbleached paperboard which is the proposed mill's principal product, will increase, by the time it comes into production, to about $200 per ton, slightly above the current world price level of about $195 per ton. Under last year's control structure, U.S. prices averaged about $127 per ton. This year, they have averaged $142. Under our present Cost of Living Council price commitment, they will go no higher than $165, until the expiration of that agreement.

But, if the price were not allowed to rise to world levels during the period of this mill's construction, the economics of this particular project would be marginal, at best.

The cost of money today is in the 8% to 9% range. This cost, coupled with the risks inherent in a capital commitment of this magnitude, requires that, in making any major investment decision, we feel relatively assured of a return on investment after tax of from 11% to 12%. And, in the case of an investment such as this one, that requires a price per ton of $200, and higher in later years as costs escalate. The equation is that simple. World free market trends make that price projection reasonable. But, continuance of controls would block such investments. The uncertainty associated with standby controls would have the same effect.

IMPACTS OF DECONTROL

As I have indicated, prices of pulp and paper products will rise to world levels after decontrol. There will be a short-term inflationary impact. This does not mean, however, that over the long term there will be a significant increase in the per capita cost of paper consumption in the United States. Paper long has been "over-engineered" for the functions it is called upon to perform in this nation; we read magazines with pages of blinding brightness; we read newspapers heavier—in physical weight per page—than anyone else in the world. We overpackage many items. Because paper has been so cheap, we waste it through inappropriate grade uses. With lighter-weight newsprint, with magazine and business papers just a shade less bright, with lighter weight boxes, and in thousands of unnoticeable ways, we can use paper and the resource from which it comes much more efficiently. It is price movement that will have just that gradual economic result.

In individual consumer terms, this more appropriate use of paper, as well as the increase in total supply, will make the long-run price impact of decontrol insignificant.

THE U.N. AND THE RICH-POOR GAP

Mr. McGEE. Mr. President, in yesterday's edition of the Washington Post, there appeared an excellent column written by Marquis Childs entitled "The U.N. and the Rich-Poor Gap."

I am in complete agreement with Mr. Childs' assessment of the performance of U.N. Secretary General Kurt Waldheim in focusing on the issue of the widening gap between rich and poor nations. The Secretary General has dramatically brought to the attention of the international community the gravity of the world situation, today, and the need for a cooperative effort aimed at preventing disintegration of the global economic order. I commend the Secretary General for this vital leadership role he is shouldering so admirably.

The point is well taken that despite the erosion of support in the United States Congress for the United Nations, this institution has never been needed more than it is right now. It is virtually impossible for any nation in the world today to live in isolation or to ignore the plight of less fortunate peoples in other nations. When we talk of starvation in the Sahel, for example, we are really talking about the survival of mankind on this planet. For, if we cannot respond to human misery elsewhere, particularly when the virtual survival of a people is at stake, our value system as a Nation becomes so eroded that we are in danger of losing the capacity for saving even ourselves.

All the rhetoric in the Senate about "America first" will never prevent ultimate disaster in this country.

I have often pondered that with mankind's capacity to conquer new frontiers and overcome physical and technological barriers, why human development should occupy such a low rung on the ladder of our priorities.

In my estimation, the most exciting challenge facing this Nation and the world is the true development of our human resources. This is man's greatest frontier; it is his greatest challenge. Yet, what prevents us from accepting that challenge? Our willingness to accept that challenge and our willingness to come to grips with these problems in an effective manner can only strengthen us as a Nation and as a global community. Like it or not, we are just that—a global community. We will either all survive together, or we will all perish together.

I ask unanimous consent that the column be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The U.N. and the Rich-Poor Gap

(By Marquis Childs)

New York.—On the lonely pinnacle of the tower on the East River over which he presides, Secretary General Kurt Waldheim talks about the limits of his powers to direct the policy of the United Nations. Persuasion is almost his only recourse along with the lever of public opinion which, at this point of world turmoil, is of little avail.

His immediate goal is to try to get the affluent nations to put up money to help poor and developing nations that face starvation and break down. This need has been made vividly known by the special session of the General Assembly called by Algeria to show the fearsome gap between the poor raw material producers and the rich industrialized countries.

Because he feels the need is so urgent, Waldheim took an almost unprecedented step. Although normally he sits mute on the General Assembly rostrum, the other day he spoke out after the speeches had ground on for 15 days.

"The fate of millions of people may well depend," he said, "within the next few months on what this special session does or does not do."

The sad fact is that almost no one outside the glass house on the East River is listening. Of course, Waldheim says in his office on the 38th floor, we can get an agreement on principles. But he wonders whether, as the session ends, any practical measures in terms of money or even the pledge of money from the affluent is in sight.

Recently, Waldheim visited the sub-Saharan region where starvation is developing at an accelerated pace. One thing he found was the great difficulty of getting existing supplies out to remote localities where primitive air strips would not take planes sufficiently large to carry meaningful loads. Waldheim agrees with those in Mali, Kenya, Ethiopia and the other drought stricken states that this may become the widest mass starvation in recorded history.

Aware of how little support the United Nations has, Waldheim talks of how it has functioned as a keeper of the peace. U.N. forces were ready to move in as Israel and Egypt worked out the disengagement of their troops in the Sinai. If Secretary of State Henry Kissinger can bring Syria and Israel to disengagement, the United Nations is prepared to carry out a peace keeping operation under more difficult and dangerous circumstances.

Having begun with such overblown hopes when it was founded nearly 30 years ago, there is disillusion because performance has fallen so far short of those hopes. But this ignores so much that the United Nations does in addition to its peace keeping functions. The specialized agencies have notable achievements to their credit.

Foremost among them is the U.N. Children's International Emergency Fund. The appeal of UNICEF is universal because of the work done with children around the world. UNICEF's director, Henry R. Labouisse, is an able and imaginative public servant who served as American ambassador in several posts before going with the United Nations.

He succeeded several months ago in getting his people into Hanoi to have a look at the plight of children in North Vietnam. A first for the U.N., UNICEF will give help proportionate to the need in South Vietnam, Cambodia, Laos, in the areas in South Vietnam held by the Vietcong and in the North. This is in accord with the agreement signed in Paris in January 1973, calling for humanitarian assistance to all parties to the conflict. That has been largely ignored as the fighting goes on.

When he spoke to the special session of the General Assembly, Secretary of State Henry A. Kissinger committed the United States to a "wide-ranging multilateral effort." The speech was long on analysis and broad generalizations and short on any specific promise of help. Ten days after Kissinger spoke, President Nixon asked Congress for more than $5 billion in new foreign aid, much of it going to the Mideast to underwrite the Nixon-Kissinger peace initiatives.

A controversy has long continued over whether aid should be unilateral, as is this latest package, or multilateral through such agencies as the United Nations and the World Bank. Opposition has increasingly stiffened in Congress against distributing American dollars through international agencies. For nations in desperate straits as a result of the oil-fertilizer shortage, for the millions close to starvation in sub-Saharan Africa, it is a debate as empty as the principles adopted by the United Nations are likely to be.

THE GENOCIDE CONVENTION: GOOD GROUP LIFE INSURANCE

Mr. PROXMIRE. Mr. President, today I wish to urge the adoption of the Genocide Treaty. The United States is proud of its heritage of being a country developed by many different ethnic, national and religious groups. The "melting pot" of the 19th century may no longer exist, but it is a reminder of how many diverse groups joined together to make a very strong nation. The benefits of this social phenomenon have been enormous and should be continued and promoted.

The United States has laws against homicide—the murder of an individual. However, there are no laws in America against genocide—the deliberate extermination of a group of individuals. An individual should be able to belong to any group without fear of harm. Groups of individuals should be protected and insured of their survival in the same manner as an individual is protected with laws by this Government.

With its tradition of being a nation made strong by its internal diversity of groups, our Nation has a responsibility to insure the survival of these groups within its own boundaries as well as pledging its belief in the protection of all groups throughout the world.

The cultural benefits of a group cannot be maximized if its survival is uncertain. The United States should insure any group of individuals from deliberate annihilation. The ratification of the Genocide Convention will show to the world that we stand behind our tradition of great achievements made possible by the "McHing Pot" and at the very least that we are willing to insure the survival of all groups. I urge the prompt consideration of the Genocide Treaty as a good group life insurance policy for the United States and the world.

CHEMICAL WEAPONS SYSTEMS

Mr. NELSON. Mr. President, I took great interest in reading an article by Congressman WAYNE OWENS in the Outlook section of Sunday's Washington Post. The piece is entitled "Assessing Chemical Warfare," and perceptively sets forth the major issues involved in this important subject. Among other things, the distinguished Congressman from Utah points out the sad fact that over the past 10 years our country has spent more than a half billion dollars in connection with chemical weapons systems.

I ask unanimous consent that this article be printed in today's RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ASSESSING CHEMICAL WARFARE

(By Representative WAYNE OWENS)

With hearings about to begin this week on U.S. chemical warfare policies, a House subcommittee will be considering a range of issues from U.S. Army proposals to adopt a new binary nerve gas system to international implications of our chemical warfare program on total arms control.

There is no concrete evidence that the chemical warfare program, which has been in effect since World War I, has contributed in any constructive way to the defense posture of this country.

Indeed, it is possible that the substantial funds spent since that time, and especially since the end of World War II, may have had a limiting effect on the development of other new military systems and the procurement of additional conventional weapons.

There is also the question of what impact a revamped U.S. chemical warfare system would have on current international negotiations controlling these weapons.

That old military adage about winning by "getting there firstest with the mostest" is particularly true about chemical warfare.

Most military tacticians agree that the first to attack with a chemical agent will gain the maximum advantage; once this advantage is lost, the effectiveness of chemical weapons is reduced. Our policy since the end of World War I has been that this nation will not initiate the use of chemical warfare but reserves the right to retaliate against an enemy which has initiated its use.

Since other nations have chemical warfare agents in their stockpiles, this means that the U.S. has had to adopt a posture which would prevent the use of chemical agents by other nations or to develop protection against them.

HISTORIANS DISAGREE

An attempt to meet this objective was made, at least in part, by producing and stockpiling chemical warfare agents and munitions to deliver them. An effort also has been made to develop detection and preventive devices so that U.S. troops would be able to survive a chemical attack. This was well before this or any other nation had the tactical or strategic deterrent capability of nuclear devices.

There is no evidence today that the capability which the U.S. possesses in the form of chemical warfare stockpile has had an effect of deterring any plans for the use of chemical weapons by any other nation.

For example, military historians disagree as to whether the fact that the U.S. was prepared to retaliate with chemical weapons had any influence at all on the decision by the enemy not to use chemical weapons during World War II.

While the possession by the U.S. of chemical weapons may have had some deterrent value during that war, retaliation today could be an immediate and instant use of nuclear weapons.

Since an enemy which made a decision to use chemical agents obviously would have the capability of fighting in a toxic environment, the net effect of retaliation with chemical weapons probably would be a stalemate, with both sides slowed in their operations by the use of cumbersome chemical protective equipment. The advantage in such a stalemate would swing to the forces with the best defense against chemical weapons and with troop superiority.

In Europe, where chemical warfare most likely would occur, there is little question but that the Soviet Union has the most troops, so that the capability of producing such a stalemate would not appear to be the deciding factor in a war in that theater of operations.

This means, to many analysts at least, that the threat of retaliation with a chemical weapon would have little value in a confrontation between large, aggressive and nuclear-armed forces.

We must add to this the observation by Gen. Creighton W. Abrams, during testimony before the House Armed Services Committee, that, based on the evaluation of equipment captured during the Arab-Israeli October war, the U.S. Army is well behind the Soviets in defense against chemical weapons.

DELIVERY SECTION

While the binary chemical system is often referred to as totally new, actually the Army has been working on its research and development for more than 15 years. The system is not dramatically new except that it provides new approaches to the delivery of the toxic chemical agent. The chemical agents which may be produced within the munition are still the standard chemical nerve agents.

The military code names for these agents are GB, an odorless, colorless, lethal gas which evaporates at room temperature and is absorbed primarily by inhalation, and VX, a more toxic and less volatile nerve agent which can kill either when absorbed through the skin or inhaled.

The binary chemical weapon system developed by the U.S. is said to offer many advantages in safety, munitions handling, manufacture, transportation and stockpiling.

Basically, the system has been engineered so that the nerve agent is not actually produced until the munition is fired. This munition is loaded with one chemical which is relatively safe and non-toxic and then another chemical of the two-part system is stored separately until the munition is prepared for firing. When ready, the second ingredient is loaded, and, during the flight to the target, the two chemicals react with each other to produce the toxic nerve agent. Each of the ingredients can be stored separately and the munition can be handled, shipped, demilitarized or other functions carried out with no more than the risk associated with any explosive material.

NO U.S. PROPOSAL

For the past several years, the U.S. and other nations have been seeking a treaty at Geneva to control chemical weapons. The talks resumed last week with the U.S. still expressing an interest in banning chemical weapons, but we have yet to come forward with our own definite proposal for a chemical warfare weapons treaty.

Our representatives at these negotiations have indicted their dissatisfaction with proposals from other nations. The U.S. has, however, made it known that we are close to transforming our existing stockpile of post-World War II nerve agent munitions into the new binary system.

This has produced reactions at Geneva indicating that such a plan on the part of the U.S. suggests a lack of real interest in reaching a treaty on chemical warfare. Indications are that, should a binary weapons system be introduced, other nations would be enticed into the development of the same system, especially since the risk of handling chemical warfare agents would be reduced.

The U.S. Arms Control and Disarmament

Agency has publicly stated its opposition to the adoption of the binary system because of concern that such an action would essentially negate the current disarmament efforts.

The U.S. Army no doubt has some rationale for the proposed switch to binary weapons. It may be that a primary objective is to divert public attention by removing the public health hazards associated with current chemical weapons through the substitution of the safer binary weapons.

While improved safety is a worthy objective, the priority of this decision should be based upon a public evaluation of the need to maintain a chemical weapons stockpile in any form. Since the United States already possesses a chemical weapons stockpile, if this stockpile is managed more effectively than it has been in terms of avoiding public health and safety issues, there should be no urgency in pressing on to the binary system until the Congress has had adequate time to examine the proposed switch in chemical weapon systems.

This proposal should be thoroughly evaluated before the nation's limited assets are committed any further to the maintenance or restructuring of a weapon stockpile which seems to have only a doubtful military credibility at best.

LARGE INVESTMENT

Many citizens are unaware of the large investment which this nation has made in chemical weapons. Although it is not possible to obtain precise data on this investment due to the super-secret controls in the past, some perspective on the costs can be acquired through examination of current research and development programs. As a part of the total investment in national defense, the toxic chemical weapons program is small.

However, over the past 10 years, this nation has spent more than half a billion dollars in research, development, test and engineering of toxic chemicals and procurement of these chemical systems.

It can be estimated that a decision to begin the introduction of the binary weapon into our stockpiles would initially cost many millions of dollars. Final replacement of all current chemical munitions systems—rockets and spray tanks as well as artillery and destruction of current weapons—will cost from $1 billion to $2 billion.

The Army has already asked for funds in the new budget for fiscal 1975, starting this July 1, to begin production of the binary system and plans currently are under evaluation to begin open-air testing of the munitions. Examination of these proposals by the Congress should be thorough and should precede any further financial support.

Legislation I have introduced is now before the House Foreign Affairs Subcommittee on National Security Policy in Scientific Developments. This will provide an opportunity for this public examination in five days of hearings scheduled to begin May 1. It will also provide a forum for consideration of the total implications of adopting the binary weapon as well as full examination of the validity of the policies of no-first-use and retaliation in kind.

This nation made the decision that biological warfare agents could be eliminated from its arsenal. Policies concerning chemical warfare should be examined in public to establish whether the U.S. could safely make the same decision regarding chemical weapons.

If not, the public should be given the opportunity to participate in any decision committing public resources to retaining such a controversial weapons system and adoption of the new binary system.

At the same time, every effort should be made to insure that our forces are equipped to defend themselves against any enemy which would risk nuclear war by attacking with chemical weapons.

MIDWEST WOMEN'S HISTORICAL COLLECTION

Mr. PERCY. Mr. President, to both preserve and encourage an accurate accounting of women's history, the University of Illinois at Chicago Circle has established a midwest women's historical collection as an archive of source materials pertaining to 19th and 20th century women. The collection is housed in the manuscript section of the university library and is available for both scholarly and public use.

The purpose of this collection is to "gather, preserve, and make available for study those records which reveal women's roles and activities as these have been historically defined—and are currently being redefined."

For the information of those who may wish to take advantage of the materials that are now available, I ask unanimous consent that the current list of the midwest women's historical collection holdings be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. PERCY. The university library would welcome suggestions for other possible acquisitions. Comments and inquiries may be addressed to the collection at the University of Illinois at Chicago Circle, Post Office Box 8198, Chicago, Ill., 60680.

Midwest Women's Historical Collection: Holdings University of Illinois Library at Chicago Circle, Manuscript Section

Personal papers including correspondence, diaries, published and unpublished writings, speeches, awards and citations, photographs, newspaper clippings, artifacts. Inclusive dates are given for material in the collection; footage indicates linear feet occupied by the collection on shelving.

Jane Addams Collection, 1860–1970, 24 ft. Founder of Hull-House, Chicago.

Neva Leona Boyd Papers, 1911, 1963, 6 ft. Recreation training specialist and social group workers; Professor of Sociology, Northwestern University, Evanston.

Helen Tieken Geraghty Collection, 1933–1969, 5 ft. Theatrical producer of pageants for A Century of Progress, Chicago Railroad Fair, etc. Drama director, Ravinia Festival.

Haldeman-Julius Family Papers, 1833–1961, 14 ft. Marcet Haldeman-Julius, author and publisher of rationalist and Socialist literature in Girard, Kansas. Family papers pertaining to Jane Addams.

Irene Kawin Papers, 1922–1969, 1 ft. Probation officer and social worker. Also material on her sister, Ethel Kawin, child development specialist.

Nina M. Kenagy Papers, 1897–1961, 200 items. Educator. Director of Mary Crane Nursery School, Hull-House.

Esther Loeb Kohn Papers, 1896–1965, 20 ft. Hull-House Resident. Medical social work, child labor, immigrants.

Evelina Belden Paulson Papers, 1905–1968, 17.5 ft. Social worker, first director of social service department of Chicago Boys' Court.

Adena Miller Rich Papers, 1890–1966, 7 ft. Head Resident, Hull-House, 1935–1937; director, Immigrant's Protective League, 1926–1954.

Esther Saperstein Papers, 1949–1969, 20 ft. Member, Illinois House of Representatives, 1956–1966, Illinois Senate, 1966–. Education, mental and public health, and discrimination in employment of women.

Eleanor Smith Collection, 1887–1942, 1.5 ft. Director of Hull-House Music School until 1936. Includes her published and unpublished music.

Ellen Gates Starr Papers, 1881–1949, 1 ft. Co-founder of Hull-House. Xerox of items in Smith College Collection, Northampton, Massachusetts.

Lea Taylor Papers, 1896–1969, 5 ft. Settlement head, Chicago Commons.

Harriet Vittum Papers, 1900–1952, 3 ft. Head Resident, Northwestern University Settlement, Chicago.

Organizational records including charters and by-laws, annual and special reports, correspondence of Board members and officers, membership lists, minutes of meetings, committee records, publications, financial records, photographs, newspaper clippings, and scrapbooks. The designation "papers" indicates a virtually complete archive; "collection" indicates miscellaneous record holdings.

Bohemian Women's Publishing Company Collection, c. 1895–1900, 1 vol. Staffed and directed entirely by women, the company was located in Chicago.

Chicago Woman's Aid Papers, 1882–1967, 10 ft. Literary, civic, educational, welfare, and philanthropic programs.

Florence Crittenton Anchorage Papers, 1892–1973, 10 ft. Chicago branch of a national organization providing residence and assistance to unmarried pregnant women.

Illinois Humane Society Collection, 1879–1953, 143 ft. Case records on women and children focusing on suspected neglect or abuse.

Immigrant's Protective League Papers, 1904–1967, 17.5 ft. Founded in 1908 to assist immigrants to Chicago. Grace Abbott and Adena Miller Rich were directors.

Juvenile Protective Association Papers, 1887–1959, 11.5 ft. Organized in 1904 to aid delinquent and dependent children. Jessie F. Binford, director, 1916–1952.

League of Women Voters of Chicago Papers, 1910–1970, 20 ft. Organized in 1950 by ten Chicago-area chapters.

Mary Crane League Papers, 1928–1959, 2 ft. and 5 vols. Organized at Hull-House to assist the Mary Crane Nursery School.

National Congress of Parents and Teachers Papers, 1896–1965, 11.5 ft. Education, child labor, and juvenile delinquency.

Phyllis Wheatley Association Collection, 1908–1967, 15 items. Provides home for young Black women coming to Chicago to seek work. Chiefly annual reports.

Scholarship and Guidance Association Papers, 1914–1970, 3.5 ft. Established by Jewish women to provide scholarships for Jewish children.

Travelers Aid Society of Chicago Papers, 1914–1961, 6.5 ft. Established in 1888 by YWCA to assist newly-arrived women seeking jobs in Chicago.

Woman's City Club of Chicago Collection, 1914–1954, 1.5 ft. Annual reports.

Women for Peace Papers, 1963–1971, 200 items.

Women's Advertising Club of Chicago Papers, 1918–1969, 9 ft.

Women's Trade Union League Collection, 1908–1922, 1 ft.

Young Women's Christian Association of Metropolitan Chicago Papers, 1876–1960, c. 20 ft.

DARLING, WE CAN'T GO ON MEETING LIKE THIS, YOUR PRESIDENT IS GETTING SUSPICIOUS!

Mr. METCALF. Mr. President, the British humor magazine Punch provides a refreshing view on life with unique English wit. Punch writers show us that often the way to put a subject into its proper perspective is to laugh at it. Occasionally a Punch article leaves the humorous arena for a "straight" look at a subject, an examination which loses none of its perception when sharp, pointed criticism is substituted for slashing sarcasm. The March 27, 1972, issue of Punch contained just such an article by Alan Coren called, "Darling, We Can't Go On Meeting Like This, Your President Is Getting Suspicious!"

Mr. Coren's article is an especially refreshing and nostalgic piece that calls back memories to many of us that were in England in World War II. At this time when the United States is under attack in many portions of the world it comes as a welcome and poignant expression from an important British author.

In these times of international "diplomacy" it is comforting to find our old British friends have not lost sight of the history we sometimes overlook.

I ask unanimous consent that Mr. Coren's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DARLING, WE CAN'T GO ON MEETING LIKE THIS, YOUR PRESIDENT IS GETTING SUSPICIOUS!

(By Alan Coren)

Childhood, if you like, sweethearts.

We lived near the USAAF base at Ruislip, and from 1942 on they used to come to dinner, and they looked pretty good in those lightweight olive jackets and the beige gabardine slacks, and yes, of course, they brought gum and Mickey Mouse comics and model P–38's and Hershey bars, but I couldn't be bought for such gee-gaws, even then. I liked them for other reasons; they could talk uncondescendingly to four-year-old kids, and they made me laugh, and when they came for lunch on Sundays, they always wanted to go out in the garden and play softball. They had brought a new mood to the beleaguered premises, and though I couldn't have put my pudgy finger on it then, I can go back thirty-odd years and will catch the whiff of it, and I know now that it was youth. They had energy, and the British grown-ups I knew were all tired.

Added to which, they were flash, and kids like flash. They used to turn up in staff Hudson Terraplanes, and honk the horn. Up until then, my norm for servicemen had been my father, who used to pedal home from East Anglian bomber bases on forty-eight-hour passes, sixty miles on a rusty Rudge, and there he was in his blue serge overcoat and cycle clips and a filthy mood.

Let me not play down the significance of the gum and the comics. It was the beginning of the special relationship for me, the first currency of the long cultural interchange. Donald Duck and Goofy and Horace Horsecollar entered into the imagination the way Biffie the Bear and Korky the Cat and Keyhole Kate never did. Our cartoon characters were skinny, skimped, black-and-white, frequently spiteful. The Mickey Mouse crowd did good things, in full colour. They went fishing a lot, in nice country, they cooked outdoors, they drove red sports-cars.

By 1945, when I was seven, I had read a lot of *Saturday Evening Posts*. All those ads, people in swimming pools outside their back doors. Aunt Jemina blueberry muffins, and, at Christmas time, Lionel model trains with real steam coming out. American kids could also buy BB guns, and magic rings, and real cameras, and get muscular for only $1.98, whatever that was. I had also seen *Snow White* and *The Five O'Sullivans* and Mickey Rooney films where kids actually *ran* things, and the head swam with dreams of sitting on drugstore stools and ordering milkshakes and hamburgers. The only English film I remember was *Brief Encounter*, grey and damp and austere, where my mother, I recall, cried a lot.

It has, I suppose, to be said that a number of grown-ups of my acquaintance, if it could be called that, did not take as wholeheartedly to the Americans as I did, and the reasons are too well known by you and me to be worth repeating now. Except for the prime among them, which was that Britain had "carried the burden alone for long enough."

The words in quotes, as you know, are Richard M. Nixon's. Mutatis mutandis, as we Europeans say.

By 1946, they had gone; the three-dimensional ones, anyhow. But by then my Americanisation was well-founded; the mature comic books, the continuing movies, brought myth into my imagination, my codes were not those of Biggles and Drummond and Greyfriars School; my fantasy-tests took place on a nylon rope halfway up the Gotham Building lashed beneath Batman, or in the middle of Main Street with the dust and tumbleweed blowing between me and the advancing gun, or, a little later, twelve perhaps, in a shoddy Los Angeles one-room office, with my name on the frosted glass, and my feet on the secondhand desk, and a battered Studebaker coupe downstairs, and a .45 automatic in the top-right-hand drawer, and the silhouette of Sidney Greenstreet sliding suddenly across the door-panel, cigar-smoke threading through the transom. The childhood crush on America was deepening into infatuation. It was not yet love, but it would come to be.

Girls, at fifteen, 1953.

What chance did the pigtailed pimplies in their school blazers stand? They had to look like Susan Hayward and sing like Judy Garland, they had to have eyes that melted and long fingers that got into your hair. They had to be prepared to dance in the streets, even when it rained, without embarrassment or losing the beat as a result of passing buses. They had to have front porches and sassafras trees and magnolias, and it would help if their old man had a Buick convertible, and a star had to appear on their lower lip, just off-centre, when they smiled. I spent a long time looking for a star like that.

Joe Loss and Ted Heath and Mantovani playing *Charmaine*, who needed that? Or Troise and his Mandoliers, either? I used to play Hot Five and Bix Biederbecke records, in the dark, smoking illicit joints cobbled together from dogends and Bronco, and think of the long white turnpikes of an imagined Illinois that ran out in Chicago, with jazzmen up from the Delta blowing *After You've Gone*, impervious to the Thomson bullets whanging among the gin-filled coffee cups.

You will never know how much I wanted a tuxedo with a wing-collar.

And to play the cornet.

By eighteen, when I came to read books somewhat more seriously, the relationship started to get very special indeed. I pecked at Europe, but devoured America: I would read Malraux, but reread Hemingway; I would flick through the latest Angus Wilson in Smith's, but walk out with *The Great Gatsby;* I would take a poem or two of Dylan Thomas or Stephen Spender at an idle moment, but sit down for an evening with e. e. cummings or T. S. Eliot or Ezra Pound.

At Oxford, I Read English, but read American; Spenser and Wordsworth came out of the library, Dos Passos and Fitzgerald and Dreiser and Anderson and Salinger and Lardner and Perlman and Thorne Smith and Ford and Lewis and Farrell and Crane and Chandler and Bellow and Faulkner and Roethke and Thurber and Frost and Styron came out of the bookshops. As I write this, they're behind me on the shelves, my education.

It was time, too, when the European film industry surged on its assorted waves, and I admired Truffaut and Resnais and Antonioni and de Sica, and I would queue for them, in sleet. Unless *The Oxbow Incident* or *The Treasure of the Sierra Madre* or *The Maltese Falcon* was playing anywhere within fifty miles that night, for the umpteenth time.

In 1961, I went to Yale, and for two of the sort of years which will make up for whatever else happens in most lifetimes I travelled the United States and fleshed out the skeleton excavated from page and screen, and I cannot remember disappointment. Of course it was flawed; but I had never been anywhere so constantly and self-critically conscious of the need to repair its flaws; I had been used to old countries which had given up pursuing dreams. I returned to England in 1963 because I was, culturally, an Anglo-American, not an Americo-Englishman, and because I wanted to come home, but nothing that America did or that was done to it diminished my affection for it during the subsequent decade, even if my respect for it took a hammering, because I knew that whatever filthy side-alleys the country got itself up, it would come down again aware of its deviation from its ideals, if not, perhaps, totally cleansed of the filth. Anyway, nobody's perfect, comparisons are not odious, there's not a European country which has not stood among the My Lai bodies more than once, and with less recrimination.

For political and economic expediencies, I am a European. Sometimes people marry for money. No doubt they, too, become mushily sentimental about the loves they leave behind, because they do not stop loving them. But with countries, and with national relationships, need practical affiliations ruin emotional predilections?

Whatever the answer, Mr. Nixon, if my paramour wants to break it off, I want to hear it from her before I believe it. Not from some two-bit shyster lawyer she has temporarily retained to do her talking for her.

THE MIDDLE EAST

Mr. ABOUREZK. Mr. President, although the United States has vital economic and political interests in the Middle East, the foreign policy we have traditionally followed in that region has not often reflected the balanced approach which is necessary if those interests are to be protected.

The imbalance in America's Middle East policy stems in part from the perspective on the Middle East which is held by many Americans. If our Middle East policy is to reflect an accurate realization of our interests in the area, if it is to become more "evenhanded," as I believe it must, then the perceptions the American people have of the Middle East and its peoples must also undergo a change. This can only happen if we rectify the imbalance of "information" referred to by Edwin A. Roberts, Jr. in his article "On Considering the Case for the Arabs." In the article, Mr. Roberts recalls a question which "came to mind the other day when an Army veteran told me the following story."

During World War II the man was stationed in the Middle East. He was assigned to hunt down AWOL soldiers who often attempted to hide from the military police by dressing up in traditional Arab garb.

"Do you know how we used to tell who was a real Arab and who was an American deserter? We would watch the flies. When a fly would land on an American's face he would immediately brush it away. But the real Arabs would let flies crawl all over their faces and never bother to shoo them."

I was impressed by the story. It is exactly the kind of generalization that has haunted the Jews through the centuries. It is the kind of story ideal for promoting contempt for an entire people. It is the kind of story that is pure poison.

Mr. Roberts' article provides a very intelligent commentary on the state of contemporary American public opinion on the Middle East, and it points up several popular misconceptions which, although they are not held by all Americans, are nonetheless dangerous and ought to be changed. The article appeared in the National Observer on March 16, 1974. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

. . . On Considering the Case For the Arabs

(By Edwin A. Roberts, Jr.)

World at War, the brilliantly produced TV documentary about World War II, offered a chapter the other week on how the Nazis went about exterminating millions of Jews. The death camps were built along railway lines to simplify transportation problems, the occupants of the jammed boxcars were separated into those fit for work and those who would die: the latter were herded into gas chambers, and the corpses were disposed of in specially designed furnaces.

Nazi genocide is not unbelievable. We believe it because we can see it in films and read the accounts of survivors. Nor is the pain of the thought of it eased by 1,000 or 2,000 years of time. It happened just 30 years ago. Yesterday. Many crimes of state will eventually pass from human memory, but the systematic murder of six million innocent Jews will be remembered forever.

If there are any anti-Semites around, and if they want to get well, they might decide to watch the *World at War* installment called "Genocide." After that they could minister to their brains with James Michener's *The Source* and Anne Frank's *The Diary of a Young Girl*. If those measures don't lance and drain their hatred, they must be considered hopelessly insane.

BECAUSE OF HITLER . . .

Ironically, it is chiefly because of Hitler that the state of Israel exists today, and it is because of the holocaust that 50 per cent of all Americans sympathize with the Israelis and only 7 per cent with the Arabs (43 per cent expressed their neutrality or had no opinion, according to a recent poll).

The problem that arises, then, in conventional American assessments of the Middle East dilemma is that the Arabs are penalized for the crimes of the Nazis. And penalized in fact as well as in analyses are the Arab refugees who lost their homes when Israel declared itself an independent state in 1948.

Therefore, it's reasonable for those of us who wish Israel well to remember that Israel's callous attitude toward the Arabs it dispossessed 26 years ago is a crime, a crime that has hugely exacerbated Middle East tensions. And while we are saying this we should say something else as well. There are people in the United States who seem to believe that any criticism of Israel is prima-facie evidence of anti-Semitism. As for name-callers of that stripe we may fairly invite them to drop dead.

AN IMBALANCE OF INFORMATION

The injustice done to the Arab world by American attitudes stems from an imbalance of information. Most of us learned about the great Jewish civilization of the ancient world from Bible lessons and schoolbooks. But how many of us were taught about the flowering of Arab culture and the rise of Islam some 1,300 years ago?

At its height the Arab empire stretched from northern Spain across North Africa into the heart of Asia. Inspired by the teachings of Islam, the Arabs produced some of the world's greatest art in their buildings (especially the mosques), book illustrations and bindings, textiles, metal objects, glassware, pottery, wood carvings, and molded plaster. They were the leaders in medicine and mathematics. Parts of the Arab world produced a rich literature and paintings of the highest quality.

Some years ago I was a guest in the home of a vice president of Morgan Guaranty Trust, a big New York bank that specializes in financial dealings with foreign governments. Several Arab businessmen were present. At one point during the evening one of the Arabs turned to me and asked: "Why is it that so many Americans think of Arabs only as sweaty riders of camels?"

The question, which was more a lament than a question, came to mind the other day when an Army veteran told me the following story.

During World War II the man was stationed in the Middle East. He was assigned to hunt down AWOL soldiers who often attempted to hide from the military police by dressing up in traditional Arab garb.

"Do you know how we used to tell who was a real Arab and who was an American deserter? We would watch the flies. When a fly would land on an American's face he would immediately brush it away. But the real Arabs would let flies crawl all over their faces and never bother to shoo them."

I was impressed by the story. It is exactly the kind of generalization that has haunted the Jews through the centuries. It is the kind of story ideal for promoting contempt for an entire people. It is the kind of story that is pure poison.

In Odessa in 1966 I met a young man who had just finished several years of engineering school in Russia. He was on his way home to become director of the electric company in Cairo. He said to me: "I like Americans. They mean so well. But their ignorance of the Arab world is dangerous—to us and to them."

THEIR ONLY WEAPON IS OIL

Well, the great days of Arab civilization are in the past. Now the Arab world is composed largely of very poor, underdeveloped countries that are struggling to catch up with the industrialized nations. Their only important weapon is oil. Should we wonder that they decided to use it when they felt their interests were being ignored, when they could see their brethren living in extreme misery because they were the flesh-and-blood victims of the establishment of Israel?

Henry Kissinger, the most spectacular diplomat of modern times, understands that in the Middle East both sides have a strong justification for their posture. He knows both sides have ample cause for fear and anger—no matter on which side of the scale he presses his thumb from time to time. It would be well if more of his countrymen were similarly aware.

The Israelis deserve a secure national home. The Arabs deserve a better break from American public opinion.

EDUCATION AT THE U.S. NAVAL ACADEMY

Mr. HATFIELD. Mr. President, today I wish to insert in the Record the following essay, "On the Inside Looking In," by James E. Schreiber and Chris R. Perrien, two graduating midshipmen at the U.S. Naval Academy at Annapolis. This essay won first place in the Naval Institute Midshipman Essay Contest last spring. The judges were comprised of Naval Academy faculty.

Although the Naval Institute normally publishes each year's winning essay in its monthly journal—Naval Institute Proceedings—this essay about the quality of education at the U.S. Naval Academy was considered "inapplicable" to its readers. Thus the Institute's Board of Control instead chose to publish the third place winner on a topic about the New England fishing industry

I feel this essay should be published as it is applicable not only to the Navy and its future officers but to the American people and the Congress as well. I am proud of such idealism and sincere desire to improve the quality of education at the Naval Academy—an education that costs the American taxpayer between $65,000 and $100,000 per graduate. The education of our future officers and citizens is important. No one should censor the students' right to speak their own mind on their educational process. This essay represents the individual perceptions of two gifted midshipmen. We can all learn from them. We should be proud of what they have to say. And we are delighted that the spirit of John Paul Jones is still alive and well in Annapolis.

I ask unanimous consent that the article, "On the Inside Looking In," be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

On the Inside Looking In

(By James E. Schreiber and Chris R. Perkins)

> "It is by no means enough that an officer of the Navy be a capable mariner. He must be that, of course, but also a great deal more. He should be as well a gentleman of liberal education, refined manners, punctilious courtesy, and the nicest sense of personal honor. He should be the soul of tact, patience, justice, firmness, and charity."
>
> —John Paul Jones.

These words of John Paul Jones are as true today as they were in the days of the colonial Navy in describing the characteristics of a good naval officer. Our Navy has always needed men of such caliber to man her ships. These qualifications are still demanded, but the environment in which these officers must be produced and function has changed radically. Today's Navy must ensure the continued production of such men. The Naval Academy, as the Navy's primary source of career officers, plays a vital role in the professional development of these men. The Academy is in danger of allowing itself to become outdistanced by the ever-increasing pace of social change. The inevitable result of this gap is the failure for further justification for the Academy's existence. Its mechanisms of personnel management are in danger of becoming as archaic as the *Bon*

Homme Richard would be in today's fleet. In taking time to examine the Naval Academy as an institution we feel that its structure needs to adapt in order to continue to produce men worthy of John Paul Jones' description.

We must ask ourselves if Academy structures, as presently constituted, really bridge the separation between a man and his ideals, or, in fact, present additional barriers to their attainment. The analogy of bridges and walls provides us with a ready means of analyzing many conceptual goals which the Academy sets. An aspect of the structure can stimulate a midshipman to interact intelligently with his surroundings, thus bridging thought and action; or it can repel him, thus walling him off from concepts he needs to understand. The walls are many, causing a midshipman to become alienated from society, from officers and enlisted men, from his peers, and from his profession. The same materials which build walls, however, can serve to build bridges.

The Naval Academy's great strength has always been its ability to simultaneously *educate* an individual while *training* him in the art of the naval profession. As a college the Academy sets the stage upon which a man molds his mental framework. Consciously or unconsciously, he develops a moral ethic and self-image that will hopefully possess the resiliency to endure a lifetime. During this period he must practice a mental discipline that will enable him to make confident decisions about his environment. He learns to effectively interact with people of divergent backgrounds in unrehearsed circumstances. These are the demands of an educated individual.

Additionally, within a framework of military discipline the Academy must be able to provide effective functional training. The profession needs the man who has the necessary expertise to do his job and the intellectual discipline to articulate and project his personality as a leader.

We feel the Naval Academy's perspective has become too task-oriented, critically neglecting the need for accommodating individual development. Greater concern has been given to the external image of the school rather than its internal composition. Training is allowed to dominate education. The individual is prostituted to the smooth functioning of a group which merely serves a decorative purpose. Individual submission for group benefit is the essence of military discipline, but within the specialized training environment of the Academy an individual's conception of his own value must be reinforced. The midshipman must feel that he has contributed to the group's realization of its function, and not that the group has manipulated him to that end. Walls have been constructed between the midshipmen and the fulfillment of our mission, diluting their enthusiasm for professional involvement.

Within the Brigade of Midshipmen there seems to be little perception of any concrete goals other than the positive maintenance of traditional behavior. The Academy appears to many as a discontinuous series of obstacles to be endured, and when possible, avoided, rather than a continuous opportunity for personal expansion and the development of professional skills. Young men enter the Academy with the necessary resources to become naval officers. It should be the purpose of the Academy structure to channel and translate these attributes into a sound foundation upon which effective careers can be built.

Constant criticism, lacking sensitivity and foundation, is analogous to indiscriminate saturation bombing. It sometimes strengthens the enemy's will to resist and his unwillingness to negotiate. Recognizing this, we do not intend to propose an itemized account of those areas of Academy life which are often the focal point of midshipman consternation. This is not to say such criticism is invalid, but rather we hope to probe deeper into these inconsistencies, and contribute to an atmosphere of mutual respect which promotes possible solutions. A system which can create and react, within itself, to constructive thought possesses the dynamic force which makes an institution pliable enough to endure inevitable change from without. We cannot be complacent with precedent nor defensive to criticism. Let us then investigate some fundamental features of the Academy. We will deal with the friction between dichotomous areas both of which must strike their balance within the Academy structure. Our purpose is not to be comprehensive, but rather, contentious, for contention leads to dialogue and dialogue to bridge-building.

The Naval Academy realizes it cannot complete the transformation of a candidate from civilian to sailor in a period of four years. It can merely provide its graduates with a common nautical background and attitudes to guide their future development. The indoctrination of a midshipman emphasizes the formation of certain character traits which the Academy feels are essential to this transition. A flaw lies in the fact that in implementing its training policies the Academy in many cases obscures its intentions. Just one effect of this obscureness is to cause many midshipmen to associate accountability merely with attendance at informations and not as a fundamental trait of a disciplined officer. In 1966, aboard the aircraft carrier USS Oriskany, the negligence of but two or her crew resulted in a fire that imperiled the ship and killed 44 men. The men had been unqualified to do the job and were unsupervised at the time, two situations a responsible officer would not have allowed to occur. A sense of accountability for one's actions is vital in preventing such occurrences. This serves to illustrate the serious consequences the lack of such a basic concept can have. It is vital that a midshipman be provided an appropriate atmosphere in which he can perceive this characteristic as more than just a nostalgic initiation to naval tradition.

The Academy attempts to impart an innate sense of many virtues organic to a good naval officer. Nebulous terms such as integrity and responsibility are used in justifying many Academy structures on philosophical grounds. Unfortunately the serious distortion which these structures introduce results in many midshipmen rejecting the arguments and sensing a poorly integrated overall philosophy. Thus the Academy defeats its own purpose. Its ideals are sound, but their implementation is poor. This partially stems from the fact that Academy structures are the result of years of modification with little consideration of their cumulative effect. The upshot of this is a disjointed set of regulations and precedents. The effect on midshipmen is a decidedly negative one. Few midshipmen feel as if they are a part of the Navy. Graduation is not viewed as a logical step from one phase of the professional pattern to another but as an induction into a distinct new way of life. Midshipmen are treated as neither enlisted man nor officer, save for appropriate conduct purposes. Our system places midshipmen in a kind of limbo in relation to the naval rank structure. It appears to lack sufficient correlation to fleet policies in terms of personal management, privileges, and procedures. The standards of the Academy should adhere more closely to the guidelines of the fleet in order not to distinguish the Academy as a separate service within the Navy.

Midshipmen are constantly reminded to conduct themselves as officers, yet are not granted many of the prerogatives of an enlisted man, notably in financial matters. Midshipmen should be categorized as one or the other, enlisted or officer, and treated accordingly. They could then shed their feelings of dissociation from both groups and identify more closely with them.

The dual role of the Academy as an educational and training institution often results in a confrontation between intellectualism and militarism. The two must appear in separate but well balanced proportions. It is not difficult to see how mutually antagonistic intellectualism and miltiarism can be. There can be no dispute that orders in battle must be unquestioningly obeyed, for when authority becomes the target of disbelief anarchy soon follows. It must also be apparent, however, that a rapidly changing world demands officers capable of rational thought to develop new doctrines and social forms. The answers to the Navy's drug and racial problems cannot be found in any personnel manual; they will come from officers with the capacity to empathize with and comprehend the roots of the problem. Coerce our officers to be unthinking organization men and the Navy will become a stagnant institution concerned only with its own perpetuation.

The Naval Academy product must combine militarism and intellectualism. Allow one to wall out the other and a vital dimension is lost. A blend of the two is essential. When military smartness seems for show only, and not a measure of pride; when midshipmen officers are chosen for their ability to follow every regulation rather than for their ability to arouse enthusiasm for the job; when officers view midshipmen as incapable of making significant decisions—then a feeling of frustration and impotence can only result and any good the system may try to do is vitiated.

The Academy must realize the danger of implementing its policies in a purely militaristic manner. Every action of a midshipman is specified to the letter without chance for debate. Men of the age group into which most midshipmen fall are in a questioning period of their lives as a fact of psychological maturation. To demand that they adhere to a predetermined doctrine is obstructive and perhaps destructive. Midshipmen should be allowed to further develop the abilities which gained them their original admission. The Academy structure seems to deny a midshipman the chance to assert himself for fear that he will fail. Learning is a process of trial and error. People do fail, but learn by such failure. To give a man a task along with a specific manner in which to do it reduces his position to one of a person following a recipe. The Academy must give the midshipmen free reign to manage their affairs and accept the possibility that they may fail.

Many midshipmen allow their creative talents to stagnate during their stay at the Academy. One need merely look at the generally poor quality of the student publications to see that many people who were formerly adept at this activity are not participating. The largest obstacle to the development of such abilities is the lack of sufficient time for their pursuit. The remedy is not the addition of a three-hour course in arts and crafts or shop skills, but a relaxation of rigid daily routine in order that the midshipmen can make time within the day for their interests. Midshipmen must be entrusted to budget their time effectively. Time to read, think, or create cannot be scheduled, but must be accommodated when one's mood is inclined to it. Provisions for more activities of a creative nature would encourage more men to develop their artistic talents. This is not to suggest the abandonment of physical development but rather a balance of the areas in which a midshipman may care to develop himself. Instead of merely tolerating extracurricular activities the Academy should provide the time and encouragement for their development.

The Academy trains midshipmen how to deal with a defective gun mount or a high water boiler, but it is deficient in educating them to deal with the men who must maintain and repair the equipment. To anticipate the problems they will face in the fleet they must be attuned to the crosscurrents shaping our society. Were a man chained in a cave and his only images of the world were seen as shadows on the wall we could not hope for his conceptualization of reality to be accurate. While midshipmen wear no chains, they often rely on shadows for their experience. Our military, deriving its manpower as it does, must reflect the society it serves. A familiarization with society's problems will enhance their capabilities for relieving their disruptive effects in the fleet. Men are human beings, not pieces of machinery; it takes a subtler technique to keep them working. Good performance requires a just measure of discipline and understanding. The Naval Academy fails in this respect, that if a graduate treated our machinery the way the Academy conditions him to treat his men we would soon have a fleet of derelict ships.

At present the academy tends to wall midshipmen off from society. Aside from restricting them physically from outside contacts, it programs them so that even when such contact is possible it is not fruitful. The harsh class distinction prevalent in many companies causes midshipmen to stereotype people and ideas excessively. Many are too willing to accept mediocrity without question. The low tolerance for unconventional personalities and ideas leads to a blandness of character within the Brigade.

People are pressured officially and by unusually strong peer pressure to "fit the mold" of a midshipman. Such pressure denies the individual the opportunity to meet people objectively and take advantage of the opportunity to observe different modes of social behavior. Even many of the most perceptive midshipmen acquiesce in this area. Lack of contact with the changes in the culture creates circumstances wherein the Naval Academy becomes the only area of concern. Midshipmen become their own breed. Situated as it is, the Naval Academy has a plethora of cultural activities available for midshipman patronage. Midshipmen should be encouraged to utilize these facilities as a means of broadening their social outlook.

The opportunity for interaction with other social groups must be encouraged. The prevailing social trend of disaffection with the military will cause some groups to reject socializing. If midshipmen attempt contact with these then both have profited by the experience. Initiation of cooperative programs with local universities would aid the development of more worldly graduates.

A relaxation in the sharp delineation between the upper three classes could produce a cohesive, articulate brigade. Partial equalization of privileges between classes and the use of a general midshipman collar device, with the exception of midshipman officers, would encourage this. Midshipmen would be forced to view each other as people rather than as superiors and subordinates. Such ideas fly in the face of longstanding tradition, but in light of the Academy's mission they deserve consideration.

Further deliberation on the Academy's part is required to define the type of officer needed in the fleet. The leadership environment into which today's Academy graduates will be injected is one of the most complex imaginable. Recent disturbances in the Navy have been attributed to a lack of strong leadership on the part of many junior officers. With the development of the all-volunteer military, acting in a period of decreased public support, such deficiencies are alarming. The primary characteristic differentiating the Naval Academy from a civilian institution is its concern for developing men as leaders. Developing a man's leadership style is a crucial factor in producing a good officer. In light of this, the quality of leadership midshipmen are exposed to, and will naturally assimilate, becomes of paramount importance.

The Academy has produced a variety of leaders, each pursuing one of two leadership styles: offensive or defensive. A defensive leader has a "me *against* the world" attitude while the offensive leader is of a "me *and* the world" view. Defensive leaders deal with matters *ex post facto,* allowing themselves to be insulated from the real problems in their organization and viewing them as unchangeable.

Either by design or ignorance they do not confront a problem until it can no longer be avoided. Offensive leaders are able to recognize potential problem areas and are willing to actively pursue solutions, relying upon disciplinary action only as a final resort. They use standard doctrine as a guideline for the achievement of their mission rather than as a set of rules intended to solve every leadership problem. The defensive leader is like a housepainter, painting because the exterior is cracked and peeling. He declines personal involvement with a problem situation out of fear of failure, lack of ability, or apathy. The offensive leader is an artist, using his paint to achieve a desired effect, shaping a solution out of personal involvement. The defensive style is the safer of the two, but it is only remembered as long as the paint lasts. The offensive style, when successful, is more rewarding and remembered long after its time.

Currently, the Brigade is exposed to defensive leadership style. Punishment is assigned for an infraction of the regulations with little consideration for the cause of such behavior. A note to see a company officer more often than not indicates an impending reprimand. Officers are portrayed not as advisors for the professional development of the midshipmen, but as policemen enforcing the regulations on untrustworthy juveniles.

The situation can be changed. Midshipmen can be encouraged to use their initiative in the solution of company problems. The result would be officers employing offensive leadership styles, seeking to solve, not suppress, problems before they reached the critical stage. The lines of communication necessary for responsive leadership need to be opened. An "officers' call" for stripers during morning quarters, as aboard ship, would allow problems to be aired before they became serious. Monthly "company forums" in which company officers and interested midshipmen meet would allow officers to explain their goals and policies and for the midshipmen to raise points of dissatisfaction. This is not advocacy of the "town meeting" approach so seriously criticized after the USS Constellation disturbance, but rather a two-way flow of ideas in order for all to better understand their leadership positions.

More authority to make significant policy decisions should be granted to the midshipman leadership organization. Companies could be made more autonomous, along the lines of a shipboard department. Company commanders should be able to make positive changes in the administration of their units and not be used as puppets for negative leadership. The conduct system presents a logical point to initiate a reapportionment of authority. The present structure of the conduct system acts only as a demotivating influence.

The system does not allow an accused midshipman an adequate opportunity to defend himself when accused. He thus feels that he is the victim of an uncaring system designed solely to keep him in constant jeopardy of punishment. Midshipmen are liable for punishment always, but seldom for reward. We have a demerit system without the balance of a merit system. A more constructive approach would be to administer conduct along the lines of justice in the fleet. A midshipman charged for an offense would appear before a "company mast" and would be judged by his company commander. The accuser and witnesses would be summoned as necessary. Noteworthy achievements of individuals could be processed in like manner with appropriate rewards. If under such a system an accused midshipman is made to see the reason for a rule and why he must adhere to it, far more than the mere maintenance of order has been accomplished. Such an alteration would reinstate authority to its proper place.

Equally as important as the authority attached to a position of leadership is the type of man filling that position. The selection of midshipmen officers is a constant subject for debate and criticism within the brigade. Dr. Frederick Herzberg, a well-known figure in the management field, has said that an organization "defines its members as it needs them to be." The Naval Academy defines its desired midshipman officer as it needs him to be in order for the system to function in a predictable manner. A midshipman willing to follow the prescribed route will rise to a position of responsibility. The definition calls for defensive leadership—following regulations to the letter, accepting middle-of-the-road positions to appease dissident factions, and never taking the initiative to implement an untried or unproven program. In an attempt to find the "offensive" leaders within the brigade we propose a new idea. At present superiors evaluate their subordinates' performance. A training environment such as this it seems justifiable to accept the evaluation of the led as the measure of the leader. Underclassmen ought to be allowed a constructive evaluation of the leadership demonstrated by their immediate upperclassmen. Such evaluations should be weighed heavily in any assessment of a man's abilities. Only by doing this can we gain an accurate picture of a man's leadership potential. A man should be made aware of his weaknesses and failures now, and not when he reaches the fleet and his shortcomings become far more serious. Such a system is more demanding of all concerned, but adopting it could transform the character of leadership training at the Naval Academy.

Leadership ability is but one facet of the more encompassing term professionalism. The Navy today finds itself in an environment where its capabilities for protecting America's freedom of the sea are being questioned.

The rapidly expanding Soviet fleet, threatening to outshadow our own, demands the highest standards of professionalism among our officers if our Navy is to continue as a viable means of projecting our national interests. Where we lack quantity we must compensate with quality. "Professionalism is a way of life" is an often used cliché at the Academy, but the wisdom of the statement gives it validity. The Navy needs professionals in the truest sense of the word, men dedicated to their work, achieving self satisfaction through total involvement. An officer must have a deep personal concern for his profession if he is to become adept at it. He must actively seek out and understand new developments and trends within the Navy. He must possess a sense of the Navy's value in today's political situation. Such professionalism is self imposed, for no amount of coercion can force a man to become a dedicated officer. We cannot impress professionalism.

Impressed professionalism, however, seems to be the type being cultivated at the Academy today. Many future naval officers see "professionalism" as a euphemism for seemingly petty examinations and impractical courses. This attitude is brought about mainly by the midshipman's lack of real shipboard experience. He lacks a background against which to put his training in perspective. It is presently possible for a midshipman to pass through his four years at the Academy while spending only 2 or 3 months at sea. A special newsletter for midshipmen relating to them current events within the Navy is suggested as one solution, but it can only serve a limited purpose. The only effective way to make a midshipman a part of the Navy is to do just that, send him to sea more often. Thus we look back to earlier times when midshipmen spent their entire careers aboard a ship until they were ready to become officers. The modern day solution would be to adopt a trimester system similar to that by many other colleges. Midshipmen would alternate their academic semesters at the Academy with professional semesters in the fleet. A certain portion of the brigade would be assigned aboard ships of the fleet at all times in regular billets. Courses such as engineering and weapons could be learned first hand with immediate application for studied material. The advantages accruing from the adoption of such a system are immediately obvious. Professionalism would lose its "dirty word" connotation and become a source of pride and satisfaction. The schedules of a midshipman regarding leave and liberty would be brought more into line with those he would experience as an officer. Day to day association with the men manning our ships would provide first hand knowledge of problems facing the Navy and allow leadership courses at the Academy to assume a new dimension. Implementation of such a system would be a stormy process, but in the end we feel it would result in a vastly superior Naval Academy and a graduate fully prepared to assume his responsibilities as a naval officer.

In all probability the Naval Academy will continue to exist even if it fails to produce a significant number of acceptable naval officers. The Academy has a definite role in providing a showplace to project the pride and heritage of the Navy; but if it does become merely a self perpetuating body of routine, tradition, and facade with no real concern for the midshipmen then its existence has become incongruous. We can obtain officers with the professional competency to run the fleet from other programs such as OCS or ROTC. It should be the Academy's forte that it produces, in the long run, officers who have the versatility and adaptability to provide the Navy with dynamic leadership.

The Naval Academy obtains the raw materials to build men by admitting a cross-section of America's finest high school scholars and athletes. Though these young men range in political, economic, and social background they are all people accustomed to some degree of success and self-satisfaction. The Academy attracts, in a phrase, the "best and brightest" the nation has to offer. Unfortunately, from a midshipman's vantage point, it seems that many of their most promising contemporaries never graduate, and those that do, remain outstanding in spite of, rather than because of, the system. The Academy keeps the mediocre, hopes to lose the worst, and allows the best to escape.

The reasons commonly given for resigning are as varied as the individuals themselves. Some lose their desire for a career in the military based upon the experience gained during plebe summer and youngster cruise. Others do not feel that they are receiving the quality college education they felt had been promised. None deny the future an Academy ring assures them, but they decide that its price is too dear. They feel they are not realizing their fullest potential and that the Academy is stifling their growth.

Current retention statistics are misleading in justifying the Academy's apparent popularity. The spiraling costs of education will always be a factor in the retention of midshipmen. Hometown prestige, parental pressure, or social inertia prevents additional resignations. Most important, many midshipmen will overlook the insufficiencies and disadvantages of the Academy in anticipation of finding satisfaction in the fleet. Such reasons do not contribute to a healthy attitude within the brigade. Midshipmen should feel that they are building a satisfying life style for themselves. If the Academy is content to shrug its shoulders and bid goodbye to those it has disillusioned without ascertaining the reasons for their dissatisfaction then it had better prepare itself for a future in obscurity.

The possibility for a bright future exists. The Academy possesses some of the finest academic and athletic facilities in the nation. Despite its problems it remains a fine school, but it is in analyzing the realization of its purpose to its potential that shortcomings are apparent.

Only when the Academy decides to seriously come to grips with its problems, to find the cancer and prescribe a cure, will it graduate effective officers—mature, reliable individuals prepared to accept the challenge of a naval career. It cannot content itself with producing fragmented specialists and leaving the man of liberal background in the civilian world. It must strive for perfection but not expect complete fulfillment. Setbacks and conflicts are acceptable and, when properly understood, advantageous. It is a question of accepting the challenge and taking the risks.

"He who will not risk cannot win."

—John Paul Jones.

WITHDRAWAL OF MORE PUBLIC LANDS FROM MINERAL ENTRY

Mr. BIBLE. Mr. President, for some time I have been concerned by the continuing actions of the Department of the Interior in withdrawing more and more public lands from mineral entry. In this context, I have recently received a letter from one of the most knowledgeable individuals in the West expressing the same concern, Dr. Vernon E. Scheid, dean emeritus, the Mackay School of Mines, University of Nevada at Reno. He is former director of the Nevada Bureau of Mines and Geology, as well as former chairman and director of the Nevada Oil and Gas Conservation Commission. Dr. Scheid points out that through publication in the Federal Register, the Department of the Interior has announced proposals to withdraw over 1.6 million acres of land in the State of Nevada from mining location, while the Forest Service is proposing additional regulations and restrictions on millions of acres throughout the country which are so oppressive that, in effect, they will prohibit the operation of the mining law in these lands. The doctor points out that these actions are the same as scores of similar actions that have been going on for several decades and they are nibbling America to death. Dr. Scheid goes on to ask the Congress to stop these continuing withdrawals that infringe on America's ability to adequately protect itself in the future.

About the same time Secretary Morton delivered a speech before the Illinois Chamber of Commerce. The news release attached to it states:

> Secretary of the Interior, Rogers C. B. Morton, today called for a new national minerals policy which would reduce United States dependence on important minerals and thwart a possible cutoff of supplies by an international minerals cartel. The heart of the new policy he said should be a discovery of new domestic deposits of minerals and better recovery from known deposits.

To both of these objectives, I wholeheartedly agree. However, the release goes on to say—

> President Nixon's administration has proposed legislation to update procedures and policies for the management, protection, development and sale of the natural resource lands and for other purposes.

These measures, in my opinion, would not accomplish the Secretary's objective but would place such serious restrictions on mineral discovery and locations as to eliminate the small miner and prospector from his historic role of accounting for the bulk of the Nation's mineral discoveries. I would urge my colleagues to read carefully the letter to the Nevada congressional delegation by my good friend, Vernon Scheid.

I ask unanimous consent, Mr. President, that the Scheid letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Mackay School of Mines,
University of Nevada,
Reno, Nev., March 27, 1974.

An Open Letter To: The Honorable Members of the Nevada Congressional Delegation: Senator Alan Bible, Senator Howard W. Cannon, and Representative David G. Towell.

Gentlemen: Attached to this letter are copies of the first page of two official documents issued by the U.S. Bureau of Land Management (USBLM) (Federal Register, vol. 39, no. 39, p. 7474, Tuesday, Feb. 26, 1974) and the U.S. Forest Service (USFS) (Federal Register, vol. 38, no. 243, p. 34817, Wednesday, Dec. 19, 1973). In these documents the USBLM and the USFS announce their proposals to withdraw or to place prohibitive restrictions upon major portions of the U.S. Public Domain, so as to prevent a legally valid and time-honored public use of these lands.

The USBLM proposes to withdraw almost 1,600,000 acres of land in southern Nevada from mining location under existing mining laws. The USFS is proposing additional regulations and restrictions on 140,000,000 acres which are so oppressive that, in effect, they will prohibit mining on these lands. These actions are but two of scores of similar actions that have been going on for two or three decades and that are nibbling America to death: 10,000 acres here, 1,000,000 acres there. One might almost think it is a deliberate attempt to gradually eliminate mining from all federal land so that America becomes completely dependent upon foreign sources for its minerals!

Those who propose and support such withdrawals and restrictions may do so with the best of intentions, but they generally lack knowledge of the need for mineral materials. They have failed to apply the nationally accepted concept of "multiple use" of public lands, and in so doing they endanger the future security of America. Yet this is done in the face of an impending national "Mineral Crisis"! Have they learned nothing from the present "Energy Crisis", about which we were warned periodically for the past two decades?

The almost 1,600,000 acres, which the

USBLM plans to withdraw from mineral activity, is approximately 2,500 square miles, and the 140,000,000 acres, that the USFS is placing under impossible restrictions, amounts to about 220,000 square miles. The "Withdrawers", the "Restricters", and their supporters have said that these are small prices to pay to preserve the land for recreation and related activities. They ignore the fact that multiple use will produce an acceptable environment while allowing the land to be used for recreation, wildlife, necessary mining, etc., and when the mining is over, the land is reclaimed for other uses.

And is it such a small price? 2,500 square miles is larger than the entire state of Delaware; it is more than two times the size of Rhode Island; it is equal to one-half of Connecticut! 2,220,000 square miles is a tremendous area. It equals the total area of about 14 states: all of Rhode Island, Delaware, Connecticut, Hawaii, New Jersey, Massachusetts, New Hampshire, Vermont, Maryland, West Virginia, South Carolina, Maine, Indiana added together; plus more than three-fourths of Kentucky! This is a small price? The lands that have been withdrawn or placed under unworkable restrictions in recent decades, plus the land of these two proposals, equals about one-half of America's total public land! When will it end? We continue to weaken ourselves until some day, having become too dependent upon unreliable foreign sources and unable to mine and supply our country with vital industrial and defense minerals, we will be powerless to defend ourselves in case of a national military emergency.

To justify the withdrawals and restrictions, we are told constantly that no mineral deposits exist beneath those lands. Who says so—it must be some ethereal seer or supernatural crystal-gazer; for no man is capable, with our present knowledge, of saying that minerals for the future may not exist beneath many of the lands that have been withdrawn. History abounds with many instances when man through study, exploration, and deep drilling has found valuable mineral deposits; where others, in times past, have said they did not exist!

Among the many natural resources, the occurrence and existence of minerals and mineral materials is unique. They exist at specific locations, where nature put them. They cannot be transferred to other locations. They are non-renewable and cannot be grown by man. Thus, they must be discovered and developed where they occur. Therefore, in order to protect and safeguard the future national security and well-being of the United States of America, all lands under federal government control should remain open for all future time to mineral entry, prospecting, development, and production.

Our "Withdrawers" and Restricters" will say, "Ah, but these lands can be opened up very quickly by an Act of Congress in an emergency". This again demonstrates their lack of knowledge and understanding of mining and mineral production. Assuming rapid action on the part of Congress; how long will it take to explore and discover a needed mineral deposit—one year, twenty years? Even after having found such a deposit, it will take 6 to 15 years to develop the deposit and start producing. By that time the emergency is over and America is lost!

The United States cannot become completely self sufficient in mineral supplies, and it probably should not try to in the internationally minded world of today. However, we should not permit ourselves to become strategically dependent on unreliable foreign sources for the materials necessary to our security and economic life. If, however, we continue to withdraw and restrict our lands, we certainly will become dependent on foreign sources; which can be stopped on short notice and leave us vulnerable to foreign attack—witness the position of certain foreign nations in the present energy situation!

Is there no one in Congress to stop these continuing withdrawals? Those who fight against them win one small battle and the withdrawal of one small parcel of land is prevented, but next month or next year another area is withdrawn; for those who wish to see America remain free and our lands open are not always at hand to fight, or have been worn down by the constant battle against the well-intentioned federal workers, who regretfully are uninformed in mining but who in all sincerity think they are helping America. Surely there is someone in Congress who will attempt to reverse this suicidal trend. Someone who will present legislation to reexamine all withdrawn and highly restricted lands, to compel organizations such as the USBLM and the USFS to have their proposals reviewed and approved by U.S. agencies knowledgeable in mining; such as, the U.S. Bureau of Mines and the U.S. Geological Survey; before they are presented to the public for hearings and opinions. We must keep our lands open to supply our country with its necessary critical and strategic minerals.

Slowly but surely these never ending withdrawals and restrictions are destroying America's ability to protect itself in the future. I urge you, the Congressmen from Nevada and your colleagues in Congress to rescue your country, to reverse this disease that eats at the life of America before it is too late.

Sincerely yours,

VERNON E. SCHEID,
Former Director, Nevada Bureau of Mines and Geology, Former Chairman and Director, Nevada Oil and Gas Conservation Commission, Dean Emeritus, Mackay School of Mines, University of Nevada.

Bureau of Land Management

[N-219]

NEVADA

Proposed Withdrawal of Desert National Wildlife Range From Mineral Entry

FEBRUARY 15, 1974.

A request to withdraw the lands described below from location under the mining laws, 30 U.S.C. Ch. 2, but not from leasing under the mineral leasing laws, has been filed by the Bureau of Sport Fisheries and Wildlife. The lands involved are withdrawn and reserved from appropriation under the public land laws as the Desert National Wildlife Range by Public Land Order 4079 of August 31, 1966.

The withdrawal of the lands from the mining laws will further protect the area which is set aside for protection, enhancement and maintenance of wildlife resources, including bighorn sheep. Disturbance of the range by prospecting and/or mining activity cannot be tolerated in an area where wildlife survival depends on already sparse water and forage supplies.

For a period until March 28, 1974, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 300 Booth Street, Reno, Nevada 89502. The Department's regulations (43 CFR 2351.4(c)) provide that the authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources.

The authorized officer will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant, a public hearing will be held at a convenient time and place, which will be announced.

The lands involved in the application are:

MOUNT DIABLO MERIDIAN, NEVADA

T. 16 S., R. 53 E.,
  Sec. 10, E½;
  Secs. 11, 12 and 13;
  Sec. 14, E½;
  Sec. 24.
T. 15 S., R. 59 E.
T. 16 S., R. 59 E.,
  Secs. 1 to 30, inclusive;
  Sec. 31, NE¼;
  Secs. 32 to 36, inclusive.
T. 17 S., R. 59 F.,
  Secs. 1 to 4, inclusive;
  Sec. 5, E½;
  Sec. 7, SW¼, E½;
  Secs. 8 to 18, inclusive;
  Secs. 21 to 23, inclusive;
  Secs. 33 to 36, inclusive.
Tps. 9 to 12, inclusive, 12½, and 13 to 15, inclusive, 16 and 17 S., R. 60 E.
T. 13 S., R. 60 E.,
  Secs. 1 to 18, inclusive;
  Secs. 22, 23, 24;
  Sec. 25, N½;
  Sec. 26, N½;
  Sec. 27, N½.
Tps. 9 to 12, inclusive, 12½, and 13 to 16, inclusive, 17 and 18 S., R. 61 E.
T. 9 S., R. 62 E.,
  Sec. 4, S½S½;
  Sec. 5, NW¼SW¼, S½S½;
  Sec. 6, SE¼NE¼, W½NE¼, NW¼, S½;
  Secs. 7, 8 and 9;
  Sec. 10, W½E½, W½;
  Sec. 15, W½E½, W½;
  Secs. 16 to 21, inclusive;
  Sec. 22, W½E½, W½;
  Sec. 27, W½E½, W½;
  Secs. 28 to 33, inclusive;
  Sec. 34, W½E½, W½.
T. 10 S., R, 62 E.,
  Secs. 3 to 10, inclusive;
  Sec. 14, SE¼NW¼, W½NW¼, SW¼;
  Secs. 15 to 22, inclusive;
  Sec. 23, W½, W½SE¼;
  Secs. 26 to 35, inclusive;
  Sec. 36, W½W½.
T. 11 S., R, 62 E.,
  Sec. 1, W½W½;
  Secs. 2 to 36, inclusive.
Tps. 12, 12½, 13, 14, 15, 16 and 17 S., R. 62 E.
T. 18 S., R. 62 E.,
  Sec. 1 to 31, incl.
Tps. 9 to 13, incl., 14 and 15 S., R. 54 E., located within Lincoln and Clark Counties.
Tps. 9, 10, 11, 12, 13, 14, 15 S., R. 55 E.
Tps. 9, 10, 11, 12, 13, 14 and 15 S., R. 35½ E.
Tps. 9, 10, 11, 12, 13, 14 and 15 S., R. 56 E.
Tps. 9, 10, 11, 12, 13, 14 and 15 S., R. 57 E.,
T. 16 S., R. 57 E.,
  Secs. 1 to 9, incl.;
Tps. 9, 10, 11, 12, 13, 14 and 15 S., R. 58 E.
T. 16 S., R. 58 E.,
  Secs. 1 to 9, incl.;
  Sec. 10, W½;
  Sec. 14, W½;
  Secs. 16 to 23, incl.;
  Secs. 25, 26, 27, 34, 35 and 36.
Tps. 9, 10, 11, 12, 13 and 14 S., R. 59 E.
T. 16 S., R. 59 E.,
  Sec. 31, W½SE¼.
T. 17 S., R. 59 E.,
  Sec. 5, W½;
  Sec. 6;
  Sec. 7, NW¼.
T. 18 S., R. 62 E.,
  Secs. 32 to 36, incl.

The areas described aggregate approximately 1,583,000 acres in Clark and Lincoln Counties.

ERNEST T. GROVER,
Acting Chief,
Division of Technical Services.

[FR Doc. 74-4474 Filed 2-25-74; 8:45 am]

PROPOSED RULES

Forest Service

(36 CFR Parts 251, 252 and 293)

MINERAL RESOURCES ON NATIONAL FORESTS

Use Under U.S. Mining Laws

The Forest Service proposes to amend Parts 251 and 293, and add a new Part 252 to Chapter II, Title 33 of the Code of Federal Regulations. The new and revised regulations proposed will apply to prospecting, discovery, exploration, development, mining, and processing operations under the United States mining laws of May 10, 1872. They will apply to approximately 140 million acres that are open to location and entry under the mining laws within the National Forest System.

Increasing demand for minerals is causing an intensive search for new resources. Most easily accessible deposits have been found and it will be necessary to mine from greater depths and from larger, low grade near-surface deposits. Regulation of surface use of National Forest lands has not been adequate to achieve uniform protection of the environment. In order to meet environmental responsibilities, insure future productivity of renewable Forest resources, and more clearly define the rights and obligations of mineral operators; it is appropriate to provide new mining regulations to meet these objectives. Primary authority for these regulations is found in the Organic Administration Act of 1897, which provides that persons entering the National Forests for purposes of prospecting, locating, and developing mineral resources must comply with the rules and regulations covering the National Forests.

All persons who wish to submit written data, views, or objections pertaining to the proposed amendment may do so by submitting them to the U.S. Department of Agriculture, Forest Service, Division of Watershed Management, Rosslyn Plaza E, Room 810, 1621 North Kent Street, Arlington, Virginia 22200, by February 15, 1974.

All written submissions made pursuant to notice will be available for public inspection in the Division of Watershed Management during regular business hours (7 CFR 1.27 (b)).

The proposed amendment of Chapter II follows.

PART 251—LAND USES

§ 251.12 [Revoked]

1. Part 251 is amended by revoking § 251.12.

2. A new Part 252 is added to read as follows:

PART 252—MINERALS

Sec.	
252.1	Authority.
252.2	Purpose.
252.3	Scope.
252.4	Definitions.
252.5	Use of mining claims, surface resources.
252.6	Plan of operations—requirements.
252.7	Plan of operations—approval.
252.8	Availability of information to the public.
252.9	Inspection, noncompliance.
252.10	Requirements for environmental protection.
252.11	Maintenance during operations, public safety.
252.12	Cessation of operations, removal of structures and equipment.
252.13	Prevention and control of fire.
252.14	Access.
252.15	Performance bonds.
252.16	Appeals.
252.17	Operations within National Forest Wilderness.

§ 252.1 Authority.

Pursuant to the Act of June 4, 1897 (30 Stat. 85, 86, as amended; 16 U.S.C. 478, 551), persons entering National Forests for the purpose of prospecting, locating and developing mineral resources must comply with the rules and regulations covering National Forests. Section 4 of the Act of July 23, 1955 (69 Stat. 368, 30 U.S.C. 612), provides that mining claims subject to the provisions of that Act are to be used only for prospecting, mining, or processing operations and uses reasonably incident thereto, and that rights under such claims are subject to the right of the United States to manage and dispose of the vegetative surface resources and to manage other surface resources thereof. The Multiple Use-Sustained Yield Act of June 12, 1960 (70 Stat. 215, 16 U.S.C. 528–531), authorizes and directs the Secretary of Agriculture to develop and administer the renewable natural resources of the National Forests for multiple use and sustained yield of their several products and services for outdoor recreation, range, timber, watershed and wildlife and fish purposes. Section 102 of the National Environmental Policy Act of 1969 (83 Stat. 853, 42 U.S.C. 4332), authorizes and directs that, to the fullest extent possible, the policies, regulations, and laws of the United States shall be interpreted and administered in accordance with the policies of the Act.

§ 252.2 Purpose.

It is the purpose of these regulations to set forth rules and procedures through which use of the surface of National Forest lands in connection with operations authorized by the United States mining laws shall be conducted so as to minimize adverse environmental impacts on National Forest resources.

§ 252.3 Scope.

These regulations apply to operations under the United States mining laws of May 10, 1872, as amended (30 U.S.C. 22 et seq.) on all National Forest land under the jurisdiction of the Secretary of Agriculture to which such laws are applicable: *Provided, however,* That any area of National Forest lands covered by a special Act of Congress (16 U.S.C. 482a–482q) is subject to the provisions of this part and the provisions of the special act, and in the case of conflict the provisions of the special act shall apply.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. CLARK. Mr. President, I was necessarily absent from the Senate Tuesday, April 30. Had I been present I would have voted "nay" on the Abourezk amendment to S. 354 (rollcall No. 158, leg.).

TAX REFORM LEGISLATION

Mr. HUGH SCOTT. Mr. President, a revealing article prepared by David S. Broder for the Washington Post Writers Group lays before us a scenario on tax reform legislation coming before the Senate this spring. In view of imminent debate on this heady issue, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARTICLE FOR THE WASHINGTON POST WRITERS GROUP

(By David S. Broder)

WASHINGTON—Like flowers that bloom in the spring, tra-la, the Democrats are bursting with plans to spare you from the burden of taxes. Their biennial tax reform ballet is here—as spectacular, and predictable, in its way, as lilac time in the capital.

Say what you will about the Democrats—they do know how to manage these bits of political pageantry. About a month ahead of show time, the Congressional Joint Economic Committee, Maestros Patman and Proxmire conducting, will whip up the overture, with a fanfare of brass in their annual report for "elimination of various tax preferences which favor the highest income families and a reform of the regressive payroll tax."

Such long-time favorite performers as Walter Heller and Arthur Okun are provided suitable Capitol Hill stages from which to serenade the virtues of a bit a stimulus for the economy and a jolt of equity for the old Internal Revenue Code.

By April 9, the stage is set for Speaker Albert to do one of his infrequent solo numbers—a formal statement and press conference on the economy and taxes.

Two days later, Sen. Edmund S. Muskie arranges a corps de ballet exercise for more than a dozen of his Democratic colleagues (and a handful of willing Republican handmaidens, many of them up for reelection this year), who fill the Senate stage with bassoon blasts at the unfairness of the tax laws they and their predecessors wrote.

On the weekend of the income tax deadline, a pair of Brookings Institution scholars, Joseph A. Pechman and Benjamin A. Okner, conveniently chime in with a study showing that in the U.S. tax system, the poor man is privileged to pay just as steeply as the rich, which is not exactly what the civics texts say.

Finally, on Deadline Day itself, none other than the master of the 1972 Democratic Tax Revels, George McGovern, announces that "he will shortly introduce a comprehensive tax reform bill patterned after the tax proposals he outlined during the 1972 presidential race."

Since McGovern has spent most of the last two years denying to his South Dakota constituents that he ever heard of the fellow by the same name who ran for President in 1972, his unpacking a proposal from that campaign kit is evidence that something big is afoot.

And it is. Encouraged by Mr. Nixon's personal tax troubles and the signs of voter revolt in the special elections, the Democrats really are about to revive the issue that looked so promising to so many of them in the 1972 spring primaries—the broadly shared feeling among American voters that they are being rooked on their taxes.

It's a good issue for the Democrats. Unlike so many others, it does not set them cursing each other. And it addresses itself to a genuine public concern, a sense of unfairness which Pechman and Okner, in their little book, "Who Bears the Tax Burden?," say is based on a genuine grievance with the lack of progressivity in the overall tax structure.

Among those who can taste the political succulence of the tax issue are those prospective 1976 rivals, Ted Kennedy and Walter Mondale. They happen to be the principal sponsors of the major alternative tax proposals the Senate will consider shortly after its return to work this week. Both want to cut the taxes of low and moderate-income workers, as a stimulus to what they see as a lagging economy.

They have different methods for doing so. And their efforts to attach one plan or the other on HR 8127, the innocuous tariff bill on certain ship repair equipment which Sen. Russell Long has served up as a vehicle for this exercise, will offer a polite preview of what may be a more serious competition two years hence.

Later on, impeachment permitting, the Democrats may attempt more ambitious tax reforms, building on the energy legislation, in which the House Ways and Means Committee has already taken a sizable bite out of the oil depletion allowance.

The chairman of that august committee,

the redoubtable Wilbur Mills, is in a mood to play some tax law politics himself. He is busy defending his committee jurisdiction from a reform proposal which would strip him of control of health care and trade legislation.

Eager for allies in the Democratic caucus, Mills may well decide not to throw his body in front of the tax-reform express. In that case, the Democrats' baby may well wind up, as everything else seems to nowadays, on Mr. Nixon's doorstep.

The Democrats would dearly love to confront that gentleman with the prospect of having to veto a tax cut and/or tax reform bill just at the time he will be appealing to the public to help save him from impeachment.

It should be quite a show.

THE EISENHOWER CONSORTIUM

Mr. MONTOYA. Mr. President, the Eisenhower Consortium for Western Environmental Forestry Research is an organization made up of nine universities in the Rocky Mountain West and the Rocky Mountain Forest and Range Experiment Station in Fort Collins, Colo. Mr. Paul H. Silverman, the vice president for research and graduate affairs at the University of New Mexico, one of the charter members in the consortium, has recently sent me material pertaining to the work of the consortium.

So that my colleagues may appreciate the scope and the importance of the work being carried out under the auspices of the consortium, I ask unanimous consent that the new pamphlet entitled "Eisenhower Consortium for Western Environmental Forestry Research," and the paper entitled "A Program of Western Environmental Forestry Research" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EISENHOWER CONSORTIUM FOR WESTERN ENVIRONMENTAL FORESTRY RESEARCH

(*Seeking to understand relationships between man and his open-space environment.*)

THE SITUATION

A hundred years ago, settlers and transients swept West, seeking homes and fortunes. Their impacts on the environment were unplanned, unregulated. They cut trees, mined minerals, hunted wildlife, and their livestock grazed the ranges. Parts of the West are still recovering from that first westward migration.

Now a new and different wave of "settlers and transients" is surging into the central and southern Rocky Mountains and adjacent High Plains. They come as home seekers and vacationers. They differ from their predecessors in that they have enough money to reinvest part of it in pleasure—using the natural environment for personal enjoyment. So many people are making homes or vacationing in this region that their activities endanger the very open-space environment they came West to enjoy. Nature needs some well-planned help to cope with this second wave.

WHAT CAN BE DONE?

A key to dealing with open-space problems created by concentrated use is knowledge—of the ecologic consequences of use, of the ability of nature to absorb the effects of use, and of the degree to which demands for different levels and kinds of use can be satisfied.

Ten western research institutions have joined forces to fill some of these critical knowledge gaps. Nine universities and the Rocky Mountain Forest and Range Experiment Station (USDA Forest Service) have formed the Eisenhower Consortium for Western Environmental Forestry Research.

The Eisenhower Consortium pools a broad spectrum of research talent and expertise to find solutions where man-environment problems are most urgent in the West: the central and southern Rocky Mountain region and associated High Plains. It selects problems, establishes priorities, formulates research programs, solicits research proposals, and channels Forest Service and other research funds to member universities to solve identified problems.

CONSORTIUM GOALS AND PLANS

The goals of this consortium are to: (1) increase understanding of the interactions between people and the environment; and (2) develop methods to provide for the needs and wants of increasing permanent and transient populations while maintaining, and enhancing where possible, the attractive features of the environment.

The Consortium makes its findings available to resource planners and managers—the people who guide resource allocation and use, and make on-the-ground decisions. These planners and managers need more sound information than they now have if they are to make decisions that will perpetuate clean water, beautiful surroundings, the harvest of forest and range resources, peace and quiet, space to be alone.

The intent of the Consortium is to provide commissions, planning boards and agency administrators with facts to help them chart coordinated, environmentally sound open-space planning and development programs for public and private lands.

CONSORTIUM MEMBERS

Arizona State University, Tempe, Arizona.
University of Arizona, Tucson, Arizona.
Northern Arizona University, Flagstaff, Arizona.
Colorado State University, Fort Collins, Colorado.
University of Colorado, Boulder, Colorado.
New Mexico State University, Las Cruces, New Mexico.
University of New Mexico, Albuquerque, New Mexico.
Texas Tech University, Lubbock, Texas.
University of Wyoming, Laramie, Wyoming.
Rocky Mountain Forest and Range Experiment Station, Forest Service, U.S. Department of Agriculture, Fort Collins, Colorado.

A PROGRAM OF WESTERN ENVIRONMENTAL FORESTRY RESEARCH

Forestry is one of our nation's most basic industries and has contributed materially to our country's development. We must prepare now for even greater contributions to the nation's welfare than ever before. Housing materials, fiber, paper products and forest based recreational and residential services are increasingly demanded to meet the needs of our growing population, to meet world market demands (including our own needs for foreign exchange) and to provide a human release valve for an increasingly complex mode of living.

The Rocky Mountain West has contributed its share to the nation's development. Because the region is such a vast storehouse of natural resources—timber, minerals, recreation and energy sources—it is very apparent that it is now going to be called upon by the entire nation to contribute an increasing share. The inevitability of rapid growth and development in this region is equally apparent. Moreover, this development must be planned and accommodated under quite different conditions than those which have obtained in the past. Physical constraints imposed by fragile environments coupled with legal and social constraints imposed by environmental concerns dictate new approaches to resource management and development.

The planned massive energy production facilities and more complete exploitation of the extensive natural resources promise a further surge of population. Localities that are now rural and thinly populated will become industrialized and urbanized. Consequently, an additional wave of new building and sharply increased demands for renewable resources and outdoor recreational opportunities are in prospect.

The impacts of ever-increasing numbers of people on the fragile western environments can be disastrous unless methods of controlling and mitigating these impacts are developed. Land in the West is slow to recover from disturbance because of short, cool growing seasons and generally limited rainfall. Soils are thin and unstable in many localities. Thus, heavy use can result in accelerated erosion, heavy sedimentation and contamination of waterways, sharp reductions in fish and wildlife populations, and destruction of the esthetic and amenity values of the open spaces of the West.

Energetic attempts are being made to plan land use and land management to minimize and control effects of increased activities and new developments, but the process is seriously hindered by lack of information of effects on vegetation, soils, water and air quality, wildlife and fish population and distribution, esthetic quality, and amenity values of open land. Main sources of impacts are residential and industrial developments, recreational sites and activities, transportation systems and resource exploitation.

Planners and decisionmakers need specific information on environmental and socioeconomic effects of current and prospective activities to determine the available alternatives and to choose those that will optimize benefits to society and minimize both adverse environmental effects and economic costs. Therefore, we propose a program of research to:

1. Determine the environmental, ecologic, and socioeconomic effects of new and expanded residential and industrial developments, recreational sites and activities, and transportation systems.

2. Develop methods and techniques for monitoring and controlling changes in environmental and ecologic factors, for many aging use of natural environments, and for reducing adverse consequences.

3. Analyze constraints of current laws and institutional arrangements on maintenance of a high-quality environment, and identify and evaluate needs for new legislation and modified or additional institutional arrangements.

4. Improve methods for achieving broad public understanding of man's interrelationships with, and needs for, products and experiences from forests and associated wild lands.

Progress toward timely solution of environmental problems of the central and southern Rockies and the adjacent high plains requires an array of scientific and technical disciplines and research skills not found in sufficient quantity in any one institution. Therefore, nine universities in the region and the Forest Service, through the

Rocky Mountain Forest and Range Experiment Station, in 1972 formed the Eisenhower Consortium for Western Environmental Forestry Research to mobilize and coordinate the array of research experience and skills available in these institutions. The universities are: University of Wyoming, University of Colorado, Colorado State University, University of New Mexico, New Mexico State University, University of Arizona, Arizona State University, Northern Arizona University, and Texas Tech University. The consortium is able to coordinate regionwide, multidisciplinary research on regional problems. This capability has been demonstrated in the consortium's first two years of research, which has made outstanding progress with very limited funds.

Currently, the consortium has been joined by the Institute of Ecology in a natural resource problem assessment of the entire Rocky Mountain West, mobilizing the efforts of more than 200 experts from industry and Federal and State agencies, as well as universities. The National Science Foundation and the Environmental Protection Agency are helping fund this problem assessment project. We estimate that a minimum of $4 million annually will be required for the program, and we propose its implementation over 5-year period.

Protection of soil and water quality is fundamental not only to maintenance of productivity for commodities but also to amenity value. Soil loss is an irreversible change of the ecosystem; plants and animals are fewer in species and number and smaller in size than in the undamaged system. Thus, soil loss makes an area less attractive, less useful, and less productive. Eroding also carries with it organic material and mineral elements, so that aquatic life suffers from excessive sediment, reduced oxygen, and sometimes harmful levels of mineral elements. The same constituents also mar the attractiveness of the water-courses for recreational activities and reduce the usefulness of the water for irrigation, industry, and human consumption. The results are reduced revenues from recreation, hunting, fishing, and commodity production, and increased costs of water use.

The research planned for initial implementation will be aimed at determining: the intensities and modifications of land use and management practices permissible without inducing soil erosion; the water quality-water yield effects of recreation and residential developments and of various land uses; and the recreational carrying capacity in terms of impact on the land, the limiting effect of human interactions on the recreational experience, and in relation to demands for outdoor recreation.

The Rocky Mountain Forest and Range Experiment Station and the nine universities mentioned earlier are already cooperating in a number of exploratory studies aimed at environmental problems in the central and southern Rockies and adjacent high plains. An additional $800,000 is needed as a first increment to the current effort to mount an effective attack on these problems. Approximately one-half of new funds allocated to the program will be used to support research by the Rocky Mountain Forest and Range Experiment Station and one-half will support complementary research by the participating universities.

EISENHOWER CONSORTIUM PROGRAM—STATUS REPORT, OCTOBER, 1973

University	1972	1973	Total
A. Studies underway, by university:			
ASU	4.0	2	6.0
NAU		3	3.0
UA	5.0	3	8.0
CSU	3.0	6	9.0
UC	1.0	1	2.0
UNM	1.0	2	3.0
NMSU	.5		.5
TTU	.5	1	1.5
UW		4	4.0
Total	15.0	22	37.0
B. Studies Underway, by subject matter:			
1. Second home developments:			
(a) Economic factors			3
(b) Environmental effects			3
(c) Fire protection			2
(d) Waste disposal systems			3
Total			11
2. Recreation:			
(a) Economic factors			1
(b) Environmental effects			6
Total			7
3. Fire:			
(a) Esthetics of hazard reduction			22
(b) Ecological effects			6
Total			8
4. Other			11
All categories			37

EISENHOWER CONSORTIUM FOR WESTERN ENVIRONMENTAL FORESTRY RESEARCH—SUMMARY OF FOREST SERVICE-FUNDED COOPERATIVE STUDIES INITIATED IN FISCAL YEAR 1972, BY COOPERATING UNIVERSITY

Study No.	FS funding	Principal investigator	Period of study	Study title
ARIZONA STATE UNIVERSITY				
16-298-CA	$5,000	B. A. Segall	June 1, 1972-June 30, 1973	Effect of second homes and related vacation developments on the quality of Arizona streams and groundwater.
16-296-CA	4,200	R. D. Ohmart	June 1, 1972-June 30, 1973	Effects of timber harvesting on bird populations.
16-286-CA	3,670	R. C. Mings	May 15-Dec. 31, 1972	Exploratory study of opportunities for improving waste management on outdoor recreation areas on selected national forests in Arizona.
16-285-CA	5,000	T. D. Hogan	May 15, 1972-Dec. 31, 1973	Exploratory study of probable future demand for second homes in selected areas of Arizona.
UNIVERSITY OF ARIZONA				
16-282-CA	5,000	D. A. King	May 15, 1972-Sept. 30, 1973	Development of a land use planning system for national forests.
16-291-CA	5,000	C. F. Bohren	June 1, 1972-Sept. 30, 1973	Exploratory study of the ecological effects of snowmobiling.
16-295-CA	5,000	C. F. Bohren	June 1, 1972-Sept. 30, 1973	Forest influences on radiant energy transfer to snow in forest clearings and under various densities of crown clover.
16-283-CA	3,000	A. H. Smith	May 15, 1972-June 1, 1973	Future demands for outdoor recreation in Arizona.
16-281-CA	5,000	S. K. Brickler	May 15, 1972-Sept. 30, 1973	Impact of recreation use on water quality in the White Mountains of Arizona.
COLORADO STATE UNIVERSITY				
16-287-CA	5,000	R.B. Held	May 15, 1972-May 1, 1975	Environmental, economic, and social effects of urbanization of mountain watersheds.
16-294-CA	5,000	G. H. Fechner	June 1, 1972-June 30, 1974	Factors affecting vegetative cover on ski slopes.
16-297-CA	10,000	L. Teller	June 1, 1972-Sept. 30, 1974	Water quality effects of wood chip decomposition on cleared forest slopes.
UNIVERSITY OF COLORADO				
16-292-CA	10,000	N. Caine	June 1, 1972-Sept. 30, 1974	Volume and rate of stream discharge from an Alpine snowpack.
UNIVERSITY OF NEW MEXICO				
16-293-CA	10,000	J. R. Gosz	June 1, 1972-June 30, 1973	Stream chemistry as a tool in evaluating ski area development effects on a spruce-fir watershed.
TEXAS TECH UNIVERSITY				
16-284-CA	9,500	J. D. Mertes	May 15, 1972-June 30, 1973	Analysis of regional environmental management problems and opportunities.

EISENHOWER CONSORTIUM FOR WESTERN ENVIRONMENTAL FORESTRY RESEARCH—FOREST SERVICE-FUNDED STUDIES INITIATED IN FISCAL YEAR 1973, BY COOPERATING UNIVERSITY[1]

Study No.[2] (EC/FS)	Study title	Lead college or department	Principal investigator
University of Arizona:			
EC-31; 16-340-CA	Impact of recreation use on water quality in the White Mountains of Arizona	W. S. Mgt	Stanley K. Brickler.
EC-68; 16-352-CA	Evaluation of fire control, esthetic, wildlife and other values of a "greenbelt" fuelbreak designed to protect mountain communities from wildfire.	W. S. Mgt	Robert F. Wagle.
EC-70; 16-364-CA	Effect of previous controlled burning on damage caused by the Carrizo-Cibecue Wildfire	W. S. Mgt	Robert F. Wagle.
Arizona State University:			
EC-35; 16-335-CA	Effect of second homes and related vacation developments on the quality of Arizona streams and groundwater.	Civil Engr	Burton A. Segall.
EC-38; 16-337-CA	Requirements and costs of Forest Service Environmental Impact Statements under the National Environmental Policy Act.	Law	Richard C. Dahl.
Northern Arizona University:			
EC-40; 16-345-CA	Evaluation of impacts of various recreation uses on air quality in selected forest areas of Northern Arizona.	Physics	Thomas H. Bedwell.
EC-42; 16-346-CA	Potential environmental impact of future surface mining or quarrying operations on the Coconino National Forest.	Geology	J. Dale Nations.
EC-43; 16-347-CA	Analysis of costs to public land agencies resulting from recreation developments on adjacent private lands.	Bus. Adm	David D. Chase.
University of Colorado:			
EC-82; 16-384-CA	Roles of fire and allelopathy in ponderosa pine forests of the Colorado Front Range	Biology	James R. Eckert.
Colorado State University:			
EC-47 and 71 combined; 16-352-CA.	Analysis of fire hazard and risk in Front Range forests of Colorado	For. and Wood Sciences	Fred F. Wangaard.
EC-59; 16-363-CA	Economic implications of second home developments in selected areas of Colorado	Economics	Richard G. Walsh.
EC-72; 16-373-CA	Effects on wildlife of fire in lodgepole pine forests	Fish. and Wildlife Biol	Dale Hein.
EC-73; 16-392-CA	Effects of forest roads on big game populations	Fish. and Wildlife Biol	James A. Bailey.
EC-74; 16-374-CA	Esthetic perception of wildlife fuels near second home developments	Fish. and Wildlife Biol	Harold W. Stienhoff.
EC-75; 16-375-CA	Fire ecology in high elevation forests in Colorado	For. and Wood Sciences	Edwin W. Mogren.
University of New Mexico:			
EC-53; 16-360-CA	Environmental costs and socio-economic benefits of second home developments	Inst. Soc. Res. and Dev. and Archit.	Peter Montague.
EC-54; 16-361-CA	Effects of road surfacing and salting on roadside vegetation in New Mexico mountain areas	Biology	James R Gosz.
Texas Tech University:			
EC-58; 16-348-CA	Costs and effectiveness of selected, alternative second home waste disposal systems applicable to West Texas conditions.	Agric. Econ	Kenneth B. Young.
University of Wyoming:			
EC-65; 16-353-CA	Analysis of suitability of closed-system waste disposal for recreation facilities in selected semiprimitive mountain environments.	Agric. Econ	Warren E. Hedstrom.
EC-66; 16-354-CA	Analysis of suitability of evapotranspiration waste disposal systems for selected semiprimitive mountain environments.	Civil Engr	Stephen R. Jenkins.
EC-79; 16-391-CA	Early vegetative and wildlife species successions resulting from wildfire and timber harvest	Zool. and Phys	Peter R. Davis.
EC-80; 16-376-CA	The effect of prescribed burn on the vertebrate fauna in a Douglas fir forest on Blacktail Butte, Jackson Hole, Wyo.	Zool. and Phys	John M. McGee.

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[1] Forest Service funding averaged about $5,000 per study. Total support per study averaged about $9,400.

[2] Each study is identified both by an Eisenhower Consortium number (preceded by "EC") and a Forest Service contract number. The latter identification should be referenced in all correspondence with the Forest Service regarding individual studies.

MENTALLY RETARDED PERSONS AT D.C.'S FOREST HAVEN—ACTION REQUIRED BY CONGRESS

Mr. HUMPHREY. Mr. President, in a statement in the Senate on November 9, 1973, I discussed a very serious situation at Forest Haven, the residential facility operated by the District of Columbia government for the care and treatment of mentally retarded persons. At that time I referred to conditions at Forest Haven as "a shocking case of governmental abuse of some 1,300 people through neglect or totally inadequate efforts to improve services of care and habilitation."

The program of required corrective steps which I outlined was in response to a profoundly disturbing series of articles appearing in the Washington Star-News. Forest Haven has been in the news since then, with reports of incidents resulting in the departure of certain staff. But the problems of which I spoke remain—insufficient and inadequately trained staff, reports of poor medical treatment, buildings in disrepair, but most important of all, the absence of a comprehensive program of services that would reflect a therapeutic-rehabilitative approach to the care and treatment of several hundred residents. Instead, we continue to witness a major complex only 22 miles from our Nation's Capital where a substantial number of human beings are simply warehoused, kept alive from day to day with minimal custodial attendance.

Mr. President, on May 2 and 3, the Senate Appropriations Subcommittee on the District of Columbia, chaired by Senator BAYH, will hold hearings on the proposed D.C. budget for fiscal 1975. It is well recognized that there are a number of urgent needs in the District of Columbia and that all too often, congressionally enacted appropriations are inadequate. The desperately needed program of reconstruction and urban renewal, promised by President Nixon, has yet to be undertaken in earnest. Visitors to the Capital witness streets in disrepair and frequent evidence of uncollected trash. The proper education of children remains a critical problem; public services and health and social welfare programs too often are inadequate. The District of Columbia government continues to struggle to address all these priorities, but it must frankly acknowledge that its capabilities and resources are limited despite the determined effort and leadership of the Mayor and others.

Washington, D.C., ought to be a focal point in our Nation's Bicentennial celebration, now less than 2 years away. However, Congress and the administration must share the blame for the adverse conclusions that visitors from abroad must reach about 200 years of progress in the United States on the basis of current conditions in this city.

However, to suddenly launch a crash program of urban renewal and beautification would reflect a seriously distorted perspective of the comprehensive corrective action that is required, for there is a strong probability that it would be at the expense of desperately needed programs to improve the lives and living conditions of people. This would be especially true with respect to several thousand people in D.C. facilities located away from the center attention, as at Forest Haven. We simply must not permit them to remain the forgotten people of Washington—out of sight, and therefore, out of mind.

My deep concern about conditions at Forest Haven has been borne in large measure out of a strong personal view that society suffers, reduces the quality of life of all its members, precisely to the extent that it ignores the needs of some of its people who are denied an equal share in hope and opportunity and human dignity and decency.

Therefore, I urge that the Senate Appropriations Subcommittee on the District of Columbia, in the course of its upcoming hearings, examine closely the plans and expectations of the D.C. Department of Human Resources with respect to improvements urgently needed at Forest Haven.

I am taking this opportunity to make public the results of an investigation which I requested by the General Accounting Office of the accounting of funds appropriated by the Congress for Forest Haven, and especially of staffing problems at this facility.

The GAO letter report notes that as of February 1974, Forest Haven had 1,155 residents and 568 employees, and that 593 of the residents were rated profoundly or severely retarded and in need of total care, while the other 562 residents were rated moderately or mildly retarded.

ACCOUNTING PROCEDURES LAX

An impression that comes across strongly in this report is that there is confusion and uncertainty, if not misfeasance, in the utilization of funds appropriated by Congress and program grants approved by the Department of Health, Education, and Welfare, to increase qualified staff and to launch rehabilitation programs for residents. Due to time constraints placed by my office on the GAO investigation, a complete examination of accounting records in various D.C. government offices could not be undertaken, but enough was learned to warrant the strong recommendation that there should be substantial improvements in certain accounting procedures.

It was discovered, for example, that the D.C. Department of Human Resources may have improperly spent $67,314 of an HEW grant awarded in fiscal 1972, to pay the salaries of Forest Haven staff members, rather than to hire new staff as required under the grant program to provide special educational services to handicapped children. On the basis of several such examples, the GAO advises that it plans to request HEW to thoroughly examine the use of its grant funds at Forest Haven, and to advise the GAO of its findings and planned corrective actions.

Noting that some $6.8 million was available to operate Forest Haven during fiscal 1973, increasing to about $7.9 million in fiscal 1974, the GAO report comes to the seriously disturbing conclusion that the problems it identified with the accounting data for Forest Haven are sufficient to raise questions concerning the Department of Human Resources' ability to effectively control the use of its funds.

I would strongly oppose a hasty conclusion, however, because the DHR appears to have difficulty in accounting for Forest Haven expenditures that there should be an immediate impoundment or cutback in available funds. There is no evidence that any funds were diverted from services at Forest Haven. The GAO report calls, rather, for measures to assure the effective and on-time expenditure of funds. And, my office gave approval to discussion of these report findings by GAO staff with D.C. government officials in April, precisely to assist in the initiation of appropriate accounting reform measures.

CENTRAL PROBLEM: STAFF SHORTAGES

The GAO report makes it clear that adequate financial resources are critically needed to address significant staff shortages and vacancies that exist at Forest Haven in top management positions as well as in direct service positions. It is incredible that the position of superintendent should have remained vacant since October 1971, until very recently. I find it unconscionable that this major complex should have had two of its five top management positions vacant throughout 1973 and a third position unfilled for half of that year.

Coupled with widespread shortages in personnel for the immediate care of residents, and of education and counseling specialists, what more could be expected than that this major institution should struggle to maintain even a "holding operation" for months on end?

Urgent measures to address these problems were dictated when administrative reforms were undertaken with a reorganization in 1971 by which Forest Haven was placed under the administrative jurisdiction of the District's Mental Health Administration, Department of Human Resources. There had been an escalation in the resident population, which had risen only moderately over three decades to a level of about 750 in 1955.

But there can be no administrative reforms without administrators; there can be no dramatic therapeutic-habilitative programs launched when present staff are seriously and constantly overworked, when pay scales are inadequate and possibly not even competitive with other positions in the Department of Human Resources, and when extensive delays are encountered in the hiring of new staff.

I believe it is totally inexcuseable that of 691 authorized staff positions at Forest Haven as of February 1974, there were 123 vacancies, resulting in a staff-to-resident ratio of 49, about the same seriously inadequate ratio that has existed for at least 3 years. The GAO report notes that if staffing standards established by the American Association of Mental Deficiencies for mental retardation institutions were applied to Forest Haven, there should be almost 1,500 staff at that facility.

The authorized staff level of 691 reflects an increase of 50 positions over last year. This was the direct result of specific funding provided by Congress in enacting fiscal 1974 District of Columbia appropriations. At that time, it was noted that this action met only one-half of the request of the District of Columbia Department of Human Resources for additional staff—primarily counsellors, social workers, special education teachers, nurses, occupational therapists, and psychologists.

However, a table in the GAO report, on yearly staff strength at Forest Haven, indicates that the increase in the number of staff vacancies over last year is almost identical to the number of additional staff positions approved by Congress. In fact, I am advised, only 12 persons have been hired under that additional staff funding, with a hiring freeze being placed on other positions. Whatever the budgetary reason for this failure to implement a congressionally-approved hiring, it is also alleged that there are at least two reasons why qualified staff have not been obtained for these positions. One reason given is the traveling distance of over 20 miles to get to these jobs.

A second reason that merits immediate administrative corrective action, or a specific legislative authorization if this is required, is that Forest Haven must adhere to Civil Service Commission hiring procedures, which require several processing steps and considerable time delays. At the very least, an exception should be instituted on this civil service requirement with respect to positions at Forest Haven—similar to the exception that Congress frequently authorizes in connection with the enactment of new programs to assist their early implementation. Beyond this step, there should be careful consideration of the recommendation that Forest Haven be granted direct hiring authority. While there are valid arguments for centralized personnel policies under the District of Columbia government, the simple fact is that qualified applicants for positions at Forest Haven can be "lost" while bureaucratic redtape is unwound and they turn elsewhere for employment.

The severe costs of the failure to fill these staff vacancies are not only in terms of dollars, but also in terms of the lives of people—both present staff at Forest Haven who are seriously overworked, and hundreds of residents who can only be enabled to exist from day to day, but who could otherwise be helped in their development until many could live independently in the community or obtain gainful employment. Undoubtedly, the heaviest cost is paid by the children who are residents, and who cannot receive the full range of educational, psychological, and health services that they need and deserve.

However, dollar costs alone justify the filling of staff vacancies. The GAO report states flatly that overtime payments at Forest Haven amounted to about $318,600 during fiscal year 1973 and $306,400 during the first 7 months of fiscal year 1974.

Meanwhile, because of these vacancies, daily operations at Forest Haven cannot be effectively monitored; plans cannot be developed and followed through.

Some 177 children and youth should be receiving 6 hours of classroom instruction daily, but only 60 get this full amount of instruction.

Only one counsellor is available to supervise and assist every 30 residents—a primary reason for reports of injuries to residents in the absence of a counsellor.

In the infirmary, nursing staff shortages result in a totally inadequate staff-to-patient ratio of 1 to 14.

Housekeeping staff must work considerable overtime just to keep facilities in decent condition. And, in one recent month, almost one-third of requests for maintenance and repairs had to be left untouched because of staff shortages.

Mr. President, in response to my request, Mr. Joseph Yeldell, Director, Department of Human Resources, government of the District of Columbia, in a letter date January 23, 1974, described current programs at Forest Haven and provided the outline of an 8-year program of improvement for this facility, with an estimated cost of $8.2 million.

Mr. Yeldell's report has been most helpful, and I am bringing it to the attention of the Senate Appropriations Subcommittee on the District of Columbia, along with the report by the General Accounting Office.

The 8-year plan which the Department of Human Resources has developed for improving the services to meet the needs of the residents at Forest Haven, including expansion into a community-oriented system, is impressive. It was obviously designed with the rights of the residents in mind.

However, this entire plan is contingent on the ability to attract and hire the additional staff. And that, as I believe I have spelled out in my remarks today, is the weakest link of the current operation. Therefore, I believe the DHR should be closed questioned as to what changes in employment practices are anticipated to effect this improvement plan?

Mr. President, I intend to review carefully the information that is eventually to be available when legislation authorizing appropriations for the District of Columbia for fiscal year 1975 is before the Senate. While I have discussed in the Senate over the past months several issues regarding conditions in the Nation's Capital, and will be reviewing this legislation in the light of these concerns, I intend to give particular attention to recommendations on the improvement of operations at Forest Haven, especially with respect to staffing problems. While it is clear that Congress should again provide funds for the hiring of additional staff, it will be necessary this time to have at hand also a specific plan to implement this hiring without delay.

Mr. President, I want to conclude my remarks by expressing my appreciation to the Washington Star-News for calling to our attention the conditions at Forest Haven, the staff of the General Accounting Office which undertook the Forest Haven investigation, and to the many persons who wrote to me and provided additional information. I should note, in particular, my thanks for having had the opportunity to review the following materials: First, a memorandum, dated January 5, 1973, from the Environmental Health Administration of the government of the District of Columbia, regarding necessary improvements in the culinary department at Forest Haven; second, a report, dated August 28, 1967, by a professional team from the American Association of Mental Deficiency, evaluating operations at Forest Haven; and third, a comprehensive mental retardation plan, published by the D.C. Department of Public Health in 1969, and containing 177 recommendations by some 500 citizens who served on 24 major task forces.

Mr. President, I ask unanimous consent that the following items be printed in the Record: The letter report, dated April 1, 1974, submitted to me by the Comptroller General of the United States; and the letter from Mr. Joseph P. Yeldell, Director of the D.C. Department of Human Resources, including an attachment describing an 8-year improvement plan for Forest Haven.

There being no objection, the material was ordered to be printed in the Record, as follows:

Comptroller General of
the United States,
Washington, D.C., April 1, 1974.

Hon. Hubert H. Humphrey,
U.S. Senate.

Dear Senator Humphrey: This letter is in response to your November 9, 1973, request for an investigation of the possible misuse of funds appropriated by the Congress for Forest Haven, a residential facility for the care and treatment of mentally retarded persons operated by the Government of the District of Columbia. Your office subsequently requested that we also examine staffing problems at Forest Haven and report to you as soon as possible.

Because of inadequacies of the accounting system, the unavailability of accounting records for the facility, and your need for a timely response, we selected a limited number of finacial transactions to examine. In many cases we could not examine these transactions thoroughly because either we could not obtain supporting documentation or the available accounting data was unreliable and inaccurate.

We found that (1) improper expenditures may have been made, (2) accounting controls appeared weak and accounting data was inaccurate and unreliable, (3) staff shortages resulted in significant overtime costs and may be hindering Forest Haven's ability to provide sufficient services to residents, and (4) delays in getting a grant program underway resulted in the loss of use of grant funds because the grant period expired—a situation that may occur with other active grants.

BACKGROUND

Forest Haven is under the administrative jurisdiction of the District's Mental Health Administration, Department of Human Resources. Forest Haven was established to supplement residential care with treatment, training, and rehabilitative services. The facility is part of the District's Children's Center in Laurel, Maryland, and consists of 15 residential cottages, a 200-bed residence for ambulatory patients, a 200-bed infirmary, a school, and support buildings.

As of February 1974, Forest Haven had 1,115 residents and 568 employees. Of the residents, 593 were rated profoundly or severely retarded and needed total care; the other 562 were rated either moderately retarded (needing supervision in caring for themselves) or mildly retarded (able to care for themselves). The employees included nurses; counselors; social workers; educators; and food service, housekeeping, and administrative personnel.

During fiscal year 1973, about $6.8 million was available to operate Forest Haven, including $6.5 million in funds allotted by the District and about $275,000 in Federal grants awarded by the Department of Health, Education, and Welfare (HEW). Funds available to Forest Haven during fiscal year 1974 include $7.7 million of allotted District funds, including $1 million of revenue-sharing funds and about $249,000 awarded under several Federal grant programs.

The Department is responsible for handling the financial transactions and accounting records for Forest Haven and is therefore responsible for maintaining accounting control with respect to the facility's activities.

APPARENT IMPROPER USE OF GRANT FUNDS

We found that the Department may have improperly spent $67,314 of a $118,466 grant HEW awarded during fiscal year 1972 to the District for use at Forest Haven. The grant was to provide special educational needs to handicapped children and was awarded under title I of the Elementary and Secondary Education Act (20 U.S.C. 241c(a)(5)).

This act, and HEW's implementing regulations, prohibit recipients from using title I grant funds to supplant State, local, or private effort. According to the grant provisions, grant funds were to be used to pay the salaries of new staff who were to be hired to carry out the grant program. However, the $67,314 was apparently used to pay the salaries of Forest Haven staff members who were not officially employed under the grant program.

Officials of the District's Public Schools system, the District agency responsible for monitoring the use of these grant funds, have informed the director of the Department that Forest Haven nongrant staff cannot be paid from these grant funds. Furthermore, the Department was informed that the $67,314 should be returned to HEW because the grant funds were not properly used before the grant period expired. As of March 13, 1974, these funds had not been returned. We have discussed this situation with HEW officials, who stated that the expenditure appears to have been improper but that a detailed examination will be necessary.

In addition, Department accounting records show that, as of November 30, 1973, $12,000 in salary costs were obligated and spent during fiscal years 1973 and 1974, under a Federal grant which expired on June 1, 1972. The grant was awarded to enable Forest Haven to employ local students to work with the residents. The HEW officials responsible for monitoring this grant told us that HEW withdrew the grant funds that were unobligated as of June 1, 1972, and that no obligations or expenditures should have been made under that grant after that date. We have not been able to determine whether the $12,000 was an improper expenditure or an error in the Department's accounting records.

From our review of these two grants and other transactions and because of numerous errors noted in the accounting data for Forest Haven, we believe other improper expenditures could have been made. We therefore plan to request HEW to (1) thoroughly examine the use of HEW grant funds at Forest Haven and (2) advise us of its findings as well as of corrective actions planned as a result of any improprieties identified.

INADEQUATE ACCOUNTING CONTROL

We found several shortcomings (listed below) in the District's accounting data for Forest Haven which prevented us from making a complete examination of many of the financial transactions we selected for review.

Numerous errors existed in the accounting records.

Documents supporting many transactions could not be located in the appropriate files.

Entries in the Department's official obligation and expenditure records did not always agree with entities in the accounting records designed for financial management. Department accounting personnel told us that these differences were not resolved because time was not available.

Obligations and expenditures charged against some grant accounts appeared in several different places in the accounting records. We found no summary of all transactions charged against the accounts.

Forest Haven's computerized payroll run for September 30, 1973, through October 13, 1973, listed 45 persons whose employment at Forest Haven terminated as far back as 1971. None of the 45 persons were paid during the 2-week period. We traced the payroll records for five of these persons back to the date they terminated their employment; none of the five apparently received improper payments.

Department and Forest Haven personnel told us that they could not rely on the accounting data because it was so inaccurate.

We believe that the problems we identified with the accounting data for Forest Haven are sufficient to raise questions concerning the Department's ability to effectively control the use of its funds.

STAFF VACANCIES AND SHORTAGES

Significant staff shortages and vacancies exist in top management positions as well as in direct service positions—personnel who directly provide services and supervision to the residents. These shortages have resulted in significant overtime costs and are apparently hampering Forest Haven's efforts to provide needed services to the residents. Staff vacancy and resident population data since fiscal year 1972 is shown below.

Fiscal year	Authorized positions	Vacancies	Resident population	Staff to resident ratio
1972	643	74	1, 203	0. 47
1973	641	84	1, 172	. 48
1974[1]	691	123	1, 155	. 49

[1] As of February 1974.

In June 1972 the Forest Haven staff prepared a study which concluded that 1,064 positions were needed to provide minimum therapy care to the residents. The study referred to staffing standards established by the American Association of Mental Deficiencies for mental retardation institutions, which, when applied to the number of residents at Forest Haven at that time, would indicate a need for 1,446 positions. As indicated above, the staff to patient ratio at Forest Haven has not significantly improved since fiscal year 1972.

Two of the top five management positions at Forest Haven were vacant during all of calendar year 1973, and a third was vacant for about 6 months during that year. The superintendent's position, for example, has been vacant since October 1971. Although District officials advised us on February 28, 1974, that a superintendent had been hired, as of March 18, 1974, the Assistant Superintendent for Clinical Services was still acting as superintendent. The position of Assistant Superintendent for Program Development, Training, and Evaluation has been vacant since December 1972. The position of Assistant Superintendent for Administration was vacant from June 1973 to January 1974.

	Authorized positions	Vacancies	Percent vacant
Education	[1] 39	5	13
Counseling	174	34	20
Nursing services	294	[2] 39	13
Housekeeping	50	14	28

[1] This does not include at least 30 grant positions at Forest Haven, of which 24 were filled.

[2] As of Mar. 18, 1974, 25 vacancies existed in nursing service positions.

OVERTIME COSTS

Vacancies and shortages have resulted in Forest Haven employees' working considerable amounts of overtime in order to have personnel available on all shifts. Overtime payments at Forest Haven amounted to about $318,600 during fiscal year 1973 and $306,400 during the first 7 months of fiscal year 1974. A Department official estimated that overtime amounting to about $517,000 would be worked at Forest Haven during fiscal year 1974.

Total overtime payments at Forest Haven for fiscal years 1973 and 1974 are therefore estimated at $835,600. Of this amount, about $278,500 is estimated to represent premium pay (50 percent of base pay) for the overtime work. Forest Haven officials stated that much of the overtime work and premium pay could have been avoided if Forest Haven had more service employees, especially in nursing, counseling, and housekeeping.

ABILITY TO PROVIDE SERVICES TO RESIDENTS

Forest Haven officials told us the following to illustrate the effects of staff shortages on operations.

MANAGEMENT

Because of the vacancies in the top management positions, supervisory personnel at Forest Haven have not been able to monitor and supervise daily operations to the extent necessary. Instead, they have been performing the administrative functions that are normally the responsibility of the persons filling the vacant management positions.

EDUCATION

Although some residents are receiving sufficient educational services, others are receiving only a limited amount. For example, 177 residents between the ages of 3 and 21 should be receiving 6 hours of classroom instruction daily at Forest Haven. Although 60 are receiving such instruction, 117 are only receiving 3 hours of classroom instruction daily due to staff shortages. If Forest Haven did not have the supplemental educational positions funded by HEW grants, many children would either be receiving no educational services or less than they are now receiving.

COUNSELING

Counselors supervise residents as well as assist them in taking care of themselves; see that they get to school, to dining facilities, and elsewhere; launder their clothes; and even help clean living quarters. Each counselor is responsible for 30 residents, on the average. Because counselors must perform so many different functions and because of shortages in counselor positions, many programs planned for the residents cannot be undertaken. Counselors must work considerable overtime to provide coverage to the residents on all shifts.

A number of incidents have occurred at Forest Haven during the last several years: several children were scalded, one child choked to death, another resident was electrocuted, and several residents sustained injuries as a result of disturbances caused by other residents. Forest Haven officials stated that some of the incidents may have been avoided and the severity of the others could have been lessened if sufficient counselors had been available to supervise the residents.

NURSING

Nursing assistants provide total care to the more infirmed residents as well as to the severely and profoundly retarded who cannot take care of themselves. The number of nursing staff available is not adequate to provide sufficient services to those residents. For example, in the infirmary, the staff to patient ratio is 1 to 14. Nursing personnel in the infirmary bathe, clothe, feed, and take care of other personal needs as well as provide medical care. Personnel providing nursing services now must work considerable overtime to provide coverage during all shifts, and adequate coverage for all shifts cannot always be obtained.

HOUSEKEEPING

Housekeeping personnel are responsible for keeping the facilities clean. Housekeepers do the best they can to cover all the buildings, but cannot always do this. In prior years some of the less handicapped residents were able to assist in the housekeeping functions. In more recent years, however, fewer less handicapped residents are available because they have been placed in the community. Therefore, the work previously done by the residents must be done by the housekeeping staff who have worked overtime when authorized to do as much cleaning as they could.

A May 16, 1973, report of an inspection at Forest Haven by the District's Environmental Health Administration stated that more attention must be given to daily routine housekeeping to improve environmental hygiene and sanitation. Forest Haven officials stated that, while progress has been made, staff shortages have precluded complete daily housekeeping services to all the buildings.

MAINTENANCE

The Department's Administrative Services Division provides maintenance services to the entire Children's Center complex, including Forest Haven. Twenty-six positions are authorized for building maintenance. Of these 26, 3 are vacant and more positions are needed.

Staff shortages preclude any preventative maintenance and preclude maintenance personnel from making many timely repairs requested by Forest Haven officials. For example, although maintenance personnel responded to 362 requests for service during February 1974, they could not respond to 165 requests—carpentry (79), electrical (61), and plumbing (25)—made during February because of staff shortages. On a walk-through inspection, we noted a number of leaking faucets and roofs, several buildings that needed interior painting, and other items needing maintenance service.

REASONS FOR STAFFING PROBLEMS

Forest Haven officials have attributed their staff shortage problems to frequent Department hiring freezes, insufficient funding from the Department to hire more employees, and the necessity to adhere to Civil Service Commission hiring procedures, which require several processing steps and considerable time delays. On February 15, 1974, the Director of the Department placed a freeze on filling all vacant positions in the Department, except those positions for which hiring commitments have already been made. Since most vacant positions have not been committed, Forest Haven will be unable to fill the majority of its 123 vacant positions. In addition, Forest Haven officials stated that a number of employees terminated employment because of the additional duties required of them and overtime required due to staff shortages, thereby perpetuating staffing problems. Forest Haven officials stated that if they had direct hiring authority and sufficient funds, they believe that they could fill most of the vacant positions in a short time.

LOSS OF USE OF GRANT FUNDS

Because of its inability to get grant programs fully underway before entitlement to obligate the funds expired, Forest Haven lost the use of up to $25,000 in grant funds in fiscal year 1973 and for the same reason may lose the use of up to $65,000 in grant funds in fiscal year 1974. The terms of the Federal grants at Forest Haven required that the grant funds be used within a specified time; otherwise the remaining funds had to be returned to the granting agency.

Forest Haven officials stated that they could not initiate grant programs until the grants were officially accepted by the District and that the delays in acceptance reduced the time available for using the grant funds. After the District accepts grants, additional time delays occur because Forest Haven cannot begin hiring efforts until paperwork authorizing grant expenditures flows from the District to the Department's accounting office. Forest Haven officials told us that, once the District officially accepted grants and they were notified that they could use the grant funds, additional time delays were encountered because of the necessity of following Civil Service Commission competitive hiring procedures.

We have not obtained formal comments from District officials on the matters in this report. As agreed with your office, we plan to furnish copies of this report to the District of Columbia and the Department of Health, Education, and Welfare so that they may take actions as warranted.

Sincerely,

ELMER B. STAATS,
Comptroller General of the United States.

GOVERNMENT OF
THE DISTRICT OF COLUMBIA,
Washington, D.C., January 23, 1974.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I am pleased to have this opportunity to respond further to the series of articles about Forest Haven published in the Washington Star-News in October 1973. As you requested in your letter of November 9, 1973, I am also outlining the Department's plan for improvement in the program and in the facilities of Forest Haven, as well as the status of our plans for directing services to community-related facilities.

I share your concern for the residential care of the Nation's retarded persons. As you know, for FY 1974, I proposed that an additional 100 positions be authorized for Forest Haven, to alleviate some of the problems you recently addressed on the Senate Floor. This proposal was approved by the Senate Appropriation Subcommittee for the District of Columbia.

Mr. Michael Satchell's series of articles in the Washington Star-News was on the whole a helpful piece in drawing attention to some of the problems at Forest Haven. There was, however, some error in fact and some lack of understanding of treatment processes.

Forest Haven has for the past three years been undergoing a gradual conversion from a traditional custodial institution to one using a limited therapeutic rehabilitative approach.

Federal grant funds have permitted the implementation of training in vocational skills of several types. More than 200 residents are receiving training on the grounds of Forest Haven; an additional 100 are in outside employment or training. Federal funding has also supplemented the Behavior Modification, Infant Stimulation and Foster Grandparent Programs. In addition to persons attending special education classes in the Mary Ziegler School at Forest Haven, 35 residents are transported daily to public school classes in the District. Fifty young women now reside in a newly converted cottage that provides them with private rooms and responsibilities for self-care. Pay telephones give mildly retarded residents easy access to the outside community. These new and innovative programs are directed not only toward a strengthening of the program within the facility, but also toward the objective of preparing the more capable residents to move into the community. A large number of Foster Haven residents could live more rewarding and productive lives in the community if appropriate facilities and support services were available.

For FY 1974, Forest Haven received 50 new positions and, through redirection one million dollars to decrease the overall patient-staff ratio and to improve the level of care at the facility. Funds have been requested through the capital improvements budget for a preliminary survey to identify the physical and program criteria necessary to provide suitable surroundings for an improved program.

The Department has reason to be proud of the progress made in the recent past; however, more needs to be done to improve care of mentally retarded persons and to expand their opportunities for leading meaningful lives.

As you requested, my staff has prepared a program of improvement for Forest Haven, which includes additional staffing, a new medical component, equipment and repairs, salaries for working patients, community day care centers, community-based sheltered workshops, and small group homes.

This plan, to be implemented over an eight year period, has an estimated cost of 8.2 million dollars (See Attachment).

Please let me know if you wish additional information on the District's programs for the mentally retarded.

Sincerely,

JOSEPH P. YELDELL.

ATTACHMENT NO. 2

EIGHT-YEAR IMPROVEMENT PLAN FOR FOREST HAVEN

The plan for improvement of Forest Haven, which is outlined in the following pages, is directed toward the achievement of the following objectives:

a. to improve more direct-care staff bringing staff-patient ratio to an acceptable level.

b. to improve medical care by increasing the number of personnel and technical medical support.

c. to upgrade skills of nursing and counseling staff so that they may become more therapeutic, instead of merely custodial.

d. to replace faulty and worn out equipment and refurbish the old physical plant.

e. to improve transportation, maintenance, housekeeping and other support services.

f. to move the less handicapped patients into community-based programs and to provide enough such programs to limit the use of Forest Haven to those persons whose handicaps are so severe that they can only be served institutionally.

These goals are interdependent, all leading to a more therapeutic approach within the institution and to the maintenance within the community of as many persons as possible. The plan has been divided into eight annual increments, the amount of funding to increase with each increment. When the plan has been fully implemented, the cost will be 8.2 million dollars, and 500 additional personnel will be provided for both Forest Haven and Community facilities.

During this period, the number of staff working within the institution will be increased by approximately 300 persons, and the focus of the mission will shift to the care of profoundly retarded persons, including those severely handicapped by accompanying physical disorders. The level of proficiency of personnel to provide the more medically and therapeutically-oriented services required for these disabled individuals will be raised through appropriate selection of new employees and through training of personnel currently employed at Forest Haven. Expansion of current medical services to include specialty consultation and pharmaceutical and prosthetic supplies will better support the medical needs of Forest Haven residents.

To prepare an estimated 400 residents for entrance into the community, day treatment and community-based sheltered workshops will be established. The transporting of residents into the community for day treatment and workshop activities will facilitate our making full use of the City's resources to develop self-care skills.

We anticipate that by the end of the eight year budget period, approximately 200 clients will have entered sheltered workshops following a period of training in day treatment centers. In addition to establishing the practice of paying clients for services rendered within the Department, we expect that 100 clients will be in competitive employment or in training for entrance in the regular labor force. Of the 400 who leave Forest Haven, approximately 300 will be in a protective work setting, and 100 will be living in their own homes or in foster homes. The number of Department staff needed in the community to serve this group of 400 is estimated to be 175. This includes the full scope of treatment and rehabilitation personnel.

As the moderately retarded persons leave Forest Haven, the Department will be able to admit to the Institution additional profoundly retarded persons who are now on a waiting list. We believe they number approximately 200. The number of residents at Forest Haven will be reduced from 1300 to 1100, while the total number of retarded persons in the care of the Department will increase by 200.

Table One, which follows, shows the cost of the individual elements of the plan as it will be implemented over an eight year period. Table Two summarizes the assignment of increased personnel and the movement of residents into the community. The Tables are accompanied by a brief explanation.

TABLE 1.—COST OF IMPROVED SERVICES FOR DHR CLIENTS OF FOREST HAVEN

	1st year	2d year	3d year	4th year	5th year	6th year	7th year	8th year
Medical unit	150,000	150,000	150,000	150,000	225,000	225,000	350,000	500,000
Increased direct-care personnel at Forest Haven	450,000	900,000	1,350,000	1,800,000	2,200,000	2,500,000	2,750,000	3,150,000
Administrative services personnel	50,000	50,000	50,000	80,000	100,000	150,000	200,000	300,000
Community-based day treatment		400,000	800,000	1,000,000	1,200,000	1,000,000	1,000,000	800,000
Community-based sheltered workshops		125,000	250,000	310,000	500,000	750,000	875,000	1,000,000
Community-based residences		150,000	150,000	450,000	600,000	1,200,000	1,500,000	1,650,000
Wages for residents	300,000	300,000	250,000	200,000	175,000	175,000	175,000	150,000
Employee training		50,000	100,000	50,000	50,000	50,000	50,000	50,000
Repairs and equipment	250,000	75,000	100,000	100,000	150,000	150,000	300,000	600,000
Total	1,200,000	2,200,000	3,200,000	4,200,000	5,200,000	6,200,000	7,200,000	8,200,000

TABLE 2.—SUMMARY OF PERSONNEL INCREASES AND NUMBER OF FOREST HAVEN CLIENTS IN COMMUNITY-BASED FACILITIES

	1st year		2d year		3d year		4th year		5th year		6th year		7th year		8th year	
	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel
Medical unit		5		5		5		5		6		6		8		9
Increased direct care at Forest Haven		38		82		122		164		200		227		250		285
Administrative services personnel		5		5		5		8		1		15		20		30
Community-based day treatment			50	25	100	50	125	62	150	75	125	62	125	62	100	50
Community-based sheltered workshops			25	6	50	12	75	18	100	24	150	36	175	42	200	54

TABLE 2.—SUMMARY OF PERSONNEL INCREASES AND NUMBER OF FOREST HAVEN CLIENTS IN COMMUNITY-BASED FACILITIES—Continued

	1st year		2d year		3d year		4th year		5th year		6th year		7th year		8th year	
	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel	Clients	Personnel
Community-based residences			25	6	25	6	75	18	100	24	200	48	250	60	300	72
Wages for residents																
Training for employees																
Repairs and equipment																
Total		48		129		200		275		339		394		442		500

FIRST YEAR

In the first year, personnel will be added to the Institution itself in order to improve the overall level of care and to initiate the plan for community-based programs.

The medical unit will include a psychiatrist, a general medical officer, a dentist, a physical therapist and a pharmacist. Other medical services will include specialty consultation, prostheses and other equipment for residents, laboratory equipment and pharmaceutical supplies.

The greatest number of new personnel will be nursing assistants, counselors and housekeepers. Several vocational specialists will also be added to implement the plan for workshops and establish procedures for payment of wages to residents.

An in-depth diagnostic evaluation of residents to establish groups for placement in forthcoming community-based programs will be undertaken.

Training of all staff will be initiated to develop therapeutic skills in dealing with profoundly retarded individuals, as well as those less handicapped who will enter the community. As community-based programs are established in succeeding years, treatment and rehabilitation personnel will be selected from within the Institution to staff them.

SECOND YEAR

In the second year, the number of direct-care personnel within the Institution will continue to increase. At the same time, a number of residents will be transferred into community-based programs. The first sheltered workshops and small residences will be established, and day treatment facilities will be developed in addition to one now operating on the grounds of D.C. General Hospital.

The purchase of buses to transport residents to community-based treatment facilities and workshops will be necessary in the second year.

THIRD AND FOURTH YEARS

During this period there will be increases in direct-care and administrative services personnel at Forest Haven, and in the number of community-based staff and facilities. In conjunction with the movement of Forest Haven residents into community-based workshops, the number of residents receiving wages within the Institution will begin to decrease. Other elements of the plan will remain basically the same.

FIFTH YEAR

In the fifth year, additional increases are planned for the medical unit. This reflects the forthcoming severity of disability among Forest Haven residents, as those who are less severely retarded move out and are replaced by individuals requiring medical attention and a higher level of other therapeutic skills. Cost of repairs and equipment is expected to rise. Increases in personnel at Forest Haven and in community-based programs will continue at approximately the same rate as in previous years. Wages to residents will continue to decline.

SIXTH, SEVENTH AND EIGHTH YEARS

It is anticipated that in the sixth year the number of clients in community-based day treatment programs will begin to decline slightly as the number in the less costly workshops continues to rise. The trend toward medically-oriented services will continue within Forest Haven. Cost of repairs and equipment is expected to rise in order to provide for the safety and comfort of a substantial number of new admissions who fall in the profoundly retarded range or have multiple disabilities.

By the 8th year the number of clients maintained in day treatment will be approximately 100 and the number in sheltered workshops approximately 200. Employment or some other training or educational program is expected for the remaining 100 persons. Approximately 300 of these will be maintained by the Department in community-based residences. We anticipate that 100 will be living in their own homes or in foster homes. Four hundred clients will have left Forest Haven to enter the community and two hundred profoundly retarded individuals will have been admitted for care in Forest Haven.

THE PANAMA CANAL: IMPORTANT U.S. PROPERTY

Mr. HANSEN. Mr. President, Stanley Meisler recently reported his experience traveling with a large vessel from the Pacific to the Atlantic through the Panama Canal. The article was printed Sunday by the Washington Post.

This report helps to illustrate the importance to the United States and other nations of the world, as well, of keeping the canal open to shipping.

Mr. Meisler notes:

> The New York Maru pays a $23,994 toll to transit the canal on this trip. It is worth it, the captain says. Otherwise, he would lose 14 days if he had to travel around Cape Horn. And the cost of operating his ship, he says, is $20,000 a day.

Mr. Meisler further notes in the article a U.S. pilot, expert at his job with years of experience, is required to take through the locks the large ships of other nations. He reported:

> That is the way of the Panama Canal: United States officials believe that seamanship through the canal is so demanding that their own pilots must have command.

Mr. President, I ask unanimous consent that Mr. Meisler's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PILOT IS THE BOSS IN PANAMA CANAL

(By Stanley Meisler)

COLON, PANAMA.—The Panama Canal is the only waterway in the world where pilots take full command of the ship.

In predawn darkness, Capt. Burley F. Pruett, 48, the pilot, takes over the New York Maru, waiting in the Bay of Panama, Pacific Ocean. It is 5:15 a.m. In 10 hours, he and a second pilot will guide the ship through this marvel of engineering to the Caribbean Sea on the Atlantic Ocean.

The New York Maru is 863 feet long and 106 feet wide—only 137 feet shorter and 4 feet narrower than the canal locks which raise or lower ships as they pass.

There is no ceremony when Capt. Pruett takes command.

Capt. Honma asks, "We go through now?"

"Yes," the U.S. captain replies.

It would be hard to imagine a greater contrast than that between these two officers. Capt. Pruett is a large man, taller than 6 feet, and weighing more than 200 pounds. He is so large, that some of his colleagues think Burley is his nickname.

He has worked as a pilot on the Panama Canal for 13 years, and looks on Missouri, where he owns a farm, as home. On this trip, he wears a red yachting cap with the emblem of the Panama Canal Pilot's association, and a white Guayabera, the fancy, tropical sports shirt popular in Central America.

Capt. Honma, a Japanese, is far more formal. Tieless, he wears a freshly pressed and laundered white uniform with captain's stripes on the shoulders. He is short, well under 6 feet. His hair is unstylishly cropped. He resembles Peter Lorre holding his cigarette with three fingers.

The Japanese captain paces the bridge repeating Capt. Pruett's orders to the crew. But he is not piqued by loss of command.

That is the way of the Panama Canal: United States officials believe that seamanship through the canal is so demanding that their own pilots must have command.

Between oceans the canal is 51 miles. Because of a peculiar twist in the Isthmus of Panama, a ship moving from the Pacific to the Atlantic goes from southeast to northwest. While so doing, it must rise 85 feet above sea level by the time it reaches the other side of the canal.

It works this way: after seven miles, a ship from the Pacific reaches two gates called Miraflores locks. The locks make Panama different from the Suez Canal, which is like a 105-mile sea-level ditch.

In fact, one reason that Ferdinand de Lesseps, who, in the 19th century, dug the Suez Canal failed to dig the Panama as well, was his insistence on trying to do it the same way—without locks.

The locks are like giant elevators or bathtubs. In either case, water inside a lock floats the ship up or down. The two Miraflores locks raise an Atlantic bound ship 54 feet. After a mile on the small, artificial Miraflores Lake, a ship enters the third Pedro Miguel lock, better known by the men working on the canal as "Peter McGill" lock. This one carries the ship up a final 31 feet.

The ship then enters Gaillard Cut—the most difficult work of U.S. engineers who finished the canal in 1914. The cut is a passage through the Continental Divide, remnant of the Rocky Mountain chain in Central America. Workers had to cut through eight miles of almost solid rocks.

It must have been spectacular going in the early days. The passage then was only 300 feet wide rimmed by thick vegetation on the banks. Today, the banks are still overgrown, but the cut has since been widened to 500 feet.

Despite the widening, however, a ship the size of the New York Maru is given exclusive passage.

Once out of the thin pass, a ship heads 23½ miles across Gatun Lake, formed by damming the Charges River. It follows a channel over the old river bed, dotted with islands that were once tops of hills.

At the end of the lake, a ship reaches the three Gatun locks which lower it 85 feet to the Atlantic Ocean. After another 6½ miles, the ship finally reaches the breakwater outside the Port of Colon—and the end of the Panama Canal.

A passenger on the bridge of the New York Maru gets his first grasp of the Panama Canal when the ship approaches the Miraflores locks. As he looks up, he sees Lake Miraflores above, held back by gates— a lake to which his ship must climb.

As the New York Maru enters the first lock Panama Canal crewmen climb aboard to hook 12 cables to six locomotives at the sides of the dock. This power pulls the ship through the locks, although the New York Maru uses some of its own power to move between locks.

Younger pilots stand forward on the ship and talk with locomotives drivers via walkie-talkies. This is called "working the mules up front." Capt. Pruett, with his own walkie-talkie, coordinates it all. There are only two feet between ship and lock on each side; sometimes they touch.

"One thing you have to have," says Capt. Pruett, "is a lot of guts. You keep having revolutions and horsepower going through your head."

No pumps are used in moving ships through the locks. Water enters and leaves by gravity.

Every time a ship goes through the canal, 52 million gallons of lakewater spill into the seas. According to canal company officials, the 40 ships that go through every day would displace enough water to supply Boston for two weeks.

The New York Maru is at the heart of Panama Canal commerce. On this trip, it is taking Japanese electrical appliances from Kobe to Baltimore, New York and Savannah. Almost 40 per cent of the traffic through the canal comes from ships moving between Japan and the east coast of the United States.

The New York Maru pays a $23,994.00 toll to transit the canal on this trip. It is worth it, the captain says. Otherwise, he would lose 14 days if he had to travel around Cape Horn. And the cost of operating his ship, he says, is $20,000 a day.

At 3:15 p.m. 10 hours later, the New York Maru ends its transit through the canal near the Port of Colon.

A few minutes later, a Panama Canal launch comes alongside the ship. While both the huge Japanese container ship and the launch are in motion, U.S. pilots climb down the ladder and jump onto the launch, ready for another trip back to the Pacific.

SENATOR HASKELL ON TAX REFORM

Mr. CLARK. Mr. President, now that April 15 has come and gone, the American people have been reminded once again that this country's tax structure is simply not equitable. Tax shelters and loopholes designed specifically for the wealthy allow thousands of people every year to pay little or no income tax.

In 1970, for example, 106 people with an annual income of more than $200,000 paid no income tax at all, while the "average" person in this income bracket paid 30 percent of that amount in income taxes. There are similar examples at every income level, and the vast majority of American people are justifiably angered with the situation.

Tax reform in the United States is long overdue.

Senator FLOYD K. HASKELL recently wrote an excellent article for the New York Times on the need for tax reform. In it, he argued that tax reform should meet two basic principles: First, all deductions, credits, shelters, or referrals that are neither generally applicable to all taxpayer nor essential to a fair determination of ability to pay should be repealed; second, the gain in Treasury revenues which would result from comprehensive tax reform should be the basis for a drastic reduction in the tax that everyone pays.

Mr. President, I agree wholeheartedly with Senator HASKELL, and especially with his comment that—

> Until all citizens pay their fair share, there is no way the American people can really have faith, trust and confidence in the political system.

I ask that the Senator's article, which appeared in the April 26 edition of the Times, be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX REFORM—A CALL FROM THE HINTERLAND—AND A REFORM PLAN

(By Floyd K. Haskell)

WASHINGTON.—Public opinion in this country rates President Nixon at an all-time low. Yet the voters rate the Congress even lower. Is it disillusionment resulting from a general atmosphere of distrust that we have come to label "Watergate"? Will public disillusionment disappear if the Congress remains resolute and we discover once and for all the truth of the President's involvement or noninvolvement in the Watergate affair? Will an impeachment trial eliminate public disappointment and dismay?

I believe not. The people's disillusionment with their Government and leadership antedates and runs far deeper than a lack of confidence in the President. To many, Watergate and all the official improprieties that that term has come to suggest offer proof that virtually everyone in our Government is corrupt, that the rich and the powerful have greater access to the centers of policymaking than do the millions whose lives are affected by those policies, and that ordinary taxpayers have been but a pawn in the game of power.

Impeachment, whatever its result, will not dispel the vast distrust of politics and Government. Impeachment will only mean that the people's branch has brought an indictment against the President. But the people have already indicted their institutions, in a political sense, and an impeachment inquiry may only be one step in halting the erosion of confidence.

If we are to regain public confidence we must address the root cause of long-standing popular disillusionment: a widely-held view that the Government and its policies are neither responsive nor responsible to the people.

Many reasons for such disillusionment can be found, but one above all is our tax laws. How is it that millionaires pay no tax and the President pays large sums only after an investigation by Congress, but the filling-station attendant, the secretary and the miner pay exorbitant taxes, unrelieved by even debatable loopholes?

Perhaps the millionaire invests in low-income housing, oil wells, or in municipal bonds, and thus legally eliminates any income-tax liability. We need low-income housing and oil wells, and our cities must have services. But does this make the tax system palatable? I think not, and the American people think not.

America realizes that every dollar of tax "breaks" for a few people means that the rest of the people must take up the slack through higher taxes. I don't object to tax breaks that have general applicability. What I object to are those provisions written not for all the people but for a select few who have chosen to pursue a particular, narrow economic objective.

We must soon undertake a complex and radical overhaul of our tax laws. We must say that taxes are to raise revenues, not to induce economic behavior. We must reverse a generation of policy and bar subsidies by tax incentive.

Tax reform should follow two basic principles. First, all deductions, credits, shelters and deferrals that are neither generally applicable to taxpayers, and hence distort progressiveness in the tax structure, nor essential to an accurate and fair determination of the ability to pay should be repealed. Second, the net gain in Treasury revenues that this brings about should be the basis for a drastic reduction in all tax rates.

Under this approach, such items as the use of percentage depletion in excess of cost, the deferral of export income, various forms of accelerated depreciation and the like would all be repealed.

But we must retain tax provisions designed to help all taxpayers meet certain basic needs or that are designed not only to provide an incentive to a given economic activity but also to define realistically one's ability to pay.

One might easily justify exempting from taxation such items as public assistance payments, certain income of the elderly, and certain medical-care benefits. And one might acknowledge the need for some form of tax recognition for certain consumer expenditures such as housing and medical care. But it is not clear that the tax mechanisms used for those purposes are as equitable or efficient as others might be. Thus, a deduction for medical payments might be replaced by some form of tax credit. Under the deduction system, the Government in effect subsidizes 70 percent of the medical care of the wealthiest taxpayers but only 14 percent of the care needed by someone earning $5,000 a year.

There should be a revision of the treatment of capital gains, beginning with a redefinition of the term "capital asset" to exclude the source of ordinary income. And there should be an end to the practice of allowing capital gains to escape taxation entirely when the assets are transferred at death.

A preliminary estimate of the projected revenue yield of such reforms is about $25 billion—a sum that would allow a substantial reduction in the tax rates on all income brackets.

Until all citizens pay their fair share, there is no way the American people can really have faith, trust and confidence in the political system.

TOO MANY U.S. TROOPS IN ASIA

Mr. CRANSTON. Mr. President, I believe we have 100,000 more American troops stationed in Asia than we need there. We ought to bring them home and deactivate them.

Bringing home about half our military forces from that part of the world would save American taxpayers $1 billion in direct manpower costs alone; billions more for troop support, military construction, maintenance, and logistics. The balance-of-payments savings associated with such a cutback would be roughly $800 million a year.

The sky would not fall. We would still

have more than enough men—and firepower—to protect American security in the Pacific and to live up to our legitimate treaty commitments to our allies.

Even with 100,000 servicemen pulled out of South Korea, Thailand, Japan, the Philippines, and Taiwan, we would still have 59,000 air and ground forces left in those countries, plus 33,000 men of the 7th Fleet in Southeast Asia and the western Pacific, and 14,000 air and ground forces in Guam—106,000 men in all.

Immediately after the last world war, it was reasonable to keep hundreds of thousands of U.S. troops in Asia to allow our allies to rebuild and recover from the recent conflict. But such a huge American military presence was never meant to be permanent. The spectacular economic growth experienced by those countries in recent years—thanks in large part to U.S. aid—now makes them better able to support their own defense.

I have also actively supported Senator MANSFIELD's efforts to whittle down the $17 billion we spend on European military support, and this 25 years after World War II. I still do. I am convinced that reducing our overseas forces would make us stronger as a nation than we are today.

This is not an idle proposal. A growing number of Members of Congress—Republicans and Democrats alike—are fed up with the wasteful, provocative, and counterproductive deployment of huge numbess of U.S. troops in the far corners of the globe.

Last year the Senate passed an amendment I wrote with HUBERT HUMPHREY to cut back 110,000 troops worldwide. But the House would not go along. This year, I believe we will have the backing of the House as well.

POLITICAL AND MILITARY REFLECTIONS IN THE WAKE OF THE WAR OF OCTOBER 1973

Mr. ABOUREZK. Mr. President, in an article entitled "Political and Military Reflections in the Wake of the War of October 1973," Meir Pa'il has commented insightfully on the conflict, the motivations, and aspirations of the participants, and interested foreign parties. Mr. Pa'il is an eminently qualified observer of the Middle East. He is a member of Israel's parliament, the Knesset, and is a lecturer in history and military history at Tel Aviv University. He is also a former commander-in-chief of the Central Officer's School of the Israeli army, and is a member of the Board of Directors of the Israeli Peace Research Society. Recognizing that "the root" of the Arab-Israeli conflict is Israeli-Palestinian struggle, Pa'il proposes that:

> The government of Israel permit the early holding of democratic elections in the occupied territories—elections in which the Palestinians will choose their representatives. Israel should declare that it recognizes the right of the Arab Palestinian people to self-determination, which will be implemented alongside a guarantee of peaceful coexistence with Israel. Israel's efforts should be directed towards including the representatives of the occupied areas in every negotiation aimed at discussing the future of the territories in which they live, or the refugee problem.

I want to bring this important article to the attention of all Members of Congress, and others interested in the Middle East situation. I ask unanimous consent that "Political and Military Reflections in the Wake of the War of October 1973" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLITICAL AND MILITARY REFLECTIONS IN THE WAKE OF THE WAR OF OCTOBER 1973

(By Meir Pa'il)

I. GEOGRAPHIC DEPTH VERSUS POLITICAL FREEDOM OF ACTION

The Egyptian-Syrian offensive on Yom Kippur 1973 testifies to the fact that the status quo policy of the government since the end of the Six-Day War was a complete failure. This policy held that time works only in our favor, that we must follow a line of consolidation, settlement and creating facts in the occupied territories (as outlined by the Galili Document), and that ultimately this would be accepted by the world, and we would extend (de facto or de jure) our territory and establish security and tranquility for a long time to come. This policy proved to be a dreadful delusion. It did not prevent the renewal of a war on a much larger and more deadly scale than the Six Day War and the War of Attrition. This policy failed even in terms of strategic considerations.

The two wars compared

Let us make a short historical comparison between the Six-Day War and the War of October 1973.

On the eve of the Six-Day War, from the end of May till the beginning of June 1967, when Egyptian forces gathered in Sinai, and the forces of Jordan, Iraq, and Syria began to concentrate to our east, we lacked strategic depth because of the size of the State of Israel at that time. But during the three weeks which preceded June 5, 1967, it became clear that Israel had great freedom of political action in terms of the interests of the world powers. We had at least the support of the United States and Great Britain and the sympathies of world opinion in most countries.

This state of affairs enabled us to strike a pre-emptive blow in the Sinai Penninsula, in the central mountain range of the Jordanian West Bank (Hebron-Jerusalem-Neblus-Jenin) and afterwards, in the Golan Heights. As a result, we achieved the most striking military victory that Israel has known since its founding, followed by a significant political improvement based on the very fact of our control over the "occupied territories."

On the eve of the October 1973 War, as the Egyptians and Syrians prepared for their attack, Israel enjoyed reasonable strategic depth, but found herself in a situation of greatly reduced freedom of action. Our friendly relations with Africa were in a process of disintegration, those with Western Europe were becoming increasingly aloof and detached (not to mention the outright animosity of the Eastern European countries), and even the one Great Power which backed Israel, the United States, would under no circumstances have allowed us to make a preemptive attack on Yom Kippur eve. Had we taken the initiative of a preemptive attack, they would have stopped us in a day or two; and we would have been forced to pull back and been compelled by the United States to relinquish most of the territorial and political gains of the Six-Day War.

Why such isolation?

Why did Israel find itself in such a bind? Though this problem requires a separate discussion, it would be missing the point to shrug our shoulders and blame Divine Providence for our troubles. It should be clear that Israel's policy itself is at least partly to blame for the isolation we found ourselves in on the eve of the Yom Kippur War. Israel's policy for the past six years regarding the "occupied territories", has been to perpetuate the status quo through a series of faits accomplis. This policy of "creating facts" in these territories has been part of a tough political line based on an unwillingness to relinquish territories in return for a possible peace settlement.

As a result of such policies, we were thrown into the War of October 1973 with strategic depth, from a military point of view, but without the necessary freedom of political action to fully use our military capabilities. It is true that we succeeded in containing and repelling the Syrians and Egyptians and even conquering additional territory in Syria and the West Bank of the Suez Canal; we achieved a clear military victory. However, this victory only came after a war which was three times as long as the Six-Day War and cost us, so it appears, more than twice the number of lives.

When we examine the political situation which now prevails between Israel and the Arab states since the recent cease-fire came into effect, we must conclude that in spite of a military victory, we have not obtained a single positive political achievement. We are in about the same political situation as we were vis-a-vis the Arab world after the Six-Day War and we still face the same dilemmas that resulted from that war.

The question still remains, are we prepared to return the "occupied territories" (even gradually and in stages) in exchange for their demilitarization and steps towards political peace between ourselves and the Arabs? Or shall we continue to "establish facts" in the territories in the false hope that the world will be reconciled to this and with clear anticipation of another round of battles in the future? It seems that our political situation has even deteriorated following the October War for now there is a good chance the Super Powers will press more forcefully for a political settlement which will involve significant Israeli territorial concessions in return for political concessions from the Arabs.

In our comparison of the Six-Day War with the October 1973 War, therefore, we can draw the conclusion that there are international-political factors which contribute more to political and military victory than secure borders, even if the latter provide strategic depth; moreover, strategic depth can also be achieved by demilitarizing the territories after their return.

Initiatives could have prevented isolation

Could Israeli willingness to gradually relinquish the occupied territories in exchange for their demilitarization and contractual peace settlement have altered the political situation prior to October 1973? Could a massive Israeli peace initiative between 1967 and 1973 have prevented the October War or any other war? This is very difficult to know, for even the most extensive peace initiative on our part might not have received an appropriate response from the main leaders of the Arab world. But one thing is almost certain: such an initative would have helped to avoid Israel's isolation among the nations of the world. It is also likely that such an initiative would have deepened our own faith in the justice of our cause and moderated some of the ultra-nationalistic feelings which have surfaced in our society. It might have also succeeded in opening a channel of communication with someone in the Arab world in the post-Six-Day War period.

The question which arises is: today, after a cease-fire has been imposed on the parties, will Israel wait and be forced by pressures from the Big Powers? Or will she now initiate a peace policy and publicly announce without Big Power pressure that the territories occupied since the Six-Day War are competely negotiable in return for demilitarization and peace settlements.

II. POSSIBLE ARAB INTENTIONS IN THE OCTOBER WAR

The actions of the Egyptian and Syrian Armed Forces during the first days of the battle, and our knowledge of Soviet tactical and operational doctrine, allow us to determine the military objectives of these countries in the October '73 attack.

Syria

The Syrians apparently intended to recapture the Golan Heights in two or three days. They expected to be protected from our air force by their modern anti-aircraft missile systems which extended throughout the Syrian Golan Heights and Bashan (Houran) and which would certainly be moved into the re-conquered Israeli Golan Heights. At a second stage, it appears the Syrians intended to contain counter-attacks by the Israeli armoured infantry and air force in an effort to weaken our strength and bleed us for a few more days until the United Nations and the Great Powers would arrange a cease-fire approximately along the old (pre-1967) border with a few changes in favor of the Syrians.

Egypt

The Egyptian objective was apparently to cross the Suez Canal at a number of bridgeheads, and to penetrate the Sinai Peninsula over a period of three to four days until Egyptian military control extended along the East Bank of the Canal to a depth of twenty to thirty kilometers. This was to be effected under the protection of a dense anti-aircraft missile system spread along the west side of the Canal—part of which would accompany the land forces crossing over to the East Bank. At a second stage the Egyptians intended to contain counter-attacks of the Israeli armoured infantry and air force, with the aim of crushing us before the United Nations and the Great Powers would bring about a general cease-fire.

Little Expectation of a Third Stage

It is very likely that there were some Syrian or Egyptian commanders or leaders, who in their sweetest dreams, hope to continue into a third stage, after the Israeli Defense Forces (I.D.F.) was crushed, and advance into the Upper and Lower Galilee and into the Sinai expanses through armoured-motorized-warfare. However, it seems that such expectations were not considered realistic by those who made the decisions in Syria and Egypt in light of their evaluations of I.D.F. since the Six-Day War. Moreover, armoured-motorized-warfare requires air control and close coordination with the air force which neither the Egyptians nor the Syrians could count upon, for they did not even attempt to eliminate our airfields in the early stages of the attack.

Jordan

The question arises: Why didn't the Hashemite Kingdom of Jordan join the attack of October '73? Her participation would certainly have placed Israel in an even more difficult situation. It seems that King Hussein and his advisors had two considerations in not joining the war:

(1) I.D.F.'s deterrent image was still clear in the minds of the Jordanian authorities and they feared—and rightly so—that when the I.D.F. would make a counter-attack, Israel would likely gain control of the East Bank of the Jordan (including the cities of Irbid, Mifraq, Jerash, a-Salt, Amman, Karq, Ma'ar, and Aqaba) and simply put an end to the present Kingdom of Jordan. The Egyptians and the Arab countries along the lines even in the event of an Israeli military victory.

(2) The Jordanian ruler reasoned that should the October War bring about or impose talks between Israel and Syrians did not face such a danger of "territories in exchange for demilitarization and peace," this would have to, in any case, also involve the Israel-Jordan plane. Thus, Jordan could reap the benefits following the war without having to spill the blood of her soldiers and citizens to obtain them.

The Jordanian aid to Syria in the form of sending an armoured brigade to Southern Syria were merely a political move. Had Jordan joined the war full force, she would have activated her military strength on the land and in the air in a third strategic theatre of war allowing for those optimal benefits which follow from the wise operation of an "External Lines" strategy.

Whatever King Hussein's considerations, he acted wisely by not involving his country in the October War, and he succeeded in emerging with honor in the eyes of the Arabs because of his symbolic military contribution to the Syrian effort.

If the Arabs had won

Had the Syrian or Egyptians realized their plans, Israel's military and political security would have deteriorated. On the Israeli-Syrian front, our northern border would have returned to its pre-'67 vulnerability; on the political plane any chance of a settlement with Syria would have been removed for a long time to come.

As for Egypt, from a military standpoint we would have lost part of the strategic depth of the Sinai; from a political standpoint, we would have lost the Suez Canal which, because of its international geopolitical importance, could and still can, serve as a good political bargaining card for Israel. In return for voluntary relinquishment of the Canal there is a chance of achieving the first step in the complicated process of political rapproachement between Israel and Egypt, as well as other political centers of the Arab world.

It should not be forgotten that any significant military gains by the Egyptians or Syrians would have put off any possibility of dialogue between Israelis and Arabs. This is because the most realistic part of our bargaining position—the territories—would have been returned to the Arabs. Any serious Egyptian or Syrian military achievement would also have increased the Arab sense of military security; reduced the deterrent force of the I.D.F. and automatically opened the option of an additional round of bloody war in the near future—this time including Jordan in the fighting.

III. REFLECTIONS UPON ISRAELI STRATEGY

After the War of Independence, it became clear to us that any war that Israel would have to fight in the future would only last the number of days it would take the Great Powers to impose a cease-fire. This meant that the classic strategy of "Internal Lines" by which the I.D.F. carried out its offensives in the second part of the 1948 War, was now antiquated. In its place, the I.D.F. would have to operate according to a strategy that would allow it to take the initiative, not just in one direction, but in two or more parallel offensives, giving us the ability to achieve, from a political point of view, a maximum exploitation of time available. If there were any reasons for doubting this line of reasoning before June 1967, the Six-Day War proved that if we don't know how to carry out a number of parallel attacks, we will in the end miss out on historic opportunities.

Importance of the Reserves

In order to meet this vital challenge, we cannot enter a serious war without mobilizing our reserve forces. Only with their mobilization can the I.D.F. achieve the dimensions which will enable it to protect its initiative on a number of parallel strategic fronts. This is essentially the secret of the Israeli Army's quantitative power. Against this background, the failure to mobilize parts of the reserves before Yom Kippur 1973 was a serious mistake which must be thoroughly and fundamentally investigated and from which we must draw all the relevant conclusions about the management of our Intelligence Service, its decision-making processes, the hierarchical structure of its decision-making bodies; perhaps we will have to make necessary personnel changes. Had part of the reserve detachments been mobilized in time, it would have been possible to contain the Egyptian and Syrian attacks more easily, to repel them more quickly and carry the war into enemy territory on both fronts in three or four days, or at most, a week—and with much fewer losses.

Limitations to Our Strength

However, even the problem of carrying the war into enemy territory must be handled wisely. The aggressive fighting spirit of our commanders and I.D.F.'s superior capacity of performance over the Arab armies—a superiority revealed again in the October War despite certain disappointments—must be constantly tempered by the sort of reasoned wisdom which is an integral part of both the Jewish and Israeli-Zionist tradition. On this subject we should consider the following analysis.

Even military strength has objective limitations which must be considered lest we be burnt out by the intensity of our own strength. Despite our military superiority over the entire Arab world, we cannot, even if our population was to number eight to ten million Jews, forcibly control the entire Arab Middle East and impose political settlements on the Arab States as we see fit. The Arab world, despite its social, economic and even cultural backwardness, is "bigger than we are" demographically and geographically. This is without taking into account the reaction of the Great Powers (including the U.S.) should we attempt to take over the ruling centers of the Arab Middle Eastern countries. We must remember that Damascus numbers around eight hundred thousand Arabs and Cairo around five million Arabs who cannot be counted among Israel's sympathizers; and these two cities are only a small part of the Arab world.

These limitations to our military strength are apparently clear to our political and military leadership for such considerations, in addition to fear of active intervention of the Great Powers, prevented them from ordering the I.D.F. to carry out a blitz on Damascus and Cairo. This is a credit to their wisdom.

A new strategy of attrition

However, during the October War, a tendency began to appear among our political and military leadership to try and persuade the Arab leaders to talk and to recognize Israel by means of a new strategy. This strategy proposes to prove to the Arabs that in any battle or war, their armies can anticipate such a beating that it is not worth the price they must pay—either in loss of life or in the material and economic spheres. This strategy by nature necessitates prolonged military attrition which is supposed to—God willing—open the eyes of the Arab leaders and make them realize that it would be better for them to talk about political settlements with Israel than to suffer the debilitation of their human and material resources. This strategy, which was explicitly voiced by the Minister of Defense in his television appearance of 14 October 1973, should be severely criticized on two grounds:

The strategy of attrition is by nature two-sided and will take its toll from us in lives, as well as economically, in every battle. The people of Israel cannot afford the luxury of such a strategy.

The Arab leaders control tremendous resources of manpower and have political and economic alliances which allow them to resupply themselves with relative ease again and again. The destruction of part of the Arab armies in devastating battles on land, sea, and in the air, has little effect upon the Arab leaders over the long run. The end result will be to draw us into additional and frequent rounds of ravaging war due to the rehabilitation rate of the Arab forces. The Arab side will suffer less than we do from these wars and will be affected by them less. In the above-mentioned television interview, the Minister of Defense admitted that he's not even sure he can bring Syria and Egypt to accept a cease-fire by means of this method of attrition.

Territory as a Bargaining Card

Despite the limitations we mentioned regarding Damascus and Cairo, in the complex situation existing between us and the Arabs, military control over territorial possessions provides a great number of military and political advantages.

The advantages of controlling territory are both defensive (strategic depth) and offensive (solid bases for our attacks). On this, there has been general agreement. To sense the dimensions of the military importance of the territories, we need only imagine how bitter our lot would have been in the Jordan Valley, the Kinneret Basin, and Eastern Upper Galilee had the Syrians successfully gained control—God forbid—of the Golan Heights during their Yom Kippur attack.

However, the political advantages of controlling the territories do not lie in annexationist visions of the territorial expansion of the State of Israel, but in the geo-political importance of certain territories as bargaining cards in exchange for significant political concessions from the other side, including the total demilitarization of the territories accompanied by suitable military and political guaranties. The Yom Kippur War certainly proved that merely holding territories without using them to promote political negotiations, ultimately leads to renewed warfare and spilling of blood.

The question of how many Egyptian, Syrian, Iraqi or Jordanian forces were wiped out in the October 1973 war is of secondary importance. The dimensions of the damages (which, to our great sorrow, were mutual) will be determined only if the next round takes place in three, five, or seven years. However, the territories we succeed in holding can, *if we behave intelligently and generously on the political plane*, serve as a bargaining card which can gradually alter the political situation in exchange for gradual territorial concessions.

Egypt—We Should Not Have Trapped the Third Army

This analysis compels us to question some of our leadership's strategic considerations after we assumed the initiative in the October War.

On the Egyptian front, it is clear that our establishing a bridgehead north of the Great Bitter Lake on the west bank of the Suez Canal, and our expansion to the north and south of it, upset the Egyptian strategic balance and persuaded the Soviets to put pressure on Egypt and the United States. This is what brought about the ceasefire on October 22 and October 24.

This I.D.F. operation was a good example of an *indirect approach*, which exploited the Achilles heel of the Egyptian Army's deployment and his slow reactions. If anything was lacking in brilliance, it was, in my opinion, the final polish: we should have *not* completely encircled the Egyptian Army either in the southern or northern part of the Canal, but, instead, left him an opening for communication with his rear. These outlets are vital from a military standpoint, for there was a chance they could assist in the psychological disintegration of the Egyptians, and perhaps even hasten the collapse of part of their formations east of the Canal.

It should be noted, that these openings are manifoldly even more important politically, for as long as the Egyptian Armies maintain minimal ties with their rear and their problem of subsistence is not critical, there could be a chance of avoiding external and superfluous pressure on the part of the Great Powers. This would make it easier to gain time in order to maintain our presence on the West Bank of the Canal and achieve without undue involvement by the Great Powers, significant political concessions. If the Egyptian Third Army's very existence is in danger, however, we openly invite urgent international pressure to begin an Israeli withdrawal.

In conclusion, wise and original military thinking would have been to leave some small opening for the Egyptian Third Army which would serve as a valve to release political and psychological pressure while allowing the I.D.F. to keep open the option of total encirclement.

SYRIA—A TEMPORARY BUFFER WAS NEEDED

As for the Syrian front, when we went over to the offensive, we were apparently caught up too quickly in battles to destroy the Syrian and Iraqi forces; our leadership did not seem to have determined a clear strategy for the offensive. There were various hints about aiming for Damascus, but these were apparently leaked to "confuse the enemy." In my opinion, after we took the initiative we should have directed our attack toward controlling the region of Sheikh-Maskin and joining up with Jabal Druze. This would not be to annex territory, but rather to establish a temporary buffer between Jordan and Syria in preparation for political contacts to follow, and also to hold something significant for further bargaining with the Syrians.

A Limited-Arms Strategy

In conclusion, I believe that given the specific conditions of the Middle East and the conditions of the protracted Israel-Arab Conflict, we are compelled to follow a *limited-arms strategy and not a strategy of unconditional surrender or of total destruction.* In this framework, the correct approach is not a strategy of pulverising the enemy, but a strategy of limited territorial control, meaning, control for bargaining purposes only, and not at all for purposes of annexation.

IV. REFLECTIONS ON ISRAELI TACTICS

There is no doubt that the October 1973 War put the I.D.F. to a difficult tactical test, which involved us in considerable "hand-to-hand" combat, mechanized or otherwise. The I.D.F., with its regular and reserves branches, ultimately stood the test, contained and repelled the attacks and took the offensive, carrying the battle into enemy territory. This fact serves as proof that the I.D.F. is superior in principle to its Arab enemies, both in fighting spirit and in the tactical and operational management of its fighting forces.

A War of Foot-Soldiers

But from the information reflected in the press, it becomes clear that the I.D.F. must undertake basic changes in several aspects of military doctrine and tactics. First and foremost is the improvement of the status, size, and combat role of the foot-soldier as a modern twentieth century fighter.

It is not our intention here to become involved in operative-strategic polemics as to whether we should have been organized defensively in fortified installations along the Canal and the Syrian Purple Line. We assume that such arrangement were required from a political standpoint, and it is clear that political considerations must always take precedence over military considerations. What I want to point out is that, even though most of our fortified installations along the Suez Canal and some of them on the Syrian lines were captured by the enemy within the first day or two, this does not necessarily prove the conceptual failure of the defensive formations. It does, however, prove that our infantry is in need of substantial improvement.

Similarly, we must thoroughly examine our defense tactics and our fortification system to see if we have not mistakenly preferred a "bunker conception" over a sound and effective fire capability. We must also examine our standards of fighting spirit, for good infantry units operating properly from fortified installations with the help of tanks, artillery, engineering and air support, and possessing an adequate supply of ammunition, should know how to fight from within their installations even if they are completely surrounded for a week or even more. The stronghold at the southern dock of the Suez and the northern stronghold on the Mediterranean Coast are good cases in point.

The need for night fighting

The veteran soldiers among us were not comfortable with the fact that during the first days of the battle there was little said about offensive night fighting at least in two areas:

Large-scale raids, mostly with helicopters, against all of the enemy anti-aircraft missile bases and airfields and even against his communications and transportation systems. There is no reason why the operation against the batteries of missiles must be solely carried out by the air force or the use of the sophisticated homing-in "Shrike" missiles.

Counter attacks by the infantry at night with the support of tanks and artillery, with the infantry either on foot, fighting from half-tracks or carried by helicopters.

Necessary overhauls

It is difficult to evaluate where exactly the weakness of I.D.F.'s infantry lies. It is unclear whether there are insufficient infantry troops to carry out all the above-mentioned objectives or whether the infantry lacks sufficient modern equipment in the areas of personal weapons, half-tracks, or helicopters.

It may be that there are deficiencies in the fighting doctrine and education of the fighters themselves. In any case, there is the impression that in I.D.F.'s "philharmonic orchestra," the lack of a modern infantry is keenly felt; this is a matter which requires investigation and correction.

A second overhaul should be made of the formative structure of I.D.F. It appears that the present Defence leadership was excessively hasty in adopting a divisionary structure as a fixed formation, seemingly based on the historical examples of various foreign armies.

The complications of the October War and the need for flexibility may compel us to re-examine the concept of a division as a fixed formation. The nuclei of the fixed formations should be on a lower level (brigade) and these small fixed formations should be structured so as to absorb quickly and easily non-integrated fighting units. This must be accompanied by the complete abolition of all differences in work procedures between the infantry and the amoured corps.

The Navy was successful

It appears that the only combat force whose fighting doctrine functioned flawlessly in the October War was the Navy. After a generation of learning, the Israeli Navy finally came into its own and adapted itself to a unique fighting doctrine which is appropriate to our conditions of war. The protraction of the war allowed the Navy this time to prove its originality and its offensive spirit by using small vessels and special methods of fighting. We can only hope that they do not succumb to excessive self-satisfaction and complacency.

V. ON THE INTERVENTION OF THE SUPER-POWERS

It happened again, although this time only after eighteen days, to our good fortune. Had the Powers intervened at the end of the first week of the war, we would have been in a much less pleasant situation.

It should be understood that before actually intervening, the Soviet Union and the United States first weigh their global interests in relation to their positions in the Middle East. I want to stress that the objective situation of these two Super-Powers is *not* the same.

Soviet interests

The Soviet Union is the Power which was thrown into the greatest distress in the Middle East when it became clear that the initiative had passed to the Israeli side and that the Egyptian Army was in danger of serious defeat. Under these circumstances, the Soviet Union feared (and still fears) that absolute defeat of the Egyptian and Syrian armies would lead the regimes in these countries to abandon their alliance with the Soviet Union and transfer their political sympathies to the United States. This could occur either by means of overthrow of the Arab regimes or without any change in government.

After less than two weeks of fighting, the Soviet Union discerned that her vital interests in the Arab world were likely to be damaged; therefore she quickly worked for a cease-fire through her contacts with Egypt and Syria as well as the United States. This is also the reason that the Soviets will in the near future apply steady pressure for additional political changes which could be interpreted as Egyptian and Syrian gains.

American interests

The United States is in a much better situation vis-à-vis her position in the Middle East. No vital interest of hers has been damaged in the course of the October War. Even the Arab boycott on oil to the United States will scarcely affect the economy of America. Her motives for bearing down on Israel are important, but not as acute as those of the Soviet Union. The motives of the United States are:

The unstable position of President Nixon at home following the Watergate affair—a situation which is likely to influence the President to aspire to the historic role of peacemaker in the Jewish-Arab conflict;

Long-range consideration of the United States regarding friendly economic and strategic ties with the Arab world;

Concern as to whether extreme support of Israel will contribute to further emphasis of the contradictions between the United States and the countries of Western Europe;

The unwillingness of the United States to reach a military confrontation with the Soviet Union because of the Israel-Arab confrontation.

Forthcoming American pressure

In any case, the United States is the only Power which can influence Israel and, it should be added, she has good reasons for wanting the Soviet Union to lose her prestige in Egypt, Syria and Iraq in favor of herself. Therefore, though objective American interest in pressuring Israel exists, it is much more moderate than the pressures required by the Soviets. Hence, the Soviets will try to goad the U.S. into pressuring Israel by means of severe pressures and threats—both local and global—in an effort to have Russian stature in the Arab world. We may assume that because of the above-mentioned American motives, the Soviets will succeed to a certain degree and that certain pressures upon us from the United States are forthcoming.

In addition to the political game on the United States-Soviet Union plane, Egypt, Syria and Iraq (with the help of Saudi Arabia, Jordan and Lebanon) can initiate political contacts between themselves and the United States to encourage her to pressure Israel. We can assume that as the U.S. effects diplomatic relations with Egypt, and later on with Syria and Iraq, the pressures upon Israel will increase.

An imposed peace may be no peace

If the government of Israel continues to follow the policies she has adopted from 1967 to 1973, that is, maximum perpetuation of the territorial status quo in order "to gain time," in the hope that time works in our favor, there is a good possibility that in the end the Great Powers will win out. If so, Israel will be forced against her will, to begin significant withdrawals with the United Nations Emergency Force "goading" our withdrawing forces and supervising the various stages of evacuation. If these events take place we will find ourselves in a situation where we are forced to evacuate territories, but the Egyptians and Syrians, and perhaps the Jordanians as well, will not be compelled to pay the full political price for our forced territorial concessions. In this case, they won't be obligated to arrive at any political settlement which would lead to mutual recognition and the beginnings of commerce, communications, diplomatic relations and normalization between Israel and her neighbors. In other words, there is danger that no peace will develop from these imposed arrangements.

Since the United Nations Emergency Force serves not only as an instrument for observation of the front lines and borders but also as territorial buffer zone, we can already venture a guess as to what the first political step imposed will be. Israel will be forced to evacuate her forces some tens of kilometers east of the Suez Canal and perhaps commit herself publicly or secretly (or the United States will do it in her place) to an eventual total withdrawal from Sinai on the condition that it be demilitarized. Egypt will probably be allowed to station a symbolic military force east of the Canal and will commit herself to permit free Israeli navigation on the Suez Canal when it opens. Between Israeli and Egyptian forces will be stationed the United Nations Emergency Force which will operate in the Sinai.

Steps to be taken

Perhaps this model is to a certain degree reminiscent of the Roger's Plan of several years ago, or of the various calls by "dovish" circles in Israel during the past four years for an Israeli peace initiative as a first step toward Israeli-Egyptian talks. In any case, the question now is whether the Israeli government will wait until she is forced or will rather, immediately express publicly her readiness to exchange the occupied territories for their demilitarization and for peace. In doing the latter, we will express not only our willingness to negotiate with our enemies, but also our position on the principles of such negotiations.

Now, too, when attention is focused on our contact with Egypt, we should not forget that the root of the conflict is with the Palestinians.

I propose that the government of Israel permit the early holding of democratic elections in the occupied territories—elections in which the Palestinians will chose their representatives. Israel should declare that it recognises the right of the Arab Palestinian people to self-determination, which will be implemented alongside a guarantee of peaceful co-existence with Israel. Israel's efforts should be directed towards including the representatives of the occupied areas in every negotiation aimed at discussing the future of the territories in which they live, or the refugee problem.

There is a chance that such a broad peace initiative on our part will contribute to a healthy process of Jewish-Arab normalization and bring us closer to peace by gradually opening the borders between Israel and Egypt and later between Israel and Jordan. In this way, we can hope to create increasing contact between Israel and her neighbors in the areas of commerce, tourism, transportation, economics, culture and diplomatic relations. If this process is successful, perhaps even the Syrians will be persuaded to try their luck at peaceful relations with Israel.

In this situation, it is obvious that not everything depends on Israel alone, but it does depend on us to a considerable extent. Despite the cruelty of the Yom Kippur War, one can now assume that there is finally a hopeful opening for peace. It is our task and responsibility to take every step necessary to further the cause of Israel-Arab peace and brotherhood.

VICTIMS OF RAPE

Mr. JAVITS. Mr. President, as a principal cosponsor of S. 2422 the Rape Prevention Control Act, I have been concerned about the treatment accorded rape victims in our hospitals—and in criminal justice systems. In an effort to address one aspect of this serious problem, it is noteworthy that Mayor Abraham D. Beame of New York City recently announced the start of a pilot project that will provide improved medical and evidence gathering procedures in rape cases received by the municipal hospitals.

The project, being carried out by the police department and Health and Hospitals Corporation, is underway at Morrisania Hospital in the southwest Bronx—an area which has unhappily one of the highest incidences of reported rapes in New York City.

Upon completion of the 1-month test period, the program will be evaluated and if proven successful, it will then be instituted at 14 other hospitals administered by the Health and Hospital Corporation that are equipped with emergency rooms.

Special procedures being undertaken as part of the program include:

Having a policewoman available at all times to speak with the rape victim if the victim so desires.

Submitting all evidence of a rape case directly from the attending physician to the police crime lab for analysis, via hospital security.

Establishing new hospital procedures for those involved in the initial contact and treatment of rape victims.

This last procedure involves step-by-step guidelines for all those who will handle the rape victim, from the time she enters the hospital till she leaves. The guidelines have been designed to insure the proper handling of evidence, to aid in the prosecution of the alleged perpetrator, and to guarantee that the victim will be given prompt medical attention by hospital and police personnel who are sensitive to her particular problems. Psychiatric and abortion counseling will also be available if it is needed.

Mr. President, this coordinated effort, the first of its kind in the city, is in response to the need for more sensitive treatment of rape victims and efficient handling of rape cases.

In addition, the police department now has a special sex crimes unit with divisions in each of the boroughs and recently, rape coordinators have been established at the municipal hospitals.

I commend Mayor Beame for the establishment of these important programs which reflect a long overdue sensitivity in handling the delicate emotional problems that so often affect rape victims.

SHIFTING THE BURDEN OF THE SOCIAL SECURITY TAX

Mr. CRANSTON. Mr. President, since I have been in the U.S. Senate, cost-of-living benefits for social security recipients have gone up 68.5 percent. I voted for those increases, and I believe in them.

Congress must provide for the elderly on fixed incomes at a time of savage inflation and rising prices.

But the payroll tax that supports social security has also gone up. The maximum salary deduction has gone from $374 a year in 1969 to $772 today.

The real burden is on middle- and low-income workers. Workers who make up to $13,200 a year pay 5.8 percent off the top of their salaries into social security. Every income level above that figure pays exactly what the $13,200-a-year worker pays: $772.

It is hard on small businessmen, too. Employers dollars match 50/50 with workers to finance the system.

As social security costs necessarily go up, I believe the Government should begin to contribute support from corporate, estate, and progressive income taxes which reach the upper-income strata. It is just too unfair to saddle 58 million hard-pressed low- and middle-income workers with the principal burden of supporting a nationwide system of social security.

At the same time, we in Congress must make sure we do not just take from the working person's left pocket what we stop taking out of his right pocket.

If the Government begins to chip in a share to social security from corporate taxes, estate and gift taxes, and income taxes—as I am proposing—then we must make sure this does not backfire on those same middle- and lower-income families. Instead, we must reform the tax structure to close loopholes that deprive the Treasury of billions of dollars.

FAIR AND EQUAL TREATMENT FOR VIETNAM VETERANS

Mr. CHURCH. Mr. President, it has been called forcibly to our attention that the veterans of the Vietnam war are not receiving benefits comparable to those that Congress provided veterans of our earlier wars.

This is intolerable. As a veteran of World War II, I was a beneficiary of the GI bill in the late 1940's. It enabled me to complete my college education and obtain a law degree. When I am told that Vietnam veterans are not receiving comparable educational benefits, when the difference in living and tuition costs is taken into account, I am dismayed.

In many ways, the veterans of the Vietnam war have shouldered greater burdens than those of us who served either in Korea or World War II. Vietnam was never a popular war, and thousands of young men who were drafted to fight there felt the same misgivings that so deeply divided public opinion here at home. This made their sacrifice all the greater and one can understand the anguish that many of them felt upon returning to an indifferent homeland after their term of service had expired.

This makes it all the more imperative that the benefits we make available to the veterans from Vietnam are generous and fair.

In furtherance of that objective, I recently submitted testimony before the Committee on Veterans' Affairs. I ask unanimous consent that the text of my remarks be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Testimony Submitted by Senator Frank Church Before the Committee on Veterans' Affairs

Mr. Chairman, I am pleased to submit testimony on improving and modernizing our programs for the education and training of American veterans. These programs are, of course, for the veterans of the Vietnam era. I feel that we, as a Nation, have failed to fully meet our responsibilities to these men. Improving and modernizing these programs would be a step in that direction, but even more is required. For example, we must see to it that these programs lead to jobs, not to further frustration in unemployment lines.

As you know, I have again introduced my legislation, S. 1509, which would provide a small step in the modernization of the current G.I. Bill. S. 1509 would simply eliminate the counting of days on which schools are closed from the counting of absences against veterans engaged in vocational/technical programs.

I would like to quote from the Committee's "Final Report on Educational Assistance to Veterans: A Comparative Study of Three G.I. Bills" (conducted by the Educational Testing Service) in conjunction with S. 1509:

"In the immediate postwar years, Congress and the Veterans Administration were confronted with an unprecedented number of institutions and students using their entitlement for education and training in programs below the college level. As a response to abuses by profit-making institutions, it was necessary to clarify and define existing laws and add legislation to respond to these students and their educational situation. Today, 23 years later, several of the policies designed to respond to this specific educational situation are still in effect. As a consequence, current policies frequently constitute differential treatment of students pursuing college degrees and students involved in other forms of postsecondary educational programs.

"There has been a steadily increasing student enrollment in vocational and technical training throughout the country . . . There has been an increased emphasis on vocational education through Federal legislation . . . Russell Flanders, Chief of the Division of Manpower and Occupational Outlook, the Bureau of Labor Statistics, predicts that '. . . 80 percent or more of all jobs will require fewer than 4 years of college by 1980.'

"Thus, at a time when there is increased emphasis through legislation, government programs and job needs on vocational and technical education and training, there is a differential treatment accorded veterans who wish to pursue vocational/technical education which might very well be keeping veterans away from vocational education."

S. 1509 is designed to do away with one form of such differential treatment. Yet, the Veterans Administration has consistently opposed enactment of this measure, even though it was approved by the Committee and the Senate in 1972. The VA argues that 30 days absence is a reasonable requirement, that this restriction is based on the kind of course being pursued and not the kind of institution involved (which it recognizes is today often the same academic school whose other students have no such absence requirement), and cost. But my bill would only eliminate counting the days when school is closed, periods like Christmas and spring vacations.

To me, the VA's opposition boils down to bureaucratic intransigence. Times have changed. We cannot allow intransigence, which recognizes the new demand for vocational/technical education but refuses to respond to it, to stand in the way of veterans and their pursuit of an education which will lead to fulfilling and fruitful careers.

Quoting again from the ETS study: "This is not to imply that fewer veterans should go to college . . . It is rather to suggest that existing statutes and regulations make it less attractive for veterans to pursue a vocational/technical program of education."

I am hopeful that enactment of S. 1509 will serve as a prod for the bureaucracy to end other forms of differential treatment which I understand can be accomplished without legislation. An example would be the mandatory filing of monthly attendance cards by vocational/technical students. Veterans regard this policy as a special affront to their integrity, a niggling harassment by the bureaucracy not pressed upon their academic brothers. Discontinuing it is clearly in both the veterans' and the VA's best interests.

Mr. Chairman, I am also a cosponsor of S. 2789, legislation which contains a number of provisions to improve the current G.I. Bill, including a tuition payment, an increase in monthly benefits, possible extension of the entitlement period, extension of the eligibility period and several other measures. I strongly support all of the provisions of this bill, but I would like particularly to comment on two of them.

First, I feel that it is vital that we extend the period of eligibility to utilize the G.I. Bill from the current eight years to ten years. Existing law will result in the expiration of eligibility for veterans discharged in 1964, 1965 and part of 1966 on May 31st of this year. Many of these Vietnam veterans were financially unable to use the G.I. Bill until Congress increased the basic monthly benefit in 1970. It is these veterans in particular who will benefit from this extension, and I strongly urge the Committee to act on this proposal as soon as possible.

The other provision would allow veterans to accelerate their monthly benefits by reducing their months of entitlement, doubling the amount of their monthly benefits by halving their months of entitlement. This proposal would encourage academic dropouts to complete their educations, enhance the opportunities for veterans who wish to attend graduate schools, and provide an excellent incentive for veterans to become involved in vocational-technical programs not only in colleges but also in non-college programs like On-the-Job Training.

It is in these latter areas that I feel we must place the greatest emphasis in order to really improve the G.I. Bill program. These are the opportunities we must open if we are to furnish educational and training programs to our veterans most likely to lead them to jobs. For example, the advancing age of our farmers is such that we must wonder who will be producing our food in the years to come. Idaho veterans have suggested that we should expand the On-Farm training program as a means for training young farmers. I agree. We must meet the responsibility we owe to veterans of the Vietnam era in all areas of education and training, but especially in those areas which will lead to jobs that will enable them to earn a good living. Our programs should be better designed to accomplish that objective.

FIGHTING CRIME IN PUBLIC HOUSING: THE JERSEY CITY EXPERIENCE

Mr. WILLIAMS. Mr. President, there has been a dramatic reversal in the rate of crime and vandalism in public housing in Jersey City. Over the past year the new management of the Jersey City Housing Authority has initiated a successful combination of active tenant security patrols and a program of builidng refurbishing. The results have surpassed all expectations as virtually "unmanageable" projects have become, once again, decent and enjoyable places to live.

In my opinion, the success of Jersey City deserves the careful consideration of every housing authority in the country with similar problems. It is even more essential that the Office of Housing Management at the Department of Housing and Urban Development explore all possible avenues to extend this worthwhile approach to other areas of the country.

I should hasten to point out that tenant security patrols are not a novel idea. They have been tried in other parts of the country with varying degrees of success. Nevertheless, the impact of the Jersey City experience is especially significant to me, because of the degree of change that has taken place.

As chairman of the Subcommittee on Housing for the Elderly, I have conducted several hearings on the issue of crime and vandalism in housing for the elderly. By design and by necessity, this inquiry included the effects of crime on tenants of all ages. Our concentration, however, has focused on the older person only because he has been the most frequent victim.

From the hearings, research, and staff visits that my subcommittee has undertaken, the A. Harry Moore project in Jersey City stands out as one of the most dangerous. Following several visits by my staff to Jersey City, witnesses from the A. Harry Moore project came to Washington on August 1, 1972, to tell their story. Here are just a few excerpts from that testimony:

> [My children] can't have friends in the house because their parents won't let them come down to the projects.
>
> It is like a prison. We have all metal plates on our hall windows.
>
> The elderly are the people being the most hurt. One woman living in A. Harry Moore has been mugged over 20 times. Her house—all she has is a little bed to sleep on and a chair and a table to eat off. She has absolutely nothing left in her apartment. To talk to her, she is in another world, simply because of the beatings this woman has taken . . .
>
> We have no social life. If we go out, we go in two's. If the children go out, they go out in two's. My son is 15. I can't give him a $5 bill to go to the store because you never know who is standing in the halls.

Today, the conditions of A. Harry Moore are vastly different. Where once tenants were terrified to step outside their apartments, they now willingly place plants and personal decorations in their hallways. Bright, cheerful, newly painted interiors have replaced dark, dirty, graffiti-marred common areas. For months in buildings under this program no money has been spent on broken lightbulbs, because none have been broken. In the past, bulbs, windows, and elevators were often broken before the repairman left the building.

I submit that the dramatic changes which have taken place at A. Harry Moore clearly indicate that this is a program which should be greatly expanded on a nationwide basis.

Mr. President, the success of the Jersey City Housing Authority and the dedicated tenants who are making this program work deserves high praise. And, their success reemphasizes a point I have been making for a long time. The problem of crime and vandalism in HUD-assisted housing does not lack for answers. There are solutions that have been tried and found to be overwhelmingly successful. The problem has been financing. The Jersey City Housing Authority, because of its success, is encountering some problems. Other buildings and other projects want to repeat the story of A. Harry Moore, but the authority's budget will only stretch so far. They wisely do not want to promise tenants what they cannot provide.

So again, I urge the Department of Housing and Urban Development and the Congress to heed this cause. The need for funding specially earmarked for security is persistent. The Senate, I am pleased to say, has passed my Housing Security Act, as part of S. 3066, the Housing and Community Development Act of 1974. It includes $10 million for security programs for fiscal year 1975. To date, the House has not responded with similar legislation. At the same time, HUD, while recognizing the problem, has done very little to make funds available in any coordinated or specific way.

The experience in Jersey City at the A. Harry Moore project should erase any doubts about the feasibility of making public housing work. After several years of looking carefully at this problem, I regret to say that national leadership from the administration is still sorely missing.

Mr. President, I ask unanimous consent to have printed in the RECORD at the close of my remarks an article by Neil S. Piro, executive director of the Jersey City Housing Authority. The article is entitled "Jersey City's Experiment in Tenant Safety," from the May 1974 issue of HUD Challenge.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JERSEY CITY'S EXPERIMENT IN TENANT SAFETY

(By Neil S. Piro)

There is an unmistakable gleam of pride today in eyes which once emanated despair as they gazed upon properties under jurisdiction of Jersey City's Housing Authority.

In March 1973 the Authority was in default of its obligations to its tenants, its sponsors and itself; however, today there are activities which manifest hope and determination to improve the quality of life in the projects. In four high-rise buildings, formerly notorious as "tough, unmanageable projects," newly-painted walls have remained without graffiti since September 1973. A year ago, in at least five of the nine JCHA housing projects, bitter anger and frustration of the resident was unmistakably etched on battered walls of bleak hallways. JCHA's housing was in physical disrepair; its operating deficit was large and it maintained a negative if not antagonistic relationship with tenants. Such is no longer the case now as each evening groups of tenants voluntarily sit in their lobbies and monitor access to their buildings; an indication of a community spirit which has galvanized project tenants toward initiating plays, cake sales, Christmas programs, gospel sings and other activities including the placing of decorations in public corridors.

THE BEGINNING OF IMPROVEMENTS

The first step toward a revival of public housing in Jersey City came about when it became clear that the complete absence of any working relationship with tenant organizations was a primary issue that had to be faced squarely and *soon*. Efforts to make physical improvements, stimulate fiscal solvency or deal with the rising crime rate and vandalism were viewed as futile in the absence of a meaningful tenant-management relationship. Besides a rather obvious lack of professional staff and massive internal reorganization that would be necessary, other factors had to be considered in developing effective tenant strategy. Existing tenant councils were considered inadequate bases from which to proceed, because they were loosely knit groups, unable to bring about improvements or to expand their base of support. Second, confronting project-wide problems was considered too large a task for a small group of tenants to handle when they were having difficulties dealing with problems in each of their individual units. We concluded that rather common and somewhat superficial strategies of the past, such as LHA employment programs and provision of social services, would be grossly insufficient. Such strategies were individually geared and/or administered, and could not deal with the existing gamut of problems. Finally, whatever approaches were considered would have to be comprehensive in both theory and practice; they would have to encompass tenant organization, policy participation, security, daily maintenance, large scale remedial maintenance and tenant screening.

After much theoretical and empirical investigation with the help of New York City Housing Authority, we decided to initiate a five phase program that would:

Organize the residents of a building into a "tenant patrol" to monitor maintenance of and access to their own building;

Refurbish the interior of buildings where tenant patrols are operating, in accordance with patrol priorities and engineering necessity;

Install a tenant grievance and screening procedure through which patrol members can deal with disorderly tenants and with the Housing Authority and deny future access to disruptive tenants;

Install a series of interior hardware devices which would assist patrol members in monitoring their building and enhancing the privacy of their residences;

Improve the appearance of the housing site and maintain upkeep with tenant patrols.

We decided to concentrate initial efforts on the A. Harry Moore complex which consists of seven twelve-story buildings containing 664 units located on a 7.6 acre site. The project houses 2,080 persons—70 percent black, 10 percent Spanish-speaking, and 20 percent white. Vacancies were increasing monthly. The grounds and building interiors were rundown and the project was viewed by public officials as "unmanageable" and by tenants as "the toughest." However, it was believed that it might be turned around and become the project that would begin to dispel the notion that low-income high rises can't work.

We decided to begin organization of tenant patrols and interior refurbishing in only one building; this, we believe, woulld serve a number of key purposes. Organizationally, it allowed for a limited professional staff to concentrate on a smaller number of tenants, thereby allowing communication to be relatively easy and rapid. This coincided with our original intention to utilize the building as the unit for patrol organization. This lent a high self-interest plane of motivation (i.e., to improve *our* building) and maximized the potential for individual, rather than representative, participation in the definition and fulfilling of patrol program roles. Also, by executing interior refurbishing in only one building concomitant with patrol organization, the work would be within staff capacity and could be accomplished in a reasonable time. Producing visible results quickly would be imperative to expanding and sustaining tenant confidence in the Authority and in themselves. As tenants within the building and in other buildings actually saw dramatic improvements accompanying the organization of a building patrol, the connection between the two would become self-evident.

CHANGES IMPLEMENTED

Project leaders were contacted. They in turn solicited floor captains who solicited the support of two or three neighbors. Tenants and LHA officials met to determine repair priorities; an engineering survey was taken of the building, and refurbishing began, consisting of plastering and painting hallways in colors of the tenants' choice. Tiling, painting stairwells, replacing metal-plated "windows" with panes of lexan, and other improvements were made.

As refurbishing proceeded so did the organization of the building patrol. Tenants designed patrol buttons which were given to each member; lobby patrol duty schedules were compiled and a series of training sessions held to train patrol members in handling a variety of situations they might encounter. On September 4, 1973, the first organized tenant patrol began working in the first refurbished building in A. Harry Moore.

SECURITY PATROL FULLY OPERATIONAL

Three to four tenants began to sit in the lobby of their building from 7:00 to 9:00 p.m. and a second group from 9:00 to 11:00 p.m., greeting fellow tenants, explaining the program to tenants in the building who were not yet participating, and asking non-residents to "sign-in" and indicate their destination. The tenants are not cops and not vigilantes; if an incident and/or crime develops it is reported to the Jersey City Police Department Headquarters radio room which dispatches either a police officer or guard from its Bureau of Housing Security. The patrol members are simply interested tenants committed to insuring that their building is a decent place to live and raise children.

The program caught on quickly; concerned and dissatisfied tenants from other buildings and other projects asked, "Why that building? What about us?" Our response was simple: "Those tenants organized into an effective building patrol and the Authority made repairs with the confidence that improvements will be maintained through the patrol's commitment." The message seemingly got across clearly. Numerous groups of other concerned tenants began the difficult process (with some LHA staff assistance) of organizing cohesive building organizations. To date there are eight high-rise buildings in various stages of patrol organization, six of which are currently in various stages of interior refurbishing. The Authority has not spent one dollar on broken lightbulbs in organized buildings; none has been broken. Nor have we had to replace one hallway or stairwell window, despite an average of more than two children per unit. New front and back doors in each patrolled building are still on their hinges; they belong to the patrols and the tenants take personal responsibility for their maintenance.

It is important to note here, however, that although the program has far surpassed any of our expectations, as evidenced by both the present condition of the organized buildings and by the growing spirit of real community among the patrol members, it is neither devoid of problems nor a public housing panacea.

THE VALUE OF ORGANIZING

The formation of building organizations has clearly surpassed our capacity to initiate concomitant refurbishing activities, so much so that we have directed our tenant organizers to curtail further contact with any building not already in the process of organizing. There is absolutely no point in encouraging the formation of additional building patrols until our maintenance task force can handle additional buildings. In fact to do this would in all probability have a negative effect, making future organizational efforts even more difficult. Our staff presently can refurbish only one building at a time, at an approximate cost of $20,000 a building—$6,000 in materials and $14,000 in labor. Average completion time is 1½ months. Tenant patrols are organizing themselves at twice the pace. We also have insufficient funds to properly approach the fourth and fifth phases of the program, i.e., interior security hardware and site improvements. Two projects will in all probability be ready and waiting for such activity by the summer of 1974.

PROBLEMS SCRUTINIZED

Patrol leadership is not yet as problem-free as it might become. Building organizations are often too dependent upon a few key tenants; this creates problems for both the patrol and its leaders.

Nonetheless, despite difficulties and temporary weaknesses we find the patrol program a significant first step in making public housing work and are confident the program will persist and prevail. A number of public officials have observed the Jersey City program in operation and voiced their support and enthusiasm. Jersey City Mayor Paul Jordan has committed over two million dollars in police, sanitation, planning and social services to the LHA in support of the program. James Sweeney, HUD Newark Area Office Director and S. William Green, New York Regional Office Director, have given the LHA maximum flexibility in administering the program and have committed their offices to support of the program as best they can.

Finally, and most importantly, our greatest hope lies with the tenants, themselves, the consumers of public housing. Participation on their part has crossed age, race and family size barriers. There are two—parent and one-parent families who are active patrol members; there are welfare recipients and fully-employed families; blacks, Puerto Ricans and whites; senior citizens and teenagers—all exerting exemplary efforts to improve the quality of their residence. Their response to our initiatives has become literally overwhelming; we can foresee no reason to doubt its continuance.

OCCUPATIONAL SAFETY AND HEALTH ACT

Mr. DOMINICK. Mr. President, last Wednesday I introduced five amendments to S. 3203, the bill amending the Taft-Hartley Act to extend its coverage to nonprofit hospitals. One of my amendments, No. 1215 would amend the Occupational Safety and Health Act. Since last Wednesday my office has received many inquiries concerning this amendment as well as support from colleagues and many interested groups, particularly small businessmen. Because of the considerable interest in this amendment, I desire at this time to explain the amendment and set forth some of my reasons for introducing what I consider to be necessary changes to OSHA.

Amendment No. 1215 is identical to S. 1147, a bill to amend the Occupational Safety and Health Act, which I introduced in the Labor Subcommittee and has attracted the cosponsorship of 29 other Senators.

All of my colleagues are aware that the Occupational Safety and Health Act has resulted in much controversy in the last 4 years. Complaints about the features of the act and about the method of enforcement have come from all types of employers, and in particular small employers.

I do not believe that anyone would disagree with the objective sought to be accomplished by OSHA—to provide a safe and healthful environment in which to work for all Americans. I am afraid, however, that that objective currently is not being fulfilled by this act, and the discontent of many employers has made it obvious that changes are needed. I believe that as presently written the Occupational Safety and Health Act fails to emphasize sufficiently, assistance to employers while overemphasizing punitive aspects for noncompliance.

It is clear that employers must bear the responsibility for complying with the act, and that penalties are necessary where they refuse to comply. But it is equally clear that the objectives of the act cannot be achieved without their cooperation. There simply are not, and never will be, enough Federal inspectors to coerce this country's employers into compliance. Moreover, it will be a sad state of affairs indeed if we ever arrive at the conclusion that this is the best way to proceed.

Businessmen are a pretty independent breed, and they have gotten their backs up against what seems to them to be an unfair law. In that sense, OSHA enforcement is at this moment crosswise with the purpose of the act. Additionally, we need to recognize that employers, particularly small ones, need assistance in understanding and complying with complex OSHA standards. So I think Congress has a duty—to employers and employees alike—to make the changes necessary for OSHA to work.

This amendment proposes the changes I think are necessary to make OSHA work effectively. It is addressed to the provisions of the act which I feel are more punitive than constructive, and it would place more emphasis on assisting employers toward compliance. None of the changes it proposes would result in lessened protection for employees. It is not intended to make all of the changes which have been suggested by critics of the act—only those I feel are absolutely essential to make it work. I should note that this amendment would not exempt any employers from coverage. While I believe that small employers frequently need more assistance in complying, I believe all workers are entitled to the same protections, whether they are employed by large or small businesses.

Let me summarize briefly the changes this amendment would make. First, it would require OSHA to provide advice and technical assistance to employers having 100 or fewer employees. Such advice and assistance would be provided through onsite consultations where requested by the employer. Such consultations would be limited to matters specified by the employer, and no citations could be issued during the consultative visit. OSHA would be permitted to provide advice and technical assistance by means other than a visit to the worksite where such other means would be more appropriate and equally effective.

At the present time, OSHA cannot provide technical assistance through onsite consultations. If an OSHA inspector observes a violation during a visit to the worksite, he is obliged to issue citations and propose penalties, depending on the nature of the violation. And I might add that for that reason many employers have declined to ask any advice from the OSHA people as to what they should or should not do about conditions in their own plants.

Second, the amendment would remove OSHA's discretionary power to assess penalties for nonserious violations on the first inspection. Under the act as presently written, an employer can be fined up to $1,000 for a nonserious violation discovered for the first inspection of his premises, often a violation of a standard of which the employer was totally ignorant. This change would not affect the provisions of the act imposing penalties for willful or repeated violations, or for failure to correct violations within the abatement period prescribed by OSHA. Thus, an employer who received a citation for a nonserious violation could receive a penalty for failing to correct that violation within a reasonable time; and he could be fined up to $10,000 for a subsequent nonserious violation.

Third, the amendment would change the penalty for serious violations from mandatory to permissive. In determining whether a fine should be assessed, OSHA would be required to take into account the gravity of the violation, the good faith of the employer—for example, whether he had tried to comply—and the history of previous violations. Again, whether or not a penalty is assessed for the first serious violation, the employer would be subject to stringent penalties for failure to abate the violation, and for any subsequent violation. While the amount of a fine for a violation classified by OSHA as "serious" is discretionary under the act—up to $1,000—a fine in some amount is mandatory. I have generally been opposed to mandatory sentences for criminal offenders on the ground that the trial judge should have the discretion to consider all of the circumstances surrounding the crime. I think employers ought to be entitled to at least equal treatment, particularly since this is not supposed to be a criminal statute. It should also be kept in mind that, unlike a criminal defendant, an employer accused of violating an OSHA regulation is not entitled to a trial by a jury of his peers.

Fourth, it would establish a procedure under which an employer who has received a citation could apply for a variance from the OSHA standard violated on the ground that work procedures in operation at the time of the citation are equally effective in protecting his employees. The act now permits an employer to apply for such a variance in advance of an inspection or citation. Under this change, an employer could apply for a variance after receiving a citation, and no penalty could be assessed, pending review of the application. If a variance were granted, the citation would be withdrawn. OSHA would not be required to suspend enforcement proceedings where the application for a variance were determined to be frivolous or filed for the purpose of delay. This provision would add needed flexibility without reducing the incentive for employers to comply, and without reducing protection to workers.

Fifth, the amendment would provide that citations for violations need not be posted by employers after such violations have been abated.

This is a ridiculous situation. An OSHA inspector comes into a plant and finds a violation. They have to post a notice that there has been a violation. Then they correct the violation but the notice has to stay up as though they were still in violation. That is simply nonsense so far as I am concerned. It does not help anyone—the worker, the employer, or I think, the health and safety of the area.

The act as presently written requires that citations be posted near the site of the violation. OSHA regulations under the act frequently require posting long after the violation has been corrected. This clearly serves no useful purpose other than to further punish employers, and to damage the morale of his employees.

Sixth, the amendment would require OSHA to consider the economic impact of proposed new standards on affected employers, and to publish in the Federal Register along with such standards a statement summarizing their expected economic impact, including an estimate of the total costs which will be incurred by each affected industry in complying. I think this provision would result in a healthy awareness on the part of OSHA regarding the costs of proposed new standards, and would better enable all interested members of the public to measure the benefits against expected costs, which are, of course, ultimately passed on to consumers.

INCREASE DELAYED RETIREMENT CREDIT FOR SOCIAL SECURITY BENEFICIARIES

Mr. CHURCH. Mr. President, I am pleased to join the ranking minority member of the Senate Committee on Aging, Senator FONG, in cosponsoring S. 3386, to increase the delayed retirement credit from 1 percent to 6⅔ percent per year for persons who continue working after age 65 until 72.

As the chairman of the committee, one of my foremost goals is to remove existing roadblocks which pose formidable barriers to older Americans who want or need to be employed.

To my way of thinking, our Nation should take down these arbitrary stop signs which unmistakably suggest, "65 is the end of the road for employment opportunities in Amerca."

Additionally, there is a growing sentiment that advancing age may be the stopoff point in terms of occupational advancement.

In recent years, pressures for earlier and earlier retirement have continued to mount steadily—to the point where many people now think that this trend is not only inevitable, but also desirable.

But no nation can ever hope to achieve its full potential if some of its most experienced and talented persons are relegated to the sidelines.

Much more can be gained, I strongly believe, by a comprehensive national policy to maximize job opportunities for all age groups, the old as well as the young.

In this regard, I have proposed or cosponsored several measures to implement this goal, including:

Liberalization of the earnings limitation for social security beneficiaries who are under 72 years of age;

Establishment of a national senior service corps to take advantage of the wealth of skill and talent with which the elderly are so richly endowed; and

Creation of a comprehensive manpower and training program for older workers.

However, other actions are still needed if our Nation is to fulfill one of the major objectives of the historic White House Conference on Aging: To provide older Americans with a wide range of choices. Briefly stated, these choices should include as a bare minimum:

To work or to retire in dignity;

To work full-time or part-time; or

To work for pay or as a volunteer.

In 1972 the Congress enacted legislation to remove some of the disincentives for social security beneficiaries who continue working after 65. A 1 percent increase in social security benefits was provided for each full year after age 65 and before 72 that an individual delayed his retirement.

This provision recognized that a person who continues working beyond age 65 pays contributions on his earnings, oftentimes foregoes benefits, and may receive no more in monthly benefits when he finally retires than would be the case if he retired at 65.

However, the 1-percent delayed retirement credit—although a positive measure—is still a very modest step forward.

A more realistic figure, in my judgement, would be a 6⅔ percent annual benefit increment. First, such a proposal would clearly be legislatively feasible in terms of cost considerations. Second, it would provide parallel treatment with the reduction in social security payments for earlier retirement. Workers who now receive earlier social security benefits before age 65 have their payments actuarially reduced by 6⅔ percent for each full year.

Equally important, this measure would help to make it crystal clear that older Americans who want or need to work should be encouraged, instead of discouraged.

For these reasons, I urge the early adoption of this bipartisan measure.

ENERGY AND FOOD

Mr. HUMPHREY. Mr. President, the American Association for the Advancement of Science published on April 19, 1974, a very useful and timely issue of Science devoted to the topic of energy and food. The issue addresses itself to the energy problems of the United States and the world from a technological, social, economic, and policy perspective.

Mr. President, those of us in the Senate and in America who are concerned about the world food shortage should be alerted to this excellent article by John and Carol Steinhart entitled, "Energy Use in the U.S. Food System." The article is especially informative as to the impact of the energy crisis upon the production of food in industrialized as well as developing nations.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Energy Use in the U.S. Food System

(By John S. Steinhart and Carol E. Steinhart)

(Note.—Tables and figures not printed in Record.)

(Note.—Dr. J. S. Steinhart is professor of geology and geophysics, and professor in the Institute for Environmental Studies, University of Wisconsin—Madison. Dr. C. E. Steinhart, formerly a biologist with the National Institutes of Health, is now a science writer and editor.)

In a modern industrial society, only a tiny fraction of the population is in frequent contact with the soil, and an even smaller fraction of the population raises food on the soil. The proportion of the population engaged in farming halved between 1920 and 1950 and then halved again by 1962. Now it has almost halved again, and more than half of these remaining farmers hold other jobs off the farm (1). At the same time the number of work animals has declined from a peak of more than 22×10^6 in 1920 to a very small number at present (2). By comparison with earlier times, fewer farmers are producing more agricultural products and the value of food in terms of the total goods and services of society now amounts to a smaller fraction of the economy than it once did.

Energy inputs to farming have increased enormously during the past 50 years (3), and the apparent decrease in farm labor is offset in part by the growth of support industries for the farmer. With these changes on the farm have come a variety of other changes in the U.S. food system, many of which are now deeply embedded in the fabric of daily life. In the past 50 years, canned, frozen, and other processed foods have become the principal items of our diet. At present, the food processing industry is the fourth largest energy consumer of the Standard Industrial Classification groupings (4). The extent of transportation engaged in the food system has grown apace, and the proliferation of appliances in both numbers and complexity still continues in homes, institutions, and stores. Hardly any food is eaten as it comes from the fields. Even farmers purchase most of their food from markets in town.

Present energy supply problems make this growth of energy use in the food system worth investigating. It is our purpose in this article to do so. But there are larger matters at stake. Georgescu-Roegen notes that "the evidence now before us—of a world which can produce automobiles, television sets, etc., at a greater speed than the increase in population, but is simultaneously menaced by mass starvation—is disturbing" (5). In the search for a solution to the world's food problems, the common attempt to transplant a small piece of a highly industrialized food system to the hungry nations of the world is plausible enough, but so far the outcome is unclear. Perhaps an examination of the energy flow in the U.S. food system as it has developed can provide some insights that are not available from the usual economic measures.

MEASURES OF FOOD SYSTEMS

Agricultural systems are most often described in economic terms. A wealth of statistics is collected in the United States and in most other technically advanced countries indicating production amounts, shipments, income, labor, expenses, and dollar flow in the agricultural sector of the economy. But, when we wish to know something about the food we actually eat, the statistics of farms are only a tiny fraction of the story.

Energy flow is another measure available to gauge societies and nations. It would have made no sense to measure societies in terms of energy flow in the 18th century when economics began. As recently as 1940, four-fifths of the world's population were still on farms and in small villages, most of them engaged in subsistence farming.

Only after some nations shifted large portions of the population to manufacturing, specialized tasks, and mechanized food production, and shifted the prime sources of energy to move society to fuels that were transportable and usable for a wide variety of alternative activities, could energy flow be used as a measure of society's activities. Today it is only in one-fifth of the world where these conditions are far advanced. Yet we can now make comparisons of energy flows even with primitive societies. For even if the primitives, or the euphemistically named "underdeveloped" countries, cannot shift freely among their energy expenditures, we *can* measure them and they constitute a different and potentially useful comparison with the now traditional economic measures.

What we would like to know is: How does our present food supply system compare, in energy measures, with those of other societies and with our own past? Perhaps then we can estimate the value of energy flow measures as an adjunct to, but different from, economic measures.

ENERGY IN THE U.S. FOOD SYSTEM

A typical breakfast includes orange juice from Florida by way of the Minute Maid factory, bacon from a midwestern meat packer, cereal from Nebraska and General Mills, eggs and milk from not *too* far away, and coffee from Colombia. All of these things are available at the local supermarket (several miles each way in a 300-horsepower automobile), stored in a refrigerator-freezer, and cooked on an instant-on stove.

The present food system in the United States is complex, and the attempt to analyze it in terms of energy use will introduce complexities and questions far more perplexing than the same analysis carried out on simpler societies. Such an analysis is worthwhile, however, if only to find out where we stand. We have a food system, and most people get enough to eat from it. If, in addition, one considers the food supply problems present and future in societies where a smaller fraction of the people get enough to eat, then our experience with an industrialized food system is even more important. There is simply no gainsaying that many nations of the world are presently attempting to acquire industrialized food systems of their own.

Food in the United States is expensive by world standards. In 1970 the average annual per capita expenditure for food was about $600 (3). This amount is larger than the per capita gross domestic product of more than 30 nations of the world which contain the majority of the world's people and a vast majority of those who are underfed. Even if we consider the diet of a poor resident of India, the annual cost of his food at U.S. prices would be about $200—more than twice his annual income (3). It is crucial to know whether a piece of our industrialized food system can be exported to help poor nations, or whether they must become as industrialized as the United States to operate an industrialized food system.

Our analysis of energy use in the food system begins with an omission. We will neglect that crucial input of energy provided by the sun to the plants upon which the entire food supply depends. Photosynthesis had an efficiency of about 1 percent; thus the maximum solar radiation captured by plants is about 5×10^3 kilocalories per square meter per year (3).

Seven categories of energy use on the farm are considered here. The amounts of energy used are shown in Table 1. The values given for farm machinery and tractors are for the manufacture of new units only and do not include parts and maintenance for units that already exist. The amounts shown for direct fuel use and electricity consumption are a bit too high because they include some residential uses of the farmer and his family. On the other hand, some uses in these categories are not reported in the summaries used to obtain the values for direct fuel and electricity usage. These and similar problems are discussed in the references. Note the relatively high energy cost associated with irrigation. In the United States less than 5 percent of the cropland is irrigated (1). In some countries where the "green revolution" is being attempted, the new high-yield varieties of plants require irrigation where native crops did not. If that were the case in the United States, irrigation would be the largest single use of energy on the farm.

Little food makes its way directly from field and farm to the table. The vast complex of processing, packaging, and transport has been grouped together in a second major subdivision of the food system. The seven categories of the processing industry are listed in Table 1. Energy use for the transport of food should be charged to the farm in part, but we have not done so here because the calculation of the energy values is easiest (and we believe most accurate) if they are taken for the whole system.

After the processing of food there is further energy expenditure. Transportation enters the picture again, and some fraction of the energy used for transportation should be assigned here. But there are also the distributors, wholesalers, and retailers, whose freezers, refrigerators, and very establishments are an integral part of the food system. There are also the restaurants, schools, universities, prisons, and a host of other institutions engaged in the procurement, preparation, storage, and supply of food. We have chosen to examine only three categories: the energy required for refrigeration and cooking, and for the manufacture of the heating and refrigeration equipment (Table 1). We have made no attempt to include the energy used in trips to the store or restaurant. Garbage disposal has also been omitted, although it is a persistent and growing feature of our food system; 12 percent of the nation's trucks are engaged in the activity of waste disposal (1), of which a substantial part is related to food. If there is any lingering doubt that these activities—both the ones included and the ones left out—are an essential feature of our present food system, one need only ask what would happen if everyone should attempt to get on without a refrigerator or freezer or stove? Certainly the food system would change.

Table 1 and the related references summarize the numerical values for energy use in the U.S. food system, from 1940 to 1970. As for many activities in the past few decades, the story is one of continuing increase. The totals are displayed in Fig. 1 along with the energy value of the food consumed by the public. The food values were obtained by multiplying the daily caloric intake by the population. The differences in caloric intake per capita over this 30-year period are small (1), and the curve is primarily an indication of the increase in population in this period.

OMISSIONS AND DUPLICATIONS FOR FOOD SYSTEM ENERGY VALUES

Several omissions, duplications, and overlaps have been mentioned. We will now examine the values in Table 1 for completeness and try to obtain a crude estimate of their numerical accuracy.

The direct fuel and electricity usage on the farm may be overstated by some amounts used in the farmer's household, which, by our approach, would not all be chargeable to the food system. But about 10 percent of the total acreage farmed is held by corporate farms for which the electrical and direct fuel use is not included in our data. Other estimates of these two categories are much higher [see Table 1 (15, 16)].

No allowance has been made for food exported, which has the effect of overstating the energy used in our own food system. For the years prior to 1960 the United States was at times a net importer of food, at times an exporter, and at times there was a near balance in this activity. But during this period the net flow of trade was never more than a few percent of the total farm output. Since 1960 net exports have increased to about 20 percent of the gross farm product (1, 3). The items comprising the vast majority of the exports have been rough grains, flour, and other plant products with very little processing. Imports include more processed food than exports and represent energy expenditure outside the United States. Thus the overestimate of energy input to the food system might be 5 percent with an upper limit of 15 percent.

The items omitted are more numerous. Fuel losses from the wellhead or mineshaft to end use total 10 to 12 percent (6). This would represent a flat addition of 10 percent or more to the totals, but we have not included this item because it is not customarily charged to end uses.

We have computed transport energy for trucks only. Considerable food is transported by train and ship, but these items were omitted because the energy use is small relative to the consumption of truck fuel. Small amounts of food are shipped by air, and, although air shipment is energy-intensive, the amount of energy consumed appears small. We have traced support materials until they could no longer be assigned to the food system. Some transportation energy consumption is not charged in the transport of these support materials. These omissions are numerous and hard to estimate, but they would not be likely to increase the totals by more than 1 or 2 percent.

A more serious understatement of energy usage occurs with respect to vehicle usage (other than freight transport) on farm business, food-related business in industry and commerical establishments, and in the supporting industries. A special attempt to estimate this category of energy usage for 1968 suggests that it amounts to about 5 percent of the energy totals for the food system. This estimate would be subject to an uncertainty of nearly 100 percent. We must be satisfied to suggest that 1 to 10 percent should be added to the totals on this account.

Waste disposal is related to the food system, at least in part. We have chosen not to charge this energy to the food system, but, if one-half of the waste disposal activity is taken as food-related, about 2 percent must be added to the food system energy totals.

We have not included energy for parts and maintenance of machinery, vehicles, buildings, and the like, or lumber for farm, industry, or packaging uses. These miscellaneous activities would not constitute a large addition in any case. We have also excluded construction. Building and replacement of farm structures, food industry structures, and commercial establishments are all directly part of the food system. Construction of roads is in some measure related to the food system, since nearly half of all trucks transport food and agricultural items [see Table (27)]. Even home construction could be charged in part to the food system since space, appliances, and plumbing are, in part, a consequence of the food system. If 10 percent of housing, 10 percent of institutional construction (for institutions with food service), and 10 percent of highway construction is included, about 10 percent of the total construction was food-related in 1970. Assuming that the total energy consumption divides in the same way that the Gross National Product does (which overstates energy use in construction), the addition to the total in Table 1 would be about 10 percent or 200×10^{12} kcal. This is a crude and highly simplified calculation, but it does provide an estimate of the amounts of energy involved.

The energy used to generate the highly specialized seed and animal stock has been excluded because there is no easy way to estimate it. Pimentel *et al.* (3) estimate that 1800 kcal are required to produce 1 pound (450 grams) of hybrid corn seed. But in addition to this amount, some energy use should be included for all the schools of agriculture, agricultural experiment stations, the far-flung network of county agricultural agents [one local agent said he traveled over 50,000 automobile miles (80,000 kilometers) per year in his car], the U.S. Department of Agriculture, and the wide-ranging agricultural research program that enables man to stay ahead of the new pest and disease threats to our highly specialized food crops. These are extensive activities but we cannot see how they could add more than a few percent to the totals in Table 1.

Finally, we have made no attempt to include the amount of private automobile usage involved in the delivery system from retailer to home, or other food-related uses of private autos. Rice (7) reports 4.25×10^{15} kcal for the energy cost of autos in 1970, and shopping constitutes 15.2 percent of all automobile usage (8). If only half of the shopping is food-related, 320×10^{12} kcal of energy use is at stake here. Between 8 and 15 percent should be added to the totals of Table 1, depending on just how one wishes to apportion this item.

TABLE 1.—ENERGY USE IN THE U.S. FOOD SYSTEM

[All values are multiplied by 10^{12} kcal.]

Component	1940	1947	1950	1954	1958	1960	1964	1968	1970	References
On farm:										
Fuel (direct use)	70.0	136.0	158.0	172.8	179.0	188.0	213.9	226.0	232.0	(13–15).
Electricity	.7	32.0	32.9	40.0	44.0	46.1	50.0	57.3	63.8	(14, 16).
Fertilizer	12.4	19.5	24.0	30.6	32.2	41.0	60.0	87.0	94.0	(14, 17).
Agricultural steel	1.6	2.0	2.7	2.5	2.0	1.7	2.5	2.4	2.0	(14, 18).
Farm machinery	9.0	34.7	30.0	29.5	50.2	52.0	60.0	75.0	80.0	(14, 19).
Tractors	12.8	25.0	30.8	23.6	16.4	11.8	20.0	20.5	19.3	(20).
Irrigation	18.0	22.8	25.0	29.6	32.5	33.3	34.1	34.8	35.0	(21).
Subtotal	124.5	272.0	303.4	328.6	356.3	373.9	440.5	503.0	526.1	
Processing industry:										
Food processing industry	147.0	177.5	192.0	211.5	212.6	224.0	249.0	295.0	308.0	(13, 14, 22).
Food processing machinery	.7	5.7	5.0	4.9	4.9	5.0	6.0	6.0	6.0	(23.)
Paper packaging	8.5	14.8	17.0	20.0	26.0	28.0	31.0	35.7	38.0	(24.)
Glass containers	14.0	25.7	26.0	27.0	30.2	31.0	34.0	41.9	47.0	(25).
Steel cans and aluminum	38.0	55.8	62.0	73.7	85.4	86.0	91.0	112.2	122.0	(26).
Transport (fuel)	49.6	86.1	102.0	122.3	140.2	153.3	184.0	226.6	246.9	(27).
Trucks and trailers (manufacture)	28.0	42.0	49.5	47.0	43.0	44.2	61.0	70.2	74.0	(28).
Subtotal	285.8	407.6	453.5	506.4	542.3	571.5	656.0	787.6	841.9	
Commercial and home:										
Commercial refrigeration and cooking	121.0	141.0	150.0	161.0	176.0	186.2	209.0	241.0	263.0	(13, 29).
Refrigeration machinery (home and commercial)	10.0	24.0	25.0	27.5	29.4	32.0	40.0	56.0	61.0	(14, 30).
Home refrigeration and cooking	144.2	184.0	202.3	228.0	257.0	276.6	345.0	433.9	480.0	(13, 29).
Subtotal	275.2	349.0	377.3	416.5	462.4	494.8	594.0	730.9	804.0	
Grand total	685.5	1,028.6	1,134.2	1,251.5	1,361.0	1,440.2	1,690.05	2,021.5	2,172.0	

It is hard to take an approach that might calculate smaller totals but, depending upon point of view, the totals could be much larger. If we accumulate the larger estimates from the above paragraphs as well as the reductions, the total could be enlarged by 30 to 35 percent, especially for recent years. As it is, the values for energy use in the food system from Table 1 account for 12.8 percent of the total U.S. energy use in 1970.

PERFORMANCE OF AN INDUSTRIALIZED FOOD SYSTEM

The difficulty with history as a guide for the future or even the present lies not so much in the fact that conditions change—we are continually reminded of that fact—but that history is only one experiment of the many that might have occurred. The U.S. food system developed as it did for a variety of reasons, many of them not understood. We would do well to examine some of the dimensions of this development before attempting to theorize about how it might have been different, or how parts of this food system can be transplanted elsewhere.

ENERGY AND FOOD PRODUCTION

Figure 2 displays features of our food system not easily seen from economic data. The curve shown has no theoretical basis but is suggested by the data as a smoothed recounting of our own history of increasing food production. It is, however, similar to most growth curves and suggests that, to the extent that the increasing energy subsidies to the food system have increased food production, we are near the end of an era. Like the logistic growth curve, there is an exponential phase which lasted from 1920 or earlier until 1950 or 1955. Since then, the increments in production have been smaller despite the continuing growth in energy use. It is likely that further increases in food production from increasing energy inputs will be harder and harder to come by. Of course, a major change in the food system could change things, but the argument advanced by the technological optimist is that we can always get more if we have enough energy, and that no other major changes are required. Our own history—the only one we have to examine—does not support that view.

ENERGY AND LABOR IN THE FOOD SYSTEM

One farmer now feeds 50 people, and the common expectation is that the labor input to farming will continue to decrease in the future. Behind this expectation is the assumption that the continued application of technology—and energy—to farming will substitute for labor. Figure 3 shows this historic decline in labor as a function of the energy supplied to the food system, again the familiar S-shaped curve. What it implies is that increasing the energy input to the food system is unlikely to bring further reduction in farm labor unless some other, major change is made.

The food system that has grown in this period has provided much employment that did not exist 20, 30, or 40 years ago. Perhaps even the idea of a reduction of labor input is a myth when the food system is viewed as a whole, instead of from the point of view of the farm worker only. When discussing inputs to the farm, Pimentel *et al.* (3) cite an estimate of two farm support workers for each person actually on the farm. To this must be added employment in food-processing industries, in food wholesaling and retailing, as well as in a variety of manufacturing enterprises that support the food system. Yesterday's farmer is today's canner, tractor mechanic, and fast food carhop. The process of change has been painful to many ordinary people. The rural poor, who could not quite compete in the growing industrialization of farming, migrated to the cities. Eventually they found other employment, but one must ask if the change was worthwhile. The answer to that question cannot be provided by energy analysis any more than by economic data, because it raises fundamental questions about how individuals would prefer to spend their lives. But if there is a stark choice between long hours as a farmer or shorter hours on the assembly line of a meat-packing plant, it seems clear that the choice would not be universally in favor of the meat-packing plant. Thomas Jefferson dreamed of a nation of independent small farmers. It was a good dream, but society did not develop in that way. Nor can we turn back the clock to recover his dream. But, in planning and preparing for our future, we had better look honestly at our collective history, and then each of us should closely examine his dreams.

THE ENERGY SUBSIDY TO THE FOOD SYSTEM

The data in Fig. 1 can be combined to show the energy subsidy provided to the food system for the recent past. We take as a measure of the food supplied the caloric content of the food actually consumed. This is not the only measure of the food supplied, as the condition of many protein-poor peoples of the world clearly shows. Nevertheless, the comparison between caloric input and output is a convenient way to compare our present situation with the past, and to compare our food system with others. Figure 4 shows the history of the U.S. food system in terms of the number of calories of energy supplied to produce 1 calorie of food for actual consumption. It is interesting and possibly threatening to note that there is no real suggestion that this curve is leveling off. We appear to be increasing the energy input even more. Fragmentary data for 1972 suggest that the increase continued unabated. A graph like Fig. 4 could approach zero. A natural ecosystem has no fuel input at all, and those primitive people who live by hunting and gathering have only the energy of their own work to count as input.

SOME ECONOMIC FEATURES OF THE U.S. FOOD SYSTEM

The markets for farm commodities in the United States come closer than most to the economist's ideal of a "free market." There are many small sellers and many buyers, and thus no individual is able to affect the price by his own actions in the marketplace. But government intervention can drastically alter any free market, and government intervention in the prices of agricultural products (and hence of food) has been a prominent feature of the U.S. food system for at least 30 years. Between 1940 and 1970, total farm income has ranged from $4.5 to $16.5 billion, and the National Income originating in agriculture (which includes indirect income from agriculture) has ranged from $14.5 to $22.5 billion (1). Meanwhile, government subsidy programs, primarily farm price supports and soil bank payments, have grown from $1.5 billion in 1940 to $6.2 billion in 1970. In 1972 these subsidy programs had grown to $7.3 billion, despite foreign demand of agricultural products. Viewed in a slightly different way, direct government subsidies have accounted for 30 to 40 percent of the farm income and 15 to 30 percent of the National Income attributable to agriculture for the years since 1955. This point emphasizes once again the striking gap between the economic description of society and the economic models used to account for that society and the economic models used to account for that society's behavior.

This excursion into farm price supports and economics is related to energy questions in this way: first, so far as we know, government intervention in the food system is a feature of all highly industrialized countries (and, despite the intervention, farm incomes still tend to lag behind national averages); and, second, reduction of the energy subsidy to agriculture (even if we could manage it) might decrease the farmer's income. One reason for this state of affairs is that the demand for food quantity has definite limits, and the only way to increase the unit price of agricultural products. Consumer boycotts and protests in the early 1970's suggest that there is considerable resistance to this outcome.

Government intervention in the functioning of the market in agricultural products has accompanied the rise in the use of energy in agriculture and the food supply system, and we have nothing but theoretical suppositions to suggest that any of the present system can be deleted.

SOME ENERGY IMPLICATIONS FOR THE WORLD FOOD SUPPLY

The food supply system of the United States is complex and interwoven into a highly industrialized economy. We have tried to analyze this system on account of its implications for future energy use. But the world is short of food. A few years ago it was widely predicted that the world would suffer widespread famine in the 1970s'. The adoption of new high-yield varieties of rice, wheat, and other grains has caused some experts to predict that the threat of these expected famines can now be averted, perhaps indefinitely. Yet, despite increases in grain production in some areas, the world still seems to be headed toward famine. The adoption of these new varieties of grain—dubbed hopefully the "green revolution"—is an attempt to export a part of the energy-intensive food system of the highly industrialized countries to nonindustrialized countries. It is an experiment, because, although the whole food system is not being transplanted to new areas, a small part of it is. The green revolution requires a great deal of energy. Many of the new varieties of grain require irrigation where traditional crops did not, and almost all the new crops require extensive fertilization.

Meanwhile, the agricultural surpluses of the 1950's have largely disappeared. Grain shortages in China and Russia have attracted attention because they have brought foreign trade across ideological barriers. There are other countries that would probably import considerable grain, if they could afford it. But only four countries may be expected to have any substantial excess agricultural production in the next decade. These are Canada, New Zealand, Australia, and the United States. None of these is in a position to give grain away, because each of them needs the foreign trade to avert ruinous balance of payments deficits. Can we then export energy-intensive agricultural methods instead?

ENERGY-INTENSIVE AGRICULTURE ABROAD

It is quite clear that the U.S. food system cannot be exported intact at present. For example, India has a population of 550×10^6 persons. To feed the people of India at the U.S. level of about 3000 food calories per day (instead of their present 2000) would require more energy than India now uses for all purposes. To feed the entire world with a U.S. type food system, almost 80 percent of the world's annual energy expenditure would be required just for the food system.

The recourse most often suggested to remedy this difficulty is to export methods of increasing crop yield and hope for the best. We must repeat as plainly as possible that this is an experiment. We know that our food system works (albeit with some difficulties and warnings for the future). But we cannot know what will happen if we take a piece of that system and transplant it to a poor country, without our industrial base of supply, transport system, processing industry, appliances for home storage, and preparation, and, most important of all, a level of industrialization that permits higher costs for food.

Fertilizers, herbicides, pesticides, and in many cases machinery and irrigation are needed for success with the green revolution. Where is this energy to come from? Many of the nations with the most serious food problems are those nations with scant supplies of fossil fuels. In the industrialized nations, solutions to the energy supply problems are being sought in nuclear energy. This technology-intensive solution, even if successful in advanced countries, poses additional problems for underdeveloped nations. To create the bases of industry and technologically sophisticated people within their own countries will be beyond the capability of many of them. Here again, these countries face the prospect of depending upon the goodwill and policies of industrialized nations. Since the alternative could be famine, their choices are not pleasant and their irritation at their benefactors—ourselves among them—could grow to threatening proportions. It would be comfortable to rely on our own good intentions, but our good intentions have often been unresponsive to the needs of others. The matter cannot be glossed over lightly. World peace may depend upon the outcome.

CHOICES FOR THE FUTURE

The total amount of energy used on U.S. farms for the production of corn is now near 10^3 kcal per square meter per year (3), and this is more or less typical of intensive agriculture in the United States. With this application of energy we have achieved yields of 2×10^3 kcal per square meter per year of usable grain—bringing us to almost half of the photosynthetic limit of production. Further applications of energy are likely to yield little or no increase in this level of productivity. In any case, no amount of research is likely to improve the efficiency of the photosynthetic process itself. There is a further limitation on the improvement of yield. Faith in technology and research has at times blinded us to the basic limitations of the plant and animal material with which we work. We have been able to emphasize desirable features already present in the gene pool and to suppress others that we find undesirable. At times the cost of the increased yield has been the loss of desirable characteristics—hardiness, resistance to disease and adverse weather, and the like. The farther we get from characteristics of the original plant and animal strains, the more care and energy is required. Choices need to be made in the directions of plant breeding. And the limits of the plants and animals we use must be kept in mind. We have not been able to alter the photosynthetic process or to change the gestation period of animals. In order to amplify or change an existing characteristic, we will probably have to sacrifice something in the overall performance of the plant or animal. If the change requires more energy, we could end with a solution that is too expensive for the people who need it most. These problems are intensified by the degree to which energy becomes more expensive in the world market.

WHERE NEXT TO LOOK FOR FOOD?

Our examination in the foregoing pages of the U.S. food system, the limitations on the manipulation of ecosystems and their components, and the risks of the green revolution as a solution to the world food supply problem suggests a bleak prospect for the future. This complex of problems should not be underestimated, but there are possible ways of avoiding disaster and of mitigating the severest difficulties. These suggestions are not very dramatic and may be difficult of common acceptance.

Figure 5 shows the ratio of the energy subsidy to the energy output for a number of widely used foods in a variety of times and cultures. For comparison, the overall pattern for the U.S. food system is shown, but the comparison is only approximate because, for most of the specific crops, the energy input ends at the farm. As has been pointed out, it is a long way from the farm to the table in industrialized societies. Several things are immediately apparent and coincide with expectations. High-protein foods such as milk, eggs, and especially meat, have a far poorer energy return than plant foods. Because protein is essential for human diets and the amino acid balance necessary for good nutrition is not found in most of the cereal grains, we cannot take the step of abandoning meat sources altogether. Figure 5 does show how unlikely it is that increased fishing or fish protein concentrate will solve the world's food problems. Even if we leave aside the question of whether the fish are available—a point on which expert opinions differ somewhat—it would be hard to imagine, with rising energy prices, that fish protein concentrate will be anything more than a by-product of the fishing industry, because it requires more than twice the energy of production of grass-fed beef or eggs (9). Distant fishing is still less likely to solve food problems. On the other hand, coastal fishing is relatively low in energy cost. Unfortunately, without the benefit of scholarly analysis fishermen and housewives have long known this, and coastal fisheries are threatened with overfishing as well as pollution.

The position of soybeans in Fig. 5 may be crucial. Soybeans possess the best amino acid balance and protein content of any widely grown crop. This has long been known to the Japanese who have made soybeans a staple of their diet. Are there other plants, possibly better suited for local climates, that have adequate proportions of amino acids in their proteins? There are about 80,000 edible species of plants, of which only about 50 are actively cultivated on a large scale (and 90 percent of the world's crops come from only 12 species). We may yet be able to find species that can contribute to the world's food supply.

The message of Fig. 5 is simple. In "primitive" cultures, 5 to 50 food calories were obtained for each calorie of energy invested. Some highly civilized cultures have done as well and occasionally better. In sharp contrast, industrialized food systems require 5 to 10 calories of fuel to obtain 1 food calorie. We must pay attention to this difference—especially if energy costs increase. If some of the energy subsidy for food production could be supplied by on-site, renewable sources—primarily sun and wind—we might be able to continue an energy-intensive food system. Otherwise, the choices appear to be either less energy-intensive food production or famine for many areas of the world.

ENERGY REDUCTION IN AGRICULTURE

It is possible to reduce the energy required for agriculture and the food system. A series of thoughtful proposals by Pimental and his associates (3) deserves wide attention. Many of these proposals would help ameliorate environmental problems, and any reductions in energy use would provide a direct reduction in the pollutants due to fuel consumption as well as more time to solve our energy supply problems.

First, we should make more use of natural manures. The United States has a pollution problem from runoff from animal feedlots, even with the application of large amounts of manufactured fertilizer to fields. More than 10^6 kcal per acre (4 X 10^5 kcal per hectare) could be saved by substituting manure for manufactured fertilizer (3) (and, as a side benefit, the soil's condition would be improved). Extensive expansion in the use of natural manure will require decentralization of feedlot operations so that manure is generated closer to the point of application. Decentralization might increase feedlot costs, but, as energy prices rise, feedlot operations will rapidly become more expensive in any case. Although the use of manures can help reduce energy use, there is far too little to replace all commercial fertilizers at present (10). Crop rotation is less widely practiced than it was even 20 years ago. Increased use of crop rotation or interplanting winter cover crops of legumes (which fix nitrogen as a green manure) would save 1.5 X 10^6 kcal per acre by comparison with the use of commercial fertilizer.

Second, weed and pest control could be accomplished at a much smaller cost in energy. A 10 percent saving in energy in weed control could be obtained by the use of the rotary hoe twice in cultivation instead of herbicide application (again with pollution abatement as a side benefit). Biological pest control—that is, the use of sterile males, introduced predators, and the like—requires only a tiny fraction of the energy of pesticide manufacture and application. A change to a policy of "treat when and where necessary" pesticide application would bring a 35 to 50 percent reduction in pesticide use. Hand application of pesticides requires more labor than machine or aircraft application, but the energy for application is reduced from 18,000 to 300 kcal per acre (3). Changed cosmetic standards, which in no way affect the taste or the edibility of foodstuffs, could also bring about a substantial reduction in pesticide use.

Third, plant breeders might pay more attention to hardiness, disease and pest resistance, reduced moisture content (to end the wasteful use of natural gas in drying crops), reduced water requirements, and increased protein content, even if it should mean some reduction in overall yield. In the longer run, plants not now widely cultivated might receive some serious attention and breeding efforts. It seems unlikely that the crops that have been most useful in temperate climates will be the most suitable ones for the tropics where a large portion of the undernourished peoples of the world now live.

A dramatic suggestion, to abandon chemical farming altogether, has been made by Chapman (11). His analysis shows that, were chemical farming to be ended, there would be much reduced yields per acre, so that most land in the soil bank would need to be put back into farming. Nevertheless, output would fall only 5 percent and prices for farm products would increase 16 percent. Most dramatically, farm income would rise 25 percent, and nearly all subsidy programs would end. A similar set of propositions treated with linear programming techniques at Iowa State University resulted in an essentially similar set of conclusions (12).

The direct use of solar energy farms, a return to wind power (modern windmills are now in use in Australia), and the production of methane from manure are all possibilities. These methods require some engineering to become economically attractive, but it should be emphasized that these technologies are now better understood than the technology of breeder reactors. If energy prices rise, these methods of energy generation would be attractive alternatives, even at their present costs of implementation.

ENERGY REDUCTION IN THE U.S. FOOD SYSTEM

Beyond the farm, but still far from the table, more energy savings could be introduced. The most effective way to reduce the large energy requirements of food processing would be a change in eating habits toward less highly processed foods. The current aversion of young people to spongy, additive-laden white bread, hydrogenated peanut butter, and some other processed foods could presage such a change if it is more than just a fad. Technological changes could reduce energy consumption, but the adoption of lower energy methods would be hastened most by an increase in energy prices, which would make it more profitable to reduce fuel use.

Packaging has long since passed the stage of simply holding a convenient amount of food together and providing it with some minimal protection. Legislative controls may be needed to reduce the manufacturer's competition in the amount and expense of packaging. In any case, recycling of returnable bottles could reduce this large item of energy use.

The trend toward the use of trucks in food transport, to the virtual exclusion of trains, should be reversed. By reducing the direct and indirect subsidies to trucks we might go a long way toward enabling trains to compete.

Finally, we may have to ask whether the ever-larger frostless refrigerators are needed, and whether the host of kitchen appliances really means less work or only the same amount of work to a different standard.

Store delivery routes, even by truck, would require only a fraction of the energy used by autos for food shopping. Rapid transit, giving some attention to the problems with shoppers with parcels, would be even more energy-efficient. If we insist on a high-energy food system, we should consider starting with coal, oil, garbage—or any other source of hydrocarbons—and producing in factories bacteria, fungi, and yeasts. These products could then be flavored and colored appropriately for cultural tastes. Such a system would be more efficient in the use of energy, would solve waste problems, and would permit much or all of the agricultural land to be returned to its natural state.

ENERGY, PRICES, AND HUNGER

If energy prices rise, as they have already begun to do, the rise in the price of food in societies with industrialized agriculture can be expected to be even larger than the energy price increases. Slesser, in examining the case for England, suggests that a quadrupling of energy prices in the next 40 years would bring about a sixfold increase in food prices (9). Even small increases in energy costs may make it profitable to increase labor input to food production. Such a reversal of a 50-year trend toward energy-intensive agriculture would present environmental benefits as a bonus.

We have tried to show how analysis of the energy flow in the food system illustrates features of the food system that are not easily deduced from the usual economic analysis. Despite some suggestions for lower intensity food supply and some frankly speculative suggestions, it would be hard to conclude in a note of optimism. The world drawdown in grain stocks which began in the mid-1960's continues, and some food shortages are likely all through the 1970's and early 1980's. Even if population control measures begin to limit world population, the rising tide of hungry people will be with us for some time.

Food is basically a net product of an ecosystem, however simplified. Food production starts with a natural material, however modified later. Injections of energy (and even brains) will carry us only so far. If the population cannot adjust its wants to the world in which it lives, there is little hope of solving the food problem for mankind. In that case the food shortage will solve our population problem.

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13. We have converted all figures for the use of electricity to fuel input values, using the average efficiency values for power plants given by C. M. Summers [*Sci. Am.* 224 (No. 3), 148 (1971)]. Self-generated electricity was converted to fuel inputs at an efficiency of 25 percent after 1945 and 20 percent before that year.

14. Purchased material in this analysis was converted to energy of manufacture according to the following values derived from the literature or calculated. In doubtful cases we have made what we believe to be conservative estimates: steel (including fabricated and castings), 1.7×10^7 kcal/ton (1.9×10^4 kcal/kg); aluminum (including castings and forgings), 6.0×10^7 kcal/ton; copper and brass (alloys, millings, castings, and forgings), 1.7×10^6 kcal/ton; paper, 5.5×10^6 kcal/ton; plastics, 1.25×10^6 kcal/ton; coal, 6.6×10^6 kcal/ton; oil and gasoline, 1.5×10^6 kcal/barrel (9.5×10^3 kcal/liter); natural gas, 0.26×10^3 kcal/cubic foot (9.2×10^3 kcal/m^3); petroleum wax, 2.2×10^6 kcal/ton; gasoline and diesel engines, 3.4×10^6 kcal/engine; electric motors over 1 horsepower, 45×10^3 kcal/motor; ammonia, 2.7×10^7 kcal/ton; ammonia compounds, 2.2×10^6 kcal/ton; sulfuric acid and sulfur, 3×10^6 kcal/ton; sodium carbonate, 4×10^6 kcal/ton; and other inorganic chemicals, 2.2×10^6 kcal/ton.

15. Direct fuel use on farms: Expenditures for petroleum and other fuels consumed on farms were obtained from *Statistical Abstracts* (*1*) and the *Census of Agriculture* (Bureau of the Census, Government Printing Office, Washington, D.C., various recent editions) data. A special survey of fuel use on farms in the 1964 *Census of Agriculture* was used for that year and to determine the mix of fuel products used. By comparing expenditures for fuel in 1964 with actual fuel use, the apparent unit price for this fuel mix was calculated. Using actual retail prices and price indices from *Statistical Abstracts* and the ratio of the actual prices paid to the retail prices in 1964, we derived the fuel quantities used in other years. Changes in the fuel mix used (primarily the recent trend toward more diesel tractors) may understate the energy in this category slightly in the years since 1964 and overstate it slightly in years before 1964. S. H. Schurr and B.C. Netschert [*Energy in the American Economy, 1850–1975* (Johns Hopkins Press, Baltimore, 1960), p. 7741], for example, using different methods, estimate a figure 10 percent less for 1955 than that given here. On the other hand, some retail fuel purchases appear to be omitted from all these data for all years. M. J. Perelman [*Environment* (*St. Louis*) *14* (No. 8), 10(1972)] from different data, calculates $270X10^{12}$kcal of energy usage for tractors alone.

16. Electricity use on farms: Data on monthly usage on farms were obtained from the "Report of the Administrator, Rural Electrification Administration" (U.S. Department of Agriculture, Government Printing Office, Washington, D.C., various annual editions). Totals were calculated from the annual farm usage multiplied by the number of farms multiplied by the fraction electrified. Some nonagricultural uses are included which may overstate the totals slightly for the years before 1955. Nevertheless, the totals are on the conservative side. A survey of on-farm electricity usage published by the Holt Investment Corporation, New York, 18 May 1973, reports values for per farm usage 30 to 40 percent higher than those used here, suggesting that the totals may be much too small. The discrepancy is probably the result of the fact that the largest farm users are included in the business and commercial categories (and excluded from the U.S. Department of Agriculture tabulations used).

17. Fertilizer: Direct fuel use by fertilizer manufacturers was added to the energy required for the manufacture of raw materials purchased as inputs for fertilizer manufacture. There is allowance for the following: ammonia and related compounds, phosphatic compounds, phosphoric acid, muriate of potash, sulfuric acid, and sulfur. We made no allowance for other inputs (of which phosphate rock, potash, and "fillers" are the largest), packaging, or capital equipment. Source: *Census of Manufactures* (Government Printing Office, Washington, D.C., various recent editions).

18. Agricultural steel: Source, *Statistical Astracts* for various years (*1*). Converted to energy values according to (*14*).

19. Farm machinery (except tractors): Source, *Census of Manufactures*. Totals include direct energy use and the energy used in the manufacture of steel, aluminum, copper, brass, alloys, and engines converted according to (*14*).

20. Tractors: numbers of new tractors were derived from *Statistical Abstracts* and the *Census of Agriculture* data. Direct data on energy and materials use for farm tractor manufacture was collected in the *Census of Manufactures* data for 1954 and 1947 (in later years these data were merged with other data). For 1954 and 1947 energy consumption was calculated in the same way as for farm machinery. For more recent years a figure of 2.65×10^6 kcal per tractor horsepower calculated as the energy of manufacture from 1954 data (the 1954 energy of tractor manufacture, 23.6×10^{12} kcal, divided by sales of 315,000 units divided by 28.7 average tractor horsepower in 1954). This figure was used to calculate energy use in tractor manufacture in more recent years to take some account of the continuing increase in tractor size and power. It probably slightly understates the energy in tractor manufacture in more recent years.

21. Irrigation energy: Values are derived from the acres irrigated from *Statistical Abstracts* for various years; converted to energy use at 10^6 kcal per acre irrigated. This is an intermediate value of two cited by Pimentel *et al.* (*3*).

22. Food processing industry: Source, *Census of Manufactures;* direct fuel inputs only. No account taken for raw materials other than agricultural products, except for those items (packaging and processing machinery) accounted for in separate categories.

23. Food processing machinery: Source, *Census of Manufactures* for various years. Items included are the same as for farm machinery [see (*13*)].

24. Paper packaging: Source, *Census of Manufactures* for various years. In addition to direct energy use by the industry, energy values were calculated for purchased paper, plastics, and petroleum wax, according to (*14*). Proportions of paper products having direct food usage were obtained from *Con-*

tainers and Packaging (U.S. Department of Commerce, Washington, D.C., various recent editions). [The values given include only proportional values from Standard Industrial Classifications 2651 (half), 2653 (half), 2654 (all).]

25. Glass containers: Source, *Census of Manufactures* for various years. Direct energy use and sodium carbonate [converted according to (*14*)] were the only inputs considered. Proportions of containers assignable to food are from *Containers and Packaging*. Understatement of totals may be more than 20 percent in this category.

26. Steel and aluminum cans: Source, *Census of Manufactures* for various years. Direct energy use and energy used in the manufacture of steel and aluminum inputs were included. The proportion of cans used for food has been nearly constant at 82 percent of total production (*Containers and Packaging*).

27. Transportation fuel usage: Trucks only are included in the totals given. After subtracting trucks used solely for personal transport (all of which are small trucks), 45 percent of all remaining trucks and 38 percent of trucks larger than pickup and panel trucks were engaged in hauling food or agricultural products, or both, in 1967. These proportions were assumed to hold for earlier years as well. Comparison with ICC analyses of class I motor carrier cargos suggests that this is a reasonable assumption. The total fuel usage for trucks was apportioned according to these values. Direct calculations from average mileage per truck and average number of miles per gallon of gasoline produces agreement to within ± 10 percent for 1967, 1963, and 1955. There is some possible duplication with the direct fuel use on farms, but it cannot be more than 20 percent considering on-farm truck inventories. On the other hand, inclusion of transport by rail, water, air, and energy involved in the transport of fertilizer, machinery, packaging, and other inputs of transportation energy could raise these figures by 30 to 40 percent if ICC commodity proportions apply to all transportation. Sources: *Census of Transportation* (Government Printing Office, Washington, D.C., 1963, 1967); *Statistical Abstracts* (*1*); *Freight Commodity Statistics of Class I Motor Carriers* (Interstate Commerce Commission, Government Printing Office, Washington, D.C., various annual editions).

28. Trucks and trailers: Using truck sales numbers and the proportions of trucks engaged in food and agriculture obtained in (*27*) above, we calculated the energy values at 75 × 10^6 kcal per trucks for manufacturing and delivery energy [A. B. Makhijani and A. J. Lichtenberg, *Univ. Calif. Berkeley Mem. No. ERL-M310* (revised) (1971)]. The results were checked against the *Census of Manufactures* data for 1967, 1963, 1958, and 1939 by proportioning motor vehicles categories between automobiles and trucks. These checks suggest that our estimates are too small by a small amount. Trailer manufacture was estimated by the proportional dollar value to truck sales (7 percent). Since a larger fraction of aluminum is used in trailers than in trucks, these energy amounts are also probably a little conservative. Automobiles and trucks used for personal transport in the food system are omitted. Totals here are probably significant, but we know of no way to estimate them at present. Sources: *Statistical Abstracts, Census of Manufactures, and Census of Transportation* for various years.

29. Commercial and home refrigeration and cooking: Data from 1960 through 1968 (1970 extrapolated) from *Patterns of Energy Consumption in the United States* (6). For earlier years sales and inventory in-use data for stoves and refrigerators were compiled by fuel and converted to energy from average annual use figures from the Edison Electric Institute [*Statistical Year Book* (Edison Electric Institute, New York), various annual editions] and American Gas Association values [*Gas Facts and Yearbook* (American Gas Association, Inc., Arlington, Virginia), various annual editions] for various years.

30. Refrigeration machinery: Source, *Census of Manufacturers*. Direct energy use was included and also energy involved in the manufacture of steel, aluminum, copper, and brass. A few items produced under this SIC category for some years perhaps should be excluded for years prior to 1958, but other inputs, notably electric motors, compressors, and other purchased materials should be included.

31. There are many studies of energy budgets in primitive societies. See, for example, H. T. Odum [*Environment, Power, and Society* (Wiley, Interscience, New York, 1970)] and R. A. Rappaport [*Sci. Am.* 224 (No. 3), 104 (1971)]. The remaining values of energy subsidies in Fig. 5 were calculated from data presented by Slesser (*9*), Table 1.

32. This article is modified from C. E. Steinhart and J. S. Steinhart, *Energy: Sources, Use, and Role in Human Affairs* (Duxbury Press, North Scituate, Mass., in press) (used with permission). Some of this research was supported by the U.S. Geological Survey, Department of the Interior, under grant No. 14-08-001-G-63. Contribution 18 of the Marine Studies Center, University of Wisconsin—Madison. Since this article was completed, the analysis of energy use in the food system of E. Hirst has come to our attention ["Energy Use for Food in the United States," *ONRL-NSF-EP-57* (Oct. 1973)]. Using different methods, he assigns 12 percent of total energy use to the food system for 1963. This compares with our result of about 13 percent in 1964.

ENERGY SITUATION

Mr. HOLLINGS. Mr. President, 22 years ago the Paley Commission study on national materials policy devoted an entire volume to the energy situation and found a pressing need that the Nation's energy problems be reviewed in its entirety and not as a loose collection of independent pieces involving different sources and forms of energy. On May 10, 1973, the Senate passed S. 70 by an overwhelming vote. This bill would create a three-member council on energy policy in the Executive Office of the President. In passing S. 70 the Senate was again warning of the need to organize and coordinate the energy efforts of the Government. We again called to the President's attention the total disorganization and inability of the Government as presently organized to respond to the impending energy crisis. As I said at that time "No one is minding the store, and we are running out of supplies."

But the administration apparently was not listening and we are now all too well aware of how totally unprepared the Government was in dealing with the energy crisis when it hit. S. 70 is still pending in the House. In an attempt to give the proposal a second chance, the Senate again passed it on December 10, as an amendment to S. 2176, the National Fuels and Energy Conservation Act, and on December 19, as an amendment to S. 2776, the Federal Emergency Energy Act. And still no response from the White House. I want to emphasize that the council would not be a substitute for existing line agencies, such as FEO, FPC, AEC, or the Department of the Interior. Nor would it substitute for the pending proposals to create a DNER and ERDA.

Rather the Council is designed to complement the functioning of these agencies by providing a coordinated and long-range planning capability. For the first time, there would be a central organization designed to provide policy advice and activity coordination throughout the Federal Government. In this respect the Council on Energy Policy would parallel in the energy field successful organizational structure of the Council of Economic Advisors and the Council on Environmental Quality in the economic and environmental fields.

In a letter to the President dated April 26 I was joined by four of my colleagues in urging the President to recognize the urgency and need for establishing a Council on Energy Policy. In addition to recalling the comments of the Paley Commission and the actions by the Senate in 1973, we pointed to the recent recommendations of the President's own study team which on April 12, 1974, strongly recommended the creation of an independent national energy council as the best solution to the Government's regulatory problems in the energy field. We called on the President to join forces in the Senate in implementing this recommendation.

I ask unanimous consent that a copy of this letter be inserted in the RECORD. In addition, I ask unanimous consent that a fact sheet on S. 70 and a fact sheet on the President's study team recommendations also be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HOLLINGS. Mr. President, 22 years after the Paley Commission report, the crisis has come, memories of the long gas lines are fresh in our minds and fuel prices are at the highest level in history. But we are still debating the need for a National Energy Policy Council.

The hearings have been held. The comments are in. The need is there. It is time to act, and I hope the President will respond and lend his support to enactment of this vital legislation.

EXHIBIT 1

U.S. SENATE,
Washington, D.C. April 26, 1974.

THE PRESIDENT,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: We are all too well aware of how totally unprepared the government was for dealing with the energy crisis. Since the most visible aspect of this crisis is the shortage of fossil fuels, your proposals for solution to date have focused on various methods to increase supply and encourage conservation.

However, it is imperative that we recognize the root cause of this crisis, namely that the government lacked the capacity to anticipate the impending problem and take steps to avert it. The need for a long-range energy planning capability has been one of Washington's best kept secrets. In 1952, the Paley Commission devoted an entire volume of its study on materials policy to the energy situation and therein stated:

"In the past, government has dealt with energy problems largely on a piecemeal basis with separate programs for coal, gas, for petroleum, for electricity, and for atomic energy, with each usually handled by one or more separate agencies operating under one or more separate legislative authorizations.

"The Commission is strongly of the opinion that the nation's energy problem must be viewed in its entirety and not as a loose collection of independent pieces involving different sources and forms of energy. So numerous and vital are the interrelations among all sectors of the energy field, that problems in any one sector must be dealt with always in full consideration of the effects on all other sectors. The aim must be to achieve a constant pattern of policies and programs throughout the entire energy field."

Twenty years later their observations are still revelant. In fact, on June 29, 1973, you commented on the failure of the present governmental structure to deal with the energy situation, and you directed that a comprehensive study be undertaken to determine the best way to organize all energy related regulatory activities of the government. The Study Team, which was formed as a result of your directive, issued its report on April 12. It found, as did the Paley Commission, that over the past fifty years the federal regulatory structure has become increasingly complex. "It has evolved in response to narrowly defined problems and the specific demands of the moment, rather than in relation to an overall plan." The Team found that over forty agencies are involved in one way or another in regulatory decision making on energy matters. The Team concluded that "the establishment of an institutional mechanism to provide policy guidance would be the single most significant contribution to correcting the deficiencies in the existing system of regulation," and that the best mechanism for this would be the creation of an independent national energy council to formulate national energy objections and provide general policy guidelines.

The Senate has come to an identical conclusion and on three occasions beginning on May 10, 1973, has passed S.70, a bill to establish a Council on Energy Policy.

It would be a three-member Council in the Executive Office of the President, appointed by the President. The Council would: 1) provide policy advice and prepare a long-range comprehensive plan for energy development, utilization and conservation; 2) coordinate energy activities throughout the Federal government; and 3) supervise the collection and the analysis of energy information, identifying the need for certain energy data and insuring that this information is being collected and analyzed as a basis for policy decisions.

It should be made clear that the Council would not be a substitute for a Department of Energy and Natural Resources (DENR) and it would be needed even if DENR were in existence today. Nor would the Council interfere with existing line agencies such as FEO, FPC, AEC, etc. Rather the Council is designed to complement the functioning of these agencies by providing the coordination and long-range planning capability these agencies cannot obtain on their own.

Energy, like economics and the environment, cuts across the responsibilities and operations of virtually every department and agency of the Federal government. In this respect, the Council on Energy Policy parallels in the energy field the successful organizational structure of the Council on Economic Advisors and the Council on Environmental Quality in the economic and environmental fields. It is imperative that we develop, as your study team recommends, "the organizational mechanism with the mission and the means for harmonizing these interlocking impacts."

As we consider proposals to establish FEA, ERDA, DENR, etc., we are reacting once again to the immediate problem and we are once again creating specific agencies to deal with specific aspects of the energy picture. As the Paley Commission and now your own Study Team has recommended, we must also address the basic failure.

The OMB refers to the study as a *preliminary* report to be aired and commented upon by all interested parties before any action is recommended. We submit that the hearings have been held. The comments are in. It is time to *act* and we urge you to lend your support to S. 70 and your assistance to enactment of this vital legislation.

Sincerely

Warren G. Magnuson,
Ernest F. Hollings,
Henry M. Jackson,
Jennings Randolph,
Abraham Ribicoff.

Fact Sheet—S. 70

PROPOSING A COUNCIL ON ENERGY POLICY

S. 70 would create a three-member Council on Energy Policy in the Executive Office of the President, appointed by the President. The Council on Energy Policy would: (1) provide policy advice and prepare a long-range comprehensive plan for energy development, utilization and conservation; (2) coordinate energy activities throughout the Federal government; and (3) supervise the collection and the analysis of energy information, identifying the need for certain energy data and insuring that this information is being collected and analyzed as a basis for policy decisions.

S. 70 was first introduced by Senator Ernest F. Hollings (D-S.C.) on July 18, 1972. It passed the Senate on May 10, 1973, by a vote of 79 to 12. It passed the Senate again on December 10 and on December 19 as an amendment to S. 2176, the National Fuels and Energy Conservation Act and to S. 2776, the Federal Energy Emergency Administration Act.

It should be made clear that the Council is not a substitute for a Department of Energy and Natural Resources (DENR) and it would be needed even if DENR were in existence today. Nor would the Council interfere with existing line agencies such as FEO, FPC, AEC, etc. Rather the Council is designed to complement the functioning of these agencies by providing a coordinated and long-range planning capability. The FEO, for example, was created to administer the emergency programs designed to alleviate current energy shortages. The Council on Energy Policy, rather than being a temporary line agency, would be a permanent organization designed to provide policy advice and activity coordination throughout the Federal government as well as supervising the establishment of a credible and useful system of energy information. The existing agencies and departments would continue to carry out their functions of regulation, administration, implementation and collection of information.

Energy, like economics and the environment, cuts across the responsibilities and operations of virtually every department and agency of the Federal government. The FPC, the AEC, the Departments of Treasury, State, Transportation, Housing and Urban Development, Commerce and Interior as well as the FEO and the proposed Energy Research and Development Administration (ERDA) all have major energy functions. To be effective, the Council must be independent of these agencies and must be in a position to coordinate their activity. In this respect, the Council on Energy Policy parallels in the energy field the successful organizational structure of the Council on Economic Advisers and the Council on Environmental Quality in the economic and environmental fields.

The energy plan formulated by the Council would serve as a basic blueprint for other agencies to better carry out their assigned tasks as they relate to energy. The Council would take a long-range view of the nation's energy needs and productive capabilities and would provide the agencies with better information upon which to base their decisions. In addition, the Council would be in a position to provide the President with high quality information and advice.

Fact Sheet

SUMMARY OF PRESIDENTIAL STUDY TEAM RECOMMENDING A NATIONAL ENERGY COUNCIL

On April 12, 1974, the Presidentially-designated Federal Energy Regulations Study Team released its organizational study.

In his energy statement of June 29, 1973, President Nixon commented on the failure of the present governmental structure to deal with the energy situation and the need for the government to change its organizational framework to meet the increasingly complex and increasingly critical energy problems facing our society. The President then directed that "a comprehensive study be undertaken, in full consultation with the Congress, to determine the best way to organize all energy related regulatory activities of the government." In July 1973, the Presidentially-commissioned inter-agency study team was formed under the chairmanship of Atomic Energy Commissioner William O. Doub.

The study team's report set forth its findings and recommendations in response to the President's directive. In summary, the team found that over the past 50 years the Federal regulatory structure has become increasingly complex. "It has evolved in response to narrowly defined problems and the specific demands of the moment, rather than in relation to an overall plan. While over 40 agencies are involved in one way or another in regulatory decision making on energy matters, the nation lacks an organizational mechanism with the missions and the means for harmonizing these interlocking impacts. Within the nation's overall energy problem, the Federal energy regulation system emerges as a key element."

Based on these findings, the study team made several recommendations, the primary recommendation being that a National Energy Council be established to formulate national energy objectives and provide general policy guidance. Such a policy guidance would provide a background against which agencies could make decisions with an understanding of the broader implications. The report indicated that government leaders, business spokesmen, environmentalists, consumer groups and other members of the public continually emphasized the need for more coherence in energy policy and concludes that "the establishment of an institutional mechanism to provide policy guidance would be the single most signficant contribution to correcting the deficiencies in the existing system of regulation."

While there are many forms that a policy entity could take, the study team concluded that creation of an independent National Energy Council was the best solution. They stressed the importance that the powers and functions of the Council be carefully elicited to avoid duplication of effort and jurisdictional quarrelling among Federal agencies. And they recommended that this Council be given a strong statutory mandate that will permit it to gain inter-agency support required to carry out its functions effectively. Specific objectives of the Council would be to: formulate national energy objectives; monitor and review the performance of Federal agencies; highlight existing and potential Federal inter-agency conflicts; monitor state and local energy activities and recommend steps to improve Federal-state cooperation; prepare a comprehensive annual energy report to the President and Congress that includes an up-to-date assessment of the Federal energy regulatory system; develop and propose executive and legislative solutions to the emerging energy policy problems.

The Council, unlike FEO, would have no operational responsibilities. Implementing national energy policy would remain the function of the agencies that currently regulate the energy sector. As precedents for this action, the study team cited the National Security Council, the Council on Economic Advisors, and the Council on Environmental Quality.

PRESIDENT HAS POWER TO FIGHT INFLATION

Mr. PROXMIRE. Mr. President, controls have been ineffective against the present inflation. The President should mount a vigorous attack on the rampaging inflation now eating up the income and savings of the American people. Even though wage and price controls will end on April 30, there are still a dozen or more major steps the President can take to fight the mammoth increase in prices. And these actions can be far more effective against inflation than continued controls.

Inflation is here. It is rampant. The President should act to bring it under control. Here are some of the things he can do by administrative action.

Cut the budget and cut it hard.

The President has proposed the biggest peacetime increase in the budget in the history of the country. While Congress controls appropriations the President controls outlays, or the speed, pace, and timing of spending. He has the power to cut back on spending. He should cut Federal outlays this year from his proposed $304 billion back to at least $295 billion. He should cut, especially, military spending which is highly inflationary, highways which the energy crisis have made less important, space spending and concentrate on the needs of those on Earth instead, and public works which are both inflationary and wasteful.

Roll back the price of both old and new oil.

The Federal Energy Office has no facts and no cost data from the big oil companies to justify the increase of old oil from $3.50 to $5.25 a barrel, and it has no cost data to justify the sky-high prices for new oil. The President has the authority to roll back these prices to levels which can be justified by actual costs plus a fair return and adequate incentives to drill. In my view this would mean old oil would sell for no more than $4.50 and new oil at $7 or less. This is one of the key causes of inflation. The President should act.

Take constructive action in the area of food.

Food, along with oil, is also a key inflationary cause. For the coming year the President should initiate a program to provide for those at home first. Then there should be a set-aside for a domestic reserve to protect the U.S. consumer against future shortages. The remainder of our crops could be sold in international markets under conditional contracts limiting the total amount of exports in case the domestic crop and supplies fall short. The American consumer should be at the head of the food line for U.S. grown crops, not at the foot. It is the policy of every other producing country to supply their own people with an abundance of food at reasonable prices. The United States should institute that policy, too.

More competition in procurement.

Both at the Defense Department and in other Government agencies as well, the Government should get back to competitive procurement. The day of negotiated, cost-plus, and open-ended contracts should end.

Bring in more revenue to help balance the budget.

There are three principle areas which come to mind immediately. First, the Government should begin to get its money's worth from oil and gas leases on the Outer Continental Shelf. Second, we should institute an effective minimum tax so that those with large incomes pay at least as large a proportion of their income as those in the lowest brackets. Third, we repeal the special tax privileges for oil, percentage depletion, the intangible drilling and development cost special provisions, and the "golden gimmick" which allows billions to be paid out to Middle Eastern sheiks in the form of royalties and then offset in full as a credit against U.S. owed taxes. They get the money. We get only dribbles of oil. That is a bad deal. With Presidential leadership, we can get these things done. Without it, they will probably fail.

Stockpile cuts.

Examine the Government stockpiles to determine if additional amounts of the almost $7 billion in minerals and other items can be sold to increase supply and ease prices in the private markets.

Cut military foreign aid to the bone.

We now grant military foreign aid to at least 40 countries. It not only hits the American taxpayer in the neck, it increases tensions in the world. Cut it out. This year, foreign aid goes up to at least $5.3 billion which we know about. The total according to the Joint Economic Committee studies, is actually nearer $10 billion. Now, during this roaring inflation is no time to increase foreign aid.

Actually enforce the anti-trust laws.

Everybody talks about this. Nobody does it. Increased competition would bring down prices.

Stimulate housing.

We should reduce the upward pressures on rents and mortgage rates by stimulating housing production through moderate additions to Federal programs. By increasing the supply of housing, inflationary pressures would be reduced and jobs provided. This should be high on the list as the best means of fighting both inflation and a possible recession. It also helps people.

Cut frills.

We should cut back on all the frills of Government cars, limousines, boats, planes, and helicopters now used for the luxury of major civilian and military officials. Those who are paid with taxpayers hard earned money should live simply.

These are just a few ways that the President, acting on his own and without changes in the law, can fight inflation. He should get on with the job.

It is not necessary to continue controls, with the massive bureaucracy and red tape that goes with it, with the one-sided administration we have had in the past, and the restrictions on the play of the free markets where they genuinely exist, in order to fight inflation.

The President should fight inflation. It is time he got on with the job. But it is time he did it by action that will work instead of through controls which have not worked.

ANTI-RECESSION TAX CUT

Mr. KENNEDY. Mr. President, today's Washington Post contains an excellent article and analysis by Prof. Walter W. Heller in support of a tax cut at this time to reduce the burden of inflation on millions of American citizens and pull the economy out of its current tailspin toward recession.

As Professor Heller, a former Chairman of the Council of Economic Advisers and now professor of economics at the University of Minnesota, concludes,

> The proposed tax cut would be socially, economically and fiscally responsible.

The $5.9 billion tax cut that Senator Mondale and I are sponsoring would be achieved by raising the personal income tax exemption from its current level of $750 to a new level of $825, and by offering a new $190 tax credit, in lieu of the exemption, to be taken at the option of the taxpayer.

As Professor Heller makes clear, a tax cut at this time will not add to the inflationary pressures in the economy, but will be channeled instead into increased output and jobs. Today, the American economy is impaled on the twin horns of the dilemma of simultaneous inflation and recession. The administration's policies have been a failure in the fight against inflation, but that is no excuse for Congress to miss the opportunity to win the fight against recession.

Mr. President, Professor Heller's arguments in favor of the antirecession tax cut are eloquent and succinct, and I ask unanimous consent that his article may be printed in the Record.

There being no objection, the article was order to be printed in the Record, as follows:

[From the Washington Post, May 1, 1974]

Tax Cuts and Inflation

(By Walter W. Heller)

That the "savage inflation" of recent months scared the Post into opposing income tax relief in its April 23 editorial is understandable, but wrong. To say that "the most sensible thing to do right now is nothing" reflects (a) a misreading of economic facts and (b) an unwillingness to incur even very small risks on the inflationary front in exchange for sizeable gains in social justice and economic recovery.

First, the Kennedy-Mondale tax cut of $6 billion would redress a glaring social grievance. By boosting the per capita exemption to $825 and providing the option of a $190 per capita credit against taxes, it would concentrate the bulk of the tax benefits at the middle and lower ends of the income scale where the past year's surge in food and fuel prices has taken a particularly heavy toll. (It would be the logical counterpart of the sharply expanded Food Stamp Program and unemployment compensation to aid the poor and the jobless.)

Second, by restoring some of the consumer's badly eroded buying power, the $6 billion cut would help arrest the sharper-than-expected slide of the economy toward recession and brighten the chances of recovery in an economy staggering under a new burden of soaring interest rates.

But won't the costs outweigh the benefits? Aren't supply shortages rather than weak demand the hallmark of today's recession? No.

The consumer is reeling under the blows of tight money and run-away food and fuel prices. Not only have car sales plummeted, but sales of household durables have been falling in real terms for nearly a year. Total retail sales in dollar terms are limping along at a pace only 5 per cent above a year ago, or only half the advance in prices over the same period.

Nor is any early rebound of consumer spending in sight. Exploding oil prices are still working their way through the economy. They are siphoning about $15 billion of consumer buying power away from other goods and services into the pockets of foreign and domestic oil producers. As the Post cogently pointed out in an earlier editorial, the end of the Arab embargo has not relieved us of this paradox of "oil drag"—a cost inflation of prices and a taxlike deflation of consumer demand.

The tax cut would offset a considerable part of the demand drag without increasing cost push. Indeed, by helping labor regain part of the 3 per cent loss of real pay in the past year, the carefully targeted Kennedy-Mondale exemption increase might even ease wage-push pressure somewhat. If we are to de-escalate inflation in the longer run, we will have to think more in terms of such broad trade-offs, of changes in the terms of the social contract.

But won't the added buying power released by a tax cut run up against industrial and materials bottlenecks? Federal Reserve capacity data don't support this:

In manufacturing, the combination of falling output and rising capacity—at a 4½ per cent rate in the past 6 months—has cut operating rate to 80 per cent of capacity.

In major materials industries, capacity rose 2 per cent in the past quarter, while output fell 1.7 per cent, thereby easing the operating rate to 92 per cent.

With demand falling significantly below our capacity to produce, then, this seems a relatively safe time to release a moderate amount of funds into the economy.

But for all that, won't much of the tax cut run off into higher prices? On the contrary. Given the special nature of today's inflation, the real thrust of added consumer buying made possible by the tax cut will be to expand output and jobs rather than prices:

The fuel, food, and commodity price explosions are largely the work of outside forces like the oil cartel and worldwide food and commodity shortages, not of excess domestic demand.

The pop-up effect of dumping Phase IV price and wage controls is also largely immune to fiscal or monetary policy.

So inflation has a life of its own. It is in major part the product of special forces that will be ebbing by the end of 1974 even if economic recovery is under way.

Insofar as wage-push pressures take over from these factors, the tax cut will not worsen them and might, as noted, ease them a bit.

But can we spare $6 billion of the $129 billion annual yield of the individual income tax? This year, yes. But for future years, the loss can and should be offset, preferably through removal of tax shelters, especially for oil.

Finally, isn't the Nixon budget already stimulative? Not if we are to believe analyses by the Council of Economic Advsers, the Library of Congress, the St. Louis Federal Reserve Bank, and Michael Levy of the Conference Board. All of them conclude that the fiscal 1975 budget is either neutral or somewhat restrictive.

In short, the proposed tax cut would be socially, economically, and fiscally responsible.

STRATEGIC ARMS LIMITATION

Mr. BUCKLEY. Mr. President, at the time the first round strategic arms limitation accords were signed in Moscow in 1972, many observers including some of the Nation's most sophisticated defense analysts expressed concern about the impact of the accords on the strategic balance. Specifically, concern was expressed about the payload capacity or "throw-weight" advantage conferred on the Soviets as a result of the one-sided character of offensive weapons limits where the Soviets were permitted to retain a 3-to-2 advantage in the number of land and sea-based missiles and a 4-to-1 advantage in "throw-weight." This, according to Secretary of Defense Schlesinger's analysis, could result in the Soviets possessing 23,000 warheads by the end of the decade if the Soviets used a warhead with the design features of the U.S. Poseidon C–3 warhead—a design worked out by U.S. scientists and engineers in the mid-1960s.

The editor of Aviation Week and Space Technology, Robert Hotz, has reviewed the SALT accords nearly 2 years after their signing. The results of his review has been published in the April 22 and April 29 editions of the magazine. The results of this review reflect some of the most ominous concerns of the SALT critics in 1972. In view of the fact that we may soon embark on a summit-level effort to negotiate a second round agreement, I urge a careful reading of these essays so that we may avoid another agreement with the Soviets which is as tragically one-sided as the first one.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Aviation Week & Space Technology, April 22, 1974]

THE PINCH OF SALT

(By Robert Hotz)

The U.S. is just beginning to feel the real pinch of SALT (Strategic Arms Limitation Talks). The euphoria with which President Richard M. Nixon and his satraps hailed the SALT 1 agreement as part of their "generation of peace" panegyrics is melting fast under the harsh facts of Soviet political and technical behavior since that agreement was signed on May 26, 1972. Less than two years later, this country finds itself being pushed toward grim alternatives—yielding permanent strategic weapons superiority to the USSR or embarking on a huge new multi-billion-dollar ICBM technology development and deployment program.

The sad fact is that the U.S. was badly outmaneuvered at SALT 1 by the classic Russian chess gambit of trading a pawn for a knight. In Salt 1, the U.S. gave up its superior missile defense technology, which promised to provide effective protection for the Minuteman ICBM force, for limitation of an extremely ineffective Soviet anti-missile system that offered little promise of protecting either its cities or its missile silos. But even worse, the U.S. conceded the Soviets a quantitative ICBM superiority because of the qualitative superiority of U.S. ICBMs with multiple independently-targetable reentry vehicles, more accurate guidance systems and more efficient nuclear warheads and a misconception of what the Soviets could and would do in future ICBM development.

Now the Soviets are exploiting these SALT concessions in negotiations for a SALT 2 agreement to achieve a permanent, unmistakable superior margin in strategic military power. Defense Secretary James Schlesinger recently bared to Congress the blunt facts on what is happening. Instead of an anticipated U.S. strategic advantage of about 6,000 reentry vehicles on MIRV Minuteman 3 and Poseidon missiles compared with some 2,500 Soviet reentry vehicles on submarine and land-based ICBMs, the U.S. faces a probable disparity of land-based missile strength, pitting about 2,000 Minuteman 3 warheads against from 7,000 to 8,000 Soviet MIRV warheads on board the SSX–18 and SSX–19 new-generation ICBMs now being test-fired. The submarine-based strengths would remain roughly comparable although massive MIRVing could change that too. In total nuclear throw weight, the new generation of Soviet ICBMs could deliver from 10 to 12 million pounds of nuclear warheads compared with 2 million pounds for the U.S.

All of this in prospect without any Soviet violation of the terms of SALT 1. Its sole cause is massive miscalculation by President Nixon and his SALT advisers on what they "thought" the Soviets would do and their failure to understand the technical significance of many of the phrases they agreed to in SALT 1 protocols. These include:

New Soviet ICBM development program that surfaced on the Tyuratam and Plesetsk test ranges less than six months after SALT 1 was signed and that Defense Secretary Schlesinger recently described to Congress as "staggering in size and depth." It includes four new ICBMs–SSX–16, 17, 18 and 19 plus a new SLBM, all with MIRV capabilities of 4–6 warheads compared with three on current U.S. ICBMs

Cold-launch "pop-up" technique that enables the Soviets to replace their present 1,000 single warhead SS–11 missiles with the 4–6 MIRV warhead SSX–19s within the silo limitations of SALT 1. This cold launch would also permit the mammoth SSX–18 to replace the SS–9 in the 300 existing silos with modifications allowed by the 15% silo enlargement provisions of SALT 1. The U.S. currently has no missiles under active development that could take advantage of these technical conditions, although a research program is being rushed in the Pentagon to try to remedy this deficiency.

These developments give the Soviets the capability of expanding the numerical advantage in ICBMs conceded to them by the U.S. at SALT 1 into a huge and significant superiority and at the same time wiping out all of the qualitative advantages the U.S. thought it would enjoy through the 1970s.

All attempts to reach an agreement with the Soviets to limit this exploitation in SALT 2 have met with rude rebuffs and harsh demands that the U.S. not only scrap its ongoing strategic weapons developments, such as the B–1 supersonic bomber and the Trident submarine-launched ICBM, but also severely curtail the deployment of nuclear weapons already carried by USAF and carrier-based tactical aircraft. These proposed restrictions would push back the limits of

U.S. airpower and open major new fringe areas for Soviet exploitation, such as the Middle East and Persian Gulf oil fountainheads.

The Soviets have maneuvered the Nixon Administration over a strategic barrel in SALT 1, and now they intend to roll it as hard as they can. Secretary of State Kissinger got that Soviet message loud and clear in his recent visit to Moscow.

None of this could have transpired except in the atmosphere of deep secrecy and deception which the Nixon Administration has created. Even now, White House satraps are angry that details of the Soviets' great missile developments and their harsh SALT 2 demands have reached the Congress, the press and the American people, whose safety is at stake.

President Nixon will feel the hard pinch of SALT when he goes to Moscow in June. But the American people will feel it long after he fades from the political scene, and they will have to expend a vast amount of sweat, treasure and perhaps blood to regain what so naively was negotiated away at SALT.

[From Aviation Week & Space Technology, April 29, 1974]

MORE SALT ON THE TABLE

(By Robert Hotz)

It is becoming more obvious with each passing month that the assumptions under which the U.S. negotiated the SALT 1 ballistic missile defense treaty and the accompanying interim agreement on intercontinental ballistic missile (ICBM) deployment were in gross error on Soviet technology and policy. Held up now in the harsh light of Soviet performance, these pieces of paper are as full of holes as a Swiss cheese. Some examples:

U.S. assumptions accepted the 10–15% enlargement of missile silos as "not significant." Soviet technology, revealed since SALT 1, has shown it to be enormously significant in increasing Russian ICBM reentry vehicle and throw weight margins over the U.S. ICBM forces.

U.S. assumption that the interim agreement limited deployment of "heavy" ICBMs generally and the Soviet 25-megaton SS–9 specifically. This was erroneous because the SS–9 is not mentioned in either the agreement or accompanying protocols and there is no specific definition of a "heavy" missile. The Soviets refused to agree to any definition, so the U.S. unilaterally appended its own concept and hoped the Soviets would accept it. The trend of new Soviet ICBM development shows clearly that they did not.

U.S. agreement to omit land-mobile ICBMs from the agreement on the Soviet claim that neither side possessed any. Soviets now have the SSX–16, a fully land-mobile ICBM, in advanced development that surfaced after SALT 1, while the U.S. is still studying whether it should begin development of this type weapon.

Although U.S. officials are still lamely professing that SALT 1 was a "good" agreement because it could lead to something better, much of the fervor has gone out of this litany recently. It is apparent to a growing audience that the U.S. was so badly outmaneuvered at SALT 1 that it will be impossible to achieve any of its real objectives at SALT 2 or beyond.

There is something both sad and dangerous in the way the U.S. gives away its best tangible assets to the USSR in exchange for nebulous and transitory intangibles in these type negotiations. Most U.S. participants in SALT 1 agree the Soviets were frantically anxious to achieve a halt to ballistic missile defense deployment. The U.S. superiority in this field, which eventually would eliminate any possibility of a Soviet first strike capability, was a very tangible asset that this country gave up in SALT 1. Meanwhile, the USSR is pushing its own advanced missile site defense technology at a rapid pace to make up this disparity as soon as possible. It is already testing new ABM missiles and radars but has a large deficiency in computer technology.

Now there are whispers that, in a supposedly commercial deal, the U.S. is officially offering the Soviets the Control Data Corp. 7600 high-speed digital computer that is the heart of the U.S. ABM site defense system.

In exchange for the ABM limit, U.S. officials thought they got a brake on the momentum of Soviet ICBM deployment, which had already overtaken the U.S. both in numbers and warhead throw weight. The new Soviet ICBM development program, characterized by Defense Secretary James R. Schlesinger as "staggering in size and depth," has shown clearly the Russian path—through MIRVs and increased accuracy—to tremendous multiplication of the current disparity between the opposing ICBM forces. The Soviets can accomplish all of this in the next 5–7 years without violating any of the specific agreements in SALT 1 and its protocols—only the U.S. assumptions. New Soviet ICBM technology only surfaced in the visible test-firing stages a few months after SALT 1 was signed. This demonstrates once again how the Soviets use negotiation as a tool to achieve long-term significant advantages in contrast to the U.S. goal of freezing a status quo.

Now that they have eliminated the deployment threat of a U.S. ICBM site defense system by treaty, established their own prerogatives for a numerical superiority in ICBM launchers by agreement, and developed the technology to force a multiplication of that superiority into strategic significance, the Soviets are getting tougher in their demands for SALT 2 and even more nebulous in what they offer in return. The Soviets now believe they are operating from a growing technological strength against a growing U.S. political weakness caused by Watergate and no realistic U.S. understanding of the game being played.

As reported exclusively in this magazine some weeks ago (AW&ST Apr. 15, p. 14), the Soviets are now demanding the scrapping of the B–1 supersonic bomber and the Trident SLBM and a rollback of current Navy carrier-based and USAF strike aircraft equipped with nuclear weapons as the price for any future SALT negotiations.

For years there has been a wailing wall of academicians in the northeast U.S. who bemoaned most U.S. weapons technology development as a provocation that "frightened" the Soviets into countermeasures. Now the U.S. has exercised so much restraint in SALT 1 that it is almost falling over backwards strategically. This has only whetted the Soviet appetite for a more significant strategic advantage. It is now the Soviet pace of new ICBM weapons development that is the stimulating and pacing factor in setting off a new arms race. If there has been any evidence of Soviet restraint in this area during the past two years, we wish somebody would call it to our attention.

Too much of the SALT negotiations and their peripheral maneuvering have been conducted under the table in deep secrecy, with their significance only dimly perceived by many of the key participants. It is time that the American public and the Congress demanded more SALT on top of the table where they can see how much of their safety and future is being bartered away by glossy diplomats who do not really understand what they are doing.

DEFENSE SPENDING PROMOTES INFLATION

Mr. PROXMIRE. Mr. President, if Congress approves the record-high defense budget requested this year the chances of bringing inflation under control in 1974 will be reduced to zero. There is no way to reduce inflationary pressures while defense spending surges forward.

This is not only my judgment. It is also the judgment of respected economists and financial experts.

FIRST NATIONAL CITY BANK SAYS DEFENSE BUDGET INFLATIONARY

The First National City Bank of New York in its April 1974 Monthly Economic Letter carefully analyzes the current defense budget request and concludes:

> If defense spending swings up as planned in late fiscal 1974 and 1975, the result could be inflationary stimulus to an economy that has already started on the road to recovery.

RESOURCES WILL SHIFT FROM DOMESTIC PROGRAMS TO DEFENSE

The First National City Bank shows that in the next few years, in addition to inflation, a shift in national resources from domestc program to defense will occur if the Pentagon gets its way.

A REAL INCREASE IN OUTLAYS FOR REST OF DECADE

It is pointed out that the budget proposal represents a real increase in military outlays, after taking pay and price increases into account, and that the budget is even more expansionary than the figures indicate.

The spending plans reflected in the defense budget, according to First National City Bank—

> Suggest a strongly rising trend in real defense spending over the rest of the decade.

POOR WAY TO PROP UP ECONOMY

Finally, First National City Bank comments on the apparent intent of the administration to increase defense spending so as "to give a sluggish economy a spring tonic."

The bank observes that the increase proposed would not have the intended effect and that even if it would, it has seldom proved good economics to provide a fiscal stimulus through the defense program.

The reason the defense increase cannot be used to prop up the economy when it could use propping up is because a large chunk of the proposed increase is for additional military hardware and the higher level of economic activity from the new purchases would not be felt until the last half of the year. The fiscal push would come too late, at a time when most experts are forecasting an economic upturn.

Mr. President, I ask unanimous consent to print in the Record a copy of the First National City Bank of New York Monthly Economic Letter for April 1974, entitled "Defense Spending—Count-up for a Launching."

There being no objection, the economic letter was ordered to be printed in the Record, as follows:

DEFENSE SPENDING—COUNTUP FOR A LAUNCHING

If defense spending swings up as planned in late fiscal 1974 and 1975, the result could be inflationary stimulus to an economy that has already started on the road to recovery.

This is the time of year when the men of the Pentagon trudge up Capitol Hill on their perennial quest for more funds. For the past six years, they have been turned away with less in real terms than they got the year before. But this year for a number of reasons, some having little to do with national defense, their persistence may pay off. And the outcome over the next few years could be a shift in national resources from domestic programs to defense.

The Pentagon says it needs additional funds to improve the nation's readiness for military emergencies, to modernize its weapons systems and to cover costs boosted by inflation. The Administration seems prepared to buy these reasons, because they comport with one of its own—to give a sluggish economy a spring tonic. Historically, it has seldom proved good economics to give an economy a fiscal shot in the arm by upping defense outlays. Yet Congress—mindful of mounting unemployment and aware there is no political edge to be gained these days from dovish gestures—may go along, even though chances are the boost will come at a time when it could rekindle the fires of inflation.

In the program outlined in the 1975 budget, defense spending is scheduled to turn sharply upward after declining to $74 billion in fiscal 1973—$5 billion below the level of spending at the height of the Vietnam war in fiscal 1969. And a $4.5 billion supplemental increase in outlays booked for late 1974 is expected to be followed by successive increases of $6 billion each in fiscal years 1975 and 1976.

This rise may not appear very strong when inflation is taken into account—and inflation is severe enough to make comparison in real terms a necessity. Even in real terms, however, this increase represents a switch from negative to positive yearly percentage changes in defense spending. Moreover, the budget is more expansionary than the numbers would suggest. While the rise in manpower and operations expenditures in the budget reflects the soaring of prices and wages, long-range plans for procuring materiel, laid out in 1975 Report of the Secretary of Defense, suggest a strongly rising trend in real defense spending over the rest of the decade. Although forecasting defense expenditures is perilous since their levels are dictated less by economic considerations than by changing perceptions of the international and domestic political scene, the rise in the cost of defense over the next five to six years could well be as rapid as the rise in gross national product.

Domestic politics also shape the course of defense spending, since governments sometimes vacillate between fiscal constraint and surges of spending.

TARDY STIMULUS

Obligations—commitments to spend in the future—are slated to rise much faster than expenditures in fiscal 1974. The Pentagon plans to step up awards of procurement of hardware of all sorts, ranging from tanks to sophisticated missiles and including ammunition which is expendable rather than durable. Obligations are scheduled to reverse dramatically from an 11% decline in fiscal 1973 to a 22% increase in 1974.

Congressional approval of the supplemental defense funds for fiscal 1974 would be unlikely to have much effect on the economy before the end of the second quarter of calendar 1974. More than half—$3.3 billion out of a total of $6.2 billion requested—is to pay for pay and pension increases that took effect during 1973 and in January of this year, so that fiscal stimulus has already been felt. Most of the rest of the supplemental is to buy more military hardware and to maintain equipment. Even if this legislation were passed in time to increase obligations in May or June, the higher level of economic activity would not be felt until the second half of the year because of the delay between incurring obligations and the new hiring and purchasing. Thus the fiscal push would not come until after the forecasted upturn from the recessionary trough.

The desire to boost the economy is not the only reason the spending level for defense is being pressured upward. Inflation is pushing up costs for the Pentagon just as it is for businesses and individuals throughout the country, and part of the increase in manpower costs comes from that factor. Moreover, the Defense Department says that spending constraints in the last few years have forced it to operate on a barebones budget. During fiscal years 1970–73, a time of controversy over the Vietnam conflict, Congress slashed defense budget requests by an average of about 4% per year—much sharper cuts than the approximately 1% a year cuts that were made in the 1960–69 period. Historically, defense expenditures always have fallen after wars. But the fall in current dollars has never been back to prewar levels. And now, because inflation has caused real outlays to lag, the Defense Department wants to hold its own.

Other factors leading to increased requests come from within the department itself. Manpower costs are higher because of the volunteer army, the comparability pay principle and climbing retirement costs stemming from the growing number of retirees and their higher salary base. The cost of weapons also is going up, not only from inflation but because the expense of increasingly sophisticated technology squeezes the funds available. It is difficult to assess to what degree inflation affects the total amount spent for unique and experimental equipment that may have no other market than the Defense Department. Many military purchases require exquisite and painstaking hand tailoring to meet changing requirements, and the result often is low productivity and cost overruns. However, the Pentagon argues that modernization is needed and that weaponry must be upgraded.

TO MARKET, TO MARKET

If it gets the money, the Pentagon has a long shopping list of items needed to achieve these goals. For the remainder of 1974, it wants funds to replace weapons shipped to Israel, to accelerate buying of weapons and equipment that proved particularly effective in the October war and to make up "deficiencies . . . that were made apparent by the Middle East hostilities." Included on the proposed list for late 1974 are antitank missiles, M–60 series tanks and armored personnel carriers. The Pentagon would also increase purchases of supplies "to improve readiness and increase airlift capability," according to the report of the Secretary of Defense.

In its plans for 1975, the Administration wants to spend its money on a number of research and development projects, as a hedge both against failure of the Strategic Arms Limitation Talks and the possibility of increasing Soviet military capability. In addition, the Administration carries on its push for modernization of strategic equipment—the Trident sea-based missile system, completion of the program to replace the Minuteman I missiles with advanced missiles that can carry three independently targetable warheads, and a half-billion-dollar continuation of the five-year development effort on the B–1 bomber. Also, the Army plans to continue buying M–60 tanks and antitank missiles and the Navy has asked $143 million as a downpayment on a $1 billion program to build sea control ships to provide protection for sea-based aircraft, amphibious groups and convoys. The Navy is also planning to continue the purchase of antisubmarine-warfare aircraft, destroyers, frigates, missiles and nuclear-powered attack submarines. The Pentagon also would continue to enlarge its fleet of F–14 and F–15 fighter planes, develop close-support aircraft and to expand the Air Warning and Control System.

FUTURE BUYING

If the Defense Secretary's programs go forward as planned, beyond fiscal 1975 a number of programs now in the research-and-development stage will be ready for a buy-no buy decision. The purchase of these weapons and equipment items along with ongoing procurement plans would involve an investment of well over $50 billion, according to estimates of the Brookings Institution. These purchases by 1979 could raise real spending by as much as $5 billion above current levels. The key items on this list are:

Strategic forces: Conversion of the 450 Minuteman II missiles to an MIRV version, the actual purchase of B–1 bombers and modernization of air defenses. Development of the cruise missile—a new kind of strategic missile for submarines—and a new mobile land missile to suceed the Minuteman. The spending for these last two weapons would depend on the outcome of the SALT negotiations.

Ground forces: Battle tanks, mechanized combat vehicles, surface-to-air missiles and transport and attack helicopters.

Naval general purpose forces: Purchase of more aircraft carriers, patrol frigates and sea control ships.

Tactical air forces: Buying more F–14 and F–15 fighters and acquiring close-support aircraft.

There is a good chance the Pentagon's shopping list eventually will be adopted—unless the present political climate changes. The Secretary of Defense himself has said that the department was allowed higher expenditures last year than it might have been under previous "tight money" budgets. This could be an omen of a turnabout in the outlook for the budgetary process, and the beginning of an era when the trend in real defense spending is rising rather than falling sharply. If this happens, it seems obvious that pressures will be brought to bear on nondefense spending—or, conversely, on any loose talk of lower taxes.

DRUG BIOEQUIVALENCE DILEMMA

Mr. KENNEDY. Mr. President, the Office of Technology Assessment has convened a blue ribbon panel to try to resolve the drug bioequivalence dilemma raised by HEW Secretary Caspar Weinberger's announcement before the Health Subcommittee last December of a new drug reimbursement policy.

This distinguished group of scientists is chaired by Dr. Robert Berliner, the dean of the Yale University School of Medicine.

I ask unanimous consent that the accompanying summary of the committee's charge, and its request for technical documentation be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Office of Technology Assessment, Drug Bioequivalence Study

The Office of Technology Assessment, Congress of the United States, has been directed by the Health Subcommittee (of the Senate Committee on Public Welfare) to examine the scientific aspects of the drug bioequivalence issue. A panel, chaired by Dr. Robert Berliner, Dean of the Yale University School of Medicine and approved by OTA, has been formed to issue a report based upon a review of available technical information. (A list of panel members is provided below.)

The panel invites interested individuals and organizations to submit written technical documentation related to the study charge as presented in the following sections. Given the report's due date of June 30, 1974, the panel requests that all information be submitted no later than May 20, 1974 to: Drug Bioequivalence Study Staff, 1910 K Street, N.W., 8th Floor, Washington, D.C. 20006.

BACKGROUND

The Health Subcommittee (of the Senate Committee on Labor and Public Welfare) is conducting a series of hearings on the pharmaceutical industry. Testimony has been presented on a number of issues including drug safety, Federal regulatory functions, drug costs, physician prescribing and drug utilization.

Wednesday, December 19, 1973, HEW Secretary Weinberger appeared before the Committee and recommended a new Federal drug purchasing policy. In brief, he proposed that "in absence of demonstrated differences in uniform quality and therapeutic equivalence, there is no reason why the Government should pay more for a drug than the lowest price at which it is widely available."

The Secretary reasoned that most chemically equivalent drugs are also clinically or therapeutically equivalent. The Secretary's recommendation was further based on the observations that "It has been shown in recent years that in a few instances two or more chemically equivalent drugs, even though they meet all official standards, produce significantly different blood levels when administered to man. In scientific terms they differ in bioavailability or, to use another term, they are lacking in bioequivalency."

The Secretary went on to say that "all evidence to date indicates that clinically significant differences in bioavailability are not frequent." In those few instances when chemically equivalent drugs are not clinically equivalent, these differences may be measured by additional bioavailability data. Therefore, the Secretary was proposing to advance the national interest by a policy of paying for "lowest priced" chemical equivalents.

In a subsequent hearing on February 1, 1974, the Subcommittee received testimony from representatives of the pharmaceutical industry. They stated that in terms of quality and therapeutic equivalence, significant differences among chemically equivalent drugs have been shown. Further, Mr. C. Joseph Stetler, President of the Pharmaceutical Manufacturers Association, argued that "inequivalency unproven is not equivalency assured".

Thus, the hearings developed differences of opinion on the frequency with which chemical equivalents will be found to differ in therapeutic equivalence.

CHARGE

The overall charge to the panel is to examine the relationship between the chemical equivalence and therapeutic equivalence of drug products. The panel will evaluate the extent to which technology short of therapeutic trials in man can be used to determine whether drug products that meet the same official standards of chemical composition but that are produced at different times or under different manufacturing processes and that may contain different inert ingredients can be expected to produce comparable therapeutic effects.

The panel recognizes that chemically equivalent drug products can produce measurably different therapeutic effects. The panel will therefore focus its attention on whether such differences in therapeutic effect can be predicted from measurable differences in bioavailability. The panel will also examine whether such differences in bioavailability can be correlated with different responses to *in vitro* tests.

To make these judgments the panel's assessment of the state of the technology will include:

1. An evaluation of currently available methods for determining in man the bioavailability of the active ingredient of drug products. Included will be analytical methodology, the influence of disease states on bioequivalence, and the assessment of bioequivalence in the instances in which there are no methods known. To be specified are:

a. the target populations under consideration

b. objective standards as to what may be considered to constitute comparable bioavailability.

2. An assessment of current technology for drug product formulation as it relates to continuing assurance of adequate bioavailability. This should include:

a. evaluation of data on batch to batch variations over time in bioavailability of drug products manufactured by current production methodology

b. the extent to which continuing bioavailability can be related to in-process formulation, excipient effects, shelf life characteristics, etc.

3. An assessment of whether present and future compendial *in vitro* tests can be used to predict bioavailability. Also, the panel's assessment of whether *in vivo* tests in species other than man can be used to predict bioavailability.

The conclusion of the panel will be based on current technology as well as technology that the panel believes will become feasible over time. The report will also include a consideration of the need and potential for new research relevant to the problems under consideration.

TECHNOLOGY STATEMENTS

The panel considers several definitions necessary for this study:

Chemical Equivalents: Drug products from different sources which contain essentially identical amounts of the identical active ingredients, in identical dosage forms, and which meet existing physicochemical standards in the official compendia. (Inert ingredients in chemical equivalent drug products need not be identical.)

Therapeutic Equivalents: Chemical equivalents, which when administered to a specified population in the same dose regimen and schedule, will provide essentially the same therapeutic and/or toxic effect as measured by the control of a symptom or disease.

Bioavailability: The extent and rate of absorption from a dosage form as measured by the time concentration curve of the active ingredient in the system's circulation.

Drug Product: A total dosage form containing an active therapeutic ingredient(s) along with other substances required in the manufacturing process. The composition of the active ingredient(s) is specified within certain tolerances established in the official compendia. When administered, the drug product releases the active ingredient(s) in order to produce a therapeutic effect.

For the purposes of this study the panel will focus its attention on solid formulation drug products administered by mouth in order to produce a systemic effect. The therapeutic effect of such drug products is assumed to be a function of its availability in the general circulation as measured by blood level or urinary excretion curves of the active therapeutic ingredient(s).

The panel will be concerned primarily with the principles and methodology involved in comparing therapeutic effects of chemically equivalent drug products. The panel will attempt to identify categories of drug products for which bioavailability measurements may be critical to assuring therapeutic equivalence. When appropriate the panel will also refer to specific examples of drug products within these categories.

The panel will focus its attention on categories with the following criteria:

Drug products used for treatment or prevention of a serious illness, rather than for the alleviation of temporary symptoms.

Drug products which have step dose-effect curves.

Drug products which have unfavorable therapeutic indices.

Active ingredients which are relatively water insoluble.

Drug products which have previously been the subject of reported or suspected nonequivalency or therapeutic failure.

Drug products which are available from multiple sources for national distribution and have been identified by recognized sources as being among the most heavily prescribed.

The panel will not undertake in-depth studies of individual drug products. Rather, it is the intent of the panel to bring to the attention of HEW, compendial and industrial interests those categories to which the methodological principles should be applied on a priority basis.

Office of Technology Assessment, Bioequivalency Drug Study Panel Members

1. Robert Berliner, M.D., Dean, School of Medicine, Yale University, 333 Cedar Street, New Haven, Conn. 06510.

2. Leighton E. Cluff, M.D., Professor and Chairman, Department of Medicine, College of Medicine, J. Hillis Miller Health Center, University of Florida, Gainesville, Fla. 32610.

3. James T. Doluisio, Ph.D., Dean, College of Pharmacy, The University of Texas at Austin, Austin, Texas 78712.

4. Kenneth Melmon, M.D., Chief, Division of Clinical Pharmacology, University of California, San Francisco Medical Center, San Francisco, Calif. 94143.

5. Alexander S. Nadas, M.D., Chief, Cardiology Department, Children's Hospital Medical Center, 300 Longwood Avenue, Boston, Mass. 02115.

6. John Oates, M.D., Professor of Medicine and Pharmacology, Department of Pharmacology, Vanderbilt University, Nashville, Tenn. 37232.

7. Sidney Riegelman, Ph.D., Professor of Pharmacy and Pharmaceutical Chemistry, Chairman, Department of Pharmacy, University of California, San Francisco, Calif. 94143.

8. Fred Shideman, Ph.D., M.D., Professor and Head, School of Pharmacology, 105 Millard Hall, University of Minnesota, Minneapolis, Minn. 55455.

9. Marvin Zelen, Ph.D., Professor of Statistical Science, Director of Statistical Laboratory, Statistical Laboratory, SUNY at Buffalo, 4230 Ridge Lea Road, Amherst, N.Y. 14226.

Frederick Robbins, M.D., Exofficio Member, Member of OTA Advisory Council, Dean, Case Western Reserve Medical School, Case Western Reserve University, 2119 Abington Road, Cleveland, Ohio 44106.

Stanley Kleiner, Pharm.D., Staff Executive Director, 1910 K Street, NW., Washington, D.C. 20006. (203) 293-2370.

Carl Taylor, Congress of the United States, Office of Technology Assessment, Washington, D.C. 20510. (202) 225-0737.

INFLATION

Mr. HOLLINGS. Mr. President, I would like to bring to the attention of my colleagues in the Senate three resolutions sent to me from Aiken, Saluda, and Bishopville, S.C.

I share the concerns which are expressed in these resolutions, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

A Resolution Relating to the State of the Economy and the Energy Shortage

Be it resolved by the Mayor and Councilmen of the City of Bishopville, in meeting regularly assembled, as follows:

(1) That grave convern is felt over continued inflation and continued skyrocketing of costs.

(2) That it appears imperative that steps be taken to halt inflation and roll bactk prices.

(3) That the energy shortage, particularly in reference to supplies of gasoline, is becoming increasingly acute and creating numerous, varied and substantial problems.

(4) That it appears necessary and desirable that further positive steps be taken in an effort to relieve the problems being caused by existing shortage of gasoline.

(5) That the Mayor of the City of Bishopville is authorized and directed to transmit this Resolution and to convey its content to any and all persons in interest at any and all government levels in any situation in which it is felt that such action might prove helpful.

Done and ratified in meeting assembled on this the 25th day of April, 1974.

A Resolution Relating to the State of the Economy and the Energy Shortage

Be it resolved by the Mayor and Councilmen of the Town of Saluda, in meeting regularly assembled, as folows;

(1) That grave concern is felt over continued inflation and continued skyrocketing of costs.

(2) That it appears imperative that steps be taken to halt inflation and roll back prices.

(3) That the energy shortage, particularly in reference to supplies of gasoline, is becoming increasingly acute and creating numerous, varied and substantial problems.

(4) That it appears necessary and desirable that further positive steps be taken in an effort to relieve the problems being caused by existing shortage of gasoline.

(5) That the Mayor of the Town of Saluda is authorized and directed to transmit this Resolution and to convey its content to any and all persons in interest at any and all government levels in any situation in which it is felt that such action might prove helpful.

Done and ratified in meeting assembled on this the 22 day of April, 1974.

A Resolution Relating to the State of the Economy and the Energy Shortage

Be it resolved by the Mayor and Councilmen of the City of Aiken, in meeting regularly assembled, as follows:

(1) That grave concern is felt over continued inflation and continued skyrocketing of costs since the cost of living continues to spiral upward and now is more than a 10% rate.

(2) That it appears imperative that steps be taken to halt inflation and roll back prices. Construction costs have more than doubled in a three year period and prices of materials and supplies in many cases have more than doubled. A blanket 5% increase to our employees is a futile gesture in that inflation and required deductions erode the raise so that employees receive little or no benefit.

(3) That the energy shortage, particularly in reference to supplies of gasoline, is becoming increasingly acute along with escalating prices and is creating numerous, varied and substantial problems.

(4) That it appears necessary and desirable that further positive steps be taken in an effort to relieve the problems being caused by existing shortage of gasoline.

(5) That the Mayor of the City of Aiken is authorized and directed to transmit this Resolution and to convey its content to any and all persons in interest at any and all government levels in any situation in which it is felt that such action might prove helpful.

Done and ratified in meeting assembled on this 22nd day of April, 1974.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated—Senator Proxmire already has an order—after the order recognizing Senator Proxmire is completed, Senator Mathias be recognized for 15 minutes, and then Senator Griffin for 15 minutes; and then there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes, at the conclusion of which the Senate proceed to the consideration of the conference report on the Federal Energy Administration with a time limitation of 30 minutes thereon to be equally divided between Senator Ribicoff and the minority leader or his designee; that upon disposition of the conference report, the Senate proceed to consideration of the Small Business Administration bill, S. 3331, with a time limitation thereon of 30 minutes, to be equally divided and controlled in the usual form; that on any amendments thereto—and I understand there will be one, which I understand the committee will accept—be limited to 30 minutes to be equally divided and controlled, and the agreement to be in accordance with the usual form.

That upon the disposition of the Small Business Administration bill, the Senate proceed to the consideration of the Peace Corps bill, H.R. 12920, with a time limitation thereon of 30 minutes, and with a time limitation on any amendment thereto of 30 minutes, the agreement to be in the usual form.

My understanding is that there is no opposition to the bill and that there will be a colloquy, or possibly an amendment, which I understand will not be controversial; that following the vote on the Peace Corps bill, the Senate proceed to the consideration of S. 3203, a bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals and for other purposes with no time limitation on that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM CLOSE OF BUSINESS TOMORROW TO 10 A.M. ON FRIDAY MORNING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business tomorrow, it stand in adjournment until 10 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON FRIDAY NEXT AND CONSIDERATION OF H.R. 11385

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following any special orders on Friday morning which may be entered prior thereto, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes; that at the conclusion of routine morning business, the Senate proceed to the consideration of H.R. 11385, an act to amend the Public Health Service Act, on which there is a time agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of H.R. 11385 on Friday, the Senate proceed to the consideration of the education bill, S. 1539, and that it become the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM FRIDAY NEXT, TO 10 A.M. ON MONDAY, MAY 6, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business on Friday next, it stand in adjournment until 10 a.m. on Monday next, May 6, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, May 6, 1974, following the recognition of Senators for orders, if there be any previously entered, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes; at the conclusion of which the Senate proceed to the consideration of S. 2999, authorizing appropriations for military procurement, on which there is a time agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SUPPLEMENTAL APPROPRIATION BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon disposition of S. 2999, the Senate proceed on Monday to the consideration of the supplemental appropriation bill, on which there is a time agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur on Monday next, May 6, 1974, prior to the hour of 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, May 6, 1974, the then unfinished business, the education bill, S. 1539, be temporarily laid aside and remain in a temporarily laid aside status until the disposition of S. 2999, and the supplemental appropriation bill or until the close of business Monday, whichever occurs first.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, May 6, after the two leaders or their designees have been recognized under the standing order, the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program is as follows:

The Senate will convene tomorrow at 10 a.m.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. PROXMIRE, Mr. MATHIAS, and Mr. GRIFFIN.

There will then be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of routine morning business, the Senate will proceed to the consideration of the conference report on the Federal Energy Administration, on which there is a time limit of 30 minutes.

Upon the disposition of the conference report, the Senate will take up the SBA bill, S. 3331, on which there is a time limitation.

Following the disposition of that bill, the Senate will proceed to the consideration of the Peace Corps bill, H.R. 12920, on which there is a time limitation, upon the disposition of which the Senate will take up S. 3203, the bill extending the National Labor Relations Act to employees of nonprofit hospitals, on which there is no time limiting agreement. Yeas and nays are expected on amendments to that bill on tomorrow.

On Friday, the Senate will take up H.R. 11385, an act to amend the Public Health Service Act, under a time limitation. Yea and nay votes are expected on amendments thereto and on passage of the bill.

Upon the disposition of that bill, the education bill will be laid before the Senate and made the unfinished business.

The Monday program will be stated on tomorrow or Friday.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and at 7:13 p.m. the Senate adjourned until tomorrow, Thursday, May 2, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 1, 1974:

U.S. RAILWAY ASSOCIATION

Arthur D. Lewis, of Connecticut, to be Chairman of the Board of Directors of the U.S. Railway Association for a term of 6 years. (New position.)

THE JUDICIARY

Robert M. Duncan, of Ohio, to be U.S. district judge for the southern district of Ohio vice Carl A. Weinman, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 1, 1974:

DEPARTMENT OF STATE

John P. Constandy, of the District of Columbia, to be Deputy Inspector General, Foreign Assistance.

Rodger P. Davies, of California, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

INTERNATIONAL MONETARY FUND

Sam Y. Cross, of Virginia, to be U.S. Executive Directive of the International Monetary Fund for a term of 2 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

SOUTH BOSTON SKATES INTO SCHOOLBOY HOCKEY HISTORY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. MOAKLEY. Mr. Speaker, as a former South Boston High student and a former member of the South Boston High Hockey Team, it is with great personal pride that I call the attention of this U.S. Congress to the inspirational and sensational achievements of the 1974 South Boston High School Hockey Team.

Champions of the city of Boston for the past 4 years, winners of the Recognition Trophy for League Champs given by the New England Whalers, the Mayor Kevin White Trophy for City Champs, and the Thomas H. Hines Trophy for the Division One Eastern Massachusetts Hockey Finalists, Coach Tom Aprille's skaters have been to schoolboy hockey in the hub what the Boston Bruins have been to the NHL—in a word, the "best".

Mr. Speaker, I could discuss at great length the exploits of the 1974 South Boston High School Hockey Team, but one story tells it all.

As long as I live, I will never forget "the ten minutes that made schoolboy hockey history," as one newspaper writer put it the next day.

Mr. Speaker, I refer to the Eastern Massachusetts Division One semi-finals when the tournament favorite, Arlington High School, built up an apparently insurmountable 5–0 lead over South Boston in the first period.

It was a Saturday afternoon at Boston Garden, a sports arena that had been the scene previously of many great moments in hockey. But none of the hundreds of veteran hockey buffs and scribes that sat with the thousands of stunned and adjoining spectators and rooters were able to recall later anything like what happened on the Garden ice during the next 10 minutes.

Mr. Speaker, I had just arrived at the Garden, taken in the 5–0 scoreboard story, and was just starting to sit down when South Boston struck.

One goal. Two goals. Three goals. Four goals. The Garden was going crazy. Five goals. It was incredible. Six goals. South Boston was ahead. In less than 10 minutes, Mr. Speaker, South Boston had arisen from the dead. Down 5–0, South Boston had fought, hustled, and skated into a 6–5 lead.

Finally, after even more excitement and a tremendous display of individual courage by each of the South Boston skaters, we won 7–6.

Mr. Speaker, again it is with great pride and personal pleasure that I offer tribute to headmaster and my good friend, Dr. William Reid, Coach Aprille, Assistant Coach and Reverend Arthur DiPietro, Team Captain William Curley, team members William Flynn, Kevin Couglin, Michael Farins, Paul Carroll, Michael Lydon, Barry Milan, Paul Walsh Frank Casper, Brian McDonough, Francis Flaherty, Mark Bartosiak, Michael Howland, James Gould, Fred Salamowich, Michael Colantonia, Richard Linnehan, and team managers Stanley Greely and Robert Walton.

Mr. Speaker, this was a great schoolboy hockey squad. They went further in tournament competition than any other Boston team before them. I am proud to be one of the thousands who had the opportunity to cheer them on.

CEA INVESTIGATION

HON. DICK CLARK

OF IOWA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 1, 1974

Mr. CLARK. Mr. President, last month the House of Representatives passed H.R. 13113, the Commodity Futures Trading Act of 1974, and, on May 13, the Senate Agriculture Committee will begin hearings on that bill and similar legislation. There are many reasons for a comprehensive reform of the Government regulation of commodity trading, but few things better illustrate the need for change than the case of Bernard Rosee. After 14 years, the Commodity Exchange Authority still has not resolved the controversy over his complaint and treatment.

Recently the Secretary of Agriculture has taken an interest in it, requesting Ervin Peterson, the Chairman of the Commodity Exchange Commission, to investigate the role of the CEA in this case. In an article in the April 22 edition of the Des Moines Register, Clark Mollenhoff and George Anthan describe what has been happening. The report is part of their continuing investigation into the commodity futures trade and the CEA's regulations of it.

Mr. President, I ask unanimous consent that the article be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Apr. 22, 1974]

PROBE AIMS AT CEA'S CALDWELL; INQUIRY STEMS FROM 1960 INCIDENT

(By Clark Mollenhoff and George Anthan)

WASHINGTON, D.C.—The long-dormant Commodity Exchange Commission (CEC) is stirring and is deeply involved in a precedent-shattering investigation that could have widespread repercussions in the policing of the $400-billion-a-year commodity markets.

The investigation is aimed at Alex Caldwell, the veteran administrator of the Commodity Exchange Authority (CEA), who has been a one-man show in the regulation of the commodity markets since January, 1960.

Before that he was deputy administrator for several years, responsible for policing of boards of trade to assure that the public was properly protected through segregated accounts.

THE CHARGES

The charges against Caldwell, the Chicago CEA office, and the Chicago Board of Trade stem from the complaint filed by Bernard Rosee, a veteran Chicago commodity trader who lost his seat on the Chicago Board of Trade in 1960.

Rosee claims he was defrauded of more than $500,000 by the Baggot and Morrison commission house, and that Caldwell and others have engaged in a pattern of collusion that has included malfeasance, misfeasance and nonfeasance in office in violation of the federal laws and the rules and regulations of the Chicago Board of Trade.

Although an Illinois court awarded Rosee a $750,000 verdict against Baggot and Morrison and its partners, Caldwell has persisted in asserting that he finds no federal law violations in the admitted destruction of commodity records by Baggot and Morrison officials.

Within the last two months Agriculture Secretary Earl Butz has stepped into the case and has requested Ervin Peterson, chairman of the CEC, to get to the bottom of the long-standing case.

Rosee contends that reconstruction of Baggot and Morrison's trading records in the crucial period in the fall of 1959 will prove that officials of the firm embezzled his funds, by crediting his account with "accounts number 35 and number 45" that were not his.

For more than 12 years Caldwell has rejected Rosee's plea for access to those accounts and the original daily trading card records of Baggot and Morrison in the crucial period.

ASKED CALDWELL

Peterson told The Register last week that he has asked Caldwell to supply the records for him to examine along with the record of the hearing by the Chicago Board of Trade that led to Rosee losing his seat.

Peterson, whose regular job is administrator of the agricultural marketing service, has a long background in federal and state government that has included regulatory work for Oregon.

Peterson, who makes no judgment on the validity of Rosee's charges against Caldwell, other CEA officials or the Chicago Board of Trade, says the charges "are sufficiently serious" to warrant an unprecedented investigation of the administration of the CEA.

Peterson says the seriousness with which he is taking the charges against Caldwell is indicated by his enlistment of the personal help of John A. Knebel, the 37-year-old general counsel for the Department of Agriculture.

"The secretary of agriculture told me he wants this thing investigated thoroughly, and cleaned up once and for all," Peterson said.

FIRST JOB

"My first job is to get all of the trading records that are available from the CEA, from the Chicago Board of Trade, and from the Baggot and Morrison firm, to examine them and determine whether they generally support the charges that Rosee and his lawyers have made against CEA officials," Peterson said.

The 65-year-old former Oregon County judge said he already is convinced that there has been a general laxity in the policing of the commodity markets as a result of the part-time nature of the jobs on the CEC.

The CEC, as originally conceived in 1920, was to provide cabinet-level authority for protection of the integrity of the commodity markets. The chairman was the secretary of agriculture and the other two members were the secretary of commerce and the attorney general.

By its inactivity over the years, it abdicated its responsibility to the singled-headed CEA, which has been permitted to operate as a one-man show under Caldwell because the CEC, without staff or offices, depended upon him to call their attention to problems in the commodity field.

It was obvious that Caldwell would not call attention to any matters that would reflect unfavorably upon him, and he was the one CEC members would call if they heard complaints from others.

Despite a highly critical report on the CEA by the General Accounting Office (GAO) in 1965, the CEC has never conducted an investigation of CEA's administration of the commodity markets beyond asking a few questions of Caldwell who has always assured Democratic and Republican administrations that all was well.

The "all is well reports" have continued even in the face of several congressional investigations of CEA, and overwhelming House Agriculture Committee approval of a drastic commodity market reform law.

Peterson's decision follows a House Small Business Committee report lambasting the inadequacies of the CEA in policing the commodity markets, with the threats of the Senate investigation getting into the specific problems of the 14-year-old Rosee case.

On the one hand, it is regarded as such an old case that it will cause relatively little furor, and yet the mere fact that it remains unresolved and active after 14 years makes it a classic study of the inadequacy of CEA in protecting the commodity traders and the public.

INTERNAL REPORTS

Internal reports of the Agriculture Department have long been highly critical of Caldwell's weak administration of laws that were originally designed to protect the public and traders from the very pattern of fraud that Rosee says he experienced.

Peterson and the CEC members will not be able to make final judgments on Rosee's case until they have reviewed the 14-year record of Rosee's effort to obtain access to daily trading records and cards that are required to be kept by law.

Rosee has contended that the records of daily trading can be reconstructed to prove that Baggot and Morrison's firm had cheated him out of between $500,000 and $1 million.

If he is successful in his appeal to the CEC to force the Chicago Board of Trade to give him back the seat he is expected to seek reinstatement of a multimillion-dollar damage suit against the Chicago Board of Trade, which he contends was involved in collusion with the Baggot and Morrison officials to deny him due process of law. And he is also expected to seek a reconstruction of the trading records he had been promised by the then-secretary of the Chicago Board of Trade, Warren W. Lebock. Lebock has since become president of the Chicago Board.

Baggot and Morrison officials, the Chicago board, and the CEA officials in Chicago and Washington have firmly resisted the efforts of Rosee and his lawyers to obtain the records under the Freedom of Information Act.

Although the commodity trading records are required to be preserved, as a barrier against fraud, Caldwell and his CEA associates have contended that the records involving his own trades and trades credited to him by Baggot and Morrison are "confidential business records" and one of the exceptions to the act.

Rosee's lawyers have argued unsuccessfully to the CEA that since the trades in two particular accounts—accounts 35 and 45—are the heart of Rosee's dispute with Baggot and Morrison officials, there should be no question of access.

Caldwell has remained adamant in preserving the secrecy of those records even in the face of a 1973 U.S. Supreme Court decision (the Ricci case) which declared that the CEA officials should make such trading records available for examination in carrying out the public protection intent of the commodity exchange laws.

RECENT RULINGS

But more important than the recent Supreme Court ruling ordering the CEC to conduct the unprecedented investigation of CEA are the highly critical investigations of CEA in 1973 and the likelihood that more congressional investigations loom ahead.

There is a good chance that one or more of these Senate inquiries of the regulation of the commodity market will touch at least briefly on the Rosee matter, and the trouble-plagued Department of Agriculture does not wish to be any more vulnerable to charges of mismanagement. The criticism on the Soviet wheat deals and on the dealing with the the dairy lobbyists on the 1971 boost in milk price supports has been more than enough.

Peterson, with experience as director of the agricultural stabilization organization in Oregon, and with long experience as an assistant secretary of agriculture with duties in the regulatory field, comes to the CEA investigation with the freedom to take whatever action is necessary to clean up commodity regulation.

NIXON INFLATES TRANSCRIPTS AS IF THEY WERE THE U.S. ECONOMY

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. LEGGETT. Mr. Speaker, on Monday night we saw the President on television telling us about the mountain of material he was about to turn over to the Judiciary. And beside him there was indeed a mountain of documents: nearly 50 thickly bound books making up 4 or 5 stacks, each of which appeared to be perhaps 2-feet high.

This morning, I received in my office that same mountain of material. But despite large type and double spacing, the Government Printing Office has apparently molehilled it down into a single volume only 2¼ inches thick.

It is plain that the only reason for distributing the transcripts into 50 volumes was to make them look bigger on television.

Perhaps, in light of their highly incriminating content, it is petty to discuss the physicial size of the transcripts. But I wish that just once Mr. Nixon and the advertising executives with which he surrounds himself would show they understand the difference between Pennsylvania Avenue and Madison Avenue.

THE FUTURE OF VIETNAM

Hon. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. FRELINGHUYSEN. Mr. Speaker, I should like to submit for inclusion in the Record an interesting article, "The Future of Vietnam", written by Peter Hughes and Mark Haroff. This article appeared in the April 15 issue of the Ripon Forum and it follows at this point:

The Future of Vietnam

(By Peter Hughes and Mark Haroff)

"The Vietnam War," wrote Robert Bartley in the *Christian Science Monitor,* is "far greater national tragedy than even Watergate. In this case it cannot be said that our institutions restrained mistaken men."

Vietnam has come to symbolize the loss of 55,000 American lives, domestic divisiveness, violent protest, a fallen President, and a deeply wounded national pride. The result is that most Americans have attempted to block Vietnam out of their consciousness. Only one year after the Paris cease-fire agreement, the war in Vietnam continues unabated. Although America's military involvement has ended, the nation is still faced with the task of defining what its future role in the Vietnamese struggle should be.

For many Americans, the moral disillusionment of the Vietnam war has spurred the country to turn inward and toward isolationism. But the United States has an international responsibility which should be based on the lessons of its mistakes and an awareness of its limitations.

Since the Vietnam cease-fire accord was signed in Paris in January 1973, there have been more than 335,000 cease-fire violations. The Soviets and Chinese have continued to pour weapons into North Vietnam, and the United States has responded in kind. There is clearly no immediate hope for peace since all available intelligence data still indicates that the leadership of North Vietnam remains committed to the goal of taking over the South, which is enjoying greater legitimacy with the general populace than ever before.

South Vietnam is not without its problems, including the contining war, corruption, and inflation. But the government of South Vietnam is not an anonymous collection of military and bureaucratic "hacks." The average age of Thieu's cabinet is 41 years, compared to an average age of 60 years for members of Hanoi's Politibureau. Many of these young cabinet members were educated in the United States and share a common belief in classic liberalism. Most would like to see the government's decentralization and civil liberty expansion proceed as quickly as possible. South Vietnam's minister of information, H.E. Hoang Du Nha, one of the most able Cabinet members, is totally committed to the growth of a "loyal opposition." Nha's attitude toward political opposition is illustrative of a growing flexibility in the Thieu government. This fact is recognized by Professor Nguyen Ngoc Huy, who, as leader of the opposition party (Social Democratic Alliance), finds increasing freedom to speak openly about the government.

America's long-time involvement in the Vietnam conflict and the effects of a relentless war have made South Vietnam's economy dependent upon continuing U.S. aid. That our aid will not continue endlessly has been recognized by the South Vietnamese leadership. President Thieu is now actively seeking international economic assistance, and he seems willing to accept the fact (perhaps reluctantly) that the extent of American support will continue to decline. Herein lies the future of America's role in South Vietnam.

South Vietnam is a developing country with a great economic potential. Through its strong agricultural base and with economic development the country certainly has the potential to achieve economic stability. The prospects for discovering oil on its shores are rated excellent, and such a discovery would be a major boost toward that country's self-sufficiency. But these developments will take time, and it is time that the United States seems unwilling to give them.

Somewhere in the process of becoming involved in Vietnam, we seem to have forgotten both the international events that resulted in America's commitment as well as our original purpose. We now have the opportunity to learn from our mistakes and come forth with a positive policy.

FREEDOMS FOUNDATION AWARD

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BOB WILSON. Mr. Speaker, last February, Miss Laura Elizabeth Fisher, an eighth grader at the Bishop School in La Jolla, Calif., received a principal award from the Freedoms Foundation for her moving essay on her pride in being an American. Her essay entitled "America, America," is a collection of writings that evolve from and were inspired by her first tour of the United States 2 years ago when she first saw Valley Forge, Gettysburg, and other sites where American liberty took root.

I ask that her essay, as well as a newspaper article about her winning this award, be printed in the appendix of the Record as a portion of my remarks.

Wins Freedoms Foundation Award—La Jolla Girl Finds a Lot to Like

(By Katherine George)

"I found a lot of nice things about our country," claims 13-year-old Laura Fisher, who has travelled across it thrice now, once by automobile and twice by train.

Her most recent trip was last month, when part of America had something nice to say about Laura Fisher, too.

The Freedoms Foundation at Valley Forge, Pa., was her destination. She joined such distinguished Americans as actor John Wayne, novelist Earl Hammer Jr. and heavyweight boxing champion George Foreman at the 25th annual awards ceremony.

Following her first tour of the United States two years ago—when she first saw Valley Forge, Gettysburg and other sites where America took root—Laura began compiling a scrapbook incorporating essays, photos and stories evolving from and inspired by that trip.

Among the "nice things" she recalled were incidences of the proverbial Southern hospitality, such as the time the family car broke down and someone stopped to help them fix it, so the Fishers could continue their trip.

Working almost daily last summer, she finished her project with four essays, "The Freedom from Fear . . . from Want . . . of Speech . . . of Worship," and submitted it last fall for the annual awards.

She thus became principal winner of the Nathan Hale Youth Award and recipient, along with Wayne, Foreman, Hammer and others, of an encased George Washington Honor Medal.

Her parents, Dr. and Mrs. Curtis W. Fisher of 5875 La Jolla Mesa Drive; her sister, Linda; and her brother, John, accompanied Laura to Valley Forge for the ceremony in Mellon Hall at Valley Forge Military Academy.

John, 10, is proud to have been asked by the president of the Freedoms Foundation to lead the Pledge of Allegiance at the special ceremony, according to his sister.

A panel of 13 State Supreme Court justices and 29 national representatives from civic, educational, patriotic and veterans organizations judged Laura's project, titled "America, America," the best among the essays, poems and public addresses which students submitted.

The scrapbook will remain among the files at the Freedoms Foundation.

President of the eighth-grade class at The Bishop's School, Laura's other accomplishments include publication of a short story, in Fun Journal, a children's magazine, and a Daughters of the American Revolution award for history.

When she wrote President Nixon a letter of support two years ago, he reciprocated with a personally signed letter of thanks.

Rep. Bob Wilson, R-San Diego, saw the letter and sent her family a United States flag which has flown over the Capitol.

Someday Laura wants to write her own book, she explains. For now, she supplements her writing with swimming, music, art, doll collecting, horseback riding and sharing her family's interest in the Civil War era and antique collecting.

AMERICA, AMERICA

(By Laura Elizabeth Fisher, 5875 La Jolla Mesa Drive, La Jolla, Calif. 92037)

A citizen
M ust
E xercise his
R esponsibility
I n defending the
C redo of the
A merican Constitution

As the orange kissed sun wrinkles across the sailing sky, I arise from my slumber to do my daily chores. One is raising the American Flag above our modest home. As I unfurl the flag, a great wave of emotion develops within me. For I, a humble American citizen can raise freely the symbol of Freedom, liberty, justice and America which is an honor in itself. Every time I gaze upon the flag, I revisit the once played historic scenes and I have great faith in the American Flag towards world peace. In the furtherance of my report, I hope to display the American Flag as a rememberance of our great blessings and to narrate my America as seen through the eyes of the American Flag.

MY TRIP ACROSS THE UNITED STATES

Last year, our family traveled by train for seven weeks across the United States of America. We made our temporary home at various hotels and motels just outside of historic battlefields, houses, monuments, streets and other patriotic sights. We rented a car and drove to many cities such as New York, Trenton, Chicago, Boston and Seattle as well as small towns. We also passed through the many Capitols. In Richmond, we met Senator Hamner who was very kind. In Atlanta, we met Governor Carter's wife. Some of the Capital's we stayed at or passed through were Washington, D.C., Atlanta, Baton Rouge, Columbus and Albuquerque.

We stayed in Washington, D.C. for one week. With its bright lights at night and aromatic cherry trees, Washington, D.C. impressed me very much. The many statues of Lincoln, Jefferson and monumental structures commemorating George Washington remind us of our great heritage.

During our long trip we visited the splashing water of Niagara Falls, the fresh smell of flowers at Monticello and the crackle of crisp leaves under my feet as I walk up the path to George Washington's house at Mt. Vernon. An eerie feeling crept inside me while we visited the streets and superstitions of the past at Salem. Such places like Vermont and Amish country Pa., where greenery mixes with serenity to create a heavenly palace of peace, often bring back quiet memories of riding down secluded country roads.

There are many monuments and buildings which stand recognizing our past, but to me, one lonely green lofty tree can tell more stories through the beckoning wind greater than a man constructed edifice.

By the request of friends and to satisfy our own curiosity, we included in our trip, a visit to the Freedoms Foundation at Valley Forge, Pennsylvania. One of the other reasons for going to the Freedoms Foundation was because of my winning of the D. A. R. award during my academic school year. I found out how wonderful this organization is in bringing to the attention of the younger generation the importance of really understanding the United States of America and in doing so, also learning how to love and care for it. We were given a tour of the wonderful buildings and I saw some of the finished products of different schools and students. I was extremely impressed and I was astonished at how much work and thought was put into each separate project. The Freedoms Foundation at Valley Forge is doing an excellent job in the preservation of the American way of living, and I deeply support its every feeling. I have only named a few of the places to where I have been, but I can assure you that in this brief outline, I wish to convey my deepest gratitude for living in America and being able to visit the Freedoms Foundation at Valley Forge, Pennsylvania which helps conserve our American past and future way of living for generations upon generations to come.

A CHILD'S PICTORIAL VIEW OF AMERICA

A child plays an important part in the role of the American way of life. He helps preserve and pass on the patriotism needed to be a true American. Each child is a separate individual who has different ideas on what America means to him.

Tommy Everett is a good example. Tommy was taken to the Nation's Capitol by his parents. They felt Tommy needed an education about his American past. Tommy thought the Capitol was just a large building where a group of men gathered to hold meetings and to mumble and argue about many different laws. To his parents, this edifice was one of great importance. This was where new laws were made and old laws enforced.

In Washington, D.C. Tommy saw the immense statue of President Abraham Lincoln. This one statue showed various thinking by Tommy and his parents. Tommy's parents thought he was a fine man with a firmly chiseled face, a great President, and leader of the American people. Tommy thought of him as a kind man with lofty limbs, fuzzy whiskers and funny shoes. He felt as if he was someone he could turn to if he cut his knee or needed help. In both thoughts, the subject of Mr. Lincoln being a kind and gentle person was mentioned. Tommy and his parents both thought he was a fine man, and above all, leader of the American people.

Tommy learned that George Washington was not the inventor of the one dollar bill, but Washington was a fantastic General and was the father of our country because he was the first President. Tommy had learned many new facts about America, and he couldn't wait to get back home to tell his friends in Pennsylvania. It was a long drive for such a small boy, so Tommy layed back on the car seat and dreamt of being in George Washington's army. Tommy's mother turned around and draped her sweater over him.

"A real American boy," she said, "Tommy's a real American boy!"

WHY I WROTE PRESIDENT NIXON

On a rather recent television news special, I watched an interview with the President. The man interviewing Mr. Nixon was reporter Dan Rather. Dan Rather, in my opinion, was quite rude because of the interrupting of the President by Dan Rather, and he constantly attacked Mr. Nixon. I felt that Mr. Nixon should know all people, young and old, did not feel negatively towards him, and all who spoke of him did not speak in a derogatory sense.

I decided to let Mr. Nixon know I was a firm supporter of his demands and views of the world situations. I told him that even though I was young, I was not excluded from all political discussions and views. I found most of them interesting and informative. I thought a simple letter would let Mr. Nixon know how I felt. However, that simple letter opened my eyes and brought me closer to the world of politics.

MY LETTER

DEAR MR. PRESIDENT: Although I have written to you before, I would again like to praise you in your good work. Being just a kid, I don't have many political views, but I can spot a good President. There are, and always will be (as for they are human), people disagreeing with you. I, for one am not such a person. I am all for you. Being a president can be a lonely job. There are, however, don't forget, people for you.

Many wishes for the new year.

Sincerely,

LAURA FISHER.

HONESTY IS THE BEST POLICY

I wrote to Mr. Nixon to tell him my true feelings and not for publicity. My pen didn't cease until every word that could express my gratitude for such a great President was exhausted. A few weeks later, I received a letter from the President which was handsigned. I had my picture taken for the paper along with my brother and sister.

Mr. Bob Wilson, Congressman of the 36th District of California, heard of my letter and presented my family with a flag which had flown over the U.S. Capitol.

I was filled with ecstasy to know I had let everyone know my feelings, and most of all I did it with dignity and honesty.

Mr. Speaker, Laura Fisher's introduction at the Freedoms Foundation of Valley Forge Awards Ceremony held on February 18, 1974, at the Valley Forge Military Academy. She was introduced by the President of the Freedoms Foundation, Harold K. Johnson, General, U.S. Army (Retired).

The Principal Award in the Youth category goes to Laura Fisher of La Jolla, California for her pictorial essay, America, America. Last year, the Fisher family traveled by train for seven weeks across the United States of America. They made their temporary home at various hotels and motels close to battlefields, monuments and historic sights. Colorful pictures and essays reflect Laura's deep feeling of gratitude for living in America.

Trustee Dean Elson is going to make the presentation. Laura's essay reminded us of the grandeur of this great country of ours. She had a simply splendid portrayal of the things that she saw, the things that she heard, the things that she read and in many respects I think the things that she felt. We're grateful to you for the kind of presentation that you made and congratulations.

A NEW LOOK AT BUSING

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. HUBER. Mr. Speaker, a recent article by Allan C. Brownfeld noted the comments of several well-known black and white liberal education leaders regarding the problem of education and its relationship to forced busing. I was inspired to realize that these individuals had the courage to admit that perhaps they were wrong in their earlier positions. I find it most encouraging to find that they now recognize that the most important aspect in teaching is the education of the student.

Busing for purposes of achieving racial balance would be one thing if children were truly learning. There is overwhelming scientific evidence, however, that proves otherwise. I have always maintained in my antibusing views that, rather than spending millions of dollars for buses and transportation, we would be better off if that money was put into improving the present schools. It is interesting to me to see that no less than black activist leader Julius Hobson now espouses a similar opinion. It is a portent that the antibusing position is being vindicated. What I find interesting in Mr. Brownfeld's story is that the vindication for those of us who have fought forced busing for many years is coming from some who are thought of as members of the far left. If they now think that forced busing is not achieving any real purpose, perhaps the day is not far off when there will be an end to this absurd method of supposedly "improving a child's education." Apparently, more and more Americans of all political persuasions are awakening to the fact that it does not.

Mr. Brownfeld's excellent article is inserted for the close attention of my colleagues:

[From the Phoenix Gazette, Apr. 24, 1974]

BUSING BAD SUBSTITUTE FOR BETTER SCHOOLING

(By Allan C. Brownfeld)

The massive school-busing program to which children in many parts of the country have been subjected against their will and the will of their parents is, for all those who are willing to look at this problem as it really is, both needless and a violation of the very legal philosophy of integration and equality which, its supporters tell us, it is meant to fulfill.

Discussing the concept of forcing children to ride to schools far from their homes in order to achieve a mythical racial balance, former Wall Street Journal editor Vermont Royster noted, "There is ... something absurd about busing a child, who lives within a few blocks of an elementary school, a half-day's journey across the country, with some starting before dawn and returning long after dark. For years the country labored expanding its school system to avoid just this sort of necessity. Now when it isn't necessary we are reverting to it in the name of having the 'right' racial quota."

In November, 1973, Rep. Edith Green, D-Oregon, sent a questionnaire to constituents in her district, a predominantly urban, industrialized area located in a state which had adopted anti-discrimination laws long before the federal 1964 Civil Rights Act.

Speaking on the floor of the House on Feb. 20, Rep. Green noted, "The mailing list for my questionnaire is probably 75 to 80 per cent Democratic. One of the questions asked was on forced busing—the question was phrased carefully ... so as to word the question in as objective and nonpartisan a way as possible. The question asked: 'Would you favor a constitutional amendment which would prohibit the federal government ... from forcing the busing of students from neighborhood schools for the sole purpose of achieving racial balance?' We have tabulated over 10,000 responses and more than 70 per cent ... have expressed their support of a constitutional amendment to prohibit forced busing."

The program of forced busing is not only of no educational value, but is very expensive as well. In Charlotte, N.C., the subject of the Charlotte-Mecklenburg decision, it is now costing the local and state governments about $1.6 million a year to operate a fleet of buses as compared with $784,000 three years ago. This despite the fact that the school population has dropped by 7,000. Some children ride up to 40 miles a day and spend two hours and 45 minutes daily on the buses. The cost of busing for integration in Pontiac, Mich., last year was $507,000.

It has become clear that forced busing has been used as a substitute for improving the level of education available within the nation's inner city schools. Black activist leader Julius Hobson expresses the view of many black leaders when he declares, "Integration is a complete failure . . . what we've got is no longer an issue of race but of class, the middle class against the poor, with the federal government standing idly by . . . the schools in Washington, D.C. have deteriorated to a point almost beyond repair—if I could afford it, I'd send my own children to a private school . . . I have an opinion I hesitate to voice, because it's too close to George Wallace, but I think it's time we tried to make the schools good where they are . . . the integration kick is a dead issue."

Similarly, John Gardner, former secretary of health, education and welfare and now head of Common Cause, declares, "We should proceed to upgrade the schools where they are now, and not sit around waiting for integration that many never happen."

Rep. Green concludes, "I have read as much material as I can, and I do not find one scintilla of evidence that forced busing has achieved its stated goals or its stated objectives . . . I believe that what white and black parents desperately want is quality education for their children and I further believe that the promotional claims that busing will achieve this are dangerously deceptive."

Too little attention has been given to the thoughtful criticism of busing as an educational policy expressed by black spokesmen. Columnist William Raspberry, for example, addressed himself to this question. He said, "The artificial separation of people, in schools or out, based on their race is wrong . . . But to send black children chasing to hell and gone behind white children is also wrong and psychologically destructive. It reinforces in white children whatever racial superiority feelings they may harbor, and it says to black children that they are somehow improved by the presence of white schoolmates."

THE SECOND ATROCITY OF MY LAI

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. LEGGETT. Mr. Speaker, Secretary of the Army Howard Calloway, whom I hold in high regard, has reduced the sentence of Lt. William Calley to such a degree that he will probably be free in a few months. Thus, in response to the murder of at least 102 unresisting Vietnamese women, children, and old men, our system of military justice will have allowed all but one of the killers to go free of punishment, and will have subjected the one to a total of perhaps 40 months imprisonment, of which more than 90 percent will have been spent not in prison but in confinement in rather comfortable quarters. Including the time spent confined to quarters, this punishment comes to about 12 days per murder.

Suppose a similar felony were to occur in an American town with American victims. I find it hard to doubt that the perpetrators would receive, each and every one, consecutive life sentences for every killing.

Secretary Calloway's reasoning is difficult to follow if we take it at face value. First, he says Calley may not have been aware that an order to kill unresisting prisoners was illegal. Second, he says he agrees with the opinion of the court that "Calley should have been able to recognize the illegality of an order to kill unarmed noncombatants, if he did in fact receive such an order." Third, he cuts Calley's sentence in half.

I am inserting Secretary Calloway's statement in the Record for the benefit of anyone who can make better sense out of it than I.

Mary McGrory's April 22 analysis in the Washington Star-News, which I insert in the Record after Secretary Calloway's statement, may be more to the point. She suggests that President Nixon feels his only hope of avoiding removal from office lies in favoring the extreme right wing to such an extent that the 34 rightmost Senators will vote to acquit regardless of the facts of his case, and that letting Calley off is one of those favors to the far right.

My own view is that Ms. McGrory is right in her assessment of the administration's objective but wrong in her conclusion that the Calley action will help attain that objective. As I see it, the wide support for Lieutenant Calley which developed immediately after his conviction was only a kind of temporary mass hysteria that quickly exhausted itself. In the week following the verdict, my office received heavy mail on the issue, all of which opposed the conviction, and all of which appeared to be based on serious misconceptions of the facts of the case. I then put out a rather strongly worded release explaining why no verdict other than guilty was possible, and overnight my mail literally switched to 90 percent supporting conviction.

Today, I know of no Member of either the House or the Senate, and no group other than the American Nazi Party, willing to defend the shooting of 2-year-old infants as the act of a loyal and patriotic American just doing his duty. I do not believe the Calley tactic will be politically effective. Still, it is disheartening to see the administration still attempting to bring out the worst in the American people.

The articles follow:

(By Howard H. Callaway, Secretary of the Army)

THE CALLEY CASE

As those of you who have followed this issue know, the United States Court of Military Appeals on 21 December 1973 affirmed the conviction of Lieutenant William L. Calley, Jr. for the premeditated murder on 16 March 1968 of twenty-two Vietnamese nationals, and assault with intent to murder a Vietnamese child. When this decision was announced, Lieutenant Calley's counsel filed a petition for Reconsideration by the Court. This petition was denied by the Court on 4 February 1974. The next day, 5 February 1974, the Court issued a mandate permitting implementation of the decision.

Lieutenant Calley was convicted by General Court Martial at Fort Benning, Georgia on 29 March 1971 of the offenses cited above. The original sentence was dismissal from the Army, forfeiture of all pay and allowances, and confinement at hard labor for life. This sentence was reviewed by the general court-martial convening authority, Lieutenant General Albert O. Connor, then Commanding General, Third United States Army, with headquarters at Fort McPherson in Atlanta, Georgia. General Connor reviewed the case in accordance with Article 64, Uniform Code of Military Justice and upheld all elements of the sentence except that the period of confinement was reduced from life imprisonment to twenty years. Subsequently the case followed the normal appellate procedures, resulting in the conviction and sentence being affirmed by both the United States Army Court of Military Review and the United States Court of Military Appeals. I have had the case in my office for my review since Monday, 11 February 1974.

After exhaustive review of the record of trial, I have decided that Lieutenant Calley's conviction and sentence should be upheld. There is no reasonable doubt in my mind that he perpetrated the acts for which he stands convicted. These acts of murder and assault against unarmed civilians are so abhorrent to those who accept the fundamental legal and moral bases for this Republic that they cannot be condoned or forgotten.

However, Lieutenant Calley is but one of many who were involved in this affair which has become popularly known as the My Lai or Son My, Incident. There are mitigating circumstances indicating that Lieutenant Calley may have sincerely believed that he was acting in accordance with the orders he had received and that he was not aware of his responsibility to refuse such an illegal order. This is a fundamental issue which those who convicted Lieutenant Calley, and those who have heard and acted upon his appeals since, have addressed. In each instance, the courts have found that Lieutenant Calley should have been able to recognize the illegality of an order to kill unarmed noncombatants, if he did in fact receive such an order.

In deciding that Lieutenant Calley's conviction and sentence should be upheld and implemented, I have concurred with those who previously reviewed the facts of the original trial and at each step of the appellate process.

As Secretary of the Army, it is my responsibility also to address clemency action on behalf of Lieutenant Calley. My decision here must serve the requirements of justice, meet the legitimate needs for sanction against such conduct by individual soldiers, and, without violating society's higher needs, accord Lieutenant Calley an opportunity to return to society as a productive member. Therefore, I have remitted that portion of the sentence providing for confinement in excess of 10 years. This completes the Army's action in this case.

Although the incident at My Lai has been correctly recorded as a brief but shocking chapter in the 199-year history of the United States Army, I hope that my action today will help to place the incident, once and for all, in its historical perspective. The United States Army of 1974 is embarked on a course marked by new challenges and a renewed sense of purpose. Today's soldier can learn from the anomalies of the past without losing sight of a better future.

DIVORCING THE MIND FROM MY LAI

(By Mary McGrory)

It may be time to re-read the letter a young Army captain sent to his commander-in-chief three years ago.

"The greatest tragedy of all," wrote Aubrey Daniel, III, the prosecutor of Lt. William L. Calley Jr., after the President intervened to spare the convicted killer of My Lai the hardship of stockade life, "will be if political expediency dictates the compromise of such a fundamental moral principle as the inherent unlawfulness of the murder of innocent people."

Now that Army Secretary Howard Callaway has cut Calley's sentence in half—he could be a free man by fall—the President may redeem his 1971 promise of "'personal review" of the case.

The "political expediency" of 1971 is pastel beside that of today. The President, clutching at the last straws of support, could further bind the aggrieved right by pardoning Calley entirely.

Callaway's statement, replete with contradictions and ironies, accepted the defense that Calley's court-martial rejected. The "mitigating circumstances" the secretary, a West Pointer himself discovered in the vast record is that Lt. Calley "may have sincerely believed that he was acting in accordance with the orders he had received and that he was not aware of his responsibility to refuse such an illegal order."

On the Army's responsibility to find out who gave the illegal order and punish him, the secretary is silent. Of the 13 senior officers who were charged by the Peers Commission, a blue-ribbon Pentagon panel, only two were court-martialed and both were acquitted. The general in command, Samuel Koster, was exonerated by a brother-general. To the military mind, Koster has been harshly punished: He lost a star and a dazzling future.

Calley is the only American soldier who has served time for the murder of 347 South Vietnamese unarmed, unresisting civilians on March 18, 1968. Although the Army defensively observes that his quarters are small and there is no door on his bedroom, he receives daily visits from his girl friend, and enjoys a martyr's reputation in some sectors of the populace that feel he was only "doing his duty." His duty, as he saw it, was to gun down women and children and to shoot a two-year old who crawled out of the stacks of dead piled up in the bloody ditch outside the village.

The My Lai massacre has rough parallels with the Kent State murders. In both cases, young, green troops, overarmed and overprepped for an encounter, fired on an unarmed "enemy." Four died at Kent State on May 4, 1970. The federal government resisted for four years the calling of a grand jury. Last month a grand jury indicted eight National Guardsmen, but none of the senior officers and state officials who set the policy and put bullets in the rifles. In both cases it was the triggermen, not their commanders, who bore the brunt.

South Vietnamese peasants have no constituency and no spokesmen in the United States. The "atrocity" of My Lai, in public opinion, was the conviction of Calley. The victims have become responsible for their own deaths. By existing, they caused the horrors of the Vietnam war.

Similarly, demonstrating students had few friends in May, 1970. The President called campus demonstrators "bums."

But the Kent State Four have parents, and last week they were given permission by the Supreme Court to bring suit against state authorities, thus giving the principle of accountability, which was buried with the dead in My Lai, some hope of new life, at least at home.

Robert Jordan, who was the Army general counsel when the cover on My Lai was removed through the efforts of a courageous GI, Ronald Ridenhour, and a determined reporter, Seymour Hersh, says he felt that the President's first intervention was unfortunate.

"I have had a great fear that something even worse may be done," he said.

As for Aubrey Daniel, who spent 19 months of his life preparing the case against Calley and prosecuting him for the "premeditated murder of 22 South Vietnamese civilians," he has no comment on the new prospective developments in the case.

"I said it all in that letter," says the Calley prosecutor, who is now an attorney with a Washington firm and has "divorced" his mind from the case. The American public has always wanted a divorce from My Lai, as the President well knows. He may issue an absolute decree, pardoning Calley and binding to him those people on the far right who are the only ones who care at all and who feel that in slaughtering peasants he was simply being a good soldier.

CALIFORNIA A CAPPELLA CHOIR GOES TO RUMANIA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. LAGOMARSINO. Mr. Speaker, I would like to take this opportunity to publicly commend the Allan Hancock College A Cappella Choir from Santa Maria, Calif. The a cappela choir is traveling to Rumania on May 15, 1974, as our ambassadors for freedom.

This is the first choir from my native State of California to be selected to have the honor of representing the United States of America. There was stiff nationwide competition in this State Department sponsored program.

The quality of performance by the a capella choir is widely recognized. This select group of young people from my congressional district, along with the eight preceding choirs at Allan Hancock College, have demonstrated an acclaimed record of artistic accomplishment. The many hours of hard work and practice by the choir members and their director, Mr. Glen Montague, speak for their decision and determination to achieve a high level of musical excellence. I have had the pleasure of hearing the choir and am very proud of their representation of our Nation in foreign lands and before foreign audiences.

NCOA OPPOSED TO HISC TRANSFER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. ASHBROOK. Mr. Speaker, on April 29, during the course of my special order—CONGRESSIONAL RECORD, page 12059—I had occasion to mention briefly, a solid patriotic group of Americans known as the Non-Commissioned Officers Association of the United States of America. NCOA, which represents over 160,000 noncommissioned and petty officers, has come out foursquare on behalf of the House Internal Security Committee whose future a small handful of House Members would jeopardize for the sake of an untested "package," the so-called reforms recommended by the Select Committee on Committees to reshape the entire structure of the House committee system.

Mr. Speaker, on March 28, 1974, the Stars and Stripes—the National Tribune, carried an article entitled "NCOA Opposes Moving House Security to House Judiciary," in which Mr. James O. Duncan, president of NCOA warned that "well meaning but uninformed liberals" in the House were out to toll the death peal for HISC.

Second, on April 19, 1974, NCOA held its convention in San Antonio, Tex., where it passed a resolution petitioning the House "to reject any legislative efforts that will provide for the restructure or abolishment of the House Committee on Internal Security."

The full texts of both documents follow:

NCOA OPPOSES MOVING HOUSE SECURITY TO HOUSE JUDICIARY

Mr. James O. Duncan, President of the Non Commissioned Officers Association, warns that well meaning but uninformed liberals in the House of Representatives, led by Rep. Richard Bolling (D-MO), are out to toll the death peal for the House Committee on Internal Security (HISC).

In a recent move by his Select Committee on Committees, Bolling recommended the transfer of HISC to the House Committee on the Judiciary. The latter group, overworked and overburdened with nearly one-third of the legislation introduced in the House, could not care less. Evidently, Bolling, rather than approach the issue directly, came through with this idea that will allow the HISC to die a slow but agonizing death, a very politically smart but apparently unintelligent move on his part.

The HISC and its predecessor have for nearly 40 years maintained a close vigilance on subversive elements in the United States. Its role is even more important today than at its initial establishment during the hard-core fascist era of the late 1930's. With the decline of the FBI's surveillance of un-American activities, only the HISC is actively working to keep Congress, law enforcement agencies, and the American citizen cognizant of the groups and individuals advocating the overthrow of the Nation's democratic and republican form of government.

According to NCO Association President, Mr. James O. Duncan, the United States can ill-afford to curtail or cut off the appropriations and activities of the HISC. Said Mr. Duncan:

"The House Committee on Internal Security has been investigating the subversive influence of Marxist-Leninist groups on the morale, discipline, and combat readiness of four military personnel.

"Its distinguished Chairman, the Honorable Richard Ichord, has proven to one and all that certain subversive groups have done their best to disaffect the man in uniform, promote an American defeat in Asia, and humiliate the man in uniform. Many have named the military itself as the culprit responsible for today's permissiveness in the Services, but Chairman Ichord and his committee have pointed to the real criminal, antiwar groups who detest the patriotic men and women in uniform."

In disseminating his statement, Mr. Duncan urged all members of the NCOA to write, wire, or telephone their congressmen immediately. "Request that your U.S. Representatives support full appropriations for the House Committee on Internal Security and oppose any attempt to 'kill' that committee or transfer it to the jurisdiction of another committee," said the NCOA prexy. "The Nation needs its watchdog more than ever."

Duncan, a retired Air Force NCO, heads the 160,000-plus member NCO Association of noncommissioned and petty officers of the U.S. Armed Forces. The majority of its members are on active duty with the Army, Marine Corps, Navy, Air Force, and Coast Guard.

LEGISLATIVE RESOLUTION NO. 6: HOUSE INTERNAL SECURITY COMMITTEE

A recent proposal introduced in the House of Representatives recommends passage of legislation that will transfer the House Committee on Internal Security to another standing committee. The result of such a move, if enacted, will result in the committee's eventual demise as the bill does not require that the committee's staff and files will also be transferred.

The executive branch of the federal government has, as a matter of political and minority group pressure, reduced its surveillance of un-American activities. What information is obtained is normally unavailable to congressional legislators or to the American public. It is inherent upon all patriotic citizens of the United States to maintain a constant vigil of subversive elements. There is no organization other than the House Committee on Internal Security that can and will do the job openly without malice, and in the interest of national security.

Despite efforts for detente, the Soviet Union, by its mere existence, is dedicated to the principle of world conquest. Some years ago the then Russian premier "promised to bury the United States within." There is no reason today to believe that they will do otherwise.

The hidden enemy exists today more than at anytime in the history of the Nation. They are around us, within us, and worst of all, a part of us. As freedom loving people believing in a democratic form of government, the United States cannot tolerate the existence of subversive groups lending themselves to the internal destruction of this Nation.

Our Country is in danger. The peril bears maximum vigilance at any cost.

Therefore, let it be resolved that the members of the Congress of the United States be petitioned by the Non Commissioned Officers Association of the USA (NCOA) to reject any legislative efforts that will provide for the restructure or abolishment of the House Committee on Internal Security.

U.S. INDUSTRY NEEDS RHODESIAN CHROME

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. ARCHER. Mr. Speaker, the specialty steel industry of the United States needs chrome in order to produce stainless steel. Rhodesia is a major supplier of this crucial chrome ore. As a result of the disagreement with the internal policies of Rhodesia which led to a United Nations economic boycott, some voices have been raised in the United States urging the United States to reinstitute the ban on Rhodesian chrome. An excellent editorial entitled "Playing Politics With Chrome" appeared in the April 1974 edition of 33 Magazine, McGraw-Hill's magazine of metal producing. This editorial should be of interest to all Members of the House of Representatives:

PLAYING POLITICS WITH CHROME

(By Joseph Mazel)

Our wise old politicos, ensconced in Washington, once again appear to have the wandering eye. Having apparently solved all there is to solve in their own backyards, they are once again on the international prowl and ready to play moralist.

And, steel—especially the specialty steel industry—gird yourself, they're looking your way again. Oh, don't worry; it's not what you're doing, it's from whom you're buying a certain material. Yes, chrome is back in the news.

Unfortunately, chrome is an indispensable part of specialty steel, being required in almost every alloy. Unfortunately, there is no substitute known today for chrome in stainless. Unfortunately, stainless steels are essential in such applications as pollution control equipment, power generation equipment, transportation, food processing, chemical and petroleum production, and the appliance industry.

Unfortunately, these are the same industries pegged by economists to be this nation's growth industries in the short and long-term future.

Unfortunately, Rhodesia has over 65 percent of the estimated world's reserves of chrome. The Republic of South Africa, Turkey, and Russia are the only other countries with significant chromium supplies.

Unfortunately, the United Nations has a sanction on the white-ruled government of Rhodesia. While the record cites many evasions of the economic sanctions by such countries as Japan, Italy, Germany, Switzerland, and others in Eastern and Western Europe, the Middle East, and even some emerging African nations, the U.S. has adhered to the UN-imposed sanctions, except for the importation of small quantities of strategic materials.

Unfortunately, Congress, in its infinite wisdom, is now attempting to shut-off Rhodesian chrome supplies to the U.S. by repealing the Byrd Amendment. Typically, proponents of repeal are saying elimination of Rhodesian chrome will not jeopardize specialty or carbon steel jobs. Others put it more bluntly: A "no" vote to repeal will be racist and anti-labor.

While visiting South Africa and its steel industry, I discussed and observed this political situation personally and it is my conclusion (non-expert, however) that the solution to the problem will not come quickly, nor easily. And, most importantly, it must be achieved internally. External pressures and demands will only delay any proposed or planned solutions.

Historically, economic sanctions have rarely worked the way originally intended. And, precedence holds true in Rhodesia. Internal economic pressure from Black Rhodesians could, however, be accomplished by providing them wtih more jobs and more opportunities. Keeping America in the Rhodesian chrome market will be one step in this direction.

If Congress implements this sanction once again, we will see another American policy that is shortsighted, uneconomical, and disastrous.

Except for this nation's stockpile of strategic materials, of which chrome is one, the U.S. must rely solely on imports to satisfy its demands. Well, the Arabs tied us up when they embargoed oil shipments to the U.S., and they account for less than 10 percent of our supply.

Just imagine what can be done to our country and its specialty steel industry if its new suppliers should embargo chrome to the U.S. because of domestic policies, or on some other pretense.

Additionally, the price of chrome worldwide will soar. The question: Can the specialty industry afford such a price increase?

Gentlemen: Are you about to allow Congress to hammer one of the final nails (and it'll probably be foreign-made) into the coffin of the U.S. specialty steel industry?

STUDENTS VISIT NATION'S CAPITOL

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. FREY. Mr. Speaker, I would like to welcome to the Capitol today students from DeLaura Junior High School in Satellite Beach, Fla. Almost 50 young people are in Washington this week on a trip sponsored by their student council. Having studied the history of our country in school and our government processes, they have undertaken this trip to see first-hand so many of the places they have read about and which are representative of many of the great events in our history.

The students visiting Washington from DeLaura are Cecilia Dorsey, Mindy Hagen, Marie Didier, Valerie Shifflett, Nancy Basile, Debbie Miller, Lisa Hays, Cindy Seitz, Katie Fabian, Karen Day, Valerie Neville, Paula Faulkiner, Kelly Davis, Beth Cottrell, Dondi Weber, Pam Brantley, Debbie Gainey, Terri Saunders, Cindy Curtin, Nancy Sells, Jennifer Taylor, Laurie Foster, Shelly Moses, Lori Krause, Valerie Howard, Poncho Sanchez, Bill Yearty, Greg Howland, Richard Briel, Ken Jones, Gary Leonard, Pat Weber, Tom Gray, Mike Ellis, Bob Schelonka, Leonard Robinson, Clark Robinson, Bill Bailey, and Mark Ellis. The chaperones for the group include Fred Perlee, Lt. Col. Milton N. Shifflett, Jim Iry, Mrs. Asenath C. Coker, and Mrs. Karen Keller.

We welcome these young people from DeLaura Junior High in Satellite Beach, Fla., to our Nation's Capitol.

TRIBUTE TO RETIRING EDUCATOR OF BAKERSFIELD, CALIF.

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. KETCHUM. Mr. Speaker, as many friends in the Edison School District of Bakersfield, Calif., gather to pay tribute to Tom Lindquist, who will retire this year as district superintendent and principal, I would like to add my personal message of commendation.

Throughout his over 35 years of dedicated service, Mr. Lindquist has received recognition by his colleagues, students, their parents, and the community as an outstanding leader in education, not only as an administrator, but as a fine teacher.

Since his graduation from the University of California in 1938, Tom Lindquist has excelled in every field of education. He began his teaching career in the Standard School District, Bakersfield, where he remained until 1942. After 5 months as a teacher in the Bakersfield City School District, Tom Lindquist took 3 years out of his teaching career to serve his country in the Army Air Corps during World War II.

In 1947, he was appointed district superintendent and principal of the Edison School District, where he has served for 27 years with characteristic dedication.

Mr. Lindquist served 2 years as president of the California Association of School Administrators for Kern, Kings, and Tulare Counties; and 1 year as president of the Kern County Elementary Administrators Association. He has assisted the Advisory Council of Fresno State College in Bakersfield, was secretary of the CESAA, central section in 1954, and is a life member of the California Congress for Parents and Teachers.

Within the California Association of School Administrators, not only as president, he has worked diligently on the State Policies Commission and the State Nominating and Retirement Committees.

Listed in Who's Who in Education for 1963–64, Tom's active professional schedule is augmented by additional community service, such as being president of the Oildale Lions Club, 1952.

Most importantly, his friends are honoring Tom Lindquist as a gentleman of high principles, a dedicated citizen, and a credit to an old and noble profession.

It is a pleasure for me to add my best wishes to Tom, his wife, and family, on his retirement and sincere appreciation for his dauntless efforts in the pursuit of quality education.

BRING BOYS HOME—TO PAY

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. FISHER. Mr. Speaker, under leave to extend my remarks I include an article on amnesty written by Jim Bishop. It was carried in the San Antonio Light. The article follows:

BRING BOYS HOME—TO PAY

(By Jim Bishop)

Nations are mortal. Like people, they die when they stop fighting to live. The agony of the patriot is that he must be willing to wear a uniform, shoulder a rifle, and be prepared to risk death at the hands of a stranger who fights for an alien philosophy.

It was like this all the way back to the nomadic tribes. Everybody is opposed to war but, when it comes, if the young men run and hide, they aid and abet the enemy.

40,000 DESERTERS

The United States of America has about 40,000 deserters of the war in Vietnam at large. They skulk in bitterness in Sweden, in Algeria, in Canada, in small towns across the U.S.

An organization called Safe Return campaigns to grant them forgiveness. Unfortunately, Safe Return was not devised to help the 53,000 American soldiers who died in Vietnam. They lie uncomplaining in boxes.

Several such organizations pressure the President and the Congress to permit the 40,000 to come back to their families, be accorded the protection of the Constitution, and feel free to complain about what a lousy system we have.

Count my small vote as opposed to anything less than slamming all of them into military prisons for the full time they would have served in the military. As Americans, we arrogate to ourselves the right to disagree internally, but, when we are called to fight a good war or a bad one, we are the UNITED States.

Call them deserters, slackers, cowards, anything you please. In an article in the current Progressive, Judith Miller refers to them as "self-retired veterans." The label isn't important. I think of them as "Slackers Anonymous."

Miss Miller writes a sympathetic but unpersuasive article for amnesty. I applauded the President when he shouted Never! Never! It is conceded that American involvement in Vietnam was the most costly error in U.S. political history. We buried our blood and our treasure in rice paddies.

Among the casualties was a man named Lyndon Johnson. He believed his generals. Another President promised us "peace with honor." We got peace, but Vietnam didn't. Honor is a word used by women of questionable character.

ALWAYS WORST VICE

War has always been the worst of man's vices. It is, as has been said, the final word in diplomacy. There are no good ones. But, good or bad, no nation can afford to allow its youth to decide individually for or against war.

If the U.S. grants amnesty to the 40,000 who ran away from the flag, this country could never again raise an army or a navy. If the need arose, 4,000,000 could evade serving our country because there is no reason why I should risk my life in battle if I am certain to be forgiven my desertion of the colors later.

Within a few weeks, the House will begin hearings on amnesty. I don't know why. Those eager to testify are the people of Safe Return, relatives and friends of men who refused to fight but who are now so miserable in other lands that they are—excuse the expression—dying to come home.

THEY'D SMILE IN GRAVES

The big organization, of course, is the National Committee for Universal and Unconditional Amnesty. It is a coalition of scores of peace groups. The current law states that a deserter can be sentenced to three years in prison. If the 53,000 dead heard it, they would smile in their graves.

The peace groups should, I feel, canvass the government of North Vietnam and North Korea and ask how they disposed of slackers. It cannot hurt to ascertain how other socialist countries, such as China and the Soviet Union, patted "war resisters" on the back and got around to saying: "Come on home. All is forgiven."

I confess that I feel that it is criminal to spend 87 billion dollars in defense. However, if it is necessary to spend this much to make America invincible to attack, it is money well spent—an expensive insurance policy.

But money alone will not save America. We require patriots who feel that this country is worth saving. We must have the same caliber of humans who, at Concord and Lexington, were called Minutemen. Let us grant no amnesty for the man who wants his country to serve him, but will not serve his country.

IN SUPPORT OF SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATIONS BILL, 1975

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. ALEXANDER. Mr. Speaker, though I was among those who voted in favor of H.R. 14434, special energy research and development appropriations for fiscal 1975, I remain concerned that conspicuously absent from the Committee on Appropriations bill was an appropriate effort to consider the energy options available through ocean power.

ENERGY OPTIONS INCLUDE OCEAN POWER

Just recently I attended the annual Sea-Space Symposium, which is a society of leaders in science, industry, and Government, brought together for the purpose of promoting the efficient exchange of technology between the space and marine environments. Members of the Sea-Space Symposium have joined in a mutual effort to support and encourage the technological growth of the Nation, the development and utilization of the resources of the sea and space, the education of the public to the benefits that are to be realized, and the development of the sciences that will make achievement possible.

The subject of the 1974 spring conference was "Power from the Oceans," or as some would describe it, "Ocean Power As It Relates to the Energy Crisis." The ocean is a vast resource of energy and its development is far from realization of its potential.

One of the highlights of the meeting was a presentation by Dr. Betsy Ancker-Johnson, assistant secretary of commerce for science and technology, during which she discussed several options for development of energy potential. One of the options includes development of energy from the oceans. Dr. Johnson postulated that if we dedicated 0.1 percent of the 30 million square miles of ocean having the appropriate thermal conditions to building 1,000 power plants, we could, in principle, supply the United States with its entire electrical needs.

That single observation convinces me that we should be conducting extensive research and development of future uses of ocean power. I urge my colleagues to review Dr. Johnson's remarks, entitled "Energy and the Environment."

FISH AND WILDLIFE COORDINATION ACT

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BLATNIK. Mr. Speaker, I am today introducing a bill to meet urgent needs for carefully considering our vital fish, wildlife, and other resources in our national water development program. Specifically, the bill would amend the Fish and Wildlife Coordination Act, first enacted in 1934, to incorporate a number of recommendations from Federal and State fish and wildlife agencies and a number of conservation organizations with an interest in these matters. A series of conferences among these groups developed a consensus of views and these were incorporated into an Action Report released late in 1971. It set forth 169 recommendations for needed changes in legislation, policy, and procedures, all of which have bearing on the consideration given fish and wildlife in planning and constructing Federal and federally licensed and assisted water projects. Among the highest in priority was to seek strengthening amendments to the Coordination Act. The bill I am pleased to introduce reflects those firm recommendations.

The bill would bring projects constructed or assisted by the Tennessee Valley Authority and the Soil Conservation Service, as well as those licensed by the Atomic Energy Commission, under the provisions of the act. It would encourage changes in planning procedures to have fish and wildlife professionals become a part of each project planning team so their views and recommendations would be built into project planning from the earliest point. The joint planning of projects called for would minimize and help eliminate the divisive and costly delaying action-reaction relationships among agencies.

The amended act would encourage use of new procedures to prevent, compensate, and mitigate fish and wildlife losses in national water development projects. It would strengthen public participation in planning water development projects. It would help insure that features recommended for fish and wildlife be installed in phase with other project features, rather than at some later date when land costs, for example, have escalated.

In short, the amendments generally are designed to insure that fish, wildlife, and other resources become "equally considered purposes" of the national water development programs. They seek to insure that future water projects truly will yield the optimum range of public benefits that the taxpayer has a right to expect.

We are living in an era when a large segment of society is increasingly aware of and concerned over man's impacts on the resource base. They know the problems Congress faces in trying to balance development with maintenance of the ecological integrity of our vital resource base. The proposed amendments I offer today reflect the experiences gained and shortcomings identified in 16 years of operations under the Fish and Wildlife Coordination Act, last amended in detail in 1958.

I am not suggesting that my bill is the sole answer to resolving this serious environmental issue. Rather, I have attempted to identify and respond to the weaknesses in the current program, which prevent full consideration being given to the many factors involved in projects affecting water resources. To the best of my knowledge, my bill responds to these problems.

But I suggest that it may be possible, when public hearings are held, and I hope they may be held soon, to make this bill even more responsive. I invite my colleagues to study this matter. I solicit participation and assistance in producing an act which will assure that fish, wildlife, and other related resources are fully considered in the planning, design, and operation of Federal and federally licensed or assisted water resources projects.

ISRAEL'S 26TH ANNIVERSARY

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. ADDABBO. Mr. Speaker, it is with a great deal of hope and a feeling of friendship that I join with those freedom loving people throughout the world who are celebrating the 26th anniversary of Israel. I have been very fortunate to have visited the State of Israel several times during recent years and to have met with the leaders of that sovereign nation. I have also had the unique opportunity to witness the moving struggle of a people determined to resist attempts at their destruction.

One look at the world map tells the story of the importance of Israel's survival to the free world, for her ability to prosper assures a link from democratic nations to the Middle East. But one must do more than study a world map to understand the people of Israel and the historic struggle for freedom which has been the strength of her people. One who has not visited Israel cannot understand the constant cloud of uncertainty which hangs over this nation as the direct result of the efforts of her neighbors to drive Israel into the sea.

Recent years and recent months have

been particularly difficult for Israel, but our hopes for a lasting peace in the Middle East remain strong and alive. Israel has come a long way since the United Nations guaranteed her sovereignty 26 years ago and Israel can be very proud of her record since that date. Democracy is a heritage which we in the United States cherish and democrcay is the cornerstone of Israel.

As we in the United States join others in wishing our Israel friends success on the 26th anniversary of their sovereign state, I add my prayers for a true resolution of the Middle East tensions which has concerned all nations of the world as a threat to world peace.

THE FAILINGS OF OUR CRIMINAL JUSTICE SYSTEM

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BADILLO. Mr. Speaker, today is Law Day and throughout the country attention will be focused on the legal profession, the courts, and law enforcement activities. I am afraid, however, that little if any heed will be given to the many serious shortcomings in the American criminal justice system. Scant concern will be expressed for the manner in which our legal processes treat the Nation's minorities or those persons who are now imprisoned or on parole.

Recently, New York City Criminal Court Judge Bruce Wright delivered a very timely and perceptive address before the faculty, students, and alumni of New York Law School. He quite aptly observed the serious shortcomings in the criminal justice system and commented on the double standard which exists in the implementation of justice. As Judge Wright so correctly noted:

> If the law has its imperfections, it reflects whatever is missing in the men who make them and construe them.

Judge Wright's remarks were reprinted in the April 22 edition of the New York Law Journal. I believe it is most important that we consider what he has said, especially on Law Day, and I am pleased to present his speech herewith for inclusion in the Record:

An Angry Judge and Criminal Justice

(By Bruce McM. Wright)

(Note.—New York City Criminal Court Judge Bruce Wright has become a controversial judicial figure because of his views with respect to bail for prospective criminal defendants. Judge Wright is an alumnus of New York Law School and the adjoining text is excerpted from his address recently to the faculty, students and alumni of New York Law School.)

The criminal law is the world of Alice stepping through the looking glass into an underworld wonderland. It is the mad derangements of a maze in Kafka's *Castle* and the lunatic ordeal of his *trial*. It is the write-it-as-you-go script for Ionesco's Theatre of the Absurd. It is a *Three Penny Opera* sung to Brecht-neck speed. It is a ragged pantomime and a poor people's pageant, acted out in the filth and harsh tempers of a perfect backdrop for crime.

It is entering the sacred temple of the law with reverence, only to see crude, coarse, gross and profane graffiti leap out at you from the walls, scarred by magic markers. It is a *mise en scene* more fitting for the stink of a toilet in a dirty subway.

THE ARENA

The law, which embraces every human predicament in its eclectic reach, is the perfect place to study democracy's imperfections, its sullied dreams. Each courtroom is an off-Broadway arena, where the law, costumed in the emperor's clothing, feeds upon its amendments, then devours itself and its young.

One becomes aware of the poet's cry in the darkness that the situation of this time surrounds us like a baffling crime. While Gilbert and Sullivan lyrics can command that the punishment fit the crime, penalties remain a variable vexation in our law.

Too often, the rich and the powerful have their wrists rapped lightly, while the poor, for the same or a similar offense, are packed off to durance vile.

When the respectable citizens run afoul of the law, the body statutory writhes to make flexible adjustments. If the law has a sociology, it is a middle class one, where middle class white judges yield to what Professor Robert G. Olson has called "The Morality Of Self-Interest." [1]

When that Nebraska-born son of the middle-border, Roscoe Pound, propounded the thesis that the law should be an efficient instrument for social reconstruction,[2] he must have thought that the law would be in for radical progress.

Such has not been the case, alas.

Unfortunately, there may be more sociology on the walls of the courthouse where I labor, than anywhere else in the assizes of the law. Outside the tiny and infested courtroom where I have been banished, for example, there is an arresting legend. It is written in the clear and legible handwriting of the illiterate, as Arthur Koestler once described Spencerian slants and ovals. Referring to a certain television commercial, it says, "Charley Tuna must be a Nigger fish; he's so socially unacceptable."

Another message, reading like a militant and murderous injunction, says, "Kill, kill, kill, but kill the Niggers and the Jews first."

Crowning all of this al fresco hatred is the Lenny Bruce comment on the legal profession. It says that, "In the Halls of Justice, justice is in the Halls."

NOT WITH A BANG

Something is out of joint with the legal business, if it so uniformly inspires such melancholy criticism from those who are its victims. They are prophets of doom in their anonymity. Their trips to court offer a theme and variation on the T. S. Eliot dictum that, "This is the way the world ends, this is the way the world ends, this is the way the world ends, not with a bang but with a whimper." [3]

Closer to the truth, I suppose, is that it ends with both a bang and a whimper, with no guarantee which comes first.

If the law has its imperfections, it reflects whatever is missing in the men who make them and construe them. If the law is too distant from its handmaiden, justice, then some of us must become latter-day Sir Galahads, seeking out its holy grail, so that criminal justice may become more just than criminal.

As we watch our national cheerleader, President Nixon, with a futile finger in the dyke, while Watergate floods our country in cynicism and ravages our spiritual ecology, issues of law and order take on a strange significance.

FORGET THE INNOCENT

Law and Order has recently come to be known as the code expression to the sociological etymologists among us. It means keep the niggers and spics off the streets and in jail. It means that the presumption of innocence should be done away with.

So successful has the era of law and order been, along with the cry of crime in the streets, strict construction and preventive detention, that the urban jails of America Puerto Ricans. Of course, as you now know, literally bulge to bursting with blacks and Puerto Ricans. Of course, as you now know, Puerto Ricans are known, by order of those ethnic Napoleons who have the gall to divide and rule, as "hispanics."

In this country's cities, every day and every night, the police having hunted in those ghettos we call jungles, produce their catch.

Preventive detention, specifically rejected by the State Legislature, leaps miraculously to life, as judges set bail at figures which rival the national debt. Even as the rich could buy their freedom from military service during the Civil War, so too, only the wealthy, when accused of crime, can buy their pretrial freedom.

ZOOS AND THEIR OCCUPANTS

Whether or not we admit it, our jails have become nigger and hispanic zoos, with mostly white keepers, who throw slop at the two-legged beats, turn keys and, generally, keep their human captives with the hatred and contempt one reserves for wild and dangerous beasts.

Even Mayor Lindsay, when he was our chief magistrate, and himself a lawyer, has been shown on television rushing to the bedside of a police officer who had been shot in the abdomen, a sad expression fixed to his face. He condemned the defendant, not then yet arraigned, as a "vicious gunman." Alas, for the presumption of innocence.

Looking at such a spectacle, it was easy to imagine impartial jurors, fresh from such X-rated bias, to vote to do away with the presumption of innocence and quickly arrive at a unanimous and prearranged finding of guilt.

The Mayor, had just stepped through another looking glass, into the wonderland of pre-trial publicity. Demonstrating his versatility, he also condemned the judge as an example of "judicial insensitivity."

MATTER OF BAIL

Excessive bail tears off the false skin covering the American bias against the poor. This kind of fiscal justice is a dirty joke played upon the most vulnerable segment of our people. It caters to class fears and spurs the development of oppressive techniques.

When the haves hold the have-nots in contempt, they do so because of an overriding belief that the have-nots are planning revolution which the haves neglect when depriving the poor and the helpless.

The city seems to do that sort of thing to us. When it was suggested that all policemen should live in the city of their employment there was a unanimous cry of dissent from the officers, who said that the place was far to dangerous for them to have their families. This is the very city the police are sworn to protect and guard. In guard we trust, indeed.

The police should know. They seem to have had a large part in making the city lawless. The Knapp Commission publicized some shocking revelations about New York's Finest. Their taking of graft, and their theft of large quantities of narcotics from their own property clerk, makes them millionaires of the expensive suburbs, where most of them live.

These fearless guardians have now asked to carry shotguns. That they do not need such weaponry has been demonstrated by the shooting of a little Black boy. His death shows that handguns are accurate enough.

Footnotes at end of article.

It also shows that all Negroes look alike, since the little boy was said to resemble a robbery suspect who is a full-grown man.

As with God, our city is said to be quite dead in the crumble and decay of its poor. Budgets are overextended. Services are being curtailed; judges and commissioners are trembling at the sound of the name Nadjari. Nixon lawyers quail at the prospect of a subpoena from Jaworski.

But this old rat-infested port city continues to endure. It may be old, dirty and overcrowded. But as the recent primary showed, there are many lovers and suitors for the hand of the ancient mistress.

What Beethoven, Bach, Brahms and Boccherini gave us in music, at one time, Badillo, Beame, Biaggi and Blumenthal sought to give us in politics. And of the four, three are lawyers. Is it of some sinister import that the only nonlawyer, Beame, won?

These are evil days for members of the Bar.

L. Patrick Gray, that pious paragon of snoop; the man with the stern and honest face, reading like a map of the true public ethic, confessed on national television that he had burned at the stake vital Watergate evidence which he had not even read. By that act, he added a new dimension to national witchcraft.

NO PITY

It is against this kind of backdrop of confession and avoidance that the President, in sending his Criminal Reform Act to Congress, admonished that body to provide for "punishment without pity." What this means is that the absence of rehabilitation now becomes an article of faith—maybe. One can never be certain how absent of pity and consideration will be the sentences or those numerous former White House lawyers, who must face trial and possible conviction.

I suspect that few law students will practice criminal law. Out of the 50,000 New York lawyers, only 1,000 have had their names placed on a list as willing to accept criminal causes by assignment and for a state-paid fee.

LAW IS A ASS

The law is a strange and moody business. Charles Dickens, speaking through his Mr. Bumble, was moved to say with both vehemence and some fractured syntax, that, "The law is a ass. It is a idiot!"

Oliver Goldsmith, in *The Traveler*, moaned that the laws grind the poor, and rich men rule the law.

Edmund Burke spoke of the law as injustice "codified." He claimed that it protected the idle rich from the exploited poor and added a new evil to society known as lawyers.

Sir Francis Bacon wept that the law caught the small flies and allowed the great to "brake through." Sir Francis, as experts on Elizabethan LaCunae will recall, was impeached for taking bribes. His defense was that, yes, he took bribes, but that he took equal amounts from both the plaintiff and the defendant, and then ruled on the merits.

This does not paint a pretty picture. Still, as one wanders through the well-upholstered wilderness of our profession, with trusts and estates, commercial clients and corporate retainers, keep in mind that the law needs some of the honest sweat of lawyers on the criminal side.

There are too many lawyers who are aloof, distant, removed and apart from the criminal justice system. The criminal justice system is acutely ill. It is acutely in need of artificial respiration and that transfusion of youthful blood which flows regularly from our law schools.

It also needs judges who can abolish from their minds the institutional racism upon which all of us have been nourished and reared.

It needs judges who can ignore the hysterical screaming of the muck-raking tabloids and policemen's gazettes.

It needs to train judges and pick them in a way which is radically different from the way it is now done. Bright young law students should opt for the profession of judging, in their third year of law school and then begin arduous training which leads to the awesome power of a judge.

JUDICIAL TRAINING

The new training for judges should involve an apprenticeship after the trainee has been exposed to ethnic sensitivity tests, the psychology of the poor, and then been psychoanalyzed in depth, to determine the stability of his personality, or reveal his likelihood, to scream and rant and rave, as some judges now do.

I have accused some of my brothers on the Bench of imposing excessive bail, and by that device, committing a kind of victimizing crime of their own. Speaking on the topic of bail is very much like performing exploratory surgery upon myself, without benefit of anesthesia and with a dull scapel.

With bail so often imposed in an amount which the judge believes a defendant cannot post, our courts have become havens for moneychangers. It is almost as though we live by the hard specie of the Calvin Coolidge dictum that, "The business of America is business."

It is by such rapes of the Constitution that justice is both mortgaged and foreclosed at the same time.

Since the system, which I help administer, is mostly white, while 80 to 90 per cent of the accused are black and Puerto Rican, the kinds of bail set for the defendants, may be said to be the white measure of justice for the poor minorities who parade before the Bench.

POOR CANNOT WIN

The white world, which so despairs of the welfare system and which begrudges the poor such a disgraceful pittance when they are unemployed, suddenly invokes the rough standards of a millionaire when the poor are accused.

A few examples of the way the money bail system works may give us pause.

A black man accused of abusing his black woman, may have the charges reduced or dismissed, or, at worst, he will be paroled. But let a black lover beat his white mistress, and you will witness the venegeance of the white ages visited against the black defendant.

One judge has become so addicted to the numbers game of disposing of the greatest number of cases in the shortest period of time, that he will say to a defendant, "Plead guilty and I will parole you until after the investigation and the date of your sentence. Refuse, and your bail is $5,000."

NORTHERN BIGOTRY

But, if the bail does not get the poor defendant, perhaps the gamble of a jury trial will. A white juror, demonstrating his objectivity in the jury box, volunteered his view about judging a black defendant. "Niggers," he said, "have to be taught to behave. I felt that if he hadn't done [what he was accused of] he'd done something else, probably even worse, and he should be put away for a good time or long while." This is a northern juror, lest we forget.

There is always a tendency by juries and judges to hold blacks to a less strict standard of conduct, where the victim is also black.[5] Juries seem to think it is all right if one black cuts another.[6]

Thus, the Negro in America is allowed to compound his status and frustrations, by being invited, in effect, to destroy himself and in so doing, save the white man the nettlesome task. It is no secret that the poor prey upon the poor; after all, the risks are less.

The built-in ghetto syndrome applies even in crime, as it does for residential purposes.

COLOR IT BLACK

At a recent conference of judges, I was accused of being hung up on the question of race in America and the courts. I pleaded guilty and attempted to explain to my learned brothers that there is perhaps a difference between being "racial," and being "racist," I failed. One judge, bursting with pride, told me that he and his fellow whites never saw the color of a defendant standing before them. To emphasize his faulty vision, he said, "Why, Bruce, just the other day, I had a little colored kid before me."

Am I too overwrought on the question of bail? Let us see.

George Jackson, perhaps the most famous of the Soledad Brothers, was arrested and charged with stealing $70 from a gas station attendant. His bail was so high, that he remained in jail for the rest of his short life, until he was shot and killed under circumstances which suggest that he was murdered. He was black.

Clifford Irving and his wife were indicted in both the State and Federal Courts, accused of defrauding McGraw, Hill out of nearly $1 million. They were allowed bail they could afford. And, after their conviction in all courts they were sentenced in a way which made delicate arrangements so that their children were never without at least one parent on hand. Their sentences were a mockery. Irving is now out. At the time their bail was fixed, they did not live in New York but on an island off the coast of Spain and can hardly be said to have had roots in this community. Like Agnew, Irving will doubtless write a book and prove that crime does pay. The Irvings are white.

The Harlem Four, three times tried, remained in jail for almost eight years, because they could not raise impossible amounts of bail after they were accused of murder. They were arrested as mere lads and grew up on Riker's Island. Only after seven long years and more, was the Harlem community able to collect enough bail money to ransom them from their captivity, pending their fourth trial. They are black.

TRIPLE JEOPARDY

Angela Davis, indicted on the most tenuous of grounds and charged with murder, was held in pretrial bail of $120,000, which she could not post. She was held in jail for eighteen months, before a good samaritan mortgaged his California farm and posted bail. She was then acquitted. She suffers triple jeopardy, for not only is she black, but she is also a Communist and a woman.

Alice Crimmins was indicted and accused of the murder of her two infant children. She was allowed bail she could afford. After she was convicted and pending appeal, a judge set bail at $25,000. She complained that she could not afford that sum, but could afford $15,000. The court promptly set bail at the figure she could afford. She is white.

So much for the bail scene from coast to shiny coast.

There are other interests which may capture your attention if you look into the haunted mirror of the law and take its holy orders. There is the sensitive question of women, who are still in need of further emancipation. They are the houseniggers of modern society. The law should be better employed than it has been to salvage the genius of the female, before it is washed down the drain of our ethos with the detergents and soap operas.

If the law is to become more than women's libido, then the law must not betray the suppressed revolution of that sex.

Men, for generations, have been devoting

Footnotes at end of article.

themselves to the legal subjugation of the female, trapping her in a kind of luxurious slavery. Like the household roach, however, she has defied destruction. Women continue to survive, despite the passions of men, their deadly sweetness and their posture of a vengeful God.

LUCKLESS SEX

Pablo Neruda, after receiving the Nobel Prize for Literature, spoke of the blacks as the luckless race. He could have cited women as the luckless sex.

To those men who would agitate reason by opposing the proposed Twenty-seventh Amendment to our Constitution, there are some cautions.

Women, for so long chained to gleaming kitchens with electric can-openers, dishwashers, vacuum cleaners and micro-wave ovens, can only thank God for their magic cocktail blenders.

The house beautiful has become the curtained prison, the wall-to-wall trap.

So, for those of you who cherish visions and revisions, think of the symmetries you can affect, as you stand on the sill of the magic gates of the law.

Perhaps it will become an addiction, as every true profession should, if it is a happy one.

As Ramsey Clark put it recently, the law has its rewards. They may be small, but they are exciting. Once you help a broken soul, his restoration is far more valuable than the historic imitations at Williamsburg, Va., or the imported Cloister at Fort Tryon.

LAW IS THE LIGHT

The law is an ideal and the hope of every true democracy. It is the flickering and shadowy light at the end of Plato's dark cave, especially for the powerless, the little person and those who have been abandoned by all else.

We need those of you who can read the Constitution's Eighth Amendment, which says in unambiguous English that bail shall not be excessive.

We need those of you who will insist that human captives are entitled to at least as much dignity as animals nourished in a zoo. Absent such tender mercies, the word rehabilitation is meaningless.

Following the Attica rebellion, I heard a survivor weep into the night air, "How the hell we gonna be *re*habilitated, when we ain't never been *ha*bilitated in the first place?"

And after we solve all of the world's other problems, we will deal with the police.

Following the parsing of your flesh and spirit by the Committee on Character and Fitness, may we elders of the legal tribe not have to resort to the sardonic cynicism of Kurt Vonnegut, and say, welcome to the Monkey House.

I urge upon all of you, that you join me in cherishing our constitutional emotion. It is, after all, the only Constitution we have.

FOOTNOTES

[1] Olson, The Morality Of Self-Interest, Harcourt, Brace [1969].

[2] Pound, Interpretations Of Legal History, pp. 152, et seq.; also see two important Pound essays: Scope And Purpose Of Sociological Jurisprudence, 24 and 25 Harvard Law Review.

[3] The Hollow Men.

[4] Broeder, Chapter on The Negro In Court, in Race Crime And Justice, from The President's Commission On Crime, Task Force Report: The Courts 50 (1967). See also, Race, Crime And Justice, further, 13–55 and 139–258 for other studies. (C. Reasons and J. Kuykendall eds. 1972).

[5] The American Jury, 339–344, H. Kalven and H. Zeisel (1966).

[6] Id. at 341.

[7] Alvarez, The Savage God.

DOES OUR FOREIGN POLICY MAKE SENSE TO AMERICANS?

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. LEGGETT. Mr. Speaker, the lead editorial by Mr. Norman Cousins in the latest Saturday Review/World will, I hope, be the opening shot in a campaign to return American foreign policy to the American people. Mr. Cousins raises questions that are perhaps not new, but they become increasingly important as certain trends in the conduct of our policies become more pronounced.

Mr. Cousins, in effect, poses the same question propounded by the distinguished chairman of the Appropriations Committee, Mr. MAHON "Why does peace cost more than war?" Americans are peace-loving because they love the benefits of peace, and foremost among those benefits is relief from the crushing financial burden of supporting a huge war establishment. Yet, at a time when the President boasts that no American troops are in combat for the first time in a decade, he presents us with the largest military budget in history; at a time when "peace with honor" is lauded in the White House and Vietnamization is hailed as a success by the military, we are asked to provide more military assistance to Vietnam than we did in 1968, the admitted high point of the VC/NVA offensive. Mr. Kissinger should not wonder at a lack of public enthusiasm for such a policy; the wonder is that he would expect Americans to accept it without question.

Mr. Cousins' second point questions the relationship between the making of our foreign policy and the concerns of the American people. The widening estrangement between the two, as he so ably argues, is potentially deadly.

At this point, I would like to insert Mr. Cousins' editorial into the RECORD.

THE DEMYSTIFICATION OF U.S. FOREIGN POLICY

(By Norman Cousins)

Secretary of State Kissinger is worried, according to reports from Washington, over the slippage in public support for U.S. foreign policy. Many people who only a year or so ago rallied behind the President's quest for peace now seem to have lost enthusiasm for U.S. initiatives in the world arena.

Mr. Kissinger is said to believe that the Watergate horrors have had a spillover effect on public attitudes toward foreign policy. He is probably right, but there may be at least two other reasons for the downturn in public support for government policy abroad.

The first reason has to do with credibility and common sense. The President has declared that his initiatives have reduced the danger of war. He has pointed to the opening-up of relations with China, the new agreements with the Soviet Union, the extrication from Vietnam, and progress in the arms limitation talks as dramatic achievements in foreign policy. It is difficult to see, however, how the American people can be expected to believe that these measures have created a new climate for peace when the government itself obviously doesn't believe it. The highest peacetime military budget in history—higher even than at the peak of the Vietnam War—would hardly seem to reflect a new climate for peace. Why should the government ask for $100 billion if there is substantial progress toward amity with the major nations that had been considered political enemies? Year after year, the fact of tension and conflict has been used by the government to justify mammoth military spending. But what are the American people to think if military budgets are increased even as tensions are being decreased? Are they likely to have confidence in contradictory statements and policies?

A second possible reason for the decline of popular support is that the entire field of foreign policy is becoming the mysterious and mystifying domain of think-tank planners, computer specialists, war-games theoreticians, and military academicians. There is a fascination with obscurantism and a preoccupation with abstractions. U.S. foreign policy is becoming so overloaded with murky language and gobbledygook that it is losing all connection with the American people.

Increasingly, a language gap is opening up between U.S. policymakers and the average citizen. As I read the news accounts of Secretary Kissinger's recent return from Moscow, I wondered how many people knew exactly what was meant by "a conceptual breakthrough" or "multiple warheads" or "strategic arms limitation" or "MIRV" or "MARV" or "SLBM." Even the term "détente," which has become the watchword of U.S.-Soviet relations, is borrowed from another language and lacks precise meaning for most Americans.

Even under the best of circumstances, foreign policy tends to be too distant from the average citizen. The traditional gap has now become a cosmic void. This is no casual matter. The government needs the support of its citizens for its initiatives in the world. Such support is impossible without understanding. The pretentious and pompous language now being used by government officials is not likely to create the deepest possible comprehension of foreign policy.

Consider this news account of Secretary Kissinger's recent mission to Moscow:

A State Department spokesman said today that Mr. Kissinger returned from Moscow without "the conceptual breakthrough" he sought in his attempt to strengthen détente by achieving effective agreement in the strategic arms limitation talks, especially with reference to multiple independently targeted re-entry vehicles.

Translated into everyday English, this is what the paragraph probably means:

Secretary of State Kissinger returned from Moscow today without being able to put American-Soviet relations on new high ground, as he had hoped. Mr. Kissinger was unsuccessful in his effort to break the deadlock between the two countries over the existence of missiles that can carry a number of thermonuclear bombs and drop them on different targets.

Even the term "détente" is unnecessarily flossy and ornamental. I see no reason why "improved relations" isn't just as explicit and serviceable as the French.

In a free society, the government has a mandate to state its underlying objectives in terms that are not just understandable but resonant. The rarefied concepts—no less than the terminology—of the think-tank specialists are unworkable precisely because they lack lines of solid connection to the people in whose name the concepts are being advanced. Phrases like "total megatonnage," "graduate deterrents," "risk acceptances," are of interest only to think-tank specialists on the other side.

The de-mystification of American foreign policy should be an essential ingredient of any program designed to strengthen public understanding of and support for our actions in the world arena. So is the need for evidence that our foreign policy has a reasonable consistency and is the source rather than the consequence, of military planning.

THE EXTENT OF THE ENERGY CRISIS

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. FLOWERS. Mr. Speaker, the College of Engineering at the University of Alabama has constituted an Energy Advisory Committee. One of the broad purposes of this highly qualified group of professors in various fields within the college will be to meet with and advise their Congressman from time to time. Earlier this year, I had the opportunity of meeting with this distinguished group consisting of Dr. D. L. Hollis, assistant professor of electrical engineering, Dr. B. F. Barfield, professor of mechanical engineering, Dr. James H. Black, professor of chemical engineering, Dr. Leon D. Chapman, assistant professor of industrial engineering, Dr. Charles D. Haynes, assistant professor of mineral engineering, and Dr. Russell E. Lueg, professor of electrical engineering.

I am offering for the RECORD their response to my initial question, "Is there an energy crisis?" and commend it to my colleagues and others for their consideration:

RESPONSE TO QUESTION REGARDING THE EXISTENCE OF AN ENERGY CRISIS

The Committee feels that whether or not the current shortage of petroleum is real or contrived, the United States and, indeed, the world faces an energy crisis. We feel that even with effective energy conservation programs, the overall demand for energy must increase if the United States is to remain economically viable. The basic laws of nature are such that there is simply no way to eliminate society's need for energy. This leads to the inevitable conclusion that a vigorous, unending effort must be made to both maximize the efficient use of current energy sources and energy conversion techniques, and to improve efficiencies and develop new energy sources. *We see the primary danger related to energy as being a failure to take immediate action and sustaining such action on a permanent basis. That is, we see the greatest danger in the current "energy crisis" as being the possibility of reducing our efforts once the gasoline and home heating fuel pumps are again full.* Further, it is the opinion of the Committee that proper recognition must be made of the economic aspects of developing energy sources. Continuing development of energy sources must be paid for either on the free market (at the gas pump) or collectively through the Federal Government, or both. Finally, we feel that while ecological and safety considerations must affect the development and utilization of energy sources, it is crucial that a levelhanded balance of all issues be made by agencies responsible for controlling and encouraging energy development.

We would like to point out that many known energy sources are not being tapped simply because of a lack of the proper economic incentives. Examples of this are low-yield natural gas wells (many of which are in Alabama), secondary and tertiary recovery of oil and gas, shale oil deposits, energy deposits in remote locations or locations requiring considerable expenditures for environmental protection, as well as solar energy, wind power, tide power, and similar sources. (The latter group lacks development of proper conversion devices.) We feel that a means to develop these additional sources of energy must be instituted at the time steps are taken to improve and encourage development of conventional energy sources, nuclear sources and innovative mining techniques. It should be pointed out that the use of solar, wind, tide, geothermal and similar energy sources do not represent the depletion of the earth's energy resources and, if for no other reason, deserves special developmental attention.

BINGHAM TESTIFIES BEFORE SENATE COMMITTEE—URGES AMENDMENT ALLOWING FOREIGN BORN U.S. CITIZENS TO RUN FOR PRESIDENT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BINGHAM. Mr. Speaker, on April 30 I testified before the Senate Judiciary Committee's Subcommittee on Constitutional Amendments in support of House Joint Resolution 880 which I introduced earlier this year to amend the U.S. Constitution so as to make all U.S. citizens eligible to hold the Office of President if they are at least 35 years of age and have resided in the United States for at least 14 years.

I was pleased to learn during the course of that hearing that the distinguished Senator from Indiana (BIRCH BAYH) has agreed to cosponsor Senator FONG's version of the resolution in the other body.

I include for the benefit of my colleagues and other readers of the RECORD who are interested in eliminating the invidious discrimination against foreign born citizens a copy of my testimony. I would like to point out that included therein is a reference to a Library of Congress study undertaken at my request concerning the qualifications of naturalized citizens in other countries to hold elective office. Of the 91 countries surveyed 52, or 57 percent, allow naturalized citizens to become President.

The testimony follows:

TESTIMONY OF CONGRESSMAN JONATHAN B. BINGHAM

Mr. Chairman, I appreciate this opportunity to present my views to this Subcommittee on S.J. Res. 137 which would amend the Constitution so as to make all United States citizens eligible to hold the Office of President if they are at least 35 years of age and have resided in the U.S. for at least 14 years.

I would like to compliment the distinguished Senior Senator from Hawaii for his leadership in this endeavor, and especially for bringing the matter before the American people here today so it may receive the consideration it deserves.

As the Subcommittee knows, I introduced a similar resolution, H.J. Res. 880, in the House of Representatives on January 28. Though the language of Senator Fong's resolution and mine differ slightly, each would accomplish the desired goal.

I have been interested in this particular Constitutional provision for many years. It first came to my attention in 1928, when my father, Senator Hiram Bingham, was mentioned for the Republican nomination for Vice President; it seemed to me most unfair that a question was raised as to his eligibility because he had been born in the Hawaiian Islands before annexation. In 1965, I was approached by a father of six whose third child had been born in Ireland because the father, not yet a U.S. citizen, had been serving in the American armed forces there. The third child was therefore not a "natural born" citizen, although all five of her siblings were. The father thought this was unjust since she alone was rendered ineligible to hold the Office of President. I agreed, and eventually secured passage of a private bill declaring the child to be a natural born citizen.

The Constitution of the United States is a great document, and it should not be amended without careful consideration. It is the embodiment of the ideals of justice, equality and freedom that the United States stands for, has fought to preserve, and offers oppressed people all over the globe.

But amazingly, the Constitution discriminates against a significant portion of the population barring them from every holding their country's highest elected office. A constituent of one of my New York colleagues wrote me recently to convey his support for the resolution and he stated one of the reasons for the amendment most eloquently: "A Constitutional system that does not allow discrimination among persons should not allow discrimination among its people as citizens." I believe the time has come to eliminate this invidious form of Constitutional discrimination.

There are two classes of citizens who would be affected by the legislation before this Subcommittee: children born abroad to U.S. citizens and naturalized citizens. There is a Constitutional ambiguity regarding the eligibility of people in the first category, including such distinguished individuals as Senator Lowell Weicker, George Romney, and Franklin D. Roosevelt, Jr. On the other hand, naturalized citizens, comprising 6 percent of the over-35 population (about 5.1 million citizens), including our distinguished Secretary of State, Henry Kissinger, are clearly barred from the Presidency regardless of whether the voters might decide that they have the qualifications to make a good President.

HISTORICAL PERSPECTIVE

There is no doubt that the founding fathers intended to exclude naturalized citizens from the Presidency. Historians have opined that the restrictive language in Article II, section 1, clause 5 of the Constitution was adopted in response to a letter John Jay sent to George Washington suggesting that a strong check be placed on the admission of foreigners into the national government and to prohibit any but native born citizens from becoming Commander-in-Chief of the American army. Other Constitutional scholars have suggested that the prohibition was included to allay public suspicion that the Constitutional Convention intended to fashion a European-type monarchy to be occupied by a foreigner.

As clear as the founding fathers were in barring naturalized citizens from the Presidency, they were unclear in their treatment of children born abroad to U.S. citizen parents. Professor Isador Blum, a distinguished Constitutional scholar conducted a detailed study of the problem for the New York Law Journal in 1967 (during the Romney candidacy) and concluded that only those born within the territorial limits of the U.S. were eligible.

The center of the continuing controversy is the phrase: "natural born citizen". The term "natural born" appears in English pronouncements predating the Revolution. At common law, the place of birth was the controlling factor in determining the citizenship of the newborn child (*jus soli*), and is still to this day a basic tenet of English law. Another theory of citizenship is *jus sanguinas*, wherein nationality is transmitted from parent to child at the moment of birth. *Jus sanguinas* has had a much greater degree of acceptance in Civil Law countries, such as France, than in countries with a common law heritage, but is not unknown in the latter.

There is only this one reference to natural born citizens in the Constitution, and the only other reference to citizenship in the original document pertains to the grant of authority to the Congress to establish a uniform rule of naturalization. The Fourteenth Amendment, adopted in 1868 states, "All persons born or naturalized in the United States . . . are citizens of the United States." While it appears from this language that only two sources of citizenship exist, *jus soli* and naturalization, both the history of England and the Fourteenth Amendment offer excellent reasons to believe that this was not the intention and *jus sanguinas* is a valid source of citizenship also.

The enactment of the Fourteenth Amendment followed closely after the end of the Civil War and was intended to Constitutionally protect the rights of the freed slaves whose citizenship rights were in question. It is persuasively argued that the language of the Amendment was not intended to be exclusive, since it is implausible that the intention was to exclude from citizenship persons born abroad to citizen parents.

In 1790, when the first Congress passed the first naturalization law it provided for derivative citizenship for persons born abroad to American citizens—*jus sanguinas* by operation of the naturalization law—much the same as the British had done in 1450. Unfortunately, we are without the benefit of Congressional debate regarding the meaning of the act. Jurists with a predeliction toward the restrictive view of natural born have argued that since several of the framers of the Constitution were Members of the First Congress, and since it followed so closely after the Constitutional Convention, it is arguable that *jus soli* citizenship is the only kind recognized by the Constitution is fulfilling the Constitutional imperative. On the other hand, it has been argued that since children born abroad to citizen parents did not, by virtue of the same act, have to go through the immigration and naturalization process provided therein, they are contemplated to be natural born citizens within the meaning of the Constitution.

Subsequent acts have been equally unsettling. In 1802, for example, the Congress enacted legislation providing that the "children of persons who now are, or have been citizens of the United States, shall, though born out of the limits or jurisdiction of the United States, be considered as citizens of the United States." In 1854, someone realized that the "are, or have been" language could be interpretated to mean that children born abroad to U.S. citizens after the passage of the act must be treated as aliens.

The Supreme Court has also contributed to the uncertainty. The Court has held that a child born in the U.S. to alien parents is a citizen of this country by operation of *jus soli*. The Court has not, however, been as kind to children born abroad to U.S. citizen parents—for the Court has yet to rule on the issue. It would be fair, indeed, to say that these individuals are in a kind of Constitutional limbo not knowing for sure whether they can ever become President.

NO REASON TO DISCRIMINATE

The present state of affairs is absurd. It is entirely possible that the Constitution could be interpreted to restrict Presidential eligibility to citizens whose parents had the foresight to give birth in the United States. The public response to my amendment, I believe, is a fair indication that people agree that this group should be eligible to become President. I have received many letters from concerned Americans, and the opinions are divided; however, not one of those who oppose the amendment argue that children of American citizens born abroad should be excluded from the Presidency. The absurdity of the present situation is well illustrated by the following hypothetical situation: Suppose that citizens of a foreign country are touring the U.S., give birth in one of the 50 States, and then return to their homeland. Some years later their child immigrates to the United States—that individual, who has grown up in a foreign land, could, because he was born in the U.S., assuming he is at least 35 and has lived here for 14 years run for, and be eligible to be President, while a child born abroad to American parents could indeed, as we have seen be barred from that office. There is simply no reason not to amend the Constitution to clarify the ambiguity that exists and remove the cloud of possible non-eligibility for the Presidency that hangs over those Americans born aboard of U.S. citizen parents.

Foreign-born citizens of the United States serve in every facet of our government. The Constitution provides that to become a Member of Congress one must be a citizen for only 7 years, to become a Senator there is only a 9-year citizenship requirement. There is no "natural born" requirement for either the legislative or judicial branches of the government, or for the Executive Branch except for the President. Indeed, six justices of the United States Supreme Court, out of a total of 101 since its inception, were born outside of the U.S., including two who achieved citizenship through naturalization, Justices Frankfurter and Sutherland, two of this nation's most distinguished jurists. Of the 111 Cabinet officers serving their country since 1940, five were born outside the United States: Christian Herter (Secretary of State); Francis Biddle (Attorney General); Douglas Dillon (Secretary of the Treasury); Anthony Celebrezze (Secretary of HEW); and Henry Kissinger (Secretary of State). Dr. Fred C. Ikle, Director of the Arms Control and Disarmament Agency, is a naturalized citizen, and so are four members of the Atomic Energy Commission hierarchy: Paul H. Gantt, Chairman, AEC Board of Contract Appeals; Admiral H. G. Rickover, Director, Division of Naval Reactors; Drs. M. M. May and W. H. Zinn, of the General Advisory Committee.

Naturalized and foreign born Americans have defended this country throughout its 198 year history, many giving their lives to do so. Of the 3,517 men and women who have been awarded the Congressional Medal of Honor, the nation's highest award for valor, as of 1973 approximately 500 were foreign born. In other words, one-seventh of all the Congressional Medals of Honor awarded for service above and beyond the call of duty have gone to individuals born outside the U.S. I find it particularly pursuasive that the percentage of Medal of Honor winners born outside the U.S. exceeds their percentage representation in the population as a whole by more than 2 to 1.

At my direction the Library of Congress has undertaken a rather extensive study of the qualification of naturalized citizens to hold elective offices in various countries throughout the world, and I ask that the document be made a part of my testimony today. Of the 91 countries surveyed 52, or 57 percent of the sample, allowed naturalized citizens to become President. Those countries allowing naturalized citizens to hold their land's highest office include nations representing a wide geographic, political and economic spectrum, including: Australia, Canada, Chad, Dahomey, Guinea, Dominican Republic, India, Israel, Japan, Lebanon, Libya, Senegal, Turkey, Zaire, and 19 European nations.

We are indeed a nation of immigrants. Every President elected prior to 1836 was born outside the United States. Martin Van Buren was the first American President born after the Revolution. Those earlier Presidents had close blood ties with Europe, but their loyalties were not questioned, because their credentials to hold that great office were based on their commitment to this nation rather than where they were born.

Anyone familiar with the immigration and naturalization process knows that people who have lived under the yoke of oppression abroad and thereafter gain their U.S. citizenship cherish it as their most prized possession and are conscientious in carrying out the obligations of citizenship.

Immigrants have contributed much to the greatness of this country. Alexander Graham Bell came from Scotland and gave us the telephone; Igor Sikorsky came from Russia to give us the helicopter; Irving Berlin also came from Russia and gave us "God Bless America" and "White Christmas"; Selman Waksman came from Russia and gave us streptomycin, a basic pharmaceutical miracle drug; Albert Einstein came from Germany and opened the door to the atomic world; and Charles Fleischman came from Hungary to give us yeast and margarine.

As I said earlier, the Presidency is the only office in the land which bars naturalized citizens. If the bar was included by the founding fathers to prevent the ascendance of a President dominated by and loyal to King George, it is obvious that the provision is no longer needed. Some people, harboring the basest prejudices will always suspect the loyalties of Americans born outside the territorial limits of the United States, despite the illogic of such notion. There is no test to determine the loyalty of any man. He can only reveal his true character through his acts.

As I stated at the outset, S.J. Res. 137 and H.J. Res. 880 vary only in detail. I would, however, suggest to the Committee that the wording of H.J. Res. 880 is preferable because of its simplicity, and I am afraid that S.J. Res. 137 is subject to some interpretive ambiguities.

What we want to achieve, without disturbing the age and residence requirements of Act II, section 1, clause 5, is to assure that no matter how a candidate's citizenship is obtained—*jus soli, jus sanguinas*, or naturalization, the voters of this great nation shall be afforded the opportunity to choose the most qualified candidate to hold the Office of President.

SAVE THE WHALES

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. COTTER. Mr. Speaker, on Thursday and Friday of this week, a number of Connecticut citizens will be participating in events designed to call attention to the need to save whales from extinction.

The Governor of Connecticut has declared May 2 and May 3 as "Connecticut Save the Whale Days" and members of the Connecticut Catacean Society have planned appropriate events.

If the wholesale slaughter of whales does not cease then these leviathans will shortly be no more than a memory.

The Catacean Society wants to call attention to efforts in the United Nations to adopt an international moratorium on the killing of whales for 10 years.

I hope that others will join in bringing about sufficient public concern so as to have the International Whaling Commission, which meets in London in June, adopt the 10-year moratorium.

I commend the members of the Catacean Society for their leadership efforts on behalf of one of this Earth's most fascinating creatures.

A BILL TO AMEND SECTION 223 OF THE FLOOD CONTROL ACT OF 1970 TO PROVIDE COMPENSATION FOR CERTAIN EMPLOYEES OF THE BURLINGTON NORTHERN, INC., DUE TO THE CONSTRUCTION OF THE LIBBY DAM, MONT.

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. SHOUP. Mr. Speaker, as a direct result of the construction of Libby Dam in Montana, the operating railroad employees of the Burlington Northern Railway—former Great Northern—had their earnings cut.

The relocation of the railway line resulted in it being shortened by 15 miles. The Libby Dam project cost more than $360,000,000 and the railroad received an improved and shortened line. The employees, who are paid by the mile, received a pay cut which is manifestly unfair and inequitable. This loss has been in effect since November 1970 when the new, shorter trackage was placed in operation.

The cost of protecting these employees of the railroad from serious adverse effects is relatively insignificant when compared to the vast expenditure of funds made to protect the public and the railroad against adverse effects of the $360 million Libby Dam project.

At the present time, there are operating over this trackage, 7 days a week, one passenger train in each direction and five freight trains in each direction. This means that approximately 56 operating employees operate over this line between Whitefish, Mont., and Troy, Mont., each day. However, no employees who began service after November 1970 will be eligible to receive payments for the 15 miles the line was shortened on that date. As the men who were working before the line was shortened retire or quit for other reasons, these payments will attrition out.

The maximum initial cost to the Secretary of the Army would be approximately $96,000 per year based on the actual total loss of the employees concerned. And as stated before, because of the rate of attrition of these employees through death, retirement, and resignation, the cost will decline each year. This protection is directed toward those men whose jobs were affected—not toward the job itself. Only those employees who had worked regularly on the old pre-Libby Dam trackage are entitled to benefits.

Congress has consistently protected the interests of the railroad employees in the enactment of legislation which would adversely affect those interests. Section 5(2)(f) of the Interstate Commerce Act and section 13(c) of the Urban Mass Transportation Act are good examples of Congressional concern that railroad employees be equitably treated when they are to bear the burdens resulting from Congressional acts. I believe that in the case of Libby Dam, the Congress should act no less justly or equitably toward the railroad employees than it has in other situations where the authority it confers adversely affects the livelihoods of railroad employees.

Mr. Speaker, I include the bill in the RECORD at this point:

H.R. 14537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 223 of the Flood Control Act of 1970 is amended by substituting therefor:

(a) The Secretary of the Army shall compensate each person who was an employee of Burlington Northern, Inc., the route of which was required to be relocated by the construction of the Libby Dam, Montana, if the employer:

(1) worked on (or received deadhead payment) either passenger or freight trains transiting the relocated route on any date subsequent to October 31, 1970 and possessing a seniority date prior to November 1, 1970.

(2) was paid by the railroad on a mileage basis, and

(3) continued or continues to be paid on a mileage basis over that relocated route.

(b) The compensation for any such employee shall be in an amount equal to the number of times which the employee performed or performs work (or received deadhead payment or deadheads) aboard a train transiting the trackage over the relocated route after the date specified in paragraph (a)(1) multiplied by fifteen times the rate per mile for the work performed by the employee on the date performed.

JOHN F. GRINER

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. MATHIS of Georgia. Mr. Speaker, last week I was deeply saddened to learn of the death of my constituent and friend, Mr. John F. Griner, president emeritus of the American Federation of Government Employees and member of the AFL–CIO executive board.

Mr. Griner began his career in Camilla, Ga., in 1907 with the Georgia Northern Railroad and later worked for the Atlantic Coastline, Seaboard, and Southern Pacific Railroads in various capacities.

He became a Federal employee in 1936 working with the Railroad Retirement Board as an adjudicator and later served 16 years as a member of the National Executive Council of AFGE.

At the time he was serving with the Railroad Retirement Board, John attended night school and earned his law degree in 1940. He accepted the position as president of the American Federation of Government Employees and held the position until his retirement in 1972 when he returned to Georgia. Through his untiring efforts and dedicated leadership, the membership role in AFGE increased from 100,000 to 300,000.

It is only fitting that the building which houses the national headquarters of the American Federation of Government Employees should bear the name of John F. Griner.

IS THE VICE PRESIDENCY NECESSARY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BINGHAM. Mr. Speaker, the distinguished historian Arthur Schlesinger, Jr., has concluded that the Vice Presidency should be abolished. His provocative and persuasive article from the current Atlantic follows:

IS THE VICE PRESIDENCY NECESSARY?

(By Arthur Schlesinger, Jr.)

We have a Vice President again, and Mr. Ford deserves all our sympathy. He enters into a job of spectacular and, I believe, incurable frustration. He, like his predecessors, will receive those soothing presidential assurances that he, unlike his predecessors, will be given tasks of substance and responsibility. One can be absolutely certain that these shining prospects will disappear whenever he reaches out to grasp them. Mr. Nixon, even in his present feeble shape, will no more yield power to Mr. Ford than he yielded power to Mr. Agnew or than President Eisenhower yielded power to him ("What major decisions of your Administration has the Vice President participated in?" "If you give me a week, I might think of one"—Dwight D. Eisenhower, August 24, 1960) or than any President has ever yielded power to his Vice President.

It is a doomed office. No President and Vice President have trusted each other since Jackson and Van Buren. Mistrust is inherent in the relationship. The Vice President has only one serious thing to do: that is, to wait around for the President to die. This is hardly the basis for cordial and enduring friendships. Presidents see Vice Presidents as death's-heads at the feast, intolerable reminders of their own mortality. Vice Presidents, when they are men of ambition, suffer, consciously or unconsciously, the obverse emotion. Elbridge Gerry spoke with concern in the Constitutional Convention of the "close intimacy that must subsist between the President & Vice-president." Gouverneur Morris commented acidly, "The vice president then will be the first heir apparent that ever loved his father."

At the Constitutional Convention, Roger Sherman noted that if the Vice President did not preside over the Senate, "he would be without employment." Sherman's observation was prophetic, except that the Vice President's constitutional employment is a farce. Mr. Agnew as Vice President, for example, never went near the Senate if he could help it. Early Vice Presidents of a philosophical bent filled their days by writing attacks on the power of the national government. Jefferson wrote the Kentucky Resolution as Vice President, Calhoun the South Carolina Exposition. Their successors have lacked a taste for political philosophy. Richard M. Johnson ran a tavern as Vice President. Thomas R. Marshall and Alben Barkley made jokes. But most Vice Presidents, especially in recent times, have lacked a taste for humor too.

But cannot Presidents give the Vice President serious work to do? Until rather recently they thought themselves constitutionally forbidden to do so. Most Presidents and most Vice Presidents have believed with Truman (in 1955) that the Vice President "is not an officer of the executive branch" and with Eisenhower (in 1963) that the Vice President "is not legally a part of the Executive branch and is not subject to direction by the President."

The notion of having the Vice President at Cabinet meetings, for example, is relatively new. In 1896 Theodore Roosevelt wrote that it would be desirable "to increase the power of the Vice President. . . . It would be very well if he were given a seat in the Cabinet." But, when he became President himself after a brief interlude as Vice President, he did not give his own Vice President, Charles W. Fairbanks, a seat in the Cabinet or anywhere else. Vice President Thomas R. Marshall presided at Cabinet meetings when Wilson was at Versailles. But, since he regarded himself as a "member of the legislative branch," he questioned the propriety of doing so and carefully explained to the Cabinet that he was acting "in obedience to a request" and "in an unofficial and informal way." Harding was the first President to make his Vice President, Calvin Coolidge, a regular at Cabinet meetings. Coolidge expected his own Vice President to follow this example; but Charles G. Dawes rejected any such entanglement with the executive as a "wrong principle" and in due course supported from his office on Capitol Hill farm legislation that his President opposed and eventually vetoed. Franklin D. Roosevelt, who from the time of his own vice presidential candidacy in 1920 had cherished the hope of making something of the office, reestablished the idea of attendance at Cabinet meetings, and it became routine thereafter. Truman got Congress in 1949 to make the Vice President a member of the National Security Council by statute. But Vice Presidents continued to operate out of an office at the Hill. It was not till Kennedy became President that a Vice President was given space in the Executive Office Building.

Nor, despite ritualistic pledges at the start of each new term, have Presidents ever given real power to Vice Presidents. FDR did make Henry Wallace head of the Board of Economic Warfare—the only big job handed a Vice President in the 185 years of the American presidency—but this merely proved the embarrassment bound to arise when an agency chief who happened to be Vice President got into fights with powerful members of the President's Cabinet. Mr. Nixon as Vice President appointed himself the campaign hit man of the Eisenhower Administration and subsequently as President assigned the same delicate responsibility to Mr. Agnew, thereby making him, as Eugene McCarthy wittily said, "Nixon's Nixon." Mr. Nixon is evidently trying to stuff Mr. Ford into that slot today. This is hardly a promising development. If there is anything certain to ruin the vice presidency forever, it is the theory that the Vice President is the mandatory instrument for an administration's partisan rancor.

For the rest, the vice presidency is makework. Presidents spend time that might be put to far better use trying to figure out ways of keeping their Vice Presidents busy and especially of getting them out of town. The vice presidency remains, as John N. Garner said, "a spare tire on the automobile of government." As Gertrude Stein said of Oakland, California, there is no there there.

But what of Theodore Roosevelt's suggestion that the power of the Vice President might be increased? Carl Kaysen, director of the Institute for Advanced Study, has made the ingenious proposal that the presidential nominee promise the convention that he will appoint his Vice President to one of the four great Cabinet offices, State, Treasury, Defense, or Justice, and specify the particular one. This would provide a there there. But it would create problems if the Vice President turned out to disagree with the policy or to fail at the job and, unlike other dissidents or incompetents, could not be easily dismissed. Also this would have to be an informal, and hence unstable, arrangement; for any formal allocation of power to the Vice President would violate the clause in the Constitution vesting "the executive power" in the President.

Ben Cohen, that wise old New Dealer, has a different approach. He would frankly recognize that there is no there there and have presidential and vice presidential candidates separately voted upon in the general election. This would have meant in 1968, for example, that Nixon would have been elected President and Muskie Vice President. The fact that Muskie could not have taken part in a Nixon Administration would have made no difference, since the Vice President has nothing to do anyway; and Muskie would have been an infinitely more attractive heir apparent. But this proposal raises the possibility of a shift in party control of the White House without the intervention of a new election.

Neither of these ideas goes to the heart of the matter. Nor certainly do the flurry of reform proposals generated by the Agnew and Eagleton fiascoes. In 1973 the Democrats appointed a Vice Presidential Selection Committee under the chairmanship of Hubert Humphrey, whose own vice presidential wounds had hardly healed.

Its recommendation was that the parties slow up the process of nominating the second man by prolonging the convention and even offering the presidential nominee the option of turning the choice over to a later meeting of the party's National Committee. This procedure, it need hardly be said, would not have saved the Republicans from twice anointing the late Spiro T. Agnew. Senator Robert Griffin of Michigan, the Republican whip, in what he calls, presumably as a recommendation, "a small step in the direction of the parliamentary system," would do away altogether with party participation in the nomination and have the new President submit his choice to Congress in the manner Mr. Nixon chose Mr. Ford under the Twenty-fifth Amendment. This would be another formula for Agnews.

Fiddling with the way vice presidential nominees are chosen is totally beside the point. The real question is why have a Vice President at all? "His importance," as Woodrow Wilson said, "consists in the fact that he may cease to be Vice-President." The only conceivable argument for the office is that it provides an automatic solution to the problem of succession. No doubt it does, but does it provide the *best* solution?

It is said in political science departments that the vice presidency justifies itself as a "learning" office where men train themselves for the great responsibility that may one day be theirs. Even if the Vice President has nothing to do, at least—we are assured—he can watch what others are doing and prepare himself to take over if calamity strikes. This implies, I fear, an unduly romantic view of Presidents.

Presidents, whatever they may say, do not choose their running mates because they want to train them as successors. All Presidents see themselves, if not as immortal, as good for two terms at least. They pick a running mate not because he is the second citizen of the republic and fully qualified for the presidency but because of intricate and generally mistaken calculations about the contribution he will make to victory at the polls. "Whether they should or not," Congressman James G. O'Hara, Democrat of Michigan, has well said, "they will not, in the final analysis, choose their Vice-Presidential candidate to succeed them. They will choose them to help them succeed."

Such calculations, I say, are generally mistaken. It is an exceedingly rare case when the vice presidential candidate makes a difference. Very likely Johnson made a difference in 1960. But much more typical is the outcome in 1948. Earl Warren was the most popular governor California had had in a generation, but Truman carried California against the Dewey-Warren ticket. The "balanced ticket" is in any case a fraud on the public. It pretends that the Vice President's views "balance" the views of the President when all our history testifies that they have no impact at all on the President.

Moreover, the way Presidents treat their Vice Presidents steadily erodes their capacity to succeed to the presidency. A Vice President will learn only as much as a President is willing to have him learn—which, given presidential dislike of Vice Presidents, is not ordinarily very much. Truman, recalling how little he had been told as Vice President, tried harder than most Presidents to clue in his second man. His conclusion about the learning process was not encouraging. "No Vice-President," he wrote three years after he left the White House, "is ever properly prepared to take over the presidency because of the nature of our presidential, or executive office." In the nature of things, "it is very difficult for a President to take the Vice-President completely into his confidence." The President "by necessity" builds his own staff and makes his own decisions, "and the Vice-President remains an outsider."

Moreover, seeing things as an ill-informed, impotent, and often sullen outsider, the Vice President will very likely "learn" the wrong things. Lyndon Johnson thought Kennedy too cautious at the time of the Cuban missile crisis and in Vietnam. What Johnson "learned" as Vice President led him on to policies of overkill in the Dominican Republic and Indochina. In any case, where does a successor's responsibility lie? "A Vice-President might make a poor President," said Thomas R. Marshall, who was Wilson's Vice President and had to reflect on this question in Wilson's season of disability, "but he would make a much poorer one if he attempted to subordinate his own mind and views to carry out the ideas of a dead man."

A learning office? With Presidents less generous than Truman—and that in this context is most Presidents, however generous they may be in other relationships—the vice presidency is much less a making than a maiming experience. McKinley, wrote Theodore Roosevelt as Vice President, "does not intend that I shall have any influence of any kind, sort or description in the administration from the top to the bottom. This he has made evident again and again." Fortunately for T.R., he had to endure only six months of frustration. When he acquired a Vice President of his own, he could not have been more destructive of poor Charley Fairbanks. He used to regale Washington with Finley Peter Dunne's crack after the President told him he was thinking of going down in a submarine: "You really shouldn't do it—unless you take Fairbanks with you." Tom Marshall, who at least extracted a good deal of shrewd humor out of his predicament, concluded that the Vice President "is like a man in a cataleptic state: he cannot speak; he cannot move; he suffers no pain; and yet he is perfectly conscious of everything that is going on about him."

In recent years, as men of larger aspirations and capacities have responded to the actuarial attractions of the office, the damage to Vice Presidents has increased. The more gifted and ambitious the Vice President, the more acute his frustrations—and the less his President is inclined to do to alleviate it. Everyone knows the humiliation that Eisenhower repeatedly visited on Nixon. Only a man who has the overpowering ego of a Lyndon Johnson and is treated by his President, as Johnson was, with relative consideration can survive the vice presidency; and even Johnson was a subdued and shrunken man by 1963. "It's like being naked in the middle of a blizzard with no one to even offer you a match to keep you warm—that's the vice presidency," said Hubert Humphrey in 1969, eight months after he had been released from confinement. "You are trapped, vulnerable and alone, and it does not matter who happens to be President."

There is no escape, it seems to me, from the conclusion that the vice presidency is not only a meaningless but a hopeless office. Truman said, and many have repeated, that "there is no officer in our system of government besides the President and Vice President who has been elected by all the voters of the country," as if this somehow sanctified the vice presidency. Truman's proposition, advanced nine weeks after Roosevelt's death, was natural enough to a man interested in legitimating his own recent succession to the presidency.

But it is amiable myth. No one votes for a Vice President. He is a tie-in sale, an inseparable part of a package, "a sort of appendage to the Presidency" (Truman's own phrase), not an independent choice. And, once carried to the vice presidency as second rider on the presidential horse, where is he? If he is a first-rate man, his abilities will be wasted, turn sour, and deteriorate. If he is not first-rate, he should not be in a position to inherit the presidency. Why not therefore abolish the vice presidency and work out a more sensible mode of succession?

Such a revision of the Constitution would not be a serious affront to the Founding Fathers. They had no great belief in the vice presidency. Though they had had considerable experience with governors and lieutenant governors in the colonies, and though ten states maintained this system after independence, the Constitutional Convention did not turn automatically to the vice presidential idea. It slipped in as an afterthought. The August 6 draft of the Committee of Detail had proposed that, in case of a vacancy in the presidency, "the President of the Senate shall exercise those powers and duties, *until another President of the United States be chosen*" (my emphasis). Gouverneur Morris objected that this gave too much power to the legislative branch but then curiously proposed the Chief Justice as the provisional successor. Madison for a moment suggested that executive power during a vacancy be administered by a Council of State. All these proposals were regarded as interim schemes to tide things over until the voters could choose a new President. Then a fortnight before adjournment a new drafting committee invented the vice presidency over a weekend and submitted the idea to the Convention. There was no great enthusiasm. Elbridge Gerry said he was "ag.st having any vice President." He was the only member of the Convention who ever became Vice President. Edmund Randolph was opposed. But no one could think of anything better, and the clause went into the Constitution. Hamilton later noted in the 68th Federalist that the office "has been objected to as superfluous if not mischievous" but defended it in perfunctory fashion because the Vice President's tie-breaking vote could prevent deadlocks in the Senate and because the Vice President himself would provide a "constitutional substitute" for the President. There was even a dispute in the First Congress as to whether the Vice President should receive an annual salary.

The vice presidency was put into the Constitution for one reason, and one reason alone. Hugh Williamson of North Carolina, a member of the committee that originated the idea, conceded in the Convention that "such an office as vice-President was not wanted. He was introduced only for the sake of a valuable mode of election which required two to be chosen at the same time." This is an essential but neglected point. The theory of presidential elections embodied in the Constitution was that if electors had to vote for two men without designating which was to be President and which Vice President, and if one of these men had, as the Constitution required, to be from another state, then both men who topped the poll would be of the highest quality, and the republic would be safe in the hands of either.

This ingenious scheme did produce Adams and Jefferson as the first two Vice Presidents. But the rise of the party system, a development unanticipated by the Founding Fathers, quickly put the "valuable mode of selection" under severe strain. As early as 1796 the Federalists gave their second ballots to Thomas Pinckney, who was manifestly not the second citizen of the country. Adams himself, the top Federalist candidate, would have preferred, if defeated, to lose to Jefferson rather than to his fellow Federalist. In 1800 the Republicans gave the same number of electoral votes to Jefferson, their presidential choice, as they gave to Aaron Burr, a man of undoubted talents who, however, was trusted by no one in the long course of American history, except his daughter Theodosia and Gore Vidal. Burr was nearly chosen President, though the voters never intended him for the presidency. The fear of comparable slipups in 1804 led to the adoption of the Twelfth Amendment requiring the electoral college to vote separately for President and Vice President.

The abolition of the "valuable mode of election" canceled the purpose of the Founding Fathers in having a Vice President at all. Separate voting ended any prospect that the Vice President would be the second man in the country. The office could no longer be counted on to attract men of the highest quality. It would become, as was immediately noted, a bargaining counter in the presidential contest—"a bait to catch state gudgeons," in Gouveneur Morris' contemptuous phrase. Samuel White, a senator from Delaware, summed up with admirable prescience the consequences of the Twelfth Amendment: "Character, talents, virtue, and merits will not be sought after in the candidate.

The question will not be asked, is he capable? is he honest? But can he by his name, by his connections, by his wealth, by his local situation, by his influence, or his intrigues, best promote the election of a President? Roger Griswold of Connecticut said that the vice presidency would thereafter be "useless, worse than useless." A number of political leaders, Republicans and Federalists—John Randolph of Roanoke, former Speaker of the House, now Senator; Jonathan Dayton; Matthew Griswold; Samuel W. Dana—drew the logical conclusion. The vice presidency was an organic part of a particular mode of election, and that mode of election has now been constitutionally abolished; therefore let us abolish the vice presidency too. Unfortunately for the republic this effort failed.

But the dismal predictions were correct. The Twelfth Amendment sent the vice presidency into prompt decline. The first two Vice Presidents had moved on directly to the presidency. After the amendment was enacted, the vice presidency became a resting place for mediocrities. Who can remember Burr's successors—George Clinton, Elbridge Gerry, Daniel D. Tompkins? For a generation the office of Secretary of State became the stepping-stone to the presidency; thereafter Presidents were elected from anywhere except the vice presidency. In the 170 years since the Twelfth Amendment only one Vice President—Martin Van Buren—has advanced directly to the presidency by election. More than half our Vice Presidents in the nineteenth century were actually *older* than their Presidents. William R. King, when selected as Vice President with Franklin Pierce, was known to have an incurable disease and died six weeks after inauguration. Nor was King the only Vice President to die in office. Apart from their families, few cared or even noticed. The vice presidency was nothing. "It is not a stepping stone to anything except oblivion," said Theodore Roosevelt when Boss Platt conned him into accepting the vice presidential nomination in 1900. "I fear my bolt is shot." For thirty-eight years—almost a quarter of the time that has passed since the ratification of the Twelfth Amendment—the republic has been without any Vice President at all. No catastrophe has resulted.

T.R. described the vice presidency as "an utterly anomalous office (one which I think ought to be abolished)." He was plainly right. But what would the alternative mode of succession be? Here it would seem appropriate to return to the principle of the Founding Fathers. That principle was accurately stated by the constitutional historian Lucius Wilmerding, Jr., in a letter to Walter Lippmann in 1946: "A man who has not been voted on for the Presidency [as, of course, Vice Presidents were till the ratification of the Twelfth Amendment] ought not to hold the office for longer than it takes to choose a new President."

The Constitutional Convention, having agreed on the idea of a vice presidency, decided to empower Congress to designate the next in line of succession in the event that the elected President and Vice President were no longer available. The first proposal was that the successor designated by Congress should act as President "until the time of electing a President shall arrive." Madison promptly observed that "this, as worded, would prevent a supply of the vacancy by an intermediate election of the President" and offered the language now in the Constitution—that the designated officer "shall then act as President . . . until the Disability be removed, or *a President shall be elected*" (my emphasis). The new wording was plainly intended to authorize special presidential elections in the event of a double vacancy—a double vacancy because, according to the original theory of the electoral process, the Vice President had also been voted on for the presidency.

Madison's idea of an "intermediate election" was quickly enacted into law. In 1792 the Second Congress, containing men who had served in the Constitutional Convention five years before and were therefore well versed in the intentions of the Founding Fathers, passed the first Presidential Succession Act. This act provided that, in the case of a double vacancy, the president *pro tempore* of the Senate would become Acting President "until a President be elected" and that a special election would be called to elect a new President unless the vacancy occurred in the last months of the presidential term.

Then came the Twelfth Amendment and the decline in vice presidential quality. By retaining the vice presidency, as Wilmerding pointed out in a trenchant piece in this magazine in May, 1947, the amendment achieved precisely what it was designed to prevent—that is, it made it possible for persons who had not been voted on for the presidency to become President. After 1804 Vice Presidents were not men chosen by the electors for the presidency except in a highly metaphysical sense. But the retention of the office and the ambiguity of the Constitution enabled Vice Presidents to make themselves President.

The Founding Fathers, so far as we can tell, assumed that if a President died, the Vice President would inherit the powers and duties of the President but not the office itself; he would only be Acting President.

The constitutional language was a cryptic condensation by the drafting committee of two resolutions adopted by the Convention. One had said, "The Vice President shall exercise those powers and duties [of the President] *until another be chosen* or until the inability of the President be removed" (my emphasis). The other spoke of the authority of the Vice President to "perform the duties of the office of the President"; it did not say that he would hold that office. The Constitution, in a rare lapse from precision, now said that, if the President could not "discharge the Powers and Duties" of his office, "the same shall devolve on the Vice President." Did "same" mean powers and duties or the office as well? E. S. Corwin, the great constitutional scholar, judged it "clearly the expectation of the Framers that [if there was a vacancy in the presidency] the Vice-President should remain Vice-President, a stopgap, a locum tenens, whatever the occasion of his succession, and should become President only if and when he was elected as such." The Twelfth Amendment said specifically that if a presidential choice went to the House and could not be completed before inauguration day, "the Vice-President shall *act* as President, *as in the case of the death or other constitutional disability of the President*" (my emphasis). This reaffirmed the assumption that a Vice President could only become Acting President.

Then, in 1841, William Henry Harrison died a month after his inauguration. Now there was brought to test, as John Quincy Adams noted, "that provision of the Constitution which places in the Executive chair a man never thought of for that place by anybody." Vice President John Tyler in effect staged a constitutional coup by successfully insisting—"in direct violation," Adams said, "both of the grammar and context of the Constitution"—that, when a Vice President took over the powers and duties of the presidential office, he took over the office too and became not Acting President but President in his own right—a view that finally received constitutional blessing in the Twenty-fifth Amendment.

The United States lived under the Succession Act of 1792 for ninety-four years. Since a double vacancy never occurred, however, the intermediate-election feature, evidently intended by the Founding Fathers as a routine part of the process, never came into play. In 1881 the shooting and lingering death of Garfield renewed public interest in the problem of succession. Four years later, with the Republicans in control of the Senate, Grover Cleveland's Vice President died in the first year of the administration. This meant under the 1792 law that the Republican president *pro tempore* of the Senate would take over if anything happened to Cleveland. There had also been occasions when the country had been not only without a Vice President but without a President *pro tem* of the Senate and a Speaker of the House as well; in which case, had anything happened to the President, the presidency would have been in limbo.

The cry for reform produced the Presidential Succession Act of 1886. The new law put the line of descent through the Cabinet, thereby making succession automatic and preventing the mechanics of succession from transferring the presidency from one party to the other without an election. The 1886 law did not, however, eliminate the idea of intermediate elections. It provided that the Cabinet successor should "act as President until the disability of the President or Vice-President is removed, or *a President shall be elected*" (my emphasis). It was "the powers and duties of the office of President," and apparently not the office itself, that devolved upon the Cabinet successor, and "it shall be the duty of the person upon whom said powers and duties shall devolve" to convene Congress within twenty days, presumably in order to provide for a special election.

The republic operated under this law for another sixty years. Again no occasion arose to call the provision for intermediate elections into play. Then in 1945 Harry S. Truman, abruptly translated to the presidency, faced the prospect of serving the balance of Roosevelt's term—nearly four years—without a Vice President. The law of 1886 put the Secretary of State next in line. But Truman thought it undemocratic for a President to have the power to name his successor—a scruple discarded by Congress twenty-six years later when it acquiesced in Mr. Nixon's interpretation of the Twenty-fifth Amendment as making a Vice President chosen in case of a vacancy not a choice shared with Congress but a presidential appointment subject to congressional confirmation. This ill-considered amendment contains further prizes. If Mr. Nixon should be removed, then Mr. Ford, who was not elected by the people to the office, would appoint his own successor. "For the first time in the history of this great Nation," Senator Pastore has observed with pardonable senatorial grandiloquence, "the President and Vice President will both be appointed—not elected by the people . . . the Nation will no longer be democratically governed."

Truman thought that the Vice President should always be what he called an "elective officer." So he proposed a reversion to the principle of the Succession Act of 1792, though with the Speaker of the House first in the batting order and the president *pro tem* of the Senate second. There were objections to this scheme. The Speaker of the House, for example, does not even have to be a member of the House and therefore may not be an elective officer.

If he is, his speakership is partly the result of seniority, which means long tenure in a safe and therefore unrepresentative district. James F. Byrnes and George C. Marshall, Truman's second and third Secretaries of State, were far more national figures and far better equipped for the presidency than Joseph Martin of Massachusetts, who, as Speaker of the House, was heir apparent under the Truman reform when it was enacted two years later.

Truman, however, saw this succession scheme as provisional. Reaffirming the conviction of the Founding Fathers, he said, "No matter who succeeds to the Presidency after the death of the elected President and Vice President, it is my opinion he should not serve longer than until the next congressional election or until a special election called . . . to fill the unexpired term of the deceased President." As Walter Lippmann put it in 1946, the Founding Fathers "thought the country should never for more than a few months have a President who had not been elected. They did not believe, as we now assume, that there could never be a Presidential election except once every four years." If the country was without an elected President, it should proceed as expeditiously as possible to elect a new one. There was nothing sacrosanct about the four-year election system.

Truman's proposal that the intermediate election fill the unexpired term has latterly given some trouble to constitutional scholars who read the language on the presidency in Article II. Section 1, of the Constitution—"He shall hold his Office during the Term of four years"—as guaranteeing every new President four years in the White House. The Succession Acts of 1792 and 1886, both providing for intermediate elections, were both mute on how long intermediately elected Presidents were to serve. But it is far from self-evident that the Constitution forbids elections to fill unexpired terms. We have such elections every day for senators and representatives, though they, no less than Presidents, serve for terms specified in the Constitution. The House Judiciary Committee, under the chairmanship of that rugged old Texan strict constructionist Hatton W. Sumners, went into this question at length in 1945 and saw no constitutional problem in the case of the presidency.

The Constitution, the House Judiciary, Committee said, "does not provide that the term of each incumbent shall be 4 years, but that the President shall hold his office 'during the term of 4 years.' This language appears to have reference to a fixed quadrennial term, permitting the filling of an unexpired portion thereof by elections. The tradition of special elections for unexpired terms of other officers also supports the provision." "During" often means "in the time of"; it does not necessarily mean "throughout the entire course of." Had the Constitution said "*for* a Term of four years," this would assure a four-year term to every new President. But the Constitution does not say this.

And if John Tyler was correct in saying that a Vice President became President, not just Acting President, and if it is correct to construe the Constitution as assuring every President a four-year term, then this reading must surely apply to Presidents who gain the office by inheritance quite as much as to those who gain it by election. This would mean that when a President dies, the Vice President who succeeds him is entitled to a four-year term of his own. Ben Butler made this point during the impeachment trial of Andrew Johnson. "Whose presidential term is the respondent now serving out?" he asked. "His own or Mr. Lincoln's? If his own, he is entitled to four years up to the anniversary of the murder, because each presidential term is four years by the Constitution." But no one has argued, not even John Tyler, that a Vice President has any right to do more than serve out his President's unexpired term. Why, if there is no Vice President, should a specially elected "constitutional substitute" be in a different legal position?

The House unfortunately deleted the provision for special elections before passing the bill in 1945, and the Senate took no action. In 1947 Congress fell under Republican control. The Republican leadership, seizing its opportunity, decided to make Joe Martin Truman's absolute and not provisional successor and confirmed the deletion of intermediate elections from the bill. The law as finally enacted therefore departed from Truman's original purpose, though he signed it in order to shift the line of succession back to elective officers.

The deletion of intermediate elections was a bad mistake. It is not beyond repair. The thing to do is to adopt a constitutional amendment abolishing the vice presidency, an office that has become both more superfluous and more mischievous than Hamilton could have imagined when he wrote the 68th Federalist, and provide for the succession in the spirit of Founding Fathers through a congressional statute restoring the principle of special elections. This principle, announced by Madison in the Constitutional Convention, authorized by the Constitution, applied by the Second Congress in 1792 to the prospect of a double vacancy, reaffirmed in this context by the Forty-eighth Congress in 1886, reaffirmed again by Truman in 1945 (and actually again by Eisenhower in 1965), would, if the vice presidency were abolished, work fully as well for a single vacancy. More than this: it would repair the fatal error of the Twelfth Amendment and make it certain that the republic would never have to suffer, except for a limited period, a chief executive who, in the words of J. Q. Adams, was never thought of for that office by anybody.

It may be objected that special elections in a time of national disarray—as, for example, a presidential assassination or a successful impeachment—might only deepen popular confusions. This could happen. But the special election would necessarily be held after an interval, and it might equally help the country to resolve its confusions and recover its nerve. At the very least it would result in placing in the White House a man chosen by the people to be President.

It would take three or four months to hold a special election. In the meantime the show must go on. If the vice presidency were abolished, who would serve as Acting President?

One proposal is to make the Speaker of the House Acting President for thirty days while Congress chooses a President to fill out the remainder of the term. This proposal has the disadvantage, given the number of times in recent years that one party has controlled the legislative branch and the other the executive, or risking an unvoted change in party control of the White House and in the direction of government—a change that might itself be quickly reversed in the special election, thereby compounding the confusion in Washington. The confusion would be even greater in the event of temporary presidential disability, in which case the presidency might shuttle back and forth between the two parties in a period of a few months.

The argument is overriding, it seems to me, for keeping the Acting President within the executive branch for the few weeks before the people have a chance to speak. A convenient way would be simply to make the Secretary of State, if qualified, the first successor. If the Secretary of State is foreign-born or under thirty-five or has some other disqualifying eccentricity, then the Secretary of the Treasury could be the automatic successor, and so on down the 1886–1947 line of succession. But this first succession would be momentary until an Acting President is selected to run things during the, say, ninety days to the special election. This Acting President, in order to assure continuity of policy until the people speak, should come from the Cabinet. Congress might select an Acting President from the Cabinet—a device that would preserve continuity, spread responsibility, afford a choice of sorts, and perhaps stimulate Presidents to choose better Cabinets.

Or the Acting President might be selected by the Cabinet itself using the corporate authority already bestowed on it to some degree by the Twenty-fifth Amendment, which gives a majority of the Cabinet, plus the Vice President, power to declare the President *non compos mentis*. However chosen, the Acting President would be declared ineligible as a candidate in the special election, this in order to avoid the advantage created by the inevitable rush of sympathy to the new person in the White House.

Then, as soon as possible, let the people make their choice. If the President vanishes in his last year in office, it would be simpler to let the Acting President serve out the term and await the next regular election. If it be said that three or four months is not time enough to prepare an election, the answer is that this is only an election to fill out a term and thus does not require the elaborate preliminaries of the quadrennial orgy. Let the national committees, which have become increasingly representative bodies under the new party rules, canvass opinion and make the nominations. Short campaigns, federally financed, would be a blessing, infinitely appreciated by the electorate. Perhaps short intermediate elections might have a salutary impact on the quadrennial elections, which in recent years have stretched out to intolerable length.

In doing this, we would not be departing from the spirit of the Founding Fathers: quite the contrary. "We have only to operate the Constitution as the men who wrote it thought it should operate," Walter Lippmann wrote a quarter of a century ago on the question of intermediate elections. "If we are the prisoners of a rigid system to-day, the fault lies not in the Constitution but in our own habits which have only rather recently become so hard and so fixed."

THE JENNINGS RANDOLPH BRIDGE

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. GUDE. Mr. Speaker, Senator JENNINGS RANDOLPH has long demonstrated both a concern for America's youth and a concern for the preservation and restoration of America's historical landmarks. Both these concerns have now been appropriately marked at Harpers Ferry, W. Va., by the reconstruction of an historic bridge which crossed the old Potomack Canal, an early effort at canal building by the company formed by George Washington whose drive and interest later inspired the construction of the more successful C. & O. Canal.

The new bridge was built by the National Park Service using labor from the Harpers Ferry Job Corps and the Youth Conservation Corps. Great care was taken to make sure this was an authentic reproduction.

Then, early last month, the bridge was named to honor Senator RANDOLPH, who sponsored the original legislation that led to the creation of the Harpers Ferry National Historic Park. Senator RANDOLPH spent some time hanging around the town's old general store in the clothes of a postmaster of the 1860's.

I would like to share with my colleagues Senator RANDOLPH's remarks at the dedication of the bridge—another milestone in the restoration of historic Harpers Ferry and a valuable training experience for nearly 60 young masons and carpenters:

REMARKS BY SENATOR RANDOLPH

Last fall I visited the ancient city of Istanbul on government business. While there, I had the opportunity to cross the huge new suspension bridge over the Bosporus. Now in being is the fulfillment of a centuries-old dream to physically connect continents of Europe and Asia at this point.

The bridge is an imposing span performing an important function and ending reliance on crowded ferries. Crossing that bridge was an impressive and awe inspiring experience. Setting foot on this less grandiose bridge in Harpers Ferry, West Virginia, is, however, a far more moving experience for me.

I share with many here a great love for our State, and I have a particular affection for Harpers Ferry and for the people who live and work here.

This ambitious bridge construction project required six months of labor by the Job Corps. Two crews of 15 boys received valuable training in masonry in building the bridge pier. They were followed by two more similar crews who used their carpentry skills to build the bridge structure itself.

Throughout the eight years since it was established, the Harpers Ferry Job Corps center has been deeply involved in the restoration of the town. The 1,800 young men who have been enrolled at the center have truly left their mark here in the rebuilding of many buildings. I believe it is a tribute both to them and to the training they receive that almost all of those seeking employment have been employed in the trade for which they prepared.

The National Park Service also is due commendation for its sponsorship of the Job Corps center.

I have watched as Harpers Ferry was developed by the National Park Service as an attraction for visitors to our State. We have made much progress in the three decades since I introduced legislation in the House of Representatives to make Harpers Ferry a national park. The job is not finished, though, but this bridge is another step in the full restoration of this unique town.

This point where the Shenandoah meets the Potomac is truly a special place in all our hearts. I doubt if anyone who has visited here would dispute the observation of Thomas Jefferson that the view from the hill above us is worth a trip across the Atlantic.

Like many people, bridges have always held a fascination for me. As a young boy I remember fishing from an old swinging bridge that spanned a stream near my home in Harrison County. I spent many a happy hour on that bridge engaged in a contest of wits with the crafty catfish that lurked in the waters below.

Inscribed over a gate in India is this saying:

"The world is merely a bridge; ye are to pass over it, and not to build your dwelling upon it."

Bridges have been important throughout the history of mankind. They facilitated the exploration of unknown lands. They permitted communities and countries to grow and prosper. They inspired the mind of man to marvelous feats of engineering. Bridges have been both famous and obscure. London Bridge became so famous through a nursery rhyme that no one had the heart to dispose of it when it could no longer carry modern traffic. Today it crosses a stream in Arizona, there for all to see and enjoy.

In a mountainous terrain such as we have in West Virginia, bridges are obviously important. They exist in profusion and in variety throughout our State. The old covered bridge at Philippi is an outstanding example of that type structure. At Wheeling the venerable suspension bridge built in the last century spans the Ohio River with great authority.

Since bridges are too important to our daily lives, it is perhapes inevitable that on rare occasions they are associated with tragedy. Such was the case on December 15, 1967, when the Silver Bridge fell into the Ohio River at Point Pleasant. Forty-six people died in this disaster that shocked all America. People everywhere began taking a new look at bridges. Of the 563,000 bridges in this country approximately 90,000 of them are deficient. To replace them would cost in the neighborhood of $15 billion.

In a sense, the building of the successor to the Silver Bridge was the first step in what must be a continuing effort to assure that bridges are safe everywhere. The resources of the State or the Federal governments were marshalled in an unprecedented way to build the Silver Bridge in only two years. This was a remarkable feat, undertaken with the personal support of President Johnson, that cut more than one year off the normal construction time. Under legislation I sponsored, the Federal government is now engaged in an extensive program of bridge replacement.

The vast majority of bridges are accepted rather routinely. We use them regularly and they are vital to our way of life. Bridges such as that we dedicate today, however, are essential to the spirit of man. It has a utilitarian purpose, enabling us to cross to Virginius Island. But that purpose is entwined with the relaxation and the pleasure we enjoy in this beautiful place. For this reason, I am deeply gratified for the honor you do me today.

All of you here this morning are so very kind to share this memorable honor with me on such a cold and crisp day. I would like to end my remarks by reading a poem to you titled "The Builder" by Will Allen Dromgoole.

An old man traveling a lone highway
Came at evening, cold and gray,
To a chasm, vast and deep and wide;
The old man paused in the twilight dim,
The sullen stream had no fear for him;
But he turned when on the other side
And built a bridge to span the tide.

"Old man," said a fellow pilgrim near,
"You are wasting your time in building here;
Your journey will end with the passing day,
You never again will pass this way.
You have crossed the chasm deep and wide,
Why build this bridge at eventide?"

Then the builder lifted his old gray head,
"Good friend, in the path I have come," he said,
"There follows after me today a youth
Whose feet must pass this way.
This chasm has been nought to me,
To that fair-haired youth may a pitfall be.
He, too, must pass in the twilight dim;
Good friend, I am building this bridge for him."

PROPER CONCERN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. DERWINSKI. Mr. Speaker, as the Watergate impeachment debate increasingly intensifies, I direct the attention of the Members to an editorial in the Press Publications, serving west Cook and Dupage Counties, Ill., which raises a very interesting point concerning the need for fairness toward the President in the running press coverage.

The editorial follows:

PROPER CONCERN

The wife of a California newspaperman, with her husband's interested assistance, tested local grass roots opinion by circulating a petition. It received a friendly reception and ready signature from impressive numbers of people to whom it was presented.

The petition, in a ". . . spirit of Fair Play and concern of the nation to keep a clean house in our governmental process . . ." requests that an investigation be made of every Senator and Congressman, their deputies, aides and appointees, beginning with the present Senate Watergate Committee to determine if they have anything in their background which would make them unfit to serve.

The investigation would include a look into their income taxes, campaign contributions, medical and psychiatric background, bribery, felonies, and ". . . all other acts of moral turpitude and chicanery." Signed petitions, or copies of them, were sent to members of Congress including those on the Watergate investigation committee.

It is not likely that much will come of this, and it was not intended that much should. The purpose of the petition was to indicate that many people in the United States are concerned that no one in this country, including the President of the U.S., should be the victim of a lynch mob, a hanging judge or biased jury.

Scandal and catastrophe make a better news story than anything else, and Watergate has been a gold mine of this kind of event. But still, many of the American people are concerned that the fitness of their President not be determined solely by major news media and political investigation.

PEACE WITH HONOR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. RANGEL. Mr. Speaker, peace with honor is an empty phrase highly regarded by the Nixon administration as the achievement of the decade. But today, over 1 year since the peace agreement was signed in Vietnam "peace with honor" has cost over 50,000 Vietnamese deaths fighting and left almost 1 million homeless. Violations of the cease-fire agreements have been numerous on both sides and so the fighting continues with almost $1 billion of American money being spent on South Vietnam.

Recently a WCBS–TV editorial spoke on this subject. For full understanding I have inserted it for the information of my colleagues. I hope you will take the time to read this short but effective editorial. It follows:

PEACE WITH HONOR

(WCBS–TV Editorial)

A year ago we hoped we wouldn't be doing any more editorials about the war in Vietnam. We hoped that the Paris peace agreements that had just been signed meant that the war would end. But according to a Senate subcommittee report, during the last year over 50,000 Vietnamese have been killed in fighting and over 800,000 have become homeless. And while it is true that Americans are not fighting and dying in Vietnam anymore, this country is still very much involved.

During the last fiscal year American military aid to Saigon was budgeted at over $800 million and the actual costs were probably much higher. Now the Pentagon is asking for more money for South Vietnam and says that without it Saigon's military operations will have to be "sharply curtailed" next month.

But the issue, we think, is not how many military raids the South Vietnamese should be able to mount. The bigger issue involved is whether this country would be prolonging the bloodshed in South Vietnam by continually expanding military aid to Saigon. We agree with Sen. Edward Kennedy, Dem. of Massachusetts, and Sen. James Pearson, Rep. of Kansas, who oppose an increase in military aid to South Vietnam. By expanding the aid, the U.S. may encourage President Thieu to prolong the fighting, and resist indefinitely any political settlement with the Vietcong.

Last week, the Vietcong proposed a six-point plan for elections under terms agreed to in the Paris peace agreements. So far, President Thieu has rejected the proposal. And so the war goes on with both sides violating the cease-fire agreements.

In our opinion, America should step up diplomatic efforts to persuade both sides to reach a political settlement, and end the fighting in South Vietnam. And as part of that effort, we believe, President Thieu should be put on notice that he has no blank check for continuing military support from the United States, and that aid from us will be conditioned on Saigon's efforts to reach a political settlement with its foes.

JOHN F. GRINER

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, the death of John F. Griner, president emeritus of the American Federation of Government Employees, is a loss that saddens the heart of every government employee and member of Congress who worked with and enjoyed the company of this self-made American.

John Griner proved that a labor leader can serve his members without resorting to work-stoppages or strikes. To those of us in Congress who have the responsibility of securing equity for civil servants, John Griner was a welcome cohort. He came to my office often and he came with gentle persuasion, reasonableness and with a total sense of responsibility, not only to his own constituency, but, as well, to his Nation and the government that serves it.

He was a professional in the art of the possible. With that art he built his union to a membership of 300,000, almost quadruple its size when he became president of the AFGE. He learned about America from the land, first as a farm boy and then as a railroader as he helped move the men, the goods and the machinery across America. Just as he moved his dreams to distant horizons. He served on the Railroad Retirement Board for 26 years and during those years he studied for and obtained in 1940 an LLB Degree from Columbia University.

In 1962 he became national president of the AFGE, a job he relished, I believe, Mr. Speaker, because he could watch it grow, knowing as he did from his days as a farm boy, that there is a time to plant and a time to harvest.

He expected no miracles for his union member, knowing that there is a season for all things. And for him there was, in the form of increased pay, job protection and other benefits for those he represented.

Each man in public life, Mr. Speaker, seeks his own monument of accomplishment. It is sought out of abiding faith and conviction that what he does is worthwhile for his fellow man and in fullfillment of his duty as a public servant.

The finest corps of civil servants in the world; the best paid; best protected and most free is the monument John Griner left in memory of his life and labors. While it may not shine with the lamplit clarity of an obelisk or a marble statue on the perimeter of this Capital, it glows in the hearts of those of us who knew John Griner as a man and a labor leader, as it does in the hearts of those he served so well.

PRICE AND WAGE CONTROLS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. CRANE. Mr. Speaker, I should like to call to the attention of our colleagues a small booklet entitled A Brief Survey of Price and Wage Controls From 2800 B.C. to A.D. 1952, published by the Heritage Foundation, 415 Second Street NE., Washington, D.C. The author is Robert Schuettinger, who has taught political science at the Catholic University of America, the New School for Social Research and St. Andrews University in Scotland; he will be a visiting lecturer in political science next semester at Yale University.

The conclusion of Mr. Schuettinger's study is that wage-and-price controls have been tried in many countries over the past 5,000 years and in every case the results, at the minimum, have been different from what the planners intended. Usually, in fact, they have ended in complete failure and have had to be repealed. I believe there are very obvious lessons in this study for us today. I should like to submit for the RECORD at this time his interesting chapter on the fact of economic controls in the early years of our country:

THE EARLY AMERICANS

The early New England colonists were convinced that government ought to extend its powers into the regulation of all aspects of society, from the religious to the political to the economic. "This was a defect of the age," the economic historian William Weeden tells us (though hardly a defect unique to seventeenth century Massachusetts) "but the Puritan legislator fondly believed that, once freed from the malignant influence of the ungodly, that once based upon the Bible; he could legislate prosperity and well-being for every one, rich or poor." [1]

In 1630 the General Court made a fruitless attempt to fix wage rates. Carpenters, joiners, bricklayers, lawyers and thatchers were to receive no more than two shillings a day. A fine of ten shillings was to be levied against anyone who paid or received more.[2] In addition, "no commodity should be sold at above four pence in the shilling [33%] more than it cost for ready money in England; oil, wine, etc., and cheese, in regard to the hazard of bringing, etc., (excepted)." [3]

Weeden comments drily that "These regulations lasted about six months and were repealed." [4]

There was an attempt at about the same time to regulate trade with the Indians . . . with the same result. The price of beaverskins (an important article of trade at the time) was set at no more than 6 shillings a skin with a "fair" profit of 30% plus cost of transportation. A shortage of corn, however, drove the price of that commodity up to 10 shillings "the strike," and sales of this dwindling supply to the Indians were prohibited. Under this pressure, beaver advanced to 10 shillings and 20 shillings per pound; "no corn, no beaver," said the native. The Court was obliged to remove the fixed rate, and the price ruled at 20 shillings." [5]

The offshoot of the Massachusetts Bay Colony in Connecticut experienced the same artificial efforts to control prices and to divert trade from its natural courses. One nineteenth century historian has briefly summed up these attempts. "The New Haven colony," he wrote, "was made notorious by its minute inquisition into the details of buying and selling, of eating and dressing and of domestic difficulties. Then the people were mostly of one mind about the wisdom of such meddling, the community was small and homogeneous in population and religious sentiments. If such legislative interference could have been beneficent, here was a favorable opportunity. It failed utterly. The people were wise enough to see that it was a failure." [6]

The effects of controls on prices and wages were by no means confined to the English-speaking colonies in North America. In the territory that is now the State of Illinois, French settlers were faced with similar harassments from a far away government. In a history of that part of French North America, Clarence Alvord notes: "The imposition of minute regulations issued from Versailles had been a burden upon the beaver trade. Fixed prices for beavers of every quality, that had to be bought, whatever the quantity, by the farmers at the Canadian ports, had made impossible a free development and had reduced the farmers one after another to the verge of bankruptcy . . . an order was issued on May 26, 1696, recalling all traders and prohibiting them from going thereafter into the wilderness . . . [though] complete enforcement of the decree was impossible." [7]

The sporadic attempts during the seventeenth and early eighteenth centuries to control the economic life of the American colonies increased in frequency with the approach of the War of Independence.

One of the first actions of the Continental Congress in 1775 was to authorize the printing of paper money . . . the famous "Continentals." Pelatiah Webster, who was America's first economist, argued very cogently in a pamphlet published in 1776 that the new Continental currency would rapidly decline in value unless the issuance of paper notes was curbed. His advice went unheeded and, with more and more paper in circulation, consumers naturally began to bid up prices for a stock of goods that did not increase as fast as the money supply. By November, 1777, commodity prices had risen 480% above the pre-war average.[8]

The Congress, however, at least when addressing the public, professed not to believe that their paper money was close to valueless but that prices had risen mainly because of unpatriotic speculators who were enemies of the government. "The real causes of advancing prices," one historian notes, "were as completely overlooked by that body as they were by Lysias when prosecuting the corn-factors of Greece. As the Greek orator wholly attributed the dearness of corn to a combination among the factors, so did Congress ascribe the enormous advance in the price of things to the action of those having commodities for sale." [9]

On November 19, 1776, the General Assembly of Connecticut felt impelled to pass a series of regulations providing for maximum prices for many of the necessaries of life. It also declared that "all other necessary articles not enumerated be in reasonable accustomed proportion to the above mentioned articles." [10] Another similar act was passed in May, 1777. By August 13, 1777, however, the unforeseen results of these acts became clear to the legislators and on that date both acts were repealed.[11]

In February 1978, however, the pro-regulation forces were again in the ascendancy and Connecticut adopted a new tariff of wages and prices. Retail prices were not to exceed wholesale prices by more than 25% plus the cost of transportation.[12] In a few months it became evident once again that these controls would work no better than the former attempts and in June 1778, the Governor of Connecticut wrote to the President of the Continental Congress that these laws too, "had been ineffectual." [13]

The Connecticut experience, of course, was by no means unique. Massachusetts, among other states, went through almost exactly the same on-again, off-again syndrome with its own version of wage and price controls. In January 1777, a law was passed imposing "maximum prices for almost all the ordinary necessaries of life: food, fuel and wearing apparel, as well as for day labor . . . so far as its immediate aim was concerned," an historian concludes, "the measure was a failure." [14] In June 1777, a second law was passed (a Phase II), on the ground that the prices fixed by the first law were "not adequate to the expense which will hereafter probably be incurred in procuring such articles." [15] A few months later, in September, the General Court of Massachusetts, convinced that the price-fixing measures "have been very far from answering the salutary purposes for which they were intended" completely repealed both laws.[16]

In Pennsylvania, where the main force of Washington's army was quartered in 1777, the situation was even worse. The legislature of that commonwealth decided to try a period of price control limited to those commodities needed for the use of the army. The theory was that this policy would reduce the expense of supplying the army and lighten the burden of the war upon the population. The result might have been anticipated by those with some knowledge of the trials and tribulations of other states. The prices of uncontrolled goods, mostly imported, rose to record heights. Most farmers kept back their produce refusing to sell at what they regarded as an unfair price. Some who had large families to take care of even secretly sold their food to the British who paid in gold.

After the disastrous winter at Valley Forge when Washington's army nearly starved to death (thanks largely to these well-intentioned but misdirected laws), the ill-fated experiment in price controls was finally ended. The Continental Congress on June 4, 1778, adopted the following resolution:

"Whereas . . . it hath been found by experience that limitations upon the prices of commodities are not only ineffectual for the purposes proposed, but likewise productive of very evil consequences to the great detriment of the public service and grievous oppression of individuals . . . resolved, that it be recommended to the several states to repeal or suspend all laws or resolutions within the said states respectively limiting, regulating, or restraining the Price of any Article, Manufacture or Commodity." [17]

One historian of the period tells us that after this date commissary agents were instructed "to give the current price . . . let it be what it may, rather than that the army should suffer, which you have to supply and the intended expedition be retarded for want of it." By the Fall of 1778 the army was fairly well-provided for as a direct result of this change in policy. The same historian goes on to say that "the flexibility in offering prices and successful purchasing in the country in 1778 procured needed winter supplies wanting in the previous year." [18]

Footnotes at end of article.

The American economist, Pelatiah Webster, writing toward the end of the War of Independence in January, 1780, evaluated in a few succinct words the sporadic record of price and wage controls in the new United States. "As experiment is the surest proof of the natural effects of all speculations of this kind," he wrote, ". . . it is strange, it is marvelous to me, that any person of common discernment, who has been acquainted with all the above-mentioned trials and effects, should entertain any idea of the expediency of trying any such methods again . . . Trade, if let alone, will ever make its own way best, and like an irresistible river, will ever run safest, do least mischief and do most good, suffered to run without obstruction in its own natural channel."[19]

FOOTNOTES

[1] Weeden, William, *Economic and Social History of New England,* 1620–1789, New York, 1890, vol. 1, p. 99.

[2] *Ibid.*

[3] Winthrop, John, *The History of New England from 1630–1649,* Boston, 1825, vol. 1, p. 116.

[4] Weeden, *loc. cit.*

[5] *Ibid.*, p. 98.

[6] Connecticut, Bureau of Labor Statistics, *Third Annual Report for the Year Ending November 30, 1887,* Hartford, 1887, p. 225.

[7] Alvord, Clarence, *The Illinois Country, 1673–1818,* Springfield, Ill., 1920, pp. 106–08.

[8] Bezanson, Anne, *Prices and Inflation During the American Revolution,* Philadelphia, 1951, p. 35.

[9] Bolles, Albert, *The Financial History of the United States,* New York, 1884, vol. 1, p. 160.

[10] *Connecticut, Public Records of the State,* Hartford, 1894–1922, vol. 1, p. 62.

[11] *Ibid.*, p. 366.

[12] Sumner, William Graham, *The Financier and the Finances of the American Revolution,* New York, 1891, vol. 1, p. 65.

[13] *Ibid.*, p. 66.

[14] Harlow, Ralph, *Economic Conditions in Massachusetts During the American Revolution,* Cambridge, Mass., 1918, p. 167.

[15] *Ibid.*

[16] *Ibid.*

[17] *Journals of the Continental Congress,* New York, 1908, vol. 21, p. 569.

[18] Bezanson, *op, cit.*, p. 86.

[19] Webster, Pelatiah, *Political Essays,* Philadelphia, 1791, pp. 65–66.

IMPEACHMENT POLL DRAWS HEAVY RESPONSE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. GAYDOS. Mr. Speaker, during the past year, numerous individuals and private groups have taken polls or surveys in an effort to determine public opinion on the highly controversial and delicate question of the possible impeachment of the President.

In an effort to compare the feelings of residents within the 20th Congressional District of Pennsylvania with those expressed elsewhere in the Nation, I recenty conducted my own poll. The results have just been tabulated and I was most impressed with the response.

Nearly 60,000 answers were received and many of them were accompanied by a note or letter expanding on the individual's views. Generally speaking, it appears the results are in line with other surveys.

In counting the 59,517 responses, my staff found 19,216, 32 percent, felt the President should continue in office; 15,607, 26 percent, felt he should resign; and 24,694, 42 percent felt he should be impeached.

However, I feel it imperative that it be pointed out that many of the responses were couched in terms which made it unmistakably clear that the residents of the 20th District are aware of the legal procedures which must be followed in this matter. The one overriding message contained in the accompanying comments was that the individual's opinion was based on the knowledge that no legal evidence has yet been presented to the proper authorities who must decide this question. They urged me to base my decision on this question on the evidence presented; not public opinion polls based on news media reports. I have given them my assurance this will be the case.

Mr. Speaker, I am proud of the people I represent in the House. They do want to be a part of their Government. They are willing to share their opinions with their elected officials. They do so, without hesitation, but they also have shown they form those opinions, to a great extent, on sound reasoning and not on unfounded speculation.

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150 YEARS OF SERVICE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. WALSH. Mr. Speaker, any observance of longevity is noteworthy, but it is especially significant when the celebration marks a milestone in continuous religious service to a community.

I am proud to represent in Congress the village of Marcellus, N.Y., where 150 years ago this year was founded St. John's Episcopal Church.

The first meeting of the congregation, in 1824, was held at the site of the first schoolhouse in what was then a tiny village. The first pastor was Rev. Augustus L. Converse. In 1881, St. John's erected the church which has since been the congregation's permanent home, at Orange and Maple Streets.

For the past several months, under the leadership of the present rector of St. John's, my longtime friend, Rev. M. Dennis Lee, and an outstanding citizen's committee, the congregation has been observing their sesquicentennial with a series of special events which culminate on May 4 and May 5.

On May 4, a national recognition dinner will be held, and sesquicentennial services are to be conducted at the church the following morning. The Right Reverend John E. Hines, presiding bishop of the Episcopal Church of the United States, and the Right Reverend Ned Cole, Jr., bishop of the Episcopal Diocese of Central New York, will join with Reverend Lee in offering blessings for St. Johns.

The history of St. John's Episcopal Church has been an inspirational one to people of all faiths, not only in Marcellus but throughout central New York, and I am proud to call their sesquicentennial observance to the attention of my esteemed colleagues.

KICKING THE CORPORATIONS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. MICHEL. Mr. Speaker, I yield to no one in this Congress in the extent of my commitment and support for the private enterprise system which has given our country the highest standard of living in the history of the world. That does not mean, however, that there are not times when I get a little annoyed with the poor judgment which is exhibited from time to time by our friends in the private sector.

In that regard, I noted an editorial in current issue of the Farm Journal entitled "Kicking the Corporations" which makes the point that some of the fire that the corporations have drawn, they have brought on themselves. The editorial winds up with a series of suggestions from the editors of the Farm Journal and I commend its message to my colleagues. I insert the text of the editorial in the Record at this point:

Kicking the Corporations

Everybody—manufacturers, labor unions, retailers and the government—gets blamed when inflation rages as it does today.

But "the big corporations" have drawn extra fire this winter—some of which they brought on themselves. The oil companies set some kind of a record for poor judgment when they were quoted as boasting of 25% to 50% increases in earnings the very month they raised gas and fuel oil prices 5¢ to 15¢ a gallon.

A concerted attack against corporations has been building for some time. Some farm groups are so angry with the grain exporting companies that they want the government to handle all our overseas sales. The financial difficulties of Penn Central and other railroads have left some people believing that private enterprise no longer can handle big basic industries.

Irving Kristol, a political scientist at New York University, writes: "When hostility to big business goes beyond a certain limit, there seems no alternative to some form of nationalization." And sure enough, Sen. Adlai Stevenson (D., Ill.) has proposed setting up a half-billion-dollar federal corporation to bring "more competition into the oil business."

Corporations usually can defend themselves. But this winter they have been either silent or ineffective—possibly because they feel trapped between the devil and the deep.

Right now they need enormous amounts of capital to build new plants and catch up with demand. So they raise their prices and try to earn more. If they succeed, they want to brag about their earnings to prospective investors, who are scattered out there among the very people seething about the higher prices.

As with everyone else, their problem is inflation. *Forbes Magazine* reports that if you correct 1973 interest and dividends for the inflation we suffered, on the average every major type of investment lost money last year. Corporations try to retain enough earnings to pay at least part of the cost of new plants. But the *Wall Street Journal* reports that when you correct for inflation, retained earnings in 1973 were only about a tenth of what they were in 1965.

The average person doesn't know this. Neither do they understand corporate language. So misunderstanding and distrust are the real corporate problems.

Before public sentiment sweeps us further in the direction of nationalization. *Farm Journal* urges a thorough review of laws regulating corporations. We suggest these areas as worthy of investigation.

1. *Requiring corporations to follow uniform accounting procedures*. For instance, inventories of raw materials and manufactured products are part of a company's assets. Some companies value these at their *current replacement cost*. Others, to increase apparent profits, value them at their *original* cost. The average investor can't compare earnings of two such companies.

2. *Require companies to follow uniform and simplified methods of reporting their earnings*. Recently we overheard a college student rail against an oil company that had just reported "a profit of 45%." "Wait a minute," we said. "That wasn't a 45% profit, but a 45% increase over last year's profits. So if dividends amounted to 2% last year, they'd be only 3% this year." "Well why don't they say so?" she shot back.

3. *Find a better means of compensating corporate officers*. The widespread use of stock options and bonuses for showing immediate profits almost guarantees that many officers will have a conflict of interest with their long-term investors. There's too much temptation to go for short-term gain at the neglect of long-term growth, which may explain some current shortages.

Unless we move to restore confidence in our free-enterprise system, we risk losing it. And government-operated enterprises are never as efficient nor as responsive to the public. As Professor Kristol points out: "Once established, a government-operated enterprise and its motives appear beyond reproach."

INTERNAL SECURITY COMMITTEE

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. DORN. Mr. Speaker, the House Internal Security Committee, under the dynamic leadership of Chairman Richard Ichord, has been an unsurpassed positive force in protecting our democratic, free society against subversive elements. The committee should be continued; its proper jurisdiction over internal security matters should be confirmed again by the House. Especially on this May Day 1974, Mr. Speaker, we urge the House to authorize a continued mandate for the vital and essential congressional committee. In some countries the first day of May is traditionally marked by goose-stepping and glorification of the all-powerful state. Individual freedom and liberty is discounted. Mr. Speaker, these gigantic ceremonies should be a constant reminder of elements at home as well as abroad that are dedicated to the destruction of liberty and representative government.

As chairman of the Veterans Affairs' Committee I am especially mindful and appreciative of our veterans and veterans organizations' support for continuation of the House Internal Security Committee. Mr. Speaker, I commend our veterans for this action. On this May Day 1974 I urge all Americans who believe in freedom and national security to join them.

FRANK (WHITEY) CLIFTON

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. LEHMAN. Mr. Speaker, a friend of the citizens of the 13th Congressional District of Florida was recently honored for an outstanding record of public service.

Captain Frank "Whitey" Clifton of the Metropolitan Public Safety Department's North Dade District was the guest of honor at a testimonial dinner at the Deauville Hotel.

"Whitey" became the commander of the North District in 1968. In the last 6 years, his attitude and devotion to duty have helped build a community pride in its police force.

I insert the following list of those honoring Captain Clifton be included in the Record along with this article from the Miami Herald about the dinner.

Recognition of Service of Captain Frank Clifton

At testimonial dinner Saturday, February 16, 1974, sponsored by the North Dade Chamber of Commerce.

Memorandum of recognition from The White House.

Letter of appreciation from Gov. Reubin Askew.

Letter of appreciation from State Senator Robert Graham.

Proclamation of recognition and appreciation by the Dade County Commission.

Certificate of appreciation from the City of North Miami Beach.

Plaque presented by The Fraternal Order of Police.

Plaque presented by The Greater Miami Beach Motel Association.

Plaque presented by The North Dade Kiwanis Club.

Plaque presented by The North Dade Chamber of Commerce.

Safety Official Is Honored by N. Dade Chamber

(By Cathy Grossman)

Frank (Whitey) Clifton, commander of the Public Safety Department's North Dade District, was honored by North Dade merchants, motel owners and fellow policemen Saturday "for those intangible qualities that make a fine officer."

"I'm glad to see the community recognizing a man for these intangible qualities—good relations with the community and a special ability to mold good new young men," Public Safety Director E. Wilson Purdy said.

Purdy was among the 225 North Dade residents gathered at a testimonial dinner at the Deauville Hotel to commend Clifton for his service as "police chief of our community."

Clifton circulated around the room full of wellwishers, being teased to crinkly eyed-laughter about a raid along motel road in Sunday Isles Friday night in which police made a record number of prostitution arrests.

Clifton, 50, a World War II Navy veteran worked in construction and hotel management before he joined the Public Safety Department in 1954 and became a member of the department's first police academy training class.

"Whitey was always the hardest working one of us," Sgt. Robert Duncan, another member of Training Class One, recalled Saturday.

In 1959, Clifton was named sergeant and organized and supervised the first rescue squad for the department.

He became a captain and commander of the 170 square mile North District, which stretches from the Broward County Line to 95th Street between the ocean and the Collier County Line.

The North Dade Chamber of Commerce, which sponsored the dinner and has the same boundaries except that it only reaches south to 119th Street, gave Clifton a plaque for his dedication.

So did the Greater Miami Beach Motel Association and the Fraternal Order of Police and the Kiwanis. There was a proclamation from Metro Mayor Jack Orr and there would have been a certificate from the city of Surfside "but the one they were going to give him just didn't look as fine as it should for someone like him so we have to get another ready," a Surfside councilman said.

Clifton, father of three including Central District officer Mike Clifton, has "stacks of certificates at home," his wife, Edith said.

Is there one which made him proudest?

"Yes, winning the PBA Golf Tournament," Clifton said, blue eyes winking.

BLUE COLLAR BLUES—JOB OR EMOTIONAL ALIENATION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. DERWINSKI. Mr. Speaker, at a time when this Nation is braving its major labor disputes in key industries with issues such as wage increases, it is timely for us to consider the subject of attitudes of employees toward their assignments.

A column by John D. Lofton, Jr. in the March 16 Sentinel Star of Orlando, Fla., devotes itself to the subject of "Blue Collar Blues."

This is a very penetrating and I emphasize timely commentary which I believe is too often a subject that is misunderstood and not given sufficient judgment.

The article follows:

Blue Collar Blues—Job or Emotional Alienation

(By John D. Lofton, Jr.)

Washington.—Remember the "Blue Collar Blues?" The idea that we had to drastically change our society and economy because the capitalistic system was alienating, frustrating and dehumanizing the American working man?

The BCB soared to the top of the charts in late 1972 and remained there through early 1973. Everybody was singing it, humming it, or talking about it. Television networks ran specials about the subject; newscasts reported on it; Time magazine did an entire essay on the topic; and the Department of Health, Education, and Welfare put out a report on it.

Now comes a field survey of automobile workers engaged in production line work—written about in the February issue of Archives of General Psychiatry—which reveals no more evidence of unrelatedness, loneliness, boredom, life dissatisfaction, work dissatisfaction, or depression than among their spouses. Where these phenomena do occur, the article says, they are usually a part of a broader pattern of emotional illness characteristic of diagnosed patients drawn from the same population.

Conducted by three doctors from Rutgers Medical School, the survey compared and contrasted the feelings of two groups of United Automobile Workers of America members employed at a General Motors plant in the Baltimore, Md., area.

The groups were UAW employees diagnosed as "mentally ill" by the Department of Psychiatry of the Johns Hopkins Hospital, and UAW employees found to be "well." Both groups were employed in the same industrial plants, members of the same social class, lived in the same residential areas, and did not differ substantially in annual family income or other demographic features.

Of all the workers, 95 per cent reported themselves as satisfied with their jobs, 71 per cent reported no part of their work as tiring or upsetting. Loneliness and life dissatisfaction were found to be uncommon in the worker population, except among emotionally disturbed workers.

The prevalence of these alleged symptoms of repetitive productionline work was low for the UAW general population. Satisfaction levels were high compared to studies of other populations.

To ethnocentric egomaniacs such as Charles Reich, author of "The Greening of America" who has said that no independent person with a strongly developed aesthetic sense could be happy in a factory job, the doctors issue a warning:

"To impute boredom, alienation, anomie, or the seeds of mental illness to another man's work or existence is a hazardous thing. To some blue collar workers, the social scientist's preoccupation with books, dry articles, tables of statistics, and obsessive academic discourse must seem more boring, more alienating, more fraught with anomie, than his own existence. That worker might provide excellent evidence that the lonely, dissatisfied social scientist has a much higher rate of surveyed mental illness, psychiatric utilizations, and suicides than any UAW population.

Noting that two months after their survey was completed the UAW local went on strike to settle issues related to job security, the doctors also warn against equating job satisfaction with smug acceptance of life as it is:

"Our ethnocentrism should not blind us to the effective coping patterns of those workers. Living in stable neighborhoods they have effectively seized control over their own destiny and security through a powerful yet highly democratic union.

"The job is not the center of their lives, or its source of meaning, but a means toward enjoyment of other pursuits and security. This is what the strike was about. It certainly was not a vague, unfocused rebellion against alienating work. The Marxian image of the powerless, alienated worker may describe these union members less than ourselves!"

Observing that their findings are a tribute to the worker's emotional flexibility and adaptability, not the delights of assembly line work, the article concludes:

"In any case, even if subsequent work were to demonstrate clearly the 'alienation' of the worker from his job, in the sociologic sense one would have to wonder about the meaningfulness of the concept if it is virtually without psychological effect on the worker as these data suggest."

Good point. Charlie? Time? HEW? Anybody?

ANNIVERSARY OF THE POLISH CONSTITUTION, MAY 3

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. ROONEY of New York. Mr. Speaker, in these days when constant attempts are being made to chisel away at our personal rights—when daily we find ourselves having to defend our rights as free men and women, we take great satisfaction in being able to stand fast under the protection of our own great Constitution. It is this hallowed document which safeguards us against those who would limit our freedom or impose unwarranted burdens upon us.

The Constitution of the United States stands as a mighty fortress against those in and out of public office who would withhold our precious rights or who would impose mandatory adherence to controls which are not in keeping with the determination of our forebears who so wisely produced and adopted our Constitution.

Mr. Speaker, let us all bear in mind that our magnificent manifesto has had tremendous influence on the people of other nations as well as America. This is particularly true with respect to the people of Poland who 183 years ago this Friday adopted their own constitution which was patterned to a large degree upon our own American Constitution. In view of our close kinship with the Polish people and because of the great similarity of our two Constitutions we can truly join enthusiastically with all our Polish friends here and abroad in celebrating Polish Constitution Day.

It is unfortunate indeed that the people in Poland today find it difficult if not impossible to celebrate this historical event because of the shackles imposed upon them by their Communist puppet leaders.

These shackles of serfdom represent the evils which the Polish Constitution sought to guard against. So it is that the observance of this day will not be one of jubilation and rejoicing as was true during Poland's first, but all too brief, taste of freedom. But with flame of eternal hope burning in the heart of every Pole for a return of his sovereign independence and his personal freedom we can join our friends in observing May 3 with great sympathy and understanding. We can use this occasion to recall the many instances when the courageous people of Poland have risen up against their slave masters and have fought valiantly for their freedom. We can recall with sadness the numerous times when Polish valor has been overcome by military might and any freedom gained has once more been lost. This day then becomes one of sober recollection—a day with too little joy and too much sorrow. It becomes a day of thanksgiving for the strength of our own Constitution and for the latent greatness of the Polish Constitution.

As history is bound to repeat itself we can have confidence in a future where Poland will once again be free and living under her beloved Constitution. To achieve that goal is the vital part of our destiny—fulfillment of our longtime pledge to hasten the dawn of new and complete independence for the people of Poland. To this end we must rededicate our efforts. Only in helping Poland's millions attain freedom can we be deserving of the rights and privileges which are ours to enjoy under our own Constitution. Only when every Pole has full protection can we fully enjoy our own independence. Meantime, greetings to all and best wishes to all Polish people here and abroad on this important date in their lives.

HIGH COST OF OSHA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. ASHBROOK. Mr. Speaker, in April of 1971, the Occupational Safety and Health Act, commonly known as OSHA, went into effect. The result has been a disaster for the businessman, the employee, and the consumer.

The supposed justification for this act is to create a safer working environment for employees. This is certainly a worthy goal. Work-related injuries should be reduced and health hazards eliminated whenever possible.

Federal regulation through OSHA, however, is undoubtedly one of the worst ways of achieving that result. As many businessmen will attest, the act has meant unnecessary harassment of employers and substantial increases in the cost of doing business. A survey released by McGraw-Hill publications estimates that OSHA cost business $2.5 billion in 1972 and $3.1 billion in 1973.

The small businessman and the consumer are the ones who usually suffer most from these increased costs. The employee, however, can also be an unwilling victim of OSHA. If a business closes because it is unable to meet higher costs resulting from OSHA regulations, it is the employee who suffers.

The specter of business closure is more than a hypothetical possibility. Hundreds of small businesses have already been forced out of business by heavy fines and impossible demands.

Ironically, many of the demands made by OSHA officials hardly seem necessary. As one employee stated after losing his job when the company was unable to afford changes ordered under the act:

> After all, is it better to have a job where there are some minor risks of injury—or no job at all? Even though my employer would have been required to make substantial modifications in our facilities to meet the standards, we never had an on-the-job injury in all the time I worked there.

Farmers also are being subjected to more and more OSHA regulations. Regulations are being promulgated which will affect a small family farm as well as the larger ones. Tractors and most other types of farm machinery are covered by new standards which many farmers believe will be difficult and costly to meet.

Even comprehending what is expected under the act is a difficult task. Farmers and businessmen are presented with a bewildering array of detailed regulations. Understandably they are at a loss to know which ones apply to them. Their first realization of a violation may well be when a Federal inspector fines them for noncompliance.

In 1970 when OSHA was reported from the House Committee on Education and Labor of which I am a member, I and a few of my colleagues raised serious questions as to the effects of OSHA. At that time we stated,

> Poor safety laws can and have done more harm than good. Mistakes we make now will have a serious impact on workers and on the state of our economy. We must also recognize that this legislation will affect nearly every aspect of the employment relationship.

This warning has proven all too accurate. As I have previously stated, the Occupational Safety and Health Administration is promulgating standards that cover the small businessman the same as the large corporation. Small businessmen are being required to spend much time filling out forms to meet standards which are vague at best. Furthermore, farmers are also covered by OSHA regulation—be they running small family farms or large corporate enterprises. The regulations make no distinctions. Previously I have asked the Secretary of Labor,

> Is the Occupational Safety and Health Administration going to be sending snoopers to every farm in the country to check on tractors, mowing machines and other farm equipment?

Unfortunately, that possibility exists.

OSHA has had some successes. It has created more work for Government officials and more redtape for small businessmen and farmers. Quoting again minority views on the original OSHA legislation,

> But to those who cherish constitutional due process—to those who know from long experience that job-safety and health programs developed in an uncoerced, cooperative context hold the best hope for continued progress—and to those who believe that American working men and women deserve more than an unworkable legislative deception—the Committee's action in approving H.R. 16785 is a tragedy . . .

I had serious doubts about the OSHA bill and voted against its adoption when it came up for final passage in the House. Events since that time have confirmed my doubts. Passage of OSHA was a mistake—a mistake that Congress should move to correct.

LNG SAFETY LACKING

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. PATTEN. Mr. Speaker, there is currently before the Federal Power Commission a series of applications which request permission to, among other things, ship and store Algerian liquefied natural gas to Staten Island, N.Y., and construct a pipeline under the Arthur Kill waterway situated between Staten Island and Woodbridge, N.J. I have openly opposed this project, principally on the grounds of safety.

In the full Appropriations Committee last Thursday morning, we voted over $2 billion to help solve the energy crisis through research and development of alternative sources of energy. I asked the chairman whether there is any testimony concerning the transportation of LNG through the Raritan Bay. I have tried to get some answers from industry, from the FPC and the Department of Transportation's Office of Pipeline Safety as to safety precautions with no satisfaction.

The fact is that over 200 LNG storage tanks are in operation or under construction in the United States, and yet I am not satisfied that the safety considerations regarding the transportation of LNG through our waterways has been properly and completely explored. I must conclude that the administration is trying to protect the industry. I want the Members of Congress to read an editorial from the News Tribune of Woodbridge, N.J., regarding the recent investigation and study of the February 1973 explosion of an empty LNG tank. The findings of the committee are shocking and deserve to be answered.

The editorial follows:

LNG TANK SAFETY

In February, 1973, a fire broke out in a huge empty liquified natural gas (LNG) storage tank on Staten Island. Forty workmen were killed.

The tragedy, which focused attention on LNG storage tanks as never before, prompted a congressional investigation. Last week, investigators for Congress reported back that federal safety regulation of LNG tanks is plagued by "duplication of effort, fragmentation of responsibility, and inefficient administration."

The investigators said the Federal Power Commission (FPC) and the Federal Department of Transportation's Office of Pipeline Safety (OPS) both "are doing the same job, and neither of them is doing it well."

The investigators found out that the OPS had never inspected the giant Staten Island tank before the day of the tragic fire.

As for the FPC's investigation of the fire, the congressional subcommittee that made the investigation called the FPC probe "regulatory window dressing . . . a campaign to inflate the FPC's role in safety and enhance its visibility" before the public.

The congressional team also said subsequent FPC efforts at safety regulations "appear more cosmetic than substantive."

It was urged that the FPC leave responsibility for LNG storage tank safety to the OPS—but the OPS was found to be "pitifully understaffed" and in need of more federal operating funds.

These are all immediate and serious problems.

As the congressional investigation pointed out, "more than 200 LNG storage tanks are in operation or under construction in the United States and more are contemplated."

How many of these have not been, and may never be, inspected?

Although the Staten Island disaster bore little relation to the safety problems normally associated with the storage of highly flammable LNG—the fire struck at a time when the tank was empty and undergoing repairs—the congressional investigation has pinpointed defects that demand correction.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 25

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. HARRINGTON. Mr. Speaker, I wish to insert into the RECORD an editorial which appeared in the Economist on March 24 concerning the Federal Oil and Gas Corporation. The article eloquently demonstrates the danger of allowing the major oil companies to monopolize our Nation's energy resources and endorses the Corporation as a necessary competitive spur to the petroleum industry. In so doing the Economist clearly underscores the need for a public oil company, and I would like to direct my colleagues' attention to the article at this time. The text follows:

TVA FOR OIL?

Already some of the hastily assembled energy legislation of last year is beginning to backfire. Congress included in the Emergency Petroleum Allocation Act a provision which requires all refiners to share equally all supplies of domestic and foreign crude oil. The idea was partly to spread the crude around the country, partly to keep the small independent refiners in business. But of the companies rich in crude supplies—Mobil, Shell, Amerada-Hess, Gulf—some have balked at having to sell to their competitors at what they consider to be inadequate prices, and they have been diverting their foreign supplies of crude to Europe and Japan for better prices. Gulf Corporation, which has been ordered to sell 11.6 million barrels by May 1st, is in fact suing the Federal Energy Office for what it claims amounts to "unlawful taking of private property". And the Federal Energy Administrator, Mr. William Simon, has since asked Congress to think again and substitute something more flexible.

The survival of the independent oil refiners, as a spur to competition, is also very much a concern of the Federal Trade Commission. As a follow-up to the anti-trust complaint that it made last summer against eight of the country's largest oil companies, it has just issued a staff report urging that these companies be forced to sell 40–60 per cent of their refining capacity to some 10 to 13 new firms, specially formed for the purpose.

As a helping hand, these new companies should acquire some of the pipelines owned by the oil majors. The FTC report also asks for a ban on any further acquisition of refineries by the eight companies. By way of justification, the study details the interlocking nature of the big oil companies which, it says, discourages competition. For example, the Chase Manhattan Bank is both the largest shareholder in Atlantic Richfield and the second largest shareholder in Mobil. The ties between banks and the eight oil companies are so strong that competitors find it extremely hard to get financing. But the FTC complaint is certain to end up in the courts and a resolution of the matter will take years.

Of more immediate solace to the independent oil producers and refiners is a consumer energy bill being prepared in the Senate Commerce Committee. It provides a wide variety of incentives, including freedom from controls, for the small oil producers whose number has declined from 40,000 in 1954 to 10,000 last year. But the bill's most startling feature is an amendment by Senator Adlai Stevenson which would set up a Federal Oil and Gas Corporation, on the lines of the Tennessee Valley Authority, created in the 1930s. Funded by $500 m in appropriations over 10 years, the corporation would explore new oil sources, principally at home on federal lands, and it could engage in "down stream" functions such as refining and marketing if that served to stimulate competition. Freed from the both of raising capital, providing a return on capital or paying federal taxes, it would be a formidable competitor. And as such the idea is running into stiff opposition from the established oil companies which argue that such an operation could not expand oil supplies in the short run and would siphon off valuable manpower from private companies. In previous years the oil companies would only have had to raise the slogan of "creeping nationalisation" to beat a proposal such as Senator Stevenson's into the ground. But public mistrust of the oil industry's recent behaviour no longer makes that assumption so certain.

DISARMAMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington Report entitled "Disarmament":

DISARMAMENT

One of the more depressing facts of life is the amount of money the world spends for armaments. In 1961 total military expenditures were $150 billion. At present rates of increase, by 1980 such expenditures could reach $300–$350 billion (again, at 1970 prices). Military expenditures are now 2½ times greater than the amount all governments spend on health, and 1½ times more than they spend on education. U.N. Secretary-General Waldheim listed the imperative need for substantial disarmament as one of the six great crises in the world.

It is no wonder, then, that governments continue to explore the problem of arms control and disarmament. As the figures make clear, it is easy to be discouraged about the prospects for arms control. Although little evidence exists that the arms race has slackened, there are some reasons to be encouraged by events of recent years. A mutuality of interest exists in the resources saved and the security gained. Both sides recognize that continuation of the arms race is unlikely to increase the security of either side and may well decrease it. And earlier arms control agreements have established a basis of confidence for larger agreements. A decade ago there was only rhetoric about arms control; today there are agreements concluded and negotiations underway.

SALT: Marking a fundamental change in international relationships in 1972, the U.S. concluded an agreement with the Soviet Union to limit each side to defensive systems and an interim 5-year accord on limiting land-based and sea-launched offensive missiles. A comprehensive agreement to limit strategic arms is not expected this year, but a more limited curb is certainly possible. Significantly, the two superpowers have announced their intention of reaching a permanent agreement on more complete measures on the limitation of arms.

MBFR: Last fall talks began in Vienna aiming at reductions in the level of military forces now stationed in Central Europe, an area of major confrontation between East and West. These talks aim at a reduction of the armies of the U.S., the Soviet Union, and East and West European countries, without diminishing the security of either side. The U.S. contends that the present numerical disparity between Eastern and Western forces should be rectified, and the Soviet Union wants to maintain the current balance of forces in its favor with proportional force reductions.

Non-Proliferation Treaty: 100 nations have signed this 1968 treaty to halt the proliferation of modern weapons, and no country has joined the "nuclear club" since 1964. This month 25 nations gathered in Geneva to begin a review of the treaty.

Nuclear Test Ban: The Limited Test Ban Treaty of 1963 bans nuclear tests under water, in the atmosphere, and in outer space. A comprehensive test ban treaty on all nuclear tests (underground testing is still occurring) has yet to be achieved, with the major obstacle being adequate verification. Since 1963 the U.S. has insisted upon on-site inspection by non-nationals of the country being inspected, while the Soviet Union has maintained that national means of detection are sufficient for monitoring a comprehensive agreement. A promising approach to the resolution of this issue lies in the improved technological capability to detect and identify nuclear explosions. The U.S. has already expended $275 million to improve its capability in this area.

Others: Nuclear free zones have been established in Antarctica and Latin America, and other nuclear free zones have been proposed. President Nixon has announced that the U.S. will never be the first to use lethal or incapacitating chemical weapons, and will never use biological weapons. Discussions are underway to limit further chemical and biological weapons. In the U.N. and other forums a broad range of disarmament issues are being considered in an atmosphere free of exaggerated rhetoric and external pressures, and with an improving understanding of the extraordinarily complex technical issues involved in arms control.

Obviously, progress on arms control has not been rapid. Mutual distrust and divisions are deep-seated in the world, and a long process of negotiations and compromise lies ahead. But the responsibility of governments to move ahead and to build on the base of agreements already achieved is apparent. The quest for arms control is justified, not alone by the cost savings, but because limitations on arms can assure stability and security better than the highest level of armaments.

LOCAL REACTION TO REVENUE SHARING

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. ZWACH. Mr. Speaker, just yesterday the Office of Revenue Sharing announced that approximately $6.2 billion in 1975 funds will be paid out between October 1974 and July 1975.

To date, $12.740 billion has been paid to State, county, and local governments. The 5-year law authorizes the Secretary of the Treasury to distribute $30.2 billion to all general-purpose units of governments.

In my home State of Minnesota, our units of government have received $281,468,236.

On April 29 I received a letter from Mr. Tom Polansky, county administrator for Renville County, in my congressional district. Mr. Polansky's letter, writing for the five county commissioners, provides a detailed description of how revenue sharing funds were used within the county.

Renville County has made good use of the moneys they have received through Public Law 92–512. I am sure thousands of other local units of government have shown similar wise fiscal management of revenue sharing funds. The Renville letter that follows details one excellent example.

The letter follows:

COUNTY OF RENVILLE,
Olivia, Minn., April 23, 1974.

Hon. JOHN M. ZWACH,
House of Representatives,
Washington, D.C.

HON. JOHN M. ZWACH: Of all programs, Federal, State or private trust, designed to give help to grass root, rural financial problems, none have approached the accomplishments of your Revenue Sharing Program.

Programs have distributed many dollars, but mostly at a dollar level above the grasp of the small county, village or township. The problems of the smaller communities, mostly rural, and generally subject to property tax levies, were financially wanting, while financial assistance was readily available in big outlays for the centers of population or big recreational projects.

We have received $948,867, to date, of the $1,047,826 projected for Renville County under Revenue Sharing for the Entitlement Periods ending July 1, 1974.

We have allocated, from the total moneys received, $383,432 toward hospital facility improvement. We have matched this money with County funds and are proceeding to let contracts for the construction of a thirty-five bed hospital annex to replace old hospital rooms with improved, modern rooms complete with running water, toilet and bath facilities; a total estimated cost of $800,000.

We have allotted $100,000 and dedicated such funds under Social Services, to relocate the Renville County Social Services Department in rooms available in the old hospital units.

We have dedicated $30,000 to the Renville County Public Health Nurses' Department to be located in the same area as the Social Services and have further allocated $100,000 to improve, update and relocate the lab, X-Ray, food service and the delivery and operating facilities in the Renville County Hospital.

The pendulum of Renville County's population swings more and more to the Medicare age. These health and social service benefits are geared to programs and services for the elderly.

We have spent, or have let contracts, for the expenditure of $213,696 of Renville County funds to acquire land rights, build and black top roads, not under a Federal or State system, in need of improvement as an aid to industry and as a link between existing improved roads. To do this necessary work with County financing would have caused a property tax increase.

We have spent $40,000 of Renville County funds to update and modernize the County financial system and $17,129 to insure public safety by the installation of road warning signals and the shouldering of county roads.

The County waste disposal program is financed under Revenue Sharing. We spent $45,000 of our Revenue Sharing funds over the period 1972–1974 on ecology in Renville County.

Renville County has developed and is continuing a park and recreational program. We, now, boast five County parks with 2,000 acres of natural forested wonderland. We have built sheltered areas, comfort stations, trails and roads and continue to improve these facilities and maintain the parks using Revenue Sharing, County and donated funds. The park system has drawn $46,390 from Revenue Sharing.

We, the Commissioners of Renville County, feel that we have done a commendable job with the use of County funds. We have developed projects sorely needed, but held off because of the property tax crisis. We feel that we have used Revenue Sharing funds in programs and services for the elderly, in the fields of ecology and recreation and in the economic development of Renville County and have in all cases caused no disservice to Renville County taxpayers.

We, the County Board of Renville County, unanimously approve Revenue Sharing and ask your support in the continuity of the program.

COUNTY BOARD OF RENVILLE COUNTY.

ADDRESS OF DR. KU CHENG-KANG BEFORE THE WORLD ANTI-COMMUNIST LEAGUE SEVENTH CONFERENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BIAGGI. Mr. Speaker, on April 8, 1974, Dr. Ku Cheng-kang, honorary chairman of the World Anti-Communist League addressed the opening ceremony of the Seventh WACL Conference held in Washington, D.C. By means of background the World Anti-Communist League in its brief 7-year existence has grown to become a major international voice in the struggle for preservation and promotion of freedom and peace in the world.

As the United States enters into the Strategic Arms Limitation Talks with the Soviet Union, and as we continue to make agreements with both Communist powers, perhaps we should reflect on the words of Dr. Cheng-Kang, for they bear a special relevance to these times. He adds his voice to the growing crescendo which is imploring the United States to exercise both prudence and caution in all future dealings with Communist powers. He who throws caution to the wind is bound to be swept up by those same winds eventually.

At this point in the RECORD, it is my distinct honor and privilege to insert some excerpts from this timely and important address:

EXCERPTS OF DR. CHENG-KANG'S ADDRESS

Freedom and peace are the basic rights and conditions for man's survival. But Communist expansion is prejudicial to freedom and peace. Peace is a lofty ideal desired by every individual as an essential to life. To the Communists, however, peace is nothing but a continuation of war. This is why the free nations' talks of peace with the Communists have without exception failed. They have all without exception proved that such attempts are mistaken. For example, the Chung-king talks between the Chinese government and the Chinese Communists while the former was fighting the all-out Communist insurrection, the Panmunjon talks that unnecessarily dragged on the Korean War, and the Paris Peace Talks to put an end to the Vietnam conflict that continues up till today. All these are examples of the Communist use of alternative peace talks and battle-field maneuvers. Because of this strategem, the entire Chinese mainland fell into Communist hands, Korea and Vietnam are still divided, war in Indochina continues to spread, and the whole Asian scene is agonizingly punctuated by confusion and turmoil.

We need peace based on freedom, but negotiations with the Communists have sacrificed the freedom of over one billion people and have created a half enslaved world, with the other half constantly subjected to serious threats.

We need peace based on justice, but talks with the Communists have made the free nations disregard justice and effect withdrawal and retreat. As a result, Communist aggression is acknowledged as an accomplished fact. The freedom camp has turned weaker; and the Communists, under the protective umbrella of peace talks, have kept on enhancing their strength for aggression.

We need peace based on honor, but the many conference sessions involving the Communists have turned meaningless all the strenuous efforts exerted by free nations in the last three decades for the containment of expansionist Communism. All the bloodshed on the Chinese mainland, the Korean peninsula and Indochina has become meaningless humiliation and sacrifice in vain.

We need lasting peace, but by inviting the Communists to the conference table, we gain only a moment's breathing spell. Not even a momentary ceasefire is achievable. The continuous fighting in Indochina cruelly negates the effectiveness of any ceasefire accord with the Communists.

We need effective peace, but peace talks have given the Communists enough time to develop missiles and nuclear warheads for better preparedness to bring on a holocaust. Through global naval expansion and development of strategic weapons, Soviet Russia is posing a serious threat to peace. The Chinese Communists have not yet fully grown their nuclear tooth, but they are already being treated by the United States as a potential initiator of nuclear warfare.

We need collective peace, but the Communist peace talk offensive has made the free world's collective security system shaky and the entire freedom camp verges on disintegration and collapse. Such talks have produced in free nations a wishful thinking that peaceful coexistence with the Communists may come about. This amounts to spiritual self-disarmament, thereby providing the Communists with further golden opportunities to divide and conquer.

All these factual results of negotiations with the Communists are enough for us to arrive at the conclusion that talks with the Reds, instead of bringing about the kind of peace we pursue, only inflict irreparable damage to the freedom and security of the free world.

Ladies and gentlemen, for this WACL Conference, we have advanced "Peace Is . . . Freedom and Justice for All" as our guideline of determined endeavor. In so doing, we have pointed out to all the freedom and peace-loving people of the world a broad avenue that they should faithfully follow. This is to say that we must staunchly resist Communist aggression, strive for final victory, and attain a durable peace with freedom and justice for all. Our endeavor is based on the fact that to be free, we must first of all eliminate slavery and avoid being enslaved; that justice demands due respect for free people's common wishes, interests, rights and dignity; and that peace to be possible requires the pooling of forces for freedom and justice to fight against aggression and eliminate the very sources of troubles. The WACL at the present stage should concentrate itself on further rousing the freedom- and justice-loving people to a concerted crusade for an endurable peace for all of mankind. History is now about to witness great changes as the surging anti-Communist situation is taking a new shape. At this crucial moment, WACL leadership is ever more urgently important. For this reason, we must now move as follows:

First of all, we must establish the principle of freedom with justice. Since anti-Communism calls for consistent effort in a domain involving both ideology and action, we must, if we are to achieve an anti-Communist victory, launch a full-scale spiritual mobilization of all the free people for the enunciation and application of a common principle for the promotion of justice and safeguard of freedom and human dignity. With this end in view, we firmly advocate the the following:

The depotism of the Communist hierarchy and the Communist system of enslavement must be forever eliminated from the history of man.

The Iron Curtain that confines people in servitude and prevents free exchange of visits should be torn asunder.

The results of Communist aggression should under no circumstance be recognized as accomplished facts.

Freedom is indivisible and can never coexist with slavery.

Full support should go to the enslaved people's struggle for freedom from fear and oppression.

The Communist plot to corrupt and poison the free world with narcotics and other means should be completely foiled.

Peace should be sought only under the conditions of national independence, racial equality and freedom of the people.

Differences and disputes among the free nations should be effectively talked over and settled. Individual needs of the states should be accommodated for the good of the whole.

All the freedom-loving people, irrespective of race, nationality, region, creed and profession, should promote unity and cooperation in good faith and strive together to the very end for winning the freedom based on justice.

Philosophical thoughts and cultural patterns of the East and the West should be amalgamated through adequate interflow and mutual enhancement, combining the Western humanism with its concepts of freedom, equality and fraternity with the Eastern humanism—loyalty, filial piety, fraternity, faithfulness, propriety and peace.

We must adopt superlative global strategies for safeguarding peace. For peace to be secure, free nations must be able to preserve their own security and to take effective counter-measures against aggressors. Politically, free nations must be strong enough to foil the Communist united front schemes and institute a stable order on the solid foundation of a democratic society. In the economic field, our moves must be for mutual benefit and common prosperity so that gaps between the poor and the rich can be narrowed down and overall growth rates are heightened through all-out development. Our global military, political and economic strategies must be thus established and effectuated.

We declare positively that to uphold freedom and security, free nations must take the road of total defense rather than precarious negotiated peace. Also to be abandoned is thought about multipolar check and balance that has in fact served to break up the freedom camp.

We also declare positively that free nations must hit back at the Communist united front stratagem to set up and utilize a "third world" through maneuvers at the United Nations. The anti-Communist alliance of the people should be elevated to the level of solid governmental unity.

We further declare positively that the postwar U.S. economic aid policy for the other free nations should now be greatly strengthened. At the same time, all the other developed countries should also provide capital and technical assistance for accelerated industrialization of developing countries.

Ladies and gentlemen, science has made so much progress that man now can conquer space. But our human society is still beset with problems of tyranny and of men enslaving fellow men. In this controversy, mankind should find stinging shame as well as looming dangers. Squarely facing our responsibility to safeguard and promote man's freedom, we of the World Anti-Communist League must now call upon all those who do not wish to relegate themselves to be Communist slaves to rise gallantly to the occasion and together strive to usher in a new era of lasting peace based on freedom and justice for all. Thank you.

RESULT OF REOPENING THE SUEZ CANAL

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. FLOOD. Mr. Speaker, when the Suez Canal was closed in 1967 some of the traffic using that waterway shifted to the Panama Canal and part of it went around the Cape of Good Hope. Moreover, the closure served to stimulate the construction of supertankers that are more economical to operate via the Cape than to pay canal tolls.

Today, the United States is embarking upon a huge program to reopen the Suez Canal. An appraisal of the military significance of its opening by Lt. Gen. Ira C. Eaker, U.S. Air Force, retired, a respected strategist, was published in a recent issue of the World War Officer Review, the bimonthly publication of the Military Order of the World Wars.

Because of its relevance to the unfolding world strategic situation, I quote it as part of my remarks:

RESULT OF REOPENING THE SUEZ CANAL

(By Lt. Gen. Ira C. Eaker)

If the Arab-Israeli truce and disengagement proceed on schedule, the Suez Canal will probably be reopened late this year. In fact, this may be the second most important result from the aftermath to that conflict, ranking only after the Arab oil embargo in its long-ranged, worldwide significance.

It is therefore essential to examine the probable results of that event, and its influence upon the power balance between East and West. It is likely to have dramatic international results both economically and militarily.

The Suez Canal, formerly the most important man-made roadway in sea commerce, has been closed since the Six-Day Arab-Israeli War in 1967. The principal former international users of that waterway have adjusted to its non-availability. The economy of the Freed World nations have survived and expanded during this period. Larger tankers were built so that the long haul around the Cape of Good Hope did not greatly increase the price of Mid-east oil to the NATO countries. These tankers, due to their size and draft, cannot negotiate the Suez Canal, but must continue to make the longer voyage.

The European nations which had extensive military and economic commitments "East of Suez" prior to World War II, principally Britain, France and Holland, no longer have extensive military and naval forces in those areas and their commerce with Mideast and Far Eastern countries has greatly depreciated.

The nuclear powered, super carriers of the U.S. fleet cannot use the Suez Canal due to their size and draft. The canal is no longer essential or material to the economic well being or application of military influence and power to the Western World.

The USSR, on the other hand, will derive the principal benefit from the reopened Suez Canal. This will permit the growing Soviet Navy to complete its dominance in the Middel East and to extend its naval power into the Indian Ocean.

It is signficant that all the ships of the growing Soviet fleet can negotiate the Suez Canal. The Soviet Mediterranean and Black Sea fleets will find their routes to India, for example, decreased by 7,000 miles.

The Russian fleet can now rapidly achieve the superiority in the Middle East and Indian Ocean which it has recently achieved in the Mediterranean Sea.

The few remaining nations in Africa and the Middle East neutral or friendly to the West can be surrounded and isolated and forced for their survival to make an accommodation with the USSR.

Economic gains in these areas for the USSR will quickly follow inevitably. Russia is building a vast merchant marine which can operate more economically than can the merchant fleet of any Western nation, due to lower labor and fuel costs.

Russian influence on the developing nations in Africa and Asia can become dominant. NATO nations, faced with grave economic depression due to the Arab oil embargo and 470% increase in petroleum prices, can scarcely continue to aid these poverty stricken countries. The USSR and her Arab allies will be able and eager to supply this deficit and in dollars, pounds, marks, francs and lira, the result of the increased price of oil to NATO nations, estimated at $25 billion annually. With all or most of their foreign aid coming from nations under Soviet influence, all these new, excolonial nations will reluctantly, be drawn into the communist camp.

The U.S. furnished the technical management and much of the cost of clearing the Suez Canal when it was closed by Egypt's dictator, Gamal Nasser. There have been suggestions that the U.S. again participate financially in reopening it. It is not in our national interest to support or speed its availability.

Secretary of State Kissenger has been remarkably successful as the catalyst between the Arabs and Israelis in the cease-fire and peace negotiations to date. It will take equally skillful diplomacy to avoid the disaster to the Western World which could flow from a reopenend Suez Canal.

LAW DAY STATEMENT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. FORD. Mr. Speaker, today we commemorate the 17th Annual Law Day. The Governor of my own State of Michigan has issued an executive declaration urging all Michigan citizens to join in the observance of Law Day 1974 by participating in appropriate activities to commemorate this observance which originally was conceived in 1957.

The 87th Congress by a joint resolution signed by the President designated the first day of May each year as Law Day, USA, a permanent national day of observance.

On the occasion of the first observance of Law Day back in 1958, President Dwight D. Eisenhower stated:

> It is fitting that the American people should remember with pride and vigilantly guard the great heritage of liberty, justice and equality under law. . . . It is our moral and civic obligation as free men and as Americans to preserve and strengthen that great heritage.

The theme for Law Day 1974 is "Young America Lead the Way. Help Preserve Good Laws. Help Change Bad Laws. Help Make Better Laws." This theme is especially meaningful and appropriate today. We live in historic but difficult days. Many things today cry out for change. The theme suggests the way we must make our changes. We must keep what is good, change what no longer works and step out ahead answering new challenges with new and better laws.

While it is the special role of the legal profession to serve our system of justice and make the constant yet ever changing fabric of our law a constructive, dynamic force in society, the law is everybody's business. Law Day is not a "lawyer's day," but a time for all citizens to examine how the law can better serve America.

The programs planned for Law Day in Michigan will focus especially on young America. They are planned with these objectives in mind:

To convey to youth a better understanding of the law and the American legal system.

To examine and explore areas where the law has failed to provide equality of individual rights; especially for minority groups and alienated youth in the ghettos.

To provide a realistic conception of the potential for change within the legal process.

To encourage youth to support our legal system and institutions and develop a desire to participate in the democratic process—from Michigan State Bar Journal for April 1974.

Above the entrances to the Department of Justice it is written:

> No free government can survive that is not based on the supremacy of law. Where law ends tyranny begins. Law alone can give us freedom.

Mr. Speaker, I am somewhat hesitant to inject politics into this statement, but, in concluding I cannot resist the temptation to use a phrase from a past political campaign. We need respect for our laws and our Constitution, "now more than ever."

RAYSTOWN DAM ACCESS ROADS

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. SHUSTER. Mr. Speaker, I have today introduced legislation to provide for the public safety and relieve the citizens of three townships in my congressional district of a severe and unfair financial burden. My bill would modify the authorizing language for the Raystown Dam project in Huntingdon County, Pa., to enable the U.S. Army Corps of Engineers to upgrade and maintain certain access roads in the Raystown area at a standard sufficient to safely accommodate the expected increase in visitor traffic loads caused by construction of the lake and dam.

The Raystown Lake project was authorized by the Flood Control Act of 1962 to provide badly needed flood protection along the banks of the Juniata River and its tributaries. Unfortunately, this authorizing legislation did not provide for road improvements and maintenance outside the Federal area. And the local citizens have heretofore borne the burdens created by this oversight.

Now approximately 90 percent completed, the lake is 27 miles long and as much as 10 miles wide in parts. In addition to affording the citizens of central Pennsylvania with critical protection from rising waters, the project will also create one of the largest recreation areas in the Nation. The U.S. Army Corps of Engineers, which is constructing the nearly $70 million multi-purpose facility, estimates that it will attract some 1.8 million visitors per year, placing a severe burden on the network of roads located outside the Federal area leading into and around Raystown.

Mr. Speaker, most of these roads are township roads and have been maintained by local authorities. Prior to construction of Raystown, the roads were adequate and could safety accommodate local traffic. Since construction began in 1968, however, the roads have suffered significant damage and wear and tear by increased traffic loads and construction equipment, and can no longer be considered safe and capable of accommodating the present volume of traffic—much less the volume expected when the 1.8 million tourists come into the area.

Mr. Speaker, for over 4 years, Juniata, Smithfield and Hopewell Townships assumed the financial burden of maintaining these roads. And since construction of the dam and lake necessitated the acquisition by the Federal Government of property contributing heavily to the tax base of these townships, the strain on the local budgets has been even heavier, since their tax revenue has been significantly reduced.

Is it fair, Mr. Speaker, to expect these industrious, hard-working citizens to increase their burden? Is it fair to inflict this additional hardship on a population already shouldering more than its rightful share of responsibility? Is it fair to ask the millions of tourists who will visit the Raystown area to risk life and limb on these dangerous and damaged roads?

Last August, following an inspection tour of the Raystown Dam and Lake, I met personally with Pennsylvania Secretary of Transportation Jacob Kassab to implore him to authorize the State to make the necessary improvements and assume maintenance of the heavily travelled roads in the Raystown area. The State has a moral responsibility to do this. Secretary Kassab advised me later, however, that the State would not absorb the improvement and maintenance costs in its road budget.

There is nowhere else to turn, Mr. Speaker. The local governments simply do not have the money, and the State government refuses to accept its responsibility. We in the Congress cannot turn our backs on this pressing and important problem; we simply cannot afford to ignore a situation that could have an impact on millions of tourists annually.

A recent study of traffic on these roads indicated that tourist traffic will constitute approximately 90 percent of the total traffic volume. Can we jeopardize the safety of those millions of Americans because the local citizens can't afford to and the State refuses to accept responsibility for improvement and maintenance of these roads? Mr. Speaker, one life lost on these roads—one single highway death—would justify action now. Let us not wait for that tragedy—let us not wait until our faces are red before we do what is right and what has to be done.

I realize, Mr. Speaker, that this may not be the best approach. The proper approach is for the State to take over local roads when the volume of traffic warrants it, which it clearly does in this case. But the State refuses to accept its responsibility. Accordingly, as a last resort, I am asking the Federal Government to act where the State has failed to act, in the interest of public safety.

This legislation will not be a panacea, Mr. Speaker, and I fully realize that it may be months, if not years, before it can be passed and implemented. And I wish there were another way. But there just is no other way. In light of the State's utter refusal to accept its responsibility and do its duty and take over the roads, I hope my colleagues in the House will see clear to support me in this critical dilemma and favorably consider my bill.

MARTIN E. SENECA, JR., SENECA INDIAN, NAMED DIRECTOR, TRUST RESPONSIBILITIES, BUREAU OF INDIAN AFFAIRS

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. REGULA. Mr. Speaker, as ranking minority members on the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs of the House of Representatives, I am pleased to insert at this point in the RECORD the announcement that Martin E. Seneca has been appointed as the Director of Trust Responsibilities of the Bureau of Indian Affairs.

The announcement follows:

MARTIN E. SENECA

Commissioner of Indian Affairs Morris Thompson announced today the appointment of Martin E. Seneca, Jr., 32, to be Director of Trust Responsibilities, Bureau of Indian Affairs, Washington, D.C., effective May 12, 1974. His post is the second of five directorships—top jobs within the Bureau of Indian Affairs—to be filled.

"As Director of Trust Responsibilities, Seneca will head the Central Office functions related to the Bureau's programs in the development and management of programs relative to the Bureau's trust and legal responsibilities including the protection of the rights of Indians in their trust property and those rights affecting trust property that are afforded by tribal sovereignty," Thompson said.

Seneca is an enrolled member of the Seneca Nation of New York. He holds a Master's degree in public administration from Brigham Young University and a doctorate in law from Harvard University and is presently Associate Professor of Law at the University of Utah.

He accepted that post following a year as a White House Fellow in which he served as special assistant to the Secretary of the Department of Housing and Urban Development. He also has been an associate attorney in the Washington firm of Wilkinson, Cragun and Barker.

In 1970, Seneca received a two-year Presidential appointment as a member of the National Council on Indian Opportunity in the Office of the Vice President. NCIO is composed of eight outstanding American Indian leaders and eight members of the President's cabinet.

From May 1969 to September 1969 he was a project developer of the Seneca Nation of Indians, New York. From June 1966 to September 1967 he was technical assistant, Utah University Bureau of Indian Services which had an Office of Economic Opportunity grant to provide training and technical assistance to Indian tribes of the Northwest.

In high school Seneca represented the American Indians at the First International Youth Conference sponsored by UNICEF.

"His academic preparation for the administrative and legal fields together with his experience in working with Indian people and Government agencies at all levels gives Seneca the unique qualifications needed to administer the Office of Trust Responsibilities," Thompson said.

Seneca was elected President of the American Indian Law Students Association in 1970, and was also appointed by the Chancellor of New York State's university system to serve on a panel which was charged to assist in the long range development of the State university system by providing a philosophical base with respect to change and growth.

Seneca is married to the former Karen Ann Wilson, Boise, Idaho. They have four children, three sons and one daughter.

BAN THE HANDGUN—XLVI

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BINGHAM. Mr. Speaker, the residents of San Francisco, Calif., are living in constant fear of attack by pistol-packing maniacs. In 6 months, 18 people have been seriously wounded or killed, at random on that city's streets; .32-caliber weapons were used.

In response to this terrorism and the accompanying panic, Mayor Joseph Alioto has begun the most intense—and controversial—manhunt in San Francisco's history; just last night two suspects were arrested. The tragic question arises: Why have we made it so easy for maniacs like this to acquire handguns. And what should we do now to disarm the terrorist in order to prevent similar incidents in the future?

The two following articles, from the April 15 and April 17 edition of the New York Post dramatize the need for strict gun control legislation:

NEW FRISCO SHOOTINGS: TWO BOYS WOUNDED

(By Mel Juffe)

Two teenage boys were in critical condition today after being gunned down in the latest in a wave of random street shootings in San Francisco.

Eleven murders and six attacks causing serious injuries have taken place in the city since last November.

Homicide Inspector Frank Falzon said today that the latest shootings were "most definitely" linked to the so-called Operation Zebra series of shootings.

Zebra is the police code for the 17 shootings that have touched off the biggest manhunt in San Francisco history. In each case, a black assailant, without apparent motive, shot a white victim with a .32-caliber automatic revolver at nearly point-blank range.

The unidentified boys, ages 18 and 15, were approached last night by "at least one black man who opened fire at a distance of about five feet and fired several times," Falzon said.

According to Police Sgt. Victor Wode, the assailant "pulled a gun, fired four shots, turned around and walked away."

Falzon said .32-caliber automatic casings—from the same type weapon used in the other Zebra shootings—were found at the scene.

The teenagers, believed to have been trying to hitchhike at the time, were shot as they stood at the corner of Hayes and Fillmore Streets in the Western Addition section, a racially mixed area composed of small neighborhood businesses, residences and redevelopment projects.

Several other Zebra shootings have occurred in the section, including the most recent—on April 1—when a Salvation Army cadet was shot to death and a female companion critically wounded.

The teenagers were taken to Mission Emergency Hospital where nursing supervisor Marie Rusert said both were in critical but stable condition. One was shot in the arm and upper abdomen, while the other was hit twice in the chest, she said.

Asked to assess the public's reaction to the latest Zebra shootings, Sgt. Wode said: "People are apprehensive somewhat, but I don't think they're staying home and locking their doors yet. It isn't creating any racial tension. Both blacks and whites know this is some kind of abhorrent killing."

In an apparently unrelated incident, about 20 minutes after the double shooting, a white man told police a black gunman fired a sawed-off shotgun at him from a passing car about a mile-and-a-half from where the teenagers were gunned down.

Wode said: "That wasn't a Zebra shooting, unless they've suddenly changed their modes operandi."

The man reported he was missed by the shotgun blast as he was standing on the corner of Fourth and Howard Sts.

He said his would-be assailant was wearing a green Army-type field jacket with a patch over the heart representing a snake.

The emblem of the terrorist Symbionese Liberation Army, which has claimed responsibility for the kidnapping of newspaper heiress Patricia Hearst, is a seven-headed cobra.

Commenting on both shooting incidents, an FBI spokesman said: "There is no indication at this point it's SLA-oriented. In fact, there's no indication these shootings are connected with anything except a couple of screwballs."

ANOTHER WHITE "EXECUTED" ON SAN FRANCISCO STREET

(By Mel Juffe)

A 23-year-old man was shot to death last night in San Francisco, the latest victim in a series of random street shootings in which 18 whites have been killed or wounded by black gunmen.

Nelson T. Shields, who until this year had attended Hobart College in upstate Geneva, N.Y., was shot in the back as he helped a friend put a rug in the back of a station wagon in the city's Ingleside district.

Hit by three slugs fired at pointblank range, Shields toppled out of the car and fell dead in the gutter.

A nearby resident told police that when she heard the gunfire, she looked out her window and saw the gunman fleeing on foot.

.32 USED AGAIN

San Francisco police use the code "Operation Zebra" to describe the street shootings that have terrorized the city. Since last November 12 persons have been murdered and six critically wounded. Each time, black gunmen, without apparent motive, executed a white victims at close range with a .32-caliber automatic revolver.

A "Zebra" terrorist last Sunday critically wounded two teenagers at a bus stop. On Apr. 1, a Salvation Army cadet was shot to death and his female companion critically wounded.

Police at last night's murder scene said Shields was hit by .32-caliber bullets, but an official police spokesman declined to confirm that report.

Police said Shields had been living in nearby Sausalito and that his family live in Delaware.

Shields had gone to the house in Ingleside with a friend to pick up the rug. The friend, 23-year-old Jonathan May of Mill Valley, Cal., said he didn't see the assailant.

"I came into the house and was talking to the woman who lives here," said May. "I had been in here about two minutes when I heard three rapid shots. I turned around and looked out. Nelson was lying in the street."

Witnesses provided police with a detailed description of the gunman.

"As far as is known," said a spokesman, "there was no exchange of words between the suspect and victim. It was another indiscriminate type of killing."

AT LEAST TWO

The gunman was described as black, about 30, with a stocky build, weighing about 180 pounds. He was wearing a black-knit watch cap, a blue zipper-type jacket and dark pants.

After Sunday's shootings, police said they were searching for a man with a distinctive gold tooth.

Investigators, who say there were at least two "Zebra" killers, are at a loss to explain the motivation for the shootings, except as the work of demented killers.

San Francisco police announced the start of the biggest manhunt in the city's history after four persons were killed and another seriously wounded in a shooting spree Jan. 28. During that night of violence, witnesses told police they saw two black gunmen roaming the city in a 1969 Cadillac picking off their victims.

Police and the FBI have said there is no evidence linking the "Zebra" gunmen to the Symbionese Liberation Army, who kidnapped Patricia Hearst in nearby Berkeley on Feb. 4.

SYMPOSIUM ON ENDANGERED AND THREATENED SPECIES OF NORTH AMERICA, WASHINGTON, D.C., JUNE 11-14, 1974

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. WHITEHURST. Mr. Speaker, in the period 1600 to 1850 only two mammal and three bird species became extinct in the United States. Since that time 57 species of mammal, bird, and fish in the United States have been forced into extinction, lost to mankind forever. Worldwide, animals are disappearing at the rate of one species or subspecies every year. Four hundred animals are listed as endangered species, 109 of those in the United States alone. And there are hundreds of threatened species, animals whose numbers are being depleted and considered threatened with extinction. Additionally, it has been estimated the Earth will lose 10 percent of its biota in the next 25 years if the rate of depletion continues unabated.

A living system communicates its condition. As an example, the health of a plant can be observed by the condition of its leaves. When they abnormally change or die we know something is wrong and can take corrective action. The ecosystem surrounding man is also writing its message, and what can be seen of it does not bode well for mankind. The system is being changed, and the initiator of it is largely man's activity. We do not know the contribution to nature's balance made by vanished species. But each species helps maintain the stability of the ecosystem, and the loss of a seemingly insignificant contributor to man's well-being may have been important to the support of a species upon which man is dependent. It is important that man know the effects of his activities and what corrective action can be taken to minimize the impact or reinstitute a balance.

This is a way of saying that all species are ultimately important to man, whether his economic or physical health depends directly on them or not.

One of the most important efforts to date to inform the public of the plight facing endangered animals is a landmark series of meetings to be held in Washington at the Statler-Hilton, June 11 to 14 this year. The gathering is unique in that it will present for the first time in a continuous group of meetings leading conservationists and wildlife experts reviewing the status of many wild species threatened with extinction. The Symposium on Endangered and Threatened Species of North America plans to publish the proceedings and formulate recommendations to enhance the protection of wildlife.

The conference is sponsored by the Wolf Sanctuary of St. Louis, and is being coordinated by Mrs. R. Marlin Perkins of St. Louis, Mrs. Rogers Morton of Washington, D.C., Mrs. Charles Tippy of

Houston, Tex., and Mrs. G. William Whitehurst of Virginia Beach, Va.

Topics to be discussed include whales and sea mammals, reptiles, polar bears, sea turtles, black footed ferrets, wild horses, sea otters, wolves, grizzly bears, cats of North America, birds, wild ungulates, predator problems in the West, pollution of the oceans, wildlife parks and zoos, State and Federal legislation, management of wild animals, science, land use, conservation, the role of education in the survival of wildlife, and international wildlife conservation and protection efforts. The range of inquiry will also include activities in animal requirements in research, and studies of other endangered or threatened species. Question and answer sessions, panel programs, films, and other techniques will be used during the 4-day program. I include the full program at this point in the RECORD:

SCHEDULE OF THE SYMPOSIUM ON ENDANGERED AND THREATENED SPECIES OF NORTH AMERICA

MONDAY, JUNE 10, 1974

1–10:00 PM Registration.

1 PM on—Hospitality room open.

NOTE.—This room is open throughout the Symposium from 9:30 AM to 7:00 PM. Cash bar 5–7 PM.

TUESDAY, JUNE 11

Moderator for the day: Mr. Roger Caras.

9:30 Welcome, Dr. Marlin Perkins.

9:35 Introductions, Mr. Roger Caras.

9:45 Message, The Honorable Rogers Morton.

10:15 Break for refreshments.

10:45 Canids, Dr. Michael Fox.

11:15 Endangered Species Film, Mr. Marty Stouffer.

12:15 Lunch.

2:00 Reptiles, Dr. Wayne King.

2:30 Polar Bears, Dr. Charles Jonkel.

3:00 Break for refreshments.

3:30 Panel "The Role of Education in the Survival of Wildlife," moderator Dr. Erich Klinghammer.

Participants: Dr. John Wanamaker, Mr. John Hoyt, Mr. John Harris, Ms. Carleen Flanagan, Mr. William Mason, Mrs. Marlin Perkins.

7:00–9:00 PM Reception at the Statler Hilton for everyone.

9:15 Tundra Wolves—Film by John Borden and Neil Goodwin.

WEDNESDAY, JUNE 12

Moderator for the day, Mrs. Warren Iliff.

9:30 Sea Turtles, Dr. Archie Carr.

10:00 Whales and Sea Mammals, Mr. Tom Garrett.

10:30 Break for refreshments.

10:45 Black Footed Ferrets, Mr. Conrad Hillman.

11:15 Wild Horses, Mrs. Charles Johnston "Wild Horse Annie."

12:00 Lunch.

1:30 Seal Song, film by Brian Davies, introduction by Carol Perkins.

2:00 Sea Otters, Mrs. Margaret Owings.

2:30 Pollution of the Oceans, Mr. Norman Baker.

3:15 Break for refreshments.

3:30 Panel, International Efforts, moderator, The Honorable Ambassador Francis Kellogg.

Participants: Mr. Howard Pollock, Dr. David Challinor, Mrs. Margaret Owings, Mr. Tom Garrett, Dr. Archie Carr, Mr. Norman Baker.

7:30 Congressional—Celebrity Dinner.

Hosts: Dr. and Mrs. Marlin Perkins, Wolf Sanctuary, Mrs. Rogers Morton, Mrs. William Whitehurst, Mr. V. J. Scutt, Mutual of Omaha, Wild Kingdom.

Address: Dr. Durward Allen.

Entertainment: The Winter Consort.

Awards: Coyote and Mr. Arthur Godfrey.

THURSDAY, JUNE 13

Moderator for the day Dr. Marlin Perkins.

9:30 Wolves In the Wild, Dr. Gordon Haber.

10:00 Cats of North America, Dr. Randall Eaton.

10:30 Break for refreshments.

10:45 Wild Ungulates, Dr. Valerius Geist.

11:15 Birds, Roger Tory Petersen.

12:00 Lunch.

2:00 Grizzly Bears, Dr. John Craighead.

2:30 Predator Problems in the West, Mr. Don Balzer.

3:00 Break for refreshments.

3:30 Panel Wildlife Parks—Zoos—Sanctuaries: Centers for Survival. Moderator, Mr. William Conway.

Participants: Mr. Earl Baysinger, Dr. Theodore Reed, Ms. Sue Pressman, Dr. Wayne King, Dr. Marlin Perkins, Mr. Pat Quinn.

Reception for patrons, speakers, moderators, panel participants, and Wolf Sanctuary Board at the Smithsonian Institution.

FRIDAY, JUNE 14

Moderator for the day Mr. Michael Fox.

9:30 Panel Legislation: State and Federal. Moderator, Representative William Whitehurst.

Participants: Dr. David Mech, Mr. John Gottschalk, Mr. Clark Bavin, Ms. Christine Stevens, Mr. Bernard Fensterwald, Mr. Lewis Regenstein.

11:00 Lunch.

1:00 Panel Management of Wild Animals. Moderator Mr. Dan Poole.

Participants: Mr. Cleveland Amory, Dr. Durward Allen, Dr. John Craighead, Dr. Fred Evenden, Mr. Starker Leopold, Mr. Keith Schreiner.

2:30 Break for refreshments.

3:00 Panel Science—Land Use—Conservation: Possibilities for the Future. Moderator, Mr. Charles Callison.

Participants: The Honorable Russell Train, Mr. Lee Talbot, Mr, Harry Crandall, Major General Jack W. Morris, Mr. Tom Kimball, Mr. Leonard Hall.

4:30 Summation of Symposium, Dr. Michael Fox.

The Endangered and Threatened Species Symposium is much more than an historical first in the effort to provide enlarged protection for hard-pressed wildlife. It will provide a forum for those committed to wildlife study to tell their story, encourage the exchange of information among professionalis, establish face-to-face discussion of issues important to wildlife conservation, and provide an opportunity to meet the personalities pledged to this effort. It is hoped this symposium will help bring to the attenion of America's citizens the requirements of wildlife in an increasingly populated world.

There are several bills introduced in this Congress that if passed would make a significant contribution toward protecting wildlife. They provide Congress an opportunity to show its concern for endangered and threatened species by taking positive action to protect them and enhance their environment. I take this opportunity to briefly review some of these bills for my colleagues. The legislation follows:

LIST OF ANIMAL LEGISLATION

H.R. 12047 provides financial assistance through direct grants and loan guarantees to help zoos and aquariums improve their facilities. Establishes a Federal Zoological and Aquarium Board to set standards and accreditation. Authorizes pilot projects to serve as models for the national standards. Also creates survival centers for endangered and threatened species. Referred to the Merchant Marine and Fisheries Committee.

House Concurrent Resolution 125 asks that the United States, through its delegation in the United Nations, take steps to urge the UN to initiate the establishment of international criteria for determining endangered species of wildlife; the establishment and maintenance of international lists of endangered species of wildlife; and the establishment of international standards for the humane treatment of animals, especially in shipment. Referred to the Committee on Foreign Affairs.

H.R. 9206 authorizes the Secretary of Interior to establish regulations regarding acceptable means and methods of trapping and capturing mammals and birds on Federal lands in a humane manner. Selling or transporting illegal traps carries a one year prison term and $5,000 fine. Interstate shipment of any part of an illegally trapped animal or bird is prohibited. It also limits the trapping and capturing of mammals and birds on federal lands. Referred to Merchant Marine and Fisheries.

H.R. 1264 extends Federal law relating to the care and treatment of animals in pet stores and zoos, and increases protection of animals in transit. It also sets minimum standards for pet shops, zoos, laboratories and other facilities, wherever interstate commerce is involved. It increases coverage of the Animal Welfare Act so that more animals can benefit from effective measures to stop abuse and neglect. The bill has been referred to the Committee on Agriculture.

This is only a partial list of my animal legislation. Wildlife and mankind will benefit from its passage. However, wildlife cannot speak for it; only man can do that. I urge my colleagues on the various committees mentioned to act favorably on this important legislation.

STARK COUNTY FEDERATION OF CONSERVATION CLUBS OPPOSES "GUN CONTROL"

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. REGULA. Mr. Speaker, at the request of the chairman of the Legislative Committee of the Stark County Federation of Conservation Clubs, Stark County, Ohio, I am inserting at this point in the RECORD a portion of the statement submitted to the Ohio General Assembly on behalf of this group in opposition to gun control legislation.

The statement follows:

STATEMENT OF THE STARK COUNTY FEDERATION OF CONSERVATION CLUBS IN OPPOSITION OF CONTROL OF FIREARMS BY GOVERNMENT

I have been selected to prepare this statement in behalf of the Stark County Federation of Conservative Clubs and its over 7,000 members.

I feel that the United States has always had the finest, most advanced, form of gun control of any nation on earth. In particular, control, by responsible law abiding citizens which has always proved to be superior to control by government.

The right of the police of this country to carry firearms, and use force, in the performance of their duties is derived by a process of delegation, from the citizens, who have an inalienable right to use force in defense of their persons, families and property. When the government presumes, by any method, that the police may possess firearms that are denied the people we are indeed a long way down the road towards a police state.

I categorically disagree with the contention of many, who advocate gun control laws, that firearms per se are a cause of crime. Rather I maintain that firearms in the hands of the law abiding citizens are and have been, the most effective peacekeeping force in existence and have been the major factor that has kept the criminal element in this country from running completely amuck. The criminal element, I am sure, would welcome passage of any gun control law.

I contend that gun control laws are an effort at legalized erosion of the right to own and bear arms and would amount to an infringement on a right that is older than the Second Amendment to our United States Constitution. Laws regarding the right to own and bear arms existed in English common law and although mine is not a mind trained in legal matters, it is my understanding that it is also part of our own common law.

The Second Amendment to our United States Constitution and the similar protective clause in our State Constitution do not create that right but do prevent the government, Federal and State, from infringing on this precious right.

I condemn gun control proposals as a potential means of infringing on the peoples right to own and bear arms, contrary to long-standing law and judicial decisions. In particular, I am keenly aware of the historical role of the American militia in securing freedom. The citizens militia is, and has been, the backbone of the armed forces of the United States and is, in the final analysis, the ultimate resource of the people against tyrannical government. The history of mankind is that government has an unsatiable desire for power.

It is more important than ever before that we retain, and preserve the right to own and bear arms. To deny the people the right to own and bear arms, in any degree, would effectively take power from the people and add to the already awesome power of government. I do not intend to tolerate any attempt to disarm me, or subvert our militia heritage. Such would be the conspicuous effect of any proposal that diminishes the unfettered right of the people to own and bear arms.

Communist use of gun control merits serious consideration. Gun control ranks very high on the lists of priorities contained in the Communist Rules for World Domination. I also point out the fact that Stalin, Lenin, Hitler, Mussolini, and Castro were very ardent supporters of gun control. They also were the most successful destroyers of human freedoms of our century.

The firearms clauses in our Bill of Rights and our own State constitutions are a protection of our citizens right to own and bear arms so that by being adept in the use of firearms they could be a standing reserve, a citizen army, constantly on guard and ready to defend their loved ones and homes, state and country against all enemies, "both foreign and domestic". Those Americans who are unwilling to surrender their firearms, and there are many, understand that the citizen soldier—not the military—is the real strength and defense of freedom in this country.

The patriotic American who may, or may not be, a gun enthusiast or sportsman understands full well that he must never surrender his firearms. Too many great countries that have fallen have first suffered the indignity of government-supported confiscation of its citizens' weapons thus rendering the people unable to resist tyranny, aggression, and leaving them helpless before criminal and state alike.

The first Amendment to our United States Constitution is well known and cherished by us all as a safeguard of freedom of speech and press. Those who own and control the news media are constantly using this right to defend against any infringement, meddling, or intervention by government. I commend them and join them in this defense.

The news media, for instance, has focused the attention of the public on the effects of the misuse of firearms and rightly so.

Misuse, and not ownership, is the real problem regarding firearms. I ask if the peoples' right to own and bear arms is diminished, or obviated, how long before the right of free speech and press will no longer be considered necessary for the maintenance of our individual liberties? For any committee to report and bring retrictive gun control measures to the House, for consideration, further threatens infringement on individual liberties that have served as a basis for our American way of life. Which committee, at this time would dare impose such action against the right of free speech and press? In my opinion, none would dare such action. I ask them why an infringement on the Second Amendment.

Freedom would be better served by consideration of corrective legislation, aimed at the judicial and penal systems, designed to promote the firm and just enforcement of the more-than-adequate laws we have to control the criminal element.

The law abiding citizen does not need, or deserve the type of control and restriction that gun control laws would impose.

Let us all face the fact that the thrust of all gun control laws are felt, only by the law abiding citizens and there is abundant proof that the criminal, who pays no heed to any law, cannot be expected to pay heed to gun control laws. Those who advocate gun control laws would disarm the citizens. Where is the guarantee that the criminal would also be disarmed?

In my opinion gun control proposals are an insidious attempt to errode the right to own and bear arms. It is but one in a series of progressive steps toward the ultimate goal of those who advocate gun control—the total disarmament of the American people.

TOBACCO SMOKE EMISSIONS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. KEMP. Mr. Speaker, later this week, the House will consider the bill, H.R. 13053, the National Cancer Act Amendments of 1974.

That bill is designed to greatly enhance our Nation's effort to control and eventually eradicate the causes of cancer in its many forms. I fully support that bill and such an effort.

I have had recently brought to my attention a fact sheet on tobacco smoke emissions. The facts within this summary on the dangers to nonsmokers from inhalation of tobacco smoke particles and gases occasioned by smokers are indeed startling. I think they are of direct relevancy to the consideration of measures related to the control of cancer, and that, therefore, they ought to be carefully read by Members and the general public alike.

At this point in the proceedings, I include the text of this tobacco smoke emissions fact sheet:

Tobacco Smoke Emissions

FACT SHEET

1. Smoke-filled air contains visible smoke particles and invisible gases that may irritate the eyes and nasal passages. These same substances may also trigger allergic reactions.

2. Several harmful gases in tobacco smoke emissions have been identified: Carbon monoxide, nitrogen dioxide, hydrogen cyanide, hydrogen sulfide, hydrocyanic acid, arsenic, and other compounds.

3. The least obvious and most insidious danger is that a colorless gas, carbon monoxide, may get into the nonsmoker's bloodstream in sufficient quantity to damage his heart and lungs or exacerbate heart-lung disease that he already has.

4. Inhaled carbon monoxide, in smokers and non-smokers alike, enters the bloodstream through the inner surface of the lungs. Carbon monoxide robs the body of needed oxygen and commonly leads to headaches, dizziness, and lassitude.

5. The acceptable maximum in most industrial situations is 50 parts of carbon monoxide to 1,000,000 parts of air. A roomful of cigarette smokers, investigators have found, raise the carbon monoxide content to between 20 and 80 parts per million.

6. Cigarette smoke contains 250 parts per million (ppm) of nitrogen dioxide, an acutely irritating gas possibly giving rise to nitrate, a potentially mutogenic agent. Pollution alert levels in Los Angeles have gone as high as 3 ppm.

7. Hydrogen cyanide is not found in customary forms of air pollution, yet is a highly active enzyme poison, found in cigarette smoke. Long term exposure to levels of about 10 ppm is considered dangerous. Concentration in cigarette smoke is 1,600 ppm.

8. Teams of researchers at the University of Cincinnati Medical Center reported that smoke drifting from the burning ends of cigarettes, pipes, and cigars contains cadmium which could definitely be harmful when inhaled by non-smokers.

9. The presence of tobacco smoke in the air can trigger an attack in a person plagued with chronic lung disease. The attack can result in either a mild discomfort such as a coughing spell, running eyes and nose, and impaired breathing or a more serious attack involving extreme discomfort and great difficulty in breathing.

10. Smoke from an idling cigarette contains almost twice the tar and nicotine of an inhaled cigarette and thus may be twice as toxic as smoke inhaled by the smoker. An idling cigarette contaminates the air for approximately 12 minutes while the average smoker is usually inhaling on the average for 24 seconds.

11. If a non-smoker must be in the company of a smoker, he may be safer when near one who inhales because the inhaling smokers filter mainstream smoke rather effectively. Studies have shown that a smoker's lungs retain more than 85% of the volatile chemicals and particulate matter, and more than half the carbon monoxide in smoke.

12. Since pipe and cigar smokers inhale less than cigarette smokers, they contribute relatively unfiltered smoke into the air.

13. Heavy cigarette smoking while driving in traffic can harm some people. The carbon monoxide present in such a situation can interfere with the driver's ability to judge time intervals and thus lead to accidents. Ten cigarettes smoked in a closed automobile produce carbon monoxide levels up to 90 ppm.

14. 58% of adult men do not smoke and approximately 70% of adult women do not smoke. The American Medical Association estimates that at least 34 million Americans are sensitive to cigarette smoke. They have

respiratory conditions which are made worse, often dangerously so, by tobacco fumes.

15. The patient who is already ill is likely to become much worse if he encounters smoke in the doctor's reception room.

16. A health survey in Detroit homes concluded that smokers' children were sick more frequently than non-smokers' children, and that the presence of tobacco smoke in the environment was associated with "lessened physical health."

17. One test made in Germany showed that smoking of several cigarettes in a closed room makes the concentration of nicotine and dust particles in a short time so high that the non-smoker inhales as much harmful tobacco as the smoker inhales from four or five cigarettes.

Facts compiled from Dr. Jesse L. Steinfeld, Surgeon General of the U.S. Public Health Service; Time Magazine: John M. Keshishian, Md., George Washington Hospital; Frederic Speer, M.D.; Medical Tribune, December 4, 1967; Science Magazine, 1967; Deutsche Medizinsche Woochenschrift, 1967; Kostin Cameron; General Robert B. Shearer, Walter Reed Army Hospital; Action on Smoking and Health reports; Harry Swartz, "Tobacco Smoke: A Noxious Air Pollutant"; Readers Digest, November, 1972; Curtis 100, September, 1972; Frederic Speer, Archives of Environmental Health, March, 1968; Philip Albelson, "A Damaging Source of Air Pollution"; Research Dept., Fla. Division of Health.

Prepared by the American Lung Association of Southeast Florida, 2701 Australian Avenue, West Palm Beach, Florida 33407.

FREEDOM IN PORTUGAL—BUT WHAT ABOUT AFRICA?

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. YOUNG of Georgia. Mr. Speaker, the coup in Portugal last week evidently was welcomed by the people who live there. The new regime promised to restore civil liberties, abolish the secret police, lift censorship and hold free elections.

But Portugal's intentions about the colonized African territories of Guinea-Bissau, Mozambique, and Angola are much less clear. The leader of the new Portuguese regime, Gen. Antonio de Spinola, has spoken of "self-determination" for the African colonies, but it remains to be seen what he means by that.

As a matter of human rights, the same freedom and liberties now promised to the people in Portugal should be extended to the people in the African lands so that they, too, will decide the course of their own future. I hope that American foreign policymakers and Congress will have the sense to press for independence for the Portuguese colonies. For the RECORD, I submit a report on the Portuguese developments, published in the May 6 issue of Time magazine.

A WHIFF OF FREEDOM FOR THE OLDEST EMPIRE

The signals on the Lisbon radio station sounded innocent enough one night last week. At 10:55 p.m. the air waves hummed with the popular ballad *After We Say Goodbye*. Two hours later the transmitters beamed another popular song, the lyrics of which included the phrase "dark land." To junior army officers throughout Portugal, soured by the nation's debilitating 13-year war against guerrillas in three African colonies, the messages could not have been clearer. *After We Say Goodbye* was an alert that this was the night the army would move against the totalitarian regime of Premier Marcello Caetano. "Dark land" meant that this was the moment to launch the coup. Thus began one of the few coups in which military officers threw out a totalitarian regime and declared their intention to establish a democratic government—instead of vice versa. In time, the shock waves sent out by the coup may be felt more strongly in Africa than in Lisbon itself, and the end of the Lisbon dictatorship signaled profound changes for Portugal's vast colonial holdings, the first—and the last—great European empire.

By first light the army was firmly in control of its own barracks, the Atlantic harbors, the airports, the radio and television stations and even the national bank. Though a few companies of the paramilitary National Republican Guard held out, together with the detested D.G.S. (Direcção Geral de Segurance) secret police, the army was clearly superior. "We have all the tanks, and we have the military experience we learned in Africa," said one rebel officer with casual contempt. "The police and the National Republican Guard have only a few obsolete armored vehicles."

GOING OVER

In Lisbon's main square, the Praca do Comercio, the 7th Cavalry Regiment was called upon to crush the rebels. The first contingent, led by a lieutenant, responded by going over to the other side. The second also joined it after its commander, a lieutenant colonel, was arrested. The third, led by a brigadier general, fought for a few minutes, then broke ranks. By that time the rebels were firmly in control.

In the takeover itself, only one person, a civilian, was killed, and 20 were wounded. But in a desperate, irrational outburst, a group of D.G.S. police fired wildly into a crowd of civilians, killing five and injuring 40 more before retreating to temporary safety. The D.G.S., a longtime opponent of the army, provided the only real resistance to the takeover. Still, no more than a dozen people were reported dead at week's end.

Premier Caetano sought refuge in the Lisbon Republican National Guard headquarters, and Portugal's 79-year-old President, Americo Thomaz, retreated to the barracks of a loyal regiment of lancers. Before surrendering, Caetano, in an effort to preserve the dignity of the state, asked if he could formally turn over the powers of his office to General Antonio de Spinola, the spiritual leader of the rebellion, rather than let the government "fall in the streets." Spinola, who claimed to be aloof from the plotting, replied that he would have to consult the junior officers who had led the coup. "I am not the leader of this movement," he maintained. "I did not act against the government." He added: "If the government has the good sense to find a solution, I think I will be doing a service by speaking to the rebels." Though he may not have actually helped plan the coup, Spinola was obviously prepared to act as its leader once it succeeded. Both Spinola and his boss, Army Chief of Staff General Francisco Costa Gomez, were kicked out in March because of their antiwar views on the African conflict.

To the cheers of a waiting crowd, Spinola, who had been one of the country's best guerrilla fighters, entered Republican National Guard headquarters for what was reportedly a polite, even friendly talk with Caetano, who had governed Portugal since 1968 when Dictator Antonio de Oliveira Salazar suffered a stroke. (Salazar died in 1970.) To emphasize the continuity of power despite the coup, the general went to Lisbon's Portela Airport the next morning to bid farewell to Caetano, Thomaz and their senior Cabinet Ministers; they were jetted to exile on the tourist island of Madeira.

All told, it took only 14 hours to smash the dictatorship established by Salazar 45 years ago and set the 8 million people of Portugal on what the army promised would be a new, democratic course. But it was not a quest for freedom that had motivated the rebels as much as the desire to stop the bloody and costly guerrilla war in the African colonies. The war consumed more than 40% of the nation's $1.3 billion annual budget, claimed the lives of some 250 Portuguese troops every year, and caused profound frustration in the army, which felt that it was trapped in an unwinnable battle. Disenchantment with the Caetano government's colonial policy climaxed in February when Spinola added his prestigious name to those of the dissenters with his book against the war. Young officers enthusiastically echoed Spinola's criticisms and in March even attempted an ineffectual coup that was smashed within hours. They were better prepared this time.

RED CARNATIONS

Lisbon reacted like a liberated city. People joked with the soldiers guarding the main streets and squares, and long stemmed red carnations, a symbol of support for the army, appeared everywhere. Cheers and hurrahs greeted every mention of Spinola's name. Appointed to the seven-man ruling junta group that he clearly dominated, Spinola went on television with his colleagues to promise free elections "as soon as possible," a phrase later defined as some time within the next year. They also pledged to abolish the hated secret police in Portugal itself and grant full civil liberties. Censorship was lifted, and the Lisbon newspaper *Republica* placed a red box on its front page to announce the first uncensored edition anyone could recall.

Politically, the new regime's hastily sketched program sounded rather mild and unexceptionable by non-Portuguese standards. Apart from a change in Africa, foreign policy will probably remain the same; and Portugal's membership in NATO will most likely still be a cornerstone of the country's military policy, with the U.S. retaining use of the invaluable airbase in the Azores. The military junta will no doubt try, as Caetano also tried, to speed economic development. It will immediately be confronted, however, with the obstacle of one of Europe's most virulent cases of inflation—a staggering 30% increase last year—and with possible opposition from the famous "100 families" that have long controlled the country's economy through interlocking cartels and conglomerates.

Almost like a magnet, the Bastille-like Caxias prison, which stands high on a hill southwest of Lisbon, drew huge throngs of friends and relatives of the political prisoners inside. All had been freed on orders of the junta. Time's Martha de la Cal witnessed the scene and reported that the crowds, alternately laughing and crying, waited for 73 prisoners to walk—or be carried—out. One man had been in Caxias 21 years, but about 50 were among a group of influential leftists that had been locked up only one week before in the government's frenzied attempt to quash dissent. One ugly rumor about Caxias was confirmed when liberating soldiers discovered a torture building, mute evidence that will no doubt back up the testimony of the prisoners who visited it. "Every night we would hear the trucks rumbling past our windows, taking prisoners to the torture building," said the wife of one prison worker. "Then we would hear them come back, and we would see the result in the hospital."

After the first euphoric outbursts, the residents of Lisbon reacted with some confusion to their new-found freedom. Several hundred youthful leftists, who had been more harshly suppressed than any other group, held a demonstration in Rossio Square and carried banners calling for freedom to form unions and strike. Red hammers and sickles dotted the surface of some monuments, together with hand-scrawled announcements of a demonstration scheduled this week for May 1—the traditional day of Communist celebration. Our long, long night is over," one of the students exulted to Time's Steve Englund. "Portugal is free."

Older bystanders watched the demonstrators with as much wonder and surprise as they might have observed visitors from Mars, looking over their shoulders with the ingrained habit of decades to see what the police or the soldiers would do. For the moment the authorities did nothing. The city police had been withdrawn for their own protection, so that mobs would not mistake them for the odious D.G.S. men and lynch them, and army troops stood idly by. It was doubtful, however, that Spinola, who was somewhat alarmed at the city's mood, would let the leftists do more than march and sing. There seemed little chance that the army's coup would be captured by the left.

In Africa, where Portugal has an army of 160,000 men stationed in its major three colonies, the course of the coup was followed as eagerly as it was in Lisbon. In Lourenco Marques, capital of Mozambique, crowds gathered outside newspaper offices to buy up papers as they came off the presses. There was some concern in Lisbon that the hawkish commanders of either Angola or Mozambique might join with white settlers in defiance of the new dovish regime. But when they were fired, both men submitted quietly.

In Rhodesia and South Africa, the reaction was one of extreme nervousness at the possibility that Lisbon might find some accommodation with black guerrillas and break the solid front of white governments in the southern half of the continent. Rhodesia's position might become untenable if Mozambique turned hostile and its lifeline to the sea were broken; South Africa could only shudder at the possibility of unfriendly black governments on its northern borders. To forestall that possibility, Johannesburg might even send its efficient military into both territories. "We cannot make big concessions here, even if Lisbon orders them," one Portuguese official in Mozambique argues. "If we did, the South Africans would be across the border tomorrow in force, uninvited, and simply take over." In Johannesburg, the gold-share index dropped 9% in two days in response to the unwelcome news of the coup.

Exactly what the new government in Lisborn will do in Africa is unclear, but if it follows the prescription of Spinola's book, it will not simply dismantle the empire it began 500 years ago, following the discoveries of the great Portuguese explorers* who were first sent out by Prince Henry the Navigator. Spinola, instead, talks of a federation of Portugal and its territories, with real autonomy—but not independence—for the Black African majorities. "Self-determination should not be confused with independence," he said last week. How such an arrangement would work in practice and whether the white settlers would accept black majority rule are, of course, significant question marks.

The three major African territories have little in common except their relation to Portugal, as Time Correspondent Lee Griggs reports:

Portuguese Guinea, a small (14,000 sq. mi.) enclave on the west coast, could be relinquished without any hurt at all except to the Portuguese ego. There are only 2,000 white civilians living in the whole territory, and the swampy land provides nothing that Portugal needs. The war with the rebels is stalemated; there is no hope at all of pacification. The rebels are well armed with Soviet, Czech and Chinese arms, including SAM-7 ground-to-air missiles, and most U.N. members have already recognized the nationalist regime.

Mozambique, the big (300,000 sq. mi.) territory on the east coast, will be harder to deal with. Approximately 220,000 whites regard it as their homeland, and they have been panicked by recent Mau Mau-like attacks by the Frelino guerrillas, who have been carrying the war ever farther into the south. The railroad line from the port of Beira to Rhodesia has been hit half a dozen times since the beginning of the year, and passenger service has virtually halted. The Portuguese army is still in control, however, and while the rebels grow increasingly brave, the army is successfully moving thousands of natives into fortified villages. Financially, the territory is a drain on the home country, with exports of sugar, cotton and coal not matching the sums poured in by Lisbon. The Cabora Bassa hydroelectric dam on the Zambezi River may, however, make the territory more profitable for industry. Now being built by an international consortium, the dam (cost $350 million) will be Africa's most important when it is completed later this year.

Angola, the largest (480,000 sq. mi.) and most prosperous holding, is the west coast territory where the new government may have the greatest success. With impressive reserves of oil (Gulf Oil alone made a reported $70 million there last year), the territory is a financial plus for Portugal, and Angola's 750,000 whites have developed good relations with its 6 million blacks. Guerrillas have had little support, and Angola is the most secure territory of all. Its very success may, ironically, create problems for Lisbon: the Angolans may reason that Portugal is a drain on them and that they would be better off alone.

Spínola, who saw his own best efforts fail to do much more than hold the Portuguese line in Guinea, realizes better than anyone else the difficulty of finding a solution to the African dilemma. "The problem is how to promote self-determination for the overseas populations within the Portuguese nation," he wrote in his book. "This will not be easy under present circumstances. It will be easier when those populations feel they are completely equal, when they can give expression to their traditional institutions, when they can vote for the laws which apply to their communities, when they can elect their own local governments, when the people who govern them are of local origin."

The African rebels have greeted Spínola with both suspicion and hostility, viewing his ideas for federation as merely a more sophisticated brand of colonialism. If it were to be a true federation, says Luis Cabral, a leader of Guinea's rebels, sheer weight of numbers would give the leadership to blacks. He adds sarcastically: "I'm sure Spínola wouldn't want a black government heading Portugal." Said Dr. Agostino Neto, an Angolan guerrila leader: "What we want is to be completely free to determine the destiny of our own country. If all Lisbon has in mind is a federation—and not freedom—I think the war will continue."

The struggle to keep the territories has nearly wrecked Portugal. The poorest nation in all of Europe—poorer even than the Communist regimes of the East, with the probable exception of Albania—Portugal has nonetheless allotted more of its national budget to the Africa fighting for the past 13 years than to any other project. As a result, the home country has gone without essential improvements in roads, schools and just about everything else a modern economy needs. Nearly 2 million people have violated restrictions against emigration to find jobs in other countries or to escape the mandatory four-year tour in the army—which usually included service in Africa. In the north, where it is easiest to slip over the border to Spain, whole villages look as if they had been visited by the bubonic plague, with almost all their able-bodied men working in the factories of France and West Germany.

Why did the government go on with a senseless struggle? The answer lies partly in the fact that no matter how colonized the natives may feel, the Portuguese have arrogantly not considered their territories as colonies; they are part of Portugal itself. To give up Mozambique was almost the same, in the minds of the older generation, as giving up the Algarve. For half a millennium the territories had been part of Portugal, romantic symbols of the country's rich past. If the Portuguese should leave now, some hardliners have further insisted, the territories would suffer the same fate that befell the Congo when the Belgians left. "It would be a crime to leave, as the Belgians did," one such rightwinger argues. "The natives would just kill and eat each other."

SPANISH DREAMS

Many Portuguese also believed—and still believe—that Portugal would be too weak to stand up to other European nations, particularly Spain, if it let go its ancient overseas inheritance. "If we lost our African territories, we would be under the economic influence of Spain," argues Manuel José Homen de Mello, former manager of Lisbon's daily *A capital*. "We went to sea because we didn't want to be Spaniards." Adds a former Cabinet Minister: "We have only one powerful neighbor, and the Spaniards have always dreamed, as they are dreaming this very day, of marching in and swallowing us up."

That fear seems farfetched in a period when Spain is suffering its own internal dissent with the Basques and liberals. But it is a fear that Spínola and his young captains may find difficult to explain away to Portuguese traditionalists. In the weeks to come, Spínola must not only attempt to find some solution to the African conundrum, but he must also convince the conservative Portuguese that his formula of democracy is not the radicalism they have been warned against for nearly half a century. No one could say last week whether he would succeed, but the Portuguese were at least enjoying their first heady whiff of freedom.

Spínola: The Unlikeliest Liberal

On his record, General António de Spinola should be the last man in Portugal to lead a campaign for reform and liberalization. For most of his 64 years he has been a stern authoritarian. The son of a top financial adviser to Dictator António de Oliveira Salazar, he was a volunteer fighter on the Franco side in the Spanish Civil War, commanding a detachment of other Portuguese volunteers. A few years later, the Portuguese high command, recognizing his potential, sent him to Nazi Germany for training with the then invincible Wehrmacht. From the German side he watched the siege of Leningrad.

When African rebels began challenging Portuguese rule in Angola in 1961, Spínola once again was an early volunteer. Brought home after three years, his chest festooned with ribbons and medals, he was made second in command of Portugal's National Republican Guard, a paramilitary police force. In 1968 he was sent back to Africa as commander in chief and military governor of the territory of Portuguese Guinea, where he served until he returned to Lisbon last summer to receive the Order of the Tower and the Sword with Palm, Portugal's highest military honor, and to become deputy chairman of the joint chief's of staff, a post set up specially for him.

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*Portugal's empire also includes half the East Indian island of Timor (the other half belongs to Indonesia), the tiny colony of Macao, just a ferry ride from Hong Kong off the coast of China, and the São Tomé, Principe and Cape Verde islands in the Atlantic.

In Guinea, Spinola created a MacArthur-like aura around himself. His bushy eyebrows, the flashing monocle in his right eye—an adornment he picked up in Berlin—the gloves, and the riding crop he invariably carried were as well known to Portuguese troops as MacArthur's corncob pipe had been to Marines and G.I.s in the South Pacific. Unlike MacArthur, however, he believed in cultivating the enlisted man, and he would pop from his helicopter in hazardous spots to see personally how the fighting was going.

Though Spinola had worked in Guinea to involve the native population in the affairs of government—a sign perhaps that his own thinking was changing—few Portuguese were adequately prepared for the heretical turnabout of ideas in his book, *Portugal and the Future*, which came out last March and became Portugal's overnight best-seller (200,000 copies). In words that had an eerie echo of the arguments against U.S. involvement in Viet Nam, Spinola said what many in the country had been thinking: Portugal cannot win its African wars, and some political accommodation must be achieved with the rebels.

"Any national strategy based on the rigid pursuit of a policy that imposes such heavy spending on defense," he wrote, "will irremediably compromise survival, the very thing for which the expense is being made. Trying to win a subversive war by military means is to accept defeat in advance, unless one possesses unlimited capacity to prolong the war indefinitely turning it into an institution. Is this our objective? Clearly not."

Probably no one but Spinola could have said such a thing and escaped confinement in Caxias prison. But not even the staunchest right-wingers could fault his patriotism, bravery or adherence to accepted Portuguese values. Indeed, Spinola is a man whose character is conservatism itself.

Except during his service abroad, he has lunched every day for as long as anyone can remember at the same rooftop restaurant of a Lisbon hotel. His hair has been cut by the same barber for 30 years, and his nails have been cared for by the same manicurist for 26 years. A teetotaler, he has stayed trim by regular riding on his horse Achilles, the mount on which he has won several national and international competitions. He can also be somewhat overbearing. In Guinea, he told fat officers to lose weight, and if they did not, he ordered them shipped home. He is an odd man indeed to inspire a liberal-leaning revolution, but he is perhaps the only man in Portugal who could have done it.

FLORIDA ENERGY COMMITTEE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. LEHMAN. Mr. Speaker, last year the Florida Legislature created the Florida Energy Committee, and charged it with responsibilities for studying present policies affecting energy conservation and use in Florida, as well as available sources of energy, and for recommending both a comprehensive system of energy policies to meet Florida's needs, and the necessary administrative and statutory changes necessary to improve energy policies.

The committee was cochaired by the Honorable George Firestone of the Florida Senate, and the Honorable Kenneth H. MacKay, Jr., of the Florida House of Representatives.

The committee has recently released its interim report and recommendations. Because I believe that these recommendations may be appropriate on a Federal level, I am inserting below a summary of them:

SUMMARY OF RECOMMENDATIONS OF FLORIDA ENERGY COMMITTEE

(1) The state provide incentives for persons wishing to construct, produce, install, or purchase solar energy systems. In order to help foster an embryonic industry, to save public funds through lower energy operating costs, and to help develop a reliable product for consumers, state building construction must consider solar water heating, space heating and air conditioning. The use of solar equipment must be considered in design alternatives which include evaluation of life cycle building costs. Furthermore, to encourage persons to invest in solar energy systems production and installation, tax incentives in the form of corporate income tax credits should be provided. In order to encourage persons to purchase solar energy systems products, tax incentives in the form of sales tax exemptions for such products should be provided. To assure suitable equipment and installation, standards should be promulgated and licenses should be required.

(2) A mandatory, periodic reporting be made to a state energy information center by all persons producing, importing, exporting, refining, transporting, transmitting, storing, or selling any products used as fuel including, but not limited to, petroleum and its refined products; natural gas and products made from its conversion; coal and products made from its conversion; uranium or such other resources used in the process of nuclear reaction for the production of electrical power.

Such reports should include the identity of the person or persons and the quantity or quantities of each product produced, imported, exported, refined, transported, transmitted, stored, or sold and reserves held in the state for future production.

In order to minimize duplication, energy information already prepared for federal and state agencies shall be utilized to the maximum extent possible, provided that such information is consistent with the needs stated in this recommendation.

(3) The necessary studies and analysis be conducted to establish rules setting up standards and methods of disclosure of fuel economy of new automobiles and light trucks by July 1, 1975. Such fuel economy disclosure should be expressed in "miles per gallon" and "dollars expended for fuel for average use per thousand miles" based on a specified, reasonable, and assumed fuel cost. Such disclosure should be on the price sticker of each vehicle and in the advertisement of the vehicles. Decreases in economy resulting from the inclusion of options on the automobile should be clearly delineated within known limits.

(4) Studies and analyses shall be carried out by an appropriate state office which shall utilize the extensive efforts of the National Bureau of Standards and of other federal agencies and professional societies to develop detailed requirements and standards on energy conservation considerations for state buildings. These requirements and considerations shall include the details for an energy life cycle cost analysis of alternative architectural and engineering designs.

There shall be developed an energy performance index by which appropriate judgment can be made on the energy requirements and performance of a building. The index established shall reflect the proposed fuel source for the building.

Such requirements shall be promulgated within one year of the assignment of this recommendation and shall be used in the bidding for construction of all state-financed buildings.

(5) Disclosure shall be required on all major electrical and non-electrical energy consuming appliances for the typical energy use, use efficiency, and expected annual costs of operation, under average assumed use conditions. The disclosure shall include the cost figures and assumed average use conditions corresponding to these costs and should be affixed to the product, listed on sales contract at the time of sale, and indicated in product advertising.

(6) Responsibility be assigned to develop a plan which will identify alternatives that would increase the efficiency of energy utilization within the transportation sector. The alternatives considered shall include expansion of existing modes of transportation, and the application of newer modes including, but not limited to high speed rail systems for inter-city transit and specialized intra-city multimodal systems which can be incorporated in the future. The first report of this plan shall be presented to the Governor and Legislature on March 1, 1975.

This plan shall contain a detailed transportation profile for the state to include inter-urban and intra-urban systems, capital costs of developing alternative systems, cost of energy use in competing systems over the anticipated life of such systems, costs of maintenance and operating systems, a means of financing such systems, and the ability of these systems to integrate with and supplement existing systems. Energy costs should include a distinction between energy costs for the equipment for the system and those energy costs required for operation and maintenance. The development plan shall be completed by March 1, 1976 so that implementation of plans can begin by July 1, 1976.

NATIONAL WOMEN IN EDUCATION DAY

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BELL. Mr. Speaker, in recognition of the ninth anniversary of the Association for Women's Active Return to Education—AWARE, I have introduced today a resolution calling upon the President to designate the 19th day of May each year as "National Women in Education Day."

In today's world which is faced by issues of national and international import, the great majority of our Nation's women are pursuing educational and community services goals which will better enable them to exercise their franchise and the leadership which they have gained through responsible use of their vote.

In an effort to encourage women to continue their educational pursuits, AWARE International has offered scholarships for both part-time and full-time study to women beyond the usual college age. This year AWARE International is celebrating its ninth year of distinguished service and activity. Since its beginning in 1965, AWARE International has expanded with chapters throughout

California, as well as in Arizona, Kentucky, Missouri, and Texas.

AWARE International recognizes women nationally and internationally for outstanding achievements in their fields with the presentation of Minerva awards (named after the Roman Goddess of Wisdom) during the anniversary programs. This ninth anniversary will be celebrated on May 19 at Pepperdine University in Malibu.

It is a privilege to contribute to this effort by commending to my colleagues the resolution calling for observance of "National Women in Education Day."

JOINT RESOLUTION

Authorizing the President to proclaim annually the day of May 19 as "National Women in Education Day."

Whereas, it is recognized that a complex, technological society such as the United States requires expanded knowledge, acquired both formally and through experience, by all its citizens;

Whereas, the genuis and skill of our Nation's youth is dependent in great measure upon the wisdom and technical knowledge of the Nation's women during the critical formative years;

Whereas, historically women have had less opportunity than men to participate to their own full educational potential;

Whereas, the women of this Nation have continually and persistently, at the cost of great personal sacrifice in many instances, expended energy, money, and time in acquiring advanced education from the Nation's great institutions of learning;

Whereas, further achievements by women will be encouraged by recognition of the contributions of the educated women of this Nation; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States in Congress assembled, that the President is hereby authorized and requested to issue annually a proclamation designating the nineteenth day of May as "National Women in Education Day" and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

THE ZEBRA KILLINGS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. RANGEL. Mr. Speaker, in today's New York Times, the distinguished civil rights leader Vernon Jordan, Jr. wrote an article on the bazarre Zebra killings and the curious police investigation of them. Mr. Jordan aptly points out the subtle distinction between a legitimate police search for suspects and a racially motivated harassment of black citizens; harassment which before it was brought to its end by the courts, had no qualification or parameters. The article, and a press statement issued by the Congressional Black Caucus last week before the court acted follows:

LOSS OF RIGHTS IN SAN FRANCISCO

(By Vernon E. Jordan, Jr.)

Under pressure of court challenge and black protests, the large-scale stop-and-frisk operation undertaken by the San Francisco police to find the so-called Zebra murderer has been modified. It amounted to the most senseless violation of civil rights in years, yet few people outside the northern California black community spoke out.

Part of the reason may be the horrible nature of the crimes. In each instance, white persons on a relatively deserted street have been shot, usually in the back, by one, sometimes two, unidentified black men. The toll has reached a dozen dead in five months and quite naturally San Franciscans, black and white, are alarmed about the killings and want the killers apprehended.

No one will argue seriously that the situation is not urgent or that unusual actions are not called for. But the police actions taken have been illogical and racially inspired.

Take logic first. No one in his right mind could really believe the killer would pack his pistol in his pocket and walk the streets knowing that every black man in his age, height and weight group is going to be picked up by the police. There was no chance of finding the killer by stopping and questioning black men on the street in a dragnet operation that in effect suspended the Bill of Rights for black San Franciscans; now only black men who appear to be "suspicious" will be stopped.

Even the argument that this would deter the killer does not hold up. It may have deterred him so long as the dragnet continued. But what now? Will officials plan a permanent pass system for black people along South Africa's lines? That hasn't stopped murders from occurring in South Africa and it will not stop them in San Francisco.

About all the dragnet accomplished was to manipulate public opinion to give the appearance that something was being done to catch the killer. It reinforced public prejudices linking all blacks to the crimes committed by a handful.

Last, and far from least, it increased the rage of black people, for whom this is the latest of a series of indignities heaped upon them, and thus worsened the very racial tensions that may be at the root of the crimes.

I expect a lot of people to disagree with me that the city's action is racial in nature. Mayor Joseph L. Alioto went to lengths to separate race from the manhunt, saying he's "not making a racial issue out of this."

But if applying special restrictions to black citizens is not racial, what in the world is? Put it another way. Would the city fathers have acted the same if the victims were black and the suspect white? Would they have ordered that all whites be frisked? Would they have subjected all young whites to a "pass" system? The question answers itself. It has never happened and never will. When the so-called Boston strangler, a white man, was at loose in that city, no one ever heard the suggestion that white people who resembled his description should be stopped and questioned in the street.

In 1942, Californians followed the same method of group attack, with Japanese-Americans. Because it was thought that a few might be disloyal to the nation, then at war, the state convinced Federal authorities to ship every man, woman and child of Japanese ancestry to internment camps. Is this going to be the next aim of panicky extremists now that the dragnet failed?

So paranoia stalks the streets. The constitutional rights of all black people have been freely violated and the "killer" stigma placed on all young blacks. The black community is fearful of what new racist policies may be lurking in the wings, and the white community's fears have been whipped into unreasoning fury.

This is a model lesson in how not to go about handling a volatile situation. The panic and hysteria that gripped the city's leadership in a moment of crisis has now spread outward, a sizable stain of unreason and fright that will take years to erase.

And behind it all is the implicit suggestion that the rights of black people are less worthy of respect and more fragile than those of white citizens. That is the basic lesson of the San Francisco panic, and it is the one that most people seem intent on ignoring.

THE ZEBRA KILLINGS, APRIL 25, 1974

Congressman Charles Rangel, speaking for the Congressional Black Caucus today stated, "It seems as though the statement 'all Blacks look alike' is coming true on the streets of San Francisco." Hundreds of black people of all shapes and sizes have been stopped by police and questioned on the Zebra killings. Many of these individuals have been repeatedly stopped and questioned. To remedy this situation those checked out and cleared by police are now issued identification cards.

Mr. Rangel further stated, "Members of the Congressional Black Caucus are aware that such a system works well in South Africa. However, we question the utility and more importantly the constitutionality of such stop and search tactics in this country. Such measures are apparently more directed at relieving white fear rather than solving the case. Yet the price of these tension reducing measures is too high. It can only accelerate the deteriorating relationships between police and the black community in our urban centers."

Recent news articles cite the 1969 search for the Zodiac killer in which any white man matching a specific description was stopped as a "firm legal precedent." While we might question the vigor in which this search has been carried out as compared to that of the Zodiac killer, we wish to raise another question.

This question is as clear in the minds of blacks throughout this nation as it is to the members of the Congressional Black Caucus: Where are the extensive manhunts, the elaborate police procedures and the public concern when blacks are murdered? The victims in the Zebra killings and the Zodiac murders were white. The murder of eight black girls by a "freeway phantom" here in the nation's capital has not drawn one percent of the attention that the kidnaping of one white girl—Patricia Hearst—has drawn. Moreover, the killer still roams free.

It was here in the District of Columbia that the first "no knock" laws were passed and signed by the President. It is in the black community that the killers of black people are permitted to roam free. The Congressional Black Caucus believes the black community of San Francisco has every right to be "overwrought." "Zebra" has more than one meaning in San Francisco.

Mr. Rangel said, "the test of any individual or organization's commitment to democratic principles is how effectively the individual or institution carries out these principles under stress." The Congressional Black Caucus contends that the San Francisco authorities have not passed the test in their response to the recent events in their city. The announcement yesterday by the Police Department, after the NAACP filed suit in federal court, that the broad search and stop practices would end, is not sufficient evidence of that department's intentions when today such discriminatory and illegal procedures continue.

The members of the Congressional Black Caucus can not forget what this nation did to the Japanese in this country during the 1940's, or the Indians at Wounded Knee less than two years ago. This nation would do well to remember the words of the German Pastor speaking in the late 1930's:

"In Germany they came first for the Communists, and I didn't speak up because I wasn't a Communist. Then they came for the Jews, and I didn't speak up because I wasn't a Jew. Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. They came for the Catholics, and I didn't speak up because I was

Protestant. They came for me, and by that time no one was left to speak up."

"We in the Congressional Black Caucus ask," said Mr. Rangel, "that we do not start along this path by ignoring the systematic violation of the rights of one particular community."

INADEQUATE GOVERNMENT COMMODITY POLICY

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, I would like to submit to the Record two newspaper articles which appeared this week in the Washington Post and the Boston Herald American. These articles, describing the nonexistence of an adequate Government commodity policy and showing a dramatic increase in the cost of food in Massachusetts, point out the need for a national agriculture-food policy to assure the consumer adequate food supplies at reasonable costs.

The articles follow:

Commodity-Shortage Policy Hit

(By Morton Mintz)

The government has no system worthy of the name to cope with shortages of agricultural and industrial commodities that are vital to the economic, social and political health of the United States as well as other nations, Congress' General Accounting Office charged yesterday.

The decision-making process, far from being either clear or coordinated among at least 20 involved federal departments and agencies, is slapped together to meet each commodity crisis as it occurs, the GAO said in a 281-page report.

"It is almost impossible to pinpoint accountability," the GAO's boss, Comptroller General Elmer B. Staats, told a joint hearing of the Senate Commerce and Government Operations Committees.

As for the future, basic commodity problems "have not even been adequately defined, let alone agreed upon," despite "the highest rate of inflation in 20 years, booming agricultural exports, rising mineral and fuel imports, and restrictions on the export of certain U.S. commodities," he said.

The report—acclaimed by several senators but greeted coldly by the Nixon administration—found re-enforcement in a hitherto undisclosed memo prepared for Commerce Secretary Frederick B. Dent by his director for East-West trade, Steven Lazarus, last July.

The memo warned that the cumulative effect of past actions—including export controls on soybeans and other commodities and export-reporting requirements on still other items—could lay the administration open, in the GAO's words, "to the charge that it had no consistent plan for dealing with the problem, no control of the siutation, and was reacting to events on a day-to-day basis, with no real ability, knowledge, or program for dealing with them."

Last June's decision to impose a near-total embargo on soybean exports, the report disclosed, was taken without consultation with the State Department, although the embargo worsened a world food shortage, ran counter to a concerted effort to increase exports, reduced the flow of foreign currency needed to pay for petroleum imports and depressed domestic agriculture.

"State's officials were informed of the controls . . . just before public announcement of the administrative action," the GAO said. "Consequently, they could not provide a perspective on the possible foreign impact. . . ." Moreover, the GAO said:

Officials of the Agriculture and Commerce departments and the Cost of Living Council (CLC) "disagreed over the accuracy, reliability and timelines of Agriculture's commodity supply and demand estimates," and the disagreements, in turn, "contributed to doubts about the quality of available market information gathered and analyzed by the government."

"Basic policy conflicts surfaced between agencies," with, for example, the Cost of Living Council putting high priority on economic stabilization while Agriculture emphasized a need to increase exports. The final result: "Differences between public pronouncements and actions weakened the government's credibility abroad."

Staats said that although some agencies, especially Agriculture's Economic Research Service, now are improving their ability to deal with commodity shortages, Congress should consider creating a centralized agency "for developing and coordinating long-term policy planning."

Tentatively, he endorsed a proposal by Sen. Gaylord Nelson (D-Wis.) to make such an agency an independent unit. Its mission, as defined by Nelson, would be data collection and monitoring, so the country would know "what and when to conserve, how much to produce, how to avoid shortages or gluts now caused by ignorance, when to begin significant research programs."

Nelson termed the GAO report, which he had requested in July, "the most important single document" of its kind. Sen. Charles H. Percy (R-Ill.) called it "invaluable." Sen. John V. Tunney (D-Calif.) found it "devastating."

Commerce Committee Chairman Warren G. Magnuson (D-Wash.), who conducted the hearing, said the report reveals "a complete lack of planning and preparation to handle . . . shortages." He has proposed assigning data collection and projections to the Council of Economic Advisors.

But presidential assistant George P. Shultz, in a "Dear Elmer" letter published with the report, charged that the GAO is seeking "a fundamental change in the economic philosophy of this nation"—one that would have government rather than the marketplace make "the essential decisions concerning availability, allocation, and price."

Staats replied that Shultz "misunderstands and misinterprets" the GAO's intent, which is to assure that commodity information is reliably gathered and disseminated, not to create "a massive bureaucracy or a centrally managed economy." Moreover, Staats said, Shultz's "ideological stance" ignores efforts by the administration itself to intervene in market situations.

Massachusetts Food Cost Up 34 Percent in 3 Years

It costs $18 more now for a family of four to eat for a week in Massachusetts than it did three years ago, according to government figures.

The price of dried beans and potatoes, staples of poor people's diets, has risen dramatically. But everything from peas to pretzels has gone up.

The cost of food has increased 34 per cent in Massachusetts since 1971, according to the Bureau of Labor Statictics. That brings the cost of a week's groceries for a middle-income family of four to $71.

A 10-pound sack of potatoes cost 94 cents in the Boston area three years ago, according to the federal figures. Now the same bag costs $2.05.

A pound of dried beans that used to cost 23 cents now sells for 74 cents.

Other traditionally cheap basic foods have also skyrocketed.

A one-pound box of long grain rice has gone from 52 cents to 77 cents. And a five-pound bag of white flour has increased from 60 cents to $1.10.

A loaf of white bread that sold for 26 cents in 1971 now costs 42 cents. And a half gallon of milk has increased from 59 cents to 76 cents.

Meat has been a well-publicized leader of the high price trend. Hamburger, for instance, has risen from 79 cents a pound to $1.18, and lamb chops have increased from $1.91 to $2.51 a pound.

Fish, another source of protein, has also risen sharply. Frozen haddock has increased from 92 cents to $1.44 a pound.

A pound of coffee has gone from 93 cents to $1.18. And sugar has increased from 70 cents to $1.18 for a five-pound bag.

Some fresh fruits and vegetables have gone up less than other kinds of food. A pound of tomatoes has increased from 56 cents and carrots from 19 cents to 23 cents. Cucumbers and green peppers are cheaper.

Among processed vegetables, a No. 303 can of peas has increased from 27 cents to 29 cents, tomatoes from 23 cents to 26 cents and beets from 19 to 28 cents.

OPEN LETTER TO AMBASSADOR TO SOUTH VIETNAM, GRAHAM MARTIN

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Ms. ABZUG. Mr. Speaker, today I had the privilege of testifying before the Asian and Pacific Affairs Subcommittee of the House Committee on Foreign affairs, regarding our commitments in Southeast Asia. I believe that my colleagues may be particularly interested in an open letter I have sent to Mr. Graham Martin, our Ambassador to South Vietnam.

I would like to insert this testimony into the Record.

Testimony of Bella S. Abzug

Mr. Chairman, I am very pleased that this Committee is continuing its study of our Defense commitments in Asia, and I appreciate this opportunity to share with you my apprehensions about those commitments. I believe they are artificial and counter-productive. Artificial, in the sense that they are commitments to small elite segments of the populations we supposedly help; the people of these countries reap nothing but death and grief from the bombs we have plowed into their fields. Counter-productive, in the sense that our so-called commitments perpetuate war and the conditions of war rather than forcing the adversaries to come to a political settlement. In addition we run the constant risk of direct new involvement by the United States; the Pentagon has already indicated that this is a possibility.

I am convinced that we must do three things: we must drastically reduce the number of troops we support in the Pacific area; we must refuse any further aid to dictatorships; and we must make it our Congressional responsibility to free the political prisoners still being held by President Thieu, with our complicity.

At the end of my brief statement I shall make a proposal regarding those prisoners. But first I would like to review our troop commitments in this region. I am indebted to the Center for Defense Information and Rear Admiral Gene R. LaRocque (Retired) for a concise summary of the situation.

Other witnesses, especially Mr. Fraser, have dealt at length with the extremely important problem of our commitment to Japan. I will confine my remarks to those peripheral areas in which our troops, planes and ships keep dictatorships in power, or are poised to assist dictatorships.

SOUTH KOREA

South Korea has been under martial law since October 1972. Senate Foreign Relations Committee staff members who visited there in November, reported "The Assembly has been dissolved, an action not provided for in the constitution, and there were tanks (provided by the United States under the Military Assistance Program) in front of the National Assembly building, government ministries, newspaper offices and universities." President Park has been given greater powers and there is no limit to the number of 6-year terms to which he can be re-elected. The U.S. has spent $36.9 billion in South Korea 1946–1972 for war costs, economic and military assistance and to maintain forces there. Currently there are 42,000 U.S. troops at over 40 facilities in Korea. Korea is the headquarters for the 8th Army, the U.N. Command/Joint U.S. Forces, and Army I Corps, with 1,345 military personnel assigned to these headquarters.

THAILAND

There are 39,000 U.S. troops in Thailand, the 13th Air Force with 50 B–52 bombers, 19 KC–135 fuel tankers, and 230 combat aircraft. The U.S. has 6 air bases in Thailand; 3 are major bases. The U.S. bases in Thailand provide logistics support to Laos and Cambodia. Their primary purpose is the resumption of bombing in South Vietnam, if a new offensive occurs—although the Congress has specifically prohibited such bombing without prior Congressional approval. Also in Thailand are the U.S. Support Activities Group (which replaced the Military Assistance Command, Vietnam), a U.S. Special Forces Battalion, the U.S. Military Assistance Command, and 2,300 U.S. military internal security personnel. It is proposed that 27,000 troops be left in Thailand after agreed-upon reductions. I see no reason for leaving 27,000 troops there.

REPUBLIC OF CHINA (TAIWAN)

There are 8,000 U.S. officers and men on Taiwan and 54 aircraft at three major bases. Taiwan is also the headquarters for Air Asia, subsidiary to the CIA-owned Air America airline, which carried out overflights of China and Tibet and was involved in CIA's secret war in Laos.

The U.S. commitment to the defense of Taiwan and the Pescadores Islands is lessening since Congress withdrew the prior authority previously given to the President. It is doubtful if Taiwan contributes in any way to the defense of the United States.

OKINAWA

Once again part of Japan, Okinawa has a total of 77 U.S. bases, properties, and facilities, and 37,000 U.S. military personnel. The First Marine Airwing is based there, with 92 aircraft. Air Force high flying long range electronic intelligence aircraft rotate through Kadena, Okinawa. The first Special Forces Group (Green Berets) is based on Okinawa. U.S. installations on Okinawa are to be reduced over the next three years to 70 and of those, 13 will be reduced in size. There is no planned reduction in numbers of military personnel.

THE PHILIPPINES

President Marcos instituted martial law in September 1972. A new constitution gave Marcos the powers of both president and prime minister for as long as he likes. Arrest and suppression of rebels continues, particularly in the Southern Philippines, locale of Muslem insurrection. Special Forces from the 1st Special Forces groups based on Okinawa were deployed to the Southern Philippines in the later part of 1973. In addition, there were 14,000 U.S. Military personnel at 6 bases in the Philippines. The U.S. Naval Base at Subic Bay is the largest naval base in a foreign country in the Pacific. It is frequently used by Navy ships for repair and overhauls and one submarine is permanently based there.

Clark Air Force base is home for a large number of U.S.A.F. aircraft and personnel.

Even Secretary of Defense James Schlesinger agrees that a sizable reduction can be made in U.S. forces in Asia. This is already beginning; for example, some 4000 troops were removed from Thailand recently. But the pace is far too slow. Every day we remain in these areas is costly and threatening to our real security.

As Chairman Nix has said, "Some of our troops are stationed in foreign countries for political rather than military purposes. . . . The requirements of 1974 differ from those of 1945. . . . Guerrilla warfare requires domestic reforms and Asian versions of democracy to meet internal subversion. . . . Extensive overseas bases with large garrisons do not deter either guerrilla wars or intercontinental attack. These bases are obsolete."

Now please permit me to turn to our commitment to South Vietnam. Our continued support of the Thieu regime poses one of the greatest moral crises of our time.

On April 5 the House decisively rejected any increased military assistance to Vietnam. With inflation and possible recession at home, the Members reflected their constituents' desire to waste no more money in support of a regime that is a disgrace to our country. With sublime indifference to this expression of public opinion, President Nixon comes back with a request for $1.45 billion for fiscal year 1975 military and/or economic aid to Southeast Asian forces. He calls it reconstruction but it is really destruction. The post-war war continues unabated. Vietnamese casualties since the cease-fire number 120,000 and the steady stream of refugees continues. Neither side has fully observed the Paris Peace Agreements, but in South Vietnam it is illegal even to print or distribute the Peace Agreements in South Vietnam. This tells us a great deal.

I will leave to other witneses, today, the documentation of these violations. My chief concern—as it has been for several years—is the fate of those thousands of South Vietnamese of all walks of life and all political opinions, who are being held in jail solely because they—or their friends or relatives—do not agree with President Thieu.

Group after group of Americans visiting South Vietnam over the last few years have reported on these prisoners, bringing back documents and photographs. The highly respected organization, Amnesty International, confirmed the accounts in a recent report.

In the New York Times March 19, James P. Harrison of Amnesty International asks why, if there are only some 35,000 prisoners in all of South Vietnam as President Thieu claims, the U.S. is asked to budget some $20 million a year for Saigon's police system?—four times the amount we give for hospitals in South Vietnam. "And why," he continues, "are there some 120,000 security personnel and over 600 detention centers in a country the size of an average U.S. state?"

Feeling the pressure from these reports, the Nixon administration and the Thieu administration have combined forces to mount a campaign against those who protest the detention and inhumane treatment of Thieu's prisoners. A hawkish team from the pro-military American Security Council visited the area and issued a whitewash. Like the three monkeys they saw nothing, heard nothing, and told nothing. Apparently they talked with no one except President Thieu and the people he selected—including the Saigon police chief who had refused interviews with journalists and other prominent Americans.

The Council in fact produces no hard evidence for any of its claims. Their bland statements on prisoners, for example, must be contrasted with literally hundreds of pictures of victims and interviews widely reported here and abroad.

Even the U.S. Ambassador to Saigon has jumped into a verbal battle with those opposing administration policy.

He has stated that the total prison population of South Vietnam does not exceed 35,000, and that if there were any political prisoners, it could only be a handful. He impugns the motives and the patriotism of those who question this assertion, implying that they are tools of Hanoi.

This amazes me, because of my own experience in Saigon during the August recess. At that time I met with Ambassador Martin and found him a gracious host as well as a strong-minded defender of the Thieu regime. He very kindly used his good offices to help secure the release of a prisoner whose existence no one could deny—Madame Ngo Ba Thanh, the internationally known attorney and women's leader.

Now I read that the Ambassador will be in this country next week to carry on his crusade for funding Thieu's government. Therefore I am today sending to the Embassy the following open letter:

"DEAR AMBASSADOR MARTIN: I am writing this open letter to you, in the hope that all who read it will join with me in urging you and Secretary Kissinger to ensure that outside observers be permitted to visit South Vietnamese civilian detention centers.

"I take this step because I believe that only through such visits can the truth about what is happening in GVN prisons be finally determined, once and for all.

"I need not repeat here the various charges and countercharges that have been made. Suffice it to say that I'm sure you'll agree with me that if mass torture, arrest and incarceration without trial is occurring in South Vietnam right now, we as Americans whose taxes support these practices have a moral duty to do anything we can to stop them.

"And I need not also stress that it is already 15 months since the signing of the ceasefire, 12 months since President Thieu announced that 'anyone' could visit the prisons—and yet visits have been regularly denied to groups like the Senate Refugee Subcommittee staff, individuals like Bishop Thomas Gumbleton of Detroit, representatives of the international press and Buddhist monks and Catholic priests within South Vietnam.

"I am sure that you will agree with me also that given the extremely serious nature of the charges made about the treatment of political prisoners, the truth can only be determined through visits by outside observers into South Vietnam's prisons.

"The time for talk has passed. I urge you to consider the following actions:

"1. Please let me know if you have any objections to my personally visiting several prisons in South Vietnam. I am prepared to go to Saigon if this seems appropriate.

"2. Please join with me to urge that the Thieu government allow visits by various representative American groups into South Vietnamese prisons—visits from a variety of humanitarian and political groups from different places on the political or religious spectrum. If the Thieu government does not agree, I would ask that you join with me in urging that aid to the GVN be suspended until such time as the issue of allowing outside observers into the prisons can be resolved once and for all. I am introducing a Resolution to this effect.

"3. Please advise me also as to your willingness to support prison visits by other congressional delegations; by delegations representing church or humanitarian organizations; by private delegations representing various political shades of opinion, in the realization that groups regarded as 'neutral' and 'objective' by all sides are often difficult to find.

"I should amplify this only by stressing that of course such visits would be carried out in accordance with the three minimal conditions established by the International Red Cross for visits to detention centers; visitors are to be allowed to bring their own interpretors (acceptable, of course, to all concerned); visitors are to be permitted free access throughout the prison; visitors are to be permitted to interview in private prisoners whom the visitors themselves select for interviewing.

"From the American point of view this action would help quiet the fears of so many of our people that terrible things are occurring in South Vietnam—inhumane tortures for which we are paying; it could, if such abuses are occurring, help correct them; it would help clear the air.

"President Thieu has told a nationwide TV audience on April, 1973 that 'anyone' is free to visit his prisons. This, together with similar, more recent statements, would seem to indicate that the GVN would not regard such visits as an infringement of national sovereignty.

"Given these factors, of course, any reluctance on either your or the GVN's part to allow such visits could only be considered a cause for serious alarm.

"Finally, I should tell you that my sense of urgency about the need for such visits has been increased by your recent intemperate attacks on those who sincerely seek reconciliation.

"Senator Kennedy, the New York Times, and the peace groups continue to share the concern that brought me to Saigon last summer. We must continue to ask questions until we receive satisfactory answers.

"I know that you are aware of the fact, for example, that during my visit to Saigon last summer I gathered my information about political prisoners first-hand from Vietnamese and foreigners living in Saigon, none of whom are agents of Hanoi. You know, for example, that I talked with people like Chan Tin, a Catholic priest, whom you yourself say in your study of political prisoners is not a 'witting communist' and 'views people's plights in a human way.'

"You also know that the information spurring world-wide concern about political prisoners comes directly from Saigon and other parts of GVN zones, not Hanoi. You know that dozens of western correspondents have filed stories based on interviews with former political prisoners, relatives of political prisoners, prison officials, etc.; that substantial testimony and documentation has been massed by Americans who have investigated the situation first-hand in South Vietnam, ranging from people like Jane and David Barton—who worked in the Quang Ngai hospital for years treating political prisoners who had been tortured—to Mike and Diane Jones of the American Friends Service Committee (Quakers), to former Air Force doctor John Champlain, to Bishop Gumbleton of Detroit to Fred Branfman of the Indochina Resource Center.

"You know that the British TV company Granada has made a moving film called 'A Question of Torture,' made in Saigon and showing former political prisoners crawling about like crabs after what they claim was years of shackling, prisoners who said they were blinded in jail, prisoners who describe water shocks and electric shocks in a way that is not easily forgotten.

"And, finally, you know that hundreds of pages of material authored by Vietnamese living in GVN zones has flooded out of South Vietnam since the ceasefire; tearful pleas signed by mothers who have not seen sons or daughters for years; statements signed by dozens of distinguished Vietnamese Senators and Deputies, religious and labor leaders, professors, lawyers and judges.

"That you would twist and distort this basic fact that the great bulk of the information about political prisoners has come from non-communists—Buddhists, Catholics—living in Saigon and other GVN controlled areas has convinced me that the time for action has come.

"I appreciate your writing me of your reactions to the recent visit of the group headed by the Rev. Dr. George W. Webber, President of New York Theological Seminary. But I must assure you that I stand firmly with Dr. Webber when he replies that 'you and our Government have massive and decisive influence where it counts most.' I hope you will use this influence and accept my recommendations.

"Cordially,

"Bella S. Abzug,
"Member of Congress."

HISTORICAL HIGHLIGHTS OF KARAMU THEATRE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. STOKES. Mr. Speaker, I would like to take this occasion to bring to the attention of my colleagues the fact that this is the 50th theatrical year of Karamu.

The record of Karamu is one to be proud of. By providing an arts education program for the underprivileged without regard to race, Karamu early showed its character. During the past 50 years, it has repeatedly demonstrated its commitment to excellence and I am honored to present the highlights of its history.

The history follows:

Historical Highlights of Karamu Theatre

Karamu was little more than a glimmer in the eyes of Russell and Rowena Jelliffe in the year 1915. Arts education for the less priviliged—and on a voluntary interracial basis—were considered rather startling. From the outset, the Jelliffes met skepticism, lack of understanding and outright hostility. But they had a loyal handful of well wishers and supporters. It was June 17, 1915, just a few weeks after their marriage when the Jelliffes set out to explore East 38th Street, on Cleveland's lower east side. By September they had found the two small frame houses next to the playground and on December 19th, moved into the backyard cottage that was their home for 14 years. They started casually and informally working with children.

January 7, 1916, the front "Playground House," (as the children called it), officially opened with a party for 26 girls. Very early the Jelliffes injected into the program of fun and games, sports, cooking, sewing and manual training, new ventures in sketching, clay modeling, song, dance, and creative dramatics. By 1919, "The Neighborhood Association" became an independent entity with its own trustees, a charter member of the Welfare Federation, and the first Community Chest. It was a time for new advances.

Children's theatre of 1917–1918 led to the Adult Dumas Dramatic Club in 1920, who in 1922 renamed themselves as The Gilpin Players, honoring an interested contributor, Actor Charles Gilpin. From the start they performed plays of substance. The first "Negro Drama" Granny Maumee, by Ridgely Torrence in 1925, was followed soon by, Compromise, by Willis Richardson and Paul Green's The No Count Boy in 1926. During the early years the Drama Clubs played in schools such as East Tech and Longwood High School. The first Karamu Theatre opening was February 24, 1927. For the first time the players had their own home and it exhibited striking African Decor.

Through the drab depression of the 1930's the decade was fruitful in a new burst of creativity and social awareness. The Gilpins introduced many manuscript plays, and some by Negro Dramatists, including six by Langston Hughes. Smaller drama groups formed The Robison Players, Harrison Players and the Sightless Taylor Players. Some of the plays during the 1930's were "Porgy," in which Nolan Ball, child actor appeared. Stevedore, a labor play, Langston Hughes, Little Ham, Joy To My Soul and Mulatto. Also the hit musical Pinafore, by Gilbert and Sullivan.

Fire struck in the night of October 22, 1939. The beautiful little theatre was a charred ruin. But from the ashes arose the spirit that built a new Karamu. The artist exhibited in Manhattan. The Karamu Dancers, which had started in 1935, appeared at the World's Fair in 1940. But a new home had to wait. The Karamu players appeared at Cleveland Playhouse and High School Auditoriums. The desperate struggle for funds went on. In 1946, the Karamu Nursery opened at its present Quincy Avenue site, upstairs were art studios, and a temporary arena style studio theatre. The opening play was The Corn is Green.

Karamu, as we know it today, opened December 6, 1949. Some of the highlights of the next ten years were: The Medium, with Zelma George, Golden Boy, Antigone; all successful. The unforgettable Lost in the Stars, Androcles, Amahl and the Night Visitors. During this period there were more musicals and operas than in previous years, Carousel, Out of This World, On The Town, Kiss Me Kate, The King and I, Three Penny Opera, Simply Heavenly, and many more. Directors of musicals were Helmuth Wolfes and J. Harold Brown. The season of 1955–1956 Dr. Ruben Silverman joined Karamu as director of Dramatic Productions.

In the 1960's there were still many good plays and musicals, but also a new type of theatre. In the late 1960's there were plays that related to the Black Revolution—early 1960; Raisin in the Sun, The Sign of Jonah, Purlie Victorious, Death of Bessie Smith, Fantastics, later 1960's: in White America, Dutchman, The Blacks, Mother Courage, Day of Absence.

A few plays of the 70's are Tamborines for Glory, Viet Rock. On Monkey Mountain, which Ron O'Neil starred in, Ceremony for Dark Old Men, "To Be Young, Gifted and Black," was very successful and Karamu players performed this play for Governor Gilligan at his inagural celebration.

Many talented directors, actors, dancers, singers, and artists all have contributed to the success of Karamu Theatre. Some of the people have gone on to stardom, others have stayed striving always for higher standards of excellence. The many talents of those who make up Karamu and the general public are thankful for the founders of Karamu House, Mr. and Mrs. Russell Jelliffe.

To commemorate the fiftieth theatrical year of Cleveland's Karamu Theater, the Karamu Women's Committee, May Company and Essence Magazine will sponsor "Karamu Golden Experience" on Saturday, May 11, 1974, at the Cleveland Plaza Hotel.

This eloquent production will feature a

unique fashion theatrical show with Essence Magazine model, Susan Taylor of New York, along with the popular and talented Karamu dancers directed by Joan Hartshone, and poetry and vignettes by the Karamu theatrical group. We are inviting notable Karamu Alumni from throughout the country who have achieved prominence on the stage, in television and motion pictures to be with us.

The Karamu Women's Committee was organized early in the history of Karamu House and has played an important role in the continued success of this organization.

The primary objectives of the Women's Committee are to help with the basic needs of Karamu House and to help interpret Karamu to the community at large.

THE PUBLIC IS CONCERNED ABOUT AIR POLLUTION AND PUBLIC TRANSPORTATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. BROWN of California. Mr. Speaker, many comments have been made about what the public thinks about various types of public services. Most of these comments are merely opinions, unsubstantiated by factual data. In my own district I have had the benefit of surveys that have, fortunately from the point of view of a politician, confirmed my own opinions about the public's concerns. The Washington metropolitan area recently was surveyed to determine public attitudes toward public services.

I was not surprised by those results since they were in accord with the results that I have seen from other areas of the country. Since most of the population of the United States lives in metropolitan areas, the results of the Washington metropolitan area survey, and the survey from Riverside, Calif., which is consistent with this survey in spite of the differences between the areas, should be of interest to this body.

In the Washington metropolitan area the general public rates the police protection very high, and public transportation and air pollution control very poorly. In my own district in southern California a survey in the city of Riverside, population 150,000, showed rankings very similar, athough the actual percentages changed. In Riverside air pollution was rated as the most serious local problem, while the more traditional problems of crime were rated far down the list. In terms of public services, the Riverside survey showed that the people were generally satisfied with fire and police protection, but unsatisfied with public transportation and air pollution control measures. In the Washington area survey the police protection was likewise rated high by the local residents, while public transportation and air pollution control were rated very poorly.

The interconnections between public transportation and air pollution cannot be ignored, nor denied. Politicians have found it easy to push for fire and police protection. They have also done a reasonably good job of providing other ordinary services, such as garbage collection, sewage lines, or electricity. But public transportation and air pollution control have always seemed to receive a lower priority. The public has indicated that it wants this situation changed. The switch from private automobiles to public transportation will improve air quality and ease the fuel pinch. This is not a local problem, or even a regional problem; it is true a national problem. Mr. Speaker, Members of the House, I commend this article from the Washington Post to you. I suspect that the results of this survey will be duplicated in your own district, if it were surveyed.

The article follows:

TRANSIT, AIR POLLUTION IRK CITIZENS

(By Jay Mathews)

Local governments in the Washington area perform worst in providing public transportation and air pollution control, according to a major survey of opinions of metropolitan area residents.

This great concern with inadequate bus service and bad air—revealed in an extensive survey by the Bureau of Social Science Research, Inc.—is so great that area residents give mass transit and air pollution control top priority for increased government spending. Only spending for schools receives a higher priority, according to the Bureau survey.

The bureau's poll-takers attribute the great dissatisfaction with air pollution controls at least in part to the fact that the poll was taken last summer, when the Washington area suffered a record 29 days of air pollution alerts.

"There's nothing like sneezing, coughing and running eyes to convince one that air pollution control is not quite what it should be," said James M. Kretz, associate director of the Bureau's Washington Survey.

The support for increased spending on mass transit came at a time last summer, when local governments were telling taxpayers of the great costs of Metro subway construction but before any one was aware of what a strain on local budgets the Metrobus operating deficit would be.

Local officials asked about the survey results noted that spending on public transportation has increased tremendously. "Somewhere close to 5 per cent to 6 per cent of our total city expenses will be going to the Metro bus deficit," said Alexandria Vice Mayor Wiley F. Mitchell.

Local air pollution control officials complained that the U.S. Environmental Protection Agency is threatening to cut the grants that have financed air quality monitoring here. Local and state governments so far have appeared unwilling to make up for the U.S. cuts or authorize new programs that would seek to reduce use of the area's primary polluter, the automobile, said officials at the Metropolitan Washington Council of Governments, Virginia State Air Pollution Control Board and Maryland's Bureau of Air Quality Control.

The bureau surveyors determined public service priorities in the area by asking each of the poll's 1,209 respondents: "If you had to recommend changes in the amount of tax money spent for (various public services), which one would you most like to see increased?"

It was to that question that the largest percentage, about one of every four people, said public schools, followed by one out of seven for public transportation and about the same proportion for air pollution control.

When the poll-takers went on to ask respondents which services they would "most like to see cut back," more than two of every five people said none.

"They were not offered that alternative," said Albert E. Gollin, director of the Washington Survey, "yet that proportion volunteered that answer. When it comes out naturally that way, you pay a hell of a lot more attention to it."

"People are proud of their community standard of living, despite the taxes," said Bert W. Johnson, county manager of Arlington where more than half of the survey respondents said they do not want any services cut.

Public services that most frequently received "very good" or "good" ratings in the survey were police protection, parks and recreation facilities and sanitation, in that order.

Although interest in spending more money on school, public transportation and air pollution control was widespread throughout the area, the residents of each jurisdiction offered a slightly different mix of high priority items: The first three items in descending order of interest are:

District of Columbia: public schools, air pollution control, public health and hospital services.

Montogmery County: public transportation, air pollution control, public schools.

Fairfax County: public schools, public transportation and air pollution control (tie), roads and highway maintenance.

Prince George's County: public schools, public transportation and air pollution control (tie), parks and recreation facilities.

Arlington County: public transportation, roads and highway maintenance, public schools.

Alexandria: public schools, public transportation, air pollution control.

In addition to giving priorities for increased spending each survey respondent was asked to rate the quality of nine basic public services in their areas as very good, good, fair or poor.

Here public transportation and air pollution control received the lowest ratings. "I've been to London and the public transportation there is so superior to what we have here," said Bonnie Gottwald, a housewife living near Olney who did not participate in the confidential survey but was contacted separately by the Post.

"Right now if I take a bus, it takes more than an hour a day to get to work," said Erik A. Neumann. Neumann said he now drives his car from his home near DuPont Circle to his job as curator of education at the National Arboretum in Northeast Washington.

Asked about the survey results, John S. Winder, executive director of the Metropolitan Washington Coalition for Clean Air, Inc., said he hopes the poll meant "people are beginning to connect air pollution control with mass transit. A few years ago, they weren't doing that."

Respondents rated the two highest and two lowest rated delivery of public service as follows:

Police protection:
Very good or good, 64%.
Fair, 23%.
Poor, 11%.
Don't know, 3%.
Parks and recreation:
Very good or good, 62%.
Fair, 17%.
Poor, 14%.
Don't know, 7%.
Public transportation:
Very good or good, 24%.
Fair, 26%.
Poor, 37%.
Don't know, 13%.
Air pollution control:
Very good or good, 19%.
Fair, 28%.
Poor, 36%.
Don't know, 17%.

The only service on the list presented to the survey responents not yet mentioned is social services and welfare. Nearly half of all respondents said they did not know enough about this service to rate it. An article in this series yesterday gave a detailed analysis of the school rating results—that people were generally pleased in the suburbs and displeased in the District of Columbia.

Public officials said the survey reinforces their strong feeling that area residents are determined to have better public transportation. In a mail pool conducted late last year by the Montgomery County Council, mass transportation turned out to be the only public service county residents found so inadequate that they clearly favored increasing taxes to improve it.

Officials questioned yesterday said they are not so sure that air pollution is something local governments are doing much about. Local governments here monitor pollution rates and occasionally cite smoke stack owners for pollution violations, while the federal government has taken over much of the responsibility for developing plans to limit use of automobiles and cut down on automobile exhaust pollution.

William K. Bonta, chief of the planning division of Maryland's bureau of air quality control, said he has sought financing for programs to determine how to plan communities so that people will be discouraged from using automobiles, but has so far been turned down at both the U.S. and state level.

As occurred in the survey's findings on satisfaction with the public schools, D.C. residents indicated they generally were less happy with public services than residents of any other local jurisdiction.

"I don't think our level of service is really worse," said Sterling Tucker, vice chairman of the City Council, when told of the survey findings. "I think probably when you have a large, low-income population that is in constant need, there is always more dissatisfaction."

SATISFACTION RANKING FOR PUBLIC SERVICES IN METROPOLITAN AREA JURISDICTIONS

(Percentage who rate service "good" or "very good")

Police

1. Montgomery (80)
2. Fairfax (78)
3. Arlington (76)
4. Alexandria (72)
5. Prince George's (60)
6. District (39)

Health Services

1. Fairfax (66)
2. Arlington (63)
3. Montgomery (61)
4. District (61)
5. Prince Georges (44)
6. Alexandria (42)

Parks and Recreation

1. Montgomery (79)
2. Arlington (71)
3. Fairfax (67)
4. Prince George's (62)
5. Alexandria (58)
6. District (46)

Public Transportation

1. Alexandria (47)
2. Arlington (46)
3. Fairfax (27)
4. District (25)
5. Montgomery (18)
6. Prince George's (17)

Sanitation

1. Alexandria (76)
2. Montgomery (74)
3. Prince George's (64)
4. Arlington (63)
5. Fairfax (58)
6. District (36)

*Social Services**

1. Fairfax (37)
2. Montgomery (34)
3. Arlington (33)
4. Alexandria (28)
5. District (28)
6. Prince George's (26)

Roads Maintenance

1. Montgomery (68)
2. Prince George's (53)
3. Arlington (52)
4. Alexandria (50)
5. Fairfax (49)
6. District (36)

Air Pollution Control

1. Fairfax (33)
2. Alexandria (24)
3. Montgomery (24)
4. Arlington (20)
5. Prince George's (16)
6. District (9)

A FAREWELL TO CONTROLS AND A WELCOMED RETURN TO ECONOMIC FREEDOM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. KEMP. Mr. Speaker, today, May 1, is the first day that this country has been free from the strictures of stagnating economic controls since August 1971. As a long and consistent critic of "central planning," I welcome a return to market economies.

In an address last week at Hillsdale College in Michigan—as a part of the Ludwig vonMises Distinguished Lecturers in Political Economy Series—Mr. Robert M. Bleiberg, the very able editor of Barron's spoke on the failure of wage and price controls.

What follows is an excerpt from his address. I think it worthy of the attention of all my colleagues and only add this admonition, the answer to inflation is fiscal and monetary restraint, reason and commonsense. Let us cut the cost of government in order to cut the cost of living.

Let us resolve to follow his advice and to heed well his statistical evidence. The reimposition of wage and price controls would be a disaster.

The article follows:

FAREWELL TO CONTROLS—THE BENEFITS HAVE BEEN ILLUSORY, THE COSTS REAL

(By Robert M. Bleiberg)

August 15, 1972, was another Sunday that Americans will long remember. That was the night President Nixon, against the best advice of his economic counsellors, and in total repudiation of his party's campaign platform, took the unprecedented step of imposing wage and price controls upon the United States in the absence of a war emergency. Today, half-a-dozen freezes and phases and 32 months later, the U.S. stands on the brink of decontrol, which—despite last-ditch efforts to extend them on a stand-by basis—is scheduled to occur at midnight tomorrow. . . .

What did controls achieve? Well, let's look at the record. In early May of 1972, Don Conlan, chief economist of the Wall Street brokerage firm of Dean Witter & Co., estimated that wholesale prices at the time were roughly where they would have been without controls. Projecting trends evident prior to August 15, 1971, he reckoned that the Wholesale Price Index in March of 1972 would have stood at 117.5% of the 1967 average. The actual figure was 117.4%. Observed Mr. Conlan: "All that grief and confusion for one-tenth of a percentage point improvement over free markets."

For the full 32 months of Freezes One and Two, Phases Two, Three and Four, the figures are appalling. In August of 1971, the Consumer Price Index was rising at a rate of roughly 3% per year. In 1973, the cost-of-living officially increased by 8% (and, ask any housewife, in fact perhaps half again as much). In the early months of this year, the rate of inflation as measured by this index has nearly doubled, to the so-called double-digit bracket.

As to wholesale prices, the record is even worse. From the end of 1970 to the end of 1971, the U.S. Wholesale Price Index rose from 110.4 (1967=100) to 113.9, or by less than 3%. Twelve months later, the Index stood at 119.1, and 24 months later, on January 1, 1974, at 135.5, a rise of over 20% in two years. Since the turn of the year, wholesale prices have advanced at an even more shocking pace. . . .

If the benefits of price and wage controls have been largely illusory, the costs have been painfully real. There are, of course, many ways to measure cost. In dollars-and-cents, the direct cost of regulation looks fairly modest. On this score, according to John T. Dunlop, head of the Cost-of-Living Council, five freezes and phases, stretching over more than two and a half years, cost the taxpayer nearly $200 million and U.S. industry an estimated $721 million-$2 billion. The latter estimates look low—other sources have put the cost to industry more than twice as high.

What might be termed the indirect, or unanticipated, costs have been heavier. From the outset, even in a relatively slack economy, controls had begun to create economic distortion. As business activity started to quicken throughout the world, prices of commodities bought and sold on a global basis, like the non-ferrous metals, began to rise above domestic ceilings, thereby impelling producers to channel their output where it fetched the most and creating artificial shortages at home. Last fall, in large measure thanks to price controls, the National Association of Purchasing Management reported that "almost everything is in short supply." Ironically, one of the first moves made by the Cost-of-Living Council under Phase Four last summer was to roll back prices of heating oil and gasoline, steps which, once the Arab oil embargo began to bite, made a bad situation worse.

Apart from aggravating and creating shortages, with all the inconvenience and cost that entailed, controls did perhaps their worst damage on the financial scene, domestic and foreign alike. The harm was inflicted less by the Price Commission, Pay Board or Cost-of-Living Council, than by a little-known, if highly strategic, part of the controls structure called the Committee on Interest and Dividends. Headed by Arthur Burns, Chairman of the Federal Reserve Board, and comprising such other top officials as the Secretaries of the Treasury and Commerce, CID early on decreed that corporate dividends could increase by no more than 4% per year, compared to 5½%-7% for wages, salaries and fringe benefits.

This was unfair on the face of it. To make matters worse, it aggravated a distortion of several years' standing. From mid-1967 to mid-1972, the Consumer Price Index advanced by 25.4%, wages of production workers, 35%. In dismal contrast, dividends on the Standard & Poor's 500 stocks inched ahead by only 5.1%, while payments on the Dow Jones Industrials actually declined 4.5%. Dividends, of course, reflect corporate profits, which, until business activity began to pick up in 1972, had been depressed. What the CID decreed, in effect, was that for the first time in history, stockholders should no longer enjoy the right to share in the fruits of business recovery.

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*The large percentage of "Don't Knows" (nearly 50 per cent) in this category makes the results unreliable.

Not surprisingly, investors reacted badly. Despite one of the biggest upswings in production and trade in this country's annals, stock prices today are 50-odd Dow Jones points below the level at which they stood on August 16, 1971. But the true comparison is far worse. Because corporate profits overall have been rising, stocks currently sell at far lower multiples than in mid-1971. Indeed, the Dow Jones Industrials go for roughly ten times earnings, compared to 15 or more three years ago, while many lesser-known issues sell at multiples of five, four and even three.

In short, by placing a lid for more than two years on what investors could hope to receive in the way of returns, the Committee on Interest and Dividends must shoulder much of the blame for the sorry showing staged by the stock market since late 1972, the slow disintegration of Wall Street, and, perhaps most significant, and ominous, the clogging of the customary channels by which corporate enterprise taps the nation's savings.

There is a second count to the indictment. Owing largely to the Committee on Interest and Dividends, the dollar suffered its second and third devaluations. The sequence of events began unfolding in the fall of 1972, when Western Europe, beset by mounting inflationary pressures, moved to tighten credit. Despite the sharp upward trend of interest rates abroad—one which accelerated in the early months of 1973—the Federal Reserve persistently kept a lid on interest rates at home. Hence the gap between U.S. and foreign interest rates gradually widened alarmingly, to three full percentage points.

In February of 1973, a great confrontation occurred between Dr. Burns and the banking system. Four commercial banks sought to raise the prime rate from 6% to 6¼%. The Committee on Interest and Dividends reacted angrily. In a not-so-veiled threat of retaliation, it demanded cost and profit data to "justify" the move. Three of the four banks promptly yielded to government pressure and rescinded the boost, while the fourth held out a few days longer before surrendering. In a bitter statement on the controversy, First National City Bank of New York charged that CID high-handedness had aggravated the latest sinking spell in the dollar. "Such action is interpreted by foreign holders of dollars as being unresponsive to the needs of controlling inflation. Consequently, artificially holding down interest rates is contributing to the weakness of the dollar overseas. . . ." A few days later, the dollar was devalued for the second time officially, and continued to sink in the world's foreign exchange markets for several months more.

Even as they phase out, controls are leaving behind another ugly and unwanted legacy: a huge inventory build-up, plainly aimed at jumping the gun on the scheduled expiration date. Since last fall, to illustrate, stocks in the hands of business have been climbing at a rate of over $3 billion per month, or perhaps $20 billion all told. According to the latest issue of the Morgan Guaranty Survey, in January-March of 1974 the rise in "real" inventories (as measured in 1958 prices) other than automobiles ran to over three times that of the like year-ago period, far and away an all-time first quarter high. Nor is there much reason to doubt, so the Survey suggested, that the heavy accumulation was "voluntary—the product of a deliberate effort by business men to add some depth to their supplies and, perhaps, also to beat the rash of price increases expected because of the dismantling of controls."

If so—like virtually all cases of consensus and mass response—"great delusions and the madness of crowds"—the trend is apt to prove both ill-advised and ill-timed. To be sure, the standard forecast calls for the persistence of inflation at today's near-unbearable rate. Cost-of-Living Council head Dunlop, who has a vested interest in the continuance of controls, scoffs at prospects of early relief. In some realms, notably non-ferrous metals, steel and textiles, pent-up pressures are apt to explode. However, the impact may not be as great as so many fear. As Townsend-Greenspan & Co. has observed: "Although prices reported by the major producers for many commodities may rise quite substantially, the actual average prices paid by purchasers of these materials may go up considerably less.

"Owing largely to the existence of controls, marginal supplies of materials purchased not only in foreign markets, but also in quasi-black U.S. markets, have often run to premiums of 100% or more. Even though the proportion of total purchases falling into these extreme price categories was relatively small, they had the effect of pushing the average price paid for a number of chemicals and metals considerably above the domestic official price authorized by the Cost-of-Living Council. Since with the elimination of price controls these premium markets will disappear, the average price increase is likely to be a good deal less than the reported increase of major suppliers. As a consequence, the rise in prices of consumer products may be far less than one would have inferred from the recorded wholesale price changes."

In what may be the wave of the future, some prices, indeed, have begun to decline. For example, inventories of meat, grown so unwieldly as to exceed available cold storage space, have pushed down wholesale prices by 25% or more. From their February highs, the Dow Jones Commodity Indices, spot and futures alike, have fallen 15% or so, with corn, silver, sugar and wheat especially weak. The bottom has dropped out of the market for steel scrap, while the bubble has burst for vintage French wines. Six months—or perhaps six weeks—from now, it may have burst across-the-board.

There is a final point to be made about wage and price controls, one which the late Ludwig von Mises, in "Planning for Freedom," makes very well. "The superstition that it is possible for the government to eschew the inexorable consequences of inflation by price control is the main peril. For this doctrine diverts the public's attention from the core of the problem. While the authorities are engaged in a useless fight against the attendant phenomena, only few people are attacking the source of the evil, the Treasury's methods of providing for enormous expenditures. While the bureaus make headlines with their activities, the statistical figures concerning the increase in the nation's currency are relegated to an inconspicuous place in the newspapers' financial pages."

These figures are staggering. From the twelve months ended June 30, 1971, barely six weeks before the New Economic Program was unveiled, to the current fiscal year, the federal budget rose from $211.4 billion to an estimated $274.7 billion. In each of the past three fiscal years, the U.S. government has incurred a heavy budget deficit: $23 billion in fiscal '71, $23.2 billion in fiscal '72, $14.3 billion in fiscal '73 and perhaps another $5–$10 billion in the fiscal year ending on June 30, 1974. Under the Nixon Administration, the federal debt has increased from less than $370 billion to over $480 billion.

Since mid-1971, by the same token, the money stock (currency in circulation and demand deposits) has increased from roughly $228 billion to $269 billion. Time and savings deposits jumped from $290 billion to $369 billion. Total bank loans and investments surged from $450 billion to $633 billion.

In sum, while pretending to control inflation, the Nixon Administration, aided and abetted by the Federal Reserve Board, has turned the inflationary spigots wide open. Small wonder that despite wage and price controls—or, more accurately, in large measure because of them—the U.S. currency has suffered its worst loss of value in generations.

PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. ARCHER. Mr. Speaker, the United States has made great advances in the practice of medicine and in providing health care to our population through a medical system free from Federal Government control. However, a real concern has been expressed over a threat to the freedom which has been a part of our medical system—the establishment of Professional Standards Review Organizations.

Congress passed amendments to the Social Security Act in 1972 and the President signed this bill into law (Public Law 92–603). The law included a new section providing that all those doctors who treat patients under the medicare and medicaid program must submit themselves to a judgment of professional standards review organizations. The provision was added, states its proponents, in order to provide some type of accountability and cost controls on the implementation of the Federal program. However, the provision even in its initial stages has far reaching and much more serious consequences for the medical profession than merely cost controls. The implications and consequences should be of concern not only to every doctor but also every American who utilizes the services of a doctor.

Under the PSRO provision in the law, an elaborate nationwide system of local, State, and Federal review of professional medical decisions would be established. Each local PSRO would apply "professionally developed norms of care, diagnosis, and treatment, based upon typical patterns of practice in its region." A doctor treating medicare and medicaid patients would have to operate within these "norms." If a doctor moves out of these norms in treatment, he may lose his claim to payment for medicare and medicaid services rendered.

Each decision of the doctor outside the norm would be subjected to extensive review by PSRO; the PSRO would not only review the doctor's judgment but could review and examine his private records. This power would subject every doctor's diagnosis and recommended treatment to a second-guess by an outside organization; the examination of the records of the doctor would be a breach of the traditional confidentiality between a doctor and patient. This PSRO control would extend from the local level upward through a network of review boards to the offices of the Department of Health, Education, and Welfare in Washington, D.C.

This legislation represents a significant and even frightening step toward Federal control over the American medical profession.

We need to review the significance of this legislation:

Doctors will have their confidential records—records beforehand limited only to doctors and patients—inspected and examined by outsiders;

Doctors will have to be ready to have each and every decision—decisions based on their own medical judgment, training, and experience—reviewed by outsiders;

Doctors will have to be willing to have all their facilities open to examination by PSRO;

Doctors will be listed and categorized in a central information bank maintained by HEW according to how they meet the PSRO "norms"; and

Finally, doctors who do not meet these standards—who demonstrate "an unwillingness or lack of ability substantially to comply with the obligations"—will be subjected to strong financial sanctions.

The PSRO provisions—although presently limited to physicians treating the medicare and medicaid patients—propose a dangerous precedent. If we carry this precedent a step further, we could see how such a review power under the control of the Federal Government could change the entire practice of medicine in this country. "Big brother" government would be standing over and reviewing the professional actions of the doctors throughout our country. The enforcement of these "norms" could seriously limit the freedom of the doctors in making professional judgments and limit innovations by doctors in the care and treatment of patients. The PSRO enactment provides a mechanism which could be used to expand and extend the control of the Federal Government over every physician in this country. Such control would represent a serious threat to members of the medical profession, to patients, and to our fine system of private medical care.

As with other Federal programs of control and regulation, the proponents of PSRO seek to expand the authority of these review organizations. Each one of the major proposals before the Congress providing a system of national health insurance includes a PSRO provision. If a national health insurance program is adopted to cover our population, the PSRO provisions with the resulting control and bureaucracy would be extended to every physician in this country.

We need to stop this threat to our whole philosophy of medical care and the freedom from government control which has been the essence of our medical profession in this country. We must take a stand now before this odious PSRO concept extends to every doctor in our country. It has been reassuring to see the growing number of bills presented to repeal PSRO. We need to repeal the Professional Standards Review Organization provision in the 1972 enactment in order to keep our medical system free from control by the Federal Government.

TO MY FRIENDS AND FOES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 1974

Mr. MICHEL. Mr. Speaker, over the past year I have inserted in the RECORD a number of editorials written by Mr. C. L. Dancey, editor of the Peoria Journal Star, Peoria, Ill., relating to Watergate.

These editorials have generated a good deal of comment and discussion in the area served by the Peoria Journal Star and I have received calls and letters from various parts of the country from people who have read the editorials which I placed in the RECORD.

As might be expected, the editorials have been praised by many and condemned by many, but Mr. Dancey is concerned that his readers not miss his central point, which is that he is less concerned about the fate of Richard Nixon "but whether: First, the processes critical to justice and decency; and second, a continued system of checks and balances in the American Government are compromised by the zeal of some in this matter."

He discusses these distinctions in an editorial from the issue of April 19, 1974, and I place the text of the editorial in the RECORD:

TO MY FRIENDS AND FOES

These days, I find that I get hell from those who disagree (which I don't think I deserve, of course) but also credit from many that I know I don't deserve in regard to "Watergate."

Those who give me hell accuse me of defending "immortality" which is not the situation. We do not convict people of immortality on the basis of political statements, press reports and claims, or the indictment of their friends. It has yet to be proven.

In any case what I have been concerned about is not and has not been the personal fate of Richard Nixon, but whether (1) the processes critical to justice and decency and (2) a continued system of checks and balances in the American government are compromised by the zeal of some in this matter.

That's not the same thing and is only transposed as if it were the same thing by prejudice and that same overkill excess of zeal.

What is even farther from the mark, however, is the praise I am continually receiving for my "courage" in standing up "for what is right" in the face of the popular steamroller.

"What a chance you are taking!" some say. "What if he is impeached? Where will that leave you?"

Why, my dear friends, where that will leave me is in great shape for editorial writing in the future about the consequences!

I would be happy to take credit for boldly taking risks, and can claim to have taken my share, but that just isn't the case regarding "Watergate."

The people who are taking the risks are those pursuing impeachment by every gimmick, every device, and every "dirty trick" they can think of.

Not me.

Consider, if Nixon is not impeached we have a record which shows that these people conducted themselves shamefully and abusively—without having the real "goods" when it came down to a half-decent respectable process of testing the evidence.

They are then in the frying pan—not me.

Consider, however, if Nixon would be impeached. Why, then, we could forget about Nixon, the man, and face the surviving question of what effect the processes used in the past year and half are actually having on the nature of American government and the basic fairness of the system.

Who has most to fear from that?

Why, once again, those who would have impeached him!

Hardly a year will pass—and the record of all past U.S. history makes that a surety—before somebody makes violent charges against whomever is President.

Any administrative misconduct at any level will raise the question: "Did the White House know? Were they in on it?"

At that point, a whole posse of congressmen, senators, and newsmen will have a choice of cavalierly dismissing those charges as crackpot and unfounded—without serious investigation—or of pursuing the investigation into those questions as zealously and using the same means as they have these.

That means once again demanding White House records, demanding no confidentiality for White House aides or cabinet members, demanding that the Fifth amendment be set aside, etc. etc.

Consider the reaction if they do not treat future charges and questions of White House involvement with as zealous an investigation?

They will be admitting the political nature, ruthlessness and unfairness of their actions in regard to this case!

But consider the reaction if they do pursue another such massive and costly investigation, stripping the presidency of its normal ability to function with some degree of confidentiality?

A basic change in the American system itself would be dramatically demonstrated—and the truth of both the President's and some of us editorialists' concerns about violation of process.

Overkill would become the "hindsight" image, and this whole process would be reviewed in the light of new problems and new results—with the most romantic versions now becoming the misconducts of the accusers.

So, don't embarrass me with praise for "courage," friends.

By trying to take a broader look and a longer look than those who can see only the face of a Nixon—and see red I don't require courage on this one.

I plan to live with the future, whatever it brings, and enjoy it.

The folks who have worn blinders in short term enthusiasm are the ones who have their necks out—either way it goes.

But give them no credit for "courage" either.

They are getting there by being too eager. They have "taken the leap" blindly. Where it lands them is yet to be demonstrated.

And so, on with the show!

HOUSE OF REPRESENTATIVES—*Thursday, May 2 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The kingdom of God does not mean food and drink but righteousness and peace and joy in the Holy Spirit.—Romans 14: 17.

Gracious Father of us all whose still, small voice calls us to turn aside from the worried ways of a working world to find our strength in Thee we kneel at this altar of prayer conscious of our need of Thee and confident that Thou art nigh, closer than breathing, nearer than hands and feet. Breathe upon us, breath of God, fill us with life anew that we may love what Thou dost love and do what Thou wouldst do.

Grant unto the Members of this body insight and inspiration for their daily duties and make them worthy of the high trust our people have placed in their hands.

Bless Thou this dear land of our life and love. By Thy grace help us to work for a higher level of life for all and for a greater unity of spirit as we seek to keep freedom and justice, peace and good will alive in our Nation and in our world.

In the spirit of Him who is the Way we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to an amendment of the House to a bill of the Senate of the following title:

S. 1115. An act to amend the Controlled Substances Act to provide for the registration of practitioners conducting narcotic treatment programs.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11793) entitled "An act to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions."

PERSONAL EXPLANATION

Mr. DULSKI. Mr. Speaker, I was detained in my district on April 29, 1974, and so missed two rollcall votes. I would like the RECORD to show that had I been present and voting. I would have voted "yea" on rollcall No. 189 and "yea" on rollcall No. 190.

CASE OF MISTAKEN IDENTITY

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HECHLER of West Virginia. Mr. Speaker, perhaps I should rise to a point of personal privilege, but I recognize that honest mistakes can be made.

This morning's Washington Post on page A14, in printing the transcripts provided to the Judiciary Committee, includes a discussion between President Nixon and John Dean sizing up the members of the House Banking and Currency Committee. The President observes and I quote: "They have some weak men and women on that committee, unfortunately." And then the President adds: "Heckler is alright." To which John Dean responds: "Heckler was great."

Mr. Speaker, the Washington Post in its usually helpful and gratuitous fashion has added to the transcript the Post printed this morning the notation that the President and Mr. Dean were referring to Representative KEN HECHLER of West Virginia.

I would simply observe that there are two "hecklers" in the House. I do not believe there has ever been an occasion when either President Nixon or Mr. Dean would have said that I was either "alright" or "great." Paraphrasing an old Abraham Lincoln story about the fellow who was tarred and feathered and ridden out of town on a rail, when asked how he liked it he replied: "If it was not for the honor of the thing, I would much rather walk."

ABOLISH THE VICE PRESIDENCY

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, yesterday Vice President FORD announced that the 1,200 pages of transcript of the Watergate tapes, which he admits he has not personally studied in detail, totally exonerate the President of any involvement in Watergate.

I cannot help wondering if some of my colleagues who voted for the confirmation of Mr. FORD have not had second thoughts when they see the Vice President continually engaging in this kind of undiscriminating support of the President.

I say this not to criticize the Vice President. When he was confirmed, it was entirely predictable that he would give the President 100-percent support, just as he had done in the past. I pointed this out at the time as the main basis for my vote against confirmation.

What strikes me forcibly is the weakness of the 25th amendment procedure. Perhaps the best policy would be to abolish the Vice Presidency altogether.

I would call the attention of my colleagues to an excellent article by Prof. Arthur Schlesinger which argues that solution, which I introduced into the RECORD yesterday on pages E2666–E2670.

CALL OF THE HOUSE

Mr. GROVER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 202]

Abzug
Andrews, N.C.
Barrett
Biaggi
Blatnik
Buchanan
Burke, Calif.
Carey, N.Y.
Chisholm
Clancy
Clark
Conlan
Conyers
Crane
de la Garza
Dellums
Dennis
Diggs
Drinan
Eckhardt
Esch
Evins, Tenn.
Findley
Fraser
Frenzel
Frey
Fulton
Grasso
Gray
Green, Oreg.
Gude
Haley
Hanna
Hansen, Wash.
Hébert
Henderson
Holifield
Howard
Jarman
Johnson, Pa.
Jones, N.C.
Kazen
Kyros
Leggett
Madden
Madigan
Martin, Nebr.
Milford
Minshall, Ohio
Mitchell, Md.
Murphy, Ill.
Myers
Nix
Obey
Patman
Pickle
Quie
Regula
Reid
Roberts
Robison, N.Y.
Roncallo, N.Y.
Rooney, N.Y.
Rose
Shuster
Steiger, Ariz.
Stokes
Stubblefield
Stuckey
Teague
Udall
Wiggins
Williams
Wright

The SPEAKER. On this rollcall 359 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LET US GET IMPEACHMENT BEHIND US

(Mr. SIKES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, the controversy continues on whether the President has complied sufficiently with the demands of the House Judiciary Committee for material needed for the orderly completion of their work on the impeachment resolution.

First, let me commend the committee for abstaining from theatrics. It has done an orderly work. Much credit is due to the chairman, the ranking minority member, and to the membership generally for the distinguished manner in which they have conducted this unprecedented responsibility. But now, please, let us get on with it.

It would appear to this very interested observer that the sparring has gone on long enough. There is considerable doubt that the committee, in the foreseeable future, can digest the volume of material it already has accumulated. Obviously, there are some that will not be satisfied, even if they are given Mr. Nixon's underpants. But it would appear the committee can base its judgment on the information at hand. The American people want the business of impeachment settled one way or another.

Let us get the job done and let the Congress get back to full-scale consideration of the many serious legislative responsibilities which, at best, are hampered by the controversy on impeachment. America needs to have impeachment behind us as quickly as possible, whatever the outcome.

REVISION OF INTERNAL REVENUE CODE

(Mr. TREEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TREEN. Mr. Speaker, the Committee on Ways and Means has just commenced a substantial review of the Internal Revenue Code looking toward revision of many of its provisions. I know that many Members of the House join with me in urging the Ways and Means Committee to carefully consider the impact of inflation on the income tax structure.

While wages and salaries, with some exceptions, have generally risen with inflation, such raises offsetting the effects of inflation, the net effect of inflation over the past few years has been to increase taxes in terms of constant dollars. This is true for the simple reason that the tax brackets have not been altered.

By way of illustration, a 1964 taxpayer with taxable income of $8,000 would have paid $1,380 in income taxes. He would have reached the 19-percent tax bracket.

Since 1964 the inflation factor has been approximately 50 percent. Thus, our same taxpayer would have to have a taxable income of $12,000 in 1974 to equal his 1964 taxable income in terms of constant dollars. He would now be pushed into the 22-percent bracket, and his 1974 tax would amount to $2,260. This is an increase in taxes of 65 percent. Thus, while our taxpayer had no increase in real income, he would have suffered a real increase in income taxes of 15 percentage points.

I urge the members of the Ways and Means Committee to consider rearranging the tax bracket structure to take into account the inflationary impact on the dollar. The U.S. Government has, in effect, enjoyed a considerable increase in taxes without any statutory action. The time has come to take statutory action to reverse this inequity.

NATIONAL CANCER AMENDMENTS OF 1974

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13053) to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia (Mr. Staggers).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13053, with Mr. Foley in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. Staggers) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. Carter) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 13053, a bill to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years.

In 1971 the Congress passed the National Cancer Act calling for a major new attack on this dread disease. Since that time expenditures on cancer research and control programs have grown rapidly and much progress has been made in our understanding of the many forms of cancer. The original act expires at the end of this June and the bill we have before us provides a 3-year extension of the national cancer program. It authorizes appropriations during fiscal years 1975–77 of $2.77 billion and makes a variety of modest changes and improvements in the existing program. The bill was reported unanimously from the Subcommittee on Public Health and Environment all of whose members have joined in cosponsoring it and from the Committee on Interstate and Foreign Commerce.

The changes which would be made in the existing act include: Changing the $35,000 limit on the discretionary authority of the Director of NCI for direct awarding of grants to apply to the direct costs of such grants; adding a requirement for information programs on nutrition and cancer; adding a requirement that the cancer program budget estimates include personnel estimates; removing the limitation on the number of cancer centers which may be funded; adding a requirement that the NCI disseminates new information developed by the program; and requiring peer review of research grants and contract projects.

Cancer is the second leading cause of death in the United States. In 1974, 655,000 Americans will develop one of the more than 100 forms of this dread disease and 355,000 will die of them. The toll in suffering, family disruption, and economic loss will be unmeasurable but devastating. The cancer program has responded to these appalling figures with expenditures in the last 3 years of $1.4 billion for cancer research and control. Because of this effort the outlook for those who suffer from cancer is improving at a steadily increasing pace. The national cancer program research strategy hierarchy which I have here and will place in the Record suggests the magnitude and complexity of this program. It is also producing results. One of every three people who now have cancer will be alive 5 years from now. Over 1½ million Americans have now been cured of cancer. The conquest of cancer is a great goal in which all Americans can share, a goal which will be achieved in part by joining me in voting for this important legislation.

I am including in the Record for the interest of the Members a letter we have just received from HEW on the bill:

The Secretary of Health,
Education, and Welfare,
Washington, D.C., May 1, 1974.

Hon. Harley O. Staggers,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

Dear Mr. Chairman: As you know, on March 26 the Senate passed S. 2893, a bill which would amend the Public Health Service Act to extend the national cancer program for the next three fiscal years. A similar House bill, H.R. 13053, is expected to be considered on the House Floor in the near future.

The Administration strongly supports an extension of the authority for the expanded cancer research effort. The existing law, the National Cancer Act of 1971, resulted from the President's initiative and widespread support in the Congress. The Act has made possible intensified cancer research efforts and brought major achievements in the nation's efforts against this disease. The President, in his message of health care on February 20, 1974, again emphasized the importance of these activities. As he then noted, the appropriations for the National Cancer Institute have risen from $233 million in FY 1971 to a budget request for FY 1975 of $600 million. In testimony before the House and Senate Committees earlier this year, I strongly supported extension of the cancer research authority.

We believe that the Congress shares our hope that a sound cancer program extension can be passed soon and sent to the President for his approval. However, there are certain features of the bills now pending before the Congress to which we must object.

PRESIDENT'S BIOMEDICAL RESEARCH PANEL

The most objectionable provision in the Senate-approved bill is creation of a five-member, Presidentially-appointed panel to oversee all the biomedical research activities carried on by the National Institutes of Health and the National Institute of Mental Health. The proposed panel would report directly to the President and would also be charged with bringing directly to the attention of the Congress any "delays or blockages in rapid execution of the biomedical research programs of these Institutes."

I should first note that the proposal for the Presidential Biomedical Research Panel (PBRP) has not been the subject of hearings in either the House or the Senate. Moreover, the National Cancer Institute, the National Institutes of Health, and the separate NIH Institutes already have the benefit of a large number of advisory panels. The Director of the National Institutes of Health, for example, is assisted by 140 advisory committees of outstanding leaders in science and public life. One of these is the Advisory Council to the Director of the National Institutes of Health. The Secretary of HEW appoints this 16-member Advisory Committee to advise the NIH Director on the overall activities of the National Institutes of Health. In addition, the Secretary appoints an advisory council for each of the ten Institutes.

The National Cancer Institute, of course, has its own panel of advisors appointed by the President and approved by the Senate. The President's Cancer Panel was created by the Act to advise the President on the progress of the program.

The addition of the PBRP to the panoply of existing advisory groups is clearly unnecessary. With the aid of the existing panels, we believe that the National Institutes of Health has been and will continue to be well managed. An additional advisory group would simply be a redundant addition to the many groups which now provide counsel to the leadership of our nation's biomedical research efforts.

An additional panel is also unnecessary to provide for accessibility to Congressional review. Through Congressional oversight and legislative and appropriation hearings, officials of the Department, including the National Institutes of Health, are available to the committees and Members of Congress to report on the conduct of the nation's biomedical research programs.

With specific regard to the intensified cancer effort, a Presidential panel overseeing all biomedical research could well lead to loss of the priority which the Administration and the Congress both chose to give to cancer research programs, a result directly contrary to that sought by S. 2893 and H.R. 13053.

The Chairman of the President's Cancer Panel, Mr. Benno Schmidt, shares this view and has grave reservations about the panel proposed in the Senate bill. Enclosed for your information is a copy of Mr. Schmidt's recent telegram to this effect to Senate Subcommittee Chairman Kennedy, which was reprinted in the Senate Committee report on S. 2893.

As the Department noted in its letter to you at the time that your Committee was considering the Senate version of the bill, we find the creation of a Presidential Biomedical Research Panel so undesirable that, if a bill were sent to the President providing for such a Panel, I would be compelled to recommend that the President veto the bill in spite of the Administration's strong support for an extension of the cancer research authority. I strongly urge the Members of the Senate and House who are charged with the responsibility for reaching an accommodation between the differing versions of this bill to reject provisions for this Panel.

INFLEXIBLE MANAGEMENT OF FUNDS

We also object to a further provision of S. 2893 unrelated to the bill's basic purpose of extending the cancer research authority. This provision would make permanent section 601 of the Medical Facilities and Construction Act of 1970.

Section 601 specifically provided that funds appropriated for any program authorized by the Public Health Service Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act shall remain available for obligation and expenditure until the end of such fiscal year. We understand this provision to have been intended, and its extension to be intended, to preclude the Executive Branch from withholding funds from expenditure even when the expenditure of such funds is administratively unsound. We have testified in the past in opposition to the extension of this provision on the grounds that the President's discretion, which would otherwise be available, to manage spending for overall budgetary purposes should not be impaired.

OFFICE OF MANAGEMENT AND BUDGET POSITION ALLOCATIONS FOR THE NATIONAL CANCER INSTITUTE

We also oppose a requirement for the Office of Management and Budget to make specific personnel allocations for the National Cancer Institute. This provision would inappropriately remove the National Cancer Institute from the overall personnel management responsibilities of the Secretary of Health, Education, and Welfare and it would force the Office of Management and Budget to make isolated judgments about personnel needs in one small area of the Department. Only the Secretary is in the informed position to make these critical judgments.

PEER REVIEW FOR GRANTS AND CONTRACTS

Finally, we oppose provisions of both bills which would require scientific peer review of contracts. The Senate bill would require it for the National Cancer Institute only; the House bill, for all of the National Institutes of Health and the National Institute of Mental Health. The House provision is apparently more limited in its application to the various steps in the contracting process. We believe that all these statutory provisions are unnecessary.

The Department administers its contract program pursuant to the Federal Procurement Regulations and the HEW Procurement Regulations. These regulations have sufficed to meet our needs, particularly with respect to non-research types of projects. However, due to the expanded use of contracts for research, we are now modifying our procurement procedures to expand the guidelines for review of research proposals. In doing so we are taking into consideration the proposal review procedures, utilized by other agencies, including NASA as well as those utilized in our own grant review process.

In our judgment, however, it would be unwise to adopt in their totality grant review procedures for research contracts. To do so could place the Department in direct conflict with requirements of the Federal Procurement Regulations which presently afford many safeguards and benefits for contracts. Moreover, this procedure may introduce unnecessary delays in the review process, and may increase the possibility of conflict of interest problems. These procedures would also run the risk of undermining the contributions which small business can make to these programs and generally would serve to infringe on the Congressional mandate to afford small business a fair share of the procurement dollar.

We are confident that we can satisfy the objectives of this provision through internal procedures which will maintain consistency with Federal procurement practices, make appropriate distinctions between the grant and contract instruments, and retain the contract mechanism as a useful tool for accomplishing our program objectives.

We would appreciate the consideration of these concerns in the deliberations of the conference committee. We would be happy to work with the Committee members and staff to elaborate further on these issues.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

Caspar Weinberger,
Secretary.

March 26, 1974.

Senator Edward M. Kennedy,
Senate Health Subcommittee, U.S. Senate,
Washington, D.C.:

Although I favor stronger support for many areas of basic biomedical research and will for the reasons set forth in my testimony do all in my power to obtain such support. I have very serious reservations about the proposed legislation which would create a President's biomedical research panel for the following reasons: (1) the cancer panel is a very unusual and unorthodox organizational arrangement that will only work effectively if it's reserved for unusual circumstances of extraordinary and specific priority as cancer research was felt to be. The Secretary of HEW could not be expected to accept this organizational anomaly for substantially increased areas of his basic responsibility; (2) the cancer panel has been an effective tool because the President has genuinely shared the priority it was designed to implement, and the President has made his support of the panel clear to all concerned. As an instrument to propose the President's priorities, the panel would not in my opinion be effective. The panel could easily be rendered ineffective without the President's strong and well publicized support; (3) by trying to extend the special emphasis that the panel has helped to achieve for cancer to all areas of biomedical research we are more likely to lose the cancer priority to gain the same priority for a vastly extended area; (4) the effective discharge of the duties as chairman of the President's cancer panel requires a very substantial portion of the time of the occupants of the position. The added duties envisaged by the proposed bill would make this a full time job. Such a full time person attempting to function outside the reguar organizational setup would be likely to become a nuisance who would soon lose his effectiveness; (5) in my opinion, there is a better prospect of achieving the desired ends with the present setup and a much better chance of continuing a vital and effective cancer program; (6) I made these views known to Lee Goldman and Jay Cutler before my departure. I assure they will come as no surprise to you; (7) I am highly hopeful that with a little more time we can obtain the desired priorities with respect to other biomedical research with the present organization without risking the loss of the momentum in the cancer program by changing the setup in mid stream. I hope these views will be hepful in your deliberations.

Warm regards,

Benno Schmidt.

I might say that I had an amendment which I had hoped to put onto the bill at this time, which I will not offer because I think that the bill should pass in the House the way it is. The amendment that I was going to offer is too important and should stand on its own. The amendment would bring together the people of the world who have any knowledge on cancer and its treatment, and who have been working on it down through the years in an international conference. It would bring them together in Washington for a symposium, which would take 3 weeks, so they could exchange their ideas. In this way by using the best brains of the world, we could speed the finding of a cure and prevention for cancer.

In that amendment I would also propose that we would gather together the experts on heart disease, and stroke as well as cancer—the three great killers—so I believe it would be wise for this amendment to stand on its own. We will bring it up as a separate bill later.

There has been some talk of extending the Cancer Act a little bit longer, but we have had a rule in our committee that each Congress should have a chance to review the work that was done in the previous Congress, so we have always extended all of our bills for 3 years for as long as I have been on this committee.

The amount of money that we put in is the full amount that the experts say can be used in any effective way in cancer research. For that reason we have even gone a little bit beyond what was recommended by the President's budget, because some of the experts have said that they could use $750 million in money.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Florida.

Mr. PEPPER. I thank the gentleman for yielding.

In the first place, I want to commend the distinguished chairman and the members of this committee for all the great work that they have done in the field of cancer. My memory goes back to the time in 1937 when we set up the National Cancer Institute. I was one of the authors of that bill in the Senate. Since that time there has been a great increase in the amount of money made available by the Congress, and I think the expansion of the program has added to our hope of finding the cause and cure of cancer. What has concerned me and what I want to ask the chairman to comment on is this question.

Does the distinguished chairman and his committee have any concern as to whether, on account of the broad proliferation of this program and the numerous research projects that are in progress, we have the maximum effectiveness in coordination of all these programs so there is the greatest possible information and wisest possible overall direction of the program to get the best results?

Mr. STAGGERS. We have certainly had that concern in each and every bill. In this bill we even require that everything learned must be given to the public. I think the gentleman has made a good point. We are trying to get all the many advances which have been made within the last few years coordinated for the best possible use

One of the first bills I introduced in Congress 26 years ago authorized $100 million for work on cancer, and I have been concerned with it ever since.

Mr. PEPPER. I was the author of that bill in the Senate while you along with the distinguished colleague of ours, Senator Neely, then in the House was in the House.

Mr. STAGGERS. That is right. I have long been interested in these programs. I think anyone who has seen cancer in its deadliest forms in the human body will be willing to sacrifice and do everything within reason to conquer it. We intend to do whatever is possible. That is why I wanted to offer an amendment to bring all the best minds in the world together in a symposium here because this problem affects all the world and not just America, and of course so do heart disease and stroke problems.

Mr. PEPPER. I want to support that amendment in the strongest way I can because when we offered that original bill for $100 million we provided for the money to be available until spent and we provided for the bringing together here of the best minds in the world in the field of cancer as was done in the development of the atomic bomb.

We did it with the atomic bomb. The outstanding authorities in the world were convened. It would seem to me if we can split the atom and produce fission; if we can create the atomic and hydrogen bombs, we should find the cause and cure of cancer.

I commend the able gentleman. I hope he will continue his great work in this area in which lies so much death and tragedy for so many of our fellow Americans and for so many others in the world.

Mr. STAGGERS. Mr. Chairman, I might say to the gentleman that I have that in a bill and that I hope the matter can be pursued and can be pursued in the Senate. We hope to carry this House bill to the Senate and pass this House bill as it is because this is the product I think of the finest minds there are in this Congress, those who have heard the great experts of America when they testified before our committee. This is what the subcommittee has brought out and it has been discussed in the full committee.

Again I want to say thanks to the Subcommittee on Public Health and Environment for the great work they have done. I think all America owes a great debt of gratitude to each member of that committee.

Mr. Chairman, I reserve the balance of my time.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, cancer in its countless forms and 36 major types affects 655,000 Americans each year, and of this disease 355,000 will die. Actuarially, at least one Member of this group will be stricken with cancer within the year.

Assuming that each Member has approximately two children, two of the 870 children of Members of this House will come down with cancer. Presuming that your fathers and mothers are living, it is actuarially estimated that two of them may well come down with cancer. What you least expect always occurs; what you dread the most never happens.

You may think it cannot happen to you but you one day may suddenly realize that it has. However, there is hope for all who are stricken. Acute lymphocytic leukemia, for which there was no effective treatment 10 years ago, now has a survival rate of 50 percent when such cases are treated with massive doses of X-ray and with chemotherapy. Hodgkin's disease, which once was always fatal, is now amenable to treatment, and 90 percent of those affected can be cured.

The survival rate for those with breast cancer has been tremendously increased.

The success of treatment for the various forms of cancer can be attributed largely to the work of the National Cancer Institute, the three original comprehensive cancer care centers, the nine new centers which have been established since the enactment of the Cancer Control Act of 1971.

The cause of most forms of cancer is yet unknown. I am informed by specialists in this field that in this case successful treatment will probably be developed before the causes are identified. In order to prevent, detect and treat adequately the various forms of cancer, it is necessary that we continue and improve upon the programs which have thus far been developed.

The Cancer Act of 1971 is amended and strengthened in the present legislation in this manner: It is specified that the Director of the National Cancer Institute may make research and training grants without National Advisory Board review having direct costs of up to $35,000.

One amendment requires the Director to collect, analyze and disseminate information on nutrition programs for cancer patients and the relationship between nutrition and cancer.

Another requires the use of training stipends and fellowships and career awards for training relevant to cancer.

The Director is required to submit with NCI's budget his estimate for the personnel needs for the cancer program.

The limitation of 15 on the number of cancer research and demonstration centers which the NCI may support is removed. The Director of NCI is given authority to employ up to 100 experts and consultants in super grades after consultation with the National Advisory Board—actually, they have not had as many physicians and experts at NCI as they should have had.

Also, they think they can now make grants for construction, alteration or renovation of research facilities, and to disseminate and interpret information concerning cancer.

It is a sad thing today that not enough physicians in our country are actually trained and knowledgeable enough to treat many forms of cancer. The best places for treatment, of course, are the different cancer centers in the country, of which at the present time there are 12.

It mandates in law peer review throughout NIH of grant applications and contract projects; and it extends permanently the present expiring authority for the Secretary of Health, Education, and Welfare to contract for research projects.

In the diagnosis, prevention, and treatment of cancer, there is provided for the fiscal year ending June 30, 1975, $50 million, for the fiscal year ending June 30, 1976, $65 million; and for the fiscal year ending June 30, 1977, $85 million. This would be a total of $200 million.

For the purpose of carrying out research grants, fellowships, construction, renovation, there is provided for the fiscal year ending June 30, 1975, $750 million; for fiscal year 1976, $830 million; and for fiscal year 1977, $985 million, which would be a total of $2,565 billion. The total appropriation provided in this proposal is $2,765 billion for the 3 fiscal years.

In talking with the people of the National Cancer Institute just this morning, they told me that they had the funds which they needed, all the funds which they needed and could wisely spend at this time.

I think that Members of the House know——

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Georgia.

Mr. BRINKLEY. In response to the question that the gentleman asked today of the National Cancer Institute, in which they responded that they had all the money which they could spend for projects which had been approved, I wish to inquire of the gentleman, has he seen the chart which I have provided in the Speaker's lobby which lists some $69 million of approved, but unfunded projects, for 1 year alone, the fiscal year 1974, which was provided by the National Cancer Institute from Dr. Rauscher?

Mr. CARTER. I do not hear the gentleman too well, but I say this. I talked to the National Cancer Institute this morning and I am giving exactly the information which I received.

They were getting all the money that gentleman realizes that if they could wisely spend more, I would strongly support it. I have many, many reasons for saying this, and I think the gentleman realizes it.

Mr. Chairman, our actual appropriation and expenditure for cancer last year was $550 million. In 1970, the actual expenditure was $181 million. If we express it in dollars, counting inflation, the expenditure in 1974 was $372 million.

Mr. Chairman, when this bill was enacted into law, the country had three comprehensive cancer centers. Nine have since been completed. Six more will be completed by July of this year, for a total of 18. At first, it was projected that 15 new centers would be built. Since the need is greater than the new centers can supply, the limit of 15 was lifted, so that as many centers as are necessary can be constructed, and the early diagnosis and the best treatment possible can be given to the affected people of our country.

Mr. Chairman, this program has a sound foundation. The centers are doing tremendously important and effective work. Research is proceeding at a steady rate. New techniques for diagnosis are being used and new treatments are being developed regularly. If we persevere with dedication, cures of many of the 36 major forms of cancer are within reach within the next few years.

Mr. Chairman, I strongly support this legislation and urge its passage.

Mr. WHITE. Will the gentleman yield?

Mr. CARTER. I will be happy to yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I note in the committee report a portion pertaining not to cancer research, but to the National Institute of Mental Health, the National Institute of Alcohol Abuse and Alcoholism, and the National Institute of Drug Abuse. I am trying to determine the impact of this particular provision of the bill. Would the gentleman like to elaborate on that?

Mr. CARTER. Mr. Chairman, these were placed in the report. Of course, this legislation does not affect them, but they were placed in there for comparison. It was felt by some that some of the other institutes of health have been shorted dollar-wise for the last several years, and actually that argument cannot be refuted, but this simply refers to the peer review mechanism. It would also apply in this instance as well.

Mr. WHITE. Is this part of the bill?

Mr. CARTER. The references to other institutes are not.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I will be happy to yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, I think what the gentleman said is true, and also I think the gentleman might want to know that this provision revises to the peer review mechanism with respect to contracts. The provisions would apply to the Cancer Institute and other institutes as well.

Mr. CARTER. This is really not part of this bill.

Mr. STAGGERS. I yield to the gentleman from Florida (Mr. ROGERS) such time as he may consume.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as the Members know, the National Cancer Act, signed in December 1971, expires on June 30 of this year. H.R. 13053 provides a 3-year extension of the act with increased funding levels and substantial changes developed by the Subcommittee on Public Health and Environment. The bill was reported unanimously by the subcommittee and the full Committee on Interstate and Foreign Commerce.

Cancer continues to be the second leading cause of death in this country and the incidence of new cases is on the increase. Nevertheless, progress is being made. The National Institutes of Health reports that one out of every three persons who now have cancer can expect to be alive 5 years from now. Remarkably increased survival rates have been demonstrated at Roswell Park Memorial Institute in Buffalo, M. D. Anderson Clinic in Houston, and other cancer centers supported under the National Cancer Act.

Increased research funds—authorized by the 1971 act—have resulted in some important breakthroughs. Half of the children with acute lymphocytic leukemia, a cancer of the blood, now are alive 5 years after diagnosis when treated aggressively with radiation and a combination of anticancer drugs. Radiotherapy in the early stages of Hodgkin's disease produces 5-year survival rates of more than 90 percent.

Much needs to be done. Research funds must be increased. Cancer centers must continue to grow. The National Cancer Institute must be given new authority to more effectively combat cancer. This bill will insure these results.

Briefly, Mr. Chairman, the bill would do the following:

First. Afford the Director of the National Cancer Institute the authority to approve grants of up to $35,000 in direct costs without the prior approval of the National Cancer Advisory Board. Present law authorizes the Director to approve grants of up to $35,000 in total cost—direct costs plus indirect overhead costs. The indirect costs may total 29 percent of the $35,000;

Second. Deletes the limitation in the present law on the establishment of more than 15 cancer research and demonstration centers. This will provide greater flexibility to the National Cancer Institute in the funding of new centers. NCI expects to have funded all 15 centers mandated by the present law by the end of this fiscal year.

Third. Authorizes appropriations of $50 million for fiscal year 1975, $65 million for fiscal year 1976, and $85 million for fiscal year 1977 to continue and expand cancer control programs in cooperation with State and other health agencies in the diagnosis, prevention, and treatment of cancer.

Fourth. Provides for an expanded program of disseminating and interpreting new scientific and other information respecting the cause, prevention, diagnosis, and treatment of cancer for practitioners, other health professionals, scientists, and the general public.

Fifth. Authorizes $750 million for fiscal year 1975, $830 million for fiscal year 1976, and $985 million for fiscal year 1977 to carry out the purposes of the National Cancer Act; and

Sixth. Mandates for the first time scientific peer review of grant applications and contract projects within the National Institutes of Health, and, where appropriate, the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse.

Finally, Mr. Chairman, I would like to especially commend the Director of the NCI, Dr. Frank Rauscher, the members of National Cancer Panel—Benno Schmidt, Dr. Ray Owens, and Dr. R. Lee Clark—and the members of the Advisory Council for their tireless efforts toward the advancement of cancer research. They are unique and tireless public servants and they deserve the continuing thanks of the members of this body and of the American people.

Mr. Chairman, the National Cancer Act deserves the continuing support of this body. I respectfully ask my colleagues to unanimously approve H.R. 13053.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I will be delighted to yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I wish to repeat what I said to the distinguished chairman. I express my warmest commendations to the chairman of the subcommittee and to members of the subcommittee for their efforts in working with the full committee, as they did, in the field of cancer.

Will the gentleman tell me, what is the procedure in the National Cancer Institute for reviewing and coordinating and assimilating, as it were, all of the various research programs that are being carried out? And in addition, how many research programs are there in the country?

Mr. ROGERS. Mr. Chairman, I am not sure of the number. I could not give the gentleman a specific number. I am sure that we could get that information for the gentleman.

Mr. PEPPER. About how many?

Mr. ROGERS. There are various major programs, such as those in chemotherapy and immunologic techniques and programs in the field of radiation.

Mr. PEPPER. I understand there are programs in the immunologic field. I know that is one of the approaches. There must be a great number of people doing work in the immunologic field.

Mr. ROGERS. The gentleman is correct.

Mr. PEPPER. Mr. Chairman, let me ask the gentleman further:

How are all of these various programs coordinated so that one little item can be assimilated? If we had, say, a solution to a problem lacking just one little item, how are all of these brought together?

Mr. ROGERS. Mr. Chairman, these are reported by their sponsors to the National Cancer Institute, where they are computerized and assimilated.

Also the National Library of Medicine on the campus at the National Institutes, gathers and compiles all of the literature on research reports made by researchers. This, too, is computerized so that they have a quick way of bringing together all the knowledge on the various aspects of cancer research.

Mr. PEPPER. Then, there are competent people who are examining all of that material?

Mr. ROGERS. Yes. Not only that, but, as I am sure the gentleman knows, there is a National Advisory Board that must review all of the research that is going on. Its members review existing information, and how it is being integrated. The Advisory Board does that.

In addition to that, in 1971 this committee adopted, and the House and the Senate approved, the establishment of a Presidential panel—called the National Cancer Panel—of 3 men. We did this as a safeguard, and the gentleman from Minnesota (Mr. NELSEN) was the author of this idea. This was for the purpose of insuring that if any researchers anywhere feel things are not running properly, if they have criticism of what is going on in the Institute, they can go to this panel and make their views known, and the panel will check that information.

We always need to make improvements, of course, but I think the proper mechanisms are in place now.

I want to commend the gentleman for his continued interest in this program. I know he was a Member of the Senate and was author of the Senate bill that established the cancer institute, and his continuing support has been helpful to the committee.

Mr. STAGGERS. Will the gentleman yield?

Mr. ROGERS. I am glad to yield to the chairman.

Mr. STAGGERS. I might say to the gentleman, if he wants to know how information is disseminated, any doctor anywhere at any time can pick up a telephone and ask for information from the National Library of Medicine, and the computer there will answer with whatever he wants to know.

Mr. PEPPER. That is very good.

Mr. STAGGERS. That is the way it is done, and it is very fast.

Mr. PEPPER. I commend the chairman of the committee and the chairman of the subcommittee.

Mr. ROGERS. I thank the gentleman.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of this legislation.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Indiana (Mr. HUDNUT), a member of the subcommittee.

Mr. HUDNUT. Mr. Chairman, as a member of the Subcommittee on Public Health and Environment and as a cosponsor of H.R. 13053, I rise in support of this vital legislation.

As reported from our committee, H.R. 13053 provides a 3-year extension of the National Cancer Act with total authorizations for fiscal years 1975–77 of $2,565 million for the national cancer program and $200 million for cancer control programs.

Cancer in its more than 100 forms constitutes one of the most devastating health problems of the American people. It is estimated that 655,000 Americans will develop cancer in 1974 and 355,000 will die. This makes cancer the second leading cause of death, behind heart disease. Beyond an incalculable toll in suffering and family disruption, this disease produces an economic loss in the United States estimated at more than $15 billion annually.

While a cure for cancer is not yet within sight, scientists and physicians are exploring all promising avenues of research that may lead to identifying the causes of cancer, preventing cancer whenever possible, diagnosing cancer earlier and more accurately, and treating it more effectively.

We can find much encouragement in the progress that has been made under the auspices of the National Cancer Act of 1971. For example:

Half of those children with acute lymphocytic leukemia, a terrible cancer of the blood, now are alive 5 years after diagnosis when treated aggressively with radiation and a combination of anticancer drugs. Twenty years ago, this disease killed most of its victims within a few months and all of them within several years.

Radiotherapy for the early years of Hodgkin's disease, another cancer of the circulatory system, now produces 5 year survival rate of more than 90 percent. This is compared to a 68 percent survival rate for early Hodgkin's disease 5 years ago. A four-drug combination treatment for advanced Hodgkin's give 65 percent survival after 5 years, a vast improvement over the survival rate of less than 10 percent 5 years ago.

Patients with another form of lymphoma can achieve a 5-year survival rate of 66 percent when this cancer is diagnosed early and treated with a combination of drugs. Five years ago the rate was only about 20 percent.

There are indications that breast cancer may yield eventually to a combination of drugs, surgery, and radiation. Five-year survival rates for this disease, which kills more women than any other form of cancer, have remained 60 percent for the past two decades.

Scientists now have found significant decreases in tumor size when advanced breast cancer patients are treated with any one of six drugs. Although these observations do not show any lengthening of these patients' lives, they are essential first steps toward improved treatment for breast cancer in the future.

One out of every three persons who now have cancer can expect to be alive 5 years after treatment. There are one and a half million Americans who have had cancer, but are now well. An additional 1 million cancer patients diagnosed and treated in the last 5 years are expected to live to join these ranks.

By passing H.R. 13053, the national cancer program will be continued and improved. It is hoped that even greater progress can be made that will result in the saving of many more lives and the prevention of suffering.

Mr. CARTER. Will the gentleman yield?

Mr. HUDNUT. I am glad to yield to the gentleman.

Mr. CARTER. I want to compliment the distinguished gentleman from Indiana for the wonderful work he has done on the subcommittee and the tireless and very effective work he has done on the committee. He has done a tremendous job.

I thank the gentleman for yielding.

Mr. HUDNUT. I thank the gentleman from Kentucky for those kind words.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, the slogan of the American Cancer Society is "to cure cancer in your lifetime." The question I would like to ask today is this: In whose lifetime shall a cure for cancer be found?

I hold in my hand a bill the caption of which reads "To authorize the Public Health Service and the National Academy of Sciences jointly to investigate the means and methods for affording Federal aid in discovering a cure for cancer, and for other purposes."

That bill was introduced in 1929—45 years ago—by Senator Harris, of Cedartown, Ga., the State from which I come.

Mr. Chairman, in my hand I have a concurrent resolution introduced by the gentleman from New York, the Honorable JOHN J. ROONEY, which was passed by this body on July 15, 1970. The major portion of this resolution reads as follows:

> Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the conquest of cancer is a national crusade to be accomplished by 1976 as an appropriate commemo-

> ration of the two hundredth anniversary of the independence of our country; and be it further
>
> Resolved, That the Congress appropriate the funds necessary for a program of cancer research and for the buildings and equipment with which to conduct the research and for whatever other purposes are necessary to the crusade so that the citizens of this land and of all other lands may be delivered from the greatest medical scourge in history.

Mr. Chairman, everyone of us wants to find a cure for cancer. I, too, compliment this committee for the excellent progress that is being made, but I submit that it is not enough.

I salute the American Cancer Society, for they have been in this battle for a long time, but the issue today is simply: How much funding, and for how long?

Mr. Chairman, I shall offer an amendment today that will double the authorizations as contained in the committee bill and which would extend the act for an additional 2 years, for a total of 5 years.

I would ask the pages to bring in my chart at this time, so that we might talk about the large number of approved projects which have gone unfunded in previous years.

First of all I want to read about three or four paragraphs from an Atlanta Journal article of April 21, 1974, by Mr. Charles Seabrook in which he talks about "A Place To Die":

> Among the most unwanted people in Atlanta are dying cancer patients who have been ruined financially by the disease. Hospitals don't want them, and nursing home operators are increasingly reluctant to take them.
>
> As a result, Atlanta's only free home for destitute cancer victims, Our Lady of Perpetual Help operated by the Catholic church, is being deluged with calls from families who are at the end of their financial rope but still want some decent place for their loved ones to die.
>
> "I wake up in the middle of the night trying to decide who to take next," said Our Lady's director, Sister Mary Euchaira.
>
> "We get frantic phone calls every day from families whose financial resources have been wiped out by cancer, and who have exhausted their chances for any possible government medical aid," she said.

Now, listen to this:

> Ironically, said Sister Eucharia, Our Lady is being filled more and more with incurable cancer victims in their mid 30s or early 40s—people who are ineligible for government medical assistance.

That is the point, it is afflicting younger people in their most productive years, and in this respect, it is our Nation's No. 1 killer.

Mr. Chairman, before the day is over, 900 people in this country will have died of cancer, and one in every four sitting in this room, according to current statistics, will die of cancer. Yet even in view of this staggering figure, this great loss of life in this country, the National Cancer Institute reports that they can fund only about half of the scientifically approved cancer research projects which they receive.

This is totally unacceptable to those 900 people who are going to die today, and it should be unacceptable, and I know it is unacceptable to all of us, whose lives are affected by this disease. I refer the Members to this chart. These are approved but unfunded projects from the National Cancer Institute for 1 year. And, remember, any one of these projects might well be the project which could produce a cure for cancer or a preventive treatment.

Dr. Solomon Garb, scientific director of American Medical Center in Denver, Colo., and also cochairman of the Citizens' Committee for the Conquest of Cancer, has told me that there exists in this country the need for twice the amount of dollars as are currently being used or even asked for in the effort to conquer cancer.

He has also stated that——

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I will be happy to yield 2 additional minutes to the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, would the gentleman from Kentucky also yield me time?

Mr. CARTER. Mr. Chairman, I would inquire how much time I have remaining?

The CHAIRMAN. The Chair will state that the gentleman from Kentucky has 15 minutes remaining.

Mr. CARTER. Mr. Chairman, I will yield 2 minutes to the gentleman from Georgia, the same amount of time as was yielded to the gentleman by the chairman of the committee, the gentleman from West Virginia (Mr. STAGGERS).

The CHAIRMAN. The gentleman from Georgia is recognized for 4 additional minutes.

Mr. BRINKLEY. Dr. Garb stated that it was his impression that the National Cancer Institute had not asked for this additional funding simply because administrators there felt it was unlikely that such increases in Government outlays could be passed by Congress now, today. To me, Mr. Chairman, it is an omission of enormous proportions for the National Cancer Institute to ask for any lesser sum simply because they do not think they will get it. It seems to me it is the responsibility of organizations which want to find a cure to ask for what is needed, not what they think they can get or what they think is possible, and to do less is not squaring with the American people.

Mr. Chairman, are the levels of funding authorized in H.R. 13053 sufficient to fund only half of the approved projects at NCI? Hear me now.

It is significant to note that in 1971 the National Panel of Consultants for the Conquest of Cancer recommended to Congress a $1 billion yearly budget by 1976 with which to fund our Nation's cancer research efforts. This panel was composed of outstanding businessmen, scientists, and cancer researchers from around the country and was headed by Mr. Benno C. Schmidt, now the President's top cancer adviser.

In addressing the Interstate and Foreign Commerce Subcommittee on Public Health and Environment concerning the 1974 Cancer Act Amendments, Dr. A. Hamblin Letton—a fellow Georgian and chairman of the legislative committee as well as past president of the American Cancer Society made the following comparison:

> For comparison purposes I would like to cite the NASA budget. We do not oppose it. NASA has provided some important biomedical advances such as extremely delicate heat sensors useful in the detection of breast cancer. But I think that this committee might be interested in the fact that, while we look sharply at a $1 billion budget for the Conquest of Cancer, we are still spending upwards of $3 billion per year on the conquest of space. NASA to date has spent approximately $54 billion.

Mr. Chairman, we have landed on the Moon within this decade. By way of analogy, that is exactly what my amendment proposed to do by 1980 in the field of cancer research. This is strictly in keeping with the concurrent resolution passed by this Congress in 1970.

One final thing and I will be through. Dr. Linus Pauling, a former Nobel Prize winner, has been called one of this Nation's "most valuable natural resources." I will just briefly tell the Members about him. He is the man who discovered the abnormality in the red blood cells which leads to sickle cell anemia. The Saturday Evening Post reports in May of this year that he has been denied a $37,000 grant to study possible cancer causes by NCI, because the funds are not available.

Mr. Chairman, in conclusion, my amendment does two things. It extends the act for an additional 2 years. It doubles the authorizations contained in the committee bill. We are going to have more facts and figures when I rise to offer my amendment in the nature of a substitute, and I hope that we can get a vote on it. I hope that we can supply the Members with the facts that will compel their hearts and their minds to support my amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the distinguished ranking minority member, the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, I first want to thank our chairman of the subcommittee and our chairman of the full committee, Mr. ROGERS, and Mr. STAGGERS, and also pay my respects to Dr. CARTER on the committee, a medical doctor, who works with us in the health field on the Health and Environmental Subcommittee, and who provides valuable professional information that we need.

A moment ago we heard the gentleman from Indiana (Mr. HUDNUT), a new member of our committee, speak. He is a very brilliant and dedicated person and I must pay my respect to him also.

Now dealing with the whole cancer problem, in 1971 our committee proceeded to try to do something about a very necessary endeavor. On the House side under the leadership of the gentleman from Florida, Mr. PAUL ROGERS, we thought it was a mistake to fragment what had already been done, but we wanted to do a better job than had been done in the past. The bill we passed did exactly that.

Many times we seem to think by throwing a bucket of money at something we cure it. But if we are going to do a proper job of research we are going to have to have manpower available to do it and that manpower is not always there, and we must also have other things such as facilities and equipment necessary to the research effort. So we tried to hit a medium that was attainable and have a goal that would be an effective and attainable one.

At times in the past money was wasted and manpower was not there to do a job that had to be done, so we have tried to do our level best to correct these problems with the kind of legislation we have produced.

We have always gone on a 3-year basis, feeling that we need to have a reexamination of programs as we go along. If we extend it on a longer term basis we are apt to lose touch with what is being done in the program.

We have tried to be conservative and yet be sure that the job will be done. I have had some experience with this illness, with cancer in my own family. I know what a concern it is and I also know how successful some research has already been because of an incident I have in mind wherein a cure was effected, so I am grateful for that.

I hope this House passes the bill as it has been proposed by our subcommittee and I hope the Senate and House will agree—and I believe they will—on the bill the Members have before them for consideration at this time.

Mr. STAGGERS. Mr. Chairman, I have no further request for time.

Mr. CARTER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman from Kentucky for yielding.

Mr. Chairman, gentlemen. I rise to support the measure, H.R. 13053, National Cancer Amendments of 1974, and wish to associate myself with the remarks made by the committee members. I compliment the members of the committee for their fine work.

Mr. Chairman, all too many of my friends—and relatives—have died of cancer and leukemia after almost—but only almost—winning the battle. This legislation can and will help to defeat this dread disease.

Mr. KEMP. Mr. Chairman, I rise in support of the bill pending before us, H.R. 13053, the proposed National Cancer Amendments of 1974.

Cancer in its many forms constitutes one of the most devastating health problems of the American people, striking 655,000 each year and claiming 355,000 each year among its victims. Cancer is the second leading cause of death, second only to heart disease. And, beyond the incalculable toil in human suffering and family distress, cancer produces an economic loss in the United States estimated at a staggering $15 billion annually.

Yet, the outlook is improving—at an accelerating pace. One out of every three persons who now have cancer can expect to be alive at least 5 years after treatment. The odds for survival and the length of life after treatment both continue to rise. There are one and a half million Americans who have had cancer but are now well. And, an additional 1 million cancer patients diagnosed and treated in the last 5 years are expected to live to join these ranks.

The very fact that we are learning to control this disease is an indication that we are winning the fight. The proposed amendments now before us are an extension of our commitment to see this battle through to the end—to the development and use of cures to cancer.

What, then, will this bill do to bolster this commitment?

H.R. 13053, as reported, provides a 3-year extension of the National Cancer Act with total authorizations for fiscal years 1975–77 of $2.565 billion for the national cancer program, authorized by section 410C of the Public Health Service Act, and an additional $200 million for cancer control programs, authorized by section 409(6) of that later act.

The legislation would also make the following substantive modifications in the National Cancer Act. It would—

Specify that the director of the National Cancer Institute—NCI—may make research and training grants without national advisory board review, provided such individual grants made directly by the Director do not exceed $35,000 each;

Require the director of NCI to collect, analyze and disseminate information on nutrition programs for cancer patients and the relationship between nutrition and cancer;

Require use of stipends, fellowships, and career awards for training relevant to cancer;

Require the director to submit, with the NCI's budget, estimates of the personnel needed for the cancer program;

Remove the limitation of 15 on the number of cancer research and demonstration centers which the NCI may support;

Provide the director of NCI with additional authority to employ experts and consultants, make grants for construction, alteration and renovation of research facilities, and disseminate and interpret new information concerning cancer;

Mandate in law peer review throughout NIH of grant applications and contract projects in a manner comparable to that presently done administratively for grant applications; and

Extends permanently the present, expiring authority for the Secretary of Health, Education, and Welfare to contract for research projects.

The need for this authority has been well documented in the hearings and consideration of the committee.

I have come in the past several years to have a much deeper appreciation for the value of this type of search for cures to cancer. I have come to this appreciation for two principal reasons: The outstanding work which I see being done in this subject field, and my own personal encounter with this disease.

Some of the most significant strides made toward curing cancer have occurred at the Roswell Park Memorial Institute in Buffalo, an Institute known worldwide for its endeavors in this regard. Dr. Gerald P. Murphy, institute director, serves on the President's National Cancer Advisory Board and has major responsibility in developing a program for national cancer control. The national program for immunotherapy—developing immunities within the body to the causes of cancer—is centered at Roswell Park, under the direction of Dr. Edmund Klein, chief of dermatology service at the institute.

The extent of the institute's outstanding work is evidence in its yearend report for 1973, which follows:

ROSWELL PARK MEMORIAL INSTITUTE—YEAR END REVIEW 1973

RPMI CONTRIBUTION TO THE NATIONAL CANCER PROGRAM

The Institute continues to be involved with the National Cancer Program established by the National Cancer Act of 1971. Substantial input by the staff to the National Cancer Program is demonstrated by cooperative studies and by grant awards to the staff to explore various top priority studies designated by the offices of the National Cancer Program.

Dr. Gerald P. Murphy, Institute Director, RPMI, serves on the President's National Cancer Advisory Board and has major responsibility in developing a program for National Cancer Control. Such programs should continue to have major impact at Comprehensive Cancer Centers such as Roswell Park, particularly in its efforts to reach out to community hospitals to improve its management of the cancer patient.

The National Prostatic Cancer Project, a National Cancer Institute grant-supported program of research, was granted funds to establish a center at Roswell Park Memorial Institute under the direction of Dr. Gerald P. Murphy. The Center's prime objective is to develop a national prostate program to assist in learning more about prostate cancer.

A national program for immunotherapy has been developed, with the major center at Roswell Park. The immune system of the body has been known to be a primary defense against bacteria, viruses and foreign invaders. It has recently been found to play a major role against cancer. Immunotherapy is also important as part of the comprehensive care for the cancer patient. Treatment of cancer patients at Roswell Park Memorial Institute include immunotherapy as well as surgery, radiation therapy, and chemotherapy. The program is under the direction of Dr. Edmund Klein, Chief of Dermatology Service at RPMI.

PHYSICAL EXPANSION AT RPMI

Construction made possible by the $5,500,000 construction grant awarded by the National Cancer Institute to Roswell Park for the Cancer Cell Center is on schedule. The facility will house the cancer cell activities of Dr. Pressman, Dr. Sandberg, and Dr. Weiss in a co-ordinated fashion. This building will represent a major thrust forward for basic cancer-research programs directly applied to clinical settings at the Institute. It represents substantial amount of Federal funds awarded for cancer research to New York State, to the Health Department, and to the Institute.

Construction has started on the Ambulatory Care Center, to be located in the entrance area of the present clinical facilities. Structure will serve the needs of the Institute by permitting appropriate expansion of outpatient diagnosis and treatment efforts. It will enable treatment of larger numbers of patients more rapidly, and to handle a suitable increase in patient referral. Patient treatment is an integral part of the Institute's cancer research program, and contributes indirectly to fiscal stability of the health income plan.

Construction has been underway to provide adequate space for a team approach to patient rehabilitation between seven major services. The program will allow assistance to each patient with his own particular program in helping to restore him to his former life of purposeful activity.

Continued growth at RPMI is exemplified by the new 1500 car parking ramp for the use of employees, patients and visitors. It occupies a full city block, has been completed, and is expected to open by the first of March 1974.

NEW PROGRAM ORIENTATION AT RPMI

From available State resources, a new Department of Molecular Biology was formed and is now functioning. This department is currently supported by seven grants totaling $505,000, representing support from the National Science Foundation, American Cancer Society, and National Institutes of Health. The department objective is to study cancer on a molecular level.

At Roswell Park, a number of investigators having widely different disciplines have joined together to develop a further understanding of the mechanism by which environmental contaminants and synthetic chemicals produce cancer. The Membrane and Carcinogenesis Research Program at Roswell Park is studying carcinogenesis at the cellular level—with particular emphasis on chemical carcinogenesis. Scientific exchange with colleagues at RPMI is facilitated by weekly discussion groups which focus on different aspects of cancer research. The combined resources at the Orchard Park Laboratories with its 20,000 sq. ft. of space, and the Roswell Park Memorial Institute Buffalo campus are committed to a concerted research attack on the enigma of the carcinogenic process.

The pharmacology program with [illegible] current annual support of $1,030,000 from NIH grants has aided in expanding the Institute's efforts to develop and study new chemotherapeutic drugs. Progress made in this area on a rapid basis would not be possible without continued and substantial State support and NIH grant support. The pharmacology program expansion has been made physically possible through the opening of the James T. Grace Cancer Drug Center facility.

RPMI has expanded its effort to educate the public about cancer. Cancer information through the telephone has been instituted at RPMI as a public service. The Can-Dial Tape Library consisting of 25 tapes are presented in an easy-to-understand language and help answer common questions about cancer. The tapes may be requested to be played from 9 a.m. to 1 a.m. Monday thru Sunday by dialing one telephone number. The service is to alert the public to cancer problems, not to be used in an emergency to diagnose illness, or to replace the family doctor.

SOME ACCOMPLISHMENTS AT RPMI

A cancer patient skin test for determining the immunological status of the patient has been developed.

It was initially most clearly demonstrated at RPMI that a variety of tumors have some materials with a common antigen site, ile., a feature at the molecular level to which a patient's immunological system may react. The extent of this reaction can be measured in some cases and used as an index for modifying and improving the patient's therapy.

The activity of a particular chemical, Diamminedichloroplatinum, is striking in all cell types of testicular tumors. Three of 11 patients showed complete tumor regression. Three of 11 showed partial regression and 3 of 11 showed objective improvement but less than 50% regression.

A long-term clinical study demonstrated that modest doses of thyroid hormone may induce a persistent regression of some nontoxic goiters.

A correlation between the chromosomal findings in acute myelobisstic leukemia with the survival of such patients was found. There is a definite indication that the absence of some certain readily recognizable cells (diploid cells) carries a very grave prognosis in this disease.

If a patient is made hypersensitive to Bacillus Calmette Guefine Vascine (BCG), the capacity to establish reaction to other antigens is markedly increased.

Evidence has been reported for the presence of a common tumor specific antigen in human serious cystadenocarcinomas of the ovary. This antigen is absent in normal ovarian tissue and other normal organs and is immunologically unrelated to other known tumor antigens. Further immunological testing of various tumors to date has revealed this antigen to be present only in serious and mucinous cystadenocarcinomas of the ovary.

Adriamycin, a new antitumor antibiotic, has been shown to be highly active against uterine sercomas, squamous cell carcinomas of the female genital tract and some unusual cancers. Since these tumors usually do not respond to other chemotherapeutic agents. Adriamycin is a valuable addition to the chemotherapeutic armamentarium of the gynecologic oncologist.

A new and simple method has been developed for the synthesis of some sugar-like compounds (oligosaccharides) which are useful in investigating particular enzymes (glycosidases and glycosyl transferses) involved in the biosynthesis and metabolism of the glycoproteins of gynecologic cancers.

The method of prefabrication in pharyngoesophageal reconstruction developed by Bakamjian has proven to be a significant contribution to head and neck cancer surgery.

The reed fistuls method of speech rehabilitation, developed at Roswell Park Memorial Institute, has restored vocal function to a group of pharyngolaryngertomy patients who otherwise would not have been able to develop good oral communication.

A particular compound, SCH 13521, has been found useful in treating far advanced prostatic cancer.

It was demonstrated that the assay of carcinoembryonic antigen (CEA) can be used to detect the early recurrence of metastatic disease in patients with carinomas of the colon and lung and as an adjuvant in the treatment of patients.

The techniques for viewing essentially live cells in an electron miscroscope have been developed, and many electron micrographs of cancer cells have been obtained.

A new animal kidney cancer that can be transplanted has been developed and is of value in screening anticancer compounds.

The antileukemia action of B-deazauridine in mice was established.

Statistical studies have shown that present methods of calculating "safe" levels of radiation are seriously in error: they may protect the normal individual but they fail to protect the susceptible individuals who need this protection most.

Hybrid man-mouse cells, formed through special techniques, have been used to assign certain genes to positions on particular chromosomes and should be useful in mapping genes on rearranged chromosomes in tumors.

C-type tumor virus production was demonstrated in man-mouse cell hybrids derived from parent cells not producing the virus. The virus production was presumably stimulated by the interaction and complementation of the human and mouse genes being in the same hybrid cell.

Cigarettes made with paper modified in either of two ways are moderately less carcinogenic than are standard cigarettes. The modifications include the addition of ammonium sulfamate to the paper or the addition of a thin film of aluminum on the inner surface of the paper. In both cases, the cigarettes burn more slowly between puffs.

Recent data indicate that plasma from human leukemia patients has helped activity for defective Friend spleen focus-forming virus. This may have potential value in determining the eliologic agent responsible for the induction of various forms of leukemia and lymphoma in man. Studies on the levels of helper activity recovered from the plasma of leukemic patients and from members of their families may contribute to our knowledge of the effectiveness of various chemotherapeutic agents in the treatment of leukemia and may also enable us to determine if certain forms of leukemia are infectious (i.e., transmitted either vertically or horizontally by a human leukemia virus.)

Long-term culturing of normal mammary cells directly from mammary tissue is possible. This will provide a model for the study of mammary carcinogenesis.

Evidence that an important part (the variable regions of two different kinds of human autibodies may be synthesized using genetic information from the same gene was found in the myeloma proteins from a single patient.

A distinctive component of the human HLA histocompatibility antigen, important in tissue transplantation, has been isolated.

A second T-cell line has been established in culture starting with cells in the blood of a patient with acute lymphoblastic leukemia. T-cells are a cell type important in combating cancer cells and such cell lines are of value in gaining an understanding of how this occurs.

The genetic site controlling cellular differentiation of an important enzyme, B-gelectosidase, in mice has been identified. It is located in chromosome 9.

I am deeply indebted to Roswell Park Institute and its dedicated staff.

Not too long ago, I was told I, too, had cancer, skin cancer. You have not had a shock quite go through you like being told you have cancer, for all its forms still claim lives. Thankfully, skin cancer is one of the least dangerous forms, but we must understand why it is. Why? Because they have found cures and controls for it; it can now be treated. But, at one time it, too, could not.

That is what the purpose of the bill before us is: To give us more cures for more kinds of cancer, so that one day someone being told that they have lymphocytic leukemia—one of the most dreaded forms of cancer today—can regard it with the same view that we do skin cancer now.

Every bit of meaningful research done moves us closer to that goal, closer to cures for all forms of cancer. I am aware of the great work being done on cancer research around the country and they certainly deserve our support.

Mr. YATRON. Mr. Chairman, of all diseases and fears that have plagued mankind for as long as he has inhabited the Earth, I have always believed that the word "cancer" and what it denotes strikes a stronger sense of fear and dread than any other.

Surely, it will be a time of great triumph and achievement when, at last, man has truly made significant inroads in isolating and finding cures for the various types of cancer that exist. Those of you who have lost a loved one to cancer know the magnitude of the challenge that lies ahead.

It is for this reason that I rise to speak in behalf of the substitute to H.R. 13053, the Cancer Act amendments, being offered by my colleague from Georgia (Mr. BRINKLEY).

In my view, the channeling of our financial resources into this particular area is not merely desirable nor necessary—it is imperative. And, it is crucial that we not merely provide token nor partial funds for cancer research programs. We must direct as much as possible into the effort. I do not believe that the authorization of some $2.7 billion, as called for in H.R. 13053, represents an adequate authorization. If we are going to relate, in any way, the issue of Federal spending with the fight against cancer, then we can never hope to defeat nor turn back the threat of this dreaded disease. An authorization of $11.5 billion, however, as called for in the Brinkley amendment, is not excessive. It is responsible.

As a matter of fact, I do not believe that we can afford to direct a lesser amount into the assault against cancer.

In addition to calling for necessary increase in the funding authorization for the National Cancer Institute, Congressman BRINKLEY's substitute proposal would also double each of the three yearly appropriations authorized in the committee bill. It would extend these appropriations for an additional 2 years, through fiscal year 1979.

It is startling to note that the National Cancer Institute has reported that they are able to fund only one-half of the scientifically approved cancer research projects which they received. This is a shameful record, for which we certainly cannot blame the Cancer Institute. The blame must fall on the Congress, for research is the only means of achieving success in combating this disease, which is second only to heart disease in claiming lives. Research is the main thrust of the long and difficult struggle to remove the fear of the cancer threat from our lives. We cannot afford to delay, nor can we afford to provide anything less than a total commitment to the effort.

Our colleagues in the Interstate and Foreign Commerce committee have devoted time and effort to the development of cancer research legislation. Through their efforts, we now have an opportunity to consider and act upon this critical issue at this time.

However, the task that lies ahead and the goal we seek to achieve demands that we approve Mr. BRINKLEY's substitute bill. To do less would be failing in our determination to attack the problem fully and completely.

Mr. LEHMAN. Mr. Chairman, I rise in support of my colleague's amendment to increase the authorizations in the bill for the conquest of cancer.

This is the most terrifying of diseases, and the second leading cause of death in this country. The energy crisis, pollution, crime and communism together will never cripple, bankrupt, devastate and destroy as many of us as will cancer.

Today, there are unfunded grants at the National Cancer Institute that total more than $2 million. Despite a shortage of laboratory facilities, there is at present over $29 million in construction grant applications which have been approved, but remain unfunded.

Recently, Dr. A. Hamblin Letton, past president of the American Cancer Society, made a comparison between cancer research and the budget for space exploration, and stated that while we look sharply at a $1 billion budget for the conquest of cancer, we are still spending upward of $3 billion per year on the conquest of space, and the NASA to date has spent approximately $54 billion.

We must not negate nor disparage space exploration. In fact, NASA has provided some important biomedical advances, such as extremely delicate heat sensors useful in the detection of breast cancer. However, it is so essential that we reorganize our priorities, especially our scientific and medical expenditures, so that our first concern will always be to reduce disease, pain and suffering among our people.

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 13053, the National Cancer Amendments of 1974.

I commend my colleagues on the Legislative Committee for their foresight in writing the original legislation establishing the national cancer and cancer control programs and for this bill extending and strengthening those programs and clarifying Congress' intent for them.

As a member of the Labor-Health, Education, and Welfare Appropriations Subcommittee, I have been hearing testimony from the Director of the National Cancer Institute on the progress we have been making in the fight against cancer. It is essential that we continue that effort and strengthen it.

I am impressed by the excellence of our basic research effort and the new knowledge we are gaining on the origins and treatment of this terrible disease.

I am even more impressed at the way in which we are learning to use the results of that basic research in diagnosis and treatment and what this means in human terms. For example, 20 years ago most children with acute lymphocytic leukemia died within a few months. All of them died within a few years. Now half of those treated with radiation and a combination of anticancer drugs are alive 5 years after diagnosis.

We are proving that by making a concerted effort, by mobilizing our resources, we can more quickly apply what we learn in the medical laboratory in the research clinic. The next step is to make that application in general medical practice.

This bill extends the national cancer and cancer control programs for 3 more years.

It has some important new provisions.

It requires the collection and dissemination of information on nutrition programs for cancer patients and on the relation between nutrition and cancer.

It insists that training stipends, fellowships, and career awards be used to train researchers and other professionals in the field of cancer. I feel very strongly about this provision of the act. No greater threat to our biomedical research programs has been made than efforts to weaken and dismantle our training programs.

Congress will now receive from the director of the National Cancer Institute his estimates of the personnel he needs to carry out these programs. We have had considerable evidence in the appropriations hearings that personnel ceilings and reductions made for purely budgetary considerations are undercutting our research and treatment programs.

The limitation of 15 on the number of cancer research and demonstration centers is removed.

Congress restates its determination that the National Institutes of Health carry forward a balanced biomedical research program.

And, in a very important provision, the peer review system is legislatively established for NIH and NIMH. The excellence of our biomedical research programs, the greatest in the world, rests on the participation of the scientific community in making judgments on the merit of proposed research.

Mr. Chairman, there are few pieces of legislation I can support as wholeheartedly as this one. I urge my colleagues to add their support.

Mr. BURKE of Massachusetts. Mr. Chairman, I feel it essential that this Congress pass H.R. 13053, the National Cancer Amendments of 1974. The continuation of research into the causes and cures of cancer is an endeavor of high priority in eliminating such fatal diseases as cancer.

In recent years, we have seen cancer claiming the lives of hundreds of thousands of Americans annually. Recent studies indicate to us that cancer is on the rise in America, and will prove fatal to millions of Americans in the years to come, unless we act now to check the spread of this crippling disease.

H.R. 13053 provides for total appropriations over the next 3 fiscal years in the amounts of $2.5 billion for the national cancer program, and $200 million for cancer control programs. In my opinion, these appropriations represent money well spent; the Federal Government, through channeling large sums of money into the research of cancer, can assure future generations of existence free from the threat of this dreaded disease.

In the history of the past century, there are many instances where maladies originally considered to be incurable and fatal have been brought under human control through the amazing accomplishments of medical research. It is time, I feel, that the Federal Government provide the mechanisms through which cancer can be overcome. Much progress has been made; there still remains, however, much to be done. To bring to a halt the progress of research made possible through Federal funding would indeed be a grave error on the part of Congress;

our commitment to the goal of the elimination of the threat of cancer cannot be abandoned so easily. The potential victims of cancer in the future will not permit us to shirk our duty on their behalf.

Mr. Chairman, I ask for the speedy passage of H.R. 13053. To halt the spread of cancer, we must act, and act quickly.

Mr. HEINZ. Mr. Chairman, Congressman Paul Findley is out of the country on official business for the House of Representatives today, but he has written me expressing his strong and enthusiastic support for H.R. 13053, the National Cancer Act amendments. I would like to place his letter in the Record at this point:

Hon. H. John Heinz III,
House of Representatives,
Washington, D.C.

Dear John: I am sorry I will not be present when H.R. 13053 comes to the floor, but I will be in the Middle East on a matter of considerable humanitarian concern.

The National Cancer Act Amendments proposal is one of the most important measures to come before Congress in the medical field.

All of us are aware of the appalling number of deaths each year from cancer. Virtually every family has been touched—directly or indirectly—by this dread disease. It is perhaps the most feared cause of death in the United States.

Modern medical science is struggling to overcome this killer, but the help of the Congress is needed.

This bill is designed to implement the National Cancer Act of 1971, which launched a sustained commitment to fight and conquer cancer. It strengthened the National Cancer Institute, established a National Cancer Advisory Board, and most important of all, it authorized fifteen comprehensive cancer centers.

The expanded cancer research program which resulted from that legislation has focused on two objectives—first, to speed research on early diagnosis, the causes of cancer and preventive and treatment techniques; and second, to educate the general public on the most effective methods of detecting and combatting cancer.

This concerted effort has already led to significant results. New methods of treatment have been found, largely as a result of research in radiation, immunology, drug therapy and surgical techniques.

Twelve of the fifteen authorized cancer centers are now in operation.

H.R. 13053 extends the National Cancer Act for three years, and adds several important new provisions. These are designed to make it possible for the program to go forward with a minimum of red-tape and bureaucracy. In addition, the bill removes the fifteen-center limit imposed by the original Act, so that additional centers may be constructed should the need arise.

The bill also contains commendable provisions for the dissemination of information on the causes, prevention, diagnosis and treatment of cancer.

This measure will make possible significant progress in the area of cancer research and treatment.

Your committee has done an excellent job in drafting this important bill. It has my full support.

Sincerely yours,

Paul Findley,
Representative in Congress.

Mr. MINISH. Mr. Chairman, I rise in enthusiastic support of the National Cancer Amendments of 1974. As a cosponsor of this legislation, I want to commend the Committee on Interstate and Foreign Commerce for the excellent measure they have reported and for their prompt action in bringing it to the House floor.

There can be little doubt that cancer is the most terrifying disease we face today. Cancer victims include people in all walks of life, all races, and all ages. I venture to say there is probably not a man or woman in this chamber whose life has not been touched by cancer at one time or another.

It is estimated, Mr. Chairman, that 655,000 Americans will develop cancer during 1974, and 355,000 will die from the disease, more than 14,000 of them in my own State of New Jersey alone.

It is clear, therefore, that we must move ahead with, and intensify, the Federal Government's effort to find the cause and cure for cancer. We have an opportunity to strive for that goal under this legislation.

H.R. 13053 authorizes appropriations for the cancer program for 3 additional years in the amount of $2.765 billion, almost $1 billion more than the last 3 years.

Besides the overall increase in funding, the bill authorizes an increase in the number of comprehensive cancer centers which are designed to disseminate information about new discoveries, new and improved methods of diagnosis, and new approaches to the treatment of cancer.

Mr. Chairman, I urge overwhelming approval of this bill by the House, and prompt agreement with the Senate version in order that there may be no delay in the vital work of combating cancer.

Mr. DRINAN. Mr. Chairman, I rise in support of the National Cancer Amendments of 1974, H.R. 13053.

Over 350,000 persons, victims of the over 100 forms of cancer known today, will die in the United States this year. Another 650,000 or more will contract this insidious disease. Many of these will die in the ensuing months unless we are successful in winning the battle against cancer.

A great deal of progress has been made in the past few years by research scientists in discovering the causes and improving the treatments available to those struck by this affliction. A greater amount of progress remains yet to be achieved.

H.R. 13053, under consideration today, is intended to extend and augment the vital research effort that has been wisely expanded over the last several years. It would extend the National Cancer Act of 1971, with positive modifications, through 1977. It will, if enacted into law, increase funding of the national cancer program as well as provide funds for other cancer control programs.

We cannot, in good conscience, argue against this vitally needed research effort. Still, we must remember the other valuable research efforts conducted by the National Institutes of Health that also need our support. We must not, above all, increase our cancer effort at the expense of other desperately needed medical research efforts. We can and must afford to do both. We cannot afford not to.

Mr. Chairman, the need is obvious. The cause is worthwhile. I urge my colleagues to move in support of saving lives now and in the future by voting for H.R. 13053.

Mr. KYROS. Mr. Chairman, as a member of the Public Health and Environment Subcommittee, I rise in strong support of the legislation under consideration to extend the National Cancer Act through 1977. This legislation would not only extend the Nation's national cancer program but would also make several substantive changes in the act to significantly improve it.

Throughout the United States the national cancer program has been progressing well. To my own State of Maine, the program has brought pap tests and cancer information. This year Maine's program will fund the administration of pap tests through the National Cancer Society and Regional Medical Centers. Also in Maine, the National Cancer Institute has helped to initiate research projects in chemotherapy and immunology. The use of chemotherapy has already reaped benefits nationally, and the concept that our own bodies can, with help, develop immunity is most promising. In this connection, the Jackson Laboratory in Bar Harbor has approximately $700,000 in Federal grants to study the viral and genetic influences in cancer. The University of Maine at Orono is also engaged in cancer research under institute grants.

Despite all of this progress, cancer remains, of course, the second greatest cause of death in our country. It is, perhaps, the most dread disease known to man, and now is certainly not the time to let up on our efforts to combat it. I strongly urge passage, therefore, of H.R. 13053, the National Cancer Amendments of 1974.

Mr. BIAGGI. Mr. Chairman, I rise to urge my colleagues to quickly pass H.R. 13053, the National Cancer Amendments of 1974. It is vitally important that we extend the life of this most important agency, the National Cancer Institute.

Cancer is the No. 2 killer of Americans today. Only heart disease takes the lives of more people each year. But in some ways cancer is more horrible, because the victim is far more likely to suffer, to waste away, and to be in deep pain during his last days.

The cure for this deadly disease, one which may strike almost any part of the body, has eluded us to this day. Despite the fact that we have developed amazing scientific, and specifically medical, capabilities, we are still almost totally in the dark about cancer.

Accordingly, in 1971 the Congress recognized that it was time for the resources of the Federal Government to be committed to the fight against cancer. We determined that a National Cancer Institute should be set up and generously funded for 3 years. I wholeheartedly supported that important legislative effort.

Now that the bill is up for renewal, I wish to restate my unqualified support for the National Cancer Institute and its objectives. I am particularly pleased that the legislation before us today significantly increases funding for the National Cancer Institute. I am especially pleased that some important procedural modifications are contained in the bill which will increase the value of the effort of the National Cancer Institute.

In the next 3 years, we are proposing to spend $2.765 billion in the fight against cancer. This is an increase of almost $1 billion over what we spent in the last 3 years. We will spend $200 million for cancer control alone during the life of this bill, where we spent only $110 million under the old bill. These amounts speak eloquently of the commitment we are making to finding the causes of cancer and to develop a cure.

The improvements in the operation of the program are also significant. We are doubling the number of consultants to the National Cancer Institute, from 50 to 100 experts. We are directing the Institute to gather and disseminate information on the relation between nutrition and cancer so that research breakthroughs in this critical area of health can save lives as soon as possible. Finally, we are eliminating the present restriction of 15 on the number of comprehensive cancer centers which may be established to get new knowledge into the medical mainstream. It is inescapable that if research information is not shared quickly, lives may be lost. That is the very opposite of what we are trying to do, and the elimination of this restriction goes a long way to making that priority clear. We are not just dealing with a scientific problem. We are trying to help people stay alive.

In sum, Mr. Chairman, I urge prompt passage of H.R. 13053.

Mr. MATSUNAGA. Mr. Chairman, the bill before the House renews our national commitment to conquer that dreaded killer disease, cancer. As a cosponsor of the original Conquest of Cancer Act legislation, I am pleased to express my support for H.R. 13053.

This bill authorizes $2.8 billion over the next 3 years to continue the work of the national cancer program. It discharges well, the dual responsibilities of the original act—intensive, coordinated research into the disease, and demonstration and education efforts to put the fruits of the research into use.

Since Congress enacted the program in 1971, progress toward cures and preventatives for cancer has been improving at an accelerating rate. Fully one-third of those who now have cancer will be alive 5 years from now. A million and a half Americans have had cancer and recovered; another million now undergoing treatment can be expected to be cured.

Yet no one denies the enormity of the task remaining. It is estimated that another two-thirds of a million Americans will develop cancer in 1974; more than half of these victims will die as a result. Cancer is still, next to heart disease, the second most frequent cause of death in the country.

Mr. Chairman, the commendable momentum achieved by the national cancer program must be maintained. New knowledge is desperately needed about causes, detection, prevention, and treatment. The system of comprehensive cancer centers must be expanded and strengthened. Administrative functioning of the National Cancer Institute needs to be improved. And we need to insure that emphasis on finding a cure for cancer does not stifle scientific research carried out by other programs at the National Institutes of Health.

I believe that H.R. 13053 will accomplish all of these goals, and I urge the House to approve it overwhelmingly.

Mr. GILMAN. Mr. Chairman, I rise in support of H.R. 13053, the National Cancer Amendments of 1974.

Cruel cancer is one of the most devastating health problems facing our Nation. The second leading cause of death in our Nation, cancer is a monster which indiscriminately afflicts both the young and old, the rich and poor, in its more than a hundred varying forms.

In recognizing the urgent need to combat the suffering and deaths from cancer, Congress authorized the National cancer program in 1971. As the termination of that program is approaching, the 93d Congress has recognized the necessity of continuing and stepping up our Nation's efforts in researching and developing cures for this dread disease. Accordingly, the House Interstate and Foreign Commerce Committee has brought before us today a measure which provides the wherewithall for intensified efforts in researching and disseminating information about cancer.

It is heartening to learn that the Administration supports this legislative effort seeking cures and cancer prevention. There is hardly an individual within our Nation whose family or friends have not been touched by some form of cancer. While we have made some gains in the battle—there is a million and a half people who were reported to have been afflicted but are now well—the need to intensify our efforts is an understood and accepted fact.

The bill now before us, authorized increased funding to speed the development of new knowledge by coordinated research efforts within the National Cancer Institute. Accordingly, I am pleased to add my support to this worthy legislation and urge my colleagues to join in seeking a remedy for this most serious health problem by voting in favor of H.R. 13053.

Mr. DONOHUE. Mr. Chairman, this bill before us, H.R. 13053, designed to improve the national cancer program and to authorize appropriations for that program for the next 3 fiscal years, certainly merits and should receive our overwhelming endorsement.

In simple substance this measure will coordinate, strengthen, and accelerate our national commitment to eventually control and eliminate the curse of cancer upon our citizens.

As is commonly known, cancer is truly the No. 1 health problem affecting the American people, and the occurrence of cancer is, unfortunately, increasing.

In appreciation of the significance of such increase, together with the warning of the experts that the nature of cancer still remains largely unknown, we have the clear legislative duty of enlisting and marshaling the most effective scientific resources of this country to win the fight against cancer.

The medical authorities advise us that there has been some limited encouraging progress in the war on cancer but there is a current urgent need for the projection of a more coordinated and better concentrated program in order to more effectively pursue recent advances in diagnosing, curing, and eliminating cancer.

This measure is a sound response to the recommendation of our best medical experts to heighten a systematic attack on the terribly complex causes of cancer and it contains prudent and reasonable appropriation authorizations to achieve this national objective.

Mr. Chairman, the vital importance of the cancer solution problem to all the American people is obvious and the adoption of this bill will constitute a major forward step in our persevering determination to overcome the scourge of cancer in this country and the world. Therefore, I urge the House to resoundingly approve this measure.

Mr. CARTER. Mr. Chairman, I have no further request for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 13053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Cancer Amendments of 1974".

Sec. 2. Section 402(b) of the Public Health Service Act is amended—

(1) by striking out "in amounts not to exceed $35,000" in paragraph (1) and inserting in lieu thereof "if the direct costs of research and training do not exceed $35,000, but only"; and

(2) by striking out "in amounts exceeding $35,000" in paragraph (2) and inserting in lieu thereof "if the direct costs of such research and training exceed $35,000, but only".

Sec. 3. Section 407(b)(4) of the Public Health Service Act is amended by striking out "all data" and inserting in lieu thereof "information (including information respecting nutrition programs for cancer patients and the relationship between nutrition and cancer)".

Sec. 4. Section 407(b)(7) of the Public Health Service Act is amended by striking out "where appropriate".

Sec. 5. Section 407(b)(9)(A) of the Public Health Service Act is amended by inserting "(including an estimate of the number and type of personnel needed for the National Cancer Program)" after "budget estimate."

Sec. 6. Section 408(a) of the Public Health Service Act is amended by striking out "fifteen".

Sec. 7. Section 409(b) of the Public Health Service Act is amended by striking out "and" before "$40,000,000" and by inserting before the period at the end thereof a comma and the following: "$50,000,000 for the fiscal year ending June 30, 1975, $65,000,000 for the fiscal year ending June 30, 1976, and $85,000,000 for the fiscal year ending June 30, 1977".

Sec. 8. Section 410 of the Public Health Service Act is amended—

(1) by striking out "fifty" in paragraph (1) and inserting in lieu thereof "one hundred";

(2) by striking out "and" at the end of paragraph (7);

(3) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and";

(4) by adding after paragraph (8) the following new paragraph;

"(9) to award grants for new construction as well as alterations and renovations for improvement of basic research laboratory facilities, including those related to biohazard control, as deemed necessary for the National Cancer Program."; and

(5) by inserting "(a)" after "410." and by adding after paragraph (9) the following new subsection:

"(b) (1) The Director of the National Cancer Institute may provide and contract for a program to disseminate and interpret, on a current basis, for practitioners and other health professionals, scientists, and the general public new scientific and other information respecting the cause, prevention, diagnosis, and treatment of cancer.

"(2) The Director of the National Cancer Institute shall include in the annual report required by section 410A(b) a report on the progress, activities, and accomplishments of, and expenditures for, the information services of the National Cancer Program."

Sec. 9. Section 410C of the Public Health Service Act is amended by striking out "and" before "$600,000,000" and by inserting before the period at the end thereof a semicolon and the following: "$750,000,000 for the fiscal year ending June 30, 1975; $830,000,000 for the fiscal year ending June 30, 1976; and $985,000,000 for the fiscal year ending June 30, 1977".

Sec. 10. Part G of title IV of the Public Health Service Act is amended by adding at the end the following new section:

"PEER REVIEW OF GRANT APPLICATIONS AND CONTRACT PROJECTS

"Sec. 455. (a) The Secretary, after consultation with the Director of the National Institutes of Health, and, where appropriate, the Director of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, or the National Institute on Drug Abuse, shall by regulation require appropriate scientific peer review of—

"(1) applications made after the effective date of such regulations for grant under this Act for biomedical and behavioral research; and

"(2) biomedical and behavorial research and development contract projects to be administered after such effective date through an institute established under this title, the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, or the National Institute on Drug Abuse.

"(b) Regulations promulgated under subsection (a) shall to the extent practical, require that the review required by the regulations be conducted—

"(1) in a manner consistent with the system for scientific peer review applicable on the date of the enactment of this section to applications for grants under this Act for biomedical and behavioral research and to biomedical and behavioral research contract projects administered by the institutes referred to in paragraph (2) of subsection (a), and

"(2) by peer review groups performing such review on or before such date.

The members of any peer review group established under such regulations shall be individuals who by virtue of their training or experience are eminently qualified to perform the review functions of the groups and not more than one-fourth of the members of any peer review group established under such regulations shall be officers or employees of the United States."

Sec. 11. Section 301(h) of the Public Health Service Act is amended by striking out "during the fiscal year ending June 30, 1966, and each of the eight succeeding fiscal years".

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BRINKLEY

Mr. BRINKLEY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Brinkley: Strike out all after the enacting clause and insert in lieu thereof the following:

Section 1. This Act may be cited as the "National Cancer Amendments of 1974".

Sec. 2. It is the purpose of the amendments made by this Act to substantially increase the authorizations of appropriations for the National Cancer Program and the National Cancer Institute over the period of the next five fiscal years to provide an effective acceleration in cancer research activities to find a preventative and cure for cancer within such period.

Sec. 3. Section 402(b) of the Public Health Service Act is amended—

(1) by striking out "in amounts not to exceed $35,000" in paragraph (1) and inserting in lieu thereof "if the direct costs of such research and training do not exceed $35,000, but only"; and

(2) by striking out "in amounts exceeding $35,000" in paragraph (2) and inserting in lieu thereof "if the direct costs of such research and training exceed $35,000, but only."

Sec. 4. Section 407(b)(4) of the Public Health Service Act is amended by striking out "all data" and inserting in lieu thereof "information (including information respecting nutrition programs for cancer patients and the relationship between nutrition and cancer)".

Sec. 5. Section 407(b)(7) of the Public Health Service Act is amended by striking out "where appropriate".

Sec. 6. Section 407(b)(9)(A) of the Public Health Service Act is amended by inserting "(including an estimate of the number and type of personnel needed for the national cancer program)" after "budget estimate".

Sec. 7. Section 408(a) of the Public Health Service Act is amended by striking out "fifteen".

Sec. 8. Section 409(b) of the Public Health Service Act is amended by striking out "and" and before "$40,000,000" and by inserting before the period at the end thereof a comma and the following: "$100,000,000 for the fiscal year ending June 30, 1975, $130,000,000 for the fiscal year ending June 30, 1976, $170,000,000 for the fiscal year ending June 30, 1977, $220,000,000 for the fiscal year ending June 30, 1978, and $280,000,000 for the fiscal year ending June 30, 1979."

Sec. 9. Section 410 of the Public Health Service Act is amended—

(1) by striking out "fifty" in paragraph (1) and inserting in lieu thereof "one hundred";

(2) by striking out "and" at the end of paragraph (7);

(3) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and";

(4) by adding after paragraph (8) the following new paragraph:

"(9) to award grants for new construction as well as alterations and renovations for improvement of basic research laboratory facilities, including those related to biohazard control, as deemed necessary for the National Cancer Program."; and

(5) by inserting "(a)" after "410." and by adding after paragraph (9) the following new subsection:

"(b)(1) The Director of the National Cancer Institute may provide and contract for a program to disseminate and interpret, on a current basis, for practitioners and other health professionals, scientists, and the general public new scientific and other information respecting the cause, prevention, diagnosis, and treatment of cancer.

"(2) The Director of the National Cancer Institute shall include in the annual report required by section 410A(b) a report on the progress, activities, and accomplishments of, and expenditures for, the information services of the National Cancer Program."

Sec. 10. Section 410C of the Public Health Service Act is amended by striking out "and" before "$600,000,000" and by inserting before the period at the end thereof a semicolon and the following: "$1,500,000,000 for the fiscal year ending June 30, 1975; $1,660,000,000 for the fiscal year ending June 30, 1976; $1,970,000,000 for the fiscal year ending June 30, 1977; $2,500,000,000 for the fiscal year ending June 30, 1978; and $3,000,000,000 for the fiscal year ending June 30, 1979".

Sec. 11. Part G of title IV of the Public Health Service Act is amended by adding at the end the following new section:

"PEER REVIEW OF GRANT APPLICATIONS AND CONTRACT PROJECTS

"Sec. 455. (a) The Secretary, after consultation with the Director of the National Institutes of Health, and, where appropriate, the Director of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, or the National Institute on Drug Abuse, shall by regulation require appropriate scientific peer review of—

"(1) applications made after the effective date of such regulations for grants under this Act for biomedical and behavioral research; and

"(2) biomedical and behavioral research and development contract projects to be administered after such effective date through an institute established under this title, the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, or the National Institute on Drug Abuse.

"(b) Regulations promulgated under subsection (a) shall to the extent practical, require that the review required by the regulations be conducted—

"(1) in a manner consistent with the system for scientific peer review applicable on the date of the enactment of this section to applications for grants under this Act for biomedical and behavioral research and to biomedical and behavioral research contract projects administered by the institutes referred to in paragraph (2) of subsection (a), and

"(2) by peer review groups performing such review on or before such date.

The members of any peer review group established under such regulations shall be individuals who by virtue of their training or experience are eminently qualified to perform the review functions of the groups and not more than one-fourth of the members of any peer review group established under such regulations shall be officers or employees of the United States."

Sec. 12. Section 301(h) of the Public Health Service Act is amended by striking out "during the fiscal year ending June 30, 1966, and each of the eight succeeding fiscal years".

Mr. BRINKLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BRINKLEY. Mr. Chairman, the

amendment which I am now offering in the nature of a substitute does basically two things. It corresponds to the bill which I introduced last year, with the exception of the financing provisions. The financing provisions in my earlier legislation provided for a surtax which would be imposed upon all people in this country to pay for this measure. That bill is now pending in the Committee on Ways and Means.

This effort is almost identical, but it was drafted upon the tracks set forth by this committee. It would extend the present act for a period of 5 years in order to conform to my earlier bill which provided for a 5-year authorization so as to eradicate cancer within the lifetime of the people of this decade, before 1980.

In addition, there is a substantial beefing up of funds, namely, it doubles the amount of funding in both section 8 and section 10.

In section 10, for example, it provides in place of $750 million for the fiscal year 1975, $1,500 million.

The next year, $1,660 million.

The next year, $1,970 million.

The fourth year $2,500 million, and the final year the goal is $3 billion.

Mr. Chairman, a few days ago I inserted in the Congressional Record information we had earlier received from Dr. Rauscher, director of the national cancer program at NCI, giving us the listing of the amount of funding needed for approved, but unfunded projects, for the fiscal year 1973.

Look at it, gentlemen, line by line, a half page here, another page here, line by line of approved, but unfunded projects in 1973.

This is the historic pattern. Then for 1974 we come to these 43 pages of projects which were approved by the National Cancer Institute, but were unfunded for the fiscal year 1974.

Well, some may say the existing committee bill provides more than this $69 million, because we upped the funds from fiscal year 1974 and fiscal year 1975 to take care of that. However, if the growth is proportionate, certainly there will be a repeated performance of unfunded, though approved, project.

The American Cancer Society gives me figures of $988 million needed for the fiscal year 1975, whereas the committee bill says $750 million.

Let met tell the Members that appropriations of $988 million would certainly fit in an authorization of $1.5 billion, but it certainly would not fit in an authorization of $750 million.

Let me read the chart prepared by the American Cancer Society. It will not take but a minute.

We are assuming, the American Cancer Society says, a $750 million NCI budget with no new strategic manpower institutions; but the shortages which are left after spending this $750 million, in their opinion, could be spent wisely and is desperately needed in the following areas:

Research grants, $151 million.

Grants and contracts to 16 newly designated comprehensive cancer centers needed to provide geographic coverage of the United States in addition to 12 existing centers, $32 million.

Grants to use fully the lesser centers, $10 million.

Training and fellowship grants, $27 million.

NCI staff addition of 200 persons, which would leave a per-person workload double the load in 1970, $3 million.

Cancer prevention research, $9 million.

Bladder, colon, other organ site task forces, $16 million.

Construction, $12 million.

Total shortage, $260 million.

They have a minus estimated item overlap of $22 million.

Net shortage surveyed, $238 million.

Dr. Solomon Garb is the scientific director of the American Medical Center in Denver.

He advised me that a potential cancer cure drug, Maytansine, was discovered in 1962.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent Mr. Brinkley was allowed to proceed for an additional 5 minutes.)

Mr. BRINKLEY. Mr. Chairman, Dr. Garb said that Maytansine is derived from the maytenus plant of Africa. Twelve years have elapsed since the potential cure qualities of the drug were first revealed, but according to Dr. Garb, because of the lack of funding, Maytansine has not even been tested on animals, and I think it is far away from being tested on human beings.

Mr. Chairman, Dr. Garb said that people closely involved in cancer research are totally exasperated because of the lack of funding capability which could be directed to testing this new drug.

Also, Dr. Morris Kupchan of the University of Virginia Medical School in Charlottesville, Va., has done a great deal of research work on another plant-derived cancer preventative drug, Tripdiolide, which is considered to have a great deal of potential. However, again according to Dr. Garb, Dr. Kupchan's research work on this drug is sitting on a desk at the National Cancer Institute with no action being taken.

I submit, Mr. Chairman, a lot of people have died of cancer since 1962. This is not our will. Money cannot achieve a cure, but it can make available more research. It can set the road map, and it can provide the destination to eradicate cancer. It can be a matter of talent, of priorities; it must be a matter of priorities, and our priorities should be exactly what we said in the concurrent resolution, to eradicate cancer by the bicentennial year 1976. Not having done that, let us make it 1980.

Mr. Chairman, Dr. Arthur James, who is a past president of the American Cancer Society, made this statement, which I think is quite important:

> The ideal chemical could be developed that would be effective in killing cancer cells or a vaccine could be developed at any time that would actually prevent cancer.

Mr. Chairman, he said that we are on the threshold:

> How soon depends on how badly you and I want it and how much effort we are willing to make and how much support we are willing to give.

Mr. Chairman, he is talking about funding. He is not talking about a moderate level of funding. He is talking about the same crusade that the gentleman from New York (Mr. Rooney) talked about back in 1970. How soon depends on how badly you and I want it and whether or not we are willing to give it that priority.

Mr. Chairman, again I remind the Members of Dr. Pauling, the man who has been called a valuable natural resource, who discovered the red blood cell abnormality which causes sickle cell anemia, who could not even get a $37,000 grant. This is all evidence, 43 pages of other researchers who did not make it, simply because their projects were considered low priority.

Mr. Chairman, I want to show this funding chart before I leave this subject. It starts back in 1938. Senator Pepper indicated that he was involved in this in 1937, and I commend him for that. But let us call the roll of those years from 1938 until 1973. What do we have? We have $3,107,567,873, a little over $3 billion in funding. That is a lot of money, but it represents a period of some 35 years.

Mr. Chairman, we propose over 5 years to substantially increase that. Our proposal is $11.5 billion for 5 years, but it is entirely a long-range goal, and it will work, as the man pointed out, like the Manhattan Project worked and like the splitting of the atom.

Mr. DAVIS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I will be happy to yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Chairman, I rise to support the amendment and the substitute offered by the gentleman from Georgia. I would like to take the liberty to thank the gentleman for bringing these facts of the knowledge and the research on the unfunded projects that have to do with this disease.

I want to thank the gentleman for bringing in this substitute, which would really bring us into the battlefield in this war against cancer.

Mr. Chairman, we have all experienced in our districts days when we have had families call us on problems dealing with government hospitals, when they said they could no longer treat the patient because it was a terminal case. We have failed in the funding of our hospitals.

Let us not fail in the field of research in trying to find a cure for this disease.

Mr. Chairman, I salute the gentleman from Georgia (Mr. Brinkley) for bringing us his amendment.

Mr. BRINKLEY. Mr. Chairman, I certainly appreciate those remarks from the gentleman from South Carolina (Mr. Davis). I ask that my colleagues support me in asking for a record vote at the appropriate time.

Mr. STAGGERS. Mr. Chairman, I rise reluctantly in opposition to the amendment in the nature of a substitute offered by the gentleman from Georgia.

I agree with everything that the gentleman has said that we should do. However, we must look at the reasons for the things we are doing. The gentleman has an elaborate list here of unfunded projects.

The NIH has never funded all its approved projects. Approval has always been a two-stage process. Approved projects are all those which are scientifically found, but only those which are also needed for the program are funded. To force NCI to fund all the approved projects would waste a lot of money on things which the program does not need.

Mr. Chairman, I would like to say that this year there was $589 million spent, and it was felt that this was all they could fund at the present time that was worthwhile under the budget for the year. After going over the program, the OMB said:

> We think we can spend $600 million for worthwhile projects in the next fiscal year.

We listened to the witnesses who appeared before the committee, and they said probably there could be some extra projects funded if they get a little more money, so we raised the figure to $750 million.

Mr. Chairman, the gentleman from Georgia (Mr. BRINKLEY), I will say, is one of the finest gentlemen whom I know in the House of Representatives. I want the gentleman to know that. I feel he is great.

I want to ask the gentleman if he appeared at the hearings of this committee when they heard from all the experts in America concerning what is happening in this area?

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, yes, indeed, I did appear. I testified before the committee.

Mr. STAGGERS. And the gentleman stayed throughout the hearings and heard all the witnesses?

Mr. BRINKLEY. No, of course not. No, Mr. Chairman.

Mr. STAGGERS. That is what I wanted to ask the gentleman. This was a great hearing, and we heard from all the experts in America in this field.

Mr. BRINKLEY. I am sure the gentleman is correct.

Mr. STAGGERS. I will ask the gentleman, did the gentleman offer his amendment before the subcommittee, or did he offer it before the committee?

Mr. BRINKLEY. Mr. Chairman, I explained to the subcommittee the situation on my pending bill before the Committee on Ways and Means. It is virtually the same bill with exactly the same goals.

The direct answer to the question is: "No."

Mr. STAGGERS. The gentleman says that it would have been before the Committee on Ways and Means. I might say that I have every confidence in the men who sit on the Subcommittee on Public Health and Environment in this House. I think they are the greatest members we could find for this purpose. If we were going to handpick a group, I want to say that they are the finest ones I know if we are looking for members who are going to do a great job, working for the best interests of America.

Mr. Chairman, I thought the gentleman from Indiana made a very pertinent statement, when he said that if there was ever a bipartisan or nonpartisan committee in the House of Representatives, it was the Subcommittee on Health, and we tried to make the full committee work the very same way. We try to work together as a team in doing what we think is in the best interests of this land.

If we thought there could be another penny spent in a judicious way for cancer research, we would work toward that end. To me, authorizing $11 billion is like saying, "All right, we are spending so much that we must just put the rest of it out in the ground, and hope it will grow a cure."

We cannot do that. We must have men, we must have doctors, we must have hospitals. There are some things in life that we cannot buy. We are following every lead now, as I understand it, that can be followed. We have been told that this is adequate for every conceivable thing that can be followed right now.

I realize that the intentions of the gentleman are great, but money just will not do all of the things we want done in this life. We must have intellect, we must have preparation, we must have many other things.

I would say, let us spend $100 billion this year if we could insure we would cure this disease. But I think we have to use the rule of reason if we expect to do a job here in the House.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I would be happy to yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I thank the gentleman for yielding.

I could not agree with the gentleman more when he speaks about this subcommittee. The members of the subcommittee were certainly courteous to me when I explained my approach to them. They did a fine job; they heard all of the witnesses, they have come forward with a number of answers, and they have gone somewhat above the budget figure.

I commend the subcommittee, but I just want to remind this House with one sentence, if I may, to remember the authorities, such as the American Cancer Society, who do disagree with the committee.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment. I am not going to take very long.

I also want to say that I appreciate the sincerity of the gentleman from Georgia. He has made a very appealing argument. However, the subcommittee looked at the approach suggested in the substitute, and has had to balance the authorizations with authorizations for other national institutes, in order to try to strike a proper balance as to what amount of money can be used in order to get the necessary results.

The recommendations of the President's Cancer Panel, were considered. They, and many other witnesses recommended what the funding should be.

The subcommittee after hearing all of the testimony thought that the recommendations of the panel were justified and adopted them. We did not cut them.

Every institute in the National Institutes of Health always has more projects than are going to be funded. The fortunate thing about the National Cancer Institute is that most of them are being funded. Sixty-nine million dollars, I believe, was the figure used by the gentleman which are approved but not funded. Most of the other institutes are only able to fund about 30 percent of all of the applications that are approved.

We do not know that the answer to cancer will come from the National Cancer Institute's projects. It may come from another institute. This is being shown daily. To place all research money into the NCI would have the effect of cutting the authorizations of the others, then you may destroy the possibility of finding a quicker answer to cancer.

I am sure all of us will agree with the gentleman that if just by appropriating more money instantly, we would arrive at the solution, all of us would support the $11 billion he asks for—$11 billion this year. Unfortunately, cancer research is too discrete and too intricate to respond that way.

Let me tell you what has been done. The gentleman mentioned there was some chemical from Africa that had not been tested. I am sure you can pick out a chemical from every nation on the face of the Earth that has not been tested. But let me tell you what has been done. More than 78,000 compounds have been screened for anticancer activity just in 1972 and 1973. That is an increase of some 15,500 over 1971. It is an active program now. We are moving ahead as rapidly as we can. The only thing that I am concerned about is in the clinical center at NCI. The Institute needs to hire about 27 more nurses so that they can open up a couple of wards they have closed.

So I think we have presented the House with a balanced, a constructive, and a scientifically recommended program which will advance this Nation's cancer research not in a wasteful way, and not in a way that will not solve the problem, but in the best way.

True, if we could only have a moonshot to handle this problem, that would be fine, but the problem is that there are over 100 different types of cancer, and one single shot, unfortunately, will not solve them all.

We have to take a scientific approach. We cannot simply take an accountant's approach and put in a lot of money at once, hoping that something will happen.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I am happy to yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I thank the gentleman from Florida for yielding to me in order that I might have the opportunity to correct the statement as to the amount of money that my amendment seeks.

The amendment proposes to increase the authorization, it doubles it in the first 3 years, and then continues for another 2 years, so there would be a total of $11.5 billion for 5 years. That is the entire program.

Mr. ROGERS. I understood that.

Mr. BRINKLEY. The gentleman said I believe for 1 year.

Mr. ROGERS. No, I said that if the theory were correct that just putting in more money would solve the problem we would all be prepared to authorize expenditure of the money the gentleman recommends in his bill in just 1 year, but, that, unfortunately, I think, would not be the result.

Mr. BRINKLEY. Mr. Chairman, if the gentleman will yield still further, when the gentleman said that this was wasteful, I am certain that the gentleman was not saying that this money that is recommended by the American Cancer Society, and these physicians whom I have referred to, would do this in a wasteful manner. I am sure the gentleman from Florida would give them good faith, I think, in the way that they intend to spend that money.

Mr. ROGERS. Everyone I know who is involved in the cancer research, Dr. Hamilton Letton, who is a very close friend of mine, is very pleased with this bill. And let me tell the gentleman from Georgia this: that we are putting money in not just for research, but we have money in this bill to do some control programs for early detection.

Mr. BRINKLEY. You have $200 million.

Mr. ROGERS. And Dr. Letton says that if we will use early detection and current knowledge, that we can reduce cancer right now by two-thirds, so we have made great progress.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(On request of Mr. BRINKLEY, and by unanimous consent, Mr. ROGERS was allowed to proceed for 1 additional minute.)

Mr. ROGERS. I thank the gentleman for the additional time, and I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I thank the gentleman for yielding to me.

The gentleman says that the bill increases by $200 million those projects for detecting cancer early, but I would also like to point out that my amendment would be for an additional $200 million.

Also, when the gentleman from Florida refers to many hundreds of different types of cancer, that is why I think it is so clearly important that all of these 41 papers be funded. Sixty-nine million dollars is not much when we can possibly cure cancer.

Mr. ROGERS. Mr. Chairman, I would point out to the gentleman from Georgia that many of these are duplicative. So I think we have presented a balanced program, and one that the scientific community is very pleased with.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. NELSEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Georgia (Mr. BRINKLEY).

First, Mr. Chairman, I want to say to the gentleman from Georgia that his concern in this endeavor certainly is to be complimented. I am calling attention, however, to an incident that happened when we were dealing with the medical schools of the country. The University of Minnesota Medical School came in with some problems, and their criticism of the Congress was that we authorize big figures, but that we appropriate small ones, and that they begin to gear their operations to the authorization which never materializes. I do not say "never," but often it does not.

What our committee has tried to do is to bring out a bill that can handle the problem sensibly, and can move in the right direction with obtainable goals, because we believe that the dollars are there that we can carefully use in this endeavor. So I want to say that the bipartisan coalition here in this effort has been solid. We have reviewed this thing carefully, and I hope the amendment will be defeated and the bill passed in its present form.

Mr. CARTER. Mr. Chairman, will the distinguished gentleman yield?

Mr. NELSEN. I yield to the gentleman from Kentucky.

Mr. CARTER. Again, Mr. Chairman, I wish to state that I talked with people at the National Cancer Institute just this morning. They said that they had every penny they could wisely spend. Therefore, I think it would be folly for us to authorize more. I think that most of the Members of this House know that we would be authorizing every cent which would be wisely used, and we are doing just that today.

Mr. NELSEN. I thank the gentleman.

Mr. BRINKLEY. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. 103 Members are present, a quorum.

The question is on the amendment in the nature of a substitute offered by the gentleman from Georgia (Mr. BRINKLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BRINKLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 13053) to amend the Public Health Sevice Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years, and for other purposes, pursuant to House Resolution 1081, he reported the bill back to the House.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 390, nays 1, not voting 42, as follows:

[Roll No. 203]

YEAS—390

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall

Landrum
Latta
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nichols
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—1

Landgrebe

NOT VOTING—42

Biaggi
Blatnik
Buchanan
Carey, N.Y.
Clancy
Crane
de la Garza
Diggs
Eckhardt
Findley
Frey
Fulton
Grasso
Green, Oreg.
Haley
Hanna
Hansen, Wash.
Hawkins
Howard
Johnson, Pa.
Jones, N.C.
Kazen
Leggett
Madden
Madigan
Milford
Murphy, Ill.
Myers
Nix
Obey
Patman
Pickle
Reid
Roberts
Roncallo, N.Y.
Rooney, N.Y.
Rose
Spence
Stokes
Stubblefield
Stuckey
Williams

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Eckhardt.

Mr. Howard with Mr. Stokes.

Mr. de la Garza with Mrs. Hansen of Washington.

Mr. Stubblefield with Mr. Leggett.

Mr. Diggs with Mr. Blatnik.

Mr. Kazen with Mr. Madden.

Mr. Biaggi with Mr. Madigan.

Mr. Fulton with Mr. Buchanan.

Mr. Carey of New York with Mr. Findley.

Mrs. Grasso with Mr. Clancy.

Mr. Pickle with Mr. Frey.

Mr. Nix with Mr. Hanna.

Mr. Obey with Mr. Milford.

Mr. Reid with Mr. Hawkins.

Mr. Rose with Mr. Crane.

Mr. Murphy of Illinois with Mr. Johnson of Pennsylvania.

Mr. Haley with Mr. Myers.

Mr. Stuckey with Mr. Patman.

Mrs. Green of Oregon with Mr. Roncallo of New York.

Mr. Jones of North Carolina with Mr. Spence.

Mr. Roberts with Mr. Williams.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 2893), to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years, a bill similar to H.R. 13053, just passed. by the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2893

An act to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next three fiscal years

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Cancer Act Amendments of 1974".

Sec. 2. Section 301(h) of the Public Health Service Act (42 U.S.C. 201) is amended by striking the words "during the fiscal year ending June 30, 1966, and each of the eight succeeding fiscal years,".

Sec. 3. Section 402(b) of the Public Health Service Act is amended—

(1) by striking out "in amounts not to exceed $35,000" in paragraph (1) and inserting in lieu thereof "if the direct costs of such research and training do not exceed $35,000, but only"; and

(2) by striking out "in amounts exceeding $35,000" in paragraph (2) and inserting in lieu thereof "if the direct costs of such research and training exceed $35,000, but only".

Sec. 4. (a) Section 407(b)(7) of the Publis Health Service Act is amended by striking out "where appropriate".

(b) Section 407(b)(4) of such Act is amended by inserting after the word "data" the following: "(including where appropriate nutritional programs for persons under treatment for cancer)".

(c) Section 407(b)(9)(A) of such Act is amended by inserting after the words "National Cancer Program," the words "including the number and types of personnel necessary to carry out such program,".

(d) Section 407(b)(9)(B) of such Act is amended by inserting immediately before the period at the end thereof the following: ", and the allocation of personnel requested to carry out the National Cancer Program".

(e) Section 407(b) of such Act is amended by adding the following new paragraph:

"(10) The Director of the National Cancer Institute shall conduct or contract for programs to disseminate and interpret on a current basis for practitioners and other health professionals, scientists, and the general public, scientific and other information respecting the cause, prevention, diagnosis, and treatment of the disease or other health problem to which the activities of the Institute are directed. The Director of the National Cancer Institute shall issue such regulations as are necessary to carry out this activity.".

Sec. 5. Section 408(a) of the Public Health Service Act is amended by striking out "fifteen".

Sec. 6. (a) Section 409(a) of the Public Health Service Act is amended by inserting before the period at the end thereof a comma and the following: "Including programs to provide routine exfoliative cytology tests conducted for the diagnosis of uterine cancer".

(b) Section 409(b) of the Public Health Service Act is amended by striking out "and" before "$40,000,000" and by inserting before the period at the end thereof a comma and the following: "$57,000,000 for the fiscal year ending June 30, 1975, $72,000,000 for the fiscal year ending June 30, 1976, and $92,000,000 for the fiscal year ending June 30, 1977".

Sec. 7. Section 410 of the Public Health Service Act is amended—

(1) by striking out "fifty" in paragraph (1) and inserting in lieu thereof "one hundred":

(2) by striking out "and" at the end of paragraph (7);

(3) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and

(4) by adding after paragraph (8) the following new paragraph:

"(9) to award grants for new construction as well as alterations and renovations for improvement of basic research laboratory facilities, including those related to biohazard control, as deemed necessary for the National Cancer Program."

Sec. 8. Section 410A(a) of the Public Health Service Act is amended by inserting the word ", contracts," after the word "grants".

Sec. 9. Section 410C of the Public Health Service Act is amended by striking out "and" before $600,000,000" and by inserting before the period at the end thereof a semicolon and the following: "$750,000,000 for the fiscal year ending June 30, 1975; $830,000,000 for the fiscal year ending June 30, 1976; and $985,000,000 or the fiscal year ending June 30, 1977".

Sec. 10. Part A of title IV of the Public Health Service Act is amended by adding at the end thereof the following new section:

"AVAILABILITY OF APPROPRIATIONS

"Sec. 410D. Notwithstanding any other provision of law, unless enacted after the date of enactment of this section expressly in limitation of the provisions of this section, funds appropriated for any fiscal year to carry out any program for which appropriations are authorized by the Public Health Service Act (42 U.S.C. 201) or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (42 U.S.C. 2661) shall remain available for obligation and expenditure until the end of such fiscal year."

Sec. 11. Section 454 of the Public Health Service Act is amended to read as follows:

"DIRECTORS OF INSTITUTES

"Sec. 454. (a) The Director of the National Institutes of Health shall be appointed by the President by and with the advice and consent of the Senate. Appointees shall be eligible for reappointment.

"(b) The Director of the National Cancer Institute shall be appointed by the President. Except as provided in section 407(b)(9), the Director of the National Cancer Institute shall report directly to the Director of the National Institutes of Health."

TITLE II—BIOMEDICAL RESEARCH

Sec. 201. Title IV of the Public Health Service Act is amended by adding at the end thereof the following new section:

"Sec. 455. (a) There is established the President's Biomedical Research Panel (hereinafter in this section referred to as the 'Panel') which shall be composed of (1) the Chairman of the President's Cancer Panel; and (2) four members appointed by the President, who by virtue of their training, experience, and background are exceptionally qualified to appraise the biomedical research program of the National Institutes of Health (including the research program of the National Institute of Mental Health). At least three of the members of the Panel shall be distinguished scientists or physicians.

"(b) (1) Appointed members of the Panel who are appointed pursuant to clause (2) of subsection (a), shall be appointed for three-year terms, except that (i) in the case of the four members first appointed after the date on which this section becomes effective, two shall be appointed for a term of one year and two shall be appointed for a term of two years, as designated by the President at the time of appointment, and (ii) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

"(2) The President shall designate one of the appointed members to serve as Chairman of the Panel for a term of one year.

"(c) Appointed members of the Panel shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Panel, and shall be allowed travel expenses (including a per diem allowance) under section 5703(b) of title 5, United States Code.

"(d) The Panel shall meet at the call of the Chairman, but not less often than twelve times a year. A transcript shall be kept of the proceedings of each meeting of the Panel, and the Chairman shall make such transcript available to the public.

"(e) The Panel shall monitor the development and execution of the biomedical research programs of the National Institutes of Health (including the research program of the National Institute of Mental Health) under this section, and shall report directly to the President. Any delays or blockages in rapid execution of the biomedical research programs of the National Institutes of Health (including the research program of the National Institute of Mental Health) shall immediately be brought to the attention of the President and the Senate Committee on Labor and Public Welfare, the House Committee on Interstate and Foreign Commerce, the Senate Committee on Appropriations and the House Committee on Appropriations. The Panel shall submit to the President periodic progress reports on the biomedical research programs of the National Institutes of Health (including the research program of the National Institute of Mental Health) and annually an evaluation of the efficacy of the biomedical research programs of the National Institutes of Health (including the research program of the National Institute of Mental Health) and suggestions for improvements, and shall submit such other reports as the President shall direct. At the request of the President, it shall submit for his consideration a list of names of persons for consideration for appointment as Director of the National Institutes of Health."

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Staggers moves to strike out all after the enacting clause of the Senate bill (S. 2893, and insert in lieu thereof the provisions of H.R. 13053, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 13053) was laid on the table.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO FILE REPORT ON H.R. 13261

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill, H.R. 13261.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RESEARCH ON AGING ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6175) to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6175 with Mr. Fuqua in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. Staggers) will be recognized for 30 minutes and the gentleman from Kentucky (Mr. Carter) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I yield myself whatever time I may need.

Mr. Chairman, I rise in support of H.R. 6175, a bill to provide for the establishment of a National Institute on Aging. This is a similar bill to that which was passed last session. It was known then as the Springer bill. Mr. Springer of Illinois was the original sponsor of the bill. He is now a member of the Federal Power Commission, but Mr. Springer was the ranking minority member of our committee.

This bill, the Research on Aging Act of 1974, H.R. 6175, would create a new institute in the National Institutes of Health which would focus their efforts on the process of aging, a problem common to us all.

Similar legislation passed the House and Senate last year but was pocket vetoed by the President after adjournment. His major objections at that time were that we did not need a new institute at this time and that a program of support for the mental health of the aged was unnecessary. In this bill the program of support for the mental health of the aged has been removed as suggested by the President but the rest of the bill is identical with last year's legislation.

The bill also would direct the Secretary to: First, conduct scientific studies, through the Institute, for the purpose of measuring the impact on the biological, medical, and psychological aspects of aging of all programs conducted or assisted by HEW designed to meet the needs of the aging; second, carry out public information and education programs to disseminate the findings of the Institute and all other relevant information which may assist all Americans, and especially the elderly, in dealing with the problems, and understanding the processes, associated with aging; and third, prepare a comprehensive aging research plan within 1 year after enactment for presentation to the Congress and the President, along with a statement of the staffing and funding requirements necessary to implement the plan.

The legislation contains no new authorizations. Administrative costs of creating the new institute are expected to be minimal.

Gentlemen, this National Institute of Aging will allow us to pursue the great goal of keeping people as young as possible for as long as possible. In the last 25 years in this country the average life span has not increased and yet the number of old people in the United States is growing faster than the rest of the population, such that by the end of the century there will be over 28 million people over 65 years old. We have been told that increased and improved research on aging could slow the aging process, improve the quality of life for the elderly, and possibly increase our average life by as much as 25 years. I do not know whether aging is a disease but I know we all have it and I urge you to join me in doing something about it.

I would like to say that when the bill passed the House the first time it passed with such an overwhelming vote, 380 to 10, that we believe it will pass again overwhelmingly. It was Mr. Springer's bill that passed last time, and I hope the House will see fit to pass this bill this time and give recognition to this great segment of our population.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I am happy to yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I warmly commend the distinguished chairman of the Commerce Committee, Mr. Staggers, and his committee for bringing to the House this bill to set up a National Institute on Aging in the National Institutes of Health. In this Institute will be concentrated research and study on the problems of aging and what may be done to prolong in health the lives of the older people of this country. It is shocking to observe in the report of the committee that—

> For men who reach age 65, the expected number of remaining years of life—13—has risen by less than two years since 1900; for women it has risen by four years or to an expected age of 82.

With all our modern knowledge and expertise we have only been able to extend by 2 years the life expectancy of men who reach the age of 65. I understand that for the last 20 years the life expectancy of men who attain age 65 has not been increased at all. Surely we have not been applying to the problem of prolonging the lives of our older citizens our vaunted modern expertise. Let us hope that this Institute will be able to lengthen the lives of the men and women of this country who reach age 65 beyond the life expectancy of today.

It is tragic, Mr. Chairman, that in the field of health and in income supplement we are not able to do more for the older people of this country. Medicare and medicaid do not nearly provide the hospital, nursing home, and medical care older Americans vitally need. Social security, commendable as it is, does not nearly provide even bare adequate assistance for millions of older Americans. In my county of Dade, over 14,000 applicants, mostly older people, have tried to get into low-cost housing without success because adequate low-cost housing is not available. Many of those applications have been pending as much as 5 years.

We have just begun to try to help older people find the transportation that means so much to them. I am proud to have been the original author of the nutrition program which today is providing at least one good meal a day for 212,000 Americans but in the low-income groups there are 4 to 5 million more of whom need this nourishment and cannot get it because the amount appropriated is inadequate.

I have hoped that we could set up in the House a special, either select or legislative, committee dealing with the problems of the elderly. I am disappointed that such a committee has not been recommended by the Select Committee on Committees making recommendations for the reorganization of the structure of the committees of the House. I am going to continue to fight for such a committee. So I am hopeful that this Institute will supply some of the pressing needs of the older Americans of today and of tomorrow.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman from Florida for his remarks, but I must again say that we have to pay tribute to the gentleman from Florida (Mr. Rogers) and his subcommittee, because they are the ones who did the research, who did the work, who wrote the bill and brought the bill before the full committee.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I am happy to yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I thank the gentleman from West Virginia for yielding to me, and I just want to add my words of praise, as well, to those made by the gentleman from Florida who just preceded me.

Mr. Chairman, I rise in support of H.R. 6175, the Research on Aging Act and to congratulate the chairman of this committee for his leadership. As a cosponsor of this legislation, I am deeply concerned that the House evidence sufficient support for this measure to prevent it from being vetoed again by the President, as happened when we passed a similar measure in 1972.

This important measure would establish a new National Institute on Aging which would be authorized to conduct and support research and training related to the aging process and to the special problems and needs of the elderly. It would also create a new National Advisory Council on Aging and require HEW to develop a comprehensive aging research plan.

In the past 20 years or so, this country has been pretty much of a youth-oriented society. Yet, the number of persons 65 or older in the country is growing faster than the population as a whole; by the end of the century, it is predicted that there will be close to 30 million senior citizens in the United States. The special problems and needs of the elderly have not received adequate attention; we are certainly miles away from guaranteeing every American security, dignity and comfort in his retirement years. We are also miles away from even understanding the aging process, the special problems related to it, and the ultimate goal of prolonging mental and physical capabilities so as to make life worth living for as long as possible.

The committee noted in its report that existing programs have not focused adequate attention on the problems of the elderly or on the aging process. Although both White House Conferences on Aging in 1961 and 1971 called for the creation of a National Institute on Aging, we do not yet have such an institute committed solely to the problems and concerns of the elderly. If we are going to make major advances in understanding, and hopefully slowing, the aging process, a National Institute on Aging must be a top priority.

Because this legislation contemplates the possibility of increasing human life expectancy by a significant number of useful, healthy years, it carries tremendous signfiicance for every American. The legislation enjoys the support of the National Council of Senior Citizens and the American Association of Retired Persons, and National Retired Teachers Association, and a similar bill has already passed the Senate. It is incumbent upon the House to demonstrate its overwhelming support of this measure; we must not allow our elderly to remain forgotten Americans.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman from New York for the remarks he has made. I must say again that the credit for this legislation belongs to the gentleman from Florida (Mr. Rogers) and to that gentleman's subcommittee, for the great work that they have all done.

Certainly I believe that it is high time that we gave recognition to this segment of our society.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I, too, rise in support of this legislation, and I wish to congratulate the chairman of the full committee and the chairman of the subcommittee for bringing this legislation to the House.

With extended life expectancies increasing the rolls of our senior citizens, there is a pressing need for our Government to take a searching look at the health and maintenance problems of the elderly.

The White House Conference on Aging, held in 1971, was a national recognition of the need to focus governmental attention on our older population. As a result of that conference which brought to light the critical problems of the elderly, the committee is today proposing implementation of the Research on Aging Act.

This legislation provides for the creation of a National Institute on Aging to be established within the Department of HEW. The Institute will conduct research into the process of aging and all of the related problems of the elderly, with particular emphasis on health and maintenance.

One troubling area of concern is the rising expenses of adequate health care. While a person under 65 pays an average $250 annually for medical expenses and prescription drugs, the older American must expend $861 for his medical expenses—with these expenses drawn from an income of only half that of a younger person.

The mandate of the Institute, however, is not limited to health care. In studying the aging process our specialists will be taking a hard look at alternatives to institutionalizing the elderly. This is no simple task due to the varying considerations which must be met, including: availability of housing; adequacy of income; physical condition and family relationships as well as a host of other factors.

While it is easy to cite the problems of the elderly, it is much more difficult to propose solutions. I am hopeful that in considering this legislation today, we will be started on the road to reaching not only a better understanding of the needs, but also in approaching viable solutions into the far reaching problems of the elderly.

Accordingly, Mr. Chairman, I am pleased to lend my support to this proposal and I urge my colleagues to vote in favor of this worthy legislation.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman from New York for the remarks he has made.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill we have before us is the Research on Aging Act of 1974. It amends the Public Health Service Act to provide for the establishment in the National Institutes of Health a new Institute to be known as the National Institute on Aging to conduct and support biomedical, social, and behavorial research and training relating to the aging process and the diseases and other special problems and needs of the aging, and a new National Advisory Council on Aging.

The Secretary of Health, Education, and Welfare is required to conduct scientific studies through the Institute for the purpose of measuring the impact of the biological, medical, and psychological aspects of aging of all programs conducted or assisted by Health, Education, and Welfare intended to meet the needs of aging: to carry out public information and education programs to disseminate the findings of the Institute and all other relevant information which may assist all Americans, and particularly the elderly, in dealing with the problems of aging; and to prepare a comprehensive aging research plan within 1 year after enactment for presentation to the Congress and the President, along with a statement of the staffing and funding requirements.

The legislation requires no new authorizations. It will require minimal administration costs for the creation of a new National Institute on Aging. The White House Conference on Aging recommended the creation of a National Institute. At the present time, research into these problems is conducted within the Institute of the National Institute of Child Health and Human Development.

Approximately $12 million is spent each year on this work. By the year 2000, it is estimated there will be 28,000,000 citizens over the age of 65 in this country. This number will constitute between 11 and 16 percent of the population. For any man who reaches the age of 65, his expected number of remaining years is 13; for women, the expected number of remaining years is 17. It has been found that antioxidants given to certain animals does increase the life span 25 to 45 percent.

The purpose of this bill is to maintain health and vitality at its best so that until his demise, man will retain his vigor and his eyesight will be undimmed. At the present time, within HEW there are three agencies engaged in problems of the aging. These are, Administration on Aging, the Social Security Administration, and the Social and Rehabilitation Service. The Institute of Aging will coordinate the work of these other agencies.

If our Institute of Aging is successful, we will continue as did the prophet, "his eye was not dim, nor his natural force abated."

In fact, they will after perfect health for years—

Our poor old bodies in a heap or mound,
As if we had been to the mill and ground!
You see, of course, if you're not a dunce,
How we will go—to pieces all at once,—
All at once, and nothing first,—
Just as bubbles do when they burst.
End of a wonderful lifetime stay.
Logic is logic. That's all I'll say.

I support this legislation.

Mr. Chairman, I include a letter from the Secretary of Health, Education, and Welfare:

THE SECRETARY OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., May 1, 1974.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, Washington, D.C.

DEAR MR. CHAIRMAN: The House Committee on Interstate and Foreign Commerce reported on March 13, 1974, a bill providing for a National Institute on Aging. This bill differs only slightly from S. 755 passed by the Senate July 9, 1973. I feel compelled at this time to reiterate the Administration's position on these bills—a position which has been spelled out in public hearings, in bill reports, and in the Presidential veto message on a similar bill passed by the 92nd Congress.

S. 755 and H.R. 6175 would establish a National Institute on Aging within the National Institutes of Health to conduct and support biomedical, social, and behavioral research, and to establish training programs. These bills also provide for a National Advisory Council on Aging to advise the Secretary on programs relating to the aged. They direct the Secretary of Health, Education, and Welfare, with the Institute (through the Council) to develop a plan for an HEW aging research program.

The President did not sign a similar bill, H.R. 14424, in the 92d Congress because it would have needlessly created another institute in NIH and would have unnecessarily duplicated authorities for activities already carried on by the National Institute of Child Health and Human Development. S. 755 and H.R. 6175 have the same flaws. They would not improve the quality or progress of aging research. They would simply create a new administrative structure with attendant overhead costs and administrative jobs to do what is already being done by the NICHD and the disease-oriented institutes at the National Institutes of Health. They would adversely affect ongoing aging research by fragmenting existing, well-integrated research efforts.

Moreover, S. 755 and H.R. 6175 contain numerous authorities which overlap those contained in the Older Americans Act. Examples of such duplication are as follows:

1. Sec. 461 and 463(a) overlap with Title IV of the Older Americans Act authority on research and training.
2. Sec. 462 overlaps with Sec. 205 of the Older Americans Act on the Federal Council on the Aging.
3. Sec. 463(b) overlaps with Sec. 202(a) (14) of the Older Americans Act on functions of the Administration on Aging; Sec. 205(d)(3) of the Older Americans Act on the Federal Council on the Aging; and with Sec. 207 of the Older Americans Act on evaluation.
4. Sec. 463(c) overlaps with Sec. 202(a) (1) of the Older Americans Act on functions of the Administration on Aging; with Sec. 204 of the Older Americans Act on the National Information and Resource Clearing House for the Aging; and with Sec. 205 (d)(5) of the Older Americans Act on the Federal Council on the Aging.
5. Sec. 464 overlaps with Sec. 202(a)(4)(10) (16) of the Older Americans Act on functions of the Administration on Aging; and with Sec. 402 of the Older Americans Act on appraising personnel needs in the fields of aging.

Although I certainly share your desire to alleviate problems of the aging, this bill, in my judgment, would only hamper already ongoing attempts to do so. The President in his Special message to the Congress on Older Americans in March 1972 emphasized the need to develop a comprehensive, coordinated program of aging research. A Technical Advisory Committee on Aging Research has been appointed to develop a plan to bring together all the activities and resources of the Federal Government. Some of the agencies and departments involved in the development of the comprehensive and coordinated research programs are: NIH, NIMH, OE, Administration on Aging, National Center for Health Services Research and Development, Social Security Administration, the Veterans Administration, HUD, DOT, DOL, Atomic Energy Commission, National Science Foundation, National Aeronautics and Space Administration, and the Law Enforcement Assistance Administration. It would be most unwise to hamper these ongoing efforts by adding duplicative authority. It would be most unwise to confuse existing administrative relationships and cooperative efforts by adding a new administrative stucture, new committees and new reporting relationships.

The Department is strongly opposed to this legislation and I urge that it not be enacted.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Mr. STEELE. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I will be happy to yield to the gentleman from Connecticut (Mr. STEELE).

Mr. STEELE. Mr. Chairman, I wish to congratulate the gentleman from Kentucky, the gentleman from Florida (Mr. ROGERS) and the other members of the committee for their leadership on the Research on Aging Act of 1974, which would amend the Public Health Service Act to establish a new National Institute on Aging within the National Institutes of Health.

As chairman of the House Republican Task Force on Aging—the only body in the House devoted solely to the problems and issues facing the elderly—I am acutely aware of the need for coordinating and expanding the Federal role in research pertaining to the aging. With the elderly population of our society increasing steadily each year, there is a critical need for the establishment of a program to broaden our understanding of the aging process and to explore ways of alleviating the problems associated with old age. No American institution has undertaken, or is capable of undertaking, comprehensive and systematic studies of the biomedical and behavioral aspects of aging or the related training of necessary personnel, and this bill would create the capacity for developing this type of aging program.

Mr. Chairman, the Federal aging research effort is itself quite young. In 1962, Congress created the National Institute of Child Health and Human Development to study the broad area of human growth. Although this was meant to bring about a greater understanding of the entire life process—from cradle to grave—the practical result has been a lopsided interest in the problems of child health—which utilizes about 58 percent of the NICHHD budget—and population research—about 31 percent. Aging research has averaged only 10 percent of the NICHHD budget. Moreover, the NIH Gerontological Center in Baltimore has been operating at less than 50 percent of capacity, which clearly indicates the low priority that has been accorded aging research.

I firmly believe that the time has come for Congress to assert, in the clearest terms possible, its concern for the problems of the aged and its dedication to a rigorous gerontological research effort. Most importantly, we must insure that research into the aging process is not crowded out by other research fields, as it has been so far.

In my view, the most effective way of doing so is through the formation of a National Institute on Aging, which would have responsibility for conducting and supporting biomedical, social, and behavioral research relating to the aging process. By concentrating aging research resources in one Institute, with precisely defined jurisdiction in this specific area, we will expedite our understanding of the aging process and the development of responses to the mental, physical, and social problems older persons suffer.

Moreover, a National Institute of Aging could play a vital role in social policymaking as it affects the elderly. Not only would its research provide important leads for legislative action, but, as a source of extensive information about the lives of our senior citizens, it would also be an integral part of the process of measuring and evaluating the impact—biological, medical, psychological, and social—of Federal programs on the elderly.

Mr. Chairman, too often elderly Americans have felt neglected, crowded out by a heavy emphasis on youth. Ironically enough, research into the aging process has met exactly the same fate. The bill before us now reverses this practice by giving the elderly a singular, effective voice within the National Institutes of Health. I strongly urge its passage.

Mr. NELSEN. Mr. Chairman, my colleague, Congressman PAUL FINDLEY is currently in the Middle East on official business for the House of Representatives. Although he very much regrets his consequent inability to speak and vote in favor of the Research on Aging Act, he has written a letter to me expressing his support for the measure. I would like to insert it into the CONGRESSIONAL RECORD at this point.

APRIL 29, 1974.

Hon. ANCHER NELSON,
House of Representatives,
Washington, D.C.

DEAR ANCHER: I am sorry that I will not be present to support the Research on Aging bill when it comes to the floor on Thursday. However, I will be on a mission of great humanitarian importance to my constituents at that time.

This bill is extremely important for millions of our elderly citizens.

Last year the Congress passed an increase in Social Security benefits, the first installment of which took place in March, the second being scheduled for next month. The assistance entailed in H.R. 6175 is of a different, more indirect kind, but it is still important.

It directs the Secretary of Health, Education, and Welfare to establish a new and separate National Institute on Aging. The purpose of the new Institute is to inquire into a variety of questions, the answers to which would in many cases be of great benefit to the elderly.

This bill provides for a much-needed examination of our programs for the elderly to determine their present levels of effectiveness and possible ways of improving their operations.

Of greatest importance is the bill's directive that the Secretary take any and all necessary steps to ensure the education and training of adequate numbers of doctors, nurses and other health personnel to care for the elderly.

Our senior citizens need and deserve this commitment to their future from Congress. The nation must ensure that everything possible is done to adequately care and provide for them.

It is my earnest hope that the President will approve this bill. Two years ago a similar bill was vetoed. The certainty of that veto caused me to vote—regretfully—against the bill because it seemed doomed to a hopeless fate. I felt that a compromise which would produce a bill acceptable to the President, and thus immediate assistance to our older Americans, was better than no bill at all.

Although this year the President still has reservations about the bill, no threat of a veto has been raised.

The Committee on Interstate and Foreign Commerce and you personally are to be commended for your diligent work on this bill. The nation owes you a debt of gratitude, just as it owes its thanks to its senior citizens who have contributed so much to our society. This bill is only partial payment of that debt, but it is important. It has my enthusiastic support.

Sincerely,

PAUL FINDLEY,
Representative in Congress.

Mr. STAGGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, one of the most serious and perplexing problems this country faces is the problem of aging, and its associated sociological and biological problems. These include problems surrounding research, retirement, and health status. The major problem of the aged is the maintenance of functional capabilities, both mental and physical, to the maximum extent so as to make life worth living for as long as possible.

The National Institute of Child Health and Human Development was established pursuant to legislation recommended to the House by the Committee on Interstate and Foreign Commerce in 1962. This institute today does research on the process of development of the young, the adult population, and the elderly. However, only 11 percent of the budget of the National Institute of Child Health and Human Development, since 1964, has been devoted to aging. The remainder of the funds appropriated to that institute have been devoted primarily to child health—approximately 58 percent—and population research—approximately 31 percent. Simply stated, aging has not received proper emphasis.

Mr. Chairman, the reported bill would help enhance and focus on the problems of aging by providing for the establishment in the National Institutes of Health a new institute to be known as the National Institute of Aging, to serve as a focal point for the activities of the National Institutes of Health which relate to the elderly, including the aging process and diseases which affect primarily the aged. The bill also provides for the establishment of an Advisory Council similar to the other advisory councils in the National Institutes of Health, but with the additional duties of advising the Secretary of Health, Education, and Welfare on programs relating to the aged which are administered by him, and reporting to the President for transmittal to the Congress an evaluation of those programs. The bill was reported unanimously by the Interstate and Foreign Commerce Committee. Similar legislation passed both the House and the Senate in the second session of the 92d Congress and was cleared for the President, who pocket-vetoed it after final adjournment.

Mr. Chairman, in 1971, the President convened a White House Conference on Aging, which was held November 28 through December 2, 1971, involving 3,400 delegates from every State in the Union. The recommendations of that conference were printed as Senate Document 92–53. That conference made a substantial number of recommendations, including recommendations for the establishment of a National Institute of Aging. This legislation would carry out that recommendation.

Mr. Chairman, this legislation has passed the House once and the Senate twice. It should pass the House today unanimously.

Mr. CARTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska (Mr. MCCOLLISTER).

Mr. McCOLLISTER. Mr. Chairman, I take this time to engage in colloquy with, first, the gentleman from Kentucky and, subsequently, with the gentleman from Florida.

On page 3 of the bill, line 2, reference is made to the conduct and support of biomedical, social, and behavioral research and training. Would the gentleman from Kentucky agree with me that the language of the report seems to emphasize—certainly I hope it does—the emphasis given to the biomedical aspects of the aging process as opposed to the social and behavioral research?

Mr. CARTER. I believe that it does. In fact, it is mentioned more often. I believe it is mentioned twice. But the emphasis, of course, should be on biomedical to determine the cause of aging, as I see it, in biomedical research. Arteriosclerosis, for instance, might affect and actually does cause aging.

Mr. McCOLLISTER. Would the gentleman from Florida agree?

Mr. ROGERS. Will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Florida.

Mr. ROGERS. Yes. I think definitely we want the biological research carried on. I think we addressed this on page 5 of the report, saying that emphasis is on biological research, although we have given this authority where it has some significance, so I think the real thrust of this bill is the biological research.

Mr. McCOLLISTER. I appreciate the comments of the gentleman from Florida, the chairman of the subcommittee, and the ranking minority member, the gentleman from Kentucky. I should have preferred reference to the social and behavioral medical research and training then omitted, and to have had the bill concentrate on the biomedical aspects of the aging process. But I am grateful for this legislative history in order that the intent and emphasis of the legislation may subsequently be determined.

Mr. Chairman, I yield back the remainder of my time.

Mr. CARTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York (Mr. PEYSER).

Mr. PEYSER. I thank the gentleman for yielding.

I very strongly support this legislation and feel that it is long overdue.

I do have a question dealing with one of the purposes in the bill. I wonder if under the discretion of this new organization they could study problems that deal with food and marketing of products for the aging. I wonder if that can come under this organization. I will ask either of the gentlemen involved.

Mr. CARTER. I do not believe that nutritional aspects are mentioned, but I would hope they would be included, since they do involve the biomedical aspects, and nutrition would be a part of it.

Mr. PEYSER. The point that I was making is that in studies that we have recently been doing in the New York area, we have found that the present marketing and merchandising of food is not geared to elderly consumption. An older person buying food has to buy it on the basis of what man or woman in his or her middle thirties or forties consumes, which is a great deal more food than an elderly person does.

Therefore elderly people in many cases are paying more money for more food than they want to buy because it is the only way that they can buy it. We are interested in seeing these studies developed and I hope it is possible under this type of legislation.

Mr. CARTER. Mr. Chairman, I certainly feel studies can be made in this area. It is an unhappy fact however that according to present scientific knowledge babies who come into the world nursing begin with food which may cause atherosclerosis. Their diet from the mother's breast is colostrum for the first few days and it is very heavy in cholesterol and it might be the beginning of an atherosclerotic process. I hope our food processors may be more thoughtful of the older generation and that we can be helpful in having them select a proper diet.

Mr. PEYSER. I thank the gentleman from Kentucky.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Michigan.

Mr. ESCH. Mr. Chairman, I thank the gentleman for yielding. I have one question in relationship to the research traineeships. It is my understanding it is the intent of the bill to allow research and training not only in the National Institute but that it would utilize such other institutes as the Institute of Gerontology at Wayne State University, an institute which has been very effective in this area in a cooperative program. Is it the intent of the legislation to work through the National Institute in funding and developing programs throughout the country in a cooperative manner?

Mr. CARTER. This will be arrived at by the National Advisory Commission but it is a purpose of the bill to establish scholarships in gerontology.

Mr. ESCH. I would commend the gentleman from Kentucky and the chairman of the committee and the gentleman from Florida and members of the committee for bringing this to the floor. It is a major step forward in dealing with the problems of aging. I believe it will be a catalyst for further studies in this subject throughout the country.

Mr. CARTER. I thank the gentleman from Michigan for his remarks.

Mr. STAGGERS. Mr. Chairman, I have no further request for time.

Mr. CARTER. I yield such time as he may consume to the gentleman from Indiana (Mr. HUDNUT).

Mr. HUDNUT. Mr. Chairman, as a cosponsor of H.R. 6175, the Research on Aging Act of 1974, and as a member of the Subcommittee on Public Health and Environment, I am pleased to give my support to this legislation.

At the present time responsibility for carrying out research on aging is assigned to the National Institute on Child Health and Human Development. Approximately 12 percent of the NICHHD budget has been devoted to the aging, the remainder being spent on research into child health, 58 percent, and general population, 30 percent. The White House Conference on Aging which was held in 1971 recommended the establishment of a separate National Institute on Aging to coordinate and expand research related to the aging process and the diseases and other special problems and needs of the aged.

The population aged 65 or older in the United States has grown at a much faster rate than other groups, increasing more than sevenfold since 1900 to approximately 20 million individuals today. Between 1960 and 1970, the number of older citizens increased by 21 percent, while the population below age 65 increased by 12.5 percent.

The health problems of the aged are such that some 80 percent are reported to have at least one chronic health problem, making hospitalization twice as likely and health care costs twice as great.

The new National Institute on Aging established through H.R. 6175, will provide a national focus for the research necessary to achieve the great goal of keeping our people as young as possible for as long as possible. Only if we can understand the process of aging can we begin to both slow it and treat its manifestations. Historically, aging has been associated with a deterioration of the mental, physical, and emotional abilities which makes us human. This frightening loss has left many of our older Americans lonely, sick, poor, unhappy, and dependent for survival upon their families and society. Through an aggressive research effort progress can be made in understanding, preventing, and treating these losses. The establishment of a National Institute on Aging will begin the creation of such a research effort. Therefore, I urge my colleagues to approve this bill.

I would point out that H.R. 6175 grants no new authority and does not create any new programs. It simply consolidates existing authorities and provides for the establishment of a single institute designed to eliminate duplication of effort, lack of coordination, and gaps in overall approach which have marked our national efforts in aging research up to this time. In addition, enactment of H.R. 6175 would fulfill a recommendation of the 1971 White House Conference on Aging.

Mr. BURKE of Massachusetts. Mr. Chairman, I rise today in favor of H.R. 6175, the Research on Aging Act of 1974. This bill, which provides for the enactment of a National Institute on Aging, which will conduct and support biomedical, social, and behavioral research and training relative to the aging process and the diseases and other special problems and needs of the aged, is vital.

I feel that this legislation should be passed by this House for several reasons. The needs and interests of America's aged must be protected by this Nation. As recent figures indicate, an increased proportion of America's citizens are persons age 65 or over. The average longevity of the American is higher than preceding generations, and we have reason to believe that our senior citizens will comprise even a larger proportion of the Nation's human resources.

I need not remind my colleagues of the steps Congress has taken in assuring our aged citizens the opportunity to live their golden years with a greater degree of comfort and pleasure than many preceding generations of aged Americans were able to do. Beginning with medicare, this Congress has made a commitment to providing relief to the aged of our Nation. This commitment can only be enhanced by this important measure before us. Research on aging can provide us with useful information in attempting to ease the burden of old age on our Nation's senior citizens.

The senior citizen is indeed worthy of all assistance such research and the other measures we can take will provide. After long years of work, setting an example of love of country and of family, America's aged deserve the very best this country can provide to make their senior years as pleasant as possible.

Mr. Chairman, we cannot ignore this opportunity to show our appreciation and commitment to our country's aged. Let us speedily enact H.R. 6175, the Research on Aging Act, and let us begin the great work ahead of us in the field of providing for the needs of America's senior citizens.

Mr. TIERNAN. Mr. Chairman, this afternoon we are considering H.R. 6175 which will establish a National Institute on Aging. Scientific developments have made it possible for our people to live longer, but unfortunately we have shown too little concern that they also live "better." It is not socially responsible to extend life with one hand only to turn our backs on the special needs created by a longer life.

The Institute created by this bill will involve itself not only with biomedical problems, but also will conduct and support social and behavioral research. Many of the problems of old age can be, and should be, approached by the social scientist even though they may also involve questions relating to physical health. For example, the search for alternatives to institutionalizing the elderly cannot be limited to consideration of their physical condition; family relationships, availability of housing, adequacy of income, personal attitudes, and many other factors may be as decisive as is the health of the individual involved. Funding for this kind of research is presently minimal, but the problem is immediate.

The 1961 White House Conference on Aging recommended creation of a National Institute of Aging and this recommendation was repeated in the report of the 1971 conference. Clearly the reiteration of this recommendation underlies the necessity for concentrated effort. Existing programs have not given sufficient emphasis to the problems of aging and the problems of the aged. However, the mandate given to the Institute will assure our senior citizens that we in Congress care about the quality of their life and want to assure them a full life with a place in society to which their years of service and experience entitle them.

Mr. EILBERG. Mr. Chairman, I will support the amendment that will be offered by the gentleman from Georgia (Mr. BRINKLEY). I was happy to join JACK BRINKLEY when he introduced the National Cancer Research Act last year, and I am pleased to be with him today.

Mr. Chairman, within this present year more than 350,000 Americans will die of cancer—approximately 960 people every day—one human being every 2 minutes. This scourge must be ended. And yet the National Cancer Institute reports that it can fund only about half of the scientifically approved cancer research projects received.

We here in this House, who have the power to take effective action, must act decisively. We have legislated in the past, but it has not been enough. And even though the proposal presented today by the fine Committee on Interstate and Foreign Commerce provides for improvement in the level of funding, it still does not establish the kind of massive effort which alone can lead to control of cancer.

The substitute amendment as proposed differs from the committee recommendation in two essential ways: first of all, it seeks to extend the existing Federal cancer research structure for 5 years instead of 3. Second, it doubles each of the three yearly appropriations authorized in the committee bill and extends the third year authorization level for 2 additional years—through 1979.

In summary, the Commerce Committee seeks an authorization of approximately $2.7 billion over a 3-year period for cancer research; the Brinkley substitute proposes that $11.5 billion be expended over 5 years for the same purpose.

There are those who will say that this is too much. But I say that humanity requires that those steps necessary to bring pain and suffering to an end must be taken—cost notwithstanding.

Finally, I would like to point out that it has been estimated that there currently exists in this country the need for twice the amount of dollars as are being used or even asked for in the effort to conquer cancer. I say those dollars must be provided. The time for half measures is past.

Let us be about the business of ending the tragedy of cancer. And the way to begin is for the House today to approve the amendment in the nature of a substitute offered by the gentleman from Georgia.

Mr. KYROS. Mr. Chairman, I rise today in strong support of H.R. 6175, which would provide for the establishment within the National Institutes of Health a new Institute, to be known as the National Institute on Aging. This institute would conduct and support biomedical, social, and behavioral research and training relating to the aging process and the diseases and other special problems and needs of the aged.

The need for this legislation, Mr. Chairman, is as simple as it is great. As we heard over and over in hearings, the needs and problems of the aged have for too long been competing within NIH with the needs and problems of children, as dealt with by the National Institute of Child Health and Human Development. While the work of that institute is highly commendable, its aging program is simply inadequate. With the number of older people in the United States growing faster than the population is growing as a whole, the problems of the aged deserve to be given a higher priority. The National Institute on Aging would give that priority to the needs and special problems of the aging, for the fact is that we know very little about the aging process itself and how to deal with it. For this reason, I strongly urge passage of H.R. 6175.

Mr. BINGHAM. Mr. Chairman, I rise to express my enthusiastic support for H.R. 6175 a bill which would establish a National Institute on Aging. This legislation is designed to provide an intense, centrally coordinated investigation on the aging process.

As early as May of 1969 I joined with Senator WILLIAMS of New Jersey to introduce similar legislation entitled the "Research on Aging Act". During the intervening 5 years I have pushed for and supported efforts to learn more about aging so that a Federal program could be developed to aid older citizens lead healthy, happy, productive, and comfortable lives.

The National Institute of Child Health and Human Development is now researching the process of development of youths, adults, and the elderly population, but only 11 percent of their budget is devoted to research on the aging. This certainly falls short of present needs and illustrates the unfortunate second-class status we ascribe to our senior citizens—a situation which must finally be remedied. Aging is a process which affects us all, it should not be treated as a crime. The number of elderly in this country is growing at a faster rate than the population as a whole. Breakthroughs are now occurring in molecular biology, immunology and many other fields that may have application in understanding and controlling the aging process. Furthermore, researchers in the field of aging say we have reached a point in our knowledge and technology where mastery over the very process of aging is very nearly within the grasp of scientific and medical knowledge. Therefore, now is the time to pull together all of this new knowledge within a meaningful organizational structure so that progress in slowing the aging process can be made. If we could expand our research efforts, I am confident that we could begin to combat one of the major problems affecting the elderly, that of maintaining their physical and mental capabilities so as to make life as enjoyable for as long as possible.

The National Institute on Aging requires no new authorizations or appropriations and the small cost required to create the Institute is well worthwhile.

Mr. BAUMAN. Mr. Chairman, America's elderly stand to benefit greatly by the measure before us, and I enthusiastically support its passage.

That portion of our population which is 65 or older has steadily grown throughout this century. Roughly 20 million Americans are in this group today, and an estimated 80 percent suffer from at least one chronic health problem. The bill before us will create a new National Institute on Aging within the National Institutes of Health, and will be charged with the responsibility for biomedical and other forms of research into the problems of aging.

The new Institute will be primarily composed of other projects now operating or contemplated, but will bring them together under a common roof, with common goals, for the first time. The bill directs the Secretary of HEW to organize the new institute in a way that avoids duplication and overlapping with other programs in NIH, which I hope will satisfy administration worries that efficiency at NIH might suffer. I believe that the formation of a health institute concerned solely with the problems unique to the aging, giving such research a clear focus which it has not had up to this point, is vital if we are to make progress in dealing with the many problems, especially medical problems, which our Nation's elderly must face.

One particularly important feature of this bill is a provision for training adequate numbers of personnel in the fields of allied health, nursing, and paramedical activity. The shortage of available personnel in these areas is perhaps the greatest single problem in providing health care for America's elderly. It is necessary that we take steps quickly to ease this shortage and provide the best care possible for those in their golden years.

Between 1960 and 1970 the number of senior citizens in the United States grew almost twice as fast as the rest of the population. Thus, their needs, in terms of sheer numbers, are great. With the passage of this bill, we take a significant step forward in dealing with their needs, and I am happy to lend to it my support.

Mr. BIAGGI. Mr. Chairman, I rise in enthusiastic support of H.R. 6175 to establish a National Institute on Aging under the auspices of the National Institutes of Health. I consider this to be an innovative and urgently needed piece of legislation which seeks to find solutions to one of our most serious national health problems, that of aging.

The numbers of older people in the United States is growing at a faster rate than that of the population as a whole. At continued present rates of growth, the population of the United States age 65 and over will total nearly 28 million in the next 25 years.

The process of aging represents a major mystery to the scientific and lay worlds alike. Aging has traditionally meant an inevitable deterioration of the mental, physical, and emotional processes. As a result, many elderly citizens find themselves gripped by loneliness, anxiety and above all, a lack of understanding as to why.

Most authorities agree that if the problems associated with aging are to be eliminated, comprehensive and ambitious research programs are needed. The Federal Government thus far has not made this kind of commitment. Research on aging is presently conducted by the National Institute of Child Health and Human Development. Yet, only a meager 11 percent of their budget is spent directly on investigating the problems of aging. This is a tragic inadequacy which stands to be remedied with the passage of this bill.

In addition to actively researching the problems associated with aging, this bill will develop important public information and educational programs to assist all Americans, particularly the elderly, in understanding and coping with the processes associated with aging.

Yet, the most exciting potential of this legislation is the prospect it holds for developing methods to extend the life expectancies of Americans by as much as 25 years. These increases can be expected if the major advances in the control of the intrinsic aging influences can be achieved. I am glad to see that the great scientific and medical technology and expertise which this country possesses can now be directed at prolonging the lives of Americans.

Mr. Chairman, we in the Congress can be proud of the legislation we have passed on behalf of older Americans. We have provided them with substantial economic assistance to help them through this difficult period of inflation. We are likely to pass legislation to insure them the best possible health care at low cost. Yet, this bill we are considering today may be the most important bill of all, for with its passage stands the possibility that many of our senior citizens can begin to enjoy their retirement years free from the cares and worries previously associated with aging.

I applaud the initiative taken by the distinguished gentleman from West Virginia, Mr. STAGGERS, and I recommend that his bill be given the swift approval of my fellow colleagues. Millions of Americans both young and old will anxiously be awaiting our action on this bill today.

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 6175 to establish a National Institute on Aging. I am pleased to be able to speak in behalf of this important legislation which promises to open new horizons for the elderly.

The bill establishes a new National Advisory Council on Aging appointed by the Secretary of Health, Education, and Welfare. The bill also directs the Secretary to: First, conduct scientific studies, through the Institute, for the purpose of measuring the impact on the biological, medical, and psychological aspects of aging of all programs conducted or assisted by Health, Education, and Welfare designed to meet the needs of the aging; second, carry out public information and education programs to disseminate the findings of the Institute and all other relevant information which may assist all Americans, and especially the elderly, in dealing with the problems, and understanding the processes, associated with aging; and third, prepare a comprehensive aging research plan within 1 year after enactment for presentation to the Congress and the President, along with a statement of the staffing and funding requirements necessary to implement the plan.

The true objective of the research authorized by H.R. 6175 is to explore the possibility of increasing the average lifespan of the residents of America. That lifespan has remained at 70 years of age for the past two decades. If we can slow that aging process we will have achieved a goal shared by all Americans—a goal which will directly benefit an estimated 20 million Americans who will have reached age 65 by the end of this century.

Mr. Chairman, the other body has acted favorably on similar legislation to that pending before us today. I urge my colleagues to vote favorably on H.R. 6175 to create a National Institute on Aging.

Mr. MAYNE. Mr. Chairman, I rise in full support of H.R. 6175, the Research on Aging Act of 1974. I strongly urge all my colleagues to vote for House passage today and to aid its early enactment into law.

I commend the members of the House Committee on Interstate and Foreign Commerce who unanimously reported this needed legislation to the House on March 13. I immediately urged the House leadership to place H.R. 6175 on the calendar for early House action, as I advised Senior Citizen groups in Le Mars, Iowa, and elsewhere in Iowa's Sixth Congressional District on March 15 and since. I do not understand why the House Democratic Leadership did not see fit to have this legislation called up for House action until this second day of May, but at long last it is before the House, which I urge to approve this bill with such a resounding and lopsided vote that no thought of veto could possibly be entertained.

The National Institute of Child Health and Human Development since 1962 has had the responsibility for research on aging. The NICHHD devotes 58 percent of its budget to child health, 31 percent to population research, and only 11 percent to research on aging. I do not intend in any way to short the NICHHD, for it has done wonders with the funds available and deserves full credit for the progress it has made—but it is clear that the primary interest of the Institute has been regarding the child, rather than the aging. I can well understand the feeling of many older Americans, so well expressed in the White House Conference on Aging in 1961 and again in the 1971 conference, that research on aging has been somewhat neglected compared to other NIH programs, and that there is a great need to establish a National Institute on Aging.

A separate National Institute on Aging must be established and given the responsibility for research on aging so that it can receive the attention it deserves.

I supported passage of legislation in 1972 that would have accomplished this objective, but the bill was pocket-vetoed at the end of the 92d Congress, primarily because it included a new program of grants for community mental health centers for mental health services for the aged. The bill now before the House, H.R. 6175, does not contain the controversial community mental health center language. Furthermore, the present bill provides sufficient authority to the Secretary of Health, Education, and Welfare to assign aging research in its different fields so as to coordinate the programs of the various National Institutes of Health and prevent overlap. I believe the President and his advisors will find that H.R. 6175 has been very carefully drafted and is a far better bill than the one which failed to become law in 1972. I shall urge the President to sign this Research on Aging Act of 1974 into law, and to implement its provisions immediately.

Medical science has magnificently extended the quantity of life through extension of life expectancy—but there has been comparatively little research regarding the aging process in order to find means to slow or arrest that process. Much more needs to be done to improve the quality of life for the elderly. We seem to be near the practical limit of our ability to increase the average lifespan through conventional means. For the past 20 years, the average lifespan has remained essentially constant at around 70 years. It is now time to devote greater research efforts toward trying to slow the aging process, thereby obtaining increases in the years of useful and healthful life. It will be the purpose of the National Institute on Aging to actively expand research on the maintenance of both mental and physical functional capabilities to make life worth living for as long as possible.

H.R. 6175 grants no new authority, and does not create any new programs—it simply consolidates existing authorities presently scattered among a variety of

Federal departments and agencies, and provides for the establishment of a single institute designated to eliminate duplication of effort, lack of coordination, and gaps in overall approach which have marked our national efforts in aging research up to this time. Americans over age 65 today number more than 20 million. Older Americans make up the fastest growing segment of our population. Older persons tend to be plagued by uncertain health. More than 80 percent suffer from one or more chronic health problems, making hospitalization twice as likely and health care costs twice as great.

This bill not only creates the single institute needed to concentrate research efforts in this area, it all requires the Secretary of Health, Education, and Welfare to prepare for consideration by the Congress and the President a plan for an aging research program designed to coordinate and promote research into all aspects of aging, along with a statement of the staffing and funding requirements necessary to carry out such a program.

This bill is not a panacea, but it will provide a progressive step, perhaps even a giant step, toward achieving the worthy goals of alleviating problems of old age—not only the problems caused by the physical infirmities suffered by the elderly but also those economic, social, and psychological factors associated with aging, all combining to exclude millions of older Americans from the full life and the place in our society to which their years of service and experience surely entitle them.

Mr. Chairman, I cannot strongly enough urge this House to approve this worthy legislation and, through overwhelming votes in its support, speed it to the President for signature into law and immediate implementation. The elderly of America deserve no less.

Mr. DONOHUE. Mr. Chairman, I hope that this pending bill, H.R. 6175, will be overwhelmingly approved by the House this afternoon.

In substance, it is designed to establish a new unit within the National Institutes of Health to be known as a National Institute on Aging and also a new National Advisory Council on Aging.

The specific purpose of these two new units will be to combine their resources for the conduct and support of biomedical, social, and behavioral research and training programs related to the aging process and the diseases and other particular problems and needs of the aged.

Mr. Chairman, as one of the cosponsors and supporters of the original Older Americans Act, I am, of course, somewhat gratified at what has so far been done to help our elderly citizens. But much more remains to be done, particularly in the area of health needs for our older citizens.

The critical nature of the problems faced by so many older Americans carries a far-ranging impact for all American citizens. More than 7 out of every 10 children born today can now expect to live until age 65. As man's longevity increases and as the number of older Americans increases, it becomes all the more important that we develop a better coordinated national program for scientific research on the biological aspects of aging. It is a proven fact that we have a very limited accumulation of gerontological information on which to base critical health decisions affecting the elderly and this deficiency makes the establishment of a gerontological research center a prudent and a worthwhile pursuit.

Mr. Chairman, this measure is designed to overcome these deficiencies and it gives every promise of effectively so doing. The institution of innovative new programs of research, as provided by this measure, together with our own unyielding determination to alleviate some of the haunting health fears of the aging will permit us to move from that which is to that which ought to be.

Mr. Chairman, our older Americans are not only entitled to lives of dignity and security but they have the right to expect that their country to which they have given so much of themselves through their most productive years, will not forsake them when their need is greatest. The approval of this bill will give them that assurance and, on its inherent merit, this measure deserves and ought to be resoundingly adopted in the national interest.

Mr. CARTER. Mr. Chairman, I have no further request for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 6175

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Research on Aging Act of 1973."

SEC. 2. The Congress finds and declares that—

(1) the study of the aging process, the one biological condition common to all, has not received research support commensurate with its effects on the lives of every individual;

(2) in addition to the physical infirmities resulting from advanced age, the economic, social, and psychological factors associated with aging operate to exclude millions of older Americans from the full life and the place in our society to which their years of service and experience entitle them;

(3) recent research efforts point the way toward alleviation of the problems of old age by extending the healthy middle years of life;

(4) there is no American institution that has undertaken comprehensive systematic and intensive studies of the biomedical and behavioral aspects of aging and the related training of necessary personnel;

(5) the establishment of a National Institute on Aging within the National Institutes of Health will meet the need for such an institution.

SEC 3. Title IV of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART H—NATIONAL INSTITUTE ON AGING

"ESTABLISHMENT OF NATIONAL INSTITUTE ON AGING

"SEC. 461. The Secretary shall establish in the Service an institute to be known as the National Institute on Aging (hereinafter in this part referred to as the 'Institute') for the conduct and support of biomedical, social, and behavioral research and training related to the aging process and the diseases and other special problems and needs of the aged.

"NATIONAL ADVISORY COUNCIL ON AGING

"SEC. 462. (a) The Secretary shall establish a National Advisory Council on Aging to advise, consult with, and make recommendations to him on programs relating to the aged which are administered by him and on those matters which relate to the Institute.

"(b) The provisions relating to the composition, terms of office of members, and reappointment of members of advisory councils under section 432(a) shall be applicable to the Advisory Council established under this section, except that (1) the Secretary may include on such Advisory Council such additional ex officio members as he deems necessary, and (2) the Secretary shall appoint to the Council leading medical or scientific authorities skilled in aspects of the biological and the behavioral sciences related to aging.

"(c) Upon appointment of such Advisory Council, it shall assume all, or such part as the Secretary may specify, of the duties, functions, and powers of the National Advisory Health Council relating to programs for the aged with which the Advisory Council established under this part is concerned and such portion as the Secretary may specify of the duties, functions, and powers of any other advisory council established under this Act relating to programs for the aged.

"FUNCTIONS

"SEC. 463. (a) The Secretary (1) shall, through the Institute, carry out the purposes of section 301 with respect to research investigations, experiments, demonstrations, and studies related to the aging process and the diseases and other special problems and needs of the aged, except that the Secretary shall determine the area in which and the extent to which he will carry out such activities in furtherance of the purposes of section 301 through the Institute or another institute established by or under other provisions of this Act, or both of them, when both such institutes have functions with respect to the same subject matter, and (2) shall be responsible for coordinating such activities so as to avoid unproductive and unnecessary overlap and duplication of such functions. The Secretary may also provide training and instruction and establish traineeships and fellowships, in the Institute and elsewhere, in matters relating to study and investigation of the aging process and the diseases and other special problems and needs of the aged. The Secretary may provide trainees and fellows participating in such training and instruction or in such traineeships and fellowships with such stipends and allowances (including travel and subsistence expenses and dependency allowances) as he deems necessary, and, in addition, provide for such training, instruction, and traineeship and for such fellowships through grants to public or other nonprofit institutions. In carrying out his health manpower training responsibilities under this Act or any other Act, the Secretary shall take appropriate steps to insure the education and training of adequate numbers of allied health, nursing, and paramedical personnel in the field of health care for the aged.

"(b) The Secretary shall, through the Institute, conduct scientific studies to measure the impact on the biological, medical, and psychological aspects of aging of all programs and activities assisted or conducted by the Department of Health, Education, and Welfare.

"(c) The Secretary, through the Institute, shall carry out public information and education programs designed to disseminate as widely as possible the findings of Institute-sponsored and other relevant aging research and studies and other information about the process of aging which may assist elderly and near-elderly persons in dealing with, and all Americans in understanding, the problems and processes associated with growing older.

"RESEARCH PROGRAM

"Sec. 464. (a) The Secretary, in consultation with the Institute and the National Advisory Council on Aging and such other appropriate advisory bodies as he may establish, shall within one year after the effective date of this section develop a plan for a research program on aging designed to coordinate and promote research into the biological, medical, psychological, social, educational, and economic aspects of aging. Such program shall be carried out, as to research involving the functions of the Institute, primarily through the Institute, and as to other research shall be carried out through any other institute established by or under other provisions of this Act or through any appropriate agency or other organizational unit within the Department of Health, Education, and Welfare.

"(b) Upon its completion, the plan for a research program on aging, required by subsection (a) of this section, shall be transmitted to the Congress and to the President and shall set forth the staffing and funding requirements to carry out such program."

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 4, strike out "1973" and insert in lieu thereof "1974".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 3, strike out "and traineeship and for such" and insert in lieu thereof "traineeships,".

The committee amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, this is a bill in which, because of aging, I ought to have an interest, perhaps a conflict of interest. I find it intriguing. To put first things first, I wonder what this Institute to take the aging by the hand will eventually cost. Is it to help along life's way, is it not?

I would like the attention of our distinguished Speaker to point out to him that this bill also offers hope to those in middle life, as well as the aging like myself.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am always delighted to yield to the distinguished and genial Speaker.

Mr. ALBERT. The gentleman was just a little late in making the proposition.

Mr. GROSS. I wonder what this Institute for the Aging will eventually cost; can anyone tell me? Has the Bureau of the Budget been advised whether it is worthy of being established and financed at some later time?

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I prefer to yield to the chairman first, but I will yield to the gentleman from Florida.

Mr. PEPPER. I would like to observe, and I am sure the gentleman will agree, that if the Institute would enable us senior citizens to enjoy life a little longer, the cost would be cheap, would it not?

Mr. GROSS. I do not know about that. It depends on how much is proposed to be spent to enhance our lives.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the distinguished Chairman.

Mr. STAGGERS. I would say to the distinguished gentleman, there is no cost in the bill other than forming the National Institute. I might say at the present time it is divided up among the present institutions we have. We are spending about $10 million a year.

Mr. GROSS. What are we spending $10 million on?

Mr. STAGGERS. On research right now.

Mr. GROSS. On the aging?

Mr. STAGGERS. That is right, but in many different institutions.

Mr. GROSS. That has not helped me as yet; but go ahead. I am aging.

Mr. STAGGERS. We hope it will do the gentleman from Iowa (Mr. Gross), some good, and I hope the gentleman might be able to live to 100 or 125 after we get this thing working and we find out how to cure the ills that affect the aging and it will make life more pleasant in what we call the golden years of our lives.

I do not know that there will be any more appropriations than right now are being spent.

Mr. GROSS. Give me a little help on this, Mr. Chairman. What will this do for me and others like me, us old geezers, by way of social uplift as mentioned in the bill.

Mr. ROGERS. Mr. Chairman, if the gentleman will permit, I would like to answer that.

Mr. GROSS. Yes. I will be glad to yield.

Mr. ROGERS. The major thrust of the bill is for research of a biological nature.

Mr. GROSS. Biological?

Mr. ROGERS. Well, if the gentleman will permit me to proceed, I will tell him what I am getting at.

Mr. GROSS. When the gentleman gets to be 75, he will not be thinking in terms of certain biological matters; but go ahead.

Mr. ROGERS. There are other biological purposes than the gentleman may be referring to; for instance, the aging process. What we are trying to do is encourage enough research to learn about the aging process and some of the experiments are already indicating that great progress can be made, not only here but in other countries.

Also, the real thrust of this is to try to help people. Our goal is to try to help people remain active in an active capacity until then.

Mr. GROSS. Well, I am still active.

Mr. ROGERS. If the gentleman will permit just one more sentence, we are trying to reduce, for instance, the time when one is incapacitated, when one may become senile, when one has to be placed in a nursing home. We are trying to reduce this time so that one can be active and use his own faculties to proceed and take care of himself without going into a nursing home.

Mr. GROSS. I would like a copy of the gentleman's book or formula for escaping senility.

Mr. ROGERS. Well, this is what we really want to try to get for the gentleman. There are really some encouraging signs in the scientific community. This is the goal we ought to try to reach, to reduce the problems of old age.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. Gross was allowed to proceed for an additional 5 minutes.)

Mr. GROSS. Did the gentleman say: Ought to try?

Mr. ROGERS. I say, does not the gentleman think that we ought to try to reduce the time that people have to be kept in nursing homes? Think of the savings that that would bring about to an individual and to the family; not only to the suffering of the person.

Mr. GROSS. Mr. Chairman, the point is that I am aging and I will soon be unemployed.

Mr. ROGERS. The gentleman has a good pension.

Mr. GROSS. Mr. Chairman, I would like to know what benefit from this proposed Institute will accrue to me and others in similar aging situations such as I am in. Tell me, how am I going to be benefited psychologically by this? I note there will be psychological training and psychological factors involved.

Mr. ROGERS. I think this is more research in trying to find out what can be done. Of course, we are just setting up the Institute, as I am sure the gentleman realizes, so we cannot give the gentleman all the results until we get them. As I said, I think it would be rather psychologically important to the gentleman if we can help bring about from research some activity in his life which will prevent his going into a nursing home 1 year or 2 or 3 years before he might ordinarily have to.

Mr. GROSS. Mr. Chairman, does the gentleman from Florida, looking at the gentleman from Iowa in the well of the House, think he needs immediate guidance as to activity, and have I aged sufficiently?

Mr. ROGERS. I have never known the gentleman to age since I have been here. I think the gentleman has been the great conscience of the House. We will miss him, and I hope the gentleman will keep those bright faculties forever.

Mr. GROSS. I appreciate the gentleman's kind remarks, but I see that my friend, the genial doctor from Kentucky, wants to get into this aging business. I hope the gentleman can help me solve my problems.

Mr. CARTER. Mr. Chairman, we need to start to find a way to rebuild the gentleman's body so that one part is as strong as the other; mind, heart, all over, so that when it comes his time, he will go all at once like the deacon's masterpiece, the one-hoss shay.

Mr. GROSS. Tell me, Dr. Carter, how is this behavioral research going to work and how would it apply to me, for instance?

Mr. CARTER. Of course, they are going to study a lot of people, who, when they grow older, become arteriosclerotic. Many people have mental aberrations. They imagine things and so on. The research is to determine the cause of this and to prevent it, to make their arterial pathways more perfect so that they can live a better life, a more perfect life. As I said, when they go, they go all at once; no nursing home, just pick up the pieces and take them to the boneyard.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to one of the younger generation, to help me out.

Mr. BAUMAN. Mr. Chairman, I suggest to the gentleman from Iowa that he has picked a very poor example of the aging process when he refers to himself. The gentleman from Maryland has known the gentleman from Iowa——

Mr. GROSS. The gentleman from Maryland may not know the full story.

Mr. BAUMAN. The gentleman from Maryland has known the gentleman from Iowa for in excess of 20 years, and during that time I have not known the gentleman to age at all. His hairline has not changed; his stature has not changed. Certainly, he has never changed his mind, and for that I admire him. So, I really think the gentleman abuses himself when he suggests that he can benefit from these programs. I do not think he will ever change, and I hope he will not.

Mr. GROSS. The gentleman from Maryland is kind. Mr. Chairman, I do not think this bill can do much harm. I do not think it can do much good. If the Members will be reasonable in the future—I will not be here when they start putting money into it—maybe somebody will get a little good out of this new Institute, this new bureaucracy the Members are establishing allegedly for the benefit of the aging.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Mr. Chairman, I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I would like to say that I have the keenest confidence in the gentleman in the well. I first met him 18 years ago.

Mr. Chairman, the gentleman from Iowa and I have both seen a great many Members come and go; we have seen many bills passed and many programs put into operation.

I will certainly miss the gentleman from Iowa, if I am reelected and he does not return. I will miss him terribly. Certainly the gentleman will still retain whatever age he says he is; I am sure he will retain that.

There are several matters that we want to consider in this bill. We know that some older people get cantankerous, and we want to find out why they get cantankerous; we will try to prevent that. Not all of them get cantankerous, just some of them.

I want to say that there are many other things we are trying to investigate with this bill. One of them is diet. Some older people have bad diets, some have good diets. Some of them get depressed, and we want to find out why. Some of them commit suicide, and we want to find out why.

Mr. Chairman, we want to study many of the problems that do afflict the aged and see if we can make their lives a little bit better.

Mr. GROSS. Mr. Chairman, I want to be sure to reserve enough time to again remind my good friend, the distinguished Speaker of the House, that this Institute will be looking into his middle aging.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the distinguished Speaker.

Mr. ALBERT. Mr. Chairman, I believe the gentleman from Iowa is a little overly pessimistic about himself. Once in a while it seems that I feel older, but I do not believe the gentleman from Iowa ever does.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Chairman, I believe that this definition might help to climax the very pleasant dialog we have heard here on the floor of the House today. The quotation I have in mind is as follows:

A man is not old when his hair turns gray,
Nor is he old when his teeth decay,
But he is certainly headed for the last long sleep
When his mind makes plans his body can't keep.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. FUQUA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6175) to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging, and for other purposes, pursuant to House Resolution 1079, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment adopted by the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROGERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 1, answered "present" 2, not voting 51, as follows:

[Roll No. 204]

YEAS—379

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gray
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelsen
Nichols
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder

Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—1

Landgrebe

ANSWERED "PRESENT"—2

Goodling
Gross

NOT VOTING—51

Biaggi
Blatnik
Buchanan
Carey, N.Y.
Clancy
Crane
de la Garza
Diggs
Eckhardt
Erlenborn
Findley
Flowers
Frey
Fulton
Grasso
Green, Oreg.
Haley
Hanna
Hansen, Wash.
Hawkins
Howard
Ichord
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Kazen
Kyros
Lott
Madden
Madigan
Milford
Murphy, Ill.
Myers
Nix
Obey
Patman
Pickle
Reid
Roberts
Roncallo, N.Y.
Rooney, N.Y.
Rose
Ruppe
Spence
Stephens
Stokes
Stubblefield
Stuckey
Teague
Williams
Wright

So the bill was passed.

The Clerk announced the following pairs:

Mr. de la Garza with Mrs. Hansen of Washington.

Mr. Rooney of New York with Mrs. Grasso.

Mr. Kazen with Mr. Williams.

Mr. Howard with Mr. Spence.

Mr. Carey of New York with Mr. Ruppe.

Mr. Stubblefield with Mr. Roncallo of New York.

Mr. Biaggi with Mr. Madigan.

Mr. Diggs with Mr. Blatnik.

Mr. Fulton with Mr. Erlenborn.

Mr. Nix with Mr. Hanna.

Mr. Pickle with Mr. Buchanan.

Mr. Obey with Mr. Findley.

Mr. Stokes with Mr. Madden.

Mr. Rose with Mr. Frey.

Mr. Murphy of Illinois with Mr. Myers.

Mr. Haley with Mr. Clancy.

Mr. Stuckey with Mr. Crane.

Mrs. Green of Oregon with Mr. Johnson of Pennsylvania.

Mr. Roberts with Mr. Lott.

Mr. Hawkins with Mr. Patman.

Mr. Jones of North Carolina with Mr. Kyros.

Mr. Jones of Alabama with Mr. Ichord.

Mr. Flowers with Mr. Wright.

Mr. Milford with Mr. Reid.

Mr. Teague with Mr. Stephens.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the Senate bill (S. 775) to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging, a bill similar to H.R. 6175 just passed by the House, and ask for immediate consideration of the Senate bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the Senate bill as follows:

S. 775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Research on Aging Act of 1973".

FINDINGS AND DECLARATION OF PURPOSES

SEC. 2. The Congress hereby finds and declares—

(1) that the study of the aging process, the one biological condition common to all, has not received research support commensurate with its effects on the lives of every individual;

(2) that, in addition to the physical infirmities resulting from advanced age, the economic, social, and psychological factors associated with aging operate to exclude millions of older Americans from the full life and the place in our society to which their years of service and experience entitle them;

(3) that recent research efforts point the way toward alleviation of the problems of old age by extending the healthy middle years of life;

(4) that there is no American institution that has undertaken, or is now capable of undertaking, comprehensive systematic and intensive studies of the biomedical and behavioral aspects of aging and the related training of necessary personnel;

(5) that the establishment of a National Institute on Aging within the National Institutes of Health will meet the need for such an institution.

SEC. 3. Title IV of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART G—NATIONAL INSTITUTE ON AGING

"ESTABLISHMENT OF NATIONAL INSTITUTE ON AGING

"SEC. 461. The Secretary shall establish in the Public Health Service an institute to be known as the National Institute on Aging (hereinafter in this part referred to as the 'Institute') for the conduct and support of biomedical, social, and behavioral research and training relating to the aging process and the diseases and other special problems and needs of the aged.

"NATIONAL INSTITUTE ON AGING ADVISORY COUNCIL

"SEC. 462. (a) The Secretary shall establish a National Institute on Aging Advisory Council to advise, consult with, and make recommendations to him on matters which relate to the Institute.

"(b) The provisions relating to the composition, terms of office of members, and reappointment of members of advisory councils under section 432(a) shall be applicable to the Advisory Council established under this section, except that the Secretary may include on such Advisory Council such additional ex efficio members as he deems necessary. The Secretary shall appoint to the Council leading medical or scientific authorities skilled in aspects of the biological and the behavioral sciences related to aging.

"(c) Upon appointment of such Advisory Council, it shall assume all, or such part as the Secretary may specify, of the duties, functions, and powers of the National Advisory Health Council relating to programs for the aged with which the Advisory Council established under this part is concerned and such portion as the Secretary may specify of the duties, functions, and powers of any other advisory council established under this Act relating to functions of the Institute.

"FUNCTIONS

"SEC. 463. (a) The Secretary shall, through the Institute, carry out the purposes of section 301 with respect to research, investigations, experiments, demonstrations, and studies related to the aging process and the diseases and other special problems and needs of the aged, except that the Director of the National Institutes of Health shall determine the area in which and the extent to which he will carry out such activities in furtherance of the purposes of section 301 through the Institute or another institute established by or under other provisions of this Act, or both of them, when both such institutes have functions with respect to the same subject matter, and shall be responsible for coordinating such activities so as to avoid unproductive and unnecessary overlap and duplication of such functions. The Secretary may also provide training and instruction and establish traineeships and fellowships, in the Institute and elsewhere, in matters relating to study and investigation of the aging process and the diseases and other special problems and needs of the aged. The Secretary may provide trainees and fellows participating in such training and instruction or in such traineeships and fellowships with such stipends and allowances (including travel and subsistence expenses) as he deems necessary, and, in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public or other nonprofit institutions. In carrying out his health manpower training responsibilities under the Public Health Service Act or any other Act, the Secretary shall take appropriate steps to insure the education and training of adequate numbers of allied health, nursing, and paramedical personnel in the field of health care for the aged.

"(b) The Secretary shall, through the Institute, conduct scientific studies to measure the impact on the biological, medical, and psychological aspects of aging of all programs and activities assisted or conducted by him.

"(c) The Secretary, through the Institute, shall carry out public information and education programs designed to disseminate as widely as possible the findings of Institute sponsored and other relevant aging research and studies, and other information about the process of aging which may assist elderly and near-elderly persons in dealing with, and all Americans in understanding, the problems and processes associated with growing older.

"SEC. 464. (a) The Secretary, in consultation with the Institute (acting through the Council) and such other appropriate advisory bodies as he may establish, shall within one year after the effective date of this section develop a plan for an aging research program to coordinate and promote research into the biological, medical, psychological, social, educational, and economic aspects of aging. Such program shall be designed to be carried out, as to research involving the functions of the Institute, primarily through the Institute, and as to other research shall be designed to be carried out through any other institute established by or under other provisions of this Act or through any appropriate agency or other organization unit within the Department of Health, Education, and Welfare.

"(b) The plan required by subsection (a) of this section shall be transmitted to the Congress and the President and shall set

forth the staffing and funding requirements to carry out the program contained therein."

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. STAGGERS moves to strike out all after the enacting clause of the Senate bill (S. 775), and to insert in lieu thereof the provisions of the bill H.R. 6175 as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 6175) was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the two bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO FILE REPORT ON H.R. 13973, RELATING TO OVERSEAS PRIVATE INVESTMENT CORPORATION

Mr. CULVER. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on H.R. 13973, relating to the Overseas Private Investment Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works, which was read and referred to the Committee on Appropriations:

> WASHINGTON, D.C.,
> *April 26, 1974.*
>
> Hon. CARL ALBERT,
> *Speaker of the House of Representatives, Washington, D.C.*
>
> MY DEAR MR. SPEAKER: Pursuant to the provisions of section 201 of Public Law 89-298, the Committee on Public Works of the House of Representatives on April 11, 1974, adopted Committee resolutions authorizing the following water resources development projects:
>
> Pecos River, Vicinity of Alpine, Texas.
>
> Kansas River Navigation, Lawrence to Mouth, Kansas.
>
> With kindest personal regards.
>
> Sincerely,
>
> JOHN A. BLATNIK,
> *Chairman, Committee on Public Works.*

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time in order to ask the distinguished majority leader if he is in a position to inform the House as to the program for the remainder of the week, if any, and the week ensuing.

Mr. O'NEILL. Mr. Speaker, will the distinguished gentleman from Arizona yield?

Mr. RHODES. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, there is no further legislative business for today, and upon announcement of the program for the week I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for the week of May 6, 1974, is as follows:

Monday is Consent Calendar day, and under suspensions we will have two bills:

H.R. 296, preservation of historical and archeological data; and

S. 1125, Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act, and that will be to concur in the Senate amendment.

On Tuesday we will have the Private Calendar and four bills which have been reported unanimously from the Committee on Ways and Means, as follows:

H.R. 6191, duty-free entry of certain forms of zinc;

H.R. 11251, duty-free entry of methanol imported for use as fuel;

H.R. 11452, temporary suspension of duty on certain feathers and downs; and

H.R. 12035, temporary suspension of duty on certain carboxymethyl cellulose salts.

Under suspensions we will have 10 bills, as follows:

H.R. 11035, metric system conversion;

H.R. 14117, veterans and survivors compensation increases;

H.R. 11013, Farallon National Wildlife Refuge, Calif.;

H.R. 8545, relief of Russell G. Wells;

H.R. 14354, National School Lunch Act Amendment;

H.R. 13871, Federal Employees' Compensation Act amendment;

H.R. 13342, Farm Labor Contractor Registration Act;

H.R. 14291, Northwest Atlantic Fisheries Act amendment;

S. 3304, People's Republic of China Archeological Exhibit Agreement; and

H.R. 13261, International Claims Settlement Act amendment.

Wednesday and the balance of the week we will consider H.R. 8193, the Energy Transportation Security Act, subject to a rule being granted.

Following that, we will consider H.R. 8053, the Voter Registration Act, with an open rule, and 2 hours of debate.

Conference reports may be brought up at any time, and any further program will be announced later.

May I say that we have the bulk of the suspensions on Tuesday, although we could have placed them on Monday. There are five election primary contests going on throughout the country and many of the Members have come and asked in view of that fact that the program on Monday not be heavy in order that they can vote at home on Tuesday and come into Washington immediately after voting. That is why we have so many bills coming up on Tuesday.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROPOSED RECESS

Mr. O'NEILL. Mr. Speaker, will the gentleman still yield?

Mr. RHODES. I am happy to continue to yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, I take this time to announce the following recess schedule for Memorial Day and Independence Day. We will adjourn for Memorial Day at the close of business on Thursday, May 23, until noon, Tuesday, May 28.

For Independence Day, we will adjourn at the close of business on Wednesday, July 3, until noon, Monday, July 8.

This, of course, is with the agreement of the minority leader.

Mr. RHODES. I am sure that the distinguished majority leader knows that some of the Members will have to be away necessarily on the traditional Memorial Day, May 30. Does the gentleman have any idea as to the type of schedule of legislation that will be in the House for the remainder of that week?

Mr. O'NEILL. At this time I have no idea what the schedule would be for that week; but let me today make this announcement to the Members. We have been informed by the chairman of the Committee on Appropriations that for the last 2 weeks in June it is his intention to call up an appropriation bill every day, including Fridays.

SUMMARY OF 1974 HOUSING AND COMMUNITY DEVELOPMENT ACT

(Mr. BARRETT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BARRETT. Mr. Speaker, the Subcommittee on Housing of the House Committee on Banking and Currency on Tuesday, by unanimous vote of 12 to nothing, approved for full committee consideration the 1974 housing and the new community development bill.

I am enclosing, following my remarks, a summary of the provisions of this bill, which I believe will be of great interest to all of the Members of the House. I believe that we have drafted a bill which has the support of the administration and merits the careful consideration and, hopefully, the support of most of the Members of the House. We have greatly curtailed provisions in the bill, and I congratulate the members of the Housing Subcommittee for their hard work and willingness to cooperate in not moving many controversial amendments which have in the past bogged down consideration of important housing and community development legislation.

I include the summary at this point:

HIGHLIGHT OF THE "HOUSING AND URBAN DEVELOPMENT ACT OF 1974" AS APPROVED BY THE SUBCOMMITTE ON HOUSING, APRIL 30, 1974

TITLE I—COMMUNITY DEVELOPMENT BLOCK GRANTS

This title authorizes a new Community Development Block Grant Program, to be initiated during Fiscal Year 1975, under which HUD community development programs would be consolidated into single block grant. The new program would have the following major features:

Authorizations. $8.05 billion in contract authority approved in an appropriation act would be authorized for the first three years of the program, with limits on obligations of $2.45 billion in FY 1975, $2.65 billion in FY 1976, and $2.95 billion in FY 1977. In addition, $100 million would be authorized annually for FY's 75, 76, and 77 for assistance to communities with urgent community development needs which cannot be met through the entitlements received pursuant to the Act.

Distribution of funds

(1) 80 percent of the funds available each year would be allocated for use in metropolitan areas, 20 percent for use in nonmetropolitan areas.

(2) In metropolitan areas, funds would be distributed first, to metropolitan cities and urban counties pursuant to a 3-part formula (based on population, housing overcrowding, and poverty counted twice); and second, to meet the "hold harmless" needs of metropolitan cities and urban counties (where those needs exceeded their formula entitlements) and other units of general local government which qualify for "hold harmless" treatment. Funds remaining in the metropolitan area allocation would be distributed among the metropolitan areas pursuant to the 3-part formula for use by States and units of local government in those areas.

(3) In nonmetropolitan areas, funds would be used to meet the "hold harmless" needs of units of general local government which qualify for "hold harmless" "treatment", with the remaining funds to be allocated among the States pursuant to the 3-part formula for use by States and units of general local government in each State.

(4) HUD Discretionary Fund—2 percent of the funds available each year would be reserved by HUD for certain special community development needs, for incentive grants to communities carrying on areawide programs, and for carrying on innovative community development activities.

A more detailed explanation of these distribution provisions is attached.

Eligible Activities. In general, block grant funds may be used to finance the full cost of carrying on all activities currently assisted under the following programs: the urban renewal program (including NDP, code enforcement, and rehabilitation grants); the model cities program; the section 312 rehabilitation loan program; the open space—urban beautification—historic preservation program; the neighborhood facilities program; the advance acqusition of land program; and the water and sewer facilities program. Funds may also be used to finance the local share required under other Federal grant programs which are part of the community development program, to carry on special projects to remove architectural barriers which restrict the mobility and accessibility of the elderly and handicapped, and to carry on comprehensive planning and executive-management activities.

Application Requirements. Applicants for block grants would be required to (1) identify community development and housing needs, including the submission of a housing assistance plan, (2) describe planned activities to meet those needs, and (3) provide assurances of compliance with civil rights and citizen participation requirements. Metropolitan cities and urban counties would also be required to submit three-year programs designed to eliminate slum, blight, and deterioration where they exist, and to provide improved community facilities and services where necessary.

HUD would be required to approve applications of metropolitan cities and urban counties unless the Secretary found that the applicant's description of needs was clearly inconsistent with generally available data, or that its proposed activities were clearly inappropriate to meet those needs. HUD would also be required to conduct annual post-audits to determine whether the applicant had carried out its program in a satisfactory manner.

Transition to New Program. The new block grant program is expected to begin midway through FY 1975 (approximately January 1, 1975). To enable communities to continue existing urban renewal, NDP, and model cities programs through the first half of FY 1975, such additional amounts, as may be necessary, would be authorized to be appropriated for the urban renewal and model cities programs. Amounts received by cities pursuant to these transition authorizations would be deducted from their first year entitlements under the new block grant program.

TITLE II—ASSISTED HOUSING

This title authorizes a new program of housing assistance for lower income persons through the construction or substantial rehabilitation of housing or the leasing of existing housing. This new program, which would be carried on under a new section 23(h) of the Housing Act of 1937, would have the following major elements:

(1) New Construction.

(a) Assistance contracts. HUD would enter into contracts to make housing assistance payments with housing owners who construct or substantially rehabilitate housing to be occupied in whole or in part by lower-income families.

(b) Eligible owners/developers. Private profit and nonprofit entities and State and local public housing agencies would be eligible owners or developers of housing.

(c) Type of housing. Any newly constructed or substantially rehabilitated rental or cooperative housing units, including congregate housing, and housing especially designed for elderly and handicapped families, would be eligible for assistance.

(d) Financing of projects. Conventional or FHA-insured loans, loans from State housing finance agencies, and bonds issued by State or local public housing agencies may be used to finance housing. Housing assistance contracts may be pledged to lenders to facilitate the provision of long-term financing for housing projects.

(e) Amount of assistance per unit. The amount of assistance per unit would be the difference between the market rental established for the unit and from 20 to 25 percent of the tenant's gross income, as determined by HUD; market rentals would be established by HUD at levels determined to be reasonable for modest newly constructed rental or cooperative housing in the area, except that HUD would be permitted to set slightly higher market rentals when necessary because of special circumstances.

(f) Term of assistance contracts. The term of an assistance contract may not exceed 20 years for privately-owned housing or 40 years for publicly-owned or financed housing; assistance payments may be made only (1) while a unit is occupied, (2) for up to 60 days while vacant due to a breach by the tenant, or (3) for up to 60 days while the owner is making a good faith effort to secure an eligible occupant.

(g) Number of assisted units in a project. 100 percent of the units in a project may be assisted, except that HUD may give preference to applicants requesting assistance for 20 percent or fewer units in projects.

(h) Increased operating costs. Assistance payments may be increased as necessary to meet changes in reasonable and necessary operating expenses in projects.

(i) Eligible occupants. Generally, those categories of families and individuals eligible for assistance under the public housing program whose incomes do not exceed 80 percent of the median income in the area (as determined by HUD for various-sized families). At least 30 percent of families and individuals under the program assisted must be of very low income (that is, having incomes less than 50 percent of median income in the area).

(2) Existing Housing. Existing housing units may be leased by local housing authorities under the same terms and conditions applicable to newly constructed or substantially rehabilitated units; in communities without local housing authorities, HUD would lease units directly from housing owners.

State and local housing assistance plans and allocation of units

Housing Assistance Plans. Applications for housing assistance (under the new section 23(h) program or any comparable HUD program) in communities participating in the community development block grant program must be consistent with housing assistance plans submitted by them under the block grant program. These plans must:

(1) survey the condition of the community's housing stock and assess the housing needs of low- and moderate-income families living or expected to live in the community,

(2) specify the number and types of units to be assisted and the mix between new and existing units,

(3) formulate procedures to promote greater choice of housing opportunities and to avoid undue concentrations of assisted persons in areas containing a high proportion of low-income persons, and

(4) assure the availability of public facilities and services adequate to serve proposed housing projects.

In communities not participating in the community development block grant program, HUD may not approve an application for housing assistance unless it found that (a) the assistance to be provided is consistent with a housing assistance plan meeting the above requirements, or (b) where no such plan exists, there is an urgent need for the housing, that housing opportunities would be expanded and undue concentrations of lower-income persons avoided, and that public facilities and services adequate to serve the proposed housing would be available.

Allocation of Units. HUD would allocate units available under the new section 23(h) program to States and units of general local government, taking into consideration assistance needed to fulfill local housing assistance plans and its own determination of housing needs (which would be based on such objective measurements as population, poverty, housing overcrowding, housing vacancies, and substandard housing). Twenty percent of the units available would be allocated to rural areas.

This title also amends the 1937 Act to—

(1) authorize HUD to prescribe requirements as to sound management practices to be met by local public authorities;

(2) establish a minimum rent for occupants of public housing which would be equal to the greater of 30 percent of the operating costs attributable to their units or that portion of welfare assistance attributable to shelter (Brooke III, which prohibits the reduction of welfare assistance where public housing rentals are reduced, would be repealed, and rent increases resulting from the minimum rent provisions would be phased in to alleviate undue hardships); and

(3) increase by $1.225 billion the authority of HUD to enter into annual contributions contracts in Fiscal Years 1974 and 1975 to finance housing to be assisted under the new section 23(h) program, conventionally built public housing pursuant to bona fide commitments, modernization of projects and adjustments to existing leases, and operating subsidies.

This title also extends the sections 235 homeownership and 236 rental assistance programs for one additional year to June 30, 1975 (with an increase in contract authority for the latter program) in order to meet bona fide program commitments established by HUD at the time of the suspension of the programs.

TITLE III—MORTGAGE CREDIT

This title contains provisions designed to increase the availability of and liberalize mortgage credit for housing and to abolish discrimination in mortgage lending on account of sex.

FHA Insurance. FHA's authority to insure mortgages and loans would be extended from October 1, 1974, to June 30, 1977, with the following important changes in existing law:

(1) maximum mortgage and loan amounts would be increased substantially, with single-family home mortgage limits increased from $33,000 to $45,000 and home improvement loan limits increased from $5,000 to $10,000;

(2) the downpayment required on FHA-financed homes would be reduced to 3 percent of the first $25,000 of the home's value, 10 percent of value between $25,000 and $35,000, and 20 percent of value in excess of $35,000; a $1,750 downpayment would be required on a $35,000 home, approximately half the downpayment required under existing law; and

(3) FHA would be permitted, on a demonstration basis until June 30, 1977, to insure mortgages on a co-insurance basis, under which lenders would bear at least 10 percent of any loss on mortgages in return for carrying out certain functions now performed by the FHA.

Fannie Mae and Freddie Mac Secondary Market Operations. The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation would be permitted to purchase conventional mortgages of up to $50,000 ($35,000 under existing law).

Maximum Loan for Savings and Loan Associations. The statutory lending limit for single-family homes financed by savings and loan associations would be increased from $45,000 to $50,000.

Prohibition Against Sex Discrimination in Mortgage Lending. The denial of any Federally-related mortgage loan, insurance guarantee, or other aid on account of sex would be prohibited, and lenders would be required to consider without prejudice the combined incomes of both husband and wife in extending mortgage credit on Federally-related loans.

TITLE IV—RURAL HOUSING

This title extends from October 1, 1974, to June 30, 1977, the authority of the Secretary of Agriculture to administer various rural housing programs; and makes the following important changes in those programs:

Authorizations. Cumulative authorizations for section 504 repair loans and grants would be increased from $50 to $75 million; for farm labor housing grants from $50 to $75 million; for self-help housing programs from $5 to $10 million; and for annual research grants from $250,000 to $1 million.

FmHA Service Area. The Farmers Home Administration rural housing programs would be permitted to serve residents of communities of up to 25,000 population where the Secretaries of Agriculture and HUD jointly determine that there exists a serious lack of mortgage credit.

Repair Loans and Grants. The maximum amount of repair loans and grants would be increased from $3,500 to $5,000.

Self-Help Housing. The FmHA would be authorized to make advances to nonprofit organizations carrying out self-help housing programs to enable them to establish revolving land purchase accounts.

TITLE V—MISCELLANEOUS

This title establishes a new HUD program to encourage the formation of State development corporations, makes various amendments to the law governing the "new communities" program, and authorizes additional funds for the section 701 comprehensive urban planning program.

State Development Agencies. HUD would be authorized to guarantee the taxable bonds of State development agencies authorized by State law to provide housing for lower income families, to revitalize slum and blighted areas, and to improve employment opportunities. In addition to the guarantees, HUD would make interest subsidy grants to cover 30 percent of the interest due on the bonds. The amount of obligations guaranteed may not exceed $500 million.

New Communities. The name of the Community Development Corporation (established by title VII of the 1970 HUD Act to administer the "new communities" program) would be changed to the "New Community Development Program"; the size of the Board of Directors of the Corporation would be increased from 5 to 7 members; and interest subsidy grants in connection with taxable bonds issued by public developers would be permitted to cover 30 percent of interest payable on the bonds (rather than the difference between the taxable and tax-exempt interest rate plus one-half of one percent, as under existing law).

Section 701 Planning. An additional $100 million would be authorized for the section 701 program for fiscal year 1975.

DETAILED SUMMARY OF THE DISTRIBUTION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AGREED UPON BY THE HOUSING SUBCOMMITTEE

(1) Effective date. The new program would begin in FY 1975.

(2) Authorization. Three-year contract authority of $8.05 billion would be authorized, with a limitation on annual disbursements of $2.45 billion in FY 75, $2.65 billion in FY 76, and $2.95 billion in FY 77; in addition, $100 million would be authorized annually for the first three fiscal years for post-transition assistance to communities with urgent community development needs.

(3) Distribution between SMSA and non-SMSA areas. Each year, 80 percent of the funds available would be allocated to SMSA's and 20 percent to non-SMSA areas.

(4) Distribution in SMSA areas.

(a) Out of the amount available to SMSA's, HUD would determine the amount to be distributed in metropolitan cities and urban counties according to a 3-part formula (population, poverty counted twice, and housing overcrowding).

(b) HUD would then determine the specific formula share for each metropolitan city and urban county.

(c) Metropolitan cities and urban counties would be "phased-in" to their full formula shares in the following manner: in the first program year, each metro city and urban county would receive the greater of one-third its formula share or "hold harmless" amount; in the second year, they would receive the greater of two-thirds of their formula shares or "hold harmless" amounts; in the third year, they would receive their full formula shares.

(d) Out of the balance remaining in the SMSA allocation, HUD would then distribute funds to meet the "hold harmless" needs of metropolitan cities and urban counties and small communities within SMSA's.

(e) Funds remaining in the SMSA allocation would be allocated by HUD among the 267 metropolitan areas on the basis of the 3-part formula and distributed on a discretionary basis to State agencies, small communities, and counties for use in each metropolitan area.

(5) Distribution in non-SMSA areas. Out of the non-SMSA allocation, HUD would distribute funds to meet the "hold harmless" needs of counties and small communities; the remainder in the non-SMSA fund would be allocated by HUD among the States on the basis of the 3-part formula and distributed on a discretionary basis to State agencies, counties, and small communities for use in the non-SMSA areas of the States.

(6) "Hold harmless".

(a) Eligibility for "hold harmless" treatment. All metropolitan cities and urban counties qualify for "hold harmless" treatment; however, eligibility for "hold harmless" treatment for other counties and small communities would be restricted to those carrying on at least one urban renewal, NDP, or model cities program under a commitment received during the 5-year period FY 70–FY 74.

(b) Amount of "hold harmless" entitlement. "Hold harmless" amounts would be computed similarly for all communities, as follows:

(1) the average amount of grants and loans received under the consolidated programs during the 5-year period FY 68–FY 72, *plus*

(2) the average annual grant made under the neighborhood development program and the model cities program (where necessary to complete five action years).

(c) Duration of "hold harmless" entitlement. All communities would receive their full "hold harmless" entitlements for three years; however, during the second three program years (FY's 78–79–80), each metropolitan city or urban county whose "hold harmless" entitlement exceeded its formula share would be "phased-down" by thirds from its "hold harmless" amount to its formula share; in the case of other communities, "hold harmless" would be "phased-down" in a similar fashion, and such communities would then be funded solely from discretionary funds; "hold harmless" would be phased out completely in the sixth year of the program.

(7) Definition of "urban county." The term "urban county" means any county within a metropolitan area which (A) is authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas which are not units of general local government and (B) has a combined population of 200,000 or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (i) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their

populations excluded or (ii) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities.

(8) HUD discretionary fund. Out of the $8.05 billion authorization for community development block grants, 2 percent ($49 million in FY 75, $53 million in FY 76, and $59 million in FY 77) would be reserved by HUD for the following uses—

(a) grants in behalf of new communities assisted under title VII of the 1970 HUD Act or title IV of the 1968 HUD Act so long as such Federal assistance is outstanding; such grants could be in addition to block grants made to States and units of general local government under other provisions of the Act which are used in behalf of new communities;

(b) grants to States and units of general local government which join in carrying out housing and community development programs which are areawide in scope; these would be incentive grants to encourage areawide programs and would be in addition to grants received by such States or units of general local government under other provisions of the Act;

(c) grants in Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands;

(d) grants to States and units of general local government in excess of the grants available to them under other provisions of the Act for the purpose of demonstrating innovative community development projects;

(e) grants to States and units of general local government in excess of the grants available to them under other provisions of the Act for the purpose of meeting emergency community development needs caused by Federally recognized disasters; and

(f) grants to States and units of general local government in excess of grants available to them under other provisions of the Act where HUD deems necessary to correct inadequacies resulting from the basic allocation system.

Not more than one-fourth of these discretionary funds could be used in any year to meet emergency disaster needs. Funds not used in any year would be carried over to the succeeding fiscal year.

FEDERAL RULES ON CRIMINAL PROCEDURE

(Mr. HUNGATE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HUNGATE. Mr. Speaker, on April 24, the Chief Justice of the United States transmitted to the Congress proposed amendments to the Federal rules of criminal procedure. These amendments become effective on August 1, 1974, unless Congress enacts legislation to provide otherwise.

The proposed amendments have been referred to the Subcommittee on Criminal Justice of the Committee on the Judiciary.

All persons or organizations desiring to comment on the proposed amendments should direct those comments as follows:

Congressman William L. Hungate, Chairman, Subcommittee on Criminal Justice of the Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

Comments should be submitted as soon as possible so that they may be considered in time for the Congress to act if action is deemed necessary.

A copy of the proposed rules follows:

AMENDMENTS TO THE FEDERAL RULES OF CRIMINAL PROCEDURE

Rule 4. Arrest warrant or summons upon complaint.

(*a*) *Issuance of a summons.*—If it appears from the complaint, or from an affidavit or affidavits filed with the complaint, that there is probable cause to believe that an offense has been committed and that the defendant has committed it, the magistrate shall issue a summons for the appearance of the defendant except as provided in subdivision (b)(2).

(*b*) *Issuance of an arrest warrant.*—A warrant shall issue whenever:

(1) a defendant fails to appear in response to a summons; or

(2) a valid reason is shown for the issuance of an arrest warrant rather than a summons; or

(3) a summons having issued, a valid reason is shown for the issuance of an arrest warrant. This showing may be made to a magistrate either in the district in which the summons was issued or in the district in which the defendant is found.

(*c*) *Probable cause.*—The finding of probable cause may be based upon hearsay evidence in whole or in part. Before ruling on a request for a summons or warrant, the magistrate may require the complainant to appear personally and may examine under oath the complainant and any witnesses he may produce. The magistrate shall promptly make or cause to be made a record or summary of such proceeding. More than one warrant or summons may issue on the same complaint or for the same defendant.

(*d*) *Form.*

(*1*) *Warrant.*—The warrant shall be signed by the magistrate and shall contain the name of the defendant or, if his name is unknown, any name or description by which he can be identified with reasonable certainty. It shall describe the offense charged in the complaint. It shall command that the defendant be arrested and brought before the nearest available magistrate.

(*2*) *Summons.*—The summons shall be in the same form as the warrant except that it shall summon the defendant to appear before a magistrate at a stated time and place.

(*e*) *Execution or service; and return.*

(*1*) *By whom.*—The warrant shall be executed by a marshal or by some other officer authorized by law. The summons may be served by any person authorized to serve a summons in a civil action.

(*2*) *Territorial limits.*—The warrant may be executed or the summons may be served at any place within the jurisdiction of the United States.

(*3*) *Manner.*—The warrant shall be executed by the arrest of the defendant. The officer need not have the warrant in his possession at the time of the arrest, but upon request he shall show the warrant to the defendant as soon as possible. If the officer does not have the warrant in his possession at the time of the arrest, he shall then inform the defendant of the offense charged and of the fact that a warrant has been issued. The summons shall be served upon a defendant by delivering a copy to him personally, or by leaving it at his dwelling house or usual place of abode with some person of suitable age and discretion then residing therein or by mailing it to the defendant's last known address.

(*4*) *Return.*—The officer executing a warrant shall make return thereof to the magistrate or other officer before whom the defendant is brought pursuant to Rule 5. At the request of the attorney for the government any unexecuted warrant shall be returned to the magistrate by whom it was issued and shall be cancelled by him. On or before the return day the person to whom a summons was delivered for service shall make return thereof to the magistrate before whom the summons is returnable. At the request of the attorney for the government made at any time while the complaint is pending, a warrant returned unexecuted and not cancelled or a summons returned unserved or a duplicate thereof may be delivered by the magistrate to the marshal or other authorized person for execution or service.

Rule 9. Warrant or summons upon indictment or information.

(*a*) *Issuance.*—Upon the request of the attorney for the government the clerk shall issue a summons for each defendant named:

(1) in the information, if it is supported by oath; or

(2) in the indictment.

The court shall order issuance of a warrant instead of a summons if the attorney for the government presents a valid reason therefor. The clerk shall deliver the warrant or summons to the marshal or other person authorized by law to execute or serve it. More than one warrant or summons may be issued on the same information and indictment or for the same defendant. If a defendant fails to appear in response to the summons, a warrant shall issue.

Rule 11. Pleas.

(*a*) *Alternatives.*—A defendant may plead not guilty, guilty, or nolo contendere. If a defendant refuses to plead or if a defendant corporation fails to appear, the court shall enter a plea of not guilty.

(*b*) *Nolo contendere.*—A defendant may plead nolo contendere only with the consent of the court. Such a plea shall be accepted by the court only after due consideration of the views of the parties and the interest of the public in the effective administration of justice.

(*c*) *Advice to defendant.*—The court shall not accept a plea of guilty or nolo contendere without first, by addressing the defendant personally in open court, informing him of and determining that he understands the following:

(1) the nature of the charge to which the plea is offered; and

(2) the mandatory minimum penalty provided by law, if any, and the maximum possible penalty provided by law for the offense to which the plea is offered; and

(3) that the defendant has the right to plead not guilty, or to persist in that plea if it has already been made; and

(4) that if he pleads guilty or nolo contendere there will not be a further trial of any kind, so that by pleading guilty or nolo contendere he waives the right to a trial.

(*d*) *Insuring that the plea is voluntary.*—The court shall not accept a plea of guilty or nolo contendere without first, by addressing the defendant personally in open court, determining that the plea is voluntary and not the result of force or threats or of promises apart from a plea agreement. The court shall also inquire as to whether the defendant's willingness to plead guilty or nolo contendere results from prior discussions between the attorney for the government and the defendant or his attorney.

(*e*) *Plea agreement procedure.*

(*1*) *In general.*—The attorney for the government and the attorney for the defendant or the defendant when acting pro se may engage in discussions with a view toward reaching an agreement that, upon the entering of a plea of guilty or nolo contendere to a charged offense or to a lesser or related offense, the attorney for the government will move for dismissal of other charges, or will recommend or not oppose the imposition of a particular sentence, or will do both. The court shall not participate in any such discussions.

(2) *Notice of such agreement.*—If a plea agreement has been reached by the parties which contemplates entry of a plea of guilty or nolo contendere in the expectation that a specific sentence will be imposed or that other charges before the court will be dismissed, the court shall require the disclosure of the agreement in open court at the time the plea is offered. Thereupon the court may accept or reject the agreement, or may defer its decision as to acceptance or rejection until there has been an opportunity to consider the presentence report.

(3) *Acceptance of plea.*—If the court accepts the plea agreement, the court shall inform the defendant that it will embody in the judgment and sentence the disposition provided for in the plea agreement or another disposition more favorable to the defendant than that provided for in the plea agreement.

(4) *Rejection of plea.*—If the court rejects the plea agreement, the court shall inform the parties of this fact, advise the defendant personally in open court that the court is not bound by the plea agreement, afford the defendant the opportunity to then withdraw his plea, and advise the defendant that if he persists in his guilty plea or plea of nolo contendere the disposition of the case may be less favorable to the defendant than that contemplated by the plea agreement.

(5) *Time of plea agreement procedure.*—Except for good cause shown, notification to the court of the existence of a plea agreement shall be given at the arraignment or at such other time, prior to trial, as may be fixed by the court.

(6) *Inadmissibility of plea discussions.*—Evidence of a plea of guilty, later withdrawn, or a plea of nolo contendere, or of an offer to plead guilty or nolo contendere to the crime charged or any other crime, or of statements made in connection with any of the foregoing pleas or offers, is not admissible in any civil or criminal proceeding against the person who made the plea or offer.

(*f*) *Determining accuracy of plea.*—Notwithstanding the acceptance of a plea of guilty, the court should not enter a judgment upon such plea without making such inquiry as shall satisfy it that there is a factual basis for the plea.

(*g*) *Record of proceedings.*—A verbatim record of the proceedings at which the defendant enters a plea shall be made and, if there is a plea of guilty or nolo contendere, the record shall include, without limitation, the court's advice to the defendant, the inquiry into the voluntariness of the plea including any plea agreement, and the inquiry into the accuracy of a guilty plea.

Rule 12. Pleadings and motions before trial; defenses and objections.

(*a*) *Pleadings and motions.*—Pleadings in criminal proceedings shall be the indictment and the information, and the pleas of not guilty, guilty and nolo contendere. All other pleas, and demurrers and motions to quash are abolished, and defenses and objections raised before trial which heretofore could have been raised by one or more of them shall be raised only by motion to dismiss or to grant appropriate relief, as provided in these rules.

(*b*) *Pretrial motions.*—Any defense, objection, or request which is capable of determination without the trial of the general issue may be raised before trial by motion. Motions may be written or oral at the discretion of the judge. The following must be raised prior to trial:

(1) Defenses and objections based on defects in the institution of the prosecution; or

(2) Defenses and objections based on defects in the indictment or information (other than that it fails to show jurisdiction in the court or to charge an offense which objections shall be noticed by the court at any time during the pendency of the proceedings); or

(3) Motions to suppress evidence; or

(4) Requests for discovery under rule 16; or

(5) Requests for a severance of charges or defendants under Rule 14.

(*c*) *Motion date.*—Unless otherwise provided by local rule, the court may, at the time of the arraignment or as soon thereafter as practicable, set a time for the making of pretrial motions or requests and, if required, a later date of hearing.

(*d*) *Notice by the government of the intention to use evidence.*

(*1*) *At the discretion of the government.*—At the arraignment or as soon thereafter as is practicable, the government may give notice to the defendant of its intention to use specified evidence at trial in order to afford the defendant an opportunity to raise objections to such evidence prior to trial under subdivision (b) (3) of this rule.

(2) *At the request of the defendant.*—At the arraignment or as soon thereafter as is practicable the defendant may, in order to afford an opportunity to move to suppress evidence under subdivision (b) (3) of this rule, request notice of the government's intention to use (in its evidence in chief at trial) any evidence which the defendant may be entitled to discover under Rule 16 subject to any relevant limitations prescribed in Rule 16.

(*e*) *Ruling on motion.*—A motion made before trial shall be determined before trial unless the court orders that it be deferred for determination at the trial of the general issue or until after verdict. Where factual issues are involved in determining a motion, the court shall state its essential findings on the record.

(*f*) *Effect of failure to raise defenses or objections.*—Failure by a party to raise defenses or objections or to make requests which must be made prior to the trial, at the time set by the court pursuant to subdivision (c), or prior to any extension thereof made by the court, shall constitute waiver thereof, but the court for cause shown may grant relief from the waiver.

(*g*) *Records.*—A verbatim record shall be made of all proceedings at the hearing, including such findings of fact and conclusions of law as are made orally.

(*h*) *Effect of determination.*—If the court grants a motion based on a defect in the institution of the prosecution or in the indictment or information, it may also order that the defendant be held in custody or that his bail be continued for a specified time pending the filing of a new indictment or information. Nothing in this rule shall be deemed to affect the provisions of any act of Congress relating to periods of limitations.

Rule 12.1. Notice of alibi.

(*a*) *Notice by defendant.*—If a defendant intends to rely upon the defense of alibi, he shall, within the time provided for the filing of pretrial motions or at such later time as the court may direct, notify the attorney for the government in writing of such intention and file a copy of such notice with the clerk.

(*b*) *Disclosure of information and witnesses.*—Upon receipt of notice that the defendant intends to rely upon an alibi defense, the attorney for the government shall inform the defendant in writing of the specific time, date, and place at which the offense is alleged to have been committed. The defendant shall then inform the attorney for the government in writing of the specific place at which he claims to have been at the time of the alleged offense and the names and addresses of the witnesses upon whom he intends to rely to establish such alibi. The attorney for the government shall then inform the defendant in writing of the names and addresses of the witnesses upon whom the government intends to rely to establish defendant's presence at the scene of the alleged offense.

(*c*) *Time of giving information.*—The court may fix the time within which the exchange of information referred to in subdivision (b) shall be accomplished.

(*d*) *Continuing duty to disclose.*—If prior to or during trial, a party learns of an additional witness whose identity, if known, should have been included in the information furnished under subdivision (b) of this rule, the party shall promptly notify the other party or his attorney of the existence and identity of such additional witness.

(*e*) *Failure to comply.*—Upon the failure of either party to comply with the requirements of this rule, the court may exclude the testimony of any undisclosed witness offered by such party as to the defendant's absence from, or presence at, the scene of the alleged offense. This rule shall not limit the right of the defendant to testify in his own behalf.

(*f*) *Exceptions.*—For good cause shown, the court may grant an exception to any of the requirements of this rule.

Rule 12.2 Notice of defense based upon mental condition.

(*a*) *Defense of insanity.*—If a defendant intends to rely upon the defense of insanity at the time of the alleged crime, he shall, within the time provided for the filing of pretrial motions or at such later time as the court may direct, notify the attorney for the government in writing of such intention and file a copy of such notice with the clerk. If there is a failure to comply with the requirements of this subdivision, insanity may not be raised as a defense. The court may for cause shown allow late filing of the notice or grant additional time to the parties to prepare for trial or make such other order as may be appropriate.

(*b*) *Mental disease or defect inconsistent with the mental element required for the offense charged.*—If a defendant intends to introduce expert testimony relating to a mental disease, defect, or other condition bearing upon the issue of whether he had the mental state required for the offense charged, he shall, within the time provided for the filing of pretrial motions or at such later time as the court may direct, notify the attorney for the government in writing of such intention and file a copy of such notice with the clerk. The court may for cause shown allow late filing of the notice or grant additional time to the parties to prepare for trial or make such other order as may be appropriate.

(*c*) *Psychiatric examination.*—In an appropriate case the court may, upon motion of the attorney for the government, order the defendant to submit to a psychiatric examination by a psychiatrist designated for this purpose in the order of the court.

(*d*) *Failure to comply.*—If there is a failure to give notice when required by subdivision (b) of this rule or to submit to an examination when ordered under subdivision (c) of this rule, the court may exclude the testimony of any expert witness offered by the defendant on the issue of his mental state.

Rule 15. Depositions.

(*a*) *When taken.*—Whenever due to special circumstances of the case it is in the interest of justice that the testimony of a prospective witness of a party be taken and preserved for use at trial, the court may upon motion of such party and notice to the parties order that testimony of such witness be taken by deposition and that any designated book, paper, document, record, recording, or other material not privileged, be produced at the same time and place. If a witness is committed for failure to give bail to appear to testify at a trial or hearing, the court on written motion of the witness and upon notice to the parties may direct that his deposition be taken. After the deposition has been subscribed the court may discharge the witness.

(*b*) *Notice of taking.*—The party at whose instance a deposition is to be taken shall give to every party reasonable written notice of the time and place for taking the deposition. The notice shall state the name and address of each person to be examined. On motion of a party upon whom the notice is served, the court for cause shown may extend or shorten the time or change the place for taking the deposition. The officer having custody of a defendant shall be notified of the time and place set for the examination and shall, unless the defendant waives in writing the right to be present, produce him at the examination and keep him in the presence of the witness during the examination. A defendant not in custody shall have the right to be present at the examination upon request subject to such terms as may be fixed by the court, but his failure, absent good cause shown, to appear after notice and tender of expenses in accordance with subdivision (c) of this rule shall constitute a waiver of that right and of any objection to the taking and use of the deposition based upon that right.

(*c*) *Payment of expenses.*—Whenever a deposition is taken at the instance of the government, or whenever a deposition is taken at the instance of a defendant who is unable to bear the expense of the taking of the deposition, the court may direct that the expenses of travel and subsistence of the defendant and his attorney for attendance at the examination shall be paid by the government.

(*d*) *How taken.*—Subject to such additional conditions as the court shall provide, a deposition shall be taken and filed in the manner provided in civil actions except as otherwise provided in these rules, provided that (1) in no event shall a deposition be taken of a party defendant without his consent, and (2) the scope and manner of examination and cross-examination shall be such as would be allowed in the trial itself. The government shall make available to the defendant or his counsel for examination and use at the taking of the deposition any statement of the witness being deposed which is in the possession of the government and to which the defendant would be entitled at the trial.

(*e*) *Use.*—At the trial or upon any hearing, a part or all of a deposition, so far as otherwise admissible under the rules of evidence, may be used as substantive evidence if the witness is unavailable, as defined in subdivision (g) of this rule, or the witness gives testimony at the trial or hearing inconsistent with his deposition. Any deposition may also be used by any party for the purpose of contradicting or impeaching the testimony of the deponent as a witness. If only a part of a deposition is offered in evidence by a party, an adverse party may require him to offer all of it which is relevant to the part offered and any party may offer other parts.

(*f*) *Objections to deposition testimony.*—Objections to deposition testimony or evidence or parts thereof and the grounds for the objection shall be stated at the time of the taking of the deposition.

(*g*) *Unavailability.*—"Unavailable" as a witness includes situations in which the deponent:

(1) is exempted by ruling of the judge on the ground of privilege from testifying concerning the subject matter of his deposition; or

(2) persists in refusing to testify concerning the subject matter of his deposition despite an order of the judge to do so; or

(3) testifies to a lack of memory of the subject matter of his deposition; or

(4) is unable to be present or to testify at the hearing because of death or then existing physical or mental illness or infirmity; or

(5) is absent from the hearing and the proponent of his deposition has been unable to procure his attendance by process or other reasonable means. A deponent is not unavailable as a witness if his exemption, refusal, claim of lack of memory, inability, or absence is due to the procurement or wrongdoing of the proponent of his deposition for the purpose of preventing the witness from attending or testifying.

(*h*) *Deposition by agreement not precluded.*—Nothing in this rule shall preclude the taking of a deposition, orally or upon written questions, or the use of a deposition, by agreement of the parties with the consent of the court.

Rule 16. Discovery and inspection.

(*a*) *Disclosure of evidence by the government.*

(*1*) *Information subject to disclosure.*

(*A*) *Statement of defendant.*—Upon request of a defendant the government shall permit the defendant to inspect and copy or photograph: any relevant written or recorded statements made by the defendant, or copies thereof, within the possession, custody or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government; the substance of any oral statement which the government intends to offer in evidence at the trial made by the defendant whether before or after arrest in response to interrogation by any person then known to the defendant to be a government agent; and recorded testimony of the defendant before a grand jury which relates to the offense charged. Where the defendant is a corporation, partnership, association, or labor union, the court may grant the defendant, upon its motion, discovery of relevant recorded testimony of any witness before a grand jury who was, at the time either of the charged acts or of the grand jury proceedings, so situated as an officer or employee as to have been able legally to bind the defendant in respect to the activities involved in the charges.

(*B*) *Defendant's prior record.*—Upon request of the defendant, the government shall furnish to the defendant such copy of his prior criminal record, if any, as is then available to the attorney for the government.

(*C*) *Documents and tangible objects.*—Upon request of the defendant the government shall permit the defendant to inspect and copy or photograph books, papers, documents, photographs, tangible objects, buildings or places, or copies or portions thereof, which are within the possession, custody or control of the government, and which are material to the preparation of his defense or are intended for use by the government as evidence in chief at the trial, or were obtained from or belong to the defendant.

(*D*) *Reports of examinations and tests.*—Upon request of a defendant the government shall permit the defendant to inspect and copy or photograph any results or reports of physical or mental examinations, and of scientific tests or experiments, made in connection with the particular case, or copies thereof, within the possession, custody or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government.

(*E*) *Government witnesses.*—Upon request of the defendant the government shall furnish to the defendant a written list of the names and addresses of all government witnesses which the attorney for the government intends to call in the presentation of the case in chief together with any record of prior felony convictions of any such witness which is within the knowledge of the attorney for the government. When a request for discovery of the names and addresses of witnesses has been made by a defendant, the government shall be allowed to perpetuate the testimony of such witnesses in accordance with the provisions of Rule 15.

(*2*) *Information not subject to disclosure.*—Except as provided in paragraphs (A), (B), and (D) of subdivision (a)(1), this rule does not authorize the discovery or inspection of reports, memoranda, or other internal government documents made by the attorney for the government or other government agents in connection with the investigation or prosecution of the case, or of statements made by government witnesses or prospective government witnesses except as provided in 18 U.S.C. § 3500.

(*3*) *Grand jury transcripts.*—Except as provided in Rule 6 and subdivision (a)(1)(A) of this rule, these rules do not relate to discovery or inspection of recorded proceedings of a grand jury.

(*4*) *Failure to call witness.*—The fact that a witness' name is on a list furnished under this rule shall not be grounds for comment upon a failure to call the witness.

(*b*) *Disclosure of evidence by the defendant.*

(*1*) *Information subject to disclosure.*

(*A*) *Documents and tangible objects.*—Upon request of the government, the defendant shall permit the government to inspect and copy or photograph books, papers, documents, photographs, tangible objects, or copies or portions thereof, which are within the possession, custody or control of the defendant and which the defendant intends to introduce as evidence in chief at the trial.

(*B*) *Reports of examinations and tests.*—Upon request of the government, the defendant shall permit the government to inspect and copy or photograph any results or reports of physical or mental examinations and of scientific tests or experiments made in connection with the particular case, or copies thereof, within the possession or control of the defendant which the defendant intends to introduce as evidence in chief at the trial or which were prepared by a witness whom the defendant intends to call at the trial when the results or reports relate to his testimony.

(*C*) *Defense witnesses.*—Upon request of the government, the defendant shall furnish the government a list of the names and addresses of the witnesses he intends to call in the presentation of the case in chief. When a request for discovery of the names and addresses of witnesses has been made by the government, the defendant shall be allowed to perpetuate the testimony of such witnesses in accordance with the provisions of Rule 15.

(*2*) *Information not subject to disclosure.*—Except as to scientific or medical reports, this subdivision does not authorize the discovery or inspection of reports, memoranda, or other internal defense documents made by the defendant, or his attorneys or agents in connection with the investigation or defense of the case, or of statements made by the defendant, or by government or defense witnesses, or by prospective government or defense witnesses, to the defendant, his agents or attorneys.

(*3*) *Failure to call witness.*—The fact that a witness' name is on a list furnished under this rule shall not be grounds for comment upon a failure to call a witness.

(*c*) *Continuing duty to disclose.*—If, prior to or during trial, a party discovers additional evidence or material previously requested or ordered, which is subject to discovery or inspection under this rule, or the identity of an additional witness or witnesses, he shall promptly notify the other party or his attorney or the court of the existence of the additional material or witness.

(*d*) *Regulation of discovery.*

(*1*) *Protective orders.*— Upon a sufficient showing the court may at any time order that the discovery or inspection be denied, restricted or deferred, or make such other order as is appropriate. Upon request by a party the court shall permit the party to make such showing, in whole or in part, in the form of a written statement to be inspected by the judge alone. If the court enters an order granting relief following such a showing, the entire text of the party's statement shall be sealed and preserved in the records of the court to be made available to the appellate court in the event of an appeal.

(2) *Failure to comply with a request.*—If at any time during the course of the proceedings it is brought to the attention of the court that a party has failed to comply with this rule, the court may order such party to permit the discovery or inspection, grant a continuance, or prohibit the party from introducing evidence not disclosed, or it may enter such other order as it deems just under the circumstances. The court may specify the time, place and manner of making the discovery and inspection and may prescribe such terms and conditions as are just.

(*e*) *Albi witnesses.*—Discovery of alibi witnesses is governed by Rule 12.1.

Rule 17. Subpoena.

(*f*)

(2) *Place.* The witness whose deposition is to be taken may be required by subpoena to attend at any place designated by the trial court.

Rule 20. Transfer from the district for plea and sentence.

(*a*) *Indictment or information pending.*—A defendant arrested, held, or present in a district other than that in which an indictment or information is pending against him may state in writing that he wishes to plead guilty or nolo contendere, to waive trial in the district in which the indictment or information is pending, and to consent to disposition of the case in the district in which he was arrested, held, or present, subject to the approval of the United States attorney for each district. Upon receipt of the defendant's statement and of the written approval of the United States attorneys, the clerk of the court in which the indictment or information is pending shall transmit the papers in the proceeding or certified copies thereof to the clerk of the court for the district in which the defendant is arrested, held, or present, and the prosecution shall continue in that district.

(*b*) *Indictment or information not pending.*—A defendant arrested, held, or present in a district other than the district in which a complaint is pending against him may state in writing that he wishes to plead guilty or nolo contendere, to waive trial in the district in which the warrant was issued, and to consent to disposition of the case in the district in which he was arrested, held, or present subject to the approval of the United States attorney for each district. Upon receipt of the defendant's statement and of the written approval of the United States attorneys and upon filing of an information or the return of an indictment, the clerk of the court for the district in which the warrant was issued shall transmit the papers in the proceeding or certified copies thereof to the clerk of the court for the district in which the defendant was arrested, held, or present, and the prosecution shall continue in that district. When the defendant is brought before the court to plead to an information filed in the district where the warrant was issued, he may at that time waive indictment as provided in Rule 7, and the prosecution may continue based upon the information originally filed.

(c) *Effect of not guilty plea.*—If after the proceeding has been transferred pursuant to subdivision (a) or (b) of this rule the defendant pleads not guilty, the clerk shall return the paper to the court in which the prosecution was commenced, and the proceeding shall be restored to the docket of that court. The defendant's statement that he wishes to plead guilty or nolo contendere shall not be used against him.

(*d*) *Juveniles.*—A juvenile (as defined in 18 U.S.C. § 5031) who is arrested, held, or present in a district other than that in which he is alleged to have committed an act in violation of a law of the United States not punishable by death or life imprisonment may, after he has been advised by counsel and with the approval of the court and the United States attorney, consent to be proceeded against as a juvenile delinquent in the district in which he is arrested, held, or present. The consent shall be given in writing before the court but only after the court has apprised the juvenile of his rights, including the right to be returned to the district in which he is alleged to have committed the act, and of the consequences of such consent.

Rule 29.1. Closing argument.—After the closing of evidence the prosecution shall open the argument. The defense shall be permitted to reply. The prosecution shall then be permitted to reply in rebuttal.

Rule 32. Sentence and judgment.

(*a*) *Sentence.*

(*1*) *Imposition of sentence.*—Sentence shall be imposed without unreasonable delay. Before imposing sentence the court shall afford counsel an opportunity to speak on behalf of the defendant and shall address the defendant personally and ask him if he wishes to make a statement in his own behalf and to present any information in mitigation of punishment.

(2) *Notification of right to appeal.*—After imposing sentence in a case which has gone to trial on a plea of not guilty, the court shall advise the defendant of his right to appeal and of the right of a person who is unable to pay the cost of an appeal to apply for leave to appeal in forma pauperis. There shall be no duty on the court to advise the defendant of any right of appeal after sentence is imposed following a plea of guilty or nolo contendere. If the defendant so requests, the clerk of the court shall prepare and file forthwith a notice of appeal on behalf of the defendant.

(*c*) *Presentence investigation.*

(*1*) *When made.*—The probation service of the court shall make a presentence investigation and report to the court before the imposition of sentence or the granting of probation unless the court otherwise directs for reasons stated on the record.

The report shall not be submitted to the court or its contents disclosed to anyone unless the defendant has pleaded guilty or nolo contendere or has been found guilty, except that a judge may, with the written consent of the defendant, inspect a presentence report at any time.

(2) *Report.*—The report of the presentence investigation shall contain any prior criminal record of the defendant and such information about his characteristics, his financial condition and the circumstances affecting his behavior as may be helpful in imposing sentence or in granting probation or in the correctional treatment of the defendant, and such other information as may be required by the court.

(*3*) *Disclosure.*

(A) Before imposing sentence the court shall upon request permit the defendant, or his counsel if he is so represented, to read the report of the presentence investigation exclusive of any recommendation as to sentence, unless in the opinion of the court the report contains diagnostic opinion which might seriously disrupt a program of rehabilitation, sources of information obtained upon a promise of confidentiality, or any other information which, if disclosed, might result in harm, physical or otherwise, to the defendant or other persons; and the court shall afford the defendant or his counsel an opportunity to comment thereon.

(B) if the court is of the view that there is information in the presentence report which should not be disclosed under subdivision (c) (3) (A) of this rule, the court in lieu of making the report or part thereof available shall state orally or in writing a summary of the factual information contained therein to be relied on in determining sentence, and shall give the defendant or his counsel an opportunity to comment thereon. The statement may be made to the parties in camera.

(C) Any material disclosed to the defendant or his counsel shall also be disclosed to the attorney for the government.

(D) Any copies of the presentence investigation report made available to the defendant or his counsel and the attorney for the government shall be returned to the probation officer immediately following the imposition of sentence or the granting of probation. Copies of the presentence investigation report shall not be made by the defendant, his counsel, or the attorney for the government.

(E) The reports of studies and recommendations contained therein made by the Director of the Bureau of Prisons or the Youth Correction Division of the Board of Parole pursuant to 18 U.S.C. 4208(b), 4252, 5010(e), or 5034 shall be considered a presentence investigation within the meaning of subdivision (c) (3) of this rule.

(*d*) *Withdrawal of plea of guilty.*—A motion to withdraw a plea of guilty or nolo contendere may be made only before sentence is imposed or imposition of sentence is suspended; but to correct manifest injustice the court after sentence may set aside the judgment of conviction and permit the defendant to withdraw his plea.

(*e*) *Probation.*—After conviction of an offense not punishable by death or by life imprisonment, the defendant may be placed on probation if permitted by law.

(*f*) *Revocation of probation.*—The court shall not revoke probation except after a hearing at which the defendant shall be present and apprised of the grounds on which such action is proposed. The defendant may be admitted to bail pending such hearing.

Rule 43. Presence of the defendant.

(*a*) *Presence required.*—The defendant shall be present at the arraignment, at the time of the plea, at every stage of the trial including the impaneling of the jury and the return of the verdict, and at the imposition of sentence, except as otherwise provided by this rule.

(*b*) *Continued presence not required.*—The further progress of the trial to and including the return of the verdict shall not be prevented and the defendant shall be considered to have waived his right to be present whenever a defendant, initially present,

(1) voluntarily absents himself after the trial has commenced (whether or not he has been informed by the court of his obligation to remain during the trial), or

(2) engages in conduct which is such as to justify his being excluded from the courtroom.

(*c*) *Presence not required.*—A defendant need not be present in the following situations:

(1) A corporation may appear by counsel for all purposes.

(2) In prosecutions for offenses punishable by fine or by imprisonment for not more than one year or both, the court, with the written consent of the defendant, may permit arraignment, plea, trial, and imposition of sentence in the defendant's absence.

(3) At a conference or argument upon a question of law.

(4) At a reduction of sentence under Rule 35.

WESTERN COAL MINING SIGNALS WATER CRISIS

(Mr. MELCHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, geologists familiar with the great river basins in Wyoming and eastern Montana and who have carefully examined the land and water of these river basins such as the Little Missouri, Powder River, the Tongue, Big Horn, and Yellowstone warn us that we must use careful planning and strong legislative safeguards when we consider coal development in these areas.

I have been advised on the significance by one who is well acquainted with the Powder River Basin which Wyoming and Montana share. I pass on this advice to my colleagues in the House, Mr. Speaker, as an example of the care and diligence we must exercise to protect these great Western river basins.

The Powder River basin, which dips westward from the Black Hills of South Dakota to the Big Horn Mountain range, is a vast area with relatively low amounts of annual precipitation and an area much of which could offer less and less opportunity for farming and ranching if the surface and subsurface waters are not protected.

Water is one of the most important elements in the Powder River country. Farming and ranching successes depend on year-to-year availability of the water. But the introduction of coal strip mining operations into the basin is new.

With it we are talking about disruptions of agricultural functions of the land surface, modification of water runoff patterns, possible siltation of streams from watersheds while being mined, new water uses, and tampering with the basin's intricate and critical network of aquifers.

As Congress gets nearer to enactment of legislation for Federal regulation of coal strip mining for purposes of insuring land surface reclamation and protection of water both on the surface and subsurface, we are well aware that the legislation should more adequately address itself to the critical questions of ground water and the geological aquifers which carry needed subsurface water throughout an area such as the Powder River basin for livestock and domestic range requirements, irrigation, and municipal water supplies. We have not had the geological and hydrological studies of the basin we need to give us a specific understanding of the effects on watershed, stream flows and aquifers—which are often the coal veins themselves—into which scores of domestic wells have been tapped for years.

In country like the basins I have mentioned previously, it is impossible to separate surface water from ground water. It is all intermeshed in nature's closed system affected by the ultimate source—the amount of annual precipation in the basin. This important factor determines the amount of surface water flow in each basin, and the runoff each year first will fill the underground aquifers to their level of permeability. Whatever runoff is left over stays topside. Historically speaking, man's water needs in these basins have developed into a compatible balance between ground water well taps and surface drainage diversions.

Returning again to the Powder River basin, let us consider what requirements are necessary for strip mining of coal and power generating operations to assure protection of water. Most of the Powder River basin is arid, with surface flows unpredictable and subject to existing adjudicated water rights. We must warn ourselves that large scale use of underground water for industrial purposes could literally set up a hydrologic imbalance that would dry up vast areas of the basin causing threats of a western desert.

I believe the plain truth is expressed in the following five points:

First, underground fresh water comes from surface water supplies. If you withdraw large volume of underground fresh water, you are expropriating somebody's surface water.

Second, since industrial use of fresh water may start a disastrous cycle that is difficult to stop even when the bad results become apparent to everyone, all underground fresh water should be reserved for use by cities and agriculture.

Third, few large industrial water users in the country use underground fresh water.

Fourth, industrial users should be required to use impounded or surface runoff water. Otherwise, the delicate balance between surface and underground water will be upset, and the desert cycle will begin.

Fifth, the amount of fresh water used each year in any basin should not exceed the amount which nature supplies to that basin each year. Only the manner in which this available supply will be divided up between the various uses should be debatable. If we permit more to be used than nature will replace, we will be heading down a road which the people who actually live in the western river basins of this country do not wish to travel.

Using the Powder River Basin as an example here is greater detail of the interworking of surface and subsurface water. Nature supplies the Powder River Basin with a certain amount of fresh water each year in the form of rain, snow, or hail, part of which soaks into the ground where it falls. The remaining water begins to run off, first in very small drainages, then in larger creeks, and finally in rivers.

While the water is running off, a number of relatively invisible things are happening. First, the Powder River Basin may be considered to be shaped like a big bowl with the sides of the bowl being made of many layers. The bottom layer is granite or igneous rock. This bottom layer in the bowl would be as deep as 20,000 feet or more below the surface of the ground out in the middle or deepest part of the basin. This same granite formation gradually slopes upward and comes to the surface—outcrops—in the Big Horn Mountains to the west and the Black Hills to the east. Directly above the granite, we find successive layers or formations which surface near the granite outcrop in the mountains at high elevations. Several of the formations have the ability to hold large quantities of water able to move quite freely over long distances vertically and horizontally.

These qualities of good porosity and permeability, when combined with a good thick formation of perhaps 100 feet or more, help to make a good fresh water aquifer. Such aquifers may contain millions of acre-feet of water in a basin like the Powder River Basin.

Starting just above the granite, the first well-known aquifer would be the Flathead sandstone. Some distance above that, we find one of the most important aquifers — the Madison limestone — and above that, the Tensleep sandstone. All three of these outcrop at high elevations in the mountains on the sides of the basin.

Some water falling on the outcrop of the Flathead or the Madison or the Tensleep seeps into the ground and due to gravity moves downward toward the lower part of the basin. Also, continuously running streams—from melting snow and springs in the mountains—crossing the formation outcrops of these major aquifers provide one of the major sources for recharge of these aquifers.

Next, in every mountainous area, especially near the foot of the mountain range, are literally thousands of fractures, faults, crevices and breaks in the rocks immediately above the aquifers. As the streams run downhill, they cross the outcrop of these formations above the aquifer, and the water runs down through these fractures and into the underlying aquifer. This is, perhaps, the second most important source for recharge water, with the third most important being that which falls directly on the aquifer outcrop itself.

Whenever a given aquifer gets filled up at the various points of recharge, the water that has been going into the recharge zone simply continues its runoff on the surface. Since the most important recharge areas for these three major aquifers are at relatively high elevations, when wells are drilled into them at lower elevations they may flow at the surface as a result of the hydrostatic head. This head, resulting from water at higher elevations, causes the fresh water in the aquifer to be under pressure through the formation. Near the base of the mountains, and in some other fortunate spots, faults or fractures exist where this pressure forces water from the aquifer to the surface where good year-round springs are formed. These springs do not freeze up in the winter. This is one easy way to determine whether a spring comes from a minor surface accumulation which usually freezes in below-zero temperatures or a good permanent spring which has a deep water source with a constant temperature. These good permanent springs usually flow into a nearby creek and become runoff water.

As the streams flow on out toward the center of the basin, they cross outcrops of higher and higher formations—recharging each one capable of recharge as it passes over its outcrop. However, by now, the elevation of the recharge is not much higher than the surrounding areas, so wells drilled into these higher formations do not normally flow. A good example of this would be the Fox Hills sandstone which is an excellent aquifer. Sometimes, higher formations receive recharge from deeper formations by water movement upward along fault planes. This is not visible on the surface and is very difficult to prove or disprove.

Finally, when streams or rivers have reached the lowest part of the basin, the real excess unused water then flows on out of the basin—in the Yellowstone River—and eventually to the oceans. The amount of this excess depends on the amount nature puts on the surface each year and the amount used by people or by industry.

So, surface water recharges underground fresh water aquifers. If there is no recharge, then there is not likely to be any drinkable—potable—water. There is such a thing as fossil water which is not connected to any surface supplies and has been trapped and preserved in the rocks the same as fossils. Usually, fossil water is so brackish or so highly mineralized as to be unusable as fresh water in the Powder River Basin is negligible.

Whenever large volumes of water are withdrawn from an aquifer, nature immediately begins to try to replace that water by increasing the recharge. This increased recharge takes water that would normally flow on down the mountain and out into the basin to be used by cities and irrigated farms and ranches. As more wells are drilled into the aquifer, eventually the recharge, even at greatly increased rates, would no longer be able to keep up with the increasing withdrawals. Then the regional level of the water table in the aquifer begins dropping. When this happens, the hydrostatic pressure in the aquifer drops and springs and flowing wells stop their flow—simply because the pressure is no longer present to force the water up to previous levels.

At this point, a cycle begins with a vast number of far-reaching and disastrous effects. As the stream flow decreases from the increased recharge and the flowing springs and water wells stop their discharge into streams, the local surface water tables in the irrigated valleys bebin to drop. Household water wells need to be deepened and subirrigated hay meadows and grain fields dry up, with each development triggering a host of other things dependent on the water. In the center of the basin, the higher, shallower formations—like the Fox Hills—will no longer be receiving recharge from streams. Fish, birds, crops, grass, animals, and man are all adversely affected by this well-known cycle. It has happened already in many places in this country where large concentrations of people have "mined" their fresh water. In areas of California, west Texas, New Mexico, and Colorado, people have used their water resources far beyond the ability of the resource to recharge to the same water tables and stream flows. If past history in other areas means anything, the underground fresh water supplies must be kept sufficient for normal city and agricultural requirements—

The people of the West must make certain that priorities be established to assure underground fresh water and recharge are sufficient for our cities and our food production for the foreseeable future—without triggering the disasterous desert-like cycle.

SLAUGHTER IN THE COAL MINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. HECHLER) is recognized for 30 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, at a time when all coal operators are grumbling and grousing that the mine safety laws slow down production, more and more coal miners are being killed and injured in West Virginia. During 1973, 42 of the 132 men who met death in the mines were West Virginians—slightly less than 1 out of 3. But in the first 3 months of 1974, 13 of the 33 fatalities have occurred in West Virginia mines—which is close to 2 out of every 5.

The statistics on disabling mine injuries are even grimmer. In 1973, 4,632 of the 11,067 recorded injuries occurred in West Virginia—an intolerable 42 percent of the total. The 1974 figures on disabling injuries have not yet been compiled.

Since the energy crisis became a household phrase, it has become fashionable for politicians and bureaucrats to say we must be practical and not harass the producers with needless environmental safety restrictions. Coal operators and their allies point to the high accident rate in underground mines as one of their chief arguments in favor of strip mining. Yet United States Steel and Bethlehem Steel have far better safety records in their underground mines than many of the strip mining operations. The record of the steel companies, whose captive mines seem to understand the need for safety and its relation to better production, proves once again that underground mines do not have to be death traps and that deep mining is not necessarily more dangerous than strip mining.

At a time when the coal companies are complaining about a lack of manpower, they do not seem to get it into their thick heads that as long as certain companies allow unsafe conditions to persist they will continue to find it difficult to attract many new miners. The coal industry still is ruled by far too many "fossil fools" who stolidly stick to the maxim that all mining accident are caused by carelessness of the miners. After all, whose life is at stake, the miner or the operator? Those who run the coal industry tried several years ago to float a massive public relations program, complete with billboards, bumper stickers, buttons, and radio and TV spots designed to merchandise coal miners into trying to be safer. I wrote an amendment into the law specifically prohibiting such phony public relations campaigns among coal miners. Now the coal industry and Department of Interior bureaucrats are dreaming up a new program of "motivational research" designed to persuade coal miners to be safer. How silly can they get before they get down to the point that company safety has been achieved by the steel companies, and ought to be copied and repeated by every coal company?

In 1973, West Virginia's major coal companies, Consolidation Coal, Eastern Associated, and Pittston, were among the worst in the industry from a safety standpoint. Consolidation once again led the Nation in fatalities with 16 while Eastern was second with 8, Pittston third with 7. Eastern's 0.77 fatalities per million man-hours was the highest in the Nation and the 1,126 disabling injuries in Eastern's mines also was the worst in the Nation. Eastern's injury rate per million man-hours was an unbelievable 108.40, up slightly over 1972. Pittston rivaled Eastern in its callous disregard for the safety of its miners—941 men were seriously injured in Pittston operations during 1973, a rate of 68.52 injuries per million man-hours worked. While Consol did show some improvement in safety over 1972, it is a disgrace that year in and year out, the same companies operate criminally unsafe mines. And these same executives are the very ones who lead the hue and cry about "wildcat strikes" and absenteeism. If they followed the example of the steel company coal operations, perhaps their problems would cease.

Once again in 1973, United States Steel and Bethlehem Steel ranked Nos. 1 and 2 in safety. United States Steel's industry leading injury rate of 6.44 was one-eighteenth that of Eastern Associated Coal. How can you explain why one company would have 18 times as many serious injuries as another—unless it is a question of commitment to safety.

The continued top safety records of the steel companies seem to prove two points: First, underground mines can be operated safely. United States Steel operates 99 percent deep mines and they are the safest mines from an injuries standpoint of any company in the coal industry. Bethlehem Steel operates both deep and strip mines.

Bethlehem had no fatalities in any of its mines during 1973.

The record of steel companies also proves that deep mines are not necessarily more dangerous than strip mines. The injury rates of United States Steel and Bethlehem are far below the 38.26 disabling injuries per million man-hours posted by Pittston's strip mines, the 53.46 injury rate posted by North American strip mines, and the 20.03 rate posted in the strip mines of the nation's number one strip producer, Peabody Coal Company. In fact, large strip mining operations appear to be more dangerous than many deep mines. In 1973, the fatality rates on strip mines operated by the top two strip producers, Peabody and Consolidation Coal, were .47 and .45 fatalities per million man hours respectively. This is virtually identical to the industry wide rate of .50 scored by all underground operations in 1973. In 1972 Peabody and Consol had an identical fatality rate of .61, which exeeded the fatality rate of all deep mines with the exception of those deep mines operated by Consol which caused deaths at an incredible rate of 1.14 per million man hours of exposure. In short, large scale strip mining is dangerous indeed.

And the trend toward increasing danger in strip mining seems to be continuing. In the first 2 months of 1974, the fatality rate for strip mines was .52 substantially higher than the .43 posted by deep mines nationwide during the same 2 months. In addition the fatality rate of West Virginia strip mines rose from .30 in 1972 to .35 in 1973 at the same time that the deep mining fatality rate statewide was declining.

Following are the data on fatality and injury rates in 1972 and 1973:

COMPARISON 1972 AND 1973—WEST VIRGINIA AND UNITED STATES

	West Virginia		Nationwide	
	1972	1973	1972	1973
Deep fatals	46	39	126	107
Deep fatals rate	.62	.54	.66	.50
Strip fatals	2	2	20	17
Strip fatals rate	.30	.35	.34	.28
Deep injuries	4,864	4,478		
Deep injuries rate	63.90	62.36	57.02	50.21
Strip injuries	200	154		
Strip injuries rate	30.45	26.87	19.92	18.38

Nationwide—January–February 1974:

Underground fatals	16
Underground fatal rate	.43
Strip fatals	5
Strip fatals rate	.52

Through March 1974, there were 33 fatals nationwide, 13 in West Virginia.

FATALITY AND INJURY RATES FOR TOP 12 PRODUCERS IN 1973

Company	Deep fatalities	Rate	Strip fatalities	Rate	Deep injuries	Rate	Strip injuries	Rate
Peabody	3	0.33	4	0.47	461	50.20	171	20.03
Consolidation	13	.53	2	.45	464	19.01	24	5.44
Island Creek	6	.52	0		255	22.17	2	3.16
Pittston	7	.58	0		886	73.46	18	38.26
U.S. Steel	5	.46	0		77	7.04	2	3.48
General Dynamics	0		0		146	57.48	22	25.50
Bethlehem	0		0		73	7.87	0	
Eastern Associates	8	.84	0		1,093	115.06	3	29.66
Old Ben	2	.53	0		167	44.28	8	13.81
Westmoreland	2	.39	0		604	116.94	0	
North American	0		0		466	89.32	7	53.46
Amax			0		0		57	22.19

Note: Rates are fatalities and injuries per million man-hours exposure.

FATALITY AND INJURY RECORDS FOR TOP 10 COAL PRODUCERS IN 1972

Company	Underground fatalities	Rate	Strip fatalities	Rate	Underground injuries	Rate	Strip injuries	Rate
Peabody	2	0.26	5	0.61	416	53.68	266	32.71
Consolidation	28	1.14	2	.61	845	34.49	60	18.31
Island Creek	5	.49	(1)	(1)	338	33.13		
Pittston	4	.31			1,103	85.06	24	69.91
Amax	(2)	(2)	0	0			39	19.58
U.S. Steel	4	.37	(1)	(1)	58	5.30		
Bethlehem	5	.55	0	0	82	8.97	1	29.61
Eastern Associates	3	.30	(1)	(1)	1,077	107.59		
North American	1	.20			516	96.44		
Old Ben	2	.62	0	0	161	49.66	14	19.94

[1] No strip mines.

[2] No deep mines.

COMMEMORATION OF POLISH 3D OF MAY CONSTITUTION DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 30 minutes.

Mr. DERWINSKI. Mr. Speaker, I am grateful that so many of my colleagues have joined me this afternoon in commemorating the traditional Polish 3d of May Constitution Day which is the historic national holiday of Poles everywhere.

Since the outbreak of World War II, during which Poland's valiant struggle against Nazi-Communist totalitarianism has become an inspiration for mankind, the U.S. Congress annually commemorates one of the brightest events in Polish history—the adoption of the May 3d Constitution of 1791. These special observances in both Chambers of Congress demonstrate American friendship toward the Polish Nation, whose millenial heritage of Christianity and participation in the growth of Western culture continue to be suppressed by Communist tyranny.

Throughout the United States, Americans of Polish ancestry will hold appropriate observances to commemorate this great day in the history of Poland.

As America approaches her 200th birthday, with the American Revolutionary Bicentennial celebrations, the members of the Polish-American community also renew their faith in the ideals of the American Constitution.

Mr. Speaker, I believe it is especially appropriate to note that American and Polish Constitutions were similarly inspired. Meditation on the anniversary of May the 3d deepens the faith and heightens the courage of every Pole and of every American of Polish origin.

It reminds all Americans of Poland's destiny in the history of mankind and prophesies the ultimate triumph of justice. Even though the Polish people do not enjoy a government which they may freely elect and the shadow of Soviet domination is ever present, Poles everywhere are confident that the future will see a flourishing Poland, inspired by her great traditions and ideals.

Mr. Speaker, once again may I thank my distinguished colleagues for joining me in commemorating the Polish 3d of May Constitution Day.

Mr. O'BRIEN. Mr. Speaker, I am proud to join my colleagues today in commemorating Polands' most cherished national holiday, Constitution Day.

Tomorrow marks the 183d anniversary of Polands' adoption of its first democratic constitution. In one stroke, without bloodshed or revolution, the 1791 Constitution eradicated class distinctions, gave the peasantry legal protection and guaranteed the absolute right to religious freedom.

To Polish nationals and people of Polish ancestry everywhere, this day is comparable to our own Fourth of July. As citizens of a nation where similar liberties have been guaranteed since 1789, it is sometimes hard for us to realize how important this historic document was. In most countries at that time, the rights it provided were unheard of and it was Poland who led the vanguard of democracy into Central and Eastern Europe.

History sadly records that only 4 years after this remarkable Constitution was adopted, Poland was conquered and partitioned by her autocratic neighbors, Russia, Prussia, and Austria. While this and subsequent invasions have prevented Poland from developing her democratic ideals into a permanently viable form of government, they have failed to break the spirit of her people.

Down through the years, the sons and daughters of Poland have made great contributions to western civilization. The names of Copernicus, Frederik Chopin, Madame Marie Curie, Thaddeus Kosciusko, and Casimir Pulaski, who fought in our own revolution, spring to mind.

America owes the greatest debt to the millions of Poles who imigrated to the United States, bringing with them their rich cultural traditions and passionate love of freedom. They came seeking the freedom they were denied by Polands' oppressors and their determination and hard work have helped to shape our country into the great Nation that it is today.

Mr. Speaker, we are paying tribute today to the enlightened men who forged the May 3 Constitution and to all Polish patriots who have given their lives so that the ideals of that document might survive.

At the same time, let us not forget the bitter lessons history has taught us. There are still millions of Poles waiting for the day of deliverance and it is they who most need our encouragement to carry on their psychological resistance to oppression.

In conclusion let me just say Niech Zyje Polska, which as my colleague from Illinois (Mr. DERWINSKI) knows, means "Long Live Poland."

Mr. GONZALEZ. Mr. Speaker, tomorrow citizens of Polish origin in the United States and around the world will celebrate the Polish Third of May Constitution Day.

This day commemorates one of the brightest days in the history of Poland and can be compared to our Fourth of July. On May 3, 1791, barely 2 years after the United States adopted its Constitution, Poland succeeded in adopting a constitution reforming its system of government and establishing democratic ideals.

Unfortunately, Poland's geographic position on the European continent has caused it to undergo many invasions and partitions, and the third partition of Poland came only 4 years after the Constitution was signed. This partition by the Russians, Prussians, and Austrians crushed the valiant attempt of the Polish people in their brave struggle for democracy.

As we in Congress commemorate this day along with millions of Poles around the world we are reminded of how fortunate we are in this Nation to have our democratic system of government and realize that there are many countries around the world such as Poland, that are not as fortunate,

In celebrating this day the Poles are reminded of their history and of their hope that the democratic ideals which were kindled in the hearts and minds of many Poles on May 3, 1791, and have been passed down through the generations, might some day return to Poland to remain forever.

Mr. PATTEN. Mr. Speaker, on May 3 people of Polish descent throughout the world will celebrate an important Polish national holiday—the Polish 3d of May Constitution Day. This important day is a reminder to all that Poland was one of the first pioneers of liberalism in Europe.

It was on May 3, 1791, that Poland adopted a constitution that led to a compete reform of its internal life and asserted its democracy. But it came too late, and could not put a halt to the third partition of Poland in 1795 by Russia, Prussia, and Austria.

Even though the Constitution did not have a chance to take hold, this was one of the brightest events in Polish history and the U.S. Congress, since World War II, has commemorated this great occurrence. May 3 symbolizes the Polish people's long-held belief in freedom and liberty and their longstanding resistance to communism and Soviet domination.

In our country, we have a belief in almost limitless freedom of speech. When something happens, whether it be nationally or internationally, the citizens of the United States discuss it, argue about it, give their opinions on it, and so forth. It is at times like this when we see how lucky we are to be in this country, and to have these freedoms. We must always make sure that the Polish people know that they have not been forgotten in their struggle for the freedom and liberty that we enjoy.

Mr. COUGHLIN. Mr. Speaker, throughout the world tomorrow, citizens of Polish origin will commemorate the Polish 3d of May Constitution Day. In the United States, observances across the land will mark the bittersweet significance of this Polish national holiday.

Four years after the convening of our own Constitutional Convention, Poland on May 3, 1789, adopted its constitution. This document, too, was a major contribution to the spirit of freedom and democracy that was rising from a civilization in which arbitrary and capricious rule was a fact of 18th century living.

The Polish people within 2 years had instituted reforms that changed their public life and arrested the decline of their political processes. This was accomplished without violent revolution or widespread disorder.

It is particularly fitting for Americans to pay tribute to this major contribution to democracy in the world. Even more so, we honor the event since the United States was able to build and grow on its great constitutional government while Poland, as early as 1795, was subjected to partition and exploited by neighboring countries.

The Polish instrument of liberty and justice posed too formidable a threat to the despotic rule of these nearby states. Tyranny is forever the enemy of freedom and the flame ignited by the Polish constitution was to be dimmed.

Yet, through the decades, this spirit embodied in the Polish constitution has never died in the hearts of Poles who have remained in their native land or who have migrated to other countries.

Although Poland is clamped in the grip of the Soviet bloc today, the Polish people of all lands proudly commemorate a day of Polish democracy and freedom. They look forward once again to a time when they truly will have independence both in the national life of Poland and the individual lives of its citizens.

I know the proud heritage of the Polish people. It is evidenced in the spirit of my own constituents of Polish descent who contribute so much to the communities in which they live and which I represent.

Let us not look upon this 3d of May in despair. The beacon of hope that was lighted on May 3, 1789, has flickered through the years. Yet, I am certain that it is the hope of freedom-loving people everywhere that the beacon some day again will fully illuminate a Poland free to enjoy a democracy which the people surely have earned.

Mr. HUNT. Mr. Speaker, these days of "détente" have clouded for many Americans the fact that there are still people in the world suffering at the hands of dictators and other tyrannical rulers.

Tomorrow, May 3, it is particularly fitting that we take note of Poland and its freedom-loving people who are suffering under their Communist oppressors.

May 3 commemorates one of the brightest days in Polish history—the adoption of the May 3 Constitution of 1791. It was on this day that Poland, without a revolution or even a disorder, succeeded in reforming her public life and eradicated her internal decline. The Poles raised this great moment in their history to the forefront of their tradition rather than any one of their anniversaries of glorious victories or heroic revolutions.

It is particulary fitting that we can today pay tribute to these courageous people. They share a common love of freedom for all mankind. I am confident that their spirit of freedom will prevail and they will someday break the shackles of communism and return to a free society.

Mr. SARASIN. Mr. Speaker, I would like to take this opportunity to join my colleagues in the commemoration of Polish Constitution Day. Adopted by the people of Poland on May 3, 1791, this constitution is a landmark in the history of the proliferation of democratic ideals throughout the world. It is one of the most outstanding contributions on the long list of achievements by the Polish people dedicated to the cause of democracy.

We in Congress, at the apex of American democracy, can certainly appreciate the long and arduous efforts of the people of Poland in trying to secure for themselves the riches of a democracy. We are especially grateful for the deeds of those two great Polish leaders, Pulaski and Kosciuszko, who played a significant role in the Revolutionary War, America's struggle for independence. Whenever Americans reflect upon the benefits of democracy and expound upon our way of life, we are simultaneously paying tribute to those two gallant patriots.

The Polish people adopted their constitution without a bloody revolution or even a disorder, and they succeeded in reforming their nation's public life and in eradicating her internal decline. Unfortunately, this assertion of faith in democratic principles came too late to the Poles and could not forestall the third partition of Poland in 1795 by Russian, Prussia, and Austria.

The modern history of Poland has also been marked by internal and external conflict, because of Communist aggression, and as the Poles valiantly tried to throw off the yoke of the suppression of the 18th century, today they are fighting to dissipate the bonds of Communist oppression. The hearts of millions of Poles hold close the principles of democracy, and the years of suffering under the Communists have not been able to overcome the inherent belief that the Polish culture, patriotism, and faith in democracy would ultimately conquer the forces that are seeking to destroy their way of life.

Today, we commemorate not only the adoption of the Polish Constitution, but all that it symbolizes. We pay tribute to the unyielding desire for freedom, to those individuals whose beliefs and efforts inspired the development of the constitution. Above all, we pay tribute to those who have dedicated themselves, and often sacrificed their lives, so that the torch of democracy may one day burn eternally in the nation that is Poland.

Mr. SCHNEEBELI. Mr. Speaker, tomorrow, the 3rd of May, Americans of Polish background recall the nationalist reform movement which, 183 years ago, culminated in the Polish Constitution of May 3, 1791.

This afternoon, as we in the United States approach our own Bicentennial Celebration, it might be appropriate to recall—not just the Constitution of 1791 itself, whose substance might better be left to the consideration of legal and constitutional scholars, nor the specific political manuvering which brought that document into existence—but rather to recall the essential intellectual quality of that age, the "Age of the Enlightenment," which produced reform and revolution—in scholarship, in theology, in the political and economic worlds—and which laid the foundation for our own contemporary society in Europe and in the Americas.

The 18th century was a period of intellectual ferment, of dynastic struggle, of near constant warfare—opening with Europe convulsed in the War of the Spanish Succession and closing with the tumult of the French Revolution. It was an age of ideas and of change: the age of Rousseau, of Montesquieu and Voltaire, of Locke and Burke. The century saw the development of "rationalist" philosophy and the suppression of the Society of Jesus: a period of growing intellectual freedom. In Paris, the solons provided a meeting ground for men and women of philosophical bent. Throughout Spain and her overseas empire, economic and political reform and discussion societies sprang up, generally dubbed the amigos del pais. There were established, in the British and French areas, committees of correspondence designed to sift through the ideas of the time and to provide mutual sustenance for men concerned with public policy. It was an age which, by its culmination, had cast up such widely disparate reformers as the great Luso-Brazilian leaders, José Bonifacio and the Emperor Dom Pedro I, the Venezuelan Francisco Miranda, the Americans Franklin and Paine and Jefferson—and, from this same current, in Poland, Stanislas Staszic, Hugo Kollataj, and Stanislas Augustus.

By the latter part of the 18th century, Poland had begun to feel the excitement of the enlightenment. Her political and intellectual leaders had mingled in the Paris solons with men of letters from throughout the Western World, had come to understand something of the British political tradition and had before them the spector of the American and French Revolutions. The reigning monarch, Stanislas Augustus, himself a visitor to London and to Paris, was perhaps "the most enlightened and most universally educated Pole of his generation." He sought consciously to create a court which would be a center of learning.

"He gathered round him many men of art and letters. He supported all kinds of creative activity—through all his life he collected works of art, formed a rich gallery and a splendid library, built many edifices, and had a sense of his own original style."

His ideas were shared, not without dissent, by many of the court aristocracy and by not a few townsmen—notably by Kollotaj and Staszic. Slowly, we are told, "the light of learning spread . . . not merely a reflection, but a part of the mental life of the West. National consciousness, the consciousness of independence and freedom from foreign guarantees, was intensified, and the necessity of beginning to improve the organism of the commonwrealth was more and more clearly manifested."

Finally, on May 3, 1791, as Poland was beset by enemies abroad and racked by dissent domestically, a new constitution was framed and approved upon the personal initiative of Stanislas Augustus—not a revolutionary document by modern standards, but representative of the liberal philosophy of the era. The immediate reform, of course, was short-lived. Poland suffered invasion and subversion, her government fell, and, within 2 years, a new partition of her territories had been arranged—a serious wound to the national state but by no means a fatal blow to Polish national awareness.

As we recall this afternoon the events of the 18th century which contributed to the Polish Constitution of 1791—and to our own—let us once more consider the nature of liberty—not to prize possessed for all time, free and clear and without impediment, but the passing reward of continuous struggle—a struggle shared by the people of Poland and by the people of the United States.

Mr. DULSKI. Mr. Speaker, I am proud to join today in commemorating the Polish 3d of May Constitution Day.

In western New York, a large percentage of the population is American-Polish, and observances will be sponsored this Sunday by the Western New York Division of the Polish-American Congress. It is particularly fitting that the ceremonies should be held at St. Stanislaus Parish and Social Center; St. Stanislaus, which celebrated its 100th anniversary last year, is the "Mother Church of Polonia" in Buffalo, and has been a center of influence for Polish immigrants and their descendants since its founding.

The main speaker will be Casimir Lenard, executive director of the Polish-American Congress. After a mass at noon at St. Stanislaus, there will be dedication of a plaque created by Prof. Jozef Slawinski, commemorating the 30th anniversary of the battle of Monte Cassino, in which Polish soldiers fought so valiantly beside American soldiers. In the afternoon the parish social center will be the site of an Academia.

Détente is progressing; trade barriers have already fallen; but the goals of democracy set for May 3, 1791, are not yet within reach for the citizens of Poland. Still, the spirit of freedom lives, and it is brought to our attention again as Poles around the world pause to commemorate this significant date in the history of a gallant nation.

Mr. BRAY. Mr. Speaker, I am happy to join today in celebrating Polish 3d of May Constitution Day.

The Polish constitution was adopted on May 3, 1791, just over 2 years after the Constitution of the United States. This Polish constitution was an early landmark on the road to the freedom and dignity of man. It stated:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

Few peoples, however, have had as great a difficulty in the maintaining of that freedom and dignity as have the Polish people. Perhaps one of Poland's greatest misfortunes was her geographical proximity to the growing might of the Russian empire. That proximity has caused the Polish people untold suffering and debasement, but, through all the clouds of war, misfortune, and conquest, their love of freedom still shines.

Poland, at the time of the adoption of their constitution, had already been partitioned two times: First, by Russia, Prussia, and Austria in 1733, followed by a second partition in 1783. In 1795, 4 years after the constitution, Poland was again forcibly partitioned.

Despite being constant victims of aggression, in 1918, after 144 years of foreign occupation, at the close of World War I, Poland became free. The changing of Russia under the tsar to the Soviet Union under the commissars, in no way changed Russian aggression against Poland. In 1920, the Soviets attempted to reconquer Poland, but failed in the Battle of Warsaw. Polish freedom was recognized by the Treaty of Riga, signed March 18, 1921, which Lenin called "a voluntary and just agreement to stand for all time."

Despite the fact Poland had the misfortune of being geographically jammed between Germany and Russia, she retained friendly relations with each. At the repeated insistence of the Soviet Union, Poland signed a joint nonaggression pact on July 25, 1932, which was extended to December 31, 1945.

On August 23, 1939, the Soviet Union made her infamous agreement with Hitler's Germany whereby each was to seize and divide Poland. Pursuant to this agreement, Germany attacked Poland on September 1, 1939, with 87 divisions. Russia continued to promise Poland her friendship while massing troops on the Russo-Polish frontier. Seventeen days later, 100 divisions moved across the Polish eastern frontier without opposition while the Polish troops were fighting the Germans on the other frontier.

Despite Russia's pretended friendship to Poland, her true attitude was expressed in Molotov's broadcast on October 8, 1939:

> One swift blow to Poland, first by the German army and then by the Red Army and nothing was left of this ugly offspring of the Versailles Treaty.

In the German attack on Russia in 1941, Russia was forced out of Poland. She returned in 1944 and her military forces still remain there in great force.

Russia never intended that there should be a free Poland. She intended that Poland should remain a controlled regimented satellite under Russia. Since the Teheran Conference of World War II it had been apparent that Russia intended to keep military control of East Germany. To accomplish this it was necessary for her to keep control of Poland—Poland was on Russia's road to the West through East Germany, West Germany, France, and the rest of Western Europe.

The postwar bitterness of the Polish and East German people toward Russia has demonstrated that only the presence of Russian armed forces will keep these countries in the Russian orbit. Russian strategy was directed toward only one goal, the enslavement of Poland, a country which Russia, in conjunction with other countries, had forcibly partitioned three times within two centuries and, as late as 1939, had invaded in conjunction with the armies of Hitler. Russia destroyed the "cream of the crop" of young, educated Poles who were capable and willing to fight for a free Poland, a crime that she would never have committed had she desired a free Poland. Two outstanding instances, although there were many more, will suffice to emphasize this point.

In April of 1943, a factor entered the Russo-Polish problem that still plagues Russia and is especially embarrassing to her "parlor pink" friends in the western world. Thousands of Polish officers, the elite of the educated young men of Poland, were missing, presumably killed in the war. However, evidence began to point out the fact that Russia had murdered them en masse. The Polish Government asked the International Red Cross to investigate. Russia pretended righteous indignation and loudly proclaimed her innocence, but bitterly refused even the thought of an investigation.

In 1952, a Select Committee of the House of Representatives, after thorough investigation and a well-documented report, "The Katyn Forest Massacre" (House Rept. 2505) found that—

> Beyond any question of reasonable doubt, the Soviet NKVD (Peoples' Commissariat of Internal Affairs) committed the mass murders of the Polish officers and intellectual leaders in the Katyn Forest, near Smolensk, Russia.

Those murdered were the Polish officers that had been fighting Germany for Polish freedom. Stalin was aware that although these officers were fighting Germany and assisting Russia, these same officers would fight any country that would attempt to enslave the Polish people; that they were first of all dedicated to freedom, a freedom that Russia was equally dedicated to destroying. As Stalin did not intend that there should ever be a free Poland he had these 15,000 officers, together with other leading Polish citizens, murdered in the Katyn Forest.

Perhaps the destruction of Polish freedom has aroused more bitterness in America than any other single act of Russian tyranny. Our large Polish population and their unrelenting zeal for freedom have gained the profound respect of the American people.

My wife and I have had the privilege of visiting Poland and that visit only increased our already high respect and admiration for the Polish people.

Despite Russian pressure, the Polish people are generally friendly to the West. This was shown during an anti-American demonstration staged a few years ago by the Communists in Warsaw. A Communist stooge made an incendiary remark about the United States and the Polish bystanders roared in laughter. The Polish radio gives English lessons; the Voice of America is not jammed; about a quarter of the movies shown in Poland are American movies.

The Polish farms are being operated in a very careful manner. The fence rows are clean; the livestock are well kept. In spite of constant government pressure, a great percentage of the farms are individually owned and operated. They are producing far better than the state-owned farms.

The Soviets are attempting to furnish mechanical equipment which would subject the farmer to Russian control and would ultimately mean that the Communists could take over the farms. The Poles stubbornly resist and use horses. They have fine horses and remind one of those used on the better operated farms in my home State of Indiana some 50 years ago.

Perhaps the strongest factor in resisting the Communist takeover is the Catholic Church. Cathedral and church spires still dominate the skylines of Polish cities and villages; and those churches are not empty or abandoned. They were built by the sacrifices of the people and they are now being repaired and maintained by sacrifices.

If the Polish people were given the opportunity for a truly free election, I am certain that the vote would be 20 to 1 for freedom and against communism. From my observations, I do not believe that all of the Soviet massacres, regimentation, and armed might have eliminated the stubborn love of freedom that exists in the Polish people.

I saw the Polish people, despite their poverty, rebuilding their churches, their castles, their schools, and universities; restoring evidences of their cultural past. I saw teachers bringing their pupils to visit those landmarks of Polish greatness. I saw the farmers driving their own horses rather than surrender to the machines of Communist statism.

Poland has not surrendered her love and hope of freedom. In a material sense her future looks hopeless, for she is totally surrounded by the Iron Curtain countries of Czechoslovakia, Communist East Germany, Hungary, and the Soviet Union. Materially the Poles have been captured by Soviet communism, but spiritually they are free and fighting on.

Mr. MORGAN. Mr. Speaker, it is my great pleasure to participate in this celebration of the Polish 3d of May Constitution Day. There are many Polish-Americans in my congressional district, and their contributions to community life are truly outstanding. In many of the cities and towns in western Pennsylvania this holiday is observed with appropriate exercises throughout the month of May, and thus I am pleased to participate in this special order.

It was on May 3, 1791, only 2 years after the adoption of the Constitution by the United States, that Poland, without a bloody revolution or disorder, succeeded in reforming her public life and eradicating her internal decline. Although this great event did not forestall the third partition of Poland in 1795 by Russia, Prussia, and Austria, it is a landmark in Polish history. It is especially significant that the Poles raised this great moment to the forefront of their tradition rather than any one of their anniversaries of glorious victories or heroic revolutions.

Special mention should be made of the key words in the 3d of May Constitution:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society on an equal scale and on a lasting foundation.

The philosophy of government discernment throughout the 3d of May Polish Constitution leads one to believe that both the American and Polish people drew the inspiration for their constitution from the same source—a belief in the inherent dignity of all people.

Mr. Speaker, America is a great country, and much of its strength is derived from the contributions of those who emigrated from their European homelands to our shores. Polish-Americans are in the forefront of American culture, and I salute them on this historic occasion.

Mr. ADDABBO. Mr. Speaker, I rise to join my colleagues in recognizing the celebration of Polish 3rd of May Constitution Day by our many friends of Polish origin.

The history of Polish liberalism was embodied in the May 3 constitution adopted just 4 years prior to the third partition of Poland. That constitution recognized that—

> All power in civil society should be derived from the will of the people. . .

The Polish people hear our tributes today and they will remain vigilant in their desire for liberty. As we experience the hopes of détente, it is particularly important that we remember the past and its lessons of the lack of compassion and bitterness of tyranny.

May 3 is a national holiday for our Polish friends and constituents and I am pleased to join in this congressional ceremony in honor of people oppressed by Soviet tyranny, but people with a great history of devotion to freedom.

Mr. HANLEY. Mr. Speaker, tomorrow, people of Polish ancestry throughout the world will celebrate a Polish national holiday, the Polish 3d of May Constitution Day.

It was less than 2 years after the adoption of our own Constitution in 1789 that the people of Poland joined their hearts together in harmony to adopt a constitution for their own country. With this document the people of Poland set out a new course for their troubled nation; a course meant to take them down the path to peace and prosperity. This constitution reformed the public life and eradicated the internal decline of the nation. In doing this, it gave the people new hope and new faith in their country and their leaders.

Few nations have been able to accomplish such great and far reaching reforms without first undergoing the terror and the trauma of a revolution, but Poland was able to unite her people and move forward—in peace.

In these times when many nations celebrate great military victories or victorious revolutions on their national holidays, the people of Poland join together to celebrate a day that marks a turning point in Polish history, a day of peace and harmony.

How sad it is that the people of Poland are not free today to enjoy the fruits of freedom that their forefathers cherished and sought to guarantee 183 years ago.

Tomorrow Polish people around the world will be united again to celebrate the heritage of their great nation, a heritage of peace, progress, prosperity, and perhaps above all, a heritage of pride.

Mr. Speaker, my prayers are with these people in their quest for the right of self-determination.

Mr. **ANNUNZIO**. Mr. Speaker, on May 3 we commemorate the anniversary of the Polish Constitution of 1791, and in doing so, we celebrate and honor the deep ties between our country and the people of Poland.

These ties are rooted in the principles we share, principles which were enunciated by the constitution of May 3, 1971: liberty, representation, and protection under law. They originated in the valiant participation of Polish soldiers and patriots in our own revolution and have been nourished by the rich gifts the Polish people have brought to our life and culture.

The Polish Nation has been dedicated to the cause of human freedom and national independence throughout its long and frequently tragic history. And no nation has been a greater beneficiary of that dedication than these United States, where we owe so much in our own Revolutionary War to the gallant Polish heroes who adopted our cause as their own.

Through adoption of the May 3 constitution, Poland transformed itself into a modern state. The constitution was adopted at a critical time in Polish history because in 1772, the absolute rulers of Russia, Prussia, and Austria took away large sections of Polish territory. Facing possible annihilation, all forces in Poland united behind the new constitution which was greatly influenced by the liberal movements in America, England, and France.

That constitution paid tribute to a noble past. It was designed for a then free Poland. Yet it looked to the distant future as well as to the contemporary scene—the theme of that precious document was the love of liberty, the respect for individual freedom, and the granting of rights to the individual on the basis of equality. This Constitution was, moreover, to be the standard for all the laws and statutes of all future legislatures of Poland. Provision was made for religious freedom, for the civil liberties, for personal liberty, and the guarantee of these liberties by common defense.

The greatness of the May 3 Polish Constitution lies in the principle it embraced: the sovereignty of the people in the state. We Americans often take this principle for granted, for we have been reared in it as a birthright by the founders of our great Republic. The Polish people, however, were pioneers in a Europe beset with dictatorships and the principle of absolute state sovereignty.

The natural geographic protection of oceans and friendly neighbors has allowed the United States to nurture the growth of its system of government based upon a belief in the sovereignty of the people. The Polish people have not been offered the same opportunity. But this reality does not negate the importance of this occasion. The May 3 Polish Constitution was based upon a principle that citizens of Polish ancestry living anywhere in the free world can proudly support and join in celebrating. The principle is one all nationalities can actively support.

In remembering the manifesto of the Polish people as framed in the constitutional reforms of 1791, let us salute all those who sacrificed so much for what all of us hold so dear.

In my own city of Chicago, a commemoration of the May 3, 1791, Constitution of Poland is being sponsored on Saturday, May 4, by the Polish National Alliance. Vice President Helen M. Szymanowicz is the general chairman of the Constitution Day celebration and parade, and I am looking forward to joining Americans of Polish descent on Saturday as they celebrate that inspiring day in the history of Poland, and in the history of mankind.

The Constitution Day Parade will feature marchers dressed in traditional Polish costumes, bands, drum and bugle corps, and floats whose theme will be the Polish contributions to the United States and the world. A commemorative program at Chicago's Civic Center Plaza will follow the parade. The featured speaker will be John Richardson, Jr., Assistant Secretary of State for Educational and Cultural Affairs, who will be introduced by Aloysius A. Mazewski, president of the Polish National Alliance and the Polish American Congress.

The Constitution Day observance ceremonies will be concluded on Sunday, May 5, with a mass at Holy Trinity Church, the principle celebrant of which will be Rev. Casimir Czaplicki.

Mr. Speaker, on this 183d anniversary of the Polish Constitution of 1791, I am honored to join my colleagues in the House of Representatives and Americans of Polish descent all over this country and in my own city of Chicago as they pause to salute those who have sacrificed so much to achieve the liberty we enjoy today. Let us stand firm in defense of this precious heritage.

Mr. **DENT**. Mr. Speaker, I join with my colleagues in paying special tribute to those people of Polish-American descent, who tomorrow will be celebrating the 183d anniversary of their constitution. It is with great pride that Polish-Americans, throughout the United States, commemorate this day as a reminder, not only to themselves but to every other American, of a time in the past when the people of Poland exhibited a national courage in the face of tyranny.

We, in the free world, should make note of this occasion as an example to those people who labor under the forces of tyranny in Eastern Europe, and particularly Poland, even today. Freedom is of the utmost importance to the Polish people. It must be important to them, for many Polish-Americans have been at the forefront of continuing fights for freedom throughout our history.

I am reminded of Casimir Pulaski, a Pole who fought in our own Revolution, and whose feeling it was that he was truly compelled to fight for the cause of freedom. Perhaps by this small gesture of commemoration, we can both serve notice to the forces of communism and encourage Poland in its striving to remove the tyranny that oppresses them. I am proud to salute Poland on the anniversary of its first free constitution.

Mr. **ROSTENKOWSKI**. Mr. Speaker, May 3 marks a notable day in the political history of the Polish nation—the day when Poles adoptd their great constitution of 1791.

This constitution created one of the first constitutional governments on the continent of Europe. Embodying the principles of freedom which we hold so dear, it declares:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

The constitution of 1791 was a progressive step toward responsible and effective government for Poland and has for generations stood as a symbol of the great Polish political achievements of the past.

The history of Poland is the history of a heroic people. Poles united in language and customs were subject to centuries of hardship and suffering. They have persistently fought against oppression and for freedom while maintaining a spirit admired by all peoples of the world.

There is not a satisfactory way to describe or measure the tremendous importance of the contributions Poles have made to mankind. They have played a leading role in the advancement of culture and the arts. The names Copernicus, Curie, and Chopin immediately come to mind.

We in America owe a great deal to the heritage that Poland has sent to our shores.

Generals Kosciuszko and Pulaski fought beside Washington in our War of Independence.

During our Civil War, Polish officers and troops fought for the preservation of the Union, while Polish nuns cared for the dying and wounded on our battlefields.

In World Wars I and II, in Korea, and in Vietnam, American boys of Polish descent answered their country's call to make the world safe for democracy.

Today millions of Americans of Polish ancestry make significant contributions to every aspect of American life. Mr. Speaker, it is with great pride that I participate in commemorating the 3d of May, Polish Constitution Day and I join with my colleagues in a salute to the Polish nation and Poles throughout the world.

Mr. HUBER. Mr. Speaker, it is fitting that we in the Congress take notice of Poland's Constitution Day which falls on May 3 of each year. Poland adopted this Constitution on May 3, 1971, just 2 years after ours in the United States. And, as history tells us, Poland was swallowed up in what is known as the third partition by Russia, Prussia, and Austria in 1795. Thus, was Polish democracy crushed until after World War I when Poland again became a nation. The philosophy expressed in both the American and Polish Constitutions shows that we share the same ideals and aspirations.

It is, therefore, tragic to recall that a "fourth" partition took place in Poland in 1939 when Stalin and Hitler again divided the country. Again the Polish state was crushed by the sheer weight of enemy numbers and not due to the lack of bravery and heroism by Poland's soldiers. Poland is now ruled by Communist masters whose true allegiance is to Moscow, not the Polish people and one can only yearn for the day that Poland will again be free.

The spirit of the Polish people has not been broken as is evidenced by the revolts in Poland in 1956 and again in 1970–71. Poland will yet be free and the constitution of May 3 will be properly celebrated.

Mr. ANDERSON of California. Mr. Speaker, I am proud to join my colleagues today in commemorating the Polish 3d of May Constitution Day.

Nearly 200 years ago on this date in 1791, the Poles without a bloody revolution or even disorder succeeded in reforming her public life through the incorporation of liberalism in her great constitution.

Unfortunately, this love of freedom and liberty has not always been actualized since that milestone in history. Shortly thereafter the aggressive neighbors of Poland—Prussia, Russia, and Austria—partitioned her in 1795. Later during World War I she was overrun by the Austro-German armies. And after a shortlived experience with independence after World War I, the totalitarian regimes of nazism and communism divided Poland in 1939.

Despite the courageous efforts and countless suffering of these brave people during World War II, communism has remained to subjugate over 33 million Poles.

While our country seems to be making some efforts for a détente with the Soviet Union, while some strides are being achieved in arms limitation, and while we are experiencing some easing of worldwide tensions, we should not and must not forget the bitter lessons of history.

Today as we commemorate the Polish 3d of May Constitution Day let us each reaffirm our common love of liberty.

The same year in which America adopted the Bill of Rights to our Constitution, the Polish people formulated a perpetual ideal of liberalism by writing in their 3d of May constitution these words:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

Mr. Speaker, I join the millions of Poles and Americans of Polish descent, throughout the world in observing this Polish national holiday. I trust that our action today will remain an inspiration for us and our younger generation to maintain our democratic ideals.

Mr. ROE. Mr. Speaker, it is indeed my honor and privilege to join with you, Congressman DERWINSKI of Illinois, and our other colleagues here in the Congress in today's special order commemorating the historic event in Polish history—the adoption of the May 3d Constitution of 1791—in tribute to the people of Poland who continue to seek the restoration of their freedom, human rights for all of their citizens and the return of their national sovereignty. This opportunity to extend America's resolve toward the freedom of the Polish people and manifest our continuing friendship toward the Polish nation and the rich heritage which is an integral part of the foundation of America's democracy inspires all of us not only to reflect upon Poland's valiant struggle against Nazi-Communist totalitarianism but to add words of encouragement and resolve to them and all freedom-loving people throughout the world in the hopes and dreams we all share in achieving justice on behalf of the inalienable human rights of the individual. For no matter how we equate or measure our investments—by whatever standard applied—in our sense of values and our constant quest for excellence, it is fundamental that investment in human values is paramount to our mutual endeavors and responsibilities.

On May 3, 1791, 2 years after the adoption of the Constitution of the United States of America, Poland's rebirth and assertion of democracy was formally incorporated in the Polish constitution which is the historic event we observe, celebrate, and remember today. In the communique I received from Casimir I. Lenard, executive director of the Polish American Congress, Inc., he called attention to the following excerpt of the Polish 3d of May Constitution:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

One cannot help but draw an analogy of these words with our Constitution which surely is based on the same democratic principles: a government of the people, for the people, and by the people, which is indeed a piercing motto that may well be a timely remembrance for all of us, particularly at this crucial time with the historic events facing our Nation gnawing at the very roots of our representative democracy. I call attention to the following preamble to our Constitution:

> We the people of the United States, in order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity . . .

We can indeed all gain strength from our heritage and it was, therefore, my pleasure to join with our colleagues on the opening day of the 93d Congress in introducing a resolution—my bill House Resolution 75—calling upon the President to issue a proclamation designating May 3 of each year as "Polish Constitution Day" and inviting the people of the United States to observe this day with appropriate commemorative ceremonies.

Mr. Speaker, I appreciate the opportunity to participate in this congressional meditation on the anniversary of Polish Constitution Day and trust that this memorial helps to strengthen the resolve, faith, hope, and courage of the people of Polish heritage under Soviet Union domination and, in reflective measure expresses the deep appreciation and gratitude of all Americans for the wealth of wisdom, standards of excellence, and cultural enrichment that the people of Polish heritage have contributed to the quality of our way of life here in America.

Mr. HELSTOSKI. Mr. Speaker, on this, the 183d anniversary of the adoption of the Polish Constitution, I wish to join my colleagues in paying tribute to the nation which was capable of such a great document of human rights and social justice as the Polish Constitution of May 3, 1791.

What a pity and travesty on our modern civilization that the freedom-loving Polish nation which has made the greatest sacrifices of blood for the cause of world freedom and democracy should continue today to be under the domination of an alien government even though the oppression of post-World War II has been considerably minimized. The people of the free world can do so little to bring complete justice to them.

The people of Poland today are not even permitted to celebrate publicly this great national holiday, the anniversary of their Constitution. Their present leaders fear that the shining light which such a celebration would cast upon the bright history of Poland, upon the gallant efforts of its people to free themselves from the yoke of an alien government, would dim and blot out the false promises and the terrible changes brought into the life of Poland by the puppet Communist regime.

They fear that the brightness of that Constitution would bring to light the utter emptiness, filth, and wickedness of their orders intended to continue the domination of the Polish nation. I feel confident, however, that the Polish people, strengthened by the ideals of freedom and social justice in the May Constitution will never give up their rich heritage.

The adoption of the Constitution of May 3, 1791, constitutes one of the brightest and most significant landmarks in Poland's entire history. The event came at a time when nearly all of the nation was parceled out among the three greedy monarchs of Austria, Prussia, and Russia. Yet a small band of patriotic, farsighted, and dauntless Poles dared to draft and to present to the country this document of freedom.

That Constitution made Poland a constitutional monarchy with a responsible cabinet form of government. Ancient class distinctions and privileges were wiped out, and the government was strengthened by bringing the peasantry under the protection of the law. What is, perhaps, even more significant for those days for that part of the world, was the fact that this Constitution guaranteed absolute religious freedom. In this and in other ways, the Polish Constitution was in the vanguard of democracy's advance into Central and Eastern Europe.

In commemorating the 183d anniversary of the adoption of the Polish Constitution, we are paying our respects to the memory of its creators—some of the most valiant figures in the heritage of western democracy.

These figures are part of the American heritage today. The deeds and sacrifices, and the views and ideals, of men like Pulaski, Kosciuszko, Chopin, Paderewski, Curie-Sklodowska. Copernicus, and others are indeed, an integral part of our knowledge, culture, and traditions. These people and many others I could name developed from the same ideological ferment that produced George Washington, Benjamin Franklin, and Thomas Jefferson in our own land.

The Polish Constitution of 1791, the French Constitution of 1792, the American Constitution of 1787, are among the great landmarks in the growth and development of constitutional law the world over.

Throughout the years there have come to our land millions of men, women, and children of Polish birth. They have brought to this country the rich heritage of their own culture along with the passionate love of freedom and order under the law which was their birthright. These traditions and qualities have been amalgamated into the tradition that we call American. America has been enriched and western civilization has been enriched by this process.

Americans of Polish descent, in observing Constitution Day, know that behind the Iron Curtain in Poland, millions of freedom-loving Poles are making a mental note of this day. I know that the love of freedom still lives in that unhappy land. Such a love cannot be extinguished, not even by the continued world movement which knows not the meaning of justice or decency.

Freedom will come again to Poland, and a new constitution and a new government under law, deriving its just powers of the governed, will one day be reestablished in the land of the Vistula. All Americans and all freedom-loving people everywhere join in hope and prayer for the speedy coming of that day.

Mr. YOUNG of Florida. Mr. Speaker, I am honored to join my distinguished colleagues on this special order to commemorate the Polish 3d of May Constitution Day.

Two years after the United States adopted its own Constitution, the people of Poland adopted a new constitution which represented a radical break with the past. On May 3, 1791, Poland approved a constitution asserting the principle of the sovereignty of the people in the state, thereby rejecting the totalitarianism of her neighbors, Russia and Germany, and establishing a beacon of democracy in Eastern Europe. In the Polish 3d of May Constitution, the key democratic principle is stated:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

This great rebirth and assertion of democracy in Poland came too late to forestall the third partition of the country in 1795 by Russia, Prussia, and Austria. In 1939, Russian and Prussian soldiers met again on Polish soil, as the tyrannical systems of nazism and communism felt the danger of true democracy from Poland, just as in 1791.

Mr. Speaker, the Poles have chosen to elevate the 3d of May Constitution Day as their most important national holiday, because of the democratic symbol it commemorates. Observance of this anniversary by the Poles and by Americans of Polish origin serves to remind us of our common democratic heritage and of the great blessings of freedom which we enjoy in this country. It also serves as a continued beacon of hope and encouragement to the people of Poland, who live under a Communist regime which puts the state, rather than the people, first. We want them to know by commemoration of the 3d of May that the Polish constitution lives on in our hearts, as well as theirs, and the love of freedom and democracy is ageless and nationless—a fundamental to all mankind.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I want to take this opportunity to join Poles throughout the world in commemorating the Polish 3d of May Constitution Day.

If one examines the history of the Polish people one finds the chronicle of a people who have continually fought oppressor nations for the right to be free.

While this freedom has sometimes been won—and other times, like the present, been lost—the will of the Polish people to preserve and never give up their dream of democracy has persisted.

Recognition by the Congress of occasions such as today's Polish national holiday help bring world recognition to the plight of citizens of Poland and the exemplary character of the Polish people.

Mr. SMITH of New York. Mr. Speaker, I would like to join the gentleman from Illinois today in honoring the brave people of a land which has been beset with troubles through the centuries. The Polish 3d of May Constitution Day is traditionally celebrated by Poles in many countries, including many fine American citizens of Polish origin in my own district.

Poland was a pioneer of liberalism in Europe when in 1791 it adopted a constitution establishing the principle of the sovereignty of the people in the state—this just 2 years after the adoption of our own Constitution and our guarantee of power to the people. Despite valiant attempts to maintain their freedom, the Poles have found their country overrun and divided again and again through the years.

But even today, while in the grip of communism, the Poles stubbornly cling to the hope that their land might one day be free again. We pray justice will be served and Poland returned to its people.

In the meantime, let the fate of Poland serve as a lesson to those of us who are too complacent or abusive of the freedoms we enjoy in the United States. Let us guard our heritage lest we, too, face the bitter loss of our liberty.

Mr. HANRAHAN. Mr. Speaker, I wish to join with my distinguished colleague from Illinois, Congressman Edward Derwinski, in commemorating the Polish 3d of May Constitution Day.

The Polish people have always exhibited a remarkable dedication to freedom and independence for their valiant nation. Throughout history, in spite of a precarious geographical position in Europe, the Polish people have successfully resisted conquest and suppression by powerful neighboring nations. Since 1939, however, the Polish people have lived through the twin nightmares of Nazi and Soviet occupations.

The same courage and determination that preserved the Polish identity throughout the past centuries will undoubtedly prevail again against the forces of tyranny.

I am proud to join with my colleagues and with every American in saluting all Poles and Polish-Americans on this special day.

Mrs. GRIFFITHS. Mr. Speaker, May 3 is traditionally observed as Polish Constitution Day. In the Detroit metropolitan community where so many people of Polish ancestry live, it is a day of special significance. This is a day when the homeland is remembered and the struggles of a people to be free and independent.

Poland has more than endured a tragic history of occupation and foreign domination. Yet, these tragedies have infused the Polish character with a unique strength built upon a spirit of freedom. A persistent determination to secure national independence has kept alive a rich cultural heritage which continues to enrich western civilization.

Anyone who lives, as I do, in a community with a large Polish population can attest to the many contributions of these gallant people.

Mr. CEDERBERG. Mr. Speaker, as always, it is an honor for me to join with so many other colleagues in this special recognition of one of the great events in world history—the adoption of the May 3 constitution of 1791 for Poland.

No American, of any nationality, who has studied history, has to be reminded of the bravery and fortitude that has been exhibited by the Poles over hundreds of years. For years, it was my great honor to represent Bay City in Congress prior to congressional redistricting in 1972. Bay City has a large Polish citizenry which, over the years, has contributed so much to the well-being and development of that community.

One very distinguished former member of that community who has been especially active in Polish-American affairs in his retirement home of Phoenix is my very good friend, Ted Nedzielski. I mention Ted as a particularly fine example of dedicated Polish-Americans who increase to our awareness of the contributions which have been made to our country by Americans of Polish ancestry and as one who continues the struggle for freedom in his mother country.

It has been my pleasure to recognize and cooperate with the Polish-American Congress, Inc., on legislative issues of mutual concern. I am pleased to observe that five citizens of Michigan serve as directors of the Polish-American Congress. They include Rev. Stanislaw Borucki, Detroit; Walter Gajewski, Hamtramck; Jan M. Kreutz, Detroit; Evelyn Pacyna, Detroit; and Rev. Walter Ziemba, Orchard Lake. In addition, I cite Fabian C. Polcyn of Ann Arbor, now serving as one of the 12 vice presidents of the Polish Congress. I salute these Michiganites as well as millions of Americans of Polish ancestry in this very special observance in Polish history.

Mr. COTTER. Mr. Speaker, I want to join with my colleagues in commemorating the 3d of May Constitution Day which is a traditional holiday for many Polish-Americans.

As my colleagues are well aware, it was on May 3 in 1791, just 2 years after the adoption of our own Constitution that the people of Poland succeeded in drafting this memorable document without resorting to violent warfare.

However great this accomplishment, it did not deter the third partition in Poland in 1795 by Russia, Prussia, and Austria.

This proud nation since the end of World War II has been under Communist control. However, in talking to many Polish-Americans, I believe that the spirit of democracy is still firmly embedded in the hearts and souls of the Polish people.

In commemorating this important event, I would like to quote from the Polish 3d of May Constitution, which I believe symbolizes the most deeply held ideals of not only people of Polish descent but the entire human race:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

In conclusion, I would like to join with the many Americans of Polish descent in celebrating this national holiday.

Mrs. HOLT. Mr. Speaker, I would like to commend my colleague from Illinois (Mr. DERWINSKI) for taking this special order to honor the Polish nation, and I am pleased to join him in the celebration of the Polish Constitution Day.

Poland's valiant struggle against Nazi and Communist totalitarianism has become an inspiration for the world, and lends special meaning to the commemoration of the adoption of the May 3d Constitution of 1791. The Polish Constitution came into being just 2 years after our American Constitution, and the principle of the sovereignty of a people is embodied in both. Poland has repeatedly been the target of aggression and partition as the light of Polish liberalism represented a threat to the totalitarianism spreading throughout Europe over the centuries.

As we struggle toward world peace, we must not be foolhardy enough to forget the lesson so graphically presented to us in the history of this beleaguered nation. We must rededicate ourselves to the principles of freedom and liberty which we have been fortunate enough to sustain in America. We must set an example which will reflect renewed hope and encouragement for those struggling against Soviet domination.

Poland and America share a common dream, a dream of self-determination for all nations, and the 183d anniversary of the May 3d Polish Constitution serves to remind us of this mutual resolution.

Mr. CONTE. Mr. Speaker I want to, first of all, thank my distinguished colleague, the gentleman from Illinois (Mr. DERWINSKI) for requesting this special order. He is to be commended for his vital and continuing interest in this matter.

The holiday that is marked tomorrow in the country of Poland is as sacred to her fine citizens as is the 4th of July to the people of this Nation. It signifies both a new beginning and the coming of fruition of many hopes.

In Poland, of course, the day is observed as a traditional national holiday. Here, in this country, our Polish-American citizens take immense pride in their own unofficial observances.

I join my colleagues in the sincere hope that the spirit that guided the framers of the 3d of May Constitution of 1791 may be evidenced in abundance among the modern day citizens of Poland.

Speaking as one who takes great personal pride in his own heritage. I offer my sincere best wishes to all Americans of Polish origin on this anniversary.

Mr. MINISH. Mr. Speaker, this week we commemorate a great event in the history of Europe. On May 3, 1791, Poland adopted a constitution which clearly defined the rights of citizens and forcibly portrayed the principles of freedom and justice.

The Polish Constitution of 1791 was a remarkable document in that it took the then unprecedented step of establishing a limited monarchy and a constitutional democracy. The powers of the King were sharply curtailed, and he was left to share his executive authority with a council. The nobility lost many of its privileges and its ranks were opened to townspeople. The peasants' relations with their landlords were regulated by law, and they were not to be subjected to any arbitrary abuse of power. Religious freedom was established. The governmental machinery was liberalized and Poland was characterized as a progressive and democratic nation. This was a distinct step forward, and a pioneering one in Eastern Europe—in no other country were there such sweeping reforms at such an early date.

The history of the Polish people of our own country provides numerous examples of the traits which gave inspiration to the constitution of 1791. Polish Generals Pulaski and Kosciusko fought valiantly beside George Washington in the Revolutionary War. They set an illustrious example which has been followed by Polish-Americans to this very day. In every community where there are Polish-Americans, there splendid influence has been felt in civic responsibility, community development, and leadershp, and in the rich cultural heritage of Poland.

Mr. NEDZI. Mr. Speaker—

> As in the past the future ripens,
> So in the future the past decays . . .

Thus wrote the poet.

By our participation in the 183d anniversary of Polish Constitution Day we try to celebrate and luminate—morally, historically, and politically—the traditions we have inherited and the places from whence we came.

What is the bond which unites all Poles all over the world? The answer is a common cultural heritage that is over 1,000 years old.

East and West meet on Polish soil and are almost always in collision. The geographical location that has often been a historical tragedy for the Polish race has nevertheless been the source of a rich variety of cultural influences.

The diaspora which has been caused by economic necessity and war, has given an international flavor to Polonia. Perhaps one-fourth of the 40 million people of Polish blood live abroad.

The Polish-American community, by its numbers and its vigor, must be reckoned with in American politics. And it must be reckoned with by the Polish Communist Government.

Relations between the United States and Poland, on the official level, blow hot and cold.

We are now undergoing a general improvement in commercial relations.

In 1972, two-way trade reached a record high: $250 million. In 1973 trade more than doubled to $531 million. We send them agricultural products and technology; they send us agricultural products and coal.

While Polish emigration is not as good as we would like, it is better than any other Eastern European nation. Tourist visas are at a record high. The historical attraction of the West, rooted in culture, philosophy, and ties with relatives, continues and even accelerates.

The roots of this westernism go back a thousand years, when Poland chose Christianity and forged bonds which are insoluble.

The Polish Constitution of 1791, moreover, expressed ideals which were well ahead of their time, in European terms.

It emphasized freedom of conscience, liberty, and equal opportunity.

Finally, speaking as a man proud of our Polish heritage, I would like all public officials to take careful note that we Americans of Polish blood are an asset, not a burden, to America.

We want them to know that we are proud of our traditions and of our belief in the family, the neighborhood school, and law and order with freedom.

As Americans, we are interested in everything other Americans are interested in. We do not shut ourselves off from the mainstream of American society.

In addition to that, however, we take a special interest in American foreign policy, for we have a special, bitter memory of the twin tyrannies of naziism and communism.

My fellow Polish-Americans and I are privileged to share in two great cultures. It is my judgment that we will continue to remember our heritage for years into the future as we work with our fellow Americans to contribute to the overall well-being of the United States of America.

Mr. MINSHALL of Ohio. Mr. Speaker, in this age of détente, opportunities for industrial expansion and cultural exchanges should not overshadow the fact that people today are being deprived of their freedom. May 3 is a particularly significant day on which we should all pause and consider the plight of those individuals who are not free to worship as they choose, to express their true political opinions or to educate their children in their own cultural heritage, since it will mark the 183d anniversary of the Polish 3d of May Constitution Day.

The situation of the Polish people is especially poignant, because Poland was one of the forerunners in developing a representative and democratic government. Their 1791 constitution established a limited monarchy with ministerial responsibility and biennial parliaments, dissolved class distinctions, allowed towns full administrative and judicial autonomy, guaranteed the full protection of the law for all and granted absolute religious toleration. This historical document played and still plays an influential role in European democratic development.

The 1791 constitution marked a climax in the Polish people's drive for social and political rights. In 1374 the Pact of Koszyce, the magna carta of Poland, was signed which provided certain powers and political privileges for the general mass of the gentry. Still the Polish princes retained advantages, which angered the gentry. Consequently, at the end of the 14th century they formed local Diets called sejmiki and thereby gained powers steadily. After 1537 the Polish parliamentary system was an established fact.

The constitution was not greeted enthusiastically by all the countries. Russia, which along with Prussia and Austria had succeeded in overpowering and partitioning Poland in 1772, tried to prevent the new constitution from going into effect. Then in 1793 Prussia and Russia once again partitioned Poland. Gradually the people's power in self-government, education, and justice was eroded. After World War II Poland came under the subjugation of the Communist government of the U.S.S.R.

Today the Polish constitution lives as a symbol for these people that they will once again attain their complete freedom and independence. As a nation that has benefited from the contributions of Americans of Polish descent and from the inspiration of Poland's struggle for independence, we should strive to bring the issue of the captive nations before the United Nations as I have set forth in House Concurrent Resolution 29. We should also establish May 3 of each year as Polish Constitution Day. In honor of this memorable celebration, I have introduced the following House resolution:

H. Res. 66

Whereas Poland ranks among the oldest of European nations and became one of the first pioneers of liberalism in Europe by incorporating in the 1791 Polish Constitution the principle of the sovereignty of the people in the state; and

Whereas the people of Poland have for more than a thousand years endeavored to follow the path of peace and freedom and throughout their history have made substantial political, scientific, and cultural contributions to the world; and

Whereas the people of Poland share the same spirit and belief in freedom which inspired the American Revolution and the United States Constitution; and

Whereas in partial recognition of our Nation's debt to the Polish people, the Ninety-third Congress of these United States of America is considering legislation which would authorize the Secretary of the Interior to establish the Thaddeus Kosciuszko Home National Historic Site in the State of Pennsylvania; and

Whereas Presidents of the United States, the Congress, Governors of our major States, and mayors in our largest cities have consistently observed and paid tribute to the indomitable and freedom-loving spirit of the Polish people; and

Whereas the Constitution of Poland, which was adpoted May 3, 1791, represented a milestone in the struggle of mankind to establish representative and democratic government with the full protection of law and equal justice extended to all of the people; and

Whereas May 3 also marks the anniversary of the death of the great Polish patroit, Thaddeus Kosciuszko, to whom our Nation owes so much for his assistance during our struggle for independence: Therefore be it

Resolved, That the President is authorized and requested to issue a proclamation designating May 3 of each year as "Polish Constitution Day", and inviting the people of the United States to observe such day with appropriate ceremonies.

Mr. WOLFF. Mr. Speaker, May 3 marks the anniversary of the signing of the Polish constitution in 1791, an event which is celebrated by people of Polish descent all over the world.

In 1789, the United States adopted its Constitution. Two years later, Poland stepped forward with its own, new constitution, one that brought a halt to the country's domestic decline and stood thereafter as an example of liberalism and democracy in Europe. This change in government has been celebrated each year as one of the most important events in Polish history.

The liberalism of the Polish constitution was embodied in the following words:

> All power in civil society should be derived from the will of the people.

This motto, along with an emphasis on civil rights and equality, served as an inspiration to the rest of Europe in the face of totalitarian regimes.

Unfortunately, this experiment in democracy was short-lived. Four years later, Poland was divided between Prussia, Austria, and Russia. But the experiment has not been forgotten—it serves as an example to totalitarian governments throughout the world and reminds us of the affinity between Polish and American democratic traditions. We all join Polish-Americans and Poles throughout the world in their celebration of this historic day.

Mr. CRANE. Mr. Speaker, May 3 is a day of special importance to Poles throughout the world, and of particular interest to Americans of Polish descent.

At this time they commemorate the constitution which was adopted in Poland on May 3, 1791, and which held the promise of a free, sovereign, and democratic society.

The philosophy of that constitution was formulated in these words:

> **All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.**

The philosophy of the dignity of the individual and his inherent and inalienable rights which stimulated the founders of our own country to declare their independence motivated the Polish patriots of 1791.

Unfortunately, democracy and freedom were not permitted to live and take root in Poland. In 1795, Poland was for the third time subjected to a partition, this one at the hands of Russia, Prussia, and Austria. Again, in 1939, Russian and Prussian soldiers met again in Poland and the twin totalitarian forces of nazism and communism eliminated the freedom of Poland and of the Polish people.

Today, the people of Poland continue to live under a repressive Communist government. The traditional freedoms which we in the West take for granted—freedom of speech, of religion, of assembly, and of travel—are still not realities for the people of Poland.

As we commemorate the anniversary of Poland's 18th century determination to be free let us renew our faith with the men and women of 20th century Poland who still seek that same freedom. Let us work for the day when the people of Poland, and all of Eastern Europe, are free of Soviet domination and have the ability to elect governments of their own choosing.

Americans of Polish descent are heirs to a great heritage of belief in freedom and have played a major role in making our own country the citadel of freedom which it has become. Let us at this time join with them in celebrating the Polish 3d of May Constitution Day and commit ourselves once again to the future freedom and independence of Poland.

Mr. VANDER VEEN. Mr. Speaker, I am delighted to participate today in the special order honoring and celebrating the Polish May Constitution Day. Surely, it is both fitting and ironic that this ceremony is taking place here in the Halls of the Congress of the United States rather than in Warsaw.

It is fitting, because of the tradition of democracy upon which both Poland and the United States base our declarations of freedom and our Constitutions. It is ironic, because the full expression of that freedom is stifled in Warsaw—the capital of Poland. Thus, the commemoration in the United States of a day which should belong to every Pole, not just those living apart from the mother country.

Here in Washington we not only celebrate the declaration of a constitution which guaranteed to all of Poland's people those same rights which Polish-Americans enjoy today. We also celebrate the memory of those Polish heroes who helped secure for Americans the freedoms and constitutional guarantees all Americans enjoy. I refer to Kosciuszko and Pulaski. Indeed, magnificent equestrian statutes of both these American Revolutionary generals stand directly in front of the White House in Washington.

The May 3d Polish Constitution and the American Constitution both derive from democratic ideals and principles borne during the 18th century. Jefferson or Madison could very well have penned the following stirring words:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and good order of society on an equal scale and on a lasting foundation.

Mr. Speaker, détente is very much a matter of discussion and debate in the United States, and particularly here in Congress. We are discussing ways in which the United States and the Eastern bloc nations can build mutual understanding and respect for each other. I think that the stated goals of détente are most desirable—indeed, they are indispensable if the globe is to avoid future nuclear confrontations.

I mentioned respect among nations as one of the goals of détente—respect for the rights, governmental systems, and national traditions of other nations and their people. Certainly, the way to share respect within the family of nations is to develop it within each nation's own borders—respect for the rights and traditions of the people being governed.

It is, therefore, in the name of détente, that I suggest to the present Government of Poland a thorough study of the May 3d Polish Constitution. An implementation of the rights guaranteed by that landmark political document, would be cause for celebration equal to that occasioned by the original promulgation of the constitution of May 3, back in 1791.

Mr. Speaker, I celebrate today with Poles everywhere on this day of national remembrance. I share their hope that those living presently within Poland will be able to enjoy those same freedoms and doctrine of liberal government which Polish patriots of old handed down as a living legacy to their posterity.

Mr. YOUNG of Illinois. Mr. Speaker, it is a great pleasure for me to join in this commemoration of the Polish 3d of May Constitution Day. This is an important occasion for all people of Polish ancestry and its origins go back 183 years when the restless voices of freedom were first beginning to assert themselves in those countries we now think of as the free world.

Poland has indeed been an important pioneer in the establishment of democratic principles throughout the free world. How tragic that the Polish people have not been able to secure for themselves that measure of independence and freedom which they have inspired among others. We can, however, take strength and courage from the way in which the Polish people have struggled with adversity while the spirit of freedom, justice, and liberty still burns bright.

Throughout the years thousands of Poles have come to this country bringing their great heritage, culture, and aspirations for individual freedom. Our Nation has been greatly enriched by the contributions of these Polish Americans. I would very much like to pay tribute to my friend Al Mazewski, president of the Polish American Congress, and the other officers and members of his fine organization for the outstanding work which they are doing to keep us all aware of Polish traditions, and especially their valiant struggles against totalitarianism and oppression.

Mr. EILBERG. Mr. Speaker, I take pride in commemorating the anniversary of Polish Constitution Day. The Polish 3d of May Constitution, based on the principle of the sovereignty of the people in the state, reflects the ideals of freedom and independence that 10 million Americans of Polish ancestry cherish and want to retain for their homeland. This silent national holiday of the Poles in Poland should serve to remind all Americans of the many who are still working for the day when Poland will once again join the family of free nations.

I would like to share with my colleagues a statement prepared by the Polish American Congress, Inc., that testifies to the deep concern of the Polish Americans for their heritage.

The statement from the Polish American Congress follows:

MAY 3—THE POLISH NATIONAL HOLIDAY

On May 3rd Poles everywhere and citizens of Polish origin in many countries will celebrate a Polish national holiday—the Polish Third of May Constitution Day.

In the United States, wherever Americans of Polish descent live, in cities and towns from coast to coast, this holiday is observed with appropriate exercises through the month of May to pay tribute to the Polish nation and to remind fellow Americans that Poland was one of the first pioneers of liberalism in Europe.

It was on May 3rd in 1791, barely two years after the adoption of its Constitution by the United States in 1789, that Poland without a bloody revolution or even without a disorder succeeded in reforming her public life and in eradicating her internal decline. Bt this great rebirth and assertion of democracy came to the Poles too late and did not forestall the third partition of Poland in 1795 by Russia, Prussia and Austria.

The greatness of the May Third Polish Constitution consisted in the fact that it eliminated with one stroke the most fundamental weaknesses of the Polish parliamentary and social system. The Poles raised this great moment in their history to the forefront of their tradition rather than any one of their anniversaries of glorious victories or heroic revolutions.

We Americans who have been reared in the principle given us as a birthright by the founders of our great Republic, the principle of the sovereignty of the people in the state, which is the primary postulate in the 1791 Polish Constitution, can see how this truism cut off the Poles and the Polish political tradition completely from both the Germans and the Russians, who have been reared in the principles of state, not national, sovereignty.

The light of liberalism coming from Poland was then, as it has been throughout the years that followed and even unto today, a threat to tyranny and absolutism in Russia and Germany. In 1795, Russian and Prussian soldiers were sent to Poland to partition and rape her. In 1939 Russian and Prussian soldiers met again on Polish soil, as the absolute totalitarianism systems of nazism and communism again felt the danger of true liberalism coming from Poland just as in 1791.

In the Polish Third of May Constitution this liberalism was formulated in these words:

"All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation."

The philosophy of government discernible throughout the Third of May Polish Constitution leads one to believe that the American people and the Polish people had each drawn inspiration for their respective constitutions from the same source.

Mediation on the anniversary of May the Third deepens the faith and heightens the courage of every Pole and of every American of Polish origin. It reminds all Americans of Poland's destiny in the history of mankind, and prophesies the ultimate triumph of justice, even though Poland once more has been deprived of her independence, sovereignty and her territory by one of our former allies, Soviet Russia, with the consent of other United Nations.

Mr. ZWACH. Mr. Speaker, it is a privilege for me to join so many of my colleagues in paying a most deserved tribute to all of those people of Polish descent on the observance of their traditional Polish 3d of May Constitution Day, the national holiday of Poles everywhere.

The history of Poland is an unhappy one. It is the story of a centuries-long struggle by a valiant people against almost unsurmountable odds.

When our Founding Fathers, were fighting England for independence, a great deal of credit for the effectiveness of the Colonial troops goes to the Polish officer volunteers who trained and led them.

There is a no more valiant chapter written in the annals of warfare than the gallant suicidal charges of the Polish lancers against the armored might of the German blitzkrieg, in a vain attempt to buy time for mobilization, in World War II, nor a more shameful one than the massacre of the Polish intellectuals and army officers in the Katyn Forest.

Although Poland is clamped in the grip of the Soviet bloc today, the Polish people of all lands commemorate their day of Polish democracy and freedom and they look forward to that day when once again they will have true independence not only in their national life but also in their lives as individual citizens.

I know the proud heritage of the Polish people. It is evidenced in the spirit of my own constituents of Polish descent who contribute so much to the communities in which they live and which I represent.

We must always make sure that the Polish people know they have not been forgotten in their struggle for the freedom and liberty which they helped us to achieve.

GENERAL LEAVE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order, the commemoration of the Polish 3d of May Constitution Day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMNESTY IS NOT VINDICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Robison) is recognized for 10 minutes.

Mr. ROBISON of New York. Mr. Speaker, in stirring what might be called the "boiling emotional cauldron" of the subject of amnesty, as I have on occasion before this body, I have set myself up as a lightning rod of sorts, both for those who strongly oppose the idea of an amnesty, and for those who ardently agree. After the hundreds of letters I have written to my constituents and other interested citizens throughout the country, and after the thousands of words I have expended here on behalf of my proposal to establish a National Amnesty Board patterned after the Truman Amnesty Board, it is clearer than ever that amnesty, itself, has never really been the point of contention.

The dockworker philosopher, Eric Hoffer, has called this Nation a society of gentle people—and it unquestionably is, to my mind. Few Americans would reject an appeal for tolerance and humaneness. And, If amnesty could be characterized only in these terms, I believe there would be little resistance to the idea. Our history as a nation is steeped in acts of the merciful application of justice.

It is true, as well, that this is a nation of unprecedented accomplishment, with a citizenry which shares a fierce pride in those accomplishments. The breadth of that national achievement has caused that same oracle of the "gentleness" of the American people I mentioned above to present considerable historical justification for the contention that "America is the only new thing in history."

Perhaps that observation can be made too strongly, but there is sufficient truth in it to reach an understanding of the angry, gut reaction which still too often confronts the mere mention of the word, "amnesty." America, and Americans, have made their mistakes, but they also have made institutions and an environment of human tolerance which have no equal in history.

Those who use amnesty, or anything else, to deny those accomplishments can guarantee a bitter emotional reaction; and I strongly fear that the "better angels of our nature" will not be allowed to emerge through an amnesty which seeks to put away vindictiveness, if vindictiveness is the motive of some of those who seek amnesty.

The roots of the emotional contest over amnesty are particularly well illustrated in a recent Christian Science Monitor article by Roscoe Drummond. The range of attitude between "considerate treatment," which term opens Mr. Drummond's article, and "vindictiveness," which is the primary subject of the column, is the same space of emotion which ought to be narrowed through amnesty.

Mr. Speaker, I commend this article to the attention of my colleagues:

The Pitfalls of Amnesty

(By Roscoe Drummond)

Washington.—Considerate treatment free from any vindictiveness should be accorded to those young Americans who made the mistake of trying to avoid, evade, and violate the draft law during the Vietnam war.

But that is not what the proamnesty lobby is asking Congress to grant. That is not what it wants for the military deserters and draft dodgers most of whom are now living in Canada.

They don't want any kind of conditional amnesty. They don't want to concede that they ever did wrong or deserted their fellow Americans in time of war. They don't want to give even one year of any kind of service to their country—even nonmilitary service.

The candid truth is that they don't want forgiveness; they want justification; some want glorification.

The arguments put to Congress by the advocates of unconditional amnesty are much the same as they were when used to justify the offenses in the first place. Let's examine them:

Argument: The Vietnam war was illegal.

Answer: The Vietnam war may have been unwise, and badly conducted. It may have crept up on the nation without our adequately estimating whether the stakes were equal to the cost in lives and resources.

But the Vietnam war was not illegal. Our involvement was not a unilateral action by any president whether he be Eisenhower, Kennedy, Johnson, or Nixon.

The war was not illegal because Congress explicitly authorized the President to use "whatever military force necessary to resist aggression in Southeast Asia" and to restore peace. The House acted 416 to 0. The Senate by 88 to 2.

The draft was not illegal. It was authorized by Congress.

Argument: The Vietnam war was immoral and therefore those who encouraged evasion and those who practiced it were the moral ones.

Answer: It is necessary to make a clear distinction between genuine pacifists who refuse to take human life and the draft evaders who ran from their obligation to accept any form of noncombat service. Smith Hempstone, the chief editorial writer of the Washington Star-News, puts this point vividly in a column titled "No Amnesty Without Equity":

"It is even possible to admire those who on principle chose jail or alternative service to donning a uniform. But the gorge rises at the suggestion that men who spent the war comfortably living off remittances from Mom and Pop in Toronto coffee houses are the cream of their generation. It simply isn't so."

Argument: Those who fled the country to avoid the draft have already suffered enough and now that the war is over for the U.S. at least, the question of penalty should be erased.

Answer: Fleeing the country was their choice. It was voluntary exile, not imposed exile. Our foremost concern must be for what is best for the whole nation—for all Americans—and for the GIs who fought for their country in loyal obedience—many of whom took their places in the front lines for those who fled.

Argument: Unconditional amnesty has followed other American wars, so why should the Vietnam war be any different?

Answer: Sound argument—if it were true. It is not true. The fact is that there has never been a general, unconditional amnesty after any American war and when the advocates say that they are counting on the public to be uninformed.

There were 15,805 draft dodgers during the course of World War II and President Truman pardoned less than 10 percent of them. No draft evaders nor deserters received amnesty after the Korean war, which was nearly as unpopular as the Vietnam war.

It is hard to escape the conclusion that the self-exiled, militant draft violators are little interested in forgiveness, but most of all in vindication.

Vindictiveness, harshness, unforgiveness, no. But it seems to me profoundly unwise to establish the precedent that when a military draft is the law of the land, citizens can have a right to decide which wars they will fight in.

This is why Sen. Robert Taft Jr. of Ohio, Robert Froehlke, former Secretary of the Army under President Johnson, and others only propose amnesty conditional upon alternative—not necessarily military—national service.

THE RISING FOOD COSTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. Heckler) is recognized for 30 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, for the past 2 weeks I have submitted to the Record the testimonies which were presented during a day-long public hearing I conducted to investigate the effects of soaring food costs on the lives of the people in the 10th Congressional District of Massachusetts.

Testimonies were given by individuals representing various segments of society, ranging from the poor and the elderly to those from bakeries and consumer organizations. The statements I heard on April 18 in Natick during the public hearing have provided me with additional data and a deeper insight into the food-price crisis.

Today I am submitting two additional statements, edited, due to space limitations, which have been extremely beneficial in helping me access the seriousness of the problem:

Carolyn Dobson, League of Women Voters, Taunton, Mass.

I am from the League of Women Voters and what we tried to do is try to sit down with people and find out what their problems from the rising food cost have been. I interviewed people from not only what you consider the poor, the welfare, and people on subsidies, but also, the "lost American." When she gets home she has nine children to take care of. She doesn't have time to cook. So the children are doing without that, they are able to get free lunch at school, because of the situation they're in. But now that she's gone to work she finds that easier because she can make some money and her husband's unemployment brings them almost up to where they were, but all the resources are gone. Their household taxes will be due in May and she is worried about that, this is one instance.

I talked to older people, people in what I consider the golden years. Many of them are frightened of what has happened to the money they've saved because of the rising food costs. One man and his wife told me that they don't eat home anymore. Taunton does have a very good luncheon program for the aged, and they eat their main meal there every day and then they have things like cereal for breakfast and crackers and tea and things like that at dinner time. So they subsist on their meal at noontime. They substitute for things, like they have dry milk rather than whole fresh milk.

They live on their social security checks and social security checks are another problem. Many, many of the older people told me that several times, in this one little group, a woman has lost a job, the business closed down, at say the age of fifty-eight, fifty-nine, or sixty. She's not eligible of course, for social security and their suggestion, and they asked me to bring it to you, was if you could do anything to lower, especially the female social security age, to sixty. It would help a great deal, they spend sometimes three to five years living on one social security waiting for the others to come in.

They do say that the golden age clubs that many of them belong to, for a quarter a week gives them the only entertainment they're able to have because they are strapped so tightly on their budget.

It is very very difficult and as I say those who have saved money, this one couple had saved what they considered a good deal of money for their retirement and it's practically all gone, he's only been retired five years.

Their big problem is they own their home. The home that they raised their children in, paying the taxes that we're paying, the money just is not there. Some older people are lucky enough to have families that care and families that can help, this is a great benefit to most of them. But there are many, many, many older people that have absolutely no one in this world, they live alone.

Without the senior citizen organizations everything they had would go to light and utility and food, but with the senior citizen organization they're able to get a hot meal very cheaply.

I also interviewed people on welfare which have also a very bad problem. They are on a limited income, they do get the food stamps. The food stamps help a great deal, especially the welfare mother because she must buy her food stamps in one block sums, twice a month, and they're allotted so much, so many dollars worth of food stamps and then they get an extra so many dollars. They are forced to buy these once a month because they're not going to have the money weekly. Therefore, they do have food money, so they're doing all right in the food money but what happens, especially with the new increase in your fuel adjustment at your light department, they won't be able to pay their light bill, well now they're without lights, or they won't be their rent, well now they're thrown out of their apartment, and its very difficult to find low income apartments.

Out of the four welfare people I talked to, three of them have been in the rears and have been threatened with having their lights shut off, because they are feeding their families. I talked to them about nutrition and wanted to be sure that their families were getting fed properly.

Dr. David Berger, Department of Economics, Southeastern Massachusetts University, North Dartmouth, Mass.

To begin talking a bit about the effects of inflation on people's incomes and their family budgets, and let me just start by talking a little bit about inflation, if I may. Inflation does hurt everybody, effectively inflation reduces your purchasing power, the amount of things you can buy with your income, and for people on fixed or limited incomes it means rising food prices as well as rising prices of other commodities. It's almost as if food is being taken away from people who can't afford to buy it. Now, as far as inflation goes, everyone does suffer from inflation, but it must be realized that those people that are on limited incomes, poor people, people in the middle income brackets, are the ones who really suffer the most because prior to price increases they were unable to meet the minimum levels, or were just about making ends meet, and meeting minimum levels to begin with.

So after the price inflation does take effect it has very severe impact on these groups of people. One of the most severe, or most insidious impacts of inflation on poor and moderate and lower income people is the effect it has on children. This has been documented extensively, in fact, in 1969 the Senate Committee hearing on nutrition and human needs, extensive testimony and evidence was given to indicate that children of low income families were the ones who really suffered the most. When you're talking about not getting enough to eat you're really talking about a process which is fairly circular in the sense that people, children, are victims since they're born into a household and not by choice, but pretty much by chance. When you're talking about hunger you're really talking about depriving these children of an opportunity to succeed in life so it means that in terms of the impact of government programs to provide food for people in lower income brackets were really talking about investment in human beings. And it is a very productive investment in the sense that dollars spent will enable young children to lead more productive lives, so very high returns can be expected from outlays in the area of attacking the problem of hunger.

In 1965 it was estimated that seventeen per cent of the households in Massachusetts suffered from poor diets. This was a study, testimony was submitted to the U.S. Senate Committee on Nutrition and Human Needs in 1969.

[It's very interesting that most of the food distribution centers are around the Boston area, so that the prices that I'm talking about now are compiled from wholesalers in Boston and Massachusetts. For example, these are price increases that took place between November 1972 and April 1974, on the wholesale level. Potatoes over this period rose on an average of 226%. That's to say that in November 1972 potatoes were selling for about four cents a pound in April. This past week, they were selling on the wholesale level for fifteen cents a pound, an increase of 226%. Apples, for example, MacIntosh apples were selling in 1972 for about four cents each, in April. This past week, they were selling on an average of about eight cents each.

[Boston is a major distribution center so that most of the produce that comes from the other parts of the country are sent first to the Boston area and then wholesalers from other parts of southeastern Massachusetts come up to the Boston area and pick up their produce so they have to pay trucking costs. Other parts of southeastern Massachusetts are probably, I'd say, somewhat higher than the Boston area. But, Boston can be used as the benchmark.

[In many cases some of the larger wholesalers do get direct shipments from other parts of the country. But, by and large, most of them do come to Boston to buy their produce. Bread, for example, increased from about twenty cents a loaf to twenty-eight cents a loaf, a 40% increase. As far as some of the meats go, cube steak went up about 49%, sirloin steak went up about 32%, ground sirloin a 55% increase, ham went up close to 40%, cheese increased by 50%, and hot dogs rose fifty-five per cent. The increases have been fairly sizable.]

OIL AND MONEY—A CRITICAL PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I want to bring to the attention of the Members a problem which is not yet sufficiently recognized—the effects of the enormous price increases by the Organization of Petroleum Exporting Countries—OPEC—and the potential damage to the international monetary system and the world economy as a result of the glut of money to be received by the oil producers.

In the Congress we have rightly been spending our time on the domestic energy situation, but we must now consider the international implications of the oil price increases. We must appreciate that there is more to the international oil situation than the recent embargo on the United States.

The figures amply illustrate the situation. This year the developing countries will have to pay close to $10 billion more for their oil than they did last year. Yet, last year these countries received less than $9 billion in total foreign aid loans and grants. While we feel some discomfort, many less developed countries literally face bankruptcy. These countries are being robbed; the price of Mid-East oil is now 70 times the cost of producing it.

This year the oil exporting countries may earn $60 billion more than they did last year as a result of the price increases.

All of the monetary experts say that they do not see how the international monetary system can hold up under this "petrodollar" glut.

I do not feel that the administration has yet decided what to do about these problems. Hence, as chairman of the Subcommittee on International Finance, I have written the President to advise me what the United States is doing.

April 30, 1974.

Dear Mr. President: As Chairman of the Subcommittee on International Finance, I am becoming increasingly concerned about: (1) the disastrous effects of the OPEC oil price increases, and (2) the potential damage to the international monetary system and the world economy as a result of the petrodollar glut.

"I am sure that you are familiar with what the oil price increases will do to the economies of the less developed countries. They now face a sad fate, after so many years of economic growth aided by the United States through bilateral aid, multilateral aid and private foreign investment. Yet we seem powerless to do anything about it except beg the oil producers to give some aid to those countries which the OPEC group is in the process of bankrupting. And I seriously question the viability of the aid funds being set up by the oil producing countries.

Secondly, I am not sure how well the world monetary system will hold up under the strains of the approaching petrodollar glut and how it can accommodate the Arab oil producers' owning 60% of total world monetary reserves by 1980. While there have been some suggestions for recycling the petrodollars, I also question their viability.

In the U.S., we have worries about gasoline prices and long-term programs for development of our abundant energy resources. While solving these problems we cannot let the rest of the world sink around us. Based on the thorough information collected by my Staff, I can see few reasons for optimism. Something must be done about the cartel activity of OPEC and the resultant oil prices.

I would appreciate your advising us what the United States is doing or is going to do about the outrageous price increases by OPEC and the approaching petrodollar glut.

With best wishes, I am

Respectfully yours,

Henry B. Gonzalez,
Member of Congress, Chairman.

THE LATE MRS. HELEN CAREY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Rooney) is recognized for 10 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, all of us who know Hugh Carey and had the privilege to know Helen Carey shared with our colleague the sorrow of his wife's passing.

Mrs. Carey died March 8 after a long and difficult struggle with cancer. Through her illness, her devoted husband, Congressman Carey maintained his vigil at her side, commuting between the NIH facility where she was treated and the Capitol.

In his eulogy during services at St. Saviour's Church, Brooklyn, the Reverend Monsignor Charles E. Diviney, V.G., quoted a passage, sometimes titled "The Valiant Woman," from the Book of Proverbs and aptly described Mrs. Carey as a "beautiful person—in the traditional sense and the classic meaning."

She is survived, too, by nine children who recall her as the fond mother so characteristic of "The Valiant Woman."

In our deliberations today, we have passed the National Cancer Program amendments and authorization of $2.765 billion in appropriations for the war we are waging to combat the dreaded disease which has taken Mrs. Carey's life, and the lives of so many others the world over. It is fitting to her memory that we have enacted this important measure.

Mr. Speaker, the words of tribute by Monsignor Diviney are a beautiful expression of the respect and love all who knew her felt for her and I include them in the Record at this point:

Eulogy for Mrs. Hugh Carey, Given by Rev. Msgr. Charles E. Diviney, V.G., St. Saviour's Church, Brooklyn, N.Y., March 11, 1974

May it please your Eminence, Cardinal Cooke, Most Reverend Bishop Boardman, Reverend Monsignori, Reverend Fathers, Sisters, Brothers, Honorable Members of the Government, Bench and Bar, Honorable Hugh Carey, the children, relatives and friends.

This passage from the Book of Proverbs was originally written in Hebrew in the form of a twenty-two line alphabetical acrostic. Sometimes in translation it bears the title, "The Valiant Woman". Book of Proverbs, Chapter 31, Verses 10 to 31:

If you can find a truly good wife, she is worth more than precious gems! Her husband can trust her, and she will richly satisfy his needs. She will not hinder him, but help him all her life. She finds wool and flax and busily spins it. She buys imported foods, brought by ship from distant ports. She gets up before dawn to prepare breakfast for her household, and plans the day's work for her servant girls. She goes out to inspect a field, and buys it; with her own hands she plants a vineyard. She is energetic, a hard worker, and watches for bargains. She works far into the night!

She sews for the poor, and generously gives to the needy. She has no fear of winter for her household, for she has made warm clothes for all of them. She also upholsters with finest tapestry; her own clothing is beautifully made—a purple gown of pure linen. Her husband is well known, for he sits in the council chamber with the other civic leaders. She makes belted linen garments to sell to the merchants.

She is a woman of strength and dignity, and has no fear of old age. When she speaks, her words are wise, and kindness is the rule for everything she says. She watches carefully all that goes on throughout her household, and is never lazy. Her children stand and bless her; so does her husband. He praises her with these words:

"There are many fine women in the world, but you are the best of them all!"

Charm can be deceptive and beauty doesn't last, but a woman who fears and reverences God shall be greatly praised. Praise her for the many fine things she does. These good deeds of hers shall bring her honor and recognition from even the leaders of the nations.

I defy anyone to find a more appropriate way to describe Helen Carey for she was indeed a valiant woman.

The temptation is strong to read this selection from Sacred Scripture and then just say no need to go on. This tells it all. But that would be a cop-out, because it is only giving a generic portrait of the ideal of womankind. What we have to do here and now is to particularize it and apply it to our departed friend and loved one.

Specifically the inspired author says that the paragon of womanhood he is describing is a beautiful person, a charitable human being, religious and devout, a good wife, a fond mother, respected and admired by all, even the leaders of nations.

When we apply these characteristics to Mrs. Carey we come up with the following which is hard data and not the product of wishful thinking or a fertile imagination.

Unfortunately both the word beautiful and the phrase beautiful person have been distorted beyond recognition in our current jargon. So when we refer to Helen as beautiful and as a beautiful person we are using terms in the traditional sense and the classic meaning.

Her physical beauty was evident to all who had eyes to see. It never faded during her long, debilitating illness so that even now we can say she looks like the child in the Gospel whom our Lord said was not dead but sleeping.

However, her radiance was not a one dimensional thing but rather the outer shell which encased a sparkling inner spirit. She had charm, gaiety, wit and a delicious sense of humor. The kind of a person whose joy for living was infectious. So that brief as her stay was among us, and even though the light of her mortal life has been extinguished, the afterglow will remain for a long time in this dark hour of our grief.

In the First Epistle of St. John we read, "If anyone says I love God but keeps on hating his brother, he is a liar, for if he doesn't love his brother who is right there in front of him, how can he love God whom he has never seen? And God himself has said that one must love not only God, but his brother too."

Religion then must not only be vertical but horizontal. That Helen Carey worshipped God not flamboyantly or ostentatiously but quietly, steadily, and consistently is a matter of record. But we also know that she was kind and charitable not only to her family and friends but to the wider and more embracing family of man as her membership on the Brooklyn Bureau of Community Service, her interest in and concern for the St. Vincent's Home for Boys and her title as a Lady of the Order of the Holy Sepulchre, all so vividly demonstrate.

How good a wife she was only the two men who shared that intimacy can really tell. First the Navy Officer who was killed in the Pacific and then the man who held her hand as she kissed him just the moment before she closed her eyes and went to meet her maker. And if they groped for words to express that relationship no matter how articulate they might be it would be difficult to improve on this line from "The Valiant Woman" where the husband says "There are many fine women but you are the best of them all."

Quite recently observers of the American way have pointed out that in the ever changing patterns of family life there is a positive antichild movement. Children are unwanted, destroyed before birth and generally considered a nuisance only to be tolerated as an encumbrance or an impediment to self-gratification and pleasure.

But the word of God says of the virtuous women, her children stand and bless her. So here we have Alexandria, Christopher and Susan-Michael, Donald and Marianne-Nancy, Helen and Brian-Paul, Kevin and Thomas, (living stones more impressive than the most resplendent monument or sarcophagus of marble, bronze or stone, no matter how artistically designed and fabricated,) plus the late Peter and Hugh Jr. who preceded her into eternity less than four years ago.

The two final thoughts we glean from the passage from Proverbs is the statement that "Her husband is well known and sits in the Council Chambers with other civic leaders" and "She will be praised for the many fine things she does, these good deeds of hers shall bring her honor and recognition from even the leaders of the nations."

Call it coincidence, call it Divine Providence, but the husband of this Valiant Woman has sat and does sit in one of the highest legislative bodies of our land. As a representative of the people he has been a statesman and a civic leader.

Because of that we have here today leaders of all nations, a Cardinal of the church, members of all branches of government, the Bench and the Bar as well as the multitude of the people of God, citizens of disparate political convictions and religious persuasions, of different races, nationalities, and all walks of life forgetting for this one brief moment all their differences as they unite in prayer, each in his own fashion for the repose of her soul. May she rest in peace.

As a postscript I would like to add this paragraph from a letter written by Dr. Kevin Cahill, her physician.

"I have done all that I could for this beautiful woman and if death is the sole criterion then I have failed. But I know and without doubt Helen knew—there is more to life than breathing. I shall try to love each and all of you. My task for Helen is over and I end it by thanking her and Hugh and all of you for the privilege and the pleasure and the joy and the happiness that pervaded these four difficult and challenging years. I shall be praying that Helen remembers us from this day on." Amen.

DELAYING ACTION BY THE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Ryan) is recognized for 5 minutes.

Mr. RYAN. Mr. Speaker, I was surprised and distinctly disappointed by the President's recent speech and obvious effort to delay substantially the work of the Judiciary Committee in its examination into the impeachment question. While I am not an attorney, I am certain that I have enough knowledge of legal procedures to know that there is no precedent in the entire Western World for this most recent action of the President. In effect, the President is telling the Nation's legislative body that the legislative body does not have the right of legislative oversight of the executive branch. In effect, the President is telling the committee what the committee may look into of Mr. Nixon's responsibilities as Chief Executive.

I am happy to note that this point did not go unobserved among my own constituency. Perhaps the best example of the response I have received on this matter has come from a couple who are registered Republicans in San Bruno, Calif., in the telegram which follows:

> The House Judiciary Committee must not weaken in its resolve to obtain original White House materials pertinent to its Constitutional obligation.
>
> The notion that a person involved in a legal proceeding should have the right to withhold fundamental evidence is ridiculous; this principle is not negated even when the person involved is President of the United States.
>
> As a citizen I must rely upon the Constitution and the embodiments of that instrument to see us through this period of uncertain confidence in our governmental processes.
>
> The critical issue is not the question of Presidential impeachment, but whether or not we can rely upon constitutional checks and balances to protect us from the excesses of the few.

I urge this House to consider the precedent set if they allow the current President to establish this course of action. If this great country of ours lasts another hundred or thousand years, there will certainly be other Presidents whose actions will require vigorous investigation by the Congress. Whatever political situation confronts the Congress, regarding an incumbent President, I certainly hope that some future Congress will not be hampered by the precedent of President Nixon telling this Congress the conditions under which it may examine into his Presidency.

THE FEDERAL RESERVE AND MONEY CREATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, on April 5, 1974, in the Congressional Record—9989–9991—I set forth my view that the Federal Reserve has been creating new money—the public's checking accounts and currency, M–1—too fast over the past few years, and thereby has contributed to the persistent inflation which afflicts our economy. I recommend that, for this year at least, the Federal Reserve create new money at a rate close to, but not exceeding, 6 percent per annum.

I also called attention to the side effects that such a policy could have on financial intermediation and thrift institutions, on homebuilding, on small business on State and local governments, and on employment. I suggested ways of dealing with these problems while adhering to a policy of moderate money supply growth. Recognizing that these problems are extremely complex, I pointed out that my proposals were only points of departure for beginning a dialog. I urged that the Federal Reserve set forth its views on these urgent matters.

My position had been given to Chairman Burns of the Federal Reserve Board the day before, April 4, at hearings before the House Banking and Currency's Committee's Subcommittee on International Finance. Chairman Burns has since responded. His comments are presented in full below, together with my further response. I do not respond to Chairman Burns' comments in order to get in the last word, but to keep the conversation going.

Comments by Dr. Burns on Representative Reuss' Paper Regarding Monetary Policy

Representative Reuss recommends that growth in the narrowly-defined money supply (M1) be brought below 6 per cent a year, and kept between 4 and 6 per cent for the remainder of 1974.

I believe that it would be unwise to place monetary policy in a straight jacket this year or any other. The unique advantage of monetary policy is its flexibility, and I doubt that the national interest would be served at all times by some arithmetical rule. Nevertheless, I see no serious difficulty with Mr. Reuss' prescription under today's conditions. Indeed, when measured from quarterly average levels, the growth rate of M1 has actually been below 6 per cent in each of the past three quarters.

I have greater difficulty in finding common ground with Mr. Reuss on some of the other points in his paper.

First, there is the question of what the Joint Economic Committee's recommendations were for monetary policy in 1972. Mr. Reuss refers to the JEC's recommendation in 1967 that the normal growth for M1 should be 2 to 6 per cent yearly. But in its annual report for 1972 the JEC focussed primarily on the need to stimulate economic activity. To quote:

> "* * * While the present rate of inflation in the United States is still higher than would be desirable, it has come down from a year ago. * * * On the other hand, unemployment has stubbornly remained near the unacceptably high level of 6 percent and recovery from the low of the recent recession has been sluggish. Therefore * * * monetary and fiscal policies must be directed essentially to reducing unemployment and stimulating a faster recovery of production."

"Fiscal policy," the report stated, "must remain stimulative for as long as necessary to restore full employment." As for monetary policy, the report noted that the money supply had grown little in late 1971, "despite renewed efforts of the monetary authorities to achieve some expansion." The report then recommended greater monetary growth in order to accommodate an expansionary fiscal policy.

On August 28, 1972, after its midyear review of the economy, the JEC called once again for "an accommodative monetary policy as well as a stimulative fiscal policy." On that occasion, the JEC noted that the growth in real output that the Committee sought "will require expansion of the money supply *exceeding the range which would normally be considered appropriate in a full employment economy*." (Italics added) The Committee's report added that when "unemployment is so stubbornly and persistently high as at present, the monetary authorities should not feel constrained by monetary rules designed to apply to a full employment economy." Its recommendation for the balance of 1972 was that "monetary policy should be conducted in such a way as to keep interest rates at or below their present levels and to provide adequate funds to all sectors of the economy . . ."

This review of the record is instructive because it testifies to the legitimate concern of the Congress that stabilization policies be directed toward the provision of adequate employment opportunities as well as price stability. If both the Congress and the Federal Reserve erred on the side of too easy a monetary policy in 1972, the error arose from concern that insufficient supplies of money and credit could prolong a sluggish economy. It is worth recalling that little progress was made in reducing unemployment until the early summer of 1972. In fact, the rate of unemployment did not go below 5.5 per cent until November.

I want to comment, also, on another question Mr. Reuss has raised with regard to monetary policy in 1972. Assuming that monetary policy was overly stimulative that year, what weight should be attributed to that stimulus, relative to fiscal stimulus and other factors, in bringing about the inflation we are now experiencing?

As Mr. Reuss recognizes, "special events" have propelled prices upward recently. Disappointing harvests, the coincidence of booming economic activity in most major industrial counties, shortages of a wide range of basic materials and component parts, the devaluation of the dollar in foreign exchange markets, and most recently the manipulation of petroleum shipments and prices by major oil-exporting countries have helped bring us to the threshold of a two-digit inflation. Prices skyrocketed almost everywhere in 1973. While I agree that "our current inflation is by no means entirely due to special factors beyond our control," these special factors should not be minimized. About 60 per cent of the rise in the consumer price index in 1973 stemmed from increased prices of food and fuel; the same commodities, together with farm products, accounted for about 70 per cent of the rise in wholesale prices last year.

In his discussion of the influence of fiscal policy on our current inflation, Mr. Reuss asserts that since 1968 "fiscal policy generally has been disinflationary?" I strongly disagree. The assertion is based on figures for the full employment budget, which do not reflect adequately the degree of stimulus coming from the Federal budget. Even the unified budget has seriously understated the extent of Federal deficits in recent years.

For the five-year period ending June 20, 1974, the unified budget deficits add up to $68 billion—troublesome enough. But when one takes into account the net outlays of Federal agencies not included in the budget, such as the Export-Import Bank, and Government-sponsored entities such as the Federal Home Loan Banks, the total deficit for those five years comes to a staggering $109 billion.

Fortunately, the great majority of Members of Congress have been sufficiently concerned about runaway expenditures that budget reform legislation will soon be enacted. This will be a truly historic reform, enabling Congress for the first time to utilize fiscal policy as a really effective stabilization instrument. Great credit is due to Mr. Reuss for his constructive contribution to this legislation. If his paper reflected the same appreciation of the role played by excessive fiscal stimulus in the recent past, I would give him even higher marks.

Turning now to monetary policy in 1973, the record will show that as unemployment declined, the growth of M1 slowed. For the year as a whole. M1 grew by 6.1 per cent, in contrast with 7.6 per cent rate for 1972. By quarters, the annual growth rates in 1973 were 7.0, 7.5, 5.5, and 3.9 per cent. These figures compare the average amount outstanding in one quarter with the average in the preceding quarter. The method I have used, in contrast to Mr. Reuss' procedures, tends to average out erratic fluctuations that have little or no significance; it is comparable to the data provided on a wide range of nonmonetary economic variables, such as GNP and related measures.

Measured in the same fashion, M1 grew at a 5.5 per cent rate in the first quarter of 1974. Thus growth in the narrowly-defined money supply, properly measured, is currently within the range recommended by Mr. Reuss, as it has been for the last three quarters. It may well be that it will continue in that range for the balance of the year. However, I would strongly caution against using M1 as the sole target for monetary policy, and I believe that the wisest course for the monetary authority in any event is to retain flexibility to shift policy as events unfold.

One last point merits comment. Mr. Reuss recommends that the Federal Reserve stop trying to help housing by creating excess money, and instead "use its independent position to tell us all the hard measures that need to be taken." The Board of Governors sent to Congress in March 1972 a report on ways to moderate fluctuations in the construction of housing.

It was based on an extensive staff study, copies of which have also been furnished to Congress. In those materials, the proposals mentioned in Mr. Reuss' paper for cushioning the impact of monetary restraint on housing are discussed. The Board's recommendations diverge from those of Mr. Reuss, and it may be that Congress will prefer other measures than those we recommended. But our recommendations, and the studies by our staff and consultants which underlie those recommendations, have been available to the Congress for over two years.

Action by the Congress, either on our proposals or on others of its choosing, is needed to moderate declines in housing activity associated with changes in the cost and availability of mortgage credit. In the meantime, the Federal Reserve will take advantage of every opportunity to advise the housing agencies as well as members of Congress on specific policies relating to housing and mortgage finance that may be carried out within the framework of a sound monetary policy. An inflationary monetary policy would, in the long run, be bad for housing as well as for other sectors of the economy.

There follows a partial reply to Chairman Burns' comments:

MONETARY POLICY UNDER PRESENT CONDITIONS

Chairman Burns says that "I see no serious difficulty with Mr. Reuss' prescription under today's conditions." The Federal Reserve will have my continued support if M1 growth is kept in the 4–6 percent range this year, in the face of appeals to go above or below it.

RECENT MONEY SUPPLY STATISTICS

Chairman Burns says that "the growth of M1 has actually been 6 percent (per year) in each of the past three quarters." Measured by comparing this average of M1 outstanding in one quarter with the average in the preceding quarter, Chairman Burns finds that annual M1 growth rates in the most recent three quarters were 5.5, 3.9 and 5.5 percent. He also reports that for 1972 as a whole M1 grew 6.1 percent. This statistic was obtained by comparing the average money stock in the last quarter of 1973 with the average in the fourth quarter of 1972.

Is this methodology appropriate? It seems inconsistent to measure (a) quarter-to-quarter growth by comparing averages in adjacent quarters and (b) year-to-year growth by comparing fourth quarter averages. If it is proper to do the former, then year-to-year growth should be measured by comparing averages in adjacent years. Using this procedure, M–1 growth was 7.3 percent in 1972, not 6.1 percent. On the other hand, if it is correct to measure year-to-year growth by comparing M–1 statistics in the last quarter of adjacent years, then by the same logic, quarter-to-quarter growth must be measured by comparing the M–1 statistics in the last month of adjacent quarters. Using this method, annual M–1 growth rates by quarters were 3.8, 11.5, −0.2, and 7.5 percent in 1973, and 6.7 percent in the first quarter of 1974.

My preference, as I indicated, is to measure both monthly and yearly M–1 growth by comparing end-of-period statistics, and to be mindful of both the short and longer period trends. Using this procedure reveals a recent speed-up in M–1 growth. This development is obscured by the M1 growth statistics generated by Chairman Burns' methodology. The calming statistics reported in his comments on my paper (6.1 percent growth 1973 and annual rates of 5.5, 3.9 and 5.5 percent in the most recent three quarters) stand in sharp contrast to the statistics reported by the Federal Reserve in its April 25, 1974, Series H.9 "statistical release": Measured for the 4 weeks ending April 17, 1974, M–1 has increased at annual rates of 6.8 percent from a year ago, 7.4 percent from 6 months ago, and 8.9 percent from 3 months ago. Why did it happen? When will it stop?

DID THE FED CREATE TOO MUCH MONEY OVER THE PAST FEW YEARS?

I said that "since March 1971, the Federal Reserve persistently, often in extreme fashion, and for the most part with inflationary results, has chosen to keep the growth of money above 6 percent on a year-to-year basis." (*Congressional Record*, April 5, 1974, p. E2152). In his comment, Chairman Burns explains that, if monetary policy was too easy, "the error arose from concern that insufficient supplies of money and credit could prolong a sluggish economy."

The explanation is puzzling. From the fall of 1971 on, or at the very latest, the spring of 1972, the Federal Open Market Committee's decisions appear to have been made in the light of optimistic forecasts of economic growth. Look at the Open Market Committee's Record:

"Growth in real output appeared to be accelerating in the fourth quarter, and staff projections suggested that a faster pace of expansion would be sustained in the first half of 1972." (Record of FOMC Policy Actions, Meeting held on November 16, 1971.)

"It appeared that real GNP was increasing at a more rapid rate in the fourth quarter . . . staff projections suggested that a faster rate of growth in real GNP would be sustained in the first half of 1972." (December 14, 1971.)

"Staff projections suggested that the faster pace of growth in real GNP would continue in the first half of 1972." (January 11, 1972.)

". . . the faster pace of growth in real GNP would be sustained . . ." (February 15, 1972.)

"The latest estimates of the Commerce Department indicated that real output of goods and services had risen at an annual rate of 6 percent in the fourth quarter of 1971, and it appeared that expansion in real GNP was continuing at about that rate in the current quarter." (March 21, 1972.)

"The information reviewed at this meeting suggested that real output of goods and services had grown in the first quarter of 1972 at about the stepped-up rate attained in the fourth quarter of 1971 staff projections suggested that the rate of growth in GNP would increase somewhat in the current quarter . . ." (April 18, 1972.)

". . . growth appeared to be accelerating in the current quarter . . ." (May 23, 1972.)

"The information reviewed at this meeting suggested that real output of goods and services in the second quarter of 1972 had been much faster than the annual rates of between 5.5 and 6.0 percent recorded in the two preceding quarters . . . staff projections suggested that growth in real GNP would remain rapid in the second half, although not so rapid as in the quarter just ended." (July 18, 1972.)

"Preliminary estimates of the Commerce Department indicated that real output of goods and services had grown at an annual rate of about 9 percent in the second quarter—compared with upward revised rates of about 6.5 percent in the two preceding quarters . . . staff projections suggested that economic growth would remain rapid in the second half of the year—although it would slow appreciably from the second-quarter rate." (August 15, 1972.)

"The information reviewed at this meeting suggested that growth in real output of goods and services in the third quarter would be substantial although well below the annual rate of 9.4 percent recorded in the second quarter. Growth was expected to be more rapid in the fourth quarter than in the third and to remain at a fast pace in the first half of 1973." (September 19, 1972.)

"Staff projections continued to suggest that growth would be more rapid in the fourth than in the third quarter and that it would remain at a fast pace in the first half of 1973." (October 17, 1972.)

"The information reviewed at this meeting suggested that real output of goods and services, which had expanded at an annual rate of about 6 percent in the third quarter, was growing more rapidly in the current quarter. Moreover, staff projections continued to suggest that growth would remain at a fast pace in the first half of 1973." (November 20–21, 1972.)

"The information reviewed at this meeting suggested that real output of goods and services which had expanded at an annual rate of 6.3 percent in the third quarter, was growing at an appreciably faster pace in the current quarter.

"Staff projections for the first half of 1973 continued to suggest that growth in real output would remain strong." (December 19, 1972.)

"The information reviewed at this meeting suggested that growth had accelerated appreciably in the fourth quarter of 1972 from an annual rate of nearly 6.5 percent in the third quarter. Staff projections for the first half of 1973 continued to suggest that growth in real output would remain rapid." (January 16, 1973.)

"Estimates of the Commerce Department indicated that real output of goods and services had grown at annual rate of 8.5 percent in the fourth quarter of 1972, and growth appeared to be continuing at a substantial, although less rapid rate." (February 13, 1973.)

"The information reviewed at this meeting suggested that real output of goods and services which had expanded at an annual rate of 8.0 percent in the fourth quarter of 1972, was growing at a substantial but less rapid rate in the first quarter of 1973. Staff projections for the second quarter suggested that real growth would remain close to the first quarter rate." (March 19–20, 1973.)

"Expansion in consumption expenditures had been substantially larger than estimated 4 weeks earlier and that real output of goods and services had continued to grow rapidly. * * * Staff projections * * * suggested that growth in real output, while slowing from the high rate in the preceding two quarters, would continue relatively high." (April 17, 1973.)

"Estimates of the Commerce Department indicated that real output had grown at an annual rate of 8 percent in the first quarter growth appeared to be moderating somewhat in the current quarter, and staff projections continued to suggest that it would moderate further in the second half of 1973." (May 15, 1973.)

"Real output had expanded at an annual rate of 8 percent in both the last quarter of 1972 and the first quarter of 1973, was growing at a less rapid pace in the current quarter would moderate further in the second half of the year." (June 18–19, 1973.)

Are these excerpts from the published Record of Open Market Committee meetings consistent with the notion that FOMC's motive was "concern that insufficient supplies of unchanged credit could prolong a sluggish economy"?

MEASURING THE EFFECT OF FISCAL POLICY

Chairman Burns takes issue with my measuring the effect of Federal fiscal policy by the full employment National Income Accounts (NIA) budget. I stated in my paper that since 1968 fiscal policy has been disinflationary because, for the period as a whole since 1968, the full employment NIA budget shows a surplus of $8.8 billion. By years, the full employment NIA budget showed surpluses of $8.8 and $4.0 billion in 1969 and 1970, deficits of $2.1 and $7.7 billion in 1971 and 1972, and a surplus of $5.8 billion in 1973.

Chairman Burns would use the unified budget supplemented by the "net outlays" (i.e., loans minus repayments) of federally sponsored credit agencies to measure the effect of federal fiscal policy.

Noting that "for the five-year period ending June 30, 1974, the unified budget deficits add up to $68 billion," and adding in the net outlays of the Federally sponsored intermediaries, he finds "the total deficit for those five years comes to a staggering $109 billion."

How should we measure the effect of Federal fiscal policy? To begin with, where do we draw the line in defining the Federal Government for fiscal policy purposes. This question was considered several years ago by President Johnson's Commission on Budget Concepts, which was chaired by President Nixon's first Treasury Secretary, David Kennedy. Do we include the Land Banks, Banks for Cooperatives, Ex-Im, FNMA, Home Loan Banks, GNMA? What about COMSAT? What about federally insured banks and thrift institutions? Do we include the Federal Reserve?

Perhaps these questions should be reopened. But at the present time official fiscal policy measures do not include the "net outlays" of the federally sponsored credit agencies. They are treated as financial intermediaries. The Council of Economic Advisers discusses changes in the balance sheets of these agencies under "Monetary Policy and Financial Markets." (See 1974 *Economic Report of the President*, pp. 82–87.) Moreover, these entities are treated separately from the U.S. Government in the Federal Reserve's "Flow of Funds Accounts."

There remains to be explained the $76.8 billion difference between the unified budget deficit over the five years ending June 30, 1974 cited by Chairman Burns ($68 billion) and the $8.8 billion surplus in the full employment NIA budget for calendar years 1969–1973. About $14 billion of the difference is attributable to the fact that using the 1970–1974 fiscal period instead of calendar 1969–1973 exchanges six months marked by an expected deficit (the first half of 1974) for six months marked by a substantial surplus (the first half of 1969). Another $12 billion is explained by the differences between the unified and NIA budgets. The remaining $50.8 billion difference derives from the difference between full employment and actual budget measures. The bulk of this difference arose in the period under consideration because of the fall-off in revenues in the 1970–1971 period.

What is accepted practice? In using the full employment NIA budget as the indicator of the effect of Federal fiscal policy, I am following accepted practice. As stated by President Nixon's Council of Economic Advisers in 1971, "When the effects of budget policy on the overall economy first came to general attention 35 years ago, the expansiveness of the budget was commonly measured by changes in the actual deficit or surplus. This measure can be grossly misleading, however. Clearly, a need has existed for a better measure of Government budget policy and its effects—one that would show what effects were the result of tax and expenditure decisions and what affects the economy itself had exerted on the budget. While changes in the surplus or deficit at a given level of money GNP provide a convenient measure of discretionary policy changes, fiscal policy planning requires a measure containing somewhat more information.

"It has been found of interest to ask how the surplus or deficit would change if the economy moved along a specific path. The full employment growth path has been used most frequently since the concept of a full employment budget was developed and publicized by the Committee for Economic Development in 1947. Changes in the full employment surplus measure changes in spending and tax legislation as well as the effect of full employment growth on revenues. The difference between the full employment budget balance and the actual balance reveals the effects of short-run variations in economic activity around the full employment growth path." (*Economic Report of the President, 1971*, pp. 70–71.)

The full employment budget is not without limitations. But, as the Council of Economic Advisers observed in its 1974 Annual Report, "Despite these limitations, the full-employment surplus calculation based on the traditional concept of the potential GNP that is consistent with 4 percent unemployment is useful in the long run for everlasting changes in fiscal policy." (*Economic Report of the President, 1974*, p. 79.)

In fact, the Federal Reserve itself uses this concept. In the June, 1973, issue of the *Federal Reserve Bulletin*, in an article reviewing "Federal Fiscal Policy 1965–72," it is observed that

"Changes in the net surplus or deficit of the full-employment budget provides a convenient summary indicator of the extent to which discretionary fiscal policy is moving toward contraction or expansion . . . Generally speaking, NIA accounts are preferred in measuring fiscal stimulus." (p. 391.)

The full employment budget may not give a complete picture of the size of fiscal restrictiveness. But, clearly, it is accepted as the best measure that we now have available. In the 1970–1974 period, as the data I cited show, there was a $4.8 billion shift toward stimulus in 1970, a $6.1 billion shift toward stimulus in 1971, a $5.6 billion shift toward stimulus in 1972 (all moderate amounts) and then, in 1973, a very sizeable $13.5 billion shift toward fiscal contraction. The period, as a whole, is not characterized by great fiscal stimulus, and definitely was marked by fiscal contraction when inflation spurted in 1973.

DEALING WITH THE SIDE-EFFECTS OF KEEPING M–1 GROWTH 4 TO 6 PERCENT THIS YEAR

In his press briefing on April 22, Chairman Burns said, "This country is facing, as I said more than once, and I'll continue to say it and act accordingly, it's facing a very dangerous problem of inflation, and excessively rapid expansion of bank loans is a deep matter of concern to me and to the System, and excessively rapid rates of growth of all monetary aggregates are. We are not going to get this inflation under control if that continues, and if we don't this country is going to be in very great difficulty."

As Chairman Burns observes, a role that the Federal Reserve must play in getting the inflation under control is to moderate money supply growth.

But we must recognize that it could bring (at least for a time) increased unemployment, especially among the young, blacks, and women; disintermediation; decreased homebuilding, and financing problems for small business and state and local governments.

Recognizing this in my remarks of April 5, I proposed some possible solutions, and asked Chairman Burns for his comments. He responded by calling attention to a set of proposals which the Federal Reserve Board sent to Congress in March, 1972. The Board recommended "that priority consideration be given to establishment of the machinery for a variable investment tax credit. This is the most important single contribution that could be made to easing the plight of the housing industry in recurring periods of credit restriction. The Board also suggests consideration of actions to enable the use of variable-rate mortgages to finance residential structures.

"Other recommendations set forth in this report, though less significant individually, would in the aggregate also serve to reduce materially the instability of credit flows to the housing industry." (Federal Reserve Bulletin, March, 1972, pp. 224–225.)

The other recommendations include expanded consumer loan powers for thrift institutions, eliminating interest rate restrictions on FHA-insured and VA-guaranteed loans, and permitting higher interest rates to be paid on long-term savings deposits.

While varying the investment tax credit between zero and say, 10 percent has much to recommend it. The Administration has not supported this proposal and nothing has been done. As for variable rate mortgages, they are now permitted on conventional mortgages. They have not caught on, because they shift the risks of interest rate fluctuations to homebuyers who can much less easily afford to assume these risks than lending institutions. Homebuyers who have agreed (sometimes unwittingly) to variable rate mortgages have frequently regretted it. These are cases of persons, especially retired persons, who signed such contracts being unable to meet their interest payments as interest rates climbed and thus losing their homes.

Some of the Board's other recommendations have not worked well. For example, permitting higher interest rates to be paid on long-term savings deposits was tried last summer. Lending institutions, homebuilders, and buyers did not prosper under the so-called "wild card" experiment.

Now it is 1974. The Congress would now welcome further thoughts from the Federal on how to deal with the side-effects of keeping M–1 growth moderate. We need new ideas, and we need them fast, so that at last monetary policy can fight the inflation which now afflicts our economy with minimum disruption.

RIEGLE URGES CONGRESS TO ACT ON INFLATION PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. RIEGLE) is recognized for 5 minutes.

Mr. RIEGLE. Mr. Speaker, coincident with the imminent demise of the Cost of Living Council, our country faces some of the most severe economic problems of this century. I am speaking particularly of the sharp increase in prices over the past 3 months and especially of our first experience with "double digit" inflation—14 percent. This is something that would have seemed unbelievable to all of us even 2 or 3 years ago.

If wage and price controls had worked, this might not have happened. However, it probably is not fair to blame the Cost of Living Council entirely for the current situation. The world grain shortage and Arab oil embargo were very difficult problems and no agency of the Federal Government could have curbed the price increases—caused—in food and fuel.

We are now faced with the very serious question of what the Congress can do effectively to try to resolve this worsening problem. The principal question we face is whether we, as a body, should authorize or fund a group that would continue to work on the problem. After considerable thought, I think that we should have such a group at work. We have heard a lot from people who want the Government to get out of the controls business and with some justification. However, I am also hearing from the citizens in my district who are saying that we cannot ignore or walk away from the inflation problem at this time.

Never before in a constituent survey have I found an issue that was so important to all of the people in our district. Over 20,000 constituents have responded to a questionnaire I recently mailed to all the people in my district. Over 90 percent of the people responding said that inflation is the single most important problem facing their families today. This is an overwhelming and unprecedented response. But on the other hand, should we be surprised to find them echoing Arthur Burns' statement that inflation is the single most important problem facing this country?

And contrary to popular belief, 58 percent of the same respondents said that if inflation remains out of control, they want strict controls reimposed. I believe that this demonstrates how seriously the American people view the current inflationary spiral and how real and universal the problem is.

Because of the extraordinary concern with inflation in the country and with many economists saying that this is the biggest problem facing the United States and the free world in the coming decade, there is no way, in my mind, that Congress can walk away from the problem.

Personally, I am not pleased with the way that wage and price controls have worked and I am not recommending here that they be reimposed. But I do believe that people are looking for leadership and want to be assured the issue is being tackled as effectively as possible.

Clearly, nobody has an immediate and complete answer to this problem—but that does not mean that we should stop working on it. Solving the inflation problem requires an ongoing and well focused effort because this is the most complicated and urgent problem that this Congress faces.

I have come to the conclusion that the Congress must authorize the continuation of a body or agency with the responsibility to study, monitor, and hopefully develop some recommendations about what can be done to stabilize prices. I think this is absolutely essential. And this does not mean blank check economic authority rested in the executive branch of Government—that would be a grave error in my judgment.

Furthermore, to insure that this problem receives appropriate national attention, we in the Congress can start by amending the Full Employment Act of 1946 to make price stability one of our central economic goals. I will soon sponsor such legislation.

While we all recognize the complexity of this issue, the volatile actions of a well-intentioned Congress in groping for an answer can actually hinder and prevent a sustained effort toward a well-thought-out solution. Twelve months ago, for example, the Congress granted the President virtually unlimited authority to control the economy. Today, swinging to the other extreme, it looks like we are abandoning the problem—that the answer to a worsening problem is to do nothing.

No one thoroughly understands or has measured the impact on this country of a continuation of the current level of inflation—at the very least we know that it robs working people of their hard-earned purchasing power and jeopardizes any aspirations they have for themselves or their families. It robs the elderly of their limited resources and their ability to live independently and with dignity. And it significantly distorts the functioning of our free enterprise system which has served as well in the past decades.

If inflation remains out of control, it will threaten to tear apart the fabric of our society including the political premises on which it is built—as happened in Europe in the 1920's and 1930's.

Therefore, I believe that Congress must provide real leadership on this urgent and profoundly important problem. We must act to insure that inflation is ultimately brought under reasonable control. There is a proper role for Congress to see to it that this problem is better understood and that all parties—Government, business, and labor—work together in the national interest to find a lasting solution.

Personally, I am convinced that this problem can be solved, but it will require the most sober and unrelenting effort we are capable of producing. I intend to do all I can to see that such a coordinated national effort is undertaken and maintained.

DR. KARL F. MEYER, LEADER IN MEDICAL RESEARCH, DIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, a great American, a veterinarian, and a scientist of world renown passed away last Saturday night lacking only a few days to his 90th birthday.

During his 90 years Dr. Karl F. Meyer established himself, the veterinary profession, and medical research on a high level recognized around the world in high service to mankind.

Lawrence K. Altman of the New York Times has written Dr. Meyer's obituary and deserves the attention of all of us.

Mr. Speaker, I submit the following:

[From the New York Times, Apr. 29, 1974]

PUBLIC HEALTH GIANT

(By Lawrence K. Altman)

Dr. Karl Friedrich Meyer was regarded as the most versatile microbe hunter since Louis Pasteur and a giant in public health.

As a youth in Basel, Switzerland, pictures of the Black Death, or plague, so fascinated him that he became on outdoor scientist instead of following in the aristocratic business world in which he grew up. He told friends that in choosing to become a veterinarian he could "be a universal man and study all diseases in all species."

Public health leaders yesterday called his contributions to medicine "monumental." His scientific work had such broad implications that it touched on virtually all fields of medicine.

Dr. Meyer was credited with rescuing the canning industry when epidemics of botulism, a deadly form of food poisoning, threatened to wipe out commercial canning in its infancy. The National Canners Association elected him to its Hall of Fame last January. It was the last of the scores of honors he received from scientific, industrial and civic groups.

He discovered two of the viruses that cause encephalitis in horses and man, and developed controls for parrot fever, or ornithosis, among other contributions.

DISEASE SPREAD TRACED

Dr. Meyer responded to public health emergencies as a one-man fire brigade. His example served as a model for the Federal Epidemic Intelligence Service in Atlanta from which epidemic detectives trace the spread of diseases around the globe.

His productivity was matched by few other scientists. He wrote 800 scientific papers, more in active retirement over the last 20 years than most scientists publish in an entire career. Some of his most significant contributions—on an experimental plague vaccine now being tested in Southeast Asia—are scheduled to be published in next month's issue of the Journal of Infectious Diseases. The issue is dedicated to Dr. Meyer's 90th birthday, May 19.

"KF," as his friends called him, was born in Basel in 1884 of a family that traced its printed genealogy to the 14th century. His father was an international tobacco merchant and his mother a teacher.

MOVED TO CALIFORNIA

The son trained as a veterinarian at the University of Zurich. By the age of 26, he had gained an international reputation from work in South Africa where he showed that cattle could be protected against East Coast fever, a deadly tick-borne infection.

Dr. Meyer moved in 1910 to the University of Pennsylvania, where he helped link Bang's disease of cattle and a human disease reported from Malta by Dr. David Bruce. The animal and human diseases are now called brucellosis. Paul de Kruif once wrote:

"While there he once bet his colleagues that, dressed in a tuxedo, he could do the complete autopsy of an elephant, unassisted, without getting a drop of blood on his shirtfront. He collected. His dexterity astounded his fellows."

In Philadelphia in 1914, Dr. Meyer isolated the Eastern equine encephalitis virus just as he was preparing to move to California. There, he developed a vaccine against the viral disease. It was the first of his two discoveries of encephalitis causing viruses. The other came in 1932 when he identified the Western equine encephalitis virus.

In 1916, Dr. Meyer became director of the Hooper Foundation at the University of California in San Francisco. It was a position he held until 1954, when he reached mandatory retirement age. But he pursued his lifelong interest in plague and other diseases.

ISOLATED PARROT FEVER

Earlier, in the nineteen twenties, when botulism cases had been traced to California canned olives, Dr. Meyer was called on to save the industry. He developed the flash sterilization method of canning and made canned goods safe without spoiling the product simply by calculating the heat penetration in all types of cans and developing a "fakeproof" system to weed out unethical producers.

Dr. Myer responded to typhoid epidemics. His work emphasized the importance of the human carrier as the most important source of the disease. It is a basic tenet of public health practice today.

In the thirties, when Philippine farm workers were struck by a mysterious disease, Dr. Meyer traced it to a fungus called coccidiodes in the soil. The disease, now known as coccidiomycosis, or valley fever, is commonly diagnosed in the San Joaquin Valley of California and elsewhere.

When California's aviaries were struck with parrot fever, it was Dr. Meyer who isolated the virus and went on to show that the infection affected all birds. Control measures he helped develop for the pet industry had a major impact on the turkey industry.

But Dr. Meyer's research experience almost cost him his life. He contracted parrot fever, or psittacosis, as it is also called. As his life hung in the balance he wrote his presidential address to the Society of American Bacteriologists in 1935.

Dr. Meyer also showed that leptospirosis was not an infection spread just by rodents but also by infected dogs, cattle and other animals. On another occasion, he recognized that illness among cattle in the Bay Area was due to lead poisoning. He traced the outbreak to a smelter's industrial wastes.

Dr. Meyer's major disappointment was his failure to develop a polio vaccine. But he, like so many others, could make no progress in an era when it was impossible to grow the virus.

He rejected a planned international convocation at Rockefeller University here for his 90th birthday, by saying:

"In times of tight fiscal policies for science, I don't want people to spend money on me."

He leaves his wife, the former Marion Lewis, a daughter, Mrs. Bartler P. Cardon of Phoenix, Ariz., and a grandson. His first wife, the former Mary Lindsay, died.

SOVIET DESIGNS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, historically, the United States has considered it an obligation to uphold the tenets of the Monroe Doctrine. We have tried to stay the hand of external aggressors who would expand their domain within the Western Hemisphere. Indeed, in 1962 President Kennedy boldly refused to allow the installation of Soviet missiles in Cuba, at the risk of war.

Unfortunately, as the spirit of freedom grows infirm in some, they neglect the call to protect self-determination in the Americas. Recent suggestions that the United States revive its ties with Cuba mark but one example of this type of negligence. Support for more friendly economic and political relations with this Russian-backed, Russian-subsidized regime can only serve to encourage the current Soviet encroachment.

The following editorial by John J. O'Malley of the San Diego Union underlines just what these recent friendly overtures entail. I request permission to include it in the Record at this point:

[From San Diego Union, Apr. 19, 1974]

Soviet Designs Called Threat

(By John J. O'Malley)

It is obvious that pressure is growing for the establishment of some form of diplomatic relationship between Cuba and the United States; not because freedom is any more palatable to Premier Fidel Castro now than it was 10 years ago, nor because the relationship would benefit us in any way, but simply because the Soviet Union wants it that way.

The inept economic policies of Premier Castro have driven Cuba to the brink of ruin. It is costing the Russians a million dollars a day to keep the Cubans afloat, and it is not the Kremlin's nature to endure that sort of an economic one way street indefinitely.

Cuban-American trade, the Russians feel, offers some promise of cutting the loss.

Far more important from the Soviet viewpoint, however, is the opportunity such a relationship would offer her for international mischief. Free intercourse between Cuba and the United States would open the door for almost unlimited Russian espionage.

As intelligence organizations around the world know, the Cuban secret police and subversion apparatus are not Cuban at all; they are Russian. In 1968 the Kremlin seized control of the Cuban secret police. The Russians did it by applying a foolproof formula—by simply withholding Soviet economic support until Castro came across.

In 1962 we were prepared to go to war over the installation of a Soviet missile base in Cuba. The sad fact is the threat is greater by far today because of a major Soviet base for nuclear submarines at Cienfuegos, a core of Russian advisers with the Cuban army, a Kremlin hammerlock on the government apparatus and total USSR control of the Cuban secret police.

Taken altogether the Kremlin has the greatest offensive base that Communist imperialism has ever had in this hemisphere.

On this subject, then, there can be no detente or middle ground for us. The stakes are high, the game deadly serious, and the hour perilously late. We had better muster all of our diplomatic clout to quarantine Cuba completely until the Russians get out. bag and baggage.

MINERAL SHORTAGES

(Mr. MILLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, today I am reintroducing legislation that will help the United States to solve the severe mineral shortages facing us over the next several decades. I am happy to report that, as with the first bill, 24 of my colleagues have joined me on this measure.

The bill has a double-barrel purpose: It will allow the United States to receive something in return for its foreign assistance while at the same time insuring our future sufficiency in critical and strategic raw materials. The past 6 months have shown us the effect that international blackmail with a critical resource can have on our national life. This legislation would lessen the chance of this happening again.

While insuring that future generations of Americans will not have to go begging for their mineral needs, the bill will also give us something in return for the billions of dollars of foreign aid that we have thrown away. Since the end of World War II that amount is a staggering $250 billion. The bill that I have introduced today would give this Nation the option to barter its foreign aid for the great unexploited mineral wealth of our aid recipients.

Mr. Speaker, if our children and our grandchildren are to maintain our high standard of living and not endure life in a nation crippled by lack of critical resources, we must act now to save the future. I urge that the legislation introduced today be given careful and prompt consideration by this body.

WHY SHOULD ANY LOYAL AMERICAN OBJECT TO A LOYALTY OATH?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, there appears to be renewed congressional interest in restoring the requirement that persons who apply for a passport shall take an oath of loyalty to the United States. The U.S. Court of Appeals for the District of Columbia has upheld a decision that the oath of allegiance on the passport application form is invalid and unconstitutional. Surprisingly, the Government did not appeal the decision.

I believe that anyone traveling abroad under the protection of a U.S. passport should be proud to state an oath of allegiance to the homeland to which he looks for protection and help during his travels abroad. Whether or not he wants to do so, I feel that it should be required. The action of the courts in striking the requirement is another of those farfetched rulings which bend over backwards to protect the supposed rights of the individual regardless of his responsibilities to his country.

I already have joined as a cosponsor of a bill to restore the oath. A similar bill has been introduced in the Senate. It is my hope that the Congress will get its mind on down to Earth and fundamental matters such as loyalty to our Nation and proceed to enact this legislation.

WHY NOT CONCERN FOR THE GULF COAST ON THE RISK FROM OIL DRILLING?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, recently it was noted that the President's Council on Environmental Quality has stated that any new offshore oil development should avoid the Atlantic coast of Georgia, Florida, and Long Island and the Gulf of Alaska where environmental risks would be high. It is unfortunate that a similar concern has not been shown for the environmental quality of the Gulf of Mexico and the magnificent beaches which are to be found on Florida's gulf coast.

The CEQ has issued a report cautioning that oil drilling in the Atlantic and the Alaskan Gulf should be conducted under "careful controls." No such report has been issued regarding drilling in the Gulf of Mexico despite the fact I have been calling for assurances that full safeguards be implemented to protect our beaches and waterways.

An oil spill in any waters is harmful. But for the Federal agency charged with preventing this kind of accident to appear largely indifferent to one section of the country while pleading for safeguards for another area is scarcely understandable and I have protested this shortsighted policy. I have stated previously that one major oil spill could seriously jeopardize the future of the gulf coast beaches. Tourists and oil do not mix on beaches.

It is more than a little significant that plans are already under discussion for large, new training and testing ranges in the western part of the United States. This in itself is an indication of concern that oil drilling in the Gulf of Mexico will interfere with essential defense programs there. This is fully as important as environmental quality.

PERSONAL EXPLANATION

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the Record.)

Mr. BROWN of California. Mr. Speaker, yesterday the House considered and passed H.R. 14368, the Energy Supply and Environmental Coordination Act. I intended to participate in the debate on this subject, but due to the energy crisis, I am told, I was unable to schedule a plane flight from California to arrive on time for the debate. It is ironic that the cutting back of plane schedules in the name of the energy crisis caused me to miss this vote. In the case of H.R. 14368 we have delays and exemptions being granted to necessary environmental legislation in the name of the energy crisis.

My position on H.R. 14368 was clearly spelled out in the Congressional Record on Monday, April 29. I would have voted "no" on final passage. On the Wyman amendment to H.R. 14368, I am also on record in strong opposition to it. I regret that events forced me to miss this important debate.

LEAVE OF ABSENCE

(By unanimous consent (at the request of Mr. O'Neill) leave of absence was granted to:)

Mr. Pepper, for Wednesday, May 1, on account of official business.

Mrs. Hansen of Washington, for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gilman), to revise and extend their remarks and include extraneous matter:)

Mr. Derwinski, for 30 minutes, today.
Mr. Bafalis, for 1 hour, on May 15.
Mr. Armstrong, for 1 hour, on May 15.
Mr. Robison of New York, for 10 minutes, today.
Mrs. Heckler of Massachusetts, for 30 minutes, today.
Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Breckinridge), to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.
Ms. Abzug, for 5 minutes, today.
Mr. Rooney of Pennsylvania, for 10 minutes, today.
Mr. Ryan, for 5 minutes, today.
Mr. Reuss, for 30 minutes, today.
Mr. Riegle, for 5 minutes, today.
Mr. Melcher, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Barrett, and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages of the Record and is estimated by the Public Printer to cost $470.25.

(The following Members (at the request of Mr. Gilman) and to include extraneous matter:)

Mr. Hanrahan in three instances.
Mr. Heinz.
Mr. Collier in five instances.
Mr. Mallary in two instances.
Mr. Gilman in two instances.
Mr. Robison of New York.
Mr. Wyman in two instances.
Mr. Sarasin.
Mr. Archer.
Mr. Smith of New York.
Mr. Regula.
Mr. Collins of Texas in three instances.
Mr. Bray in three instances.
Mr. Frenzel.
Mr. Hunt.
Mr. Esch in two instances.
Mr. Hosmer in two instances.
Mr. Kemp in three instances.
Mr. Baker.
Mr. Shuster.
Mr. Hansen of Idaho.
Mr. McKinney.

(The following Members (at the request of Mr. Breckinridge) and to include extraneous material:)

Mr. Helstoski in 10 instances.
Mr. Eilberg in 10 instances.
Mr. Karth in two instances.
Mr. Fraser in five instances.
Mr. Rarick in three instances.
Mr. Gonzalez in three instances.
Mr. McCormack.
Mr. Teague.
Mr. Roncalio of Wyoming.
Mr. Evins of Tennessee.
Mr. Addabbo.
Mr. Minish.
Mr. Nix.
Mr. Harrington.
Mr. Rees in four instances.
Mr. Drinan.
Mr. Anderson of California in three instances.
Mr. Roy.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 9293. An act to amend certain laws affecting the Coast Guard; and

H.R. 11793. An act to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1115. An act to amend the Controlled Substances Act to provide for the registration of practitioners conducting narcotic treatment programs.

ADJOURNMENT

Mr. BRECKINRIDGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until Monday, May 6, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2268. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 4(a) of the Agriculture and Consumer Protection Act of 1973; to the Committee on Agriculture.

2269. A letter from the Secretary of Housing and Urban Development transmitting a report on fees and charges established for guarantees under the Urban Growth and New Community Development Act of 1970, pursuant to section 721 of Public Law 91–609; to the Committee on Banking and Currency.

2270. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the proposed coproduction of M–16 rifles in the Philippines, pursuant to 22 U.S.C. 2791(b); to the Committee on Foreign Affairs.

2271. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Joseph W. Twinam, Ambassador-designate to the State of Bahrain, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2272. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by William C. Turner, nominee to be U.S. Representative to the Organization for Economic Cooperation and Development, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2273. A letter from the Acting Chairman, Federal Trade Commission, transmitting the Commission's comments on its staff's report on the Emergency Petroleum Allocation program, pursuant to section 7(a) of Public Law 93-159; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on Foreign Affairs. S. 3304. An act to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States. (Rept. No. 93-1023). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 13342. A bill to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement (Rept. No. 93-1024). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 13871. A bill to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes. (Rept. No. 93-1025). Referred to the Committee of the Whole House on the State of the Union.

Mr. CULVER: Committee on Foreign Affairs. H.R. 13973. A bill to amend the title of the Foreign Assistance Act of 1961 concerning the Overseas Private Investment Corporation to extend the authority for the Corporation, to authorize the Corporation to issue reinsurance, to suggest dates for terminating certain activities of the Corporation, and for other purposes; with amendment (Rept. No. 93-1026). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSENTHAL: Committee on Foreign Affairs. H.R. 13261. A bill to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes, (Rept. No. 93-1027). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 14462. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of oil and gas production (Rept. No. 93-1028). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 14544. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. BROWN of California:

H.R. 14545. A bill to amend the Sugar Act of 1948 to retain an overall external quota system while abandoning quotas for specific foreign countries, to eliminate the internal quota system, and for other purposes; to the Committee on Agriculture.

By Mr. BROWN of California (for himself, Mr. Drinan, Mr. Eshelman, Mr. Hammerschmidt, Mr. Hawkins, Mr. Hosmer, Mr. Lehman, Mr. Murtha, Mr. Rees, Mr. Rose, Mr. Roush, and Mr. Whitehurst):

H.R. 14546. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 14547. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on sugar; to the Committee on Ways and Means.

By Mr. BROYHILL of North Carolina:

H.R. 14548.A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations for fiscal years 1975, 1976 and 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. COHEN (for himself and Mr. Froehlich):

H.R. 14549. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 14550. A bill to remove the exemption of ordinary livestock from the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER:

H.R. 14551. A bill to amend the Internal Revenue Code of 1954 to permit taxpayers to utilize the deduction for personal exemptions as under present law or to claim a credit against tax of $200 for each such exemption; to the Committee on Ways and Means.

By Mr. FREY (for himself, Mr. Addabbo, Mr. Beard, Mr. Heinz, Mrs. Holt, Mr. Murphy of New York, and Mr. Steele):

H.R. 14552. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. GILMAN (for himself, Mr. Kemp, Mr. Yates, Mr. Guyer, Mr. Nix, Mr. Lott, Mr. Won Pat, Mr. Hanley, Mr. Devine, Mr. Moakley, Mr. Huber, Mr. Podell, Mr. Diggs, Mr. Duncan, Ms. Schroeder, Mr. Yatron, Mr. Walsh, Mrs. Collins of Illinois, Mr. Rousselot, Ms. Heckler of Massachusetts, Mr. Harrington, Mr. Cleveland, Mr. Randall, Mr. Treen, and Mr. Maraziti):

H.R. 14553. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HANLEY:

H.R. 14554. A bill to amend section 401(j) of the Federal Aviation Act of 1958 to provide that no air carrier shall discontinue service, in whole or in part, unless such discontinuance is found to be in the public interest by the Civil Aeronautics Board after public hearings; to the Committee in Interstate and Foreign Commerce.

By Mr. HUNT:

H.R. 14555. A bill to establish Federal programs to encourage and assist in the provision of safe and sanitary housing, with comprehensive provisions for essential services, for older Americans and those individuals with enduring handicaps; to the Committee on Banking and Currency.

By Mr. LONG of Maryland:

H.R. 14556. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 14557. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MALLARY:

H.R. 14558. A bill to encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the utilization and effectiveness of human services through integrated planning, management, and delivery of those services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency; to the Committee on Education and Labor.

By Mr. MELCHER (for himself, Ms. Abzug, Mrs. Collins of Illinois, Mr. Diggs, Mr. Gude, Mr. Hastings, Ms. Holtzman, and Mr. Koch):

H.R. 14559. A bill to amend the Food Stamp Act of 1964, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. MICHEL:

H.R. 14560. A bill to amend title 38 of the United States Code in order to presume all diseases and injuries of former prisoners of war to be service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. MILLER (for himself, Mr. Stark, Mr. Steelman, Mr. Sandman, Mr. Mann, Mr. Gilman, Mr. Devine, Mr. Bafalis, Mr. Won Pat, Mr. Young of Florida, Mr. Burleson of Texas, Mr. Young of Illinois, Mr. Archer, Mr. Mitchell of New York, Mr. McCormack, Mr. Symms, Mr. Cleveland, Mr. Hechler of West Virginia, Mr. Guyer, Mr. Latta, Mr. Eshleman, Mr. Baker, Mr. Snyder, Mr. Scherle, and Mr. Wylie):

H.R. 14561. A bill to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials; to the Committee on Foreign Affairs.

By Mr. MINISH:

H.R. 14562. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSHER:

H.R. 14563. A bill to authorize the establishment of the Edison Birthplace National Historic Site; to the Committee on Interior and Insular Affairs.

H.R. 14564. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. PRICE of Texas (for himself, Mr. Lott, Mr. Fisher, Mr. Denholm, Mr. Zwach, Mr. Steiger of Arizona, Mr. Nichols and Mr. Scherle):

H.R. 14565. A bill to prohibit the importation into the United States of any fresh, chilled, or frozen cattle meat during a 180-day period; to the Committee on Ways and Means.

By Mr. ROGERS:

H.R. 14566. A bill to amend the Internal Revenue Code of 1954 to increase the credit against tax for retirement income; to the Committee on Ways and Means.

H.R. 14567. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for State and local utility taxes; to the Committee on Ways and Means.

By Mr. SARASIN (for himself, Mr. Schneebeli, Mr. Seiberling, Mr. Steele, Mr. Studds, Mr. Thompson of New Jersey, Mr. Tiernan, Mr. Vander Veen, and Mr. Yatron):

H.R. 14568. A bill to amend the Regional Rail Reorganization Act of 1973 to allow adequate time for citizen participation in public hearings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SARASIN (for himself, Ms. Abzug, Mr. Boland, Mr. Burke of Massachusetts, Mr. Cleveland, Mr. Conte, Mr. Donohue, Mr. Eilberg, Mr. Fish, Mr. Goodling, Mr. Green of Pennsylvania, Mr. Guyer, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Kyros, Mr. Landgrebe, Mr. Long of Maryland, Mr. Madigan, Mr. Miller, Mr. Moakley, Mr. Mosher, Mr. Murtha, Mr. O'Brien, Mr. Robison of New York, and Mr. St Germain):

H.R. 14569. A bill to amend the Regional Rail Reorganization Act of 1973 to allow adequate time for citizen participation in public hearings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN (for himself, Mr. Derwinski, Mr. Kemp, Mr. Stark, Ms. Schroeder, Mr. Fauntroy, Mr. Duncan, Mr. Mallary, Mr. Seiberling, and Ms. Heckler of Massachusetts):

H.R. 14570. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act) to specify those matters which in the interest of the national defense may be withheld from public disclosure by a Federal agency; to the Committee on Government Operations.

By Mr. STEELMAN (for himself, Mr. Kemp, Mr. Stark, Mrs. Schroeder, Mr. Duncan, Mr. Mallary, Mr. Seiberling, and Mrs. Heckler of Massachusetts):

H.R. 14571. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for increased public access to certain Federal agency records; to the Committee on Government Operations.

By Mr. STEELMAN (for himself, Mr. Kemp, Mr. Stark, Mr. Derwinski, Mr. Fauntroy, Ms. Schroeder, Mr. Duncan, Mr. Seiberling, Ms. Heckler of Massachusetts, and Ms. Holtzman):

H.R. 14572. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for the award of court costs and reasonable attorneys' fees to successful complainants that seek certain Federal agency information; to the Committee on Government Operations.

By Mr. STEELMAN (for himself, Mr. Kemp, Mr. Stark, Ms. Schroeder, Mr. Duncan, Mr. Mallary, Mr. Seiberling, and Ms. Heckler of Massachusetts):

14573. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for an in camera inspection by the appropriate court of certain agency records; to the Committee on Government Operations.

By Mr. STEELMAN (for himself, Mr. Kemp, Mr. Stark, Mr. Fauntroy, Ms. Schroeder, Mr. Duncan, Mr. Mallary, Mr. Seiberling, Ms. Heckler of Massachusetts, and Ms. Holtzman):

H.R. 14574. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to require Federal agencies to respond to requests for certain information no later than 15 days after the receipt of each such request; to the Committee on Government Operations.

By Mr. STEELMAN (for himself, Mr. Kemp, Mr. Stark, Mr. Derwinski, Mr. Mallary, Mr. Seiberling, and Ms. Heckler of Massachusetts):

14575. A bill to provide standards of fair personal information practices; to the Committee on the Judiciary.

By Mr. STEELMAN (for himself, Mr. Kemp, Mr. Stark, Mr. Derwinski, Mr. Fauntroy, Mr. Horton, Mr. Seiberling, and Ms. Heckler of Massachusetts):

H.R. 14576. A bill to amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that (unless so required) no individual may be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. VIGORITO:

H.R. 14577. A bill to further amend the Agricultural Marketing Act of 1946; to the Committee on Agriculture.

By Mr. WYDLER:

H.R. 14578. A bill to extend and improve the Nation's unemployment programs and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. Sarasin, Mr. Matsunaga, Mr. Bell, Mr. Clay, Mr. Badillo, Mr. Denholm, Mr. Derwinski, Mr. Roybal, Mr. Tiernan, Mr. Lehman, Mr. Young of Georgia, Mr. Brasco, Mr. Cotter, Mr. Thompson of New Jersey, Mr. Hawkins, Mr. Moss, Ms. Schroeder, Mr. Helstoski, Mr. Eilberg, Mr. Traxler, Mr. Whitehurst, Mr. McCormack, Mr. Fish, and Mr. Kemp):

H.J. Res. 998. Joint resolution to prohibit the Bureau of Labor Statistics from instituting any revision in the method of calculating the Consumer Price Index until such revision has been approved by resolution by either the Senate or the House of Representatives of the United States of America; to the Committee on Education and Labor.

By Mr. ANDERSON of California (for himself, Mr. Sarasin, Mr. Matsunaga, Mr. Bell, Mr. Cleveland, Mr. Hechler of West Virginia, Mr. Holifield, Mr. Conyers, Mr. Harrington, Mr. Edwards of California, Mr. Studds, Ms. Collins of Illinois, Mr. Sarbanes, Mr. Dellums, Mr. Corman, Mr. Dominick V. Daniels, Mr. Fascell, Mr. Seiberling, Ms. Abzug, Mr. Rees, and Ms. Holtzman):

H.J. Res. 999. Joint resolution to prohibit the Bureau of Labor Statistics from instituting any revision in the method of calculating the Consumer Price Index until such revision has been approved by resolution by either the Senate or the House of Representatives of the United States of America; to the Committee on Education and Labor.

By Mr. HANLEY:

H. Res. 1088. Resolution creating a select committee to study the impact and ramifications of the Supreme Court decisions on abortion; to the Committee on Rules.

By Mr. MOORHEAD of California:

H. Res. 1089. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WHITTEN introduced a bill (H.R. 14579) for the relief of Josephine J. Johnson, which was referred to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

448. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, relative to allowing greater immigration to the people of Ireland; to the Committee on the Judiciary.

449. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to Federal participation in the costs of the social security system; to the Committee on Ways and Means.

SENATE—*Thursday, May 2, 1974*

The Senate met at 10 a.m. and was called to order by Hon. James B. Allen, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, grant to us clean hands and pure hearts as we undertake our service to the Nation this day. As Thou hast given us this good land, rich in resources and in beauty, help us to conserve its bounty and its beauty. Preserve the people from marring the beauty of this world or contaminating its atmosphere. Give us clean air, clean water, clean people, clean government. Help us to make our cities, towns, and countryside a creation of enduring beauty and a joy forever. And, finally, may the spirit of the Great Galilean be upon us and motivate us in our work, to the glory of Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., May 2, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. James B.

ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, May 1, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination on the Executive Calendar will be stated.

COMMODITY CREDIT CORPORATION

The second assistant legislative clerk read the nomination of Richard L. Feltner, of Illinois, to be a member of the Board of Directors of the Commodity Credit Corporation.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the Calendar beginning with Calendar No. 762 through 769, with the exceptions of Nos. 765 and 766.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTIFICATION OF GOVERNMENT OFFICIALS OF THE FILING OF CERTAIN COMMON CARRIER APPLICATIONS WITH THE FEDERAL COMMUNICATIONS COMMISSION

The bill (S. 1479) to amend subsection (b) of section 214 and subsection (c) (1) of section 222 of the Communications Act of 1934, as amended, in order to designate the Secretary of Defense—rather than the Secretaries of the Army and the Navy—as the person entitled to receive official notice of the filing of certain applications in the common carrier service and to provide notice to the Secretary of State where under section 214 applications involve service to foreign points, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1479

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 214 of the Communications Act of 1934, as amended (47 U.S.C. 214(b)), is amended by deleting from the first sentence thereof "the Secretary of the Army, the Secretary of the Navy," and inserting in lieu thereof "the Secretary of Defense, the Secretary of State (with respect to such applications involving service to foreign points),".

SEC. 2. That subsection (c)(1) of section 222 of the Communications Act of 1934, as amended, is amended by deleting from the first sentence thereof "the Secretary of the Army," and "the Secretary of the Navy," and inserting in lieu thereof "the Secretary of Defense," immediately after "Secretary of State," in such sentence.

DIRECT LICENSING IN THE SAFETY AND SPECIAL AND EXPERIMENTAL RADIO SERVICES OF ALIENS, OR ENTERPRISES WITH ALIEN OFFICERS, DIRECTORS, OR STOCKHOLDERS

The Senate proceeded to consider the bill (S. 2457) to amend the Communications Act of 1934, as amended, to permit the Federal Communications Commission to grant radio station licenses in the safety and special and experimental radio services directly to aliens, representatives of aliens, foreign corporations, or domestic corporations with alien officers, directors, or stockholders; and to permit aliens holding such radio station licenses to be licensed as operators, which had been reported from the Committee on Commerce with an amendment, on page 3, line 6, after the word "carrier", insert "or aeronautical en route or aeronautical fixed"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (1) of section 303 of the Communications Act of 1934, as amended (47 U.S.C. 303(1)), is amended by deleting paragraphs (2) and (3) and inserting the following:

"(2) Notwithstanding paragraph (1) of this subsection, an individual to whom a radio station is licensed under the provisions of this Act may be issued an operator's license to operate that station.

"(3) In addition to amateur operator licenses which the Commission may issue to aliens pursuant to paragraph (2) of this subsection, and notwithstanding section 301 of this Act and paragraph (1) of this subsection, the Commission may issue authorizations, under such conditions and terms as it may prescribe, to permit an alien licensed by his government as an amateur radio operator to operate his amateur radio station licensed by his government in the United States, its possessions, and the Commonwealth of Puerto Rico provided there is in effect a bilateral agreement between the United States and the alien's government for such operation on a reciprocal basis by United States amateur radio operators. Other provisions of this Act and of the Administrative Procedure Act shall not be applicable to any request or application for or modification, suspension, or cancellation of any such authorization."

SEC. 2. Section 310 of the Communications Act of 1934, as amended (47 U.S.C. 310), is amended by deleting subsection (a), redesignating subsection (b) as subsection (d) and inserting the following new subsections (a), (b), and (c):

"(a) The station license required under this Act shall not be granted to or held by any foreign government or the representative thereof.

"(b) No broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by—

"(1) any alien or the representative of any alien;

"(2) any corporation organized under the laws of any foreign government;

"(3) any corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of foreign country;

"(4) any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license.

"(c) In addition to amateur station licenses which the Commission may issue to aliens pursuant to this Act, the Commission may issue authorizations, under such conditions and terms as it may prescribe, to permit an alien licensed by his government as an amateur radio operator to operate his amateur radio station licensed by his government in the United States, its possessions, and the Commonwealth of Puerto Rico provided there is in effect a bilateral agreement between the United States and the alien's government for such operation on a reciprocal basis by United States amateur radio operators. Other provisions of this Act and of the Administrative Procedure Act shall not be applicable to any request or application for or modification, suspension, or cancellation of any such authorization."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF PERIOD OF LIMITATIONS IN PROCEEDINGS BY OR AGAINST COMMUNICATIONS CARRIERS FOR RECOVERY OF CHARGES, OVERCHARGES, OR DAMAGES NOT BASED ON OVERCHARGES

The Senate proceeded to consider the bill (S. 1227) to amend section 415 of the

Communications Act of 1934, as amended, to provide for a 2-year period of limitations in proceedings against carriers for the recovery of overcharges or damages not based on overcharges, which had been reported from the Committee on Commerce with amendments, on page 1, line 3, after the word "subsections", insert "(a)"; and, after line 5, insert:

"(a) All actions at law by carriers for recovery of their lawful charges, or any part thereof, shall be begun, within two years from the time the cause of action accrues, and not after."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (a), (b), and (c) of section 415 of the Communications Act of 1934, as amended (47 U.S.C. 415), are amended to read as follows:

"(a) All actions at law by carriers for recovery of their lawful charges, or any part thereof, shall be begun, within two years from the time the cause of action accrues, and not after."

"(b) All complaints against carriers for the recovery of damages not based on overcharges shall be filed with the Commission within two years from the time the cause of action accrues, and not after, subject to subsection (d) of this section.

"(c) For recovery of overcharges action at law shall be begun or complaint filed with the Commission against carriers within two years from the time the cause of action accrues, and not after, subject to subsection (d) of this section, except that if claim for the overcharge has been presented in writing to the carrier within the two-year period of limitation said period shall be extended to include two years from the time notice in writing is given by the carrier to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL HISTORIC PRESERVATION WEEK

The joint resolution (S.J. Res. 175) to authorize and request the President to issue a proclamation designating the calendar week beginning May 6, 1974, as "National Historic Preservation Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas the two hundredth anniversary of the founding of this Republic approaches; and

Whereas an indispensable element of the strength, the freedom, and the constructive world leadership of this Nation is the knowledge and appreciation of our origins and history, of who we are, where we are, and how we arrived there; and

Whereas the houses where we have lived, the buildings where we have worked, the streets we have walked for more than three hundred years are as much a part of our heritage as the wisdom of the Founding Fathers and the works of art which succeeding generations of Americans have bequeathed to us; and

Whereas these buildings and places, great and humble, not only are our roots, but are also sources of pride in our past achievements and enrich our lives today; and

Whereas historic preservation today involves much more than period rooms in house museums, but means, rather, that old homes, public buildings, hotels, taverns, theaters, industrial buildings, churches, and commercial structures can be saved and put to contemporary use as living history to be treated with respect and incorporated within our planning as our towns and cities grow to provide the citizens of this Nation with an environment of quality and enduring interest: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation—

(1) designating the calendar week beginning May 6, 1974, as "National Historic Preservation Week"; and

(2) urging Federal, State, and local government agencies, as well as citizens and private organizations, especially the preservation organizations, historical societies, and related groups, to observe that week with educational efforts, ceremonies, and other appropriate activities which—

(a) are designated to call public attention to the urgent need to have our historic landmarks for the enjoyment and edification of the citizens of this Nation, present and future; and

(b) will demonstrate lasting respect for this unique heritage.

NATIONAL AMATEUR RADIO WEEK

The joint resolution (S.J. Res. 197) to authorize the designation of the 7-day period beginning June 17, 1974, and ending June 23, 1974, as 'National Amateur Radio Week," was considered, ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas over two hundred and fifty thousand Americans are licensed by the Federal Communications Commission as amateur radio operators, and

Whereas these amateur radio operators have served their fellow Americans on countless occasions in times of crisis, such as floods, tornadoes, hurricanes, earthquakes, and power failures, by relaying information and summoning medical and other assistance, and

Whereas our amateur radio operators are a vital element in our civil defense network, rendering valuable assistance to civil defense personnel in times of emergency or natural disaster, and

Whereas our amateur radio operators are an important force for international understanding and good will among all people, opening up channels of communication and information across the oceans and the continents, and

Whereas the National Amateur Radio Field Day of the American Radio Relay League has been held during the fourth weekend in June for many years, and will be held during the weekend of June 22 and 23, 1974: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the seven-day period beginning June 17, 1974, and ending June 23, 1974, as National Amateur Radio Week in recognition of the many contributions of amateur radio operators, and calling upon the people of the United States and interested organizations to observe such week with appropriate ceremonies and activities.

AMERICAN BUSINESS DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 195) to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day" which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "issue" strike out "annually"; and in line 4, after the figure "13", strike out "of each year"; so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating May 13 1974, as "American Business Day", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to authorize and request the President to issue a proclamation designating May 13, 1974, as American Business Day."

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the distinguished acting Republican leader desire recognition?

If not, at this time, the Chair recognizes the distinguished Senator from Wisconsin (Mr. PROXMIRE) for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT: PROGRESS IN ENVIRONMENTAL LEGISLATION

Mr. PROXMIRE. Mr. President, in Washington and across the Nation we hear more every day about the terrible problems our country is facing. I get hundreds of letters every week from citizens criticizing the Federal Government. They write about the energy crisis and ask what is being done to solve it. They complain about the rising cost of living and rampant inflation. They share their concerns about Watergate and the decline of strong moral leadership in government.

Public confidence in the President and Congress is lower today than it has been for many years. The American people no longer express much faith in their leaders. This is one of the gravest problems facing the 93d Congress.

One of our most important duties is to restore the people's faith in our democratic system of government. As a step in the direction of rebuilding confidence in our Government, I am reviewing some of the great accomplishments that have been made during the nearly 17 years I have served in the Senate. Great strides have been made in civil rights legislation, education, communication, women's rights, and military efficiency. Today I want to review briefly the remarkable progress we have made in passing legislation to clean up our environment.

MAN THE POLLUTER

Man has always been a polluter. Long before fire was discovered, we were dumping our wastes into the surrounding environment. Although the Earth's ecological system could handle early forms of pollution, man's capacity for growth and polluting byproducts has outstripped nature's ability to cope with the buildup. The industrial revolution was the turning point, and we have been suffering the burdens of pollution as well as sharing the benefits of industrial growth ever since.

Environmental pollution is a subtle process. It takes a long time to contaminate our air, land, and water so thoroughly that they become a curse instead of a natural blessing. Only in this century has it become clear that unless the process is checked, we will eventually poison ourselves in a disaster of our own making.

The hazardous effects of pollution, while most notable in the last decade, have been around for a long time. As early as 1930, 60 people died in Belgium's Meuse Valley after a heavy smog settled over the area. In 1948, 17 residents of Demora, Pa., died because of air pollution. England still has not forgotten the disastrous London fog of 1952 that killed an estimated 4,000 people.

THE ENVIRONMENTAL DECADE

Since the mid-sixties, it has been clear that decisive action had to be taken to preserve our environment and restore what had already been damaged. In the 1950's our city dumps were overflowing with old car bodies, shattered concrete from demolished buildings, tin cans, bottles, and other solid waste. Food and other organic wastes were being casually dumped into our waters or burned. Widespread health problems and more air pollution were the result. Today, with Federal money, we have made a real beginning to improve our incendiary techniques and solid waste disposal methods so that some of these same organic wastes can be recycled and used again or burned more efficiently with less pollution.

The Willamette River in Oregon used to be one of the most polluted waterways in America. Fifty years ago, men used to refuse to work on riverside construction because of the stench. Since then, Government funded programs have been directed to the area and today thousands of people swim, fish, and water ski on that same river. Just last fall, Chinook salmon ascended the Willamette to spawn.

We can be thankful to those who led and followed the public indignation over air and water pollution that resulted in the environmental movement of the sixties. Congress has taken far more action in the last 10 years to clean up our Nation's air, land, and water than in all of the previous 200 years combined.

ENVIRONMENTAL POLICY ACT

The concerted public effort to defend our environment culminated in the signing of the National Environmental Policy Act on January 1, 1970. This legislation, passed by Congress, stands as a landmark commitment to preserving the environment. It established a national policy to "maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans."

Under this law, the President appointed a Council on Environmental Quality to coordinate environmental work on the Federal level and advise him on major decisions which would affect the environment. The law also provided that all Federal agencies must file an environmental impact statement on Government activities which would have a major impact on the environment.

In that same year, Congress consented to an order of the President which established the Environmental Protection Agency. For the first time a single independent agency was charged with the responsibility to protect and enhance the environment and to establish and enforce pollution control standards.

The groundwork for environmental progress was accomplished by major legislation introduced and passed by Congress, particularly in the last decade. Twenty years ago scant attention was paid to the need for preserving the environment. A brief look at some of the main legislative efforts of the last 10 years gives a good idea of what has been done to change this situation.

The Environmental Protection Agency has estimated that air pollution costs $16 billion a year in health and property damage. At a cost of only $15 billion spread over 5 years, we can control air pollution. The economic and social advantages of stopping air pollution are clear. Thanks to progressive laws, we are now in a position to begin reversing such pollution.

AIR POLLUTION ACT

In 1955, Congress passed the Air Pollution Act, the first law to authorize the expenditure of Federal funds for air pollution research. This research led to the Clean Air Act of 1963, a landmark decision to provide financial assistance to State and local governments for initiating and improving pollution control programs. Just 2 years later, the Motor Vehicle Pollution Control Act expanded Federal activity to include setting standards for automobile emissions, a major source of urban air pollution.

Most current Federal involvement in combatting air pollution is based on the Air Quality Act of 1967 and the Clean Air Amendments of 1970. These measures paved the way for ongoing efforts which offer the hope of making our air fit to breathe once again. The Air Quality Act required the individual States to establish air quality standards and plans to implement the standards in designated regions of the country. Within 3 years, the foundation had been laid for the clean air amendments which called for national uniform air quality standards based on geographic regions. EPA was given wide-ranging authority to deal with pollution hazards. On the basis of this authority, in 1971, EPA established national ambient air quality standards for six principal classes of air pollution. Performance standards were imposed to limit pollution from such sources as steam-electric generating plants, municipal incinerators and sulfuric and nitric acid plants. Furthermore, ordinary citizens were specifically authorized to bring civil suits against private or government officials who failed to abide by the new law's provisions. The public was given a direct opportunity to aid in the enforcement of laws vital to its health and safety.

Congress has not failed to take up the fight against other forms of pollution. Although a law was passed in 1956 to establish a permanent program to deal with water pollution, major legislation in this area has been passed only in the last 9 years.

WATER QUALITY ACT

The Water Quality Act of 1965 established State standards based on Federal criteria. This became the basis for improving our interstate waterways. Since 1965, over 90 percent of all interstate waters have been classified for recreation, fishing, or wildlife uses, requiring a high degree of water quality.

Following the disastrous Santa Barbara oil spill in 1969, Congress passed the Water Quality Improvement Act. This law provided for controlling and cleaning up oil spills and other hazardous substances. It also established a liability of $14 million for every such incident.

In 1972, the existing legislation was consolidated under the authority of the Administrator of the Environmental Protection Agency. The 1972 Clean Water Amendments had one main objective: to restore and maintain the environmental integrity of the Nation's waters. Two goals were set. The discharge of all pollutants of navigable waters was to be eliminated by 1985. Further, interim levels of water quality were to be established by 1983. EPA was authorized to enforce the water pollution laws through both administrative and judicial channels. And, as is the case for the Clean Air Act, citizens were authorized to participate in the enforcement of Federal standards.

Congress has also played a large role in formulating a new concept of managing solid wastes. Although we Americans account for only 6 percent of the world's population, we use up nearly 50 percent of the Earth's industrial raw materials. Needless to say, this has led to a terrific amount of solid waste. No one who has ever lived near a junkyard or within smelling distance of open trash dumps has to be told how casually we have disposed of these wastes in the past. Not only is solid waste an eyesore, it represents a serious economic drain on natural resources. Many of the things we throw away can be recycled and used again for productive purposes.

Passage of the Solid Waste Disposal Act of 1965 was the first significant interest shown by the Federal Government in providing for better management of solid waste. Grants were made under this act to demonstrate new technology for solid waste disposal. The Resource Recovery Act of 1970 went a step further. This time the thrust of the Federal Government's effort was directed to recycling and recovering valuable waste materials.

NOISE ABATEMENT

Strides have been made in other areas of environmental concern as well. **The**

Noise Pollution and Abatement Act of 1970 was passed to direct the EPA to study the effect of noise on public health and safety. This was followed by the Noise Control Act of 1972 to coordinate research in this area and to provide for the setting of Federal noise emission standards. In 1970, EPA was also charged with the responsibility for regulating pesticides in the public interest. The Environmental Pesticide Control Act of 1972 expanded the necessary authority to deal with this problem.

In short, Mr. President, Congress has acted to make positive changes. The American people can be proud of these efforts to stop the tide of environmental destruction and begin to rebuild.

I do not mean to paint an unrealistically rosy picture. To do so would perhaps encourage us to let down our guard. We may forget that the struggle to reclaim and enhance our environment is going to take years of concerted effort and constant vigilance.

It is not enough to pass good laws and express a national commitment to clean up the environment. The laws must be enforced. Every effort must be made to translate public commitment into positive action. Legitimate criticisms have been directed against failures to force full compliance with the environmental legislation Congress has passed. For example, money is needed to implement the provisions of these laws. Unfortunately, the administration has impounded some of the funds which Congress appropriated to carry out the environmental programs.

WHAT'S STILL WRONG?

The Environmental Protection Agency has at times dragged its feet in getting tough on pollution. Compliance deadlines have been extended or delayed in some vital programs. The solid waste management program has been particularly hard hit. Its budget was cut by 82 percent and its manpower reduced from 310 to 118. EPA has also waffled on efforts to prohibit some toxic substances from being discharged into the Nation's waters. This issue is now under litigation.

EPA has not always pushed as hard as possible to enforce the Clean Air Act's provisions. Court action was needed to require the Agency to take steps to prevent the significant deterioration of air quality in places where it is now relatively clean.

Another area where improvement is needed is mass transportation. If current trends continue, the improvement in air quality from automobile emission control devices may well be outweighed by ever-growing private transportation.

Ironically, the energy crisis, which should make clear as never before the need for wise use of all our natural resources, is being taken as an excuse by some interests to call for a retreat from the hard-won progress we have already made. It is fair to say that the body of environmental legislation which has been developed over the past decade is under wholesale assault from some quarters. Project "Independence" relies heavily on greatly expanding the number of nuclear powerplants now under operation. Yet we dare not risk the possible consequences of such action unless the many questions of safety and technical performance are fully answered to the public's satisfaction.

ENERGY NEED NO ALIBI FOR POLLUTION

There are particularly disturbing reports of a proposal being debated within the administration which would permit the Federal Government to waive environmental impact statements on a wide range of energy projects. Presumably this would include strip mining on Government lands, nuclear powerplant development, refinery construction and certain dumping practices which now require a Federal permit. To its credit, the Environmental Protection Agency is resisting any such efforts to weaken the National Environmental Policy Act. However, a strong determination on the part of Congress and the American people may be needed to rebuff any legislative efforts to implement such a proposal.

In looking at the total costs involved in developing our energy resources, we must not ignore the external costs of environmental pollution. We will not profit by having more energy if the environment which sustains its use is destroyed in the process.

GREAT STRIDES

There are problems remaining and we must not minimize them. But we have indeed made great strides in dealing with a situation which just 10 years ago seemed beyond our control. Although our goals have not yet been realized—far from it—a solid foundation for improvement has been laid. At a time when Americans are doubting that Government can function responsibly, it is imperative that we remember what we have done right—and that our present uncertainty not weaken our resolve to follow through on the positive goals which have been established.

We would all do well to keep in mind President Nixon's words in signing the National Environmental Policy Act:

> The nineteen-seventies absolutely must be the years when America pays its debt to the past by reclaiming the purity of its air, its waters and our living environment. It is literally now or never.

Mr. President, I might say in conclusion that one of the most encouraging aspects we have had, a very recent development which has not come to fruition yet, has been the development in an Army laboratory in Massachusetts of a process of developing ethyl alcohol or ethanol out of waste. We have 100 billion pounds of waste a year in this country and it would be a marvelous resource if we could recycle it and use it.

The Army laboratory has determined that it could be produced at a cost of 20 cents a gallon and blended with gasoline it could cut the cost of gas by about 20 cents or to 35 cents per gallon. Furthermore, by a minor modernization of engines it might be used as the principal fuel to drive our engines 100 percent. We are not home free on this. It would take 5 or 6 years to fully develop but it offers a great promise and a remarkable opportunity for us to convert much of our waste into useful material by this recycling process.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, will the Senator yield to me if he has a little time?

Mr. PROXMIRE. I yield whatever time I have left to the Senator from Michigan.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. GRIFFIN. Mr. President, under the special order who is to be recognized?

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Michigan under the original time allotted to the Republican leader.

Mr. GRIFFIN. I merely wish to take a moment.

Mr. ROBERT C. BYRD. The Senator from Michigan has an order.

The ACTING PRESIDENT pro tempore. Yes, but the Senator has not asked recognition under that order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator be recognized under his order.

The ACTING PRESIDENT pro tempore. Does the Senator desire recognition under the order?

Mr. GRIFFIN. Yes, if there is no time available under the order of the Senator from Wisconsin.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

WHAT'S RIGHT WITH AMERICA

Mr. GRIFFIN. Mr. President, I wish to take a moment to commend the Senator from Wisconsin for the series of speeches he has been making here on the Senate floor, which he has entitled, "What's Right With America."

It is very easy and perhaps too much a part of human nature for all of us, as individuals, as families, as members of local governmental units and as Members of the Congress—to focus our attention almost exclusively on our problems. Of course, these are serious problems, and it is our duty as Members of Congress to seek solutions and remedies for those problems that fall under the jurisdiction of Congress.

But it seems to me, that we seldom take time out to recognize the progress that has been made or to count the many blessings that are ours. The other night, in his appearance before the U.S. Chamber of Commerce, President Nixon made the statement that although the United States has problems—some of them very serious—he would not trade the problems of our country for those of any other country in the world.

Surely, it is good for the institution of Congress, and I believe it is good for the soul of the Nation to hear speeches once in a while like those in the series being delivered by the Senator from Wisconsin. So, I want him to know that I believe he is making a very valuable contribution as one Senator, I appreciate the research which has been done to develop this series of addresses, even though I might not agree with everything the Senator from Wisconsin has said.

I feel certain that his effort is appreciated by others in the Congress and in the Nation.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. PROXMIRE. I do want to thank my distinguished friend from Michigan, the Republican whip. I want to stress the fact that what the Senator said this morning is most useful because these are bipartisan achievements I have been discussing; not only of Republicans and Democrats in the Senate and in the House, but also of the administration as well as the Congress.

In looking over all the achievements I have talked about that occurred in the last 17 or 18 years, they are very substantial and there have been few if any periods in the 200-year history of our country when we have been as successful in solving our problems as in the past decade. We do have many problems and we have made many mistakes, but putting it all together, the Federal Government has done and is doing extremely well. I think that we have lost the perspective we should have because there has been so much criticism and cynicism but as a result we have lost some of the confidence we need to continue progress.

I thank the Senator for his statements.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I ask unanimous consent that I may reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum with the time to be charged against my order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. Mathias be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I yield back any remaining time under my order.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, there will be a period of not to exceed 15 minutes for the transaction of routine morning business, with speeches of Senators limited to 5 minutes.

Is there routine morning business to be transacted?

TRANSCRIPTS OF TAPES SUBMITTED BY THE PRESIDENT: PUBLIC TRANSCRIPTS—I

Mr. ROBERT C. BYRD. Mr. President, on April 30 the President of the United States caused to be submitted to the House Committee on the Judiciary the transcripts of certain tapes, which tapes had been subpenaed, among other materials, by the House Judiciary Committee in connection with its impeachment inquiry. The transcripts, together with introductory matter have been printed in a single volume by the Public Printer.

The transcripts themselves run from page 55 of the voluminous volume through page 1293. The first meeting to which the transcripts refer, occurred on September 15, 1972.

Last evening, I read the transcripts of the tape recording of that meeting, which occurred between the President, Mr. Haldeman, and Mr. Dean. I also read the transcript of the record of the meeting that occurred on February 28, 1973, between the President and Mr. Dean, in the oval office.

I ask unanimous consent that the transcripts of those meetings, they having become public property already, be printed in the Record.

Mr. GRIFFIN. Mr. President, reserving the right to object—and, of course, I shall not object—I believe the Senator from West Virginia (Mr. Byrd) is performing a valuable service, indeed. I have given thought to making a request similar to the request made by the majority whip. Of course, now I shall not do so.

Considering the work that will be involved for the Government Printing Office, and the cost to the taxpayers for this project, I believe it is important that this material be printed in the Record only once. I hope notice of this action will be taken by other Senators and by House Members, and of the fact that the Senator from West Virginia making the insertions is one of the leaders of the Senate. Once all of the material has been printed in the Congressional Record, of course, it will be available equally to all Members of the Congress.

Would the Senator from West Virginia agree with that observation?

Mr. ROBERT C. BYRD. Yes, I do agree, Mr. President. It is my intention—and I have already spoken to the distinguished assistant Republican leader about this matter, and indicated my intention to proceed in this fashion, and I have discussed it with the distinguished majority leader—to insert in the Record each day, without comment on my part one way or the other, the transcripts as I personally read them on the preceding evenings——

Mr. GRIFFIN. I assume that each installment printed will consist of at least one or more complete meetings as transcribed in full.

Mr. ROBERT C. BYRD. Indeed, yes.

Mr. GRIFFIN. Mr. President, there is one other suggestion I would make. I understand that a summary statement precedes the transcript of the first meeting. There is also an index. Even though the page numbers might not be applicable, I believe inclusion of the index or an index could be useful.

I suggest that the majority whip might wish to consider including that material as well.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Michigan has made a worthwhile suggestion with reference to the index. I would not myself include the explanatory material preceding, for this reason: I think the material could be judged by some persons to be self-serving. I do not intend to comment, one way or the other, on the transcripts as I place them in the Record. I feel that among the public, which is entitled to read the transcripts, many persons would be unable to pay $12.50 for the printed compilation; and even though many persons are able to pay $12.50, they may be unable to get the volumes because of the difficulties entailed in printing and distributing them.

I would not personally add the explanatory material; I would want each reader to conclude for himself, without any comment thereon, by me or anyone else, his own conclusions as to the content of the transcripts. However, I cannot bar another Senator from placing the introductory material into the Record.

Mr. GRIFFIN. Perhaps the majority whip would accept a suggestion. My thinking is that, regardless of whether portions may be self-serving, it is important to make all the materials available, without omission, by printing it in the Record.

If the majority whip prefers not to include that summary within the scope of his request, I am sure he would not object if I request that this matter also be printed in the Record. I hope also that it will be appropriately positioned in connection with the materials inserted by the majority whip.

Mr. ROBERT C. BYRD. Mr. President, I would not object because, again, the introductory material is also public matter. I would certainly have no objection if the distinguished Republican whip wishes to make that request.

Mr. GRIFFIN. Mr. President, I so request.

The ACTING PRESIDENT pro tempore. Is there objection to the requests of the distinguished Senator from West Virginia (Mr. Robert C. Byrd) and the distinguishd minority whip (Mr. Griffin)?

Mr. ROBERT C. BYRD. And that the appendices be included in their proper order.

The ACTING PRESIDENT pro tempore. Is there objection to either of the requests of the Senators?

There being no objection, the material was ordered to be printed in the Record, as follows:

Submission of Recorded Presidential Conversations to the Committee on the Judiciary of the House of Representatives

(By President Richard Nixon)

On April 11, 1974, the Committee on the Judiciary of the House of Representatives of the Congress caused a subpoena to be issued to the President of the United States, returnable on April 25, 1974. The subpoena called for the production of tapes and other materials relating to forty-two Presidential conversations. With respect to all but three of these conversations, the subpoena called for the production of the tapes and related materials without regard to the subject matter, or matters, dealt with in these conversations. In the President's view, such a broad scale subpoena is unwarranted. As the U.S. Court of Appeals in *Nixon* vs. *Sirica* has stated, "wholesale public access to Executive deliberations and documents would cripple the Executive as a co-equal branch," and as the President has repeatedly stated, he will not participate in the destruction of the office of the Presidency of the United States by permitting unlimited access to Presidential conversations and documents.

The President, on the other hand, does recognize that the House Committee on the Judiciary has constitutional responsibilities to examine fully into his conduct and therefore the President has provided the annexed transcripts of all or portions of the subpoenaed conversations that were recorded and of a number of additional nonsubpoenaed conversations that clearly show what knowledge the President had of an alleged cover-up of the Watergate break-in and what actions he took when he was informed of the cover-up. The President believes that these are the matters that primarily concern the Congress and the American people.

In order that the Committee may be satisfied that he has in fact disclosed this pertinent material to the Committee, the President has invited the Chairman and ranking minority member to review the subpoenaed tapes to satisfy themselves that a full and complete disclosure of the pertinent contents of these tapes has, indeed, been made. If, after such review they have any questions regarding his conduct, the President has stated that he stands ready to respond under oath to written interrogatories and to meet with the Chairman and ranking minority member of the Committee at the White House to discuss these matters if they so desire.

The President is making this response, which exceeds the material called for in the subpoena, in order that the Committee will be able to carry out its responsibilities and bring this matter to an expeditious conclusion.

The attached transcripts represent the best efforts accurately to transcribe the material contained on the recording tapes. Expletives have been omitted in the interest of good taste, except where necessary to depict accurately the context of the conversation. Characterization of third persons, in fairness to them, and other material not relating to the President's conduct has been omitted, except where inclusion is relevant and material as bearing on the President's conduct.

In order that the material submitted in this response to the Committee's subpoena can be viewed in the context of the events surrounding the Watergate incident and thereafter, the following summary is provided.

THE BREAK-IN AT THE WATERGATE—JUNE 17, 1972

When the break-in at Watergate occurred and the participants were arrested, the President was in Florida. As he has stated many times, he had no prior knowledge of this activity and had nothing whatsoever to do with it. No one has stated otherwise, not even Mr. Dean, former Counsel to the President, who is the only one who has made any charges against the President. During the course of Dean's conversation with the President on February 28, 1973, the President stated to Dean:

P. Of course I am not dumb and I will never forget when I heard about this—forced entry and bugging. I thought "What is this? What is the matter with these people, are they crazy?" I thought they were nuts.

During the conversation between the President and Dean on the morning of March 21, 1973, the tape of which has also previously been provided the Committee, Dean strongly disclaimed to the President that anyone at the White House knew of the break-in in advance.

D. I honestly believe that no one over here knew that. I know that as God is my maker I had no knowledge that they were going to do this.

In the conversation of the President with Mr. Haldeman and Mr. Ehrlichman on the 27th of March 1973, the following exchange, which conclusively demonstrates the President's lack of foreknowledge, took place:

H. O'Brien raised the question whether Dean actually had no knowledge of what was going on in the intelligence area between the time of the meetings in Mitchell's office, when he said don't do anything, and the time of the Watergate discovery. And I put that very question to Dean, and he said, "Absolutely nothing."

P. I would—the reason I would totally agree—that I would believe Dean there (unintelligible) he would be lying to us about that. But I would believe for another reason—that he thought it was a stupid damn idea.

E. There just isn't a scintilla of hint that Dean knew about this. Dean was pretty good all through that period of time in sharing things, and he was tracking with a number of us on—

P. Well, you know the thing the reason that (unintelligible) thought—and this incidentally covers Colson—and I don't know whether —. I know that most everybody except Bob, and perhaps you, think Colson knew all about it. But I was talking to Colson, remember exclusively about—and maybe that was the point—exclusively about issues. . . .

* * *

P. Right. That was what it is. But in all those talks he had plenty of opportunity. He was always coming to me with ideas, but Colson in that entire period, John, didn't mention it. I think he would have said, "Look we've gotten some information," but he never said they were. Haldeman, in this whole period, Haldeman I am sure—Bob and you, he talked to both of you about the campaign. Never a word. I mean maybe all of you knew but didn't tell me, but I can't believe that Colson—well—

ALLEGATIONS OF A COVER-UP PRIOR TO MARCH 21, 1973

Of all the witnesses who have testified publicly with respect to allegations of an illegal cover-up of the Watergate break-in prior to March 21, 1973, only Mr. Dean has accused the President of participation in such a cover-up. In his testimony before the Senate Select Committee Dean stated (Bk. 4, p. 1435)[1] that he was "certain after the September 15 meeting that the President was fully aware of the cover-up". However, in answering questions of Senator Baker, he modified this by stating it "is an inference of mine." (Bk. 4, p. 1475) Later he admitted he had no personal knowledge that the President knew on September 15th about a cover-up of Watergate. (Bk. 4, p. 1482)

The tape of the conversation between the President and Dean on September 15, 1972, does not in any way support Dean's testimony that the President was "fully aware of the cover-up." The tape of September 15, 1972, does indeed contain a passage in which the President does congratulate Dean for doing a good job:

P. Oh well, this is a can of worms as you know a lot of this stuff that went on. And the people who worked this way are awfully embarrassed.

P. But the way you have handled all this seems to me has been very skillful putting your fingers in the leaks that have sprung here and sprung there.

This was said in the context not of a criminal plot to obstruct justice as Dean alleges, but rather in the context of the politics of the matter, such as civil suits, counter-suits, Democratic efforts to exploit Watergate as a political issue and the like. The reference to "putting your finger in the leaks" was clearly related to the handling of the political and public relations aspect of the matter. At no point was the word "contained" used as Dean insisted had been the case in his testimony. (Bk. 4, pp. 1476, 1477)

This is an example of the possible ambiguities that the President says exists in these tapes that someone with a motive to discredit the President could take out of context and distort to suit his own purposes.

If Dean did in fact believe that the President was aware of efforts illegally to conceal the break-in prior to March 21, 1973, it is strange that Dean on that date felt compelled to disclose to the President for the first time what he later testified the President already knew.

Further questions of Dean's credibility concerning the President's conduct are raised by his testimony before the Senate Select Committee that it was on March 13, 1973, that he told the President about money demands and threats of blackmail (Bk. 3, pp. 995, 996). He said he was "very clear" about this date. (Bk. 4, p. 1567) It now develops that the conversation with the President, on the date of which Dean was so clear, did not in fact take place until the morning of March 21, 1973, as the President has always contended. At no point in the tape of the March 13, 1973, conference between the President and Dean is there any reference to threats of blackmail or raising a million dollars. These references are contained in the tape of the March 21, 1973, A.M. meeting between the President and Dean.

This discrepancy in Dean's testimony from the tapes of these two meetings is surprising in the light of Dean't self-professed excellent memory (Bk. 4, p. 1433) and the certainty with which he fixed the date of the blackmail disclosure as March 13, 1973, rather than March 21, 1973. Curiously, on April 16, 1973, as evidenced by the recording of his meeting on that morning with the President, Dean recalled very specifically that his revelation to the President was on the Wednesday preceding the Friday (March 23) that the Watergate defendants were sentenced.

Dean's testimony to the Senate may have been simply an error, of course, or it may have been an effort to have his disclosures to the President predate what was then at least thought to be the date of the last payment to Hunt's attorney for his fees, namely March 20, 1973, (Bk. 9, p. 3799). As far as the President is concerned, however, it makes no difference when this payment was made; he not only opposed the payment, but never even knew that it had been made until mid-April when the facts were finally disclosed to him.

In this connection it is interesting to note that Dean testified that on March 30, 1973, he told his attorneys "everything that I could remember." (Bk. 3, p. 1009) Yet Dean's list of April 14 of persons whom he believed were indictable did not include the President. (Ex. 34–37) Attorney General Kleindienst testified that Mr. Silbert, who had been interviewing Mr. Dean and conferring at length with his counsel, reported on the night of April 14, 1973, that "Nothing was said to me that night that would implicate the President of the United States." (Bk. 9, p. 3586) This same thing was confirmed by Mr. Petersen who testified that as of April 27 they had no information implicating the President. (Bk. 9, pp. 3635. 3636) In fact it was not until after April 30, 1973, when Dean was discharged that he for the first time charged the President with knowledge of a cover-up as early as September 15, 1972.

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[1] References to testimony before the Senate Select Committee are indicated "(Bk. —, p. —)."

THE MEETING OF MARCH 21, 1973, A.M. BETWEEN THE PRESIDENT AND DEAN AND LATER HALDEMAN

On or about February 27, 1973, Dean had been instructed to report directly to the President regarding the Executive Privilege issues raised in the context of the Gray nomination hearings and the prospective Ervin Committee hearings, rather than to Ehrlichman as it was taking up too much of Mr. Ehrlichman's time from his regular duties. (Bk. 7, p. 2739) Previous to this Dean had been keeping himself informed as to the progress of the FBI and Department of Justice investigation on Watergate so that he could keep Ehrlichman and Haldeman informed. Both Attorney General Kleindienst and Mr. Petersen confirmed that Dean had represented to them that he was "responsible to keep the President informed." (Bk. 9, p. 3618); that he "had been delegated by the President to be posted and kept informed throughout the course of the investigation". (Bk. 9, pp. 3575, 3576, 3652) It is equally clear from the recorded conversations between Dean and the President that he did not keep the President fully informed until March 21, 1973.[2] Indeed, on April 16, 1973, Dean so acknowledged that fact to the President, when he said:

D. I have tried all along to make sure that anything I passed to you didn't cause you any personal problem.

An analysis of the March 21, 1973, A.M. conversation thus becomes important in assessing the conduct of the President. On the previous evening the President and Dean talked by telephone and Dean requested a meeting with the President. They met the next morning, alone. at first, and later Mr. Haldeman joined them about half way through the meeting, rather than for only the last few minutes, as Dean testified. (Bk. 4, p. 1383) After some preliminary remarks concerning the Gray confirmation hearings, Dean stated the real purpose for the meeting:

D. The reason that I thought we ought to talk this morning is because in our conversations *I have the impression that you don't know everything I know* and it makes it very difficult for you to make judgments that only you can make on some of these things and I thought that—(Emphasis supplied)

He then proceeded to detail for the President what he believed the President should be made aware of, first in the "overall".

Dean stated, "We have a cancer within, close to the Presidency, that is growing." and that "people are going to start perjuring themselves. . . ." He described the genesis of the DNC break-in; the employment of Liddy; the formulation of a series of plans by Liddy which Dean disavowed, as did Mr. Haldeman; the belief that the CREP had a lawful intelligence gathering operation and the receipt of information from this source; and the arrest at the DNC on June 17, 1972. He then informed the President of a call to Liddy shortly thereafter inquiring ". . . whether anybody in the White House was involved in this" and the response "No, they weren't."

Dean then advised the President of the allegation that Magruder and Porter had committed perjury before the grand jury in denying knowledge that the DNC was to be bugged. He did not tell the President he had helped "prepare" Magruder's testimony as he later admitted before the Senate Committee. (Bk. 3, p. 1206) Dean said he did not know what Mitchell had testified to before the grand jury.

Dean next laid out for the President what happened after June 17. He informed the President "I was under pretty clear instructions not to investigate this . . . I worked on a theory of containment—to try to hold it right where it was", and he admitted that he was "totally aware" of what the FBI and grand jury was doing. Throughout these disclosures the President asked Dean a number of questions such as:

P. Tell me this: did Mitchell go along?

P. Did Colson know what they (Liddy and Hunt) were talking about?

P. Did he (Colson) talk with Haldeman?

P. Did he (Haldeman) know where it (the information) was coming from?

Altogether, the President asked Dean more than 150 questions in the course of this meeting.

Dean then described to the President the commencement of what he alleges was a cover-up involving himself and others. Implicit in these revelations, of course, is that the President was not involved but rather he was learning of these allegations for the first time. In fact, later in the conversation, Dean said:

D. I know, sir, I can just tell from our conversation that these are things *you have no knowledge of*. (Emphasis supplied)

Dean next recited receiving a demand "from Hunt to me" through an intermediary for "$120,000 for personal expenses and attorney's fees".

D. ". . . he wanted it as of the close of business yesterday" (March 20).

Dean told how he rejected the demand.

D. "If you want money, you came to the wrong man, fellow. I am not involved in the money. I don't know a thing about it. I can't help you. You better scramble about elsewhere."

Dean also claimed that Hunt had threatened Ehrlichman if he wasn't paid the money he demanded. Dean analyzed the situation as he saw it, pointing out a number of people know about these events, including Mrs. Hunt who had died in a plane crash. At the mention of Mrs. Hunt, the President interjected that this was a "great sadness" and that he "recalled a conversation with someone about Hunt's problem on account of his wife" and the President said that "of course communication could be considered on the basis of his wife's death, and that was the only conversation I ever had in that light." During their conversations, the President repeatedly and categorically rejected the idea of clemency.

Following this lengthy description of what had transpired, the conversation dealt with what should be done about the situation presented by Hunt's demands. A number of alternatives were considered. Dean pointed out that the blackmail would continue, that it would cost a million dollars and it would be difficult to handle.

D. What really bothers me is this growing situation. As I say, it is growing because of the continued need to provide support for the Watergate people who are going to hold us up for everything we've got, and the need for some people to perjure themselves as they go down the road here. If this thing ever blows, then we are in a cover-up situation. I think it would be extremely damaging to you and the—

P. Sure. The whole concept of administration (of) justice which we cannot have.

Dean then made a recommendation: Dean was unsure of the best course to follow, but stated the approach he preferred.

D. That's right. I am coming down to what I really think, is that Bob and John and John Mitchell and I can sit down and spend a day, or however long, to figure out, one how this can be carved away from you, so that it does not damage you or the Presidency. It just can't. You are not involved in it and it is something you shouldn't.

P. That is true!

The President then began to press Dean for his advice as to what should be done.

P. So what you really come to is what we do. . . . Complete disclosure isn't that the best way to do it?

D. Well, one way to do it is—

P. That would be my view.

Dean then suggested that another grand jury be convened but Dean points out that "some people are going to have to go to jail. That is the long and short of it also."

Among the alternatives considered were the payment of the money generally and the payment of the amount demanded by Hunt, specifically. The mechanics of these alternatives, such as how the money could be raised and delivered, were explored.

The President expressed the belief that the money could be raised, and perhaps, even, a way could be found to deliver it. However, he recognized and pointed out that blackmail would continue endlessly, and in the final analysis would not be successful unless the Watergate defendants were given executive clemency, which he said adamantly, could not be done. The President stated:

P. No, it is wrong that's for sure.

After the alternatives were explored, the President's conclusion regarding the demands for money were clearly stated:

P. . . . But in the end, we are going to be bled to death. And in the end, it is all going to come out anyway. Then you get the worst of both worlds. We are going to lose and the people are going to—

H. And look like dopes.

P. And in effect look like a cover-up. So that we can't do . . .

Restating it, the President said:

P. But my point is, do you ever have any choice on Hunt? That is the point. No matter what we do here now, John, whatever he wants if he doesn't get it—immunity, etc., he is going to blow the whistle.

Finally the discussion as to what should be done was concluded by the President, at least tentatively deciding to have another grand jury investigation at which members of the White House staff would appear and testify:

P. I hate to leave with differences in view of all this stripped land. I could understand this, but I think I want another grand jury proceeding and we will have the White House appear before them. Is that right, John?

D. Uh huh.

Further discussion ensued concerning the benefits of calling for a grand jury investigation—political as well as substantive—and the meeting ended with an agreement to have Dean, Mitchell, Haldeman and Ehrlichman meet the next day to consider what they would recommend. The conclusion of the meeting, however, was not ambiguous:

H. We should change that a little bit. John's point is exactly right. The erosion here now is going to you, and that is the thing that we have to turn off at whatever

Among the other significant matters which Dean did not report to the President, even on March 21, 1973, were (1) that Dean had assisted Magruder in preparing his perjured Grand Jury testimony; (2) that Dean had authorized promises of executive clemency to be made to Watergate defendants; (3) that he had personally handled money which went to the Watergate defendants; (4) that he had delivered documents from Hunt's safe to F.B.I. Director Gray; (5) that Dean had personally destroyed documents from Hunt's safe; or (6) that Dean had ordered Hunt out of the country, and then retracted the order.

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[2] Apparently Dean even on March 21, 1973, concealed other matters from the President as well. In *U.S.* v. *Stans, et al,* he testified that despite the fact that he had made calls to the SEC, he told the President, "no one at the White House has done anything for Vesco." Of course the statement to the President was not true if Dean did make such calls for he certainly was at the White House.

cost. We have to turn it off at the lowest cost we can, but at whatever cost it takes.

D. That's what we have to do.

P. Well, the erosion is inevitably going to come here, apart from anything and all the people saying well the Watergate isn't a major issue. It isn't. But it will be. It's bound to. (Unintelligible) has to go out. Delaying is the great danger to the White House area. We don't, I say that the White House can't do it. Right?

D. Yes, Sir.

As the President has stated, the transcript of the meeting on the morning of March 21, 1973, contains ambiguities and statements which taken out of context could be construed to have a variety of meanings. The conversation was wide ranging, consideration was given to a number of different possibilities, but several things clearly stand out:

1. The President had not previously been aware of any payments made allegedly to purchase silence on the part of the Watergate defendants.

2. The President rejected the payment of $120,000 or any other sum to Hunt or other Watergate defendants.

3. The President determined that the best way to proceed was to have White House people appear before a grand jury even though it meant that some people might have to go to jail.

Tapes of recorded conversations following the meeting in the morning of March 21, 1973, further establish that the President not only did not approve of any payment to Hunt, but he did not even know a payment had been made to Hunt's lawyer in the amount of $75,000.

In the afternoon of the same day, March 21, 1973, the President met again with Dean, Haldeman and now Ehrlichman. This conversation makes it even more clear that the President did not suggest that blackmail should be paid to Hunt. Ehrlichman pointed out:

E. The problem of the Hunt thing or some of these other people, there is just no sign off on them. That problem goes on and on.

The President again reiterated his view:

P. Maybe we face the situation. We can't do a thing about the participants. If it is going to be that way eventually why not grow? That is what you are sort of resigned to, isn't it?

And later near the end of the meeting:

P. You see, if we go your route of cutting the cancer out—if we cut it out now. Take a Hunt, well wouldn't that knock the hell out from under him?

D. That's right.

Shortly after this the President terminated the meeting, apparently rather abruptly, inquiring as to the time for the meeting the next day among Mitchell, Dean, Haldeman and Ehrlichman.

Again the recorded conversation clearly discloses that not only did the President not approve or even know of a payment made or to be made to Hunt. It is in fact quite clear that, subject to some other solution being suggested at a meeting scheduled for the next day at which Mr. Mitchell would attend, he favored "cutting the cancer out . . . now".

The President next met with his principal aides and now Mitchell on the afternoon of March 22, 1973. This was the first meeting of the President with John Mitchell following the disclosures of March 21, 1973. Mitchell and the others had met that morning as the President had requested. If the allegations of the grand jury as stated in pending indictments are correct as to when the arrangements for the payment of Hunt's legal fees were made, they would have had to have been made prior to this meeting on the afternoon of March 22nd. The tape recording of this meeting establishes that no one at the meeting disclosed to the President that such an arrangement had been made. In fact, the President was not informed about these arrangements until mid-April when Ehrlichman was reporting the results of his investigation to the President. In attempting to pin down what had happened, the President was given two versions, one by Ehrlichman and Haldeman on April 14 and another by John Dean on April 16.

Ehrlichman and Haldeman explained to the President what had transpired:

P. What happened?

E. And he just said, "It's taken care of."

H. Mitchell raised the problem to Dean and said, "What have you done about that other problem?" Dean said.

H. he kind of looked at us, and then said, "Well, you know, I don't know." And Mitchell said, "Oh, I guess that's been taken care of." Apparently through LaRue.

P. Apparently who?

H. LaRue. Dean told us, LaRue.

On April 16 Dean described how it happened that Hunt's legal fees were paid. After repeating Hunt's threat against Ehrlichman he said:

D. . . . Alright I took that to John Ehrlichman. Ehrlichman said "Have you talked to Mitchell about it?" I said "No I have not." He said "Well, will you talk to Mitchell?" I said "Yes I will." I talked to Mitchell. I just passed it along to him. And then we were meeting down here a few days later in Bob's office with Bob, and Ehrlichman and Mitchell and myself, and Ehrlichman said at that time, "Well is that problem with Hunt straightened out?" He said it to me and I said "Well, ask the man who may know; Mitchell." Mitchell said "I think that problem is solved."

P. That's all?

D. That's all he said.

If Dean's disclosure to the President on April 16, 1973, about the payment of Hunt's legal fees is to be believed, then it is clear that this fact was concealed from the President when he met with Mitchell and the others on the afternoon of March 22nd. The explanation for this concealment perhaps is contained in a significant statement made by Dean to the President at their meeting on the morning of April 16, 1973:

D. I have tried all along to make sure that anything I passed to you myself didn't cause you any personal problems.

This explanation for not making a full disclosure to the President may have been well intentioned at the time but in the last analysis only served to prolong the investigation.

The Conduct of the President Following the Disclosures Made on March 21, 1973

Dean disclosed for the first time on March 21, 1973, that he had been engaged in conduct that might have amounted to obstruction of justice and allegations that other high officials and former officials were also involved. These matters were thoroughly probed by the President in his talk with Dean, with the President often taking the role of devil's advocate; sometimes merely thinking out loud.

Having received this information of possible obstruction of justice having taken place following the break-in at the DNC the President promptly undertook an investigation into the facts. The record discloses that the President started his investigation the night of his meeting with Dean on March 21st, as confirmed by Dean in his conversation with the President on April 16, 1973.

P. Then it was that night that I started my investigation.

D. That's right . . .

P. . . . That is when I frankly became interested in the case and I said, "Now I want to find out the score" and set in motion Ehrlichman, Mitchell and—not Mitchell but a few others.

At the meeting with Mitchell and the others on the afternoon of March 22nd, the President instructed Dean to prepare a written report of his earlier oral disclosures:

H. I think you (Dean) ought to hole up for the weekend and do that and get it done.

P. Sure.

H. Give it your full attention and get it done.

P. I think you need—why don't you do this? Why don't you go up to Camp David?

D. I might do it, I might do it.

P. Completely away from the phone. Just go up there (inaudible). *I want a written report.* (Emphasis supplied)

Later during this same conversation the President said:

P. I feel that at a very minimum we've got to have this statement. Let's look at it. I don't know what it—where is it—If it opens up doors, it opens up doors—you know.

The recording of this conversation in which the President instructed Dean to go to Camp David to write a report should be compared with Dean's testimony in which he stated:

"He (the President) *never at any time* asked me to write a report, and it wasn't until after I had arrived at Camp David that I received a call from Haldeman asking me to write the report up." (Bk. 4, p. 1385) (Emphasis supplied)

Dean in fact did go to Camp David and apparently did some work on such a report but he never completed the task. The President then assigned Ehrlichman to investigate these allegations.

By as early as March 27, the President met with Ehrlichman and Haldeman to discuss the evidence thus far developed and how it would be best to proceed.

Again the President stated his resolve that White House officials should appear before the grand jury:

P. . . . Actually if called, we are not going to refuse for anybody called before the grand jury to go, are we, John?

The President then reviewed with Haldeman and Ehrlichman the evidence developed to that time. They stated that they had not yet talked to Mitchell and indicated this would have have to be done. They reviewed what they had been advised was Magruder's current position as to what had happened and compared that with what Dean had told them. They reported that Hunt was before the grand jury that same day. It is interesting to note that neither the President, Haldeman nor Ehrlichman say anything that indicate surprise in Hunt's testifying before the grand jury. If in fact he had been paid to keep quiet, it might have been expected that someone would have expressed at least disappointment that he was testifying before the grand jury less than a week later.

They confirmed to the President, as Dean had, that no one at the White House had prior knowledge of the Watergate breakin. Ehrlichman said, "There just isn't a scintilla of a hint that Dean knew about this." The President asked about the possibility of Colson having prior knowledge and Ehrlichman said, "His response was one of total surprise . . . He was totally nonplussed, as the rest of us." Ehrlichman then reviewed with the President the earlier concern that they had for national security leaks and the steps taken to find out about how they occurred.

It was decided to ask Mitchell to come to Washington to receive a report of the facts developed so far and a call was placed to him for that purpose. It was also decided that Ehrlichman should also call the Attorney General and review the information on hand with him. It was during this meeting that the possibility of having a commission or a special prosecutor appointed in order to avoid the appearance of the Administration investigating itself and a call was placed to former Attorney General Rogers to ask him to meet with the President to discuss the situation.

The next day Ehrlichman, pursuant to the President's direction given the previous day, called Attorney General Kleindienst and among other things advised him that he was to report directly to the President if any evidence turns up of any wrongdoing on the part of anyone in the White House or about Mitchell. Kleindienst raised the question of a possibility of a conflict of interest and suggests that thought be given to appointing a special prosecutor.

On March 30, 1973, consideration was given to the content of a press briefing with respect to White House officials appearing before the grand jury. As a result thereof, Mr. Ziegler stated at the Press briefing that day:

"With regard to the grand jury, the President reiterates his instructions that any member of the White House staff who is called by the grand jury will appear before the grand jury to answer questions regarding that individual's alleged knowledge or possible involvement in the Watergate matter."[8]

Even prior to the completion of Ehrlichman's investigation, the President was taking steps to get the additional facts before the grand jury. On April 8, 1973, on the airplane returning to Washington from California, the President met with Haldeman and Ehrlichman and directed they meet with Dean that day and urge him to go to the grand jury—"I am not going to wait, he is going to go." (Bk. 7. p. 2757) Haldeman and Ehrlichman met with Dean that afternoon from 5 to 7. At 7:33 Ehrlichman reported the results of that meeting to the President by telephone:

P. Oh, John, Hi.

E. I just wanted to post you on the Dean meeting. It went fine. He is going to wait until after he'd had a chance to talk with Mitchell and to pass the word to Magruder through his lawyers that he is going to appear at the grand jury. His feeling is that Liddy has pulled the plug on Magruder and that (unintelligible) he thinks he knows it now. And he says there's no love lost communicating informally.

Indeed, Dean did, in fact, communicate his intentions to Mitchell and Magruder not to support Magruder's previous testimony to the grand jury. (Bk. 6, p. 1006) This no doubt was the push, initially stimulated by the President, which got Magruder to go to the U.S. Attorney on the following Saturday, April 14, and change his testimony.

On the morning of April 14, 1973, the President met again with Haldeman and Ehrlichman to discuss the Watergate matter.

This was an in-depth discussion lasting more than two and one-half hours. The obvious purpose was to review the results of three week's investigation on the part of Ehrlichman and Haldeman and determine what course of action they would recommend.

Several conclusions were reached at that meeting by the President. From Ehrlichman's report on what Ehrlichman called "hearsay" facts, the President concluded, with regard to Mitchell:

P. I'm not convinced he's guilty but I am convinced he ought to go before a grand jury.

There was a discussion as to who would be the appropriate person to talk to Mitchell and tell him that continued silence did not well serve the President. Ultimately, it was decided that Haldeman should call Mitchell to come to Washington and that Ehrlichman should talk to him.

With respect to Magruder, the President said:

P. We've come full circle on the Mitchell thing. The Mitchell thing must come first. That is something today. We've got to make this move today. If it fails, just to get back our position I think you ought to talk to Magruder.

H. I agree.

P. And you tell Magruder, now Jeb, this evidence is coming in, you ought to go to the grand jury. Purge yourself if you're perjured and tell this whole story.

H. I think we have to.

P. Then, well Bob, you don't agree with that?

H. No, I do.

The President instructed Ehrlichman to see Magruder, also, and tell him that he did not serve the President by remaining silent.

The President's decision to urge Mitchell and Magruder to go to the grand jury was based on his recognition of his duty to act on the body of information Ehrlichman had reported to him:

E. Here's the situation. Look again at the big picture. You now are possessed of a body of fact.

P. That's right.

E. And you've got to—you can't just sit there.

P. That's right.

E. You've got to act on it. You've got to make some decisions and the Dean thing is one of the decisions you have to make . . .

At another point in the discussion, the same point was reiterated:

E. Well, you see, that isn't that kind of knowledge that we had was not action knowledge like the kind of knowledge that I put together last night.

I hadn't known really what had been bothering me this week.

P. Yeah.

E. But what's been bothering me is—

P. That with knowledge we're still not doing anything.

E. Right.

P. That's exactly right. The law and order—That's the way I am. You know it's a pain for me to do it—the Mitchell thing is damn painful.

A decision was reached to speak to both Mitchell and Magruder before turning such information as they had developed over to the Department of Justice in order to afford them "an opportunity to come forward". The President told Ehrlichman that when he met with Mitchell to advise him that "the President has said let the chips fall where they may. He will not furnish cover for anybody."

The President summed up the situation by stating:

P. No, seriously, as I have told both of you, the boil had to be pricked. In a very different sense—that's what December 18th was about. We have to prick the boil and take the heat. Now that's what we're doing here. We're going to prick this boil and take the heat. I—am I overstating?

E. No, I think that's right. The idea is this will prick the boil. It may not. The history of this thing has to be though that you did not tuck this under the rug yesterday or today, and hope it would go away.

The decision was also made by the President that Ehrlichman should provide the information which he had collected to the Attorney General. Ehrlichman called the Attorney General, but did not reach him.

Mitchell came to Washington that afternoon and met with Ehrlichman. Immediately following that meeting, Ehrlichman reported to the President, stating Mitchell protested his innocence, stating:

"You know, these characters pulled this thing off without my knowledge . . . I never saw Liddy for months at a time . . . I didn't know what they were up to and nobody was more surprised than I was . . . I can't let people get away with this kind of thing . . . I am just going to have to defend myself every way I can."

Ehrlichman said he explained to Mitchell that the President did not want anyone to stand mute on his account; that everyone had a right to stand mute for his own reasons but that the "interests of the President . . . were not served by a person standing mute for that reason alone."

Ehrlichman said that he advised Mitchell that the information that had been collected would be turned over to the Attorney General and that Mitchell agreed this would be appropriate.

Even later on April 14, Ehrlichman finally was able to reach Magruder and met with Magruder and his lawyers for the purpose of informing him that he should not remain silent out of any misplaced loyalty to the President. Ehrlichman found, however, that Magruder had just come from a meeting with the U.S. Attorneys where he had told the full story as he knew it. He, Magruder, told Ehrlichman what he had told the U.S. Attorney, which Ehrlichman duly reported to the President.

During this meeting with the President, Ehrlichman's earlier call to the Attorney General was completed, and Ehrlichman spoke to the Attorney General from the President's office. Ehrlichman told the Attorney General that he had been conducting an investigation for about the past three weeks for the President as a substitute for Dean on White House and broader involvement. He also told him that he had reported his findings to the President the day before and that he had advised people not to be reticent on the President's behalf about coming forward. He informed the Attorney General that he had talked to Mitchell and had tried to reach Magruder, but that he had not been able to meet with Magruder until after Magruder had conferred with the U.S. Attorneys. He offered to make all of his information available if it would be in any way useful.

Following the telephone call Ehrlichman said that the Attorney General wanted him to meet with Henry Petersen the next day regarding the information he had obtained. During the course of the conversation relating to Magruder changing his testimony the President stated:

P. It's the right thing. We all have to do the right thing. Damn it! We just cannot have this kind of business, John. Just cannot be.

Late on the evening of April 14th, after the Correspondents' dinner, the President spoke by telephone first with Haldeman and then with Ehrlichman. The President told each that he now thought all persons involved should testify in public before the Ervin Committee.

On the morning of Sunday, April 15th, the President talked with Ehrlichman and told him that he had received a call from the Attorney General who had advised him that he had been up most of the night with the U.S. Attorney, and with Assistant Attorney General Petersen. The Attorney General had requested to see the President, personally, the President told Ehrlichman, and the President had agreed to see him after Church. The President and Ehrlichman again reviewed the available evidence developed during Ehrlichman's investigation and the status of relations with the media.

In the early afternoon of April 15, the President met with Attorney General Kleindienst. Kleindienst confirmed to the President that the U.S. Attorneys had broken the case and knew largely the whole story as a result of Magruder's discussions with them and from disclosures made by Dean's attorneys, who were also talking to the U.S. Attorney. The Attorney General anticipated indictments of Mitchell, Dean and Magruder and others, possibly including Haldeman and Ehrlichman. Kleindienst indicated that he felt that he could not have anything to do with these cases especially because of his association with Mitchell, Mardian and LaRue. The President expressed reservations about having a special prosecutor:

P. First it's a reflection—it's sort of an admitting mea culpa for our whole system of justice. I don't want to do that . . .

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[8] Copy submitted with transcript of conversations.

The President then suggested that Kleindienst step aside and that the Deputy Attorney General, Dean Sneed, be placed in charge of the matter. The President expressed confidence in Silbert doing a thorough job.

Kleindienst pointed out that even if he were to withdraw, his deputy is still the President's appointee and that he would be "in a tough situation . . ." Kleindienst recommended that a Special Prosecutor be appointed and a number of names were suggested. The President's reaction to the idea of a Special Prosecutor was negative.

P. ". . . I want to get some other judgments because I—I'm open on this. I lean against it and I think it's too much of a reflection on our system of justice and everything else."

Following a further review of the evidence, Kleindienst raised the question about what the President should do in the event charges are made against White House officials. The President resisted the suggestion that they be asked to step aside on the basis of charges alone.

P. . . . the question really is basically whether an individual, you know, can be totally, totally—I mean, the point is if a guy isn't guilty, you shouldn't let him go.

K. That's right, you shouldn't.

P. It's like me—wait now—let's stand up for people if there—even though they are under attack.

Further discussion on this subject included the suggestion that Assistant Attorney General Henry Petersen might be placed in charge rather than the Deputy Attorney General. Kleindienst pointed out, "He's the first career Assistant Attorney General I think in the history of the Department."

Shortly after this the tape at the President's office in the Executive Office Building ran out. It is clear, however, from a recorded telephone conversation between the President and Kleindienst that he and Henry Petersen met later in the afternoon with the President. This was verified by Mr. Petersen's testimony before the Senate Committee. It was during this meeting that the President assigned the responsibility for the on-going investigation to Mr. Petersen.

At his meeting with the President, Assistant Attorney General Petersen presented to the President a summary of the allegations which related to Haldeman, Ehrlichman and Strachan, and that the summary indicated no case of criminal conduct by Haldeman and Ehrlichman at that time. (Bk. 9, p. 3875)

The President, on the afternoon of April 15, 1973, had every reason to believe that the judicial process was moving rapidly to complete the case. He continued to attempt to assist. He had four telephone conversations with Petersen after their meeting. In the afternoon, having been told that Liddy would not talk unless authorized by "higher authority," who all assumed was Mitchell, the President directed Petersen to pass the word to Liddy through his counsel that the President wanted him to cooperate. Subsequently, the President told Petersen that Dean doubted Liddy would accept the word of Petersen, so Petersen was directed to tell Liddy's counsel that the President personally would confirm his urging of Liddy to cooperate. The President stated:

P. I just want him (Liddy) to be sure to understand that as far as the President is concerned, everybody in this case is to talk and to tell the truth. You are to tell everybody, and you don't even have to call me on that with anybody. You just say those are your orders.

The President continued to seek additional facts and details about the whole matter. Petersen could not reveal the details of the further disclosures by Dean's attorneys, so the President sought Petersen's advice about getting further information from Dean.

P. Right. Let me ask you this—why don't I get him in now if I can find him and have a talk with him?

HP. I don't see any objection to that, Mr. President.

P. Is that all right with you?

HP. Yes, sir.

P. All right—I am going to get him over because I am not going to screw around with this thing. As I told you.

HP. All right.

P. But I want to be sure you understand, that you know we are going to get to the bottom of this thing.

HP. I think the thing that—

P. What do you want me to say to him? Ask him to tell me the whole truth?

After talking with Dean and reviewing Dean's further information, the President raised the question about when Dean and perhaps Haldeman and Ehrlichman should resign and Petersen responded, "We would like to wait, Mr. President."

On the morning of April 16, the President began a long series of meetings on the entire subject. Being uncertain of when the case would become public, the President decided he wanted resignations or requests for leave in hand from those against whom there were allegations. He had Ehrlichman draft such letters, and discussed them with Haldeman and Ehrlichman.

The President then met with Dean and discussed with him the manner in which his possible resignation would be handled. Dean resisted the idea of his resigning without Haldeman and Ehrlichman resigning as well. The President reviewed with Dean the disclosures Dean made to the President on March 21st, and on the evening of April 15th.

The President had some more advice for John Dean on this occasion:

P. Thank God. Don't ever do it, John. Tell the truth. That is the thing I have told everybody around here—tell the truth! All they do, John, is compound it. That Hiss would be free today if he hadn't lied. If he had said,

P. "Yes I knew Chambers and as a young man I was involved with some Communist activities but I broke it off a number of years ago." And Chambers would have dropped it. If you are going to lie, you go to jail for the lie rather than the crime. So believe me, don't ever lie."

As to the President's actions, he told Dean:

P. No, I don't want, understand when I say don't lie. Don't lie about me either.

D. No, I won't sir—you—

The President met with Haldeman at noon on April 16th to discuss at length how and when Haldeman should make a public disclosure of his actions in the Segretti and Watergate matters. Haldeman reported that Mr. Garment recommended that he and Ehrlichman resign. Garment had been assigned by the President on April 9 to work on the matter. The President stated that he would discuss that problem with William Rogers that afternoon and asked Haldeman to get with Ehrlichman and fill in Rogers on the facts.

The President met in the early afternoon alone with Henry Petersen for nearly two hours in the Executive Office Building. They discussed the effect the Senate Committee hearings would have on the trials in the event indictments are returned.

The President then asked Petersen what he should do about Dean's resignation.

HP. Yes. As Prosecutor I would do something different but from your point of view I don't think you can sit on it. I think we have the information under control but that's a dangerous thing to say in this City.

P. Ah

HP. And if this information comes out I think you should have his resignation and it should be effective . . .

Petersen, however, urged the President not to announce the resignation if the information did not get out, as that would be "counter-productive" in their negotiations with Dean's counsel. Petersen reviewed the status of the evidence at length with the President with a view toward making a press release before an indictment or information was filed in open Court.

During the course of the conversation Petersen informed the President that they were considering giving Dean immunity. As for Haldeman and Ehrlichman, Petersen recommended that they resign. The status of the situation was reviewed as follows:

P. Okay. All right come to the Haldeman/Ehrlichman thing. You see you said yesterday they should resign. Let me tell you they should resign in my view if they get splashed with this. Now the point is, is the timing. I think that it's, I want to get your advice on it, I think it would be really hanging the guy before something comes in if I say look, you guys resign because I understand that Mr. Dean in the one instance, and

P. Magruder in another instance, made some charges against you. And I got their oral resignations last night and they volunteered it. They said, look, we want to go anytime. So I just want your advice on it. I don't know what to do, frankly. (Inaudible) so I guess there's nothing in a hurry about that is there? I mean I—Dean's resignation. I have talked, to him about it this morning and told him to write it out.

HP. (Inaudible).

P. It's under way—I asked for it. How about Haldeman and Ehrlichman? I just wonder if you have them walk the plank before Magruder splashes and what have you or what not. I mean I have information, true, as to what Magruder's going to do. (Inaudible) nothing like this (inaudible).

HP. Or for that matter, Mr. President.

P. Yeah.

HP. Its confidence in the Office of the Presidency.

P. Right. You wouldn't want—do you think they ought to resign right now?

HP. Mr. President, I am sorry to say it. I think that mindful of the need for confidence in your office—yes.

P. (Inaudible) basis?

HP. That has nothing to do—that has nothing to do with guilt or innocence.

At the end of the meeting with Petersen, the President had every reason to believe that a public disclosure of the entire case in court would be made within forty-eight hours and perhaps sooner. The remaining questions for Presidential decision were: (1) What action he should take on the resignation, suspension or leave of Haldeman, Ehrlichman and Dean and whether it should be before or after they were formally charged; (2) what position he should take on immunity for Dean; and (3) what statement he should issue prior to the public disclosure in court.

On the afternoon of April 17, the President discussed the problem of granting immunity to White House officials with Henry Petersen. Peterson pointed out that he was opposed to immunity but he pointed out that they might need Dean's testimony in order to get Haldeman and Ehrlichman. The President agreed that under those circumstances he might have to move on Haldeman and Ehrlichman, provided Dean's testimony was corroborated. The President told Petersen:

P. That's the point. Well, I feel it strongly—I mean—just understand—I am not trying to protect anybody—I just want the damn facts if you can get the facts from Dean and I don't care whether——

HP. Mr. President, if I thought you were trying to protect somebody, I would have walked out.

As for Dean, the President told Petersen:

P. ". . . No I am not going to condemn Dean until he has a chance to present himself. No he is in exactly the same position they are in."

The President remained convinced, however, that a grant of immunity to a senior aide would appear as a cover-up.

P. What you say—Look we are having you here as a witness and we want you to talk.

HP. That is described as immunity by estoppel.

P. I see, I see—that's fair enough.

HP. That is really the prosecutor's bargain.

P. That is much better basically than immunity—let me say I am not, I guess my point on Dean is a matter of principle—it is a question of the fact that I am not trying to do Dean in—I would like to see him save himself but I think find a way to do it without—if you go the immunity route I think we are going to catch holy hell for it.

HP. Scares hell out of me.

The President went over the draft of his proposed statement with Peterson. Peterson further counseled the President that no discussion of the facts of the case could be made without prejudicing the case and the rights of the defendants.

Later on the afternoon of April 17, the President issued his statement, revealing that he had new facts and had begun his own investigation on March 21; that White House staff members who were indicted would be suspended, and if they were convicted, they would be discharged. He announced that all members of the White House staff would appear and testify before the Senate Committee. The President further stated that:

I have expressed to the appropriate authorities my view that no individual holding, in the past or present, a position of major importance in the Administration should be given immunity from prosecution.

In addition he stated that all White House staff employees were expected fully to cooperate in this matter.

After making his public statement, the President met with Secretary of State Rogers, and they were joined later by Haldeman and Ehrlichman. Secretary Rogers reiterated his advice that the President could not permit any senior official to be given immunity. He also reiterated his advice that for the President to discharge his senior aides before they were formally charged with a crime would highly prejudice their legal rights and convict them without a trial.

The President had concluded that he should treat Dean, Haldeman and Ehrlichman in the same manner. Peterson had advised the President that action on Dean would prejudice the negotiations of the U.S. Attorneys with Dean's lawyers, and that Dean's testimony might be needed for the case.

On the evening of April 19, the President met with Messrs. Wilson and Strickler, counsel retained by Haldeman and Ehrlichman upon recommendation of Secretary Rogers. Wilson and Strickler made strong arguments that Haldeman and Ehrlichman had no criminal liability and should not be discharged.

The President continued to struggle with the question of administrative action against his aides.

On April 27, Petersen reported to the President that Dean's lawyer was threatening that unless Dean got immunity, "We will bring the President in—not in this case but in other things."

On the question of immunity in the face of these threats, the President told Petersen:

P. All right. We have got the immunity problem resolved. Do it, Dean if you need to, but boy I am telling you—there ain't going to be any blackmail.

On April 27, the President was also advised by Petersen that the negotiations with Dean's attorneys had bogged down, and action by the President against Dean, Haldeman and Ehrlichman would now be helpful to the U.S. Attorney.

Three days later, on April 30, the President gave a nationwide address. He announced that he accepted the resignations of Haldeman, Ehrlichman, Attorney General Kleindienst and Dean. The President then announced the nomination of Elliot Richardson as the new Attorney General.

CONCLUSION

Throughout the period of the Watergate affair the raw material of these recorded confidential conversations establishes that the President had no prior knowledge of the break-in and that he had no knowledge of any cover-up prior to March 21, 1973. In all of the thousands of words spoken, even though they often are unclear and ambiguous, not once does it appear that the President of the United States was engaged in a criminal plot to obstruct justice.

On March 21, 1973, when the President learned for the first time of allegations of such a plot and an alleged attempt to blackmail the White House, he sought to find out the facts first from John Dean then others. When it appeared as a result of these investigations that there was reason to believe that there may have been some wrongdoing he conferred with the Attorney General and with the Assistant in charge of the criminal division of the Department of Justice and cooperated fully to bring the matter expeditiously before the grand jury.

Ultimately Dean has plead guilty to a felony and seven former White House officials stand indicted. Their innocence or guilt will be determined in a court of law.

This is as it should be.

The recent acquittals of former Secretary Stans and former Attorney General Mitchell in the Vesco case demonstrate the wisdom of the President's actions in insisting that the orderly process of the judicial system be utilized to determine the guilt or innocence of individuals charged with crime, rather than participating in trials in the public media.

APPENDIX 1. MEETING: THE PRESIDENT, HALDEMAN AND DEAN, OVAL OFFICE, SEPTEMBER 15, 1972. (5:27–6:17 pm)

This opens just as Dean comes in the door.

P. Hi, how are you? You had quite a day today didn't you. You got Watergate on the way didn't you?

D. We tried.

H. How did it all end up?

D. Ah, I think we can say well at this point. The press is playing it just as we expect.

H. Whitewash?

D. No, not yet—the story right now—

P. It is a big story

H. Five indicted plus the WH former guy and all that.

D. Plus two White House fellows.

H. That is good that takes the edge off whitewash really that was the thing Mitchell kept saying that to people in the country Liddy and Hunt were big men. Maybe that is good.

P. How did MacGregor handle himself?

D. I think very well he had a good statement which said that the Grand Jury had met and that it was now time to realize that some apologies may be due.

H. Fat chance.

D. Get the damn (inaudible)

H. We can't do that.

P. Just remember, all the trouble we're taking, we'll have a chance to get back one day. How are you doing on your other investigations?

H. What has happened on the bug?

P. What bug?

D. The second bug there was a bug found in the telephone of one of the men at the DNC.

P. You don't think it was left over from the other time?

D. Absolutely not, the Bureau has checked and re-checked the whole place after that night. The man had specifically checked and re-checked the telephone and it was not there.

P. What the hell do you think was involved?

D. I think DNC was planted.

P. You think they did it?

D. Uh huh

P. (Expletive deleted)—do they really want to believe that we planted that?

H. Did you get anything on the finger prints?

D. No, nothing at all—either on the telephone or on the bug. The FBI has unleashed a full investigation over at the DNC starting with O'Brien right now.

H. Laughter. Using the same crew—

D. The same crew—the Washington Field Office.

P. What kind of questions are they asking him?

D. Anything they can think of because O'Brien is charging them with failing to find all the bugs.

H. Good, that will make them mad.

D. So Gray is pissed and his people are pissed off. So maybe they will move in because their reputation is on the line. I think that is a good development.

P. I think that is a good development because it makes it look so (adjective deleted) funny. Am I wrong?

D. No, no sir. It looks silly. If we can find that the DNC planted that, the whole story will reverse.

P. But how could they possibly find it, though?

D. Well, they are trying to ascertain who made the bug. It is a custom made product. If they can get back to the man who manufactured it and who he sold it to and how it came down through the chain.

P. Boy, you never know when those guys get after it—they can really find it.

D. The resources that have been put against this whole investigation to date are really incredible. It is truly a larger investigation than was conducted against the after inquiry of the JFK assassination.

P. Oh.

D. Good statistics supporting the finding.

H. Isn't that ridiculous—this silly thing.

P. Yes (Expletive deleted). Goldwater put it in context when he said "(expletive deleted) everybody bugs everybody else. You know that."

D. That was priceless.

P. It happens to be totally true. We were bugged in '68 on the plane and in '62 even running for Governor—(expletive deleted) thing you ever saw.

D. It is a shame that evidence to the fact that that happened in '68 was never around. I understand that only the former Director had that information.

H. No, that is not true.

D. There was evidence of it?

H. There are others who have information.

P. How do you know? Does DeLoache know?

D. DeLoache?

H. I have some stuff too—on the bombing incident and too in the bombing halt stay.

P. The difficulty with using it, of course, is it reflects on Johnson. If it weren't for that, I would use it. Is there any way we could use it without using his name—saying that the DNC did it? No—the FBI did the bugging.

D. That is the problem—would it reflect on Johnson or Humphrey?

H. Johnson. Humphrey didn't do it.

P. Oh, hell no.

H. He was bugging Humphrey, too.

P. (Expletive deleted).

P. Well, on the other hand. I want you to ask Connally. What crazy things we do. That this might help with the bombing. I don't think he will talk to Johnson—and also it would reflect on the Bureau. They hate to admit that.

H. It is a rough one on them with all this stuff that they don't do Congressmen, etc.

P. It isn't worth it—the hell with it. What is the situation on the little red box? Have they found the box yet?

D. Gray has never had access to the box. He is now going to pursue the box. I spoke to him just about thirty minutes ago. Pat said "I don't know about the box. Don't know where it is now. We never had an opportunity before when it was first released in the press that there was a box to go in but we have decided now we have grounds to go in and find it."

H. The latest public story was that she handed it over to Edward Bennett Williams.

D. That is right.

H. The Bureau ought to go into Edward Bennett Williams and start questioning him and have him tied up for a couple of days.

P. Yeah, I hope they do. The Bureau better get over pretty quick and get that little red box. We want it cleared up. We want to get to the bottom of it. If anybody is guilty over here we want to know.

H. It will probably be in the news!

D. You might be interested in some of the allocations we got. The Stans' libel action was assigned to Judge Ritchie.

P. (Expletive deleted.)

D. Well now that is good and bad. Judge Ritchie is not known to be one of the (inaudible) on the bench, that is considered by me. He is fairly candid in dealing with people about the question. He has made several entrees off the bench—one to Kleindienst and one to Roemer McPhee to keep Roemer abreast of what his thinking is. He told Roemer he thought Maury ought to file a libel action.

P. Did he?

H. Can he deal with this concurrently with the court case?

D. Yeah. The fact that the civil case drew to a halt—that the depositions were halted he is freed.

H. It was just put off for a few days, wasn't it?

D. It did more than that—he had been talking Silbert, one of the Assistant U.S. Attorneys down here. Silbert said, "We are going to have a hell of a time drawing these indictments because these civil depositions will be coming out and the Grand Jury has one out on this civil case but it is nothing typical."

Someone asked the President if he wanted Mitchell's call—he said, "Yeah."

D. Based on that when Silbert had told Ritchie this and with a casual encounter—in fact it was just in the hall, so Ritchie stopped the civil case so Silbert can get the indictment down.

Telephone call from John Mitchell:

Hello.

P.—comments only from here on until end of call:

Well are you still alive.

I was just sitting here with John Dean and he tells me you were going to be sued or something.

Good, Good.

Yeah.

Good.

Sure.

Well I tell you just don't let this keep you or your colleagues from concentrating on the big game. This thing is just one of those side issues and a month later everybody looks back and wonders what all the shooting was about. OK, John. Good night. Get a good night's sleep. And don't bug anybody without asking me? OK? Yeah.

Thank you.

D. Three months ago I would have had trouble predicting there would be a day when this would be forgotten, but I think I can say that 54 days from now nothing is going to come crashing down to our surprise.

P. That what?

D. Nothing is going to come crashing down to our surprise.

P. Oh well, this is a can of worms as you know a lot of this stuff that went on. And the people who worked this way are awfully embarrassed. But the way you have handled all this seems to me has been very skillful putting your fingers in the leaks that have sprung here and sprung there. The Grand Jury is dismissed now?

D. That is correct. They have completed and they have let them go so there will be no continued investigation prompted by the Grand Jury's inquiry. The GAO report referred over to Justice is on a shelf right now because they have hundreds of violations—they have violations of McGovern, of Humphrey, violations of Jackson, and several hundred Congressional violations. They don't want to start prosecuting one any more than they prosecute the other.

P. They definitely will not prosecute us unless they prosecute the others.

D. Well, we are talking about technical violations referred over also.

P. What about watching the McGovern contributors and all that sort of thing?

D. We have (inaudible) eye out on that. His I understand is not in full compliance.

P. He asked?

D. No.

P. Well, not yet. His 300 committees—have they all reported yet?

D. We have a couple delinquent state committees.

P. It said in the paper that McGovern had 300 committees reported.

D. No, they have not. There are a lot of things he has never done—as he has never disclosed the fact that he has some 300 committees. The Wall Street Journal piece that picked it up and carried that story brought out his committes.

P. Can we say anything publicly about it?

D. Purpose there hasn't been a tax sham—it is hard to comprehend why he set up that many committees. He doesn't have that many large contributors, but they may have to disburse through a great number of smaller committees.

H. Unless someone is stealing $900,000.

D. That's right.

P. It could be. That could be possible.

H. He may be getting $900,000 from somebody. He may have two or three angels.

P. I don't think he is getting a hell of a lot of small money. I don't believe (expletive deleted). Have you had the P.O. checked yet?

H. That is John's area. I don't know.

P. Well, let's have it checked.

D. Well as I see it, the only problems we may have are the human problems and I will keep a close watch on that.

P. Union?

D. Human.

H. Human frailities.

D. People get annoyed—some finger pointing—false accusations—any internal dissension of any nature.

P. You mean on this case?

D. On this case. There is some bitterness between the Finance Committee and the Political Committee—they feel they are taking all the heat and all the people upstairs are bad people—not being recognized.

P. We are all in it together. This is a war. We take a few shots and it will be over. We will give them a few shots and it will be over. Don't worry. I wouldn't want to be on the other side right now. Would you?

D. Along that line, one of the thing's I've tried to do, I have begun to keep notes on a lot of people who are emerging as less than our friends because this will be over some day and we shouldn't forget the way some of them have treated us.

P. I want the most comprehensive notes on all those who tried to do us in. They didn't have to do it. If we had had a very close election and they were playing the other side I would understand this. No—they were doing this quite deliberately and they are asking for it and they are going to get it. We have not used the power in this first four years as you know. We have never used it. We have not used the Bureau and we have not used the Justice Department but things are going to change now. And they are either going to do it right or go.

D. What an exciting prospect.

P. Thanks. It has to be done. We have been (adjective deleted) fools for us to come into this election campaign and not do anything with regard to the Democratic Senators who are running, et cetera. And who the hell are they after? They are after us. It is absolutely ridiculous. It is not going to be that way any more.

H. Really, it is ironic that we have gone to extremes. You and your damn regulations. Everybody worries about not picking up a hotel bill.

D. I think you can be proud of the White House staff. It really has had no problems of that sort. And I love this GAO audit that is going on now. I think they have some suspicion that even a cursory investigation is going to discover something here. I don't think they can find a thing. I learned today, incidentally, and have not confirmed it, that the GAO auditor who is down here is here at the Speaker of the House's request.

P. That surprises me.

H. Well, (expletive deleted) the Speaker of the House.

Maybe we better put a little heat on him.

P. I think so too.

H. Because he has a lot worse problems than he is going to find down here.

D. That's right.

H. That is the kind of thing that, you know, we really ought to do is call the Speaker and say, "I regret to say your calling the GAO down here because of what it is going to cause us to do to you."

P. Why don't you see if Harlow will tell him that.

H. Because he wouldn't do it—he would just be pleasant and call him Mr. Speaker.

D. I suppose the other area we are going to see some publicity on in the coming weeks because I think now that the indictments are down there will be a cresting on that—the white wash—the civil rights cases in advance. But Wright Patman's hearings—his banking and currency committee—whether we will be successful in turning that off or not I don't know. We have a plan where Rothblatt and Bittman who were counsel for the seven who were indicted today are going to go up and visit the five top members and say that if you commence hearings you are going to jeopardize the civil rights of these individuals in the worst way and they will never get a fair trial.

P. Why not ask that they request to be heard by the committee?

D. They could say, "If you do commence with these hearings we intend to come up and say what you are doing to the rights of individuals." Something to that effect.

P. They could even get a motion in court to get the thing dismissed.

H Going the other way—

P. Getting the criminal charges dismissed on the grounds of civil rights.

D. We have someone approaching the ACLU for these guys—having them exert some pressure because we don't just want Stans up there in front of the cameras with Patman asking all these questions. It is going to be the whole thing over and over again. I understand too, or I have been told, that John Connally is close to Patman and if anyone could talk turkey to Patman, Connally could. Jerry Ford is not really taking an active interest in this matter that is developing so Stans is going to see Jerry Ford and try to brief him and explain to him the problems he has. The other thing we are going to do—we are looking at all the campaign reports of every member of that committee because we are convinced that none of them complied exactly with the law either. If they want to play rough—some day we better say, "Gentlemen, we want to call your attention that you have not complied with A, B, C, and F and we are not going to hold that a secret if you start talking campaign violations here."

P. What about Ford? Do you think so? Connally can't because of the way he is set up. If anybody can do it, Connally could, but if Ford can get the minority members. They have some weak men and women on that committee, unfortunately. Heckler is alright.

D. Heckler was great.

P. Widnall, et cetera. Jerry should talk to Widnall. After all, if we ever win the House, Jerry will be the Speaker and he could tell him if he did not get off—he will not be Chairman ever.

D. That would be very helpful to get all of these people at least pulling together. If Jerry could get a little action on this.

H. Damn it Jerry should. That is exactly the thing he was talking about, that the reason they are staying is so that they can run investigations.

P. The point is that they ought to raise hell about these hearings. I don't know that the counsel calls the members of the committee often. I think if they have to have this blunderbuss in the public arena then this is all it is.

D. That is the last forum where we have the least problem right now. Kennedy has already said he may call hearings of the Administrative Practices sub-committee. As these committees spin out oracles we used to get busy on each one. I stopped doing that about two months ago. We just take one thing at a time.

P. You really can't sit and worry about it all the time. The worst may happen but it may not. So you just try to button it up as well as you can and hope for the best, and remember basically the damn business is unfortunately trying to cut our losses.

D. Certainly that is right and certainly it has had no effect on you. That's the good thing.

H. No, it has been kept away from the White House and of course completely from the President. The only tie to the White House is the Colson effort they keep trying to pull in.

D. And, of course, the two White House people of lower level—indicted—one consultant and one member of the Domestic Staff. That is not very much of a tie.

H. That's right.

P. Or Manson. (expletive deleted). If they had been killers. Isn't that true?

H. It is certainly true.

P. These (characterization deleted) they have had no way. They ought to move the trial away from——

D. There has been extensive clipping on the part of the counsel in this case. They may never get a fair trial.

They may never get a jury that will convict them. The Post, you know, that they have a real large team assigned to cover this case. Believe me, the Maury Stans story about his libel suit that had so much coverage in the Evening News they put way back on page 8 of the Post and did not even cover it in total.

H. Yes, I will talk to Bill.

D. I think Dick Cook has been working on it.

P. Maybe Mitchell should do.

H. Could Mitchell do it?

P. No.

D. I don't think it would be good to draw him into it. I think Maury could talk to Ford if that would do any good. I think Maury ought to brief Ford on exactly what his whole side of the story is. Maury understands the law.

H. I will talk to Cook.

P. Maybe Ehrlichman should talk to him. Ehrlichman understands the law.

H. Is that a good idea? Maybe it is.

P. I think maybe that is the thing. This is a big play. He has to know that it comes from the top. While I can't talk for myself he has to get at this and—the thing up.

D. Well, if we got that slide up there—it is a tragedy to let them have a field day up there.

P. What is the first move? When does he call his witnesses?

D. Well, he has not even gotten the vote of his committee—he hasn't even convened his committee as to whether he can call hearings. That is why he won't come Monday morning. His attorney is going to arrive on the doorstep of the chairman and to tell him what to do and he proceeds. One of the members of the committee, Jerry Brown, wrote Kleindienst a letter saying, "If the chairman holds committee hearings on this, isn't this going to jeopardize your criminal case?"

P. That is smart politics for Michigan and some tie into Ford. He is a very smart fellow.

D. Good lawyer and being helpful. He is anxious to help.

P. Tell Ehrlichman to get Brown and Ford in together and they can work out something. They ought to get off their ——— and push it. No use to let Patman have a free ride here.

D. Well we can keep them well briefed on moves if they will move when we provide them with the strategy. And we will have a raft of depositions going the other way soon. We will be hauling the O'Briens in and the like on our due process soon.

P. What did they ask—any questions?

D. No. I saw Rothblatt laughing at the start of the symposium. He is quite a character. He has been getting into the sex life of some of the members of the DNC.

P. Why? What is the justification?

D. Well, he is working on the entrapment theory that they were hiding something and they had secret information of theirs to hide and if they could someway conspire to bring this thing about themselves. It is a way-out theory that no one had caught.

H. (Laughter)

D. He had scheduled Patricia Harris and she did not show up. She went to the beauty parlor instead so he went down to the Court House and she had been directed to show up and then the next day the Judge cut all the depositions off. But he had a host of wild questions about where O'Brien got his compensation when he was Chairman. Not that he would know anything about that, but it was just an interesting question he might want to ask the Chairman under oath.

H. That's what Gibbons said—the same hunting license that gave them.

D. No—that is right.

H. So we can play the same game they are playing. We ought to be able to do better at it.

P. Well.

H. Are those depositions sealed?

D. That's right.

H. They are?

D. But that argues that they will want them unsealed less than we will, and we may be arguing at some point to get them unsealed.

P. Yeah.

D. I think what is going to happen on the civil case is that the Judge is going to dismiss the complaint that is down there right now. They will then file a new complaint which will come back to Ritchie again. That will probably happen the 20th, 21st, 22nd. Then 20 days will run before any answers have to be filed and the depositions will be commenced so we are eating up an awful lot of time.

P. Why will the Judge dismiss the complaint?

D. Probably on the middle ground—both on the substantive ground that they haven't stated a good cause of action—that there is improper class actions filed. O'Brien doesn't indeed represent any class. And he will just dismiss it on the merits. It is not a good complaint. He has already shaved it down to almost nothing on his original order. They will then have to re-design it in a much narrower action but the Judge himself can't suggest something to counsel. He has to do a cute argument here. If he dismisses on the merits, that they can't file another suit. They are out of the court totally.

H. But our two suits go hang?

D. We have two suits—we have the abuse of process and the libel suit.

H. We can take depositions on both of those?

D. Absolutely.

P. Hell yes.

(Inaudible)

H. (Laughter)

D. We can blunder down the road anyway.

NOTE

(Further conversation following unrelated to Watergate.)

Appendix 2. Meeting: The President and Dean, Oval Office, February 28, 1793. (9:12–10:23 AM)

D. Good morning, Sir.

P. Oh, hi.

D. How are you?

P. I wanted to talk with you about what kind of a line to take. I now want Kleindienst on the—it isn't a matter of trust. You have it clearly understood that you will call him and give him directions and he will call you, et cetera, and so on. I just don't want Dick to go off—you see, for example, on executive privilege—I don't want him to go off and get the damn thing—get us—

D. Make any deals on it—

P. Make a deal—that is the point. Baker, as I said, is going to keep at arm's length and you've got to be very firm with these guys or you many not end up with many things. Now as I said the only back-up position I can possibly see is one of a (inaudible) if Kliendienst wants to back (inaudible) for (inaudible)—didn't want to but suggested we ought to back them heavily, send them up there in executive session. Well, now you all know that under executive session we still have the problem, and it ain't good. Well, I am thinking particularly of Baker because it will go to him without any question and that is going to be far more significant. This bothers us at the moment, but that's (inaudible) to me.

And they will haul him up there and bullrag him around the damn place and it will raise holy hell with Rogers and all our—the other people.

D. Yeah.

P. I sent some notes out—a couple of yellow pages—something on the teachers' thing that I am not doing today. Just send it back to me, please.

Secretary. Alright, Sir.

P. So you see, I think you better have a good, hard face to face talk with him and say, look, we have thought this thing over. And you raise the point with him that this cannot be in executive session because he is likely to float it out there and they will grab it.

D. That's right, and as I mentioned yesterday, he is meeting with Sam Ervin and Baker in this joint session and that is probably one of the first things they will discuss.

P. The main thing Ervin is going to be talking about is executive privilege. Has that meeting been set yet, though?

D. No, it has not. There is ample time to have Dick go up there —

P. You have a talk with him and say we had a talk about this—now your position now I know (inaudible) which they probably never accept but it will make his position be reasonable in the public mind. That is what we have in mind.

D. Right. Correct.

P. Another possibility is the one that Ehrlichman has suggested. If you could have an agreement that the Chairman and the ranking member could question basically the same under very restricted—a little bit early (inaudible)

D. Them coming down here, say?

P. Basically, that is the suggestion.

D. I think that is sort of "if" we couldn't get the written interrogatories. That is still a serious precedent to deal with if they come down here and start questioning people I think the issues would have to be so narrowed for even that situation. And that sort of thing would evolve with the narrowing of the issues where what information a Haldeman or Ehrlichman might have. The Committee needs to be complete in its report of its investigation.

P. Yeah. We will say that you can have written interrogatories under oath, then answer questions.

D. Publicly you are not withholding any information and you are not using the shield of the Presidency.

P. When you talk to Kleindienst—because I have raised this (inaudible) thing with him on the Hiss Case — he has forgotten, I suppose. Go back and read the first chapter of SIX CRISES. But I know, as I said, that was espionage against the nation, not against the party. FBI, Hoover, himself, who's a friend of mine said "I am sorry I have been ordered not to cooperate with you" and they didn't give us one (adjective omitted) thing. I conducted that investigation with two (characterization omitted) committee investigators—that stupid—they were tenacious. We got it done.

Then we worked that thing. We then got the evidence, we got the typewriter, we got the Pumpkin Papers. We got all of that ourselves. The FBI did not cooperate. The Justice Department did not coperate. The Administration would not answer questions except, of course, for Cabinet officers, I mean like Burling came down and some of the others.

D. Funny, when the shoe is on the other foot how they look at things, isn't it?

P. Well, as I said, the New York Times, the Washington Post and all the rest. They put it in terms of executive privilege because they were against the investigation. So the real question now is say that I having been through that—we have talked it over and that I have always felt very miffed about that because I thought that was very wrong and now this is another matter. But I think we ought to cooperate in finding an area of cooperation. Here it is. You see, the Baker theory is that he wants to have a big slambang thing for a whole week and then he thinks interest in the whole thing will fall off. And he is right about that. But his interest in having a big slambang for a week is that we bring all the big shots up right away. The big shots you could bring up. They could bring up Stans. They have to put him on, and they've got to put Mitchell on. They would like, of course, to get Haldeman, Ehrlichman and Colson.

D. I understand that you and Bob have talked about running Stans out as sort of a stalking horse on it, on another post.

P. It is not my idea. I guess Moore or somebody mentioned it.

D. I think it was my idea. I think it could be one defusing factor in the hearings. Stans would like to get his story out. He is not in any serious problem ultimately. It could be rough and tumble, but Maury is ready to take it and it would be a mini-hearing there is no doubt about it. But this further detracts from the other committee.

P. It would be a mini-hearing, it is true. Except knowing the Press and knowing—like they have taken—they sold several of these stories about Colson and Haldeman about four times.

D. Well, I know that.

P. Well, I just wonder if that doesn't do that?

D. At present I hesitate to send Stans. They would give him a hot seat.

P. Somebody is after him about Vesco. I first read the story briefly in the Post. I read, naturally, the first page and I turned to the Times to read it. The Times had in the second paragraph that the money had been returned, but the Post didn't have it.

D. That is correct.

P. The Post didn't have it until after you continued to the back section. It is the (adjective omitted) thing I ever saw.

D. Typical.

P. My guess is the Star pointed out (inaudible) that they (inaudible). Actually they got the money after the 10th, but I don't think they pointed out that Sears got it before.

D. For all purposes, the donor—Vesco—

D. Stans would never do a thing like that! Never. Never. Never.

D. I think we have a good strong case that the donor had relinguished control of the money, and constructive possession of the money was in the hands of the finance committee, Sears and the like. So that there is not—ah—

P. How did they get my brother in it? Eddie?

D. That was sheer sandbagging of your brother. Here is what they did. They called him down here in Washington . . .

P. Who did?

D. It was Vesco and Sears and said that, "we want to talk to you about the nature of this transaction because we have had earlier conversations with Stans". He really wasn't privy to it, and didn't know much about it, but what the long and short of it was that they were after him to find out from Stans whether they wanted cash or checks. Stans just responded to your brother and said, "I don't really care—whatever they want to do", and that is what he relayed back. He didn't even understand why he was there. He is just as clean as a whistle. There is just nothing there at all.

P. I know that. I know that myself. So you sort of lean to having Stans starting out there?

D. I think it would take a lot of the teeth out of the—you know—the stardom of the people are trying to build up to. If Stans has already gone to a hearing in another committee, obviously they will use everything they have at that time and it won't be a hell of a lot. It confuses the public. The public is bored with this thing already.

P. Yeah.

D. One of the things I think we did succeed in before the election—

P. Stans is very clean. Unless I make a mistake on this thing, the way I analyze it, and I have stayed deliberately away from it, but I think I can sense what it is. The way I analyze the thing, Stans would have been horified at any such thing. And, what happened was he honestly is outraged. He thinks what happened was he thinks he eventually found a line on somebody's hard earned cash and got into this silly business with it.

D. He does and he is a victim of circumstances, of innuendo, of fales charges. He has a darn good chance of winning that libel suit he has against Larry O'Brien.

P. Has he?

D. That's right.

P. Good. That's why Larry filed a countersuit.

D. That's right.

P. I see. Zielgler was disturbed at the news that they supoenaed newsmen. Did that disturb you?

D. No, it didn't disturb me at all. No sir. I talked with Ron at some length about it the other night. I said, "Ron, first of all you can rest assured that the White House was not involved in that decision." Exceptional case.

P. It should involve prosecution.

D. No, it is a civil deposition and it is not because we haven't reached the newsman's privilege issue yet, and that is way down the road yet, if for some reason they refuse to testify on some given evidence. What they are trying to establish is the fact that Edward Bennett Williams' law firm passed out an amended complaint that libeled Stans before it was into the Court process, so it was not privileged. And the newsmen are the people who can answer that question. Also they are trying to find out how Larry O'Brien and Edward Bennett Williams made statements to the effect that this law suit—the first law suit they had filed against the Committee—was not really to establish any invasion of privacy threat, rather they were harrassing the Committee.

P. The Committee to Re-Elect?

D. They made this off the record to several newsmen and we know they did this. That this was a drummed up law suit.

P. So therefore that proves also malice, doesn't it?

D. It make the abuse of process case that we have against them on a counter suit. And the lawyers made a very conscious and good decision to proceed with the suit and if they did, they were going to have to have this information and it doesn't bother me if they supoenaed nine or ten—

P. Well, one hell of a lot of people don't give one damn about this issue of the suppression of the press, etc. We know that we aren't trying to do it. They all squeal about it. It is amusing to me when they say—I watched the networks and I thought they were restrained. What (expletive omitted) do they want them to do—go through the 1968 syndrome when they were 8 to 1 against us. They are only three to one this time. It is really sickening though to see these guys. These guys have always figured we have the press on our side. You know we receive a modest amount of support—no more. Colson sure making them move it around, saying we don't like this or that and (inaudible)

D. Well, you know Colson's threat of a law suit which was printed in Evans and Novak had a very sobering effect on several of the national magazines. They are now checking before printing a lot of this Watergate junk they print. They check the press office trying to get a confirmation or denial, or call the individuals involved. And they have said they are doing it because they are afraid a libel suit on them. So it did have a sobering effect. We will keep them honest if we can remind them that they can't print anything and get away with it.

P. Well, as you of course know, at the time of the Hills case (inaudible).

D. Yes, I have noticed. We have to establish, one, malice for reckless disregard (inaudible)

P. Yeah. Malice is impossible for (inaudible) It has to get, it's got to get up in through me. (inaudible) Reckless disregard maybe.

D. Tough. That is a bad decision, Mr. President. It really is a bad decision.

P. What is the name of the case—horrible.

D. (inaudible) & Sullivan and it came out of the South on a civil rights . . .

P. It was about some guy who was a police chief or something. Anyway, I remember reading it at the time when I though we were suing LIFE for Hills. When LIFE was guilty as hell.

D. Did you win it?

P. Supreme Court—four to three. There were a couple missing or it would have probably been five to three and one-half.

P. Well, let's go back so it is clearly understood. We must go forward on that. I think you had better go over and get in touch with Dick. And say Dick you keep it at your level.

P. My guess is that he is going to be in the end, and I would say, "this is the position, Dick, you should take on this." Tell him I took that position with Baker. Baker is a smoothy—impressive—The President didn't say this or that—they recommended it and the President has approved it. Right? Is that what you would say?

D. Yes sir, I think that is absolutely on all fours. And how about our dealings with Baker? Under normal Congressional relations, vis-a-vis Timmons and Baker, should we have Timmons dealing?

P. Well, he objected to (inaudible) something that is a curious thing on that (inaudible) made a very big gaff calling him and urging and trying to influence who would be on his staff. (expletive omitted) I don't know why he did that, if he did. But if he did, I don't know why Baker would resent it. But, nevertheless, I don't know how to deal with him, frankly.

H. Why don't you ask (inaudible) to see him.

P. I gathered the impression that Baker didn't want to talk with anyone but Kleindienst.

D. Well, OK. I think that is one we will just have to monitor and that is one we will have to know an awful lot about along the road.

P. Well let Timmons tell Baker that if he wants to talk with anybody at the White House, if he says he doesn't want to talk to Haldeman, doesn't want to talk to Ehrlichman, that you, Dean, are available. But nobody else. How does that sound to you?

D. I think that sounds good.

P. You tell Timmons that he sees him privately, and tells him that's it. We are not pressing him. We don't care, because Baker . .

D. I would suspect if we are going to get any insight to what that Committee is going to do, it is going to be through Gurney. I don't know about Weicker, where he is going to fall out on this thing.

P. Weicker, I think the line to Weicker is through Gray. Gray has to shape up here and handle himself well too. Do you think he will?

D. I do. I think Pat has had it tough. He goes up this morning as you know. He is ready. He is very comfortable in all of the decisions he has made, and I think he will be good.

P. But he is close to Weicker—that is what I meant.

D. Yes, he is.

P. And so, Gray . . .

D. Has a lead in there—yes.

P. One amusing thing about the Gray thing, and I knew this would come. They say Gray is a political crony and a personal crony of the President's. Did you know that I have never seen him socially?

D. Is that correct? No, I didn't.

P. I think he has been to a couple White House events, but I have never seen him separately.

D. The Press has got him meeting you at a social function. And, back in 1947, (inaudible) is something I have read.

P. Maybe at a Radford party or something like that. That's all. I don't know. But Gray is somebody that I know only—He was Radford's Assistant, used to attend NSC meetings. He has never been a social friend. Edgar Hoover, on the other hand, I have seen socially at least a hundred times. He and I were very close friends.

D. This is curious the way the press—

P. (expletive deleted)—Hoover was my crony. He was closer to me than Johnson, actually although Johnson used him more. But as for Pat Gray, (expletive deleted) I never saw him.

D. While it might have been a lot of blue chips to the late Director, I think we would have been a lot better off during this whole Watergate thing if he had been alive. Because he knew how to handle that Bureau—knew how to keep them in bounds.

P. Well, Hoover performed. He would have fought. That was the point. He would have defied a few people. He would have scared them to death. He has a file on everybody.

P. But now at the present time, the Bureau is leaking like a sieve to Baker, (inaudible). It isn't coming from Henry Petersen is it?

D. No. I would just not believe that.

P. It isn't coming from that (unintelligible).

D. No. Well, they are getting the raw data. They are getting what they call the 302 forms. Actually, the summaries of the interviews.

P. If you could handle it that way, I think that is the best thing to do. Do you ever wonder really if Colson (characterization deleted) should bring a suit. For example, I notice that Colson has a lot of vulnerabilities. You know, in terms of people that he knew, et cetera, et cetera. But I mean on a narrow issue—

D. Well, Chuck and I talked about this. He could possibly win a suit, but lose the war, for this reason: A counterdiscovery in a libel action has no bounds.

P. I get it. OK.

D. That's the problem there.

P. That the District Court (inaudible).

D. Federal Court. They could just come in and depose him on everything he has done at this point in time.

P. Keep him out of it. Keep him out of it.

D. That's right.

P. What—Why doesn't Stans be the sue-er?

D. He's got a good one, and he may well prevail. It may well be the decisive settlement of all these other suits we've got out there. You know, we have 14 million dollar suits against us, and we have 7 or 10 against them.

P. (Expletive deleted) They ought to all get together and drop them.

D. That is what we are trying to get accomplished.

P. Hell, yes!

D. It is just causing everybody problems.

P. That is right—they've got problems, and we've got problems.

P. You see this Vesco thing coming up burns my tail. I raised hell with Haldeman on this and he didn't do anything about it. I guess he couldn't. What (expletive omitted) became of our investigation of their financial activities? (Expletive omitted) They cancelled debts, they borrowed money. What the hell is that?

D. It is still going on, Mr. President. McGovern's stuff is in such bad shape. That is another unfortunate thing. The GAO comes in to audit us. They find all the documents, so they are able to make——

P. Just like two year old state tax.

D. They have now, but it gets about that much coverage in the paper. They can't even figure out what McGovern's done, the books are such a mess, but you haven't seen them say anything yet. And that is one of the things that hopefully we will bring out in hearings, as to what a mess this was, et cetera.

P. How are you going to bring it out? You can't bring it out in these hearings.

D. Well I think I would rather do it independently, so that the media types will bring it out. Chuck is going to be of aid when he is out there not connected with the White House, coming through with bits of tidbits. Chuck will still have his channels to flip things out.

P. Sure! Sure! In my view—of course it is hard to believe since he loves the action and the rest—but apart from the financial—for the country's aid, etc.—I dont care what you think: Colson can be more valuable out than in, because basically in, he has reached the point that he was too visible.

D. A lightning rod.

P. And outside he can start this and say that I am a private citizen and I can say what I (expletive omitted) please.

D. Right. I think Chuck can be of great aid in this thing, and I think he will do it.

P. Now, as to the other thing. Just to recap. You will talk to Timmons about Baker, and get that tied down if you can. I doubt if much can be done there. Then when you talk to Kleindienst, he should know that it has been decided, and that's it. Well, he will say they won't take me. Then say "why not?" We shall see. Going on to the interrogatory thing—we shall see—your view would not to give any further ground on that?

D. I would say hope not. You initially hold the line as far as you can go. If it becomes necessary for informational purposes, the President is not going to hide any information. He has just given a sworn statement through an interrogatory—send your questions down they will be answered. We won't hide the information—we won't diminish the ability of the President to operate internally and the like because we have a political circus going.

P. OK. I understand that Mollenhoff still thinks everybody should go up and testify.

D. Yeah.

P. At least you had a talk with him. I do want you to look at the case, though.

D. Yes Sir.

P. If the guy's got a bad rap, this man, (expletive omitted) we will get him out of it!

D. I am doing that. I talked with Clark yesterday. I talked with him last night again. He is on this as hot and heavy as can be and—

P. Does the think he's got a bad rap?

D. He does—he thinks he's got a bad rap. I know Rule hasn't a bad rap. When a bureaucrat takes it upon himself to go out, and go way beyond the pale in terms of attacking an Administration that can't be tolerated. Suppose a Congressman or a Senator or one of his Administrative Assistants went out and attacked one of his contributors. What would he do? Fire him! That's right.

P. I noticed where several of our Congressmen and Republican Senators called upon us to reinstate Rule. Congress is, of course, on its (inaudible). And yet they are so enormously frustrated that they are exhausted. Isn't that the point?

D. I think there is a lot of that.

P. It is too bad. We can take very little comfort from it because we have to work with them. But they become irrelevant because they are so damned irresponsible, as much as we would like to say otherwise.

D. Yes, sir. I spent some years on the Hill myself and one of the things I always noticed was the inability of the Congress to deal effectively with the Executive Branch because they have never provided themselves with adequate staffs, had adequate information available—

P. Well now they have huge staffs compared to what we had.

D. Well they have huge staffs, true, as opposed to what they had years ago. But they are still inadequate to deal effectively—

P. (Expletive deleted) Don't try to help them out!

D. I am not suggesting any reserve money for them. I ought to to keep my observations to myself. I think this is going to be very different. It will be hot, I think they are going to be tough. I think they are going to be gory in some regards, but I am also absolutely convinced that if everyone pulls their own oar in this thing, in all those we've got with various concerns, we can make it through these things and minimal people will be hurt. And they may even paint themselves as being such partisans and off base, that they are really damaging to the institutions of the government themselves.

P. I frankly say that I would rather they would be partisan—rather than for them to have a facade of fairness and all the rest. Ervin always talks about his being a great Constitutional lawyer. (expletive deleted) He's got Baker totally toppled over to him. Ervin works harder than most of our Southern gentlemen. They are great politicians. They are just more clever than the minority. Just more clever!

D. I am convinced that he has shown that he is merely a puppet for Kennedy in this whole thing. The fine hand of the Kennedy's is behind this whole hearing. There is no doubt about it. When they considered the resolution on the Floor of the Senate I got the record out to read it. Who asked special permission to have their Staff man on the floor? Kennedy brings this man Flug out on the floor when they are debating a resolution. He is the only one who did this. It has been Kennedy's push quietly, his constant investigation. His committee did the (unintelligble) subpoenas to get at Kalmbach and all these people.

P. Uh, huh.

D. He has kept this quiet and constant pressure on this thing. I think this fellow Sam Dash, who has been selected Counsel, is a Kennedy choice. I think this is also something we will be able to quietly and slowly document. Leak this to the press, and the parts and cast become much more apparent.

P. Yes, I guess the Kennedy crowd is just laying in the bushes waiting to make their move. I had forgotten, by the way, we talk about Johnson using the FBI. Did your friends tell you what Bobby did?

D. I haven't heard but I wouldn't be—

P. Johnson believed that Bobby bugged him.

D. That wouldn't surprise me.

P. Bobby was a ruthless (characterization omitted). But the FBI does blatantly tell you that—or Sullivan told you about the New Jersey thing. He did use a bug up there for intelligence work. (inaudible)

D. (inaudible) Intelligence workers had agents all over the property.

P. The doctors say that the poor old gent had a tumor. The FBI said he had one.

D. He had Abe Fortas and Deke DeLoache backed up by some other people in the Bureau and try to talk this doctor into examining this guy to say the man had a brain tumor. He was very (unintelligible) ill, slightly erratic, but eager. This doctor wouldn't buy it.

P. The doctor had never examined him before or anything.

D. No.

P. They were trying to set it up though, huh? What other kind of activities?

D. Well, as I say, I haven't probed Sullivan to the depths on this thing because I want to treat him at arm's length until he is safe, because he has a world of information that may be available.

P. But he says that what happened on the bugging thing. Who told what to whom again?

D. On the '68 thing—I was trying to track down the leaks. He said that the only place he could figure it coming from would be one of a couple of sources he was aware of that had been somewhat discovered publicly. He said that Hoover had told Patrick Coyne about the fact that this was done. Coyne had told Rockefeller—now Rockefeller had told Kissinger. I have never run it any step beyond what Mr. Sullivan said there. The other thing is that when the records were unavailable for Mr. Hoover all these logs, etc. Hoover tried to reconstruct them by going to the Washington Field Office and he made a pretty good stir about what he was doing when he was trying to get the record and reconstruct it. He said that at that time we probably hit the grapevine in the Bureau that this had occurred. But there is no evidence of it. The records show at the Department of Justice and the FBI that no such surveillance was ever conducted.

P. Shocking to me!

D. What the White House had from reporters in LIFE. The other person who knows and is aware of it is Mark Felt, and we have talked about Mark Felt before.

P. Let's face it. Suppose Felt comes out now and unwraps. What does it do to him?

D. He can't do it.

P. How about (unintelligible)? Who is going to hire him? Let's face it—the guy who goes out—he couldn't do it unless he had a guarantee from somebody like TIME Magazine who would say look we will give you a job for life. Then what do they do? He would go to a job at LIFE, and everyone would treat him like a pariah. He is in a very dangerous situation. These guys you know—the informers. Look what it did to Chambers. Chambers informed because he didn't give (expletive deleted). But then one of the most brilliant writers according to Jim Shepley we have ever seen in this country—and I am not referring to the Communist issue—greatest writer of his time—about 30 years ago, probably TIME's best writer of the century—they finished him. Either way, the informer is not one in our society. Either way, that is the one thing people can't survive. They say no civilized (characterization deleted) informs. Hoover to Coyne to Nelson Rockefeller to Kissinger. Right?

D. That's right.

P. Why did Coyne tell it to Nelson Rockefeller? I have known Coyne for years. I haven't known him well, but he was a great friend of one of my Administrative Assistants, Bob King, who used to be a Bureau head.

D. Now this is Sullivan's story. I have no reason to know whether it is true, but I don't have any reason to doubt that it is true.

P. Hoover told me, and he also told Mitchell personally that this had happened.

D. I was talking the '68 incident that occurred. I wasn't referring to that now. When this Coyne, etc., this was the fact that newsmen—excuse me I thought you were making reference to the fact that three years ago the White House had allegedly—

P. Oh, sure, sure. That is not the same one.

D. On the '68 incident all I have been able to find out is what you told me that Hoover had told you, what he had told Mitchell.

P. Yeah. Mitchell corroborates that, doesn't he?

D. Kevin Phillips called Pat Buchanan the other day with a tidbit that Dick Whelan on the NSC staff has seen memoranda between the NSC and the FBI that the FBI had been instructed to put survelliance on Anna Chennault, the South Vietnamese Embassy and the Agnew plane. This note also said that Deke DeLoach was the operative FBI officer on this.

P. The Agnew plane? I think DeLoach's memory now is very very hazy. He doesn't remember anything.

D. I talked to Mitchell about this and he has talked to DeLoach. DeLoach has in his possesion, and he has let Mitchell review them, some of the files on this.

P. But not—

D. But they don't go very far; this is DeLoach protecting his own hide.

P. It is just as well because we can't do anything with it. So Hoover told Coyne, who told Rockefeller, that newsmen were being bugged.

D. That tickles you. That is right.

P. Why do you suppose they did that?

D. I haven't the foggiest idea. It is a Sullivan story as to where the leak might have come from about the current Time Magazine story, which we are stonewalling totally here.

P. Oh, absolutely.

(Material not related to Presidential action deleted)

P. Well, is this the year you are going to try to get out the '68 story?

D. Well, I think the threat of the '68 story when Scott and others were arguing that the Committee up on the Hill broadened its mandate to include other elections. They were hinting around at something in 1968 and 1964 that should be looked at.

P. Yeah, Goldwater claims he was bugged.

D. That's right. Now I think that threats—

P. didn't you say that Johnson did bug Goldwater?

D. Well, I don't know if he bugged him.

P. He did intelligence work?

D. He did intelligence up one side and down the other—

P. From the FBI?

D. Just up one side and down the other on Goldwater. I haven't had a chance to talk to the Senator, and I have known the Senator for twenty years. He is the first man in public life I ever met. Barry Jr. and I were roommates in school together, so I can talk to the man. So I am really going to sit down with him one day and see what really happened.

P. Does he have any hard evidence?

D. Then we can go from there . . .

P. Right.

D. Get some stuff written, etc. I do think you have to remember, as I am sure you realize, this is mainly a public relations thing anyway.

P. What is the situation anyway with regard to the situation of the sentencing of the seven? When in the hell is that going to occur?

D. That is likely to occur, I would say, as early as late this week, but more likely sometime next week.

P. Why has it been delayed so long?

D. Well, they have been in the process of preparing a pre-sentence report. The Judge sends out probation officers to find out everybody who knew these people, and then he will . . .

P. He is trying to work on them to see who will break them down?

D. Well, there is some of that. They are using the probation officer for more than the normal probation report. They are trying to do a mini-investigation by the judge himself which is his only investigative tool here so they are virtually completed now. The U.S. Attorneys handles these, the Assistant U.S. Attorneys.

P. You know when they talk about a 35 year sentence, here is something to think about. There were no weapons! Right? There was no success! Why does that sort of thing happen? It is just ridiculous! (Characterization deleted)

Are they in jail?

D. Well, all but one. Hunt made the bond—everybody else is in jail. They have a $100,000 surety bond which means that they have to put actual collateral, and some of these people have a $100,000. The Court of Appeals has been sitting for two weeks or better now on a review of the bond issue and letting people out for charity cases.

(Material unrelated to Presidential action deleted)

P. You still think Sullivan is basically reliable?

D. I have nothing to judge that on except that I have watched him for a number of years. I watched him when he was working with Tom Huston on domestic intelligence, and his desire to do the right thing. I tried to stay in touch with Bill, and find out what his moods are. Bill was forced on the outside for a long time. He didn't become bitter. He sat back and waited until he could come back in. He didn't try to force or blackmail his way around with knowledge he had. So I have no signs of anything but a reliable man who thinks a great deal of this Administration and of you.

(Material unrelated to Presidential action deleted.)

D. I have got to say one thing. There has never been a leak out of my office. There never will be a leak out of my office. I wouldn't begin to know how to leak and I don't want to learn how you leak.

P. Well, it was a shocking thing. I was reading a book last night. A fascinating book, although fun book, by Malcolm Smith Jr. on Kennedy's Thirteen Mistakes, the great mistakes. And one of them was on the Bay of Pigs. And what had happened, there was Chester Bowles had learned about it, and he deliberately leaked it. Deliberately, because he wanted the operation to fail! And he admitted it! Admitted it!

D. Interesting. Interesting.

P. This happens all the time. Well, you can follow these characters to their Gethsemane. I feel for those poor guys in jail, particularly for Hunt with his wife dead.

D. Well there is every indication they are hanging in tough right now.

P. What the hell do they expect though? Do they expect clemency in a reasonable time? What would you advise on that?

D. I think it is one of those things we will have to watch very closely. For example——

P. You couldn't do it, say in six months.

D. No, you couldn't. This thing may become so political as a result of these hearings that it is a vendetta. This judge may go off the deep end in sentencing, and make it so absurd that its clearly injustice that they have been heavily——

P. Is there any kind of appeal left?

D. Right. Liddy and McCord, who sat through the trial, will both be on appeal and there is no telling how long that will last. It is one of these things we will just have to watch.

P. My view though is to say nothing about them on the ground that the matter is still in the courts and on appeal. Second, my view is to say nothing about the hearings at this point, except that I trust they will be conducted the proper way and I will not comment on the hearings while they are in process. Of course if they break through—if they get muckraking—It is best not to cultivate that thing here at the White House. If it is done at the White House again they are going to drop the (adjective deleted) thing. Now there, of course, you say but you leave it all to them. We'll see as time goes on. Maybe we will have to change our policy. But the President should not become involved in any part of this case. Do you agree with that?

D. I agree totally, sir. Absolutely. That doesn't mean that quietly we are not going to be working around the office. You can rest assured that we are not going to be sitting quietly.

P. I don't know what we can do. The people who are most disturbed about this (unintelligible) are the (adjective deleted) Republicans. A lot of these Congressmen, financial contributors, et cetera, are highly moral. The Democrats are just sort of saying, "(expletive deleted) fun and games!"

D. Well, hopefully we can give them Segretti.

P. (Expletive deleted) He was such a dumb figure, I don't see how our boys could have gone for him. But nevertheless, they did. It was really juvenile! But, nevertheless, what the hell did he do? What in the (characterization deleted) did he do? Shouldn't we be trying to get intelligence? Weren't they trying to get intelligence from us?

D. Absolutely!

P. Don't you try to disrupt their meetings? Didn't they try to disrupt ours? (expletive deleted) They threw rocks, ran demonstrations, shouted, cut the sound system, and let the tear gas in at night. What the hell is that all about? Did we do that?

D. McGovern had Dick Tuck on his payroll, and Dick Tuck was down in Texas when you were down at the Connally ranch and set up to do a prank down there. But it never came off.

P. What did Segretti do that came off?

D. He did some humorous things. For example, there would be a fund-raising dinner, and he hired Wayne the Wizard to fly in from the Virgin Islands to perform a magic show. He sent invitations to all the black diplomats and sent limousines out to have them picked up, and they all showed up and they hadn't been invited. He had 400 pizzas sent to another—Sure! What the hell! Pranks! Tuck did all those things in 1960, and all the rest.

D. I think we can keep the Segretti stuff in perspective because it is not that bad. Chapin's involvement is not that deep. He was the catalyst, and that is about the extent of it.

P. Sure, he knew him and recommended him.

D. That's right.

P. But he didn't run him. He was too busy with us.

D. The one I think they are going to go after with a vengeance—and I plan to spend a great deal of time with next week, as a matter of fact a couple of days getting this all in order—is Herb Kalmbach.

P. Yes.

D. Herb—they have subpoenaed his records, and he has records that run all over hell's acres on things. You know Herb has been a man who has been moving things around for Maury and keeping things in tow and taking care of—

P. What is holding up his records?

D. They already have gotten to the banks that had them, and what I think we will do is that there will be a logical, natural explanation for every single transaction. It is just a lot of minutia we've got to go through but he is coming in next week and I told him we would sit down and he is preparing everything—all that is available, and we are going to sit down with Frank DeMarco and see if we can't get this whole thing—

P. They can't get his records with regard to his private transactions?

D. No, none of the private transactions. Absolutely, that is privileged material. Anything to do with San Clemente and the like—that is just so far out of bounds that—

P. Did they ask for them?

D. No. No indication.

P. Kalmbach is a decent fellow. He will make a good witness.

D. I think he will.

P. He is smart.

D. He has been tough thus far. He can take it. His skin is thick now. Sure it bothered him when all this press was being played up. LA Times were running stories on him all the time and the like. Local stations have been making him more of a personality and his partners have been nipping at him, but Herb is tough now. He is ready and he is going to go through. He is hunkered down and he is ready to handle it, so I am not worried about Herb at all.

P. Oh well, it will be hard for him. I suppose the big thing is the financing transaction that they will go after him for. How does the money get to the Bank of Mexico, etc.

D. Oh, well, all that can be explained.

P. It can?

D. Yes, indeed! Yes, sir! They are going to be disappointed with a lot of the answers they get. When they actually get the facts—because the Times and the Post had such innuendo—when they get the facts, they are going to be disappointed.

P. The one point that you ought to get to Baker. I tried to get it through his thick skull. His skull is not thick but tell Kleindienst in talking to Baker—and Herb should emphasize that the way to have a successful hearing and a fair one is to run it like a court: no hearsay, no innuendo! Now you know—

D. That's a hell of a good point.

P. (expletive deleted) well, they are not going to but tell them that is the way Nixon ran the Hiss Case. As a matter of fact some innuendo came out, but there was (adjective deleted) little hearsay. We really just got the facts, and tore them to pieces. Say "no hearsay" and "no innuendo." Ervin should sit like a court there: that is hearsay, and the counsel for our people should get up and say, "I object to that, Mr. Chairman," on the basis that it is hearsay.

D. That is a heck of an idea, Mr. President. Some of these early articles said—will Sam Ervin, Constitutional man, be a judge? Will he admit hearsay? We can try to get some think pieces out to try to get a little pressure on him to perform that way, to make it look like partisan when he doesn't.

P. The point that Kleindienst gets out: no hearsay, no innuendo! There will be no hearsay, no innuendo. This will be a model of a Congressional hearing. That will disappoint the (adjective deleted) press. No hearsay! No innuendo! No leaks!

D. Well, there are a lot of precedents. I have been involved in two Congressional investigations. One was the Adam Clayton Powell investigation when I was working over there as the Minority Counsel of the House Judiciary. We didn't take hearsay. We stuck to the facts on that. We did an investigation of the Oklahoma judges. Again, the same sort of thing. We went into executive session when necessary. I bet if we look around, respectable investigations that have been held up there that could be held up, and some of it should be coming forth to set the stage for these hearings. I am planning a number of brain sessions with some of the media people to—

P. I know. It is very important, but it seems like a terrible waste of your time. But it is important in the sense that all this business is a battle and they are going to wage the battle. A lot of them have enormous frustrations about those elections, state of their party, etc. And their party has its problems. We think we have had problems, look at some of theirs. Strauss has had people and all the actors, and they haven't done that well you know.

D. Well I was—we have come a long road on this thing now. I had thought it was an impossible task to hold together until after the election until things started falling out, but we have made it this far and I am convinced we are going to make it the whole road and put this thing in the funny pages of the history books rather than anything serious because actually—

P. It will be somewhat serious but the main thing, of course, is also the isolation of the President.

D. Absolutely! Totally true!

P. Because that, fortunately, is totally true.

D. I know that sir!

P. (expletive deleted) Of course, I am not dumb and I will never forget when I heard about this (adjective deleted) forced entry and bugging. I thought, what in the hell is this? What is the matter with these people? Are they crazy? I thought they were nuts! A prank! But it wasn't! It wasn't very funny. I think that our Democratic friends know that, too. They know what the hell it was. They don't think we'd be involved in such.

D. I think they do too.

P. Maybe they don't. They don't think I would be involved in such stuff. They think I have people capable of it. And they are correct, in that Colson would do anything. Well, ok.—Have a little fun. And now I will not talk to you again until you have something to report to me.

D. Alright, sir.

P. But I think it is very important that you have these talks with our good friend Kleindienst.

D. That will be done.

P. Tell him we have to get these things worked out. We have to work together on this thing. I would build him up. He is the man who can make the difference. Also point out to him what we have. (expletive deleted) Colson's got (characterization deleted), but I really, really,—this stuff here—let's forget this. But let's remember this was not done by the White House. This was done by the Committee to Re-Elect, and Mitchell was the Chairman, correct?

D. That's correct!

P. And Kleindienst owes Mitchell everything. Mitchell wanted him for Attorney General. Wanted him for Deputy, and here he is. Now, (expletive deleted). Baker's got to realize this, and that if he allows this thing to get out of hand he is going to potentially ruin John Mitchell. He won't. Mitchell won't allow himself to be ruined. He will put on his big stone face. But I hope he does and he will. There is no question what they are after. What the Committee is after is somebody at the White House. They would like to get Haldeman or Colson, Ehrlichman.

D. Or possibly Dean.—You know, I am a small fish.

P. Anybody at the White House they would—but in your case I think they realize you are the lawyer and they know you didn't have a (adjective deleted) thing to do with the campaign.

D. That's right.

P. That's what I think. Well, we'll see you.

D. Alright, sir.—Good bye.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I be permitted daily to place in the Record from day to day, as I read them, chronologically, the transcripts of the subsequent meetings included in this public volume until the entire volume itself has been placed in the Record.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MANSFIELD. Is it the intent of the Senator to place in the Record those portions of the reply to the House Committee on the Judiciary only after the Senator has read them?

Mr. ROBERT C. BYRD. Only after I have read them personally.

Mr. MANSFIELD. Would the Senator consider using Roman numerals——

Mr. ROBERT C. BYRD. Yes.

Mr. MANSFIELD. To keep the portions in sequence?

Mr. ROBERT C. BYRD. Yes; I thank the distinguished majority leader.

Mr. President, I ask unanimous consent that the first day's insertion be entitled "Public Transcripts—I," using the Roman numeral I.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. Byrd. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wish to supplement my earlier request. I ask unanimous consent that as I daily provide for the Record the portions of the transcripts they merely carry the heading "Public Transcripts—II," "III," and so forth, without my name, so that at some point they may be all gathered together, if need be, without the repetition of my name in connection with the insertions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that even though there may be other requests from Senators to insert these transcripts into the Record, no permission be granted for such in view of the fact that the entire volume will, in time, be printed in the Congressional Record, thus saving the cost to the taxpayers of duplications; with the understanding, however, that Senators, in making speeches, may, of course, excerpt from the transcripts such portions as they may deem relevant in connection with whatever comments they may wish to make.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. GRIFFIN. Mr. President, I shall not object, but I do wish to comment. I hope that this project, so large in its scope and cost, will not be duplicated by other requests to reprint the same materials in the Record.

Mr. ROBERT C. BYRD. I would share that hope. I know we cannot control what the House would wish to do, but I think it would be well if our actions today were called to the attention of the Joint Committee on Printing, so that perhaps by so doing, the result would be only one insertion into the Record of the entire volume.

Mr. GRIFFIN. Indeed, I wonder if the majority whip and the minority whip might not wish to join in a letter to the Chairman of the Joint Committee on Printing so as to advise that committee of this action.

Mr. ROBERT C. BYRD. I would be very glad to join in it. I would hope that the distinguished minority whip would prepare the letter.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Allen) laid before the Senate the following letters, which were referred as indicated:

Report of Department of Defense Procurement From Small and Other Business Firms

A letter from the Acting Assistant Secretary of Defense—Installations and Logistics—transmitting, pursuant to law, a report on Department of Defense Procurement from Small and Other Business Firms, for July 1973–February 1974 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

Reports of National Railroad Passenger Corporation

A letter from the Director, Federal Affairs, National Railroad Passenger Corporation (Amtrak), transmitting, pursuant to law, a report of that Corporation, for the month of February, 1974 (with an accompanying report). Referred to the Committee on Commerce.

A letter from the Director, Federal Affairs, National Railroad Passenger Corporation—Amtrak—transmitting, pursuant to law, a report of that Corporation, for the month of March 1974 (with an accompanying report). Referred to the Committee on Commerce.

Report of Director of Administrative Office of the United States Courts

A letter from the Director, Administrative Office of the United States Courts, transmitting, pursuant to law, a report of that Office on applications for court orders made to federal and state courts to permit the interception of wire or oral communications (with an accompanying report). Referred to the Committee on the Judiciary.

Proposed Legislation From Secretary of the Treasury

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to increase the limit on dues for United States membership in the International Criminal Police Organization (with an accompanying paper). Referred to the Committee on the Judiciary.

Report on Youth Camp Safety

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on youth camp safety (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Proposed Legislation From Department of Health, Education, and Welfare

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the National Health Service Corps, and for other purposes (with an accompanying paper). Referred to the Committee on Labor and Public Welfare.

Proposed Legislation From General Services Administration

A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend section 5316 of title 5, United States Code, relating to level V of the Executive Schedule, to apply to the position of General Counsel of the General Services Administration (with an accompanying paper). Referred to the Committee on Post Office and Civil Service.

Proposed Legislation From Veterans' Aministration

A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, by revising provisions relating to the payment of monetary benefits to persons under legal disability, including minors (with an accompanying paper). Referred to the Committee on Veterans' Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. ALLEN):

A resolution of the Senate of the State of New York. Referred to the Committee on Foreign Relations:

"SENATE RESOLUTION No. 62

"Senate Resolution memorializing the President and the Congress of the United States to consider the plight of Soviet Jews prior to granting favored nation status to the Soviet Union and calling upon the Governor to proclaim April 28, 1974 as Solidarity Day

"Whereas, In the Soviet Union men and women are denied freedoms recognized as basic by all civilized countries of the world and indeed by the Soviet Constitution; and

"Whereas, Jews and other religious minorities in the Soviet Union are being denied the means to exercise their religion and sustain their identity; and

"Whereas, The government of the Soviet Union is persecuting Jewish citizens by denying them the same rights and privileges accorded other recognized religions in the Soviet Union and by discrimination against Jews in cultural activities and access to higher education; and

"Whereas, The right freely to emigrate, which is denied Soviet Jews who seek to maintain their identity by moving elsewhere, is a right affirmed by the United Nations Declaration of Human Rights, adopted unanimously by the General Assembly of the United Nations; and

"Whereas, These infringements of human rights are an obstacle to the development of better understanding and better relations between the people of the United States and the people of the Soviet Union; and

"Whereas, The State of Israel, now celebrating its 26th Independence Day, has expressed its solidarity to freedom-loving people everywhere; and

"Whereas, An attempt was made to destroy the State of Israel on October 6, 1973; and

"Whereas, The State of Israel continues to remain a symbol of the strength of the democratic system and has earned the respect and admiration of all people who champion the cause of freedom; now, therefore, be it

"Resolved, That the Senate of the State of New York express its solidarity in asking that the President and the Congress of the United States consider the plight of Soviet Jews when granting most favored nation status to the Soviet Union, and to call upon the Soviet government to end its persecution of the Jews and other minorities and to permit the free exercise of religion by all its citizens in accordance with the Soviet Constitution; and be it further

"Resolved, That the Senate of the State of New York, in the interest of justice and humanity, express its solidarity in requesting that the President and the Congress of the United States call upon the Soviet government to permit its citizens to emigrate from the Soviet Union to the countries of their choice as affirmed by the United Nations Declaration of Human Rights; and be it further

"Resolved, That the Senate of the State of New York express its solidarity, in urging that the United States government use all appropriate diplomatic means to engender the fullest support possible among other nations for such a request to the Soviet Union; and be it further

"Resolved, That the Senate of the State of New York express its solidarity with the people of Israel on its 26th Independence Day; and be it further

"Resolved, That the Honorable Malcolm Wilson, Governor of the State of New York be and he hereby is respectfully requested to issue, publish and declare to the people of the State of New York an appropriate proclamation designating April 28th, 1974 as Solidarity Day; and be it further

"Resolved, That in order to effectuate the purposes of this resolution, copies of this resolution be transmitted to the President, Vice President and Secretary of State of the United States, to the Secretary of the Senate and the Clerk of the House of Representatives of the United States, and to each member of the Congress of the United States from the State of New York."

Three resolutions of the Senate of the State of Washington. Referred to the Committee on Commerce:

"SENATE RESOLUTION 245

"Whereas, The recent federal court decision in the case of the United States Government vs. the State of Washington (U.S. District Court, Western District of Washington at Tacoma, Civil Number 9213, February 12, 1974) has overturned long standing Washington state statutes designed to conserve our fisheries resources; and

"Whereas, The application of the court decision may affect other natural resources such as water, mineral deposits, forest products, and game animals; and

"Whereas, The fishing resource has been substantially paid for by the taxes and fees of all of our citizens; and

"Whereas, The court decision leaves a void in the regulation and preservation of the natural resources of this state and potentially of all states in the Union containing lands regulated by the same or similar treaties; and

"Whereas, The decision substantially modifies long standing United States Supreme Court decisions under which the states were permitted to preserve and regulate their natural resources; and

"Whereas, In some instances fish and species of fish have been developed by this state since the signing of the treaties; and

"Whereas, One of the continuing goals of this country has been to create equality among all of its citizens as evidenced by the Thirteenth, Fourteenth, Fifteenth, and Twenty-Sixth amendments to the Constitution of the United States, Decisions of the United States Supreme Court, the Civil Rights Act of 1964, and the Equal Rights Amendment to the Constitution of the United States which has been passed by Congress and ratified by thirty-three states; and

"Whereas, The effect of the recent court decision is to establish a preferential treatment of one race over others;

"Now, therefore, be it resolved, by the Senate of the State of Washington that it respectfully request that:

(1) The United States government seek agreements with all tribes of American Indians to renegotiate existing treaties in order to achieve the goal of equal rights for all;

"(2) The Congress of the United States reaffirms the right of the several states to regulate their natural resources; and

"Be it further resolved, That until such time as the treaties are renegotiated and the right to regulate our natural resources is reaffirmed that the Senate respectfully requests that:

"(1) The Congress provide the funds necessary for the states to supervise the above mentioned federal court decision; and

"(2) The Congress provide sufficient funds to the states for the replacement of fish runs and wild life under the Block Grant Program; and

"Be it further resolved, That the Secretary of the Senate cause suitably engraved copies of this resolution to be immediately transmitted to the Honorable Richard M. Nixon, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

SENATE RESOLUTION 246

"Whereas, Many collisions between automobiles and railroad cars occur each year, injuring or killing many persons and causing great property damage; and

"Whereas, A disturbing proportion of car-train accidents occur at night when automobile drivers, arriving at a crossing after the engine has passed and too late to be warned by approaching lights and whistles, proceed into the darkened middle of the passing train; and

"Whereas, Many railcars in the United States travel between states and cross into Canada in the course of commerce;

"Now, therefore, be it resolved By the Senate of the State of Washington, That we do hereby encourage the Congress to enact legislation and the Department of Transportation to enact rules and regulations requiring the marking of the sides of railroad cars with light reflectorization material, and that uniform regulations on this subject be sought with Canada.

"Be it further resolved, That copies of this resolution be immediately transmitted by the Secretary of the Senate to the Honorable Richard M. Nixon, President of the United

States, to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, to each member of the Congress from this State, and to the Secretary of the Department of Transportation."

"SENATE RESOLUTION 251

"Whereas, The agriculture industry is of primary importance to the nation and to the State of Washington; and

"Whereas, The export of agricultural commodities is necessary to balance the nation's international trade for purchase of petroleum and other commodities essential to the health, welfare and national defense of the United States; and

"Whereas, The utilization of anhydrous ammonia presently stored in Kenai Peninsula in Alaska is necessary for the maintenance of present agricultural production in the State of Washington; and

"Whereas, No American vessels can satisfy the provisions of the Jones Act for the shipping or the carrying of anhydrous ammonia between Kenai Point in Alaska and ports in the State of Washington; and

"Whereas, Foreign vessels are available for this trade; and

"Whereas, The Secretary of the Treasury has authority under existing conditions to waive the requirements of the federal Jones Act and allow the use of foreign vessels to carry commodities from one United States port to another; and

"Whereas, The said transportation by foreign ships would greatly alleviate the immediate problem of acquiring supplies of anhydrous ammonia; and

"Whereas, The wheat growers of the State of Washington may suffer up to $273,000,000 in reduced production due to the lack of this source of fertilizer; and

"Whereas, Such loss would adversely affect the balance of trade and the United States labor force and the economy of the State of Washington; and

"Whereas, The initial request for waiver has been denied;

"Now, therefore, be it resolved, That the national administration be advised of the importance of the agriculture industry and labor force, and reconsider the denial of said waiver and permit the use of foreign vessels in transporting anhydrous ammonia by one ship from the Kenai Peninsula in Alaska to ports in Washington for a period of one year, and that Congress be requested to adopt a limiting amendment to the Jones Act providing for the use of one foreign ship to carry anhydrous ammonia from the Kenai Peninsula in Alaska to West Coast ports in Washington for a period not to exceed one year from the enactment of this resolution: PROVIDED, That after the expiration of such one year period, the Jones Act be fully restored to its primary purpose of protecting the American economy and labor force.

"Be it further resolved, That copies of this resolution be transmitted by the Secretary of the Senate to the President of the United States Senate, to the Honorable Richard M. Nixon, President of the United States, to the members of the Washington Congressional delegation and to the United States Secretary of the Treasury."

A resolution of the Senate of the State of Washington. Referred to the Committee on Finance:

"SENATE RESOLUTION

"Whereas, The price of health care for the citizens of the United States is expected to be $100 billion between July 1st of 1973 and June 30th, 1974; and

"Whereas, Despite the increasing cost of health care it remains difficult if not impossible for the poor, the working poor, the aged, and those living in rural areas to have access to quality health care; and

Whereas, Health care benefits for the working middle class citizen vary greatly, and the accessibility of health care is not assured despite the financing mechanisms available to workers;

"Now, therefore, be it resolved, By the Senate of the State of Washington respectfully prays that the federal Congress shall proceed with all deliberate speed to establish a national health care system that shall set comprehensive health care as a right of all United States residents; that such a system shall be equitably financed by federal social insurance and general tax revenues; that the national health care system shall be reorganized to ensure an equal, efficient, and effective health care delivery system with free choice of health care provided without discrimination as to method; that adequate health manpower, services, and facilities shall be made available to the public; and

"Be it further resolved, That the national health care system should reduce reliance upon cumbersome claims paying mechanisms by providing lump sum annual or monthly payments to health delivery organizations which are close to the people, integrate health care for their members, and are able and willing to assure quality of care with freedom of choice and control costs; and

"Be it further resolved, That to guarantee accountability and to ensure responsiveness to the public, consumer participation shall be made a priority goal in the establishment, implementation, and maintenance of a national health care system; and

"Be it further resolved, That copies of this resolution be immediately transmitted by the Secretary of the Senate to the Honorable Richard M. Nixon, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to each member of Congress from the State of Washington."

A resolution of the Senate of the State of Washington. Referred to the Committee on Labor and Public Welfare:

"SENATE RESOLUTION 265

"Whereas, The Congress of the United States passed the Economic Opportunity Act in 1964; and

"Whereas, The Economic Opportunity Act of 1964 provided for the establishment of Community Action Agencies; and

"Whereas, The Community Action Agencies have served as vehicles for a mobilization against poverty; and

"Whereas, These funds are being used to carry out a wide range of programs in public and private institutions which have the effect of reducing poverty and meeting the needs of thousands of families; and

"Whereas, No funds for the Office of Economic Opportunity and the Community Action Programs are requested by the President in his fiscal 1975 budget; and

"Whereas, Continuation of Community Action Programs is greatly needed in the state of Washington; and

"Whereas, The state and local governments of Washington do not possess the revenues necessary to continue these programs; and

"Whereas, The Federal government should commit itself fully to the elimination of poverty;

"Now, therefore, be it resolved, By the Senate, that the President of the United States and the Congress continue to provide funds to support the Community Action Program.

"Be it further resolved, That copies of this resolution be forwarded to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate and the members of the Washington State Congressional delegation."

A resolution of the Senate of the State of Washington. Ordered to lie on the table:

"To: The President of the United States Senate, the Speaker of the House of Representatives, to the Honorable Peter Rodino, Chairman of the Judiciary Committee of the House of Representatives, and to each member of Congress from the State of Washington:

"Whereas, The most ancient and venerable of all traditions of democratic governments is that they have been governments of laws, not merely of men; and

"Whereas, All persons are equally subject to such laws, no single individual having the right to place himself above the laws; and

"Whereas, Revelations recent and continuous consistently produce evidence sufficient to establish, beyond the realm of coincidence, that high ranking federal government officials directly associated with the executive branch and the White House have engaged in extensive and deliberate illegal conduct and activities which include, but have not been limited to, burglary, obstruction of justice, perjury, extensive illegal surveillance of private individuals, and gross violation of federal and state campaign and election laws; and

"Whereas, The President himself has publicly accepted responsibility for many acts of impropriety committed by numerous individuals directly responsible to him; and

"Whereas, The President has repeatedly shown a considerable degree of reluctance to release vital information and evidence which would have provided full disclosure of the facts involved in the unfortunate progression of clandestine occurrences commonly known as "Watergate"; and

"Whereas, The President, his administration, the officials thereof, and, above all, the American people are entitled to an orderly and complete disclosure of this matter, which will hopefully restore the people's confidence in the ability of the federal government to administer its duties as provided for by the Constitution of the United States; and

"Whereas, Our founding fathers, in their wisdom, prescribed an orderly procedure for the impeachment and trial of all civil officers, including the President, under the mandate of Article II, Section 4 of the Constitution of the United States;

"Now, therefore, We respectfully pray that the Judiciary Committee of the House of Representatives of the 93rd Congress of the United States do send to the House of Representatives a resolution and articles of impeachment specifying the charges against the President as may be determined by the Committee; and

"Further, We respectfully pray that the House of Representatives of the United States vote to impeach the President in order that a full public hearing, conducted solely upon documented facts and evidence, be commenced by the Senate of the United States; and

"Be it further resolved, That copies of this letter be immediately transmitted by the Secretary of the Senate to the President of the United States Senate, the Speaker of the House of Representatives, to the Honorable Peter Rodino, Chairman of the Judiciary Committee of the House of Representatives, and to each member of Congress from the State of Washington."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. AIKEN, from the Committee on Agriculture and Forestry, without amendment:

S. 3433. A bill to further the purposes of the Wilderness Act by designating certain acquired lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes (Rept. No. 93-803).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 239. A bill for the relief of Loretto B. Fitzgerald (Rept. No. 93-804);

S. 506. A bill for the relief of Rosina C. Beltran (Rept. No. 93-805);

S. 1357. A bill for the relief of Mary Red Head (Rept. No. 93-806);

S. 2593. A bill for the relief of Ioan Gheorghe Iacob (Rept. No. 93-807);

S. 2594. A bill for the relief of Jan Sejna (Rept. No. 93-808);

H.R. 5759. An act for the relief of Morena Stolsmark (Rept. No. 93-809); and

H.R. 6116. An act for the relief of Gloria Go (Rept. No. 93-810).

By Mr. FONG, from the Committee on the Judiciary, without amendment:

S. 2220. A bill to repeal the "cooly trade" laws (Rept. No. 93-812).

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, with amendments:

S. 3371. A bill to amend the Forest Pest Control Act of June 25, 1947 (Rept. No. 93-813).

REPORT OF SPECIAL SUBCOMMITTEE ON CRIMINAL LAWS AND PROCEDURES—REPORT OF A COMMITTEE (S. REPT. NO. 93-811)

Mr. McCLELLAN, from the Committee on the Judiciary, submitted a report pursuant to Senate Resolution 56, section 7, 93d Congress, first session, entitled "Report on the Activities of the Special Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary, 93d Congress, First Session." which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Harry D. Berglund, of Minnesota, to be U.S. marshal for the district of Minnesota;

Ollie L. Canion, of Louisiana, to be U.S. marshal for the eastern district of Louisiana;

C. Nelson Day, of Utah, to be U.S. attorney for the district of Utah;

Jonathan L. Goldstein, of New Jersey, to be U.S. attorney for the district of New Jersey;

William W. Milligan, of Ohio, to be U.S. attorney for the southern district of Ohio;

Raymond J. Howard, of Wisconsin, to be U.S. marshal for the eastern district of Wisconsin;

Robert G. Renner, of Minnesota, to be U.S. attorney for the district of Minnesota;

Richard A. Pyle, of Oklahoma, to be U.S. attorney for the eastern district of Oklahoma;

Carl H. Slayback, of Illinois, to be U.S. marshal for the southern district of Illinois;

Eugene E. Siler, Jr., of Kentucky, to be U.S. attorney for the eastern district of Kentucky; and

Leonard E. Alderson, of Wisconsin, to be U.S. marshal for the western district of Wisconsin.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Philip W. Tone, of Illinois, to be U.S. Circuit judge for the seventh circuit.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PERCY:

S.J. Res. 208. A joint resolution to provide for a study to develop the ways and means of eliminating poverty among retired older Americans and to assure each American an adequate retirement income. Referred to the Committee on Labor and Public Welfare.

S. 3424. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of all expenses for medical care of a taxpayer and his spouse if either of them attained the age of 65, to provide a credit or refund of social security taxes withheld from the wages of certain individuals who have attained the age of 65 and a corresponding reduction in the tax on self-employment income of such individuals, to replace the retirement income credit with a deduction for retirement income, and to increase the number of additional personal exemptions allowable to retired taxpayers. Referred to the Committee on Finance.

S. 3425. A bill to amend the Wagner-Peyser Act to provide for a strengthened employment counseling and placement program for older workers and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 3426. A bill to amend title VII of the Civil Rights Act of 1964 to provide for a program to prevent discrimination on account of age in employment, to amend the Age Discrimination in Employment Act of 1967 to provide for improved administration of that Act, and for other purposes. Referred to the Committee on the Judiciary.

S. 3427. A bill to liberalize the retirement earnings limitation under the Social Security Act;

S. 3428. A bill to provide for computation of benefits under title II of the Social Security Act based on the combined earnings of a husband and wife;

S. 3429. A bill to amend title II of the Social Security Act to eliminate the special dependency requirement for entitlement to husband's or widower's benefits, to provide for the payment of benefits to divorced husbands and surviving divorced husbands, to provide for the payment of benefits to widower fathers with minor children, and to provide that benefits based on a man's wages and self-employment income will be computed in the manner prescribed for the computation of benefits based on a woman's wages and self-employment income; and

S. 3430. A bill to provide for a permanent Advisory Council on Social Security. Referred to the Committee on Finance.

By Mr. CLARK:

S. 3431. A bill to amend the Consolidated Farm and Rural Development Act to assist young farmers to obtain real estate loans more easily under such act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. JAVITS:

S. 3432. A bill to extend the National Health Service Corps and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. AIKEN (for himself, Mr. JACKSON, Mr. ALLEN, Mr. BELLMON, Mr. BUCKLEY, Mr. CLARK, Mr. CURTIS, Mr. DOLE, Mr. DOMINICK, Mr. EASTLAND, Mr. FULBRIGHT, Mr. GRIFFIN, Mr. HELMS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. MANSFIELD, Mr. McCLELLAN, Mr. McGOVERN, Mr. HUGH SCOTT, Mr. SPARKMAN, Mr. TALMADGE, and Mr. YOUNG):

S. 3433. A bill to further the purposes of the Wilderness Act by designating certain acquired lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. HUGH SCOTT:

S. 3434. A bill to establish university coal research laboratories and to establish energy resource fellowships, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BENTSEN:

S. 3435. A bill to authorize a project for flood protection in and in the vicinity of Baytown, Tex. Referred to the Committee on Public Works.

By Mr. BROOKE:

S. 3436. A bill to increase the availability of mortgage credit for residential housing. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. NELSON:

S. 3437. A bill to raise needed revenues by gearing the income tax more closely to an individual's ability to pay, and by broadening the income tax base of individuals and corporations. Referred to the Committee on Finance.

By Mr. MONDALE (for himself, Mr. HUMPHREY, Mr. SCHWEIKER, and Mr. CLARK):

S. 3438. A bill to amend the Regional Rail Reorganization Act of 1973 in order to expand the planning and rail service continuation subsidy authority under such Act, and for other purposes. Referred to the Committee on Commerce.

By Mr. NELSON:

S. 3439. A bill to be cited as "The National Fuel Economy Testing Act of 1974". Referred to the Committee on Commerce.

By Mr. MATHIAS (for himself, Mr. MANSFIELD, Mr. ERVIN, Mr. JAVITS, Mr. HART, and Mr. PEARSON):

S. 3440. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. MONTOYA (for himself, Mr. BENTSEN, Mr. CRANSTON, Mr. FULBRIGHT, Mr. KENNEDY, Mr. MONDALE, and Mr. TUNNEY):

S.J. Res. 209. Joint resolution to authorize and request the President to issue a proclamation designating May 12-18, 1974, as "National Migrant Education Week". Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PERCY:

S.J. Res. 208. A joint resolution to provide for a study to develop the ways and means of eliminating poverty among retired older Americans and to assure each American an adequate retirement income. Referred to the Committee on Labor and Public Welfare.

S. 3424. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of all expenses for medical care of a taxpayer and his spouse if either of them attained the age of 65, to provide a credit or refund of social security taxes withheld from the wages of certain individuals who have attained the age of 65 and a corresponding reduction in the tax on self-employment income of such individuals, to replace the retirement income credit with a deduction for retirement income, and to increase the number of additional personal exemptions allowable to retired taxpayers. Referred to the Committee on Finance.

S. 3425. A bill to amend the Wagner-Peyser Act to provide for a strengthened employment counseling and placement program for older workers and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 3426. A bill to amend title VII of the Civil Rights Act of 1964 to provide for a program to prevent discrimination on account of age in employment, to amend the Age Discrimination in Employment Act of 1967 to provide for improved administration of that Act, and for other purposes. Referred to the Committee on the Judiciary.

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S. 3430. A bill to provide for a permanent Advisory Council on Social Security. Referred to the Committee on Finance.

Mr. PERCY. Mr. President, the time has come for the Congress to set as a goal for the United States the elimination of poverty among our senior citizens. And the time has come for the Congress to take some signficant steps toward achieving this goal.

I am introducing today a comprehensive set of proposals designed to promote income security for our 20 million elderly citizens. What I want—and what I believe all Americans want—is to determine income security for our 20 million elderly persons who must live on an income below the poverty line and when no retired person must accept a drastic reduction in his standard of living merely because he has reached retirement age.

Let there be no mistake: By introducing this legislation I am not suggesting that the Treasury of the United States assume the responsibility of issuing monthly checks to every retired person in order to maintain his income at preretirement levels.

I am suggesting that more can be done to facilitate an individual person's effort to obtain a decent retirement income or to take care during his productive years to provide for his own financial well-being during retirement.

An individual must plan for his retirement and not rely on his government to fulfill his every need. It is tragic that many of us do not—or cannot—prepare for the sudden loss of a weekly or monthly salary or wages that comes with retirement. Few of us do anything more than pay our social security taxes. But social security benefits were not designed to be a person's sole means of support during retirement.

And what is the result of this lack of foresight on the part of the average American?

Despite the progress of the last several years, lack of an adequate income is still the No. 1 problem facing the aged.

In 1970, the median income of families headed by a person 65 or older was $4,981, fully $4,600 below the median income of all families.

In 1972, the median income of men 65 and over was $3,746; the median income of women was $1,899.

Over 3.7 million elderly—18.6 percent of the population aged 65 and over—have incomes which fall below the official poverty line.

Perhaps even more distressing than these income statistics is that retirement in fact results in a sudden and sharp reduction in income for millions of older persons. At the present time, public programs of old-age benefits together with private pensions or individual savings programs seldom yield a retirement income which replaces a significant proportion of preretirement take-home pay.

An economist who formerly worked for the Bureau of Labor Statistics wrote in 1972:

> When both public and the private retirement systems are considered together, there is wide diversity in the extent to which an individual's retirement benefits replace previous earnings. If he is married, able to work until 65 years old, and in addition has had extended employment under a private pension plan, he is likely to find his combined benefits will replace at least 60 percent (and perhaps as much as 75 percent) of his previous earnings. If on the other hand, he is single, applies for Social Security retirement benefits at 62, and is not entitled to any private benefits, his replacement rate may be as low as 20–25 percent.

Think of it. Some retired persons may actually have to get along on less than one-quarter of their preretirement income. This does not have to be if we can provide suitable incentives for a person to save for retirement while he is young, if we can encourage continuous employment for those older persons who want to work, if we can remove some of the remaining inequities in the Social Security Act, and if we can provide some relief from Federal income taxes for the elderly.

I think it is reasonable for the Congress to establish an interim goal of assuring retired persons an income which is above the poverty line and not less than 50 percent of their income in the years before retirement. This goal is very reasonable, according to Social Security Administration estimates.

If one takes into account the social security increases of 1970 and 1972, but not the increases of 1974, the Social Security Administration estimates that the median retirement income for men is 42 to 43 percent of preretirement income and 49 to 50 percent for women.

I also think it is reasonable for the Congress to establish a longer range goal of finding ways of assuring retired persons an income which will enable them to retain their preretirement command of goods and services. This level of income has been calculated by one expert to be about 70 percent of income before retirement for higher income persons and up to 80 percent at lower income levels.

Mr. President, the golden years should not be years of poverty or years of hardship and deprivation. This can be avoided through proper planning for retirement by every individual and by society as a whole. After years of contributing to society, the elderly should not find society turning its back on them.

In order to promote public debate about the issues involved in achieving income security for the elderly, I am today introducing eight bills. Some closely resemble pending legislation but are different enough to warrant separate introduction. I do not anticipate that all eight bills will be enacted in their present form, but I do hope they will act as a catalyst for congressional action on this important subject.

I shall now discuss each of my bills in turn. I have arranged my discussion in accordance with the priority I attach to the consideration of the bills.

I am proposing today the creation of a National Commission on Retirement Income, to be charged with the mission of suggesting ways in which we may achieve our goals of income security for the elderly through maximum utilization of private pension, annuity, and individual savings programs in combination with social security benefits and, if necessary, supplemental security income.

I am also introducing a bill to provide tax relief to the elderly. My bill repeals the retirement tax credit, an overly complex and basically outdated method of reducing the Federal tax burden on the elderly. In place of the tax credit—an option utilized, by the way, by perhaps no more than 50 percent of the eligible population—I propose a deduction from taxable retirement income of an amount up to the average amount of social security benefits payable to beneficiaries during that year. An elderly taxpayer subtracts the amount of social security benefits he receives from this average amount to determine the amount by which he may reduce his taxable income.

In addition my tax relief bill provides for a triple exemption rather than a double exemption for the elderly; full deduction of medical expenses; and a tax credit for the amount of FICA—payroll—taxes paid by wage earners age 65 and over.

Older Americans do not want charity. They do not expect handouts. That is why I am proposing two bills designed to assure greater income security through expanded employment opportunities for older workers.

One of these directs the U.S. Employment Service to give special emphasis to employment counseling and placement services for older workers. Besides directing the Employment Service to undertake an action program to identify job opportunities for older workers, my bill also requires a specialist on employment of older workers in all State offices of the Employment Service.

The second of these bills amends the Civil Rights Act of 1964 to prohibit discrimination in employment on the basis of age. It also extends the coverage of the Age Discrimination in Employment Act and directs the Secretary of Labor to cooperate with the Equal Employment Opportunity Commission in eliminating age discrimination in employment. Finally, my bill directs the Secretary of Labor to require affirmative action by recipients of Federal grants and contracts to hire older workers.

I am also proposing a series of amendments to the Social Security Act aimed at eliminating some of the inequities which remain in the law.

First, I propose that the earnings limitation or retirement test be phased out gradually over the next 10 years. This provision of the law—a provision, incidentally, which dates from 1954, not from 1935—is perhaps the greatest obstacle to an adequate income for many thousands of retired persons. Older persons who want to work should be permitted to earn as much as they can or want.

Second, I propose that the earnings records of husbands and wives be combined for the purpose of the calculation of social security benefits. This will eliminate the situation in which families with identical incomes often receive widely differing monthly benefits.

Third, I propose that the Social Security Act be amended to equalize the treatment of men and women. Most of the changes I am proposing will benefit men rather than women. Unfortunately these minor changes in the law will not directly attack the greatest discriminating feature reflected in the law: Women receive almost uniformly low benefits because they hold almost uniformly low paying jobs.

Finally, I propose a permanent Advisory Council on Social Security. A majority of the Council will be persons who are receiving social security benefits. They will advise the Secretary of Health, Education, and Welfare on ways to improve the operation of the system and, hopefully, benefits available under the law.

Mr. President, I do not pretend to have all the answers. I do not pretend to be able to solve the income problems of the elderly overnight. But I believe we must set ourselves a specific goal and begin to analyze the alternative ways of achieving that goal.

I am putting forward today my proposals for public debate and review. I urge my colleagues who have not already addressed the problem of income security for the elderly to do the same. In that way we may hasten the day when the golden years become a reality rather than an illusion.

I ask unanimous consent that an outline of my legislative program be printed in the RECORD together with the text of the joint resolution and bills I am proposing.

There being no objection, the outline and the texts of the joint resolution and bills were ordered to be printed in the RECORD, as follows:

SENATOR PERCY'S LEGISLATIVE PROGRAM TO PROMOTE INCOME SECURITY FOR THE ELDERLY

1. A Joint Resolution known as the Retirement Income Improvement Act

a. Declares it to be the policy of the United States to eliminate poverty among older Americans and to seek ways of assuring that retirement income—from all sources—will have a purchasing power substantially equal to the individual's income immediately prior to retirement.

b. Establishes a National Commission on Retirement Income to be composed of seven members at least two of whom shall be Social Security beneficiaries or Supplementary Security Income recipients.

c. Directs the Commission to report on ways and means to help assure retired persons an income which (1) exceeds the poverty line, (2) equals not less than 50 percent of pre-retirement income, and (3) provides purchasing power substantially equal to that which the individual enjoyed in the years immediately prior to retirement.

d. Directs the Commission to report on ways in which individual retirement savings programs and private pension programs either alone or in conjunction with Federal programs can assure adequate retirement income as set forth in the previous paragraph.

e. Directs the Commission to develop an investment policy which maximizes the potential yield from the Social Security Trust Fund and minimizes the potential of depreciation in the value of the Trust Fund.

f. Directs the Commission to report within one year of the adoption of the Resolution.

2. A bill known as the Older Americans Tax Relief Act

a. Restores full deductibility of medical expenses for persons 65 years of age and over.

b. Provides a tax credit on Federal Income Tax returns for FICA (Social Security) taxes paid by workers age 65 and over.

c. Provides a triple rather than a double personal exemption for persons aged 65 or over.

d. Repeals the retirement tax credit provisions of the Internal Revenue Code and substitutes a flat deduction from taxable income of an amount of retirement income equal to the average amount of Social Security benefits paid in a given year *minus* the amount of non-taxable benefits received in that year.

3. A bill known as the Older Workers Employment Assistance Act—

a. Directs the United States Employment Service to give special emphasis to employment counseling and placement services for older workers.

b. Directs the United States Employment Service to develop and implement a special action program designed to identify employment opportunities for older workers and to recruit and place older workers in these positions.

c. Requires a specialist on employment of older workers in all state offices of the United States Employment Service.

4. A bill to strengthen efforts to end age discrimination in employment—

a. Amends the Civil Rights Act of 1964 to prohibit discrimination in employment on the basis of age as well as on the basis of race, color, ethnicity, and sex.

b. Directs the Equal Employment Opportunity Commission to cooperate with the Secretary of Labor and other public officials in eliminating age discrimination in public and private employment.

c. Requires affirmative action to hire older workers by recipients of Federal grants and contracts.

d. Extends the coverage of the Age Discrimination in Employment Act to Federal, state and local governmental employees and to employers of 20 or more employees (rather than 25) and provides more money to carry out the provisions of the law.

5. A bill to phase out the earnings limitation or retirement test over the next ten years—

a. Lowers the age of applicability from 72 to 70 immediately.

b. Provides for new limits on earned income as follows:

$3000 as of January 1, 1976
$3600 as of January 1, 1978
$4800 as of January 1, 1980
no limit after January 1, 1984

6. A bill to improve Social Security benefits for families in which both husband and wife work—

a. Provides for the earnings of husband and wife in each year to be combined up to the maximum which may be credited for the year.

b. Provides for both husband and wife to receive a benefit (before any reduction due to early retirement) equal to 75 percent of the age-65 benefit based on the combined earnings.

c. Provides for widows to receive a benefit based on the combined earnings.

d. Provides for the earnings records of the couple to be separated on divorce.

e. Provides for benefits to be payable to the couple only; that is, benefits payable to surviving dependents other than the spouse will be payable as provided for under present law.

7. A bill to provide for equal treatment of men and women under Social Security

a. Eliminates the special dependency requirement as a prerequisite for men to receive husband's or widower's benefits.

b. Provides for the payment of benefits to divorced husbands and surviving divorced husbands on the same terms as apply to divorced wives.

c. Provides for the payment of benefits to widower fathers with minor children on the basis of the deceased wife's earning record.

d. Provides for equal treatment of all men and women, including those born before 1913, with regard to the number of quarters of coverage needed for insured status and computation of average earnings on which benefits are based.

8. A bill to establish a permanent Advisory Council on Social Security

a. Directs the Secretary of Health, Education and Welfare to appoint a permanent Advisory Council of 11 members to advise him on the status of the Trust Funds and on ways of improving the operation of the programs.

b. Requires at least four meetings a year and annual reports to the President and the Congress.

c. Requires that a majority of the members of the Council be entitled to benefits under the Social Security Act.

S.J. RES. 208

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this joint resolution may be cited as the "Retirement Income Improvement Act".

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares it to be the policy of the United States to eliminate poverty among older Americans and to seek ways of assuring that the retirement income of such Americans to the extent practicable will equal in purchasing power, their income immediately prior to retirement.

DEFINITIONS

SEC. 3. For the purpose of this joint resolution—

(1) "Commission" means the National Commission on Retirement Income; and

(2) "older Americans" means any individual who attains 60 years of age or older.

COMMISSION ESTABLISHED

SEC. 4. (a) There is established a Commission to be known as the "National Commission on Retirement Income".

(b) The Commission shall be composed of seven members appointed by the President from among individuals of the public, at least two of whom are individuals whose income is derived in substantial portion from Social Security benefits paid under title II of the Social Security Act or Supplemental Security Benefits paid under title XVI of that Act.

(c) At no time shall more than four members of the Commission be individuals who are members of the same political party.

(d) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made, and subject to the same limitations with respect to party affiliations as the original appointment was made.

(e) Four members shall constitute a quorum, but a lesser number may conduct hearings. The Chairman shall be selected by the members from among the members.

FUNCTIONS OF THE COMMISSION

SEC. 5. (a) The Commission shall make a full and complete study and investigation of the ways and means—

(1) to eliminate poverty among older Americans;

(2) to assure all retired older Americans a retirement income greater than the poverty line income established pursuant to section 625 of the Economic Opportunity Act of 1964;

(3) to assure at the earliest practicable time to all retired individuals a total retirement income that is in excess of the poverty line income established pursuant to section 625 of the Economic Opportunity Act of 1964 and not less than an amount equal to 50 percent of the income of such individuals in the years immediately preceding their retirement;

(4) to establish reasonable and appropriate retirement income levels designed to protect retired individuals against excessive diminution of purchasing power after their retirement in order to eliminate the desirability or necessity for Federal programs to supplement retirement income; and

(5) to assure all retired individuals access to a retirement income from public and private sources which ultimately will be substantially equal in purchasing power to the income of such individuals in the years immediately prior to their retirement and to protect such individuals against a drastic reduction in purchasing power upon retirement;

(b) In order to carry out its functions under subsection (a) of this section, the Commission shall—

(1) analyze the extent to which private pension programs and individual retirement savings programs either alone or in conjunction with social security benefits under titles II and XVI of the Social Security Act are adequate to assure the desirable level of retirement income; and

(2) analyze and develop an investment policy designed to maximize the yield of funds invested from the Federal Old-age Insurance and Survivors Insurance Trust Fund established under section 201 of the Social Security Act, and minimize any chance of depreciation in the value of such Fund.

(c) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable and not later than one year after the effective date of this joint resolution, submit a final report of its study and investigation together with such recommendations, including recommendations for additional legislation, as it deems advisable.

(d) The Commission shall cease to exist 30 days after the submission of its final report.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 6. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this joint resolution, hold such hearings as may be required for the performance of its functions under this joint resolution, administer oaths for the purpose of taking evidence in any such hearings and issue subpenas to compel witnesses to appear and testify and to compel the production of documentary evidence in any such hearing. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission, or any subcommittee thereof.

(b) Each department, agency, and instrumentality of the executive branch of the government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this joint resolution.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, shall have the power—

(1) to appoint and fix the compensation of such staff personnel as he deems necessary, including an executive director who may be compensated at a rate not in excess of that provided for level V of the Executive Schedule in title 5, United States Code, and

(2) to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(d)(1) Subpenas issued pursuant to subsection (a) of this section shall bear the signature of the Chairman of the Commission and may be served by any person designated by the Chairman of the Commission for that purpose.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances of witnesses so summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness or to testify, or to produce any evidence in obedience to any subpena duly issued under authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of the Commission of the facts concerning any such willful disobedience by any person to the United States Attorney for any judicial district in which such person resides or is found, such Attorney shall proceed by information for the prosecution of such person for such offense.

COMPENSATION OF MEMBERS

SEC. 7. Members of the Commission shall receive compensation at the rate of $100.00 a day, including traveltime, for each day they are engaged in the performance of their duties as members of the Commission, and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

APPROPRIATIONS AUTHORIZED

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

S. 3424

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 213(a) of the Internal Revenue Code of 1954 (relating to allowance of deduction for medical, dental, etc., expenses) is amended to read as follows:

"(a) Allowance of Deduction.—There shall be allowed as a deduction the following amounts, not compensated for by insurance or otherwise:

"(1) If neither the taxpayer nor his spouse has attained the age of 65 before the close of the taxable year—

"(A) the amount by which the amount of expenses paid during the taxable year (reduced by any amount deductible under subparagraph (B)) for medical care of the taxpayer, his spouse, and dependents (as defined in section 152) exceeds 3 percent of the adjusted gross income, and

"(B) an amount (not in excess of $150) equal to one-half of the expenses paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.

"(2) If either the taxpayer or his spouse has attained the age of 65 before the close of the taxable year—

"(A) the amount of the expenses paid during the taxable year for medical care of the taxpayer and his spouse,

"(B) the amount by which the amount of expenses paid during the taxable year (reduced by any amount deductible under subparagraph (C)) for medical care of dependents exceeds 3 percent of the adjusted gross income,

"(C) an amount (not in excess of $150) equal to one-half of the expenses paid during the taxable year for insurance which constitutes medical care of dependents."

(b) Section 213(b) of such Code (relating to limitation with respect to medicine and drugs) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to amounts paid for the care of the taxpayer and his spouse, if either of them has attained the age of 65 before the close of the taxable year.".

(c) The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1973.

SEC. 2. (a)(1) Section 6413 of the Internal Revenue Code of 1954 (relating to special rules applicable to certain employment taxes) is amended by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

"(d) SPECIAL REFUNDS FOR CERTAIN INDIVIDUALS WHO HAVE ATTAINED AGE 65.—In the case of an employee who receives wages in or after the month in which he attains age 65, if the sum of—

"(1) the wages received by him during the taxable year and in or after the month in which he attains age 65, and

"(2) his net earnings from self-employment for the taxable year,

does not exceed $200 multiplied by the number of months in the taxable year in or after the month in which he attains age 65, such employee shall be entitled (subject to the provisions of section 31(b)) to a credit or refund of the tax imposed by section 3101 and deducted from the wages paid to such employee during such month (whether or not paid to the Secretary or his delegate)."

(2) Section 31(b)(1) of such Code (relating to credit for special refunds of social security tax) is amended by inserting "or section 6413(d)" after "section 6413(c)".

(3) Section 6413(c) of such Code (relating to special refunds) is amended by inserting after "during such year" in paragraph (1)(E) "(other than wages taken into account under subsection (d), if the employee is entitled to a special refund under such subsection with respect to such wages)".

(b) Section 1401 of such Code (relating to rate of tax on self-employment income) is amended—

(1) by inserting "(other than an individual to whom subsection (c) applies)" after "every individual" in subsections (a) and (b), and

(2) by adding at the end thereof the following new subsection:

"(c) CERTAIN INDIVIDUALS WHO HAVE ATTAINED AGE 65.—In the case of an individual—

"(1) who has attained the age of 65 before the close of the taxable year, and

"(2) whose net earnings from self-employment for the taxable year, when added to the wages (as defined in section 1402(b)) received by him during such year and in or after the month in which he attains age 65, does not exceed $200 multiplied by the number of months in such year

there is hereby imposed (in lieu of the taxes imposed by subsections (a) and (b) on the self-employment income of such individual taxes equal to one-third of the taxes which (but for this subsection) would be imposed on the self-employment income of such individual under subsections (a) and (b)."

(c)(1) Section 201(g)(2) of the Social Security Act is amended by inserting "or 6413 (d)" after "section 6413 (c)" in the first sentence.

(2) Section 1817(f)(1) of such Act is amended by inserting "or 6413(d)" after "section 6413(c)."

(d) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

SEC. 3. (a) Part VII of chapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 219 as 220, and by inserting after section 218 the following new section:

"SEC. 219. RETIREMENT INCOME.

"(a) Allowance of Deduction.—In the case of an individual there is allowed as a deduction the amount of retirement income received by that individual during the taxable year.

"(b) Limitations.—

"(1) Individuals under 65 years of age.—In the case of an individual who has not attained the age of 65 before the close of the taxable year, no amount of retirement income shall be taken into account for purposes of subsection (a) other than public retirement system income.

"(2) Individuals 65 years of age or older.—

"(A) In general.—In the case of an individual who at the close of the taxable year is 65 years of age or older, the amount of retirement income taken into account for purposes of subsection (a) shall not exceed—

"(i) an amount (determined by the Secretary or his delegate on the basis of information provided by the Secretary of Health, Education, and Welfare) equal to the average annual entitlement to old-age insurance benefits under title II of the Social Security Act of individuals who, for each of the months in such year, were entitled to such a benefit, reduced by

"(ii) the sum of the amounts received by such individual, during the taxable year, as old-age benefits payable under such title or as pension or annuity payable under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937.

"(B) Joint returns.—In the case of a joint return of tax under section 6013 filed by a taxpayer and his spouse, both of whom are, as of the close of the taxable year, 65 years of age or older, the amount of retirement income taken into account for purposes of subsection (a) shall not exceed—

"(i) an amount (determined by the Secretary or his delegate on the basis of information provided by the Secretary of Health, Education, and Welfare) equal to the sum of—

"(I) the average annual entitlement to old-age insurance benefits under title II of the Social Security Act of individuals who, for each of the months in such year, were entitled to such a benefit and whose wives were entitled, for each of such months, to a wife's insurance benefit payable under such title, and

"(II) the average annual entitlement to wife's insurance benefits under such title of wives who, for each of the months in such year, were entitled to such a benefit reduced by—

"(III) the sum of the amounts received by the taxpayer (or his spouse) during the taxable year as old-age or wife's insurance benefits payable under such title, or as pension or annuity under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937.

"(3) Earned income.—The amount of the deduction allowable under this section (but for this paragraph) for any taxable year shall be reduced by any amount received by the taxpayer during the taxable year as compensation for personal services rendered by him during the taxable year.

"(c) Definitions.—

"(1) Retirement income.—The term 'retirement income' means income from pensions and annuities, interest, dividends, and gross rents to the extent included in gross income but only to the extent such income does not represent compensation for personal services rendered during the taxable year.

"(2) Public Retirement System Income.—The term 'public retirement system income' means income from a pension, annuity, retirement, or similar fund or system established by the United States, a State, a territory or possession of the United States, or any political subdivision of any of the foregoing, to the extent that such income does not represent compensation for personal services rendered during the taxable year.".

(b)(1) The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 219. Retirement income.
"Sec. 220. Cross references.".

(2) Section 62 of such Code (relating to definition of adjusted gross income) is amended by inserting after paragraph 9 the following:

"(10) Retirement income.—The deduction allowed by section 219.".

(3) Section 37 of such Code (relating to retirement income credit) is repealed.

(c) The amendments made by this section shall apply to taxable years ending after the date of enactment of this Act.

SEC. 4. (a) Section 151(c) of such Code (relating to allowance of additional exemption for taxpayer or spouse aged 65 or more) is amended to read as follows:

"(c) Additional exemptions for taxpayer or spouse aged 62 or more.—

"(1) For taxpayer.—An additional exemption of $750 for the taxpayer if he has attained the age of 62 before the close of his taxable year, or of $1,500 if he has attained the age of 65 before the close of his taxable year.

"(2) For spouse.—An additional exemption of $750 for the spouse of the taxpayer if the spouse has attained the age of 62 before the close of such taxable year, or of $1,500 if the spouse has attained the age of 65 before the close of such taxable year. The provisions of this paragraph shall not apply if a joint return of tax is made by the taxpayer and his spouse under section 6013 or if, for the calendar year in which the taxable year of the taxpayer begins, the spouse has gross income or is the dependent of another taxpayer.

"(3) Limitation.—The provisions of this subsection shall not apply for any taxable year of a taxpayer who has not attained the age of 65 before the close of that taxable year if he receives compensation during that year for personal services rendered during that year.".

(b) The amendment made by this section shall apply to taxable years beginning after December 31, 1973.

S. 3425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Older Workers Employment Assistance Act".

SEC. 2. (a) Subsection (a) of section 3 of the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933, as amended, is amended by—

(1) inserting "(1)" after the subsection designation;

(2) inserting after "handicapped persons" in such subsection the following: "and for older workers"; and

(3) adding at the end thereof the following:

"(2) It shall be the further duty of the bureau to carry out through the employment offices, and where appropriate through agreements with other public agencies and nonprofit private organizations, a special action program designed to identify employment opportunities for older workers and to provide improved recruitment and placement services for such workers."

(b) Subsection (b) of section 3 of such Act is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following:

"(2) For the purpose of this section and section 8 of this Act, the term "older worker" means any individual who is legally qualified to engage in a gainful occupation and who is 40 years of age or older."

SEC. 3. The second sentence of section 8 of the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933, as amended, is amended by—

(1) inserting after "opportunities" the following: "for older workers as well as"; and

(2) inserting before the period the following: "for older workers, and one person whose duty will be the effectuation of such purposes for handicapped persons".

S. 3426

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Age Discrimination in Employment Amendments of 1974".

SEC. 2. (a) Section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1) is amended by inserting "(a)" immediately after the section designation and by adding at the end thereof the following new subsection:

"(b) The provisions of this title shall apply to individuals, with respect to discrimination on account of age as an unfair employment practice, who are at least 40 years of age but less than 65 years of age."

(b) The section heading of such section 702 is amended to read as follows:

"EXEMPTIONS AND APPLICATION"

SEC. 3. (a)(1) Section 703(a)(1) of the Civil Rights Act of 1964 is amended by inserting immediately after the word "sex" a comma and the word "age".

(2) Section 703(a)(2) of such Act is amended by inserting immediately after the word "sex" a comma and the word "age".

(b) Section 703(b) of such Act is amended by inserting immediately after the word "sex" a comma and the word "age".

(c)(1) Section 703(c)(1) of such Act is amended by inserting immediately after the word "sex" a comma and the word "age".

(2) Section 703(c)(2) of such Act is amended by inserting immediately after the word "sex" a comma and the word "age".

(d) Section 703(d) of such Act is amended by inserting immediately after the word "sex" a comma and the word "age".

(e) Section 703(e) of such Act is amended by inserting immediately after the word "sex" a comma and the word "age".

(f) Section 703(h) of such Act is amended by inserting after the word "sex" both times it appears in such subsection a comma and the word "age".

(g) Section 703(j) of such Act is amended by inserting after the word "sex" the first two times it appears in such subsection a comma and the word "age".

(h) The section heading of section 703 of such Act is amended to read as follows:

"DISCRIMINATION BECAUSE OF RACE, COLOR, RELIGION, SEX, AGE, OR NATIONAL ORIGIN"

(i) Section 704(b) of such Act is amended by inserting after the word "sex" both times it appears in such subsection a comma and the word "age".

(j) Section 706(g) of such Act is amended by inserting after the word "sex" a comma and the word "age".

SEC. 4. Title VII of the Civil Rights Act of 1964 is amended by adding at the end thereof the following new section:

"SPECIAL PROVISIONS RELATING TO DISCRIMINATION ON ACCOUNT OF AGE

"SEC. 719. (a)(1) The Secretary of Labor, after consultation with the Commission, shall establish and carry out a program to prevent discrimination on account of age in employment by Government contractors and subcontractors similar to the nondiscrimination program carried out by the Secretary of Labor through the Office of Federal Contract Compliance.

"(2) The Secretary of Labor, after consultation with the Commission, shall establish and carry out a program to prevent discrimination on account of age in Federally-assisted construction contracts similar to the nondiscrimination program carried out by the Secretary of Labor through the Office of Federal Contract Compliance.

"(3) The Secretary of Labor, after consultation with the Commission, shall establish and carry out a program to prevent discrimination on account of age in employment by any other recipients of Federal assistance.

"(b) In carrying out the provisions of this section the Secretary of Labor shall require, of contractors, subcontractors, and other recipients of Federal assistance, an affirmative action plan designed to prevent discrimination on account of age in employment.

"(c) For the purpose of paragraph (3) of subsection (a) of this section, the term 'Federal assistance' includes any Federal financial assistance to any program or activity by way of grant, loan, or contract other than a contract insurance or guarantee.".

SEC. 5. (a) The first sentence of section 11(b) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 630 (b)) is amended by striking out "twenty-five" and inserting in lieu thereof "twenty".

(b) The second sentence of section 11(b) of such Act is amended to read as follows: "The term also means (1) any agent of such a person, and (2) a State or political subdivision of a State and any agency or instrumentality of a State or a political subdivision of a State, and any interstate agency, but such term does not include the United States, or a corporation wholly owned by the Government of the United States.".

(c) Section 11(c) of such Act is amended by striking out ", or an agency of a State or political subdivision of a State, except that such term shall include the United States Employment Service and the system of State and local employment services receiving Federal assistance".

(d) Section 11(f) of such Act is amended to read as follows:

"(f) The term 'employee' means an individual employed by any employer except that the term 'employee' does not include any person elected to public office in any State or political subdivision of any State by the qualified voters thereof, or any person chosen by such officer to be on such officer's personal staff, or an appointee on the policy making level or an immediate advisor with respect to the exercise of the constitutional or legal powers of the office. The exemption set forth in the preceding sentence does not include employees subject to the civil service laws of a State government, governmental agency, or political subdivision.".

(e) Section 16 of such Act is amended by striking the figure "$3,000,000", and inserting in lieu thereof "$5,000,000".

Sec. 6. The Age Discrimination in Employment Act of 1967 is amended by redesignating sections 15 and 16, and all references thereto, as section 16 and section 17, respectively, and by adding immediately after section 14 the following new section: "NONDISCRIMINATION ON ACCOUNT OF AGE IN FEDERAL GOVERNMENT EMPLOYMENT

"SEC. 15. (a) All personnel actions affecting employees or applicants for employment (except with regard to aliens employed outside the limits of the United States) in military departments as defined in section 102 of title 5, United States Code, in executive agencies as defined in section 105 of title 5, United States Code (including employees and applicants for employment who are paid from nonappropriated funds) in the United States Postal Service and the Postal Rate Commission, in those units in the government of the District of Columbia having positions in the competitive service, and in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and in the Library of Congress shall be made free from any discrimination based on age.

"(b) Except as otherwise provided in this subsection, the Civil Service Commission is authorized to enforce the provisions of subsection (a) through appropriate remedies, including reinstatement or hiring of employees with or without backpay, as will effectuate the policies of this section. The Civil Service Commission shall issue such rules, regulations, orders and instructions as it deems necessary and appropriate to carry out its responsibilities under this section. The Civil Service Commission shall—

"(1) be responsible for the review and evaluation of the operation of all agency programs designed to carry out the policy of this section, periodically obtaining and publishing (on at least a semiannual basis) progress reports from each such department, agency, or unit;

"(2) consult with and solicit the recommendations of interested individuals, groups, and organizations relating to nondiscrimination in employment on account of age; and

"(3) provide for the acceptance and processing of complaints of discrimination in Federal employment on account of age.

The head of each such department, agency, or unit shall comply with such rules, regulations, orders, and instructions of the Civil Service Commission which shall include a provision that an employee or applicant for employment shall be notified of any final action taken on any complaint of discrimination filed by him thereunder. Reasonable exemptions to the provisions of this section may be established by the Commission but only when the Commission has established a maximum age requirement on the basis of a determination that age is a bona fide occupational qualification necessary to the performance of the duties of the position. With respect to employment in the Library of Congress, authorities granted in this subsection to the Civil Service Commission shall be exercised by the Librarian of Congress.

"(c) Any persons aggrieved may bring a civil action in any Federal district court of competent jurisdiction for such legal or equitable relief as will effectuate the purpose of this Act.

"(d) When the individuals has not filed a complaint concerning age discrimination with the Commission, no civil action may be commenced by any individual under this section until the individual has given the Commission not less than thirty days' notice of intent to file such action. Such notice shall be filed within one hundred and eighty days after the alleged unlawful practice occurred. Upon receiving a notice of intent to sue, the Commission shall promptly notify all persons named therein as prospective defendants in the action and take any appropriate action to assure the elimination of any unlawful practice.

"(e) Nothing contained in this section shall relieve any Government agency or official of the responsibility to assure nondiscrimination on account of age in employment as required under any provision of Federal law.".

S. 3427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(f)(3) of the Social Security Act is amended by striking out "age 72" and inserting in lieu thereof "age 70".

(b) Section 203(f)(8) of such Act is amended to read as follows:

"(8) The exempt amount for each month of a taxable year shall be—

"(A) for the taxable years beginning January 1, 1976 and January 1, 1977—$250,

"(B) for the taxable years beginning January 1, 1978 and January 1, 1979—$300,

"(C) for the taxable years beginning January 1, 1980, through the taxable year beginning January 1983—$400, and

"(D) for the taxable year beginning January 1, 1984, and each taxable year thereafter—all amounts shall be exempt."

S. 3428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 202(a) of the Social Security Act is amended to read as follows:

"(a)(1) Every individual who—

"(A) is a fully insured individual (as defined in section 214(a)),

"(B) has attained age 62, and

"(C) has filed application for old-age insurance benefits or was entitled to disability insurance benefits for the month preceding the month in which he attained age 65,

shall be entitled to an old-age insurance benefit for each month beginning with the first month in which such individual becomes so entitled to such insurance benefits and ending with the month preceding the month in which he dies.

"(2) Except as provided in subsection (q) and subsection (w), such individual's old-age insurance benefit for any month shall be equal to his primary insurance amount (as determined under section 215(a)) for such month, or as determined under paragraph (3) of this subsection if such paragraph is applicable and its application increases the total of the monthly insurance benefits to which such individual and his spouse are entitled for the month in which the provisions of paragraph (3) are met. If the primary insurance amount of an individual or his spouse for any month is determined under paragraph (3), the primary insurance amount of each of them for such month shall, notwithstanding the preceding sentence, be determined only under paragraph (3).

"(3) If an individual and his spouse—

"(A) each is entitled to benefits under this subsection (or section 223), and

"(B) each has filed an election to have his primary insurance amount determined under this paragraph,

then the primary insurance amount of such individual and the primary insurance amount of such spouse, for purposes of determining the old-age insurance benefit (prior to the application of subsection (w)) or disability insurance benefit of each of them for any month beginning with January 1974 or, if later, the month in which their elections under subparagraph (B) were filed, and ending with the month preceding the month in which either of them dies or they are divorced, shall be equal to 75 percent of the amount (specified in subparagraph (E)) derived by—

"(C) combining the annual wages and self-employment income of such individual and such spouse (including any wages and self-employment income taken into account in a recomputation made under section 215(f)) for each year in which either or both of them had any such wages or self-employment income, up to the maximum amount prescribed in section 215(e) for such year,

"(D) computing (under section 215 (b) and (d)) an average monthly wage on the basis of the wages and self-employment income determined under subparagraph (C) (or, if any wages and self-employment income have been taken into account in a recomputation under section 215(f), recomputing as provided in section 215(a)(1) (A) and (C) as though the year with respect to which such recomputation is made is the last year of the period specified in section 215(b)(2)(C)), as though all of such wages and self-employment income had been earned or derived by such individual or his spouse, whichever is younger, and

"(E) determining (under section 215(a)) an amount equal to the primary insurance amount which would result from the average monthly wage determined under subparagraph (D).

For purposes of subparagraph (D), if an individual or his spouse is entitled to disability insurance benefits, such individual or spouse shall be deemed to have attained age 62 at the time provided in section 223(a)(2).

"(4) No benefits payable under subsections (b), (c), (d), (e), (f), (g), (h), or (i) shall be computed on the basis of a primary insurance amount determined under paragraph (3) of this subsection.

"(5) The term 'primary insurance amount' as used in the provisions of this title other than this subsection shall not include a primary insurance amount determined under paragraph (3) unless specifically so indicated."

(b)(1) Section 202(e)(1)(C)(i) of such Act is amended by striking out "such individual", and inserting in lieu thereof "such individual or to an old-age or disability insurance benefit determined under subsection (a)(3),".

(2) Section 202(e)(2) of such Act is amended—

(A) by striking out "and subparagraph (B) of this paragraph" in subparagraph (A) and inserting in lieu thereof "and subparagraphs (B) and (C) of this paragraph"; and

(B) by adding at the end thereof the following new subparagraph:

"(C) In any case where a widow was entitled for the month preceding the month in which the deceased individual died to an old-age insurance benefit or a disability insurance benefit based on a primary insurance amount determined under section 202(a)(3), such widow's insurance benefit for each month shall be determined only on the basis of the wages and self-employment income of her deceased spouse and, for purposes of subparagraph (B), the old-age or disability insurance benefit of the deceased spouse shall be deemed to be the amount it would have been if it had been determined under subsection (a)(1) or section 223, except that after the application of subparagraphs (A) and (B), and subsection 203(a), such a widow's insurance benefit shall be not less than the amount of the old-age or disability insurance benefit to which she would be entitled for such month (based on a primary insurance amount determined under subsection (A)(3)) if such individual had not died, disregarding for this purpose the period beginning with the year after the year of such individual's death and any wages and self-employment income paid to or derived by either of them during such period. This subparagraph shall not apply, in the case of a widow who remarries, with respect to the month in which such remarriage occurs or any subsequent month."

(c) Section 202(f)(3) of such Act is amended—

(A) by striking out "and subparagraph (B) of this paragraph" in subparagraph (A) and inserting in lieu thereof "and subparagraphs (B) and (C) of this paragraph"; and

(B) by adding at the end thereof the following new subparagraph:

"(C) In any case where a widower was entitled for the month preceding the month in which the deceased individual died to an old-age insurance benefit or a disability insurance benefit based on a primary insurance amount determined under section 202 (a)(3), such widower's insurance benefit for each month shall be determined only on the basis of the wages and self-employment income of his deceased spouse and, for purposes of subparagraph (B), the old-age or disability insurance benefit of the deceased spouse shall be deemed to be the amount it would have been if it had been determined under subsection (a)(1) or section 223, except that after the application of subparagraphs (A) and (B), and subsection 203(a), such widower's insurance benefit shall be not less than the amount of the old-age or disability insurance benefit to which he would be entitled for such month (based on a primary insurance amount determined under subsection (a)(3)) if such individual had not died, disregarding for this purpose the period beginning with the year after the year of such individual's death and any wages and self-employment income paid to or derived by either of them during such period. This subparagraph shall not apply, in the case of a widower who remarries, with respect to the month in which such remarriage occurs or any subsequent month."

(d) Section 203(a) of such Act is amended by striking out "or" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or", and by inserting after paragraph (5) the following new paragraph:

"(6) in applying this subsection in any case where the primary insurance amount of the insured individual was determined under section 202(a) (3) and his entitlement under such section has not terminated, the total of monthly benefits to which persons other than such individual may be entitled on the basis of such individual's wages and self-employment income shall be determined as though such individual's primary insurance amount had instead been determined under section 215(a) and without regard to section 202 (a)(3)."

(e)(1) Section 215(a)(1) of such Act is amended by inserting after "this subsection" in the matter preceding subparagraph (A) the following: "and in section 202(a)(3)".

(2) Section 215(a)(2) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (A),

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; or,", and

(C) by adding at the end thereof the following new subparagraph:

"(C) an amount equal to the primary insurance amount on which such disability insurance benefit is based if such primary insurance amount was determined under section 202(a)(3) and his entitlement under".

(3) Section 215(f)(1) of such Act is amended by inserting "(or section 202(a) (3))" after "determined under this section."

(4) The second sentence of section 215(f) (2) of such Act is amended by inserting be-

fore the period at the end thereof the following: ", and, in the case of an individual whose primary insurance amount was determined under section 202(a)(3), as though such amount had instead been determined under subsection (a) of this section and without regard to section 202(a)(3)".

(5) Section 223(a)(2) of such Act is amended by inserting "(or under section 202(a)(3))" after "under section 215".

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to monthly insurance benefits under title II of the Social Security Act for months after December 1973. The Secretary of Health, Education, and Welfare shall, notwithstanding any other provision of the Social Security Act, make such recomputation of individuals who are entitled to benefits under section 202(a) of the Social Security Act for the month of December, 1973, as may be necessary to assure the application to such individuals of the amendments made by the first section of this Act.

S. 3429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202(c) of the Social Security Act is amended to read as follows:

"Husband's Insurance Benefits

"(c)(1) The husband (as defined in section 216(f)) and every divorced husband (as defined in section 216(d)) of an individual entitled to old-age or disability insurance benefits, if such husband or such divorced husband—

"(A) has filed application for husband's insurance benefits,

"(B) has attained age 62 or (in the case of a husband) has in his care (individually or jointly with such individual) at the time of filing of such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of such individual,

"(C) in the case of a divorced husband, is not married, and

"(D) is not entitled to old-age or disability insurance benefits or is entitled to old-age or disability insurance benefits based on a primary insurance amount which is less than one-half of the primary insurance amount of such individual.

shall (subject to subsection (s)) be entitled to a husband's insurance benefit for each month beginning with the first month in which he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs—

"(E) he dies,

"(F) such individual dies,

"(G) in the case of a husband, they are divorced and either (i) he has not attained age 62, or (ii) he has attained age 62 but has not been married to such individual for a period of 20 years immediately before the date the divorce became effective,

"(H) in the case of a divorced husband, he marries a person other than such individual,

"(I) in the case of a husband who has not attained age 62, no child of such individual is entitled to a child's insurance benefit,

"(J) he becomes entitled to an old-age or disability insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of the primary insurance amount of such individual, or

"(K) such individual is not entitled to disability insurance benefits and is not entitled to old-age insurance benefits.

"(2) Except as provided in subsection (q), such husband's insurance benefit for each month shall be equal to one-half of the primary insurance amount of his wife (or, in the case of a divorced husband, his former wife) for such month.

"(3) In the case of any divorced husband who marries—

"(A) an individual entitled to benefits under subsection (b), (e), (g), or (h) or this section, or

"(B) an individual who has attained the age of 18 and is entitled to benefits under subsection (d),

such divorced husband's entitlement to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) (but subject to subsection (s)), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under subsection (d), the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under subsection (d) unless she ceases to be so entitled by reason of her death."

(b) Section 202(f) of such Act is amended to read as follows:

"Widower's Insurance Benefits

"(f)(1) The widower (as defined in section 216(g)) and every divorced husband (as defined in section 216(d)) of an individual, if such widower or such surviving divorced husband—

"(A) is not married,

"(B)(i) has attained age 60, or (ii) has attained age 50 but has not attained age 60 and is under a disability (as defined in section 223(d)) which began before the end of the period specified in paragraph (5),

"(C)(i) has filed application for widower's insurance benefits, or was entitled to husband's insurance benefits, on the basis of the wages and self-employment income of such individual, for the month preceding the month in which she died, and (I) has attained age 65 or (II) is not entitled to benefits under subsection (a) or section 223, or

"(ii) was entitled, on the basis of such wages and self-employment income, to father's insurance benefits for the month preceding the month in which he attained age 65, and

"(D) is not entitled to old-age insurance benefits or is entitled to old-age insurance benefits each of which is less than the primary insurance amount of such deceased individual,

shall be entitled to a widower's insurance benefit for each month, beginning with—

"(E) if he satisfies subparagraph (B) by reason of clause (i) thereof, the first month in which he becomes so entitled to such insurance benefits, or

"(F) if he satisfies subparagraph (B) by reason of clause (ii) thereof—

"(i) the first month after his waiting period (as defined in paragraph (6)) in which he becomes so entitled to such insurance benefits, or

"(ii) the first month during all of which he is under a disability and in which he becomes so entitled to such insurance benefits, but only if he was previously entitled to insurance benefits under this subsection on the basis of being under a disability and such first month occurs (I) in the period specified in paragraph (5) and (II) after the month in which a previous entitlement to such benefits on such basis is terminated, and ending with the month preceding the first month in which any of the following occurs: he remarries, dies, becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount of such deceased individual, or, if he became entitled to such betnefits before he attained age 60, the third month following the month in which his disability ceases (unless he attains age 65 on or before the last day of such third (month).

"(2)(A) Except as provided in subsection (q), paragraph (4) of this subsection, and subparagraph (B) of this paragraph, such widower's insurance benefit for each month shall be equal to the primary insurance amount of such deceased individual.

basis of whose wages and self-employment income a widower or surviving divorced husband is entitled to widower's insurance benefits under this subsection) was, at any time, entitled to an old-age insurance benefit

"(B) If the deceased individual (on the (which was reduced by reason of the application of subsection (q), the widower's insurance benefit of such widower or surviving divorced husband for any month shall, if the amount of the widower's insurance benefit for such widower or surviving divorced husband (as determined under subparagraph (A) and after application of subsection (q)) is greater than—

"(i) the amount of the old-age insurance benefits to which such deceased individual would have been entitled (after application of subsection (q)) for such month if such individual were still living, and

"(ii) 82½ percent of the primary insurance amount of such deceased individual,

be reduced to the amount referred to in clause (i), or (if greater) the amount referred to in clause (ii).

"(3) In the case of a widower or surviving divorced husband who marries—

"(A) an individual entitled to benefits under subsection (b), (e), (g) or (h) of this section, or

"(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d),

such widower's or surviving divorced husband's entitlement to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) but subject to subsection (s), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under subsection (d), the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under subsection (d) unless she ceases to be so entitled by reason of her death.

"(4) If a widower, after attaining the age of 60, marries an individual (other than one described in subparagraph (A) or (B) of paragraph (3)), such marriage shall, for purposes of paragraph (1), be deemed not to have occurred; except that, notwithstanding the provisions of paragraph (2) and subsection (q), such widower's insurance benefit for the month in which such marriage occurs and each month thereafter prior to the month in which the wife dies or such marriage is otherwise terminated, shall be equal to one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based.

"(5) The period referred to in paragraph (1)(B)(ii), in the case of any widower or surviving divorced husband, is the period beginning with whichever of the following is the latest:

"(A) the month in which occurred the death of the fully insured individual referred to in paragraph (1) on whose wages and self-employment income his benefits are or would be based, or

"(B) the last month for which he was entitled to father's insurance benefits on the basis of the wages and self-employment income of such individual, or

"(C) the month in which a previous entitlement to widower's insurance benefits on the basis of such wages and self-employment income terminated because his disability had ceased,

and ending with the month before the month in which he attains age 60, or, if earlier, with the close of the eighty-fourth month following the month within which such period began.

"(6) The waiting period referred to in paragraph (1)(F), in the case of any widower or surviving divorced husband, is the earliest period of five consecutive calendar months—

"(A) throughout which he has been under a disability, and

"(B) which begins no earlier than with whichever of the following is the later: (i) the first day of the seventeenth month before the month in which his application is filed, or (ii) the first day of the fifth month before the month in which the period specified in paragraph (5) begins."

(c) Section 202 (g) of such Act is amended to read as follows:

"Mother's and Father's Insurance Benefits

"(g)(1) The widow, widower, every surviving divorced mother (as defined in section 216(d)), and every surviving divorced father (as defined in section 216(d)), of an individual who died a fully or currently insured individual, if such widow, widower, surviving divorced mother, or surviving divorced father—

"(A) is not married,

"(B) is not entitled to a widow's or widower's insurance benefit,

"(C) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such individual,

"(D) has filed application for mother's or father's insurance benefits, or was entitled to wife's or husband's insurance benefits on the basis of the wages and self-employment income of such individual for the month preceding the month in which such individual died,

"(E) at the time of filing such application has in his or her care a child of such individual entitled to a child's insurance benefit, and

"(F) in the case of a surviving divorced mother or a surviving divorced father—

"(i) the child referred to in subparagraph (E) is his or her son, daughter, or legally adopted child, and

"(ii) the benefits referred to in such subparagraph are payable on the basis of such individual's wages and self-employment income,

shall (subject to subsection (s)) be entitled to a mother's or father's insurance benefit for each month, beginning with the first month in which she or he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to a child's insurance benefit, such widow, widower, surviving divorced mother, or surviving divorced father becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual, she or he becomes entitled to a widow's or widower's insurance benefit, she or he remarries, or she or he dies. Entitlement to such benefits shall also end, in the case of a surviving divorced mother or a surviving divorced father, with the month immediately preceding the first month in which no son, daughter, or legally adopted child of such surviving divorced mother or surviving divorced father is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased individual.

"(2) Such mother's or father's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

"(3) In the case of a widow, widower, surviving divorced mother, or surviving divorced father, who marries—

"(A) an individual entitled to benefits under subsection (a), (b), (c), (e), (f), or (h), or under section 223(a), or

"(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d),

the entitlement of such widow, widower, surviving divorced mother, or surviving divorced father to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) but subject to subsection (s), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under section 223(a) or subsection (d) of this section, the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under section 223(a) or subsection (d) of this section unless (i) he or she ceases to be so entitled by reason of his or her death, or (ii) in the case of an individual who was entitled to benefits under section 223(a), he or she is entitled, for the month following such last month, to benefits under subsection (a) of this section."

(d) Section 216(d) of such Act is amended—

(1) in the heading thereto, by inserting "Divorced Husbands;" after "Wives;",

(2) in paragraph (1) thereof, by adding at the end thereof the following new sentence: "The term 'divorced husband' means a man divorced from an individual, but only if he had been married to such individual for a period of 20 years immediately before the date the divorce became effective.",

(3) in paragraph (2) thereof, by adding at the end thereof the following new sentence: "The term 'surviving divorced husband' means a man divorced from an individual who has died, but only if he had been married to the individual for a period of 20 years immediately before the date the divorce became effective.", and

(4) in paragraph (3) thereof, by adding at the end thereof the following new sentence: "The term 'surviving divorced father' means a man divorced from an individual who has died, but only if (A) he is the father, of her son or daughter, (B) he legally adopted her son or daughter while he was married to her and while such son or daughter was under the age of 18, (C) she legally adopted his son or daughter while he was married to her and while such son or daughter was under the age of 18, or (D) he was married to her at the time both of them legally adopted a child under the age of 18."

(e)(1) Section 202(b)(3)(A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(c), f), (g), or (h)".

(2) Section 202(d)(5)(A) of such Act is amended by inserting "(c)," immediately after "(b),".

(3) Section 202(e)(3)(A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(c), (f), (g), or (h)".

(4) Section 202(h)(4)(A) of such Act is amended by inserting "(c)," immediately after "(b),".

(5) Section 202(k)(2)(B) of such Act is amended by striking out "(f)(5)", each place it appears therein, and inserting in lieu thereof "(f)(4)".

(6) Section 202(k)(3)(A) of such Act is amended by striking out "(f)(3)" and inserting in lieu thereof "(f)(2)".

(7) Section 202(k)(3)(B) of such Act is amended by striking out "(f)(5)" and inserting in lieu thereof "(f)(4)".

(8) Section 202(p)(1) of such Act is amended to read as follows:

"(1) to file proof of support under subparagraph (B) of subsection (h)(1) within the period prescribed by such subparagraph, or".

(9) Section 202(q)(3)(E) of such Act is amended by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(10) Section 202(q)(3)(F) of such Act is amended by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(11) Section 202(q)(3)(G) of such Act is amended by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(12) Section 202(q)(5)(A) of such Act is amended—

(A) in the matter which precedes clause (i) thereof, by inserting "or husband's" after "wife's",

(B) in clause (i) thereof by—

(i) striking out "filed by her" and inserting in lieu thereof "filed by the individual entitled to such benefit",

(ii) striking out "she elects" and inserting in lieu thereof "such individual elects", and

(iii) inserting "or husband's" after "wife's", (C) in clause (ii) thereof by—

(i) striking out "she has in her care" and inserting in lieu thereof "such individual has in his or her care", and

(ii) by inserting ", or his husband's insurance benefit," immediately after "wife's insurance benefit".

(13) Section 202 (q)(5)(B) of such Act is amended—

(A) in clause (ii) thereof, by striking out "woman" and inserting in lieu thereof "individual", and

(B) in the matter following clause (ii) thereof, by striking out "she" and inserting in lieu thereof "such individual".

(14) Section 202 (q)(5)(C) of such Act is amended by adding at the end thereof the following new sentence: "If a man does not have in his care a child described in subparagraph (A)(ii) in the first month for which he is entitled to a husband's insurance benefit, and if such first month is a month before the month in which he attains age 65, he shall be deemed to have filed in such first month the certificate described in subparagraph (A)(i).".

(15) Section 202 (q)(5)(D) of such Act is amended by adding at the end thereof the following new sentence: "No widower's insurance benefit for a month in which he has in his care a child of his deceased wife (or deceased former wife) entitled to child's insurance benefits shall be reduced under this subsection below the amount to which he would have been entitled had he been entitled for such month to father's insurance benefits on the basis of his deceased wife's (or deceased former wife's) wages and self-employment income.

(16) Section 202 (q)(6)(A)(i)(II) of such Act is amended by inserting "or husband's" immediately after "wife's".

(17) Section 222 (q)(7) of such Act is amended—

(A) in subparagraph (B) thereof, by—

(i) inserting "or husband's" immediately after "wife's", and

(ii) by striking out "she had in her care" and inserting in lieu thereof "the individual entitled to such benefits had in his or her care", and

(B) in subparagraph (D) thereof, by inserting "or widower's" immediately after "widow's."

(18) Section 222 (s)(1) of such Act is amended by inserting "(c)(1)," immediately after "(b)(1),".

(19) Section 222 (s)(2) of such Act is amended by striking out "Subsection (f)(4), and so much of subsections (b)(3), (d)(5), (e)(3)," and inserting in lieu thereof "So much of subsections (b)(3), (c)(3), (d)(5), (e)(3), and (f)(3),".

(20) Section 202 (s)(3) of such Act is amended by striking out "Subsections (c)(2)(B) and (f)(2)(B) of this section, so much of subsections (b)(3), (d)(5), (e)(3)," and inserting in lieu thereof "So much of subsections (b)(3), (c)(3), (d)(5), (e)(3), and (f)(3),".

(21) Section 203(a)(3) of such Act is amended—

(A) by striking out "a divorced wife under section 202(b) or as a surviving divorced wife under section 202(e)" and inserting in lieu thereof "a divorced wife under section 202(b), as a surviving divorced wife under section 202(e), as a divorced husband under section 202(c), or as a surviving divorced husband under section 202(f),",

(B) by striking out "she" and inserting "he or she", and

(C) by striking out "no such divorced wife or surviving divorced wife" and inserting in lieu thereof "no such divorced wife, surviving divorced wife, divorced husband, or surviving divorced husband".

(22) The third sentence of section 203(b) of such Act is amended by inserting "or father's" immediately after "mother's".

(23) Section 203(c) of such Act is amended—

(A) in paragraph (2) of the first sentence thereof, by—

(i) inserting "(A)" immediately after "such individual,", and

(ii) inserting, immediately before the semicolon the following: ", or (B) if a husband under age sixty-five entitled to a husband's insurance benefit, did not have in his care (individually or jointly with his wife) a child of his wife entitled to a child's insurance benefit and such husband's insurance benefit for such month was not reduced under the provisions of section 202(q)",

(B) in paragraph (3) of the first sentence thereof, by—

(i) inserting "(A)" immediately after "such individual,", and

(ii) inserting, immediately before the semicolon, the following: ", or (B) if a widower entitled to a father's insurance benefit, did not have in his care a child of his deceased wife entitled to a child's insurance benefit", and

(C) in paragraph (4) of the first sentence thereof, by—

(i) inserting "(A)" immediately after "such individual,",

(ii) striking out "(A)" and inserting in lieu thereof "(i)",

(iii) striking out "(B)" and inserting in lieu thereof "(ii)", and

(iv) inserting, immediately before the period, the following: ", or (B) if a surviving divorced father entitled to a father's insurance benefit, did not have in his care a child of his deceased former wife who (i) is his son, daughter, or legally adopted child and (ii) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of his deceased former wife", and

(D) in the third sentence thereof, by inserting "or surviving divorced husband" immediately after "widower".

(24) Section 203(d)(1) of such Act is amended by inserting "divorced husband," immediately after "husband,".

(25) Section 203(d)(2) of such Act is amended by inserting "or father's" after "mother's" each place it appears therein.

(26) Section 216(f)(3)(A) of such Act is amended by inserting "(c)," immediately after "benefits under subsection".

(27) Section 216(g)(6)(A) of such Act is amended by inserting "(c)," immediately after "benefits under subsection".

(28) The first sentence of section 222(b)(1) of such Act is amended by striking out "widow, widower or surviving divorced wife" and inserting in lieu thereof "widow or surviving divorced wife, or widower or surviving divorced husband".

(29) Section 222(d)(1) of such Act is amended by inserting "and surviving husbands" immediately after "for widowers".

(30) Section 223(d)(2)(A) and (B) of such Act are each amended by striking out "or widower" and inserting in lieu thereof ", widower, or surviving divorced husband".

(31) Section 225 of such Act is amended by inserting "or surviving divorced husband" immediately after "widower".

(f) The amendments made by this section shall apply only with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications filed in or after the month in which this Act is enacted.

Sec. 2. Section 215 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Special Recomputation of Primary Insurance Amounts of Certain Male Individuals

"(j)(1) If the primary insurance amount of any male individual (as such amount is or would be, except for the provisions of this subsection, in effect for any period after December 1974) is less than the primary insurance amount which would (except for this subsection) have been determined for such individual (if such individual had been a female), then the Secretary shall, notwithstanding any other provision of law, increase such primary insurance amount to the extent necessary to assure that it is equal to the primary insurance amount which would have been determined for such individual (if such individual had been a female).

"(2) Benefits payable on the basis of the primary insurance amount of any individual (described in paragraph (1)) for months after December 1974 shall be based on a primary insurance amount of such individual, as increased pursuant to paragraph (1)."

S. 3430

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 706 of the Social Security Act is amended to read as follows:

"Advisory Council on Social Security

"Sec. 706. (a) The Secretary shall appoint an Advisory Council on Social Security which shall meet at least four times a year for the purpose of monitoring and advising the Secretary about the status of the Federal Old Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund in relation to the long-term commitments of the old-age, survivors, and disability insurance program and the programs under parts A and B of title XVIII, and of monitoring and advising the Secretary about the scope of coverage and the adequacy of benefits under, and all other aspects of, these programs, including their impact on the public assistance programs under this Act.

"(b) The Council shall consist of a Chairman and 12 other persons, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall, to the extent possible, represent organizations of employers and employees in equal numbers, and represent self-employed persons and the public. A majority of the appointed members shall be selected from among those eligible for benefits under title II of this Act.

"(c)(1) The Council appointed hereunder is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions and the Secretary shall, in addition, make available to such Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

"(2) Appointed members of any such Council, while serving on business of the Council (inclusive of travel time) shall receive compensation at rates fixed by the Secretary, but not exceeding $100 per day and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"(d) The Council shall submit reports (including any interim reports such Council may have issued) of its findings and recommendations to the Secretary not later than January 1 of each year after the year in which it is appointed, and such reports and recommendations shall thereupon be transmitted to the Congress and to the Board of Trustees of each of the Trust Funds. The reports required by this subsection shall include—

"(1) a separate report with respect to the old-age, survivors, and disability insurance program under title II and of the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954,

"(2) a separate report with respect to the hospital insurance program under part A of title XVIII and of the taxes imposed by sections 1401(b), 3101(b), and 3111(b) of the Internal Revenue Code of 1954, and

"(3) a separate report with respect to the supplementary medical insurance program established by part B of title XVIII and of the financing thereof."

By Mr. CLARK:

S. 3431. A bill to amend the Consolidated Farm and Rural Development Act to assist young farmers to obtain real estate loans more easily under such Act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

YOUNG FARMERS INVESTMENT ACT

Mr. CLARK. Mr. President, one of the most serious problems in American agriculture today is the high cost of establishing a farm and making it work. This dollar obstacle has had an intimidating effect on young people who want to begin farming.

The high cost of land, the high cost of farm machinery and equipment, and high interest rates all make it extremely difficult for an individual to obtain the capital necessary to buy and operate a successful farm. The increasingly large amounts of capital required to start or build even the most modest farming operations are making it more and more difficult for individuals to stay on the land.

The family farm always has been the foundation of American agriculture, and it is important that this tradition continue. However, that tradition is seriously threatened. Recent studies have revealed a trend toward increased corporate farming. If we do not take positive steps to combat this trend, corporate control of the Nation's farmland will continue to broaden in the years ahead, eroding the quality of life in rural and urban areas alike by forcing even more migration to the cities, and cheapening the quality—but certainly not the price—of the food we eat.

Today I am introducing the Young Farmers' Investment Act which will help keep the individual family farm the cornerstone of American agriculture and stop the accelerating trend toward corporate farming. The legislation will make it easier for farmers, especially young farmers, to buy their own farms and farm equipment.

It will establish a new lending program under the auspices of the Farmers Home Administration, permitting individuals to borrow 90 percent of the purchase price of a farm at an interest rate of 6 percent. The loan will be for a period of 40 years, but, during this period, only one-half of the loan will be repaid. This will keep the regular installment payments on the loan within the means of the borrowers. The balance of the loan becomes due only at the end of the 40 years. It may then be paid off or refinanced. If the farmer's children inherit the land, they can use the Young Farmers' Investment Act for refinancing to avoid selling the farm to pay estate taxes.

The Farm Credit System sponsored a Conference on Financial Needs of Young Farmers in February and from this conference, it was clear that two of the financial needs of young farmers were the need for adequate credit and the need for credit terms tailored to the young farmers' situation. This bill is aimed specifically at these two needs. It provides the credit on terms that those families and individuals just entering farming can afford. Additionally, it will help preserve the family farm by helping offset the effects of soaring land and equipment costs.

The need for this legislation is obvious, and I hope the Congress can give it prompt and favorable consideration.

I ask unanimous consent that the bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3431

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Young Farmers Investment Act of 1974".

Sec. 2. Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking out "Sec. 305." and inserting in lieu thereof "Sec. 305. (a)", and by adding at the end of such section a new subsection as follows:

"(b) Direct loans may be made under section 302 for acquiring and improving owner-operated farms without regard to the limitations of subsection (a) of this section but not in excess of the present market value of the farms as certified by the appropriate county committees. The loan shall bear interest at a rate not in excess of 6 per centum per annum. An amount equal to not less than 50 per centum of the loan may be amortized over a period of forty years. The balance of any such loan shall become due and payable at the end of such period or any extension thereof approved by the Secretary if the farm is then owned and operated by a borrower eligible under section 302, or at such earlier date as the farm, or any interest therein, is transferred without the consent or approval of the Secretary to an ineligible person."

By Mr. JAVITS:

S. 3432. A bill to extend the National Health Service Corps and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. I today introduce the administration's "National Health Service Corps Amendments of 1974," designed to extend and improve the role of the National Health Service Corps in order to assist communities to develop ambulatory health care services by assigning physicians and dentists and providing other initial assistance to manpower shortage areas.

The National Health Service Corps represents an exciting and challenging mechanism for placing health professionals in areas with critical health manpower shortages. The National Health Service Corps is in every sense a people's program—linking health professionals in a very important personal and professional way to communities and to patients with needs and problems, who in many cases have not had other than distant emergency care available for long periods of time.

The primary mission of the National Health Service Corps addresses the documented problems of geographic maldistribution of providers. A complementary goal of the corps is to assist these communities to develop the capability independently to attract and retain health professionals.

There are three major differences between the administration bill and S. 3181—which I recently introduced with Senators Kennedy and Magnuson—which the administration believes will facilitate independence. First, the Department believes the National Health Service Corps should be given more flexibility—and I agree—to deal with cost recovery during initial stages of operation for communities which are beginning practices. Today the startup costs for communities is expensive and serves as a disincentive with respect to moving away from Federal support.

Second, the bill provides authority to make small loans or grants not to exceed $10,000 for preoperational development, such as locating and setting up proper facilities and establishing billing systems. These initial operating debts are currently a disincentive in moving away from Federal support and I believe such asssitance, at an increased level, is essential. Third, a mechanism for transferring equipment to the nonprofit entities established by the communities—which I support—is provided by the bill so that the purchase of equipment for use in the communities is not an impediment to independence.

Also, the administration bill would authorize such sums as necessary for each of the next 3 fiscal years.

The bill I introduce today and S. 3181, which I joined with Senators Kennedy and Magnuson in introducing, are important steps in alleviating the problem of geographic maldistribution of health providers. I am pleased that the Department of Health, Education, and Welfare has testified it will work closely with the Health Subcommittee of the Committee on Labor and Public Welfare, of which I am ranking minority member, in a spirit of cooperation to fashion the most effective measure.

I ask unanimous consent that the full text of the Department of Health, Education, and Welfare's letter of transmittal and the bill be printed in the Record.

There being no objection, the letter and bill were ordered to be printed in the Record, as follows:

Department of Health,
Education, and Welfare,
April 30, 1974.

Hon. Gerald R. Ford,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed for the consideration of the Congress is a draft bill, "To extend the National Health Service Corps and for other purposes."

The bill, which would be cited as the National Health Service Corps Amendments of 1974, would authorize the appropriation of such sums as may be necessary for the program for an additional period of three fiscal years, 1975 through 1977, and would make several changes in the program structure.

The Secretary is now authorized by section 329(d)(1) of the Public Health Service Act, in connection with the assignment of personnel of the Corps to a health manpower shortage area, to "make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and . . . secure the temporary services of nurses and allied health professionals."

In order to make the most effective use of program resources, and to encourage the assisted community, insofar as may be practicable, to participate in the program, it is the Department's practice to assign personnel to an area under an agreement whereby the community contributes some portion of the supplies, equipment, facilities, or supporting services that aid Corps personnel in providing health care.

In order to encourage greater use of community resources in the making of these ancillary arrangements, the draft bill would authorize the Secretary to award one grant, not to exceed $10,000, to each assisted community, to enable the community to meet the costs of establishing medical practice management systems, and acquiring supplies or equipment.

In addition, in order to encourage a community to make these arrangements without, or at a cost in excess of, this grant, the bill would enable the Secretary to make an early repayment of the community's investment from the fees collected for the health care provided by the Corps. Under existing law the community is reimbursed for this investment. However, because the law now contemplates an immediate fixed division of fees between the Federal Government and the community, in relation to their contribution to the costs (including Corps salary costs) of providing health care services under the program, a community that has made a heavy initial investment in the program must wait a substantial period to recoup that investment. This delay in repayment acts as a substantial disincentive to many health shortage areas to undertake this initial investment.

Finally, in order to encourage a shortage area to become independent of the Corps if it has the capacity to do so, the bill would authorize the Secretary to release to the area any right, title, or interest he may have in equipment or supplies used in connection with the Corps' provision of health care services. In this regard, it should be pointed out that there is ample precedent for vesting authority in the Secretary to waive accountability to the United States for equipment purchased with Federal assistance under grant programs. See, for example, section 436 of the General Education Provisions Act, 20 U.S.C. 1232e, and Public Law 85–934, 72 Stat. 1793, 42 U.S.C. 1891 et seq.

We urge that the draft bill receive prompt and favorable consideration.

We are advised by the Office of Management and Budget that enactment of this draft bill would be in accord with the program of the President.

Sincerely,

Frank C. Carlucci,
Acting Secretary.

S. 3432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "National Health Service Corps Amendments of 1974."

EXTENSION OF AUTHORIZATION

Sec. 2. Section 329(h) of the Public Health Service Act is amended (1) by striking out "and" before "$25,000,000" and (2) by inserting before the period at the end thereof the folowing: ", and such sums as may be necessary for each of the next three fiscal years".

GRANT TO FACILITATE PROVISION OF HEALTH SERVICES

Sec. 3. Paragraph (2) of section 329(d) is redesignated as paragraph (3), and there is inserted a new paragraph (2) to read as follows:

"(2) (A) The Secretary may award a grant, not to exceed $10,000, to a public or nonprofit private entity to assist the entity in meeting, for an area determined under subsection (b) (1) to have a critical health manpower shortage, any costs of establishing medical practice management systems, or acquiring supplies or equipment. Not more than one such grant may be made with respect to any one such area.

"(B) In the case of any supplies or equipment leased or purchased with a grant under the preceding subparagraph, or leased or purchased by the Secretary under paragraph (1), the Secretary may, at such time or times as he deems appropriate, release to a public or nonprofit private entity all right, title, and interest of the United States, subject to such terms and conditions as he may impose to assure the continued use, for a reasonable period, of the supplies or equipment (or their equivalent) in the provision of health services within the area with respect to which they were leased or purchased."

APPLICATION OF FEES TO COMMUNITY COSTS

Sec. 4. The last sentence of section 329(b) (2) (C) is amended to read as follows: "If, in aid of the provision of health care and services by personnel of the Corps assigned to an area under subparagraph (A), a public or nonprofit private entity enters into an agreement with the Secretary to provide any services, equipment, or facilities that the Secretary would otherwise be authorized or required to provide under this section in connection with that assignment, the Secretary may use, or provide for the use, of any funds collected under this subparagraph for payment to the entity of all or part of the cost of the services, equipment, or facilities so provided, on such basis over the period of the assignment as the Secretary deems appropriate. There shall be subtracted from that payment the amount of any grant awarded to the entity under subsection (d) (2). Any funds collected by the Secretary under this subparagraph, and not used for such payment, shall be deposited in the Treasury as miscellaneous receipts."

EFFECTIVE DATE

Sec. 5. This Act shall become effective with respect to appropriations for fiscal years ending after June 30, 1974.

By Mr. AIKEN (for himself, Mr. Jackson, Mr. Allen, Mr. Bellmon, Mr. Buckley, Mr. Clark, Mr. Curtis, Mr. Dole, Mr. Dominick, Mr. Eastland, Mr. Fulbright, Mr. Griffin, Mr. Helms, Mr. Huddleston, Mr. Humphrey, Mr. Mansfield, Mr. McClellan, Mr. McGovern, Mr. Hugh Scott, Mr. Sparkman, Mr. Talmadge, and Mr. Young):

S. 3433. A bill to further the purposes of the Wilderness Act by designating certain acquired lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. AIKEN. Mr. President, I send to the desk an original bill ordered reported by the Committee on Agriculture and Forestry known as the Eastern Wilderness Areas Act of 1974.

This legislation combines the major provisions of S. 22 as reported by the Agriculture and Forestry Committee on February 15, 1973, and S. 316, as reported by the Committee on Interior and Insular Affairs on December 20, 1973, and referred to the Committee on Agriculture and Forestry on January 23, 1974.

The Eastern Wilderness Areas Act of 1974 would create 19 instant wilderness areas in 15 States and 40 study wilderness areas in 18 States and the Commonwealth of Puerto Rico.

This legislation I am introducing today with 21 cosponsors has its roots in growing national citizen interest in preserving from the impact of man certain limited acres of national forest land in the eastern part of the United States.

Since the enactment of the Wilderness Act of 1964, 95 wilderness areas have been designated in the United States.

However, only four of them have been designated in the national forests east of the 100th meridian, and these four were designated prior to the passage of the 1964 act.

Since the 1964 Wilderness Act, there have been no national forest wilderness designations made in the eastern part of the Nation.

Thus, the bulk of the national forest wilderness areas are located in the western part of the Nation while the Eastern States, where most of the people are located, have few areas where they can go and enjoy a wilderness setting.

This proposed legislation seeks to remedy this imbalance and set aside 19 wilderness areas totaling almost 250,000 acres of eastern national forest land. This represents less than 1 percent of the national forest land located in the East.

The legislation is historic in that it represents a sound compromise between two standing committees of the Senate and thereby accomplishing very worthwhile legislation for all the people of the Nation.

Our committee report will set forth in greater detail the history of the legislative compromise.

The proposed legislation is also historic in that it sets forth the desire and intent of the Agriculture and Forestry Committee to vigorously continue its work in the management of our forest resources.

As this body knows, the Multiple-Use Sustained Yield Act of 1960, which was the work of the Agriculture and Forestry Committee, expressly recognized the establishment of wilderness areas as a national forest purpose.

This legislation I am introducing today further carries out that purpose as expressed in the 1960 act.

I am very appreciative that the Senator from Georgia, Mr. Talmadge, the two Senators from Alabama, Mr. Sparkman and Mr. Allen, and the Senator from Minnesota, Mr. Humphrey—all original sponsors of S. 3973, a bill the Senate passed in 1972 to create a National Forest Wild Areas System—have stood with me and have helped to make this new legislation possible.

These four Senators and myself were also sponsors of S. 22, the National Forest Wild Areas Act of 1973, which was reported to the Senate on February 15, 1973, parts of which are now included in this new bill.

A special mention must be made for the chairman of the Senate Agriculture Committee, Mr. Talmadge.

He was like one of the granite hills in the State of Vermont in his steadfast support in working to create wilderness areas in the East.

Without his help and the support of the Committee on Agriculture and Forestry, the Eastern Wilderness Areas Act of 1974 would not have been possible.

Also, I appreciate the cooperation of the chairman of the Interior and Insular Affairs Committee, Mr. Jackson, in working out this new legislation as it includes many of the provisions of S. 316 which was Senator JACKSON's eastern wilderness bill.

His support of the Eastern Wilderness Areas Act of 1974 helps insure that we can now set aside national forest areas in the East without further delay and further the purposes of the National Wilderness Preservation System.

I ask to have printed in the RECORD the names of the sponsors of the Eastern Wilderness Areas Act of 1974, and a short explanation of the bill with section-by-section analysis.

The Senate will note that it includes all of the members of the Committee on Agriculture and Forestry, nine Senators who originally sponsored S. 316, and Senator SPARKMAN.

I am very hopeful that we can act on this legislation as soon as possible and send it over to the House as the 93d Congress is rapidly drawing to a close.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

The bill being reported by the Committee combines major provisions of (1) S. 22, as reported by the Committee on February 15, 1973 (S. Rept. No. 93-21), and (2) S. 316, as reported by the Committee on Interior and Insular Affairs on December 20, 1973 (S. Rept. No. 93-661), and referred to the Committee on Agriculture and Forestry on January 23, 1974.

The bill designates nineteen areas in fifteen States as wilderness within the National Wilderness Preservation System, which was established by the Wilderness Act of 1964. The bill also designates forty areas in eighteen States and the Commonwealth of Puerto Rico to be studied by the Secretary of Agriculture as to their suitability for preservation as wilderness. All of the areas designated as wilderness and wilderness study areas and eligible for designation are in National Forests east of the 100th meridian, which consist predominantly of acquired lands. The Secretary is authorized under the bill to designate additional wilderness study areas in National Forests east of the 100th meridian.

The designation of the wilderness areas and the wilderness study areas in the eastern United States is designed to preserve such areas as an enduring source of wilderness and afford present and future generations with an opportunity to enjoy primitive recreation in a spacious, natural, and wilderness setting.

The bill provides, with some exceptions, that the wilderness areas designated by the bill are to be managed by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964. The wilderness study areas are to be managed so as to maintain their potential for inclusion in the National Wilderness Preservation System.

The bill also contains certain amendments to the Wilderness Act of 1964 which are designed to (1) facilitate the administration of the National Wilderness Preservation System, and (2) promote uniformity of management of wilderness areas in the East and the West.

SECTION-BY-SECTION ANALYSIS

SHORT TITLE

The first section of the bill provides that the short title is the "Eastern Wilderness Areas Act of 1974".

Section 2. Statement of findings and policy

Section 2 contains legislative findings and declaration of policy.

Findings are made that—

(1) There is an urgent need to identify, study, designate, and preserve areas in the more populous eastern half of the United States for addition to the National Wilderness Preservation System;

(2) Areas of wilderness in the eastern half of the United States are increasingly threatened by growth pressures arising from the greater population concentrations of the East;

(3) The National Forests in the eastern United States consist predominantly of acquired lands where the impact of man's past activity has been substantial, and the restoration of such lands for conservation and wilderness purposes requires considerable effort;

(4) There is a growing need for the broad range of recreational opportunities which can be provided in the National Forest System; and

(5) Among these opportunities is the opportunity to enjoy primitive recreation in a spacious, natural, and wilderness setting.

Section 2 then declares that it is in the public interest that areas in the eastern half of the United States be promptly designated as wilderness and additional areas be studied. Wilderness areas are to be managed so as to promote and perpetuate the wilderness character of the land and its specific values of solitude, physical and mental challenge, scientific study, inspiration, and primitive recreation.

Section 3. Designation of areas pursuant to this bill

Section 3 provides that only national forest areas east of the 100th meridian may be designated pursuant to the bill as wilderness areas or wilderness study areas.

Section 4. Designation of wilderness areas

Section 4 designates nineteen areas in National Forests east of the 100th meridian as wilderness and components of the National Wilderness Preservation System. The nineteen wilderness areas are as follows:

(1) Sipsey Wilderness, approximately 12,000 acres in the Bankhead National Forest, Alabama.

(2) Caney Creek Wilderness, approximately 14,433 acres in the Ouachita National Forest, Arkansas.

(3) Upper Buffalo Wilderness, approximately 10,590 acres in the Ozark National Forest, Arkansas.

(4) Bradwell Bay Wilderness, approximately 22,000 acres in the Appalachicola National Forest, Florida.

(5) Cohutta Wilderness, approximately 37,300 acres in the Chattahoochee and Cherokee National Forests, Georgia and Tennessee.

(6) Beaver Creek Wilderness, approximately 5,500 acres in the Daniel Boone National Forest, Kentucky.

(7) Big Island Lake Wilderness, approximately 6,600 acres in the Hiawatha National Forest, Michigan.

(8) Glades Wilderness, approximately 16,400 acres in the Mark Twain National Forest, Missouri.

(9) Irish Wilderness, approximately 19,000 acres in the Mark Twain National Forest, Missouri.

(10) Presidential Range-Dry River Wilderness, approximately 20,380 acres in the White Mountain National Forest, New Hampshire.

(11) Joyce Kilmer-Slickrock Wilderness, approximately 15,000 acres in the Nantahala and Cherokee National Forests, North Carolina and Tennessee.

(12) Ellicott Rock Wilderness, approximately 3,600 acres in the Sumter, Nantahala, and Chattahoochee National Forests in South Carolina, North Carolina, and Georgia.

(13) Gee Creek Wilderness, approximately 2,570 acres, in the Cherokee National Forest, Tennessee.

(14) Bristol Cliffs Wilderness, approximately 6,500 acres, in the Green Mountain National Forest, Vermont.

(15) Lye Brook Wilderness, approximately 14,300 acres, in the Green Mountain National Forest, Vermont.

(16) James River Face Wilderness, approximately 8,800 acres, in the Jefferson National Forest, Virginia.

(17) Dolly Sods Wilderness, approximately 10,215 acres, in the Monongahela National Forest, West Virginia.

(18) Otter Creek Wilderness, approximately 20,000 acres, in the Monongahela National Forest, West Virginia.

(19) Rainbow Lake Wilderness, approximately 6,600 acres, in the Chequamegon National Forest, Wisconsin.

Section 5. Designation of wilderness study

Section 5 designates forty areas in National Forests east of the 100th meridian for review and study by the Secretary of Agriculture as to their suitability for preservation as wilderness. The review is to be made in accordance with the procedures specified in section 3(d) of the Wilderness Act of 1964, as amended by the bill. The forty wilderness study areas are as follows:

(1) Belle Starr Cave Wilderness Study Area, approximately 5,700 acres, in the Ouachita National Forest, Arkansas.

(2) Dry Creek Wilderness Study Area, approximately 5,500 acres, in the Ouachita National Forest, Arkansas.

(3) Richland Creek Wilderness Study Area, approximately 2,100 acres, in the Ozark National Forest, Arkansas.

(4) Alexander Springs Wilderness Study Area, approximately 10,000 acres, in the Ocala National Forest, Florida.

(5) Sopchoppy River Wilderness Study Area, approximately 1,100 acres in the Appalachicola National Forest, Florida.

(6) LaRue-Pine Hills Wilderness Study Area, approximately 2,800 acres, in the Shawnee National Forest, Illinois.

(7) Lusk Creek Wilderness Study Area, approximately 15,000 acres, in the Shawnee National Forest, Illinois.

(8) Nebo Ridge Wilderness Study Area, approximately 30,750 acres in the Hoosier National Forest, Indiana.

(9) Kisatchie Hills Wilderness Study Area, approximately 10,000 acres in the Kisatchie National Forest, Louisiana.

(10) Saline Bayou Wilderness Study Area, approximately 5,000 acres in the Kisatchie National Forest, Louisiana.

(11) Caribou-Speckled Mountain Wilderness Study Area, approximately 12,000 acres in the White Mountain National Forest, Maine.

(12) Rock River Canyon Wilderness Study Area, approximately 5,400 acres in the Hiawatha National Forest, Michigan.

(13) Sturgeon River Wilderness Study Area, approximately 13,200 acres in the Ottawa National Forest, Michigan.

(14) Bell Mountain Wilderness Study Area, approximately 7,640 acres in the Clark National Forest, Missouri.

(15) Rockpile Mountain Wilderness Study Area, approximately 6,800 acres in the Clark National Forest, Missouri.

(16) Carr Mountain Wilderness Study Area, approximately 10,000 acres in the White Mountain National Forest, New Hampshire.

(17) Great Gulf Wilderness Extension Study Area, approximately 14,400 acres in the White Mountain National Forest, New Hampshire.

(18) Kilkenny Wilderness Study Area, ap-

proximately 16,000 acres in the White Mountain National Forest, New Hampshire.

(19) Wild River Wilderness Study Area, approximately 20,000 acres in the White Mountain National Forest, New Hampshire.

(20) Craggy Mountain Wilderness Study Area, approximately 1,100 acres in the Pisgah National Forest, North Carolina.

(21) Pocosin Wilderness Study Area, approximately 17,000 acres in the Croatan National Forest, North Carolina.

(22) Archers Fork Wilderness Study Area, approximately 19,000 acres in the Wayne National Forest, Ohio.

(23) Hickory Creek Wilderness Study Area, approximately 11,200 acres in the Allegheny National Forest, Pennsylvania.

(24) Tracy Ridge Wilderness Study Area, approximately 10,000 acres in the Allegheny National Forest, Pennsylvania.

(25) Allegheny Front Wilderness Study Area, approximately 10,000 acres in the Allegheny National Forest, Pennsylvania.

(26) Wambaw Swamp Wilderness Study Area, approximately 1,500 acres in the Francis Marion National Forest, South Carolina.

(27) Big Frog Wilderness Study Area, approximately 4,500 acres in the Cherokee National Forest, Tennessee.

(28) Citico Creek Area, approximately 14,000 acres in the Cherokee National Forest, Tennessee.

(29) Big Slough Wilderness Study Area, approximately 4,000 acres in the Davy Crockett National Forest, Texas.

(30) Chambers Ferry Wilderness Study Area, approximately 4,000 acres in the Sabine National Forest, Texas.

(31) Mill Creek Wilderness Study Area, approximately 4,000 acres in the Jefferson National Forest, Virginia.

(32) Mountain Lake Wilderness Study Area, approximately 8,400 acres in the Jefferson National Forest, Virginia.

(33) Peters Mountain Wilderness Study Area, approximately 5,000 acres in the Jefferson National Forest, Virginia.

(34) Ramsey's Draft Wilderness Study Area, approximately 6,700 acres in the George Washington National Forest, Virginia.

(35) Cranberry Wilderness Study Area, approximately 36,300 acres, in the Monongahela National Forest, West Virginia.

(36) Black Jack Springs Wilderness Study Area, approximately 2,600 acres in the Nicolet National Forest, Wisconsin.

(37) Flynn Lake Wilderness Study Area, approximately 6,300 acres in the Chequamegon National Forest, Wisconsin.

(38) Round Lake Wilderness Study Area, approximately 4,200 acres in the Chequamegon National Forest, Wisconsin.

(39) Whisker Lake Wilderness Study Area, approximately 2,700 acres in the Nicolet National Forest, Wisconsin.

(40) El Cacique Wilderness Study Area, approximately 8,500 acres in the Caribbean National Forest, Puerto Rico.

Subsection (*c*) provides that the Secretary of Agriculture shall, within five years from the date of enactment of the bill, complete his review of the wilderness study areas. The Secretary is to send his recommendations to the President, and the President is to advise the Congress of his recommendations with respect to the designation of each study area as wilderness. The President's recommendation that a study area be designated as wilderness shall be effective only if so provided by an Act of Congress.

Subsection (*d*) authorizes the Secretary of Agriculture to designate additional National Forest wilderness study areas in National Forests east of the 100th meridian. However, the authority to designate additional study areas is not to be construed as limiting the Secretary's authority to carry out multiple-use and sustained-yield management on areas *not* designated for review under subsection (d).

Subsection (*e*) of section 5 provides that each recommendation of the Secretary of Agriculture concerning a wilderness study area designated by or pursuant to the bill shall be accompanied by a report. The report shall include maps and illustrations showing the study area boundaries and a description of the characteristics which make or do not make the area worthy for classification as wilderness, including the area's scenic, natural, and wilderness attraction, its restorability to near natural conditions, the existing and expected land ownership patterns, and the surface and subsurface rights not held or controlled by the public. The report shall identify the foreseeable potential land and water uses enhanced, foreclosed, or curtailed by wilderness designation; the environmental, economic, and social consequences of such designation; and the interrelationship of the designation of a wilderness area to the overall management of the National Forest under applicable multiple-use management plans.

Subsection (*f*) provides that nothing in the Act shall limit the President in proposing, as part of his recommendations to the Congress, the alteration of existing boundaries of any wilderness study area. The Secretary may, therefore, review a larger area than the one designated for review by Congress, and the President may propose the addition to any study area of any contiguous area predominantly of wilderness value.

Section 6. Filing of maps and descriptions

Section 6 requires that, as soon as practicable after enactment of the bill, maps of the wilderness study areas and maps and legal descriptions of the wilderness areas designated by the bill shall be filed with the House and Senate Interior and Agriculture Committees. The maps and legal description shall have the same force and effect as if included in the bill. However, the Secretary may correct clerical and typographical errors in the maps and legal descriptions. Section 6 also requires that the maps and legal descriptions be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

Section 7. Management of areas

Section 7 contains provisions concerning the management of the wilderness areas and wilderness study areas designated by or pursuant to the bill. Section 7 also contains provisions which affect the management of wilderness areas designated by or pursuant to the Wilderness Act of 1964.

Subsection (*a*) provides that, except where otherwise provided in the bill, wilderness areas designated by or pursuant to the bill are to be managed by the Secretary of Agriculture in accordance with the provisions of the original Wilderness Act, as amended by the bill. Wilderness study areas designated by or pursuant to the bill are to be managed by the Secretary so as to maintain their potential for inclusion in the National Wilderness Preservation System until Congress determines otherwise, except that this management requirement shall not extend for more than three years from the date the President's recommendations concerning the particular study area are submitted to Congress. Therefore, while a review is proceeding or while Congress is considering the recommendations of the President upon completion of the studies, the Forest Service must protect the wilderness potential of the study area.

Subsection (*b*) withdraws, subject to valid existing mining or mineral leasing rights, all federally owned land within wilderness areas and wilderness study areas designated by or pursuant to the bill *and* the Wilderness Act of 1964 and all land acquired within such areas from all forms of appropriation under the mining laws and from disposition under all laws pertaining to mineral leasing. The withdrawal would take effect upon enactment of the bill for wilderness areas designated by the bill or previously designated by or pursuant to the Wilderness Act. For any wilderness study area recommended for inclusion in the National Wilderness Preservation System pursuant to the bill or the Wilderness Act, the withdrawal would take effect upon the date of the President's submission of such recommendation to the Congress.

Subsection (*c*) authorizes—with restrictions—the Secretary of Agriculture to acquire inholdings in National Forest wilderness areas designated by or pursuant to the bill and the Wilderness Act of 1964.

Paragraph (1) provides for the acquisition of lands, waters, or interests within wilderness areas by means of purchase with donated or appropriated funds, by gift, exchange, condemnation, or otherwise when the Secretary determines such acquisition is necessary or desirable for the purposes of the bill or the Wilderness Act.

Paragraph (2) provides that, when the Secretary exercises the exchange authority, he may accept title to non-Federal property for federally owned property of substantially equal value. If the properties are not of substantially equal value, the value can be equalized by payment of money to the grantor or the Secretary, as the circumstances require.

Paragraphs (3) through (8) circumscribe the condemnation authority of the Secretary of Agriculture so as to respect as much as possible the rights and wishes of inholders.

Paragraph (3) provides that the Secretary may not condemn private land within any wilderness area so long as the owner holds and uses it in the same manner and for the same purpose that it was held and used when the area was designated as wilderness. The Secretary, however, may condemn such private land upon a finding that the use on the date of designation is incompatible with the management of the wilderness. This required finding is, of course, narrower than the general public purpose finding normally required for condemnation purposes. Paragraph (3) further provides that even if a finding of incompatibility is made, the owner of the inholding does not automatically find his inholding condemned. Instead, he enjoys the option of either selecting another use which is compatible with management of a wilderness area or accepting condemnation and payment of full market value for his property.

Paragraphs (4) and (5) insure that change of ownership or use of an inholding does not automatically result in condemnation. These paragraphs provide a notice procedure to alert the Secretary of any change of ownership or use of an inholding so that he may determine if condemnation is necessary and may so advise the owner. The procedure calls for notification of the supervisor of the National Forest by the owner at least sixty days prior to any transfer of the inholding by exchange, sale, or otherwise (except by bequest) or any change of use which will result in any significant new construction or disturbance of land surface or flora or will require the use of motor vehicles and other forms of mechanized transport or motorized equipment (except as otherwise authorized by law for ingress or egress or for existing agricultural activities begun before the date of designation of the wilderness area other than timber cutting). This notice procedure will insure that no action will be taken in relation to an inholding which necessitates condemnation against the desires of both the inholding owner and the Secretary. Instead, it provides a grace period so that both parties may apprise themselves of the likely consequences of the contemplated action of the owner and discuss alternatives before that action becomes irrevocable.

Paragraphs (6), (7), and (8) provide that the owners of property within a wilderness area used for noncommercial residential or agricultural purposes (other than timber cutting) on or before the date of designation of the wilderness area may continue to reside on and use such property, even though acquired by the Secretary, for a certain period of time. This right of occupancy and use is available whether the property is acquired by other than condemnation or whether its use is found to be incompatible with wilderness area management and is thus taken by eminent domain. The right extends for twenty-five years, or a term ending at the death of the owner or his spouse, whichever is later. The owner can elect either term. If he does, he will be paid full market value for the property discounted for the period of continued residence. Or the owner can elect to receive the entire full market value and not retain the right of use and occupancy for the noncommercial residential purpose or the agricultural activity. Property is defined to mean a detached, noncommercial residential dwelling or an existing agricultural activity, other than timber cutting. Construction of the dwelling or the agricultural activity must have begun prior to the date of the designation of the wilderness area. The Secretary may permit occupancy of so much of the land on which the dwelling or agricultural activity is situated as he determines is necessary for noncommercial residential or agricultural purposes.

This right of continued use and occupancy is a modification of the "Cape Cod formula" which the Congress places in most national park legislation. The formula has proved popular with landowners because it allows them to receive money at the time of condemnation and live rent and tax free for an extended period of time thereafter. The modification of the Cape Cod formula is the addition of "agricultural activity" to noncommercial residential purposes as the only uses for which the formula can be invoked.

The only restrictions concerning the right of use and occupancy allowed under this version of the Cape Cod formula is that the owner waives Federal relocation assistance when his term is finally completed and that the right ends if the inholding ceases to be used for the noncommercial residential purpose or agricultural activity. If the right is terminated, the holder of the terminated right receives the fair market value of that portion of the right which remains unexpired on the date of termination.

Section 8. Amendments to the Wilderness Act of 1964

Section 8 contains certain amendments to the Wilderness Act of 1964 which shall be applicable to the management of wilderness areas designated by or pursuant to the bill and the Wilderness Act of 1964.

Subsection (*a*) amends section 2(c) of the Wilderness Act of 1964 to provide that the term "wilderness" as defined in section 2(c) shall include wilderness area designated by or pursuant to the bill.

Subsection (*b*) amends section 3(d) of the Wilderness Act of 1964. Section 3(d) requires that, as part of each individual wilderness area study, a public hearing must be held at or near the area in question. There is the additional requirement of thirty days advance notice to the affected State and local governments, including the invitation to testify at the hearing or to submit views. Furthermore, advance notice by publication in local newspapers is required. There is no time limit on the public notice although thirty days advance notice has been provided by the Forest Service to the public as well as to the affected governments. Government officials and citizens alike have voiced the concern that a thirty day period is not sufficient time to apprise themselves of the area concerned, the wilderness qualities or lack thereof, and the implications of wilderness designation. To insure an informative public hearing, subsection (b) of section 8 amends section 3(d)(1)(B) of the Wilderness Act to require a minimum 60 days prior notice of hearings on any wilderness study area. Such notice would be given to the public as well as to the Federal, State, and other political, planning and development, or environmental protection authorities specified in section 3(d)(1)(C) of the Wilderness Act, as amended by subsection (b).

Subsection (*c*) amends section 4(d) of the Wilderness Act of 1964 by adding a provision to paragraph (1) that no timber stand modification is to occur except in connection with measures necessary to control fire, insects, and disease.

Subsection (c) also amends paragraph (4) of section 4(d) of the Wilderness Act by the addition of two provisos. The authority of the President in section 4(d)(4) of the Wilderness Act to permit—within National Forest wilderness areas designated by or pursuant to the Wilderness Act—the establishment and maintenance of reservoirs, water conservation works, power projects, transmission lines, and other facilities is unchanged. However, by the first proviso, the authority of the President is limited to maintaining *existing* reservoirs, water conservation works, power projects, transmission lines, and other facilities in National Forest wilderness areas designated by or pursuant to the bill. The authority to establish *new* facilities is eliminated for National Forest wilderness areas designated by or pursuant to the bill.

Paragraph (4) is also amended by adding a proviso to the provision that livestock grazing shall be permitted to continue where established prior to the date of the Wilderness Act. The proviso states that the Secretary of Agriculture may permit grazing in any National Forest area designated as wilderness after January 1, 1974, where such use is consistent with the purposes of the Wilderness Act. The Secretary now has authority to subject continued grazing use to reasonable regulations deemed necessary to preserve wilderness values. Under the proviso, the Secretary of Agriculture would be able—in National Forest areas designated as wilderness after January 1, 1974—to continue grazing, eliminate it, or shift a permit to a nonwilderness area depending upon its impact on the preservation of wilderness characteristics.

Subsection (*d*) amends section 5 of the Wilderness Act of 1964 by repealing paragraph (c). Paragraph (c) of section 5 of the Wilderness Act provides that the Secretary of Agriculture may acquire privately-owned land in National Forest wilderness areas designated by the Wilderness Act of 1964 only if (1) the owner concurs in such acquisition or (2) the acquisition is specifically authorized by Congress. Section 7(c) of the bill authorizes—with restrictions—the Secretary of Agriculture to acquire privately-owned land in National Forest wilderness areas designated by or pursuant to the bill and the Wilderness Act.

Subsection (*e*) amends the reporting requirements of section 7 of the Wilderness Act of 1964. Instead of reporting at the opening of each session of Congress, the Secretaries of Agriculture and the Interior will jointly report to the President, for transmission to the Congress, at the opening of each Congress. The biennial report will, however, be a more comprehensive one. In addition to the subjects now required in the report, the Secretaries will include descriptions of the wilderness study areas recommended for designation as wilderness and those portions of such areas not recommended for designation, together with the reasons for such recommendations, and the recommendations, if any, made by the National Wilderness Advisory Committee.

Subsection (*f*) amends the Wilderness Act of 1964 by adding new sections 8 through 12, which, in part, affect both wilderness areas designated by or pursuant to the bill and the Wilderness Act.

The *new section 8* authorizes the Secretary of Agriculture to permit hunting, fishing, and trapping in all National Forest wilderness areas in accordance with applicable Federal and State laws. The Secretary may, through regulations, designate zones where, and establish periods when, no hunting, fishing or trapping will be permitted for reasons of public safety, administration, or public use enjoyment. Such regulations, except in emergency situations, are to be issued only after consultation with appropriate State wildlife agencies.

The *new section 9* requires the preparation of a management plan for each wilderness area and each wilderness study area. A multidisciplinary approach will be used in formulating this plan, including appropriate public involvement.

The *new section 10* provides for a National Wilderness Advisory Committee to be appointed by the President upon the recommendations of the Secretaries of Agriculture and the Interior. The committee, which is to be composed of nine persons knowledgeable of natural resources and their management and use, is to advise, consult with, and make recommendations to the Secretaries concerning the National Wilderness Preservation System. The advisory committee shall be appointed and function in accordance with the Federal Advisory Committee Act.

The *new section 11* authorizes the head of any Federal department or agency having jurisdiction over any lands or interests therein inside wilderness areas and study areas to transfer jurisdiction over such lands to the appropriate Secretary for administration in accordance with the Wilderness Act.

The *new section 12* provides that the Secretaries of Agriculture and the Interior shall cooperate with States and political subdivisions thereof in the administration and protection of wilderness areas and lands within or adjacent to such areas owned or controlled by States or political subdivisions.

Section 9. Regulations

Section 9 authorizes the Secretaries of Agriculture and the Interior to issue such rules and regulations as they deem necessary to carry out the purposes of the bill.

Section 10. Authorization of appropriations

Section 10 authorizes the appropriation of such sums as may be necessary to carry out the provisions of the bill. As provided in section 2(b) of the Wilderness Act of 1964, no appropriation shall be made for the payment of expenses or salaries for the administration of the National Wilderness Preservation System as a separate unit or for additional personnel required solely for the purpose of managing or administering areas solely because they are included within the system.

By Mr. HUGH SCOTT:

S. 3434. A bill to establish university coal research laboratories and to estab-

lish energy resource fellowships, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. HUGH SCOTT. Mr. President, America's most abundant natural domestic energy source is coal. We possess close to one-half of the world's reserves. Even though we have this tremendous resource, it is not the primary energy source used in this country. In fact, coal plays a disproportionately small role in the overall energy picture.

A number of factors have contributed to the underutilization of our coal resources. To a large extent, the relatively easy access to cheaper and cleaner forms of energy like petroleum and natural gas has tended to lead to less reliance on coal. It goes without saying that events of the last 9 months have changed this drastically. Petroleum and natural gas are no longer available in unlimited quantities or at inexpensive rates. This Nation must now return to coal as a major source for our energy demands that continue to grow geometrically.

One of the most interesting aspects of coal is its unknown properties. Although man has used coal for thousands of years, we probably know less about its potential than we do of oil or natural gas. Gasification and liquefaction of coal is slowly, much too slowly, becoming an economic reality. There are essential components in the makeup of coal which scientists still cannot identify or evaluate. Therefore, coal may have valuable uses for our economy which we presently do not understand.

For these reasons, I am today introducing a bill to do two things. First, it would establish coal research laboratories at selected universities for research in coal characterization and development. And second, the bill would provide energy resource graduate fellowships for graduate students to learn skills which will enable them to enter the energy field as experts in the private sector. The fellowship programs would fund study in all areas of the energy field—a field which now lacks manpower with the proper expertise in industry to find practical approaches to the undiminished energy crisis.

I would like to point out that the Congress in the past has encouraged energy research. In my Commonwealth of Pennsylvania for example, there was a federally created and funded Anthracite Research Center at Schuylkill Haven until 1966. For almost 25 years this center did extremely valuable work on development of new uses, markets, and outlets for anthracite coal. Under the authority of the Department of the Interior the center carried out a broad and extensive mandate. The idea was conceived and helped through Congress by former Congressman Ivor D. Fenton of Mahanoy City, Pa. Congressman Fenton realized as early as 1939 that this country must somehow tap our abundant coal reserves. His observations continue to be accurate more than 30 years later. Unfortunately, on the recommendation of former Secretary of the Interior, Stewart Udall, the research center at Schuylkill Haven was discontinued in 1966.

My proposal for coal research laboratories would revitalize and continue the studies of anthracite started by Congressman Fenton. Moreover, it would go much farther by embracing bituminous coal research.

Presently, there is a Government policy encouraging power generation systems now utilizing fuel oil to switch to coal. A basic problem is that much of the coal which might be put to this purpose is not environmentally acceptable under standards set by the Congress and the Environmental Protection Agency. One proposed solution is to decrease these standards so all coal will qualify. This may be satisfactory as a very temporary measure, but it certainly will not meet this country's realistic desire for both clean air standards and adequate energy availability. The coal research laboratories established by this bill would be mandated to develop methods by which high sulfur coal could be made environmentally acceptable.

Mr. President, I ask unanimous consent to place in the RECORD at the end of my remarks a more detailed analysis of this bill. It will specifically outline how the bill would fund five coal research laboratories for in-depth coal research and would establish graduate fellowships to train professionals to work in industry on our general energy problem.

I hope my colleagues from both sides of the aisle will join with me in cosponsoring this bill. If we are truly sincere about our expressed desire for energy self-sufficiency in the near future, then we should enact this bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

FACT SHEET

The bill has two titles. Title I establishes University Coal Research Laboratories, and Title II authorizes Energy Resource Graduate Fellowships.

The Director of the National Science Foundation after consultation will designate five institutions of higher education at which the Laboratories will be established. The bill outlines the steps required for an institution in application for designation. In designating, the Director of the NSF must consider the following criteria: The institution of higher education shall be located in a state with abundant coal reserves, the institution of higher education shall have previous experience in coal research and currently active programs in this area, and the institution must have the capacity and resources to operate a coal laboratory assisted by the bill.

The bill would authorize the Director of the NSF to pay the Federal share of the cost of establishing (including the construction of such facilities as may be necessary) and maintaining a coal laboratory. No institution may receive more than $4,000,000 for construction of its coal laboratory, including initially installed fixed equipment. It would not be allowed more than $1,500,000 for initially installed movable equipment and no more than $500,000 for new program start-up expenses. Each year for a minimum of five years the Federal government would provide no more than $1,500,000 per laboratory for operating expenses. The institution of higher education would have to insure matching amounts each year for operating expenses from non-federal sources.

Under Title I an Advisory Council on Coal Research would be established. Membership is outlined in section 105. The Council would provide advice on the general administration of the laboratories.

Title II outlines the Energy Resource Graduate Fellowships. The fellowships would be awarded by the Director of the NSF for periods designated not to exceed two years. They would be for graduate study and research in those areas of applied science and engineering that are related to the production, conservation and utilization of fuels and energy. To apply for a fellowship an individual must have been accepted by an institute of higher education for graduate study leading to an advanced degree or for a professional degree and the individual must plan a career in the field of energy resources, production or utilization. The Director of the NSF should provide for equitable distribution of such fellowships throughout the nation. However, special attention should be given to research centers, archives, libraries, or institutes of higher education that have a demonstrated capacity for research or courses of study in the fields of energy resources, conservation, conversion and related disciplines.

The fellowships for individuals shall be stipends of $4,000 for each academic year of study plus an additional $500 for each dependent. The institution will be given 100% the amount paid to the fellowship holder less the amount paid on account of such person's dependents, less any amount charged such person for tuition.

The Coal Research Laboratories and the fellowships shall be funded by the legislation for a five year period. The Director of the NSF will be empowered to award up to 1500 fellowships per year.

By Mr. BENTSEN:

S. 3435. A bill to authorize a project for flood protection in and in the vicinity of Baytown, Tex. Referred to the Committee on Public Works.

SUBSIDENCE PROBLEM IN THE BAYTOWN, TEX., AREA

Mr. BENTSEN. Mr. President, I introduce this bill today in an effort to resolve the problem of flooding and general land subsidence which is occurring on the east side of the upper reaches of Galveston Bay, in the area known as the Brownwood addition of Baytown, Tex. The area is a distant suburb of Houston, Tex., and is in the congressional district of Congressman BOB ECKHARDT. Congressman ECKHARDT is introducing this same bill in the House of Representatives, and I am pleased that we will be working in a joint effort to help the citizens of Brownwood.

This problem of the land subsidence is caused by pumping water from the ground in sufficient quantities to permanently lower the water table. The pumping has been conducted by municipal and industrial interests which the people of the Brownwood addition have no control over. In the last 25 years, the water table has dropped more than 200 feet, resulting in land subsidence of up to 7 feet. The affected area can be described as a 65-mile diameter saucer, with one edge east of Baytown and the other edge at Katy, Tex., 35 miles west of Houston. Subsidence is the greatest at the center of the saucer and diminishes towards the edges. This subsidence is not reversible; there is apparently no way to recover the lost elevation.

The subsidence is causing a tragic loss of homes in the Brownwood area. The area is one of many homes and is the chosen retirement area of many people. Preliminary studies have revealed that 541 residences are affected in the Brownwood addition with the number of people affected reaching 2,000. Mr. President, as a result of this situation, there are actually homes sitting out in the bay because the land has literally sunk below sea level.

The frequent flooding is extensive. Major flooding occurred in 1960 when hurricane Carla caused over $5 million in damage and in 1973 when tropical storm Delia produced high tides causing over $2 million in damages to this small area.

While the flooding has created obvious discomforting and costly problems for the local residents, the Federal Government has had to bear the major portion of the cost through federally subsidized flood insurance. Any additional delay in resolving this problem can only mean more cost to the Federal Government.

Flood retaining structures are engineeringly possible, but I strongly question the financial and ecological feasibility of this option. It is for this reason that I am introducing this bill today which will enable the Corps of Engineers to relocate the homeowners out of the area and claim the area as parkland. I hope that my colleagues will join me in supporting this important effort.

By Mr. BROOKE:

S. 3436. A bill to increase the availability of mortgage credit for residential housing. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BROOKE. Mr. President, recent economic reports have dramatically confirmed what many have feared for some time: The Nation is moving into a very difficult economic situation, described by popular economists as staglation.

Galloping inflation is, in my opinion, a most serious problem; it could literally bankrupt the country and destroy the lives and security of our citizens. Both the Congress and the President should attach the highest priority to arresting the inflationary spiral.

Compounding the problems created by inflation is a slowdown in economic activity which is likely to become a recession. Some economists believe that after two quarters of downturn, economic activity will pick up in the fall, but others are not so sure. The outlook for increases in the gross national product could best be described as uncertain.

Some Members of Congress have suggested that a tax cut is in order to help stimulate the economy. I am concerned that a tax cut might lead to an overall increase in spending power, which would fuel inflation. It would be better, in my view, to encourage selective expansion in those sectors of the economy where there is unused productive capacity, while using monetary policy to moderate the general tendency toward demand pull inflation.

One area of the economy which clearly needs stimulation is housing production. Reacting to high interest rates, housing starts fell to a 3-year low in December of last year. While the monetary situation eased in the early part of this year, the Federal Reserve Board recently has been forced to tighten the monetary screws to curb inflation. The Fed has raised the discount rate from 7 to 8 percent, the prime rate has jumped to 10½ percent, and good utility bonds are being sold to yield about 9 percent. Needless to say, the outlook for the mortgage market is bleak.

It is commonplace that the housing industry is countercyclical. When the rest of the economy heats up, pushing up interest rates, sales and production of housing necessarily slow down. Housing is, in a sense, the whipping boy of the economy; it is punished for excessive spending in other industries. The result is that those who want to buy or sell their homes are unable to do so.

EMERGENCY HOME FINANCE ACT OF 1974

To ease the mortgage credit crunch which has hampered and will continued to hamper the purchase and sale of homes and to take advantage of the unused capacity in the housing industry, I am today introducing the Emergency Home Finance Act of 1974.

The bill seeks to create a source of mortgage credit which will be available to home buyers in times of tight money. It provides for the creation of a National Housing Trust Fund, which would be funded by loans of up to $5 billion from the U.S. Treasury. The money in this fund could be used by the Secretary of Housing and Urban Development to make FHA-insured loans through FHA-approved seller services, such as savings and loan associations and mutual savings banks. Loans would be made in those areas where the Secretary determines that mortgage credit is not available on reasonable terms at the interest rates prescribed for FHA-insured mortgages.

The National Housing Trust Fund would operate without expense to the taxpayer. While the trust fund would be able to obtain loans from the Treasury at a rate comparable to that paid on Treasury issues, all loans to the trust fund would be repayable with interest. In this regard, the trust fund would have a great advantage over the GNMA tandem plan, which has helped to ease mortgage credit shortages in the past but at a potential cost to the Government of several hundred million dollars. The tandem plan should, however, continue to operate alongside the direct loan program as a subsidy to promote new construction. The trust fund would also have an advantage over Federal Home Loan Bank Board advances in that there would be certainty that the funds would be used for residential mortgage financing rather than for other purposes or relending for market securities.

Funds loaned by the Treasury to the trust fund would not be included in the total budget of the U.S. Government and would be exempt from any limitation on annual expenditure or net lending as are funds borrowed by the Export-Import Bank under the provisions of the Export Expansion Finance Act of 1971.

The proposed bill would not create a new bureaucracy. It would rely upon savings and loan associations, mutual savings banks, and mortgage bankers to process and service mortgage loans, and these seller-services would receive reasonable compensation for their work.

The Emergency Home Finance Act will give assistance to the home buyer, who in most cases is a moderate- to middle-income citizen. At the same time we must not neglect the pressing needs of lower-income families. The Housing and Community Development Act of 1974, which was passed by the Senate in March of this year, provides increased funding for public housing and subsidized housing programs. This bill should be enacted and signed by the President without delay, both to provide additional stimulus to the lagging housing sector of the economy and to meet the urgent need to provide decent, safe, and sanitary housing for low-income families.

By encouraging additional housing production in the ways I have suggested, we can stimulate a sagging economy. At the same time, we can moderate the effect on the housing industry of the restrictive monetary policy which the Federal Reserve Board has been forced to adopt to help curb inflation. I believe the proposals contained in the Emergency Home Finance Act of 1974 would better serve the economy and the national interest than the enactment of a tax cut.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3436

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Emergency Home Finance Act of 1974".

FINDINGS AND PURPOSES

Sec. 2. The Congress finds and declares that—

(1) in many parts of the Nation, residential mortgage credit is or is likely soon to become prohibitively expensive or unavailable at any price;

(2) the unavailability of mortgage credit severely restricts housing production, causes hardship for those who wish to purchase or sell existing housing, and delays the achievement of the National goal of a decent home for every American family; and

(3) there is an urgent need to provide an alternate source of residential mortgage credit on an emergency basis.

AUTHORITY OF THE SECRETARY

Sec. 3. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized, upon such terms and conditions as he may prescribe, to make, and to enter into commitments to make, mortgage loans under this Act to finance the purchase of housing in geographic areas where he determines, after consultation with the Chairman of the Federal Reserve Board and the Chairman of the Federal Home Loan Bank Board, that mortgage credit is not available on reasonable terms at the interest rate prescribed by him under section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to insured mortgages, and for other purposes", approved May 7, 1968.

(b) In determining to what extent mortgage credit assistance under this Act shall be made available in any geographic area, the Secretary shall take into account possible future needs for such assistance in other geographic areas.

(c) The Secretary may not make any loan under this Act unless the mortgage securing the loan meets the requirements of, and is or will be insured under, the National Housing Act.

(d) The Secretary is authorized to establish and charge fees for mortgage loans made under this Act in such amounts as he determines to be necessary to cover costs incurred under section 5.

NATIONAL HOUSING TRUST FUND

SEC. 4. (a) There is established in the Treasury of the United States a trust fund to be known as the "National Housing Trust Fund" (hereinafter in this section referred to as the "fund"). The fund shall consist of—

(1) amounts repaid by mortgagors as principal and interest on loans from the fund;

(2) proceeds credited to the fund under 3(d) or subsection (c) or (e) of this section; and

(3) receipts from any other source.

(b) Amounts in the fund shall be available to the Secretary for the purpose of making direct mortgage loans in accordance with section 3, and for carrying out functions relating to the processing and servicing of such loans.

(c) To carry out the purposes of this section, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount not to exceed $5,000,000,000, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury to be equal to the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury, acting directly or through the Federal Financing Bank, is authorized and directed to purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(d) The receipts and disbursements of the fund shall not be included in the total of the Budget of the United States Government and shall be exempt from any limitation on annual expenditure or net lending.

(e) The Secretary is authorized to purchase, sell, and otherwise deal in mortgages held by the fund in order to maintain a sufficient level of funds to carry out the purposes of this Act.

PROCESSING AND SERVICING

SEC. 5. The Secretary is authorized to enter into agreements with qualified mortgagees for purposes of the National Housing Act to provide for the processing and servicing of loans made under this Act. Any such agreement may provide for reasonable compensation for the performance of processing and servicing functions.

ADMINISTRATION

SEC. 6. The Secretary is authorized to enter into contracts with the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or with other Federal agencies to carry out his functions under this Act.

REPORT

SEC. 7. The Secretary shall transmit to the Congress not later than March 15 of each year a report on his activities under this Act, during the preceding year and on any activities he anticipates during the year in which the report is made.

By Mr. NELSON:

S. 3437. A bill to raise needed revenues by gearing the income tax more closely to an individual's ability to pay, and by broadening the income tax base of individuals and corporations. Referred to the Committee on Finance.

Mr. NELSON. Mr. President, both within and outside the Congress, there is considerable discussion of proposals to cut income taxes at this time. The issue will come before the Congress and be disposed of one way or the other. The objective is to put additional purchasing power into the hands of those in the moderate and lower income groups who have seen their real income eroded by inflation. These are the income groups who have suffered the most because inflation has substantially reduced their capacity to purchase those essentials of food, clothing, housing, health insurance, and so forth. This is a loudable and meritorious objective which deserves the support of Congress.

However, it would be politically irresponsible to pass an income tax cut in the middle of this dangerous inflation without replacing these revenue losses by enacting some long overdue tax reforms. It will throw the Federal budget further out of balance, fuel an already rampaging inflation and play a cruel hoax upon the many people it purports to help.

This may be good election year politics, but it is bad economics, bad for the country and bad news for the taxpayer.

Mr. President, the bill I am introducing today will provide a tax cut and at the same time restore the revenue loss by closing certain tax loopholes which contribute to the serious inequities spread through the tax code. A tax cut without tax reform would be fiscal folly and a fraud on the American taxpayer.

Congress should not, in an election year, take the easy course of reducing taxes. Tax relief must be balanced with tax reform, otherwise such reduction will only add to inflation and rob the American taxpayer of the very relief it purports to give. I am offering today a package of tax reform proposals closing some of the most notorious loopholes that have destroyed the equity of our tax system. Closing these loopholes would allow over $7 billion in tax relief for 55,683,000 American taxpayers. A major part of this reform is the $205 credit provided in this bill which would be a deduction from the final tax bill and would be of equal value to all families.

The present $750 exemption is a deduction from adjusted gross income and is of substantially greater value to wealthy families. Consider, for example, a man with a half million dollars of income who is in the 70 percent bracket and a man earning $5,000. If each is married with two children, the wealthy man will save $2,100 because of the personal exemption and the man with $5,000 will save about $470. For a man in the 14 percent bracket the birth of a child provides him with tax relief of $105; for the man in the 50 percent bracket whose income may be over $50,000 the relief is $375 and for the wealthy man in the 70 percent bracket the relief is $525.

Logic would, of course, suggest that if we were to provide this type of relief for family size, the relief should be greater for the low-income individual than for the high-income one, or at least the same amount. Providing for a credit instead of an exemption will make the income tax system far more progressive, and provide a substantial new measure of tax equity for millions of taxpayers. Providing tax relief through tax reform would be real relief for Americans without adding to inflation.

Senator HASKELL is also offering today a bill balancing tax relief with tax reform. We both propose that tax relief for American taxpayers be achieved by enacting a permanent tax credit which would make our tax system much more equitable.

Americans are being plagued by inflation. In the first 3 months of this year, the Consumer Price Index—CPI—rose by 14.5 percent and in the same period, the Wholesale Price Index—WPI—has risen by 24.8 percent. Workers' real income—after adjustment for higher prices and taxes—is lower than a year ago. For the average married worker with three dependents, real earnings have dropped 4.7 percent since last year. That means that the average worker has the spending power now of only $95.30 out of each $100 a year ago. A study by the Joint Economic Committee shows that a family with a budget of $12,614 had to pay an extra $1,168 just to maintain their 1972 living standards. If the American family ever needed help, this is the time. The help, however, must be real and permanent; not illusionary.

Congress is presently considering the advisability and desirability of reducing taxes to stimulate the economy.

This debate has been, I believe, incorrectly characterized, as between liberals supporting a fiscal stimulant, and conservatives in opposition. Concern about adding to inflation, however, does not stop with the Secretary of the Treasury. For example, John Kenneth Galbraith, no one's favorite conservative, has written:

> I am very doubtful about a tax reduction. Inflation is still a major problem. It's a tough fact that tax reduction is the wrong medicine for that.

Other economists who have expressed grave reservations about the wisdom of a tax cut are Gardner Ackley and Otto Eckstein, respectively, a former chairman, and a member of the Council of Economic Advisers during President Johnson's administration, and Robert Nathan, a noted liberal economist. Even economists supporting a tax cut are concerned about its longrun revenue affects. For example, Joseph Peckman states:

> In closing, I should like to add that *I recommend this type of tax action on the assumption* that there will be other tax legislation this year that will recover at least as much or *more revenue* for later years through tax reform. Given the urgent need for improving the Nation's health, education, welfare, and other social programs, it would be unwise to cut the strength of the revenue system over the long run. [Emphasis added.]

Also, Walter Heller states:

> To protect the integrity of the revenue-raising system in the longer run, Congress could couple its exemption boost *with a firm pledge* to compensate for the revenue losses by adopting revenue-raising tax reforms to be phased in during 1975 and subsequent years." [Emphasis added.]

In summary, never have the American taxpayer needed a relief more, but relief provided by only tax reduction presents grave and unacceptable risks. This dilemma can be solved by achieving tax relief through tax reform. This would achieve not only tax relief but much greater tax equity.

TAX CREDIT AND TAX RELIEF

This bill provides for a $7,135 billion cut in individual income taxes and replaces the present $750 personal exemption with a permanent $205 tax credit. This change, increasing the progressivity of the Federal tax structure, provides tax reduction for 55,683,000 American taxpayers.

This proposal would result in less tax liability than under present law for all the following categories of taxpayers—assuming deductible personal expenses of 15 percent of adjusted gross income.

Single person	$14, 264. 71
Married couple with no dependents	20, 196. 08
Married couple with one dependent	20, 882. 35
Married couple with two dependents	21, 568. 63
Married couple with four dependents	22, 941. 18

In other words, families of four with adjusted gross incomes of $22,941.18 or less would pay less in tax than under the present law.

Mr. President, I ask unanimous consent to have printed in the RECORD at this time, a table estimating the decrease and increase in Federal individual income tax liability resulting from substituting a $205 credit for the personal exemption.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED AGGREGATE DECREASE AND INCREASE IN FEDERAL INDIVIDUAL INCOME TAX LIABILITY RESULTING FROM THE SUBSTITUTION OF A $205 NONREFUNDABLE COMPULSORY TAX CREDIT FOR THE $750 PERSONAL EXEMPTION DEDUCTION

[By adjusted gross income class, 1972 income levels]

Adjusted gross income class (thousands)	Returns with tax decrease			Returns with tax increase		
	Total number with tax decrease (thousands)	Number made nontaxable (thousands)	Decrease in tax liability (millions)	Number of returns (thousands)	Increase in tax liability (millions)	Change in tax liability (millions)
0 to $3	3, 221	2, 275	$171	0	0	—$171
$3 to $5	7, 746	2, 359	659	0	0	—659
$5 to $7	8, 737	1, 882	1, 045	0	0	—1, 045
$7 to $10	12, 229	1, 034	1, 908	(1)	(1)	—1, 908
$10 to $15	15, 368	241	2, 540	227	$5	—2, 535
$15 to $20	7, 042	33	733	515	15	—718
$20 to $50	1, 339	5	79	3, 966	577	498
$50 to $100	2	(1)	(1)	447	306	305
$100 and over	(1)	(1)	(1)	102	89	89
Total	55, 683	7, 829	7, 135	5, 257	991	6, 144

[1] Less than 500 returns or $500,000.

Note: Details will not necessarily add to totals because of rounding.

TAX REFORM

Justice Holmes stated that:

> Taxes are the price we pay for civilization.

While few would disagree with his statement, our present tax system must be reformed because it is no longer fair. It is full of loopholes reducing the tax of the wealthy while increasing the tax of the average American. Everytime someone is afforded the opportunity not to pay, everyone also must pay more. For instance, taxpayers earning between $8,000 and $15,000—26 percent of the population—earning only 20 percent of the Nation's personal income, pay an extraordinary 36 percent of individual income taxes.

Our tax system is becoming a transfer system from those least able to pay to those less in need. This is why, in the words of Prof. Stanley Surrey:

> Tax reform is really a moral issue. It is not just a technical exercise to be engaged in by skilled experts. It is an effort to restore fundamental morality to a tax system by ending both its unfairness and the cynical immoral way the tax game is played today by those with money and knowledgeable advisors.

Congress will not be able to achieve this year the massive and comprehensive revision of our tax law so clearly necessary. This should, however, not deter Congress from making a downpayment on its obligation to achieve real reform. Given the will, Congress can achieve substantial tax reform this year by enacting these proposals.

PERCENTAGE DEPLETION ALLOWANCE

The first provision repeals the percentage depletion allowance. This tax preference, costing the American taxpayer over $1.5 billion per year, has failed totally to encourage domestic production, as it was originally intended to do. If it is not eliminated, its cost will skyrocket to $2.2 billion for domestic oil alone, and still not create any increase in production.

Numerous economic studies have questioned the effectiveness of the oil depletion allowance. For example, a 1969 Treasury Department study showed that, although $1.4 billion Federal revenues were then being lost, the allowance had little influence on exploration.

There are many reasons why the percentage depletion is not an effective device to encourage exploration. First and foremost, as the percentage depletion is now written, it is an incentive for oil men to pump from existing wells, rather than an incentive to explore for new sources of petroleum. Second, land owners with oil royalties receive a percentage depletion even though they do no drilling and take no risks. Third, depletion allowances can be claimed for income for producing wells abroad which do not necessarily insure a source of oil for the United States, secure or otherwise. Fourth, percentage depletion, because of the net income limitation, is of doubtful significance to marginal wells, because it is far more valuable to productive rather than marginal wells.

For these reasons, repeal of the percentage depletion is a wise tax and energy policy.

Defenders of percentage depletion should be asked to explain why, since it has existed from 1926 to the present, domestic exploration peaked in 1956 and present domestic supply is inadequate to meet our needs. Also, it would be helpful if they explained how a provision which was necessary when oil was selling for $3.50 or less a barrel is just as necessary when oil is selling for at least $5.25 a barrel and in some cases, around $10.

MINIMUM TAX

Congress in 1969 established a minimum tax providing for a flat 10-percent tax rate on income that had escaped entirely being subject to tax. Congress enacted the minimum tax preference income because, regardless of the individual merit of the provision which established such preferences, it did not want them to be pyramided by wealthy individuals to allow them to escape liability entirely. The minimum tax, however, has not achieved its stated purpose. For example, 402 Americans with 1972 incomes in excess of $100,000 paid no Federal income tax for that year. Of the 402, there were 99 with incomes over $200,000, and 4 with incomes of more than $1 million.

The number of wealthy tax avoiders rose in 1972. The number had been declining in recent years—from 394 with incomes over $100,000 for 1970, to 276 for 1971—but now we are apparently back on the way to grand-scale tax avoidance. The 402 who paid no taxes at all are "only the tip of the iceberg." Thousands of other wealthy Americans end up paying just a few hundred dollars in taxes on their huge incomes.

This provision would lower the present automatic deduction of $30,000 to $10,000 and eliminate the deduction allowed for taxes paid on nonpreference income.

The basic rationale for the minimum tax is that it is needed because certain taxpayers have amassed certain items of income which are not included in their regular tax base. The minimum tax addresses itself not to individuals who have escaped taxes, but to large sources of preference income. These excluded items stand apart from, and in addition to, the items normally taxed. The reason the taxpayer is subjected to the minimum tax is that his effective tax is too low in relation to his real income due to the amount he received from tax preference items. To give him credit for the tax that he pays on his regular income defeats the purpose of the minimum tax. The tax on "regular" income is simply unrelated to the tax on excluded items of tax preference. It is illogical to establish a tax on the preferred income escaping taxation, and then allow a deduction for taxes paid on regular income.

FOREIGN TAX CREDIT

Under present law, a U.S. taxpayer is allowed to reduce his U.S. tax liability on foreign income by a foreign tax credit. In general, the amount of foreign taxes which a taxpayer may claim as a foreign tax credit is limited to the U.S. tax imposed on the foreign income with respect to which the foreign taxes were paid. There are two alternative formulations of the limitation on the foreign tax credit which may be used by taxpayers: the "per-country" limitation and the "overall" limitation.

The use of the per-country limitation permits a U.S. taxpayer which has losses in a foreign country to obtain what in effect is a double tax benefit. Since the limitation is computed separately for each foreign country, these losses do not have the effect of reducing the credit allowed for foreign taxes paid in other foreign countries from which income was derived. Instead, the losses reduce U.S. tax on domestic income. Second, when the business operations in the loss country become profitable, a credit is allowed for the taxes in that country against what otherwise would be the U.S. tax on the income from that country. In other words, a U.S. taxpayer which has losses from a foreign country and which uses the per country limitation receives one tax benefit when the losses arise—in that they are allowed to reduce U.S. tax on U.S. income—and a second tax benefit when income is derived from that foreign country—in that no U.S. tax is imposed on the income to the extent of the foreign taxes on that income.

This provision provides in effect that a U.S. taxpayer who uses the per country limitation on the foreign tax credit and who reduces his tax on domestic income by reason of a loss from a foreign country, is to have this tax benefit recaptured when income is subsequently derived from that country.

FOREIGN TAX CREDIT—OIL COMPANIES

Congress must also end the singular abuse of the foreign tax credit by international oil companies. The foreign tax credit is a reasonable means of preventing double taxation, but oil companies have been allowed to treat foreign royalties as taxes—unlike domestic royalties—and then to use alleged tax payments to shelter their foreign income in other countries. Treasury statistics indicate that in 1971, because of the foreign tax credit, U.S. oil companies were able to reduce their tax bill from $3.2 billion to $788 million, or more than 75 percent.

There are substantial difficulties of ascertaining whether a payment which is labeled as a tax payment is, in fact, a tax or a royalty. It is inappropriate, however, to allow these "tax payments" to offset U.S. tax which would otherwise be imposed on other foreign income. Accordingly, this provision provides a separate foreign tax credit limitation on foreign taxes paid with respect to income derived from foreign mineral production where the foreign government to which the taxes are paid also holds the rights to, or receives royalties relating to, the minerals with respect to which the income is derived, or where the foreign country imposes a higher effective tax rate on mineral income than on other types of income. Generally, the effect of this separate limitation will be to preclude excess foreign tax credits arising from this source from being used to offset what would be the U.S. tax on other foreign income in the same or other countries.

INTANGIBLE DRILLING COSTS

Cost of labor, materials, and other goods incidental to drilling are considered "intangible costs of drilling" and can be expensed, permitting the immediate recovery of capital investments. By most criteria, exploration and development cost. for productive wells are all investment in capital, and would be for other industries subject to a depreciation allowance over the useful life of the capital asset. The basic rationale for this provision is that oil and gas exploration is a high risk business, which will not be undertaken unless there are tax incentives.

Recent international events demonstrate that this rationale cannot apply for foreign exploration and development. From the United States, properties discovered abroad do not necessarily have the same benefits as those discovered domestically. For these reasons, this amendment would repeal the deduction for intangible drilling costs for foreign operations.

TAXATION OF UNDISTRIBUTED PROFITS OF FOREIGN CORPORATIONS

At the present time, American corporations do not have to pay taxes on the earnings of their controlled foreign subsidiaries until these earnings are brought home. Since most earnings retained abroad are reinvested in fixed assets, this virtually amounts to a permanent exemption from U.S. tax. This tax provision therefore gives U.S. corporations an artificial incentive to build plants in foreign countries and export American jobs. In 1961, President Kennedy proposed the repeal of this tax deferral, but his proposal did not pass Congress. This amendment would provide for the taxing of earnings of foreign subsidiaries on a current basis.

DOMESTIC INTERNATIONAL SALES CORPORATION—DISC

DISC, enacted as part of the Revenue Act of 1971, is just a dismal tax loophole for corporations. It allows them, just by establishing a paper corporation and without increasing their exports, to defer indefinitely one-half of their taxes on those exports. This loophole gets bigger with every passing day. Every time the U.S. Government negotiates a new trade or wheat arrangement with Russia, or our currency is devalued, which with a floating exchange rate happens daily, the value of this loophole for large exporters increases.

This provision will repeal DISC. As C. Fred Bergsten, senior fellow at the Brookings Institution, recently testified before the Senate Finance Committee:

> The DISC legislation has apparently done little to spur exports and has significantly reduced government revenues. In addition, there is no need for such selective export subsidies in a world of flexible exchange rates. And, even had it worked as planned, it would have no place in the current inflationary environment."

DISC adds to domestic inflation by draining resources away from our economy.

WESTERN HEMISPHERE TRADE CORPORATION

Corporations which receive 95 percent of their income over a 3-year period from business carried on in the Western Hemisphere are taxed at approximately 34 percent rather than the normal 48 percent corporate rate. This rate preference extends to its beneficiaries an advantage unavailable to corporations deriving their income from domestic sources: that advantage is most valuable to corporations with high incomes and least valuable to those with low incomes; and the provision is unsupported by any factual demonstration of its utility to the United States. In practice, certain large companies in the natural resource industry are major beneficiaries of the preference.

This provision will repeal the 14-percent point tax preference presently afforded Western Hemisphere Trade Corporation. This action would correct a deviation from sound principle of taxation—much like DISC—and end an unjustified tax windfall for some of our largest business enterprises.

ASSETS DEPRECIATION RANGE

The ADR system permits a corporate taxpayer to depreciate capital assets within a range of up to 20-percent faster than the actual useful lives of these assets as defined by Treasury guidelines on useful lives in 1971.

By adopting ADR as a part of the Revenue Act of 1971, we abandoned a concept which had been an integral part of the tax laws for 40 years—namely, that deductions for depreciation of capital assets must be based on the actual useful life of the asset. Once we depart from this concept and allow tax depreciation to exceed economic depreciation, the owners of property producing taxable income are in effect receiving subsidy payments from the Treasury. There is no mathematical difference between giving an individual or business a direct handout and forgiving him a like amount in taxes due. This amendment would repeal ADR system for calculating the proper amount of deductible depreciation.

During the last Presidential campaign, public concern compelled every major candidate to talk about tax reform. With such public interest, it was generally assumed that the 93d Congress, which began January 3, 1973, would make substantial progress in achieving tax justice. We are now in the second session of this Congress and nothing has been done and the few administrative proposals merely scratch the surface of the problem.

From personal experience, I fully appreciate the difficulty of achieving any tax reform. Tax laws are complex and difficult to understand. Specific tax reforms attempts are met with general public indifference and claims by affected groups that such attempts would have totally undesirable consequences, not just for them, but for the whole country. With such confusion and complexity, the easy course is to give up. However, I believe that the present inequitable tax system is one of the forces eating away at the social cohesiveness and basic fabric of our society. Tax reform is as necessary for this country's health and welfare as education and medical legislation. Congressmen and Senators, as the selected guardians of the Nation's welfare, have a moral obligation to reform the tax structure to achieve tax justice.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3437

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE. This Act may be cited as the "Tax Reform Act of 1974".

(b) AMENDMENT OF 1954 CODE. Except as otherwise expressly provided:

(1) whenever in this Act a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954; and

(2) terms used in this Act shall have the same meaning as when used in the Internal Revenue Code of 1954.

(c) The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

SEC. 2. CREDIT AGAINST TAX FOR PERSONAL EXEMPTIONS.

(a) Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by redesignating section 42 as section 43 and by inserting after section 41 the following new section:

"SEC. 42. PERSONAL EXEMPTIONS.

"There shall be allowed, as a credit against the tax imposed by section 1 or 3, the amount determined under section 151 for personal exemptions. Such credit shall not exceed the tax imposed by section 1 or 3 for the taxable year."

(b) So much of section 151 (relating to deductions for personal exemptions) as precedes subsection (b) is amended to read as follows:

"SEC. 151. CREDIT FOR PERSONAL EXEMPTIONS.

"(a) AMOUNT OF CREDIT.—The amount of the credit allowed by section 42 for the taxable year for personal exemptions shall be 205 for each exemption allowed to the taxpayer under this section for the taxable year."

(c) Section 151 is further amended by striking out "of $750" wherever it appears therein.

(d) Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 84. CERTAIN INCOME OF CHILD CLAIMED AS DEPENDENT

"Income received during a taxable year by a child from a trust created by his parent, and dividends, interest, and royalties received during the taxable year by a child from property given him by his parent, shall be included in the gross income of the parent, and not in the gross income of the child, if the parent is entitled to and claims a credit under section 42 for the exemption allowable under section 151 for such child as a dependent. This section shall not apply if the parent does not claim the credit allowed by section 42 on account of such child or, having claimed such credit, if the parent waives the allowance of the credit in such manner as may be provided in regulations prescribed by the Secretary or his delegate. This section shall have no application to income of a trust which is includable in the gross income of the parent under the provisions of subpart E of part I of subchapter J."

(e) Sections 2(a)(1)(B), 2(a)(1), 141(c)(5), 143(b)(1), 214(b)(3), 874(b), and 931(e) are each amended by striking out the word "deduction" wherever it appears and inserting in lieu thereof the word "credit".

(f) Section 37(a) (relating to retirement income credit) is amended by striking out "section 35 (relating to partially tax-exempt interest)" and inserting in lieu thereof "section 42 (relating to personal exemptions)".

(g) Section 46(a)(3)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 42 (relating to personal exemptions), and".

(h) Section 63(b) (relating to definition of taxable income) is amended by striking out all that follows after the words "adjusted gross income" and inserting in lieu thereof "minus such standard deduction".

(i) Section 72(n)(3) (relating to special computation of taxable income) is amended by striking out subparagraph (A).

(j) Section 170(b)(1)(C) (relating to unlimited charitable deduction) is amended by striking out clause (ii).

(k) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) ESTATES AND TRUSTS.—No deduction shall be allowed for the personal exemption allowed on estate or trust under section 642(b)."

(l) Section 214(b)(3) (relating to care of certain dependents) is amended by striking out "deductions" and inserting in lieu thereof "credits".

(m) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section 151 (and any deduction in lieu thereof)" and inserting in lieu thereof "as a credit under section 151 or a deduction under section 642(b)".

(n) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deductions allowed by this subsection shall be in lieu of the credits allowed under section 42 (relating to credit for personal exemptions."

(o) Section 703(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(p) Paragraph (3) of section 873(b) (relating to nonresident aliens) is amended to read as follows:

"(3) CREDIT FOR PERSONAL EXEMPTION.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 151."

(q) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and".

(r) Section 933(1) (relating to residents of Puerto Rico) is amended by striking out "(other than the deductions under section 151, relating to personal exemptions)".

(s) Section 1211(b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "any deduction allowed by section 642(b)".

(t) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

(u) The amendments made by this section shall apply to taxable years beginning after December 31, 1974.

SEC. 3. REPEAL OF PERCENTAGE DEPLETION RATES ON OIL AND GAS.

Section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion) is amended by adding at the end thereof the following new subsection:

"(e) DISALLOWANCE OF PERCENTAGE DEPLETION FOR OIL AND GAS WELLS AND OIL SHALE AFTER 1973. The allowance for depletion under section 611 for oil and gas wells and for oil shale (except shale described in subsection (b)(5)) shall not be determined under this section for any taxable year ending after December 31, 1973."

SEC. 4. STRENGTHENING THE MINIMUM TAX.

(a) Section 56 of the Internal Revenue Code of 1954 (relating to imposition of minimum tax for tax preferences) is amended:

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) IN GENERAL. In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to the income of every person, a tax equal to 10 percent of the amount (if any) by which the sum of the items of tax preference exceds $10,000.";

(2) by striking out "$30,000" in subsection (b)(1)(B) and inserting in lieu thereof "$10,000"; and

(3) by striking out subsection (c).

(b) The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 5. FOREIGN TAX CREDIT REDUCTION IN CASE OF FOREIGN LOSSES.

(a) REDUCTION IN FOREIGN TAX CREDIT LIMITATION.—Section 904(a) (relating to limitation on credit) is amended by adding at the end thereof the following new paragraphs:

"(3) REDUCTION IN LIMITATION.—In the case of a taxpayer who in a prior taxable year sustains a loss in a foreign country or possession of the United States and chooses the limitation provided in paragraph (1) for such prior year, the amount of the taxpayer's taxable income from sources within such country or possession for the taxable year (but not the taxpayer's entire taxable income for the same taxable year) shall, solely for purposes of determining the applicable limitation under paragraph (1) or (2), be determined without regard to section 172 (relating to net operating loss deduction) and be reduced by the lesser of—

"(A) (i) the amount of such loss, decreased by

"(ii) the amount of any reduction previously made under this paragraph with respect to such loss, or

"(B) an amount which is equal to 50 percent of the taxpayer's taxable income for the taxable year (determined without regard to this paragraph and section 172) from sources within such country or possession.

"(4) ALLOCATION OF LOSSES.—In applying paragraph (3) for any taxable year to which subsection (f) or (g) applies, a loss sustained in a foreign country or possession of the United States shall be allocated to the separate limitation (if any) under such subsection pursuant to regulations prescribed by the Secretary or his delegate.

"(5) SPECIAL LIMITATION ON CARRYBACKS AND CARRYOVERS.—For purposes of subsection (d), the amount by which tax paid or accrued to any foreign country or possession of the United States for any taxable year exceeds the applicable limitation under this subsection shall be determined without regard to paragraph (3).

"(6) CERTAIN DISPOSITIONS OF PROPERTY.—

"(A) Under regulations prescribed by the Secretary or his delegate, if during any taxable year property which is used in the trade or business which gives rise to the loss referred to in paragraph (3) is disposed of and such loss exceeds the amount by which the taxpayer's taxable income was reduced under paragraph (3) for such taxable year and preceding taxable years by reason of such loss, an amount equal to such excess shall be included in gross income for such taxable year.

"(B) No amount shall be included in gross income under subparagraph (A) in any case in which—

"(i) the property which is disposed of is not a material factor in the realization of the income (or loss) from the trade or business in which such property is used or is not a substantial portion of the assets used in, or held for use in, the conduct of such trade or business,

"(ii) the property is disposed of on account of its destruction or damage by fire, storm, shipwreck, or other casualty, or by reason of its theft,

"(iii) the property is transferred by reason of death, or

"(iv) the property is transferred in a transaction to which section 381(a) applies."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to losses sustained in taxable years beginning after December 31, 1974.

SEC. 6. SEPARATE LIMITATION ON FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN MINERAL INCOME.

(a) LIMITATION ON AMOUNT OF FOREIGN TAXES TO BE TAKEN INTO ACCOUNT.—Section 904 (relating to limitation on credit) is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) APPLICATION OF SECTION IN CASE OF FOREIGN MINERAL INCOME.—

"(1) IN GENERAL.—If any foreign country or possession of the United States, or any agency or instrumentality of such country or possession—

"(A) requires the payment of any bonus or royalty with respect to property which gives rise to foreign mineral income,

"(B) holds substantial mineral rights with respect to such property, or

"(C) imposes any income, war profits, or excess profits taxes on such income at an effective rate higher than on other income, subsections (a), (c), (d), and (e) of this section shall be applied separately with respect to foreign mineral income from sources within such country or possession.

"(2) FOREIGN MINERAL INCOME DEFINED.—

"(A) GENERAL RULE.—For purposes of paragraph (1), the term 'foreign mineral income' means taxable income from mines, wells, and other natural deposits within any foreign country or possession of the United States, to the extent such taxable income constitutes 'taxable income from the property' within the meaning of section 613. Such term includes, but is not limited to—

"(i) dividends received from a foreign corporation in respect of which taxes are deemed paid under section 902, to the extent such dividends are attributable to foreign mineral income, and

"(ii) that portion of the taxpayer's distributive share of the income of a partnership attributable to foreign mineral income.

"(B) SPECIAL RULES.—

"(i) For purposes of subparagraph (A), if for the taxable year a taxpayer's (or, where a consolidated income tax return is filed, the affiliated group's) foreign mineral income is less than $10,000, no part of the taxable income for such year shall be treated as foreign mineral income.

"(ii) For purposes of clause (i) of subparagraph (A), if less than 30 percent and less than $100,000, of the accumulated profits of the year or years from which dividends are paid, as determined under section 902(c), are attributable to foreign mineral income, no part of the dividends shall be treated as foreign mineral income.

"(3) OVERALL LIMITATION NOT TO APPLY.—The limitation provided by subsection (a) (2) shall not apply with respect to foreign mineral income. The Secretary or his delegate shall by regulations prescribe the manner of application of subsection (e) with respect to cases in which the limitation provided by subsection (a) (2) applies with respect to income other than foreign mineral income.

"(4) TRANSITIONAL RULES FOR CARRYBACKS AND CARRYOVERS.—

"(A) CARRYBACKS TO YEARS BEFORE TAX REFORM ACT OF 1974.—If, after applying subsection (d), taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning after the date of the enactment of the Tax Reform Act of 1974 are deemed paid or accrued in one or more taxable years beginning on or before such date, then the amount of such taxes deemed paid or accrued in such taxable year or years shall be determined without regard to the provisions of this subsection. To the extent the taxes paid or accrued to a foreign country or possession of the United States in any taxable year beginning after the date of the enactment of such Act are not, after applying the preceding sentence, deemed paid or accrued in any taxable year beginning on or before the date of the enactment of such Act, such taxes shall, for purposes of applying subsection (d), be deemed paid or accrued in a taxable year beginning after the date of the enactment of such Act with respect to foreign mineral income, and with respect to income other than foreign mineral income, in the same ratios as the amount of such taxes paid or accrued with respect to foreign mineral income, and the amount of such taxes paid or accrued with respect to income other than foreign mineral income, respectively, bear to the total amount of such taxes paid or accrued to such foreign country or possession of the United States.

"(B) CARRYOVERS TO YEARS AFTER TAX REFORM ACT OF 1974.—Where under the provisions of subsection (d) taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning on or before the date of the enactment of the Tax Reform Act of 1974 are deemed paid or accrued in one or more taxable years beginning after such date, the amount of such taxes deemed paid or accrued in any year beginning after such date shall, with respect to foreign mineral income, be an amount which bears the same ratio to the amount of such taxes deemed paid or accrued as the amount of the taxes paid or accrued to such foreign country or possession for such year with respect to foreign mineral income bears to the total amount of taxes paid or accrued to such foreign country or possession for such year; and the amount of such taxes deemed paid or accrued in any year beginning after such date with respect to income other than foreign mineral income shall be an amount which bears the same ratio to the amount of such taxes deemed paid or accrued for such year as the amount of taxes paid or accrued to such foreign country or possession for such year with respect to income other than foreign mineral income bears to the total amount of the taxes paid or accrued to such foreign country or possession for such year."

(b) CONFORMING AMENDMENTS.—Section 904(b) (relating to election of overall limitation) is amended—

(1) by striking out "with the consent of the Secretary or his delegate with respect to any taxable year" in paragraph (1) and inserting in lieu thereof "(A) with the consent of the Secretary or his delegate with respect to any taxable year, or (B) for the taxpayer's first taxable year beginning after the date of the enactment of the Tax Reform Act of 1974", and

(2) by striking out "If a taxpayer" in paragraph (2) and inserting in lieu thereof "Except in a case to which paragraph (1) (B) applies, if the taxpayer".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after the date of enactment of this Act.

SEC. 7. REPEAL OF INTANGIBLE DRILLING COSTS FOR FOREIGN EXPLORATION.

(a) IN GENERAL.—Section 263(c) (relating to intangible drilling and development costs in the case of oil and gas wells) is amended by adding at the end thereof the following new sentence: "The provisions of this subsection shall not apply to any oil or gas well located outside of the United States and beyond the outer continental shelf (within the meaning of section 2 of the Outer Continental Shelf Lands Act)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to taxable years beginning after December 31, 1974.

SEC. 810. TAXATION OF UNDISTRIBUTED PROFITS OF FOREIGN CORPORATIONS.

(a) Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by adding at the end thereof the following new subpart:

"Subpart J—Undistributed Profits of Controlled Foreign Corporations

"SEC. 985. AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

"(a) AMOUNTS INCLUDED.—

"(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation (as defined in section 957) for an uninterrupted period of 30 days or more during any taxable year, every person who is a United States shareholder (as defined in section 951(b)) of such corporation who owns (within the meaning of section 958) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in his gross income, for his taxable year in which or with which such taxable year of the corporation ends, his pro rata share of the corporation's earnings and profits for such year.

"(2) Pro rata share of earnings and profits.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 958) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the earnings and profits of such corporation for the taxable year, as (ii) the part of such year described in subparagraph (A)(ii) during which such shareholder did not own (within the meaning of section 958) such stock bears to the entire year.

"(b) Earnings and Profits.—For purposes of this subpart, under regulations prescribed by the Secretary or his delegate, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporation for any prior taxable year beginning after December 31, 1974,

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) Coordination With Election of a Foreign Investment Company to Distribute Income.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) Coordination With Foreign Personnel Holding Company Provisions.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"(e) Adjustments and Foreign Tax Credits.—Under regulations prescribed by the Secretary or his delegate—

"(1) Adjustments to the basis of stock on account of earnings and profits taxed under subsection (a) shall be made in the manner provided in section 961 (relating to increases and reductions in basis on account of the income tax treatment of subpart F income):

"(2) Elimination of double taxation of previously taxed earnings and profits when distributed shall be made in the manner provided in section 959 (relating to exclusion from gross income of previously taxed subpart F income); and

"(3) Corporations shall be deemed to have paid income, war profits, and excess profits taxes paid (or deemed paid) by foreign corporations to a foreign country or possession of the United States in accordance with the special rules set forth in section 960."

(b) Section 951 (relating to taxation of Subpart F income) is amended by adding at the end thereof the following new subsection.

"(e) Taxable Years Ending After December 31, 1974.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii) of such subsection) with respect to a taxable year of a controlled foreign corporation ending after December 31, 1974."

(c) Section 1248(d)(1) (relating to treatment of gain on sale of stock in certain foreign corporations) is amended by striking out "under section 951" each time it appears and inserting in lieu thereof "under section 951 or 985", and by striking out "under section 959" and inserting in lieu thereof "under section 959 or 985(e)(2)".

(d) The amendments made by this section shall apply with respect to taxable years of foreign corporations ending after December 31, 1974, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.

Sec. 9. Repeal of the Tax Exemption for a Disc.

(a) Section 991 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after the date of the enactment of the Tax Reform Act of 1974."

(b) Section 992(a) (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) Termination.—No corporation shall be treated as a DISC for any taxable year beginning after the date of the enactment of the Tax Reform Act of 1974."

Sec. 10. Repeal of Deduction for Western Hemisphere Trade Corporations.

(a) Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by striking out subpart C (relating to Western Hemisphere trade corporations).

(b) Section 170(b)(2) (relating to charitable deductions for corporations) is amended by striking out subparagraph (D).

(c) Section 172(d) (relating to the net operating loss deduction) is amended by striking out paragraph (5).

(d) Section 1503 (relating to consolidated returns) is amended by striking out subsection (b).

(e) Section 1562(b)(4) (relating to multiple surtax exemptions) is amended by striking out "and 922 (relating to special deduction for Western Hemisphere trade corporations)".

(f) The amendments made by this section shall apply with respect to taxable years beginning after the date of the enactment of this Act.

Sec. 11. Repeal of Asset Depreciation Range System.

(a) Section 167(m) (relating to the Asset Depreciation Range System) is repealed.

(b) Section 167(a) (relating to a reasonable allowance for depreciation) is amended by adding at the end thereof the following:

"Such reasonable allowance shall be computed, subject to the provisions of Revenue Procedure 62–21 (including the provisions for the reserve ratio test) as in effect on January 1, 1971, on the basis of the expected useful life of property in the hands of the taxpayer."

(c) The amendment made by subsection (a) shall apply to property placed in service after April 30, 1974. The amendment made by subsection (b) shall apply to taxable years ending after April 30, 1974, but it shall not apply to property placed in service by the taxpayer before May 1, 1974 if an election has been made to have the provisions of section 167(m) applicable to such property.

By Mr. MONDALE (for himself,
Mr. HUMPHREY, Mr. SCHWEIKER,
and Mr. CLARK):

S. 3438. A bill to amend the Regional Rail Reorganization Act of 1973 in order to expand the planning and rail service continuation subsidy authority under such act, and for other purposes. Referred to the Committee on Commerce.

Mr. MONDALE. Mr. President, Senators HUMPHREY, SCHWEIKER, and CLARK, and I are today reintroducing legislation which we offered last December to preserve and upgrade the quality of rail services to rural America.

During the debate on the Rail Services Act of 1973, Senator HUMPHREY and I proposed two amendments, one to mandate a comprehensive study of the impact of branch line abandonments on our Nation's economic, social, and environmental requirements and to provide Federal assistance to continue service along essential lines which would otherwise be discontinued. Our second amendment would have placed a 2 year moritorium on railroad abandonments pending completion of the study and the implementation of State and local programs to effectively utilize Federal rail service continuation grants. These amendments were adopted by the Senate, but unfortunately, they were dropped from the bill during conference committee.

Today, we are introducing our amendments in the form of a clean bill, the Rural Rail Preservation Act of 1974.

The need for such legislation is even more critical today than it was just a few months ago. Since then, 24 new applications for branch line abandonments have been filed with the Interstate Commerce Commission, bringing the total number of cases now pending to 197. If each of these abandonments is ultimately granted by the Commission—and since 1960 the ICC has approved more than 97 percent of the requests they have received—rural America stands to lose more than 3,300 miles of track.

During 1974 our Nation's farmers will be expanding their production of wheat by 15 percent and of corn by 15 percent. Growing world demand for food means that our agricultural communities will need ever greater quantities of seed, fertilizer, machinery; and they will be shipping unprecedented quantities of grain to market.

Even at somewhat lower production levels in 1973, rural areas throughout the midwest and virtually every other region in the country suffered costly delays and bottlenecks in seeking to move their commodities to market and to bring in supplies of fertilizer for spring planting. These problems are not getting better; they are getting worse, and if we do not find ways to solve them, consumers in the years ahead will also suffer from higher prices for the food they eat.

Incredibly, the administration's solution to this problem is not to provide assistance to rural communities to preserve and improve the quality of transportation services; it is rather to accelerate the pace of branch line abandonments.

Over the past 3 years alone, rail abandonments have resulted in the loss of 7,800 miles of track to rural communities. Now, in an effort to further accelerate the pace of abandonments, the ICC is attempting to expedite abandonments on lines which handle a volume of fewer than 34 carloads per mile each year. According to a study by the Iowa State Government, the new 34-car rule could result in the loss of 19 percent of the State's nearly 7,500 miles of rail line through abandonment. Other States face equal or more severe problems with the 34-car rule.

Instead of hastening the demise of America's rural transportation system, the Federal Government ought to be moving to upgrade that system. Steps should be taken to modernize rail lines that would be profitable if only track and roadbed were restored to an adequate condition.

Beyond the issues of food production and the impact on rural growth and development, there are other major reasons why our policy of accelerating rail abandanoments should be reexamined.

First, there is the question of energy use. Studies show that trains can move each ton of freight for from one-fourth to one-seventh the amount of fuel required by trucks. At a time when our Nation faces an energy crisis, we ought to be encouraging, not abandoning, fuel-efficient methods of transportation.

Second, in terms of environmental quality, trains generate less pollution and require less land than alternative means of transportation.

Third, in terms of our Nation's social goals, I believe we ought to carefully evaluate the effects of a policy which makes it even more difficult for people to earn a decent living in the countryside. We ought to find out the impact of abandonments on employment and business opportunities for rural community residents. We ought to examine the costs to railroad employees and others who are affected.

The bill which Senator HUMPHREY and I introduce today does not argue that all railroad abandonments are wrong. We are not saying that every branch line must be preserved indefinitely. However, we do believe that before our Nation is irrevocably committed to a policy of widespread rail abandonments, we ought to take a careful look at where we are going. Our bill would provide the mechanism to determine the costs, benefits and alternatives to rail abandonments, not just rural America but to our Nation as a whole. If we find that the total costs of abandoning a branch line exceed the benefits, our proposal would enable States and local communities to assure that service will be continued. The Regional Rail Reorganization Act of 1973 provides Federal assistance to State and local governments for up to 70 percent of the cost of keeping essential branch lines in operation if they are located in the Northeast Rail Emergency Region. The bill which Senator HUMPHREY and I introduce today would extend this same program throughout the Nation to help all communities that are threatened by the abandonment of rail service. It would also raise the authorization to carry out the program from $100,000,000 to $200,000,000 per year.

Finally, to provide time for study of our rural transportation network and to enable State and local governments to set up programs to utilize rail service continuation grants, our bill would provide for a temporary 2-year moratorium on rail abandonments. This moratorium could be waived whenever an abandonment request is not opposed by any State, county, or municipality served by the line.

As evidence of the strong State and local support for this measure, I ask unanimous consent that a resolution, adopted by the Minnesota State Legislature on February 25, and an editorial from the St. Paul Pioneer Press be printed in full at this point in the RECORD along with the text of the bill.

WE MUST PRESERVE A SOUND RURAL RAIL SYSTEM

Mr. HUMPHREY. Mr. President, I am delighted to join with Senator MONDALE in reintroducing rail legislation which we introduced last December in the form of two amendments to the Rail Service Act of 1973.

The bill we are introducing today combines the two amendments in the form of a clean bill, the Rural Rail Preservation Act of 1974.

One feature of the bill would require a comprehensive study of the impact of branch line abandonments on our Nation's economic, social, and environmental requirements and provide Federal assistance to continue service along essential lines which would otherwise be discontinued. A second feature of the legislation would place a 2-year moratorium on railroad abandonments pending completion of the study and the implementation of State and local programs to effectively utilize Federal rail service continuation grants.

This legislation is needed today more than ever. An interim report by the U.S. Department of Agriculture, "Transportation in Rural America," which I released earlier, makes it clear that this bill is required if rail transportation in the rural areas is not to deteriorate further. The report concludes:

> There appears to be an immediate need for reexamination of the transportation situation in rural America. The present great concern over the problem of moving people and goods from place to place in rural America suggests that stresses may have reached the crisis stage.

It is about time that the administration and the Congress recognized that rural America faces a transportation crisis. The USDA study clearly supports my contention that the rural transportation crisis in 1973 was real.

We are also facing a crisis in 1974. On March 14 I wrote to Mr. George Stafford, Chairman of the Interstate Commerce Commission, urging that the ICC make an additional 4,000 rail cars available to move fertilizer to farmers for the spring planting. This is hardly what I would consider to be the ideal way to meet our transportation needs.

The situation is not likely to improve, since we have increased our acres planted by about 20 million for this year. In my State of Minnesota, a record acreage will be planted this year with an increase in production of about 100 million bushels in feed grain. Last year our rail system broke down and with this year's sharp increase in production, I fail to see how we will move the crop.

The administration response in the face of this crisis has been to accelerate the pace of abandonment. This approach takes into account the views of the railroads but not that of the communities. The USDA report notes:

> None of the cases that were reviewed considered aggregate impacts of abandonment on communities, but effects on railroads were always considered.

We may wish to draw on the Canadian experience in attempting to rationalize our own rail system. As in our case, grain exports are important to the Canadian economy, and they move grains from the provinces by rail under "Crow's Nest Pass" rates, estimated to be less than 50 percent of total costs.

Beyond these immediate concerns, however, is the fact that wholesale abandonment is a move in the wrong direction. I am not saying that there should be no abandonments, but I do feel that with the present energy crisis we should not be too hasty in phasing down our rail system. We need to take steps to outline a rational transportation policy and begin to upgrade our rural rail system.

We also need to pay greater attention to the long-run impact of our rail policy on the economic life of our rural communities. While rail transportation may be only one factor in the economy of a rural area, it quite clearly is a major ingredient in keeping and attracting industry in rural communities.

The bill we are introducing today would provide the time required to take a thorough and analytical look at this question.

As we consider the problems facing our rural communities today, there is widespread agreement that we need to do more to help these areas not only survive but receive a fair break. On this basis, the bill makes good sense and should be speedily enacted.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Rail Preservation and Improvement Act".

NATIONAL STUDIES AND POLICY

SEC. 2. (a) Section 204 of the Regional Rail Reorganization Act of 1973 is amended to read as follows:

"REPORTS

"SEC. 204. (a) PREPARATION.—(1) Within 30 days after the date of enactment of this Act, the Secretary shall prepare a comprehensive report containing his conclusions and recommendations with respect to the geographic zones within the region at and between which rail service should be provided and the criteria upon which such conclusions and recommendations are based; and (2) within 300 days after the date of enactment of the Rural Rail Preservation and Improvement Act, the Secretary shall prepare a comprehensive report containing his conclusions with respect to essential rail service within the Nation in the area outside the region, and his recommendations as to the geographic zones at and between which rail service should be provided. The Secretary may use as a basis for the identification of such geographic zones the standard metropolitan statistical areas, groups of such areas, counties, or groups of counties having similar economic characteristics such as mining, manufacturing, or farming.

"(b) SUBMISSION.—Upon completion, the Secretary shall submit the reports required by subsection (a) of this section to the Office, the Association, the Governor and Public Utilities Commission of each State studied in the report, local governments, consumer organizations, environmental groups, the public, and the Congress. The Secretary shall further cause a copy of each report to be published in the Federal Register.

"(c) TRANSPORTATION POLICY.—Within 180 days after the date of enactment of the Rural Rail Preservation and Improvement Act, the Secretary shall formulate and submit to Congress a national transportation policy. The Secretary shall consider all relevant factors in formulating this national transportation policy, including the need for coordinated development and improvement of all modes of transportation, and recommendations as to the priority which should be assigned to the development and improvement of each such mode."

(b) Section 205 of such Act is amended by inserting at the end thereof the following:

"(e) OTHER STUDIES.—Within 300 days after the effective date of the final system plan, the Office shall, with the assistance of the Secretary and the Association—

"(1) study, evaluate, and hold public hearings on the Secretary's report on essential rail services within the Nation, which is required under section 204(a)(2) of this title, and the Secretary's formulation for a national transportation policy, which is required under section 204(c) of this title. The Office shall solicit, study, and evaluate comments, with respect to the content of such documents and the subject matter thereof, from the same categories of persons and governments listed in subsection (d)(1) of this section but without any geographical limitations; and

"(2) prepare a detailed information survey and detailed and comprehensive studies with respect to States outside the region covering the same material required to be surveyed and studied by the Association with respect to the region under section 202(b) of this Act, including a comprehensive report to be submitted to the Commission, the Association, the Secretary, and the Congress and to be published in the Federal Register."

REPORT AND PARTIAL MORATORIUM ON ABANDONMENTS

SEC. 3. Section 304 of the Regional Rail Reorganization Act of 1973 is amended by inserting at the end thereof the following:

"(f) Report on Abandonments and Partial Moratorium.—The Commission shall submit to the Congress within 90 days after the date of enactment of the Rural Rail Preservation and Improvement Act a comprehensive report on the anticipated effect, including the environmental impact, of abandonments in States outside the region. No carrier subject to part I of the Interstate Commerce Act shall abandon, during a period of 730 days after the date of enactment of such Act, all or any portion of a line of railroad (or operation thereof) outside the region, the abandonment of which is opposed by any State, county, or municipality served by that line.".

EXPANSION OF RAIL SERVICE CONTINUATION SUBSIDY AND LOAN AUTHORIZATIONS

SEC. 4. (a) Subsection (a) of section 402 of the Regional Rail Reorganization Act of 1973 is amended by inserting after the first sentence the following: "The operation of rail properties with respect to which the Commission has issued a certificate of abandonment within five years prior to the date of enactment of this Act and which remain in condition for rail service shall, subject to the other provisions of this section, be eligible for such subsidies.".

(b) Such section 402 is further amended by striking out "in the region" wherever appearing therein.

(c) Subsection (i) of such section 402 is amended by striking out "$90,000,000" and inserting in lieu thereof "$200,000,000".

A Resolution Memorializing Congress and the President to Stop Railroad Abandonment

Whereas, maintaining adequate, competitive transportation facilities is equally vital to industry, business and all consumers; and

Whereas, railroad service is particularly vital to hundreds of Minnesota communities; and

Whereas, Minnesota's biggest industry, agriculture, is heavily dependent upon the railroads to move its production equipment and supplies, and its millions of tons of farm grains to market; and

Whereas, the loss of rail freight service that has already occurred and the continued loss of freight service that is programmed by the railroads for abandonment of most branch lines and some sections of primary rail arteries has had and will increasingly have a disastrous economic impact upon the State of Minnesota and its citizens; now, therefore, be it

Resolved, that the appropriate federal agencies declare a moratorium on all further railroad abandonments immediately until a study is completed and it is determined if reasonable transportation alternatives are available to the public, be it further

Resolved, that copies of this resolution be forwarded to the Congressional Delegation of this State, to the President of the United States, to the Interstate Commerce Commission, to the Secretary of Transportation, to the Chairmen of the United States House and Senate Committees on Transportation and Commerce, and to the major farm organizations requesting their support for the enactment of this program.

OFF THE MAIN LINE

While America agonizes over related crises in energy, the environment, transportation and food, a resource that should be used to make things run more smoothly is instead being destroyed.

Rails.

The country is criss-crossed with railroad tracks. Study the fine lines on a highway map of Minnesota as the most immediate example. You'll have to look a bit, but they are there: webs of steel rail reaching out from major population and industrial centers to the raw materials that support them

Trouble is, the railroads of America can't seem to wait to get out of the branch line business. They call it abandonment and it is done in the interest of economy. The railroad goes to the government (Interstate Commerce Commission) and says, "Gee, this line doesn't generate enough business to justify operating it any more." All too often, the ICC has bought the argument.

In Minnesota, trackage has been reduced from 8,106 miles in 1964 to 7,675 miles in 1972 (remember this date). There are 10 abandonment proposals pending in the state that involve additional hundreds of miles. The state has consistently fought abandonments, and has rarely won. State and user forces in northwestern Wisconsin are fighting proposed abandonment of some 77 miles of track in the Ashland-Hayward-Bayfield area. The product there is pulpwood.

Opponents of the whole process have protested that often the lack of business cited as justification for abandonment is nothing but a reflection of poor service. Would-be pulpwood shippers in Wisconsin, for example, say the wood is there, by the right-of-way, but there are no cars to carry it.

The railroads' economic arguments for abandoning branch lines have generally prevailed in ICC hearings. In fact, the Nixon Administration is proposing to make things easier on the railroads. A bill is pending in Congress, backed by the Department of Transportation, that would make it possible for railroads to abandon money-losing branches without considering any other factors such as need for the service and the impact of abandonment on farms and industries served by the branch line. These are things now supposedly considered in ICC hearings.

This is going on at a time when truckers, caught up in a fuel-price squeeze, are asking to haul trailer-trains on highways; at a time when America is rethinking its highway building philosophy; at a time when farmers are having difficulty getting products to market; at a time when energy conservation is supposed to be the byword.

As noted, rail users and the states they live in have had little luck fighting abandonment on their own economic grounds, but there's a delightful touch of another current trend here (we saved the good news until last). A federal judge in New York has told the ICC it can't approve any more abandonments without first filing an environmental impact statement.

So the ICC has this bit of paperwork facing it. The judge's ruling is being appealed. The ICC has about 100 abandonment proposals on the shelf, including those in Minnesota and Wisconsin, and won't even hold hearings on them until the air is cleared. Minnesota hasn't had an abandonment since December 1972, when the proposals began piling up.

Let us use this environmental grace period to find a way to put railroads to use instead of finding quicker ways to tear up track.

By Mr. NELSON:

S. 3439. A bill to be cited as "The National Fuel Economy Testing Act of 1974." Referred to the Committee on Commerce.

Mr. NELSON. Mr. President, the National Fuel Economy Testing Act of 1974 formally gives the U.S. Environmental Protection Agency statutory authority to test and publish the fuel economy of new cars and trucks.

This bill amends section 1857f-5(a)(1), title 42, of the United States Code. This particular section of the Clean Air Act gives the Administrator of the EPA authority to test any new motor vehicle that has been submitted by a manufacturer to determine whether the engine conforms with the auto emission limitations established in 1857-1 of this title.

Legislation is needed to formally authorize one department of the Government as the agency responsible for providing the American consumer with valid and useful information on fuel economy.

EPA has been operating an intensive research program since 1972 to answer questions surrounding the relationship between fuel economy and auto emission control systems. In fact, EPA has compiled and used information on fuel performance tests that date back to 1957.

In his energy message of April 18, 1973, the President directed the EPA in cooperation with the Council on Environmental Quality to develop and implement a program to inform the public as to the fuel economy characteristics of their cars and trucks. EPA's first fuel economy report was published in the Federal Register of May 2, 1973, and covered 1973 model cars and trucks. Since that time EPA has tested and published fuel economy data in conjunction with tests they are mandated to perform to determine whether new vehicles meet the air pollution regulations contained within section 202 of the Clean Air Act.

Since there was no statutory basis for requiring automakers to make available to the public reliable fuel economy data on cars available for purchase, EPA launched a voluntary fuel economy labeling program. The groundrules for that program were published in the Federal Register on August 27, 1974.

Under this program, manufacturers were encouraged to place on each car a label that reflected fuel economy data. Two labels were available for use: First, a general label that showed the average fuel economy, and the range of fuel economies, for cars by weight class, together with an indication of the weight class into which the vehicle on which the label is attached falls; and second, a vehicle-specific label with all of the above data plus the specific fuel economy measured for the vehicle on which the label is attached. Although no manufacturer opted for the vehicle-specific label, almost all domestic and foreign manufacturers agreed to post the first label described above. Manufacturers representing about 95 percent of all vehicles sold in the United States agreed to participate.

These labels began to go on cars in the fall of 1973; the only problem with this program has been that, on the voluntary basis on which the labels are affixed to cars, some dealers are removing them. EPA has been unable to take any action against it other than to publicly condemn these removals at every opportunity. The public response to this effort has exceeded EPA's expectations. The requests for more information have been so great that EPA's publications are now out of print, and additional copies have been ordered. Clearly, the kind of information being provided to potential car buyers is of a nature for which there is a great public demand.

The mandatory labeling program proposed for the 1975 model year would carry out the concept for the vehicle-specific label—second label—available but not used in the voluntary labeling program, and would make participation mandatory. It would also prohibit removal of the label by the dealer, and thus would put the label on every car in the showroom.

There is really only one significant criticism that has been levied against the EPA-published fuel economy data. That criticism is that the current EPA test procedure does not represent all types of driving that happen in the real world. This is valid, and is being rectified. The FTP represents city/suburban driving of a type accounting for slightly more than 50 percent of the vehicle miles in the U.S. Fuel economy under relatively steady-state highway driving is normally better, but is not represented by the current EPA data. However, this is in no way a disabling deficiency. The primary purpose of the EPA fuel economy labeling program is to provide reliable data on the relative fuel economy of cars that are available for purchase; there is no technical reason for assuming that the relative fuel economy under highway driving conditions would be markedly different from city/suburban driving. The current city/suburban fuel economy data published by EPA applies to more than half of the vehicle miles, and thus represents a major step forward from the earlier situation in which there were many wholly inconsistent and unexplained data on the fuel economy of individual cars.

EPA with the assistance of the Society of Automotive Engineers—SAE—has developed a technique by which it has added a highway-driving mode to the fuel economy test, as well as by which EPA can make certain minor improvements to its current Federal emission test procedure—FTP—test cycle to better account for such factors as road load and wind resistance of individual cars. EPA has added these refinements to its testing program for the 1975 model year cars.

The energy crisis has made us all acutely aware of how many miles per gallon our cars and trucks get. The mandatory posting of fuel economy will be a helpful tool consumers can use when they are shopping for a new car. Consequently, several other government agencies have expressed an interest in operating the program. The auto industry would like the Department of Commerce to do the testing, the Department of Transportation has expressed an interest in the program, and now the Office of Management and Budget has announced it will decide who is to get the program since there is no statutory basis for the project.

This bill would give the EPA the statutory authority for the program. I believe there are five basic reasons that make EPA the compelling choice as the agency most capable of discharging this responsibility.

First, EPA has a long and distinguished record in the field of auto emission control. It has developed the highest degree of expertise in the field of fuel economy measurement of all the other departments of the Government that are interested in acquiring the program.

Second, the measurement of fuel economy is already an integral part of the tests EPA must perform according to the Clean Air Act. When testing cars for emissions, EPA records the mass of "carbon" monoxide, unburned hydro-"carbon," and "carbon" dioxide that comes from the tailpipe. The word "carbon" is quoted in each of these terms because, in this manner, there is measured the total amount of carbon emitted by the car over a 7.5-mile trip. The only possible source of this carbon in the exhaust stream is the fuel burned by the engine during the trip. Gasoline is a hydrocarbon fuel—the amount of carbon contained in a gallon of gasoline is known. Thus, it is possible by this method to determine the fuel economy of a car while operated on the FTP for the purpose of emission testing.

This carbon-balance measurement technique is at least as accurate as any other method of measuring the amount of fuel used during a trip.

The fuel economy data is computed on the same equipment used for the auto emission testing. It can be performed by the same EPA personnel who perform the car emission tests. And it takes only another 10 minutes. There is almost no additional cost to the American taxpayer when EPA does the testing.

If the program were shifted to another department more equipment would have to be purchased, more people would have to be hired, more tax dollars spent to duplicate something that can be done expertly, and cheaply by the EPA.

Third, a shift of the tests to another agency would incur more costs for the manufacturer if they had to deal with two separate agencies of the Government on the measurement of highly related vehicle parameters.

Fourth, fuel economy can be a trade-off for emission control; a car that does not meet emission standards cannot be permitted to generate official fuel economy data. Any other agency measuring fuel economy would also have to measure emissions from each car, to assure that it is not testing a specially calibrated car that gives exaggerated fuel economy values.

Fifth, EPA is an independent agency. It has consistently been at the center of some of the more controversial environmental, energy, and fiscal arguments. EPA has resisted special interest pressure on a wide range of issues and has strived to provide the American public with candid unbiased and useful facts.

Mr. President, I ask unanimous consent to have the text of the National Fuel Economy Testing Act of 1974 printed in the RECORD.

There being no objection, the bill was

ordered to be printed in the Record, as follows:

S. 3439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The National Fuel Economy Testing Act of 1974".

Sec. 2. 1857f-5(a)(1), Title 42 of the United States Code is hereby amended by adding after the first sentence the following: "Concurrently with such testing the Administrator shall determine and publish the fuel economy of such vehicles and engines."

By Mr. MATHIAS (for himself, Mr. Mansfield, Mr. Ervin, Mr. Javits, Mr. Hart, and Mr. Pearson):

S. 3440. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes. Referred to the Committee on the Judiciary.

A PROPOSAL TO STRENGTHEN CONSTITUTIONAL PROCESSES

Mr. MATHIAS. Mr. President, we have arrived at a critical turning point in American history. While it is difficult to draw back and look objectively at events of recent years, and while it is difficult to separate the travesty of a political burglary and the subsequent coverup from the larger and more important issues, it is vital for the survival of democracy in the United States that we do so. The revelations of Watergate have included, to our sorrow as well as to our enlightenment, evidence that suggests covert attacks upon constitutional government. The object of these attempts would have been to substitute arbitrary and secretive procedures for the open processes of our constitutional government in the interests of "efficiency," "national security" or emotional calls to patriotism. It has further been revealed that some of our fundamental constitutional guarantees have been abridged and justified by recourse to alleged "higher necessities" such as "national security" or "foreign policy."

The increasing demands of technology and the growing power of bureaucratic structures have proven to be the greatest threat to human freedom and, indeed, to the survival of humanity itself. Watergate is merely another reminder of the great dangers that face not only democracy in the United States but human freedom everywhere. The most pressing dangers are not from our potential enemies but from our own uncontrolled power. The ultimate concern is survival; but the choice is our own. Shall we be ruled by technology and be overwhelmed by nuclear annihilation, or shall we make technology serve the needs of man? We can control the technology of nuclear weapons only by agreements between nations and within nations to remove the scourge of nuclear war and the threat of nuclear annihilation.

No less significant than the overhanging apocalyptic dangers of uncontrolled technology are the dangers posed by the imperatives of efficient bureaucracies and increasingly centralized power. We are witnesses to the fact that some of those in power over the years, here and elsewhere, have used the "needs of state," "national security," or "foreign policy," or similar euphemisms as reasons to set aside rational debate and open inquiry upon national issues so necessary to the effective operation of constitutional processes. Let there be no mistake about it. Watergate is symtomatic of larger threats to our liberties, threats latent in our society for many years.

How the Congress, the courts and the people act in the coming months will determine, in large measure, whether the United States will return to an open, truly democratic Government whose decisions are made upon the basis of full and reasoned debate by all three branches in their several ways, or whether it will make its major decisions outside of prescribed constitutional processes and continue along the path of authoritarian rule. This is the underlying challenge we must face; and this is the challenge to freedom we must overcome.

The particular wrongs revealed by Watergate are in the process of being corrected. The courts are acting upon the investigations and findings of the Special Prosecutor's office. We can expect at the end of 2 or 3 years, as Special Prosecutor Leon Jaworski has recently informed us, that all those implicated in Watergate will be brought before the bar of justice and through trials by their peers will receive judgment.

Congress has already begun to take steps to correct, through legislation, abuses that have been revealed by Watergate. Significant steps have already been made on campaign reform. And other reforms will be made following upon the findings made by the Senate Special Committee on Watergate issues when it issues its final report at the end of this month.

The most important impact of Watergate has been on the public. Through the press, TV, and journals, citizens throughout this land have begun to examine not only the quality of government, but the fundamental purposes of our Government. It is my view that the work of journalists, scholars, and lawyers and people in every profession and walk of life will contribute to the growing concern that safeguards to our constitutional government be strengthened, so that encroachments made by those who would have the United States governed by arbitrary power will not be made again.

The greatest task that faces the Congress is to repair the cracks in the foundations of our constitutional government revealed by Watergate. The most serious of the many Watergate issues that has been revealed are contained in the so-called Huston Plan which, by the President's own admission in his speech of May 22, authorized activities which abridged the guarantees of the fourth amendment.

The fourth amendment of the Bill of Rights provides:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probably cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

It is evident from the various Watergate investigations that protections of individuals under the fourth amendment had been repeatedly violated. It is also evident that it is the duty of the Congress to establish through statute what is meant by "unreasonable searches and seizures."

The Supreme Court in its decision, United States against United States District Court for the Eastern District of Michigan et al. of June 19, 1972, urged the Congress to clarify the issue with regard to so-called national security matters, because no statutory guidelines exist. The Safe Streets Act of 1968 provided guidelines delimiting the activities of our law enforcement officers in the domestic criminal area. Watergate, the Houston Plan, and the many examples of abuse of the fourth amendment revealed by current investigations make it necessary, in my view, to meet the challenges posed by these abuses by remedial statutory action.

The problems raised by Watergate which have threatened the efficacy of the fourth amendment were well understood by Justice Brandeis in his opinion written for the Olmstead case in 1927 (277 U.S. 438) which in a prophetic way foretold many of the problems we have only now come to realize as such threats to our liberties:

> Time works changes, brings into existence new conditions and purposes. Therefore a principle to capable of wider application than the mischief which gave it birth.
>
> This is peculiarly true of constitutions. They are not ephemeral enactments, designed to meet passing occasions. They are, to use the words of Chief Justice Marshall "designed to approach immortality as nearly as human institutions can approach it." The future is their care and provision for events of good and bad tendencies of which no prophecy can be made. In the application of a constitution, therefore, our contemplation cannot be only of what has been but of what may be. Under any other rule a constitution would indeed be as easy as application as it would be deficient in efficacy and power. Its general principles would have little value and be converted by precedent into impotent and lifeless formulas. Rights declared in words might be lost in reality.
>
> When the Fourth and Fifth Amendments were adopted, "the form that evil had theretofore taken," had been necessarily simple. Force and violence were then the only means known to man by which a Government could directly effect self-incrimination. It would compel the individual to testify—a compulsion effected, if need be, by torture.
>
> It could secure possession of his papers and other articles incident to his private life—a seizure effected, if need be, by breaking and entry. Protection against such invasion of "the sanctities of a man's home and the privacies of life" was provided in the Fourth and Fifth Amendment by specific language. Boyd v. United States, 116 U.S. 616, 630. But "time works changes, brings into existence new conditions and purposes," Subtler and more far-reaching means of invading privacy have become available to the Government. Discovery and invention have made it possible for the Government, by means far more effective than stretching upon the rack, to obtain disclosure in court of what is whispered in the closet.

With Justice Brandeis' admonitions in mind, I introduce today (with Mr. MANSFIELD, Mr. ERVIN, Mr. JAVITS, Mr. HART, and Mr. PEARSON) a bill which would strengthen the guarantees of privacy contained in the fourth amendment. The bill, entitled, the Bill of Rights Procedures Act of 1974, would, if enacted, provide firm statutory guidelines for "reasonable searches and seizures," required because there was probable cause that a crime has been or was about to be committed.

In our view, the protections of the fourth amendment should not be limited by any arbitrary action on the part of the executive branch or any of the three branches. Exceptions for any cause, including so-called "national security," should be made only in accord with constitutional processes, in these cases with the requirement of a Federal court order, an accounting of the reasons for the exception, and the disposition of the actions taken under the exception in reports made to the appropriate judicial and congressional bodies who shall in turn be required to protect the privacy of the individuals concerned as provided by the fourth amendment. The record of actions taken would be made available, with appropriate protections for individuals, in order to assure that those in the Congress and the courts who must maintain oversight do not, in turn, abuse the fourth amendment they are under oath to protect.

I know that this bill will receive thorough consideration by the Senate and the House, and that if enacted, would do much to strengthen the freedom guaranteed by the Constitution and the Bill of Rights.

It is, perhaps, only when our freedom has been threatened that we come to an understanding of how precious liberty is to the human spirit. The troubled times which we now live in are a warning that we must act to protect our basic liberties. It is up to us in the Congress, particularly, to take those reasonable steps which the times so passionately call for, and carry out our responsibilities to defend the Constitution by enacting statutory guidelines to assure that the Constitution and Bill of Rights remain secure from the assaults of arbitrary power.

In conclusion, I would like to turn once again to the profound, still relevant and stirring words of the last paragraph of Justice Brandeis' opinion in Olmstead against United States written about 45 years ago:

> Decency, security and liberty alike demand that Government officials shall be subjected to the same rules of conduct that are commands to the citizen. In a government of laws, existence of the Government will be imperiled if it fails to observe the law scrupulously. Our Government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. Crime is contagious. If the Government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy. To declare that in the administration of the criminal law the end justifies the means—to declare that the Government may commit crimes in order to secure the conviction of a private citizen—would bring terrible retribution. Against that pernicious doctrine this Court should resolutely set its face.

In my view, it is necessary that the Congress also must resolutely set its face against criminal actions taken by the Government under the guise of "National security" or some such vagaries which amount to little more than the ends justifying the means.

We have had clear and unmistakable warning, and it is time to act to remove these encroachments upon our cherished freedoms.

In introducing this bill today, we do so with the full recognition that in the process of hearings and debate and study, that changes in particular detail will be required. We introduce this bill with the hope that through rational discourse and the consideration of the issue by as many of our colleagues as possible, that we can arrive at a just and effective legislative solution to a very serious fundamental constitutional problem that now confronts us.

My colleagues are aware that the Joint Subcommittee of the Constitutional Rights Subcommittee and Administrative Practices Subcommittee of the Judiciary Committee and a Special Subcommittee of the Foreign Relations Committee have been working together over the past 6 months under the able and dedicated joint chairmanship of Senators ERVIN, KENNEDY, and MUSKIE respectively, to deal with the problems created by the absence of adequate constitutional processes in areas such as those that have been revealed in recent wiretap cases. This bill is, in large measure, a result of the fruits of 6 months of inquiry, study, and consideration by the joint subcommittees.

We invite the comments and suggestions of our colleagues and the opinions and views and suggestions of those agencies in the executive branch, in the State governments and in bar associations and universities throughout the country, so that we might come up with the best possible solution to this problem. But we believe that it is essential that we begin to take steps to meet this challenge to constitutional processes, and the bill we introduce today is submitted in the spirit of seeking a solution.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bill of Rights Procedures Act of 1974".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress hereby finds and declares that—

(1) the rights of the people of the United States under the Constitution of the United States are endangered by interception of communications, other electronic surveillance, the entry of dwellings, opening mail, and the inspection of and procuring of the records of telephone, bank, credit, medical, or other business or private transactions of any individual when undertaken by officials, agents, or employees of the United States without a court order issued upon probable cause that a crime has been or is about to be committed, supported by oath or affirmation and particularly describing the place to be searched, and the persons or things to be seized.

(2) the constitutional duty of the Congress to make the laws and to provide for the common defense, and the constitutional duty of the President to execute the laws and to command the Armed Forces and other security forces according to rules and regulations made by the Congress, would not be impeded by requiring court orders for any interception of communications, other electronic surveillance, the entry of dwellings, opening mail, or the inspection of and procuring of the records of telephone, bank, credit, medical, or other business or private transactions of any individual;

(3) the constitutional duty of the Congress to make laws to protect the national security of the United States and the constitutional duty of the President to execute such laws should not limit the rights of individuals under the Constitution of the United States. Any interception of communications, other than electronic surveillance, the entry of dwellings, opening mail, or the inspection of and procuring of the records of telephone, bank, credit, medical, or other business or private transactions of any individual which is undertaken on any grounds, including but not limited to, national security or foreign policy, without a court order issued upon probable cause that a crime has been or is about to be committed, supported by oath or affirmation and particularly describing the place to be searched and the persons or things to be seized, constitutes "an unreasonable search and seizure" within the meaning of the fourth amendment to the Constitution of the United States.

(b) It is therefore the purpose of this Act to prohibit any interception of communication, other electronic surveillance, surreptitious entry, mail opening, or the inspection of and procuring of the record of telephone, bank, credit, medical or other business or private transaction of any individual without a court order issued upon probable cause that a crime has been or is about to be committed supported by oath or affirmation and particularly describing the place to be searched and the persons or things to be seized.

SEARCHES AND SEIZURES

SEC. 3. Section 2236 of title 18, United States Code, is amended to read as follows:

"§ 2236. Searches without warrant

"(a) Whoever, being an officer, agent, or employee of the United States or any department or agency thereof **willfully**—

"(1) searches any private dwelling used and occupied as a dwelling without a warrant directing such search or maliciously and without reasonable cause searches any other building or property without a search warrant;

"(2) procures or inspects the records of telephone calls, bank, credit, medical or other business or private transactions of any individual without a search warrant or the consent of the individual;

"(3) opens any foreign or domestic mail not directed to him without a search warrant directing such opening or without the consent of the sender or addressee of such mail in violation of section 3623(d) of title 39; or

"(4) intercepts, endeavors to intercept, procures any other person to intercept any wire or oral communication except as authorized under chapter 119;

shall be fined not more than $10,000 or imprisoned not more than one year, or both.

"(b)(1) The provisions of section (a)(1) shall not apply to any person—

"(A) serving a warrant of arrest;

"(B) arresting or attempting to arrest a person committing or attempting to commit an offense in his presence, or who has committed or is suspected on reasonable grounds of having committed a felony; or

"(C) making a search at the request or invitation or with the consent of the occupant of the premises.

"(2) For purposes of subsection (a) the terms 'wire communication', 'oral communication', and 'intercept' shall have the same meaning as given to such terms under chapter 119."

INTERCEPTION OF WIRE OR ORAL COMMUNICATIONS

SEC. 4. (a) Section 2511(1) of such title 18 is amended by striking out "Except as otherwise specifically provided in this chapter" and inserting in lieu thereof "Except as specifically provided in this chapter, and except as specifically provided in chapter 109 in the case of any officer, agent or employee of the United States,".

(b) Sections 2511(3), 2518(7), 2518(d), and the last sentence of section 2520 of such title 18 are repealed.

REPORTING OF INTERCEPTED COMMUNICATIONS

SEC. 5. (a) Section 2519 of such title 18 is amended to read as follows:

"§ 2519. Reports concerning intercepted wire, oral, and other communications.

"(a) Within thirty days after the date of an order authorizing or approving the interception of a wire or oral communication (or each extension thereof) entered under section 2518, or the denial of an order approving an interception, the person seeking such order shall report to the Administrative Office of the United States Courts and to the Committees on the Judiciary of the Senate and House of Representatives—

"(1) the fact that an order or extension was applied for;

"(2) the kind of order or extension applied for;

"(3) the fact that the order or extension was granted as applied for, was modified, or was denied;

"(4) the period of interceptions authorized by the order, and the number and duration of any extensions of the order;

"(5) the names of all parties to the intercepted communications;

"(6) the offense specified in the order or application, or extension of an order;

"(7) the identity of the investigative or law enforcement officer and agency making the application and the person authorizing the application to be made;

"(8) a copy of the court order authorizing, approving, or denying such interception;

"(9) the nature of the facilities from which or the place where communications were intercepted.

"(b) Within 60 days after the date of an order authorizing or approving the interception of a wire or oral communication (or extension thereof) entered under section 2518, or the denial of an order approving an interception, the judge hearing the application for such order shall transmit to the Committees on the Judiciary of the Senate and House of Representatives a complete transcript of the proceedings.

"(c) Within 90 days after the date of an order authorizing or approving the interception of a wire or oral communication (or each extension thereof) entered under section 2518, and within 60 days after the termination of any such interception, the person authorized to make such interception shall report to the Administrative Office of the United States Courts and to the Committees on the Judiciary of the Senate and House of Representatives the disposition of all records (including any logs or summaries of any such interception) of any such interception and the identity of and action taken by all individuals who had access to any such interception."

(b)(1) Any information transmitted or submitted, pursuant to section 2519(a)(5) of title 18, United States Code (as added by subsection (a) of this section), to the Congress or to any standing, special, or select committee of either House of Congress or to any joint committee of the two Houses of Congress, shall be treated as a confidential communication and kept secret.

(2) Paragraph (1) of this subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such shall be considered as a part of the rules of each House, respectively, or of that House to which it specifically applies, and such rule shall supersede other rules only to the extent that they are inconsistent therewith, and

(B) with full recognition of the constitutional right of either House to change such rule (so far as it relates to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

REPORTING AUTHORIZATIONS TO OPEN MAIL

SEC. 6. Chapter 205 of such title 18, is amended by adding at the end thereof the following new section:

"§ 3117. Reporting requirements in the case of warrants issued authorizing the opening of mail

"(a) Within 30 days after the date of issuance of a warrant to open any mail or the denial of such a warrant the person seeking such warrant shall report to the Administrative Office of the United States Courts and to the Committee on the Judiciary of the Senate and House of Representatives—

"(1) the fact that a warrant was applied for;

"(2) the fact that the warrant was issued as applied for, was modified, or was denied;

"(3) the offense specified in the warrant;

"(4) the identity of the investigative or law enforcement officer and the agency making the application and the person authorizing the application to be made;

"(5) the names of the sender and addressee of all mail opened pursuant to such warrant;

"(6) a copy of the approved warrant;

"(7) the nature of the facilities from which or the place where any such mail was opened; and

"(8) the disposition of all records (including any log, copy, or summary) of any such mail or the contents of such mail and the identity of and action taken by all individuals who had access to any such mail.

"(b) Within 60 days after the date of any warrant authorizing the opening of any mail, or the denial of any such warrant, the judge hearing the application for such warrant shall transmit to the Committee on the Judiciary of the Senate and House of Representatives a complete transcript of the proceeding."

TECHNICAL AMENDMENT

SEC. 7. The analysis of chapter 205 of such title 18 is amended by adding at the end thereof the following new item:

"3117. Reporting authorizations to open mail."

BILL OF RIGHTS PROCEDURES ACT OF 1974

Mr. HART. Mr. President, I am pleased to join the Senator from Maryland, (Mr. MATHIAS) and several other colleagues in sponsoring the Bill of Rights Procedures Act of 1974. It is my hope this will mark an important turning point in the exercise of Congress responsibility to insure compliance with the spirit and the letter of the Bill of Rights.

Several weeks ago, in a statement on the variety of threats to our privacy posed by Government abuse of its powers, I noted the dangers of Government officials eavesdropping on the private conversations of political opponents or of those who opposed particular policies:

> Many of these actions by our government have been defended on grounds of "national security," but we have come to understand that there is a wide range of constitutional abuses a determined political operative can seek to have excused under that mantle. And, indeed, the American people realize that.
>
> A recent poll, for example, showed that 75 percent of those interviewed considered "wiretapping and spying under the excuse of 'national security' as a serious threat to people's privacy."

Among the steps I urged to combat this danger was an immediate Presidential order that no wiretapping, bugging or breaking and entering be carried out without authority of an independent court order. And I suggested that the President and Congress should together pass permanent legislation codifying that safeguard.

It now appears that we may be able to enact legislation sooner than we might obtain favorable support from the administration. As Senator MATHIAS noted, this bill is the result of many months of research, consideration and consultation with legal experts on the problems of balancing national security interests against the purpose of the fourth amendment.

Those joining in sponsorship of the bill today may not be in complete agreement on every one of its details. For example, the committee hearings on it will have to consider any further modification necessary to accommodate Government surveillance of foreign diplomatic personnel where such surveillance would not unreasonably threaten the privacy of American citizens.

Also, the sections dealing with the requirement of a warrant based on probable cause for Government inspection of bank records or other personal records may have to be refined to make clear that certain regulatory functions will not be hindered.

But the basic structure of the proposal is a reasonable and thoughtfully drawn approach and the requirement of a warrant based on probable cause to believe a crime has been committed before any electronic surveillance is undertaken is the crux of the effort.

To those who say it would unduly hamper legitimate efforts to prevent sabotage or espionage, we can suggest they examine more closely the present Federal criminal code. The variety of statutes covering such crimes, combined with the several statutes making any attempt or conspiracy in regard to such offenses a crime as well, cover even the formative stages of any serious threat to our national security. At the point when activities by Americans present a real danger, I believe, the Government should be able to establish before a magistrate, on the basis of other kinds of investigation and surveillance, that there is probable cause to believe a crime has been or is about to be committed.

To permit a broader authority for wiretapping—whether warrantless taps authorized by the Attorney General, or taps authorized by a warrant issued on a lesser standard than probable cause of a crime—would emasculate the vital protection of the fourth amendment.

The basic design of the fourth amendment, the simple commonsense of the Founding Fathers, was to interpose a neutral independent magistrate between Government officials and unpopular citizens or political critics. That is the safeguard this bill would insure.

In the weeks ahead, additional comments can be made on the significance of this measure.

For now, I wish to commend especially the Senator from Maryland (Mr. Mathias), and the other Senators who have taken the lead on this problem: the Senator from North Carolina (Mr. Ervin); the Senator from Maine (Mr. Muskie); and the Senator from Massachusetts (Mr. Kennedy) and their subcommittees whose joint hearings have been very illuminating. We should also acknowledge the groundbreaking effort of Senator Nelson's earlier bill along similar lines.

Mr. President, for too many years, the magic incantation "national security—stay away" has sufficed to deter the Congress from examining with a truly critical eye many practices which threaten our basic liberties. Are these practices essential to preserve our Nation's freedom? Or are they really a threat to our freedoms because of their subversive effect on the guarantees of the Bill of Rights?

I suspect that in a great many of these areas, Mr. President, we may well find that the Emperor really has no clothes after all. In the case of warrantless wiretaps of American citizens, conducted in the name of national security, I have concluded that the potential for abuse and infringement of constitutional rights, far outweighs any incremental advantage for legitimate law enforcement.

I hope this bill will be carefully considered and supported by our colleagues.

By Mr. MONTOYA (for himself, Mr. Bentsen, Mr. Cranston, Mr. Fulbright, Mr. Kennedy, Mr. Mondale, and Mr. Tunney):

S.J. Res. 209. Joint resolution to authorize and request the President to issue a proclamation designating May 12–18, 1974, as "National Migrant Education Week". Referred to the Committee on the Judiciary.

Mr. MONTOYA. Mr. President, I am today introducing a joint resolution to declare May 12 through 18, 1974, as "National Migrant Education Week." I do this in the interest of insuring better continuous education for migrant children and in recognition of the work to be performed at the Seventh National Conference on Migrant Education.

The Nation's most valuable asset, without question, is her children. They carry with them hopes for the future—building tomorrow's realities from today's dreams. Our record, as a nation, has been one of ever increasing effort to meet the needs of children, and we can be justly proud of what we have done for most American children.

However, the migrant child is truly America's most disinherited child. He treks from State to State, traveling thousands of miles with his parents. His living conditions are inhuman. He is overfed and undernourished. He is exposed to deadly pesticides, with inadequate labor safety protection and inadequate health care.

Migrant children must receive an equal chance to receive an education. Yet, statistics show that 90 percent of all migrant children never finish high school. They average only a fourth or fifth grade education.

Slowly, progress is being made in expanding educational opportunities for these migrant children. The passage of Public Law 89–750 amended the Elementary and Secondary Education Act of 1965 to include migrants under the sections of title I concerning aid to disadvantaged children.

The suggestion that we recognize the educational needs of migrant children by the Seventh National Conference on Migrant Education is a valid one. But the declaration is merely an empty gesture if we do not request the President and Federal agencies affecting migrant education to conscientiously participate in these activities. We know that national observance weeks in the past have demonstrated that attention can be brought to pressing problems.

Our declaration of a National Migrant Education Week will certainly demonstrate support to future educational programs to free these children from economic and educational inequalities.

I urge your support for this resolution which will help us to alert others to the educational needs of these migrant children.

REREFERRAL OF A BILL

Mr. EAGLETON. Mr. President, I ask unanimous consent that S. 3417, a bill to amend title 5 of the United States Code—relating to Government organization and employees—to assist Federal employees in meeting their tax obligations under city ordinances, be rereferred to the Committee on Post Office and Civil Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 411

At the request of Mr. McGee, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 411, to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S. 764

At the request of Mr. Moss, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 764, to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine and assist them in the establishment and operation of departments of geriatrics.

S. 2220

At the request of Mr. Fong, the Senator from Kentucky (Mr. Cook), the Senator from Kansas (Mr. Dole), the Senator from Minnesota (Mr. Humphrey), and the Senator from Hawaii (Mr. Inouye) were added as cosponsors of S. 2220 to repeal the "cooly trade" laws.

S. 2363

At the request of Mr. Cranston, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 2363, a bill to amend chapter 39 of title 38, United States Code, relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces.

S. 2782

At the request of Mr. Jackson, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 2782, the Energy Information Act.

S. 2901

At the reguest of Mr. Allen, the Senator from West Virginia (Mr. Robert C. Byrd) was added as a cosponsor of S. 2901, to change the date of Veterans Day from the fourth Monday in October to November 11th.

S. 2938

At the request of Mr. Jackson, the Senator from New Mexico (Mr. Montoya) was added as a cosponsor of S. 2938, the Indian Health Care Improvement Act.

S. 3209

At the request of Mr. Nelson, the Senator from Nevada (Mr. Bible), the Senator from Maine (Mr. Hathaway), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. Pell), the Senator from Kentucky (Mr. Cook), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Minnesota (Mr. Humphrey) were added as cosponsors of S. 3209, to establish a National Resource Information System.

S. 3234

At the request of Mr. Humphrey the Senator from South Dakota (Mr. McGovern) was added as a cosponsor to S. 3234, a bill to authorize a vigorous Federal program of research and development to assure the utilization of solar energy as a major source for our national energy needs, to provide for the development of suitable incentives for rapid commercial use of solar technology and to establish an Office of Solar Energy Research in the U.S. Government.

S. 3277

At the request of Mr. Domenici, the Senator from Rhode Island (Mr. Pell) was added as cosponsor to S. 3277, a bill to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes.

S. 3316

At the request of Mr. Moss, the Senator from Utah (Mr. Bennett) and the Senator from Iowa (Mr. Hughes), were added as cosponsors of S. 3316, to establish National Historic Trails as a new category of trails within the National Trails System, and for other purposes.

S. 3330

At the request of Mr. Hartke, the Senator from New Mexico (Mr. Domenici), the Senator from Minnesota (Mr. MONDALE), the Senator from Nevada (Mr. CANNON), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 3330, to amend title 10, United States Code, regarding severance pay for noncommissioned officers.

S. 3334

At the request of Mr. MONDALE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3334, a bill to amend the Interstate Commerce Act in order to improve service in the transportation of household goods by motor common carriers.

S. 3339

At the request of Mr. HUMPHREY, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of S. 3339 a bill to amend the program of supplemental security income for the aged, blind, and disabled—established by title XVI of the Social Security Act—to provide for cost-of-living increases in the benefits provided thereunder.

S. 3383

At the request of Mr. ROBERT C. BYRD, the Senator from Arkansas (Mr. FULBRIGHT) was added as a cosponsor of S. 3383, to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans.

S. 3403

At the request of Mr. DOLE, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3403, to amend the act of August 31, 1922, to prevent the introduction and spread of diseases and parasites harmful to honeybees.

SENATE JOINT RESOLUTION 137

At the request of Mr. FONG, the Senator from Indiana (Mr. BAYH), the Senator from Kansas (Mr. DOLE), and the Senator from Montana (Mr. METCALF) were added as cosponsors of Senate Joint Resolution 137 to amend article II, section 1, clause 5 of the Constitution of the United States so as to make eligible for the office of the President and Vice President all citizens over the age of 35 years with a residence of a total of 14 years in the United States.

SENATE RESOLUTION 313—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING OF ANNUAL REPORT OF THE NATIONAL FOREST RESERVATION COMMISSION

(Referred to the Committee on Rules and Administration.)

Mr. TALMADGE submitted the following resolution:

SENATE RESOLUTION 313

Resolved, That the annual report of the National Forest Reservation Commission for the fiscal year ended June 30, 1973, be printed with an illustration as a Senate document.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 79

At the request of Mr. GOLDWATER, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of Senate Concurrent Resolution 79, expressing the sense of the Congress with respect to the celebration of the 100th anniversary of the birth of Herbert Hoover.

EXEMPTION FROM DUTY CERTAIN EQUIPMENT AND REPAIRS FOR VESSELS—AMENDMENT

AMENDMENT NO. 1247

(Ordered to be printed, and to lie on the table.)

AN INCOME TAX REALLOCATION AMENDMENT

Mr. HASKELL. Mr. President, there has been much discussion recently about the advisability of a substantial income tax cut. Today, I am submitting for myself and the Senator from Florida (Mr. CHILES) tax relief—tax reform amendment that we shall propose when H.R. 8217 is before the Senate. Senator NELSON is also introducing a tax relief—tax reform bill today. I applaud his efforts and look forward to supporting him as we pursue the goal of tax fairness.

I am convinced that some form of relief or cutback is an essential element of much needed tax reform. But we must be cautious of the manner in which such relief is provided.

Some form of reallocation of the Federal income tax burden is a wise and desirable manner in which to help millions of inflation-pressed American families to cope with the extraordinary economic situation in which we now find ourselves. I believe, though, that we should achieve this goal without even arguably jeopardizing the economic position of the American people as a whole.

I further believe that we have before us a unique opportunity to not only provide economic relief to the vast majority of American taxpayers, but also to do so in a way that provides them a significant measure of fair play in the operation of their Federal tax system. We should, in my judgment, seize this opportunity to reallocate, on the principle of fairness, some of the overall income tax burden.

I would like first to explain my concern over the proposals that have been made by some of a blanket tax cut without any offsetting revenue raising features. Although many things about the present state of our economy are unclear, Mr. President, there are some things that should be abundantly obvious to all of us.

One is that inflation has not been halted.

Another is that inflation has hit hardest those Americans with middle and lower incomes. Americans are today trapped in the vise of higher prices, concurrently shrinking real wages and the unrelenting pressure of Federal taxes. It is sensible to propose that they should have the pressure of that vise loosened by having less of their wages withheld through the Federal tax system.

But taxes are not the only important variable in any income-enhancing plan. Inflation, which affects middle- and low-income taxpayers the most, also plays a decisive role in income distribution and growth Therefore, it seems that any tax proposal must in reality have twin objective. The first should be to place the burden of such a tax proposal more squarely on the shoulders of those who can pay; the second, to minimize any adverse price effects on the economy.

A brief perusal of recent economic reports quickly underlines the serious strains already being placed on the average American. Statistics just released by the Labor Department reveal that while the net income of the average American worker increased by 5.2 percent in the first quarter of 1974, real compensation declined by almost 5.6 percent at an annual rate. Inflation has simply more than offset any surface increase in income.

At the same time as the rate of inflation approached 14.5 percent computed annually, something quite unorthodox by traditional economic standards occurred. Both total output of goods and services in the private sector and productivity declined at annual rates of more than 5.5 percent. Such behavior is normally characteristic of economies undergoing periods of low inflation.

This anomalous behavior seems to indicate that the output recession is finding its origins not in decreasing demand at all—as has traditionally been the case—but rather in shortages of supply. Conversely, increases in inflation appear to be originating in the attempts of producers to compensate for falling production due to raw materials shortages—especially energy—by raising prices.

This rapid escalation of inflation concomitant with productivity and output "recession" presents a difficult dilemma, for forces normally working against one another to restore equilibrium now appear to be acting temporarily in concert. Thus, strategies designed to decrease inflationary pressure are likely to further aggravate high unemployment and lower output, while strategies designed to spur growth in productivity and output and lower unemployment are likely to encourage higher rates of inflation.

It is in this context of "stagflation" that we must view any tax cut proposal. If we agree that any such cut should be designed to improve the plight of those Americans most seriously affected by inflation—the lower- and middle-income groups—then any such cut must be judged by reference to the income effects it will have on these individuals.

In the case of any tax cut, there is an immediate and obvious income effect: that is to increase the amount of money readily available to any wage earner. But, any such increase in the amount of money available for immediate expenditure by consumers eventually translates itself through the demand mechanism into increased inflation. Thus, one must subtract the decline in real income lost to inflation as a result of the tax cut from the addition to earnings accruing from the tax cut to determine the true income effects.

For example, if a family's income was $10,000 and the increase in inflation due to the tax cut was 2 percent, then the family's income in real terms suffered a loss of over $200. Therefore, any tax cut, to make sense, must increase this family's income by more than $200. If it does not, the tax cut is self-defeating, and any income gains are quickly erased by price losses—that is, growing inflation.

With the economy already undergoing severe strain from inflation, induced by shortages of supply, a simple tax cut is very likely to result in even higher rates of inflation, and hence, less real value to the average consumer. This is particularly true when the cut is considered in light of a deficit in the Federal budget of $5.4 billion this year and an anticipated deficit of almost $10 billion in fiscal year 1975. Any tax cut would only further aggravate fiscal problems by cutting Federal revenues in the face of increasing Federal expenditures. The logical result of this would seem to be a further erosion in the buying power of the average consumer—an effect quite opposite to that intended by the proposal to simply cut taxes.

As Prof. Otto Eskstein of Harvard University, stated in testimony before the Senate Finance Committee in March:

> My feeling against a tax cut is mainly based on the longer term needs for resources by the Federal government. We have cut taxes too much in the last four years, and we will need the tax base to meet the future social goals.

Profs. John Kenneth Galbraith and Murray Wiedenbaum echoed this concern when they also concluded, respectively:

> I am very doubtful about a tax reduction. Inflation is still a major problem. It's a tough fact that tax reduction is the wrong medicine for that, and I am concerned that the $6.5 billion estimated revenue loss (to the Federal government) would add to inflationary pressures which remain so very strong.

Thus, for many reasons, Mr. President, I am opposed to a simple tax cut. I believe the best way to accomplish the twin objectives of tax reform and price stability is to couple any tax cut with reforms designed to offset any losses of Federal revenue, thereby minimizing the danger of added inflation.

With this in mind I have proposed an amendment to H.R. 8217. I firmly believe that our proposal will provide the much-needed tax relief without posing the threat to middle- and lower-income persons of having that relief eaten away by yet more exaggerated rates of inflation. At the same time, it addresses itself to several of the most inequitable, unjustifiable, and unnecessary tax breaks presently built into the Internal Revenue Code.

Our amendment will propose to—

First, replace the present personal exemption in the form of a deduction with a nonoptional tax credit of $200.

Second, repeal the code provision allowing the deferral of certain export income—DISC; terminate, with an exception, the investment tax credit; and eliminate the asset depreciation range system.

Step No. 1 in our proposal will provide tax relief for nearly 55 million taxpayers. This represents nearly 90 percent of all the tax returns that are filed each year. The bulk of this relief will go to taxpayers with annual income of $20,000 per year and less.

Step No. 2 of our proposal is designed to offset the loss in tax revenues caused by step No. 1—about 6.1 billion—by repealing some of the least justifiable tax breaks presently in the code.

First, the so-called DISC provisions of the code would be repealed. These provisions allow certain businesses engaged in exporting to defer half of their overseas income and, in the end, this deferral can be so extended as to amount to the equivalent of an initial exemption from taxation for the part of the exporter's income.

A Treasury report released just last week informs the Congress that DISC cost the Federal Government 2½ times as much as was anticipated in 1972. When enacted, the Congress was told that DISC would mean a loss of about $100 million in Federal revenues. Instead, DISC has meant a subsidization of the exporting business to the tune of $250 million. Moreover, the report states that—

> On balance, it seems likely that the 1973 income figures, and hence revenue loss, will exceed the estimated 1972 loss.

There are two disturbing elements of the tax subsidization of exporters. One is the high uncertainty of the need for the DISC provisions. We just do not know how much of the increased exporting activity in 1972 would have occurred without the help of DISC.

We know, for example, that devaluation and other general economic influences have inevitably spurred on exporting: we know, hence, that, to some extent DISC has been an utter, unjustified waste.

The other disturbing element of DISC is the fact that its incentive features all too often may result in American manufacturers exporting items that American consumers find they are unable to obtain here at home. This is an unnecessary business incentive and an unnatural tax policy. Repeal of this provision will result in a revenue gain of $250 million.

The second part of this amendment that will bring in new revenue will be a termination of the investment tax credit, subject to a limited exception. We propose to limit the credit to assets with a cost basis of $100,000 or less. The credit would be fully applicable up to a cost basis of $50,000, and would then be incrementally phased out from $50,000 to $100,000.

I seriously doubt, Mr. President, that this investment tax credit is much of a stimulus to the economy at all. If the board of directors of a corporation is convinced of the profitability of further investment, then marginal benefits accruing from a tax credit will play a very small role in their decision to invest. If the venture is inherently nonprofitable, then it should not be further subsidized by an investment tax credit. The credit is, in my opinion, a classic example of the use of the tax system to induce certain economic behavior, whether that behavior needs to be induced or not.

The effect of the tax credit is very nearly to completely offset the interest costs an investor must pay to borrow the funds to be invested. Thus, borrowing is largely at the expense, not of the investor, but of taxpayers in general. The extraction of those dollars from the average taxpayer in order to subsidize the borrowing of corporate investors ought to require a showing of compelling need if it is to be justified at all. Such a showing has not, to my satisfaction, been made. Thus, the burden ought to be shifted back to those presently benefiting to come to the Congress and demonstrate their individual need for economic subsidization by the Federal Government. The Joint Committee on Internal Revenue Taxation estimates that the change proposed by Senator CHILES and me will yield from $3.5 to $4 billion in additional Federal revenues.

The third revenue-raising element of our proposal is a repeal of the asset depreciation range system. ADR allows rapid tax depreciation of machinery and equipment, and is defended as an incentive for the purchase of new assets, much like the investment tax credit. The system is essentially a fiction, since financial accounting in shareholders' and creditors' reports uses far less rapid depreciation methods. Rapid depreciation amounts to a deferral of taxes: this deferral is a highly valuable tax reduction device. Like the investment credit, we have been shown no current evidence of the need for this tax preference. Fifty percent of the benefits of ADR, it is estimated, go to the largest 103 corporations. Eighty percent of the benefits will go to the largest 2,500 corporations—just one-twentieth of 1 percent of all U.S. businesses. What ADR, in reality, means, is that the Federal Government, at the taxpayers' expense provides these corporate giants interest-free loans of taxes otherwise due each year.

Senator CHILES and I propose to eliminate the ADR concept—a move I view as one more step in the direction of eliminating Federal Government interference through the tax system in the decision-making processes of the free-enterprise system. This repeal will net the Treasury approximately $1.5 billion.

The new revenue raised by my proposals is to be used to finance tax relief for nearly 90 percent of all Federal income taxpayers. The method by which this is to be accomplished is replacement of the deduction for personal exemptions with a tax credit for those exemptions. The credit will not be on an optional basis, although I acknowledge the attractiveness of the option, that feature would simply be unfair.

Tax reform, if to be true to the implication of equity inherent in that appealing phase must face a fundamental reality: we cannot reform the tax system by giving something to everyone. Tax relief for the many must come from those presently paying less than their fair share. The American people recognize this fact of life. So, too, should the Senate. Moreover, equity knows no qualification. True equity should not mean that some are to be treated "more fairly" than others or that some taxpayers are "more equal" than others under the law.

The present personal exemption system is backward simply because it provides tax assistance to taxpayers in proportion to their marginal tax bracket.

Thus, for the very wealthiest of taxpayers, the $750 exemption means that $750 of their income will not be taxed at the otherwise applicable 70 percent tax rate. For the wealthiest taxpayer, then, the exemption is worth about $525 in real dollars saved. For the lowest marginal bracket taxpayers, however, the exemption is worth only about $105—this notwithstanding the fact that their basic living expenses for the minimum essentials of life do not cost them less simply because they are less affluent than other taxpayers. For a family of four with an income of $15,000 a year, the exemption is worth about $185.

But, since the exemption is designed to provide tax recognition to the expenses that one incurs for the basic essentials of life, it should not be valuable to a taxpayer only in so far as he is wealthy. Thus, in my opinion, the credit that is available in lieu of a deduction for personal exemptions should not be provided on an optional basis. It would be available to all taxpayers, rich, poor, or in the middle, on an equal basis.

In the end, Mr. President, one thing must be always kept in mind regarding our tax system: every time one taxpayer does not have to pay some or all of his taxes, the rest of the American people must take up the slack.

It is the presence in the Federal tax "budget" of some $65 or $70 billion of tax subsidization like those I propose we repeal which has for years stood in the way of any meaningful tax relief. Many of these items sharply distort the progressiveness of the tax system.

Thus, there exists this independent justification for our amendment: it is never too soon to close off the most unjustifiable of the tax loopholes. And that is precisely what we propose.

I hope that my colleagues on both sides of the aisle will be able to join in proposing tax relief for millions of the hardest pressed American taxpayers, and a noninflationary reallocation of the Federal tax burden to some who have for too long not been paying their fair share of Federal taxes.

EDUCATION AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1248

(Ordered to be printed, and to lie on the table.)

Mr. HANSEN (for himself and Mr. McGEE) submitted amendments, intended to be proposed by them jointly to the bill (S. 1539) to amend and extend certain acts relating to elementary and secondary education programs, and for other purposes.

AMENDMENT NO. 1249

(Ordered to be printed, and to lie on the table.)

LOAN GUARANTEES FOR SCHOOL FACILITIES IMPROVEMENTS

Mr. HUMPHREY. Mr. President, I am submitting an amendment to S. 1539, the Education Amendments of 1974, which provides a positive solution to the problem of sorely needed up-to-date school facilities in our country. It makes funds for necessary building available to school districts at the time when they need the facilities, and yet it costs the Federal Government very little. This amendment, originally title II of S. 1817, the National Education Investment Act, which I introduced on May 15, 1973, uses loan guarantees and interest subsidies to tap major private investment resources to assist school districts that have increasingly experienced high debt service costs, or voter turndowns of bond referendums for vitally needed school construction, due to resulting increased local taxes.

There are three points which need to be emphasized about this proposal. First, the proposal is economically sound. Large funds are made available, but they are available primarily as guarantees, and they remain within the Federal Government accruing interest. Costs to individual school districts are reduced in several ways. They can plan more effectively, knowing that loans will be available through private sources, and that they can plan long-term graduate expenditures to cover immediate needs, rather than requiring sudden immense expenditures which must be covered by the levying of large local bond issues. At the same time, while schools are able to obtain loans, they need not suffer under the burden of unwieldy interest levels. The Federal funds may be used to pay for 3 percent of the interest due annually on the principal borrowed. Thus, at minimal cost to the Federal Government, the net cost of facilities to the educational system is reduced.

Second, the method employed by this measure has precedents in similar proposals approved by Congress. Guaranteed loans are already used for financing the construction of facilities for higher education. And when the Congress decided to encourage the development of innovation in the provision of medical care by assisting the growth of health maintenance organizations, this was one method chosen (Public Law 93–222). I think it is equally appropriate that the Federal Government assist in encouraging the modernization of educational facilities for our primary and secondary schools.

Third, there is a real need to be met in the modernization of our school facilities, and it is precisely those school systems which can least afford the initial costs of modernization that are in most need of its benefits. This loan guarantee program would aid in the removal of one more of the barriers preventing the achievement of quality education in all sectors of our country.

This measure offers an innovative means for addressing a major national problem. It addresses itself to the need for rational planning which is so desperately required for intelligent growth, and it leaves the planning for local problems and fiscal management at the local level. But it unties the hands of those who wish to plan for rational development of local educational facilities by providing them with the means.

Mr. President, I ask unanimous consent that the following items be printed at this point in the RECORD: First, a summary of this title prepared by my office; and second, the text of the amendment.

There being no objection, the summary and amendment were ordered to be printed in the RECORD, as follows:

TITLE IX

Establishes a program of Federal loan guarantees and interest subsidies for construction and acquisition of facilities for elementary and secondary schools. Authorization period: January 1, 1975 through June 30, 1978. Amount of authorizations: $2.5 billion in fiscal year 1976, and for the succeeding fiscal year. Establishes in the Treasury an Elementary and Secondary School Facility Construction and Acquisition Loan Guarantee and Interest Subsidy Fund to be made available to the Commissioner of Education for the purpose of guaranteeing loans and making interest subsidy payments, on behalf of State and local educational agency applicants, to non-Federal lenders making loans to such agencies. Stipulates interest-differential for reduction of borrowing costs borne by such agencies, and sets forth criteria and limitations for assistance under this title to enable such agencies to meet capital outlay obligations. Provides for appropriate measures to protect the financial interests of the United States, and to assure that the control of funds provided under this title, and title to property derived therefrom, shall be in a public agency. Labor standards and nondiscrimination provisions are stipulated. In addition to regular reporting requirements, provides for a consolidated report to be made by the Commissioner to the Congress, on assistance authorized under this title, not later than January 1, 1978.

AMENDMENT No. 1249

At the end of the bill add the following new title:

TITLE IX—LOAN GUARANTEES AND INTEREST SUBSIDIES FOR CONSTRUCTION AND ACQUISITION OF FACILITIES FOR ELEMENTARY AND SECONDARY SCHOOLS

PROGRAM AUTHORIZATION

SEC. 901. (a) In order to assist State and local educational agencies to carry out acquisition and construction of facilities for elementary and secondary schools, the Commissioner of Education, during the period beginning January 1, 1975, and ending at midnight on June 30, 1978, may, in accordance with the provisions of this title—

(1) guarantee to non-Federal lenders making loans to such State and local educational agencies for such purposes, payment of principal of and interest on such loans which are approved under this title; and

(2) pay to the holder of such loans (and for and on behalf of the State or local educational agency which received such loan) amounts sufficient (not to exceed 3 per centum per annum) to reduce the net effective interest rate otherwise payable on such loan.

(b) No loan guarantee or interest subsidy under this title may, except under such special circumstances and under such conditions as are prescribed by the Commissioner, apply to or be made for an amount which, when added to any grant or other loan under this or any other law of the United States, is in excess of 90 per centum of the cost of acquisition or construction of the facility for which such guarantee or loan subsidy payment is sought. No such loan guarantee may apply to more than 90 per centum of the loss of principal and interest on the loan.

(c) No loan guarantee or interest subsidy payment under this title shall be made unless the Commissioner finds that—

(1) the State or local educational agency applicant is unable to secure the amount of such loan from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans which are guaranteed or with respect to which interest subsidy payments are made under this title;

(2) the construction will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials;

(3) with respect to a loan for which a guarantee or an interest subsidy payment is sought, the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, and that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Commissioner determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States; and

(4) the term of a loan for which a guarantee or interest subsidy payment is sought does not exceed forty years.

(d) Guarantees of loans and interest subsidy payments under this title shall be subject to such further terms and conditions as the Commissioner determines to be necessary to assure that the purposes of this title will be achieved, and, to the extent permitted by subsection (c), any of such terms and conditions may be modified by the Commissioner to the extent he determines it to be consistent with the financial interests of the United States.

(e) In the case of any loan guaranteed under this title, the United States shall be entitled to recover from the State or local educational agency applicant the amount of any payments made pursuant to such guarantee unless the Commissioner, for good cause, waives his right of recovery, and, upon making such payment, the United States shall be subrogated to all of the rights of the recipients of the payments with respect to which the guarantee was made.

(f) Any guarantee of a loan under this title shall be incontestable in the hands of a State or local educational agency applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person, or except where such applicant is in substantial noncompliance with any material provision of this title. The Commissioner shall have the authority after a hearing on the record to terminate or cancel any loan guarantee on behalf of a State or local educational agency where he makes a finding of fact, supported by substantial evidence, that such fraud or misrepresentation or substantial noncompliance with any material provision of this title has occurred.

(g) The Commissioner is authorized to establish and collect such fees from State and local educational agencies for guarantees made under this title as he considers reasonable.

(h)(1) There is established in the Treasury an Elementary and Secondary School Facility Construction and Acquisition Loan Guarantee and Interest Subsidy Fund (hereinafter in this title referred to as the "fund") which shall be available to the Commissioner without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts (A) to enable him to discharge his responsibilities under guarantees issued by him under this title, and (B) for interest subsidy payments authorized by this title. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required by the fund. To the extent authorized from time to time in appropriation Acts there shall be deposited in the fund amounts received by the Commissioner as interest payments or repayments of principal on loan and any other moneys, property, or assets derived by him from his operations under this title, including any moneys derived from the sale of assets, and fees collected for guarantees made under this title.

(2) If at any time the moneys in the fund are insufficient to enable the Commissioner to discharge his responsibilities under this title to meet the obligations under guarantees of loans under subsection (a) or to make interest subsidy payments on such loans, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Commission with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

(i)(1) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this title may not exceed such limitations as may be specified in appropriation Acts.

(2) In any fiscal year no loan guarantee or agreements to make interest subsidy payments may be entered into under this title if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

(A) the principal of the loans guaranteed under this title in such fiscal year, and

(B) the principal of the loans for which no guarantee has been made under this title but with respect to which an agreement to make interest subsidy payments is entered into under this title in such fiscal year,

to exceed the amount of funds obligated under this title in such fiscal year.

(j) Not more than 12½ per centum of the funds obligated under this title for the principal of loans guaranteed and interest subsidy payments made in any one fiscal year may be used within any one State.

(k) The total amount of interest subsidy payments made under agreements entered into under this title in any one fiscal year shall not exceed $300,000,000 in such fiscal year.

APPLICATION

SEC. 902. (a) No loan guarantee or interest subsidy may be made under this title unless an application therefor has been submitted to and approved by the Commissioner. Each such application shall be in such form, submitted in such manner, contain such information, and be consistent with such basic criteria established under section 903, as the Commissioner may require. Each such application shall provide—

(1) that the State or local educational agency has provided satisfactory assurance that the control of funds provided under this title, and title to property derived therefrom, shall be in a public agency for the uses and purposes provided in this title, and that a public agency will administer such funds and property;

(2) that such projects are not inconsistent with overall State plans for the construction and acquisition of school facilities and that the requirements of section 906 will be complied with on all such projects;

(3) that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper accounting for payments made with respect to loans guaranteed and interest subsidy payments made under this title;

(4) that the State or local educational agency is authorized to make such application for assistance under this title under the appropriate State law;

(5) that the State or local educational agency will make an annual report and such other necessary reports to the Commissioner, in such form and containing such information, as may be necessary to enable the Commissioner to perform his duties under this title, and will keep such records and afford such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

(6) that such information as may be required shall include satisfactory specification of the existing or anticipated (A) population group or groups to be served by the existing or proposed elementary or secondary school facility; (B) organizational and financial arrangements for providing educational services; (C) facilities available for and additional capital investments and sources of financing therefor, required to provide the level and scope of services proposed; and (D) measures to assure that the location and operation of elementary and secondary school facilities constructed or acquired through assistance provided under this title are in compliance with the requirements of section 907.

(b) The Commissioner shall not approve an application which meets the requirements of subsection (a) of this section unless such application in the case of a local educational agency has been submitted to the appropriate State educational agency for comment.

(c) The Commissioner shall not finally disapprove in whole or in part any application for assistance under this title without first according the educational agency submitting the application reasonable notice and opportunity for a hearing.

BASIC CRITERIA

SEC. 903. As soon as practicable after the enactment of this title, the Commissioner shall by regulation prescribe basic criteria for applications submitted under section 902. In addition to other matters, such basic criteria shall include a priority for projects which provide for the replacement or restoration of hazardous or unsafe facilities, the consolidation of school facilities where the existing facilities do not provide separate classrooms for each grade, the modernization or replacement of facilities which are antiquated or functionally obsolescent, or the modernization or replacement of facilities to provide innovative facilities or equipment.

LIMITATIONS

SEC. 904. (a) No assistance shall be provided under this title for any fiscal year to a State which has taken into consideration non-Federal loans guaranteed and interest subsidy payments under this title in determining the eligibility of any local educational agency in that State for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

(b) No assistance shall be provided under this title to any local educational agency for any fiscal year unless the State educational agency finds that the combined fiscal effort (as determined in accordance with regulations of the Commissioner) of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was at least equal to such combined effort for the fiscal year ending June 30, 1973.

JUDICIAL REVIEW

SEC. 905. (a) If any State or local educational agency is dissatisfied with the Commissioner's final action with respect to the approval of its application under the provisions of this title or with his final action under section 901(e), such State or local educational agency may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State or local educational agency is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

LABOR STANDARDS

SEC. 906. All laborers and mechanics employed by contractors on all construction projects under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (14 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 265c).

NONDISCRIMINATION PROVISION

SEC. 907. No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity in a facility assisted in whole or in part by any guaranteed loan or interest subsidy payment made under this title.

PROHIBITION ON USE AS MATCHING FUNDS

SEC. 908. No State or unit of local government may use, directly or indirectly, any part of the funds it receives under this title as a contribution for the purpose of obtaining Federal funds under any law of the United States which requires matching funds as a condition to the receipt of Federal funds.

DEFINITIONS

SEC. 909. (a) As used in this title, the terms—

(1) "Commissioner";
(2) "construction";
(3) "elementary school";
(4) "secondary school";
(5) "local educational agency"; and
(6) "State educational agency",

have the same meanings as prescribed in section 400 of the General Education Provisions Act.

(b) As used in this title—

(1) The term "school facilities" includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public.

(2) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands and the Trust Territory of the Pacific Islands.

EVALUATION REPORT

SEC. 910. Upon completion of elementary or secondary school facility acquisition or construction projects, or both, under assistance provided under this title, the State or local educational agency recipient of assistance shall make a full and complete report to the Commissioner, in such manner as he may by regulation prescribe, and which shall include descriptions and evaluations of the educational services resulting from such school facility improvements. The Commissioner shall provide a consolidated report to the Congress, with such recommendations, on assistance authorized under this title, as he deems appropriate, not later than January 1, 1978.

APPROPRIATIONS AUTHORIZED

SEC. 911. There are authorized to be appropriated to the fund, not to exceed $2,500,000,000 for the fiscal year ending June 30, 1975, and not to exceed $2,500,000,000 for the fiscal year ending June 3, 1976. Funds appropriated pursuant to this section shall be deposited in the fund and shall remain available for obligation and expenditure until expended.

On page 124 in the Table of Contents after item "Sec. 806.", insert the following:

TITLE IX—LOAN GUARANTEES AND INTEREST SUBSIDIES FOR CONSTRUCTION AND ACQUISITION OF FACILITIES FOR ELEMENTARY AND SECONDARY SCHOOLS

Sec. 901. Program authorized.
Sec. 902. Application.
Sec. 903. Basic criteria.
Sec. 904. Limitations.
Sec. 905. Judicial review.
Sec. 906. Labor standards.
Sec. 907. Nondiscrimination provision.
Sec. 908. Prohibition on use as matching funds.
Sec. 909. Definitions.
Sec. 910. Evaluation report.
Sec. 911. Appropriations authorized.

AMENDMENT NO. 1250

(Ordered to be printed, and to lie on the table.)

PRESCHOOL READING IMPROVEMENT

Mr. HUMPHREY. Mr. President, I am submitting an amendment to title VII of S. 1539 which will make a valuable addition to an excellent proposal. Problems in reading have long been identified as among the principal causes of failure for the children in our schools. The national reading improvement program in title VII is a major effort to address this problem, by providing for major experimental and demonstration programs in reading with children in the elementary schools, and coordinating this with extensive investigation of reading problems under the aegis of the National Institute of Education. The intention is to find a way to help children to get off to a good start in reading, and it is a long-due and worthwhile proposal.

What my amendment would do is to provide for demonstration programs to test the feasibility of further extending the benefits of this proposal to children before they enter the elementary schools. It is generally agreed that the experiences children have with reading or reading-related activities in the preelementary years have a significant impact on their ability to learn quickly in the elementary grades. There have, of course, been experimental programs carried out with these younger children, and there have even been some rudimentary programs integrated into child care, nursery, or kindergarten programs. The problem has been that more often than not the children have left these programs only to enter an elementary school which takes no account of the type of learning experience they have already had. The benefits of the preelementary school experience are thus too often lost through lack of any continuity or, worse still, the child is confused by the malange of methods and experiences which lack any coordination.

The national reading improvement program offers us a major opportunity to find out how to make the best use of these early experiences in reading. The amendment I am proposing authorizes the establishment of demonstration programs in reading in qualified child care centers, nursery schools, or kindergartens for children in the 2 years before entering the first grade. It requires that such demonstration programs be coordinated with programs in the schools which the children will subsequently be entering. For the first time we will have an opportunity to see the impact of a continuous effort to reach preschool children with training to improve their abilities in language skills and comprehension.

Little coordinated effort has been put into such preschool training in language skills, and virtually no effort has gone into establishing continuity between the reading, training of preschool agencies and the schools. Through authorizing the demonstration projects which I propose, we can do some investigating and evaluating to find out what structural arrangements provide the greatest continuity and benefits for the child's development of reading skills.

I am suggesting a very moderate level of funding—$7 million in the first fiscal year. This will give us time to get some projects running and to find out which are most effective.

We must not lose this opportunity to devise comprehensive reading training, and training in reading-related skills, for our children at the earliest point at which it may be beneficial to them. Title VII is a major positive innovation in Federal aid to education, and it gets to the children in the way and at the time that can do the most good. What I propose is that we make a moderate but valuable addition to the program which will help to fulfill its purpose and promise.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1250

On page 368, line 21, strike out the word "and".

On page 368, line 24, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 368 after line 24, insert the following:

"(4) to develop the capacity of preelementary school children for reading, and to establish and improve preelementary school programs in language arts and reading.".

On page 369, line 2, after "(a)" insert "(1)".

On page 369, between lines 9 and 10, insert the following new paragraph:

(2) The Commissioner is further authorized to contract with either State educational agencies, local educational agencies, or both, or with nonprofit educational or child care institutions, for the carrying out by such agencies and institutions, in areas where such schools are located, of such demonstration projects, for preelementary school children. Such demonstration projects are to be instituted in kindergartens, nursery schools, or other preschool institutions.

On page 369, line 16, after the word "identify" insert the following: "pre-elementary and".

On page 369, line 23, after the word "for" insert the following: "elementary school".

On page 370, line 17, after the word "testing" insert the following: "in programs for elementary school children".

On page 370, line 18, insert before the semicolon a comma and the following: "and for programs for pre-elementary school children a test of reading proficiency at the conclusion, minimally, of the first-grade program into which the nursery and kindergarten programs are integrated".

On page 371, line 11, strike out the word "and".

On page 371, line 18, strike out the period and insert in lieu thereof a semicolon.

On page 371, between lines 18 and 19, insert the following new paragraphs:

"(14) coordination and continuity for pre-elementary programs with respect to subsequent programs, so that a nursery school language arts and reading program shall be shown to lead into a kindergarten program which is integrally related to the nursery school program, and a kindergarten language arts and reading program shall be shown to lead into a first-grade program which is integrally related to the kindergarten program; and

"(15) assessment, evaluation, and collection of information on individual children by teachers during each year of the pre-elementary program, to be made available for teachers in the subsequent year, in order that continuity for the individual child not be lost.".

On page 371, line 25, strike out the word "and".

On page 372, line 4, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 372, between lines 4 and 5, insert the following new paragraphs:

"(3) whenever appropriate, sufficient measures will be taken to coordinate each pre-elementary reading program with the reading program of the educational agencies or institutions which such pre-elementary school children will be next in attendance; and

"(4) the pre-elementary reading and language arts program will be carried out as part of a general learning environment.".

On page 372, line 6, after the word "section", insert the following: "or other agency or institution making an application under paragraph (2) of section 702(a)".

On page 373, line 4, after the word "subsection", insert the following: "or an applicant under paragraph (2) of section 702 (a)".

On page 382, line 12, strike out "$75,000,000" and insert in lieu thereof "$82,000,000".

On page 382, line 13, strike out "$80,000,000" and insert in lieu thereof "$88,000,000".

On pace 382, line 14, strike out "$85,000,000" and insert in lieu thereof "$93,000,000".

On page 382, line 16, after the period insert the following: "Of the sums authorized to be appropriated under this subsection, not less than $7,000,000 in the fiscal year ending June 30, 1975, and not less than $8,000,000 in each of the fiscal years ending June 30, 1976 and June 30, 1977 shall be available to carry out programs authorized under paragraph (2) of section 702(a).

AMENDMENTS NOS. 1251 THROUGH 1256

(Ordered to be printed, and lie on the table.)

Mr. DOMINICK submitted six amendments, intended to be proposed by him, to Senate bill 1539, supra.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO SUPPLEMENTAL APPROPRIATIONS BILL

AMENDMENT NO. 1257

(Ordered to be printed, and to lie on the table.)

Mr. PASTORE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 14013) Making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, the following amendment, namely:

Following the word "project" at the end of section 204(b)(3) of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92–500, insert the following: ", except that, in the case of an industrial firm that would face extreme economic hardship, and, as determined by the Administrator of the Economic Development Administration, would thereby be unable to continue in business in the applicant's community due to the necessity of paying its proportionate share of the Federal cost of construction of such works, the grantee, if its application for a grant had been received and accepted for processing by the Environmental Protection Agency and found to be in conformity with regulations in existence on the date of acceptance by the Environmental Protection Agency and prior to March 2, 1973, may waive for the industry any payment due. The Administrator of the Economic Development Administration shall redetermine the industry's eligibility for such waiver on an annual basis.".

Mr. PASTORE also submitted an amendment, intended to be proposed by him, to House bill 14013, making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

(For text of amendment referred to, see the foregoing notice.)

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1215

At the request of Mr. DOMINICK, the Senator from Tennessee (Mr. BAKER), the Senator from Kansas (Mr. DOLE), and the Senator from Florida (Mr. GURNEY) were added as cosponsors of amendment No. 1215 to S. 3203.

AMENDMENT NO. 1236

At the request of Mr. HUMPHREY, the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Utah (Mr. MOSS), the Senator from Illinois (Mr. STEVENSON), and the Senator from California (Mr. TUNNEY) were added as cosponsors of amendment No. 1236 to S. 1539, the Education Amendments of 1974.

NOTICE OF HEARING ON ENERGY SUPPLY ACT OF 1974

Mr. JACKSON. Mr. President, on April 2, I announced that the Committee on Interior and Insular Affairs would be holding hearings on S. 3221, the Energy Supply Act of 1974 and other bills before the Congress which would amend the Outer Continental Shelf Lands Act of 1953. Because of the intense interest in these hearings, they will be held on 4 days—May 6, 7, 8, and 10—rather than 3 days as originally announced. Furthermore, the hearings will include S. 3346, introduced by Senator ROTH in addition to the bills referred to in my April 2 announcement. Hearings will begin at 10 a.m., in room 3110, Dirksen Senate Office Building on each day.

NOTICE WITH RESPECT TO CONSIDERATION OF S. 1566 BY COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. WILLIAMS. Mr. President, on April 24, 1974, S. 1566, which was reported on that day by the Committee on Commerce without recommendation, was referred for 40 days to the Committee on Labor and Public Welfare. This bill, introduced by Senator INOUYE, for himself and Senator FONG, on April 12, 1973, provides that no strike or lockout in the longshore or maritime industries of the west coast shall be permitted to interrupt normal shipping between any west coast port and Hawaii or any U.S. Pacific island for a period of 160 days following the beginning of such strike or lockout.

Prior to reporting out this measure without recommendation, the Committee on Commerce held a hearing and compiled a record which included the views of interested persons in Hawaii and the Pacific Islands, as well as those of affected labor and management organizations. In view of the short period of time it has been given to consider this measure, the Committee on Labor and Public Welfare does not intend to hold additional hearings, but will consider the hearing record of the Committee on Commerce, together with such additional written statements as interested persons may wish to submit. Such statements should be forwarded to the Committee on Labor and Public Welfare, room 4230, Dirksen Senate Office Building, by May 23, 1974.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

John T. Pierpont, Jr., of Missouri, to be U.S. marshal for the western district of Missouri for the term of 4 years (reappointment).

David G. Trager, of New York, to be U.S. attorney for the eastern district of New York for the term of 4 years, vice Robert A. Morse, deceased.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, May 9, 1974, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

THE MARCH 21 TAPE

Mr. McGOVERN. Today's Wall Street Journal, May 2, 1974, contains a thoughtful editorial as well as pertinent excerpts based on Mr. Nixon's much discussed meeting of March 21, 1973, with John Dean, relative to the Watergate coverup.

I ask unanimous consent that this editorial and the related excerpts be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MARCH 21 TAPE

Frankly we have not finished reading, let alone digesting, the 1,308 pages of documents released by the White House. But we think it well worth while to offer a few preliminary observations on the March 21 tape, when John Dean first laid the Watergate cover-up on the table before the President.

A number of indications—our own sampling of the rest of the transcripts, the initial stories on the documents, the emphasis in the President's own brief—suggest that this was the most significant meeting, though perhaps the least typical one. Most of the other transcripts we have sampled do succeed, at least at first reading, in the exculpatory effect intended by the White House. There is a definite impression of a President only gradually over a few weeks comprehending the dimensions of the cover-up. As it looks so far, the March 21 tape does most of the damage to the President.

The meeting is subject to various constructions, and the reader is invited to judge for himself from the lengthy abstracts printed alongside. One construction is that the President decided to pay hush-money to convicted Watergate defendant E. Howard Hunt, and is thus deeply implicated in the cover-up plot. Another construction is that in the end the President rejected this course, deciding instead on a grand jury investigation extending to members of the White House staff. Our own interpretation is as follows:

1. The only firm decision reached at the meeting was to convene another meeting among the President, Mr. Dean, H. R. Haldeman, John Mitchell and John Ehrlichman. The purpose of the subsequent meeting would be to decide among three courses: paying off the jailed defendants indefinitely for silence, or refusing further payoffs and allowing the whole story to "hang out" or convening a grand jury as a more constrained forum for investigation.

2. Among these three courses, indefinite payoffs were rejected because they could not be followed up with clemency to insure silence. By the end of the meeting, the President was leaning heavily toward the grand jury course as the permanent response.

3. However, there is a strong inference that the President wanted Mr. Hunt's immediate demands met in order to buy time for the ultimate decision. There was no explicit decision to pay the $120,000, but the President specifically suggested this course of action at several points. One could argue that these remarks were intended to elicit Mr. Dean's opinion. Or one could argue that the President's final remarks on the subject—"my point is, do you ever have any choice on Hunt"—coupled rejection of immediate payoffs with rejection of ultimate ones. But these defenses are strained, while the President's suggestions are perfectly clear.

Now, in reacting to all of this it helps to separate two questions. The first, and not an unimportant one, is a judgment of the whole conversation. The dominant question at this meeting, and for that matter at many of the others as well, was not, what is the right thing to do? It was, what can we get away with? The President of the United States was at least willing to contemplate raising a million dollars to buy silence from convicts, and rejected clemency merely on expedient grounds. Naturally much of the initial reaction to the new disclosures has been one of distaste for the unsavory tone of the discussion.

As public debate continues, however, inevitably it will have to return to the second question—was an impeachable offense committed? We doubt that very many people will want to impeach a President for considering and rejecting an immoral course of action. But even by far more exacting standards the March 21 tape raises real questions. The Rodino committee has had this particular tape for some time now and no doubt has been wrestling with its ambiguities. We begin to appreciate the urgency of its requests for more information.

To put the worst face on it, assume the President did sanction a payment to meet Mr. Hunt's immediate demands. There have been allegations that the last in a series of payments intended for Mr. Hunt was made on the evening of March 21. If you assume this date of the final $75,000 payment is correct, you can start to build connections that implicate Mr. Nixon in a criminal charge of obstructing justice. At least for that day, the argument would go, he was part of the coverup.

This connection would at this point seem tenuous. The President may or may not have meant to sanction the payoff. The date of the final payment has also been reported as March 20. In any event, it apparently was set in motion before the key meeting, and approved by Mr. Mitchell, who did not attend it. Even if Mr. Nixon supported a payment in his mind it may have been, as subsequent tapes in fact suggest, intended as a legitimate legal support. Still, on the basis of what we can see so far, these are the important questions to explore.

Thus it seems likely that Tuesday's disclosures will at least serve to focus the question, especially as the initial reaction subsides. Indeed, it now seems likely that the nation will eventually have a pretty good idea of how deeply the President was involved, though the answer to that question may or may not turn out to correspond with our first reaction on an incomplete reading of the transcripts.

But if the nation should conclude that the President was not involved in the cover-up before March, and cleaned house when he did learn of its dimensions, the final decision may turn on the definition of an impeachable offense. What would a President have to do in one such meeting to merit impeachment?

A CONCISE VERSION OF THE KEY TAPE

NOTE.—Following are extracts from the most quoted and discussed single conversation among the edited transcripts released by the White House Tuesday—the March 21, 1973 meeting among President Nixon, John Dean and H. R. Haldeman.

(The extracts amount to perhaps 20% of the total conversation, and extensive editing was required to reduce the White House transcript to this length. The deletions were chosen with the intention of preserving the essence of the conversation, at the expense of producing an impression of coherence not present in the original.)

D. The reason that I thought we ought to talk this morning is because in our conversations, I have the impression that you don't know everything I know and it makes it very difficult for you to make judgments that only you can make on some of these things . . . I think that there is no doubt about the seriousness of the problem we've got. We have a cancer within, close to the presidency, that is growing. It is growing daily. It's compounded, growing geometrically now, because it compounds itself. That will be clear if I, you know, explain some of the details of why it is. Basically, it is because (1) we are being blackmailed; (2) people are going to start perjuring themselves very quickly that have not had to perjure themselves to protect other people in the line. And there is no assurance—P. That that won't bust? D. That that won't bust. . . .

D. Alright. Now post-June 17th; Liddy said if they all got counsel instantly and said we will ride this thing out. Alright, then they started making demands. "We have to have attorneys' fees. We don't have any money ourselves, and you are asking us to take this through the election." Alright, so arrangements were made through Mitchell, initiating it. And I was present in discussions where these guys had to be taken care of. Their attorneys' fees had to be done. Kalmbach raised some cash.

D. That's the most troublesome post thing because (1) Bob is involved in that; (2) John is involved in that; (3) I am involved in that; (4) Mitchell is involved in that. And that is an obstruction of justice. . . .

D. Here is what is happening right now. What sort of brings matters to the (unintelligible). One, this is going to be a continual blackmail operation by Hunt and Liddy and the Cubans. No doubt about it . . . Hunt now is demanding another $72,000 for his own personal expenses; another $50,000 to pay attorneys' fees; $120,000. Some (1) he wanted it as of the close of business yesterday. He said, "I am going to be sentenced on Friday, and I've got to get my financial affairs in order." . . . Hunt has now made a direct threat against Ehrlichman. As a result of this, this is his blackmail. He says, "I will bring John Ehrlichman down to his knees and put him in jail. I have done enough seamy things for he and Krogh, they'll never survive it."

P. Was he talking about Ellsberg? D. Ellsberg, and apparently some other things. I don't know the full extent of it. P. I don't know about anything else. D. I don't know either, and I hate to learn some of these things. So that is the situation. Now, where are the soft points? How many people know about this? Well, let me go one step further in this whole thing. The Cubans that were used in the Watergate were also the same Cubans that Hunt and Liddy used for this California Ellsberg thing, for the break-in out there. So they are aware of that. How high their knowledge is, is something else. Hunt and Liddy, of course, are totally aware of it, of the fact that it is right out of the White House.

P. I don't know what the hell we did that for! D. I don't know either. . . .

D. There is the problem of the continued blackmail which will not only go on now, but it will go on while these people are in prison, and it will compound the obstruction of justice situation. It will cost money. It is dangerous. People around here are not pros at this sort of thing. This is the sort of thing Mafia people can do: washing money, getting clean money, and things like that. We just don't know about those things, because we are not criminals and not used to dealing in that business. P. That's right. D. It is a tough thing to know how to do.

P. Maybe it takes a gang to do that. D. That's right. There is a real problem as to whether we could even do it. Plus there is a real problem in raising money. Mitchell has been working on raising some money. He is one of the ones with the most to lose. But there is no denying the fact that the White House, in Ehrlichman, Haldeman and Dean are involved in some of the early money decisions.

P. How much money do you need? D. I would say these people are going to cost a million dollars over the next two years. P. We could get that. On the money, if you need the money you could get that. You could get a million dollars. You could get it in cash. I know where it could be gotten. It is not easy, but it could be done. But the question is who the hell would handle it? Any ideas on that?

D. That's right. Well, I think that is something that Mitchell ought to be charged with. P. I would think so too. D. And get some pros to help him. . .

P. Just looking at the immediate problem, don't you think you have to handle Hunt's financial situation damn soon? D. I think that is—I talked with Mitchell about that last night and—P. It seems to me we have to keep the cap on the bottle that much, or we don't have any options. D. That's right. P. Either that or it all blows right now? D. That's the question. . . .

D. What really bothers me is this growing situation. As I say, it is growing because of the continued need to provide support for the Watergate people who are going to hold us up for everthing we've got, and the need for some people to perjure themselves as they go down the road here. If this thing ever blows, then we are in a cover-up situation. I think it would be extremely damaging to you and the— P. Sure. The whole concept of administration justice. Which we cannot have!

D. That is what really troubles me. For example, what happens if it starts breaking, and they do find a criminal case against a Haldeman, a Dean, a Mitchell, an Ehrlichman? That is— P. If it really comes down to that, we would have to (unintelligible) some of the men.

D. That's right. I am coming down to what I really think, is that Bob and John and John Mitchell and I can sit down and spend a day, or however long, to figure out one, how this can be carved away from you, so that it does not damage you or the presidency. It just can't! You are not involved in it and it is something you shouldn't— P. That is true!

P. Let's come back to this problem. What are your feelings yourself, John? You know what they are all saying. What are your feelings about the chances? D. I am not confident that we can ride through this. I think there are soft spots.

P. So what you really come to is what we do. Let's suppose that you and Haldeman and Ehrlichman and Mitchell say we can't hold this? What then are you going to say? What are you going to put out after it? Complete disclosure, isn't that the best way to do it— D. Well, one way to do it is— P. That would be my view.

D. One way to do it is for you to tell the Attorney General that you finally know. Really, this is the first time you are getting all the pieces together. P. Ask for another Grand Jury? D. Ask for another Grand Jury. The way it should be done though, is a way—for example, I think that we can avoid criminal liability for countless people and the ones that did get it could be minimal. P. How? D. Well, I think by just thinking it all through first as to how. You know, some people could be granted immunity. . . .

P. No. Talking about your obstruction of justice, though, I don't see it. D. Well, I have been a conduit for information on taking care of people out there who are guilty of crimes. P. Oh, you mean like the blackmailers? D. The blackmailers. Right.

P. Well, I wonder if that part of it can't be—I wonder if that doesn't—let me put it frankly: I wonder if that doesn't have to be continued? Let me put it this way: let us suppose that you get the million bucks, and you get the proper way to handle it. You could hold that side? D. Uh, huh.

P. It would seem to me that would be worthwhile. D. Well, that's one problem. P. I know you have a problem here. You have the problem with Hunt and his clemency.

D. That's right. And you are going to have a clemency problem with the others. They all are going to expect to be out and that may put you in a position that is just untenable at some point. You know, the Watergate Hearings just over, Hunt now demanding clemency or he is going to blow. And politically, it's impossible for you to do it. You know, after everybody— P. That's right! D. I am not sure that you will ever be able to deliver on the clemency. It may be just too hot.

P. You can't do it politically until after the '74 elections, that's for sure. Your point is that even then you couldn't do it. D. That's right. It may further involve you in a way you should not be involved in this. P. No—it is wrong that's for sure. . . .

D. What I am coming in today with is: I don't have a plan on how to solve it right now, but I think it is at the juncture that we should begin to think in terms of how to cut the losses; how to minimize the further growth of this thing, rather than further compound it by, you know, ultimately paying these guys forever. I think we've got to look—

P. But at the moment. don't you agree it is better to get the Hunt thing that's where that—D. That is worth buying time on. P. That is buying time. I agree. . . .

P. Suppose the worst—that Bob is indicted and Ehrlichman is indicted. And I must say, we just better then try to tough it through. You get the point. D. That's right.

P. If they, for example, say let's cut our losses and you say we are going to go down the road to see if we can cut our losses and no more blackmail and all the rest. And then the thing blows cutting Bob and the rest to pieces. You would never recover from that, John. D. That's right.

P. It is better to fight it out. Then you see that's the other thing. It's better to fight it out and not let people testify, and so forth. And now, on the other hand, we realize that we have these weaknesses—that we have these weaknesses—in terms of blackmail. . . .

P. I think the most difficult problem are the guys who are going to jail. I think you are right about that. D. I agree. P. Now. And also the fact that we are not going to be able to give them clemency. D. That's right. How long will they take? How long will they sit there? I don't know. We don't know what they will be sentenced to. There's always a chance—

P. When could you have this meeting with these fellows as I think time is of the essence. Could you do it this afternoon?

D. Well, Mitchell isn't here. It might be worth it to have him come down. I think that Bob and John did not want to talk to John Mitchell about this, and I don't believe they have had any conversation with him about it. P. Well, I will get Haldeman in here now. . . .

(Haldeman enters the room)

P. I was talking to John about this whole situation and he said if we can get away from the bits and pieces that have broken out. He is right in recommending that there be a meeting at the very first possible time. . . . You can't do it today, can you?

D. I don't think so. I was suggesting a meeting with Mitchell. P. Mitchell, Ehrlichman, yourself and Bob, that is all. Now, Mitchell has to be there because he is seriously involved and we are trying to keep him with us. We have to see how we handle it from here on. We are in the process of having to determine which way to go, and John has thought it through as well as he can. . . .

P. What really has to happen is for you to sit down with those three and for you to tell them exactly what you told me. D. Uh, huh.

P. It may take him about 35 or 40 minutes. In other words he knows, John knows, about everything and also what all the potential criminal liabilities are, whether it is—like that thing—what, about obstruction? D. Obstruction of justice. Right. P. So forth and so on. I think that's best. Then we have to see what the line is. Whether the line is one of continuing to run a kind of stone wall, and take the heat from that, having in mind the fact that there are vulnerable points there;—the vulnerable points being, the first vulnerable points would be obvious. That would be one of the defendants, either Hunt, because he is most vulnerable in my opinion, might blow the whistle and his price is pretty high, but at least we can buy the time on that as I pointed out to John. . . .

P. The point is this, that it is now time, though, that Mitchell has got to sit down, and know where the hell all this thing stands, too. You see, John is concerned, as you know, about the Ehrlichman situation. It worries him a great deal because, and this is why the Hunt problem is so serious, because it had nothing to do with the campaign. It has to do with the Ellsberg case. I don't know what the hell the—(unintelligible). . . .

D. He is playing hard ball. He wouldn't play hard ball unless he was pretty confident that he could cause an awful lot of grief. H. Right.

P. He is playing hard ball with regard to Ehrlichman for example, and that sort of thing. He knows what he's got. H. What's he planning on, money? D. Money and—H. Really?

P. It's about $120,000. That's what, Bob. That would be easy. It is not easy to deliver, but it is easy to get. Now, H. If the case is just that way, then the thing to do if the thing cranks out.

P. If, for example, you say look we are not going to continue to—let's say, frankly, on the assumption that if we continue to cut our losses, we are not going to win. But in the end, we are going to be bled to death. And in the end, it is all going to come out anyway.

Then you get the worst of both worlds. We are going to lose, and people are going to—H. and look like dopes!

P. And in effect, look like a cover-up. So that we can't do. Now the other line, however, if you take that line, that we are not going to continue to cut our losses, that means then we have to look square in the eye as to what the hell those losses are, and see which people can—so we can avoid criminal liability. Right?

D. Right.

P. And that means keeping it off you. Herb has started this Justice thing. We've got to keep it off Herb. You have to keep it, naturally, off of Bob, off Chapin, if possible, Strachan, right? D. Uh, huh. P. And Mitchell. Right? D. Uh, huh.

H. And Magruder, if you can. P. John Dean's point is that if Magruder goes down, he will pull everybody with him. . . .

P. Another way to do it then Bob, and John realizes this, is to continue to try to cut our losses. Now we have to take a look at that course of action. First it is going to require approximately a million dollars to take care of the jackasses who are in jail. That can be arranged. That could be arranged. But you realize that after we are gone, and assuming we can expend this money, then they are going to crack and it would be an unseemly story. Frankly, all the people aren't going to care that much. D. That's right.

P. People won't care, but people are going to be talking about it, there is no question. And the second thing is, we are not going to be able to deliver on any of a clemency thing. . . .

P. Now let me tell you. We would get the money. There is no problem in that. We can't provide the clemency. Money could be provided. Mitchell could provide the way to deliver it. That could be done. See what I mean? . . .

P. Well, it sounds like a lot of money, a million dollars. Let me say that I think we could get that. I know money is hard to raise. But the point is, what we do on that—Let's look at the hard problem—

D. That has been, thus far, the most difficult problem. That is why these fellows have been on and off the reservation all the way along.

P. So the hard place is this. Your feeling at the present time is the hell with the million dollars. I would just say to these fellows I am sorry it is all off and let them talk. Alright? D. Well, —

P. That's the way to do it isn't it, if you want to do it clean?

H. That's the way. We can live with it, because the problem with the blackmailing, that is the thing we kept raising with you when you said there was a money problem. When you said we need $20,000, or $100,000, or something. We said yeah, that is what you need today. But what do you need tomorrow or next year or five years from now? . . .

D. One of the things that I think we all need to discuss is, is there some way that we can get our story before a Grand Jury, so that they can really have investigated the White House on this. I must say that I have not really thought through that alternative. We have been so busy on the other containment situation.

P. John Ehrlichman, of course, has raised the point of another Grand Jury. I just don't know how you could do it. On what basis. I could call for it, but I — D. That would be out of the question.

P. I hate to leave with differences in view of all this stripped land. I could understand this, but I think I want another Grand Jury proceeding and we will have the White House appear before them. Is that right John? D. Uh, huh.

P. That is the point, see. Of course! That would make the difference. I want everybody in the White House called. And that gives you a reason not to have to go before the Ervin and Baker committee. It puts it in an Executive session, in a sense. H. Right. D. That's right.

H. And there would be some rules of evidence, aren't there? D. There are rules of evidence.

P. Rules of evidence and you have lawyers. H. You are in a hell of a lot better position than you are up there.

D. No, you can't have a lawyer before the Grand Jury. P. Oh, no. That's right.

H. But you do have rules of evidence. You can refuse to talk.

D. You can take the 5th Amendment.

P. That's right.

H. You can say you have forgotten, too, can't you? D. Sure but you are chancing a very high risk for perjury situation.

P. But you can say I don't remember. You can say I can't recall. I can't give any answer to that that I can recall.

H. You have the same perjury thing on the Hill don't you? D. That's right. P. Oh hell, yes.

H. And the Ervin committee is a hell of a lot worse to deal with. D. That's right.

P. Suppose we have a Grand Jury thing. What would that do to the Ervin committee? Would it go right ahead? D. Probably. Probably. . . .

D. No. Well, that is one possibility. But also when these people go back before the Grand Jury here, they are going to pull all these criminal defendants back before the Grand Jury and immunize them. P. Who will do this? D. The U.S. Attorney's Office will. P. To do what?

D. To let them talk about anything further they want to talk about. P. But what do they gain out of it? D. Nothing.

P. To hell with it!

D. They're going to stonewall it, as it now stands. Excepting Hunt. That's why his threat. H. It's Hunt opportunity.

P. That's why for your immediate things you have no choice but to come up with the $120,000, or whatever it is. Right? D. That's right.

P. Would you agree that that's the prime thing that you damn well better get that done?

P. Could I suggest this though: let me go back around — H. Be careful —

P. The Grand Jury thing has a feel. Right? It says we are cooperating well with the Grand Jury.

D. Once we start down any route that involves the criminal justice system, we've got to have full appreciation that there is really no control over that. . . .

P. But you see the Grand Jury proceeding achieves this thing. If we go down that road—(unintelligible). We would be cooperating. We would be cooperating through a Grand Jury. Everybody would be behind us. That is the proper way to do this. It should be done in the Grand Jury, not up there under the kleig lights of the committee. Nobody questions a Grand Jury. And then we would insist on Executive Privilege before the committee, flat out say, "No we won't do that. It is a matter before the Grand Jury, and so on, and that's that." . . .

P. Now, the other possibility is not to go to the Grand Jury. We have three things. (1) You just say the hell with it, we can't raise the money, sorry Hunt you can say what you want, and so on. He blows the whistle. Right? D. Right.

P. If that happens, that raises some possibilities about some criminal liabilities, because he is likely to say a hell of a lot of things and will certainly get Magruder in on it. D. It will get Magruder. It will start the whole FBI investigation going again. . . .

P. Seems we're going around the track. You have no choice on Hunt but to try to keep—D. Right now, we have no choice.

P. But my point is, do you ever have any choice on Hunt? That is the point. No matter what we do here now, John, whatever he wants if he doesn't get it—immunity, etc., he is going to blow the whistle.

D. What I have been trying to conceive of is how we could lay out everything we know in a way that we have told the Grand Jury or somebody else, so that if a Hunt blows, so what's new? It's already been told to a Grand Jury and they found no criminal liability and they investigated it in full. . . .

P. But here is the point, John. Let's go the other angle, is to decide if you open up the Grand Jury: first, it won't be any good, it won't be believed. And then you will have two things going: the Grand Jury and the other things, committee, etc. The Grand Jury appeals to me from the standpoint, the President makes the move. All these charges being bandied about, etc., the best thing to do is that I have asked the Grand Jury to look into any further charges. All charges have been raised. That is the place to do it, and not before a committee of the Congress. Right? D. Yeah.

P. Then, however, we may say, (expletive deleted), we can't risk that, or she'll break loose there. That leaves you to your third thing. D. Hunker down and fight it.

P. Hunker down and fight it and what happens? Your view is that is not really a viable option. D. It is a high risk. It is a very high risk.

P. Your view is that what will happen on it, that it's going to come out. That something is going to break loose, and—D. Something is going to break and—P. It will look like the President—D. is covering up. . . .

P. The other alternative is—D. Yes, the other choices. P. As a matter of fact, your middle ground of Grand Jury. . . .

P. If we said that the reason we had delayed this is until after the sentencing—You see that the point is that the reason, time is of the essence, we can't play around on this. If they are going to sentence on Friday, we are going to have to move on the (expletive deleted) thing pretty fast. See what I mean? D. That's right.

P. So we really have a time problem.

D. The other thing is that the Attorney General could call Sirica, and say that, "The government has some major developments that it is considering. Would you hold sentencing for two weeks?" If we set ourselves on a course of action. P. Yep, yep. . . .

P. You could recommend it and he could come over and I would say, "Now Petersen, we want you to get to the bottom of the damn thing. Call another Grand Jury or anything else. Correct? Well, now you gotta know whether Kleindienst can get Sirica to hold off. Right? Second, you have to get Mitchell down here. And you and Erlichman and Mitchell by tomorrow.

P. Alright. Fine. And my point is that I think it is good, frankly, to reconsider; think it is good, frankly, to consider these various options. . . . The erosion is inevitably going to come here, apart from anything and all the people saying well the Watergate isn't a major issue. It isn't. But it will be. It's bound to. (Unintelligible) has to go out. Delaying is the great danger to the White House area. We don't, I say that the White House can't do it. Right?

D. Yes, Sir.

THE BICENTENNIAL

Mr. COOK. Mr. President, during the past year, I have been following the evolution of what has now become to be known as the American Revolution Bicentennial Administration—ARBA. I think we all realize this organization had some growing pains, but I am encouraged by the program that is now being proposed. We now have come to a point in time when we, in the Congress, must decide if we are serious about having a Bicentennial celebration. This decision is manifested in the vote to be taken in the upcoming supplemental appropriations bill which I understand the Appropriations Committee has ordered reported out later today or tomorrow. This supplemental appropriation of $12.375 million in grants to the States will give these community projects throughout the Nation the boost they need and so richly deserve. The House has already acted in providing a similar amount and I would hope the Senate would act swiftly. The funds would provide for $200,000 in matching grants for each State and territory to foster Bicentennial projects approved by the ARBA. In addition, an annual fund of $25,000 is provided to assist each of these States and territories in their operating expenses.

I am especially proud that the State of Kentucky has taken an early lead in Bicentennial planning. We have many Bicentennial events now on the drawing boards in the blueprint stages. Fulton and Scott Counties and Hickman, Ky., have already been designated National Bicentennial Communities. I am particularly pleased that the plans and activities of the East Kentucky Health Services Clinic in Knott County have been singled out by the National Bicentennial Administration as exemplary of the "Horizons '76" theme of the Bicentennial to improve the quality of life in America. The good work of the men and women at the clinic is being depicted in a national Bicentennial film which will be ready soon for viewing throughout America.

I would like to note that it is not necessary for us to wait another year for these celebrations to begin. This year marks the 200th anniversary of the founding of Fort Harrod, Ky., which was the first permanent settling west of the Alleghenies. In addition, on Saturday the 100th running of the Kentucky Derby is being featured as a Bicentennial event, and it is one of the first in the country. I think it is necessary that we move ahead with our Bicentennial plans, and I am confident that in the time remaining before the Bicentennial date arrives we can rally the interests and aspirations of America's 200 million people in a grassroots celebration of which we can all be proud.

As Mr. John Warner, the newly designated administrator of ARBA, stated in his swearing-in ceremony—

> The type of celebration we have will be directly related to the amount of involvement by all groups of Americans.

THE ATS–F SATELLITE

Mr. MOSS. Mr. President, the public's knowledge of our Nation's space program is often limited to the more spectacular efforts of NASA—such as the manned lunar landings. This, unfortunately, creates a distorted picture of the program, thus giving rise to doubts and questions.

The goal of NASA's space activities is "to pursue the peaceful uses of space for the benefit of all mankind." This goal is being achieved by numerous important but not as well-known projects which apply the knowledge and technology gained from space exploration to people-oriented services. As these community service projects come to have a greater effect on our lives, I believe that we will better understand the space program in its entirety.

One such project is the applications technology satellite—ATS—series. The last of the series, the ATS–F, scheduled to be launched in June of this year, is replete with services. Probably the most important service is the satellite's two-way communication capability. This will allow the spacecraft to relay health information and experimental educational programs directly to inexpensive television receivers in remote regions of the Rocky Mountain States, Appalachia, and Alaska. Heretofore, it has been impractical or too expensive to develop land lines for similar communications in these areas because of their scattered population and rugged terrain.

Mr. President, I ask unanimous consent that a recent article on this subject be printed in the RECORD. It is an article from the April 6, 1974, issue of Science News, and it appropriately describes the ATS–F satellite and its benefits to man.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PEOPLE SATELLITE

(By Jonathan Eberhart)

In Fredonia, N.Y., a teacher-trainee asks for clarification of a chart on an easel at the University of Kentucky. A doctor in Tanana, Alaska, examines a patient 130 miles away in the tiny village of Galena (pop. 425). Village farmers in rural India gather in a hut to study irrigation techniques being demonstrated hundreds of miles away in Ahmadabad.

These are all among the jobs planned for ATS–F, the closest thing yet to a community service satellite.

Set for an early June launching, it will be the sixth in NASA's Applications Technology Satellite series, a program of orbiting test-beds for trying out ideas for the future. Although only two of the series have been completely successful (numbers two and four suffered launch vehicle failures; number five got into the wrong orbit), they have proven the feasibilty of a wide variety of techniques and devices. The "spin-scan" camera tested for weather photography on ATS–1 led to the imaging photopolarimeter that gave earthlings their first close look at Jupiter from Pioneer 10 last December (including the SCIENCE NEWS Photo of the Year). The electric rocket engine, or resistojet, that made tiny corrections to Keep ATS–5 facing the right direction will lead to future engines that can maintain a small thrust for years on unmanned flights to others planets.

ATS–F (NASA doesn't like to number its satellites until they're safely in orbit), by contrast, is aimed much closer to home. It has its space-oriented experiments too, such as a refined electric rocket engine, but the emphasis is on a group of programs that could have major impact on education, health care and rural development, NASA's role is strictly technological, but a long list of Federal, state, local and foreign agencies have been working for years to plan the best use of what will be an unusually people-oriented satellite.

Most of the activity within the United States will be concentrated in three areas—Appalachia, the Rockey Mountain states and Alaska. Several kinds of programs are planned for each. The organizations involved all stress that they will just be test projects, preliminary trials and so on, but many will last a full year and involve tens of thousands of people. The basic tool is two-way, live television, an idea that has been around for so long that it almost seems old hat, yet this will be the first time that it has been used on a large scale. The satellite's contribution is primarily the avoidance of the time, expense and difficulty of setting up land lines among such a diversiy of often hard-to-reach places.

The Appalachian Regional Commission for example, in 1971 asked 32,000 public school teachers from New York to Alabama simply what they felt they needed in their work. As a result, this summer the University of Kentucky plans graduate courses for elementary school teachers in both career training and the teaching of remedial reading. In each of five states—New York, Maryland, Virginia, Tennessee and Alabama—there will be a two-way satellite link in one city and a receive-only link (joined by two-way land lines with the main installation) in two others. There will be the usual pre-taped lessons and programmed instruction, but the teachers will also be able to have live seminars and discussions, just as though they were in the same room—a glorified, and far more flexible, TV conference call.

This and other summer programs may have to start in something of a rush, however. The satellite was supposed to have been launched in April, and has been delayed twice in recent weeks by technical difficulties. "Everybody'll get in all right," says an ATS official at NASA, "but we're having some rescheduling to do."

A larger training program in career education will run throughout the regular 1974–75 high-school year. This one will consist almost entirely of two-way seminars, broadcast after school hours. There are even plans to enable individual discussions between a teacher and the University of Kentucky on the problems of particular children.

A more diverse use of the two-way capability will be the key to another Appalachian program, a medical service to be tried out in 10 Veterans Administration hospitals in Pennsylvania, Virginia, West Virginia, North Carolina, Tennessee and Georgia. Although the ground stations in the hospitals will be able only to receive from the new satellite, they will use audio channels on ATS–3, launched in 1967 and still working, to complete the circuit.

Besides live seminars originating at the National Medical Audiovisual Center in Atlanta, there will be computer-assisted instruction (the satellites also handle computer data), "tele-consultation," allowing the VA doctors to consult with specialists at teaching institutions, and even full patient-case presentations and diagnosis. Stationary visual data such as X-rays and slides will be sent by slow-scan television, which is much less expensive than conventional wide-band TV, again using land lines for responses.

Students themselves will get a crack at the people satellite in a program developed by the Federation of Rocky Mountain States. Twenty-four junior high schools in rural communities with populations as small as 100 will be able to see and talk to one another and to the program's center in Denver. Another 32 schools will have receive-only terminals, as will a dozen TV stations in the Public Broadcasting Service.

A unique part of the Rocky Mountain experiment ought to be the envy of every teacher who has ever had to wait three months or more for a requisitioned movie or film strip. Called the Materials Distribution Service, it will provide catalogs of about 300 videotaped programs on a variety of subjects such as history and mathematics. The teacher has only to tell the catalog number of the desired tape to the Denver center, and it will be transmitted through ATS–F to a videotape recorder in the school.

One-way communications are still important, since the satellite will be there anyway, and once a month the center will broadcast community-oriented programs on topics such as drugs, aging and health care to all 56 schools.

An important part of the Rocky Mountain test, and of the others as well, is to find out whether the people using it will accept it. Officials are almost uniformly optimistic, but there is the possibility that some of the users, particularly in rural areas, may resent the presence of so much overt technology in what is otherwise a people-to-people educational system. NASA has received letters, for example, from people who firmly believe that the Apollo moon landings never happened, that they were an elaborate hoax perpetrated through the technological flash of the Government and the media. An executive of IBM admits that "we still have employees who won't stay alone in a room with a big computer." Another factor is the very visibility of the two-way TV system, which is a constant reminder that both it and the satellite, sophisticated technology for most schools, cost money.

In Alaska, the way has already been partly paved by ATS–1, which handles voice communications between the Public Health Service hospital in Tanana and native "health aides" in 26 villages (SN: 7/8/72, p. 22). At the end of its first year, the program had already produced a 400 percent increase in the number of physician-health aide contacts, compared with the radio system which was sometimes out of contact for more than a week at a time due to terrain and climate.

ATS–F ground terminals will bring two-way video to four Alaskan sites (with video reception at a fifth) for consultations and diagnoses. For the sake of privacy both video and audio will be scrambled during the consultations. There will also be a variety of medical-training programs involving Alaska and the University of Washington in Seattle. A television series called "Alaska Native Magazine," covering areas of concern such as land claims and the impact of the Trans-Alaska Pipeline, will be broadcast in several native languages and English simultaneously, with built-in pauses for discussion and questions. The satellite will further be used to speed up the dissemination of news by relaying commercial TV network evening news programs, which at present are delayed from four to thirty hours in Alaska after they are broadcast in the contiguous states.

After ATS–F has been in orbit for a year, its motors will be reignited to move it from its position at 94 degrees west longitude over the equator to 35 degrees east longitude—a journey, at its 22,300-mile altitude, of more than 50,000 miles—within reach of India. There it will relay video and voice signals to a sprawling network of some 3,000 inexpensive community receivers in remote, rural areas throughout India. Programs will deal with food production, family planning, health, teacher training and occupational skills.

Besides all this television, ATS–F will explore a variety of other areas. One experiment is a precursor to future Atlantic air-traffic-control satellites. Aircraft flying the North Atlantic are at present assigned to a corridor 120 miles wide, and must follow at least 15 minutes apart. The future goal is a 30-mile corridor, with planes allowed to fly at mere five-minute intervals. In another test, ATS–F will track and relay data from a Nimbus weather satellite, working toward NASA's planned Tracking and Data Relay Satellite System (SN: 2/23/74, p. 125) which will do away with several earth-based tracking stations. Four experiments will explore different aspects of sending radio waves through the atmosphere, including the expansion of the unstable communications band up to 30 gigahertz, while a high-resolution camera will continue the ATS series' role as advanced weather-watchers.

ATS–F, like its predecessors, is technically a pathfinder for engineers. Beyond that, however, beyond the testing of new gadgets and the developing of new techniques, it stands to add a personal dimension to the communications satellite's formerly background role in bringing people closer together.

CLARE BOOTHE LUCE

Mr. PERCY. Mr. President, I remember that a character in John Steinbeck's book, "The Grapes of Wrath," speculates that:

> "Up ahead there's a thousand lives we might lead, but when it comes, it'll only be one."

That is true for most of us; we choose a profession or a lifestyle and stick to it all our lives. Most of us simply are not versatile enough or adventurous enough to try more than one or two things.

Clare Boothe Luce has defied the law of gravity that holds most mortals to a given course and encompassed in her lifetime a variety of careers that can only leave others breathless and awe-struck. Mrs. Luce has seized every opportunity to make her life full and purposeful, and in doing so has been an inspiration and pep tonic for those of us privileged to know her.

Clare Luce was a liberated woman before anyone knew what the term meant. She was an adoring mother and for 32 years she was the loving wife of one of the most successful, dynamic men in American life. But those roles complimented her personality; they did not encompass it. Her own sense of self-worth, her own capabilities and her generosity enabled her to achieve great success in her own right in a number of fascinating careers.

At various times in her life, Clare has been a successful playwright, an actress, a foreign correspondent, an editor, the American Ambassador to Italy, and a Congresswoman. She modestly ascribes all that achievement to keeping her options open. But all of us here know that while keeping one's options open is certainly an important ingredient in shaping such a life, there is a great deal more to it. One has to have the spirit to try new things and to be willing to fail at them. It is one of life's great ironies that those people who are willing to try new adventures, whatever they may be, rarely do fail at them.

Mr. President, I am privileged in my life to have had the friendship of both Clare and Harry Luce. Both their lives have been an inspiration to me.

On April 21, Parade magazine ran an insightful story about Mrs. Luce in which she reminisced about her extraordinary life and commented on today's political and social scenes. In light of her vast experience and her abiding concern for her Nation, I think we would benefit from reading her assessment of the current American scene.

Mr. President, I ask unanimous consent that the Parade magazine story on Clare Boothe Luce be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLARE BOOTHE LUCE—OBSERVATIONS ON LIFE AND LOVE

(By Cobey Black)

HONOLULU, HAWAII.—At age 71 Clare Boothe Luce is one of the most versatile, beautiful, accomplished, and outspoken women in the nation.

What other woman do we have on the American scene who has been an actress, writer, editor, war correspondent, playwright, Congresswoman, Ambassador to Italy and is currently a member of President Nixon's Foreign Intelligence Advisory Board?

What other woman has experienced more of life than this widow of Henry Robinson Luce, the journalistic titan who founded the Time-Life-Fortune empire? And even more important, what other woman can so eloquently and opinionatedly discuss her life and loves and is willing to do so?

Clare Boothe Luce is unique. She settles herself among the pillows of a sofa on the porch of her exquisite, memento-laden mansion here and in that characteristically vibrant, authoritative voice of hers gives tongue to thought born of deep and active participation in her time.

"I think," she declares, "the world at the moment is suffering from terrible neuroses, expressing themselves in the forms of hostility, feelings of persecution and aggressiveness which, unmotivated, is called terrorism. The world is pretty sick. . . .

"Our press has become so neurotic that we pick up each day's paper with dread, and its neurosis fortifies ours. The newspapers give us a daily false view of life. Anyone looking about him can see that the American world is not a place of unalleviated crime, riots, misery and pollution. We might well think America is living in a perpetual hell."

PRAISES WOMEN'S PAGES

"The only sane parts of the papers are the women's pages, showing that someone still cares for children, enjoys a family, a garden, or watching a soufflé rise in the oven—creative activities."

Mrs. Luce, a lifelong Republican married for 32 years to the most powerful of Republican kingmakers, is asked what she would do if some magical fate should suddenly make her President of the United States. "Ask for a recount," she quickly and smilingly responds.

Then she explains seriously: "The Founding Fathers never wanted the President to be a strong man, in their parlance a king, in ours a dictator. The U.S. Constitution makes the people the ruler. The people want prosperity, which in American terms is a constantly rising standard of living. That's what they want the President to produce."

LIFE IN A "JUNGLE"

"No American President in the present conditions of the world can give the people what they want. We live in a jungle of equally sovereign nations, some more equal than others. The climate of the world of sovereign nations is one of hot or cold war, a foul climate and getting fouler by the minute. You cannot clear the air without clearing the international climate. Our problems are not simply American, but problems of every nation: finite natural resources, overpopulation, pollution, urban disorders, terrorism, violence—we are all experiencing these neurotic symptoms of hate and death.

"If I were President, I would try to explain to the American people the growth of these problems, and tell them the sacrifices they would have to make to cope with them. I would tell them, if they're still able to hear it, that the only way that we can save ourselves is to work together as a family would in a crisis. There is no longer room for everyone to live his own life as though no one else existed. That would make me the most unpopular President ever to cross the White House threshold.

"It is hard to challenge a nation to live a sane and loving life in a lunatic world. I'm sure we have the material and intellectual resources to survive. I'm not sure America has the spiritual and moral resources for a renaissance. Watergate is the great liberal illusion that you can have public virtue without private morality. It's sheer nonsense that integrity can be restored by removing one man. When the moral consensus, based on religion, collapses among the people, it is not surprising that it also collapses at the top.

"We're in a downbeat period of history; how do we get out? We look to the prophets. In Russia, we see one man, Alexander Solzhenitsyn, who managed to defy the demonic aspect of communism. There is also something stirring in the young people, for a return to the realities of life, which are loving and living—together.

"We are all members of one body, all children of one family, and that spirit is working among our youth, questioning values of my generation and its insatiable allure of wealth, profit and materialism. Young America is giving fresh meaning to love. I'm not without hope."

LOVE AND LATIN

What has been the role of love in the life of Clare Boothe Luce?

"A child's knowledge of love begins with the mother," she says. "My childhood was happy in this sense; I didn't want for love. I was unaware of my father's love because my parents were divorced when I was 6. My mother remarried a very nice stepfather, Dr. Albert E. Austin, who had been a professor of Latin before he became a doctor; he taught me Latin with the patience of love.

"Other things, however, were absent. In my case, money. Because my mother was beautiful, she was determined I'd never find myself in her situation, depending on sheer physical beauty which was not enough to protect against the misfortune of an unhappy marriage and no money. She was determined I was to have a good education. In the place of dolls and pretty dresses, she gave me books, the greatest gift she could have given me."

IMPORTANT VOYAGE

At 18, a precocious and ethereal beauty, Clare Boothe took a decisive voyage. "I came back from Berlin on a boat with a cast of characters who were to change my life. Max Reinhardt, genius of the German theater, offered me a leading role of the nun in his spectacle The Miracle, to be produced on Broadway by Otto Kahn. Mrs. O. H. P. Belmont, an enormously wealthy socialite, wished to groom me as the glamorous character of her movement. Elsa Maxwell taught me to play bridge and over the card table agreed with Mrs. Belmont that "Clare's a girl who could make a great future for herself if it were not wasted by marrying a nice young commuter from Greenwich." Another social couple, the James Stewart Cushmans, wished me to join a circle interested in the science-versus-religion debate than raging with the Scopes trial.

"I exercised Mrs. Belmont's option by working in the Women's National Movement headquarters, marching in parades and scattering pamphlets over Rochester from a World War I Jenny. One Sunday, however, the Cushmans took me to hear the Rev. Henry Sloan Coffin expound on the current debate, and a nice-looking gentleman, old enough to be my father, slipped into the pew beside us. His mind was obviously not on either religion or science.

"I exercised a fourth option and accepted the proposal of George Brokaw, the most eligible bachelor in New York, 25 years my senior, thereby lowering the social prestige of the Brokaws by several degrees. Thus at 20, I found myself married to a socialite in a Fifth Avenue mansion with 14 servants, a house in Newport, another on Long Island, and jewels galore. He was very proud of me. I had six years of his alcoholism and divorced him. But during that marriage, I had a beautiful, lovely, only child whom I adored, my daughter Ann."

Among Clare Brokaw's socialite friends was Condé Nast, publisher of *Vogue* who flatly refused her a job, saying she'd be married and off to Europe in six months. "Instead he went to Europe, and I walked into the *Vogue* offices and occupied an unoccupied desk, writing fashion copy without pay."

MANAGING EDITOR

Nast was so impressed by her presumption and talent that he sent her next door to *Vanity Fair* where there was a vacancy for an associate editor. "Frank Crowninshield, the editor, took one look at me and asked me to go home and think of 100 editorial ideas by Monday. 'My God,' he said when I returned with them, 'You must have a man under your bed.' A year and a half later, I was managing editor of a magazine that was the intellectual focus of the era, and arbiter of arts and letters, a job I held until *Vanity Fair* fell victim to the Depression. . . . I decided to write a play.

"During its writing, Elsa Maxwell invited me to a ball. That evening a man whom I'd met casually only twice before asked me to dance. We talked and sipped champagne. During the conversation, he said, 'Meet me in the lobby. I want to ask you a question, possibly the most important question I shall ever ask and you will ever answer.' His question was: 'How does it feel to be told you're the one woman of a man's life?'

"My answer was less romantic: 'Perhaps we've had too much champagne, Mr. Luce.' Now I had a new option, and so I married Harry. My play opened on our wedding night and we attended it, a most inauspicious way to start a marriage. The play was called *Abide With Me* and abode with no one.

"We went off on our honeymoon and a child was conceived—a child called *Life* magazine. I'd had the original idea of a picture magazine, but as things turned out, the editors voted against man and a wife on the same staff, a decision that aroused my fiercest anger. So I went back to my first love and wrote another play, *The Women*, which is still being played 38 years later.

"Harry and I attended the London production. Rather I went to see *The Women* and Harry went to see about the office of Time, Inc., then also opening in London. During that visit I fulfilled a childhood dream and met George Bernard Shaw. We enjoyed a delightful lunch together at his home, and the next day at Claridge's, I received a postal card from him, which I placed on the mantle:

'My Dear Clare Boothe,

" 'In the delirious pleasure of our visit yesterday, I quite forgot to inquire if there was anything I could do to make your stay, and Mr. Boothe's, more pleasant.

G.B.S.'

"Harry's face fell. And that was the first and last time in my life I met anyone of importance who didn't know who my husband was."

Clare Luce has written seven plays, five of them hits. In collecting material for a political book in 1940, *Europe in the Spring*, she visited the U.S. Embassy in Rome.

"The most beautiful in Europe. 'How I'd love to be ambassador here,' I thought. When the war broke out, *Life* gave me a job as war correspondent. My greatest scoop, and I had several, was a cover story of MacArthur in the Dec. 6, 1941, issue. Most of my scoops I owed to Henry Luce, not that I didn't fight and write as hard as anyone else on all the fronts and behind the lines in Burma and Germany, but the introduction as Mrs. Luce was an advantage."

STEPFATHER ELECTED

"Then Harry decided I'd been away too long, so I came home and wrote another play, *Love Is a Verb*. While it was on the road, a surprising thing happened: My stepfather was elected Congressman from Connecticut."

When he ran again and was defeated, Clare Luce threw in her bonnet. "To no one's greater amazement than mine, I won. Foremost among the things that stood me in good stead was my really deep interest in getting women a square break. It was said I won because I charmed the men. It was nothing of the sort. You cannot plumb the dislike men have for women in politics, because government work is one field in which women cannot be discriminated against in salary.

"I made the Congress and did that for four years, serving on the House Military Affairs Committee. Then my daughter was killed in an automobile accident in 1944. She was really the shining light of my life. Curiously, before her death, just prior to her 21st birthday and graduation from Stanford, she told me she'd decided to go into the Foreign Service. I was very proud of her. I built a small chapel to her memory at Stanford and many young couples marry there, some even naming their daughters Ann. So I have a host of lovely young women who are my daughters.

"Her death set me back. When I was offered a seat in the Senate, I said no. My heart was heavy and on top of that my mother was killed in a train wreck, my brother in a plane crash. These three violent deaths made it terribly difficult for me to continue public life. So I retired and wrote another play. It was not the hit to which I was accustomed."

Clare then wrote several screenplays, one of them very much a hit. *Come to the Stable* was nominated for an Academy Award and is still shown at Christmas.

TURNS CATHOLIC

"I became a Catholic," she says, "during this period—one of the better decisions of my life. It permitted me to love and be loved. Never having had a father, it was a great joy to discover I had the greatest of them all. So this was a happy time and a great affirmation that God is love, which brings me back to love as the creative principle of my life.

"It's always been a source of wonder to me how the same threads appear and reappear in life's tapestry. But when President Eisenhower called me to his office and told me he wanted a woman and a Catholic in his Administration and had chosen me as Secretary of Labor I confessed to the appearance of a totally alien thread. I knew nothing of Labor, refusing the job. Ike broke into his famous grin and said 'I always knew you were a smart woman.' He suggested I become Ambassador to Italy. I accepted with pleasure and only one reservation.

"I told the President that I would have to ask my husband. Harry was in Djakarta, doing what I don't know—he was always up to something somewhere—so I sent a wire: 'If you'll commute to Italy, I'll take the job of ambassador. But only if you say so and on these conditions.'

"Harry wired in return: 'You must, darling, keep your rendezvous with destiny.' It would be difficult to assess Harry's influence on my life—it was my life. Oh sure, I would have been a writer, but not a concerned writer. I cannot imagine how my life would have been without him. He was a wonderful companion, intellectually and spiritually.

"The years in Italy turned out to be the most interesting five years of my life, and I didn't disgrace my sex in the least. The Dag Hammarskjold Medal for diplomacy can attest to that."

That was Clare Boothe Luce's last public office. She now devotes each morning to writing, gives three or four speeches a month, makes frequent television appearances and is a member of two dozen boards and committees. She spends most of the year in Hawaii, but commutes often to Washington, where she has an apartment in the Watergate.

ACQUISITION OF THE AIRCRAFT CARRIER YORKTOWN

Mr. HOLLINGS. Mr. President, on behalf of Senator Thurmond and myself, I would like to bring to the attention of my colleagues in the Senate a resolution passed by the South Carolina State Legislature supporting the acquisition of the aircraft carrier *Yorktown* by the Patriot's Point Development Authority for permanent display and public viewing at the National Naval Museum in Charleston, S.C.

I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

A Concurrent Resolution

Supporting the acquisition of the aircraft carrier *Yorktown* by the Patriot's Point Development Authority, a body politic created by the South Carolina General Assembly, for permanent display and public viewing at the National Naval Museum in Charleston, South Carolina

Whereas, the State of South Carolina has a long and proud air, naval and maritime heritage; and

Whereas, the South Carolina General Assembly created a study committee to study the feasibility of establishing a national naval museum in the State; and

Whereas, the report of the study committee recommended the creating of the Patriot's Point Development Authority to implement a National Naval Museum in historic Charleston Harbor; and

Whereas, the authority was created by Act 116 of 1973 and signed by the Governor June 30, 1973; and

Whereas, the National Naval Museum will provide a unique recreational and educational experience for all citizens who visit the museum and will inspire a feeling of pride and patriotism; and

Whereas, Patriot's Point Development Authority is presently submitting its request and necessary application to the United States Navy to donate the *Yorktown* to the museum. Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly of the State of South Carolina representing its citizens requests the United States Navy, and all who might be concerned, to donate the great aircraft carrier *Yorktown* to the National Naval Museum at Charleston, South Carolina, and make it possible for generations present and future to come visit this unique shrine.

Be it further resolved that copies of this resolution be forwarded to the President of the United States, to the Vice President of the United States, to the Secretary of Defense, to the Secretary of the Navy, to each United States Senator from South Carolina, and to each Member of the House of Representatives of Congress from South Carolina.

WILLIAM SIMON, SECRETARY OF THE TREASURY

Mr. FANNIN. Mr. President, Tuesday the Senate confirmed the nomination of William Simon as Secretary of the Treasury. I wanted to take this opportunity to express my strong support for this excellent appointment.

Secretary Simon is one of the most capable administrators in our Nation, and we are indeed fortunate that he is serving in this important post at this time when we face serious economic challenges.

As Administrator of the Federal Energy Office, Secretary Simon did an outstanding job under most difficult circumstances. It was my privilege as ranking Republican on the Senate Interior Committee to work with Secretary Simon on proposals and programs to alleviate the energy crisis. He is a strong but fair leader who demonstrated great wisdom and tenacity in guiding our country through this most difficult, energy-short winter.

Secretary Simon is a man who quickly masters difficult subjects and who cuts to the heart of a problem immediately. This is a rare quality, especially in politics and government.

I know that Mr. Simon will be superb as our Secretary of the Treasury. He has my best wishes and fullest confidence.

ALL OUR TOMORROWS

Mr. PELL. Mr. President, several times in the past I have commended to my colleagues the work of the Club of Rome and its distinguished founder and leader, Dr. Aurelio Peccei.

Dr. Peccei, a prominent Italian industrialist and economist, has taken a leading role in advocating a global, rather than a narrow, national approach to solving the increasingly complex problems that plague our planet. In addition, he and the Club of Rome, of which I am pleased to be a member, have encouraged and supported a series of research projects which take this global approach.

One of these studies has been published as The Limits to Growth and has attracted increasing attention and comment in the few years since its publication. Other studies are now under way.

I am pleased, Mr. President, that Dr. Peccei will be visiting Washington next Monday and will be meeting with a number of my colleagues to further explain his views and those of the Club of Rome.

It is a happy coincidence that just prior to his visit the New York Times printed a brief essay by Dr. Peccei this morning on the page opposite the editorial page. This concise and lucid essay states far better than I can do in summary the urgent need for enlightened, coordinated, global action on the problems that face us. As Dr. Peccei states:

> The future will depend on what we do or do not do in this decade.

Mr. President, I commend this essay to the attention of my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the essay was ordered to be printed in the Record, as follows:

[From the New York Times, May 2, 1974]

All Our Tomorrows

(By Aurelio Peccei)

ROME—The complex and baffling problems of our time are not just a bigger and somewhat modernized version of old ones. Sweeping quantitative and qualitative changes are transforming everything. The manmade world has spread all over the planet, displacing and subjugating the natural world that has produced our species and nurtured it.

To complicate matters, this human system has become so intricate that our institutions and art of governing, designed for simpler tasks, are no longer able to cope with it. Thus the more we change reality, the more we lose contact with it. To rely on past experience is misleading. Altogether new ways and means and probably a different philosophy of life must be devised.

A consensus is forming that the first requirement is to understand what is actually happening in ecology and society. What is less easily perceived is how little time we have to grasp the gist of the situation and organize our response.

The dynamics of the problems do not give us breathing space. However, in the face of a swelling stream of confusing events, nothing will worsen mankind's lot so much as disorderly, frantic reactions. The future will depend on what we do or do not do in this decade. This is therefore the time for a responsible assessment of alternatives and for responsible decisions.

Let us imagine scenarios in the world system, given the tensions and difficulties building up. The first is the outcome to be expected by the continuation, hence exacerbation, of present trends. Things would get out of hand, with all sorts of crises piling up, and with a furious scramble among nations for space and resources, and with unemployment, inflation, violence and social turmoil rampant everywhere.

In another scenario, a number of powerful human groups take it upon themselves jointly or severally to assume responsibility for stemming this adverse tide. This intervention would lead to sacrifice of other groups. It would likely develop into a battle for the earth, opening up a new phase of colonization in society, if not Hitler-like solutions. To forestall these alternatives, paths to a different future must be plotted, based on comprehension and reason. Restraint and new forms of solidarity and cooperation must inspire all groups.

To undertake this new course, we must understand the distinctive character of this, technological, age: the exorbitant power acquired by man. This shift of the power balance from nature to man is backfiring because of the tremendous mismatch between man's newly acquired might and his capacity or willingness to control it. Only a profound change of values and norms matching the scientific, technological and industrial revolutions can re-establish man's inner balance and set society on a sane course.

Another peculiarity is the snowballing mass of changing, intertwining problems. Their interplay is so basic and critical that it is impossible to isolate any major issue or to deal with economic, demographic, ecological, educational or political problems separately. Moreover, the global dimensions of some of them, and their long cycles and delayed effects, make it necessary to cope with this change on a worldwide, long-term basis.

Research on the changed human condition is needed. A Club of Rome study on the limits to growth opened many unwilling eyes to the fact that our globe cannot offer unlimited resources to meet demands. In other Club studies under way, the implications of the increasing interdependence of all nations and peoples is being analyzed, as is the feasibility of an egalitarian society in which every citizen is entitled by birthright to a minimum standard of life—food, shelter, education, medical care, information—modulated by climate, culture, and other conditions.

If the moment of truth is indeed approaching, world society is not totally unprepared, as it was a few years ago. Creditable research of global scope is being carried out in many places by different groups of scientists and scholars. Ordinary citizens on all continents feel that something fundamental must be changed, and there are various movements for these ends.

POLISH CONSTITUTION DAY

Mr. PERCY. Mr. President, on Polish Constitution Day, it is always my pleasure to greet Americans of Polish descent and to speak in the U.S. Senate about the stunning event of May 3, 1791, when Poland adopted a great and liberal constitution which is commemorated to this very day.

The Third of May constitution stated that—

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

This assention of democratic ideals placed Poland in the front rank of European liberalism, just 2 years after the United States had adopted a constitution.

This year, instead of recounting history to mark this anniversary, I want to draw attention to certain discriminations which are grossly unfair to our people of Polish descent, particularly in view of their strong record of constructive citizenship and responsibility.

I am particularly concerned about discrimination in employment, defamation of the community by stereotypes projected in movies and broadcasts, and the irksome, demeaning jokes which are no laughing matter. Such practices are unbecoming to a democratic and pluralistic society, but we cannot eliminate these practices by ignoring them. The only way to alleviate such practices is to focus public attention on them and to encourage respected citizens to speak out against them.

I am a strong and firm supporter of the work of the Polish-American Congress in ending discrimination and in taking action to assist our Polish-American communities along the whole range of social and economic problems. The leadership of Aloysius A. Mazewski, President of the Polish-American Congress, is recognized and appreciated throughout Polonia.

As we commemorate Polish Constitution Day, let us resolve to make our own contributions to ending discrimination in this country, for Polish-Americans and for all ethnic and minority groups.

SUPPLEMENTAL APPROPRIATIONS FOR BILINGUAL EDUCATION

Mr. MONDALE. Mr. President, I am most pleased that the Committee on Appropriations has included in H.R. 14013, the supplemental appropriations bill, the request submitted by myself and the Senator from New Jersey (Mr. CASE), together with 16 cosponsors, for a $20 million increase in the bilingual education program conducted under title VII of the Elementary and Secondary Education Act.

I wish to express my special thanks to the Senators who joined in this effort—Mr. BENTSEN, Mr. CRANSTON, Mr. DOLE, Mr. DOMENICI, Mr. GRAVEL, Mr. HUMPHREY, Mr. INOUYE, Mr. JAVITS, Mr. KENNEDY, Mr. MCGOVERN, Mr. METCALF, Mr. STAFFORD, Mr. STEVENSON, Mr. TOWER, Mr. TUNNEY, and Mr. WILLIAMS.

The HEW-Labor appropriation enacted into law for fiscal year 1974 increased funding for bilingual education from $35 to $50 million. Yet this amount continues to fall tragically short of the national need.

In fiscal year 1973—the current 1973–74 school year—the title VII program serves only 129,480 students of an estimated 5.4 million children of school age from families where a language other than English is spoken in the home. Even with the additional funds made available in the appropriation for fiscal year 1975, only an estimated 140,000 children will be served.

Because of the limited amount of funding available, HEW has received fewer applications than expected. And it is probably too late in the year to solicit additional applications for next fall. Even so, however, with currently available funds the Department expects to reject outright 86—nearly 25 percent—of the 348 applications which they have received.

And although school districts have already trimmed their applications severely because of the limited funds available, even those which are funded will fall far below the requested level—since the total request, in pending school district applications, for next school year—this fiscal year—amounts to $251,252,000.

The impact of inadequate attention to the needs of language minority children is tragic. A recent report by the U.S. Commission on Civil Rights found that 40 percent of Mexican-American first grade students in the United States drop out of school before graduation, and that those who do graduate will average far less than their English-speaking counterparts in all measures of achievement. And the report of the Senate Select Committee on Educational Opportunity, issued in January of 1973, reflects other equally startling statistics.

Chicago's Puerto Rican children average 4 years behind in reading; in Boston, the Puerto Rican dropout rate approaches 90 percent.

As many as half the American Indian students enrolled in school today will not graduate from high school.

And children from Portuguese, Asian, Cuban, and other backgrounds are equally affected.

In January of this year, the Supreme Court, in the landmark decision Lau against Nichols held that school systems with substantial numbers or proportions of students with language-related problems are legally required under the Civil Rights Act of 1964 to provide those children with services addressed to their needs.

Thanks to the foundation laid to the title VII program over the last 6 years, the Federal Government can provide assistance to States and local school districts in meeting the tremendous challenge of the Lau decision.

But we must increase our efforts—and we strongly believe that this year is the time to begin.

Mr. President, the $20 million increase approved by the Committee on Appropriations will be a major step toward adequate funding of those applications which have been submitted for next fall.

This is a time to build on the knowledge and the expertise which we have gained over the past 8 years, a time to build the title VII program into a full national commitment to the educational opportunities of children from bilingual families.

I wish to thank the distinguished manager of the bill, the Senator from Washington (Mr. MAGNUSON) for his efforts and leadership. And I am hopeful that the increase approved by the committee will be accepted by the House and sent to the President for signature into law.

ENERGY PROBLEMS

Mr. HANSEN. Mr. President, as a participant in the national fuels and energy study since its inception in 1971 and as a member of the Interior and Finance Committees, I have had both the pleasure and the burden of dealing with matters affecting the energy policy of the United States. This involvement has taken the form of participation in hearings since 1971 related to the national fuels and energy study and participation in the legislative process from the hearing stage through floor debates, responsibilities on conference committees and further floor action following the completion of the several House-Senate conferences on energy legislation.

Throughout this extensive and continuing involvement I have come to be painfully aware of two major problems. The first is the woeful lack of understanding on the part of many Members of the Congress about the real-world economics of energy. The second problem has been the energy producing industry's and the energy consuming industry's lack of understanding about the politics of energy.

Until this communications gap is bridged, the prospects for constructive legislation in the energy field will not be very bright.

Many of my colleagues read the tea leaves regarding the public disenchantment with the energy producing industry and respond by introducing and actively supporting legislation which, if enacted, would create adverse impacts not only on the energy producing, but additionally on the energy consuming industry. In the past year and a half there seems to have been a far greater zeal on the part of many Members of Congress to impose punitive legislation on the energy producing industry than concern for the real-world economic consequences of such legislation. By that I mean much of the legislation being proposed these days would not only tend to cripple the energy producing industry and in turn result in a lessening of the supply of domestically produced energy so sorely needed by the Nation, but additionally would set precedent for similar punitive legislation to be directed against the energy consuming industry.

At the same time, by failing to understand the inherently political style of many Members of Congress and its failing to adequately communicate such an understanding to members of the energy consuming industries in the United States, the energy-producing industry has done itself somewhat of a disservice.

Two of my most esteemed colleagues and dearest friends have recently articulated these themes in addresses they have made to groups representing the energy-consuming industries of the United States. I am referring first to the remarks before the energy users group of the businessmen's roundtable of the ranking minority member of the Senate Interior Committee, a highly respected leader in energy matters, Paul Fannin. Second, I am making reference to the address made by my dear colleague, Jim Buckley, before the U.S. Chamber of Commerce.

Both Senators, it should be noted, represent energy-consuming States. Neither Arizona nor New York are graced with the abundant petroleum resources of my State and other significant producing States such as Texas, Louisiana, and Oklahoma. Thus, in their speeches they are annunciating policy objectives which, in their opinion, are the most desirable for the citizens of the energy-consuming States of this country.

In their remarks to the energy-consuming industries they point out the direct dangers to the energy-consuming industries which would flow from a number of legislative proposals being considered by this body.

I have never before seen such a direct, frank, and eloquent presentation of the dire consequences to the Nation as a whole which would accrue from such legislative proposals were they to be enacted into law. I highly commend to my colleagues the wise remarks of Paul Fannin and Jim Buckley and ask unanimous consent that they be printed in the Record.

There being no objection, the speeches were ordered to be printed in the Record, as follows:

Speech by Senator Paul Fannin, Energy Users Task Force, Washington, D.C., May 1, 1974

The purpose of my talk today is to warn you about what the Congress has been doing to the energy industry and the consequences for the American economic system. If only a small fraction of the legislation introduced in this Congress to punish the energy industry is enacted into law, it not only will have an immense direct adverse impact on energy producers—and in turn the supply of energy—but it will establish precedents for the emasculation of your own industries.

If you do not involve yourselves to assist the energy industry in its battle on Capitol Hill, you may find yourselves the next victim. By that I mean not only will you be far more short of energy, but the same policies adopted to cripple the energy industry could be applied to your industry next.

To demonstrate the intensity of effort directed against the energy industry one only need contrast the quantity and quality of the energy-related legislation introduced in the 92nd Congress to that of the current 93rd Congress.

The content and purpose of energy-related legislation introduced in the 92nd Congress included the following:

Twenty-five bills providing for the Federal reorganization to deal with energy matters.

Thirty-seven bills regulating the surface mining of coal.

Forty-five bills related to siting of electric powerplants.

Of the measures concerning petroleum:

Seven bills were proposed to repeal the Connally Hot Oil Act.

Ten to terminate the Mandatory Oil Import Program.

Eighteen to declare a mortatorium on drilling in Santa Barbara Channel.

Sixteen to address the issue of the trans-Alaska pipeline.

Three to halt export of domestic petroleum and petroleum products.

Relatively few of the bills in the 92nd Congress were punitive, and of those which might be considered punitive, most related to environmental strictures. Of the tax legislation introduced, 7 bills provided incentives for exploration and production of energy resources and for coal conversion, while only two proposed elimination or reduction of the oil depletion allowance. Only 6 measures began to address the issue of competition in the energy industry. Antienergy industry activity in the 92nd Congress was limited primarily.

As the 93rd Congress began in January of 1973, however, punitive legislation began to intensify. For instance, a number of the 21 anti-trust bills relating to the energy industry deal with divestiture of integrated oil companies—a subject not even addressed by the 92nd Congress. The Senate Interior Committee, on which I serve, has held 10 days of hearings on one such bill.

The 93rd Congress has brought an avalanche of tax proposals. At least 35 bills introduced during this Congress recommend limiting or abolishing the oil depletion allowance, and such legislation is about to be reported out of committee in the House. Foreign tax credits are attacked in at least 20 bills, and excess profits taxes are proposed in approximately 15 bills.

The imposition of price controls is called for in more than 30 pieces of legislation. One such bill actually passed the Congress. It might be well to spend a few minutes discussing that bill: The Energy Emergency Act.

In December the Conference Committee reported out a version of the Energy Emergency Act which literally invited massive nationwide lawsuits by any purchaser of any petroleum product against the seller. Under this bill, the buyer would have been entitled to a rebate from the seller equivalent to what a federal renegotiation board would find to be the difference between ordinary profit and windfall profit.

Can you imagine the chaos?

That bill would have provided for a separate cause of action for all sales of petroleum at all levels between wellhead and gas pump by each buyer and against each seller for each sale. Fortunately, it was sent back to conference by the Senate.

And what did the conferees do at the second conference?

They reported an equally hideous price control provision. It provided that the price of domestically produced crude would be rolled back to $5.25 per barrel. If the President were able to overcome built-in administrative obstacles, he could raise the price to $7.09 per barrel.

This is ridiculous. Do you know any legislator whose wisdom enables him to select a specific dollar and cents price for a product at less than current market prices which would result in increasing supply?

Can you imagine the gall of any legislator asserting that he found that magic number and that it will work?

A majority of both houses apparently believe in the scheme with sufficient faith and certainly to pass the conference report and send it to the White House.

I am sure that none of you want the Congress to legislate prices for your company products at all, let alone set prices below market levels.

We managed to scrape by again by sustaining the Presidential veto of the crude oil price rollback, but the battle is not over. Following the Senate action to sustain the veto, the bill was re-introduced in slightly modified form and recently reported out of Committee without the price control provision. The bill's sponsor, however, who will be its floor manager, announced his intention to offer a floor amendment to impose price controls on both imported and domestically produced petroleum.

Before leaving what is now called the Standby Energy Emergency Bill, you should know about some of its other marvelous features.

It contains a provision intended to prevent any oil company from closing any of its franchised gas stations, no matter how uneconomical its operations may be, unless the company entirely withdraws from the U.S. market. How would you like similar restrictions imposed on your industry?

The bill contains a section requiring wholesale disclosure by energy companies of any of their proprietary information requested by the Federal Government. The same provision authorizes fishing expeditions through company records by federal employees to verify the accuracy of company data submitted to the government by the company. Would you like to have such fishing expeditions conducted through your company's files?

While on the subject of energy data, we should consider another bill, S. 2782.

Jointly introduced by Senators Nelson and Jackson, S. 2782 uses the cloak of verification of energy data as a carte blanche for the Federal Government to discover any company information whether it has direct bearing on energy or not. Part of the motive here is to achieve public disclosure of sources of profits, resource reserves, consumption, productivity, patterns of ownership, capital requirements, and related proprietary information and trade secrets. Here the extent of discovery is not limited to energy producing companies alone but extends to any company which consumes energy. That means virtually every company. Think of what Big Brother could do with unrestricted access to such information.

Businesses which either produce or consume energy would be mandated to make public internal proprietary information to include ownership or control of resources, the locations throughout the world of those resources, the types, sizes and state of development, fair market value and cost of production. They would have to report their assets annually and describe their operations on a worldwide basis. Can you imagine what damage such a requirement would do to capitalism generally, let alone to a competitive world market?

Just this week the Congress passed the Federal Energy Administration bill. Section 14(a) of that bill provides:

"The Administrator shall make public, on a continuing basis, any statistical and economic analyses, data, information, and whatever reports and summaries are necessary to keep the public fully and currently informed as to the nature, extent, and project duration of shortages of energy supplies, and the impact of such shortages and the steps being taken to minimize such impacts."

This will now be law. Here we are discussing a real danger, not just a potential threat.

To look at another example of legislation well into the markup stage, let's turn to the Consumer Energy Act being handled by the Senate Commerce Committee. It would extend Federal Power Commission regulation of natural gas to intrastate transportation and sale, and apply the same public-utility treatment to oil, regardless of whether produced and consumed in the same state.

The bill would exempt from federal regulation "independent producers," defined as non-integrated oil or gas producers whose foreign activities, if any, are incidental to U.S. operations, and who don't engage in more than one other segment—pipelining and storage, refining or other processing of oil, and wholesale or retail sale of oil. An independent may not be an affiliate of a natural gas pipeline or distribution company or an affiliate of a producer engaged in more than one other industry function. The FPC may suspend or remove the independent exemption for "anticompetitive behavior or unfair or deceptive acts or practices."

The Consumer Energy Act also would require the FPC to establish area rates to govern all sales of crude oil and natural gas (except for independents) based on cost plus a fair rate of return, by February 1, 1976.

It would require the FPC to establish prices at the refinery for gasoline, jet fuel, distillate fuel oil and residual oil, also based on costs plus a fair return, within 30 days after expiration of any existing regulations on these products.

It would roll back prices of crude oil and refined products to December 1, 1973, pending determination of area rates.

The bill would create a Federal Oil and Gas Corporation to explore for and produce oil and natural gas on federal lands, giving it first call on 20 percent of the acreage offered at offshore lease sales with option to develop the lease or resell it to the highest bidder. The federal corporation's selections would be kept secret until after private bids were opened. It would be financed by appropriations of $50 million per year plus funds raised by the sale of selected leases, and would have access to all prelease geological and geophysical data of government and industry.

This bill would provide for a uniform system of accounts for oil and gas companies, with collection of comprehensive cost and operating data worldwide for purposes of regulation, with reserves and resources of oil and gas certified by an independent petroleum engineer approved by the FPC.

The bill would allow the FPC to set aside state rules and regulations.

It would cancel leases on federal lands for failure to develop within one year of start of lease, and require royalty bidding on 50 percent of acreage offered.

And finally, the Consumer Energy Act would authorize the FPC to allocate natural gas supplies among pipelines for up to 180 days.

Can you imagine how quickly the U.S. energy industry would become nationalized if this bil becomes law? Can you imagine how this bill would discourage increasing domestic energy supplies? Can you imagine the precedent this bill would establish for similar controls over your industry?

Allow me to discuss one more bill—although it has not yet been introduced—the corporate chartering bill. My understanding is that it would require a federal charter for all energy companies doing business in the United States. To obtain such a charter the company would be required to disclose any and all information requested of it by a Federal Chartering Board. Then if the board found the public interest would be served, it could grant a charter.

The bill reportedly provides for "public" members to be appointed to the Board of Directors of such chartered companies with an unrestricted right of access to all company records and a duty to initiate suits against the company to enjoin it from taking certain actions considered by the "public" board members not to be in the public interest.

Do you see any possible precedents here for similar legislation directed against your industry? Do you see a pattern emerging in these legislative examples in which federal bureaucrats will be making decisions affecting business judgments which, since Adam Smith, have been the exclusive province of corporate executives?

Before discussing what can be done about discouraging such legislation it might be well to consider the causes of these punitive measures.

Part of the legislation is a self-serving political response to public distrust of the energy industry, but there are other motivations.

There is the attitude of a growing number of Congressmen and Senators that free enterprise is an outmoded Nineteenth Century institution, that industry acting alone is incapable of serving the public interest, and that only through massive federal intervention into the workings of the marketplace can the public interest be served. Many members of Congress do indeed believe that the public interest is served in direct proportion to the extent industry is regulated by the federal government.

An increasing number on Capitol Hill believe that capitalism is inherently evil. They feel that the profit motive only results in the strong exploiting the weak, that the growth necessary to sustain industrial survival will destroy the society itself, that business competition encourages destructive aggression.

These foes of Capitalism feel that only government is capable of doing good. They argue that to the extent that government can supplant or control industry in the production of goods and services, justice will be done.

I know that many members of Congress believe this—as do even more of their staff members. I know that many—if not most—leaders of the academic community believe this, as do an increasing number of students who have left the colleges and universities to enter society. I stress these points because I believe that the punitive attacks on the energy industry are merely the beginning of even greater attacks on all industry.

What can industry do to survive?

You must first come to the aid of the energy industry. I will not write a prescription for you. Just ask your friends in the energy industry. They will give you some ideas. Don't wait to be asked—the hour already is late.

Secondly, and I believe most importantly, the industry must become "politicized." "Politicization" is a term primarily used by radicals to describe the process of educating and motivating a constituency into injecting itself into the political process for the purpose of bringing about changes in government policy which result in direct benefits to the constituent groups.

We have many recent examples of this process.

Ralph Nader politicized the American consumer.

The Symbionese Liberation Army is attempting to bring about economic and social revolution through the process of politicization.

The Women's Liberation Movement used the concept very effectively.

Many years ago in my home state, I helped found the Arizona Business-Industry-Education Council. Our objective was to work with the schools to promote an understanding of business enterprise and to encourage talented students to seek careers in business. Now we have Industry-Education Councils of America which promotes this on a nationwide basis. Back in the crew-cut era when the leaders of Arizona business and industry first got involved in this, we didn't think of it as politicization, but I suppose that in today's jargon, that is what it was. It's strange how so many of the so-called "new ideas" simply are old ideas with new names.

As good an idea as the Business-Industry-Education councils are, they are only a part of the answer to the current radical assault on our economic system. Our problem is immediate, and our efforts must be expanded tremendously. Business and industry leaders, and all people who recognize the virtue of our free market system and want to see it survive must jump into the political struggle if our system is to survive.

Most business leaders understand little more about how the political system functions and how to operate successfully within it than most legislators understand how business functions.

Until U.S. industry becomes politicized, there is little hope that more politicians will begin to understand, let alone sympathize with the needs of American industry.

How can such industrial politicization become a reality? Not merely by making campaign contributions to sympathetic candidates.

Not merely by writing letters to Congressmen.

Not merely by maintaining understaffed Washington offices.

Not merely by naming a new vice president for Public Affairs.

Not merely by writing letters to stockholders.

Not merely by expanding advertising.

Not merely by concluding that something ought to be done about the problem.

Some of the traditional means will help but they are not adequate to solve the problem in the 1970s.

Top management must learn that despite high costs, a policy of politicization must be instituted in all industries. This must be done even though it is virtually impossible to calculate a casual relationship between the funds expended and the impact on quarterly earnings.

If businessmen do not get into the political ballgame, the days of quarterly earnings may be numbered.

To use another radical term, a "consciousness raising" must be instituted within companies about the need to politicize. Then employees should be sent out to grassroots to raise public consciousness about the evils of government supplanting free enterprise.

Politicians are most responsive to pressure from the electorate. The politicians' quarterly earnings statement is his certificate of election. If a majority of the voters are educated about his positions on issues and believe them to be against their own best interests, the incumbent can be defeated and a more responsive official elected. Until the elected official is confronted with grassroots pressure from his constituents he can get away with voting for whatever he wants.

Ladies and gentlemen, we are engaged in a battle to save the free enterprise system. Very frankly, we are losing ground. When suffering setbacks, it is wise to study the tactics of the opposition to see if you can utilize these same tactics in your own effort. That is what I have tried to do here this morning in discussing the radical approaches of politicization and consciousness raising.

For those of you representing your corporations here in Washington there is much that can be done. Most of you are so understaffed that it is difficult to keep up with legislative and executive branch activities affecting your own industry, let alone other industries. But you must intensify your support for other industries.

One way is to bring your top executives up to Capitol Hill. There are some of us left who would be pleased to point out to them anti-business developments such as were detailed this morning. We would be pleased to make concrete suggestions as to action that may be taken on the political front while learning from them more about related problems on the business front. Together we can launch positive initiatives rather than merely limiting our efforts to defeat ill-conceived legislation. The time to start is now.

Survival of the free enterprise system depends upon how quickly we who support this proven economic concept can adapt to and use the concept of politicization. We must move fast or we certainly will lose to those who seek destruction of the free enterprise system.

Speech by Senator James L. Buckley Before the U.S. Chamber of Commerce, Washington, D.C., April 30, 1974

Over thirty years ago, the Nobel Prize-winning American author, Sinclair Lewis wrote a novel depicting a totalitarian conquest of the United States. The novel was titled *It Can't Happen Here* and Lewis meant the title to be taken ironically: what he was attempting to show is that men can lose their freedom if they continue to think, in the face of mounting evidence to the contrary, that "It can't happen here."

It is my thesis today that the greatest danger facing our system of free, private, competitive enterprise is the refusal of too many in the business community to face the mounting evidence of a new passion for governmental regulation and control; a passion that threatens not only our traditional way of doing business, but the economic well-being of the American people. Too many businessmen take refuge in the assumption that "It can't happen here, at least not to me." Oh yes, it might happen to the company down the road who is being harassed by the latest directives from H.E.W.; it might happen to the major oil firms, who may have been asking for it anyway; but it can't happen to me.

If that is what you think, you are wrong. It can happen to you and your business. Indeed it *is* happening to you. The free enterprise philosophy is being attacked on a wider scale than ever before. It is being attacked, moreover, in the name of a new regulatory ethic, promulgated by anti-business critics in the academy and in government and implemented by the ever-ravenous bureaucracy in Washington. The new regulatory ethic has turned the old presumptions on their head. It was once understood that our economy functioned best and for the good of the greatest number when it was left to the interaction of a million daily decisions by private investors, manufacturers, sellers and consumers, each pursuing his own private gain and fulfillment. It was understood that government would interfere in these decisions only when necessary to protect an overriding and clearly defined public need, and then only to the extent required to meet that need. It was understood that the primary role of government in economic affairs was not to regulate and control the private sector, but to preserve the free, competitive, stable environment in which that sector could operate with the greatest efficiency.

But now the new regulatory ethic is on the ascendency on a broader scale than anyone could have conceived of just a year or two ago. It takes as indisputable doctrine the desirability and even the absolute necessity for the government to regulate business on an ever-increasing scale. It has its own propagandists such as John Kenneth Galbraith; its own shock troops, typified by Ralph Nader; and, as is typical with all essentially ideological movements, its own slogan: "The public interest."

I recently came across an article which demonstrated the degree to which this new ethic has managed to set the limits of public discourse concerning business. The author wrote of what he perceived as an unquestioned assumption on the past of our most influential thinkers; namely, that as the market is "imperfect ... nearly every intervention to perfect the market is theoretically justified." He then wrote, "When the economic market is rejected ... it can only be replaced by a political market, supplemented by bureaucratic implementation."

John Kenneth Galbraith, the high priest of a planned economy, has written: ". . . Social pressures build up, as politicians respond, so the kinds of actions which are required get taken. The action may be disguised by the semantics. It will be some time before we get around to talking about planning. It will be longer, no doubt, before we get around to using so obscene a word as socialism. I sometimes use the phrase 'social action,' which is more benign. Even talk about income redistribution seems to many people still very odd and dangerous. But circumstances are in the saddle, not theory. . ."

Mr. Galbraith, I think you will agree, has at least the virtue of candor.

Now I want to pause here to emphasize what I believe to be the underlying importance of the passage I have quoted. The authors take for granted that the market has been rejected, what criteria were used to judge its alleged failure, what countercharges have been made simply are not even alluded to.

That a distrust of business has reached dangerous levels is to me beyond dispute. Last year the Harris survey showed that 77% of those polled wanted the government to be "tougher on business." As recently as 1966, 70% of the people thought that business was at least striking a fair balance between making a profit and providing a service to the public; today, only 29% do. In 1966, 28% thought big business was dangerous to our way of life; today, 46% do.

These figures, I might add, were compiled before the recent onslaught against the oil companies; and this brings me to the arena in which I believe we can most clearly discern where the new impulse to regulate will be leading us unless headed off by those who best understand why the public interest is best served by the economic system that is now under such heavy attack. But before sketching some of the wondrous new areas of governmental intervention that have been spawned in Congress in response to the energy crisis, I think it useful to try to place the oil and gas industry in some sort of non-hysterical perspective. Otherwise some of you might be inclined to consider that industry so far outside the norms of American business as to make its current tribulations irrelevant to you, or to American business as a whole.

The first part of wisdom, it seems to me, is to distinguish between foreign and domestic operations within the industry, for it has been the extraordinary impact of abnormal events affecting foreign operations during the past year—primarily the awesome rise in crude prices mandated by the Middle Eastern producing states—that has caused the profits of companies with major foreign holding to rise to such dizzying heights. In point of fact, about 85% of the "obscene profits" referred to by Senator Jackson is directly attributable to foreign factors that, presumably, it is beyond the capacity of the Congress to control, short of a return to gunboat diplomacy.

Placing the abnormal aside, what are the major characteristics of an industry that has drawn such thunderbolts of Congressional displeasure? Speaking in terms of domestic operations which, after all, are the ones that are most relevant to questions of domestic policy, the industry is divisible into three major activities:

The production of oil and natural gas, in which over 4,000 producers are currently active;

The refining of petroleum, in which over 125 firms are active; and

The marketing of petroleum products and natural gas, which has no less than 500 competitors—and probably more.

Looked at in terms of concentration, the oil and gas industry presents us with this picture: the top four companies account for 27.1% of crude oil production; 24.4% of natural gas production; 32% of refining; and 29% of marketing.

If, in search of more dramatic concentrations, we expand our base to the top eight companies in each area, we find their control to range from a low of 48.3% in the case of natural gas, to a high of 56.3% in the case of refining.

Thus the domestic oil and gas industry is not much different from other large American industries except that contrary to myth, whether viewed in terms of competition between its component parts or between integrated entities it represents a significantly lower market concentration than a number of other capital-intensive industries, such as steel, autos, and aluminum.

In terms of profitability, the domestic oil and gas industry is again well within the parameters of general business experience within this country. Over the past five years, the return on investment has averaged around 10%. And even though 1973 saw a rise to 11% from the prior year's 9.6%, this higher figure is still below the average for U.S. manufacturing companies generally.

Moreover, there is no clear evidence at this point that domestic earnings are about to go into orbit. In fact, drowned out by the headlines that announced last week new record first quarter earnings for Texaco and Gulf, was the fact that although their respective global earnings were up 123% and 76%, reportedly, over the same period last year, their domestic earnings had declined significantly.

I do not suggest in this thumbnail sketch of the industry, that individual companies here and there may not have colluded with one another to violate anti-trust laws or to take unconscionable advantage of existing shortages. I simply do not know whether or not they have, and I assume we have ample laws on the books to cope with such situations. What I do suggest is that the industry is not so clearly distinguishable from all other forms of American corporate enterprise that no responsible leader in American industry can afford to be unconcerned over the shape of the sometimes-punitive and always-overly restrictive legislation that is now being designed for application to the oil and gas business. For whatever new patterns of control are fashioned today for application to oil and gas companies will most assuredly be available tomorrow for application to whatever other industry is then the popular whipping boy.

Let me sketch for you the new compulsion to regulate what I have observed over the past year or so, as well as some of the new forms of intervenion that are now being seriously planned.

As a member of the Interior Committee I have observed the evolution of most of our recent energy bills, and have kept a weather eye on related legislation being hatched elsewhere in the Senate. I have watched with awed fascination as idea after idea has surfaced—ideas that just a few years ago would have been deemed unthinkable. Some of these have now been enacted into law; others would now be law but for Presidential vetoes; and still others are on the drafting board, with important support from some of the most influential members of the Senate.

Let me cite a few specific examples.

The zeal to regulate ran wild in the Emergency Petroleum Allocation of 1973, reported out by the Interior Committee in May of last year, well in advance of the Arab oil embargo. This legislation provided for mandatory allocations of petroleum products and the regulation of prices in accordance with abitrary standards written into legislative concrete, as often as not without benefit of hearings. It authorized the regulators to discriminate as between end users without provision for prior hearings. It prohibited "exhorbitant price increases" without establishing criteria for determining when prices were in fact exhorbitant; and it also had the effect of modifying or abrogating existing contracts. The Emergency Petroleum Allocation Act, in short, is a classic piece of arbitrary, excessive, and rigid regulation that has in practice made more difficult the incredibly difficult responsibilities of the Federal Energy Office. It represents a significant escalation in degree of the kind of regulatory authority to which too many in business have become inured.

Then, of course, we have the energy emergency acts in their various forms. The following is a sampling of provisions that might now be law but for the fact that two Presidential vetoes have been sustained:

The first version of the Act would have authorized any purchaser of any petroleum product to bring suit against any seller for the recovery of what a Federal Renegotiation Board subsequently determined to be the difference between an ordinary rate of profit and a windfall profit. This provision would have been an astonishing invitation to law suits across the nation as individuals purchasing gasoline or heating oil from retailers, or retailers purchasing from wholesalers, and so on up the line, decided to determine whether in their particular case an excessive price was charged.

The second Energy Emergency Bill, which invoked price rollbacks, also sought to plow virgin regulatory ground. In this instance, the legislation presumed to establish a base price of $5.25 per barrel of domestic crude oil, while providing the President with a highly limited authority to allow certain categories of oil to be priced at up to $7.09 per barrel, but no higher—irrespective of future circumstances. This represented a venture into statutory price fixing that is unparalleled in our experience.

Another bill now under serious consideration is truly aweinspiring in its sweep. I speak of S. 2782, which is designed to establish a national energy information system. It was jointly introduced last month by Senators Nelson and Jackson, and is co-sponsored by twenty-five other Senators among whom are a half dozen of the Senate's most powerful men.

S. 2782 uses the cloak of verification of energy data as a carte blanche for the Federal government to discover almost *any* company information whatsoever whether it has direct bearing on energy or not. Part of the motive here is to achieve public disclosure of sources of profits, resources reserves, consumption, productivity, patterns of ownership, capital requirements, and related proprietary information and trade secrets. Here the extent of discovery is not limited to energy-producing companies alone but extends to any company which *consumes* significant amounts of energy. But I think in this case it is best to let the bill speak for itself as to what its authors seek to create.

To give you the flavor of this remarkable proposal, let me quote from some of its provisions:

Under the section titled "Inspection of Records; Subpoenas: Enforcement of Subpoenas", we find the following:

"The Administrator . . . shall have right of entry to the real property and access to any books, documents, papers, statistics, data, information, and records of any company, business, institution, establishment, or organization of any nature whatsoever, when the purpose of such access is to obtain or verify energy information which (he is) authorized by this Act to obtain."

And what is to be done with all the information that the Administrator is authorized and directed to gather? For your enlightenment, I shall now quote from the section entitled "Classification of Information":

"Energy information received by the Administrator shall, in general, be classified public. Energy information shall be classified confidential if . . . the company shows by clear and convincing evidence that such information constitutes a trade secret (whose) disclosure . . . would cause substantial harm to the competitive position of the company. . . . Notwithstanding a sworn statement . . . and an affirmative finding by the Administrator (that the information is otherwise entitled to be held confidential) . . . the Administrator shall classify public any energy information when he finds: 1) such energy information is in the possession of any person not employed by the company . . .; or 2) the benefit to the public interest (presumably as defined by Ralph Nader) in immediately classifying such information public outweighs the demonstrated harm to the competitive position of the company . . ."

Another bill that is in the final mark-up stage is the Consumer Energy Act now being considered by the Senate Commerce Committee. This bill, among other things, would extend the Federal Power Commission's policing authority to all sales of natural gas, crude oil and a number of specified refined products, whether interstate or intrastate, such pricing to be based not on the interactions of the marketplace, but on the public utility concept of cost plus a fair return. This legislation would also create a Federal Oil and Gas Corporation to explore for and produce oil and natural gas on Federal lands so as to be able to establish standards of enlightened management in the public interest by which to measure the performance of those companies continuing to operate in the private sector.

Let me make final reference to a bill that is still in the process of gestation, as it suggests the extent to which some influential members of Congress are now prepared to go on imposing Federal direction on what has hitherto been considered the province of private management and shareholders. I speak of a Corporate Chartering Bill. From all accounts it would require a Federal Charter for all energy companies as a condition precedent for their continuing to do business in the United States. To obtain such a charter, the company would be required to disclose any and all information requested of it by a Federal Chartering Board. Then if the Board found the public interest would be served, it would grant a charter.

The bill reportedly also provides for "public" members to be appointed to the board of directors of chartered companies with an unrestricted right of access to all company records and a duty to initiate suits against the company to enjoin it from taking certain actions not in the public interest.

This completes my rather general overview of what one industry is now facing because it has been judged not to be acting in the public interest by the upholders of the new regulatory ethic. I submit that the pattern of federal encroachment that is apparent in this package of energy bills and proposals ought to be of as great concern to the full membership of the United States Chamber of Commerce as it is to the membership of the American Petroleum Institute. For what is at stake is not the fate of one industry, but the very life of our economic system as we have known it.

For years, now, too many American businessmen have been excessively parochial in their concern for legislation. They have sought and welcomed special favors; they have grown comfortable with regulations that serve to protect some businesses from the hazards of a truly competitive environment. Too many have shown a remarkable lack of concern over the gradual erosion of the conditions which allow a free economy to function. Too many actually welcomed the imposition of the first wage and price controls in our history. Most authoritarian peacetime measures in our history, namely, wage and price controls.

The time has come for a display of true statesmanship within the American business community. The time has come when those who understand our economic system, those who have confidence in it, those who know it has been the world's most effective and efficient system for the organization of human resources for the satisfaction of human needs, to begin thinking about protecting that system rather than protecting their own narrow interests.

This means that every member of this chamber must become more directly concerned over the general level of public appreciation of how our system works. This means that they must launch a concentrated campaign to stem the tide that is now running so discernibly against the basic concepts of a free and competitive economic system.

But how is this to be done? First of all, each businessman who cares about the future must somehow involve himself in the political process. Secondly, representatives of every sector of American business must begin lobbying first and foremost, not for themselves, but for the preservation of the free enterprise system; they must seek to preserve and strengthen the economic and governmental environment in which our economic system can best flourish. They must learn to identify legislation that promises to establish new patterns of federal regulation or control on any sector of American business; and when such legislation is not justified by a clearly identifiable public need, they must seek to block it by coordinating and mobilizing the vast resources represented by American business. By resources, I mean not just money, but the experience and energy represented by management; and most particularly, by that pool of politically sophisticated and knowledgeable men and women who represent every segment of American business here in Washington. These men and women ought to be directed to lobby against the adoption of any legislation, whoever it directly effects, that establishes new precedents dangerous to the concepts of private enterprise and a market place economy; and in the process, they can help our legislators achieve a more accurate understanding of how our economic system operates, and why left substantially alone it will continue to serve the best needs of the American public.

One thing American businessmen cannot any longer afford to do, and that is to stand idly by. They must gain a new recognition of the interdependence of all American industry. It means that every businessman must see a threat to one as a threat to all.

Or, to borrow a phrase from John Donne: "Ask not for whom the regulatory bell tolls; it tolls for thee."

POSTAL RATE SQUEEZE

Mr. MOSS. Mr. President, earlier this week I placed in the RECORD two articles from the Christian Science Monitor on the problems that many magazines and newspapers now confront as a result of the rising costs of postage.

As I have stated many times before on the floor of this chamber, American democracy can thrive only if there continues to be a free and full exchange of ideas. Many of the newspapers and magazines that are now threatened by rising costs play an essential role in this free exchange.

For this reason, it is imperative that the Congress pass S. 411, which would ease the cost burden on publications by spreading out the proposed postal rate increase over a greater length of time.

The Monitor has followed its articles with an editorial in support of S. 411. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor,
Apr. 30, 1974]

POSTAGE AND PRESS

Postage, which used to seem like a negligible expense for Americans, is mounting in cost to the point where citizens can see its effect in their budgets and daily lives.

With the 10-cent first class rate, it now can cost a dollar or more just to mail off one's monthly bills.

But just as significantly, the climbing rates for second-class mail—which includes magazines and newspapers—may affect the exchange of ideas and information vital to a society. The nonprofit press, that section of the print media which is most akin in content to the public television sector of television, is being particularly hard hit by the schedule of postage hikes. These publications vary from Boy Scout magazines to intellectual digests.

As a recent two-part Monitor study on postage hikes reported, the United States Postal Service has made strides toward its Congress-mandated goal of self-sufficiency by 1984. The postal service deficit was reduced from $175 million for fiscal 1972 to $13 million for fiscal 1973.

A Senate bill submitted by Sen. Gale McGee of Wyoming would spread out the schedule of postal hikes for profitmaking publications over six years instead of three, and the hikes of nonprofit publications over 14 years instead of over eight. The stretched out schedule would still keep the 1984 break-even target intact but would also enable many useful publications to survive.

Commercial television news already dominates the news scene. It needs not only the supportive rivalry of public television but also the competition of weekly news magazines and other publications. The way to a balanced post office budget should be found that doesn't unbalance the spectrum of the exchange of ideas and viewpoints.

FAIR HOUSING MONTH

Mr. PACKWOOD. Mr. President, 6 years ago last month title VIII of the Civil Rights Act of 1968 became the law of the land.

Section 801 of the title established that "It is the policy of the United States to provide, within constitutional limits, for fair housing throughout the United States."

I take this opportunity to commend the U.S. Department of Housing and Urban Development on its positive and continuous efforts to make equal opportunity in housing a reality for all Americans.

Secretary James T. Lynn of Housing and Urban Development, and Assistant Secretary for Equal Opportunity, Dr. Gloria E. A. Toote, have provided outstanding leadership of their Department, not only in enforcing the provisions of the law, but—more importantly—in informing and educating all Americans in their rights and obligations under the law, and in promoting voluntary compliance as an effective and enduring way of insuring a decent home and a suitable living environment for all Americans.

I salute the Department of Housing and Urban Development on their fine achievements and their superlative efforts.

FEDERAL INDIAN HEALTH PROGRAMS

Mr. HUGHES. Mr. President, on February 1 of this year the Senator from Washington (Mr. JACKSON) introduced S. 2938, a bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes. I fully support the purposes of S. 2938. It faces squarely the tragic and devastating problems created by our long-standing neglect of the health needs of Native Americans. I congratulate the Senator from Washington for this commendable legislative effort.

In a statement for the hearing record on S. 2938, I invited the attention of the members of the Interior Committee to one area of Indian health needs—one which the National Indian Health Board last year declared to be "one of the greatest health problems of the Indian population"—alcohol abuse and alcoholism.

I ask unanimous consent that this statement and related material be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

Mr. Chairman:

I have reviewed S. 2938, a bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes.

This is an excellent bill which faces squarely the tragic and devastating problems created by our long-standing neglect of Indian health needs. I commend you for it.

There is one major area of Indian health needs, however, which I would like to bring to the attention of the Committee—a problem which the National Indian Health Board last year declared to be "one of the greatest health problems of the Indian population." I speak of alcohol abuse and alcoholism.

I recommend that Indian alcoholism prevention, treatment and rehabilitation be integrated into the structure of Indian health and social services provided by the Indian Health Service and the Bureau of Indian Affairs. These agencies must begin to assume their responsibility for the prevention and treatment of Indian alcoholism.

A recent Report to the Congress by the Comptroller General of the United States entitled "Progress and Problems in Providing Health Services to Indians" stated:

"The Secretary of HEW should direct the IHS to develop, or help the Indian communities to develop information which identifies the extent of the alcohol problem and factors leading to, and resulting from, the problem; influences funding sources on the need for alcoholism programs at specific locations; and provides a basis for evaluating existing programs.

The Report also recommended that the Secretary of Health, Education and Welfare direct IHS to establish procedures for systematically referring patients with alcohol problems to rehabilitation programs.

I strongly endorse the recommendations of the Comptroller General.

Although the General Accounting Office reported that the IHS "provided medical treatment to alcoholics," my office has received complaints that many IHS hospitals will not accept alcoholic patients under that diagnosis. I can only assume that the GAO was referring to the treatment of those illnesses which can be traced to alcohol abuse or alcoholism, such as cirrhosis of the liver, rather than the treatment of alcoholism itself. From one Indian witness before the Subcommittee on Alcoholism and Narcotics of the Labor and Public Welfare Committee, for example, I received testimony that at one general hospital located near an Indian Reservation in Wisconsin, to which the Indians from the reservation turn for treatment, the doctors change the diagnosis to something other than alcoholism because the Indian Health Service refuses to reimburse the hospital for the treatment of alcoholism itself.

For this reason I also strongly urge that all IHS hospitals or other hospitals which contract with the IHS for the treatment of Indians be required to accept alcoholics on a non-prejudicial basis for medical treatment and that the IHS provide or contract for follow-up rehabilitative services.

The Comptroller General's report goes on to say:

"According to IHS, alcoholism probably adversely affects more aspects of Indian life than any other health factor and has been an Indian health problem since the 17th century. IHS reports that alcoholism causes cirrhosis, disintegrates family relationships, and adversely affects the economic functioning of the whole Indian society. Most accidents, homicides, assaults, and suicide attempts are associated with drinking. IHS officials have stated that a significant part of their medical services workload can be traced to alcohol abuse and alcoholism. However, IHS has done little to explore the nature of, extent of, and solution for the alcohol problem in most Indian communities.

"We found that, although IHS provided medical treatment to alcoholics, almost all the funds for projects to prevent drinking problems or rehabilitate alcoholics were provided by the Office of Economic Opportunity until July 1972 and thereafter by HEW's National Institute on Alcohol Abuse and Alcoholism.

"IHS headquarters and service unit officials said they had little data on the magnitude of community alcoholism and had no data on how effectively the projects were dealing with the alcohol problem. IHS officials believed these programs, for the most part, to be incomplete, fragmentary, and lacking substantial impact on the problem."

The findings of the GAO concerning the inadequacies of the IHS response to alcoholism reinforce my impressions and those of the staff of the Subcommittee on Alcoholism and Narcotics based on our visits to Indian Reservations, and on testimony from Indian witnesses before the Subcommitte on Alcoholism and Narcotics.

During hearings in March of last year on S. 1125, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1973, the Subcommittee heard testimony from a panel of four Indians, all actively engaged in either administering or providing technical assistance to Indian alcoholism programs. Incidentally, all four were themselves recovered alcoholics.

They expressed great frustration at what they believed to be indifference to alcoholism among Indians on the part of the Federal Government, particularly the Bureau of Indian Affairs and the Indian Health Service.

The Indian witnesses testified that alcoholism is the number one health problem, number one social problem, and number one killer of Native Americans. They indicated that every Indian family is affected adversely in some manner by the disease of alcoholism and that it had been determined that alcoholism is the major factor in widespread poverty among their people as well as a causative factor in a long list of social ills: suicide, family breakup, child neglect, abandoned children, lack of economic opportunities, and financial instability.

One Indian witness, a woman, testified that "the dropout rate of Indian college students is 80 percent; this is due to alcoholism. The dropout rate of our high school children is 50 percent; and this is also due to alcoholism." She also spoke of 8- and 9-year-old children who had to be sent home from school because of drunkenness.

Yet, I have been able to elicit little interest on the part of the IHS in alcoholism. For example, on June 1, 1973, Emery A. Johnson, M.D., Director of the Indian Health Service, in response to an inquiry to him on May 3, 1973 (copies of which are attached), indicated that IHS considered its role merely one of providing technical assistance and of cooperating with other agencies with responsibility for alcoholism (primarily the National Institute on Alcohol Abuse and Alcoholism). Dr. Johnson indicated that, while the Institute was at that time spending $6.6 million for Indian alcoholism programs, IHS had contributed only $250,000 through its Mental Health Program. He saw the role of IHS as merely "to attempt to be the Indian's advocate to other Federal agencies."

On the other hand, the National Institute on Alcohol Abuse and Alcoholism at that time had funded 101 alcoholism programs for Indian people, including 47 which had been transferred from the Office of Economic Opportunity. With the release of the impounded alcoholism funds, and with the passage of the Fiscal 1974 appropriation, the Institute has indicated its willingness to intensify its efforts to provide treatment programs for Indians even though this commitment requires allocating a somewhat disproportionate amount of its already severely limited funds.

I have been especially pleased with the determination of the Institute to see that these programs are designed and administered by Indians. Special standards were developed by Indians, and the NIAAA has an Indian desk and an all-Indian Initial Review Committee to review all Indian grant applications.

The pervasive scope and extent of the problem of alcohol abuse and alcoholism in Indian communities is a cold hard fact. Yet, the situation is not hopeless. Only a few years ago an Indian alcoholic recovered from his disease through the help of a group of Alcoholics Anonymous in Chicago. One by one he brought his Indian friends to the groups. AA members worked to help those who needed medical treatment to obtain further help in the Chicago area. When enough Indian alcoholics had recovered, they formed their own Indian AA group. Since that time, members of that original group in Chicago have returned to their reservations in various parts of the country and have begun to help their fellow alcoholics. One hundred or more Indian AA groups have now been formed, countless hundreds have received help and many of these recovered Indian alcoholics are working in treatment programs supported by the National Institute on Alcohol Abuse and Alcoholism. On one reservation visited by a member of the Subcommittee staff, the reservation AA group started by one of the original Chicago group, now has more than 25 recovered members.

While AA has helped many alcoholics to recover and to retain their sobriety after receiving medical help, it cannot do the job itself. Only about 20% of Indian alcoholics are being reached through programs funded by NIAAA or through AA. Many alcoholics need emergency medical treatment, detoxification, half-way houses and rehabilitation before they can rebuild their lives and become productive contributing members of society. These are the services I would like to see the IHS provide.

The American Indian Commission on Alcoholism and Drug Abuse has been created to provide technical assistance to Indian treatment programs, and many other Indian organizations are forming across the country to combat alcohol and other drug abuse among their people. They need the support which the Indian Health Service and the Bureau of Indian Affairs can and should give.

It seems to me that ultimately the prevention and treatment of alcoholism among Indians must be integrated with the full range of health, education, and social services designed for, and increasingly by, Indians and funded by the Indian Health Service and the Bureau of Indian Affairs. Alcoholism is both a cause and a result of most of the problems which these agencies are seeking to overcome, and it cannot be ignored or treated as a separate and unrelated problem.

As the report of the General Accounting Office indicated, the Indian Health Service and the Bureau of Indian Affairs seem to be standing somewhat aloof from responsibility. Not only have they failed to make any serious effort to prevent and treat alcoholism, but they have not even compiled data on the magnitude of the problem, its impact on the Indian family and community, or the effectiveness of those treatment projects now under way.

I fully support the purposes of S. 2938, and I urge your Committee to require that those Federal agencies having a responsibility for Indian health and social problems direct their attention to alcoholism, one of the key elements of those problems, to consult and coordinate with the National Institute on Alcohol Abuse and Alcoholism, and to assume an increasing share of the cost of the prevention, treatment, and rehabilitation programs which are so essential to any effort to improve the quality of Indian life.

May 3, 1973.

Dr. Emery A. Johnson,
Director, Indian Health Service, Department of Health, Education, and Welfare, Rockville, Md.

Dear Dr. Johnson: I have a copy of the Resolution of the National Indian Health Board, No. 2–73–B, recognizing that alcoholism and alcohol abuse are "one of the greatest health problems of the Indian population."

This is consistent with the findings of the Indian Health Service's Task Force on Alcoholism and this Subcommittee's investigation of alcoholism and alcohol abuse among the Indian population. It has been brought to our attention, for example, that 70% of all Indian people coming into clinics and hospitals for any medical need have problems related to the use of alcohol. We have learned that alcoholism is a major cause of suicide attempts, family disintegration, child neglect, abandoned children, financial instability and poverty among Indian people.

In view of the above, I would like to have a report on the activities of the Indian Health Service in attempting to prevent and treat this disease and future plans of the Indian Health Service relating to the control of alcohol abuse and alcoholism, including budget information.

I appreciate your cooperation in this matter.

Sincerely yours,
Harold E. Hughes,
Chairman, Subcommittee on Alcoholism and Narcotics.

RESOLUTION OF THE NATIONAL INDIAN HEALTH BOARD

REQUEST EVALUATION OF FUNDED ALCOHOLISM PROGRAMS

Whereas, the National Indian Health Board recognizes that alcoholism and alcohol abuse is one of the greatest health problems of the nationwide Indian population, and

Whereas, in recent years there has been much money allocated to many divergent groups to combat this problem, yet only a very small amount has been channeled into the important avenues of evaluation and prevention, now

Therefore be it resolved that since the Indian Health Service has the primary responsibility of combating Indian health problems, that they concert their efforts toward the prevention of this problem and evaluation of the effectiveness to the Indian consumers of all alcohol programs or projects now funded under Health, Education and Welfare with services to our Indian people.

CERTIFICATION

It is hereby certified that at the Quarterly meeting of the National Indian Health Board held at Albuquerque, New Mexico on March 26–30, 1973, the foregoing resolution was presented and approved by the majority of those members present.

Perry Sundust,
Chairman, National Indian Health Board.

June 1, 1973.

Hon. Harold E. Hughes,
U.S. Senate,
Washington, D.C.

Dear Senator Hughes: This is in response to your letter of May 5, 1973, which encloses the National Indian Health Board Resolution 2–73–B, concerning evaluation of funded alcoholism programs, and requests a report on the activities of the Indian Health Service in attempting to prevent and treat this disease, and future plans of the Indian Health Service relating to control of alcohol abuse, alcoholism, and budget information.

Beginning with the 1969 Indian Health Service Task Force Report on Alcoholism, which you speak of in your letter, we have attempted to locate additional resources to be applied to this problem. With the President's message to the American Indians in July 1970, $10 million dollars was identified from other agencies to begin development of needed special programs. Among these monies, $1.2 million dollars was identified from OEO, and $750,000 was identified from the National Institute of Mental Health for support of Indian alcohol control programs. Interagency cooperation was effected and 32 alcoholism projects were funded by OEO and NIMH with the technical support of the Indian Health Service in FY 1971.

With the development of the National Institute on Alcoholism Abuse and Alcoholism in FY 1972, and its consideration of the development and implementation of Indian alcohol programs as one of its six priority areas the Institute became the basic mechanism for funding Indian alcoholism programs. The role of the Indian Health Service continued as one of close collaboration with the Institute by its ability to relate to Indian communities, identify critical need, assist with technical expertise and help review all program proposals received by the Institute as a member of the Ad Hoc Review Committee of the NIAAA. As a result 45 Indian programs totalling $3,341,726 were funded in FY 1972 and 50 OEO Indian Alcoholism programs were transferred over to NIAAA totalling 101 Indian Alcoholism programs and $6.6 million dollars.

With an additional $250,000 added to the IHS Mental Health Program, in FY 1972, 18 tribal alcoholism projects were funded that could not otherwise be funded.

All health and mental health activities of the Indian Health Service are appropriately directed towards identification of problem communities, assisting communities in developing their own alcoholism programs, and coordinating all available resources in order to deal effectively with this major health problem.

For FY 1973 and 1974 Indian programs totalling $4.7 million dollars were not able to be funded by NIAA. Indian Health Service is not funded to meet these new demands and has attempted properly to be the Indian's advocate to other Federal agencies.

The problems of alcohol abuse and alcoholism among Indian people requires technical assistance in developing appropriate prevention and control programs, training for Indian people as counselors and Program Directors, research that is Indian conducted into psychosocial variables of alcohol abuse and alcoholism among Indian people, and most importantly, sufficient additional funding in order to deal effectively with this major health problem.

The Indian Health Service, the NIAAA, and the Indian community are in agreement on this approach.

The future plans of the Indian Health Service include coordinated cooperative efforts with agencies that have money for alcoholism programs. Our concern is that there continue to be a specially identified "Indian" access to appropriate funding for alcoholism programs regardless of which agency does it because the needs are so great. We will continue to utilize all available resources to assist tribal groups in their attempts to deal with alcoholism.

We estimate tnat another $5 to $6 million dollars is needed on a continuing basis to assure good alcoholism prevention and control programs on each reservation. Other changes to elevate economic, educational, and other reservation parameters must also occur if real progress is to continue in regard to control of alcoholism.

We will continue to do our utmost to aid and abet these necessary processes that need to happen.

Thank you for writing.

Sincerely yours,
(Sgd.) Emery A. Johnson, M.D.,
Assistant Surgeon General, Director,
Indian Health Service.

VOLUNTARY PRICE RESTRAINT

Mr. HANSEN. Mr. President, in the current debate on an extension of wage and price control authority, I find it very refreshing to see an excellent example of what private enterprise can and is doing voluntarily to restrain inflationary price increases.

I refer to action taken recently by the Wyoming Hospital Association at a meeting of the board of directors. The board voted unanimously to recommend to all hospitals in the State of Wyoming that they voluntarily submit on a statewide basis to a program of review of all rate increases taken on or after May 1, 1974, The resolution to this effect reads:

> That the Wyoming Hospital Association develop a plan of action and guidelines to assist hospitals in taking responsible action and restraint for increases in hospital patient charges. This is to be done in line with conditions of the rest of the economy, yet tied to the individual hospital needs when fully justified.
>
> Further, that the Wyoming Hopital Association develop a monitoring procedure and interchange of ideas to assist hospitals in a continuing review of changes of hospital charges.

Following this resolution, the association appointed a committee to develop and implement immediately a peer review voluntary compliance program.

I use this example as one of many instances where private enterprise in this country is using its own initiative to develop programs of price restraint and cost control. Let us encourage such efforts. They are noteworthy, and can ultimately, if not undercut by Government interference, do the job of bringing inflation under control.

ALCOHOLISM

Mr. HUGHES. Mr. President, during the last few years public understanding of alcoholism has begun to develop rapidly. We have acquired new knowledge about the character of the disease, its social and economic impact, and its alarmingly high incidence in our society. A sign that alcohol abuse and alcoholism are now deemed deserving of wide public attention was the appearance of the subject as a cover story in a recent issue of Time magazine.

In its well-documented story, Time stated that—

> The age-old problem of excessive drinking is taking a disturbing new turn and affecting new kinds of victims. . . . In one sense, it is good news: across the U.S., the young are turning away from hard drugs. In another sense, it could not have been worse news: "The switch is on," says Dr. Morris Chafetz, Director of the Department of Health, Education, and Welfare's National Institute on Alcohol Abuse and Alcoholism (NIAAA). "Youth are moving from a wide range of other drugs to the most devastating drug—the one most widely misused of all—alcohol."

I commend Time for its comprehensive coverage of this subject, and agree with its conclusions that the Federal Government should earmark more funds to cope with this national tragedy, and that those States which have not yet removed public drunkenness from the criminal statutes and provided for its handling through the health system should do so.

S. 1125, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974, now waiting final passage in the House of Representatives, will extend the funding authorizations through fiscal year 1976 at levels of $80 million per year for formula grants to the States and $80 million in fiscal year 1975 and $95 million in fiscal year 1976 for projects and contracts. In addition, it provides for special grants of $100,000 plus 10 percent of its formula grant allotment to each State which removes public drunkenness from its criminal code to assist that State in providing treatment facilities.

The cover story also pointed out the high success rates in treating alcoholics at such treatment and rehabilitation facilities as Chit Chat in Pennsylvania, Lutheran General Hospital northwest of Chicago, and Seattle's Shick's Shadel Hospital. Unfortunately, in most States medical insurance plans do not cover treatment in such facilities. I was pleased to note in the Washington Post of April 19, 1974, that Blue Cross of Maryland is expanding its group health coverage to include the rehabilitation of alcoholics at private residential treatment centers. This is an exciting and long-awaited breakthrough in a long-neglected area.

I ask unanimous consent that both the Time cover story and the Washington Post story of April 19 be printed in the Record.

There being no objection, the article and cover story were ordered to be printed in the Record, as follows:

[From Time, Apr. 22, 1974]

Alcoholism: New Victims, New Treatment

From the day man first sipped the liquid collecting around honey or fruit left too long in a warm place, alcohol has played an important role in his life. Early in history, wine became—and still is—an integral part of religious ceremonies. The Bible acknowledged the "wine that maketh glad the heart of man" (*Psalms 104: 15*), and Pasteur called it "the most healthful and hygienic of beverages." In the hectic modern world, hundreds of millions of people drink liquor, beer or wine for enjoyment, solace and tranquility. Yet today, as it has throughout history, alcohol is also troubling mankind. For in almost every society, there are those who cannot enjoy alcohol without becoming its slave.

In the U.S., the age-old problem of excessive drinking is taking a disturbing new turn and affecting new kinds of victims. On a New York subway train, a school-bound 15-year-old holds his books in one hand, a brown paper bag containing a beer bottle in the other. He takes a swig, then passes bag and bottle to a classmate. In a San Francisco suburb, several high school freshmen show up for class drunk every morning, while others sneak off for a nip or two of whisky during the lunch recess. On the campuses the beer bash is fashionable once again, and lowered drinking ages have made liquor the high without the hassle.

In one sense, it is good news: across the U.S., the young are turning away from hard drugs. In another sense, it could not have been worse news: "The switch is on," says Dr. Morris Chafetz, director of the Department of Health, Education and Welfare's National Institute on Alcohol Abuse and Alcoholism (NIAAA). "Youths are moving from a wide range of other drugs to the most devastating drug—the one most widely misused of all—alcohol."

The upsurge of problem drinking among the young is only part of a more disturbing nationwide and even worldwide problem. In the past few years alcoholism—among youths and adults alike—has at last been recognized as a plague. From 1960 to 1970, per capita consumption of alcohol in the U.S. increased 26%—to the equivalent of 2.6 gal. of straight alcohol per adult per year. It is now at an alltime high, probably surpassing the levels during such notoriously wet eras as the pre-Civil War and pre-Prohibition years. Moreover, according to the NIAAA, about one in ten of the 95 million Americans who drink is now either a full-fledged alcoholic or at least a problem drinker (defined by NIAAA as one who drinks enough to cause trouble for himself and society). Uncounted thousands of the problem drinkers are under 21 and, in fact, the approximately 9 million excessive drinkers are representatives of—and affect—the whole spectrum of American society.

The facts gathered by NIAAA about alcohol abuse are as depressing as they are impressive.

After heart disease and cancer, alcoholism is the country's biggest health problem. Most deaths attributed to alcoholism are caused by cirrhosis of the liver (13,000 per year). An alcoholic's life span is shortened by ten to twelve years. Recently, medical researchers have found evidence suggesting that excessive use of alcohol may also quietly contribute to certain kinds of heart disease, and that it eventually damages the brain.

In half of all murders in the U.S. either the killer or the victim—or both—have been drinking. A fourth of all suicides are found to have significant amounts of alcohol in their bloodstreams. People who abuse alcohol are seven times more likely to be separated or divorced than the general population.

The dollar cost of alcoholism may be as much as $15 billion a year, much of it from lost work time in business, industry and the Government.

At least half of each year's 55,500 automobile deaths and half of the 1 million major injuries suffered in auto accidents can be traced directly to a driver or pedestrian "under the influence."*

Many of the deaths and injuries are caused by the under-21 age group, and arrests of young people for drunken driving have skyrocketed since states began lowering the drinking age from 21. In the year following its lowering of the drinking age, for example, Michigan reported a 141% increase in such arrests.

But parents seem relatively unconcerned about their children's drinking. In fact, children who drink are often simply following the example set by their fathers and mothers. Teen-agers know that their parents make scenes if they catch them smoking marijuana. But if the youngsters come home drunk, most of them are merely sent quietly to bed. "Often when we report to a parent that his kid isn't acting the way he should and smells of liquor," says Don Samuels, a Miami drug-education coordinator, "the reaction is: 'Thank God! I thought he was on drugs.'" Actually, many teen-agers use both marijuana and alcohol.

The alcoholic tide has been pushed higher by the fast-selling, inexpensive pop wines, which disguise their alcoholic content with sweet fruit flavors. These wines make the transition from soda pop to alcohol just one easy step. "Kids seem to look on the stuff as a zippy, sophisticated soft drink," says Houston's Bruner Lee, education director for the Texas Council on Alcoholism. "But this 'kiddie stuff,' this pop wine, contains 9% alcohol—about twice as much as beer." After the pop wine phase is over, the kids often go on to much stronger drink.

Vanilla Extract. Most school officials are too embarrassed by the alcohol problem to do much more than reluctantly admit that it exists. One system that has faced up to it and conducted reliable surveys is in the suburban county of San Mateo, south of San Francisco. There, in 1970, school officials found, 11% of the ninth grade boys (13- and 14-year-olds) said that they had drunk some kind of alcohol beverage 50 or more times in the past year, in 1973 the figure had jumped to 23%. Among senior class boys (17- and 18-year-olds) the percentage of such relatively frequent drinkers rose during the same time span from 27% to 40%. Senior class girls drank less, but they are catching up fast: 29% said they drank 50 or more times in 1973, compared with only 14% in 1970. Notes Paul Richards, an adviser at a San Mateo high school: "This school represents a socioeconomic background from welfare to upper middle class, and the drinkers come from all categories."

The under-21s are not the only ones who are drinking more. Reversing past patterns, which showed middle-aged men the most prone to alcoholism, there has recently been a marked increase in alcoholism among people in their 20s and 30s and among women. In the '50s, by National Institute of Mental Health estimates, one of every five or six alcoholics was a woman; the ratio is now one woman for every four men. These figures may in fact be understating the problem for women, because a nonworking woman, who does not have to punch a time clock or stand scrutiny in the office, finds it easier than her husband might to hide her habit. One alcoholic housewife in Miami admitted stashing Clorets in every jacket pocket and downstairs drawer to disguise her liquor breath from unexpected callers. Others try to hide their alcoholic breath by sipping Listerine, Scope or vanilla extract.

In some places the ratio between men and women problem drinkers is already equal. For example, in Florida's Dade County (pop. 1,385,000), authorities estimate that there are 78,000 alcoholics—and almost half are women. At the Women's Alcohol Education Center in South West Miami, patients can relax in a pool or on a patio and their kids can play in a garage full of toys and live animals. The center is open from 9 a.m. to 11 p.m., and has a daily average of 18 women visitors.

Who is an alcoholic, and who is "merely" a problem drinker? The definition depends on the definer. Thus Mrs. Fred Tooze, head of the National Women's Christian Temperance Union, maintains that an alcoholic is "anyone who drinks alcohol. As soon as they start to drink they're on that road downward." By that definition many of the researchers in alcoholism would be practicing alcoholics themselves.

Quantity consumed is only one criterion—and not necessarily the decisive one. "We see little old ladies who drink less than a pint a day who are dying," says Harold Swift, of the Hazelden Foundation's model treatment facility in Minnesota. "Yet we see men who go through better than a fifth a day and still function well."

An alcoholic does not necessarily know that he is an alcoholic. The stereotype of the stumbling, mumbling Bowery bum applies to no more than about 5% of the alcoholics in the U.S. Most alcoholics hold jobs, raise families, and manage to hide their addiction from everyone, often even from themselves. An alcoholic may go on for years, imbibing three martinis at lunch, two more on the way home and three when he gets there. One day, however, he may wind up in a hospital with a broken leg and, deprived of his daily quota, may suddenly find himself in the middle of the DTs (delirium tremens), which are characterized by extreme agitation, confusion and frightening hallucinations.

Social Custom The National Council on Alcoholism, a voluntary health organization, has drawn up a checklist of 26 questions for drinkers. In its view, a yes answer to any one of them warns of possible alcoholism. Some of the council's questions: Do you drink heavily after a disappointment or a quarrel? Did you ever wake up on the morning after and discover you could not remember part of the evening before, even though you did not pass out? Do you try to have a few extra drinks when others will not know it? Are you secretly irritated when your family or friends discuss your drinking? Have you often failed to keep the promises you have made to yourself about controlling or cutting down on your drinking?

The Rutgers University Center of Alcohol Studies offers a more concise definition: "An alcoholic is one who is unable consistently to choose whether he shall drink or not, and who, if he drinks, is unable consistently to choose whether he shall stop or not." Yet the more researchers study alcoholism, the more complex they realize it is. There are, in fact, almost as many "alcoholisms" as there are alcoholics. Behavioral Scientist Don Cahalan of the University of California at Berkeley objects to even attempting a strict definition. Drinking, he says, is a continuum, and no one can draw an exact line between an alcoholic and a severely troubled drinker. "The issue," he states, "is why some people apparently waste their lives on alcohol while others don't. What's the 'glue' that binds some people to their alcohol problems?" Adds Marty Mann, the woman who founded the National Council on Alcoholism: "No one has ever found the way to turn a non-alcoholic into an alcoholic. There is a basic difference in people."

For those who are susceptible, U.S. society offers powerful temptations. Observes NIAAA's Morris Chafetz: "There are houses where they don't even say anything to you when you come in the door before they ask, "What will you have to drink?" He also notes that "in our crazy-quilt value system, masculinity means that if you can hold a lot of alcohol and seemingly not show its effects. that's somehow a sign of strength." Chafetz points out that in some other countries—Italy and Israel, for example—drinking is an accepted social custom, but there is little alcoholism. Why? The reason, he thinks, is that alcohol in those countries is a companion to a happy occasion, not the occasion itself.

Many other countries, however, have a much worse problem with alcohol than the U.S. France, for instance, has the highest rate of alcoholism in the world (an estimated 10% to 12% of the population, including some children), and the Soviet Union may not be far behind. Soviet newspapers now blame 60% of their country's murders, holdups and burglaries on that old demon vodka. Soviet Party Chief Leonid Brezhnev gave tacit recognition to the problem when U.S. Secretary of State Henry Kissinger visited him recently. Discussing with Kissinger plans for a U.S.-built soft-drink factory in the Soviet Union, Brezhnev mused: "Maybe we can teach our people to drink less vodka and more Pepsi-Cola."

Bad Reflection. Some experts believe that alcoholism may be encouraged by the destruction of traditional values. Buttressing this notion is the experience of the American Indians and Eskimos, whose cultures have been disrupted more than those of any other ethnic groups on the continent. "The major problem is one of social disintegration," says Dr. Charles Hudson, chief of psychiatric services at the U.S. Public Health Service's Alaska Native Medical Center. "The original social structure in many places in rural Alaska has been blown apart, much as it has been in central cities, the ghettos and Appalachia. The things that were important to people have been taken away, and when there's nothing to do, they'll take their last buck to get a bottle and stay drunk all the time."

Blacks and Chicanos are also particularly prone to alcoholism, possibly for similar reasons. Among whites, the Irish Americans probably rank highest on the alcoholic scale. No one can explain precisely why, although Irish American social life has often centered around the pub or bar, and heavy drinking has been a culturally accepted means for temporarily getting away from problems. Jews, by contrast, have a relatively low incidence of alcoholism, though it is rising among them too. Jews have always frowned on public drunkenness as being a bad reflection on their entire culture, and drinking has not been the accepted way to relieve problems ("Jews *eat* when they have problems," quips one Jewish psychiatrist in Manhattan).

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*In virtually all states, that influence is legally set at a blood concentration of 1% or more alcohol. A 150-lb man can reach this level if he takes three one-jigger (1½ oz. per jigger) drinks within an hour.

Although alcoholism, when it occurs, often follows ten years or so of problem drinking, there are also alcoholics who apparently skipped even the social-drinker phase. They passed from total abstinence directly into chronic alcoholism. This may be due in some cases to a biochemical imbalance of some sort. "There have been people I call 'instant alcoholics' who are in trouble the minute they drink," says Marty Mann.

There may be some yet unknown hereditary factor that fosters alcoholism. Dr. Donald Goodwin, a psychiatrist at Washington University in St. Louis, studied the case histories of 133 Scandinavian men who had been separated from their natural parents and raised by foster parents. The sons of alcoholic fathers were four times as likely as the sons of non-alcoholics to be alcoholics themselves. Similar studies by Goodwin of twins raised by different families seem to offer even stronger support for some genetic explanations. Most researchers are reluctant to accept such biological determinism as the sole cause, but many agree with Goodwin that there may very well be some errant gene that makes at least some alcoholics more vulnerable than the rest of humankind to the bottle. "There is no one overall answer," concludes Don Cahalan. "We are trying to exorcise a devil, but there is no one devil. There is a host of demons."

There is also a host of treatment centers—7,500 by latest count—and treatments. Until recently, alcoholics were thought to be all but incurable, afflicted with a kind of psychic leprosy. Doctors would scarcely touch them (many still refuse to treat them), and the law looked upon them as human vermin who had to be swept off the streets and thrown into drunk tanks. Old attitudes still persist, but within the past five years there has been a remarkable change in prognosis. No miracle cure, no equivalent of the Salk vaccine is in sight for the alcoholic, and none is ever likely to be found; but for every one of the many alcoholisms there is at least one treatment or combination of treatments that offers a good chance of cure.

The common element in most of the cures is group support. Explains Jim Bryan, director of therapy at Chit Chat Farms, a highly successful alcoholic treatment center west of Reading, Pa.: "We tell the patients it can be done, and you don't have to do it alone. The patients help each other get well." Half the staff—including Bryan himself—are recovered alcoholics, providing even more credence to the support they give to patients during Chit Chat's 28-day, $840 treatment. "We do not look into the whys of their drinking," says Bryan, "but how they can stop."

No In-Depth Therapy. At Lutheran General Hospital northwest of Chicago, where the treatment runs 21 days and costs $1,827, there is also an emphasis on interaction between patients and staff and among the patients themselves. For most patients, there is no in-depth therapy. "We're off this kick of using psychotherapy," says Medical Director Dr. Nelson Bradley, a psychiatrist, echoing the general opinion of experts that classical psychoanalysis is of limited help for most alcoholics.

The patient at Lutheran General is treated for withdrawal symptoms—which can range from the shakes and hallucinations to convulsions and full-blown DTs—and given a medical assessment during his first five days. On the sixth day he is assigned to one of three 25-patient teams. They meet three times a week—in many cases with wives, husbands, children and even employers—in sessions designed to bring the alcoholic back into society through lectures, educational films and discussions about drinking problems. Lutheran General follows up its patients for two or three months, some of them with psychotherapy, and it estimates its success at about 50% after three years. "Beyond 50%," says Bradley, "you've got to have the involvement of the family and the employers. Then the success rate can go as high as 80%."

A variant of the Lutheran General and Chit Chat models is the treatment center that combines group therapy and hypnotic suggestion with a behavioristic kind of aversion treatment: electric shocks or drugs to make the very odor of liquor abhorrent. At Seattle's Schick's Shadel Hospital, which offers an eleven-day, $1,500 program, each patient is taken to "Duffy's Tavern," a small room decorated with enough bottles of whisky to lubricate a regiment. The patient is given a nausea-inducing shot and then handed a glass of his favorite brand. He sniffs the aroma, takes a sip and swirls it around in his mouth. Then, sickened, he spits it out into a handy container.

FATAL ILLNESS

The patient goes through a similar process four more times during his stay at Schick's Shadel, at the end of which he will presumably associate nausea with liquor—and have a long-term aversion to the stuff. "Aversion conditioning is not fun at all," Schick's Shadel's Director Dr. James W. Smith tells incoming patients, "but you are dealing with a fatal illness. In other fatal illnesses, such as cancer, surgery is often called for if it gives the patient the best fighting chance for survival. At the moment this is the best we know of—the method that will do the best job in the shortest time."

Aversion therapy has been widely criticized. Says one social scientist: "I think doctors who emphasize aversion conditioning are misguided. They claim that they are curing alcoholics by giving them a shot in the behind, which makes them sick. But how long does that really last?" A program that draws even more fire is one in which doctors study alcoholism by offering drinks to alcoholics. Indeed, Dr. Edward Gottheil, who oversees such a research project at the Coatesville Veterans Administration Hospital in Pennsylvania, admits that his work is "extremely controversial." Still, he argues, traditional centers either study alcoholics without their alcohol or alcohol without the alcoholics—but not drinking itself. "The idea that complete abstinence is the only treatment interferes with research," he says.

At Coatesville, patients are not only given individual psychotherapy, group therapy, music therapy and antidrinking seminars but are also allowed one or two ounces of pure alcohol (ethanol) once an hour on the hour, from 9 a.m. to 9 p.m., simply by asking for it. If he drinks the allowable maximum every hour, a patient can achieve a considerable buzz by 9 p.m. More important, 13 times every day he must make a conscious decision: to drink or not to drink. In a follow-up study of their first group, Gottheil and his associates claim that, after six months, approximately half of the group members were either dry or drinking less than twice a week.

Almost everyone else who works with alcoholics regards this study as heresy against the almost universally accepted belief that a recovered alcoholic can never ever drink again. "Out of 3,000 alcoholics treated at this hospital and another 12,000 consulted, I have never seen one return safely to social drinking," says Richard Weedman, head of an alcoholic treatment center at Chicago's Grant Hospital. "One drink won't push him off the wagon, but if he takes another three weeks later, bang! He's gone."

Most of the methods owe a large debt to Alcoholics Anonymous, the oldest, the biggest (650,000 to 750,000 members) and still the most successful organization by far for helping alcoholics. "Until the researcher is able to demonstrate some better practical techniques, the A.A. approach continues to merit our admiration and endorsement," says Gottheil. And, write Sociologists Harrison Trice and Paul Roman: "Despite lay leadership, A.A. has apparently achieved a success rate that surpasses those of professional therapies."

An A.A. member is anyone who considers himself a member. There are no required dues, and lest riches corrupt the fellowship, no one is allowed to contribute more than $300 a year. Instead of using professional therapists, the members help each other; one alcoholic is always on call to come to the aid of another. The treatment is nothing more sophisticated than the gathering together of a dozen or more other alcoholics who share their drinking histories and admit to themselves and each other that they are powerless to control their drinking. Members attend meetings as often as they feel the need. "My name is John," a member will intone at each meeting, "and I am an alcoholic." Says an Atlanta executive who has been a member for 25 years: "I am deeply convinced that A.A. is the only way. Doctors cannot cure alcoholism because it is not simply a sickness of the body. Psychiatrists cannot do it because it is not simply a sickness of the mind, and ministers cannot do it because it is not a sickness of the spirit alone. You must treat all three areas, and that is what A.A. does." *

Easy Cop-Out. Even A.A. requires the alcoholic's commitment to change. Many workers in the field are now trying to downplay the idea—espoused by Marty Mann 30 years ago—that alcoholism is a disease. The label may make problem drinking worse by absolving the drinker of responsibility. An overemphasis on the psychological causes of alcoholism can have a similar effect. "A search for the roots of the personal problems that cause a person to become addicted can become an easy cop-out," says Psychiatrist Robert Moore. "The classic therapy game becomes a technique of protecting his alcoholism."

What about the alcoholic who does not want to change—or does not even recognize his problem? For many there is still no answer, no lifeline that can be thrown to them. For many others, however, there is new hope in an old and hitherto unacceptable technique—arm twisting by the boss. Recognizing that alcoholic employees are costing them countless billions a year, many companies are investing money and effort in affirmative action. Since the late '40s, when the first industrial programs started, some 200 firms, including General Motors, Hughes Aircraft and even Hiram Walker, the distiller, have jumped on the bandwagon, the majority of them in the past five years. Many of the firms have written the plans into their union contracts. Although the programs are costly, they actually save money in the long run because they can salvage valuable careers.

An alcoholic employee is absent 2½ times as often as a non-alcoholic. Indeed, he is partially absent even when he is working, often demonstrating much less efficiency than his nonalcoholic colleagues. If he is fired, the investment that the company has put into his training is lost altogether. "The company of any size that says it does not have an alcohol problem is kidding itself," says Ray Kelly, an Illinois state mental health official. In any typical group of workers, 3% to 4% are likely to be disruptive drinkers.

In the typical industrial program, a supervisor, noticing an employee's work slipping, alerts a counselor. If the counselor's investigation finds that alcohol is the culprit, he calls the man in and recommends a treatment-and-rehabilitation plan that falls under the company's medical insurance coverage. There will be no stigma attached if he enters the plan, the counselor tells him, and if he successfully completes it, his career will not be hurt. "If they do not want to go for treatment," says Jack Shevlin, an alcohol counselor in Illinois Bell Telephone's pioneering program, the answer is in effect: "Of course you do—if you want your job."

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*If a member's physical problems are acute, A.A. gets him admitted to a hospital.

The results have been more than encouraging, and in most programs about 90% of the alcoholic employees do elect treatment. When a company puts its weight behind an employee's rehabilitation, the chances of success are better than 2 in 3, say doctors at Lutheran General, which works with 52 companies in the Chicago area.

HALFWAY HOUSES

Government at all levels has become sensitive to the alcoholic's plight—and the enormous damage that he wreaks. Since 1970, when Congress demonstrated Washington's changed attitude by passing an alcohol abuse and alcoholism act, a score of states have enacted laws that remove drunkenness (though not drunken driving) from the criminal statutes. Thus drunks are no longer put in jail. Other places, however, must be provided to receive them. These are called Local Alcoholism Reception Centers (or LARC), where the alcoholics are detoxified. They then graduate to "halfway" houses for outpatient treatment. Because LARC makes a strenuous effort to reach alcohol abusers early, the centers can usually help improve the physical condition, earning ability and family situation of their patients.

Sparked by Iowa's Senator Harold Hughes, who is himself a rehabilitated alcoholic, the Government has begun an expensive program to combat alcoholism through research, education and funding of local programs. Starting with $70 million in 1971, federal spending has now reached $194 million. Eighty-five percent of this amount is allotted to treatment, rehabilitation centers and halfway houses, many of which would no doubt still be only token efforts without substantial federal funding to the states.

The liquor industry has awakened to the problems that excessive use of its products causes. Some of the companies have been promoting moderation through advertising and posters. Seagrams, for example, last year spent $250,000 for hard-hitting magazine ads against excessive drinking. Licensed Beverage Industries, Inc., the public representative of the distillers, spends $150,000 a year on research projects and allots $250,000 each year for a national advertising campaign, promoting "responsible" drinking. ("Know when to say when" is the theme of one ad. "If you can't stop drinking, don't start driving" is the message of another.) Last week liquor industry leaders and state beverage-control officials met in Miami with experts from the Rutgers Center of Alcohol Studies to consider other measures that could or should be taken. Jack Hood, board chairman of the National Alcoholic Beverage Control Association, told conferees of plans to use "the unmatched power of education to convince every American, young and old, that responsible drinking is the only kind that anyone should tolerate."

Still, for an industry that has revenues of $18.3 billion a year (after federal, state and local taxes), such expenditures are probably only a fraction of what they should be. Contrasted with this are all the ads pitched toward the young, implying that not even a weekend in the country can be truly enjoyable without drinking. The industry could no doubt change its pitch—use older models and show people drinking only at parties—without cutting sales or profits.

Public Awareness. What else can be done? For a starter, the Nixon Administration should give Chafetz's agency the entire $137,947,000 it has requested for the coming fiscal year, instead of attempting to cut it to $99,800,000. The money would be well spent on research, training, community health services and public education. Second, the 30-odd states that have not yet removed drunkenness from the criminal statutes should do so, adding treatment centers and halfway houses on the Minnesota model. Third, more companies should start alcoholic rehabilitation programs, looking upon money spent combatting alcoholism as almost an efficiency measure, which it certainly is.

How is the battle against alcoholism going? Again, there is good news and bad news—with an emphasis on the latter. Senator Hughes, who, more than anyone else, was responsible for the turnabout in the Government's attitude, is as good a judge as any. He is happy that tax dollars are joining the fight against alcoholism, and that the public is finally becoming aware that alcoholism is a treatable condition from which, with dedicated help, two-thirds or more of its victims can recover. But he sees even that as only limited comfort. "I'm not optimistic that we're gaining on the problem," he reckons. "Instead, it's gaining on us."

THE EFFECTS OF ALCOHOL

Almost immediately after it hits the stomach, alcohol is coursing through the bloodstream to the central nervous system, where it starts to slow down, or anaesthetize, brain activity. Though it is a depressant, the initial subjective feeling that it creates is just the opposite, as the barriers of self-control and restraint are lifted and the drinker does or says things that his well-trained, sober self usually forbids. Only later, after a number of drinks, are the motor centers of the brain overtly affected, causing uncertain steps and hand movements.

How quickly the alcohol takes effect depends on many factors. One person may be bombed after a glass, while another stays relatively sober after several. Because alcohol is diluted in the blood, a 200-lb. man can usually tolerate more liquor than a 110-lb. woman. Food also retards absorption of alcohol from the gastrointestinal tract, and a few ounces taken with a meal are less powerful than an equal amount downed an hour before. By the same token, some drinks with food in them—eggnogs made with eggs, milk and cream, for example—have slightly less wallop than straight drinks. The tomato juice in a Bloody Mary or the orange juice in a screwdriver is not enough to make any appreciable difference.

The total quantity of alcohol in a drink and the rate of consumption determine the alcohol level in the bloodstream. Thus a Scotch and water would pack the same punch as Scotch on the rocks or a Scotch and soda if all three were drunk at the same speed; drinking more slowly gives the system a chance to eliminate some of the alcohol. The mixing of different types—beer, wine, whisky and brandy, for instance—might make a drinker sick, but it would not make him any more drunk than the same alcoholic measure of just one of these drinks.

So far medicine has found no cure for the hangover, although aspirin can alleviate the headache. Despite a plethora of folk cures (none of them really effective), the best policy is to avoid drinking in excess the night before. Actually, no one knows exactly what causes the hangover's unpleasant symptoms of headache, nausea, depression and fatigue, which many drinkers experience at one time or another.

Some recent research indicates that even social drinking can have both immediate and possibly long-range deleterious effects on the body. According to Dr. Peter Stokes, a psychobiologist at Cornell University Medical College, the liver becomes fatty and therefore less efficient after only a few weeks of downing three or four drinks a night. But in the early stages, at least, the condition can be reversed by abstinence. More moderate imbibing—two drinks a night with meals, say—almost certainly does no harm to most people. New studies link drinking to heart-muscle damage and deterioration of the brain. Research by Dr. Ernest Noble of the University of California at Irvine shows that alcohol inhibits the ability of the brain cells to manufacture proteins and ribonucleic acid (RNA), which some researchers believe play a role in learning and memory storage. After 20 or 30 years, says Dr. Noble, two or three drinks a night on an empty stomach may impair a person's learning ability. Both Stokes and Noble cite studies showing premature and irreversible destruction of brain cells after years of heavy drinking.

Such frightening studies of the results of drinking have not yet been accepted throughout the medical profession, but the physical effects on an alcoholic of very heavy drinking are beyond dispute. A pint of whisky a day, enough to make eight or ten ordinary highballs, provides about 1,200 calories—roughly half the ordinary energy requirement—without any food value. As a result, an alcoholic usually has a weak appetite and often suffers from malnutrition and vitamin deficiency. The slack cannot be taken up by popping vitamin pills; heavy alcohol consumption impairs the body's utilization of vitamins. At the same time, excessive intake of alcohol also affects the production and activity of certain disease-fighting white blood cells, giving the alcoholic a particularly low resistance to bacteria.

Inevitably, the alcoholic develops a fatty liver, and his chances of developing cirrhosis, a condition in which liver cells have been replaced by fibrous scar tissue, are at least one in ten. A severely damaged liver cannot adequately manufacture bile, which is necessary for the digestion of fats; as a consequence, the alcoholic often feels weak and suffers from chronic indigestion. This may be made worse by gastritis, which is caused by alcohol irritation of the sensitive linings of the stomach and small intestine. The troubles of a heavy drinker do not end there, and through damage to the central nervous system and hormonal inbalance, alcohol may even cause impotence.

THE PRICE OF ALCOHOLISM: FIVE CASE HISTORIES

No one is a typical alcoholic, and the only thing all alcoholics have in common is their addiction. That fact was reemphasized by the reports of TIME *correspondents who interviewed many of them across the U.S. and Canada, including the following:*

Joe, 52, an Atlanta stockbroker, began his career as an alcoholic at 15 when he went camping with his brothers. One of the boys opened a bottle of wine, and Joe instantly discovered his weakness. "That night was it for me," he says. "I went looking for a drink in the morning, and I drank all the way through high school. I was in the grip of an insidious, progressive disease." Joe continued to drink through Harvard and the service, but when he went home again his parents sent him to a hospital for "aversion" therapy. "I stayed sober two or three months," he remembers. But for him the aversion was only temporary.

Drinking, borrowing money, being arrested repeatedly, at 27 he was so far gone that he was not able to write his name. In December 1947 he went to Alcoholics Anonymous but fell off the wagon after only two months. In March he was back in A.A., and has been going to meetings ever since.

"People there welcomed me," he says. "My goal was to live. Survival, that's all. They told me that if I helped other people, I would receive and be helped myself. A funny thing happened I got better. In two or three months I was in better shape than I had been in for five years. I needed a miracle and got it. But it's not over yet. It won't be over until I die."

Elizabeth, 44, a Manhattan advertising woman, was a fierce teetotaler because both her parents were problem drinkers. At 35, facing the prospect of a mastectomy, Elizabeth went to her psychoanalyst. The doctor proposed that she try a drink to calm her fears. "I'll never forget the feeling," Elizabeth says. "It hit me instantly. This was something I'd been waiting for without knowing it, and I never wanted to be without it again. I felt so warm and calm and safe."

It turned out that she did not have cancer, but she went on drinking anyway, "right around the clock." Although she sipped almost a fifth of Scotch a day, it did not seem to affect her work. "I never got really drunk, never had a hangover." One night while waiting for a date she took an extra slug of Scotch "to be bright and special." Instead she stumbled and cut her forehead on the mantel. Her date found her bloodied and bleary and walked out. This shocked her so much that she went to A.A.

Elizabeth dried out for a while and then had a relapse, drinking more heavily than before. Finally she returned to the A.A. program, which she has followed successfully for five years. "Mine was one hell of a binge," she says, "and I consider my sobriety precious. I wouldn't do anything to jeopardize it."

Jay, 45, a Montreal journalist, says that he began drinking heavily "out of a sense of fatalism"; his father, mother and brother are all alcoholics.

"I turned into a chronic liar and charlatan, trying to cover up my affliction. I made raucous scenes and picked fights for no reason. I often wet my pants and vomited all over myself in public. I went to doctors and got tranquilizers, which I proceeded to combine with liquor, which made me even worse. I went to private clinics, public hospitals and even ended up in a mental home. I went to a priest and then to Alcoholics Anonymous. They were well-meaning people, but their piety seemed too facile to me, and I usually had to rush to the nearest bar every time I came out of a meeting. I was thrown into jail, mugged, and slept in the gutter. I stank, my gums bled, and my hands were too shaky to shave without a couple of drinks."

The turning point for Jay came when he awoke in a seedy hotel with the DTs. "My eyes were bulging from their sockets. My arms and legs flailed about like windmills. Then those black dots started spreading across the walls and ceilings, and I had to choke back a scream. This was the point at which I finally decided I wanted to live, not die, and forced myself to go get cured."

The cure came at Toronto's Donwood Institute, where he went into group therapy and was put on a daily dose of Antabuse, a drug that causes nausea, palpitations and anxiety at the first whiff of liquor. To ensure his long-term sobriety, a six-month supply was implanted under the skin of his abdomen. "I finally walked out—cured, tingling with life and vigor and almost hypersensitively aware. But as I saw a bar, the craving hit me so hard that I bent double. Was this the way it was going to be all my life? The answer apparently is yes. The desire would fade, but somewhere—in the clink of glasses or the sight of good red wine—is the trigger. It is a trigger that I dare not pull."

Barbara, 26, a Miami divorcee with two young children, started drinking when she was 13. "My mother was a heavy drinker," she says, "and we always had lots of liquor around the house." Married soon after high school, she became pregnant and—at doctor's orders—began downing a shot of brandy to help her sleep. "I didn't like the taste, but before my baby was born I was drinking half a bottle a night."

She and her husband eventually separated, and Barbara started to vary her drinking habits. "The kids were one and three, and I sipped wine while I prepared their lunch. Within six months, I went from a small bottle a day to a gallon, then on to martinis and Scotch. It could be blowing a blizzard, and I'd trek through anything to get my bottles."

"People are so drink-oriented," she adds. "It's the acceptable thing to do. You never go to a party or dinner without drinks." Guidelines that she set for herself—never drink in the morning or before driving—were discarded, and arrests for drunkenness began to pile up. Sent to a detoxification center after one eight-day binge, she sneaked out to a bar, then, at 5 a.m., accepted a ride back from one of the male patrons. He invited her to stop at his apartment for a drink. She had to fend off a rape attempt, suffering a broken jaw and scarring cuts on the face. "I thought I'd hit the bottom before," she says through the wires that still hold her teeth together, "but now I realized that this was it."

After attending a Dade County alcohol rehabilitation center for the past three months, Barbara is sober and plans to remain that way. She fears, however, that her drinking may have permanently hurt her children. "They remember my wine-drinking days when I'd throw up in their wastebasket. Now if they see me drinking a Coke, my older girl will come over and taste it and then reassure the younger one: 'It's O.K.'"

Bob, 18, a New York City carpenter, started off on a bottle of Canadian whisky from the family liquor cabinet when he was twelve, and from that moment would drink whatever and whenever he could. "If it was beer, I laughed a lot. If it was wine, I would get very mellow. If it was whiskey, I was sure to go wild and get into a fight."

Kicked out of school for fighting a guidance counselor in what he calls a "temper blackout," Bob was sent to Bellevue Hospital for a psychiatric examination. "At the nut house they told me I wasn't an alcoholic because of my age. I was told that if I handled my emotional problems, I would be able to drink normally." Bob nonetheless tried A.A., not once but three times between binges. "I just hadn't decided that I wouldn't drink any more."

Finally the A.A. "cure" took when Bob was at the ripe age of 15. Sobriety has not been easy. A well-meaning social worker pressured Bob to take tranquilizers to relieve his tension. He refused. "If I did that," he asks, "then why not drink? I was tired of being told that 1) I'm alcoholic, and 2) I need to take tranquilizers to survive. If I had taken drugs, I would have been in the nut house again in a matter of months."

[From the Washington Post, Apr. 19, 1974]

Blue Cross Is Extended to Alcoholics

(By Robert E. L. Baker)

Blue Cross of Maryland has agreed to expand its group health coverage to include the rehabilitation of alcoholics at private residential treatment centers.

The program was called the nation's first by Thomas H. Sherlock, president of Blue Cross in Maryland.

"This is more than just a standard benefit program," he said. "It incorporates a management commitment on the part of the purchaser to the rehabilitation of alcoholic employees."

Health insurance plans generally cover alcoholics only when they are hospitalized for acute pathological disorders associated with alcoholism but do not provide help in rehabilitation.

Maryland Blue Cross, in its announcement, said a further step was necessary—"to restore the well-being of the individual through rehabilitation."

Its coverage can be added to group health contracts for a cost of 45 cents a month for an individual and one dollar a month for husband and wife. More than 800,000 state residents are now enrolled under Blue Cross group contracts with employers.

Coverage may be extended later to Blue Cross members who are not under group contracts, a spokesman said.

The program limits coverage to two 30-day confinements for each alcoholic. It provides bed and board in semiprivate accommodations, medical and nursing services and rehabilitation services such as group, individual or family counseling.

The first facility to sign a contract with Blue Cross for the rehabilitation program is the Hidden Brook Treatment Center in Bel Air.

Under the Blue Cross group contracts, some employers share the costs with employees while other employers pay the full costs.

THE 1973 TAX RETURN FOR SENATOR AND MRS. WEICKER

Mr. WEICKER. Mr. President, in keeping with a policy that I have followed throughout my service in the Congress, I am again this year making public the tax return filed by my wife and myself.

I firmly believe in the practice of full disclosure, and the public right to know the tax conduct of its elected officials. It is the kind of policy that helps to reaffirm confidence in our Government at all levels.

Mr. President, I ask unanimous consent that the individual income tax return for my wife and myself for 1973 be printed in the Record.

There being no objection, the tax return was ordered to be printed in the Record, as follows:

The 1973 U.S. Individual Income Tax Return for Mr. and Mrs. Weicker

County of residence, Fairfield.

Occupation, yours, U.S. Senator and spouse's, homemaker.

Exemptions, yourself and wife, 2.

c. First names of your dependent children who lived with you, Scott, Gray, and Brian Bianchi, 3.

7. Total exemptions claimed, 5.

9. Wages, salaries, tips and other employee compensation, $43,500.

10a. Dividends, $8,249. 10b. Less exclusion $200, balance $8,049.

10d. Gross amount received, if different from line 10a, $8,288.

11. Interest income, $2,418.

12. Income other than wages, dividends, and interest (from line 38), $8,866.

13. Total (add lines 9, 10c, 11, and 12), $62,833.

14. Adjustments to income (such as "sick pay," moving expenses, etc. from line 43), $2,829.

15. Subtract line 14 from line 13 (adjusted gross income), $60,004.

16. Tax, check it from: Tax Rate Schedule X, Y, or Z, $10,792.

18. Income tax (subtract line 17 from line 16), $10,792.

20. Total (add lines 18 and 19), $10,792.

21a. Total Federal income tax withheld (attach Forms W-2 or W-2P to front), $11,078.

22. Total (add lines 21a, b, c, and d), $11,078.

24. If line 22 is larger than line 20, enter amount OVERPAID, $286.

25. Amount of line 24 to be REFUNDED TO YOU, $286.

PART I. INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

29. Net gain or (loss) from sale or exchange of capital assets (attach Schedule D), $1,000.

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E), $1,216.

37. Other (state nature and source), Honoraria, $8,650.

38. Total (add lines 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here and on line 12, $8,866.

PART II. ADJUSTMENTS TO INCOME

41. Employee business expense (attach Form 2106 or statement), $2,829.

43. Total adjustments (add lines 39, 40, 41, and 42). Enter here and on line 14, $2,829.

PART III. TAX COMPUTATION

44. Adjusted gross income (from line 15), $60,004.

45. (a) If you itemize deductions, enter total from Schedule A, line 41 and attach Schedule A, $19,250.

46. Subtract line 45 from line 44, $40,754.

47. Multiply total number of exemptions claimed on line 7, by $750, $3,750.

48. Taxable income. Subtract line 47 from line 46, $37,004.

FOREIGN ACCOUNTS

Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? No.

ITEMIZED DEDUCTIONS

Medical and dental expenses

1. One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below), $150.

10. Total (add lines 1 and 9). Enter here and on line 35, $150.

Taxes

11. State and local income, $2,236.

12. Real estate, $3,459.

13. State and local gasoline (see gas tax tables), $110.

14. General sales (see sales tax tables), $484.

15. Personal property, $171.

Interest expense

18. Home mortgage, $6,668.

19. Other (Itemize). Putnam Trust Co. Loans, $2,107.

20. Total (add lines 18 and 19). Enter here and on line 37, $8,775.

Contributions

21. (a) Cash contributions for which you have receipts, cancelled checks, etc., $598.

Round Hill Community Church, $200.

24. Total contributions (add lines 21a, b, 22, and 23). Enter here and on line 38, $798.

Casualty or theft loss(es)

Miscellaneous deductions

33. Other (Itemize). Unreimbursed senatorial expenses—schedule attached, $2,878.

Investment advisory services, $189.

34. Total (add lines 30, 31, 32, and 33). Enter here and on line 40, $3,067.

Summary of itemized deductions

35. Total medical and dental—line 10, $150.

36. Total taxes—line 17, $6,460.

37. Total interest—line 20, $8,775.

38. Total contributions—line 24, $798.

40. Total miscellaneous—line 34, $3,067.

41. Total deductions (add lines 35, 36, 37, 38, 39, and 40). Enter here and on Form 1040, line 45, $19,250.

Lowell P., Marie L. Weicker, Jr.

File No. [redacted]

Year ended December 31, 1973.

Schedule E—Part III—income from trusts:

Chemical Bank, New York, N.Y., T–1270 Mary H. Paulsen et al tr V/A L. P. Weicker, ID No. [redacted] $893.

Fiduciary Trust Co., Boston, Mass., TTEE. B. Joy 1954 Trust—Godfrey, ID No. [redacted], $323.

Total, $1,216.

Schedule of Congressional reimbursements and expenses:

1973 reimbursement for expenses paid in 1972, $1,215.

Reimbursement for first 1973 round trip to Washington and return, $102.

Expenses paid and reimbursed in 1973:

Travel, $2,676.

Office expenses, $6,919.

Less: Expenses paid in 1973 to be reimbursed in 1974:

Travel $603.

Office expenses, 543.

Total, $4,146.

Cost of living—Washington, D.C., $3,000.

Expenses in excess of reimbursement, $2,829.

Miscellaneous deductions:

Entertainment of constituents, $1,951.

Miscellaneous office expense, $927.

Total, $2,878.

CAPITAL GAINS AND LOSSES

Part I: Short-term Capital Gains and Losses—Assets Held Not More Than 6 Months:

Schedule attached (A), $517.

3. Enter net gain or (loss), combine lines 1 and 2, $517.

5. Net short-term gain or (loss), combine lines 3, 4(a) and 4(b), $517.

Part II: Long-term Capital Gains and Losses—Assets Held More Than 6 Months:

Schedule attached (A), $3,456.

7. Capital gain distributions, $39.

9. Enter your share of net long-term gain or (loss) from partnership and fiduciaries, $78.

11. Net gain or (loss), combine lines 6 through 10, $3,339.

13. Net long-term gain or (loss), combine lines 11, 12(a) and 12(b), $3,339.

Part III: Summary of Parts I and II:

14. Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here, $3,856.

(a) Enter one of the following amounts:

(iii) If amounts on line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13, $2,187.

(b) Enter here and enter as a (loss) on line 29, Form 1040, the smallest of:

(iii) Taxable income, as adjusted (see instruction L), $1,000.

SCHEDULE OF GAINS AND LOSSES FROM SALES AND EXCHANGES OF PROPERTY—LOWELL P. AND MARIE L. WEICKER, JR. (DEC. 31, 1973)

(1)		(2)		(3)	(4)	(5)	(6)	(7)	
Number of shares or bonds	Property description	Date		Gross sales price (contract price)	Depreciation allowable	Cost or other basis	Expense of sale etc.	Gain (or loss)	
		Acquired	Sold					Long term	Short term
100	Topps Chewing Gum	June 16, 1972	Aug. 24, 1973	$838		$2,215		($1,377)	
100	Topps Chewing Gum	June 19, 1972	Aug. 24, 1973	838		2,329		(1,491)	
100	Scoville Mfg. Co	Oct. 13, 1971	Jan. 26, 1973	2,341		2,473		(132)	
100	Scoville Mfg. Co	Oct. 13, 1971	Mar. 9, 1973	2,168		2,473		(305)	
50	Scoville Mfg. Co	Sept. 20, 1972	Jan. 26, 1973	1,160		1,270			($110)
40	Taylor Wine Co	Oct. 27, 1972	Jan. 26, 1973	1,874		1,823			51
20	Seven Up Co	June 27, 1972	Jan. 26, 1973	655		962		(307)	
10	Seven Up Co	July 12, 1972	Jan. 26, 1973	327		491		(164)	
5	Seven Up Co	Oct. 9, 1972	Jan. 26, 1973	164		224			(60)
5	Seven Up Co	Oct. 9, 1972	Mar. 9, 1973	159		224			(65)
15	Seven Up Co	Nov. 2, 1972	Mar. 9, 1973	478		605			(127)
25	Englehard Min. & Chem	Oct. 12, 1973	Dec. 12, 1973	380		586			(206)
100	Southland Corp	Sept. 16, 1969	Apr. 9, 1973	2,255		1,659		596	
3M	Skil Corp 5 percent, July 1, 1972	Feb. 3, 1972	Nov. 7, 1973	2,536		1,988		548	
200	Acme United	May 30, 1972	Jan. 26, 1973	2,439		3,263		(824)	
	Total short-term gain (or loss)								(517)
	Total long-term gain (or loss)							(3,456)	
	Total net capital gain (or loss)								(3,973)

SCHEDULES E & R—SUPPLEMENTAL INCOME SCHEDULE AND RETIREMENT INCOME CREDIT COMPUTATION

Part III: Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations:

Schedule attached, $1,216.

1. Totals, $1,216.

2. Income or (loss). Total of column (d) less total of column (e), $1,216.

Total of parts I, II, and III (Enter here and on Form 1040, line 31), $1,216.

TAX REFORM

Mr. CLARK. Mr. President, on April 8, 9, 10, and 11. the Christian Science Monitor published an excellent series of articles on tax reform. They were written by Richard Nenneman, the Monitor's business-financial editor. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TAX REFORM—I

(By Richard Nenneman)

WASHINGTON.—During the 1972 election campaign, both Georges—McGovern and Wallace—drew huge and enthusiastic crowds whenever they talked about tax reform. Whether it was the rich who didn't pay "a fair share," the property tax, or the foundations run by pinheads, tax talk seemed to hit pay dirt—so much so that the Nixon administration agreed to look at taxes again and Wilbur D. Mills agreed to hold hearings on the tax loopholes the candidates were talking about.

What happened?

Amid the slow pace of Watergate-laden Washington, and a normally overworked Ways and Means Committee, tax reform seemed almost forgotten. But the next few weeks should give a clue as to how deep the 1972 grumblings really went.

BRICKBATS AND BOUQUETS

While the federal income tax is widely criticized by many economists, and its loopholes (legal deductions that allow citizens and corporations to avoid some taxes) are becoming better known by the public, it is also widely acclaimed as the fairest tax in America.

Its critics have their day in the press and will have their day in Congress. But so will the lobbyists for all the present loopholes and, more important, so will the tax lawyers who understand the complexity of the U.S. economy and the valid reasons for many of the tangled pages of the tax code.

The personal income tax brings in the largest part of federal receipts—about 42 percent, or $128 billion, this year. That it be a fair tax is important, since theoretically it is in the first instance self-assessed and collections could drop off if there was widespread revolt against it.

TAX FRAUD

However, most taxpayers have most of their tax withheld from wages, and wealthy taxpayers who receive more of their income outside the normal withholding channels know that tax fraud is a criminal offense in this country (it is only a civil offense in many others).

The last tax reform was passed in December, 1969. Since then, critics have claimed that it did little to simplify the tax process and also did little to end the vertical and horizontal inequities in the law. "Vertical" refers to the relative level of taxation of different income groups; "horizontal" refers to the amount of taxes paid by individuals in the same income group who may have different sources of income and deductions.

INITIATES REFORM

The House Ways and Means Committee, of which Mr. Mills is chairman, initiates all tax legislation. But the overloaded committee also considers such diverse matters as trade legislation, pension reform, and health care. When the committee held hearings on the loopholes, or tax preferences, early in 1973, it did not proceed to draft legislation for last year's session of Congress. Indeed, Representative Mills convinced some critics that he was not serious about major tax reform at all, but merely wanted to show that the loopholes were largely justified and the tax system not as unjust as some critics claim.

NEW GROUPS FORM

So why has tax reform come to life again in 1974? The publicity over the President's own taxes has undoubtedly had some effect, although the main loophole in his case (the gift of his vice-presidential papers) has since been closed. The existence of new tax-reform groups in Washington undoubtedly also has some effect on keeping alive the charge that the tax system is grossly unfair.

Some also think that Mr. Mills has agreed to hold tax-reform hearings shortly after the Easter recess at least partly to keep the committee's authority intact. There has been a growing rumble in the House that Ways and Means has too much under its wing and should be stripped of some of its jurisdiction. (It is even now uncertain how thorough the tax hearings will be, since the committee may simultaneously hold hearings on health care. The Joint Committee on Internal Revenue Taxation, which does the spadework for tax hearings, has been preoccupied for several weeks with its audit of the President's tax returns.)

Tax reform interest groups in Washington say that the tax legislation could go either of two ways this spring:

(1) A "substantive" reform, including some change in capital-gains taxation, in the treatment of municipal-bond interest, and a change in the minimum income tax that was introduced in the 1969 reform. Such a reform bill would not make it through Congress before the end of the session, in the view of these observers, and even it would not include dealing with the treatment of capital-gains taxes at death or with estate-taxation reform. These latter items are ones to which reform groups give a high priority.

Or, (2) Congress may pass a mini-reform bill, which would mainly be an effort at simplifying the tax code. It might get rid of many of the small deductions most taxpayers use—the deduction for medical expenses over 3 percent of gross income, the state gasoline tax deduction, the $100 dividend exclusion, and so on.

The rates taxpayers pay could be adjusted downward (or some broad deduction raised) but the tax-figuring process would be simplified. This minimum reform would probably also include some change in the 1969 minimum tax levied against high incomes reaping unusual advantage from the various loopholes written into the code.

The view from Treasury Department is that Ways and Means will first take up the two Nixon administration proposals dealing with the minimum tax. One would repeal the 19 percent minimum tax of 1969 and adopt a stronger set of rules, in effect limiting the use of tax preferences much more than is now done. The other would limit the use of artificial accounting losses to the activities they are connected with; the fast depreciaion on an apartment house would no longer shelter a doctor or lawyer's professional income.

Once these areas are dealt with, it is possible that the committee will get into capital-gains taxation. But nothing more is expected for this year.

The one item that is common to both Treasury and to the two possible ways Mr. Mills's committee might go is the minimum income tax. And it seems a fair bet to make that if anything gets altered, that will be it. Each year the public hears about a small number of rich people who, one way or another, legally escape all taxation—even with the minimum income tax written into the 1969 reform. One tax lawyer asserts that these are not the same people each year, that there are in every case special circumstances which let an individual escape taxation for a single year. (The few that escape taxation because all their income is from municipal bonds don't even have to file a return, so they are not included in the number.)

But a tightening of the provisions for the minimum income tax would end this situation.

Why is it that the major overhaul of the system which so many professional and usually liberal reformers see as desirable seems unlikely to occur?

Robert Brandon, an attorney with Ralph Nader's Tax Reform Research Group, thinks there will be no major reform until there is campaign spending reform. Too many congressmen are beholden to special interests who have helped elect them, he says, to vote what is the fairest tax legislation for all.

"Nonsense," replies John Nolan, a highly respected Washington tax attorney who was assistant secretary of the Treasury and in charge of tax policy during Mr. Nixon's first term.

Mr. Nolan, who reminded this writer that the Nixon administration proposed a much stiffer minimum tax idea in 1969 than the Congress bought, thinks that that area still needs strengthening. But as for the rest of the system, he says, "We have a pretty fair balance right now." Instead of Congress's being influenced by campaign gifts, he maintains that each time tax reform has been an issue, the Congress has listened rather carefully to all the needs of the community.

Those needs are many and not always ones that have the same answer; for simplicity, for fairness, for raising sufficient revenues, and for maintaining the individual incentives that make a free enterprise system click.

When it comes to fairness, tax reform groups generally turn to the loopholes (also called tax preferences or tax subsidies) as the most egregious example of injustice in the U.S. federal income tax.

TAX REFORM—II

(By Richard Nenneman)

WASHINGTON.—For many, income tax reform means one thing: eliminating the loopholes.

Unfortunately, "loophole" is a pejorative. It conjures up the image of something crooked. Actually, the loopholes, or tax preferences, are nothing more than legal deductions from gross income of such varying items as the oil depletion allowance (now under hot debate and probably about to be drastically curtailed), the deduction of half of long-term capital gains from taxable income, and the garden variety of deductions which most taxpayers use at some time—medical expenses, charitable contributions, and home-mortgage interest.

The loopholes came into being one by one—some for a good social purpose at the time, some because of successful lobbying efforts.

CAPITAL GAINS

The capital-gains preference is obviously supported by wealthy persons, by the securities industry, and by economists who stress the need for capital formation. But there are other, more "innocent" lobbies.

Take the senior citizens. There is a double exemption for those over 65, and social-security income is tax-free (a sensible idea, since it was after-tax income of the employee that paid the original contribution).

But if Congress wants to bolster the income of the older generation, there are selective ways of doing it instead of giving two kinds of preferential treatment that benefit the wealthy old people even more than the elderly poor.

The deduction for mortgage interest and for property taxes is a support to the building industry and shows the government's support of the concept of private home ownership.

The value of a tax preference, which is what such deductions amount to, is greater the higher one's income is. But since the middle class all reap some benefit from a deduction such as this, it is fairly easy to find support for continuing it.

PROGRESSIVE TAX STYMIED

While some of the loopholes may have a high degree of public support, it is easy enough to see why elimination of the loopholes has become the rallying cry of many tax reformers.

In theory, the United States has a steeply progressive federal tax law. That is, the higher your income, the larger the tax on incremental amount of that income. It rises from 14 percent to 70 percent, although under the 1969 tax reform earned income can be taxed only at a 50 percent maximum rate.

Because of the loopholes, the tax system is nowhere near that progressive. In asking that the loopholes be eliminated, critics are asking that the system in practice conform to what the average citizen has been led to believe it already is.

ACTUAL RATE

In testimony before the Ways and Means Committee the last time it considered tax reform, Joseph Pechman, director of economic studies at the Brookings Institution said, "The present-law tax is a relatively low percentage of income at all income levels. It rises from an effective rate of less than 2 percent of comprehensive income below $5,000 to 9 percent at $10,000 and to a maximum of 32 percent at income levels of $1 million and above."

Stanley Surrey, who was the resident tax expert in Treasury under Presidents Kennedy and Johnson, has another name for the loopholes: tax expenditures.

Through forgoing the income tax that would accrue to government in some area that is not taxed—such as half of capital gains—government has in effect spent, or subsidized, that particular activity.

These expenditures reach, depending on what is included by definition, anywhere from $60 billion to $80 billion a year at present income levels.

Comparing this with the size of the federal budget (just over $300 billion), Mr. Surrey complains that the Congress is letting a lot of spending authority escape its discretion, by automatically subsidizing certain kinds of economic activity (such as housing) through the tax laws. (Mr. Surrey has just published a new book, "Pathways to Tax Reform.")

The greatest single loss in revenues comes from the special treatment of capital gains; this costs the government more than $7 billion annually.

There are many other multibillion-dollar losses—almost $4 billion from the investment tax credit to business; almost $7 billion to homeowners for the mortgage interest and property tax deductions; more than $3 billion for charitable contributions; almost $3 billion from the exemption of interest on municipal bonds; almost $2 billion for the mineral depletion allowance. (None of these estimates takes account of the changes in economic activity that might occur if the tax preferences were ended.)

Mr. Pechman says close to $80 billion more in taxes could be collected if the loopholes shown in the accompanying chart were closed. (This would include taxing transfer payments, such as social security.) He does not suggest that this money in fact be collected; rather, the tax brackets could at the same time be lowered.

Such a restructuring would be a field day for tax experts. There would be an infinite number of ways to juggle the brackets and come up with the same revenue. One would be a flat tax rate of 16 percent on all income.

Mr. Pechman prefers a scheme that would give a $2,000 low-income allowance and cut out taxes for a family of four earning $5,000 or less. Under this proposal, graduated rates would rise to 44 percent for those earning $100,000 or more. This would still leave them with over half of their income (and even the 44 percent would only be collected on that part of income over $100,000, remember).

FLAWS TO APPROACH

However, there seem to be two practical flaws to this approach.

One is that unless Congress removed substantially all loopholes at the same time, whatever loopholes remained would be a form of tax preference that more wealthy people could be presumed to take advantage of. And the chances of wiping the slate clean of all the tax preferences seem remote. Aware of this, Mr. Pechman answers, "Well, you have to fight for what you think is right anyhow."

The other flaw is that conservative, and often wealthy, taxpayers see the lower brackets applied to all income as only the start toward taxing high incomes even more.

Some of Mr. Pechman's own statements seem to lend credence to this fear. For instance, in congressional testimony he has said, "It makes no sense for a nation with median family income close to $11,000 to pretend that it cannot take care of its poor in a dignified way, improve its education system, remove some of the blight from its cities, and support other public services adequately because it has reached the limits of its taxable capacity."

MORE TAXES STILL

One may agree completely with his opinion that government should be doing more. But if it is to do more (without slackening off in some other major spending area such as defense), this means the total taxation must be increased. It means going beyond the change in the tax brackets that would occur from merely eliminating the loopholes.

The charge that the system is not as progressive as it sounds is certainly true.

However, that is not all there is to the matter. It is partly because the brackets are so high that Congress has been liberal in allowing the various tax preferences to exist. There is a chicken-egg relationship between high tax brackets and liberal deductions that is impossible to sort out.

CORPORATE TAX LOAD

There is certainly no consensus that taxes ought to be 70 percent for anyone, and the tax preferences, or loopholes, are one way of adjusting the effective rates downward.

Furthermore, the United States does not have an integrated corporation income tax, as Britain, France, and Germany all do to some extent (there are different mechanisms that bring about the same result). If one figures that the brunt of the corporate income tax is borne by the shareholders in a corporation, and that shareholders are concentrated in the upper income strata, one reliable estimate is that wealthier taxpayers actually do pay about 45 percent of their total income in taxes—a figure very close to what Mr. Pechman claims it would be under his system.

TAX REFORM—III

(By Richard Nenneman)

WASHINGTON.—Like an old pair of blue jeans, the federal income tax has been patched up so many times that a lot of reformers think it's time to start over with a new piece of goods.

It seems more likely that a few more patches will be added where they are most needed.

A system built to serve many needs and a diverse economy is not that easy to transform. Tax reform, notes James Byrne of Tax Analysts and Advocates, itself a reform group here, is an "opportunity" business. This year the opportunity knocked in the energy area, and reformers see the elimination of mineral percentage depletion, or at least a substantial altering of that allowance, as a major step forward.

POSSIBLE CHANGES

When more general tax matters come before Wilbur D. Mills' Ways and Means Committee, it appears the rest of this year's "opportunity" will lie in changes in the minimum income tax and possibly in capital-gains treatment.

Changes in these areas could have a major effect on the public's view of equity, or fairness, in the system. If the minimum tax was increased, this would restrict the degree to which individuals could take advantage of tax preferences to avoid taxation.

Depending on what was done with capital gains, this could also wipe out the impression that wealthy individuals avoid large amounts of tax by making their money the capital-gains route and paying less than the taxes paid by people who "work" for a living.

MINIMUM TAX

In 1969, the Nixon administration took a major step toward increasing fairness by supporting a minimum tax. What finally survived in the Tax Reform Act of 1969 was not as tough as the Treasury had wanted, but it was a major start toward reducing the appearance of laxity toward the rich.

It was a 10 percent flat rate tax applied to a figure consisting of a taxpayer's total tax preferences, or loopholes, if you prefer, after subtracting his regular tax liability and $30,000. This obviously was a limited closing of a major loophole. But it was still a beginning.

The argument for the $30,000 exclusion was that the minimum tax could be applied only to very large income earners. And the argument for deducting the regular tax liability was that the minimum tax should be less when applied to persons who did pay substantial taxes than to those whose income was arranged in such a way as to escape almost all normal taxation.

There are several ways in which the minimum income tax can be increased. The 10 percent rate can be raised. The $30,000 exclusion can be cut back, or even eliminated. Or the deduction for regular income-tax liability could be curtailed, as a joint proposal of Sen. Edward M. Kennedy and Rep. Henry S. Reuss would do. Tax experts would generally prefer to see the rate increased or the $30,000 lowered rather than eliminating the offset for taxes paid.

The minimum income tax still excluded two items: intangible drilling costs and the interest on state and municipal bonds. These could be included in a new tax reform.

The administration has proposed that, instead of some combination of these reforms, the minimum tax of the 1969 law be replaced by two new provisions in the tax code: a minimum taxable income (MTI) and a limitation on artificial accounting losses (LAAL).

FORMULA PROPOSED

The MTI would require a taxpayer to pay a tax on an amount equal to 50 percent of his adjusted gross income plus some items now excluded from income, such as the half of capital gains that is not now taxed.

The purpose of this kind of requirement is that large personal deductions could not be used to escape income tax, except in cases where a taxpayer's normal income was double the amount of his capital gains.

Among the personal deductions now allowed, contributions to churches or universities are considered the most "elastic"—the most affected by changes in the law. So it is not surprising that many such nonprofit institutions, which rely heavily on gifts, have been critical of MTI.

MORE CONFUSION

If MTI is confusing, LAAL may be even more so. The motive of LAAL is easy to grasp, however. It is that artificial accounting losses (non-cash expenses) should not be allowed to shelter normal income from taxation. These accounting losses should be allowed to be taken only when they are applied to income from whatever activity they are connected with. Extra-fast depreciation of new real estate, for instance, may be fine as an incentive to building, but not when used to shield a doctor's or lawyer's high professional income. Excess accounting losses would be deferred until there was sufficient income to balance them against.

Tax experts say the proposal would be difficult to carry out in practice. This, plus the built-in institutional opposition to the MTI because of the blow it might be to large charitable gifts, makes it seem more probable that instead of either administration proposal being adopted, Congress will opt for some tightening of the original 1969 minimum tax.

John Nolan, partner in the firm of Miller & Chevalier and formerly an assistant Treasury secretary during Mr. Nixon's first term, defends the use of tax law to encourage certain social objectives such as real estate development.

"But," he says, "we should do this with care. Right now we need low-cost housing, not more shopping centers or office buildings. And even then, an individual should still pay income tax on part of his real earned income—on at least half."

A staff economist at the Treasury echoed this sentiment. "The combination of tax preferences should not be such as to create a new privileged class."

CAPITAL GAINS

What happens to capital gains in this session of Congress is anyone's guess. Conservatives think the present tax (a maximum of 25 percent on the first $50,000 in gains in any year and 35 percent on the amount over $50,000) is quite high enough.

They point to the need for more capital formation not only by corporations but for the encouragement of individual savings and investment. The closer the capital-gains tax comes to regular income tax rates, they argue, the more disincentive there is for saving instead of spending all of one's income.

Liberals point to the fact that the main reason the system is not as progressive in practice as it looks on the books is the exclusion of one-half of capital gains. In 1971, this exclusion accounted for 87 percent of the tax preferences used by individuals.

Wilbur Mills in the past has shown some sympathy to the concept of a graduated capital-gains tax. One approach would be to tax capital gains at the full income rate for 12 months instead of the present six, but to establish a sliding rate on assets held more than one year. The longer the asset was held, the lower the tax would be. One justification for this is that the gains made over a longer period reflect in part the change in general price levels due to inflation.

Another approach would be to tax capital gains the same as regular income, but allow very liberal income averaging. This would minimize the tax for the individual who did not regularly have large capital gains to report. While this approach would tax capital gains higher than now, it has the advantage of simplicity on its side; it would effectively end an array of tax shelters whose main attraction is to qualify some activity in the long-term capital-gains area.

PEROT'S NOVEL PLAN

H. Ross Perot, the Texas entrepreneur who made millions with his computer company and then lost some of those same millions trying to shore up an ailing Wall Street brokerage house, has a novel idea about capital gains. He would let any individual accumulate $100,000 in capital gains tax free.

If one agrees that capital accumulation is still important and that the dispersion of wealth is socially desirable, enactment of this proposal would help many small individuals get a start as capitalists before taking the full brunt of the tax impact on high incomes.

This is similar to proposals made (among others) by the Small Business Association of New England (SBANE) that the 26 percent flat-rate tax on the first $25,000 of corporate income be extended to the first $75,000 or $100,000.

The lower figure was set back in 1938, and the change in value of the dollar since then would alone justify a tripling of the figure. The reason behind SBANE's proposal is that the small firm has less access to public capital markets and should be encouraged in building up its own capital.

In a mass-oriented democracy, it is certainly easier to talk about taxing "the money made by money" the same as money made by people. On the other hand, the energy crisis has made the nation more aware of being capital-short. So any attempt to end or limit the biggest tax preference of them all may collide head on with a new appreciation of the need to create capital.

Tax Reform—IV

Washington.—One can expand on the thought that tax reform is an opportunity business.

There are still several specific reforms to be considered that might further refine the system built to date. What are some of them?

CAPITAL GAINS AT DEATH

Theoretically, the fact that unrealized capital gains are not taxed when an estate is probated (there is only an estate tax to pay) is a large loophole in the tax system. Gerard Brannon, former head of the tax economists in the Treasury and now director of research for Tax Analysts and Advocates, says, "The biggest single item of tax reform would be to tax capital gains at death."

This was one element of the tax reforms suggested by George McGovern in 1972. Besides being a loophole in the system, liberals claim that the lack of this omission makes the stock market illiquid.

A person of advanced years, the theory goes, holds onto his stocks instead of trading them or perhaps buying bonds with higher current yields, knowing that he is cutting out the capital-gains tax on them if they end up in his estate.

Conservative tax experts thinks this reasoning is entirely wrong. There are just as compelling arguments for holding onto stocks that have appreciated, they say, because no one knows whether he could do as well with re-investing a smaller amount of money after the capital-gains tax was paid. The question of what should be taxed at estate time, they say, is essentially a question of what form a transfer tax at death should take and how large it should be.

In view of the arguments both ways on this one, and the shortness of time left for this Congress, this seems one of the more unlikely changes to come out of Capitol Hill in 1974. But it is certainly one that we will hear more about.

SOCIAL SECURITY

"If we are concerned about equity at the low end of the income ladder," says Mr. Brannon, "we shouldn't talk about cutting taxes. The poor don't pay much in income taxes to begin with. Instead, we should reform social security."

The flat-rate social security-tax is widely recognized as a regressive tax. But, because social security has from its beginning been sold to the public as a kind of insurance plan, it has so far "escaped" attempts to fund any significant part of it with general revenues.

But social security also has an element of welfare about it. Recipients at the lower end of the scale and with a shorter working history get back more in relation to what they have contributed than those who have paid the maximum amount.

Mr. Brannon's suggestion is that this welfare aspect of social security, which may amount to as much as one-third of the payout each year, be funded out of general revenue. A new study just done by Alicia Munnell for the Federal Reserve Bank of Boston indicates how this might be done. She suggests a gradually disappearing social-security tax exemption for lower-paid workers. Families earning less than $4,300 would pay no social security tax. At present economic levels, this would cost about $4 billion a year, and she suggests that this be made up from general revenues.

Robert Brandon, with the Tax Reform Research Group, would increase the taxable wage base. In either case, upper-income workers would be making up the difference.

The concept that social security is something entirely separate from the rest of the tax system has delayed the day when at least part of it probably will be funded out of general taxation. When the social-security tax was less, that may have been good politics. But today social security brings in $85 billion in revenues, second only to the individual income tax, and many a working family pays more in social-security taxes than income tax.

VALUE-ADDED TAX

A value-added tax (VAT) is similar to a nationwide sales tax. The Nixon administration considered it a few years ago and dropped the idea. Liberals normally scorn it as a regressive tax, since it applies to all purchases and most of a low-income family's income is spent on consumption.

However, a VAT has several things going for it. For one thing, it is a tax on spending. If it becomes a recognized national goal to increase savings and investment, it would make sense to penalize spending and thereby indirectly lift some of the burden from saving. Mr. Brannon of Tax Analysts sees the VAT favorably. "It would encourage the $10,000 to $15,000 class to save more," he thinks.

Mr. Brannon does not endorse a VAT unconditionally. He suggests a flat exemption on the income tax of $1,000 a person, and alteration of the income-tax brackets to allow for a diminishing part of the VAT as one's income increases. Thus, the regressive features of VAT could be overcome.

CORPORATION INCOME TAX

Integration of the corporate income tax with personal incomes seems one of the more unlikely events to happen in the world of tax reform. It could be one of the most important.

Tax economists like to point out that only people pay taxes. Corporations may write the checks for their income taxes, but ultimately every expense of a corporation is borne in some combination by the workers, the buyers of its products, and its owners. Most economists agree that at least the greatest part of the corporate income tax is shouldered by the stockholders.

David and Attiat Ott, a team of economists at Clark University in Worcester, Mass., are the main authors of a new study called "Reforming the Federal Tax Structure." High on the Otts' list of goals is to simplify the U.S. tax system. And one of the steps toward that goal is to impute all corporate income to the shareholders. If all federal taxes were paid by individuals, either in the form of income taxes, excises, social security, or value added, there would be less room for disagreement over the burden of taxation actually borne by different income levels.

GENERAL CUT POSSIBLE

Before Congress is done discussing taxes this year, it is also quite possible that there will be a general tax cut. This depends in part on whether the present economic leveling off seems to be over by summer.

Tax cuts have been part of the pattern in recent tax reforms, however. If there is a consensus that those below a certain income level should pay no income taxes, that income level has to be adjusted for inflation periodically.

In fact, everyone has income in current dollars that gradually creeps into a higher tax bracket as the result of inflation. And a general tax cut would be one way to counter this trend, as well as possibly to stimulate the economy if that seemed needed later in the year.

To summarize, a nation's tax system says a lot about its quest for justice for its citizens. Plato wrote in "The Republic," "When there is an income tax, the just man will pay more and the unjust less on the same amount of income." Tax reform cannot make just men out of unjust men. But it can try to erect the laws that treat men and their incomes equally and fairly.

Because some are in favor of a specific reform and some against it does not necessarily mean that some are against justice. The United States faces the same dilemma in tax policy as it does in other phases of its society.

As the heirs of Thomas Jefferson, we are deeply committed to the doctrine of the equality of all citizens. Yet as the heirs of settlers who came to these shores looking for freedom, we are also committed to an ideal that, pursued to its ultimate, is contradictory to equality—the ideal that each man can pursue his particular interests and reach his full potential.

In tax policy, this dilemma or paradox amounts to the contradiction between an emphasis on equity, on fairness, and an emphasis on maintaining the incentives in our economic system. And, just as in political life, there is no room for either emphasis to win entirely.

BALANCE REQUIRED

There is a need both to maintain economic incentives and to strive for fairness. Those who emphasize one element of this balance must recognize that the other element also has a right to survive.

Specifically, those who talk about incentives need to remember that the poor and the middle class need incentives, too. Maybe most citizens will never contribute much in terms of capital resources. But their labor is their most important resource, and that must not be turned off or diminished by a feeling that the rich have always had it their way and that it is the rich who make the tax laws.

At the same time, those who openly want to use tax policy as a mechanism to redistribute income need to remember that there are no scientific answers as to how high taxes ought to be for the person earning $50,000 as compared with the one earning $10,000. Plugging away at the most flagrant examples of unfairness—such as the excessive use of tax preferences by a handful of people—probably is the quickest way to improve equity. And this appears to be the path Congress will continue to take.

THE FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. THURMOND. Mr. President, the word "reform" carries with it the denotation of change for the better or the removal of faults or abuses. However, as this word was applied to the Federal Election Campaign Act Amendments of 1974 which recently passed this body, it seems that this meaning was somehow forgotten. While other provisions of the bill may indeed be steps in the right direction, that section calling for the public financing of political campaigns embodies one of the most ill-conceived and unfortunate concepts proposed in the Congress in many years. By any stretch of the imagination, this is not reform. It is a step backwards that will result in political irresponsibility and insensitivity while at the same time depleting the public treasury of funds that are desperately needed in other sectors of our society.

When this bill is fully understood by the American public, a cry of indignation and disgust will arise that will not soon be forgotten.

An excellent article recently appeared in Newsweek magazine on this subject and I ask unanimous consent that it be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RIPOFF NAMED REFORM

(By Patrick J. Buchanan)

Having passed the Senate by a score of votes, "public funding" of Federal campaign is before the House. If it is enacted, the burden of financing future Federal campaigns will be shifted permanently—off congressmen, their fund raisers and "fat cats"—onto the backs of the American taxpayers.

The ultimate argument of Senate liberals has a certain crude appeal: only if you taxpayers shoulder the full cost of all our future campaigns, i.e., ads, airline tickets, polling and partying, only then can you be certain we won't sell you out to the big contributors.

This legislation amounts to as splendid a piece of political larceny as this city has seen in some time. What gives the planned political ripoff of the Treasury a special patina is that the enterprise was conceived and carried out in the hallowed name of campaign reform.

As Sen. Roscoe Conkling observed: when Dr. Johnson referred to patriotism as the last refuge of a scoundrel, he obviously had not fully considered the uses of the word "reform."

Where, during the Senate balloting, were those eloquent opponents of Congressional "conflict of interest"—Senators Bayh, Mondale, Kennedy and Jackson? Each, with unblinking eye, voted himself millions of dollars in Federal matching funds for his Presidential primary campaign in 1976—with $17 million in prize money to the winner. As they say in the Statehouse, when the political pork is about to be distributed, "What the hell do you mean 'conflict of interest'? This bill doesn't conflict with *my* interests."

WINNERS

Who will be the winners when taxpayers are forced to finance elections?

Topping the list is Common Cause and John W. Gardner, the former HEW Secretary, who, with ex-Attorney General Ramsey Clark, provided the indispensable goo-goo sheen to LBJ's war Cabinet during the years of escalation in Vietnam. When large private contributions become a Federal crime, Common Cause, the liberal lobby, becomes the likely repository for the millions in "peace" and "conscience" money that can no longer go to liberal candidates. Small wonder the Gardner team has been working the Hill as only the National Rifle Association can, when the Saturday-night special is in trouble.

Runners-up would have to be Mr. Meany and COPE. While the legislation restricts monetary contributions, no similar prohibitions are placed upon contributions in kind, i.e., the millions in manpower unions provide to candidates.

A third beneficiary would be the big media. Under the bill, conservative Republicans—prohibited from raising the funds to overcome off-year media bias in favor of liberal candidates and causes—would have to depend increasingly upon the big media's fairness, objectivity and balance. Good luck.

Fourth, the measure might be retitled the "Incumbents Preservation Act." Not only will congressmen be able to bill Treasury for campaign costs; the measure effectively clips the wings of potential challengers by denying them the financial resources needed to overcome the traditional incumbents' advantages of recognition, the franking privilege and free media in the off year.

LOSERS

Who are the losers?

First, the nation's businessmen, whose political influence will contract, while the power of their critics and adversaries in the national media and labor will be correspondingly enhanced.

Second, conservative Republicans, one of whose primary political resources will be curtailed. Third, that perennial loser when national legislators gather, the taxpayer. Certainly, he will be pleased to learn that his role in the national atonement for Watergate is to spare the friends of Senator Kennedy the burden of financing his Presidential ambitions. A fourth loser will be our major political parties. In a prophetic observation, FDR once termed welfare a "narcotic," a "subtle destroyer of the human spirit." What the dole has done to millions, public financing will do for our political parties, when they start mainlining it out of the Treasury.

That "public funding" should be ballyhooed as the answer to Watergate is thoroughly in keeping with the modern politician's instinctive response to each new "crisis" or "problem" that arises: create a new agency, draw up some new laws, give government new powers.

Even those most enthusiastic about the bill, however, leave the impression that they are unconvinced by their own arguments. Does anyone truly believe the influence peddlers and vote buyers who congregate along the Potomac will pull up stakes because the 93rd Congress has outlawed campaign contributions as a medium of exchange?

Few liberals believe that. To them, "public financing" means another new Federal agency, new Federal jobs for sympathetic bureaucrats and those new rules, regulations and guidelines they love so dearly to draw up and enforce.

All the media propaganda to the contrary notwithstanding there is no "irresistible public demand" for this legislation. Only 14 per cent of the American taxpayers, one in seven, this year exercised the political checkoff on their tax returns, despite the fact it would not have cost them a dime. The 86 per cent who voted to ignore the checkoff option seem rather more expressive of the public will than the tiny fraction who did not.

GOOD-BY JEFFERSON

To the conservative, the measure is just another utopian exercise, calling forth new restrictions on individual freedom, new intrusions into the private sector, and a new transfer of wealth, power and responsibility from the citizenry to the bureaucracy—when every lesson of the last decade screams out that we are headed in the wrong direction.

Finally, in that it requires taxpayers to subsidize candidates they oppose, the scheme is antidemocratic in nature. "To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves is sinful and tyrannical." That is what Jefferson at least believed and wrote in the Statute on Religious Freedom. And it is at least mildly heartening to know that in 1974 the caucus of the Democratic Study Group would have thrown him out on his ear.

TENTH ANNIVERSARY OF UNITED REPUBLIC OF TANZANIA

Mr. HARTKE. Mr. President, for centuries the people of what is now known as the United Republic of Tanzania, lived under the domination of foreigners. Exploitation and enslavement were part of the bitter cup from which they drank during those long and sorrowful years.

The part known as Tanganyika finally won its freedom in 1961 and in the other part, Zanzibar, revolution against their foreign overlords finally brought the people independence in 1963. Just 10 years ago—in 1964—the two states joined hands and become the United Republic of Tanzania.

is independent nation of 14 million ple is struggling to overcome the ndicaps of its colonial heritage and to ke its rightful place among the peace- ul family of nations. Indians, Pakistanis, Arabs, Europeans, and native blacks alike enjoy the warm climate of this relatively new East African state.

Primary education is compulsory and schools are being established throughout the country. More than 1,200 Tanzanians attend the University of Dar es Salaam, and another 1,400 students attend college abroad.

The people support themselves with farming, fishing, mining, and forestry. Tanzania is rich in diamonds, gold, and mica. The country is also blessed with coal, lead, iron ore, tin, tungsten, and other valuable minerals. Foreign trade is lively and growing. Despite its relatively small size, Tanzania exports close to $300 million annually in such products as coffee, diamonds, and cotton, and imports nearly $250 million in manufactured goods and food.

The head of the government is President Julius Nyerere who, in 1954, formed the Tanganyika African National Union which led the struggle for the freedom of that nation. Legislative authority is vested in the uni-cameral national assembly of 207 members, the majority of whom are elected and the rest appointed by the President.

Tanzania in many ways symbolizes the modern thrust toward independence of the former colonial state of the world. Whatever the odds, whatever the dangers and despite the cost, they want to work out their own fate, without outside interference, no matter how well-intentioned. This was the story of America 200 years ago, and this is the story of Tanzania today.

I wish to salute this new nation as it celebrates its 10th anniversity and wish it well in finding peace, prosperity, and justice for all its citizens.

SENATOR BUCKLEY ADDRESSES THE U.S. CHAMBER OF COMMERCE

Mr. BARTLETT. Mr. President, I ask unanimous consent to have printed in the Record an address delivered before the U.S. Chamber of Commerce on April 30 by the distinguished Senator from New York (Mr. Buckley).

There being no objection the address was ordered to be printed in the Record, as follows:

Speech by Senator James L. Buckley

Over thirty years ago, the Nobel Prize-winning American author Sinclair Lewis wrote a novel depicting a totalitarian conquest of the United States. The novel was titled *It Can't Happen Here* and Lewis meant the title to be taken ironically: what he was attempting to show is that men can lose their freedom if they continue to think, in the face of mounting evidence to the contrary, that "It can't happen here."

It is my thesis today that the greatest danger facing our system of free, private, competitive enterprise is the refusal of too many in the business community today to face the mounting evidence of a new passion for governmental regulation and control; a passion that threatens not only our traditional way of doing business, but the economic well-being of the American people. Too many businessmen take refuge in the assumption that "It can't happen here, at least not to me." Oh yes, it might happen to the company down the road who is being harassed by the latest directives from H.E.W.; it might happen to the major oil firms, who may have been asking for it anyway; but it can't happen to me.

If that is what you think, you are wrong. It can happen to your business. Indeed it *is* happening to you. The free enterprise philosophy is being attacked on a wider scale than ever before. It is being attacked, moreover, in the name of a new regulatory ethic, promulgated by anti-business critics in the academy and in government and implemented by the ever-ravenous bureaucracy in Washington. The new regulatory ethic has turned the old presumptions on their head. It was once understood that our economy functioned best and for the good of the greatest number when it was left to the interaction of a million daily decisions by private investors, manufacturers, sellers and consumers, each pursuing his own private gain and fulfillment. It was understood that government would interfere in these decisions only when necessary to protect an overriding and clearly defined public need, and then only to the extent required to meet that need. It was understood that the primary role of government in economic affairs was not to regulate and control the private sector, but to preserve the free, competitive, stable environment in which that sector could operate with the greatest efficiency.

But now the new regulatory ethic is on the ascendency on a broader scale than anyone could have conceived of just a year or two ago. It takes as indisputable doctrine the desirability and even the absolute necessity for the government to regulate business on an ever-increasing scale. It has its own propagandists such as John Kenneth Galbraith; its own shock troops, typified by Ralph Nader; and, as is typical with all essentially ideological movements, its own slogan: "The public interest."

I recently came across an article which demonstrated the degree to which this new ethic has managed to set the limits of public discourse concerning business. The author wrote of what he perceived as an unquestioned assumption on the part of our most influential thinkers; namely, that as the market is "imperfect . . . nearly every intervention to perfect the market is rejected . . . it can only be replaced by a political market, supplemented by bureaucratic implementation."

John Kenneth Galbraith, the high priest of a planned economy, has written: ". . . Social pressures build up, politicians respond, so the kinds of actions which are required get taken. The action may be disguised by the semantics. It will be some time before we get around to talking about planning. It will be longer, no doubt, before we get around to using so obscene a word as socialism. I sometimes use the phrase 'social action,' which is more benign. Even talk about income redistribution seems to many people still very odd and dangerous. But circumstances are in the saddle, not theory . . ."

Mr. Galbraith, I think you will agree, has at least the virtue of bluntness.

Now I want to pause here to emphasize what I believe to be the underlying importance of the passage I have quoted. The authors take for granted that the market has been rejected, what criteria were used to judge its alleged failure, what countercharges have been made simply are not even alluded to.

That a distrust of business has reached dangerous levels is to me beyond dispute. Last year the Harris survey showed that 77% of those polled wanted the government to be "tougher on business." As recently as 1966, 70% of the people thought that business was at least striking a fair balance between making a profit and providing a service to the public; today, only 29% do. In 1966, 28% thought big business was dangerous to our way of life; today, 46% do.

These figures, I might add, were compiled before the recent onslaught against the oil companies; and this brings me to the arena in which I believe we can most clearly discern where the new impulse to regulate will be leading us unless headed off by those who best understand why the public interest is best served by the economic system that is under such heavy attack. But before sketching some of the wondrous new areas of governmental intervention that have been spawned in Congress in response to the energy crisis, I think it useful to try to place the oil and gas industry in some sort of nonhysterical perspective. Otherwise some of you might be inclined to consider that industry so far outside the norms of American business as to make its current tribulations irrelevant to you, or to American business as a whole.

The first part of wisdom, it seems to me, is to distinguish between foreign and domestic operations within the industry, for it has been the extraordinary impact of abnormal events affecting foreign operations during the past year—primarily the awesome rise in crude prices mandated by the Middle Eastern producing states—that has caused the profits of companies with major foreign holding to rise to such dizzying heights. In point of fact, about 85% of the "obscene profits" referred to by Senator Jackson is directly attributable to foreign factors that, presumably, it is beyond the capacity of the Congress to control, short of a return to gunboat diplomacy.

Placing the abnormal aside, what are the major characteristics of an industry that has drawn such thunderbolts of Congressional displeasure? Speaking in terms of domestic operations which, after all, are the ones that are most relevant to questions of domestic policy, the industry is divisible into three major activities:

The production of oil and natural gas, in which over 4,000 producers are currently active;

The refining of petroleum, in which over 125 firms are active; and

The marketing of petroleum products and natural gas, which has no less than 500 competitors—and probably more.

Looked at in terms of concentration, the oil and gas industry presents us with this picture: the top four companies account for 27.1% of crude oil production; 24.4% of natural gas production; 32% of refining; and 29% of marketing.

If, in search of more dramatic concentrations, we expand our base to the top eight companies in each area, we find their control to range from a low of 48.3% in the case of natural gas, to a high of 56.3% in the case of refining.

Thus the domestic oil and gas industry is not much different from other large American industries except that contrary to myth, whether viewed in terms of competition between its component parts or between integrated entities it represents a significantly lower market concentration than a number of other capital-intensive industries, such as steel, autos and aluminum.

In terms of profitability, the domestic oil and gas industry is again well within the parameters of general business experience within this country. Over the past five years, the return on investment has averaged around 10%. And even though 1973 saw a rise to 11% from the prior year's 9.6%, this higher figure is still below the average for U.S. manufacturing companies generally.

Moreover, there is no clear evidence at this point that domestic earnings are about to go into orbit. In fact, drowned out by the headlines that announced last week new record first quarter earnings for Texaco and Gulf, was the fact that although their respective global earnings were up 123% and 76%, reportedly, over the same period last year, their domestic earnings had declined significantly.

I do not suggest, in this thumbnail sketch of the industry, that individual companies here and there may not have colluded with one another to violate anti-trust laws or to take unconscionable advantage of existing shortages. I simply do not know whether or not they have, and I assume we have ample laws on the books to cope with such situations. What I do suggest is that the industry is not so clearly distinguishable from all other forms of American corporate enterprise that no responsible leader in American industry can afford to be unconcerned over the shape of the sometimes-punitive and always-overly restrictive legislation that is now being designed for application to the oil and gas business. For whatever new patterns of control are fashioned today for application to oil and gas companies will most assuredly be available tomorrow for application to whatever other industry is then the popular whipping boy.

Let me sketch for you the new compulsion to regulate what I have observed over the last year or so, as well as some of the new forms of intervention that are now being seriously planned.

As a member of the Interior Committee I have observed the evolution of most of our recent bills, and have kept a weather eye on related legislation being hatched elsewhere in the Senate. I have watched with awed fascination as idea after idea has surfaced—ideas that just a few years ago would have been deemed unthinkable. Some of these have now been enacted into law; others would now be law but for Presidential vetoes; and still others are on the drawing board, with important support from some of the most influential members of the Senate.

Let me cite a few specific examples.

The zeal to regulate ran wild in the Emergency Petroleum Allocation of 1973, reported out by the Interior Committee in May of last year, well in advance of the Arab oil embargo. This legislation provided for mandatory allocations of petroleum products and the regulation of prices in accordance with arbitrary standards written into legislative concrete, as often as not without benefit of hearings. It authorized the regulators to discriminate as between end users without provision for prior hearings.

It prohibited "exhorbitant price increases" without establishing criteria for determining when prices were in fact exhorbitant; and it also had the effect of modifying or abrogating existing contracts. The Emergency Petroleum Allocation Act, in short, is a classic piece of arbitrary, excessive, and rigid regulation that has in practice made more difficult the incredibly difficult responsibilities of the Federal Energy Office. It represents a significant escalation in degree of the kind of regulatory authority to which too many in business have become inured.

Then, of course, we have the energy emergency acts in their various forms. The following is a sampling of provisions that might now be law but for the fact that two Presidential vetoes have been sustained:

The first version of the Act would have authorized any purchaser of any petroleum product to bring suit against any seller for the recovery of what a Federal Renegotiation Board subsequently determined to be the difference between an ordinary rate of profit and a windfall profit. This provision would have been an astonishing invitation to law suits across the nation as individuals purchasing gasoline or heating oil from retailers, or retailers purchasing from wholesalers, and so on up the line, decided to determine whether in their particular case an excessive price was charged.

The second Energy Emergency Bill, which invoked price rollbacks, also sought to plow virgin regulatory ground. In this instance, the legislation presumed to establish a base price of $5.25 per barrel of domestic crude oil, while providing the President with a highly limited authority to allow certain categories of oil to be priced at up to $7.09 per barrel, but no higher—irrespective of future circumstances. This represented a venture into statutory price fixing that is unparalleled in our experience.

Another bill now under serious consideration is truly awe-inspiring in its sweep. I speak of S. 2782, which is designed to establish a national energy information system. It was jointly introduced last month by Senators Nelson and Jackson, and is co-sponsored by twenty-five other Senators among whom are a half dozen of the Senate's most powerful men.

S. 2782 uses the cloak of verification of energy data as a carte blanche for the Federal government to discover almost any company information whatsoever whether it has direct bearing on energy or not. Part of the motive here is to achieve public disclosure of sources of profits, resource reserves, consumption, productivity, patterns of ownership, capital requirements, and related proprietary information and trade secrets. Here the extent of discovery is not limited to energy-producing companies alone but extends to any company which consumes significant amounts of energy. But I think in this case it is best to let the bill speak for itself as to what its authors seek to create.

To give you the flavor of this remarkable proposal, let me quote from some of its provisions:

Under the section titled "Inspection of Records; Subpoenas: Enforcement of Subpoenas", we find the following:

"The Administrator . . . shall have right of entry to the real property and access to any books, documents, papers, statistics, data, information, and records of any company, business, institution, establishment, or organization of any nature whatsoever, when the purpose of such access is to obtain or verify energy information which (he is) authorized by this Act to obtain."

And what is to be done with all the information that the Administrator is authorized and directed to gather? For your enlightenment, I shall now quote from the section entitled "Classification of Information":

"Energy information received by the Administrator shall, in general, be classified public. Energy information shall be classified confidential if . . . the company shows by clear and convincing evidence that such information constitutes a trade secret (whose) disclosure . . . would cause substantial harm to the competitive position of the company. . . . Notwithstanding a sworn statement . . . and an affirmative finding by the Administrator (that the information is otherwise entitled to be held confidential) . . . the Administrator shall classify public any energy information when he finds: 1) such energy information is in the possession of any person not employed by the company . . .; or 2) the benefit to the public interest (presumably as defined by Ralph Nader) in immediately classifying such information public outweighs the demonstrated harm to the competitive position of the company. . . ."

Another bill that is in the final mark-up stage is the Consumer Energy Act now being considered by the Senate Commerce Committee. This bill, among other things, would extend the Federal Power Commission's policing authority to all sales of natural gas, crude oil and a number of specified refined products, whether interstate or intrastate, such pricing to be based not on the interactions of the marketplace, but on the public utility concept of cost plus a fair return. This legislation would also create a Federal Oil and Gas Corporation to explore for and produce oil and natural gas on Federal lands so as to be able to establish standards of enlightened management in the public interest by which to measure the performance of those companies continuing to operate in the private sector.

Let me make final reference to a bill that is still in the process of gestation, as it suggests the extent to which some influential members of Congress are now prepared to go on imposing Federal direction on what has hitherto been considered the province of private management and shareholders. I speak of a Corporate Chartering Bill. From all accounts it would require a Federal Charter for all energy companies as a condition precedent for their continuing to do business in the United States. To obtain such a charter, the company would be required to disclose any and all information requested of it by a Federal Chartering Board. Then if the Board found the public interest would be served, it would grant a charter.

The bill reportedly also provides for "public" members to be appointed to the board of directors of chartered companies with an unrestricted right of access to all company records and a duty to initiate suits against the company to enjoin it from taking certain actions not in the public interest.

This completes my rather general overview of what one industry is now facing because it has been judged not to be acting in the public interest by the upholders of the new regulatory ethic. I submit that the pattern of federal encroachment that is apparent in this package of energy bills and proposals ought to be of as great concern to the full membership of the United States Chamber of Commerce as it is to the membership of the American Petroleum Institute. For what is at stake is not the fate of one industry, but the very life of our economic system as we have known it.

For years, now, too many American businessmen have been excessively parochial in their concern for legislation. They have sought and welcomed special favors; they have grown comfortable with regulations that serve to protect some businesses from the hazards of a truly competitive environment. Too many have shown a remarkable lack of concern over the gradual erosion of the conditions which allow a free economy to function. Too many actually welcomed the imposition of the first wage and price controls in our history.

The time has come for a display of true statesmanship within the American business community. The time has come when those who understand our economic system, those who have confidence in it, those who know it has been the most effective and efficient system for the organization of human resources for the satisfaction of human needs, to begin thinking about protecting that system rather than protecting narrow business interests.

This means that every member of this Chamber must become as concerned over the thrust of current energy legislation as those who are intended to be its immediate victims. This means that the American business community must become more directly concerned over the general level of public appreciation of how our system works. This means that great resources of American business should be joined together—for the good of the country—in an effort to stem the tide that is now running so discernibly against the basic concepts of a free press and competitive capitalistic system.

But how is this to be done? First of all representatives of every sector of American business must begin lobbying now for the presentation of the free enterprise system; they must seek to preserve and strengthen the economic and governmental environment in which our economic system can best flourish. They must learn to spot legislation that promises to establish new patterns of federal regulation or control on any sector of American business is not justified by a clearly identifiable public need, they must try to block it by coordinating and mobilizing the vast resources represented by American business. By resources, I mean not just money, but the experience and energy represented by its management, and most particularly, by that pool of politically sophisticated and knowledgeable men and women who represent every segment of American business here in Washington. These men and women ought to be directed to lobby against the adoption of any legislation, whoever it directly effects, that establishes new precedents dangerous to our economic system; and in the process, they can help our legislators achieve a more accurate understanding of how our economic system operates, and why left substantially alone it will continue to serve the greater public interest.

One thing American businessmen cannot any longer afford to do, and that is to stand idly by. They must gain a new recognition of the interdependence of all American industry. It means that every businessman must see a threat to one as a threat to all.

Or, to borrow a phrase from John Dunne: "Ask not for whom the regulatory bell tolls; it tolls for thee."

RULES OF THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the Committee on the Judiciary, at a meeting held May 1, 1974, adopted the following rules for the committee:

Resolved, by the Committee on the Judiciary, That, pursuant to subjection (3) of rule XXV, as amended, of the Standing Rules of the Senate (S. Res. 180, 81st Cong., 2d sess., agreed to February 1, 1950) a quorum of the committee, or any subcommittee thereof, for the purpose of taking sworn testimony shall consist of one Senator of said committee.

Resolved, by the Committee on the Judiciary, That the committee shall not take any action with respect to any report pertaining to an inquiry or investigation conducted by any subcommittee, unless, at least one day before such action is taken, a copy of such report is furnished to each member of the committee. If, within 24 hours after a copy of any such report has been furnished to any member as herein provided, the member shall request that action be deferred thereon, no action shall be taken by the committee on the report prior to the 14th day after the day on which the report was furnished to the member or members requesting the deferral, unless an earlier date is specified by such member or members.

SEC. 2. For the purpose of this resolution, a copy of any report may be furnished to a member by (1) delivery to the member, or (2) delivery to the office of the member during office hours.

Resolved, by the Committee on the Judiciary, That the Internal Security Subcommittee shall, during the 93d Congress, continue its practice of conducting a hearing in executive session with each witness it subpenas, prior to any hearing of such witness in open session.

FINANCIAL STATEMENT OF EDWARD W. BROOKE

Mr. BROOKE. Mr. President, I have long advocated and supported legislation to require disclosure by Members of the Congress of their financial holdings and sources of income. Such efforts have not succeeded. Thus, I have decided to make a public disclosure of my holdings. In considering how I might best do this, I have been conscious of the public's right to know as well as the basic rights of privacy of all Members of Congress and their families.

In 1963, when I assumed the office of attorney general of the Commonwealth of Massachusetts, I discontinued my law practice. Since then, as attorney general and U.S. Senator, I have not practiced law, nor have I been associated with any law firm.

I do not presently have any interest in a private business firm. The principal source of my income since 1967 when I became a Member of the U.S. Senate has been my salary. That salary was $30,000 annually from January 3, 1967, to March 1, 1969, and $42,500 annually since. The major supplement to my salary has been from lecture fees and published articles. That supplementary income has averaged $13,654.52 in the 7 years since I have been in the Senate. In addition, I have also realized for the past 7 years income totaling $10,523.12 from trustee and director fees. My total supplementary income from all of these sources has averaged $15,157.82 per year for the past 7 years.

In addition, I receive rental income from the properties I own on the islands of Martha's Vineyard, Mass., and St. Martin, French West Indies. I began renting the Martha's Vineyard property in 1969 and the gross income before expenses from that property for the past 5 years has averaged $1,993 per year. I began renting the St. Martin property in 1970 and the gross income before expenses from that property for the past 4 years has averaged $7,824.34.

I presently own the following stocks with market quotations as of May 2, 1974. During the 7 years I have served in the Senate, my dividend income during this period has averaged $291.23 per year.

(Value as of market quotations, May 2, 1974)

Shares and stock:

200	Pan Am Sulphur	$3,375.00
100	Fairtex Mills	250.00
2,000	Earl Graves Publishing	2,269.00
103	Columbia Pictures	270.38
216	Image Systems	243.00
1,100	Lewron TV	137.50
100	Fotomat	387.50
6,054	New Jersey Life	4,162.12
3,675	Rem Win Development Corp.	46,500.00
1,000	Great Lakes Silver Mines	30.00
2,000	Omega Alpha	1,500.00
105	General Felt & 7 conv. $100 bonds	687.75
1,000	Shareholders Capitol	312.50
15,000	Unicom	39,375.00
		99,499.75

My home at 535 Beacon Street, Newton, Mass., was purchased on January 4, 1963 for $38,500. The original mortgage in the amount of $30,000 is held by the Boston Five Cents Savings Bank.

Two houses and land at 32–34 Nashawena Park, Oak Bluffs, Martha's Vineyard, Mass. were purchased on July 1, 1958 for $18,000. The original mortgage in the amount of $15,000 was held by Anna V. Jeffers and later transferred to the Wareham Savings Bank on May 25, 1965. This mortgage was refinanced on December 26, 1969 for $86,000 with the South Boston Savings Bank.

A house—LaBatterie—at Friar's Bay, St. Martin, French West Indies, together with personalty, and 10 acres of land in Riley Hill were purchased on December 31, 1969 for $190,000. This property was financed by a personal loan from the Commonwealth National Bank on December 26, 1969 in the amount of $125,000 and with proceeds from the aforementioned mortgage on the Oak Bluffs Martha's Vineyard property.

A duplex apartment—cooperative—at 2500 Virginia Avenue, Washington, D.C. was purchased on October 5, 1972 for $67,500, subject to an existing mortgage in the amount of $24,528.57 held by the John Hancock Mutual Life Insurance Co.

Since I have no intention of liquidating any of these holdings, I am unable to state their present or future market value.

THE GENOCIDE CONVENTION: ANSWER TO QUESTIONS

Mr. PROXMIRE. Mr. President, U.S. ratification of the Genocide Convention would clarify any doubts other nations have on how the United States stands on the issue of genocide. For the past 25 years, the U.S. Senate has delayed any direct action on this treaty. There can be no compromising or wavering when it comes time to take a stand on the crime of genocide.

As the first human rights treaty signed by the United Nations, it was passed unanimously, due to the tremendous support given by our country. An entire generation has grown to maturity since the U.N. passed the Genocide Treaty. Ironically, the United States has not ratified this humanitarian treaty. Immediate consideration and passage will answer the questions raised by our failure to act. On an issue as important as genocide the United States should make its position clear. We absolutely oppose genocide. The American people's support of all attempts to prevent genocide would be shown by Senate ratification of the Genocide Convention.

SENATOR BENTSEN'S TESTIMONY ON THE NEED FOR INCREASED AGRICULTURAL RESEARCH

Mr. TALMADGE. Mr. President, on April 24 my distinguished colleague from Texas (Mr. BENTSEN) testified before the Subcommittee on Agriculture, Environmental and Consumer Protection of the Senate Appropriations Committee. He testified on the need for increased agricultural research to meet worldwide demand for food. I believe that the Senator from Texas has made an excellent case for expanded agricultural research, and I would like to share his remarks with the entire Senate. He has pointed out that in this time of worldwide food shortages and increased demand for American agricultural products the administration is actually reducing agricultural research. The personnel of the USDA Agricultural Research Service has been reduced by almost 10 percent since 1970. He has also pointed out that the Nation's prosperity and the current huge contribution that agriculture makes to our balance-of-payments situation is due to the greatly expanded productivity of the American farmers in the past few decades.

Late in 1973, the Director of the Office of Management and Budget, Mr. Ash, and his assistants met with me, as the chairman of the Committee on Agriculture and Forestry, and with the ranking minority member to discuss the committee's budget priorities for fiscal year 1975. We told Mr. Ash that we felt that there should be increased funding in two areas: First, rural development; second, agricultural research. I had hoped that our recommendations would be seriously considered. The President's budget does provide for a small increase in the budget for agricultural research, but it is only sufficient to take care of the inflated cost of research materials, buildings, equipment and salaries of research personnel.

Mr. President, as a result of the passage of the Agriculture and Consumer Protection Act of 1973, the American taxpayer will realize substantial savings in the farm program. Secretary Butz has testified that this year's total USDA budget will reflect a reduction of $3.4 billion in subsidy payments as compared with the 1973 budget. It would seem that it would be wise to use at least a part of these savings from subsidy payments to invest in the future of American agriculture and in the future of the consumer of American agricultural products. The Senator from Texas has made this point eloquently and I commend his statement to the attention of the Senate. Mr. President, I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR LLOYD BENTSEN BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, APRIL 24, 1974

A. Rising food prices.

1. 40% fear food shortage within 10 years.

2. Food inflation affecting whole economy.

B. Success of agriculture research in increasing productivity.

1. Hybrid corn.

2. Egg production.

3. Milk production.

4. Meater hogs.

5. Meater chicken and beef.

C. De-emphasis in agriculture research.

1. 10.7% of budget in 1955, 2.5% today.

2. 10% reduction in manpower.

3. Same research capability as 14 years ago.

4. Administration's intent to reduce budget.

D. Proposal of Director's budget.

1. Increase of $27,000,000 over the President's.

2. Action oriented, not just cost of living increase.

3. Detailed programs for increasing research for the major food crops and livestock.

4. Forest research and rural development.

5. Legislation involved is Hatch, McIntire-Stennis, Rural Development Act of 1972, and Public Law 89–106 (special grants).

E. Feasible.

1. $3½ billion has been trimmed from the U.S.D.A. budget since 1972.

F. Summary.

1. Act now to benefit consumer.

Mr. Chairman, I appreciate this opportunity to appear before this distinguished Subcommittee. I am here to plead a case on behalf of the American consumer and ask this Committee to take steps to increase our farm productivity and bring down food prices.

Mr. Chairman, at one time this country was known as the "Land of Plenty". However, in the last year, headlines have not told of plenty, but of shortages and feared shortages, of price freezes lifted, of angry consumers, of irritated and confused farmers, and of devaluations and balance of payments problems. This situation has brought at a minimum genuine concern and at a maximum, bewilderment to the minds of Americans. It is no wonder that in face of these headlines, a recent study has revealed that 40% of our populaton fear a serious food shortage in this Country within the next 10 years.

Mr. Chairman, the situation is very serious. For the first time in years the percentage of the family budget being spent on food has increased. This fact has sent repercussions all through our economy. It is a warning that we in Congress must review what has kept our food costs down in the past, and increase our efforts to return to the days of plentiful, economical food.

One of our greatest assets in maintaining low food prices has been the unsurpassed productivity of the American farmer, aided to a great extent by the agricultural effort of this country. It is research that has given our farmers the knowledge and expertise to be able to produce plentiful quantities of food.

Past examples of our agricultural research accomplishments are dramatic:

Through the development of hybrid corn, and related production practices, National corn yields have doubled in the last 15 years.

Yearly egg production has increased from 200 to 300 eggs per hen due to research efforts.

Milk production per dairy cow has increased 50% in the last 15 years due to advances in genetic research, animal nutrition and management.

The hog has been completely re-designed so that the average yield of lard per hog has dropped 27% while red meat has increased 11%.

The poultry industry increased its production and efficiency greatly to the benefit of the consumer.

The poultry broiler was unknown forty years ago, but after extensive research, it is now the basis for a plentiful, economical supply of chicken.

In addition, the productivity spawned by research has enabled this country to greatly expand its export effort.

From one-half to three-fourths of the U.S. wheat crop is now exported, one-fifth of our corn, about one-third of our cotton, and more than one-half of our soybean crop. Our exports of farm products added $17.7 billion to our balance of payments in the calendar year 1973. These exports have played a large part in helping erase our trade deficit and stabilize the dollar.

Thus our country's investment in agricultural research and developments systems has paid off in abundant and low cost food for consumers at home and in outstanding commercial gains in world trade.

These successes are dramatic, but they have lulled this country into taking its agricultural productivity and research for granted. The emphasis on research in recent years has decreased, and it is a disturbing fact.

Mr. Chairman, in 1955, 10.7% of the total U.S.D.A. budget was expended in research and development. In 1973, only 2.5% of the U.S.D.A. budget was marked for research. This is a dramatic reduction and would have been even worse had not the Congress, on the wise recommendation of this Committee increased the 1973 R & D figures over what the present Administration had recommended.

Perhaps the clearest example of a reduction in the emphasis of Agricultural research is the fact that due to the policies of the current Administration, the personnel of the U.S.D.A. Agriculture Research Service has been reduced by almost 10% since 1970. This personnel reduction coupled with the fact that our funding of agriculture research has not kept pace with inflation, has forced our research effort to remain stagnant at roughly 1960 levels—fourteen years behind with today's skyrocketing food prices!

Mr. Chairman, I ask unanimous consent to insert at this point a chart which demonstrates how our expenditures for agricultural research have not kept pace with inflation.

(Chart not printed in Record.)

In addition, Mr. Chairman, in last year's budget, the Administration indicated that it is their long-range goal to continue to reduce the spending on Agriculture research. I quote from the President's 1974 budget where it stated the intention to:

"Curtail anticipated growth in agricultural extension programs and reduce Federal support for agricultural research of primarily local benefit and low National priority."

The definitions of this phrase are subject to question, but it is my position that we in Congress must not allow the research that can lower our food prices to be caught in this philosophy.

We must also be concerned about the question of whether we can continue to produce as abundantly as we have in the past. For a great many years, the United States has been blessed with favorable moisture for bountiful crops. But this could change, like it has in Africa. In fact, recently several scientists have begun warning that the world's weather is changing and that adequate rainfall could become a critical problem across the world.

Mr. Chairman, the clear de-emphasis of agriculture and the increasing problems in meeting our food demands are very disturbing and I appear before you today with the plea that we in Congress hear the cry of the consumer and increase our emphasis on Agriculture Research in an effort to bring down food prices and to prevent drastic food shortages.

There is an effective plan to do this in the form of a proposed budget which the Directors of the Stage Agricultural Experiment Stations have proposed. The Directors carefully analyzed their ongoing research programs in the line with the Nation's research needs and presented to the Secretary of Agriculture a budget for 1975 which would provide the appropriate funding needed to attack the problems which face America's agriculture. Yet the budget recently submitted to the Congress by the President reflects very little of their input. Instead, the President's is a "business-as-usual" budget, one which does not seem adequate to accomplish what must be done through research to provide our farmers and ranchers with adequate incomes without spiralling food prices for our consumers.

Mr. Chairman, permit me to provide to the Committee and submit for the Record a copy of the 1975 Federal budget for agricultural and forestry research as proposed by the Directors of the State Agricultural Experimental Stations. It is an action-oriented research budget, and I shall proceed to compare their request with specific items in the Executive Budget where appropriate.

The directors of the State agricultural experiment stations and the National Association of State Universities and land grant colleges support the following changes—increases—in Federal support for research—fiscal year 1975:

Hatch Act (P.L. 84–352 as amended 1955):	
1974 Appropriation	$70,104,000
Increases for 1975:	
Cost of conducting research	4,071,000
Research program expansion	21,063,000
CSRS (USDA) Administration	754,000
Total Hatch increase	25,888,000
1975—Total Hatch requested	95,992,000
McIntyre-Stennis (forestry research):	
1974 Appropriation	$6,203,000
Increase for 1975:	
Cost of conducting research	372,000
Research program expansion	1,884,000
Total McIntire-Stennis increase	2,256,000
1975—Total requested	8,459,000
Specific Grants (P.L. 89–106):	
1974 Appropriation	700,000
Increase Requested	3,081,000
1975—Total Requested	3,781,000
Special grants—colleges of 1890 (P.L. 89–106):	
1974 Appropriation	10,883,000
Increases for 1975:	
Cost of conducting research	653,000
Research program expansion	1,884,000
Total Increase (1890)	2,537,000
1975—Total Requested	13,420,000
Rural Development Act of 1972 (P.L. 92–419):	
1974 Appropriation	1,500,000
Increases for 1975:	
Cost of conducting research	86,000
Research program expansion	2,086,000
CSRS (USDA) administration	86,000
Total Rural Development increase	2,258,000
1975—Total requested	3,758,000
Total requested 1975	[1] 125,900,000

[1] Includes $490,000 Federal Administration.

Increases requested from Federal sources—CSRS—in support of agricultural, forestry, home economics and rural development research at the State agricultural experiment stations, forestry schools, colleges of 1890 and Tuskegee for fiscal 1975.

HATCH

A. Increased cost of conducting research (6% of fiscal year 74 appropriation), $4,071,000.

3. CSRS Administration, $754,000.

C. Program response to urgent needs, $21,063,000.

1. Improvement of environmental quality and conservation of natural resources, $4,647,0000.

a. Waste management and utilization, $1,450,000.

b. Reduction of pollution from chemicals used in agriculture, $1,450,000.

c. Improved management and conservation practices to reduce runoff and erosion, $1,747,000.

2. More efficient crop production through new and improved high yielding, better quality disease and insect resistant varieties, product quality improvement and improved production management practices and marketing, $6,811,000.

a. Corn, $906,000.

b. Soybeans, $1,450,000.

c. Grain sorghum, $544,000.

d. Wheat, $830,000.

e. Forages, $906,000.

f. Cotton, $1,025,000.

g. Fruits, $575,000.

h. Vegetables, $575,000.

3. More efficient livestock and poultry production through improved disease and insect control, reproduction, product quality improvement and production management systems and marketing, $6,814,000.

a. Beef, $3,262,000.

b. Dairy, $906,000.

c. Poultry, $906,000.

d. Swine, $1,450,000.

e. Sheep, $290,000.

4. Human nutrition and food safety, $2,791,000.

a. Improved nutritional quality of crops and livestock products, $800,000.

b. Protecting food from mycotoxins and other natural occurring contaminants, $800,000.

c. New and improved food products for domestic and export markets, $600,000.

d. Nutritional requirements of people, $591,000.

Total—Hatch, $25,888,000.

M'INTYRE-STENNIS

A. Increased cost of conducting research (6% of FY 74 appropriation), $372,000.

B. Program response to urgent needs, $1,884,000.

1. More efficient forest management practices, $652,000.

2. New and improved use of forest materials, $652,000.

3. Improved biological efficiency adapted to soils and climatic conditions, $580,000.

Total—McIntyre-Stennis, $2,256,000.

Specific Grants to Further USDA Programs Public Law 89–106:

1. Pest management systems including weeds, insects and diseases, $544,000.

2. Unique approaches to solving the energy crisis in rural America, $812,000.

3. Land use, $725,000.

4. Transportation and marketing problems of agricultural and forestry products, $1,000,000.

Total—Specific Grants, $3,081,000.

Special Grants at Colleges 1890 and Tuskegee Public Law 89–106:

A. Increased cost of conducting research (6% of FY 74 appropriation), $653,000.

B. Program response to urgent needs, $1,884,000.

Total—Special Grants, $2,537,000.

Rural Development:

A. Increased cost of conducting research (6% of FY 74 appropriation), $86,000.

B. Program response to urgent needs, $2,086,000.

C. CSRS Administration, $86,000.

Total—Rural development, $2,258,000.

Total Increase in program support, $36,020,000.

Mr. Chairman, appropriations under the Hatch Act of 1887 in the President's budget provides for increased funds to only meet increased costs of conducting research, and as are required to be set aside for Federal administration. No additional funds for expanding the research effort of the State Agricultural Experimental Stations are included under this authorization. However, the Directors of these stations have proposed, and I endorse, additional funding of $21,844,000 under this authorization. They have indicated the topics which they feel need to be more adequately studied.

These include:

1. An expanded research effort to maintain and improve the quality of our natural resources of soil, water and air as it relates to agricultural forestry. Research to be undertaken will include waste management and utilization, especially as concerned with animal production systems; studies concerned with the reduction of pollution as a result of the use of chemicals in agriculture, and research on improved management and conservation practices to reduce runoff and erosion, thus protecting our soils and water supplies. Funds requested are $4,647,000 for this area of work. In comparison, the President's budget does not provide for any expansion of effort in this area under this authorization.

2. An expanded research effort designed to study more efficient methods and provide superior materials for crop production. To be investigated are new and improved high yielding, better quality disease and insect resistant varieties, improved production, management and marketing practices. Emphasis would be on major crops including corn, soybeans, grain sorghum, wheat, forage crops, cotton, fruits and vegetables. An appropriation of $6,811,000 is requested to expand this effort. In comparison, the President's budget does not provide for any expansion of effort in this area under this authorization.

3. An expanded research effort to provide our country with more efficient livestock and poultry production through improved disease and insect control, improved reproductive efficiency, improved product quality, and improvement in production management systems and marketing. Included would be investigations on beef, dairy products, poultry and poultry products, and swine and sheep problems. An appropriation of $6,814,000 is requested. In comparison, the President's budget again does not provide for any expansion of effort in this area.

Mr. Chairman, this portion of the budget, and the one described just before it, are perhaps the most important part of the total proposed budget. It is these sections that are most vital to fund in order to increase our farm productivity. And it must be our goal to increase productivity in order to lower production costs and in turn lower the price of food to the consumer.

Also included in the Director's budget is a research effort on human nutrition and food safety to expand the work in nutritional quality of crops and livestock products, protecting our food from mycotoxins and other naturally occurring contaminants, development of new and improved food products for domestic use and for export markets, and to more fully understand the nutritional requirements of people. An appropriation of $2,791,000 is recommended in this work.

Mr. Chairman, our Nation also needs expanded research efforts to assure an adequate supply of forest related products such as lumber and paper. The McIntyre-Stennis Act was passed to enable an expanded research effort in this important area. I note that the President's proposed budget provides only funds to theoretically offset the increased cost of doing research which face the participating schools. I urge the Congress to increase these funds in line with the recommendations made by the scientists and administrators involved: to provide an additional $1,884,000 so that research can be expanded on more efficient forest management practices new and improved uses of forest materials, and to improve the biological efficiency of forest trees in their adaptation to diverse soil and climatic conditions. This is important, Mr. Chairman, in view of the lumber shortage this country is facing. Just behind the need for economical food is the critical need for affordable housing. And affordable housing is an impossibility unless we can keep lumber prices affordable.

Mr. Chairman, Public Law 89–106 permits the Secretary of Agriculture to make specific grants to further the program of the U.S.D.A. Under this authorization, the President's proposed 1975 budget carries $3,600,000 in funds for projects on environmental quality, food and nutrition, soybean, beef and pork production. Mr. Chairman, though the Director's budget does not contain these funds in the form of grants, and I am not adverse to these special grants. Rather, I feel that these topics are most suitable subjects for research under the Hatch appropriation: That it would be wise for the Congress to provide the additional Hatch funds which I have outlined to this Committee earlier in my testimony. At the same time, I bring to the Committee's attention some topics which the Directors of the State Agricultural Experimental Stations have proposed to the Secretary of Agriculture for inclusion under this authorization.

They include:

Research on unique approaches towards solving the energy crisis in rural America—$812,000, research on Land Use—$725,000, research on transportation systems and transportation problems as they relate to the marketing of agricultural and forestry products—$1,000,000.

Please note that the Director's budget contains a lower appropriation for grants because it proposes much of the same research under the Hatch Act appropriations. This enables each project to be benefited by the required State matching funds.

The Director's also project research on pest management systems including weeds, insects and diseases, an item also included in the President's budget.

Mr. Chairman, funds are appropriated under Public Law 89–106 for the Secretary of Agriculture to distribute to the Land Grant Colleges of 1890 and Tuskegee Institute in support of their research programs in agriculture. The proposed 1975 budget provides new monies to cover the increased costs of doing research but provides for no expansion of their research efforts. I recommend to you that $1,884,000 in additional funds be provided these institutions in line with the expanded research effort which they have projected to undertake. Mr. Chairman, at this point may I insert for the Record information on how these funds are to be utilized:

Distribution of funds research request, colleges of 1890–1975 budget

Research program and code and topic:	*Funds*
1.02—Water and water sheds	$14,000
1.04—Environmental quality	57,000
2.08—Alternate uses of (forested) land	64,000
3.01—Corn	16,000
3.02—Grain sorghum	8,000
3.06—Soybeans	221,000
3.10—Cotton	9,000
3.13—Fruit	18,000
3.14—Vegetable crops	82,000
4.01—Beef	89,000
4.03—Poultry	35,000
4.04—Sheep and wool	21,000
4.05—Swine	16,000
4.07—Aquatic food animals	17,000
5.01—Food and nutrition	550,000
5.03—Rural development	636,000
6.01—Farm adjustment, prices, and farm income	31,000
Total	1,884,000

And, Mr. Chairman, the last item of the budget I wish to address the Committee about is concerned with appropriations under Title 5 of the Rural Development Act of 1972. Last year a total of $1,500,000 was provided under authorization of the legislation, far below the level of funding indicated in that Act. The President's budget indicates no change in this item for 1975 although as much as $10,000,000 is provided for by the authorizing legislation.

The Directors of the State Agricultural Experiment Stations and the officials of the National Association of State Universities and Land Grant Colleges have recommended an increase of $2,258,000 to finance the research effort which is being undertaken in this vitally important topic. These people are located out in rural America; they know what the problems of rural development are. I endorse their recommended increase in funding and urge this Committee to do likewise.

Mr. Chairman, the Director's budget calls for an increase of $27,198,700 over the President's budget. However, I believe it is feasible to provide for this increase. Secretary Butz has testified that this year's total U.S.D.A. budget will reflect a reduction of $3,449,000,000 in subsidy payment as compared with the fiscal '73 budget. In addition, the expenditures of the Commodity Credit Corporation have been reduced $247,000,000 since fiscal 1972. These two reductions represent a savings of over three and a half billion dollars since 1972. In face of this savings, I believe the Director's request for an increase of $27,198,700 in agricultural research is a feasible request.

Secretary Kissinger recently proposed that we export our expertise and technology to help increase the world's fertilizer production capability. If we can do this, I certainly think we can take the steps to increase our own total agricultural productivity.

Mr. Chairman, at no time in our history has a strong productive agriculture been as important to our Nation's welfare as today. As we project the role that an adequate, hopefully bountiful food supply can play in our country's future, it becomes even more important that we recognize the mammoth task to be undertaken by our agricultural scientists. They must, through their research efforts, help guarantee that our citizens have wholesome and plentiful food available to them, that there will be food available for needed foreign trade, and that likewise we will have food which can be used as a weapon of good will to insure peace in the world. Our scientists need adequate support so that they may accomplish the work that needs to be done.

Today we are experiencing an energy crisis. It has created unemployment and misfortune for many of our citizens. Had the Government been foresighted enough, Mr. Chairman, to have developed an expanded energy research program in previous years, this energy crisis might have been avoided and with future fuel supplies protected and conserved as well. I seek today to orient our agricultural research budget toward avoiding a food shortage.

The anger the American public has displayed over lengthy lines at gas stations will seem minor compared to their anger if we in Congress fail to meet the challenge of increased food demand. A food shortage must not be allowed to occur in this country.

Mr. Chairman, that concludes my statement.

NUCLEAR THEFT AND HOMEMADE BOMBS

Mr. RIBICOFF. Mr. President, on April 30, I placed in the Record a consultant's report prepared for the Atomic Energy Commission which found that the AEC's present system for safeguarding commercial nuclear materials is "entirely inadequate" to prevent theft by terrorist groups and subsequent manufacture into homemade bombs.

Since then, two articles have appeared which zero in on the central safeguards issue: Namely, should industry or Government bear the awesome responsibility of protecting the weapons-grade materials used in the nuclear power industry?

An editorial in today's Washington Post, "The Basement Nuclear Bomb," stresses that legislation reported by the Subcommittee on Reorganization, Research, and International Organizations anticipates this problem and provides a solution to it. The bill, S. 2744, the Energy Reorganization Act of 1974, establishes a Bureau of Nuclear Materials Security in a new Nuclear Safety and Licensing Commission. One of the functions of the Bureau will be to determine whether it should contain a Federal security force to take on all or some of the functions of safeguarding commercial nuclear materials.

It should be noted that Federal authorities are already responsible for safeguarding nuclear materials in the weapons program. A key consideration in determining whether Federal protection should be extended to the nuclear power industry as well as the AEC's own projection that there will be more plutonium in the private sector after 1980 than in the Government sector—including the Government's weapons program.

An article in the New York Times of May 1, "AEC Orders Utilities to Arm Guards," reported that guards at nuclear powerplants run by Consolidated Edison in New York, and by other utilities elsewhere in the Nation, were being armed as part of the AEC's continuing policy that private industry will have to shoulder the security burden at the plants. The article went on to quote a "high nuclear industry source" as expressing concern over arming the guards "because the caliber of industrial guards is not very high—they are not exactly an elite corps."

Both of these articles make clear that the AEC has not yet come to grips with the safeguards problem in the industrial sector. This situation makes passage of the Energy Reorganization Act—and its safeguards provision—all the more urgent.

I ask unanimous consent that these two articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, May 2, 1974]

The Basement Nuclear Bomb

The age of the homemade "basement" nuclear bomb is upon us. The necessary materials can be stolen from nuclear power plants, the necessary skills are widely available in the civilian economy, and the necessary information can be gotten from the public library. This means that nuclear weapons no longer need be the monopoly of a handful of national governments, as is assumed by past formal efforts to control the spread of nuclear arms. Small groups of determined individuals—terrorists—could acquire their own bombs.

A few specialists have been worried about this prospect for years. A three-piece New Yorker profile about one of them, physicist Theodore B. Taylor, brought the issue to wide public attention last December. Finally aroused by this and other pressures, the AEC responded by strengthening its "safeguard" regulations and by commissioning five experts (including one from the AEC itself) to make an internal study. Their report, a devastating document terming the AEC's *strengthened* regulations "entirely inadequate," was released over strong AEC objections the other day by Sen. Abraham Ribicoff (D-Conn.). His executive reorganization subcommittee has been studying whether the agency is organized properly to handle its quite different development and regulatory functions.

The problem seems to be this: Out of a belief that there was no point to keeping the information classified if the Russians had it, a great deal of information useful to a basement bomb builder has entered public circulation. Meanwhile, the AEC and the atomic power industry, eager to promote the peaceful uses of atomic energy, have concentrated on the safety of power plants and not on the possibilities for illicit bombs. So it is, says the new AEC study, that 15 men, including as few as three "insiders," could steal enough nuclear material for a bomb and make one. The educational level, organizational capacity and political intensity of some of the Arab terrorists suggests to the authors of the study one way this might come about.

Not everyone who has studied this problem thinks it can be solved without an actual terrorist threat or blast. It is apparent, however, that the problem is every bit as urgent as Taylor and the authors of the AEC study believe. Fortuitously, one of the study's recommendations, for a special federal nuclear protection and transportation service, has been precisely anticipated in the AEC reorganization proposal now being pushed by Sen. Ribicoff. Another recommendation is for better intelligence on terrorist groups, to be obtained by infiltration and other operational and organizational means. It would seem essential, too, to review the policy of declassifying weapons literature—unless the horse has already been completely stolen from this particular barn. And various technical steps can be taken.

In our gathering national drive to develop new sources of energy, there may be a strong temptation to overlook a problem so grim and exotic as a terrorist's basement bomb. But this would seem to be woefully shortsighted. "If we are some day to confidently rely on nuclear power as a main source of our electricity," says Sen. Ribicoff, "we must begin now to make the handling and transportation of nuclear materials airtight and foolproof. Otherwise we will be held hostage by the very technology that is supposed to give us self-sufficiency and prosperity."

[From the New York Times, May 1, 1974]

A.E.C. Orders Utilities To Arm Guards

(By David Bird)

The Atomic Energy Commission, fearing possible sabotage, is ordering utilities throughout the country to hire armed guards to protect nuclear plants, despite the protests of some utilities—including the Consolidated Edison Company—that the weapons will add new dangers.

A study on which the order was based cited "recent trends of violence and coercion by certain subcultures of modern society."

Guards at Con Edison's Indian Point nuclear facility, 24 miles up the Hudson River from New York City, reported began getting guns last week.

A spokesman said the company had told the commission that it did not want to arm its guards because of the danger of accidents but, when the A.E.C. insisted, Con Edison went along.

INDUSTRY VS. NATIONAL DEFENSE

Bernard P. Stengren, the company spokesman, said, "We are going to issue guns," but he refused to discuss the program further. "I'm not going to get into details of security," Mr. Stengren said.

Other utilities in the metropolitan area said they would go along with the A.E.C. directive. Northeast Utilities, a major electric company in Connecticut, said it had prepared a plan for security without guns but now expected to have to revise that plan in view of the commission's feelings.

The commission said that many utilities had objected to providing their own armed guards on the ground that protecting nuclear plants from sabotage was a national-defense function.

"The industry does not feel that it should be responsible for the common defense of the country," said Dr. James A. Powers, chief of the A.E.C.'s Materials Protections Standards Branch. "They feel it is a Government responsibility."

But the commission decided, Dr. Powers said in an interview that if nuclear power is to be developed privately, private industry will have to shoulder the security burden at the plants.

A high nuclear industry source who declined to be quoted by name, said that the companies were concerned over such potentially dangerous situations as "sabotage, terrorist actions and blackmail threats."

There was concern over arming the guards, the source said, "because the caliber of industry guards is not very high—they're not exactly an elite corps."

"In the presence of delicate machinery, you don't like to provoke a gun battle," he added.

The Atomic Energy Commission requirements are based on a 10-page set of standards called "Industrial Security for Nuclear Power Plants," issued last year by the American National Standards Institute, Inc., a private concern. The standards, the institute says, are very general because "specific provisions of industrial security programs must be regarded as highly sensitive information."

The manual makes no specific recommendation that firearms should be used, saying only that "each member of the security force shall be provided with equipment necessary to discharge his assigned duties effectively."

On the matter of guns, the manual says: "The extent to which these [security] forces are supplied with protective equipment, such as firearms, tear gas, crowd control devices, or nightsticks, as well as the duties assigned these forces, must be carefully assessed by the owner organization. The merits of arming security forces to meet the threats . . . shall be carefully weighed against the potential hazards associated with posible misuse of firearms."

VARIETY OF POTENTIAL THREATS

The manual says the nuclear plant's security system should be able to respond "to a wide variety of potential threats," ranging from "a single disgruntled employe" to "spontaneous and undisciplined actions of a relatively large group of people involved in mob activities associated with civil disturbance."

The manual says some protection is beyond the scope of a private company.

"Protection against actions associated with deliberate assaults by trained para-military groups or military units of a foreign power," it says, "is not covered by this standard. Protection against such actions is the responsibility of the U.S. Government."

The commission, which said the standards must be supplemented by "on-site, armed and uniformed guards," gave nuclear plant operators until March 6 to come up with a plan for individual plants, with the new procedures generally to go into effect by June 15. The A.E.C. said it had been informed that Con Edison's procedures were already in effect.

PERMANENT UNION AND MAXIMUM SELF-GOVERNMENT FOR PUERTO RICO

Mr. JACKSON. Mr. President, I wish to call to the attention of my colleagues the recent testimony of the Governor of Puerto Rico, the Honorable Rafael Hernández Colón, before the joint ad hoc advisory group appointed by the President of the United States and the Governor of Puerto Rico to consider the future development of Commonwealth.

Congress initiated in 1950 a process which gave birth to self-government for our fellow citizens in Puerto Rico, when the Commonwealth was constitutionally established on July 25, 1952. This new constitutional relationship—which former Chief Justice Warren called "perhaps the most notable of American political experiments in our lifetime"—has brought about dynamic social and economic progress for Puerto Rico. Because of it, Puerto Rico has been hailed by many observers as "the showcase of the Caribbean."

At the very outset of this novel and challenging enterprise, however, we recognized that this unique experiment in American federalism would require adjustments to our relationship in the future. Pragmatic experience would be the best guide in determining those areas where change was required. The role of the ad hoc advisory group is to make recommendations for such change in light of experience and the changing desires of the people of Puerto Rico.

The ad hoc advisory group, chaired by the distinguished senior Senator from Kentucky (Mr. COOK), and the great Puerto Rican statesman, Luis Muñoz Marin, has already heard 70 witnesses, including proponents of statehood, independence, and different ways of advancing Commonwealth status. The hearings conducted Saturday, April 27, were devoted to the presentation made by Gov. Hernández Colón and members of his cabinet.

Governor Hernández Colón has made a valuable and important statement on the future growth of Commonwealth status. I believe his remarks will be of considerable interest to the Senate, not only because he is the duly elected chief executive of the Commonwealth government, but because his approach throughout is thoughtful and imaginative. In his discussion of the application of Federal laws to Puerto Rico, of Puerto Rico's entitlement to share in Federal programs, and of Puerto Rico's appropriate international role, the Governor has combined perceptive analysis with challenging proposals. I hope his statement will receive careful study, not only by the ad hoc advisory group, but also by interested Members of Congress.

If the work of the ad hoc advisory group is to be fully effective, we must be prepared to follow through on its proposals for changes in existing policies and programs. As chairman of the Senate Interior Committee—I intend to do everything I can to assure that the group's recommendations receive full consideration by the Congress.

I ask unanimous consent that Gov. Hernández Colón's statement to the ad hoc advisory group be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Testimony of the Honorable Rafael Hernandez Colon

The appointment of this Ad Hoc Advisory Group by President Nixon and myself is the latest in a series of steps towards the development of Commonwealth status initiated by President Kennedy and Governor Muñoz

Marin in an exchange of letters which took place on July 25, 1962. That exchange which opened the question of further developing Commonwealth led to the creation of the Status Commission by Congress. The Commission recommended that a plebiscite should be held in Puerto Rico to determine whether the Puerto Rican people favored statehood, independence or developing the Commonwealth status. The people of Puerto Rico chose the latter, and thereupon the report of the Status Commission recommended that the President of the United States and the Governor of Puerto Rico appoint an Ad Hoc Advisory group or groups to study and recommend to the Congress of the United States and to the Legislature of Puerto Rico specific areas for Commonwealth development.

The Charter of this Committee directs it to examine the question of the application of federal laws to Puerto Rico. Involving, as it does, the fundamental issue of distribution of power, authority, and responsibility between the United States and Puerto Rico, this agenda goes to the very core of the question of Commonwealth development.

THE MEANING AND MODEL OF COMMONWEALTH

Before entering into my specific proposals for reforms, I would like to try to put the Commonwealth experience shared by Puerto Rico and the United States in its broadest possible perspective.

We are passing through a moment of history when many international institutions and relations are being severely strained, when even great nations are wondering how they can solve their complex, inter-related problems. Looking at this world-wide disarray, and the search for new formulas, I believe we can now see that our unique Commonwealth experience in interdependence was many decades ahead of its time when it was launched in 1952. Shortly thereafter, Chief Justice Earl Warren described it as "perhaps the most notable of American political experiments of our lifetime." Today, this experiment and its subsequent success have become highly relevant to the larger canvas of world affairs.

The entire concept of interdependence now has an urgent reality for the world as a whole. Until a year ago, interdependence was largely a principle to which nations paid lip service, but to which they devoted little concrete action. It has taken the recent world-wide energy crisis to bring home dramatically to all nations that interdependence is now a transcendent fact, which they can ignore in the future only at their peril.

Despite the growing awareness of most nations, however, their attitudes and mechanisms for coping with this major new fact of history still lag far behind the needs and the realities.

A notable exception to this has been the relationship between the United States and Puerto Rico. In a world-wide context, it is now increasingly clear that our Commonwealth relationship has been fully as important and as advanced as the pioneering of the European Common Market. The basic principle of interdependence underlies both. And while the European Economic Community is the example of how highly developed, sophisticated nations of approximately equal weight can contribute to their own well-being through interdependence, the United States and Puerto Rico have shown that it is equally possible to evolve successful interdependence between a great, wealthy continental power and a small island community—interdependence in which the self-determination, the interests, and the dignity of both partners are observed.

A well-known Spanish scholar Julián Marías, recently looked at the Puerto Rico-U.S. experience from the outside in a broad, international perspective, and concluded:

"Puerto Rico has created, in the reality and doctrine of the Commonwealth, one of the most original and fruitful social-political formulas of our epoch. . . . Who would suspect that in a tiny island in the Caribbean has been hammered out a concept of universal range and of the greatest contemporaneousness?"

On the economic side, the success of the Commonwealth has been dramatic, and the mutual economic benefit has proved to be enormous. Puerto Rico's per capita income has soared from $373 in 1952 to $1,834 in 1973. And the United States, on its side, has seen its sales to Puerto Rico rise to over $2.5 billion yearly—an amount greater than its exports to all but four major countries: Canada, Japan, Great Britain and West Germany. These are large, populous and prosperous countries. But close behind West Germany's 60 million people and great Britain's 56 million, the 2,800,000 people of Puerto Rico are the next most important customers in the world for U.S. products. We buy notably more from the United States than the 52 million people of France, the 55 million of Italy, or the 100 million of Brazil. In other words, the economic benefits of Commonwealth have by no means been a one-way street—both partners have benefited.

How did this come about?

It came about at the end of World War II, when it was clear that all colonial relationships were outmoded, and that the principle of self-determination had to be the measure of all existing political relationships among the peoples of the world. Almost all the former colonies made the plunge directly from colonial dependence to separate nationhood, casting off both the good and the bad of relations with their former colonial masters, often in disregard of important mutual interests built up over many decades or even centuries.

Puerto Rico took a different course, though it felt equally strongly about the need for self-determination, it felt it could best find freedom through a new form of association. Commonwealth sprouted as an experiment in structuring this form of freedom.

Since the time when the Commonwealth "experiment" began, we have had two decades of pragmatic experience, two decades of much struggle and considerable success, two decades of trial and error to achieve that success, and two decades in which to detect empirically those parts of our mutual relationship which are still insufficient, or are inappropriate or self-contradictory, or require modification.

This Committee was chartered to make recommendations to implement the desires of the people of Puerto Rico and to review their existing relationship with the United States, so that they may exercise a maximum of self-government within the Commonwealth concept.

BASIS PREMISES

For the work of this Committee to be fruitful there are certain basic premises that must guide its deliberations. It is fundamental that this Committee should recognize clearly:

(1) That, although citizens of the United States, the Puerto Ricans collectively are a people recognized as such by the United States.

(2) That the people of Puerto Rico have, and the United States recognizes that they have, the right to self-determination.

(3) That the Puerto Rican people in the exercise of their right of free determination have expressed their wish to be permanently associated with the United States as a Commonwealth

(4) That in the further exercise of this right the Puerto Rican people have expressed their desire for a maximum of self-government.

(5) That maximum self-government may be achieved both by expanding the powers of the government of Puerto Rico and granting participation in those powers to be exercised by the federal government.

(6) That the Commonwealth relationship is a fresh and creative concept within American constitutional law and there are few constitutional limitations on its development to maximum self-government.

(7) That Commonwealth relationship is premised by Congress and Puerto Rico on the principle of consent of the governed.

(8) That commitment to the principle of government by the consent of the governed demands that authority be exercised with the participation of the governed.

(9) That Puerto Rico does not aspire to be a state and therefore it cannot ever be granted such participation through electing senators or representatives.

(10) That Puerto Rico does not aspire to be independent and, therefore, federal authority over certain parts of Puerto Rican life will always exist.

(11) That to answer the needs of the people of Puerto Rico for greater self-government, a new and creative manner must be structured whereby the people of Puerto Rico may fully determine or adequately participate in the decisions affecting their lives, their well-being and their dignity.

Self-determination, self-government, and government by the consent of the governed are democratic values inspired by the basic principle of political freedom. They lie at the basis of Commonwealth, a political creation addressed to the problems of colonialism, which is the negation of the liberty of man.

In the development of a new political institution these concepts were planted as seeds some years ago. They have sprouted and grown, and the flowers are budding. The people of Puerto Rico have given us a mandate to bring the flower of self-government into full bloom. That is our task, and we must meet it with creativity as well as maturity.

Perhaps, the basic problem which some members of Congress and others have had from time to time in wrestling with Commonwealth is the unique character of this concept. To understand the unfamiliar—Commonwealth—they sometimes tend to resort to the familiar—Statehood. Any such comparison hinders understanding and limits creativity

Commonwealth is a political relationship between Puerto Rico and the United States which is unique in its constitutional features and very different from Statehood. The federation of States responds to the needs of government of a country which is close-knit, and culturally homogeneous, however vast. Commonwealth responds to the needs of government of two peoples with profound cultural diversity, but with common basic values and fundamental objectives.

It is most critical to the work of this Committee that these basic and deep conceptual differences be kept constantly in mind.

PERMANENT UNION AND MAXIMUM SELF-GOVERNMENT

Commonwealth status is the combination of permanent union with maximum self-government.

I discussed this subject at length in my Constitution Day speech on July 25th of last year, and I would like to share with you some of the thoughts I expressed on that day.

I then pointed out that "permanent union" is not simply an abstract legal or political concept. Rather, it is the living, pulsating reality of our daily existence. Our union is made up of: the tight bonds that have been woven between the two peoples over almost eight decades of political association; the countless commercial and financial transactions that comprise the huge U.S.-P.R. commerce, and dealings occurring every day between the Island and the mainland; the participation and earned rights of Puerto Ricans in national programs such as social security and veteran programs; the reality of the almost two million Puerto Ricans who make their home in the continental United States, and the constant and growing circular movement of hundreds of Puerto Ricans going daily to the United States and returning to the Island; the thousands of continental Americans who have settled and married in Puerto Rico and the hundreds of thousands who periodically visit our shores; the discharge of citizenship obligations to the federal government by fighting with distinction in every war in which the United States has participated in this century; the basing of operations of the different armed services to suit strategic requirements of the United States; the shared beliefs, values and ideals, in particular our mutual fight for liberty, the essential equality and dignity of human beings and our common dedication to political democracy.

Of all the ties between Puerto Rico and the United States, the deepest and most fundamental is our common citizenship. With great farsightedness it was conceived when granted as the basis on which a solid union could be achieved between the people of Puerto Rico and the United States untrammelled, by the structures inherent in the federal union devised by the Constitution. Historically, this was the policy pursued by the Federal government when citizenship was first recommended for Puerto Rico. From the very beginning in 1898, the relationship was a new departure in the creative American system—and it has been kept so both before and after citizenship.

President Taft initiated the proposal to grant citizenship to Puerto Ricans in his Annual Message to Congress of December 6, 1912.

The relevant part of his message reads as follows:

"The failure thus far to grant American citizenship continues to be the only ground of dissatisfaction. The bill conferring such citizenship has passed the House of Representatives and is now awaiting the action of the Senate. I am heartily in favor of the passage of this bill. I believe that the demand for citizenship is just, and that it is amply earned by sustained loyalty on the part of the inhabitants of the island. But it should be remembered that the demand must be, and in the minds of most Porto Ricans is, entirely disassociated from any thought of statehood. I believe that no substantial approved public opinion in the United States or in Porto Rico contemplates statehood for the island as the ultimate form of relations between us. I believe that the aim to be striven for is the fullest possible allowance of legal and fiscal self-government, with American citizenship as the bond between us; in other words, a relation analogous to the present relation between Great Britain and such self-governing colonies as Canada and Australia. This would conduce to the fullest and most self-sustaining development of Porto Rico, while at the same time it would grant her the economic and political benefits of being under the American flag.[*]

Secretary Stimson's legal adviser on these matters (i.e. The Law Officer of the Bureau of Insular Affairs of the Department of War) was a young chap out of Harvard Law School named Felix Frankfurter. In a memorandum to Stimson in 1914, he described the then-proposed grant of citizenship as a means of recognizing the permanence of the relationship between the United States and Puerto Rico, which would remove, "the great source of political unrest on the Island", and give Puerto Ricans, "a securer technical international standing".

Citizenship, which has constitutional permanency, since granted in 1917, has been the strongest among the many threads in the fabric which links the United States and Puerto Rico. And it is precisely the strength and resilience of this vital fabric which makes possible the further development of local, self-government in Puerto Rico with no jeopardy whatsoever to the permanence and solidity of association between Puerto Rico and the United States.

In other words, there is no threat to our union from the realization of the desires of the people of Puerto Rico for a greater share of governmental power, as expressed through free and open democratic processes.

There are those who hold that permanent union means the degree of authority which the federal government exercises over Puerto Rico. According to them, the more authority the federal government has, and the less self-government Puerto Rico has, the more permanent is the union.

The fallacy of this theory is obvious. Modern world history could not demonstrate more clearly that permanent political relations cannot be based on domination of one side over the other.

On the other hand, the Puerto Rican experience shows that the willingness of the United States over the years to listen and respond to the legitimate aspirations of the people of Puerto Rico for expanding self-government has produced a strong and enduring union. As I stated on Constitution Day last year, our history demonstrates that as the people of Puerto Rico have acquired greater self-government and greater freedom to direct their own affairs, their union with the United States of America has gained greater strength. The truth is that the union is stronger today than ever before.

Permanent union is not at issue, and we can therefore concentrate on the development of Commonwealth without any worry on this score.

Now to some specifics.

FEDERAL REGULATORY LAWS: THE NEED FOR REFORM

Literally thousands upon thousands of federal statutes and regulations are in force in the United States today, and almost all of this vast body of federal law applies to the Commonweatlh of Puerto Rico in the same manner as it applies to the States.

The exceptions, which are few in number, are those specific exemptions contained in the Puerto Rico Federal Relations Act and a handful of federal laws which, by their own terms, are not extended to the Island or apply here differently than in the States.

This situation is consistent with the Commonwealth status as it has developed until now. In accepting Public Law 81–600, the people of Puerto Rico agreed to Section 9 of the Federal Relations Act, which provides that, "The statutory laws of the United States not locally inapplicable . . . shall have the same force and effect in Puerto Rico as in the United States . . ." They also accepted Section 58 which ratified existing federal laws not inconsistent with the creation of the Commonwealth.

Nevertheless, actual experience over the past two decades has led to a growing discontent with the reach and impact of federal laws and with the processes by which they are extended to the Island. The reasons for this discontent are real and substantial.

First, for reasons of basic principles, a society which strongly believes in democracy, as does Puerto Rico, must have meaningful participation in the basic decisions which affect it.

Second, many years of pragmatic experience have shown that this lack of adequate participation in Congressional decisions frequently produces federal policies which, while beneficial to the mainland, are inadvertently detrimental to the best interests of the people of Puerto Rico. Congress will occasionally take into account the necessity for variances in its policies to deal with the special circumstances of Puerto Rico, as in the case of the special wage committee for Puerto Rico authorized by the Fair Labor Standards Act. Ordinarily, however, Congress does not focus on the question of whether its laws will work well in Puerto Rico, and with its multiple responsibilities, this is quite understandable. As a result, we often find ourselves limited in our ability to resolve the many serious social and economic problems of Puerto Rico, because of federal policies which respond to the quite different social and economic realities of the continent.

Third, the mandate of the people of Puerto Rico expressed in the plebiscite vote of 1967 is to develop Commonwealth to a maximum of self-government within the framework of our permanent association with the United States. The difficulty in carrying out this mandate lies in securing agreement on what particular activities are properly a matter of sole Commonwealth concern, which activities are solely of federal concern, and which areas are suitable for joint responsibility.

The evolution of United States constitutional doctrine during this century has weighed heavily in favor of Federal power vis-a-vis State authority. In its regulatory activities, where the United States Congress can point to any connection with interstate commerce, however remote, its legislation will be judicially upheld.

Under its sweeping Commerce Clause powers Congress has erected a vast network of Federal laws which have been automatically extended to Puerto Rico without an independent examination of the question whether, with respect to geographically remote Puerto Rico, there is a substantial federal interest in extending the particular federal law to the Island.

We maintain, however, that our claims for autonomy must be judged within the context of the Commonwealth-United States relationship, and not within the context and principles of the Federal-State relationship. One great merit of Commonwealth is that there is no constitutional compulsion on Congress to legislate for Puerto Rico as it does for the States, and that in its determination of the interstate effects of the particular activity being regulated, Congress is free to exercise an independent judgment with respect to Puerto Rico.

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[*] The House of Representatives Report (62nd Congress, 2nd Session, Report 341 accompanying H.R. 20048) dated February 20, 1912, recommending the citizenship bill for Puerto Rico which the House passed, quoted extensively from the then last Annual Report from the Secretary of War (The Department of War then had responsibility for Puerto Ricans affairs.) The following passages are of particular interest. Said Secretary Stimson:

"I think the time is arriving, if it has not already arrived, when it is the part of honest and farsighted statesmanship frankly to declare our position as to the ultimate interrelation between the United States and Porto Rico so far as it is possible to do so without unduly hampering the future in wisely dealing with this problem. The connection between Porto Rico and the United States is permanent and has been from the beginning regarded as permanent. There is every reason, therefore, why the thoughts and habits of the people of both countries should as soon as possible begin to shape themselves toward the assumption of their final civil relationship. I am of the opinion that the aim to be striven for is the fullest possible allowance of local and fiscal self-government, with American citizenship as the bond between us, in other words, a relationship analogous to the present relation between England and her over-seas self-governing territory".

Development of the central political concept on which Commonwealth is based—autonomy, the power and right to govern ourselves in matters which are of principal concern only to us—will depend in large part on our success in asserting local control over matters fundamentally local in nature.

I would like to offer some examples of specific federal laws to illustrate this important point.

There are numerous federal statutes which have been enacted by Congress under its Commerce Clause powers and extended to Puerto Rico without an adequate examination as to whether the activities regulated in Puerto Rico have more than a minimal impact in the continental United States.

The federal environmental laws, such as the Clean Air and the Water Pollution Control Acts, are a good example. I firmly support the goals of these laws; and the agencies implementing them are doing a fine job, but, in fact, we in Puerto Rico have legislated in the environmental field almost as extensively as the federal government. I fail to see the substantial impact which the air and water of Puerto Rico can possibly have in the continental United States. The need for federal intervention in the States is clear, given the interstate nature of environmental problems. In Puerto Rico, however, separated from the United States by a thousand miles of ocean, there is no clear federal interest in exerting jurisdiction.

Before proceeding to other examples, I would like to stress, as emphatically as possible, that our request for exclusive jurisdiction in fields such as environmental protection is not based on any desire, on our part, to slacken the attack on pollutants. Within the necessities of continued economic development and the constraints of limited financial and technological resources, we are as committed to the preservation and enhancement of our environment as is the federal government. The important point is that the redistribution of jurisdiction between the United States and Puerto Rico cannot and should not be based on the abilities of the two jurisdictions to do a particular job. Rather, it should be built on the distribution of power and authority between two political bodies based on agreed-upon principles of association. Once it is determined that a particular area is properly a matter of Commonwealth concern with insubstantial impact in the continental United States, the kind of activity taking place in Puerto Rico should cease to be a matter of concern to the latter jurisdiction.

Another example involves the field of communications. Of what interest is it to the people residing in the continental United States that television, radio, and radio-phone in Puerto Rico be regulated by the Federal Communications Commission? I suggest that FCC jurisdiction in Puerto Rico, apart from international communications, is presently inconsistent with the Commonwealth status of Puerto Rico.

In the category of federal laws which run counter to the concept of Commonwealth autonomy I would also place by way of example the various federal plant and animal protection safety laws, such as the Wholesome Meat Act, the Wholesome Poultry Products Act, the Egg Products Inspection Act, the Environmental Pesticide Control Act, and the extension of the Occupational Safety and Health Act to Puerto Rico in 1972.

There are, however, federal laws in areas where there is clear justification for federal jurisdiction because of the economic and social inter-relationship of the Island and the United States. Nevertheless, either because Puerto Rico has not adequately participated in the formulation of these laws, or because it is felt that these laws have particularly harmful effects on the Island, or because these federal activities are believed to duplicate, confuse, or conflict with the activities of Commonwealth agencies in the same field, it is felt by large segments of our people that they are unjust or unwise.

I refer to the following laws, all of which are on your work agenda: federal labor laws, such as the Taft-Hartley Act and the Fair Labor Standards Act; the Immigration and Nationality Act; the various federal shipping laws; and federal trade and tariff enactments.

I will not attempt to specify the adverse impact of these laws, nor offer specific solutions with respect to each of them. You will hear the testimony today of the heads of Commonwealth agencies concerning the problems posed for Puerto Rico by these and the other laws to which I have referred. They may have specific suggestions as to desirable solutions.

However, I would like to impress upon this Ad Hoc Advisory Group the desirability of exploring, in each case, the full range of special arrangements possible under our unique Commonwealth status. These include the following possible solutions:

1. Conferral of exclusive jurisdiction to Puerto Rico.

2. Incorporation of special extension agreements between Congress and Puerto Rico in the compact.

3. Delegation of rule-making and/or administrative responsibilities to Puerto Rico subject to the federal standards contained in the law.

4. Provision of special participation or consultation with Puerto Rico in the federal executive branch implementation of the law, such as participation on trade and tariff committees or consultation on matters of defense.

5. Modifications of the laws to make them work better and more justly in Puerto Rico.

6. Establishment of joint bodies and commissions, as in the case of the wage review committees.

THE GENERAL PRINCIPLES OF APPLICABILITY OF FEDERAL LAW

Now comes the more difficult job of formulating general principles and adequate procedures for prospective application of federal laws in general to Puerto Rico.

I first propose to the Committee that it recommend a total revision of Section 9 of the Federal Relations Act, so as to establish new basic principles governing the extension of federal laws to the Island.

The reformulated Section 9 should contain as clear a statement as possible of the fundamental policies on the applicability of federal laws.

The presumption presently in Section 9 that the statutory laws of the United States extend automatically to Puerto Rico should be reversed. The presumption should be that unless Congress expressly extends a law to the Island, by specifically extending its applicability to Puerto Rico, it is understood that Puerto Rico is not covered. This will avoid inadvertent inclusion of Puerto Rico in legislation which should not be applicable according to the principles of association. It may also induce Congress to focus, to a greater extent than it presently does, on the question of whether a particular law should apply to Puerto Rico, and, if so, whether special modifications for Puerto Rico are advisable.

PARTICIPATION IN FEDERAL DECISIONMAKING

The establishment of basic principles of association concerning the applicability of federal laws will be a useless gesture, unless accompanied by adequate procedures to insure their consistent application to specific pieces of federal legislation, and to insure a meaningful participation by the people of Puerto Rico in the lawmaking process.

The matter of participation raises both a question of principle and a practical question. The principle is, of course, the right of people to have an effective voice in decisions affecting their lives. The practical question is how to devise procedures which are functionally feasible given the volume and complexities of congressional operations.

I have previously suggested several alternatives for practical participation in specific legislative or executive matters. But a general catch-all mechanism is necessary as a complement to fully satisfy the principle of government by specific consent.

It may be that representation via a Resident Commissioner is the only viable solution to deal with general participation. His is a very difficult job, however. For one man and one staff to deal with the tens of thousands of legislative proposals introduced in each session of Congress is a monumental task. Yet, to achieve unity of purpose in representing Puerto Rico, there should be only one Resident Commissioner.

A clear charter of basic agreements between the Federal government and Puerto Rico concerning the principles of applicability of federal law to the Island, such as I have recommended, would be a necessary first step to make representation by the Commissioner more effective. Federal laws specifically applied to Puerto Rico would continue to apply as legislated by Congress except those laws subject to the previously suggested special participatory mechanisms.

However, the principle of government by the consent of the governed requires an additional means whereby real power is vested in the people of Puerto Rico in order to make effective their opposition to a particular bill which the Congress has extended to Puerto Rico.

Given the fact that we are dealing with a question of principle, rather than one of practicality, the mechanism to provide this participation should be one that would be used only in the most serious and gravest of situations. I submit to you that a plebiscite on Puerto Rican initiative, where the people themselves may directly voice their position, would be the proper instrument to be recommended by this Committee. This mechanism would solve the problem of principle required by the consent of the governed. The practicalities and mutual deferences of our relationship are such, however, that I would never expect the people of Puerto Rico to be put in such a position by Congress that they would have to directly oppose a bill addressed specifically to them.

FEDERAL GRANTS-IN-AID

I would like now to turn to another area of critical importance to United States-Commonwealth relations, the participation of Puerto Rico in federal assistance programs.

It is fair to say that there is, at present, no consistent congressional policy with respect to federal financing of social and economic programs in the Commonwealth of Puerto Rico. This is only natural, since the hundreds of existing federal aid programs have themselves evolved in an ad hoc, piecemeal fashion. In most of these programs, Puerto Rico is treated as a state with the same eligibility and benefit standards. It is also subject to the same federal controls on the expenditure of these funds. In several of the largest assistance programs, however, Puerto Rico does not receive its equitable share.

The following table sets forth these programs, with their anticipated fiscal year 1975 expenditure level nationally and in Puerto Rico:

Fiscal year expenditure (millions)

Program:	U.S.	P.R.
Aid to families with dependent children/aid to aged, blind, disabled	3,936	24
Supplemental security income program	3,871	0

Medicaid	5,256	30
Social services	2,000	2
Educationally deprived children	1,900	27
Interstate highways	3,000	0
General revenue-sharing	6,000	0
Total	25,963	83

The seven listed programs make up almost 50% of the total federal aid to state and local governments expected for the coming fiscal year. As can be seen from the table, Puerto Rico's participation in them is limited, by law, to .32% of the total. In other words, for every $100 expended throughout the United States for these activities, thirty-two cents is spent in Puerto Rico. If the Island were to receive a share of these funds based only on its share of the total United States population (1.2%), its yearly assistance level for these seven programs would jump from $83 million to $311 million. Equal treatment for Puerto Rico, however, would mean considerably more, since all but one (Interstate Highways) of the listed programs provide proportionately greater assistance to the poorest and neediest states.

These differentials in federal financial treatment of Puerto Rico as compared to the states are usually justified by the fact that the Commonwealth is not covered by the federal internal revenue laws.

Without denying that the economic value of freedom from federal taxation should be taken into consideration in extending federal aid programs to Puerto Rico, I submit that it is wrong to draw a simple equation between the payment or non-payment of federal taxes and the receipt of federal subsidies. Neither in theory nor in practice does such an equation exist. It is an elementary principle of public finance that one's payment of general taxes does not entitle one to any particular governmental benefits in return and, conversely, that the absence of payment of taxes does not disqualify one from governmental aid. Further, on a functional level the programs we are discussing make no attempt to equate State grants with federal revenues raised in that State. Through the federal tax system and the fund allocation procedures in these federal social programs, resources are deliberately shifted from the richer areas of the country to the poorer areas. This is true even with respect to the so-called "General Revenue-Sharing Program" which is not revenue-sharing at all, but rather federal block grants based, in part, on the relative needs of the participating states.

Thus, it would be wrong to say that because residents of Puerto Rico do not pay federal taxes they should not be entitled to receive federal financial assistance, whether you are talking generally or about a specific program.

However, the people of Puerto Rico, I am confident, have no desire to receive more than their share of federal financial aid.

In light of the above considerations, I would like to offer to the Advisory Group some new concepts as alternatives which it may wish to consider in its deliberations on the financial aspects of the United States-Commonwealth statutory relations.

Approximately one fourth of the Commonwealth budget represents federal grants-in-aid. Most of these federal funds are earmarked for certain categorical purposes and are highly controlled by specific conditions in the federal law and regulations. In many cases, we have found that the federal priorities for these funds are not in accord with Commonwealth government priorities. The mainland needs to which these funds respond are not always the Island's most pressing needs. Since we can rarely, as a practical matter, refuse to accept these grants, and must usually match them with local funds, the end result, from our point of view, is a dislocation with regard to Commonwealth priorities. Also, the numerous conditions and controls placed upon the receipt of these funds often work against their most effective utilization in Puerto Rico.

There are dozens of such cases, but for now let me pose just one example to illustrate the nature of the problem. Puerto Rico has available to it some $80 million in federal matching grants for the construction of waste water treatment facilities. Although a substantial proportion of the Island's population is not yet served by even primary sewage facilities, most of these federal dollars (and the 25% Commonwealth matching share) must be spent on secondary and tertiary treatment because that is the need in the continental United States. Also, less expensive treatments of waste waters, such as ocean outfalls, are not permissible, since these solutions are not feasible for the majority of the states; and the Federal Water Pollution Act, as presently drafted, offers no flexibility on the matter. Thus, we may find ourselves building overly expensive sewage facilities in parts of the Island, where the degree of need is less, because the federal authorizing legislation, drafted against mainland needs and realities, does not offer planning and programming flexibility to the grant recipient.

We would, therefore, like to have considerably greater leeway in the expenditure of the funds we do receive. Our feeling is that we can make more effective use of this federal contribution if we are able to plan these funds locally, rather than having their priority-setting and planning done in advance in Washington.

This, then, is one of the alternatives which I propose. It would not be technically difficult to negotiate yearly a total federal grant to the Commonwealth and municipal governments, taking into account factors such as the economic value of freedom from federal taxation, the Commonwealth's optimum matching capabilities, past federal expenditures, Commonweath tax efforts, economic growth in Puerto Rico, and socio-economic needs on the Island. The grants would then be made to the Commonwealth in block form, perhaps broken down into several general categories such as economic development, social welfare, education, health, etc. General plans would be submitted for each category with minimum federal review and monitoring. Similarly, yearly reports on progress achieved in each category could be rendered to the federal government as a basis for the negotiation of the subsequent year's grant.

I believe that such a system would make good sense both for the federal government and for the Commonwealth. There is a growing realization that the federal grant-in-aid system needs a structural overhaul to make it workable. This realization is embodied in the principles of the "New Federalism," which aims to move greater decision-making power to those levels of government closest to the people. What I am proposing is simply the application of these new concepts to the Commonwealth of Puerto Rico, where they make even greater sense in view of the unique constitutional status of the Island and its equally unique cultural, economic and social characteristics.

Another approach, more modest in nature, toward rationalizing federal assistance payments to the Commonwealth government, would be to impose higher matching share burdens on the Commonwealth government as a trade-off for the greater Commonwealth taxing ability made possible by the inapplicability of federal internal revenue laws. As Puerto Rico makes progress in its economic base, its relative taxing ability becomes that much greater since income, profits and products in Puerto Rico are not subject to federal taxation, and we are increasingly more able to contribute to federal programs.

This proposal would make little sense, however, if the higher matching burden were to be combined with absolute limits on federal payments to Puerto Rico which do not apply to the states, as is the case in some of the major federal programs. Higher matching payment burdens for Puerto Rico, however, would provide a more equitable ceiling consisting of our budgetary constraints.

This approach would lead to more equitable levels of federal financing of certain Federal-Commonwealth programs and would eliminate budgetary and priority distortions which occur because of absolute and arbitrary ceilings on federal matching payments. It would not, however, offer the Commonwealth flexibility in the shaping of adequate programs for the Island. Nevertheless, the federal grant-in-aid system is moving rapidly toward greater flexibility for state and local governments in the planning and programming of federal dollars, and this national reform effort may eventually produce the desired solution.

I should make clear that my suggestions refer only to federal assistance programs that operate by means of subsidies to state and local governments. In those programs where the federal government's relationship with citizens is direct, such as Social Security and the new Supplemental Security Income Program, I believe the residents of Puerto Rico have every right to treatment equal to that of American citizens residing elsewhere. This is particularly true when benefits are based on prior contributions to the system, as is the case of the OASDI program.

THE INTERNATIONAL ROLE OF PUERTO RICO

I have already pointed out that interdependence is at the heart of the principle of free association which governs the relationship between Puerto Rico and the United States. Because we are conscious of our special relationship with the United States and also of our place in the community of Hispanic American peoples, we cannot afford to be isolated from the rest of the world. We cannot stand aside from contemporary world currents and events, particularly where we can make a real contribution. We can, and should, contribute to multilateral efforts to promote understanding and friendship among peoples, especially in our own region and hemisphere. We have much to teach, and also a great deal to learn, about economic development.

Geographically, Puerto Rico belongs to the Caribbean. Culturally, it is a part of the community of Hispanic American peoples. Politically and economically, it is intimately associated with the United States. These three points of reference—and especially a political status of free association—are the points of departure for defining Puerto Rico's place in the world and its relationships with other countries and with international organizations.

While under the Commonwealth relationship the broad range of foreign affairs is a matter of federal concern, nonetheless, there is ample room for Commonwealth initiative.

Puerto Rico has a role to play in the Caribbean and a need to enter into government-to-government relationships with other countries such as Venezuela, in order to resolve effectively its needs, such as its energy requirements.

We have already had considerable experience in the international arena, and we are well prepared to make substantial contributions to international cooperation and solidarity. Since 1950, Puerto Rico has been the meeting place of more than 30,000 persons from developing countries, most of whom visited our island in order to observe and study our social and economic development programs. Most of those visitors came from Latin America and the Caribbean region, but large numbers also arrived from Africa, Asia and Oceania. In this manner, we have been able to communicate our experiences, our successes and our problems to representatives of other areas of the world striving for social justice and political democracy. During the 1960's, the Commonwealth of Puerto Rico actively participated in matters of special concern to the peoples of the Caribbean region. Puerto Rico was a founding member, and San Juan was the headquarters, of the Caribbean Organization. This now-dissolved organization contributed greatly to the idea and practice of regional collaboration and promoted the movement for the economic integration of our region. The Commonwealth subsequently created its own specialized agency with regional concerns, the Corporación de Desarrollo Económico del Caribe, in an effort to foster regional cooperation. Our economic and regional interests have prompted the Commonwealth government to establish an active program of trade missions, whereby Puerto Rico seeks to promote trade with other areas, especially with the Caribbean and the nations of the Western Hemisphere. Our industrial promotion efforts have led the Commonwealth government to open facilities in Europe and Tokyo for the purpose of attracting investment to the Island. By bilateral agreement, Puerto Rico and the Dominican Republic, in 1967, created the Joint Dominican-Puerto Rican Commission for the purpose of developing a program of economic, cultural and technical collaboration.

Puerto Rican cultural missions to different countries of the Hemisphere have been sponsored for more than two decades by our Institute of Culture, Department of State and Department of Education. For many years, Puerto Rico has collaborated with different international organizations in a wide array of exchange programs and technical assistance projects. In addition to these official contacts, private entities in different fields have made positive contributions to the flow of information and peoples between Puerto Rico and other countries. We have accumulated valuable experience in our relations with other countries and with international organizations. Our experience is a good point of departure for future Puerto Rican roles in international matters in a manner consistent with our association with the United States.

Various courses of action are already open to the Governments of the United States and Puerto Rico which require no substantial or prolonged constitutional or legislative action, based on the longstanding recognition by the United States and the United Nations of Puerto Rico's status as an autonomous political entity. Other possibilities may require more complex procedures. An exhaustive and incisive analysis of the desirability of greater participation by Puerto Rico in international affairs and appropriate international institutions was prepared recently by Professor W. M. Reisman of Yale Law School for a conference of the United States' leading lawyers, held at the Carnegie Endowment for International Peace in New York.

With the Committee's permission, I would like to submit a typescript of Professor Reisman's study for the record, as an appendix to my statement. I will not elaborate on the constitutional and international law questions treated at length by Professor Reisman, in view of my basic agreement with the recommendations he offers. However, I would draw your particular attention to Professor Reisman's recognition of the very real advantages to both our peoples, and the practical possibilities of Puerto Rico's participation in numerous specialized international organizations—especially those dealing with education, health, culture and commerce. These offer an effective and additional dimension for greater rapport with and support to developing countries which can be a valuable supplement to U.S. policies and programs.

CONCLUSION

This Committee is charged with the historic responsibility of shaping a response to the desires of the people of Puerto Rico in the exercise of their right to free determination. This task is not made easier by the fact that the substance of Commonwealth has been widely misunderstood both to the south and to the north of Puerto Rico. In Latin America there prevails a suspicion that this concept masks the reality of a colonial relationship. In some less informed circles in the United States there is the opposite impression that we are pursuing privileges, but not responsibilities.

Both erroneous conceptions are an affront to the dignity of the Puerto Rican people. It is your task that they should not continue to bear this burden, a burden born of misunderstandings of the essence of our relationship.

I ask you on behalf of my people to shape with vision, creativity, and purpose the new Articles of Association between Puerto Rico and the United States, and to formulate in a document that will stand the test of time and invidious misinterpretations, the cherished principles upon which we shall face together the destiny of mankind.

But the challenge of this Committee is even broader in scope. You have the opportunity to frame a model of Articles of Association which will constitute a new breakthrough in the interdependent era into which the world is entering. The United States and Puerto Rico have already given the world an example of how such a relation can grow and prosper. Now our joint task is to build on our experience of 21 years, with vision and care, so that future generations will point to this as a watershed event in the inevitable transition to an interdependent world.

WORLD HUNGER

Mr. McGOVERN. Mr. President, as Members of Congress and the general public are becoming more aware, the United States and the world community are now facing almost unprecedented questions regarding the distribution of vital, basic commodities. These questions are, in turn, intimately connected with the relative economic status between the industrially developed nations and those nations now engaged in the problem of development.

In recent weeks, a major debate has been taking place at the United Nations focusing on these questions. While this debate is not providing immediate answers, it is clearly setting forth the scope of this international economic crisis and focusing world attention on the urgent necessity to deal with it.

I recently introduced into the RECORD the remarks by Secretary of State Kissinger to this special United Nations Assembly. I would now like to take note of the important leadership actions taken by our Government in proposing a 10-point, $4-billion emergency aid program to begin assisting those nations most pressed by the current situation.

One overriding fact is now clear. Only cooperation—not confrontation—can deal with these problems over the long term. Cooperation and planning are essential.

In the area of food and nutrition, the Select Committee on Nutrition and Human Needs is engaged in a detailed study of what should be national policy guidelines to deal with the world food problems, especially as they affect our own well-being. This study, to be presented in the form of hearings on June 19, 20, and 21, deals very directly with the acute relationship between the world demand for food and its effect on the American people.

These hearings are of such importance that I would like to take this opportunity to bring them to the attention of the Senate as a whole, and, more particularly, the leadership which is now turning its attention directly to these fundamental economic issues. I hope the Select Committee's study can serve as a useful vehicle by which the Congress can help develop sensible policies to avoid further crises affecting the well-being of the American people, and people living in less developed areas.

I ask unanimous consent that five articles indicating the growing public awareness of these important issues be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 1, 1974]

TURNING TOWARD GLOBAL PROBLEMS

(By David S. Broder)

In the first three days after Congress returned from its Easter recess, at least a dozen senators and representatives put into the Congressional Record, with suitable commendations, the text of Secretary of State Kissinger's April 15 address at the United Nations on "the challenge of interdependence."

Just why Kissinger's somber challenge to the international assembly to "come to terms with the fact of our interdependence" should have struck a chord with so many legislators is hard to say. But it is at least possible to hope that it indicates that even with the current preoccupation with our domestic political crisis, there are world issues of such enormous scale that sensible people cannot ignore them.

In a series of eloquent and impassioned columns, James Reston and Anthony Lewis of the New York Times have been raising their voices to proclaim that the threat of international economic warfare turning into a global cycle of inflation and depression—to say nothing of the danger of massive famine among the million already suffering the effect of malnutrition—is slightly more consequential than Watergate.

Reston worries that the press and the politicians are ignoring "the fundamental question of the prices and resources of the earth," and he may be right. But the pages of the Congressional Record—that mirror of the politicians' minds—indicate someone is listening.

There one finds the beleaguered President taking time to remind those who sit in judgment on him that despite the national weariness with the cost of foreign aid, "it is clear that in the modern world, peace and poverty cannot easily endure side by side."

And while Mr. Nixon pleads with Congress to reverse the House's January mistake in refusing the $1.5 billion U.S. contribution to the International Development Association, his old rival, Sen. George McGovern (D-S.D.), is seconding Kissinger's pledge of American cooperation in meeting the worldwide economic crisis.

Wisdom comes late, but now it comes to people of all parties and persuasions. The old internationalists—the Hubert Humphreys, the Jacob Javitses, and the Gale McGees—fill the record, as they have for years, with pleas for foreign aid and food assistance and liberal trade policies.

But now they are joined by Sen. Robert Dole, the engagingly cynical Kansas Republican, who is moved to put into the Record a study by Church World Services of what Dole calls "the world food crisis." They are joined too, by Sen. Walter (Dee) Huddleston the freshman Democrat from Kentucky. He thinks his colleagues ought to know what he learned from the Congressional Research Service and then confirmed from Kentucky industrial leaders about "the growing U.S. reliance on imports for a large portion of raw materials."

It is a long step from the recognition of a problem to the action needed to deal with it, particularly when the problem is as massive and complex as that of the international economy. Nevertheless, it is meaningful when a variety of American politicians—pre-occupied with their parochial interests—talk as if they understood what United Nations Secretary General Kurt Waldheim meant when he said that, "The pursuit of short-term national interests by any nation or group of nations can no longer provide even a brief reprieve from the inevitable result of the present trends."

But what a task we face. Waldheim laid it out in brief form in his speech opening the General Assembly's special session on the world economy and natural resources.

There are six connected problems, Waldheim said, that must be faced and mastered to avoid the tragedy that now confronts the inhabitants of the planet: the massive poverty that still grips two-thirds of the world's people; the population growth that adds more than 1 million new claimants a week on our finite resources; the food shortage that has left literally no margin of safety against famine on a more massive scale than we have ever witnessed; the energy shortage that hampers all form of economic growth, including food production; the continued waste of an estimated $4 billion a week on producing weapons of war; and the worldwide inflation, fed by all those forces, which threaten to destroy the fragile international economic and monetary structure.

When viewed in those terms, the domestic political problems of any one nation, even our own, seem almost insignificant, as the members of Congress appear to recognize, from time to time.

[From the New York Times, Apr. 24, 1974]

FERTILIZER—OR FAMINE

When a practical solution appears possible for any aspect of the critical energy and food shortages now threatening the world, it should be executed as a matter of urgency. It happens rarely enough.

Such a prospect is now in sight to alleviate—if not fully solve—the greatest single limiting factor to increased food production, the shortage of chemical fertilizers. Norman E. Borlaug, Nobel Prize winner credited with inspiring the "green revolution" estimates that a country suffering a shortfall of one million nutrient tons in its fertilizer needs will lose ten million tons in grain production. Shortfalls of this and greater magnitude are facing many of the world's developing countries, leading to the very real threat of widespread famine within the next two to three years.

In that immediate time frame, the only way out may well be sharply limited consumption by those who are already adequately fed. But the right decisions today could start to bring relief three years hence. Increasing fertilizer production requires vast infusions of capital to build new factories and, most frustrating at this time, huge inputs of fuel to power these energy-intensive industries. By a fortunate coincidence of economics and geography, both these requirements are or soon will be at hand in Saudi Arabia and neighboring states of the Persian Gulf.

The easy availability of an appropriate fuel is the most striking fact in a situation that has often verged on the hopeless. In present technology the best energy source for the fertilizer industry is natural gas, in short enough supply in much of the industrialized world, but so plentiful in Saudi Arabia and adjacent Gulf states as to be a nuisance by-product in the more developed oil fields. For years the oil companies have simply burned away—wasted—this premium fuel for lack of economic uses.

Experts in this country estimate that if just one-quarter of the natural gas that is now wasted in the Persian Gulf fields were diverted into a fertilizer industry on the spot, the world's entire current demand for nitrogen fertilizer could be met. Sheikh Yamani, Saudi Arabia's Petroleum Minister, correctly told the United Nations General Assembly last week that it is "improper and unconscionable" that such a readily available fuel supply is not being fully exploited.

Investment in the fertilizer industry has long seemed risky; nor was the rapid growth of demand adequately foreseen. However, supported by the technological expertise of the United States, Saudi Arabia now has the opportunity to put substantially growing capital reserves and unexploited natural gas into an industrial development which quite literally would mean life or death to the world's hungry millions in years to come.

[From the New York Times]

IMPEACHING AT TURTLE BAY

(By James Reston)

UNITED NATIONS, N.Y., April 23.—There is a kind of impeachment trial going on here at the United Nations too—not of a man but of a civilization. The poor nations are drawing up the articles of impeachment every day against the rich nations. Please listen, they say:

Article One: Out of every three children born in most nations of the world today, one dies before the age of five.

Article Two: For those who survive, as Dr. Mubashir Hasan, the Finance Minister of Pakistan, put it, "it is a life of deprivation, desperation and degradation. It is an intense but, mercifully, a short struggle, as their life expectancy is no more than thirty years."

Article Three: One of the worst tragedies in human history is unfolding on the continent of Africa. The suffering caused by drought in Mauritania, Mali, Niger, Chad, Upper Volta and Ethiopia seems to be beyond the imagination of the advanced nations and a rebuke to the United Nations, which promised in its Charter (Article 55) to promote "a higher standard of living, full employment, and conditions of economic and social progress and development."

Article Four: You, in what used to be called the Christian West and is now called the Industrial West or the Developed or Advanced World, are cheating the poor countries by buying their products cheap and selling your products dear. This unequal exchange between the cost of labor in the rich nations and the poor nations is the heart of the problem.

Article Five: The rich countries are paying their workers between ten and twenty times as much as the workers are paid in the poor countries. If the wages for labor were even roughly equal; the poor countries would receive at least $250 billion more a year for their work and products, and the danger of class war between the rich and the poor nations might be eased.

The articles of impeachment go on well beyond the space of this column, but the poor nations are not only making some fundamental charges but asking some awkward questions. Dr. Hasan of Pakistan, a long, lean, highly intelligent, almost beautiful man, asked the rich nations to choose.

They could (1) increase and share production or (2) equalize the wages of labor and reduce consumption in the advanced nations, or (3) deal with the consequences of malnutrition, poverty, starvation and death in the poor nations.

"Over the last few decades," Dr. Hasan told the delegates here at the United Nations, "the developing countries have struggled successfully for their political independence. They are now struggling for their economic emancipation. It is not natural that the struggle should continue until peace on earth and goodwill among mankind are established.

"What is required," he added, "is a vision on the part of the rich, both in the oil-consuming and the oil-producing countries. In this vision lies the only chance of a peaceful solution of the current crisis. Should we fail to find a solution based on justice and equity, let us always remember that nature has its own grand design for fulfillment of the destiny of mankind"

The contrast between the impeachment debates in Washington and here at the United Nations is startling. In Washington, the issue is about handing over some tapes, whether they should be delivered this week or next, whether Chairman Rodino had authority to grant a postponement, and what they might tell anyway about the President's involvement in Watergate, or his "executive privilege," his language or his vindictive comments about members of the other and even his own political party.

All this now dominates the political mind of Washington, and people wonder about the national political consequences, and why Teddy Kennedy is holding seminars at Moscow University and talking for four hours with Chairman Brezhnev, and why President Sadat of Egypt is telling Cy Sulzberger of The New York Times that maybe he wants to buy arms from the United States instead of from Moscow, and what Itzhak Rabin will do if he becomes the new premier of Israel.

These are the front page stories, the primary news of the day, while the impeachment charges of the poor nation against the rich nations, the fundamental questions of the prices and resources of the earth are ignored. In fact, Mr. Mubashir Hasan's definition of the growing class war between the rich and the poor nations of the world was scarcely noticed.

Yet he raised a question that will probably be troubling the world even at the end of the century, long after the question of the impeachment of President Nixon is forgotten. Can the rich and poor nations go on like this? Can the advanced nations consume and waste and charge for labor as they are, and ignore the misery of the majority of the human race in the poor countries?

Will the big countries even listen? Dr. Hahan asked, and the answer is obvious.

[From the New York Times, May 1, 1974]

AN AMERICAN PROPOSAL

The $4-billion, ten-point emergency program to assist countries hardest hit by price rises which the United States suddenly proposed at the United Nations yesterday seems intended to head off a rival $3-billion emergency aid fund proposal that was gaining support among developing countries. As the formulation of Secretary of State Kissinger's April 15th pledge of a major United States effort to help meet the development crisis, it offers concrete hope for action to close what Secretary General Kurt Waldheim has called the "potentially disastrous gap" between the needs of those imperiled by steep price rises and the aid that is currently available.

The needs of the billion people who face economic disaster in the next eighteen months can only be met by a scheme that can enlist the support of those who must pay the bill—that is, the United States and other developed countries, plus—particularly—the oil-exporting nations which have benefited most dramatically from recent price leaps. By pledging to shoulder its "fair share" of the cost, the United States has laid down a challenge that others—potential donors and beneficiaries alike—will find it impossible to ignore.

[From the New York Times, May 1, 1974]

U.S. ASKS $4-BILLION AID BY U.N. TO POOR NATIONS—PLAN FOR BROAD HELP TO THOSE STRICKEN MOST BY PRICE RISES STIRS DISPUTE IN SPECIAL ASSEMBLY SESSION

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., April 30.—The United States proposed today a $4-billion program to help the most economically distressed countries.

Under the proposal, submitted to delegates at the General Assembly's special session on raw materials and development, the industralized countries and affluent oil-producing nations would provide emergency aid over the next year and a half in the form of grants and loans, as well as with such commodities as food, petroleum and fertilizers.

An American spokesman said that the United States was prepared to contribute a "fair share" if the program was approved by the Assembly.

Although the kind of American help being considered was not specified here, it is understood that it would likely include a significant contribution of cereal grains—a contribution for which the Administration would not have to get additional action by Congress.

The United States program also calls for renegotiating the debts of the countries hardest hit by the rise in prices, particularly for oil, in recent months. Estimates vary on how much such debt might be involved, but more than a billion is owed to the United States, largely by countries in Southern Asia.

The United States initiative was taken after a series of confusing delays. Qualified sources said the proposal was blocked at one point by objections by the outgoing Secretary of the Treasury, George P. Shultz. Mr. Shultz has said that the economic predicament of the poorer developing countries has essentially been caused by the steep rise in oil prices and that the solution is to get oil producers to lower prices rather than to try paliative measures such as emergency assistance.

During the night the United States delegation was understood to have received instructions to go ahead with the proposal from Secretary of State Kissinger, in Algeria.

The special Assembly session was called at the request of President Houari Boumediene of Algeria in the name of the developing countries. It was assumed here that Mr. Kissinger discussed the American proposal during his talk yesterday with President Boumediene.

Led by Algeria, the developing countries have submitted their own proposals to the Assembly, one being for emergency measures to help the countries most affected by economic problems—problems that they have asserted have been caused more by the high costs they pay for general imports from the industrialized countries than by the oil price rise.

The initial Algerian response to the American move was to characterize it as a maneuver aimed at creating dissension among the ranks of the developing countries. The Algerians and some others saw it as an American tactic to keep the Assembly from approving their own proposals, which have run into opposition mainly from the United States, but also from Western European countries.

A number of members said that they were resentful that the American recommendation was put in just as the Assembly was preparing to act on the proposals of the developing countries. Others, however, felt that the new initiative was a significant development warranting a delay by the Assembly.

Samar Sen of India, whose country has been one of the hardest hit economically, said the American reasons for acting even at this late stage were "acceptable."

The American proposal clearly sought immediate relief to tide the countries with deficits over the coming months by urging that such help be given by the end of 1975. It enumerated 10 broad categories of special kinds of assistance.

These included commodity assistance—such as food stocks on easy terms or on outright grant basis—and also provision of capital goods on favorable terms. The program envisioned easier credit terms and renegotiation of debts on a case-by-case basis.

Under the American proposal, Secretary General Waldheim would be asked to make a worldwide appeal to members for emergency relief for the countries in gravest economic difficulties.

FINANCIAL DISCLOSURE BY SENATOR BAYH

Mr. BAYH. Mr. President, I have made a public financial disclosure of my assets, liabilities, and income each year beginning with calendar year 1969. Today I am again making such a public financial disclosure for calendar year 1973 and in addition I am making public information on my joint individual income tax returns for calendar years 1969 through 1973.

The privacy of individual Federal tax returns is protected by law and has long been one of our most cherished and inviolate individual rights. I have not made the decision to make public information from my tax returns lightly.

Unfortunately, over the course of the past year, day after day, week after week banner headlines have brought disclosures which have undermined the faith of our citizens in their Government in general and shattered public confidence in the integrity of public officials and the political process in particular. The impact of the Watergate affair and related scandals on public confidence in the political process is nothing less than a national tragedy. A Vice President has resigned and admitted cheating on his income tax. The Internal Revenue Service has ruled that the President owes $465,000 in additional taxes and interest. And numerous others who served in positions of high public trust have been indicted or have pleaded guilty to charges of having violated that trust. Investigations continue and the end is not yet in sight.

As a result, all too many Americans have become convinced that the tactics and the morality of Watergate represent the norm in the political and governmental process. I, for one, believe most emphatically they do not represent the norm. Most men who seek and most men who serve in high public office are good men, honest men who desire nothing more than to make this a better world for our children and our children's children. But it is clear that when the public has more faith in its garbage collectors than it has in the U.S. Senate, the U.S. House of Representatives, or the President, those who seek or who serve in high public office have an obligation to take every step possible to help restore and assure faith in the basic honesty and integrity of our Government, our political process and our public officials.

Our democratic form of government derivenes its strength from the people. When the people lose faith in the honesty and integrity of politicians and the political system in general, the ability of government to function effectively to meet the complex problems which face us is critically impaired and we, as a nation, are balanced on the knife edge of disaster.

If making information on my Federal income tax returns public can in some measure help restore public confidence in Government, the political process and public officials, the loss of privacy which I suffer is a small price to pay. I hope others seeking or serving in high public office will agree and will act accordingly. I am encouraged in this hope by the fact that my policy of making a public financial disclosure each year has recently been adopted by the leading Republican candidate for the U.S. Senate in my own State of Indiana. At a time when the integrity of our most fundamental institutions is under attack we can no longer settle for the standards of the past.

My concern about the growing loss of confidence in our political system, our Government and our public officials is not new. I have long believed that the source of all governmental power is in the consent of the governed and, therefore, if the people are supplied with sufficient information about their elected officials and appointees, the people will fashion workable standards of conduct in the voting booth. I am convinced that the most effective means of insuring that public officials are responsive to the highest ethical standards is to make the personal affairs of public officials and those who seek high public office an open book.

That is why, long before anyone ever heard of Watergate—in 1967—I voted for legislation to require Congressmen and candidates for Congress to disclose their assets, liabilities, gifts and outside income. It was my concern for insuring integrity, basic honesty and sensitivity to conflicts of interest which might tend to undermine public confidence in our system of justice that led me to oppose the nomination of Judge Haynsworth to the Supreme Court in 1969. It was this concern which led me to introduce, in 1970 and again in 1971, a Judicial Disqualification Act and an Omnibus Disclosure Act.

The Judicial Disqualification Act called for precluding participation by a judge in any case in which he had a defined financial interest or in which his participation might give the appearance of impropriety; and it called for improved procedures under which a judge is disqualified from a case for bias or prejudice.

The Omnibus Disclosure Act which I introduced required members of all three branches of Government, including the President, the Vice President, Members of Congress, the Federal Judiciary and any Federal employee earning more than $18,000 per year, to file full and complete public financial disclosures.

In order to indicate my good faith in pressing for this legislation and my concern for the need of the voters to have access to detailed information on the financial affairs of Members of Congress and other high public officials, I have made a public financial disclosure of my assets, liabilities and my income each year beginning in 1969. I intend to continue this practice although it is still not required by law.

Most recently, in May of last year I introduced a Campaign and Election Reform Act providing not only for full public financial disclosure by public officials of all three branches of Government, but also establishing new standards, new rules and procedures to ensure open elections as free as possible of the abuses such as those which led to and were specifically involved in the Watergate affairs. When I introduced this legislation I required all members of my staff earning more than $18,000 per year to join me in filing full and complete financial disclosures each year.

The process of restoring the public's faith in politics and government will not be easy. Although many of the provisions contained in the legislation I have introduced to this end also appear in S. 3044 which passed the Senate with my support on April 12, 1974, none have yet become law. But if enough of us who hold public office and who seek public office are willing to sacrifice a measure of personal privacy to voluntarily open our financial affairs to public scrutiny we can, I believe, do much to restore politics and government to the place of honor and respect they should have in this great country.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of my personal financial disclosure for calendar year 1973 and a summary of my joint U.S. individual income tax returns for calendar years 1969 to 1973.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PERSONAL FINANCIAL DISCLOSURE SENATOR AND MRS. BIRCH BAYH*

Assets April 22, 1974

Cash in hand and in saving and checking accounts (approximate)	$5, 500
340 acre farm Vigo County, Indiana (Basis at acquisition)	68, 000
Residence, Washington, D.C.	
Cost:	
Lot	$25, 000
House	75, 000
Less mortgage, balance due	52, 783
Net	$47, 217
Securities placed in blind trust in May 1970 with Terre Haute First National Bank (based on May 14, 1970, market value; present investments and value unknown)	45, 655
383 shares Vigo County, Ind., Farm Bureau Cooperative Association, Inc., patron account No. 21880	2, 122
Farm Producers Marketing Association	250
Tangible personal property in Washington, D.C. (estimated)	8, 000
Cash value of life insurance (approximate)	$10, 716
Buick coupe 1973	
Book value	3, 300
Less encumbrance	3,129
Net	171
Buick LeSabre 1974	
Book value	4, 500
Less encumbrance	4, 104
Net	396
Total assets	188, 027

(Income 1973)

Salary as U.S. Senator	$42, 500
Honoraria and writing income (net):	
Sen. Bayh	6, 978
Mrs. Bayh	1, 100
Farm income	16, 503
Dividends, interest, and gains on investments	22, 930
State income tax refunds	1, 229
Total income	91, 240

*Does not include property which was purchased by Mrs. Bayh in her own name with the proceeds of her father's estate.

A SUMMARY OF U.S. JOINT INDIVIDUAL INCOME TAX RETURNS AND INDIANA STATE INCOME TAX RETURNS FOR CALENDAR YEARS 1969-73

	1969	1970	1971	1972	1973
Gross income as reported in Congressional Record [1]	[2] $105, 646	[3] $100, 321	[4] $80, 003	[5] $68, 246	[6] $91, 240
Total income reported in tax returns	106, 100	103, 772	84, 406	[7] 46, 488	91, 106
State and local taxes paid	2, 677	3, 884	7, 368	3, 589	4, 880
Federal taxes paid	37, 301	36, 774	25, 697	7, 402	31, 473
Total taxes paid	39, 978	40, 658	33, 065	10, 991	36, 353
Taxes paid as percent of total income reported for tax purposes	37. 7	39. 2	39. 2	23. 6	39. 9

[1] As Congressional Record inserts note these figures do not reflect income to Mrs. Bayh from the proceeds of her father's estate.

[2] See Congressional Record, Aug. 7, 1970, p. 27804-5.

[3] See Congressional Record, Sept. 30, 1971, p. 34180.

[4] See Congressional Record, Sept. 28, 1972, p. 32705-6.

[5] See Congressional Record, May 17, 1973, p. 16095-6.

[6] See Congressional Record, May 2, 1974.

[7] Reflects $22,613 capital loss generated by blind trust.

FISCAL YEAR 1975 FOREST SERVICE APPROPRIATIONS

Mr. HUMPHREY. Mr. President, I recently communicated with Senator BIBLE, chairman of the Subcommittee on the Interior, of the Appropriations Committee, expressing my concern over the inadequate fiscal year 1975 funding proposed by the administration for the National Forest Service.

We must make certain that these programs are funded if we hope to have adequate timber supplies in the future.

Mr. President, I ask unanimous consent that my letter to Senator BIBLE and my attached statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 30, 1974.

Hon. ALAN BIBLE,
Chairman, Subcommittee on the Interior, Committee on Appropriations, Washington, D.C.

DEAR ALAN: I have become increasingly concerned over the inadequate FY 1975 appropriations for the Forest Service.

As we carried out our hearings on S. 2296, it was made abundantly clear that a sound program to increase our future timber availabilities would require that we provide adequate funding. The President's proposed budget for FY 1975 is just not adequate, and I am hoping that your subcommittee will give serious consideration to my suggested funding increases.

I would appreciate your including my statement as a part of the hearings record.

With best wishes.

Sincerely,

HUBERT H. HUMPHREY.

STATEMENT BY SENATOR HUBERT H. HUMPHREY

I wish to express my concern that the funding level of the Forest Service—as proposed in the Federal Budget for fiscal year 1975—is deficient in every program area and urge the subcommittee to consider providing the level required to meet timber requirements and for adequate short term and long term conservation.

The budget that has been presented to you is so woefully deficient that it fails to even take advantage of current opportunities and potential future opportunities to make money for the taxpayers via increased revenues for the sale of resources from the National Forests. I can appreciate that there might be some logic in saying that funds will not be requested for certain non-revenue producing activities. However, when present and future revenue producing opportunities are avoided, the entire rationale on which the budget rests is open to question.

I recommend that the budget for the Forest Service be increased by $193 million as outlined in the attached Schedule "A."

Earlier this year I met with representatives of the Hoerner-Walford Paper Company. The firm is headquartered in Minnesota and has operations in several states. It is not the largest paper company by far but it is a unique one. It specializes in using wood waste to make paper, both sawmill and wood waste. I gathered from the pictorial presentation that this Company gave to me that there are significant volumes of standing and down dead timber in Western Montana, for example, which this company would want to purchase if it were put on the market.

The timber sale budget for the Forest Service emphasizes the sale of standing green mature timber. I would like to see specific additional funds for timber management and with instructions to secure total utilization.

The reforestation program continues to be behind needs. You have the report of the GAO that confirms how critical the situation is. An added $17.8 million here seems to be the minimum required by sound conservation concepts.

There are real opportunities here that simply must be met if future wood supplies are going to be reasonably adequate.

I take small comfort from the fact that

the Administration's policies generally have hit the housing program so hard. We have had 5½ years of this Administration and it is possible to determine how it reacts to issues. First it declares there is no problem, and next it takes actions which exacerbate it. Finally, it says someone has created a crisis, and it must be met. What we are going to see shortly is a massive effort to get housing starts up. Lumber and plywood prices have not softened substantially and inflation continues. A solid program of added timber sales within the sustained yield and multiple use constraints, plus a fully funded reforestation and stand improvement program, will help to reduce the inflationary impact on lumber prices during FY 1975.

Likewise, I would mention that the Forest Service Road program needs at least an additional $46 million. The present road program level is grossly inadequate and it suffers from the defect of relying almost exclusively on reductions in the price of timber so that timber purchasers will construct main line roads as a part of the timber sales contract. This system results in making counties pay 25% of the "cost" of these roads and it causes road construction to be barely a step ahead of the power saws. In addition, in these last two years no multipurpose or recreation roads have been undertaken. With the continuing energy crunch and the higher cost of gas, special attention needs to be given to building better roads and especially on National Forests near centers of population.

The programs of recreation, wildlife, range soil and water, minerals, insect and disease control and land management are likewise of importance in their own right. The material I enclose deals with them in some detail. Wildlife habitat management is of particular interest to us in Minnesota.

The Forest Service Research program has also been lagging well behind its needs. Earlier this year I indicated to you a glaring deficiency in wildlife research that we in Minnesota are concerned about.

The program of State and Private Forestry cooperation certainly deserves to be strengthened. Most of the forest land in America is owned by small owners, and these programs of cooperation in improved forestry, which are in part supported by Federal funds and operated locally through the States, can render important assistance to better forest and woodland management.

One of the listed programs is the Youth Conservation Corps, where an additional $43 million of federal funds could be effectively used. Based on a $13 million matching contribution by the states, a program benefitting 37,000 young men and women could be provided at a cost of about $1,500 per participant.

On the federal lands alone 21,000 young people could be given an opportunity at a cost of $30 million and here the cost estimate is about $1,400 per participant. I would most strongly urge that the $30 million program be funded and that some funds be provided for an increased cooperative program with the States.

The programs that the Forest Service operates are investments in America for Americans. They are investments that yield dividends now and in the future. A shortsighted funding policy now will have serious ramifications for the future. I hope the subcommittee will consider these recommended funding increases. I pledge you my support when the bill comes to the floor of the Senate.

Schedule "A"

With an increase of $193 million, the following information on program funding and related manpower requirements shows the Forest Service capabilities to provide the products and/or services.

Forest Land Management—total increase $61.1 million.

1. SALES ADMINISTRATION AND MANAGEMENT

Additional funding of $2.8 million with 62 permanent and 28 other man-years of employment would be used: (1) to prepare timber sales that would be available on short notice so as to avert demand-supply stress and (2) to increase silvicultural examinations that would intensify the level of forest management.

The preparation of timber sales is normally a 3–5 year process, a circumstance which limits the size of any immediate Forest Service response in terms of an increased sell offerings program to meet sudden upswings in timber demand. The Forest Service should not only be prepared to respond quickly to short-term increases in timber demand but should also be prepared to steadily increase timber sell offerings to meet higher demands for timber in the long term. The above funding increase would enable the Forest Service to prepare approximately 0.5 billion board feet additional timber needed to sell when responding to either the short- or long-term timber demands.

Intelligent and responsible management of the timber resource requires in-place examination and measurement of individual stands of timber. Silvicultural prescriptions are made for each stand following the examination and measurement. Programs for timber harvest, reforestation, and stand tending measures depend on these individual stand examinations and there must be considerable correlation among stands to meet the overall needs of the Forest-wide timber growing and harvesting programs. Additional funds are needed for increasing the annual acreage receiving silvicultural examination by 800,000 acres.

2. REFORESTATION AND STAND IMPROVEMENT

Additional funding of 17.8 million and increases of 249 permanent and 249 other man-years of employment includes increased reforestation of 30,000 acres of deforested commercial forest lands and 178,000 acres of stand improvement work including 20,000 acres of fertilization.

3. RECREATION USE

An increase of $5.5 million includes 55 permanent man-years, and 50 other man-years will in large measure move toward the currently needed maintenance level of $20.2 million for which only $8 to $9 million are annually available. This includes operation and maintenance of pollution abatement facilities and administration of recreation uses under permit required now by NEPA. It anticipates heavy use of facilities near large population areas during this period of fuel shortage which is expected to decrease long-distance driving to more remote sites. This increase will also make it possible to institute more studies of roadless areas for possible wilderness classification.

4. WILDLIFE HABITAT MANAGEMENT

Increaes to the extent of $2.7 million with 54 permanent and 13 other man-years of employment would be used for protection and development of habitat for rare and endangered species and to increase forage for wildlife in conjunction with increased efforts on rangeland in support of increased production of beef.

5. RANGE RESOURCE MANAGEMENT

An increase of $4.9 million and 93 permanent and 34 other man-years of employment will be applied to increasing the capacity of National Forest rangeland and, thus, the production of beef.

6. SOIL AND WATER MANAGEMENT

The $5.4 million, 102 permanent, and 32 other man-years of employment in soil and water programs would be used for the following purposes:

(1) Respond to upstream land treatment activities on National Forest lands tributary to PL 566 small watershed projects and to expedite reservoir sweeping and clearing where the Forest Service has water surface management responsibility.

(2) Reclamation of critical disturbed lands resulting from mining and other related activities.

(3) Soil, hydrologic, and geology technical support and services for the intensified timber, range, and road and trail programs and land-use planning, especially related to the roadless area studies.

7. MINERALS MANAGEMENT

With the advent of new mining regulations, $3.2 million with 132 permanent and 12 other man-years of employment can effectively be applied in the minerals program.

8. FOREST FIRE PROTECTION

An increase of $8.1 million, adding 81 permanent and 81 other man-years of employment would enable the Forest Service to mount an aggressive program to lower the flammability of forest lands through fuel treatment, to provide for availability of specialized fire equipment, and to strengthen fire prevention.

9. GENERAL FOREST LAND MANAGEMENT

An increase of $6.4 million with 64 permanent and 25 other man-years of employment would be used for the following purposes:

(1) $300,000 for land classification activities in critical land areas.

(2) $700,000 for landline location to prevent trespass, urban sprawl on National Forests, and for support for timber.

(3) $800,000 for maintenance of improvements for fire and general purposes—the physical plant upon which all Forest Service programs depend.

(4) $1,500,000 for increased administrative load for occupancy and use permits, easements, and memoranda of understanding on about 5.8 million acres of National Forest lands occasioned by NEPA and resulting litigation, and the need to comply with air, water, and solid waste disposal standards.

(5) $3,100,000 for a multi-layer map system providing functional overlays of base maps now needed for all major new planning and implementation efforts.

11. INSECT AND DISEASE CONTROL

Additional funding of $3.7 million, 26 permanent and 19 other man-years of employment would be used to intensify the suppression programs so that losses from disease, Bark Beetles, and defoliators can be held to tolerable levels. This increase would also assist the States on a cost-share basis.

12. COOPERATIVE LAW ENFORCEMENT

An increase of $600,000 will be used for costs of cooperative efforts by law enforcement agencies that assist in the control of violations of law on the National Forests.

Forest Research—Total increase $25.0 million.

13. TIMBER MANAGEMENT RESEARCH

An increase of $2.8 million with 32 permanent and 4 other man-years of employment would be used to accelerate the development of new and innovative practices for increasing timber supply through shorter rotations, increasing growth and improved management planning.

14. WATERSHED MANAGEMENT RESEARCH

An increase of $2.1 million with 28 permanent and 7 other man-years of employment to expand research on sewage sludge and effluent recycling using forest areas and to initiate a major program of resource management research which would provide new information and techniques to more fully manage the soil, water, timber, other vegetation, wildlife, and recreation resources, including restoration of strip mined land in the East.

15. WILDLIFE HABITAT AND RANGE RESEARCH

An increase of $2.7 million with 30 permanent and 11 other man-years of employment includes $1.5 million for research to maintain quality wildlife habitat under conditions of intensified timber production and more effective range management. Included also is $1.2 million for research into improving forage on rangelands for production of beef and mutton.

16. FOREST RECREATION RESEARCH

An increase of $1.0 million with 13 permanent and 3 other man-years of employment would be directed toward research into planning and management of outdoor recreation opportunities.

17. SEAM (SURFACE ENVIRONMENT AND MINING)

An increase of $7.5 million with 60 permanent and 23 other man-years of employment would be used to accelerate research and development in the restoration and management of lands affected by minerals extraction. This brings the full effort to $9.2 million.

18. FIRE AND ATMOSPHERIC SCIENCES RESEARCH

An increase of $600,000 with 6 permanent and 1 other man-years of employment would be used for research on fire control technology and wildlife prevention in the North Central and Northeastern States and to strengthen research in the Southeast on smoke management in relation to prescribed burning.

19. FOREST INSECTS AND DISEASE RESEARCH

An increase of $3.8 million with 61 permanent and 11 other man-years of employment includes $2.9 million for research in an overall USDA effort to develop environmentally acceptable control systems for the Douglas fir tussock moth, gypsy moth, and southern pine beetle. Also included is $0.9 million for research on spruce budworm, western bark beetles, diseases of high-value hardwoods and trees in relation to air pollution.

20. FOREST PRODUCTS UTILIZATION RESEARCH

An increase of $1.6 million with 19 permanent and 3 other man-years of employment would be used in research to extend the timber supply through improved lumber recovery, advanced processing systems, and effective utilzaton of residues.

21. FOREST ENGINEERING RESEARCH

An increase of $900,000 with 7 permanent and 5 other man-years of employment will provide for research on advanced harvesting systems with emphasis on harvesting environmentally sensitive sites.

22. FOREST RESOURCES EVALUATION

An increase of $1.1 million with 19 permanent and 3 other man-years of employment would accelerate Forest Survey toward the objective of more frequent resurvey, thereby more fully meeting the needs for these data.

23. FOREST ECONOMICS AND MARKETING RESEARCH

An increase of $900,000 with 13 permanent and 1 other man-years of employment will provide for research on the economics of highly intensified forest management practices and the economics of more effective resource utilization.

State and Private Forestry Cooperation—total increase of $9.2 million.

25. COOPERATION IN FOREST TREE PLANTING

An increase of $1.0 million with 3 permanent and 1 other man-years of employment will be used to provide additional tree planting stock which is urgently needed to meet the expanded requirements resulting from the Forestry Incentives Program.

26. COOPERATION IN FOREST MANAGEMENT AND PROCESSING

With added funding of $4.9 million, there would be 5 permanent and 2 other man-years of employment. Fundng increases will be used in the following manner: $2 million to implement the authority for urban and community forestry contained in PL 92–288; $2.9 million to States under the Cooperative Forest Management Program to accelerate assistance to private forest landowners and to provide more intensive multiple use management of nonindustrial private forest lands.

27. GENERAL FORESTRY ASSISTANCE

An increase of $3.3 million with 20 permanent and 3 other man-years of employment would be used to accelerate the rate of adoption of new technology developed by forestry research activities. Specialized assistance is provided to States, private landowners, wood processors, and consumers of wood products. Examples are:

a. Accelerate training in new computerized forest inventory techniques throughout this country and to honor requests from Mexico, Iran, and other foreign countries which have outstripped our current capacity to provide this training.

b. Accelerate the implementation of emerging research technology on the improved protection of wood in use from insects and fungus attack.

c. Implement a program of forest rangeland management to increase the production of red meat which is an emerging trend that requires range and forest management technical assistance in order to ensure that environmental, timber, and wildlife values of the forest are not destroyed.

d. Land-use planning assistance to State and local planning groups is an increasing impact upon forestry programs. Until there are funds available from other sources, General Forestry Assistance funding will need to carry the burden of this assistance effort.

Construction and Land Acquisition—total increase $8.3 million.

30. FIRE, ADMINISTRATION, AND OTHER PURPOSE CONSTRUCTION

An increase of $4.2 million with 42 permanent and 25 other man-years of employment would be used to accelerate acquisition of multiple channel radio communication systems for high fire danger areas and construction of critically needed administrative facilities.

31. RESEARCH CONSTRUCTION

Adding $4.1 million and 4 permanent man-years of employment would be used for construction of needed research facilities for which planning has already been completed at Corvallis, Oregon, and Auburn, Alabama.

34. AND 35. FOREST ROADS AND TRAILS—TOTAL $45.9 MILLION

Increases are for construction and maintenance totaling $45.9 million with 510 permanent and 479 other man-years of employment.

Funds will be used for timber support in road construction and reconstruction and bridges for the timber program in fiscal year 1975 and later years. In addition, funds would be used for construction and reconstruction of roads and trails in support of other programs. Construction funds will be used to complement development at National Recreation Areas, at reservoir projects, such as Cave Run and Laurel, and to meet the objectives of the National Trails Act.

38. ASSISTANCE TO STATES FOR TREE PLANTING—TOTAL INCREASE $0.5 MILLION

An increase of $0.5 million with 1 permanent and 1 other man-years of employment will be used to accelerate tree improvement and the availability of quantities of improved trees needed to increase short- and long-term productivity of private forest lands.

39. YOUTH CONSERVATION CORPS

No increase is requested here. However, a $43 million program could be accomplished.

The Department of Agriculture and the Interior have conducted a survey which identified a capacity to accommodate 21,363 youth on 554 projects on Federal land. This would require $30 million. The States could accommodate 15,667 youth for $13 million Federal funds. The States match Federal funds on a 50–50 basis.

12. *Cooperative Law Enforcement*—an increase of $600,000 is requested. However, to more fully implement the State and local Law Enforcement in National Forests Act, P.L. 92–82, an additional increase of $1.5 million could be used effectively to increase the cooperative effort with State and local law enforcement agencies and extend the protection from weekends, holidays, and problem areas to other high use periods during the busiest seasons of the year.

FOREST SERVICE

		Fisca lyear 1975 President's budget	Alternative requested		Man-year increase above President's budget		
			Fiscal year 1975	Increase above President's budget	Permanent	Other	Tota
	FOREST PROTECTION AND UTILIZATION						
	FOREST LAND MANAGEMENT						
	Nationalf orest protection and management:						
	Timber resource management:						
1.	(a) Sales administration and management	84.3	87.1	2.8	62	28	90
2.	(b) Reforestation and stand improvement	35.3	53.1	17.8	249	249	498
3.	Recreation—public use	46.5	52.0	5.5	55	50	105
4.	Wildlife habitat management	9.2	11.9	2.7	54	13	67
5.	Range resource management (includes CRI)	16.5	21.4	4.9	93	34	127
6.	Soil and water management	15.2	20.6	5.4	102	32	134
7.	Minerals management	3.6	6.8	3.2	132	12	144

Footnotes at end of table.

FOREST SERVICE—Continued

		Fiscal year 1975 President's budget	Alternative requested		Man-year increase above President's budget		
			Fiscal year 1975	Increase above President's budget	Permanent	Other	Total
	FOREST PROTECTION AND UTILIZATION						
	FOREST LAND MANAGEMENT—Continued						
8.	Forest fire protection	36.5	44.6	8.1	81	81	162
9.	General forest land management activities including BEC	26.5	32.9	6.4	64	25	89
	Total, national forest protection and management	273.6	330.4	56.8	892	524	1,416
10.	Fighting forest fires	4.3	4.3	0			
11.	Insect and disease control	11.3	15.0	3.7	26	19	45
12.	Cooperative law enforcement	1.6	2.2	.6			
	Total, forest land management	290.8	351.9	61.1	918	543	1,461
	FOREST RESEARCH						
	Forest and range management research:						
13.	Timber management research	13.6	16.4	2.8	32	4	36
14.	Watershed management research	7.0	9.1	2.1	28	7	35
15.	Wildlife habitat and range research	3.9	6.6	2.7	30	11	41
16.	Forest recreation research	1.2	2.2	1.0	13	3	16
17.	SEAM	1.7	9.2	7.5	60	23	83
	Total, forest and range management research	27.4	43.5	16.1	163	48	211
	Forest protection research:						
18.	Fire and atmospheric sciences research	8.1	8.7	.6	6	1	7
19.	Forest and insect disease research	10.9	14.7	3.8	61	11	72
	Total, forest protection research	19.0	23.4	4.4	267	12	79
	Forest products and engineering research:						
0.	Forest products utilization research	9.9	11.5	1.6	19	3	22
21.	Forest engineering research	1.6	2.5	.9	7	5	12
	Total, forest products and engineering research	11.5	14.0	2.5	26	8	34
	Forest resource economics research:						
22.	Forest resources evaluation	3.8	4.9	1.1	19	3	22
23.	Forest economics and marketing research	3.8	4.7	.9	13	1	14
	Total, forest resource economics research	7.6	9.6	2.0	32	4	36
	Total, forest research	65.5	90.5	25.0	288	72	360
	STATE AND PRIVATE FORESTRY COOPERATION						
24.	Cooperation in forest fire control	20.2	20.2	0			
25.	Cooperation in forest tree planting	.3	1.3	1.0	3	1	4
26.	Cooperation in forest management and processing	5.6	10.5	4.9	5	2	7
27.	General forestry assistance	3.7	7.0	3.3	20	3	23
	Total, State and private forestry cooperation	29.8	39.0	9.2	28	6	34
	Total, forest protection and utilization	386.1	481.4	95.3	1,234	621	1,855
	CONSTRUCTION AND LAND ACQUISITION						
	Forest land management:						
28.	Recreation—public use	1.9	1.9	0			
29.	Water resource development	2.2	2.2	0			
30.	Fire, administration, and other purposes	1.7	5.9	4.2	42	25	67
	Total, forest land management	(5.8)	(10.0)	(4.2)	(42)	(25)	(67)
31.	Research construction	0	4.1	4.1	4		4
32.	Pollution abatement	16.7	16.7	0			
33.	Land acquisition, Weeks Act	1.6	1.6	0			
	Total, construction and land acquisition	24.1	32.4	8.3	46	25	71
	FOREST ROADS AND TRAILS						
34.	Construction	107.8	148.8	41.0	451	410	861
35.	Maintenance	39.2	44.1	4.9	59	69	128
	Total	147.0	192.9	45.9	510	479	989
36.	Acquisition of lands for national forests, special acts	.2	.2	0			
37.	Acquisition of lands to complete land exchanges						
38.	Assistance to States for tree planting	1.4	1.9	.5	1	1	2
39.	Youth Conservation Corps	10.2	10.2	0			
	Total, regular funds	569.0	719.0	150.0	1,791	1,126	2,917
	End-of-year employment				1,800	2,200	4,000

ENVIRONMENTAL GOALS

Mr. FANNIN. Mr. President, in recent years the Congress has enacted legislation establishing unrealistic environmental goals for the Nation. This legislation too often has been based on wishful thinking rather than on facts.

Congress had not had adequate technical information on what can be achieved and at what cost. It is not that this information is not available or cannot be attained. It is, rather, that political expediency has dictated that Congress not seek out information which might prove contrary to expectations. Ironically, these expectations are generated by unrealistic and demagogic rhetoric.

Dr. Frank D. Schaumburg has written an interesting article which appears in the current issue of the National Observer. He points out that Congress and our governmental machinery in general has very little technological expertise. We are dominated by those who think in terms of legal procedures rather than technological reality.

Mr. President, the Congress is doing this Nation a great disservice when we enact legislation that is economically or technologically unsound. When Government tries to promise low prices for goods, or "zero pollution," and when these promises are not consistent with technological or economic fact, we are building disillusionment with Government.

Dr. Schaumburg makes some excellent points in his article, and I regret that we cannot reproduce in the Record the diagram, which accompanies his presentation in the Observer. I ask unanimous consent that the article be printed in the Record so that my colleagues may consider these important points.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the National Observer, May 4, 1974]

"Enviropolitics" Is a Pollutant Too

(By Frank D. Schaumberg*)

In the fall of 1972 Congress passed by a near-unanimous vote a very crucial piece of environmental legislation, the 1972 amendments to the Water Pollution Control Act. It is not surprising that the act received such strong congressional support, since a "nay" vote on any environmental measure could constitute political suicide.

Americans most often look to their political leaders in Washington, D.C., for remedies or solutions to technological and all other domestic problems. But why? Is it because politicians are considered omniscient, or because they possess the authority to legislate? Throughout recent history Americans have been lulled into the belief that laws and large appropriations can serve as a panacea for all ills. The public will soon come to the realization, however, that laws cannot create energy nor can they magically cleanse the environment. Yet Congress proceeds undauntedly in its efforts to legislate away all ills.

This article will explore the interrelationship among politics, laws, and the environment. This will enable the reader to better understand why some of our nation's problems are being intensified rather than attenuated by political involvement.

The 1972 Water Pollution Control Act is based upon many elements of unsound scientific reasoning and fact. For example, it elucidates a national goal of "zero water pollution" by 1985, a goal that is thermodynamically, technologically, and economically unrealistic and in fact impossible to achieve. If interpreted literally, this act might be viewed as an attempt by Congress to amend the basic laws of science and nature.

Another serious shortcoming of this act is the obvious lack of concern for its many negative impacts on the air and land phases of the environment. Should the act continue to be implemented as the Environmental Protection Agency (EPA) administrator is currently directing, the sparkling waters achieved will be masked by polluted air and debris-laden land. Of course, laws could be passed to deal with these problems once they become manifested in critical proportions. This issue of concern for the *total* environment has been addressed in my paper, "Nature—An Important Factor in Management of the Total Environment," which will be presented at the seventh annual conference of the International Association on Water Pollution Research in Paris next fall.

ADVICE WITHOUT EXPERTISE

While preparing this technical paper I carefully reviewed the content and early consequences of the 1972 act. Several perplexing questions surfaced. For instance, how could such a technically unsound piece of legislation be promulgated? And why has this act resulted in an implementation program based upon adversary procedures wherein dischargers are dealt with like criminals and given only the guilty or not-guilty alternatives?

Answers to these and related questions become readily apparent when the political fabric and framework of our legislative processes is examined. Of particular interest is the expertise (or lack of expertise) of the President, our senators and representatives, and members of the commissions, committees, and boards appointed by the President or Congress. The remarks and explanations that follow should be referenced with the adjoining diagram, which illustrates the political maneuvering involved with implementing the 1972 act.

Consider first the composition of our Government's legislative branch. Of the 100 U.S. senators, 98 have nontechnical backgrounds; 60 are lawyers. Only 10 of 435 representatives have technical backgrounds; 208 are lawyers. Little improvement is found in the executive branch. Not only is the President a lawyer, but he leans almost exclusively on lawyers for advice and counsel, even on technical matters.

Though constrained by a deficiency in technical experience and expertise, the 92nd Congress created the highly technical—and in my view politically expedient—1972 Water Pollution Control Act. The act did, however, clearly reveal Congress' concern that its rigorous provisions and goals might have a serious impact upon technology, ecology, economics, and society. To quell this concern, Congress created through the act the National Commission on Water Quality (also known as the Rockefeller Commission) to evaluate the act's impacts. The commission is to report its findings back to Congress by 1975.

A rational person might logically assume that appointments to this 15-member advisory commission would include representation from industry, ecology, engineering, economics, and perhaps even a politician or two. Though rational, such an assumption demonstrates political naivete. After all, why should Congress permit its publicly popular environmental act to be open for criticism by a knowledgeable segment of society?

As a consequence, the *act specifies* that five commission members shall be appointed from the Senate, five from the House, and five shall be selected by the President. Twelve of the 15 commissioners have nontechnical backgrounds, including its chairman, former New York Gov. Nelson Rockefeller. It becomes all too apparent that Congress assigned a segment of itself to advise itself on matters beyond its intrinsic expertise. This provision of the act clearly illustrates the political game that is being played at the expense of the environment.

From a citizen's perspective, the needs and concerns for environmental quality should transcend partisan politics. But then consider the aspirations of some of the commissioners. Chairman Rockefeller, a likely Republican Presidential contender, is matched against vice chairman Edmund Muskie, a Democratic Presidential hopeful. Since Senator Muskie introduced this legislation, he is committed to defend it before Congress and the public. It is very likely that he will attempt to divert the commission, its staff, and its consultants from any consideration of the act's highly unrealistic 1983 and 1985 goals. On the other side of the political fence, it might be politically expedient for Nelson Rockefeller to discredit the act and with a political opponent, Senator Muskie.

Congress provided the commission with a $15 million budget to undertake its important mission. One of the major expenditures to date has been the assembling of a large, predominantly nontechnical staff to assist and advise the commission.

The act stipulates that the commission can retain as consultants such eminent technical groups as the National Academy of Sciences, the National Academy of Engineering, and the National Institute of Ecology. I have been an adviser to the Institute of Ecology relative to its assignment with the commission.

INSULATED BY POLITICS

It can be noted on the diagram that the technical groups have been relegated to the periphery of the decision-making process. Their reports will be routed to the commission staff, which will report to the commissioners, who will report to the public-works committees of the House and Senate, which will make the final report to Congress. The amount of technical input that can pass or filter through these many layers of nontechnical, political insulation will very likely be minimal.

The act provides a conceptual blueprint for the development of an implementation and enforcement program by the EPA. It is not surprising that President Nixon entrusted this tremendous environmental assignment as EPA administrator to a fellow lawyer, Russell Train. Before Train, fellow lawyer William Ruckelshaus was our nation's environmental leader.

Recognizing that professional, technical input should be made available during implementation, Congress provided in the act for two committees to advise the EPA administrator. One committee, the Effluent Standards and Water Quality Advisory Committee, was required by law to be comprised entirely of technical experts—which it is. Unfortunately, Congress failed to provide *any* budget for this committee to meet and function. Consequently, its effectiveness has nearly paralleled its budget level.

The second committee, the Water Pollution Control Advisory Board, is also nearly defunct, but for another reason: Its chairman, as specified by the act, is the EPA administrator. The administrator rarely, if ever, calls the board together for a meeting. It is doubtful that the board could provide much counsel, since eight of its nine Presidentially appointed members have nontechnical backgrounds.

AN UNREALIZED INTENT

After the EPA has developed specific standards for municipal and industrial waste discharges, the task for enforcement is delegated through its regional offices to the 50 states. Even though the act purports to increase state control on environmental matters, the reverse situation has actually resulted. As a consequence of this act and the implementation programs specified by the EPA, many previously effective state programs have been destroyed or seriously weakened. State regulatory agencies now serve only as puppets and policemen for the EPA and are buried in a bureaucratic quagmire of forms and paper work.

The predominance of lawyers in all phases of our political framework has resulted in adversary procedures and problem oversimplification. It must be remembered that laws alone cannot solve technical problems; they can only provide avenues to seek solutions. Voters all too often equate laws, lawyers, and politics. They must recognize that a law consists of basically two elements, substance and form. Lawyers are skilled primarily in the latter.

As a consequence, many of our laws, especially technical laws, may sound appealing but frequently are shallow and ineffective. For example, the obvious intent of the 1972 act's sponsor was a cleaner environment. However, that intent was not transformed into a substantive and workable law, owing in part to the obvious lack of reliable technical input.

The tenor of my remarks might suggest opposition to nontechnical persons, especially

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lawyers, being entrusted with lawmaking, law implementation, and law enforcement. This is certainly not my intent. I am confident that many of the engineers, scientists, physicians, and others in the technical segment of society would fail miserably in the political arena. My thesis is simply that politicians and their appointees must recognize their technical limitations and seek counsel from those who are knowledgeable rather than from those who will say what the politician wishes to hear. Our environment will not be effectively managed until our politicians become more technically sensitive and our technologists more politically sensitive.

REDUCED SPEED LIMITS MUST BE CONTINUED—SENATOR ROBERT C. BYRD STRESSES HIGHWAY SAFETY BENEFITS—CONSERVATION IS NEEDED

Mr. RANDOLPH. Mr. President, the shortage a few months ago imposed personal hardship and inconvenience on many of our citizens. The adverse impact of the shortage, however, was softened considerably by the variety of conservation measures instituted and willingly observed throughout the United States.

The acute shortage of petroleum has been alleviated, at least temporarily, by the lifting of the Arab embargo on this country. I regret that this situation is causing many of our citizens to forget the lessons of last winter and early spring to return to their old ways of using precious fuels wastefully.

The energy shortage is not over. Just as it did not suddenly materialize last autumn with the imposition of the embargo, it did not magically melt away with the winter snow. Even with the resumption of large oil imports we face the very real prospect of shcrtages of petroleum during the summer months and perhaps again next winter. It is, therefore, incumbent on every American to continue conservation consciousness. The days of energy extravagance are over—they are over for good. We can continue to enjoy a high standard of living in an economically strong country. But we must use energy wisely.

One of the most beneficial measures brought into operation last winter was the reduced speed limits for motor vehicles using our highways, a proposal which I first made in late spring of 1973 and was incorporated in legislation enacted several months later. The Department of Transportation estimates that the uniform 55-mile-per-hour limit can save from 130,000 to 160,000 barrels of fuel each day. This is a significant percentage of the 250,000 barrels the Federal Energy Office says have been cut from the average daily consumption.

Mr. President, the Committee on Public Works accepted the Emergency Highway Energy Conservation Act early last December and I reported it to the Senate on December 13. This speed limit measure, which became law on January 2 of this year, eliminated a certain amount of confusion and permitted the fuel savings we enjoy today.

Lower speed limits also triggered a dramatic decrease in the number of highway fatalities. It was an unusual opportunity to measure the effect of speed on traffic deaths. In March of this year traffic fatalities were 25.5 percent below the figure of the preceding March. More important, this was a saving of 1,091 lives and was the fifth consecutive month that highway deaths declined compared with last year.

So there are two compelling reasons—lives saved and fuel conserved—for continuing to observe lower speed limits. The law is still in effect, and law enforcement agencies must not be lax in requiring its observance.

Mr. President, my able colleague from West Virginia, Senator ROBERT C. BYRD, discussed the lifesaving benefits of lower speed limits in his newspaper column, read by thousands of citizens each week. I ask unanimous consent that his observations, as they appeared in the News-Tribune of Keyer, W. Va., be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Keyser (W. Va.), News-Tribune, Apr. 29, 1974]

BYRD'S-EYE VIEW—REDUCED SPEED LIMIT SAVING LIVES

(By U.S. Senator ROBERT C. BYRD)

For the first time in many years the nation's highway death toll is declining throughout the country. The 55-mile speed limit, imposed to reduce gasoline consumption, is given the credit. The total miles Americans drive has declined too, and that is a factor; but the drop in fatalities is considerably greater than is the decrease in driving.

The average driver may not realize it, but some 17 million automobile accidents a year have been occurring in the United States. Better known, perhaps, is the fact that these accidents have sent deaths in car crashes soaring above 56,000 a year.

Now, according to the National Safety Council, the monthly death totals are dropping. They were 9% lower in November 1973—the first month for the lower speed limits—than they were in November 1972. They were 19% lower in December than a year earlier. And in both January and February 1974 they were an impressive 25% below last year.

This is good news indeed for all who drive automobiles—including those who chafe at the reduced speed limits.

Safety experts say that one's chances of being killed in an automobile wreck double with each 10-mile-an-hour increase above 50. The risk of being fatally injured is twice as great at 60 as it is at 50, and at 70 it is four times greater.

Reducing speed limits is not the whole answer to solving the highway death problem. But experience with the 55-mile speed limit thus far would seem to point up one aspect of the situation about which disagreement has existed in the past: Speed does kill.

A case can be made for a 70-mile-an-hour limit for competent, sober drivers on limited-access divided four-lane highways, such as the interstates. But, unfortunately, not all drivers are competent and sober.

Until all drivers are licensed, and their licenses are renewed, on the basis of their driving skills and physical condition and their ability to react properly in emergency situations, and until we get the drunk drivers off the roads, then speed can only multiply one's chances of being killed—even when an accident is not one's own fault.

"ABILITY COUNTS" CONTEST

Mr. HATFIELD. Mr. President, Miss Jane Johnson of Coos Bay, Oreg., recently wrote an article on the problems many handicapped individuals must overcome if they are going to become self-sufficient members of society. Miss Johnson's paper reviews the progress or the lack of progress made in Coos Bay in helping handicapped people.

For her efforts, Miss Johnson won first prize in the "Ability Counts" Contest and a trip to Washington. I had the opportunity to meet with Miss Johnson today and know that she deserves the recognizition.

Mr. President, I ask unanimous consent that Miss Johnson's paper be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMUNITY CHALLENGE: BARRIERS TO THE HANDICAPPED

(By Jane Johnson)

The nature of human beings is to be self-sufficient, even though we do depend on each other to a certain extent. Funk and Wagnall's *Standard College Dictionary* defines handicapped as, ". . . any disadvantage that makes achievement or success difficult."[1] Being handicapped does not take away the need to be self-sufficient, it just makes it a little harder. In today's world, a person who is handicapped either mentally, physically, or socially faces overwhelming obstacles when trying to make of himself a useful, productive person instead of a charity-seeker or just a direction for a multitude of insincere sympathies.

In the community of Coos Bay, Oregon little has already been done in helping the handicapped help themselves. This town is just beginning to realize the potential of these people who, for hundreds of years have been shunned by the world just because they were different in some way, or disabled to the point where community involvement was simply out of the question. The sad part is that this town is not alone in its ignorance. Very few towns or cities have educated their employers or personnel managers in hiring the able disabled.

Coos Bay's City Manager Mr. Richard Kahanek[2] stated that the city was now in the process of cutting curbs for wheelchair victims and elderly people who have difficulty in mounting or dismounting the sidewalks. He also said that the Coos Bay City Council was in the process of researching the need for public transportation of the handicapped and the elderly to and from work, for medical reasons, or just around town. The present gas shortage is one detriment to this project, as it is to any inter-city travel. The City has just recently approved parking permits for five severely handicapped workers for the Southwestern Branch of Goodwill Industries of Lane County. This need for special parking permits, has brought about the design of a special license plate for handicapped workers whereby they will not be ticketed for overtime parking.

The city of Coos Bay is a heavy industry area concerned mainly with the logging industry and shipping of related products. Mr. Robert Boak,[3] Director of the Vocational Rehabilitation Department in Coos Bay stated that if Coos Bay had some sort of assembly line industry locally, there would be more to offer a handicapped person in the way of work. As it is now, the only work available for the mentally retarded is some mill work, custodial work, and such, the extent of which depends on the severity of the mental disability. Usually the handicapped must go to some other area to locate a suitable job. The Vocational Rehabilitation Department reported having two hundred of their case load as having handicaps, with about eighty-five percent successful in finding employment.

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[1] Funk and Wagnall, *Standard College Dictionary* (Text ed; New York: Harcourt, Brace and World, Inc., 1963), p. 608.

[2] Richard Kahanek, City Manager of Coos Bay, Oregon. Interviewed February 5, 1974.

[3] Robert Boak, Director of Vocational Rehabilitation in Coos Bay, Oregon. Interviewed February 6, 1974.

When asked about some of the misconceptions and misunderstandings on the part of the employers, Mr. Boak replied that the employers are sometimes just sensitive to the idea of having a handicapped employee. It bothers the employer to have him or her around. They, the employers, feel that the handicapped drive business away. Another misconception that interferes with the hiring of the handicapped is that the employer doesn't want to get involved, should the handicapped be the victim of an on-the-job mishap. Insurance protects the employer through a second injury clause, but often the employer just doesn't want to get involved in all that red tape, they think it effects their premiums.

Another reason employers feel it's unwise to hire the handicapped is because of unions. Mr. Don Smith, District Manager of General Telephone,[4] explained that some unions are not explicit enough in the labor union laws and thereby protecting the handicapped in his present job, but preventing him a raise within the company from one job to another. The employer must evaluâte the person and allow for the handicap, which is, in some cases, discrimination. The handicapped can then turn around and sue the employer for discrimination. Economically, it is also unheard of to tailor a job to the handicapped, like employers feel they have to. Also, the company or employer cannot afford to build a special auto, or to reconstruct the place of work so that the handicapped can move around easier. Economically, the telephone booths in Coos Bay cannot be structured for the few handicapped people who live in this town. The telephone company is, however, remaking the booths in covered areas into phones with bubble tops. Rain and windwise there is little else they can do.

Mr. Bill Johnson,[5] Branch Manager for the Southwestern Branch of Goodwill Industries of Lane County, feels that the plight of the employable handicapped has not been widely enough publicized. Goodwill is the first real step that has been taken in involving the handicapped of the area. Mrs. Jean Banks,[6] a physical therapist with Easter Seals, and Ms. Roseanne Jones, of Mental Health,[7] both feel that another real need of the handicapped is the one for more vocational counselors. These people all realize the need to educate the public before the handicapped themselves can take their place in the world of work. People are beginning to listen. Now, maybe, the handicapped can get some action.

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5. Kahanek, Richard, City Manager; Coos Bay, Oregon.

6. Smith, Don. District Manager; General Telephone Co.

YELLOWSTONE NATIONAL PARK—ITS EXPLORATION AND ESTABLISHMENT

Mr. McGEE. Mr. President, the U.S. Department of Interior has just released a new book entitled "Yellowstone National Park—Its Exploration and Establishment."

The Interior Department is to be commended for compiling this excellent and stimulating literary work on the Nation's first national park, established in 1872. Wyomingites take immense pride in one of our Nation's major tourist attractions.

The Yellowstone National Park area has had a very stimulating history; one which abounds with the sense of adventure associated with the opening of the West. This aspect of Yellowstone is captured eloquently in the book.

I would hope that my colleagues would read this publication, for it is well worth the time of anyone who has a fascination with, and interest in, our heritage and one aspect of our development as a Nation—Yellowstone National Park.

THE PRESIDENT'S TAPE TRANSCRIPTS—SUMMARY MEMORANDUM

Mr. THURMOND. Mr. President, there has been prepared a memorandum of excerpts of taped conversations between the President and John Dean which clearly reveal important contradictions of Mr. Dean's sworn testimony before the Senate Select Committee. When I learned of this memorandum I requested a copy, and feel that it would be of interest to my colleagues in the Congress.

Therefore, I ask unanimous consent that it be printed in the RECORD following these remarks.

There being no objections, the memorandum was ordered to be printed in the RECORD, as follows:

SUMMARY MEMORANDUM

The attached excerpts of taped conversations between the President and John Dean contain a number of important contradictions of Mr. Dean's sworn testimony before the Senate Select Committee.

Some of the contradictions are especially important because they involve misstatements as to dates, and therefore bear directly and materially on the central issue of the hearings: "What did the President know, and when did he know it?"

The President has consistently stated that he first learned of the alleged cover-up on March 21, 1973. The main thrust of the Dean testimony, however, was that the President had known of the alleged cover-up before March 21—indeed as early as September 15, 1972. Dean supported this contention by testimony which recited certain alleged statements by the President and by Dean in meetings between them on September 15, 1972, February 28, 1973 and March 13, 1973.

The tapes establish that these things were not said in the earlier meetings, as sworn to by Mr. Dean, and that is important of course. However, the fact that certain of Dean's misstatements appear to be a pre-dating of what was actually said on March 21, makes their impact on the central issue of the hearing all the more serious.

The portions of Dean's testimony which alleged Presidential knowledge of the cover-up prior to March 21, 1973 were among the most widely publicized portions of Mr. Dean's testimony during his five days on the witness stand.

None of Mr. Dean's statements implying presidential knowledge on September 15th—the allegation that Mr. Dean said "it had been contained," the alleged presidential compliment, "Bob told me what a good job you have been doing," Dean's claim that he told the President he could not guarantee that the cover-up might not unravel, and others—is confirmed in the tape of September 15.

As for the tape of February 28th, there is no record whatsoever of Mr. Dean's having discussed his role in the cover-up, and his potential criminal liability as Mr. Dean testified.

On March 13th, Mr. Dean said the question of "money demands," the possibility of raising $1 million, and the subject of clemency came up in a "casual" way at the end of the conversation. Being pressed, Mr. Dean insisted this was March 13th, not the 21st. That proves to have been false. None of these matters, which would have implied presidential knowledge of a cover-up, was raised on the 13th of March, contrary to Mr. Dean's testimony.

Elsewhere, the tape of March 22nd contradicts Mr. Dean's repeated assertion that the President never directed him to Camp David to write a report.

Indeed, in sixteen separate areas—on dozens of occasions—Mr. Dean made substantive statements concerning the President that do not accord with the tapes; indeed they appear in direct contravention of what the tapes contain.

Again, the significance of the earliest of these is that the question, "What did the President know and when did he know it," was the focal point of the Watergate hearings. Mr. Dean contended Presidential knowledge of, and involvement in that cover-up, based on what transpired in three meetings with the President. In none of those meetings can it be said that the tapes bear out what Mr. Dean testified to under oath.

ITEM No. 1: SEPTEMBER 15, THE TESTIMONY

DEAN. "The President asked me to sit down. Both men appeared to be in very good spirits and my reception was very warm and cordial. *The President then told me that Bob—referring to Haldeman—had kept him posted on my handling of the Watergate case."* Dean Testimony, Opening Statement, p. 957.

Senator GURNEY. "Did he say that 'Bob has been telling me everything you have been doing.' "

DEAN. He (the President) said *'Bob has been reporting to me,' something of this nature."* Dean Testimony, p. 1373.

DEAN. ". . . There was some preliminary pleasantries, and then the next thing that I *recall the President very clearly saying to me is that he had been told by Mr. Haldeman that he had been kept posted or made aware of my handling of the various aspects of the Watergate case . . ."* Dean Testimony, p. 1475.

THE TAPES

All three statements are false. Nowhere in the tape of September 15th does the President make any reference whatsoever to Bob Haldeman's having reported to him on John Dean's investigations or efforts in Watergate. (Incidentally, the President did not even ask Mr. Dean to "sit down.")

SEPTEMBER 15, ITEM NO. 2: THE TESTIMONY

DEAN. "The President told me I had done a good job and he appreciated how difficult a task it had been and the President was pleased that the case had stopped with

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[4] Don Smith, District Manager; General Telephone, Interviewed February 5, 1974.

[5] Bill Johnson, Branch Manager; S. W. Branch of Goodwill Industries of Lane County. Interviewed February 7, 1974.

[6] Jean Banks, Physical Therapist; Easter Seals. Interviewed February 4, 1974.

[7] Roseanne Jones, Mental Health. Interviewed February 4, 1974.

Liddy." Dean Testimony, Opening Statement, p. 957.

Senator Baker. "Did he say that though?"

Dean. Did he say that no one in the White House had been handed down? I can't recall it. *I can recall a reference to the fact that the indictments were now handed down and he was aware of that and that the status of the indictments and expressed what to me was a pleasure to the fact that it had stopped at Liddy."* Dean Testimony, p. 1475.

THE TAPES

The statement is false. The President never in this conversation in any way, expressed pleasure the "case had stopped with Liddy."

SEPTEMBER 15, "ITEM NO. 3: "IT HAS BEEN CONTAINED" THE TESTIMONY

Dean. "I told him (the President) that all that I had been *able to do was to contain the case and assist in keeping it out of the White House."* Dean Testimony, Opening Statement, p. 957.

Dean. "All right. He was interested in knowing if it was likely—well, let me, before I go on to that, let me say something else that I recall. When we talked about the fact that the indictments had been handed down. at some point, and after the compliment *I told him at that point that we had managed, you know, that the matter had been contained,* it had not come into the White House, I didn't say that, *I said it had been contained.*

Senator Baker. Did you say anything beyond that it had been contained?

Dean. No, I did not. I used that. *I recall very clearly using that expression that it had been contained.*

Senator Baker. That is an important word; it has been contained.

Dean. That is right." Dean Testimony, p. 1476.

THE TAPES

According to the transcript of tape of September 15th, John Dean never used the word "contained", never used the expression "it has been contained," never made any statement even similar to that.

SEPTEMBER 15, ITEM NO. 4: "MORE DIFFICULT THINGS" THE TESTIMONY

Dean. "I responded that I could not take credit because others had done much more difficult things than I had done."—Dean Testimony, Opening Statement, p. 957.

Senator Baker. "Can you give us any information, can you give us any further insight into what the President said?

Dean. Yes, I can recall he told me that he appreciated how difficult a job it had been for me.

Senator Baker. Is that close to the exact language?

Dean. Yes, that is close to the exact language. That stuck very clearly in my mind because I recall my response to that was that I didn't feel that I could take credit. I thought that others had done much more difficult things and by that I was referring to the fact that Mr. Magruder had perjured himself. [Laughter]"—Dean Testimony, p. 1476.

THE TAPES

Nowhere in the discussion of September 15th did Mr. Dean say that he could "not take credit" or that others had done "more difficult things." Both statements are false.

SEPTEMBER 15, ITEM NO. 5: MAINTAINING THE COVERUP, THE TESTIMONY

Dean. "I also told him that there was a long way to go before this matter would end and that I certainly could make no assurances that the day would not come when this matter would start to unravel."—Dean Testimony, Opening Statement, p. 957.

Dean. "I left the meeting with the impression that the President was well aware of what had been going on regarding the success of keeping the White House out of the Watergate scandal and I also had expressed to him my concern that I was not confident that the coverup could be maintained indefinitely."—Dean Testimony, Opening Statement, p. 959.

Dean. ". . . I said that this, you know, there are a lot of hurdles that have to be leaped down the road before it will definitely remain contained and I was trying to tell the President at that time that I was not sure the coverup even then would last indefinitely."

Senator Baker. "This, once again, is a terribly important area of inquiry, so let me interrupt you again and take you over it one more time. You told the President, I don't think it can continue to be contained?"

Dean. "That is correct."

Senator Baker. "Are those close to your exact words?"

Dean. "That is very close to my words, because I told him it had been contained to that point and I was not sure that it would be contained indefinitely." Dean Testimony, p. 1477.

THE TAPES

Mr. Dean's statement about warning the President of the possibility that the matter might "unravel", of warning him that there was no guarantee it would "be contained indefinitely", is not only false. It is 180 degrees from the truth. Here is John Dean's statement from the tape of September 15, regarding the future of the Watergate investigation:

Mr. Dean. Three months ago I would have had trouble predicting there would be a day when this would be forgotten, but I think I can say that 54 days from now nothing is going to come crashing down to our surprise.

The President. That what?

Mr. Dean. Nothing is going to come crashing down to our surprise. Transcript, p. 62.

Item No. 6: September 15, Discussing the Criminal Case

THE TESTIMONY

The President asked me when the criminal case would come to trial and would it start before the election. I told the President that I did not know. I said that the Justice Department had held off as long as possible the return of the indictments, but much would depend on which judge got the case. The President said that he certainly hoped that the case would not come to trial before the election. Dean Testimony, Opening Statement, p. 958.

Senator Baker. All right, go ahead.

Mr. Dean. It was then we turned to the status of the litigation. The criminal case, as I recall the sequence of the conversation, and he wanted to know when this matter was likely to come to trial. I told him very much would depend upon which Judge the case was assigned to. Dean Testimony, p. 1477.

THE TAPES

The entire statement is false; not a word of truth is contained in it. The President did not ask when the criminal case would come to trial. Most important, nowhere in the conversation did John Dean say that the Justice Department had held off the indictments as long as possible. The President nowhere in the conversation expressed the hope that the case would not come to trial before election.

SEPTEMBER 15, ITEM NO. 7: "WELL, THAT'S HELPFUL," THE TESTIMONY

Dean. ". . . I then told the President that the lawyers at the re-election committee were very hopeful of slowing down the civil suit filed by the Democratic National Committee because they had been making ex parte contacts with the judge handling the case and the judge was very understanding and trying to accommodate their problems. The President was pleased to hear this and responded to the effect that, 'Well, that's helpful'." Dean Testimony, Opening Statement, p. 958.

Mr. Dash. "You would soften the word to 'influence' rather than 'fix'?"

Dean. "Yes, I would."

Mr. Dash. "All right. Now, according to your statement, did the President not say to you, on being apprised of this special influence with the judge, 'Well, that is helpful'?"

Dean. "He said something to that effect; yes, that is correct." Dean Testimony, p. 1028.

Dean. ". . . It was also as a result of this conversation that we got into a discussion, or I told him that I had learned from the lawyers at the re-election committee that they had been making or they had somebody who was making an ex parte contact with the judge who had jurisdiction over the principal suit of the greatest concern, which was the suit by Mr. O'Brien, Larry O'Brien and the DNC."

Senator Baker. "Is this, once again, close to the exact language you used?"

Dean. "Yes, that was—I did not know who it was that was making the contacts at that time for certain, so I just told him that the lawyers at the re-election committee are making ex parte contacts or have made ex parte contacts and are hoping to get some favorable rulings."

Senator Baker. "Did the President make any remarks at that point, or did Mr. Haldeman?"

Dean. "I recall the President said something to the effect, well, that is helpful."

Senator Baker. "Is that close to the exact language?"

Dean. "Yes, sir." Dean Testimony, p. 1478.

THE TAPES

Within the above remarks there are three false statements, First, John Dean did not on September 15th say that lawyers for the Committee To Re-Elect had made "ex parte" contacts with the Judge, to influence the case. He said, on the contrary, that Judge Ritchie had made entrees off the bench.

Secondly, Mr. Dean knew exactly who was in communication with the Judge, and named the individuals to the President. Finally, the President did not say "That is helpful," or anything of the sort. Here is the relevant transcript:

Mr. Dean. You might be interested in some of the allocations we got. The Stans' libel action was assigned to Judge Ritchie.

The President. (Expletive deleted.)

Mr. Dean. Well now that is good and bad. Judge Ritchie is not known to be one of the inaudible on the bench, that is considered by me. He is fairly candid in dealing with people about the question. He has made several entrees off the bench—one to Kleindienst and one to Roemer McPhee to keep Roemer abreast of what his thinking is. He told Roemer he thought Maury ought to file a libel action.

The President. Did he?

Mr. Haldeman. Can he deal with this concurrently with the court case?

Mr. Dean. Yeah. The fact that the civil case drew to a halt—that the depositions were halted, he is freed. Transcript, p. 60.

Mr. Dean's suggestion that the President greeted with pleasure a statement that improper contacts were being made with a Federal Judge turns out, on inspection of the tapes, to be false.

FEBRUARY 28, ITEM NO. 8: THE TESTIMONY

Dean. "I told him that I thought he should know that I was also involved in the post-June 17 activities regarding Watergate. I briefly described to him why I thought I had legal problems, in that I had been a conduit for many of the decisions that were made and, therefore, could be involved in an obstruction of justice. He would not accept my analysis and did not want me to get into it in any detail other than what I had just related. He reassured me not to worry, that I had no legal problems." Dean Testimony, Opening Statement, p. 992.

Dean. "When I discussed with him the fact that I thought he ought to be aware of the fact that I had been involved in obstruction of justice, when I made known to him that I had been made a conduit for decision. He said, John, you don't have any legal problems to worry about, I just don't believe you have any problems at all, and it was left hanging at that." Dean Testimony, p. 1401.

Senator Gurney. "But I am not talking about impressions. That is what I am trying to get away from. I am talking about specific instances.

Dean. All right, I told him that I had been a conduit for a lot of decisions regarding support and for silence and things of this nature, and I felt that involved me in an obstruction of justice. The President didn't think it did.

Senator Gurney. Did you mention any of these decisions specifically?

Dean. I beg your pardon?

Senator Gurney. Did you mention any of these incidents specifically?

Dean. I did not get into specific instances. *I rather gave him a general outline or picture of my conduit activities.*" Dean Testimony, p. 1402.

THE TAPES

Below is the "outline" or "picture" of his conduit activities for decision regarding silence and support; below is how Mr. Dean briefed the President on his liability for "obstruction of justice" in the last minute of the conversation of the 28th of February.

"President. . . . There is no question what they are after. What the Committee is after is somebody at the White House. They would like to get Haldeman or Colson, Ehrlichman.

Dean. Or possibly Dean—You know, I am a small fish.

President. Anybody at the White House they would—but in your case I think they realize you are the lawyer and they know you didn't have a (adjective deleted) thing to do with the campaign.

Dean. That's right.

President. That's what I think. Well, we'll see you.

Dean. Alright, Sir, Goodbye." Transcript, p. 110.

Nowhere else in the 72 minutes of conversation does John W. Dean refer to any legal problems or liability of his own. Indeed, the conversation is one long series of reassurances, given to the President by Mr. Dean, on matters related to Watergate.

As for Mr. Dean's suggestion that February 28th was one of those dates that convinced him of Presidential involvement, the following passage from that tape is apposite:

"Dean. Well I was — we have come a long road on this thing now. I had thought it was an impossible task to hold together until after the election until things started falling out, but we have made it this far and I am convinced we are going to make it the whole road and put this thing in the funny pages of the history books rather than anything serious because actually —

President. It will be somewhat serious but the main thing, of course is also the isolation of the President.

Dean. Absolutely! Totally true!

President. Because that, fortunately, is totally true.

Dean. I know that sir." Transcript, p. 108.

MARCH 13, ITEM NO. 9: MONEY DEMANDS, THE TESTIMONY

Dean. "Toward the end of the conversation, we got into a discussion of Watergate matters specifically. I told the President about the fact that there were money demands being made by the seven convicted defendants, and that the sentencing of these individuals was not far off. Dean Testimony, p. 995.

Dean. "I do not know what the President knew on March 20 . . . We had also had a discussion on March 13 about the money demands that were being made." Dean Testimony, p. 1423.

THE TAPES

The truth: The issue of money for the defendants was never raised by John Dean, in the Watergate discussion of March 13.

MARCH 13, ITEM NO. 10: "THE $1 MILLION," THE TESTIMONY

Dean. ". . . I told the President about the fact that there was no money to pay these individuals to meet their demands. He asked me how much it would cost. I told him that I could only make an estimate that it might be as high as $1 million or more. He told me that that was no problem, and he also looked over at Haldeman and repeated the same statement. He then asked me who was demanding this money and I told him it was principally coming from Hunt through his attorney." Dean's Opening Statement, p. 995.

Dean. ". . . We also had a discussion on March 13 about the money demands that were being made. At that time he discussed the fact that a million dollars is no problem. He repeated it several times. I can very vividly recall that the way he sort of rolled his chair back from his desk and leaned over to Mr. Haldeman and said, 'A million dollars is no problem.' And then he came back and asked, 'Well, who is making these demands . . .' " Dean Testimony, p. 1423.

THE TAPES

Repeatedly, Mr. Dean testified that the President asked the questions and made the comments about the 1 million dollars on March 13—not March 21, as the President had stated. In point of fact, there is no mention of the $1 million demand or the fact that the money demands were coming from Mr. Hunt, on the tape of March 13th.

What makes this of significance is that—before the existence of White House tapes was known or made public—John Dean insisted, under oath, that this had transpired on the 13th of March not the twenty-first.

Dean. ". . . Now, according to the memorandum that Mr. Thompson prepared based on that call, this meeting, when the discussion, according to the White House, on the million dollars and the Executive clemency took place was March 21 rather than March 13.

Dean. That is not correct. That is not my recollection. In fact I am very clear on the fact that it occurred on the 13th, because the meeting on the 21st was a totally different range of topics than the way this rather casually came up on the 13th." Dean Testimony, p. 1567.

MARCH 13, ITEM NO. 11: THE PROMISE OF CLEMENCY, THE TESTIMONY

Dean. "The President then referred to the fact that Hunt had been promised executive clemency. He said that he had discussed this matter with Ehrlichman and contrary to instructions that Ehrlichman had given Colson not to talk to the President about it, that Colson had also discussed it with him later. He expressed some annoyance at the fact that Colson had also discussed this matter with him." Dean Testimony, Opening Statement, p. 995–6.

Senator Gurney. "Twenty-eight, all right. Then one other meeting on March 13 you had another conversation with him that involved this Executive clemency business, isn't that correct?

Dean. On March 13 we discussed both clemency and the fact that this was no money. The way the clemency discussion came up as you will recall is that at the end of another conversation I raised with him the fact that there were demands being made for money . . .

I said they were coming principally from Mr. Hunt through his attorney, and he turned to the discussion of the fact that he had talked with Mr. Ehrlichman and Mr. Colson about clemency for Mr. Hunt and he expressed annoyance at the fact that Mr. Colson had come to him contrary to an instruction that the President was aware of that Colson wasn't to raise this with him." Dean Testimony, p. 1521–1522.

Mr. Dash. "Now according to the memorandum that Mr. Thompson prepared based on that call, this meeting when the discussion, according to the White House on the million dollars and the Executive Clemency took place was March 21 rather than March 13.

Mr. Dean. That is not correct. That is not my recollection. In fact I am very clear on the fact that it occurred on the 13th, because that meeting on the 21st was a totally different range of topics than the way this rather casually came up on the 13th." Dean Testimony, p. 1567.

THE TAPES

The truth: The subject of clemency—contrary to John Dean's sworn testimony and his insistence—did not arise on March 13; no mention was made of it in the meeting.

In its request for the tape of the conversation of March 13, 1972, the Special Prosecutor wrote as follows:

"Dean, on the other hand, testified that respondent told Dean that respondent had approved executive clemency for defendant Hunt and that there would be no problem about raising $1 million to buy all defendants' silence. (S TR 2324) Unquestionably, confirmation of Dean's testimoney would aid the Grand Jury in determining the existence, membership and scope of a cover-up conspiracy. Conclusive disproof, on the other hand, would raise a question of perjury by Dean before the Senate Committee, a matter directly within the Grand Jury's jurisdiction."

MARCH 21, ITEM NO. 12: OMISSIONS, THE TESTIMONY

Dean. "And certainly, this statement was issued on May 22, 1973, and on March 21 I certainly told the President everything I knew at that point in time." Dean Testimony, p. 1078.

THE TAPES

According to the transcript of the tape of March 21, Mr. Dean did not tell the President everything he knew—especially concerning his own involvement.

(1) He withheld the fact that he himself had directed John Caulfield to offer executive clemency to Mr. McCord;

(2) He failed to advise the President that he himself had shredded documents, destroyed evidence from Mr. Howard Hunt's safe.

MARCH 21—AFTERNOON, ITEM NO. 13: "ALL INDICTABLE," THE TESTIMONY

Dean. "The meeting with the President that afternoon with Haldeman, Ehrlichman, and myself was a tremendous disappointment to me because it was quite clear that the coverup as far as the White House was concerned was going to continue. I recall that while Haldeman, Ehrlichman, and I were setting at a small table in front of the President in his Executive Office Building office that I for the first time said in front of the President that I thought that Haldeman, Ehrlichman, and Dean were all indictable for obstruction of justice and that was the reason I disagreed with all that was being discussed at that point in time.

I could tell that both Haldeman, and particularly Ehrlichman, were very unhappy with my comments." Dean Testimony, Opening Statement, p. 1000.

Dean. "Now, during that meeting [March 21, afternoon], I recall a number of ideas were being suggested and the like. At that point, it was the first time I had ever mentioned in front of Haldeman, Ehrlichman, and the President the fact that I thought they were all indictable—not including the President. I said that Haldeman, Ehrlichman, and Dean could be indicted. For that reason, I disagreed with whatever they were talking about. The President on a number of occasions turned to me and said, Do you agree? I said, No Sir, I do not.

After doing this a number of occasions, I finally said I think that Haldeman, Ehrlichman, and Dean are indictable and got a very, I might say a chilling look from Mr. Ehrlichman." Dean Testimony, p. 1383.

THE TAPES

No such statement by Mr. Dean, of Haldeman, Ehrlichman and Dean all being indictable took place on the afternoon of March 21. In the morning of March 21, when Mr. Dean does relay his feeling that Mitchell, Dean, Haldeman and Ehrlichman are involved in what may be an "obstruction of justice," neither Haldeman nor Ehrlichman was in the room—thus, there could have been no "chilling look."

MARCH 22, ITEM NO. 14: THE CAMP DAVID REPORT, THE TESTIMONY

DEAN. "Yes, sir. The first time I heard about writing a report again occurred when I arrived at Camp David on the afternoon of the 23rd. The telephone was ringing as I walked into the cabin my wife and I were staying in. The operator told me it was the President on the phone. It was not the President. It was Mr. Haldeman on the phone and he said, while you are up there, why don't you sit down and write a report on this thing." Dean Testimony, p. 1384.

Senator GURNEY. "At any rate, you did go to Camp David, sort of understanding that you were going to write a report about Watergate, is that right?

DEAN. No sir. . . . The President said, 'Well, go on ahead. You need the break, you have been under a lot of pressure,' and the like. He never at any time asked me to write a report, and it wasn't until after I had arrived at Camp David that I received a call from Haldeman asking me to write the report up." Dean Testimony, p. 1385.

THE TAPES

This statement by Dean—denying twice that the President sent him to Camp David to write a written report—is untrue. The transcript of March 22 shows precisely when, and why, the President sent Dean to Camp David to write a report. Relevant passages from the conversation of March 22 are below:

DEAN. I don't think I can do it until I sit down this evening and start drafting.

HALDEMAN. I think you ought to hole up for the weekend and do that and get it done.

PRESIDENT. Sure.

HALDEMAN. Give it your full attention and get it done.

PRESIDENT. I think you need—why don't you do this? Why don't you go up to Camp David?

DEAN. I might do it, I might do it.

PRESIDENT. Completely away from the phone. Just go up there and (inaudible) I want a written report. Transcript, pp. 282–283.

ITEM NO. 15: APRIL 16 (MORNING), THE TESTIMONY

After reading the letters, I looked the President squarely in the eyes and told him I could not sign the letters. He was annoyed with me, and somewhat at a loss for words. He said that maybe I would like to draft my own letter. I told him that the letters that he had asked me to sign were virtual confessions of anything regarding the Watergate. Dean Testimony, p. 1018.

THE TAPES

While this appears a moment of dramatic confrontation, where Mr. Dean challenged the President, the transcript of the tape of that conversation reveals no such heroics, no such statements.

P. First, what I would suggest is that you sign both. That is what I had in mind. And then we'll talk about after—you don't know yet what you're. For example, if you go in and plead guilty you would have to resign.

D. That is right.

P. If on the other hand, you're going in on some other basis, then I think the leave of absence is the proper thing to do.

D. Uh, huh, I would think so.

P. And that is the way I would discuss it with others, too. If you have any other thoughts, let me know. I am not trying to press you on the thing. . . .

D. I think it is a good idea. I frankly do. But I think if you do it, for one, I think you have problems with others too Mr. President.

P. I already have the others. Transcript, pp. 789–790.

And after Mr. Dean indicated he "would like to prepare something himself," this is how the colloquy followed:

DEAN. Well, you will have something within a couple of hours.

PRESIDENT. I won't be back. Yes, you draft what you want me to. In other words you can——

DEAN. And if you don't like what I draft, you can tell me and I will change it in any way that you want. Transcript pp. 791–792.

ITEM NO. 16: APRIL 16 (AFTERNOON), THE TESTIMONY

DEAN. The President called me to come to his EOB office about 4 that afternoon. He asked me if I had drafted a letter. I said that I had as well as I had prepared some thoughts for his statement. He asked to see the letter, a copy of which I have submitted to the committee—but again shall read it because it is very brief:

DEAR MR. PRESIDENT. You have informed me that Bob Haldeman and John Ehrlichman have verbally tendered their requests to be given an immediate and indefinite leave of absence from your staff. By this letter I also wish to confirm my request that I be given such a leave of absence from your staff.

DEAN. *After the President read the letter, he handed it back to me and said it wasn't what he wanted.* [Laughter.] Dean Testimony, p. 1018.

THE TAPES

Mr. Dean read the letter aloud to the President, in that meeting—and the President made no such statement as underlined. [underlined wording changed to italic]. The President expressed no opinion on the letter whatsoever.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for the transaction of routine morning business has expired.

FEDERAL ENERGY ADMINISTRATION ACT OF 1974—CONFERENCE REPORT

Mr. RIBICOFF. Mr. President, I submit a report of the committee of conference on H.R. 11793, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. ALLEN). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11793) to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of April 23, 1974 at pp. 11462–11468.)

The ACTING PRESIDENT pro tempore. Under a previous order, the conference report will be considered under a time limitation of 30 minutes, the time to be equally divided between the distinguished Senator from Connecticut (Mr. RIBICOFF) and the minority leader or his designee.

Who yields time?

Mr. RIBICOFF. Mr. President, the conferees have reconciled by unanimous vote all differences between the legislation of the two Houses creating a new Federal Energy Administration (S. Rept. No. 93–788). I strongly urge the Senate to agree to the conference report.

The new Federal Energy Administration created by this act will be charged with the crucial responsibility for seeing to it that this Nation's demand for energy does not exceed its supply of energy. To meet this challenge, the legislation collects functions exercised by officials in the Department of Interior, the Federal Energy Office, and the Cost of Living Council, and reorganizes them into a new 2-year agency with an initial size of some 3,500 employees and an initial budget of about $100 million. It also grants the Federal Energy Administration the necessary authority and direction it must have to effectively fulfill its mission.

The conference report resolves some 63 areas of technical or substantive differences between the House and Senate bills. Except for the fact that the Senate provision creating a Council on Energy Policy is no longer a part of the act, the conference report retains, in almost every other major respect, the provisions of the bill passed by the Senate on December 19 by a vote of 86 to 2.

The pressing need for this legislation has not been diminished by the lifting of the Arab embargo. Because we are dependent on foreign imports for one-third of our oil, we remain constantly vulnerable to shortages caused by interruptions in our supplies. The Arab countries have already made it clear that they will not continue to feed our insatiable appetite for more and more oil. Even assuming that the Arabs do not impose another embargo, this Nation may have an estimated gasoline shortage this summer of between 4 percent and 6 percent. A recent Associated Press survey, and preliminary FEO figures, both indicate that Americans are beginning to relax their conservation efforts. The country is driving more, riding the bus less, and leaving lights on longer. If this trend continues, shortages can only get worse.

Project Independence may successfully reduce our dependence on foreign oil, but its effects will not be felt for at least 5 to 10 years. In the meantime, this country must learn to do more with less. The yearly 5 percent unrestrained growth in demand for energy must be eliminated, or at least cut dramatically. That will be the Administration's job. If conservation efforts fail, and demand continues to rise at the normal rate over the next few years, our experiences last winter will only be the first act in a tragedy of incalculable dimensions.

The decisions the Federal Energy Administration makes in the next few years can affect the quality of our life for years to come.

The problems are great, but so are the opportunities.

These are just some of the issues FEA must try to resolve:

How to balance our desire for clean beaches, clean air, and unspoiled countryside against the need for more energy;

How to maximize conservation by motorists, while preventing sky-high gasoline prices that could destroy people's personal incomes, or cripple such important segments of the economy as the tourist industry;

How to verify data on the oil companies so that the agency has the facts it needs, and the public has the confidence it must have in the Administration's statements;

How to increase oil production while avoiding windfall profits for oil companies;

How to break the logjam now slowing down full utilization of currently available supplies of coal or oil;

How to balance the energy needs of one industry or one part of the country against the equally pressing needs of another industry or another part of the country;

How to redesign the houses and offices we live in to stop the wasteful use of energy to run our furances and air conditioners;

How to coordinate our need for energy with our other foreign policy needs and objectives.

In the most fundamental way, FEA will be charged with changing the way we live so that this country no longer squanders a third of the total energy consumed annually by the world as a whole.

Up to now, FEO has been operating as a temporary office of the President. It has been forced to borrow money, personnel, and even operating authority from other agencies. As a temporary office, it has been unable to attract the personnel, or pay the salaries, necessary to meet its responsibilities. The Federal Energy Office has not even been able to enter into contracts in its own name.

But most importantly, the Federal Energy Office has neither been armed with the necessary substantive authority nor directed by the necessary policy guidelines.

Enactment of H.R. 11793 as approved by the conferees will fully meet, I believe, all these needs. The act creates an administration with only a 2-year life. Congress can reexamine the problem at that time and amend the act in any way experience dictates.

The joint statement of managers explains in considerable detail how the conferees resolved the numerous differences between the act as passed by the two Houses.

I will not attempt at this time to detail how each of these differences were resolved. In addition to transferring the necessary offices and functions to the new agency, the conference report gives the administration contractual and other incidental authority any agency must have to operate effectively. Further, the act grants the administration the authority to gather information from private persons, to issue subpenas, and to inspect oil refineries and other oil company properties in order to verify information. In these basic respects the House and Senate versions were very similar to each other.

The Senate bill, alone, however, contained a number of significant—and often novel—provisions designed to make the administration fully responsive to the needs of the public.

The conference report, I am happy to report, retained these very important provisions. The act as a result contains these safeguards:

First. To provide an effective, independent review of FEA's actions, the act grants GAO broad responsibility for monitoring the actions of FEA. GAO is authorized to request an unprecedented range of data from oil companies where needed to evaluate effectively FEA's performance. For the first time, GAO can also issue subpenas requiring the production of such information. In order, however, to satisfy the concerns of the House conferees about this section, the conference report provides that an appropriate committee of Congress must first approve the issuance of such subpenas.

Second. To insure effective participation by State governments in the Agency's decisionmaking process, the act requires the administration to consult with State government officials before taking actions affecting their regions. In order to emphasize the importance of State and Federal coordination, the act requires that a Presidential appointee, confirmed by the Senate, be placed in charge of State and Federal coordination.

Third. To insure that the administration will fully consider the possible environmental effects of its actions, FEA must submit any proposed action affecting the environment to the Environmental Protection Agency for their comments. Such EPA comments must be published along with the first notice to the public that FEA is considering taking the action in question.

Fourth. The act provides that if the Cost of Living Council continues in existence, this office will have the authority to veto pricing decisions taken by FEA. This provision is designed to prevent the Administration's decisions on prices from being overly influenced by a desire to conserve energy, or increase supplies.

Fifth. Another provision assures that advisory committees will neither be held in secret, without the public in attendance nor dominated by industry representatives.

Sixth. To prevent oil companies from unduly influencing the government's energy policy, the administration is prohibited from accepting uncompensated services from private companies. State and local governments may still provide services to FEA with or without reimbursement. If such services are reimbursed, compensation may not be by grants, but may be by other forms of Federal payments.

Seventh. To provide special procedures for persons whose needs may become lost in the administrative morass, the act creates an Office of Private Redress and Grievances. The Director of this Office shall make recommendations to the Administrator who may, in turn, grant extraordinary relief or other assistance to persons with special needs.

Eighth. Another provision requires the Administrator to study the impact of his proposed actions on the economy. As provided in the act, and emphasized in the conference report, this section does not give the public a new right of review to challenge the adequacy of any such economic studies made by the Administrator. A separate part of this section specifically requires the Administrator to act in a way which does not unfairly discriminate against any segment of the country or the economy.

Ninth. Yet other sections mandate that the Administrator keep the public and Congress fully informed about all aspects of the energy shortage. The Administrator must prepare a comprehensive energy plan that lays out the administration's proposed course of action for the next 2 years.

He must also report each year on his actions and prepare reports on specific aspects of the energy shortage. Finally, another provision requires the Administrator to disclose financial data concerning oil company incomes, base period profit margins, annual sales, and the like.

Both the House and Senate bills restricted the ability of the Administrator to waive the conflict of interest laws governing Federal employees. The conference report reconciles the differences in the specific wording of the two provisions by requiring that a detailed statement justifying the proposed waiver be provided both to Congress and the public. It also limits the persons who can authorize such waivers to the Administrator alone.

Similarly, the House provisions imposing standards of administrative due process on the Administrator were slightly more complete than the Senate's procedures. The House version was adopted, along with certain clarifying amendments.

The conference report improves upon

the Senate bill by adopting two additional safeguards contained in the House version alone. One such provision governs FEA's treatment of data which pertains to an individual in his personal capacity. Another provision prohibits discrimination on the basis of sex.

The chief difference between the Senate-passed bill and the conference report is the deletion of the Senate provisions for a Council on Energy Policy. The idea of a Council to coordinate Federal energy policy certainly has great merit. However, the House conferees felt that legislation creating such a permanent council should not be included in legislation creating a temporary agency with a life of only 2 years.

Also absent from the conference report is the Senate provision permitting the President to transfer additional functions from existing departments to the new agency.

Congress would have had to approve such transfers under procedures providing for expedited consideration of the proposals. The conferees agreed to delete the provision since the need for such additional transfers during the next 2 years no longer appeared as great as when the Senate bill first passed in December.

The conferees recommend adoption of House guidelines governing the type of actions the Administrator may perform pursuant to authority provided him by the other provisions of the act. One of the guidelines provides that in setting propane prices, the Administrator may permit companies to charge only the rates charged on May 15, 1973, plus any additional amount justified by actual cost increases.

The House wording providing for two rather than one Deputy Administrator was also adopted.

Additional differences between the House and Senate bills on such matters as the Administrator's powers to gather information and public disclosure of information by the Administrator were resolved in a way that sought to reflect the intent of both Houses.

Mr. President, I wish at this time to thank Senator PERCY and my other colleagues who were Senate conferees. They contributed greatly to the work of the conference and to its successful outcome.

I also wish to commend Mr. Dick Wegman and Mr. Paul Hoff of my staff. The staffs of the other Senate conferees are commended as well. I have the highest praise for the long hours they spent on this legislation and the outstanding job they did.

It is the unanimous recommendation of the conferees that the Senate agree to this report.

Mr. President, I ask unanimous consent that Dick Wegman, Dan Dreyfus, Paul Hoff, Eli Nobleman, Bob Vastine, and John Pearson may be granted the privilege of the floor during the consideration of the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, in order to make the report clear, I ask the Senator from Connecticut the following question:

The Vermont Energy Office in Montpelier did a great deal of work last winter in implementing the mandatory allocation program. Because Vermont is a rural State and sparsely populated and businesses are small, a great responsibility fell to these officials in handling the allocations of home heating oil and gasoline and finding supplies for people who needed petroleum products. The mandatory allocation program is a Federal program but the money that supported the operation of the Vermont Energy Office was State money. In a sense of fairness, it would appear that some reimbursement should be provided to an office which does a lion's share of work in implementing the mandatory allocation program. Am I right in understanding that this legislation has sections providing the administration with the authority to reimburse agencies, such as this State office, for its costs in carrying out its work?

Mr. RIBICOFF. Let me respond to the question of the distinguished Senator from Vermont by saying his understanding is perfectly correct. Section 7(d) of the act specifically provides that the Administrator may reimburse State, regional and local governments for the help they provide the Federal Government in implementing Federal energy programs. States may be reimbursed for use of their services, personnel, equipment, and facilities.

The report the FTC prepared in March on FEO's activities pointed out that the States provided great assistance to FEO in making the allocation program work last winter. It is entirely appropriate, and desirable, that FEA use section 7(d) of the act to compensate the States for all the work they do for the Federal Government in this area.

The act's language leaves indefinite the actual form that the reimbursement to the States may take in order to give the Administrator maximum flexibility.

It is our intention that Vermont, and all the other States, should be reimbursed in accordance with the question raised by the distinguished Senator from Vermont.

Mr. AIKEN. I thank the Senator from Connecticut. I had no doubt in my own mind, but I thought we had better make the matter clear for the record.

Mr. RIBICOFF. I am pleased that the Senator raised the question, not only for Vermont, but for all the other States.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The time to be charged to which side?

Mr. RIBICOFF. The time to be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Who yields time?

Mr. RIBICOFF. Let me say to my distinguished colleague from Illinois that his comments would be welcome.

Mr. PERCY. Mr. President, I commend to the Senate the conference report on H.R. 11793, the Federal Energy Administration Act of 1974, and urge a favorable vote on it. This bill would establish the Federal Energy Administration as an independent agency and vest the Administrator with important powers for meeting the Nation's energy needs.

The Senate can be justly proud of this conference report. Most of the significant provisions of the Senate bill, S. 2776, were retained in conference. I should like to mention briefly just four of these provisions which I consider especially important.

First, there is a very strong provision for collecting energy information from corporations and other Federal agencies, and for making energy information public. Section 13 requires the Administrator to collect and analyze energy information in a form comprehensive and detailed enough to permit fully informed monitoring of energy activities. The owners and operators of business premises engaged in any phase of energy supply or major energy consumption are required to supply the Administrator with reports and data as requested.

The Administrator is authorized to conduct on-site inspections of energy facilities and business premises to verify the accuracy of the information he receives. He may also compel information by subpena if necessary.

Section 12 gives the Comptroller General responsibility for monitoring and evaluating the operations of the Federal Energy Administration, including its data gathering functions. The Comptroller General is given total access to data within the possession of the FEA, and may request documents directly from energy-related business establishments. If necessary, he also may subpena material if he obtains the concurrence of the interested congressional committee.

Section 14 imposes upon the Administrator an affirmative duty to keep the public fully and currently informed as to the nature, extent, and projected duration of energy supply shortages, and the steps being taken to minimize the impacts of these shortages. Appropriate protection is provided against indiscriminate disclosure of personal data and trade secrets.

These provisions for collecting energy information not previously available to the Government, and for keeping the public fully informed, are of major significance. Throughout the current fuel shortage, it has been widely acknowledged that the first essential step toward reasoned energy policymaking must be the acquisition of complete and fully reliable data on energy reserves, production, and consumption.

Mr. President, this bill provides the means to obtain that data. It will give the Government all the authority it needs to obtain vital energy information and to disseminate it to the public.

A second important provision of the Senate bill, which I am delighted was retained in conference, is the Roth amendment to establish in the FEA an Office of Private Grievances and Redress.

Section 21 permits any person adversely affected by an order, rule, or regulation of the Administrator to petition for special relief or assistance through the Office of Private Grievances and Redress.

This provision is designed to insure that the all-important human dimension is present in the FEA's dealings with affected citizens. I again congratulate my distinguished colleague, the Senator from Delaware (Mr. ROTH) on his amendment, which was accepted by the conferees with only minor modifications.

A third provision of the Senate bill which I am pleased was retained by the conference is the Kennedy-Javits-Percy amendment. This amendment, which is contained in section 18, requires the Administrator to thoroughly analyze the potential economic impacts of his proposed regulatory actions on low- and middle-income families.

This was an important addition to the bill which was made on the Senate floor, and I commend my colleagues, Senators KENNEDY and JAVITS, for its inclusion in the conference report.

Finally, the Senate provision requiring a report on future energy reorganization is included in section 15 of the conference report. Six months before the expiration of the act, the President is required to transmit to the Congress his recommendations for the future disposition of the FEA's functions, and the organization of the Federal Government for the management of energy and natural resources policies and programs.

As a principal cosponsor of S. 2135, the bill to create a Department of Energy and Natural Resources, I am especially interested in this provision. It will assure that the Congress is made aware of the President's proposals for a permanent energy and natural resources organization, well in advance of the expiration date for the FEA.

Mr. President, on Monday the House adopted this conference report by the overwhelming vote of 356 to 9. I urge the Senate to adopt it unanimously, and send it to the President's desk as the first major piece of energy legislation to be enacted in this session of Congress.

Mr. NELSON. Mr. President, the conference report we have before us this morning (H.R. 11793) will formally establish the Federal Energy Administration—FEA. This new Agency will be charged with the development, implementation, and management of the Nation's day-to-day energy affairs.

One of the most important and far-reaching jobs the Administrator of the Federal Energy Administration, Mr. Sawhill, will direct is the promulgation and implementation of regulations that will directly affect the jobs, the leisure time—the lives of every American.

As long as the demand for energy continues to grow and exceed our ability to either produce or import supply we will continue to experience expensive shortages. And unless there are some very basic changes made in the way this Nation uses and abuses energy this shortage situation will be with us for at least the next 10 years. While the shortages of products persist the demand and competition among industries and businesses for the use of the scarce supplies will become more and more intense.

A large number of the regulations that will be promulgated by the FEA will determine industrial allocations of energy. I think we can all agree that services such as food production, general agriculture, health and hospital care, fire and police protection, and the heating of homes and schools must receive all the energy they need.

These activities deserve the very highest national priority in the allocation of limited supplies. There are many other industries and activities that rank a very high priority, even though they rank below those of heating homes and producing food. These business and industrial activities should share as equitably as possible the shortage of supplies regardless of industry, region of the country, or sector of the economy they occupy. And I think it ought to be well understood that the tourism and outdoor recreation industry is a basic fundamental national activity that should be treated as an equal among other activities of that rank and importance in the allocation and distribution of limited petroleum based products.

Outdoor recreation and tourism is an important national industry that has already been hit hard by the fuel shortages. It is a $61 billion a year industry that employs over 4 million people.

In Wisconsin, the tourism industry is equal to or larger than our famed agricultural and milk producing industry. One in five jobs depends on tourism or outdoor recreation. Of the $5.8 billion in tax revenue that comes to Wisconsin each year 14.4 percent or $21.3 million is generated by recreation. To a very large number of small businessmen and millions of Wisconsinites outdoor recreation is an indispensable part of the good life.

The concept that all industries and businesses should be treated as equitably as possible under the regulations that are promulgated pursuant to this statute is an important one, and one that is regulated by section 18, the economic analysis of proposed action, segment of the bill.

Subsection (e) of this section contains language which I originally offered to the Senate bill, S. 2776, when it passed the Senate some months ago. This section mandates the Administrator of the Federal Energy Administration to insure that any regulation promulgated or implemented by this agency does not unduly discriminate against any industry or region of the country and that the regulation be designed to insure to the greatest extent possible the cost and burdens of meeting the energy crisis shall be borne equally by every sector of the country and segment of the economy.

Mr. JACKSON. Mr. President, I rise to support the adoption of the conference report on H.R. 11793, the Federal Energy Administration Act of 1974.

This measure will provide much needed stability for the Federal activities which have been conducted by the Federal Energy Office in response to the energy crisis. I want, in particular, to pay tribute to the leadership of Senator ERVIN, the chairman of the Government Operations Committee, and Senator RIBICOFF, the chairman of the Reorganization Subcommittee, in guiding this major legislation to final passage. They have recognized the vital importance of reorganizing the Federal Government to meet national energy needs and they have worked long and hard to fulfill that objective.

The bill would establish a new, independent Administration with a life of 2 years. The Administration will be charged with important functions regarding the allocation and possible rationing of energy in times of crisis, contingency planning, energy conservation, policy analysis, and other energy matters.

The enactment of this measure will provide the authority to transfer the necessary functions from other agencies and to employ a competent, full-time staff. It will also establish clear administrative procedures for the undertakings of the new agency. It is vital that these important Federal activities be guided by a formal statement of congressional policy and that they be supported by permanent and adequate personnel.

In my opinion, the conference report is a sound resolution of the differences between the House and Senate bills. It will provide the resources and guidance the Federal Energy Administration will need.

Congress has, in this legislation, provided the executive branch with authority to better manage and coordinate Federal energy activities. We have provided the nucleus of a new, centralized policymaking apparatus. It is now up to the President to make the Federal Energy Administration an effective instrument of national energy policy. The quality of his appointments to FEA posts and the degree of his support for FEA leadership will ultimately determine the success or failure of the new agency.

It is important for the Senate to realize, however, that this measure deals with only one aspect of Federal energy organization. I am hopeful that the Senate will act shortly on a bill to establish an independent Energy Research and Development Administration and that the House will soon act on S. 1283 which will set forth a strategy for non-nuclear energy research and development. These two measures taken together will consolidate and coordinate the Federal energy research effort.

When these two new administrations are established there will be three major centers of Federal energy policy in the executive branch. The Department of the Interior, of course, will retain its authority over the massive energy resources of the public domain. This situation appears to be necessary for the immediate future in order to support the operational programs involved.

The long-term administration of energy policy, however, should not continue to depend upon ad hoc and ill-defined coordination among several independent agencies. The Congress should accept the responsibility to continue to work toward a rational and comprehensive organization, not only for energy, but for all resources management.

The Nation can expect to face shortages of critical natural resources for the foreseeable future. The current fuel crisis is only the first shortage of its kind. The Federal capability to anticipate and respond to crises and to manage natural resources must be greatly improved. A great deal remains to be done.

Mr. HUDDLESTON. Mr. President, I intend to support the conference report on the Federal Agency Administration Act, and I am particularly pleased that the conferees have retained the amendment which I offered to direct the new Administration to conduct a preliminary study of foreign investment in our domestic energy sources and supplies, to report its findings to the Congress, and to monitor any new investments.

Although the Arab embargo has been lifted, our energy problems remain serious—perhaps even more serious because much of the crisis atmosphere which stimulates positive action by the people and their government has been dissipated. Increased energy consumption seems inevitable if we are to have healthy increases in the gross national product, but our usable fossil fuel reserves are dwindling at an alarming rate. Further, objective and realistic study of Project Independence suggests that technological gaps will preclude our reaching the goal of energy self-sufficiency within the next decade. So, we are returning to our dangerous dependence on foreign oil and, at the same time, we are permitting increasing foreign investment in our own perilously limited energy supplies to go unmonitored.

This provision was never intended to prejudge foreign investment. Undoubtedly, there is much to be gained from it. But, on the other hand, it would be shortsighted not to recognize the possibility that foreign ownership or control of resources essential to our national growth and well-being could pose very serious problems in the future. Hopefully, we can avoid these problems if we see them coming but, at the very least, the information in the study should provide us with the background we need to deal with the problems swiftly and responsibly if they do arise. If we have learned nothing else in the past months, we have learned the value and necessity of hard, statistical data on which to base policy decisions.

Equally as important, we simply need to know where we stand, both in terms of dependence on energy sources located abroad and foreign controlled sources here in the United States. Without this information, it is impossible to measure the true extent of our energy self-sufficiency potential.

Mr. JAVITS. Mr. President, I ask unanimous consent to have a statement by the Senator from Maine printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Muskie

Section 7(c)(1) of the Conference Report on the Federal Energy Administration requires the FEA administrator to provide the Cost of Living Council a five day period for approval or disapproval of any FEA rule or regulation related to the cost or price of energy. That provision in the Senate bill was retained at the insistence of the Senator from Maine (Mr. Muskie). At the time the House and Senate conferees were considering this matter, the Cost of Living Council was exercising its function under the Economic Stabilization Act. However, this authority is no longer in effect. Should authorities and responsibilities similar to those exercised by the Cost of Living Council be given away to any new agency, the authority conferred by Section 7(c)(1) of this bill should be given that agency.

Mr. ROTH. Mr. President, I call attention to section 21 of the Federal Energy Administration Act which establishes an Office of Private Grievances and Redress. This section contains the compromise wording which was adopted on an amendment which I had offered in committee and which was adopted without dissent by the committee and the Senate.

My purpose in urging the creation of the Office of Private Grievances and Redress—OPGR—was to provide a special entree, established by statute, for the private citizen in the new energy bureaucracy, to facilitate the prompt and effective handling of citizen complaints, and to help equalize the burden of any sacrifices that must be made in the national interest during the period of energy shortages.

The OPGR is admittedly a new experiment in meeting a number of practical problems we have in a huge, industrialized democracy. It also has an ancient heritage in the concept of the ombudsman. The Director of the OPGR would be a special troubleshooter for the private citizen.

One of our problems is that the Federal bureaucracy has become so large and so involuted it often tends more to serve itself than to serve the citizen. While large industries can get a hearing, the average citizen is often left out in the cold. The OPGR is designed to bridge the gap between the bureaucracy and the citizen.

Another problem is that in establishing equitable laws in a society as large and complex as ours is, we cannot foresee how these laws, intended to serve the general good, will affect each and every group in the society. Some will be put at a special disadvantage because of their occupation or situation, and this is not fair. The intent of Congress is that whatever burdens must be borne, they should be borne equitably. The intent of my amendment was to create a continuing mechanism for evening out the burden by providing prompt and effective special redress to those citizens or groups who have been unjustly required to make more sacrifices than the rest of us.

Although the compromise language does remove the statutory authority I had sought for this Office and its Director, the compromise permits the creation of an effective OPGR. It also makes it possible for the OPGR to become little more than a place for pigeonholing complaints. Whether or not the OPGR becomes a true Federal agency ombudsman experiment lies in the hands of the Administrator, and I am hopeful that the Administrator will recognize the full potential and unique character of this Office. I urge the Administrator to appoint a well qualified and dynamic person to the position of Director of the Office and to give him the necessary discretion to make the OPGR a place where private citizens and groups, who have suffered disproportionately from any legislative or administrative action to deal with the energy shortages, can expect to get prompt and effective attention and appropriate redress. If successful, I hope that similar offices can be set up for our other agencies.

I want to express my special appreciation to Senator Percy for suggesting the compromise language without which this amendment would probably have been lost, to Senator Ribicoff for his support, and to the House conferees for their willingness to accept a compromise approach.

Mr. RIBICOFF. Mr. President, I move adoption of the conference report.

The motion was agreed to.

Mr. RIBICOFF. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. PERCY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INCREASE IN AUTHORITY OF THE SMALL BUSINESS ADMINISTRATION

The PRESIDING OFFICER (Mr. Bentsen). Under the previous order, the Senate will now proceed to the consideration of Calendar No. 748 (S. 3331) which the clerk will state.

The legislative clerk read as follows:

S. 3331, to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time taken by the quorum call not be charged to either side on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that during the consideration of S. 3203, the following people have the privilege of the floor: Don Elisburg, Jon Steinberg, Louise Ringwalt, Jeff Doranz, Bob Nagle, Gene Mittleman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Debate on this bill is limited to 30 minutes, to be equally divided and controlled, with 30 minutes on any amendments thereto.

Mr. CRANSTON. Mr. President, I ask unanimous consent that during the consideration of this measure, John Adams have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, for the past several decades, big business, big government, and big labor have been expanding at a rate far exceeding the rest of the economy.

The U.S. Trade Commission Quarterly Financial Report for Manufacturing Corporations indicates that in 20 years—1950–70—more than $65 billion in manufacturing and mining assets were acquired in mergers of companies with more than $10 million in assets. Almost 40 billion of those assets were acquired by just 200 companies. In other words the Nation's 200 largest industrial corporations in 1948 controlled only 48 percent of the country's manufacturing assets, they now control 58 percent. The pace of mergers and consolidations has grown steadily and frantically. In 1970 alone, more than $5 billion in assets were acquired in chunks of $10 million or more. In 1960, small and medium sized corporations in manufacturing had 50 percent of the assets and were responsible for 41 percent of the profits. In 1972, 350 major firms controlled 69 percent of the profits and received almost 73 percent of the profits.

The concern to keep economic power distributed among many independent proprietors is one that goes back to the Nation's beginnings. Competition has historically been valued because it is believed that through effective competition, large monopolies would be overcome and workers would have a stake in society.

The major thrust in Government policy of support for small business has been: The antitrust laws, which are intended to preserve an overall economic environment open to small business entry and growth; and direct assistance measures such as the Small Business Act which created the Small Business Administration to provide assistance and remove obstacles to the growth of small business in an increasingly complex society.

The awakening of the Federal Government in developing these laws to the fact that small business needed a special concern lest its special problems would go unrecognized in a society in which grant institutions dominate the decisionmaking process only further points out the need for an effective national policy to be developed to restore competitive balance in our economy. As chairman of the Subcommittee on Small Business I am committed to the ideals of the Small Business Administration and will work toward a fair and impartial administration of the agency. I hope this piece of legislation before us today will help to strengthen entrepreneurship in America.

This legislation provides an increase in the loan ceiling of the Small Business Administration from $4.875 billion to $6 billion: transfers title IV of the Economic Opportunity Act of 1964 to the Small Business Act; increase the authorization and maximum for the surety bond and lease guarantee program; increase the SBA loan maximum and clarify the interest rates on loans to handicapped persons.

I yield at this time to the distinguished Senator from Texas, if he wishes to make a statement.

Mr. TOWER. Mr. President, there is no controversy on this bill. In effect, it is a housekeeping bill dealing with SBA. I think we can dispose of it with expedition.

It is my understanding that the Senator from California has an amendment he would like to offer.

Mr. CRANSTON. Yes, I do have one amendment. If no one else wishes to speak at this time, I call up the amendment that has been offered by myself and Senator JAVITS to this measure. It is an unprinted amendment, and I send it to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

> At the end of the bill, add the following:
>
> SEC. 7. Section 4(b) of the Small Business Act is amended—
>
> (1) by striking out "three" in the third sentence and inserting in lieu thereof "four"; and
>
> (2) by inserting after the third sentence the following new sentence: "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible for the operation, management, and supervision of the Administration's execution of programs which provide assistance to minority small business concerns."

Mr. CRANSTON. Mr. President, Senator JAVITS has joined me in this amendment, and it relates to the following needs:

Minority and nonminority small businessmen have much in common, and much is to be gained by a strategy designed to assist in the solution of their common problems. However, it is generally acknowledged that racial and ethnic prejudices have presented almost insurmountable obstacles to the minority business development.

A major cornerstone of President Nixon's 1968 campaign was the issue of "black capitalism," and the President's promise to provide a greater government effort to assist minority business enterprises. The efforts put forth have been minimal in the face of the vastness of American business enterprise, and the staggering profits that accrue to major American businesses.

In 1971, the U.S. Department of Commerce released a report, "Minority-Owned Businesses: 1969." This study revealed that there were 163,000 black-owned firms with gross receipts of $4.5 billion and employing 152,000 persons—or 3.5 percent of the total black labor force of about 9 million persons.

Of these 163,000 firms only 347 had gross receipts in excess of $1 million; the aggregate of these receipts totaled only $876,946,000, or an average of less than $3 million per firm. Using the Small Business Administration's classification of a "small business" as a guide for determining smallness, only two-tenths of 1 percent of black businesses fall outside of the small business classification.

Chicano and other minorities did even less well, only 100,000 firms with $3.3 billion in gross receipts were Spanish-speaking minority owned firms.

All minority firms had only a total receipt of $10.6 billion. These figures clearly indicate that minorities are not getting a fair share of the action.

A significant measure of the success of minority business has been the rate the Federal Government and more importantly the SBA has played in tendering both financial as well as technical and managerial assistance. I am sure Senators will recall that in the mid-1960's, SBA took the initiative and developed what was then known as the six by six plan, designed to aid minorities with $6,000 loans for 6 years. Since the establishment of the six by six plan we have seen a rapid growth and expansion in the minority sector of our economy in the involvement of SBA and its programs.

Noteworthy among the current programs being administered by the SBA are the 8(a) procurement program that has resulted in increasing procurements of the minority sector—from $200 million in the last 7 years. A major thrust to provide the socially or economically disadvantaged people with the resources was made available by the Economic Opportunity Act of 1964 out of which grew the equal opportunity loan program which provides loans up to $50,000 for persons who otherwise would not be able to meet even the limited credit criteria of the normal small business guaranteed or direct loan programs.

The subcommittee staff investigated complaints in California of illegal campaign solicitation and of improper political interference with the operation of the 8(a) program. All evidence found was turned over to the Watergate Committee. It is unfortunate that minorities who are the most in need and also the most vulnerable because of their need, have been so manipulated in this time of immense politicization of the departments and agencies of the Federal Government.

In overviewing the 8(a) program the committee found a lack of organization and stated policy in terms of goals in this program. Because of decentralization of the SBA each region views and runs this program in a different manner causing distress and frustration to many minorities. One of the minority businessman's greatest frustrations is his inability to get through to a faceless, unfeeling bureaucracy. Too often precious time and resources are wasted while he fights his way through the red tape and rudeness, repeating his story endless times along the way to find someone in authority to give him justice.

The Small Business Act provides that the Administrator of the SBA shall appoint three Associate Administrators. The Associate Administrators currently are the Administrators for Financial Assistance and Investment, Field Operations, and for Procurement and Management Assistance. I think it is in keeping with the continuation and recognition of the importance and value of the minority programs that the Office of Assistant Administrator for Minority Enterprise be elevated to a position of Associate Administrator. The duties of the Associate Administrator for Minority Business shall include but not be limited to setting policy for the Administration of section 8(a) of the SBA Act, title IV section 406 of the Economic Opportunity Act of 1964, title VII, part A of the Economic Opportunity Act of 1964, and research and development funds allocated to minority enterprise.

The need for coordinated control of this very rapidly growing yet still small area of SBA activity is quite evident. It is the committee's hope that the centralization of the minority enterprise program raising it to the same level, administratively as other major programs in the SBA will enable better congressional oversight, unanimity of planning and execution, assure more effective monitoring of assignments in terms of follow through by the regions, achievement of desired goals, and establish clear lines of jurisdiction and authority over the presently fragmented operation of the program within SBA. Private industry has proven conclusively that management by objective is a successful method of controlling and measuring progress against priorities.

This amendment will serve not only to continue the direction in which our efforts have been expended over the past decade but to enhance the coordination and continued emphasis of minority programs in the next decade.

Mr. President, I am prepared to accept my own amendment, and I hope that will be the will of the Senator from Texas.

Mr. TOWER. Mr. President, I am prepared to accept the amendment.

I have long been an advocate of minority business enterprise. Although what the Senator has said is true, when we stack it up against the big business enterprises in this country, a great deal has not been done, but compared to what has been done in the past, it has been a quantum step.

I already have seen some of the benefits of this program in my State. I might note that from the standpoint of the Senator from California and me it is not only black minorities we are concerned with but also Mexican-Americans, as well.

Mr. CRANSTON. The Senator is correct.

Mr. TOWER. They have been discriminated against as much as black minorities and this program has been of great benefit to Mexican-American minorities as well as black minorities. The best thing we can do is to get them into the mainstream of American business. This is a constructive step. I am informed that the Administrator is prepared to accept this measure and therefore it is acceptable to me.

Mr. CRANSTON. I thank the Senator very much.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CRANSTON. I yield back my time.

Mr. TOWER. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. CLARK. Mr. President, 4 years ago Congress passed the Occupational Safety and Health Act. In many respects it has been effective, but the law has also generated considerable controversy, especially among small businessmen. Perhaps the most frequently criticized aspect of the law is the practice of penalizing employers for violations without any prior notice that such violations exist.

When an OSHA inspector visits a business now, he is required to note any violations and issue appropriate citations and penalties. An employer cannot ask for an onsite consultative inspection to determine if he is complying with the law because a solicitor opinion prohibits the Department of Labor from performing such a service.

Mr. President, if the purpose of OSHA is to guarantee safe and healthy work establishments rather than punish employers, then this blanket prohibition of onsite consultations would seem counterproductive. The distinguished Senator from California, as a member of the Senate Labor and Public Welfare Committee, which has jurisdiction over the OSHA law, and chairman of the Small Business Subcommittee of the Banking Committee, is well aware of OSHA and small businesses. With its built-in accountability to the needs of small businessmen, is it not logical for the Small Business Administration to provide this badly needed service?

Mr. CRANSTON. Mr. President, I am delighted to say that I share the concern of the distinguished Senator from Iowa that the requirements for compliance with the Occupational Safety and Health Act are difficult to comprehend because of the volume of papers governing these standards and the difficulty of a small businessman in determining which regulations and standards apply to him.

I would like to say a few words about what the SBA is doing to assist small business concerns in carrying out the requirements of the Occupational Safety and Health Act. In 1971, SBA instituted its occupational safety and health loan program which made available low interest rate loans for up to 30 years to effect additions or alterations in equipment, facilities or methods of operation to comply with OSHA standards. The OSHA Regional Offices review the loan applicant's description of his plant condition and advises the SBA field offices whether the applicant is required to correct the condition and whether the loan will put the applicant in compliance.

In addition, OSHA field offices under the Labor Department have been expanded to 100. The staffs of these offices are willing to answer any specific questions over the phone, or employers may visit in person with blueprints, photographs, and diagrams for consultation on appropriate means of complying with OSHA standards. I am pleased at this kind of cooperation between the SBA and OSHA regional offices in meeting the needs of the small businessman in this area.

However, I do feel that a major effort must be made by the Labor Department to simplify and more adequately disseminate OSHA materials to small businessmen. I think the strongest argument for simplification is that the mass of regulations are beyond the scope of the average small businessman. Stacked one on top of the other, these regulations come to over 17 feet. Many are technical and beyond the comprehension of many businessmen or published in the Federal Register where they may not be noticed.

Now to your question, on the need for onsite consultation. The Small Business Act does provide that the Administrator is authorized under 8(b) of the Small Business Act to provide technical and management assistance to small business firms. Specifically this section authorizes the Small Business Administration to provide advising and counseling services to small businesses on accident control.

Onsite consultation, of course is a form of technical assistance that the SBA could provide as so mandated. However the SBA has always suffered under severe limitations as to effectiveness in this area given their small budget and lack of staff to fulfill the present needs of small business.

The development of a specialized management and technical assistance effort in the job safety area is simply beyond SBA's budgetary capabilities. However, I shall ask the SBA to survey the need for onsite consultation. If there should be a great demand for this kind of help, I would be glad to support a request for funding through the appropriations process for the SBA to contract with firms who have the necessary expertise in the OSHA laws to provide onsite consultation to those small businessmen who need it. I thank my distinguished colleague for bringing this important issue to my attention.

I ask unanimous consent that the relevant section of the law be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

8(b) It shall also be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary—

(1) (A) to provide technical and managerial aids to small-business concerns, by advising and counseling on matters in conection with Government procurement and property disposal and on policies, principles, and practices of good management, including but not limited to cost accounting, methods of financing, business insurance, accident control, wage incentives, and methods engineering, by cooperating and advising with voluntary business, professional, educational, and other nonprofit organizations, associations, and institutions and with other Federal and State agencies, by maintaining a clearinghouse for information concerning the managing, financing, and operation of small-business enterprises, by disseminating such information, and by such other activities as are deemed appropriate by the Administration; and

Mr. CLARK. Mr. President, I thank the distinguished Senator for his cogent response. As I stated a moment ago, I believe the Small Business Administration is the logical agency to provide these onsite consultation services. If it were necessary to achieve this purpose, I would offer an amendment to the pending legislation to that effect. However, I am satisfied that the statutory language contained in the Small Business Act which the distinguished Senator has just quoted clearly expresses the will of Congress on this matter. It permits the appropriations committees of the Congress to provide additional funds for the increase in staff which will enable the Small Business Administration to undertake "advising and counseling" services on problems of "accident control" and makes such an amendment unnecessary at this time. I thank the distinguished Senator for clarifying this matter.

Mr. CRANSTON. I thank the Senator and I look forward to working with him in doing whatever is appropriate.

Mr. JAVITS. Mr. President, as ranking minority member of the Committee on Labor and Public Welfare, I have for some time been concerned with the safety and health of employees in various work places throughout the United States. I cosponsored the original OSHA legislation and continue to be deeply concerned with the implementation of current Department of Labor OSHA regulations.

In addition, as ranking minority member of the Senate Select Committee on Small Business I am quite sympathetic to the problems small businessmen face in attempting to comply with the OSHA regulations and I have offered an amendment to the OSHA law which would provide onsite consultation by the DOL to the small business community.

It is in this dual capacity that I share the concern of Senator Clark as to the effect of the OSHA regulations on the small business community and at the same time concur with Senator Cranston's statement that though the SBA legislative authority is broad enough to encompass a program of onsite consultation, it is quite unrealistic to expect the SBA, which is already overburdened with a variety of tasks, to provide the type of onsite consultation the small business community deserves.

For this reason, I would like to join Senator Cranston in asking the Administrator of the Small Business Administration to survey the actual need for this type of onsite consultation. It would be helpful if the agency reported back to both the Small Business Subcommittee of the Banking, Housing and Urban Affairs and the Senate Select Committee on Small Business within 6 months from the enactment of this legislation with a more definitive statement as to the nature and scope of the needs of the small businessmen as they relate to compliance with OSHA.

Senator Cranston has briefly mentioned a possible arrangement whereby the SBA would be able to contract with firms approved by the Department of Labor, that have the necessary expertise in the OSHA area to provide the onsite consultation. I think this idea has great merit and should be investigated. In addition, I have considered the possibility of allowing approved private organizations to independently provide onsite consultation services to the small business community and be reimbursed a portion of their expense upon proof of compliance to the DOL, which under the circumstances, is the proper agency to administer this sort of program.

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business, I rise in support of S. 3331, the Small Business Amendments of 1974. Hearings were held on this measure on March 12 and 13, 1974, before the Small Business Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs which reported the measure on April 9 (S. Rept. 93-776).

With this, as other small business measures, the chairman of that subcommittee, the Senator from California (Mr. Cranston) has done a very able job. His proceedings have been prompt and thorough. His questioning has developed a sound record and his courtesy to witnesses has been very much appreciated. I wish to commend the Senator from California for the excellent job he has been doing with small business legislation.

The bill before us is a composite of two bills: S. 3137 and S. 3138, both introduced on March 8 of this year. Both of these proposals are incorporated in S. 3331, with only technical amendments. The major parts of the bill are as follows:

The greater part of section 2 transfers to the Small Business Administration the authority for financial, management, and technical assistance which was previously provided for as title IV of the Economic Opportunity Act of 1964. SBA has by statute been authorized to administer this program and has in fact been doing so since 1966, and the language is now being placed in the Small Business Act to avoid confusion if the Economic Opportunity Act should expire. Minor technical changes have been made in wording to make these provisions compatible with the format of the Small Business Act.

Subsection 2(a)(3) of the bill would increase to $6 billion the ceilings on the total amounts of Small Business Administration loans and guarantees for business loans and would permit comparable increases for the ceilings on disaster loans, SBIC and economic opportunity loan programs. These maximums are, however, subject to the further limitation of Public Law 93-237, prohibiting SBA obligations thereunder after June 30, 1974, without further congressional authorization.

Section 3 clarifies interest rate levels in two instances: maintaining it at 3 percent for loans to organizations of handicapped persons; and raising it for borrowers who default on guaranteed loans to the rate at which SBA must reimburse the lending institution.

Section 4 raises the section 7(a) maximum loan amount from $350,000 to $500,000, which is more in line with the increased costs of doing business since the previous figure was established in 1958.

Section 5 calls for an annual sealed report from the Small Business Administration describing any misconduct by its employees. This is designed to assure an adequate congressional knowledge and follow through on any improprieties occurring in the agency.

Section 6 makes certain perfecting changes to the SBA surety and lease guarantee programs.

I consider this a routine bill, enabling the Small Business Administration to carry on its programs in a business-like fashion and to make necessary technical improvements. I recommend its approval by the Senate.

SENATOR RANDOLPH SUPPORTS S. 3331, THE "SMALL BUSINESS AMENDMENTS OF 1974"—IT CLARIFIES AID TO THE HANDICAPPED

Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, it is a privilege to support S. 3331, a measure which will provide important new authority and clarification of existing authority for the Small Business Administration.

Section 3 of this legislation contains an amendment on which I worked with the able Senator from California (Mr. Cranston) and which he presented in committee. This amendment is designed to clarify section 7(h)(2) of the Small Business Act relating to the interest rate applicable to loans under the handicapped assistance loan program (HAL).

The present language, which states that "Any loan made under this subsection shall bear interest at a rate of 3 per centum per annum," has caused confusion. This language may be interpreted to mean that a participating commercial lender's share of a guaranteed or immediate participation loan would be limited to an interest rate of 3 percent. Clearly, commercial enterprises will not lend money under this program at such a low interest rate. Handicapped assistance loans would not be made.

Such an interpretation was not the intent of Congress. The Congress, in my judgment intended that the 3 percent interest rate apply only to the SBA share of a loan. SBA has received a Comptroller General opinion reinforcing this belief on the intent of Congress. However, the new language, which reads that "The administration's share of any loan made under this subsection shall bear interest at the rate of 3 per centum per annum," unquestionably resolves the issue.

Mr. President, the Subcommittee on the Handicapped is committed to the right of equal opportunity for America's handicapped citizens. It is a privilege to support this legislation and the HAL program, for they provide the handicapped individual with an opportunity to compete in the business sector. I am grateful to Senator CRANSTON, the sponsor of this legislation, for his cooperation and endeavors to open traditional sources of capital for the handicapped person.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and was passed, as follows:

S. 3331

An act to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Amendments of 1974".

SEC. 2. (a) The Small Business Act is amended—

(1) by redesignating subsection (b) of section 2 as subsection (c) and by adding after subsection (a) of that section the following new subsection:

"(b) The assistance programs authorized by sections 7(i) and 7(j) of this Act are to be utilized to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises, with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals; or (2) owned by low-income individuals; and to mobilize for these objectives private as well as public managerial skills and resources.";

(2) by striking out paragraphs (1) and (2) of section 4(c), and inserting in lieu thereof the following:

"(c)(1) There are hereby established in the Treasury the following revolving funds: (A) a disaster loan fund which shall be available for financing functions performed under sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(c)(2), and 7(g) of this Act, including administrative expenses in connection with such functions; and (B) a business loan and investment fund which shall be available for financing functions performed under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, including administrative expenses in connection with such functions.

"(2) All repayments of loans and debentures, payments of interest and other receipts arising out of transactions heretofore or hereafter entered into by the Administration (A) pursuant to section 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), and 7(c)(2) of this Act shall be paid into a disaster loan fund; and (B) pursuant to sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, shall be paid into the business loan and investment fund.";

(3) by striking out paragraph (4) of section 4(c), and inserting in lieu thereof the following:

"(4) The total amount of loans, guarantees, and other obligations or commitments, heretofore or hereafter entered into by the Administration, which are outstanding at any one time (A) under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, shall not exceed $6,000,000,000; (B) under title III of the Small Business Investment Act of 1958, shall not exceed $725,000,000; (C) under title V of the Small Business Investment Act of 1958, shall not exceed $525,000,000; and (D) under section 7(i) of this Act, shall not exceed $450,000,000."; and

(4) by adding at the end of section 7 the following three new subsections:

"(i)(1) The Administration also is empowered to make, participate (on an immediate basis) in, or guarantee plans, repayable in not more than fifteen years, to any small business concern, or to any qualified person seeking to establish such a concern, when it determines that such loans will further the policies established in section 2(b) of this Act, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed $50,000. The Administration may defer payments on the principal of such loans for a grace period and use such other methods as it deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administration may, in its discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administration: *Provided, however,* That any management training program so approved must be of sufficient scope and duration to provide reasonable opportunity for the individuals served to develop entrepreneurial and managerial self-sufficiency.

"(2) The Administration shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns, and shall seek to stimulate new private lending activities to such concerns through the use of the loan guarantees, participations in loans, and pooling arrangements authorized by this subsection.

"(3) To insure an equitable distribution between urban and rural areas for loans between $3,500 and $50,000 made under this subsection, the Administration is authorized to use the agencies and agreements and delegations developed under title III of the Economic Opportunity Act of 1964, as amended, as it shall determine necessary.

"(4) The Administration shall provide for the continuing evaluation of programs under this subsection, including full information on the location, income characteristics, and types of businesses and individuals assisted, and on new private lending activity stimulated, and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(5) Loans made pursuant to this subsection (including immediate participation in and guarantees of such loans) shall have such terms and conditions as the Administration shall determine, subject to the following limitations—

"(A) there is reasonable assurance of repayment of the loan;

"(B) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(C) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(D) the loan bears interest at a rate not less than (i) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (ii) such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3108 et seq.) shall not exceed the rate currently applicable to new loans made under section 201 of the Act (42 U.S.C. 3142); and

"(E) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

"(6) The Administration shall take such steps as may be necessary to insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this subsection are allotted to small business concerns located in urban areas identified by the Administration as having high concentrations of unemployed or low-income individuals or to small business concerns owned by low-income individuals. The Administration shall define the meaning of low income as it applies to owners of small business concerns eligible to be assisted under this subsection.

"(7) No financial assistance shall be extended pursuant to this subsection where the Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.

"(j)(1) The Administration is authorized to provide financial assistance to public or private organizations to pay all or part of the cost of projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under subsection 7(i) of this Act, with special attention to small business located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals.

"(2) Financial assistance under this subsection may be provided for projects, including without limitation—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Government programs including programs authorized under subsection 7(i);

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

"(E) the encouragement of the placement of subcontracts by major business with small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals, including the provision of incentives and assistance to such major businesses so that they will aid in the training and upgrading of potential subcontractors or other small business concerns; and

"(F) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing businesses, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served;

"(3) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small business concerns by residents of urban areas of high concentration of unemployed or low-income individuals, and to projects which are planned and carried out with the participation of local businessmen.

"(4) The financial assistance authorized by this subsection includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services.

"(5) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(6) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(7) The Administration shall provide for an independent and continuing evaluation of programs under this subsection, including full information on, and analysis of, the character and impact of managerial assistance provided, the location, income characteristics, and types of businesses and individuals assisted, and the extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations deemed advisable by the Administration shall be included in the report required by section 10(a) of this Act.

"(8) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this subsection and of subsection 7(i) of this Act. The Administration shall provide for the continuing evaluation of programs under this subsection and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(k) In carrying out its functions under subsections 7(i) and 7 (j) of this Act, the Administration is authorized—

"(1) to utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of such State or subdivision without reimbursement;

"(2) to accept, in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

"(3) to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)); and

"(4) to employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; to compensate individuals so employed at rates not in excess of $100 per diem, including traveltime; and to allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually."

(b) Title IV of the Economic Opportunity Act of 1964. is hereby repealed; and all references to such title in the remainder of that Act are repealed.

SEC. 3. The Small Business Act is further amended—

(1) by amending section 5(b) by striking out "and" following paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and" and by adding at the end of paragraph (9) the following new paragraph:

"(10) upon purchase by the Administration of any deferred participation entered into under section 7 of this Act, continue to charge a rate of interest not to exceed that initially charged by the participating institution on the amount so purchased for the remaining term of the indebtedness."; and

(2) by striking out the third sentence in paragraph (2) of section 7(h) and inserting in lieu thereof: "The Administration's share of any loan made under this subsection shall bear interest at the rate of 3 per centum per annum."

SEC. 4. (a) Section 7 (a) (4) (A) of the Small Business Act is amended by striking out "$350,000" and inserting in lieu thereof "$500,000."

(b) Section 7(a)(5)(A) of such Act is amended by striking out "$350,000" and inserting in lieu thereof "$500,000".

SEC. 5. Section 10 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(g) The Administration shall transmit, not later than December 31 of each year, to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives a sealed report with respect to public complaints alleging illegal conduct by employees of the Administration which were received or acted upon by the Administration during the preceding fiscal year."

SEC. 6. (a) The Small Business Investment Act of 1958 is amended—

(1) by striking out in the table of contents in section 101 all references to title IV and section numbers therein and inserting in lieu thereof the following:

"TITLE IV—GUARANTEES

"PART A—LEASE GUARANTEES

"Sec. 401. Authority of the Administration.
"Sec. 402. Powers.
"Sec. 403. Fund.

"PART B—SURETY BOND GUARANTEES

"Sec. 410. Definitions.
"Sec. 411. Authority of the Administration.
"Sec. 412. Fund.";

(2) by striking out section 403 and inserting in lieu thereof the following:

"FUND

"SEC. 403. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $10,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part.";

(3) by striking out "$500,000" in section 411 and inserting in lieu thereof "$1,000,000"; and

(4) by adding after section 411 the following new section:

"FUND

"SEC. 412. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $35,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part."

(b) Unexpended balances of appropriations made to the fund pursuant to section 403 of the Small Business Investment Act of 1958 (15 U.S.C. 694), as in effect prior to the effective date of this Act, shall be allocated, together with related assets and liabilities, to the funds established by paragraphs (2) and (4) of subsection (a) of this section in such amounts as the Administrator shall determine.

SEC. 7. Section 4(b) of the Small Business Act is amended—

(1) by striking out "three" in the third sentence and inserting in lieu thereof "four"; and

(2) by inserting after the third sentence the following new sentence: "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible for the operation, management, and supervision of the Administration's execution of programs which provide assistance to minority small business concerns."

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PEACE CORPS BILL (H.R. 12920) TEMPORARILY LAID ASIDE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Peace Corps bill which was to have been considered at this time be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE NATIONAL LABOR RELATIONS ACT TO EXTEND COVERAGE AND PROTECTION TO EMPLOYEES OF NONPROFIT HOSPITALS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 3203.

The PRESIDING OFFICER. The bill will be stated by title.

The bill was read by title, as follows:

A bill (S. 3203) to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request that the Senate proceed to consider the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CRANSTON. Mr. President, I want to thank the distinguished chairman of the Labor and Public Welfare Committee, the Senator from New Jersey (Mr. WILLIAMS), for asking me to manage S. 3203 on the floor today, a bill to extend the coverage and protection of the National Labor Relations Act to employees of private nonprofit hospitals.

The National Labor Relations Act basically provides two avenues for the peaceful resolution of labor-management disputes. First, it establishes a recognized machinery for determining workers' desires by means of representation elections. Second, it seeks to protect both labor and management from unfair labor practices.

Because of the specialized nature of the health care industry, the reported bill provides these two basic NLRA protections for nonprofit hospitals and their employees and establishes a broader and new definition of health care institutions covered by the act. This new definition includes not only hospitals, but also nursing homes, health maintenance organizations, extended care facilities, health and medical clinics, and other similar institutions caring for sick, infirm, or aged persons. Under current law, only for-profit hospitals and all nursing homes—nonprofit and proprietary—are covered by the NLRA.

Under S. 3203, we will have one set of rules applicable to all health care institutions. The bill contains several special provisions designed to facilitate collective-bargaining settlements and to provide advance notice of any strike or picketing involving a health care institution. These special provisions for health care institutions are designed to bring about resolutions of labor disputes without the need for recourse to a strike if that is possible. These are:

First. The requirement of a 90-day notice of termination or expiration of a contract;

Second. The requirement of a 60-day notice of such termination or expiration to the Federal Mediation and Conciliation Service—FMCS;

Third. In initial contract negotiations, a requirement of a 30-day notice of a dispute to FMCS;

Fourth. The requirement for a health care institution and labor organization to participate in mediation at the direction of the FMCS;

Fifth. The requirement of a 10-day notice by a labor organization to the health care institution before engaging in any picketing or strike—whether or not related to bargaining.

Mr. President, at this point, I ask unanimous consent that appropriate excerpts from the committee report—No. 93–766—be set forth in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

COVERAGE OF NONPROFIT HOSPITALS UNDER THE NATIONAL LABOR RELATIONS ACT

SUMMARY

The National Labor Relations Act governs the collective bargaining relationship of millions of workers including employees of proprietary hospitals, proprietary nursing homes and nonprofit nursing homes. It specifically exempts from coverage employees of private nonprofit hospitals. This bill repeals the present exemption, establishes certain new procedures governing labor relations in health care institutions, and creates a new definition of health care institution to include hospitals, nursing homes, health maintenance organizations, extended care facilities, health and medical clinics and other similar institutions caring for the sick, infirm or aged. The bill also contains several additional special provisions designed to facilitate collective bargaining settlements and to provide advance notice of any strike or picketing involving a health care institution, as follows:

1. The requirement for notice of termination or expiration of a contract will be 90 days;

2. The Federal Mediation and Conciliation Service (FMCS) must be given 60 days notice of such termination or expiration;

3. In initial contract negotiation a 30 day notice of a dispute to FMCS will be required;

4. The health care institution and labor organization will be required to participate in mediation at the direction of the FMCS.

5. The health care institution must be given a 10 day notice by a labor organization before any picketing or strike (whether or not related to bargaining) can take place.

On February 7, 1973, S. 794 was introduced by Senators Cranston and Javits and on July 31, 1973, S. 2292 was introduced by Senator Taft. The Subcommittee on Labor conducted hearings on these bills on July 31, August 1, 2 and October 4, 1973.

During the course of these hearings testimony was received from a number of interested groups, including the U.S. Department of Labor; AFL–CIO; the Service Employees International Union, AFL–CIO; American Hospital Association; Industrial Union Department, AFL–CIO; Local 1199, Drug and Hospital Workers Union; American Nurses Association; Communication Workers of America, AFL–CIO; General Conference of Seventh-day Adventists; American Federation of State, County, and Municipal Employees, AFL–CIO; New Jersey Hospital Association; Committee of Interns and Residents of New York City; Colorado Hospital Association; Federation of American Hospitals; Catholic Hospital Association Board of Trustees; Commission on Economic and General Welfare of the American Nurses' Association; Hospital Association of Pennsylvania; Texas Hospital Association; Iowa Hospital Association; International Union of Operating Engineers; Ohio Hospital Association; Minnesota Hospital Association; National Right to Work Committee; Mt. Sinai Hospital; National Federation of Licensed Practical Nurses; Physicians National Housestaff Association; United States Industrial Council; California Hospital Association; New York University Medical Center; and Mount Sinai Medical Center.

On February 28, 1974, S. 3088 was introduced by Senator Taft and on March 13, 1974, the full Committee discharged the Subcommittee from further consideration of S. 794, S. 2292 and S. 3088. On March 20, 1974, S. 3203 was introduced by Senators Williams, Cranston, Javits, Taft, Stafford, Pell, Kennedy, Eagleton, Hughes, and Schweiker. The Committee considered the legislation in executive session on March 20, 1974, and ordered S. 3203 reported by voice vote.

During the executive session an amendment proposed by Senator Mondale was offered. It would have required the NLRB to cede jurisdiction to certain state agencies covering nonprofit hospitals where the state law was in existence prior to 1947. The amendment was defeated by voice vote.

BACKGROUND

Section 2(2) of the National Labor Relations Act defines the term "employer" as not to include "any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual."

The original Wagner Act of 1935 did not contain this exemption and in the only reported case relating to coverage of nonprofit hospitals, the NLRB and the Court of Appeals upheld the coverage.[1]

In 1947, the Wagner Act was amended by the Taft-Hartley Act. Included in these amendments was a provision, added as a floor amendment in the Senate, to exempt nonprofit hospitals. This amendment was retained in conference.

In 1972, the House passed H.R. 11357 which would have repealed the exemption. No action was taken by the Senate beyond hearings on the bill.

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[1] *Central Dispensary and Emergency Hospital* 44 NLRB 533 (1942), 145 F. 2d 852 (1944), cert. den. 655 sup. ct. 684.

NEED FOR THE BILL

The bill removes the existing exemption in section 2(2) of the NLRA for employees of non-profit hospitals and extends the protections of the Act to such employees to the same extent as currently applicable to employees of nursing homes and proprietary hospitals.

The Committee could find no acceptable reason why 1,427,012 employees of these non-profit, non-public hospitals, representing 56% of all hospital employees, should continue to be excluded from the coverage and protections of the Act. In the Committee's deliberations on this measure, it was recognized that the needs of patients in health care institutions required special consideration in the Act including a provision requiring hospitals to have sufficient notice of any strike or picketing to allow for appropriate arrangements to be made for the continuance of patient care in the event of a work stoppage. In this respect the Committee believed that the special notice requirements should be extended to all proprietary and nonprofit hospitals, convalescent hospitals, health maintenance organizations, health or medical clinics, nursing homes, extended care facilities or other institutions devoted to the care of sick, infirm or aged persons. Accordingly this bill will provide the same procedures for employees of all health care institutions.

The Committee was also impressed with the fact, emphasized by many witnesses, that the exemption of nonprofit hospitals from the Act had resulted in numerous instances of recognition strikes and picketing. Coverage under the Act should completely eliminate the need for any such activity, since the procedures of the Act will be available to resolve organizational and recognition disputes.

PROVISIONS OF THE BILL

Repeal of existing exemption

The present exemption in Section 2(2) of the National Labor Relations Act for "any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual" is removed from the Act by this bill.

Definition of health care institution

The bill adds to the Act a definition of health care institutions which includes any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged persons.

By so defining a health care institution the Committee does not intend to affect the exemption for "the United States or any wholly owned Government corporation * * * or any State or political subdivision thereof" as set forth in Section 2(2) of the Act.

Ten day notice

It is in the public interest to insure the continuity of health care to the community and the care and well being of patients by providing for a statutory advance notice of any anticipated strike or picketing. For this reason, the Committee approved an amendment adding a new Section 8(g) which generally prohibits a labor organization from striking or picketing a health care institution without first giving 10 days' notice. Violation of this provision will constitute an unfair labor practice. The failure to give the statutory notice will be remedial under Section 10(j) of the Act. This notice period will also give the National Labor Relations Board the opportunity, when charges are filed, to make a determination as to the legality of any strike or picketing before it occurs.[2]

The 10-day notice is intended to give health care institutions sufficient advance notice of a strike or picketing to permit them to make arrangements for the continuity of patient care. It is not the intention of the Committee that a labor organization shall be required to commence a strike or picketing at the precise time specified in the notice; on the other hand, it would be inconsistent with the Committee's intent if a labor organization failed to act within a reasonable time after the time specified in the notice. Thus, it would be unreasonable, in the Committee's judgment, if a strike or picketing commenced more than 72 hours after the time specified in the notice. In addition, since the purpose of the notice is to give a health care institution advance notice of the actual commencement of a strike or picketing, if a labor oragnization does not strike at the time specified in the notice, at least 12 hours notice should be given of the actual time for commencement of the action.

Repeatedly serving such ten day notices upon the employer is to be construed as constituting evidence of a refusal to bargain in good faith by the labor organization.

Likewise, the public interest demands that employees of health care institutions be accorded the same type of treatment under the law as other employees in our society, and that the notice not be utilized to deprive employees of their statutory rights. It is clear, therefore, that a labor organization will not be required to serve a ten day notice or to wait until the expiration of the ten day notice when the employer has committed unfair labor practices as in *Mastro Plastics Corp.* v. *NLRB*, 350 U.S. 270, 37 L.R.R.M. 2587 (1956).

Moreover, it is the sense of the Committee that during the ten-day notice period the employer should remain free to take whatever action is necessary to maintain health care, but not to use the ten-day period to undermine the bargaining relationship that would otherwise exist. For example, the employer would not be free to bring in large numbers of supervisory help, nurses, staff and other personnel from other facilities for replacement purposes. It would clearly be free to receive supplies, but it would not be free to take extraordinary steps to stock up on ordinary supplies for an unduly extended period. While not necessarily a violation of the Act, violation of these principles would serve to release the labor oragnization from its obligation not to engage in economic action during the course of the ten-day notice period.

The Committee is aware that a work interruption at particular hospitals, such as those in rural areas, could pose special problems of continuation of patient care. It is the Committee's hope that parties to a dispute in such an institution would be cognizant of such special problems and take steps, either in advance of any dispute, or during its resolution, to mitigate the effects of a scarcity of alternative local resources.

Contract notice requirements

Under the existing provisions of the National Labor Relations Act, an employer or a labor organization is required, where a collective bargaining agreement is in effect, to provide written notice to the other party before termination or modification of the agreement. This notice of termination or modification must be given at least 60 days prior to the termination or modification date. In addition, present law requires the Federal Mediation and Conciliation Service to receive 30 days notice.

The bill extends the 60 day notice to 90 days and requires the FMCS to receive 60 days notice instead of 30 days, in the case of health care institutions.

Under existing law there is no obligation on either party to engage in mediation. The bill provides for mandatory mediation by the parties with the FMCS in the case of collective bargaining involving health care institutions.

Under present law there is no notification requirement to any party with regard to initial contract negotiations. The bill requires 30 days notice to the FMCS, in the case of collective bargaining involving health care institutions.

EFFECT ON EXISTING LAW

Bargaining units

Due consideration should be given by the Board to preventing proliferation of bargaining units in the health care industry. In this connection, the Committee notes with approval the recent Board decisions in *Four Seasons Nursing Center*, 208 NLRB No. 50, 85 LRRM 1093 (1974), and *Woodland Park Hospital*, 205 NLRB No. 144, 84 LRRM 1075 (1973), as well as the trend toward broader units enunciated in *Extendicare of West Virginia*, 203 NLRB No. 170 83 LRRM 1242 (1973).[3]

Ally doctrine

It has been held that where during the course of a labor dispute, a secondary employer performs work that, but for the existence of such labor dispute, would have been performed by the striking employees of the primary employer, the secondary employer loses his status as a neutral, and the labor organization is entitled to extend its economic activity to the secondary employer.

It is the sense of the Committee that where such secondary institutions accept the patients of a primary employer or otherwise provide life-sustaining services to the primary employer, by providing the primary employer with an employee or employees who possess critical skills, such as an EKG technician, such conduct shall not be sufficient to cause the secondary employer to lose its neutral status. It should be clear, however, that where a secondary employer enmeshes itself into the primary dispute by providing supervisors, nurses or staff other than those described, it loses its status of neutrality.

Supervisors

Various organizations representing health care professionals have urged an amendment to Section 2(11) of the Act so as to exclude such professionals from the definition of "supervisor". The Committee has studied this definition with particular reference to health care professionals, such as registered nurses, interns, residents, fellows, and salaried physicians and concludes that the proposed amendment is unnecessary because of existing Board decisions. The Committee notes that the Board has carefully avoided applying the definition of "supervisor" to a health care professional who gives direction to other employees in the exercise of professional judgment, which direction is incidental to the professional's treatment of patients, and thus is not the exercise of supervisory authority in the interest of the employer.

The Committee expects the Board to continue evaluating the facts of each case in this manner when making its determinations.

Recognition picketing

In recognition picketing cases under Section 8(b)(7)(C), the National Labor Relations Board has ruled that a reasonable period of time is thirty days absent unusual circumstances such as violence or intimidation. It is the sense of the Committee that picketing of a health care institution would in itself constitute an unusual circumstance justifying the application of a period of time less than thirty days.

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[2] For example, the picketing may be a violation of Section 8(b)(4).

[3] By our reference to *Extendicare*, we do not necessarily approve all of the holdings of that decision.

Priority case handling

Many of the witnesses before the Committee, including both employee and employer witnesses, stressed the uniqueness of health care institutions. There was a recognized concern for the need to avoid disruption of patient care wherever possible.

It was this sensitivity to the need for continuity of patient care that led the Committee to adopt amendments with regard to notice requirements and other procedures related to potential strikes and picketing.

The Board's priorities for handling various types of cases were carefully considered by directions to the Board are reflected in the following commentary.

The Committee notes the present existence of priority case handling directives to the Board under Section 10(1) of the Act with respect to charges filed under Sections 8(b) (4), 8(b) (7) or 8(e) and other priority directives under 10 (m).

Because of the need for continuity of patient care, the Committee expects the NLRB to give special attention and priority to all charges of employer, employee and labor organization unfair labor practices involving health care institutions consistent with the existing statutory priority requirements for particular classes of cases. The General Counsel and Chairman are directed to take such steps as necessary to provide appropriate investigatory and other resources needed to give this requisite priority to unfair labor practice cases involving health care institutions.

Cost estimate

The estimated cost of this legislation is $1.2 million in each of the five years following enactment.

SECTION-BY-SECTION ANALYSIS

Subsection (a) repeals the existing exemption for non-profit hospitals in Section 2(2) of the Act.

Subsection (b) amends Section 2 of the Act by adding a definition "health care institution" to include any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged persons.

Subsection (c) amends Section 8(d) relating to loss of status when an employee strikes in violation of the section's notice requirements. The Amendment substitutes "any notice" in lieu of the "sixty-day notice" in existing law to allow for the additional notice requirements placed on representations of employees of health care institutions. The loss of status is also extended to violations of the newly created ten-day notice period of section 8(g).

Subsection (d) amends Section 8(d) by modifying the notice provisions of that Section as follows:

1. The requirement for notice of termination or expiration of a contract will be 90 days;
2. The Federal Mediation and Conciliation Service must be given a 60 day notice of such termination or expiration:
3. In initial contract negotiations a 30 day notice to FMCS will be required;
4. The health care institution and labor organization will be required to participate in mediation at the direction of the FMCS.

Subsection (e) amends Section 8 by adding a new Subsection (g) which provides that labor organizations give a 10 day written notice to the health care institution and the FMCS before engaging in any picketing, strike or other concerted refusal to work.

Mr. CRANSTON. Mr. President, does the Senator from Michigan wish to offer any amendment at this time? If so, I will dispense with my statement at this time.

Mr. GRIFFIN. No.

Mr. CRANSTON. Mr. President, testimony presented to the committee—in the course of our very extensive hearings on this legislation on July 31, August 1 and 2, and October 4 of last year—both by labor and management witnesses indicated that the exemption of private nonprofit hospitals from the act had resulted in numerous instances of recognition strikes and picketing. Representatives from the Service Employees International Union testified that recognition strikes account for about 95 percent of strikes in nonprofit hospitals. These recognition strikes averaged 32 days and resulted in an average of 3,967 man-days idle for each struck facility.

Coverage under the act, as provided for in this bill, Mr. President, should completely eliminate the need for any such activity, since the procedures of the act will be available to resolve organizational and recognition disputes.

The Department of Labor testified in favor of "extending the proven benefits of the National Labor Relations Act coverage to nonprofit hospitals." Representatives of the Labor Department also favored "some limited safeguards to protect the public interest in the delivery of health care services." The administration supports this bill, Mr. President.

The committee worked with the administration, with the hospital associations, and with the unions on the issues raised by the parties to the original legislation introduced—S. 794, which I introduced with Senator JAVITS on February 7, 1973, and S. 2292 introduced by Senator TAFT on July 31, 1973. As a result of the hearings and further discussions with the parties, a new bill (S. 3203) was introduced to take account of the various concerns of these parties. This is the bill before us today.

This new bill drew broad bipartisan support within the committee, and represents an attempt to meet all the special problems that were brought to the committee's attention during its lengthy deliberation on the predecessor legislation—S. 794 and S. 2292.

Because of the specialized nature of health care, this bill was broadened to do more than just remove the current nonprofit hospital exclusion. This bill attempts to establish special machinery under the National Labor Relations Act to handle the special problems involved in health care, not only in nonprofit hospitals, but in all health care institutions.

S. 3203 represents, Mr. President, a very carefully developed and finely tuned balance of competing considerations and philosophies to develop a procedure that will, at the same time, protect labor and management rights and promote good health care.

Under the existing provisions of the National Labor Relations Act, an employer as well as a labor organization is required, where a collective bargaining agreement is in effect, to provide written notice to the other party before termination or modification of the agreement. This notice of termination or modification must be given at least 60 days prior to the termination or modification date. In addition, present law requires the Federal mediation and conciliation service to receive 30 days' notice.

The reported bill extends the 60-day notice, to the other party, to 90 days, and also requires the FMCS to receive 60 days' notice instead of 30 days, in the case of health care institutions.

Under existing law, Mr. President, there is no obligation on either party to engage in mediation. The reported bill provides for mandatory mediation by the parties through the FMCS process in the case of collective bargaining involving health care institutions.

Under present law, Mr. President, there is no special notification requirement as to either party with regard to initial contract negotiations. The reported bill requires 30 days' notice to the FMCS, in the case of collective bargaining involving health care institutions.

Under present law, Mr. President, there is no strike notice requirement. We believe it is in the public interest to insure the continuity of health care to the community and the care and well-being of patients by providing for a statutory advance notice of any anticipated strike or picketing. For this reason, the committee approved an amendment adding a new section 8(g) to the NLRA which generally would prohibit a labor organization from striking or picketing a health care institution without first giving 10 days' notice. Violation of this provision will constitute an unfair labor practice. This failure to give the statutory notice will be able to be remedied under the judicial procedures provided for in section 10(j) of the act. This 10-day notice period will also give the National Labor Relations Board the opportunity, when charges are filed, to make a determination as to the legality of any strike or picketing before it occurs.

The 10-day notice is intended to give health care institutions sufficient advance notice of a strike or picketing to permit them to make arrangements for the continuity of patient care. As made clear in the committee report, Mr. President, it is not intended that a labor organization shall be required to commence a strike or picketing at the precise time specified in the notice; on the other hand, it would be inconsistent with the committee's intent if a labor organization failed to act within a reasonable time after the time specified in the notice.

Likewise, the public interest demands that employees of health care institutions be accorded the same type of treatment under the law as other employees in our society, and that the 10-days notice provision not be utilized to deprive employees of their statutory bargaining rights. It is clear, therefore, that a labor organization will not be required to serve a 10-day notice, or to wait until the expiration of the 10-day notice period, when the employer has committed an unfair labor practice.

We believe that the result of this legislation will be a decrease in labor unrest in the health care sector. One of the witnesses before the subcommittee, Norman Metzger, vice president for personnel of Mt. Sinai Medical Center in New York, stated that:

> Over twice as many man-days idle are experienced per work stoppage when the issue is recognition than when the issue is collective bargaining contract content.

He also stated that his:

> Statistics demonstrate that hospital-size categories experiencing the greatest increase in the number of collective bargaining agreements negotiated do not experience a similar increase in the number of work stoppages. As of the present time.

He said:

> Evidence suggests that increased organizational activity in the hospital industry does not necessarily lead to a proportional increase in work stoppages and that, in fact, such activities can precipitate a decrease. As organizational activity expands.

He explained:

> Labor-management relations will be increasingly focused on terms and conditions of employment which are relatively less associated with conflict than issues centered on union recognition.

Union Representative Joseph Murphy, of the Service Employees International Union, stated that:

> Coverage by the act would effectively eliminate recognition strikes and picketing, by use of mechanisms provided in the act which call for elections within a reasonable time after a petition for election is filed.

Mr. Murphy also pointed out that coverage under the National Labor Relations Act would not result in demands for extravagantly high wages and thus would not result directly in higher hospital costs for patients. He also noted the following:

> Coverage of the National Labor Relations Act was extended to proprietary hospitals in 1967, with a corresponding increase in unionization. Despite this fact, hospital wages have risen much more slowly than the cost of hospital care. In the five-year period January 1968 to January 1973, wages of non-supervisory hospital personnel have increased 43.6 percent, while the C.P.I. of semiprivate hospital room rates has increased 66.8 percent.

Mr. Murphy also stated that:

> There are many causes for increasing hospital costs other than wage increases—especially increased sophistication of medical treatment requiring more personnel per patient, more expensive equipment and lab procedures, large increases in demand related to increased insurance coverage, mismanagement of funds and utilization rates below optimum.

During the last 2½ years, hospital wage increases have lagged far behind those received by workers in other industries. During the 2½-year period from August 1971 to January 1974, average hourly earnings of non-supervisory hospital workers increased 32 cents an hour or 10.7 percent. Wages of manufacturing production workers went up nearly twice as fast, increasing by 65 cents an hour or 18.3 percent, and the average increase for all non-supervisory private industry employees was 57 cents an hour or 16.5 percent. These figures of the Bureau of Labor Statistics indicate that these hospital workers' wages are falling further behind other workers' wages.

Today, hospital workers are still notoriously underpaid. The communications Workers of America reported that in 1970 the average annual salary for all hospital employees—including doctors, administrators, nurses, and other aides—was only $5,290. According to Dr. Michael Stocker, president of the Physicians National Housestaff Association, the average house staff officer—intern, resident, or fellow—works 70 to 100 hours per week, and earns about $10,000 per year. His hourly wage, then, ranges from $1.92 to $2.74.

The long hours worked and the small monetary reward received by hospital workers result in a constant turnover with a consequent threat to the maintenance of an adequate standard of medical care. This was emphasized over and over again by many of the witnesses. Turnover rates for employees in several hospitals that were studied were reported by witnesses to be as high as 1,200 to 1,500 per center a year.

Mr. President, both management and union witnesses reported lower turnover after unionization than before. Dr. Joseph Sergent, president of the New York State Union, Local 682, stated that the turnover rates at the two hospitals which had been 1,200 to 1,500 percent a year before unionization, dropped to 24 to 30 percent a year after unionization. Indeed, it has been convincingly argued that when hospital employees are unionized, able to engage in orderly collective bargaining, and able to act as true partners with management in the provision of good patient care, the result is better job stability and security than is possible without such collective bargaining arrangements. This will also mean a better job done in terms of the quality of patient care provided.

Mr. President, I urge all those who want improved health care and increased stability for labor-management relations in health care institutions to support this bill.

In closing, Mr. President, I want to express my gratitude and appreciation for the enormous efforts which have been made on behalf of this legislation by Chairman WILLIAMS, by the Senator from New York, the ranking minority member of the committee, Mr. JAVITS, and by the Senator from Ohio (Mr. TAFT) who has such a keen interest in this field, and with whom I have joined as the principal sponsors of the reported bill. I also want personally to thank the staff of the labor subcommittee, Don Elisburg and Jeff Doranz, who have been of such enormous assistance to me and my staff throughout our work on this legislation over the last 15 months since I first introduced the predecessor bill, S. 794.

Mr. WILLIAMS. Mr. President this bill would extend coverage of the Taft-Hartley Act to private, nonprofit hospital employees. The existing exemption dates back to the 1947 amendment that the late Senator Tydings offered on the floor of the Senate to exclude nonprofit hospitals from the term "employer." The Senate Labor Committee has conducted extensive hearings on the question of removing this exclusion, and we believe that the purposes of the act would be best effectuated by extending the act to nonprofit hospitals.

When Congress excluded employers and employees in the nonprofit hospital industry from the Taft-Hartley Act, it did so for two major reasons, which no longer hold true today. The first reason was that the health industry at that time did not constitute interstate commerce. The second reason was that nonprofit hospitals were thought at that time to be charitable in nature.

The interstate commerce argument was based on the small size of the hospital industry at the time that the Taft-Hartley legislation was enacted. Today, however, the hospital industry is big business. There are more than 7,000 hospitals in the United States with nearly 3 million workers, almost 10 times the 350,000 in 1947.

Indeed, employment in the hospital industry exceeds the total number of workers in aircraft, textile products, printing and publishing, chemicals and allied products, banking, hotels, and other important areas of service and production.

More than half of the Nation's hospitals are private, nonprofit hospitals. They employ 1½ million employees, or 56 percent of all hospital employees.

This is more than twice as many as are employed in mining, more than twice the number employed on all railroads, and nearly three times as many as are employed in the basic auto industry.

Net total revenue of nonprofit hospitals amounted to almost $19 billion in 1972. In that year the entire hospital industry, including the giant nonprofit sector, rereceived $12 billion in payments from private insurance companies located throughout the Nation, and $17 billion from public sources. These sources represent 92 percent of the total amount spent on hospital care in 1972.

The rapid growth of the hospital industry, and particularly its nonprofit sector, has led courts and agencies to rule that hospital operations constitute interstate commerce and are subject to regulation by Congress.

Congress itself has recognized the interstate commerce feature of nonprofit hospitals by including them in coverage of labor legislation, social security, medicare, and medicaid programs.

The second reason why nonprofit hospitals were not brought under the authority of the NLRB in 1947—that they were "charitable institutions"—also no longer holds true today.

The price per bed in nonprofit hospitals is as high as in private hospitals. They often maintain large supervisory staffs, and pay high salaries to their exexcutives. They are free to own large parcels of land and engage in other business ventures with tax deductions and writeoffs.

In short, hospitals, including nonprofit hospitals, are, today, big business; they are engaged in interstate commerce, through their purchase of drugs, food, equipment, and fuel that are often produced in other regions of the country; they are a major part of our economic stream of commerce. They have clearly far outgrown their old status as local charitable institutions.

Now that private, nonprofit hospitals have become a major industry, they should be treated the same as other industries in their business and labor relations. Private nonprofit hospitals should at least be subject to the same regulations, obligations, and rights that apply to proprietary hospitals.

There is virtually no difference between employees of profit and of nonprofit hospitals. The services and demands made upon both types of employees are the same.

The only difference between them is the manner of distribution of revenues by their employers. Why should hospital workers be denied their basic right to secure the full benefits of America's economic and social institutions simply because they happen to be employed by a nonprofit, rather than a profit, hospital? Nonprofit hospital employees are an essential part of our society and should have the same labor protection as other workers, whether or not the facility in which they work is technically a nonprofit institution.

The current exemption from the act of nonprofit hospitals is not only inconsistent with the protection enjoyed by proprietary hospitals and other types of health care institutions, but it is also inconsistent with the coverage of other nonprofit activities. The NLRB has currently asserted jurisdiction over nonprofit colleges and universities, philantropic lodging houses, nonprofit educational broadcast stations, and nonprofit, cooperative insurance companies.

It would be highly unjust and arbitrary to continue to exclude nonprofit hospital workers from the national labor policy of recognizing, and in fact encouraging, the right of workers to organize and bargin collectively. The policy statement of the Taft-Hartley Act, which I quote, applies no less to nonprofit hospital employees than to other employees:

> Experience has proved that protection by law of the right of employees to organize and bargain collectively safeguards commerce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest, by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees. . . .
>
> It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

Congress enacted the Taft-Hartley Act in recognition of the fact that the lack of an orderly process for resolving labor disputes leads to industrial strife which in turn disrupts the free flow of commerce. Indeed, the record of management-labor relations in the hospital industry bears out the need for application of such a labor policy to all industries. The recognition strike is the primary and most disruptive form of labor conflict in nonprofit hospitals. It accounts for 95 percent of the strikes in these hospitals.

The denial of recognition of a union as the representative of employees in nonprofit hospitals, now subject to whim and coercion, erupts in long and wasteful strikes which not only hurt employees and employers, but also disrupts health care for patients. When a route is provided for a worker in a nonprofit hospital to reach an official determination that a union represents him, the number of recognition strikes will decline considerably, if not cease altogether.

Recognition strikes are made unnecessary by the peaceful representation procedures of the Taft-Hartley Act. It would be difficult to argue convincingly that withholding Taft-Hartley coverage from nonprofit hospital employees will maintain continuity of patient care. On the contrary, if the continuity of patient care is the main concern of hospital employers in this question of granting their workers the right to organize and bargain collectively, then it is clear that workers must be granted that right.

Not only will the continuity of patient care improve with the coverage of nonprofit hospital workers under the Taft-Hartley Act, but the quality of care will also most certainly improve. Thousands of hospital workers are paid poverty level wages, because they have no union protection. It is obvious that a worker who makes a living wage would have more incentive to do a good job than one whose wages are at poverty level.

The long recognition strikes which have plagued the nonprofit hospital industry inevitably result in an atmosphere of bitterness and conflict. Working relationships are never totally repaired. Such strikes consume large amounts of employers', employees', and unions' funds. When employees are forced to strike for the basic right of representation, and afterward to settle for unsatisfactory conditions, frustration and bitterness set in. The quality of health services is bound to suffer from such an atmosphere of conflict.

If Congress grants to nonprofit hospital employees the basic rights enjoyed by other American workers to join a union of their own choosing and to engage in collective bargaining with their employers, it will do sc in the best interests of the patients, the hospital management, and the community, as well as the workers themselves.

The prime concern of many witnesses who testified at our hearings on this bill was that hospitals be given protection against work interruptions that might cause injury or danger to patients.

Although we are convinced that the cause of the most prevalent and serious work disruption in hospitals—recognition strikes—will be eliminated simply by providing coverage of employees under the Taft-Hartley Act, we have added a number of provisions to the bill to accommodate the special need of the hospital industry to provide continuous, quality service to patients.

First, to insure the continuity of health care the committee approved an amendment prohibiting a labor organization from striking or picketing a health care institution without first giving 10 days' notice. The 10-day notice is intended to give health care institutions sufficient advance notice to make appropriate arrangements for the continuance of patient care in the event of work stoppage.

The bill also provides for mandatory mediation by the parties with the Federal Mediation Conciliation Service in the case of collective bargaining involving health care institutions.

Under the existing provisions of the National Labor Relations Act, an employer or a labor organization is required, where a collective bargaining agreement is in effect, to provide a written notice to the other party at least 60 days prior to the termination or modification of the agreement. Present law also requires the Federal Mediation and Conciliation Service to receive 30 days' notice.

The bill extends the 60-day notice to 90 days, and requires the Federal Mediation and Conciliation Service to receive 60-days' notice instead of 30 days.

I want to thank my colleague, Senator CRANSTON, for his cooperation and leadership in preparing and introducing his original bill and in conducting extensive and thorough hearings on it and my appreciation to Senator TAFT for his efforts in working out these amendments.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter of April 17, 1974, that I received from Wilfred H. Rommel, Assistant Director for Legislative Reference, Office of Management and Budget.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington D.C., April 17, 1974.
Hon. HARRISON A. WILLIAMS, Jr.
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Office on S. 3203, a bill "To amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes."

In a recent report to your Committee, the Department of Labor indicated its support for the concepts embodied in S. 3088, a predecessor bill.

We concur with the views of the Labor Department and, accordingly, support enactment of S. 3203.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

Mr. JAVITS. Mr. President, I ask unanimous consent that during the consideration of this bill, Mr. David Dunn may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, the Senate is now considering a bill which has been much too long in coming before us. It is the product of extensive discussion and negotiations between representatives of organized labor and representatives of hospital management and health care institutions. The provisions of the bill, as well as the committee report accompanying the bill, have been carefully tailored to meet the particular problems posed by labor-management disputes involving health care institutions.

It is my view—and I believe it is supported by the hearing record—that the exclusion of nonprofit hospital workers from the National Labor Relations Act has led to a great deal of needless labor-management strife in connection with organizational and representational disputes in these nonprofit hospitals.

Under the present law, if a nonproflit hospital is unwilling to bargain with a union representing its employees, or is unwilling to agree on an ad hoc election procedure to determine the wishes to serve the employees, or commits what would be called unfair labor practices if nonprofit hospital employees are subject to the act, the union involved has no recourse but to resort to strikes and picketing to advance what are its legitimate interests.

If the orderly procedures of the NLRB could be made available to resolve these organizational and representational questions, many, perhaps all, of these kinds of strikes could be avoided. Of course, we all understand the critical community needs which health care institutions fulfill. The important question in this bill then is, what recognition should be given to the special situation involving the health—indeed the life and death of people? Some special procedures have to be mandated to avoid the disruptions of essential health care services because of labor-management strife.

Mr. President, I should like to detail to the Senate three such provisions in the bill. First, the bill requires a 90-day rather than a 60-day notice of intention to reopen a contract upon its termination to be given to the Federal Mediation and Conciliation Service. In addition, at least 30 days notice must be given to the FMCS before any strike or lockout occurs in connection with the first contract.

The second item of safeguard is mandatory mediation by the Federal Mediation and Conciliation Service. In all other cases, it is voluntary; here it is mandatory. That makes a big difference, because it gets the U.S. Government into the picture immediately.

Third and last, 10 days notice of any strike or picketing, including stranger picketing, must be given to a health care institution. The committe report spells out in some detail the intention of the committee as to how this special provision should be interpreted and administered by the NLRB in order to guard against its abuse either by unions or employers.

These three special provisions are made applicable to all health care institutions.

When the bill was before the committee—and I have in mind my own jurisdiction, especially in the city of New York, which is a great health care center and has an enormous number of nonprofit hospitals, so I have a very direct and burning interest—I explored intensively the question of whether any further limitation should be placed on a union's right to strike health care institutions. I may note, in this connection, that I have long been in favor, and have worked very hard for, amendments to the national emergency provision of the Taft-Hartley Act, the so-called Taft-Hartley injunction provisions, to cover regional rather than only national health and safety emergencies.

Thus I gave very serious consideration to an amendment which would have made section 10 of the Railway Labor Act, which provides emergency procedures—essentially a 60-day cooling off period in the case of any labor dispute which "threatens to deprive any section of the country of essential transportation services"—applicable, with appropriate modifications to labor disputes involving health care institutions.

I considered seriously the application of that particular section to this particular labor-management situation, modifying it appropriately to deal with health care institutions. I did not offer such an amendment, and my reason is as follows, because I believe it would be of great interest to the Senate: I knew what a storm such an amendment would engender. I sought to obtain all the assurance I could get from the labor unions involved in respect to this particular field as to voluntary action on their part to deal with this problem.

Mr. President, I am very pleased to present to the Senate today letters which I shall read into the RECORD from the four major trade unions involved in organizing hospital workers. They have assured me in writing that they endorse the use of voluntary arbitration to settle labor-management disputes which threaten to disrupt essential health services.

I ask unanimous consent to have printed in the RECORD as a part of my remarks the following:

A letter from the National Union of Hospital and Nursing Home Employees, signed by Leon J. Davis, president.

A letter from the International Brotherhood of Teamsters, signed by Frank E. Fitzsimmons, general president.

A letter from the Service Employees International Union, signed by George Hardy, international president.

A letter from the Laborers' International Union of North America, signed by Peter Fosco, general president.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL UNION OF HOSPITAL AND
NURSING HOME EMPLOYEES,
New York, N.Y., March 18, 1974.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: With respect to legislation under consideration by the Senate Labor Committee to extend the collective bargaining act to employees in Voluntary Hospitals, an inquiry has been made to our Union as to our views on voluntary arbitration.

Specifically, we were asked whether or not our Union favors voluntary arbitration in a labor dispute where a strike or stoppage is threatened against a Hospital and where such strikes or stoppages may affect the life and limb of patients. It has been our policy in the past, it is our present policy and I expect that it will continue in the future that in such event our Union will favor submitting the disputed issues to voluntary and binding arbitration as a means of resolving the issues in dispute and thus avoiding the consequences of such a strike or stoppage.

I would like to call your attention to the fact that our recent stoppage in New York was not due to the refusal of our Union to abide by the arbitration process, it was our desire to have the arbitration awards enforced which led to the unfortunate result. It has been our experience that workers in hospitals are as conscious of their responsibility as the public generally.

Very truly yours,
LEON J. DAVIS,
President.

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN, AND HELPERS OF
AMERICA,
Washington, D.C., April 22, 1974.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: We wish to thank you for your efforts on behalf of workers employed by non-profit hospitals who would be covered by the National Labor Relations Act under S. 3203. Since 1947 these workers have been denied the protection accorded to most other American workers and we believe that there is no rational justification for this special exemption.

We are aware of the concern you expressed during the hearings about possible interruptions in patient care because of a labor dispute at health care institutions. We believe that the special provisions embodied in S. 3203 will serve to minimize any possible disruption in essential services. Furthermore, in those instances where a settlement cannot be reached by the parties, we believe that voluntary arbitration would be an appropriate technique to achieve a settlement where a strike or other economic action would result in the disruption of essential health care services.

Respectfully yours,
FRANK E. FITZSIMMONS,
General President.

SERVICE EMPLOYEES INTERNATIONAL
UNION,
Washington, D.C., April 4, 1974.

Hon. JACOB JAVITS,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: During the hearings on S. 794 you expressed concern about assuring the continuity of essential patient services in the event of a labor dispute involving health care institutions. Our organization shares this concern, and for that reason we support S. 3203, the clean bill, recently ordered reported by the Senate Committee on Labor and Public Welfare. The 10 day notice, extended bargaining period and mandatory mediation required by S. 3203 should operate to minimize the necessity for strike action involving any health care institution.

In addition, in the event that a settlement cannot be achieved by the parties through direct collective bargaining, our organization fully endorses the use of voluntary arbitration as a technique for obtaining peaceful settlements if a strike would result in disrupting essential health care services in the community. In fact, many of the contracts that have already been negotiated with health institutions contain arbitration provision. This provision obviously was negotiated voluntarily.

Naturally, I am extremely pleased that the Committee has acted favorably with respect to this legislation. We sincerely, believe that prompt enactment of S. 3203 will lead to less, not more, tension in labor-management relations in the health care industry.

Sincerely,

GEORGE HARDY,
International President.

LABORERS' INTERNATIONAL UNION
OF NORTH AMERICA,
Washington, D.C., April 8, 1974.

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR MR. JAVITS: In the course of the hearings on proposed legislation to bring nonprofit hospitals under the National Labor Relations Act, you raised the question of how the continuance of essential patient services could best be assured in the event of a strike or lock-out involving a health care institution. We fully understand your concern regarding this question, and have ourselves given this matter a great deal of thought. We believe that the positions embodied in S. 3203 will greatly facilitate settlements through the normal process of collective bargaining. In addition, the bill will make available time-tested procedures for determining organizational and recognitional issues through the NLRA.

In those cases where a peaceful settlement cannot be achieved through collective bargaining, we believe as a matter of policy, in the use of voluntary arbitration if a strike or lock-out would result in the disruption of essential health care services. We further believe that voluntary arbitration is far preferable to any governmentally imposed solution.

We are grateful that the Senate Committee on Labor and Public Welfare has reported out S. 3203 and are very hopeful that the full Senate will soon act favorably on this bill. We strongly believe that this legislation is not only in the best interest of employees of nonprofit hospitals, but also will serve to reduce rather than increase the number and intensity of labor-management disputes in this industry.

Very truly yours,

PETER FOSCO,
General President.

Mr. JAVITS. Mr. President, the originals of these letters will be on permanent file with the Committee on Labor and Public Welfare.

I should like very briefly, since there still remains a few minutes, to read the pertinent parts of these letters. First, from President Leon Davis of the National Union of Hospital and Nursing Home Employees:

> It has been our policy in the past, it is our present policy and I expect that it will continue in the future that in such event our Union will favor submitting the disputed issues to voluntary and binding arbitration as a means of resolving the issues in dispute and thus avoiding the consequences of such a strike or stoppage.

From President Fitzsimmons of the Teamsters:

> We believe that the special provisions embodied in S. 3203 will serve to minimize any possible disruption in essential services. Furthermore, in those instances where a settlement cannot be reached by the parties, we believe that voluntary arbitration would be an appropriate technique to achieve a settlement where a strike or other economic action would result in the disruption of essential health care services.

From George Hardy, international president of the Service Employees International Union:

> In addition, in the event that a settlement cannot be achieved by the parties through direct collective bargaining, our organization fully endorses the use of voluntary arbitration as a technique for obtaining peaceful settlements if a strike would result in disrupting essential health care services in the community.

Finally, from Peter Fosco, general president of the Laborers International Union of North America:

> In those cases where a peaceful settlement cannot be achieved through collective bargaining, we believe as a matter of policy, in the use of voluntary arbitration if a strike or lock-out would result in the disruption of essential health care services. We further believe that voluntary arbitration is far preferable to any governmentally imposed solution.

Mr. COTTON. Mr. President, will the Senator yield for a quick question?

Mr. JAVITS. I yield.

Mr. COTTON. Are those four labor organizations all of the labor organizations that deal with these hospital workers?

Mr. JAVITS. Mr. President, I would be very careful not to say all, because I am always very careful about statements of fact, but they are the primary trade unions in the field.

Mr. COTTON. Any other labor organizations involved would be comparatively small?

Mr. JAVITS. Exactly; and we will also add for the RECORD, if we may, the name of any other labor organization or trade union that we know of in the field. But these are the four principal organizations.

Mr. COTTON. I thank the Senator.

Mr. JAVITS. Mr. President, in addition, I have also taken into consideration that Congress can always act very quickly. I think we have shown that. I am known as a pro-labor Senator, and I am very proud of that, but doing my duty as the ranking Republican member of the committee, I have on a number of occasions, unhappy occasions for me, joined in bringing about within 24 or 48 hours legislation by Congress, when needed, to keep an essential service going, and I shall do so again if need be, though I do not believe in compulsory arbitration.

Mr. President, I conclude as follows:

However strongly one may feel about the need to preserve the public interest from the effects of labor-management strikes in critical areas such as health care, I believe Americans generally would agree that it is far preferable to accomplish this objective through voluntary means rather than the compulsion of law. I think that a new spirit has begun to permeate the American labor movement as to the necessity, in the public interest, and indeed the desirability from labor's point of view, of finding ways of avoiding the disruptive effects that sometimes flow from strikes. The steel industry agreement, which made headlines 2 weeks ago, is perhaps the best known example of this change in attitude.

I think the same kind of spirit is shown in the letters to which I have referred from the four union presidents which are now in the RECORD, and I think it would be more in the interests of labor, management, and the public generally, which depends on the availability of health care, to give this new spirit an opportunity to work in the health care industry. As a result I will vote against any amendment to require either compulsory arbitration or additional cooling off periods and I hope the Senate will do likewise.

There are, of course, those who will claim that such a course is too risky given the nature of the problem: the continuance of essential health care. I agree that there are certain risks involved in depending on voluntary action to avoid disruptions in essential health care services. However, it is utterly fallacious to assume that any other course would not also involve similar risks. The recent tragic hospital strike in New York this past fall was conducted in direct violation of a Federal court order. A lot of good it does the individual patient if some union leader goes to jail. On the contrary, they should stay out if possible, or efforts should be made to achieve their early release.

Further, it is now practically commonplace for some public employees to violate Federal or State laws forbidding strikes by such employees. I am not, of course, condoning any illegal strike; I am only pointing out that given the two options, we are taking the option that there ought to be efforts at a voluntary settlement first, before we jut into a mandatory situation which may be self-defeating.

Again I point out that our alacrity in acting legislatively when we have had to, and my pledge to the Senate to continue acting as I have before to fulfill the public responsibility which such legislation directly carries with it.

So, Mr. President, I conclude with the fact that in my judgment the enactment of this legislation especially with the commitments, expressed by responsible trade union leaders—will bring more, rather than less, stability to labor management relations in the health care industry. I hope very much that the Senate will pass this measure.

I yield the floor.

Mr. TAFT. Mr. President, I ask unanimous consent that Mr. Roger King of my staff be granted the privilege of the floor during the debate and voting on S. 3203.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I strongly support S. 3203 and would hope the Senate would adopt the recommendations of the Labor and Public Welfare Committee.

This legislation culminates over 2 years work by myself and my staff with other members, particularly Senators JAVITS and CRANSTON and representatives from labor and management.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield to the Senator from New York.

Mr. JAVITS. I apologize to the Senator for not having mentioned him specifically, since I am the ranking members and he is one of the minority members, his unusual devotion to this particular situation and his outstanding service to us all in working it out with the unions and management and causing it to come to the floor at this time. I wish to express especial gratitude to him and his staff aide, Roger King, for that.

Mr. TAFT. I appreciate greatly the remarks of the distinguished Senator from New York. He is an excellent Senator. Without his support and the support of his staff it would have been impossible to make the progress we have made.

To understand the origin of the provisions of S. 3203 and the recommendations of the committee, one must begin with the Wagner Act.

The jurisdiction of the Wagner Act of 1935 covered all private hospitals. The only case reported in this area under the Wagner Act is *Central Dispensory and Emergency Hospital* 44 N.L.R.B. 533 (1942). There, the building service and maintenance workers filed a petition to conduct an election among certain employees at the Emergency Hospital in Washington, D.C., to determine whether or not they wished to be represented by the union. The Labor Board agreed to conduct the election, and said the following:

> The hospital contends that it is a charitable institution but neither charitable institution nor their employees are exempted from operation of the act by its terms, although certain other employers and employees are exempted. If Congress did not intend to exempt charitise from the scope of the Act, an exact determination of the hospital's status in this respect becomes immaterial * * * employees, hospitals, like employers of automobile factories, must live upon their wages.

The hospital appealed this Labor Board decision to the U.S. Court of Appeals for the District of Columbia. That court, in an opinion by then Judge Thurman Arnold, wrote:

> Respondent (hospital) argues that the spirit or policy of the act is such that we should read into it an exemption of charitable hospitals * * * We are unable to follow the reasoning * * * We cannot understand what considerations of public policy deprive hospital employees of the privilege granted to the employees of other institutions . . . (*NLRB v. Central Disp. & E. Hosp.*, 145 F. 2d 852 (1944), cert den. 65 S.Ct. 684).

In 1947, the Taft-Hartley amendments were offered to the Wagner Act. In the House, Representative Hartley introduced a bill which would have exempted from the Labor Act "institutions that qualify as charities under our tax laws," that is, churches, hospitals, schools, colleges, and societies for the care of the needy. The House Labor Committee reported Representative Hartley's bill with the charitable institution exclusion. The only comment on the floor of the House came from Representative Klein who spoke in opposition:

> Employer, for the first time, excludes charitable and educational organizations. While the number of workers thus deprived of any participation in the terms of their employment may not be large, it seems ironical that organizations devoted to the social welfare should be exempted from bargaining with their own, often underpaid employees.

The bill passed the House and it went to the Senate, There was no committee report or proposal in the Senate comparable to the charitable institution exclusion in the House bill. However, Senator Tydings offered a floor amendment to exclude from the term "employer" nonprofit hosiptals. Debate was brief. Senator Tydings explained that:

> This amendment is designed merely to help a great number of hospitals which are having very difficult times. They are eleemosynary institutions, no profit is involved in their operations, and I understand from the hospital association that this amendment would be very helpful in their efforts to serve those who have not the means to pay for hospital service.

Senator Robert A. Taft then explained that:

> The committee considered this amendment, but did not act on it, because we felt it was unnecessary. The committee felt that hospitals were not engaged in interstate commerce; and that their business should not be so construed. We felt it would open up the question of making further exemptions. That is why the committee did not act upon the amendment as it was proposed.

The remainder of the debate was very brief, and between Senators Taylor and Tydings:

> Mr. Taylor. What does the amendment do? Does it prevent hospital employees, particularly nurses, from organizing? Is that the sense of the amendment?
>
> Mr. Tydings. It simply makes a hospital not an "employer"in the commercial sense of the term***
>
> Mr. Taylor. Would nurses be prevented from organizing? They are poorly paid.
>
> Mr. Tydings. I don't think so*** They (the hospitals) should not have to come to the National Labor Relations Board*** A charitable institution is away beyond the scope of labor management relations in which profit is involved.
>
> Mr. Taylor. These may not be profitmaking institutions, but even so I feel that simply because an institution, even one like the Red Cross, is kept up by popular subscription, the professional workers being employees of the Red Cross, should be permitted a decent living and should not be hamstrung in their efforts to obtain it.
>
> Mr. Tydings. I agree with the Senator.

The bill then passed the Senate with the Tydings amendment. The conference committee accepted the Senate version, which is now part of section 2(2) of the National Labor Relations Act—

> The term "employer" . . . shall not include any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual. . . .

Because of the exclusion in the Act, the Board first refused to assert jurisdiction even over proprietary hospitals operated for profit. *Flatbush General Hospital*, 126 N.L.R.B. 44 (1960). In 1967, the Board reversed *Flatbush*- and asserted jurisdiction over private proprietary, for profit, hospitals in *Butte Medical Properties*, 168 N.L.R.B. 266 (1967). The Board noted that hospitals had become a multibillion dollar complex and as such comprise one of the largest industries in the United States. Subsequently, the Board also assumed jurisdiction over other types of health care facilities, both proprietary and nonprofit, such as nursing homes and clinics.

An effort was commenced in the 92d Congress to repeal the exemption in section 2(2) of the act. Legislation was introduced in the House by Congressman Thompson of New Jersey and Congressman Ashbrook of Ohio, H.R. 11357, to achieve this objective. The House Education and Labor Committee favorably reported H.R. 11357 (House Report 92–1252) and it was approved by the House by a vote of 285 to 95 on August 7, 1972.

The bill then was forwarded to the Senate for consideration by the Labor and Public Welfare Committee. The Senate Labor Subcommittee had scheduled only a half day of hearings on this issue. and intended to report the bill to the Senate and obtain prompt floor action.

After listening to the brief testimony presented that first day, I asked for another day of hearings, as it became very apparent to me that there were many unanswered questions regarding the possible effects of such a proposal. Many of the questions I raised at the second day of hearings were not answered and due to the late date in the session, the committee took no further action on the House-passed bill during the 92d Congress.

During the first session of this Congress, Congressmen Thompson and Ashbrook cosponsored an identical bill in the House, H.R. 1236, providing for a straight extension of the National Labor Relations Act to nonprofit hospitals. Hearings were held last year on this proposal and it currently is awaiting action along with other proposals in the House Education and Labor Committee.

Legislation that would provide a similar extension of the act to nonprofit hospitals, S. 794, was also introduced in the Senate during the first session of this Congress by Senators Cranston and Javits.

On July 31 of last year, I introduced legislation, S. 2292, to extend the National Labor Relations Act to nonprofit hospitals and establish protections for the continuity of patient care. While I agreed that a reasonable procedure should be established whereby labor disputes can be rationally resolved in health care institutions, particularly with respect to recognition requests, I thought statutory protections were necessary for the protection of patient care. I ask unanimous consent that S. 2292 be printed at this point in the Record together with a sectional analysis of its major provisions.

There being no objection, the text of S. 2292 and the sectional analysis were ordered to be printed in the Record, as follows:

S. 2292

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the National Labor Relations Act is amended by adding at the end thereof the following new paragraph:

"It is also declared to be the policy of the United States to eliminate labor disputes in health care institutions where such disputes interrupt or interfere with patient care".

Sec. 2. (a) Section 2(2) of such Act is amended by striking out the phrase: "or any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual,".

(b) Section 2(3) of such Act is amended by inserting between the words "time to time" and "or" the following: "any physician employed by a health care institution".

(c) Section 2(4) of such Act is amended by changing the period after the word "organization" to a semicolon and adding the following: "*Provided*, That an individual or organization which assists or participates in a violation of section 8(g) of this Act shall for a period of one year lose its status as a labor organization under this Act with respect to the employees of the health care institution or institutions affected by such violation."

(d) Section 2(5) of such Act is amended changing the period after the word "work" to a comma and adding the following: "and which is not excluded from status as a representative under section 2(4) above".

(e) Section 2 of such Act is amended by adding at the end thereof the following new subsection:

"(14) The term 'health care institution' shall include any hospital, convalescent hospital, health maintenance organization, nursing home, extended care facilty, or other institution devoted to the care of sick or aged persons."

Sec. 3. (a) Section 8(d) of such Act is amended by inserting between the words "subsection" and "shall" in the last sentence of the last paragraph the following: ", or who engages in any strike or work stoppage in violation of section 8(g),".

(b) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(g)(1) When a collective-bargaining agreement is in effect between a health care institution and a labor organization which is the bargaining representative of its employees, the agreement shall continue in full force and effect, without recourse to strikes, picketing, or lockouts, except as expressly permitted by this subsection (g), and in negotiations for a renewal of such agreement the following procedure shall apply:

"(A) The agreement shall not be terminated or modified unless the party desiring such termination or modification serves written notice of the proposed termination or modification on the other party not less than ninety days prior to the expiration date thereof, or not less than ninety days prior to the proposed effective date of such termination or modification, whichever date is later.

"(B) After service of the ninety-day notice of proposed termination or modification, the party serving such notice shall offer to and shall meet and confer with the other party at reasonable times in an effort to satisfy the requirements of section 8(d), and the other party shall agree to and shall meet and confer at reasonable times for such purpose.

"(C) No later than sixty days prior to the expiration of the ninety-day notice of proposed termination or modification, the party who served such notice shall notify the Federal Mediation and Conciliation Service if an agreement has not been reached. If said party fails to notify the Service within the time required, neither the agreement nor the ninety-day notice period shall expire until sixty days after said party finally notifies the Service as required. Upon receipt of such notice the Service shall forthwith assign a mediator who shall promptly arrange meetings between the parties and serve as a mediator with respect to unresolved issues. The parties shall meet in the presence of the mediator at such times as the mediator may direct.

"(D) If upon expiration of the ninety-day notice period an agreement has not been reached, the Director of the Service shall upon the written request of either party forthwith initiate a factfinding proceeding by serving written notice on both parties and within five days thereafter shall provide the parties with a list of five persons from which list the parties shall, within five days of receipt of said list, each alternately strike one name until only one name remains. The person whose name remains shall serve as a factfinder in connection with the dispute. The party who served the notice of contract termination or modification shall be the first to strike a name: *Provided*, That the parties may, within ten days after the Director notifies the parties of the initiation of the factfinding proceeding, designate the factfinder by any other means mutually agreeable to both parties. If the parties fail to designate a factfinder within the time limits herein prescribed, the Director shall appoint the factfinder. Within sixty days following notice to the parties of the initiation of the factfinding proceeding, the factfinder shall hold hearings, hear testimony and argument, and issue a written report to the Director of the Service and to the parties setting forth his recommendations for settlement of the issues in dispute and the reasons for such recommendations. The recommendation of the factfinder shall be advisory only and shall not be binding upon either party.

"(E) The provisions of section 207(c) of the Labor-Management Relations Act of 1947 shall apply to the factfinding proceedings. The costs of factfinding, including the fees and expenses of the factfinder, shall be shared equally by the parties.

"(F) No person who has a pecuniary or other interest in any organization of employees or employers or employers' organizations which are involved in the dispute shall be the factfinder.

"(G) During the thirty-day period following issuance of the factfinding recommendations, the parties shall meet and confer at reasonable times in an effort to resolve their dispute or to agree upon a procedure for a binding resolution thereof. If upon expiration of said thirty-day period the parties have not resolved their dispute, or if factfinding is not utilized then thirty days or more following expiration of the ninety-day notice period, the labor organization may serve upon the employer and the Service a thirty-day strike notice, or the employer may serve upon the labor organization and the Service a thirty-day lockout notice. In the event etiher such notice is served, the employer shall submit its offer in writing to the labor organization and to the mediator. The Service shall thereafter within the thirty-day notice period conduct a secret ballot vote or votes among the employees in the bargaining unit, in accordance with rules and regulations which shall be adopted by the Director of the Service, to determine (i) whether the employees in the bargaining unit accept or reject the employer's offer and (ii) if the labor organization has served a thirty-day strike notice and the members have rejected the employer's offer, whether under the internal rules of the labor organization a strike is authorized by the bargaining unit. The Service shall certify the results of the vote or votes. If the Service certifies that the employees in the unit have accepted the employer's final offer, the labor organization and the employer shall execute an agreement on that basis. If the Service certifies that the employees in the unit have authorized a strike under the internal rules of the labor organization, the labor organization may call a strike and engage in picketing upon expiration of the thirty-day strike notice. If a thirty-day lockout notice is served, the employer may initiate a lockout upon expiration of the thirty-day lockout notice: *Provided*, That the party initiating the work stoppage must notify the other party and the Service in writing as to the time the work stoppage will commence and such notice must be given at least ten days before that time. If the work stoppage does not commence at the stated time, the thirty-day strike or lockout notice shall be voided as of that time and there shall be no strike or lockout until a further thirty-day strike or lockout notice has been served, unless the parties otherwise mutually agree in writing. In the event a subsequent thirty-day strike lockout notice is served, it shall be within the discretion of the mediator to determine whether an additional secret ballot vote or votes of the employees shall be taken: *Provided*, That the mediator shall have the authority to require a secret ballot vote or votes of the employees as provided herein at such time or times after any thirty-day strike or lockout notice has been given as the mediator reasonably believes is in the interest of settlement.

"(2) When a health care institution and a labor organization which is the bargaining representative of its employees enter into negotiations for an initial collective bargaining agreement, such negotiations shall be conducted in accordance with the procedures set forth in section 8(g)(1), without recourse to strikes, picketing, or lockouts, except as expressly permitted therein. For such purposes, the party desiring to commence negotiations may serve a notice commencing the ninety-day period of section 8(g)(1)(A) at any time after the date of certification by the Board or voluntary recognition by the employer.

"(3) Except as expressly permitted by these sections 8(g) (1) and (2), it shall be an unfair labor practice for any labor organization to engage or participate in, authorize or sanction, or to induce or encourage any individual to engage or participate in, (i) a strike or work stoppage of any kind whatsoever, or for any reason whatsoever, against a health care institution, or (ii) any picketing of any kind for any purpose of, or at the premises of, a health care institution; or to threaten any of the aforementioned acts in this section 8(g)(3); and except as so permitted in section 8(g) (1) and (2) it shall be an unfair labor practice for a health care institution to engage in a lockout: *Provided*, That nothing contained in this subsection (g) shall prohibit publicity other than picketing for the purpose of truthfully advising the public of the existence of a dispute with said health care institution unless any effect of such publicity is (i) to induce any employee of such institution or any other individual, in the course of his employment not to pick up, deliver, or transport goods, or not to enter said employer's premises, or not to perform services, or (ii) to induce such an employee or individual to engage in a strike or work stoppage of any kind whatsoever or for any reason whatsoever.

"(4) A health care institution and a labor organization which is the bargaining representative of its employees shall not be required to comply with the notice requirements for contract termination and modification set forth in section 8(d)."

Sec. 4. Section 9 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding anything to the contrary in section 9(b), the Board shall not decide that any unit in a health care institution is appropriate for purposes of collective bargaining which (i) includes professional employees unless all of the professional employees employed by such institution are included therein; or (ii) includes technical employees (as defined from time to time by the Board) unless all of the technical employees employed by such institution are included therein; (iii) includes clerical employees unless all of the clerical employees employed by such institution are included therein; or (iv) includes service and maintenance employees—which shall be defined to include all employees except (A) professional, technical, and clerical employees and (B) any individual employed as a guard to enforce against employees and other persons rules to protect property of the employer or to protect the safety of persons on the employer's premises—unless all of the service and maintenance employees employed by such institution are included therein. Managerial employees and others customarily excluded by the Board from representation under section 9 shall be excluded from the bargaining units permitted hereunder: *Provided*, That the Board shall not by virtue of this section 9(f) disturb bargaining units narrower in scope which were in existence prior to the effective date of this subsection: *Provided further*, That units other than those set forth above may be agreed to by the employer and the labor organization."

Sec. 5. (a) Section 10(1) of such Act is amended by striking the period at the end of the first sentence and adding ", and cases given priority under subsection (n)."

(b) Section 10(m) of such Act is amended by striking the period and adding "or (n)."

(c) Section 10 of such Act is amended by adding at the end thereof the following new subsection:

"(n) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of section 8(g), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred. Upon filing such a charge, the charging party may file a complaint in any court in the United States having jurisdiction of the parties for appropriate injunctive relief pending the final adjudication of such matter. Upon the filing of any such complaint the court shall have jurisdiction to and shall grant injunctive relief or a temporary restraining order, notwithstanding any other provision of law: *Provided*, That no temporary restraining order shall be issued without notice unless a complaint alleges that substantial and irreparable injury to the charging party or other persons will be unavoidable and the court determines there is probable cause to believe, based upon a verified complaint, there is a violation of section 8(g). Upon filing of any such petition the court shall, before issuance of a preliminary injunction, cause notice thereof to be served upon any person involved in the charge and such person, including the charging party, shall be given an opportunity to appear by counsel and present any relevant testimony: *Provided further*, That for the purposes of this subsection a court shall be deemed to have jurisdiction of a labor organization (i) in the judicial district in which such organization maintains its principle office, or (ii) in any judicial district in which its duly authorized officers or agents are engaged in promoting or protecting the interests of employee members. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit."

Sec. 6. (a) Section 303(a) of the Labor Management Relations Act is amended by inserting "or 8(g)" between "8(b)(4)" and "of".

(b) Section 303 of the Labor-Management Relations Act is amended by adding at the end thereof the following new subsection:

"(d) Any health care institution, labor organization or patient or other occupant of a health care institution injured, in whole or in part, by reason of a violation of section 8(g) of the National Labor Relations Act (and, in the event of death, the representative of the estate of such patient or other occupant) may sue in a United States district court or in any other court having jurisdiction of the parties in the same manner as provided in section 303(b). In such an action, the court may award actual damages and the costs of the suit, and, in the event of injury to health or death of a patient or occupant, attorneys' fees in a reasonable amount, and punitive damages in such reasonable amount as may be assessed by the trier of fact."

Section-by-Section Analysis of S. 2292

The intent of this amendment to the National Labor Relations Act is to accommodate the right of the public to health care with the right of health care employees to engage in collective bargaining.

STATEMENT OF PURPOSE

The amendment to Section 1 declares it to be the policy of the United States to eliminate labor disputes in health care institutions.

DEFINITIONS

The amendment to Section 2(2) eliminates the exemption for not-for-profit hospitals.

Section 2(3) removes physicians from definition of employee.

Section 2(4) provides for loss of status as bargaining representative if labor organization engages in unlawful strike or picketing.

Section 2(14) is new and defines "health care institution" broadly so that all such institutions will be affected by the same rules.

BARGAINING PROCEDURE

Section 8(g) is a new provision which in subsection (1) provides impasse resolution procedure for health care institutions in the event of an impasse in negotiations for a renewal agreement. Strikes, picketing, and lockouts will be prohibited until the impasse procedure has been exhausted.

Subsection (1)(A) requires 90-day notice of termination of the agreement.

Subsection (1)(B) requires good faith bargaining following the 90-day notice period.

Subsection (1)(C) requires 60-day notice to the FMCS prior to termination of the agreement. Requires mediation by Federal mediator during final 60 days prior to termination (unlike NLRA subsec. 8(d), which requires notice to FMCS but does not require mediation).

Subsection (1)(D) provides for advisory (nonbinding) fact finding at request of either party.

Subsection (1)(E) requires an additional 30-day cooling-off period for further bargaining in light of the fact-finding recommendations or expiration of agreement. If agreement is not reached during that period, a 30-day strike notice or lockout notice may be given. If a strike notice is given, a secret ballot strike vote will be conducted by the FMCS. Provides for 10-day notice before strike or lockout can commence.

Subsection (2) provides same impasse resolution procedure in the event of an impasse in negotiations for an initial agreement.

UNLAWFUL STRIKES, PICKETING AND LOCKOUTS

Subsection (3) provides that any strike or picketing of or lockout by a health care institution is an unfair labor practice, except in the impasse situation discussed above. Designed to prohibit recognition strikes (not prohibited by NLRA) and recognitional picketing (inadequately regulated by NLRA subsec. 8(b)(7), and to plug loopholes in secondary boycott and other provisions of NLRA. Proviso permits handbilling and similar advertising that does not disrupt deliveries or result in work stoppages.

BARGAINING UNITS

Section 9(f) is a new provision designed to minimize bargaining unit fragmentation and proliferation, which pose a serious threat to the efficient functioning of health care institutions. Such institutions are particularly vulnerable to the practice of fractionalizing the work force into numerous units, and the NLRB has already shown a dangerous tendency in this direction. This section would provide for not more than four broad bargaining units in health care institutions (in addition to security guards, who must have a separate unit if they are organized)—(1) professional employees, (2) technical employees, (3) clerical employees, and (4) service and maintenance employees. Narrower units would be permitted by agreement. These four categories could be combined into fewer units, although the board does not combine office clericals with other employees if either party objects and under NLRA subsec. 9(b) it cannot include professional employees with nonprofessionals unless the professionals vote for such inclusion.

EXPEDITED RELIEF FOR VIOLATIONS

The amendment to Section 10 gives unfair labor practice charges involving strikes and picketing at health care institutions priority over other cases in NLRB regional offices.

Section 10(n) is a new provision which is patterned generally after NLRA subsec. 10(1), although it would permit a health care institution to seek temporary injunctive relief in Federal court to prevent an unlawful strike or picketing while the board investigates and processes the institution's unfair labor practice charge. Experience under 10(1) has proved that, even in priority cases, the board cannot respond swiftly enough in obtaining temporary injunctive relief to prevent irreparable injury.

RIGHT TO BRING CIVIL SUIT

The amendment to section 303 provides a course of action to persons injured by reason of a violation of the new section 8(g).

Section 6(a) provides a course of action for private persons for injury due to unlawful strikes or lockouts.

Mr. TAFT. Mr. President, hearings were held by the Labor Subcommittee on S. 2292 and S. 794 on July 31, August 1, and October 4 of last year. The approach I suggested received support from the American Hospital Association, the Catholic Hospital Association, the Federation of American Hospitals and the Association of American Medical Colleges. S. 2292 was also introduced in the House by Congressman Erlenborn, H.R. 10086; Congressman Sam Young, H.R. 10296; Congressman William Steiger, H.R. 10775; Congressman Esch, H.R. 11788; and Congressman Latta, H.R. 12647.

Following the Senate hearings in October, protracted discussions were undertaken by my staff to reach an agreement with parties concerned with this legislation.

In February of this year, agreement was reached. I introduced legislation containing the statutory provisions of the agreement, in S. 3088, on February 28 of this year. I ask unanimous consent that S. 3088 be printed at this point in the Record.

There being no objection, the bill, S. 3008, was ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(2) of the National Labor Relations Act is amended by striking out the phrase: "or any corporation or association operating a hospital, if no part of the net earnings insures to the benefit of any private shareholder or individual,".

(b) Section 2 of such Act is amended by adding at the end thereof the following new subsection:

"(14) The term 'health care institution' shall include any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged persons.".

(c) The last sentence of section 8(d) of such Act is amended by striking out the words "the sixty-day" and inserting in lieu thereof, "any notice" and by inserting before the words "shall lose" a comma and the following: "or who engages in any strike within the appropriate period specified in subsection (g) of this section,".

(d) Section 8(d) of such Act is amended by adding at the end thereof the following new sentence: "Whenever the collective bargaining involves employees of a health care institution, the provisions of this section 8(d) shall be modified as follows:

"(A) The notice period of section 8(d)(1) shall be ninety days; the notice period of section 8(d)(3) shall be sixty days; and the contract period of section 8(d)(4) shall be ninety days.

"(B) Where the bargaining is for an initial agreement following certification or recognition, at least thirty days' notice of the existence of a dispute shall be given by the labor organization to the agencies set forth in section 8(d)(3).

"(C) After notice is given to the Federal Mediation and Conciliation Service under either clause (A) or (B) of this sentence, the Service shall promptly communicate with the parties and use its best efforts, by mediation and conciliation, to bring them to agreement. The parties shall participate fully and promptly in such meetings as may be undertaken by the Service for the purpose of aiding in a settlement of the dispute.".

(e) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(g) A labor organization before engaging in any picketing, or other concerted refusal to work at any health care institution shall, not less than ten days prior to such action, notify the institution in writing and the Federal Mediation and Conciliation Service of that intention, except that in the case of bargaining for an initial agreement following certification or recognition the notice required by this sentence shall not be given until the expiration of the period specified in clause (B) of the last sentence of section 8(d) of this Act. The notice shall state the date and time that such action will commence. The notice, once given, may be extended by the written agreement of both parties.".

Mr. TAFT. S. 3088 was derived from S. 2292 and contains many elements from this earlier proposal. It is precisely the same as the legislation, S. 3203, that is before the Senate today.

On March 29 of this year, Secretary of Labor Brennan sent a letter to Senators WILLIAMS, JAVITS and myself stating administration support for S. 3088. I ask unanimous consent that this letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 29, 1974.

Hon. HARRISON A. WILLIAMS, Jr.,
U.S. Senate,
Washington, D.C.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.
Hon. ROBERT TAFT, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATORS: We would like to take this opportunity to express our support for the concepts embodied in S. 3088, a bill introduced by Senator Taft "To amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes."

As you know, we have been working closely with Senator Taft and his staff since Under Secretary Schubert's August 2, 1973, testimony on this matter before the Labor Subcommittee. Our objective has been to achieve an equitable balance among the legitimate interests of all of the parties in order to protect the important public interests involved. We believe that the clean bill which is being drafted based on S. 3088 accompilshes this objective. We further understand that this compromise legislation provides a satisfactory resolution to those issues which have been of concern to each of you, and that the new bill has your full support.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

Mr. TAFT. S. 3088 has also been introduced in the House by Congressmen ASHBROOK and THOMPSON, H.R. 13678, and is expected to be reported favorably this month by the House Education and Labor Committee.

The agreed upon provisions, statutory and report language (S. 3203 and S. Rept. 93–766), have been endorsed by labor and management groups, including the Service Employees International Union of the AFL–CIO, the Laborers' International Union of North America of the AFL–CIO, many State hospital associations, and as I stated, the Department of Labor and the Office of Management and Budget for the administration. I am quite pleased to see such broad-based support for the compromise and was particularly delighted to see that my colleagues, Senators WILLIAMS, JAVITS, CRANSTON, STAFFORD, PELL, KENNEDY, EAGLETON, HUGHES, and SCHWEIKER joined me in reporting S. 3203 as an original bill.

My basic concerns in considering this issue over the last two Congresses have centered in the following areas with respect to health-care institutions:

First, recognition strikes and picketing;

Second, the potential for proliferation of bargaining units;

Third, bargaining procedures; and

Fourth, continuity of health care to a community.

As an author of the provisions of S. 3203, I believe each of those areas has been responded to and I would like to briefly review my intent with regard to each of these concerns.

The problems of recognition strikes and picketing were stressed by a great number of witnesses who appeared before the committee. Without the availability of an election procedure as contained in the National Labor Relations Act, parties were forced to resort to self-help activities with adverse effects on the continuity of patient care. In a great majority of cases, no mechanism whatsoever was available to determine whether a labor organization did in fact represent the majority of employees of a health-care institution. With the repeal of the exemption in section 2(2) of the act, there will be no need for such disputes to occur whatsoever. I was delighted to see the committee take this position on page 3 of the report in stating:

> The committee was also impressed with the fact, emphasized by many witnesses, that the exemption of nonprofit hospitals from the Act had resulted in numerous instances of recognition strikes and picketing. Coverage under the Act should completely eliminate the need for any such activity, since the procedures of the Act will be avaliable to resolve organizational and recognition disputes.

This statement, taken together with the report language, pertaining to recognition picketing, is quite clear. As stated in the report in picketing cases under section 8(b)(7)(C) of the act, the Board has ruled that a reasonable period of time is 30 days absent unusual circumstances, such as violence or intimidation. The committee report states on page 6:

> It is the sense of the committee that picketing of a health care institution would in itself constitute an unusual circumstance justifying the application of a period of time less than 30 days.

I can think of no justifiable reason for recognition picketing of a health care institution and would expect the Board to permit such picketing only in the most exceptional circumstances, and then only for a period of time substantially less than 30 days.

The issue of proliferation of bargaining units in health care institutions has also greatly concerned me during consideration of legislation in this area. Hospitals and other types of health care institutions are particularly vulnerable to a multiplicity of bargaining units due to the diversified nature of the medical services provided patients. If each professional interest and job classification is permitted to form a separate bargaining unit, numerous administrative and labor relations problems become involved in the delivery of health care. The provisions of S. 2292 placed a statutory limit of four bargaining units in a health care institution. While this precise approach was not adopted by the committee, report language was agreed upon to stress the necessity to the Board to reduce and limit the number of bargaining units in a health care institution. The report on page 5 states:

> Due consideration should be given by the Board to preventing proliferation of bargaining units in the health care industry. In this connection, the Committee notes with approval the recent Board decisions in *Four Seasons Nursing Center,* 208 NLRB No. 50, 85 LRRM 1093 (1974), and *Woodland Park Hospital,* 205 NLRB No. 144, 84 LRRM 1075 (1973), as well as the trend toward broader units enunciated in *Extendicare of West Virginia,* 203 NLBR No. 170, 83 LRRM 1242 (1973).

I believe this is a sound approach and a constructive compromise, as the Board should be permitted some flexibility in unit determination cases. I cannot stress enough, however, the importance of great caution being exercised by the Board in reviewing unit cases in this area. Unwarranted unit fragmentation leading to jurisdictional disputes and work stoppages must be prevented.

The administrative problems from a practical operation viewpoint and labor-relation viewpoint must be considered by the Board on this issue. Health-care institutions must not be permitted to go the route of other industries, particularly the construction trades, in this regard.

In analyzing the issue of bargaining units, the Board should also consider the issue of the cost of medical care. Undue unit proliferation must not be permitted to create wage "leapfrogging" and "whipsawing." The cost of medical care in this country has already skyrocketed, and costs must be maintained at a reasonable level to permit adequate health care for Americans from all economic sectors.

The committee, in recognizing these issues with regard to bargaining unit determination, took a significant step forward in establishing the factor of public interest to be considered by the Board in unit cases.

Collective bargaining procedures were also a significant concern I have examined in developing legislation in this area. A great deal of thought was given to mandatory bargaining, mandatory arbitration, binding arbitration, and other alternative procedures for collective bargaining for health care institutions. While the basic mechanism outlined in the NLRA was left intact for health care institutions, the possibility of future implementation of a form of some of these procedures certainly was not precluded, if labor relation problems develop in the health care field. The committee heard testimony from witnesses from States where no-strike laws for hospitals were in effect, but was not convinced that such procedures were necessary or wise. The experience of such State laws, particularly in New York, has not been positive. In rejecting such approaches, however, I do not believe it is accurate to state that the procedures we have developed here are necessarily applicable for employees in the public sector, as the crucial question of monopoly of services was not faced. Further, I was impressed with the fact that a great number of collective bargaining agreements in the health care sector have no-strike clauses and would strongly urge the continuation of such clauses voluntarily, as would, I am sure, my colleagues on the committee.

The specific bargaining procedures contained in S. 3203 were taken from my original proposal, S. 2292, which I introduced, and relate essentially to the prior notification provisions in section 8(D) of the act, and to the creation of a new section 8(G) in the act with regard to strike or picket notice.

Section 8(D) is amended by modifying the notice provisions of that section as follows:

First. The requirement for notice of termination or expiration of a contract will be 90 days;

Second. The Federal Mediation and Conciliation Service must be given a 60-day notice of such termination or expiration;

Third. In initial contract negotiations, a 30-day notice to FMCS will be required; and

Fourth. The health care institution and labor organization will be required to participate in mediation at the direction of the FMCS.

In addition to these restrictions and the mandatory mediation provision through the Federal Mediation and Conciliation Service—FMCS—all of the existing prohibitions of 8(D) will apply, including the prohibition on strikes or work stoppages during such periods.

New section 8(G) of the act requires that a labor organization give a 10-day written notice to the health care institution and the FMCS before engaging in any picketing, strike or concerted refusal to work. This subsection applies not only to bargaining strikes or pickets, but also, as stated in the statute, to "any picket or strike." As examples, this subsection would apply to recognition strikes, area standard strikes, secondary strikes, jurisdictional strikes, and the like. I also would point out that one of the reasons for notice to FMCS is to verify the notice is given and is not intended to limit the notice to bargaining situations or necessarily expand the current jurisdiction of the Service.

Clearly employees acting without a labor organization or in derogation of a representative would have no greater rights or fewer obligations, for example, under 8(g) than those of a labor organization. It would not be protected activity for employees acting without a labor organization to engage in a work stoppage or picket without giving the required notice.

Violation of this provision will constitute an independent unfair labor practice and may also constitute a refusal to bargain under 8(b)(3). Violation of this subsection may also be an unfair labor practice under other sections of the act depending on the circumstances of the case involved. On page 4 of the report referring to violation of the subsection constituting an unfair labor practice is stated:

> Repeatedly serving such 10 day notices upon the employer is to be construed as constituting evidence of a refusal to bargain in good faith by the labor organization.

This subsection was taken from my proposals for a 10-day strike and picket notice in S. 2292 and as stated in the report can only be suspended in exceptional cases.

The importance of priority case handling by the Board can also not be stressed enough with regard to bargaining procedures. On pages 6 and 7 of the committee report, this problem is discussed. On page 7, the committee states:

> Because of the need for continuity of patient care, the committee expects the NLRB to give special attention and priority to all charges of employer, employee and labor organization unfair labor practices involving health care institutions consistent with the existing statutory priority requirements for particular classes of cases. The General Counsel and Chairman are directed to take such steps as necessary to provide appropriate investigatory and other resources needed to give this requisite priority to unfair labor practice cases involving health care institutions.

This language comes from my proposals in S. 2292 and I believe it is absolutely crucial that the Board give such priority. The reason that the statutory provisions were dropped was that I and other members of the committee felt in reexamining the act that priority provisions were present in the act and that the Board would act with the greatest expedition in health care cases. I can think of no conceivable reason why they would not when, perhaps, human lives may be at stake. If the Board does not act consistent with the committee report language, I am certain that the Congress will take the necessary remedial action.

My last major area of concern has been the general question of continuity of health care to a community. This concern obviously is related to the bargaining procedures, but goes beyond that to the necessity to view health-care institutions as an absolutely crucial element of society. Strikes in hospitals pose the threat of discontinuance of institutional health care, including emergency medical services, perhaps to an entire community. This threat is to life itself and requires an extremely thoughtful approach by all parties. A proper balance must be struck between the very legitimate rights of employees to organize and to bargain for wages and the right of the public to uninterrupted health care. This public right should not be required to wait on the delays which are incidental to the processes and procedures of an unresponsive administrative legal system.

The injunctive relief provisions under section 208 of the Taft-Hartley Act certainly are available and should be used when applicable.

In connection with this area, it is also important to note the committee report language on pages 5 and 6 relating to the ally doctrine. This language comes from S. 2292 in that specific statutory restrictions were placed on this doctrine. In further analyzing this doctrine, however, questions arose as to the scope and legal standing of this doctrine. Therefore, it was agreed to insert the language in the report. I personally have serious questions as to the legal validity of the entire doctrine and would note that the Supreme Court has never expressly accepted such a concept. To the extent, however, it has become case law precedent in Board proceedings and in the lower courts, it is limited by the committee report.

It is important to remember that hospitals are not factories or retail establishments, and patients are not raw material or merchandise. Hospitals are for human beings and actions pursuant to this legislation must take this fact into account.

S. 3203, while a compromise, certainly responds to the points I think are crucial in this area. I hope Senators will support the bill and permit expeditious floor consideration.

Mr. President, I wish to comment also that there are pending at the desk and there may be offered from time to time as this legislation is considered other amendments dealing with other facets and provisions of the National Labor Relations Act, and perhaps other actions in the labor-management field. I shall feel constrained to oppose those amendments as they are offered, not on their merits because they may or may not be without merit and I may have even sponsored some of the provisions in the amendments, but the proposal that is now before the Senate is before us to bring into focus a very vital area of labor-management relations in the field of health care. If the Senate becomes involved in other changes in the National Labor Relations Act in the discussion of this legislation, it would tend to delay what I think is extremely important legislation in this particular field.

I would be glad to work in any way possible with other Senators to get early consideration of the other provisions that are set out in amendments that have been filed, but I hope that those Members who have introduced such amendments and intend to introduce such amendments will take another look at the need for some positive legislation in this field and recognize the long background of work that has gone into bringing about the presentation of this measure on the floor today. It should not be jeopardized.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I agree with the Senator from Ohio. This is an important measure and one that is needed when viewed in the national context. I had proposed an amendment in committee to prevent the preemption of the Minnesota Charitable Hospitals Act by S. 3023. I did so because I believe the State of Minnesota has the best hospital labor relations act in the country. It comes about first by enactment of the State statute in 1947, which was substantially strengthened by subsequent Supreme Court decisions which clearly spelled out the right of a hospital and its employees. Under that act and under that statute we have had a long period of very healthy, strike-free labor-management relations. Both the AFL–CIO and the Minnesota Hospital Association believe that our law, in this instance, is superior to the operation of a Federal law which would supersede the existing State law upon its enactment.

I had moved, in the Senate Committee on Labor and Public Welfare, that the Federal law should not supersede the Minnesota law, but, as the Senator from Ohio knows, that amendment was overwhelmingly defeated.

I see no point in pursuing it on the floor. The amendment is opposed by the leadership of the Senate Committee on Labor and Public Welfare, but I must say I deeply regret the fact that the Minnesota law, which I think is a magnificent measure, and which is so warmly supported by both labor and the hospitals, should be the victim, unfortunately, of this bill. I intend to support the bill, but I do so with this great reservation.

Mr. TAFT. Mr. President, I appreciate the remarks of the Senator from Minnesota. Of course, there is now, under the National Labor Relations Act, a provision in which there may be a ceding of jurisdiction in sections 10(a) and 14(c) of the act. This section would be available to Minnesota under the act.

I think it is important, however, to have a national approach, in view of the problems we have had and that have varied widely through the country. There may be a very positive situation in the Senator's own State which does not indicate at the present time any need for a national law, but I think on balance a national approach is desirable.

Mr. President, I ask unanimous consent that Mr. Robert Bohan of the minority staff of the Labor and Public Welfare Committee be accorded the privileges of the floor during the consideration of the bill and votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr President, I ask unanimous consent that Mr. Tom Shroyer, of the staff of the Senator from Arizona (Mr. FANNIN), have the privilege of the floor during the consideration of and votes on S. 3203.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the Senator from North Carolina (Mr. ERVIN) offers his amendment, the pending measure be temporarily laid aside and that the Senate proceed to the consideration of H.R. 12920, which is under a time limitation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I send to the desk an amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read the amendment as follows:

> On page 1, strike out the quotation on lines 4, 5, and 6, before the period, and insert in lieu thereof the following: 'or any corporation or association operating a hospital, if that hospital is owned, supported, controlled, or managed by a particular religion or by a particular religious corporation or association.' "

Mr. ERVIN. Mr. President, I understand the distinguished assistant majority leader has a motion to make, but I would like to state, very briefly, that I think the things that belong to Caesar should be given to Caesar and the things that belong to God should be left to God, unregulated by Caesar.

I have offered this amendment at the request of the Adventist Church, which conducts throughout this country many hospitals for the treatment of the sick and injured, and they feel like they are doing the work of the Lord, and I agree with them, and they ought not to be regulated by the National Labor Relations Board. I do not think the National Labor Relations Board has any ability to regulate the affairs of the Almighty, and I think they had better be confined to regulating the affairs of Caesar.

This amendment is to exempt from the provisions of the National Labor Relations Act the effort to bring under the jurisdiction of the National Labor Relations Act matters that belong to God rather than to Caesar.

If the Senator wishes to make his motion, I will yield temporarily.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

PEACE CORPS AUTHORIZATION ACT, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now turn to the consideration of H.R. 12920, which the clerk will state by title.

The assistant legislative clerk read the bill (H.R. 12920) by title, as follows:

> A bill to authorize additional appropriations to carry out the Peace Corps Act, and for other purposes.

The Senate proceeded to consider the bill.

Mr. SPARKMAN obtained the floor.

The PRESIDING OFFICER. How much time does the Senator from Alabama yield himself?

Mr. SPARKMAN. I yield myself 5 minutes. I hope I will not take that long.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. Mr. President, I understand that there is going to be a request for a rollcall on final passage, which I understand will occur somewhere around 1 or 1:15.

So I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. MANSFIELD. I ask unanimous consent that the vote occur at the hour of 1:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator ask to waive rule XII?

Mr. MANSFIELD. Yes, indeed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, the primary purpose of this bill is to authorize an appropriation of $82,256,000 for the operations of the Peace Corps for fiscal year 1975. Other provisions of this legislation are designed to: First, authorize an additional appropriation of up to $1 million for increases in salary, pay, retirement, or other employee benefits that may be authorized in fiscal year 1975; second, authorize the transfer of

$315,000 from any sums appropriated to the Peace Corps for fiscal year 1975 to ACTION's readjustment allowance account at the Department of the Treasury; third, authorize the waiver of claims resulting from the erroneous payments of readjustment allowances to Peace Corps volunteers between March 1, 1961, and February 28, 1973; and, fourth, relieve disbursing and certifying officers of the Peace Corps and ACTION from liability for erroneous payments of the readjustment allowances made to volunteers between March 1, 1961, to February 28, 1973, except in cases of fraud.

I ask unanimous consent that a table showing the highlights of the Peace Corps program for fiscal year 1975 and a comparable estimate for 1974 and the actual figures for 1973 be printed in the RECORD at this point.

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

PEACE CORPS PROGRAM HIGHLIGHTS

	1973 actual	1974 estimate	1975 estimate	Increase or decrease
I. Funds (obligations in thousands):				
A. Training:				
1. Direct training	$11,605	$10,095	$10,397	+$302
2. Trainee travel	555	569	581	+12
3. Intern programs	866	316	500	+184
4. Preinvitational staging	1,067	661	523	−138
Subtotal	14,093	11,641	12,001	+360
B. Volunteer costs:				
1. International travel	6,711	6,850	7,252	+402
2. Allowance	12,748	13,969	14,788	+819
3. Other volunteer support	4,414	4,157	4,556	+399
4. Dependent support	800	803	743	−60
5. Multilateral volunteers	26	86	175	+89
6. Readjustment allowance	6,907	7,238	7,539	+301
7. Readjustment allowance imbalance	0	0	315	+315
Subtotal	31,606	33,103	35,368	+2,679
III. C. Peace Corps program support:				
1. Staff	16,575	15,251	15,648	+397
2. State Department services	4,144	4,150	4,150	
3. Multilateral grants	345	100	350	+250
4. Planning, program development and evaluation	100	267	850	+583
Subtotal	21,164	19,768	20,998	+1,230
D. Peace Corps share of agencywide support	$13,767	$12,728	$13,889	+$1,161
Total fund	80,630	77,240	82,256	+5,016
II. Volunteers and trainees:				
A. Onboard strengths at end of calendar year (Dec. 31):				
1. Latin America	2,370	2,365		
2. North Africa, Near East, Asia and Pacific	2,584	2,695		
3. Africa	2,308	2,380		
Total	7,262	7,440		
B. End strengths at end of program year (June 30):				
1. Trainee	1,387	1,172	1,068	
2. Volunteer	5,967	6,540	6,728	
Total	7,354	7,712	7,796	
III. Number of host countries	65	68	69	
IV. Average cost per volunteer	10,964	10,015	10,417	

Mr. SPARKMAN. Mr. President, this authorization request represents an increase of approximately $5 million over the fiscal year 1974 request. More than half of this amount will be utilized to support a modest increase of 100 trainees and 310 additional volunteer man-years. The remainder of the increase will be allocated as follows: First, $2 million for mandatory cost increases; second, $966,000 for rental and related services formerly budgeted by the General Services Administraton; third, $260,000 for the full year effect of the governmentwide October 1973 Federal pay increase, higher costs of telephone and postal service, and some necessary accounting improvements; and fourth, $190,000 for the restoration of multilateral grants to the statutory level and for a revision of the planning, program development and evaluation capabilities of the Peace Corps.

Mr. President, in conclusion, I believe that this bill is sound and reasonable, and that it ought to be approved by the full Senate.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota.

Mr. MONDALE. Mr. President, I send to the desk an amendment and ask unanimous consent to dispense with the reading of it.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in the RECORD.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. 3. (a) Section 5(c) of the Peace Corps Act (22 U.S.C. 2504 (c)) is amended by striking out "$75" and "$125" and inserting in lieu thereof "$115" and "$190", respectively.

(b) Section 6(1) of such Act (22 U.S.C. 2505 (1)) is amended by striking out "$125" and inserting in lieu thereof "$190".

(c) There are authorized to be appropriated such additional sums as may be necessary to carry out the amendments made by subsections (a) and (b) of this section. Such amendments are to be effective for any fiscal year only to such extent and in such amounts as are specifically provided for such purpose in appropriation Acts.

Mr. MONDALE. Mr. President, the amendment is very simple. It has been offered by myself and Senators CRANSTON, TUNNEY, GOLDWATER, HUMPHREY, WILLIAMS, JAVITS, RANDOLPH, and NELSON.

In 1961, Congress passed, and the President signed into law, the Peace Corps Act. As stated in the opening section of the act, the purpose of the legislation was—

> To promote world peace and friendship through a Peace Corps, which shall make available to interested countries and areas men and women of the United States qualified for service abroad and willing to serve, under conditions of hardship if necessary, to help the peoples of such countries and areas in meeting their needs for trained manpower, and to help promote a better understanding of the American people on the part of the peoples served and a better understanding of other peoples on the part of the American people. 22 U.S.C. 2501.

Men and women who become Peace Corps volunteers are not paid a salary. Rather, the act specifies that, during their term of service to the corps—

> They shall only be provided with such living, travel, and leave allowances, and such housing, transportation, supplies, equipment, subsistence, and clothing as the President may determine to be necessary for their maintenance and to insure their health and their capacity to serve effectively. 22 U.S.C. 2504 (b).

Because of the absence of a salary, the Peace Corps volunteer is faced with serious problems when he or she terminates affiliation with the corps. After 2 years of Peace Corps service, the volunteer returns to the United States faced with the necessity of finding a job, finding a place to live, sometimes returning to school, and readjusting to life in this country. He often has little or no money with which to accomplish his readjustment, because he has not received a salary for a period of 2 years. Thus, the volunteer who is, according to the act's declaration of purpose, returning from "conditions of hardship" in many cases, is forced to face even greater hardships upon his return to the United States.

Recognizing this problem, the Peace Corps Act provides for a "readjustment allowance" for volunteers. Under 22 U.S.C. 2504(c), volunteers are entitled to receive an allowance at the rate of $75 for each month of satisfactory service. Volunteers who have one or more minor children at the time of entering preenrollment training receive an allowance at the rate of $125 per month for one parent. Supervisory personnel, called volunteer leaders by the act, are entitled to receive a readjustment allowance of $125 per month (22 U.S.C. 2505(1)). The allowances are payable, except under special circumstances, on the return of the volunteer to the United States.

It is this readjustment allowance—totaling only $900 per year for volunteers and only $1,500 per year for one parent of a minor child and volunteer leaders—that the returning volunteer must use to facilitate his return to American society. Not only is the allowance pitifully low, it is also subject to social security taxes, subject to Federal income taxes, subject to State income taxes. Moreover, it does not accrue interest during the time of service. In short, by the time the volunteer uses his allowance to pay life and accident insurance premiums, educational loan payments, organization dues, support for dependents in the United States, and other necessary expenses during his term of service, little if anything is left to ease his readjustment to American life.

The volunteer returns to the United States in need of a job, a place to live, and clothing. Many returning volunteers wish to return to school and must go through the lengthy admissions process. The volunteer does not receive Federal or State unemployment insurance benefits and is not entitled to veterans' benefits. At the same time the volunteer is experiencing a period of economic stress, he is frequently undergoing a "cultural shock" as well. The readjustment allowance—or what is left of it—is of little help.

In 1961, the allowance was set at $75 per month on the basis of Congress assessment of the needs of the volunteer in 1961. Commonsense tells us that the 1961 level, which has never been changed, is insufficient as a 1974 level. Since the passage of the Peace Corps Act, and the establishment of the $75 level readjustment allowance, the Consumer Price Index has risen almost 52 percent. This index serves as a useful guide to the cost of living in this Nation, and it is this index to which we should look to measure the needs of the returning Peace Corps volunteer.

The Peace Corps volunteer serves his country in an honorable way. In addition, the volunteer makes a significant contribution to world peace and understanding. His service is accomplished in what are often primitive and difficult living conditions. Yet the hardships are accepted without complaint by the volunteer. We should not, we must not, subject the returning volunteer to additional hardship.

Therefore, the amendment which I am offering today would increase the allowance for volunteers to $115 per month; for volunteers with minor children to $190 per month for one parent; and for volunteer leaders to $190 per month. This increase allows the readjustment allowance to reflect the increase in the cost of living since 1961.

Mr. President, I am most grateful for the consideration which the Foreign Relations Committee has given to the original bill, S. 2814, which I introduced dealing with this question.

And I am aware of and concur with the committee's intention to give the agency until September 1 of this year to study the readjustment allowance and report to the Congress on the use of this money by returning volunteers.

To reflect the concerns of the committee, the amendment which I am offering provides that any increase will not take effect until and unless Congress appropriates funds specifically for that purpose and then only to the extent of funds specifically appropriated for that purpose. This will insure the integrity of the current Peace Corps budget and program, insure there is no cutback in the number of volunteers, and will allow the study to be completed and submitted.

I appreciate the consideration of the committee and the distinguished floor manager of this bill (Mr. SPARKMAN). I would also like to thank the distinguished Senator from California (Mr. CRANSTON), whose interest in and concern for the Peace Corps and the entire ACTION program has been invaluable, for his help with this effort.

I also wish to thank the distinguished Senator from Arizona (Mr. GOLDWATER), the distinguished Senator from California (Mr. TUNNEY), the distinguished Senator from Minnesota (Mr. HUMPHREY), the distinguished Senator from New Jersey (Mr. WILLIAMS), the distinguished Senator from New York (Mr. JAVITS), the distinguished Senator from Wisconsin (Mr. NELSON), and the distinguished Senator from West Virginia (Mr. RANDOLPH) for their cosponsorship of this amendment, their efforts on behalf of the measure, and their continued support of the Peace Corps.

I hope the distinguished floor manager will accept the amendment.

Mr. SPARKMAN. Mr. President I yield to the distinguished Senator from California.

Mr. CRANSTON. Mr. President, I send to the desk an amendment to the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota has not yet been disposed of.

Mr. CRANSTON. Mr. President, my amendment is an amendment to the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. Without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

At the end of the amendment of Mr. Mondale and others add the following new subsection:

(d) (1) Section 105 (a) (1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955 (a) (1)) is amended by striking out "$50" and "$75" and inserting in lieu thereof "$75 "and "$115 ", respectively.

(2) There are authorized to be appropriated in addition to the sums authorized to be appropriated pursuant to section 501 of such Act, such additional sums as may be necessary to carry out the amendments made by paragraph (1) of this subsection. Such amendments are to be effective for each fiscal year only to such extent and for such amounts as are specifically provided for such purpose in such appropriation Acts.

EQUITY IN ALLOWANCES FOR PEACE CORPS AND VISTA VOLUNTEERS

Mr. CRANSTON. Mr. President, I am delighted to join with the distinguished Senator from Minnesota (Mr. MONDALE) in his unprinted amendment to provide a 50 percent cost-of-living increase in the Peace Corps readjustment allowance for volunteers and volunteer leaders. I have long been a strong supporter of the Peace Corps; in fact, I served as a consultant program evaluator for the Peace Corps in the mid-sixties. I believe the Peace Corps program is our most cost-effective investment in the foreign assistance area.

Mr. President, on the Labor and Public Welfare Committee, I serve as chairman of the Special Subcommittee on Human Resources, which has jurisdiction over the Domestic Volunteer programs—including Volunteers in Service to America, called VISTA—of the ACTION Agency, under which agency the Peace Corps program was placed by virtue of Reorganization Plan No. 1 of July 1, 1971.

Mr. President, the VISTA program was set up by the Economic Opportunity Act of 1964, modeled on the Peace Corps legislation, as a domestic counterpart of the Peace Corps. This program of Volunteers in Service to America today has about 5,000 regular and university-based volunteers fighting poverty throughout the country.

The VISTA stipend—the counterpart to the $75-per-month Peace Corps volunteer's readjustment allowance—was set at $50 for the regular VISTA volunteer and $75 for the VISTA volunteer leader. These amounts were set at about two-thirds of the Peace Corps readjustment allowance rates—$75 and $125, respectively—because of a belief that the VISTA volunteer's readjustment problems after his service would likely be less difficult than those faced by his counterpart Peace Corps volunteer, for two reasons:

First. The VISTA term of service is only 1 year; and

Second. Of course, geographically, the Peace Corps volunteer has been totally removed from the American society for 2 full years and has lived in an environment, immersed in a life style and using language very different, from his or her own.

Mr. President, I have worked closely with Senator MONDALE, and the Foreign Relations Committee, as well as ACTION Agency representatives to make the amendment and the one I will offer reflects the Agency's position to complete a study by September 1, of the purpose, and actual use by former volunteers, of the Peace Corps readjustment allowance and the VISTA stipend.

I believe it is necessary, in order to provide equity for VISTA volunteers, to provide a comparable amendment to increase the VISTA stipend in the same proportion and under the same circumstances—that is, contingent upon subsequent appropriations for this purpose—as our amendment proposes for Peace Corps volunteers' allowances.

Thus, the amendment I have sent to the desk, Mr. President, would accomplish this as an amendment to the pending amendment in which I have joined with Senator MONDALE and others.

I am joined in this amendment by Senator MONDALE and by the chairman, Mr. WILLIAMS, and ranking minority member, Mr. JAVITS, of the Labor and Public Welfare Committee, and by the distinguished chairman of the Employment, Poverty, and Migratory Labor Subcommittee, Mr. NELSON, who also serves on the Special Subcommittee on Human Resources. We are also joined by a longtime champion of the Peace Corps and one of those in the Congress most influential and instrumental in forming and nurturing the Peace Corps, the distinguished Senator from West Virginia (Mr. RANDOLPH), who also serves as a member of the Special Subcommittee on Human Resources. I am grateful for their support.

Mr. President, our amendment would increase the present monthly VISTA stipend of $50 to $75 for volunteers and from $75 to $115 for volunteer leaders—contingent on subsequent specific appropriations action. Thus, it would have no programmatic or budgetary impact on the VISTA program without further legislative action by Congress, and we will have an opportunity to review the ACTION Agency's allowance study.

Mr. President, I am coordinating my amendment with the House Education and Labor Committee in order to assure that there is no committee jurisdicitonal issue in the House's consideration of the Senate amendment. Such cooperation between the international and domestic volunteer program authorizing committees is totally necessary and precedented.

Last year in my bill, S. 1148, the Domestic Volunteer Service Act of 1973, now Public Law 93–113, we worked with the Foreign Relations and Foreign Affairs Committees on two items involving the international program of the ACTION Agency. These provisions were to establish an agencywide National Advisory Council to replace the old statutory Peace Corps Advisory Council repealed by Congress in 1972; and to establish an Associate Director for International Operations in the agency, as a counterpart to the domestic operations Associate Director.

Mr. President, I am hopeful that the Senator from Minnesota (Mr. MONDALE) will accept my amendment to his and that the distinguished floor manager of the bill, Mr. SPARKMAN will accept a consolidated amendment.

In closing, I urge the floor manager and the Foreign Relations Committee, if our amendment is adopted, to see to it that either the whole amendment is accepted or rejected in conference—so that equal treatment will be insured for Peace Corps and VISTA volunteers on their allowances.

I thank the Senator from Minnesota and the Senator from Alabama for their cooperation in this matter and congratulate them for their leadership.

Mr. SPARKMAN. Mr. President, I hope, and I believe, that the Senator from Minnesota will be willing to accept the amendment to his amendment. If so, I shall be very glad to accept the amendment to the amendment.

Mr. MONDALE. Mr. President, will the Senator yield me 1 minute?

Mr. SPARKMAN. Not more than 1 minute.

Mr. MONDALE. Mr. President, I fully agree with and support the amendment offered by the Senator from California. I think the question of the adjustment allowances for the Peace Corps returnees and the VISTA volunteers raised by this amendment are identical. They should be handled together. I modify my amendment accordingly and hope that the distinguished floor manager of the bill will accept the amendment as modified.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. SPARKMAN. Mr. President, I simply want to say, with respect to these two matters, that I wish we might have had an opportunity to study and detail them during the hearings or in the committee. But I know the objective is good, and I am willing to accept the amendment as modified and take it to conference.

Mr. MONDALE. Before the amendment is agreed to, and I hope it will be, I should like to make this one point. This effort has been underway for 2 years.

Mr. CRANSTON. Yes.

Mr. MONDALE. The Peace Corps returnees adjustment pay today is the same as it was 13 years ago. So it is a much needed, long overdue, complicated measure. I would pray for extreme unction in the conference and hope that the floor manager will exercise his usual skill and will prevail in conference.

Mr. JAVITS. Mr. President, as a member of the Foreign Relations Committee, which has jurisdiction over the Peace Corps, and a number of other committees having oversight as to programs conducted under the domestic arm of the ACTION Agency, I am pleased to support the Peace Corps Authorization Act for fiscal year 1975, which was ordered reported by the Senate committee without amendment.

The bill would authorize an appropriation of $82.2 million to finance the operations of the Peace Corps during fiscal year 1975.

As noted, under that authorization, the Peace Corps would have increases of $360,000 for training, $2,679,000 for volunteer costs, and other increases for a total of $5,016,000 over the fiscal year 1974 aggregate of $77,240,000.

As noted on page 2 of the committee report, more than one-half of the increase in the Peace Corps budget will support a modest increase of 100 trainees and 310 additional man-years. Presently, the Peace Corps is at a level of 6,500 volunteer man-years, and the agency hopes to be at the level of 6,800 man-years by the end of fiscal year 1975.

Mr. President, I note the following matters referred to in the report as the basis for my support of this bill:

First, as noted by the testimony of Michael P. Balzano, Director of the ACTION Agency, before the committee on April 5, the Peace Corps is an integral part of the national commitment to voluntarism exemplified by the ACTION Agency.

Second, while a part of the voluntarism commitment, the Peace Corps retains its own special identity and purpose, within the ACTION Agency. Members will recall that to insure this, I included in S. 1148, the Domestic Volunteer Services Act of 1973, the ACTION authorization bill signed by the President on October 1, 1973, provisions to insure that there would be an Associate Director for International Operations as well as an Associate Director for Domestic Operations, so that the two efforts would be highlighted and on a parity with each other.

Third, as noted by Mr. Balzano in the testimony to which I referred:

> We face the problems of what we feel is a new wave of isolationism that may be potentially damaging to ourselves in terms of international relations.

With that commendable purpose very much in mind, it is pleasing to note the response of Mr. Nicholas W. Craw, Associate Director for International Operations for ACTION, to questions by my colleague, Senator AIKEN, that the Peace Corps has not been asked to leave a country since 1971 and in fact, has been invited back into three countries that it had previously been asked to leave in the 1960's. It is presently operating in 68 countries. As Mr. Craw notes, it is an "alltime record high for the Peace Corps."

These facts, together with the efforts undertaken by the ACTION Agency to respond to the needs of the particular country, rather than to impose this country's concept of needs, are very welcome indeed.

Finally, I note the efforts by the ACTION Agency documented in the report to deal with previous difficulties in terms of management, and the economies that have resulted over the last 2 years in terms of recruitment and program costs arising from the merger under one agency.

It is my hope that the ACTION Agency will continue the exchange of ideas and personnel between the domestic and international efforts, so as to have the maximum "intangible" benefits as well as the more tangible results of the merger.

Mr. President, as noted in the report on page 3, the committee did not add to the bill any provisions for increasing the relocation adjustment allowance but indicated instead that ACTION is studying the problem, looking toward a constructive proposal for fiscal year 1976.

I have joined with Senators MONDALE and CRANSTON, and others, in amendments which will be offered to increase the current allowances from $75 a month to $115 a month for individual volunteers generally, from $125 a month to $190 a month for volunteers with one or more minor children, and from $125 a month to $190 a month in the case of volunteer leaders.

These allowances, which would be applied to Peace Corps and VISTA Volunteers, are in each case, much less than those originally sought by Senator MONDALE in S. 2814, of $125, $250, and $250 respectively.

It is important that while it is a "volunteer program," that the allowances keep pace with the rising cost of living, which has been increasing at a very fast rate. These allowances, which are designed to enable volunteers to readjust to normal life after services, have not been changed since 1961.

The ACTION Agency, which is preparing a definitive cost analysis of the amendment, has indicated generally that the amendments would require annually an appropriation of under $4 million.

Mr. President, for all these reasons, I urge that the committee bill, with the amendment I have noted, be adopted.

SENATOR RANDOLPH REAFFIRMS SUPPORT FOR PEACE CORPS—STRESSES IMPORTANCE OF CORPS' 13 YEARS OF SERVICE

Mr. RANDOLPH. Mr. President, it is a privilege to join as a cosponsor of the pending amendment to increase adjustment allowances for Peace Corps and VISTA volunteers. It is a needed improvement to strengthen our volunteer programs and I hope it will be accepted.

The structure of the Peace Corps has changed but the "reaching out of a helping hand" approach remains the same. It is gratifying to recognize the millions of people and the countries that have been given assistance during the 13 years since the Peace Corps' inception.

As an active cosponsor of the legislation which brought the Peace Corps into being, I have followed its progress and accomplishments. I recall participating in extensive work in 1961 on the original measure.

During the programs' infancy, I stressed my firm belief in the concept of the Peace Corps:

> It is evident that the Corps has helped to restore, in many underdeveloped sections of the world, the vision of America as a nation committed to the improvement of the life and enhancement of opportunity for all people.

There have been hills and valleys during the growth of the Peace Corps. Its budget has now doubled. But the Peace Corps and its philosophy remain. It is a response to the best within mankind. Dr. Michael P. Balzano, Jr., Director of ACTION, in testimony before the Senate Foreign Relations Committee said:

> The idealism of the Volunteer is the foundation on which Peace Corps built its program and continues to foster international goodwill and understanding. While we are changing some of our methods of operation, we are not changing this fundamental approach.

Our Nation is known for its volunteerism which has been demonstrated in both overseas and domestic activities. In this regard, the recruitment of returned Peace Corps volunteers for domestic service has strengthened our volunteer programs generally.

I support H.R. 12920, the Peace Corps Authorization Act with the pending amendment. It is a realistic and necessary approach to sustain a vital program. This measure will enable the Peace Corps to continue to bring understanding among peoples and hopefully a basis for world peace.

Mr. SPARKMAN. I am familiar with the merits of the amendment. I hope that we shall be successful in conference. I will accept the amendment.

Mr. MONDALE. I am wholly in accord with the Senator from Alabama.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota, as modified by the amendment of the Senator from California.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

COVERAGE AND PROTECTION FOR EMPOLYEES OF NONPROFIT HOSPITALS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now resume its consideration, until the hour of 1:30 p.m. today, of S. 3203.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And I ask unanimous consent that immediately following the disposition of the Peace Corps bill, on which the vote will occur at 1:30 p.m. today, the Senate again resume the consideration of S. 3203.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Mike Mullen, of Senator BURDICK's staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is is ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 3203) to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from North Carolina (Mr. ERVIN).

Mr. ERVIN. Mr. President, this amendment would add a proviso at the end of line 6 on page 1 of S. 3203 reading as follows:

> *Provided, however,* this act shall not apply to any corporation or association operating a hospital, if that hospital is owned, supported, controlled, or managed by a particular religion or by a particular religious corporation or association.

When this bill was pending before the committee, the Seventh Day Adventists, who object to being subjected to the regulations of the National Labor Relations Board, filed a brief with the committee. That brief makes the following statement:

THE PROBLEM

> The Seventh Day Adventists operate numerous non-profit hospitals in nineteen states, and the District of Columbia.[1] These non-profit hospitals are regarded by the Church as an extension of the conscience of the Church
>
> For many years, and at present, the Church has taught and is teaching its members not to belong to or contribute support to a labor organization, and has based this teaching on passages in the Bible, thereby making this teaching part of the religious doctrine of the Church.
>
> The prospect of having its non-profit hospitals placed under the National Labor Relations Act, as Amended,[2] poses the question of whether or not the Church will be required to choose between the Church's obligations to God, on the one hand, and its duty to obey the law, on the other hand. Is there an irreconcilable conflict between the Church's teachings and what its duties and obligations would be under the Act? If there is such a conflict, how does this come about?

THE ANSWER

> There is no way the Church could remain steadfast in its teachings and properly discharge its duties under the Act, for the reasons set forth below:

THE ASSUMPTIONS

> For purposes of the discussion below it is assumed that a union has been successful in its organizing drive and has demonstrated its majority status in an appropriate unit by means of an election conducted by the National Labor Relations Board (hereinafter called the Board).[3] It is assumed that the Board has issued its certification that the union is the majority representative in a unit appropriate for collective bargaining.

THE LEGAL DUTIES

> On the summed fact, the Church would be required to (1) recognize the union as the exclusive representative of the employees in regard to anything pertaining to wages, hours, working conditions, or other conditions of employment, and (2) bargain with the union in good faith.[4] To meet its bargaining obligation the Church would be required to enter negotiations with a sincere purpose and intent to arrive at an agreement. It would not be allowed to "shadow box the union to a draw". Although "hard bargaining", as such, is permissible, the Church would be required to have a sincere intent to reach an agreement. While the Act provides that the obligation to bargain does not entail the granting of a concession or the making of a compromise, both the Board and the Courts will look to all the surrounding facts and circumstances to ascertain whether or not the party charged with a refusal to bargain entered negotiations with a sincere intent to arrive at an agreement, with a mind not "hermetically sealed" against discussion, and with no intent to reach an agreement under any circumstances.
>
> The union's ultimate weapon at the bargaining table is a strike. There are two broad classes of strikes. One is called an economic strike, which is a strike over wages, hours, working conditions, or other conditions of employment. The other is called an unfair labor practice strike, which is a strike caused or prolonged by the unfair labor practices of an employer. The legal and economic consequences to an employer flowing from the type of strike are vastly different, as will be shown below:
>
> If the Church refused recognition after the Board had issued its certification, and the union struck, this would be a strike caused by the unfair labor practice of the employer. When such a strike occurs, the employer is not entitled to hire permanent replacements for the strikers, and all strikers

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[1] Arizona, California, Colorado, Florida, Georgia, Hawaii, Illinois, Kentucky, Maine, Maryland, Massachusetts, New Jersey, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, and Washington, D.C.

[2] Hereinafter referred to as the Act.

[3] An election conducted by the Board is only one means by which a union may demonstrate a majority status. It may be done by authorization cards, by strike, etc.

[4] This obligation is imposed by Section 8(a)(5) of the Act.

have an almost absolute right to return to their jobs, even though such return means the discharge of employees hired to replace them. If the strikers are not so returned, the employer becomes liable for back pay, etc.

If the union strikes over economic issues, then, and in that event, the employer has the right to hire permanent replacements, and strikers are entitled, when they have been permanently replaced, to their jobs only when those jobs again become open.

THE RECOGNITION PROBLEM

At the outset, the Church would have to decide whether or not to recognize the union. If it recognized the union, it would have to do so in the face of its religious teachings that its members should not belong or contribute support to a labor organization.

If the church decided not to recognize the union, then its only legal course of action would be to cease to operate the hospital actually and completely. An employer may cease to do business for any reason, but the employer must really and actually cease doing business. For example, an employer may not merely shift orders from one of its many plants, while closing down the plant which has been unionized. Similarly, a hospital could not merely transfer its patients, doctors, nurses, etc., from one hospital to another hospital to avoid dealing with the union. It is conceivable that the Church might have to decide not to operate any non-profit hospitals at all, providing it decided that it could not in good conscience recognize or deal with the union.

THE BARGAINING PROBLEM

If the Church should decide that it could recognize the union, the bargaining obligation is fraught with difficulties. For example, in those states which do not have right-to-work laws, the Church would be required to bargain about a union security agreement, which is a form of compulsory union membership requiring employees to join the union after thirty days of employment or lose their jobs. While the Board does allow those persons having religious scruples against unionism, to merely pay the dues and initiation fees without actually joining the union, this exception still runs afoul of the Church's teachings that its members should not contribute support to a labor organization.

Should the union file a charge with the Board alleging a refusal to bargain, and should the General Counsel of the Board issue a complaint, the Church's teachings about labor organizations would be admissible evidence bearing on the Church's state of mind or attitude in the bargaining negotiations, and it would be almost impossible to defend against a charge of bad faith bargaining. The General Counsel could allege, and in all probability prove, that the Church's mind was "hermetically sealed" on the question of a union security agreement. The Church would be faced with prolonged, protracted, and expensive litigation, in which, in all probability, it would be unsuccessful.

CONCLUSION

It is my considered opinion that if the Church's nonprofit hospitals are placed under the Act, the Church must give serious consideration to not operating any hospitals at all. There is no way of reconciling its religious teachings with what its obligations would be if its hospitals are placed under the Act.[5]

This brief was prepared by Joseph Alton Jenkins of Dallas, Tex., as counsel for the Seventh-Day Adventist Church.

I ask unanimous consent to have printed in the RECORD the statement of W. Melvin Adams, the director of the department of public affairs and religious liberty, North American division, general conference of Seventh-day Adventists, accompanied by Raymond L. Pelton, hospital administration, department of health, and Irwin J. Remboldt, president, Adventists Pacific Health Care Corp., Glendale, Calif., a statement offered before the committee by the Adventists Church in opposition to inclusion of nonprofit hospitals under the National Labor Relations Act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF W. MELVIN ADAMS, DIRECTOR, DEPARTMENT OF PUBLIC AFFAIRS AND RELIGIOUS LIBERTY, NORTH AMERICAN DIVISION, GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS, ACOMPANIED BY RAYMOND L. PELTON, HOSPITAL ADMINISTRATION, DEPARTMENT OF HEALTH, AND IRWIN J. REMBOLDT, PRESIDENT, ADVENTISTS PACIFIC HEALTH CARE CORP., GLENDALE, CALIF., A PANEL

Mr. ADAMS. Thank you.

Senator CRANSTON. I would like to add that I have to leave at 10 to 12. I hope to complete your testimony and that of one more witness by that time. If not, we will have to do it later today, or another day.

Mr. ADAMS. Thank you, Mr. Chairman. My name is Melvin Adams, and to my right is Mr. Ray Pelton, Hospital Administration of the Department of Health of the General Conference of Seventh-day Adventists. Further to my right is T. O. Moore, administrator of a hospital in Stoneham, Mass. To my left is Mr. Irwin Remboldt, president of the Pacific Health Care Corp., Glendale, Calif., 2,100 beds and representing about 12 hospitals.

Further to my left is Mr. Donald Welch, president, Southern Adventist Health and Hospital System from Orlando, Fla., again representing a number of hospitals and 1,500 beds. I am a clergyman, director of Public and Religious Liberty of the Seventh-day Adventist Church of North America.

It is my privilege to testify in behalf of the members of the more than 3,740 Seventh-day Adventist congregations located in the United States. This testimony has been authorized by the officers of the General Conference of Seventh-day Adventists, Washington, D.C.

It is not my intention to read the entire testimony. I would like to have it made part of the record.

Senator CRANSTON. Your entire statement will be entered in the record following your testimony.

Mr. ADAMS. I would like to summarize and leave the testimony as part of the record. We are not intending to cover some of the points that have already been covered, such as the cost, the need of continued patient care, the possibility of work stoppages, the impasse bargaining, the fragmentation, the differences between profit and nonprofit hospitals, wages, turnover.

You have had a lot of testimony on that, and you have had it on both sides and you have had ample, I think, on that.

We want to bring to you a problem which has not been touched, has not been mentioned, and is possibly very unique, and in all probably refers to only a very few individuals, or individual hospitals.

I think I can bring it to you by reading one paragraph from a statement which is the position of the Seventh-day Adventist Church in regard to their relationship to labor unions and their support of labor unions.

This statement was taken last year at the annual council of the Seventh-day Adventist Church, and it is as follows: "The Seventh-day Adventist Church hereby reaffirms its historical position that its members should not join or financially support labor unions or similar organizations."

Now we won't need to go into the historical part of that. It is a matter of history. Now, we add to that fact that the Seventh-day Adventist Church operates 46 hospitals in the United States. These 46 hospitals constitute just a little less than 1 percent of the bed capacity of the United States.

When you realize that this church with its religious teaching, that they cannot, because of these convictions, either join or support a labor union, and they operate 46 hospitals which are a reflection of the conscience of the church, you can see that we come into a problem, especially as this committee is dealing with the Labor Relations Act, and these hospitals, which are nonprofit, which the church operates.

The thousands of hospitals across the country that have been talked about during these 3 days of hearings have one point in common, and that is patient care.

A number of these hospitals have an additional point in common, and that is they are either church operated or church owned. Now we can't speak for our friends, the Catholics, who operate a number of hospitals, nor the Baptists, nor the Methodists, or others, but Seventh-day Adventists have a very unique philosophy for the reason of operating their hospitals.

Let me just briefly lift a couple of excerpts from the full testimony which you have before you. I am thinking of a church action which was taken in 1969, and these words referring to the Adventist acute care hospital.

"Among the various evangelizing agencies of the church, these institutions can be most effective," and I read a little further on down, "The medical ministry is to become a door to eternal life by pouring love into the hearts of people when the door of the heart is widest open. This frequently is in time of illness."

Without reading other statements I think it is evident that the hospital operated by the Seventh-day Adventist Church is an evangelistic part of the church's activities. It is an integral part of the church.

We have many outreaches to the public. The hospital is one of them. We have radio and TV ministry; we have public revivals, the printed page, personal testimony, inner city activities, and so on, and all of these are an outreach of the church.

Each one of them reflects the conscience of the church. Now let me be more specific. Seventh-day Adventist hospitals reflect Seventh-day Adventist teaching, and one of the teachings of the Seventh-day Adventist Church is that its members should not join or support a labor union.

Let me compare it with another situation which Congress dealt with just recently. The Roman Catholic hospitals reflect Roman Catholic teaching, in particular they reflect the teaching of the Roman Catholic Church, which says that a Roman Catholic should not submit to either an abortion or sterilization. Now historically, the Roman Catholic Church has taught its members that they should not submit to these medical procedures, and this teaching has been reflected in their hospitals, because the hospitals of a church is an extension of the conscience of that church. Consequently Roman Catholic hospitals find themselves in violation of their religious convictions if they are forced by laws or courts or otherwise to perform that which their church teaches they should not be involved in.

When the courts brought the Roman Catholic hospital into confrontation with their religious convictions on this matter of abortion and sterilization, Congress stepped in, and they passed an act which you, I am sure, will recall. It is called today Public Law 93–45, but it was better known as the Public Health Service Act.

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[5] For ready reference, there is attached hereto as Exhibit "A" a list of states in which Seventh Day Adventists maintain hospital facilities, and pertinent labor law provisions of said states.

This act has attached to it an exemption which exempts an individual Catholic from having to perform that which is against his convictions, abortion or sterilization, and it also went on and said that the hospital, which is an extension of the church, should not be required to perform that which the church teaches against.

Now, this lays the basis for what we are talking about this morning. Seventh-day Adventists approved of this action which Congress took protecting the religious convictions of Roman Catholics. They should be protected. Catholic members should be protected, Catholic hospitals should be protected, and it is in this same manner, Mr. Chairman, that the Seventh-day Adventists Church requests this subcommittee to give serious consideration to the Seventh-day Adventists religious convictions as they are expressed in the Seventh-day Adventists hospitals. We have two recommendations to give, and if you happen to have a copy of the testimony before you there, I call your attention to page 11, which is the first recommendation.

We recommend that in revising the National Labor Relations Act, line 5 on page 11, be amended by striking out the phrase "or any corporation or association operating a hospital."

I think this is in the spirit of what you and Senator Javits have introduced. In order to meet the unique needs of a small group, we suggest the following words be substituted:

"Or any corporation or association operating a hospital if said corporation or association opposes unionization because of historically held religious teachings or tenets."

This would preserve the intent of both the House and the Senate bill in changing this Taft-Hartley Act and removing most of the nonprofit hospitals from the exemption.

It would turn around and carve out a unique exception for the hospitals who are operated by churches that would find themselves uniquely embarrassed and put to very difficult circumstances under this arrangement.

Now that is recommendation No. 1. Recommendation No. 2 is found on page 12, and this deals with the individual.

After line 6, insert the following: "An individual employee of a nonprofit hospital who is a member of and adheres to tenets or teachings of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting labor organizations or other associations of employees shall not be required to join, pay dues, fees, or other payments under any agreement involving union security, including, but not limited to, all union or agency agreements. In lieu of such dues, fees, or fair-share payments required of such employee, the employee shall contribute a sum of money equal to such dues or fees to a nonreligious, nonunion charitable organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code. The employee shall furnish the labor organization written proof that this has been done. For purposes of this paragraph, the term 'nonprofit hospital' means a hospital of which no part of the net earnings inures to any private member, shareholder, or individual."

Now there is a lot of precedent for this. Australia and New Zealand, which are predominantly labor governments, exempt people who have these religious convictions under a similar situation.

Washington and Oregon, right here in our own United States, have enacted laws which also exempt people with these particular religious convictions.

The postal reform law here in Congress, 1970, wrote into its wording in both the House and the Senate identical words exempting people who have these religious convictions because they forbid them from either joining or supporting a labor organization.

The AFL–CIO has a very definite reaction to these religious convictions of these people, and it is a wholesome one. On September 20, 1965, they very definitely said in their public policy that it is the policy of the executive committee of the AFL–CIO to accommodate themselves to genuine religious convictions.

That is the policy of the AFL–CIO. They have urged their locals and have urged their internationals to follow this. Unfortunately, as has been testified here, locals and internationals are autonomous, and so all this amounts to, really, is a recommendation. That is the reason why we introduce it here to become a part of public law.

This matter of the institutions and the matter of public law has been given strong support in the Congress. Senator Church talking about people with religious convictions said, "I do not think the Congress intends that Federal moneys should be used as a level to force religious hospitals or Catholic doctors to perform operations that are contrary to their moral convictions or religious beliefs."

That is a part of the Congressional Record. Senator Kennedy in the debate, a member of this committee, went on record in the same way. In fact, the Congressional Record is filled on the days that this was debated in the Senate with Senator after Senator coming forward indicating that they did not feel that it was the intention of the Congress to violate the religious convictions of either an individual or the church hospital.

It is in that same spirit, Mr. Chairman, that we request this committee to build a sidetrack—shall we call it that? To avoid what would be a serious impasse for churches and the NLRB if the church hospitals of the Seventh-day Adventists were placed under this particular arrangement.

Let me give you an example of what I am talking about, and I have before me here a legal opinion prepared at the request of the church by a prominent attorney, Joseph Jenkins, who at one time was a member of the National Labor Relations Board.

I would like to submit this for the record.

[The legal opinion for Seventh-day Adventists follows:]

Mr. ADAMS. It will give you an example of what would happen, and this will close our testimony, let's assume for the moment that S. 794 were enacted into law, its purposes being to bring nonprofit hospitals within the Taft-Hartley sphere.

Let's assume that a Seventh-day Adventist hospital is unionized. Let's assume that a particular union has been issued a certificate, that the Seventh-day Adventist Church through its hospital is now required to recognize the union as the exclusive representative of the employees, and is required by law to bargain with the union in good faith.

Good faith is determined by the National Labor Relations Board to mean that they would not be allowed to shadowbox the union to a draw.

Although they would be permitted hard bargaining, they would be required to have a sincere intent to reach an agreement, and while the act provides the obligation to bargain in good faith it does not entail the granting of a concession or the making of a compromise.

Both the Board and the courts will look at all the surrounding facts and circumstances to ascertain whether or not a party charged with a refusal to bargain in good faith entered negotiations with a sincere attempt to arrive at an agreement with a mind not hermetically sealed against discussion and agreement.

The problem, Mr. Chairman, is that the church has sincere beliefs on this, and should we by some miracle, get to that place where we were required by law to bargain, we would immediately be charged by the union with unfair labor practices. They would look right at our teachings. They would say your teachings say that you cannot either join or support a labor union, and therefore, you cannot be open and fair with an intent to reach a realistic contract between the two parties.

So automatically, the church, because of its teachings, would be brought under the force of the law and penalized, and the institution penalized, and possibly lost. Then, if we should go a step further, get a contract signed by some miracle, then the church would be in the embarrassing situation of having to represent the union and enforce the contract—a contract with a labor union which the church teaches its members they should neither join nor support.

I think, Mr. Chairman, you can see what we are talking about. We are not trying to obstruct the intent of S. 794. We are saying, Mr. Chairman, there is a unique problem with a small group of hospitals, Seventh-day Adventists in particular, and perhaps a few others, Mennonites and others who have these same religious convictions.

They would be put under severe hardships. It is our request in the tradition of this Nation which has through its history made provision for people with religious convictions against draft, serving in war, who have made provisions in Sunday laws for people who observe another day, who have made provisions for the Amish who feel they can't pay social security, and who can't follow the national attendance laws for schools, who have made provisions for Jehovah's Witnesses, who says they can't pledge allegiance, for this committee to carve out in this bill a provision that will provide for the free exercise of religion for people and their hospitals who cannot either conscientiously join or support a labor union.

Now, that completes our statement. These men that are with me, hospital administrators and others, are not here to make a statement, but rather to answer whatever questions that we might be able to answer for you, Mr. Chairman.

Senator CRANSTON. Thank you very much for that very forceful and very deep statement of your viewpoint. I appreciate the presence of those of you who have come from quite long distances, particularly all the way from California to be here.

I have a few very brief questions, and I pose them to whoever wishes to answer. Do your hospitals presently employ any personnel who are members of unions.

Mr. REMBOLDT. We do not employ members who are members of our own hospital union, for we are not organized. If they have union membership, they have joined somewhere else that we are not aware of.

Senator CRANSTON. Do you permit your nurses to belong to the National Association of Nurses?

Mr. REMBOLDT. That is an individual matter with nurses. Some belong: some do not.

Senator CRANSTON. Have you had any organizing efforts in any of your hospitals by unions?

Mr. REMBOLDT. Not to this point. They have distributed some literature on the parking lots, but beyond that there have been no organizational attempts.

Senator CRANSTON. What sort of literature?

Mr. REMBOLDT. Local 1199, the advantages of joining and so forth.

Senator CRANSTON. Do you only employ

Seventh-day Adventists in all positions in your hospital?

Mr. REMBOLDT. No.

Mr. WELCH. Our hospitals generally across the country have an average of somewhere over 50 percent of Seventh-day Adventists personnel. Our church has a very strong medical training program.

We have our own medical school and many colleges with medical training programs, so we motivate a high percentage of our people to go to work for our church hospitals. So we do have a high percentage of Seventh-day Adventists employees.

Senator CRANSTON. Thank you very much. I don't have any further questions. Thank you once again.

Mr. ADAMS. Thank you.

Mr. REMBOLDT. Thank you.

[The prepared statement of Mr. Adams, with attachments, follows:]

STATEMENT OF W. MELVIN ADAMS IN BEHALF OF THE SEVENTH-DAY ADVENTIST CHURCHES FOR THE SUBCOMMITTEE ON LABOR, UNITED STATES SENATE

My name is Melvin Adams. I am a clergyman and Director of the Department of Public Affairs and Religious Liberty of the Seventh-day Adventist Church in North America. It is my privilege to testify in behalf of the members of the more than 3,470 Seventh-day Adventist congregations located in the United States. This testimony has been authorized by the officers of the General Conference of Seventh-day Adventists, Washington, D.C.

On a number of occasions, it has been my privilege to testify before various committee hearings in the United States Senate and the House of Representatives in behalf of members of the Seventh-day Adventist Church who, because of religious convictions, cannot either join or support labor unions.

These people march to the beat of a different drummer. They have different convictions than some of their fellow-workers. Like some of the founders of this nation, they hold religious convictions above consideration of money or security, and they are willing to lose their jobs rather than violate their religious convictions.

The Seventh-day Adventist Church has taught its members to stand apart from industrial strife. This historical position was reaffirmed last October at the Annual Council of the Seventh-day Adventist Church in Mexico City. It reads as follows:

"That the Seventh-day Adventist Church hereby reaffirms its historical position that its members should not join or financially support labor unions or similar organizations."

Members who do not join or support labor organizations are motivated solely by religious convictions which they express in a non-violent way. They feel barred from membership or support in any organization which requires men of varying convictions to adhere to policies, comply with decisions or abide by restrictions which may be contrary to individual religious convictions.

The same motive of love that prevents Seventh-day Adventists from taking sides in industrial strife compels the Seventh-day Adventist Church to build and operate health-care institutions.

At present, the Church operates 46 general acute-care hospitals in the United States (see Exhibit A). These hospitals provide about 1% of the total hospital beds in this country. They are a part of a larger system of health education which includes schools of nursing, medical, public health, dental, dietetics and many paramedical fields.

THE PROBLEM

The Senate now has before it S 794, which is intended "to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals."

Should this bill, or one like it, be passed, hospitals owned and operated by our Church would be placed in a very awkward position. By its passage, labor unions would be encouraged to attempt to unionize hospitals owned and operated by a church that teaches its members to refrain from joining or supporting labor unions.

The passage of S 794 would not necessarily place Adventist hospitals in a position where they would be unionized. However, the purpose of this legislation is to make more likely the unionization of such hospitals. Our legal counsel has advised that this bill would open the door to a continued pressure as labor unions, working under a more favorable law, would attempt to unionize church-owned and operated hospitals.

PHILOSOPHY AND OBJECTIVES OF ADVENTIST HOSPITALS

To better understand the Seventh-day Adventist Church's position on this matter, it is necessary to understand the philosophy and objectives of the health ministry of the church. In 1902, they were stated as follows:

"Our medical institutions are to stand as witnesses for God. They are established to relieve the sick and afflicted, to awaken a spirit of inquiry, to disseminate light and to advance reform."—*Testimonies for the Church*, Vol. 7, p. 104.

"These institutions rightly conducted, will be the means of bringing a knowledge of the reforms essential to prepare a people for the coming of the Lord, before many that otherwise it would be impossible for us to reach."—*Ibid.*

"All our medical institutions are established as Seventh-day Adventist institutions to represent the various features of the gospel medical missionary work and thus to prepare the way for the coming of the Lord."—*Ibid.*, p. 107.

These objectives continue to guide Seventh-day Adventist health-care institutions, not only within the United States, but throughout the world. It matters little whether it is a 500-bed general acute-care hospital operated in the United States, a clinic in Ethiopia, a medical airplane in Borneo, or one of the thirteen medical missionary launches operating on the great waterways of Brazil.

OFFICIAL CHURCH ACTION OCTOBER 12, 1969

The General Conference of Seventh-day Adventists, in its annual meeting on October 12, 1969, spelled out these objectives in detail. For the sake of brevity, I'll refer to only a few excerpts (italics added):

1. Witnesses for God

Medical institutions are established to witness with power for Christ. *Among the various evangelizing agencies of the church, these institutions can be most effective.* As witnesses for the truth of God they will be the means of bringing the light of truth to many souls . . . .

Employees of Seventh-day Adventist medical institutions should think of themselves as "ministers of Christ," healing and comforting the sick, teaching and disseminating light. Their lives should shine forth in word and deed.

2. The relief of pain and suffering

Experience has taught that pain and suffering are best relieved by the use of natural remedies as well as other scientific treatments in harmony with ethical standards acceptable in the countries served. Enlightened scientific medical service is to be rendered with Christian compassion, reverence for God and an abiding faith in the Great Physician.

Sincere love and compassion extend beyond the relief of physical pain and the lengthening of life, and embrace a concern for eternal life as well. *Thus medical ministry is to become a door to eternal life by pouring love into the hearts of people when the door of the heart is widest open. This frequently is in time of illness.* This objective may be accomplished and this ministry rendered in hospitals, in sanitariums, in nursing homes, in offices of physicians and dentists and wherever medical and paramedical personnel come into contact with the ill and the afflicted.

3. The awakening of a spirit of inquiry

Our medical ministry and our organized health-care institutions awaken a spirit of inquiry because they approach the areas of health from the viewpoint of the total man. Emphasis is to be on health rather than exclusively on the treatment of disease. Prevention is to be stressed as well as cure. Emphasis is to be placed on the use of natural remedies as well as other scientific modalities of treatment.

Primarily our institutions will be distinctive because the people who make up the institutions are distinctive in purpose, motivation, dedication, and objectives. The great difference in people is not necessarily in dress, hairdo, or personal economics, though in all of these elements high standards of Christian modesty, deportment and life should prevail. Buildings and facilities may not be essentially different, but the atmosphere which pervades them can be different. The principal difference must be in the objectives of life, attitudes and influence of the people. These are the prized elements which are to "awaken a spirit of inquiry."

Thus by the highly trained and skillful ministry of people whose lives are different, who are motivated to serve and who are driven to the ends of the earth by a concern for others, our institutions are to become the spectacle of the age and the subject of conversation and literature around the world. In this manner our medical ministry and our health-care institutions are to be great public relations agencies, breaking down walls of prejudice and erecting bridges of understanding and friendship. They are thus to place the work of the church in a favorable light before the multitudes . . . .

4. The dissemination of light

This statement implies educational programs and processes. It makes it the obligation of the health ministry of the church to conduct extensive educational programs in a wide variety of the health and healing sciences to qualify people to serve scientifically and to motivate them to serve compassionately. It means the operation of medical, public health and dental schools, schools of nursing at varying levels, schools of dietetics, and schools for many paramedical careers . . . .

The teaching of the laws of healthful living is not to supersede the primary mission of the church which is the preaching of the gospel, the simple story of salvation. Rather, the teachings of the laws of health is to supplement this gospel story and to give clearer minds to understand God's will for mankind, and stronger bodies to do His bidding.

Our health-care institutions are to teach their guests these principles of healthful living. They are also to do more. They are to relate these laws to the laws of God and thus to eternal salvation . . . .

5. The advancement of reforms

The health ministry is to advance reform. Often reform is considered as a return to what we have known before. While this is sometimes true, it should be remembered that in the medical ministry of the church true reform always leads to advance. Advancing reform means a constant change for the better now and in the future.

Scientific investigations are constantly revealing new truths which when applied can result in better treatment of disease and a clearer understanding of the laws of health, thus to better prevent illness. As new truths are discovered, they are to be tested, verified in the laboratory of experience, and advocated that humanity might benefit by their practice. They are effective only when applied first personally and always openmindedly . . .

6. Preparing a people

While giving attention to the five foregoing objectives the health ministry of the church should always remember the one ultimate objective is to prepare a people for the coming of the Lord.

Thus you can see one of the cardinal doctrines of the Seventh-day Adventist Church is the second coming of Christ. The church believes that Christ will return to this world soon, and that the church has been commissioned to bring this message to the world. The Adventist hospital is one of the evangelistic tools of the church to accomplish this purpose, along with radio and TV ministry, public revival meetings, the printed page, personal testimony, etc.

One of the common expressions of our time is: The way to a man's heart is through his stomach. The Seventh-Day Adventist Church is saying that the way to the spiritual heart of a man is through his need for health.

RELIGIOUS HOSPITAL AMENDMENT FOR S. 794

Since Seventh-Day Adventist hospitals seek to carry out the evangelistic mission of the church by adhering to church doctrines and teachings—including those relating to union membership and support—I come before this committee today to request that you amend S. 794 to guarantee the free exercise of religion as it is expressed by Seventh-Day Adventist hospitals.

The question may arise as to whether a hospital, as a corporate entity, is protected by the First Amendment to the United States Constitution. Earlier this year, however, this Congress passed S. 1136, today known as Public Law 93–45 or Amendments to Public Health Service Act, Section 401(b), which protects the religious convictions of individuals and church-oriented corporations that oppose abortion and sterilization procedures. Section 401(b) says:

> (b) The receipt of any grant, contract loan, or loan guarantee under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Services and Facilities Construction Act by any individual or entity does not authorize any court or any public official or other public authority to require—
>
> (1) such individual to perform or assist in the performance of any sterilization procedure or abortion if his performance or assistance in the performance of such procedure or abortion would be contrary to his religious beliefs or moral convictions; or
>
> (2) such entity to—
>
> (A) make its facilities available for the performance of any sterilization procedure or abortion if the performance of such procedure or abortion in such facilities is prohibited by the entity on the basis of religious beliefs or moral convictions, or (B) provide any personnel for the performance or assistance in the performance of any sterilization procedure or abortion if the performance or assistance in the performance of such procedure or abortion by such personnel would be contrary to the religious beliefs or moral convictions of such personnel.

The House of Representative committee report on the companion bill, H.R. 7806, very clearly explained the attempt of the House to protect individuals and institutions against violating either their individual conscience or the conscience of the church as represented by the hospital in performing either sterilization or abortion. It reads as follows:

> In addition, section 401 of the bill provides that receipt of financial assistance under any of the aforementioned Acts does not constitute legal basis for a judicial or administrative order requiring an individual to aid in performing a sterilization or abortion, if such activity is contrary to the individual's religious or moral beliefs. Nor does receipt of financial assistance provide legal authority for a judicial or administrative order requiring the provision of personnel or facilities by any entity for the performance of sterilization or abortion, if such activity is contrary to the religious or moral beliefs of the personnel or prohibited by the entity for religious or moral reasons.

DEBATE IN CONGRESS

In the debates which followed on the floor of the Senate and House of Representatives, it was clear that both houses were attempting to protect the individual and the conscience of the church as expressed through its hospitals. Listen:

Senator Church: "I do not think the Congress intends that federal money should be used as a lever to force *religious hospitals* or Catholic doctors to perform operations that are contrary to their moral convictions or religious beliefs."—*Congressional Record*, March 27, 1973, p. 9600. (Italics added)

Senator Buckley: "In this amendment, we seek to protect the *right not only to institutions*, but of individual doctors and individual nurses throughout this country to live by their own consciences."—*Ibid.*, p. 9601. (Italics added)

Senator Kennedy: "The more difficult question is whether Congress can *exempt the institution itself*. The First Amendment to the Constitution, which includes both the establishment clause and the free exercise clause, also includes clauses protecting freedom of speech and freedom of press. . . . I believe that the court will sustain the judgment of Congress that, in order to give full protection to the religious freedom of physicians and others, it is necesary to extend the exemption in the pending amendment where they practice their profession and livelihood."—*Ibid.*, p. 9602. (Italics added)

Congresswoman Heckler of Massachusetts: "Title IV, section (b) recognizes that the *right of conscience exists for both individuals and institutions*. It provides that an individual, a hospital, or other medical entity, *may follow the dictates of its religious or moral conviction* in facing the question of performance of abortions or sterilizations, without jeopardizing its eligibility for federal assistance."—*Ibid.*, May 31, 1973, p. 17450. (Italics added)

Many others could be listed. Their comments quoted from the *Congressional Record* show how they stood to defend the right of individual conscience and the right of a church conscience as expressed through its hospitals. In the House, the vote was yeas—372, nays—1, not voting—59. In the Senate, yeas—72, nays—19, not voting—8.

If Congress sees wisdom in protecting individuals and church-oriented entities that object to performing abortion and sterilization procedures, logic seems to indicate that Congress would be willing to protect individuals and church-oriented entities that object to joining or supporting labor unions because of religious convictions.

RECOMMENDATION I

Thus I propose that Section 2(2) of the National Labor Relations Act be amended as follows:

> Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(2) of the National Labor Relations Act is amended by striking out the phrase: "or any corporation or association operating a hospital" and substituting the phrase: "or any corporation or association operating a hospital if said corporation or association opposes unionization because of historically held religious teachings or tenets."

This amendment, we believe, preserves the original intent of S. 794. By striking out the phrase on lines 5 and 6, "or any corporation or association operating a hospital," all non-profit hospitals originally exempted by the Taft-Hartley Act are drawn into the administration of the National Labor Relations Act.

By substituting the phrase on lines 7–11, "or any corporation or association operating a hospital if said corporation or association opposes unionization because of historically held religious teachings or tenets," the American tradition of the free exercise of religion is upheld.

The next phrase, "if no part of the net earnings inures to the benefit of any private shareholder or individual," would remain in the Act and guarantee that this exemption would apply only to non-profit hospitals.

RECOMMENDATION II

(Amendment to S. 794)

Page 1, after line 7, insert the following:

> SEC. 2. That the National Labor Relations Act is amended by adding at the end thereof the following new section:
>
> "INDIVIDUALS WITH RELIGIOUS CONVICTIONS
>
> SEC. 19. An individual employee of a non-profit hospital who is a member of and adheres to tenets or teachings of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting labor organizations or other associations of employees shall not be required to join, pay dues, fees or other payments under any agreement involving union security, including, but not limited to, all union or agency shop agreements. In lieu of such dues, fees or fair-share payments required of such employee, the employee shall contribute a sum of money equal to such dues or fees to a non-religious, non-union charitable organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The employees shall furnish the labor organization written proof that this has been done. For purposes of this paragraph, the term "non-profit hospital" means a hospital of which no part of the net earnings inures to any private member, shareholder, or individual.

NEW ZEALAND AND AUSTRALIA PROTECT INDIVIDUALS

Other lawmakers confronted with this question of conscience have met and solved it without threatening the security of organized labor. New Zealand and Australia, two countries with strong labor unions, are cases in point. Both countries have arrived at the same two-part solution.

First, they require each individual with religious convictions against joining or supporting a labor unon to appear before a committee composed of a government representative, a labor union official, a clergyman and several businessmen. If this committee finds that the applicant has sincere religious convictions against joining or supporting labor organizations, an exception is recommended.

Second, this exception requires that the religious objector pay the equivalent of dues and initiation fees to the government. The religious objector must abide by the rules of the union contract. In this arrangement, he does not belong to nor does he support the labor union. Neither does he receive benefits, such as sickness or death benefits administered by the labor unions.

Because the governments of New Zealand and Australia have recognized religious convictions to be of peculiar delicacy, Seventh-day Adventists work side by side with labor union members.

STATES OF WASHINGTON AND OREGON PROTECT INDIVIDUALS

In the interest of protecting the people who cannot either join or support labor unions because of their religious convictions, the legislatures of both Oregon and Washington, with the cooperation of labor organizations, have set out to enact laws with a conscience clause. An example is the Washington act relating to labor relations in the health-care industry, which became law May 23, 1972.

It is further determined that any agreements involving union security including an all-union agreement or agency agreement must safeguard the rights of non-association employees, based on bona fide religious tenets or teachings of a church or religious body of which such employee is a member. Such employee must pay an amount of money equivalent to regular union dues and initiation fees and assessments, if any, to a non-religious charity or to another charitable organization mutually agreed upon by the employee affected and the representative of the labor organization to which such employee would otherwise pay dues. The employee shall furnish written proof that this has been done. If the employee and the representaive of the labor organization do not reach agreement on the matter, the board shall designate such organization.

UNITED STATES POSTAL LAW PROTECTS INDIVIDUALS

When the Postal Reform Bills were reported out of the committee in the United States House of Representatives and the Senate in 1970, each bill carried an identical amendment protecting religious objectors, which was voted by both houses. (See Exhibit B)

LABOR LEADERS RECOMMEND ACCOMMODATION FOR INDIVIDUAL RELIGIOUS CONVICTIONS

Several years ago, I appeared before the House Special Subcommittee on Labor in the U.S. Congress during the 14(b) battle in behalf of the people who could not violate their religious convictions even though their jobs were at stake. As a result of my testimony, and that of other religious leaders, Mr. George Meany of the AFL–CIO sent the Chairman a letter and asked that it be included in the record. (See Exhibit C)

Assuring the House Labor Subcommittee that he and the international unions he represented understood the problem of the religious objector, Mr. Meany said:

"I am strongly of the view that unions and employers should undertake to accommodate religious objections with regard to union security arrangements."

After acknowledging that difficulties had been encountered, Mr. Meany continued:

"In any event, I believe that unions, and employers, too, should accommodate themselves to genuine individual religious scruples, and I am sure that all of our unions will take that view, too. I intend, accordingly, to propose to the AFL–CIO Executive Council that it adopt a strong policy statement to that effect; and that the international unions affiliated with the AFL–CIO undertake to insure that their local union scrupulously respect individual religious reservations in the administration of union security agreements."

Mr. Meany added:

"I do not believe that this matter is one which calls for or lends itself to legislation."

His statement of the problem is clear. Unions should "accommodate themselves to genuine individual religious scruples."

True to his word, Mr. Meany on September 20, 1965, did take the matter to his Executive Council, which informed the internationals that the "Executive Council declares it to be the policy of the AFL–CIO that unions should accommodate themselves to genuine individual religious scruples." (See Exhibit D)

The Council urged "all national and international unions affiliated with the AFL–CIO, that have not already done so, to:

1. Immediately adopt procedures for respecting sincere personal religious convictions as to union membership or activities; and

2. Undertake to insure that this policy is fully and sympathetically implemented by all local unions."

PROTECTION FOR INDIVIDUAL HOSPITAL WORKERS MUST BE ENACTED INTO LAW

All Christians who have religious convictions against joining or supporting labor unions appreciate the concern expressed by Mr. George Meany and the urging of the Executive Council for all national and international unions affiliated with the AFL–CIO to adopt procedures for respecting sincere personal religious convictions.

Had the various internationals and locals followed this counsel, we would not be here today. Unfortunately, it seems that Mr. Meany and his Executive Council have no power to do any more than recommend. The AFL–CIO is a loosely-knit association of international and local labor unions. Neither Mr. Meany's letter, his public statements, nor the Executive Council action could dictate the response of the individual unions. Few have adopted the Executive Council statement and made allowances for religious objectors. The experience of Seventh-day Adventists in attempting to make a living and not compromise their religious convictions by joining or supporting labor unions has proved this fact thousands of times since these promises were made to the government in 1965.

Some kind of exemption must be passed to protect these people with their religious convictions. Organized labor, through their representative, Mr. George Meany, has indicated that labor could live with an exemption for religious objectors (see Exhibit F) for it does not present a threat to union security agreements.

THE AMERICAN TRADITION

The Free Exercise of our First Amendment safeguards probably the most precious possession that many of the citizens of our country have. Our legislatures and courts have repeatedly recognized that conscientious convictions occupy a very special place—stands atop a pedestal apart—in the hall of our freedom.

In a number of areas where people's consciences are involved, legislatures have recognized the obligation of providing, by appropriate statutes, for the needs of those citizens whose beliefs and practices differ from those of the majority.

Some of those unique exceptions to meet unique circumstances are as follows:

Draft Laws: Provision for those young men whose consciences do not permit them to take other men's lives.

State Sunday Laws: Provision for individuals observing Saturday.

Social Security: Provision made to exempt Amish because their religious convictions prohibit any kind of life insurance.

School Attendance Laws: Provision made to exempt Amish because their religious convictions prevent them from sending their children to school beyond the eighth grade.

Pledge of Allegiance to Flag: Provision made to protect individuals and institutions who have religious convictions against these procedures.

The religious amendment follows in the glorious tradition of a nation that is big enough and free enough to allow minorities the right to practice their religion.

NOT A QUESTION OF EITHER/OR

The question before this committee is not whether we should weaken the labor unions or the hospitals. It's a matter of finding a method of preservation for both labor unions and people with sincere religious convictions and their hospitals. It can be done by using a simple principle used by the railroads.

Railroad lines between some cities consist of only one track. Yet, two trains may be highballing it toward each other on that single track. What prevents a head-on collision? Simple. At strategic locations, a small sidetrack is built so that one of the trains pulls off onto the sideline momentarily while the other flies by. Both trains then continue safely on their way.

The same technique can be utilized by attaching the religious amendment to this bill. Provide a sideline so church-oriented hospitals that have historically held religious scruples against unionization would be exempt from that process. They can simply switch onto the sidetrack when a head-on collision is near.

Seventh-day Adventists are not out to destroy labor unions. We do not organize campaigns against them. We recognize the right of an individual to join or support a labor union, if he can do so conscientiously. Likewise, we sincerely request that this committee recognize the right of a church to operate its hospitals according to its religious convictions.

Mr. ERVIN. Mr. President, it seems to me that these people should be considered. Whether their religious beliefs are acceptable in this respect to a majority of the American people, they are entitled under the first amendment to their religious beliefs. The Constitution claims that Congress shall make no law forbidding the exercise of religious freedom. The Adventist Church feels that if they are placed under regulations of the National Labor Relations Act, it will be, in effect, placing their affairs relating to God under regulation. It does seem to me that a Federal agency should be able to restrain its greed for power and jurisdiction to the extent of recognizing that people have the right, under the first amendment, to their religious beliefs and not have to require them either to violate their religious beliefs or to go out of the business of administering to those who are sick and injured.

The Adventist Church in my county has done great work in the relief of the ill and the injured. It does seem to me that Congress should not place them under the jurisdiction of a secular body like the National Labor Relations Board.

We should have some respect left in this country for religious freedom and the right of the people to participate in the healing of the sick and the injured without being forced either to sacrifice their religious beliefs or to stop administering to the ill and the injured.

I, therefore, hope that my amendment will be acceptable. It applies only to church-operated institutions.

Mr. CRANSTON. Mr. President, I am always reluctant to differ with the distinguished Senator from North Carolina (Mr. ERVIN), whom I respect and love so very much, but I must oppose this amendment which would deny employees of religiously affiliated hospitals the basic rights and privileges which S. 3203 seeks to grant their nonsectarian counterparts.

In the early days of this country, institutions dealing with the provision of social services were few and far between.

Because governments in general were loath to accept responsibility for such services, and were otherwise preoccupied during the Nation's formative years, the burden fell almost completely to the only institutions both willing and capable to respond—those affiliated with organized religious groups. It was they who ministered to the sick, fed the hungry, and clothed and sheltered the poor. For so many years, no one else filled the breach of social responsibility. The various religious groups more often than not had to go it alone, so to speak—that is rely on their own resources, and the charitable instincts of the community, both in terms of personnel and funds.

It has only been in relatively recent times that the Government has acknowledged its own responsibility, and has been willing to commit significant resources in this area. No longer must religious organizations have to depend solely on their own resources to support their various social involvements.

Today, in the area of health, religiously affiliated hospitals are supported by a variety of Government subsidies and grants. In some instances, these institutions have had the entire cost of construction assumed by the Federal Government.

And so it seems to me that, as to Caesar and God and their observations, as so eloquently and forcefully stated by the distinguished Senator from North Carolina, they do not apply to this measure. This measure does not touch religious teaching or religious leaders. It does not touch religious interpretation. It does not touch philosophy in the realm of God. The hospitals which relate to religious orders in one way or another are conducted or owned or operated by them and are publicly regulated. They are touched by public policy, affected by public policy, and governed by public policy and law.

There is one institution near this Capitol which was built entirely with public funds and is simply operated by a religious order. At least one Seventh-Day Adventist hospital or nursing home has entered into a collective bargaining agreement with a union.

By and large, hospitals administered by religiously affiliated groups have already recognized this change. In many instances, except for architectural variations, religiously affiliated hospitals and nonreligiously affiliated hospitals are often indistinguishable. The objective of each is clearly the same—to achieve the highest standard of professional health care. Both must adhere to the same medical and health codes; both must follow local ordinances and laws to the same extent.

As for their respective employment relationships, each hospital must compete for the same labor market since religiously affiliated hospitals no longer depend on recruiting exclusively from members of their religious order or persuasion. Because of their markedly similar operating and administrative structure, both religious and nonreligiously affiliated hospitals draw upon the existing manpower pool to fill their ranks.

Likewise, people who work for a hospital, regardless of its affiliation, think of their jobs purely in nonsectarian occupational terms, not with respect to any particular religious ideology. Their concerns, their hopes, and their frustrations are no different than one would expect of other similarly situated employees. And because of this, these workers, who are often unable to press for economic advantage on their own, have sought to better themselves by organizing to bargain collectively—just as their peers in other sectors of the economy have done for many years, and just as their fellow hospital workers employed by nonsectarian employees will soon be able to do.

The fact is that many hospital administrators of religiously affiliated institutions throughout the country have recognized this desire of their employees, and have voluntarily agreed in one form or another to recognize the union as their bargaining representatives.

To exempt these institutions, who incidentally, as a group, have not asked for this type of special treatment, would result in a social and economic inequity of the highest magnitude.

I think it is important at this time to note that during the committee's deliberations, many letters were received from official representatives of a wide range of religious organizations in which the concept of collective bargaining for all hospital workers, including those employed by ones with religious affiliations, was either endorsed fully, or with the understanding that any bill granting such bargaining rights would include provisions for the maintenance of patient care. S. 3203 was, of course, specifically drafted with these considerations in mind.

Mr. President, I ask unanimous consent, that copies of some of these letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

The United Methodist Church,
Washington, D.C., October 11, 1973.

Hon. Harrison A. Williams,
Chairman, Senate Subcommittee on Labor,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Williams: I am writing in support of S. 794, a bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals.

My reasons for supporting this bill grow out of my experience as an administrator in the church. The United Methodist Church operated 342 health and welfare agencies in 1972, serving 4,855,436 persons and with total budgets of over 792 million dollars. I have served as a trustee of two major hospitals in the past twelve years.

In recent years an unusual amount of strain and conflict has arisen in the labor market of nonprofit hospitals over the issue of union recognition. The terms of contract are not so difficult to bargain as is the prior question of who represents the workers. The result has been work stoppages in the flow of health services, the consequences of which can be severe for patients and for families. Public policy should regularize the process of determining worker representation in the health sector of the economy. Senate bill 794 accomplishes this, so it seems to me, without complicated amendments to the National Labor Relations Act. Once the question of recognition is determined, the terms of the contract can be achieved through the regular channels of collective bargaining.

A second reason for supporting this bill is that it fulfills a resolution passed by the General Conference of the United Methodist Church in 1972. The General Conference meets every four years and is the highest legislative body of the church and speaks authoritatively for the church to the church and society. Observing strain in particular labor markets, the General Conference said:

"Historically, the United Methodist Church has recognized and supported the right of workers to organize and bargain collectively over wages, hours, and conditions of labor. National policy since 1935 has codified procedures for the recognition of labor unions and for collective bargaining with the result of lessened conflict in the private industrial sector of the economy.

"However, several categories of employees were excluded from the coverage of the National Labor Relations Act including (1) federal employees or employees of any political subdivision such as state or school district, (2) employees of hospitals operated entirely on a nonprofit basis.

"Unfortunately, social strife in the occupational markets of nonprofit hospital workers and public employees has led to high social costs, including the tragedy of death. In view of this unresolved strain, the United Methodist Church requests the Congress to amend the National Labor Relations Act to include under its coverage (1) government employees, federal, state, and local, and (2) the employees of hospitals operated entirely on a nonprofit basis."

I wish to thank you for the opportunity of placing this letter in the record of the hearings on S. 794. Your Subcommittee on Labor is dealing with an issue that deeply affects the American public. I appreciate your interest and leadership in this matter.

Very sincerely yours,
James K. Mathews.

November 2, 1973.

Hon. Harrison A. Williams,
Senate Committee on Labor and Public Welfare, Senate Building, Washington, D.C.

Dear Senator Williams: The Board of Global Ministries of The United Methodist Church at its annual meeting, October 23–27, 1973, in New Orleans, Louisiana, adopted the enclosed resolution on recommendation of its Health and Welfare Ministries Division. This Board represents the 80 acute care hospitals across the nation operated by The United Methodist Church.

We strongly oppose S. 794 which simply removes the not-for-profit hospital exemption from the National Labor Relations Act and support S. 2292 which includes special provisions applying to all health care institutions for dealing with collective bargaining impasses. We support the testimony of the American Hospital Association made before your committee on July 31, 1973.

May we encourage your support for this position to assure continuous and uninterrupted hospital care of patients?

Sincerely yours,
Donald C. Kraushaar,
Director, Department of Health Care Ministries.

February 26, 1973.

Senator Harrison A. Williams,
New Senate Office Building,
Washington, D.C.

Dear Senator Williams: For just a few moments of your time, I would like your undivided attention. I would like you to consider very carefully something that is of great concern to me. We, the staff of St. Elizabeth's and myself, are very much concerned about the outcome of the bill that your committee is presently considering, House Bill 1236. And, while I fully realize that you've heard many reactions to this bill from other sources, I would like, on behalf of our hospital, a chance to add our thoughts, and our feelings to those already voiced.

Our stand on this issue is a very clear, and yet a very forceful, one. We are opposed to any legislation that would remove the exemption from the Taft-Hartley Act that not-for-profit hospitals enjoy presently, unless and until such a legislative proposal contain a provision for uninterrupted life serving services. We wish to insure that any such legislation, which contains provision dealing with strikes, picketing, impasse resolution, and bargaining unit fragmentation, *will* insure the continuity of life serving services to patients. Our opinion, as you have now seen it, is in conjunction with our local organization of hospitals, The Catholic Hospital Association, and the national organization, The American Hospital Association.

It is our intent that the rights of employees and the rights of management be recognized and respected, but we are deeply concerned that the rights of patients also be recognized and respected. You may already be familiar with the "Patient's Bill of Rights" that has been approved by the Board of Trustees of the American Hospital Association. This document has been developed precisely in view of recognizing and protecting the rights of the persons we serve. And we want to insure their well-being regardless of the circumstances that may prevail in the hospital in question.

Enclosed with my letter, please find a copy of the statement by the Catholic Hospital Association in 1967, and with which I concur and do heartily support today.

Thank you for your kind attention.

Sincerely,

Sister Mary Thomas,
Administrator.

The Catholic Hospital Association,
St. Louis, Mo., August 20, 1973.

Hon. Harrison A. Williams,
Chairman, Senate Committee of Labor and Public Welfare, Old Senate Office Building, Washington, D.C.

Dear Senator Williams: I am writing to you as President of The Catholic Hospital Association, an association of over 850 hospitals and related health facilities in the United States. These health facilities consist of approximately 160,000 beds, and employ over 360,000 people who assisted in providing over 45 million patient days of care last year.

The purpose of this letter is to express the official position of The Catholic Hospital Association's Board of Trustees on S. 2292, a bill introduced by Senator Robert Taft, Jr. The Catholic Hospital Association has, as a matter of official policy, continuously recognized the right of hospital employees to form or join a union or association for purposes of collective bargaining and that hospitals should recognize this right of employees. At the same time, *The Catholic Hospital Association has advocated the need for certain protections for hospitals and the public if the not-for-profit hospital exemption is removed from the National Labor Relations Act* (Taft-Hartley). The Catholic Hospital Association believes that S. 2292 reflects the required protections. We urge that you favorably consider S. 2292 as a substitute bill for S. 794.

The primary and specific protections in S. 2292 which we believe adequately respond to our previously stated concerns are:

1. Jurisdictional strife and the potential for work stoppages over bargaining will be reduced by limiting the number of bargaining units in a hospital to four.

2. To increase the responsiveness of bargaining, the parties will be required to utilize the Federal Mediation and Conciliation Service. At the request of either party, there is a requirement to submit their impasse issues to nonbinding, factfinding.

3. For public protection, all strikes are prohibited except a strike for a contract following the exhaustion of a lengthy bargaining procedure. The institution is to be given advance notice of any strike so as to prepare for patient transfers, etc.

4. Immediate relief is provided by way of court injunction in the event of an unlawful strike or lockout.

We ask that you make this letter, which reflects The Catholic Hospital Association's support for S. 2292, a part of your committee's hearing record.

We are sending a copy of this letter to each member of the Senate Committee of Labor and Public Welfare.

Sincerely,

Rev. Msgr. James T. McDonough,
President.

Mr. CRANSTON. Mr. President, in addition, such an exemption for religiously affiliated hospitals would seriously erode the existing national policy which holds religiously affiliated institutions generally such as proprietary nursing homes, residential communities, and educational facilities to the same standards as their nonsectarian counterparts.

I would also like to raise one other area of concern. That is, simply what is the definition of a religiously affiliated institution. In today's contemporary society, the traditional definition of religion in many instances is not applicable. The hospital industry is in a state of flux vis-a-vis ownership. For many hospitals, the determination of whether or not it is religiously affiliated is indeed a difficult question.

In conclusion, one can truly say that this Nation owes religious groups throughout the country a debt of gratitude for these many years of selfless social service. But this debt cannot, and must not, include a subsidy from the workers themselves, which in effect is what this amendment would provide by denying them rights under the National Labor Relations Act.

I urge that the amendment be rejected.

Mr. JAVITS. Mr. President, I, too, would wish to—and also with great respect for the distinguished Senator from North Carolina (Mr. Ervin) and with great respect for the institutions to which he has referred—be in opposition to the amendment.

Without repeating anything that Senator Cranston has just said as manager of the bill for the majority, I would simply state these points:

One, in practical terms, this would be a devastating blow because at least one-third of all nonprofit hospitals have some religious affiliations. So the impact of this amendment would be truly devastating.

Second, in my own State, which is perhaps a characteristic one, our hospital employees are subject to the State Labor Relations Act, whether or not the hospital is a religious affiliate. There has been no challenge to that. Their labor relations need stability and an orderly quality, just as that of any other hospital. No one in New York seems to have required or requested a special religious exemption from the law.

Third, in the Federal Establishment, these hospitals are subject to the Occupational Safety and Health Act, OSHA. They are subject to the minimum wage, workmen's compensation, unemployment compensation, and so forth.

Insofar as their relations with their employees are concerned, it certainly would not seem to me, especially in view of all these other precedents, that there would be any possible interference with first amendment rights if the employee relationship had this further element of regulation—to wit, the availability of the National Labor Relations Board and the law under which it operates to deal with labor-management relations in the field of hospitals which are nonprofit, though they happen to have religious affiliation.

For all those reasons, Mr. President, with great respect, I join in opposing the amendment.

Mr. WILLIAMS. Mr. President, I join my colleagues on the Committee on Labor and Public Welfare, the Senator from California and the Senator from New York, in opposition to the amendment offered by the Senator from North Carolina.

It should be pointed out that the hope and objective of this legislation is that in an area where there have been disruptions in vital services because of work stoppages related to disagreements between the workers and the management of hospitals, we want to bring a new order into the situation, which now, unfortunately, has a degree of chaos because there is no overriding orderly procedure under law. This measure would bring to hospitals the procedures that apply in other areas of our economy, and working people would have the opportunity to organize and to bargain out their objectives and differences, rather than being placed in a position, as at present, in which the only way they can be considered is to engage in work stoppages or strikes.

I ask unanimous consent to have printed in the Record at this point a list of the institutions that have religious affiliations, hospitals that have had work stoppages. These have occurred without the benefit of inclusion of these workers under the National Labor Relations Act.

There being no objection, the list was ordered to be printed in the Record, as follows:

Selected Hospital Strike and Work Stoppages by Unions Caused by Non-Recognition Issues, 1969–1973

State, year, hospitals, type of activity, duration, cause, and union:

ILLINOIS

1972. Christian Welfare Hospital, East St. Louis, strike and picketing, 10 weeks, Wages, Service Employees International Union.

INDIANA

1970, St. Margaret Hospital, Hammond, Strike and picketing after a union representative election date had been set, 2 weeks, Wages, Hospital Employees Labor Program.

MARYLAND

1972, Sinai Hospital of Baltimore, Inc., Baltimor , March on the dietary kitchen, 1 day, Grievance, Local 1199, Drug & Hosp. Union of the National Union of Hospital and Nursing Home Employees (now after referred to as Local 1199).

1972, Sinai Hospital of Baltimore, Inc., Baltimore, Sick-out dietary, 1 day, Grievance, Local 1199.

1972, Sinai Hospital of Baltimore, Inc., Baltimore, Walk-out, 1½ hours, Discharge of 3 employees, Local 1199.

MICHIGAN

1972, Mercy Memorial Hospital Corporation, Monroe, Strike and picketing, Started May 1, 1972, still going on, Contract negotiations and wages, Local 79, Service Employees International Union.

MINNESOTA

1973, St. Mary's Hospital, Rochester, Informational picketing, 4 weeks, Contract negotiations, wages and benefits, Hospital, Restaurant, & Tavern Employees, Local 21.

MISSOURI

1972, Menorah Medical Center, Kansas City, Strike and picketing, 1 day, Delay in contract negotiations, International Brotherhood of Firemen, Oilers & Maintenance Men.

NEW JERSEY

1971, St. Francis Community Hospital, Jersey City, Walk-out, 2 hours, Contract date, Local 1199.

NEW YORK

1973, Kingsbrook Jewish Medical Center, Brooklyn, Walk-out, 2 days, Grievance, Local 1199.

1971, Hebrew Hospital, Bronx, Sit-in, 8 hours, Wages, Hotel, Hospital, Nursing Home & Allied Employees Union, Local 144.

1971. Mary Immaculate Hospital, Jamaica, Walk-out, 1 day, Rescheduling of employees, Hotel, Hospital, Nursing Home & Allied Employees Union, Local 144.

Mr. WILLIAMS. I believe that most of the points I would make have been made with greater eloquence by the Senators from California and New York. I oppose the amendment.

Mr. ERVIN. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. ERVIN. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ERVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. CRANSTON. Mr. President, I ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

The **PRESIDING OFFICER.** The question is on the adoption of the amendment of the Senator from North Carolina.

Mr. ERVIN. Mr. President, I should like to speak to the Senators who were not in the Chamber when I presented my argument.

This is an amendment to modify the amendment which brings nonprofit hospitals under the jurisdiction of the National Labor Relations Board so as to exempt the church-supported hospitals from the coverage by the National Labor Relations Board.

I think it is pretty inconsistent, regardless of technicalities, but it is very inconsistent for an agency of Caesar to be regulating the work that is done in the name of God. And that is true of the Adventist Church.

Mr. ROBERT C. BYRD. Mr. President, the word has gone out from both cloakrooms to Senators that there will be a rollcall vote on the passage of the Peace Corps bill at 1:30 p.m. today. Senators may have scheduled their appointments accordingly, and they may not be anticipating a rollcall vote prior to 1:30.

I ask unanimous consent that the vote on the amendment by Mr. ERVIN occur immediately, back to back, following the vote on final passage of the Peace Corps bill.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRY F. BYRD, Jr. Mr. President, I ask unanimous consent that during the consideration of the pending bill, George Shanks, a member of my staff, be permitted the privilege of the floor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana (Mr. HARTKE) may be recognized now for not to exceed the remaining time prior to 1:30 p.m.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

VETERANS DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1974

Mr. ROBERT C. Byrd. Mr. President, at the request of the distinguished Senator from Indiana (Mr. HARTKE), and the matter having been cleared on both sides of the aisle, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 766, and that there be a time limitation thereon of not to exceed 6 minutes.

The **PRESIDING OFFICER.** Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, which bill is before the Senate?

Mr. HARTKE. S. 3072.

Mr. ALLEN. I may wish to amend the bill.

Mr. HARTKE. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I renew my request.

Mr. ALLEN. Mr. President, reserving the right to object, I would like the request to include the right of the Senator from Alabama to offer an amendment, whether germane or not.

Mr. ROBERT C. BYRD. With the time limitation remaining as I stated.

The **PRESIDING OFFICER.** Without objection, it is so ordered; with a 6-minute limitation.

The bill will be stated by title.

The bill was stated by title as follows:

A bill (S. 3072) to amend title 38, United States Code, to liberalize the provisions relating to payment of dependency and indemnity compensation, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1974."

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$28" in subsection (a) and inserting in lieu thereof "$32";

(2) by striking out "$51" in subsection (b) and inserting in lieu thereof "$59";

(3) by striking out "$77" in subsection (c) and inserting in lieu thereof "$89";

(4) by striking out "$106" in subsection (d) and inserting in lieu thereof "$122";

(5) by striking out "$149" in subsection (e) and inserting in lieu thereof "$171";

(6) by striking out "$179" in subsection (f) and inserting in lieu thereof "$211";

(7) by striking out "$212" in subsection (g) and inserting in lieu thereof "$250";

(8) by striking out "$245" in subsection (h) and inserting in lieu thereof "$289";

(9) by striking out "$275" in subsection (i) and inserting in lieu thereof "$325";

(10) by striking out "$495" in subsection (j) and inserting in lieu thereof "$584";

(11) by striking out "$47" and "$616" and "$862" in subsection (k) and inserting in lieu thereof "$52" and "$727" and $1,017", respectively;

(12) by striking out "$616" in subsection (l) and inserting in lieu thereof "$727";

(13) by striking out "$678" in subsection (m) and inserting in lieu thereof "$800";

(14) by striking out "$770" in subsection (n) and inserting in lieu thereof "$909";

(15) by striking out "$862" in subsections (o) and (p) and inserting in lieu thereof "$1,017";

(16) by striking out "$370" in subsection (r) and inserting in lieu thereof "$437"; and

(17) by striking out "$554" in subsection (s) and inserting in lieu thereof "$654".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$31" in subparagraph (A) and inserting in lieu thereof "$36";

(2) by striking out "$53" in subparagraph (B) and inserting in lieu thereof "$61";

(3) by striking out "$67" in subparagraph (C) and inserting in lieu thereof "$77";

(4) by striking out "$83" and "$15" in subparagraph (D) and inserting in lieu thereof "$95" and "$17", respectively;

(5) by striking out "$21" in subparagraph (E) and inserting in lieu thereof "$24";

(6) by striking out "$36" in subparagraph (F) and inserting in lieu thereof "$41";

(7) by striking out "$53" and "$15" in subparagraph (G) and inserting in lieu thereof "$61" and "$17", respectively;

(8) by striking out "$25" in subparagraph (H) and inserting in lieu thereof "$29"; and

(9) by striking out "$48" in subparagraph (I) and inserting in lieu thereof "$55".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade	*Monthly rate*
E-1	$215
E-2	221
E-3	228
E-4	241
E-5	248
E-6	254
E-7	266
E-8	281
E-9	[1] 294
W-1	271
W-2	282
W-3	291
W-4	307
O-1	271
O-2	281
O-3	301
O-4	318
O-5	350
O-6	394
O-7	427
O-8	467
O-9	502
O-10	[2] 549

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $316.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $589.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the widow shall be increased by $26 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to the widow shall be increased by $64 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) One child, $108.

"(2) Two children, $156.

"(3) Three children, $201.

"(4) More than three children, $201, plus $40 for each child in excess of three.".

SEC. 203. (a) Subsection (a) of section 414 of title 38, United States Code, is amended by striking out "$55" and inserting in lieu thereof "$64".

(b) Subsection (b) of section 414 of such title is amended by striking out "$92" and inserting in lieu thereof "$108".

(c) Subsection (c) of section 414 of such title is amended by striking out "$47" and inserting in lieu thereof "$55".

SEC. 204. Section 322(b) of title 38, United States Code, is amended to read as follows:

"(b) The monthly rate of death compensation payable to a widow or dependent parent under subsection (a) of this section shall be increased by $64 if the payee is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 205. (a) Section 342 of title 38, United States Code, is amended by striking out "equal" and all that follows down through the end thereof and inserting in lieu thereof "those specified in section 322 of this title".

(b) Section 343 of such title is hereby repealed.

(c) The table of sections at the beginning of subchapter V of chapter 11 of title 38, United States Code, is amended by striking out the following:

"343. Conditions under which wartime rates are payable.".

SEC. 206. (a) The Administrator of Veterans' Affairs shall make a detailed study of claims for dependency and indemnity compensation relating to veterans, as defined in section 101(2), title 38, United States Code, who at time of death within six months prior to the date of enactment of this Act were receiving disability compensation from the Veterans' Administration based upon a rating total and permanent in nature.

(b) The report of such study shall include (1) the number of the described cases, (2) the number of cases in which the specified benefit was denied, (3) an analysis of the reasons for each such denial, (4) the analysis of any difficulty which may have been encountered by the claimant in attempting to establish that the death of the veteran concerned was connected with his or her military, naval, or air service in the Armed Forces of the United States, and (5) data regarding the current financial status of the widow, widower, children, and parents in each case of denial.

(c) The report together with such comments and recommendations as the Administrator deems appropriate shall be submitted to the Speaker of the House and the President of the Senate not more than thirty days after the beginning of the Ninety-fourth Congress.

TITLE III—PAYMENT OF BENEFITS TO PERSONS UNDER LEGAL DISABILITY

SEC. 301. (a) Subsection (a) of section 3202 of title 38, United States Code, is amended to read as follows:

"(a) Where it appears to the Administrator that the interest of the beneficiary would be served thereby, payment of benefits under any law administered by the Veterans' Administration may be made directly to the beneficiary or to a relative or some other person for the use and benefit of the beneficiary, regardless of any legal disability on the part of the beneficiary. Where, in the opinion of the Administrator, any fiduciary receiving funds on behalf of a Veterans' Administration beneficiary is acting in such a number of cases as to make it impractical to conserve properly the estates or to supervise the persons of the beneficiaries, the Administrator may refuse to make future payments in such cases as he may deem proper."

(b) Subsection (c) of section 3202 of title 38, United States Code, is amended by deleting the phrase "guardian, curator, conservator, or other person legally vested with the care of the claimant or his estate", following the word "any" and inserting "fiduciary or other person for the purpose of payment of benefits payable under laws administered by the Veterans' Administration" and by deleting the word "estates" and inserting the word "benefits".

(c) Subsection (e) of section 3202 of title 38, United States Code, is amended by deleting the phrase "guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate," following the words "hands of a", and inserting in lieu thereof the words "fiduciary appointed by a State court or the Veterans' Administration" and by deleting the phrase "guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate", following the word "such", and inserting in lieu thereof the word "fiduciary"

(d) Subsections (f) and (g) of section 3202 of title 38, United States Code, are hereby repealed.

SEC. 302. Subsection (a)(4) of section 1701 of title 38, United States Code, is amended to read as follows:

"(4) The term 'guardian' includes a fiduciary legally appointed by a court of competent jurisdiction, or any other person who has been appointed by the Administrator under section 3202 of this title to receive payment of benefits for the use and benefit of the eligible person.".

TITLE IV—EFFECTIVE DATES

SEC. 401. The provisions of this Act shall become effective on May 1, 1974, except that title III shall become effective on the first day of the second calendar month following enactment.

Mr. HARTKE. Mr. President, as chairman of the Committee on Veterans' Affairs, it is my privilege and pleasure to urge the Senate to approve my bill S. 3072, the Veterans Disability Compensation and Survivor Benefits Act of 1974. This measure which is cosponsored by every member of the committee combines the provisions of S. 3067, the Veterans Disability Compensation Act of 1974, introduced by the distinguished and hard-working chairman of the Subcommittee on Compensation and Pensions (Mr. TALMADGE) and my bill, S. 3072, the Survivors Dependency and Indemnity Compensation Act of 1974.

Briefly, S. 3072, as reported, has six major purposes. First, it would provide for cost-of-living increases in the rates of disability compensation for the 2.2 million service-connected disabled veterans. Increases of 15 percent are authorized for those veterans with disabilities rated from 10 to 50 percent; 18 percent increases are authorized for those veterans with disabilities rated 60 to 100 percent and similar increases are also provided for statutory awards for rates payable for severe anatomical losses.

Second, increases of 15 percent are provided in the rates of additional compensation payable for over 350,000 veterans with disabilities rated 50 percent or more who receive these additional allowances for their dependents.

Third, the rates of dependency and indemnity compensation (DIC) for 375,000 widows and children are increased by 17 percent. The additional allowances payable to those in receipt of DIC and death compensation who are in need of aid and attendance are also increased 17 percent.

Fourth, the bill provides for the equalization of the rates of death compensation to the survivors of peacetime and wartime service where death occurred before January 1, 1957, thereby eliminating the distinction between the two periods of service.

Fifth, S. 3072 authorizes a study to be conducted by the Veterans' Administration to be submitted to the Congress at the beginning of the 94th Congress of applications for dependency and indemity compensation (DIC) by widows of veterans who had a disability rated total and permanent at the time of death.

Finally, the bill would authorize the Administrator of Veterans' Affairs to make monetary benefit payments to the beneficiary upon the determination that the interest of the beneficiary would be served hereby, notwithstanding that a fiduciary has been appointed and regardless of any legal disability on the part of the beneficiary.

Mr. President, as is the case with all the legislation reported from the Veterans' Affairs Committee, the Veterans Disability Compensation and Survivor Benefits Act of 1974 is the result of cooperative Benefits Act of 1974 and the result of cooperative efforts on the part of the entire committee. I am paricularly indebted to Senator HERMAN E. TALMADGE, chairman of the Subcommittee on Compensation and Pensions and Senator CLIFFORD P. HANSEN, ranking minority member on both the subcommittee and the full committee, who conducted hearings reviewing the disability compensation and dependency and indemnity and death compensation programs. I would also like to thank them for their unflagging support in the development of this legislation.

The subcommittee received testimony from Administration spokesmen including that of Odell Vaughn, Chief Benefits Director, Veterans' Administration. Testimony was also received from the Disabled American Veterans, American Legion, Veterans of Foreign Wars, Paralyzed Veterans of America, Blinded Veterans Association, the American Veterans of World War II, Korea, and Vietnam Officer's Association, the Fleet Reserve Association, National Association for Uniformed Services, and the Retired Officers Association. Submitted testimony was received from the Veterans of World War I, Inc., the Gold Star Wives of America, Inc., the Military Widows, and the Noncommissioned Officers Association of the United States.

Mr. President, there can be no disagreement with the necessity of these cost-of-living increases for our disabled veterans and their survivors. As my colleagues are aware the spiraling cost of living affects those on fixed incomes with much greater severity than the rest of the population. We must assure ourselves and the Nation that these veterans who were injured in the service of their country and the survivors of those who gave their lives are protected and supported in this time of economic upheaval.

Mr. President, I ask unanimous consent that appropriated excerpts from the committee report to S. 3072 which provides further detailed explanation of the committee's action be included in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD as follows:

BACKGROUND AND DISCUSSION

INCREASES IN DISABILITY COMPENSATION

The Veterans' Administration disability compensation program provides income for 2,206,496 veterans who have service-connected disabilities. Of this number, about 333,000 are disabled Vietnam era veterans. Compensation is paid in accord with the degree of disability. Section 355 of title 38, United States Code, provides that the ratings of disability which range from 10 to 100 percent (with additional allowances for statutory awards) for certain disabilities shall be based "as far as practical on the average impairment of earning capacity resulting from such injury for civilian occupation." Of course, other less tangible factors have also traditionally been considered by Congress in establishing compensation rates for those who sustained disabilities in the service in defense of their country.

In the light of the foregoing, the Committee periodically reviews the service-connected disability compensation program to ensure that the benefits will provide reasonable compensation for loss of earning power. Following hearings, the Committee is of the conviction that a minimum of 15-percent cost-of-living increase is warranted and necessary to protect disabled veterans from a continuing loss of purchasing power due to the rapid inflation that this country is experiencing. Disability compensation rates were last adjusted by Public Law 92-328, effective August 1, 1972. Since that time the cost of living as measured by the Consumer Price Index has risen 13.9 percent through March 30, 1974. Pertinent data on increases in the cost of living as shown by the Consumer Price Index are reflected in Table 1 as follows:

TABLE 1.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS—CONSUMER PRICE INDEX

[1967=100]

	1972	1973	1974
January	123.2	127.7	139.7
February	123.8	128.6	141.5
March	124.0	129.8	143.1
April	124.3	130.7	
May	124.7	131.5	
June	125.0	132.4	
July	125.5	132.7	
August	125.7	135.1	
September	126.2	135.5	
October	126.6	136.6	
November	126.9	137.6	
December	127.3	138.5	

Currently, the rate of inflation is increasing at an annual rate of 13.2 percent. The Committee also believes that for those veterans who are disabled 50 percent or more in degree, and those with severe anatomical losses are in greater need of increased compensation and that the majority of those veterans having lesser disability ratings are more able to supplement their compensation with earnings. Accordingly, a 15-percent cost-of-living increase is provided for veterans rated 50 percent or under. Compensation increases of 18 percent are uthorized for veterans with disabilities rated 60 percent to 100 percent. Compensation payments for anatomical losses rated in paragraphs (L) through (S), section 314 of title 38, United States Code, are also increased by 18 percent. The following table shows the current rates for disability compensation and those proposed in S. 3072, as reported, and the number of veterans placed in each rating.

TABLE 2.—COMPARISON OF COMPENSATION RATES UNDER PRESENT LAW AND UNDER S. 3072

Disability	Present law	S. 3072	Number of veterans
(a) Rated at 10 percent	$23	$32	866,465
(b) Rated at 20 percent	51	59	342,407
(c) Rated at 30 percent	77	89	313,746
(d) Rated at 40 percent	106	122	179,002
(e) Rated at 50 percent	149	171	112,682
(f) Rated at 60 percent	179	211	114,224
(g) Rated at 70 percent	212	250	73,790
(h) Rated at 80 percent	245	289	37,073
(i) Rated at 90 percent	275	325	12,892
(j) Rated at total	495	584	125,231
Limit for veterans receiving payments under (a) to (j) above			
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	616	727	6,382
(m) Anatomical loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, rendering veteran so helpless as to require regular aid and attendance	678	800	2,845
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthesis, anatomical loss of both eyes	770	909	366
Limit for veterans receiving payments under (l) to (n) above			
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), no condition being considered twice in the determination or total deafness in combination with total blindness (5/200 visual acuity or less)	$862	$1,017	24
(p) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	862	1,017	6,354
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to whatever he is receiving under (o) or (p)	370	437	8,283
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	554	654	7,114
Total number of cases affected			2,206,496

INCREASES IN AWARDS UNDER SECTION 314(K)

S. 3072, as reported, also provides for payment of compensation for certain specific conditions independent of any other compensation provided by not to exceed certain stated amounts.

The Veterans' Administration Regulation 1(a), part I, paragraph II(K) created by Public Law 73-2 was the forerunner of what is now 38 U.S.C. 314(K). It authorized an additional allowance of $25 monthly to persons receiving compensation and who suffered anatomical loss or loss of use of only one foot, or one hand, or one eye. The rate was increased to $35 by Public Law 79-182 effective October 1945 and to $42 by Public Law 79-662 effective September 1946. It was last increased to $47 by Public Law 82-427 in August 1952.

The "K" award while a minor portion of the total award of compensation is none the less a compensatory award for anatomical loss. Thus in light of the extraordinary inflation disabled veterans are experiencing, the Committee is of the opinion that a 10-percent increase in the "K" awards is warranted. This increase will affect 85,645 veterans presently receiving "K" awards at a full first year cost of $3.1 million.

INCREASES IN MONTHLY DEPENDENTS ALLOWANCES

Under present law additional allowances are provided for dependents of veterans who are rated 50 percent or more disabled. S. 3072, as reported, provides a 15–percent increase in dependency allowances to 358,100 veterans currently in receipt of these benefits. The additional compensation rates payable for dependents under present law and the Committee bill are shown in the following table:

TABLE 3.—MONTHLY DEPENDENTS' ALLOWANCES (FOR DEPENDENTS OF VETERANS RATED 50- TO 100-PERCENT DISABLED)

	Present law	S. 3072
Wife, no children	$31	$36
Wife and 1 child	53	61
Wife and 2 children	67	77
Wife and 3 children	83	95
Each additional child	15	17
No wife, 1 child	21	24
No wife, 2 children	36	41
No wife, 3 children	53	61
Each additional child	15	17
Mother or father, each	25	29

SCHEDULE OF RATING DISABILITIES

In a letter to Chairman Hartke, on March 4th, the President indicated an intention to make:

"Structural changes in veterans compensation which will bring the disability ratings of under-rated veterans up to a level corresponding to what survey data showed to be their actual degree of impairment."

In view of previously contemplated revisions in the disability rating schedule announced in February 1973, the Committee was concerned about the exact nature of these "structural changes" and at the Compensation and Pensions Subcommittee hearings on March 13, 1974, questioned Odell Vaughn, Chief Benefits Director of the Veterans' Administration as follows:

Senator TALMADGE: The President has indicated that he wishes to make certain structural changes in the disability rating schedule in order to increase ratings for veterans who are under-compensated. Upon what are these revisions going to be based and when will the Committee receive the proposed changes?

Mr. VAUGHN: The changes will be only on disabilities that we feel require recognition for increase and not otherwise and it will be based on studies that we have been conducting and are still conducting.

I think we have to give you that information at a later date.

Senator TALMADGE. How do you determine it?

Mr. VAUGHN. How do we determine—Mr. Taaffe?

Mr. TAAFFE. Certainly, we would have to proceed, Mr. Chairman, from the base of what we have in the way of a survey and then take what has developed in medicine since that time and examine what are the needs. What are the current problems with respect to hypertension, possibly, black lung disease, sickle cell anemia, implants such as kidney implants, heart valve implants and this kind of thing.

It may be possible——

Senator TALMADGE. What is the current status of the proposed revision in the disability rating schedule which was submitted last year and then withdrawn for further intensive study?

Mr. VAUGHN. It is no longer under study, sir.

Senator TALMADGE. In addition, to proposed decreases in disability rating schedules, which was submitted and then withdrawn last year, also it contained a number of increases.

Are all of those proposed increases included in the structural revisions which are going to be proposed?

Mr. VAUGHN. They are under consideration and as much as possible, they will be.

The Committee, which expects to receive the proposed revisions prior to any implementation, urges the Veterans' Administration to act promptly with respect to increasing compensation for those veterans whose disabilities are currently under-rated.

INCREASES IN SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

The Dependency and Indemnity Compensation (DIC) program was created in 1965 with the passage of the Servicemen and Veterans Survivors Benefits Act (Public Law 84–881).

DIC payments are authorized for widows, unmarried children under 18 (as well as certain helpless children and those between 18 and 23 if attending a VA-approved school), and certain parents of servicemen or veterans who die on or after January 1, 1957, from: (a) a disease or injury incurred or aggravated in line of duty while on active duty or active duty for training; or (b) an injury incurred or aggravated in line of duty while on inactive duty training; or (c) a disability otherwise compensable under laws administered by VA.

Widows, children, and parents who are on the rolls, or found to be eligible, for death compensation by reason of a death occurring before January 1, 1957 may elect to receive DIC payments in lieu of death compensation. They cannot thereafter choose to receive death compensation.

Prior to enactment of the DIC program the survivors of military personnel whose deaths were due to service-connected causes might have been eligible for as many as five differing survivor benefits.

In 1969, Public Law 92–96 was enacted which replaced the original DIC formula with a table of rates related to the pay grade of the uniformed services at specific dollar rates. An effort was made at that time to increase all widows payments to an extent equal to the cost of living since the 1965 Act. A further adjustment in Public Law 92–197 provided a 10-percent increase in benefits.

The current DIC program provides benefits to more than 375,000 beneficiaries. The following table shows the current and expected caseload for DIC by fiscal years:

TABLE 4.—AVERAGE NUMBER OF SURVIVOR COMPENSATION CASES

	1973 actual	1974 estimate	1975 estimate	Increase (+) or decrease (−)
Indian Wars	1	1	1	
Civil War	14	11	9	−2
Spanish American War	312	280	260	−20
Mexican border period	2	2	2	
World War I	36, 825	36, 700	36, 600	−100
World War II	202, 817	199, 500	196, 500	−3, 000
Korean conflict	39, 484	39, 600	39, 700	+100
Vietnam era	45, 959	49, 000	51, 800	+2, 800
Peacetime service	49, 161	49, 500	49, 800	+300
Total	374, 575	374, 594	374, 672	+78

Title II of S. 3072, as reported, provides a standard cost-of-living increase in dependency and indemnity compensation rates of 17 percent for widows and children. The Committee believes these increases are justified by the fact that since DIC rates were last adjusted January 1, 1972, the Consumer Price Index has increased 16 percent by March 30, 1974 as reflected in Table 1 cited earlier in this report. Additional allowances for widows in need of aid and attendance, helpless children, children between the ages of 18 and 23 attending schools, and widows and dependent parents in receipt of death compensation in need of aid and attendance are also increased by 17 percent. Proposed and existing rates are shown in the following table:

TABLE 5.—COMPARISON OF DIC RATES UNDER PRESENT LAW AND S. 3072

Pay grade	Present law	S. 3072	Pay grade	Present law	S. 3072
E-1	$184	$215	W-4	$262	$307
E-2	189	221	0-1	232	271
E-3	195	228	0-2	240	281
E-4	206	241	0-3	257	301
E-5	212	248	0-4	272	318
E-6	217	254	0-5	299	350
E-7	227	266	0-6	337	394
E-8	240	281	0-7	365	427
E-9	251	294	0-8	399	467
W-1	232	271	0-9	429	502
W-2	241	281	0-10	469	549
W-3	249	291			

EQUALIZATION OF PEACETIME AND WARTIME RATES OF DEATH COMPENSATION

The Death Compensation program provides benefits for the survivors of servicemen and veterans who died of service-connected causes before January 1, 1957. Currently, there are 116,791 survivors receiving benefits under death compensation. Of that number 4,453 are classified as "peacetime" survivors under this program by virtue of the deceased veteran's period of service. Current law provides that "peacetime survivors are entitled to death compensation at the rate of 80 percent of that received by survivors of veterans who served during a 'wartime' " period.

S. 3072, as reported, would equalize the rates of compensation paid to survivors of veterans who died of service-connected conditions irrespective of calendar period of service.

This action is consistent with past Congressional action on other Veterans' Administration programs which have abandoned a wartime/peacetime distinction. Following extensive study, Congress adopted a new program of Dependency and Indemnity Compensation in the Servicemen's and Veterans' Service Benefits Act of 1956 (P.L. 92–328) in which no distinction is made between wartime and peacetime service for the payment of compensation for service-connected deaths. In Public Law 91–101, Congress also voted to expand medical benefits to make any veteran—wartime or peacetime—over 65 eligible for Veterans' Administration hospital care and related outpatient care for non-service-connected disabilities without having to show financial inability. Finally, in the 92d Congress, peacetime/wartime rates of compensation for service-connected disabled veterans were equalized by Public Law 92–328. As noted there has never been a distinction in the DIC program of survivor benefits and the Committee thus believes that to continue such an arbitrary restriction for death compensation would be inequitable.

STUDY OF AUTOMATIC ENTITLEMENT TO DIC FOR CERTAIN WIDOWS

The Committee received numerous requests from veterans' organizations to consider the creation of automatic presumption of service-connected death in the case of veterans who are totally and permanently service-connected disabled so that a widow of such a veteran would be automatically entitled to receive Dependency and Indemnity Compensation (DIC). Appearing before the Subcommittee on Compensation and Pension, representatives of the Disabled American Veterans testified:

". . . We think it reasonable to say that a veteran who has suffered the distress and debilitating effects of a service-related total disability . . . should have statutory assurance that upon his death his widow will be provided for by payment of Dependency and Indemnity Compensation. In an overwhelming majority of these cases, the totally disabled veteran is unable to pursue a gainful occupation. He very definitely had no opportunity to make adequate provisions for his survivors."

The American Legion testified:

"While there is provision in Veterans' Administration regulations for a finding of service-connected death in individual cases on the basis that the service-connected death contributed to death from another cause, some deserving cases continue to be denied. Specifically, the regulation states that it must be shown that it contributed substantially or materially; that it combined to cause death; that it aided or lent assistance to the production of death. It is not sufficient that it causally shared in producing death, but rather that there was a causal connection. A statutory provision, such as we suggest, would automatically resolve all doubt in favor of service connection for cause of death where death was not due to an accident."

The Blinded Veterans Association evidenced strong concern for such automatic presumption and testified that:

"At the present time, when a permanently and totally disabled veteran in receipt of disability compensation dies from causes not clearly service-connected, his survivors are not eligible for DIC. The veteran's survivors are left to whatever they may be entitled under the pension system . . . It works a very unusual hardship on the wife who has been with him (the disabled veteran) all the years depriving her of an opportunity to get any gainful employment to supplement the income and to have something happen where she has to go on welfare after his demise, is not treating her the right way at all."

The Veterans' Administration, however, takes an opposing view. Odell Vaughn, Chief Benefits Director of the VA testified that automatic presumption of service connection would:

". . . thus place the survivors of certain veterans who die of non-service-connected cause on a parity with survivors of veterans who die of an actually service-connected cause. The Veterans' Administration finds no justification for presuming a death to be service connected when the evidence does not support such a finding."

In light of the conflicting viewpoints and the lack of available data at this time the Committee has directed the Veterans' Administration to conduct a study, to be submitted to the Congress not later than 30 days after the beginning of the 94th Congress of applications for Dependency and Indemnity Compensation (DIC) by widows of veterans who at the time of their death had a service-connected disability rated total and permanent in nature. The particular emphasis of the study is to be the disposition of these cases, the difficulty in proving service-connected death, and the financial situation of those widows and families denied DIC. It is the understanding of the Committee that part of this investigation has already begun in response to previous Committee inquiries.

CONSIDERATION OF AUTOMATIC INCREASES IN COMPENSATION AND DIC BENEFITS

The Committee also received recommendations to put an automatic escalator provision for Compensation and Dependency and Indemnity Compensation (DIC) programs. Under these proposals the rates for Compensation and DIC would be automatically adjusted once a year to reflect changes in the Consumer Price Index. After consideration, the Committee does not believe that adoption of an automatic yearly adjustment provision is warranted at this time. First, the necessary periodic review of the adequacy of Compensation and DIC by Congress serves as an appropriate occasion for oversight of the entire program which often provides other needed adjustments which might otherwise be overlooked. In the 92nd Congress, for example, hearings in the compensation programs resulted in the creation of an additional clothing allowance for disabled veterans whose prosthetic device tends to tear or wear out their clothing and in the equalization of wartime/peacetime compensation rates.

Second, the Committee believes it unwise to tie these important programs to the one index to the exclusion of all others. For example, "Average Monthly Earnings" is another factor that the Committee often considers when adjusting rates. On occasion Congress has also seen fit to provide selective variable increases for the more seriously disabled rather than a standard across-the-board increase which would be the result from any automatic adjustment provision.

Third, the Committee is conscious of the opposition to an automatic cost-of-living provision expressed by several veterans' organizations. In testimony received by the Subcommittee on Compensation and Pensions, representatives of the Disabled American Veterans testified:

". . . we must, with due respect take exception to the President's proposal to establish a future system of automatic cost-of-living increases in compensation payments, as measured by Consumer Price Index. The DAV National Convention has refused to adopt any fixed policy that would tie disability compensation increases to the Consumer Price Index . . . Accordingly, we feel strongly that the subject of compensation adjustments should remain under control of this Committee."

The Veterans of Foreign Wars also testified that they disagreed:

" . . . with the President's recommended automatic adjustment in benefits, as measured by the Consumer Price Index. The record shows that since 1933 the cost of living, according to the Consumer Price Index has increased by approximately 123 percent. During that same period, however, increases in disability compensation rates have far outstripped the Consumer Price Index increases. For example, the increases for the 100-percent service-connected disabled have been increased by approximately 450 percent since 1933 . . .

"The Veterans of Foreign Wars wants the Congress to keep control of the Compensation and DIC programs, so that the sacrifice made by these veterans wounded and killed on the battlefield will never be forgotten."

Fourth, the Committee believes that if the rate of inflation continues at its present pace that Congress can adjust the rates as quickly if not more so than any provision which would adjust the rate on a once a year basis.

Finally, it should be observed that based on the historical record, an automatic increase provision would probably result in lesser increases than those which have been authorized in the past. The following table shows increases in the compensation program since 1954:

TABLE 6.—HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION INCREASES

Sec. 314, title 38, subpar.–	Percent	July 1, 1933	Plus percent increase equals—	Jan. 19, 1934	Plus percent increase equals—	Public Law 312, 78th Cong., June 1, 1944	Public Law 182, 79th Cong., Oct. 1, 1945	Plus percent increase equals—	Public Law 662, 79th Cong., Sept. 1, 1946	Plus percent increase equals—	Public Law 339, 81st Cong., Dec. 1, 1949	Plus percent increase equals—	Public Law 356, 82d Cong., July 1, 1952	Plus percent increase equals—	Public Law 427, 82d Cong., Aug. 1, 1952	Plus percent increase equals—
(a)	10	$9	11.1	$10	15	$11.50		20	$13.80	8.7	$15	5	$15.75			7.9
(b)	20	18	11.1	20	15	23.00		20	27.60	8.7	30	5	31.50			4.8
(c)	30	27	11.1	30	15	34.50		20	41.40	8.7	45	5	47.25			5.8
(d)	40	36	11.1	40	15	46.00		20	55.20	8.7	60	5	62.00			4.8
(e)	50	45	11.1	50	15	57.50		20,	69.00 60.00	8.7	75	15	86.25			5.5
(f)	60	54	11.1	60	15	69.00		20	82.80	8.7	90	15	103.50			5.3
(g)	70	63	11.1	70	15	80.50		20	96.60	8.7	105	15	120.75			5.2
(h)	80	72	11.1	80	15	92.00		20	110.40	8.7	120	15	138.00			5.0
(i)	90	81	11.1	90	15	103.50		20	124.20	8.7	135	15	155.25			5.0
(j)	100	90	11.1	100	15	115.00		20	138.00	8.7	150	15	172.50			4.9
Subpar, (s) (housebound cases—Public Law 86-663, effective Sept. 1, 1960																
(l)		150			33.3		$200	20	240.00					10.8	$266	4.9
(m)		175			34.3		235	20	282.00					11.0	313	5.1
(n)		200			32.5		265	20	318.00					11.0	353	5.1
(o)		250			20.0		300	20	360.00					11.1	400	5.0
(p)							300	20	360.00					11.1	400	5.0
Subpar, (r) "A and A" nonhospitalization, Public Law 85-782, effective Oct. 1, 1958																
(k)		25			40.0		35	20	42.00					11.9	47	
(q)															67	

TABLE 6.—HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION INCREASES

Sec. 314, title 38, subpar.—	Public Law 695, 83d Cong., Oct. 1, 1954	Plus percent increase equals—	Public Law 85–168, Oct. 1, 1957	Plus percent increase equals—	Public Law 87–645, Oct. 1, 1962	Plus percent increase equals—	Public Law 89–311, Oct. 31, 1965	Plus percent increase equals—	Public Law 90–493, Jan. 1, 1969	Plus percent increase equals—	Public Law 91–376, July 1, 1970	Plus percent increase equals—	Public Law 92–328, Aug. 1, 1972	Plus percent increase equals—	S. 3072	Percent increase from Jan. 1, 1969
(a)	$17	11.8	$19	5.3	$20	5.0	$21	9.5	$23	8.7	$25	12.0	$28	15	32	35.7
(b)	33	9.1	36	5.6	38	5.3	40	7.5	43	7.0	46	10.8	51	15	59	32.7
(c)	50	10.0	55	5.5	58	3.4	60	8.3	65	7.7	70	10.0	77	15	89	32.7
(d)	66	10.6	73	5.5	77	6.6	82	8.5	89	7.9	96	10.4	106	15	122	33.3
(e)	91	9.9	100	7.0	107	5.6	113	8.0	122	10.7	135	10.3	149	15	171	36.0
(f)	109	10.1	120	6.7	128	6.3	136	8.1	147	10.9	163	9.8	179	18	211	38.7
(g)	127	10.2	140	6.4	149	7.4	161	8.1	174	10.9	193	9.8	212	18	250	38.7
(h)	145	10.3	160	6.3	170	9.4	186	8.1	201	10.9	223	9.9	245	18	289	38.8
(i)	163	9.8	179	6.7	191	9.4	209	8.1	226	10.6	250	10.0	275	18	325	38.6
(j)	181	24.3	225	11.1	250	20.0	300	33.3	400	12.5	450	10.0	495	18	584	40.5
Subpar. (s) (housebound cases) Public Law 86–663, effective Sept. 1, 1960			265	9.4	290	20.7	350	28.8	450	12.0	504	9.9	554	18	654	39.9
(l)	279	10.8	309	10.0	340	17.6	400	25.2	500	12.0	560	10.0	616	18	727	40.0
(m)	329	9.1	359	8.6	390	15.4	450	22.2	550	12.0	616	10.1	678	18	800	40.1
(n)	371	8.1	401	9.7	440	19.3	525	18.2	625	12.0	700	10.0	770	18	909	40.0
(o)	420	7.1	450	16.7	525	14.3	600	16.7	700	12.0	784	9.9	862	18	1,017	39.9
(p)	420	7.1	450	16.7	525	14.3	600	16.7	700	12.0	784	9.9	862	18	1,017	39.9
Subpar. (r) "A and A" non-hospitalization, Public Law 85–782, effective Oct. 1, 1958			150	33.3	200	25.0	250	20.0	300	12.0	336	10.1	370	18	437	40.1
(k)														10	52	10
(q)																

PAYMENT OF BENEFITS TO PERSONS UNDER LEGAL DISABILITY

On April 29, 1974, the Veterans' Administration submitted a draft provision to the Congress relating to the payment of monetary benefits to persons under legal disability.

Currently, in 38 U.S.C. 3202, the law provides that where any payment of monetary benefits by the Veterans' Administration is to be made to a minor or to a mentally incompetent person or under other legal disability adjudged by a court of competent jurisdiction, the payment may be made to the person who has been constituted guardian, curator, or conservator by the laws of the State of the beneficiary's residence, or is otherwise legally vested with the care of the claimant or his estate.

The Committee is concerned that administrative determinations of long standing tend to support the viewpoint that the Administrator of Veterans' Affairs lacks the authority to make direct payments of benefits to minors or to persons under a legal disability, other than mental incompetency adjudged by a court of competent jurisdiction. Congressional action further adds to this assumption by providing authority to pay monetary benefits directly to minor widows (section 2, Public Law 78–144, embodied in 38 U.S.C. 3202(g)), and by specifically excepting the provisions of 38 U.S.C. 1701(c), authorizing payment of educational assistance benefits to minors under certain circumstances, from the application of 38 U.S.C. 3202(a).

This bill would authorize the Administrator to make direct monthly payments to a beneficiary, or a relative or some other person for the use and benefit of the beneficiary, upon a determination that the interest of the beneficiary would be served thereby even though a fiduciary has been appointed for the beneficiary. This would include the direct payment of benefits to any beneficiary regardless of his status as a minor under the laws of the State where he resides or is domiciled.

The Committee favors enactment of this provision not only because it clarifies the question of the Administrator's authority but it also would liberalize current practices which could represent a substantial savings both to the Government, since it would be spared the administative costs of supervising fiduciary accounts, and to the beneficiary, since he or she would not be charged with court costs and fiduciary fees. This savings would be particularly sizable in cases where the estate is not large and where the monetary benefits paid are of necessity applied each month to the support of the claimant.

For these reasons, the Committee favorably reports this measure out to the Senate and recommends adoption of title III of S. 3072, as reported.

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91–510, 91st Congress), the Committee, based on information supplied by the Veterans' Administration, estimates that the costs attributable to this bill, S. 3072, are approximately $566.8 million the first year, gradually decreasing to $563.2 million the fifth year.

The following table shows the five-year cost estimate of S. 3072, as reported:

TABLE 7.—5-YEAR COST OF S. 3072; AS REPORTED

Section and provision	Fiscal year cost (in millions)				
	1975	1976	1977	1978	1979
101. 15 to 18-percent increase in disability compensation	$445.8	$444.1	$442.4	$439.7	$436.0
102. 15-percent increase additional allowances for dependents	18.3	18.2	18.1	18.0	17.9
201. 17-percent DIC widows	93.7	95.3	96.9	98.5	100.3
202. 17-percent increase in DIC for children	7.1	7.2	7.3	7.4	7.5
203. 17-percent increase in aid and attendance allowances	1.3	1.3	1.3	1.3	1.3
204. 17-percent increase in aid and attendance for widows and dependent parents in receipt of death compensation	(1)	(1)	(1)	(1)	(1)
205. Equalization of peacetime rates and wartime compensation	$0.6	$0.5	$0.4	$0.3	$0.2
206. Study of presumption of service connection	(1)	(1)	(1)	(1)	(1)
301. Liberalization of payments of benefits to persons under legal disability	(2)	(2)	(2)	(2)	(2)
302. Change in definition of guardian	(1)	(1)	(1)	(1)	(1)
Total	566.6	566.6	566.4	565.2	563.2

[1] No cost.

[2] Estimate of savings unavailable.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report S. 3072, with amendments, favorably to the Senate:

Yeas—9.

Vance Hartke, Herman E. Talmadge, Jennings Randolph Harold E. Hughes, Alan Cranston, Clifford P. Hansen, Strom Thurmond, Robert T. Stafford, James A. McClure.

Nays—0.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF S. 3072, AS REPORTED

Section 1

This section provides that the proposed act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1974."

TITLE I—VETERANS DISABILITY COMPENSATION

Section 101

Subsection (a) provides increases in the basic rates of service-connected disability compensation payable under section 314 of title 38, United States Code, ranging from 15 percent to 18 percent depending upon the degree of severity of disability. Increases of 15 percent are provided for disabilities rated 10 to 50 percent. Increases of 18 percent are provided for disabilities rated 60 to 100 percent. Currently, a veteran with a 10-percent disability receives $28 monthly and a veteran with a disability rated at 100 percent receives $495, the rates would be increased to $32 and $584, respectively. An increase of 18 percent is provided for all higher statutory awards involving combinations of severe disabilities. A 10-percent increase is provided for the statutory awards payable under section 314(k).

Subsection (b) authorizes administrative adjustment consistent with the rate increases specified in subsection (a), of the rates of disability compensation payable to persons undersection 10 of Public Law 85–857 who are not in receipt of compensation under chapter 11 of title 38, United States Code.

Section 102

This section provides increases in the additional allowances payable under section 315 of title 38, United States Code to service-connected disabled veterans with spouses, children, and dependent parents when the veteran is rated 50 percent or more disabled. These allowances are increased by 15 percent and would affect approximately 358,100 veterans.

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

Section 201

Subsection (a) would increase the rates of dependency and indemnity compensation (DIC) payable under section 411 to the widows of veterans who died of service-connected causes. Currently, the minimum amount of DIC payable is for the widow of a veteran who attained the grade of E–1, $184 monthly, ranging upward to the DIC payable to the widow of a veteran who attained the grade of 0–10, $469 per month. These rates would be increased by 17 percent or $215 per month for an E–1, to $549 per month for an 0–10.

Subsection (b) would increase the additional monthly allowance payable under section 411(b) to a widow receiving DIC for each child under eighteen by 17 percent from $22 to $26.

Subsection (c) would provide a 17-percent increase in the additional allowance payable under section 411(c) to a widow in receipt of DIC who is in need of aid and attendance from $55 per month to $64.

Section 202

This section would provide a 17-percent increase in the rates of DIC payable under section 413 for children when there is no widow entitled. Currently the rates range from $92 for one child to $172 for three children plus $34 per month for each additional child. Then increases would provide rates of $108, to $201, respectively, with $40 for each additional child.

Section 203

Subsection (a) would provide a 16-percent increase in the additional allowance payable under section 414(a) to a child eligible for DIC who had attained the age of eighteen and is permanently incapable of self-support from $55 to $64 per month.

Subsection (b) would provide an increase of 17 percent in the additional allowance payable under section 414(b) to a widow receiving DIC when there is a child eligible who has attained the age of eighteen and is permanently incapable of self-support from $92 to $108 per month.

Subsection (c) would provide a 17-percent increase in the additional allowance payable under section 414(c) to a widow in receipt of DIC when there is a child pursuing a course of education approved under section 104 from $47 per month to $55.

Section 204

This section would provide a 17-percent increase in the additional allowance payable under section 322(b) for a widow or dependent parent in receipt of death compensation who is in a nursing home or in need of aid and attendance from $55 per month to $64.

Section 205

This section would provide for the equalization of the rates of death compensation payable under sections 322 and 342 to the survivors of veterans of peacetime and wartime service, where death occurred before January 1, 1957, thereby eliminating the distinction between the two periods of service. Approximately 4,453 would be affected by this provision.

Section 206

This section directs the Veterans' Administration to conduct a study to be submitted to the Congress not more than 30 days after the beginning of the 94th Congress of applications for Dependency and Indemnity Compensation (DIC) by widows of veterans who at the time of their death had a disability rated total and permanent in nature, with particular attention toward the disposition of these cases, the difficulty in proof of service-connected death, and an examination of the current financial situation of those widows and families denied DIC.

TITLE III—PAYMENT OF BENEFITS TO PERSONS UNDER LEGAL DISABILITY

Section 301

Subsection (a) amends section 3202(a) of chapter 55 of title 38, United States Code, to permit the Administrator, in the interest of the beneficiary, to make direct monthly payments to the beneficiary, or to a relative or some other persons in his or her behalf, notwithstanding the fact that a fiduciary has been appointed. This includes the direct payment of benefits to any beneficiary regardless of the fact that the beneficiary is a minor under the laws of the State where he resides or is domiciled.

Under the present law, a degree of doubt exists as to the authority of the Administrator to make direct benefit payments to minors or to persons under a legal disability, other than mental incompetency adjudged by a court of competent jurisdiction. This amendment would clarify the question of the Administrator's authority and would liberalize current practices which could represent substantial savings both to the Government and the beneficiary, particularly in cases where the estate is not large and where the monetary benefits paid are of necessity applied each month to the support of the claimant, in administrative, court, and fiduciary costs.

Subsection (b) amends section 3202 (c) to conform with the amendments to section 3202(a).

Subsection (c) amends section 3202(e) to conform with the amendments to section 3202(a).

Subsection (d) repeals sections 3202(f) and 3202(g) of chapter 55 of title 38, United States Code, since section 301 of this title supplants the provisions of these sections.

Section 302

This section amends section 1701(a)(4) of chapter 35 of title 38, United States Code, by changing the definition of "guardian" to include a person appointed by the Administrator for the purposes of receiving payment of benefits for the use and benefit of the eligible person under section 3202 of chapter 55 as amended by section 301 of this title.

TITLE IV—EFFECTIVE DATES

Section 401

Provides that Title I increases in disability compensation and Title II increases in dependency and indemnity compensation shall become effective May 1, 1974. Title III shall become effective on the first day of the second calendar month following enactment.

Mr. HARTKE. Mr. President, I urge my colleagues to support S. 3072, the Veterans' Disability Compensation Act of 1974.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Th second assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I yield to the Senator from Alabama for the purpose of——

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Peace Corps bill begin at the hour of 1:35 p.m., rather than 1:30, to allow some Senators to get to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read the amendment, as follows:

> Amend S. 3072 by adding the following on page 13 between lines 7 and 8:
>
> Title III—That the date for the national celebration of Veterans Day if changed from the 4th Monday in October to November 11 which rather date henceforth should be known as Veterans Day.
>
> Renumber titles.

Mr. ALLEN. Mr. President, I had a bill which accomplishes this very same purpose, but it has not moved very far or very fast. This amendment would change Veterans Day from the fourth Monday in October to November 11. Since this is a veterans' bill, I would like to offer this amendment, if I may do so.

Mr. HARTKE. Mr. President, I am in sympathy with the purpose of the amendment of the Senator from Alabama, and have told him so. The jurisdiction for setting of holidays is in the Judiciary Committee. Most of the members of the Veterans Committee are in support of moving Veterans Day back to November 11 and have joined in cosponsoring S. 3079 introduced by Senator THURMOND which is currently pending in the Judiciary Committee.

I would respectfully request the Senator from Alabama to withhold his amendment, with the hope that the Judiciary Committee will move on it, but I have assured him that, in the event it does not act on it at all that I would be willing to accept it as an amendment to another veterans bill. However, the pending bill deals with disabled veterans' compensation and survivors' benefits, and I would not want to have the bill jeopardized simply by virtue of the fact that there would be a jurisdictional question involved with respect to the ultimate disposition of the bill.

Mr. ALLEN. I thank the Senator. Do I understand the Senator to give assurances to the Senator from Alabama that he will, at a near, later date, agree to support this amendment as an amendment to another veterans bill, provided we are not able to get the Judiciary Committee to move?

Mr. HARTKE. Yes. The Senator from Alabama states my position correctly, and I give him that assurance now that I would not object to an amendment if the Judiciary Committee refuses to take any action on the measure.

Mr. ALLEN. I did not know that the bill was before the Judiciary Committee. I feel sure the distinguished chairman of the committee (Mr. EASTLAND) would help get the bill out. I know he would favor this proposal, also. But, on the assurance of the Senator from Indiana that he will work with the Senator from Alabama to get Veterans' Day changed from the fourth Monday in October back to November 11, I will withdraw the amendment. Is that correct?

Mr. HARTKE. That is correct.

The PRESIDING OFFICER. The amendment is withdrawn.

The question is on agreeing to the committee amendment in the nature of a substitute for the bill.

The amendment was agreed to.

Mr. THURMOND. Mr. President, I rise in support of S. 3072, the Veterans Disability Compensation and Survivors' Benefits Act of 1974.

The problems of our service disabled and their survivors merit our closest attention. Over 2,300,000 disabled veterans receive compensation benefits. The dependency and indemnity compensation program provides benefits for some 375,000 survivors of veterans who died of service related causes.

Often, because of physical or mental disabilities, these veterans need the most assistance in keeping up with inflation.

The provisions of S. 3072 will help our disabled veterans keep pace with the increasing costs of living.

Mr. President, I urge my colleagues to support S. 3072.

Mr. HANSEN. Mr. President, I rise in support of S. 3072, a bill to amend title 38, United States Code, to liberalize the provisions relating to payments of dependency indemnity compensation and other purposes.

The compensation provision of this bill provides for a 15-percent increase in benefits to our service-connected veterans who have given so much in the defense of this Nation. This 15 percent matches the amount of the cost price index increase. This is a provision which we owe and are more than willing to grant. I am only sorry that we could not even provide greater increases to these so deserving individuals.

This bill also provides for a 17-percent increase in benefits on the dependency and indemnity compensation. This is in accordance with the cost price index, since our last increase granted during the 92d Congress. We must at all times assure these individuals that the Government has not forgotten their contribution to this Nation.

I want to congratulate Senator HARTKE and his staff for their perseverance in proposing this bill, and presenting it to the floor for a vote. I hope that my colleagues will join me in unanimous approval.

Mr. DOLE. Mr. President, I am glad to see that today we are considering legislation to increase service-connected disability compensation and dependency and indemnity compensation.

PRESENT RATES INADEQUATE

Since veterans compensation was last adjusted in 1972, the cost of living index has risen sharply. The rate of compensation established at that time has become grossly inadequate and the increases we are considering today will help this situation.

The energy crisis has greatly contributed to the increased cost of living. I have talked to a large number of people in Kansas whose heating bills for propane more than doubled last winter and in some cases even tripled. And these added heating expenses occurred after all possible measures were taken to reduce heating requirements and to conserve energy.

COST OF LIVING UP

The soaring price of gasoline also has added more financial burdens. Our disabled veterans as a group are probably more greatly affected by this than are most people. This is because disabled veterans are more dependent upon automobile transportation. A man with an artificial leg obviously cannot walk to his grocery store or somewhere else for a necessary item as readily as other men might. A similar problem often exists for veterans with other disabilities.

This bill essentially provides a cost-of-living increase. It has been needed for many months. So, on behalf of the disabled veterans, widows, and dependent children in Kansas who receive this compensation, I think it is appropriate that we are considering this bill today.

IMPORTANT ISSUE

I can personally speak for the importance of this issue from the volume of mail and calls I have received in my office. The Veterans' Affairs Committee is to be commended for promptly bringing this matter to the Senate for a vote and I hope it will be just as promptly approved here.

Mr. President, this measure should not be controversial and I think it should have the support of every Member of the Senate. After all, no amount of money can ever repay a veteran for the loss of a limb or his health or for the permanent discomfort he may have to endure.

No amount of money can reimburse those who lost a husband or a father prematurely because of service-connected death or disability. This compensation is only a poor substitute for the life, career, and happiness that might have been except for the sacrifice made in the service to this Nation.

Mr. President, I support this legislation and I hope my colleagues will join me. Hopefully, it will improve the compensation this country owes to those who have made sacrifices for it.

Mr. McCLURE. Mr. President, I rise in support of S. 3072, a bill to liberalize the provisions relating to payments of veterans' disability compensation and survivor benefits. Compensation is paid in accord with the degree of service-connected disability, as based on the average impairment of earning capacity resulting from such injury. Likewise payments are made to survivors of veterans whose deaths were due to service-connected causes.

Basically, this bill will provide cost-of-living increases in the following amounts: Disability compensation for veterans rated 50 percent or under, 15 percent; disability compensation for veterans rated 60 percent or more, 18 percent; anatomical loss—"K" award—10 percent; awards for dependents of veterans rated 50 percent or more, 15 percent and survivors DIC, 17 percent.

The bill also provides for the equalization of the rates of death compensation to the survivors of veterans of peacetime and wartime service, where death occurred prior to January 1, 1957.

Your vote this afternoon for S. 3072 will have the appreciation by the 2,206,496 disabled veterans in America. It will also benefit more than 374,600 survivors of veterans who died of service-connected causes.

S. 3072: MUCH NEEDED INCREASES IN RATES OF VETERANS DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION—DIC

Mr. CRANSTON. Mr. President, I am delighted that the Senate is acting so promptly today to pass legislation increasing substantially the rates of veterans disability compensation and the rates of DIC—dependency and indemnity compensation. I especially want to congratulate the distinguished chairman of the Senate Committee on Veterans' Affairs, Senator HARTKE, for his excellent leadership and fine efforts in making timely Senate approval of this measure possible.

S. 3072, as reported from committee, includes the provisions of S. 3072, as introduced—Senator HARTKE's bill to increase the rates of DIC and S. 3067, as introduced—Senator TALMADGE's bill to increase the rates of disability compensation. I was privileged to join with my colleagues on the Veterans' Affairs Committee in cosponsoring both these bills.

Mr. President, rapid increases in the cost of living have had a significant impact on all persons trying to live on fixed incomes, particularly—the 2,197,000 veterans receiving compensation for service-connected injuries and the 375,000 widows of veterans who died of service-connected conditions now receiving survivors benefits. The Vietnam conflict has increased compensation rolls by 371,612

Vietnam-era veterans drawing compensation payments.

The projected fiscal year 1975 budget at present rates is $3.18 billion for compensation payments. In order to meet inflation costs and help provide higher rates in areas now undercompensated, the committee bill provides for a 15-percent increase for veterans with disabilities rated 10 to 50 percent; an 18-percent increase for those with 60- to 100-percent disabilities and for special awards for anotomical losses except "K" awards which are increased 10 percent. This would provide about $464.1 million in additional compensation payments in the first year alone.

Mr. President, the fiscal year 1975 budget also includes $760 million for widows currently drawing dependency and indemnity compensation—DIC. Depending on the effective date of enactment of S. 3072 raises DIC rates by 17 percent. This would provide at least an additional $102.1 million in DIC benefits for the first year.

Mr. President, with respect to veterans with total and permanent disability ratings of long standing—20 years or more—S. 3067 as is introduced proposed establishing an automatic statutory presumption, following the veteran's death, that his widow will be entitled to DIC. It is often difficult to prove that the immediate cause of death of a totally and permanently disabled veteran was service connected, because of numerous side effects of the disabling condition. But I believe that families of totally and permanently disabled veterans who have come to rely over an extended period of time on VA disability compensation payments should be given peace of mind in the knowledge that income in the form of DIC benefits will continue when the veteran is no longer there.

In addition, Mr. President, S. 3067 proposed to establish this presumption of service-connected death in the case of a veteran who was discharged or retired from active duty with a total and permanent disability rating.

The reported bill, however, directs the VA to carry out a study of such a provision and to report not later than 30 days after the convening of the 94th Congress. This seemed a necessary compromise, and I hope we will have a favorable study from the VA.

Finally, S. 3072, as reported, would eliminate the remaining peacetime/wartime distinction in effect for those receiving survivors benefits under the pre-1956 DIC program known as death compensation. I have led the fight for the past several years to eliminate all wartime/peacetime distinctions under title 38. We have been very successful thus far in removing most of these unfair discriminations.

Mr. President, I am hopeful that the House will act promptly on the Senate bill and that we can reconcile rapidly, any differences between this bill and the House committee bill now pending on the House calendar. I feel confident that the President will sign this bill although it is somewhat more generous than the proposal he made belatedly this year after submission at his fiscal year 1975 budget request and legislative program.

The bill was ordered to be engrossed for a third reading, read the third time, and passed as follows:

S. 3072

An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1974".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$28" in subsection (a) and inserting in lieu thereof "$32";

(2) by striking out "$51" in subsection (b) and inserting in lieu thereof "$59";

(3) by striking out "$77" in subsection (c) and inserting in lieu thereof "$89";

(4) by striking out "$106" in subsection (d) and inserting in lieu thereof "$122";

(5) by striking out "$149" in subsection (e) and inserting in lieu thereof "$171";

(6) by striking out "$179" in subsection (f) and inserting in lieu thereof "$211";

(7) by striking out "$212" in subsection (g) and inserting in lieu thereof "$250";

(8) by striking out "$245" in subsection (h) and inserting in lieu thereof "$289";

(9) by striking out "$275" in subsection (i) and inserting in lieu thereof "$325";

(10) by striking out "$495" in subsection (j) and inserting in lieu thereof "$584";

(11) by striking out "$47" and "$616" and "$862" in subsection (k) and inserting in lieu thereof "$52" and "$727" and "$1,017", respectively;

(12) by striking out "$616" in subsection (l) and inserting in lieu thereof "$727";

(13) by striking out "$678" in subsection (m) and inserting in lieu thereof "$800";

(14) by striking out "$770" in subsection (n) and inserting in lieu thereof "$909";

(15) by striking out "$862" in subsections (o) and (p) and inserting in lieu thereof "$1,017";

(16) by striking out "$370" in subsection (r) and inserting in lieu thereof "$437"; and

(17) by striking out "$554" in subsection (s) and inserting in lieu thereof "$654".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$31" in subparagraph (A) and inserting in lieu thereof "$36";

(2) by striking out "$53" in subparagraph (B) and inserting in lieu thereof "$61";

(3) by striking out "$67" in subparagraph (C) and inserting in lieu thereof "$77";

(4) by striking out "$83" and "$15" in subparagraph (D) and inserting in lieu thereof "$95" and "$17", respectively;

(5) by striking out "$21" in subparagraph (E) and inserting in lieu thereof "$24";

(6) by striking out "$36" in subparagraph (F) and inserting in lieu thereof "$41";

(7) by striking out "$53" and "$15" in subparagraph (G) and inserting in lieu thereof "$61" and "$17", respectively;

(8) by striking out "$25" in subparagraph (H) and inserting in lieu thereof "$29"; and

(9) by striking out "$48" in subparagraph (I) and inserting in lieu thereof "$55".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade:	*Monthly rate*
E-1	$215
E-2	221
E-3	228
E-4	241
E-5	248
E-6	254
E-7	266
E-8	281
E-9	[1] 294
W-1	271
W-2	282
W-3	291
W-4	307
O-1	271
O-2	281
O-3	301
O-4	318
O-5	350
O-6	394
O-7	427
O-8	467
O-9	502
O-10	[2] 549

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $316.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $589.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the widow shall be increased by $26 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to the widow shall be increased by $64 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person."

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) One child, $108.

"(2) Two children, $156.

"(3) Three children, $201.

"(4) More than three children, $201, plus $40 for each child in excess of three.".

SEC. 203. (a) Subsection (a) of section 414 of title 38, United States Code, is amended by striking out "$55" and inserting in lieu thereof "$64".

(b) Subsection (b) of section 414 of such title is amended by striking out "$92" and inserting in lieu thereof "$108".

(c) Subsection (c) of section 414 of such title is amended by striking out "$47" and inserting in lieu thereof "$55".

Sec. 204. Section 322(b) of title 38, United States Code, is amended to read as follows:

"(b) The monthly rate of death compensation payable to a widow or dependent parent under subsection (a) of this section shall be increased by $64 if the payee is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

Sec. 205. (a) Section 342 of title 38, United States Code, is amended by striking out "equal" and all that follows down through the end thereof and inserting in lieu thereof "those specified in section 332 of this title.

(b) Section 343 of such title is hereby repealed.

(c) The table of sections at the beginning of subchapter V of chapter 11 of title 38, United States Code, is amended by striking out the following:

"343. Conditions under which wartime rates are payable.".

Sec. 206. (a) The Administrator of Veterans' Affairs shall make a detailed study of claims for dependency and indemnity compensation relating to veterans, as defined in section 101(2), title 38, United States Code, who at time of death within six months prior to the date of enactment of this Act were receiving disability compensation from the Veterans' Administration based upon a rating total and permanent in nature.

(b) The report of such study shall include (1) the number of the described cases, (2) the number of cases in which the specified benefit was denied, (3) an analysis of the reasons for each such denial (4) an analysis of any difficulty which may have been encountered by the claimant in attempting to establish that the death of the veteran concerned was connected with his or her military, naval, or air service in the Armed Forces of the United States, and (5) data regarding the current financial status of the widow, widower, children, and parents in each case of denial.

(c) The report together with such comments and recommendations as the Administrator deems appropriate shall be submitted to the Speaker of the House and the President of the Senate not more than thirty days after the beginning of the Ninety-fourth Congress.

TITLE III—PAYMENT OF BENEFITS TO PERSONS UNDER LEGAL DISABILITY

Sec. 301. (a) Subsection (a) of section 3202 of the title 38, United States Code, is amended to read as follows:

"(a) Where it appears to the Administrator that the interest of the beneficiary would be served thereby, payment of benefits under any law administered by the Veterans' Administration may be made directly to the beneficiary or to a relative or some other person for the use and benefit of the beneficiary, regardless of any legal disability on the part of the beneficiary. Where, in the opinion of the Administrator, any fiduciary receiving funds on behalf of a Veterans' Administration beneficiary is acting in such a number of cases as to make it impracticable to conserve properly the estates or to supervise the persons of the beneficiaries, the Administrator may refuse to make future payments in such cases as he may deem proper."

(b) Subsection (c) of section 3202 of title 38, United States Code, is amended by deleting the phrase "guardian, curator, conservator, or other person legally vested with the care of the claimant or his estate", following the word "any" and inserting "fiduciary or other person for the purpose of payment of benefits payable under laws administered by the Veterans' Administration" and by deleting the word "estates" and inserting the word "benefits".

(c) Subsection (e) of section 3202 of title 38, United States Code, is amended by deleting the phrase "guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate," following the words "hands of a", and inserting in lieu thereof the words "fiduciary appointed by a State court or the Veterans' Administration" and by deleting the phrase "guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate", following the word "such", and inserting in lieu thereof the word "fiduciary".

(d) Subsections (f) and (g) of section 3302 of title 38, United States Code, are hereby repealed.

Sec. 302. Subsection (a)(4) of section 1701 of title 38, United States Code, is amended to read as follows:

"(4) The term 'guardian' includes a fiduciary legally appointed by a court of competent jurisdiction, or any other person who has been appointed by the Administrator under section 3202 of this title to receive payment of benefits for the use and benefit of the eligible person.".

TITLE IV—EFFECTIVE DATES

Sec. 401. The provisions of this Act shall become effective on May 1, 1974, except that title III shall become effective on the first day of the second calendar month following enactment.

The title was amended so as to read: "A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes."

PEACE CORPS AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 12920) to authorize additional appropriations to carry out the Peace Corps Act, and for other purposes.

Mr. MANSFIELD. Mr. President, now that the veterans bill has been disposed of, I ask unanimous consent that it now be in order to call the roll on the Peace Corps bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the question is on passage of H.R. 12920. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent—this has been cleared all the way around—that, in view of the fact that there will be two back-to-back votes, the first one 15 minutes, the second one takes 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk called the roll.

Mr. EASTLAND. On this vote I have a pair with the Senator from Ohio (Mr. METZENBAUM). If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maine (Mr. MUSKIE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mr. TUNNEY), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), and the Senator from Utah (Mr. BENNETT) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. YOUNG) is absent on official business.

I further announce that the Senator from Florida (Mr. GURNEY) is absent due to illness in the family.

The result was announced—yeas 76, nays 9, as follows:

[No. 172 Leg.]

YEAS—76

Abourezk
Aiken
Bartlett
Bayh
Beall
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Cannon
Case
Clark
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Fannin
Fong
Goldwater
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tower
Weicker
Williams

NAYS—9

Allen
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cotton
Ervin
Helms
Scott,
William L.
Stennis
Thurmond

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Eastland

NOT VOTING—14

Baker
Bellmon
Bennett
Biden
Chiles
Church
Fulbright
Gravel
Gurney
Inouye
Metzenbaum
Muskie
Tunney
Young

So the bill (H.R. 12920) was passed.

Mr. SPARKMAN. I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COVERAGE AND PROTECTION FOR EMPLOYEES OF NONPROFIT HOSPITALS

The Senate continued with the consideration of the bill, S 3203, to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from North Carolina may proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. I just want to explain

what the next vote is on. It is on an amendment which I offered to continue in existence the exemption which church-supported hospitals have always enjoyed not to be under the jurisdiction of the National Labor Relations Board.

I think it is pretty bad to allow the regulations of Caesar to go to regulating the affairs of God, and therefore I urge the adoption of my amendment.

Mr. CRANSTON. Mr. President, I ask unanimous consent that I may speak for 2 minutes also.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, the committee position in opposition to this amendment is based upon the fact that many of the hospitals operated by religious orders of one sort or another were built by public funds, or there were public contributions to them under other programs, or they are thoroughly infected with the public interest and subject to various types of public regulation.

It is the feeling of the committee that if we permit an exemption, there will be other requests for other exemptions in other areas of activity. We have had support from a number of the religious groups in our country for inclusion under the NLRA and the workers of their hospitals are certainly entitled to the same protection as workers in all other hospitals would be provided under this bill.

The PRESIDING OFFICER (Mr. HATHAWAY). The question is on agreeing to the amendment of the Senator from North Carolina. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr INOUYE), the Senator from Montana (Mr. METCALF), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maine (Mr. MUSKIE), and the Senator from California (Mr. TUNNEY) are ncessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), and the Senator from Utah (Mr. BENNETT) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. YOUNG) is absent on official business.

I further announce that the Senator from Florida (Mr. GURNEY) is absent due to illness in the family.

The result was announced—yeas 36, nays 50, as follows:

[No. 173 Leg.]

YEAS—36

Allen
Bartlett
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Johnston
Long
McClellan
McClure
McGee
Mondale
Moss
Nunn
Scott, William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower

NAYS—50

Abourezk
Aiken
Bayh
Beall
Bentsen
Brooke
Burdick
Case
Chiles
Clark
Cook
Cranston
Eagleton
Fong
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Montoya
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Weicker
Williams

NOT VOTING—14

Baker
Bellmon
Bennett
Biden
Church
Fulbright
Gravel
Gurney
Inouye
Metcalf
Metzenbaum
Muskie
Tunney
Young

So Mr. ERVIN's amendment was rejected.

Mr. JAVITS. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMINICK. Mr. President, a parliamentary inquiry. There is no time limitation on this bill, is there?

The PRESIDING OFFICER (Mr. BARTLETT). The Senator is correct.

Mr. DOMINICK. Mr. President, unfortunately I got tied up and was unable to make my opening statement earlier. A great many of my views are in the individual views in the committee report.

I think it would be worthwhile, while we have some Senators still in the Chamber, to set forth some of the concerns which are troublesome to me and, I hope, to other Senators.

Mr. President, this bill removes an exemption that has been in effect since 1947 for nonprofit hospitals. The committee has recognized the unique nature of the hospital industry by writing in special requirements affecting labor-management relations including a provision requiring a 10-day notice prior to striking or picketing. I support such special treatment, but I also believe the bill can be improved by the addition of other amendments. The public interest, I believe, in the need for uninterrupted health care delivery at all times is paramount in considering legislation for bringing health care institutions under Federal labor relations laws.

I want to make it clear that I am not opposed to the idea of collective bargaining between management and labor in this area. What I am concerned about, however, is ultimate disruption in health care institutions caused by organization drives and related activities such as strikes and slowdowns.

In many communities in this country, a strike at a hospital could be disastrous because of a lack of alternative systems of health care delivery. Approximately 50 percent of the community hospitals in the United States are in nonmetro areas and in many instances the distance between hospital facilities range from 20 to 70 miles. The situation that we would see if a hospital were to be shutdown in one of these communities would cause the people there to be innocent victims. While the committee has built in a 10-day notice requirement, this requirement provides little relief for patients who need medical care from a hospital shutdown.

Mr. President, I want to interpolate in my prepared statement a little bit. I was in a hospital talking to some of the management just the other day in my own State. They have 75 beds for psychiatric care patients. The 10-day waiting period is supported to be satisfactory so that if the hospital should be shut down they can move the patients to another hospital. But there is no other hospital in the Denver metropolitan area which is equipped or has the ability to take care of 75 psychiatric health care patients. There just is not any. In effect they would be thrown out in the cold in the event of a strike, or lack of ability to reach agreement, or in case pickets were set up and no one could come to the hospital to supply the needs of the patients.

Rural communities with only one hospital would certainly not be the only communities which could be adversely affected. In large as well as small communities with more than one hospital, it is not uncommon that one hospital is much larger in terms of number of inpatients and outpatients for which it can provide services. Again, if that hospital were to be closed by a strike, the subsequent demand on the services of other hospitals in the same community must ultimately result in injury to the public interest—which I interpret in this particular text to mean patient care. In other words, the public interest seems to me to be patient care and not anything else.

Mr. President, many of us are familiar with the stories generated by recent hospital strikes. Just last fall in New York City, workers at 48 voluntary hospitals and nursing homes went out on strike. Headlines that appeared during the strike give a clear picture of what happens when health care institutions face worker strikes: "Strike Curtails Medical Services at Hospitals Here," "Orderlies Jobs Assumed by Hospitals' Executives," "Health Emergency Declared in Strike," "A Bathless Day for the Elderly," "Violence Erupts and Garbage Piles Up in Second Day of Hospital Strike," "Struck Hospitals Discharging Thousands of Patients."

I could go on with similar stories in this strike or in the strike which recently occurred in San Francisco.

Mr. President, the point, I believe, is clear that health care is not a typical industry. Health care delivery by its very nature most often is an immediate service, one in which delay may mean aggravation of sickness and/or death. As pointed out before our committee, hospitals cannot rely on storage yards or warehouses to build up reserve supplies.

It is, I believe, this nature of hospital care which in the end must be the most important consideration in the appropriate treatment for nonprofit hospitals under the NLRA.

In addition, Mr. President, to the need for greater protection from strikes and/or slowdowns, there are several other features of this bill which are of concern to me. This bill, for example, does not have any period of time between enactment and effective date. I do not believe, in fairness to all the parties involved, that this legislation which preempts the laws of several States as well as establishes new rules governing employer-employee relationships in this area, that this bill should become effective immediately. In many communities knowledge of the change in this act and the ramifications of the changes will not be obtained on the date of enactment. More likely, information will be disbursed through regular association newsletters and other informational services which could be weekly, biweekly or even monthly. I believe that time should be given for this type of information to be assimilated and knowledge of the consequences to be gained.

I hope that improvements will be made in this act to better protect the public interest in health care delivery.

Mr. President, during the hearings before our committee in August of 1973, some representatives of the Colorado Hospital Association appeared. I ask unanimous consent that the remarks of Mr. Brekke, president and chief executive officer of the Colorado Hospital Association, and other representatives of the Colorado Hospital Association, be printed in the Record at this point.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Arvid Brekke

I am Arvid Brekke, President and Chief Executive Officer of the Colorado Hospital Association. I wish to thank the Committee for this opportunity to appear and present our concerns related to the proposed changes to The National Labor Relations Act.

The Colorado Hospital Association represents all of the Colorado hospitals including public, private, general and speciality hospitals. Our concern is based on the possibility that passage of S-794 could deprive our patients of their right to uninterrupted care while being treated in our hospitals.

With me are Sister Myra James, the Administrator of Penrose Hospital in Colorado Springs, Colorado, a 374 bed, private, general hospital that would be directly affected by this proposed amendment. She will present the position of the Colorado Hospital Association as Chairman of the Board of Trustees of the Colorado Hospital Association.

Also, with us is Mr. Tom Sangster, Assistant Director/Industrial Relations, a member of the Association staff.

Mr. Sangster and I are here with Sister to present and support the position of the Association and to make ourselves available to answer any questions you might have regarding this stand taken by the Colorado hospitals.

Without further delay, I would like to introduce Sister Myra James, Administrator of Penrose Hospital, Colorado Springs, Colorado, who will present our thoughts on S-794.

As Chairman of the Board of Trustees of the Colorado Hospital Association, which represents 94 public and private, special, acute general and long term hospitals in Colorado, I would like to go on record as informing you that our membership is in opposition to S-794 (H.R. 1236).

We are in support of the American Hospital Association's position that passage of this proposal would be disruptive to patient care. We also acknowledge that in this support, there are degrees of difference in the most perfect solution. These vary from outright defeat of the proposed amendment to varying degrees of additional compromising amendments. However, we wish to make it clear that these slight differences should not be construed to mean there is not a very basic commonality of philosophy in opposition to S-794.

To make this change in the health delivery to patients, as would be initiated by passage of this proposal, seems inconsistent with the stated Right of the American citizen to good health care. Patient care cannot be good patient care unless delivered on an uninterrupted basis. This inconsistency is emphasized by the right of employees to strike a hospital as being a superior status, to that of the patient in receiving the care needed.

The application of the act to the not-for-profit hospital field could do nothing more than compound the acute problems in the health delivery system that now exists. One needs only to consider the fact that the act is built on the economic principle of profit. In striving to obtain what labor and management thought was their fair share, it became necessary to develop some rules to this profit business environment that would insure an orderly process of reaching a solution. Since this basic premise of an economic gain for individuals is not present in the not-for-profit hospital system, it means the underlying reasoning for the act is not applicable to the health care field. In addition, just developing an orderly process to resolve disputes falls far short of the guarantee needed by hospital patients to their right to continuing health care. The attempt to build this mountain of labor relations legislation on top of a field, whose purpose for existing is to bring relief to the ill and injured, is inconsistent with the American way of helping those that are in need of help.

The delivery of patient care goes well beyond just being a business. It is of a personal nature between the individual receiving the care (be it a child in a specialized children's hospital, an unconscious emergency patient needing immediate life saving attention in a general hospital or a geriatric patient in an extended care unit) and that particular individual giving the care. As such, to treat such a personalized relationship as just another national industry by swallowing it up in an all encompassing legislation is wrong.

It has, and continues to be, the position of the Colorado Hospital Association that the delivery of health care in hospitals is a local issue in nature and any disruptions of service created by management and labor differences are acute only to those in the immediate geographical area. As such, the rules surrounding the resolving of such differences should be, and can best be, initiated and carried out by those individuals close to the problem. We contend that the most equitable means by which these differences can be resolved is through rules, regulations and statutes generated by those people at the State level.

A review of the position of those that have come before this Committee would indicate that our reasoning is correct. You will note that the States having understandable and workable statutes have presented the case that they can best handle their own problems on the State level. Whereas, those that have State laws that present many problems are asking for passage of this amendment to the act with the hope of alleviating their problems. This indicates good (or bad) State laws and local regulations are effective in expediting relief in labor problems (or compounding the same).

The proponents of this amendment would suggest that its passage would eliminate the strike for recognition and thereby put an end to strikes in hospitals. This could not be further from the truth. First, the act as it now exists, does not prohibit recognition strikes and secondly only a cursory inspection of the strikes against hospitals in the past few years would show they were predominantly for reasons other than recognition. The very need for the existence of hospitals and their need to be in continuous operation is incompatible with the manner by which the approach to settlement of industrial strikes is handled under the act.

This inverse relationship between problem and solution makes it impossible for the Colorado Hospital Association to accept the premise that passage of this amendment to the act would benefit the citizens of the State of Colorado.

Not to point out the mechanical shortcomings of the act as applied to the health care delivery field would be an act of omission on our part even though these points have been brought up earlier and no doubt will be discussed later, However, we would like to concentrate quickly on five points.

To have strikes in the health care institution would not serve the public's best interests in any way. The argument that there is injunctive relief is shallow indeed when reviewing the amount of time required to obtain such a relief. As such, the act, as it stands now, does not address itself to this very acute problem.

Compulsory arbitration has been suggested by many people as the solution of the strike problem. Such compulsory arbitration could be considered as a "trade off" to a no strike clause. We find this to be objectionable for two reasons: 1) someone not faced with a cost of settlement, interruption in the service and no true understanding of the nature of the particular health care institution is not the most qualified to solve any of their problems; 2) when compulsory arbitration is built-in in advance all parties concerned have a tendency to hold off getting down to the task of solving the issue. They play their highest card when it counts, that is, with the arbitrator. The result of this is an interruption of service for a longer period of time than would normally be the case.

Determining the bargaining units in hospitals could become a nightmare. There are approximately two hundred potential bargaining units as now defined by the act within the walls of almost every hospital. Such a proliferation of units would make contract negotiations impossible.

Just who is and who is not management? Particular considerations must be given in a hospital to the professional groups that are employed therein. Examples are residents, interns, nurses, etc. The 7-day week, 24-hour a day operation creates a need for a great deal more supervision than is found in most non-hospital settings. In this case, individuals holding non-supervisory positions may, at some time during the term of their employment, find themselves in a position of supervision. The act, as it is now written, does not take into consideration this problem.

Finally, the open shop needs of a hospital are not given the consideration required. The nature of the health care professionals must be recognized beyond that allowed in the act. There must be an opportunity for those employees whose preference is to relate to their professional organization, rather than to a non-professional collective bargaining representatives to do so through the open shop.

These are only a few of the technical problems now existing in the act. Those who ask for favorable consideration of the proposal say the need for affirmative action is to create better management of the hospitals. It is our contention that these points alone are enough to show that passage would make hospital management even more complex and the patient would be the one hurt.

If it is the opinion of the members of this committee that the employee rights, through collective bargaining, to strike and create an interruption of health care delivery, demand a higher return in the form of wages or benefits which must come directly from the patient and thereby increase his cost for services and to dictate the form of the health care service to be delivered by the hospital, then an affirmative vote would be cast for the act. However, if the members of the committee feel that the health care delivery employee's rights are not superior to that of the patient, the employee should not have the right to interrupt the health care of the patient, dictate a much higher price he must pay and determine the degree of service the patient will get, then we ask for a negative vote on this proposal.

AMENDMENT NO. 1211

Mr. DOMINICK. Mr. President, I call up my amendment No. 1211.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill, add the following new section:

SEC. 2. The amendments made by this Act shall become effective on the sixtieth day after its date of enactment.

Mr. DOMINICK. Mr. President, I should like to modify my amendment by changing the word "sixtieth" to "thirtieth."

The PRESIDING OFFICER. The Senator has a right to modify the amendment.

The amendment is so modified.

The modified amendment is as follows:

At the end of the bill, add the following new section.

SEC. 2. The amendments made by this Act shall become effective on the 30th day after its date of enactment.

Mr. DOMINICK. Mr. President, this amendment deals with the subject that I mentioned in my opening statement. I hope the manager of the bill will accept the amendment.

Instead of becoming effective on the date it may be signed by the President, my amendment allows 30 days to pass, so that news of these changes can be disseminated to interested parties and they can revamp their procedures accordingly.

On the possibility that this bill might pass, many union people are already organizing among themselves as to what action they intend to take insofar as the hospitals are concerned. That is all right, so far as they are concerned. But many of the rural hospitals do not have the faintest idea that this bill is going to pass or what it may mean so far as their operations are concerned.

So I ask the manager of the bill if he will respond, so that I have some idea about how people feel about it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. TAFT. I am happy to respond to the Senator.

I think the Senator has pointed out a practical problem. Perhaps it is not quite as serious as the Senator has considered, because I know that the hospital associations, in which I believe all hospitals are involved, or nursing home associations have been sending out bulletins regarding this measure and alerting their membership to extension of the act.

Of course, there will be a delay after the Senate acts, if the Senate passes the bill, and a delay before the House acts before the bill can become law. However, I see nothing to be lost by taking a reasonable time for the effective date, and the 30-day modification of the amendment is a satisfactory time.

I can speak for the rest of the managers of the bill and for myself in saying that I would be willing to accept the 30-day period that the Senator has suggested.

Mr. DOMINICK. I sincerely thank the Senator from Ohio. I have worked with him on a number of other cases and problems, and he is exhibiting his usual degree of flexibility and fairness, which I sincerely appreciate.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOMINICK. Mr. President, Senator Tower is planning on bringing up his amendment at 2:30, and it is a fairly extensive amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. TAFT. I have a question with regard to part of the Senator's opening statement.

With regard to the 10-day notice of strike provision, I listened with a good deal of interest to the Senator's discussion of the problems that have arisen in New York in recent months with regard to strikes and the circumstances of patients in these hospitals.

I concur with the Senator. The reason why I have moved ahead with the proposed legislation is that I feel it is a degree of protection that does not exist today for the patients and would not exist by a simple extension of the National Labor Relations Act. The 10-day extension which we have included in the bill, plus the mandatory participation of the Mediation and Conciliation Service, is designed in that direction, and I think is properly designed in that direction, rather than going the route that the Senator seems to imply—a strict no-strike clause.

My question is this: Is it not true that the strikes that have occurred, that we have heard about in the press and in which I believe there has been severe jeopardy to the patients involved, have occurred in New York, a State in which it is illegal to strike a hospital. The strike the Senator refers to was also I believe a violation of the Economic Stabilization Act.

Mr. DOMINICK. I do not have the faintest idea, except that I had thought that in New York they permit a strike in hospitals.

Mr. TAFT. There is a strike prohibition as I understand it.

Mr. DOMINICK. Therefore, a strike was illegal and it happened anyway.

Mr. TAFT. Yes.

What I am trying to say to the Senator is that even if there is a no-strike clause put into effect, it is not going to stop strikes, and it is not going to take care of the patients' problems. What we need is a resolution of the difficulties and a method of resolving them that is going to prevent strikes from occurring. The best approach is to improve labor relations in these areas and improve the method of working out the differences, before the strikes occur.

Even with this bill, strikes will not be prevented. They will be reduced, especially in the recognition area. Even with a strike ban under this bill, strikes still will occur, under given circumstances.

Mr. DOMINICK. It is hard for me logically to understand how we are going to have fewer strikes when we specifically permit strikes under certain requirements in Federal law. So I have trouble with that. In any event I am not offering a no-strike clause. I have not suggested that we do. What I have suggested, and that would be the amendment I shall bring up next, and I hope serious consideration would be given to it, is a 60-day cooling off period.

Mr. President, I now call up my amendment No. 1212.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. DOMINICK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

At the end of the bill, add the following new section:

SEC. 2. The National Labor Relations Act is amended by redesignating title V (and all references thereto) as title VI and by redesignating sections 501 through 503 (and all references thereto) as 601 through 603, respectively, and by inserting immediately after title IV the following new title:

"TITLE V—COOLING OFF PERIOD IN LABOR DISPUTES IN THE HEALTH CARE INDUSTRY

"SEC. 501. (a) Whenever, in the opinion of the Director of the Federal Mediation and Conciliation Service a threatened or actual strike or lockout affecting a health care institution will, if permitted to occur or to continue, substantially interrupt the delivery of health care in the locality concerned, the Director shall establish a board of inquiry to invesigate the issues involved in the dispute and to make a written report to him within thirty days after the establishment of such a board. Each such board shall be composed of such number of individuals the Director may deem desirable. No member appointed under this section shall have a pecuniary or other interest in any employee organization or any health care institution involved in the dispute which is the subject of the inquiry of the board.

"(b)(1) Members of any board established under this section who are otherwise employed by the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out its duties under this section.

"(2) Members of any board established

under this section who are not subject to paragraph (1) shall receive compensation at a rate prescribed by the Director but not to exceed the daily rate prescribed for GS–18 of the General Schedule under section 5332 of title 5, United States Code, including travel for each day they are engaged in the performance of their duties under this section and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties under this section.

"SEC. 502. After the establishment of a board under section 501 of this title and for thirty days after any such board has furnished its report to the Director, no change in the status quo in effect prior to the expiration of the contract in the case of negotiations for a contract renewal, or in effect prior to the time of the impasse in the case of an initial bargaining negotiation except by agreement, shall be made by the parties to the controversy.

"SEC. 503. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.".

Mr. DOMINICK. Mr. President, I think I can explain the amendment to my distinguished friend from Ohio and to those who read the RECORD. I can explain the amendment quite simply.

What I am trying to do here is to give the maximum flexibility so that those workers who feel they are aggrieved and have been unable to reach an agreement on what they think are their rights, and the hospital group trying to run a hospital and thereby protect the patient, will, when they reach an impasse, have a 60-day cooling off period before any strike can be put into effect. It does not seem to me that that would be difficult.

It is not as though we would be doing something new. The Railway Labor Act has a cooling off period of a very substantial nature, 90 days. Surprisingly enough, this has put us in a pretty good position before in this Congress, and I do not mean the 93d Congress; I mean since I have been in Congress. It has helped materially to straighten out strikes which otherwise would be almost a national disaster.

Under the bill as written there is no definitive resolution in the bill for impasses in bargaining. My amendment would not be a definitive resolution either, but would simply add one additional requirement before the alternate means to break an impasse, namely a strike, could be employed.

My amendment would allow the director of the Federal Conciliation and Mediation Service once the prescribed procedures under S. 3203 have been exhausted to implement a "60 day cooling off" period if in his judgment the interest in the public in uninterrupted health care delivery would be jeopardized by a threatened strike. During that 60 day period a special panel would be appointed to make findings and report recommendations within 30 days after the "cooling off" period began.

He would not have to put it in but he can use it if he wants to. During that 60-day period a special panel would be appointed to make findings and report recommendations within 30 days after the "cooling off period" began.

I know there are house staff physicians who are in favor of this bill. They have called me and talked to me both in my State and here. They have said that house staff physicians or physicians of any kind would never go on strike. When I asked if that would also apply to people who work in the hospitals who are not physicians and who are not medics. Their answer was that they said they have no idea. If the dining room, the cafeteria and special food servicees are shut down by a strike a hospital can effectively be crippled just as if the doctors were on strike. So my amendment provides for a 60-day cooling off period.

Mr. President, I again would point out to my colleagues that my amendment is not an original concept in the field of labor relations. This type of authority exists in the Railroad Act in which the President himself can call for a cooling-off period. In that case as in this, a decision was made in passage of the legislation that the uniqueness of the services provided called for specialized treatment. I submit that in the area of health care delivery, the need for such a treatment is just as strong.

I believe that my amendment will aid in resolving some of the major problems with this bill as they relate to the closing down of health care institutions in at least three different circumstances.

First of all, every State in the Union has, I believe, rural localities in which there is only one hospital serving a significant number of people. In my own State, for example, there are at least 40 communities being served by one and only one hospital within the community. In many instances if that hospital were to be shut down by a strike, the nearest available hospital facility would be at least 20 miles away. I emphasize that that is only a minimum figure and in some cases the distance is much greater. It seems rather basic that closing down a hospital in any one of those communities is certainly not in the public interest.

Even if it were in the public interest it certainly is not going to help the patients, and I think they are the special interest in this case.

Second, there also exists the situation in which the services provided by one health facility are much larger and more extensive than the available services in the same community or area. Such a situation is not limited to "rural" communities, for there are many urban areas in this country where one or two hospitals are much larger than the others combined. Again, in my own State, for example, one hospital in the city of Colorado Springs is twice as large as any other hospital in the city.

If that big hospital were to close down, there are not the facilities to take care of the patients who would be evicted from the hospital. Probably this is true at Massachusetts General Hospital, is probably true in Chicago, and in a variety of other areas. I believe it is true in a great many areas of our country.

Third, there are situations in every metropolitan area in this country in which there exists large, highly specialized hospitals providing treatment for a very limited number of types of patients. I refer, of course, to hospitals treating children only, or psychiatric patients only, or as we have in Denver, hospitals treating asthmatic patients.

There is no way other hospitals can take up the slack and provide the expertise which these particular hospitals have developed over a period of time.

Mr. President, these are three situations in which the paramount public interest will not be served by the threats of work stoppages or strikes. I am sure that there are many others. I believe that additional safeguards in the bill, especially such as my amendment which requires a finding of jeopardy to delivery of health care, are needed.

So it seemed to me that despite the very fine work of the Senator from Ohio (Mr. TAFT) in trying to get the necessary procedure together to prevent any disruptions of patient care, we do not have the safeguards in this bill such as provided in the amendment which I offer.

My amendment does not alter the nature and intent of this bill: extension of the NLRA to nonprofit hospitals. It does, however, provide an additional protection for the public by requiring the parties to go through an additional period of time during which period additional efforts would be made to resolve the impasse. I submit that such a requirement is in the public interest, and I would urge my colleagues to adopt the same.

Mr. TAFT. Mr. President, as I understand the amendment offered by the Senator from Colorado, it would give the Federal Mediation and Conciliation Service authority to appoint a board of inquiry within 30 days of a threatened or actual strike or lock out affecting a health care institution. The applicable standard would be a local one. The director of the service would appoint a board of inquiry to investigate the issues or potential issues and have such report completed within the 30-day period. For the 30-day report period and 30 days after such report has been furnished no change in the status quo would be permitted.

While I certainly can understand the motivation on the part of the Senator in offering the amendment, I question whether it is an advantageous procedure to establish. First, I do not believe it would be proper to involve the FMCS in a dispute with regard to fact-finding. The mediation service is to be a neutral party to resolve disputes. The procedure established in the amendment would tend to place the service in a non-neutral stance on issues subject to bargaining.

Second, S. 3203, has already numerous built-in protections, including a provision for mandatory mediation. As the Senator is no doubt aware, section 8(d) of the National Labor Relations Act would be expanded to apply to initial contract negotiations and the current 60-day period of prior notification would be expanded to 90 days. These additions to the act, I believe, are responsive to the problems that the Senator is concerned with.

Third, the proposed cooling-off period would have the potential to heighten tensions and prolong negotiations. As was pointed out during the last Congress in considering procedures to alleviate emergency strikes, statutory cooling-off procedures have a tendency to become automatic and used as leverage by either party to the dispute and in fact do not bring agreement. I question whether such procedure particularly is applicable to labor disputes in health care institutions, as a hospital might be placed in an extremely difficult position and perhaps be forced to settle on unreasonable terms due to public pressure to keep the hospital open.

I noted with some interest the Senator's analogy to the National Labor Railway Act. The Railway Labor Act procedure with respect to work rules and cooling off periods is hardly ideal.

I therefore ask that the amndment be defeated. I do not think it would help in the passage of this bill, and I do not think it would provide us with the necessary or desirable mechanism to add to the already carefully worked out protections that have been written into the bill.

If in the future the Congress finds that the provisions of the bill are not working in this proposed legislation, changes such as a cooling-off period should be considered as I stated; however, I do question inclusion of the Federal Concilitation and Mediation Service in any dispute. I cannot support the Senator's amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 12993. An act to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years, and for other purposes; and

H.R. 14368. An act to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1115. An act to amend the Controlled Substances Act to provide for the registration of practitioners conducting narcotic treatment programs;

H.R. 9293. An act to amend certain laws affecting the Coast Guard; and

H.R. 11793. An act to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. ALLEN).

HOUSE BILL REFERRED

The bill (H.R. 12993) to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

ORDER TO HOLD H.R. 14368 AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 14368, which has just come over from the House, be held at the desk indefinitely.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. MANSFIELD. There are some questions that the leadership wants to work out in respect to this bill. That is why I made the request.

Mr. TAFT. Mr. President, I was unable to hear the majority leader.

Mr. MANSFIELD. I asked that a bill sent over from the House be held at the desk so we can work out some questions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

COVERAGE AND PROTECTION FOR EMPLOYEES OF NONPROFIT HOSPITALS

The Senate continued with the consideration of the bill, S. 3203, to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOMINICK. Mr. President, I just want to make a couple of comments on what has been said by the Senator from Ohio (Mr. TAFT), who is very reasonable, as usual. I first ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. DOMINICK. The Senator from Ohio, I think, may have misstated himself or did not fully understand the amendment. It does not give just 30 days, it gives 60 days, and the Federal Mediation Service is not involved except to the extent of picking a board, which then has 30 days after it has been picked to determine what the issues are and determine how they might best be solved.

Then the Federal Mediation Board takes that report from the Board after 30 days, and has the right at that point to decide whether the report is good. If it is no good, it just throws it out. But, hopefully, it would go a long way toward resolving whatever differences there may be between the hospitals and the employees.

This is nothing new, as I said before. It is used in the Railway Labor Act. It is a system which gives, I think, more protection to the patient. I am primarily concerned in this whole debate with protecting the patients in hospitals. I am not nearly as interested in protecting the doctors or protecting the people who are in the cafeteria or protecting the people who are running the telephone service. They are all fine people, I am sure, but when we get into an impasse of this kind, it would seem to me the 60-day cooling off period would be very, very useful.

I might also say that the Federal Mediation and Conciliation Service does not have to set up a Board. It does not have to get into that at all if it does not want to. It is only when it has been decided that a particular strike or lockout affects the health delivery service, if permitted to continue, which would substantially interrupt the delivery of health care in that locality, that it would then establish a board; but it would not have to do so if it did not make that finding.

So the finding is not necessarily a statement that the hospital is wrong or that the workers are wrong. It is just the fact if it comes to an impasse that is going to substantially hurt anybody.

For the life of me, I cannot understand why this is not a good amendment.

Mr. TAFT. Mr. President, I understand, of course, that this is a 60-day period that the Senator is discussing and that the Federal Mediation and Conciliation Service would not itself make the findings of fact that are involved, but it seems to me that there is really not too much difference. The point I am making is that the involvement in the fact-finding process by the appointment of the fact-finding board, and then the judgment of the Conciliation Service as to whether the findings are good or are not good, involves it as a judge rather than as a mediation and conciliation function in the entire labor-management process.

Insofar as protecting patients is concerned, I agree wholeheartedly that that is the primary objective of the legislation, but the only way—I hope I have already pointed out—that we are likely to protect the patients and improve the situation as it currently exists is to improve the method of settling labor-management arguments as they occur in the health care field. We have attempted to do that. That is the purpose of the legislation.

I pointed out earlier, and I ought to do it for the RECORD now, is that it is true, of course, that the national emergency provisions that are in the law, as well, presumably, as any amendment we enact with regard to emergency provisions, would apply to the health care field.

Such a provision would only apply to national emergencies. I do not think a cooling-off period is necessary or desirable. It is conceivable that in this industry there could be, at some point, an emergency that would justify a cooling-off period, but I do not think a cooling-off period is necessary or desirable. In fact, I think it would be disruptive in the field of labor relations at this time. That is the reason why I oppose the amendment.

Mr. DOMINICK. Mr. President, I ask unanimous consent that the Senator from Florida (Mr. GURNEY), the Senator from Tennessee (Mr. BAKER), and the Senator from Kansas (Mr. DOLE) be added as cosponsors of my amendment No. 1215.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMINICK. I ask unanimous consent that Mr. Gary Lieber, who is the staff aid of the Senator from Texas (Mr

Tower), be granted the privilege of the floor during the debate and votes on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I am opposed to the amendment. That is the reason why I obtained from the major unions in the field a commitment on voluntary arbitration. All that this amendment would do would be to extend the 10-day cooling-off period to 60 days. That is what it really gets down to, and also to try to bring this branch within the purview of the Taft-Hartley Act injunction, which it does not reach now, in the main, because these are relatively local activities and do not qualify for a Taft-Hartley injunction.

The real issue is, How do we get the frequency of strikes and the length of strikes curtailed for hospitals? That is really keeping our eye on the ball. Superficially, it may appear well, if we give them a cooling-off period, that they will not go on strike. But if we adopt the pending amendment, that will be the end of the bill, because labor will be strongly opposed to it. I have grave doubts whether it will pass either here or in the other body.

At the very least, we place it in jeopardy, and the question is, For what benefit? The benefit is that they would get, allegedly, 50 more days. But even that benefit is not certain, because if the unions want to strike, they will strike after the 60-day period and they may well violate the law, whatever the cooling-off period is. We have seen that happen in New York. Therefore, from the point of view of stability, a commitment to voluntary arbitration, it seems to me it is a better tradeoff in the interests of the community than if a 60-day cooling-off period is guaranteed or cranked into the law in all of these cases.

It is interesting to note that we have a big organization of voluntary hospitals in New York. Indeed, it involves the same voluntary hospitals that were struck last year. I shall read into the Record from a statement by the League of Voluntary Hospitals. I will put the whole letter in the Record, so that everybody can read it. The particular statement I should like to read is as follows. The letter is dated March 13, 1974. It reads, in part:

> In recent conversations with your staff, we have discussed several proposals for including in the legislation provisions which would help insure the peaceful resolution of disputes in health care institutions to the end that continued patient care may be assured. Among the matters discussed was a proposal for the creation of discretionary authority at the federal level to appoint a body empowered to make public recommendations for the settlement of labor-management disputes where health care in a particular region may be jeopardized.
>
> The League would oppose such procedures at the federal level and would regard such measures as counterproductive to the appropriate resolution of disputes in this area.

Mr. President, I ask unanimous consent that the entire letter that I have received, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

League of Voluntary Hospitals
and Homes of New York,
New York, N.Y., March 13, 1974.

Hon. Jacob K. Javits,
U.S. Senate,
Washington, D.C.

Dear Senator Javits: We are writing to you once again regarding the proposed legislation which would remove the exemption of non-profit hospitals from the provisions of the National Labor Management Relations Act, as amended.

In recent conversations with your staff, we have discussed several proposals for including in the legislation provisions which would help insure the peaceful resolution of disputes in health care institutions to the end that continued patient care may be assured. Among the matters discussed was a proposal for the creation of discretionary authority at the federal level to appoint a body empowered to make public recommendations for the settlement of labor-management disputes where health care in a particular region may be jeopardized.

The League would oppose such procedures at the federal level and would regard such measures as counterproductive to the appropriate resolution of disputes in this area.

By far the major share of the operating income of League hospitals is made available by third party payors—principally Associated Hospital Service of New York (Blue Cross) and the Medicaid Program. Although federal economic stabilization controls have had an impact on these reimbursement programs, the major controls over such expenditures and the day to day administration of such programs resides at the state level. As you know, since 1969, hospitals and homes in New York State have been subject to a cost control program adopted by the New York State Legislature and administered by the New York State Department of Health.

Based upon our experience over a number of years in negotiating with various unions, labor-management disputes which might be appropriate for a form of government or public intervention involve the funding of various proposed settlements between the hospitals and the unions. In other words, the ability to pay is always of prime concern. Thus, such issues become uniquely "state oriented" due to the measure of control exercised by the state over available funds. In the past, disputes between the voluntary hospitals and various unions have, in fact, been resolved through the involvement and assistance of state officials who are best in a position to deal with the financial issues which are invariably entwined with the more traditional labor-management issues.

Thus, to create a formal procedure for *federal* public recommendations would be to separate issues which must frequently be determined together. Such a procedure would in our view, make resolution of labor-management disputes more difficult rather than less so.

Ample opportunity and authority exists at the state level for public recommendations or similar procedures and such methods have, in fact, been used in the past and may be expected to be used again in the future, notwithstanding the removal of the exemption under the Taft-Hartley Act. Moreover, the assistance and interest of the federal government in such disputes will be amply provided for by involving the Federal Mediation and Conciliation Service in the negotiation process as presently contemplated by the proposed legislation.

Your continued assistance and attention to our concerns regarding this legislation is very much appreciated.

Very truly yours,

William J. Abelow.

Mr. JAVITS. Mr. President, the point is that the people on the ground, who are having negotiations—labor-management negotiations—have themselves—and certainly one would think that a tool such as that suggested by the Senator from Colorado (Mr. Dominick) would be very appealing to them—nonetheless, they feel, from the point of view of pragmatic relationships with labor, they are better off without it. It is not enough, it does not compensate them for the disadvantages.

As I say, this provision has flushed out four declarations of principles from the highest union sources, which I think are more valuable to us. I believe it is fair to say that they would not consider themselves bound by their declarations if we adopted this amendment.

In addition to that, I do not think this legislation will go anywhere with this provision in it. But I should like to say this to the Senator from Colorado, because he was not here when I spoke before. I am not trying to persuade him. I greatly admire his consistency and convictions in this matter. I simply call attention to what I said before. It seems to me that these commitments we have from the unions, although I realize that the Senator from Colorado does not feel that it is an adequate trade-off—but it seems to me that with the commitments we have from the unions, it possibly puts us in a stronger position to act on an ad hoc basis if we run into particularly nasty situations. We have done that in some cases where a regional strike occurred, to wit, the longshoremen on the west coast.

It seems to me that we need this bill; that it will, in fact, stabilize labor relations in this field, and that the total trade-off—and that is what it is—the Senator from Colorado (Mr. Dominick) is entitled to his opinion, and I know that it is equally sincere and valid as my own—but I am firmly convinced that we are better off with the bill as it now stands together with the commitments to voluntary arbitration I have received.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, especially the attention of the Senator from Colorado, the Senator from New York, the Senator from Texas, the Senator from Ohio, the Senator from New Jersey, the Senator from Alabama, and the distinguished acting Republican leader, I should like to propound a unanimous-consent request relative to the pending business.

The yeas and nays have been asked for on the pending amendment, and a vote will occur shortly. There may be one or two other amendments offered this afternoon.

At the appropriate time, I should like to ask unanimous consent that the pending business be laid aside, to be returned to at 11 o'clock on Tuesday morning next; that there be a 3-hour limitation on the so-called OSHA amendment to be offered by the Senator from Colorado (Mr.

DOMINICK); and that the vote on the pending business occur at not later than 6 o'clock Tuesday evening.

If that request were granted, then it would be the intention of the joint leadership to turn immediately to H.R. 11385, an act to amend the Public Health Service Act, hopefully to try to finish that this afternoon, and if that is done, there would be no session tomorrow.

I make that unanimous consent request with, I think, the approval of all concerned, waiving rule XII.

Mr. JAVITS. Mr. President, if the Senator will yield, it is with the approval of all concerned, but I want to be very clear on a few things.

Mr. MANSFIELD. Yes.

Mr. JAVITS. We would not be inhibited from a motion to table any amendment?

Mr. MANSFIELD. Not at all.

Mr. JAVITS. Second, it would be understood that the leadership would take care that Members who have amendments may have an opportunity not only to present them, but to discuss them, in view of our own personal intercession and cooperation?

Mr. MANSFIELD. The joint leadership would do that to the best of its ability.

Mr. JAVITS. This is very important when you set a time to vote. And that on amendments to amendments, and so forth, the usual rule would obtain?

Mr. MANSFIELD. With the exception of the 3-hour OSHA amendment.

Mr. JAVITS. What about the germaneness rule?

Mr. MANSFIELD. I am concerned about that.

Mr. GRIFFIN. I am also, frankly, because it would be difficult to get an amendment germane to this very, very limited Taft-Hartley provision.

Mr. JAVITS. I would say that is very essential in this case.

Mr. MANSFIELD. If the Senator from Michigan will yield, I ask unanimous consent that the agreement be in the usual form.

Mr. GRIFFIN. Does that mean that the amendments must be germane? I could not agree to that.

Mr. MANSFIELD. If the Senator has in mind a particular amendment——

Mr. JAVITS. Mr. President, if we set a time to vote on other amendments, and we run into unfortunate things we can move to table, the Senate should be sympathetic, under those circumstances, to a tabling motion.

Mr. MANSFIELD. If that is the wish of the chairman of the committee and the assistant Republican leader, I would be glad to amend by unanimous-consent request that nongermane agreements may be offered.

Mr. GRIFFIN. Although I do not like to leave agreements open to nongermane amendments, in this instance none of the amendments that have been submitted, the Tower amendment, the Dominick amendment—none of them would be germane as I understand the rule of germaneness.

Mr. JAVITS. May I make a suggestion? Could we confine the amendments to labor-management relations? Otherwise, we could get busing and all kinds of things.

Mr. GRIFFIN. Could we include matters relating to nonprofit hospitals?

Mr. JAVITS. And to labor-management relations.

Mr. GRIFFIN. Nursing homes and homes for the elderly?

Mr. JAVITS. All right. That suits me.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, and I shall not object, I appreciate the leadership, both the distinguished majority leader and the distinguished assistant minority leader, working out this request. This would mean, as I understand it, that the education bills would not come up on Tuesday.

Mr. MANSFIELD. Yes.

Mr. ALLEN. The Senator from Alabama must be in Alabama on Tuesday to cast his vote in favor of himself in the Democratic primary being held on that date.

So I appreciate the Senator's arranging this procedure.

Mr. MANSFIELD. The Senator from Alabama, who is always so considerate, can always be sure, as can the Senator from Ohio, who has the same problem, that their rights and interests will always be protected at all times.

Mr. JAVITS. Mr. President, if the Senator will yield further, to suit Senator DOMINICK's needs, I ask unanimous consent that the unanimous-consent agreement as to the 3-hour provision for his amendment may provide 2 hours for the Senator from Colorado (Mr. DOMINICK), and, if agreeable to the Senator from New Jersey (Mr. WILLIAMS), 1 hour for us, which Senator WILLIAMS will control.

Mr. DOMINICK. Mr. President, I ask that because I have 20 cosponsors, and I am sure every one of them will want to talk.

Mr. JAVITS. And then that the agreement be in the usual form, except as to the germaneness agreement?

Mr. MANSFIELD. That is right.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. I add to the request, on the 3-hour OSHA amendment, 2 hours to be under the control of Senator DOMINICK and 1 hour to Senator JAVITS.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, may I repeat, for the information of Senators present, if we can dispose of the amendments which are to be offered this afternoon, it would be the intention of the joint leadership then to go on the health service bill, and hopefully to finish that, so that we would not come in tomorrow.

One further request, Mr. President. I ask unanimous consent that the order agreed to and entered into by the Senate yesterday covering S. 2986, which contains the wage-price control provisions, monitored or otherwise, be modified to make it effective next Thursday rather than next Wednesday.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Under the same proviso.

The PRESIDING OFFICER. Without objection, it is so ordered.

COVERAGE AND PROTECTION FOR EMPLOYEES OF NONPROFIT HOSPITALS

The Senate continued with the consideration of the bill S. 3203, to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

Mr. DOMINICK. Mr. President, I shall not delay the Senate much longer, but I just want to ask the Members if they will please read the amendment.

With regard to some of the comments that were made by my very good friend from Ohio, the Federal Mediation Service is involved only to the extent of appointing a board, which is required to have no pecuniary or other interest in either side of the dispute.

Second, that board, which is totally independent, operates for 30 days to see whether or not it can work out the problem and make recommendations.

Third, the Director does not have to accept those recommendations if he does not want to. He can continue them as they debate, or can ignore them, whatever he wants to do.

What the amendment does do is provide 60 days additional time in order to protect patients who are in the hospital, to enable them to keep themselves from being tied up in a strike or lockout, or bargaining position.

I have listened to my friend from New York, and he has talked about what the unions say they will or will not do. I do not know, in Colorado, what unions will be involved. We are not unionized in our hospitals. Maybe the Senator's New York hospitals are, but ours are not, and I do not know how many jurisdictional fights we will have.

A jurisdictional fight can be the most bitter of all the labor fights that I know of. If we have jurisdictional fights, and people try to negotiate and bargain back and forth as to what kind of collective bargaining unit will be available, we could find all the hospitals tied up in the metropolitan area of Denver, which includes 50 percent of the whole population of our State. If all of those hospitals are tied up, there is not available within our whole State the possibility of taking care of the patients which are represented by the hospitals in that area.

All this proposal does is say, "Give us 60 days and let us try to work it out, if it looks like a strike or a lockout is going to be an imminent problem as far as the public health of that locality is concerned." I sincerely hope that Senators will read this amendment and think about it, because I think it is a very effective way of improving the bill.

Mr. JAVITS. Mr. President, we are ready to vote.

The PRESIDING OFFICER (Mr. BARTLETT). The question is on agreeing to the amendment of the Senator from Colorado (Mr. DOMINICK). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Ohio (Mr. Metzenbaum), the Senator from Maine (Mr. Muskie), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mr. Tunney) and the Senator from Ohio (Mr. Metzenbaum) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from Kentucky (Mr. Cook), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. Young) is absent on official business.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Florida (Mr. Gurney) would vote "yea."

The result was announced—yeas 37, nays 49, as follows:

[No. 174 Leg.]

YEAS—37

Allen
Bartlett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Chiles
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Hansen
Haskell
Hathaway
Helms
Hollings
Hruska
Johnston
Long
McClellan
McClure
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower

NAYS—49

Abourezk
Aiken
Bayh
Beall
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Eagleton
Hart
Hartke
Hatfield
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Taft
Weicker
Williams

NOT VOTING—14

Baker
Bellmon
Bennett
Church
Cook
Fulbright
Gravel
Gurney
Inouye
Metzenbaum
Muskie
Stevens
Tunney
Young

So Mr. Dominick's amendment (No. 1212) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I ask unanimous consent that I may yield to the Senator from Ohio without losing my right to the floor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent to call up a technical amendment prepared by the committee staff. I send the amendment to the desk.

The **PRESIDING OFFICER.** The amendment will be stated.

The amendment was read, as follows:

On page 3, line 10, strike out "picketing, striking," and insert in lieu thereof "strike, picketing".

On page 3, line 16, strike out "sentence" and insert in lieu thereof "subsection".

Mr. TAFT. Mr. President, the amendment is solely technical in nature. It does not change the substance of the bill in any way. I ask for its adoption.

The **PRESIDING OFFICER.** The question is on agreeing to the Senator from Ohio.

The amendment was agreed to.

Mr. TOWER. Mr. President, I ask unanimous consent that I may yield to the Senator from West Virginia, without losing my right to the floor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MATHIAS TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate today proceeds to the consideration of H.R. 11385, Public Health Service, the distinguished Senator from Maryland (Mr. Mathias) may be recognized for not to exceed 5 minutes, for the purpose of introducing a bill and making a statement thereon, without the time being charged to either side on the Public Health Service bill.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. Mr. President, I ask unanimous consent that I may yield to the Senator from Arizona, without losing my right to the floor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may be absent from the Senate on May 9 to visit Fort Rucker, Ala., on behalf of some Senate Armed Services duties.

Mr. TOWER. Mr. President, reserving the right to object, would the Senator clarify what he intends to do there?

Mr. GOLDWATER. It would take quite a while. It is highly technical in nature.

Mr. TOWER. I do not object.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, would it take 1 minute or 1 hour, may I ask, for the Senator to explain what he would be doing?

Mr. GOLDWATER. If I explained it to the Senator from West Virginia, it would take 1 minute. If I explained it to the Senator from Texas, it would take 1 hour.

[Laughter.]

COVERAGE AND PROTECTION FOR EMPLOYEES OF NONPROFIT HOSPITALS

The Senate continued with the consideration of the bill, S. 3203, to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

AMENDMENT NO. 1143

Mr. TOWER. Mr. President, I call up my amendment No. 1143.

The **PRESIDING OFFICER.** The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 1, between lines 2 and 3, insert the following:

"TITLE I—EXTENDING COVERAGE TO EMPLOYEES OF NONPROFIT HOSPITALS"

On page 1, line 3, strike out "That" and insert in lieu thereof "Sec. 101."

At the end of the bill add the following new title:

"TITLE II—PROVIDING FOR TRIAL OF UNFAIR LABOR PRACTICE CASES IN THE UNITED STATES DISTRICT COURTS

"Sec. 201. Section 3(d) of the National Labor Relations Act is amended by striking out 'trial examiners and' in the second sentence, and by striking out 'Board' the second time it appears in the third sentence and inserting in lieu thereof 'courts'.

"Sec. 202. Section 4(a) of such Act is amended by striking out 'examiners' in the second sentence, and by striking out the fourth sentence.

"Sec. 203. Section 9(d) of such Act is amended to read as follows:

" '(d) Whenever the validity of a certification of a bargaining representative by the Board under this section is in issue in a proceeding before a court under section 10, the clerk of the court shall notify the Board of that fact. Within fifteen days after the date such notice is received the Board shall file such certification, together with the record on which it was based, with the court.'

"Sec. 204. Section 10 of such Act is amended to read as follows:

" 'PREVENTION OF UNFAIR LABOR PRACTICES

" 'Sec. 10. (a) The district courts of the United States, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone shall have jurisdiction, as provided in this section, to prevent any person from engaging in any unfair labor practice listed in section 8 affecting commerce.

" '(b) Any person aggrieved by any such unfair labor practice may, within six months after the date on which such unfair labor practice occurred, either (1) file and prosecute such a complaint in any court specified in subsection (a) having jurisdiction of the parties, or (2) file a charge of such unfair labor practice with the General Counsel of the National Labor Relations Board and request him to file and prosecute such a complaint. Whenever a person aggrieved by an unfair labor practice is prevented by reason of service in the Armed Forces from filing a charge or complaint he may do so within six months after the date of his discharge.

" '(c) Whenever a charge is filed with the General Counsel of the Board under this section, he shall promptly serve a copy of the charge upon the person against whom such charge is made. Within a reasonable time thereafter, he shall file a complaint with the appropriate court and prosecute such complaint, in the name of and on behalf of the person who filed the charge, unless he determines that the charge is frivolous, or otherwise without basis in law or fact, in which case he shall promptly notify the parties of such determination. After receiving such notice, the charging party may file and prosecute a complaint under subsection (b) on his own initiative; and the period beginning with the date on which he filed the charge with the General Counsel of the Board, and ending with the date on which he received such notice, shall not be counted in determining whether the six-month period specified in subsection (b) has expired. The General Counsel of the Board shall give priority to charges of unfair labor practices within the meaning of subsection (a)(3) or (b)(2) of section 8 and paragraph (4) (B) or (C) of section 8(b) over all other unfair labor practice charges filed with him.

"'(d) Proceedings under this section shall be tried by the court without a jury. Except as otherwise provided in this section, the Federal Rules of Civil Procedure shall apply in each such proceeding. If a master is appointed pursuant to rule 53 of the Federal Rules of Civil Procedure, such master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing his duties under this section. Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

"'(e) The court may grant such temporary relief or restraining order as it deems appropriate pending final disposition of any proceeding under this section, but only after publicly hearing testimony of witnesses with opportunity for cross-examination in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered; and only after the court finds—

"'(1) that one or more acts constituting an unfair labor practice have been committed and will be continued unless restrained;

"'(2) that substantial and irreparable injury to the complainant will follow;

"'(3) that as to each item of relief granted, greater injury will be inflicted by the denial of relief than will be inflicted by the granting of relief; and

"'(4) that complainant has no adequate remedy at law.

The Act of March 23, 1932, entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes" shall not apply to any proceedings under this section, except that section 10 of such Act, providing for expeditious review of temporary injunctions, shall apply with respect to any temporary relief or restraining order issued under this section.

"'(f) If the court finds that any person named in the complaint has engaged in or is engaging in any unfair labor practice is charged in the complaint, the court shall enjoin such person from engaging in such unfair labor practice, and shall order such person to take such affirmative action, including reinstatement of employees with or without backpay (but not including the payment of damages in any other form), as may be necessary to enforce compliance with the provisions of this Act which such person is found to have violated. Where an order directs reinstatement of an employee, backpay shall be required of the employer, or the labor organization, or both, in such proportion as the court shall assess responsibility for the discrimination suffered by him. No order of the court shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any backpay, if such individual was suspended or discharged for cause. In determining whether a violation of section 8(a)(1) or section 8(a)(2) has occurred, the determination shall not be affected by whether the labor organization concerned is affiliated with a national or international labor organization.

"'(g) For the purposes of this section courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, (2) in any district in which its officers or agents are engaged in promoting or protecting the interests of employee members, or (3) in any district in which the unfair labor practice is alleged to have occurred. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit.'

"Sec. 205. Section 11 of such Act is amended by striking out 'and section 10' in the matter preceding paragraph (1); by striking out 'or proceeded against' in the first sentence of paragraph (1); and by striking out 'complaints, orders.' in paragraph (4) and inserting in lieu thereof 'Orders'.

"Sec. 206. Section 14(c) of such Act is repealed.

"Sec. 207. (a) Any proceeding under section 10 of the National Labor Relations Act which is pending before the National Labor Relations Board on the date of enactment of this Act shall be continued by the Board if the hearing provided for in subsection (b) of such section, as in effect immediately prior to the enactment of this Act, has been completed, and if, within thirty days after the date of enactment of this Act, the person aggrieved by the unfair labor practice in question requests the Board to continue the proceeding. Upon request of any such person, the General Counsel of the National Labor Relations Board shall appear and represent such person in proceedings under this subsection before the Board and the courts. The Board shall act in such proceeding, and its action may be enforced or reviewed by the courts, in the same manner and with the same effect as if this Act had not been enacted, except that—

"(1) any enforcement proceeding under section 10(e) shall be instituted by the party seeking enforcement of the Board's order, or the General Counsel of the National Labor Relations Board, and thereupon the Board shall certify and file in the court a transcript of the entire record in the proceedings;

"(2) the Board shall not appear in any proceeding under section 10(e) or 10(f); and

"(3) if the court orders additional evidence to be taken in any proceeding under section 10(e) or 10(f), it shall be taken before a master designated by the court; the master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing such duties.

"(b) Where the Board has issued an order under section 10 of the National Labor Relations Act before the date of enactment of this Act, a proceeding in court for the enforcement or review of such order may be instituted after such date in the same manner and with the same effect as though this Act had not been enacted, except that the provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall apply to such proceedings.

"(c) Any proceeding under section 10 of the National Labor Relations Act which is pending in any court on the date of enactment of this Act shall be continued as if this Act had not been enacted.

"(d) Where a charge of an unfair labor practice is pending before the National Labor Relations Board on the date of enactment of this Act, and the hearing provided for in section 10(b) of the National Labor Relations Act, as in effect immediately prior to the enactment of this Act, has not been completed, and time limt provided for in section 10(b) of such Act, as amended by this Act, for filing a charge or complaint based on the same Acts has expired, a charge or complaint may nevertheless be filed under such section at any time within thirty days after the date of enactment of this Act."

Mr. TOWER. Mr. President, I send to the desk a modification of the amendment, and I will explain the modification.

The PRESIDING OFFICER. Without objection, the amendment as amended will be printed in the Record.

The amendment as modified is as follows:

On page 1, between lines 2 and 3, insert the following:

"TITLE I—EXTENDING COVERAGE TO EMPLOYEES OF NONPROFIT HOSPITALS"

On page 1, line 3, strike out "That" and insert in lieu thereof "Sec. 101."

At the end of the bill add the following new title:

"TITLE II—PROVIDING FOR TRIAL OF UNFAIR LABOR PRACTICE CASES IN THE U.S. DISTRICT COURTS

"Sec. 201. Section 3(d) of the National Labor Relations Act is amended by striking out 'trial examiners and' in the second sentence, and by striking out 'Board' the second time it appears in the third sentence and inserting in lieu thereof 'courts'.

"Sec. 202. Section 4(a) of such Act is amended by striking out 'examiners' in the second sentence, and by striking out the fourth sentence.

"Sec. 203. Section 9(d) of such Act is amended to read as follows:

"'(d) Whenever the validity of a certification of a bargaining representative by the Board under this section is in issue in a proceeding before a court under section 10, the clerk of the court shall notify the Board of that fact. Within fifteen days after the date such notice is received the Board shall file such certification, together with the record on which it was based, with the court.'

"Sec. 204. Section 10 of such Act is amended to read as follows:

"'PREVENTION OF UNFAIR LABOR PRACTICES

"'Sec. 10. (a) The district courts of the United States, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone shall have jurisdiction, as provided in this section, to prevent any person from engaging in any unfair labor practice listed in section 8 affecting Commerce.

"'(b) Any person aggrieved by any such unfair labor practice may, within six months after the date on which such unfair labor practice occurred, file a charge of such unfair labor practice with the General Counsel of the National Labor Relations Board and request him to file and prosecute such a complaint in any court specified in subsection (a) having jurisdiction of the parties. Whenever a person aggrieved by an unfair labor practice is prevented by reason of service in the Armed Forces from filing a charge or complaint he may do so within six months after the date of his discharge.

"'(c) Whenever a charge is filed with the General Counsel of the Board under this section, he shall promptly serve a copy of the charge upon the person against whom such charge is made. Within a reasonable time thereafter, he shall file a complaint with the appropriate court and prosecute such complaint, in the name of and on behalf of the person who filed the charge, unless he determines that the charge is without basis in law or fact, in which case he shall promptly notify the parties of such determination. Within ninety days after receiving such notice, the charging party may file a complaint and, if the court determines that there is reasonable cause to proceed, prosecute the complaint on his own initiative. The General Counsel of the Board shall give priority to charges of unfair labor practices within the meaning of subsection (a)(3) or (b)(2) of section 8 and paragraph (4)(A), (B) or (C) of section 8(b) or section 8(e) or section 8(b)(7) over all other unfair labor practice charges filed with him, except cases of like character in the office where it is filed or to which it is referred. Investigation of charges of unfair labor practices within the meaning of subsections 4(A)(B) or (C) or (7) of section 8(b) shall be expedited and, within not more than forty-eight (48) hours from the filing of said charges, the General Counsel of the Board or his agent shall determine if there is reasonable cause to believe the charge is true and, if such a finding is made, thereupon file a complaint with any court specified in subsection (a) having jurisdiction of the parties and petition that court for appropriate injunctive relief pending final disposition of the proceeding. Upon the filing of any such petition the district court shall have jurisdiction to grant such injunctive relief or temporary restraining order as it deems just and proper, notwithstanding any other provision of law: *Provided further*, that no temporary restraining order shall be issued without notice unless a petition alleges that substantial and irreparable injury to the charging party will be unavoidable and such temporary restraining order shall be effective for no longer than five days and will become void at the expiration of such period. *Provided further*, that the General Counsel or his agent shall not apply for any restraining order under section 8(b)(7) if a charge against the employer under section 8(a)(2) has been filed and after the preliminary investigation, he has reasonable cause to believe that such charge is true and that a complaint should be issued. Upon filing of any such petition the courts shall cause notice thereof to be served upon any person involved in the charge and such person, including the charging party, shall be entitled to participate as a party in the proceeding.

"'(d) Proceedings under this section shall be tried by the court without a jury. Except as otherwise provided in this section, the Federal Rules of Civil Procedure shall apply in each such proceeding. If a master is appointed pursuant to rule 53 of the Federal Rules of Civil Procedure, such master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing his duties under this section. Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

"'(e) The court may, upon petition of either the General Counsel of the Board or the charging party at any time after the filing of a charge alleging an unfair labor practice, grant such temporary relief or restraining order as it deems appropriate pending final disposition of any proceeding under this section, but only after publicly hearing testimony of witnesses with opportunity for cross-examination in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered; and only, except for those cases in which a petition for an injunctive relief is filed by the General Counsel of the Board pursuant to subsection (c), after the court finds—

"'(1) that one or more acts constituting an unfair labor practice have been committed and will be continued unless restrained;

"'(2) that substantial and irreparable injury to the complainant will follow;

"'(3) that as to each item of relief granted, greater injury will be inflicted by the denial of relief than will be inflicted by the granting of relief; and

"'(4) that complainant has no adequate remedy at law.

The Act of March 23, 1932, entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes" shall not apply to any proceedings under this section, except that section 10 of such Act, providing for expeditious review of temporary injunctions, shall apply with respect to any temporary relief or restraining order issued under this section,

"'(f) If the court finds that any person named in the complaint has engaged in or is engaging in any unfair labor practice is charged in the complaint, the court shall enjoin such person from engaging in such unfair labor practice, and shall order such person to take such affirmative action, including reinstatement of employees with or without backpay (but not including the payment of damages in any other form), as may be necessary to enforce compliance with the provisions of this Act which such person is found to have violated. Where an order directs reinstatement of an employee, backpay shall be required of the employer, or the labor organization, or both, in such proportion as the court shall assess responsibility for the discrimination suffered by him. No order of the court shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any backpay, if such individual was suspended or discharged for cause. In determining whether a violation of section 8(a)(1) or section 8(a)(2) has occurred, the determination shall not be affected by whether the labor organization concerned is affiliated with a national or international labor organization.

"'(g) For the purposes of this section courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, (2) in any district in which its officers or agents are engaged in promoting or protecting the interests of employee members, or (3) in any district in which the unfair labor practice is alleged to have occurred. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit.'

"Sec. 205. Section 11 of such Act is amended by striking out 'and section 10' in the matter preceding paragraph (1); by striking out 'or proceeded against' in the first sentence of paragraph (1); and by striking out 'complaints, orders.' in paragraph (4) and inserting in lieu thereof 'Orders'.

"Sec. 206. Section 14(c) of such Act is repealed.

"Sec. 207. (a) Any proceeding under section 10 of the National Labor Relations Act which is pending before the National Labor Relations Board on the date of enactment of this Act shall be continued by the Board if the hearing provided for in subsection (b) of such section, as in effect immediately prior to the enactment of this Act, has been completed, and if, within thirty days after the date of enactment of this Act, the person aggrieved by the unfair labor practice in question requests the Board to continue the proceeding. Upon request of any such person, the General Counsel of the National Labor Relations Board shall appear and represent such person in proceedings under this subsection before the Board and the courts. The Board shall act in such proceeding, and its action may be enforced or reviewed by the courts, in the same manner and with the same effect as if this Act had not been enacted, except that—

"(1) any enforcement proceeding under section 10(e) shall be instituted by the party seeking enforcement of the Board's order, or the General Counsel of the National Labor Relations Board, and thereupon the Board shall certify and file in the court a transcript of the entire record in the proceedings;

"(2) the Board shall not appear in any proceeding under section 10(e) or 10(f); and

"(3) if the court orders additional evidence to be taken in any proceeding under section 10(e) or 10(f), it shall be taken before a master designated by the court; the master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing such duties.

"(b) Where the Board has issued an order under section 10 of the National Labor Relations Act before the date of enactment of this Act, a proceeding in court for the enforcement or review of such order may be instituted after such date in the same manner and with the same effect as though this Act had not been enacted, except that he provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall apply to such proceedings.

"(c) Any proceeding under section 10 of the National Labor Relations Act which is pending in any court on the date of enactment of this Act shall be continued as if this Act had not been enacted.

"(d) Where a charge of an unfair labor practice is pending before the National Labor Relations Board on the date of enactment of this Act, and the hearing provided for in section 10(b) of the National Labor Relations Act, as in effect immediately prior to the enactment of this Act, has not been completed, and time limit provided for in section 10(b) of such Act, as amended by this Act, for filing a charge or complaint based on the same Acts has expired, a charge or complaint may nevertheless be filed under such section at any time within thirty days after the date of enactment of this Act."

Mr. TOWER. Mr. President, on behalf of Senators ERVIN, GRIFFIN, and myself, I have offered a number of minor modifications to amendment No. 1143, which was submitted on April 3.

The amendment would transfer jurisdiction of unfair labor practice cases from the National Labor Relations Board to the Federal district courts.

It is a proposal that is long overdue and one that I have championed over a number of years. The other sponsors of the amendment, Senator ERVIN and Senator GRIFFIN, have likewise been in the forefront of the movement for labor law reform. I am extremely pleased that these two distinguished Senators have joined me in offering this proposal.

The amendment contains a significant modification to the "district court" plan that I have introduced over the last few years. The amendment would retain the office of general counsel of the NLRB to serve as a Federal prosecutor on behalf of a charging party. My bill to remove unfair labor practice cases from the jurisdiction of the NLRB granted authority and responsibility for prosecuting complaints with U.S. attorneys. Constructive criticism was given against this aspect of the proposal when hearings were held on the district court bill in the 91st Congress before the subcommittee on separation of powers chaired by Senator Ervin.

It was felt that the burden might be an onerous one for the Justice Department and that the responsibility could remain with the general counsel of the labor board as long as jurisdiction was transferred to the district courts and the charging party was allowed his day in court whether or not the general counsel felt the complaint merited action.

Mr. President, my remarks on this amendment will be divided into a number of areas, analyzing the framework of the National Labor Relations Act and the NLRB. I shall first discuss the nature of unfair labor practice complaints in terms of why they should be heard by courts instead of the NLRB. Then I shall discuss the decisionmaking process of the NLRB and why it has not advanced the intent of Congress. Finally, I shall discuss the nature of the office of general counsel and why the authority granted to him is necessarily inequitable and contrary to our system of justice.

THE NATURE OF UNFAIR LABOR PRACTICE

Mr. President, the National Labor Relations Act as amended by Taft-Hartley and Landrum-Griffin proclaims a set of basic principles to guide Federal labor law. Admittedly, in many respects it contains vague language, subject to reasonable men differing as to their interpretation.

Naturally, therefore, the act recognizes conflicting interest of employers, employees, and unions. Nevertheless, in sections 7 and 8 Congress and only Congress set out the basic policy of the statute and what types of actions would be considered unfair labor practices.

The argument against the pending proposal is that only an agency like the NLRB can resolve these conflicting interests because its personnel has the so-called expertise that somehow judges of general jurisdiction lack. This argument, in my opinion and in the opinion of many who have followed Board decisionmaking through the years, is entirely without substance.

It is just because the NLRA contains policies oftentime in conflict that the broad experience of Federal judges is needed. The courts constantly entertain disputes in such areas as buyer-seller relations, husband-wife relations, so on and so on. It is to be admitted that employer-employee relations is distinct from the types I have just mentioned. Nevertheless, however, that is not to say that it is more complicated. Labor law can become complex at times but no more so than other societal relationships.

The simple fact of the matter is that unfair labor practice issues are essentially judicial in nature rather than administrative as we have been led to believe. Unfair labor practice dispute resolutions can be easily distinguished from administrative rulemaking and regulation exercised by other agencies. The honorable Gerald Reilly, of the District of Columbia Court of Appeals, made such a distinction when he testified as a private practitioner before Senator Ervin's subcommittee:

> The distinction between this kind of act and the statutes administered by the Securities and Exchange Commission which vest in the administrative agency authority to make the actual substantive rules of the game is too obvious to require elaboration.
>
> Nor should the function of making findings of unfair labor practices ever be confused with the quasi-legislative function of licensing broadcasting stations, determining routes for air and motor carriers, fixing passenger and cargo rates—matters which by their very nature have to be delegated to administrative agencies.

In 1954 the House Education and Labor Committee recognized the inherent judicial nature of unfair labor practice cases and recommended that the Board be divested of its authority over these cases. The committee analyzed the nature of the Board's authority in the following manner:

> Other Federal agencies are not so restricted. For instance, the Civil Aeronautics Administration determines what safety regulations shall be observed on airplanes and at airports; the Securities and Exchange Commission regulates the conduct of stock exchanges; the Federal Communications Commission has wide latitude in the issuance of radio and television licenses; the Federal Power Commission sets standards for construction of power lines; the Interstate Commerce Commission has discretion to determine the rates a public carrier may charge.
>
> Each of these agencies necessarily has a broad grant of policymaking power from Congress. The NLRB has none. It has no right to tell the parties to unfair practice cases what they ought to do in their dealings with each other. It is firmly limited by statute to a judicial finding on whether specific acts violate the well-defined terms of the law.

That committee's recommendation, which was unfortunately never considered by the House of Representatives, was followed up by the Hoover Commission report which likewise characterized unfair labor practice adjudication as essentially a judicial function and consequently agreed that responsibility for hearing these cases should be vested in courts of general jurisdiction. Soon thereafter the ABA reviewed the findings of the Commission and endorsed the recommendation made with respect to unfair labor practices.

This so-called myth of "expertise" can be further deflated. Parenthetically, I might refer the Senate to the definition given by the distinguished Senator from North Carolina, Mr. Ervin, for the word "expert" during the testimony I gave on the district court plan in 1971.

An expert, said Senator Ervin ". . . is a person who learns more and more each day about less and less until he gets to the point where he knows everything about nothing." I would carry forth what Senator Ervin is saying by noting that if only so-called experts are capable of interpreting Federal labor law then we are in more trouble than even I think we are. This is so because the courts have a great deal of exclusive jurisdiction already under our labor laws. The Federal courts are routinely called upon to decide sometimes complicated issues under the Fair Labor Standards Act, the Equal Employment Opportunity Act and under the NLRA itself—matters such as injunctive relief, national emergency proceedings, section 301 breach of contract cases without any apparent problem. The U.S. Court of Appeals and the Supreme Court exercise some form of judicial review over unfair labor practices; our Federal courts have jurisdiction over a whole host of labor law issues within and without the National *Labor Relations* Act. Certainly, Federal labor law is no more complex than tax law which the courts have concurrent jurisdiction over, patent infringement cases and multi-million dollar antitrust cases where the courts constantly must interpret the broad language of the Sherman Act.

Mr. President, some critics of the NLRB have said that my proposal does not go far enough because it maintains jurisdiction of representation cases within the NLRB. However, if expertise is at all needed, it would be over issues of representation. The makeup of an appropriate unit for collective bargaining is not essentially a question of labor law but rather more so one of labor relations—knowledge of the law of the shop is helpful in making these designations. It can be likened to ICC rate regulation or FCC license regulation where knowledge of a particular industry is advantageous.

Mr. President, whatever may or will be said about the record of the board throughout the years is secondary to the argument that unfair labor practice adjudication is basically judicial. Once this premise is accepted, and I believe it to be irrebuttable, the framework of this amendment must also be accepted.

THE DECISIONMAKING PROCESS OF THE BOARD

Mr. President, as I have stated, the NLRB, an administrative agency, has been engulfed in judicial policymaking since its inception. Besides the fact that this is improper from the standpoint of separation of powers, it has created instability in decisionmaking that cannot be rivaled by any institution in our Federal system.

The simple fact of the matter is that we have political appointees who do doubt in good faith have interpreted and adjudicated disputes not on the bases of congressional intent but rather by adapting the statute to their own political philosophy. Such is the nature of political appointments and we should expect nothing more or nothing less. The role of a political appointee is to inject into the statute or industry he is regulating, the philosophy of the administration in power. I support this system because it, after all, is nothing but an extension of our democratic system. However, it has no role to play in those areas which are by their nature judicial Senator Ervin's subcommittee held extensive hearings on many administrative agencies in the late 1960's. The hearings on the labor board contained this statement by Professor Bernard Meltzer, Professor of Law of the University of Chicago, concerning the effects of shifting board membership.

> But there is one set of difficulties for which, in my view, the Board has special responsibility, and which deserves special congressional scrutiny. I refer to major changes in policy that cannot be explained by changes in underlying conditions or by new insights or by the need to conform to judicial rulings. Such changes often occur

> after the election returns bring in a new administration with a different political complexion. The record of the Eisenhower Board and the Kennedy Board makes it clear that no single board has had a monopoly over such changes. Such changes obviously suggest that the board at one time or another has misread or has flouted the congressional mandate unless the board has acted in an area over which Congress has granted it broad and substantially plenary discretion. Furthermore, changes and counterchanges apparently in response to the changing winds of politics or the changing personal philosophy of board members, are scarcely calculated to enhance respect for a quasi-judicial process. And finally the resultant uncertainties and the encouragements of the parties to gamble on additional changes add to the board's swollen docket and aggravate one of the most critical problems in the administration of the act, that is, delay in providing meaningful relief for statutory violations.
>
> Nevertheless, changes that tend consistently to favor one partisan interest and that impinge on fundamental statutory purposes not only weaken the integrity of the administrative process, but also create special problems for Congress, sensitive to its responsibility for legislative oversight.

Mr. President, during congressional hearings on the NLRB, arguments were made, and I believe successfully so, that the NLRB has been pro-labor and on many occasions has disregarded the needs of employers and employees. When I say "pro-labor," I mean pro-big labor. I believe these arguments have great merit and there is a simple reason why such favoritism has taken place. It is because that since the Wagner Act was passed, a majority of the administrations in office have emphasized the goal of total unionization of our work force and have generally supported policies that have the endorsement and are to the benefit of organized labor. This is not said with any underlying meaning of disrespect but rather it is put forth as a political fact of life.

It is this kind of political atmosphere that led to the following statement by Chairman Frank McCulloch of the NLRB in 1965:

> We need to join forces. Only one in four are organized. There are still too many who resist national policy.

This national policy which Mr. McCulloch referred to was the encouragement of collective bargaining and unionization which the Wagner Act established. By encouraging unionization, Mr. McCulloch, the Chairman of that Federal agency having primary authority over Federal labor law, was speaking in total disregard of congressional intent as envisioned in the Taft-Hartley Act and the Landrum-Griffin Act. The Senate will recall that the Congress in approving the Taft-Hartley Act amended section 7 of the act to give employees the right to engage in protected, concerted activity and the right to refrain from engaging in such activity. In effect, by recognizing that labor unions could potentially engage in monopolylike practices endangering our economic system and could and indeed had restricted the individual employees' freedom of choice, Congress amended the Wagner Act through Taft-Hartley by placing the Federal Government in a neutral position with respect to unionization.

It was not to be encouraged or discouraged, but, instead, Congress had affirmatively stated that employees and employers would be able to decide on their own the nature of their employment relationship. Taft-Hartley said the collective bargaining process was to work its own will free of Federal encouragement or discouragement. The Subcommittee on Separation of Powers concluded after its exhaustive study of the Board that:

> The National Labor Relations Board has of late unreasonably emphasized the establishment and maintenance of collective bargaining and strong unions to the exclusion of other important statutory purposes which often involve the rights of individual employees.

Criticism of the Labor Board is not limited to those who agree with the just-stated conclusion. Criticism is indeed inherent when you have an independent agency immersed in judicial decision-making composed of political appointees with 5-year terms that are in effect creations of the administration that appointed them. Thus, just last year, tremendous criticism was lodged against the general counsel appointed by President Nixon. Leaders of organized labor and Members of this body were in effect accusing the Board as a whole of taking orders from the White House when it tentatively decided that Caesar Chavez' United Farm Workers were representing covered employees.

The charge was made and given wide public attention in the media that the White House, through the Board, was trying to break that union's secondary boycott. The facts later disclosed that in this instance the Board was acting properly as the union ceased and desisted from representing non-agricultural employees. Nevertheless, the charge was readily made that the Board was playing politics.

Shifting Board membership has created intolerable problems in the administration of Federal labor law. New law is made every time a new administration is elected, contributing, I might add, to a rush on unfair labor practice complaints being filed, either because the law is uncertain and in a state of flux with the result that the complaint is filed because the charging party does not know what the law is, or simply because the charging party hopes and with reasonable expectations, no doubt, that previous board decisions will be reversed. The result is that Federal policy is made not by the rule of law but by the rule of men and that the Board continually faces a backlog of cases causing enormous delay in the administration of justice.

THE AUTHORITY OF THE GENERAL COUNSEL

Mr. President, it is possible that there is no single individual with as much power in Federal labor law policy as the General Counsel of the National Labor Relations Board. His authority is autonomous and his actions unreviewable. The distinguished Senator from Michigan (Mr. GRIFFIN) analyzed the General Counsel's authority by stating that "even the Congress is inferior in the exercise of power compared with the General Counsel. Congress' decisions and acts can be reviewed by the Supreme Court. The General Counsel seems to have more power in this particular field than the rest of us."

I do not think that justice is served under such an institutional framework regardless of who is General Counsel. "Power corrupts and absolute power corrupts absolutely." The General Counsel of the NLRB has such absolute power, potentially capable of thwarting the aim of the entire statute regardless of the "good faith" in which he engages in his activities. He can ignore court rulings by failing to prosecute a complaint—or even board decisions by the same negative process. He can deny substantive relief by delaying his decision on a complaint.

During the hearings on this proposal in the 91st Congress, Senator ERVIN took issue with the framework in which the General Counsel operates, as follows:

> I might state my objection to the power of the general counsel is not based upon any general counsel's activities. I am fundamentally opposed to a proposal for such monarchial powers in any human being. I do not think any human being who ever lived ought to have the right to give a man or deny a man access to the temple of justice. I would not even trust myself to exercise that autocratic power.

Mr. President, recently the Supreme Court ruled that the NLRB has exclusive jurisdiction over internal union disputes in which the employee claimed his union had unlawfully disciplined him and/or forced his eventual firing as long as the fact pattern "arguably" concerned a matter affecting his employment status. I do not agree with the Court in Motor Coach Employees against Lockridge because it disregards the purpose of and the remedies available under section 101 of the Landrum-Griffin Act, the Bill of Rights for employees. What is significant about this decision with respect to the issue I raise is the dissent by Justice Douglas who forcefully advances the proposition that to place complaints at the discretion of the General Counsel basically eliminates all employee remedies. The following excerpt from his dissent sets forth why the private right of action called for in my amendment should be made available.

> When we hold that a grievance is "arguably" within the jurisdiction of the National Labor Relations Board and remit the individual employee to the board for remedial relief, we impose a great hardship on him, especially where he is a lone individual not financed out of a lush treasury. I would allow respondent recourse to litigation in his home town tribunal and not require him to resort to an elusive remedy in distant and remote Washington, D.C., which takes money to reach.
>
> He has six months within which to file an unfair labor practice charges with the regional director and serve it upon the other party. If he does not file within six months, the claim is barred. 29 U.S.C. § 160(b). The charge must be in writing and contain either a declaration that the contents are true to the best of his knowledge, or else a notarization. 29 CFR § 101.2. When the charge is received, it is filed, docketed, and given a number (29 CFR § 101.4) and assigned to a member of the field staff for investigation. 29 CFR § 101.4.
>
> Following the investigation, the regional director makes his decision. "If investigation

reveals that there has been no violation of the National Labor Relations Act or the evidence is insufficient to substantiate the charge, the regional director recommends withdrawal of the charge by the person who filed." 29 CFR § 101.5. If the complaining party does not withdraw the charge, the regional director dismisses it. 29 CFR § 101.6. Following dismissal, the complainant has 10 days to appeal the decision to the general counsel who reviews the decision. Ibid. If the general counsel holds against the complaining party and refuses to issue an unfair labor practice complaint, the decision is apparently unreviewable. A. Cox & D. Bok, Labor Law 138 (7th Ed. 1969); *General Drivers Local 886 V. NLRB*, 179 F. 2d 492.

From the viewpoint of an aggrieved employee, there is not a trace of equity in this long-drawn, expensive remedy. If he musters the resources to exhaust the administrative remedy, the chances are that he too will be exhausted. If the general counsel issues a complaint, then he stands in line for some time waiting for the board's decision. If the general counsel refuses to act, then the employee is absolutely without remedy. For as *Garmon* states:

> "[T]he board may also fail to determine the status of the disputed conduct by declining to assert jurisdiction, or by refusal of the general counsel to file a charge, or by adopting some other disposition which does not define the nature of the activity with unclouded legal significance. This was the basic problem underlying our decision in *Guss v. Utah Labor Relations Board*, 353 U.S. 1. In that case we held that the failure of the National Labor Relations Board to assume jurisdiction did not leave the States free to regulate activities they would otherwise be precluded from regulating. It follows that the failure of the board to define the legal significance under the act of a particular activity does not give the States the power to act." 359 U.S., at 245–246.

From this it follows that if the general counsel refuses to act, no one may act and the employee is barred from relief in either State of Federal Court. See *Day v. Northwest Division 1055*, 238 Ore. 624, 389 P. 2d 42, cert. denied, 379 U.S. 878.

When we tell a sole individual that his case is "arguably" within the jurisdiction of the board, we in practical effect deny him any remedy. I repeat what I said before, "when the basic dispute is between a union and an employer, any hiatus that might exist in the jurisdictional balance that has been struck can be filled by resort to economic power. But when the union member has a dispute with his union, he has no power on which to rely." *Plumbers' Union v. Borden*, 373 U.S. 690, 700 (dissenting).

The Labor Board is unique in having its chief prosecutorial officer vested with the exclusive authority to decide whether or not a complaining party will get his day in court. A concurrent private right of action allowing access to our Federal judiciary is available under a whole host of statutes, including the Fair Labor Standards Act, the Age Discrimination Act, the Equal Employment Opportunity Act, the Sherman Antitrust Act and other statutes of similar importance.

It should likewise be available under the National Labor Relations Act. This amendment would retain the general counsel as a Federal prosector should the charging party desire to make use of his services and should he, the general counsel feel the complaint has merit. If he decides that it does have merit he would issue such a complaint and seek to prosecute it in the Federal district courts. The entire process would be governed by the Federal rules of civil procedure and the general counsel would be free to seek a pre-trial settlement of the issues. If he decides that the complaint lacks merit the charging party could at least seek his own remedy and his own day in court.

Mr. President, I urge adoption of the Tower-Ervin-Griffin amendment. Narrow partisanship has no role to play in the administration of justice. The record of the NLRB speaks for itself. Appointments to the board are inherently chosen on the basis of political allegiance requiring loyalty to the position of the administration that selected them. On the other hand, pressures surrounding appointments to the Federal judiciary are not nearly as narrow and intense simply because of the wide types of subject matter jurisdiction they would be confronting. Life tenure appointments will also serve to guarantee the necessary independence required to effectuate the intent of Congress and thereby serve to restore the separation of powers concept to Federal labor law.

APPROPRIATIONS CEILING FOR FISCAL 1975

Mr. McCLELLAN. Mr. President, on February 27, 1974, at the opening of hearings by the Committee on Appropriations on the administration's record high $304.4 billion budget for fiscal 1975, I announced that the committee would again undertake to establish tentative ceilings for expenditures on the bills coming before it.

Pursing an approach which worked with some measure of success last year, letters were sent to each of the 13 subcommittee chairmen requesting them to review those sectors of the budget under their jurisdiction and to propose ceilings which they would endeavor to observe and be guided by during the consideration of these measures.

Each subcommittee chairman was requested to recommend the minimum amount which his subcommittee believed would be reasonably required to economically carry out the essential programs and functions of Government over which his subcommittee has jurisdiction.

I am pleased to report, Mr. President, that each Appropriations Subcommittee chairman has responded to my request, and I take this opportunity to express my appreciation to them for their cooperation.

Seven subcommittees projected cuts which would reduce administration requests for a new budget authority by about $5.7 billion during fiscal 1975. They are:

Defense, $3.5 billion; foreign operations, $1.3 billion; Housing and Urban development and space, $613 million; legislative, $13.5 million; military construction, $120 million; Transportation, $69 million; and Treasury, U.S. Postal Service and general government, $130 million.

Three subcommittees reported they would make increases over and above budgetary requests for a total of some $2.7 billion. They are:

Agriculture, $93.8 million; Labor, Health, Education, and Welfare, $2.4 billion; and Public Works, Atomic Energy Commission, $180 million.

Three subcommittees reported that they would make every effort to hold their appropriations within the budget—that they would not exceed budget requests. They are:

District of Columbia; Interior; and State, Justice, Commerce, and the Judiciary.

Thus, Mr. President, the ceilings established by the respective subcommittees of the Committee on Appropriations would result in a reduction of approximately $3 billion in new obligational authority for fiscal 1975—from $192.4 billion sought by the administration to $189.4 billion. This represents a reduction of 1.6 percent.

In terms of actual outlays, Federal spending in fiscal 1975 would be cut by more than $2.2 billion—from $191.6 billion to $189.4 billion, or 1.2 percent.

Although these reductions appear minimal when compared with the huge size of the budget, they constitute a short step, at least, on the long road back to fiscal responsibility. They also evidence some measure of concern by Congress over the deteriorating fiscal condition of our Government in these turbulent times in our Nation's history.

And I would like to point out that they compare favorably with our accomplishments last year. At that time, we projected a reduction in new obligational authority of about $2.4 billion. But we managed to reduce the administration's spending proposal as amended even more during the deliberative process—making a total reduction of approximately $3.3 billion.

I am hopeful that after careful examination and judicious consideration of all pertinent factors, we will once again be able to make some worthwhile reduction in Federal spending. I hope we can exceed the estimates, or even come under the ceiling that has been suggested by each subcommittee chairman.

However, our estimates were made before the release of statistics on April 18, 1974, which clearly show that our economy is in disarray and has lost much of its buoyance and vitality. We are now brought face-to-face with the threat of recession while the price of almost everything we consume is soaring to unprecedented heights.

During the first quarter of 1974, our total output of goods and services dropped by an annual rate of 5.8 percent—the largest amount since the recession of 1958. At the same time, the rate of inflation accelerated despite the decline in output—rising at a rate of 10.8 percent.

If these alarming trends continue unabated, we may well have to review and adjust the estimates presented here in order to deal responsibly with the impending crisis.

It should also be kept in mind that our task is made more difficult by reason of the fact that of the $344 billion in gross outlays proposed by the administration for the coming fiscal year, $248 billion—or roughly 72 percent — is relatively uncontrollable by the appropriation processes.

This means that decisions and actions taken by Congress in past years have preempted appropriation discretion and control over nearly three-fourths of the proposed spending for fiscal 1975.

This uncontrollable sector of the budget has steadily increased with each succeeding year. In fiscal 1967, uncontrollable items accounted for 59 percent of the total budget. In 1970, they reached 64 percent. In 1974, they accounted for 72 percent.

Of the $344 billion estimated of gross Federal spending in fiscal 1975, only 66 percent around $227 billion will derive from new obligational authority provided in appropriations bills for 1975. The balance of the spending is from prior year appropriations. Over one-third of this $227 billion—more than $85 billion—is in the relatively uncontrollable category and appropriations for this amount will be a pro forma process since past authorizations required direct funding.

We have by past legislative actions so splintered spending authority off from the regular appropriations process that Congressional control of the budget has been significantly diminished. In recent years "backdoor" or mandatory spending has grown phenomenally.

For example, in the last 6 fiscal years, Congress, through its actions on appropriations bills, reduced Administration requests for new budget authority by approximately $33 billion. But, during that same 6-year period, Congress approved in legislative measures outside the regular appropriations process, budget authority which exceeded the budget estimates by slightly over $40 billion. For this "backdoor" spending practice and its adverse effect on budget control, Congress itself is solely to blame.

During the first session of the 93d Congress, alone, of the 145 legislative actions having direct or indirect relationship to budget authority and spending, only 17 were in the form of appropriations measures. All the rest—128—were legislative bills which did not go through the usual appropriations process.

Congress is now demonstrating its serious concern over the fiscal condition of our country and is beginning to take some corrective action. The adoption by the Appropriations Committee of its tentative appropriations and expenditures ceilings is clear evidence of our resolve to deal with the multitude of fiscal problems now confronting us.

But, in conclusion, Mr. President, I wish to emphasize that each individual Member of Congress has the responsibility for helping put our fiscal affairs in order. Unless we have the will—unless we exercise restraint in authorizing new programs—unless we weigh and accommodate priorities so that spending is kept within the bounds of revenues—we will never be able to establish a sustaining and durable fiscal policy that is most essential to national solvency and a stabilized economy.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks a chart prepared by the staff of the Appropriations Committee showing new budget authority and outlays for fiscal 1974, new budget authority and outlays requested for fiscal 1975, new budget authority and outlays recommended by the subcommittees for fiscal 1975, and the difference between the budget requests and recommendations by the subcommittees for fiscal 1975.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS, U.S. SENATE

BUDGET REQUESTS AND COMMITTEE CEILINGS FOR FISCAL YEAR 1975 FOR NEW BUDGET AUTHORITY (NBA) AND OUTLAYS (O), APR. 29, 1974

[In millions of dollars]

Source (1)	Current estimate for fiscal year 1974 (2)	Budget request, fiscal year 1975 [1] (3)	Subcommittee recommendation, fiscal year 1975 (4)	Subcommittee change in 1975 budget request (5)
A. New budget authority (NBA) and outlays from appropriations bills:				
1. Agriculture, Environmental and Consumer Protection:				
NBA	$9,911.4	$13,486.5	$13,580.3	+93.8
Outlays	9,973.4	13,260.3	13,298.9	+38.6
2. Defense—Military:				
NBA	73,786.5	85,582.3	82,082.3	−3,500.0
Outlays	71,730,6	79,172.4	77,528.8	−1,643.6
3. District of Columbia:				
NBA	418.0	408.0	408.0	0
Outlays	421.0	450.0	450.0	0
4. Foreign operations:				
NBA	7,983.4	4,324.8	3,044.7	−1,280.0
Outlays	4,029.0	4,291.3	3,011.3	−1,280.0
5. HUD, Space, Science, Veterans:				
NBA	21,030.1	22,769.4	22,155.9	−613.4
Outlays	21,814.8	22,394.8	22,264.8	−130.0
6. Interior:				
NBA	2,577.9	3,542.9	3,542.9	0
Outlays	2,792.6	3,561.0	3,557.5	0
7. Labor, HEW:				
NBA	35,753.0	37,889.0	40,301.0	+2,412.0
Outlays	35,413.0	38,674.0	39,954.0	+1,280.0
8. Legislative:				
NBA	663.6	727.6	714.1	−13.5
Outlays	652.3	736.5	722.0	−14.5
9. Military construction:				
NBA	2,658.8	3,383.0	3,263.0	−120.0
Outlays	2,257.0	2,574.2	2,454.2	−120.0
10. Public Works, AEC:				
NBA	4,899.9	5,868.7	6,048.7	+180.0
Outlays	5,215.8	6,099.5	6,190.7	+91.2
11. State, Justice, Commerce, Judiciary:				
NBA	4,546.7	5,512.7	5,512.4	0
Outlays	5,469.1	5,736.9	5,736.9	0
12. Transportation:				
NBA	3,136.5	3,470.9	3,401.5	−69.4
Outlays	8,636.4	9,235.1	9,050.4	−184.7
13. Treasury, U.S. Postal Service, General Government:				
NBA	6,280.7	5,512.6	5,382.4	−130.2
Outlays	6,046.7	5,497.3	5,171.0	326.3
14. Supplemental and contingency requests and actions (pay increases, energy and flood control programs):				
NBA	$680.6	$3,480.0	$3,480.0	0
Outlays	1,143.5	4,874.1	4,874.1	0
15. Under proposed legislation involving congressional action:				
NBA	3,376.9	−485.3	−485.3	0
Outlays	403.1	−293.3	−293.3	0
16. Subtotal, appropriations bills:				
NBA	177,703.9	195,473.1	192,432.3	−3,040.8
Outlays	175.988.3	196,264.1	193,974.8	−2,289.3
B. Availability of NBA and outlays from sources other than appropriations:				
1. New budget authority requests requiring current legislative action:				
NBA	15,582.9	2,519.2	2,519.2	0
Outlays	0	1,960.1	1,960.1	0
2. Trust funds:				
NBA	104,688.3	120,802.2	120,802.2	0
Outlays	92,621.5	107,114.4	107,114.4	0
3. Interest on the public debt:				
NBA	29,100.0	30,500.0	30,500.0	0
Outlays	29,100.0	30,500.0	30,500.0	0
4. Permanent appropriations and other authorizations:				
NBA	15,595.8	12,389.5	12,389.5	0
Outlays	9,784.6	8,189.6	8,189.6	0
5. Subtotal B: Availability of NBA or outlays from sources other than appropriations bills:				
NBA	164,967.0	166,210.9	166,210.9	0
Outlays	131,506.1	147,764.1	147,764.1	0
6. Gross total (A and B) of NBA or outlays:				
NBA	342,670.9	361,684.0	358,643.2	−3,040.8
Outlays	307,494.4	344,028.2	342,738.9	−2,289.3
7. Deduction adjustment for offsetting receipts:				
NBA	−37,258.0	−39,543.0	−39,543.0	0
Outlays	−37,258.0	−39,543.0	−39,543.0	0
C. Grand total of NBA or outlays:				
NBA	305,412.9	322,141.0	319,100.2	−3,040.8
Outlays	270,236.4	304,485.2	302,195.9	−2,289.3

Budget requests include administration requests received up to Apr. 15, 1974, which were not included in the Budget of the U.S. Government, fiscal year 1975, submitted Feb. 4, 1974.

COVERAGE AND PROTECTION FOR EMPLOYEES OF NONPROFIT HOSPITALS

The Senate continued with the consideration of the bill, S. 3203, to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

Mr. TAFT. Mr. President, I oppose this amendment (No. 1143), which would, among other things, transfer the jurisdiction for hearing unfair labor practices from the National Labor Relations Board to the U.S. district courts.

From its inception in 1935, the National Labor Relations Board—NLRB—has not been without its critics. I have even been one.

It has been the subject of much debate and much controversy. The Board has become a target for academic model making as well as for model breaking. One need merely pick an organizational concept, and an advocate will quickly appear. Closely followed, I might add, by a slew of detractors.

Throughout the years it has been suggested that the National Labor Relations Board, or at least some or all of its functions, be carved into no less than 12 separate agencies. Among these proposals have included the creation of a Labor Relations Commission, a Labor Appeals Board, a National Labor Administration, a Federal Labor Relations Board, an Unfair Labor Practices Tribunal, a Labor Court, a Labor-Management Relations Board, and even a Labor Division in the Justice Department.

And today, we have before us yet another proposal. This one would halve the responsibility of the National Labor Relations Board by transferring primary jurisdiction for unfair labor practices to the U.S. district courts.

The plan is not a new one. It has been proposed to the Congress in various forms since 1963. I might point out to my colleagues that this bill and its predecessors have never been reported out of the Judiciary Committee where they have been referred, although a version was reported by the Separation of Powers Subcommittee in the 92d Congress. However, the Judiciary Committee took no further action on the bill.

Its sponsors have suggested that transfer of unfair labor practice cases to the district court is needed because the Board has deviated from the congressional intent of the National Labor Relations Act, as amended, and therefore has abused its constitutional prerogatives as an administrative agency. The advocates of the district court plan also content that the political nature of the Board has created an uncertain and shifting national labor policy.

They feel that this jurisdictional change is needed to bring about a sound labor policy, as well as a more effective system of judicial administration in this area.

However, the underlying motive for this amendment if not made clear by its sponsors, was certainly made clear by the parade of witnesses brought before the Separation of Power's Subcommittee's hearings.

I do not intend to reargue the merits of Supreme Court labor decisions on the floor of the Senate today. It is obvious that the sponsors of this amendment have been greatly dissatisfied with the High Court's ruling on so many of these cases, particularly where the action of the National Labor Relations Board was upheld.

To me, these same Supreme Court decisions suggest that the NLRB has been indeed doing an effective job of interpreting Federal labor statutes.

The author of the pending amendment indicates that this year's version includes a major substantive difference from the version introduced last year (S. 853). The current version retains the General Counsel as the Federal prosecutor instead of having the U.S. attorney assume the role.

In discussing the earlier bill, Senator TOWER noted in the RECORD, of April 3, 1974, that:

> My bill would have vested the authority to bring an action with the U.S. Attorney. Constructive criticism was put forth against this suggested change since it was felt that too great a burden would be placed on the U.S. Attorney's offices.

I just suggest to my colleague from Texas that he extend his very good logic. In 1973, the U.S. district courts handled 80,598 cases. During that same year, the NLRB handled 26,487 unfair labor practice cases. A figure I might add which has been going up steadily since 1948—when it handled 3,085 cases. Just as the burden on the U.S. attorney's offices would be increased, so too would the load be increased on the already strained Federal court system.

When these figures are put into a time frame, the burden on the court system is further evidenced. The median time for all U.S. district court cases was 10 months, up a full month over last year's figure. Even for the almost one-half of the cases for which there was no court action, it took a median of 8 months until final disposition. And for those cases going the full trial route, the median time was 16 months; and for 10 percent of these, parties could be expected to wait almost 3½ years until trial. In addition, it must be remembered that appeals to higher courts would further increase the time.

On the other hand, the NLRB was able to take care of approximately 90 percent of their unfair labor practice cases in a median time of 45 calendar days from the filing of a charge to either withdrawal, settlement, adjustment, or dismissal. Even for the remaining contested cases, the median time last year was 267 days, under 9 months from the issuance of the complaint to the final board decision. Compare this to 16 months' time on the district court.

There is one more irony in this time comparison. The districts where the backlog of cases is the heaviest, are also the regions where the unfair labor practice cases are the most plentiful.

One of the reasons the NLRB has been able to deal as effectively and efficiently with the bulk of their cases is the fact that they are indeed experts in the specialized field of litigation. An expertise built up over many years which would be lost if the jurisdiction is transferred to the courts whose judges do not have the time to acquire the needed expertise. Even if the General Counsel is retained to prosecute, the expertise and experience of the NLRB trial examiners, or administrative law judges, as they are now called, would be lost. The accrued competence of these administrative law judges in the area of labor law will not easily be duplicated in the court system.

The transfer of jurisdiction to the district courts would forsake yet another aspect of this country's existing labor policy—that of geographic uniformity and consistency in the decisionmaking process.

All of the administrative law judges, who by the way are appointed by the board from a Civil Service roster based on competitive examinations, are located in either Washington, D.C., or San Francisco. They travel to the area of the dispute on a case-by-case basis. Thus, regional differences are minimized, unlike those which tend to occur in our district court system. The board's single location in Washington further adds to the decisional uniformity.

The sponsors of the amendment also state that one of its prime purposes is to enable an individual to pursue his or her own case in the courts when the General Counsel rules that there is no basis to issue a complaint. They seem to be particularly concerned about cases in which an aggrieved employee files charges alleging the union has committed an unfair labor practice against that individual.

First, let me say that the suggestion, or at least the implication that General Counsel does not, or will not, pursue these types of complaints with vigor and integrity is one which is completely unfounded.

Second, with regard to the individual being completely without remedy against a union thought to be guilty of some misconduct, this is just not true. An individual who alleges that the union has breached its duty of fair representation may sue for damages in State courts even if the NLRB has assumed jurisdiction over the matter. In addition, an individual charging union wrongdoing may on his or her own motion, seek a variety of remedies under the Labor-Management Reporting and Disclosure Act of 1959.

As for the charge that the General Counsel discretionary authority vis-a-vis pursuing unfair labor practices is contrary to the best interest of the equitable administration of justice, I would ask that my colleagues allow me to review some of the legislative history in order to trace the origins of the General Counsel's Office.

From 1935 to 1947 the National Labor Relations Board consisted of three members appointed by the President for 5-year terms. The Board, as originally constituted, was responsible for investigation, prosecution, and adjudication of all cases over which it claimed jurisdiction.

In 1947 Congress separated the Board's function so that it could no longer act as prosecutor, judge, and jury. The Board's membership was increased to five and it was permitted to retain its judicial function. However, the agency's investigative and prosecutional responsibilities were given to the newly created office of General Counsel. Several measures were instituted to insure the integrity of this separation of power. The General Counsel was given statutory supervisory control of legal personnel under this authority. In addition, the General Counsel was established as a Presidential appointee, rather than be selected by the Board, and would hold office under an independent 4-year term.

To further maintain the separate identity of the agency's prosecuting arm, the amended act provided that the General Counsel—

> Shall have final authority, on behalf of the Board, in respect of investigation of charges and issue of complaints . . . and in respect of the prosecution of such complaints before the Board.

The General Counsel has the additional responsibility for securing compliance with the Board's orders.

The legislative history of the Taft-Hartley amendments makes clear that the grant of nonreviewable power to the Office of General Counsel was done so as to further insulate the agency's prosecutorial function from the Board's judicial function. In rejecting a completely separate prosecutional agency, the 1947 statement of managers noted in item No. 9:

> The conference agreement does not make provision for an independent agency to exercise the investigating and prosecuting functions under the act, but does provide that there shall be a General Counsel of the Board, who is to be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years.
>
> The General Counsel is to have general supervision and direction of all attorney's employed by the Board (excluding the trial examiners and the legal assistant to the individual members of the Board), and of all the officers and employees in the Board's regional offices, and is to have the final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect of the investigation of charge and the issuance of complaints of unfair labor practices, and in respect of the prosecution of such complaints before the Board.

For well over two decades, the courts have maintained that it would be inconsistent to breach the legislative fabric which established the discretionary process of the General Counsel. They have refused to second-guess the judgment of the General Counsel. However, the courts have retained a reserved, though unused, power to step in where there is evidence of gross abuse. In the two leading cases where the General Counsel's authority was upheld—Hourihan against NLRB in 1952 and United Electrical Contractors Association against Ordman in 1967—the court noted both the General Counsel's prerogatives and its own residual equity jurisdiction.

> The Court should not be asked to take over the work of the General Counsel's Office, or to scrutinize his decisions in matters of the present kind [failure to pursue a charge of an alleged unfair labor practice], except perhaps in the most extreme situations.

I think this squares precisely with the interpretation of the coauthor of the amendments, Senator ROBERT A. TAFT, as stated in his supplementary analysis of the bill, CONGRESSIONAL RECORD, June 12, 1947, he remarked:

> In order to make an effective separation between the judicial and prosecuting functions of the Board and yet avoid the cumbersome device of establishing a new independent agency in the executive branch of the Government the conferees created the Office of General Counsel of the Board . . . We invested in this office final authority to issue complaints, prosecute them before the Board, and supervise the field investigating and trial personnel. It is asserted that this is consistent with the Administrative Procedure Act and that it places a tremendous amount of unreviewable power in the hand of a single official.
>
> What the conference amendment does is simply to transfer this "vast and unreviewable power" from this anonymous little group [the Board's legal assistants] to a statutory officer responsible to the President and the Congress. So far as having unfettered discretion is concerned he, of course, must respect the rules of decision of the Board and of the courts. In this respect his function is like that of the Attorney General of the United States or a State attorney general.

Although I oppose this amendment transferring jurisdiction of unfair labor practices to the district court, this should not necessarily be construed to mean that I favor the status quo as it concerns the NLRB.

I think there are many areas worth exploring which would improve both the effectiveness and efficiency of the Board. For example, consideration might be given to expanding the size of the Board as well as lengthening the terms of individual members. Also, thought should be given toward utilizing its rulemaking capacity with more frequency and improving internal procedural mechanisms. Another area worthy of review is the enforcement power of the Board—whether or not it should be permitted to enforce its own orders.

But this is not an appropriate time for the Senate to act upon, or even discuss, these issues. The main business at hand is to debate the fate of some 1.4 million employees of private nonprofit hospitals who have been excluded from the coverage and protection of the National Labor Relations Act.

In summary, I might say that some of the matters that the distinguished Senator from Texas has raised I agree with, some I disagree with, and others I would want to examine further before expressing an opinion on them. I do think it is helpful to have the issue raised at this time as it has been raised and brought before Congress. I think a continuing review of this area is desirable in our committees. I would point out that the only committee consideration of the matter, which was a fairly thorough one, by a subcommittee on the Committee on the Judiciary back a few years ago, resulted in no further committee action.

Mr. TOWER. Mr. President, will the Senator yield for a clarification?

Mr. TAFT. I yield for a clarification.

Mr. TOWER. Actually, the subcommittee was chaired by the distinguished Senator from North Carolina, and it is my recollection that the subcommittee did report the bill to the full committee.

Mr. TAFT. The Senator is correct in that regard. When I said no action resulted, I meant no committee action resulted. And the Senator from North Carolina who I think will speak in a few minutes, may want to comment on the matter further. The issue before us relates solely to the coverage of nonprofit hospitals and similar health care institutions.

The bill is tailored specifically to deal with labor-management relations in that area. There is the vital interest of the patients involved, which is a special public interest as compared to the overall scope of labor relations legislation, and I do not feel we properly ought to go into all the arguments at this time on this particular bill. I think it would jeopardize passage of the bill.

Therefore, at an appropriate time I expect to move to table the amendment. I have no desire at this time, however, to call off debate by other Members, so I am prepared to yield the floor, having indicated that at an appropriate time I expect to move to table the amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. JAVITS. As a matter of fact, is it not true that this was our big problem in committee, the problem of opening up the National Labor Relations Act? Many reforms are in the minds of many of our Members, and I deeply believe, myself, there should be an opportunity to explore the act in hearings and have various ideas submitted, and perhaps we are in need of some sessions to revise the act, which has to be done periodically with regard to any law, including labor law.

This bill is designed for a specific purpose at a specific time, to stabilize relations in a particular field. I think if we open up the act to the many arguments that occur on the various purposes of it, we are going to end the chance for getting done what needs to be done in the hospital field. We are dealing with 15,000 matters a year which are unfair labor practice complaints. If this amendment were to pass, they will inundate the Federal courts, which are busy enough. Second, it will jettison an enormous body of expertise and precedent which has been built up already by going into a new form. Third, and most important, it will do exactly what labor is really concerned about, which is to offer the opportunity enormously to extend adjudication by injunction, because that is the essential point of the amendment. We will have an injunction issue from a forum which can proceed not only on basic principle cases filed by the general counsel, but on private cases also. So that we are taking on an enormous load. It would just break the back of the bill and will, in addition, serve no useful purpose. It will mean we will have to revise the labor laws of the country, which we can hardly do at this time and season.

Mr. TAFT. I thank the Senator very much for his comments.

Mr. ERVIN. Mr. President, Congress and the Supreme Court did not adhere to the words of Article III in the Constitution, section 1 of which states:

> SECTION 1. The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the

> Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their offices during good Behaviour, and shall, at stated Times, receive for their Services a Compensation which shall not be diminished during their Continuance in Office.
>
> SEC. 2. The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority.

Now those words in the Constitution show the plain intent of the wise men who drafted and ratified that instrument which was to have the judicial power of the United States exercised by judges who are appointed for life, and who are made free of all pressures not only by having tenure for life but also by the provision that their compensation cannot be diminished during their continuance in office.

Unfortunately, however, Congress began the practice of vesting the judicial power of the United States, notwithstanding the clear intent of the framers of the Constitution to the contrary, in various kinds of so-called legislative or territorial courts.

The Supreme Court, unfortunately, held that these courts were legislative courts and that Congress had the authority to establish them under various provisions of the Constitution notwithstanding the clear declaration of article III, which states that "The judicial power—" and that is all of the judicial power of the United States, is vested in the courts and there shall be life tenure for judges.

Mr. President, several years ago, the Judiciary Subcommittee on the Separation of Powers, of which I have the honor to be chairman, conducted an extensive investigation on the subject of whether the National Labor Relations Board had adhered to the intent of Congress, as expressed in the National Labor Relations Act, in making adjudications under its authority. Some of the greatest legal scholars in the United States appeared before the Subcommittee on Separation of Powers and testified to the effect that time after time the National Labor Relations Board had clearly disregarded the plain intent of Congress which was manifested in the very legislation which the Board was undertaking to interpret and to execute.

The truth is, Mr. President, that every time there is a vacancy on the National Labor Relations Board we have a contest between industry on the one hand and labor on the other to designate a man to fill the vacancy whose political philosophy will harmonize with one or the other of these two groups.

Where we have that kind of system, where men are selected to exercise judicial power because of their bias one way or another, justice suffers irreparable harm.

I have heard a lot of talk about the expertise of the members of the National Labor Relations Board. I would rather have any matter I am interested in, interpreted by a court and enforced by a court which is not devoted to only one subject of the law. I think that we get more fair judgments, more sound judgments, at the hands of judges who are not tied down to one restricted field of law, but who are accustomed to dealing with all the various areas of the law. It is especially important to sound and fair judgments that matters be considered by judges who by reason of their life tenure and by reason of their protection as to compensation have no reason to be biased in favor of one party to a dispute or in favor of another.

For that reason, I think this amendment should be adopted.

The statement was made by the distinguished Senator from New York (Mr. JAVITS) that this amendment should not be offered to this particular bill because the bill deals with a related matter which is restricted in nature. I think the matter which the bill deals with is totally insignificant as compared with the matter which is covered by this amendment.

This is a good time to return to what was evidently the dream of the Founding Fathers, that the judicial power of the United States should be executed by unbiased judges holding office for life. The judicial power should be exercised by judges who are not beholden to either one of the two great segments of our society which have their contests waged before the National Labor Relations Board.

There is another point I object to in the labor laws and that is the fact that they can rob the individual of his right to vindicate his own legal rights in this field or to protect himself against injury at the hands of others.

We have, as the distinguished Senator from Texas said in a quotation of something I said several years ago, the most autocratic power ever lodged by a free society in any public official vested in the General Counsel. The General Counsel can bar the door to the temple of justice to any wronged individual in the labor field according to his unbridled, uncontrolled, and uncontrollable discretion. There is no standard whatever except his own whim or caprice as to whom he will file a complaint of an unfair labor practice or an unfair management practice against. That ought not to be. The doors of the temple of justice should be open to the individual who has been wronged and to the individual who is threatened with wrong. He should have appropriate and legal and equitable remedies with which to either redress wrongs already committed or to prevent wrongs which are threatened.

Prior to the time that the Subcommittee on the Separation of Powers conducted its investigation into how the National Labor Relations Board was executing the National Labor Relations Act, the Supreme Court had handed down, by a split decision, a most unfortunate decision, that of the Alis-Chalmers case, in which the Court absolutely ignored the crucial intent of the amendments which were adopted to the Labor Relations Act and which bear the name of the Taft-Hartley Act.

Prior to that time, the law was rigged in favor of one side, and the people for whom the law was avowedly enacted, the men who labored, were ignored. So they amended the law in 1947 to provide that a man not only would have a right to join a union and to associate himself in union activities, but also would have an equal right to refrain from joining a union and from participating in labor activities.

On account of a little proviso which, in my judgment, did not have the slightest relation to that provision, the proviso that nothing in the act would deny a union the right to prescribe the conditions of its membership, the Supreme Court, by a divided decision, absolutely nullified the plain intention of Congress and said, in effect, that a union could fine a man who was a union member; that even though he was opposed to a strike, they could draft him and make him participate in the strike or they could subject him to a fine.

At that time, some men had been fined by unions as much as $20,000 or more for refusing to participate in a strike which they believed to be unjust; and the general counsel absolutely refused to prefer unfair labor charges against unions imposing such exorbitant fines on men exercising rights which I believe ought to belong to all free men, rights which Congress undertook to give them in 1947.

It seems to me that a man should have a right of redress against these fines. At the present time, he has no redress, unless the General Counsel will file an unfair labor charge against the union imposing the fine; and he has no remedy whatever, unless the union undertakes to enforce a fine in the courts of law, and the courts of law have not been very diligent in the attempts to protect people against this sort of tyranny.

Under the amendment proposed by the Senator from Texas, the Senator from Michigan, and myself, any individual who is aggrieved by an unfair labor practice would be given the right to request the General Counsel of the NLRB to bring a labor charge, and the amendment would require the General Counsel to bring the labor charge and to prosecute it, unless he found it was without merit, in which case the individual then could go into court and manage his own lawsuit, to protect himself against threatened injury or to redress injury already suffered.

It seems to me to be abhorrent to our system of justice to have the doors of the temples of justice nailed shut against a man who has a bona fide claim or who is about to suffer an irreparable injury. One of the great things about this amendment is that it will open the doors.

There is another thing to which I object, where I think that injustice often is done. In the National Labor Relations Act, the National Labor Relations Board is given the power to find facts. I do not object to that, but it provides that their fact-finding shall be conclusive upon the courts if they are supported by any testimony whatsoever. So, as a matter of fact, this is where people ask for bread and are given a stone. I do not care who writes the judgment of the courts or the judgment of the National Labor Relations

Board or the judgment of any other board having judicial power. If you let me write the verdict, that is all the power I would want, because it gives absolute power.

So we have case after case that have come to the courts in which the evidence indicated that the findings of the board were absolutely wrong. Yet, the courts were helpless to change those findings because of this provision in the law, which made the National Labor Relations Board omnipotent in this field.

The Senate at this time should not hesitate to put the administration of justice—and that is what is involved here—in the hands of those who are most competent, by reason of their legal training, by reason of their legal experience, by reason of their freedom from bias, and by reason of the security of their offices, which are not dependent upon political appointments, to make these adjudications.

I sincerely hope that the Senate will adopt this amendment.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ERVIN. I am delighted to yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. I commend the distinguished Senator from North Carolina for his very persuasive argument.

I should like to ask him whether this is not essentially a question of civil rights. Are we not concerned here about very important civil rights of individual human beings who are workers, whether in or out of unions, who have claims of discrimination and other grievances to present and who, because of arbitrary action on the part of an appointed general counsel, can be, and sometimes have been, deprived of their day, not only in court but even before the NLRB?

I find it very ironic, indeed tragic, that many who espouse the cause of civil rights seem suddenly to become blind when it comes to the civil rights of workers in an area which involves the bread and butter of the people—the very right to earn a living. Does the Senator agree with that observation?

Mr. ERVIN. The Senator from Michigan is absolutely right on that point. I think the most precious right a man has is to protect himself against threatened injury and to secure an adequate recompense for injury which has actually been done him. Under this law, that cannot be done because of the autocratic power that is vested in the general counsel, who is elected by nobody, who is responsible, after his nomination and confirmation, to nobody, and who has no guidelines laid down to determine by what standards he shall exercise his discretion.

Yet, we have here American citizens denied the right to protect their own rights or to secure redress against injury. I think this is one of the worst affronts that has ever been inflicted upon the cause of justice by the Congress of the United States.

Mr. GRIFFIN. It seems interesting to me, as I look at the pattern of legislation that has developed in Congress in recent years, that an individual who has a complaint of racial discrimination can go to court if the Equal Employment Opportunities Commission will not take up and prosecute his case. The individual in such a situation can go into district court and make his own case, if the agency will not do it for him.

But a similar right is denied a worker if he had a complaint covered by Taft-Hartley against a union or his employer.

I fail to understand how anyone who calls himself a liberal and professes to support civil rights can bar the door of the courts to workers in this field where civil rights are involved. For the life of me, I cannot understand it, and I would like those who take such a position to tell us how they can justify it in the terms of civil rights.

Mr. ERVIN. I have to confess to the Senator that it is beyond my power of comprehension to understand how that can be. I think that is a wrong that should be corrected now, and I hope the Senate adopts the amendment.

Mr. BURDICK. Mr. President, during the 91st Congress, the Judiciary Subcommittee on Separation of Powers issued a report based on the oversight hearings which it had held on the National Labor Relations Board for the avowed purpose of seeing, with the help of a generation of experience, how the NLRB has carried out its functions and to determine how the principles of separation of powers operate in practice as opposed to theory. I filed separate and dissenting views.

My purpose is not to rehash the majority report or my separate views. I desire to point out that amendment No. 1143 to S. 3203 is not designed to accomplish what the majority of the Subcommittee on Separation of Powers then recommended. It should be noted, however, that that subcommittee, in its oversight report, "refrained from making specific recommendations because of the nature of its mandate and in deference to the jurisdiction of other Committees." Thus the Members of the Senate when asked to pass upon amendment No. 1143 offered by Senators TOWER, ERVIN, and GRIFFIN should be aware of two important points:

One. Amendment No. 1143 has never been considered by the Committee on Labor and Public Welfare.

Two. Even the Separation of Powers Subcommittee, in the report which is relied upon by the sponsors of this amendment, recognized that any amendments to the National Labor Relations Act which would affect the handling of unfair labor practices should first be considered by the Committee on Labor and Public Welfare.

The basic recommendation of the majority of the Separation of Powers Subcommittee was that neither a specialized labor court nor resort to the district court should be considered as an alternative to the National Labor Relations Board until an effort had been made to improve the functioning of the National Labor Relations Board. To my knowledge, the Committee on Labor and Public Welfare has made no recommendation to amend the National Labor Relations Act or to improve the operation of the Board with respect to the handling of unfair labor practices by the NLRB and its Office of General Counsel. In lieu of the present procedure of the act, the amendment would transfer to any person aggrieved by an alleged unfair labor practice the power to initiate complaints in the district courts. Let us see whether this is in fact an improvement over the present procedures and whether these changes correct the alleged abuses referred to in the report of the Separation of Powers Subcommittee.

First, with respect to the Office of General Counsel, the report of the Separation of Powers Subcommittee in the oversight hearings, complained that there appeared to be no standards, statutory or otherwise, to guide the General Counsel's determination of when to issue a complaint of unfair labor practice. While Congress gave the General Counsel broad discretionary power to issue, or decline to issue, complaints, Congress did not set any standards. However, the General Counsel testified that:

> The basic guideline followed by my office is to issue a complaint where it can fairly and reasonably be concluded that an unfair labor practice has occurred within the meaning of the statute. (Oversight hearings, p. 113)

He also explained that where a charge of unfair labor practice falls within familiar factual patterns and within well-settled areas of law that normally a complaint would not be issued.

The majority of the Separation of Powers Subcommittee also complained that the General Counsel's decision, under the provisions of the statute, was final and not reviewable. Further complaint was made that sometimes the General Counsel delayed his decision.

Amendment No. 1143, in section 204, would transfer this discretionary power as to issuance of a complaint from the General Counsel to "any person aggrieved by any such unfair labor practice." While amendment No. 1143 would also permit the "aggrieved party" to file a charge of unfair labor practice with the General Counsel, the amendment would direct that he shall issue the complaint "unless he determines that the charge is frivolous, or otherwise without basis in law or fact." Even if the General Counsel determines that the charge is frivolous or without basis in law or fact, the "aggrieved party" may nevertheless commence his action in the district court.

Thus, amendment No. 1143 would set up "frivolous and unmeritoriousness" as a standard to guide the General Counsel, and I believe this would be merely the same standard which in practice the General Counsel has followed as he has testified.

But while the right hand of amendment No. 1143 giveth a standard, the left hand taketh it away. Even if the General Counsel follows the proposed statutory standard, his observance of the standard can be completely undone by the aggrieved party by commencing an action in the district court notwithstanding the action of the General Counsel.

Thus, amendment No. 1143 does not "improve" the present situation. In fact, it worsens it since the discretionary power instead of being exercised by one General Counsel will now be exercised by any one of 26,000 alleged aggrieved parties throughout the United States. Thus, we will have sacrificed the desired element of uniformity of interpretation which was of such concern to the majority of the Separation of Powers Subcommittee.

Second, in its oversight report, the majority complained that the Board's decisions in unfair labor practices matters were sometimes inconsistent and that the Board sometimes seemed to be too sensitive to political pressure. Will amendment No. 1143 eliminate these complaints? The amendment would take the adjudicatory function from one Board and vest it in any one of 401 U.S. district judges, plus any one of the approximately 60 district court judges in senior status to whom the case might be assigned or to any one of 461 special masters which could be appointed by these judges. Again, there would be a great sacrifice of the uniformity of interpretation.

While a district judge, in theory, may be less sensitive to political pressure, amendment No. 1143 does not provide that the district judge will make the initial findings of fact. While amendment No. 1143 would eliminate the trial examiner of the Board from the adjudication process, it would authorize substitution of a special master appointed by the court as the hearing officer to take testimony and make findings of fact and a recommended order. Under rule 53 of the rules of civil procedure, the court may either refer the case to a standing master or may appoint a special master. Moreover, under section (e)(2) of rule 53, the district court is required to accept the master's findings of fact unless clearly erroneous. Thus, all amendment No. 1143 would do is substitute the potential predilection of masters and a district judge for the alleged predilection of trial examiners and the Board.

While amendment No. 1143 would fail to eliminate inconsistency and promote uniformity, it might even increase the political pressures complained or by the language contained in subsection (g) of the proposed section 10 which invites "judge shopping" in any one of three forums, to wit: first, the district of the union's principal office; second, any district in which the union is engaged in promoting or protecting the interests of employees; or third, in any district where the unfair labor practice is alleged to have occurred.

Therefore, I submit that amendment No. 1143 does not improve the present procedure—nor does it eliminate the complaints concerning either the functions of the General Counsel or the adjudications of the Board.

I have no objection to congressional consideration of substantive reform of the National Labor Relations Act. However, amendment No. 1143 is not a reform—it improves nothing. It seems clear to me that any improvement in the procedures under the National Labor Relations Act must come from the appropriate committee of the Congress, and should not come about as a result of an amendment which has never been considered by the appropriate committee of this body.

Finally, passage of the amendment would place a significant additional burden on the already overworked Federal courts. The current method of handling unfair labor practices cases allows the NLRB to use its expertise and procedural familiarity with labor laws to provide efficient, uniform settlement of a great many complex disputes. Both the General Counsel's decision to issue a formal complaint and the Board's opinion in the cases it hears minimizes the number of labor practices questions that ultimately reach the courts.

In 1973, for example, figures from the NLRB's annual report show that the General Counsel heard 26,487 allegations of unfair labor practices. He issued formal complaints in 3,709 instances, 10.2 percent, and action by the Board was required in 1,136 cases, 5.6 percent. Appeals to the circuit courts were made in 612 cases, 3.0 percent. These figures, as indicated by the table, are typical of the caseload in recent years. Out of thousands of potential disputes, only a small percentage of the most significant reach the courts for resolution.

The proposals in the amendment offer an unappealing alternative to the present mechanism. Even if it is assumed, since the standards for sufficiency are identical, the NLRB's General Counsel will issue formal complaints in about the same number of cases as at present. There will be additional cases filed under the amendment since parties are free to pursue their own remedy if the General Counsel declines to issue a complaint.

This could result in a tremendous increase in the district court caseload, since in the past nearly 90 percent of the requests for a formal complaint have been rejected. Potentially, the amendment could bring over 20,000 cases into the district courts—assuming all complainants chose to prosecute their own cases. This might—it could possibly—result in an increase of more than 20 percent in the total number of civil cases filed in the district courts. Although that figure is an outside limit, it is obvious that under the amendment the district courts will have to try the labor practices cases that are now handled by the NLRB, plus as many additional cases as the complainants choose to bring.

The Federal court system is not, nor should it be, prepared to handle such an avalanche of labor litigation. The impact becomes all the more disturbing when viewed in light of the amendment's caveat that—

> Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

This additional caseload—with priority scheduling—will further increase the backlog facing other litigants. The waiting time between issue and trial, now averages 11 months in Federal civil cases. This amendment will make it longer.

The small number of unfair labor practices cases that are now appealed from the NLRB to circuit courts accounts for a significant portion of their work. In 1972, the 740 such cases comprised 5 percent of all appeals filed in the circuits. A breakdown of this figure—by circuit—is provided in the following table which I ask to have printed in the RECORD. Already, according to the 1973 annual report of the Administrative Office of the U.S. Courts, the NLRB produces nearly half of the total appellate litigation that results from all administrative boards and commission. The current powers of the General Counsel and the exclusive jurisdiction of the board carefully limit the number of unfair labor practices disputes that the courts must resolve. This amendment should not be allowed to open the floodgates. The result would be not only less adequate resolution of labor disputes, but also increased delay throughout the Federal judicial system.

Mr. President, I ask unanimous consent to have printed in the RECORD two tables reflecting unfair labor practice cases tried before the NLRB and in the Federal circuit courts of appeal from 1968 through 1973.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

UNFAIR LABOR PRACTICES CASES

	1968	1969	1970	1971	1972	1973
Charges filed with NLRB General Counsel	17, 816	18, 651	21, 038	23, 770	26, 852	26, 487
Complaints issued	2, 004	2, 061	2, 147	3, 245	3, 740	3, 709
Cases decided by Board	1, 033	1, 063	1, 167	1, 165	1, 272	1, 336
Board decisions appealed	724	629	649	619	740	612

NLRB CASES APPEALED, BY CIRCUIT

Circuit	1968	1969	1970	1971	1972	1973
District of Columbia	75	60	42	37	46	48
1st	29	19	24	12	20	19
2d	123	106	82	64	98	82
3d	28	38	16	37	43	42
4th	44	34	33	35	38	24
5th	121	133	113	106	108	86
6th	118	87	118	105	127	107
7th	50	38	55	43	62	61
8th	37	30	44	35	56	40
9th	77	68	92	126	112	79
10th	22	16	30	19	29	23
Total	724	629	649	619	740	612

Source: U.S. courts, B3.

Mr. BURDICK. Mr. President, there is a difference of opinion on what the evidence demonstrated in the oversight hearings but I am not going to re-argue the case now. The committee which undertook this job back in the 91st Congress was composed of the Senator from Arkansas (Mr. McClellan), the Senator from Nebraska (Mr. Hruska), the Senator from North Carolina, who was the chairman, and me. The hearings, were very lengthy and we had many distinguished witnesses who gave both the pros and the cons. I wish to read the last paragraph of the conclusions and this paragraph squares with what the Senator from New York and the Senator from Ohio said. This is not the place and the committee said this is not the place at this time. I wish to read from page 30 of the committee report. It states:

> Finally, Congress ought to look into the feasibility of substantive reform of the National Labor Relations Act. The subcommittee has refrained from making specific recommendations because of the nature of its mandate and in deference to the jurisdiction of other committees. It believes, nevertheless, that the hearings on which this report is based have demonstrated the erosion of congressional policy by the Board—in the area of authorization cards, employer speech, unit determination, duty to bargain, organizational picketing, hot cargo clauses, and so forth—and the need for substantive correction.

In other words, they themselves refrain from making a recommendation and state the matter should go to the appropriate committee, and that is where it should go. We should have full-scale hearings on this matter in the Committee on Labor and Public Welfare, and that has not been done since the hearings to which I have referred.

Mr. ERVIN. Mr. President, the committee excerpt read by my good friend indicates it was found there were a great many abuses beyond the power of the National Labor Relations Board and they waited for the appropriate committee to act. Well, the appropriate committee has not acted, and I do not think there is any prospect of the committee acting very soon. The only way to protect those who feel as we do is by agreeing to the amendment.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. TOWER. Mr. President, I would first like to say that I appreciate very much the Senator's strong constitutional argument which I think cannot be overcome. I wish to note further that I must reject the contention that this is not the place and that this bill is an inappropriate vehicle for this kind of legislation because we cannot seem to get any kind of committee action, and this is the only opportunity we are going to have, this vehicle, to add this amendment. I feel if we appeal to the greatest forum we can, the people of the United States, for support, and if we do it often enough the people will see the justice of what we suggest and Congress will act favorably on the amendment.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by Senators Tower, Ervin, and Griffin.

This amendment is straightforward and simple. Its only purpose is to transfer the jurisdiction over cases involving unfair labor practices from the National Labor Relations Board to the Federal district courts. It calls for absolutely no change in the substance of the national labor policy or the Taft-Hartley Act. It would merely change the forum in which these unfair labor practice cases are argued and decided.

The need for this amendment is obvious. Over the years, the National Labor Relations Board has consistently disregarded the intent of the Congress in this area. For example, it has imposed a double standard in the area of free speech, castigating reasonable actions by management, while sanctioning the excesses of labor. When the Congress outlawed secondary boycotts, the Board emasculated the provision with exceptions and restrictions. The Board has extended the range of mandatory bargaining subjects so far that practices once considered to be within the discretion of management have now become labor prerogatives.

Mr. President, there is no way that the best interests of this country will be served if this promulgation of imbalance in our labor-management relations is allowed to continue. The purpose of all our Federal labor legislation is to reconcile and, when possible, to equalize the power of society's economic forces in order that fairness may prevail, prosperity flourish, and industrial strife be avoided. Its purpose is not to favor one side over the other.

Mr. President, in addition to being one-sided, the Board has been inconsistent. Since it does not follow the doctrine of stare decisis, it appears to be particularly susceptible to political pressure and the influence of labor bosses' opinion. Under such circumstances, labor law policy is allowed to fluctuate radically according to the membership of the Board and the mood of the times. The result is inequity and confusion. Labor lawyers often have no way of knowing exactly what the law is on a particular subject and the Board is inundated with requests for rulings.

Our labor-management policy is national in scope, its influence extending far beyond the interests of the parties themselves. Such a policy must be uniform and stable if our national interests are to be served.

Uniformity of interpretation and avoidance of parochialism are two of the basic premises of our Federal court system. This system has proved its ability in areas far more complex than that of our labor laws It has proved that it can properly interpret the policies enunciated by the Congress. No one can seriously contend that the Federal district courts are not the proper forum in which to adjudicate disputes between citizens who find themselves in controversy over alleged violations of Federal law.

Mr. President, transferral of jurisdiction to the Federal courts would insure increased fairness, predictability and long-term stability in our national labor policy. For all these reasons, I hope that my colleagues will support this amendment.

Mr. TAFT. Mr. President, I move to lay on the table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Texas. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Inouye), the Senator from Ohio (Mr. Metzenbaum), the Senator from New Mexico (Mr. Montoya), the Senator from Maine (Mr. Muskie), and the Senator from California (Mr. Tunney) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from Illinois (Mr. Percy), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. Young) is absent on official business.

I further announce that the Senator from Florida (Mr. Gurney) is absent due to illness in the family.

The result was announced—yeas 60, nays 23, as follows:

[No. 175 Leg.]

YEAS—60

Abourezk
Aiken
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Domenici
Dominick
Eagleton
Fong
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Mondale
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Taft
Talmadge
Weicker
Williams

NAYS—23

Allen
Bartlett
Brock
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Eastland
Ervin
Fannin
Goldwater
Griffin
Hansen
Helms
Hruska
McClellan
McClure
Metcalf
Scott, William L.
Sparkman
Stennis
Thurmond
Tower

NOT VOTING—17

Baker
Bellmon
Bennett
Buckley
Church
Cook
Fulbright
Gravel
Gurney
Inouye
Metzenbaum
Montoya
Muskie
Percy
Stevens
Tunney
Young

So the motion to lay on the table the Tower amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOMINICK. Mr. President, I call up my amendment No. 1213 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill, add the following new section:

SEC. 2. Section 8(b) of the National Labor Relations Act is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon and the word "and", and by adding a new paragraph as follows:

"(8) to deny, limit, or otherwise restrict membership in such labor organization, or any rights or privileges pertaining thereto, or participation in any apprenticeship or training program, on account of race, color, religion, sex, or national origin.".

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOMINICK. Yes; I am happy to yield.

LEGISLATIVE PROGRAM

Mr. GOLDWATER. Mr. President, I should like to ask the majority leader what the schedule will be for the remainder of the week.

Mr. MANSFIELD. Mr. President, for the information of the Senate, I think this will be the last amendment to be offered on the pending business today.

When that amendment has been disposed of, the pending business will be laid aside and taken up again at 11 o'clock on Tuesday morning next, with a vote to occur not later than 6 o'clock that evening.

When the pending business has been laid aside, following the disposition of the Dominick amendment, the Senate will then turn to the consideration of Calendar No. 736, H.R. 11385, a bill to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries.

There is a time limitation on that bill. It is anticipated by the joint leadership that we should be able to finish that bill tonight. It might take a little longer than 6 o'clock or 7 o'clock, but we would like to finish it. If we do, then the Senate will go over until Monday. If we do not, we will have to come in tomorrow to dispose of it.

Mr. GOLDWATER. Does the majority leader guess that we shall be in later than 7 o'clock?

Mr. MANSFIELD. I hope not, but I would bow to the distinguished Senator from Maryland.

Mr. BEALL. So far as I know, there will be a maximum of three votes, albeit there is a possibility of less than three votes. I expect that we would have to strain to take more than 2 hours.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GRIFFIN. I should like to ask the distinguished majority leader, since changes have been made in agreements for the program for next week, if we might go through that schedule while Senators are still in the Chamber.

Mr. MANSFIELD. Mr. President, following the conclusion of morning business on Monday, the Senate will take up S. 2999, to authorize appropriations during the fiscal year 1974 for the procurement of aircraft, missiles, and so forth. That will be followed by the supplemental appropriation bill.

On Tuesday, we shall return to what is now the pending business.

On Thursday morning, on the basis of the way things look now, we would finally get under way on the aid to education bill.

Mr. GRIFFIN. As I understand, that bill, with an amendment, was proposed to be taken up on Thursday.

Mr. MANSFIELD. That is correct. I thank the acting Republican leader for refreshing my recollection. He is correct. When that bill is disposed of, the debate will then be resumed on the aid to education bill.

Mr. GRIFFIN. I thought that should be mentioned because yesterday it was indicated that that bill would be taken up on Wednesday.

Mr. MANSFIELD. There is a possibility that on Wednesday, because of the change of time for the vote on the wages and hours bill, we might be able to get started on a two-track basis on both the energy and the aid to education bills.

Mr. PELL. When will the aid to education bill be laid before the Senate?

Mr. MANSFIELD. Very likely tonight; but the other bills will come in, and they will be laid aside temporarily in order to get through the schedule, so that we will be able to clear the decks.

Mr. PELL. Then, we will really start the debate on Wednesday?

Mr. MANSFIELD. Yes; just a start.

COVERAGE AND PROTECTION FOR EMPLOYEES OF NONPROFIT HOSPITALS

The Senate continued with the consideration of the bill, S. 3203, to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

Mr. DOMINICK. Mr. President, this is a very simple amendment, but I do not think it will need any extensive explanation. It applies antidiscrimination language, which is used in many other bills, to the NLRA.

The past decade has seen an awakening of the American conscience to the realization that discrimination still exists in America and that American minority groups have not had an equal opportunity in our society.

Following that realization came a flurry of activity in American courts and legislatures seeking to undo almost 200 years of discrimination. The result of all this activity has been significant and beneficial steps toward equal opportunity for all Americans in such areas as voting, housing, and education. But before the flurry subsides and before the American conscience can rest there is much to be done.

The area of equal employment opportunity is one area of civil rights which must be improved. It is particularly offensive to see the backbone of our free enterprise system wracked with employment discrimination. Employment discrimination becomes more offensive as it grows in scale and practice. For this reason, my bill is aimed at the largest and strongest factor in the labor field today, the labor unions. Labor unions, through their power as certified exclusive bargaining agents of the employees, are in a perfect position to control hirings, firings, advancements, seniority, and other employment practices which easily lend themselves to abuse.

Certainly my amendment is not the first effort to realize and attempt to attack the problem. Hopefully, mine will prevail where others failed. My amendment would treat union employment discrimination as an unfair labor practice under the National Labor Relations Act. This would place such acts under the jurisdiction of the National Labor Relations Board; the net result being faster and cheaper enforcement of a national policy by the organization which is most conversant with unions and their hiring practices.

Mr. President, that is a short, succinct statement of the problem. Let me go a little further into the subject, if I may.

There are at the present time labor unions in Texas which are in the construction field, I believe, which do not allow anyone except blacks in the unions. There are just the reverse situations in other areas of the country, where unions will not let anybody but whites in. Very few unions will allow women in at all, no matter what kind of union or what kind of trade it may be.

I believe that this is a situation which can be dealt with in that type of practice through the standard method of the National Labor Relations Board. Granted, as the Senator from Texas (Mr. TOWER) has just said, although I voted to table his amendment, there are defects in the Board and its jurisdiction and the appellate power from that Board. I should say the vast majority of the Senate, having voted to table the amendment, are saying, in general, they would like to keep the National Labor Relations Board going. This is what the Senate wants and what the House wants, I believe. I would say that what we ought to do is to make certain that unions, by discriminating in this manner, which they obviously have—and it does not take real knowledge to see that—they are permitting an unfair labor practice. We do that with industries.

We do it with all industries. We do it in hiring practices. In fact, we once passed, and probably properly, an age discrimination law. During the process of the debate on that, I remember talking with the distinguished chairman and saying, "What is an employer going to do? Let us say he is approached by a 35-year-old black woman and a 46-year-old white male who have equal qualifications for the job. There is not any way for that one job that he can avoid a claim of discrimination. If he hires the white male, he is discriminating against the black woman. If he hires the black woman, then he is discriminating, on an age basis, against the white male."

So, since we have done this in all kinds of fields, I see no reason in the world why we should not do it insofar as the unions are concerned. I am not trying to penalize them. I am trying to apply the same rules to them that apply to every other organization in the country. This is not a massive amendment and it does not gut anything. All it does is say that it makes it an unlawful and unreasonable practice to discriminate, which we all think it is anyway.

Mr. JAVITS. Mr. President, the amendment which the distinguished Senator from Colorado has presented to us with such an appealing argument has two defects, both fatal.

First, the substantive defect is that this is not only the law already, but it is the law three times locked in.

Second, it is a generic amendment to the National Labor Relations Act, and for precisely the same reasons, without in any way trying to deal, at this stage, with the substantive nature of the amendment, that we tabled the previous amendment respecting resort to the courts, we should table this one also, and I shall, in due course, after Senators have been permitted to speak, move to table accordingly.

The important point, of course, Mr. President, aside from where we stand on this bill and our general attitude toward trying to revise the National Labor Relations Act under the cover of this bill, is the point I made to begin with, that such discrimination is now unlawful under the NLRA as well as other laws.

I refer first to the appropriate section of the Civil Rights Act of 1964, which contains within it, under title VII, the following subsection:

> (c) Labor organization practices.
>
> It shall be an unlawful employment practice for a labor organization—
>
> (1) to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his race, color, religion, sex, or national origin;

It then goes on to lock that into further definitions.

The difference between what Senator Dominick wishes to do and the Civil Rights Act of 1964 is simply that there it becomes actionable by the Equal Employment Opportunity Commission in all such cases of discrimination, and the procedure simply runs under the antisegregation laws instead of under the labor laws or the laws regarding labor union organization; and all this would do, if we adopt Senator Dominick's amendment, would be to pile more work on the National Labor Relations Board.

Furthermore, there has been a very passionate espousal of the idea that there should be one track to deal with segregation in respect of labor cases, and that track should be the Civil Rights Act. Indeed, there was a strong attempt to make title 7 of the Civil Rights Act the exclusive remedy for unlawful racial discrimination when it was recently amended to be given more teeth. This was one of the issues raised, and the argument was a very sound one, even though it was not accepted at that time.

If we took this amendment, we would run counter to the idea of providing one track, one channel, one method of enforcement for this particular right. That is item 1.

Second, there is the action of the National Labor Relations Board itself, which actually already does deal with racial discrimination in several contexts—so that this amendment would be completely surplusage. For example, under the so-called Miranda doctrine, a union which is proven to have discriminated on the basis of race, sex, et cetera, can be held guilty of an unfair labor practice on the ground that if a trade union is segregated or otherwise acts in opposition to Senator Dominick's amendment as he has proposed it here, it is not representing all the workers, which is required by the Miranda doctrine in respect of its activity; and in representation cases it is not fit to represent or seek to represent the workers where it engages in this kind of discrimination. So there is the second lock-in.

Third, Mr. President, the Supreme Court itself, in a long line of cases, has decided that a union may be sued for breach of the duty of fair representation in racial discrimination cases.

So. Mr. President, I do not know the reason why this amendment is presented with respect to the National Labor Relations Act, but it is, first, unnecessary; there are a number of other ways in which this is already being done.

Second, it is a generic amendment, which goes, again, to changing the National Labor Relations Act in a broad way and at a time when we respectfully submit it is undesirable to do so, and therefore would only bedevil this bill with a weight which it cannot and should not be asked to carry.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. WILLIAMS. Mr. President, not to prolong the debate here, I note that this subject matter has been very thoughtfully discussed by Mr. Edward B. Miller, Chairman of the National Labor Relations Board, before a Kansas City Bar Association seminar on April 11 of this year. This thoughtful presentation of the issues here involved, I think, should be included in the Record, and I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

A View from the National Labor Relations Board

(By Edward B. Miller)

You are concerned here today, as I understand it, with civil rights issues as they relate to employment and to union representation. I have therefore assumed that the title assigned to me—"A View from the National Labor Relations Board"—indicates that you would like to have me discuss the extent to which the National Labor Relations Board has been, is now, and may or ought in the future to be involved in these issues.

I would suggest at the outset that the Board's involvement to date stems primarily, although not necessarily exclusively, from constitutional considerations. In fact, a more nearly accurate title for my remarks might have been "A View from the Supreme Court of the NLRB's Constitutional Duties." Any view I express, however, should be recognized as being only my own view, for my colleagues may not see either the constitutional or Board decisional issues in the same light as I do.

The Board's awareness of its constitutional duties in this regard is neither so new as some now purport to believe, nor so tardy as the Supreme Court on at least one occasion seems to have thought. For as early as 1938, in a case involving the *American Tobacco Company*[1] the Board refused to conduct an election in a unit limited to the white employees in certain plants of the company. While one seeks in vain through the text of that early decision for any glimmerings of a purely constitutional base for the Board's decision, a similar search is more rewarding when we look at the 1943 Board decision in *Bethlehem-Alameda Shipyard, Inc.*[2] There the Board deferred issuing a Direction of Election because of a showing that two affiliates of the union council had refused to admit Negro and Oriental employees to membership. By the time of the reported Board decision in that case however, remedial action had been taken by the union and the Board lifted its stay and proceeded to direct the election. But in that written decision of over a quarter century ago, the Board expressed, and I quote, "grave doubt whether a union which discriminatorily denies membership to employees on the basis of race may nevertheless bargain as the exclusive representative in an appropriate unit composed in part of members of the excluded race." The Board, significantly, noted that if a union shop contract were executed by such a union, the validity of such a contract under the proviso to Section 8(a) (3) would be open to serious question. By "validity", the Board meant, I am sure, *constitutional* validity.

It was a year later—in 1944—that the Supreme Court spoke definitively of that selfsame issue. For in *Steele* v. *Louisville and Nashville Railroad Company*,[3] the Supreme Court construed the Railway Labor Act as imposing upon collective representatives chosen pursuant to that Act a duty to represent all members of the craft "without hostile discrimination, fairly, impartially, and in good faith," pointing out that if the Railway Labor Act were not so construed, serious question concerning its constitutionality would arise. The constitutional issue is, of course, that both the Railway Labor Act and our Act purport to confer upon unions the exclusive authority to bargain for all employees in the unit and authorize contracts covering such units making union membership compulsory. It is thus a clear invasion of both due process and individual rights if the federal government were to confer such extraordinary power and authority on an organization which was to fail in its duty to perform the function which is the raison d' etre of its authority.

The National Labor Relations Board noted its awareness of this decision and its meaning for our Act shortly thereafter. In 1945, in the *Larus* case,[4] this Board affirmed its policy and duty to refuse to recognize a petition for representation either if the petition proposed to exclude Negroes from the bargaining unit

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on the basis of race, or if the petition was from a bargaining representative which did not admit Negro employees to membership. In so holding the Board made specific reference to the *Steele* case as supporting prior holdings of the Board recognizing the constitutionally founded obligation of the statutorily exclusive bargaining agent to represent all members of the bargaining unit equally and without discrimination.

There is therefore nothing new, I submit, about the Board's concern with the duty of fair representation and the necessary correlative prohibition against the clearly invidious and unfair practice of racial or other arbitrary discrimination by labor organizations. Nor can there be any real doubt that the underlying premise for this concern is that if the Board did not construe the Act to impose such a duty its provisions with respect to exclusive representation and with respect to the authority granted to exclusive representatives to enter into union shop agreements would clearly run afoul of constitutional guarantees.

The issues which have plagued the Board since those early days, and continue to plague it today, are essentially procedural and remedial ones rather than ones arising out of any doubts about the Board's fundamental duty to recognize and give effect to the principle that it must, if it is to administer the act constitutionally, safeguard employees' rights to fair, and thus non-discriminatory, representation.

In 1953—over 20 years ago—in the first Hughes Tool case,[5] the Board, in a Section 9 representation proceeding, conditionally revoked the certification of certain unions which had been shown not to have met their statutory duty of fair representation. The decision there was a split one, but the issue which divided the dissenters from the majority was solely the procedural issue as to whether the Board should enforce this duty of fair representation through its representational procedures, or whether the 1947 amendments to the Act which created union unfair labor practices for the first time, had intended to eliminate the authority for certificate revocation actions by providing that unfair practices by Unions were to be remedied only as such under Section 8, and not under Section 9. The majority pointed out that nothing in the legislative history of the 1947 amendments contained any indication that the addition of the unfair labor practice provisions under Section 8(b) was intended to limit the Board's authority to rescind certifications under Section 9. The majority opinion then concluded:

"We therefore adhere to the view that the authority of this Agency to police and rescind certifications issued under Section 9, where the facts show abuse of the certification by the bargaining representative, has not been circumscribed or eliminated by the amendments to the Act."

In 1962 still another representation issue arose, this time in the Pioneer Bus Company case.[6] There the question was whether the Board would recognize, for contract bar purposes, collective-bargaining agreements covering two separate units—one composed exclusively of white bus operators and shopmen and the other consisting entirely of Negro employees in the same classifications. The Board, again citing as precedent such clearly constitutionally based decisions as Brown v. Board of Education,[7] held that it would not permit its contract bar rules to be utilized to shield contracts which ran afoul of the condemnation of what the Board called "governmental sanctioning of racially separating groupings". It is also interesting to observe that dictum in that case noted that the execution of such racially separate contracts was "in patent derogation of the certification and would warrant revocation of the certification."

Just nine days after the Board decided *Pioneer Bus* it also decided *Miranda Fuel*.[8] You will remember that in the first *Hughes Tool* case the real issue was whether the addition of the 8(b) prohibitions in 1947 made it inappropriate for the Board to seek to remedy violations of the duty of fair representation through Section 9 proceedings. Both the majority and the dissent seemed to assume, but did not decide, that the issue of fair representation could be reached under 8(b). In *Miranda* that issue was squarely posed and squarely decided. The complaint in *Miranda* did indeed allege that the union had violated its duty of fair representation but that the Employer by acting in concert with the union had also violated Section 8(a)(3) and 8(a)(1) by acceding to the union's demand to reduce the seniority status of an employee for what were alleged to be irrelevant, invidious and unfair reasons. It has almost been forgotten that the reasons in that case were not at all racially related but nevertheless did raise the issue of fair representation. A majority of the Board there found both the 8(b) and the 8(a) violations, again relying in substantial part on the *Steele* case which it recognized to have clearly delineated the duty of the statutory bargaining agent to represent all members of the unit equally, fairly, and certainly without discrimination on the arbitrary and indefensibe basis of race, color, or creed. The majority pointed out that while *Steele* had spoken particularly to the issue of color and creed discrimination, the principle established by the Supreme Court was that labor organizations could not take action against any employee under any consideration or classification which was "irrelevant, invidious or unfair."

It may be worth noting that the Board in that case recognized the difference in duties between a labor organization and an employer. It specifically stated that "Labor organizations, because they do represent employees, have statutory obligations to employees which employers do not." Only after having said that did the Board go on to say "To the extent, however, that an employer participates in such union's arbitrary actions against an employee, the employer himself violates Section 8(a)(1) of the Act."

The majority took one further step. It held that where such arbitrary action could be said to encourage membership in the union, apparently because of the exhibited power of the union to effectuate such arbitrary action to the extent of jeopardizing the employment status of the individual, the impact would be improperly to encourage membership in such a powerful organization—i.e. the union. Thus the union was also found guilty of 8(b)(2) and the employer guilty of 8(a)(3) when the two combined to take the prohibited action adversely affecting the employee's employment.

The majority opinion drew a strong dissent from Chairman McCullough and Board Member Fanning. They attacked the 8(b)(2) and 3(a)(3) findings on the ground that the Supreme Court cases required, in their view, something more than disparate treatment upon arbitrary, irrelevant or unfair grounds—the something more being that the discrimination must be shown to have had the specific intent or effect of encouraging or discouraging membership in a labor organization. In the absence of objective evidence that the action of either the union or the company was motivated by the desire to encourage or discourage union membership, the dissenters were unwilling to infer that such a result was "foreseeable" from the "exhibited power" aspect of the Union's arbitrary, irrelevant, or unfair interference with the employment relationship.

To me the more interesting portion of the dissent, however, was the portion dealing with the 8(b)(1) and 8(a)(1) finding. For there Chairman McCullough and Member Fanning took a view precisely opposite to the one advanced by two predecessor dissenters in the first *Hughes Tool* case. For these new dissenters appear to have accepted the decisions in *Larus* and *Hughes Tool* which, as you will recall, held that the matter of unfair representation was an approprite subject for consideration in representation cases. They reaffirmed the Board's right and duty to revoke certifications for this reason, but they declined to hold that such conduct was within the reach of 8(b)(1).—the precise opposite of the view of the dissenters in *Hughes*, who would have preferred the 8(b)(1) route to the exclusion of the representation case route for this purpose.

The *Miranda* decision was denied enforcement by the court on grounds unrelated to any of those that I have been discussing, and so for some time we had no court view on the essentially procedural issue of how or in what context this Board ought to reach the issue of unfair or discriminatory representation by exclusive bargaining agents. A couple of years were to go by until this matter reached the courts.

But in the *Rubber Workers case*,[9] the constitutional issue and the statutory procedural issue were squarely put, decided by the Board in 1964 and affirmed by the Court of Appeals for the Fifth Circuit in 1966. In addition, a new jurisdictional issue—the effect of Title 7 of the Civil Rights Act upon the Board's jurisdiction—was also squarely put and squarely decided by both the Board and the Court. That case involved racial discrimination effectuated through the application of racial seniority rosters, as well as the refusal by the Union to process grievances seeking to obtain the elimination of racially discriminatory practices. Once again, a majority of the Board, still relying upon the underlying constitutional teaching of the *Steele* case, found the breach of Sections 8(b)(1) and 8(b)(2), and, further, found a violation of 8(b)(3) in Respondent's refusal to process the grievances.

The majority further held that although Congress had legislated specifically concerning racial discrimination, when it enacted Title 7 of the Civil Rights Act in 1964, it had not acted to limit the Board's duty or authority in this area, pointing out that an amendment which would have made Title 7 actions the exclusive procedure in cases of this kind had been rejected by the Congress.

Once again, Chairman McCullough and Member Fanning reiterated their dissenting view that the only route which the Board ought to use to reach matters of this kind was its representation case procedures.

The Court of Appeals enforced the Board's order, agreeing with the Board in all material respects. The Court began with a reaffirmation of the constitutional basis for the duty of fair representation. It states:

"Indeed, the Supreme Court had indicated that any statute purporting to bestow upon a union the exclusive right to represent all employees would be unconstitutional if it failed to impose upon the union this reciprocal duty of fair representation."[10]

The Court went on specifically to reject the dissenters' views, and found that the right of fair representation was an NLRB Section 7 right and that the Union's acts in this case clearly constituted a violation of Section 8(b)(1)(A) by restraining employees in the exercise of their Section 7 rights.

Then, interestingly, the Court went even further than the Board with respect to Title 7. For the Court not only held that the violation of the duty of fair representation was within the proper reach of Section 8(b), but indeed went on, in dicta, to state that except for Section 301 actions and Title 7 actions, the Board should have exclusive ju-

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risdiction, preempting the state and federal courts from entertaining suits by employees against their unions where such suits were grounded on the duty of fair representation.

The Court, however, did not reach the question of whether the union's conduct violated Section 8(b)(2) and 8(b)(3) of the Act, since it found that the remedy would be the same as the remedy for 8(b)(1) in any event, and that the remedial order entered by the Board was clearly justified once the Board had properly found a violation of Section 8(b)(1)(A).

Certiorari was sought and denied. The customary debate as to what the denial of certiorari in this case meant or did not mean is somewhat less speculative than usual when we observe that the denial of certiorari occurred in 1967, roughly eight months after the Court had decided *Vaca* v. *Sipes*, 380 U.S. 171.

So let us take a look at what the Supreme Court said in *Vaca* v. *Sipes*. *Vaca* v. *Sipes* involved a state court action brought by a discharged employee who alleged that he had been discharged in violation of the collective-bargaining contract and that his union had arbitrarily and without just cause refused to take his grievance to arbitration. The union defended on the ground that the action was arguably and basically an unfair labor practice within the exclusive jurisdiction of the National Labor Relations Board under 8(b), citing *Miranda Fuel*. The Court recognized the Board's *Miranda Fuel* decision and also made specific reference to the *United Rubber Workers* case wherein it had not yet denied certiorari. It also noted specifically the dictum in the Fifth Circuit's decision in the *Rubber Workers* case to the effect that these matters were preempted by the Labor Board's jurisdiction over Section 8(b).

You may grow tired of my repeating it, but I would first note that once again the Supreme Court in the *Vaca* v. *Sipes* case recognized the *constitutional* foundation of a Union's duty of fair representation. Describing its own *Steele* decision the Court said: "This Court recognized in *Steele* that the Congressional grant of power to a union to act as exclusive collective-bargaining representative, with its corresponding reduction in individual rights of the employees so represented, would raise grave constitutional problems if unions were free to exercise this power to further racial discrimination."

The basic holding of the case was that state court actions of this type were not preempted by remedies available through the Board. But it is difficult to argue that the Court did not intend to approve the correctness of the Board's 8(b)(1) findings in both *Miranda* and *Rubber Workers*. The Court said:

"We may assume for present purposes that such a breach of duty by the Union is an unfair labor practice, as the NLRB and the Fifth Circuit have held."

Not only did it have no difficulty in making that assumption, but it further made reference to "the NLRB's tardy assumption of jurisdiction in these cases." And two dissenting justices specifically stated that the breach of duty of fair representation is not only an unfair labor practice under 8(b) but would have agreed with the Fifth Circuit that such practices are subject to the exclusive jurisdiction of the NLRB.

Let me stop and recapitulate just a bit at this point. It seems plain as a pikestaff to me, after reviewing these cases, that the duty of, and correlative right to, fair representation, and the Board's obligation to enforce that duty and that right are all not merely statutory, but are constitutional in origin. There is some loose talk around these days to the effect that employee rights in this connection are solely statutorily based, and to the effect that the sole base of those rights is the rather recently enacted legislation we refer to as Title VII. It is quite understandable that with all of the recent publicity given to Title VII and particularly to the host of Court actions which have been brought thereunder, we are all tempted to focus only on that very significant Congressional enactment. But so far as the Labor Board is concerned, we must stretch our memories well back of 1964 and remember that from the very earliest days of the Act the Board assumed, at first vaguely and later explicitly, that it had no *constitutional* power to confer, condone, or enforce exclusivity of representation in the face of proof that that representation was being exercised in a discriminatory manner—not only on the basis of race but whenever the exclusive representative was drawing arbitrary, invidious or discriminatory lines between those whom it would fully represent and those whom it would not.

Procedurally we have seen that the Board has been variously divided as to whether it should utilize the representational case forum, the unfair labor practice forum, or both, as a route for dealing with the constitutional issue of fair representation. The outstanding precedent, however, is clearly that both routes are available. It is abundantly clear that the Supreme Court is of the view that the Board may reach the issue by invoking its unfair labor practice jurisdiction under Section 8(b) and, indeed, that the Board has done so rather tardily.

The Supreme Court has not yet, so far as my research indicates, had the occasion to pass directly on the Board's authority to use its representational case processes to deal with this issue. The Board, however, both prior to and subsequent to the 1947 Taft-Hartley amendments has taken the position that it may—and must—revoke the certifications when presented with evidence of certain flagrant violations of the duty of fair representation. It has not in recent years decided any case in which it has withheld—or even withheld conditionally—the issuance of a certificate, although it did just that as long ago as 1943. Since, as you know, the question of whether the Board should withhold a certificate in certain cases on this ground—and if so, at precisely what point in the representation proceeding the matter should be raised—is now before the Board for decision, it would be improper for me to comment further on this subject matter at this time. I had hoped that we would have some guidance out to the parties by this time, but we have not been able to meet my optimistic predictions of a month or two ago when I said that I thought we would have our first key decision out within a couple of weeks. All I can properly tell you at this time is that the matter is under active consideration at the Board.

In the 8(b) area there has not been a great rash of recent Board decisions. There are a few, however, which I might call to your attention.

In *Pacific Maritime Association*[11] issued on March 14 of this year, the Board affirmed the decision of an Administrative Law Judge in finding an 8(b) violation where the Union had breached its duty of fair representation by preventing the hire of female employees on grounds of sex. The Administrative Law Judge found that the Longshoremen's Union had denied six women access to its dispatching facilities because of their sex, which he found to be an irrelevant, invidious, and unfair distinction. Relying upon *Miranda*, he found that this breach of the duty of fair representation violated Sections 8(b)(1)(A) and (2) and that the Employer who by its conduct had participated in such action violated Section 8(a)(1) and 8(a)(3) by so doing. Member Fanning concurred, not relying on the *Miranda* decision, but rather relying on two other cases—*William F. Murphy*[12] and *W. J. Siebenoller Paint Co.*[13] Once again, following the *Rubber Workers* case, the contention was rejected that such a proceeding should be processed only under Title 7.

Since in this "Longshorepersons" case, as it has been called, Member Fanning rested his decision on the *Siebenoller* decision, we might take a look at that case for a moment. In that case the Board found a violation of Sections 8(b)(1)(A) and (2) of the Act because the Union had harassed the employer in an effort to force it to discharge a black apprentice and to cause the employer not to hire more black apprentices. The Board also found 8(b)(1)(A) violations in the Union's discipline of other members because of their failure to assist the Union in its efforts to force the employer to abandon its announced intention to hire the black apprentice and for taking certain other action against them because of their refusal to cooperate in the union-directed harassment of the employer.

Member Fanning joined in this decision, although he did not rest his findings on *Miranda*. Nevertheless, there would appear to be some departure from Member Fanning's view in *Miranda* that the Board should use only its representation case route in this type of case. I am not sure, however, that Member Fanning would agree with my characterization of his views. Since *Siebenoller* was a full Board decision it does appear that all of the members of the present Board will find 8(b) violations at least in certain cases wherein the facts show a breach by the union of its duty of fair representation, particularly where that breach is in the nature of racial discrimination.

In the *Pacific Maritime* case the Board again found the employer-respondent guilty of a violation of Sections 8(a)(1) and 8(a)(3) of the Act because it acted in concert with the union in adversely affecting the employment status of certain individuals by participating in the breach of the union's duty fairly to represent those persons. Since it seems clear by now that the right to fair representation is a Section 7 right, there would seem little basis to challenge the *8(b)(1)* findings in this connection or the *8(a)(1)* findings, since the employer has acted in concert with the union in such manner as to unlawfully interfere with those Section rights.

Where the employer does *not* act in concert with the union, however, the Board has not heretofore found that racial discrimination by an employer, standing alone, is a violation of either 8(a)(1) or 8(a)(3). You may recall that I quoted to you the Board's language in *Miranda* wherein it stated that a labor organization as bargaining representative is not the same entity as an employer, for labor organizations do represent employees and have statutory obligations to employees which employers do not. Hence the Board reasoned that since an employer does not—and indeed may not—represent employees, the employer cannot have a duty of fair representation. The Court of Appeals for the District of Columbia, however, in the *Farmers Coop* case[14] held that an employer's discrimination against its employees on account of race or national origin is a violation of Section 8(a)(1) of the Act because (1) such discrimination sets up an unjustified clash of interests between groups of workers, thus frustrating possible concerted action, and (2) creates in its victims an apathy or docility which inhibits them from asserting their rights against the Employer-perpetrator of the discrimination. The Board in *Jubilee*[15] respectfully disagreed with this Court's expressed view. It refused to accept the Court's theory that employer discrimination has the necessary effect of creating divisiveness within the work force or of discouraging union membership. Indeed, the Board pointed out, such actions by an employer may even lead

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to collective action by employees and to the seeking of union representation in protest against such employer action.

The Board noted that it does hold that concerted activity intended to remedy employer discrimination is protected under the Act. It further noted that the Board, in an 8(a) (3) context, has found that an employer's discharge of female workers is unlawful when the real reason for their discharge is their union's attempt to negotiate better working standards for them. But in those contexts there is a nexus with union or concerted activity which it did not find in the *Jubilee* record.

The Board's decision in *Jubilee* is now before the Court of Appeals, and we must await further developments before we know whether the Board's view will ultimately be upheld. If it is not, and the Board becomes a proper forum for all complaints of employer discrimination, I doubt whether the Board can long survive as a viable institution, since there would be a real risk that it would be so inundated with cases that its procedures would bog down in a hopeless morass.

The Board does, however, as we said in *Jubilee*, protect an employee's right to engage in concerted activity in order to eliminate racial discrimination. In *Advance Carbon*[16] the Board again recently found that the discharge of an employee who, concertedly with others had filed and supported FEPC charges, was a violation of the Act.

Only recently have we begun to encounter cases in which racial discrimination or a breach of the duty of fair representation is asserted as a shield to protect activities otherwise proscribed or unprotected under our Act. In the *Emporium* case[17] now before the Supreme Court on certiorari, it was asserted that concerted activity by a small group of minority employees, seeking changes in working conditions normally deemed the sole prerogative of the exclusive bargaining agent should nevertheless be held to be protected activity where that activity was in protest against racially discriminatory conduct by the employer. You are all so familiar with that case that I shall not dwell upon it today. The Board rejected the contention, the Court of Appeals for the District of Columbia disagreed with the Board, within certain limitations, and the matter is now before the Supreme Court which has agreed to take certiorari and decide this important issue.

In *Mansion House*[18] an alleged discriminatory practice on the part of the union with respect to admitting minorities to membership was asserted as a defense against this Board's order to an employer to bargain with the said union. The Court remanded the case with directions to the Board to take evidence concerning the alleged discriminatory practice on the part of the union, but there was no ultimate disposition of the case, since it was withdrawn before any further hearing could be held. Thus the Board had no opportunity to pass on whatever evidence might have been offered nor to express its own views as to the circumstances if any under which a bargaining order should appropriately be denied on this ground. We have before us at the moment a case in which a similar issue was raised, and I am therefore once again restrained by proprietary from making any further comments, although I well know that this area is one of interest to you.

One case which you may have not noticed was one involving the Laborers' Union[19] wherein the Board found that union guilty of an 8(b) (1) (B) violation because it had engaged in a work stoppage in an effort to dictate to the employer the selection of a particular supervisor. Member Jenkins dissented from this decision on the ground that the work stoppage was argued to have been in protest of or to remedy alleged racial discrimination practiced by one of the employer's foremen. In Member Jenkins' view an exploration of that question had to be made by the Board and he strongly disagreed with the majority's view that whatever the motivation, the Act specifically prohibits a union from interfering with the employer's choice of his bargaining representatives. I mention the case only because here again the existence of a racially discriminatory issue was asserted as a shield to protect conduct which was otherwise clearly violative of the statute.

I have not tried nor shall I try to make this address a complete compendium of all Board cases which might be relevant to the issue you are discussing in this seminar. I would rather take my remaining moments to suggest to you that, from the Board's view, at least as I see it, the real problems here are not so much legal as practical in nature.

I have already stated and reiterated that the Board's duty to deal effectively with the constitutional issue of applying our law so as to give full consideration to employees' rights to fair representation is a duty which we must not, cannot, and will not avoid or evade. Each of us has taken an oath to support and defend the Constitution of the United States and we must and will honor that oath. The constitutional requirement that we administer our law in this way is by now so clear that it cannot seriously be questioned.

But the practical problems have been with us ever since we became aware, rather early on, of this basic constitutional principle. I have reviewed with you briefly the shifting debates within the Board, over the years, as to the proper procedural points at which the Board should or must permit this essentially constitutional issue to be litigated. Underlying those debates, although never very frankly expressed in Board decisions, has been a recognition that to be effective in our overall mission, we must ever be careful not to structure our procedures in such a way that we invite frivolous litigation or that we compound the inevitable but lamentable delays which are built into our decision-making structure.

We continue to face today many such questions. At what point may or must these issues be raised? How must they be pleaded? Where should the burden of proof lie; and, correlatively, how much investigative time of the Board must, constitutionally, be devoted to these questions? How far can or should the Board reach in this area, consistent with both its constitutional duty and its duty to give timely effect to both its representational and its remedial functions?

It would have been much easier for this Board if the Congress, when it enacted and when it amended Title 7, had vested in one public prosecutor and in one single judiciary the exclusive jurisdiction to remedy discriminatory actions by both unions and employers. We could then have proceeded with our usual functions, and have administered our Act without permitting such issues to be raised before us, safe in the knowledge they could and would be raised by an expert public prosecutor and settled in an expert forum. Not only did that not occur, but there is not even available to us, as a practical matter, the option of temporarily deferring such issues to an agency with greater expertise than we. For we know that the governmental agencies having direct responsibilities in this connection are so inundated with claims that any temporary withholding of our processes would create intolerable delays and would be worse, from a practical standpoint, than investing at least a reasonable amount of time of this Agency in disposing of the issue so that we can get on with giving effect to the central statutory purposes of our Act.

These, then, as I see it, are the real problems that confront this Board. I do not seek to cry on your shoulders nor do I seek your tears of sympathy. But I would hope that I have put in some reasonable perspective the nature of the challenge that faces this Board. It is not an easy one. Any constructive suggestions by the responsible bar which can assist us as we attempt constitutionally and fairly to meet that challenge will, I assure you, be welcomed and given the most serious consideration by all of what some days may look like the Floundering Five.

FOOTNOTES

[1] American Tobacco Co., Inc., 9 NLRB 579.

[2] 53 NLRB 999.

[3] 323 U.S. 192.

[4] Larus & Brothers Co., Inc., 62 NLRB 1075.

[5] 104 NLRB 318.

[6] 140 NLRB 54.

[7] 349 U.S. 294.

[8] 140 NLRB 181.

[9] Local 12, United Rubber, Cork, Linoleum, etc. 150 NLRB 312.

[10] *Local 12, Rubber Workers* v. *N.L.R.B.*, 368 F.2d 12 at 17.

[11] 209 NLRB No. 88.

[12] 204 NLRB No. 112.

[13] 205 NLRB No. 110.

[14] *United Packinghouse Food and Allied Workers International Union, AFL–CIO* v. *N.L.R.B.*, 416 F.2d 1126, cert. denied 396 U.S. 903 (1969).

[15] Jubilee Manufacturing Company, 202 NLRB No. 2.

[16] Advance Carbon Products, Inc., 198 NLRB No. 106.

[17] 192 NLRB 173, 485 F.2d 917 (CA-DC 1973).

[18] *N.L.R.B.* v. *Mansion House Center Management Corp.*, 473 F.2d 471 (C.A. 8, 1973).

[19] Laborers International Union of North America, AFL–CIO Locals 478 (International Builders of Florida, Inc.) 204 NLRB No. 32.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Ohio.

Mr. JAVITS. Mr. President, I have not yielded the floor. I yield to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I certainly want to express my complete concurrence with the remarks of the distinguished Senator from New York, the ranking Republican member of the committee, and his views on this matter. I believe rather than extending the jurisdiction of the National Labor Relations Board in this regard, we ought to consider perhaps reducing the Board's jurisdiction in this area.

I attended a seminar recently with the General Counsel of the National Labor Relations Board, the Solicitor of the Labor Department, and the new head of the EEOC, and this was the general subject which we discussed for an entire day.

My conclusion, on coming away from that meeting, was that there is too much overlapping jurisdiction in this field. We are really jeopardizing, almost, the effective carrying out of the fair practices and antidiscriminatory practices laws by the duplicative enforcement procedures.

I think it is a matter the committee ought to be examining further, but it ought to be examining it with regard to limiting jurisdiction, rather than extending it.

Another thing I would point out is that the amendment apparently applies only to labor organizations, rather than to both labor and management. If we are going to have such an amendment, I think it ought to apply to both sides of the table, although I am not certain it ought to apply to either.

Mr. President, as I understand the amendment offered by the Senator from Colorado it would establish an unfair labor practice for a labor organization to discriminate against a member due to race, religion, color, sex or national origin. While I certainly agree with the intent behind the amendment, the National Labor Relations Board already has authority to correct such abuses and such authority has perhaps increased under the leading case of *N.L.R.B.* v. *Mansion House Management Center*, 473 F. 2d 471 (8th Cir., 1973). In this case an employer had engaged in extensive unfair labor practices during an organizing drive. The board's remedial order included a requirement that the employer bargain with a local of the painters' union. As a part of its defense, the employer attempted to introduce evidence that the union was not a labor organization within the meaning of the act because it discriminated against blacks by refusing them membership. While the trial examiner and board rejected this evidence, the court of appeals held that the evidence was relevant and that questions of discrimination are a proper area of inquiry for the board. Further, the court held that the remedial machinery of the act is not available to a union that engages in racial discrimination.

During the 1972 debate with respect to amendment to the Equal Employment Opportunity Act, this general question was faced by the Congress. As the Senator may recall, one of the issues that was considered pertained to a duplicative approach in enforcement of discrimination charges.

To avoid an overlapping approach in this area the prosecutorial functions of the Justice Department were transferred to the EEOC. Even though the jurisdiction of the Office of Federal Contract Compliance—OFCC—remained in the Department of Labor and separate Federal monitoring programs remained in departments, the clear trend has been to centralize enforcement of discrimination cases. This, I believe, is the proper direction to proceed in that there are already too many levels of prosecution and enforcement in this area without any res judicata. If I interpret the Senator's amendment correctly he would add the National Labor Relations Board as another level to this enforcement and perhaps further complicate an already difficult area.

Mr. President, I would hope that this amendment would be withdrawn and if not I would urge the Senators to vote against it.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield to the Senator from Colorado without losing my right to the floor.

The PRESIDING OFFICER (Mr. Bartlett). Without objection it is so ordered. The Senator from Colorado is recognized.

Mr. DOMINICK. Mr. President, I am not going to take much longer but I think I should say a few things in answer to my distinguished friend from New York and then in answer to my distinguished friend from Ohio.

First of all, in answer to my distinguished friend from New York, the EEOC is now 18 months behind and it is getting further behind every day and every week. I do not know how far behind the National Labor Relations Board is, but certainly an unfair labor practice is much easier to deal with at the National Labor Relations Board. We have too many problems in bringing a discrimination case, in trying to get the Commission to bring one, knowing they are 18 months behind before we can ever start.

Second, the Board itself has the power in representation cases, according to the Senator from New York, under the Miranda decision. The Miranda decision I know about is criminal law, although in this case, I presume, the Senator is talking about another case. But that is only in representation cases.

What I am getting at is for an unfair labor practice all the way through, whether union shop, open shop, or apprentice. None of those things that have been mentioned by the Senator from New York deal with apprenticeship, which may be one of the worst areas of discrimination than any other area.

But the third thing especially is that the Supreme Court said we can always sue for damages. All right. Who will sue for damages? In most cases, who has got the money to hire a lawyer and really bring it? It has to be done by an organization or a group, and the organization or the group is not large enough to do it because by and large there will be discrimination all over the lot.

Let me answer my distinguished friend from Ohio in about the same fashion. The EEOC may be, logically, the method by which all discrimination cases should be handled. It probably is, but it has neither the manpower, the expertise, nor the degree of ability as yet performed to be able to do this. Frankly, it has said so. I do not know how many persons the Senator from Ohio has talked to recently in EEOC other than at the seminar which he went to, but I have talked to quite a few of them and they do not want any more work. They are trying to get rid of it now. The whole effort has been to try to settle as much stuff out of court as they possibly can before it ever gets to the commission for review. That will not help the labor unions.

As I said initially in my opening statement, there is a union in Texas I know of which is totally black so that if one is a woman, or an oriental, or Spanish-American, or white, he is, ipso facto, knocked out of the ability to go into an apprentice court or to try to get a job.

We have similar situations in exactly the reverse in other areas of the country that I happen to know of.

All I can say is that, if discrimination is going on in this area—and I do not believe there is anyone in this Chamber who would deny it—there is nothing the matter with putting in a National Labor Relations Act violation as an unfair labor practice to prohibit this kind of discrimination.

Mr. JAVITS. Mr. President, what the Senator from Colorado has said illustrates accurately the reasons for the action we propose to take. There are cases which he wishes to cite and questions about the speed of the remedy which he wishes to deal with, which we would wish to deal with. This goes to the generic principles of the National Labor Relations Act.

At best, even if we accepted all his arguments on their face, it simply would break up our effort to deal with this matter on a unit basis. He may quarrel about whether the available remedies are quick or as direct or in the proper channels. But there are remedies. Therefore, we do not face the kind of emergency situation which would justify for practical purposes weighting the bill down with broad amendments.

Mr. DOMINICK. Well, I have served on the committee for 10 years and to the best of my knowledge there has never been a hearing on the National Labor Relations Act as to what should be done on discriminating in connection with a labor union. If I know my chairman and ranking member well—and I believe that I do—there will never be such a hearing.

Mr. JAVITS. Mr. President, I think the Senator underestimates us completely. The fact is, the act was revised considerably in the Landrum-Griffin Act. If there is a real need for it, I feel, and I think the chairman would feel certainly that we have to give every consideration to a revision of the act. But I do not think the case he makes now is any more valid than the case which was made the last time.

Mr. President, if there is no further desire on the part of Senators to debate, I move to table the amendment of the Senator from Colorado, No. 1213, and ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. Nunn). The question is on agreeing to the motion of the Senator from New York to table the amendment of the Senator from Colorado (Mr. Dominick), No. 1213.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Michigan (Mr. Hart), the Senator from Hawaii (Mr. Inouye), the Senator from Arkansas (Mr. McClellan), the Senator from Ohio (Mr. Metzenbaum), the Senator from New Mexico (Mr. Montoya), the Senator from Maine (Mr. Muskie), the Senator from Alabama (Mr. Sparkman), and the Senator from California (Mr. Tunney) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from Arizona (Mr. Goldwater), the Senator from Illinois (Mr. Percy), and the Senator from

Alaska (Mr. STEVENS) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. YOUNG) is absent on official business.

I further announce that the Senator from Florida (Mr. GURNEY) is absent due to illness in the family.

The result was announced—yeas 54, nays 26, as follows:

[No. 176 Leg.]

YEAS—54

Abourezk
Aiken
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Domenici
Eagleton
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Mondale
Moss
Nelson
Nunn
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Taft
Talmadge
Weicker
Williams

NAYS—26

Allen
Baker
Bartlett
Brock
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Fong
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
McClure
Metcalf
Packwood
Scott, William L.
Stennis
Thurmond
Tower

NOT VOTING—20

Bellmon
Bennett
Buckley
Church
Cook
Fulbright
Goldwater
Gravel
Gurney
Hart
Inouye
McClellan
Metzenbaum
Montoya
Muskie
Percy
Sparkman
Stevens
Tunney
Young

So the motion to table Mr. DOMINICK's amendment (No. 1213) was agreed to.

Mr. FANNIN. Mr. President, I rise in opposition to passage of this amendment to the Taft-Hartley Act.

When the Taft-Hartley Act was passed in 1947, the late Senator Tydings offered the existing amendment which was accepted by the late Senator Taft. No objection was offered on the floor of the Senate.

Now, 27 years later we are asked to reverse that decision.

The report states that 56 percent of all hospital employees work for nonprofit hospitals, which employ 1,427,017 full-time workers.

As a former businessman, I do not see how collective bargaining in its usual sense can be applied to hospitals. The nonprofit community hospital is not a factory or store; in fact, it has no true analogy in private industry. It does not manufacture or sell products. It deals in human beings.

The essential relationship of hospital workers to the successful care and treatment of patients also clearly differentiates hospitals from business and industry generally. This relationship must not be interfered with by any outside influence if hospitals are to provide the assurances which the public must have for uninterrupted and constantly available high quality health services. The effectiveness of labor unions is based on strikes. No community could tolerate widespread strike activity in its hospitals. A strike at a hospital is no more tolerable than a strike by policemen, firemen, or governmental employees.

Health care institutions are wholly dependent on their employees. The American Hospital Association testifying before the Senate Labor Committee in opposition to the 1972 bill stated that hospitals employ three employees for each inpatient. Further, "any interruption, interference, or delay in patient care services would result in increased morbidity or loss of life." If we are to bring these hospitals under the act, we are encouraging the organization of hospital employees. It is our duty to amend this bill to greatly limit, if not forbid, the right to strike.

If this amendment is adopted we are bringing hospitals under all the provisions of the National Labor Relations Act. The average hospital employss 100 separate occupations with an overwhelming percentage of these classifications being critical to the efficient operation of hospitals. As patients we see nurses, orderlies, helpers, and an occasional food service employee. We do not see pharmacists, laboratory technologists, or the many crafts such as engineers, carpenters, plumbers, electricians, and maintenance workers.

I have never been satisfied with the National Labor Relations Board's designation of appropriate units. I have no idea of how that Board would act in cases involving hospitals. From its decisions in other businesses and industries I would expect it to find many bargaining units. Any one of these many bargaining units, even a very small one, could close down the entire facility because of the general practice of unions to respect the picketing efforts of others. For example, a unit of four stationary engineers could effectively disrupt the total operations of a hospital by establishing a picket line which would be honored by other employees. Numerous bargaining units could lead to jurisdictional disputes. Therefore, before I could support S. 3203, I would have to see the adoption of amendments to the Taft-Hartley Act, correcting the NLRB's rules and decisions respecting the determination of appropriate units. The same is true with respect to jurisdictional strikes. The handling of these completely indefensible strikes is cumbersome and time consuming.

Mr. President, numerous other Senators and I have offered dozens of bills in every session of Congress directed at changes in the Taft-Hartley Act. These bills have been referred to the Senate Committee on Labor and died there without hearing. Last year that committee reported out and Congress passed a union backed bill amending section 302 (c)(5) to permit bargaining upon employer paid legal services for employees. This year we are asked to pass another union-sponsored amendment—adding nonprofit hospitals to coverage. It seems that only bills sponsored by the AFL–CIO can obtain action by the committee.

To add another million plus employees to NLRB's jurisdiction is only to compound the errors. Why, with only 3 days of hearings in August 1973 should this one amendment be added to the law? What do we really know about its effects? I keep hearing that NLRB's caseload is staggering with some 6 months of delay in case handling. Is NLRB prepared to take on this new load of cases?

In an August 7, 1973 speech NLRB chairman Edward B. Miller made the following remarks:

> I honestly do not see how it will be physically possible for five Board members to handle many more cases than are projected for the current fiscal year. We already have too little time adequately to consider our present cases, and any substantial further caseload will either make us rubber stamps for whatever decisions our Administrative Law Judges make, or we will gradually develop a hopelessly insurmountable backlog.

Mr. President, hospital costs are soaring. How much cost would this bill add to hospital costs? Dealing with many bargaining units in a hospital would result in excessive and unnecessary costs in terms of administrative and legal time and expense.

If this bill is passed, the rapid expansion of union organization of hospitals will follow as surely as night follows day. The National Labor Relations Act, although amended by both Taft-Hartley and Landrum-Griffin laws, still remains the magna carta of organized labor. Its skillful use of NLRB procedures has been the major element in promoting the growth in union membership.

One thing is sure. If unions win bargaining rights at hospitals, wages are going to rise. The costs are going to be passed on to the patients. This comes at a time when vigorous efforts are being directed by hospitals and by the Government at controlling rising health care costs.

I have checked my mail from my constituents. I find telegrams and letters from almost every hospital in the State of Arizona urging my support in opposition to this bill. I have received a half dozen letters from groups of technical employees urging my support to the bill.

Mr. President, the committee report in many respects is a curious document. In several paragraphs throughout the report there is an obvious intent to substitute intent of the Senate for the words of the law. To cite a few examples: On page 6, the first paragraph starts: "It is the sense of the committee" that it would be an illegal secondary boycott if the union struck or picketed the hospital which accepted the patients of the struck hospital. Why not put it in the law itself? If the words of the law are clear, courts do not look to congressional intent.

Also on page 9, the third paragraph dealing with recognition picketing, the report states:

> It is the sense of the committee that picketing of a health care institution would in itself constitute an unusual circumstance justifying the application of a period of time less than thirty days.

Again, I ask, why not put it in the law?

On page 4 dealing with the 10 day strike notice, the report states:

> If a labor organization does not strike at the time specified in the notice, at least 12

> hours notice should be given of the actual time for commencement of the action.

The bill does not so provide.

The ensuing paragraph states:

> Repeatedly serving such 10 day notices upon the employer is to be construed as constituting evidence of a refusal to bargain in good faith by the labor organization.

I cannot find such a provision in the bill.

In the following paragraph the report states:

> A labor organization will not be required to serve a 10 day notice—when the employer has committed unfair labor practices.

A 1956 case construing prior law is cited in support of such statement. Aside from questioning why the law itself does not so provide, is this also to say that the 10 day notice is lost if the union charges the hospital with, for example, a violation of free speech, or a questionable discharge?

In the last paragraph on page 4 we again find the words "it is the sense of the committee." Here the "sense of the committee" is that during the 10 day period the employing hospital could not "bring in large numbers of supervisory help, nurses, staff and other personnel from other facilities for replacement purposes."

At the beginning of the report, the committee cites five additional special provisions which are supposed to deter strikes. Numbers (1), (2) and (3) provide a little longer time for the Federal Mediation Service to act. In my opinion, they are meaningless. They ignore the present practices of FMCS. The Mediation Service now keeps close tab upon NLRB elections. Some 30 days after a union wins an NLRB election, the employer receives a telephone call from FMCS inquiring as to the status of bargaining.

No. (4) states that the union and the employer will be required to participate in mediation. Section 204(a)(3) already requires them to do so.

That leaves us with only No. (5), the 10 day notice. This, then, is the only reason why some may argue that this is a better bill than the one we were presented with in 1972. Some private hospitals may say it is the lesser of two evils.

For myself, it boils down to whether we are going to bring private hospitals under the act.

In my State of Arizona, we have numerous small cities with but one hospital and removal of patients in the event of a strike could involve moving them from 50 to 75 miles. I believe the one hospital situation exists in every State of the Union, although the distances between cities may not be as great in a number of eastern States. How many deaths would occur when the hospital uses its congressional given 10 days to move seriously ill patients? What happens to the accident victims who go to, or are carried to the emergency door or out-patient department only to see a "closed by strike" sign on that door?

One final comment upon the report—the committee states that passage of this bill should completely eliminate recognition strikes and picketing in the hospital industry—page 3. Section 8(b)(7) of the Taft-Hartley Act was added by the Landrum Griffin Act and was expected to eliminate recognition picketing. However, NLRB and court decisions have rendered this section a nullity, and unions have continued to picket for recognition. Thus, the committee's pious language has no basis in proven fact.

Our large cities are not immune. In Phoenix and Tucson we have a substantial number of hospitals. There are times when there may be many empty beds. The next week, a virus strikes and beds are at a premium. There would just be no place to transfer the patients. So, what do they do? I have read the really horrifying experiences related by Senator DOMINICK of last year's New York City hospital strike. The answer there was to send all the patients to their homes.

I fully realize that it would be futile for me to offer a no-strike amendment to this bill. However, I was intrigued by the recommendation of the Minnesota witness at the hearings that the bill should contain a section 14(b) type provision—"that nothing in this act shall affect the validity of any State law." I did not know that Minnesota law prohibited strikes by hospital employees. I am curious as to whether other States have similar laws. If either of the Senators from Minnesota should offer such an amendment, I promise to give them my enthusiastic support.

In conclusion, the exemption for nonprofit hospitals has been in the law for 27 years. The only reason for changing the law now is that the AFL–CIO want to make it easier for them to obtain many new members. I shall vote against it.

Mr. MONDALE. Mr. President, the State of Minnesota has a fair, progressive, and farsighted labor relations provision dealing with nonprofit hospitals. The Minnesota Charitable Hospitals Act was passed in 1947. It was an addition to the basic Minnesota Labor Relations Act. It prohibits strikes by hospital employees and lockouts by hospitals. In the event of a labor dispute, both hospitals and labor organizations are required to use mediation in an effort to reach agreement. If mediation fails, unresolved disputes are submitted to binding arbitration.

The Minnesota Charitable Hospitals Act has proven a successful device for maintaining stable labor relations in nonprofit hospitals. It, of course, leaves all union organization rights, bargaining powers, and other options intact. It does, however, contain a method for resolving disputes that, in the Minnesota experience, has proven acceptable to both employer and employee.

It is evident that both the hospitals and the unions in Minnesota are extremely satisfied with the operation of the Minnesota Charitable Hospitals Act. Last fall, the 16th constitutional convention of the Minnesota AFL–CIO passed a resolution supporting the Minnesota Charitable Hospitals Act and urging Congress not to interfere with its operation.

I have received numerous correspondences from all elements of the labor movement supporting the operation of the Minnesota Charitable Hospitals Act. In addition, the Minnesota Hospital Association, which serves nonprofit hospitals and nursing homes, appeared before the Senate Labor Subcommittee in support of the Minnesota Charitable Hospitals Act, urging that committee not to allow the Minnesota act to be preempted. I have received numerous correspondences from Minnesota nonprofit hospitals and from numerous doctors urging retention of the Minnesota legislative scheme.

Unfortunately, S. 3023 will preempt the Minnesota Charitable Hospitals Act. While I fully support S. 3023, I do so reluctantly. While I believe that it is imperative that we extend National Labor Relations Act coverage to health care institutions, it is unfortunate that we do so at the expense of preempting an effective and progressive labor relations measure in the State of Minnesota. This is an instance where the necessity for a national piece of legislation, embodying national standards, is not able to take account of those States that have, on their own, moved ahead in an area—ahead of national legislation.

In an effort to save the Minnesota Charitable Hospitals Act, I offered an amendment to S. 3023 when it was under consideration by the full Senate Labor and Public Welfare Committee, of which I am proud to be a member. My amendment would have avoided preemption of labor relations acts dealing with nonprofit hospitals which were passed prior to the enactment of the National Labor Relations Act. Minnesota's act is such a provision. Unfortunately, my amendment was defeated in the Labor and Public Welfare Committee.

Although I firmly believe that preemption of the Minnesota Charitable Hospitals Act is an unfortunate consequence of S. 3023, I will support the bill as reported by the Labor and Public Welfare Committee.

BILL LAID ASIDE

Mr. MANSFIELD. Mr. President, I ask unanimous consent, in line with the previous agreement, that the pending business be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH SERVICES RESEARCH, HEALTH STATISTICS, AND MEDICAL LIBRARIES ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 736, H.R. 11385.

The PRESIDING OFFICER (Mr. BIDEN). The bill will be stated by title.

The bill was read by title as follows:

> "A bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries."

The PRESIDING OFFICER. Is there objection to the request to consider the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on

Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That (a) this Act may be cited as the "Health Services Research, Health Statistics, and Medical Libraries Act of 1974".

(b) Unless the context otherwise requires, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—HEALTH SERVICES RESEARCH, DEVELOPMENT, AND EVALUATION; HEALTH STATISTICS

SEC. 101. This title may be cited as the "Health Services Research, Evaluation and Health Statistics Act of 1974".

SEC. 102. (a) Section 304 is amended to read as follows:

"GENERAL AUTHORITY

"SEC. 304. (a) (1) The Secretary shall—

"(A) undertake through the National Center for Health Services Research, the National Center for Health Statistics, and such other units of the Department of Health, Education, and Welfare as he may select, and

"(B) support,

health statistical activities and health services research, evaluation, and demonstrations.

"(2) In carrying out the provisions of paragraph (1) the Secretary shall give appropriate emphasis to research and statistical activities respecting—

"(A) the determinants of an individual's health,

"(B) the impact of the environment on individual health and on health care,

"(C) the accessibility, acceptability, planning, organization, technology, distribution, utilization, quality, and financing of systems for the delivery of health care, including systems for the delivery of preventive, personal, and mental health care; and

"(D) individual and community knowledge of individual health and the systems for the delivery of health care.

"(b) To implement subsection (a), the Secretary may, in addition to any other authority which under other provisions of this Act or any other law may be used by him to implement such subsection, do the following:

"(1) Utilize personnel and equipment, facilities, and other physical resources of the Department of Health, Education, and Welfare, permit appropriate (as determined by the Secretary) entities and individuals to utilize the physical resources of such Department, provide technical assistance and advice, make grants to public and nonprofit private entities and individuals, and enter into contracts with public and private entities and individuals, for (A) health services research, evaluation, and demonstrations, and (B) health services research and health statistics training, and (C) health statistical activities.

"(2) Admit and treat at hospitals and other facilities of the Service persons not otherwise eligible for admission and treatment at such faciliites.

"(3) Secure, from time to time and for such periods as the Secretary deems advisable, the assistance and advice of experts and consultants from the United States or abroad.

"(4) Acquire, construct, improve, repair, operate, and maintain laboratory, research, and other necessary faciliites and equipment, and such other real or personal property (including patents) as the Secretary deems necessary; and acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise, through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia.

"(c) The Secretary shall coordinate all health services research, education, demonstrations, and health statistical activities undertaken and supported through units of the Department of Health, Education, and Welfare. To the maximum extent feasible, such coordination shall be carried out through the National Center for Health Services Research and the National Center for Health Statistics.".

(b) Section 305 is amended to read as follows:

"NATIONAL CENTER FOR HEALTH SERVICES RESEARCH AND NATIONAL CENTER FOR HEALTH STATISTICS

"SEC. 305. (a) There is established in the Department of Health, Education, and Welfare, the National Center for Health Services Research and the National Center for Health Statistics (hereinafter in this section referred to as the 'Centers').

"(b) In carrying out the provisions of section 304(a) and this section, the Secretary, acting through the Centers, may—

"(1) undertake and support research, evaluation, and demonstration projects which may include and shall be appropriately coordinated with experiments and demonstration activities authorized by the Social Security Act with respect to—

"(A) the accessibility, acceptability, planning, organization, technology, distribution, utilization, quality, and financing of health services and systems;

"(B) the supply and distribution, education and training, quality, utilization, organization, and costs of health manpower; and

"(C) the design, construction, utilization, organization, and cost of facilities and equipment; and

"(2) (A) collect statistics on—

"(i) the extent and nature of illness and disability of the population of the United States (or of any groupings of the people included in the population), including life expectancy, the incidence of various acute and chronic illnesses, and infant and maternal morbidity and mortality,

"(ii) the impact of such illness and disability on the economy of the United States and on other aspects of the well-being of its population (or of such groupings),

"(iii) environmental, social, and other health hazards,

"(iv) determinants of health,

"(v) health resources, including physicians, dentists, nurses, and other health professionals by specialty and type of practice and the supply of services by hospitals, extended care facilities, home health agencies, and other health institutions,

"(vi) utilization of health care, including utilization of (I) ambulatory health services by specialties and types of practice of the health professionals providing such services, and (II) services of hospitals, extended care facilities, home health agencies, and other institutions,

"(vii) health care costs and financing, including the trends in health care prices and cost, the sources of payments for health care services, and Federal, State, and local governmental expenditures for health care services, and

"(viii) family formation, growth, and dissolution; and

"(B) undertake and support (by grant or contract) research, demonstrations, and evaluations respecting new or improved methods for obtaining current data on the matters referred to in subparagraph (A).

"(c) The authority of the Secretary under section 304(b) shall be available to him with respect to the undertaking and support of projects under subsections (b) (1), (d), and (e) of this section.

"(d) The Secretary shall afford appropriate consideration to requests of—

"(1) State, regional, and local health planning and health agencies,

"(2) public and private entities and individuals engaged in the delivery of health care, and

"(3) other persons concerned with health services,

to have the Centers or other units of the Department of Health, Education, and Welfare undertake research, evaluations, and demonstrations respecting specific aspects of the matters referred to in subsection (b) (1).

"(e) (1) The Secretary shall, by grants or contracts, or both, assist public or private nonprofit entities in meeting the costs of planning and establishing new centers, and operating existing and new centers, for multidisciplinary health services research, evaluations, and demonstrations respecting the matters referred to in subsection (b) (1). To the extent practicable, the Secretary shall approve, in accordance with the requirements of this subsection and section 310C, a number of applications for grants and contracts under this subsection which will result in at least six of such centers being operational in each fiscal year.

"(2) (A) No grant or contract may be made under this subsection for planning and establishing a center unless the Secretary determines that when it is operational it will meet the requirements listed in subparagraph (B) and no payment shall be made under a grant or contract for operation of a center unless the center meets such requirements.

"(B) The requirements referred to in subparagraph (A) are as follows:

"(i) There shall be a full-time director of the center who possesses a demonstrated capacity for sustained productivity and leadership in health services research, demonstrations, and evaluations, and there shall be such additional full-time professional staff as may be appropriate.

"(ii) The staff of the center shall represent all relevant disciplines.

"(iii) The center shall (I) be located within an established academic or research institution with departments and resources appropriate to the programs of the center, and (II) have working relationships with health service delivery systems where experiments in health services may be initiated and evaluated.

"(iv) The center shall select problems in health services for research, demonstration, and evaluation on the basis of (I) their regional or national importance, (II) the unique potential for definitive research on the problem, and (III) opportunities for local application of the research findings.

"(v) Such additional requirements as the Secretary may by regulation prescribe.

"(f) (1) The Secretary shall (A) assist State and local health agencies, and Federal agencies involved in matters relating to health, in the design and implementation of a cooperative system for producing comparable and uniform health information and statistics at the Federal, State, and local levels; (B) coordinate the activities of such Federal agencies respecting the design and implementation of such cooperative system; (C) undertake and support (by grant or contract) research, development, demonstrations, evaluations and the Federal share of the data collection costs respecting such cooperative system; and (D) review statistical activities of the Department of Health, Education, and Welfare to assure that they are consistent with such cooperative system.

"(2) There shall be collection of data from the records of births, deaths, marriages, and divorces in registration areas. The data shall be obtained only from and restricted to such registration records of such States and municipalities as the Secretary, in his discretion, determines possess records affording satisfactory data is necessary detail and form. Each State or registration area shall be paid by the Secretary the Federal share of its reasonable costs (as determined by the Secretary) for collecting and transcribing (at the request of the Secretary and by whatever method authorized by him) its records for such data.

"(3) To secure uniformity in the resignation and collection of mortality, morbidity, and other health data, the Secretary shall prepare and distribute suitable and necessary forms for the collection and compilation of such data which shall be published as a part of the health reports published by the Secretary.

"(4) To insurer comparability and reliability of health statistics, the Secretary shall through the Centers, provide adequate technical assistance to assist State and local jurisdictions in the development of model laws dealing with issues of confidentiality and comparability of data.

"(5) In carrying out health statistical activities under this part, the Secretary shall consult with, and seek the advice of, the United States National Committee on Vital and Health Statistics and other appropriate professional advisory groups.

"(6) The National Center for Health Statistics shall furnish such special statistical compilations and surveys as the Committee on Labor and Public Welfare and on Appropriations of the Senate and the Committee on Interstate and Foreign Commerce and on Appropriations of the House of Representatives may request. Such statistical compilations and surveys shall not be made subject to the payment of the actual or estimated cost of the preparation of such compilations and surveys.

"(g) To assist in carrying out subsections (b)(2) and (f) of this section, the Secretary shall cooperate and consult with the Departments of Commerce and Labor and any other interested Federal departments or agencies and with State and local health departments and agencies. For such purpose he shall utilize insofar as possible the services or facilities of any agency of the Federal Government and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), of any appropriate State or other public agency, and may, without regard to such section, utilize the services or facilities of any private agency, organization, group, or individual, in accordance with written agreements between the head of such agency, organization, or group and the Secretary or between such individual and the Secretary. Payment, if any, for such services or facilities shall be made in such amounts as may be provided in such agreement.".

(c) Section 308 is amended to read as follows:

"INTERNATIONAL COOPERATION

"SEC. 308. (a) For the purpose of advancing the status of the health sciences in the United States (and thereby the health of the American people), the Secretary may participate with other countries in cooperative endeavors in biomedical research and the health services research and statistical activities authorized by this part.

"(b) In connection with the cooperative endeavors authorized by subsection (a), the Secretary may—

"(1) make such use of resources offered by participating countries as he may find necessary and appropriate;

"(2) establish and maintain fellowships in participating foreign countries and establish and maintain fellowships in the United States for citizens of such countries;

"(3) make grants to public institutions or agencies and to nonprofit private institutions or agencies in the United States and in participating foreign countries for the purpose of establishing and maintaining the fellowships authorized by paragraph (2);

"(4) make grants or loans of equipment and materials, for use by public or nonprofit private institutions or agencies, or by individuals, in participating foreign countries;

"(5) participate and otherwise cooperate in any international meetings, conferences, or other activities concerned with biomedical research, health services research, or health statistics;

"(6) facilitate the interchange between the United States and participating foreign countries, and among participating foreign countries, of research scientists and experts who are engaged in experiments and programs of biomedical research, health services research, and health statistical activities, and in carrying out such purpose may pay per diem compensation, subsistence, and travel for such scientists and experts when away from their places of residence at rates not to exceed those provided in section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently; and

"(7) procure, in accordance with section 3019 of title 5, United States Code, the temporary or intermittent services of experts or consultants.

The Secretary may not, in the exercise of his authority under this section, provide financial assistance for the construction of any facility in any foreign country.".

(d) Section 312 is amended to read as follows:

"HEALTH CONFERENCES

"SEC. 312. A conference of the health authorities in and among the several States shall be called annually by the Secretary. Whenever in his opinion the interests of the public health would be promoted by a conference, the Secretary may invite as many of such health authorities and officials of other State or local public or private agencies, institutions, or organizations to confer as he deems necessary or proper. Upon the application of health authorities of five or more States it shall be the duty of the Secretary to call a conference of all State health authorities joining in the request. Each State represented at any conference shall be entitled to a single vote. Whenever at any such conference matters relating to mental health are to be discussed, the mental health authorities of the respective States shall be invited to attend.".

(e) Section 315 is amended to read as follows:

"HEALTH EDUCATION AND INFORMATION

"SEC. 315. From time to time the Secretary shall issue information related to public health, in the form of publications or otherwise, for the use of the public, and shall publish monthly reports of health conditions in the United States and other countries and other pertinent health information for the use of persons and institutions concerned with health services.".

(f)(1) Part A of title III is amended by adding at the end thereof the following new section:

"GENERAL PROVISIONS

"SEC. 310C. (a)(1) Not later than September 1 of each year, the Secretary shall make a report to Congress respecting (A) the administration of this part during the preceding fiscal year, and (B) the current state and progress of health services research and health statistics.

"(2) The Secretary, acting through the National Center for Health Services Research and the National Center for Health Statistics, shall assemble and submit to the President and the Congress not later than September 1 of each year the following reports:

"(A) A report on health care costs and financing. Such report shall include a description and analysis of the statistics collected under section 305(b)(2)(A)(vii).

"(B) A report on health resources. Such report shall include a description and analysis, by geographic area, of the statistics collected under section 305(b)(2)(A)(v).

"(C) A report on the utilization of health resources. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 305(b)(2)(A)(vi).

"(D) A report on the health of the Nation's people. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 305(b)(2)(A)(i).

"(3) The Office of Management and Budget may review any report required by paragraph (1) or (2) of this subsection before its submission to Congress, but the Office may not revise any such report or delay its submission beyond the date described for its submission, and may submit to Congress its comments respecting any such report.

"(b)(1) No grant or contract may be made under this part unless an application therefor has been submitted to the Secretary in such form and manner, and containing such information, as the Secretary may by regulation prescribe.

"(2) Each application submitted for a grant or contract under section 304 or 305, in an amount exceeding $35,000 for direct costs and for a health services research, evaluation, or demonstration project, shall be submitted by the Secretary for review for scientific merit to a panel of experts appointed by him from persons who are not full-time officers or employees of the United States and who possess qualifications relevant to the project for which the application was made. A panel to which an application is submitted under this paragraph shall report its findings and recommendations respecting the application to the Secretary in such form and manner as the Secretary shall by regulation prescribe.

"(3) If an application is submitted under this part for a grant or contract for a project for which a grant or contract may be made or entered into under another provision of this Act, such application may not be approved under this part and funds appropriated under this part may not be obligated for such grant or contract. The applicant who submitted such application shall be notified of the other provision (or provisions) of this Act under which such application may be submitted.

"(c) No information obtained in the course of activities undertaken or supported by the National Center for Health Statistics may be used for any purpose other than the purpose for which it was supplied unless authorized under regulations to the Secretary; and no such information may be published or otherwise released if the particular establishment or person supplying it is identifiable unless such establishment or person has consented (as determined under regulations of the Secretary) to its publication.

"(d)(1) Payments of any grants or under any contracts under this part may be made in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary deems necessary to carry out the purposes of this part.

"(2) The amounts otherwise payable to any person under a grant or contract made under this part shall be reduced by—

"(A) amounts equal to the fair market value of any equipment or supplies furnished to such person by the Secretary for the purpose of carrying out the project with respect to which such grant or contract is made, and

"(B) amounts equal to the pay, allowances, traveling expenses, and related personnel expenses attributable to the performance of services by an officer or employee of the Government in connection with such project, if such officer or employee was assigned or detailed by the Secretary to perform such services,

but only if such person requested the Secretary to furnish such equipment or supplies, or such services, as the case may be.

"(e) Contracts may be entered into under this part without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(f)(1) The Secretary shall (A) publish, make available, and disseminate, promptly in understandable form and on as broad a basis as practicable, the results of health services research, demonstrations, and evaluations undertaken and supported under this part; and (B) make available to the public data developed in such research, demonstrations, and evaluations. The Secretary may not restrict the publication and dissemination of data from, and results of, projects undertaken by Centers supported under section 305(e).

"(2) The Secretary shall (A) take such action as may be necessary to assure that statistics developed under this part are of high quality, timely, comprehensive as well as specific, standardized, and adequately analyzed and indexed, and (B) publish, make available, and disseminate such statistics on as wide a basis as is practicable.

"(g)(1) Except where the Secretary determines that unusual circumstances make a larger percentage necessary in order to effectuate the purposes of this part, a grant or contract under this part with respect to any project for construction of a facility or for acquisition of equipment may not provide for payment of more than 50 per centum of so much of the cost of the facility or equipment as the Secretary determines is reasonably attributable to research, evaluation, or demonstration purposes.

"(2) Laborers and mechanics employed by contractors and subcontractors in the construction of such a facility shall be paid wages at rates not less than those prevailing on similar work in the locality, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act); and the Secretary of Labor shall have with respect to any labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(3) Such grants and contracts shall be subject to such additional requirements as the Secretary may by regulation prescribe."

(2) Effective July 1, 1974, section 310C (as added by paragraph (1)) is amended by adding at the end thereof the following new subsection:

"(h)(1) For health services research, evaluation, and demonstration activities undertaken or supported under this part, there are authorized to be appropriated $65,200,000 for the fiscal year ending June 30, 1975, and for each of the next three succeeding fiscal years. Of the funds appropriated under this paragraph for any fiscal year, not less than 25 per centum of such funds shall be made available only for health services research, evaluation, and demonstration activities directly undertaken by the Department under this part.

"(2) For health statistical activities undertaken or supported under this part, there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1975, and for each of the next three succeeding fiscal years."

TITLE II—REVISION AND EXTENSION OF MEDICAL LIBRARY ASSISTANCE PROGRAMS

SEC. 201. (a) Effective July 1, 1974, section 390 is amended by adding after subsection (b) the following new subsection:

"(c) For the purpose of grants and contracts under sections 393, 394, 395, 396, and 397, there are authorized to be appropriated, $17,500,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976, and for each of the next two succeeding fiscal years."

(b) The section heading for such section is amended to read as follows:

"DECLARATION OF POLICY, STATEMENT OF PURPOSE, AND AUTHORIZATION OF APPROPRIATIONS".

SEC. 202. (a) Subsection (b) of section 390 is amended by striking out clause (1) and by redesignating clauses (2) through (7) as clauses (1) through (6), respectively.

(b) Section 391 is amended—

(1) by inserting "and" at the end of clause (2),

(2) by striking out clause (3), and

(3) by redesignating clause (4) as clause (3).

(c) Section 392(b) is amended to read as follows:

"(b) The Board shall advise and assist the Secretary in the preparation of general regulations and with respect to policy matters arising in the administration of this part."

(d) Section 393 is repealed.

(e) Section 397(b) is amended—

(1) by inserting "and" at the end of clause (4),

(2) by striking out "; and" at the end of clause (5) and inserting in lieu thereof a period, and

(3) by striking out clause (6).

(f) The first sentence of section 397(d) is repealed.

SEC. 203. (a) The first sentence of section 394(a) is repealed; and the second sentence of such section is amended by striking out "Sums made available under this section shall be utilized by the Secretary in making" and inserting in lieu thereof "To carry out the purposes of section 390(b)(1), the Secretary shall make".

(b)(1) The first and second sentences of section 395 (a) are repealed; and the third sentence of such section is amended by striking out "Sums made available under this subsection shall be utilized by the Secretary to" and inserting in lieu thereof "To carry out the purposes of section 390 (b)(2), the Secretary shall".

(2) The first and second sentences of section 395(b) are repealed; and the third sentence of such section is amended (A) by striking out "Sums made available under this subsection shall be utilized by the Secretary in making" and inserting in lieu thereof "To carry out the purposes of section 390 (b)(3), the Secretary shall make", and (B) by striking out "entering into contracts" and inserting in lieu thereof "enter into contracts".

(c)(1) The first sentence of section 396(b) is amended by striking out "Sums made available under this section shall be utilized by the Secretary for making" and inserting in lieu thereof "To carry out the purposes of section 390(b)(4), the Secretary shall make".

(2) Clauses (A), (B), (C), and (D) of section 396(b) are redesignated as clauses (1), (2), (3), and (4), respectively.

(3) Subsection (a) of section 396 is repealed and subsections (b) and (c) of such section are redesignated as subsections (a) and (b), respectively.

(d)(1) The first sentence of section 397(a) is repealed; and the second sentence of such section is amended by striking out "Sums made available under this section shall be utilized by the Secretary, with the advice of the Board, to make" and inserting in lieu thereof "To carry out the purposes of section 390(b)(5), the Secretary, with the advice of the Board, shall make".

(2) The section heading for section 397 is amended by inserting "AND CONTRACTS" after "GRANTS".

(e) The first and second sentences of section 398(a) are repealed; and the third sentence of such section is amended by striking out "Sums made available under this section shall be utilized by the Secretary, with the advice of the Board, in making grants to, and entering into appropriate contracts" and inserting in lieu thereof "To carry out the purposes of section 390(b)(6), the Secretary, with the advice of the Board, shall make grants to, and enter into appropriate contracts".

SEC. 204. Section 399b is repealed; and sections 394 through 399a are redesignated as sections 393 through 399, respectively.

SEC. 205. The amendments made by this title shall apply with respect to appropriations under part J of the Public Health Service Act for fiscal years beginning after June 30, 1973.

SEC. 206. Section 208(g) is amended by striking out "The Secretary is authorized to establish and fix the compensation for, within the Public Health Service, not more than one hundred and fifty positions, of which not less than one hundred and fifteen shall be for the National Institutes of Health," and inserting in lieu thereof, "The Secretary is authorized to establish and fix the compensation for, within the Public Health Service, not more than two hundred and five positions, of which not less than one hundred and fifteen shall be for National Institutes of Health, not less than sixteen shall be for the National Center for Health Statistics, not less than twenty-nine shall be for the National Center for Health Services Research and not less than ten shall be for the National Library of Medicine.".

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order the Senator from Maryland (Mr. MATHIAS) is to be recognized for 5 minutes.

Mr. MANSFIELD. Mr. President, if I may be recognized without any time being taken out of the time of the Senator from Maryland, I wish again to reiterate to the Senate that it is the intention of the joint leadership to finish this bill tonight. So I hope that those who are interested in the conduct of the debate will be brief, to the point, and that if there are votes they will come quickly. If we do not finish the bill, and this is just a fact of life, we will be in tomorrow, but I expect we will finish the bill tonight. That is it.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

(The remarks Senator MATHIAS made at this point on the introduction of S. 3440, requiring court orders for interception of electronic communications, et cetera, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

HEALTH SERVICES RESEARCH, HEALTH STATISTICS, AND MEDICAL LIBRARIES ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries.

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. H.R. 11385 is the pending business.

Mr. KENNEDY. There is a time limitation; is there not?

The PRESIDING OFFICER. There is a limitation of 1 hour's time to each side.

Mr. KENNEDY. And 1 hour on amendments; is that correct?

The PRESIDING OFFICER. 30 minutes on amendments in the first degree, and 1 hour on an amendment to be offered by the Senator from Maryland (Mr. BEALL).

Mr. KENNEDY. I thank the Chair.

Mr. President, I yield myself such time as I may need.

This bill is extremely important. The bill includes three important aspects dealing with the Public Health Service Act, first, in health services research, second, in health statistics, and, third, medical libraries.

This legislation, which we have introduced in behalf of the Committee on Labor and Public Welfare, asks for $458 million, broken down as follows: For health services research, $260 million; health statistics, $120 million; medical libraries, $77 million.

The bill was unanimously reported from the full committee. There was some debate and discussion in the consideration of the Senator from Maryland's amendment, which we will get to in just a few moments.

This legislation is important, Mr. President. It deals, first of all, with the collection of various statistics of a wide variety of health care delivery. Also, under the research parts of this legislation, we challenge the HEW to constantly find new ways of providing new and more effective delivery mechanisms of health care in this country. Third, the medical libraries are supported, and their support is continued, and their authority somewhat expanded. We know how important the National Library of Medicine is just on the question and the issue of quality health care. In recent times, smaller satellite libraries have been developed. We hope that will continue.

I have a more complete statement which explains the differences between this bill and the legislation that was introduced in the House dealing with the assignment of different responsibilities between research and the collection of statistics, and which also recognizes the difficulty the research programs are having in acquiring top quality personnel.

We have received strong support from those who have been affected by it at the committee's hearing on the legislation. I am extremely hopeful that we can act on it expeditiously this afternoon.

On February 8, 1974, I introduced S. 2996 which extends and improves the expiring provisions of the act in these areas. I am delighted that this measure is cosponsored by the ranking Republican on the full committee, the distinguished senior Senator from New York, Senator JAVITS; the ranking Republican on my health subcommittee, the distinguished junior Senator from Pennsylvania, Senator SCHWEIKER; and the distinguished chairman of the Senate Labor Committee, my friend PETE WILLIAMS.

My bill differs in four major respects from the House passed measure. First of all my bill does not combine the National Center for Health Services Research with the National Center for Health Statistics. Based upon my review of the legislative record in the House and my own analysis of the functions of these two centers, I have come to the conclusion that their functions are sufficiently different in order to justify preserving their identity. I do believe though that the programs of these centers need to be more effectively coordinated than has been the case thus far.

Second, my bill removes the limitation contained in the House passed measure which prohibits no more than 20 grants or contracts or more than an aggregate obligation of the funds of $5 million regarding health services research I believe the limitation would stifle the continuation and expansion of health services research programs.

Third, my bill extends each of these programs through June 30, 1978. I believe a 4-year extension is necessary to assure program continuity.

Finally, my bill provides for additional top-level personnel to administer these programs which heretofore have suffered from an insufficient number of such highly qualified persons. The bills provide for 29 super-grade personnel for the National Center for Health Services Research, 16 super-grade personnel for the National Center for Health Statistics and 10 for the National Library of Medicine.

I yield whatever time the Senator from Pennsylvania desires.

Mr. SCHWEIKER. Mr. President, I urge my colleagues to support H.R. 11385, the Health Services Research and Development, Health Statistics, and Medical Libraries Act of 1974 as amended and reported to the Senate by the Committee on Labor and Public Welfare.

This bill addresses itself to three important facets of the Nation's health care problems.

They are:

First. The need for an increased commitment to health services research aimed at improving the use of our health care dollars.

With a strong commitment backing it, health care research will assist in answering fundamental questions about national health insurance, quality of care, effective use of personnel and technological resources.

Second. The need for accurate and comprehensive statistics about the Nation's health. Without such information we can never know what benefits we have obtained from the billions of dollars we spend on health nor what directions we must take in the future to improve the health of the Nation. Responsibility for gathering, analyzing, and distribution of this vital information rests with the National Center for Health Statistics. The center has achieved a worldwide reputation as an objective and competent reporter of the health status of the American people.

To achieve this purpose the bill authorizes $120 million over 4 years.

Third. The need for funding authority for medical libraries assistance programs. The effectiveness of these programs in the important function of disseminating medical knowledge justifies continuing support for this worthwhile investment.

To achieve this purpose the bill authorizes $77.5 million over 4 years. The grand total of the authorization for appropriations is $458.3 million over 4 years.

The major difference between this bill and the House passed bill is this measure does not mandate a merger of the National Center for Health Statistics with the National Center for Health Services Research. The testimony consistently indicated that a merger of the two important health resources would be detrimental because the National Center for Health Statistics must serve more than just the research needs of Health Services Delivery. According to Assistant Secretary for Health, Dr. Charles C. Edwards, a structural separation of these two functions is necessary "so that the NCHS is able to make the most rational use of its resources and assign priorities among a variety of competing needs."

Title II of this bill, which extends the Medical Libraries Act for 4 years, will insure the continued dissemination of the ever-increasing volume of health-science knowledge.

I ask unanimous consent to have printed in the RECORD a letter from Secretary Weinberger to Senator HUGH SCOTT stating the administration's position on this legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., May 1, 1974.

Hon. HUGH SCOTT,
Minority Floor Leader,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SCOTT: This letter summarizes our views on H.R. 11385, the Health Services Research and Development, Health Statistics, and Medical Libraries Act of 1974, as reported by the Labor and Public Welfare Committee. The bill would extend and modify Public Health Service Act authorities for the three named programs which will expire on June 30, 1974 under current law. Although we are in substantial agreement on the need for continued efforts in these areas, and although the Senate version of this bill has eliminated several of the unfavorable aspects of the House version, there still remain in H.R. 11385 as reported to the Senate a number of provisions which cause the Department concern.

First, the Senate version of H.R. 11385 maintains the separation between health service research and health statistics, which we believe is desirable and clearly preferable to the combined arrangements proposed in the House version of the bill. However, we believe that fixing in the statutes the organizational entities which will administer health service research activities and health statistic activities not only is unnecessary, but is an undesirable hindrance to the Secretary's overall statutory responsibilities to assure effective administration of the Department. Accordingly, we urge the deletion of those provisions in Section 305 that would establish these entities in permanent law.

Second, the Senate Committee's bill requires that grants in excess of $35,000 for health services research, evaluation or demonstration projects be submitted for review by an outside panel of scientific experts. Excellent formal and informal review procedures currently exist for all grants and contracts within the Department's Bureau of Health Services Research. We see no reason, therefore, to write into law a formalized review procedure for grants.

Third, H.R. 11385 requires to the extent practicable the support of at least six multidisciplinary health service research centers each year. Our experience in the past with these centers has indicated wide variation in performance on the part of these activities. We believe that such activities will continue, but it is essential that we be able to continually evaluate, monitor, and modify our scope and scale of effort in this area. Therefore, we recommend that no specific numerical requirements be contained in the legislation.

H.R. 11385 would also prohibit the Office of Management and Budget from reviewing annual reports required by the bill. We believe that provisions of this kind are inappropriate restrictions on the President's ability to ensure that agency reports to Congress are coordinated with the legislative interests of other Executive Branch agencies and that they reflect Administration policies.

In addition, the bill would expand the number of Section 208(g) positions authorized by the Public Health Service Act and assign the increase to the National Center for Health Statistics, the Bureau of Health Services Research, and the National Library of Medicine. We oppose this provision as unnecessary at this time.

We note the Senate Committee's addition of language in Section 305(f)(6), mandating that the National Center for Health Statistics furnish to the concerned congressional committees, without regard to cost, such special statistical compilations and surveys as they may request. The Department has always cooperated in the past with the committee's requests for information, and certainly anticipates continuation of that practice. Thus, the Committee's additional language is unnecessary. Further, such broad language, that does not specify in advance the nature of "such special statistical compilations and surveys" could potentially require significant budgetary resources, which might make it impossible for the agency to comply with the Committee's requests and—at the same time—carry out its existing responsibilities.

Finally, we oppose the provisions of H.R. 11385 mandating the convening of annual health conferences as undesirable and unnecessary restrictions on the authority of the Secretary to call such meetings.

As noted above, the Department believes that the approach taken in H.R. 11385, with the exceptions noted, is in general a prudent one which recognizes the need for continued authority for health services research, health statistics, and medical libraries. We support this renewed authority, but believe that the reported bill contains several serious flaws which would reduce, rather than enhance, the effectiveness of the programs it would extend.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BEALL. Mr. President, I call up my amendment No. 1244.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read amendment No. 1244.

Amendment No. 1244 is as follows:

Strike all after the enacting clause through line 20, page 51, and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act shall be known as the National Institute of Health Care Delivery Act of 1974.

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress of the United States finds—

(1) that the United States faces a crisis in health care;

(2) that health care costs have increased in the last five years twice as fast as the general cost of living;

(3) that there exists an acute shortage and maldistribution of physician and other medical manpower in inner-city and rural areas;

(4) that millions of Americans do not have access to quality health care;

(5) that since World War II the United States has invested approximately $20,000,000,000 in biomedical research, and that this investment has resulted not only in wide recognition of the preeminence of biomedical research in the United States, but also produced many, often spectacular, advances in medical science;

(6) that during the same period comparatively few resources were invested to deliver the discoveries of medical research and technology to our citizens;

(7) that the American public is concerned with the gap between the knowledge and capabilities of medical science and what is delivered to the patient, and that this is a source of public discontentment and dissatisfaction;

(8) that significant changes regarding the health care system have been proposed and may be implemented in the near future;

(9) that the potential costs and benefits associated with the various proposals are largely unknown; and

(10) that, inadequate attention emphasis, and resources have been devoted to health policy analysis and health care delivery.

(b) It is the purpose of this Act to establish a National Institute of Health Care Delivery and regional and special emphasis centers to improve health care delivery and to help speed the delivery of the benefits of medical science and the scientific discovery system to the people of the United States.

SEC. 3. The Public Health Service Act is amended by inserting after title XIV the following new title:

"TITLE XIV—NATIONAL INSTITUTE OF HEALTH CARE DELIVERY

"DEFINITIONS

"SEC. 1401. For the purpose of this title—

"(1) the term 'health care delivery' includes all aspects and interrelationships of the organization, financing, and provision of direct health services to individuals, families, and groups for the purposes of prevention, cure, rehabilitation, restoration, and maintenance of function, and related health services essential to good health.

"ESTABLISHMENT OF INSTITUTE

"SEC. 1402. (a) There is hereby established in the Department of Health, Education, and Welfare a National Institute of Health Care Delivery. The Institute shall carry out a multidisciplinary research and development program to improve delivery of health care services and shall be the principal Government agency for improvement of health care in the United States.

"(b) The Institute shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate. There shall be in the Institute a Deputy Director, who shall be appointed by the Director. The Deputy Director shall perform such functions as the Director may prescribe and shall be the Acting Director during the absence or disability of the Director or in the event of a vacancy in the position of Director. Upon the expiration of his term, the Director and Deputy Director shall continue to serve until his successor has been appointed and has qualified.

"(c) The Director is authorized to appoint within the Institute not to exceed four Assistant Directors.

"FUNCTIONS OF THE INSTITUTE

"SEC. 1403. (a) It shall be the function of the Institute to pursue methods and opportunities to improve and advance the effectiveness, efficiency, and quality of health care delivery in the States, regions, and communities of the United States, through initiation and support of studies, research, experimentation, development, demonstration, and evaluation of, but not limited to, the following areas and subjects—

"(1) the existing health care system, emphasizing means and methods to improve such system and the devising and testing of alternative delivery systems;

"(2) health care systems and subsystems in States, regions, and communities which give special attention to the effective combination and coordination of public and private methods or systems for health care delivery;

"(3) preventive medicine and the techniques and technology, including multiphasic screening and testing, to improve the early diagnosis and treatment of diseases, particularly for preschool children;

"(4) systems and technical components of emergency health care and services (including at least one experimental statewide helicopter transportation emergency care system), which utilize, where possible, the skills of returning military corpsmen;

"(5) systems and components of rural health services;

"(6) the development of policy with respect to long-term care, particularly for mentally and physically handicapped individuals and senior citizens, with special emphasis on alternatives to institutionalization, including the use of home health aides;

"(7) methods to meet the Nation's medical manpower requirements, including new types of manpower and their utilization and the extent to which tasks performed by physicians and other health professionals may be safely delegated to other appropriately trained individuals in both new and existent health occupations;

"(8) continuing education and the exploration of programs and methods to help health professionals to stay abreast of current developments and to maintain professional excellence;

"(9) health manpower credentialing, licensing, and certification;

"(10) the medical malpractice problem particularly as it relates to quality care, the practice of 'defensive medicine' and added costs to the public;

"(11) programs for educating health manpower and the accreditation of such education programs;

"(12) application of all forms of technology, including computers and other electronic devices, in health care delivery;

"(13) the efficiency, management, design, construction, and utilization of new and existing equipment and health care facilities and equipment including studies of admission practices and examination of cost-finding techniques;

"(14) the development of tools and methods to improve planning, management, and decisionmaking in the health care system;

"(15) the development of information by which quality, efficiency, and cost of health care may be measured;

"(16) the development of uniform accounting practices, financial reporting, and uniform health records;

"(17) the development and testing of incentive payment mechanisms that reward efficiency in health care delivery without compromising the quality of care;

"(18) the needs of individuals, families, and groups for health care and related services, emphasizing the various lifestyles, including environmental, recreational, and nutritional factors that bear on an individual's health; identification of those factors affecting acceptance and utilization of health care and related services; and the development of educational materials and methods communicating to the public the importance of personal decisions and actions on health;

"(19) the economics of health care and related services, and the impact of the total system of health care delivery and related services upon the standards of living and the general stability of the national economy;

"(20) proposals for the financing of health care, including their potential cost and benefits, and their impact on the health care system;

"(21) concepts and data essential to formation of a factual basis for national health policies; and

"(22) the effects on health care delivery of the organization, functions, and interrelationships of Federal, State, and local governmental agencies and programs concerned with planning, organization, and financing of health care delivery.

"(b) The Institute shall (1) develop methods for, and support of, training of individuals to plan and conduct research, development, demonstrations, and evaluation of health care delivery and related services; (2) provide technical assistance and development of methods for the transfer of new knowledge, components, and systems to public and private agencies, programs, institutions, and individuals engaged in the improvement of health care delivery; (3) collaborate with governments and private care institutions and programs in foreign countries for the exchange of information and support of research, experiments, demonstrations, and training in order to advance health care delivery in the United States and cooperating nations.

"(c) The Institute shall evaluate the quality, effectiveness, and efficiency of Federal health programs, including titles V, XVIII, and XIX of the Social Security Act, in improving the delivery of health care to the Nation's citizens. For the purposes of this subsection the Secretary is authorized to transfer to the Institute such funds as may be necessary pursuant to section 513 of this Act.

"ADMINISTRATIVE PROVISIONS

"SEC. 1404. (a) In order to carry out the provisions of this title the Director is authorized to—

"(1) make grants to States, political subdivisions, universities, hospitals, and other public or nonprofit private agencies, institutions, or organizations for projects for the conduct of research and development, experiments, studies, demonstrations, and training of individuals to plan and conduct such projects;

"(2) make contracts with public or private agencies, institutions, or organizations for the conduct of research and development, experiments, studies, demonstrations, and the training of individuals to plan and execute such contracts;

"(3) appoint and fix the compensation of the personnel of the Institute in accordance with chapter 51 of title 5, United States Code, except that (A) to the extent that the Director deems such action necessary to recruit men and women of exceptional talent, he may establish the entrance grades for personnel at a level of two grades higher than the grade level provided for such personnel under the General Schedule established by such title and fix their compensation accordingly, and (B) to the extent that the Director deems such action necessary to the discharge of his responsibilities, he may appoint personnel of the Institute without regard to civil service or classification laws, except that personnel appointed under such laws do not exceed at any one time one-third of the number of full-time regular technical or professional employees of the Institute;

"(4) make, promulgate, issue, rescind, and amend rules and regulations as may be necessary to carry out the functions vested in him or in the Institute and delegate authority to any officer or employee under his direction or his supervision;

"(5) acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain research and other necessary facilities and equipment and related accommodations as may be necessary, and such other real or personal property (including patents) as the Director deems necessary;

"(6) to acquire by lease or otherwise from the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Institute for a period not to exceed ten years without regard to the Act of March 3, 1877 (40 U.S.C. 34);

"(7) employ experts and consultants in accordance with section 3109 of title 5, United States Code;

"(8) appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this title;

"(9) utilize with their consent the services, equipment, personnel, information, and facilities of other Federal, State, and local public agencies with or without reimbursement therefor;

"(10) accept voluntary and uncompensated services notwithstanding the provisions of section 665(b) of title 31, United States Code;

"(11) accept unconditional gifts or donations of services, money, or property, real or personal, mixed, tangible or intangible;

"(12) allocate and expend or transfer to other Federal agencies for expenditure funds made available under this title as he deems necessary;

"(13) establish within the Institute such offices and procedures as may be appropriate to provide for the greatest possible coordination of activities under this title with related research and development activities being carried on by other public and private agences and organizations;

"(14) admit and treat at hospitals and other facilities of the service persons not otherwise eligible for admission and treatment at such facilities; and

"(15) take such other actions as may be required for the accomplishment of the objectives of this title.

"(b) Upon requests made by the Director, each Federal agency is authorized and directed to make its services, equipment, personnel, facilities, information, and statistics available, to the greatest practicable extent, consistent with other laws, to the Institute in the performance of its functions with or without reimbursement.

"(c) Each member of a committee appointed pursuant to paragraph (8) of subsection (a) of this section who is not an officer or employee of the Federal Government shall receive an amount equal to the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day he is engaged in the actual performance of his duties including traveltime. All members shall be reimbursed for travel, subsistence, and necessary expenses incurred in the performance of their duties.

"COMPENSATION

"SEC. 1405. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(98) Director, National Institute of Health Care Delivery.'

"(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(132) Deputy Director, National Institute of Health Care Delivery.'

"JOINT WAIVER FUNDING AUTHORITY

"SEC. 1406. Where funds are advanced for a single project by more than one Federal agency for the purposes of this title, the Director of the Institute may act for all in administering the funds advanced and a single non-Federal share requirement may be established according to the proportion of the funds advanced by each Federal agency. The Director may order any such agency to waive any technical grant or contract requirement which is inconsistent with the similar requirements of the Institute or which the Institute does not impose.

"TRANFER OF RESEARCH FUNDS OF OTHER GOVERNMENT DEPARTMENTS AND AGENCIES

"SEC. 1407. Funds available to any department or agency of the Government for health care delivery research and development, or for the provision of facilities therefor shall be available for transfer with the approval of the head of the department or agency involved, in whole or in part, to the Institute for such use as is consistent for the purposes for which such funds were provided, and funds so transferred shall be expendable by the Institute for the purposes for which the transfer was made.

"NATIONAL ADVISORY COUNCIL ON HEALTH CARE DELIVERY

"SEC. 1408. (a) There is hereby established a National Advisory Council on Health Care Delivery (hereafter referred to as the Council on Health Care Delivery (hereafter referred to as the 'Council') to be composed of twenty-one members. The Council shall consist of the Secretary of Health, Education, and Welfare, the Chief Medical Officer of the Veterans' Administration, a medical officer designated by the Secretary of Defense, the Administrator of the Health Resources Administration, the Director of the National Institutes of Heatlh, and the Director of the National Institute of Health Care Delivery shall be ex officio members and an additional fifteen members not otherwise of the regular full-time employee of the United States to be appointed by the President without regard to civil service laws. The appointed members shall be (1) persons who are leaders in the field of medical sciences or in the organization, delivery, or financing of health care, (2) leaders in the management sciences, or (3) representatives of the consumers of health care. At least seven of the appointed members shall be representatives of the consumers of health care.

"(b) The President shall designate a Chairman of the Council. The Council shall meet at the call of the Chairman but not less than four times a year.

"(c) Each appointed member of the Council shall hold a term of four years except that any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, except that the terms of the office of the members first taking office shall expire as designated by the President at the time of appointment, three at the end of the first year, four at the end of the second year, four at the end of the third year, and four at the end of the fourth year after the date of appointment. An appointed member shall not be eligible to serve continuously for more than two terms.

"(d) Appointed members of the Council

shall receive compensation at rates not to exceed the daily rate prescribed for GS–18 under section 5332, title 5, United States Code, for each day they are engaged in the actual performance of their duties, including traveltime, and while so serving away from their homes or regular place of business, they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 503, title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Chairman of the Council, with the concurrence of a majority of the Council members, shall appoint an Executive Secretary of the Council. The Executive Secretary may be appointed without regard to civil service laws and may be compensated at a rate not exceeding the appropriate rate provided for individuals in grade GS–18 under section 5332, title 5, United States Code. The Director of the Institute shall make available to the Council such additional staff information, and other persons as it may require to carry out its activities.

"(f) The Council shall—

"(1) review programs, policies, and priorities of the Institute, and centers established under section 1412, and advise the Director on the development and conduct of programs of the Institute and centers;

"(2) examine and coordinate health care delivery efforts within the Department of Health, Education, and Welfare and other Federal departments and agencies so as to avoid duplication; and

"(3) assure that significant research and development findings of the Institute and centers are being disseminated to the health care system, and evaluate the extent such findings are making an impact on the health care delivery system.

"(g) The Council shall submit as an appendix to the report required by section 1409 of this Act, its report on the progress of the Institute and centers toward the accomplishment of the objectives of this title, and the status of health delivery research development in the United States including any minority views of the Council members.

"REPORTS

"Sec. 1409. The Director shall, within one year after the date of his appointment and prior to February 1 of each year thereafter, prepare and submit to the Secretary for his transmittal to the President and the Congress a written report that shall include:

"(1) an appraisal of the activities and accomplishments of the Institute and the centers;

"(2) bibliographies with annotations of research performed or supported and a summary of the significant research and developments findings which show promise (given due consideration to the cost, benefits, and the quality of health care program) of improving health care delivery or increasing the productivity of health care systems; and

"(3) identification and recommendations concerning those factors or barriers which inhibit implementation of the significant research and development findings of the Institute and centers or that prevent innovation in health care.

"HEALTH CARE DELIVERY INFORMATION SERVICES

"Sec. 1410. There is created within the National Institute of Health Care Delivery an Office of Health Care Delivery Information Services. Such office shall provide—

"(1) for the provision of indexing, abstracting, translating, and other services leading to a more effective dissemination of information on research and development in health care delivery, to public and private agencies, institutions, and individuals engaged in the improvement of health care delivery and the general public; and

"(2) undertake programs to develop new or improved methods for making such information available.

"AUTHORIZATIONS OF APPROPRIATIONS

"Sec. 1411. For the purposes of carrying out the provisions of this title there are authorized to be appropriated $65,200,000 for the fiscal year ending June 30, 1975; $80,000,000 for the fiscal year ending June 30, 1976; $100,000,000 for the fiscal year ending June 30, 1977; and $125,000,000 for the fiscal year ending June 30, 1978; of the funds appropriated under this section for any fiscal year not less than 25 per centum of such funds shall be available only for health services research, development, and evaluation activities undertaken by the institution under this section. Any unexpended sums appropriated pursuant to this section may be carried over without fiscal year limitations.

"REGIONAL AND SPECIAL EMPHASIS CENTERS

"Sec. 1412. (a) (1) In order to strengthen the Nation's research and development base in health care delivery, to enable the examination and study of health care delivery problems of the various regions of the United States, and to link better research and development findings with actual practice, the Director is authorized to enter into cooperative arrangements with public or private nonprofit agencies or institutions to pay all or part of the cost planning, establishing, and providing basic operating support for (A) not to exceed eight regional centers to carry out multidisciplinary research and development in health care delivery, and (B) two national special emphasis centers, one of which shall be designated as the Health Care Technology Center, to focus on all forms of technology, including computers and electronic devices and its application in health care delivery; and one which shall be designated as the Health Care Management Center, to focus on the improvement of management and organization in the health field, the training and retraining of administrators of health care enterprises, and the development of leaders, planners, and policy analysis in the health field.

"(2) A regional center described in paragraph (1) (A) of this subsection shall meet the following requirements:

"(A) There shall be a full-time director of the center who possesses a demonstrated capacity for sustained productivity and leadership in health services research, demonstrations, and evaluations, and there shall be such additional full-time professional staff as may be appropriate.

"(B) The center shall (i) be located within an established academic or research institution with departments and resources appropriate to the programs of the center, and (ii) have working relationships with health service delivery systems where experiments in health services may be initiated and evaluated.

"(C) The center shall select problems in health services for research, demonstration, and evaluation on the basis of (i) their regional or national importance, (ii) the unique potential for definitive research on the problems, and (iii) opportunities for local application of the research findings.

"(D) Such additional requirements as the Secretary may by regulation prescribe.

"(b) Federal payments under this section in support of such cooperative agreements may be used for—

"(1) construction to the extent that the National Advisory Council determines such construction is necessary;

"(2) staffing and other basic operating costs;

"(3) research and development;

"(4) training; and

"(5) demonstration purposes.

Support under this section other than support for construction shall not exceed $2,000,000 per year per center, except for the Health Care Technology Center, and may be funded for an initial period of not to exceed three years. The Director, following a review of each center's operation and upon the recommendation of the National Advisory Council, may extend the centers for an additional period of not more than three years each.

"(c) The location of the regional centers authorized by subsection (a) shall be determined by the National Advisory Council with a view, to the extent possible, of broad geographical distribution of such centers.

"(d) The administrative officer of each regional and national special emphasis center shall transmit annually to the Director a report which shall set forth (1) an audit of expenditures in accordance with generally accepted accounting procedures, (2) bibliographies, with annotations, of research performed, and (3) a description of ongoing research programs including a summary of significant research and development findings.

"SUPPLEMENTAL INCENTIVE GRANTS TO ENCOURAGE EXPERIMENTATION

"Sec. 1413. (a) In order to encourage individuals, institutions, and health facilities to participate in research and demonstration projects, which without the incentive assistance provided under this section would not otherwise be carried out, and which have been designated by the National Advisory Council as essential, the Director is authorized to provide funds to be used to increase the Federal contribution to such projects under Federal grant-in-aid programs above the fixed maximum portion of the cost of such projects otherwise authorized by an applicable law. Funds shall be so provided for Federal grant-in-aid programs for which funds are available under the Acts authorizing such programs and shall be available without regard to any appropriation authorization ceiling in such Acts.

"(b) The Federal portion of such cost shall not be increased in excess of the percentage established by the Director, and shall in no event exceed 80 per centum thereof.

"(c) The term 'Federal grant-in-aid program' as used in this section means those Federal grant-in-aid programs in the health area authorized on or before December 31, 1973.

"(d) Not to exceed 10 per centum of the funds authorized by this title shall be available to carry out this section."

Sec. 3. Section 305 of the Public Health Service Act is amended to read as follows:

"NATIONAL CENTER FOR HEALTH STATISTICS

"Sec. 345. (a) There is established in the department of Health, Education, and Welfare the National Center for Health Statistics (hereinafter referred to as the 'Center').

"(b) The Secretary, acting through the Center may collect statistics on—

"(1) the extent and nature of illness and disability of the population of the United States (or of any groupings of the people included in the population), including life expectancy, the incidence of various acute and chronic illnesses, and infant and maternal morbidity and mortality,

"(2) the impact of such illness and disability on the economy of the United States and on other aspects of the well-being of its population (or of such groupings),

"(3) environmental, social, and other health hazards,

"(4) determinants of health,

"(5) health resources, including physicians, dentists, nurses, and other health professionals by specialty and type of practice and the supply of services by hospitals, extended care facilities, home health agencies, and other health institutions,

"(6) utilization of health care, including utilization of (i) ambulatory health services by specialties and types of practice of the health professionals providing such services, and (ii) services of hospitals, extended care facilities, home health agencies, and other institutions, "(7) health care costs and financing, including the trends in health care prices and cost, the sources of payments for health care services, and Federal, State, and local governmental expenditures for health care services, and

"(8) family formation, growth, and dissolution; and

"(9) undertake and support (by grant or contract) research, demonstrations, and evaluations respecting new or improved methods for obtaining current data on the matters referred to in subparagraph (1).

"(e)(1) The Secretary shall (A) assist State and local health agencies, and Federal agencies involved in matters relating to health, in the design and implementation of a cooperative system for producing comparable and uniform health information and statistics at the Federal, State, and local levels; (B) coordinate the activities of such Federal agencies respecting the design and implementation of such cooperative system; (C) undertake and support (by grant or contract) research, development, demonstrations, evaluations and the Federal share of the data collection costs respecting such cooperative system; and (D) review statistical activities of the Department of Health, Education, and Welfare to assure that they are consistent with such cooperative system.

"(2) There shall be collection of data from the records of births, deaths, marriages, and divorces in registration areas. The data shall be obtained only from and restricted to such registration records of such States and municipalities as the Secretary, in his discretion, determines possess records affording satisfactory data in necessary detail and form. Each State or registration area shall be paid by the Secretary the Federal share of its reasonable costs (as determined by the Secretary) for collecting and transcribing (at the request of the Secretary and by whatever method authorized by him) its records for such data.

"(3) To secure uniformity in the registration and collection of mortality, morbidity, and other health data, the Secretary shall prepare and distribute suitable and necessary forms for the collection and compilation of such data which shall be published as a part of the health reports published by the Secretary.

"(4) To assure comparability and reliability of health statistics, the Secretary shall, through the Centers, provide adequate technical assistance to assist State and local jurisdictions in the development of model laws dealing with issues of confidentiality and comparability of data.

"(5) In carrying out health statistical activities under this part, the Secretary shall consult with and seek the advice of, the United States National Committee on Vital and Health Statistics and other appropriate professional advisory groups.

"(d) To assist in carrying out subsection (c) of this section, the Secretary shall cooperate and consult with the Departments of Commerce and Labor and any other interested Federal departments or agencies and with State and local health departments and agencies. For such purpose he shall utilize insofar as possible the services or facilities of any agency of the Federal Government and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), of any appropriate State or other public agency, and may, without regard to such section, utilize the services or facilities of any private agency, organization, group, or individual, in accordance with written agreements between the head of such agency, organization, or group and the Secretary or between such individual and the Secretary. Payment, if any, for such services or facilities shall be made in such amounts as may be provided in such agreement.".

"(d)(1) Not later than September 1 of each year, the Secretary shall make a report to Congress respecting (A) the administration of this part during the preceding fiscal year, and (B) the current state and progress of health services research and health statistics.

"(2) The Secretary, acting through the National Center for Health Statistics, shall assemble and submit to the President and the Congress not later than September 1 of each year the following reports:

"(A) A report on health care costs and financing. Such report shall include a description and analysis of the statistics collected under section 305(b)(7);

"(B) A report on health resources. Such report shall include a description and analysis, by geographic area, of the statistics collected under section 305(b)(5);

"(C) A report on the utilization of health resources. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 305(b)(6); and

"(D) A report on the health of the Nation's people. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 305(b)(1).

"(3) The Office of Mangement and Budget may review any report required by paragraph (1) or (2) of this subsection before its submission to Congress, but the Office may not revise any such report or delay its submission beyond the date described for its submission, and many submit to Congress its comments respecting any such report.

"(e)(1) No grant may be made under this part unless an application therefor has been submitted to the Secretary in such form and manner, and containing such information, as the Secretary may by regulation prescribe.

"(2) Each application submitted for a grant or contract under title XIV of this section, in an amount exceeding $35,000 and for a health services research, evaluation, or demonstration project, shall be submitted by the Secretary for review for scientific merit to a panel of experts appointed by him from persons who are not full-time officers or employees of the United States and who possess qualifications relevant to the project for which the application was made. A panel to which an application is submitted under this paragraph shall report its findings and recommendations respecting the application to the Secretary in such form and manner as the Secretary shall by regulation prescribe.

"(3) If an application is submitted under this part for a grant or contract for a project for which a grant or contract may be made or entered into under another provision of this Act, such application may not be approved under this part and funds appropriated under this part may not be obligated for such grant or contract. The applicant who submitted such application shall be notified of the other provision (or provisions) of this Act under which such application may be submitted.

"(f) No information obtained in the course of activities undertaken or supported by the National Center for Health Statistics may be used for any purpose other than the purpose for which it was supplied unless authorized under regulations to the Secretary; and no such information may be published or otherwise released if the particular establishment or person supplying it is identifiable unless such establishment or person has consented (as determined under regulations of the Secretary) to its publication.

"(g)(1) Payments of any grants or under any contracts under this part may be made in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary deems necessary to carry out the purposes of this part.

"(2) The amounts otherwise payable to any person under a grant or contract made under this part shall be reduced by—

"(A) amounts equal to the fair market value of any equipment or supplies furnished to such person by the Secretary for the purpose of carrying out the project with respect to which such grant or contract is made, and

"(B) amounts equal to the pay, allowances, traveling expenses, and related personnel expenses attributable to the performance of services by an officer or employee of the Government in connection with such project, if such officer or employee was assigned or detailed by the Secretary to perform such services,

but only if such person requested the Secretary to furnish such equipment or supplies, or such services, as the case may be.

"(h) Contracts may be entered into under this part without regard to sections 3648 and 3709 of the Revised Statutes.

"(i) The Secretary shall (A) take such action as may be necessary to assure that statistics developed under this part are of high quality, timely, comprehensive as well as specific, standardized, and adequately analyzed and indexed, and (B) publish, make available, and disseminate such statistics on as wide a basis as is practicable.

"(j)(1) Except where the Secretary determines that unusual circumstances make a larger percentage necessary in order to effectuate the purposes of this part, a grant or contract under this part with respect to any project for construction of a facility or for acquisition of equipment may not provide for payment of more than 50 per centum of so much of the cost of the facility or equipment as the Secretary determines is reasonably attributable to research, evaluation, or demonstration purposes.

"(2) Laborers and mechanics employed by contractors and subcontractors in the construction of such a facility shall be paid wages at rates not less than those prevailing on similar work in the locality, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act); and the Secretary of Labor shall have with respect to any labor standards specified in this paragraph with authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(3) Such grants and contracts shall be subject to such additional requirements as the Secretary may by regulation prescribe.

"(k) For health statistical activities undertaken or supported under this section, there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1975, and for each of the next three succeeding fiscal years.".

Mr. BEALL. Mr. President, it is my intention to ask for the yeas and nays, so if the attachés will request more Senators to come on the floor, I will ask for the yeas and nays at that time.

Mr. President, this amendment would substitute in effect, S. 723, the National Institute of Health Care Delivery, for the reported bill's provisions providing for a National Center for Health Services Research. The distinguished chairman of the Health Subcommittee, in his opening remarks, stated that this was not major legislation. I consider it to be major legislation, because what we are talking about is how we are going to improve a delivery system to deliver the benefits of medical services to all the people of America, and close the gap between what medical science knows and what reaches our citizens.

One of the great concerns in this country today is to make sure that the people have adequate access to the tremendous medical benefits that have been developed over the past 25 years. I think that any legislation dealing with this subject should be considered major legislation.

Senators may recall S. 723 originated in the Senate and has been approved on two separate occasions by the Senate. The other features of the reported measure, health statistics and medical library assistance, are essentially unchanged.

I voted to report H.R. 11385 to the Senate because it does represent a step forward for the Congress and the country in the neglected area of health care delivery research and development. I am convinced, however, that for the Senate the pending bill is a step backward from the stronger commitment and sounder structure provided in S. 723, a bill to establish a National Institute of Health Care Delivery.

I first proposed the establishment of a National Institute of Health Care Delivery in a 1971 speech in Gaithersburg, Md. Subsequently, I circulated the idea to the medical community and solicited their views and suggestions. I was encouraged with the interest and support that the proposal generated.

On March 13, 1972, I introduced S. 3329, the predecessor to S. 723, and the first bill introduced in Congress aimed at making research and development in health care delivery as effective and important a science as biomedical research. S. 3329 was included in the Health Maintenance Organization legislation, which passed the Senate in 1972, but final action was not taken on the legislation in the 92d Congress.

On February 1, 1973, I reintroduced the proposal as S. 723, along with Senators Dominick, Hathaway, Hollings, Javits, Pastore, Stevens, and Young, and S. 723 passed the Senate as separate legislation on May 15, 1973, by a vote of 79 to 15.

The House on January 21, 1974, passed H.R. 11385 and their bill is similar to the reported measure, except that the House combined the health services research program with the program of the National Center for Health Statistics. I support the separation of statistics from health delivery research and there is no disagreement between my amendment and the reported bill in this regard.

However, my amendment provides for a clearer separation of the research and development from statistics than does the committee bill.

While the committee bill intends to and would separate the research and statistics functions, it tracks the House bill language, which combined the two, with the result that the provisions are interwoven and somewhat confusing to follow.

Dr. Kerr White, professor of medical care and hospitals at Johns Hopkins University, is a recognized authority in this field. Dr. White, who chaired a Presidential panel which issued a report, "Improving Health Care Through Research and Development," on this point stated:

> To accomplish its mission, the Center should be the subject of a separate section of the legislation; its mandate should not be lumped with a description of the responsibilities of the National Center for Health Services Research and Development. The present bill confuses the responsibilities of the two Centers, and I fear that it will only compound the documented record of waste, confusion, duplication, and bureaucratic rivalry that has persisted between the National Center for Health Statistics and the National Center for Health Services Research and Development since the latter's inception in 1968.

The amendment I offer substitutes the National Institute of Health Care Delivery, as passed twice by the Senate, for the National Center for Health Services Research. My amendment includes the statistics provisions essentially as in the reported bill, but in a separate section, as Dr. White urged, with the result that there is a clearer separation. My amendment does not change the medical library provisions which remain the same as in the bill.

A major change in the amendment from S. 723 as passed by the Senate, is that the Institute would be placed within HEW rather than as a separate agency within HEW.

Again, in this respect, the reported bill and my amendment are the same. The other significant change from S. 723 is that the amendment reduces the authorization level from $430 to $370 million.

When I introduced S. 723 in the Senate, I said the following with respect to the existing research and development effort in health care delivery:

> The Nation's effort in this area is at the National Center for Health Services Research and Development (now changed to the Bureau of Health Services Research). The Center is presently buried in the bureaucracy of HEW. In its present position, the Center lacks visibility and its clout is small. It lacks an effective organizational structure and the flexibility that characterizes many government research and development organizations. It is not funded adequately. Its research function has been shortchanged and overemphasized. It does not even have a legislative mandate. I doubt whether many in Congress other than those with a special interest in health or those who serve on the Health or Appropriations Committees, know the Center exists.

I remain convinced that S. 723 responds best to existing deficiencies and is the superior approach for the following reasons:

The amendment, like S. 723, provides greater visibility and a stronger commitment to health care delivery research and development. It provides for a Presidentially appointed Director, who will be compensated at a level commensurate with the importance of the work he or she will direct.

One of the problems of research and development in health care delivery is that it has been buried in the bureaucracy. A presidentially appointed Director will help to elevate health care delivery research and development and will help attract the very best individual as Director. Given the talent we are seeking for the Director's position, it is obvious that the salary is not going to be the principal motivation for accepting this position. The Presidential appointment is an intangible that will help us to attract the exceptional individual who is critical, for the success of this undertaking.

The amendment, as would S. 723, provides for a clearer congressional mandate. There has been considerable concern in both Congress and the country with respect to the erosion of the powers of Congress. My amendment incorporates the pressing needs as identified by members of the health community who worked with me on the legislation. There is in the amendment a specific and strong mandate addressing the critical health issues of our day rather than general, unspecific language to "do good" as in the reported bill. Twenty-two specific functions are delineated in my amendment. They are listed to make certain that the critical issues are addressed while at the same time not straitjacketing the agency.

The amendment, like S. 723, authorizes up to eight regional centers. Now, the committee bill also authorizes centers but it mandates a minimum of six centers. Now, it is not clear what the purpose of the reported bill's centers are. Are these to be regional centers, or can they all be located in one area of the country? As far as I can tell, neither the report nor the bill itself answers this question. Furthermore, when S. 723 passed the Senate last year, our report noted that because of the manpower constraints that exist that it is not the intent of the committee that all eight centers be created initially. For example, two may be the maximum number of centers that could be started at the outset. Yet, the reported bill would require a minimum of six centers. I wonder what miracle produced the additional personnel since S. 723 passed last May so we can now mandate six centers?

In addition, my amendment like S. 723 would authorize two special emphasis centers, the health care technology center and the health care management center. A letter from a health administrator in Boston underscores the need, in particular, for the management center as follows:

> Practitioners of health care administration, among whom I am one, have been flying by the seat of their pants for too long.

Also, Dr. Kerr White, a recognized authority in this area, said:

> Vastly improved managerial expertise is a prerequisite for any meaningful improvement in our health care system at the operating and geographical levels.

The amendment, like S. 723, recognizes the importance of improved policy analysis. The committee report on S. 723 last year stated:

> The need for improved policy analysis in the nation is critical. Even the Department of Health, Education, and Welfare with its enormous responsibilities has only a small number of individuals at the secretariat level dealing with these matters and their time and attention are too often devoted to "fire fighting" or responding to daily crises. As a result, little if any time remains for exploring long-term issues, no matter how important. The situation in the Congress is similar with the pressures of everyday work and legislation preventing only negligible attention to policy analysis.

> Yet, the resolutions of major policy issues will fundamentally shape the future of health care in the United States. Thus, there is an urgent need for the development of important analytical capabilities to cope with the larger, more complex, and in the long run, the more important health issues.
>
> Policy analysis will be an important part of the work of the Institute. The Committee intends that there be established within the Institute a Health Policy Analysis division to enable groups of professionals to concentrate on long-term policies in the health field. The reported bill fails to speak to this issue. Policy analysis is ignored in H.R. 11385 and its report.

The amendment, like S. 723, provides the strong organizational structure and the administrative provisions needed by a research and development agency. In preparing this legislation, I examined the various administrative provisions which seemed important to successful research and development efforts. Because there is a critical shortage of qualified personnel in this area, I believe that it is important that the agency be provided with some flexibility in its personnel system.

My amendment would provide this flexibility, including the authority for the agency to establish the entrance level up to two grades higher than it otherwise would be if the director deemed it necessary to attract top people.

The amendment also provides for joint funding authority. This enables the agency, where funds are advanced for a single project by more than one Federal agency, to act for all in administering the funds and allowing a single non-Federal share requirement to be established according to the portion of the funds advanced by each Federal agency. It further allows the director to waive technical grant or contract requirements which are inconsistent with similar requirements of the agency. The frustrating experiences of Johns Hopkins University in attempting to establish a prepaid group practice in Baltimore City illustrates the need for this kind of authority. To put the program together Johns Hopkins had to deal with thirteen different agencies, each with different standards and requirements. Program fragmentation, different rules and inconsistent regulations almost made the program come apart before it was implemented.

The amendment also provides the agency with the authority to carry funds over from one year to the next. This is critical in research efforts, and not to provide such a provision encourages waste and ineffective use of funds at the close of a fiscal year.

The amendment, like S. 723, also authorizes an Office of Health Care Information Services to make certain that the results of the research efforts are disseminated to the research and health communities and the general public in a timely fashion. Results are of little value if they do not reach those working in the field and it is important that specific responsibility for this task be assigned at the agency.

The amendment, like S. 723, would provide the Institute with a major evaluation role. As the committee said in their report on S. 723 last year:

> The Committee believes that the federal health programs have not been adequately evaluated in the past and that the Institute will materially enhance the federal government's evaluation capacity in the health field.

The new agency should have more expertise, talent, and objectivity for the evaluation of programs than any other Federal agency. I believe it would be a waste for us not to utilize this talent to improve our evaluation of health programs.

The amendment, like S. 723, provides the resources required to do the job. The reported bill would authorize $65.2 million for each of the next 4 years. The present budget is $43.8 million, which represents a reduction from both the fiscal year 1974 and fiscal year 1973 levels for this research and development effort.

My bill authorizes $370.2 million over a 4-year period.

It is important to note that the committee's authorization level would have been exceeded by the appropriations in previous fiscal years. At best then, the committee's authorization level is exceedingly tight and seems to contemplate little more than the status quo and certainly does not provide resources adequate for an expanded effort.

Since serving on the Labor and Public Welfare Committee, I cannot recall a program of major importance for which the committee held the authorization level constant over the life of the program.

Mr. President, the respected Science Journal commenting favorably on the proposal to establish a National Institute of Health Care Delivery said:

> A major tour de force is needed now—an administrative mandate backed by appropriate funding—to dramatize the importance of rational organization and planning services . . . if the magnificent benefits of American medical research are meant for all of our people then an effective science of health care delivery is as important as the medical research itself.

I believe as the committee report indicated last year on S. 723, that:

> The Institute and its Centers will provide this major tour de force to make health care delivery as important as medical research, and to help speed the benefits of medical science and the scientific discovery system to the people of the United States.

My amendment then will provide the major tour de force; my amendment will provide the needed mandate; and my amendment will provide appropriate funding.

Four witnesses testified before the Health Subcommittee, three of whom, Dr. Kerr White of Johns Hopkins University, Secretary of Health Edwards for the administration, and Dr. Greenberg for the Association of Schools of Public Health, addressed this subject.

In a followup letter after Dr. White reviewed the amendment, he indicated preference for the approach of the amendment over both the committee bill and the House approach, saying:

> I write now to comment on the amendment proposed to H.R. 11385, by Senator J. Glenn Beall, Jr. I have now had an opportunity to review the proposed amendment and find the intent and language much more in keeping with my own views and the general thrust of the PSAC Panel Report on Health Services Research and Development than either the original language of H.R. 11385 or S. 2996. In the amendment, the two institutions—the National Institute for Health Care Delivery and the National Center for Health Statistics—are clearly defined and have specifically delineated missions that are no longer in obvious conflict. The capability and influence of each should be enormously enhanced and their important potential for preparing the health care industry for National Health Insurance increased.

The administration has no objection to the adoption of the amendment.

Thus, the leading authority in the country, Dr. White, endorses the amendment; the administration has no objections to its adoption; and the Senate on two previous occasions has approved this approach. I strongly believe the amendment is preferred and the better approach. I urge the Senate to again confirm its action on two previous occasions and pass the stronger measure, the National Institute of Health Care Delivery approach, as embodied in this amendment.

I ask unanimous consent that my floor statement when S. 723 passed the Senate last year be printed in the Record, as well as portions of the Senate report accompanying S. 723.

There being no objection, the items were ordered to be printed in the Record, as follows:

National Institute of Health Care Delivery Act of 1973

Mr. Beall. Mr. President, at the outset, I thank the distinguished chairman of the Subcommittee on Health, the distinguished Senator from Massachusetts (Mr. Kennedy), for his initial remarks, and to thank and commend him for the leadership he has shown in the total area of providing an opportunity for better health care for the people of our country. I am particularly grateful for the support he has given to this particular piece of proposed legislation, calling for a National Institute of Health.

The measure was cosponsored by Senators Peter Dominick, William Hathaway, Ernest Hollings, Jacob Javits, John Pastore, Ted Stevens, and Milton Young. I am grateful for their support and assistance on this bill. This measure has been reported to the full Senate with the unanimous recommendation of the full Labor and Public Welfare Committee.

S. 723 amends the Public Health Service Act to establish a National Institute of Health Care Delivery as a separate agency within the Department of Health, Education, and Welfare. The Institute's mission will be to conduct a multidisciplinary, research, and development effort to improve the delivery and organization of health care in this Nation. In addition, S. 723 authorizes up to eight regional centers and two special emphasis centers, the Health Care Technology Center and the Health Care Management Center. The total authorized funding for the Institute, the regional centers, and the Special Emphasis Centers, will be $100 million for the first year, $150 million for the second year, and $180 million for the third year, for a total authorization of $430 million over a 3-year period.

I would point out, however, that the authorization for the Institute and the centers does not represent all new funds since the National Center for Health Services Research and Development is transferred to the new

Institute, and the total outlays for fiscal year 1974 for this present Center is estimated at $64.4 million.

BACKGROUND AND NEED

Mr. President, I first made this proposal for a National Institute of Health Care Delivery in a June 25, 1971, speech in Gaithersburg, Md. Thereafter, I circulated reprints of the speech to various medical and health organizations and to many experts in the field around the country. The interest in the proposal was most encouraging. I was particularly pleased with the favorable editorial comment by the respected Science Journal. The comments, suggestions, and criticisms that I received were most helpful in molding the proposal into legislative form. I want to extend a special thanks to the Johns Hopkins University and the University of Maryland. Their faculties' interest and observations contributed significantly to the final bill. Before drafting this proposal, I also examined the administrative and organizational structure of the various Federal research and development efforts, as well as some private organizations.

I introduced this proposal in the last Congress as S. 3329 and the legislation was considered by the Labor and Public Welfare Committee in connection with S. 3327, the Health Maintenance Organization Development Act of 1972. The Labor and Public Welfare Committee last year incorporated the Institute as title V of the HMO legislation. The health maintenance organization legislation, including my proposal for a National Institute of Health Care Delivery, was subsequently considered and passed by the Senate on September 20, 1972, by a vote of 60 to 14. No opposition to the Institute was voiced during the Senate debate on the health maintenance organization legislation.

Senator KENNEDY reintroduced the HMO legislation this year as S. 14 in the identical form, which included the National Institute of Health Care Delivery, as passed by the 92d Congress. I also reintroduced my proposal for a National Institute of Health Care Delivery as a separate bill, S. 723. The Labor and Public Welfare Committee, in order to give this proposal the visibility and national attention it deserves, decided to report this measure as separate legislation.

Mr. President, since World War II, the United States has invested approximately $20 billion in biomedical research. This investment has produced many dividends in terms of medical breakthroughs. This effort has made the United States preeminent worldwide in biomedical research.

During the same period, comparatively small investments have been made in research and development to deliver the fruits of biomedical research to the American citizens. For example, the fiscal year 1974 total outlays for the National Institutes of Health, the Federal Government's chief biomedical research organization, is estimated to be $2,009 billion, while the estimated budget for the National Center for Health Services Research and Development is $64.4 million. I want to make it clear that the citing of this contrast does not suggest or imply that we are spending too much for biomedical research. For the record of this Senator, Congress, and the administration clearly reveals strong support for an accelerated attack against the Nos. 1 and 2 diseases of our citizens, heart and cancer. Biomedical research and health care delivery are inextricable pursuits. For as the famous 19th century chemist, Louis Pasteur, observed:

"To him who devoted his life to science, nothing can give more happiness than increasing the number of discoveries, but his cup of joy is full when the results of his studies immediately find practical applications.

"There are not two sciences. There is only science and the application of science and these two activities are linked as the fruit is to the tree."

The disparity in spending between biomedical research and health care research and development may help explain the preeminence of the United States in biomedical research and the deficiencies in our present health system, as well as the growing gap between what medical science knows and what is delivered to the patient.

I have talked to many Marylanders and citizens of this country. Although our citizens marvel and applaud the achievements of medical science, including the miracle-like transplants that are taking place, their first plea to the health community is not for more dramatic breakthroughs, although these are wanted, but for the health system to make available, accessible and affordable the achievements, methods and procedures developed by medical science over the last quarter to one-half century. The public is aware of the gap between the capabilities of medical science and what is delivered to the patient, and this is a source of much discontent.

Developing the means and methods to deliver the results of medical research to our citizens wherever they live and at a price they can afford will not be an easy task. It will be the difficult mission and challenge given the new Institute.

PRESENT EFFORTS INADEQUATE

Presently, the Nation's effort in this area is at the National Center for Health Services Research and Development. This Center presently is buried in the bureaucracy of the Department of Health, Education, and Welfare, being one of many units of the Health Services and Mental Health Administration.

This Center would be moved to the new Institute. At its present position in the Department, the Center for Health Services Research and Development lacks visibility and its clout is small. It lacks an effective organizational structure and the flexibility that characterizes many Government research and development organizations. It is not funded adequately. Its research function has been shortchanged and underemphasized. It does not even have a legislative mandate. I doubt whether many in Congress, other than those with a special interest in health or serving on the health or appropriations committees, know the Center exists.

Although some interesting efforts have been undertaken at the Center and elsewhere, one must admit that the efforts to date have contributed disappointingly little either to the solving of the problems of the present delivery system or to the producing of alternative systems. The fact is that important questions that had been raised about health care delivery 10 years ago, are still being asked today.

I do not believe that we can wait another decade for these answers. The committee shares this belief not only because of the urgency of our present problems, but also because we will be making fundamental decisions with respect to the directions of health care delivery in the near future and we need all the information and wisdom we can gather so that the decisions made will be the best possible. The new National Institute of Health Care Delivery, with a clear mandate from Congress, top management, the necessary organization structure and administrative provisions, and with adequate resources, will help us to find the answers to the many health care delivery questions and help make health care delivery in the United States as important as medical research.

LOCATION AND APPROACH

The new National Institute of Health Care Delivery will be a separate agency within the Department of Health, Education, and Welfare. Its organization position within the Department will be comparable to the National Institutes of Health. This position is needed because of the importance and urgency of health care delivery problems. It is necessary if the Institute is going to attract top management and talented men and women required for this undertaking. This elevated structure will give health care delivery research and development greater visibility and raise its stature among the public, the health community, and within the government. The Institute's new structure will enable it to have a strong voice for a needed increased investment and interest in research and development in health care delivery.

The Institute will provide a creative environment wherein multidisciplinary teams from such academic disciplines as health, medicine, engineering, science, accounting, statistics, social sciences, architecture, law, education, and the management sciences can interact and focus their attention and generate action oriented research on the critical and complex problems of health care delivery.

The importance of the multidisciplinary approach was underscored in a 1972 speech by Prof. William B. Schwartz of the Tufts University School of Medicine when he said:

There is a clear implication that the problems will require a multidisciplinary approach—we are not simply dealing with economic problems to be formulated and analyzed by economists or manpower problems to be dealt with by physicians. The problem of delivery or primary medical care, for example, obviously has an enormous number of facets. It involves not simply a question of more and larger medical schools training more physicians but a range of issues including the maldistribution of physicians, inducements to rural and ghetto practice, restriction of physician entry into specialties that are overpopulated, the use of allied medical personnel to replace physicians in the delivery of primary care, the introduction of computer-aided diagnosis and management as a means of upgrading the non-physician's performance and increasing his range of responsibilities, the use of television as a link between doctors and patients, and the introduction of new transportation strategies as a means of making high quality care available to areas of low population density.

In weighing these approaches, consideration must also be given to patient acceptance of new personnel and new technology, to the reliability of computer-aided diagnosis and management, to the response of the physician to incursions of new health personnel and new technology into his domain, to legal problems related to licensure and malpractice, to the time lags involved in the introduction of new strategy, and to the tradeoff between quality and quantity that is implicit in changing the traditional patterns of health care. Only in this way can we allocate resources appropriately and can a desirable mix of manpower and technology be brought to bear.

There is another important concept in research and development; namely, "critical mass." This term originated in nuclear physics where critical mass is defined as the amount of radioactive material needed to produce a self-sustaining nuclear reaction. In research and development, critical mass refers to the minimum size and composition needed to achieve the important self-sustaining creative atmosphere for the undertaking. In theoretical basic research, one or two researchers may be the critical mass. On the other hand, in complex and larger research efforts, the critical mass may be hundreds of individuals from many disciplines. In complex and large undertakings where the critical mass is not achieved, researchers tend to pursue smaller tasks individually. The smaller efforts of individuals doing their "own thing" do not often cumulate to produce major efforts. Today we have inadequate numbers of people trained and experienced in this area, and those with this experience are dispersed throughout the Government, universities, and research institutions. As a result, the synergism that can occur when a critical mass of people who are problem solvers from many academic disciplines interact has not yet been adequately developed.

POLICY ANALYSIS ROLE

We also need to develop a strong capability in health care policy analysis. The United States, in reality, today has no overall health policy although there is growing recognition of the need for one.

Even the Department of Health, Education, and Welfare with its enormous responsibility in the health field, has no cadre of full-time professionals solely committed to policy research and analysis. At the Secretariat level, there are a handful of individuals dealing with these matters, but their time and efforts are too often devoted to dealing with present crisis or "firefighting" rather than examining the long-term issues, no matter how important the latter may be.

I might also add that the situation here in the Congress is even more critical. We in Congress should consider establishing a Joint Committee on Health to serve as adjunct to the respective legislative committees of both the House and the Senate. Such a committee could serve a role to the congressional committees with jurisdiction in the health area, similar to that played by the Joint Committee on Taxation in supporting and complementing the Ways and Means and Finance Committees.

It is clear that the resolution of major policy issues will shape the future of health care delivery in the country. Thus, there is an urgent need to develop analytical capabilities to cope with the large, complex and longrun issues, while the Nation continues to address the immediate problems in the health field.

Policy analysis then will be an important assignment of the Institute through its policy analysis division. As the committee report says:

"Policy analysis will be an important part of the work of the Institute. The Committee intends that there be established within the Institute a Health Policy Analysis Division to enable groups of professionals to concentrate on long-term policies in the health field."

INSTITUTE'S MANDATE

The Institute will be headed by a Director, appointed by the President, with the advice and consent of the Senate. The salary of the Director will be at executive level 4, which is similar to and competitive with other Federal research and development agencies. The Institute will also have a Deputy Director, also appointed by the President, and not to exceed four Assistant Directors, selected by the Director.

It will carry out its functions through an inhouse capability and through an extramural effort at the regional health care centers and its two National Special Emphasis Centers, to the Health Care Management Center, and the Health Care Technology Center, as well as broad authority to: First, make grants to States, political subdivisions, universities, hospitals, and other public or nonprofit agencies, institutions, or organizations, and second, contract with public or private agencies, institutions, or organizations for the conduct of research and development, experiments, studies, demonstrations, and the training of individuals to plan and conduct such efforts.

The objectives and mandate of the Institute will be broad. It will pursue all methods and opportunities, efficiency, and quality of health care delivery in the States, regions, and communities of the United States through initiation and support of studies, research, experimentation, development, and demonstration of, but not limited to, 22 specific functions which are spelled out in the legislation. I read these functions as follows:

(1) The existing health care system, emphasizing means and methods to improve such systems and the devising and testing of alternative delivery systems;

(2) Health care systems and subsystems in States, regions, and communities which give special attention to the effective combination and coordination of public and private methods or systems for health care delivery;

(3) Preventive medicine and the techniques and technology, including multiphasic screening and testing, to improve the early diagnosis and treatment of diseases, particularly for preschool children;

(4) Systems and technical components of emergency health care and services (including at least one experimental statewide helicopter transportation emergency care system), which utilize, where possible, the skills of returning military corpsmen;

(5) Systems and components of rural health services;

(6) The development of policy with respect to long-term care, particularly for mentally and physicial handicapped individuals and senior citizens, with special emphasis on alternatives to institutionalization, including the use of home health aides;

(7) Methods to meet the Nation's medical manpower requirements, including new types of manpower and their utilization and the extent to which tasks performed by physicians and other health professionals may be safely delegated to other appropriately trained individuals in both new and existent health occupations;

(8) Continuing education and the exploration of programs and methods to help health professionals to stay abreast of current developments and to maintain professional excellence;

(9) Health manpower credentialing, licensing, and certification;

(10) The medical malpractice problem, particularly as it relates to quality care, the practice of "defensive medicine" and added costs to the public;

(11) Programs for educating health manpower and the accreditation of such education programs;

(12) Application of all forms of technology, including computers and other electronic devices, in health care delivery;

(13) The efficiency, management, and utilization of new and existing health care facilities including studies of admission practices and exmaination of cost-finding techniques;

(14) The development of tools and methods to improve planning, management, and decisionmaking in the health care system;

(15) The development of information by which quality, efficiency, and cost of health care may be measured;

(16) The development of uniform accounting practices, financial reporting, and uniform health records;

(17) The development and testing of incentive payment mechanisms that reward efficiency in health care delivery without compromising the quality of care;

(18) The needs of individuals, families, and groups for health care and related services, emphasizing the various life styles, including environmental, recreation, and nutritional factors that bear on an individual's health; identification of those factors affecting acceptance and utilization of health care and related services; and the development of educational materials and methods communicating to the public the importance of personal decisions and actions on health;

(19) The economics of health care and related services, and the impact of the total system of health care delivery and related services upon the standards of living and the general stability of the national economy;

(20) Proposals for the financing of health care, including the potential cost and benefits, and their impact on the health care system;

(21) Concepts and data essential to formation of a factual basis for national health policies; and

(22) The effects on health care delivery of the organization, functions, and interrelationships of Federal, State, and local governmental agencies and programs concerned with planning, organization, and financing of health care delivery.

Mr. President, I would like to make some comments on a number of the specific functions assigned to the institute. It will examine the ways physicians and other health professionals are organized and utilized and the extent to which tasks performed by such professionals may be delegated to other appropriately trained individuals. With respect to any illness, we can combine the talents of medical personnel in various ways. Take a routine physical examination. It may be performed entirely by a doctor, by a doctor-nurse combination, with the nurse taking the medical history and the patient's temperature, or by a doctor-nurse-technician team where the technician performs many of the tests and the doctor's role is limited to the interpretation of the results such as in multi-phasic screening. These different approaches to the routine physical examination may produce medical care of the same quality.

They, however, carry vastly different implications, both in terms of cost and the utilization of the physician's scarce time. Similarily, experts tell us that from 70 to 80 percent of the pediatrician's medical task force could be performed by a trained physician-assistant, such as nurses. Furthermore, it is generally felt that doctors spend too much time on routine tasks, including 25 percent of their time on business, such as bookkeeping, billing, ordering supplies, et cetera. Also, it has been estimated that nurses spend up to 25 percent of their time on paperwork. We need to explore all of these areas and to improve our utilization of scarce medical personnel.

The institute will study the manpower credentialing and malpractice problem. Both of these issues have been examined recently, but it is important that an examination and followup on these reports be made. Indications are that malpractice insurance may cost some hospitals as much as $2 a day per patient. The malpractice problem has also resulted in what some refer to as "defensive medicine" under which certain tests or procedures are ordered which may not be really necessary in order to protect a physician from a possible charge of negligence. The institute could use the Federal Government's Public Health Service hospitals and outpatient clinics if license laws prove to be an obstacle to experimentation on the use of new categories of health manpower. Successful experimentation in these Federal facilities should encourage their use elsewhere.

The new institute also will have the responsibility of examining the efficiency, management, and utilization of new and existing health care facilities including studies of admissions practices, financial reporting, and uniform health records.

Some medical experts estimate that as many as 30 percent of hospital admissions are unnecessary. With the average cost of a single day's stay in any hospital being $100 in many urban areas, it becomes important to avoid unnecessary hospitalization. The U.S. Chamber of Commerce in their excellent study, "Improving Our Nation's Health Care System: Proposals for the Seventies," pointed out the need and potential for operational analysis to control cost saying:

Operational analysis by hospitals should quickly become widespread. One hospital director has an effect a predicted length of stay profile for each diagnosis, to use in measuring a doctor's performance. He requires a prospective rather than a retrospective hospital utilization review to be carried out, so that each discharge can be measured against the predicted length of stay for that diagnosis. He suggests greater reward for doctors whose performance results in lowering community costs.

The average length of stay in his hospital is much lower than surrounding institutions. These illustrations suggest the scope for applying to the hospital cost-saving operational analysis familiar to industrial engineers for a generation or more.

An article in Medical Economics of December 1971 featured Parkview Hospital in Indiana which operates with one-fourth fewer employees per patient than comparable hospitals nationally, and at no apparent sacrifice in the general level of care. The cost per patient at this hospital was $58.09 compared with an average of $83.11 for other Indiana hospitals with 250 beds or more.

While I have not evaluated these particular situations personally, I believe they illustrate the potential for operational analysis and the desirability of uniform accounting rules and reporting so that administrators will be able at least to compare the cost and quality of their facility with comparable facilities elsewhere. This should be a useful tool in moderating health costs.

There is also the serious problem of communities and professionals competing for the most advanced and expensive equipment. This often results in unnecessary duplication. Open-heart surgery is a good example. One hospital director has said that open-heart surgery requires a team of 12 doctors, nurses and technicians on constant standby and that 50 operations are needed a year in order to keep the team at its maximum effectiveness and efficiency.

Yet, of the 800 hospitals equipped to do this surgery, one-third do not have a single operation in a year, let alone 50.

A 1972 General Accounting Office study pointed out that the problem of duplication also exists at the Federal Veterans Hospitals. The study noted that since 1965 the Veterans Administration has established 23 open-heart surgery centers in its hospitals and that only 7 centers during fiscal year 1971 performed the minimum number of open-heart operations considered necessary.

The Institute would have a mandate to develop and test incentive payment mechanisms that reward efficiency in health care delivery without, of course, compromising the quality of health care.

The Institute would also examine the applications of all forms of technology including computers and other electronic devices in health care delivery. In this connection the Institute along with the Health Care Technology Center, will examine data processing, which has become standard in other segments of our society. One of the Nation's aerospace corporations did a study of the famed Mayo Clinic and they found that in a $1,000 hospital bill, $300 went to unproductive information handling and filing. Alarmingly, they also found that with all the red tape required, 12 individual steps were needed merely for an X-ray picture—there was one chance in six that the hospital test had some error in it.

The potential of data processing has been illustrated in my State by the Maryland Blue Cross—computer link arrangements with 30 Maryland hospitals. This has enabled Blue Cross to cut its costs of processing patients' admissions and claims by 30 percent from $3.60 per claim to $2.52 per claim.

The Institute will also encourage the development of preventive medicine and the techniques and technology, including multiphasic screening and testing, to improve the early diagnosis and treatment of diseases, particularly for preschool children. One issue that needs to be answered here is the cost and benefits associated with annual physical examinations or periodic physical examinations at critical ages. With the growing evidence regarding the importance of the early learning years and the growing interest in early childhood programs, I believe it is important that we develop techniques for early detection of physical or mental difficulties that children may have. That is why I have particularly emphasized the early diagnosis for preschool children.

The Institute will give special emphasis to the development of systems and components of rural health services. Certainly, there is little disagreement with respect to the need to upgrade health care in many rural areas.

The Institute will develop policy with respect to long-term care, particularly for mentally and physically handicapped individuals and senior citizens, with special emphasis on alternatives to institutionalization, including the use of home health aids. Long-term care was one of the areas of concern at the White House Conference on Aging. I believe that society's experience in other areas such as mental retardation demonstrates that alternatives to institutionalization are possible.

The Institute will develop and test systems and technical components of emergency health care and services—including at least one experimental statewide helicopter transportation emergency care system—which utilize, where possible, the skills of returning military corpsmen. This is a neglected area and has been aptly called the "hidden crisis in health care." Injuries are the chief killer of Americans aged 1 through 38. All of us are potential victims. Yet, the fact is that a trauma victim in Vietnam probably has a better chance of survival than accident victim in the United States. This is because the military, during the Second and Korean Wars developed a highly organized system for transporting and caring for the emergency victim. This procedure has been perfected in Vietnam to such an extent that former Secretary of Defense Laird, during the war was able to declare that the death rate of such victims in Vietnam was near zero.

The technology and know-how is there; all we have to do is organize on a rational basis and apply these lifesaving methods. Heart attack victims could also benefit from improved emergency care arrangements, as some experts have estimated that prompt and early care might potentially save 150,000 heart attack victims annually.

My own State of Maryland, for example, is a pioneer in the emergency health field with one of the Nation's most sophisticated trauma centers, which was recently named the Institute for Emergency Medicine. The State has announced plans to develop a statewide emergency medical system. I work closely with the State and they have received a major grant to develop a communications system. They have now four helicopters in operation and need three or four more. When such a system is operational, the able director of the institute, Dr. R. Adams Cowley, predicts that accident deaths in Maryland could be cut in one-half in 2 years.

TRAINING AND TECHNICAL ASSISTANCE

The Institute will develop methods and support training of individuals to plan and conduct research, development, and evaluation of health care delivery and provide technical assitance and develop methods for the transfer of new knowledge, components, and systems to the health community. The Institute is also authorized to exchange information and collaborate with other countries for the advancement of health care delivery in the United States. The Institute and its affiliated centers will also provide an opportunity for individuals from industry, local and State government and Federal agencies to receive training.

In addition, alumni of the Institute and centers will be available for administrative and policymaking positions in the health community.

These responsibilities are critical. Our ability to expand research and development in the health care delivery field will require additional skilled and trained personnel. Yet the number of economists, physicians, engineers, lawyers, and other experts qualified by training and experience to work in health care research and policy analysis field is limited. I believe that the broad authority granted to the Institute and its centers to develop methods and support for the training of individuals in this field will enable the production of the required manpower.

The Institute should seriously explore the fellowship and training grant mechanism employed so successfully by the National Institutes of Health to lure young talent into Biomedical Research. Basically, NIH uses two approaches. First, following an individual's intern or residency, fellowships are available on a national competitive basis for research. The competitive nature of the fellowship program plus the preeminence of the National Institutes of Health have combined to make this mechanism most successful.

Second, certain universities become training centers for a specific area, for example, heart diseases, and that institution is given a grant by the National Institutes of Health which enables the Institute to attract researchers.

The critical importance of the training function make it imperative that the Institute capitalize on the experience of NIH and others and provide the support necessary to produce first-rate professionals in this field.

The Institute may also consider the scholarship approach for postdoctoral work as this might encourage the flow of skilled individuals to create a cadre of professionals sharing common analytical concepts of understanding. The Institute may also determine that long-term appointments are needed to attract individuals from academic life and this certainly would be possible under the broad authority also. Furthermore, the Institute or the Centers may be supporting or conducting seminars in this area. These examples are only cited as illustrative of the broad authority provided to the Institute and the Centers. The specific training program, incentives, and personnel policies will be decided by the Director.

It cannot be emphasized too much the importance of this training function for as the committee report notes, "The committee believes that the requirement and training of top caliber personnel must be an important priority of the Institute, for the ultimate success of the enterprise will depend on men and women who direct and work in the Institute and its Centers.

The new Institute will also have a major evaluation role. The Institute will evaluate the quality, effectiveness and efficiency of Federal health programs, including medicare, medicaid, and the maternal and child health programs of the Social Security Act. For such evaluation, the Secretary of Health, Education, and Welfare is authorized to transfer the evaluation funds appropriated pursuant to section 513 of the Public Health Service Act as he deems necessary.

The Institute will have more expertise, talent and objectivity for evaluation of programs than probably any other Federal agency, and I believe its utilization for this purpose will be exceedingly desirable. There is general agreement that more and improved efforts in evaluation are needed.

EXPERIMENT INCENTIVES

The legislation also provides for supplemental incentive grants to encourage experimentation. The basic thrust of this section is that when the National Advisory Council designates a project or a health facility as essential to the research and development efforts of the Institute or centers, and where it was determined that such experimental efforts would not be undertaken without this incentive, the Director could increase or supplement the regular Federal grant-in-aid health programs up to 80 percent.

For example, under Hill-Burton, the Federal program for health facility construction and modernization, the Federal matching in general cannot exceed two-thirds. Assuming that a particular facility was designated as essential, this section would enable the facility to receive 80 percent Federal matching. Not more than 10 percent of the funds authorized by this legislation could be used for these incentive grants to encourage experimentation.

REPORTS

The Director of the Institute, within 1 year after his appointment and prior to February 1 of each year thereafter, is required to prepare and submit to the Secretary of Health, Education, and Welfare for transmittal shortly thereafter to the President and the Congress, a written report including: First, an appraisal of the Institute's activities, and accomplishments; second, a summary of its significant research and development findings; third, an identification and recommendation concerning those factors or barriers which inhibit implementation of the Institute's significant findings or prevent innovation in health care.

ACTIVE ADVISORY COUNCIL

The Institute will have a prestigious National Advisory Council on Health Care Delivery. This Council will have 21 members, including the Secretary of Health, Education, and Welfare, the chief medical officer of the Veterans' Administration, a medical officer designated by the Secretary of Defense, the Director of the National Institutes of Health, the Administrator of the Health Services and Mental Health Administration, and the Director of the National Institute of Health Care Delivery as ex officio members. The other 15 members will be selected by the President from persons who are leaders in the field of medical science, or the organization, delivery or financing of health care; leaders in the management sciences; or representatives of consumers of health care.

In selecting the membership of this Council, it is my intention that the President search for the most distinguished and talented individuals available. The legislation does not spell it out, but it is my intention, and that of the committee, that at least one of the Council members be a practicing physician. At least seven of the Council members must be representatives of consumers. The President will designate the Chairman of the Council, and they will meet at the call of the Chairman, but not less than four times a year.

The bill contemplates an active Council, and specific responsibilities are delineated in the legislation. The Council will be responsible for reviewing the programs, policies, and priorities of the Institute; examining and coordinating health care delivery efforts within the Department of Health, Education, and Welfare and other Federal agencies so as to avoid duplication; assuring that significant research and development findings are communicated throughout the health system and to the public; and evaluating the impact of the Institute's research and development efforts on the health care system.

The Council will be independent and will have its own Executive Director. If the Council is to enjoy the independence that the legislation envisions it is important that it have a top staff person accountable only to the Council.

The Council under the measure would also be required to submit, as an appendix to the Director's report which I previously discussed, a summary of the progress of the Institute in achieving the bill's objectives and the Council's evaluation of the status of health care delivery and research and development in the Nation. Any minority views of Council members will also be included in this report.

NEEDED ADMINISTRATIVE PROVISIONS

In drafting this legislation, I have studied the various Federal research and development agencies such as the National Institutes of Health, the National Aeronautics and Space Administration, the National Science Foundation, and the National Institute of Education, which was enacted into law last year. We have given to the Institute the administrative provisions which seem to be important to a successful research and development effort.

Thus, the new Institute and centers are provided a flexible personnel system to enable the attraction of the most qualified and talented individuals. This will include the authority, when the Director deems it necessary, to establish the entrance pay level up to two grades higher than it otherwise would be and the authority to appoint a percentage of the employees without regard to civil service laws.

The new Institute is granted the authority to carry over unexpended funds from 1 year to the next. This is vital and will permit the Institute to provide stable funding for multiyear projects which are important in research and development.

The new Institute would be given joint funding authority which will enable the waiver of certain requirements for undertakings where funds are advanced to a single project by more than one Federal agency. The frustrating experience that Johns Hopkins University had in my State when they were moving to establish a prepaid practice program in Baltimore City, illustrates the need for this kind of authority. To put their program together, Johns Hopkins had to deal with 13 different agencies, each with different standards and requirements. Program fragmentation and different, inconsistent rules and regulations almost made the program come apart before it was implemented.

The health programs of the Federal Government are divided in nine departments and at least one dozen agencies. There are a number of provisions in my bill aimed at this problem. First, there is a specific provision directing the establishment within the Institute of offices and procedures necessary to provide for the greatest possible coordination of research and development under the act with activities conducted by other Federal agencies and public and private agencies.

Second, the National Advisory Council has a specific assignment to examine and coordinate health care delivery efforts of the Department of Health, Education, and Welfare and other Federal agencies so as to avoid duplication.

Third, the President is granted for a 2-year period, the authority to transfer to the Institute any program or personnel within the Department of Health, Education, and Welfare when he feels such action is desirable.

DISSEMINATING RESULTS

Mr. President, it is important that the results of the Institute and its centers be disseminated in a timely manner to the health care system and to those Federal agencies responsible for health services. Significant results are or little value if they remain on some shelf or in some Federal storage room. Health is a field which the president of Blue Cross recently characterized as "restlessly in transition." Health is a field in which change may occur rapidly and I believe it is imperative that health researchers and administrators be kept up to date with respect to current development.

To assure that the significant findings are disseminated to the health system and to the public, there would be created within the Institute a Health Care Delivery Information Service. This office would provide, or arrange for, the provisions of indexing abstracting, translating, or other services leading to a more effective dissemination of health care delivery information and undertake programs to develop new or improved methods for making such information available.

A variety of media could be used by the Health Care Information Services, including a computerized storage and retrieval system, microfiches and suitable periodicals or other publications. The office might also publish or support a monthly journal which would abstract both national and international literature bearing on health services. In addition, it would be useful for the office to establish or to encourage the establishment of a high quality, timely publication service for research reports, monographs, state of the art papers, and other information in the field.

In addition to making certain that the timely information reaches individuals in the health system, the office is expected to help prevent needless duplication of research efforts and the waste of scarce Federal resources.

REGIONAL AND SPECIAL EMPHASIS CENTERS

S. 723 also authorizes a maximum of eight regional centers and two special emphasis centers, the Health Care Technology Center and the Health Care Management Center. The objectives of the regional centers are: First, to enable the study of the different health care problems of the various regions of the Nation; second, to broaden and strengthen the Nation's research and development base in health care delivery; and third, to link better research and development with actual practice.

It may also be desirable, in addition to the above general purposes and programs, that some or all of the regional centers might specialize in an area or areas such as the malpractice problem and other medical-legal issues; and information handling problems.

The location of the regional centers will be determined by the National Advisory Council. This Council, to the extent feasible, is directed to provide broad geographical dispersion of the centers. When all of the centers are operational, each region of the Nation will be served by a center.

I do not want to emphasize that the bill authorizes, not to exceed eight regional centers. I want to underscore the admonition in the committee report that "It is not the intent of the committee that all eight centers be created initially." The committee, mindful of the manpower and other constraints, by this language is stressing our intent that we desire the regional centers to be of highest quality. While I envision that all eight centers will be operational sometime in the future, I want to reach that number without sacrificing quality.

Thus, it may be desirable that only two centers be established at the outset. Then, as the Institute's training efforts begin to produce the additional trained manpower, more centers would be established. An added advantage of this approach is that the experience of the early centers should enable subsequent centers and the Congress to learn and make adjustments as experience indicated were necessary.

The regional centers will be funded initially by the Institute for up to 3 years. Thereafter, following a review of each center's work and operations, by the Director and upon the recommendation of the National

Advisory Council, the Director may extend the centers for an additional period of not more than 3 years. After this period, it is my intent that the majority of the regional centers' support will be program support in competition with other institutions. I also hope and believe that the States in the regions in which the various centers are located will utilize the centers for research, development, and evaluation.

Thus, at the end of the 6-year period, the success of the center will be determined by the quality of their efforts and the degree of interest shown in their work by the States, local governments, private foundations, industry, and the health care community within the area in which the centers are located. These centers may be managed by a university, or a number of universities and colleges under a consortium arrangement, or by public and private organizations and associations, both profit and nonprofit.

SPECIAL EMPHASIS CENTERS

Two special emphasis centers, a Health Care Technology Center and a Health Care Management Center are also authorized.

The Health Care Technology Center will focus on all forms of technology, including computers, and electronic devices, and its application in the improvement of health care.

Technological advances in such areas as space, communications, and data processing in the last decade have been almost unbelievable. Yet, the technology has not made a similar impact on the health system. In fact, much of the health care system continues to employ the same manual procedures used at the turn of the century. We need to wed 20th century technology with 20th century research to improve the delivery of health care. This will be the assignment of the Health Care Technology Center.

President Nixon, in a number of messages to the Congress, has emphasized the need to encourage the application of science and technology to the solution of domestic problems. In his March 2, 1972, health message, the President specifically identified health as a "vital area" for exploiting technology.

One must confess that the expectation particularly in the 1960's that technology would produce a "revolution in health care" have not materialized. The Health Care Technology Center is expected to provide the leadership and mobilize the Nation's involvement and interest in the development and utilization of technology. Particular attention needs to be paid to the involvement of private industry, for the successful development of technology depends, to a great extent, on the interest and actions of private industry. Industry's limited involvement in the health technology area today results from a number of factors including the diffused markets of the health field; the limited success achieved to date; and the Government's failure, to give priority to the utilization of technology in solving of health problems as has been done, for example, in space and defense.

Technological solutions are not likely to result unless the above difficulties are addressed.

There is a need to aggregate both health resources and markets. Once this occurs, I believe industry will identify and take advantage of the economics of scale that generally results from larger markets.

I am convinced that there are steps that the Federal Government in general and the Health Care Technology Center in particular can take to encourage technological development in the health area.

For example, various agencies of the Federal Government operate their own health systems, such as the Defense Department and Veterans' Administration. These Federal health systems offer the opportunity for a market sufficiently large to attract industry investment.

Second, the Federal Government could identify potential opportunity for technological solutions and solicit competitive bids through requests for proposals (RFP's) as is done by the Defense Department. Thereafter, there could be full funding of a prototype followed by a guarantee that a sufficient number would be purchased to insure a profit. The units produced could then be sold, loaned, leased, or donated to individuals or organizations that would use them effectively.

A decision, for example, could be made by the Federal Government to do something about the problems of the visually handicapped in the country. There are about 400,000 legally blind persons in the Nation today. It has been estimated that many of them have a significant amount of visual perception in at least one eye. Optical devices, such as eyeglasses, are of limited value to many of these citizens since such glasses only magnify the image and do not control brightness and contrast which are equal in importance in perceptual acuity. The Rand Corporation has designed and fabricated a prototype circuit television system (CCTV), an electro-optical system involving image magnification, brightness, and contrast. This prototype system has been tested on a number of visually handicapped people ranging in ages from 10 to 83 with a wide variety of eye disorders. Better than 80 percent of the subjects have found the system helpful in reading and writing.

Work is now underway on a second generation system which is aimed at solving the difficult problem that many partially sighted persons face, namely the transfer of information from one place to another.

The CCTV could well be the forerunner of the new series of devices which would be used to enhance the education of visually handicapped children, to permit partially sighted persons of working age to obtain and hold well-paying jobs which would otherwise be closed to them, and to allow elderly persons with reduced vision to enjoy the pleasures of reading and writing during their declining years.

I cite this as only an example of the problem area for which there exists a sufficiently large market which would undoubtedly create a response from the industrial community, as well as lead to a tremendous aid for the handicapped, if the decision were made to exploit technology in this area.

The committee report makes a point with respect to the technology center's purposes which is important and bears reiteration. The report states—

"The committee wishes to emphasize that the center's purpose is to encourage the development of technology to solve the health problems of our citizens and our health institutions and not as a place to find markets for available technology."

In other words, the center should be searching for technological solutions to patient care, health institutions, and systems problems, and not for ways to utilize available technology.

It is also important that the technology or systems that are developed are such that can or will be adopted by the health professionals. It would be also extremely valuable if the technology center would develop expertise with respect to technological forecasting so that the consequences, particularly the cost, of new technology might be predicted. Certainly, with the rising health care costs, the health system does not need "technological playthings" which are neither cost effective or fail to increase productivity.

Mr. President, the Senate Labor and Public Welfare Committee, on which I served in 1971 heard testimony regarding the potential of the computer coupled with new "health care specialists." The committee saw demonstrated a potential way of extending the doctor in remote areas which have been unable to attract a physician.

The computer is already being employed in such areas as the interpretation of the electrocardiogram and the automation of history taking. Last year I visited the University of Maryland Hospital Trauma Center and I watched the computer perform a variety of tasks, including the constant monitoring of even the chemical content of the air that the center's severe trauma victims were breathing.

I believe that there is enormous potential for the use of technology that could bring many benefits to the public and the patient.

At present, our success has been limited. At present, only a handful of individuals are actively concerned with the technology and its potential in helping to solve health problems.

The health care technology center is designed to remedy this situation and serve as the focal point for an accelerated group research effort on both program and hardware development.

The second special emphasis center, the health care management center, is of critical importance. For as Dr. Kerr White, professor of medical care and hospitals, of the Johns Hopkins University, has observed—

"Vastly improved managerial expertise is a prerequisite for any meaningful improvement in our health care system at the operating and geographical levels."

The health care management centers will focus on the improvement of management and/or organization in the health field, the training and retraining of health administrators, and the development of leaders, planners and policy analysts in the health field. The job of the managers in the health field is most complex. The modern manager of a health enterprise, if he is to carry out his responsibilities with maximum effectiveness, must have a basic understanding of a wide variety of management skills and some background in such areas as health, economics, computer technology, and statistics, to mention a few.

Quite often medical administrators are elevated to these positions without adequate preparation for these new responsibilities. Certainly American industry would make certain that its top executives are adequately trained and the health system must do no less. There is also often the need to provide retraining, as is evidenced by the letter I received from an administrator, Dr. Fine, deputy commissioner of the Boston Department of Health and Hospitals. He said—

"Practioners of health care administration, among whom I am one, have been flying by the seat of their pants for too long.

The nation deserves better. There is currently no systematic effort I know of to reach decision makers in the health care field with the results of innovative research and to stimulate a research orientation to many of the problems we all face in the financing, organization, and delivery of services.

"There is moreover, an almost total neglect of more formal continuing education opportunities for health care administrators . . . After ten years or more in the field, many of us are in positions of responsibility and strong in experience but weak in understanding of fundamental advances in health care systems, e.g. the problem-oriented medical record, how to organize a prepaid group practice, the use of television in medical diagnosis and treatment, computer applications to health systems problems, etc."

The administrative officer of each regional center and each special emphasis center will be required to submit annually to the director a report which shall include an audit of expenditures; bibliographies, with annotations of research performed; and a description of on-going research program including a summary of significant research and development findings.

The regional and special emphasis centers have a separate authorization of $20 million for the initial fiscal year and a total of $75 million over a 3-year period. Support for a center, other than support for construction, shall not exceed $2 million per year per center, except for the health care technology center, and Federal assistance may be used for research and development, staffing and other basic operating costs, training, demonstration purposes, and construction where the National Advisory Council deems necessary.

CONCLUSION

Mr. President, the health care enterprise in the country is our second largest industry today with spending totaling $83.4 billion, or 7.6 percent of our gross national product. By 1974, health will probably become our largest enterprise with expenditures exceeding $100 billion.

The magnitude of these expenditures alone argue for an accelerated and strengthened research and development component in the health field. There is considerable public frustration and dissatisfaction with various aspects of health care. The public is alarmed over rising costs. Last year I made reference to an Associated Press story which appeared around the time that the institute proposal passed the Senate. This story headlined that the hospitals per day cost in 1971 averaged $92.31, an increase of 13.9 percent over the previous year.

The story hastened to add, however, that the 1970 increase was 15.7 percent and that hospitals have been able to slow the rate of increase. I said then and I repeat today—

"Think about it, over a 2-year period almost a 30 percent increase in hospital costs occurred. This obviously cannot continue."

The public is also concerned about the manpower and facility shortages as well as their maldistribution and the last Congress passed legislation in response to this problem. The public is also distressed that the benefits of medical science and the scientific discovery system are not reaching them.

There is considerable change occurring in the health system. The rapidity of change and reform is likely to accelerate in the years ahead. I believe that it is imperative that we strengthen our research and development capabilities in the health area so that we may make more intelligent choices and foster constructive changes. I believe that we desperately need advanced warnings of approaching "crises." I believe we need more information upon which to base decisions and make meaningful comparisons in the area.

I believe we need to sharpen our abilities to illuminate issues and to identify possible options and their implications. I believe we need a framework for evolving health care policy for the long term while we continue to address the immediate problems. The size of the health enterprise, its importance to the American public, and the growing Federal investment, make it imperative, in my judgment, that research and development in health care delivery must become as important and achieve the preeminence of biomedical research in the United States.

The respected "Science Journal," in a favorable editorial on my proposal, said—

"A major tour de force is needed now to dramatize the importance of rationale organization and planning services . . . if the magnificent benefits of American medical research are meant for all of our people, then an effective science of heatlh care delivery is as important as the medical research itself."

Mr. President, as Dr. Kerr White of Johns Hopkins University noted—

"The issue in research and development, it seems to me, is the extent to which we are prepared to make federal, state, institutional, academic and industrial commitments to aggressive pursuit of improved ways of providing health care.

"Acceptance of change is inevitable and recognition that we need more science in health care rather than less seems essential. The point to be recognized is that the sciences required are more than those encompassed by the traditional biomedical sciences."

The new National Institute of Health Care Delivery recognizes the need for a multidisciplinary attack, represents such a commitment and provides the "major tour de force" to make health care delivery as important as medical research, and to help speed the benefits of medical science and the scientific discovery system to the people of the United States.

I strongly urge its enactment by the Senate and the Congress.

In conclusion, once again I thank the distinguished Chairman of the Health Subcommittee, the Senator from Massachusetts (Mr. KENNEDY), for his work and cooperation in bringing this legislation to the floor.

EXHIBIT 1

THE TOPSY-TURVY WORLD OF HEALTH CARE DELIVERY

In a recent speech Senator J. GLENN BEALL, JR., (R–Md.), called for the establishment of a National Institute of Health-Care Delivery.* In so doing, he has focused attention on a national problem of broad scale and transcendent urgency.

Over the years the American people have prided themselves on being the best clothed best fed, best housed, best educated, and healthiest people in the world. But recent health statistics give cause for concern. Across the board, we are not the healthiest people in the world, in spite of a number of impressive facts. The nation has spent some $20 billion on biomedical research since the late 1940's. We now have more physicians and hospitals than ever before. And currently we spend for health services more—and the rate of expenditure is escalating more rapidly—than we have ever done before. In the last decade alone, physicians' fees have risen twice as rapidly and hospital charges four times as fast as other items in the Consumer Price Index.

The situation is a complex one. Certainly, the balance among the diseases has shifted toward the degenerative disorders. But, in addition, there are striking geographic variations in the availability of health resources. There are marked differences in availability for urban and rural populations and for the poor and the more affluent. Most insurance coverage is inadequate in that it excludes outpatient and preventive services and only partially accommodates catastrophic incidents. And, generally, resources, particularly these for unusual treatment, are poorly utilized everywhere. (If, for example, the utilization of health-care resources were improved by only 10 percent, the saving would be $5 billion. But, with a high proportion of third-party payments, there is little incentive for efficiency. Instead, the trend is to use the higher-cost facilities and services and to make as many of these available as possible.)

The essential ingredients of the Beall proposal merit serious examination. By 1970, health-care delivery had become the nation's second largest industry. But last year only $18 million was spent on research in this area. No other industry can make such a claim. The National Institutes of Health are charged with the technical aspects of prevention and treatment. The Health Services and Mental Health Administration is concerned with health-care delivery, but it has other responsibilities as well. A major four de force is needed now—an administrative mandate backed by appropriate funding—to dramatize the importance of rational organization and planning of services, even through such action would add yet another agency to the welter already existing in the health field. Future legislation would do well to direct its sole attention to the social sciences, both basic and applied, which underlie effective organization and management. Furthermore, the importance of testing and evaluation should receive significant consideration. Already, a number of alternative systems—for instance, group practice, private prepaid care, a variety of community health-care schemes, and health maintenance organizations—are in various stages of design and development, and a nation with an established scientific tradition must certainly recognize the importance of pilot projects.

If the magnificient benefits of American medical research are meant for all of our people, then an effective science of health-care delivery is as important as the medical research itself.—WILLIAM BEVAN

NATIONAL INSTITUTE OF HEALTH CARE DELIVERY ACT OF 1973

The Committee on Labor and Public Welfare, to which was referred the bill (S. 723) to establish a National Institute of Health Care Delivery, and for other purposes having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

SUMMARY

S. 723 amends the Public Health Service Act to establish a National Institute of Health Care Delivery as a separate agency within the the Department of Health, Education, and Welfare.

The Institute's mission, will be to carry out an accelerated multidisciplinary research and development effort to improve the organization and delivery of health care in the nation.

The bill also authorizes up to eight regional centers and two National Special Emphasis Centers, a Health Care Technology Center, and a Health Care Management Center.

The total authorized funding level for both the Institute and the Centers will be $100 million for the initial year, $150 million for the second year, and $180 million for the third year, for a total authorization over the three year period of $430 million.

A twenty-one member National Advisory Council on Health Care Delivery will advise the Institute on the development, priorities, and execution of its program.

BACKGROUND AND NEED

S. 723 was introduced on February 1, 1973 by Senator J. Glenn Beall, Jr., and was cosponsored by Senators Peter Dominick, William Hathaway, Ernest Hollings, Jacob Javits, John Pastore, Ted Stevens and Milton Young.

The proposal was initially introduced as S. 3329 in the 92nd Congress and was considered by the Labor and Public Welfare Committee in connection with the Health Maintenance Organization and Development Act of 1972, S. 3327. The Committee incorporated the Institute as Title V of S. 3327, which was subsequently considered and passed by the Senate on September 20, 1972, by a vote of 60–14. No opposition was voiced during Senate consideration of the HMO legislation to the Institute though the Committee made a number of modifications to the bill as introduced in order to conform it to other related provisions of S. 3327, particularly with respect to the Commission on Quality Health Care Assurance as authorized by S. 3327.

Senator Kennedy reintroduced the HMO legislation, S. 14, in this Congress in the identical form, including the National Institute of Health Care Delivery, as passed by the Senate last year. The Committee, in order to give this proposal the visibility and national attention it deserves and merits, decided to report this measure as separate legislation. The Committee was unanimous in recommending favorable action by the Senate on S. 723 but the version reported by the Committee does not contain the conforming amendments to the HMO bill referred to above, since the Committee decided to report it as a separate bill.

Since World War II, the United States has invested approximately $20 billion in biomedical research. This investment has produced many dividends in terms of major medical breakthroughs and has made the nation preeminent in the world in medical research.

On the other hand, comparatively small investments have been made in research and developments to improve the organization and delivery of health care. Appropriations for fiscal year 1973 contrast our investment in medical research as compared to health care delivery research. The total outlays for fiscal 1973 for the National Institutes of Health, the Federal Government's chief biomedical research organization, is estimated to be $2.009 billion, while the estimated budget for the National Center for Health Services Research and Development for the same year is $64.4 million. By citing this contrast, the Committee is not suggesting or implying that spending on medical research is out of line. To the contrary, the Committee and the Congress has supported an acceleration of the nation's research effort. The Committee does suggest that this disparity in spending between biomedical research and health care delivery research may help account for the nation's preeminence in biomedical research, the deficiencies in our present delivery system, and the growing gap between what medical science knows and what is delivered to our citizens.

The American people are aware of and grateful for the achievements of medical science, but they are also aware of this "gap" which is a source of public dissatisfaction. Our citizens marvel at the miracle-like heart transplants that are taking place, but their plea to the health care community is to make available, accessible, and affordable the achievements, methods, and procedures developed by medical science over the last quarter to one-half century.

To develop the means and methods to deliver the results of medical research and know-how to our citizens, wherever they live and at a price they can afford, is the principal task facing our nation and the health community. This is the challenge that will be the work of the National Institute of Health Care Delivery.

COMMITTEE CONCERNS

The Committee wishes to emphasize in very strong terms that the mandate given to the National Institute of Health Care Delivery will be very difficult to carry out and that it is, therefore, essential that the activities of the Institute be understaken in a prudent and orderly manner. The dual goals of the Institute are to enhance the breadth and effectiveness of health services research and development in the nation through an expansion of available funds and through the transfer of the National Center for Health Services Research and Development to the Institute and to create a capability to carry out health policy research, development, and training through the staff of the Institute, and the Regional and Special Emphasis Centers.

While this innovative approach to policy research and formulation is, in the Committee's view, urgently needed and deserving of support, there are serious constraints which will plague this effort. These constraints are: (1) there is in the nation essentially no tradition of health policy research and development and no suitable models on which to base the establishment of a complex, large, and multi-faceted R&D effort. (2) there is in the nation essentailly no body of experienced managers to initially head up an effort of the magnitude the Committee's bill ultimately envisions. (3) there is in the nation a critical shortage of qualified professional personnel in respect to the broadbased function of the Institute and, therefore, the recruitment of adequate numbers of such persons will be arduous.

Given these formidable constraints, it is clear that it is not possible to draw a complete analogy between this proposal Institute and the ongoing National Institutes of Health. When the NIH was established (in 1937), there was a large pool of well-trained biomedical researchers who were then constrained principally by the lack of money and resources with which to carry out high-level biomedical research. At that time, there was also a large body of potential investigators eager for training if resources could be made available. Such is not the case in health policy research today, in which there is only a small body of practitioners from economics, law, medicine, social sciences, etc., which has specialized in the conduct of the kinds of efforts which are intended to be carried out by the Institute.

The Committee, therefore, believes that, if the efforts of the National Institute of Health Care Delivery are to be successful, priorities must be set which will take cognizance of these constraints. For example, the small number of qualified policy analysis leads the Committee to the conclusion that only a few centers of excellence are possible at the outset of the Institute's activities. The Committee also urges that the Institute devote a major share of its effort to the creation of a major intramural health care research effort analogous to the clinical center of the NIH. The Committee also urges the establishment within the Institute of a specific unit charged with supporting and developing training programs and training centers for health policy and health care research workers. The expansion of trained manpower in this area is absolutely essential to the viability of the Institute's long-term program. The Committee further urges that the Institute and the Department of HEW give serious thought to the relationships between the Institute's program and the Lister Hill Center for Biomedical Communications which is located in the Department at the National Library of Medicine.

In summary the Committee wishes to stress that the initial years of operation of the Institute will be critical in respect to the long-term success or failure of the Institute, and that the decisions that are taken in respect to the initial year's activities should be made with the greatest possible care, commonsense, and vision.

Finally, the Committee believes it is essential that the legislation establishing the Institute be compatible with those provisions of the HMO legislation, S. 14, particularly the proposed Commission on Quality Health Care Assurance.

PRESENT EFFORTS INADEQUATE

The present effort in this respect is largely the responsibility of the National Center for Health Services Research and Development. This Center presently is buried in the Department of Health, Education, and Welfare, being one of many units of the Health Services and Mental Health Administration.

The Committee's bill proposes to transfer and upgrade the National Center by transferring it to the new Institute. At its present layer in the Department, the Center lacks visibility and its clout is small. It lacks an effective organizational structure and the flexibility that characterizes many government research and development organizations. It is not funded adequately. It does not even have a real legislative mandate as it operates only under general research authority.

Although some interesting efforts have been undertaken at the Center and elsewhere. efforts to date for the most part have contributed disappointingly little either to a solution of the problems of the present delivery system or to the creation of alternative systems. Important questions raised about health care delivery ten years ago are still being asked today.

The Committee is of the opinion that we cannot wait another decade for these answers, not only because of the urgency of these problems, but also because decisions with respect to the directions of health care delivery must be made.

To help find the answers to the many health care delivery questions, the Committee believes that research into health care delivery must be made as important as medical research. A new National Institute of Health Care Delivery, with a clear legislative mandate, top management, the necessary organizational structure and administrative provisions, and adequate resources, is needed, in the judgment of the Committee, to achieve this objective.

LOCATION AND APPROACH

The National Institute of Health Care Delivery will be a separate agency within the Department of Health, Education, and Welfare comparable in organizational structure to the National Institutes of Health. This organizational position is needed in view of the urgency of the health care delivery problems. This elevated structure will give health care delivery research and development the necessary visibility and raise its stature among the public, the health community, and within the government; will permit the new Institute to attract the necessary top management and the talented men and women; and provide the needed strong voice for an increased investment and interest in research and development in health care delivery.

The Institute, in carrying out its research and development efforts, will utilize the multidisciplinary approach. Teams from such academic disciplines as health, medicine, economics engineering, science, accounting, statistics, social sciences, architecture, law, education, and the management sciences, will interact and devote their energies and their attention to an objective inquiry in the public interest and generate action and problem oriented research on the critical and complex problems of health care delivery.

In research and development, one frequently hears the concept "critical mass", a term borrowed from nuclear physics. In research and development this term is used to indicate the minimum size and composition needed to achieve a self-sustaining, creative atmosphere for the undertaking.

The number necessary for this "critical mass" varies with the undertaking. In theoretical basic research, one or two researchers may be adequate. On the other hand, in complex and large research efforts, the "critical mass" may require many more individuals from many disciplines. In these larger and more complex undertakings when the "critical mass" is not achieved, researchers tend to pursue smaller tasks, individually. The Committee believes that the "critical mass" concept is an important one and that the synergism that can occur when a "critical mass" of problem solvers from many academic disciplines interact has not been adequately developed.

Professor William B. Schwartz of the Tufts University School of Medicine last year emphasized the importance of the multidisciplinary approach when he said:

"There is a clear implication that the problems will require a multidisciplinary approach—we are not simply dealing with economic problems to be formulated and analyzed by economists or manpower problems to be dealt with by physicians. The problem of delivery or primary medical care, for example, obviously has an enormous number of facets. It involves not simply a question of more and larger medical schools training more physicians but a range of issues including the maldistribution of physicians, inducements to rural and ghetto practice, restriction of physician entry into specialists that are overpopulated, the use of allied medical personnel to replace physicians in the delivery of primary care, the introduction of computer-aided diagnosis and management as a means of upgrading the non-physician's performance and increasing his range of responsibilities, the use of television as a link between doctors and patients, and the introduction of new transportation strategies as a means of making high quality care available to areas of low population density.

"In weighing these approaches, consideration must also be given to patient acceptance of new personnel and new technology, to the reliability of computer-aided diagnosis and management, to the response of the physician to incursions of new health personnel and new technology into his domain, to legal problems related to licensure and malpractice, to the time lags involved in the introduction of new strategy, and to the trade-off between quality and quantity that is implicit in changing the traditional patterns of health care. Only in this way can we allocate resources appropriately and can a desirable mix of manpower and technology be brought to bear."

The need for improved policy analysis in the nation is critical. Even the Department of Health, Education, and Welfare with its enormous responsibilities has only a small number of individuals at the secretariat level dealing with these matters and their time and attention are too often devoted to "fire fighting" or responding to daily crises. As a result, little if any time remains for exploring long-term issues, no matter how important. The situation in the Congress is similar with the pressures of everyday work and legislation preventing only negligible attention to policy analysis.

Yet, the resolutions of major policy issues will fundamentally shape the future of health care in the United States. Thus there is an urgent need for the development of important analytical capabilities to cope with the larger, more complex, and in the long run, the more important health issues.

Policy analysis will be an important part of the work of the Institute. The Committee intends that there be established within the Institute a Health Policy Analysis division to enable groups of professionals to concentrate on long-term policies in the health field.

The Institute will be headed by a Director, appointed by the President with the advice and consent of the Senate. The Director's salary will be at Executive Level Four, which is similar to and competitive with other Federal Research and Development agencies. The Director is authorized to appoint a Deputy Director and up to four Assistant Directors.

MANDATE

The National Institute is provided with a broad legislative mandate to examine all aspects of the health care system and the ways and means to improve that system, as well as the devising and testing of alternative systems. Its functions will be carried out through both an intramural capability and through an extramural effort at the Regional Health Care Centers and two National Special Emphasis Centers, the Health Care Technology Center and the Health Care Management Center, and through broad authority to: (1) make grants to States, political subdivisions, universities, hospitals, and other public or nonprofit agencies, institutions, or organizations and (2) contract with public or private agencies, institutions, or organizations for the conduct of research and development, experiments, studies, demonstrations, and the training of individuals to plan and conduct such efforts.

Specifically, the Institute is directed to "pursue methods and opportunities to improve and advance the effectiveness, efficiency, and quality of health care delivery in the states, regions, and communities of the United States, through initiation and support of studies, research, experimentation, development, demonstration of, but not limited to, the following:

(1) The existing health care system, emphasizing means and methods to improve such system and the devising and testing of alternative delivery systems;

(2) Health care systems and subsystems in states, regions, and communities which give special attention to the effective combination and coordination of public and private methods or systems for health care delivery;

(3) Preventive medicine and the techniques and technology, including multiphasic screening and testing, to improve the early diagnosis and treatment of diseases, particularly for preschool children;

(4) Systems and technical components of emergency health care and services (including at least one experimental statewide helicopter transportation emergency care system), which utilize, where possible, the skills of returning military corpsmen;

(5) Systems and components of rural health services;

(6) The development of policy with respect to long-term care, particularly for mentally and physical handicapped individuals and senior citizens, with special emphasis on alternatives to institutionalization, including the use of home health aides;

(7) Methods to meet the Nation's medical manpower requirements, including new types of manpower and their utilization and the extent to which tasks performed by physicians and other health professionals may be safely delegated to other appropriately trained individuals in both new and existent health occupations;

(8) Continuing education and the exploration of programs and methods to help health professionals to stay abreast of current developments and to maintain professional excellence;

(9) Health manpower credentialing, licensing, and certification;

(10) The medical malpractice problem, particularly, as it relates to quality care, the practice of 'defensive medicine' and added costs to the public;

(11) Programs for educating health manpower and the accreditation of such education programs;

(12) Application of all forms of technology, including computers and other electronic devices, in health care delivery;

(13) The efficiency, management, and utilization of new and existing health care facilities including studies of admission practices and examination of cost-finding techniques;

(14) The development of tools and methods to improve planning, management, and decisionmaking in the health care system;

(15) The development of information by which quality, efficiency, and the cost of health care may be measured;

(16) The development of uniform accounting practices, financial reporting, and uniform health records;

(17) The development and testing of incentive payment mechanisms that reward efficiency in health care delivery without compromising the quality of care;

(18) The needs of individuals, families, and groups for health care and related services, emphasizing the various life styles, including environmental, recreational, and nutritional factors that bear on an individual's health; identification of those factors affecting acceptance and utilization of health care and related services; and the development of educational materials and methods communicating to the public the importance of personal decisions and actions on health;

(19) The economics of health care and related services, and the impact of the total system of health care delivery and related services upon the standards of living and the general stability of the national economy;

(20) Proposals for the financing of health care, including the potential cost and benefits, and their impact on the health care system;

(21) Concepts and data essential to formation of a factual basis for national health policies; and

(22) The effects on health care delivery of the organization, functions, and interrelationships of Federal, State, and local governmental agencies and programs concerned with planning, organization, and financing of health care delivery.

TRAINING AND TECHNICAL ASSISTANCE

The Committee is aware that our ability to expand research and development in the health field will require additional skilled, and talented personnel. The Committee is further aware that the number of economists, health professionals, engineers, lawyers, and other experts, qualified by training and experience to work in the health policy field is limited. The Committee believes, however, that the flexibility granted to the Institute and its Centers will assist it to recruit qualified individuals.

Similarly, the training authority of the Institute and Centers is also broad and will help to create the additional manpower needed. They are directed to develop methods and support for the training of individuals to plan and conduct research, development, demonstration and evaluation of health care delivery.

The Committee believes that the recruitment and training of top caliber personnel must be an important priority of the Institute, for the ultimate success of the enterprise will depend on the men and women who direct and work in the Institute and the Centers.

The Institute is also directed to provide technical assistance and to develop methods for the transfer of new knowledge, components and assistance to the health community and to collaborate and exchange information with other countries for the advancement of health care in the United States and cooperating nations.

EVALUATION ROLE

The Committee envisions a major evaluation role for the Institute and the Committee's bill specifically directs the Institute to evaluate the quality, the effectiveness, and the efficiency of all Federal health programs.

The Committee believes that Federal health programs have not been adequately evaluated in the past and that the Institute will materially enhance the Federal Government's evaluation capacity in the health field.

For such evaluation, the Secretary of Health, Education, and Welfare is authorized to transfer evaluation funds appropriated pursuant to Section 513 of the Public Health Service Act as he deems necessary.

SUPPLEMENTAL INCENTIVE GRANTS TO ENCOURAGE EXPERIMENTATION

Sec. 1214 authorizes the Director of the Institute to make supplemental incentive grants to individuals, institutions, and health facilities to encourage experimentation. Under this authority, the Director may supplement regular Federal health grant-in-aid programs in order to encourage experimental projects which would not otherwise be undertaken without such assistance and which have been designated as "essential" by the

National Advisory Council. There are two limitations on this authority. First, the Federal portion of the funding of the project may not exceed 80 percent and, secondly, not more than 10 percent of the funds appropriated to the Institute may be used for such grants.

ACTIVE ADVISORY COUNCIL

The Institute will have a twenty-one member National Advisory Council on Health Care Delivery. Fifteen of the members will be selected by the President from: (1) persons who are leaders in the field of medical science, or in the organization, delivery, or financing of health care; (2) leaders in the management sciences; and (3) representatives of the consumers of health care. The Committee believes that at least one member of the Council should be a practicing physician. At least seven of the appointed members must be representatives of consumers.

The Secretary of Health, Education, and Welfare, the Chief Medical Officer of the Veterans Administration, a medical officer designated by the Secretary of Defense, the Director of the National Institutes of Health, the Administrator of the Health Services and Mental Health Administration, and the Director of the National Institute of Health Care Delivery will serve as ex officio members of the Board. The Committee intends, however, that all members of the Council participate fully in the Council activities—discussions, voting, etc.—and that there will be no distinction made in such activities between appointed and other members.

The President will designate the Chairman of the Council. The Council will meet at the call of the Chairman, but not less than four times yearly. The Committee intends that the Council should be an active one and specific responsibilities are outlined in the legislation. The Council will be responsible for: (1) reviewing the programs, policies, and priorities of the Institute and Centers; (2) examining and coordinating health care delivery efforts within the Department of Health, Education, and Welfare and other federal agencies so as to avoid duplication; (3) assuring that significant research and development duplication; (3) assuring that significant research and development findings are communicated within the research community and to the public; and (4) evaluating the impact that the Institute's research and development efforts are having on the health care system.

As further indication of the Committee's views regarding the Council's active role and its importance, the Council is provided with its own executive director, accountable only to the Council.

This will help to assure that the Council will be able to meet its responsibilities and maintain the independence envisioned by this legislation.

ADMINISTRATIVE PROVISIONS

There are some common characteristics of federal research and development agencies, such as the National Science Foundation, the National Institutes of Health, the National Aeronautics and Space Administration and the new National Institute of Education.

Because adequate administrative provisions are important to the functioning of an effective research and development health organization, the Committee has provided the Institute with the needed and necessary administrative provisions. These include the authority for a flexible personnel system; the authority to carry over unexpended funds from one year to the next; the authority for multigrant projects; and a specific direction to provide for the coordination of research and development activities in this field.

The Committee is particularly concerned with the problems of duplication and lack of coordination in the health field. The health efforts of the Federal Government are scattered over a dozen departments and agencies. Each has an interest in health services and to some extent contributes to the federal research and development effort in health. There is little coordination of these efforts and the lack of common statistics preclude even elementary comparisons of efforts and results. A number of provisions are aimed at this problem. First, the Institute is directed to establish offices and procedures to coordinate its research and development activities with those conducted by other federal agencies and public and private agencies.

Secondly, the National Advisory Council is granted the specific assignment of examining and coordinating health care delivery efforts of the Department of Health, Education, and Welfare, and other federal agencies so as to avoid duplication. Thirdly, the President is granted for a two year period the authority to transfer to the Institute any programs or personnel of the Department of Health, Education, and Welfare when he feels such action is desirable.

With the many priorities in the health and other domestic areas, the failure to coordinate and share the results of research and development between federal departments and agencies represents a serious loss. The Committee believes that these provisions will help to maximize resources and eliminate needless duplication.

DISSEMINATING RESULTS

It is not enough merely to produce significant results in health care delivery research and development. Such findings must not be allowed to remain on some shelf or in some federal storage room. They must, in order to be useful, be disseminated in a timely manner to the health care system and federal agencies responsible for health services. Health is a field in which change may occur rapidly and it is important that researchers and administrators be kept abreast of the current status of developments and not have to rely on information which may be a number of years old.

Accordingly, the legislation creates within the Institute, an Office of Health Care Delivery Information Services to facilitate the communication of the research results. This Office would provide, or arrange for, the provisions of indexing, abstracting, translating, or other services leading to a more effective dissemination of health care delivery information and undertake programs to develop new or improved methods for making such information available.

A variety of media could be used by the Health Care Information Services, including a computerized storage and retrieval system, microfiches and suitable periodicals or other publications. The Office might also publish or support a monthly Journal which would abstract both national and international literature bearing on health services. In addition, it would be useful for the Office to establish or to encourage the establishment of a high quality, timely publication service for research reports, monographs, state of the art papers, and other information in the field.

The Committee views the functions of this Office necessary not only to assure that promising improvements in the delivery of health care reach the proper individuals in a timely manner, but also to prevent needless duplication of research efforts and the waste of scarce resources.

REGIONAL AND SPECIAL EMPHASIS CENTERS

The Committee's bill also authorizes up to eight Regional Centers and two Special Emphasis Centers, the Health Care Technology Center and the Health Care Management Center. The Regional Centers are designed to: (1) enable the study of the different health care delivery problems peculiar to the various regions of the country; (2) broaden and strengthen the nation's research and development base in health care delivery; and (3) link better research and development activities and actual practice.

The Regional Centers' locations will be determined by the National Advisory Council. In selecting these locations, the Committee expects the National Advisory Council, to the extent feasible, to bring about the broadest possible geographical distribution of such Centers. The Centers will be funded by the Federal government for an initial period of three years.

The Committee wishes to emphasize that the legislation authorizes "not to exceed eight regional centers". This number would result in a Center for the various regions of the nation. While this number may be ultimately desirable, the Committee is aware of the possible manpower constraints that exist and indeed, has directed the Institute to give the manpower problem a top priority. It is not the intent of the Committee that all eight centers be created initially. For example, two may be the maximum number of centers that could be started at the outset. The actual number to be established initially, and subsequently will be determined by the Director and the Advisory Council, giving due considerations to the manpower and other constraints. Clearly, these programs should be begun in an orderly and prudent manner, consistent with the effective use of the Nation's resources in this respect.

HEALTH CARE TECHNOLOGY CENTER

Two Special Emphasis Centers, a Health Care Technology Center and a Health Care Management Center are also authorized.

The Health Care Technology Center will focus on all forms of technology and its application in health care delivery. The achievements of this nation in technology, such as in space, electronics, communications, and data processing, have been truly amazing. Yet, much of the health care system continues to employ outdated manual procedures.

President Nixon, last year, both in his State of the Union Address and his Health Message to the Congress, emphasized the need to stimulate the application of science and technology to the solution of domestic problems. The President's 1972 Health Message specifically identified health as a "vital" area for exploiting technology.

The Health Care Technology Center will be expected to exercise leadership in mobilizing the involvement and investment of private industry for the successful development of such technology will depend on our ability to motivate the involvement of industry.

The Committee wishes to emphasize that the Center's purpose is to encourage the development of technology to solve the health problems of our citizens and our health institutions and not as a place to find markets for available technology.

Presently, there are only a small number of individuals concerned with such problems. The Health Care Technology Center is designed to remedy this situation and serve as a focal point for an accelerated research and development effort on both program and hardware development. This Center will also provide us with an opportunity to utilize the talents of some of the unemployed engineers and scientists.

The Committee believes there is great potential for the use of technology in the health delivery area and that such utilization would result in enormous benefits to the public and the patient.

HEALTH CARE MANAGEMENT CENTER

The second Special Emphasis Center is the Health Care Management Center. This Center will focus on the improvement of management and organization in the health field, the training and retraining of health administrators and the development of leaders, planners, and policy analysts in the health field.

The job of Administrators and Managers in the health field is exceedingly complex. To carry out these responsibilities with maximum effectiveness health managers need a basic understanding of a wide variety of management skills. Some background in such areas as health, economics, computer technology, statistics and the management sciences are just samples of areas in which health managers should be familiar.

In practice, however, medical administrators are often elevated to positions without adequate preparation for their new responsibilities. Certainly American industry would ascertain that its top executives are adequately trained and the health system must do no less. The following comments from a letter of a health administrator illustrates the need for a Health Care Management Center:

"Practitioners of health care administration, among whom I am one, have been flying by the seat of their pants for too long. The nation deserves better. There is currently no systematic effort I know of to reach decision makers in the health care field with the results of innovative research and to stimulate a research orientation to many of the problems we all face in the financing, organization, and delivery of services. There is moreover, an almost total neglect of more formal continuing education opportunities for health care administrators . . . After ten years or more in the field, many of us are in positions of responsibility and strong in experience but weak in understanding of fundamental advances in health care systems, e.g. the problem-oriented medical record, how to organize a prepaid group practice, the use of television in medical diagnosis and treatment, computer applications to health systems problems, etc."

Dr. Kerr White of Johns Hopkins University at the Second Sun Valley Forum on National Health last summer similarly emphasized the importance of improved management in the health field when he stated: "Vastly improved managerial expertise is a prerequisite for any meaningful improvement in our health care system at the operating and geographical levels."

The Regional and Special Emphasis Centers have a separate authorization of $20 million for the initial year and a total of $75 million for a three year period. Support for a Center, other than support for construction, shall not exceed $2 million per year per center, except for the Health Care Technology Center. Federal assistance to such Centers may be used for research and development, staffing and other basic operating costs, training, demonstration purposes, and construction where the National Advisory Council deems such is necessary.

CONCLUSION

The health care enterprise is the Nation's second largest industry. In the fiscal year 1972, health spending totaled $83.4 billion, or 7.6 percent of our Gross National Product. By 1974 health expenditures will exceed $100 billion and probably make health the largest single segment of our society. By 1980, it is possible that one out of every ten dollars spent in the Nation will go for health care.

The magnitude of health care expenditures alone argues for a strengthened research and development component in the health area. There is considerable public frustration and dissatisfaction with aspects of health care. The public is alarmed over rising costs, is concerned over the manpower and facility shortages as well as their maldistribution, and is distressed that the benefits of medical science are not reaching them. Change is already occurring in the health field. The pace of such reform is likely to accelerate in the years ahead.

The Committee believes that it is imperative that we strengthen our research and development capabilities in the health area so that we may make more intelligent choices and foster constructive changes. We desperately need to have advance warnings of approaching "crisis"; we badly need more information upon which to base decisions and make comparisons in the health area; we need to sharpen our capabilities to illuminate issues and to identify possible options and their implications; and we need better evaluation and monitoring of both experimental efforts and ongoing programs. In short, we need a framework for evolving health care policies for the long haul as we continue to deal with the short-term policies. The National Institute of Health Care Delivery will provide that framework.

The respected "Science" Journal in commenting favorably on the proposal to establish a National Institute of Health Care Delivery said: "A major tour de force is needed now—an administrative mandate backed by appropriate funding—to dramatize the importance of rational organization and planning services . . . if the magnificent benefits of American medical research are meant for all of our people then an effective science of health care delivery is as important as the medical research itself".

The Committee believes that the Institute and its Centers will provide this "major tour de force" to make health care delivery as important as medical research, and to help speed the benefits of medical science and the scientific discovery system to the people of the United States.

Mr. KENNEDY. Mr. President, I yield myself such time as I may require.

One of the points the membership of the Senate ought to know is the cost of the Beall amendment. Could the Senator tell us what the cost of his amendment would be?

Mr. BEALL. It is $370 million, over 4 years.

Mr. KENNEDY. Does that include the libraries?

Mr. BEALL. No, it does not.

Mr. KENNEDY. So that would add another $77 million on the bill which has not had any hearings and on which I was not quite sure whether the Senator was referring to S. 723, whether this was S. 723 or not S. 723.

When I looked at the position of the administration on S. 723 before our committee they said:

> Turning to the bills before you today, S. 723 would require a separate agency level Institute for Health Services Delivery, thereby creating a seventh Health Agency in the Department of Health, Education, and Welfare.
>
> It would make more difficult the coordination and linkage with the research effort into the policy-making process by removing the Bureau of Health Services Research from close contact with those involved in other programs of the Health Resources Administration.
>
> Mr. Chairman, the health component of the Department of Health, Education, and Welfare does not need another reorganization. For these reasons we strongly oppose the enactment of S. 723 . . .

Their reasons can be readily understandable when you consider the report of the President's Science Advisory Committee on the Evaluation of the National Center for Health Services R. & D. They, in effect, indicated their strong belief in such a separation in terms of research and development as our bill requires.

Our committee has followed that. We have had this same debate in our committee, and followed the recommendation of the President's own panel on this particular issue which came out in March of 1972. We are following the recomendations of the administration, and we have testimony here from the principal authority which is quoted by the Senator from Maryland, Dr. Kerr White, who expressed similar concerns about the amalgamation of these functions.

This is a far-reaching, comprehensive amendment which has been suggested by the Senator from Maryland. I would like to add to the Record a detailed statement of my reasoning talking about the separation of functions and separation of personnel, including those relevant parts of the report of the President's commission, on why these functions ought to be maintained separately, and why they should receive prompt and widespread support. I will make those a part of my complete comments.

The thrust of this amendment runs contrary to the President's commission and study on effectiveness of Health Services R. & D. For that reason, the committee turned the Beall amendment down by a vote of 10 to 6.

Our committee's report on this very point, Mr. President, included the following reasoning with respect to the main thrust of Senator Beall's amendment:

> However, such progress cannot be assured simply by legislative fiat. As the Committee indicated in its report on S. 723, National Institute of Health Care Delivery, nearly a year ago, there are serious constraints which must be considered, and the Committee stated:
>
> (1) there is in the nation essentially no tradition of health policy research and development and no suitable models on which to base the establishment of a complex, large, and multifaceted R&D effort, (2) there is in the nation essentially no body of experienced managers to initially head up an effort of the magnitude the Committee's bill ultimately envisions. (3) there is in the nation a critical shortage of qualified professional personnel in respect to the broad-based function of the Institute and, therefore, the recruitment of adequate numbers of such persons will be arduous.
>
> Given these formidable constraints, it is clear that it is not possible to draw a complete analogy between this proposed Institute and the ongoing National Institutes of Health. When the NIH was established (in 1937), there was a large pool of well-trained biomedical researchers who were then constrained principally by the lack of money and resources with which to carry out high-level biomedical research. At that time, there was also a large body of potential investigators eager for training if resources could be made available. Such is not the case in health policy research today, in which there is only a small body of practitioners from economics, law, medicine, social sciences, etc., which has specialized in the conduct of the kinds of efforts which are intended to be carried out by the Institute.
>
> Moreover, the Committee is convinced that health services research programs and health services development programs should not be legislatively and programatically combined, as Senator Beall's amendment proposed. The Committee's feeling in this respect is based upon the report of the Panel on Health Services Research and Development of the President's Science Advisory Committee entitled. *Improving Health Care Through Research and Development*. The distinguished panel which conducted this study was chaired by Kerr L. White, professor of medical care and hospitals of Johns Hopkins University, who is a recognized expert in this field.
>
> The Committee's bill creates a clear separation between health services research and large-scale health services development, as

the panel has recommended, and is the basis for the Committee's feeling that Senator Beall's amendment would perpetuate the problems which have plagued HEW's health services R. & D. program since 1967.

The pertinent portions of the Panel's report regarding the differences between health services *research* and health services *development* follow:

Health services R. & D. is a broad scientific field, the overall objective of which is to improve the provisions of personal health services. It spans many disciplines including epidemiology, biomedical sciences, economics, sociology, engineering, systems analysis, and management science. It utilizes such varied activities and methods as fundamental research, collection of statistical information, applied research, development, testing and evaluation, and policy analysis.

The most important conceptual problem is the need to clarify and restructure the different tasks involved in health services R. & D. There are four major components or functions in this field:

Policy analysis.

Collection and diffusion of information and statistics.

Development, testing, and evaluation of new health services systems and processes.

Research and the related activity of training new investigators for the field.

Each has different potentials and limitations and each has different responsibilities, organizational requirements, funding needs, and timing requirements. Failure to take into account these differences weakens the total thrust of health services R. & D. and also helps lead to unrealistic expectations.

The Committee also wishes to draw attention to the fact that there is at this point in time no consensus respecting the need for legislation respecting a National Institute of Health Care Delivery, as proposed in Senator Beall's amendment. For example, Dr. Kerr White, Professor of Medical Care Hospitals, Johns Hopkins University, has testified as follows:

A. May 14, 1973—Hearings before the Subcommittee on Public Health and Environment of the House Committee on Interstate and Foreign Commerce.

"You may wish to consider separating the research from the 'development' components in health services R. & D. Our PSAC panel recommended such a separation on the grounds that these two activities require different skills and disciplines, different time frames, different scales of activities, and quite different orders of financial support. I believe there is considerable merit in merging the health services."

B. November 20, 1973—Letter to the Senate Health Subcommittee.

Development on Health Services.—The PSAC Panel on Health Services Research and Development recommended that developmental activities be distinguished and separated from research activities. This was done on the grounds that the problems of health services development involved different types of people, required more time and much larger sums of money, had different political implications, and require different management skills than are required for health services research. I would urge, therefore, that health services development (in contrast to development of health statistical systems) and demonstrations be taken out of the new National Center for Health Services Statistics, Research and Evaluation and be placed in some other bureau or agency.

C. February 19, 1974—Testimony before the Committee.

. . . I strongly support the general intent of the bill to create a National Institute of Health Care Delivery, but I would urge that its major focus be on the problems of development for the reasons I have given . . ."

I am prepared to vote at the earliest possible moment, Mr. President. I reserve the remainder of my time.

Mr. BEALL. Mr. President, I cannot resist taking the opportunity to reply to a couple of the comments by the distinguished chairman of the Health Subcommittee.

First, I ask unanimous consent that Mr. Steinberg, Mr. Greenberg, and Mr. Edie of the minority staff and Mr. Joe Carter, of my staff be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, the distinguished chairman of the Health Subcommittee has alluded to the authorization amount of this proposal, and he is quite right; it authorizes the expenditure of $110 million more. My substitute authorizes the expenditure of $110 million more, over a 4-year period, than does the committee bill.

I might point out that the Senate on two separate occasions in preceding years has passed S. 723, which was for $470 million more than the present amendment. Further, the Senate previously, with the approval of the Health Committee, on two previous occasions has approved a higher amount of money for the same purpose as is encompassed in the present substitute amendment that I am now offering.

So it is nothing new; it would just be a reaffirmation of a previous Senate commitment to see to it that the proper research and development effort toward improving the health care and delivery system is mounted at the Federal level.

The Senator is correct in that the previous time we passed S. 723, the administration was opposed to the legislation. I might say that the Senate, including the Senator from Massachusetts and the Senator from Maryland, in spite of the administration's protestations, voted in favor of the legislation at that time, and passed it.

Since that time, I am happy to report that the administration has been enlightened, because they have now registered no objection to this particular substitute amendment, and one of the reasons they do not object is that their principal objection, that of creating a separate agency, has been eliminated, and as I pointed out at the beginning of my remarks, we have changed the amendment from S. 723 so that the institute would be placed within HEW rather than creating a separate agency, and I suspect that is one of the reasons why the administration no longer opposes the proposal.

The Senator is right when he says this is a far-reaching amendment. It is indeed far reaching. I think we should be taking far-reaching steps when we consider the research and development into the health care delivery system. So I do not apologize for offering a far-reaching amendment in the nature of a substitute to the committee bill. I am rather proud that this is indeed far reaching, and I hope the Senate recognizes the vision of the far-reaching approach in this amendment, and votes favorably toward its adoption.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I shall take only a moment.

As has been mentioned, we either have S. 723 or we have not got S. 723. We hear, on the one hand, where the administration and other students of this particular issue who have questioned what is the most effective program for the administration of health services R. & D. believe there should be a separation of the functions to provide a consolidation and a coordination of the functions. It seems to me that both the administration and the bipartisan group of distinguished experts who have reviewed this and studied it have all indicated they think that this should be separated. The Subcommittee on Health followed their recommendations.

We have good legislation here. It is a good proposal. I am hopeful that the Senate will reject the amendment.

I am prepared to vote, Mr. President.

Mr. BEALL. Mr. President, I am prepared to yield back my time as soon as I can get the yeas and nays.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BIDEN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BEALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BEALL. Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment (No. 1244) of the Senator from Maryland (Mr. BEALL).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND) the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Ohio (Mr. METZENBAUM), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from New York (Mr. BUCKLEY), the Senator from Kentucky (Mr.

COOK), the Senator from New York (Mr. JAVITS), the Senator from Illinois (Mr. PERCY), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. YOUNG) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

The result was announced—yeas 29, nays 51, as follows:

[No. 177 Leg.]

YEAS—29

Aiken
Baker
Bartlett
Beall
Brock
Brooke
Dole
Domenici
Dominick
Fannin
Fong
Goldwater
Griffin
Helms
Hollings
Hruska
Humphrey
Mathias
McClure
Packwood
Pearson
Roth
Scott, Hugh
Scott, William L.
Stafford
Taft
Thurmond
Tower
Weicker

NAYS—51

Abourezk
Allen
Bayh
Bentsen
Bible
Biden
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cotton
Cranston
Curtis
Eagleton
Ervin
Gurney
Hansen
Hart
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stennis
Stevenson
Symington
Talmadge
Williams

NOT VOTING—20

Bellmon
Bennett
Buckley
Church
Cook
Eastland
Fulbright
Gravel
Hartke
Inouye
Javits
McClellan
Metzenbaum
Montoya
Muskie
Percy
Sparkman
Stevens
Tunney
Young

So Mr. BEALL's amendment (No. 1244) was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, for the benefit of Senators, I believe the Senator from Maryland (Mr. BEALL) has two or three amendments which we have gone over and reviewed and which will be accepted by the committee. There is one other amendment, a technical amendment, which I will offer on behalf of myself and Senator JAVITS. So I expect that we will have final passage within 10 minutes.

Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 43, strike out lines 9 through 12 and insert in lieu thereof the following:

(2) establish and maintain fellowships in the United States and in participating foreign countries;

Mr. KENNEDY. Mr. President, this amendment has been discussed with the minority. It is to make this legislation comply with the existing legislation, to permit the Fogarty International Center at NIH to pay for U.S. experts to come to NIH to consult with foreign experts. That is in the law. Through an oversight, it was excluded in the drafting of this legislation. It will make this legislation conform with existing law, as desired by NIH.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BEALL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 40, between lines 4 and 5, add the following new subsection:

(f)(1) The Secretary shall, by grant or contract, or both, assist public or private nonprofit entities in meeting all or part of the cost of planning, establishing and providing basic operating support for the two national special emphasis centers, one of which shall be designated as the Health Care Technology Center to focus on all forms of technology, including computers and electronic devices, and its applications in health care delivery; and one of which shall be designated as the Health Care Management Center to focus on the improvement of management and organization in the health field, the training and retraining of administrators of health care enterprises, and the development of leaders, planners, and policy analysis in the health field.

"(2) The centers established under this subsection shall meet the following requirements:

"(A) Each center shall have a full-time director. The director of the Health Care Technology Center shall be an individual of exceptional ability and with a demonstrated capacity for leadership in health care technology and its application. The director of the Health Care Management Center shall be an individual of exceptional ability and with a demonstrated capacity for leadership in the management and organization of health care enterprises.

"(B) Each center shall utilize the multidisciplinary approach.

"(C) Each center shall be located within an established academic or research institution with departments and resources appropriate to the programs of the center and shall have working relationships with health service delivery systems where experiments involving management or technology may be initiated and evaluated.

"(D) Each center shall meet such additional requirements as the Secretary may by regulations prescribe.

On page 40, line 5, strike "(f)" and insert in lieu thereof "(g)".

On page 42, line 5, strike "(g)" and insert in lieu thereof "(h)".

On page 51, line 10, beginning with the word "and", strike all through "years" on line 11 and insert in lieu thereof the following: "$80,000,000 for the fiscal year ending June 30, 1976, $100,000,000 for the fiscal year ending June 30, 1977, and $125,000,000 for the fiscal year ending June 30, 1978".

On page 51, line 16, add the following new sentence: "Any unexpended sums appropriated pursuant to this subsection may be carried over without fiscal year limitation.".

Mr. BEALL. Mr. President, this amendment combines amendment No. 1168, which deals with the authorization level and amendment No. 1173, which deals with the Special Emphasis centers.

The first part of the amendment would increase the authorization for the National Center for Health Services Research. The reported bill authorizes $65.2 million for each year over a 4-year period. The present appropriations request is $43.8 million, a sum representing a reduction from both the fiscal year 1974 and the fiscal year 1973 appropriations levels for this research effort.

This amendment would authorize the same amount for the first year, $65.2 million; $80 million for the second year; $100 million for the third year; and $125 million for the fourth year, for a 4-year total of $370.2 million.

The committee's authorization level would have been exceeded by the appropriations level in previous fiscal years. At best, the bill's authorization level is tight. It seems to contemplate little more than the status quo. It does not, in my judgment, provide the resources adequate for an expanded effort and emphasis that I feel is necessary.

The health care industry is our second largest industry. The magnitude of the expenditures in the health area alone argue for a greater research and development effort. While money alone is not the answer, we must provide resources adequate to do the task and challenge of the center.

The second part of the amendment would authorize two special emphasis centers, the Health Care Technology Center and the Health Care Management Center. Amendment No. 1173, like S. 723, would have authorized up to eight regional centers and the two special emphasis centers.

Since the bill authorizes the establishment of at least six centers, and I assume they are going to be regional centers, this amendment would merely provide for the establishment of the two special emphasis centers, the Health Care Technology Center and the Health Care Management Center. The Health Care Technology Center will focus on all forms of technology and its application in health care delivery. The achievements of this Nation in technology, such as in space, electronics, communications, and data processing, have been truly amazing. Yet, much of the health care system continues to employ outdated manual procedures. We need to wed 20th century technology with 20th century research to improve the delivery of health care and this will be the assignment of the Health Care Technology Center.

President Nixon in the past has emphasized the need to stimulate the application of science and technology to the solution of domestic problems. For example, the President's 1972 health message specifically identified health as a vital area for exploiting technology.

The Health Care Technology Center will exercise leadership in mobilizing the involvement and investment of private industry for the successful development of such technology will depend on our ability to motivate the involvement of industry. I want to emphasize that the Center's purpose is to encourage the development of technology to solve the health problems of our citizens and our health institutions and not as a place to find markets for available technology. As the committee report on S. 723, which passed the Senate last year, said with respect to the technology centers:

> The Committee believes there is great potential for the use of technology in the health delivery area and that such utilization would result in enormous benefits to the public and the patient.
>
> Preently there are only a small number of individuals concerned with such problems. The Health Care Technology Center is designed to remedy this situation and serve as a focal point for an accelerated research and development effort on both program and hardware development. This Center will also provide us with an opportunity to utilize the talents of some of the unemployed engineers and scientists.

The second special emphasis center, the Health Care Management Center, is of critical importance, for as Dr. Kerr White of Johns Hopkins University has observed:

> Vastly improved managerial expertise is a prerequisite for any meaningful improvement in our health care system at the operating and geographical levels.

The Health Care Management Center will focus on the improvement of management and/or organization in the health field, the training and retraining of health administrators, and the development of leaders, planners, and policy analysts in the health field. The job of the managers in the health field is most complex. The modern manager of a health enterprise, if he is to carry out his responsibilities with maximum effectiveness, must have a basic understanding of a wide variety of management skills and some background in such areas as health, economics, computer technology, and statistics, to mention a few.

Quite often medical administrators are elevated to these positions without adequate preparation for these new responsibilities. Certainly American industry would make certain that its top executives are adequately trained and the health system must do no less. There is also often the need to provide retraining, as is evidenced by the letter I received from an administrator, Dr. Fine, deputy commissioner of the Boston Department of Health, and Hospitals. He said:

> Practitioners of health care administration, among whom I am one, have been flying by the seat of their pants for too long. The nation deserves better. There is currently no systematic effort I know of to reach decision makers in the health care field with the results of innovative research and to stimulate a research orientation to many of the problems we all face in the financing, organization, and delivery of services. There is, moreover, an almost total neglect of more formal continuing education opportunities for health care administrators . . . after ten years or more in the field, many of us are in positions of responsibility and strong in experience but weak in understanding of fundamental advances in health care systems, e.g., the problem-oriented medical record, how to organize a prepaid group practice, the use of television in medical diagnosis and treatment, computer applications to health systems problems, etc.

The critical importance of improved management was emphasized by Dr. White who stated:

> As nearly as our PSAC Panel could ascertain, one reason that health care systems in this country are in such difficulty is that they are largely operated by amateurs with on-the-job training. So-called "public health officers" trained in traditional schools of public health are, for the most part, unqualified to assume the serious responsibilities of policy analysis and health care system management that today's problems and pressures require. They and their colleagues in University Programs of Hospital Administration are generally uninstructed in contemporary analytical methods and untutored in the management of large (or even "small") service organizations that are under increasing pressure to make more prudent use of scarce resources directed at achieveing consumer-determined goals and to provide greater fiscal accountability, improved quality, and broader access to care. We are in a new "ball game" and I would urge you to take a hard look at current efforts of Schools of Public Health and Programs of Hospital Administration to see how they can be best encouraged to meet these new needs in innovative and aggressive ways.
>
> Our PSAC Panel recommended improved and expanded training of epidemiologists, health statisticians, medical economists, medical sociologists, political scientists, and lawyers to undertake policy analysis and health services research and development, but above all, health planners and health care administrators to run the country's medical institutions and systems. At best, no more than twenty percent of the 17,200 "hospital administrators" running the nation's 7,000 hospitals and their related clinics have had anything that could be called formal training for these responsibilities. This is a serious matter and one that needs prompt attention.

Mr. President, I envision that the Health Care Management Center will employ the multidisciplinary approach. Involved in such an effort should be at least the schools of medicine, public health, business administration, and programs of hospital administration. Therefore, I urge the Senate to adopt this amendment, which would increase the authorization level and also establish two special emphasis centers, both of which I believe are of utmost importance.

As the Senator from Massachusetts has pointed out, we have discussed these amendments. I believe they are acceptable to him.

Mr. KENNEDY. This covers amendments 1168 and 1173?

Mr. BEALL. Yes.

Mr. KENNEDY. I am willing to accept the amendment. This would add two special emphasis centers, one on health care technology, to be able to try to develop research technology in the health care area, and the second is for health care management centers to try to develop better programs for health care management.

This will be important as we go toward HMO's and as we go down the road toward national health insurance. I think both provisions are helpful and useful. I urge that the Senate accept the amendments.

I yield back the remainder of my time.

Mr. BEALL. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CURTIS. Mr. President, I would like to direct a question to the manager of the bill. What is the level, approximately, of appropriations for those programs that are being extended now?

Mr. KENNEDY. This is an authorization bill. I do not have the current appropriation levels for each of these programs at this time, though I would estimate that the total is approximately $80,000,000. I will be pleased to have the precise levels available for the distinguished Senator from Nebraska by tomorrow.

Mr. CURTIS. I thank the distinguished Senator.

Mr. BEALL. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment, ordered to be printed in the Record, is as follows:

On page 35, between lines 4 and 5, add the following new paragraph:

"(5) appoint and fix the compensation of the personnel of the National Center for Health Services Research in accordance with chapter 51 of title 5, United States Code, except that (A) to the extent that the Director deems such action necessary to recruit men and women of exceptional talent, he may establish the entrance grades for personnel at a level of two grades higher than the grade level provided for such personnel under the General Schedule established by such title and fix their compensation accordingly, and (B) to the extent that the Director deems such action necessary to the discharge of his responsibilities, he may appoint personnel of the Center without regard to civil service or classification laws, except that personnel appointed under such laws do not exceed at any one time one-third of the number of full-time regular technical or professional employees of the Center;".

On page 35, insert between lines 11 and 12 the following new subsection:

(d) The President, by and with the advice and consent of the Senate, shall appoint the Administrator of the Health Resources Administration and the Directors for the National Center for Health Services Research and the National Center for Health Statistics. The Administrator and each Director shall appoint a Deputy Administrator or Director.

On page 42, between lines 20 and 21, insert the following:

(h)(1) There is established in the Office of the Secretary of Health, Education, and Welfare a committee to be known as the United States National Committee on Vital and Health Statistics (hereinafter referred to as the "Committee"), which shall consist of fifteen members.

(2) The members of the Committee shall be appointed by the Secretary from among persons who have distinguished themselves in the fields of health statistics, epidemiology, and the provision of health services. Members shall serve for a term of three years, except that of the members first appointed, one-third shall serve for a term of one year, one-third for a term of two years, and one-third for a term of three years.

(3) Members of the Committee shall be compensated in accordance with section 208 (c).

(4) It shall be the function of the Committee to assist and advise the Secretary—

(A) to delineate statistical problems bearing on health and health services which are of national or international interest;

(B) to stimulate studies of such problems by other organizations and agencies whenever possible or to make investigations of such problems through subcommittees appointed for the purpose;

(C) to determine, approve, and revise the terms, definitions, classifications, and guidelines for assessing health status and health services, their distribution and costs, for use within the Department of Health, Education, and Welfare, by all programs administered or funded by the Department including Federal-State-local cooperative health statistics systems, and, to the extent possible as determined by the head of the agency involved, by the Veterans' Administration, the Department of Defense, and other Federal agencies concerned with health and health services;

(D) to assist in the design of and approve all health statistical and health information systems concerned with the collection, processing, and tabulation of health statistics within the Department of Health, Education, and Welfare;

(E) to review and comment on findings and proposals developed by other organizations and agencies and to make recommendations for their adoption or implementation by local, State, National, or international agencies;

(F) to cooperate with national committees of other countries and with the World Health Organization and other national agencies in the studies of problems of mutual interest;

(G) to issue an annual report on the state of the Nation's health, its health services, their costs and distributions, and to make proposals for improvement of the Nation's health statistics and health information systems.

On page 45, line 22, strike "section" and insert in lieu thereof "sections".

On page 51, insert between lines 20 and 21 the following:

"TRANSFER OF FUNDS

"SEC. 310D. Funds available to any department or agency of the Federal Government for health care delivery research and demonstrations, or for the provision of facilities therefor shall be available for transfer with the approval of the head of the department or agency involved, in whole or in part to the National Center for Health Services Research for such use as is consistent for the purposes for which such funds were provided and funds so transferred shall be expendable.".

On page 49, strike lines 16 through 24 and insert in lieu thereof the following:

(f)(1)(A) The Secretary shall establish within the National Center for Health Services Research an Office of Health Services Information. Such office shall provide—

(i) for the provision of indexing, abstracting, translating, publishing, and other services leading to a more effective and timely dissemination of information on health services research, demonstration, and evaluation in health care delivery, to public and private agencies, institutions, and individuals engaged in the improvement of health care delivery and the general public; and

(ii) undertake programs to develop new or improved methods for making such information available.

(B) The Secretary may not restrict the publication and dissemination of data from, and results of, projects undertaken by Centers supported under section 305 (e) and (f).

On page 51, insert between lines 20 and 21 the following:

"(g) Part A of title III as amended by this Act is further amended by adding at the end thereof the following new section:

" 'SEC. 310D. There is hereby established a National Advisory Council on Health Services Research (hereafter referred to as the 'Council') to be composed of twenty-one members. The Council shall consist of the Secretary of Health, Education, and Welfare, the Chief Medical Director of the Veterans' Administration, a medical officer designated by the Secretary of Defense, the Administrator of the Health Resources Administration, the Director of the National Center for Health Services Research, and the Director of the National Institutes of Health who shall be ex officio members and an additional fifteen members not otherwise of the regular full-time employ of the United States to be appointed by the President without regard to civil service laws. The appointed members shall be (1) persons who are leaders in the field of medical sciences or in the organization, delivery, or financing of health care, (2) leaders in the management sciences, or (3) representatives of the consumers of health care. At least seven of the appointed members shall be representatives of the consumers of health care.

" '(b) The President shall designate a Chairman of the Council. The Council shall meet at the call of the Chairman but not less than four times a year.

" '(c) Each appointed member of the Council shall hold a term of four years except that any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, except that the terms of the office of the members first taking office shall expire as designated by the President at the time of appointment, three at the end of the first year, four at the end of the second year, four at the end of the third year, and four at the end of the fourth year after the date of appointment. An appointed member shall not be eligible to serve continuously for more than two terms.

" '(d) Appointed members of the Council shall receive compensation at rates not to exceed the daily rate prescribed for GS-18 under section 5332, title 5, United States Code, for each day they are engaged in the actual performance of their duties, including traveltime, and while so serving away from their homes or regular place of business, they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expense authorized by section 503, title 5, United States Code, for persons in the Government service employed intermittently.

" '(c) The Chairman of the Council, with the concurrence of a majority of the Council members, shall appoint an Executive Secretary of the Council. The Executive Secretary may be appointed without regard to civil service laws and may be compensated at a rate not exceeding the appropriate rate provided for individuals in grade GS-18 under section 5332, title 5, United States Code. The Director of the Center shall make available to the Council such additional staff information, and other persons as it may require to carry out its activities.

" '(f) The Council shall—

" '(1) review programs, policies, and priorities of the National Center for Health Services Research, and advise the Director on the development and conduct of programs of the Center;

" '(2) examine and seek to achieve appropriate coordination of health care delivery efforts within the Department of Health, Education, and Welfare and other Federal departments and agencies; and

" '(3) assure that significant research and demonstration findings of the Center are being disseminated to the health care system, and evaluate the extent such findings are making an impact on the health care delivery system.

" '(g) The Council shall submit to the President and the Congress not later than February 1 of each year an annual report on the progress of the Center and the status of health services research evaluation and demonstrations in the United States.'."

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. BEALL. I yield to my colleague from Maryland.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Colbert King be permitted on the floor during the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, this amendment combines the following amendments which I introduced on April 8:

No. 1162, which would establish an Office of Health Services Research Information to make certain that the results of research are disseminated in a timely manner;

No. 1165, which would provide needed flexibility in the personnel system so as to enable the Center to attract the best people available;

No. 1167, which allows the transfer of funds from other Federal agencies to the National Center for Health Services Research;

No. 1169, which would provide for the Presidential appointment of the Directors of both the National Center for Health Services Research and the National Center for Health Statistics. In addition, I have also made the Administrator of the Health Resources Administration a Presidential appointee since in the HEW hierarchy, the Administrator is higher than both Directors;

No. 1172, which would establish a National Advisory Council for Health Service Research; and

No. 1174, which would provide statutory authority and broaden the mandate of the U.S. National Committee on Vital and Health Statistics.

These amendments have been discussed with the floor manager and I believe are acceptable to him. I have prepared a statement which I would have delivered on each of the individual amendments and I ask unanimous consent that these statements be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the Record, as follows:

STATEMENTS

Mr. President, I call up my amendment number 1162. Section 310 C, (f) of the bill authorizes the Secretary to disseminate the results of the health services research demonstrations and evaluations.

I believe that it is imperative that the signficant results of the National Center be disseminated in a timely manner to the health care system and the federal agencies responsible for health services. Merely producing results is not enough. Such findings must not be allowed to remain on some shelf or in some federal storage room.

I believe this is particularly true in the health area where change may occur rapidly. It is important that researchers and health administrators be kept abreast of the current status of developments and not have to rely on information which may be a number of years old.

We cannot leave this vital dissemination function to chance. This amendment would establish within the Center an Office of Health Services Research Information charged with the responsibility of communicating research results. This Office would provide, or arrange for, the provisions of indexing, abstracting, translating, or other services leading to a more effective dissemination of health care delivery information and undertake programs to develop new or improved methods for making such information available.

A variety of media could be used by the Office of Health Services Research Information, including a computerized storage and retrieval system, microfiches and suitable periodicals or other publications. The Office might also publish or support a monthly Journal which would abstract both national and international literature bearing on health services. In addition, it would be useful for the Office to establish or to encourage the establishment of a high quality, timely publication service for research reports, monographs, state of the art papers, and other information in the field.

As the Committee last year stated with respect to this Office which was included in S. 723, "The Committee views the functions of this Office necessary not only to assure that promising improvements in the delivery of health care reach the proper individuals in a timly manner, but also to prevent needless duplication of research efforts and the waste of scarce resources."

Mr. President, I call up my amendment number 1165.

When I was drafting S. 723, I examined the various federal research and development agencies such as the National Institutes of Health, the National Aeronautics and Space Administration, the National Science Foundation, and the National Institute of Education, and incorporated into S. 723 those administrative provisions which seemed to be important or helpful to a successful research and development effort.

One important administrative provision, and this is the subject of this amendment, provides for some flexibility in the Center's personnel system. We should keep in mind that there are serious manpower constraints that could plague the effort envisioned by the pending legislation. The Committee report on S. 723 last year underscored the serious constraints, and the language from last year's report was also reiterated in the majority report to the pending bill. This language was as follows:

"(1) There is in the nation essentially no tradition of health policy research and development and no suitable models on which to base the establishment of a complex, large and multifaceted R&D effort. (2) There is in the nation essentially no body of experienced managers to initially head up an effort of the magnitude the Committee's bill ultimately envisions. (3) There is in the nation a critical shortage of qualified professional personnel in respect to the broad-based function of the institute, and therefore, the recruitment of adequate numbers of such persons will be arduous."

This amendment authorizes the Secretary to establish the entrance grades for personnel at a level of up to two grades higher than the regular grade level. when the director deems such action necessary to recruit men and women of exceptional talent for the National Center for Health Services Research.

Secondly, the amendment would allow the appointment of a limited number of personnel of the Center without regard to civil service or classification laws. There is a limitation on this authority, namely the number of such appointments could not exceed one-third of the regular technical or professional employees of the Center. This administrative flexibility should be of great assistance in helping to overcome some of the manpower problems that exist and will help the Center to attract top-flight men and women.

The Senate approved these provisions in S. 723 last year for the reasons stated in the report:

"Because adequate administrative provisions are important to the functioning of an effective research and development health organization, the Committee has provided the Senate with the needed and necessary administrative provisions.

I urge, therefore, adoption of this amendment.

Mr. President, I call up my amendment number 1167.

This amendment simply permits the transfer of research funds of other government agencies to the Center if such agencies approve such transfer. It further requires that such transfers can only be made if the Center will utilize such funds for the purpose for which the transfer was made. This provision was included in the National Institute of Health Care Delivery, which passed the Senate on two previous occasions and was taken from the language of the present National Science Foundation. It is my understanding that this has been a useful provision for the National Science Foundation and I believe that the new Center should have similar authority.

Mr. President, I call up my amendment number 1169.

This amendment is not very complex and will not take long to explain. The amendment would simply provide for the Presidential appointment of the Administrator of the Health Resources Administration and the Directors of the National Center for Health Services Research and the National Center for Health Statistics. The advice and consent of the Senate would also be required. It also authorizes the Administrator of Health Resources Administration and the Director of each center to appoint a Deputy Director.

I urge adoption of this amendment for the following reasons, First, I believe that a Presidential appointment attaches more prestige and more visibility to a position. One of the problems of research and development in the health care delivery field is that it has been buried in the bureaucracy. A Presidentially appointed director will help to elevate the Center and give it greater prominence and attention.

Secondly, and this is related to the first point also, it is important that the very best individual be attracted to head the center. This being the case, it is likely that such an individual is not going to be motivated to accept the position of Director for the salary. A Presidential appointment is an intangible that will help us attract the exceptional individuals required for the job.

Thirdly, through the Senate confirmation process we will have an opportunity to make certain that the nominee is, in fact, of a caliber we want and desire.

I have also made the Administrator of the Health Resources Administration a Presidential appointment. Since he is above both Center Directors in the HEW structure, this is required.

For these reasons, I urge the passage of this amendment.

Mr. President, amendment number 1172 will provide the National Center for Health Services Research with a prestigious Advisory Council. This Council will have twenty-one members, including the Secretary of Health, Education, and Welfare, the chief medical officer of the Veterans' Administration, a medical officer designated by the Secretary of Defense, the Director of the National Institutes of Health, the Administrator of the Health Resources Administration, and the Director of the National Center for Health Services Research, as ex officio members. The other fifteen members will be selected by the President from persons who are leaders in the field of medical science, or the organization, delivery or financing of health care; leaders in the management sciences; or representatives of consumers of health care.

In selecting the membership of this Council, it is my intention that the President search for the most distinguished and talented individuals available. The legislation does not spell it out, but it is my intention, and that of the committee, that at least one of the Council members be a practicing physician. At least seven of the Council members must be representative of consumers. The President will designate the Chairman of the Council and they will meet at the call of the Chairman, but not less than four times a year.

The bill contemplates an active Council, and specific responsibilities are delineated in the legislation. The Council will be responsible for reviewing the programs, policies, and priorities of the Center; examining and coordinating health services research, demonstration, and evaluation with the Department of Health, Education and Welfare and other federal agencies so as to avoid duplication; assuring that significant research and development findings are communicated throughout the health system and to the public; and evaluating the impact of the Center's research and development efforts on the health care system.

The Council will be independent and will have its own Executive Director. If the Council is to enjoy the independence that the legislation envisions, it is important that it have a top staff person accountable only to the Council.

The Council under the measure would also be required to submit an annual report on the progress of the Center and the status of health services research in the Nation.

Mr. President, I call up my amendment number 1174. This amendment was suggested to me by Dr. Kerr White and I believe the amendment is an important one.

It is the intent of this amendment to ensure that health statistics on the health needs and problems of the population, on the health services provided, on the payments, charges and costs for those services will be comparable over time and place within the Department of Health, Education, and Welfare. At present it is seldom possible to relate survey data compiled by the National Center for Health Statistics, hospital discharge data, Medicare data, Medicaid data, PSRO data, facilities and manpower data and many other types of fragmented health services information generated by the varied activities of the Department, nor is it possible to compare data between the national, state and local levels. To do this requires the official promulgation of terms, definitions and classifications for the Department of Health, Education, and Welfare. The United States National Committee on Vital and Health Statistics traditionally has done this, but primarily for vital statistics and without any formal statutory authority. This new legislation gives the Committee statutory authority and broadens its mandate to include all health and health services statistics. This is the only way that coordinated information can be obtained from the Department of Health, Education, and Welfare, and it will go a long way towards informing Congress and the executive branch about health needs and about the costs, quality and impact of health services and insurance on those needs. Dr. White cogently made the case for this amendment as follows:

At present there is no specific mention in the statutes of the U.S. National Committee on Vital and Health Statistics. The new legislation should, therefore, enlarge upon the method of appointment and functions of this important advisory body. It should be formally designated as the official body of obtaining public advice, assistance and approval for the development and promulgation of terms, basic data sets, classifications, and guidelines for national and international use. All Western countries have such a body, and it is this group through which we "legitimize" common approaches to health statistics at home and cooperate with the World Health Organization and other countries so that international comparisons of health needs, services, demands, and outcomes can be made.

"An official committee such as this would strengthen the current efforts of the National Center for Health Statistics in promulgating terms, basic data sets, definitions, classifications, and guidelines for quality control of the information and protection of confidentiality, which are being rapidly adopted and adapted at state and local levels. This is the best way to insure cooperation and also provide flexibility for individual and local needs. With the advent of new technology, data can be collected in any format, aggregated by the computer and arrayed in any desired output format. This important distinction between forms for data acquisition, computer systems for data processing, standards and guidelines should be clearly stated. To do otherwise is to promote confusion and, as industry has found, increase the costs of collecting masses of data untouched by human thought!"

I urge adoption of this amendment.

Mr. BEALL. Mr. President, these amendments have been discussed with the manager of the bill and I think they are acceptable to him.

Mr. KENNEDY. Mr. President, these amendments are generally useful and they do strengthen the bill. They provide for an office of information and better coordination between private and Government research; they provide some flexibility in the interchange of personnel in the agencies; and they provide for some transfer of funds, but the stricture on that is that it can only be with the agreement of the different departments and the agreement of the heads of departments. And it provides an effective committee on vital statistics.

These are all useful and helpful. I have indicated to my good friend from Maryland that I was glad to accept this in subcommittee when first introduced, but they were part of the other proposal which had other features which were troublesome.

We are glad to accept the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BEALL. I yield back my time.

Mr. KENNEDY. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment, as amended, and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. KENNEDY. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Hawaii (Mr. Inouye), the Senator from Arkansas (Mr. McClellan), the Senator from Ohio (Mr. Metzenbaum), the Senator from New Mexico (Mr. Montoya), the Senator from Maine (Mr. Muskie), the Senator from Alabama (Mr. Sparkman), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that if present and voting, the Senator from California (Mr. Tunney) and the Senator from Ohio (Mr. Metzenbaum) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from New York (Mr. Javits), the Senator from Illinois (Mr. Percy), the Senator from Alaska (Mr. Stevens), and the Senator from New Hampshire (Mr. Cotton) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. Young) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "yea."

The result was announced—yeas 69, nays 10, as follows:

[No. 178 Leg.]

YEAS—69

Abourezk
Aiken
Allen
Baker
Bayh
Beall
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Dole
Domenici
Dominick
Eagleton
Ervin
Fong
Griffin
Gurney
Hart
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevenson
Symington
Taft
Talmadge
Tower
Weicker
Williams

NAYS—10

Bartlett
Curtis
Fannin
Goldwater
Hansen
Helms
Hruska
McClure
Scott, William L.
Thurmond

NOT VOTING—21

Bellmon
Bennett
Buckley
Church
Cook
Cotton
Eastland
Fulbright
Gravel
Hartke
Inouye
Javits
McClellan
Metzenbaum
Montoya
Muskie
Percy
Sparkman
Stevens
Tunney
Young

So the bill (H.R. 11385) was passed.

Mr. KENNEDY. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make such technical changes and corrections in the bill as are necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO SENATORS MAGNUSON, HART, MOSS, AND OTHER SENATORS ON PASSAGE OF NO-FAULT INSURANCE

Mr. MANSFIELD. Mr. President, there is no doubt that the entire Senate may be proud of the achievements of this week on the no-fault insurance measure which was so ably guided through to ultimate success. In his unsurpassed way, the chairman of the Senate Committee on Commerce, the senior Senator from Washington (Mr. MAGNUSON), has once again displayed his immense skill and knowledge and initiative in directing our attention to this extremely vital issue which will mean so much to the people of this Nation. We are indebted to Senator MAGNUSON for his leadership and for his contribution to our understanding of the full ramifications of this bill.

We are deeply indebted, as well, to the Senator from Michigan, our distinguished colleague, Senator HART, for his diligent work and devotion to this issue and for his willingness to do the extensive work required to make this measure just and workable. We appreciate the sincere and compelling presentation of his views and are indebted to him also for the manner in which he added to our understanding of the issues involved.

The Senator from Utah (Mr. MOSS) is also recognized as one who has had an abiding interest in the concerns of the consumer and has faithfully and consistently represented those interests on the Senate floor and in committee. Senator Moss' efforts in managing this proposal were greatly appreciated and we are grateful to him as well for the work and thought which he contributed both in committee and on the floor.

We are equally appreciative of the contributions made by the ranking minority member of the Commerce Committee, the distinguished Senator from New Hampshire (Mr. COTTON) who, as always, made invaluable contributions to the discussion and debate. The Senator from Kentucky (Mr. COOK) is to be recognized as well for the yeoman tasks he performed in committee and on the floor with regard to this measure. Senator COOK's views were most helpful to us in our grasping the significance of the measure and the entire Senate is indebted to him for his concern and commitment.

Also to be recognized for his splendid cooperation is the Senator from Nebraska, our distinguished colleague, Mr. HRUSKA. He aided so much by his contributions to the development of the high level of debate on the measure. Senator HRUSKA's views were welcomed and important and we appreciate having had the assistance which he gave us in understanding this complicated measure.

I wish to thank the entire Senate for the judicious and efficient disposition of the bill. It had been waiting in the wings for some time and it is to the credit of all who were involved in its presentation that it was handled fairly and with reasonable dispatch on the Senate floor. I am grateful for this.

THE ACHIEVEMENTS THIS WEEK: A CREDIT TO THE SENATE

Mr. MANSFIELD. Mr. President, having disposed of the no-fault measure, a vast significant achievement, the Senate must not lose sight of the other important proposals adopted this week. Senator CRANSTON's small business amendments, the Peace Corps authorization, led by Senator SPARKMAN, the Federal Energy Administration Conference Report and Senator KENNEDY's Public Health Service amendments are just some of the major items on which action was completed. This adds to what is shaping up as one of the most outstanding Senate records of achievement ever obtained. It is a record in which all Senators may take enormous pride and satisfaction.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 2, 1974, he presented to the President of the United States the enrolled bill (S. 1115) to amend the Controlled Substances Act to provide for the registration of practitioners conducting narcotic treatment programs.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. MONDAY, MAY 6, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 o'clock on Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO ROLLCALL VOTES ON MONDAY PRIOR TO 3 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday no rollcall votes occur prior to 3 p.m., rather than 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday the Senate will convene at 10 o'clock a.m.

After the two leaders or their designees have been recognized under the standing order, the senior Senator from Wisconsin (Mr. PROXMIRE) will be recognized for not to exceed 15 minutes.

There will then be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

Upon the conclusion of routine morning business, the Senate will take up S. 2999, the military construction authorization bill, under a time limitation. Yea-and-nay votes will occur, at least on final passage. I am confident that amendments will be offered to that bill, which will in all likelihood necessitate rollcall votes.

Upon the disposition of S. 2999, the Senate will take up the supplemental appropriation bill. At least one yea-and-nay vote will occur on the final passage of that bill, if not on amendments thereto.

By unanimous consent, on Monday no rollcall votes will occur on amendments prior to the hour of 3 o'clock p.m.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 o'clock a.m. on Monday, May 6, 1974.

The motion was agreed to; and (at 6:44 p.m.) the Senate adjourned until Monday, May 6, 1974, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate May 2, 1974:

DEPARTMENT OF STATE

Deane R. Hinton, of Illinois, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zaire.

William D. Wolle, of Iowa, a Foreign Service Officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Sultanate of Oman.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James D. Hughes, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

IN THE NAVY

Vice Adm. Harold E. Shear, U.S. Navy, having been designated for commands and other duties of great importance and responsibility determined by the President to be commensurate with the grade of admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

CONFIRMATION

Executive nomination confirmed by the Senate May 2, 1974:

COMMODITY CREDIT CORPORATION

Richard L. Feltner, of Illinois, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

ALLIED SERVICES ACT OF 1974

HON. RICHARD W. MALLARY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. MALLARY. Mr. Speaker, I am introducing today the Allied Services Act of 1974. The purpose of this bill is to provide planning assistance to States and localities which desire to improve the management of their human service programs. The bill would better enable the Department of Health, Education, and Welfare to assist States and localities in achieving structural reforms that bring together programs designed to help families avoid sliding down the dependency scale.

What is the dependency scale? At the top are those many Americans who will be substantially self-sufficient all their lives as long as they have good educations, health care, and a decent standard of living. One step down are fellow citizens who can be self-sufficient with a bit more help—perhaps day care for children, or job training and placement. The next step would be those who can sustain themselves with dignity, and who can live at home, so long as they receive a visiting nurse, and a social security check or pension. A somewhat more dependent group of people are those who need the services of a community agency—perhaps a health clinic or an outreach center. At the bottom of the dependency scale are those people who live in institutions—nursing homes, or mental health facilities, for example. It has occurred to many concerned officials that if our human service programs were better managed, many people could become more self-sufficient than they are now. Or, to put it another way, many people would not be as dependent as they have involuntarily become. With more visiting nurse services, perhaps more elderly people could continue to live in their own homes instead of in nursing homes. With proper job training, more unemployed people could find lasting jobs.

It often happens that particular families have a multitude of problems that reinforce overall dependency. It may be that government would do better what government can do—and no one believes government can solve all of the personal problems people have—if government treated the family's problems together; and if the different specialists in the different human service agencies concerned with the family's different problems talked to each other, and knew what parallel efforts were being made.

If human service programs are better related, it seems reasonable to expect that they will be more effective. Fragmentation of service agencies should be corrected. But this takes effort, evaluation, and that takes not just money, but greater flexibility in the regulations and the laws which build rigidity into existing State and Federal service programs.

Allied Services is a concept which must be demonstrated. It may be that there are also weaknesses in the allied approach. For example, we do not want to strip proven programs of their special identity where that may be an important factor of their success. Nor do we wish to undercut means test categorical programs under the Elementary and Secondary Education Act or certain titles of the Social Security Act. These are specifically exempted from that portion of the Allied Services Act which authorizes transfer of up to 30 percent of the funds from one participating program to another.

Where a family is living in extreme poverty, Mr. Speaker, the chances are that the number of its problems toward which Government programs are directed is greatest. Where the facts of that family's life are unemployment, lack of education, untreated health disorders, and most probably, severe emotional depression or strife, it is in the interest of society to do all it can to help that family back on its feet. Otherwise, the ultimate results are much more costly to society than the efforts of human service agencies. Society should provide education and home health care. If it does not, we now have direct evidence, for example, that malnutrition in a pregnant mother will affect the growth of the fetus and that not only is fetal body size reduced but fetal brain development is curtailed. Clearly no one wants results like this from the inadequate delivery of human services.

Therefore, it is in the enlightened self-interest of all taxpaying Americans to improve the delivery of human services, not just in the worst-case analysis just cited, but at every level of the dependency scale.

I introduced similar legislation in the 92d Congress. I am convinced that this is the most productive approach to the cordination of our often fragmented human service programs.

SAMA HOLDS 24TH ANNUAL CONVENTION

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. CARTER. Mr. Speaker, the Student American Medical Association is an organization representing over 25,000 of our Nation's medical students. Formed by the American Medical Association in 1950, SAMA became an independent body in 1968.

During the recent 24th annual convention of SAMA, a number of resolutions were passed in connection with health care legislation. I believe that my colleagues will be interested in these resolutions adopted by those who will be playing a major role in the delivery of health care in years to come.

RESOLUTIONS OF SAMA

Delegates at the 24th annual meeting of SAMA passed two measures designed to protect the rights of medical students on the local level.

One of the measures is a resolution condemning the "scut work" or the medical school practice of requiring students to perform clinical duties to the point where they interfere with the students' education. The proposal also urges schools to provide for at least five uninterrupted hours for sleep out of every 24 hours. Plans for implementing the resolution call for student participation with active local housestaff groups in order to negotiate with their schools for the establishment of a proper balance between clinical duties and educational service.

Another resolution calls for SAMA to expose medical schools who are found to have violated the confidentiality of a student's medical school records. The resolution was a response to reports of students' medical records being used to find evidence of possible drug use or psychiatric problems. According to the resolution, SAMA will investigate at least one reported violation and if the student's legal rights to confidentiality were violated the institution or individual misusing the records will be exposed through SAMA publications and other media. The student also will be given legal assistance and the violation will be reported to the AMA, the AAMC and the Coordinating Council on Medical Education.

The two proposals were part of an agenda consisting of more than 70 resolutions introduced by SAMA members and acted upon by the delegates, who met March 1–3 in Dallas. The delegates represented 113 medical schools throughout the country.

Medical students voiced their concern for the lack of primary care physicians by passing a recommendation calling for the establishment of more family practice rotations as a formal part of medical school curriculums. It also urged development of other methods to encourage students to enter primary care.

In addition, in a resolution on financing medical education, students urged that loan forgiveness options be tied to the geographical and specialty distribution of physicians in areas of need.

In other actions SAMA delegates:

Came out in support of PSRO.

Voiced their approval of moonlighting by interns and residents as a "legitimate and beneficial practice," condemning the portions of the GAP Report of the National Board of Medical Examiners that would delay licensure of housestaff.

Amended a resolution on foreign medical graduates which now calls only for a universal qualifying exam for graduates of any medical school for admission into U.S. graduate medical programs. The original resolution had called for an end to the foreign brain drain into the U.S. and also asked that doctors with "English language deficiencies" be prohibited from treating patients.

Requested the U.S. Office of Education to re-examine its accreditation policies for chiropractic schools.

Supported the efforts of the Medical College Admissions Assessment Program to develop new admissions criteria.

Delegates reversed a prior policy decision when they voted to break off SAMA's affiliation with the Bach Mai Hospital Fund, a group raising money to rebuild a North Vietnamese hospital destroyed in a U.S. bombing raid. The affiliation had been a particularly controversial one within SAMA last year.

FINANCING MEDICAL EDUCATION—1974

Resolved, that:

A. Efforts be continued and supported to keep available the multiplicity of sources for financing medical education;

B. Student loans be increased to conform with adjusted levels of need for actual student expenses, and therefore, that the federal government eliminate the ceilings (currently $2,500 per academic year) on federally insured loans;

C. Loan forgiveness features tied to geographical and specialty distribution of physicians in areas of need be encouraged;

D. Better screening of applicants for loan forgiveness programs be implemented. Such screening should include examination of the student's motivations, interests, background, and needs;

E. That all student loan programs be required to have repayment of loan provisions since the needs, motivations and family commitments of a medical student may change between the time he incurs the loan and the time he must decide on a practice location;

F. Reaffirmation of support for the National Health Service Corps Scholarship Program be made;

G. Efforts be made by those administering programs placing physicians in areas of need to consider and bolster where deficient, if possible, facilities, equipment, medical support personnel, and provisions for continuing education in these areas.

THE NATIONAL HEALTH SERVICE CORPS—1974

Resolved, that the Student American Medical Association continue to support and promote the concept of the National Health Service Corps using the following suggested guidelines:

(a) establishing through local SAMA Chapters current information files on the National Health Service Corps including fact sheets, personnel to be contacted, and so forth;

(b) that the local SAMA Chapter serve as local advocates for the Corps through promotion to medical students and housestaff at the medical center by distributing literature, showing films and whatever other promotion is deemed appropriate;

(c) that the SAMA Chapter serve as a liaison to housestaff personnel on opportunities available in the Corps; and

(d) that the SAMA Chapter communicate to the county and state medical societies opportunities available, the importance of the National Health Service Corps, and the potential for incorporating sites within the state and the interest that its local medical students and housestaff have within the Corps.

HEALTH MANPOWER MANDATE—1974

That SAMA reaffirm its endorsement in the SAMA report of the Joint Commission in *Handbook for Change* of the statement that "a program of uniform national service be established for all Americans, with two years to be served between ages 18 and 27" with the modification that the upper age limit be raised as outlined below in this resolution.

That SAMA investigate and support measures that enable young physicians and osteopaths as well as other health professionals of both sexes in the United States to be the first groups to serve two years in a primary care capacity in a health manpower deficient area under the jurisdiction of such an agency as the National Health Service Corps.

That in such a plan those physicians and osteopaths might agree to so serve at the termination of the first post-doctoral (postgraduate) year of residency training (i.e. after the first year of advanced training after medical school graduation) unless such additional training were to be in a primary care specialty, under which circumstances the physician might not serve until such additional training were completed.

That, in exchange for such service the physician might receive from such sponsoring agency, adequate monies to pay for medical school tuition and to cover living expenses and might also be paid for his two years service at a reasonable set amount.

That any present attempt to federally legislate control of numbers and types of specialty and subspecialty training programs in order to effect distribution and specialty physician choice is inappropriate especially since current programs and other alternatives have not been adequately studied or been given adequate trials.

PROFESSIONAL STANDARDS REVIEW ORGANIZATION—1974

Resolved, that SAMA reaffirms its policy of endorsement of responsible peer review, and be it further

Resolved, that SAMA recognizes the opportunity provided by Section 249F of Public Law 92-603 to improve the quality and decrease the cost of medical care, and be it further

Resolved, that SAMA urges more effective means be developed for the maintenance of confidentiality, and be it further

Resolved, that SAMA feels that review, and in particular peer review, should be considered educational first before punitive, and be it further

Resolved, that SAMA urges all medical students and the medical profession to work toward implementing Professional Standards Review Organizations and encourages the inclusion of physicians-in-training at all levels of planning and implementation, and be it further

Resolved, that SAMA acknowledges that PSRO is a legislative mandate which enables physicians to maintain control of their profession.

CONFIDENTIALITY OF MEDICAL RECORDS—1974

Resolved, that SAMA reaffirms the concept that transactions between physician and patient, as written in the patient's record (of whatever sort) or stored in the physician's mind, should enjoy the utmost privacy, and be it further

Resolved, that SAMA, recognizing that certain legal processes require a physician to depart from the principle of privacy, strongly condemns any causal or concerted efforts to violate that privacy in the absence of satisfaction of due process, and be it further

Resolved, that SAMA, recognizing the current problems of controlling information channels, encourages all health professionals and their institutions to seek better ways to limit access to a patient's record, especially with the growing interest in using computerized methods where retrieval controls remain inadequate to the task, and be it further

Resolved, that SAMA forward copies of this resolution to the President of the United States; to the Attorney-General of the United States; and to the appropriate officers of the American Medical Association; and of the various concerned professional organizations, associations, and societies.

ESTABLISHING A DEPARTMENT OF RURAL HEALTH—1974

Resolved, that some of the problems with establishing a practice of medicine in rural areas or areas of critical need are:

(1) Environmental and cultural factors.

(2) Non-availability of adequate facilities and support personnel.

(3) Lack of sufficient population to support a specialized practice.

(4) Decreased earnings in a rural area of urban ghetto. And be it further

Resolved, that SAMA endorse and support the implementation of H.R. 10598, The Rural Health Care Delivery Improvement Act of 1973, introduced by Tim Lee Carter of Kentucky, one of three physicians in Congress. This bill would provide for:

(1) Identification of the demographic and geographic characteristics which categorize an area as rural including the definition and delineation of health service areas;

(2) Identification and utilization of transportation modes appropriate in achieving the goal of making health care services available to residents of rural areas;

(3) Emergency medical care components and systems available to meet the special problems of the rural areas;

(4) Education programs in rural areas, including health and nutritional education, as well as continuing education for health professionals;

(5) Experimentation in appropriate linkages with regionalized health programs and facilities in its and other rural areas, and with health programs and facilities in urban areas;

(6) Provision for community support for appropriate health care delivery models and/or components including necessary staffing, construction and equipment. And be it further

Resolved, that SAMA inform the sponsors and supporters of this legislation of our agreement with them that this is an area of great need.

NATIONAL HEALTH INSURANCE—1974

Whereas, health is our nation's third largest industry and number one domestic problem, and

Whereas, our system of health services in this country needs to be improved as we are not making good health care available to as many citizens as we should, and

Whereas, the caliber of medicine and health treatment is not as even as it might be across the nation, and

Whereas, our health system does need change; it is basically good—it lacks only coverage (we have the greatest knowledge of health in the world); and our system is capable of responding to the needs of the people if we will use the relevant parts as a foundation and add to it in moderation, and

Whereas, the essential aim of a national health insurance program is removing the money barrier to adequate health care for all Americans, thus eliminating the present inability of many Americans to pay for medical care, *i.e. financial accessibility*, and

Whereas, the services rendered must cover a significant share of the average family's total health needs, the system being responsible to consumer needs and desired delivery arrangements, *i.e. delivery acceptability*, and

Whereas, any national health insurance plan will have to be made financially stable by giving it an adequate "mix" of financial resources and there must be *multi-source financing* based partly on the concept that government bureaucracy is and would be too flexible for adequately administered financing, and

Whereas, major changes in organization and utilization of health manpower and facilities must occur concurrently with the implementation of a national health insurance scheme in order to avoid massive disruption of services and spiraling inflation due to massive increases in demand, *i.e. phased implementation*, and

Whereas, *consumer cost sharing* as a strong incentive to responsible use of services and *quality control* involving government, provider, and consumer in an appropriate blend are desirable in any national health insurance program, and

Whereas, any national health insurance plan must command the support of the providers of health care with *incentives not coercion* being parameters of concern to insure an adequate supply of health professionals, and

Whereas, *cost consciousness* and *cost efficiency* through peer review groups are desirable in the implementation of a national care program, and

Whereas, the rising cost of health care makes a catastrophic loss provision for extended illnesses a compulsory feature of any national health proposal, therefore, be it

Resolved, that SAMA endorse and support a voluntary health insurance program providing medical and health care to everyone regardless of his/her ability to pay. Such a National Health Insurance proposal should contain the following features:

A. A guarantee to the consumer of the free choice of physician, hospital, and other health care institutions.

B. Adequate benefit standards and a guaranteed annual renewal.

C. Financial help shall depend on the family or individual financial situation, such that *no* one shall be forced to accept undue financial hardship.

D. The lack of necessity for complete restructuring of our health care system—a system which currently provides excellent care to those who are able to pay for its services.

E. Flexibility and innovation to constantly improve the health care delivery system, and be it further

Resolved, That SAMA direct its officers and committees to prepare testimony to be presented before the appropriate committees in Congress in support of the concepts espoused in this resolution and that SAMA communicate to the members of Congress and to SAMA's membership informing them of SAMA's endorsement of concepts regarding National Health Insurance which would make it possible for everyone to obtain quality medical and health care.

BIOAVAILABILITY AND PHYSICIAN SELECTION OF PHARMACEUTICAL PRODUCTS—1974

Resolved, that SAMA endorses the concept that the physician's role in pharmaceutical product selection remains primary, and be it further

Resolved, that SAMA encourages hospitals and physicians in practice to have printed on their prescription blanks some statement that enables the physician to make a specific, active decision regarding the brand or manufacturer, or permitting generic or other brand substitution, at the time of writing the prescription, and be it further

Resolved, that SAMA encourages hospital pharmacies, wherever possible, to maintain prominent brand name stocks on all preparations where (a) bioavailability studies have shown that therapeutic consequence is directly dependent on the preparation used, regardless of satisfaction of USP and/or NF standards; or (b) bioavailability studies might be as yet inconclusive, but indicate that the situation in (a) probably obtains; or (c) whenever a staff physician or pharmacist might present a legitimate case, as for example, a therapeutic regimen that might have a dependence on specific bioavailability, especially in cases that might involve intricate drug-drug interactions or individual physiological idiosyncrasies, despite that such studies might not yet be noted in the literature, and be it further

Resolved, that SAMA encourages the Federal Food and Drug Administration and the pharmaceutical manufacturers to make widely available to physicians and pharmacists the definitive reports on bioavailability and therapeutic equivalence (particularly comparing later brand or generic products to the originally marketed product, with which therapeutic effect and dosage levels were first determined), as well as to circulate bulletins indicating current trends where the studies are not yet conclusive; and be it further

Resolved, that SAMA, hoping to encourage greater reliance on the bioavailability parameters of drug product selection, encourages all journals and related publications to provide the following information with all studies involving drugs: (a) generic name; (b) brand name, if any; (c) *name* of distributor and producer; (d) *lot number* or similar identifying information used by distributor and producer. The provision of this information would enable future inquiry—regarding bioavailability or seemingly paradoxical drug effects—to efficiently and accurately peruse the literature in retrospect and possibly to discover previously unsuspected differences in formulations, and be it further

Resolved that SAMA specifically discourages any current or future efforts of the federal or State governments to remove from the physician his therapeutic prerogative to select specific brands or manufacturers in prescribing medications for patients, where the physician feels that bioavailability parameters or individual physiological idiosyncrasies are fundamental considerations in selecting drugs used in the therapeutic regimen, and be it further

Resolved, that SAMA, in enacting this Resolution, does not necessarily oppose modification of the current mechanisms of drug product selection, as long as the modifications take into account the considerations of physicians' prerogatives and bioavailability mentioned above, and be it further

Resolved, that SAMA forward copies of this resolution, together with amplifying materials where advisable, to appropriate offices of the federal Food and Drug Administration; of the federal Department of Health, Education and Welfare; of the State governments; and of the various concerned professional and business organizations, associations, and societies.

DOCTORS IN THE ARMED FORCES—1974

Resolved, that SAMA endorse the concepts of the all-volunteer armed forces and that SAMA urge the Department of the Defense to continue its scholarship program to provide for volunteer armed forces physicians, and be it further

Resolved, that SAMA endorse S2770, The Military Special Pay Act which would be a step toward adjusting the disparity between the amount of money an armed forces physician makes in comparison with a civilian physician. This Act, introduced by Senator John Stennis, would increase an armed forces physician's annual salary significantly, thereby possibly attracting some physicians into the armed forces, encouraging these physicians to make a career out of armed forces medicine.

PROGRESS IN GUIDELINES FOR HUMAN EXPERIMENTATION—1974

Resolved, that SAMA hereby expresses its approval that agencies of the federal government and the pharmaceutical industry have undertaken vigorous efforts to develop guidelines for human experimentation activities that should enhance the ethical standards by which such programs are conducted, and be it further

Resolved, that SAMA formally endorses and encourages the continuing efforts of the federal Department of Health, Education, and Welfare, in reviewing and recommending comprehensive research policies; and those of the Pharmaceutical Manufacturers' Association and the National Council for Crime and Delinquency, for sponsoring a symposium at which participants were enabled to consider issues involved in forms of human experimentation limited neither to drug research nor to specific populations, and be it further

Resolved, that SAMA forward copies of this resolution to the appropriate offices of the federal and state governments; of the various concerned professional, industry, and lay organizations, associations, and societies; and of the organizations noted above.

MEDICAL DEVICES—1974

Resolved, that SAMA support the Medical Device Bill introduced by Rep. Paul Rogers, Chairman of the House Subcommittee on Public Health and Environment (H.R. 9984), which would provide for classification, testing, and pre-market clearance of medical devices, and be it further

Resolved, that medical device legislation should encourage the development and use of new devices in order not to impede the tremendous advances which scientific, engineering and manufacturing technology have made, and be it further

Resolved, that SAMA convey appropriate communication to Rep. Rogers informing him of SAMA's support for medical device legislation.

CHIROPRACTIC—1974

Resolved, that SAMA, recognizing that the field of Chiropractic has not been shown to be founded upon some recognized scientific principles of medical practice in any form, hereby publicly and strongly expresses its concern that persons who seek health care from chiropractors might suffer serious harm from inappropriate management and/or from inordinate delay in obtaining referral to recognized medical practitioners, and be it further

Resolved, that SAMA urge the medical community to investigate why Chiropractic care is meeting certain human needs for attention, reassurance, and device—and that this signals a serious shortcoming of scientific medical care delivery, and be it further

Resolved, that SAMA hereby requests the U.S. Office of Education to re-examine its policies by which "institutions of higher learning" are becoming accredited without meeting accreditation review standards, where such institutions are directly concerned with teaching of subject material deemed related to health care personnel training, and be it further

Resolved, that SAMA urge curriculum offices in medical schools to establish lectures in each medical school dealing with the delivery and the mis-delivery of medical care.

EXPORT-IMPORT BANK

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. FRENZEL. Mr. Speaker, the Banking and Currency Committee's International Trade Subcommittee has been conducting hearings for the past 2 weeks on legislation dealing with the Export-Import Bank and the extension of the Export Administration Act. Both measures are extremely important to the United States survival in the highly competitive business of international trade. Thousands of American jobs depend upon exports, so inaction by the Congress on these bills could very well cripple America's export strength and balance of trade. The issue of whether to permit the Export-Import Bank to make loans and guarantees to nonmarket economy nations is an important one. The crucial argument, in my judgment, is whether we can afford to let the nonmarket economies do business with someone else. I do not believe that we can.

Mr. Peter Flanigan, the director of the Council on International Economic Policy, in his testimony before the subcommittee, explained the realities of this situation very well A short portion of his remarks, dealing with the Export-Import Bank, follow.

FLANIGAN TESTIMONY EXCERPTS

Passage of H.R. 13840 as described above will ensure that we are equipped both to continue the expansion of trade in appropriate products with Communist countries, so important to our trade and payments balances, and at the same time enable us to deal more effectively with newly-emerging commodity supply problems. The bill is consistent with our national security and foreign policy, as well as being clearly in our economic interest.

The Export-Import Bank, whose extension would be authorized under the terms of H.R. 13838, performs a critical function for American workers and companies in our international trade performance. While our price-competitiveness abroad has been helped by the factors I described earlier, price alone does not make sales in the foreign markets in which our firms must operate. Financing is often a critical competitive factor in winning those export sales so important to our country in terms both of our balance of payments and of the jobs these exports mean for American labor. The $10.5 billion of export sales supported by the Ex-Im Bank in the last fiscal year translates into about three-quarters of a million full-time American jobs. If our exports are to continue to make a contribution of this magnitude to the well-being of our citizens and our economy we must continue to provide competitive financing. The four-year extension of the Export-Import Bank will enable this important activity to continue in the period ahead.

In addition to the economic benefits I have described, there are important considerations of foreign policy which need emphasis as this Committee considers the Export-Import Bank extension. The United States is pursuing an historic initiative in seeking to move our relationship with the Soviet Union away from military confrontation and toward mutually beneficial economic relations. It is often mistakenly believed that the Export-Import Bank is, in effect, giving the Soviet Union large sums of money. It is important to correct this impression, and to understand clearly that the Eximbank only disburses funds to American companies in payment for American products to be used in the Soviet Union in return for the obligation of the Soviet Union to repay with interest at a rate which is currently 7 percent. The goods and services involved in these transactions will be bought elsewhere if competitive terms are not available here, and our competitors in Europe and Japan are ready and willing to capture these markets. But beyond our own commercial interest, it appears to us to be unwise in the broader context of our foreign policy initiative to consider discriminatory restrictions on the financing of exports to the Soviet Union, as would be imposed under H.R. 774.

I strongly recommend passage of H.R. 13838 to enable the Export-Import Bank to continue to make its strong contribution to our nation's economic well-being in the years to come.

ELECTRIC COMPANY LEGISLATIVE GOALS

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HOSMER. Mr. Speaker, David R. Toll, managing director, National Association of Electric Companies, received his B.S. degree in electrical engineering from the U.S. Naval Academy and his L.B. degree from Yale Law School. He was a professional staff member and counsel, Joint Committee on Atomic Energy, U.S. Congress, and was special assistant to the Director General, International Atomic Energy Agency. Mr. Toll is a member of the American Bar Association, the Federal Bar Association, and the Federal Power Bar Association. In an article which appeared in the March 14 issue of Public Utilities Fortnightly, Mr. Toll sets forth certain objectives in regard to the increased use of coal and nuclear power which are affected by legislation pending in the Congress.

There are many bills and proposals in Congress of interest to electric companies this year, but the most vital are those that will help achieve the national goal of energy self-sufficiency or Project Independence. Our Federal statutes and policies must encourage increased use of coal, increased use of nuclear power, and accelerated research and development to develop cleaner fuels and new sources of power, including geothermal and solar energy.

The views expressed by Mr. Toll in the article follow:

[From the Public Utilities Fortnightly, Mar. 14, 1974]

LEGISLATIVE GOALS OF ELECTRIC COMPANIES IN 1974

(By David R. Toll)

I. INCREASED USE OF COAL

The United States possesses vast reserves of coal which could indeed help "break the back" of the energy crisis. Unfortunately, federal policies, with the Environmental Protection Agency in the driver's seat, have tended to discourage the use of coal over the past several years. These policies must be modified. Specifically, coal surface mining legislation must be made more reasonable than the versions currently before the Congress, and the Clean Air Act must either be interpreted and administered in a more reasonable fashion, or amended.

A. Coal surface mining

Electric companies support reasonable legislation providing governmental controls over surface mining operations and requiring reclamation of the land after mining. Such measures will increase the cost of coal (which already has skyrocketed because of shortages), but electric companies are willing to pay a reasonable amount of extra costs to protect environmental values.

A coal surface mining bill, S425, passed the Senate on October 9, 1973, but it will cause a *decrease* in coal production unless further revised in at least two respects. First S 425 contains an amendment sponsored by Senator Mike Mansfield of Montana, the venerable Majority Leader, who rarely sponsors legislation but generally prevails when he does. The amendment would prohibit coal surface mining in all situations where the mineral rights are owned by the United States, but the surface rights are owned by another party. It would prevent mining millions of tons of coal, particularly low-sulfur coal in the West, where the federal government has retained mineral rights under surface lands transferred to private parties under the Homestead Act and other federal statutes.

Secondly, S 425 contains language concerning restoration "to approximate original contour" which, unless made more flexible, will curtail production of coal in many parts of Appalachia.

On the House side, the Committee on Interior and Insular Affairs is currently wrestling with HR 11500, a detailed and unwieldy bill reported by two of its subcommittees after many meetings last fall. This bill incorporates many stringent requirements urged by environmental extremists, prior to the recognition of the increased dependence upon coal in meeting our future energy needs. HR 11500 should be substantially revised by the full committee, or else it too will result in decreased coal production at a time when just the opposite result is needed. As an alternative, the full committee might consider HR 12898, a bill introduced by Representative Craig Hosmer, the ranking Republican member of the committee. This bill, although not perfect, offers a more reasonable vehicle to provide strong and effective, but nevertheless workable, coal surface mining legislation.

B. Amendments to the Clean Air Act

Increased use of coal in electric power plants has been made more difficult by court decisions and EPA policies under the Clean Air Act. Specifically, in Sierra Club v. Ruckelshaus, the United States Supreme Court left intact, by a divided 4-4 vote, a lower court decision that there should be "no significant deterioration," even in regions where the air already is of a better quality than required by the air quality standards of the Clean Air Act. Because of this decision, the Clean Air Act should be amended to express the congressional intent to protect air quality by standards of performance for new sources, and to enhance air quality by attainment and maintenance of ambient air quality standards. Unless the Sierra Club decision is clarified either by legislation or by regulation, the air will remain pristine in remote areas, but the goal of attaining energy self-sufficiency by increased use of coal will be thwarted.

Other Clean Air Act amendments may be needed. For example, many states have submitted implementation plans which call for sulfur oxide emission limitations more stringent than necessary to meet primary (health) and secondary (welfare) ambient air quality standards. EPA has insisted that such limitations be achieved through the use of low-sulfur fuels or emission control systems ("scrubbers"), and has resisted efforts by utilities to employ alternative control strategies, including the use of tall stacks and curtailment of operations during periods of adverse meteorological conditions. Unless EPA changes its views, the act should be amended to authorize use of alternative control strategies and other techniques to attain and maintain ambient air quality standards.

In addition, EPA has insisted on compliance with emission limitations, even though the source meets air quality standards and regardless of other economic, social, and environmental considerations. Unless EPA can be persuaded to widen its outlook, the act should be amended to permit the owner or operator of a stationary source to apply to the state agency (or to EPA in the case of standards of performance) for an exception from the prescribed emission limitations, if overall costs exceed overall benefits and air quality standards will be maintained.

Electric utilities will use their best efforts to comply with the primary and secondary standards prescribed by the Clean Air Act. But in some cases, the states, egged on by EPA, have adopted implementation plans and emission limitations, and EPA has prescribed performance standards, which require air that is *cleaner* than "clean air" (assuming clean air means attainment of primary and secondary standards). Some of this "overkill" must be removed from EPA and state policies if our nation is to make full use of its coal resources.

II. INCREASED USE OF NUCLEAR POWER

Several revisions to the Atomic Energy Act are needed in order to accelerate the United States nuclear power program.

First, most observers believe the AEC licensing procedure can be greatly expedited, without jeopardizing the public health and safety. One bill, HR 11957, has been introduced by Representative Melvin Price, chairman of the Joint Committee on Atomic Energy, for himself and Representatives Holifield and Hosmer. The administration is reportedly preparing another bill which would also have the objective of minimizing delays in the public hearing and licensing process. In addition, Representative Mike McCormack, another member of the JCAE, has introduced HR 12823 to "eliminate duplicative and unnecessary delays in approving sites for nuclear power plants, (and) preserve states rights." The JCAE has indicated it plans to consider the Price and McCormack bills, as well as the administration proposal, during hearings this spring.

Another needed amendment to the Atomic Energy Act concerns the Price-Anderson provisions relating to government indemnity and limitation of liability in the remote event of a nuclear accident. Although the act should be amended this year to permit advance planning and to allow for time to process future applications. The Joint Committee held preliminary hearings in January and February, 1974. Industry witnesses testified that industry's stake in the program could be increased through a system of contingency fee assessment. However, the paramount consideration should be the protection afforded the public, including a rapid procedure for paying claims, and this can best be obtained by extension of the basic features of the Price-Anderson provisions.

A third foreseeable problem under the Atomic Energy Act are the delays caused by the antitrust review provisions in § 105(c). Under the current act, a copy of each application to construct a nuclear power plant must be sent to the Justice Department for review as to whether the proposed activities under the license would be inconsistent with the antitrust laws. The Antitrust Division has recommended a hearing in approximately a dozen applications to date. Because of the extensive collateral information sought by the Antitrust Division in these proceedings, a full proceeding could apparently last for many years. The current act contains a "grandfather clause" permitting applications on file when the act was amended in 1970 to be issued prior to completion of the antitrust review. The scope of the grandfather clause should be extended or the act amended so that, once the safety and environmental reviews have been completed, a construction permit or license may issue, subject to any conditions which might later be imposed as a result of the antitrust review.

Finally, if nuclear power development is to proceed at a quickened pace, additional uranium enrichment facilities must be constructed. At the present time, all such facilities are owned by the U.S. Atomic Energy Commission, but several private concerns have expressed an interest in constructing, owning, and operating future facilities. A decision should be made before the end of this year whether to proceed with federal government construction or with a cooperative government-industry arrangement. Legislation may be needed.

III. INCREASED RESEARCH AND DEVELOPMENT

The electric utility industry demonstrated initiative and leadership by establishing the Electric Power Research Institute (EPRI) in 1972. Under Dr. Chauncey Starr, EPRI has undertaken a broad program to develop new sources of energy and improve utilization of existing sources. Some of these programs are privately sponsored and some are in cooperation with governmental agencies.

The federal government has had difficulty in organizing its own energy research and development efforts, and in agreeing upon a comprehensive R&D program. On November 15, 1973, the House passed HR 11510, establishing an Energy Research and Development Agency (ERDA) and a Nuclear Energy Commission (NEC). The Senate, on the other hand, has not acted on the ERDA-NEC measure, but has passed S 1283, Senator Jackson's bill to provide an Energy Research Management Project to oversee a ten-year, $20 billion research, development, and demonstration program.

Increased energy R&D is vitally needed, and the electric utility industry stands ready to co-operate with the federal government. Legislation will be needed to set national goals, establish levels of federal spending, and provide mechanisms for government-industry co-operation.

CONCLUSION

Project Independence is a desirable national goal which can be achieved in the 1980's. But its achievement will require the revision of numerous federal statutes and policies, and a recognition that environmental protection must be placed in a perspective compatible with other national needs and interests.

Decisions must be made by the federal government that will encourage long-term commitments by private industry toward increased use of our abundant domestic fuels coal and uranium. Electric utilities can play a vital role in making national energy self-sufficiency a reality. They are ready to do their part, and ask only for the necessary federal policies to help them get on with the job.

TASS LOVES JANE FONDA

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HUBER. Mr. Speaker, on March 18, 1974, a number of the Members of this body participated in a special order outlining the anti-American activities of Jane Fonda. Taken together these various statements, in my view spelled possible grounds for investigation and possible prosecution by our Attorney General. Therefore, on March 26, 1974, I rose and spoke of this possibility and subsequently sent a letter to Attorney General Saxbe signed by some 10 of us who felt this way. To date we have not heard from the Attorney General, but there has been an indirect response from Tass the Soviet news agency.

The Tass news broadcast from Moscow on April 1, datelined from Hanoi stated the following as regards the special order and my own statement:

> These repressive measures failed to scare this courageous American actress and she is once again on Vietnamese soil. Jane Fonda, it is believed, will be making a film about North Vietnam during the trip.

Now I know we all can hardly wait to see this premiere production saying all the nice things possible about North Vietnam. We all remember the photo of her seated on the mount of a North Vietnamese antiaircraft gun looking as though she would love to have an American plane in her sights. Jane continues to be, in my view, an affront to loyal Americans, and I would like to see her registered as an agent of North Vietnam so she would be at least properly labeled and would not be parading around under false colors.

ISRAEL: THE DREAM MADE REAL

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. NIX. Mr. Speaker, last week marked the 26th anniversary of the independence of the State of Israel. I only wish that this anniversary could have come at a happier time. Unfortunately, the specter of war still hangs over the Middle East. Brave young men are still fighting and dying on the Golan Heights. Israeli civilians are still the target of brutal terrorist attacks, as shown by the bloodthirsty and barbaric massacre of civilians at Kiryat Shimona. And the Soviet Union continues to incite its Arab allies and to supply them with a flood of weapons of death and destruction.

I am particularly saddened at this time by the recent vote cast by the United States in support of the United Nations Security Council resolution condemning Israel. This resolution announces in effect that nations in the area are free to harbor terrorist bands without fear of condemnation. It tells Israel that she cannot defend herself against fanatical marauders who cross her borders from Arab sanctuaries to carry out their bloody missions of indiscriminate slaughter of civilians.

I have been disappointed that the United Nations is incapable of bringing itself to deal with the international problem of political terrorism. I am even more disappointed that the United States is now apparently prepared to abandon its strong line against terrorism for the sake of temporary political gains that may prove illusory.

Still, there are hopeful signs. I am hopeful, as I am sure all of us are, that the present round of negotiations in the Middle East may once and for all break the vicious chain of war and hostility and take us down the road to a genuine and permanent peace. Until that happy day arrives, we can base our faith in the future on the valiant record of the Israeli people over the past 26 years.

Israel is a small country, founded on a dream. Israel has been a haven for the refugees of oppression, for the survivors of Nazi death camps, and for those brave pioneers who believed that the dream of a reborn Israel could be made. They have come from all continents, speaking many tongues, with divergent histories and customs, to build a new and better society.

The Israelis have built a proud and progressive society. They have made tremendous strides in education and social development and in all those qualities that we take to be the benchmarks of a successful civilization. And through all the difficulties they have faced, they have maintained their democratic institutions and individual liberty.

The Israelis have also built a modern and prosperous economy. They have restored a barren land to fertility and made the desert bloom. They have advanced to the forefront of scientific and technological development.

The story of Israel's accomplishments is made even more impressive by the fact that the Israelis have been a small island in a hostile sea during these 26 years. The heroic history of their struggle to maintain their independence must give us comfort as we face the uncertainties of the future. The Israelis have shown that they will endure every hardship and make every sacrifice to keep their liberty. Through bravery, hard work, ingenuity, and sacrifice they have overcome every adversity. I am confident that whatever adversities must be overcome in the next 26 years of her national life, Israel will remain a proud and independent nation and a source of inspiration and friendship to partisans of liberty and justice everywhere.

BROADCAST LICENSE RENEWAL ACT

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1974

Mr. HUDNUT. Mr. Speaker, due to a long-standing commitment to speak on health legislation at the Indiana University School of Medicine, I did not get back to Washington in time to vote on the Broyhill amendment to H.R. 12993, the Broadcast License Renewal Act, or on final passage. If I had been present, I would have voted in the affirmative on the amendment, to increase the broadcast license period to 5 years, and on final passage.

I was an original cosponsor of legislation on this subject, and in my judgment the bill which finally evolved from our Committee on Interstate and Foreign Commerce has been carefully structured to achieve a balance between stability in the broadcasting industry and the need for consistently good service geared to local needs, views and interests.

This bill will improve the performance of broadcast licensees by increasing their responsiveness to their service areas and by promoting stability.

I support the concept of increasing the term of broadcast license renewal and feel that by doing so, it will reduce the number of renewals coming up each year and thereby should expedite the FCC's handling of the renewal procedure.

In summary, H.R. 12993, is a good step in the direction of balancing stability of incumbent licenses against the need for diversity and responsiveness to the unique interests of local service areas. I am pleased that the House has passed it by an overwhelming vote.

THE PHONY CONFLICT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. BROWN of California. Mr. Speaker, the American people are being deceived into believing that a clean, healthy environment is incompatible with a sound economy. I have asked for proof of the claims that the devil's choice is necessary, but have yet to see any produced. This body has acted on the assumption that the unsubstantiated claims against the environmental legislation are documented. I believe that a careful examination of the facts should convince any reasonable person that environmental legislation is based upon natural laws, and sound environmental policies are the basis of a sound national economy.

The May issue of Conservation News, a publication of the National Wildlife Federation, had an interesting article on this subject. I commend this article to everyone interested in the concept of tradeoffs between ecology and economy.

The article follows:

[From Conservation News, May 1, 1974]

THE PHONY CONFLICT

(By Jeff Stansbury and Edward Flattau)

Newspaper headlines announce that national energy demands may create an environmental backlash.

The Nixon Administration advises the country that some environmental safeguards must be sacrificed temporarily to alleviate the energy shortage and maintain a "balance" between conservationists' aims and a healthy economy.

Political analyst and oil company consultant Ben Wattenberg proclaims: "The energy crisis in large measure has undermined much of the whole windmill-tilting of the ecological movement. People are materialists first and environmentalists second when push comes to shove."

And Time magazine has introduced a new section on energy which recently has overshadowed its separate environmental section.

All these viewpoints have embraced the misconception that energy demands and environmental needs are distinct and often in direct conflict. Their authors have overlooked a fundamental aspect of the power shortage: *Energy is an environmental phenomenon.*

In fact, the best way to guarantee an enduring energy supply for the United States is to maintain a healthy environment.

When this premise is recognized, it becomes clear that rolling back environmental controls to expand energy supplies is cutting off one's nose to spite one's face. If protection of an estuary is weakened to permit the construction of an oil refinery of offshore superport, the destruction of a priceless, renewable natural energy resource will likely occur in exchange for a relatively short flurry of industrial activity. Estimates are rich spawning grounds for many shellfish and other marine creatures which provide us with the nutritional energy essential for life. They are also invaluable regenerative storehouses of plants which convert the sun's energy through photosynthesis into protein on which much human life depends.

The big power companies want to shift coal production from Appalachia to large strip-mining operations in the northern plains states of Montana, Wyoming and North Dakota. Appalachia has abundant deposits of coal which is of a much higher grade than the kind found in the northern plains and is nearer huge eastern and midwestern markets. Yet industry appears eager to ship inferior coal greater distances at higher energy costs in order to gain access to the huge federal land holdings in the northern plains.

Moreover, the strip mining threatens to damage one of the largest natural renewable energy systems in the United States. The northern plains' agricultural cycle needs no pesticides and fertilizers. Natural grasses which evolved over the centuries support the country's finest breeding stock of cattle which is eventually shipped to feed lots in other states for fattening before slaughter. With the loss of grazing lands, the cattle would have to be raised at the feed lots in a much more energy-intensive fashion.

Strip mining will sap the land's vast agricultural energy by massive displacement of the soil. Much of the low-grade coal will be liquified or gassified in plants which would need virtually the entire flow of surface streams in the northern plains to operate. Finally, studies indicate the air pollution from these facilities would adversely affect the area's agricultural productivity through substantial interference with photosynthesis. Nevertheless, the Nixon Administration and the coal companies are pressing for a *rollback* of the Clean Air Act's nondegradation clause in order to permit such plants to be built.

Suppose people are willing to accept environmental despoilation to obtain *cheap* abundant energy. It's an equation that just doesn't work. Eventually, the mess will have to be cleaned up and the energy costs will have to be added to the fuel costs of extracting, refining, transporting and burning a given fuel. Thus, the energy we pump into the production of any fuel may well approach or equal the energy which that fuel provides. How could one get off the treadmill to environmental ruin?

When natural waste-recycling systems and sources of food such as wetlands or grasslands are eliminated, they must be replaced by man-made treatment plants and intensive agriculture—both of which consume huge amounts of fossil fuel.

Joel Schatz, a state planner who is assistant to Oregon's Gov. Tom McCall, points out that as plentiful fossil fuel deposits become less accessible the energy consumed to find and exploit them increases and the energy yields decrease. Consequently, Schatz says, the more scarce energy one extracts, the higher the price will go and the greater inflation will be.

This leads into another interrelationship between energy and the environment—and a desirable one for us at least. As net energy yields from our fossil fuels decrease, energy consumption must slacken. Therefore, our society will release less energy flow to pollute the environment and, hopefully, many resilient natural ecosystems currently polluted might be revived.

ENERGY COMPANY LAND

The table includes acreage owned and leased, some of which is off-shore. Acreages for companies such as Shell, Exxon and ARCO were not available.

Company:	*U.S. Acreage in millions*
Standard of Indiana	20.3
Texaco	9.9
Mobil	7.8
Gulf	7.5
Phillips Petroleum	5.3
Standard of Calif.	5.2
Continental	4.5
Union	4.1

Source: *Moody's Industrial Manual.*

As this column has reported since 1970, environmentalists were quick to recognize the mutuality of energy and ecology, and the problems it posed.

Perhaps our governments failure to understand this eco-energy relationship explains the shellshocked manner in which it is trying to resolve the power shortage today.

HISTORICAL PERSPECTIVE ON POLISH INDEPENDENCE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. McKINNEY. Mr. Speaker, it is with deep respect and admiration for the achievements of the Polish people that today, we commemorate one of the most inspirational of international holidays, the Polish Third of May Constitution Day.

This occasion is celebrated worldwide by people of Polish descent and I feel it appropriate that we join in their celebration in the hope of peace, freedom, and liberty throughout the world. Sadly, this is a day which warrants special recognition, for there will be no celebration within the boundaries of Poland; a great hope for peace, freedom and liberty is now suppressed by that country's present Government.

On May 3, 1791, just 2 years after the ratification of the Constitution of the United States, Poland adopted the Third of May Constitution and in so doing, peacefully transformed her Government from a monarchy to a democracy reforming her public life and ending her internal decline. This, a declaration of democratic self-sovereignty, was truly a great day in history.

Unfortunately, this great rebirth and assertion of democracy did not forestall the third partition of Poland by Russia, Prussia, and Austria in 1795. Their period of autonomous freedom was all too short. Their history since has been a tragic one and today the people of Poland live under Soviet suppression.

It was the indomitable strength, spirit and dedication of the Polish people which allowed them, in their courageous struggle for liberty, to create a document declaring the equality of all citizens under law. It is this great strength, spirit and dedication which still demonstrates their love for freedom, their commitment to human rights and serves as an example for all the world—an inspiration for all mankind.

Mr. Speaker, I feel it is necessary that we understand the importance of May 3 to the Polish people everywhere and that we join them in making this not only a day of recognition but a day of hope; hope that in the future this will be a day which the people of Poland themselves may openly revere.

SUPPORT GROWS FOR HISC

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ASHBROOK. Mr. Speaker, the House Internal Security Committee, and its predecessor the Committee on Un-American Activities, has been viciously vilefied for many years in the newsletters, flyers, and other propaganda organs of radical and revolutionary organizations, and unfortunately on occasion, by some well meaning but uninformed liberals.

It is therefore most refreshing to come to the office morning after morning and find a substantial volume of mail from men and women in all areas of the country, who offer their unequivocal support of the committee and its work. And I am also informed that many of my colleagues in the House are receiving considerable amounts of correspondence from their constituents on the issue of the proposed abolishment of HISC by the Select Committee on Committees.

While I cannot reprint the letters and postcards from all of our well-wishers, I would like to record here, as I have been doing recently, a couple of letters from selected national groups which I hold in great esteem not only for their patriotism but for their forthright decisiveness where matters of this Nation's security is involved. Both groups have kindly authorized me to reprint their messages of endorsement.

FLEET RESERVE ASSOCIATION

The following letter was sent to Members of the House by the Fleet Reserve Association which this year closes out 50 years of dedicated service on behalf of personnel of the U.S. Navy, the U.S. Marine Corps, and the U.S. Coast Guard. It enjoys a membership of 95,000 persons. As a former Navy man myself, I welcome the support of the FRA and its national president Marvin Silberman. The letter follows:

> I am writing to you in behalf of my 95,000 shipmates of the Fleet Reserve Association. We are career enlisted personnel, active duty and retired, of the United States Navy, Marine Corps and Coast Guard. By virtue of our chosen profession we are dedicated to the security of our nation. Therefore, we implore you to fully support the retention and continuance of a viable House Committee on Internal Security.
>
> As concerned Americans we oppose the transfer of the duties and responsibilities of the Internal Security Committee to other House Committees.
>
> Each day we read sensational headlines about revolutionary kidnappings and anarchistic bombings by revolutionary terrorists. How are we to effectively combat these lawless elements in our society without the means to identify, describe and document these violent acts and those who perpetrate them? The House Committee on Internal Security has the expertise and machinery to continue this vital job. It must remain a viable Committee which is properly staffed and funded if the United States is to be kept informed about its enemies from within.
>
> We can appreciate the need for the abolition of duplication and expense in government operations. However, please do not relegate the all-important task of internal security to the status of a collateral duty of any House Committee. If we err in duplication of effort and expense, then let us err on the side of national internal security.
>
> God bless you in the performance of your duties. With best wishes from all of our members, I remain in,
>
> Loyalty, Protection and Service.
>
> MARVIN SILVERMAN,
> *National President.*

AIR FORCE SERGEANTS ASSOCIATION

The second letter, authored by Donald L. Harlow, chief master sergeant of the Air Force, retired, and director of legislation for the Air Force Sergeants Association, which enjoys a membership of over 25,000 members, is a no-nonsense statement which only a former sergeant who has lived with command tasks might pen-out. In today's moments of illusionary détente-diplomacy compounded by domestic disruptions, some straight talk from a former "top-kick" seems in order. Sergeant Harlow writes:

> The billions of dollars that must necessarily be allocated for a strong defense posture will be all in vain if our government permits the various radical and subversive groups to run rampant in our wonderful country.
>
> The insidious attempt to eliminate the effectiveness of the House Internal Security Committee by integrating it with the already overworked Judiciary Committee is ludicrous in view of the terrorism already prevalent in the United States today.
>
> The Roman Empire was one of the greatest the world has ever known, and their armies were never defeated on the field of battle. Left wing, subversive. terrorists and other activities caused the internal fall of the Roman Empire; thus, it would seem prudent to take a page from history in the preservation of liberty for all Americans.
>
> The thousands of members of our association who have served in defense of liberty and those still serving must receive the utmost support of lawmakers, such as yourself, if this nation is to remain strong and free.
>
> We strongly urge that you, along with your colleagues, vote against the designed plot to eliminate the House Internal Security Committee. If ever such a committee is needed, it is in today's environment.
>
> Yours in dedication and service,
>
> DONALD L. HARLOW,
> *CMSAF, Retired, Director of Legislation.*

THE WHOLE TRUTH OF WATERGATE

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. KARTH. Mr. Speaker, I was disappointed, as I think many of my colleagues and many of the American people were, when President Nixon went on television Monday night and repeated a performance he has made in similar circumstances too many times in the past. He declared his intention to cooperate fully with the Watergate investigation while simultaneously failing to comply with a subpena from the House Judiciary Committee.

I think a column written by Jim Klobuchar that appeared in the Minneapolis Star on April 30, 1974, makes a number of valid points concerning the President's noncooperation. Klobuchar points out that what Congress wants and what the people want is the truth, the full record of Mr. Nixon's involvement in Watergate. He also points out Mr. Nixon's efforts to frustrate that desire. I include Mr. Klobuchar's column in the CONGRESSIONAL RECORD:

THE WHOLE TRUTH OF WATERGATE

The country suddenly finds itself in the middle of an unscheduled election campaign, the latest of the boggling events spawned by Watergate.

The contest matches Richard Nixon against the congressional investigators, and last night's TV speech by Mr. Nixon was an absorbing demolition job aimed at scattering and demoralizing his interrogators.

Under the normal rules of political warfare, one network has offered Chairman Peter Rodino of the House Judiciary Committee a half-hour of his own to explain the difference between tapes and edited transcripts. He might also explain why it is arbitrary and wrong—if the President is going to have somebody examine the tapes against the transcripts—to exclude the committee's chief counselors, one a Democrat and the other a Republican, who are far more familiar with the evidence than the committee's elected members.

The President's periodically updated explanations for the acts of his administration before and after Watergate are described as reports to the people. It is a broad oratorical canvas that permitted him last night to stick it to John Dean, imply that the case against his administration rested almost solely on Dean, describe his edited transcripts as the whole truth of Watergate and to compare himself once more with Abraham Lincoln.

It was an impressive performance, enhanced by some remarkable visual aids, a stack of blue-covered transcript binders containing 1,200 pages of material digested or laundered from the tapes. One was turned up, revealing title and seal.

This, Mr. Nixon was telling the public, is chapter and verse on Watergate. It is the whole record, or the relevant part as your President construes relevancy. He had spent many hours of his own time, he explained, deciding what part of the tapes were relevant and therefore appropriate for the eyes of the investigators and the public.

But the President understands the consuming truth of the investigation.

As long as the public appears to want it to go forward in an uninhibited quest for the truth, it will. But if Mr. Nixon can turn it around, convince the voters with his renewed proclamations of sincerity, his stances of the beleaguered but steadfast helmsman and his visual aids, the investigation will crumble.

It does not take more than a few points in the weekly polls. Which is what this novel election is all about.

Political climate around the country and credibility are what the Watergate crisis is all about at this point. Change it substantially or even measureably with respect to the President, and the shock of the Archibald Cox massacre (Mr. Nixon reminded us again last night he has cooperated fully with the investigators at all times) slips silently into a kind of awkward history.

Mr. Nixon's speech last night was intended to alter that climate by chilling the public's ardor for the kind of investigation Rodino, Jaworski and the public itself have been asking. The President, as a matter of fact, practically declared the official end of Watergate last night.

Nobody should begrudge a president facing possible impeachment the opportunity to present his case. Mr. Nixon avails himself of this opportunity often, in prime time, with the dutiful concurrence of the TV networks he flails. And his TV demands receive no special protest from his political foes. Historically in this country, when a president wants to go on radio or TV, he just goes. Which may explain more than a little why Congress has been reduced to what it is today.

Mr. Nixon has suggested frequently that all or most of his critics want to see him publicly gored or run out of office. That may be neither factually correct nor especially relevant. What the public has needed and wanted, until now at least, is a full examination of the best evidence. And then we may all say, "This is what it says; we are satisfied."

Mr. Nixon is telling Congress it will receive edited transcripts, that he will decide who will compare the tapes with the transcripts and that he, in effect, will determine how Congress should run its investigation.

HOUSE REFORM AND LEADERSHIP

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HANRAHAN. Mr. Speaker, the reorganization of the U.S. House of Representatives is a vital issue to all committee members. We are all interested in the outcome of the study of the committee structure of the House. For the interest of my colleagues, I insert the following article:

HOUSE REFORM AND LEADERSHIP

The leadership of the House of Representatives, which has managed the impeachment process so far with praise-worthy skill, is facing a second test almost as important to the country.

This one concerns, not the conduct of the President but the capacity of the House itself to meet its governmental responsibilities. It is, in this sense, even more of a measure of the leadership of those who run the House.

Early in 1973, the two most important of those officials, House Speaker Carl Albert (D-Okla.) and then Minority Leader Gerald R. Ford (R-Mich.), put their personal prestige behind a $1 million, bipartisan study of the committee structure of the House.

The Republicans appear to be solidly in favor of the reforms. House Minority Leader John J. Rhodes (R-Ariz.) inherited Ford's commitment to the project. Despite some business opposition to some of the committee shifts, Rhodes and his aides are mobolizing to deliver a heavy Republican vote for the proposal when it reaches the floor.

The Democratic situation is far chancier, with a combination of forces now at work to whipsaw the proposal to death inside the Democratic caucus before it can be brought to a vote by the whole House.

Organized labor, which has stacked the Education and Labor Committee with staunch allies for years, is opposed to splitting it into two separate committees. The maritime unions heavy political contributors, are not happy with the restricted jurisdiction of the Merchant Marine and Fisheries Committee, which was originally ticketed for extinction in the reform. Postal and public employees unions are fighting to save the Post Office and Civil Service Committee from being folded into the new Labor Committee.

Now, the committee created to conduct that analysis, headed by Rep. Richard Bolling (D-Mo.) and Rep. Dave Martin (R-Neb.), has reported its recommendations. The 10-member body, representing the full range of philosophies and interests in the House, is unanimous in its recommendations.

What it is proposing is a basic realignment of committee jurisdictions—the first in 28 years—that is designed to achieve three principal goals. It would give each member a single assignment that would enable him to concentrate his energies on one major national policy area.

It would equalize the workload among the committees, so each can maintain effective oversight of government activities within its jurisdiction.

And it would centralize responsibility for such large policy areas as energy, health, transportation, environment and foreign economic policy, which now are splintered among different committees, so that voters would know who to hold accountable for action or inaction on key questions.

The issue now is whether the House will accept and implement this most important of reforms, and it is really a question of what the Democratic majority and its leaders will do.

Even more serious are the internal complaints. Some committee chairmen, including Rep. Wilbur Mills (D-Ark.), whose Ways and Means Committee would lose from its vast empire of influence health, trade and unemployment compensation legislation, are actively working to kill the proposal.

House members who now enjoy politically advantageous double assignments are unhappy about having to choose a single field of specialization. Some liberals contend that the jurisdictional changes and rules shifts—including the abolition of all proxy voting—would disadvantage them.

All these pressures come to bear on Speaker Albert, and his colleagues in the Democratic leadership. They will have to demonstrate at the scheduled May 1 party caucus on this issue the degree of their commitment to reform.

It is a real test of their leadership, for Albert is, as much as any one man, the instigator of this reorganization effort. His comments consistently have indicated an awareness that Congress—which now enjoys the confidence of only 21 per cent of the public—must improve its capacity to perform if it is going to remain what the Constitution envisaged—the people's branch of government.

It cannot be an easy task for him to take on the most powerful of the special interest groups in his party, the most influential of the House "barons" and the personal preferences of many of his Democratic members.

But not even impeachment will provide a better test of the Speaker's real leadership capacity. The opportunity—and the challenge—are his to seize.

GOV. J. MILLARD TAWES CELEBRATES 80TH BIRTHDAY

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. BAUMAN. Mr. Speaker, recently I was honored to be a part of a public celebration of the 80th birthday of the Honorable J. Millard Tawes, former Governor of the State of Maryland.

Governor Tawes has served in numerous elective posts and is presently the State Treasurer of Maryland. He is also my constituent and if anyone has come to earn the title "Mr. Eastern Shore," it is Governor Tawes.

At the Governor's birthday celebration virtually every political leader and those from many other walks of life gathered together to pay tribute to this great Marylander. I include at this point in my remarks an editorial from the Crisfield Times, the Governor's hometown paper, which shows the genuine affection shared by Marylander's for the Governor:

A MAN NAMED MILLARD

(By Bill Martin)

One of "our own boys," J. Millard Tawes, is slated to be honored next week on the ococcasion of his 80th birthday. Whatever tribute is paid him will be well deserved.

His birthday is April 8th. On April 7th he will be honored at a dinner party at the Hunt Valley Inn near Baltimore, an event planned by dignitaries from throughout the State of Maryland and expected to be attended by scores of his friends from every corner of the Free State. Mayor John S. Catlin of Crisfield has proclaimed April 8th to 14th as "J. Millard Tawes Week". Both above actions are commendable and appropriate.

Millard Tawes has been a political figure for some 44 years, beginning first with his election as Clerk of the Court for Somerset County. Since this beginning his political aspirations and voter appeal catapulted him into a political orbit that speaks for itself. Serving two terms as Governor of this great State is climaxed only with his distinction of being the only man in the history of the Free State to have held all three posts on the State Board of Public Works (governor, comptroller and treasurer), the state's top administrative body.

We have often wondered how many "speaking engagements" Millard Tawes has filled in his lifetime, for his services have been sought statewide on occasion after occasion. We have often wondered where he keeps that ready reserve of energy and enthusiasm that is so evident. We have often wondered what unseen power has been responsible for keeping him sane and competent through these years that surely have been unfree of pressures and problems.

But Millard Tawes is more than a politician. He is an artist, for he has carved for himself an inscription on the "political tree" of Maryland that will be imbedded in the annals of history yet to be written.

There is a saying that "behind every great man there is a great woman" and this could not be more true than in the case of Millard Tawes and his lovely wife Avalynne, who for eight years as the State's First Lady left a lasting impression with her dignity and simplicity that will be long remembered.

As J. Millard Tawes is honored on his birthday and the week that follows, we too would like to extend our congratulations and best wishes for him and his family, who will be sharing the occasion with him.

Born, reared, and still residing in Crisfield, J. Millard Tawes has climbed the ladder of success, rung by rung, until he has reached the pinnacle of statesmanship. Even so, he is still just "one of the boys."

ATTACKS ON VA

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. BAKER. Mr. Speaker, the attacks and accusations being directed against the Veterans Administration are a matter of serious concern to me. I strongly believe that each and every veteran who seeks benefits to which he is legally entitled should expect to obtain those benefits through the Veterans Administration on time, with courtesy, and without waste.

The VA should be in business only for a single purpose: to serve the men and women who have served our country well while in uniform.

Although it is difficult to know with certainty just what it is those who attack the VA have in mind, it may be they consider the VA a "safe" target. This target cannot very well spend public funds in order to defend itself or strike back. Well, I have some news for everyone. People should not forget who the veterans are and what they have done. We veterans number more than 29 million.

Veterans' contributions to the Nation's welfare is by no means limited to warfare. Veterans are taxpayers and evidence of their work and leadership is all about us. Veterans today are contributing to a better America through their efforts in every profession, every trade, and every form of endeavor.

The Veterans Administration is a large organization with more than 165,000 employees and fiscal year 1975 budget authority, as recommended by the administration, of $14,080,000,000. Spending outlays for this year are estimated at $13,285,000,000.

Insurance programs administered or supervised by the VA provide more than $72 billion of coverage for veterans and servicemen.

The VA medical system with 171 hospitals and 206 outpatient clinics is the largest medical complex in the United States. It employs 7,600 regular salaried physicians as well as some 20,000 nurses.

Educational benefits make up a large part of the VA workload. In the month of March 1974 the VA: issued 1.4 million educational checks; received 128,000 changes of addresses from veterans going to schools; received 19,000 additional changes of address that accompanied certificates of attendance at schools and in excess of 95,000 changes in such things as courses of instruction, and other changes that would amend the award.

Mr. Speaker, I believe Vietnam era veterans—most of them anyway—do not want benefits bestowed on them in a way which would single them out from veterans of other wars. Also, I believe the majority of all veterans desire that the Congress not take actions which would render in vain the service and sacrifice of the Vietnam era veteran.

It is not surprising to me that in a bureaucracy there is red tape. With many forms to be filled out and mailed, errors will result. The VA is no exception in this regard. The Congress somewhat compounded the VA problems when it authorized a system of advance payments in the education and training programs beginning last September. This new program, I understand, required many changes not only in VA computer systems but also in the manually handled forms so the veteran could be paid at the first of the month he attends school rather than at the end.

Mr. Speaker, it would be wonderful perhaps if every human institution always functioned perfectly and on time, but as all of us know, real life is not that way. Fortunately, there apparently are no serious charges of abuses in the VA payment system for medical care or educational benefits. At least I have heard of no investigations during this administration involving evil-doers and wastrels in the VA. So far as I know, skullduggery is not taking place.

With 3½ million men and women having taken advantage of the Vietnam GI bill and over 1 million to be treated in VA hospitals, this is a big and demanding job. From what I can determine the Veterans' Administration is doing a responsible job. I applaud the personnel of this agency for their efforts.

ICC RAIL SERVICES PLANNING OFFICE SUBMITS EXCELLENT REPORT

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. SHUSTER. Mr. Speaker, today Mr. George Chandler, Director of the ICC Rail Services Planning Office, submitted his report to the U.S. Railway Association on the rail abandonment proposed by the Department of Transportation.

Mr. Chandler's report is a thoughtful, carefully measured criticism of the DOT abandonment proposals. I urge all Members to study this report because it goes beyond simple statistics to place emphasis on the fundamental social and economic goals which the new rail system should embrace.

We are quick to criticize the shortsightedness of much Government decisionmaking, and I believe we should be just as quick to praise key Government officials such as George Chandler and his staff when they exercise the farsighted vision they have demonstrated in this report. By their actions, they are placing the new northeast rail system on the right track.

NUCLEAR ENERGY AND NATIONAL ENERGY POLICY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. TEAGUE. Mr. Speaker, on April 16, 1974, Congressman Mike McCormick, chairman of the Subcommittee on Energy of the Committee on Science and Astronautics, which I have the honor of chairing, addressed the Western Energy Conference in Wenatchee, Wash.

The title of Congressman McCormack's address was "Nuclear Energy and National Energy Policy."

This was, in my opinion, a brilliant address, setting forth not only the fundamentals of a national energy policy, but discussing nuclear energy and an honest appraisal of some of the criticisms directed toward it.

I am particularly pleased to insert this address in the Record at this time so that all the Members of the House may benefit from the observations of the House's own expert on energy. The text of Congressman McCormack's address is as follows:

Nuclear Energy and National Energy Policy

(By Hon. Mike McCormack)

Thank you, Wilfred Woods.

It is certainly an honor for me to be invited to address the 1974 Western Energy Congress, and I want to congratulate the *Wenatchee World* and you, Wilfred, as well as Chester Kimm for organizing this timely program which I am sure will be a resounding success.

I can't help but observe that I draw substantial inspiration from the background against which this energy congress is set. Here, in North Central Washington, men of vision dreamed great dreams and made them come true. We who are the beneficiaries of the multi-purpose hydroelectric development of the Columbia River, and the spectacular success of the Columbia Basin, will forever be indebted to such giants as Rufus Woods, Jim O'Sullivan, Nat Washington, Sr., Billy Clapp, Gale Matthews, Albert Goss, Hugh Bone, and Clarence Dill, and, of course, in later years Warren Magnuson. I know that everyone here joins me in paying tribute to them.

We are all well aware of the additional fact that this is not the only energy congress or conference that is being held at this time. Literally hundreds of similar meetings have been or are now being conducted throughout the country, attempting to come to grips with the energy-related problems that face this nation. Nothing could be more appropriate, and few activities could, in my mind, be more important to our nation or to its future.

Shakespeare had Julius Caesar say "There is a tide in the affairs of men, Which, taken at the flood, leads on to fortune; Omitted, all the voyage of their life is Bound in shallows and in miseries." I believe that such a moment exists at this time in this country, and that the response to it by us all will very substantially influence the fate of this nation for decades to come.

The shortages of gas and other petroleum products experienced by Americans during recent months has finally accomplished what 20 years of insistent warnings of scientists could not do. It has made most Americans aware of the fact that the energy supplies of this nation are not inexhaustible, and that this nation can no longer control the policies of weaker nations to the end that they will deliver their resources to us to our advantage and to their disadvantage. It has made Americans aware of how much we depend on a prodigious consumption of energy for our standard of living.

What may not yet be apparent to the casual observer is that our consumption of energy must continue to increase even if we establish a successful program to conserve, and that we are faced with a frightening spectrum of implications associated with such increased energy consumption, and the conservation programs we must institute. Any concerned citizen may justifiably ask "What are we going to do?" which, translated into a more professional jargon, would read "What is our Energy Policy?"

The sad fact is that this nation has no energy policy at all, and that we, the general public and the government, have acted as if all sources of energy were cheap, inexhaustible and, until recently, non-polluting.

The challenge that we face today is the need to recognize that we must promptly extricate ourselves from the folly of this dream-like attitude of the past, and that we must now develop a systems approach to an integrated national energy policy. If we do create such an energy policy and if we implement the programs to carry it into effect, the people of this country can have both adequate energy and environmental protection, and can attain a state of greatness and affluence that we have not known. If we fail, the inevitable result will be catastrophe.

I would like to discuss a national energy policy so that we may understand just what it is that we are talking about, why it is so important, how it relates to us here in this Western Energy Congress, and to my comments today.

A national energy policy will not be a permanent, inflexible, dogmatic proclamation, but rather a dynamic set of working goals which will be flexible enough to change and evolve as new information becomes available. However, there are some guideposts which I think will be rather lasting, and which provide some valuable perspective for us at this time.

In the first place, we must have a *systems* approach to an *integrated* national energy policy. This is an absolutely essential minimum requirement if we really intend to solve the energy crisis. It must include, along with the administration of *all* energy research, development and demonstration, *all* assessment and management of all fuels, an understanding of the supply and demand for each type of energy and fuel for each region of the country, and managerial determination of the conservation potential, the economic impact and environmental feasibility of any energy-related proposal. *This is basic* to any action we may desire to take with respect to the energy crisis, and it is essential that we establish within the Executive Branch a *single administrative agency* with the authority to *implement* such an energy policy.

It must be based on the best information available. We cannot afford the luxury of basing policies on fantasies (such as assuming that solar or geothermal energy or suppressed carburetor designs will bail us out of our problems) or prejudices (such as anti-nuclear fanaticism) or hopes (such as the hope that we will keep finding enough natural gas to keep us going).

A national energy policy must provide the optimum conservation practices through every step of everything we do and, in particular, with respect to the conversion, transmission and consumption of energy. It seems obvious to me today that in the short run we should not burn natural gas to produce electricity; in the very long run we should not be burning fossil fuels at all.

A national energy policy must allow for a higher standard of living for most people in this country. This ability to gain a higher standard of living is fundamental to our society, and we must design a national energy policy that will permit it.

A national energy policy should, I believe, provide energy self-sufficiency for this nation—not by 1980 or 1985—this is pure political demagoguery—but as soon as is reasonably possible, and certainly by the year 2000. Still further, and of great importance, we should plan now to export the technology that we will develop to every nation of this earth so that no nation will be dependent upon any other nation for its energy or subject to blackmail for its survival. This is one of the most important contributions this country can make to the world in terms of reducing international tensions and bringing true and lasting peace.

Finally, our national energy policy should provide for an ultimate reliance upon inexhaustible supplies of essentially non-polluting sources of energy.

Now that the Arab oil embargo has been relaxed and we appear to have almost enough gasoline for this coming summer, this nation and its people will need to demonstrate an exceptional degree of determination to develop a national energy policy with realistic emphasis on the long-range aspects of the problem. Of course, the key to success of such an effort is appreciation of the fact that the energy crisis is not a short-range problem, but rather a long-range one. Several years ago some of you heard me discuss the energy crisis as being made up of four crises:

The first involving the need for this country to be able to manage the distribution and secure the availability of fuels and electricity on a short-range basis;

The second involving the inevitable conflict between environmental protection on the one hand and energy conversion, distribution and consumption on the other;

The third relating to the necessity for this country to mitigate or eliminate our dependence upon imported fuels, particularly upon oil from the Arab nations; and

The fourth relating to the need for this nation to provide alternate sources of energy before the year 2000.

During recent months, the first three of these crises were telescoped into a single one which has shaken the country badly. The fact is, however, that the fourth element is most important because this nation has, during the last two years, truly passed from one historical era into another. We have passed from an era of cheap, abundant energy to an era of shortages in fuels, energy and materials which will be with us for several decades. The implications of this transition are, I fear, far more profound than is generally appreciated.

I think it may have a salutary effect on our perspective to recognize that future historians will probably record that during the 20th century, western man discovered and burned up as fuel virtually all of the earth's resources of petroleum and natural gas.

This may be a difficult reality to face, but we must assume that this nation has already consumed more than half of all the petroleum and natural gas we ever have discovered or ever will discover on this continent, or off its shores, and that it will all be gone, insofar as a significant supply of fuel is concerned, by about the year 2000. As our supplies of petroleum and natural gas dwindle toward the end of this century, this nation will become dependent for almost all of its energy on coal and coal products, and on nuclear fission. But even these sources of energy are really only transitional, and as we phase them in we must also make plans for phasing them out in the more distant future, and replacing them with other, still-to-be-developed sources.

Thus we have one generation within

which to develop these new sources of energy, and while we are making this conversion we must make the necessary cultural, societal and economic adjustments that will inevitably result.

There seem to be several traits which surface when individuals or societies are faced with such disturbing realities. The first is to deny that the problem exists. Thus I have been deluged with mail stoutly insisting that there was—and is—no petroleum shortage at all.

The second escape mechanism is to find a scapegoat to kick around as if this would somehow make the problem disappear. Thus we have had the oil companies and the Administration and the Congress blamed for our energy crisis and our shortages. Certainly there is adequate blame for each, but no amount of criticism will correct what is basically a problem of exponential demand growth exceeding essentially linear improvement in supply.

The third reaction is to look for fantasies as solutions. Thus we have had such spokesmen as Ralph Nader making ludicrous statements to the effect that either solar or geothermal energy, if adequately funded, could solve our problems.

But finally, the mature, responsible citizen will seek the truth and try to work out constructive solutions based on facts.

The facts available to us now provide a fairly clear picture of what our course must be for the near future. Our options are severely limited during the next three to five years. We can and must conserve, or be prepared to conserve, enough energy to provide for essential needs in any contingency. We must also, of course, initiate permanent comprehensive conservation programs in everything we do.

We must establish our Federal Energy Administration and support its operations. We must obtain a large library of accurate and detailed information on energy and fuels and related subjects as quickly as possible, get it into computers, and have it available for use. It must be kept up-to-date. We need good luck in our weather and we need good international relations.

During this time we must initiate aggressive programs of exploration and drilling for oil and gas, on-shore and off. We must develop an oil shale program, and assist, as is mutually advantageous to both nations, exploitation of Canadian tar sands. We must build new refineries, new ports, new pipelines and new storage facilities for gas, petroleum and petroleum products. This is our best short-range strategy for trying to keep our energy supplies for our existing industrial and societal infrastructure as close as possible to future demands.

Of course coal is our greatest resource of fossil fuel, and we must rely heavily upon it. However, even a superficial glance should warn us against taking it for granted. We will need an entire, new, modern coal industry with new mines that meet modern health and safety standards and have a minimum impact on the environment. It will be necessary for us to allow coal to be stripped under realistic regulations, but provide for responsible reclamation of the land. It will be necessary to restore our railway system with new road-beds and new rolling stock. It may also be necessary to amend our Clean Air Act to allow for the burning of coal to generate electricity provided that the best de-sulphurization technology is employed. I have prepared legislation, which I believe to be realistic, to accomplish this goal.

We will, of course, come to depend more and more upon coal gasification and liquefaction, but here the absolute necessity for a systems approach to an integrated national energy policy becomes overwhelmingly obvious.

For instance, reliable figures indicate that if we were to attempt to close the presently projected gap between supply and demand for natural gas in 1985 using coal gasification, the capital cost alone for the coal gasification plants would be $200 billion. Such an operation would require 140% of all the coal mined today and the equivalent of about 10% of the flow of the Columbia River at Hanford for process water.

One can quickly grasp the implications of undertaking even one project of this magnitude in terms of coal, water, dollars, steel, manpower, logistics and environmental impact, and how each relates to the other and to those of every other energy-related activity such as coal liquefaction, expanded mining, shifting to smaller cars, nuclear power plant installation, oil shale development, pipeline installation, and providing new housing and mass transit systems. We must make these plans now for this year and next, for 1980 and 1985, and on to 2000.

It may not be apparent yet but I am certain that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today, ready *now* to provide much of the energy this nation will need during the next 50 years.

Nuclear energy is the cleanest significant source of energy available with the least environmental impact of any significant option. If we did not have nuclear energy available to us for the coming decades, the future of this country would indeed be black in more ways than one.

Today there are 44 nuclear power reactors licensed to operate in the United States. They produce about 26,000 megawatts or 6% of this nation's electricity. There are 54 more plants under construction or in final testing. Of these, 14 are expected to go on line in 1974, making a total of 58 plants by the end of the year. 107 more are on order, and by the mid-1980's we can have 205 nuclear power plants on line. By 1980, 140 of these should be operational, producing 21% of our electricity. By the year 2000, approximately 1000 nuclear plants will be on line. Incidentally, present projections assume that in the year 2000 we will be producing a total of 2 billion kilowatts of electricity, as compared to 440 million today, and 60% of the total electricity produced in the year 2000 will be nuclear.

Nuclear electricity is cheaper (8.6 mils/kwh) than electricity from fossil plants (10.3 mils/kwh). Both these figures will, of course, inflate, but I suspect that it is fair to assume that inflation and higher "real" costs will strike harder at new fossil fuels than at nuclear energy.

One problem facing the United States' nuclear energy program is the availability of uranium. Atomic Energy Commission figures indicate that known reserves (up to $15 per pound) total 525,000 tons, compared to a projected U.S. requirement of 38,000 tons per year in 1980 and 154,000 per year by the year 2000. Thus, we have an adequate supply for the next decade—but we will probably encounter problems in the mid-1980's. There are several proposed solutions to this problem, and I have asked the AEC to establish an ongoing review of the total potential inventory of fissionable material on a year-by-year basis for the balance of this century. This would be a significant undertaking in that it would require an appraisal of all known reserves of uranium ore that are yet to be mined, all potential imports and exports, the demand of domestic and foreign nuclear energy industries, the enrichment capacity available in this country and elsewhere in the free world, the impact of the breeder program and the use of thorium as a nuclear fuel in gas cooled fast breeders or molten salt breeder reactors.

Of course, it will be necessary to provide additional uranium enrichment capacity by the early 1980's. Perhaps as many as six new "Oak Ridge-size" plants must be built in enrichment plant would cost $1.5 billion to build. If it were a new gaseous diffusion the United States by the year 2000. A new plant, it would require 2400 megawatts of electricity to operate (the equivalent to the present output of Grand Coulee Dam). If it were a centrifuge plant, it would cost about the same, but would require only 240 megawatts of power. A third technique involving the use of lasers for isotopic separation may be developed. If it were successful, it would be less expensive, both in capital and in power requirements. It would also be more efficient.

One of the major frustrations associated with nuclear energy today is the 8 to 10 year lead time involved in getting a plant on line. It should be possible to substantially reduce this time without sacrificing any environmental or safety requirements. France and Japan, for instance, require only 5 to 6 years. During recent weeks, the Joint Committee on Atomic Energy has been holding a series of hearings on nuclear power plant licensing and siting, considering legislation which I have sponsored and legislation which has been sponsored by the Administration. These two approaches are compatible, and hearings which start immediately after the Easter recess may lead us to some new comprehensive bill, including the features of each, as well as other suggestions that have been made during hearings. In the legislation I have introduced, I propose a much greater involvement by the individual states in the selection of acceptable sites for nuclear power plants. The AEC has suggested several additional approaches, including standardized plant designs, pre-selection of sites, and advanced consideration of some administrative and legal procedures associated with construction permits.

One can scarcely overemphasize the significance of reducing the lead time for getting nuclear power plants on line. I mentioned earlier that there are 161 plants under construction, in final testing or on order. It would require 5 million barrels of oil per day to produce the same amount of electricity that these plants will put on line. At $10 per barrel, this is equivalent to $18 billion in one year. It is easy to appreciate the beneficial impact nuclear power will have on our trade deficit, as well as the colossal amount of fossil fuels which we will save for other purposes.

Today the nuclear energy program is on track and essentially on schedule, but there is much to do. We must have a liquid metal fast breeder reactor demonstration plant on line by the early 1980's, and we must follow it by a gas cooled fast reactor demonstration plant. In addition, we should continue research related to a possible molten salt fast reactor The LMFBR will require extensive research and development in advanced fuels such as carbides or nitrides to replace the present oxide fuels. Work on the thorium-232–uranium-233 fuel cycle for the GCFR and MSFR is necessary. Advanced fuels, alternate claddings, and fabrication and reprocessing facilities will require massive research and development, costing large amounts of money and consuming many years. All these programs should be started at once, and I am pleased that they are being carried forward under the leadership of Dr. Dixy Lee Ray, chairman of the AEC, and Tom Nemzek, director of the Division of Reactor Research and Development.

During recent years, a small group of anti-nuclear zealots, including a few technically qualified individuals, have mounted a concerted anti-nuclear campaign, and promoted the concept that this nation should terminate its nuclear program. Over the years, the more extreme anti-nuclear charges, such as exploding power plants and high incidence of cancer and infant mortality in the vicinity of nuclear reactors, have been discredited. In recent hearings before the Joint Committee on Atomic Energy, individuals and spokesmen for some of these groups concentrated their attacks on three main points—the reliability of the reactor vessels, cooling systems, and containment systems; the safe handling of nuclear wastes; and the possibility of the theft of nuclear materials for the fabrication of weapons or for the threat of radioactive contamination of populated areas.

It may be appropriate for us to consider as best we can the rational aspects of these charges, and to try to put them into perspective. The nuclear industry, just as any other, has some hazardous aspects, and will undoubtedly have accidents causing property damage, injuries and deaths. It is crucial, however, to ask how likely these accidents are and how this risk compares to that associated with other energy industries. Further, we must distinguish between the financial risk to the industry, the personal risk to the employees of that industry and the potential risk to the public at large.

Recent studies by Dr. Norman Rasmussen of M.I.T. indicate that the probability of a loss of coolant and a simultaneous failure of the emergency core cooling system resulting in a core meltdown is from 1 in 1 million to 1 in 10 million per reactor year. Accordingly, with 1000 reactors on the line in the year 2000, the probability of such an incident would be 1 in 1000 to 1 in 10,000 per year. These are long odds, but even a meltdown doesn't guarantee the escape of fission products from a nuclear power plant. All that is guaranteed by a meltdown is a severe financial loss and a potential for harm to individuals. To minimize the possibility of such harm, reactors are built with other engineering safeguards, such as fission product suppression systems and the containment vessel itself. The simultaneous failure of these systems at the moment of a meltdown is, of course, far more remote than the meltdown itself. In addition, the extreme accidents that are frequently postulated by nuclear critics assume weather conditions that will somehow trap extremely hot gases on the surface of the ground, and convey them in a contained cloud to a nearby community that has failed to evacuate. While it is essential that every conceivable accident be guarded against and every reasonable precaution taken, there is a point of absurdity beyond which the rational public should not be expected to go. I believe that these hypothetical extreme accidents lie beyond that point.

Having worked for 20 years at Hanford, I am acutely aware of the extreme safety measures that the Atomic Energy Commission enforces. These have paid off in fewer mandays lost per million man-hours worked (43) than in hydroelectric plants (149) or in all fossil fuel plants (1710). In addition, no radiation injuries or deaths have resulted from operation of licensed nuclear power plants in the United States, and no member of the public has received a radiation exposure in excess of prescribed standards due to the operation of any nuclear power plant in this country.

Assuming 1,000 nuclear power reactors on line in the year 2000, the average person in the United States will receive 102 millirem of radiation per year from natural background, 73 millirem per year from medical X-rays and therapeutic radiation, but only 0.425 millirem per year from the operation of all nuclear plants and their supporting activities.

Dr. Ralph Lapp estimates that of the 2 million cumulative cancer deaths in the United States between now and the year 2000, about 314,000 will be radiation-induced. Of those 314,000, Lapp estimates that 200,000 will come from natural background radiation; 100,000 from medical X-rays; about 7,000 from jet airplane travel; about 7,000 from weapons fallout and 90 from nuclear power plants.

Today, we have 54,000 deaths a year and nearly 2.5 million serious injuries from automobile accidents in the United States. More than 12,000 persons burn to death; more than half of them are children. Overdoses of aspirin and aspirin compounds cause more than 200 deaths per year, 1,000 persons die from electrical shock. About 160 are killed by lightning. About 3,000 choke to death on food. Not a single person has been injured or killed from any nuclear power plant, or supporting activity.

It is probable that some qualified person could make a nuclear weapon if the essential materials came into his possession. Certainly we must take every precaution to protect against any theft of material from any nuclear plant or other facility. The AEC has long-established security programs, and these have recently been strengthened because of international terrorist activity, and because GAO criticism of the AEC. I think the tradeoffs involved indicate that we must live with the risk of some attempt by someone to seal nuclear materials. I think this is an acceptable risk, particularly because there seem to be so many thousands of ways to make serious mischief in so many easier ways than attempting to steal enough of the correct raw materials to fabricate a nuclear weapon. There are literally billions of shipments of hazardous materials in this country every year. Many of these materials, such as highly flammable liquids and organic poisons, are shipped in tank car lots through every city in the country without anyone being particularly aware of where they are, let alone providing any protection from them. If one is objective, and disenthralls himself from anti-nuclear fanaticism, he must see the very remote possibility of theft of nuclear materials as an acceptable risk to assume to enjoy benefits of nuclear energy.

Most nuclear critics, when talking of handling radioactive wastes, either point to the leaks at Hanford (which come from the military program and have nothing to do with commercial power plants) or complain about the fact that there is no specific permanent waste management program yet announced by the Atomic Energy Commission.

Certainly the storage and management of radioactive wastes is a legacy that we must leave to the future as a price for our having entered the age of nuclear fission. However, this can be approached in the same sound manner which we have used in handling radioactive materials for the last 30 years. Millions of gallons of liquids and thousands of tons of solids containing billions of curies of activity have been handled in an exemplary way, with virtually no harm to anyone. Using the techniques that have been developed during recent years, the safe, permanent storage of radioactive materials is actually a simple matter of good engineering and good management.

I believe that in the near future, the AEC will announce plans for long-range storage of highly concentrated radioactive wastes. One technique which seems attractive to me involves solidifying the wastes from reprocessed fuels immediately after separation, and encapsulating them in cannisters. Ten cannisters, 1 foot in diameter and 10 feet long, holding about 6 cubic feet each, will contain the solidified wastes produced each year by a 1000-megawatt power plant. These cannisters can be enclosed in individual concrete shields, and simply placed on the surface of the ground inside some restricted area such as the Hanford reservation. It would require less than 2 square miles to store all of the high-level wastes that will be generated by the nuclear energy program between now and the year 2000.

Incidentally, while there have been leaks at Hanford, it has been understood that until the solidification programs of these liquid wastes are completed, some leaks would occur from the underground tanks. The radioactive materials that have escaped from the tanks are trapped far under the surface of the ground, and far above the water table, held immobile in a dry, sandy clay. When I cross-examined Dr. Harry Kendall, spokesman for the Union of Concerned Scientists, he admitted in a formal hearing before the Joint Committee on Atomic Energy that the material that had leaked from the tanks at Hanford does not and never would constitute a threat to any person, or to the environment, unless dug up by some human being.

In summary, then, the safety record of the Atomic Energy Commission is unequalled. No person has been harmed by any radiation from a licensed nuclear power plant. Although accidents are possible, the probability of a serious accident threatening any human being is so small that society can easily afford to live with this risk, particularly in view of the remarkable benefits derived from nuclear energy.

Beyond nuclear fission lie three sources of energy which will be of great importance in our future. All three are inexhaustible and, compared to coal or nuclear fission, they are essentially non-polluting.

The first is solar energy. The House of Representatives recently passed the Solar Heating and Cooling Demonstration Act of 1974, which I authored and which would provide for a $50 million, five-year program to demonstrate the commercial feasibility of using solar energy to heat and air-condition residences and other buildings. It is my hope that the Senate will pass this legislation in the near future. However, I think it is important to keep the short-term potential of solar energy clearly in perspective. It would require a stupendous effort to provide solar heating and cooling in 5% of the buildings in the United States by the year 1990, yet this would represent only 1% of the total energy consumption of this country. Clearly, then, solar energy will have no impact at all in relieving our current energy shortages.

Still, we must pursue this approach for its long-term potential; more than $50 million will be authorized for Fiscal 1975 for solar research and development, in addition to the heating and cooling demonstration that I have mentioned. The technology required for generating electricity from solar energy, either directly or indirectly, is still in the initial developmental stages and it is not likely to become economically competitive until sometime after 1990. We must push ahead to reach this goal before the year 2000, but we must not mislead ourselves about the short-range solar potential.

The same general perspective is also true for geothermal energy. Immediately after this Easter recess, my Subcommittee on Energy will mark up a new bill providing for a comprehensive geothermal energy demonstration program. Our goal is to have from 6 to 10 demonstration plants on line by 1980. They would generate from 1 to 10 megawatts of electricity each, using the various undeveloped types of geothermal energy such as dry hot rock formations and geopressured water. Here again, prudence must govern our optimism. Even with a crash program, it is highly unlikely that this could be deriving 1% of its total energy from geothermal sources before 1990.

The third new source of energy is, of course, nuclear fusion, and here indeed may lie the fulfillment of mankind's dreams—an unlimited source of clean, cheap energy available to all.

As many of you are aware, I have been the activist/advocate in Congress for increased financial support for the fusion program. The past two years have been the most productive in the history of controlled thermonuclear research, and certainly we are now operating on a new plateau—one which we have dreamed of and sought for 20 years. Now, for the first time, we are in a position to move forward with a much more aggressive research and development program; and now we can, with considerable confidence, predict success.

In July of last year, the AEC announced that it will move more rapidly than was previously thought realistic to a "scientific feasibility" demonstration of a deuterium-tritium fusion reaction. This decision, which I support enthusiastically, may save 4 to 5 years in developing fusion power.

I am happy to report that Congress and the Administration seem to reflect my confidence in the potential of this program. Total funding for magnetic confinement and laser fusion have increased from $52.5 million in Fiscal 1972 to what I expect will be $177.1 million for Fiscal 1975. Within this total, the funding for magnetic confinement studies will increase from $57 million in the current fiscal year to what I expect will be $111.3 million for Fiscal 75. This is particularly gratifying to me, because I have obtained significant increases in this program in both years.

I believe that we can have a commercially feasible fusion electric demonstration plant on line by the mid-1990's. This will require massive support, starting now, for materials research and development and for engineering studies. If this program is successful, we may be able to look forward to providing unlimited quantities of clean, cheap energy forever, not only for this country, but for all mankind.

Implicit in this potential is the prospect of using large blocks of cheap energy for mining from the sea or from low-grade ores that have not so far been feasible to exploit and thus freeing the international community from the threats and tensions that accompany shortages of energy and critical materials. In addition, we may look forward, during the first third of the 21st Century, to a policy of phasing out all of our fossil and fission-powered conversion systems, and operating from that time forward on clean, inexhaustible sources of energy.

And so to summarize:

As our supplies of petroleum and natural gas decline, this nation will, toward the end of this century, depend primarily upon coal, coal products, and nuclear fission for virtually all of its energy.

The hazards associated with the development of nuclear fission are real and must be taken seriously, but the sound safety practices and management techniques of the Atomic Energy Commission can continue to be employed to maintain the outstanding safety record we have established, and allow us to benefit from the tremendous potential of nuclear fission.

In the long run, this nation can be self-sufficient in energy, ultimately depending upon inexhaustible supplies of essentially non-polluting forms of energy such as solar, geothermal and nuclear fusion.

This nation faces a serious, long-range energy crisis which demands that we immediately establish a systems approach to an integrated national energy policy. Failure to do so will inevitably result in catastrophe.

However, if the people of this nation exhibit the common sense, resiliency and dedication with which we have faced previous crisis, we can, by the turn of the century, enter a new era, wherein nuclear fusion will provide an unlimited supply of cheap, clean energy for all of the people of this country and the rest of the world for all time.

TIME FOR A CHANGE IN THIS NATION'S RAPE LAWS

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HEINZ. Mr. Speaker, one of our most feared and fastest growing crimes, the crime of rape, has received widespread attention within the past year. Many of us have become increasingly aware that, very often, the degradation and horror experienced by the rape victim only begin with the act of rape itself. They continue in her treatment by the police, by medical personnel, and by the courts, in which ironically, the rape victim often becomes the defendant. For these reasons, I have introduced along with 62 of my colleagues, H.R. 10848, the Rape Prevention and Control Act. This legislation would establish the National Center for the Prevention and Control of Rape, and provide financial assistance for a research and demonstration program into rape's causes, prevention and treatment.

A former resident of Pittsburgh, herself a rape victim, recently brought to my attention her testimony before the Hawaii State Senate Judiciary Committee on the subject of rape. I commend to my colleagues her testimony, which vividly portrays the indignities and terror which she experienced both during the rape, and afterward. Her testimony, as it appeared in the Honolulu Star-Bulletin, follows:

[From the Honolulu Star-Bulletin, Mar. 27, 1974]

FIRST THE RAPIST, THEN THE POLICE

The real nightmare began after her rape, she said, with the police.

Carmen Rhodes, recently a rape victim, testified this morning before the State Senate Judiciary Committee that her treatment by police and medical personnel—the people who were supposed to help her—caused her more trauma than the assault itself.

"The harassing questions, the insinuating suggestions and the dehumanizing treatment" she received began with the first policeman to arrive on the scene and has continued almost without exception throughout the investigation, she said. She believes that both her credibility and her character have been attacked by the men working on the case.

This reaction to her experience caused her to testify in support of Senate Resolutions 165 and 166 before the Senate Judiciary Committee.

Senate Resolution 165 requests the establishment of a special rape and sex crimes investigation unit composed of qualified female investigators who would more readily understand the trauma of another woman.

Senate Resolution 166 requests that a judicial council review and make appropriate recommendations for the improvement of judicial procedures, rules of evidence and substantive law relating to rape.

This morning's testimony, Mrs. Rhodes said, "was one way of handling the outrage I felt at the police, the doctors. I thought, 'Somebody's got to change this. It can't go on.'

"That's why I'm perfectly willing for anyone to use my name, picture, whatever, in the possibility that it might change someone's attitude."

(Her testimony appears below:)

Chairman Ushijima, members of the committee. My name is Carmen Rhodes. I wish to testify in favor of S.R. No. 165 and S.R. No. 166 as a private citizen who has a direct concern with these issues since I am a recent victim of the crime of rape.

In addition and perhaps more relevant to these hearings I am a victim of what has come to be known as "the second rape"—that is, the treatment of women by those authorities whose business it is to deal with rape victims.

Fifty-three days ago on Feb. 3rd a young man broke into my apartment while I slept. I was bound, gagged, raped and strangled until I lost consciousness. Sometime afterwards I was able to free myself and stumbled to my neighbors who telephoned the police.

The nightmare of harassing questions, insinuating suggestions and dehumanizing treatment began with the arrival of the first policeman, continued with the ambulance attendant, included the male nurse and doctor in the hospital emergency room and still goes on as the investigation continues.

The following is an account of what happened during those first hours immediately after the attack:

When the policeman arrived I was asked to retell the series of events in detail and then to give a description of the attacker. Even though I was still frightened and ill and hardly able to talk due to my throat injuries I managed to answer all his questions.

You cannot imagine my shock when the policeman turned to me cynically and said. "Wasn't this really your boyfriend who you had let into your apartment and then had a fight with?" When even my neighbors seemed amazed at this he told them, "This is nothing. She's just hysterical."

He then asked me over and over to describe the man and told me that if I'd only cooperate and tell the REAL truth he would get me the help I had been pleading for, that is, to see a doctor. After this endless period of questioning and cynicism regarding my credibility I became desperate and finally refused to reply until I could see a doctor. The policeman finally relented and called an ambulance.

The back of the ambulance was hot and I was feeling very sick. The attendant and the policeman were conferring outside the ambulance for some time when I asked them if we could please go.

I was told, "Just take it easy, lady, and wait till we're ready." I was then asked for my husband's name. I explained that we were divorced and that my exhusband, Charles Rhodes was living at the Charles Arms, an apartment-hotel in Waikiki.

They looked at each other skeptically and the policeman told the attendant, "Write down no next of kin." Then he asked if I was employed and I told them I worked as a babysitter for an agency. They put down unemployed.

The heat was unbearable and I was having great difficulty in breathing. I asked for some smelling salts or oxygen. The attendant refused and said, "Lady, you've been doing enough sniffing lately."

It was hard for me to believe that all this was actually happening. I began to plead with them to drive me to the hospital and the attendant said, "Come on lady, when you start cooperating we'll move this vehicle."

At this point I again refused to say another word until I saw a doctor.

At the hospital the nightmare continued. A male nurse led me to a cubicle with a high table which I sat on and then questioned me about the attack. I answered all his questions. I asked for a drink of water. The male nurse said no and left the room.

The next person I saw was the only woman I was to come in contact with. She was a nurse's aide and though she said nothing to me it was the only time I was treated like a human being or had any compassion shown to me at all in this whole grisly sequence of events. . . . The nurse's aide covered me with a sheet and put her hand on my shoulder.

The doctor finally appeared and without even a glance at my bruised throat or swollen face he began asking me questions. His entire role in fact consisted of being a further interrogator. I was asked over and over the details of the attack by the doctor.

He apparently decided to use the same approach as the policeman and the ambulance attendant by continuously suggesting that the attacker was my boyfriend whom I had willingly let into my apartment. When I began vomiting and having attacks of diarrhea the doctor left telling the male nurse to give me a shot (valium) and grudgingly assented to the nurse's aide's request that I be allowed a drink of water.

I never saw him again.

Another policeman then arrived at the hospital. The whole story had to again be repeated and only through the help of a neighbor to substantiate the fact that I had a person to contact, my ex-husband was reached and he came and bailed me out.

Since that time the investigation has proceeded in what I consider to be a less than enthusiastic manner. Each contact with the police has been at my own request and insistence.

In fact on three separate occasions I was informed that there was no record of the incident. They later said it must have either been misfiled or put under a "burglary" category. I feel the entire case would have totally disappeared if it were not for my own persistence in continuing the investigation.

The attack occurred on Sunday morning some time after 3:30. I finally got a detective to meet me at my apartment, which I had been too terrified to return to previously, on Tuesday afternoon. The place was in the same condition that it had been when I first stumbled out of there.

My ex-husband had asked the police in the meantime if pictures were going to be taken, or lab tests made of the blood or fingerprints. They had said they would, in time.

I asked the detective that Tuesday if I could clean up the mess, and he said, yes, they were through with it. As it turned out later nothing had been done at all.

The detective also informed me that the first policeman had reported that he found a bottle of wine, an overflowing ashtray, and some burned joss sticks and reached the conclusion that I was drinking and must be a marijuana smoker (because of the incense). He neglected to mention in his report that there was only one glass of wine and just a bit missing from the bottle.

That policeman also failed to note the pillow that had been forced under my hips by the attacker that was still there on Tuesday and that was still covered with blood and fecal matter and urine as well as the knocked over lamp and general appearance of a major struggle having taken place. I also later discovered that my neighbors had been questioned as to my housekeeping abilities and whether I had a lot of black male friends who came to my apartment.

Eventually and only at my urgent request another detective visited me and at my suggestion brought along pictures of possible suspects for me to look at and someone to draw a composite picture of the attacker.

The case is still open but seems to progress only at my request.

With one notable exception, when a detective was kind enough to inquire if I had told my 12-year-old son of the incident and ask how he took it, the treatment I've received from all the male authorities has been so demeaning and inhuman that even my ex-husband, who has very traditional values, has been repeatedly shocked by the manner in which I have been addressed and questioned in his very presence.

Excuses have been offered for the conduct of the police by many including Asst. Police Chief Eugene Fletcher and a representative from the attorney general's office. Not one, in my opinion, is valid.

The age, race, sexual experience, marital status, state of dress, occupation, income, time of day or whether a woman lives alone should have nothing to do with influencing the police investigation of rape cases. Neither should the victim be made to feel that she has to prove she is worthy of being taken seriously.

There is another idea commonly held by many men that rape is somehow connected with sex. I know now that it is not. The sexual assault is just another way of hurting and perhaps gaining power over another human being. The sexual experience is not, in my opinion, the rapist's objective. He wants to hurt and/or kill you.

I have been asked what I felt was needed to help other women who in the future may become victims of rape. Until public attitudes can be changed I think it is vitally important that women be on the scene from the beginning of any rape investigation. I do not believe that being a woman necessarily makes one compassionate and caring. However a woman would, I think, be more able to offer support and reassurance because she is in a position of knowing in contrast with a man who could, at best, only imagine.

In regard to the many outrages I have undergone I must say to you that the violence done to the outside of me by one person could be, I believe, in time recovered from. But the repeated attacks on my credibility and, worse, on my character that were done by not just one, but many policemen and others connected with my case have destroyed in me a lifetime of believing and trusting that time will not heal.

In conclusion I have read the two Senate resolutions you are considering this morning. I have never before testified at any legislative hearing but I felt I had to tell you what happened to me hoping to make even more real the deplorable conditions presently being faced by rape victims.

I urgently request passage of S.R. 165 and S.R. 166 so that immediate steps can be taken to alleviate some of the suffering that many women are being forced to submit to at the hands of the authorities and system as it presently exists.

Thank you.

POLISH CONSTITUTION DAY

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ESCH. Mr. Speaker, every year on May 3 a Polish National Holiday is observed by those of Polish heritage. This celebration is observed in this country and many nations of the world. It is, in effect, a day of affirmation to remember the bitter lessons of history and to reaffirm the love of freedom and liberty.

As Casimir I. Lenard of the Polish American Congress said in a letter to Members of the House and Senate:

> The lessons of the past, the greatness of our country, and the common hopes and dreams we share with the Polish nation, should inspire our younger generations to maintain their democratic ideals.

This is an important message to our Nation whose people prize personal liberty and the rights of individual freedom and who feel a lasting kinship with the people of Poland. As the Polish American Congress noted:

> The philosophy of government discernible throughout the Third of May Polish Constitution leads one to believe that the American people and the Polish people had each drawn inspiration for the respective Constitutions from the same source.
>
> Meditation on the anniversary of May the Third deepens the faith and heightens the courage of every Pole and of every American of Polish origin. It reminds all Americans of Poland's destiny in the history of mankind, and prophesies the ultimate triumph of justices, even though Poland once more has been deprived of her independence, sovereignty and her territory by one of our former allies, Soviet Russia, with the consent of other United Nation.

MASSACHUSETTS LAW REFORM INSTITUTE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ASHBROOK. Mr. Speaker, I believe that most Americans would be deeply disturbed if they realized their tax dollars were being used to finance liberal and sometimes even radical political activities. Unfortunately, however, this has happened all too often in the OEO legal services program.

A case in point is the Massachusetts Law Reform Institute.. Thanks to the work of Michael Gazarian, a private citizen who has taken the time to investigate the work of the MLRI, the American public can now get an inside view of how some of their tax dollars are being spent.

Following is the information obtained by Mr. Gazarian, which has been copyrighted in a story by the Public Monitor:

> BUREAUCRATIC WATCHDOG REPORT: MASSACHUSETTS LAW REFORM INSTITUTE
>
> Michael Gazarian is a young man who takes his citizenship seriously. Like a number of others, he has volunteered to become a "Bureaucratic Watchdog" for Public Monitor. As such, he was assigned responsibility for screening the activities of a single Federally-funded activity and making the product of his informal research available to us in Washington, and to any other interested parties which might use it to increase public awareness of how tax dollars are spent.
>
> When Mr. Gazarian offered his help, he was asked to focus his attention on the Massachusetts Law Reform Institute (MLRI), a private "non-profit" organization, which is totally subsidized by the Federal government, via grants from the OEO legal services program. The current level of annual funding for MLRI is $288,310. This level was supplemented last year by provision of an OEO-funded Reginald Heber Smith Legal Services Fellow and a $25,000 grant to support a lawyer "to supervise housing reform activities of lawyers assigned to community action programs."
>
> The staff, overall, has included as many

as twelve full-time lawyers and seven support personnel, together with a number of law students hired at three dollars per hour. One of the lawyers' salaries is partially paid by the NAACP Legal Defense Fund, which assigned $10,000 for that purpose.

The governing body of MLRI, which is privately chosen, is uniformly liberal in its composition, including, as it does, employees of OEO-funded programs, spokesmen for beneficiary groups, and and old line silk-stocking civil liberties union types.

Because MLRI is, like hundreds of other legal services projects, and thousands of other government-supported "non-profit" groups, a technically "private" organization, it is not accustomed to close public scrutiny. Thus, when Mr. Gazarian followed our suggestions to seek out information concerning MLRI audits, inspections, publications, minutes of meetings, annual reports, evaluations, grant conditions, staff and board member biographies, by-laws, and the like, his inquiry was greeted with shock and rebuff by MLRI chief attorney Allan Rodgers.

Mr. Gazarian, a very fair-dealing and forthcoming person, asked Mr. Rodgers both orally, and in writing, for his assistance, writing: "You appear to me as a person who knows right from wrong and it is my belief that you would never do anything unethical or anything to obscure the truth. I therefore ask you to place my name on your mailing list. You will find ten dollars ($10.00) enclosed for that purpose and also to send me a copy of your most recent newsletter and any other information you may have (i.e., position papers, statement of goals, etc.) that will enable me to write a proper report about your organization and all that it is striving to accomplish. Sincerely, E. Michael Gazarian."

Although Mr. Rodgers' taxpayer-supported MLRI takes credit for enactment of a Massachusetts statute (effective July 1, 1974) which "redefines the public records law so as to shift to government itself the burden of establishing the right to withhold governmental records and documents from citizens" and which deems "all public records of all governmental state and local agencies" to be available to the public (with certain limited exceptions), Rodgers himself, presumably without rebuff from his governing board or his bureaucratic benefactors at OEO, rejected Mr. Gazarian's mild, respectful request, as a member of the public, to find out how his taxes were being spent.

"We are normally happy to make information on our activities available to our clients, to fellow legal services lawyers and to persons who have a serious interest in our work," Rodgers said. "But in view of Mr. Phillips' (meaning Howard Phillips, the Chairman of Public Monitor) well-known fixation against legal services programs, I do not believe that you (meaning Mr. Gazarian, as a Public Monitor Watchdog) are really concerned about our work or the problems of our low-income clients. Nor do I believe that you will evaluate our program with any kind of impartiality or fairness. In short, you wish to bury us. I must therefore refuse your request for information."

I wonder whether Mr. Rodgers would sympathize with the same argument, if used by President Nixon in rejecting requests for confidential White House documents and tapes. In his concern for secrecy, where would Rodgers stand with respect to Daniel Ellsberg's theft of the Pentagon Papers?

Mr. Rodgers' "public be damned," cover-up approach can be better understood when one examines the outrageous political purposes to which, MLRI, under his direction, has assigned the Federal funds entrusted to it. If the people of Massachusetts realized that they were being taxed to promote forced busing, challenges to the authority of police departments and school administrators, assaults on private property, and aid to prisoners rights groups, even they, who supported McGovern in 1972, would rise up in outrage. Yet those causes have been advanced by MLRI.

Consider the approach advocated in "Your Rights As A Student", a manual for secondary schools students prepared and distributed by MLRI: "This pamphlet should be helpful not only to students, but also to concerned parents, teachers, and administrators, to revolutionaries (3) and reformers alike . . ." The Nixon administration-funded manual quotes Marxist revolutionary V. I. Lenin when he wrote ". . . revolutionaries who are unable to combine illegal forms of struggle with every form of legal struggle are poor revolutionaries indeed . . ." MLRI instigates student dissent, counseling that "rights will sometimes be ignored by school officials unless you are willing to organize and stand up for them . . . it is clear that major changes in the schools will come when people stand up together for their rights."

It is also MLRI's objective to have students control what they shall be taught. " . . . the legal system is still far away from requiring teachers to teach the kind of courses you want; but an effective fight in one school can win that goal politically, getting courses on black, brown, or women's studies, film-making, or self defense . . . goals can be won politically when the legal institutions are not willing to help."

In other tidbits of advice, distributed with Federal funds to students across the length and breadth of Massachusetts, the legal services "back-up center", urges as follows:

"You may not be punished for refusing to salute the flag, or for not joining in the pledge of allegiance. Nor may you be forced to participate in a school prayer."

(Your right to a free press) "includes the right to write, publish, and hand out whatever you please, including criticism of any school officials or policies, without fear of expulsion or suspension."

"To be ready for arrests that might be made during a demonstration, you should take with you the phone number of a lawyer or legal services office."

"Since the status of high school students in search and seizure law is not yet fully clear, it would be wise not to keep in your locker illegal drugs or anything else which might get you into trouble."

"Four areas of school life are especially appropriate for student participation in decision-making. These are curriculum planning, discipline, hiring and firing of teachers, and the planning of assemblies."

One of the sources of legal assistance to which MLRI directs students is the Massachusetts Lawyers Guild (for "cases of political importance").

In "Making School Work" (also paid for with a Nixon administration subsidy and disseminated jointly by MLRI and the Massachusetts Advocacy Center (MAC), an MLRI allied group) a strong defense is made of the Massachusetts Racial Imbalance Law, which says that "racial imbalance exists whenever more than fifty percent of the students in a school are non-white. (Under the law, school committees are required to "correct" such imbalance. Sometimes this is difficult, since there are not enough white children to spread around for balancing purposes without busing them in from other districts).

MAC and MLRI flatly state that "A great deal of the opposition (to the racial imbalance act) stems from fear and hatred of the idea of black children attending school with middle and working class whites." It is not allowed that the opposition might be based on the law's inherent foolishness.

In its 1971 funding application to OEO, MLRI described itself as "a law reform program with no neighborhood office responsibilities." Its only participants are "those persons who are represented by the applicant in test cases, which are largely class actions involving groups of participants." In 1972, MLRI said it would "Continue to provide backup and coordination to neighborhood legal services offices in Massachusetts and to bring about significant law reform for poor people in the state." This would be achieved, in part, through "conferences, memoranda and forms, newsletters . . . legislative advocacy, test case litigation and (strategies for) administrative agency rules and practices." To this end, $9211 was set aside for telephone costs alone.

As part of its program, MLRI has created a "Coalition of Welfare Lawyers and Advocates", and other networks of lawyers who specialize in particular causes. One such "network" is the "Tuesday Morning Group", which has made such progress in moving the Massachusetts court system further to the left by mobilizing public pressures on individual judges and gaining partial control of the process by which judges are named.

Lobbying and the actual drafting of legislation occupies a major portion of MLRI time. For example, they "Drafted and pushed through the legislature a bill prohibiting discrimination on account of sex in admissions to public schools". This, with other developments, had the effect of ending the all-male instruction which had been provided since 1635 by the Boston Latin School, the oldest public school in America, whose alumni have included Cotton Mather, Benjamin Franklin, Samuel Adams, John Hancock, Edward Everett, Ralph Waldo Emerson, Henry Ward Beecher, Charles W. Eliot, and Joseph P. Kennedy.

To facilitate its own work, MLRI helped enact a bill making it easier to bring class actions against government officials. As counsel to the Massachusetts Union of Public Housing Tenants, MLRI has secured tenant participation in the management of local housing authorities, including even a tax-provided budget to assist the tenants in their management responsibilities.

On the national level, the coalition "took a position in opposition to H.R. 1 and engaged in an effort of several months, lobbying Massachusetts congressmen." They "spent much of the summer identifying and visiting recipient groups" and advanced a detailed action agenda to assist them "in their advocacy efforts".

With respect to "Judicial Selection and Discipline," MLRI advises that "some trial judges . . . are motivated by prejudice against certain groups of people." Furthermore, in MLRI's view, the bar associations haven't done enough to crack down on judges who exhibit deviationist tendencies, nor had the Governor named enough blacks and women to the bench.

The answer: let MLRI pick the judges.

"A number of lawyer and non-lawyer citizens, therefore, in June of 1972, organized a new group called the Coalition for Better Judges, for the purpose of pressuring the Governor to agree to a new system of selecting judges. The Coalition consisted of legal services lawyers and their clients and interested non-lawyer citizens from all over the state."

The MLRI-devised Coalition "submitted to the Governor a proposal for a voluntary committee . . . to submit a small list of names from which the Governor would be obliged to select his judicial apopintments." The proposal received heavy backing from the Boston media and was substantially adopted, by liberal Governor Francis W. Sergent, who is heavily dependent on such influences for his personal political strength.

Rodgers, the head of MLRI, and other legal services activists were named, with others, to a 12 member Ad Hoc Advisory Committee on Judicial Apopintments. (I wonder how legal services types would react if all of President Nixon's Supreme Court nominees had to be pre-selected by the American Conservative Union; the analogy would be very close).

Not satisfied to simply screen candidates and choose therefrom those closest to their views, MLRI, through the Coalition for Better Judges "then established a network of regional coordinators" to testify at hearings held by the Ad Hoc Committee and propose their own candidates for the bench. As a consequence, the Governor named 38 people to judgeships who had been "found qualified" by the Ad Hoc Committee. Included among the new judges are some legal services attorneys, and others of whom MLRI thinks highly. "Overall", reports MLRI, "they represent a vast improvement over the judges they replaced, and are sure to inject vigor and new ideas into an only recently awakening Massachusetts Judiciary."

All of the above information was obtained by Mr. Gazarian from information on file with the OEO Regional office of legal services in Boston. It was more expensive for him to obtain it there, through xeroxing, than if Mr. Rodgers had responded directly to his request. Nor was the information as comprehensive as it should be if MLRI were committed to a policy of full disclosure. We need more concerned citizens like Michael Gazarian to take the lead in exposing bureaucratic activity. Each year millions of government dollars are spent in direct support of non-profit groups like MLRI and the thousands of other organizations to which assistance is indirectly channeled. The public has a right to know how its taxes are being used—particularly in cases like this where it is underwriting liberal political activity.

REPRESENTATIVE KEMP COMMEMORATES POLISH 3D OF MAY CONSTITUTION DAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. KEMP. Mr. Speaker, it is with a profound sense of admiration for the qualities of the Polish people, that I join with Americans of Polish descent across the Nation in celebration of the Polish 3d of May Constitution Day.

This event has been marked by special observances in both Chambers of Congress since the outbreak of World War II. It is assuredly appropriate that we pause today to reflect upon the Constitution promulgated in 1791 which detailed freedoms unknown in most parts of the world. The Polish Constitution, along with the French Constitution, and our own Constitution, marks a great watershed in the growth and development of constitutional law the world over.

Mr. Speaker, just as courageously as they sought their freedom in 1791, the Polish people seek their freedom today. In this year of détente, conciliation, and arms limitation, we must not allow our attention to be deflected from the plight of the Polish nation, and from the indomitable commitment of the Polish people to the ideals of democracy.

It has been my honor to work with the Polish community of western New York. These Americans of Polish descent have contributed immeasurably to the vitality and diversity of the professions which they have entered, and the community projects they have undertaken. I am proud to join these Americans in commemoration of such a rich and enduring heritage.

VIETNAM REPORT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ARCHER. Mr. Speaker, the world of international politics brings forth many myths and these myths, even when proved erroneous, continue to be perpetuated as truth. Such a myth is the charge that the Government of South Vietnam has been guilty of imprisoning over 200,000 political prisoners. The critics of South Vietnam have used this charge over and over against the government in Saigon stressing that the United States should withdraw support from such an "oppressive" regime.

Two complete studies have exposed the facts. This myth of over 200,000 political prisoners should be laid to rest once and for all. The first study was conducted by the U.S. Ambassador to South Vietnam, Graham A. Martin, while the second study was concluded as a part of a fact-finding mission of distinguished Americans sponsored by the American Security Council and the Vietnam Council on Foreign Relations. This latter mission was headed by Ambassador John Moore Allison, retired, a former Assistant Secretary of State for Far Eastern Affairs, who also served as ambassador to Japan, Indonesia, and Czechoslovakia. Other members of the mission included Representative PHIL CRANE; Richard Smith, the administrative assistant to the minority leader of the Florida State Senate; Dr. Anthony Kubek, professor at the University of Dallas in Dallas, Tex.; Ambassador Elbridge Durbrow, retired, director of the Freedom Studies Center, Boston, Va., and former ambassador to South Vietnam, 1957–61; Charles A. Stewart, director of Broadcast Communications of the American Security Council; and Philip C. Clarke, capitol editor of the American Security Council's Washington Report. James Carey of the Washington bureau of the Copley Press accompanied this group.

Ambassador Martin discussed the results of his investigation of the political prisoner charges in an interview with the Washington Post reporter Philip A. McCombs, March 15, 1974, Washington Post. Shortly after his arrival in Saigon to assume his post as U.S. Ambassador last year, Mr. Martin ordered his embassy staff to investigate the charges of political prisoners held by the Government of Saigon. After a thorough investigation of the accusations, the embassy staff discovered that South Vietnam's entire prison population numbered about 35,000, which is roughly on a per capita basis the prison population of the United States. It was noted that if abuses did exist in the prison system—as they do in every prison system—the abuses were not widespread and not systematic. The conclusion of this study revealed that only a handful of prisoners could be considered as "political prisoners," defined as individuals imprisoned solely because of opposition to the Saigon Government. Ambassador Martin noted that he had not been given the name of a single "political prisoner," who, when checked out regarding his prison record, fell into the category of a strictly "political prisoner."

The conclusions reached by Ambassador Martin and the embassy staff were similar in content to the conclusions reached by the fact-finding mission which visited South Vietnam January 12–22, 1974. The mission endorsed the embassy study and reported on the results of its visit to one of the prison facilities on Con Son Island, the area where the "tiger cage" stories originated. I enter into the CONGRESSIONAL RECORD a part of their study entitled "Vietnam Report" which related to political prisoners in South Vietnam:

VIETNAM REPORT

The allegation that the Saigon government harbors "202,000 political prisoners" was found to have originated with a well-known government opponent, Father Chan Tin, a Paris-educated Redemptorist priest who seems to put the human suffering he encounters among his parishioners in class struggle terms. He also heads an organization he calls "Committee To Investigate Mistreatment of Political Prisoners"—which he defines, very broadly, to include arrested communist cadre.

In his latest statement, Father Tin lists prisons that allegedly contain many thousands more prisoners than possibly could be physically accommodated.

Yet, apparently without checking into Father Tin's background or supposed sources, a member of Congress recently inserted Tin's "202,000 political prisoner" figure in the Congressional Record.

Interestingly, Father Tin still puts out his story and continues to attack the government without interference from the authorities—a fact that seems to disprove the familiar charge that Saigon jails all its opponents.

A study group composed of five Vietnam critics who were also briefed on the Embassy "political prisoners" survey, recently returned from Saigon, claiming on TV and in press conferences that "the jails of South Vietnam are full of political prisoners."

As U.S. Ambassador Graham Martin concedes: "(Our) report will not convince those who believe only what they wish to believe. It will, I think, be convincing to those reasonable and objective persons who are still concerned with the truth—and fortunately, the majority of the citizens of the United States still come within this category."

Charges of widespread torture and mistreatment of "political prisoners" by the South Vietnamese government lack substantiation and appear to be false or grossly exaggerated.

While it would be virtually impossible for any one private investigative group to personally inspect all the prison facilities in South Vietnam, U.S. Public Safety Advisers who did work closely with the South Vietnamese over the past several years report no proof of any systematic ill-treatment of inmates. Obviously, given the enmity aroused by a quarter of a century and more of conflict and strife, there undoubtedly have been isolated instances of cruelty and ill-treatment. But nowhere is there any evidence of the obvious and systematic brutality practiced against Americans and South Vietnamese prisoners of war by their North Vietnamese and Vietcong captors.

One of the highlights of the fact-finding mission was a day-long visit to Con Son Island where the group was allowed to visit the entire prison facility and to talk freely with both officials and with Vietcong prisoners. More than an hour was spent inspecting the so-called "tiger cages," no longer in use but still employed by propagandists to belabor the South Vietnamese as cruel and oppressive.

Actually, as the fact-finding group determined, these prison cells, built by the French in 1941 as punishment cells for unruly prisoners, were a good deal larger and airier than had been depicted in the famous July 17, 1970 *Life* Magazine "expose."

The *Life* story was based on a report by photographer Tom Harkin, a Congressional staff aide, and Don Luce, then an executive secretary for the World Council of Churches and a leading peace activist. Luce was brought along to Con Son Island by Harkin who was accompanying two congressmen—William R. Anderson of Tennessee and Augustus F. Hawkins of California.

The story claimed that the so-called "tiger cages" were hidden away in a secret area of the island (The ASC fact-finders found it clearly out in the open behind high white walls), and implied that the cells were underground (they were, in fact, above ground with open grates at the top and with a roof some 15 feet above the cells to protect them from sun and rain and individual doors leading to an open courtyard). The Harkin-Luce story also told of prisoners "crouched" in the cells. The cells were, in fact, 10 feet from ceiling to the top grate and 6'3'' wide and 10'6'' deep—far larger than comparable isolation "punishment cells" in most standard U.S. prisons).

Contrary to the *Life* story, which has been endlessly repeated and enlarged upon by anti-Vietnam critics in the nearly four years since publication, the ASC group found no hard evidence of systematic mistreatment of prisoners on Con Son Island. And there was no indication that any of the prisoners in the cells, (the *Life* photos show from two to four inmates in each cell) had been shackled. Indeed, it would have been physically impossible to "suspend" any of the inmates from the top grate, as has been charged.

Of the 5,739 prisoners now on Con Son Island, a majority have accepted the standing offer of the authorities to work daily on one of the vegetable farms, or in the pig farm, brick factory, machine shop or woodworking shop. These "trustees," numbering some 3,000, were under minimal guard and showed no evidence of strain or hardship. Of the 500 VC's who refused to cooperate and who remained in the large (50 inmates each) barred compounds, there was no visual indication of malnutrition, disease or mistreatment, despite the complaints of some of the VC.

As just one example of prisoner treatment on Con Son Island, the hard-core "uncooperatives" receive 570 grams of rice a day—more than can be spared for war refugees in many resettlement camps on the mainland. And as an example of how U.S. prison training-and-aid has helped, the per capita death rate among inmates is now .36 per 1,000, compared to 1.56 per 1,000 before the aid program began.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 26

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HARRINGTON. Mr. Speaker, the Federal Oil and Gas Corporation, an ambitious but seemingly future oriented proposal 6 months ago, is now being favorably considered by the Senate Commerce Committee. The committee has held 16 days of extensive hearings on the Corporation concept, which is now title III of the Consumer Energy Act, a comprehensive package of energy legislation. Mark up on title I, which deals with oil and gas regulatory reform, is scheduled to begin next week, and the committee hopes to report out the entire energy package this summer. Obviously, the Federal Oil and Gas Corporation must now be considered a serious legislative proposal.

The major oil companies, which have been dismissing the Corporation as quixotic theory, are now recognizing in trade journals that the Corporation is a very real threat to their control of the petroleum industry. They are attempting to defeat the public oil company by labeling it "creeping nationalization." I believe this is an especially inappropriate charge, since the Corporation will not take over a single well owned by the private companies and since the off-shore resources the Corporation will develop cannot be nationalized because they are already national property. The Federal Oil and Gas Corporation will compete with the major oil firms, not destroy them, and in so doing it will provide desperately needed reform to the petroleum industry.

I urge my colleagues to take a serious look at the oil and gas proposal. If our constituents want to see tangible evidence of our moving creatively and effectively to reform energy production in the Nation, the Federal Oil and Gas Corporation should be our answer. We should all urge the House Interstate and Foreign Commerce Committee to begin consideration of this most important legislation.

CONTRIBUTIONS OF WOR RADIO STATION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues the worthwhile contribution that a New York radio station has made toward increasing the communication between the Congress and the American people. For almost a year now, WOR radio has given generously of its air time, in the public interest, to Members of Congress from the New York metropolitan area. This has taken the form of a nonpartisan program called Ask Your Congressman, the purpose of which is to familiarize those in the WOR listening audience with all of the Members of the congressional delegations in the tri-State area. In this time of a lack of confidence in many parts of the government and also a growing importance of the Congress, increasing the communication between the American people and the Congress is vitally important. Not only have Members of Congress been able to share their views on major problems which we face today, but the public has been able to ask questions about the work of the Congress.

I would especially like to thank Mr. Herb Slatzman, general manager, Mr. Dan Griffin, program director, and Mr. George Brown, news director, for their tireless efforts to make the program possible. Their interest in providing a link between the Congress and the people of the New York area has made this show a reality. It is a great honor for me to recognize the fine work of this public-spirited radio station.

"FROM SPACE, A ROUNDED VIEW OF THE EARTH"

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. TEAGUE. Mr. Speaker, a definitive article on the promise and accomplishments of utilizing space for direct benefits was published recently in the New York Times by John Noble Wilford. Mr. Wilford's excellent article points to the success of using manned vehicles and automated satellites for communications, weather prediction, and Earth resources analysis, which has and will continue to make growing contributions to the well-being of our Nation and the people of the world. I commend this significant article on the down-to-earth accomplishments of our space program to my colleagues and the general public:

[From the New York Times, Feb. 10, 1974]

FROM SPACE, A ROUNDED VIEW OF THE EARTH

(By John Noble Wilford)

When men first left the earth for space, they looked back: for orientation, sometimes for reassurance and, more often, simply to enjoy the view. They found, too, that the view could be revealing: Early photographs from orbit helped to revise maps of the remote Tibetan plain and provided clues for discovery of more oil and gas in North Africa. But in those heady days, when space flight was novel and surrounded by glamour, man's sights were set not on the earth, but on the moon, the faraway planets and space itself, the "new ocean."

Now that men have reached the moon and their robot spacecraft have reconnoitered the nearest planets, now that space flight is an accepted and almost routine part of modern life, the emphasis of much of the American space program has shifted earthward. A concerted effort is being made by the National Aeronautics and Space Administration to determine how space can be used to improve life on earth and on how it can yield practical and profitable results. The early results can be considered encouraging.

FIRST TECHNOLOGY SATELLITE

It was not until 1972, after years of budgetary constraints and bureaucratic in-fighting, that NASA launched its first earth-resources technology satellite (ERTS). Its purpose was to demonstrate that the earth could be surveyed inexpensively and effectively from space. In 19 months of operations, it has been one of NASA's most striking successes, and a second ERTS is being readied for launching late this year or early in 1975.

From an orbit of 570 miles, the ERTS makes 14 complete orbits a day, crossing the polar regions. It covers the same ground once every 18 days. The satellite is equipped with cameras and remote-sensing instruments for mineral prospecting, mapping, crop inventory and pollution monitoring. Results so far suggest that, as NASA reported, "many of the major crops and species can be identified well enough for inventory from space; that forest fires and flood damage, even in the remotest areas, can be economically and quickly assessed; that snow surveys can be made with sufficient precision to aid in the control of hydraulic power from dams; that the data can be automatically transformed into usable map products, including land-use maps; and that new geological features can be found even in well-mapped areas."

In map-making, for example, Dr. Robert B. Simpson of Dartmouth College estimates that a land-use map of an area the size of Missouri could be made from ERT's imagery for about $75,000. A similar map drawn from conventional aerial photography would cost $1-million. Other cartographers doubt that space imagery will entirely take the place of aerial photography in map-making, except in recording changes in roads and urban sprawl that take place too fast for conventional means to follow.

In geology, scientists have discovered new cracks in the San Andreas fault in California from ERTS photographs. They have found "lineaments" where minerals are more apt to be discovered, "flags" pointing to where the prospector could find new wealth.

Infrared images from ERTS have been used to chart the nation's underground water supply. They have also been used to detect the distinctive heat signatures of different crops such as wheat, corn and cotton and to sense the difference in the heat emitted by healthy and blighted crops. The technique is still in the experimental stages, but great hope is placed in the ability of spacecraft to provide an accurate census of agricultural crops and to give early warning of infestation.

And when ERTS sensors showed the true extent of strip-mining in California and the pollution from a paper mill in Lake Champlain, it became clear that this type of monitoring could also be valuable in enforcing Federal strip-mining or pollution regulations. Says Dr. Fletcher: "If I had to pick one spacecraft, one space age development, to help save the world, I would pick ERTS and the operational satellites which I believe will be evolved from it later in this decade."

Skylab, the nation's first space station, carried a set of multi-spectral cameras and electronic scanning instruments that could point the way to how to build the next generation of earth-survey satellites, whether manned or unmanned.

During their three missions, Skylab crews exposed 46,000 frames of photographic film and collected nearly 50 miles of magnetic tape data. That is what the Skylab astronauts were doing day after day for 28, 59 and 84 days when hardly anyone on earth was noticing. Out of their experiments could come the basis for a forest and range-land inventory of Iran; a crop inventory in Brazil; methods of spotting crop infestation; geological maps of Spain, Australia, Africa and the western United States; volcano surveys of Central America, and detection of biologically rich fishing areas off the coast of Chile.

William C. Schneider, the Skylab program director, says, "I guess it will be about a year before we get anything concrete from the earth resources data." But from early results, Dr. M. L. Jensen of the University of Utah reported finding a region near Ely, Nev., that is likely to contain a significant mineral deposit. New sources of geothermal energy in the western United States were also identified.

Skylab officials have emphasized, however, that the purpose of the experiments was not immediate discovery of new resources. It was the development of a new survey technology. The future of NASA may be dependent, in part, on the success of such down-to-earth space operations. They are the space agency's defense against those who doubt the relevance of space flight and who question the expenditure of more than $3-billion a year for space programs.

But it could be suggested, too, it is only natural that after surveying the canyons of Mars, the clouds and haze of Venus and the radiation belts of Jupiter, men turn back and take a new look at the earth and, in the words of T. S. Eliot, "know the place for the first time."

IS JUSTICE REALLY BLIND?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. RANGEL. Mr. Speaker, recently in the New York Law Journal, Judge Bruce Wright wrote a scathing article on the judicial system in general, and the excessive bail and restrictive procedures imposed on the poor and minority defendants. Judge Wright's article is so extensive and articulate that I shall merely pose one question to my colleagues. Is justice really blind? His article is as follows:

An Angry Judge and Criminal Justice

(By Bruce McM. Wright)

The criminal law is the world of Alice stepping through the looking glass into an underworld wonderland. It is the mad derangements of a maze in Kafka's *Castle* and the lunatic ordeal of his *Trial*. It is the write-it-as-you-go script for Ionesco's Theatre of the Absurd. It is a *Three Penny Opera* sung to Brecht-neck speed. It is a ragged pantomime and a poor people's pageant, acted out in the filth and harsh tempers of a perfect backdrop for crime.

It is entering the sacred temple of the law with reverence, only to see crude, coarse, gross and profane graffiti leap out at you from the walls, scarred by magic markers. It is a *mise en scene* more fitting for the stink of a toilet in a dirty subway.

THE ARENA

The law, which embraces every human predicament in its eclectic reach, is the perfect place to study democracy's imperfections, its sullied dreams. Each courtroom is an off-Broadway arena, where the law, costumed in the emperor's clothing, feeds upon its amendments, then devours itself and its young.

One becomes aware of the poet's cry in the darkness that the situation of this time surrounds us like a baffling crime. While Gilbert and Sullivan lyrics can command that the punishment fit the crime, penalties remain a variable vexation in our law.

Too often, the rich and the powerful have their wrists rapped lightly, while the poor, for the same or a similar offense, are packed off to durance vile.

When the respectable citizens run afoul of the law, the body statutory writhes to make flexible adjustments. If the law has a sociology, it is a middle class one, where middle class white judges yield to what Professor Robert G. Olson has called "The Morality Of Self-Interest."[1]

When that Nebraska-born son of the middle-border, Roscoe Pound, propounded the thesis that the law should be an efficient instrument for social reconstruction,"[2] he must have thought that the law would be in for radical progress.

Such has not been the case, alas.

Unfortunately, there may be more sociology on the walls of the courthouse where I labor, than anywhere else in the assizes of the law. Outside the tiny and infested courtroom where I have been banished, for example, there is an arresting legend. It is written in the clear and legible handwriting of the illiterate, as Arthur Koestler once described Spencerian slants and ovals. Referring to a certain television commercial, it says, "Charley Tuna must be a Nigger fish; he's so socially unacceptable."

Another message, reading like a militant and murderous injunction, says, "Kill, kill, kill, but kill the Niggers and the Jews first."

Crowning all of this al fresco hatred is the Lenny Bruce comment on the legal profession. It says that, "In the Halls of Justice, justice is in the Halls."

NOT WITH A BANG

Something is out of joint with the legal business, if it so uniformly inspires such melancholy criticism from those who are its victims. They are prophets of doom in their anonymity. Their trips to court offer a theme and variation on the T. S. Eliot dictum that, "This is the way the world ends, this is the way the world ends, this is the way the world ends, not with a bang but with a whimper."[3]

Closer to the truth, I suppose, is that it ends with both a bang and a whimper, with no guarantee which comes first.

If the law has its imperfections, it reflects whatever is missing in the men who make them and construe them. If the law is too distant from its handmaiden, justice, then some of us must become latter-day Sir Galahads, seeking out its holy grail, so that criminal justice may become more just than criminal.

As we watch our national cheerleader, President Nixon, with a futile finger in the dyke, while Watergate floods our country in cynicism and ravages our spiritual ecology, issues of law and order take on a strange significance.

FORGET THE INNOCENT

Law and Order has recently come to be known as a code expression to the sociological etymologists among us. It means keep the niggers and spics off the streets and in jail. It means that the presumption of innocence should be done away with.

So successful has the era of law and order been, along with the cry of crime in the streets, strict construction and preventive detention, that the urban jails of America literally bulge to bursting with blacks and Puerto Ricans. Of course, as you now know, Puerto Ricans are known, by order of those ethnic Napoleons who have the gall to divide and rule, as "hispanics."

In this country's cities, every day and every night, the police, having hunted in those ghettos we call jungles, produce their catch.

Preventive detention, specifically rejected by the State Legislature, leaps miraculously to life, as judges set bail at figures which rival the national debt. Even as the rich could buy their freedom from military service during the Civil War, so too, only the wealthy, when accused of crime, can buy their pretrial freedom.

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[1] Olson, The Morality Of Self-Interest, Harcourt, Brace (1969).

[2] Pound, Interpretations Of Legal History, pp. 152, et seq.; also see two important Pound essays: Scope And Purpose Of Sociological Jurisprudence, 24 and 25 Harvard Law Review.

[3] The Hollow Men.

ZOOS AND THEIR OCCUPANTS

Whether or not we admit it, our jails have become nigger and hispanic zoos, with mostly white keepers, who throw slop at the two-legged beasts, turn keys and, generally, keep their human captives with the hatred and contempt one reserves for wild and dangerous beasts.

Even Mayor Lindsay, when he was our chief magistrate, and himself a lawyer, has been shown on television rushing to the bedside of a police officer who had been shot in the abdomen, a sad expression fixed to his face. He condemned the defendant, not then yet arraigned, as a "vicious gunman." Alas, for the presumption of innocence.

Looking at such a spectacle, it was easy to imagine impartial jurors, fresh from such X-rated bias, to vote to do away with the presumption of innocence and quickly arrive at a unanimous and prearranged finding of guilt.

The Mayor had just stepped through another looking glass, into the wonderland of pre-trial publicity. Demonstrating his versatility, he also condemned the judge as an example of "judicial insensitivity."

MATTER OF BAIL

Excessive bail tears off the false skin covering the American bias against the poor. This kind of fiscal justice is a dirty joke played upon the most vulnerable segment of our people. It caters to class fears and spurs the development of oppressive techniques.

When the haves hold the have-nots in contempt, they do so because of an overriding belief that the have-nots are planning revolution to overthrow the very Constitution which the haves neglect when depriving the poor and the helpless.

The city seems to do that sort of thing to us. When it was suggested that all policemen should live in the city of their employment there was a unanimous cry of dissent from the officers, who said that the place was far too dangerous for them to have their families. This is the very city the police are sworn to protect and guard. In guard we trust, indeed.

The police should know. They seem to have had a large part in making the city lawless. The Knapp Commission publicized some shocking revelations about New York's Finest. Their taking of graft, and their theft of large quantities of narcotics from their own property clerk, makes them millionaires of the expensive suburbs, where most of them live.

These fearless guardians have now asked to carry shotguns. That they do not need such weaponry has been demonstrated by the shooting of a little Black boy. His death shows that handguns are accurate enough. It also shows that all Negroes look alike, since the little boy was said to resemble a robbery suspect who is a full-grown man.

As with God, our city is said to be quite dead in the crumble and decay of its poor. Budgets are over-extended. Services are being curtailed; judges and commissioners are trembling at the sound of the name Nadjari. Nixon lawyers quail at the prospect of a subpoena from Jaworski.

But this old rat-infested port city continues to endure. It may be old, dirty and overcrowded. But as the recent primary showed, there are many lovers and suitors for the hand of the ancient mistress.

What Beethoven, Bach, Brahms and Boccherini gave us in music, at one time, Badillo, Beame, Biaggi and Blumenthal sought to give us in politics. And of the four, three are lawyers. Is it of some sinister import that the only nonlawyer, Beame, won?

These are evil days for members of the Bar.

L. Patrick Gray, that pious paragon of snoop; the man with the stern and honest face, reading like a map of the true public ethic, confessed on national television that he had burned at the stake vital Watergate evidence which he had not even read. By that act, he added a new dimension to national witchcraft.

NO PITY

It is against this kind of backdrop of confession and avoidance that the President, in sending his Criminal Reform Act to Congress, admonished that body to provide for "punishment without pity." What this means is that the absence of rehabilitation now becomes an article of faith—maybe. One can never be certain how absent of pity and consideration will be the sentences of those numerous former White House lawyers, who must face trial and possible conviction.

I suspect that few law students will practice criminal law. Out of the 50,000 New York lawyers, only 1,000 have had their names placed on a list as willing to accept criminal causes by assignment and for a state-paid fee.

LAW IS AN ASS

The law is a strange and moody business. Charles Dickens, speaking through his Mr. Bumble, was moved to say with both vehemence and some fractured syntax, that, "The law is a ass. It is a idiot!"

Oliver Goldsmith, in *The Traveller*, moaned that the laws grind the poor, and rich men rule the law.

Edmund Burke spoke of the law as injustice "codified." He claimed that it protected the idle rich from the exploited poor and added a new evil to society known as lawyers.

Sir Francis Bacon wept that the law caught the small flies and allowed the great to "brake through." Sir Francis, as experts on Elizabethan LaCunae will recall, was impeached for taking bribes. His defense was that, yes, he took bribes, but that he took equal amounts from both the plaintiff and the defendant, and then ruled on the merits.

This does not paint a pretty picture. Still, as one wanders through the well-upholstered wilderness of our profession, with trusts and estates, commercial clients and corporate retainers, keep in mind that the law needs some of the honest sweat of lawyers on the criminal side.

There are too many lawyers who are aloof, distant, removed and apart from the criminal justice system. The criminal justice system is acutely ill. It is acutely in need of artificial respiration and that transfusion of youthful blood which flows regularly from our law schools.

It also needs judges who can abolish from their minds the institutional racism upon which all of us have been nourished and reared.

It needs judges who can ignore the hysterical screaming of the muck-raking tabloids and policemen's gazettes.

It needs to train judges and pick them in a way which is radically different from the way it is now done. Bright young law students should opt for the profession of judging, in their third year of law school and then begin arduous training which leads to the awesome power of a judge.

JUDICIAL TRAINING

The new training for judges should involve an apprenticeship after the trainee has been exposed to ethnic sensitivity tests, the psychology of the poor, and then been psychoanalyzed in depth, to determine the stability of his personality, or reveal his likelihood, to scream and rant and rave, as some judges now do.

I have accused some of my brothers on the Bench of imposing excessive bail, and by that device, committing a kind of victimizing crime of their own. Speaking on the topic of bail is very much like performing exploratory surgery upon myself, without benefit of anesthesia and with a dull scalpel.

With bail so often imposed in an amount which the judge believes a defendant cannot post, our courts have become havens for money-changers. It is almost as though we live by the hard specie of the Calvin Coolidge dictum that. "The business of America is business."

It is by such rapes of the Constitution that justice is both mortgaged and foreclosed at the same time.

Since the system, which I help administer, is mostly white, while 80 to 90 per cent of the accused are black and Puerto Rican, the kinds of bail set for the defendants, may be said to be the white measure of justice for the poor minorities who parade before the Bench.

POOR CAN'T WIN

The white world, which so despairs of the welfare system and which begrudges the poor such a disgraceful pittance when they are unemployed, suddenly invokes the rough standards of a millionaire when the poor are accused.

A few examples of the way the money bail system works may give us pause.

A black man accused of abusing his black woman, may have the charges reduced or dismissed, or, at worst, he will be paroled. But let a black lover beat his white mistress, and you will witness the vengeance of the white ages visited against the black defendant.

One judge has become so addicted to the numbers game of disposing of the greatest number of cases in the shortest period of time, that he will say to a defendant, "Plead guilty and I will parole you until after the investigation and the date of your sentence. Refuse, and your bail is $5,000."

NORTHERN BIGOTRY

But, if the bail does not get the poor defendant, perhaps the gamble of a jury trial will. A white juror, demonstrating his objectivity in the jury box, volunteered his view about judging a black defendant. "Niggers," he said, "have to be taught to behave. I felt that if he hadn't done [what he was accused of] he'd done something else, probably even worse, and he should be put away for a good time or long while."[4] This is a northern juror, lest we forget.

There is always a tendency by juries and judges to hold blacks to a less strict standard of conduct, where the victim is also black.[5] Juries seem to think it is all right if one black cuts another.[6]

Thus, the Negro in America is allowed to compound his status and frustrations, by being invited, in effect, to destroy himself and in so doing, save the white man the nettlesome task. It is no secret that the poor prey upon the poor: after all, the risks are less.

The built-in ghetto syndrome applies even in crime, as it does for residential purposes.

COLOR IT BLACK

At a recent conference of judges, I was accused of being hung up on the question of race in America and the courts. I pleaded guilty and attempted to explain to my learned brothers that there is perhaps a difference between being "racial," and being "racist," I failed. One judge, bursting with pride, told me that he and his fellow whites never saw the color of a defendant standing before them. To emphasize his faulty vision, he said, "Why, Bruce, just the other day, I had a little colored kid before me."

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[4] Broeder, Chapter on The Negro In Court, in Race Crime And Justice, from The President's Commission On Crime, Task Force Report; The Courts 50 (1967). See, also, Race, Crime And Justice, further, 13–55 and 139–258 for other studies. (C. Reasons and J. Kuykendall eds. 1972).

[5] The American Jury, 339–344, H. Kalven and H. Zeisel (1966).

[6] Id, at 341.

Am I too overwrought on the question of bail? Let us see.

George Jackson, perhaps the most famous of the Soledad Brothers, was arrested and charged with stealing $70 from a gas station attendant. His bail was so high, that he remained in jail for the rest of his short life, until he was shot and killed under circumstances which suggest that he was murdered. He was black.

Clifford Irving and his wife were indicted in both the State and Federal Courts, accused of defrauding McGraw, Hill out of nearly $1 million. They were allowed bail they could afford. And, after their conviction in all courts they were sentenced in a way which made delicate arrangements so that their children were never without at least one parent on hand. Their sentences were a mockery. Irving is now out. At the time their bail was fixed, they did not live in New York but on an island off the coast of Spain and can hardly be said to have had roots in this community. Like Agnew, Irving will doubtless write a book and prove that crime does pay. The Irvings are white.

The Harlem Four, three times tried, remained in jail for almost eight years, because they could not raise impossible amounts of bail after they were accused of murder. They were arrested as mere lads and grew up on Riker's Island. Only after seven long years and more, was the Harlem community able to collect enough bail money to ransom them from their captivity, pending their fourth trial. They are black.

TRIPLE JEOPARDY

Angela Davis, indicted on the most tenuous grounds and charged with murder, was held in pretrial bail of $120,000, which she could not post. She was held in jail for eighteen months, before a good samaritan mortgaged his California farm and posted bail. She was then acquitted. She suffers triple jeopardy, for not only is she black, but she is also a Communist and woman.

Alice Crimmins was indicted and accused of the murder of her two infant children. She was allowed bail she could afford. After she was convicted and pending appeal, a judge set bail at $25,000. She complained that she could not afford that sum, but could afford $15,000. The court promptly set bail at the figure she could afford. She is white.

So much for the bail scene from coast to shiny coast.

There are other interests which may capture your attention if you look into the haunted mirror of the law and take its holy orders. There is the sensitive question of women, who are still in need of further emancipation. They are the house-niggers of modern society. The law should be better employed than it has been to salvage the genius of the female before it is washed down the drain of our ethos with the detergents and soap operas.

If the law is to become more than women's libido, then the law must not betray the suppressed revolution of that sex.

Men, for generations, have been devoting themselves to the legal subjugation of the female, trapping her in a kind of luxurious slavery. Like the household roach, however, she has defied destruction. Women continue to survive, despite the passions of men, their deadly sweetness and their posture of a vengeful God.

LUCKLESS SET

Pablo Neruda, after receiving the Nobel Prize for Literature, spoke of the blacks as the luckless race. He could have cited women as the luckless sex.

To these men who would agitate reason by opposing the proposed Twenty-seventh Amendment to our Constitution, there are some cautions.

Women, for so long chained to gleaming kitchens with electric can-openers, dishwashers, vacuum cleaners and micro-wave ovens, can only thank God for their magic cocktail blenders.

The house beautiful has become the curtained prison, the wall-to-wall trap.

So, for those of you who cherish visions and revisions, think of the symmetries you can affect, as you stand on the sill of the magic gates of the law.

Perhaps it will become an addiction, as every true profession should, if it is a happy one.

As Ramsay Clark put it recently, the law has its rewards. They may be small, but they are exciting. Once you help a broken soul, his restoration is far more valuable than the historic imitations at Williamsburg, Va., or the imported Cloister at Fort Tryon.

LAW IS THE LIGHT

The law is an ideal and the hope of every true democracy. It is the flickering and shadowy light at the end of Plato's dark cave, especially for the powerless, the little person and those who have been abandoned by all else.

We need those of you who can read the Constitution's Eighth Amendment, which says in unambiguous English that bail shall not be excessive.

We need those of you who will insist that human captives are entitled to at least as much dignity as animals nourished in a zoo. Absent such tender mercies, the word rehabilitation is meaningless.

Following the Attica rebellion, I heard a survivor weep into the night air, "How the hell we gonna be *re*habilitated, when we ain't never been *ha*bilitated in the first place?"

And after we solve all of the world's other problems, we will deal with the police.

Following the parsing of your flesh and spirit by the Committee on Character and Fitness, may we elders of the legal tribe not have to resort to the sardonic cynicism of Kurt Vonnegut, and say, welcome to the Monkey House.

I urge upon all of you, that you join me in cherishing our constitutional emotion. It is, after all, the only Constitution we have.

STARK COUNTY FEDERATION OF CONSERVATION CLUBS OPPOSES "GUN CONTROLS"

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. REGULA. Mr. Speaker, at the request of Mr. Eugene Ward, chairman of the Legislative Committee of the Stark County Federation of Conservation Clubs, Stark County, Ohio, I am inserting at this point in the RECORD a portion of the statement submitted to the Ohio General Assembly on behalf of this group in opposition to gun control legislation.

The statement follows:

STATEMENT OF MR. EUGENE WARD

I have been selected to prepare this statement in behalf of the Stark County Federation of Conservation Clubs and its over 7,000 members.

I feel that the United States has always had the finest, most advanced, form of gun control of any nation on earth. In particular, control, by responsible law abiding citizens which has always proved to be superior to control by government.

The right of the police of this country to carry firearms, and use force, in the performance of their duties is derived by a process of delegation, from the citizens, who have an inalienable right to use force in defense of their persons, families and property. When the government presumes, by any method, that the police may possess firearms that are denied the people we are indeed a long way down the road towards a police state.

I categorically diasgree with the contention of many, who advocate gun control laws, that firearms per se are a cause of crime. Rather I maintain that firearms in the hands of the law abiding citizens are and have been, the most effective peacekeeping force in existence and have been the major factor that has kept the criminal element in this country from running completely amuck. The criminal element, I am sure, would welcome passage of any gun control law.

I contend that gun control laws are an effort at legalized erosion of the right to own and bear arms and would amount to an infringement on a right that is older than the Second Amendment to our United States Constitution. Laws regarding the right to own and bear arms existed in English common law and although mine is not a mind trained in legal matters, it is my understanding that it is also part of our own common law.

The Second Amendment to our United States Constitution and the similar protective clause in our State Constitution do no create that right but do prevent the government, Federal and State, from infringing on this precious right.

I condemn gun control proposals as a potential means of infringing on the peoples right to own and bear arms, contrary to long-standing law and judicial decisions. In particular, I am keenly aware of the historical role of the American militia in securing freedom. The citizens militia is, and has been, the backbone of the armed forces of the United States and is, in the final analysis, the ultimate resource of the people against tyrannical government. The history of mankind is that government has an unsatiable desire for power.

It is more important than ever before that we retain, and preserve the right to own and bear arms. To deny the people the right to own and bear arms, in any degree, would effectively take power from the people and add to the already awesome power of government. I do not intend to tolerate any attempt to disarm me, or subvert our militia heritage. Such would be the conspicuous effect of any proposal that diminishes the unfettered right of the people to own and bear arms.

Communist use of gun control merits serious consideration. Gun control ranks very high on the lists of priorities contained in the Communist Rules for World Domination. I also point out the fact that Stalin, Lenin, Hitler, Mussolini, and Castro were very ardent supporters of gun control. They also were the most successful destroyers of human freedoms of our century.

The firearms clauses in our Bill of Rights and our own State constitutions are a protection of our citizens right to own and bear arms so that by being adept in the use of firearms they could be a standing reserve, a citizen army, constantly on guard and ready to defend their loved ones and homes, state and country against all enemies, "both foreign and domestic." Those Americans who are unwilling to surrender their firearms, and there are many, understand that the citizen soldier—not the military—is the real strength and defense of freedom in this country.

The patriotic American who may, or may not be, a gun enthusiast or sportsman understands full well that he must never surrender his firearms. Too many great countries that have fallen have first suffered the indignity of government-supported confiscation of its citizens' weapons thus rendering the people unable to resist tyranny, aggression, and leaving them helpless before criminal and state alike.

The first Amendment to our United States Constitution is well known and cherished by us all as a safeguard of freedom of speech and press. Those who own and control the news media are constantly using this right to defend against any infringement, meddling, or intervention by government. I commend them and join them in this defense.

The news media, for instance, has focused the attention of the public on the effects of the misuse of firearms and rightly so.

Misuse, and not ownership, is the real problem regarding firearms. I ask if the peoples' right to own and bear arms is diminished, or obviated, how long before the right of free speech and press will no longer be considered necessary for the maintenance of our individual liberties? For any committee to report and bring restrictive gun control measures to the House, for consideration, further threatens infringement on individual liberties that have served as a basis for our American way of life. Which committee, at this time would dare impose such action against the right of free speech and press? In my opinion, none would dare such action. I ask them why an infringement on the Second Amendment.

Freedom would be better served by consideration of corrective legislation, aimed at the judicial and penal systems, designed to promote the firm and just enforcement of the more-than-adequate laws we have to control the criminal element.

The law abiding citizen does not need, or deserve the type of control and restriction that gun control laws would impose.

Let us all face the fact that the thrust of all gun control laws are felt, only by the law abiding citizens and there is abundant proof that the criminal, who pays no heed to any law, cannot be expected to pay heed to gun control laws. Those who advocate gun control laws would disarm the citizens. Where is the guarantee that the criminal would also be disarmed?

In my opinion gun control proposals are an insidious attempt to erode the right to own and bear arms. It is but one in a series of progressive steps toward the ultimate goal of those who advocate gun control—the total disarmament of the American people.

NEED FOR MEDICAL CARE LEGISLATION

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. STUDDS. Mr. Speaker, there is a desperate need in this country for comprehensive medical care legislation to provide for the enormous cost of long-term health care for the tens of thousands of families that must bear the crushing financial burden of a prolonged serious illness. The family unit has always been one of the strengths of our system. We endanger this unity be subjecting a family to both a financial and emotional crisis when serious illness strikes.

The following statement was read to me at an open meeting by Mr. Paul Connors of East Falmouth, Mass., in my district. It is a moving and convincing statement of how we have failed to legislate meaningful change in long-term health care services. I insert Mr. Connors' statement in the RECORD at this point because I think my colleagues in the House can benefit from this frank and open appraisal of the shortcomings of our present system of health care:

STATEMENT OF PAUL CONNORS

My name is Paul Connors, I live at 40 Cooper Road, East Falmouth.

Congressman Studds, Ladies and Gentlemen: Please forgive my nervousness as I am unaccustomed to speaking in public and also for the fact that this is my first night out in five years. It feels strange not being home at this time of the evening taking care of my wife, Gertrude. She is a Quadriplegic caused by the terrible onslaught of Multiple Sclerosis. She requires my constant attention and care 24 hours a day, 365 days a year.

Contrary to popular belief the largest and the most discriminated minority of America is the severely disabled, handicapped and the chronically ill. I repeat the most discriminated minority in America is the severely disabled, handicapped and the chronically ill.

Again, contrary to popular belief the people who have the highest medical expenses are the severely disabled, handicapped and the chronically ill, not the Senior Citizens.

Architectural barriers are the worst discrimination against the handicapped. In my opinion handicapped people have been the most persecuted people in this country. I don't know of anybody that is as limited, not only by the attitudes of most people around them but all the architectural barriers, transportation barriers, legal barriers and every other kind which reflects the attitudes of the normal person and his total indifference to the handicapped person.

I hope you understand that when I use the pronouns "we & us" I mean to include the millions of people in this country who are severely disabled, handicapped, and chronically ill, their families and loved ones that need help. My wife and I are not selfish people, so we would like to see things done that will help benefit us and other people and families like us.

I would like to give you one classic example of the type of discrimination I am speaking of. I heard of a case in Massachusetts where a husband after taking care of his wife, who was a multiple sclerosis victim, for 17 years and who for some reason, was unable to do so any longer. He was able to have his wife put in a state hospital for the chronically ill with the stipulation that if he made over $50.00 a week they would send his wife back home for him to take care of.

The laws in Massachusetts say that children are not responsible for the care of their parents, a husband is responsible for the care and well being of his wife, but that a wife is not responsible for the care and well being of her husband. The Woman's Equal Rights bill might remedy this situation.

The State division of Vocational Rehabilitation is usually too busy with public offenders and public aid recipients to find jobs for the handicapped. As house work is a vocation, my wife, years ago, applied for rehabilitation she was refused training for what reasons I never found out.

Milton Friedman the famed economist in an article in a well known magazine said words to the effect. Why should he pay for someone else's medical expenses. Well, I hope he or his family never have a catastrophic illness. He might find that he doesn't have enough money or insurance coverage to cover the expenses. The same Mr. Friedman is now an unofficial White House adviser on welfare.

William Buckley on his program "Firing Line", said that there wasn't one documented case of anyone in the United States ever being refused medical care. Documented or not there is a lot of unnecessary human suffering going on in the U.S. today because of poor medical delivery practices and services.

E. G. Marshall, a well known actor, appearing on a major net work children's television program extolled the present medical programs and practices in effect in the United States today and told these very young children about the evils of socialized medicine. To refute their claims and misconceptions I would like to tell you the following true story:

I inadvertently heard this story in a doctor's office. The people telling the story didn't realize that I knew of the woman and that she had multiple sclerosis. This young woman ended up, after many years of suffering, lying in bed 24 hours a day in a fetal position. Her only nourishment being finger foods and liquids, unattended while her husband worked 12–14 hours a day to meet the heavy medical expenses. Her only visitors were the visiting nurses who were limited in what they could do for her. They did their best. She also was in and out of hospitals quite a bit. She finally ended up with such massive body sores (decubitis) that they became gangrenous and after some amputating she finally succumbed. This is not an isolated case. Why! If there is aid for dependent children can't there be aid for dependent chronically ill spouses? Without abject poverty being the criterion for receiving this aid, many husbands are divorcing their ill or handicapped spouses, so the spouse will be eligible for medical services, etc. How can a country be called truly great that allows these conditions to exist?

If the President of the United States and other governmental personnel can receive medical care in Government hospitals for $1.50 to $2.00 a day, why isn't everyone else in the country entitled to this same care? I call it socialized medicine for a few. It is paid for out of our tax dollars.

After you leave here tonight, I wish you would check on your health care insurance policies, especially the part in small print called custodial care.

When a hospital staff decides they have done all they can for a patient, the patient can no longer stay at the hospital, they then must go to a skilled nursing facility or nursing home and if they can be taken care of by non-skilled personnel (nurses aides are doing an awful lot these days). Also if they are terminally ill or their prognosis isn't too favorable, then this is called custodial care. Your health insurance or medicare does not pay for custodial care and you had better be prepared to pay $1000.00 to $1400.00 a month, unless you are very poor and welfare medicaid or some sort of State aid is available to you.

Thank you for your kind indulgence. Congressman Studds, I'm sure the majority of the people in the twelfth district are thoroughly pleased with your performance so far, as their Representative in Washington, D.C. Keep up the good work, the handicapped and the chronically ill need your help.

PERTINENT ISSUE OF ABORTION

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HANRAHAN. Mr. Speaker, there are many varied opinions on the pertinent issue of abortion. This is a very heated and important issue to the residents of Illinois' Third Congressional District. This article, which appeared in the Chicago Tribune, expresses some interesting facts regarding right-to-life organizations. I insert this for the benefit of my colleagues.

[From the Chicago Tribune, Apr. 28, 1974]

THE BATTLE OVER ABORTION HEATS UP AGAIN

(By Nick Thimmesch)

WASHINGTON.—One issue which many political observers thought would go away when the Supreme Court ruled on it 15 months ago is abortion-on-demand. Abortion keeps popping up as an issue, and the pro-life movement is stronger than ever.

Right-to-Life organizations have expanded across the country, stimulated largely by that Jan. 22, 1973, Supreme Court decision which liberalized abortion and made pro-abortionists shout with joy, in seeming victory.

Political analysts who poked over the remains of the special election in Cincinnati awhile back were surprised to find that one factor which helped elect Thomas Luken was a drive by the Right-to-Life organization on his behalf. Luken had simply taken a stronger antiabortion view than his opponent.

Similarly, the Right-to-Lifers have pursued candidates for state legislatures, particularly in Missouri and Illinois, to get them on the record as pro-life.

The big push, however, is in Washington where an amendment authored by Sen. James Buckley (Cons.-R., N.Y.) which would guarantee due process (therefore no deprivation of life) to any "human being" (a term biologists might ascribe to the fetus) is having its hearing in the Senate.

The Right-to-Lifers themselves acknowledge that the hearings, conducted by Sen. Birch Bayh (D., Ind.), have been fair and that their viewpoint has been expressed. There is some lament that the media focused on the appearance of four Roman Catholic cardinals who testified on behalf of the amendment and tended to ignore the pro-life testimony of Protestant and Jewish clergy, thus seemingly making antiabortion a Catholic issue.

Actually, all but two of the cosponsors of the Buckley amendment are Protestants. Indeed, the cosponsors can't be labeled. They include a liberal Democratic Protestant, Sen. Harold Hughes of Iowa, and a conservative Republican Protestant, Sen. Wallace Bennett of Utah. And Sen. Edward Kennedy (D., Mass.) for some reason is not a cosponsor.

While the Senate version gets a fair hearing under a Protestant, Bayh, the House version has been bottled up by Rep. Peter Rodino (D., N.J.), a Roman Catholic.

Actually, Rodino sent the House amendment by Rep. Lawrence Hogan [R., Md.] to subcommittee No. 5 where Rep. Don Edwards [D., Cal.] who is pro-abortion, is chairman. Edwards won't let the Hogan amendment onto the House floor. A discharge petition has netted 80 some signatures, but 218 are needed.

The durability of the Right-to-Life movement, and the persistence of its activists, annoys many pro-abortionists who are coming to realize that the Supreme Court ruling didn't settle this issue at all.

Recently, Harper's magazine published an article, "Enemies of Abortion," in which the writer, Marion K. Sanders, savaged the pro-life movement, laying all of its inspiration, direction, and support on the Roman Catholic hierarchy.

Besides including a number of factual errors, the article so grossly misrepresented the pro-life movement that it had the odd effect of giving encouragement to pro-lifers because to be attacked unfairly shows the opposition must be worried.

Contrary to what Marion Sanders wrote, there is no official link between the National Right-to-Life Committee, Inc. and the Roman Catholic Church. True, many Right-to-Lifers are Catholics, but the organization includes many Protestants and some Jews. Indeed, the new executive secretary of the national organization, Ray L. White of Salt Lake City, is a Mormon.

One of the most effective Right-to-Life speakers is a Methodist, Dr. Mildred Jefferson, M.D., a black woman. Yet another is Dr. Paul Ramsey, a leading Protestant thinker on ethics from Princeton Theological Seminary.

The Right-to-Life movement is primarily concerned with the current abortion binge but also focuses on positive euthanasia, sterilization, medical experimentation, psychosurgery, and other activities which threaten the sanctity of life.

Their upcoming national convention scheduled for June in Washington, will address itself to all these questions, and those who dismiss this organization as a bunch of sign-waving zealots ought to drop around and become educated.

THE IMPEACHMENT PROCESS

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ROUSH. Mr. Speaker, I have had a number of requests from constituents who would like to know more about impeachment so I would like to take this opportunity to explain the process as it was outlined in the Constitution and has developed through history.

Actually our country has had little experience with impeachment proceedings when you figure that in almost 200 years of our national history we have only resorted to this kind of public investigation of officeholders a handful of times. Twelve times articles of impeachment have been forwarded from the House to the Senate. Eleven of these actually went to trial. Of this number there were four convictions by the Senate.

Impeachment, the act of bringing formal charges against a public official by the lower house of a legislature, is not unique to the United States. We adopted the practice, with changes, from our English forebears. Impeachment by the House is an accusation equivalent to an indictment handed down by a grand jury—equivalent to, but not exactly the same. The upper house receives the charges or indictment and sits as a quasi-judicial tribunal, quasi because for one thing punishment can only consist in removal from office and disqualification for future officeholding. The courts, however, can pursue criminal prosecution of delinquent officials for crimes committed.

The Constitution is brief in its dictates about impeachment, but it clearly defines the relative roles of the House and Senate.

Article II, section 4 of the Constitution provides that—

> The President, Vice President and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.

Article I, section 2 of the Constitution states that—

> The House of Representatives . . . shall have the sole Power of Impeachement.

And Article I, section 3 of the Constitution states:

> The Senate shall have the sole Power to try all Impeachments. When sitting for that Purpose, they shall be in Oath or Affirmation. When the President of the *United* States is tried, the Chief Justice shall preside: And no Person shall be convicted without the Concurrence of two-thirds of the Members present.
>
> Judgement in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy an Office of Honor, Trust or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to indictment, Trial, Judgement and Punishment, according to Law.

Other provisions of the Constitution deny the President the power to grant reprieves and pardons in cases of impeachment—article II, section 2—and deny the right to trial by jury in cases of impeachment, reserving that to the Senate—article III, section 2.

From the Constitution we draw the mode of impeachment. The House of Representatives is given the responsibility for initiating the charges against a public official, examining them, and if convinced of guilt, recommending by a majority vote impeachment articles which the House will then argue before the Senate, and prosecute before that body.

There is no safer guide to understanding impeachment than the careful reading of the Constitution on the subject. Discussions during the Constitutional Convention are also revealing, but we must also proceed to the bar of history to find out how impeachment has worked.

Precedents, which serve as guidelines, began immediately to be established regarding impeachment. As early as 1797 the question arose as to whom the term "civil officers" covered. Who under the Constitution, besides the President and the Vice President, could be impeached? In 1797, the Senate expelled Senator William Blount for actions bordering on treason, but dismissed later House impeachment charges for the same offenses on the grounds of a lack of jurisdiction. Henceforth Members of Congress were not considered as "civil officers" subject to impeachment; exclusion from either House being considered the appropriate means of punishment. In a later decision the Supreme Court found civil officers subject to impeachment to include all officers of the courts and the executive branch of the Federal Government.

Nine of the 12 cases that reached the Senate from the House involved judges. The four convictions that resulted were of Federal Judges John Pickering—1804; W. H. Humphreys—1862; Robert W. Archbald—1913; and Halsted L. Ritter—1936. Impeachment proceedings have been begun once in the United States against a member of the President's Cabinet. That happened in 1876 when bribery charges were filed against William W. Balknap, Secretary of War, shortly after he resigned. One President has been impeached, Andrew Johnson, in 1868. A year before the House had not mustered enough votes to agree on impeachment. Ultimately the Senate cleared him by one vote, just missing the two-thirds necessary for conviction.

Where does all of this start? How do impeachment proceedings initiate? Here again we must rely on precedents as the Constitution is silent on the issue. Actually it could start most any place. Impeachment charges may be initiated by charges made on the floor by a Member of the House, by a message from the President, by a charge preferred by a State or territorial legislature, by petition. In 1872, Vice President Schuyler Colfax was the subject of an impeachment investigation—later dismissed—during which a grand jury forwarded information to the House of Representatives that might have resulted in his impeachment.

Whatever the source, the next step is up to the House. An immediate vote can be called for when an impeachment resolution is introduced, because it is a privileged resolution. However, the usual procedure has been to waive that right and to turn the charges over to a committee for examination. This committee then reports to the full House its findings. The five cases to reach the Senate since 1900 were based on resolutions of the Judiciary Committee where impeachment resolutions have customarily been referred of late. This is a committee composed of attorneys and they are used to dealing with constitutional questions.

The investigations conducted by the committee are handled according to the established rules of evidence, but the strict rules of evidence have been relaxed. At this stage the committee may or may not permit the accused to appear in person and by counsel to testify, since this phase consists in an examination, not a trial proceeding. Upon conclusion of its investigation the Judiciary Committee will forward to the House a report containing their findings, which may consist in exoneration of the accused or a recommendation of impeachment, with articles or charges listed.

Action then moves to the full House which may schedule the report of the committee on the calendar for a future date or take it up immediately. If the committee recommends impeachment, the House of Representatives will debate the question on the floor of the House. At the end of the debate, each Member of the House will have the opportunity to vote for or against each article or the whole package of charges. If the resolution upon which the House voted does not contain specific articles of impeachment, these must be drafted and approved as the actual articles must be forwarded to the Senate. So the House may vote a resolution of impeachment and a separate resolution containing the articles thereof. When articles of impeachment are adopted by a majority of the House, these are signed by the Speaker and attested to by the Clerk of the House.

Next the House of Representatives appoints "managers" to carry the case to the Senate. The managers can be elected by ballot by a majority vote, or chosen by resolution naming them or by a resolution authorizing the Speaker to appoint managers. They then choose their own chairman—an important choice since this is the person who will impeach before the bar—in the Senate—by oral accusation. Having completed the first phase of its work, examination and recommendation, the House notifies the Senate of the action taken and awaits their pleasure; namely, for the Senate to notify—by resolution—the House that the Senate is ready to receive the managers appointed by the House.

Proceedings shift across the Capitol now to the forum of the Senate. The full House may attend their managers who present themselves to the Senate and present the articles of impeachment, reserving the right to file additional articles later. Meanwhile the Senate has resolved into a body for the "trial" of the impeachment articles. The President of the Senate, as indicated in the Constitution, presides over the proceedings, except in case of the impeachment of the President of the United States, when the Chief Justice presides, and for good reason. Since the Vice President is the President of the Senate, if he presided this would mean he was presiding over a "trial" in which he would become President if the accused were convicted.

Henceforth the Senate meets every day except Sunday, unless provided otherwise. The Presiding Officer directs the sergeant-at-arms to make a proclamation to the effect that "all persons are commanded to keep silent, on pain of imprisonment, while the House of Representatives is exhibiting to the Senate of the United States articles of impeachment against * * *." As mandated by the Constitution, all Members of the Senate sitting are required to be sworn before consideration of impeachment charges.

Meanwhile, a writ of summons is issued to the accused, reciting articles of impeachment and notifying him to appear before the Senate upon a certain day and file his answer in person. Thereafter the accused may appear in person or by attorney, or not at all, in which case the trial proceeds as if a not guilty plea had been entered. In one of the most famous cases, Justice Samuel Chase in 1804 appeared himself along with his four lawyers. President Andrew Johnson chose not to appear at his trial, but he was represented by attorneys.

In the quasitrial proceedings, the presentation of evidence takes the usual order of proceedings in a court. The evidence against the accused is first presented, then evidence in defense and concluding evidence by the managers. The Presiding Officer has the power to issue all orders, mandates, writs needed to compel the attendance of witnesses or to enforce obedience of its orders. The Presiding Officer rules on all questions of evidence and incidental questions which may arise. He may, however, choose to submit questions to a vote of the Members of the Senate. Witnesses are sworn and examined by the managers of the House and may be cross-examined by the respondent or his counsel. If a Senator wishes a question to be put to a witness or to offer a motion, it must be put in writing.

After the conclusion of the evidence there is argument, followed by deliberation of the Senate, which may conduct itself in open or executive session. The final vote, however, is public, for it is a recorded vote. The vote is taken on each article separately, upon which there must be an affirmative vote of two-thirds of the Members present for conviction. If any article of impeachment is sustained the Senate shall proceed to pronounce judgment of conviction and a certified copy of such judgment is deposited in the office of the Secretary of State. Removal from office upon conviction is required. Disqualification is not mandatory. Only two of the four convictions have been accompanied by this qualification, which is subject to a majority vote.

Unlike the English precedent wherein a person convicted may be pardoned or reprieved by the Crown, no pardon is permitted in the American system of impeachment and this is specified by the Constitution—article II, section 2.

U.N. SECRETARY GENERAL WALDHEIM DEDICATES PHILADELPHIA BALCH INSTITUTE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. EILBERG. Mr. Speaker, on Wednesday, May 1, the building of the Balch Institute, a unique new public educational institution was dedicated in the city of Philadelphia. The principal address at the dedication ceremonies was delivered by Secretary General of the United Nations Kurt Waldheim.

Balch is unique in that its resources are devoted principally to the history of North American immigrant, ethnic, racial, and minority groups. Our diverse origins are of increased interest today and Balch will meet an important educational need both in my home city and for the Nation.

Balch's building will open at the start of the Nation's Bicentennial year and will stand near Independence Hall in that Philadelphia neighborhood where the Founding Fathers walked and talked, debated, and came together to create this Nation.

I enter in the RECORD the following news release from Balch which outlines its programs and purposes:

A seven-point program and the election of a new president have been announced by The Balch Institute, the Philadelphia educational institution devoted to North American immigration, ethnic, racial and minority group history.

The Institute's new president is Howard L. Applegate, an historian and academic librarian who has been serving for the past two years as Balch's executive director.

Applegate explained that The Balch Institute has begun construction of a four-story museum and library at Seventh and Ranstead Streets in Philadelphia, near Independence Hall National Historic Park.

Balch's seven-point program, as outlined by Applegate, includes:

1. LIBRARY PROGRAMS

The Institute is assembling the nation's most comprehensive collection of books, manuscripts and printed materials concerning all nationality groups who came to North America, Applegate explained. The library, he said, will hold 400,000 volumes, 20 million manuscripts, 20,000 reels of microfilm and large numbers of ethnic and minority group newspapers. Some 8,000 microfilm reels are now available to the public at the Balch Reading Room, 108–114 Arch Street, Philadelphia and 60,000 books have been collected and are being catalogued.

2. EXHIBITIONS

Balch's building will have three exhibition galleries and a public auditorium. Applegate explained that one gallery will host, on a continuing basis, an exciting multi-media introduction to the scope of minority history in North America over the past 300 years. This exhibition will employ a complete range of audio-visual materials and will introduce the visitor to the Museum and Library. The other galleries will be used to house three types of exhibits; those mounted by Balch's own staff, national touring exhibitions assembled by Institutions like the Smithsonian in Washington, and those assembled by nationality and heritage groups themselves. "For example," Applegate elaborated, "if a Greek-American group comes to us with an idea and the materials for an exhibition about some facet of Greek-American life, we'll say 'Go, ahead,' at the same time providing our own professional people to help the group mount the exhibition.

"We want our exhibitions to be challenging, to provoke interest and response from those participating in their presentation as well as in those who visit Balch," Applegate said. "We see our galleries as a window to our subject material, inspiring continuing interest. We envision our exhibitions, indeed all parts of our program, as participatory exercises, not as spectator activities. We want to excite people."

3. EDUCATIONAL PROGRAMS

Balch's resources will be available for use by the schools, but, Applegate added, "with a difference." If a teacher calls up and wants to bring her history class in, we'll make a staff member available. If that class is studying, the 19th Century transportation revolution in America, our person might point out that Irish-Americans built the Erie Canal; Italian-Americans, the late 19th Century railroads in the East, and Chinese-Americans, the railroads in the West. We all remember those forced trips to libraries and museums we made when we were in school. We want to make these visits interesting and different, even fun."

4. OUTREACH

Two levels of program are planned in this area. Applegate explained that a series of tape-slide presentations will be prepared for use throughout the country. "If you can't visit Balch," Applegate explained, "Balch will visit you. We'll be able to send, in specially-packaged cassettes, a series of programs to you." Regionally, Balch plans to make available similar presentations but with the significant addition of a staff person. This part of the Outreach program will be designed for groups. "We want interaction between a civic group or an educational association and our staff people," Applegate said.

5. INTERNAL RESEARCH

Balch plans a series of staff research projects on the impact of nationality groups and ethnicity on American communication, cultural and art forms. "Very little work has been done in this area," Applegate noted, "and we will be pioneering here." Balch hopes to examine the relationship of ethnicity to American newspapers, movies, radio and television programs, theatre, fiction, poetry and art. "We hope to identify and catalogue by nationality group, for example, every movie which either has an ethnic plot, premise or a major ethnic character," Applegate continued. "In fact, one research project could very well explore how Hollywood helped create all those ethnic and racial stereotypes we find in our popular culture."

6. INFORMATION COORDINATION

Applegate said that Balch will provide this service on three levels. As a referral center, Balch will keep abreast of where else in the country research in its fields of interest is progressing. Secondly, it plans to develop a series of reading lists on the life of each nationality group in America. Applegate envisions these as tools for teachers and educators throughout the country. Finally, Balch will serve as an umbrella planning agency in the Philadelphia area for local scholars, nationality groups and persons concerned with ethnic issues.

7. BICENTENNIAL PLANNING

Balch currently is working with federal, state and city agencies to provide a flavor of ethnicity to the 200th anniversary of the founding of our nation. The American Revolution, in both political and military terms, represented a victory of a coalition of immigrant and ethnic, racial and minority groups over a common enemy. In the two hundred years following the Revolution, the course of American history was altered dramatically by successive groups of immigrants and their descendants. It is fitting, therefore, for The Balch Institute to emphasize the heritage of America and ethnicity as Bicentennial themes. The following projects constitute The Balch Institute Bicentennial planning:

1. *Motion Picture:* "As It Was," a thirty-minute color/sound film is envisioned to document the history and lore of immigration through personal reminiscences by the interview of selected individuals who will trace their roots. Interviews will be supplemented with art and historic philosophy in order to place the narrative in historic context. The value of this concept lies in that it places the experience of living people in an historic context.

2. *National Exhibition:* "The Spirit," an exhibition of national significance will be developed for installation in the two main gallaries of The Balch Institute. The purpose is to capture the spirit and emotion of immigrants as they found and experienced America. The environment for the exhibit shall be created through the use of poignant photographs and personal quotations that reveal the spirit of newcomers to America and their emotions about their new home. Artifacts, documents and publications shall be presented where appropriate. The historical context of the exhibition will be 1826 through 1976.

3. *Outreach:* A series of five programs has been designed to take the theme of ethnicity out to the people rather than wait for them to visit the main building.

a. Multi-Media Road Shows: "These People . . . This America," an outreach program is being designed to present some of the themes of the master exhibition to the widest possible regional audience. This roadshow will be scheduled into schools and mini-musuems and shown to educational, professional, religious, cultural and heritage groups. Thus "These People . . . This America," will be available to those neighborhood audiences with neither the normal access to nor natural inclination for a visit to a center city Philadelphia exhibition. There are six specific program categories consisting of twenty minutes of multi-media presentation integrated with twenty minutes of live narration and audience participation.

b. Mini-Museums: "Us People," is a series of ten branch exhibitions that will bring relevant sections of the master exhibition into local ethnic nighborhoods or centers and expand that section of the master theme to focus directly on the history and contributions of the appropriate ethnic group within that community.

c. Film Festival: "As Portrayed," a series of twenty-six commercial firms on the subject of immigration, ethnic, racial and minority group history would be shown to the public in several community locations on a variable schedule. Appropriate introductory commentary would place each film in its proper historical focus.

d. Multi-Media No. 1: "Ethnicity Is," a twelve minute slide show with audio is being planned to define ethnicity pictorially—the who, the why, the how, the where, the when and the result. This multi-screen slide show will illustrate the contributions of various heritage groups through the use of graphics and photographs.

e. Multi-Media No. 2: "It's All Around," an eight minute slide show with audio is being planned to give a light-hearted look at everyday evidences of our ethnic heritage including art, architecture, language, folk celebrations and festivals, costume, music, foods and social customs.

4. *Ethnic Reading Lists:* The distribution of a series of reading lists on heritage groups is already in progress. These four page lists include an introductory narrative on one representative immigrant or family and three annotated lists designed for high school students, undergraduate college students and specialized researchers.

The Balch Institute is supported by trusts established by the late Mrs. Emily Swift Balch and her two sons, Edwin Swift Balch and Thomas Willing Balch. Fidelity Bank, Philadelphia, administers the estates and Fidelity chairman Howard C. Petersen serves as chairman of The Balch Institute's Board of Trustees. Fidelity president Samuel H. Ballam, Jr., serves as vice chairman. Other board members include Howard L. Applegate, Dulaney Whiting Balch, Theodore H. Davis, Emerson Greenaway, John C. Haas, Edward Hutchinson, Arthur C. Kaufmann, William Klaus and H. Woodward McDowell.

SOME HARD QUESTIONS ABOUT PUBLIC CAMPAIGN FINANCING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. CRANE. Mr. Speaker, in an effort to restore honesty and integrity to government, many legislators and others have shown the unfortunate tendency to accept a variety of panaceas. One of these is the idea of public campaign financing.

The argument in behalf of such an approach is simple. If legislators are not dependent upon big business, big labor, or some other special interest group for campaign funds, then they will not in any way be obligated to such groups. They will, through public financing, achieve real independence.

It is essential that this argument be carefully examined. In his "From the Park Bench" commentary on WMAL-TV, Joe McCaffrey notes that—

> Such an idea is not just naive, not just false, it is also most dangerous, because once this trap door is opened to the federal treasury the raid is on, and with disastrous results.

One of the problems connected with public campaign financing, Mr. Mc-

Caffrey points out, concerns States such as New York where there are four parties on the ballot and in other States where new parties can easily qualify. "This would mean," he notes, "that under one public plan now advanced the taxpayers would have to fork up $360,000 for a House race in one district, perhaps even more than that if other parties sprung up, and with the encouragement of public financing they will."

Mr. McCaffrey asks whether public campaign financing "will eventually lead to control by the central government over who can seek office and, at the opposite end of the pole, would this encourage all kinds of crackpots to jump into campaigns, hoping to raise the initial amount and thus gain a matching sum from the Treasury"?

The fact is, as Mr. McCaffrey states, that—

> If a candidate could not sell himself to possible contributors as a man worth electing he cuts his chances of selling himself to the overall electorate—and probably because he really didn't have too much to sell.

Before embarking upon a program of public campaign financing we should carefully consider the serious questions which men such as Joe McCaffrey have posed.

I wish to share with my colleagues the commentary by Joe McCaffrey as it appeared on WMAL–TV on April 24, 1974, and insert it into the Record at this time:

From the Park Bench

The public financing of political campaigns may be the greatest hoax ever pushed off on the American taxpayers.

In the wake of the Nixon scandals it is being pushed as the be-all-cure-all, as if by dipping into the public treasury to support any and all who wished to run for office would, by magic, end political campaign scandals.

Such an idea is not just naive, not just false, it is also most dangerous, because once this trap door is opened to the federal treasury the raid is on, and with disastrous results.

Congressman Melvin Price of Illinois points out that there are great unanswered questions about how it should work. For example in New York state there are four parties on the ballots, and in many states a new party can qualify fairly easily by simply getting the required number of signatures, this would mean that under one public plan now advanced the taxpayers would have to fork up 360 thousand dollars for a House race in one district, perhaps even more than that if other parties sprung up, and with the encouragement of public financing, they will.

Ohio's Clarence Brown warns that public financing would only multiply factionalism in America, encouraging capricious candidates who lacked broad enough support to be politically viable.

California's Craig Hosmer says, if a person can't finance his own campaign then he doesn't have the charisma, ability or potential to be a viable political figure.

Ohio's Delbert Latta is amazed at the plan to put up 90 thousand dollars for a House candidate, especially when his own campaign cost 20 thousand dollars.

James Symington of Missouri wonders if the wrong kind of public financing bill might try to "bribe" uninterested people into running for Congress.

Clarence Brown sums it up when he said, if a politician cannot find in our diverse citizenry enough support for his candidacy or his views, he has no Constitutional right to public funds to finance his unsupported views.

But riding the back of the Nixon scandals public financing may be near passage unless an alert is sounded.

The other day I was sitting here on the park bench when my colleague Warren Corbett, a top notch reporter, sat down with me and asked how the campaign financing bill was coming along.

I told him the outlook was not (at least at this time) too encouraging.

He said, "That's a pity. Now is time, after all the scandals to get a good, workable campaign bill through."

Corbett's attitude is widely held, yet there is a growing concern up here on the Hill about the wisdom of financing campaigns from the federal treasury. For example, will this eventually lead to control by the central government over who can seek office?

And, at the opposite end of the pole, would this encourage all kinds of crack-pots to jump into campaigns, hoping to raise the initial amount and thus gain a matching sum from the Treasury?

Campaign financing has been a part of the elective process. If a candidate could not sell himself to possible contributors as a man worth electing he cuts his chances of selling himself to the over all electorate—and probably because he really didn't have too much to sell.

The question is, should the taxpayers pay the freight for men and women who seek public office?

Alabama's Senator Allen who is fighting public financing says the big thrust for treasury-backed campaigns is the high cost of modern campaigning. Well, then—says Allen—let's stop spending so much to win public office. This in itself, he believes, would help win back the confidence of the people.

Even many supporting public financing admit it isn't the perfect answer, that with public financing there still could be scandals.

So there is an honest difference of opinion on the merits of having the taxpayers pay for campaigning. And that is why the financing bills are in trouble.

THE FUTURE OF OUR ENVIRONMENT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HARRINGTON. Mr. Speaker, my distinguished colleague from Arizona, Morris Udall, delivered an address at the end of March, "The Environment at Valley Forge," which profoundly describes the responsibility conservationists will have to fulfill today. It is not enough to be critical of those efforts which threaten our environment; it is not enough to pose the really tough questions about our development as a society; and it is not enough to continue the old naysaying about projects threatening environmental decay.

Conservationists, as Mr. Udall pointed out, must get organized. They must limit their targets, consolidate their limited resources, offer positive as well as negative alternatives, and, finally, get back to the basics of what we are talking about. "The issue is not merely whether we will have animal life for the next generation to enjoy, but whether we will have human life."

Mr. Udall's remarks eloquently outline the challenge facing the conservation movement—and those of us who support it—today, and therefore I would like to insert the address in the Record at this time.

The text follows:

The Environment and Valley Forge

(An address by Representative Morris K. Udall, March 30, 1974, Denver, Colo.)

John Gardner once noted that the trouble with America was its uncritical lovers and unloving critics. What we needed were more critical lovers.

I come before you tonight both as a lover and a critic of the conservation movement, as one who is at once proud of our past accomplishments and disappointed by them, troubled about the future of the movement and hopeful for it. I stand here to receive this award with great pride, and yet my pride is tempered by my concern for the future of this fine movement. I catch myself wondering if future historians will say that our time was the beginning or the beginning of the end of the environmental cause.

And where could it be more appropriate to consider this question than in the great cathedral of nature known as Colorado? For this is a cathedral under seige. Before the 1930's there was another Colorado known as Appalachia with wooded mountaintops, wildlife, clean and plentiful streams—the kind of outdoor paradise that this Federation fights for. In Appalachia today there are muted mountains, gutted valleys, and nearly 10,000 miles of fishing streams deadened by industrial poison. Once a natural playground, it is now a natural graveyard.

And there are people in industry today who would take Colorado down this same miserable road.

And so tonight in this period of transition, in this magnificent state, and in this gathering of conservation leaders, I will not mince words. I want to talk frankly about the problems of the conservation movement, for they are substantial. I want to be critical, for I believe a dose of loving criticism and analysis is badly needed.

As we meet here to celebrate the environmental achievements of the year, we find if we are truthful that the pickings were pretty slim. 1974 has not been a good year for the environment; nor was 1973. Yes, we can take solace in the addition of a few thousand more acres of wilderness, parks and refuges, in a few court decisions that went in our favor, in the election of a new crop of city councilmen and mayors across the country who believe in the conservation ethic and who are trying to implement the ethic on a local basis.

But on the big national issues that will decide the shape of life in the decades ahead, we are not making headway—on energy, clean air and water, land planning. Four years ago in the Congress when the word "environment" was attached to legislation it virtually assured passage; four weeks ago I went before the Rules Committee with my land planning bill and found that the same word stirred resentment and contributed to defeat. Three years ago Congress would have voted 2 to 1 to resist any attempt to override the basic provisions of the National Environmental Policy Act; when the vote came last year on the Alaska Pipeline, a majority stampeded not merely to override NEPA but to get it. And apparently the judges are reading elections returns and thermostats, and are waiting in lines at gas stations. Gone are the heady days when environmental lawyers could storm the courts with NEPA lawsuits in the knowledge they had a fighting chance to change major national policies. If you haven't noticed, the batting average for environmental lawsuits is slumping with judicial tolerance for NEPA injunctions having apparently worn thin. Worse, all of this is a reflection of waning public interest in the environmental movement; not by any means the public abandonment of the issue, but a general feeling that the movement must take a back seat to pressing natural resource shortages.

And this environmental slippage comes at a bad time. The nation faces now as never before an agenda of environmental decisions whose historic importance will rank with the American Revolution itself. I suppose you could say we are hunkering down at the environmental Valley Forge.

What do I mean?

Call it the energy crisis, or Mr. Nixon's politically comfortable term, the energy problem, it is the first in a series of stark realizations that will shock this country in the months and years immediately ahead. And life will never be the same. For despite the administration's false optimism, America is running out of oil and a whole list of other crucial non-renewable natural resources as well.

Historians of the future will, I suspect, write that the last thirty years were the golden age of American growth and luxury, but increasingly they will write about it as a time when Americans of one generation unwittingly skimmed the cream of this country's most precious resources. For the age of abundant natural resources is over, I assert. And in the years ahead we will have to dramatically restructure our economy and resource policies. It does not mean the end to prosperity or happiness, but it will necessarily require fundamental changes in what many of our countrymen now view as "the good life."

Historian C. V. Wedgewood wrote: "History is lived forwards but it is written in retrospect. We know the end before we consider the beginning and we can never wholly recapture what it was to know the beginning only." I want to suggest that fate has cast us as witnesses and participants in one of history's briefest, most traumatic transitions—from the last whimpers of an age of abundance to the first painful groans of a new age of scarcity. But, as Wedgewood suggests, the perspective is distorted by our habitual allegiance to the policies of the past.

Faced with the scarcity crises of 1973 and 1974, the country is not moving steadily toward enlightened new policies, but rather to a re-assertion—a disastrous one—of the old, discredited natural resource policies of a different age based on a different set of imperatives and a different list of assumptions. And if those policies are not turned around—and turned around during the next 36 months—it may be too late.

And so we're at the moment of decision—decisions whose consequences will pervade life for the last third of this century and beyond—and we find the environmental movement with less clout in national policy councils than it's had in a decade.

I want to suggest three reasons why this is the case, leaving aside for a moment the current concern over energy supplies.

1. The first reason is that the environmental issue has on the vital questions been substantially abandoned by the White House. And in our presidential system, that is to say it has been altogether abandoned by government. Congress and the courts can obstruct, they can delay, they can snipe and fight and sometimes have an impact, but the fact is if the weight of the presidency is thrown against you foursquare, you lose in this democracy.

I don't want to add to the travail of a wounded President, but someone ought to say that Richard Nixon is doing this nation a disservice by caving in on environmental issues for the sake of his impeachment politics. Someone ought to call him on his backtracking and, yes, double-crossing on basic policies such as land use reform. There is simply no decent rationale for such behavior, and we ought to let him know it.

There are good and noble men in this administration—men like Rogers Morton, Russell Train and Russell Peterson—but these men are finding when the crunch comes, they are left frequently, to borrow a notorious phrase, "twisting slowly, slowly in the wind." Those who have watched Richard Nixon turn his back on the conservation ethic ought to take this as a lesson.

The President abandoned the conservationists because he never counted on them in the first place.

Your movement is essentially non-partisan, non-political, and there is much to be said for this aproach. But in this system, policies are not pursued unless there is political pressure behind them. The conservation community really played no substantial role in the 1972 presidential campaign on either side. Crucial natural resource issues were never discussed. Never again should that be allowed to happen. As we go down the road to 1976, conservationists of all political stripes should be united in their insistence that candidates address these issues, and that the next American to occupy the White House—whether Republican or Democrat—be a responsible conservationist.

2. A second crucial weakness of the environmental movement is that it hasn't yet made the transition from a negative effort to a positive one. This is because, during the great membership growth period of the Sixties, the effort took form basically as an insurgency. It was geared to "halt outrages"—and there were many—and "to defeat anti-environmentalists." This is a logical way to begin any effort; it provokes needed publicity and stirs the adrenalin of an outraged public. But the problem is that once the monsters were slain—and mostly they were—we did not know quite what to do with ourselves. You can defeat a hostile politician, impose an environmental review process on the agencies of government, even stop the SST, but if that is all you have achieved, it is far from enough. After the insurgency succeeds you must govern. You must have positive, compelling programs, and we have offered far too few of them. There are still millions of Americans who view the conservation movement as a group of anti-everything fanatics who care more about bird life than human life. And to borrow a phrase from John Ehrlichman, that won't sell in Peoria, or for that matter in Brooklyn, Pittsburgh or Seattle either.

A measure of this criticism is unfair. Enlightened conservation leaders have for the last few years fought for good, positive programs like land planning, but the hard fact is that the engine for such an effort is still lacking. And part of the solution lies in my third reason for the weakness of the movement.

3. That reason is that the movement is still infected with a subtle form of elitism. The conservation effort is not perceived, as it must be, as a humanitarian effort keyed to sound stewardship of the long term future. The truth is it is the most basic of humanitarian causes: The cause of physical and spiritual health, decent communities, clean air and water, sufficient food and natural resources. And with the shortages crisis upon us, the environmental cause is inexorably tied to economic stability, jobs, housing—the gut issue of American life. This critical relationship—the direct tie between the three "E's"—energy, environment and economy—must be spelled out to the policymakers and the public with a massive new re-education effort which advances broad and humanitarian themes.

The elitism to which I refer is a subtle and not at all the vicious kind.

It was born of a time when environmentalists found it both possible and comfortable to avoid delving into the gut, controversial issues—racial harmony, jobs, etc. I say that day is gone. For if this society fails to face up to the problems of the cities, then it cannot begin to solve the energy problem. And if urban sprawl is to continue, no economic group, no section of the country will escape the consequences. An equally frightful price will be paid on the beaches of the Atlantic and Pacific coasts and on this great western plateau that houses the coal and shale oil of the future.

I remember one of those old patriotic movies when Bing Crosby defends the American flag against a cynic by asking others "to say what Old Glory stands for." A Southerner talks of red clay and pine trees. A Western describes sunset in the Rocky Mountains. But it's an old Brooklynite who gets the biggest cheer when he says: "Hey, Mac, ever seen steam comin' out a sewer in Flatbush?"

My point is, where is that environmental constituency in Flatbush? Can we long exist without it? The fact is most Americans will never see a wilderness area, park or wildlife refuge, and unless they are brought into the fold when the crunch comes they can be expected to opt for power, light and heat at any cost—even if the price be wall-to-wall power plants and refineries in Montana, Colorado, New Mexico and Arizona.

Emerson said that "the only way to have a friend is to be one." Part of the reason the environmental movement finds itself in trouble today is that we failed during the heady years of the Sixties to make friends and forge alliance with groups that might be largely with us now: blue collar America, enlightened industry, the minorities who inhabit our rundown cities. But in those days, environmentalists were not in a mood to compromise or to play a role in "their" issues, and we predictably find few friends around to sustain us during the dark days of the energy crisis.

And so we have labor joining the oil industry to cut the throat of NEPA during the Alaskan Pipeline debate, and they shouldn't.

We have civil rights groups in Jacksonville, Florida, joining with development-oriented industries in a coalition against wildlife groups who didn't want important spawning waters destroyed by a facility producing "floating nuclear power plants"—a concept not even approved by the AEC. And the blacks shouldn't have been there, siding against NEPA.

So my criticisms are that we have been too negative, too elitist, too self-centered. Well, what's my prescription? It comes in about three doses.

The first has to do with common sense, that elusive concept called reasonableness, and facing, as Casey Stengel said, "the conditions what prevail." The principal condition that prevails is an energy shortage that can cause high unemployment in blue collar America and in the neighborhoods of the poor. Our most immediate task as a nation will be to keep these millions of families on their feet through the worst moments of the economic downturn. The first line of attack will be on the energy supply front (energy conservation is meaningless to people without money or jobs) and here are some facts you and I will soon be facing.

The nation is going to insist on substantially increased coal production. While I and others wish it were not so, I believe we had better accept this fact and help the nation make the right decisions. I believe we can have an expanded coal program and one that is not destructive to the environment, but we'd better get cracking. The support of the National Wildlife Federation has been the key to our efforts in the Congress to get a balanced coal program underway this year with a responsible strip mining bill.

The American public is going to insist on drilling off the Atlantic coast and stepped up efforts elsewhere. I believe we should say we are not opposed to a careful program which is well conceived and is not a crash effort to ransack what's left of our oil reserves. Instead, we should insist that drilling procedures, environmental impact statements, and government oversight give every protection to the environment.

A MacKenzie Valley gas line, in addition to the Alaska oil line, is going to be built. The MacKenzie route might house that oil line as well if we had gotten behind the idea earlier, and fought *for* it instead of *against* the Alaska line. We ought now to say we will support a second line, but we will insist on the best environmental route and every practicable safeguard.

And then there is the matter of shale oil. Should we put our foot down on early efforts to explore the development of this new resource? The temptation will be there, but I say we can't. But we must insist that these initial efforts are truly prototype programs, not camouflaged commercial developments; that the environmental costs be carefully weighed and that the water supply, which is life and death to the West, be protected and fairly apportioned among competing users.

While I'm suggesting hardheaded compromise, I am also recommending that where basic values involving irreparable damage are involved, we will not yield. And let me give some examples:

Increased coal production does not mean stripping every last acre of the West. The new emphasis has to be on deep mining, because while cheap extraction is on the top, the massive reserves the country needs and can have with the least environmental damage are underground.

The mysteries of nuclear power may yet be solved to the benefit of this nation and the world, and we will not inhibit responsible development. But we ought to draw the line on this liquid metal fast breeder reactor program until its many designs and safety problems have been brought into the open, discussed and solved. We must insist further that there be a much more satisfactory solution to the problem of radioactive waste disposal before any reactor construction program is speeded up.

Recognizing the controversies brewing over the technology of auto emission controls, we will nevertheless keep the heat on Detroit to build the smaller cars and better engines which are the real solution to the auto exhaust problem, and part of the answer to the gasoline shortage. The Wyman amendment and other attempts to simply relieve the auto industry of this responsibility will be fought.

We will bow our backs if this or any administration attempts, as the Nixon administration is hinting, to turn over to its energy office the duties and responsibilities of the Environmental Protection Agency. We will not allow the political panic of this administration to bring on the dismantling of the nation's fledgling environmental program.

George Bernanos said, "The worst, the most corrupting lies are problems poorly stated." It is a misstatement of the problem and a misunderstanding of its causes to hold that the energy crisis is the direct offspring of the environmental revolution of the Sixties. And yet, to an incredible extent, that is the belief in the White House and in the boardrooms of some of the country's largest corporations. It is indeed a corrupting lie, for on the issue of natural resources the conservationists have been largely right and their message of husbanding resources has been timely. But the lie is in circulation, and it must be fought by the conservation community with a reasoned, enlightened, cooperative approach in the months and years ahead.

The second big dose of medicine I recommend for the conservation movement is in the organizational area. Conservationists are notorious individualists who get their intellectual heritage from great iconoclasts like Muir, Twain and Thoreau. Will Rogers said, "I belong to no organized political party. I'm a Democrat." Many in this room could say, "We belong to no organized social movement. We are conservationists." But there is one compelling fact that the conservation movement had better come to terms with: in this democracy the key to political success is organization.

Common Cause does it. So do the doctors, organized labor, the homebuilders, the women's movement, and every political party. What do they do? They meet; they have annual conventions; they elect officers; and for five or six days fight each other for the centerpiece of a platform which their entire movement will support. "In politics," John Kennedy counseled, "there are no friends, only allies." People walk away from these annual internecine wars knowing that if they haven't won any friends, they have at least trapped reluctant allies into a common effort.

This is the uncomfortable part of democracy, but it is the most important part. And in the conservation field it is desperately lacking. Conservationists have no central policy institutions, no annual convention where they are packed into a room and forced to work out their differences, no place where they produce unified policy and emerge knowing they share priority goals in the year ahead. In my opinion, this the conservation movement must do or perish as an effective agent of political change in this country. For the truth is the conservation groups are right now involved in self-destructive competition for headlines and a limited pool of members and dollars.

The price of membership expansion for many groups during the Sixties was chaos. Larger membership gave them the budget for expanded Washington staffs, to put out beautiful magazines, and so on—each of these developments wholesome—but too often they felt the price of membership drives was to adopt every policy and fight every fight dictated from the armies in the field. For a while it worked but, as I say, we are now at Valley Forge.

Conservationists have to get organized, limit their legislative targets, and consolidate their limited resources of money and manpower. And all of this has to do with the final dose of medicine I am suggesting.

It has to do with getting back to the basics. In a real sense the conservationist has been the fireman of this cruise ship we call earth, but as the lessons of the energy crisis begin to come home it looks like we have been putting out fires on a sinking ship. For the questions are really much larger than those with which we have traditionally dealt. The issue is not merely whether we will have animal life for the next generation to enjoy, but whether we will have human life. It is not whether we will pass on to our descendants isolated plots of wilderness or parks or a few clean fishing streams, but whether they will inherit anything like what we knew as civilization.

Some years ago my brother was thought radical when he wrote the following lines: ". . . at this moment in history we need to realize that: bigger is not better; slower may be faster; less may well mean more." Those lines look pretty good today. And it seems to me that this is the central message of the environmental movement—that there are indeed limits to growth, to speed, to luxury.

But those limits are not an indictment against all growth, against all science; it is not a call for a return to the rigid and uninteresting lifestyle of the Spartans or to the negative historicism of Malthus.

It is a balanced approach.

And it is a call—a national appeal—for a more sensible lifestyle, one free as much as possible of waste and despoilment, so that our children and their children can live to experience the magnificence of life. For the conservationist believes above all else that life is worth living, and the possibilities of man living in harmony with nature are endless.

Conservation is not a piece of wilderness here, a wildlife refuge there. It is a celebration of life in its totality. It can be found at Yellowstone and in Jacksonville, at the Grand Canyon and in Brooklyn. It is, as Russell Train recently said, the kind of diversity where people are given choices. The more we exploit nature, the more those options are reduced until we have only one, like the conservation groups at this Valley Forge, to fight for survival.

And so I've engaged tonight in some loving criticism. Lest there are those who would twist my words or misread my intentions, let me reconfirm my belief that this conservation movement, of which the Federation is an important part, is itself a symbol of national health and hope. I treasure the award I have received tonight as I treasure few honors I have received in public life.

And I believe that the conservation community will rise to the challenges I have outlined. I believe that like the wise sea captain the conservation movement can use this new current known as the energy crisis to refill its sails and to redirect the course of this society. For the end to cheap energy may bring on hardship, but it will also end abuses like this wild explosion of rural land development and put the speculators out of business. It may cause us temporary economic pain, but it will force an end to urban sprawl and maybe give the races more incentive to learn to live together. It may force us to redefine leisure and luxury, but it will teach us to better conserve the riches of the earth and thus to enjoy life more. And so we have a mission, you and I and the entire conservation community, to carry on and to work harder for the things in which we believe. In the words of Robert Frost:

> "The woods are lovely dark and deep,
> But I have promises to keep,
> And miles to go before I sleep,
> And miles to go before I sleep."

THE CAPITOL AND THE HANDICAPPED

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. BRADEMAS. Mr. Speaker, I recently received a most informative report from George M. White, Architect of the Capitol, which discusses the architectural barriers which impede the access and mobility of handicapped persons in the Capitol and House and Senate Office Buildings.

Such architectural barriers, Mr. Speaker, prompted Congress last year to establish an Architectural and Transportation Barriers Compliance Board within the Federal Government to insure compliance with the standards prescribed by the General Services Administration, the Department of Defense, and the Department of Housing and Urban Development, pursuant to the Architectural Barriers Act of 1968.

But because we in Congress have yet to put our own house in order with respect to architectural barriers, I am pleased to commend Mr. White for the exhaustive study his office has recently completed.

For the study clearly indicates that we have yet to do a great deal to insure that our disabled citizens have access to the buildings on Capitol Hill, and have available to them as well adequate drinking, restroom, and telephone facilities in each building.

Mr. Speaker, Mr. White has assured me that the superintendents of each of the buildings are now undertaking those portions of the work which can be accomplished without additional appropriations, and that he will keep me informed of his progress.

But because the work now underway is of such significance to millions of disabled Americans, I want to suggest to my colleagues that should the Architect's Office be unable to complete some of the necessary work without additional funds, I hope Congress appropriates whatever moneys might be necessary.

Mr. Speaker, I include the policy recommendations and basic standards for Capitol Hill buildings at this point in the RECORD:

ARCHITECTURAL BARRIERS IN BUILDINGS AND GROUNDS UNDER THE JURISDICTION OF THE ARCHITECT OF THE CAPITOL

(By Edward Noakes, American Institute of Architects consultant to Architect of the Capitol)

POLICY RECOMMENDATIONS

(A) In modifying the individual buildings, it is recommended that each floor follow the same pattern of modification wherever subsequent floors are identical.

(B) "Clustering" of accessible facilities is recommended where possible. These central accessible areas are indicated by the shaded areas on floor plans.

For example, the Rayburn House Office Building has four large toilet rooms for each sex on each level from basement to fourth floor, with nearby drinking fountains, telephones, and elevators. It is recommended that modifications to selected toilet rooms on each floor be accompanied by necessary alterations to the adjacent drinking fountains, telephones, and elevators to make the facilities usable by handicapped people. The same principle is applied to the other buildings.

(C) In conducting modification programs, priority should be given to assuring accessible primary entrances, toilet rooms, drinking fountains, telephones, and elevators, in that order.

(D) In every building, toilets should be available for both sexes for front, right-side and left-side approach.

(E) An appropriate number of parking spaces should be reserved for handicapped people in each garage or parking area based on the population of the building it serves. Reserved spaces should be convenient to building access points.

(F) Door closers in most buildings are routinely set with pressure too high to be opened easily by anyone who is physically disabled. It is recommended that door closer pressure be checked and adjusted in every building.

The spaces within most of the buildings surveyed are large enough to permit necessary modifications without extensive alterations. Partial modifications have been carried out in some toilet rooms, which will reduce the amount of work required in those areas.

BASIC STANDARDS

For the purposes of this study, facilities were checked against these basic standards of accessibility and usability:

Primary access

(a) At least one conveniently located and easily identified accessible primary entrance point for each building; it should be a major pedestrian entrance with ramps or curb cuts at appropriate points.

(b) At least one door at each major entrance that is power activated.

(c) Entrance doors with each leaf providing minimum clear width of 32" when open.

(d) Flush thresholds.

Toilet rooms

(a) Corridor and vestibule doors with 32" clear width when opened, with doors in series opening in the same direction.

(b) Flush thresholds.

(c) Stall equipped for front and side approach to water closet—

(1) Outswinging door with 32" clear width when open, placed diagonally to the water closet.

(2) Minimum stall depth of 60" and width of 54".

(3) Ceiling-hung stall partitions.

(4) Water closet mounted with centerline 18" from one wall and seat 15" from the floor.

(5) Side-operated flush lever on the side of the water closet away from the wall.

(6) Fixed toilet grab bars installed parallel to the floor at a height of 30" on the adjacent wall with swing bars on the clear side.

(7) Accessible toilet tissue mounted on open rolls without stops.

(d) At least one urinal mounted 15" from the floor.

(e) Multi-fold interlocking (pop-up) hand towels in dispensers.

(f) All dispensers mounted with dispensing slot no higher than 40" from the floor.

(g) Sanitary napkin dispensers with coin slots and level handles no higher than 40" from the floor and located on the front of the machine.

(h) One mirror and shelf mounted with mirror bottom no higher than 40" from the floor.

(i) One lavatory with clear height of 30" from floor and rim 33" from floor, with insulated pipes.

(j) Lever handles on water faucets.

Drinking fountains

(a) Fountain mounted 34" from the floor.

(b) Operated by lever handle.

(c) Stream of water directed parallel to face at regulated height.

(d) Paper cup dispensers provided with dispensing point no higher than 40" from the floor.

Telephones

(a) Instrument mounted so that coin slot, head set, and dial are not more than 48" from the floor.

(b) Accessible booths wherever they are used—

(1) Outswinging door with minimum clear width of 32" when open.

(2) Self-closing doors that do not latch.

(3) Clear floor area within booth minimum 42" deep and 32" wide, increased by door frame width where door is provided.

(c) Counter-mounted instruments should have 30" clearance to the floor, with 22" clear on one side of the counter for directory.

(d) Assistive devices for hard of hearing on instrument.

Elevators

(a) Cab and lobby doors equipped with electric eye safety devices.

(b) Raised symbols adjacent to push buttons on both call panels and operating panels.

(c) Raised floor indicator on elevator lobby door jamb adjacent to the operating panel location at a height of 48" from the floor.

(d) Elevator lobby call panels mounted 40" from the floor.

(e) Operating panels mounted with the uppermost button no higher than 48" from the floor.

(f) Emergency phones of the no-dial type mounted no higher than 40" from the floor.

(g) Audible as well as visible arrival and direction signals for elevator cabs.

(h) Handrails on three sides of the cab at a height of 32" from the floor.

Subways

(a) Boarding platform level with floor of subway cars.

(b) Entrance to subway cars at least 32" wide.

(c) Space for parking wheelchairs in the subway car.

(d) Clearance between facing seats of at least 36".

Tunnels

(a) Tunnel floor with recommended slope not greater than 1:20 and maximum acceptable slope of 1:12.

(b) Non-slip surface on all slopes.

(c) Level rest areas no farther apart than 30'.

(d) Hand rails mounted on both walls at a height of 32".

Parking and grounds

(a) Ramps or curb cuts at all pedestrian road crossings, with warning lines perceptible by touch of a blind person's cane.

(b) Appropriate number of parking spaces 12' in width (providing 48" between cars for wheelchair access) reserved for handicapped people.

(c) Ramps at floor level changes on pedestrian walkways within garages and at changes in sidewalk levels on the grounds.

(d) Walkways from parking spaces used by handicapped people should not pass behind parked cars.

Ramps

(a) Maximum acceptable slope is 1:12, with gradient of 1:20 preferred.

(b) Non-slip surface.

(c) Flush leading edges.

(d) On ramps leading to doorways, a 5' square level area with a minimum of 12" clear width at the latch side of the door.

Dining facilities

(a) Cafeteria serving lines minimum 36" width.

(b) Center-supported dining tables with clear height 30" from floor.

(c) No changes in floor level.

Building details and furnishings

(a) Mail Chutes—

(1) Letter and parcel chutes mounted with slots or inlets 36" above floor.

(b) Doors—

(1) Maximum of five pounds pressure on door closers.

(2) Time delay devices on door closers.

(3) Doors in series open in the same direction.

(4) Minimum clear width of 32" when door is open.

(5) Lever handles on all doors.

(6) Textured surfaces on door-opening hardware leading to hazardous areas.

(c) Floors—

(1) Non-slip wax where floors are waxed.

(2) Flush thresholds.

(3) Tapered carpet stops.

(d) Signs and Signals—

(1) Wheelchair routes within buildings, and between buildings, posted on signs.

(2) Facility that does not accommodate the handicapped has sign indicating where such an accessible facility is located.

(3) All warning signs and signals, and elevator arrival and direction signals, are both audible and visible.

(e) General—

(1) Fixed desks and counters with clearance of 30" above the floor.

(2) Building directories designed and located for easy legibility from a wheelchair.

(3) Wheelchair access to all Hearing Rooms.

(4) Wheelchair access to all Galleries and Auditoriums.

(5) Light switches mounted at 36" from the floor.

(6) No signs, ceiling lights, or similar fixtures protruding lower than 7' into corridor space.

H.R. 14409

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ROY. Mr. Speaker, over the past decade, the costs of health services in this country have increased to the point that health services are today quite expensive. At the same time, the availability and accessibility of health services in many areas leaves much to be desired. Finally, the quality of health services provided is often less than optimal.

The Congress has not, of course, been obvious to these problems. The Congress has established the medicare and medicaid programs. It has established the regional medical program and the comprehensive health planning programs. For some time, it has supported the development of community mental health centers, neighborhood health centers, and family planning programs. More recently, it has authorized support for the development of health maintenance organizations.

But these programs have not been sufficient to resolve the basic problems within our health services system. And the adoption of a national health insurance program will not, of itself, solve these problems either. In fact, depending on the exact provisions of the national health insurance legislation finally adopted, national health insurance may exacerbate these problems.

With these goals then—the resolution of the basic three problems of our health care system and the prevention of exacerbation of these problems, particularly cost escalation by national health insurance—I have introduced the National Health Services Planning, Development, and Regulation Act, H.R. 14409.

This bill is similar in many of its provisions to H.R. 12053 introduced last December by Mr. ROGERS, myself, and Mr. HASTINGS. There are two major differences, however, along with many lesser differences, between H.R. 14409 and H.R. 12053. The major differences are:

First, the establishment of a system to set rates prospectively for hospitals, nursing homes, and other health services institutions; and

Second, the details of the provisions for review of applications by health service institutions for certification of new services, recertification of services, and prospective rates.

The first major difference between H.R. 12053 and H.R. 14409 is that H.R. 14409 describes, in sections 619 and 634, a system to establish rates for health institutions on a prospective basis.

There has been increasing agreement over the past several months that under national health insurance, it will be necessary to phase out the charges related to costs approach to hospital payment and to develop a system to establish hospital rates on a prospective basis. The administration's national health insurance bill, H.R. 12684, provides, as the introductory comments make clear, that "States would establish prospective reimbursements systems for hospitals." Similarly, section 2043 of the Mills-Kennedy national health insurance bill, H.R. 13870, is entitled "Payment to Providers of Services: Prospective Determination of Payment to Providers; Quality Management Payments."

The importance of the development of prospective rate setting is that prospective set rates have the potential either to reinforce or to subvert a health services planning and development program.

If prospective rates are established by a different unit than is responsible for the planning and development program, then the decisions of the planning and development unit may be ignored, if not outright opposed, by the rate setting unit. In this case, the planning and development unit may approve a service for an institution while the rate setting unit may not alow the institution the funds necessary to develop or operate such service.

On the other hand, if the planning and development and rate setting programs are administered by the same unit, rate setting may be used as a tool to implement the priorities established by the planning and development program. In this case, if the planning and development program proposes a service for an institution, the institution can be sure that funds will be available to develop and operate the service.

It is for this reason that H.R. 14409 includes a rate setting system with a real role for the unit—the area health service agency—responsible for the planning and development program.

The second major difference between H.R. 14409 and H.R. 12053 is that H.R. 14409 includes, in sections 614 through section 620, a set of provisions with respect to the process and the criteria which must be utilized by area health service agencies in reviewing the services to be provided, and the rates to be charged, by health services institutions. The reason for this elaboration of the process and criteria stems from the need for the regulatory type activities of area agencies to be competent. As William J. Curran states in "National Survey and Analysis of Certification of Need Laws; Health Planning and Regulation in State Legislatures, 1974":

> I believe that the laws are at a particular stage of development where the articulation of standards can be very helpful to the entire certification process. If public regulation is to be imposed on the health care industry, as these laws so provide, then the statutes ought to contain safeguards to require open consideration of different views and interests. This is the aim of the formalities. The procedures are intended to create the appearance and the reality of fundamental fairness in the process.
>
> I believe that the careful articulation and ranking of criteria to be used in considering applications for construction or expansion of health care facilities is a necessary step in making the entire system workable. There are a number of reasons for taking special pains to develop criteria in this field.
>
> First, the system is intended to involve consumers at all levels in the determination of needs. These consumers will not be trained or experienced in the health field and most will not be trained or experienced in law either. They will be aided in participating in the process and their voices will be heard more effectively if the bases for the decisions—the criteria for review—are fully articulated and ranked.
>
> Second, the criteria are the main mechanisms for requiring an integration of the health planning process and the certification process. Otherwise, the decisions may deteriorate into the passive review of evidence submitted by the applicants as indicated earlier. The criteria set forth in the Oregon Law, for example, militates against myopic, individualized, decision making.
>
> Third, it is most important to spell out criteria for review in full when the new regulatory program is intended to accomplish basic reform in the practices of the field and where the special interests will be exerting heavy pressure to be allowed to follow their traditional methods of operation. For example, hospitals and other health care facilities are not in the habit of cooperating with or sharing their facilities. These new laws are intended to foster and sometimes to compel cooperation and sharing. The criteria for review spell out these objectives, which are nowhere else mentioned in the law.
>
> The last reason I would mention for taking special care in formulating review criteria concerns the fact that the local administering agencies, the areawide health planning councils, were not created as public regulatory agencies. They were not organized along the lines of licensing or review bodies. They are not groups of lawyers with fact-finding bodies or investigational staffs. They are broadly conceived planning organizations, policy-making boards, composed of a consumer (nonprovider) majority and a provider minority. The interest of these boards is in the health of the community, viewed in very wide terms. Rarely have the staffs any training in law, decision making, or investigatory methods in public regulatory systems; they are generally personnel trained in social work, social and behavioral science, or public health. It is therefore advisable to provide these councils and their staffs with more structure, more procedural safeguards, more articulated criteria for decision making than might be necessary in the average regulatory agency organized and manned by attorneys, hearing officers, and trained regulatory personnel.

It is for the reasons articulated by Mr. Curran that H.R. 14409 spells out in some detail the process and criteria to be applied by the area health service agency in its regulatory type activities.

Mr. Speaker, there is no doubt that changes in the health services system in the United States are necessary. The question is, what kinds of changes shall be made? The bill which I have introduced, H.R. 14409, addresses the problems facing us in a rational and responsible manner. I urge its adoption.

JOHN GRINER, 1907–74

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HELSTOSKI. Mr. Speaker, John Griner, president emeritus of the American Federation of Government Employees and one of the most formidable figures in the history of the American labor movement, died April 22 in Cairo, Georgia at the age of 66.

John Griner was well known for many years to virtually every Member of Congress as an articulate and effective spokesman for the rights and welfare of the people he represented. To millions of working men and women throughout America, his name was a household word.

A one-time railroad telegrapher, John Griner helped propel AFGE to its present position as the largest union in the Federal sector. Elected national president of AFGE in 1962, he was reelected to five consecutive terms, retiring for ill health shortly after his last triumph in 1972.

Not only have the members of AFGE lost a good friend, but so have the people of this Nation. The size of John Griner's heart was matched only by the depths of his determination.

Mr. Speaker, an article concerning Mr. Griner recently appeared in the AFGE Washington Letter of April 26. In view of the fact that it gives further insight into Mr. Griner's remarkable career, I would like to take this opportunity to share this article with my colleagues. The article follows:

John F. Griner, president emeritus of the American Federation of Government Employees, a giant of American labor, is dead.

He succumbed to a long illness Monday morning at the Cairo, Ga., hospital.

The funeral was held in Cairo on Wednesday.

Among AFGE leaders attending the rites were National President Clyde M. Webber, Executive Vice President Dennis Garrison, National Secretary-Treasurer Douglas H. Kershaw and District 6 National Vice President A. K. Gardner, representing the National Executive Council.

It was Griner, a farm boy and former railroad telegrapher, who led AFGE to its present position as the largest union in the Federal sector.

It was Griner who fought the good fight for his membership, constantly seeking their betterment and vigilant in the protection of their rights.

Because AFGE was barred by law from striking or using other economic measures, Griner and his deputy and successor, Clyde M. Webber, used the power of persuasion in accomplishing gains for the Federal employee.

Their jawboning and cajoling brought great results—increased pay, better job protection, presidential executive orders which spelled out rights for the government worker. The Monroney Amendment which gave higher pay and comparability to the blue collar employee could not have been passed had it not been for AFGE and John Griner. Former Sen. Mike Monroney (D-Okla.) gave that tribute to the union and its leader.

Rep. Robert N. C. Nix said in tribute to Griner's lobbying ability:

"John Griner seems to make his home on The Hill. He is always here and is always alert and convincing in working for his union."

Griner was closely involved with the Federal government for 34 years, 26 of those as an employee and later as an executive with the Railroad Retirement Board.

He was elected National President of AFGE in 1962, having previously served as a National Vice President and member of the National Executive Council representing District 7 from 1946.

Griner was elected for five consecutive terms, retiring for ill health shortly after his triumph at the 1972 convention. He was succeeded by Webber, who was named to the post by the National Executive Council.

Before he entered Federal service, Griner worked from 1925 to 1935 at one time or another as a telegrapher, agent, train dispatcher and assistant car accountant for the Atlantic Coast Line, Seaboard, Georgia Northern and Southern Pacific. At his death he still carried cards in five railroad unions.

Griner entered Federal service in 1936 as an adjudicator with the Railroad Retirement Board at the CAF–6 grade and when he left it in 1962 to devote full time to being AFGE's National President, he was a GS–15.

For the last 11 years of his employment with the board, he was labor relations officer, serving as liaison between the board and the railroad unions and, in addition, was responsible for labor relations and training.

While employed by the Railroad Retirement Board, he studied at Columbus University, now a part of Catholic University, and received its LLB degree in June, 1940.

When he assumed the presidency of AFGE, its membership was approximately 80,000 and when he retired was over 300,000, making the union larger than all other Federal employee organizations combined, excluding the postal unions.

Griner was born in Camilla, Ga., Aug. 9, 1907 and was graduated from Camilla High School in 1924.

His wife, the former Claranell Nicholson, and two sons, John Jr., and Remer Griner; two grandchildren and two sisters survive.

THE FUTURE OF THE CONGRESS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HARRINGTON. Mr. Speaker, an article by Arthur Schlesinger, Jr., in the May 1 Wall Street Journal eloquently described the challenge before us today—to rebuild Congress as an institution able and willing to deal with the problems we face as a Nation.

Professor Schlesinger's analysis of our failure should be all too familiar to each Member of this body. His challenge is one we cannot afford to ignore. Therefore, I would like to insert the article in the RECORD at this time.

The text follows:

THE FUTURE OF CONGRESS

(By Arthur Schlesinger, Jr.)

There has been much lamentation recently over public opinion polls showing that Congress rates as low as or even lower than President Nixon in the esteem and confidence of the American people (or at least of the thousand or so among them who responded to the poll). This result, however, could not have been less of a surprise to historians.

Congress has never done well in winning the hearts and minds of the people. "It could probably be shown by facts and figures," wrote Mark Twain, "that there is no distinctly native American criminal class except Congress"; or, in another mood, "Reader, suppose you were an idiot. And suppose you were a member of Congress. But I repeat myself." "Who are they as bats and night-dogs askant in the capitol?" asked Walt Whitman. ". . . Are those really Congressmen?" "You can't use tact with a Congressman," a member of Grant's Cabinet told Henry Adams. "A Congressman is a hog. You must take a stick and hit him on the snoot." "Some statesmen go to Congress and some go to jail," wrote the gentle Eugene Field. "It is the same thing, after all." "After a man has been out of Congress awhile," wrote the sardonic Ed Howe, "people say, 'You wouldn't think that man had been in Congress, would you?' "

In short, the abuse of Congress is an old and honorable American tradition. Every Congress has its strutters and ranters, its sharpers and pettifoggers, its fools and rogues. Every electorate has its tendency toward synecdoche—taking the part for the whole—and therefore cheerfully identifies Congress as an institution with the recklessness or knavery of a tiny minority of its members. As a large, amorphous, shapeless body embracing a wide diversity of opinion and temperament, Congress can be plausibly blamed for almost everything. Congress, we all know, is myopic; it is venal; it is cowardly; it is ineffectual. And Congress, of course, is even worse when it is effectual. Then we have that alarming state of affairs described by Woodrow Wilson as "congressional government", when Congress, as he wrote in 1885, "has entered more and more into the details of administration, until it has virtually taken into its own hands all the substantial powers of government."

RESTORING A BALANCE

In those days the Constitution was out of balance in the direction of Congress. In our day it is out of balance in the opposite direction. Our problem is a presidency that has virtually taken into its own hands all the substantial powers of government, and our need is to restore the balance of the Constitution by reestablishing the congressional role. The results thus far, even after Watergate, have been disappointing. With the presidency on the run as it has not been for a long time, Congress outside the area of direct presidential culpability, remains generally feeble and compliant, respecting presidential wishes, sustaining presidential vetoes, cautiously holding back from any aggressive use of its own constitutional powers.

Hubert Humphrey summed it up in a poignant outburst on the floor of the Senate last October, "I have served in the Executive Branch," he began (Senator Humphrey is wrong—or at least Presidents as recent as Truman and Eisenhower would disagree with him—in supposing that the Vice President is a member of the Executive Branch, but that is another story), "and I want to tell you, it is easy to roll this body [Congress] because the Executive Branch comes in with power, comes in with information, is able to mobilize public opinion. . . . The Congress, lacking staff, expertise, information, and will, has been overwhelmed by the Executive juggernaut." Sen. Humphrey had tough words for his colleagues: "When it comes to ourselves we are afraid. We are fearful men. We are afraid to go home and face our constituents. We will not even provide a parking lot. And yet we will provide for the Executive Branch of government marble halls."

What is Congress's trouble? Why after Watergate should it still linger in this condition of impotence? Even Congress cannot escape its responsibilities with regard to impeachment; for a decision not to impeach would represent a solemn congressional judgment that Mr. Nixon had done nothing to warrant impeachment and would therefore license his successors to do what he has done. But, apart from impeachment, the post-Watergate Congress, even though controlled by the opposition party, seems rather less consequential than the so-called "rubber-stamp" Congresses of New Deal days.

It is saddening to reflect on the decline of Congress over the last 40 years. It is not a decline in the quality of its membership. Congress has rarely had a higher average level of intelligence and concern than it has today. Anyone who spends much time testifying before congressional committees is impressed by the thoughtful questions and by the serious desire to get at the substance of problems. But Congress as a whole matters less in the balance of government than it did 40 years ago.

The so-called rubber-stamp Congresses of the 1930s, for example, imposed a number of important laws on the Roosevelt administration. The Federal Deposit Insurance Act and the Wagner Labor Relations Act both originated in Congress. Moreover, though the average ability may be higher today, there were many more men of real power and will in Congress then—men whose views, whose very whims, even Franklin Roosevelt had to take into account. Can one imagine a Majority Leader resigning today because he disapproved of a presidential action as Alben Barkley did in 1944? In those years the Senate contained men like Norris, La Follette, Borah, Carter Glass, Hugo Black, Burton K. Wheeler, Jimmy Byrnes and Joe Robinson, Vandenberg and Taft, Wagner and Barkley, McNary and Truman, William Gibbs McAdoo and Huey Long. They were proud, independent and self-reliant men, like barons in the days before the king had broken the feudal system and created the modern state. FDR worried about them, talked to them, propitiated them, in short took them very seriously indeed.

The present crowd is less egotistical, better informed and probably more responsible than the Congresses of 30 years ago; but far easier for Presidents to ignore. Congress itself, in its periodic fits of bemoaning lost powers, likes to go in for mechanical explanations of its low state. If only Congress had more information, more staff, more computers and so on, then at last it would be equipped to take on the Executive.

I am all in favor of Congress having more information, staff and computers, but I do not think this is the problem. Of Hubert Humphrey's four points—staff, expertise, information and will—the last is vital. The others are alibis. Congress can get all the staff, expertise and information it needs. What it lacks is the will to use the power it has. The fault, as usual, is not in their stars, but in themselves that they are underlings.

A CONSPICUOUS EXCEPTION

The barons of 40 years ago did not have computers. What they had was a willingness to challenge Presidents. Today all too few Senators are ready to take on Presidents in a sustained and purposeful way and least of all in the field of foreign affairs. A conspicuous exception is Sen. J. William Fulbright of Arkansas. He is one of the few Senators whom contemporary Presidents have to take into account—one of the few who make a difference to the constitutional balance. His courage, his knowledge, his grace and clarity of expression have been a strong congressional weapon against a foreign policy run imperiously out of the Oval Office.

As Sam Ervin educated the country about the Constitution, Bill Fulbright educated us about the Indochina war. One may disagree with things Sen. Fulbright has done or positions he has taken, but he has been steadily on the side of reason and restraint in foreign policy, and he has made Congress matter in the conduct of our foreign affairs.

There is a strong possibility that Sen. Fulbright's time may be over. The popular governor of Arkansas, Dale Bumpers, has challenged him in the Democratic primaries. The election is on May 28. Gov. Bumpers is well ahead in the polls. From all one hears, Gov. Bumpers is an attractive and liberal-minded man. But, for those who care about restoring the balance of the Constitution, the defeat of Sen. Fulbright would be a grave setback. Congress cannot afford to lose those few among its members whom Presidents have to take into account. If Sen. Fulbright is beaten, Sen. Sparkman of Alabama is next in line to become chairman of the Foreign Relations Committee. John Sparkman has served the Republic well. But he will be 75-years-old this year; his best years are behind him; and he has never had Sen. Fulbright's skeptical and inquiring mind in international relations.

The voters of Arkansas will make their own decision for their own reasons. But if they care about the effort to reestablish Congress as an effective partner in the American process of government, they will send Mr. Fulbright back to the Senate. And unless Congress recovers a sense of its own powers and the courage to use them, the imperial presidency will survive even the conviction and removal of Richard Nixon.

OIL COMPANY REPORTS SHARPEN PROFITS DEBATE

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HANRAHAN. Mr. Speaker, we are all very concerned over the energy crisis and whether or not this crisis was manufactured by the major oil companies. The crisis is bound to be questionable when we hear about the large profits by these oil companies. I insert this article, which further states the big oil companies' profits, for the benefit of my colleagues:

OIL COMPANY REPORTS SHARPEN PROFITS DEBATE

(By Alvin Nagelberg)

It was a week when the oil giants told their profits and took their lumps.

First quarter earnings of Gulf Oil were up 76 per cent; Texaco, 123 per cent; Continental Oil Co., 130 per cent; Standard Oil Co. of California, 91 per cent; Standard Oil Co. [Indiana], 81 per cent; Shell Oil Co., 51 per cent; and Mobil Oil Co., 66 per cent.

Exxon, the world's largest oil company, reported earnings rose 38 per cent. But Exxon's accounting practices were challenged by some analysts [and defended by Exxon] for some $400 million in deduction which, if added to earnings, would have boosted the percentage of increase to 118 per cent.

The oil company reports brought into sharp focus the two views of profits.

Simply stated, company officials like profits; inflation-weary consumers don't. And the viewpoints clashed.

How did the oil companies earn such big profits? Most reported that the bulk of the gains came from foreign operations such as the sale of crude from the Arab producing countries to Europe.

"Don't forget that foreign crude oil went up about 300 per cent," said Ted Eck, economist of Standard Oil Co. [Indiana].

There were also big gains from the chemicals divisions of the companies.

And the accounting system of oil companies tends to inflate profit gains, Eck said. In other industries, profit is figured on the basis of the difference between what an item sells for and its current replacement cost, said Eck. In the oil industry, the profit is the difference between the sale price and the original cost.

Companies with direct access to crude oil reserves could get a lot of money per barrel after the Arab producing nations pushed the prices up.

Domestically produced crude, which sold for an average of $3.40 a barrel last March, now sells for more than $6 a barrel.

And if the crude oil is in excess of the volume produced in 1972—so-called "new" oil—it is not under price controls and currently sells for about $10 a barrel.

Some company profits were exaggerated by the fact they have had such small profits in recent years, so a comparison puts the numbers out of perspective.

The oil companies are happy to get the earnings for whatever reason. Profits mean more production and exploration programs and perhaps diversification into new areas.

However, to the man facing rising gasoline and heating fuel prices, profits are too much to bear. An estimated 1,000 persons protested at the annual meeting of Indiana Standard last week demanding relief thru price rollbacks.

Even among stockholders, who could translate profits into higher dividends, there was curiosity about whether officials would also use the profits to boost pensions and wages.

John Swearingen, chairman of Indiana Standard, told shareholders that surveys show "we have now reached the point where no less than 35 per cent of the public thinks business is making too much profit, while 40 per cent think the government should act to limit corporate earnings, and a full two-thirds think most companies make so much profit that they could afford to raise wages without raising prices."

Members of Congress, too, believed the myth of huge corporate profits and are demanding price rollbacks, elimination of depletion, excess profits taxes, and a variety of other measures including dissolution of the major companies.

"The ammunition for the attack has been provided by the long-overdue improvement in earnings. Altho few people seem to realize it, the oil industry's rate of return reached a 10 year low in 1972, and has averaged less than that of manufacturing industries in general over the past decade.

Earlier, B. R. Dorsey, chairman of Gulf, said, "In light of the tremendous task ahead, present profit must be maintained. Indeed, they may be insufficient for our capital needs."

Swearingen told shareholders that "our capital and exploration budget for 1973 will exceed $1.4 billion, or nearly three times the $511 million in net earnings last year.

"While some may choose to characterize our earnings as excessive, in our judgement our profit level has been inadequate to generate funds on the scale we are going to need to do our part in supplying the nation's future energy requirements."

Swearingen said the greatest single threat to the ability to generate capital comes from excessive taxation and price controls. "While our earnings increased 36 per cent last year, our direct tax burden rose by more than 60 per cent to approximately $440 million," he said.

He pointed out that "in the first quarter of 1974, the company committed more money to the federal government in bonus payments to obtain off-shore leases and shale properties [$230 million] than we earned in the same period [$219 million]."

Outside, a large crowd of senior citizens, teachers, clergymen, middle aged workers, and high school students were protesting Standard's profits and demanding lower petroleum prices.

Inside, Swearingen was calling for more understanding of the role of profits in business.

It was a classic confrontation of divergent philosophies.

NATIONAL ACCREDITATION COUNCIL: WHAT PRICE ACCREDITATION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. LANDGREBE. Mr. Speaker, for several months now I have been aware of a controversy raging between the National Federation of the Blind, a service organization blind persons voluntarily join, and the National Accreditation Council for Agencies Servicing the Blind and Visually Handicapped, an organization which receives a great deal of its money from our tax dollars.

Mr. Kenneth Jernigan, president of the National Federation of the Blind, has recently written a brief overview of the controversy, and a decent respect for his opinions and those whom he represents requires that an account of this controversy be presented so that Members of Congress may know full well the unresponsive nature of our fourth branch of Government, the enormous Federal bureaucracy.

I understand that the agency responsible for the funding of the NAC, the Social and Rehabilitation Service of the Department of Health, Education, and Welfare, will be the subject of appropriations hearings early in May. Perhaps the only way to get a response from an entrenched bureaucracy is to hit it over the head with a plank—that is, threaten its source of income.

I know that many Members of Congress have been as interested in this controversy as I have been, and I present this article for their benefit as well as for the benefit of those who are not aware of the situation.

The article follows:

NAC: WHAT PRICE ACCREDITATION

(By Kenneth Jernigan, president, National Federation of the Blind)

When the Commission on Standards and Accreditation on Services for the Blind (COMSTAC) and its successor organization, the National Accreditation Council for Agencies Serving the Blind and the Visually Handicapped (NAC), came into being during the 1960's, leaders of the organized blind movement sounded the alarm. The American Foundation for the Blind and certain other leading agency officials adopted the idea of establishing a so-called "independent" accrediting system for all groups doing work with the blind. Although individual blind persons who were agency officials were involved in the establishment and development of COMSTAC, the blind as a group were not consulted—that is, the representative organizations of the blind were denied a voice, except occasionally as a matter of tokenism. Thus, the consumers of the services were not heard in any meaningful way, and had no part in developing or promulgating the standards governing the agencies established to give them assistance.

The American Foundation for the Blind appointed an "independent" commission—the Commission on Standards and Accreditation on Services for the Blind (COMSTAC). The full-time staff consultant for COMSTAC was a staff member of the AFB, on loan to the group, purely as a means of demonstrating the Foundation's concern with the improvement of services for the blind. To add respectability, people of prestige outside of the field of work with the blind were placed on the commission—public officials, business executives, the dean of the Temple Law School, et cetera. These were people of good will and integrity, but they lacked knowledge concerning the problems of blindness. Obviously they took their tone and orientation from the Foundation appointees on COMSTAC. All of these appointees, it must be borne in mind, were high-ranking officials of agencies doing work with the blind. Not one represented the blind themselves or came from a membership organization of blind persons.

The American Foundation for the Blind and COMSTAC later proclaimed with pride that they had sought and achieved a broad consensus throughout the field of work with the blind. However, the method of arriving at that consensus was, to say the least, novel. At Denver in the summer of 1965, for instance, the American Association of Workers for the Blind Convention was largely taken up with a discussion of the COMSTAC standards—to gather opinions and achieve consensus, it was said. Only the discussion leaders had copies of the standards, and any touch which was raised was answered either by the statement that it was covered somewhere else in the COMSTAC standards or that another group was discussing the matter and it was not properly the concern of the group in which it had been raised.

Home teachers from throughout the country were present and were considering the standards affecting their specialty. The overwhelming majority apparently disagreed with a particular item in the COMSTAC document and suggested a vote be taken to determine sentiments of the group. They were informed by the discussion leader that a vote certainly would not be taken but that their views would be reported to COMSTAC, which had the sole responsibility for deciding such matters.

It is no wonder that the blind people of the country felt apprehensive. What type of standards were likely to emerge from a commission so appointed and so conducted? Not only the blind but also many of the agencies expressed concern. Many felt the AFB and Federal rehabilitation officials (unwittingly aided by people of prestige in the broader community) would impose a system of rigid control—which would stifle initiative, foster domination, and take the emphasis off real service and place it on bureaucracy, red tape, and professional jargon. It was further felt that what purported to begin as a voluntary system would (once firmly established) become mandatory. The AFB and other proponents of COMSTAC and its successor organization, NAC, vigorously denied these assertions.

The question of NAC's independence, however, is no longer a matter for serious debate. The Scriptures tell us that "where a man's treasure is, there will his heart be also." In an official NAC document entitled "Budget Comparison—1968 and 1969," dated April 15, 1968, the following items appear.

"Total approved budget calendar year 1968, $154,034; total projected calendar year 1969, $154,000. Estimated income 1968: grant from American Foundation for the Blind, $70,000; grant from Department of Health, Education and Welfare $75,000. Estimated income 1969: grant from American Foundation for the Blind $70,000; grant from Department of Health, Education and Welfare $70,000.

Today, the overwhelming majority of NAC's funds still come from HEW and the American Foundation for the Blind. Many NAC meetings are held at the AFB building in New York, and the executive director of NAC is a former Foundation staff member, the same one who was on "loan" to COMSTAC. When the first annual NAC awards were given, in 1970, it may be of significance that two recipients were named: Mr. Jansen Noyes, president of the Board of the American Foundation for the Blind; and Miss Mary Switzer, the long-time head of rehabilitation in the Federal Department of Health, Education and Welfare.

Even more to the point may be Miss Switzer's comments upon that occasion as reported in the NAC minutes of April 24, 1970: "She predicted that difficult times might lie ahead if agencies accept the idea of standards but do nothing about them. The expending or withholding of public money can provide the incentive that is needed."

Thus spoke Miss Switzer confirming what leaders of the blind had predicted and COMSTAC spokesmen had denied a decade ago. The full meaning of Miss Switzer's statement was spelled out by Alexander Handel, executive director of NAC, as reported in the NAC minutes of April 25, 1970: "Mr. Handel reported a new and important step in encouraging accreditation. The Council of State Administrators has passed a resolution that by July 1, 1974, State rehabilitation agencies will require that agencies from which they purchase services be accredited." The "encouraging" of agencies to seek accreditation from NAC will probably be called by some by the ugly name of blackmail. The pressure for conformity and the concentration of power could well be the most serious threat to good programs for the blind in the decade ahead.

The quarrel is not with the concept of accreditation itself. Rather, we object to what is being done in the *name* of accreditation. Proper accreditation by a properly accredited group is a constructive thing. What NAC is doing is something else altogether.

There is, of course, not time here to go into the details of all of the standards originally developed by COMSTAC and now being fostered by NAC, but a brief sample is sufficient to make the point. The *Braille Monitor*, February, 1966, carried an analysis of the COMSTAC standards on physical facilities. That analysis said in part: "The standards (on physical facilities) are perhaps notable chiefly in that they are so vague and minimal as to be equally applicable to office buildings, nursing homes, or universities by the simple substitution of the names of these other facilities . . .

"Perhaps a brief rundown of the standards themselves would serve as the best and most complete illustration (headings theirs).

"1. Overall Suitability.—The total facility is constructed to best serve the needs of the particular agency. It will adequately serve everyone concerned. It will meet the requirements of its governing body, the Department of Health, Education, and Welfare, and the city building code. The physical facilities will be helpful to the program.

"2. Location.—The facility is located where it can easily be reached by staff, clients, and others who need to use it. The facility should be close to shopping and other community interests. The location is reasonably safe, with hazards minimized.

"3. Grounds.—The grounds will be large enough to allow for future expansion. They will be pleasant ('free of undue nuisances and hazards') with parking areas and roadways. Signs will be posted to help people locate the proper areas.

"4. Activity Area.—The layout of the facility will be efficient. The facility will be designed for the planned activities, will be large enough and well organized (reception rooms next to entries, work areas together, et cetera). Sufficient maintenance will be provided for.

"5. Privacy.—People will have as much privacy as individual cases call for. Confidentiality will be maintained.

"6. Health and Safety.—The health and safety codes of the community will be met. Sufficient heat and light will be provided. Sanitary conditions will be as good as possible. Suitable entries will be provided for wheelchairs, et cetera. Safety features will be related to the level of competence of the occupants, the activities undertaken, and the equipment used. Adequate first aid facilities are provided.

"7. Fire and Disaster Protection.—All buildings will be so designed and equipped as to minimize the danger of fire. The buildings will be inspected by local authorities &/or independent authorities and records of inspection kept. Smoking areas are clearly specified. Proper protection shall be provided the occupants of the facility to minimize danger should fire or disaster occur. Suitable fire extinguishers will be provided. Fire alarms will be installed as to be heard throughout the facility. Fire drills will be held irregularly. Special provision will be made for fire warnings to deaf-blind.

"8. Maintenance.—'The condition of the physical facility gives evidence of planful and effective maintenance and housekeeping.'

"9. Remodeling.—When remodeling is undertaken, it should be to best suit the needs of the program.

"The preceding is an inclusive summary! One can imagine the breadth of interpretation that can result from application of these standards. One can also imagine the range of individual whim and axe-grinding, not to say blackmail and favoritism, that can enter into the proposed accreditation of agencies for the blind based on such vague and capricious requirements. The danger to be constantly anticipated is the possibility of varying application of standards to friends and foes when 'accrediting' agencies . . .

"One is tempted to dismiss this entire report of 'Standards for Physical Facilities' with the single word, 'Blah!' But more intensive study indicates otherwise. Tucked away among the platitudes and the generalities are the age-old misconceptions and stereotypes.

"What, for instance, is meant by the requirement that a facility for the blind be located near to shopping and other community interests, and that it be in a location reasonably safe, *with hazards minimized?* The exact words of the committee are, 'Where undue hazards cannot be avoided, proper measures are instituted to assure the safety of all persons coming to the agency. (For example, where an agency is on a street with heavy traffic, a light, or crosswalk, or other means is available for safe crossing by blind persons.)'

"If this standard is simply meant to express the general pious platitude that everybody ought to be as safe as possible, then what a farcical and pathetic waste of time and money to assemble a committee to spell out what everybody already knows. On the other hand, if the standard means to imply that the blind are not able to live and compete among the ordinary hazards of the regular workaday world and that they need more shelter and care than others, the implications are not only false but they are insidiously vicious.

"Of a similar character is the committee's statement that the grounds must 'provide pleasant and appropriate surroundings, and be free of undue nuisances and hazards.' Surely we do not need a special commission on standards and accreditation to tell us that people should live in pleasant surroundings that are free of undue hazards, if this is all that is meant. If, however, the committee is saying that the blind require surroundings that are more 'pleasant and free from hazards' than the surroundings required by other people, one cannot help but be unhappily reminded of the 19th-century concept that the blind should be entertained and provided recreation, that they should be helped in every way possible to 'live with their misfortune.'

"If this type of analysis seems blunt, one can only reply that this is no time for nice words and mousey phrases." The people who were formerly the Commission on Standards, and are now the National Accreditation Council, "hold themselves out to the public at large as the qualified experts, the people who have the right to make standards and grant or refuse accreditation to all and sundry. These are not children indulging in the innocent games of childhood. They are adults, playing with the lives of hundreds of thousands of people."

One final matter requires comment. At one meeting of the National Accreditation Council I was telling a new member of the board (a prominent businessman totally uninformed about the problems faced by the blind) that I thought most of the actions of NAC were irrelevant. He seemed surprised and said something to this effect:

"If you think what we are doing here is not relevant, what is relevant?"

To which I said, "In 1970 a blind man in Minneapolis (a person who had worked for several years as a computer programmer at Honeywell and was laid off because of the recession) applied to take a civil service examination for computer programmer with the city of Minneapolis. His application was rejected, on the grounds of blindness. The National Federation of the Blind helped him with advice and legal counsel. As a result, he took the examination, and he now has a job with the city of Minneapolis as a computer programmer.

"How many of the people who are on the NAC Board," I asked, "are even aware that such an incident occurred? How many of them think it important?"

"Or," I went on, "consider another incident. In 1971, in Ohio, a blind high school senior (duly elected by her class) was denied the right to attend the American Legion Girls' State. The story was carried nationwide by United Press. Were any of these people here today concerned or excited about these cases? Do you see them trying to do anything about them?"

"Well," my companion replied, "your organization seems to be working on matters like this. Maybe NAC is doing good in other areas."

"The difficulty," I told him, "is that the actions of NAC are helping to create the kind of problem situations I have been describing to you."

"NAC," I said, "accredits workshops, for instance. What kind of standards does it use in determining whether a shop should be approved and presented to the public as a worthy and progressive institution? NAC is concerned about whether the workshop has a good accounting system. It is concerned about good pay and good working conditions for the professional staff (almost all of them sighted). It is concerned with the physical facilities and (perhaps) whether there is a psychologist or psychiatrist available to minister to the blind workers.

"But what about minimum wages for those same blind workers, or the right of collective bargaining, or grievance committees? On such items NAC is silent. It will accredit a sheltered shop which pays less than fifty cents an hour to its blind workers. By so doing, it puts its stamp of approval on such practices. It helps perpetuate the system that has kept the blind in bondage and made them second-class citizens through the centuries. It helps to slam the door on the computer programmer in Minneapolis and the high school student in Ohio.

"Worst of all, perhaps, it reinforces and helps to continue the myth that blindness means inferiority, that the blind are unable to compete on terms of equality in regular industry or the professions, that the blind should be grateful for what they have and stay in their places. The workshop example is only that, an example. The same theme is everywhere present in NAC's action and standards—and, for that matter, in its very makeup."

The one central point which must be repeatedly hammered home is the total irrelevance of NAC as it is now constituted and as it is now performing. What we need today and in the years ahead is not more detailed standards but a real belief in the competence and innate normality of blind people, a willingness on the part of agency officials to help blind people secure meaningful training and competitive employment, a recognition that the blind are able to participate fully in the mainstream of American life. We need acceptance and equality, not shelter and care.

When seen in this light, NAC must be viewed as one of our most serious problems in the decade ahead. The blind of the Nation should thoroughly inform themselves about its activities and should insist upon a voice in determining the character of programs affecting their lives. We should insist that State and Federal governments not delegate their powers of setting standards for State agencies to a private group, which is not responsive to the needs or views of the consumers of the services. It is true that many of the agencies doing work with the blind need to be reformed and improved, but NAC is not the entity to do it. We the organized blind intend (in the best tradition of American democracy) to have something to say about the scope and direction of the reform and the improvement. We are not children, nor are we psychological cripples. We are free citizens, fully capable of participating in the determination of our own destiny, and we have every right and intention of having something to say about what is done with our lives.

HON. CECIL KING

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. REES. Mr. Speaker, I was greatly saddened to learn of the death of our former colleague, Cecil King, on March 23.

Cecil was a quiet, gentle man who during his 26 years in Congress, became one of the most effective and respected Members of the House. As dean of the California delegation, he served the best interests not only of his own State, but also those of the entire Nation.

His keen perception, his ability to delve deeply to the root of problems, and his wonderful sense of humor enabled him to exercise great leadership on the Ways and Means Committee.

Cecil had a deep and abiding concern for the public interest, a great devotion to duty, and a sense of integrity which may serve as a model for all of us in the Congress.

His efforts to provide adequate medical care for older Americans through medicare serve as a legacy for all elected representatives of the people, present and future.

Mrs. Rees and I offer our sincere sympathy to Mrs. King and the entire King family.

U.S. ARMS TO THE SOVIET UNION VIA THE YUGOSLAVIA CONNECTION?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ASHBROOK. Mr. Speaker, various types of aid programs to Yugloslavia have been applauded by at least some as enhancing the independence of the national communism of Yugoslavia from that of the Soviet Union. This theory views any aid given by the United States to Yugoslavia as driving a wedge between that country and the Soviet Union. Supposedly, the Yugoslav Communists not having to be so dependent on the Soviets will be able to let their own nationalism and own national interests be the guide to their foreign and domestic policies. Thus, American aid to Yugoslavia is a good investment. While Yugoslavia will remain Communist, it will be a different brand than that of the Soviet Union—a brand that desires to live together with other systems.

Although Yugoslavia regularly takes part in meetings of so-called "nonalined" nations—including such "nonalined" countries as Castro's Cuba, Yugoslavia's record in voting in the United Nations and actions and words in other foreign policy areas has always very closely followed that of the Soviet Union's.

The United States has provided Yugoslavia with a large amount of armaments supposedly to allow that country to resist aggression by the Soviet Union. Now, there are some indications that these weapons which were to be used against the Soviet Union went to the Soviet Union. Columnist Ray Cromley writes:

> Because of the circumstances surrounding these deals, it is certain this delivery to the Russians was made by Yugoslavs acting officially, the theft was not by some Soviet agent stealing for pay.

The American people have a right to know if American weapons are finding their way to the Soviets by the Yugoslav connection. Are the Soviets able to gain American military secrets through the Yugoslavs? If this is true, it is past time that a stop be put to this policy.

At this point, I include in the RECORD the text of Ray Cromley's column "Does Yugoslavia play both sides?" from the Shelby, Ohio, Daily Globe and Tiro World of April 19, 1974:

DOES YUGOSLAVIA PLAY BOTH SIDES?

(By Ray Cromley)

> U.S. analysts were amazed at the effectiveness of Soviet weapons tested in last fall's Arab-Israeli war. But what has shocked them more is the discovery that essential components of some of the most advanced Red weapons systems clearly reached Russian designers through a series of U.S. and West European security leaks.
>
> This discovery serves as a most worrisome portent for our future safety. The Russian buildup of recent years makes effective U.S. defense dependent on staying comfortably ahead technologically, a lead which cannot be maintained if the Russians have ready access to our latest discoveries.
>
> Ironically, the leaks were not developed through the ingenuity of Russian agents. Rather, the critical new devices were virtually handed the Russians for free as a result of major mistakes by analysts of East European countries and because of some wishful Washington thinking as to what motivates the leaders of Yugoslavia and other East European nations.
>
> To understand the problem, we must go back roughly two decades to when the Yugoslavs "broke" with the USSR, and the United States thereupon began a daring experiment in foreign aid.
>
> The resulting U.S. support of Yugoslavia has since burgeoned into billions of dollars of direct and indirect assistance. The United States has gone so far as to train Yugoslav pilots and other military officers and technicians. And with the blessings of the State Department and the Pentagon, American companies have delivered the Yugoslavs advanced prototype weapons banned for sale to the Russians and Chinese.
>
> The theory was that nationalism is stronger than communism, and that if it came to a showdown, the Yugoslavs would put their own interests before those of Moscow and would resist Russian aggression.
>
> In the shaky world of these past two decades, this seemed a sound investment to both American conservatives and liberals. A conservative hardliner, in fact, conceived the program.
>
> Recently, however, a sense of shock has spread through those Communist watchers who deal with the most sensitive of technical material. Convincing evidence is now at hand that Yugoslavia is serving as a conduit through which Moscow secures Western military secrets. As a result, at least one U.S. firm has recently cancelled a highly profitable deal with the Yugoslavs and another has refused any business with them.
>
> The Yugoslavs have made much of their "defiance" of the Russians and their role as a leader of the "neutralist" nations. After the Russian invasion of Czechoslovakia, the Yugoslavs reorganized their forces, set up an area defense system, and ordered local troops to continue fighting as guerrillas if Russia should capture the country and force the central government to declare resistance at an end. Marshall Tito himself told Americans this reorganization was intended to insure Yugoslavia would not suffer the fate of East Germany, Hungary and Czechoslovakia at Russian hands.
>
> The Yugoslavs have been furnished with a variety of weapons of types needed by a small country if it is to effectively resist aggression by a large neighbor. Some of the weapons systems and equipment were so advanced that in the hands of determined men they could make a Soviet invasion exceedingly costly—perhaps prohibitively so.
>
> In all this, it was essential for Yugoslav defense to make certain these weapons and this equipment did not fall into Russian hands.
>
> What has been discovered, however, is that before the ink was dry on the contracts, these secret arms and equipment essential, remember, to Yugoslav defense, were in the hands of the Russians. Some of this equipment came from the U.S., some from the Netherlands, Britain and Canada. Because of the circumstances surrounding these deals, it is certain this delivery to the Russians was made by Yugoslavs acting officially; the theft was not by some Soviet agent stealing for pay.
>
> A new assessment of the Yugoslav role in Western defense strategy is now being made.

REVOLUTIONARY NEW TREATMENT FOR BURNS DISCOVERED BY AKRON DOCTORS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. SEIBERLING. Mr. Speaker, a recent medical discovery by Dr. Howard Igel and Dr. Aaron Freeman, of the Akron Children's Hospital could revolutionize the treatment of burn patients and make the difference between life and death for severely burned patients. Dr. Igel and Dr. Freeman have successfully grown human skin in a laboratory by taking 1 square inch of skin, cutting it into tiny pieces, and spreading it on a base of pigskin. The skin has grown to 50 square inches in less than 3 weeks.

The Akron Beacon Journal has described the process as follows:

> At the optimum, between seven and 14 days, the pigskin patches are removed from the laboratory dishes and laid over the open burns.
>
> The patches are flipped over so that the newly grown cells lie flat aganst the raw connective tissue of the body. The pigskin—which has served as a soil and base for the cells—then serves as a dressing or covering.
>
> The cells continue to grow. But instead of sticking to the pigskin, they let go and attach themselves to the raw connective tissues.
>
> The pigskin withers up and flakes off, and underneath is a smooth layer of new skin.

Dr. Charles Baxter, president of the American Burn Association, praised the discovery as "one of the forefronts we have been waiting for."

In addition to the importance of this discovery to the treatment of burn patients, the ability to grow human skin cells in a laboratory for a prolonged period of time will certainly help doctors in their efforts to determine the causes and possible cures of cancer.

The patience and fortitude of Dr. Igel and Dr. Freeman should be commended. I hope they will receive the necessary resources to continue their exciting and important research.

Following these remarks is an editorial from the Akron Beacon Journal on April 9, 1974, commending Dr. Igel and Dr. Freeman on their findings:

AREA IS LUCKY TO HAVE SUCH ABLE RESEARCHERS

> Months of painstaking research at Akron Children's Hospital have paid off with a remarkable double bonus—one that could become a major advance in the treatment of burn victims and open new doors in cancer research.
>
> Two researchers, Dr. Howard Igel and Dr. Aaron Freeman, started out looking for human cells to test for cancer-triggering elements in the environment. They chose skin cells, and the happy result is a dramatic new way to grow human skin quickly in laboratories.
>
> Besides advancing their cancer research, they have come up with new hope—and in some cases, new life—for badly burned persons. It promises to be a vast improvement over the present treatment process, which often requires extensive removal of unburned skin from a patient's body for transplanting to burned areas.
>
> In current burn treatment, the best doctors have been able to do is cut unburned

skin into a mesh which can be stretched like a net to cover up to nine times its original area. However, this leaves a grill-like scar after the graft heals.

Dr. Igel and Dr. Freeman have found that by mincing one square inch of skin and spreading it on a base of pigskin and nurturing it with amino acids, vitamins and salts, they can grow 50 square inches in less than three weeks.

Skin is one of the most critical factors in burn cases. Severely burned patients may die because a lack of skin results in loss of body fluid and infection. Transplants of skin from other persons are usually rejected by the victim's body.

That's why doctors are excited at the prospects of being able to use a small portion of healthy skin from a burn victim to cultivate enough skin to transplant over burned areas.

The Children's Hospital venture is the first time anyone has been able to grow human skin cells in a laboratory for a prolonged period, according to Dr. Freeman. Dr. Paul Nathan, head of research and cell biology for the Shriners Burn Institute in Cincinnati, calls it a "very, very important development."

The success in laboratory growth of skin also means the researchers can move ahead on important cancer research.

It is a double medical triumph, made possible by the skill and determination of the two doctors, the remarkable facilities of Children's Hospital, and a grant from the Greater Cleveland Associated Foundation. The two men hope for a federal grant this summer so they can continue the project. It would be a scientific tragedy if they couldn't.

This is just one more reminder of how fortunate the Akron area is to have such an excellent medical establishment. We salute not only Dr. Igel and Dr. Freeman, but all the doctors and scientists who are patiently trying to push forward the frontiers of medical science to salvage lives and improve the quality of life.

POLISH 3D OF MAY CONSTITUTION DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. GILMAN. Mr. Speaker, on May 3, 1789, the Polish nation adopted a constitution asserting that "all power in civil society should be derived from the will of the people." Because of this recognition of the supremacy of the people in government, May 3 is traditionally celebrated by citizens of Polish origin throughout the world as a Polish National Holiday.

While Polish independence, since May 3, 1789, has been darkened by oppression from neighboring countries, the spirit of the May 3 Constitution had not been dampened; the hearts and minds of the Polish patriots looking forward with faith to the ultimate triumph of their just beliefs.

It is befitting that Congress traditionally takes this opportunity to honor our Polish friends recognizing our common ideals and shared philosophies. We eagerly look forward to the day that Poland will be able to freely practice the provision of her farsighted constitution and congratulate all Polish descendents on the anniversary of the adoption of their constitution.

RECOGNIZING HUMAN RIGHTS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. FRASER. Mr. Speaker, on March 29, the Minneapolis City Council passed a civil rights ordinance prohibiting discrimination against homosexuals. The vote was 10 to 0, with 1 abstention.

By this action, the city of Minneapolis has taken a significant step to grant basic human rights to a minority group in our population and to mitigate an historic social stigma.

The Federal Government should recognize this moral imperative in its own employment policies.

The ordinance follows:

AN ORDINANCE

Amending Chap 945 of the Minneapolis Code of Ordinances relating to Civil Rights. (99–68).

The City Council of the City of Minneapolis do ordain as follows:

Sec. 1. That subdivisions (a) and (b) of Sec. 945.010 of the above entitled ordinance **be amended to read as follows:**

945.010. Findings, Declaration of Policy and Purpose.

(a) Findings. It is determined that discriminatory practices based on race, color, creed, religion, national origin, sex or affectional or sexual preference, with respect to employment, labor union membership, housing accommodations, property rights, education, public accommodations, and public services, or any of them, tend to create and intensify conditions of poverty, ill health, unrest, civil disobedience, lawlessness, and vice and adversely affect the public health, safety, order, convenience, and general welfare; such discriminatory practices threaten the rights, privileges and opportunities of all inhabitants of the city and such rights, privileges and opportunities are hereby declared to be civil rights, and the adoption of this Chapter is deemed to be an exercise of the police power of the City to protect such rights.

(b) Declaration of Policy and Purpose. It is the public policy of the City of Minneapolis and the purpose of this Chapter:

(1) to declare as civil rights the rights **of all persons to the fullest extent of their capacities, and without regard to race, color, creed, religion, ancestry, national origin, sex or affectional or sexual preference, equal op**portunities with respect to employment, **labor union membership, housing accommodations, property rights, education, public accommodations, and public services;**

(2) To prevent and prohibit any and all discriminatory practices based on race, color, creed, religion, ancestry, national origin, sex, or affectional or sexual preferenece, with respect to employment, labor union membership, housing accommodations, property rights, education, public accommodations, or public services;

(3) To protect all persons from unfounded charges of discriminatory practices;

(4) To effectuate the foregoing policy by means of public information and education, mediation and conciliation, and enforcement; and

(5) To eliminate existing and the development of any new ghettos in the community.

SEC. 2. That subdivisions (r) and (s) of **Sec 945.020 of the above entitled ordinance be amended to read as follows:**

945.020. Definitions.

(r) Discrimination. "Discrimination" means any act or attempted act which because of race, color, creed, religion, ancestry, national origin, sex, or affectional or sexual preference, results in the unequal treatment or separation or segregation of any person, or denies, prevents, limits, or otherwise adversely affects, or if accomplished would deny, prevent, limit, or otherwise adversely affect, the benefit or enjoyment by any person of employment, membership in a labor organization, ownership or occupancy of real property, a public accommodation, a public service, or an educational institution. Such discrimination is unlawful and is a violation of this ordinance.

(s) Affectional or sexual preference. "Affectional or sexual preference" means having or manifesting an emotional or physical attachment to another consenting person or persons, or having or manifesting a preference for such attachment.

Sec. 3. That sec. 945.030 of the above entitled ordinance be amended to read as follows:

945.030. Violations.

(a) Act of Discrimination. Without limitation, the following are declared to be discrimination:

(1) For an employer because of race color, creed, religion, ancestry, national origin, sex or affectional or sexual preference, to fail or refuse to hire; to discharge an employee; or to accord adverse, unlawful or unequal treatment to any person or employee with respect to application, hiring, training, apprenticeship, tenure, promotion, upgrading, compensation, layoff, discharge, or any term or condition of employment except when based on a bona fide occupational qualification.

(2) For an employment agency, because of race, color, creed, religion, ancestry, national origin, sex or affectional or sexual preference, to accord adverse, unlawful or unequal treatment to any person in connection with any application for employment, any referral, or any request for assistance in procurement of employees, or to accept any listing of employment on such a basis, except when based on a bona fide occupational qualification.

(3) For any labor organization, because of race, color, creed, religion, ancestry, national origin, sex or affectional or sexual preference, to deny full and equal membership rights to an applicant for membership or to a member; to expel, suspend or otherwise discipline a member; or to accord adverse, unlawful or unequal treatment to any person with respect to his hiring, apprenticeship, training, tenure, compensation, upgrading, layoff or any term or condition of employment, except when based on a bona fide occupational qualification.

(4) For any person, having any interest in real property and any real estate broker or real estate agent, because of race, color, creed, religion, ancestry, national origin, sex, or affectional or sexual preference, to fail or refuse to sell, rent, assign, or otherwise transfer any real property to any other person, or to accord adverse, unlawful, or unequal treatment to any person with respect to the acquisition, occupancy, use, and enjoyment of any real property.

(5) For any person engaged in the provision of public accommodations, because of race, color, creed, religion, ancestry, national origin, sex or affectional or sexual preference, to fail or refuse to provide to any person access to the use of and benefit from the services and facilities of such public accommodations; or to accord adverse, unlawful, or unequal treatment to any person with respect to the availability of such services and facilities, the price or other consideration therefor, the scope and quality thereof, or the terms and conditions under which the same are made available, includ-

ing terms and conditions relating to credit, payment, warranties, delivery, installation, and repair.

(6) For any person engaged in the provision of public services, by reason of race, color, creed, religion, ancestry, national origin, sex or affectional or sexual preference, to fail or refuse to provide to any person access to the use of and benefit thereof, or to provide adverse, unlawful, or unequal treatment to any person in connection therewith.

(7) For any person, because of race, color, creed, religion, ancestry, national origin, sex or affectional or sexual preference, to conceal or attempt to conceal any unlawful discrimination or to aid, abet, compel, coerce, incite or induce, or attempt to induce, another person to discriminate, or by any means, trick, artifice, advertisement or sign, or use any form of application, or make any record on inquiry, or device, whatsoever to bring about or facilitate discrimination, or to engage in or threaten to engage in any reprisal, economic or otherwise, against any person by reason of the latter's filing a complaint, testifying or assisting in the observance and support of the purposes and provisions of this Chapter.

(8) For any person, bank, banking organization, mortgage company, insurance company, or other financial institution or lender to whom application is made for financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair, or maintenance of any real property or any agent or employee thereof to discriminate against any person or group of persons, because of race color, creed, religion, ancestry, national origin, sex or affectional or sexual preference of such person or group of persons or of the prospective occupants or tenants of such real property in the granting, withholding, extending, modifying, renewing, or in the rates, terms, conditions or privileges of any such financial assistance or in the extension of services in connection therewith.

(9) Wherever religious organizations or bodies are exempt from any of the provisions of this ordinance such exemption shall apply only to religious qualifications for employment or residence in church owned or operated property, and such organizations shall not be exempt from any provisions of this Chapter relating to discrimination based upon race, color, ancestry, national origin, sex or affectional or sexual preference.

SEC. 4. That subparagraph (1) of subdivision (d) of Sec. 945.060 of the above entitled ordinance be amended to read as follows:

(d) Substantive and Procedural Power and Duties. The Commission shall:

(1) Seek to prevent and eliminate bias and discrimination because of race, color, creed, religion, ancestry, national origin, sex or affectional or sexual preference, by means of education, persuasion, conciliation, and enforcement, and utilize all of the powers at its disposal to carry into execution the provisions of this Chapter.

Passed March 29, 1974. Louis G. DeMars, President of the Council.

Approved April 4, 1974. Albert J. Hofstede, Mayor.

Attest: Lyall A. Schwarzkopf, City Clerk.

SHOULD THE UNITED STATES SOCIALIZE MEDICINE?

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. COLLINS of Texas. Mr. Speaker, one big question facing Congress is, "Should the United States Socialize Medicine?" To this question, Congress must speak out loudly with a definite "no." We have the greatest medical services in the history of the world. Progress and new breakthroughs occur every month. Creative science, extraordinary working hours, and American know-how have made all of this possible.

Inflation is already escalating too rapidly. We cannot let Congress add to the overloaded Federal spending, and further accelerate the inflationary spiral. We must have balance when we expand our Government sponsored medical services.

The Dallas Morning News had an enlightening editorial on April 6, 1974. This straight-forward, plain-spoken message is one that makes sense to us in Texas. Read these comments, and I hope you will agree with the logic of the Dallas Morning News:

> Hoping to win doubting congressmen over to his national health insurance plan, Ted Kennedy has scaled the plan down by half. The $80-billion program for (in effect) nationalizing health care has become a $40-billion proposal somewhat akin to President Nixon's plan, which also is supposed to cost $40 billion. What is more, Kennedy has picked up Wilbur Mills, the influential House Ways and Means chairman, as collaborator and cosponsor.
>
> But is the Kennedy plan by that token a fine and laudable approach to health insurance? By no means.
>
> Kennedy and Mills have cut the exorbitant cost, of course. Yet $40 billion is still too much. (It is too much for the Nixon plan as well.) The premiums would be collected through increased Social Security taxes—at a time when existing Social Security taxes are becoming really oppressive. The plan is still compulsory. Sen. Kennedy thinks you shouldn't have the right to say whether you wish to participate.
>
> Doctors, to be sure, could remain outside the program. But any patient consulting them would have to pay his own bills.
>
> Most objectionable of all, however, is the prospect that Congress might perceive Kennedy's $40-billion "retreat" as a magnanimous compromise, surely deserving of adoption.
>
> To ask for the moon but settle contentedly for the stars is a tactic much beloved of politicians. Doubtless that is the way of it with the Kennedy-Mills proposal. Kennedy would prefer an $80-billion insurance setup; but, really, if everyone is going to get alarmed about it, he will make do with less.
>
> In reality, however, his "less" is a great deal. The senator would poke not only the federal camel's nose into the health insurance tent but also the camel's shoulders, forelegs and hump.
>
> Once established, the principle of health insurance as a normal, reasonable Social Security benefit can be built upon. It is a simple matter to raise Social Security taxes and benefits. With little difficulty, the senator would cajole us back to the $80-billion program that was his goal for four years. Pretty soon, nationalized health care.
>
> The $80-billion program lacked a congenial taste; too many Americans made faces over it. But Kennedy now has sugarcoated his medicine. The flavor is apt to be improved. Should we swallow it, however, we soon would find the after-taste just the same. That is to say, just as bitter.

IN SUPPORT OF H.R. 11321, THE PUBLIC SAFETY OFFICERS BENEFIT ACT OF 1974

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. FORD. Mr. Speaker, I would like the record to reflect my enthusiastic support for H.R. 11321, the Public Safety Officers Benefit Act of 1974. This bill would amend the Omnibus Crime Control and Safe Streets Act of 1966 to provide a $50,000 Federal payment to the surviving dependents of public safety officers who die as a result of injuries received in the course of duty. The legislation would benefit both law enforcement officers and firefighters.

At this point I would associate myself with remarks of the distinguished gentleman from New York (Mr. BIAGGI) and the distinguished gentleman from New Jersey (Mr. HUNT) who, as former law enforcement officers, provided us with eloquent and moving testimony to the need for this legislation.

I, too, would like to emphasize the necessity for H.R. 11321. In 1973, 131 law enforcement personnel, the largest number yet, were killed in the line of duty. So far this year 34 law enforcement officers have been killed, the most recent this past weekend in Flint, Mich. Between 1961 and 1973, 1,002 police officers died as a result of injuries sustained in the line of duty. There has been a 20-percent increase in deaths over the last 10 years.

The Department of Labor has found that firefighting is now the most dangerous profession in the United States. Every year for the last 4 years between 220 and 250 firemen were killed in the line of duty. Between 1960 and 1970 close to 800 lost their lives saving our homes and communities.

Most State and local governments have not been able to provide our public safety officers with adequate insurance coverage. The Law Enforcement Assistance Administration has determined that 30 to 40 percent of all salaried firefighters and police officers are not even partially covered by insurance funded by their employers. Today the family of a policeman or fireman who has died in the line of duty may find voluntary contributions from private citizens the only source of economic support to help them through their difficult days. Furthermore, it is usually the young public safety officer who is killed, the one just setting himself up with a new home—and a mortgage, and a new car—and a debt—and young children to be provided for. Should these families be turned out of their homes? Should their children forego the education and other opportunities they would have had had their father lived?

Mr. Speaker, there is some question in my mind as to whether the $50,000 benefit this bill provides is even adequate—it certainly cannot compensate the survivors for the tremendous sorrow they must endure. It is a beginning, however, toward implementing the recommendations of the National Advisory Commission on Criminal Justice Standards and Goals which urges that Federal benefits be extended to local law enforcement personnel who lose their lives in the performance of their duty.

Mr. Speaker, I would now like to explain my opposition to two amendments to this bill. I first opposed the Nixon administration's proposal which was offered as a substitute for H.R. 11321. The narrower language of the administration's bill would have limited the $50,000 benefit to survivors only in the case where the proximate cause of death was a criminal or an apparent criminal act. It would also have eliminated the provision which provides that the benefits under this bill would be available for families of officers killed on or after October 11, 1972. The administration substitute, as well as the other amendment I opposed, provided for benefits only from the date the bill becomes law, which with our present calendar, could probably take another 5 or 6 months. I strongly oppose both of these changes.

In a sense, any date we could have chosen on which to first make benefits available would have been unfair to the families of the men who died prior to that day. Still it is necessary to make a choice. October 11, 1972, is the day a similar bill first passed the House. It passed unanimously by voice vote. The Senate version of H.R. 11321 also includes a retroactive provision making its legislative proposal effective on or after October 17, 1972, the date it first acted on a similar provision.

Since October 11, 1972, the date H.R. 11321 is to go into effect, 312 families stand to receive benefits under this bill. In Michigan alone 13 officers have given their lives since October 11, 1972. Under the Nixon administration's proposal, these families would receive nothing. Under ours they would receive full benefits.

Retroactive legislation is not unique. It is something the Congress has done before. For instance, in the area of disaster relief there have been at least seven public laws retroactive from the date they were enacted, including the Disaster Relief Act of 1966.

Mr. Speaker, public safety officers are entitled to this bill. They put their lives on the line for us nearly every day. Just recently, in my own congressional district, a young patrolman in Wayne risked his life attempting to aid an alleged suicide victim. This young officer now lies gravely wounded in the University Hospital in Ann Arbor.

It is the responsibility of this Congress to recognize the courage and dedication of our law enforcement officers and firefighters. The benefits which our bill provides are little enough when one takes cognizance of the sacrifices that have been made on our behalf.

Mr. Speaker, I strongly urge the prompt enactment of the Public Safety Officers Benefit Act. These courageous public servants are entitled to it.

TRAIN ON PRESERVATION

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. GUDE. Mr. Speaker, Harpers Ferry, W. Va., sits at the junction of the Shenandoah and Potomac Rivers. This merging point has been a pivotal place in American history and a place of great scenic beauty. Thus, it is altogether appropriate that Mayor Bradley Nash of Harpers Ferry should be instrumental in merging the ideals of preserving America's cultural heritage and the goals of a cleaner environment.

Environmental Protection Agency Administrator Russell Train was the principle speaker at the annual environmental symposium sponsored by Mayor Nash. I would like to share with my colleagues the remarks of Mr. Train which eloquently describe the importance of preserving our historical heritage as well as our environment:

REMARKS BY THE HONORABLE RUSSELL E. TRAIN ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY AT A LUNCHEON AND ENVIRONMENTAL SYMPOSIUM HARPERS FERRY, WEST VIRGINIA—APRIL 6, 1974

In Hawthorne's "The House of the Seven Gables," a young social reformer named Holgrave declares: "If each generation were allowed and expected to build its own houses, that single change, comparatively unimportant in itself, would imply almost every reform which society is now suffering for. I doubt whether even our public edifices—our capitols, statehouses, courthouses, city-halls and churches—ought to be built of such permanent materials as stone or brick. It were better that they should crumble to ruin once in twenty years or thereabouts, as a hint to people to examine and reform the institutions which they symbolize."

That must be the most extravagant argument ever advanced on behalf of planned obsolescence.

And I am delighted to be here today with Senator Randolph, Congressman Staggers, Gude, Mayor Nash, and so many Americans who are as thankful as I am that, if far too many of our structures do seem to have been built of sand, many more have been made of much sterner stuff—who believe, as I do, that the path to social and economic progress does not lie over the razed and ruined bulks of what earlier generations labored to create—who understand, with William Faulkner, that "the past is never dead, it is not even past."

We have all heard something about the history of this bridge. How it was first built in 1840, how it was washed away in 1889 by a flood, how it remained alive only in memories, histories and faded photographs until today, 75 years later, when once more it stretches across the canal.

Why bother, some might ask, to bring it back? There are no more active mills, ships, foundries or works of Virginius Island. Boats and rafts no longer ply the canal, passing underneath the bridge to take their goods downstream. So why do we bother?

We do so, to begin with, because this bridge is a thing of rugged beauty. But more than that, we do so because it was and continued to be a working bridge. It serves not only as a bridge across a canal, but as a bridge across the wide waters of time, a bridge between past and present.

Like this national historical park, the Jennings Randolph Bridge serves as a kind of meeting ground, a common ground, that stimulates and strengthens our sense of community, of shared accomplishment and anguish, tragedy and triumph, with those who have been here before us.

We Americans have always had uneasy relations with the past. We have tended either to accept it—even embrace it—without question or to reject it out of hand. One of our deepest roots, as a nation, is a rejection of the past—a turning away from the old world and the enormous burden of injury and injustice that it offered. "Our national birth," proclaimed the Democratic Review in 1839, "was the beginning of a new history . . . which separates us from the past and connects us with the future only."

But we have discovered, as we have acquired and accumulated a past of our own, that—no matter how we try to reject it—the past remains a powerful force within and upon us and, to the extent that we do not understand it, the influence it exerts becomes all the more unconscious and uncontrolled. The idea is not that we must live in the past. Rather, the fact is that, whether we are aware of it or not, the past lives in us. And to neglect it is to remain, in no small measure, inaccessible to ourselves.

More than that, it is the past—to the degree that we are aware of it—that gives depth and resonance to the present, that makes of the present something more than simply a random sequence of moments, that of our lives and our times something more than a fleeting, ephemeral affair.

We have lately learned that, along with the legacy of a lengthening past, we have inherited a natural environment whose reservoir of resources and whose tolerance for abuse are not without limits—a natural environment that will continue to support and sustain us only as long as we are willing to respect its laws and its limits.

We can no longer see—as earlier generations saw—our future in the form of a land so rich and wide that we would never run out of room or of resources.

There are limits to how much pollution and punishment our environment can absorb without becoming increasingly unlivable and even lethal. There are limits to its ability to feed our apparently endless appetite for energy and other raw resources.

And there are limits to our ability to continue to grow in ways that waste our energy resources just as surely as they lay waste our natural environment.

We will need, for the foreseeable future, to continue to build bridges and buildings and to mine and burn coal and other forms of fossil fuel. But we will need to take far greater care that we build in ways and in places that conserve land and energy and irreplaceable environmental and historical resources. We will need to take far greater care that we mine in ways and places that do least violence to the integrity of our environment and that we burn in ways that will do least harm to our health and life. There is, for example—as Senator Randolph has said—"no task more important than civilizing coal combustion so that its impact on the environment is minimized."

We will need, in short, to apply some very old-fashioned and, these days, thoroughly unfashionable concepts to the ways in which we grow—concepts like thrift and frugality that require us to make what we have go as far as we can.

This, I think, is the lesson that the Jennings Randolph Bridge and the Harpers Ferry itself has for us: that we must conserve as we create, and that what we conserve is indeed no small part of the life and the world we create for ourselves and for those who will come after us.

There will always be those who will say of places like Harpers Ferry that it would make a splendid development site. That we could tear down all these old buildings and construct a fine shopping center here. That we could level the forests and start building tract housing there. That there are some fine sites along both rivers for factories, and that the waterways and the mountain breezes would carry away the wastes.

Thanks to farsighted legislation introduced by Senator Randolph thirty years ago, Harpers Ferry has remained more or less intact against these degradations that we so often perform in the name of progress. And Americans can continue to come here to make contact with a part of their historic past—and, in so doing, to discover a very real part of themselves as Americans.

But what of all the other historic structures and sites across the country? What of all those other unique buildings whose very antiquity is so often cited as grounds for their destruction?

I am sure you are aware that we have a National Register of Historic Places and that it provides for the preservation of buildings deemed historic through the conferral of landmark status. But are you also aware that over one-half of the 12,000 buildings recorded since 1934 by the Historic American Survey have been destroyed? In toc many cases the owner had them destroyed in order to take advantage of the preferential tax treatment they would receive by putting up a new building in its place. Presently, the Internal Revenue Code permits the owner of such a building to deduct from his income the expenses of demolition and his unrecovered investment in the building. It also allows the owner accelerated depreciation on the new commercial building constructed on the cleared site. Under accelerated depreciation, as you know, the owner can deduct a larger portion of his investment in a shorter time than the normal or "straight-line" depreciation method allows. Thus, the Internal Revenue Code inadvertently encourages the demolition of old commercial structures regardless of their historical or architectural merit.

Congress has before it a bill that could very well save historically significant structures from the wrecker's ball. The bill is entitled the Environmental Protection Tax Act and is one of the first to utilize the Internal Revenue Code to promote environmental quality.

Basically, this bill would eliminate the current incentive for demolition by changing the treatment of depreciation on older buildings which the owner decided to rehabilitate rather than destroy. The approach is very simple. If the owner is willing to substantially renovate the building, he can treat it as a new structure for tax depreciation purposes. The bias to demolish is thus removed from the tax laws, and the owner of an older building has, for the first time, a real economic alternative to tearing down a structure which embodies an important and essentially irreplaceable part of our past.

Not every historic structure has a Jennings Randolph around to save it, and the passage of this bill would do a great deal to help preserve such structures.

Thanks to Jennings Randolph, and men like him, Harpers Ferry still stands, and a bridge reaches once more across the Patowmack Company canal.

Carl Sandberg might well have had this place and this occasion in mind when he wrote:

"The bridge says: Come across, try me; see how good I am.
The big rock in the river says: Look at me; learn how to stand up.
The white water says: I go on; around, under, over, I go on.
A kneeling, scraggly pine says: I am here yet; they nearly got me last year.
A sliver of moon slides by on a high wind calling: I know why;
I'll see you tomorrow; I'll tell you everything tomorrow."

Thanks to Jennings Randolph, and men like him, this place and this bridge will be here tomorrow, and tomorrow, and tomorrow—and so will generations of Americans to listen and to learn.

IF YOU WANT TO BE A MILLIONAIRE

HON. ORVAL HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. HANSEN of Idaho. Mr. Speaker, I want to share with my colleagues a timely and thoughtful message from one of our Nation's most respected business leaders. Mr. James E. Davis of Jacksonville, Fla., chairman of the board of Winn-Dixie Stores, Inc., and American Heritage Life Insurance Co., delivered the commencement address at the commencement exercised at Jacksonville University on April 21, 1974. Mr. Davis' address contains some sound advice not only for the members of the graduating class but for those of us in Congress and for all Americans as we face the problems and opportunities of a complex and changing world. His formula for success can serve as a guide to all of us.

The address follows:

If You Want To Be a Millionaire

I have allotted myself 21 minutes to make you a millionaire—if I can't do it in that time, you may just have to be happy and poor. In these days when the government endeavors to legislate equality through minimum incomes, regardless of productivity or demonstrated ability, we must assume that you buy the theory that what made the U.S. the greatest nation in the world is an inherent desire of individuals to be "unequal"—to excel others and not depend upon the government. It is important that Jacksonville University produce a new generation of millionaires to take the place of those who have been so generous in the past—the Swishers, the Phillips, Alex Brest, the Wolfsons, the Howards, the Goodings and several others who have been the financial underpinnings of this institution. You, the graduating class, are that generation.

I believe in daydreaming. A dream of what you want to be at 45 or 50 years of age is essential to motivate you. A dream so strong it becomes a plan. For the purpose of my talk I have assumed your dream may be to become a millionaire. I've looked back over 66 years to try to identify the characteristics and attitudes that I think will help you.

First of all, let me say that it is a highly competitive world and it won't be easy. I went to the Produce Market in Miami at 2:30 a.m. for years and finished taking my telephone orders at 9:00 p.m. each night. If you don't enjoy long hours and hard work and if you can't select a vocation you can eat, drink and sleep, you probably won't make it and neither will your spouse unless he or she is sympathetic and understanding.

Believe me, life is uncertain at best—each of us is just a heartbeat away from eternity. Failure and loss of life stalks us always. Fear is a very essential element of success. My background is in perishable foods where fear is the secret of success. Fear the market will go down—fear you will neglect some detail and your merchandise will be garbage tomorrow. You will soon learn my version of Murphy's Law—anything bad that can happen will happen. Think it through in detail and take steps to prevent catastrophe and minimize damage. Always have an alternate airport in mind for bad weather. You must take big risks to make it big—but you must run a very scared race. Where there is no chance for failure, there isn't much chance for success. Risk is just another way of saying opportunity.

The greatest design for becoming a millionaire I have ever seen was written by Mr. Eli Witt of Tampa, the Hav-A-Tampa cigar man. Mr. Witt was an invalid, bedridden for many years, but he built a great tobacco and cigarette business. Through his influence from his sick bed atop the old Tampa Terrace Hotel, he held the cigarette tax off in Florida for many years. He summed up his philosophy in two paragraphs which he called "Design for Success". I quote:

"I say to any person, whether he is able or disabled, that if he expects to make a success through government paternalism, he is doomed to disappointment. First, the person must decide definitely and quickly what business he wishes to follow. Then forgetting obstacles and ailments he must apply his mind to learning every detail of that business, in and out, backward and forward. He must not let his love of golf, or tennis, or card playing or gambling, or even his wife, take his eyes from his objective. He must devote day and night to the task of finding out what makes his business tick or what is needed to make it grow.

"In so applying himself, the person with physical handicaps will not have time for worrying or fretting about his lot. He will become so engrossed that the handicaps will be forgotten. I have found it so and I have been happy."

I recommend Mr. Witt's "Design for Success" to you!

Too many Americans in recent years have concluded "We've got it made—no use to work—no use to worry." The truth is—you must be hungry—that's the basic characteristic you must have some success! If you can't be dedicated to producing a better product or service at a lower price, you aren't going to be even a part millionaire. Most humans produce better under stress—not under affluence. This means that if you are poor now, you may have a better chance of becoming a millionaire than the guy who is already one—and has ceased to be motivated—has to remain a millionaire. Productivity is the name of the game and the Japanese are breathing down our necks in an effort to replace the U. S. as the top economic producers in the world today. We cannot cure poverty with money—only productivity cures poverty and not some scheme to pay people who do not produce. The government cannot give anyone anything it doesn't take away from someone else! Whenever one person gets something without earning it, some other person has to earn something without getting it. Try this on yourself and see where it leads to!

A business is known by the people it keeps. The people who get ahead are those who do more than is necessary and keep on doing it.

Whenever you go out to get a job, remember—you never get a second chance to make a good first impression! You may never see the man who hires you again. A lot hinges on his first impression of you. He might not hire you. If 20% of the people associate beards and long hair with hippies and violence, don't run the risk of making a poor first impression. A $1.50 haircut could be parlayed into a million dollars. In our business, we find that if we satisfy the cranky customer, we don't have to worry about the rest. A cranky customer may be a "square", but she is our customer and we intend to keep her.

Of course, the easiest way to become a millionaire is to strike oil, gold or marry money, but assuming you don't do any of these, let's talk about necessary personal traits you should develop.

At the top of the list is character—let's define character as something in your brain or heart that controls what you do when absolutely no one will ever know if you do wrong. It is a trait of personality your wife or husband and your banker will recognize and respect—especially if the banker loans you money. You will have to hire some money in your lifetime if you become a millionaire—and you will have to pay it back. We mentioned that you must take some risks and being able to borrow capital is one of the essential risks.

You must develop good judgment. It has been said that good judgment comes from exercising poor judgment and not making the same mistake twice. Judgment seems to be the ability to make use of experience—and few of us seem to be born with that faculty. We must acquire it. Don't rationalize your mistakes—analyze them coldly and profit by them. Competitors are really good for you in one area—they call painful attention to your mistakes. I believe you will find an important facet of judgment to be the ability to negotiate amiably. Trade hard—but not offensively. Judgment of what a buyer will pay in a sale is very important.

A most desirable characteristic is the ability to handle people—our relations with our associates and even our family. In this field, I think tact is a very important attribute. I recently read that a good supervisor is a guy who can step on your toes without messing up your shine. That's tact!

In developing the ability to handle people, I think you will find fairness is probably the most important ingredient in human relations. Perhaps you have heard the story of the employees chatting one day. One said, "Of course, the boss is mean, but he is fair." The other one said, "What do you mean, he is fair?" The reply was, "Well, he is mean to everyone." That is not the kind of fairness I have in mind when I point out it is important that we have this characteristic. Sincere acts of courtesy are never out of place in any business. I believe you will find a dedicated group is much more productive than one individual, so you must learn to be fair to your associates and work at binding them together, moving toward established goals.

Morale is one of the keystones in any business enterprise. I think it can best be defined as "Faith in the people at the top". You can be a hard boss, and still be liked—but not a nagging boss or a grouchy boss. You must be a boss who stays close enough to his business to know a good job from a poor one—a boss who cuts employees in for some of the "goodies" when it can be done. See that your employees don't refer to you as the "Boss" spelled backwards—double S O B! Encouragement is the all-important ingredient in any enterprise—without encouragement, we wither away and die financially and physically. Don't be afraid to dish out liberal doses of encouragement.

Most important, you can't be a millionaire unless you are a dedicated capitalist, and learn to handle money. Remember, you can't be a millionaire without making and saving $10,000 first—you crawl before you walk, and so long as you progress every year, that millionaire glint will stay in your eye. To become a capitalist is simple—just maintain the income over the outgo. This is a concept many educational institutions seem to neglect. If we spend more money than we make every week, we are going to be laborers and not capitalists, regardless of education, intelligence or high station. Hire money when you can use it at a profit—never borrow money to live on. Cut your spending or up your earnings. If you can't do this, you will never be a millionaire. If you don't have a financial plan, make it right now. If it involves making good money, take a little bookkeeping so you can understand your own finances, read a financial statement and balance your own checkbook. One year of accounting probably should be required course for all college graduates if they are going to have a moderately high income.

Your biggest hurdle in business is to get all the factors together and organize them so you can pay the bills out of the receipts. I think I could run almost any business if somebody would pay the bills. This everlasting problem spoils many business enterprises. Most of the downgrading of business is being done by those who can't do this—do not understand the skill required and turn their envious scorn on those who can do it. Our government for many years has been a classic example of inability to pay the bills out of the receipts—and they mess up any business wherever they get their finger in the pie and eliminate competitive ingenuity.

An important tool of success is keeping your education up to date by reading. The accelerated pace of today's living makes it even more vital. Even with an earned Ph. D. degree, you can be very uneducated within five years. There is no terminal degree in education—it goes on for your entire life. I have assumed that you have found that education comes largely from the written word. Books are an effort by those who went before us to give us the benefit of knowledge, research and experience. The intent was to make it so you would not have to make the same mistakes in a trial and error effort at solving problems. Socrates said, "Employ your time in improving yourself by other men's writings, so that you shall easily come by what others have labored for". Karl Marx said, "History is economics in action—the contest among individuals, groups, classes and states for food, fuel, material and economic power." Even Communists have a yen for economic power. Remember, also, that a memory for figures, names and faces in your business is very important.

You must be an innovator—be on a constant search for better ways to do things. To be an innovator, you must be aggressive, tough minded and persistent. If you are a 3.5 student or better and you got that way by writing long-winded disserations, shake the habit right now. The habit will lead to what we call the "3-page letter complex"—putting on three pages what should go in one paragraph. The ability to make a logical, concise presentation in writing is a "must"—it may be your only approach to a superior who must be made conscious of your abilities. Ability to cut through fluff and verbiage to get at the crux of a problem is precious—if you have it, cultivate it for it could make you a millionaire. Time is the most precious thing in the world—you must have the ability to make use of it efficiently. Another bad phase of the education problem is the "big word syndrome". When I hear a fellow on television start off with a lot of words that I have to look up, I wonder if he is really informing me or just trying to impress me or maybe make me feel stupid. You don't make progress with your associates by making them feel stupid.

The recent elimination of the grain surpluses in the United States may presage a worldwide famine. There are 75 million new mouths in the world to feed every year. Wheat, rice and corn are the staples of the world's diet and tell the tale in the food business. Available grain lands are relatively static compared to the expanding need.

Food production is probably the growth industry of the 70's. I don't believe burdensome, long-term food surpluses will ever exist again in our lives. Basic food production will be much more rewarding than in the past. There is as much dignity in telling the soil, animal husbandry and forestry as there is in science, music or poetry. If this is not recognized by educated people, we may soon go hungry. If there is a crop failure in Russia, China, Australia, Argentina or the United States, we may find millions of people will starve. Don't overlook forestry, agriculture or food distribution in selecting your vocation.

I don't have to tell you that this is the age of the "goof off"—the era of the half-done job. The Winn-Dixie cashier who doesn't thank you—the mechanic who does not fix your car—the executive whose mind is on the golf course—even students who want crip courses. Tremendous opportunities exist to do jobs right and satisfied customers will flock to your door if you can do them better than your competition.

Let me remind you of some new and old-fashioned ideas in simple language that you need to adopt as a policy:

1. Honesty is not only the best policy—it is the only one for success in life. Don't give your word carelessly, but if you do, keep it. Keep appointments—be dependable—be on time.

2. A fair day's work for a day's pay and fair pay for a day's work. I've heard that the great inventor, Thomas A. Edison, said, "Genius is 1% inspiration and 99% perspiration".

3. The most dangerous drug of our times is not a hard drug, but a drug called "SFN"—something for nothing. Don't get addicted to it, or you will never be a millionaire.

4. There is no such thing as it can't be done—problems are unsolved opportunities. Someone is going to solve great problems and be liberally rewarded.

5. The "I will" is worth more than the "IQ", but together they are unbeatable. Real motivation to get results will make life interesting.

I have often wondered why some of the millionaires I know were not "A" students—some didn't even finish college, but were highly motivated and tenacious. Proper education undoubtedly would have made it much easier—you have this great advantage. If you desire to become a millionaire, don't have many sidelines—you have a full time job ahead of you.

Now if you aren't the aggressive type, if your plans do not seem to work out, but your health is good and you can digest anything you want to eat, don't be downhearted. A lot of millionaires can't digest their food and would give all they have to have good health. Sometimes success brings indigestion and nerves anyhow, so just be happy. There are counterbalancing things even in success. I think there is wealth in things other than dollars. To be a really good teacher, minister or doctor borders on the divine. My third grade teacher inspired me to believe in myself—I've idolized her since—I still keep in touch. She is 84 years old and a Winn-Dixie stockholder. The satisfaction from this type of life work must be overwhelming.

Each person in the world, no matter how humble, has a sphere of influence—real success consists of expanding that sphere of influence constructively each day.

Let me close by pointing out that opportunity for college graduates has never been greater—more people can afford more goods and services than ever before in history—all signals are A-OK—go for the Jacksonville University Graduating Class of April 21, 1974. You can be a millionaire—don't tell me it can't be done—I've seen it done. I made a similar talk almost 20 years ago and I wondered if it was wasted effort. Two years later, a man came to me and said, "I liked your talk—we think alike. My boss and principal stockholder has just died and I need a new boss and owner". I told him I did not want to be his boss, but if he could manage to become as good an expense man as he was a salesman, I'd show him how to buy the company and I would make an investment with him. He is now several times a millionaire and I am a satisfied stockholder.

In the parlance of the grocery business, there are 57 rules for success—the first one is to do a good job. Don't worry about the other 56!

NEED FOR OMBUDSMAN LEGISLATION

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. OWENS. Mr. Speaker, last year 20 cosponsors joined me in introducing H.R. 9618, a bill which would establish an Office of Congressional Ombudsman. The House Administration Committee has taken no action on the measure, and the compelling need for serious consideration has grown. I appear today to urge consideration of this bill which would serve to reverse those trends that have been manifested in the public's lack of confidence in Congress.

Last February, the Harris poll showed that the public's confidence in the Congress was even lower than that in the President, whose prestige was at its lowest level ever.

Congressman as a group are more anonymous than the President. Voter opinion of Congress is more a reaction to the institution than it is to the men actually holding the office. That being the case, I find little comfort in the fact that this institution inspires less confidence than the Presidency, which has recently been described as "beleaguered," "paralyzed," and "floundering."

Whether the President feels he has been judged fairly by the media and the public during the last 12 months or not, he can at least trace the events which stimulated each drop of a percentage point of popularity. On the other hand, we have no such series of discernable causes for the loss of confidence in Congress.

Each of us here faces a mountain of work which few outside these halls can appreciate. Every day we take the responsibility of making decisions on dozens of unrelated yet complicated policy questions. Even with the bodies of in-house experts we have created in the form of committee staff to aid us, our legislative duties alone are almost overwhelming. We have committee and subcommittee meetings each morning, often running simultaneously. We must familiarize ourselves with many thousands of bills and amendments in order to cast informed votes. Interest groups, the press, constituents and our own staffs are constantly competing for our time.

Yet all of us know that our tasks do not stop there. Not only were we elected as a body to serve our Nation, we were elected as individuals to serve our districts. For example, Congress as a whole created the Veterans' Administration, but it is up to the individual Members to guarantee redress to our constituents who have encountered problems in dealing with VA programs. The same basic premise applies to each executive branch agency from the Forest Service to the Army to the State Department. We all take responsibility for creating such institutions on a national level; we individually must accept the responsibility to insure that they function on the local level. The enormous volume of mail we receive every day tells us that our constituents agree with this.

Casework consumes a large portion of our time. Some Members view it as an unavoidable siphon on themselves and their staff. Others see it as the principal service they can offer. All of us agree that it is necessary; all of us know we could always do more if we had the staff and the time.

It is against this background that I introduced the Office of Congressional Ombudsman bill last year. The concept does not represent sweeping winds of revision. Its primary function is simply to help all of us to serve our constituents better.

The Ombudsman may act to investigate a complaint, to gather information relevant to a congressional inquiry, or to undertake studies on the official demeanor of congressionally mandated offices.

Under my bill, the Ombudsman would be appointed by the Ombudsman Board, which would consist of six Senators—three from each party. Thereafter, the Board would continue to supervise the Ombudsman. The Ombudsman would serve for a 5-year term, although he may be removed by a majority vote of both Houses.

The Ombudsman can act only at the request of a Member of Congress. Further, as section 347 reads:

> Any information in the possession of the Office and pertaining to the resolution of casework referred to the Office by a Member shall be released only to that Member.

The Ombudsman's actions themselves do not have the force of law. He serves only in an advisory capacity to the Congressman who alone must make the final decision to initiate any proceeding. Nothing in the act compels any Member to accept the Ombudsman's recommendations. He may use part of them as a basis for his own investigation, or, if he wishes, he may reject them completely.

In this way, each Member would still be able to assess the Ombudsman's actions as they relate to his personal knowledge of his district. His relationship would not be weakened by the anonymous aid of the Ombudsman. Rather, that relationship would be strengthened by the Member's ability to do more for the individual constituent.

What would result if this bill passed and the office were created? Procedurally, little would change. Each Member would still receive complaints and requests directly from his constituents, and he would still sign all letters dealing with his constituents. In the interval, each complaint will be individually researched by the Ombudsman's staff of experts. The difference would be that the staff would be that of the Ombudsman, not of the Congressman himself, and they would be experts on the particular agency's activities.

Although there would be only a small procedural difference, there would be positive change in the overall results. While the Member and his staff would still make the final casework decision, they would be free from the obligation of researching the actual facts. The Ombudsman would take over. Instead of arm wrestling with HUD, for example, the Member would have more time to study legislation or to prepare his committee work.

Another result would be that service to the constituent would improve. No congressional staff is large enough to house an expert on each of the agencies with which we must deal on behalf of our constituents. On the other hand, this type of work would be the Ombudsman's sole duty, and his staff would consist of specialists able to deal with the agencies.

In this way, the quality of work which every Congressman would review would be consistently high, and the benefits to his constituents would be greater.

Furthermore, it would reduce a great deal of unnecessary duplication of effort. Under the present system, I may not know that a constituent who sent his problem to me has written to the two Senators from Utah as well, and we may all conduct our own independent investigations into the same issue at the same time. If we had an Ombudsman service which all of us used, only one investigation of facts would be necessary. Each of us would have the opportunity to attach our own recommended course of action, or we could coordinate our actions on the problem for maximum effectiveness. An Office of Congressional Ombudsman would protect the individualism of each Member of Congress while facilitating genuine service to our constituents.

I believe that each of these results would be an improvement over our present system of constituent service. But I would like to suggest a more far-reaching result of this legislation.

Each of our standing committees, besides having the responsibility of hearing proposed legislation in its jurisdiction, also serves to review executive agency and cabinet office policy.

The Office of Congressional Ombudsman would vastly improve upon our current oversight performance. I feel that this is among the most important features of this legislation. The oversight function of the office is included in section 346(b) of this bill. The section reads, in part:

> Not later than January 30 of each year the Ombudsman shall report to Congress concerning the activities of the Office during the preceding calendar year. Such report shall contain a detailed summary of the types of matters referred to the Ombudsman during such preceding year and shall include a statement with respect to those aspects of the functioning of the various agencies which have given rise to such matters. Information contained in the report shall be presented in such a manner as to facilitate oversight by the Congress of the agencies.

The Ombudsman will have a perspective which none of us can achieve. Members may submit their individual constituent problems to him for advice, but to those Members, those cases remain just isolated incidents. To the Ombudsman, cataloging the complaints as they come to his office, a number of complaints against any one agency may indicate the injustice of a new departmental policy which the individual Congressman with one unhappy constituent cannot detect. If all of the complaints go through one office, the Ombudsman will be able to recognize a pattern, investigate it, and advise the Congress of possible remedies for the general condition in addition to the remedies for the individual problems.

The problem that the Ombudsman addresses is a serious one: the lack of confidence our constituents have in this body. The Ombudsman can help us to rectify the situation in three ways: He can take part of our casework load from our shoulders thereby freeing us for more time in our legislative duties; his office's specialization and professionalism can help us to serve our constituents with better answers to their problems; and the Ombudsman's oversight function will help us recognize and solve problems at the administrative level.

I urge every Member to carefully consider passage of H.R. 9618.

BROADCAST LICENSE RENEWAL ACT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ASHBROOK. Mr. Speaker, I am pleased to have played a role in House passage of H.R. 12993, the Broadcast License Renewal Act. I hope that the Senate will pass the House version of this bill—particularly those provisions extending broadcasting licenses. This legislation—long overdue—certainly merits favorable action by both Houses of Congress.

This act will benefit both the broadcasting industry and the community as a whole. Of crucial importance is the extension of the license renewal period. The bill as reported from committee extended the period of licenses to 4 years. I supported a successful amendment to the bill which requires a license renewal every 5 years.

The extension to 5 years for renewal of broadcasting licenses is essential for several reasons. First, the extension will ease the burden on broadcasters who now must face the onerous license renewal process every 3 years. This is especially important for small broadcasters as it reduces the heavy amount of paperwork required by the FCC, thus reducing the workload of broadcasters and of the Federal Government. Second, it will guarantee a greater measure of stability to the broadcasting industry. This stability will allow broadcasters to improve their program planning, staffing, and the obtaining of the advanced equipment needed to operate broadcasting stations.

I am proud, Mr. Speaker, to have supported extending broadcasting licenses to 5 years.

REPRESENTATIVE JACK KEMP COMMENTS ON VARIOUS NATIONAL HEALTH INSURANCE PROPOSALS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. KEMP. Mr. Speaker, since 1969, when the Congress first formally recognized the growing importance of a national health program to satisfy the demand for better quality and more accessible preventive and illness medical care, we have witnessed the introduction of a multitude of national health bills. These measures provide for varying degrees of Federal control over the supply of and the cost for everything from catastrophic illness protection and national health insurance to complete national health "security." These proposals received widespread public and congressional attention during public hearings held by the House Ways and Means Committee and the Senate Finance Committee during 1971. We have committed ourselves, in this Congress, to enact legislation that will provide the necessary health programs to cope with the national need for adequate care and coverage in all health areas for all citizens.

I would like to congratulate my colleagues, Senator ABRAHAM RIBICOFF of Connecticut, a member of the prestiguous Committee on Finance, and Congressman JOE WAGGONNER of Louisiana, a member of the House Committee on Ways and Means, for their diligent efforts to provide the Members with what I believe to be a far more viable alternative to national health care proposals—far too often too costly and extravagant.

The bill in the House, H.R. 14079, the proposed Catastrophic Health Insurance and Medical Assistance Reform Act, would provide catastrophic illness coverage for all Americans through a social security administered trust fund.

The bill would cover all individuals and families with low or poverty level incomes for the major portion of all medical expenses, and it would require private insurance policies to meet Federal policy standards if they wished to be certified under the assistance program. The purchase of private health insurance would be optional, and the cost to the taxpayer, minimal, while still supplying maximum health care coverage to those in need of assistance through the Federal Government.

Coverage under this Medical Assistance Reform Act places greater emphasis on preventive medical care, and would basically provide high quality health care coverage without total Federal control and with a price tag of $3.6 billion, as opposed to $30 to $100 billion in the numerous other plans that have been introduced.

The catastrophic illness section of the bill will provide middle income families with total catastrophic coverage after their medical bills exceed $2,000 in 1 year. Of any economic group in this country, middle income families have been most neglected in the area of Federal assistance for the purchase of private health coverage, and consequently they have been subjected to often inadequate health care while being saddled with the heavy burden of exorbitant medical costs. The Medical Assistance Reform Act would go a long way to eliminate this injustice, but I am convinced that still more needs to be done. I am investigating the possibility of providing a tax credit for middle income families for the purchase of private health insurance. It is time that we stopped penalizing middle income Americans, and started offering them their rightful return for their overtaxed dollars.

I urge every Member to give this proposal careful consideration when weighing the responsibilities we each have to our constituents—to deliver to them the most comprehensive and high quality health care at a cost, in dollars and in government control over their lives, that we can afford.

No one can deny that the time has long come for adequate and substantial health care to be made available to all of our citizens. My concern is that we do not all jump on the proverbial federalized medicine bandwagon as though it were a panacea, before we examine the repercussions of total Federal control of health services and insurance—to the medical profession, to the insurance industry, to the welfare of our supposedly decentralizing government, and most importantly, to the people. The taxpayers have been raked over the coals with rising taxes, inflation, and the astronomical cost of living. We owe it to them to objectively consider every avenue of providing health services—and I firmly believe that mandatory federalized medicine is not the answer—and that we are frighteningly close to making a dangerous and irrevocable mistake if we enact such legislation.

NATIONAL TACO MONTH

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. GONZALEZ. Mr. Speaker, May is National Taco Month, an observance made possible by the National Taco Council headquartered in my home city of San Antonio, along with Kraft Foods, Handy Andy Foods, Carta Blanca Beer Co., Hopp's TV of San Antonio, Falstaff Brewing Co., Pearl Brewing Co., and the Texas Executive Chefs' Association.

Some of you will recall that I first advised this body of an observance honoring the taco, one of the tastiest of all the delicious Mexican foods, on April 30, 1968, which was the first day of a National Taco Week proclaimed by a small group in San Antonio but which was celebrated by all lovers of Mexican food.

A taco is the highest form a tortilla can take, whether it be a corn tortilla or one made of harina (flour), whether it is cooked hard or soft. The filling for the taco can take many forms, the most common being beef or chicken meat with lettuce, tomatoes, and cheese.

It was not long ago that you could eat lunch in downtown San Antonio for 45 cents and get three delicious and filling soft flour tacos stuffed with chili meat and beans—with more meat than beans.

There are a number of events scheduled this month in San Antonio in connection with National Taco Month, and I would like to take this opportunity, Mr. Speaker, to invite you and all of my colleagues to consider visiting San Antonio during May and possibly take part in some of these activities.

One of the first events scheduled is a Mexican recipe contest to be held this Saturday, May 4, which will be judged by Lalo Varela, executive chief of the Hilton Palacio del Rio in San Antonio, and other members of the Texas Executive Chefs' Association.

On May 16, the National Taco Council, of which Roberto L. Gomez, Esq., is chairman, will host a Mexican fiesta at the Lone Star Brewery, and on May 17 officials from Kraft and Carta Blanca will be honored at the Falstaff Shield Room.

In addition, there will be a taco breakfast for members of the San Antonio City Council, a dinner at Pearl Brewery, and several other events featuring the delectable taco.

The honorary chairman of all these festivities is 17-year-old Michael Ayala, who recently won the regional AAU flyweight boxing championship in San Antonio and will represent south Texas in the AAU national competitions June 12–18. He was the 1973 national flyweight Golden Gloves champion and defeated the national AAU champion last year.

In any event, while the month of May is a good time to visit the Alamo City, really anytime of the year is a good time to go to San Antonio and sample the cuisine, especially the taco, perhaps while riding one of the motor barges down the San Antonio River.

If you have not been before, it is time to go and to learn that every day is taco day in San Antonio.

TWENTIETH CENTURY TECHNOLOGY

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. GUNTER. Mr. Speaker, the petrochemical industry is one which will become increasingly important to the Nation as synthetic materials become evermore necessary to replace our dwindling natural materials resources.

Precisely because this is a complex problem, we have heard only a part of the whole in the current debate which centers primarily on the energy crisis.

However, the energy crisis cannot be separated from other realities which confront spaceship Earth, a relatively small vessel whose cargo of nonreplenishable resources is dwindling as mankind increases not only in numbers but in the development of technologically intensive lifestyles.

While there may be many in the academic community who have recognized the interdependence of many aspects of our technological society, I am glad to see that the business community also has representatives capable of seeing the scope of these challenges.

One of these is Ralph L. Harding, Jr., president of the Society of the Plastics Industry, Inc., who spoke recently at the Town Hall of California on the subject of "The Life Expectancy of Twentieth Century Technology."

Mr. Harding's talk, given March 19 in Los Angeles, is both well-reasoned and provocative and I commend it to my colleagues. Therefore, Mr. Speaker, I include in the body of the RECORD, following my remarks, the text of Mr. Harding's speech:

THE LIFE EXPECTANCY OF 20TH CENTURY TECHNOLOGY

(An address by Ralph L. Harding, Jr.)

I have given considerable thought—including a few second thoughts—to the title I chose for this address. I work very close to this subject. I feel very strongly about it, and it is my hope that a title of this sort—presumptuous as it may sound—will help me to reach open minds.

The charge of presumption often comes as the swiftest penalty for challenging another man's assumption. The assumption I am now challenging is the automatic identification of this century—as an era of material progress, crowned by affluence—with the technological mechanisms of the past six or seven decades; so that it becomes unclear whether this century produced this technology or is itself this technology's chief product.

My case for this presumption is based on the facts, events and trends of our time. In support of my case, I want—first—to touch upon the political and economic environments into which Twentieth Century technology was born. Then I would like to comment on the changes—first in politics and now in economics—which demand a new, more viable technology for the remainder of this century and for a strong beginning of the next. Then I shall describe what could become the single greatest threat to our current technology, and finally some steps that we can take, to preserve the health of our nation during this time of transition.

Neither the Twentieth Century nor its technology can be understood without some recognition of the differences between technology before and after the start of World War I. It was the First World War that gave, through urgent national policies and governmental directives, unprecedented organization to the Nineteenth Century heritage of scientific innovations. As Peter Drucker notes, in his essays on *Technology, Management & Society:*

"Generally . . . the relationship between scientific work and its technological application, which we today take for granted did not begin until *after* the turn of the twentieth century . . . such typically modern devices as the automobile and the airplane benefitted little from purely theoretical scientific work in their formative years. It was World War I that brought the change: in all belligerent countries scientists were mobilized for the war effort, and it was then that industry discovered the tremendous power of science to spark technological ideas and to indicate technological solutions."

In that sense, what we now call "Twentieth Century technology" was actually born in 1914 and—if we are to relate the two—the Twentieth Century was born at the same time. If we count the true ages of these twins as 60 years come August, our reckoning will agree exactly with the calculations of historians who hold that the Nineteenth Century did not really end until the outbreak of the First World War.

That outbreak signalled the final collapse of Metternich's system of international understandings which had permitted the leading powers of Europe, at least, to enjoy decades of general peace and so to make unprecedented material progress—largely by developing and utilizing their colonies and client states as sources of cheap raw materials. After the war, our European Allies set to work building a new cartel of industrial nations, excluding the defeated, and inviting the United States to take a piece of the action.

The dependence of the West on cheap supply sources continued, and high on the list of vital materials was placed one that had proven its importance durng four years of combat: petroleum. Essentially, these industrial nations had simply organized the findings of science into a technology which they then expanded and applied with new vigor, fueling it at an ever increasing rate with petroleum and other cheap hydrocarbons. This statement could serve as a working definition of what we call "Twentieth Century technology"—with all its strengths and weaknesses.

Chief among those weaknesses, as we have learned by the experiences of the past six months, is our technology's dependence on cheap and abundant energy in the forms of crude petroleum and natural gas, the two most convenient sources of hydrocarbons.

As a spokesman for the plastics industry, I am painfully aware of this dependence, since plastics are derived from petrochemicals. I see a special irony in the current situation, in which plastics—one industry which points the way to the technology of tomorrow—is now so deeply affected by the shortcomings of the traditional technology and of economic concepts on which we still rely today. Our industry has been seriously but not permanently hurt both by the resultant shortages and by associated misunderstandings of the real priorities.

I know I cannot make any claim for plastics' unique status in tomorrow's technology without offering some authority besides my own. As I have confessed on a previous occasion, "I am, after all, an industry association president, a salaried spokesman, a predictable advocate." So, now as then, I offer the testimony of an expert who, you may now suspect, is one of my favorite authors.

Writing in *The Age of Discontinuity*, Peter Drucker observed:

"All around us there are new industries and new technologies. But as the economist defines 'importance'—that is, by contribution to gross national product, personal income, and employment—these new industries are still almost negligible, at least to the civilian economy.

"Of the new industries only one has, so far, attained major economic importance. It is plastics.

"Even plastics were looked upon until a very few years ago as "substitutes"—ersatz—rather than a major new industry and technology in their own right. And even the plastics industry today is only a faint premonition of what the "materials" industry of tomorrow is likely to be, both economically and technologically."

Since I offer Dr. Drucker as my authority, I would not want you to assume that he has overlooked such other new industries as pharmaceuticals or aviation. He carefully states that "in terms of employment or of direct contribution to national product—the pharmaceutical industry is still hardly visible to the naked eye. . ." And, admitting that "the freight plane may well, within a few years, make obsolete the oceangoing cargo ship," he adds, "So far, however, air freight is still a lesser factor in world transportation than bullock or burro."

Of course, Dr. Drucker was describing the aviation industry as it was five years ago. I'm afraid the past few months have seen the bullock and the burro *increasing* their lead.

Rereading Drucker with the hindsight of the energy crisis confirms, for me at least, my original impression of his thoughtfulness, his balanced view. Reconsider his description of the plastics industry as a "premonition of what the materials industry of tomorrow is likely to be." At first that sounds simply optimistic—almost a bit of boosterism. But a premonition can bring, with its encouragement, a warning. It can go either way, depending on what we make of it.

What remains essentially unchanged in Peter Drucker's evaluation is the fact that plastics are "riding the point" of our technological future. This industry is a unique, a precocious child of Twenieth Century technological progress; but it is not an only child. If we cannot establish and maintain political and economic environments in which the plastics industry can prosper, the outlook is also grim for other members of the rising technological generation.

Take, for example, the fact that—even when petroleum feedstocks were abundant—plastics of all kinds in this country accounted for less than one and a half percent of total domestic usage of oil and natural gas. And yet, plastics are one of the best, if not *the* best value-related use of hydrocarbons. This can be seen by charting the cumulative product values of hydrocarbons as they move through the petrochemical industry, into and out of the plastics industry and on to other industries which depend on plastics for their materials and components, finally reaching the consumer.

In this progression, a dollar's worth of basic petrochemical feedstocks becomes two dollars' worth of monomers, the universally useful "building blocks" of our synthetics, produced in the organic chemical industry. This new value is doubled again by the conversion of monomers into polymers. Finally, the processing of polymers into the plastics industry's end products increases their value, on the average, by a multiple of at least 2.5. The total result: an average value-added multiple of *ten*—and, in some industries, as high as 20 or 30.

A similar progression takes place, of course, for such other synthetics as the man-made fibres, tires and other rubber products, paint and coatings, antifreeze, aspirin and a vast number of other sophisticated materials and products, which are widely used.

As the Shah of Iran perceptively stated, some weeks ago, oil is too valuable to burn. Its most intelligent use is in petrochemicals, an industry of which plastics constitute one quarter and for which the plastics industry provides the best avenue for delivering the benefits of petrochemical production to other industries and to the consuming public.

In centuries to come, men may look back on our time and find it difficult to believe that the leadership of this century—the political, industrial and commercial administrators of Twentieth Century technology—actually permitted widespread destruction of this planet's precious store of fluid hydrocarbon sources, simply to produce heat and light and power. Men of future centuries, enjoying a practically limitless abundance of solar or nuclear energy, but bequeathed by us a beggarly inheritance of petroleum and natural-gas feedstocks, may condemn our shortsighted consumption of these resources, which nature needed millions of years to prepare.

Neither will they easily understand our slow and feeble efforts to utilize our coal reserves for anything better than a source of cheap fuel. The fact that similar observations could be made for other irreplaceable resources only broadens this threat to the technology of the future.

Long thoughts such as these, unfortunately should have been thought through long ago—years before we maneuvered ourselves, optimistically accelerating till the last, into the time-trap where we now find ourselves, unable to go back and faced with the prospect of crawling painfully ahead, paying an unprecedented price for the energy to make each crippled move.

This is the reduction-to-absurdity of our almost mindless confidence in Twentieth Century technology, a rich banquet of delusions for which we are now finally getting the inflated check, a reckoning without artificial discounts.

If this was a banquet for all industrial nations, we Americans certainly sat at the head table: six percent of the world's population—consuming one third of the world's energy and comfortably expecting that our insatiable demand could be indefinitely served, at an annually increasing rate—an endless affluence based on inexhaustible resources.

We cannot continue to ignore present reality—*or* to neglect our present obligation to future generations. Our errors can be counted in the percentages of world resources we consume; our correction must now be calculated in the percentages of our needs which we import. In 1972, the latest year for which complete data are available, we imported 87 percent of the bauxite and alumina used in producing our aluminum, 90 percent of our nickel, 92 percent of our cobalt, 93 percent of the platinum group, 95 percent of our manganese, *all* of our chromium and *all* of our tin. These deficiencies are more than incidental to our nation's future; they are strategic.

Writing in *Foreign Policy* magazine before the Arab oil embargo, C. Fred Bergsten, a senior fellow of the Brookings Institution, warned:

"Four countries control more than 80 percent of the exportable supply of world copper (Chile, Peru, Zambia and Zaire), have already organized, and have already begun to use their oligopoly power. Two countries (Bolivia and Malaysia) account for more than 70 percent of world tin exports, and four countries raise the total close to 95 percent. Four countries combine for more than 50 percent of the world supply of natural rubber. Four countries possess over one-half the world supply of bauxite, and the inclusion of Australia (which might well join the 'Third World' for such purposes) brings the total above 90 percent."

Bergsten's last sentence reminds me to mention that the title of his article was "The Threat from the Third World." He uses the term "Third World" because in his own explanation "it is widely understood as meaning all countries outside the 'industrialized West' and the 'Communist Empire.'" The "Threat" in Bergsten's title refers to the potential clout which Third World countries could inflict on the industrialized West, eminently including the United States, by acting singly or in combination to raise prices or to deny supplies outright, supplies which we have grown to take for granted, in abundance and at bargain prices. And built into that smug expectation was the inherent folly of making confident projections of larger and larger imports, even though the very size of those projections made their reliability less and less credible.

When Bergsten wrote, last summer, of this developing situation, there was still room to escape his conclusions about potential supply embargoes. Writing again, this January, he recalled:

"As recently as a year ago, it was conventional wisdom that 'the oil countries could never get together;' it was believed that they could not risk retaliation from a 'United Western world.' But, today, through the Organization of Petroleum Exporting Countries (OPEC), the oil nations have quintupled their price. They have cut back production. They have raised fears of global depression. And they have left the consuming countries, particularly in Europe and Japan, in disarray, and alliances such as the Common Market and NATO, in peril. Indeed Europe's every scramble for a 'special deal' has strengthened the confidence of the oil cartel.

"But oil is just the beginning. . . . (The) lesson of this startling reversal of power seems obvious for other countries with key primary products: Band together and your revenues can rise dramatically. . . . OPEC itself appears ready to support the formation of other cartels, as one way to avoid opprobrium for bankrupting the 'developing countries.'"

In summation, Bergsten notes, "Those who support the producing countries in this central new issue of world economics and politics . . . (say) it is no more immoral for a few countries to produce the lion's share of a particular product than for a few countries to consume the lion's share, as the industrialized world has become used to doing."

If these emerging attitudes do not undermine the economic foundations of Twentieth Century technology, they certainly invalidate the optimistic projections which formerly guided it. Although the oil embargo may be lifted, oil prices will remain extremely high. If the Arab embargo and the OPEC successes become models of action for other Third World nations, we must—as rational observers—anticipate future supply crises. The deep and spreading difficulties which economists now experience in revising their projections in the aftermath of the Arab oil embargo are, in my opinion, traceable to the fact that we are passing from our old economies of demand to a new economics of supply. Gradually at times, abruptly at others—but with a generally accelerating pace—we are moving into an era of scarcities, potential and actual, threatened or imposed.

This fact is central to this address, and it is pivotal for this century: this finally enforced transition from the economics of demand to the economics of supply. Indebted, as they all are, to Nineteenth Century science, the industrial nations must recognize that material prosperity is no longer available on the cheap, and that they must build for the Twenty-first Century within the parameters of the new and unforgiving economics of supply.

I have described the present crisis, of which the energy emergency is the start, as a reduction-to-absurdity of our blind confidences in Twentieth Century technology. Whatever our emotional attitudes toward the Arab embargo or our personal reactions to its uncomfortable consequences, we must give first priority to the intellectual task which this emergency has laid upon us. We must, as any logician would, work back from this absurdity to a re-examination of our now discredited assumptions. The open-ended, lavish and prodigal economics of unending abundance will no longer serve to finance our technology. The old and comfortable margins for error are narrowing day by day. Whatever capital is not consumed by rising import prices must hereafter be prudently applied to meet the real needs of our populace, whose confidence in their established leaders has been badly shaken in the past year.

As I have stated on another occasion, management's right to manage is unassailable, to the extent that it is based on management's duty to manage, to serve the community as steward of its resources, to implement the public purpose under the directive authority of government. And the directive authority of government, to which the people turn when other leaders fail, is based on conscientious and effective care for the people's needs. Both government and industry, in the final analysis, depend on the consent of the public, on varying degrees of public acquiescence and on public approbation of their efforts.

Each of us is certainly entitled to his own evaluation, but we all have sensed a gathering storm of indignation and disillusionment in this country during the past twelve months. Most evident now is the dismay of those Americans whose jobs have been destroyed by the energy crisis. This is the situation for far too many in the plastics industry.

Less acute but much more widespread is the suspicion felt by those who see a public inconvenience, even a hardship, turned to quick and tidy profit. The motorist who cuts into line at the gas pumps finds himself the object of erupting angers that can reach no better targets.

The public knows what is lacking: at the moment, petroleum, petroleum products, petroleum-based energy and petroleum-powered transportation, for goods and services and passengers alike. Succeeding weeks have brought new shocks, new disillusionments for the public mind. Government moves uncertainly and late. Industry, if not the villain, looks too much like an accomplice.

Neither industry nor government has time to waste. Both must turn to more effective alleviation of this crisis and to the prevention of those crises threatening in other areas dominated by uncertainties of materials supply. Both industry and government must set to the urgent task of technological innovation. Where old technology has failed or priced itself out of consideration, new technology must be developed and applied.

Out of their common responsibility to the people, out of their shared vulnerability to public criticism, government and industry must work as partners, to recruit and mobilize the best thinking available for these public purposes. Despite the all-too-evident examples of personal risk, businessmen must now be willing to take a more active role in advising, assisting and participating in the tasks of government.

Outside of actual wartime emergencies, as we all recognize, government-directed mobilization of the private sector's potential for meeting public crises has seemed alien to our democratic republic. Nevertheless, today we must recognize that not only the energy shortage but continuingly threatening shortages of other vital materials must be systematically evaluated and successfully met, by our national leadership, both governmental *and* industrial, with maximum support from labor and the academy.

The exigencies of the energy crisis have moved us rapidly into areas of official control which seemed, to say the least, improbable one year ago. The future requirements of what is already being called "resource diplomacy"—to prevent or alleviate price and supply structures arising from Third World forces—cannot be predicted at this date. But it seems incontrovertible, to me at least, that some adequate response must be prepared, some permanent authority must be given institutional form, preferably founded on industry-government cooperation, concern and—may I emphasize this quality—*candor*.

The public, I fear, will not much longer tolerate the confusion—believed by some to be deception—which has aggravated the energy crisis and has needlessly increased the sacrifices which the people have been asked to make during the past months. When the needs of "national security" itself have now become so widely suspect, I cannot see much prospect for a comfortable continuation—at or near the highest levels of government or industry—of close-to-the-vest confinement of information vital to the public welfare.

Furthermore, what we are talking about: development of new technology which will minimize our country's dependence on imports and end our vulnerability to international blackmail—will clearly require expensive research and development which may well be beyond private industry's ability or inclination to afford. And any distribution of public funds demands adequate public—that is, governmental—knowledge of the capabilities and requirements of the private sectors involved.

The bitter experience of the energy shortage suggests that we consider anew the advice given us four years ago by a man whose credentials as an industrial leader can hardly be impugned. Speaking to the Bond Club of New York on January 7, 1970, Thomas J. Watson, Jr., as chairman of the board of IBM, stated:

"I believe that the complexity of our modern economy demands national goal setting and planning closely paralleling that which is commonplace in industry."

Subsequent events have made Mr. Watson's recommendation more urgent than ever. What I propose is commonplace in private industry: the gathering of information and projections for supplies of strategic materials. Individual industries regularly take inventory of stocks required for their future operations, and I propose that a similar inventory function be performed regularly for the aggregate national economy, along with recommending and fostering related developments, as required, in technology.

Whether this task be taken up by an expanded form of the Federal Energy Office, by the Department of the Interior or perhaps by a greatly strengthened Office of Technology Assessment serving the Congress, it seems essential to our future security and prosperity that some national institution be assigned the task of charting our economic and technological future, for fear that this nation may drift again into the shallows of shortage, there to sit—an object of derision and a target for hostile opportunists.

It seems equally essential that businessmen participate in this vital task, this crucial public service.

If you feel as I do, your concern for this republic moves you in two ways: anxiety about its future prosperity and uneasiness about an increase of governmental influence on decisions which shape the private sector. Though I am proposing, in effect, nothing more than a national clearinghouse for economic and technological information, I know that official evaluations of that information will affect choices that must be made by non-governmental decisionmakers—by industrialists, labor leaders, marketers, consumers, all of us. But balance that uneasiness against the danger that our people—in some future crisis—may despair of private enterprise, of its competence to serve as steward of our national resources, and turn abruptly to government, not for information merely, but for relief, for sweeping measures of alleviation through unprecedented allocations and controls.

The energy emergency has opened a new and critical era for our economy, our technology and our society. Important steps must be taken—in time—sure steps taken in the open light of day, illuminated by the best available information, gathered with care and publicized with candor—so that we can *all* go forward together, in security *and* freedom.

PARKS FOR THE PEOPLE

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. SEIBERLING. Mr. Speaker, the term "Parks are for people" has become an axiom of the Interior Department. It became popular in the late 1960's, when the Department first became seriously interested in urban recreation. President Nixon and Interior Secretary Morton embraced the term and used it to urge establishment of the Gateway National Recreation Areas in New York and San Francisco. City people, who have long felt left out of Federal recreation programs, were encouraged. For the first time our Government had a stated national policy that parks should be "where people need them."

Unfortunately, it has become increasingly clear in the past several months that the term has eroded. The Department of the Interior has consistently opposed legislation that would establish parks within urbanized areas. It prefers to shift the primary responsibility for recreation to the backs of the States and local governments. Certainly it is up to local communities to do their part in meeting the recreation needs of their residents. But the state and local governments cannot do it all. In many cases the need stretches beyond State boundaries. In other cases the need is too great and the financial resources available are too small—even with Federal matching grants—to meet it.

Nationwide the situation is critical. Although 73 percent of the Nation's people live in cities, only 8 percent of all Federal recreation lands are in urban areas. Within our central cities, one family in two or three does not own a car. Yet most of our parks are located in nonurban areas, accessible only to families with automobiles, and then only for long weekends or summer vacations. Those Federal parks which are near our urban masses are either limited in purpose, such as national battlefields, or unsuitable for intensive recreation, such as national historic sites.

Thus I find the administration's use of the term "parks for the people" very puzzling. What people, I wonder? And what parks? State parks, county parks, city parks—but not Federal parks?

Mr. Speaker, I am pleased to bring to your attention an excellent article on the subject, written by Jonathan Ela, midwest representative of the Sierra Club. It is entitled "People, Parks, & Policy," and it appears in the April issue of the Sierra Club Bulletin.

Mr. Ela points out that among the most exciting prospects for land preservation are areas adjacent to our huge metropolitan regions, enclaves where the imprint of urbanism has remained small. He cites Indiana Dunes near Chicago, Cuyahoga Valley between Akron and Cleveland, and the St. Croix River near Minneapolis. I would add others, including the Chattahoochee River near Atlanta.

The Department of the Interior has been hostile to each of the legislative proposals for these areas. The National Park Service has discarded half of the congressionally authorized Lower St. Croix River. The Interior Department has been laggard in submitting a report on the proposal to expand Indiana Dunes, and will probably recommend an increase of less than 20 percent of the area that deserves to be protected. At a March 1 hearing of the House Subcommittee on Parks and Recreation, the Director of the Bureau of Outdoor Recreation conceded the outstanding qualities of the Cuyahoga River but argued that it should be a State responsibility—despite the fact that the State cannot afford to acquire the land if it has to rely on the funding schedules of Federal matching grants.

As Mr. Ela points out, the lands near urban areas present "administrative problems" for the National Park Service. They do not always fit the Interior Department's arbitrary definition of "national significance." As Mr. Ela states, it would be interesting to learn why the Cuyahoga Valley, with its magnificent historic, scenic, and natural resources, is not considered to be nationally significant. It is particularly interesting in view of the fact that every major national park and conservation organization in the country has endorsed the Cuyahoga Valley as nationally significant.

Mr. Speaker, I insert in the RECORD the full text of Mr. Ela's fine article.

I would add a postscript to Mr. Ela's comments however. I do not really think that the National Park Service is to blame for the situation. The issue goes much higher, to the policy levels of the administration. The National Park Service necessarily conforms to the policies of the leaders in the Department of the Interior, the Office of Management and Budget, and the White House.

Yet the ultimate responsibility lies with Congress. It is up to Congress to set the priorities of this country, to enact the laws that meet the needs of our people. And it is up to Congress to put parks "where the people are."

The text of Mr. Ela's article follows:

ADMINISTRATION VS. VISITATION—PEOPLE, PARKS, AND POLICY

(By Jonathan Ela)

Scratch a well-trained employee of the Department of the Interior and, instead of saying "ouch!," he will most likely chant "Parks are for the People!" Never in the history of the federal service has a cliche become more ingrained, more instinctive, or more meaningless. But if you probe more deeply into the agency corpus, you reveal the proposition in its entirety: "Parks are for the People, but not too many parks, and not for too many people."

Here in the Great Heartland of America, where the amber waves of grain crash against shorelines of barbed wire, among the most exciting prospects for land preservation are areas adjacent to our huge metropolitan regions, enclaves where the imprint of our urbanism has remained small. Chicago has the Indiana Dunes; Cleveland, the Cuyahoga River; and so on. It would be reasonable to expect that the National Park Service would be excited about the preservation possibilities these areas offer, that the challenge of maintaining natural beauty, while still opening the areas up as a haven for the cities' crowded throngs, would be irresistible. Sorry, no dice: not these parks; not for these people.

The National Park Service has been hostile to each of these areas, a hostility that apparently will infect every imaginative park proposal within a half tank of gasoline from a major urban center. Our main battleground may be in the Midwest now, but anyone interested in the Santa Monica Mountains, for example, had better pay attention.

The St. Croix Scenic River forms the border between the states of Minnesota and Wisconsin, and is actually within commuting distance of the Minneapolis-St. Paul urban centers. It has suffered a minimum of disturbance, and the upper stretches remain a prime canoe stream, while the lower reaches still remain pastoral and serene.

When a proposal to include the lower St. Croix in the federal Wild and Scenic Rivers System was pending before Congress in 1972, the bill had the support of both states' congressional delegations, both states' governors, the vast majority of local communities and residents, and virtually all citizens' organizations: the only significant opposition came from the National Park Service and the Department of the Interior. In spite of that opposition, a compromise was worked out, with about 25 miles of the Lower St. Croix to be protected by the National Park Service. The measure was passed by the Congress in late 1972.

In early 1974, however, the Park Service wanted to give more than half of that away because the cost estimates provided Congress by the department proved grievously faulty: less than $8 million had been authorized, and it is now estimated that $18 million will be required. Instead of immediately returning to the Congress for more money, the Park Service decided that it would preserve only half the river; the lower 17 miles were discarded, thus flouting the will of Congress, and the two states were informed that they themselves could save the river if they chose.

The Indiana Dunes presents a comparable situation. The original Indiana Dunes National Lakeshore was authorized in 1966, and is a politically sewn-together patchwork quilt that attempts to satisfy environmentalists and steel companies at the same time. Starting in 1971, Congressman J. Edward Roush has led the battle in Washington to expand the Lakeshore to include the many areas of outstanding natural significance that had been left out five years before. Action has been held up ever since, because the Department of the Interior doggedly refuses to submit a report on the legislation. Word has leaked out from the bureaucracy, however, that the report will recommend an increase of only about 950 acres, less than 20 percent of the area that deserves to be protected. It is also significant that the department's recommendation will apparently not focus on the intrinsic merits of the lands involved, but will only support those parcels that will make administration of the lakeshore more convenient.

The Cuyahoga River between Cleveland and Akron has carved a deep valley into the flat northern Ohio landscape. Amazingly, this valley retains a generally primitive aspect, and has innumerable features of scenic, natural, and historical significance. Citizens' groups, the state of Ohio, local governments and park boards, and numerous members of the state's congressional delegation have carefully developed a proposal for a 15,000- to 20,000-acre Cuyahoga Valley National Historical Park and Recreation Area. This proposal would preserve the natural and historical aspects of the valley, woud permit greater visitation to the many features of interest, and would enable the small communites to maintain a bucolic and pleasant style of living.

At a March 1 hearing of the House Subcommittee on Parks and Recreation, only one dissent was given to the concept of the park. Director James Watt of the Bureau of Outdoor Recreation, acting as flack man for the Park Service, conceded the outstanding qualities of the area, and then turned around to argue that the state should bear the responsibility, with federal assistance coming only in the form of Land and Water Conservation Fund Grants. (He was immediately countered by William Nye, the Ohio Director of Natural Resources, who testified that there is no way the state can afford to acquire the land in a timely fashion, if it has to rely on LAWCON funding schedules.)

A common theme runs through these three cases, as well as other cases that could be presented. The National Park Service has lost its nerve. Avoiding "administrative problems" is the principal criterion by which the department now judges a proposal. Irregular boundaries, industrial pressures, inholdings, easement rights, and visitation from people other than the purest pukka-sahib Winnebago types, are all "administrative problems," and the department will pass the buck to any stray taker it can find.

The idea of preserving an area that still has people living in it, where administration will rely on easement acquisition and compatible zoning, as well as on fee-simple acquisition, and where the goal is to protect a cultural ambience as well as to preserve nature and provide recreation, presents a creative hurdle that is simply beyond the bureaucracy. To the Park Service, a national park is square, large, entirely owned by the federal government, and has few enough points of access that it can put up toll gates. Above all, it is empty.

Needless to say, there are few, if any, areas that meet this standard near our metropolitan regions, so there will be few, if any, national park proposals of this kind supported by the department. There is an irony in this; on August 1, 1971, Secretary of the Interior Morton issued a directive entitled "A Second Century of National Parks," which stated:

"One of the great social needs of America in the years ahead will be to provide refreshing recreational opportunities to the city dweller . . . we must identify—and create—parks where people need them . . . utilizing the experience of such recent urban proposals as the New York Gateway project, the National Park Service should develop a set of criteria for the establishment of national recreation areas in urban environments.

Times change. At the March 1 Cuyahoga hearing, Director Watt implied that Gateway, and its western counterpart, the Golden Gate National Recreation Area, were failures from the federal government's point of view, and he spoke of the federal government "divesting" itself of recreational properties that it no longer wished to handle.

The standard excuse used by Watt and others for ducking problems and for refusing to exercise imagination is the self-serving "national significance test." Apparently, unless an area has the world's tallest mountain (which is in Asia), or the deepest canyon (which is in the western Pacific Ocean), it is of no more than local significance, and the National Park Service and Bureau of Outdoor Recreation simply cannot be bothered. That millions of urban residents would use an outstanding national park facility, which would not come into being except under federal auspices, is unimportant.

It is also unimportant that people in fact do travel some distance in order to enjoy nationally significant areas, even if these areas do not contain any of the nation's largest natural or manmade features. If Mr. Watt doubts that city dwellers cross state lines to enjoy natural areas less imposing than the Grand Canyon, he should come to northern Wisconsin on a summer weekend and compare the number of times he sees "Land of Lincoln" on license plates, as opposed to "America's Dairyland."

It would also be interesting to learn why Ohio's Cuyahoga River Valley, with its rich natural heritage and broadly important historical features, is not considered to be nationally significant, while the home of William Howard Taft, also in Ohio, is administered by the National Park Service. The question answers itself: there are no "administrative problems" involved in managing the latter, and indeed, better yet, there are probably no visitors.

It should not be inferred, of course, that the Park Service is meeting its obligations in a responsible way even in the western parks, where it feels more comfortable: quasi-theological objections to wilderness and a penchant for public-works gimmicks such as tramways, are working to assure that those parks also fail to live up to their promise. Indeed, the only effort that the Park Service seems to be attacking with energy is the American bicentennial celebration, a bogus Potemkin Village of a program that exalts the trappings and baubles of our national mythology, while ignoring the genuine spirit of our revolutionary experience.

Nevertheless, we in the eastern cities want our colleagues in the wide open spaces to know that their frustrations do not arise from the National Park Service devoting its energies to establishing parks in metropolitan areas, for the Park Service could not be less interested. And the next time one of our land's guardians in green clears his throat, solemnly catches our attention with that pregnant pause that almost always presages an unusually vacuous sentiment, and intones that "Parks are for the People," we should know that it is all a lie.

Parks are for the bureaucrats. The people will have to fend for themselves.

WYOMING REMINISCENCES

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, I would like to share with my colleagues a very warm and witty excerpt from a memoir on Wyoming's great educator, the late Dr. George Duke Humphrey.

I knew him well and his son Julius, who is now director of the office of scholarships and financial aids, University of Arizona.

Dr. Humphrey was a native of Mississippi and a good friend to many of that state's political leaders, including my colleagues in the House JAMIE WHITTEN and SONNY MONTGOMERY, as well as the State's U.S. Senators.

In the course of his career, he served on dozens of national boards and held national offices and literally had friends from coast to coast. I know they will enjoy this sample of "The Duke," by Dr. William E. "Bud" Davis, who served with Dr. Humphrey at the University of Wyoming and is now president of Idaho State University.

"THE DUKE"

George Duke Humphrey, former president of Mississippi State University from 1934 until 1945, and former president of the University of Wyoming from 1945–64, died recently in his Wyoming home at the age of 76.

Humphrey was born in Tippah County, Miss., and was graduated from State Teachers College (now the University of Southern Mississippi), and Blue Mountain College. He received his master's degree from the University of Chicago and his doctorate from Ohio State.

He was a teacher and administrator in Mississippi schools and president of MSU when he accepted the president's position at Wyoming.

Humphrey is survived by a son, Julius, and two grandchildren.

Reprinted below are excerpts from a memoir written about "The Duke" by Dr. William E. Davis, a friend, co-worker and college president:

Getting acquainted with Wyoming's President, George Duke Humphrey, was an education in itself—a graduate course in administrative firmness. In his nineteen years as President of the University of Wyoming, the "Duke" had sat tall in the saddle, and his image was indelibly implanted upon the life and mood of the campus. In all, he was perfectly cast for the feudal role, blending the aggressive nature of an academic kingfish with the practical horse sense of a southern farmer, the finesse of a diplomat with the hard talk of an irate wrangler.

This appealed to Wyomingites who like their men tough and their talk straight. Though he drove his famed black Buick with reckless abandon and terrorized the casual jaywalkers of Laramie, he steered the University through the rough and tumble of Wyoming politics with a sure grip in the reins. In a crisis he demonstrated the ability to deal with the assurance of a poker player with a pat hand—or, in the words of Mark Twain, "The calm confidence of a Christian holding four aces."

Outside the environs of the University, it was not uncommon to hear the President referred to as "Duke," or, more often, "The Duke." Few such liberties were taken in addressing him in that manner on the campus, however, where protocol resided in a place of dignity.

Although Western in location and tradition, the University of Wyoming had no cowboys on the faculty under Humphrey—or at least those who were didn't dress that way. A stickler for spit and polish, this former Mississippian had a flair for the southern gentleman's sense of style and taste. He held to the belief that even though a man might have nothing but holes in his pockets he could comb his hair, shine his shoes and wear a necktie.

This concern for proper dress is supported by a story that upon the occasion of appointing a new dean for one of the colleges, Humphrey called a prospective candidate in. The latter was neatly, but informally, dressed with a western shirt, a string tie, rancher's trousers, and boots.

The President eyed him cooly. "You think we pay enough to our deans around here, Doctor?"

"Why, yes, Mr. President," the anxious candidate replied.

"You think we pay 'em enough to buy a dark suit, a white shirt, a necktie and some dress shoes?"

The candidate blushed.

"I'll tell you what," the President continued. "You think it over and drop in tomorrow, and we'll talk about the job."

The candidate showed up the next day in appropriate attire and was appointed dean. He never needed to be reminded again.

President Humphrey was just as finicky about time. If a meeting was scheduled to start at four o'clock, it started at four o' clock—come a spring blizzard or a summer flood on the Laramie plains. Latecomers were seldom looked upon in a friendly or tolerant manner.

A perfectionist himself, he, on occasion, was tolerant of error in others—as long as it didn't happen too often. Once in a faculty meeting, considerable confusion arose over a point of order. At this the President graciously acknowledged, "I may be in error on this mtter, but I don't see how." No one challenged him.

While he demanded a lot of members of his staff, he also was just as ready to stand behind them in a moment of crisis. Once, during the days when Denver University still played football and the annual Thanksgiving Day game in Denver climaxed the fall festivities, a post-game celebration got out of hand. The head coach and an assistant ran afoul of the law and were hauled into court. The newspapers called President Humphrey and asked if the coaches would be fired because of the incident. The answer appeared in a banner headline on the front page of the Denver Post: "Humphrey Says Hell No!" The language probably made the preachers wince, but it endeared the President to a constituency that admired a man who stuck by his guns and his people.

President Humphrey was an easy man to work for once you understood and abided by the rules.

DRUG ABUSE IS STILL WITH US

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. ROBISON of New York. Mr. Speaker, drug abuse continues to be a crucial—yet unresolved—dilemma in the United States. What had been a small problem for a select group of people at the turn of the century has expanded into a major epidemic which threatens the health and security of our entire society. The impact on the Nation is staggering. Our homes and businesses—be they in the city or suburb—are often targets of addicts looking for money to support their drug habit. More importantly, however, is society's loss of a valuable human resource, every time an individual chooses to use drugs.

To me the most disturbing facet of this scenario is the growing population of adolescent drug users. Day after day, the news media carry stories about high school and college-aged youngsters who are involved with drugs. I was alarmed recently by the findings of an ongoing study by the Broome County Narcotics Guidance Council, located in my congressional district, which showed that almost 90 percent of the youthful offenders convicted of crimes in Broome County were under the influence of a drug during the commission of the crime.

What can be done about this dilemma? What is needed is a combined effort by foreign governments, the Federal Government, and State and local authorities. This year the United States will spend almost $785 million to curb drug abuse. However, much more is needed for the causes of drug abuse are many. In addition to treatment, rehabilitation, and education, the legal system in our country must be responsive to this problem if we ever hope to put drug abuse behind us. At the same time we are dealing with the forces in our society that lead to experimentation with and habitual use of drugs, we must be sure that those persons who are making a living from encouraging and supplying drug use are dealt with in a forceful manner, both to prevent them from continuing their criminal enterprise and to express societal contempt for their actions.

Last spring, at this time, I introduced legislation calling for mandatory 20 year sentences for the high echelon drug pushers—those who are putting drugs in the hands of young people across the country.

This week, I join my colleague, James Hastings, in cosponsoring H.R. 13256. This bill has a dual purpose. The first is to increase the penalties for offenses of illegal drug trafficking. The second portion of H.R. 13256 encourages the denial of bail to such violators under certain circumstances.

In calling for stiffer drug penalties, this bill touches on the new category of drug abuse—poly-drugs, or those produced legitimately in the United States but diverted for illegal use. It is this type of drug that is being sold to young people on a large scale. As heroin traffic declines—primarily through international enforcement—the use of narcotic substitutes, such as poly-drugs, increases. Those who engage in the illegal sale of such merchandise should be punished to the fullest extent.

Frankly, I have several reservations about the second part of H.R. 13256, which recommends the denial of bail for and pretrial detention of suspected drug offenders. The thinking here is that we should at once take the drug pusher off the street, because he is such a serious threat to society. As proper as this goal may be, it runs head-on into the Constitutional provisions of due process and trial by jury, and the concept of innocence until proven guilty. It is important that, in our efforts to deal with problems such as drug abuse, we not trample on the rights which have protected Americans since 1776.

However, the denial of bail and pretrial confinement are two issues which must be addressed by both Congress and the courts. So, despite my reservations on this provision of H.R. 13256, I lend my support to this bill to again highlight the drug abuse problem and to help rekindle congressional interest in the need for further action to bring these issues to a speedy—but careful and proper—consideration.

PRICE, THE PEACEFUL REGULATOR

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. SYMMS. Mr. Speaker, when an important economic principle is articulated in simple terms, concisely and clearly, it is productive for as many as possible to be exposed to it. This is the case with an article in "The Freeman," a publication by the Foundation for Economic Education, Irvington-on-The Hudson, N.Y. I insert this article in the Record:

Price, the Peaceful Regulator

(By C. W. Anderson)

"Gas truck driver shot and killed on tollway," screamed the headline.

The second line could have been ". . . as he was delivering goods on a contract made voluntarily and peacefully between two parties." How come the violence and third-party interest here? A good question! But, actually, the killed was the fourth party of this transaction—a third party having previously declared an interest in it. The third party was the Government, which had ruled that prices for certain products and for deliveries must have Government approval. In effect, two parties who would normally work out a free-market price agreement to their mutual advantage were prohibited from doing so . . . and in the process, many felt their rights were infringed and that violence was required to correct the injustice.

Such actions, which take the law into the aggrieved party's hands, are never justified, of course, but they dramatize the fact that violence in the exchange of goods and services (the market place) is almost always a result of a third party enforcing its decree or demand.

Normal two-party exchanges are nonviolent because of a wonderful economic tool: *price, the peaceful regulator*. A free-market price is reached by a very complicated, computer-like weighing of a vast number of factors which include not only costs but personal buyer preferences, other attractions for the buyer's dollars, anticipated competition, and the like. When we understand how this process works, we will see our own business and personal activities in clearer focus. Also, what is happening in the current energy shortage will be more understandable!

IT TAKES TWO TO TRADE

An example close to all of us may illustrate how this tool works.

If we will ask ourselves how much our own services and time are really worth, we'll find that an honest answer is elusive—actually impossible. This is because our judgment is never the value someone else, the buyer (employer), placess on our services. As great as we may sometimes think we are, our effective price is not at that high level unless a buyer agrees with us. Only in a system where a dictator or a law sets an arbitrary price is our compensation determined without an agreement between a buyer and ourselves (seller).

Precisely the same is true of all products and materials. Just as you and I try to get "all the traffic will bear" in selling our time and services, so the merchant does this for his goods and the manufacturer for his "widget." And, this is as it should be because all the buyers of our services, or "widgets," try to pay as little as possible for these. The net result of these "conflicting" objectives is a willing, uncoerced exchange by mutual agreement . . . with no conflict. Even when the buyer and seller don't agree, no violence occurs—each simply seeks a seller or buyer elsewhere. No headlines; no one else even aware of what has happened.

Today, third-party interference is all about us working both subtly and with open violence; in either instance force, or the threat of it, hovers over voluntary, peaceful exchange arrangements. The danger in this is that we tend to be expedient, to adjust to each new third-party interference, soon accepting it as normal. As evidence, consider only the growing normalcy of teacher strikes and the almost complete acceptance of controlled interest rates and plane fares. But as we embrace each new third-party interference, our vision of a free market blurs and the ideals and the miraculous efficiency of a free, peaceful economy become more remote.

Free-market pricing is, indeed, a kind of miracle when we consider the billions of exchanges made peacefully every day in our economy. Without it, the "energy crisis" will continue! Without it, no economy can survive!

GILMAN SEEKS TO RAISE SOCIAL SECURITY EARNINGS LIMITATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. GILMAN. Mr. Speaker, 24 of my colleagues are joining me today in introducing legislation increasing the amount of allowable earnings for social security recipients from the present limitation of $2,400 to $7,500.

The inflationary spiral is taking its hardest toll on those individuals living on fixed incomes. The security of millions of Americans, whose incomes have not risen with the times, is gravely threatened by the increasing cost of living.

Under existing legislation, a social security recipient is not allowed to earn more than $2,400 a year without suffering a reduction in benefits.

This archaic ceiling on outside income not only imposes an onerous burden on the recipient, but also removes a highly productive group of individuals, our senior citizens, from the national work force. Many senior citizens have the skills and desire to enrich their lives through productive employment but are prevented from doing so by the present unrealistic earning limitations.

Accordingly, several of my colleagues, including Mr. Yates, Mr. Nix, Mr. Lott, Mr. Won Pat, Mr. Hanley, Mr. Devine, Mr. Guyer, Mr. Moakley, Mr. Huber, Mr. Podell, Mr. Diggs, Mr. Duncan, Mr. Kemp, Mrs. Schroeder, Mr. Yatron, Mr. Walsh, Mrs. Collins, Mr. Rousselot, Mrs. Heckler, Mr. Harrington, Mr. Cleveland, Mr. Randall, Mr. Treen, and Mr. Maraziti have joined me in proposing legislation eliminating this glaring inequity and raising the allowable outside income to $7,500, in an attempt to provide a more comfortable existence for our older Americans. Our Nation must not permit its senior citizens to face steadily increasing prices without providing them with the opportunity for providing themselves with an adequate living.

Mr. Speaker, I insert the text of this measure at this point in the RECORD:

H.R. 11309

A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (f)(3) of section 203 of the Social Security Act is amended by striking out "$200" and inserting in lieu thereof "$625".

(b) Subsections (f)(1), (f)(4)(B), and (h)(1)(A) of such section 203 are each amended by striking out "$200" and inserting in lieu thereof "$625".

(c) The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1973.

SEC. 2. Section 202 of Public Law 93-66 is repealed; and the amendments made by such section shall be of no force or effect.

THE FIRST STEP TOWARD NATIONALIZATION OF THE OIL INDUSTRY

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. RARICK. Mr. Speaker, the news that our new Federal energy czar, John Sawhill, is a card-carrying member of John Gardner's Common Cause is sure to distress more than hardcore Nixonites.

The Energy Supply and Environmental Coordination Act, H.R. 14368, which passed this body yesterday included at section 11, energy information reports. Under this legislation, Mr. Sawhill, as Federal Energy Administrator, is given the authority to require the reporting of information from private energy companies. The power extended is so extreme that it can easily be said to lay the blueprint for the nationalization of the American energy industry.

Few believers in private property, progress, and free enterprise will be heartened by the power given to Mr. Sawhill, let alone his ties with the Common Cause pressure group.

The sections of H.R. 14368 which detail Mr. Sawhill's new powers, and the related news clipping follow:

SEC. 11. ENERGY INFORMATION REPORTS

(a) For the purpose of assuring that the Federal Energy Administrator, the Congress, the States, and the public have access to and are able to obtain reliable energy information throughout the duration of his section, the Federal Energy Administrator, in addition to and not in limitation of any other authority, shall request, acquire, and collect such energy information as he determines to be necessary to assist in the formation of energy policy or to carry out the purposes of this Act or the Emergency Petroleum Allocation Act of 1973. The Federal Energy Administrator shall promptly promulgate rules under the authority of subsection (b) of this section requiring reports of such information to be submitted to the Federal Energy Administrator at least every ninety calendar days.

(b) In carrying out the provisions of subsection (a) the Administrator shall have the power to—

(1) require, by rule, any person who is engaged in the production, processing, refining, transportation by pipeline, or distribution (other than at the retail level) of energy resources to submit reports;

(2) sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents;

(3) require of any person, by general or special order, answers in writing to iterrogatories, requests for report, or other information; and such answers or submissions shall be made within such reasonable period and under oath or otherwise as the Federal Energy Administrator may determine; and

(4) to administer oaths.

(c) For the purpose of verifying the accuracy of any energy information requested, acquired, or collected by the Federal Energy Administrator, officers or employees duly designated by him upon presenting appropriate credentials and a written notice to the owner, operator, or at reasonable times and in a reasonable manner, enter and inspect any facility or business premises, to inventory and sample any stock of energy resources therein, and to examine and copy records, reports, and documents relating to energy information.

(d)(1) The Federal Energy Administrator shall exercise the authorities granted to him under subsection (b) to develop within 30 days after the date of enactment of this Act, as full and accurate a measure as is reasonably practicable of—

(A) domestic reserves and production;

(B) imports; and

(C) inventories;

of crude oil, residual fuel oil, or refined petroleum products, natural gas, and coal.

(2) For each calendar quarter beginning with the first complete calendar quarter following the date of enactment of this Act, the Federal Energy Administrator shall develop and publish quarterly reports containing the following:

(A) Report of petroleum product, natural gas, and coal imports; relating to country of origin, arrival point, quantity received, geographic distribution within the United States.

(B) Report of domestic reserves and production of crude oil, natural gas, and coal.

(C) Report of crude oil and refinery activity; relating allocation of crude oil to refiners with products to be derived from such crude oil.

(D) Report of inventories, nationally, and by region and State—

(i) for various refined petroleum products, relating refiners, refineries, suppliers to refiners, share of market, and allocation fractions;

(ii) for various refined petroleum products, previous quarter deliveries and anticipated 3-month available supplies;

(iii) for refinery yields of the various refined petroleum products, percent of activity, and type of refinery;

(iv) with respect to the summary of anticipated monthly supply of refined petroleum products amount of set-aside for assignment by the State, anticipated State requirements, excess or shortfall of supply, and allocation fraction of base year; and

(v) with respect to LPG by State and owner: quantities stored, and existing capacities, and previous priorities on types, inventories of suppliers, and changes in supplier inventories.

[From the Washington Post, Apr. 28, 1974]

ENERGY CZAR SAWHILL'S COMMON CAUSE

(By Rowland Evans and Robert Novak)

Apprehension within the oil industry and the White House that federal energy czar John Sawhill will be much more consumer-oriented than predecessor William Simon was confirmed last week when he joined the camp of what true Nixonites consider the enemy: John Gardner's Common Cause.

During a most friendly meeting he had with Gardner last Tuesday afternoon at the Federal Energy Office (FEO), Sawhill suddenly whipped out his checkbook. He not only renewed the March 1973 membership in Common Cause of his wife Isabel, but joined himself with a check on their joint account.

Had hard-nosed Nixon aides known this, they would have gone into shock. Gardner's Common Cause, a liberal lobbying group which has hounded Mr. Nixon for campaign fund scandals, ranks high among White House enemies.

Nearly as distressing to the White House, Sawhill generally agreed with Gardner Tuesday when he proposed registration and regulation of non-congressional energy lobbyists. During a cordial conversation, Sawhill several times stressed the problem of FEO achieving credibility with the public—a favorite Common Cause theme.

Industry lobbyists became worried last Monday about testimony before the Senate Commerce Committee by the 37-year-old Sawhill, once a professor of finance and then a $100,000-a-year financier before joining the Nixon administration in 1973. Sawhill's testimony stressed consumer protection far more than did Simon, a staunch supporter of free enterprise and defender of the oil industry.

"Sawhill sounds like Ralph Nader Jr.," one FEO official told us. "He changed his colors completely the day he was appointed."

TRIBUTE TO SOOKY GOLDMAN

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. REES. Mr. Speaker, community involvement forms the foundation for our American concept of participatory democracy. There are dedicated, imaginative citizens who donate much time and talent to help improve their communities. My constitutent, Mrs. Sooky Goldman, is just such a citizen.

Her knowledge of the needs and unique character of her city has enabled her to make a remarkable and enduring contribution. Her efforts have once again emphasized the important role person-to-person contact plays in the success of civic programs.

Mrs. Goldman was recently honored by the city of Beverly Hills for her civic accomplishments. As the Congressman from California's 26th Congressional District, I would like to heartily commend Mrs. Goldman. The Los Angeles Times has published an article detailing her many activities.

The article follows:

HER ENERGY, NOT BIG SPLASH, DOES THE JOB FOR B.H.

BEVERLY HILLS.—Sooky Goldman speaks softly, but always gets the job done.

She works unobtrusively behind the scenes to accomplish what she believes in, and her remarkable successes have earned her a rare commendation from the City of Beverly Hills.

It was given in recognition of her work in behalf of education, the arts, health and social welfare here.

"Sooky is one of the best workers we've ever had," said former Mayor Phyllis Seaton. "She goes about projects quietly without making a big splash."

Michael Maher, director of the Maple Center counseling service said, "She operates on the basis of her convictions and is willing to make whatever sacrifices are necessary to see that things happen.

"Even during controversy over the establishment of the center, she took a firm stand that, despite its affluence and its good schools, the city still had unmet needs.

"At some personal cost, in terms of friendships and other involvements, she has given every ounce of energy for that she believes in.

"Without Sooky, the Maple Center would not be here."

The object of all this praise; relaxing amid strawberry print upholstery in the sun room of her fashionable home off Sunset Blvd., Mrs. Goldman generates a combination of charm and determination which have made her so effective on behalf of the community.

The wife of Sam Goldman, prosperous car leasing entrepreneur (a Rolls-Royce and a Datsun 240-Z parked in the circular drive) she probably could have settled into a life of idle pleasure.

Or, capitalizing on her talents for pulling off large-scale events with a great deal of style, she might have headed her own business.

But instead, Mrs. Goldman elected to direct her energy toward the city where she has lived for 20 years.

"I have always known I am not a passive person. I have to be where the action is," she said.

Reared in a family of five children in Philadelphia, she was nicknamd Sooky by childhood friends.

Her community work here started as press chairman for the PTA when the first of her three children started school.

The rest is history, summarized in a two-page, single-spaced resumé of her varied accomplishments.

People in the community agree that her genius is in coordinating large-scale efforts on behalf of causes she believes in.

For example, she directed a dinner in honor of the retiring mayor, Mrs. Seaton. She helped decide when and where, whom to invite and how to make a testimonial a smashing success.

More than 700 packed the Beverly Wilshire for the tribute. And, the affair raised an entire year's operating budget for the Maple Center, which previously had operated hand to mouth.

It may well have been Mrs. Goldman's imaginativeness and knowledge of the city's unique character which drew so many to what could have been a tedious event.

"With a little extra thought, you can make an event unique and special unto itself," she said. "It involves inviting the right people, designing an attractive invitation, selecting the right place, and knowing the people you can count on to come through."

"And in Beverly Hills, it means giving the person-to-person contact which is so important in this community.

"For the Seaton dinner, we told people to save the date, and invitations would follow. This was very effective,".

Planning large events calls for attention to detail, added Mrs. Goldman.

"We wanted to make the dinner for Mrs. Seaton a real Beverly Hills event. We decided to use the names of city streets rather than the usual numbers to identify tables where guest would be seated.

"Instead of saying 'You will be at table 25, we could give directions to Beverly Drive, for example."

Hand-stenciled street signs in green and yellow were placed on each table to give a home town feeling to the event.

Having endured countless meetings herself, Mrs. Goldman decided to spare guests the interminable speeches which ordinarily are synonymous with a testimonial.

Rather than having some 20 organizations each make separate tributes to the former mayor, Mrs. Goldman enlisted Charlton Heston to be a sort of "Moses" to speak for them all.

Mrs. Goldman was on the receiving end for honors when the City Council made a resolution recognizing her efforts on behalf of the community.

"I enjoy working within my own community," she said. In a small area, you can see the fruits of your efforts and your voice can be heard.

"And I believe it is more effective when you know the needs of each particular community. Each place has its own ways, and programs won't work unless you take this into account.

"In Beverly Hills, for example, you have to reach people on a one-to-one basis. It depends on who asks you whether you go to an event or not."

Mrs. Goldman's circle of community service has embraced numbers of organizations including American Field Service, Beverly Hills Scholarship Organization, Girl Scouts, Community Art League and League of Women Voters.

Also Inner City Cultural Center, UCLA Art Council, Dinners for Winners, Brandeis University Women's Committee, Beverly Hills Chamber of Commerce, American Cancer Society and Friends of Beverly Hills Public Library.

As Mrs. Seaton said, "She cares."

AIR FARE RESTRUCTURING

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. REES. Mr. Speaker, I know that the Civil Aeronautics Board is currently considering an additional airline fare hike, as well as a restructuring of airline fares. The fare restructuring would increase the short-run fares and decrease the long-haul fares.

As a Californian it has always been a mystery to me why intrastate airlines in California have such lower air fares than the interstate lines operating along the Northeast corridor.

I would like to place in the RECORD a recent article on this subject by John Harding, which appeared in the Washington Post. Mr. Harding is a transplanted Californian, and I wonder what the CAB's answer would be to his question, "Why Are Airline Fares Lower In California?"

The article follows:

WHY ARE AIRLINE FARES LOWER IN CALIFORNIA?

(By John T. Harding)

Recent articles in the Washington Post have dealt with the increasing cost of traveling by air. This week the CAB granted its airlines a 6% surcharge to compensate for rising fuel costs; in July short haul fares will rise dramatically. A comparison of CAB regulated fares and California intrastate fares (which are regulated by the California Public Utility Commission) suggests that short-haul fares are already substantially higher than they need to be.

Upon moving to Washington from Southern California five years ago, I discovered that it cost over twice as much per mile to travel by air in the Northeast as it did in California. In fact, it costs more per mile to travel by bus here than by air in California. Fares have risen in both regions over the past years, but the aforementioned relationships are still valid.

Reporting on its four year passenger fare investigation, the CAB claims that its carriers' short-haul fares are not high enough, that long-haul passengers are in effect subsidizing the short-haul passenger.

CAB carrier costs are summarized in a "cost based" formula: $19.25+4.95¢/mile. Now for the first time, a basis exists for comparing costs of CAB and intrastate carriers. Previously whenever fares in high density markets were cited as being unnecessarily high the airlines responded that they were subsidizing low density markets.

The CAB has decreed that cross-subsidization of markets is unacceptable and has obviously concluded that costs depend on distance alone and are independent of traffic density. The table attached compares intrastate fares with CAB costs on the basis of distance.

The interstate fares shown are those currently in effect on Pacific Southwest Airlines, the dominant intrastate carrier in the California corridor. Since PSA is strictly a short-haul airline (all routes under 500 miles) and has never failed to make a profit on its airline operations, it is inescapable that PSA's costs are about half as great, at every distance from 65 to 480 miles, as those claimed for CAB carriers.

Why should a person be able to fly from Los Angeles to Fresno for $15, yet pay twice as much to fly the same distance from Washington to New York? Surely major trunk carriers are not paying twice as much for Boeing 727 aircraft as PSA, or twice the interest rate on their bank loans.

Apparently operating costs are several times greater for CAB carriers than for California intrastate carriers. Yet a review of those circumstances over which the airlines have no control would make it appear that operations are intrinsically more difficult in California than in the Northeast, for example. Since this conclusion is at odds with conventional wisdom, consider the following information:

Myth: Northeast corridor airports are more congested than those in California.

Fact: Los Angeles International airport in fiscal 1972 produced 32% more flight operations and 7% more passenger enplanements than the busiest New York airport.

Myth: The airspace around the Northeast corridor cities is more congested.

Fact: No less than five airports in the Los Angeles area each experiences more total aircraft operations than any airport in the New York area. If all airports in the metropolitan areas are included, Los Angeles regional airports produce twice the number of aircraft operations as those in the New York area.

Myth: Northeast Corridor airports experience unusually poor weather conditions.

Fact: The Los Angeles area experiences over twice as much "Instrument Flying Rule" weather conditions as New York, Washington or Boston.

Myth: CAB airlines are subject to more stringent safety requirements than intrastate airlines.

Fact: Safety regulations are imposed by the FAA and are identical for all commercial passenger-carrying airlines. PSA and Air California have flown 15 billion revenue passenger miles without a single passenger fatality, a safety record that few CAB airlines can match.

Myth: CAB airlines provide a higher quality of service than the intrastate carriers.

Fact: PSA and Air Cal presently command 80% of the Los Angeles-San Francisco market, despite the fact that their fares are no lower than the intrastate fares of their numerous CAB competitors, United, TWA, Western, Continental and Air West. These airlines compete on the basis of service and it is clear that 80% of the passengers find the intrastate airlines superior with respect to punctuality and service. By comparison, travel on the Eastern shuttle is spartan.

City pair	Distance (miles)	Intrastate fare [1]	CAB "cost" [1]
Stockton-San Francisco	65	$7.64	$22.47
Los Angeles-San Diego	101	7.64	24.25
Fresno-San Francisco	164	10.42	27.37
Fresno-Los Angeles	213	15.05	29.79
Los Angeles-San Francisco	347	16.43	36.43
San Diego-Sacramento	480	24.31	43.01

[1] Exclusive of 8 percent tax and security charge.

Lest anyone conclude that this low cost service in California is a small scale phenomenon which is not relevant to the Northeast, the following statistics should be noted:

The California air corridor is the most heavily travelled in the world. In fiscal 1972 there were 5.5 million origin-destination air passengers between the Los Angeles and San Francisco metropolitan areas, as compared to 2.0 million between New York and Boston and 1.7 million between New York and Washington. The number of passenger miles flown by PSA alone exceeds the sum total of all origin-destination air traffic within the Northeast corridor (including every airline and every city between Boston and Richmond).

In 1973 PSA transported 6.4 million revenue passengers—a total of 1.9 billion revenue passenger miles. That is more passenger miles than any CAB local service carrier except Allegheny and more passengers than Continental, and almost as many as Braniff, National or Northwest.

Finally, it is irresistible to point out that had PSA collected $19.25 per passenger and $4.95 per passenger mile in 1973, its airlines revenues would have totalled $218 million instead of an actual $95 million. The difference of $123 million is the amount those lucky 6 million Californians saved by not having the CAB regulate air travel within California.

From the foregoing I conclude that there is no intrinsic reason why air fares cannot be as low here as they are in California. Comparing the CAB cost formula and the PSA fare structure, one is forced to conclude that th CAB carriers are annually incurring at least four billion dollars of expenses which are unnecessary to the providing of safe, dependable high quality air transportation. That is a staggering cost to pay for regulation!

The CAB's primary concern is to see that none of its proteges fail financially. Consequently, fares are set high enough that even the most egregiously inefficient airline does not suffer the bankruptcy it deserves.

By contrast, the California Public Utilities Commission has been concerned primarily with the public interest. Traditionally it has regulated fare increases but not decreases, and has not inhibited entry or exit of airlines in the California market. Consequently, any number of intrastate airlines which could not meet the prices set by the most efficient carriers have had to terminate service.

The net result has not been chaos as predicted by the CAB, but a highly dependable, safe and inexpensive air travel system within California. This could not have occurred without some regulation, but the objectives of the regulation have had a profound impact on who is benefited.

Airline stockholders should be very grateful to the CAB. The public must look elsewhere for their interests to be served.

THE DEMOCRATIC FOCUS: A LOOK AT INFORMATION TECHNOLOGY AND CAMPAIGN REFORM

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. FRASER. Mr. Speaker, too often, political activists can see no farther than the next election. Now, a new political group has come along with a broader view. Known as the Democratic Forum, this loosely structured organization believes that winning elections is not the end-all and the be-all of politics.

The Forum wants to look beyond elections to the time when public policies must be formulated and implemented. It hopes to provide a way for Democrats to come together informally to explore new policy issues and reexamine old ones.

This new organization is off to an ambitious start with a monthly newsletter, the Democratic Focus, devoted to an examination of current issues.

In a recent issue of the Focus, Arthur Bushkin discusses the impact of communications and information technology on campaign reform. Bushkin maintains that incumbents will become all but invincible as they learn how to make effective use of new information systems. I am sure my colleagues will find his article quite provocative, and I am inserting it at this point in the RECORD:

INFORMATION AND COMMUNICATIONS: CAMPAIGN REFORM ISSUES OF THE 1980's

(By Arthur A. Bushkin)

The year is 1982 and the upcoming elections are becoming a topic of discussion. The last snows of March are melting, but you are not yet well enough to greet the spring. Late last month, while returning home from the grocery, you slipped and fell on the ice. The results: a broken leg and a letter four days later from your Congressman expressing his concern. He promises to do all that he can to assist you.

Now, a month later, you receive a second letter from your Congressman telling you that he has just learned that you qualify for additional medical coverage under the Uniform Health Care Act of 1979. His research has shown that you broke the same leg while serving in Vietnam in 1967, and there is a special provision in the Health Care law which makes you eligible for extended benefits. You, of course, are delighted by this news, and you silently vow to vote for this man in the coming elections. Curiously enough, only three incumbents are defeated that fall.

The point of this little story is that it is not at all farfetched. Unless we begin to address some very serious questions in the near future, it is entirely conceivable that the power of the incumbency in our representative democracy will grow to the point of invincibility. This will occur regardless of the nature of the campaign financing legislation which the Congress will enact. It will happen even if we are blessed with 535 supremely honest people who attempt to campaign in the most fair and open way possible. The next decade will witness such advances in information and communications technology, and this technology will become so inexpensive, that we will be in danger of having the concept of a fair election rendered meaningless.

This prediction, unlike most political prophecies, actually grows out of the integrity and not the evil of the incumbent. The use of advanced technologies will enable an officeholder to do such a significantly better job of representing and servicing the needs of his constituents that the electorate will be presented with less and less of a rational choice in an election. Challengers will be forced to use imagery or demagoguery, or to exploit factors not directly related to their particular campaign, just to attract the voters' attention.

The concept of a fair election as first envisioned by our Founding Fathers is extremely fragile; it can be seriously eroded by the advance of technology, no matter how well intentioned the use of that technology may be. There will always be a large block of voters who will see the personal treatment represented by a letter from their Congressman as reason enough to vote for him in a future election. The danger is that the voter who wishes to make an intelligent choice will have less and less of a basis for doing so; future elections may be decided upon the basis of constituent services rather than legislative substance.

In the vignette presented earlier, the letters would have been prepared by a desktop computer in the Congressman's office. Such a computer will soon cost no more than an electric typewriter does now. It is also quite likely that a future Congressman's staff will automatically develop an automated information file (called a data base) on each of the Congressman's constituents. This is essentially feasible right now; much of the pertinent information is readily available in the public record. The shrinking cost of technology will only make this practice more practical. Also, unless the appropriate safeguards are undertaken— and this is surely not a foregone conclusion—the computer in a Congressman's office will be able to call other computers, via a standard telephone connection, for the purpose of querying their data bases so as to augment its own files on each constituent. This too is technologically feasible today.

The natural reaction to this type of prediction is to view it as an invasion of personal privacy and to demand that the appropriate precautions be taken. But the issue of personal privacy notwithstanding, it is important to recognize that at least part of this trend is not the embodiment of some technological evil, but rather is actually quite reasonable. Only its portents for the future of representative democracy need concern us, provided of course that the appropriate privacy safeguards are employed.

Using an example which is applicable today, a Congressman can already send machine-produced letters to members of his constituency who are interested in any particular issue, perhaps telling them of his latest action in the area. The Congressman already has the franking privilege, and it is certainly easy to accumulate lists of the constituents' interests. Constituents write letters to their Congressman, they sign petitions and advertisements, they join local issue groups, and so on.

Even today, it is a poorly organized incumbent who does not seek to identify preference groups of voters as he seeks reelection. Furthermore, all of this information can be correlated with the past election history and the census data for each precinct within a district. The emergence of the computer in the last decade did not make all this possible; the computer just made it more practical. In the next decade technology will simply become more advanced and less expensive, and its impact on the electoral process will be far greater than we might imagine.

It is easy, though, as one lays blame on the computer, to miss the larger implications of advancing technology. The use of an in-office computer to accumulate publicly available data on a representative's constituency, done properly and with a respect for personal privacy, is a legitimate function of representation. The more an officeholder knows about his constituents, the better the job he will do. The campaign reform issue is that the better the job he does, the more difficult he is to defeat, particularly if he has access to advanced technological aids.

Performance in office cannot be limited, however, the way that campaign contributions or campaign spending can. Therefore, *unless a challenger is provided with compensatory, if not comparable, access to information and communications technology, he will not possibly be able to make a credible challenge.* In the example above, the issue is whether data bases which have been legitimately accrued as a function of representation should not also be made available in some fashion to bona fide challengers prior to an election. After all, is this not public data collected with public funds?

The basic spirit of most campaign reform legislation is a fundamental equalizing of the opportunity to seek public office. This is to be accomplished through a proposed equalizing of services, paid for by public funds or as a result of a limit placed on campaign contributions and spending, or both. The issue that we have yet to address is an equalizing of capabilities. The dilemma is that some of an incumbent's increased capabilities derive not from sources which can be regulated, but from the impact of advanced technology on the incumbent's performance of his Constitutionally mandated responsibility of representation. And the time to confront this issue is now, for the march of technology will not be deterred.

HOUSE OF REPRESENTATIVES—*Monday, May 6, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Man shall not live by bread alone, but by every word that proceedeth out of the mouth of God.—Matthew 4: 4.

Almighty and everliving God, the Maker and Ruler of men, who hast made all things for Thy children and Thy children for Thy glory, we commend to Thy loving care the people of these United States. Save them from violence, discord, and confusion, from pride and arrogance, and from every evil way.

Endue with the spirit of wisdom every Member of this House of Representatives. Grant unto them such a consciousness of Thy presence that what is done this day may be for Thy glory and for the good of people everywhere.

Keep us all clean in mind, pure in heart, and generous in deed. Waiting upon Thee may our strength be renewed, our faith restored, and our love rekindled through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 11385. An act to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries; and

H.R. 12920. An act to authorize additional appropriations to carry out the Peace Corps Act, and for other purposes.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 354. An act to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways;

S. 1227. An act to amend section 415 of the Communications Act of 1934, as amended, to provide for a 2-year period of limitations in proceeding against carriers for the recovery of overcharges or damages not based on overcharges;

S. 1479. An act to amend subsection (b) of section 214 and subsection (c) (1) of section 222 of the Communications Act of 1934, as amended, in order to designate the Secretary of Defense (rather than the Secretaries of the Army and the Navy) as the person entitled to receive official notice of the filing of certain applications in the common carrier service and to provide notice to the Secretary of State where under section 214 applications involve service to foreign points;

S. 2457. An act to amend the Communications Act of 1934, as amended, to permit the Federal Communications Commission to grant radio station licenses in the safety and special and experimental radio services directly to aliens, representatives of aliens, foreign corporations, or domestic corporations with alien officers, directors, or stockholders; and to permit aliens holding such radio station licenses to be licensed as operators;

S. 3072. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes;

S.J. Res. 175. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 6, 1974, as "National Historic Preservation Week";

S.J. Res. 195. Joint resolution to authorize and request the President to issue a proclamation designating May 13, 1974, as "American Business Day"; and

S.J. Res. 197. Joint resolution to authorize the designation of the 7-day period beginning June 17, 1974, and ending June 23, 1974, as "National Amateur Radio Week."

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar.

The Clerk will call the first bill on the Consent Calendar.

AUTHORIZING AND DIRECTING THE SECRETARY OF AGRICULTURE TO CONVEY INTEREST IN PROPERTY IN JASPER COUNTY, GA., TO THE JASPER COUNTY BOARD OF EDUCATION

The Clerk called the bill (H.R. 510) to authorize and direct the Secretary of Agriculture to convey any interest held by the United States in certain property in Jasper County, Ga., to the Jasper County Board of Education.

There being no objection, the Clerk read the bill as follows:

H.R. 510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey to the Jasper County Board of Education, Jasper County, Georgia, all right, title, and interest in and to the real property described in the quitclaim deed made by the United States, as grantor, to the Jasper County Board of Education, as grantee, on April 26, 1940, and recorded on June 5, 1940, in Jasper County, Georgia, which the United States might hold as a result of covenants contained in such quitclaim deed.

With the following committee amendment:

Page 2, line 5, strike out "deed." and insert thereof: "deed: *Provided, however,* That any proceeds from the sale, lease, exchange or other use or disposition of the lands shall be used exclusively for educational purposes by the Jasper County Board of Education.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE CONVEYANCE OF CERTAIN LANDS TO THE NEW MEXICO STATE UNIVERSITY

The Clerk called the bill (H.R. 5641) to authorize the conveyance of certain lands to the New Mexico State University, Las Cruces, N. Mex.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask some Member who is knowledgeable about this bill the value of the land that is involved?

Mr. RONCALIO of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Speaker, the report discloses that the estimate of the value of the land is approximately $300 an acre. For the further information of the gentleman, the report states that it is a conveyance of 6,250 acres, but, in fact, I only count 4,342 acres as being conveyed.

Some of this land was used for other Federal purposes through the years, and the land will all go to the university there, which has an anticipated student body of 15,000 students in the next few years. In effect, it is a land grant to a State school.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

H.R. 5641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Act entitled "An Act to authorize acquisition or use of public lands by States, counties, or municipalities for recreation purposes", approved June 14, 1926 (44 Stat. 741), the Secretary of the Interior is authorized, notwithstanding the acreage limitations contained therein, to convey to the New Mexico State University at Las Cruces, New Mexico, all right, title, and interest of the United States in and to the following described lands:

(1) Those lands described in Public Land Order Numbered 2051, contained 1,393.19 acres; and

(2) Those lands described in Public Land Order Numbered 3685, containing 2,789.07 acres;

all such lands lying in sections 13, 14, 15, 22, 23, 24, 25, 26, and 35, township 23 south, range 2 east, New Mexico principal meridian.

With the following committee amendments:

Page 1, strike out lines 3 through 7, and on page 2, strike out lines 1 through 4, and insert in lieu thereof: "That notwithstanding the acreage limitation in the Act of June 14, 1926 as amended, 43 U.S.C. § 869–4, the Secretary of the Interior may convey to the New Mexico State University at Las Cruces, New Mexico in accordance with the provisions of that Act, all or any part of the following described lands:".

Page 2, line 12, strike out the word, "and".

Page 2, line 14, following "acres;", insert "and".

Page 2, following line 10, insert:

"(3) Southwest ¼, section 14, township 23 south, range 2 east, New Mexico principal meridian, consisting of 160 acres.".

Page 2, line 5, strike out "all such lands lying in" and insert in lieu thereof: "All of the above-described lands lie in".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MODIFYING THE BOUNDARY OF THE CIBOLA NATIONAL FOREST

The Clerk called the bill (H.R. 7188) to modify the boundary of the Cibola National Forest, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object. I do so in order to ask some Member who is conversant with the bill whether the amendment in the bill now meets the objections of the Department of Agriculture.

Mr. RONCALIO of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Speaker, it is my understanding that the amendment does now meet the Department's objections. The objections have been met.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

H.R. 7188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the exterior boundary of the Cibola National Forest in New Mexico be modified to include the following described lands:

1. A tract of land in townships 13 and 14 north, range 16 and 17 west, of the New Mexico principal meridian in New Mexico, beginning at a point from which the southwest corner of section 34, township 14 north, range 17 west, bears north 89 degrees 52 minutes west 1,717.32 feet; thence south 0 degrees 56 minutes east 1,307.46 feet to the south west corner of the Fort Wingate Army Depot; thence south 89 degrees 45 minutes east 897.60 feet; thence south 89 degrees 57 minutes east 2,643.30 feet; thence north 89 degrees 48 minutes east 5,272.80 feet; thence north 89 degrees 51 minutes east 6,596.70 feet to the southeast corner of Fort Wingate Army Depot which bears south 89 degrees 51 minutes west 1,320.66 feet and north 1,328.58 feet from the northwest corner of section 6, township 13 north, range 16 west; thence north 0 degrees 42 minutes west 12,945.12 feet; then due west, 15,175.51 feet to the west boundary of the Fort Wingate Army Depot; thence south 0 degrees 35 mintes west 2,598.32 feet; thence south 0 degrees 23 minutes west 5,195.52 feet; thence south 0 degrees 32 minutes west 3,892.88 feet to the point of beginning, containing an area of 4,556 acres, more or less. The southwest and southeast corners of Fort Wingate Army Depot mentioned in the above description are the same as was installed as of November 19, 1971, and mentioned in the main survey, United States Department of the Interior, Bureau of Land Management plat dated September 9, 1957.

2. Township 14 north, range 15 west, section 3, all lying south of Interstate 40; section 4: all lying south of Interstate 40; section 5, all; section 8, all; section 9, all; section 10, all lying south of Interstate 40; section 11, all lying south of Interstate 40; section 12, all lying south of Interstate 40; section 13, all lying south of Interstate 40; section 14, all; section 15, all; section 16, all; section 17, all; section 20, all; section 21, all; section 22, all; section 23, all; section 24, all; section 25, all; section 26, all; section 27, all; section 28, all; section 29, all; section 32, east half; section 33, all; section 34, all; section 35, all; section 36, all; containing 14,467.06 acres, more or less.

3. Township 10 north, range 4 east, section 1, south half northeast quarter, southeast quarter; section 11, northeast quarter, north half southeast quarter, southeast quarter southeast quarter; section 25, lots 1–4, north half north half; containing 866.80 acres, more or less.

4. That portion of the Elena Gallegos grant lying east of a line described as beginning at the closing corner between section 35 and 36 on the south boundary of the said grant and extending north 63 chains, thence east 37 chains, thence north 222.3 chains to the 7½-mile corner on the north boundary of said grant, containing 7,000 acres, more or less.

SEC. 2. Subject to valid existing rights, all lands owned by the United States in the areas described in section 1 of this Act, are hereby added to the national forest, and shall be administered in accordance with the laws, rules, and regulations applicable thereto.

SEC. 3. For the purposes of section 6 of the Act of September 3, 1964 (78 Stat. 903), the boundary of the Cibola National Forest, as modified by section 1 of this Act, shall be treated as if it were the boundary of that forest on January 1, 1965.

With the following committee amendment:

Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That the exterior boundary of the Cibola National Forest in New Mexico be modified to include the following described lands:

(a) A tract of land in townships 13 and 14 north, range 16 and 17 west, of the New Mexico principal meridian in New Mexico, beginning at a point from which the southwest corner of section 34, township 14 north range 17 west, bears north 89 degrees 52 minutes west 1,717.32 feet; thence south 0 degrees 56 minutes east 1,307.46 feet to the southwest corner of the Fort Wingate Army Depot; thence south 89 degrees 45 minutes east 897.60 feet; thence south 89 degrees 57 minutes east 2,643.30 feet; thence north 89 degrees 48 minutes east 5,272.08 feet; thence north 89 degrees 51 minutes east 6,596.70 feet to the southeast corner of Fort Wingate Army Depot which bears north 89 degrees 51 minutes east 1,320.66 feet and south 1,328.58 feet from the northwest corner of section 6, township 13 north, range 16 west; thence north 0 degrees 42 minutes west 12,945.12 feet; then due west, 15,175.51 feet to the west boundary of the Fort Wingate Army Depot; thence south 0 degrees 35 minutes west 2,598.32 feet; then south 0 degrees 23 minutes west 5,195.52 feet; thence south 0 degrees 32 minutes west 3,872.88 feet to the point of beginning, containing an area of 4,556 acres, more or less. The southwest and southeast corners of Fort Wingate Army Depot mentioned in the above description are the same as was installed as of November 19, 1971, and mentioned in the Mann survey, United States Department of the Interior, Bureau of Land Management plat dated September 9, 1957.

(b) Township 14 north, range 15 west, section 3, all lying south of Interstate 40; section 4, all lying south of Interstate 40; section 5, all; section 8, all; section 9, all; section 10, all lying south of Interstate 40; section 11, all lying south of Interstate 40; section 12, all lying south of Interstate 40; section 13, all lying south of Interstate 40; section 14, all; section 15, all; section 16, all; section 17, all; section 20, all; section 21, all; section 22, all; section 23, all; section 24, all; section 25, all; section 26, all; section 27, all; section 28, all; section 29, all; section 32, east half; section 33, all; section 34, all; section

35, all; section 36, all; containing 14,476.06 acres, more or less.

(c) Township 10 north, range 4 east, section 2, south half northeast quarter, southeast quarter; section 11, northeast quarter, north half southeast quarter, southeast quarter southeast quarter; containing 520 acres, more or less.

SEC. 2. Subject to valid existing rights, all lands owned by the United States in the areas described in section 1 of this Act, are hereby added to the national forest, and shall be administered in accordance with the laws, rules, and regulations applicable thereto.

SEC. 3. For the purposes of section 6 of the Act of September 3, 1964 (78 Stat. 903), the boundary of the Cibola National Forest, as modified by section 1 of this Act, shall be treated as if it were the boundary of that forest on January 1, 1965.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DESIGNATING CERTAIN LANDS AS WILDERNESS

The Clerk called the bill (H.R. 12884) to designate certain lands as wilderness.

There being no objection, the Clerk read the bill as follows:

H.R. 12884

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DESIGNATION OF WILDERNESS AREAS WITHIN THE NATIONAL WILDLIFE REFUGE SYSTEM

SECTION 1. In accordance with section 3(c) of the Wilderness Act (78 Stat. 890, 892; 16 U.S.C. 1132(c)), the following lands are hereby designated as wilderness:

(a) certain lands in the Chamisso National Wildlife Refuge, Alaska, which comprise about four hundred and fifty-five acres and which are depicted on a map entitled "Chamisso Wilderness Proposal", dated November 1969, which shall be known as the Chamisso Wilderness;

(b) certain lands in the National Key Deer Refugee, the Great White Heron National Wildlife Refuge, and the Key West National Wildlife Refuge, Florida, which comprise about four thousand seven hundred and forty acres and which are depicted on a map entitled "Florida Keys Wilderness—Proposed", dated August 1969, which shall be known as the Florida Keys Wilderness;

(c) certain lands in the Chassahowitzka National Wildlife Refuge, Florida, which comprise about sixteen thousand and sixty acres and which are depicted on the map entitled "Chassahowitzka Wilderness—Proposed" and dated October 1971, Revised January 1974, which shall be known as the Chassahowitzka Wilderness: *Provided,* That nothing in this Act shall be construed to prohibit established uses within the navigable waters of the Chassahowitzka Wilderness of motorboats, commercial fishing, and guiding activities which are compatible with primary refuge objectives but subject to such restrictions as the Secretary of the Interior deems necessary:

(d) certain lands in the Saint Marks National Wildlife Refuge, Florida, which comprise about seventeen thousand seven hundred and forty-six acres and which are depicted on a map entitled "Saint Marks Wilderness Proposal—Florida", dated September 1971, revised December 1971, which shall be known as the Saint Marks Wilderness;

(e) certain lands in the Wolf Island National Wildlife Refuge, Georgia, which comprise about four thousand one hundred and sixty-eight acres and which are depicted on a map entitled "Wolf Island Wilderness Proposal", dated March 1971, October 1971 revised, which shall be known as the Wolf Island Wilderness,

(f) certain lands in the Breton National Wildlife Refuge, Louisiana, which comprise about five thousand acres and which are depicted on a map entitled "Breton Wilderness—Proposed", dated December 1970, Revised January 1974, which shall be known as the Breton Wilderness;

(g) certain lands in the Moosehorn National Wildlife Refuge, Maine, which comprise about four thousand five hundred and ninety-eight acres and which are depicted on a map entitled "Moosehorn Wilderness (Baring Unit)—Proposed", dated September 1971, Revised December 1971, which shall be known as the Moosehorn Wilderness (Baring unit): *Provided,* That the noth-south headquarters road within the wilderness area be closed to motorized vehicles;

(h) certain lands in the Brigantine National Wildlife Refuge, New Jersey, which comprise about four thousand two hundred and fifty acres and which are depicted on the map entitled "Brigantine Wilderness—Proposed" and dated August 1971, which shall be known as the Brigantine Wilderness;

(i) certain lands in the Bosque del Apache National Wildlife Refuge, New Mexico, which comprise about thirty-two thousand five hundred acres and which are depicted on a map entitled "Bosque del Apache Wilderness—Pproposed", dated July 1971, which shall be known as the Bosque del Apache Wilderness;

(j) certain lands in the Chase Lake National Wildlife Refuge, North Dakota, which comprise about four thousand one hundred and fifty-five acres and which are depicted on the map entitled "Chase Lake Wilderness—Proposed" and dated September 1971, which shall be known as the Chase Lake Wilderness;

(k) all lands in the West Sister Island National Wildlife Refuge, Ohio, which comprise about eighty-five acres and which are depicted on a map entitled "Proposed West Sister Island Wilderness", dated October 1969, which shall be known as West Sister Island Wilderness: *Provided,* That nothing in this Act shall be construed to preclude continued essential maintenance of the lighthouse as a navigational aid and as a historical structure; and

(l) certain lands in the Cape Romain National Wildlife Refuge, South Carolina, which comprise about twenty-eight thousand acres and which are depicted on a map entitled "Cape Romain Wilderness Proposal", dated January 1971, which shall be known as the Cape Romain Wilderness.

DESIGNATION OF WILDERNESS AREAS WITHIN THE NATIONAL FOREST SYSTEM

SEC. 2. In accordance with section 3(b) of the Wilderness Act (78 Stat. 891; 16 U.S.C. 1132(b)), the following lands are hereby designated as wilderness:

(a) the area classified as the "Agua Tibia Primitive Area", within the Cleveland National Forest, California, with the proposed additions thereto and deletions therefrom, comprising an area of approximately eleven thousand nine hundred acres, and which are generally depicted on a map entitled "Proposed Agua Tibia Wilderness", which shall be known as the Agua Tibia Wilderness;

(b) the area classified as the "Emigrant Basin Primitive Area", within the Stanislaus National Forest, California, with the proposed additions thereto and deletions therefrom, comprising an area of approximately one hundred and five thousand eight hundred and seventy-six acres, and which are generally depicted on a map entitled "Proposed Emigrant Wilderness", which shall be known as the Emigrant Wilderness;

(c) the area classified as the "Mission Mountains Primitive Area", within the Flathead National Forest, Montana, with the proposed additions thereto and deletions therefrom, comprising an area of approximately seventy-five thousand two hundred acres, and which are generally depicted on a map entitled "Proposed Mission Mountains Wilderness", dated January 1974, which shall be known as the Mission Mountains Wilderness.

ADMINISTRATIVE PROVISIONS

SEC. 3. All primitive area classifications of areas herein designated wilderness are hereby abolished.

SEC. 4. As soon as practicable after this Act takes effect, a map and a legal description of each wilderness area shall be filed with the Interior and Insular Affairs Committees of the United States Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 5. Wilderness areas designated by this Act shall be administered in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to bear a reference to the effective date of this Act, and any references to the Secretary of Agriculture shall be deemed to be a reference to the Secretary who has administrative jurisdiction over the area.

Mr. JOHNSON of California. Mr. Speaker, I rise today in support of the bill H.R. 12884, an omnibus bill calling for the creation of several wilderness areas throughout the United States. As a member of the House Interior and Insular Affairs Committee, it has been my pleasure to assist in the drafting of this legislation, and I feel that we have created a bill which will go far to protect many of those areas in our country so valuable to us as primitive wildernesses. In particular, Mr. Speaker, I rise in support of that provision in the bill calling for the creation of the Emigrant Wilderness in northern California. I had the honor to represent this portion of the Golden State for many years and the inclusion of this wilderness area in our wilderness system will bring many benefits to the State of California and to the people throughout the Western States.

Throughout my 15 years of service as a Congressman in northern California, I have had the opportunity to work with the people of this area and with those who frequent the area for recreational purposes. They are unanimous in their support for the inclusion of this area in our national wilderness areas system.

The largest part of the proposed wilderness area has long been known to Californians as the Emigrant Basin Primitive Area. This region was first officially recognized for its primeval beauty in 1931, when the Chief of the Forest Service set aside over 98,000 acres for preservation in its natural state. Through continual careful management and selective use of resources, its ruggedness and beauty as well as its primitive quality have been preserved.

The name "Emigrant" is deeply steeped in local history. The basin derives its name from nearby Emigrant Pass, that famous passage used by many pioneer groups to cross the Sierra Nevada

Mountains into this region of eastern California.

The proposed Emigrant Wilderness Area is a region of rugged snow-capped peaks, glistening glacial lakes, lush mountain meadows, and sparse patches of conifer forest in the Stanishaus National Forest. It lies in Tuolumne County along the northern border of Yosemite National Park.

The area is used primarily for outdoor recreation, being visited from late spring to early fall by hikers, campers, fishermen, and hunters. In addition, it supports a small amount of mining activity and is a summer forage area for cattle. The basin receives heavy winter snowfalls and much summer rain and is an important watershed. Small masonry and concrete dams have been constructed inconspicuously to increase the water storage and facilitate uinform flows in lower streams.

The topography of this primitive area is relatively rugged. The area is drained by the Middle Fork of the Stanislaus River and the Tuolumne River. The elevation of the region ranges from a low of 4,700 feet at Cherry Lake to 11,570 feet at Leavitt Peak on the crest of the Sierra Nevada, and creates rocky, craggy mountains and glaciated ridges and valleys. More than 100 crystal lakes are scattered throughout the massive outcroppings of granite.

Temperatures in this region vary from 90° F. to −20° F., thus providing cool summers which are enthusiastically enjoyed by people from California's urban areas. Over 80 percent of the precipitation in the areas falls as snow.

Because soils are generally shallow and the timberline falls below the crest of the higher peaks, only 28 percent of the area supports any timber, and that is scattered. Alpine meadows dot much of the landscape with unique mountain vegetation.

The area is vast and one can easily experience the challenges and solitude of wilderness. Although the area has been well used, it has been carefully managed to maintain its primeval setting, and still contains the rugged natural appearance caused by centuries of winter storms.

The legislation which I introduced and which I am supporting calls for the establishment of a wilderness area of 105,876 acres. The area is basically the Emigrant Basin Primitive Area with minor additions and subtractions. My legislation embodies the recommendation of the U.S. Forest Service and of the administration. I am supported in my efforts by all of the concerned agencies of the Federal Government and by the State of California.

The time for action is now. As the Forest Service has developed new programs for wilderness areas, more and more areas have been wisely included. This region which has been protected over the years for its natural beauty and primitive state deserves to be given the perpetual protection of the Wilderness Act of 1964. Our urban areas are sprawling and we will continually need more space for our people. We must act now to preserve those areas least touched by man.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. TURNER WALLIS PUMPING STATION

The Clerk called the Senate bill (S. 2509) to name structure S–5A of the Central and Southern Florida Flood Control District, located in Palm Beach County, Fla., as the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, the first secretary-treasurer and chief engineer for the Central and Southern Florida Flood Control District.

There being no objection, the Clerk read the Senate bill as follows:

S. 2509

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That structure S–5A of the Central and Southern Florida Flood Control District, located in Palm Beach County, Florida, shall be named the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, the first secretary-treasurer and chief engineer of the Central and Southern Florida Flood Control District.
>
> SEC. 2. Any law, rule, regulation, document, map, or record of the United States in which reference is made to structure S–5A referred to in the first section of this Act shall be considered to be a reference to that structure by the name designated for the structure in the first section of this Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the eligible bills on the Consent Calendar.

ANNOUNCEMENT OF HEARINGS BEFORE SUBCOMMITTEE OF COMMITTEE ON AGRICULTURE

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURKE of Massachusetts. Mr. Speaker, I am taking this opportunity to announce tomorrow morning at 10 a.m. before a subcommittee of the Committee on Agriculture headed by the Honorable JOSEPH P. VIGORITO of Pennsylvania, a bill will be heard requesting that the Secretary of Agriculture provide seeds and plants upon request by citizens of the United States.

This is a far-reaching bill. It is aimed at fighting the high prices of vegetables in this country and fighting the food shortages that this Nation faces in the future. It is a step forward and will be a return to the soil on the part of America. It will give people in the urban areas a chance to plant a little garden and encourage a return to the soil and utilize millions and millions of unused acres of land that are good for planting in this country for the benefit of the people.

I invite any Members who wish to participate to join us in that meeting.

CORRECTION OF H.R. 11793, NEW FEDERAL ENERGY ADMINISTRATION

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 485) authorizing the Clerk of the House to make a technical correction in the enrollment of H.R. 11793.

The Clerk read the concurrent resolution as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That the President of the United States is requested to return to the House of Representatives the enrolled bill (H.R. 11793) to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions. If and when said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing the bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the re-enrollment of said bill, to make the following correction:
>
> In section 29 of the enrolled bill, strike out "$2,000,000" and insert in lieu thereof "$200,000,000".

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, this is a typographical error in the printing of the enrolled bill, and it is necessary that we agree to this concurrent resolution, and that the Senate concur in it.

The SPEAKER. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

REPORTS OF PATMAN DEFEAT GREATLY EXAGGERATED

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, like the death of Mark Twain, the reports that our distinguished colleague, WRIGHT PATMAN, would be defeated in last Saturday's Texas primary were greatly exaggerated.

For the past several weeks, a number of newspaper and magazine articles have appeared indicating that Chairman PATMAN was in trouble in his election bid. It was suggested that although he might win the primary, he would be forced into a runoff election.

It is most gratifying for me to report to you that Chairman PATMAN not only won his primary race, but easily defeated two challengers and captured more than 55 percent of the vote, while his nearest opponent gained only slightly more than 20 percent of the vote.

It would appear that the news articles predicting Chairman PATMAN's defeat were wishful thinking on the part of the big bankers who would like to see Mr. PATMAN forced into retirement.

Mr. PATMAN ran a strong and aggressive campaign, the type which has kept him in Congress for 46 years.

I salute the chairman of the House Banking Committee for his resounding election victory on Saturday.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION'S ANNUAL REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. —)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and ordered to be printed with illustrations:

To the Congress of the United States:

I herewith transmit the Saint Lawrence Seaway Development Corporation's Annual Report for 1973. This report has been prepared in accordance with Section 10 of Public Law 83-358, as amended, and covers the period January 1, 1973 through December 31, 1973.

RICHARD NIXON.

THE WHITE HOUSE, *May 6, 1974.*

SEVENTH ANNUAL REPORT OF UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. ——)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

I am pleased to send to the Congress the Seventh Annual Report of the United States-Japan Cooperative Medical Science Program.

This joint research effort in the biomedical sciences, undertaken in 1965 following a meeting between the Prime Minister of Japan and the President of the United States, continues to focus upon diseases of both worldwide importance and of special significance to the peoples of Asia: cholera, environmentally induced diseases, leprosy, malnutrition, the parasitic diseases filariasis and schistosomiasis, tuberculosis, and the viral diseases dengue and rabies.

The sustained success of this biomedical research program reflects its careful management and the strong commitment of both nations to its continuation. The increasingly effective research planning and communication between investigators in our two countries has intensified our scientific productivity and strengthened our determination to work together toward better health for all mankind.

RICHARD NIXON.

THE WHITE HOUSE, *May 6, 1974.*

AMENDING ACT OF JUNE 27, 1960 (74 STAT. 220) RELATING TO THE PRESERVATION OF HISTORICAL AND ARCHEOLOGICAL DATA

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 296) to amend the Act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data, as amended.

The Clerk read as follows:

H.R. 296

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam", approved June 27, 1960 (74 Stat. 220; 16 U.S.C. 469), is amended as follows:

(1) In section 1, after "result of" insert "(1)" and delete "agency." and insert "agency or (2) any alteration of the terrain caused as a result of any Federal construction project or federally licensed activity or program.".

(2) In section 2, change, "SEC. 2. (a)", to "SEC. 2."; after "Secretary of the Interior" insert "(hereafter referred to as the Secretary)", and delete all of subsection (b).

(3) Add the following new sections:

"SEC. 3. (a) Whenever any Federal agency finds, or is notified, in writing, by an appropriate historical or archeological authority, that its activities in connection with any Federal construction project or federally licensed project, activity, or program may cause irreparable loss or destruction of significant scientific, prehistorical, historical, or archeological data, such agency shall notify the Secretary, in writing, and shall provide the Secretary with appropriate information concerning the project, program, or activity. Such agency may request the Secretary to undertake the recovery, protection, and preservation of such data (including preliminary survey, or other investigation as needed, and analysis and publication of the reports resulting from such investigation), or it may, with funds appropriated for such project, program, or activity, undertake such activities. Copies of reports of any investigations made pursuant to this section shall be submitted to the Secretary, who shall make them available to the public for inspection and review.

"(b) Whenever any Federal agency provides financial assistance by loan, grant, or otherwise to any private person, association, or public entity, the Secretary, if he determines that significant scientific, prehistorical, historical, or archeological data might be irrevocably lost or destroyed, may with funds appropriated expressly for this purpose conduct, with the consent of all persons, associations, or public entities having a legal interest in the property involved, a survey of the affected site and undertake the recovery, protection, and preservation of such data (including analysis and publication). The Secretary shall, unless otherwise mutually agreed to in writing, compensate any person, association, or public entity damaged as a result of delays in construction or as a result of the temporary loss of the use of private or any nonfederally owned lands.

"SEC. 4. (a) The Secretary, upon notification, in writing, by any Federal or State agency or appropriate historical or archeological authority that scientific, prehistorical, historical, or archeological data is being or may be irrevocably lost or destroyed by any Federal or federally assisted or licensed project, activity, or program, shall, if he determines that such data is significant and is being or may be irrevocably lost or destroyed and after reasonable notice to the agency responsible for funding or licensing such project, activity, or program, conduct or cause to be conducted a survey and other investigation of the areas which are or may be affected and recover and preserve such data (including analysis and publication) which, in his opinion, are not being, but should be, recovered and preserved in the public interest.

"(b) No survey or recovery work shall be required pursuant to this section which, in the determination of the head of the responsible agency, would impede Federal or federally assisted or licensed projects or activities undertaken in connection with any emergency, including projects or activities undertaken in anticipation of, or as a result of, a natural disaster.

"(c) The Secretary shall initiate the survey or recovery effort within sixty days after notification to him pursuant to subsection (a) of this section or within such time as may be agreed upon with the head of the agency responsible for funding or licensing the project, activity, or program in all other cases.

"(d) The Secretary shall, unless otherwise mutually agreed to in writing, compensate any person, association, or public entity damaged as a result of delays in construction or as a result of the temporary loss of the use of private or nonfederally owned land."

(4) In section 2, change "SEC. 2. (c)" to "SEC. 5. (a)" and change "instigating agency" to "agency responsible for funding or licensing the project" and delete "agency," and insert "agency and the survey and recovery programs shall terminate at a time mutually agreed upon by the Secretary and the head of such agency unless extended by mutual agreement.".

(5) Delete subsection 2(d).

(6) In section 2, change "SEC. 2. (e)" to "SEC. (5). (b)".

(7) In section 5 add the following new subsection:

"(c) The Secretary shall coordinate all Federal survey and recovery activities authorized under this Act and shall submit an annual report at the end of each fiscal year to the Interior and Insular Affairs Committees of the United States Congress indicating the scope and effectiveness of the program, the specific projects surveyed and the results produced, and the costs incurred by the Federal Government as a result thereof.".

(8) Redesignate "SEC. 3." as "SEC. 6." and change paragraphs (2) and (3) to read as follows:

"(2) obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code; and

"(3) accept and utilize funds made available for salvage archeological purposes by any private person or corporation or transferred to him by any Federal agency.".

(9) Delete all of section 4 and insert the following:

"SEC. 7. (a) To carry out the purposes of this Act, any Federal agency responsible for a construction project may assist the Secretary and/or it may transfer to him such funds as may be agreed upon, but not more than 1 per centum of the total amount authorized to be appropriated for such project, except that the 1 per centum limitation of this section shall not apply in the event that the project involves $50,000 or less: *Provided,* That the costs of such survey, recovery, analysis, and publication shall be considered nonreimbursable project costs.

"(b) For the purposes of subsection 3(b), there are authorized to be appropriated such sums as may be necessary, but not more than $500,000 in fiscal year 1974; $1,000,000 in fiscal year 1975; $1,500,000 in fiscal year 1976; $1,500,000 in fiscal year 1977; and $1,500,000 in fiscal year 1978.

"(c) For the purposes of subsection 4(a), there are authorized to be appropriated not more than $2,000,000 in fiscal year 1974; $2,000,000 in fiscal year 1975; $3,000,000 in fiscal year 1976; $3,000,000 in fiscal year 1977; and $3,000,000 in fiscal year 1978.".

The SPEAKER. Is a second demanded?

Mr. DELLENBACK. Mr. Speaker, I demand a second.

Mr. ROBERTS. Mr. Speaker, I would ask the gentleman if the gentleman from Oregon is opposed to the bill?

Mr. DELLENBACK. Mr. Speaker, the gentleman from Oregon is not opposed to the bill.

The SPEAKER. Is the gentleman from Texas opposed to the bill?

Mr. ROBERTS. I am, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The gentleman from North Carolina (Mr. TAYLOR) will be recognized for 20 minutes, and the gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I am pleased to bring before the House a bill originally sponsored by our colleague, the gentleman from Florida (Mr. BENNETT) and subsequently cosponsored by more than 125 other Members of the House. I believe this bill probably has more cosponsors than any other bill that I have brought to the floor.

This bill, if enacted, will expand the Federal effort to assure the recovery, preservation, and documentation of the historical and archeological resources of the Nation which might otherwise be lost as a result of alterations of the terrain.

Under present law—Public Law 86-523—the Congress has provided for the survey of sites and the recovery of archeological values at federally constructed dam and reservoir areas. That program has resulted in the preservation of much significant historical data that would otherwise have been lost or destroyed. The costs incurred as a result of this effort have varied from year to year—averaging about $1.2 million since the act was approved in 1960. In recent years, however, a more concentrated effort has resulted in the investment of about $1.8 million annually.

H.R. 296, as amended, would expand the present law to include activities administered by agencies other than those associated with water development projects. During the deliberations of the Subcommittee on National Parks and Recreation during the 92d Congress—September 11-12, 1972—and during the 93d Congress—July 30-31, 1973—and in several subsequent meetings, the effect and operation of this change in policy was carefully examined.

Almost everyone recognizes the value of this endeavor, Mr. Speaker, but we want to be sure that this program does not interfere with orderly progress. The affected departments suggested numerous amendments and voiced sincere concerns with the original text of the bill. The subcommittee reviewed these comments and suggestions in its consideration of the proposal and totally redrafted the bill. It is this revised text which is now before the House.

Mr. Speaker, the basic objective of H.R. 296, as recommended, would be to expand and redirect the historical and archeological salvage program. During the course of our hearings, we were told of many cases where significant values have been lost simply because the agency involved had no legal authority to utilize any portion of its funds in order to undertake the necessary survey and salvage effort.

Mr. Speaker, the committee amendment strikes all after the enacting clause of the bill and inserts a new text which incorporates and eliminates most of the concerns expressed by the affected agencies either by clarifying the language or by including the substance of the suggested amendments.

While the objective of H.R. 296 remains intact under the revised text, several substantive changes are recommended by the committee.

First, the committee language is drafted to prevent any undue interference with or delay of needed Federal projects or programs. Specifically, the language of the bill provides that the governmental agency carrying out a project can do the salvage work itself and not lose any control to the Interior Department; that the Interior Department must begin salvage work within 60 days after notice or at a time agreed to by the agency and must complete work by the time agreed to with the agency and that there can be no recovery in case of emergencies.

Second, it places coordinating responsibility in the Secretary of the Interior so that a relatively uniform Federal program should be assured. It also requires the Secretary to review the efforts of the agencies and report annually to the Congress concerning the problems, accomplishments and costs of the program. Members of the committee were particularly concerned that the funding for this program be carefully reviewed.

Third, we were concerned with the possible impact of this program on non-Federal property owners which might be affected because projects are financed by Federal loans or grants. To protect them, we wrote into the bill a provision requiring the consent of all persons having a legal interest in affected property before any survey or salvage work could be undertaken and we required that if such work results in any damage or loss due to delays or loss of the use of property, those affected would be entitled to compensation.

Finally, Mr. Speaker, the committee felt that strong funding controls were essential. While we authorized the use of appropriated project funds for the purposes of this program, we also authorized funds to be appropriated to the Secretary of the Interior for different phases of the program. This falls into two parts:

No. 1, the committee amendment authorizes the appropriation of $6 million—in five annual installments averaging $1.2 million per year—to fund survey and salvage efforts in connection with Federal loan or grant programs on non-Federal property.

No. 2, the committee amendment authorizes the appropriation of $13 million—in five annual installments averaging $2.6 million per year— to continue the present program and include other Federal construction sites.

Mr. Speaker, this is a complicated measure and one which consumed a considerable amount of the time of the members of the Subcommittee on National Parks and Recreation. We think that we have improved the legislation and that it merits the approval of the House. I am pleased to recommend its enactment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, is the gentleman from North Carolina aware that this bill authorizes backdoor spending and is in the nature of a blank check? I refer to page 8, lines 5 and 6. Was that the reason the bill was brought out under a suspension of the rules, because this language would have been a violation of rule XXI, clause 4, and subject to a point of order?

Mr. TAYLOR of North Carolina. The Department of the Interior can proceed with donated funds or, as on lines 5 and 6 with funds appropriated for such project, programs, or activity. In my opinion the present project funds could not be used but those appropriated for that purpose could be.

Mr. GROSS. It is a reappropriation of funds, is it not?

Mr. TAYLOR of North Carolina. When funds are appropriated for a specfic agency, the Appropriations Committee of course would take this legislation into consideration.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, I rise in support of the legislation before us, H.R. 296, which is designed to strengthen Federal efforts in preserving our country's heritage of archeological and prehistoric remains.

Much of the historical artifacts and remains of early-day inhabitants of our land have become buried in the subsurface of the land through the passing of time.

In 1960, the Congress enacted legislation which authorized identification and recovery efforts for such remains in connection with the construction of dams and related water development projects.

Time has shown, however, that many of these valuable archeological remains are to be found in locations away from streams where water impoundments are constructed.

In many instances, the construction of airports, highways, and buildings, for example, has resulted in the uncovering of valuable archeological remains.

The bill is designed to extend authority for Federal identification and recovery efforts to all Federal programs which would affect the terrain, and to other programs or activities which affect the terrain which are in any way licensed or assisted by Federal agencies.

The bill provides safeguards, however, to assure that any survey or recovery efforts will not adversely affect the progress of any construction activity, and any efforts involving private property or interests can be conducted only with the consent of those interests.

This bill strengthens the authority of the Secretary of the Interior as the general coordinator for all survey and recovery efforts.

The bill provides increased funding authorization for the conduct of this strengthened program, and provides that the Secretary shall report annually to the Interior Committees of the Congress as to the progress of the program.

Mr. Speaker, H.R. 296, as introduced, was accompanied by numerous companion bills cosponsored by 128 Members of the House.

It is obvious that the objectives of this legislation have had strong interest and support by the Members of this body. I urge my colleagues to join with me in voting favorably for the passage of this bill.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, something of this sort is needed quite obviously in order to protect priceless archeological sites. Once they have been damaged they can never be replaced. I believe it was Faulkner who once said:

> The past is not dead. It is not even past.

While this is true, we can kill important parts of our heritage by carelessness. We need the protection of this legislation.

I know how the construction crews work. I know what happens when they come upon something of this sort. They generally are inclined to try to speed up their work before some outside scientist can come in and complicate their construction schedule. The Interior Department must have this legislative tool to protect the irreplaceable. A financing mechanism in needed, and all responsible participants must be sensitized to the value of preserving archelogical values no matter how important our commitment to progress. How sad to look back after it is too late, and say, "If we had not been in such a hurry—now we will never know."

I hope the bill will prevail.

Mr. TAYLOR of North Carolina. I thank the gentleman from New York.

Mr. ROBERTS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I regret that this bill comes to the House under suspension of the rules and that I must take the floor to ask that some necessary changes be made to protect the public interest.

I yield to no one in my desire to preserve the historical and archeological sites, but this bill provides no time limitation whatsoever upon the Department of the Interior. The Department could make an agreement that would require the stopping of a highway project or mass transit project for an unlimited number of years.

We need to be very careful that any legislation does not create a road block for necessary transportation and construction projects.

The key to this is the phrase in this bill that the gentleman from North Carolina mentioned, and I appreciate his candor; "Time agreed to." By the Secretary of the Interior.

The Public Works Committee on which I am a member is working on a mass transit bill now that will involve some $30 billion. An agency concerned can make a contract to hold this up for 2 years or more. We are going to have to have $30 billion here to work out mass transit programs. Do we want to have them held up for one person to come along and file a suit? I want to save these archeological sites. We already require on highway projects for the Interior Department to certify that there is no problem; but we are opening up a can of worms here that will stop our mass transit program.

All I want to do is to get my distinguished colleague to take it back through the Committee on Rules and revise it so that we have some limitation on time, so that the Interior Department and the others concerned can use this to keep them from using this bill as a method of stopping the construction program on highways, on mass transit, on all other major construction programs.

Mr. SCHERLE. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Iowa.

Mr. SCHERLE. I think my colleague from Texas makes an excellent point. I am a sponsor of this piece of legislation myself; but I do see the inherent harm that could be created in the discussion.

I am going to vote in this case with my colleague from Texas and hope that we can clean this thing up and not create the situation that he is presently fearful of.

Mr. ROBERTS. I thank the gentleman. In fact, I may be one of the sponsors, too. I want to preserve these sites; but I do not want to stop the entire Government for the benefit of those who may use this bill for purposes not intended

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Iowa.

Mr. GROSS. It follows if Federal contracts are held up, it is going to increase the costs of Federal contracts. I cannot get out of my mind the backdoor spending involved in this bill and bringing it before the House under a suspension of the rules, which precludes the making of a point of order against this. Moreover, I would like to hear someone explain what prehistorical data is to be accumulated under the terms of this bill.

Mr. ROBERTS. Let me say to the gentleman, I am in a position right now where there is a highway project that has been held up for a year because there is a house somewhere near the right-of-way that is 100 years old. It has no historical value, but somebody suggested it was an historical site and it took a lot of time to clear up the matter.

Again, I want to compliment the gentleman from North Carolina in what he is trying to do; but I hope he is willing to get a rule so that the "time agreed to" phrase, which is the key to the whole thing, can be eliminated in favor of a specified time frame to provide the necessary protection for construction projects, historical sites and archeological sites.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I do not see the relationship between the example which the gentleman gives; that is, the holding up of a highway project because of a house being erected.

Mr. ROBERTS. It is a negative thing. The Department of the Interior requires the highway department to make a report showing that no historical site will be disturbed. They have resolved this in the last week or two, but it has taken months. I want to do what the gentleman wants to do also, but reduce the time lag.

Mr. SKUBITZ. Does the gentleman mean the house has been declared a historical site and that is the reason for holding up the highway?

Mr. ROBERTS. It has not been declared a historical site, but it is 100 years old, and some authority must say that no historical site will be affected.

Mr. SKUBITZ. The Secretary has to make that determination and he has 60 days to do it.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. Mr. Speaker, I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to call the attention of the gentleman to section 4(c), in which it says:

> The Secretary shall initiate the survey or recovery effort within sixty days after notification to him pursuant to subsection (a). . .

Mr. ROBERTS. Mr. Speaker, the gentleman is almost getting to the key point. If he will read on, the Secretary can agree to 2 years or 5 years or 10 years, if he sees fit, without any time limitation whatever on the contract he enters into. This is not the sole objection.

Mr. CONABLE. Or within such time as may be agreed upon by the head of the agency responsible for the licensing of the project.

Mr. Speaker, I would like to call the gentleman's attention to the fact that if there is no agreement, he would have to fall back on the 60-day period. This, I think, puts the Secretary under considerable pressure to work with dispatch to protect the historical site.

Mr. ROBERTS. May I cite my example again. It has been nearly a year and a half and we have not authority to start clearing the right-of-way. This place has not even been declared a historical site.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. Mr. Speaker, I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, the gentleman from New York is exactly right. They placed the language in the bill providing that the Secretary must start action recovering an area within 60 days unless there is an agreement for a different time, which could be shorter or a little longer.

Mr. ROBERTS. Will the gentleman tell me how long this is? All I am asking him to do is to take it back to the Rules Committee and put in here 18 months. How long would he go?

Mr. TAYLOR of North Carolina. Sixty days.

Mr. ROBERTS. Five years, 10 years; it would not make any difference.

Mr. TAYLOR of North Carolina. Mr. Speaker, I can point out to the gentleman that the section 4(c), which the gentleman from New York read, specifically provides that in the absence of agreement to the contrary, the Secretary must start work within 60 days. We placed that in there in order to move it just as fast as possible.

The gentleman from Texas is concerned about environmental impact statements. Let me point out that this bill has no bearing on the environmental impact bill whether it passes or not. Environmental impact statements have to be filed. As a matter of fact, this bill might aid the situation because it gives us a mode or method whereby others will have the data that is in dispute and can get the matter cleared before the environmental impact agency gets involved.

Mr. ROBERTS. Mr. Speaker, may I state to the gentleman from Texas that I am under no misapprehension. This does not relate to the environmental impact statement, but it requires another thing which is almost identical. All in the world the gentleman from Texas asks is that the gentleman from North Carolina go back and protect all the programs, all the rest of Government, by putting in a limitation upon the time in which the Secretary of the Interior has to act. We require him to start in 60 days, but we do not require him to finish it at all. Suppose he never makes a report?

Mr. TAYLOR of North Carolina. Mr. Speaker, may I state that this paragraph provides that he must finish in the time agreed to between him and the agency.

Mr. ROBERTS. He can agree on anything he wants to. That is the whole weakness. He can agree to 2 years, 3 years, 5 years; in the meantime, the entire program is stopped.

Mr. Speaker, I do not want to cause any great furor here. We are making a great mistake if we pass this without letting it go back to the Rules Committee and have a chance to put some amendments on it. I certainly want to do what the gentleman wants to do, protect our sites, I want to help do it, but I do not want to stop everything while some one decides what constitutes a historical site.

Mr. Speaker, let me say that the gentleman from Iowa and I are not the biggest spenders around. Perhaps it would be good to stop a $30 billion mass transit program, but I don't think many of us would agree at this time.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, we ought to get legislation to do just that instead of resorting to this kind of device to do it.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. Mr. Speaker, I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, the gentleman makes a point that the Secretary of the Interior might not agree to a reasonable period for a study to be made.

Mr. ROBERTS. Let me say that the point I make is that he has the authority to lengthen it as long as he wants to. I think there should be some time limitation.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. ROBERTS. Mr. Speaker, I yield myself an additional 2 minutes.

Mr. HOSMER. Mr. Speaker, it would be well, yes, to be able to specify a particular time, but I may respectfully suggest that these kinds of questions do not lend themselves to the fixing of a particular time, because one does not know what one is going to get into when he gets under the ground, particularly with some artifacts or other things that have to do with historical problems.

Mr. Speaker, I think the best thing one can do is to assume that the newly appointed Secretary of the Interior, who is confirmed with the advice and consent of the Senate, will do a reasonable job and that he will not execute his office in an arbitrary fashion which is designed, for some reason that the gentleman has not yet specified, to stop the wheels of progress.

We did the best we could here, and I think we have to trust somebody we put in executive positions to do a decent and an honest job. That is the extent of what this bill provides.

Mr. Speaker, I believe that the gentleman has made a point, but it is not a valid point, one which should not interrupt the enactment of this legislation.

Mr. Speaker, I thank the gentleman for yielding.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I wonder where the definition can be found of "scientific data" and "prehistoric data."

Mr. ROBERTS. Mr. Speaker, I regret to say that I do not know.

Mr. GROSS. I wonder where the definition is.

Mr. ROBERTS. There is no such definition in this bill. It depends on whoever happens to be interested in what particular project, I regret to say.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 5 minutes to the principal author of the bill, the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Speaker, this legislation was brought to my attention by a large number of scholarly people, primarily in universities and museums throughout the country. They felt that the experience we had had so far with the previous legislation on dams showed that this legislation could be expanded conservatively in a way to take care of many things that are now being lost. From practical experience, therefore, we have worked on this legislation and we believe that no great amount of money need be involved.

Great benefit can come from the preservation of archiological materials. This can expand the horizons of young people and older people as well. It can add to knowledge and can improve the content of museums. The legislation is primarily for the purpose of getting information that would be helpful to man in his quest for knowledge with regard to the past—a very valuable assist to his knowledge of the future as well as of the present.

So, Mr. Speaker, I introduced this legislation. There were many cosponsors of it as well. I must say that the Committee on the Interior did an excellent job in revising the legislation. They held extensive hearings and they went into the matter in some great detail. In my opinion, their efforts greatly improved the legislation which we originally introduced. Our intentions were good, but the committee itself, as well as the staff, were able to perfect from our original proposals an excellent bill.

Mr. Speaker, we had cosponsors also in the Senate. The Senate bill is the bill which as originally introduced by us in the House if I remember correctly. Therefore, this matter will go to a conference between the House and the Senate, or this bill today can be newly handled in the Senate; and details such as the ones we have so far had brought out, could be ironed out.

Personally, Mr. Speaker, I have confidence in the Department of the Interior. I have had long experience with the Department of the Interior ever since I have been here in Congress; and I have never found them yet to be lacking in care, thoughtfulness, and promptness. I think they will do this job, under the thrust of this debate, and under the exact language of the legislation.

Mr. Speaker, I, myself, have no feeling that if this legislation passes in the form we have before us today that it would not be good, sound legislation or that there would be abuses which would occur under it. However, one can always conjure up possibilities, and this debate has given us some light as to those possibilities. When we go to conference on the bill or if the Senate takes separate action perhaps some additional language could be added to dispel any such feeling any Member might have.

I think this is good legislation, and I think it will give us information about the past which will be helpful to us today and for the future. There is a variety of things to be learned, not just knowing what may have happened in history; but seeing the particular artificats from the past and learning all we can learn about them can even tell us things about health matters, for instance, as surprising as that may be. We have learned from such data a good bit about the development of sociology and other things that have developed in this land and this helps us in today's world.

Mr. Speaker, I think it is good, sound legislation, and I sincerely hope that it may be passed.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have no further requests for time. However, I will yield myself 1 minute.

Mr. Speaker, I would just like to state that the Subcommittee on National Parks and Recreation did not rush into this legislation. We held 2 days of hearings on it in the last Congress, we held 2 days of hearings on it during this Congress, and we spent 2 days marking up the bill.

We considered all amendments recommended by the agencies. It is a bill that has been approved by the archeological community. I do not know of a single Federal agency that now opposes this bill in its present form.

In regard to spending, we have placed language in the bill, as we always do in any bill that comes out of our committee, limiting the amount of spending to specific ceilings.

In regard to the 1 percent of project funds, it is my opinion, in interpreting the bill, that that money that has been appropriated could be reprogramed if the Committee on Appropriations so decided, and up to 1 percent of those appropriations could be used.

We know that there will be only a relatively limited number of cases where historical and/or archeological items are going to be found. In the present program involving dams and reservoirs, we have had no complaints of project delays.

The SPEAKER. The time of the gentleman has expired.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I might point out that Indian villages that have been found usually were located near the rivers, so that there will be more artifacts and articles of historical value found from sites near reservoirs and rivers than there will be from highway sites and airport projects which are not located normally close to the rivers.

Mr. ROBERTS. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, let me say again that the bill is deficient in that it does not describe what these historical sites are to be. They will be whatever anybody wants to make of them. Also, 1 percent of all project funds can be used to preserve sites.

One percent of the highway program funds alone, 1 percent of $5.5 billion, is a tremendous amount of money. Then we come along with the mass transit bill that will run to $30 billion over a 6-year period of time, plus other bills, and this will show the Members how much money will be spent under this bill. I hope my colleagues will vote down the suspension and send the bill back to the Committee on Rules so that we will have a chance to offer protecting amendments.

Mr. JOHNSON of California. Mr. Speaker, it is with great pleasure that I rise in support of H.R. 296, a bill introduced by my colleague, Mr. BENNETT, to preserve and protect valuable archeological and historical data from unnecessary destruction. As a member of the House Interior Committee, I have closely followed the progress of this legislation which I have the honor of cosponsoring. I believe this is a very commendable bill, and I am pleased that it has come before us today. I have for many years supported the initiative to broaden the scope of Federal statutes in the area of historic preservation at Federal construction project sites. This legislation embodies such an initiative.

The measure would extend the Federal salvage archeological programs to a wide range of Federal activities rather than limiting them to reservoir and dam construction. The bill would permit archeologists to select sites and concentrate their efforts on the basis of scientific need, not on what is being destroyed.

The bill would permit Federal agencies whose programs are endangering or destroying scientific, prehistorical, historical, or archeological data to spend program funds to protect or recover any of the above resources prior to their destruction. Because there would be few required administrative procedures set forth, the affected agency could carry out the recovery program by the administrative means which are most compatible with its operations.

Any Federal agency which does not wish to undertake direct responsibility for threatened archeological resources could ask the Secretary of the Interior to begin a survey to evaluate the situation and determine how best to protect the public interest. The Federal agency whose program would be responsible for the possible destruction, would be authorized transfer a portion of its project funds to the Secretary of the Interior for use by the Secretary in preserving those evidences of past societies which have remained untouched.

On previous occasions, extremely valuable scientific data have been lost due to insufficient funds and a lack of available personnel at the critical time. With the enactment of this legislation, Mr. Speaker, it would be possible to act without significant delay and to relate the level of need support directly to the amount of destruction, the scientific need, and to the availability of trained personnel by authorizing the expenditure of necessary funds directly from the program responsible for potential destruction of the data.

Enactment of this legislation would be another step in a significant effort by the Congress to preserve our heritage. Since the beginning of this century, the Congress has taken an increasingly important role in assuring protection for these historical and prehistorical finds. With the continued increase in Federal construction projects throughout the 50 States, I believe it is essential that we take the necessary steps to assure the greater protection proposed in this legislation.

Our ever expanding population, led on by a swiftly advancing technology, continues to destroy valuable resources buried beneath the Earth as new ground is continually broken across the country. A comprehensive effort must be made now to establish a procedure for the protection of such historical data.

It has been estimated that nearly one-half of our archeological sites will be destroyed in the next 25 years as Americans continue to occupy greater stretches of land. In the next 50 years very little American soil will be untouched. Now is the time to plan future approaches for the preservation of this nonrenewable resource.

The face of the continent is far different from that seen by our early pioneers. We have seen great technological changes all across the land. Efforts to develop the country and improve the life of our people have resulted in a major change of our land surface.

Modern people learn much from early predecessors. Knowledge of the past is a part of everyone's basic heritage and information about the past still lies buried in the ground awaiting discovery. Some remnants of the past will survive, of course, but unless we take appropriate steps now, the scattered evidence which will remain, will not be enough to permit scientists to recreate a full and meangful picture of the past. To date, much of the archeological work has been done in an emergency and ad hoc fashion—responding primarily to discoveries on the verge of falling to destruction by the construction shovel. A great majority of the effort has been supported financially by private organizations and individuals and carried out by dedicated volunteers.

In closing, let me say that the efforts of so many private and volunteer groups to preserve our rich culture of past generations are quite commendable. The situation is such, however, that their best efforts are not enough in view of the large-scale changes being made. If we are to protect what we have, and prevent its loss forever, the Federal Government is going to have to take it upon itself to participate in this effort of preservation.

We are not asking that projects be discarded. We are not asking that great sums of money be expended. This bill simply permits a temporary stoppage of work until the culturally significant items can be removed and preserved. Then, construction can be allowed to continue. As little as 1 percent of project funds would be used for this purpose. This seems a small price for a "priceless" bit of history.

Mr. HOSMER. Mr. Speaker, the bill before us, H.R. 296, is one which deserves the support of all Members of the House. The bill make it Federal policy that where important archeological, historical, or prehistorical artifacts may exist which might be jeopardized by Federal or federally assisted projects which alter the terrain, Federal funding is authorized for survey and salvage of such sites.

In 1960, the Congress enacted legislation to assure that all such archeological sites and specimens could be appropriately surveyed, salvaged and protected in conjunction with Federal or federally assisted dam and related water development projects. The bill before us amends that 1960 law by broadening its scope to extend to all Federal or federally assisted projects of any nature. Time has shown that items of archeological and prehistorical importance exist in many locations, not just along stream courses where water impoundments are to be located.

This bill provides that survey and salvage efforts for Federal or federally assisted projects and activities may be undertaken, within limits, at Federal expense. The Secretary of the Interior is given broadened authority to coordinate this expanded program.

Mr. Speaker, with the growing impact of man's activities resulting in the alteration of the terrain across the breadth of our Nation, it is most important that we provide for that coordination and funding necessary to assure that these important and irreplacable elements of our historical heritage are not carelessly and unknowingly destroyed.

This bill before us, H.R. 296, will help us to better protect our historical heritage, and I urge my colleagues to lend their support by voting in favor of this bill.

Mr. McCLORY. Mr. Speaker, I rise in support of H.R. 296. The need for this type of legislation is quite apparent. Throughout the United States there are a great number of historical sites which, due to the limited number of professional archeologists capable of exploring these regions, have never been excavated or analyzed. To allow these sites to go uninvestigated and lost forever because of a Federal construction project would be a disservice to the citizens of our country and could potentially cause gaps in our historical past.

For these and other reasons, Mr. Speaker, I have cosponsored a related bill—H.R. 3584. H.R. 296 expands the protection of historical and archeological data by placing any federally financed construction project under the scope of this act.

At the same time, Mr. Speaker, this bill allows for the possibility that not every Federal project may be subject to such archeological and historical protection and preservation. The protections from unnecessary delay of critically needed projects are an essential part of this bill. A survey will be conducted, when requested, by a Federal agency or local historical or archeological society. However, the survey will be authorized only in those areas in which the Secretary determines preservation is necessary and where excavation appears to be required.

Mr. Speaker, the method by which the surveys or excavations will be financed seems to me to also be sound and an equitable system of financing. The Federal agency involved in the construction will be responsible for providing sufficient moneys for the surveys or excavations. However, should the agency concerned, for what ever reason, decide it is not feasible for them to carry through on the data collection, a sum equal to a maximum of 1 percent of the total cost of the project will be deposited with the Secretary of the Interior specifically for this purpose. This should provide sufficient flexibility in the program to enable the agency concerned to determine the extent of its involvement.

In conclusion, Mr. Speaker, I feel that the Federal Government must continue to help our Nation's archeologists in their effort to gather data that will enable us to preserve and to reconstruct more of our historical past. H.R. 296 will enable us to fulfill this responsibility more effectively and completely.

Mr. PRICE of Illinois. Mr. Speaker, I am a cosponsor of H.R. 296 because I believe we should take every precaution to insure that no part of mankind's history is destroyed by our national development. Archeological discoveries are part of this history, and when uncovered, they deserve preservation.

This legislation will provide for preservation of historical and archeological data discovered during all Federal or federally assisted construction. Presently the law extends only to dam and reservoir sites.

The burdens imposed by this law are light enough so as not to outweigh its benefits. First, the cost is modest. A percentage of Federal project moneys are authorized to be used where available, and the cost of the program in each of the last 3 fiscal years has totaled less than $2 million. Second, it has been demonstrated that recovery of archeological data can go forward without seriously disrupting Federal projects. Survey and salvage work is not required in emergency situations, and any adversely affected parties will be compensated for damages due to delays in construction. Third, the committee has clarified the language of the law to relieve the Interior Department of unreasonable work.

Mr. Speaker, our overall conservation design is comprised of many small efforts such as this bill, and I therefore advocate its passage.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in strong support of H.R. 296 which will expand and enhance our ability to protect and preserve historical and archeological data at Federal construction sites.

I am pleased to have been a cosponsor of this measure during this Congress and the previous one. It is gratifying that we have been able to advance the bill to the floor of the House.

Because a companion bill has been approved by the Senate, I believe we can look confidently forward to seeing enactment of this vital legislation in the near future.

A good deal of credit must go to the distinguished gentleman from Florida (Mr. BENNETT) for the progress that has been made. He has been unstinting in his advocacy of archeological protection.

Existing law limits archeological protection to Federal damsites and reservoir sites only. No specific provision relates to any other type of construction and that is why this legislation is so important and so necessary.

When the original law was passed over a decade ago, there was nearly a complete lack of general public awareness of both the scope of archeological evidence in this country and the need to insure its preservation.

Today we are aware and we must not only insure that we are adequately prepared in the future to protect these sites, but that we take whatever actions are possible to make up for any damage of the past.

Our committeee report on H.R. 296 sums up the nature of the bill by noting:

> Proper excavation techniques can salvage and preserve the materials found. It is the achievement of this end which H.R. 296 seeks to accomplish.

We know from past experience that excavation at Federal construction sites has been the first and only source of information of the existence of archeological values. It is important that this discovery be accompanied by protection and retention or these valuable historical artifacts will be forever lost.

We should give this bill our overwhelming approval, Mr. Speaker, and enact it without delay.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 296, as amended.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 296, nays 23, not voting 114, as follows:

[Roll No. 205]

YEAS—296

Abdnor
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Arends
Aspin
Bafalis
Baker
Barrett
Bauman
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Downing
Drinan
Duncan
du Pont
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Flood
Foley
Ford
Forsythe
Fraser
Frenzel
Froehlich
Fulton
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez

Grasso
Green, Pa.
Grover
Gude
Gunter
Hamilton
Hammerschmidt
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hawkins
Hébert
Hechler, W. Va.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Horton
Hosmer
Howard
Hungate
Hunt
Ichord
Jarman
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Lott
Luken
McClory
McCormack
McDade
McEwen
McFall
Mahon
Mallary
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne

Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Minish
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Obey
O'Brien
O'Hara
O'Neill
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Railsback
Randall
Rangel
Rarick
Rees
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes

Schneebeli
Sebelius
Shipley
Shoup
Shriver
Sikes
Skubitz
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—23

Armstrong
Beard
Blackburn
Bray
Burleson, Tex.
Crane
Goodling
Gross
Hudnut

Hutchinson
McCollister
McKay
Michel
Poage
Roberts
Robinson, Va.
Satterfield
Scherle

Shuster
Waggonner
Wampler
Whitten
Wilson, Charles H., Calif.

NOT VOTING—114

Abzug
Addabbo
Andrews, N.C.
Ashbrook
Ashley
Badillo
Bell
Blatnik
Brademas
Brasco
Breaux
Brotzman
Carey, N.Y.
Carney, Ohio
Carter
Chappell
Chisholm
Clark
Clay
Conlan
Corman
Cotter
Danielson
Davis, Wis.
Dellums
Dingell

Donohue
Dorn
Dulski
Eckhardt
Edwards, Ala.
Erlenborn
Eshleman
Findley
Fisher
Flowers
Flynt
Fountain
Frelinghuysen
Frey
Gaydos
Gray
Green, Oreg.
Griffiths
Gubser
Guyer
Haley
Hanley
Harrington
Hays
Heckler, Mass.
Helstoski

Holt
Huber
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Kazen
Kyros
Landgrebe
Long, Md.
Lujan
McCloskey
McKinney
McSpadden
Macdonald
Madden
Madigan
Mann
Maraziti
Martin, N.C.
Milford
Mills
Mink
Minshall, Ohio
Moakley
Morgan

Moss
Murphy, Ill.
Nichols
Nix
Owens
Patman
Pickle
Pritchard
Quillen
Regula
Reid
Rhodes

Roncallo, N.Y.
Rooney, N.Y.
Rose
Rostenkowski
Roy
Schroeder
Seiberling
Sisk
Slack
Spence
Steele
Stokes

Stubblefield
Stuckey
Teague
Van Deerlin
Vander Jagt
Veysey
Waldie
Ware
Wilson, Bob
Wydler
Wyman
Young, Ga.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

The Clerk announced the following pairs:

Mr. Chappell with Mr. Fisher.
Mr. Rooney of New York with Mrs. Griffiths.
Mr. Rostenkowski with Mr. McSpadden.
Mr. Teague with Mr. Dorn.
Mr. Fountain with Mr. Milford.
Mr. Stubblefield with Mr. McCloskey.
Mr. Kyros with Mr. Frelinghuysen.
Mr. Addabbo with Mr. Maraziti.
Mr. Brademas with Mr. Martin of North Carolina.
Mr. Dulski with Mr. Eshleman.
Mr. Brasco with Mr. Gubser.
Mr. Mann with Mr. Erlenborn.
Mr. Kazen with Mr. Frey.
Mr. Pickle with Mr. Davis of Wisconsin.
Mr. Morgan with Mr. Guyer.
Mr. Nix with Mr. Blatnik.
Mr. Cotter with Mrs. Heckler of Massachusetts.
Mr. Haley with Mr. Ashbrook.
Mr. Hanley with Mrs. Holt.
Mr. Rose with Mr. Bell.
Mr. Stokes with Mr. Waldie.
Mr. Dellums with Mr. Madden.
Mr. Gaydos with Mr. Findley.
Mr. Murphy of Illinois with Mr. Huber.
Mr. Nichols with Mr. Brotzman.
Mrs. Chisholm with Mr. Gray.
Mr. Clark with Mr. Landgrebe.
Mr. Clay with Mr. Dingell.
Mr. Badillo with Mr. Long of Maryland.
Mr. Carney of Ohio with Mr. Carter.
Mr. Carey of New York with Mr. Johnson of Pennsylvania.
Mr. Young of Georgia with Mr. Reid.
Ms. Abzug with Mr. Eckhardt.
Mr. Corman with Mr. Lujan.
Mr. Danielson with Mr. Conlan.
Mr. Flowers with Mr. Madigan.
Mr. Hays with Mr. McKinney.
Mr. Jones of Alabama with Mr. Quillen.
Mr. Moakley with Mr. Pritchard.
Mr. Moss with Mr. Regula.
Mr. Roy with Mr. Roncallo of New York.
Mrs. Schroeder with Mr. Andrews of North Carolina.
Mr. Sisk with Mr. Rhodes.
Mr. Slack with Mr. Vander Jagt.
Mr. Stuckey with Mr. Ware.
Mr. Van Deerlin with Mr. Steele.
Mr. Breaux with Mr. Spence.
Mr. Ashley with Mr. Bob Wilson.
Mr. Edwards of Alabama with Mr. Wydler.
Mr. Flynt with Mr. Wyman.
Mrs. Green of Oregon with Mr. Macdonald.
Mr. Harrington with Mr. Jones of North Carolina.
Mr. Mills with Mr. Minshall of Ohio.
Mrs. Mink with Mr. Patman.
Mr. Owens with Mr. Seiberling.
Mr. Donohue with Mr. Helstoski.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 154) to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam", approved June 27, 1960 (74 Stat. 220), is amended to read as follows: "That it is the purpose of this Act to further the policy set forth in the Act entitled 'An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes', approved August 21, 1935 (16 U.S.C. 461–467), and the Act entitled 'An Act to establish a program for the preservation of additional historic properties throughout the Nation, and for other purposes', approved October 15, 1966 (80 Stat. 915), by specifically providing for the preservation of scientific, prehistorical, historical, and archeological data (including relics and specimens) which might otherwise be irreparably lost or destroyed as the result of (1) flooding, the building of access roads, the erection of workmen's communities, the relocation of railroads and highways, and other alterations of the terrain caused by the construction of a dam by any agency of the United States, or by any private person or corporation holding a license issued by any such agency; or (2) any alteration of the terrain caused as a result of any Federal, federally assisted, or federally licensed activity or program.

"SEC. 2. Before any agency of the United States shall undertake the construction of a dam, or issue a license to any private individual or corporation for the construction of a dam it shall give written notice to the Secretary of the Interior (hereinafter referred to as the 'Secretary') setting forth the site of the proposed dam and the approximate area to be flooded and otherwise changed if such construction is undertaken: *Provided,* That with respect to any floodwater retarding dam which provides less than five thousand acre-feet of detention capacity and with respect to any other type of dam which creates a reservoir of less than forty surface acres the provisions of this section shall apply only when the contructing agency, in its preliminary surveys, finds, or is presented with evidence that scientific, prehistorical, historical, or archeological data exist or may be present in the proposed reservoir area.

"SEC. 3. (a) Whenever any Federal agency finds, or is made aware by an appropriate historical or archeological authority, that its operation in connection with any Federal, federally assisted, or federally licensed project, activity, or program adversely affects or may adversely affect significant scientific, prehistorical, historical, or archeological data, such agency shall notify the Secretary, in writing, and shall provide the Secretary with appropriate information concerning the project, program, or activity. Such agency (1) may request the Secretary to undertake the recovery, protection, and preservation of such data (including preliminary survey, or other investigation as needed, and analysis and publication of the reports resulting from such investigation), or (2) may, with funds appropriated for such project, program, or activity, undertake the activities referred to in clause (1). Copies of reports of any investigations made pursuant to clause (2) shall be made available to the Secretary.

"(b) The Secretary, upon notification by any such agency or by any other Federal or State agency or appropriate historical or archeological authority that scientific, prehistorical, historical, or archeological data is or may be adversely affected by any Federal, federally assisted, or federally licensed project, activity, or program, shall, if he determines that such data is being or may be adversely affected, and after reasonable notice to the agency responsible for such project, activity, or program conduct or cause to be conducted a survey and other investigation of the areas which are or may be affected and recover and preserve such data (including analysis and publication) which, in his opinion, are not being but should be recovered and preserved in the public interest. The Secretary shall initiate action within sixty days of notification to him by an agency pursuant to subsection (a), and within such time as may be agreed upon with the head of the responsible agency in all other cases. The responsible agency upon request of the Secretary is hereby authorized to assist the Secretary and to transfer to the Secretary such funds as may be necessary, in an amount not to exceed 1 per centum of the total amount appropriated for such project, activity, or program, to enable the Secretary to conduct such survey or other investigation and recover and preserve such data (including analysis and publication) or, in the case of small projects which cause extensive scientific, prehistoric, historical, or archeological damage, such larger amount as may be mutually agreed upon by the Secretary and the responsible Federal agency as being necessary to effect adequate protection and recovery: *Provided*, That the costs of such survey, recovery, analysis, and publication shall be considered nonreimbursable project costs.

"(c) The Secretary shall keep the responsible agency notified at all times of the progress of any survey or other investigation made under this Act, or of any work undertaken as a result of such survey, in order that there will be as little disruption or delay as possible in the carrying out of the functions of such agency.

"(d) A survey or other investigation similar to that provided for by subsection (a) or (b) of this section and the work required to be performed as a result thereof shall so far as practicable also be undertaken in connection with any dam, project, activity, or program which has been heretofore authorized by any agency of the United States, by any private person or corporation holding a license issued by any such agency, or by Federal law.

"(e) The Secretary shall consult with any interested Federal and State agencies, educational and scientific organizations, and private institutions and qualified individuals, with a view to determining the ownership of and the most appropriate repository for any relics and specimens recovered as a result of any work performed as provided for in this section.

"Sec. 4. In the administration of this Act, the Secretary may—

"(1) accept and utilize funds transferred to him by any Federal agency pursuant to this Act;

"(2) enter into contracts or make cooperative agreements with any Federal or State agency, any educational or scientific organization, or any institution, corporation, association, or qualified individuals;

"(3) obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code; and

"(4) accept and utilize funds made available for salvage archeological purposes by any private person or corporation.

"Sec. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act."

MOTION OFFERED BY MR. TAYLOR OF NORTH CAROLINA

Mr. TAYLOR of North Carolina. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Taylor of North Carolina moves to strike out all after the enacting clause of S. 514 and insert in lieu thereof the provisions of H.R. 296, as passed by the House:

That the Act entitled "An Act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam", approved June 27, 1960 (74 Stat. 220; 16 U.S.C. 469), is amended as follows:

(1) In section 1, after "result of" insert "(1)" and delete "agency." and insert "agency or (2) any alteration of the terrain caused as a result of any Federal construction project or federally licensed activity or program.".

(2) In section 2, change "Sec. 2. (a)", to "Sec. 2."; after "Secretary of the Interior" insert "(hereafter referred to as the Secretary)", and delete all of subsection (b).

(3) Add the following new sections:

"Sec. 3. (a) Whenever any Federal agency finds, or is notified, in writing, by an appropriate historical or archeological authority, that its activities in connection with any Federal construction project or federally licensed project, activity, or program may cause irreparable loss or destruction of significant scientific, prehistorical, historical, or archeological data, such agency shall notify the Secretary, in writing, and shall provide the Secretary with appropriate information concerning the project, program, or activity. Such agency may request the Secretary to undertake the recovery, protection, and preservation of such data (including preliminary survey, or other investigation as needed, and analysis and publication of the reports resulting from such investigation), or it may, with funds appropriated for such project, program, or activity, undertake such activities. Copies of reports of any investigations made pursuant to this section shall be submitted to the Secretary, who shall make them available to the public for inspection and review.

"(b) Whenever any Federal agency provides financial assistance by loan, grant, or otherwise to any private person, association, or public entity, the Secretary, if he determines that significant scientific, prehistorical, historical, or archeological data might be irrevocably lost or destroyed, may with funds appropriated expressly for this purpose conduct, with the consent of all persons, associations, or public entities having a legal interest in the property involved, a survey of the affected site and undertake the recovery, protection, and preservation of such data (including analysis and publication). The Secretary shall, unless otherwise mutually agreed to in writing, compensate any person, association, or puplic entity damaged as a result of delays in construction or as a result of the temporary loss of the use of private or any nonfederally owned lands.

"Sec. 4. (a) The Secretary, upon notification, in writing, by any Federal or State agency or appropriate historical or archeological authority that scientific prehistorical, historical or archeological data is being or may be irrevocably lost or destroyed by any Federal or federally assisted or licensed project, activity, or program, shall if he determines that such data is significant and is being or may be irrevocably lost or destroyed and after reasonable notice to the agency responsible for funding or licensing such project, activity, or program, conduct or cause to be conducted a survey and other investigation of the areas which are or may be affected and recover and preserve such data (including analysis and publication) which, in his opinion, are not being, but should be, recovered and preserved in the public interest.

"(b) No survey or recovery work shall be required pursuant to this section which, in the determination of the head of the responsible agency, would impede Federal or federally assisted or licensed projects or activities undertaken in connection with any emergency, including projects or activities undertaken in anticipation of, or as a result of, a natural disaster.

"(c) The Secretary shall initiate the survey or recovery effort within sixty days after notification to him pursuant to subsection (a) of this section or within such time as may be agreed upon with the head of the agency responsible for funding or licensing the project, activity, or program in all other cases.

"(d) The Secretary shall, unless otherwise mutually agreed to in writing, compensate any person, association, or public entity damaged as a result of delays in construction or as a result of the temporary loss of the use of private or nonfederally owned land."

(4) In section 2, change "Sec. 2. (c)" to "Sec. 5. (a)" and change "instigating agency" to "agency responsible for funding or licensing the project" and delete "agency." and insert "agency and the survey and recovery programs shall terminate at a time mutually agreed upon by the Secretary and the head of such agency unless extended by mutual agreement.".

(5) Delete subsection 2(d).

(6) In section 2, change "Sec. 2. (e)" to "Sec. 5. (b)".

(7) In section 5, add the following new subsection:

"(c) The Secretary shall coordinate all Federal survey and recovery activities authorized under this Act and shall submit an annual report at the end of each fiscal year to the Interior and Insular Affairs Committees of the United States Congress indicating the scope and effectiveness of the program, the specific projects surveyed and the results produced, and the costs incurred by the Federal Government as a result thereof.".

(8) Redesignate "Sec. 3." as "Sec. 6." and change paragraphs (2) and (3) to read as follows:

"(2) obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code; and

"(3) accept and utilize funds made available for salvage archeological purposes by any private person or corporation or transferred to him by any Federal agency.".

(9) Delete all of section 4 and insert the following:

"Sec. 7. (a) To carry out the purposes of this Act, any Federal agency responsible for a construction project may assist the Secretary and/or it may transfer to him such funds as may be agreed upon, but not more than 1 per centum of the total amount authorized to be appropriated for such project, except that the 1 per centum limitation of this section shall not apply in the event that the project involves $50,000 or less: *Provided*, That the costs of such survey, recovery, analysis, and publication shall be considered nonreimbursable project costs.

"(b) For the purposes of subsection 3(b), there are authorized to be appropriated such sums as may be necessary, but not more than $500,000 in fiscal year 1974; $1,000,000 in fiscal year 1975; $1,500,000 in fiscal year

1976; $1,500,000 in fiscal year 1977; and $1,500,000 in fiscal year 1978.

"(c) For the purposes of subsection 4(a), there are authorized to be appropriated not more than $2,000,000 in fiscal year 1974; $2,000,000 in fiscal year 1975; $3,000,000 in fiscal year 1976; $3,000,000 in fiscal year 1977; and $3,000,000 in fiscal year 1978.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 296) was laid on the table.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDING COMPREHENSIVE ALCOHOL ABUSE AND ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION ACT AND OTHER RELATED ACTS

Mr. STAGGERS. Mr. Speaker, I move to suspend the rules and take from the Speaker's table the bill (S. 1125) to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act and other related acts to concentrate the resources of the Nation against the problem of alcohol abuse and alcoholism, with the Senate amendment to the House amendments thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the Senate amendment to the House amendments.

The Clerk read as follows:

Senate amendment to the House amendments:

In lieu of the matter proposed to be inserted by the amendment of the House of Representatives to the text of the bill insert:

TITLE I—FEDERAL ASSISTANCE FOR STATE AND LOCAL ALCOHOLISM AND ALCOHOL ABUSE PROGRAMS

Part A—Short Title; Findings and Purpose

SHORT TITLE

Sec. 101. This title may be cited as the "Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974".

FINDINGS AND PURPOSE

Sec. 102. (a) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding after section 1 the following new section:

"FINDINGS AND PURPOSE

"Sec. 2. (a) The Congress finds that—

"(1) alcohol is one of the most dangerous drugs and the drug most frequently abused in the United States;

"(2) of the Nation's estimated ninety-five million drinkers at least nine million, or 7 percentum of the adult population, are alcohol abusers and alcoholics;

"(3) problem drinking costs the national economy at least $15,000,000,000 annually in lost working time, medical and public assistance expenditures, and police and court costs;

"(4) alcohol abuse is found with increasing frequency among persons who are multiple-drug abusers and among former heroin users who are being treated in methadone maintenance programs;

"(5) alcohol abuse is being discovered among growing numbers of youth; and

"(6) alcoholism is an illness requiring treatment and rehabilitation through the assistance of a broad range of community health and social services, and with the cooperation of law enforcement agencies.

"(b) It is the policy of the United States and the purpose of this Act to (1) approach alcohol abuse and alcoholism from a comprehensive community care standpoint, and (2) meet the problems of alcohol abuse and alcoholism not only through Federal assistance to the States but also through direct Federal assistance to community-based programs meeting the urgent needs of special populations and developing methods for diverting problem drinkers from criminal justice systems into prevention and treatment programs.".

(b) The Congress declares that, in addition to the programs under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, programs under other Federal laws which provide Federal or federally assisted research, prevention, treatment, or rehabilitation in the fields of health and social services should be appropriately utilized to help eradicate alcohol abuse and alcoholism as a major problem.

Part B—Grants to States

PROGRAM EXTENSION

Sec. 105. (a) Section 301 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by inserting immediately after "for each of the next two fiscal years" the following: ", $80,000,000 for the fiscal year ending June 30, 1975, and $80,000,000 for the fiscal year ending June 30, 1976,".

(b) The section heading for such section is amended to read as follows:

"AUTHORIZATION FOR FORMULA GRANTS".

PROGRAM IMPROVEMENTS

Sec. 106. (a)(1) Section 302 of such Act is amended by adding at the end thereof the following new subsection:

"(d) On the request of any State, the Secretary is authorized to arrange for the assignment of officers and employees of the Department or provide equipment or supplies in lieu of a portion of the allotment of such State. The allotment may be reduced by the fair market value of any equipment or supplies furnished to such State and by the amount of the pay, allowances, traveling expenses, and any other costs in connection with the detail of an officer or employee to the State. The amount by which such payments are so reduced shall be available for payment of such costs (including the costs of such equipment and supplies) by the Secretary, but shall for purposes of determining the allotment under section 302(a), be deemed to have been paid to the State.".

(2) Section 302 (b) of such Act is amended (A) by striking out in the first sentence "so allotted to a State" and inserting in lieu thereof "allotted to a State in a fiscal year"; and (B) by striking out in the second sentence "for a fiscal year" and inserting in lieu thereof "in a fiscal year".

(b) Section 303(a) of such Act is amended—

(1) by striking out in paragraph (3) "or groups" and inserting in lieu thereof ", of groups to be served with attention to assuring representation of minority and poverty groups";

(2) by striking out "and" at the end of paragraph (9);

(3) by redesignating paragraph (10) as paragraph (11); and

(4) by adding after paragraph (9) the following new paragraph:

"(10) set forth, in accordance with criteria to be set by the Secretary, standards (including enforcement procedures and penalties) for (A) construction and licensing of public and private treatment facilities, and (B) for other community services or resources available to assist individuals to meet problems resulting from alcohol abuse; and".

UNIFORM ALCOHOLISM AND INTOXICATION TREATMENT ACT

Sec. 107. Part A of title III of such Act is amended by adding at the end thereof the following new section:

"SPECIAL GRANTS FOR IMPLEMENTATION OF THE UNIFORM ALCOHOLISM AND INTOXICATION TREATMENT ACT

"Sec. 304. (a) To assist States which have adopted the basic provisions of the Uniform Alcoholism and Intoxication Treatment Act (hereinafter in this section referred to as the 'Uniform Act') to utilize fully the protections of the Uniform Act in their efforts to approach alcohol abuse and alcoholism from a community care standpoint, the Secretary, acting through the Institute, shall during the period beginning July 1, 1974, and ending June 30, 1977, make grants to such States for the implementation of the Uniform Act. A grant under this section to any State may only be made for that State's costs (as determined in accordance with regulations which the Secretary shall promulgate not later than July 1, 1974) in implementing the Uniform Act for a period which does not exceed one year from the first day of the first month for which the grant is made. No State may receive more than three grants under this section.

"(b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary may not approve an application of a State under this section unless he determines the following:

"(1) The State and each of its political subdivisions are committed to the concept of care for alcoholism and alcohol abuse through community health and social service agencies, and, in accordance with the purposes of sections 1 and 19 of the Uniform Act, have repealed those portions of their criminal statutes and ordinances under which drunkenness is the gravamen of a petty criminal offense, such as loitering, vagrancy, or disturbing the peace.

"(2) The laws of the State respecting acceptance of individuals into alcoholism and intoxication treatment programs are in accordance with the following standards of acceptance of individuals for such treatment (contained in section 10 of the Uniform Act):

"(A) A patient shall, if possible, be treated on a voluntary rather than an involuntary basis.

"(B) A patient shall be initially assigned or transferred to outpatient or intermediate treatment, unless he is found to require inpatient treatment.

"(C) A person shall not be denied treatment solely because he has withdrawn from treatment against medical advice on a prior occasion or because he has relapsed after earlier treatment.

"(D) An individualized treatment plan shall be prepared and maintained on a current basis for each patient.

"(E) Provision shall be made for a continuum of coordinated treatment services so that a person who leaves a facility or a form of treatment will have available and utilize other appropriate treatment.

"(3) The laws of the State respecting involuntary commitment of alcoholics are consistent with the provisions of section 14 of the Uniform Act which protect individual rights.

"(4) The application of the State contains such assurances as the Secretary may require to carry out the purposes of this section.

For purposes of subsection (a), the term 'basic provisions of the Uniform Alcoholism and Intoxication Treatment Act' shall not in the case of a State which has a State plan approved under section 303 include any provision of the Uniform Act respecting the organization of such State's treatment programs (as defined in the Uniform Act) which are inconsistent with the requirements of such State plan.

"(c) The amount of any grant under this section to any State for any fiscal year may not exceed the sum of $100,000 and an amount equal to 10 per centum of the allotment of such State for such fiscal year under section 302 of this Act. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(d) For the purpose of making payments under grants under this section, there are authorized to be appropriated $13,000,000 for the fiscal year ending June 30, 1975, and for each of the next two fiscal years.".

CONFORMING AMENDMENT

Sec. 108. The heading for part A of title III of such Act is amended by striking out "Formula Grants" and inserting in lieu thereof "Grants to States".

Part C—Project Grants and Contracts

GRANTS AND CONTRACTS FOR PREVENTION AND TREATMENT PROJECTS

Sec. 111. Section 311 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

"GRANTS AND CONTRACTS FOR THE PREVENTION AND TREATMENT OF ALCOHOL ABUSE AND ALCOHOLISM

"Sec. 311. (a) The Secretary, acting through the Institute, may make grants to public and nonprofit private entities and may enter into contracts with public and private entities and with individuals—

"(1) to conduct demonstration, service, and evaluation projects,

"(2) to provide education and training,

"(3) to provide programs and services in cooperation with schools, courts, penal institutions, and other public agencies, and

"(4) to provide counseling and education activities on an individual or community basis,

for the prevention and treatent of alcohol abuse and alcoholism and for the rehabilitation of alcohol abusers and alcoholics.

"(b) Projects and programs for which grants and contracts are made under this section shall (1) whenever possible, be community based, seek to insure care of good quality in general community care facilities and under health insurance plans, and be integrated with, and provide for the active participation of, a wide range of public and nongovernmental agencies, organizations, institutions, and individuals; and (2) where approprate utilize existing community resources (including community mental health centers).

"(c)(1) In administering this section, the Secretary shall require coordination of all applications for projects and programs in a State.

"(2) Each applicant from within a State, upon filing its application with the Secretary for a grant or contract under this section, shall submit a copy of its application for review by the State agency designated under section 303 of this Act, if such designation has been made. Such State agency shall be given not more than thirty days from the date of receipt of the application to submit to the Secretary, in writing, an evaluation of the project or program set forth in the application. Such evaluation shall include comments on the relationship of the project to other projects and programs pending and approved and to the State comprehensive plan for treatment and prevention of alcohol abuse and alcoholism under section 303. The State shall furnish the applicant a copy of any such evaluation.

"(3) Approval of any application for a grant or contract by the Secretary, including the earmarking of financial assistance for a program or project, may be granted only if the application substantially meets a set of criteria established by the Secretary that—

"(A) provides that the projects and programs for which assistance under this section is sought will be substantially administered by or under the supervision of the applicant;

"(B) provides for such methods of administration as are necessary for the proper and efficient operation of such programs and projects;

"(C) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant; and

"(D) provides reasonable assurance that Federal funds made available under this section for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local and other non-Federal funds that would in the absence of such Federal funds be made available for the projects and programs described in this section, and will in no event supplant such State, local, and other non-Federal funds.

"(d) To make payments under grants and contracts under this section, there are authorized to be appropriated $80,000,000 for the fiscal year ending June 30, 1975, and $95,000,000 for the fiscal year ending June 30, 1976.".

Part D—Admission to Hospitals; Confidentiality of Hospital Admission Records

Sec. 121. (a) Section 321 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

"ADMISSION OF ALCOHOL ABUSERS AND ALCOHOLICS TO PRIVATE AND PUBLIC HOSPITALS

"Sec. 321. (a) Alcohol abusers and alcoholics who are suffering from medical conditions shall not be discriminated against in admission or treatment, solely because of their alcohol abuse or alcoholism, by any private or public general hospital which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b)(1) The Secretary is authorized to make regulations for the enforcement of the policy of subsection (a) with respect to the admission and treatment of alcohol abusers and alcoholics in hospitals which receive support of any kind from any program administered by the Secretary. Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a hospital subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind received by such hospital from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which such hospital receives support of any kind, with respect to the suspension or revocation of such other Federal support for such hospital.

"(2) The Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under paragraph (1) of this subsection to the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from alcohol abuse or alcoholism. In prescribing and implementing regulations pursuant to this paragraph, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.".

(b) The Administrator of Veterans' Affairs shall submit to the appropriate committees of the House of Representatives and the Senate a full report (1) on the regulations (including guidelines, policies, and procedures thereunder) he has prescribed pursuant to section 321(b)(2) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, (2) explaning the bases for any inconsistency between such regulations and regulations of the Secretary under section 321(b)(1) of such Act, (3) on the extent, substance, and results of his consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations, and (4) containing such recommendations for legislation and administrative actions as he determines are necessary and desirable. The Administrator shall submit such report not later than sixty days after the effective date of the regulations prescribed by the Secretary under such section 321(b)(1), and shall timely publish such report in the Federal Register.

CONFIDENTIALITY

Sec. 122. (a) Section 333 of such Act is amended to read as follows:

"CONFIDENTIALITY OF RECORDS

"Sec. 333. (a) Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any program or activity relating to alcoholism or alcohol abuse education, training, treatment, rehabilitation, or research, which is conducted, regulated, or directly or indirectly assisted by any department or agency of the United States shall, except as provided in subsection (e) be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subsection (b) of this section.

"(b)(1) The content of any record referred to in subsection (a) may be disclosed in accordance with the prior written consent of the patient with respect to whom such record is maintained but only to such extent, under such circumstances and for such purposes as may be allowed under regulations prescribed pursuant to subsection (g).

"(2) Whether or not the patient, with respect to whom any given record referred to in subsection (a) of this section is maintained, gives his written consent, the content of such record may be disclosed as follows:

"(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

"(B) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but such personnel may not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

"(C) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(c) Except as authorized by a court order granted under subsection (b) (2) (C) of this section, no record referred to in subsection (a) may be used to initiate or substantiate any criminal charges against a patient or to conduct any investigation of a patient.

"(d) The prohibitions of this section continue to apply to records concerning any individual who has been a patient, irrespective of whether or when he ceases to be a patient.

"(e) The prohibitions of this section do not apply to any interchange of records—

"(1) within the Armed Forces or within those components of the Veterans' Administration furnishing health care to veterans, or

"(2) between such components and the Armed Forces.

"(f) Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of each subsequent offense.

"(g) Except as provided in subsection (h) of this section, the Secretary shall prescribe regulations to carry out the purposes of this section. These regulations may contain such definitions, and may provide for such safeguards and procedures, including procedures and criteria for the issuance and scope of orders under subsection (b) (2) (C), as in the judgment of the Secretary are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

"(h) The Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under subsection (g) of this section to records maintained in connection with the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from alcohol abuse or alcoholism. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.".

(b) Section 303(a) of the Public Health Service Act (42 U.S.C. 242a(a)) is amended by striking out "the use and effect of drugs" and inserting in lieu thereof "mental health, including research on the use and effect of alcohol and other psychoactive drugs,".

(c) The Administrator of Veterans' Affairs shall submit to the appropriate committees of the House of Representatives and the Senate a full report (1) on the regulations (including guidelines, policies, and procedures thereunder) he has prescribed pursuant to section 333(h) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, (2) explaining the basis for any inconsistency between such regulations and regulations of the Secretary under section 333(g) of such Act, (3) on the extent, substance, and results of his consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations, and (4) containing such recommendations for legislation and administrative actions as he determines are necessary and desirable. The Administrator shall submit such report not later than sixty days after the effective date of the regulations prescribed by the Secretary under such section 333(g), and shall timely publish such report in the Federal Register.

Part E—Interagency Committee

INTERAGENCY COMMITTEE

Sec. 131. Title I of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding at the end the following:

"INTERAGENCY COMMITTEE ON FEDERAL ACTIVITIES FOR ALCOHOL ABUSE AND ALCOHOLISM

"Sec. 103. (a) The Secretary shall establish an Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism (hereinafter in this section referred to as the 'Committee'). The Committee shall (1) evaluate the adequacy and technical soundness of all Federal programs and activities which relate to alcoholism and alcohol abuse and provide for the communication and exchange of information necessary to maintain the coordination and effectiveness of such programs and activities, and (2) seek to coordinate efforts undertaken to deal with alcohol abuse and alcoholism in carrying out Federal health, welfare, rehabilitation, highway safety, law enforcement, and economic opportunity laws.

"(b) The Secretary or the Director of the National Institute on Alcohol Abuse and Alcoholism (or the Director's designee) shall serve as Chairman of the Committee, the membership of which shall include (1) appropriate scientific, medical, or technical representation from the Department of Transportation, the Department of Justice, the Department of Defense, the Veterans' Administration, and such other Federal agencies and offices (including appropriate agencies and offices of the Department of Health, Education, and Welfare) as the Secretary determines administer programs directly affecting alcoholism and alcohol abuse, and (2) five individuals from the general public appointed by the Secretary from individuals who by virtue of their training or experience are particularly qualified to participate in the perfromance of the Committee's functions. The Committee shall meet at the call of the Chairman, but not less often than four times a year.

"(c) Each appointed member of the Committee shall be appointed for a term of four years, except that—

"(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(2) of the members first appointed, two shall be appointed for a term of four years, two shall be appointed for a term of three years, and one shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office.

"(d) Appointed members of the Committee shall receive for each day they are engaged in the performance of the functions of the Committee compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Secretary shall make available to the Committee such staff, information, and other assistance as it may require to carry out its activities effectively.".

TITLE II—ADMINISTRATION AND COORDINATION OF THE NATIONAL INSTITUTE OF MENTAL HEALTH, THE NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM, AND THE NATIONAL INSTITUTE ON DRUG ABUSE

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

Sec. 201. (a) The Secretary of Health, Education, and Welfare shall establish, in the Department of Health, Education, and Welfare, the Alcohol, Drug Abuse, and Mental Health Administration (hereinafter in this section referred to as the "Administration"). The Administration shall be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator, with the approval of the Secretary, may appoint a Deputy Administrator and may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the activities to be carried out through the Administration.

(b) The Secretary, acting through the Administration, shall supervise the functions of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse in order to assure that (1) the programs carried out through each such Institute receive appropriate and equitable support, and (2) there is cooperation among the Institutes in the implementation of such programs.

(c) The Secretary of Health, Education, and Welfare shall establish a National Panel on Alcohol, Drug Abuse, and Mental Health (hereinafter in this subsection referred to as the "panel") to advise, consult with, and make recommendations to the Secretary concerning the activities to be carried out through the Administration. The panel shall consist of three members appointed by the Secretary as follows: One member shall be appointed from the public members of the National Advisory Mental Health Council established under section 217 of the Public Health Service Act, one member shall be appointed from the public members of the National Advisory Council on Alcohol Abuse and Alcoholism established under such section, and one member shall be appointed from the public members of the National Advisory Council on Drug Abuse established under such section.

NATIONAL INSTITUTE OF MENTAL HEALTH

Sec. 202. Title IV of the Public Health Service Act is amended by redesignating part G as part H, by redesignating section 454 as section 461, and by inserting after part F the following new part:

"Part G—National Institute of Mental Health

"ESTABLISHMENT OF INSTITUTE

"Sec. 455. (a) There is established the National Institute of Mental Health (hereinafter in this part referred to as the 'Institute') to administer the programs and authorities of the Secretary with respect to mental health. The Secretary, acting through the Institute, shall, in carrying out the purposes of sections 301 and 303 of this Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (other than part C of title II) with respect to mental illness, develop and conduct comprehensive health, education, training, research, and planning programs for the prevention and treatment of mental illness and for the rehabilitation of the mentally ill. The Secretary shall carry out through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(b) (1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs and authorities to be carried out through the Institute.

"(c) The programs to be carried out through the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofessionals in the fields of medicine, science, the social sciences, and other related disciplines."

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

SEC. 203. (a) Section 101 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended to read as follows:

"ESTABLISHMENT OF THE INSTITUTE

"SEC. 101. (a) There is established the National Institute on Alcohol Abuse and Alcoholism (hereafter in this Act referred to as the 'Institute') to administer the programs and authorities assigned to the Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the 'Secretary') by this Act and part C of the Community Mental Health Centers Act. The Secretary, acting through the Institute, shall, in carrying out the purposes of sections 301 and 303 of the Public Health Service Act with respect to alcohol abuse and alcoholism, develop and conduct comprehensive health, education, training, research, and planning programs for the prevention and treatment of alcohol abuse and alcoholism and for the rehabilitation of alcohol abusers and alcoholics. The Secretary shall carry out through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(b) (1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs to be carried out through the Institute.

"(c) The programs to be carried out through the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofesionals in the fields of medicine, science, the social sciences, and other related disciplines."

(b) (1) Section 102(2) of such Act is amended by inserting "and every three years thereafter" after "Act".

(2) (A) Section 102 of such Act is amended by striking out "and" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding after paragraph (4) the following:

"(5) submit to Congress on or before the end of each calendar year a report on the extent to which other Federal programs and departments are concerned and dealing effectively with the problems of alcohol abuse and alcoholism.

Before submitting a report under paragraph (5), the Secretary shall give each department and agency of the Government which (or a program of which is referred to in the report he proposes to submit under such paragraph an opportunity to comment on the proposed report; and the Secretary shall include in the report submitted to Congress under such paragraph the comments received by him from any such department or agency within 30 days from the date the proposed report was submitted to such department or agency.".

(B) The first report to be submitted by the Secretary of Health, Education, and Welfare under section 102(5) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 shall be submitted not later than December 31, 1974.

NATIONAL INSTITUTE ON DRUG ABUSE

SEC. 204. Subsections (a) and (b) of section 501 of the Drug Abuse Office and Treatment Act of 1972 are amended to read as follows:

"(a) There is established the National Institute on Drug Abuse (hereinafter in this section referred to as the 'Institute') to administer the programs and authorities of the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the 'Secretary') with respect to drug abuse prevention functions. The Secretary, acting through the Institute, shall, in carrying out the purposes of sections 301, 302, and 303 of the Public Health Service Act with respect to drug abuse, develop and conduct comprehensive health, education, training, research and planning programs for the prevention and treatment of drug abuse and for the rehabilitation of drug abusers. The Secretary shall carry out through the Institute the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

"(b) (1) The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs and authorities to be carried out through the Institute.".

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

SEC. 301. Section 5108(c) of title 5, United States Code, is amended—

(1) by striking out the period at the end of paragraph (10) (B) and inserting in lieu thereof a semicolon;

(2) by redesignating the paragraph (10) relating to the Law Enforcement Assistance Administration as paragraph (11) and by striking out the period at the end of that paragraph and inserting in lieu thereof a semicolon;

(3) by redesignating the paragraph (10) relating to the Chief Judge of the United States Tax Court as paragraph (12) and by striking out "and" at the end of that paragraph;

(4) by redesignating the paragraph (11) relating to the Chairman of the Equal Employment Opportunity Commission as paragraph (13) and by striking out the period at the end of that paragraph and inserting in lieu thereof "; and"; and

(5) by adding at the end thereof the following new paragraph:

"(14) the Secretary of Health, Education, and Welfare, subject to the standards and procedures prescribed by this chapter, may place a total of eleven positions in the National Institute on Alcohol Abuse and Alcoholism in GS–16, 17, and 18.".

SEC. 302. Section 427 of the Community Mental Health Centers Act (42 U.S.C. 2688j–2) is repealed.

SEC. 303. (a) Section 408 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1175) is amended to read as follows:

"§ 408. CONFIDENTIALITY OF PATIENT RECORDS

"(a) Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any drug abuse prevention function conducted, regulated, or directly or indirectly assisted by any department or agency of the United States shall, except as provided in subsection (e), be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subsection (b) of this section.

"(b) (1) The content of any record referred to in subsection (a) may be disclosed in accordance with the prior written consent of the patient with respect to whom such record is maintained, but only to such extent, under such circumstances, and for such purposes as may be allowed under regulations prescribed pursuant to subsection (g).

"(2) Whether or not the patient, with respect to whom any given record referred to in subsection (a) of this section is maintained, gives his written consent, the content of such record may be disclosed as follows:

"(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

"(B) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but such personnel may not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

"(C) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(c) Except as authorized by a court order granted under subsection (b) (2) (C) of this section, no record referred to in subsection (a) may be used to initiate ir substantiate any criminal charges against a patient or to conduct any investigation of a patient.

"(d) The prohibitions of this section continue to apply to records concerning any individual who has been a patient, irrespective of whether or when he ceases to be a patient.

"(e) The prohibitions of this section do not apply to any interchange of records—

"(1) within the Armed Forces or within those components of the Veterans' Administration furnishing health care to veterans, or

"(2) between such components and the Armed Forces.

"(f) Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of each subsequent offense.

"(g) The Director of the Special Action Office for Drug Abuse Prevention, after consultation with the Administrator of Veterans' Affairs and the heads of other Federal departments and agencies substantially affected thereby, shall prescribe regulations to carry out the purposes of this section. These regulations may contain such definitions, and may provide for such safeguards and procedures, including procedures and criteria for the issuance and scope of orders under subsection (b) (2) (C), as in the judgment of the Director are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.".

(b) (1) Effective on the date specified in section 104 of the Drug Abuse Office and

Treatment Act of 1972 (21 U.S.C. 1104), the first sentence of section 408(g) of that Act (21 U.S.C. 1175) is amended by striking "Director of the Special Action Office for Drug Abuse Prevention" and inserting in lieu thereof "Secretary of Health, Education, and Welfare", and the second sentence of such section is amended by striking "Director" and inserting "Secretary" in lieu thereof.

(2) Effective on the date specified in paragraph (1) of this subsection, section 408 of such Act is further amended by—

(A) striking out "The" and inserting in lieu thereof "Except as provided in subsection (h) of this section, the" in the first sentence of subsection (g) of such section; and

(B) adding at the end of such section the following new subsection:

"(h) The Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations established by the Secretary under subsection (g) of this section to records maintained in connection with the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from drug abuse. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.".

(c) The Administrator of Veterans' Affairs shall submit to the appropriate committees of the House of Representatives and the Senate a full report (1) on the regulations (including guidelines, policies, and procedures thereunder) he has prescribed pursuant to section 408(h) of the Drug Abuse Office and Treatment Act of 1972, (2) explaining the bases for any inconsistency between such regulations and the regulations of the Secretary of Health, Education, and Welfare under section 408(g) of that Act, (3) on the extent, substance, and results of his consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations, and (4) containing such recommendations for legislation and administrative actions as he determines are necessary and desirable. The Administrator shall submit such report not later than sixty days after the effective date of the regulations prescribed by the Secretary under such section 408(g), and shall timely publish such report in the Federal Register.

(d) Any regulation under or with respect to section 408 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1175) issued by the Director of the Special Action Office for Drug Abuse Prevention prior to the date specified in section 104 of that Act (21 U.S.C. 1104), whether before or after the enactment of this Act, shall remain in effect until revoked or amended by the Director or the Secretary of Health, Education, and Welfare, as the case may be.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, the amended version of S. 1125 before us is a compromise extension of our alcoholism programs which if adopted today by the House will be ready for the President's signature. The Senate originally passed this bill last year, S. 1125, extending Federal alcoholism programs.

After consideration by the Committee on Interstate and Foreign Commerce, the House passed a very similar bill in January of this year. We have since held discussions with our Senate counterparts which led to a compromise on the small differences between the two bills and on March 21 the Senate amended our version with this compromise. What we are now seeking to do is to accept that amendment and clear the legislation for the President's signature.

There were three principal differences between the House and Senate bills. The first was the money, the Senate bill authorized a total of $449 million and the House bill authorized $294 million. The compromise splits the difference and authorizes $374 million, which is $80 million above the House but $125 below the Senate. Second, the House bill contained provisions concerning the organization of alcohol, drug, and mental health programs in HEW which were not contained in the Senate bill. The compromise retains the House provisions with minor amendments. Third, the House bill contained provisions designed to protect the confidentiality of patient records in alcoholism and drug programs, which were not contained in the Senate bill. The compromise keeps the House provisions.

There were numerous other trivial differences between the bills and I am inserting a detailed explanation of their handling in the Record and would be happy to discuss any of them with any Member who has a question.

This is a good bill which originally passed the House by a vote of 338 to 22 and passed the Senate unanimously on final passage. The programs operated under this legislative authority have been of immense benefit to the millions of individuals who are affected by alcoholism. I urge your support for the bill.

The material follows:

Resolution of Major Differences Between House and Senate Alcohol Legislation

1. Authorizations. The compromise bill (between House, H.R. 11387, and Senate, S. 1115, alcoholism legislation) authorizes total expenditures of $374,000,000 compared to $499,000,000 in the Senate bill and $294,000,000 in the bill as approved by the House. The comparable amount is $125,000,000 below the Senate authorizations and $80,000,000 above the amounts approved by the House.

2. Organization. The Senate bill as originally introduced did not include provisions on the organization of agencies within the Department of Health, Education, and Welfare. The Administration itself decided during the summer of 1973 to organize the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health as three separate institutes within a new Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA). The House bill was subsequently introduced with provisions establishing the Alcohol, Drug Abuse, and Mental Health Administration consisting of the three institutes.

Since the Department's authority to create ADAHMA in the absence of authorizing legislation was in doubt, and since legislative action would clarify the agency's status and the intention of Congress with respect to the functions and responsibilities of the three institutes, the Senate accepted the House version with minor amendments.

The Senate also accepted with amendments a House provision creating an Inter-Agency Committee on Federal Activities for Alcohol Abuse and Alcoholism.

3. Confidentiality. The House provisions on confidentiality of patient records have been accepted with amendments. No similar provisions were included in the Senate bill. These provisions, by amending section 408 of the Drug Abuse Office and Treatment Act of 1972, will, we believe, better protect the records of patients in drug abuse prevention and treatment programs and will at the same time make these records more readily accessible, with the patient's consent, for purposes that will serve his own interests in such goals as full rehabilitation and employment. The same substantive provisions are extended by the bill to the records of patients in alcoholism prevention and treatment programs.

Detailed Analysis of Compromise Version of S. 1125

TITLE I

Part A

Section 101—Short Title—the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974.

Section 102—Findings and Purpose—essentially as in the Senate bill.

Part B. Grants to States

Section 105—Formula grants of $80,000,000 in fiscal years 1975 and 1976. These are the Senate amounts. The House had approved $60,000,000 for each year, but the Administration's legislative proposal requested $80,000,000.

Section 106—Amendments to the formula grant section of the Act of 1970 relating to the assignment of Departmental personnel with costs attributable to a State's formula grant, the expenditure of formula allotments, the representation of minority and poverty groups on State advisory councils, and standards for construction and licensing of facilities. House and Senate provisions were essentially the same.

Section 107—Special grants to the States for carrying out the basic provisions of the Uniform Alcoholism and Intoxification Treatment Act. $13,000,000 authorized in each of the fiscal years 1975, 1976, and 1977. Grants covering costs up to a maximum per year of $100,000 plus 10 percent of its formula allotment may be made to each State complying with the section's requirements relating to the adoption and implementation of the Uniform Act. No State may receive more than one grant per year under the Special Grant program, and those States which have adopted the Uniform Act prior to passage of this Act are equally eligible for grants for its implementation. Regulations are to be promulgated by the Secretary of Health, Education, and Welfare not later than July 1, 1974.

Although the authorization of $13,000,000 per year is not stated in the Senate bill, which instead authorized such sums as may be necessary, the maximum under the formula in both bills is $13,000,000; therefore, the Senate accepted the House language, as well as the House limitation of grant amounts to actual costs of implementing the Uniform Act.

Section 108—Conforming amendments to the title of part A of title III.

Part C. Project grants and contracts

Section 111—Grants and contracts for the prevention and treatment of alcohol abuse and alcoholism. $80,000,000 authorized for fiscal 1975 and $95,000,000 authorized for fiscal year 1976. These amounts reflect a balanced compromise for these fiscal years. The Senate had approved $100,000,000 and $110,000,000 and the House had approved $60,000,000 and $75,000,000.

The Senate bill's authorization of $90,000,000 for fiscal 1974 was deleted since grants for that year were authorized in the one-year extension of the Community Mental Health Centers Act passed in June, 1973.

Part D. Admission to hospitals; confidentiality of records

Section 121—Prohibits those general hospitals receiving funds from any federal source from discriminating in their admissions or treatment policies against any person solely on the basis of his alcohol abuse or alcoholism. Each body had included provisions on this subject. The House accepted the Senate's language.

With respect to the programs which he administers, the Secretary is authorized to make regulations for the enforcement of this policy.

The Administrator of Veterans Affairs, through the Chief Medical Director, is required, to the maximum feasible extent, consistent with their responsibilities under title 38, United States Code, to make applicable the regulations issued by the Secretary. Within 60 days after the establishment of regulations by the Secretary, the Administrator is required to submit to appropriate Congressional Committees and immediately thereafter to publish in the Federal Register a full report on the exercise of his responsibilities under this subsection.

Section 122—Confidentiality of Records. The House provisions on the confidentiality of records of clients in alcoholism programs are accepted with minor amendments. The Senate bill contained no provisions on confidentiality.

Records of clients in any federally conducted, regulated, or assisted alcoholism program are to be confidential and may be disclosed only under the circumstances and for the purposes stated in this section. Under regulations authorized by the section, disclosure is permitted with the written consent of the patient. Disclosure without his consent is permitted only to medical personnel to the extent necessary in a bona fide medical emergency, to qualified personnel for research, management, and evaluation of programs with no disclosure of patients' identities in the resulting reports, and when authorized by an appropriate order of a court granted after application showing good cause and with the court's weighing of the public interest and need for disclosure against injury to the patient and the treatment services. The court must impose safeguards against unauthorized disclosure.

The prohibitions on disclosure do not apply to the interchange of records within the Armed Forces, within those components of the Veterans' Administration furnishing health care to veterans, or between those components and the Armed Forces.

Except as provided below, the Secretary shall prescribe regulations for carrying out the purposes of this section.

The Administrator of Veterans' Affairs, through the Chief Medical Director, is required to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, to make applicable the regulations issued by the Secretary. The Administrator is required to report on the exercise of his responsibilities under this section in the manner prescribed in section 121.

Authority for complete confidentiality of the records of patients in research programs is continued.

Part E. Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism

The Senate accepts the House provision with amendments. No similar provision was included in the Senate bill. The provision establishes an Interagency Committee for the purpose of evaluating the adequacy and technical soundness of Federal alcoholism programs and working for the coordination of other Federal agency programs dealing with problems of alcohol abuse and alcoholism. Membership of the Committee shall include appropriate representatives of the Departments of Transportation, Justice, Defense, and Health, Education and Welfare, the Veterans' Administration, such other Federal agencies as the Secretary determines, and five members representing the general public who are qualified. Either the Secretary or the Director of the National Institute on Alcohol Abuse and Alcoholism, or the Director's designee shall serve as chairman.

TITLE II—ADMINISTRATION AND COORDINATION OF THE NATIONAL INSTITUTE OF MENTAL HEALTH, THE NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM, AND THE NATIONAL INSTITUTE ON DRUG ABUSE

The Senate accepts with minor amendments Title II of the House bill establishing the Alcohol, Drug Abuse, and Mental Health Administration and the National Institute of Mental Health, the National Institute on Drug Abuse, and the National Institute on Alcohol Abuse and Alcoholism. No similar title was included in the Senate bill.

Section 201—The Secretary shall establish the Alcohol, Drug Abuse, and Mental Health Administration with an Administrator appointed by the President by and with the advice and consent of the Senate. The Administrator will be responsible for ensuring cooperation among the three Institutes and appropriate and equitable support for each Institute individually. A Secretary's advisory panel is created consisting of three members, one from each of the advisory councils of the individual Institutes, such councils having been established under section 217 of the Public Health Service Act.

Section 202—Amends Title IV of the Public Health Service Act to include as Part G the establishment of the National Institute of Mental Health.

Section 203—Amends section 101 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, which established the National Institute on Alcohol Abuse and Alcoholism.

Section 204—Amends subsections (a) and (b) of section 501 of the Drug Abuse Office and Treatment Act of 1972, which established the National Institute on Drug Abuse.

Note: The bill employs similar language in each of the above three sections establishing the Institutes. Each is to be headed by its own Director, and each Institute shall carry out the responsibilities assigned to the Secretary in its own field, including the administrative and financial management, policy development and planning, evaluation, and public information functions required for the implementation of programs and authorities.

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

Section 301—Authorizes the Secretary to place 11 positions in the National Institute on Alcohol Abuse and Alcoholism in Grades 16, 17, and 18. Uses the House version of similar language contained in both bills.

Section 302—Repeals section 247 of the Community Mental Health Centers Act. Section 247 contains the alcoholism project and contract authority which now becomes a part of this Act.

Section 303—Amends section 408 of the Drug Abuse Office and Treatment Act relating to the confidentiality of records of patients in drug abuse prevention programs. The same substantive requirements are provided as are described in section 122 above. Patients in most alcohol and drug treatment programs will thus be protected by the same statutory provisions.

The Director of the Special Action Office for Drug Abuse Prevention will retain regulatory authority under section 408 until the Special Action Office goes out of existence as provided in section 104 of the Drug Abuse Office and Treatment Act of 1972; that is, June 30, 1975. On that date regulatory authority is transferred to the Secretary of Health, Education, and Welfare. The Director, and subsequently the Secretary when he assumes regulatory authority, must consult with the Administrator of Veterans Affairs and the heads of other Federal departments and agencies substantially affected by the regulations.

Upon the assumption by the Secretary of responsibilities under this section, the Administrator of Veterans' Affairs, through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, make applicable the regulations established by the Secretary under this section. The Administrator is required to report on the exercise of his responsibilities under this section in the manner described in section 121.

FURTHER COMMENT ON THE CONFIDENTIALITY OF ALCOHOLISM AND ALCOHOL ABUSE RESEARCH AND TREATMENT RECORDS

The House amendment withdrew the authority presently vested in the Secretary of Health, Education and Welfare to grant an absolute privilege with respect to the identity of both research subjects and patients in the field of alcohol abuse and alcoholism. In its place, the House bill provided the same statutory structure for confidentiality of alcohol abuse and alcoholism patient records as it provided for drug abuse patient records.

The Senate bill contained no comparable provisions. The Senate amendment makes the same changes in the section of the House amendment dealing with alcohol treatment records as it makes in the provisions dealing with drug treatment records. In addition, the Senate amendment restores to the Secretary of Health, Education and Welfare the authority, which he would have lost under the House amendment, to grant an absolute privilege in the case of alcohol research, and extends that authority to cover any mental health research, thus making the extent of the authority consistent with the range of research responsibilities of the Alcohol, Drug Abuse and Mental Health Administration created by the House amendment.

Absolute confidentiality of records appears to be an indispensable prerequisite for valid research which involves socially deviant behavior. Even though a particular investigation may involve a drug such as alcohol whose ingestion is not necessarily illegal, or may not involve drugs at all, interviews between researcher and subject may bring forth confidences which, if identified with the subject, could be terribly damaging. In many instances, which cannot always be identified in advance, the mere fact that an individual has been a subject in a particular study can be injurious to his reputation. Without some mechanism to assure that such disclosures will not be made, ethical and conscientious clinicians and scientists often will simply refuse to conduct this type of investigation.

In addition to the reluctance based on considerations of the welfare of the individual, there is the further consideration that the absence of proper protection can skew the results of such research as may be undertaken. Research related to human behavior almost always involves sampling techniques and voluntary subjects. The construction of a statistically valid sample of a given population requires the selection of members of that population on a basis which does not exclude representation of any statistically significant component. If the persons selected to comprise the sample cannot be assured that their identities will be kept absolutely confidential, however, then some will withdraw and others will give false information as to matters involving illegal or socially disapproved behavior. Either way, the study results are likely to become so seriously misleading as, at best, to invalidate the project or, at worst, to serve as a basis for unsound policy decisions.

The relationship of section 303(a) of the Public Health Service Act, authorizing the administrative grant of absolute confidentiality for research, to section 408 of the Drug Abuse Office and Treatment Act of 1972, requiring that Federally-connected drug abuse patient records generally be kept confidential, has been correctly described in an interpretative regulation, 21 C.F.R. 1401.61 and 1401.62, which was upheld in *People v. Newman*, 32 N.Y. 2d 379, 336 N.Y.S.2d 127, 298 N.E. 2d 651 (1973); certiorari denied,—U.S.—, 94 S.Ct. 927 (1974). For that reason, among others, section 303 (d) of the Senate amendment expressly continues the effectiveness of the current regulation promulgated by the Director of the Special Action Office for Drug Abuse Prevention. Thus, although section 502(c) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is not explicitly referred to in this legislation, the congressional intent is clear that the authority conferred by that section was not modified by Public Law 92-255, and is not intended to be modified by the bill now before the House.

It is expected, however, that the entire regulatory scheme governing the confidentiality of drug abuse and alcoholism patient records will be reviewed in the light of the enactment of this legislation. Upon the promulgation of regulations pursuant to section 408 as amended by this legislation, consideration should be given to the question whether methadone treatment should continue to be regarded as a research activity for the purposes of section 303(a) of the Public Health Service Act. From a policy standpoint, it may have been necessary to make use of that authority under the circumstances which existed at the time it was invoked, but the amendments made by this legislation to section 408 may lessen the need for it as a practical matter even as the passage of time attenuates the legal justification for its continued use in this particular context.

FURTHER COMMENT ON THE CONFIDENTIALITY OF DRUG ABUSE PATIENT RECORDS

The House amendment authorized the promulgation of regulations under section 408 of the Drug Abuse Office and Treatment Act of 1972, as well as making several technical amendments to that section. The Senate bill contains no comparable provisions. The Senate amendment amends section 408 to provide authority for disclosures with patient consent, but in order to forestall the possibility of coerced consent, such disclosures are to be allowed only to such extent, under such circumstances, and for such purposes as may be permitted under regulations. This will permit, for example, the fashioning of rules which clearly permit necessary information to be furnished employers willing to provide employment for persons who are in treatment, while providing safeguards against the abuse of this privilege. This provision makes unnecessary the authority in the House amendment for disclosures without the consent of the patient where treatment is provided as a condition of probation or parole or while the patient is confined, because such disclosures may, under the Senate amendment, be made on a consensual basis with the added safeguard of express rulemaking authority to prevent abuses. Accordingly, the Senate amendment deletes that provision from the House amendment.

The Senate amendment also adds a new subsection which enacts into law the present regulatory exemption (21 C.F.R. 1401.02 (b)) permitting interchanges of records within or between the Armed Forces or health care components of the Veterans' Administration. It was never the intention of this legislation to regulate the internal affairs of the Armed Forces, but rather to enact a general rule of law which would be binding upon all government agencies, and the Armed Forces and Veterans' Administration are, of course, subject to this rule in their dealings with other government agencies or with the private sector. Because of the close working relationship between the Armed Forces and the Veterans' Administration and the practical necessity for unfettered cooperation between them, communications between the Armed Forces and health care components of the Veterans' Administration are also included in the exemption.

As a result of the foregoing changes made by the Senate amendment, the provision in the House amendment conferring authority to make exceptions by regulation to the requirements of section 408 became unnecessary, and the Senate amendment deleted that authority.

Finally, the Senate amendment clarifies the intent of the corresponding provisions in the House amendment in that it confers explicit rulemaking authority to prescribe procedures and criteria for the issuance of orders under section 408(b)(2)(C). When section 408 was originally enacted, the authority to grant orders lifting the duty to maintain confidentiality was conferred on the courts because of a concern that an absolute prohibition against the use of clinical records in any criminal investigation or prosecution would go so far as to create an unnecessary restriction on possible prosecutions. It was never intended, however, that this provision should operate to authorize *pro forma ex parte* orders which in effect do no more than affix a judicial imprimature on routine requests by investigative or prosecutorial official. On the contrary, as the Conference Report made clear (House Report No. 92-920 at page 33), it was intended at the maintenance of the confidentiality of patient records be accorded a very high priority, with the discretionary authority conferred on the courts being reserved for truly exceptional cases. The rulemaking authority conferred by the House amendment, as further refined by the Senate amendment, should make it possible to effectuate this intention.

A major element of the task of fashioning new regulations pursuant to the express rulemaking authority conferred by this legislation will be to reconcile the sometimes conflicting interests of research, audit, and evaluation with rights of privacy and the confidentiality of the relationship between patient and clinician. Such a reconciliation becomes particularly crucial where the functions of research, audit, or evaluation are conducted by a governmental agency with regulatory powers and responsibilities, and the treatment involves the use of a drug such as methadone which is in a research status or which is readily susceptible of misuse or illicit diversion.

Because of the difficulty and complexity of the task, the rulemaking authority is intentionally cast in terms broad enough to permit the limitation of the scope, content, or circumstances of any disclosure under subsection (b), whether (b)(1) or (b)(2), in the light of the necessary purposes for which it is made or required.

In the development of regulations under section 333 of Public Law 91-616 and section 408 of Public Law 92-255, it is expected that there will be close cooperation and coordination among the Special Action Office for Drug Abuse Prevention, the Department of Health, Education, and Welfare, and the Veterans' Administration. There appears to be no legal reason why a single set of regulations cannot be promulgated under the two sections, with special provisions in the case of particular substances if and to the extent that such differentiation is found to be necessary or appropriate. In many cases a single institution, such as a hospital or community mental health center, may be conducting both drug programs and alcohol programs with common recordkeeping facilities, and it is clearly in the public interest that arbitrary and unnecessary distinctions be avoided. In its report on H.R. 11387, which became the House amendment to S. 1125, the Committee on Interstate and Foreign Commerce stated, "In implementing the authority to promulgate regulations under section 333, the Committee expects the precedents established under section 408 of the Drug Abuse Act to be followed in the absence of any compelling reason not to do so." (House Report No. 93-759 at page 11). By carefully maintaining the parallelism between section 333 and section 408 throughout the subsequent progress of this legislation, the Congress has reiterated and confirmed that intention.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I will be very happy to yield to the ranking minority member on the Subcommittee on Public Health and Environment.

Mr. NELSEN. Mr. Speaker, I am concerned that the Administrator of the ADAMHA has adequate administrative authority and flexibility to achieve meaningful coordination between the drug abuse, mental health, and alcoholism programs. Can the gentleman assure me that it is the intention of this legislation that the Administrator is indeed the immediate superior of the Directors of the three Institutes; and that even though his program authority must be exercised through each Institute as appropriate, he will retain ultimate supervisory responsibility for the Institutes in ADAMHA.

Mr. Speaker, I wonder if the gentleman would wish to respond. I believe for the record it should be there. I think we have agreed that it is quite clear in our deliberations.

Mr. STAGGERS. Mr. Speaker, in answer to the gentleman, I would like to say that I can give the gentleman such assurances, but please understand that it is our strict intention that the programs of the three Institutes remains separate and that no merger of the three be attempted in any way, because I think this would be wrong. Our purpose in this legislation is to achieve coordination and interaction of the three programs where necessary and useful, not to destroy their individual identity.

Mr. Speaker, of course, it goes without saying that the Secretary always maintains ultimate program and decision-making responsibility and authority, which we thought he should in all instances.

Mr. NELSEN. Mr. Speaker, I thank the gentleman. I hope the House will adopt this piece of legislation.

Mr. STAGGERS. I yield such time as he may consume to the gentleman from Florida, the chairman of the subcommittee, Mr. ROGERS.

Mr. ROGERS. Mr. Speaker, as much as we may hate to admit it, alcohol abuse and alcoholism are growing and continuing problems that must be attacked by all levels of government. Alcoholism is a disease of immense proportions. It was recognized as such in 1970, when Congress passed the original Comprehensive Alcoholism Prevention, Treatment, and Rehabilitation Act. While there have been major successes in treatment and public understanding of alcoholism under programs fostered by the National Institute on Alcohol Abuses and Alcoholism created by the 1970 act, much remains to be done. In fact, most experts now state that the switch is on from hard drugs to alcohol. Clearly, alcohol is the most abused drug in the United States.

The funding provisions of the 1970 act expire on June 30 of this year. Last year the Senate passed an extension of these funding provisions and made certain changes in the act. In August of 1973, I and nine other members of the Subcommittee on Public Health and Environment, and the chairman of the full committee, Mr. STAGGERS, introduced legislation which also extended the funding provisions of the act and made several substantial changes in existing law relating to the administrative structure of the Federal alcoholism effort, confidentiality of patient records and admission of alcoholics to hospitals which we considered necessary, based on the 3 years of experience with the program. The House bill passed this body on January 21 by a record vote of 338 to 22. We have since held informal discussions with the authors of the Senate bill and have reached a compromise between the House and Senate bills. The compromise is embodied in the bill before you today.

Mr. Speaker, Chairman STAGGERS has explained in detail the provisions of this compromise and I will not take the time of the Members to reiterate them. I would only say that I know of no substantial opposition to this legislation. Its major provisions already have cleared this body by a vote of more than 10 to 1, and I am pleased to recommend this legislation to the House as forward looking, constructive legislation which is vital to the welfare of this Nation.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, slice it thick or thin, this bill is now $80 million more than was originally approved by the House, to a grand total of $374 million. Yes, it is below the Senate figure of $499 million, but I wonder what was going in the minds of certain Members of the other body when they even suggested $499 million. They could not have been thinking of the financial situation of this country, inflation, and the crisis that confronts all our people.

Mr. Speaker, it is all very well to talk about the poor alcoholics. As I said when this bill was originally before the House, I have never seen anyone take another by the nape of the neck and pour liquor down his throat until he was made intoxicated. I have never seen force used in the making of an alcoholic. Yes, there is intemperateness in the use of liquor. There is intemperateness in almost every other activity among humans. Does this mean Congress should provide a caretaker for every intemperate individual?

Mr. Speaker, I know of no reason why the downtrodden taxpayers of this country, faced with the terrific burdens of today, should be expending this kind of money on alcoholism. I was not aware until the gentleman from West Virginia spoke a little while ago that it is the cause of multiple sclerosis. Maybe it is. I doubt it.

I do know it is the cause of "shakes" on the part of those who cannot take a drink of whiskey and set the bottle down.

Incidentally, Mr. Speaker, if this is of such expensive importance to the citizens of the country, instead of the usual labels on whiskey bottles, why not use a skull-and-crossbones label? Why do we not put on bottles of liquor the same warning, of something similar to that which goes on cigarette packages:

> Warning: The Surgeon General has determined that the drinking of liquor is dangerous to your health?

My quarrel with this bill is that we are about to authorize the spending of $374 million, and I am sure that the chairman of the committee, the gentleman from West Virginia (Mr. STAGGERS) has not the faintest idea to where that money is going to come from. It certainly is not available as a surplus in the U.S. Treasury.

Mr. Speaker, I am opposed to this bill, because of the kind of spending it involves and because there are so many other and better uses to which we can put our money in this country these days. I hope that those who vote for this legislation when they face their constituents will proudly proclaim that they approved the spending of $374 million on those individuals who are too intemperate to handle their booze.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS) that the House suspend the rules and concur in the Senate amendment to the House amendments to the Senate bill, S. 1125.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 301, nays 17, not voting 115, as follows:

[Roll No. 206]

YEAS—301

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Aspin
Bafalis
Baker
Barrett
Bauman
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Denholm
Dent
Derwinski
Dickinson
Diggs
Downing
Drinan
Duncan
du Pont
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Flood
Foley
Ford
Forsythe
Fraser
Frenzel
Froehlich
Fulton
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Pa.
Gude
Gunter
Hamilton
Hammerschmidt
Hanna
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hawkins
Hébert
Hechler, W. Va.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
Kluczynski
Koch
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Lott
Luken
McClory
McCollister
McCormack
McDade
McFall
McKay
McKinney
Mahon
Mallary
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Murtha
Natcher
Nedzi
Nelsen
Obey
O'Brien
O'Hara
O'Neill
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Railsback
Randall
Rangel
Rarick
Rees
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Sikes
Skubitz
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—17

Beard
Clancy
Conlan
Crane
Dennis
Devine
Goodling
Gross
Grover
King
McEwen
Michel
Miller
Myers
Scherle
Shuster
Symms

NOT VOTING—115

Addabbo
Andrews, N.C.
Ashbrook
Ashley
Badillo
Bell
Blatnik
Brademas
Brasco
Breaux
Brotzman
Carey, N.Y.
Carney, Ohio
Carter
Chappell
Chisholm
Clark
Clay
Corman
Cotter
Danielson

Davis, Wis.
Dellums
Dingell
Donohue
Dorn
Dulski
Eckhardt
Edwards, Ala.
Erlenborn
Eshleman
Findley
Fisher
Flowers
Flynt
Fountain
Frelinghuysen
Frey
Gaydos
Green, Oreg.
Griffiths
Gubser
Guyer
Haley
Hanley
Hansen, Wash.
Harrington
Hays
Heckler, Mass.
Helstoski
Holt
Huber
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Kazen
Kuykendall
Kyros
Landgrebe
Long, Md.
Lujan
McCloskey
McSpadden
Macdonald
Madden
Madigan
Mann
Maraziti
Martin, N.C.
Milford
Mills
Mink
Minshall, Ohio
Moakley
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Nichols
Nix
Owens
Patman
Pickle
Pritchard
Quillen
Regula
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Rose
Rostenkowski
Roy
Ruppe
Schroeder
Seiberling
Sisk
Slack
Spence
Steele
Stokes
Stubblefield
Stuckey
Teague
Van Deerlin
Vander Jagt
Veysey
Waldie
Ware
Wiggins
Wilson, Bob
Wydler
Wyman
Young, Ga.

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment to the House amendments was concurred in.

The Clerk anounced the following pairs:

Mr. Hays with Mr. Fisher.

Mr. Rooney of New York with Mrs. Griffiths.

Mr. Chappell with Mr. McSpadden.

Mr. Rostenkowski with Mr. Dorn.

Mr. Fountain with Mr. Milford.

Mr. Teague with Mr. Andrews of North Carolina.

Mr. Stubblefield with Mrs. Holt.

Mr. Kyros with Mr. Flynt.

Mr. Addabbo with Mr. Frelinghuysen.

Mr. Brademas with Mr. Ashbrook.

Mr. Dulski with Mr. Frey.

Mr. Brasco with Mr. Edwards of Alabama.

Mr. Mann with Mr. Bell.

Mr. Kazen with Mr. Gubser.

Mr. Morgan with Mr. Erlenborn.

Mr. Pickle with Mr. Guyer.

Mr. Nix with Mr. Blatnik.

Mr. Cotter with Mrs. Heckler of Massachusetts.

Mr. Haley with Mr. Brotzman.

Mr. Hanley with Mr. Huber.

Mr. Rose with Mr. Johnson of Pennsylvania.

Mr. Stokes with Mr. Eckhardt.

Mr. Dellums with Mr. Madden.

Mr. Gaydos with Mr. Jones of North Carolina.

Mr. Murphy of Illinois with Mr. Kuykendall.

Mr. Nichols with Mr. Carter.

Mrs. Chisholm with Mr. Helstoski.

Mr. Clark with Mr. Landgrebe.

Mr. Clay with Mr. Dingell.

Mr. Badillo with Mrs. Hansen of Washington.

Mr. Carney of Ohio with Mr. Davis of Wisconsin.

Mr. Carey of New York with Mr. Eshleman.

Mr. Young of Georgia with Mr. Reid.

Mr. Corman with Mr. Findley.

Mr. Danielson with Mr. Lujan.

Mr. Flowers with Mr. Long of Maryland.

Mr. Jones of Alabama with Mr. Macdonald.

Mr. Moakley with Mr. McCloskey.

Mr. Moss with Mr. Murphy of New York.

Mr. Donohue with Mr. Madigan.

Mr. Roy with Mr. Patman.

Mrs. Schroeder with Mr. Pritchard.

Mr. Sisk with Mr. Martin of North Carolina.

Mr. Slack with Mr. Quillen.

Mr. Stuckey with Mr. Ruppe.

Mr. Van Deerlin with Mr. Maraziti.

Mr. Breaux with Mr. Spence.

Mr. Ashley with Mr. Roncallo of New York.

Mrs. Green of Oregon with Mr. Regula.

Mr. Harrington with Mr. Steele.

Mr. Mills with Mr. Rhodes.

Mrs. Mink with Mr. Vander Jagt.

Mr. Owens with Mr. Seiberling.

Mr. Waldie with Mr. Wydler.

Mr. Wiggins with Mr. Ware.

Mr. Bob Wilson with Mr. Wyman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PANAMA CANAL—PART III—"THE PROPOSED NEW PANAMA CANAL TREATY—A CHALLENGE TO THE CONGRESS"

(Mr. MURPHY of New York asked and was given permission to address the House for 1 minutes and to revise and extend his remarks and include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, on February 7 of this year Secretary of State Henry Kissinger and Panamanian Foreign Minister Juan Antonio Tack placed their signatures on a Joint Statement of Principles to govern the drafting of a new canal treaty with the Republic of Panama. The new treaty would replace the basic Hay-Bunau-Varilla Treaty of 1903 and its later amendments whereby the United States acquired the right to exercise perpetual and exclusive sovereignty and jurisdiction over the administration, operation, and defense of the canal and its protective frame, the Canal Zone.

In essence, the joint statement established the following principles which will determine the future United States status in the Panama Canal and Canal Zone:

First, the termination of U.S. jurisdiction over the territory in which the Panama Canal is situated and its prompt transfer to the territorial sovereignty of the Republic of Panama;

Second, the elimination of the concept of perpetuity whereby the United States and Panama entered into a treaty of unlimited duration in time, and provision for a fixed termination date for the new treaty;

Third, participation by Panama in the administration and defense of the canal and provision for the eventual assumption by Panama of total responsibility for the operation and defense of the canal upon termination of the new treaty.

As a member for 12 years and former Chairman of the House Subcommittee on the Panama Canal, in which is vested the authority and obligation to guarantee the uninterrupted and efficient operation of the Panama Canal in the best interests of the United States and interoceanic commerce, the Statement of Principles is of much concern to me. I read the United States signing of the principles of agreement as a deliberate design for the surrender to Panama of U.S. sovereign rights and treaty obligations to maintain, operate, protect, and defend the U.S.-owned canal and Canal Zone territory. In order to avoid such a catastrophe I speak today to highlight what I believe to be certain indispensable considerations which must be incorporated in the U.S. Government's negotiating position with regard to any change in the current and future status of the canal and zone.

Foremost among these is the issue of U.S. sovereignty and jurisdiction over the canal and Canal Zone area. There is no question that the Panama Canal today serves a vital strategic and economic function for the United States and user countries; including Latin America. The Panama Canal transit eliminates some 8,000 miles and approximately 20 days travel time on a maritime voyage from the Port of New York to San Francisco. In terms of its strategic importance, the Panama Canal and Canal Zone perform a vital function in our worldwide and Southern Hemisphere defense systems—a point which I will discuss later in my remarks. In economic terms, for some time some 70 percent of the tonnage through the canal has either originated in, or been destined for U.S. ports. This means the canal remains vital to the domestic and foreign trade and economy of the United States.

It was the realization of the importance of a transit route through the Isthmian corridor separating the Atlantic and Pacific oceans which caused the United States to contract with Panama, infuse the manpower and material resources, endure the hardships of the area, and undertake full responsibility for construction of the canal as a vital transport channel serving myriad world commercial and defense needs.

In fulfilling its aims, the U.S. Government acquired full rights to the use, occupation, and control of the canal and Canal Zone from the Republic of Panama, purchasing every square foot of privately owned Canal Zone property from the original Panamanian owners through legal purchase contracts, and paying an additional $10 million lump sum for the right to do so, completely with funds appropriated by the U.S. Congress. Moreover, the United States has paid the Republic of Panama an annuity which has twice been increased by treaty and is currently $1.9 million, which is not rental for the Canal Zone but the annuity of the Panama Railroad originally paid to Colombia which obligation was assumed by the United States in the 1903 treaty. Indeed, over the years the cost to the U.S. Government, and the total U.S. taxpayers' investment in canal operation and defense, has exceeded $5½ billion. The United States also acquired the right "in perpetuity" to exercise sovereign jurisdiction in the zone area, as vested through certain solemnly ratified treaties. Briefly, these are:

First, the Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, whereby the United States adopted the principles of the 1888 Convention of Constantinople as the rules for operation, regulation and management of the canal;

Second, the Hay-Bunau-Varilla Treaty of 1903 between the United States and the Republic of Panama, the basic treaty, under which Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the zone for the construction, maintenance, operation, and protection of the canal, to the entire exclusion of the exercise of any such rights by Panama;

Third, the Thomson-Urrutia Treaty of 1914—proclaimed in March 1922—between the United States and the Republic of Colombia, the sovereign of the Isthmus prior to November 3, 1930, in which Colombia recognized the title to the Panama Canal and railroad as vested "entirely and absolutely" in the United States.

Since the basic treaty with Panama entered into force in 1904, the United States has assumed full responsibility for the construction, maintenance, operation and protection of the canal and civil government of the Canal Zone and, for the last 60 years, since its opening in 1914, has continued to operate the canal in a highly efficient manner, without interruption, to the benefit of the maritime commerce of all the nations of the world. We have acquired the right to exercise sovereignty and jurisdiction over the canal enterprise through legally validated treaties; we have assumed responsibility for all aspects of operating and defending the canal for the past 60 years.

And what of the more than 40,000 U.S. citizens who live and work in the Canal Zone and who continue to rely upon U.S. jurisdiction—the U.S. system of government? The rights and interests of these Americans must be considered in any agreement with Panama. And yet, the State Department would have us transfer total sovereignty and jurisdiction to Panamanian control. It is my strong belief that to cede or in any way impair these rights and jurisdiction violates our treaty commitments and jeopardizes our basic and vital economic and defense interests in the canal as well as those of the users of the canal.

An important corollary point here is the tremendous benefit to the Republic of Panama which has accrued through U.S. control and efficient operation of the canal. In addition to the annual compensation afforded through treaty, it may be said that Panama's position in the world is, in large measure, the result of the existence of the U.S.-owned canal in its territory. Nearly one-third of Panama's $1.2 billion gross national product is directly or indirectly attributable to the presence of the canal. In terms of per capita GNP, Panama has consistently led the Central American nations and, in 1971 and 1972, for example, Panama ranked fourth highest and third highest, respectively, among all the nations of Latin America in per capita GNP.

The second major consideration in U.S. canal posture concerns the issue of retention of the U.S. military presence in the Canal Zone, including military contingents required to protect the canal, and the U.S. Southern Command, comprising some 12,000 military personnel. The Government of Panama has vociferously protested what it terms the "exaggerated presence" of the U.S. military forces in the Canal Zone.

Various U.S. Government officials have spoken of drastically reducing the strength of our Armed Forces in the zone as a concession of good will to the Panamanians.

I was deeply concerned at the recent news report citing a decision by the Secretary of Defense to eliminate the Southern Command, as part of the Defense Department policy of reducing the U.S. deployment of Armed Forces in foreign territory. In my view, Mr. Speaker, retention of the Southern Command in the zone is absolutely essential—as the only force which protects the United States from the southward approaches. Furthermore, I believe that the continued U.S. military presence in Panama at its current level serves a vital strategic function in safeguarding our own national security and the security of the entire Western Hemisphere region.

In terms of our own national defense requirements, geographically the Isthmus of Panama, the narrow corridor linking the Earth's two great oceans, occupies a strategic position as a maritime crossroads of the Western Hemisphere. The existence of the canal serves myriad defense needs of the United States and its allies—as an efficient and effective transport link for the transit of U.S. and allied military shipping, in facilitating the flexible and rapid deployment of military forces, materiel and vital raw materials to all parts of the world, and as a vital defense communications link in our worldwide security system.

In addition, the U.S. military presence in the Canal Zone serves an indispensable function as the cornerstone of the U.S. defense posture in the Caribbean area—a strategic area by its very proximity to the U.S. mainland, and indeed, in the entire Latin American region.

Of primary concern in discussing this aspect is the fact that many of the nations in the Latin American region are experiencing a difficult period of change, turbulence, and basic political and governmental instability as they strive for modernization and a higher social, economic, and political level. Such an atmosphere provides fertile ground for radical factions within nations and for outside hostile elements, including the Communists, who are committed to exploiting the existing social and political unrest, and disrupting the stability of the hemisphere for purposes of asserting their dominion in the region. The U.S. Canal Zone serves as an island of stability in an area of endemic revolution and on many occasions has provided a haven of refuge for Panamanian leaders seeking asylum.

Relevant to this discussion is the continuing threat posed by Fidel Castro's Cuba. Under Castro's thumb, the Cuban Government continues to function as a base of disruptive operations against constitutional governments in Latin America. Castro's continued blatant espousal of support for Communist revolutions in Latin America, including Panama, despite the failures of the guerrilla groups he has thus far supported, represents a very real threat to the security of the Latin American nations and to the United States.

It is my feeling that the U.S. military presence in the Canal Zone is one of the few strategic and political advantages still maintained by this country in the Latin American area after a decade of withdrawal from its position of unchallenged power in the hemisphere. That presence has acted and continues to serve as a deterrent against the ambitions of powers hostile to our Nation, providing a constant warning to our enemies of U.S. determination to prevent subversion in this hemisphere by any means necessary. In this capacity, our military presence in the Canal Zone serves as a vital political and military guarantee against external military threats or political inroads by potential enemy nations.

Military experts have testified that the retention of key base areas within the zone are critical to U.S. national, and Western Hemisphere defense and that the U.S. forces now maintained in the Canal Zone are the minimum required for the task. I firmly believe that the continuance of our military presence in Panama at its current level is a vital element in our foreign policy—and, to reduce or eliminate its presence there, in my opinion, would only serve to imperil the freedom of the canal, our own national security, and that of the Western Hemisphere region.

Any discussion of U.S. considerations in the current Panama Canal treaty negotiations must include commentary on the chronic political instability of the Panamanian Government, which reflects upon the strength of the Torrijos regime currently in power there. In making this point I do not wish to contribute to the abundance of emotional rhetoric nor to the exaggerated fears plaguing the canal negotiation issue. But I believe that in the name of safeguarding our continuing economic and defense interests in the canal, it is necessary to make an honest assessment of the political situation in Panama.

The United States must be aware that, in the light of history, there is no real assurance of the stability of the future political character of the Panamanian Government—the turbulent political history of that nation gives credence to just the opposite case.

In the last 70 years, while the United States has had 12 Presidents, the Republic of Panama has had 59, only 4 of whom have served their full constitutional 4-year term.

The current regime of Gen. Omar Torrijos imposed itself by force of arms on the Panamanian people, supplanting the popularly elected government of President Arnulfo Arias. In my capacity as ranking majority member of the Panama Canal Subcommittee, I have recently received several reports indicating the existence of plots to overthrow the current regime.

In this context, consideration of the chronic instability of the Panamian Government reflects upon our canal negotiations in several ways. The first point to consider is the advisability of negotiating any new treaty changing the status of the canal at all; any treaty is bound to be subject to the whim and fancy of this regime or another in its place. The Torrijos government may fall or General Torrijos may find, a few months from now, that his tenuous position dictates another increase in demands for concessions far beyond that which the United States is willing to go, to appease the radical nationalist elements in the country. Even if new terms acceptable to both nations are negotiated, there is no guarantee that the present government will remain in power long enough, or possesses the capability to see it through acceptance.

Moreover, even if a new treaty were to be adopted, how can the United States be sure that another regime, perhaps more radical-leftist-nationalistic in character will not stage a takeover, renege on its treaty commitments, and make further treaty demands.

Either way, the possibility exists that the United States could be caught in a trap of limitless demands for ever more outrageous concessions until now or in the future we face total abrogation of our rights to operate and defend the canal.

Another point to consider within the context of Panamian Government instability is that a takeover of the Panamanian Government by a regime highly antagonistic to U.S. interests could conceivably at any time deny access to the Panama Canal for ourselves and our allies, with disastrous results in terms of our national and economic security; and this at the same time the Suez Canal is being opened.

One final point concerning Panama's chronic governmental instability. Given the political realities I have outlined it is inconceivable to me that the United States could ever expect such a government to effectively, efficiently, and successfully operate and protect this vital shipping waterway. Through the years, the only stable entity keeping the canal operating successfully has been, is, and will always be the U.S. presence there. And yet our leaders at this time would obligate the United States decades hence to turn over the complete operation of the canal to Panama. This they have no right to do. In my view, Panamanian Government instability further underscores the need to retain U.S. sovereignty, jurisdiction, and military presence in the zone.

A third major consideration for our Panama Canal policymakers concerns the constitutional right vested in the House of Representatives regarding jurisdiction over any U.S. agreement which calls for the disposal of U.S. territory and property.

Article IV of the U.S. Constitution states that the Congress, which includes the House of Representatives as well as the U.S. Senate, shall have this right. In my capacity as chairman of the Panama Canal Subcommittee in 1970–71, I conducted hearings on the Panama Canal treaty negotiations then underway. The subcommittee undertook an exhaustive examination of the legal tenets, and a review of the constitutional issue involved. Based upon our interpretation of the law, it was the firm conviction of the members of the subcommittee that no treaty involving the appropriation of U.S. moneys or the transferral of territory or other U.S.-owned property paid for from appropriated funds would or could be effected without prior authorization of the Congress which includes the House of Representatives as well as the Senate. Members of the House, have an absolute constitutional right to participate in the decisionmaking process and to juridical competence over any change in the status of the canal which effects the surrender of U.S. territory or other property.

Otherwise, the treaty power could give away Alaska or any other purchased territory.

One final consideration in current and future U.S. policy toward the Panama Canal: It may be true that some practices and policies within the Canal Zone which originally grew out of necessity have now become irrelevant, obsolete, or without proper perspective, but these have been, or should be, handled locally without a new treaty, through acts of good faith on the part of both governments. Changes can be made, and have often been made, and various changes in certain aspects of the Canal Zone administration have been recommended by the Panama Canal Subcommittee, to effect a better relationship between United States and Panamanian workers in the zone and between the United States and Panamanian Governments. These relate principally to various employment practices, the system of courts, and the school system within the zone.

Another much-needed change which can be effected without treaty, concerns plans to modernize the existing lock canal, that it may better serve the needs of modern commercial shipping. One argument advanced by the administration on behalf of a new Panama Canal treaty is that accommodation with Panama is necessary in order to reach agreement on construction of a new sea level canal capable of providing transport for the larger classes of maritime and defense vessels. It is my opinion that before such action is necessary we must explore fully if this objective can be served through an increase in the capacity and operational improvements in the existing lock canal, in lieu of construction of a new sea level canal, through implementation of the Terminal Lake-Third Locks plan.

This project was partially authorized by the Congress in 1939 and would provide for modernization of the existing lock canal under existing treaties. Competent technical experts have attested to the fact that this plan would afford the United States the best operational canal at the least cost. In addition, it would essentially free the United States from the immediate need of negotiating new canal treaties and enable the maximum utilization of all work so far accomplished, including the $76 million spent on the Third Lake project and the $95 million on widening Gaillard Cut. Several bills have been introduced by other Members of the House and the Senate in the last few sessions of the Congress to implement this plan, and I firmly believe that such work would be a great boon to Panama.

Today, Mr. Speaker, I have presented what I consider to be the major issues confronting the United States in our effort to reach a workable relationship with Panama concerning the canal and Canal Zone. As a long-time member of the House Subcommittee on the Panama Canal, I am especially concerned with relaxing tensions between our Nation and Panama. I recognize that achieving the best possible relationship between the United States and Panama is of major importance to our continued efficient operation and defense of the canal.

For over 70 years the Republic of Panama has been our working partner in the canal enterprise. During this time span, relations between our two countries generally have been amicable; differences have arisen, at times there have been hostile reactions against the United States, but I am confident that within the mutual bonds of interest, understanding and good will which have traditionally characterized our two nations' relations, we can reach a sound and reasonable accord governing the future of the canal and Canal Zone, which meets the most important concerns of both the United States and Panama.

However, I cannot stress this point more firmly—any adjustment in the United States-Panama treaty relationship must be carried through without—in any way—jeopardizing our vital economic and defense interests. I feel most strongly that the United States, in formulating its future policy toward Panama and the canal must be responsive to the points I have made today.

To achieve the goals outlined above I intend to introduce a resolution expressing the sense of the House of Representatives that the U.S. Government maintain and protect its sovereign rights and jurisdiction over the canal and Canal Zone, and in no way cede, forfeit, negotiate or transfer these rights and authority which are indispensable for the protection and security of the United States and the Western Hemisphere.

My resolution also affirms that there be no divestiture to Panama of any U.S.-owned property by treaty without due and prior authorization by both bodies of the U.S. Congress, as provided in the U.S. Constitution.

In summary, Mr. Speaker, it is my earnest view that any deviation from a basic position of continued U.S. operation, sovereign control, and defense of the canal and Canal Zone is inimical to the economic and military well-being of the United States and the Western Hemisphere, to the interests of the people of Panama, and to those people of all the nations of the world who depend on the canal for what it is: a vital link in the worldwide system of merchant marine trade and commerce and of maritime defense.

EDUCATIONAL ALLOWANCES UNDER GI BILL

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, last week the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from South Carolina (Mr. DORN) described the critical need for prompt action by the other body on H.R. 12628, a bill to provide a much needed 13.6 percent increase in educational allowances under the GI bill and to extend for 2 additional years the 8-year period during which educational benefits must be utilized.

I share the gentleman's concern and commend him for bringing this matter to the attention of our colleagues in the other body in the hope that they will act promptly on this measure.

This bill, Mr. Speaker, passed this House unanimously on February 19. Aside from the fact that it authorizes badly needed increases totalling $50 million monthly in educational allowances, the measure will permit more than one-half million veterans to continue pursuing their educational programs after May 31 of this year. If this measure is not promptly enacted, the 8-year period during which benefits must be used will expire on May 31.

Mr. Speaker, it is not my usual practice to suggest how the other body should conduct its business. The need for action now on this extremely important measure, however, transcends other considerations. I strongly urge Members of the other body to take immediate action on H.R. 12628, a bill to authorize increases in monthly educational allowances and a 2-year extension of eligibility. Immediate action is necessary if a substantial number of Vietnam era veterans are to continue their educational programs without interruption and if they are to receive the long overdue increases in monthly benefits.

WHEN DID THE PRESIDENT KNOW?

(Mr. DEVINE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DEVINE. Mr. Speaker, my attention has been invited to an article that appeared in the Wall Street Journal on Friday, May 3, 1974, which is entitled "When Did the President Know?"

To paraphrase it, it says: "The record may show executive weaknesses, misplaced loyalty, character faults and even a certain startling naivete. But in answer to Senator BAKER's question, the transcripts show the President surprisingly uninvolved."

The article is as follows:

[From the Wall Street Journal, May 3, 1974]

WHEN DID THE PRESIDENT KNOW?

(By Jude Wanniski)

As the Ervin Committee hearings rolled on and on last summer, time and again Senator Baker would refocus the audience's attention on the question. "What did the President know and when did he know it?" Yet, now, with voluminous evidence of the President's knowledge suddenly available, few people have yet paid much attention to Senator Baker's presumably crucial question.

The focus so far has been elsewhere, for quite understandable reasons. The President warned the transcripts would be embarrassing to him, and they are. Especially at first reading, as the reader flinches with embarrassment for the President—the cocky Nixon, way ahead in the polls on election eve, Watergate supposedly disposed of as an issue, talking of putting the screws to his enemies in his second term. And there is all that outrageous brainstorming about how to handle Hunt's blackmail threat, Mr. Nixon's worst moments in these 1,308 pages.

But if the reader persists, and especially upon selected rereadings, the importance of Senator Baker's question reasserts itself. The reader is wrenched out of the present back into the Nixon mind of a year ago, beginning to realize that the President then did not know as much about Watergate as the average informed American knows today. Once the reader grasps that fact, he is far less embarrassed for the President, just as the reader who has been told the outcome of a mystery story at the outset cannot feel disdain for the detective who seems slow to put the pieces together.

A great part of the drama of the transcripts, indeed, is watching the President stumble on revelation after revelation about Watergate, seeing this lawyer gradually learn the meaning of the words "obstruction of justice," watching him reach for reassurance that he could rely on the aides he was trusting to investigate. The record may show executive weakness, misplaced loyalty, character faults and even a certain startling naivete. But in answer to Senator Baker's question, the transcripts show the President surprisingly uninvolved.

Some of the first revelations came in the meeting with John Dean on March 13. At this point, it's clear, the President thought his problem was with the Ervin Committee, the press, the defeated antiNixonites of 1972, and that he was fighting a political public-relations battle. The talk is of what new revelations may come out of the Ervin hearings:

D. They would want to find out who knew.

P. Is there a higher up? D. Is there a higher up? P. Let's face it, I think they are really after Haldeman. D. Haldeman and Mitchell. . . .

P. In any event, Haldeman's problem is Chapin isn't it? . . . D. Chapin didn't know anything about the Watergate. P. Don't you think so? D. Absolutely not.

P. Strachan? D. Yes. P. He knew? D. Yes. P. About the Watergate? D. Yes. P. Well, then, he probably told Bob. He may not have. . . .

P. But he knew? He knew about Watergate? Strachan did?

D. Yes. P. I will be damned! Well that is the problem in Bob's case. Not Chapin then, but Strachan.

A few days later, in the March 17 telephone call from Mr. Dean, the President learns of the Ellsburg burglary:

D. The other potential problem is Ehrlichman's and this is —. P. In connection with Hunt and Liddy both. P. They worked for him?

D. They — these fellows had to be some idiots as we've learned after the fact. They went out and went into Dr. Ellsberg's doctor's office and they had, they were geared up with all this CIA equipment. . . .

P. What in the world — what in the name of God was Ehrlichman having something (unintelligible) in the Ellsberg (unintelligible)? D. They were trying to— this was part of an operation that—in connection with the Pentagon papers. They were—the whole thing—they wanted to get Ellsberg's psychiatric records for some reason. I don't know.

P. This is the first I ever heard of this. I (unintelligible) care about Ellsberg was not our problem. D. That's right. P. (expletive deleted).

By the March 21 meeting, of course, the Ellsberg burglary had become the centerpiece of the "blackmail threat" from Hunt, and this leads to all the agonized brainstorming. But even at this point, the President seems to view his problems as merely those of public relations. At one point he stumbles over the words "obstruction of justice." And he thinks if necessary the problems at the White House can be solved by simple disclosure.

P. So what you really come down to is what we do. Let's suppose that you and Haldeman and Ehrlichman and Mitchell say we can't hold this? What then are you going to say? What are you going to put after it? Complete disclosure, isn't that the best way to do it? D. Well, one way to do it is — P. That would be my view.

By March 27, the President learned from Mr. Haldeman that Mr. Mitchell may in fact be guilty, but had trouble believing it.

H. The more he thinks about it, the more O'Brien comes down to Mitchell could cut this whole thing off, if he would just step forward and cut it off. He said the fact of the matter is as far as Gray could determine, Mitchell did sign off on it. And if that's what it is, the empire will crack.

E: You said, "Gray." P. What's that? I am sorry. H: O'Brien, not Gray. As far as O'Brien can determine Mitchell did sign off and Dean believes that to be the case also. . . . [a long explanation follows].

P. What I can't understand is now Mitchell would ever approve. H. That's the thing I can't understand here. . . . H. [according to Dean] Liddy told Kleindienst that Mitchell had ordered it. P. Oh. . . .

P. You know Mitchell could be telling the truth and Liddy could be to. Liddy just assumed he had abstract approval. Mitchell could say, "I know I never approved this damn plan."

In the same conversation with Mr. Haldeman and Mr. Ehrlichman, the President worries about being told what is going on, and concludes Charles Colson is probably innocent.

P. Colson in that entire period, John didn't mention it. I think he would have said, "Look we've gotten some information," but he never said they were. Haldeman, in this whole period, Haldeman I am sure—Bob and you, he talked to both of you about the campaign. Never a word. I mean maybe all of you knew but didn't tell me, but I can't believe that Colson—well—

By April 14, the President is recalling his March 21 conversation with John Dean, and wondering about the legal status of money payments to defendants.

P. I said, John, "where does it all lead?" I said, what's it going to cost? You can't just continue this way. He said, "About a million dollars." (Unintelligible) I said, John, that's the point. (Unintelligible) Unless I could get them up and say look fellows, it's too bad and I give you executive clemency like tomorrow, what the hell do you think, Dean. . . . The word never came up, but I said, "I appreciate what you're doing." I knew it was for the purpose of helping the poor bastards through the trial, but you can't offer that John. You can't—or could you? I guess you could. Attorney's fees? Could you go a support program for these people for four years?

E. I haven't any idea. I have no idea. P. Well, they have supported other people in jail for years. E. Sure, the Berrigan brothers. P. Huh? E. I say, I don't know how the Berrigan brothers and some of those— P. They all have funds. . . . E. So that they— P. But not to hush up. E. That's right. P. That's the point.

And by the same date, the President has learned something about obstruction of justice:

P: We did not cover up, though, that's what decides, that's what decides . . . if three of us talk here, I realize that frankly—Mitchell's case is a killer. Dean's case is the question. And I do not consider him guilty. Now that's all there is to that. Because if he—if that's the case, then half the staff is guilty.

E: That's it, He's guilty of really no more except in degree. P: That's right. Then others E: Then a lot of

P: And frankly then I have been since a week ago, two weeks ago.

E: Well, you see, that isn't, that kind of knowledge that we had was not action knowledge that I put together last night. I hadn't known really what had been bothering me this week. P: Yeah. E: But what's been bothering me is

P: That with knowledge, we're still not doing anything. E: Right. P: That's exactly right. The law and order. That's the way I am. You know it's a pain for me to do it—the Mitchell thing is damn painful.

The next day, the President has the fateful visit from Attorney General Richard Kleindienst, who has been up late with prosecutors briefing him on their talks with John Dean and Jeb Stuart Magruder:

K: Magruder's conversations and John's conversations with attorneys, with every absolute certainty that Magruder's going to be put on before the Grand Jury. P: Are they going to call him back? K: Yeah. P: Oh, of course, because he's going to plead guilty. K: He's going to plead guilty and he's going to tell everything he knows.

P: Sure.

K: That kind of information is not going to remain confidential.

P: As you now, the—we have no—I have not and I would not try to get information from the Grand Jury, except from you. K: Right. P: And we have not. But the reason—the reason that I am aware about the Dean thing—I have taken Dean off the matter, of course. I had to. As far as what he was reporting here at the time. I put Ehrlichman on . . .

P: Except that Magruder may—you can't tell, in his view, that you can believe everything Magruder says because Magruder's apparently got a—K: Got a self-interest involved. P: He's got his self-interest and you don't know whether he's going to drag this fellow or that fellow or whatever the hell is. You know that's the trouble when a guy starts lying and, you know—I mean—wondering whether Magruder is telling the whole truth on John Mitchell—you know, Mitchell—have you talked to Mitchell?

K: No and I'm not going to. I don't think that I can talk to him. P: I think you should know, Mitchell insists—I didn't talk to him. You know, I have never asked him. Have you ever asked him? K: No sir. We have never discussed the matter. P: I never have either. I asked Bill Rogers about that. I said, Bill, should I ask him? No, John Mitchell. And so I asked Ehrlichman. I said, now I want you to ask him. . . .

K: The basic problem that—it's possible that Dean might testify to, what Magruder will testify to, and then you've got Strachan or somebody like that. He was on Haldeman's staff. There is a possible suggestion that Haldeman and Ehrlichman ah, as yet—it looks that way—whether there is legal proof of it so far as that—that they—

P. Indicating what?

K: Well, knowledge in this respect, or knowledge or conduct either before or after the event. But that in any event, whether there's—

P: Both Haldeman and Ehrlichman? K: Yes. . . .

P. I have asked both Haldeman and Ehrlichman. K.: I know you have. P. And they have given me absolute—you know what I mean. You can only—it's like, you'd believe John Mitchell, I suppose, wouldn't you? I don't believe Haldeman or Ehrlichman could ever—you know—(unintelligible) hurt to be so close to people and yet I think of—

Mr. Kleindienst recommended that the President put Assistant Attorney General Henry Petersen in charge of the investigation, and Mr. Nixon and Mr. Petersen met that afternoon. The White House has said their conversation was unrecorded. The new transcripts do show, however, that on the evening of April 15, the President and Mr. Petersen talked by phone from 8:14 to 8:18, from 8:25 to 8:26, from 9.39 to 9:41 and from 11:45 to 11:53. In the last conversation, the President said:

P. Let me say this. The main thing we must not have any question, now, on this, you know I am in charge of this thing. You are and I am. Above everything else and I am following it every inch of the way and I don't want any question, that's of the fact that I am a way ahead of the game. You know, I want to stay one step ahead of the curve. You know what I mean?

Perhaps Senator Baker's question, which seemed so relevant back last summer, is not the relevant question today. But if impeachment proceedings go forward, it will become the relevant one again. The Congress is a body of lawyers. While as Congressmen, politicians or partisans they may want to be rid of this President, the lawyers under their skins will not let them do it without the clear legal basis Senator Baker's question suggests.

Especially in this light, the most damaging revelations in the transcript go to the question of whether or not Mr. Nixon authorized a blackmail payment or payments on March 21. A point that bears heavily in the President's favor should not be overlooked: The context of the conversation was that if further payments were to be made, someone would have to go out and raise the money. There was no question of whether money in hand should be turned over to Mr. Hunt. If the President intended the payment to go forward, surely the meeting would not have ended without resolving the important question of where the money was to come from.

The total weight of these transcripts, moreover, hangs in the President's balance. During the past year or more, a small minority of Americans have believed he was involved in the planning of the burglary. The transcripts quickly make it obvious he was not. A majority of Americans have believed that he must have known about the cover-up, if not having masterminded it. The transcripts indicate he did not begin sensing the full dimensions of the cover-up until mid-April 1973, and that he had only had bits and pieces of the story in March of that year, when John Dean began to spill the beans.

This is why the President will not be impeached. He may not be "innocent," but he is a thousand times "less guilty" than the people have imagined him to be.

CONVERSION TO METRIC SYSTEM

The SPEAKER pro tempore (Mr. Obey). Under a previous order of the House the gentleman from Nebraska is recognized for 60 minutes.

Mr. McCOLLISTER. Mr. Speaker, since the Metric Conversion Act (H.R. 11035) appears on the Suspension Calendar for tomorrow, I would like to share with my colleagues a recent wire report on the progress of the British metrification program. This is especially relevant because the British experience with metrification has been praised and held up to us by the supporters of this legislation.

Great Britain started its conversion program almost 9 years ago and it is still experiencing serious public resistance. It was made clear by the British Metrification Board's fifth report issued on April 18, 1974. In brief the Metrification Board report admits that the metrification program is floundering and consistently losing ground to persistent consumer resistance. It has caused a revamping of conversion schedules, forcing delays that have not been made up and further damaging British's already declining position in international trade.

While this must be upsetting to the U.S. metric conversion advocates, the British Metrification Board suggested a solution, Mr. Speaker, which is even more depressing. In effect the Board recommendation is that the metrification conversion be made mandatory. In other words, they are now ready to admit it cannot be done voluntarily.

If Great Britain with its export-dependent economy and its history of cooperation with the Continent and its recent admission to the Common Market cannot voluntarily convert, then how can we expect this approach to be successful in the United States? This is a point that must be seriously considered before we vote here on H.R. 11035 tomorrow.

Therefore I am placing the British Information Service's report in the Record at this point so my colleagues can study it:

Going Metric—The Next Phase

(The Metrication Board's fifth report Going Metric—The Next Phase will be published on April 18, 1974.)

1973 was a year of steady but slow progress but the momentum lost in 1971 and 1972 was not regained. The report emphasises that delay in carrying through the metric change and the resulting continued need to work in two systems would have damaging economic and social consequences. The metrication programme will fall still further behind unless positive action is taken by the Government during 1974.

The main recommendations are:

(A) The remaining legislative obstacles to the metric change should be removed. In particular it should be made legal to sell in prescribed metric quantities all those goods which when pre-packed must at present be sold only in imperial quantities. The Government should seek specific powers to set terminal dates for the use of imperial weights and measures in retail trading.

(B) Ministers, their officials and local authorities should emphasise their commitment to the metric change. All public departments should specify their purchasing requirements in metric wherever possible.

(C) The Metrication Board should be provided with the resources to carry out through 1974 and 1975 a sustained and substantial publicity effort to meet the information needs of the general public about the metric changes.

Most manufacturing industries are entering the final stages of their metrication programmes. The emphasis of the change has shifted to consumer goods manufacturing industries. The textile and clothing industries have agreed a programme of changeover from production to retailing, centered on 1974–75. The programme of the agricultural sector is based on the farming year 1975–76. Plans are under way to authorise the sale of prepacked basic foods in metric. From 1974 onwards the Metrication Board's information resources will increasingly be devoted to informing the general public.

The report's main conclusions are:

Delay weakens Britain's competitive position in international trade. Delay deprives consumers of the benefits of a simpler measurement system which will make it easier to

judge value for money. Extending the changeover period increases confusion and therefore consumers suspicions of the change. Delay adds unnecessarily to the cost of education. Delay increases the burden of publication and therefore its cost to the Nation.

Mr. Speaker, other information that I think Members should have before they vote on the bill tomorrow includes the fact that all retail gasoline pumps in the United States would have to be recalibrated or replaced, perhaps foreshadowing the even higher gasoline prices. It will require the changing of all the municipal codes and regulations to the metric system. It will require a change in all cookbooks and measuring devices which will have to be changed to the metric system. The temperature measuring devices including thermometers and thermostats would have to be changed. All the OSHA standards and regulations will have to be converted, as well as road signs which will have to be changed to reflect metric distances. All maps would have to be changed to comply. They would have to be changed to reflect metric distances.

Approximately 60 percent of the U.S. population does not know the first thing about the metric system. Less than 20 percent know the relationship between metric and traditional units. A public opinion poll reveals 57 percent British opposition to the metric system 6 years after conversion. More than two-thirds of their population still fail to understand the system.

The National Bureau of Standards studying the metric system in America says that it falls far short of the clearly expressed congressional intent and does not fulfill the congressional mandate which requires that small business problems and the program difficulties associated with possible changes be identified and the means to overcome them be recommended. That is from the House Report No. 92-913.

In the construction industry, metric modules means that all standard floors and doors would become obsolete. Metric floors and doors will not fit past construction, making replacement more difficult and costly.

The fallacy in the metric system argument, "The notion that the United States is losing export to metric countries in which its products are not designed and manufactured in metric units appears to be ill-founded," and that, too, is from the National Bureau of Standards metric studies.

Metric conversion would make the U.S. domestic market more accessible to foreign goods and make increased foreign jobs. Conversion would make U.S. exports more costly and places its production more at a disadvantage vis-a-vis the foreign products that are already metric.

In short, Mr. Speaker, there are a great number of difficulties to be encountered in the conversion to the metric system. I am convinced that the proposal of H.R. 11035 on which we shall vote tomorrow, while voluntary in its conception, would soon give way to a mandatory form and impose on small business in this country their conversion to a metric system with very little benefit to be derived from it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Iowa.

Mr. GROSS. I wish to commend my friend, the gentleman from Nebraska, for taking this time to advise the House of what they will be confronted with on tomorrow if the Democratic leadership insists on bringing up this bill. I still have some doubt that it will be considered tomorrow, in view of the backing and filling over a long period of time, the hesitation that has already taken place in bringing up this bill.

I say to the gentleman that it is my opinion that if there is any merit to the metric system, and I emphasize the "if," the Lord knows it is the wrong time to impose this kind of a program upon the people of this country, costing as it will somewhere between $60 and $100 billion. I am informed it may cost the Defense Department alone some $18 billion to convert to the metric system.

I hope good judgment will be exercised on the part of the Democrat leaders in the House and that they will take this bill off the calendar and put it on the shelf from whence it will not emerge for some years to come.

I say again that the people of this country, who will pay the bills for conversion to the metric system, are in no position now or in the foreseeable future to finance the enormous costs.

Mr. McCOLLISTER. Mr. Speaker, I thank the gentleman for his remarks.

As a former small businessman myself, I am well aware of the concern that small businesses have about their costs of conversion, of which the gentleman from Iowa speaks. The National Federation of Independent Business has announced their strong opposition to the proposal. Although I am not often privy to the legislative proposals of big labor, it is my understanding that the AFL-CIO and other international unions in the United States have announced their opposition.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Speaker, I would say that these are indeed strange bedfellows, to have organized labor and the independent businessmen in the same boat. Who are those persons who are promoting this legislation? Who feels compelled that this must be done?

Mr. McCOLLISTER. The report of the National Bureau of Standards and the Department of Commerce in 1970 was the principal source of promotion for it, and I understand that the administration is for the bill, or for the proposal. The gentleman will have to look for himself tomorrow, perhaps, to find those who are in supoprt of it.

Mr. DEVINE. Mr. Speaker, does the gentleman mean that this was initiated by Government agencies? Has there been any public clamor from individuals?

Mr. McCOLLISTER. The proposal comes from a recommendation made by the Department of Commerce some 2 years ago, I believe.

Mr. DEVINE. The gentlemen mentioned earlier in his remarks that the United Kingdom underwent the conversion process 9 or 10 years ago and had run into a great deal of difficulty. Could the gentleman be more specific on what their problems were?

Mr. McCOLLISTER. Mr. Speaker, that process is underway now, and indeed that process was underway for some 9 years. The report issued by the British metric faction group on April 18 this year indicates that the voluntary approach to it is not working, and they are now suggesting that the British Government adopt a mandatory approach to conversion to the metric system.

Mr. DEVINE. Would the gentleman repeat the remark he made earlier—perhaps it was Mr. GROSS from Iowa—as to the overall cost of an involuntary program?

Mr. McCOLLISTER. It was the gentleman from Iowa who indicated what is commonly believed to be the cost of the program, ranging from somewhere in the neighborhood of $45 billion to $100 billion. I believe that was the figure of the gentleman from Iowa.

Mr. DEVINE. To repeat, that is "billions," and not "millions," is that correct?

Mr. McCOLLISTER. "Billions" is the terminology.

Mr. DEVINE. And they plan to bring this up under suspension of the rule?

Mr. McCOLLISTER. They plan to. Evidently it is on the calendar for tomorrow under suspension.

Mr. DEVINE. I would ask the gentleman, please, as to whether there is anything in the legislation or within the bill proposal to raise the money for these vast billions of dollars.

Mr. McCOLLISTER. It is expected that those in industry and elsewhere who will do the conversion will be paying the costs. One of the weaknesses of the bill is that no provision is made in it for any special relief or assistance to small business for that conversion. Small business rarely is in any way much dependent on foreign markets and has very little to gain from the metric conversion. It would result in its being an additional cost to small business and of no benefit.

Mr. DEVINE. Like so many things, ultimately it would be the consumer who picks up the checks for this?

Mr. McCOLLISTER. Indeed. It is always the consumer.

Mr. DEVINE. I might say to the gentleman that I have not yet made up my mind about this legislation because I have not heard the debate. I have not read the committee hearings. I am going to look upon it very closely. I know that in my own State of Ohio they are trying a little voluntary education. They are trying a little voluntary education because along some of the freeways they are listing miles between points and also the kilometers, which I think is probably a test step with respect to this legislation. I will look forward with interest to what might develop in debate tomorrow, if it does reach the floor.

Mr. McCOLLISTER. I thank the gentleman for his contribution and trust that between now and tomorrow the light will shine and the truth will be known and he will cast his vote in opposition to the proposal.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Iowa.

Mr. GROSS. Does it not seem strange to the gentleman from Nebraska that this proposal is being considered under suspension of the rules when several weeks ago a rule was granted making the bill in order?

Mr. McCOLLISTER. It does seem strange to the gentleman from Nebraska.

Mr. GROSS. Does the gentleman have any explanation? Does he have any information at all to explain why we must consider this bill under one of the harshest rules known to the House of Representatives?

As the gentleman well knows, there can be no amendments offered to the bill; it must be voted up or down under suspension of the rules.

Mr. McCOLLISTER. Mr. Speaker, one of the great disappointments of the gentleman from Nebraska is that the bill comes to the floor under those circumstances, under which no amendments are permitted, and, particularly, those amendments which I believe ought to be considered and which could be considered as helpful to small business.

Mr. GROSS. And the rules provide only 40 minutes of debate.

Mr. McCOLLISTER. The gentleman from Iowa is correct.

Mr. Speaker, I can shed no light on the circumstances which brings the bill to the floor under those conditions.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. McCOLLISTER. Mr. Speaker, I thank the gentleman from Iowa for his observations.

Mr. THOMSON of Wisconsin. Mr. Speaker, we have been told by the supporters of U.S. metric conversion that it would be far less painful than American labor and small business would have us believe. They point with pride to the British experience as proof for their position, but recent reports filtering back across the Atlantic indicate that the situation in England might not be as rosy as we have been led to believe.

Great Britain has been struggling with metric conversion for 9 years now and it is still experiencing serious difficulties and persistent consumer resistance. In fact, last month its own Metrication Board admitted that its program was in serious trouble and recommended some drastic solutions.

On February 14, the Wall Street Journal gave us a more specific example of the difficulties being encountered in its article on the Ford Motor Co., entitled "Border Line Case: A Giant Multinational Finds Unified Activities Aren't Easy To Set Up." While only a small segment of this article dealt with metric conversion, it pointed out the serious difficulties that Ford encountered.

It seems that nothing fit. Metric parts were manufactured in both Germany and Great Britain, but when it came time to put them together on the assembly line they did not mesh. In addition, Ford's British employees simply could not shake the habit of "thinking in inches."

The Ford Motor Co. is not exactly a small business. It has the financial resources and expertise to anticipate and cope with the problems of metric conversion, yet, its British experiment fell flat on its face. It was a disaster.

Ford's size and market position enabled it to absorb this mistake. A small business would not get a second chance. A miscalculation of this magnitude would mean instant ruin.

As a member of the Small Business Committee, I feel that it is particularly important for my colleagues to realize that we have no real idea of the impact of metric conversion on small business. The Department of Commerce and the National Bureau of Standards failed to comply with congressional instructions to determine this, so we are left somewhat in the dark. But, if Ford's British experience is an indication of what we can expect, we had better think twice before passing H.R. 11035, the National Metric Conversion Act.

For the benefit of my colleagues who are concerned about this problem, I am placing those paragraphs from the February 14, 1974, edition of the Wall Street Journal dealing with Ford's metric experience in the Record.

The metric conversion bill will be considered tomorrow on suspension. Given the fact that conversion could cost Americans between $45 billion and $100 billion, I believe it would be unfortunate for the House to decide this question with such limited debate and no opportunity to consider amendments to ease the burden of conversion. I will oppose the bill when it is considered on suspension tomorrow.

The excerpts of the article follow:

Borderline Case: A Giant Multinational Finds Unified Activities Aren't Easy to Set Up

(By William M. Carley)

The first all-new auto launched by Ford of Europe was a medium-sized car that was called the Cortina Mark III in Britain and the Taunus in Germany. The launch, which began in 1970, was a disaster, and the after effects are still plaguing Ford. "There's no question we screwed that one up," Mr. Guthrie concedes.

The fiasco stemmed partly from British inexperience with the metric system. Ford's British workers had just converted to that system, long used by Germany and other Continental countries; but, says one of the British workers, "we were still thinking in inches." As a result, the British and German parts often didn't mesh. "The doors didn't fit, the bonnet (hood) didn't fit, nothing fit," says Arthur Naylor, a metal finisher in Ford's Dagenham, England, body plant.

It has also been argued by British workers that some of the German-designed parts were too precise. "Our men often work with a one-sixteenth-inch tolerance, but on the German engine-suspension system, we had to work down to two- or three-thousandths of a bloody inch," contends Joc Macrae, a union shop steward at Dagenham. "The Germans wanted an engineering job done on the production line, and that's impossible."

Mr. EVINS of Tennessee. Mr. Speaker, I have had grave concern on behalf of the Nation's small businesses as to the impact of the proposed change to the metric system in this country.

In 1971, I directed an investigation into the feasibility and advisability of conversion to a metric system, and a Subcommittee of the Permanent Select Committee on Small Business, under the chairmanship of Representative Joseph P. Addabbo of New York, held hearings on the problems which small business might face in the event of a national conversion to or increased use of a metric system.

This problem was explored in great detail, and a report was issued indicating that small business would encounter many serious difficulties and additional costs in converting to a metric system.

Recommendations were made that various Government agencies provide comprehensive information and assistance in attempting to familiarize the public with metric terms and the problems involved in metric conversion.

Although this committee has taken no formal vote, as chairman of the Permanent Select Committee on Small Business, I would like to make a matter of record my opposition to conversion to a metric system at this time.

I have been advised that almost 60 percent of the British people opposed the metric system 6 years after the nation converted to that system, and that two-thirds still do not fully understand it.

The National Federation of Independent Business, which represents over 350,000 small businessmen throughout the Nation, advises that legislation requiring an American conversion to the metric system is based on a study that the General Accounting Office reports has employed questionable methodology and neglects to report its negative findings.

Mr. Wilson S. Johnson, president of the NFIB, had advised that the major portion of the $45 to $100 billion in estimated conversion costs will be passed on to the consumer already burdened with inflation and high living costs. The NFIB has listed problems which may arise in conversion to the metric system.

Because of the interest of my colleagues and the American people in this most important matter, I place the list in the Record herewith:

Little Known Facts About Metric

All retail gasoline pumps in the U.S. would have to be recalibrated or replaced. This would foreshadow even higher gasoline prices.

Approximately 60% of the U.S. population does not know the first thing about the metric system. Less than 20% know the correct relationship between metric and traditional units. (N.B.S. Metric Study—A Metric America).

Standard plumbing and electrical fixtures would be obsolete. Metric bathtubs would not fit standard drains and standard bathtubs would not fit metric drains. This would force suppliers to maintain costly dual inventories.

The N.B.S. study, A Metric America, "falls far short of the clearly expressed Congressional intent . . . and does not fulfill the

Congressional Mandate which requires that small business problems and the practical difficulties associated with possible changes be identified and the means to overcome them be recommended." (House Report No. 92–913).

In the construction industry metric means modules and modules mean that all standard doors, windows and frames would be obsolete. Metric doors, windows and frames simply will not fit current or past construction, making replacement more difficult and costly.

The fallacy of the metric argument "The notion that the U.S. is losing exports to metric countries because its products are not designed or manufactured in metric units appears to be ill-founded." (N.B.S. Metric Study—A Metric America)

All municipal building codes and regulations would have to be changed to metric.

Metric conversion would make the U.S. domestic market more accessible to foreign goods. Increased imports would threaten American jobs. "Our examination . . . showed that imports . . . would have been increased by $100 million." (GAO Report on N.B.S. Metric Study, March 27, 1973)

Favorite recipes might never be the same again. Cookbooks and measuring devices will be changed to metric. Your stomach might just have to make an adjustment.

Conversion to the metric system would actually make U.S. exports more costly and "place these products at even more of a competitive disadvantage vis-a-vis the products of foreign firms that are already metric." (GAO Report on N.B.S. Metric Study, March 27, 1973)

All temperature measuring devices, including thermometers and thermostats, will have to be converted. This could be frustrating. "When body temperature registers as 37.5 degress (centigrated), is that good or bad? Just multiply by 9, divided by 5, add 32 and you'll know." (Newsweek)

The National Bureau of Standards ignored or subordinated findings that would have detracted from its recommendation in favor of metric conversion. (GOA Report on N.B.S. Metric Study, March 27, 1973)

Contrary to popular belief, American business is not rapidly converting to the metric system. Only 3% of the firms responding to a special NFIB survey undertaken for the National Bureau of Standards reported that they had any plans to change over.

England is experiencing serious difficulties with metric conversion in consumer goods. Adverse consumer reaction and resistances has forced it to reassess its planning and schedules.

All OSHA standards and regulations will have to be converted. These rules are complex and difficult for the small businessman to understand. Metric would make them totally incomprehensible.

Water and gas meters in every building across the country will have to be converted to metric.

Metric conversion would force the recalibration of the approximately 300,000 commercial scales at a cost of about $1,000 per scale.

The bottling industry would have to replace *200 billion returnable bottles* now circulating through the economy. They represent 38% of its total capital investment. Filling and capping requirements would prohibit their gradual replacements.

The National Bureau of Standards omitted any mention in its report that the Defense Department declared that it could not guarantee national security during the conversion period. (AFL–CIO)

All road signs would have to be changed to reflect metric distances.

All maps would have to be changed to reflect metric distances.

Metric road signs and maps would be useless and confusing unless all automobile speedometers and odometers are changed to measure in metric.

World wide capital investment in traditional units (feet, pounds, etc.) has exceeded investment in metric units over the last several years. This means that the use of traditional units is growing at a faster pace than metric units.

Conversion will make evaluation of farm productivity the domain of Ph. D.'s. Instead of bushels per acre, the farmer will calculate his crop in hectoliters (2.84 bushels) per hectare (2.47 acres).

Unit pricing is just becoming effective. Metric conversion would only confuse the consumer and tend to negate the progress that has been made.

The grid system of land measurement used in the U.S. would be discarded. Measurement by hectares would be substituted for sections, square miles and acres.

All deeds and property descriptions in legal documents would have to be changed. Descriptive terms like acres, yards, and feet would be obsolete.

Metric conversion, because of the economic advantage enjoyed by large firms, could hasten the undesirable trend toward industrial concentration.

For those out of school the psychological impact of metric conversion could be staggering. "Those who have studied the matter in other countries suggest that children take to the change like a shot . . . but older people are likely to be thrown badly by the distortion of familiar dimensions." (Newsweek)

Metric conversion, at a cost of $45 to $100 billion, simply does not rank very high as a national priority.

Mr. SEBELIUS. Mr. Speaker, I appreciate very much the opportunity to join my good friend and colleague, the Honorable John McCollister, in his effort to seek questions and answers regarding the impact of metric conversion on the small businessman in this country.

My remarks will be brief. I have said for some time now that my staff and I in Washington must now spend at least an equal amount of time trying to protect folks from what Government does to them as apposed to for them. Citizens from my district are understandably fed up with big Government, punitive controls, and the redtape and bureaucracy that seems to accompany almost every Federal program.

For many a small businessman in Kansas it takes more time to fill out reports and forms than to serve their customers. It has been estimated that businessmen in this country spend an estimated $18 billion a year just to fill out and return Federal forms. In a recent news article in a major national news magazine, it was estimated small businessmen burn the midnight oil to the extent that they must spend more than 850 million man-hours a year just filling out forms. I might add they would much prefer to burn the forms.

That is why there is growing support for legislation such as the Federal Paperwork Burden Relief Act, a bill that has been introduced and cosponsored by many of our colleagues. The intent of this legislation is to make some effort within the Congress to deal with the cause and cost of Federal reporting requirements and related paperwork prior to legislation being passed.

Mr. Speaker, that is why I think this discussion today is both pertinent and timely. It is my understanding conversion to the metric system has been recommended without any examination, study or report on the possible impact upon small business. Before we get into the business of saddling these small businessman with yet more costs, I feel we should get the facts on what this will mean in dollars, cents, time, and paperwork to our mainstreet businessman. The Small Business Committee, if I am correct, recommended that financial and technical assistance be provided for small firms if Congress approved metric conversion. This is not within the legislation we are considering. I realize the present law allows each business to make the metric choice for itself but it has been my experience the road to more Government control has been paved with voluntary and good intentions. In addition, what choice will the small businessman have should big business go to the metric system?

Mr. Speaker, I think the time has come where it is just as important to make sure impractical and burdensome legislation does not pass as it is for good legislation to be enacted. I am not convinced H.R. 11035 falls into the latter category and commend my friend and colleague from Nebraska for alerting us to the fact it may fall into the former.

Mr. MARTIN of Nebraska. Mr. Speaker, it is my privilege today to speak out against legislation before this body which would officially convert the United States to the metric system of weights and measures.

At a time when inflation and the economy are uppermost in the minds of all Americans, it would be irresponsible and economically ridiculous for the Congress to approve legislation calling for conversion to the metric system. We have heard much argument in favor of metric. That it is easy to learn, that the United States is isolated from the rest of the world because of our different tables of weights and measures, that it would bring us more in line with the rest of the world if we were to convert to metric, and that it would boost our exports in world trade.

Not only do I disagree with these contentions, but I fail to understand why we are even considering this legislation in the Congress. Proponents of metrication tell us this bill is not mandatory, but that it provides for voluntary conversion to metric. I feel I should point out that we do not now in this country have a law on the books that precludes the use of the metric system or that establishes our current standard systems as official. Why then is there any need for legislation for "voluntary" conversion to metric, when anyone now is free to voluntarily convert to the metric?

I raise this question because while the legislation before us says that conversion would be voluntary, by virtue of the fact that we have any legislation at all seems to me to be the egress to Government sanction of metric measurements that in time will be forced upon the American economy: small business, labor, and the consumer.

Before we acquiesce to the arguments of those who tell us that metric will be better for our chidren to learn in school, let us consider the costs of this conversion in the United States—costs, I point out, that will be borne by small businessmen, labor, farmers, and virtually all taxpayers and consumers.

SCALES

All of our scales would have to be converted to metric or replaced. These include hundreds of thousands of grocery scales, millions of home scales, hundreds and thousands of commercial scales for trucks, at grain elevators, and other freight terminals around the country.

CONTAINERS

We would have to recycle and replace all existing reusable containers including glass bottles, metal drums, wooden barrels, and cartons. The energy consumption just in reissuing and replacing these items would be phenomenal.

LAND AND PROPERTY

All land measurements and property titles would have to be converted. The mile grid system used in the Midwest would involve complicated decimals for equivalencies in conversion to metric. Farm acreages would change to hectares, home and real estate property titles would have to be changed to metric.

BUILDING AND CONSTRUCTION

Lumber and wood products dimensions would have to be converted, and changes in sizes of metal, glass, plastic, brick, and other construction materials would have to be made. The cost and mammoth space needs for maintaining dual stocks and systems for doors, windows, and other home and construction replacements would be fantastic.

TOOLS AND MAINTENANCE

The costs of replacing tools on the farm and in the home workshops would have to be borne by the individual citizens and taxpayers, not to mention the costs in the labor field and for utilities and the construction fields. All automotive repair shops, service stations, plumbing businesses, appliance repairs, and other maintenance and repair services would have high costs for converting and replacing tools.

TRANSPORTATION

Besides the costs of changing highway signs and roadmaps, metric conversion would be costly for changing service station pumps to liters, and in converting automobile speedometers and odometers.

HOME COSTS

In addition to replacement of the home workshop, homeowners would be faced with the costs of converting water, gas, and other utility meters. This would affect all homes and businesses across the country. Thermostats and thermometers and other measuring devices would have to be changed. Homemakers would have to replace or use cumbersome conversion tables for all cookbooks, and cooking and baking measuring devices and containers would be expensive to replace.

AGRICULTURE

Besides the costs of replacement of tools on the farm, our agricultural segment will have problems in dealing with agricultural production under the metric system which would convert production from bushels per acre to hectoliters per hectare.

SMALL BUSINESS

Small business will be faced with the costs of replacing tools, and in addition, small manufacturing industries would have undue hardships and high costs in converting tool and die equipment, lathes, punches, drills, presses, and other manufacturing equipment to metric sizes. In many of these cases, equipment cannot be converted and will have to be completely replaced. These are expensive machines and equipment.

HOME REPAIRS AND MANUFACTURING

Nuts, bolts, screws, and all current construction and manufacturing fasteners would have to be maintained in dual supply for many years, or there would have to be forced expensive and premature reissuance of home appliances, automobiles, furniture, and a myriad of items we use in our everyday lives. The cost of this additional production alone, in terms of natural resources—steel and energy to produce them—is staggering to the imagination.

PUBLIC COSTS

Taxpayers would bear the costs of prematurely replacing road signs with metric distances before the existing signs required replacement. State and Federal costs would be high in converting and reissuing maps, such as by the Geological Survey and Agriculture Department. States, counties, and cities would be faced with expenditures of taxpayer dollars to convert building codes and zoning regulations.

CONSUMER COSTS

We are all consumers, and at a time when unit pricing has become widespread and most Americans are becoming used to comparative shopping under our standard systems, we would face undue hardships in reacquainting ourselves with unit pricing under metric. The biggest factor to consumers, however, is that all of the costs of conversion to metric will certainly be passed on to them in the form of higher prices for goods purchased.

Mr. Speaker, I could continue for hours on the many items of everyday living that would be affected by unnecessary costs because of conversion to the metric system. Virtually every segment of our economy—in places of business, the home, the farm, the field of labor—would be affected by high costs because of metrication.

The United States, by its geographical position is most assuredly somewhat isolated from the rest of the world. Yet this geographical isolation has not kept us from dealing with the nations of Europe, the East, and all over the world, in matters of foreign relations, trade and economics, and other areas of mutual concern and interest. Because of this, and because we are not bordered by numerous other nations using the metric system as are most of the European nations, I see no justification for the argument that metrication will bring us closer to other nations.

The list of costs to Americans to convert to metric I have given speaks for itself. Just as I could go on for hours in itemizing these costs, so could I go on for some time in refuting the few claims of the good metric made by its proponents. I would like to touch on two important aspects, dealing with U.S. exports and imports, and employment.

The argument that metrication will increase our exports is unfounded. The National Bureau of Standards, in a study titled "A Metric America," said:

> The notion that the United States is losing exports to metric countries because its products are not designed or manufactured in metric units appears to be ill-founded.

It is ridiculous to say that we are losing in exports where our large manufacturing companies in the export fields are producing in metric units. I cannot see a gain in exports by forcing metric on the small industries of this Nation, most of which will never get into export manufacturing in the first place.

On the other hand, it is feasible to expect that imports of goods manufactured in foreign countries may be helped and might increase if the United States were to convert to metric. The General Accounting Office, in a report on the National Bureau of Standards metric study, on March 27, 1973, said:

> Our examination . . . showed that imports . . . would have been increased by $100 million.

It is reasonable to expect increased imports if other nations did not have the expense of producing in standard American sizes and measurements, and could simply manufacture in the metric for export to the United States. These increased imports are a threat to American jobs.

Mr. Speaker, in closing, I would like to point out that Great Britain is experiencing extreme difficulties in its conversion to the metric system. According to information published by the British Metrication Board, after 9 years the country is reluctant to convert to metric. The citizenry is experiencing great difficulty in using metric, many segments of the economy have steadfastly refused to make the conversions, and the board is now suggesting that government action be taken to force complete metrication and that the cost be assumed by the government as well.

In view of all of this argument against metric—the difficulties, the extreme costs of potential hundreds of billions of dollars, the threat of loss of American jobs by increased import competition, the burdens on small business, the costs and hardships posed for agriculture, the inconveniences and unwarranted costs to homeowners, and the obvious cost pass through to the American consumers and taxpayers—I cannot imagine why a proposal for conversion to the metric system in the United States is before the Congress.

I urge my colleagues in the House of Representatives to vote against the metric bill and put an end to this ridiculous proposal once and for all.

GENERAL LEAVE

Mr. McCOLLISTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

NEW HAMPSHIRE LEADS THE NATION IN HIGHWAY SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 10 minutes.

Mr. CLEVELAND. Mr. Speaker, I should like the privilege of inserting in the CONGRESSIONAL RECORD, copies of two letters commenting on the fact that New Hampshire has scored the greatest reductions in traffic deaths in the last 2 years of any State. One is addressed to Gov. Meldrim Thompson, Jr., of New Hampshire, from Thomas A. Power, coordinator of the Governor's highway safety act. It points out that in 1972, New Hampshire effected a 16-percent reduction in highway fatalities over 1971 and in 1973, a 19.4-percent reduction over 1972, for a total reduction of 32 percent in the 2-year period. These decreases occurred before the imposition of the 55 m.p.h. speed limit. During the same period, highway deaths in the Nation as a whole increased in 1972 by roughly 2 percent and declined in 1973 by 2 percent. Compared to the Nation as a whole, New Hampshire's record is remarkable.

The other letter addressed to Governor Thompson was written by Vincent L. Tofany, President of the National Safety Council. In his letter, Mr. Tofany says:

> Achievements such as this do not just happen: they are the product of human concern, professional expertise, social enlightenment, and a fine cooperative spirit. It is my hope, and my expectation, that these qualities, so splendidly demonstrated in New Hampshire recently, will continue to save lives and bring honor to those whose efforts contribute to that life saving.

His letter also says:

> I share the enormous satisfaction that you and your fellow citizens must feel in the knowledge that more than 100 cases of violent highway death have been avoided, deaths which would have occurred if the 1971 toll had continued in the two following years.

Mr. Tofany is so right. Achievements such as this do not just happen. Instead, in the case of our State, they are the result of a well-balanced and executed program carried out over a 13-year period.

NEW HAMPSHIRE STARTED EARLY

I am also inserting an excellent editorial from the largest newspaper in the State, the Manchester Union Leader. This paper has been in the forefront in rallying the public support which is essential to an effective highway safety program.

I recall well when the program started. At the time I was a member of the New Hampshire State Senate. Our State, like most others in the early 1960's, was experiencing a sharp increase in vehicle accidents and fatalities. Therefore, we decided to embark on an aggressive highway safety action program which eventually proved successful. I believe a similar program, if adopted in other States, large or small, would also prove successful. Therefore, I wish to review the history of the program with the hope that our experience will prove helpful to other States.

In recognition of the fact that that improved enforcement was the first and most important step of a program to reduce traffic fatalities, legislation was introduced into the 1961 session of the State legislature providing for an interim committee to make a comparison of the State's traffic laws with the uniform vehicle code; also to recommend legislation to bring our traffic laws into conformity with the code.

The legislation which I supported was approved and the Interim Committee functioned for 6 years. As a result of its efforts, the State's traffic laws were brought into substantial conformity with the code. This accomplishment was very important because modern, uniform traffic safety laws are basic to a sound and efficient enforcement program.

TRAFFIC SAFETY COMMISSION ESTABLISHED

The second step in the action program was the creation of the New Hampshire Traffic Safety Commission in 1964 by the then Gov. John W. King. The commission continues in existence today as an official advisory body. It is made up of State officials having responsibilities in highway safety and approximately 10 public spirited citizens who are recognized as highway safety leaders. These citizens include representatives of highway user and women's organizations, the medical profession, insurance companies, and other groups. The total membership of the commission is approximately 15. Our State Safety Coordinator, Thomas A. Power, serves as secretary to the commission and has three staff assistants including one who works with local committees in the development of their safety programs. The present chairman of the commission, a charter member, is James R. Bucknam, chief editorial writer of the Manchester Union Leader, from which I am inserting an editorial.

The principal advantages of such a commission are:

First, it serves as a vehicle to coordinate the highway safety activities of public officials, the private sector, and the media. This is particularly important in the case of State officials because activities relating to highway safety are diffused throughout several agencies in most States.

Second, it develops and oversees the implementation of the total highway safety programs of the State and local units of government.

Third, it supports and can bring about the needed public support for the legislative programs on behalf of highway safety.

FEDERAL GOVERNMENT GETS INVOLVED

The third step occurred in 1966 after Congress passed the Motor Vehicle and Traffic Safety Act and the Highway Safety Act, bringing the Federal Government for the first time into a major role in highway safety. Following the passage of these acts, the Department of Transportation, as directed, issued 18 highway safety standards with the requirement that they be adopted by the States. In order to bring about conformance with these standards as rapidly as possible, several subcommittees of the New Hampshire Traffic Safety Commission were appointed and charged with developing the necessary legislation and administrative follow-through. They have functioned effectively, resulting in New Hampshire's being rated 2 years ago by the U.S. Department of Transportation as the No. 2 State in compliance with standards.

Mr. Speaker, I submit that there has to be a correlation between this commendable record of compliance with the prescribed Federal standards and the fact that New Hampshire leads all other States in reduction of traffic fatalities.

ALCOHOL SAFETY ACTION PROGRAM

The fourth major step in the action program was the implementation in our State during 1972 and 1973 of the Alcohol Safety Action Program (ASAP) made possible through funding by the National Highway Traffic Safety Administration. It has been most successful.

Some may say that New Hampshire is a small State and thus cannot serve as a model for others to follow in the establishment of a highway accident reduction program. I submit that the formula which the Granite State has developed can be applied with success in all States, large and small. During the 10-year period from 1963 to 1973, we had all of the problems confronted by all the other States, if not more. For example, our registration of vehicles increased by 68 percent and motor vehicle travel by 66 percent, much of it from outside the State. Yet, during this period, we reduced the number of persons killed for every 100 million miles traveled from 4.4 persons in 1963 to 2.8 in 1973, the second lowest in the Nation, in contrast to a national mileage rate of 4.2.

As Mr. Power points out in his letter to Governor Thomson, the fine results have been obtained by the individuals who served during this period as New Hampshire governors and legislators, members of police agencies, State, local, and county, and in the courts, the New Hampshire Traffic Safety Commission, and the Department of Motor Vehicles. In addition, safer vehicles, improved driver education, efforts of highway departments to upgrade highways, and tremendously improved medical services along with scores of other activities both public and private, helped to make the fine record possible.

NOW FOR THE FUTURE

But what of the future? If we become complacent and rest on our laurels, the traffic accident death rate will obviously rise again. Therefore, we must concentrate on reducing the fatality rate below the 2.8 figure. Ex-Governor John Volpe, as Secretary of Transportation, set as a goal a traffic accident fatality rate of 2.5 by 1980. We in New Hampshire hope to reach that goal well in advance of that time. However, we recognize that the job will not be easy and that the broad-spectrum accident prevention approach which we used in the past will not be sufficient for the future. Instead our action program will have to be much more sophisticated and refined. It will have to zero in on the remaining troublesome areas. For example, hazardous locations on all highways must be identified and eliminated. Incompetent drivers and habitual offenders must be identified and rehabilitated. Poorly maintained and defective vehicles must be corrected.

BETTER INFORMATION NEEDED

To accomplish all these things, we will need sophisticated data. Therefore, the Traffic Safety Commission over the past 5 years has been establishing, with the assistance of Federal funds from NHTSA, a modern computerized traffic records system. It is expected that it will be in full operation by the end of this year. Here again, we hope to be the first State with all safety records pertaining to drivers, vehicles, and highways in one data processing center.

Our experience in New Hampshire has convinced us that a successful traffic accident reduction program must be balanced and directed to all elements involved in the problem. It has been my feeling that since Congress passed the Highway Safety Act in 1966, that the funds and resources of the Department of Transportation expended on highway safety have not been spent on a truly balanced program. So much of the agency's efforts have been directed toward the vehicle that insufficient attention has been given to the highway and particularly the driver. Therefore, I have been delighted that Secretary of Transportation Claude S. Brinegar has publicly stated that he will work for a truly balanced highway safety program.

The guidelines for such an overall program are contained in the Report of the President's Task Force of Highway Safety issued in October 1970 entitled, "Mobility Without Mayhem." The Task Force was chaired by Franklin M. Kreml, then vice president of Northwestern University, where he organized and directed the first Traffic Institute in America. The report describes in considerable detail the steps essential to further improvements in highway safety. It concludes that:

> Although the responsibility under the Federal Government is great, Federal action alone cannot bring about highway safety. Rather there must be innovative action by many institutions and agencies, very importantly, by government at the state and local level, and by the private sector.

Our experience in New Hampshire has proven that this conclusion of the Task Force is correct.

Finally, last year, as the ranking minority member of the Subcommittee on Investigation and Review, of the House Public Works Committee, I request that the subcommittee staff be directed to investigate progress—or lack of it—made by NHTSA and the States in reducing traffic accidents since the passage by Congress of the 1966 Highway Safety Acts. The investigation is currently under way and the staff's findings should be most significant.

THE STATES ARE THE KEY

My own belief, based on our experience in New Hampshire, is that the greatest results from expenditures of Federal funds for highway safety in the future will come from greater financial assistance to the States in carrying out the safety program standards.

My own belief, based on our experience in New Hampshire, is that we can anticipate increased progress in the highway safety field now that Federal participation has been expanded under the Federal-Aid Highway Act of 1973.

In particular, I will continue to support Federal funding for section 402 State and community grants and for section 403 research and development. Funding for both sections in fiscal year 1975 totals $220 million. I strongly suspect that this funding level is inadequate, and am looking forward to the results of our oversight activities in these areas as a source of the factual basis for sound expansion of these programs.

The letters and editorial follow:

State of New Hampshire,
Highway Safety Agency,
Concord, N.H., February 27, 1974.

Hon. Meldrim Thomson, Jr.,
Governor, State of New Hampshire.

Dear Governor Thomson: Preliminary figures released today by the National Safety Council indicate clearly that by almost any measurement. New Hampshire has scored the greatest reductions in highway deaths over the past two years of any state in the nation.

In 1972 New Hampshire effected a 16% reduction in highway fatalities over 1971.

In 1973 our highway deaths decreased by 19.4% over 1972.

Significantly, these reductions were effected before the imposition of the 55-mile per hour speed limit.

In the nation as a whole, highway deaths in 1972 increased by 2% and in 1973 declined by 2%. So, compared to how the nation as a whole is doing, New Hampshire's record is remarkable.

Highway fatality figures are quixotic by nature and a 1-year record is unreliable as an indicator since every state has a "good" year now and then, and also an occasional unusually "bad" year.

But since we have been able to effect these unusual reductions over a two year period we believe that the state's overall drive to decrease highway deaths has been effective.

Furthermore New Hampshire's reductions in fatalities were made despite substantial increases in vehicles and in travel.

Our fatality toll of 145 in 1973 was the lowest toll since 1963.

At that time, 10 years ago, we had 330,000 registered vehicles compared to 556,000 in 1973.

Motor vehicle travel in New Hampshire in 1963 amounted to 3 billion 200 million miles.

In 1973 motor vehicle travel amounted to 5 billion 200 million miles of travel.

In 1963 we killed 4.4 persons for every 100 million miles travelled.

In 1973 our "million mile" rate had declined to 2.8—second lowest in the nation.

When we are asked why New Hampshire is doing better than the rest of the country there is no way to come up with a definitive simple answer and prove it positively.

We do feel that our high level of motor vehicle law enforcement especially in the area of drunken driving has played a very important role in reducing the state's fatality toll.

But enforcement and DWI are but single aspects of an extremely complex problem.

New Hampshire Governors, the Legislature, all elements of Police, state, local and county, the Courts, the N.H. Traffic Safety Commission, the Department of Motor Vehicles, safer automobiles, Driver Education, the unceasing efforts of the Highway Department to upgrade highways, our tremendously improved Emergency Medical Services, and scores of other agencies and individuals both public and private have contributed to the good end result.

Despite our gains much remains to be done. While we feel that, comparatively speaking, New Hampshire did well in 1973, yet for the families of the 145 people who died on our highways our program was a failure.

So we have no reason to rest on our laurels, and our continuing objective will be a further reduction of these tragedies in 1974.

Sincerely,

Thomas A. Power,
Coordinator.

National Safety Council,
Chicago, Ill., March 27, 1974.

Hon. Meldrim Thomson, Jr.,
Governor of New Hampshire,
Concord, N.H.

Dear Governor Thomson: Please accept my warmest commendation for the fine improvement in traffic safety in New Hampshire in 1972 and 1973. The achievement of a 16 per cent reduction in traffic fatalities in 1972 and another 19 per cent in 1973 brings great credit upon you personally, upon those members of administration who have safety responsibilities, and upon all the fine people of your State.

But credit is not the goal—it is human lives that concern us first and foremost.

I share the enormous satisfaction that you and your fellow citizens must feel in the knowledge that more than 100 cases of violent highway death have been avoided, deaths which would have occurred if the 1971 toll had continued in the two following years.

Achievements such as this do not just happen: they are the product of human concern, professional expertise, social enlightment, and a fine cooperative spirit. It is my hope, and my expectation, that these qualities, so splendidly demonstrated in New Hampshire recently, will continue to save lives bring honor to those whose efforts contribute to that life saving.

Accept my personal best wishes, and my admiration!

Very sincerely,

Vincent L. Tofany.

Another First for New Hampshire

(By William Loeb)

New Hampshire citizens will be proud to know that once again New Hampshire leads all the states in the nation—this time in the reduction of deaths on the highways.

At the conclusion of this editorial we publish a table which shows all the states and the percentage of highway fatalities by which each state increased or decreased.

New Hampshire has had a 32-percent reduction in the number of deaths in the years 1971 through 1973. No other state came anywhere near that figure.

Washington, D.C., came closest with a 21-per-cent reduction. Washington State and Hawaii had a 12 per cent reduction, followed by Nebraska at 11 per cent.

The number of states in which traffic deaths had increased is fantastic. Nevada's death rate increased in this same period by an amazing 36 per cent, Arizona's by 26 per cent.

In the New England area, Connecticut's highway death rate increased by 5 per cent, Maine's was reduced by 9 per cent, Massachusetts increased by 11 per cent, Rhode Island increased by 6 per cent and Vermont had an increase of 3 per cent.

Here is a record of which the Granite State can be proud! We certainly can always do better, but at least we are headed in the right direction—and we ARE leading the nation.

STATE MOTOR-VEHICLE DEATHS, CHANGES AND RATES[1]

State	Months reported	Deaths identical periods			Percent change		1973 population rate[2]	1973 mileage rate[3]	Number[4]
		1973	1972	1971	1972-73	1971-73			
Total, United States	17	55,600	56,600	54,700	−2	+2	26.5	4.2	(17)
Alabama	12	1,224	1,243	1,246	−2	−2	34.6	5.9	(11)
Alaska	12	74	56	70	+32	+6	22.4	3.7	(10)
Arizona	12	947	807	751	+17	+26	46.0	6.0	(10)
Arkansas	12	648	782	690	−17	−6	31.8	4.6	(11)
California	12	4,888	4,974	4,690	−2	+4	23.7	3.8	(10)
Colorado	12	672	734	634	−8	+6	27.6	4.1	(10)
Connecticut	12	508	467	486	+9	+5	16.5	2.8	(10)
Delaware	12	129	131	116	−2	+11	22.4	3.6	(9)
District of Columbia	12	76	73	96	+4	−21	10.2	2.4	(11)
Florida	12	2,648	2,492	2,354	+6	+12	34.5	4.3	(10)
Georgia	12	1,871	1,825	1,757	+3	+6	39.1	5.0	(10)
Hawaii	12	136	145	154	−6	−12	16.3	3.1	(10)
Idaho	12	348	355	324	−2	+7	45.2	6.2	(11)
Illinois	12	2,336	2,240	2,391	+4	−2	20.8	3.7	(9)
Indiana	12	1,590	1,551	1,603	+3	−1	29.9	4.3	(10)
Iowa	12	813	872	826	−7	−2	28.0	3.5	(8)
Kansas	12	625	659	676	−5	−8	27.4	4.1	(10)
Kentucky	12	1,114	1,093	1,015	+2	+10	33.3	4.5	(8)
Louisiana	12	1,143	1,132	1,121	+1	+2	30.4	5.6	(10)
Maine	12	247	255	270	−3	−9	24.0	3.2	(10)
Maryland	12	818	805	791	+2	+3	20.1	3.4	(11)
Massachusetts	12	1,007	989	906	+2	+11	17.3	3.3	(10)
Michigan	12	2,213	2,255	2,152	−2	+3	24.5	4.0	(10)
Minnesota	12	1,010	1,017	977	−1	+3	25.9	4.2	(10)
Mississippi	12	883	920	951	−4	−7	38.7	5.6	(11)
Missouri	12	1,433	1,462	1,400	−2	+2	30.1	5.0	(11)
Montana	12	329	393	328	−16	(5)	45.6	5.5	(9)
Nebraska	12	432	483	488	−11	−11	28.0	3.8	(10)
Nevada	12	365	258	269	+41	+36	66.6	6.4	(9)
New Hampshire	12	145	180	214	−19	−32	18.5	2.8	(10)
New Jersey	12	1,357	1,314	1,319	+3	+3	18.4	2.6	(10)
New Mexico	12	638	587	535	+9	+19	57.7	7.1	(10)
New York	12	3,058	3,174	3,200	−4	−4	16.7	4.1	(10)
North Carolina	12	1,873	1,973	1,827	−5	+3	35.5	5.3	(10)
North Dakota	12	209	225	223	−7	−6	32.7	4.6	(8)
Ohio	12	2,334	2,399	2,359	−3	−1	21.8	3.4	(10)
Oklahoma	12	794	843	840	−6	−5	29.8	3.5	(8)
Oregon	12	635	732	684	−13	−7	28.5	3.9	(9)
Pennsylvania	12	2,223	2,296	2,299	−3	−3	18.7	3.4	(10)
Rhode Island	12	131	121	124	+8	+6	13.5	2.6	(11)
South Carolina	12	963	1,094	1,020	−12	−6	35.3	4.6	(11)
South Dakota	12	286	293	262	−2	+9	41.8	5.3	(9)
Tennessee	12	1,427	1,414	1,362	+1	+5	34.6	4.9	(10)
Texas	12	3,765	3,667	3,564	+3	+6	31.9		
Utah	12	360	381	334	−6	+8	31.1	4.6	(9)
Vermont	12	154	151	149	+2	+3	33.2	4.9	(10)
Virginia	12	1,215	1,247	1,212	−3	(5)	25.3	3.4	(10)
Washington	12	770	853	873	−10	−12	22.5	3.3	(11)
West Virginia	12	469	523	508	−10	−8	26.1	5.1	(9)
Wisconsin	12	1,153	1,165	1,127	−1	+2	25.2	3.9	(10)
Wyoming	12	190	197	166	−4	+14	53.8	4.8	(8)
Puerto Rico[6]	12	568	550	481	+3	+18	20.9		
Virgin Islands	(7)								

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[1] Deaths are reported by State traffic authorities. All figures are preliminary. To insure proper comparison, 1971 and 1972 figures are the preliminary figures covering the same reporting period as those of 1973.

[2] Number of deaths per 100,000 population.

[3] Deaths per 100,000,000 vehicle miles. The rates are not necessarily comparable to those previously shown and should not be projected to estimate the rate for the entire year.

[4] Figures in parentheses following the mileage rate indicate the number of months for which preliminary rates are calculated for each State.

[5] Plus. Less than 0.5 percent.

[6] Not included in the total U.S. death count or rates.

[7] No report.

CONGRATULATIONS

The above material documents very well the fact that congratulations are in order to all who have made this success story possible, for the lives, suffering, and loss they have prevented. Their leadership may help show the way for the entire Nation. Well done.

FOOD HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 30 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, during the past 2 weeks I have submitted to the RECORD the testimonies presented during a daylong public hearing on soaring food costs which I conducted on April 18 in Natick.

The purpose of this hearing was to determine the effects of the food-price crisis on the lives of the people of the 10th Congressional District of Massachusetts. Those who participated as witnesses during this hearing were representatives of consumer organizations, retailers, food distributors, the elderly, the poor, and spokesmen for schools and colleges.

Today I would like to submit two additional testimonies which were delivered during this hearing. After having heard personal accounts of the seriousness of the inflation problem, it is extremely evident to me that our country desperately needs a national food-agriculture policy to remedy the current situation.

The testimonies follow:

STATEMENT OF MYRA MORRIS, DEPARTMENT OF ECONOMICS, WELLESLEY COLLEGE

I'm here representing Wellesley College and myself as a consumer. I'm a Continuing Education student at the college majoring in economics and it was the Economics Department which asked me to speak here today. I have many statistics but I'm sure you've heard them all today, about the rise in prices as they have occurred over the past few months. I did my own superficial survey of food prices using the January prices of the Department of Labor statistics, and I checked several supermarkets within a few miles radius of this area and found that many of the prices have gone up since then.

I made this survey over Monday and Tuesday of this week. I found that ten pounds of potatoes now cost $1.98 or more, depending upon the market and they were $1.56 in January. And five pounds of flour have gone up 10%, five pounds of sugar has gone up 25% in that three month period. As far as the college itself, they have incurred a deficit of $200,000 in their food services program just this year.

Two hundred thousand dollars in their whole picture of their food services program. The average increases in food costs were 20 to 25%. Now, of course, the increases in fuel and other costs come into the $200,000 figure, but a very good portion of it is the increase in food prices. This very afternoon there is an open meeting being held by the president of the college, who is herself an economist, to discuss the ways in which they hope to cut these costs. Primarily they're going to have to consolidate services as much as possible, without affecting the quality of the institution.

Of the students who live in the dormitory, I would roughly estimate that about fifteen hundred sudents are being served three times a day in most cases. The way they are going to cut down their costs will be to close some dining rooms completely and have some dormitories which will no longer have any dining facilities. They will be using other dining rooms in other dormitories. On weekends, they're going to completely close still other dormitory dining rooms and keep open only a few on weekends since they find the students don't always use the facilities at that time. And they will convert one of the kitchens from those closed dormitory dining rooms to consolidate all their baking. When the costs of beef and the other luxury items rise they can make substitutions to still provide an adequate diet and stay within the budget. But the areas in which the most dramatic increases have occurred recently have no lower cost substitutes. The college, like the housewife, is badly affected by the high prices in the dairy products, macaroni and potatoes.

Baking potatoes are completely out of the menu, canned fruits they're having a great deal of problem obtaining in the amounts that they need, and most particularly canned tomato products.

So I would say the consumer with the above average income can complain as she's walking through the supermarket, she's going to eliminate some of the high priced items but she's just going to write a larger check. But that person who cannot write that larger check at the checkout counter is going to find that they're going to have a less than adequate diet. That seems to be the picture today.

As I said earlier, the Food Services Department of Wellesley College in conjunction with the administration has made plans, which will be presented to the students today, dealing with the food cost problem. I'm sure there are going to be a lot of complaints. In trying to make it more palatable they are offering certain services. For instance, continental breakfasts, keeping the few dining halls that are going to remain open.

Wellesley recently had a tuition increase and another one has already been announced. In part, this increase is a result of the rising costs of food, but it was also on the administrative and academic side.

The college is making every attempt to keep up the quality of education received at the school and the aid that is given to students. Scholarships will be the last place where they will make cuts.

As an economist, I was never particularly in favor of controls. We've all seen that they just don't work. Certainly, encouraging the Department of Agriculture to increase production rather than decrease it is important and has been suggested here already. Also, I would favor trying to control exports so that most of our goods can be used at home where they are needed.

STATEMENT OF THOMAS F. LYNDON, ASSISTANT TO THE SUPERINTENDENT OF WELLESLEY PUBLIC SCHOOLS, WELLESLEY, MASS.

The Superintendent, Dr. Richard H. Goodman, thanks you for inviting testimony from the school department regarding the food crisis. I'd like to read part of the letter he sent to you regarding this. "Dear Congresswoman Heckler: In response to your letter of April 5 concerning the effect of rising food prices on Wellesley public schools and Wellesley taxpayers, I submit the following: The cost of food increased seventeen per cent in our 1973–74 budget period and is budgeted for an additional twelve per cent increase in our 1974–75 budget period. In addition, it is my understanding that the availability of federally purchased commodities to us may be reduced or eliminated in the coming budget year. Federal and state reimbursements to us for type "A" meals have increased as follows: the regular meal, this is aside from reduced/free meals, 1972–73 we received twelve cents; the fall of 1973 we received fourteen cents; starting January 1 of this year we're receiving sixteen and a half. The reduced/free area, there's a similar pattern, the reimbursement has been increased.

We have fourteen schools in Wellesley, each school has a lunch program. In fact, we recently, to meet the requirements of a new state law, introduced a lunch program in all our elementary schools.

The student pays for the type "A" meal unless he comes under the category of reduced/free meals as is based upon family income, and pays forty cents a meal.

First, as far as projecting the prices we developed a budget late last fall. We finalized it about a month ago. It has been approved by the school committee and the town committee which does have increases in it to cover the increased cost of food. We do not plan at this time to reduce the nutritional value or quality, sufficient quality of the meals, however, it can mean in some instances that protein extenders, such things as that, will play a larger role.

We have our food service director who is in charge of the total program, he is thoroughly familiar with dietary requirements, goes to seminars periodically to update his understanding. In addition, we have two managers. One in each of our largest schools, junior and senior high, and they are familiar with dietary needs.

REMARKS OF CONGRESSMAN MORRIS K. UDALL IN ARIZONA, MAY 3, 1974

The Speaker pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL), is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, last Friday our distinguished colleague, Mr. UDALL of Arizona, answered President Nixon who had spoken earlier at a Republican rally in Phoenix.

Mr. UDALL's answer was balanced, to the point and provides a note of hope to the millions of Americans who are watching events unfold as the House Judiciary Committee moves ahead with its impeachment proceedings.

In his talk, Mr. UDALL explains the true cause of the delay that has frustrated so many of us and he rightfully scolds the President:

> You underestimate the intelligence of the American people.

Significantly, Mr. UDALL does not wind up in despair, as he might well have in the current climate. He gives us hope, a hope that the American people should be reminded of, particularly today. He states:

> My testimony today is that politics is an honorable profession which has attracted in both parties good, decent men and women who have made careers in public service.

Mr. UDALL's remarks follow:

REMARKS OF CONGRESSMAN MORRIS K. UDALL IN ARIZONA ON MAY 3, 1974

Good evening. I'm Mo Udall. I've lived in Arizona all my life and I'm privileged to serve the southern part of the state as a Member of Congress.

Tonight I have an uncomfortable assignment. The man who is now President of the United States addressed a partisan Republican rally here in Phoenix this evening and I have been given the job to speak in time reserved for the Democratic party.

But the views I'll reflect can be heard in Republican homes as well as in Democrat gatherings like the one being held in Scottsdale today.

I'm asked to reply to a presidential speech made here in Phoenix and yet mechanically my words had to be taped before the President delivered his.

I'm put in the position, perhaps, of seeming to resent the President's visit to our state, whereas I believe he has every right to be here and should be treated with civility, even by his critics.

But I agreed to give this speech tonight because I think some things ought to be said on behalf of thousands of Arizonans of another persuasion, people who are not among the cheering throngs in the Coliseum tonight. The fact is, there are lawyers and laborers, Republicans and Democrats, Independents, people old and young, who do not admire Mr. Nixon and resent the damage he and his administration have done to self-government, to our economy and to our faith in each other.

And so this speech has a couple of purposes. First, to tell the nation as it focuses on our state tonight that there is another Arizona they will not see on the networks or in tomorrow's stories in the nation's newspapers. My second purpose is to talk straight for a few minutes with Arizonans about the problems Watergate and the related scandals have brought upon us as a people, what we have to look forward to and maybe some things we can do about them.

Obviously, no one can pretend to speak for all Arizonans. We're a diverse and independent people, as evidenced by the great variety of political leaders we elect.

And especially on the questions of the Watergate scandals, impeachment, attitudes about President Nixon, I suppose we're divided along the same lines as the rest of the country. Obviously, those who packed into Phoenix Coliseum tonight were primarily Arizonans who believe in the President and will back him no matter what.

On the other hand, there is a small and noisy contingent in our state who have apparently adopted the old frontier legal principle in which you hang someone first and get the evidence later. But I think the ordinary, mainstream, working man and woman in Arizona share neither of those views about our current dilemma. To get a better idea ol this, I sent out a few weeks ago a questionnaire which was delivered to every home in the 2nd congressional district of this state. These questionnaires arrived in the mailbox at the time of dramatic concern over the energy crisis, and almost daily disclosures about Watergate. There was an incredible outpouring of answers by nearly 50,000 people, probably one-fifth of the voting age population, and here's what they said:

First, 40% were convinced as of March that there was already sufficient evidence for the House to vote impeachment and to send the matter immediately to the Senate for a trial. Another 35% felt the charges and evidence were sufficiently serious that there ought to be a full hearing and inquiry by the House of Representatives. Putting these two figures together, a full three-quarters who responded to my unscientific poll were either for outright impeachment or full inquiry on the facts.

Second, half of those responding to my poll said Mr. Nixon ought to resign right now. And indeed, even 25% of those identifying themselves as Republicans joined in this call for resignation.

Third, slightly more than half expressed the belief that Vice President Ford could better lead the nation during the next three years than could Mr. Nixon.

So I hope the national press will fairly report the enthusiastic crowd expected at the Republican rally in Phoenix, but I hope with the same fairness, they will reflect the views of the rest of the people of this state, as shown by the tens of thousands of concerned Arizonans who went to the trouble to mail an answer to my questionnaire.

Clearly, Arizonans like Americans everywhere have no burning hunger for impeachment and a majority would hope that somehow this bitter cup might pass.

Yet I don't think the great mass of Americans shrink from impeachment either any more, if they are shown that the evidence ultimately requires it. Because I believe a majority of Arizonans and Americans want this matter resolved fairly, openly, promptly and completely.

I reject all of this talk about our country being so weak and divided that an impeachment trial—a legitimate, honorable, constitutional procedure established by our Founding Fathers—would weaken the republic beyond repair. Americans are a tough, resilient and sensible people who went through a crushing depression, who survived two world wars, who experienced the assassination of John Kennedy and came out of all of these traumatic events with their unity and self confidence intact. We are a big, grownup democracy, the oldest in the world, and we can survive and maybe learn from an orderly, fair, judicial impeachment proceeding if it turns out that that's what justice requires. Because after all, as Jefferson said, the first principle of American life is equal justice for all, Presidents as well as truckdrivers, or congressmen, or Cabinet members.

There's an old story about an undertaker who tells a valued friend, "Frank, no matter how much money you make or clubs you belong to or fame you gain, the size of your funeral will depend on one thing—the weather."

And I suggest tonight that the fate of Richard Nixon lies not in political oratory, the maneuvers of clever White House lawyers, or advance men who gather crowds to hear him speak in selected states before selected audiences, Mr. Nixon's fate rests in the truth and in the judgment his fellow citizens will make when they get that truth.

And, believe me, ladies and gentlemen, in our system in this country the truth will out. Sooner or later in the end the whole truth, like tomorrow's Arizona sunrise, will come.

And when it comes out, good or bad, the presidency will survive. For Richard Nixon is a man, not an institution, despite what has been implied by repeated White House statements in recent months. He is a human being who happens for now to be the First Citizen of a democracy. He is a single President, a temporary occupant of a very vital and important office. Harry Truman bluntly warned Presidents about the danger of confusing themselves with their office.

I'm a congressman temporarily, but not a Congress. I'm an American citizen who's fortunate for a time to cast votes that belong not to me but to the half million people who elect me.

Mr. Nixon has said that we've had enough of Watergate and who could disagree with that? The President's problems have hurt our economy, delayed crucial decisions on energy and foreign affairs, made a joke of our tax laws and spread deadly cynicism across this land.

But why did we have so much delay? The plain answer is that we've had a year and more of Watergate because for all that time Mr. Nixon has resisted every congressional attempt and every attempt by two special prosecutors he himself appointed to get at evidence in his possession.

Yet last Monday we were told that somehow all this had changed, that all the evidence was now in the hands of the Congress. But let's take a factual look at what Mr. Nixon did this week and what he did not do.

He has now, very grudgingly and after months of delay, turned over to the House Judiciary Committee:

Not the tapes it subpoenaed but partial transcripts of the tapes personally edited by him;

He surrendered not the 42 tapes that were legally demanded, but selected portions of 31 tapes;

He surrendered not the total information on each of some 30 charges under consideration, but information dealing mainly with a single charge, the Watergate coverup;

He submitted not what the House Judiciary Committee said it needed, acting on behalf of a constitutional co-equal branch of government, but what he deemed relevant and was willing to give it;

He surrendered not everything he had in his possession, but just selected parts he considers appropriate.

As I listened to the presidential speech on Monday night, I recognized an old courtroom technique I'd used as a trial lawyer when defending a client facing a number of charges. You pick out one count of the indictment where you have the best defense, attack that count, and make all your allegations and your defenses relating to it. And then you ignore the other more serious charges. You saw another version of this Monday night.

Certainly one of the serious and crucial charges is whether the President participated in the Watergate coverup, but if he has all the defenses in the world to that charge, it cannot help him against the two dozen or more other charges covering such serious and totally separate matters as the ITT payment, the milk fund scandal and all of the rest.

And so I fear this clever legal game will go on, aided and quarterbacked by a whole law firm of White House lawyers which you the taxpayers are paying for.

Just watch in these next few weeks—not only as the House Judiciary Committee struggles for documents and tapes on these additional issues, but as Mr. Nixon's own impartial, handpicked special prosecutor, Leon Jaworski—an honorable and uncorruptible lawyer—struggles for more White House materials.

The essential fact is that the President has committed impeachable offenses and should be tried and removed, or he has not. And every day that goes on without delivery of all of the evidence to Congress and the special prosecutor drags this process out and hurts this country.

I think Senator Goldwater put it in his blunt and direct manner a few months ago when he said the President ought to tell the Congress to send down a truck and load up all the documents and take them to Capitol Hill for study. And I think the American people cannot help but wonder why an innocent President betrayed by overeager associates and conniving enemies would not have wanted the evidence out long ago.

And now the White House has again unleashed another "Operation Candor" coupled with an attack on the Congress for moving too slowly, for dragging out the Watergate investigation.

Well, Mr. President, you can't have it both ways. You underestimate the intelligence of the American people. This investigation will end when all the facts and evidence in your possession and in the possession of your associates are made available.

This is an election year, a time when partisan divisions come to the fore, and the party lines harden. It's a particularly divisive year with the shadow of Watergate hanging over all of us. And so tonight I have some advice for my fellow Democrats. It will not be enough for our party in 1974 or 1976 to simply criticize the opposition, to take gleeful note of the problems of our political opponents, because the American people and the people in Arizona are not going to ask just about the sins of our opponents or what we are against. The American people are going to ask the Democratic Party what it's for. No one is going to award the Democrats the governorship of this state or control of the Congress or the White House in 1976 simply because we are not Republicans or because we know how to pronounce Watergate. Democrats, Independents and Republicans alike will support our party only if we have answers to the country's very serious problems.

What do we Democrats propose to do about this incredible scourge of inflation that's wiping out people's incomes this year at the rate of one per cent a month?

Are we just going to talk about tax reform and a fair tax system to end the scandal of people who have vast incomes and pay nothing or next to nothing?

Are we Democrats this year or next, at long last going to redeem the 20-year-old goal of Harry Truman, a national system of health insurance for the only major industrial power which doesn't have one?

I believe the Democratic Congress, the Democratic governors, whatever the outcome of Watergate and impeachment, will shoulder its responsibilities and give responses to these and other serious problems.

But I want to close on a more hopeful note, as we see tonight the tragic impact of these last 20 months on the American spirit. There's an old saying that the worst, most corrupting lies are problems poorly stated. And our recent problems have given rise to a corrupting lie which must be answered. That lie is that Watergate is nothing unusual, that they all do it, that all your public leaders are crooks and thieves.

This is false, my friends, and it's a slander on the American political system. We're the oldest democracy in the world, political parties have arisen and declined, and no party in this country has had any corner on morality nor is any party impervious to corruption of a few.

Democrats have no right to smug self-righteousness in this regard though we have produced nothing of the magnitude of these last three years. My point is that our system with all of its kinks and problems is basically a decent, clean political system and it takes good men and women in every generation to keep it so.

John Kennedy used to say that mothers still wanted their sons to grow up to be Presidents like Lincoln and Jefferson but they didn't want them to become politicians in the process. But Lincoln and Jefferson succeeded in leading the country through difficult times only because they accepted the burdens and unpleasant aspects of public service. My testimony tonight is that politics is an honorable profession which has attracted in both parties good, decent men and women who've made careers in public service.

My father spent most of his adult life as a judge of the Arizona court. Money was secondary to this good man and one good home was enough. He lived unpretentiously. And the same attitude has characterized the public service of Carl Hayden and Barry Goldwater and Ernest McFarland, and other good people in both of our political parties.

Let me tell you that the majority of men and women with whom I spend my days in the Congress, and who serve as your Mayors and legislators in this state, share in this legacy of honest public service. They deserve better than to be branded with the cynical iron that has marked the burglars, buggers and influence peddlers of this administration.

Fine public servants throughout our 200 years have known something that some people in this administration have forgotten. And that is that public service is a high calling, that it's not enough of our leaders to say of themselves: we have done nothing to warrant jail.

There's a difference between what's legal and what's trustworthy. And for all their mistakes and human failings, leaders must first of all be trustworthy.

And here is where Richard Nixon and the men surrounding him let us down. For regardless of how many of them are convicted or acquitted on the standards applicable to a criminal trial, trustworthy leaders don't hire the kind of staff that spies on opposition, subvert its campaign with sleazy tricks.

Trustworthy leaders don't condone the accumulation of a list of enemies to be harassed by the FBI or the tax collectors.

Trustworthy leaders don't search through the Internal Revenue Code to find every last loophole to reduce taxation on enormous income.

And finally, trustworthy leaders, when they have gone wrong, don't blame their problems on a staff of advisers or accountants. They have the courage to shoulder it themselves.

As I said earlier, the truth will determine Mr. Nixon's fate, but what of our fate, what of the nation's, of its people?

Sure, our government is in trouble and it's in trouble for a lot of reasons. And some of it has to do with credibility, with the feeling that the government doesn't care.

But we can do it differently, and I believe we are going to do it differently.

Despite the opposition of the President and his attempt to delay, we're going to get a new election law this year that will get the fatcat financiers out of politics, place sensible limits on contributions, place enforcement in the hands of an independent agency. We're going to stop the sale of ambassadorships to the highest bidders.

And perhaps this will be the unwitting gift of those White House burglars and bunglers to the next generation. By showing us the worst possibilities in government, they've given us the incentives we need for true reform.

But reform is not possible without the interest and commitment of our people. This is not a time for despair or disillusion. It is time for all of us, Democrat, Republican, Independent, to pull together as we find and apply the lessons of Watergate. We need new campaign laws and reorganized institutions, but even more than that we need a rebuilding of our national spirit.

We need a renewed commitment not just to the law but to the spirit of the law.

The cold print of the Soviet constitution reads with the same noble phrases and ideals as ours. The difference lies in a gentle, civil attitude in the way we treat each other and with the respect we have for our Constitution and its spirit.

We reinforce these attitudes of fair play and civility and mutual respect with a lot of rituals that may seem silly to some. No law requires that having lost a close election, you call an opponent and congratulate him, but most of us in politics do and have friendships with political adversaries.

No law says you rise at a football game when the anthem is played, that you stand when a judge you may dislike enters a courtroom. But these things we do for these rituals are a vital part of what America is all about. They are our way of saying to each other the things which bind us together as fellow Americans are more important than the narrow partisanship that divides us.

A long time go, one of my favorite judges, Learned Hand, put it in these words:

"I often wonder whether we do not rest our hopes too much upon constitutions, upon laws and upon courts. These are false hopes. Liberty lies in the hearts of men and women; when it dies there, no constitution, no law, no court can do much to help it. While it lies there, it needs no constitution, no law, no court to save it."

Thank you for your time.

FINANCIAL STATEMENT OF ARVONNE S. FRASER AND DONALD M. FRASER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, it seems incumbent these days upon politicians to disclose their net worth. Ours has improved considerably because my parents were frugal and when they died they left me and my siblings each about $70,000. Listed below are our assets and liabilities as of January 1, 1974:

Donald M. and Arvonne S. Fraser—Statement of finances, January 1, 1974

Assets	
Cash in checking accounts	$1,548
Cash in savings accounts	13,451
Paid in House pension fund	28,990
Life insurance—est. cash value	9,000
Real estate:	
Washington, D.C. house	65,000
Minneapolis house	20,000
St. Croix County, Wis., summer houses	25,000
M–REIT, New York	3,000
First S.E. Corp., Minneapolis	3,125
Mutual funds:	
398 shares Afuture	3,422
284 shares Janus	4,402
387 shares Mathers	3,606
271 shares Guardian	5,962
719 shares New Horizons	5,040
246 shares Nicholas Strong	3,272
135 shares Northeast Investors	1,998
143 shares Afortress Income	2,002
Bonds:	
American Metal Climax 7.5% 1978	6,000
First Nat'l Holding 7.25 1979	1,000
Southern Bell 7% 1978	2,000
E Bonds	3,050
Stocks:	
60 shares 1st Bank Stock	3,510
75 shares Quaker Oats	2,152
1972 Chevrolet	1,000
1968 Chevrolet	300
Household goods, boats	8,500
Total assets	226,330
Liabilities	
Bills payable	1,000
Taxes payable	1,200
Mortgages:	
Washington house	39,608
Minneapolis house	4,126
Total liabilities	45,934
Net worth	180,396

"GOOD BUSINESS" FOR SECRETARY BUTZ IS "BAD BUSINESS" FOR THE AMERICAN CONSUMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, if it were not for Watergate, I believe that the American people would be focusing their attention on and demanding the impeachment of Secretary of Agriculture Butz. Never has a Cabinet officer represented such a narrow section of the population or economy. His views and actions have been those of a lobbyist for one segment of the Nation at the expense of the large majority of the rest of the Nation.

The Secretary's latest insult on the American people was the decision to purchase beef to assist cattle producers. On March 26, the Department announced that it was initiating a beef purchase program of up to $45 million "in conjunction with its other efforts to improve prices to cattle producers and feeders."

As the news release from the Department proudly stated:

> USDA's Agricultural Marketing Service said that the removal of fed beef from normal channels for later distribution to schools should be effective in stabilizing and improving cattle prices at a time when substantial numbers of fed cattle are moving to market.

On April 11, Agriculture announced its first purchase of 231,000 pounds of frozen ground beef, "at an approximate cost of $222,000, for distribution to schools." The price paid by the Department ranged from 93.49 cents per pound to 97.50 cents per pound. On April 25, the Department announced a second series of purchases. This time, approximately 1,848,000 pounds of frozen ground beef was bought for approximately $1,929,000. Apparently the Department's "efforts" to stabilize and increase beef prices were successful, since the price per pound this time ranged between $1.0250 and $1.0498. On May 2, a third set of purchases were announced. For approximately $5.7 million, 5,736,000 pounds of ground beef was brought for prices ranging between 99.5 cents to $1.0383 per pound.

Mr. Speaker, I have several objections to this "price shoring" policy: First, the American consumer has been paying record prices for beef for nearly 3 years. Yet when beef prices first start to come down significantly, the Department steps in to increase the price. Secretary Butz is for free enterprise for the producers: Let them sell everything they can overseas and drive up the price to American consumers. Yet when the domestic consumer finally starts to get a break, "stabilize" the price.

The Secretary is always for high prices. Last year, during consideration of the trade bill in the House Ways and Means Committee, I offered an amendment to repeal the Meat Import Quota Act of 1964. The quota law is an anticonsumer piece of legislation which prevents the free entry of necessary quantities of hamburger, sausage, and other cheaper cuts of beef. My effort in the committee failed by a vote of 9 for repeal to 15 against repeal. I received absolutely no support from the administration.

While the beef is going to be used in the school lunch program—certainly a good cause—it will not be used until next fall. In addition, it appears that the quality of ground beef being purchased is extremely high—higher than most families would or could afford to purchase.

For example, the following is a table of the prices paid by the administration and prices quoted in Washington and Cleveland newspapers on May 2:

	April 25	*May 2*
USDA purchase price	$1.02/$1.04	$.99/$1.03
Washington, D.C.	.85/ 1.09	.79/ .89
Cleveland	----------	.68/ .79

It is obvious that the Department, buying in bulk, is paying a dime to 25 cents more per pound than would the careful shopper in a local grocery store. While millions of families are finding it nearly impossible to buy meat at all, Earl Butz is buying and grinding "steak" for use 5 months from now.

In short, the Secretary is a lousy shopper. Yet in a speech before the Press Club in Washington, D.C., on April 25, the Secretary said:

> The purchases were good business on the part of the government. Prices are low now, they're lower now in beef than we think they probably will be next fall. It was a good deal for the government and at the same time it was a good deal for cattlemen.

It was not a good deal for the taxpayer.

Yet the Secretary is right on one point—it is a good deal for the cattlemen. Farm prices did fall in April and beef prices are 9 percent less than a year ago. Yet the profit of the food industry is up and the consumer just does not seem to be able to find significantly lower prices in the grocery store.

And whose fault is it that beef prices at the slaughterhouse door have fallen? It is the fault of the beef producers. They withheld beef from the markets to get around the freeze or to raise prices. When prices remained high, consumers turned to other products. Now there is a surplus of fat and over-age cattle on the market. Steers are normally slaughtered when they reach a weight of 950 to 1,150 pounds. There were reports last week of steers weighing 1,700 pounds being slaughtered. This means that cattle were withheld from the market in the hopes of ever higher prices. Yet one cannot keep feeding a steer. There is only so much weight that can be placed on a normal animal. After a certain point, any added weight is simply fat. Much of the meat entering the market today is excessively fat and is a result of past efforts of the cattlemen to force up and maintain sky-high prices.

Mr. Speaker, the Secretary of Agriculture's food price policy is a disaster for the American people. He should be forced to resign.

PERSONAL FINANCIAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN), is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker. I have taken this time to present a statement of my personal finances including a listing of assets and liabilities as of May 1, 1974 and income received in 1973. During my past years I have periodically made public disclosure of information relating to my personal finances in addition to the reports required by the rules of the House of Representatives.

My total assets as of May 1, 1974 were $143,787. These include: cash on hand and in banks, $1,721; listed securities, $15,454—mutual funds, $5,204; Nebraska Hospital Authority bond, $5,000; DeRand real estate investment trust, $5,250, investments primarily for future college expenses for my seven children—unlisted securities, at cost, $50,940—Hansen Farms, Inc., $33,240; Idaho Broadcasting Co., $12,200; DeRand Corp., $5,500—residence in Arlington, Va., $67,500; furniture, books, and personal effects, $3,500; assets in former law partnership, $1,211; automobiles, $1,100—1967 Buick $250, 1969 Ford $850—estimated cash value of life insurance, $2,361.

Liabilities total $47,171 including: mortgage on residence, $45,956; and loan against life insurance policy, $1,215. Subtracting the liabilities from the assets leaves a net worth of $96,616.

My income for the year 1973 was $46,408 including: salary of $42,500; honoraria, $3,425; interest income, $337; and, dividends, $146.

JOHN BETHEA ON ENVIRONMENTAL FORESTRY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, urban forestry is a new subject for the average city, even though most towns recognize the need for parks and planted areas with trees, shrubs, and flowers, and many cities have developed these programs to a varying degree.

The subject of urban forestry received a distinct boost with the passage of Public Law 92–288, which established the first federally supported urban forestry program.

In Florida we have had, for a number of years, an urban forestry program which also is known as environmental forestry. It has made encouraging progress. The reason for this progress lies largely with the work of the State forestry program in that State. The director is John M. Bethea.

At a meeting of Southern State Foresters in Atlanta, Mr. Bethea gave a very interesting discussion of urban forestry. It can be very useful to other States where urban forestry is still a need and not an actuality.

I can state that Mr. Bethea's contributions are not confined to urban or environmental forestry. They cover all fields of forestry. He has given outstanding service in this important field, and I am pleased to submit his statement on urban forestry for reprinting in the CONGRESSIONAL RECORD.

REMARKS BY JOHN M. BETHEA, DIRECTOR, DIVISION OF FORESTY, FLORDIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES, NOVEMBER 1–16, 1973

ENVIRONMENTAL FORESTRY IN FLORIDA

Environmental Forestry is not in the forestry terminology handbook. I guess there must be some curiosity as to what it is. We in Florida have trouble defining it, even though we are trying to practice it.

We don't have a formal definition. We have a tentative one. Our definition includes aesthetic forestry and most of multiple use, particularly proper environmental conditions for wildlife, landscape effects, protection against floods and erosion, and recreation. It is generally agreed that the larger cities and most of the rapidly developing areas in Florida have a great need for an environmental or urban forestry program.

Another factor that involved us in environmental forestry was the Supreme Court's one man-one vote decision. From this decision, we got a new urban Legislature that knew little of forestry and represented constituents that knew less. They all had a gut feeling that forestry should pay more taxes and cut less trees.

Obviously, we had to do something besides talk. We decided to provide cities with Foresters and trees to enhance the urban dwellers' understanding of the value of trees both to the urban community and beyond the suburbs. We increased the scope of activities on State Forests to accommodate motorcycle riders, horsemen, school students, campers, and more hunters. The result has been a better understanding of the value of trees to people and more support for our forestry program.

Those cities that were already in the worst mess from unguided growth took our offer like a hungry fish. Then we went to the Legislature for enabling legislation for the program. The first year we signed seven contracts with cities or county commissions. We did not get any additional positions, but reassigned training positions and positions vacated through attrition to cover these contracts. At present we have urban Foresters assigned to 15 urban areas.

How do we operate our urban forestry program? Well, we sign a contract with a municipality or urban county to provide one man-year of professional forester service. The cost to the local government is $3,000 per year, with other funds paying the rest of the cost. The Urban Forester is a state employee administered and supported by the Division of Forestry

The work arrangements usually call for us to give the Forester an office, though he may also have one in the city or the county courthouse. He works with the city or county manager, the Planning Department or the Parks Director. In any case, his work priority is set through an agency that will use him in an advisory capacity rather than in tree trimming, shade tree calls, and such other narrow impact work. The Urban Forester will make most of his impact in planning and zoning activities, tree canopy analysis, long range planting and beautification plans, and ordinance development.

Many of our cities are passing ordinances on tree protection, landscape standards, erosion control, and residential density. Our Foresters are in the actions up to their necks, sometimes over their heads.

After some rough experience, we found the way to solve some work problems was to have the Urban Forester prepare an annual work plan and get it approved by the appropriate official. The work plan specifies priority for planning and advising over such work as tree trimming supervision and prevents dilemmas such as the Parks Superintendent wanting a Forester's services when the Forester has a Planning Board appointment. We want our Forester to hold a school on tree pruning rather than go supervise the crew.

How do we train our Urban Foresters? Well, it's been like trying to mount a horse that's already spooked. We first try to select Foresters that are itching to give the job a whirl. Then we try to teach them how to deal with people. We let them try television appearances, civic club programs, news writing, and other people contact work. We get them familiar with political problems in their area. We have them learn how a municipality is organized and funded. Then we toss them into the municipal maelstrom and tell them to call for help if they get in a jam. They get in jams, and sometimes we can help—sometimes we say, "I don't know. Do the best you can."

We find our urban forestry program has given us direct contact with a broad base of both residents and visitors. Our Foresters get their strongest local support from newspapers, TV stations, garden clubs, woman's clubs, Audubon Chapters, Sierra Club groups, student groups and educators. We find these groups also sympathetic to statewide forestry programs. Last year this support helped us get additional Urban Forester positions.

We have made more noise on the subject of tree preservation than tree planting. The dozers are pushing down trees in many urban areas. We get involved, naturally. But we are working slowly and, we hope, surely at making planting as much a consideration as preservation.

Our Division support for urban forestry is improving. One of our early shortages was in shade tree seedlings. We have managed to produce a few. We have sold homeowner pockets of eight shade tree seedlings in cities for two years. If you haven't sold 500 packets in 20 minutes, you don't know what the demand for shade trees really is.

We plan to provide for this demand more adequately in the future. We are planting acorns by the pickup truck load. We have converted one nursery to urban species production. We gather seed and grow oaks, dogwood, redbud, ash, blackgum, fringetree, acacia, lysiloma, eucalyptus, rosewood, tabebuia, and want other species. We sell them bare-rooted and in pots to homeowners, cities, and nurseries. We only sell one-year stock. Nurserymen can buy our seedlings too and hold them for greater size and more profit when they are older and bigger.

Our commercial forestry program started years ago, and built up slowly and steadily. Our urban forestry program started rather suddenly and has grown fast. It grew because of urban growth pressures. These growth pressures have to be met, and we can help by bringing many of the forest values to the urban communities.

The future of our cities depends upon how well this need is answered. We have made a start, but much remains to be done.

THEODORE FRED KUPER HELPS PRESERVE AMERICA'S HERITAGE

(Mr. HOLIFIELD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HOLIFIELD. Mr. Speaker, my friend and constituent, Theodore Fred Kuper, will be 88 years of age this month. This is a time in life when most people would have had enough of work and would no longer have a youthful zeal for great causes. This is not true of Theodore Fred Kuper and his wife of 64 years, Rose.

Mr. Kuper's passion to preserve America's heritage resulted in the restoration and preservation of Monticello, President Thomas Jefferson's home. Now, as we approach the Nation's 200th birthday, he has an equal passion for preserving America's heritage of ideals as expressed in our system of liberty, religious freedom and universal education.

I include at this point an article about Theodore Fred Kuper and his wife, Rose, written by Art Seidenbaum, which appeared in the March 21, 1974, Los Angeles Times:

Dignity for America

(By Art Seidenbaum)

Theodore Fred Kuper was complaining the other day about "going through the same thing I went through in 1926," when he was trying to bring some dignity to the 150th birthday celebration of America. Kuper was part of a presidential advisory body then, the executive director of the Thomas Jefferson Memorial Foundation and the man who led the movement to save Monticello as a national monument.

Now Kuper is again concerned about celebrating the American heritage more than the American hurrah.

He sits at home in Whittier, last of the Monticello rescuers, and he writes to historians, elected officials, educational leaders and friends about the need to "look above the fireworks," to rededicate ourselves to a revolution that was more about the pen than the sword. He writes about Jefferson's Declaration of Independence as the fundamental humanitarian mandate for the whole world.

Theodore Fred Kuper will be 88 this May. He wears huge glasses that magnify his eyes. He uses a hearing aid to amplify other people's words. And his skin has the look of heavy parchment. But his hand is firm, he walks briskly and he talks constantly.

He calls himself a monomaniac, this 5-foot refugee from Russia who became an American rights monger. "The czar," claims Kuper, "started me to being a good American."

The Kuper case is to make the 200th birthday of our heritage a 30-year celebration, only beginning with independence in '76. In '78 came the Articles of Confederation; in '86 came religious freedom; in '87 came the first abolition of slavery as part of the Northwest Territory ordinance.

The Constitution was adopted in '87, the Bill of Rights in '91. Finally, with the return of Lewis and Clark in 1806, the heritage was firm; the principles of civil liberty, religious freedom and universal education were established.

"When I say American heritage," says Kuper, "I don't just mean historical houses and battlefields. I'm talking about ideals." He wants those ideals talked about in schools and he was outlining a celebration curriculum on blue paper when I arrived at the small house in Whittier.

Rose Kuper—abstract painter, constant encourager and wife of 64 years—interrupted now and then to applaud her husband. They've been in Whittier for 13 years, part of the Westward Movement after their daughter and family came to Southern California. His papers line the shelves and tables. Her paintings line the walls. He has clippings from a half-century of newspapers. She has reviews from a half-century of art critics.

"This is exactly the time we need a bicentennial," Kuper says, "when the country is wallowing in mutual mistrust." He doesn't want large appropriations to build anything; he wants a national affirmation of the revolution for rights and liberty. When he wrote to Congress as "an old geezer" who worked the 150th birthday and was willing to work again, he received a polite answer but no assignment.

The Kupers took me on tour before I left the house, to let me admire Rose's chinning bar in the bedroom doorway, Fred's personal picture of Franklin Roosevelt, Rose's recent paintings on glass and Fred's ancient volumes of Harper's American history.

Fred, still wanting to volunteer for the birthday party, was saying they were much richer in memories than money; the luxury of retirement is "to be able to do what you want to do—for nothing."

REMARKS OF JOHN BRADEMAS BEFORE PRESIDENT'S COMMITTEE ON EDUCATION OF THE HANDICAPPED

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, I insert at this point in the Record remarks of our distinguished colleague from Indiana, John Brademas, before a recent meeting of the President's Committee on Education of the Handicapped.

John Brademas, in his capacity as chairman of the Select Subcommittee on Education, has worked hard and diligently in order to provide the best possible rehabilitation and educational program for handicapped citizens of all ages. He has long been a strong supporter of legislation designed to strengthen and expand such rehabilitation programs.

Because Chairman Brademas discusses very current issues with regard to special education and vocational rehabilitation, I know that his remarks will be of great interest to the Members of the House.

The remarks follow:

Remarks of Congressman John Brademas Before The President's Committee on Employment of The Handicapped, Washington, D.C., May 2, 1974

Let me first say that I count it a high honor to have been invited, once again, to address the annual meeting of the President's Committee on Employment of the Handicapped.

I am delighted to be with you for a number of reasons.

First, I welcome this opportunity to meet with leaders like Harold Russell, who have for so many years devoted their time and talents to the well-being of handicapped Americans.

I am pleased, as well, to share this platform with our talented Mistress of Ceremonies, Nanette Fabray, who has labored long in the vineyard that many of us till, the rehabilitation of the handicapped, and has several times assisted my subcommittee during its consideration of legislation.

Let me say also that I am delighted to have this opportunity to impress upon the distinguished Vice President, the Honorable Gerald R. Ford, the crucial importance to millions of our fellow citizens of the rehabilitation program.

Finally, I rejoice in the common purpose that has brought us together today—the effort to improve the quality of life for the estimated 20 million adults in our land who are disabled in body or mind.

SELECT EDUCATION SUBCOMMITTEE RECORD ON HANDICAPPED BILLS

Some of you may know that I have the privilege of chairing the Select Subcommittee on Education of the House Committee on Education and Labor.

This subcommittee has jurisdiction over several programs important to the lives of the handicapped.

I should cite, first, the Education of the Handicapped Act, which is now being extended by Congress and which provides grants to states to expand educational programs for handicapped children as well as funds for regional resource centers, deaf-blind centers, early childhood education projects, research and training for educating handicapped children, and special programs for children with specific learning disabilities.

I should menton also the National Center for Educational Media and Materials for the Handicapped, which was developed in my subcommittee, and is now helping make available to handicapped persons, and the parents of handicapped children, talking books, captioned films, and other special teaching materals and learning aids appropriate for the handicapped.

Let me say a word to you too about the Kendall Elementary School for the Deaf here in the nation's capital at Gallaudet College. Thanks to new authority developed in my subcommittee during the 91st Congress, the Kendall School is now a national demonstration center of new techniques for the education of the deaf.

To conclude this brief listing, I should tell you that my subcommittee is now conducting hearings in two offer areas of significance for the handicapped.

The first hearings are on H.R. 70, a bill I have introduced that would enable the Federal government to pay up to 75% of the excess costs involved in educating handicapped children over non-handicapped children.

This bill, sponsored in the Senate by the distinguished chairman of the Labor and Public Welfare Committee, Senator Harrison Williams of New Jersey, is a response to three factors:

(1) that it costs at least twice as much to educate handicapped as normal children;

(2) that the courts of the land are increasingly ruling that handicapped children have a constitutional right to an education; and

(3) that sixty per cent of the nation's handicapped children are not now receiving educational services appropriate to their needs.

Passage of our bill can go a long way toward meeting this challenge.

The other hearings now underway in my subcommittee focus on the benefits handicapped people might derive from new developments in technology and biomedical science.

And I am hopeful that as these hearings progress we can develop new means of harnessing the technology of the space age to improving the quality of life for the handicapped.

But without doubt, the major Federal program assisting handicapped Americans, also under the jurisdiction of my subcommittee, is the vocational rehabilitation program, which for better than half a century now has been training the disabled for productive lives in our society.

NIXON ADMINISTRATION HOSTILE TO VOCATIONAL REHABILITATION

And I want to dwell for the remainder of my time on this program which means so much to millions of Americans.

For never in its long history has it been so sorely tried as it has been in the last two years.

You will recall that when I last spoke with you, a year ago, the rehabilitation movement in America was in turmoil.

Twice within the six months preceding that meeting, President Nixon had vetoed legislation, approved with overwhelming bipartisan majorities in both the House and the Senate, which would have extended the vocational rehabilitation program.

He vetoed the first bill, approved without a dissenting vote by either Democrats or Republicans, in October 1972, in the final days of the presidential campaign—when the public's attention was riveted on politics and not on vetoes of bills to help the handicapped.

And the President vetoed a similar bill in March 1973, after the House passed it unanimously, and the Senate by a vote of 86 to 2. In March 1973, you will recall, Mr. Nixon stood at the height of his power. The process of the disintegration of his presidency had not yet fully begun.

The Senate, therefore, in early April failed to gather the necessary two-thirds votes to override the veto and Mr. Nixon's veto was sustained by a vote of 60–36.

It was not until our third attempt, in September of last year, that we were finally successful in having signed into law the Rehabilitation Act of 1973, which continues this successful program and which incorporates significant new provisions, such as assuring priority of services for the severely handicapped.

Now you and I know that the world of Washington, D.C., today is far, far different from what it was one year ago.

And I wish, therefore, that I could stand before you this morning and report that the attitude of Mr. Nixon's White House toward this program which has long enjoyed bipartisan support had substantially changed.

ADMINISTRATION DISREGARD FOR LAW AND INTENT OF CONGRESS

Unfortunately, I cannot. For in the past year we have witnessed in the Executive Branch of the Federal Government a disregard for the law of the land and the intent of Congress in approving the Rehabilitation Act of 1973 which can only be described as blatant.

This is harsh language. But I use it because my subcommittee, warned by our experiences of 1972 and early 1973, has been conducting the most searching and vigorous oversight hearings into the implementation of the new legislation. It has not been a pretty picture.

Let me tell you what we found.

First, we uncovered a confidential June 28, 1973 memorandum prepared by William A. Morrill, Assistant Secretary for Planning and Evaluation of the Department of Health, Education, and Welfare.

This memorandum so alarmed Corbett Reedy, who was then Acting Commissioner of the Rehabilitation Services Administration, that he protested to James S. Dwight, Jr., Administrator of the Social and Rehabilitation Service.

Mr. Reedy warned Mr. Dwight that the internal memorandum proposed the "fractionation and dissolution of the State-Federal program" for providing rehabilitation services.

And Mr. Reedy was correct in expressing his concern—for Assistant Secretary Morrill seemed to favor a scheme which would have disbanded the basic rehabilitation program in order to replace it with cash payments to disabled people who then must try to find and buy the services they need.

Assistant Secretary Morrill appeared to realize that his suggestions would find little support in Congress, for his memorandum suggested "administratively implementing" his proposal *without new legislation*.

And to "cover up" what the Department of Health, Education, and Welfare was doing, the Assistant Secretary further recommended that "DHEW rhetoric should reinforce strict observance by the States" while management efforts would aim at ignoring the requirements of the legislation.

You all remember the advice of the first of Mr. Nixon's Attorneys-General, John Mitchell, who told us that we should watch what the Administration does and not what it says.

And that is just what my subcommittee has been doing. For like the edited transcripts of Mr. Nixon's tape recordings, the Nixon record on rehabilitation shows the gap between the rhetoric and the facts.

Here is what else we learned:

That the Rehabilitation Services Administration is being submerged beneath a layer of management and efficiency experts who know little or nothing of the rehabilitation program;

That regional Rehabilitation Services Administration officials will report not to their RSA counterparts in the Department of Health, Education, and Welfare, but to the Administrator of the Social and Rehabilitation Service in HEW;

That the Administrator of SRS, James Dwight, Jr., thinks that states should be able to ignore the requirement of the law that there be an independent, identifiable state rehabilitation agency.

FUNDS FOR VOCATIONAL REHABILITATION

And here let me say a word about money for the rehabilitation program.

As most of you are aware, the dollar figures contained in the authorizing legislation constitute, for the basic state program, an entitlement of funds for each of the states.

This linkage between the authorization figures and the allocations to the states is unique to this Federal-State program.

What the linkage means is simply this: that the law requires the Federal government to give each state, by formula, a basic grant for rehabilitation services if the state appropriates the necessary matching funds.

So it became clear, when the Administration, represented by Mr. Dwight, requested a lower amount of money than was needed to match state funds that the Administration was deliberately misleading Congress.

I am happy to be able to tell you, however, that the House of Representatives last month approved enough additional money to match the amount the states are willing to provide; and on Tuesday, the Senate Appropriations Committee followed suit.

No one should be surprised that the House Appropriations report on this appropriations action sharply attacked the Administration for failing, in the words of the report, "to carry out the clear intent of the law."

ADMINISTRATION VIOLATES PLEDGE IN NEW COMMISSIONER APPOINTMENT

Let me say a word before I take my seat about another development that will be important for rehabilitation.

As you all know, the Administration failed for over a year and a half, to appoint a permanent Commissioner of Rehabilitation.

Although Congress was repeatedly promised that the vacancy in this crucial program would be filled, it was not until last week that Dr. Andrew Adams, formerly of the Veterans' Administration was named.

Now I am sure that Dr. Adams is an able and well motivated person and what I must now say is in no way meant to reflect on his personal ability or integrity.

But, as I repeatedly made clear to high officials in the Department of Health, Education, and Welfare who requested that, as principal sponsor in the House of Representatives of the Rehabilitation Act, I meet with Dr. Adams—and I did—the new appointee does not—as he admitted to me—know the rehabilitation program, the authorizing legislation, or the key administrators of, and experts on, the program.

Dr. Adams is a professional in the field of education, not rehabilitation.

So although I wish Dr. Adams well in his new responsibilities, I want to make it perfectly clear that his appointment is in direct violation of the public pledge of Mr. Dwight, as Administrator of SRS, to Congress that the Commissioner's position would be filled by a person who had "experience in the rehabilitation field."

After all the criticism the Administration has had from Congress for failure to comply with the requirements of the law in administering the rehabilitation program, I am frankly astonished at this further expression of hostility to congressional concern.

A SUMMARY

Let me quickly summarize.

I have told you that when we last met, the rehabilitation program in America was in turmoil.

I have told you of secret planning memoranda the effect of which would be to cripple the 54-year old highly successful Federal-State effort to rehabilitate disabled persons.

I have told you that rehabilitation agencies at the state, regional and national levels are threatened with the systematic stripping of their powers.

I have told you that Congress, and not the Administration, is responsible for funding the state program in 1974 at $650 million—the maximum set by law.

Finally, I have suggested that more stormy weather lies ahead because, in appointing a new Commissioner of RSA, the Administration is ignoring capable and experienced rehabilitation professionals in favor of someone with little familiarity and no experience with the Federal vocational rehabilitation program.

Now, where do we go from here?

I want you to know that, together with Congressman Carl D. Perkins, Democrat of Kentucky, the distinguished Chairman of the House Education and Labor Committee, and Congressman Albert Quie, Republican of Minnesota, the distinguished ranking minority member of the Committee, I have introduced legislation to extend the Rehabilitation Act for one year and to move the Rehabilitation Services Administration out of the Social and Rehabilitation Service to the Office of the Secretary of Health, Education and Welfare.

Senator Lloyd Bentsen, Democrat of Texas, has introduced companion legislation in the Senate, and Senator Robert T. Stafford, Republican of Vermont, has joined in urging that RSA be moved out of the Social and Rehabilitation Service.

The reason I have suggested the one year extension, through Fiscal 1976, of the Rehabilitation Act is that, as I have earlier explained, states must know the authorization figures in advance if they are to be able to plan their own appropriations intelligently.

MOVE RSA OUT OF SRS

There are two reasons I am proposing the removal of RSA from SRS.

The first is that the rehabilitation program, a human resources program designed to develop the capacities of the handicapped to their fullest, does not, appropriately, belong in SRS, which is primarily a collection of welfare programs.

But there is a second reason. To put it bluntly: the contempt for the law of the land and for the intent of Congress which, I have already suggested, has characterized those in positions of responsibility in the Social and Rehabilitation Service means that to protect this important program for handicapped Americans we must move RSA out of SRS.

I have elsewhere observed that the Watergate mentality—the mentality of contempt for Congress, contempt for the courts, contempt for our constitutional processes, contempt for the American people—is to be found at every level of the Administration of Richard Nixon.

Disregard for the law of the land and for the intent of Congress with respect to the program for the rehabilitation of handicapped persons is evidence of that mentality in the Department of Health, Education, and Welfare.

So, if we are going to be able to protect and strengthen the rehabilitation program, we will need your help.

What should you do? You should write to your elected Representatives and Senators in Congress to urge their support for immediate extension of the Rehabilitation Act.

You should tell them, as well, that rehabilitation is not a welfare program and should, therefore, be moved out of SRS.

Finally, you should press upon them unceasing attention to what this Administration is trying to do to the rehabilitation program. Only a vigilant Congress has prevented the Administration from successfully carrying out its plans to eviscerate rehabilitation services in this country.

Your actions will help guarantee that a program that has for so long meant so much to the lives of so many will continue to serve the handicapped people of America.

What you—and others like you—do will help lift the handicapped of this great land from the edge of despair to the realization of the rich promise of American life—that each individual may develop to his fullest potential.

I look forward to working with you toward the achievement of that promise.

VOTER REGISTRATION AND DEMOCRACY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I would like to express some of the reasons I am supporting H.R. 8053, the National Voter Registration Act, which is scheduled for floor action Wednesday. The House Administration Committee, of which I am a member, voted the bill out by a margin of 15 to 10. The Senate passed the companion measure by a 57-to-37 vote.

In an effort to demonstrate the supposed chaos that would be created under the new system, critics of the legislation have cited an extremely complicated form from a State already using mail registration, Minnesota. However, Minnesota State officials acknowledge that this was one of the earliest forms devised, with little refinement, and the legislature has changed the form. I will send to the attention of all my colleagues tomorrow the very successful and simple form used in the State of Maryland. The Montgomery County, Md., elections administrator has pointed out that if officials do not want to "gut" the system, but rather want to make it work, such a simple form is easy to design.

The possibility of fraud, rather than being increased by the new system, would be decreased. The "human error" of omission by officials will be eliminated. In addition, States and localities are not prohibited from continuing earlier antifraud procedures, and the bill increases the criminal penalties for fraud. In the 1973 Minneapolis city election, there was a 12.6-percent increase in registration, approximately half directly because of the postcard system, according to city and State officials. This includes significant use of the mail procedure by handicapped, elderly, and hospitalized persons who were previously unable to register. The Secretary of State found no fraud. Texas reports similar increases without evidence of fraud under its new laws.

The possibility of two voting lists—one State and one Federal—has been raised as an objection. I do not believe this to be a serious criticism, since the bill provides a major financial incentive—an additional 30 percent—if the State applies the Federal procedure to both Federal and State elections. In any event, it is important to note that dual registration is now the case where local, State, and Federal residency requirements differ. The bill's financial incentives will help to standardize registration records.

During our committee hearings, experts, and elections officials from across the country provided an incredible catalog of current administrative and legal obstacles to registration: lack of deputy registrars, insufficient mobile registration, distance to the central registration site, lack of cooperation by registration officials, distortion of registrars' actions due to partisan consideration, and others.

Testimony of the public opinion research firm of Daniel Yankelovich, Inc., included the critical finding that three-fourths of those who did not vote in the previous Presidential election said they would have voted if they had been registered. This is supported by census statistics showing that 87 percent of those registered actually did vote.

The National Voter Registration Act addresses these problems for the first time. The authorized maximum cost is $50 million—far less than many critics have asserted.

The New York City Council president has endorsed voter registration by mail so that the city can "insure the maximum participation of all its qualified voters." State and local governments have previously assumed the entire burden of elections costs. It is time for the Federal Government to assume its fair portion of the burden.

It is in the interests of democracy that the electorate be expanded and that redtape now surrounding registration for voting purposes be eliminated wherever possible. H.R. 8053 does that, and I urge my colleagues to support it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Brademas (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Carney of Ohio (at the request of Mr. O'Neill), for this week, on account of official business of the Committee on Interstate and Foreign Commerce.

Mr. Corman, for today, on account of official business.

Mr. Fountain (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Guyer (at the request of Mr. Arends), for today, on account of official business.

Mr. Haley (at the request of Mr. Sikes), for the period May 6, 1974, through May 10, 1974, on account of illness.

Mr. Helstoski (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Mann (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Morgan (at the request of Mr. O'Neill), for this week, on account of official business.

Mr. Nichols (at the request of Mr. O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Walsh), to revise and extend their remarks, and to include extraneous matter:)

Mr. McCollister, for 1 hour, today.

Mr. Cleveland, for 10 minutes, today.

Mrs. Heckler of Massachusetts, for 30 minutes, today.

(The following Members (at the request of Mr. Murtha) and to revise and extend their remarks and include extraneous matter:

Mr. O'Neill, for 10 minutes today.

Mr. Fraser, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Rangel, for 15 minutes, today.

Mr. Mitchell of Maryland, for 60 minutes, on May 13.

Mr. Hansen of Idaho (at the request of Mr. Peyser), to address the House for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Evins of Tennessee in two instances.

(The following Members (at the request of Mr. Walsh), and to include extraneous matter:)

Mr. Hillis.

Mr. Hanrahan in two instances.

Mr. Heinz.

Mr. Gross.

Mr. Horton.

Mr. Archer.

Mr. Sarasin in two instances.

Mr. Cleveland in two instances.

Mr. Bray in two instances.

Mr. du Pont in three instances.

Mr. Anderson of Illinois in three instances.

Mr. Hunt in two instances.

Mr. Minshall of Ohio.

Mr. Steiger of Wisconsin in three instances.

Mr. Butler.

Mr. Frenzel.

The following Members (at the request of Mr. Murtha and to include extraneous matter:)

Mr. Sisk.

Mr. Annunzio in six instances.

Mr. Rarick in three instances.

Mr. Gonzalez in three instances.

Mr. Culver in six instances.

Mr. Rooney of New York.

Mr. Conyers in 10 instances.

Mr. Gunter in two instances.

Mr. Vanik in two instances.

Mr. Luken.

Mr. Edwards of California.

Mr. Badillo in two instances.

Mr. Corman in five instances.

Mr. Evins of Tennessee in six instances.

Mr. Charles H. Wilson of California in 10 instances.

Mr. Fraser.

Mr. Ichord.

Mr. Riegle.

Mr. Roybal in 10 instances.

Mr. Anderson of California in two instances.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 354. An act to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring nofaul motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways; to the Committee on Interstate and Foreign Commerce;

S. 1227. An act to amend section 415 of the Communications Act of 1934, as amended, to provide for a 2-year period of limitations in proceedings against carriers for the recovery of overcharges or damages not based on overcharges; to the Committee on Interstate and Foreign Commerce;

S. 1479. An act to amend subsection (b) of section 214 and subsection (c)(1) of section 222 of the Communications Act of 1934, as amended, in order to designate the Secretary of Defense (rather than the Secretaries of the Army and the Navy) as the person entitled to receive official notice of the filing of certain applications in the common carrier service and to provide notice to the Secretary of State where under section 214 applications involve service to foreign points; to the Committee on Interstate and Foreign Commerce;

S. 2457. An act to amend the Communications Act of 1934, as amended, to permit the Federal Communications Commission to grant radio station licenses in the safety and special and experimental radio services directly to aliens, representatives of aliens, foreign corporations, or domestic corporations with alien officers, directors, or stockholders; and to permit aliens holding such radio station licenses to be licensed as operators; to the Committee on Interstate and Foreign Commerce;

S. J. Res. 175. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 6, 1974, as "National Historic Preservation Week"; to the Committee on the Judiciary;

S. J. Res. 195. Joint resolution to authorize and request the President to issue a proclamation designating May 13, 1974, as "Ameri-Preservation Week"; to the Committee on the Judiciary; and

S.J. Res. 197. Joint resolution to authorize the designation of the seven-day period beginning June 17, 1974, and ending June 23, 1974, as "National Amateur Radio Week", to the Committee on the Judiciary.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on May 2, 1974, present to the President, for his approval, bills of the House of the following titles:

H.R. 9293. To amend certain laws affecting the Coast Guard.

H.R. 11793. To reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions.

ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 47 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 7, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2274. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under section 506(a) of the Foreign Assistance Act of 1961, as amended, to order up to $50 million in defense articles from the stocks of the Department of Defense and defense services for military assistance to Cambodia, pursuant to section 652 of the act [22 U.S.C. 2411]; to the Committee on Foreign Affairs.

2275. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on Federal financial assistance to States for civil defense equipment and facilities during the quarter ended March 31, 1974, pursuant to 50 U.S.C. app. 2281(i); to the Committee on Armed Services.

2276. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 74–16 authorizing the provision of security supporting assistance to Egypt during fiscal year 1974 under sections 610(a), 614(a), and 653(a) of the Foreign Assistance Act of 1961, as amended, pursuant to section 634(d) of the act [22 U.S.C. 2394(d)]; to the Committee on Foreign Affairs.

2277. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on assistance-related funds obligated for Cambodia during the third quarter of fiscal year 1974, pursuant to 22 U.S.C. 2415(f); to the Committee on Foreign Affairs.

2278. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by William D. Wolle, Ambassador-designate to the Sultanate of Oman, and by Deane R. Hinton, Ambassador-designate to the Republic of Zaire, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2279. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to provide expanded support for scholarly, cultural and artistic exchange programs between Japan and the United States, and for other purposes; to the Committee on Foreign Affairs.

2280. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on budgetary reserves as of April 20, 1974, pursuant to section 3 of Public Law 93–9 [31 U.S.C. 581c–1]; to the Committee on Government Operations.

2281. A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of January 1974, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2282. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

2283. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to section 244(a)(1) of the Immigration and Nationality Act, as amended [8 U.S.C. 1254 (c)(1)]; to the Committee on the Judiciary.

2284. A letter from the Acting Administrator of General Services, transmitting a draft of proposed legislation to amend subsection

(e) of the act of August 25, 1958 (Public Law 85–745, 72 Stat. 838), as amended, to provide that the widow of each former President shall receive an annual monetary allowance that is equal to 55 percent of the annual allowance authorized for former Presidents; to the Committee on Post Office and Civil Service.

2285. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or industrial mobilization in the interest of the national defense, covering the period July through December 1973, pursuant to 10 U.S.C. 2304(e); to the Committee on Science and Astronautics.

RECEIVED FROM THE COMPTROLLER GENERAL

2286. A letter from the Comptroller General of the United States, transmitting an interim report on the Commodity Exchange Authority, Department of Agriculture, and on commodity futures trading; to the Committee on Government Operations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 14580. A bill to amend the Internal Revenue Code of 1954 to eliminate the percentage depletion allowance for oil and gas wells and oil shale, to deny the deduction for intangible drilling and development costs, and to disallow the foreign tax credit for taxes paid to a foreign country with respect to foreign mineral income derived from any oil or gas well; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H.R. 14581. A bill to amend section 1682 of title 38 (U.S.C.) in order to provide cost-of-living increases, on a quarterly basis, for veterans receiving educational assistance allowances; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of Illinois (for himself, Mr. Chappell, and Mr. O'Brien):

H.R. 14582. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 14583. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. BOWEN:

H.R. 14584. A bill to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to increase safety on the Nation's highways; to the Committee on Public Works.

By Mr. CAREY of New York:

H.R. 14585. A bill to amend the Social Security Act to establish a national health insurance program for all Americans within the social security system, to improve the benefits in the medicare program including a new program of long-term care, to improve Federal programs to create the health resources needed to supply health care, to provide for the administration of the national health insurance program and the existing social security programs by a newly established independent Social Security Administration, to provide for the administration of health resource development by a semi-independent board in the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Ways and Means.

By Mr. DAVIS of South Carolina:

H.R. 14586. A bill to direct the U.S. Civil Service Commission to conduct a study with respect to certain Federal employees; to the Committe on Post Office and Civil Service.

By Mr. FISH:

H.R. 14587. A bill to establish a National Foreign Investment Control Commission to prohibit or restrict foreign ownership control or management control, through direct purchase, in whole or part; from acquiring securities of certain domestic issuers of securities; from acquiring certain domestic issuers of securities, by merger, tender offer, or any other means; control of certain domestic corporations or industries, real estate or other natural resources deemed to be vital to the economic security and national defense of the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 14588. A bill to create a Joint Congressional Committee on Foreign Investment Control in the United States; to the Committee on Rules.

By Mr. FROEHLICH:

H.R. 14589. A bill to prohibit Soviet energy investments; to the Committee on Banking and Currency.

H.R. 14590. A bill to amend section 2 of the act of April 14, 1910, relating to railway safety appliances, to require reflecting devices or materials as a safety measure on all railroad cars, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14591. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HÉBERT (for himself and Mr. Bray):

H.R. 14592. A bill to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each Active Duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; to the Committee on Armed Services.

By Mr. KASTENMEIER:

H.R. 14593. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself and Mr. Drinan):

H.R. 14594. A bill to insure the right to vote in the case of former criminal offenders; to the Committee on the Judiciary.

By Mr. MOAKLEY:

H.R. 14595. A bill to amend the Foreign Assistance Act of 1961 to authorize an appropriation of $300 million to provide famine and disaster relief, rehabilitation, and reconstruction assistance to the Sahelian nations of Africa; to the Committee on Foreign Affairs.

By Mr. RINALDO:

H.R. 14596. A bill to require the Secretary of the Interior to compile and keep current a mineral fuel reserves inventory; to the Committee on Interior and Insular Affairs.

By Mr. RODINO:

H.R. 14597. A bill to increase the limit on dues for U.S. membership in the International Criminal Police Organization; to the Committee on the Judiciary.

By Mr. ROGERS (for himself, Mr. Carter, Mr. Hastings, Mr. Fascell, Mr. Haley, Mr. Lehman, Mr. Pepper, Mr. Bevill, Mr. Burgener, Mr. Carney of Ohio, Ms. Chisholm, Mr. Corman, Mr. Eilberg, Mr. Froehlich, Mr. Hansen of Idaho, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Howard, Mr. Luken, Ms. Mink, Mr. Murphy of New York, Mr. Rees, Mr. Rodino, Mr. Roybal, and Ms. Schroeder):

H.R. 14598. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SKUBITZ:

H.R. 14599. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mrs. SULLIVAN (for herself, Mr. Leggett, Mr. Murphy of New York, Mr. Stubblefield, Mr. Metcalfe, Mr. Bowen, Mr. Grover, and Mr. Mosher):

H.R. 14600. A bill to increase the borrowing authority of the Panama Canal Company and revise the method of computing interest thereon; to the Committee on Merchant Marine and Fisheries.

By Mr. TIERNAN:

H.R. 14601. A bill to amend the Urban Mass Transportation Act of 1964 to provide priority in the allocation of funds thereunder to those cities and other public agencies which will permit persons who are at least 65 years of age to use the facilities at specially reduced fares, and for other purposes; to the Committee on Banking and Currency.

By Mr. UDALL:

H.R. 14602. A bill to provide for the efficient development of the natural resources of the Navajo and Hopi Reservations for the benefit of its residents, to assist the members of the Navajo and Hopi Tribes in becoming economically fully self-supporting, to resolve a land dispute between the Navajo and Hopi Tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN (for himself, Mr. Yatron, Mr. Abdnor, Mr. Anderson of Illinois, Mr. Bell, Mr. Bevill, Mr. Breaux, Mr. Burgener, Mr. Byron, Mrs. Chisholm, Mr. Clark, Mr. Cleveland, Mr. Collins of Texas, Mr. Coughlin, Mr. Denholm, Mr. Derwinski, Mr. Diggs, Mr. Esch, Mr. Mr. Forsythe, Mr. Gude, Mr. Gunter, Mr. Guyer, Mr. Hanley, Mr. Hinshaw, and Mr. Horton):

H.R. 14603. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. ULLMAN (for himself, Mr. Yatron, Mr. Hudnut, Mr. Kemp, Mr. Lott, Mr. Mayne, Mr. McCormack, Mr. McKay, Mr. McKinney, Mr. Michel, Mr. Mollohan, Mr. Murtha, Mr. Patman, Mr. Pepper, Mr. Podell, Mr. Preyer, Mr. Regula, Mr. Riegle, Mr. Robinson of Virginia, Mr. Roe, Mr. Scherle, Mrs. Schroeder, Mr. Sebelius, Mr. Seiberling, and Mr. Shriver):

H.R. 14604. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. ULLMAN (for himself, Mr. Schneebeli, Mr. Yatron, Mr. Stark, Mr. Steed, Mr. Steelman, Mr. Steiger of Wisconsin, Mr. Studds, Mr. Thomson of Wisconsin, Mr. Veysey, Mr. Whitehurst, Mr. Winn, Mr. Won Pat, Mr. Young of Florida, and Mr. Froehlich):

H.R. 14605. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. VANDER VEEN:

H.R. 14606. A bill to improve the conduct and regulation of Federal election campaign activities and to provide public financing for such campaigns; to the Committee on House Administration.

By Mr. VANIK:

H.R. 14607. A bill to amend the Internal Revenue Code of 1954 to eliminate, in the case of any oil or gas well located outside the United States, the percentage depletion allowance and the option to deduct intangible drilling and development costs, and to deny a foreign tax credit with respect to the income derived from any such well; to the Committee on Ways and Means.

By Mr. FROEHLICH:

H.J. Res. 1000. Joint resolution proposing an amendment to the Constitution of the United States to provide 10-year terms for Federal judges; to the Committee on the Judiciary.

By Mr. MINSHALL of Ohio:

H.J. Res. 1001. Joint resolution asking that the President of the United States declare the first week of each November as Young Ladies' Radio League, Inc. National Week; to the Committee on the Judiciary.

By Mr. FORSYTHE:

H. Con. Res. 486. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. ROYBAL (for himself, Mr. THOMPSON of New Jersey, Mr. BRADEMAS, Mr. FORD, Mr. MCFALL, Mr. O'HARA, and Mr. PERKINS):

H. Con. Res. 487. Concurrent resolution designating May 12 through May 18, 1974 as National Migrant Education Week; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

450. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, relative to the appropriation of funds for an economic and environmental impact study of the Dickey-Lincoln project; to the Committee on Appropriations.

451. Also, memorial of the Legislature of the State of Oklahoma, relative to State control over busing; to the Committee on Education and Labor.

452. Also, memorial of the House of Representatives of the State of Washington, relative to extension of the Economic Opportunity Act of 1964; to the Committee on Education and Labor.

453. Also, memorial of the Assembly of the State of California, relative to Amtrak; to the Committee on Interstate and Foreign Commerce.

454. Also, memorial of the House of Representatives of the State of Oklahoma, relative to State health planning and development programs; to the Committee on Interstate and Foreign Commerce.

455. Also, memorial of the Legislature of the Commonwealth of Pennsylvania, relative to the recycling of scrap iron and steel; to the Committee on Interstate and Foreign Commerce.

456. Also, memorial of the House of Representatives of the State of Washington, relative to requiring the marking of the sides of railroad cars with light reflecting material; to the Committee on Interstate and Foreign Commerce.

457. Also, memorial of the House of Representatives of the State of Washington, relative to rail passenger service between Seattle and Olympia, Wash.; to the Committee on Interstate and Foreign Commerce.

458. Also, memorial of the House of Representatives of the State of Washington, relative to National Volunteer Week; to the Committee on the Judiciary.

459. Also, memorial of the Legislature of the State of Idaho, relative to the use of foreign vessels in transporting anhydrous ammonia from Alaska to the Western States; to the Committee on Merchant Marine and Fisheries.

460. Also, memorial of the House of Representatives of the State of Washington, relative to the use of foreign vessels in transporting anhydrous ammonia from Alaska to Washington; to the Committee on Merchant Marine and Fisheries.

461. Also, memorial of the House of Representatives of the State of Missouri, relative to the retail sale of surplus office equipment by the U.S. Postal Service in competition with private enterprise; to the Committee on Post Office and Civil Service.

462. Also, memorial of the House of Representatives of the State of Washington, relaative to increasing veterans' benefits to offset the increased cost of living; to the Committee on Veterans' Affairs.

463. Also, memorial of the House of Representatives of the State of Washington, relative to a national health care system; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FLOOD:

H.R. 14608. A bill for the relief of Matrouk Dukum; to the Committee on the Judiciary.

By Mr. LOTT:

H.R. 14609. A bill for the relief of Maria Magdelena Pena Rich; to the Committee on the Judiciary.

SENATE—*Monday, May 6, 1974*

The Senate met at 10 a.m. and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Ruler of men and nations, amid the turbulence of these testing times, keep our hearts and minds in steadfast fidelity to Thy word. Grant us the wisdom and the courage to do our duty to that truth and righteousness which exalts a nation. Under stress keep our hearts at peace with Thee. May the spirit of the Man of Nazareth shape our judgments and guide our deliberations. Direct all our actions according to Thy will for the welfare of this Nation and the advancement of Thy kingdom.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 6, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. NUNN thereupon took the chair as Acting President pro tempore.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of January 29, 1973, Mr. MCCLELLAN, from the Committee on Appropriations, reported favorably, with amendments, on May 3, 1974, the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, and submitted a report (No. 93-814) thereon, which was printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO SUPPLEMENTAL APPROPRIATIONS BILL SUBMITTED DURING ADJOURNMENT

AMENDMENT NO. 1258

(Ordered to be printed, and to lie on the table.)

Under authority of the order of the Senate of January 29, 1973, Mr. MCCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, the following amendment, namely:

Page 6, on line 13, after the amount $22,300,000, insert the following:

: *Provided,* That not less than ninety-two flying units shall be maintained during fiscal year 1974.

Mr. MCCLELLAN also submitted an amendment, intended to be proposed by him, to House bill 14013, making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

(For text of amendment referred to, see the foregoing notice.)

AMENDMENT NO. 1259

(Ordered to be printed, and to lie on the table.)

Mr. McCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, the following amendment, namely:

Page 72, after line 5, insert the following:

SECTION 406. Section 718 of the Department of Defense Appropriation Act, 1974, is hereby repealed.

Mr. McCLELLAN also submitted an amendment, intended to be proposed by him, to House bill 14013, supra.

(For text of amendment referred to, see the foregoing notice.)

AMENDMENT NO. 1260

(Ordered to be printed, and to lie on the table.)

Mr. STEVENS submitted the following notice in writing:

In accordance with rule XL of the Standing ing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, the following amendment; namely:

OFFICE OF EDUCATION

INDIAN EDUCATION

Notwithstanding any regulation of the Office of Education, Department of Health, Education, and Welfare, amounts for part A and part C appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1974, shall remain available for allocation as provided by law in response to applications received on or before May 30, 1974.

(For text of amendment referred to, see the foregoing notice.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, May 2, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the Legislative Calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Philip W. Tone, of Illinois, to be U.S. circuit judge for the seventh circuit.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 765, S. 3124, and then beginning with Calendar No. 772 through Calendar No. 779.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE PROTECTIVE SERVICE

The bill (S. 3124) to increase the size of the Executive Protective Service, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 203 of title 3, United States Code, is amended by striking out "eight hundred and fifty" and inserting in lieu thereof "one thousand two hundred".

LORETTO B. FITZGERALD

The bill (S. 239) for the relief of Loretto B. Fitzgerald was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Loretto B. Fitzgerald of Billings, Montana, in full satisfaction of any and all claims she may have against the United States for amounts allegedly owed her as back salary, and as an additional lump-sum payment for accumulated and accrued leave, for the period from February 21, 1955, through February 18, 1970, a sum equal to the difference between the total amount the said Loretto B. Fitzgerald actually received in salary and lump-sum payment for accumulated and accrued leave for such period while serving as an employee of the Federal Housing Administration and the total amount she would have been entitled to receive for such period if her initial appointment by such Administration had been in the grade of GS–3, at the first longevity step rate, at a salary rate of $3,510 per annum (the rate she was receiving as an employee of the Department of Agriculture immediately prior to such appointment).

SEC. 2. (a) (1) The Civil Service Commission shall recompute the civil service retirement annuity of the said Loretto B. Fitzgerald to reflect any increase in the amount of the annuity to which she would have been entitled if she had been appointed by the Federal Housing Administration on February 21, 1955, at the higher salary rate of $3,510 referred to in the first section of this Act.

(2) The Civil Service Commission shall pay to the said Loretto B. Fitzgerald an amount equal to the difference between the total amount actually paid to her in retirement annuity between February 19, 1970, the first day of her retirement from Federal service, and the day preceding the date of enactment of this Act and the total amount she would have been entitled to receive in annuity retirement payments during such period on the basis of recomputation provided for in paragraph (1), reduced by the amount of any additional amounts the said Loretto B. Fitzgerald would have had to pay into the Civil Service Retirement and Disability Fund as the result of any increased salary rate she would have received during the period from February 21, 1955, through February 18, 1970, had she been appointed at the salary rate referred to in the first section of this act.

(3) The Civil Service Commission shall pay the said Loretto B. Fitzgerald a monthly annuity on and after the date of enactment of this Act on the basis of the recomputation required by paragraph (1).

(b) The amount of group life insurance, and group accidental death and dismemberment insurance, to which the said Loretto B. Fitzgerald is entitled under chapter 87 of title 5, United States Code, subsequent to her retirement from Federal service shall be determined on the basis of the salary rate she would have been entitled to receive on the day preceding the date of her retirement from Federal service had she been appointed by the Federal Housing Administration on February 21, 1955, at the annual salary rate of $3,510 referred to in the first section of this Act.

SEC. 3. No part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any amount not in excess of $1,000.

ROSINA C. BELTRAN

The bill (S. 506) for the relief of Rosina C. Beltran, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Rosina C. Beltran shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

MARY RED HEAD

The bill (S. 1357) for the relief of Mary Red Head, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Red Head of Browning, Montana, the sum of $10,000 in full settlement of all her claims against the United States for disability arising out of the loss of part of her arm (from the elbow down) in 1921 in machinery she was operating in the laundry while a student at the Cut Bank Boarding School, Montana, a school operated by the Bureau of Indian Affairs. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

IOAN GHEORGHE IACOB

The bill (S. 2593) for the relief of Ioan Gheorghe Iacob, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Ioan Gheorghe Iacob, who was lawfully admitted to the United States for permanent residence on July 14, 1969, shall be held and considered not to be within the classes of persons whose naturalization is prohibited by the provisions of section 313 of the Immigration and Nationality Act.

JAN SEJNA

The bill (S. 2594) for the relief of Jan Sejna was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jan Sejna, who lawfully admitted to the United States for permanent residence on February 28, 1968, shall be held and considered not to be within the classes of persons whose naturalization is prohibited by the provisions of section 313 of the Immigration and Nationality Act.

MORENA STOLSMARK

The bill (H.R. 5759) for the relief of Morena Stolsmark was considered, ordered to a third reading, read the third time, and passed.

GLORIA GO

The bill (H.R. 6116) for the relief of Gloria Go was considered, ordered to a third reading, read the third time, and passed.

REPEAL OF "COOLY TRADE" LAWS

The bill (S. 2220) to repeal the "cooly trade" laws was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 2158–2163, Revised Statutes, and sections 1, 2, and 4 of the Act of March 3, 1875 (ch. 141 18 Stat. 477) (8 U.S.C. 331–339), are hereby repealed.

DEPARTMENT OF DEFENSE AND THE MAKING OF FOREIGN POLICY

Mr. MANSFIELD. Mr. President, sometime around the first of the year, I had occasion to make a statement to the effect that the Secretary of Defense should not get involved in the making of foreign policy.

At that time, I had read in the newspapers that the Secretary of Defense had indicated this country would be prepared to continue operations in North Vietnam should the occasion arise.

In a sense of fairness and after reading the transcript of the Schlesinger interview under date of January 7, 1974, I ask unanimous consent that my remarks may be corrected by the printing in the Record of an excerpt from that interview.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Sidey. In reality, is there any area of the world that we could introduce conventional forces into at this time? For instance, there's a great deal of talk about a renewed offensive from North Vietnam. Is there any conceivable set of circumstances where we could go back in there, or would?

Secretary Schlesinger. Of course, the administration is limited at the present time by the legislation that was passed by the Congress last summer. I believe that if the North Vietnamese were to choose, without provocation, to launch an all-out offensive of the sort that occurred in May of 1972, and if the President requested from the Congress the authority to use U.S. tactical aircraft in support of the Vietnamese, that that authority might well be forthcoming. It is something that the North Vietnamese certainly should not count on, that that authority would not be forthcoming.

Sidey. Would the request be forthcoming? Almost certainly.

Secretary Schlesinger. I believe that the request is highly likely to be forthcoming under the circumstances that I've mentioned.

Sidey. What about the offensive itself? Is it likely?

Secretary Schlesinger. I think that the probability of that is less than fifty percent. So that there has been a considerable improvement and a higher degree of stabilization in Vietnam than might have been anticipated even a year ago.

Mr. MANSFIELD. Mr. President, may I say that I am glad to make this correction in fairness to Secretary Schlesinger and I will watch myself a little more carefully in the future.

IMPEACHMENT AND TV COVERAGE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an editorial published in the Los Angeles Times on Sunday, May 5, 1974, entitled "Impeachment and TV Coverage."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Impeachment and TV Coverage

We agree with the action of the House Judiciary Committee permitting live television coverage of all of its public hearings on impeachment.

In our opinion, the House of Representatives and the Senate should also vote to permit television if the issue of removing President Nixon from office reaches them for decision, as it almost certainly will.

Mr. Nixon won reelection by a massive plurality a year and a half ago. In Congress—through indictment in the House and trial in the Senate—is to reverse that mandate, the people must be given the most direct possible access to the proceedings.

They must hear the evidence themselves, they must weigh the probity of the witnesses, and they must be satisfied that the ultimate judgment is fair to the President and responsive to Congress' obligation to explore the evidence fully and without partisan prejudice.

The White House had no objection to the Judiciary Committee's decision to televise its public hearings—and to react otherwise would have been indefensible. Mr. Nixon has often taken advantage of prime network time to explain, without challenge, his role in the Watergate affair. And, more often than not, he has used it as a forum to attack the objectivity of television.

Since the release of the first transcripts of presidential conversations early last week, Administration officials have been accusing TV reporters of emphasizing sections of the transcripts that are the most damaging to the President. There can be no grounds for such criticism during the impeachment process if the people, through television, are a direct party to the proceedings—if they sit, as it were, as reserve jurors in the case.

The objections most often to televising the impeachment hearings and trial are that it would disturb the decorum of the proceedings, would intimidate witnesses, and would encourage demagogic behavior by opportunistic legislators.

We find none of these arguments persuasive. With the present technology, including telescopic lenses, the cameras and crews are no more obtrusive than are other observers, as is evident from past legislative hearings and from State of the Union messages to joint sessions of Congress in the House chamber.

Nor are the witnesses in this case likely to be awed by TV cameras. Almost all of them will be public men, accustomed to appearing on television both in their official duties and, in many cases, as witnesses before the Senate Watergate Committee.

Finally, if legislators were to grandstand, the cameras themselves would be the harshest judges of their gaucheries in proceedings of such historic importance.

George E. Reedy, a former press secretary to President Lyndon B. Johnson, wrote in The Times last week that, in terms of the future of American unity, the verdict of the people "is fully as important as the legislative verdict" in the impeachment process. "There should be no barriers whatsoever between the public and the facts."

The House and the Senate can eliminate one such barrier by permitting the fullest possible TV coverage of their deliberations.

INFLATION WITHOUT CONTROLS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD two articles published in the New York Times for Sunday, May 5, 1974, on the subject of inflation and prices heading up.

There being no objection, the two articles were ordered to be printed in the RECORD, as follows:

TRYING TO RESTRAIN INFLATION WITHOUT CONTROLS

(By Edward Cowan)

WASHINGTON.—Within 16 hours of the expiration at midnight last Tuesday of the wage and price controls, the Senate embroiled itself in a knockdown debate that should be regarded as an augury.

In three and a half hours seven rollcalls and several bouts of parliamentary confusion, the Senate rejected renewal of authority for price-wage controls and narrowly agreed that the Government should undertake a broad range of inflation monitoring functions.

If the legislation survives a final Senate vote on Wednesday, it will go to the House, where opponents are thought to be stronger.

Whatever the outcome, one thing is plain: Once again Congress and the Administration are wrestling with "incomes policy," a catch-all term for Government efforts to influence wages and prices.

The experiment with direct price and wage regulation in peacetime that began in August, 1971, is widely regarded as a failure. Not only the Nixon Administration, which violated its own philosophy by applying controls, and not only big labor and big business but even many liberals in Congress feel that direct controls have done more harm than good.

Yet, many of the anti-controls people on both sides of the ideological border are unable to embrace the proposition that the Government should keep hands off altogether.

The question is this: Short of renewed controls on individual prices and wages, what can the Government appropriately and usefully do to restrain inflation in particular situations?

It is widely agreed that restrained fiscal and monetary policies alone will not achieve that end, if only because experience teaches that:

Inflationary pressures are sometimes triggered by forces other than aggregate excess money demand. Poor harvests, for example, can set off a chain reaction of price rises.

Fiscal and monetary policy could contain such inflation but only by putting the economy through a brutal recession.

The approach to incomes policy embraced by the Senate Wednesday night is essentially that of John T. Dunlop, the Harvard economist and mediator who has been director of the Cost of Living Council for 16 months.

As outlined by him and sponsored by three Democratic Senators—Edmund S. Muskie of Maine, Adlai E. Stevenson 3d of Illinois and J. Bennett Johnston of Louisiana—the Cost of Living Act would give the President "monitoring authority" to:

1. Review Federal programs "which may have adverse effects on supply and cause increases in prices." If the last year is any indication, this means primarily curbing the Agriculture Department's deeply ingrained preference for restricting output. Secondarily, and related, it means selective opposition to import quotas and other protectionist devices to prop up domestic prices.

2. Review industrial capacity. This is troubleshooting, discovering incipient bottlenecks and shortages and using the Government as a catalyst for expansion of capacity.

3. "Improve wage and price data . . . to improve collective bargaining and encourage price restraint." No economist can say "the data are lousy" with more conviction than Mr. Dunlop.

4. "Conduct public hearings when appropriate to provide for public scrutiny of inflationary problems." In addition, the bill would authorize use of subpenas to compel business (and labor?) to testify and produce "relevant books, papers and other documents."

5. "Focus attention on the need to increase productivity in both the public and private sectors."

6. "Monitor the economy as a whole"—wages, costs, productivity, prices, sales, profits, imports and exports. This reflects the Dunlap view that inflation is a manyheaded monster that must be dealt with in particular ways that are precisely tailored to circumstances.

7. "Conduct a continuing review of the effect of economic concentration and anti-competitive practices" on inflation and recommend remedial action. This is not a facet of the problem Mr. Dunlop has talked about much in the last year, and its inclusion may well be chiefly window dressing for the liberals.

What these seven points would amount to in practice would depend in part on who was running the monitoring agency, the disposition of the Administration and how much money and staff Congress provided. This would be especially true of the frequency and tone of public hearings and follow-up jaw-boning to put pressure on the parties involved.

Mr. Dunlop seems to be disposed to stay on in Washington as chief price-wage monitor if he can get minimal tools, money and White House support to do the job. There have been indications that Mr. Nixon has made overtures to him.

Wearing a Washington hat, Mr. Dunlop could continue to dine and drink with construction-trades leaders and employers, cajoling and arguing and occasionally erupting into a well-timed burst of profane anger.

He could also keep a hand in the shaping of a national health-care program, particularly devices to restrain runaway hospital and nursing home charges, a topic he has examined in depth.

At the moment, the Cost of Living Council has funds and authority to continue in business until June 30. It will be cleaning up pending cases that concern pre-May 1 prices and wages and it will be logging in and examining required reports for periods through April 30.

As for events after April 30, Mr. Dunlop is presently armed only with his considerable capacity for moral indignation. Evidently he is prepared to exercise it.

The morning after the Economic Stabilization Act expired, he sent telegrams to hundreds of companies in 17 industries asserting that their price-restraint commitments, given to Mr. Dunlop in exchange for early exemption from controls, had not lapsed with the statute.

Presumably he will have more to say if these commitments are violated.

PRICE HEADING UP

Like helium balloons taking off as soon as their lines are cut, many prices shot skyward last week following the expiration of most wage and price controls at midnight Tuesday. Oil prices remain under controls until next Feb. 28.

Basic metals led the surge. On Wednesday the National Steel Corporation, the nation's third largest steel company, lifted the price of its tin-mill products by an average of 9.5 per cent.

This set the stage for the United States Steel Corporation, the nation's biggest steel maker, to raise its prices Thursday by an average of 5.7 percent across its total steel product line. It increased the price of cold rolled steel (its largest volume product, which goes into automobile bodies, appliances and furniture) to $226 a ton from $206, up 9.7 percent.

Copper also broke out of the starting gate. Phelps Dodge, Anaconda and Kennecott all raised the price of copper cathodes by 18 percent.

The Linde division of Union Carbide raised its industrial gas prices by 10 to 15 percent. These include oxygen, nitrogen, hyrogen, argon and acetylene. Westinghouse said it would raise the price of its light bulbs about 10 percent on June 1.

Hoffman-La Roche, Inc., the United States affiliate of the Swiss pharmaceutical firm that is the world's largest manufacturer of several vitamins, raised its prices substantially For example, ascorbic acid (vitamin C) rose 29 percent to $5.50 a kilogram from $4.25. American Express also got into the act, elevating the price of an American Express card by one-third to $20 a year from $15.

On the labor front, 12,000 longshoremen closed West Coast ports to get a 30-cents-an-hour wage increase and to protest a Pay Board action that had reduced a raise they negotiated in 1972. In Palo Alto, Calif., the Hewlett-Packard Company, a major electronics maker, gave its 20,000 employees a 5 percent raise.

However, not all prices headed upward. Four major flour millers cut their flour prices 12 percent, and George A. Hormel & Co. announced it was cutting the price of Spam, a luncheon meat, by 7 cents a can.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the following Senate bills, each with an amendment, in which it requests the concurrence of the Senate:

S. 775. An act to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging; and

S. 2893. An act to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years.

GOLDEN JUBILEE FOR ST. MARY COLLEGE IN LEAVENWORTH, KANS.

Mr. MANSFIELD. Mr. President, as a Senator from the State of Montana, one might wonder why I am interested in St. Mary College in Leavenworth, Kans. It just happens that a great many of the students attending St. Mary College come from Montana. Since the early days when Montana was a territory, the Sisters of Charity of Leavenworth have contributed much to development of our State in the fields of education, health, and in other areas. So we look upon Montana as being St. Mary College West. I happen to be a member of the Presidents' Council of St. Mary along with my distinguished colleague, the Senator from Kansas (Mr. Pearson).

I should like at this time to make a few remarks about this outstanding educational institution.

St. Mary College in Leavenworth, Kans., is celebrating its golden jubilee year as a private, Catholic, liberal arts college for women.

Owned and operated by the Sisters of Charity of Leavenworth,, St. Mary is the only women's college in Kansas. It is distinguished by its outstanding faculty.

Although St. Mary as a college is celebrating its 50th year, St. Mary as an educational institution dates back to 1859.

In 1858, Bishop John Baptist Miege, Vicar Apostolic of the Indian Territory, asked a handful of Catholic Sisters to set out by boat from Nashville, Tenn., up the Missouri River, to open a school for the education of the young ladies in the Indian Territory. In Kansas, on the banks of the Missouri, was Leavenworth—a vital pioneer town, gateway to the New West. The Sisters, who organized as the Sisters of Charity of Leavenworth, decided this would be the ideal place for their school. In 1859, the doors opened to the St. Mary Academy for Young Ladies.

From the origins of the academy came St. Mary College—first as a junior college in 1923 and then as a 4-year liberal arts college in 1930, still for women. Now there are nine major buildings with excellent modern facilities, on a 240-acre campus that is one of the most beautiful in the country. Majors are offered in 20 fields, taught by 54 outstanding faculty members, over half of whom hold doctorates. Sisters of Charity and priests make up about half of the faculty; lay men and women the rest. Nearly 3,000 undergraduate degrees have been awarded by St. Mary College in its 50-year history.

Since their beginning as a religious order in 1858, the Sisters of Charity of Leavenworth have established nearly 100 institutions—elementary and secondary schools, homes for children and the aged, and hospitals—in the United States and in Bolivia and Peru. Over 700 Sisters of Charity of Leavenworth still serve the people of the world through their work in schools, hospitals, homes, and social services.

In 1869, the Sisters of Charity came to Montana and established one of their first missions outside of Kansas. Since that time they have served the people of Montana in health care and educational apostolates. Also 25 percent of the total Sisters of Charity community is made up of Sisters from Montana. Montana students were among the first to attend St. Mary College and since its inception in 1923 some 750 Montana women have enrolled in St. Mary College.

The dedicated service of the Sisters of Charity of Leavenworth has made St. Mary College a hallmark in the education of women. We offer our congratulations and salute the Sisters of Charity, the administrators, faculty, students, and alumnae in the golden jubilee year of St. Mary College.

Mr. President, I ask unanimous consent to have printed in the Record an article published in the Kansas City Star of April 28, 1974, entitled "Saint Mary: Oldest School For Girls in Kansas."

There being no objection, the article was ordered to be printed in the Record, as follows:

One Hundred Fifteen-Year-Old St. Mary College Is Still a Frontier School

(By Sara Baker)

On the southern edge of the city of Leavenworth, 14 miles north of the Kansas Turnpike on U.S. 73, a small, green and white sign points to one of the state's oldest institutions.

A quick left turn takes you through the gates of Saint Mary College, an educational institution that has its origins in a time when Kansas was called "bloody" and statehood was more than three years away.

Today, a winding drive, partly paved with brick, leads to an administration building erected in 1870. The 240-acre campus is dotted with large trees. Grassy lawns, spring-fed lakes, formal gardens and turn-of-the-century gazebos add a picture-book dimension. Buildings are a compatible blend of old and new, mostly of red brick.

On a spring day, groups of young women laden with books enjoy a warm spot on the south side of a building or a tree. They may be wearing faded blue denims, cut-off jeans or long skirts. In the halls, clusters of girls chat between classes. Their faces reflect a happy attitude of relaxation, openness and optimism.

There are 480 of these girls and they attend the oldest school for girls in Kansas and the state's only remaining 4-year college for women. Saint Mary is 115 years old, founded in 1859.

In 1858, Bishop John Baptist Miege, Vicar-Apostolic of Indian Territory, realized the need for Christian education on the frontier. His call to "come North as soon as possible" was heard in Tennessee by Mother Xavier Ross, superior of the Sisters of Charity of Nashville.

By Nov. 1, 1858, five professed Sisters, two postulants, a novice and an orphaned girl, left the genteel security of Nashville for a frontier town filled with hunters, traders, soldiers and "border ruffians" who exploited the pro and antislavery settlers.

After an 11-day journey over frozen ground and up an ice-choked Missouri River, the little group of women in their peculiar garb arrived in Leavenworth, attracting scant attention from the wharf-side loungers. But by the time the second group of Sisters arrived, Dec. 1, 1858, townspeople knew the Sisters were there to teach and serve.

Back in Nashville, Mother Xavier, a tiny, dark-eyed woman who had run away from her Methodist home to enter a Catholic convent, disposed of the remaining property of the Nashville order. After paying debts, she and Sister Joanna Bruner left for the frontier with $9 in their pockets.

Stranded on the steamer, "Ella," in the frozen Missouri River below Jefferson City, the Sisters were delayed for several days. They finally arrived in Leavenworth, Feb. 21, 1859.

Although the original Sisters were already teaching a group of young boys, Mother Xavier, with the help of Bishop Miege, rented a small cottage on Kickapoo Street. This was to be the boarding school, "St. Mary's Academy for Young Ladies."

The process of educating girls and young women has been continued by the Sisters of Charity without interruption since 1859.

By 1860 a new brick building was ready to house the boarders, who came from Montana, Idaho, Utah, Nebraska, Oklahoma, Missouri and Kansas. The school was erected for $6,000 and tuition was $96 for a 5-month session. Because of the growing demand for a "finishing" school education, in 1870 the academy was moved to the campus where Saint Mary College now stands.

If your vision of a Catholic women's college includes tolling of bells, the swish of black-clad nuns passing through sepulchral halls and students dressed in demure uniforms primly going back and forth from chapel to classroom, a visit to Saint Mary will shatter that image.

Today, although almost half of the staff and administrative body are members of the founding order, it is sometimes hard to tell a lay teacher from a Sister. And in some instance, it's hard to tell a Sister from a student.

But if the outward appearance of the community bears little resemblance to that of Mother Xavier's day, the purposes and ideals of education remain much the same—that is, "to combine that which is useful and necessary with that which is solid and ornamental and to develop moral character."

"We are concerned today with intellectual development of the student, at the same time encouraging the growth of personality and integrity," said Sister Mary Janet McGilley, the gentle yet dynamic 49-year-old president. "In a teaching and learning community, students need to know how to interact in that community."

Sister Mary Janet, whose brown hair, touched with gray, frames a youthful face, calls herself a Kansas transplant. A native of Kansas City, daughter of Mr. and Mrs. James P. McGilley, she attended St. Teresa's College, now Avila, but received her bachelor's degree from Saint Mary College with majors in English and drama. She earned a master's degree in English from Boston College and a doctorate in English literature from Fordham University, New York.

Saint Mary College is still a church-oriented school, the president pointed out. She believes the basic strengths of the Judeo-Christian tradition inspire confidence in human nature.

"A value is placed on every human being," she said, "whether Jew or Greek or male or female." This value orientation is relative to a moral commitment. You have a sense of something bigger than you are.

"There's no such thing as a genuine education without a theological dimension. If you leave out the knowledge of God and all that He is and means, then you don't really look at the whole of what man can know and be."

The students do question, the president said.

"We try to provide a supportive and open role where they can test themselves and their beliefs.

"Young people talk more about God and sex than anything else," she said, smiling.

Freedom of thought and action coupled with responsibility prevails on the campus.

Cars are permitted for students other than first semester freshmen. Campus hours are adjusted to grade level, with juniors and seniors free to come and go at will.

Because 3.2 beer is legal for 18-year-olds in Kansas, it is allowed on the campus.

"If you're to live within the laws of the state there's no better place to start than in college," a faculty member said.

As one of 172 senior college women presidents in the nation, Sister Mary Janet is excited about the future of women's colleges and particularly of Saint Mary.

"We're no longer on the defensive," she said. "Even when the coeducational bandwagon started rolling a few years ago, resulting in the demise of scores of single-sex colleges, we viewed our situation not as a predicament but as an opportunity. Student opinion concurred with the governing and advisory bodies in the decision to maintain Saint Mary as a women's college.

"Schools for women were originally on the frontier and we're ready to reaffirm our faith in this kind of education as still a new frontier in higher education for women."

The president's office with its 14-foot ceilings, massive doors and paraquet floor is in St. Mary's Hall, the first building on the Muncie land south of the city. Later wings were added which became Xavier Hall and Mead Hall.

Through the years the Sisters of Charity recognized the continuing need for change. In 1923, Mother Mary Berchmans Cannan opened a junior college with 20 students. One of these, Sister Mary Ernestine Whitmore, former chairman of the English Department, was the first Sister to enter and finish at the college. She later received her doctorate from Catholic University in Washington.

"In the beginning, the idea of propriety was strong," Sister Ernestine said, "but the goal soon became one of educating the whole person, socially, spiritually and academically."

Sister Ernestine, now retired, sitting in a comfortable chair in the attractively decorated social room of St. Mary's Hall, recalled some of the rules of conduct that applied when she was a student.

"We were well protected. Thursday afternoon we could go into town, but always accompanied by a sister. We could have callers from 2 to 4 p.m. on Sunday afternoon. Boy friends sometimes came, posing as relatives. Of course, we had to go to daily mass with the Sisters.

"Black shoes, hose and blouse—white on Sunday, were the accepted mode of dress. But that didn't last too long. Sweaters and skirts were soon the order of the day. But we did wear our mortar boards and long black capes to all academic affairs and to religious services.

"This was to impress on the girls the dignity and privilege of scholarship. I guess it did make the freshmen feel a sense of importance—that they were really a part of the college.

"Truth has always been held very high as exemplified in the motto of Saint Mary *'Vertus et scientia'*—virtue and knowledge.

"Today it may be reversed a little bit," she said, her eyes twinkling.

From a course in tapestry to one in transactional analysis is a long way. To fulfill the curriculum needs and demands of more students, Saint Mary became a 4-year college in 1930 with programs of studies leading to the degrees of Bachelor of Arts, Science, Music and Music Education.

"One of the many things we have going for us is 100 years of experience," Sister Mary Janet said. "But we can't be complacent. We must re-examine our goals and shape them to the new world in which women will be living and coping. We can't just sit back and say that everything is all right, but we are in a strong position to do a good job."

The president believes there should be a variety of options open to the college-bound woman, and being able to attend a women's college should be one of them.

What is the key to the success of a women's college? Sister Mary Janet continued:

"I believe that the one thing that really helps is to get to know and like one's self and to develop self-confidence through the friendships that can be made on a single-sex campus.

"We realize, of course, that lasting friendships with other women are made on coeducational campuses, but we notice this factor is especially strong at a college for women.

"There is some validity to the criticism that there are not many men around, so it is an artificial environment, but is any campus a part of the real world? The dating game creates pressures, but of course there is no way to avoid the mating ritual. But the game can be more real and authentic if students have a sense of who they are.

"The professional staff members acting in positions of importance provide crucial role models. When a young student sees an older woman in a role she believes in and has dedicated her life to, the student finds a source of strength that is important to her future as a person, or as a person to be of service to others.

"Statistics indicate there are 27 professional women to every 1,000 women students compared to 143 professional men to every 1,000, so the role model is more visible in a college like Saint Mary."

The president feels the school has its share of normal social problems that can be dealt with on the counseling level. In her nine years of tenure she has expelled one student.

A changing, expanding curriculum makes Saint Mary an outpost of innovation.

In the interim section of the year, the four weeks after the Christmas holidays, students under the guidance of Sister Carol Hinds, met once a week with prisoners from the Kansas State Prison at Lansing.

"The class was held in the administration building of the prison so the men came half-way out and the girls went half-way in," Sister Carol, an English instructor, explained. "We studied literature written by men who were prisoners themselves including Dostoevsky, Dickens, e.e. cummings and Eldridge Cleaver.

"I'm not sure how much the men got out of the course, but the girls seemed to think it was a rewarding experience."

Other interim courses have included study abroad and in Mexico, New York City, Arizona and New Mexico as well as work in Mexico as well as work in nearby communities and in Kansas City's inner city. Some of these interim programs often lead to summer jobs.

Music is a big part of life at the school. Students and teachers perform in groups that play everything from the classics through the gamut of jazz, swing and rock. A combo of nuns, "The Remnants," gained nationwide fame on the televised "I Love Lucy" show in 1971.

Sister Ernestine pointed out that Saint Mary has long been influenced by the University of Kansas.

"From the beginning," she said, "the curriculum was based on that of the University of Kansas. We were guided by the university, aided in finding teachers and we used the same textbooks."

Like other small colleges, Saint Mary is having difficulties. Financing and declining enrollment are the big problems.

"Saint Mary has always operated in the black," said James E. Burke, a Kansas City lawyer and vice-chairman of the President's Council, an advisory board to the school. "This is because of contributed services by the nuns, but as the number of lay faculty increases the harder it will be to meet our budget."

Burke is optimistic, nevertheless, about the future of the college.

"With a broadening curriculum in liberal arts and a strong recruitment program," he said, "I'm confident this school will continue to meet the needs of young women for years to come."

Why do young women choose Saint Mary?

Diana Furrow, 18, a freshman from Gladstone, said it was because it was not too far from home, the campus was small and the tuition reasonable.

"The thing that really made up my mind, even after visiting coed schools, was the friendliness of the girls. I felt right at home immediately."

Saint Mary is a hub in a circle of academic institutions. In Lawrence, the school maintains a house for resident students who want to take courses at the university. But the house at 1434 Engle Street has other functions.

"It's a good place for an 'overnight relaxer'," Sister Marie Brinkman, house director-in-residence, said. "Any Saint Mary girl can go there for a weekend just to get away, to enrich her college years with university study and to have access to university life.

Saint Mary's proximity to Ft. Leavenworth has resulted in a certain cosmopolitanism. Wives of officers at the Command and General Staff College enroll in courses and last year one of the women taught Russian history. Many officer's daughters have been students at the college.

There are 44 students from 16 countries attending Saint Mary College with Thailand represented by 10.

JoAnn Taylor, 21, a senior from Denver, said she came to Saint Mary for all the wrong reasons.

"I thought boys were better than girls when I was in high school. Here I've learned the value of womanhood and I see myself as a person who has a choice."

She admits she could use a little more intellectual contact with men but feels she'll get that when she enters law school next fall.

Another student suggested that girls sometimes use the women's college as an excuse if they don't have a glamorous social life.

"They think if they went to a large university they'd have tons of dates—but would they?"

Another joked about the dating game. "You just have to be a little more ingenious."

One thing is for certain. Men do come to the campus. At last spring's formal dance more than 300 couples danced, ate, and drank Kansas's 3.2 beer at one of the most successful of all campus activities.

Joyce Jones, 21, a senior from Mount Vernon, Ill., a few weeks ago draped a huge sign in the dining hall reminding students it was just "100 days until the spring dance."

Despite the low costs, $1,150 for tuition, $550 for board, $300 for room and $100 for general fees, Saint Mary is operating below capacity. There is room for 80 to 100 more resident students.

And what of the total results achieved since the brave band of Sisters arrived on the river bank in 1857?

Well, an Order has evolved numbering 733 Sisters and their work has spread Westward from Leavenworth into 10 states including California.

Today the Sisters of Charity of Leavenworth operate eight hospitals with a total of more than 2,000 beds; two homes for children; one home for the aged; 35 grade schools; eight high schools; one college; and missions in Peru and Bolivia.

In 1940, a red brick, Georgian-styled structure was built on the college grounds. It is the Motherhouse where the Sisters work, study and eventually retire, still under the guiding spirituality of St. Vincent de Paul who founded the original order, the Daughters of Charity, in 1633.

Mr. PEARSON. Mr. President, I wish to associate myself with the remarks of my distinguished colleague, Senator MANSFIELD.

It is, of course, a distinct pleasure to serve with him as a member of the president's council for St. Mary College of Leavenworth, Kans. This is an outstanding educational institution and I welcome the opportunity to join in saluting St. Mary College in this its golden jubilee year.

The distinguished Senator from Montana has traced the historical highlights of the development of St. Mary College and the work of the Sisters of Charity of Leavenworth which founded the college. The decision back in 1858 by a handful of Catholic sisters to leave Nashville, Tenn., and to move to the Kansas territory, then only partially settled and torn by pro- and anti-slavery factions, is a tribute to a tough, pioneer spirit and a powerful dedication to serve humanity.

As an educational institution, St. Mary College has always been committed to sound intellectual development and moral commitment. The college's educational ideal is well expressed in the statement, "to combine that which is useful and necessary with that which is solid and ornamental and to develop moral character." And while the college has always adhered to this goal, it also has shown a remarkable ability to adjust to the needs of the day, to provide their students with educational training befitting today's society, but, nevertheless, always grounded in the basic principles of intellectual truth and interpersonal relationships.

In addition to the on-campus educational programs, St. Mary College has carried on off-campus projects. One of those that comes to mind is a literature instruction program for prisoners at Kansas State Penitentiary at Lansing.

Mr. President, I would also note that the Order of the Sisters of Charity of Leavenworth now numbers 733 sisters and their work has spread westward from Leavenworth into 10 States, including California. They now operate 8 hospitals with a total of more than 2,000 beds; 2 homes for children; 1 home for the aged; 35 grade schools; 8 high schools and missions in Peru and Bolivia.

Mr. President, St. Mary College is one of Kansas' oldest and finest institutions of higher learning. And as they celebrate their golden jubilee year, I want to offer my congratulations for an outstanding record of the past and an expression of hope and confidence for a great future.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the minority leader seek recognition?

Mr. GRIFFIN. I do not.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT

CONSUMER PROTECTION

Mr. PROXMIRE. Mr. President, somehow we are more aware of our trials and tribulations—our troubles—than our blessings and rewards.

In the year of Watergate and of super inflation, of cynicism and fading confidence by too many in our country and system, it is time we reminded ourselves that in fact we have a lot—and I mean a great deal more—going for us than against us.

Nowhere is this more true than in the area of consumer protection. Never has the American public been more aware of the many ways in which it is being hoodwinked, deceived, and conned in the marketplace than it is today.

That very fact—that increased conciousness of the prospects of being cheated—is evidence of our progress. And thanks to this Federal Government, the progress for the consumer in the last few years has been much greater than ever before. That is hard to believe—but it is true.

Consider: First we have a rampaging inflation that has skyrocketed many prices. In addition, even though the goods the consumer buys are expensive, they are often shoddily made and have to be replaced after only a short time. Worse yet, some products are actually dangerous to the health or safety of those who use them. And the consumer is frequently misled as to the cost or quality of the goods or services he is purchasing.

Today, however, things are different. Over the past decade or so, America has developed a strong consumer movement, which has awakened both the people and their Representatives in Congress to the need for change. In many cases, activist groups have been able to convince individual businessmen to change their practices. In other cases, the consumer movement has provided impetus and support for new legislation on the Federal and State levels.

TRUTH IN CREDIT

One way in which we can protect the consumer is to ensure that he is well-informed about the services he is offered and their cost. I am proud to have followed former Senator Paul Douglas in the fight he led for full disclosure in the cost of credit. Under the Truth-in-Lending Law, which Senator Douglas pioneered to the brink of passage and I finally authored, the prospective borrower must be given full information about the cost of his loan, and in a uniform simple way so that he can compare costs and shop around to get the best possible deal. The law applies not only to loans from banks and other exclusively financial institutions, but also to situations where credit is extended by a retailer to a customer. Under this law, consumers are made aware of the full cost they pay for the privilege of buying "on time" rather than for cash, and can make an informed decision about whether to use the retail credit offered by a particular merchant.

Another forward step in the area of consumer credit is the Fair Credit Reporting Act of 1970. When an individual applies for credit, he is subject to investigation, usually by an independent credit reporting agency. Testimony before several congressional committees revealed that many individuals were irreparably damaged because of an inaccurate report. In some cases, the individuals had no idea they were being rejected for credit, insurance, or employment because of an adverse credit report. In other cases, individuals have been unable to correct inaccurate information in their files.

Although improvements are needed, the Fair Credit Reporting Act was an important first step toward remedying these abuses. It gives the consumer the right to be informed when an adverse credit report is the reason for an employment, credit, or insurance turndown, to be informed of the substance of the information in his credit file, to have information in his file reinvestigated if he disputes its accuracy, and to have inaccurate or unverifiable information deleted from his file. He also has the right to sue any credit reporting agency which negligently reports inaccurate information about him.

The same act also stopped the mailing of unsolicited credit cards. Millions of Americans had been burdened by these unordered and unwanted cards, which threatened to turn us into a nation of credit drunks. In addition, an individual is now protected from liability if his credit card is lost or stolen.

TRUTH IN ADVERTISING

Think of the immense effect that distorted, dishonest advertising has had on the American consumer in the past 50 years. Here is where much of the downright lying really hits home. Now, at last, the Federal Government is beginning to do something about it. The Federal Trade Commission is beginning to bring the cleansing force of truth into advertising—at last.

If this were the only action taken by the Federal Government in the last 10 years to help the consumer, this by itself, it would mean a better, more honest country.

One important step in this direction is the FTC's ad substantiation program. Under this program, all of the advertising for a particular industry is monitored and examined by experts for its truthfulness. Advertisers are asked to provide back-up data to support the claims made, and complaints are issued when the advertising is found to be unsupported. In some cases, corrective advertising has been required, to remove any misleading ideas which had been left with the consumer by the earlier advertisement. In addition to improving the truthfulness of advertising in the particular industry, the ad substantiation program also has an important deterrent effect in the business as a whole, since no one knows when his advertising is about to be studied.

GET YOUR MONEY BACK

Where the consumer has already been deceived, he is generally out-of-pocket a substantial sum, for goods or services which are worth less than he paid for them or perhaps nothing at all. In the past, all we could hope was that such exploitation would not occur again in the future. Under a new program, however, the FTC is helping the exploited consumer to get his money back. In a number of recent cases involving land sales, pyramid schemes and trading stamps, the settlement has included restitution for defrauded consumers as well as the usual promise to cease and desist the illegal practice. Refunds for customers are now being sought by the FTC in a number of cases involving vocational schools. This new restitution program should go a long way toward making fraudulent sales practices too expensive to be worthwhile.

PROTECTION OF HEALTH AND LIFE

The Federal Government has also made substantial progress recently in protecting the consumer's health and life. It is not surprising that in a highly productive society with a seemingly infinite variety of consumer goods, some of these goods are not as safe as they should be. In their haste to capture a share of the market, manufacturers have often not troubled to consider possible risks to the people who eventually buy and use their products. But there is no reason why we should continue to tolerate the sale of unsafe or unhealthful products.

In recent years the problem has been faced on several fronts and important steps have been taken to protect the consumer. In the food area, for instance, Congress has acted to require the States to upgrade their meat inspection standards to match those of the Federal Government, in order to insure consumers of wholesome meat, whatever its source. The Food and Drug Administration has recently instituted a nutritional labeling program. Under this program, which is voluntary with manufacturers, purchasers of processed foods will be informed of the caloric, protein, fat, carbohydrate, and vitamin content of these products. FDA has also published the first of a series of nutritional guidelines for food manufacturers. The purpose of the program is to encourage the food industry to provide the consumer with important nutrients at levels that he has reason to expect in widely used food products. The first such guideline issued sets minimum protein and vitamin standards for frozen dinners.

The FDA has also been very active in the area of food safety. It has intensively reviewed the list of permitted food additives and has curtailed the use of a number of potentially harmful chemicals in food products or in animal feed. It has also increased its surveillance of food products for signs of bacterial contamination or risk of botulism poisoning and removed unsafe products from the market.

Spurred on by the thalidomide tragedies of the early 1960's, the Congress vastly increased the authority of the FDA to safeguard the safety and effectiveness of the thousands of medicines offered to the public, whether directly or by prescription. Acting under the authority granted by the 1962 amendments to the Food, Drug and Cosmetic Act, the FDA commissioned a study of over 3,000 drug products to determine their effectiveness. Drug use in this country will be profoundly affected by the implementation of these evaluations. The American public is currently receiving 2 billion prescriptions per year; and this figure is steadily increasing. These figures exclude the use of nonprescription drugs which is even greater. Recent studies indicate that a significant part of this drug therapy provides the patient little or nothing in terms of benefit and that a large number of these prescriptions are for ineffective or questionably effective drugs. To date, several hundred kinds of drugs have been removed from the market on the ground that they were ineffective in the treatment of disease.

DRUG ABUSE

The FDA has also begun a massive review of approximately 500,000 varieties of over-the-counter drugs—those sold without a prescription. Because self-medication is essential to the Nation's health care system, it is imperative that these over-the-counter drugs be safe and effective and have clear and informative labeling. Expert panels will evaluate ingredients, dosages and conditions for use for 26 basic classes of products, including such common products as antacids, cough remedies, stimulants, laxatives, and analgesics, and will set standards for each class.

Because they are so little able to protect themselves, small children have been a particularly important focus of reform in the consumer safety area. Over the years thousands of children had been maimed or even killed in accidents involving a wide variety of toys, ranging from obviously dangerous toys like firecrackers to apparently innocuous playthings such as dolls that turned out to be highly flammable. Under the Child Protection Act of 1966, Federal administrative agencies are instructed to remove such hazardous products from the marketplace. Aided by groups of concerned parents and consumers, Federal agencies have identified over 1,500 kinds of unsafe toys and secured their removal from the stores, often through voluntary compliance on the part of the manufacturer or distributor. With this kind of protection, our children's Christmases are a lot safer and a lot merrier.

Another area of hazard for small children has been accidental poisonings. In 1967, 325 children died from accidental poisoning, and thousands more required hospitalization for the same reason. Drugs and household chemicals were the most common cause of these tragic accidents. Congress undertook to deal with this problem with the Poison Prevention Packaging Act of 1970. The act is aimed at children under 5 years of age, who are especially vulnerable because of their inability to read warning labels, their natural curiosity, and the tendency among some young children to eat nonfood items. Under the act, hazardous substances customarily stored around the household must be packaged in such a way that children cannot easily ingest dangerous quantities of them. The most obvious manifestations of this law are the safety closures now found on many drug products, making them difficult or impossible for young children to open.

PRODUCT SAFETY

The scope of consumer protection was greatly expanded with the establishment of the Consumer Product Safety Commission which went into operation in 1973. The Commission carried on the regulation of toy safety authorized by prior law. But its powers go much beyond that: it can identify and remove from the market a wide variety of consumer products when it has determined that these products are hazardous. It can also set mandatory standards for consumer products which are unsafe if not properly designed. In its brief period of operation the Commission has brought about the withdrawal of 140,000 television sets which presented undue hazards of fire or electrical shock, and over 2 million disposable lighters which endangered the safety of their users by the height of the flames they gave forth The Commission has also ordered the recall of certain models of dishwashers and stoves which involved serious risks of gas leaks or electric shock, as well as bicycles with inadequate brake systems. The Consumer Product Safety Commission has shown itself to be a highly independent agency with great concern for consumer information and input, and promises to be a major force for improved consumer protection in the years to come.

While it is true that the Federal Government has made remarkable progress, much of it resulted from the badgering, nagging, persistence of Ralph Nader, the indispensable man for consumer progress. Let us face it, without Nader the spark of this consumer-protection drive could not have caught fire. To take just one area, automobile safety, Nader's book "Unsafe at Any Speed" was the major stimulus behind the National Traffic and Motor Vehicle Safety Act of 1966. This law directed the Department of Transportation to issue safety standards for new and used motor vehicles and motor-vehicle equipment. It is as a result of law that all new cars are now equipped with seatbelts which have saved thousands of lives.

Unfortunately, however, it often turns out that the passage of a law by Congress does not always immediately bring the desired results, and further action by citizens is necessary to make sure that Government agencies comply with the law with reasonable promptness. For instance, the 1966 Safety Act had instructed the Department of Transportation to issue by 1968 regulations for uniform inspection standards for automobiles and for a quality grading system to help the consumer make an informed decision when he purchases tires. When, several years after the congressional deadline, the Department still had not issued the standards, the Public Citizen Litigation Group brought suit and won a court order requiring the regulations to be issued promptly. Other, related consumer groups have petitioned and worked with the department toward adoption of requirements for passive restraint systems, gas tank shielding and other safety features for future model cars.

The scope of the activities of Nader and his many zealous coworkers can be appreciated from even a brief sampling of their activities in recent years whereby they have:

Established in Federal court that bar association minimum fee schedules are in violation of the antitrust laws;

Sued to compel the Price Commission to hold public hearing on proposed automobile price increases;

Successfully challenged a State statute barring drug stores from advertising their prices on prescription drugs;

Petitioned Federal agencies to ban the use of vinyl chloride, a suspected carcinogen, as a propellant in household aerosol products;

Conducted a nationwide survey of labelling practices on children's sleepwear and petitioned the Consumer Product Safety Commission for labelling rules to help consumers identify flame retardant garments;

Petitioned the Federal Aviation Administration to ban the carrying of hazardous cargo on passenger flights;

Established in court the right to damages of an airline passenger holding confirmed reservations who is "bumped" from his flight because of overbooking by the airline.

On another front, Congress seems well on its way toward establishing a Consumer Protection Agency with authority to intervene in Federal agency proceedings on behalf of consumers. This agency should provide a long needed counterbalance to the swarms of special interest lobbyists who have smothered and thwarted the public interest for years.

So we can see that in the last 10 or 15 years we have started the long journey to give the American consumer the protection he needs. Consumerism has begun to have a big effect on the Federal Government. Consumers should take heart from the steps already taken; the momentum we are developing. The future can be bright for the consumer, and nothing in today's headlines should blind us to that.

UNEMPLOYMENT NEWS GOOD—NO BASIS FOR TAX CUT

Mr. PROXMIRE. Mr. President, on Friday the Bureau of Labor Statistics released the latest data on unemployment. That news is good. True unemployment is down only marginally from March. True we can never be satisfied with 4½ million Americans out of work. Five percent unemployment is too high based on our record over the past 15 years, and much too high as compared to the experience of all other developed countries.

But the good news is that we are doing far better than any economists—the pessimists or the optimists—the administration supporters or the administration critics estimated 4 or 5 months ago. For 4 successive months unemployment has been virtually stable. In fact it has actually declined a little since the beginning of the year.

And frankly to me that is surprising as well as pleasing.

Consider: In the first quarter of this year the gross national product suffered a 5.8-percent decline—the biggest drop since 1958. In the first quarter the energy crisis hit with its fullest fury, throwing hundreds of thousands out of work in the automobile industry itself and sharply reducing jobs in related industries and in recreational and other service industries that are highly sensitive to the availability of gasoline.

Consider also that while unemployment did not increase in this first 4-month period of 1974, this was precisely the period when the economists warned us we were most likely to suffer the big layoffs in the economy. Virtually every economic forecast predicted a bad first and second quarter with unemployment rising rather sharply, then stabilizing and perhaps falling off a little toward the end of the year.

For example, the Wharton School predicted an average unemployment for the year of 5.65 percent, Dr. Otto Eckstein's Data Resources—up at Harvard—predicted 5.7 percent. The University of Michigan said 5.9 percent and even President Nixon's own Council of Economic Advisers forecast a 5.6 percent unemployment.

In virtually every case the economic slowdown effect of the energy shortage was cited as the reason to expect that January through April would be the period of sharply rising unemployment.

And fortunately—on the basis of the record to date—the economists conformed to their usual pattern and were wrong, badly wrong and not only wrong in predicting the rate of growth of unemployment but wrong in that they universally predicted rising unemployment and unemployment did not rise at all, it declined.

Certainly this good economic news may be temporary. This month and next month may turn out to be very bad indeed and the forecasts for the year may turn out to be right and only the timing wrong.

But the fact is that we do at long last have good news on the economic front and we should hail it as such.

I hope this good news will be considered very carefully by Members of the Senate when they are asked to vote on a tax cut proposal sometime in the next few weeks.

It is now clearer than ever that such a tax cut would be a very foolish action indeed. Our number one problem is now not a recession—for which a tax cut might be logical medicine, but inflation—the worst and most serious inflation this Nation has suffered in more than 20 years.

There is nothing hypothetical or iffy about the inflation. It takes no economic forecasting, no guessing, it is here, and it is the overwhelming economic problem that confronts us.

To cut taxes at a time of the most serious inflation would have been laughed out of Congress anytime in the last 40 years if our number one problem were inflation. It would have been considered as wrong as a tax increase in the depths of a serious depression.

But today it has the most distinguished support not only in the Senate and House in this election year, but among some of the very best economists, men we all admire and respect.

So I hope there will be a little soul searching by these economists and Congressmen before we vote on the proposed tax reduction so we can avoid a tragic economic policy blunder.

TRANSCRIPTS OF TAPES SUBMITTED BY THE PRESIDENT: PUBLIC TRANSCRIPTS—II

Appendix 3. Meeting: The President and Dean, Oval Office, March 13, 1973. (12:42-2:00 p.m.)

H. Say, did you raise the question with the President on Colson as a consultant?

D. No, I didn't.

H. Was that somebody else?

D. The thought was as a consultant without doing any consulting, he wants it for continued protection on——

H. Solely for the purpose of executive privilege protection, I take it.

D. It is one of those things that is kept down in the personnel office, and nothing is done on it.

P. What happens to Chapin?

D. Well, Chapin doesn't have quite the same problem in appearing as Colson will.

H. Yeah—you have the same problems of Chapin appearing as Colson.

P. Well, can't—that would be such an obvious fraud to have both of them as consultants, that that won't work. I think he is right. You would have to leave Chapin.

H. Well, you can't make Chapin a consultant, because we have already said he is not.

D. Yeah.

H. Because we wanted the separation. The question is, are you then, as of now, the way they have interpreted executive privilege, is that you are not going to let Chapin testify.

P. Anybody.

H. Because it applies to executive privilege by the former people in relation to matters while they were here.

D. And the problem area is . . .

H. And that same thing would apply to Colson.

D. Well, yes, if Chuck were truly going to be doing nothing from this day on.

H. That's alright. He is concerned with what he is doing. Colson is concerned with what he is doing from now on, and he would apply the consulting tactic if he were called with regard to actions taken now . . .

D. That's right.

H. That relate to the Watergate action.

D. The problem is, I think, he will be out stirring up counter-news attacks and things of this nature.

P. (expletive deleted) Is he supposed to do that and be consulting with the President on it?

D. No, no. But he is consulting. It is a wide open consultantship. It doesn't mean he would be consulting with you.

H. Yeah. Your idea was just to put this in the drawer, in case.

D. Put it in the drawer, and then decide it.

H. It would be a consultant without pay.

D. I wouldn't even tell Chuck this. Just tell Chuck there is something in the drawer.

H. There is no reason to tell Chuck is there? Why . . .

P. I would tell Chuck. Tell him he is not to say anything, frankly.

H. The point would be to date it back on Saturday, so it is that day.

D. Continuous.

P. His consultant fee stopped for the present time, but he is still available for purposes of consulting on various problems and the like.

D. Right.

P. Unpaid consultants?

D. Yes.

H. We have some of those.

D. Good ones.

P. Well, what are the latest developments Bob should get something on?

D. Yeah.

P. Before we get into that I was wondering about that jackassery about some kid who (unintelligible)—which of course is perfectly proper course of action if it works. I would expect we were heavily infiltrated that way too.

D. The only problem there Mr. President is that . . .

P. Did he get paid?

D. He was paid.

P. By check?

D. He was paid by personal check of another person over there who, in turn, was taking it out of expense money. The ultimate source of the money—and this is ticklish—is that it is pre-April 7th money, and there could be some potential embarrassment for Ken Reitz along the way.

P. Oh!

D. So he is. But I think it is a confined situation. Obviously it is something that will come up in the Ervin Committee, but it is not another new Liddy-Hunt operation.

P. It is just a (adjective deleted) thing.

D. Oh, it is.

P. What happened to the kid? Did he just decide to be a hero?

D. That's right. He probably chatted about it around school, and the word got out, and he got confronted with it and he knew he had chatted about it, so there he was. Its absurd, it really is. He didn't do anything illegal.

P. Illegal? Of course not! Apparently you haven't been able to do anything on my project of getting on the offensive?

D. But I have sir, to the contrary!

P. Based on Sullivan, have you kicked a few butts around?

D. I have all of the information that we have collected. There is some there, and I have turned it over to Baroody. Baroody is having a speech drafted for Barry Goldwater. And there is enough material there to make a rather sensational speech just by: Why in the hell isn't somebody looking into what happened to President Nixon during his campaign? Look at these events! How do you explain these? Where are the answers to these questions? But, there is nothing but threads. I pulled all the information.

P. Also, the Senator should then present it to the Ervin Committee and demand that that be included. His is a Senator, a Senator . . .

D. What I am working on there for Barry is a letter to Senator Ervin that this has come to my attention, and why shouldn't this be a part of the inquiry? And he can spring out 1964 and quickly to '72. We've got a pretty good speech there, if we can get out our materials.

P. Good!

D. So it's in the mill.

H. We have finally started something.

P. (expletive deleted) Why haven't we had anyone involved in it before? Just didn't have enough stuff? For example, investigations were supposed to have been taken for the 34 (unintelligible) contributed to McGovern. And they say (expletive deleted) it is all hanky-panky, and their records are just too bad to find out. Is that the problem?

H. Won't that be an issue?

D. That will be an issue. There is a crew working that, also.

P. Do you need any IRS stuff?

D. There is no need at this hour for anything from IRS, and we have a couple of sources over there that I can go to. I don't have to go around with Johnnie Walters or anybody, but we can get right in and get what we need. I have been preparing the answers for the briefing book and I just raised this with Ron; in my estimation, for what it is worth, that probably this week will draw more Watergate questions than any other week we are likely to see, given the Gray hearings, the new regulations—they are not new, but they are now substantiated—about Kalmbach and Chapin that have been in the press.

P. To the effect of what phase?

D. That Chapin directed Kalmbach to pay Segretti, the alleged saboteur, somewhere between $35 and $40,000. There is an awful lot of that hot in the press now. There is also the question of Dean appearing, not appearing—Dean's role. There are more stories in the Post this morning that are absolutely inaccurate about my turning information over to the Re-Election Committee for some woman over there. Mrs. Hoback signed an affidavit and gave it to Birch Bayh, and said that "I was brought into Bob Mardian's office within 48 hours after a private interview I had with the jury and confronted with it." How did they know that? It came from internal sources over there. That's how they knew it!

P. From what?

D. Internal sources—this girl had told others that she was doing this, and they just told. They just quickly sent it to the top that she was out on her own.

P. Did she quit?

D. She did. There have been two or three of those.

H. Why did she do that? Was she mad?

D. She is a registered Democrat.

H. Why did we take her in?

D. To this day, I do not know what she was doing.

P. Who was she working for?

D. She worked in Stan's operation.

P. Why did he have her working for him?

D. It wasn't a good move. In fact that was one of our problems—the little pocket of women who worked for Maury Stans. There is no doubt that things would have sailed a lot smoother without that pack. Not that they have or had anything that was devastating.

P. Well, now, with regard to the question, etc., it would be my opinion not to dodge it just because there are going to be questions.

D. Well you are probably going to get more questions this week. And the tough questions. And some of them don't have easy answers. For example, did Haldeman know that there was Don Segretti out there? That question is likely.

P. Did he? I don't know.

D. Yes, he had knowledge that there was somebody in the field doing prankster-type activities.

P. Well, I don't know anything about that. What about my taking, basically, just trying to fight this thing one at a time. I am only going to have to fight it later, and it is not going to get any better. I think the thing to say is, "this is a matter being considered by the Committee and I am not going to comment on it". I don't want to get into the business of taking each charge that comes up in the Committee and commenting on it: "It is being considered by the Committee. It is being investigated and I am not going to comment on it."

D. That is exactly the way I have drafted these. I have checked them generally.

P. I will just cut them off. I think, John, if I start breaking down, you see like I have done the Court thing on the Watergate stuff, I am not going to comment on it. I know all of these questions. I am not going to comment on it. That is a matter for the Committee to determine. Then, I will repeat the fact that as far as the Watergate matter is concerned, I am not going to comment on it, on anything else. Let the Committee find out. What would you say? You don't agree with that?

D. Well, the bottom line, on a draft that (unintelligible). But if you have nothing to hide, Mr. President, here at the White House, why aren't you willing to spread on the record everything you know about it? Why doesn't the Dean Report be made public? Why doesn't everything come out? Why does Ziegler stand up there and bob and weave, and no comment? That's the bottom line.

P. Alright. What do you say to that?

D. Well, . . .

P. We are furnishing information. We will . . .

D. We have cooperated with the FBI in the investigation of the Watergate. We will cooperate with the investigation of. the proper investigation by the Senate.

P. We will make statements.

D. And indeed we have nothing to hide.

P. All this information, we have nothing to hide. We have to handle it. You see, I can't be in the position of basically hunkering down because you have a lot of tough questions on Watergate, and not go out and talk of their issues because it is not going to get better. It is going to get worse.

D. I would agree. I think its cycled somewhat. I think after the Gray thing takes one course or the other, there will be a dead period of news on Watergate until the Ervin Hearings start again. This has obviously sparked the news again.

P. Well, let me just run over the questions again. If it is asked, what about Mr. Haldeman, Mr. Segretti, etc., etc. that is a matter being considered by the Senate Committee and I am not going to comment on it.

D. That is correct. That is specifically in their resolution.

P. I am not going to comment on something being investigated by the Committee. As I have already indicated, I am just not going to comment. Do you approve such tactics? Another question —?

D. Did Mr. Chapin's departure have something to do with his involvement with Mr. Segretti?

P. (inaudible) What about Mr. Dean? My position is the same. We have cooperated with the Justice Department, the FBI—completely tried to furnish information under our control in this matter. We will cooperate with the Committee under the rules I have laid down in my statement on Executive Privilege. Now what else?

D. Well, then you will get a barrage of questions probably, on will you supply—will Mr. Haldeman and Mr. Ehrlichman and Mr. Dean go up to the Committee and testify?

P. No, absolutely not.

D. Mr. Colson?

P. No. Absolutely not. It isn't a question of not—Ziegler or somebody had said that we in our executive privilege statement it was interpreted as meaning that we would not furnish information and all that. We said we will furnish information, but we are not going to be called to testify. That is the position. Dean and all the rest will grant you information. Won't you?

D. Yes. Indeed I will.

P. My feeling, John, is that I better hit it now rather than just let it build up where we are afraid of these questions and everybody, etc., and let Ziegler go out there and bob and weave around. I know the easy thing is to bug out, but it is not . . .

D. You're right. I was afraid. For the sake of debate, but I was having reservations. It is a bullet biter and you just have to do it. These questions are just not going to go away. Now the other thing that we talked about in the past, and I still have the same problem, is to have a "here it all is" approach. If we do that . . .

P. And let it all hang out.

D. And let it all hang out. Let's with a Segretti—etc.

P. We have passed that point.

D. Plus the fact, they are not going to believe the truth! That is the incredible thing!

P. They won't believe the truth, and they have committed seven people!

D. That's right! They will continually try to say that there is (unintelligible),

P. They hope one will say one day, "Haldeman did it," and one day, one will say I did it. When we get to that question—they might question his political savvy, but not mine! Not on a matter like that!

D. I have a thing on Sullivan I would like to ask you. Sullivan, as I told you, had been talking with me and I said Bill I would like for my own use to have a list of some of the horribles that you are aware of. He hasn't responded back to me, but he sent me a note yesterday saying John I am willing at any time to testify to what I know if you want me to. What he has, as we already know, he has something that has a certain degree of a dynamite situation already—the '68 Presidency, surveillance of Goldwater.

P. I thought he said he saw that the '68 bugging was ordered, but he doesn't know whether it was carried out.

D. That's right.

P. But at least he would say (inaudible).

D. Well, I have never talked with Bill about it. I have never gone into details, because he has always been very close about it, but he is now getting to the point if we wanted him to do this, someone—and I don't think the White House should do it—should sit down with him and really take down some notes of what he does know, how strong it is, what he can substantiate.

P. Who the hell could do it if you don't?

D. Well, probably there is no one.

P. That is the problem.

D. Now the other thing, if we were going to use a package like this: Let's say in the Gray hearings—where everything is cast that we are the political people and they are not—that Hoover was above reproach, which is just not accurate, total (expletive omitted). The person who would destroy Hoover's image is going to be this man Bill Sullivan. Also it is going to tarnish quite severely . . .

P. Some of the FBI.

D. . . . some of the FBI. And a former President. He is going to lay it out, and just all hell is going to break loose once he does it. It is going to change the atmosphere of the Gray hearings and it is going to change the atmosphere of the whole Watergate hearings. Now the risk . . .

P. How will it change?

D. Because it will put them in context of where government institutes were used in the past for the most flagrant political purposes.

P. How can that help us?

D. How does it help us?

P. I am being the devil's advocate . . .

D. I appreciate what you are doing. It is a red herring. It is what the public already believes. I think the people would react: (expletive deleted), more of that stuff? They are all bad down there! Because it is a one way street right now . . .

P. Do you think the press would use it? They may not play it.

D. It would be difficult not to. Ah, it would be difficult not to.

P. Why is Sullivan willing to do this?

D. I think the quid pro quo with Sullivan is that he wants someday back in the Bureau very badly.

P. That's easy.

D. That's right.

P. Do you think after he did this, the Bureau would want him back? Would they want him back?

D. I think probably not. What Bill Sullivan's desire in life is, to set up domestic national security intelligence system, a White House program. He says we are deficient. He says we have never been efficient, because Hoover lost his guts several years ago. If you recall he and Tom Huston worked on it. Tom Huston had your instructions to go out and do it and the whole thing just crumbled.

P. (inaudible).

D. That's all Sullivan really wants. Even if we could put him out studying it for a couple of years, if you could put him out in the CIA or someplace where he felt—put him there . . .

P. We will do it.

D. I think that is a simple answer. Let me just simply raise it with him.

P. There is no problem with Sullivan. He is a valuable man. Now would the FBI turn on him (characterization deleted)?

D. There would be some effort at that. That's right they would say he was disgruntled. He was canned by Hoover. He is angry, he is coming back. But I would think a lot of that would be lost in the shuffle of what he is laying out. I don't know if he has given his best yet. I don't know whether he's got more ammunition than he has already told me. I will never forget a couple off-the-cuff remarks.

P. Why do you think he is now telling you this? Why is he doing this now?

D. Well, the way it came out when TIME Magazine broke on the fact that it charged that the White House had directed that newsmen and White House staff people be subjected to some sort of surveillance for national security reasons. I called, in tracking down what happened, I called Sullivan and I said, "don't you think you ought to come over and talk to me about it and tell me what you know." I was calling to really determine whether he was a leak. I was curious to know where this might have come from because he was the operative man at the Bureau at the time. He is the one who did it. He came over and he was shocked and distraught and (unintelligible). Then, after going through with his own explanation of all what had happened, he started to volunteering this other thing. He said John this is the only thing I can think of during this Administration that has any taint of political use but it doesn't really bother me because it was for national security purposes. These people worked with sensitive material on Vietnam that was getting out to reporters.

P. Of course, the stuff was involved with the (expletive deleted) Vietnam war.

D. That's right. Then he told me about going to (location and name deleted) and all that, and he said, "John that doesn't bother me, but what does bother me is that you all have been portrayed as politically using"—

P. And we never did.

D. And we never have! And he said the Eisenhower Administration didn't either.

P. Never.

D. He said the only time that he can recall that there has been a real political use has been during Democratic tenure. I said for example, Bill, what are you talking about? Then he told me of the Walter Jenkins affair. when DeLoach and Fortas, etc.—

P. The Kennedy s let me say, used it politically in that steel thing. That was not national security was it?

D. I asked somebody about that and they told me what happened. They were being defensive of Kennedy, and so he was saying that Kennedy had given Hoover orders and Hoover, being typical in his response, tried to get it yesterday as far as the answer for the President. And that is why sending people out in a plane in the middle of the night really fell on Hoover. This might be rumor over there, who knows?

P. It is still wrong!

D. Sure.

P. (expletive deleted) Can you imagine if a steel company or an automobile company had raised hell about something Ruckelshaus does, and we send FBI agents out to arrest (expletive deleted) Does he know about the bugging in '68?

D. Yep! I think he would tell everything. He knows!

P. You do?

D. Uh huh. That's what I am saying he is a bomb!

P. You think we could get him to do this?

D. That is the real problem. How it could be done, how it could be structured. He sent me this note and I called up and said, "Bill, I appreciate getting that note very much. It takes a lot of guts to send a note like that to me." He said, "it has been a pleasure to see a man standing up blowing up a little smoke up him and the like." He said, "well, I mean it! I am perfectly willing to do anything you want. If you want me to go up and testify, I will." I said, "well how much, you have just given me some tidbits in our conversation and I would really like to again repeat: can you put together what you do know; just for your own use, put it together on a pad—just your own recollections; and also tell me how you can substantiate them;—what kind of cross-examination you might be subject to on it if you did testify." So he is doing that. The question I have had is, how in the world can we program something like this? I just have a feeling that it would be bad for one Bill Sullivan to quietly appear on some Senator's doorstep, and say, "I have the information you ought to have." Well, "where did you get it?" That would be bad! The other thing is, maybe this information could be brought to the attention of the White House, and the White House could say to Eastland, "I think you ought to call an executive session and hear his testimony. This is quite troublesome, the information that has been presented to us. It is so troublesome, we can't hold it here and hope to be less comfortable."

P. Why couldn't we have him just present it to Eastland? Why an executive session? That doesn't serve—

D. Well, the first approach would be enough of the story, not to tarnish the names, but it would leak out of there quite obviously. If it doesn't we could make sure it did.

D. If Sullivan went up to Eastland cold, say, or Hruska, I think they would say, "go on down back to the Department of Justice where you work, and let's not start all this."

P. Suppose, another thing, Pat Gray knows anyone, or Hruska on the Committee, who is a tiger on our side on the committee—

D. Gurney has been good. He was good on the ITT Committee. He will study, he will get prepared.

P. Could we go after the Bureau? I don't know whether we could or not.

D. Not quite after the Bureau. What they are doing is taking the testimony of somebody who is going after the Bureau.

P. I know that. I am just thinking. They will look down the road and see what the result of what they are doing is, won't they? I would think so. Would they go after Johnson? Let's look at the future. How bad would it hurt the country, John, to have the FBI so terribly damaged?

D. Do you mind if I take this back and kick it around with Dick Moore? These other questions. I think it would be damaging to the FBI, but maybe it is time to shake the FBI and rebuild it. I am not so sure the FBI is everything it is cracked up to be. I am convinced the FBI isn't everything the public thinks it is.

P. No.

D. I know quite well it isn't.

P. If we can get Jerry Wilson in there— What is your feeling at the moment about Gray? Can he hang in there, Should he?

D. They have an executive session this afternoon to invite me to testify.

P. Sure.

D. There is no question, they are going to invite me to testify. I would say, based on how I handle: (1) the formal letter that comes out of the Committee asking for information, and I programmed that if they do get specific as to what in the hell they do want to know, that I've got to lay it out in a letter sent down here so I can be responsive, fully responsive.

P. Respond to the letter in full!

D. I feel I can respond to the letter in full. I feel I have nothing to hide, as far this issue Gray raised.

P. Would you respond under oath?

D. I think I would be willing to, yes, give it under oath.

P. That is what I would say: that is, what I would prepare in the press thing. He will respond under oath in a letter. He will not appear in a formal session. They might then say, "would he be willing to be questioned under oath?"

D. That is not what the question is. Yes, I would be willing to be questioned under oath, but we are not going up.

P. No, no! Here?

D. No, I think that would be a hell of a bad precedent.

P. Just so we don't cross that bridge. I agree, but you would respond in writing. That's it. OK.

D. After that, if we have been responsive, their argument for holding up Gray's confirmation based on me should be gone. Sure, it can raise more questions than answers, but it should work. The effect of the letter we have taken the central points that they want answers to, given them the responses, given them something in Eastland's hand. And he can say, "alright, it is time to vote. And Eastland says he has the votes to get Gray through. Now, what happens on the Senate Floor is something else, because Byrd is posing very perceptive, and controlling that Southern bloc.

P. Uh, uh! October! Byrd is running for leader of the whole Senate.

D. But Mansfield, on the other hand, has come out and said he would support Gray's confirmation.

P. My feeling is that they would like to have an excuse not to. And maybe they will use not you. But about these hearings——

D. Well if they say they have to hold up Gray's confirmation until the Watergate Hearings are completed——

P. That's great!

D. That's the vehicle.

P. That's a vote really for us, because Gray, in my opinion, should not be the head of the FBI. After going through the hell of the hearings, he will not be a good Director, as far as we are concerned.

D. I think that is true. I think he will be a very suspect Director. Not that I don't think Pat won't do what we want—I do look at him a little differently than Dick in that regard. Like he is still keeping in close touch with me. He is calling me. He has given me his hot line. We talk at night, how do you want me to handle this, et cetera? So he still stays in touch, and is still being involved, but he can't do it because he is going to be under such surveillance by his own people—every move he is making—that it would be a difficult thing for Pat Not that Pat wouldn't want to play ball, but he may not be able to.

P. I agree. That's what I meant.

D. Pat has already gotten himself in a situation where he has this Mark Felt as his number two man. These other people have surrounded him. He could have gotten a Wilson in there you know. Like this: saying, "Gentlemen, I am putting my own team in, and I am going to put in a team I have met around the country who are good office directors; Sacks out of Chicago," or whatever, and just put his own team together for the Headquarter's Office.

P. That's the way it should be done.

D. Gray should have walked in and made these major personnel decisions. I wouldn't be surprised if death of his nomination occurs if they say they cannot go forward with Gray's hearings because of the Watergate.

P. Where would that be done, John, at what point?

D. It would simply be voted first in the Judiciary Committee. The question is, then, whether it will be put on the calendar by the leadership.

P. The leadership might determine that we will not put it on the calendar until after the Watergate Hearings. Then Gray would, in turn, say that he will not wait that long.

D. "Gentlemen, this is damaging to the leadership of the FBI, and I will have to withdraw based on this." What would be nice for all is to get Gray voted out of the Committee, with a positive vote, enough to get him out of the Committee. and then lock him in limbo there.

P. What is Moore's judgment about Sullivan? What does he think?

D. He said it speaks dynamite. And we both feel that it is the way it would be done, that would be the secret. How it is done? Whether it is the sort of thing that you leak out and do? It would have to be very carefully thought through. We would have to decide, should the White House not be involved or should we be involved? It we are going to play with it, we are probably going to say that we are involved and structure it in a way that there is nothing improper with our involvement.

P. The difficulty with the White House being involved is that if we are involved in this (expletive deleted), that is why it ought to be that he just . . .

D. I suppose the answer is to say to him, "you have intimated a few things to me, the proper place to take that information is to the Senate Judiciary Committee or to the Attorney General, possibly." And then have him take it to the Committee. Or is that too close to the President, still?

P. Well, he works for the Attorney General, doesn't he?

D. If he takes it to Kleindienst, Kleindienst is going to say, "Bill just don't do it because you are going to take DeLoach's name down with it, and DeLoach is a friend of ours."

P. (Expletive deleted).

D. Something I have always thought.

P. Nobody is a friend of ours. Let's face it! Don't worry about that sort of thing.

D. Something I can kick around with Dick Moore. But first of all, it will have to be thought through every inch of the way. Either late yesterday afternoon—it wasn't when I talked with Bob—he was quite excited about it. Ehrlichman said, gave a very good, "uh huh." I said I am not going to rush anything on this. We have a little bomb here that we might want to drop at one time down the road. Maybe the forum to do it in is something totally out of context between the Gray hearings and the Watergate hearings. Maybe we need to go to the US News, sir. Who knows what it would be, but we ought to consider every option, now that we've got it.

P. Rather than going to a hearing, do "Meet the Press", and that will force the hearing to call him. That is quite the way to do it. Have him give an interview to US News, "Wires in the Sky" or something. A respected reporter—why not give it to Molenhoff?

D. Well that is interesting. Molenhoff is close, but our guy gets near Molenhoff. Molenhoff may not do anything.

P. No, and we are in a position with Molenhoff that he has been fighting us some. Maybe Molenhoff would be a pretty good prospect for this thing. It is the kind of a story he loves, but he digs on something. You couldn't call him, however, (inaudible)—The (characterization deleted) loves to talk too much, although he is a hell of a guy.

D. Ok. Can I call Clark and say "listen Clark, a guy has brought me a piece of dynamite that I don't even want in the White House?"

P. He will write that, won't he?

D. Yeah. Because that doesn't look like a set up deal. Well, Clark Molenhoff is the first guy to uncover a shield of anything, and he will say no way——

P. But he would do it. That is very important piece. (unintelligible) Getting back, don't you feel that is the need here to broaden the scope?

D. The focus is right on us. That's the problem.

P. Nothing on the Democrats.—Nothing on what the previous three Administrations did?

D. Nothing. If Hunt is still a walking story we'll pull out of this thing. You can't find anybody who even knows what is happening. Although it has increased in the network coverage. That NBC thing last night, which is just a travesty as far and we're talking about shabby journalism, they took the worst edited clips out of context, with Strachan saying he was leaving. And then had a little of clip of Ron saying, "I deny that." And he was denying something other than what they were talking about in their charge. It was incredible. Someone is going through and putting that altogether right now and Ron ought to be able to (unintelligible) to that one on NBC. It was a very, very dishonest television reporting of sequence of events, but out of sequence.

P. You see, John, when that Ervin gets up there—and a lot of Republicans even think he is a great Constitutional lawyer—it just makes us wonder about our even sending Gray up. Who knows?

D. Who knows? That is right. If you didn't send him up, why didn't you send him up. Because he was——

P. I know, but that is one thing: You send somebody else up to take them on, not a big clown. You know what I mean?

P. I won't even announce any appointments. I think the problem of the Senate was with all this stuff hanging out there in the Ervin Committee.

D. Well one thing, the saturation level of the American people on this story is cracking. The saturation level in this city is getting pretty high now, and they can't take too much more of this stuff.

P. Think not?

D. There is nothing really new coming out.

P. I talked with some kid and he said I don't think that anybody incidentally would care about anybody infiltrating the peace movement that was demonstrating against the President, particularly on the War in Vietnam. Do you think so?

D. No! Anyway, I don't care about that. What happened to this Texas guy that gets his money back? Was he——

D. All hell broke loose for him that week. This was Allan

P. No, no. Allan——

D. Allan, not Duncan nor (unintelligible). All hell broke loose for Allan for this reason: He—the money apparently originally came out of a subsidiary of one of Allan's corporations down in Mexico. It went to a lawyer in Mexico who put it down as a fee billed to the subsidiary; and then the lawyer sent it back into the States, and it came back up here. But the weakness of it is that the Mexican lawyer: (1) didn't have a legitimate fee; (2) It could be corporate contribution. So Allan had personally put a note up with the corporation to cover it. Allan, meanwhile, is having problems with his wife, and a divorce is pending. And tax problems——

P. (inaudible) Watergate——

D. I don't know why that went in the letter. It wasn't used for the Watergate. That is the interesting thing.

P. It wasn't?

D. No it was not. What happened is that these Mexican checks came in. They were given to Gordon Liddy, and said, "Why don't you get these cashed?" Gordon Liddy, in turn, put them down to this fellow Barker in Florida, who said he could cash these Mexican checks, and put them with your Barker's bank account back in here. They could have been just as easily cashed at the Riggs Bank. There was nothing wrong with the checks. Why all that rigamorole? It is just like a lot of other things that happened over there. God knows what it was all done. It was totally unnecessary, and it was money that was not directly involved in the Watergate. It wasn't a wash operation to get money back to Liddy and the like.

P. Who is going to be the first witness up there?

D. Sloan.

P. Unfortunate.

D. No doubt about it——

P. He's scared?

D. He's scared, he's weak. He has a compulsion to cleanse his soul by confession. We are giving him a lot of stroking. Funny thing is this fellow goes down to the Court House here before Sirica, testifies as honestly as he can testify, and Sirica looks around and called him a liar. He just said—Sloan just can't win! So Kalmbach has been dealing with Sloan. Sloan is like a child. Kalmbach has done a lot of that. The person who will have a greater problem as a result of Sloan's testimony is Kalmback and Stans. So they are working closely with him to make sure that he settles down.

P. Kalmbach will be a good witness, knowing what Kalmbach has been through.

D. Kalmbach has borne up very well. In fact, I decided he may be—

P. Kalmbach is somewhat embarrassed, as he is, they say lawyer for the President. Well, hell I don't need a lawyer. He and DeMarco, his other partner, handle our pay out there.

D. He is sensitive on that point. He saw a transcript of a briefing where Ron was saying, "well he is really not, right nomenclature, 'personal attorney.'" Herb said, "well, gee whiz. I don't know whether Ron knows what all I do." And I said, "well, don't worry about it."

P. What I meant is—I don't care about it, but I mean—it is just the fact that it is played that way, that he is in talking to me all the time. I don't ask him anything. I don't talk to him about anything. I don't know, I see Herb once a year when we see and sign the income tax returns.

D. That's right!

P. Now, true, he handles our San Clemente property and all the rest, but he isn't a lawyer in the sense that most people have a lawyer.

D. No, no. Although when you had an estate claim, he has some dove-tailing on it.

P. Anyway we don't want to back off of him.

D. No, he is solid.

P. He will—how does he tell his story? He has a pretty hard row to hoe—he and Stans have.

D. He will be good. Herb is the kind of guy who will check, not once nor twice, on his story—not three times—but probably fifty to a hundred times. He will go over it. He will know it. There won't be a hole in it. Probably he will do his own Q & A. He will have people cross-examine him from ten ways. He will be ready as John Mitchell will be ready, as Maury Stans will be ready.

P. Mitchell is now studying, is he?

D. He is studying. Sloan will be the worst witness. I think Magruder will be a good witness. This fellow, Bart Porter, will be a good witness. They have already been through Grand Jury. They have been through trial. They did well. And then, of course, people around here.

P. None will be witnesses.

D. They won't be witnesses?

P. Hell, no. They will make statements. That will be the line which I think we have to get across to Ziegler in all his briefings where he is constantly saying we will provide information. That is not the question. It is how it is to be furnished. We will not furnish it in a formal session. That would be a break down of the privilege. Period. Do you agree with that?

D. I agree. I agree. I have always thought that's the bottom line, and I think that is the good thing that is happening in the Gray hearings right now. If they send a letter down with specific questions, I send back written interrogatories sworn. He knows, the lawyer, that you can handle written interrogatories, where cross examination is another ball game.

P. That's right!

D. You can make a person look like they're inaccurate even if they are trying to tell the truth.

P. Well now, really, you can't mean that! All the facemaking and all that. Written interrogatories you can handle?

D. Can be artfully, accurately answered and give the full information.

P. (unintelligible) Well, what about the sentencing: When the hell is he going to sentence?

D. We thought he was going to sentence last Friday.

P. I know he should have.

D. No one knows what in the world Sirica is doing. It is getting to be a long time now. It frankly is, and no one really has a good estimation of how he will sentence. There is some feeling that he will sentence Liddy the heaviest. Liddy is already in jail, he is in Danbury. He wants to start serving so he can get good time going. Hunt, he will probably be very fair with.

P. Why?

D. He likes Hunt—he thought Hunt was being open with him and being candid, and Hunt gave a statement in open court that he didn't know of any higher ups involved and Hunt didn't put him through the rigors of trial. Hunt was a beaten man who had lost his wife, was ill, and still they tried to move to have him severed from the trial. And Hunt did not try to cause a lot of problems. Bittman was cooperative, whereas Liddy played the heavy in the trial. His lawyer raised all the objections and the like, and embarrassed the Judge for some in-chambers things he had said.

P. But Liddy is going to appeal the sentence?

D. Liddy is going to appeal the decision, the trial. He will appeal that.

P. He will appeal the trial? He was convicted!

D. There is an outside chance that this man, this Judge, has gone so far in his zeal to be a special prosecutor—

P. Well some of those statements from the Bench—

D. Incredible statements!

P. To me, incredible!

D. Commenting on witnesses testimony before the Jury, was just incredible. Incredible! So there may be a mistrial. Or maybe reversible error.

P. What about the Cubans?

D. The Cubans will probably be thought of as hired hands, and receive nowhere near the sentence of Liddy, I would think. Not all of them. Barker, the lead Cuban, may get more than the others. It is hard to say. I just don't have any idea. Sirica is a strange man. He is known as a hanging judge.

P. (unintelligible)

D. That's right. He's tough. He is tough. The other thing, Sirica, there was some indication that Sirica might be putting together a panel. There is a system down there now, based on informal agreement, where a sentencing judge convenes a panel of his own to take advice from. If Sirica were being shrewd, he just might get himself a panel and take their recommendations.

P. When will the Ervin thing be hitting the fan most any day, thinking from the standpoint of time?

D. Well, I would say the best indications we have now is that public hearings will probably start about the first of May. Now, there will probably be a big bang of interest, initially. We have no idea how they will proceed yet. We do have sources to find that out, other than Baker. Incidentally, Kleindienst had called Ervin again, returned the call. Ervin is going to see him this week with Baker.

P. Public hearings the first of May. Well it must be a big show. Public hearings. I wouldn't think though, I know from experience, my guess is that I think they could get through about three weeks of those and then I think it could begin to peter out somewhat. Don't you agree?

D. No, I—

P. ITT went longer, but that was a different thing, and it seemed more important.

D. When I told Bob, oh, several months ago, I hope they don't think (unintelligible). He said the way they could have those hearings and do a masterful job on it, would be to hold one hearing a week on Thursdays, Thursday mornings, they cover it live. That way, you get live coverage that day; you get the networks that night; the national magazines that week; get the weekend wrap-ups. You can stretch this thing out by, really.

P. Our members of the Committee at least should say, let's get it over with, and go through five day sessions, etc.

D. Well you see, I don't think they are that perceptive. They just think they are.

P. Well, so be it. I noticed in the news summary Buchanan was viewing with alarm the grave crisis in the confidency of the Presidency, etc.

D. Well the best way——

P. How much?

D. Pardon?

P. How much of a crisis? It will be—I am thinking in terms of—the point is, everything is a crisis. . . . . it is a terrible lousy thing—it will remain a crisis among the upper intellectual types, the soft heads, our own, too—Republicans—and the Democrats and the rest. Average people won't think it is much of a crisis unless it affects them. (unintelligible)

D. I think it will pass. I think after the Ervin hearings, they are going to find so much—here will be some new revelations. I don't think that the thing will get out of hand. I have no reason to believe it will.

P. Oh, yes—there would be new revelations.

D. They would be quick (inaudible). They would want to find out who knew——

P. Is there a higher up?

D. Is there a higher up?

P. Let's face it, I think they are really after Haldeman.

D. Haldeman and Mitchell.

P. Colson is not a big enough name for them. He really isn't. He is, you know, he is on the government side, but Colson's name doesn't bother them so much. They are after Haldeman and after Mitchell. Don't you think so?

D. Sure. They are going to take a look and try to drag them, but they're going to be able to drag them into the election——

P. In any event, Haldeman's problem is Chapin isn't it?

D. Bob's problem is circumstantial.

P. Why is that? Let's look at the circumstantial. I don't know, Bob didn't know any of those people like the Hunts and all that bunch. Colson did, but Bob didn't. OK?

D. That's right.

P. Now where the hell, or how much Chapin knew I will be (expletive deleted) if I know.

D. Chapin didn't know anything about the Watergate.

P. Don't you think so?

D. Absolutely not.

P. Strachan?

D. Yes.

P. He knew?

D. Yes.

P. About the Watergate?

D. Yes.

P. Well, then, he probably told Bob. He may not have.

D. He was judicious in what he relayed, but Strachan is as tough as nails. He can go in and stonewall, and say, "I don't know anything about what you are talking about." He has already done it twice you know, in interviews.

P. I guess he should, shouldn't he? I suppose we can't call that justice, can we?

D. Well, it is a personal loyalty to him. He doesn't want it any other way. He didn't have to be told. He didn't have to be asked. It just is something that we found was the way he wanted to handle the situation.

P. But he knew? He knew about Watergate? Strachan did?

D. Yes.

P. I will be damned! Well that is the problem in Bob's case. Not Chapin then, but Strachan. Strachan worked for him, didn't he?

D. Yes. They would have one hell of a time proving that Strachan had knowledge of it, though.

P. Who knew better? Magruder?

D. Magruder and Liddy.

P. Oh, I see. The other weak link for Bob is Magruder. He hired him et cetera.

D. That applies to Mitchell, too.

P. Mitchell—Magruder. Where do you see Colson coming into it? Do you think he knew quite a bit and yet, he could know quite a great deal about a lot of other things and not know a lot about this. I don't know.

D. Well I have never——

P. He sure as hell knows Hunt. That we know. Was very close to him.

D. Chuck has told me that he had no knowledge, specific knowledge, of the Watergate before it occurred. There have been tidbits that I have raised with Chuck. I have not played any games with him. I said, "Chuck, I have indications—"

P. What indications? The lawyer has to know everything.

D. That's right. I said, "Chuck, people have said that you were involved in this, involved in that, involved in all of this. He said, "that is not true, etc." I think that Chuck had knowledge that something was going on over there, but he didn't have any knowledge of the details of the specifics of the whole thing.

P. There must have been an indication of the fact that we had poor pickings. Because naturally anybody, either Chuck or Bob, were always reporting to me about what was going on. If they ever got any information they would certainly have told me that we got some information, but they never had a thing to report. What was the matter? Did they never get anything out of the damn thing?

D. I don't think they ever got anything, sir.

P. A dry hole?

D. That's right.

P. (Expletive deleted)

D. Well, they were just really getting started.

P. Yeah. Bob one time said something to me about something, this or that or something, but I think it was something about the Convention, I think it was about the Convention problems they were planning something. I assume that must have been MacGregor—not MacGregor, but Segretti.

D. No, Segretti wasn't involved in the intelligence gathering piece of it at all.

P. Oh, he wasn't? Who the hell was gathering intelligence?

D. That was Liddy and his outfit.

P. Apart from Watergate?

D. That's right. Well you see Watergate was part of intelligence gathering, and this was their first thing. What happened is—

P. That was such a stupid thing!

D. It was incredible—that's right. That was Hunt.

P. To think of Mitchell and Bob would have allowed—would have allowed—this kind of operation to be in the campaign committee!

D. I don't think he knew it was there.

P. I don't think that Mitchell knew about this sort of thing.

D. Oh, no, no! Don't misunderstand me. I don't think that he knew the people. I think he knew that Liddy was out intelligence gathering. I don't think he knew that Liddy would use a fellow like McCord, (expletive removed), who worked for the Committee. I can't believe that.

P. Hunt?

D. I don't think Mitchell knew about Hunt either.

P. Well Mitchell thought, well, gee, and I hired this fellow and I told him to gather intelligence. Maybe Magruder says the same thing.

D. Magruder says—as he did in the trial—well, of course, my name has been dragged in as the guy who sent Liddy over there, which is an interesting thing. Well, what happened they said is that Magruder asked—he wanted to hire my deputy over there as Deputy Counsel and I said, "No way. I can't give him up."

P. Was Liddy your deputy?

D. No. Liddy never worked for me. He wanted this fellow Fred Fielding who works for me. Look, he said, Magruder said to me, "will you find me a lawyer?" I said, "I will be happy to look around." I checked around the White House, Krogh said, "Liddy might be the man to do it—he would be a hell of a writer. He has written some wonderful legal opinions over here for me, and I think he is a good lawyer." So I relayed that to Magruder.

P. How the hell does Liddy stand up so well?

D. He's a strange man, Mr. President.

P. Strange or strong?

D. Strange and strong. His loyalty is—I think it is just beyond the pale. Nothing—

P. He hates the other side too, doesn't he?

D. Oh, absolutely! He is strong. He really is.

P. Is it too late to go the hang-out road?

D. Yes, I think it is. The hang-out road—

P. The hang-out road (inaudible).

D. It was kicked around Bob and I and—

P. Ehrlichman always felt it should be hang-out.

D. Well, I think I convinced him why he would not want to hang-out either. There is a certain domino situation here. If some things start going, a lot of other things are going to start going, and there can be a lot of problems if everything starts falling. So there are dangers, Mr. President. I would be less than candid if I didn't tell you there are. There is a reason for not everyone going up and testifying.

P. I see. Oh no, no, no! I didn't mean to have everyone go up and testify.

D. Well I mean they're just starting to hang-out and say here's our story——

P. I mean put the story out PR people, here is the story, the true story about Watergate.

D. They would never believe it. The two things they are working on are Watergate——

P. Who is "they?"

D. The press, (inaudible) the intellectuals,——

P. The Packwoods?

D. Right—They would never buy it as far as one White House involvement in Watergate which I think there is just none for that incident which occurred at the Democrat National Headquarters. People here we just did not know that was going to be done. I think there are some people who saw the fruits of it, but that is another story. I am talking about the criminal conspiracy to go in there. The other thing is that the Segretti thing. You hang that out, and they wouldn't believe that. They wouldn't believe that Chapin acted on his own to put his old friend Segretti to be a Dick Tuck on somebody else's campaign. They would have to paint it into something more sinister, more involved, part of a general plan.

P. Shows you what a master Dick Tuck is. Segretti's hasn't been a bit similar.

D. They are quite humorous as a matter of fact.

P. As a matter of fact, it is just a bunch of (characterization deleted). We don't object to such damn things anyway. On, and on and on. No, I tell you this it is the last gasp of our hardest opponents. They've just got to have something to squeal about it.

D. It is the only thing they have to squeal——

P. (Unintelligible) They are going to lie around and squeal. They are having a hard time now. They got the hell kicked out of them in the election. There is not a Watergate around in this town, not so much our opponents, even the media, but the basic thing is the establishment. The establishment is dying, and so they've got to show that the despite the successes we have had in foreign policy and in the election, they've got to show that it is just wrong because of this. They are trying to use this as the whole thing.

D. Well, that is why I keep coming back

to this fellow Sullivan. It could change the picture.

P. How could it change though? Saying here is another——

D. Saying here is another and it happens to be Democrats. You know, I know I just——

P. If he would get Kennedy into it, too, I would be a little bit more pleased.

D. Let me tell you something that lurks at the bottom of this whole thing. If, in going after Segretti, they go after Kalmbach's bank records, you will recall sometime back—perhaps you did not know about this—I apologize. That right after Chappaquiddick somebody was put up there to start observing and within six hours he was there for every second of Chappaquiddick for a year, and for almost two years he worked for Jack Caulfield.

P. Oh, I have heard of Caulfield.

D. He worked for Caulfield when Caulfield worked for John, and then when I came over here I inherited Caulfield and this guy was still on this same thing. If they get to those bank records between the start of July of 1969 through June of 1971, they say what are these about? Who is this fellow up in New York that you paid? There comes Chappaquiddick with a vengeance. This guy is a twenty year detective on the New York City Police Department.

P. In other words we——

D. He is ready to disprove and show that——

P. (unintelligible)

D. If they get to it—that is going to come out and this whole thing can turn around on that. If Kennedy knew the bear trap he was walking into——

P. How do we know—why don't we get it out anyway?

D. Well, we have sort of saved it.

P. Does he have any records? Are they any good?

D. He is probably the most knowledgeable man in the country. I think he ran up against walls and they closed the records down. There are things he can't get, but he can ask all of the questions and get many of the answers as a 20 year detective, but we don't want to surface him right now. But if he is ever surfaced, this is what they will get.

P. How will Kalmbach explain that he hired this guy to do the job on Chappaquiddick? Out of what type of funds?

D. He had money left over from the preconvention——

P. Are they going to investigate those funds too?

D. They are funds that are quite legal. There is nothing illegal about those funds. Regardless of what may happen, what may occur, they may stumble into this in going back to, say 1971, in Kalmbach's bank records. They have already asked for a lot of his bank records in connection with Segretti, as to how he paid Segretti.

P. Are they going to go back as far as Chappaquiddick?

D. Well this fellow worked in 1971 on this. He was up there. He has talked to everybody in that town. He is the one who has caused a lot of embarrassment for Kennedy already by saying he went up there as a newspaperman, saying; "Why aren't you checking this? Why aren't you looking there?" Calling the press people's attention to things. Gosh, the guy did a masterful job. I have never had the full report.

P. Coming back to the Sullivan thing, you will now talk to Moore and then what?

D. I will see if we have something that is viable. And if it's—

P. You plan to talk with him again.

D. Yes he asked me last night to give him a day or so to get all his recollections together, and that was yesterday. So I thought I would call him this evening and say, "Bill, I would just like to know—"

P. You see, right after you talk to him it will become known. So maybe the best thing to say is that he is to turn this over and be maligned. But anyway, the Committee is going to say the White House turned over information on the FBI. I don't know how the (expletive deleted) we get it down there?

D. I think I can kick it around with Dick Moore. He and I do very well just bouncing these things back and forth and coming up with something. We would never be embarrassed about it.

P. To give it to a newsman, it would be a hell of a break for a newspaper, a hell of a story! The STAR just run a whole story on a real bomb on the FBI. Then the Committee member, the man you would use, for example, in this case would be to call Gurney, and to say, "Look! We are on to something very hot here. I can't tell you any more. Go after it, you'll get your other end this fall." Then he goes. It seems to me that's a very effective way to get it out.

D. Uh huh. It seems to me that I don't think Sullivan would give up the White House. Sullivan—if I have one liability in Sullivan here, it is his knowledge of the earlier (unintelligible) that occurred here.

P. That we did?

D. That we did.

P. Well, why don't you just tell him—he could say, "I did no political work at all. My work in the Nixon Administration was solely in the national security." And that is thoroughly true!

D. That is true.

P. Well, good luck.

D. Thank you, sir.

P. It is never dull is it?

D. Never.

Appendix 4. Meeting: The President and Dean, Oval Office, March 17, 1973 (1:25–2:10 P.M.)

(Material relating to break in at Dr. Fielding's office in California)

P. Now on the Segretti thing, I think you've just got to—Chapin, all of them have just got to take the heat. Look, you've got to admit the facts John and——

D. That's right.

P. And that's our—and that's that And Kalmbach paid him. And (unintelligible) a lot of people. I just think on Segretti no matter how bad it is. It isn't nearly as bad as people think it was. Espionage, sabotage?

D. The intent when Segretti was hired, was nothing evil, nothing vicious, nothing bad, nothing. Not espionage, not sabotage. It was pranksterism that got out of hand and we know that. And I think we can lay our story out there. I have no problem with the Segretti thing. It's just not that serious. The other potential problem is Ehrlichman's and this is—

P. In connection with Hunt?

D. In connection with Hunt and Liddy both.

P. They worked for him?

D. They—these fellows had to be some idiots as we've learned after the fact. They went out and went into Dr. Ellsbergs' doctor's office and they had, they were geared up with all this CIA equipment—cameras and the like. Well they turned the stuff back to the CIA some point in time and left film in the camera. CIA has not put this together, and they don't know what it all means right now. But it wouldn't take a very sharp investigator very long because you've got pictures in the CIA files that they had to turn over to (unintelligible).

P. What in the world—what in the name of God was Ehrlichman having something (unintelligible) in the Ellsberg (unintelligible)?

D. They were trying to—this was a part of an operation that—in connection with the Pentagon papers. They were—the whole thing—they wanted to get Ellsberg's psychiatric records for some reason. I don't know.

P. This is the first I ever heard of this. I, I (unintelligible) care about Ellsberg was not our problem.

D. That's right.

P. (Expletive deleted)

D. Well, anyway, (unintelligible) it was under an Ehrlichman structure, maybe John didn't ever know. I've never asked him if he knew. I didn't want to know.

P. I can't see that getting into, into this hearing.

D. Well, look. No. Here's the way it can come up.

P. Yeah.

D. In the CIA's files which they—which the Committee is asking for—the material they turned over to the Department of Justice.

P. Yeah.

D. There are all the materials relating to Hunt. In there are these pictures which the CIA developed and they've got Gordon Liddy standing proud as punch outside this doctor's office with his name on it. And (unintelligible) this material it's not going to take very long for an investigator to go back and say, well, why would this—somebody be at the doctor's office and they'd find out that there was a break in at the doctor's office and then you'd find Liddy on the staff and then you'd start working it back. I don't think they'll ever reach that point.

P. (Unintelligible?)

D. This was way, this was——

P. It's irrelevant.

D. It's irrelevant. Right.

P. That's the point. That's where——where Ervin's rules of relevancy (unintelligible).

P. Now what the hell has this got to do with it?

D. It has nothing as a lot of these things that they should stumble along into is irrelevant.

March 20, 1973, (7:29–7:43 P.M.)—Telephone Conversation—The President/Dean

P. John Dean, please.

Opr. Yes, Mr. President.

P. Hello.

D. Yes, sir.

P. You are having rather long days these days, aren't you? I guess we all have.

D. I think they will continue to be longer.

(Material unrelated to Presidential actions deleted)

D. The other witness they have now subpoenaed—there are two other witnesses—there is a Hoback girl from the Re-Election Committee—she was interrogated by Committee staff and counsel as a result of her confidential interviews with the FBI.

P. Hmph.

D. Alleging that that had been leaked by me to them and then, of course, that was not true.

P. That's not true.

D. And the other fellow they are calling is a fellow by the name of Thomas Lombard who is trying to establish a link between Dean on that one. Lombard did volunteer work for me in my office and did volunteer work for Liddy and at one time he saw Liddy in my office. Big deal. It was purely campaign, you know.

P. Well, is that what Lombard will testify to, or will he testify to—

D. Well he has written a very lengthy letter to the Committee declining to testify originally and saying this is all I would have to say and it is probably not relevant. I know nothing of Dean and Liddy's connection.

P. Right.

D. Other than the fact that they—

P. That's not bad then—maybe he will make a pretty good witness.

D. He might. He might.

P. What about the Hoback girl?

D. The Hoback girl should be broken down. She should come out in tears as a result of the fact that she is virtually lying about one thing and our people will be on the—

P. You mean—do our people know what to ask her?

D. Yes they do. Yes they do.

P. Uh, huh. Why is she doing it? Do we know?

D. She—ah——

P. Disgruntled? Somebody——

D. Disgruntled. She has been fairly disgruntled all along. She is a Democrat that worked over there in Finance Committee. She professes a personal loyalty to Maury Stans but that is about the extent of it, any, of her loyalty.

P. Yeah.

D. I never have figured out how she got in there. (Material unrelated to Presidential action deleted)

P. They didn't bite the bullet with regard to subpoenaing you?

D. No. I don't think there is any chance they are going to do that.

P. That's rather interesting isn't it? Something ought to be made of that.

D. Unless they get—they are taking more evidence on me. Obviously with these other two witnesses, not that I think anything will come out of this. It will just be more—I had a conversation with John Ehrlichman this afternoon before he came down to visit you. I think that one thing that we have to continue to do, and particularly right now, is to examine the broadcast, broadest implications of this whole thing, and, you know, maybe about 30 minutes of just my recitation to you of facts so that you operate from the same facts that everybody else has.

P. Right.

D. I don't think—We have never really done that. It has been sort of bits and pieces. Just paint the whole picture for you, the soft spots, the potential problem areas.

P. Uh, huh.

D. and the like so that when you make judgments you will have all that information.

P. Would you like to do that—when?

D. I would think, if its not inconvenient for you, sir, I would like to sort of draw all my thoughts together and have a—just make some notes to myself so I didn't——

P. Could you do it tomorrow?

D. Yes, Sir. Yes, Sir.

P. Uh, huh. Well, then we could probably do it, say, around ten o'clock.

D. That would be fine, sir.

P. Do you just want to do it alone? Want anybody else there?

D. I think just——

P. It is better with nobody else there, isn't it?

D. Absolutely.

P. Anybody else they are all partisan interest virtually

D. That's right.

P. Right. Fine. The other thing I was going to say just is this—just for your own thinking—I still want to see, though I guess you and Dick are still working on your letter and all that sort of thing?

C. We are and we are coming to—the more we work on it the more questions we see—

P. That you don't want to answer, huh?

D. That bring problems by answering.

P. And so you are coming up, then, with the idea of just a stonewall then? Is that——

D. That's right.

P. Is that what you come down with?

D. Stonewall, with lots of noises that we are always willing to cooperate, but no one is asking us for anything.

P. And they never will, huh? There is no way that you could make even a general statement that I could put out? You understand what I——

D. I think we could.

P. See, for example, I was even thinking if you could even talk to Cabinet, the leaders, you know, just orally and say, "I have looked into this, and this is that," so that people get sort of a feeling that—your own people have got to be reassured.

D. Uh, huh.

P. Could you do that?

D. Well, I think I can but I don't think you would want to make that decision until we have about a——

P. No, I want to know. I want to know where all the bodies are first.

D. And then, once you decide after that, we can program it anyway you want to do it.

P. Yeah. Because I think, for example, you could do it orally, even if you don't want to make the written statement. You could do it orally before the Cabinet, the leaders and the rest. Lay it all out. You see, I would not be present. You just lay it all out and I just—See what I mean?

D. Uh, huh.

P. Now that is one thing. The other thing is that I do think there is something to be said for not maybe this complete answer to this fellow, but maybe just a statement to me. My versions are these: bing, bing, bing. That is a possibility.

D. Uh, huh.

P. What I mean is we need something to answer somebody, answer things, you know they say, "What are you basing this on", I can say, "Well, my counsel has advised me that"—Is that possible or not, or are——

D. Well, you know there is that—and there is always the FBI report which we have probably not relied upon enough. There is not one scintilla of evidence.

P. I know. But I mean, can't you say that? Or do you want to put it out?

D. Ah, it could be said, and it is something we haven't really emphasized. Pat Gray is the only person who has said it and it has really never gotten picked up.

P. How would you do it then? What I meant, isn't that something that you could say? Do you want to publish the FBI report?

D. Oh, no, because at our own strictures we are trying to place an up-right——

P. But you could say, "I have this and this is that." Fine. See what I am getting at is that, if apart from a statement to the Committee or anything else, if you could just make a statement to me that we can use. You know, for internal purposes and to answer questions, etc.

D. As we did when you, back in August, made the statement that——

P. That's right.

D. And all the things——

P. You've got to have something where it doesn't appear that I am doing this in, you know, just in a—saying to hell with the Congress and to hell with the people, we are not going to tell you anything because of Executive Privilege. That, they don't understand. But if you say, "No, we are willing to cooperate," and you've made a complete statement, but make it very incomplete. See, that is what I mean. I don't want a, too much in chapter and verse as you did in your letter, I just want just a general——

D. An all-around statement.

P. That's right. Try just something general. Like "I have checked into this matter; I can categorically, based on my investigation, the following: Haldeman is not involved in this, that and the other thing. Mr. Colson did not do this; Mr. so-and-so did not do this. Mr. Blank did not do this." Right down the line, taking the most glaring things. If there are any further questions, please let me know. See?

D. Uh, huh. I think we can do that.

P. That is one possibility, and then you could say that such things—and then use the FBI report to the Cabinet and to the leaders. It might just be very salutary. You see our own people have got to have confidence or they are not going to step up and defend us. You see our problem there, don't you?

D. And I think at the same time it would be good to brief these people on what Executive Privilege means, so they can go out and speak about it. Some of them are floundering.

P. And why it is necessary.

D. I thought about having someone prepare some material that can be put out by the Congressional people so they can understand, people can understand. It is tremendous to have a piece of paper that they know they can talk from.

P. Pointing out that you are defending the Constitution; responsibility of the separation of powers; and we have to do it. Distinguishing the Adam's case; ignoring Flanigan, which is one we should never have agreed to, but nevertheless—Anyway let's think a little about that, but we'll see you at ten o'clock tomorrow.

D. Yes, Sir.

P. Fine.

D. Alright, sir. Good night.

P. Take the evening off.

D. Alright.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 15 minutes with statements therein limited to 5 minutes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate the following letters, which were referred as indicated:

Facilities Projects Proposed by the Army National Guard

A letter from the Deputy Assistant Secretary of Defense reporting, pursuant to law, on sixteen facilities projects proposed to be undertaken for the Army National Guard (with accompanying papers). Referred to the Committee on Armed Services.

Fees and Charges Established by the Department of Housing and Urban Development

A letter from the Secretary of Housing and Urban Development reporting, pursuant to law, on the fees and charges which the Department of Housing and Urban Development has established pursuant to Section 721 of the Urban Growth and New Community Development Act of 1970 (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

Report of National Railroad Passenger Corporation

A letter from the Director, Federal Affairs, National Railroad Passenger Corporation (Amtrack), transmitting, pursuant to law, a report of that Corporation, for the month of January, 1974 (with an accompanying report). Referred to the Committee on Commerce.

Report of Civil Defense, District of Columbia

A letter from the Mayor-Commissioner of the District of Columbia transmitting, pursuant to law, the annual report of the Office of Civil Defense, for the fiscal year 1973 (with an accompanying report). Referred to the Committee on the District of Columbia.

Report of the Washington Metropolitan Area Transit Authority

A letter from the General Manager of the Washington Metropolitan Area Transit Authority transmitting, pursuant to law, the first financial report of the Authority (with an accompanying report). Referred to the Committee on the District of Columbia.

Report Relating to Philippine M-16 Project

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a confidential report relating to Philippine M-16 Project (with an accompanying report). Referred to the Committee on Foreign Relations.

Assistance-Related Funds for Cambodia

A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to law, a report showing assistance-related funds obligated for Cambodia during the third quarter of fiscal year 1974 (with an accompanying report). Referred to the Committee on Foreign Relations.

Proposed Legislation From Department of State

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to provide expanded support for scholarly, cultural and artistic exchange programs between Japan and the United States, and for other purposes (with an accompanying paper). Referred to the Committee on Foreign Relations.

Report of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of Soybean Exports on Domestic Supplies and Prices", Department of Agriculture, dated March 22, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

Report on Budgetary Reserves

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on Budgetary Reserves, as of April 20, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

Report on Emergency Petroleum Allocation Program

A letter from the Acting Chairman, Federal Trade Commission, transmitting, pursuant to law, comments of that Commission on the Staff Report on the Emergency Petroleum Allocation Program (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Proposed Legislation From Administrative Office of the United States Courts

A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to enlarge the trial jurisdiction of United States magistrates in misdemeanor cases, to make technical and administrative amendments in the Federal Magistrates Act, and for other purposes (with an accompanying paper). Referred to the Committee on the Judiciary.

Orders Suspending Deportation

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders suspending deportation, together with a list of the persons involved (with accompanying papers). Referred to the Committee on the Judiciary.

Visa Petitions Approved

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, reports concerning visa petitions which have been approved according the beneficiaries of such petitions third preference and sixth preference classifications (with accompanying papers). Referred to the Committee on the Judiciary.

Proposed Legislation by the General Services Administration

A letter from the Acting Administrator of General Services transmitting a draft of proposed legislation to provide that the widow of each former President shall receive an annual monetary allowance that is equal to fifty-five percent of the annual allowance authorized for former Presidents (with accompanying papers). Referred to the Committee on Post Office and Civil Service.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

A joint memorial of the Legislature of the State of Idaho. Referred to the Committee on Commerce:

"House Joint Memorial No. 23

"A joint memorial to the Senators and Representatives in the Congress of the United States assembled and the Senators and Representatives representing the State of Idaho in the Congress of the United States

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the Second Regular Session of the Forty-second Idaho Legislature, do hereby respectfully represent that:

"Whereas, there exists the probability of a shortage of anhydrous ammonia in the western states which would seriously cripple agriculture in Idaho and other states; and

"Whereas, this chemical fertilizer is produced in Alaska in sufficient quantities to meet American needs, but the capacity of domestic shipping to transport the fertilizer to western ports is limited; and

"Whereas, as a consequence of limited cargo capacity, fertilizer which is sorely needed in Idaho may be shipped to foreign nations; and

"Whereas, the Jones Act requires that only United States flagships may transport between domestic ports; and

"Whereas, legislation has been introduced in Congress which would waive the provisions of the Jones Act on a temporary basis and be applied only to the shipment of anhydrous ammonia in order to meet the needs of agriculture in Idaho and other western states.

"Now, therefore, be it resolved by the Second Regular Session of the Forty-second Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully urge the Congress of the United States to act favorably upon S.B. No. 2971 and H.R. No. 12757, in order to facilitate the immediate shipment of anhydrous ammonia into the western United States and avert a fertilizer shortage.

"Be it further resolved that the Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate, the Speaker of the House of Representatives and the Senators and Representatives representing this state in the Congress of the United States."

A resolution of the Legislature of the Commonwealth of Massachusetts. Referred to the Committee on the Judiciary:

"Resolutions Memorializing the Congress of the United States To Allow Greater Immigration to the People of Ireland

"Whereas, Unfortunately, there seems to be a part of the new U.S. immigration policy which is neither just nor equitable toward the Irish and, as a practical matter, the average Irish person who desires to come and settle here in the United States will no longer be allowed to do so; and

"Whereas, If the present U.S. Immigration Law had been on our statute books one hundred and fifty years ago, at least ninety per cent of the Irish in America would not have been allowed to enter the United States; and

"Whereas, It is recognized that the old immigration law was unjust and unfair to some other nationalities but that the 1965 Immigration Act substituted a law which, now, is as unfair to Ireland as the old law was to these other nationalities; and

"Whereas, Irish nuns and brothers have, for many years, staffed schools, hospitals, orphanages and rest homes for the aged in our nation and these religious groups, who desire to come here to continue this work, must now wait their turns because of this new Immigration Act; and

"Whereas, In 1965, the Irish ranked fifth among the nationals immigrating to the United States and since then she no longer ranks fifth or even tenth. Irish immigration is at an all time low. In 1967, 2665 were admitted. Since the enactment of the new law in July, 1968, a total of 1,076 persons applied for visas and through November 30, 1968 only 72 were issued; therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact such legislation as may be necessary to allow greater immigration to the people in Ireland; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to each member thereof from the Commonwealth."

A resolution of the Legislature of the Commonwealth of Massachusetts. Referred to the Committee on the Judiciary:

"Resolutions Requesting the Congress of the United States to Call a Convention for the Purpose of Amending the Constitution of the United States To Prohibit Forced Busing

"Resolved, That the General Court of the Commonwealth of Massachusetts, pursuant to Article V of the Constituton of the United States, hereby makes application to the Congress of the United States to call a convention for proposing the following amendment to the Constitution of the United States:

"No student shall be assigned to nor compelled to attend any particular public school on account of race, religion, color or national origin; and be it further

"Resolved, That this application shall constitute a continuing application in accordance with Article V of the Constitution of the United States until at least two thirds of the Legislatures of the several states have made similar applications pursuant to Article V. If Congress proposes an amendment to the Constitution identical with that contained in this resolution before January 1, 1974, this application for a state application shall no longer be of any force or effect; and be it further

"Resolved, That since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the states in the exercise of this right has ever been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign rights and the interpretation thereof is primarily in the sovereign government making such exercise and since the power to use such right in full also carries the power to use such right in part the General Court of the Commonwealth of Massachusetts interprets Article V to mean that if two thirds of the States make application for a convention to propose an identical amendment to the Constitution for ratification with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment and would be limited to such proposal and would not have power to vary the text thereof nor would it have power to propose other amendments on the same or different propositions; and be it further

"Resolved, That copies of these resolution be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from the Commonwealth."

A resolution of the House of Representatives of the States of Missouri. Referred to the Committee on Post Office and Civil Service:

"RESOLUTON MEMORIALIZING CONGRESS TO CHANGE POSTAL LAWS SO AS TO PROHIBIT RETAIL SALES OF OFFICE EQUIPMENT AND SUPPLIES BY THE POSTAL SERVICE

"Whereas, it has come to the attention of the members of the Missouri House of Representatives that the United States Post Office, being twenty billion dollars in debt, has begun a nationwide program of retail sales designed to raise revenue; and

"Whereas, these practices constitute an unfair competition upon local merchants, duly licensed and paying taxes on their business, by offering nonessential postal supplies which are normally carried by local business supply retail sales companies, but can now be purchased at the government-owned and run facility from government salaried employees; and

"Whereas, these retail items are not essential to the governmental function and this constitutes an infringement upon the American process of free enterprise by the entrance of governmentally subsidized industry performing a function heretofore performed by free competition; and

"Whereas, the items complained of are strictly classified as office supplies, such as: wrapping paper, twines and strings, labels, scales, stamp-affixing machines, padded and shipping bags, and sales of these items by the postal service are not taxable statewide or locally;

"Now, therefore, be it resolved that the members of the Missouri House of Representatives, Seventy-seventh General Assembly, Second Regular Session, that the Congress of the United States be memorialized to carefully study and revise the existing postal laws and regulations to end the unfair infringement of government sales in the field of private enterprise; and

"Be it further resolved that a duly attested and representatives in Congress are requested to use their best endeavors to effect the passage of such legislation; and

"Be it further resolved that a duly attested copy of this memorial be immediately transmitted by the Chief Clerk of the House of Representatives to the presiding officers of the houses of the National Congress in Washington, D.C., to each of the senators and representatives from the state of Missouri, to the U.S. Postmaster General, Mr. E. T. Klassen, Washington, D.C., and to the Fourth Regional Postal Director, Mr. Clarence Gels, Chicago, Illinois.

A resolution of the House of Representatives of the State of Washington. Referred to the Committee on Veterans' Affairs:

"HOUSE RESOLUTION No. 74–166

"Whereas, Citizens of the State of Washington and the other states were called to active military service during times of national emergency and conflict at great personal sacrifice; and

"Whereas, The Congress of the United States is currently considering legislation which would increase benefits to veterans under the G.I. Bill, including the vocational rehabilitation allowance, educational assistance allowances, and the special training allowances to veterans; and

"Whereas, Disproportionate numbers of educationally disadvantaged citizens were called to military service, many of whom need special services as they seek to continue their education; and

"Whereas, The rising cost of living, especially the rampant inflation of the past year, has made the G.I. Bill inadequate as a source of funds for veterans; and

"Whereas, The rising cost of living has forced many veterans on the G.I. Bill to drop out of educational programs; and

"Whereas, The present G.I. Bill is both inadequate in today's economy and a lesser amount in real dollars than was received by the veterans of World War II; and

"Whereas, The delimiting date for veterans of the Korean War is June 1, 1974; and

"Whereas, The delimiting date should be extended past June 1, 1974; and

"Whereas, In order to effect changes by June 1, 1974 in the G.I. Bill allowances and the delimiting date for Korean War veterans, the Congress must act on veterans' legislation by March 1, 1974;

"Now, therefore, be it resolved, By the House of Representatives of the State of Washington, That Congress should enact legislation increasing the G.I. Bill allowances for veterans to offset the increased cost of living; and

"Be it further resolved, That Congress should extend the delimiting date for Korean War veterans; and

"Be it further resolved, That Congress should take such action by June 1, 1974; and

"Be it further resolved, That copies of this resolution shall be transmitted by the Chief Clerk of the House of Representatives to the Honorable Richard M. Nixon, President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives, and to each member of Congress from the State of Washington."

Three resolutions of the House of Representatives of the State of Washington. Referred to the Committee on Commerce:

"HOUSE RESOLUTION No. 1974–205

"Whereas, Many legislators and staff people commute daily between Seattle and Olympia, Washington; and

"Whereas, The continuing shortage of gasoline encourages people to utilize means of transportation other than the private automobile; and

"Whereas, A good rail line exists between Seattle and Olympia, but not all passenger trains stop at East Olympia; and

"Whereas, Many commuters from Seattle would ride the train if it stopped at Olympia and if the service at the Olympia terminal were improved;

"Now, therefore, be it resolved, That the House of Representatives of the State of Washington respectfully petition the Congress of the United States and the Secretary of the Department of Transportation to take all actions necessary to urge the National Rail Passenger Corporation (AMTRAK) to provide at least one morning and evening train link between Seattle and Olympia, and that the passenger accommodations at East Olympia be improved such that legislators and many other commuters will be encouraged to employ this means of transportation; and

"Be it further resolved, That copies of this Resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Honorable Richard M. Nixon, President of the United States, to the President of the Senate and the Speaker of the House of Representatives, to each member of the Congress from the state of Washington, and to the Secretary of the Department of Transportation."

"HOUSE RESOLUTION No. 74–196

"Whereas, The agriculture industry is of primary importance to the nation and to the State of Washington; and

"Whereas, The export of agricultural commodities is necessary to balance international trade for petroleum and other commodities essential to the health, welfare and national defense of the United States; and

"Whereas, The attainment of anhydrous ammonia presently stored in Kenai Peninsula in Alaska is necessary for the maintenance of agricultural production in the State of Washington; and

"Whereas, No United States vessel suitable for the shipping or carrying of anhydrous ammonia between Kenai Point in Alaska and Columbia River ports in the State of Washington satisfies the provisions of the Jones Act; and

"Whereas, Foreign vessels are available; and

"Whereas, The Secretary of the Treasury has authority to waive the requirements of the Jones Act under certain conditions and allow the use of foreign vessels to carry commodities from one United States port to another, including Kenai Point in Alaska; and

"Whereas, The said transportation by foreign ships would greatly alleviate the immediate problem of acquiring supplies of anhydrous ammonia; and

"Whereas, The agricultural community of the State of Washington will suffer up to $300,000,000 in reduced production; and

"Whereas, Such loss would adversely affect the balance of trade and the United States labor force; and

"Whereas, The initial request for waiver has been denied;

"Now, therefore, be it resolved, By the House of Representatives, That the federal administration should recognize the importance of the agriculture industry and labor force, and reconsider the denial of said waiver and permit the use of foreign vessels in transporting anhydrous ammonia by one ship from the Kenai Peninsula in Alaska to Columbia River ports in Washington for a period of one year, and that Congress be requested to adopt a limiting amendment providing for the use of one foreign ship to carry anhydrous ammonia from the Kenai Peninsula in Alaska to Columbia River ports in Washington for a period of one year from the enactment of this Resolution, and that after the expiration of such year, the Jones Act be fully restored to its primary purpose of protecting the American economy and labor force.

"Be it further resolved, That copies of this resolution be transmitted by the Chief Clerk of the House of Representatives to the Honorable Richard M. Nixon, President of the United States, the President of the Senate and Speaker of the House of Representatives of the United States, to the Secretary of the Treasury, and to each member of the Congress from the State of Washington."

"HOUSE RESOLUTION No. 74-194

"Whereas, Many collisions between automobiles and railroad cars occur each year, injuring or killing many persons and causing great property damage; and

"Whereas, A disturbing proportion of car-train accidents occur at night when automobile drivers, arriving at a crossing after the engine has passed and too late to be warned by approaching lights and whistles, proceed into the darkened middle of the passing train; and

"Whereas, Many railcars in the United States travel between states and cross into Canada in the course of commerce;

"Now, therefore, be it resolved, by the House of Representatives, That we do hereby encourage the Congress to enact legislation and the Department of Transportation to enact rules and regulations requiring the marking of the sides of railroad cars with light reflectorization material, and that uniform regulations on this subject be sought with Canada.

"Be it further resolved, That copies of this resolution be immediately transmitted by the Chief Clerk of House of Representatives to the Honorable Richard M. Nixon, President of the United States, to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, to each member of the Congress from this State, and to the Secretary of the Department of Transportation."

A resolution of the House of Representatives of the State of Washington. Referred to the Committee on the Judiciary:

"HOUSE RESOLUTION No. 74-201

"Whereas, The unusually extensive volunteer services of thousands of concerned, dedicated, and willing Washington citizens enrich the quality of life for all in this state; and

"Whereas, The period of April 21st through 27th, 1974, has been proclaimed "National Volunteer Week" as a time in which to give special recognition to the importance and contributions of volunteers; and

"Whereas, The Legislature of the State of Washington extends deepest gratitude and appreciation for the humanitarian efforts of all volunteers, and encourages every citizen to contribute to the betterment of their community through voluntary service in human, social, and environmental programs.

"Now, therefore, be it resolved, That the House of Representatives respectfully requests that the national administration join with us to recognize the importance of volunteer services to the well-being and vitality of this nation, and to *encourage and support greater citizen involvement, in agencies, institutions, and programs, non-profit, both public and private,* which will build and enhance a "spirit of community"; and

"Be it further resolved, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Honorable Richard M. Nixon, President of the United States, to the President of the United States Senate, and the Speaker of the House of Representatives, to both the Senate and the House of Representatives of the United States, to the Secretary of State of the United States, and to each member of Congress from the State of Washington."

A resolution of the House of Representatives of the State of Washington. Referred to the Committee on Finance:

"HOUSE RESOLUTION No. 209

"Whereas, The price of health care for the citizens of the United States is expected to be $100 billion between July 1st of 1973 and June 30th, 1974; and

"Whereas, Despite the increasing cost of health care it remains difficult if not impossible for the poor, the working poor, the aged, and those living in rural areas to have access to quality health care; and

"Where as, Health care benefits for the working middle class citizen vary greatly, and the accessibility of health care is not assured despite the financing mechanisms available to workers;

"Now, therefore, The House of Representatives of the State of Washington respectfully prays that the federal Congress shall proceed with all deliberate speed to establish a national health care system that shall set comprehensive health care as a right of all United States residents; that *such a system shall be equitably financed by federal social insurance and general tax revenues;* that the national health care system shall be reorganized to ensure an equal, efficient, and effective health care delivery system with free choice of health care provided without discrimination as to method; that adequate health manpower, services, and facilities shall be made available to the public;

"And further, That the national health care system should reduce reliance upon cumbersome claims paying mechanisms by providing lump sum annual or monthly payments to health delivery organizations which are close to the people, integrate health care for their members, and are able and willing to assure quality of care with freedom of choice and control costs;

"And further, That to guarantee accountability and to ensure responsiveness to the public, consumer participation shall be made a priority goal in the establishment, implementation, and maintenance of a national health care system; and

"Be it finally resolved, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Honorable Richard M. Nixon, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to each member of Congress from the State of Washington."

Two resolutions of the House of Representatives of the State of Washington. Referred to the Committee on Labor and Public Welfare:

"HOUSE RESOLUTION No. 74-211

"Whereas, The Office of Economic Opportunity administers many invaluable social and economic service programs for the peoples of this nation; and

"Whereas, Under the Economic Opportunity Act of 1964, new approaches, methods, and pilot programs have successfully launched many vital and beneficial programs; and

"Whereas, Project Headstart Legal Services, Emergency Food and Medical Services, Senior Opportunities, and Youth Recreation and Sports Programs exemplify these meritorious endeavors; and

"Whereas, Other essential needs are served by urban and rural community action programs, employment and investment incentives, day care projects, and community economic development efforts; and

"Whereas, It is recognized that these commendable programs should be continued;

Now, therefore, be it resolved, By the House of Representatives, That the Congress of the United States enact and the President sign House Resolution No. 12464 or comparable legislation to extend the Economic Opportunity Act of 1964 for two additional years and appropriate $1,440,000,000 for its operation for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years.

"Be it further resolved, That copies of this Resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the Honorable Richard M. Nixon, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each Member of Congress from the State of Washington."

"HOUSE RESOLUTION No. 74-212

"Whereas, The Congress of the United States passed the Economic Opportunity Act in 1964; and

"Whereas, The Economic Opportunity Act of 1964 provided for the establishment of Community Action Agencies; and

"Whereas, The Community Action Agencies have served as vehicles for a mobilization against poverty; and

"Whereas, These funds are being used to carry out a wide range of programs in public and private institutions which have the affect of reducing poverty and meeting the needs of thousands of families; and

"Whereas, No funds for the Office of Economic Opportunity and the Community Action Programs are requested by the President in his fiscal 1975 budget; and

"Whereas, Continuation of Community Action Programs is sorely needed in the State of Washington; and

"Whereas, The state and local governments of Washington do not possess the revenues necessary to continue these programs; and

"Whereas, The federal government should commit itself fully to the elimination of poverty;

"Now, therefore, be it resolved, By the House of Representatives, That the President and the Congress are called upon to continue to provide funds to support the Community Action Program; such funds to be administered through the Office of Economic Opportunity or some other appropriate vehicle; and

"Be it further resolved, That copies of this resolution be forwarded to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, and all member of the Washington delegation in Congress."

A resolution of the Council of the City of Akron, Ohio, proclaiming April 11 through June 30, 1974, as Social Action Survival and urging continued Federal support of community action. Referred to the Committee on Labor and Public Welfare.

A resolution of the Westchester County (New York) Board of Legislators urging the continued Federal support of community action programs. Referred to the Committee on Labor and Public Welfare.

A resolution of the Panhandle Producers and Royalty Owners Association relating to the energy crisis and a free market. Referred to the Committee on Interior and Insular Affairs.

A resolution of the Panhandle Producers and Royalty Owners Association relating to the oil depletion allowance. Referred to the Committee on Finance.

A resolution of the Panhandle Producers and Royalty Owners Association relating to the deregulation of gas. Referred to the Committee on Commerce.

A resolution of the Panhandle Producers and Royalty Owners Association relating to the rollback of crude oil prices. Referred to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CURTIS, from the Committee on Agriculture and Forestry, with amendments:

S. 3031. A bill to provide for two additional Assistant Secretaries of Agriculture; to increase the compensation of certain officials of the Department of Agriculture; to provide for an additional member of the Board of Directors, Commodity Credit Corporation; and for others purposes (Rept. No. 93–815).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 5035. An act to amend Public Law 90–335 (82 Stat. 174) relating to the purchase, sale, and exchange of certain lands on the Spokane Indian Reservation (Rept. No. 93–816).

By Mr. MANSFIELD (for Mr. Metcalf), from the Committee on Interior and Insular Affairs, without amendment:

H.R. 5525. An act to declare that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Mont. (Rept. No. 93–817).

By Mr. MOSS, from the Committee on Aeronautical and Space Sciences, with an amendment:

H.R. 13998. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 93–818).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. 3373. A bill relating to the sale and distribution of the Congressional Record (Rept. No. 93–824);

S. Con. Res. 83. Concurrent resolution authorizing the printing of additional copies of Senate hearings entitled "Surgeon General's Report by the Scientific Advisory Committee on Television and Social Behavior" (Rept. No. 93–820);

S. Res. 310. Resolution authorizing additional copies of the report entitled "Developments in Aging: 1973 and January-March 1974" (Rept. No. 93–819);

S. Res. 311. Resolution authorizing additional expenditures by the Committee on the Judiciary (Rept. No. 93–821);

S. Res. 312. Resolution authorizing additional expenditures by the Committee on Interior and Insular Affairs for routine purposes (Rept. No. 93–822); and

S. Res. 313. Resolution authorizing the printing of the annual report of the National Forest Reservation Commission (Rept. No. 93–823).

INTRODUCTION OF BILLS AND JOINT RESOLUTION

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. KENNEDY (for himself, Mr. Javits, Mr. Cranston, Mr. Hathaway, Mr. Pell, Mr. Randolph, and Mr. Stafford):

S. 3441. A bill to amend the Public Health Service Act to provide for a National Center for Clinical Pharmacology, to provide support for the study of clinical pharmacology and clinical pharmacy, and to provide for review of drug prescribing; and to amend the Federal Food, Drug, and Cosmetic Act to provide for recordkeeping and reporting for all drugs, to provide for certification of programs respecting manufacturers' representatives, to provide for the submission of data relating to therapeutic equivalence of drugs, to provide for the certification of certain drugs, to provide for a national drug compendium, to provide additional drug information to consumers, to establish a code system for the identification of all drugs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. GURNEY:

S. 3442. A bill for the relief of Paul M. Burkett and his wife, Ruth A. Burkett. Referred to the Committee on the Judiciary.

By Mr. MONDALE (for himself, Mr. McIntyre, and Mr. Humphrey):

S. 3443. A bill to promote the growth of competition in interstate commerce of petroleum and petroleum products by providing for a moratorium on the further acquisition, operation, and control of refining, transportation, and marketing of petroleum and petroleum products by major petroleum producers and refiners, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. ROBERT C. BYRD (for Mr. Hartke):

S. 3444. A bill to amend the Disaster Relief Act of 1970 to provide for a minimum amount of time during which applications for disaster relief can be received. Referred to the Committee on Public Works.

By Mr. MONTOYA:

S. 3445. A bill to amend the Internal Revenue Code of 1954 to allow a credit, in lieu of a deduction, for interest paid on a mortgage on a taxpayer's principal residence and for real property taxes paid on such principal residence. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself, Mr. Javits, Mr. Cranston, Mr. Hathaway, Mr. Pell, Mr. Randolph, and Mr. Stafford):

S. 3441. A bill to amend the Public Health Service Act to provide for a National Center for Clinical Pharmacology, to provide support for the study of clinical pharmacology and clinical pharmacy, and to provide for review of drug prescribing; and to amend the Federal Food, Drug, and Cosmetic Act to provide for recordkeeping and reporting for all drugs, to provide for certification of programs respecting manufacturers' representatives, to provide for the submission of data relating to therapeutic equivalence of drugs, to provide for the certification of certain drugs, to provide for a national drug compendium, to provide additional drug information to consumers, to establish a code system for the identification of all drugs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, for the past 6 months the Health Subcommittee has been conducting investigational and legislative hearings into the pharmaceutical industry. The first phase of those hearings is now complete. This phase dealt with the advertising, marketing, and promotional practices of the industry.

There was a great deal of shocking testimony offered during these hearings. Four former industry detailmen, working in four different parts of the country and for four different companies told essentially the same story: that they were under tremendous pressure to sell; that they wanted to get their company's product used; that they tended to minimize side effects and play up benefits; that they bribed their way into doctors' offices with gifts and gimmicks for the doctors, nurses, receptionists, and so forth; that they bribed pharmacists in similar ways in order to get their products stocked; that they reviewed confidential pharmacist's records in order to tell which doctors were prescribing which drugs; and that doctors often did what they, the detailmen, wanted, and for admittedly unsound reasons.

The testimony revealed that freezers, color television sets, bicycles, camping equipment, and catalogs full of other materials were offered to doctors and pharmacists in return for the purchase of company products.

Information submitted to the subcommittee by the companies revealed that company instructions to detailmen emphasized the hard sell; that selective journal articles were released for distribution; and that negative information about company products was rarely, if ever, disseminated, regardless of the scientific merit of that information.

Testimony revealed that there was widespread use of samples and significant misuse, as well: doctors trading in samples for other items; pharmacists removing the word "sample" from the tablet with acetone and reselling it to patients. Mr. President, the subcommittee requested detailed information about industry sampling practices. The industry complied with that request, and I ask unanimous consent for the summary of that response and the complete data supplied to us on sampling to be included in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. Mr. President, all of these indefensible industry practices took place against a background of serious misuse of drugs by American physicians. The subcommittee received testimony that as many as 30,000 Americans may die each year from adverse drug reactions; as much as $2 billion may be spent to cover hospital costs associated with those reactions; that, particularly in hospitals, there seems to be widespread misuse of antibiotics which may result in one out of every two hospitalized Americans getting an irrationally prescribed antibiotic.

Mr. President, the committee also learned that the data on adverse drug reactions may be inadequate, because of an absence of a national data base. The figures we do have are extrapolated—the true figures may be much higher or lower. It is my hope that they are lower, but that does not seem likely from the data we do have.

Most witnesses agreed that physicians are inadequately educated about the use of drugs while in medical school; that once out in practice there is no reliable, comprehensive, comparative source of drug information available to them. There is, Mr. President, a therapeutic knowledge vacuum.

Mr. President, the committee also learned of Secretary Weinberger's proposed drug reimbursement policy for medicare and medicaid during the course of these hearings. It learned that the policy depends on the ability of the Food and Drug Administration to guarantee the bioequivalence of drugs so as to assure the quality of the lower priced generics. The ability of anyone to guarantee bioavailability is a subject of considerable debate in the scientific community. I have referred the issue to the Office of Technology Assessment, to try to clarify the state of the scientific art before the proposed HEW policy goes into effect. An excellent article on this issue appeared in the Sunday, April 28, Washington Post, written by Jaime Friedman. I ask unanimous consent to include the text of that article in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. KENNEDY. Mr. President, the legislation I am introducing today on behalf of myself and Senators Javits, Cranston, Randolph, Pell, Hathaway, and Stafford, is designed to correct these abuses and solve the problems identified at the hearings. Hearings will be held on this and all other drug measures pending before the committee on May 17 and May 20. Interested parties should contact Dr. Lawrence Horowitz, room 4228, Dirksen Office Building, about submitting written statements or presenting oral testimony.

The legislation has five titles. I would like to summarize the highlights of them:

TITLE I

This title establishes a National Center for Clinical Pharmacology which will be located in the Secretary's Office and will:

(a) Provide support for the teaching of clinical pharmacology to all health science students.

(b) Provide support for continuing education of health professionals in clinical pharmacology.

(c) Support the training of specialists in clinical pharmacology and clinical pharmacy.

(d) Collect drug experience data including information on adverse drug reactions, their extent, causes, etc.

(e) A comprehensive study, including pilot projects, of alternatives designed to improve the use of prescription drugs, including pilot projects, as necessary, in: drug utilization review; the development of a national formulary; the development of new ways of *detailing* drugs by individuals not affiliated with manufacturers; etc.

(f) A study of the feasibility and effect of developing a system of controls over prescription drugs—to see if some drugs should be restricted to hospital use or specialist use etc.

(g) The development of a drug safety assurance plan to reduce improper prescribing—to be updated annually.

(h) The mandating of drug utilization review for all health care delivery funded under this Act.

(i) Costs of Title I:

Fiscal year 1975, $11 million.

Fiscal year 1976, $16 million.

TITLE II—PROMOTIONAL PRACTICES

(a) Bans gifts, products, premiums, prizes or other things of value to practitioners and pharmacists.

(b) Allows for educational material to be distributed.

(c) Bans samples except upon written request of practitioner licensed to prescribe drugs. Requires the practitioner to identify the reason for samples. Only two reasons are permissable—for indigent patients and for clinical research. Requires practitioners and companies to keep records of each sample.

(d) Bans prescription surveys.

(e) Bans reminder advertisements with exceptions for catalogs, price lists, etc.

(f) Requires detailmen to *complete* training course offered in schools of pharmacy, medicine or other approved health science schools. Content of courses must be approved by FDA. Requires detailmen to deliver a card to physician on each encounter which summarizes indications, contraindications, side effects, warnings and cautions.

TITLE III—DRUG QUALITY

(a) Requires companies to furnish proof of therapeutic equivalence (including bioequivalence and bioavailability).

(b) Gives Secretary's authority to require batch testing of any drug when necessary to protect the public health and safety.

(c) Expands Secretary's authority to require recordkeeping.

TITLE IV—NATIONAL DRUG COMPENDIUM

(a) Requires the Secretary to prepare and publish a compendium of all approved drugs, with price information.

(b) Requires arrangement of drugs by therapeutic classification and other classifications as determined by the Secretary.

(c) To be sent free to all practitioners. Supported with Federal funds.

TITLE V—CONSUMER DRUG INFORMATION

(a) Requires established (generic) name on all labels.

(b) Establishes a uniform code or system of coding to identify manufacturer, identity of the drug, identity of final packager, dosage form and strength and number of units in the container.

(c) Requires pharmacies to post prescription drug prices as determined in regulations by the Secretary.

Mr. President, that is a very brief summary of the bill. I ask unanimous consent for the full text of the bill to be printed in the Record, so that it can be thoroughly reviewed.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Drug Utilization Improvement Act".

TITLE I—NATIONAL CENTER FOR CLINICAL PHARMACOLOGY

Sec. 101. The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end thereof the following new title:

TITLE XIV—NATIONAL CENTER FOR CLINICAL PHARMACOLOGY

"ESTABLISHMENT OF CENTER

"Sec. 1401. (a) There is hereby established within the Department of Health, Education, and Welfare an office to be known as the National Center for Clinical Pharmacology.

"(b) The Secretary shall perform the functions authorized by this title through the National Center for Clinical Pharmacology. In the case of functions authorized under section 1404, the National Center for Clinical Pharmacology shall consult with the office which administers section 305 of this Act and in the case of functions authorized under section 1402, the Center shall consult with the office which administers title VII of this Act.

"SUPPORT FOR STUDY OF CLINICAL PHARMACOLOGY

"Sec. 1402. (a) The Secretary is authorized to make grants to public or nonprofit private schools of medicine, osteopathy, dentistry, pharmacy, nursing, and public health and training centers for allied health professions which are eligible for grants under title III, title VII, or title VIII to assist in meeting the costs of—

"(1) planning, establishment, and operation of programs providing increased emphasis on the teaching of clinical pharmacology, and

"(2) planning, establishment, and operation of programs of continuing education in the field of clinical pharmacology.

"(b) The Secretary is authorized to make grants to public or nonprofit private schools of medicine and osteopathy which are eligible for grants under title VII to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate training programs in the field of clinical pharmacology, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacology to graduate students, interns, and residents who participate in such programs and who plan to specialize or work in such field.

"(c) The Secretary is authorized to make grants to public or nonprofit private schools of pharmacy which are eligible for grants under title VII to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate training programs in the field of clinical pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacy to graduate students who participate in such programs and who plan to specialize or work in such field.

"(d) The Secretary is authorized to sponsor or support through grants to public and nonprofit private entities or contracts with public and private entities, special projects to demonstrate new roles for health professionals in the field of clinical pharmacology.

"GENERAL PROVISIONS

"Sec. 1403. (a) No grant may be made under this title unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(b) Payments by recipients of grants under section 1402 for traineeships shall be in such amounts as the Secretary finds necessary to cover the cost of tuition and fees, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees.

"(c) The amount of any grant under this title shall be determined by the Secretary, but no such grant shall exceed 100 per centum of the cost of any program or project. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(d) The Secretary shall not act upon any application for a grant or enter into any contract under this title except after an appropriate scientific peer review group has reviewed such application or contract.

"(e) Contracts under this title may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"COLLECTION OF DATA REGARDING DRUG EXPERIENCE

"SEC. 1404. (a)(1) The Secretary shall (A) establish mechanisms for the collection of data relating to drug experience, (B) collect and analyze such data, and (C) disseminate such data (and any analysis) on a regular basis, but at least annually, in accordance with subsection (b). Such data shall include information concerning the reported and estimated incidence of adverse drug reactions in the United States (and, where practicable, in foreign countries), the causes of such reactions and the severity of such reactions (reported in terms of reported and estimated deaths and days of hospitalization or incapacitation resulting from such reactions or any other appropriate standard.

"(2) The Secretary shall, to the maximum extent practical, classify data collected pursuant to subsection (a) by type of institutional setting, practice, and medical specialty, and by geographic area. The Secretary shall give priority to collection and analysis of data relating to those drugs which are most likely to be associated with avoidable adverse reactions, excessive prescribing, or under-prescribing.

"(b)(1) On or before December 31 of each year, the Secretary shall, on the basis of the data collected pursuant to subsection (a), prepare a drug experience assessment report concerning the use of drugs and their benefits and risks, including the incidence of improper prescribing and adverse reactions.

"(2) The first drug experience assessment report shall include a proposed drug safety assurance plan, in the form of a proposed regulation, which shall be formulated so as to control the improper prescribing and risks (if any) identified in the report to the maximum extent feasible. Subsequent drug experience assessment reports shall include any proposed changes in the drug safety assurance plan, in the form of proposed amendments to such regulation. Such plan may be further amended at any time at the discretion of the Secretary.

"(3) The drug experience assessment report and the proposed drug safety assurance plan or amendments thereto shall be published in the Federal Register and interested persons shall be afforded an opportunity for comment pursuant to section 553 of title 5 of the United States Code. Any final plan or amendment shall constitute final agency action subject to judicial review in accordance with section 371(f) of title 21 of the United States Code.

"(c) With respect to information obtained by the Secretary under this section, names and other information which may identify individual patients, licensed practitioners, or institutions shall be considered confidential and shall not be disclosed by the Secretary for any purpose.

"STUDY OF INAPPROPRIATE PRESCRIBING OF DRUGS

"SEC. 1405. (a) The Secretary shall conduct or arrange for the conduct of a comprehensive investigation and study to determine the extent of inappropriate prescribing of drugs and whether there exists a need to establish additional mechanisms to control such inappropriate prescribing and shall, within two years after the date of enactment of this title, provide to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a report of his findings and conclusions. If the Secretary determines that such mechanisms to control such inappropriate prescribing are needed, he shall develop comprehensive recommendations for the establishment of such mechanisms. Such recommendations shall be included in such report, except that the Secretary may have one additional year to develop such recommendations if he determines that such additional time is needed.

"(b) Recommendations for the establishment of mechanisms to control inappropriate prescribing shall be based upon an investigation of existing mechanisms and a study of new mechanisms, which study shall include sponsorship or support, through grant or contract of special demonstration projects. Consideration shall be given to all appropriate mechanisms, including but not be limited to—

"(1) a national drug formulary,

"(2) an office or offices through which drug information is made available at all times and without cost to practitioners licensed by law to prescribe and administer drugs,

"(3) a system or systems of review of drug; prescribing and administering, and

"(4) a program of periodic detailing of drug information to practitioners licensed by law to prescribe and administer drugs and pharmacists in the offices of such practitioners and pharmacists through individuals who have no financial interest in the sale of any drug product and who are trained to provide objective and complete information regarding a therapeutic class or classes of drugs.

"(c) The Secretary shall also study the need and appropriateness of establishing additional controls over manufacturing, distribution, dispensing, and prescribing of drugs with a high rate of inappropriate prescribing.

"(d) The Secretary shall sponsor or support not less than one special project to demonstrate each of the proposed mechanisms described in subsection (b) and subsection (c) if he determines that such mechanisms may be appropriate to control inappropriate prescribing of drugs. Recommendations shall specify the design for each recommended mechanism.

"(e) The Secretary's report shall specify the basis for the inclusion or exclusion from the recommendations of any mechanism considered in the investigation and study. For each such mechanism such report shall analyze its potential for contributing to appropriate prescribing of drugs and its potential effects on drug prices and drug research.

"(f)(1) To assist him in implementing this section, the Secretary shall appoint and organize at least one advisory committee to advise him in conducting such an investigation and study and preparing such recommendations. Committee members shall be qualified by training and experience in pharmacology, safety, efficacy, and relative therapeutic value of drugs or in the administration of drug utilization programs.

"(2) In addition to such technical experts, any committee shall include, as nonvoting members, a representative of consumer interests, a representative of industry interests, a representative of practitioners licensed by law to prescribe and administer drugs, and a representative of pharmacists. Committee members may be nominated by appropriate scientific, professional, trade, and consumer organizations. The Secretary shall designate one of the members of any such committee to serve as chairman. Committee members shall, while attending meetings or conferences of the committee or otherwise engaged in its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS-18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5 of the United States Code, for persons in the Government service employed intermittently. The Secretary shall furnish any such committee with adequate clerical and other necessary assistance, and shall prescribe by regulation the procedures to be followed by such committee.

"(g) To the maximum extent practical, the Secretary and any advisory committee established pursuant to subsection (f) shall provide an opportunity for any interested person to submit data and information on all matters considered by the Secretary and such committee or committees under this section. As soon as possible after receiving a report from an advisory committee the Secretary shall publish it in the Federal Register and provide interested persons an opportunity to comment thereon.

"REVIEW OF PRESCRIBING AND ADMINISTERING OF DRUGS

"SEC. 1406. Each agency, organization, or institution engaged in the delivery of health care which receives financial assistance under this Act shall, as a condition of receiving such support, make arrangements, satisfactory to the Secretary, for an ongoing program of review of the prescribing and administering of all drugs in the course of the delivery of health care by such agency, organization, or institution. Any agency, organization, or institution may utilize the services of the Professional Standards Review Organization (designated pursuant to section 1152 of the Social Security Act) for the area in which such agency, organization or institution is located, to perform the functions required by this section.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1407. (a) There are authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1975, and $9,000,000 for the fiscal year ending June 30, 1976, for grants and support and sponsorship of projects under section 1402.

"(b) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, and $4,000,000 for the fiscal year ending June 30, 1976, to carry out the purposes of section 1404.

"(c) There are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1975, and $3,000,000 for the fiscal year ending June 30, 1976, to carry out the purposes of section 1405."

EFFECTIVE DATE

SEC. 102. The provisions of this title shall become effective on the date of enactment.

TITLE II—PROMOTIONAL PRACTICES

PROHIBITING GIFTS, PRODUCTS, PREMIUMS, PRIZES, AND THINGS OF VALUE

SEC. 201. Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding at the end thereof, the following new subsection:

"(q) The transfer by any means, by, on behalf of, or for the benefit of any person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of any drug subject to this Act (except any person described in section 516 (g)(3)) of any gift, product, premium, prize, or other thing of value, except as provided in section 513, to (1) any practitioner licensed by law to prescribe and administer such drug, any pharmacist, any individual studying or training to become such a practitioner or pharmacist, or any other individual engaged in the delivery of health care, or (2) any other individual if the purpose of such transfer is to influence the prescribing, administering, or dispensing of any such drug: *Provided*, That this subsection shall not be construed to prohibit the transfer of any medical or scientific educational articles (limited to written and graphic materials and demonstration models) respecting any drug which are directly related to the proper use of such drug or which are used to instruct the consumer in the proper use of such drug, and: *Provided further*, That this subsection shall not be construed to prohibit the giving of discounts otherwise permitted by law in the sale of drug products."

SAMPLES AND OTHER FREE DRUGS

SEC. 202. (a) Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end thereof the following new section:

"SAMPLES AND OTHER FREE DRUGS

"SEC. 513. (a) No person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of any drug subject to this Act shall transfer by any means, any free drug, including any sample, to any individual, except in pursuance of a written request of a practitioner licensed by law to prescribed and administer drugs if such transfer is in accordance with subsection (b).

"(b)(1) No sample or other free drug shall be transferred by any person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of such drug to any practitioner licensed by law to prescribe and administer drugs unless such practitioner has filed with such person a request for such drug in writing, signed by such practitioner, designating the drug and quantity requested and specifying the intended use of such drug.

"(2) Samples and other free drugs shall be transferred only for use in clinical research, as defined by the Secretary in regulations, or for treatment of medically indigent patients and only in such quantities as the Secretary shall by regulation prescribe. No request shall be filled if it is made on a preprinted form.

"(3) All samples and other free drugs transferred under this section shall be conveyed by registered mail or other suitable means determined by regulations of the Secretary to be adequate to prevent diversion of such drugs. No such sample or other free drug shall be personally conveyed to any practitioner.

"(c) Every person who transfers any sample or other free drug under this section shall establish and maintain, on a current basis, a complete and accurate record of the distribution of each such drug, in such form as the Secretary shall by regulation prescribe, and shall, upon request, furnish such records to any officer or employee designated by the Secretary. The same requirement shall apply to every practitioner who requests and receives any such drug with respect to his receipt and disposition of each such drug.".

(b) Section 301 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(r) The transfer of any free drug, including any sample, in violation of section 513.".

(c) Section 301(e) of such Act (21 U.S.C. 331(e)) is amended by striking out "; or" and inserting in lieu thereof ";" and by inserting before the period at the end thereof the following "; or the failure to establish and maintain any record required under section 513(c) or the refusal to furnish such required records to any officer or employee designated by the Secretary.".

PROHIBITION ON PRESCRIPTION SURVEYS

SEC. 203. Section 301 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(s)(1) The inspection of any written prescription or written evidence of any oral prescription of any practitioner licensed by law to prescribe and administer drugs or any copy of such prescription or evidence contained in the files of any pharmacy or other establishment subject to applicable local law regulating the practice of pharmacy and medicine without the express consent of the prescribing practitioner and of the individual for whom such prescription was given, by any person, except such practitioner, any pharmacist or designated representative of any pharmacist authorized to examine such files, or any authorized officer of the United States or officer designated by the Secretary and (2) the using by any person of any information contained in such files for any purpose, except as may be necessary to the dispensing of any drug pursuant to any written or oral prescription or for the protection of the public health, as determined in regulations of the Secretary".

PRICE INFORMATION IN DRUG ADVERTISEMENTS

SEC. 204. Section 502(n) of such Act (21 U.S.C. 352(n)) is amended by striking out "and (3)" and inserting in lieu thereof "(3)" and by inserting immediately before the colon the following: ", and (4) such information regarding the price or prices at which such drug is available to various classes of purchasers by such manufacturer, packer, or distributor or such other information as the Secretary determines to be adequate and reasonable for the purpose of price comparison, as shall be required in regulations issued by the Secretary".

REMINDER LABELING AND ADVERTISING

SEC. 205. (a) Section 502(n) of such Act, as amended by this Act, is further amended by inserting immediately after the proviso the following: The Secretary shall not exempt any advertisement or other descriptive printed matter or type or class of advertisement or descriptive printed matter from the requirement of including the information described in clause (3) and clause (4), except the Secretary may exempt (1) catalogues, price lists, and information on bulk drugs, which contain no representations concerning the safety or effectiveness of any drug, and (2) information displayed in pharmacies concerning drug prices, if he determines such exemption to be consistent with protection of the public health.

(b) Section 502 of such Act (21 U.S.C. 352), as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(q) In the case of any drug subject to section 503(b)(1) distributed or offered for sale in any State, unless all labeling with respect to such drug includes information relating to side effects, contraindications, and effectiveness as the Secretary shall be regulation require. The Secretary shall not exempt any labeling or type or class of labeling from the requirement of including such information except that any drug subject to section 503(b) shall bear a label containing the information required by that section.

FALSE AND MISLEADING ADVERTISING

SEC. 206. (a) Section 502(a) of such Act (U.S.C. 352 (a)) is amended by inserting "(1)" after "(a)" and adding at the end thereof the following new subparagraph:

"(2) If it is a drug subject to section 503 (b)(1) and its advertising is false or misleading in any particular.".

"(b) Section 505(e) of such Act (21 U.S.C. 355(e)) is amended by inserting "or advertising (if such drug is a drug subject to section 503(b)(1))" after the word "labeling" each time such word appears therein.

(c) Section 201(n) of such Act (21 U.S.C. 321(n)) is amended to read as follows:

"(n) If an article is alleged to be misbranded because the labeling or advertising relating to such article is misleading there shall be taken into account (among other things) not only the representations made or suggested by statement, word, design, device, or any combination thereof, but also the extent to which the labeling or advertising fails to reveal facts material in light of such representations or material with respect to consequences which may result from the use of the article to which the labeling or advertising relates under the conditions of use prescribed in the labeling or advertising thereof or under such conditions of use as are customary or usual. As used in this Act, the term 'advertising' includes all oral, visual, written, or other communication for the purpose of inducing, or which may induce, directly or indirectly, the purchase of an article."

CERTIFICATION OF TRAINING PROGRAMS FOR MANUFACTURERS' REPRESENTATIVES

SEC. 207. (a) Chapter V of such Act, as amended by this Act, is further amended by adding the following new section:

"CERTIFICATION OF TRAINING PROGRAMS FOR MANUFACTURERS' REPRESENTATIVES

"SEC. 514. (a) No person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of any drug subject to section 503(b)(1) shall promote or otherwise give information respecting such drug to any practitioner licensed by law to prescribe and administer drugs, any pharmacist, or any individual engaged in delivery of health care through oral presentations of employees, agents, or other representatives unless the program operated by such person with respect to the hiring, training, and standards of conduct governing such employees, agents, and representatives has been certified by the Secretary pursuant to this section.

"(b) The Secretary shall certify any such program which meets such standards as the Secretary shall by regulation require to assure that information given by such employees, agents, and representatives is complete and accurate. Every program of training shall include a requirement that each employee, agent, or representative complete a course of instruction provided through a school of pharmacy or other health professions school approved by the Secretary and be identified by such school as having satisfactorily completed the prescribed course of instruction. Such course of instruction shall be designed to provide adequate instruction in the pharmacology, safety, effectiveness, and relative therapeutic value of all of the drugs in a therapeutic class or classes of drugs.

"(c) The Secretary shall withdraw certification of any such program if he finds, after notice and opportunity for a hearing (1) that such program fails to meet the standards established pursuant to subsection (b), or (2) that the requirements of such program have not been adequately administered or enforced by the person operating such program.

"(d)(1) Every person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of any drug subject to section 503(b)(1) shall, once during the month of June of each year and once during the month of December of each year, register with the Secretary a list of employees, agents, or other representatives engaged in the promotion or giving of other information with respect to such drug by oral presentation to any practitioner licensed by law to prescribe and administer drugs, any pharmacist, or any other individual engaged in the delivery of health care.

"(2) The semiannual registration shall contain all changes in information previously submitted. Information previously submitted shall not be submitted in any subsequent registration. The Secretary shall specify the circumstances under which any changes in the information previously submitted shall be submitted prior to the semiannual registration.

"(3) Every person who registers under this subsection shall notify the Secretary of any employee, agent or representative whose services have been discontinued and a brief summary of the reasons therefor. If such employee, agent, or representative resumes service, the Secretary shall be notified of such resumption and a brief summary of the reasons therefor.

"(e) Any person who promotes or otherwise gives information respecting any drug subject to section 503(b)(1) to any practitioner licensed by law to prescribe and administer drugs, any pharmacist, or any other individual engaged in the delivery of health care through oral presentations of employees, agents, or other representatives shall establish and maintain such records (including a separate record of each signed statement obtained as required by section 301(t)) as the Secretary shall prescribe by regulation and shall, upon request, furnish such records to any officer or employee designated by the Secretary.

"(f)(1) To assist him in implementing this section, the Secretary shall appoint at least one advisory committee to advise him in the certification of programs under this section. Committee members shall be qualified by training and experience in the pharmacology, safety, efficacy, and relative therapeutic value of drugs.

"(2) In addition to such technical experts, any such committee shall include, as nonvoting members, a representative of consumer interests, a representative of industry interests, a representative of practitioners licensed by law to prescribe and administer drugs, and a representative of pharmacists. Committee members may be nominated by appropriate scientific, professional, trade, and consumer organizations. The Secretary shall designate one of the members of any such committee to serve as chairman. Committee members shall, while attending meetings or conferences of the committee or otherwise engaged on its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS–18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently. The Secretary shall furnish any such committee assistance, and shall prescribe by regulation with adequate clerical and other necessary the procedures to be followed by such committee.

"(3) One such committee shall conduct a study of the materials (including any audiovisual presentation materials) employed in promoting or providing other information with respect to drugs to practitioners licensed by law to prescribe and administer drugs and pharmacists and shall, within one year after the date of appointment and organization of such committee, recommend to the Secretary standards of conduct with respect to the use of any such materials. To the maximum extent practical, any committee shall provide an opportunity for any interested person to submit data and views on all matters considered by such committee."

(b) Section 301 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(t) The promotion or giving of information with respect to any drug subject to section 503(b)(1) to any practitioner licensed by law to prescribe and administer such drug, any pharmacist, or any other individual engaged in the delivery of health care by oral presentation of any employee, agent, or other representative of any person engaged in the manufacture, preparation, propagation, compounding, processing or distribution of such drug unless (1) the program operated by such person with respect to the hiring, training, and standards of conduct governing such employees, agents, and representatives is certified by the Secretary pursuant to section 514, (2) such information is consistent with information (A) required in any labeling of such drug and (B) contained in the national drug compendium, established pursuant to section 516, with respect to such drug, and (3) immediately prior to the time such information is given, such employee, agent, or representative furnishes such practitioner, pharmacist, or other individual engaged in the delivery of health care with a copy of a document relating to such drug and containing such information in brief summary relating to indications and usage, contraindications, side effects, warnings, and cautions as the Secretary may by regulation require and obtains the signed statement of such practitioner, pharmacist, or other individual engaged in the delivery of health care acknowledging the receipt of such document."

(c) Section 301(e) of such Act, as amended by this Act, is further amended by adding "or 514(e)" after "513(c)".

EFFECTIVE DATE

SEC. 208. The provisions of section 201, section 203, section 204, section 205, and section 206 shall become effective on the date of enactment of this Act. The provisions of section 202 shall become effective on the first day of the sixth calendar month following the month in which this Act is enacted. Section 207 shall become effective on the first day of the twelfth calendar month following the month in which this Act is enacted, except that the provision of section 207(b) which amends section 301 of the Federal Food, Drug, and Cosmetic Act by adding a new subsection (t)(2)(B) shall become effective, with respect to any particular drug, on the first day of the second calendar month that begins after the initial publication, in the compendium issued pursuant to section 516 of that Act, of the prescribing information relating to such drug.

TITLE III—DRUG QUALITY

SEC. 301. (a) Chapter V of such Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"THERAPEUTIC EQUIVALENCE

"SEC. 515. (a) The Secretary shall by regulation establish such requirements for proof of therapeutic equivalence (including bioequivalence and bioavailability) as the Secretary may require to assure reasonably uniform therapeutic performance among chemically equivalent drug formulations for each drug or class of drugs subject to this Act. Such requirements may include the development of new testing methodology. Wherever possible such requirements shall specify in vitro or animal testing methodology in lieu of human testing.

"(b) In issuing such regulations, the Secretary shall establish priorities (giving first priority to any drug or class of drugs the use of which involves an unusual degree of risk or for which the dosage is critical) and a time schedule for implemention based on the nature, degree, and public health significance of the problems of therapeutic equivalence associated with any drug.

"(c) For purposes of this Act the term—

"(1) 'bioavailability' means the rate and extent to which the active ingredients of a drug are absorbed and become available to the site of action,

"(2) 'bioequivalence' means the relationship of drug formulations with no significant difference in the bioavailability of the same active ingredients,

"(3) 'therapeutic equivalence' means the relationship of drug formulations with no significant difference in the therapeutic effect of the same active ingredients as measured by the control or a symptom or disease, and

"(4) 'chemically equivalent drug formulations' means formulations of a drug which contain essentially identical active ingredients."

(b) Section 505(b) of such Act (21 U.S.C. 355(b)) is amended by striking out "and (6)" and inserting in lieu thereof "(6)" and by inserting immediately before the period at the end thereof: "; and (7) such proof of therapeutic equivalence (including bioequivalence and bioavailability) as the Secretary may require by regulations promulgated pursuant to section 515."

(c) Section 505(d) of such Act (21 U.S.C. 355(d)) is amended by (1) striking out "or (6)," and inserting in lieu thereof "(6)", (2) by inserting immediately after "particular" the following: "; or (7) the proof of therapeutic equivalence (including bioequivalence and bioavailability) required to be submitted to the Secretary pursuant to subsection (b) is not adequate to assure reasonably uniform therapeutic performance among chemically equivalent drug formulations, as required by regulations promulgated by the Secretary pursuant to section 515," and (3) by striking out "(1) through (6)" and inserting in lieu thereof "(1) through (7)".

(d) Section 505(e) of such Act, as amended by this Act is further amended by inserting immediately before the proviso: "; or (5) that the proof of therapeutic equivalence (including bioequivalence and bioavailability) required to be submitted to the Secretary pursuant to subsection (b), is not adequate to assure reasonably uniform therapeutic performance among chemically equivalent drug formulations, as required by regulations promulgated by the Secretary pursuant to section 515."

(e) Section 501 of such Act (21 U.S.C. 351) is amended by adding at the end thereof the following new subsection:

"(e) If it is subject to a regulation promulgated pursuant to section 515 and it does not conform in all respects to the requirements of such regulation."

GOOD MANUFACTURING PRACTICES

SEC. 302. Section 501(a) (2) (B) of such Act (21 U.S.C. 351(a)(2)(B)) is amended by striking out "current good manufacturing practice" and inserting in lieu thereof "current good manufacturing practice, as determined by regulations of the Secretary promulgated in accordance with section 553 of title 5 of the United States Code".

EXPIRATION DATE

SEC. 303. Section 501 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(f) (1) If it is a drug, unless its label bears the date beyond which such drug should not be used because of lack of effectiveness or potency or increased toxicity: *Provided*, That no drug label shall bear a date which is more than five years beyond the date on which the processing of the drug was completed."

"(2) If it is a drug, and the date which its label is required to bear under paragraph (1) has passed."

CERTIFICATION OF DRUGS OTHER THAN INSULIN AND ANTIBIOTICS

SEC. 304. (a) Chapter V of such Act, as amended by this Act, is further amended by adding immediately after section 507 (21 U.S.C. 357) the following new section:

"CERTIFICATION OF OTHER DRUGS

"SEC. 507A. (a) Whenever in the judgment of the Secretary, in the case of any drug or class of drugs (other than a drug subject to certification pursuant to section 506 or section 507) which is intended for use by man, the protection of the public health cannot, for reasons stated by the Secretary in regulations, be adequately assured without requiring batch-by-batch certification of such drug or drugs, he shall, pursuant to such regulations, provide for certification of batches of such drug or drugs. A batch of any such drug shall be certified if such drug has such characteristics of identity and such batch has such characteristics of strength, quality, and purity, as the Secretary prescribes in such regulations as necessary to adequately insure safety and efficacy of use, but shall not otherwise be certified. The Secretary shall, in lieu of certification, issue a release for any batch manufactured prior to the effective date of such regulations if, in his judgment, such batch may be released without risk as to the safety and efficacy of its use. Such release may prescribe the date of its expiration and other conditions under which it shall cease to be effective as to such batch and as to portions thereof.

"(b) Regulations providing for such certification shall contain such provisions as are necessary to carry out the purposes of this section, including provisions prescribing (1) standards of identity and of strength, quality, and purity; (2) tests and methods of assay to determine compliance with such standards; (3) effective periods for certificates, and other conditions under which they shall cease to be effective as to certified batches and as to portions thereof; (4) administration and procedure; and (5) such fees, specified in such regulations, as are necessary to provide, equip, and maintain an adequate certification service.

"(c) Whenever in the judgment of the Secretary any of the requirements of this section and of section 502(1) are no longer necessary, with respect to any drug or class of drugs, to insure safety and efficacy of use, the Secretary shall promulgate regulations exempting such drug or class of drugs from such requirements. The Secretary shall promulgate regulations exempting from any requirement of this section and of section 502(1)—

"(1) drugs which are to be stored, processed, labeled, or repacked at establishments other than an establishment where manufactured, on condition that such drugs comply with all such requirements upon removal from such establishment;

"(2) drugs which conform to applicable standards of identity, strength, quality, and purity prescribed by such regulations and are intended for use in manufacturing other drugs; and

"(3) drugs which are intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety and efficacy of drugs. Such regulations may, in the discretion of the Secretary, among other conditions relating to the protection of the public health, provide for conditioning such exemption upon compliance with requirements of the same nature as those established by the Secretary for new drugs pursuant to section 505(1).

"(d) Any interested person may file with the Secretary a petition proposing the issuance of any regulation contemplated by this section, or the amendment or repeal of any regulation which (on the Secretary's initiative or otherwise) has been issued under this section. The petition shall set forth the proposal in general terms and shall state reasonable grounds therefor. The Secretary shall give public notice of the proposal and an opportunity for all interested persons to present their views thereon and as soon as practicable thereafter shall make public his action upon such proposal. At any time prior to the thirtieth day after such action is made public any interested person may file objections to such action, specifying with particularity the changes desired, stating reasonable grounds therefor, and requesting a public hearing upon such objections. The Secretary shall thereupon, after due notice, hold such a public hearing pursuant to section 553 of title 5 of the United States Code. As soon as practicable after completion of a hearing, the Secretary shall by order make public his action on such objections. The Secretary shall base his order only on substantial evidence of record at the hearing and shall set forth as part of the order detailed findings of fact on which the order is based. The order shall be subject to the provisions of section 701 (f) and (g).

"(e) (1) Every person engaged in manufacturing, compounding, or processing any drug within the purview of this section with respect to which a certificate or release has been issued pursuant to this section shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such drug, as the Secretary may by general regulation, or by order with respect to such certification or release, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to make, or to facilitate, a determination as to whether such certification or release should be rescinded or whether any regulation issued under this section should be amended or repealed. In issuing any regulation or order under this subsection the Secretary shall have due regard for the interests of patients and shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Secretary.

"(2) Every person required under this section to maintain records, and every person having charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records."

(b) Section 502(1) of such Act (21 U.S.C. 352(1) is amended by (1) inserting "(1)" after "(1)"; (2) redesignating clauses (1) and (2) thereof as clauses (A) and (B); (3) striking out "paragraph" and inserting in lieu thereof "subparagraph" and (4) adding at the end thereof the following new subparagraph:

"(2) If it is, or purports to be, a drug with respect to which there are in effect regulations pursuant to section 507A providing for the certification of batches of such drug, unless (A) it is from a batch with respect to which a certificate or release has been issued pursuant to that section, and (B) such certificate or release is in effect with respect to such batch. This subparagraph shall not apply to any drug or class of drugs exempted by regulations promulgated under section 507A(c)."

(c) (1) Section 301(e) of such Act (21 U.S.C. 331 (e)) is amended by striking out "507 (d) or (g)," and inserting in lieu thereof "507 (d) or (g), 507A(e),".

(2) Section 301(j) of such Act (21 U.S.C. 331(j)) is amended by inserting "507A," after "507,".

RECORDKEEPING AND REPORTING FOR DRUGS

SEC. 305. (a) Chapter V of such Act, as amended by this Act, is further amended by adding immediately after Section 503 (21 U.S.C. 353) the following new section:

"RECORDKEEPING AND REPORTING FOR DRUGS

"SEC. 504. (a) Any person subject to registration under section 510 shall establish and maintain such records and make such reports to the Secretary as the Secretary may by regulation require to assist him in carrying out the purposes of this Act with respect to drugs. Such regulations shall include a requirement for maintenance of records and the filing of reports on information with respect to drug experience, including therapeutic equivalence and any side effects, injuries, toxicity, or sensitivity reactions associated with use of such drug, whether or not determined to be attributable to such drug.

"(b) For the efficient administration and enforcement of this Act as it relates to drugs, the provisions (including penalties) of sections 6, 9, 10 of the Federal Trade Commission Act (15 U.S.C. 48, 49, 50) are made applicable to the jurisdiction, powers, and duties of the Secretary in administering and enforcing the provisions of this Act as it relates to drugs and to any person, firm, or corporation with respect to whom such authority is exercised. The Secretary may prosecute any inquiry necessary to his duties under this Act in any part of the United States, and the powers conferred on the district courts of the United States by such sections 6, 9, and 10 of the Federal Trade Commission Act may be exercised for the purposes of this Act by any such court.".

(b) Section 301(e) of such Act, as amended by this Act, is further amended by inserting "504" after the word "section" the second time such word appears.

EFFECTIVE DATE

SEC. 306. The provisions of this title shall become effective on the date of enactment of this Act, except that the provisions of section 303 shall become effective on the first day of the twelfth calendar month following the month in which this Act is enacted.

TITLE IV—NATIONAL DRUG COMPENDIUM

SEC. 401. Chapter V of such Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"NATIONAL DRUG COMPENDIUM

"SEC. 516. (a) (1) The Secretary shall prepare and publish in a form as convenient, readable, and practical as is feasible for its intended use, and under a distinct and suitable name, a drug compendium in accordance with the provisions of this section, and shall distribute such compendium on a current basis to all practitioners licensed by law to prescribe and administer drugs listed therein without charge to such practitioners and make such other distribution of the compendium as in his judgment will promote the purpose of this section.

"(2) The Secretary shall from time to time revise such compendium, or issue supplements thereto (which can be easily incorporated into the main body of such compendium), so as to maintain insofar as practicable currency in the contents thereof, and shall publish and distribute such revisions in accordance with paragraph (1).

"(b) (1) Such compendium shall list by established name all drugs subject to section 503(b) (1) that are lawfully available in the United States, arranged by therapeutic classification and by such other classifications (diagnostic, prophylactic, or otherwise) as the Secretary may deem appropriate and useful, and indexed alphabetically and by such other classifications as the Secretary may deem appropriate and useful, and shall provide for all such drugs listed therein (individually or, where appropriate, by category), as concisely as is consistent with the purpose thereof, adequate and reliable prescribing information required or useful for their safe and effective use, including (A) the dosage form or forms in which the drug is available, indications for and conditions of use, effects, routes, methods, frequency, and duration of administration, all relevant side effects and contraindications (including appropriate warnings, precautions, and adverse reactions), and (B) in the case of a drug composed of two or more ingredients, the established names of ingredients and quantitative formula of the drug to the extent required for labels of such drugs by section 502(e). The Secretary may include such additional relevant information as in his judgment would promote proper use of such drugs. If any such drug or ingredient has no established name, the Secretary shall forthwith proceed to designate one therefor in accordance with section 508.

"(2) The Secretary may in addition include in such compendium, by established name, any other drug and information relating thereto, if he determines that the inclusion thereof would be useful to prescribers of drugs or to others for whose use the compendium is intended.

"(c) The Secretary shall further include in such compendium, or in a supplement thereto, the proprietary names or designations under which a drug listed in the compendium by established name is available, and the names of suppliers (including manufacturers, wholesalers, jobbers, or distributors) from whom drugs that are listed may be obtained.

"(d) The Secretary shall issue, and from time to time revise, a supplement to such compendium, containing, with respect to each listed drug the price or prices at which designated quantities of such drug are available to pharmacies from listed suppliers or such other information as the Secretary determines to be adequate and reasonable for the purpose of price comparison.

"(e) (1) Any person who is adversely affected by the Secretary's inclusion or failure to include in the compendium or an applicable supplement thereto any such drug or other information, or any price information, may petition for an appropriate change and, if the petition is denied by the Secretary, shall be afforded a reasonable opportunity for a hearing on the matter.

"(2) The Secretary, prior to making a final determination to remove from listing in the compendium a drug listed therein, or a proprietary name or designation thereof, or the name of a supplier thereof, shall afford a reasonable opportunity for a hearing on the matter to any person engaged in manufacturing, preparing, propagating, compounding, or processing such drug who has not requested or agreed to such removal and who shows reasonable grounds for such a hearing.

"(3) The final decision of the Secretary under paragraph (1) or (2) shall, if adverse to the petitioner, be subject to judicial review in accordance with the procedure specified in section 505(h). The reviewing court shall not issue any interlocutory order affecting the contents, or the time of publication or distribution, of the compendium or a supplement thereto, but a final judgment may require the prompt publication and distribution of information reflecting the decision of the court.

"(f) (1) For the purpose of advising the Secretary from time to time on matters pertaining to the compendium provided for in this section, there is established in the Department an advisory committee consisting of persons, qualified in the pharmacology, safety, efficacy, and relative therapeutic value of drugs, who shall be appointed by the Secretary without regard to the civil service and classification laws, and at least three of whom shall be practitioners licensed by law to prescribe and administer drugs.

"(2) Members of the advisory committee who are not in the regular full-time employ of the United States may, while attending meetings or conferences of the committee or otherwise engaged in the business of the committee, be compensated at a rate fixed by the Secretary but not exceeding the rate specified at the time of such service for grade GS–18 in section 5332 of title 5 of the United States Code, and, while so serving on the business of the committee away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code, for persons in the Government service employed intermittently.

"(g) (1) For the purpose of carrying out his functions under the foregoing provisions of this section, the Secretary is authorized (A) to require, by order, any person engaged in manfacturing, preparing, compounding, processing, propagating, distributing, or importing any drug to furnish to the Secretary any information available to such person and relevant to any matter bearing on which drugs, or information relating thereto, should be included in the compendium, and (B) to require such persons by regulation to establish and maintain such records of clinical experience and other data with respect to such drugs as may become available to such persons and are relevant to the question of such inclusion, and to afford the Secretary access to such records and to make to the Secretary such reports relating thereto as the Secretary may reasonably require. Orders pursuant to this paragraph shall be served in accordance with section 505(g).

"(2) (A) In case of refusal or failure to obey any order of the Secretary pursuant to clause (A) of paragraph (1), any district court of the United States for the judicial district in which the person charged with such refusal or failure is found or resides or transacts business shall, upon application of the Secretary, have jurisdiction to issue an order requiring such person to comply with the Secretary's order, and any failure to obey such order of the court may be punished by it as contempt thereof.

"(B) The district courts of the United States and of the territories shall have jurisdiction, for cause shown, to restrain violations of regulations or orders of the Secretary issued under this subsection. All proceedings under this paragraph shall be by and in the name of the United States.

"(C) Subpenas for witnesses who are required to attend a court of the United States in any district in any judicial proceeding under this subsection may run into any other district.

"(3) The foregoing paragraphs of this subsection shall not apply to—

"(A) pharmacies or other establishments operated in conformance with applicable local law regulating the practice of pharmacy and medicine which are regularly engaged in dispensing drugs subjection to section 503(b) (1) upon prescriptions of practitioners licensed by law to prescribe and administer such drugs;

"(B) practitioners licensed by law to prescribe or administer drugs and who manufacture, prepare, propagate, compound, or process drugs solely for use in the course of their professional practice.

"(h) As used in this section (or elsewhere in this Act with reference to this section) the term 'compendium', except when otherwise specified, includes any revision of or supplement to the compendium provided for in this section; and the term 'established name' means such name as defined in section 502(e).

"(i) In administering the provisions of this section the Secretary is authorized to utilize the services and facilities of any agency of the Federal Government and of any other agency, institution, organization, or person in accordance with appropriate agreements, and to pay therefor either in advance or by way of reimbursement as may be agreed upon, including printing and binding without regard to other provisions of law or regulations."

ADVERTISING OF INFORMATION IN COMPENDIUM

SEC. 402. Section 502 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(r) If (1) it is a drug subject to section 503(b) (1) and is listed in the compendium published pursuant to section 516, and (2) (A) such drug (except in case of a drug intended solely for investigational use in accordance with regulations issued pursuant to section 505, 507, or 507A) is intended or promoted through labeling or advertising for any condition or use not described in such compendium, or (B) any of its labeling or advertising is inconsistent with the description of, or prescribing information relating to, such drug in such compendium, or (C) any of its labeling or advertising purports to give information required or useful for the use of such drug by the prescriber but omits any prescribing information provided with respect to such drug by such compendium. Notwithstanding the foregoing, a drug shall not be deemed misbranded under this paragraph solely by reason of the failure of its label to contain all of such information if such label is in full conformity with regulations prescribed by the Secretary pursuant to the proviso to section 502(f)."

EFFECTIVE DATE

SEC. 403. The provisions of section 401 shall become effective on the date of enactment of this Act. The provisions of section 402 shall become effective, with respect to any particular drug, on the first day of the second calendar month that begins after the initial publication, in the compendium issued pursuant to section 516 of the Federal Food, Drug, and Cosmetic Act, of the established name of, and prescribing information relating to, such drug.

TITLE V—CONSUMER DRUG INFORMATION

PRESCRIPTION DRUG INFORMATION FOR CONSUMERS

Sec. 501. Section 503(b)(2) of such Act (21 U.S.C. 353(b)(2)) is amended (a) by inserting "(A)" immediately after "(2)"; (b) by inserting "(b)(2)," after "paragraphs (a),"; (c) by striking out "and" before the phrase "the packaging requirements of paragraph (g), (h), and (p)," and inserting immediately after such phrase the following: "and the marking and labeling requirements of paragraph (s)(2)"; (d) by inserting after "the name of the prescriber, and", the following: "the name of the drug or the symbols of the code in accordance with subparagraph (B), information relating to the drug in accordance with subparagraph (C), and,"; and (e) by adding at the end thereof the following two new subparagraphs:

"(B) Any drug subject to subparagraph (A) shall bear a label containing the established name (as defined in section 502(e)(2)) of the drug in the case of a drug containing only one active ingredient, and, in the case of a drug fabricated from two or more active ingredients, a list of the active ingredients of such drug by their established names immediately following or immediately under the word 'Contents:', except that the Secretary may by regulation, when he deems it in the public interest, authorize in lieu of such list use of (i) an established name for the combination, or (ii) the trade name of any drug. Where a practitioner who is licensed by law to prescribe and administer drugs prescribes any drug by trade name, the label of such drug as dispensed shall include on the label, immediately below the established name of the drug, such trade name. Notwithstanding the foregoing provisions of this subparagraph, the label of such drug as dispensed shall not bear the established name of any drug (or in the case of a combination drug, the established name of the active ingredients) or the trade name of such drug if the prescriber of the drug specifically directs that either such name not appear on the label. In no case in which the prescriber of a drug has directed that the established name of the drug be omitted from the label may the trade name of such drug appear on the label. In any case in which the prescriber of a drug has directed that neither the established nor the trade name of the drug appear on the label, the label shall bear symbols of the code for such drug required under section 502(s)(1) (A), (B), and (D).

"(C) Any drug subject to subparagraph (A) shall, pursuant to regulations promulgated by the Secretary, bear labeling stating in brief summary, and in such terms as to render it likely to be understood by the ordinary individual, information relating to the nature of such drug, indications and usage, contraindications, warnings, precautions, adverse reactions, overdosage, and other information pertinent to such drug.".

IDENTIFICATION OF DRUGS

Sec. 502. (a) Chapter V of such Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"Sec. 517. (a) The Secretary shall, by regulation, establish a uniform code or system of coding applicable to drugs consisting of symbols representing (1) the identity of the manufacturer of each drug, (2) the identity of the drug, (3) the identity of the final packager (if different from the manufacturer) of the drug, (4) the dosage form and strength of the drug, and (5) the number of drug units in the immediate container of the drug. The Secretary shall transmit copies of such code or code system to hospitals, poison control centers, and such other persons as he deems necessary in order to carry out the purposes of this section.

"(b) For purposes of this section, and section 502(s), the term 'manufacturer' includes any person who manufactures, processes, or compounds a drug in tablet, capsule, or other final dosage form, except that such term does not include (1) a practitioner licensed by law to prescribe and administer drugs who in accordance with applicable local law does so in the course of his professional practice solely for the purpose of dispensing or administering such drug to a patient, or (2) a pharmacist who in accordance with applicable local law manufactures, processes, or compounds such a drug in the course of his professional practice for direct dispensing by him upon prescription of a practitioner licensed by law to prescribe and administer drugs; and the term 'final packager' does not apply to a dispenser solely by reason of repacking a drug into the dispensed package in filling a prescription.".

(b) Section 502 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(s) If it is a drug, unless (1) the immediate and outside containers (if any) thereof each bears a label which has prominently placed thereon the symbol or symbols contained in the code or system of coding established pursuant to section 517 which represent (A) the identity of the manufacturer of the drug, (B) the identity of the drug, (C) the identity of the final packager (if different from the manufacturer) of the drug, (D) the dosage form and strength of the drug, and (E) the number of drug units in the immediate container of the drug, and (2) in the case of such a drug manufactured, processed, or compounded in tablet or capsule form, each tablet or capsule is clearly marked with the symbol or symbols contained in such code or system of coding which represent the identity of the manufacturer and the identity and strength of the drug of which the tablet or capsule is composed: *Provided*, That the Secretary may exempt from the operation of clause (1) of this paragraph any immediate container of any prescription drug if he determines that it is impracticable for such container to bear a label which has prominently placed thereon an identifying symbol because of the size or any other relevant aspect of such container, and that such exemption will not be inconsistent with the protection of the public health: *And provided further*, That the Secretary may exempt from the operation of clause (2) of this paragraph any tablet or capsule if he determines that it is impracticable for such tablet or capsule to bear an identifying symbol because of the size composition, or any other relevant aspect of such tablet or capsule, and that such exemption will not be inconsistent with the protection of the public health.".

(c)(1) Section 301 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(u) The doing of any act which causes a drug to be misbranded within the meaning of section 502(s), or the sale or dispensing, or the holding for sale or dispensing, of such a drug."

(2) Section 304(a)(2) of such Act (21 U.S.C. 334(a)(2)) is amended by striking out "and" before "(C)" and inserting before the period at the end thereof the following: ", and (D) Any drug that is misbranded within the meaning of section 502(s)".

PRESCRIPTION DRUG PRICE POSTING

Sec. 503. (a) Chapter V of such Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

PRESCRIPTION DRUG PRICE POSTING

"Sec. 518. (a) Every person who owns or operates a pharmacy or other establishment subject to applicable local law regulating the practice of pharmacy and medicine and which is regularly engaged in the dispensing to the public of drugs subject to section 503(b)(1) upon prescriptions of practitioners licensed by law to prescribe and administer such drugs shall display in such form, manner, and location as to make it likely to be read and understood by the ordinary individual under customary dispensing conditions, as determined by regulations promulgated by the Secretary, a list (which shall be revised from time to time) of (1) those such drugs which are most frequently sold in the area in which the pharmacy is located and the charges of such pharmacy to the public for such drugs, and (2) the professional services and nonprofessional convenience services associated with the dispensing of such drugs, and the charges of such pharmacy to the public for such services.

"(b) The act of dispensing a drug contrary to the provisions of this section shall be deemed to be an Act which results in such drug being misbranded while held for sale.

"(c) It is declared to be the express intent of Congress to supersede any and all laws of the States or political subdivisions thereof, insofar as they may now or hereafter provide for the display of information which is different from the information required to be displayed under this section, except that this section shall not apply to any pharmacy or other establishment located in any State or political subdivision of any State which has established by statute, ordinance, or regulation a standard for posting of price and other information which imposes a standard of performance equivalent to or higher than that established by this section and by regulations adopted pursuant to this section."

(b) Section 301 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(v) The failure to display information in accordance with section 518."

EFFECTIVE DATE

Sec. 504. (a) The provisions of section 501 and section 503 shall become effective on the first day of the third calendar month following the month in which this Act is enacted.

(b) The provisions of section 502(a) shall become effective on the date of enactment of this Act.

(c) The provisions of section 502(b) and (c) shall apply only to drugs manufactured on or after the first day of the twenty-fifth calendar month that begins after the month in which the initial regulations pursuant to section 517 of the Federal Food, Drug, and Cosmetic Act, establishing a uniform code or system of coding applicable to prescription drugs, are promulgated.

EXHIBIT 1

SUMMARY OF DATA ON ADVERTISING, MARKETING AND PROMOTIONAL ACTIVITIES OF PHARMACEUTICAL INDUSTRY FOR CALENDAR YEAR 1973, AS COMPILED FROM DATA SUBMITTED BY INDIVIDUAL COMPANIES TO THE HEALTH SUBCOMMITTEE. COMPILATION OF SUMMARY DATA WAS ACCOMPLISHED WITH THE TECHNICAL ASSISTANCE OF THE LIBRARY OF CONGRESS

The figure for samples refers to individual tablets and/or capsules and not to packages of samples. For example, if a sample package contained 4 tablets, the figure in the sample column would be 4]

	Tours											Symposia						
	Number of persons						Expenses[2]											
	Medical	Nursing	Pharm.	Other[1]	Spouses	Total	Hotel	Food	Entertainment	Transportation	Total cost	Number	Hotel	Food	Entertainment	Transportation	Honoraria	Total cost
Abbott Laboratories	453	1,009	1,355	1,643	Yes	4,460	Yes	Yes	Yes	Yes	$60,969	[3] 144	Yes	Yes	No	Yes	$16,650	$135,55
Bristol-Myers Products	24	95	None	35	No	154	No	No	No	No	70	[4] None						
Burroughs-Wellcome Co	378	143	240	139	Yes	900	No	Yes	No	Yes	4,844	1	Yes	Yes	No	Yes	None	2,141
Ciba-Geigy Corp	None	8	25	None	No	33	No	Yes	No	Yes	194	4,359	No	Yes	No		[5] 148,571	[6] 316,951
Johnson & Johnson	"to physicians and nurses"				No	268	No	Yes	No	Yes	703	123	No	No	No		45,576	NS
Lederle Laboratories																		
Lilly & Co	1,382	4,203	2,671	9,500	Yes	17,756	Yes	Yes	Yes	No	[6] 516,000	4	Yes	Yes	No	Yes	NS	[11] 483,146
Merrell-National Laboratories.	2	None	77	38	No	115	No	Yes	No	Yes	283	129	Yes	Yes	No	Yes	20,250	45,832
Merck & Co	119	39	244	232	No	634	No	Yes	No	Yes	2,185	[12] 5	Yes	Yes	No	Yes	5,000	[12] 18,460
Norwich Pharmacal Co						None offered						[13] 110	Yes	Yes	No	Yes	NS	23,700
Pfizer, Inc	None	None	8	None	No	8	No	Yes	No	No	NS	691	Yes	Yes	No	Yes	246,854	640,361
Parke, Davis & Co	242	320	922	139	Yes	1,623	Yes	Yes	Yes	No	$66,219	[13] 363	No	No	No	No	5,980	112,061
A. H. Robins Co		Not broken out				1,900	No	Yes	No	Yes	400	[14] 1	Yes	Yes	Yes	Yes	None	69,517
Hoffman-La Roche, Inc	202 students			175	No	377	No	Yes	No	No	[16] 980	10	No	No	No	No	2,700	26,938
Searle Laboratories	None	15	12	0	NS	27	No	Yes	No	No	9	[11] 1,419	Yes	Yes	Yes	Yes	139,970	165,752
Smith, Kline and French Laboratories.	77	351	327	NS	No	NS	No	No	No	No	400	[11] 20	Yes	Yes	No	Yes	NS	203,800
Squibb Corp	114	73	114	708	Yes	1,054	Yes	Yes	No	Yes	69,000	8	Yes	Yes	Yes	Yes	7,600	131,277
Syntex	68	40	196	69	Yes	373	No	Yes	No	Yes	1,855	11	Yes	Yes	No	No	NS	46,600
Schering Corp	5	None	1	None	No	6	No	Yes	No	Yes	12	[17] 17	Yes	Yes	No	Yes	25,423	[17] 219,922
Upjohn Co	0	762	71	680	Yes	1,513	Yes	Yes	Yes	Yes	23,974	101	Yes	Yes	No	Yes	26,700	82,684
Wyeth Laboratories						[18] NS						3	No	Yes	No	No	NS	NS
Total	2,864	7,058	6,275	13,358		31,201					748,097	7,519					691,274	2,724,697

SUMMARY DATA—SUMMARY OF DATA ON ADVERTISING, MARKETING AND PROMOTIONAL ACTIVITIES OF PHARMACEUTICAL INDUSTRY FOR CALENDAR YEAR 1973, AS COMPILED FROM DATA SUBMITTED BY INDIVIDUAL COMPANIES TO THE HEALTH SUBCOMMITTEE COMPILATION OF SUMMARY DATA WAS ACCOMPLISHED WITH THE TECHNICAL ASSISTANCE OF THE LIBRARY OF CONGRESS—Continued

	Gifts						Reminder items						Samples		
	Medical	Nursing	Pharm.	Other	Total number	Total cost	Medical	Nursing	Pharm.	Other	Total number	Total cost	Total number	Solicited	Unsolicited
Abbott Laboratories		Not broken out			327,496	[8] $71,920	$422,247	NS	$5,000	$1,235,292	16,625,539	$703,378	245,544,089	Not broken out	
Bristol-Meyers Products	$118,532	None	None	None	NS	[9] 118,532		Not broken out			1,419,600	403,147	61,273,418	Not broken out	
Burroughs-Wellcome Co	None	None	None	None	None	None		Not broken out			324,006	73,982	45,732,246	43,286,482	4,601,895
Ciba-Geigy Corp	140,032	NS	$56,709	$41,302	[10] 1,530,288	[6] 238,043	1,610,423	NS	NS	714,111	7,687,000	2,324,534	211,961,768	Not broken out	
Johnson & Johnson	22,894	None	None	None	2,900	22,894		Not broken out			1,851,626	179,096	43,090,718	42,808,683	12,615
Lederle Laboratories															
Lilly & Co	1,043,000	$76,000	54,000	600,000	NS	1,773,000		Not broken out			12,729	1,700,000	189,197,837	All	None
Merrell-National Laboratories	349,068	3,994	57,175	15,925	1,973,970	426,162	To physicians and nurses				406,050	103,865	139,937,308	138,364,268	1,573,040
Merck & Co	33,400	53,500	15,577	7,377	917,339	[15] 109,854		Not broken out			1,314,725	352,200	212,318,636	All	None
Norwich Pharmacal Co.	4,375	None	4,589	5,670	3,915	14,634	Physicians, dentists and paramedical				895,430	69,236	17,261,153	16,643,669	617,484
Pfizer, Inc		Not broken out			154,169	458,485	53,539	12,710	None	316,529	2,371,433	382,778	88,079,286	Not broken out	
Parke, Davis & Co.	1,550	25,483	6,870	3,775	[10] 27,856	[6] 37,679		Not broken out			6,371,700	542,174	*48,303,375	All	None
A. H. Robins Co.				NS			960,000	None	None	40,000	1,000,000	102,800	130,096,440	115,371,636	14,724,804
Hoffman-La Roche Inc.	715,704	500	34,150	28,350	1,102,397	778,704	59,300	None	None	None	59,300	158,708	87,457,698	All	None
Searle Laboratories.				None				Not broken out			544,000	229,000	36,983,600	36,449,600	534,000
Smith, Kline & French Laboratories.	107,470	NS	3,300	35,000	299,500	145,770	151,900	None	None	None	348,000	151,900	82,532,000	74,278,800	8,253,200
Squibb Corp	None	None	5,062	444	2,336	5,506		Not broken out			8,400	8,728	[19] 66,715,454	Not broken out	
Syntex	2,800	None	None	67,000	3,800	[20] 69,800	13,800	None	None	2,135	132,800	15,935	48,364,028	Not broken out	
Schering Corp	86,672	2,064	1,625	62,960	132,975	153,321		Not broken out			2,113,700	749,083	114,048,096	97,037,502	17,010,594
The Upjohn Co	956,286	None	89,730	3,260	6,357,648	1,049,276		Not broken out			1,266,000	219,670	139,599,866	Not broken out	
Wyeth Laboratories.	60,846	None	None	None	7,534	60,846		Not broken out			672,000	109,760	[21] 54,456,470	Not broken out	
Totals					12,844,123	5,534,426					45,424,038	8,579,974	2,062,953,486		

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[1] Includes allied health personnel, public health personnel, etc., and a mix of the other categories where provided in combined form.

[2] Yes means that expenses for hotel, food, entertainment, or transportation were covered for some groups, but not necessarily all. These expenses were often covered for speakers at symposia or conferences, but not for those in general attendance. No means that the company either does not cover such costs or no mention of such costs was made in the report.

[3] Includes contributions to educational programs of various associations for which symposia or conferences were held.

[4] Company did not sponsor symposia; contributions to finance symposia or conferences of other organizations were not supplied.

[5] Includes speaker's expenses.

[6] All costs not supplied.

[7] Not supplied.

[8] Includes cash contributions.

[9] Excludes cash contributions.

[10] Complete total not provided.

[11] Includes financial support of symposia, conferences, etc., other than those sponsored by company.

[12] Excludes postgraduate medical education programs and meetings for market data gathering.

[13] Figure represents only the number of totally or partially supported activities; there were no company-sponsored symposia.

[14] This represents a 2½-day visit to Richmond and Williamsburg presented to outstanding pharmacists.

[15] Excludes grants for support of medical or pharmacy education and basic research and academic programs.

[16] "The majority of these students and health care professionals were served coffee and pastries at a cost of $0.35 per serving and/or lunch at a cost of $2.25." Figure was computed using the cost of the lunch.

[17] Number and total cost represent only company-sponsored meetings; number and amount of contributions for support of other activities not supplied.

[18] It is not Weyth's policy to offer tours. Infrequent tours are given to high school students, guests from overseas, etc., and locally visiting physicians, nurses, and other health professionals.

[19] Total cost of samples, $2,951,954.

[20] Includes expenses for hospitality suites at various meetings of medical, public health, and family planning organizations.

[21] All products, with the exception of a specialized mailing of oral contraceptives, were requested by physicians.

*Includes 465 samples of veterinary products.

COMPLETE SAMPLING DATA

These are the data submitted to the Senate Health Subcommittee by 20 pharmaceutical companies at the subcommittee's request on the extent of sampling for the calendar year 1973. Not all the data was submitted in comparable unit categories. In compiling the summary of the data consultation with the companies permitted conversion of sample data into comparable units.

APPENDIX

SAMPLE DATA

Company	Page	Company	Page
Abbott Laboratories	1	Parke, Davis & Co.	53
Bristol-Meyers Products	14	A. H. Robins	74
Borroughs-Wellcome Co.	17	Hoffman-La Roche, Inc.	79
CIBA	21	Searle	83
Johnson & Johnson	33	Smith, Kline, & French	84
Eli Lilly & Co.	35	Squibb	85
Merrell	41	Syntex	87
Merck & Co.	46	Schering	88
Norwich	51	Upjohn	100
Pfizer	52	Wyeth	113

ABBOTT LABORATORIES

Product	Dosage strength	Mailing unit	Patient unit	Total mailing units	Total patient units	Solicited unsolicited
Cefol	1 strength	2/7s	7 tabs	6,000	12,000	Solicited.
Enduron	5 mg	8/7s	7 tabs	36,900	295,200	Solicited.
Enduronyl	Regular and forte	8/7s	7 tabs	25,920	207,360	Solicited.
Erythrocin	250 mg	2 trays, each containing 7/2s	2 tabs	2,523	35,322	Solicited.
Erythrocin granules	200 mg./5-ml. tsp	1 dispensing unit containing 12/5 ml. bottles.	1 5-ml. bottle	2,008	24,096	Solicited.
Erythrocin filmtab	250 mg	2 trays, one containing	2 tabs or 2 chewable	33,844	236,908	Unsolicited.
Erythrocin chewable	200 mg	7x2 filmtab, 1 containing 7x2 chewable.			236,908	Unsolicited.
Rythrocin filmtab	250 mg	2 trays each containing 7/2s	2 tabs	50,422	705,908	Unsolicited.
Rythrocin filmtab	250 mg	Bottle of 20*		26,884		Unsolicited.
Utron	Regular	4/30s	30 tabs	1,500	6,000	Solicited.
Ero-Folic-500	1 strength	5/7s	7 tabs	14,700	73,500	Unsolicited.
Ero-Grad-500	1 strength	5/7s	7 tabs	20,300	101,500	Unsolicited.
Beret-500	1 strength	5/7s	7 tabs	105,000	525,000	Unsolicited.
Beret-Folic-500	1 strength	5/7s	7 tabs	49,000	245,000	Unsolicited.
I-LOR	4 gm	6x4 gm pouches	6 poucnes	49,330	49,330	Unsolicited.
Gelsun	1 strength	8/1-oz	1 oz	33,000	264,000	Unsolicited.
Surbex-T	1 strength	2/7s	7 tabs	108,000	216,000	Unsolicited.
Franxene	7.5 mg	10x4; 4x30	1 card 4 or 1 bottle 30	102,528	1,435,392	Solicited.
	7.5 mg	4x30	1 bottle 30	19,974	79,896	Solicited.

SAMPLES DISTRIBUTED BY PPD

List	Product/strength	Case size	Number physician units	Number patients units	Solicited/unsolicited
6837	Calcidrine syrup	8 x 4/1 oz	11,199	44,796	Both.
6837	Calcidrine syrup	12 x 4oz	206	206	Both.
3955	Cafol filmtab	6 x 5/7's	69,332	346,662	Both.
3955	Cefol filmtab	12 x 30's	37,257	37,257	Both.
3955	Cefol filmtab	6 x 100's	10,050	10,050	Both.
6343	Compocillin-VK 250 mg. filmtab.	100's Abbo-Pac	582	582	Both.
3925	Dayalets filmtab	18 x 30's	37,851	37,851	Both.
3925	Dayalets filmtab	6 x 100's	510	510	Both.
6667	Dayalets-M filmtab	18 x 30's	61,976	61,976	Both.
6667	Dayalets-M filmtab	6 x 100's	624	624	Both.
6812	Eudron tablets 5mg	4 x 10/7's	22,713	227,130	Both.
6812	Euduron tablets 5mg	6 x 10/7's	108,759	1,087,590	Both.
6812	Enduron tablets 5mg	4 x 6/4's	11,494	68,983	Both.
6812	Enduron tablets 5mg	6 x 6/4's	27,312	163,875	Both.
6812	Enduron tablets 5 mg	6 x 30's	1,725	10,350	Both.
6812	Enduron tablets 5mg	12 x 80's	2,315	27,780	Both.
6838	Enduronyl tablets	6 x 5/7'x	51,427	257,135	Both.
6854	Enduronyl forte tablets	6 x 5/7's	51,427	257,135	Both.
6838	Enduronyl tablets	6 x 30's	2,983	17,895	Both.
6854	Enduronyl forte tablets	6 x 30's	1,849	11,094	Both.
7240	Eutron filmtab	4 x 6/14's	3,619	21,719	Both.
7240	Eutron filmtab	6 x 30's	989	5,939	Both.
6308	Erythrocin stearate filmtab 125mg.	8 x 7/2's	43,567	304,972	Both.
6346	Erythrocin stearate filmtab 250 mg.	8 x 7/2's	609,095	4,263,662	Both.
6346	Erythrocin stearate filmtab 250 mg.	24 x 20's	187,618	187,618	Both.
6346	Erythrocin stearate filmtab 250 mg.	100's Abbo-Pac	2,514	2,514	Both.
6371	Erythrocin ethyl succinate chew. tabs.	8 x 7/2's	139,251	974,755	Both.
6371	Erythrocin ethyl succinate chew. tabs.	24 x 20's	61,303	61,303	Both.
6360	Erythrocin ethyl succinate drops.	6 x 30 ml	4,000	4,000	Both.
6369	Erythrocin ethyl succinate granules.	4 x 12/5 ml	37,548	450,573	Both.
6369	Erythrocin ethyl succinate granules.	12 x 4/5 ml	146,446	585,784	Both.
6369	Erythrocin ethyl succinate granules.	6 x 60 ml	2,148	2,148	Both.
6369	Erythrocin ethyl succinate granules.	12 x 100 ml	4,212	4,212	Both.
6369	Erythrocin ethyl succinate granules.	12 x 200 ml	2,196	2,196	Both.
6306	Erythrocin liquid-200	12 x 8/10 ml	189,302	1,514,418	Both.
6306	Erythrocin liquid-200	12 x 100 ml	678	678	Both.
6369	Erythrocin ped. combinatin	6 x 12/5 ml. per comb.	8,495	611,640	Both.
6371		x 7/2's		59,465	Both.
6346		x 7/2's		59,465	Both.
6308		x 7/2's		59,465	Both.
6369	Erythrocin G. P. combination	x 12/5 ml. per comb.	8,480	203,520	Both.
6346		x 7/2's		356,160	Both.
6308		x 7/2's		59,360	Both.
6374		x 7/2's		118,720	Both.
6852	Fero-Gradumet filmtab	6 x 30's	231	1,388	Both.
7238	Fero-Grad-500 filmtab	6 x 5/7's	35,481	177,405	Both.
7238	Fero-Grad-500 filmtab	6 x 30's	750	4,502	Both.
7247	Fero-Folic-500 filmtab	6 x 5/7's	46,512	232,552	Both.
7247	Fero-Folic-500 filmtab	6 x 30's	1,424	8,545	Both.
7235	Iberet-500 filmtab	6 x 5/7's	129,757	648,784	Both.
8422	Iberet-500 liquid oral solution	8 x 4/1 oz	13,898	55,590	Both.
7235	Iberet-500 filmtab	6 x 30's	2,937	17,622	Both.
7242	Iberet-Folic-500 filmtab	6 x 5/7's	90,542	452,712	Both.
7242	Iberet-Folic-500 filmtab	6 x 30's	1,720	10,320	Both.
7249	Iberlate	6 x 12/4 gm	412	4,944	Both.
7249	Iberlate	2 x 8 oz	597	7,164	Both.
3611	K-Lor 4 gm	8 x 12/4 gm	248,104	2,977,248	Both
131	Maltsupex liquid	30x2 oz	15,059	15,059	Both.
216	Maltsupex powder	30x1 oz	34,996	34,996	Both.
1510	Maltsupex filmtab	8x4/9's	2,820	11,280	Both.
1510	Maltsupex filmtab	6x30's	425	2,550	Both.
6953	Norisodrine with calcium iodide syrup.	8x4/1 oz	9,138	36,554	Both.
3943	Ogen .625 tablets	8x6/7's	1,980	11,880	Both.
3943	Ogen .625 tables	4x21's	427	1,708	Both.
3946	Ogen 1.25 tablets	8x6/7's	13,615	81,690	Both.
3946	Ogen 1.25 tablets	25/21's	22,589	112,945	Both.
3946	Ogen 1.25 tablets	4x21's	10,216	40,865	Both.
3951	Ogen 2.5 tablets	8x6/7's	20,483	122,898	Both.
3951	Ogen 2.5 tablets	25/21's	66,069	330,345	Both.
3951	Ogen 2.5 tablets	4x21's	18,701	74,804	Both.
3958	Ogen 5 tablets	4x4/4's	2,674	10,696	Both.
3958	Ogen 5 tablets	4x21's	176	704	Both.
8206	Ogen combination:				
	Ogen 1.25 tablets	4x4/4's	13,017	52,068	Both.
	Ogen 2.5 tablets	4x4/4's	13,017	52,068	Both.
3935	Optilets filmtab	12 x 30's	13,187	13,187	Both.
3935	Optilets filmtab	6 x 100's	1,471	1,471	Both.
3935	Optilets filmtab	50's	1,085	1,085	Both.
6903	Optilets-M filmtab	12 x 30's	18,895	18,895	Both.
6903	Optilets-M filmtab	8 x 25/2's	40,198	1,004,950	Both.

SAMPLES DISTRIBUTED BY PPD—Continued

List	Product/strength	Case size	Number physician units	Number patients units	Solicited/ unsolicited
6903	Optilets-M filmtab	6 x 100's	1,590	1,590	Both.
6903	Optilets-M filmtab	50's	6,972	6,972	Both.
4040	Optilets-M-500 filmtab	12 x 30's	31,270	31,270	Both.
4040	Optilets-M-500 filmtab	6 x 100's	479	479	Both.
4040	Optilets-M-500 filmtab	10 x 100's	6,565	6,565	Both.
6985	Oretic tablets	12 x 30's	332	3,984	Both.
6985	Oretic tablets	6 x 30's	897	5,382	Both.
8241	Placidyl combination:				
	Placidyl 500 mg	8 x 12/500	19,000	19,000	Both.
	Placidyl 750 mg	8 x 12/750	19,000	19,000	Both.
6635	Placidyl capsules 500 mg	6 x 5/2's	27,500	137,500	Both.
6635	Placidyl capsules 500 mg	12 x 12's	35,427	35,427	Both.
6630	Placidyl capsules 750 mg	6 x 5/2's	16,926	84,630	Both.
6630	Placidyl capsules 750 mg	12 x 12's	24,010	24,010	Both.
6883	Quelidrine sryup	4 x 8/1 oz	10,621	84,968	Both.
6883	Quelidrine syrup	12 x 4 oz	1,067	1,067	Both.
3962	Selsun suspension	6 x 8/1 oz	21,319	170,552	Both.
3962	Selsun suspension	6 x 4 oz	2,139	2,139	Both.
6628	Selsun blue cream	32 x 20 gm	6,432	6,432	Both.
6628	Selsun blue cream	48 x 3.6 oz	1,309	1,309	Both.
6620	Selsun blue lotion	32 x 3/4 oz	19,295	19,295	Both.
6620	Selsun blue lotion	36 x 4 oz	909	909	Both.
8228	Selsun blue cream	8 x 20 gm	142,895	142,895	Both.
8228	Selsun blue lotion	9 x 3/4 oz	160,757	160,757	Both.
6620	Selsun blue 3/4 oz	4 x 36 3/4 oz	852	30,672	Both.
6842	Surbex-T filmtab	6 x 6/7's	142,603	855,618	Both.
6842	Surbex-T filmtab	12 x 30's	45,862	45,862	Both.
6842	Surbex-T filmtab	30's	24,216	24,226	Both.
6842	Surbex-T filmtab	12 x 100's	23,598	23,598	Both.
1306	Syllamalt effervescent powder	6 x 6/5 gm	34,845	209,070	Both.
1308	Syllamalt powder	30 x 3/4 oz	5,848	5,848	Both.
3418	Tranxene capsules 7.5 mg	8 x 10/4's	288,860	2,888,600	Both.
3418	Tranxene capsules 7.5 mg	6 x 8/4's	235,431	1,883,448	Both.
3418	Tranxene capsules 7.5 mg	24 x 50's	516,894	516,894	Both.
3418	Tranxene capsules 7.5 mg	24 x 30's	201,968	201,968	Both.
3417	Tranxene capsules 3.7 mg	8 x 10/4's	124,690	1,246,900	Both.
3417	Tranxene capsules 3.75 mg	4 x 30's	5,814	23,256	Both.
3419	Tranxene capsules 15 mg	8 x 10/4's	31,884	318,840	Both.
3419	Tranxene capsules 15 mg	4 x 30's	3,247	12,988	Both.
8219	Vitamin combination	4 comb/cs			Both.
	1 x 30 Surbex-T filmtab		3,264	3,264	Both.
	1 x 30 Cefol filmtab		3,264	3,264	Both.
	1 x 30 Optilets filmtab		3,264	3,264	Both.
	1 x 30 Optilets-M filmtab		3,264	3,264	Both.
	1 x 30 Optilets-M-500 filmtab		3,264	3,264	Both.

	Size			
Product	Sample package	Stock package	Patient starters	Solicited/ unsolicited
Pediamycin:				
Chewables	2 tablet pack		411,727	Solicited.
		50 tablet bottle	4,796	
Suspension	10 ml bottle		410,288	Solicited.
		60 ml bottle	3,351	
		90 ml bottle	5,001	
		150 ml bottle	5,021	
Drops		30 ml bottle	1,505	Solicited.
Liquid	10 ml bottle		676,401	Solicited.
		16 ml bottle	3,448	
		Pint bottle	35	
Compocillin:				
Drops		30 ml bottle (200,000 units)	667	Solicited.
Chewables		50 tab. btl. (200 m unit)	589	Solicited.
	2 tablet pack (400 m units)		19,296	
		25 tablet bottle (400 m units)	1,279	
Filmtab	2 tablet pack (800 m units		328,870	Solicited.
		50 tablet pack (800 m units)	1,471	
		100 tablet pack (200 m units)	1,281	
	2 tablet pack (400 m units)		843,512	
		25 tablet pack (400 m units)	3,957	
		100 tablet (400 m units)	1,444	
Liquid		80 ml bottle (300 m units)	596	Solicited.
		150 ml bottle (300 m units)	1,012	
Suspension	5 ml bottle (200 m units)		159,513	Solicited
		80 ml bottle (200 m units)	173	
		100 ml bottle (200 m units)	1,755	
		200 ml bottle (200 m units)	2,911	
	5 ml bottle (400 m units)		1,232,912	Solicited
		80 ml bottle (400 m units)	221	
		100 ml bottle (400 m units)	4,731	
		200 ml bottle (400 m units)	4,958	
Vi Daylin:				
Pediaflor drops		30 ml bottle	885	Solicited
Polyvitamin drops	7 ml bottle		370,758	
		30 ml bottle	837	
		50 ml bottle	3,498	
Polyvitamin drops with fluoride	7 ml bottle		424,192	Solicited
		30 ml bottle	1,180	
		50 ml bottle	4,734	
ADC drops	7 ml bottle		240,806	Solicited
		30 ml bottle	593	
		50 ml bottle	2,434	
ADC drops with fluoride	7 ml bottle		331,651	
		30 ml bottle	481	
		50 ml bottle	2,726	
Polyvitamin drops with iron	7 cc bottle		314,619	Solicited
		50 cc bottle	3,011	
ADC drops with iron	7 cc bottle		73,482	Solicited
		50 cc bottle	1,566	
Chewables with flouride	2 tablet pack		1,034,000	Solicited
		100 tablet bottle	10,165	
Chewables	2 tablet pack		1,137,005	Solicited.
		100 tablet bottle	15,059	
Chewables with iron	2 tablet pack		971,775	
		60 tablet bottle	584	
		100 tablet bottle	14,777	
Suspension liquid		8 oz bottle	142	Solicited.
		1 pt bottle	330	
Suspension liquid M		8 oz bottle	121	Solicited.
		1 pt bottle	295	
Rondec:				
Tablets	2 tablet pack		1,174,400	Both.
		100 tablet bottle	4,628	
Chewable	2 tablet pack		25,880	Solicited.
		100 tablet bottle	1,070	
Suspension	10 ml bottle		539,148	Both.
	20 ml bottle		39,061	
		16 oz bottle	2,875	
Drops	4 ml bottle		115,592	Solicited.
		20 ml bottle	5,535	
DM drops	4 ml bottle		159,634	Solicited.
		20 ml bottle	2,897	
DM suspension	10 ml bottle		543,720	Solicited.
	20 ml bottle		135,952	
		16 oz bottle	3,942	

SAMPLES DISTRIBUTED BY PPD—Continued

Product	Size		Patient starters	Solicited/ unsolicited
	Sample package	Stock package		
Prenatal vitamins:				
Pramet	3 tablet pack		685,653	Solicited.
		100 tablet bottle	7,208	
	7 tablet bottle		171,384	
		100 tablet bottle	2,074	
Pramilet	3 tablet pack		248,388	Solicited.
		100 tablet bottle	4,135	

PHYSICIAN GIFT PORTFOLIO—Vinyl portfolio with note pad containing:

1 x 30	6812	Enduron.
1 x 30	6838	Enduronyl.
1 x 21	3951	Ogen 2.5.
1 x 30	6667	Dayalets-M.
1 x 30	3418	Tranxene 7.5 mg.
1 x 30	7240	Eutron.
1 x 30	3417	Tranxene 3.75 mg.
1 x 30	6842	Surbex-T.
1 x 20	6371	Erythrocin chewables.
1 x 20	6346	Erythrocin F. T. 250 mg.
1 x 30	7247	Fero-Folic-500.
1 x 30	7235	Iberet-500.
1 x 30	3955	Cefol.
1 x 30	4040	Optilets-M-500.
2 x 4 gm	3611	K-Lor pouches 4 gm.

Quantity used: 134.

RESIDENT GIFT PORTFOLIO—Vinyl portfolio with note pad containing:

1 x 1 oz	6883	Quelidrine.
1 x 20	6346	Erythrocin 250 mg.
1 x 30	7235	Iberet-500.
1 x 30	4040	Optilets-M-500.
1 x 30	6842	Surbex-T.
1 x 30	3418	Tranxene 7.5 mg.
1 x 4 oz	3962	Selsun.
1 x 6—4 gm	Pouches K-Lor 3611.	

Quantity used: 944.

DENTAL GIFT BOX—Plastic defile card box containing:

1 x 30	6842	Surbex-T.
1 x 20	6346	Erythrocin F. T. 250 mg.
1 x 25	6343	Compocillin-VK 250 mg.
1 x 30	3418	Tranxene Caps 7.5 mg.
1-x-7 gm	2031	Butyn metaphen dental ointment.

Quantity used: 668.

BRISTOL-MEYERS PRODUCTS—1973 SAMPLES

List No.	Form and strength	Unit	Total units
Betapen:			
7506-AN	O/S 125	5 ml	497,348
7507-AN	O/S 250	5 ml	555,390
7508-AR	Caps 250	4's	786,011

BRISTOL-MEYERS PRODUCTS—1973 SAMPLES—Continued

List No.	Form and strength	Unit	Total units
Bristamycin:			
8367-AM	Tabs	4's	873,210
8367-60	Tabs	100's	4,586
Dynapen:			
7892-AN	Caps 125	4's	18,021
7893-AN	Caps 250	4's	15,382
Kantrex:			
3512-97	Inj. ped	Vial	2,520
3502-97	Inj. 0.5 gm	Vial	2,170
3503-97	Inj. 1.0 gm	Vial	2,110
3506-25	Caps 500 mg	20's	3,890
Naldecon:			
5600-BH	Tabs	3's	1,498,860
5615-20	Ped drops	20 ml	37,890
5616-AM	Ped syrup	30 ml	454,950
	Syrup	30 ml	21,120
Polycillin:			
7844-40	Chew tabs	40's	740
7988-AP	O/S 125	5 ml	752,957
7988-AN	O/S 125	10 ml	113,509
7988-64	O/S 125	200 ml	1,970
7998-AP	O/S 250	5 ml	835,912
7998-AN	O/S 250	10 ml	166,163
7998-64	O/S 250	200 ml	2,310
7884-AP	O/S 500	5 ml	73,803
7884-20	O/S 500	20 ml	1,310
7992-AN	CAPS 250	4's	853,890
7992-30	CAPS 250	24's	1,720
7993-AN	CAPS 500	4's	557,231
7993-20	CAPS 500	16's	2,200
7402-97	IM/IV 250	Vial	2,000
7403-97	IM/IV 500	Vial	8,380
7404-97	IM 1 gm	Vial	5,510
7495-97	IM 2.5 gm	Vial	145,075
Polycillin PRB:			
7607-AA	O/S	60 ml	104,100
Prostaphlin:			
79S2-AN	Caps 500	4's	478,242
7981-97	Inj. 1 gm	Vial	5,060
Salutensin:			
5436-BH	Tabs	14's	1,044,898

BRISTOL-MEYERS PRODUCTS—1973 SAMPLES

List No.	Form and strength	Unit	Total units
TegoPen:			
7935-AN	Caps	4's	602,272
Tetrex:			
4322-AN	Caps 250	4's	1,056,954
4330-AN	Caps 500	2's	939,069
4325-AN	Azotrex	4's	10,138
Versapen:			
7807-10	Ped drops	10 ml	3,281
7808	O/S 112.5	5 ml	700,701
7808-26	O/S 112.5	40 ml	46,370
7808-35	O/S 112.5	80 ml	12,240
7808-64	O/S 112.5	200 ml	2,516
7809	O/S 225	5 ml	387,149
7809-64	O/S 225	200 ml	2,623
7805-AM	Caps 225	4's	482,076
7805-30	Caps 225	24's	13,047
7806-AM	Caps 450	4's	198,183
7806-30	Caps 450	24's	862
7542-97	TV 450 mg	Vial	506
7546-97	IM 450 mg	Vial	1,749

1973 SAMPLES

Brand	Total units
Pediatric vitamin fluoride drops	1,501,000
Pediatric vitamin fluoride tabs	1,368,000
Natalins	1,470,000
Vasodilan	715,000
K-Lyte	938,000
Oracon	1,094,000
Halotex	1,247,000
Quibron	2,012,000
Fostril-HC	273,700

ATTACHMENT C

BURROUGHS-WELLCOME CO., SAMPLES, REPRESENTATIVE AND DIRECT MAIL, CALENDAR YEAR 1973

Product	Quantity	Solicited	Unsolicited
ACTIFED®			
Representative samples:			
Wallet pack×6 tablets	1,878,000	X	
Vial of 25 tablets	62,230	X	
1 oz sirup	1,355,325	X	
4 oz sirup	19,116	X	
Mail samples: Mailer of 6 WP [1]×6 tablets/1×1 oz sirup	23,569	X	
ACTIFED-C® EXPECTORANT			
Representative samples: 1 oz sirup	314,640	X	
Mail samples: 12×1 oz sirup	5,998	X	
CARDILATE®			
Representative samples:			
10-mg tablets vial×20	74,160	X	
10-mg chewable tablets vial×20	107,380	X	
10-mg chewable tablets cc [2]×6	245,090	X	
Mail samples: 10-mg chewable tablets 2×vial of 20	4,074	X	

ATTACHMENT C-2

Product	Quantity	Solicited	Unsolicited
CORTISPORIN® OINTMENT			
Representative samples			
1/32-oz. foil pack, 1/32 oz each	699,696	X	
½-oz tube	5,580	X	
⅛-oz ophthalmic ointment	70,932	X	
5-cc ophthalmic suspension	65,172	X	
Mail samples:			
1×25 foil packs, 1/32 oz each	16,238		X
Mailer of ⅛-oz ophthalmic ointment/5-cc ophthalmic suspension.	37,583		X

See footnotes at end of table

Product	Quantity	Solicited	Unsolicited
CORTISPORIN® OTIC DROPS			
Representative samples: 1×10-cc bottle	178,512	X	
Mail samples:			
1×10-cc bottle	46,675	X	
1×10-cc bottle	31,781		X
LANOLIN®			
Representative samples, lanolin kit—			
Each kit contains—			
0.25 mg×22 tablets	8,775		X
0.5×20 tablets			
0.125 mg×26 tablets, and 2×2-cc ampules			
Mail samples: Lanolin kit	3,600		X

ATTACHMENT C-3

Product	Quantity	Solicited	Unsolicited
LIDOSPORINU OTIC DROPS			
Representative samples: 1×10=cc bottle	67,644	X	
MANTADIL— CREAM			
Representative samples: 1/32-oz foil pack, 1/32 oz each	263,808	X	
Mail samples: 1×25 foil packs, 1/32 oz each	44,980	X	
NEOSPORIN-G— CREAM			
Representative samples:			
1/32-oz foil pack, 1/32 oz each	2,007,198	X	
1×15-gr tube	25,656	X	
NEOSPORIN— OPHTHALMIC OINTMENT			
Representative samples: ⅛-oz tube	126,956	X	
Mail samples:			
Mailer of ⅛-oz tube/10-cc Neosporin ophthalmic solution.	7,875	X	
Mailer of Neosporin/Polysporin/Cortisporin ophthalmic ointment, ⅛ oz each.	2,492		X

ATTACHMENT C-4

Product	Quantity	Solicited	Unsolicited
NEOSPORIN® OPHTHALMIC SOLUTION			
Representative samples: 1×10-cc bottle	16,128	×	
POLYSPORIN® OPHTHALMIC OINTMENT			
Representative samples: 1×1/8-oz tube	68,172	×	
SEPTRA®			
Representative samples			
Vial of 4 tablets	1,039,968	×	
Bottle of 100 tablets	3,782	×	
Bottle of 40 tablets	61,704	×	
Blister pack of 20 tablets	301,200	×	
Mail samples: Blister pack of 20 tablets	11,919	×	

Product	Quantity	Solicited	Unsolicited
SUDAFED®			
Representative samples: WP of 6×60-mg tablets	710,500	×	
Mail samples:			
3 WP of 6×60-mg tablets	45,150	×	
1×3 WP of 6×60-mg tablets	12,000		×
1×WP of 6×60-mg tablets	55,000		×
EMPIRIN® COMPOUND WITH CODEINE NO. 3			
Dispenserpak of 25 tablets	31,070	×	

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[1] Wallet pack.

[2] Catch cover.

SAMPLES DISTRIBUTED IN THE FIELD—12 MONTHS, 1973

[Personal distribution by Representatives in: Physicians' offices; hospital calls, physicians; hospital exhibits, physicians]

Product and size	Number of units
Antihypertensive family combination pack containing: 2×Serpasil Esidrix tabs. 8, 2×Serpasil Apresoline tabs. 8, 2×Apresoline Esidrix tabs. 8	64,234
Apresoline tablets 25 mg., 12	692,776
Esidrix tablets 50 mg., 8	2,378,154
Esimil tablets, 8	1,077,840
Ismelin tablets 10 mg., 8	542,382
Locorten cream 2.5 gm	63,269
Pyribenzamine tablets 50 mg., 12	422,254
Ser-ap-es tablets, 8	1,739,195
Tessalon perles, 12	499,267
Vioform hydrocortisone cream 2.5 gm	1,512,028
Total	8,991,399

SAMPLES SHIPPED TO THE FIELD FOR USE JANUARY–DECEMBER 1973

[Where usage reported on "Sample Distribution Report" is higher than the amount shipped, excess 1972 inventory material was used. Where distribution is less than the amount shipped, there will be amounts left in field inventory for use in 1974. Since samples for each promotional period are shipped early, it is possible to get some carryover between years, which is unavoidable, but which evens out on a cumulative basis]

Product and size	Amount shipped for 1973 use
Antihypertensive family combination pack contains: 2×Serpasil Esidrix tabs. 8, 2×Serpasil Apresoline tabs. 8, 2×Apresoline Esidrix tabs. 8	87,162
Apresoline tablets 25 mg., 12	594,605
Esidrix tables 50 mg., 8	2,157,232
Esimil tablets, 8	918,121
Ismelin tablets 10 mg., 8	444,248
Locorten cream 2.5 gm	
Pyribenzamine tablets 50 mg., 12	473,086
Ser-ap-es tablets 8	1,417,836
Tessalon perles, 12	594,130
Vioform Hydrocortisone cream 2.5 gm	1,590,489
Total	8,276,909

SAMPLES AND COMPLIMENTARY TRADE PACKAGES MAILED FROM SUMMIT 12 MONTHS, 1973

[Mailed on request from: Direct requests from physicians; requests to representatives from physicians; requests from physicians attending hospital exhibits and conventions]

Product and size	Number of units
Antrenyl:	
Tablets, 5 mg. 100	156
Tablets with pheno., 5 mg. 100	12
Apresoline:	
Tables, 10 mg., 1,000	14
Tablets, 10 mg., 100	1,251
Tablets, 25 mg., 12	3,472
Tablets, 25 mg., 100	1,974
Tablets, 25 mg., 500	16
Tablets, 25 mg., 1,000	19
Tablets, 50 mg., 100	1,063
Tablets, 50 mg., 500	10
Tablets, 50 mg., 1,000	24
Tablets, 100 mg., 100	200
Ampuls, 20 mg., 1 ml., 5	182

SAMPLES AND COMPLIMENTARY TRADE PACKAGES MAILED FROM SUMMIT 12 MONTHS, 1973—Continued

Product and size	Number of units
Apresoline-Esidrix: Tablets, 25 mg–15 mg., 100	1,10
Coramine:	
Ampuls, 1.5 ml. 20	13
Solution 3 oz	63
Solution 1 pt	4
Dialog: Tablets, 30	1,644
Desferal: Ampuls 5 ml., 4	56
Dianabol:	
Tablets 5 mg., 100	931
Tablets 5 mg., 1,000	2
Tablets 2.5 mg., 100	86
Esidrix:	
Tablets 25 mg., 100	1,849
Tablets 25 mg., 1,000	47
Tablets 50 mg., 8	21,504
Tablets 50 mg., 100	6,322
Tablets 50 mg., blister pkg. 100	41
Tablets 50 mg., 1,000	51
Tablets 25 mg., 5,000	1
Esimil:	
Tablets 10 mg., 8	11,700
Tablets 10 mg., 100	3,456
Forhistal:	
Tablets 1 mg., 100	319
Lontabs, 2.5 mg., 100	530
Syrup 1 mg.-5 ml., 4 oz	115
Gammacorten: Tablets 0.75 mg., 250	39
Ismelin:	
Tablets 10 mg., 8	6,063
Tablets 10 mg., 100	2,502
Tablets 10 mg., 1,000	13
Tablets 25 mg., 100	3,946
Tablets 25 mg., 1,000	37
Locorten:	
Cream 0.03 percent, 2.5 gm	7,812
Cream 0.03 percent, 5 gm	3,609
Cream 0.03 percent, 15 gm	3,033
Cream 0.03 percent, 60 gm	822
Metandren:	
Tablets 10 mg., 100	56
Tablets 25 mg., 100	54
Linguets 5 mg., 100	32
Linguets 10 mg., 100	270
Metopirone:	
Tablets 250 mg., 18	7
Tablets 250 mg., 18 (bottle)	3
Ampuls 10 ml-100 mg., 2	32
Nupercainal:	
Ointment 1 percent, 1 oz	2,804
Ointment 1 percent, 1 lb	8
Nupercaine: Ampuls 2 ml., 10	1
Otpivin:	
Solution 0.05 percent, 1 oz	3,088
Spray 0.05 percent, 15 ml	1,285
Solution 0.1 percent, 1 oz	4,433
Solution 0.1 percent, 1 pt	334
Spray 0.1 percent, 15 ml	5,630
Spray 0.1 percent, 3 ml	6,120
Pepcorten:	
Multiple dose vials 10 ml-5 mg., 1	11
Linguets 2 mg., 100	5
Pellets 125 mg., 1	8
Pivalate, multiple dose vials 4 ml-25 mg., 1	207
Priscoline:	
Tablets 25 mg., 100	219
Lontabs 80 mg., 100	65
Vials 25 mg-10 ml., 1	37
Privine:	
Solution 0.05 percent, 1 oz	445
Solution 0.05 percent, 1 pt	38
Ophthalmic solution 0.1 percent, 15 ml	286
Spray 0.05 percent, 20 ml	534
Pyribenzamine:	
Tablets with Ephedrine 100	369
Tablets 25 mg., 100	628
Tablets 50 mg., 12	284
Tablets 50 mg., 100	2,496
Tablets 50 mg., 1000	11
Elixir 1 pt	229
Ointment 1 oz	99
Lontabs 50 mg., 100	530
Cream 1 oz	400
Expectorant with Codeine 1 pt	50

SAMPLES AND COMPLIMENTARY TRADE PACKAGES MAILED FROM SUMMIT 12 MONTHS, 1973

Product and size	Number of units
Antrenyl:	
Expectorant with Ephedrine 1 pt	292
Lontabs 100 mg., 100	1,453
Regitine:	
Tablets 50 mg., 100	7
Ampuls, 1	21
Ampuls, 6	62
Rimactane:	
Capsules 300 mg., 30	292
Capsules 300 mg., 30	20
Capsules 300 mg., 60	154
Capsules, with INH	371
Ritalin (all requests substantiated by a BND–222C form, properly signed and authorized):	
Tablets 5 mg., 10	879
Tablets 5 mg., 500	26
Tablets 5 mg., 1,000	43
Tablets 10 mg., 6	39,675
Tablets 10 mg., 100	400
Tablets 10 mg., 500	54
Tablets 10 mg., 1,000	171
Tablets 20 mg., 6	23,201
Tablets 20 mg., 100	165
Tablets 20 mg., 1,000	14
Vials, 6	
Ser-ap-es:	
Tablets, 8	32,509
Tablets, 100	12,889
Tablets, 1,000	41
Serpasil:	
Tablets 0.1 mg., 100	847
Tablets 0.1 mg., 500	15
Tablets 0.1 mg., 1,000	5
Tablets 0.25 mg., 100	4,464
Tablets 0.25 mg., 500	50
Tablets 0.25 mg., 1,000	11
Tablets 1 mg., 100	60
Elixir 0.2 mg., 1 pt	5
Ampuls 2.5 mg.-2 ml., 5	68
Multiple dose vials 2.5 mg.,-10 ml., 1	61
Multiple dose vials 2.5 mn.,-10 ml., 6	25
Serpasil apresoline:	
Tablets No. 2, 100	365
Tablets No. 2, 500	1
Tablets No. 2, 1,000	1
Tablets No. 1, 100	364
Tablets No. 1, 500	2
Tablets No. 1, 1,000	1
Serpasil esidrix:	
Tablets No. 1, 100	863
Tablets No. 1, 1,000	6
Tablets No. 2, 100	917
Singoserp Tablets 1 mg., 100	619
Singoserp esidrix:	
Tablets No. 1, 100	192
Tablets No. 2, 100	463
Tessalon:	
Perles 100 mg., 12	1
Perles 100 mg., 100	1,222
Trasentine:	
Tablets 75 mg., 100	207
Tablets 75 mg., 500	11
Tablets with pheno. 100	191
Tablets with pheno. 500	11
Ultradern: Tablets 5 mg., 40	100
Vioform:	
Powder ½ oz	82
Cream 3 percent, 1 oz	578
Ointment 3 percent, 1 oz	246
Vioform Hydrocortisone:	
Ointment, mild—1 oz	145
Ointment, mild—½ oz	379
Ointment, 5 gm	1,419
Ointment, 20 gm	567
Cream, 20 gm	3,087
Cream, mild—1 oz	607
Cream, mild—½ oz	1,232
Cream, 5 gm	6,072
Lotion, 15 ml	425
Cream, mild, 2.5 gm	8,543
Cream, regular 2.5 gm	21,434
Cream, mild, 1 gm., 6	1,569
Total packages	287,676

SUMMARY OF 1973 MAIL SAMPLES

Description	Quantity	Audience[1]	Request/ unsolicited
Esidrix 50 mg. bottles 8's	3.5M	K	Unsolicited.
	21.5M	K	Request.
Esimil bottles 14's	42.0M	A, B, C	Request.
Ser-Ap-Es bottles 14's	42.0M	A, B, C	Request.
Apresoline-Esidrix bottles 8's	640.0M	A, B, C	Unsolicited.
Serpasil-Apresoline No. 2 bottles 8's	640.0M	A, B, C	Unsolicited.
Serpasil-Esidrix No. 2 bottles 8's	640.0M	A, B, C	Unsolicited.
Vioform-Hydrocortisone 2.5 Gm tubes regular cream	168.0M	F	Unsolicited.
Vioform-Hydrocortisone 5 Gm tubes regular cream	3.5M	K	Unsolicited.
	17.3M	K	Request.
Tessalon bottles 8's	3.5M	K	Unsolicited.
	12.0M	K	Request.

[1] Audience key for primary distribution: A—GP's; B—Internists/cardiologists; C—Osteopaths; D—Pediatricians; E—Psychiatrists; D—Dermatologists; G—Residents; H—Interns; I—Hospital staff; J—Medical students; K—Physicians new in private practice; L—General physician audience—office and hospital; M—Nurses; N—Receptionists; O—Pharmacists.

CIBA

SAMPLES DISTRIBUTED IN 1973

	Field staff	Mailings	Total
Anturane tabs, 100 mg:			
6's	6,652		6,652
100's	43		43
Anturane caps, 200 mg:			
6's	22,597	159,678	182,275
100's	78		78
Butazoldin tabs, 100 mg:			
6's	301,968		301,968
100's	425		425
Butazoldin alka caps, 100 mg:			
6's	958,429	642,512	1,600,941
100's	3,584		3,584
DBI tablests, 25 mg:			
6's	3,574		3,574
100's	1,016		1,016
DBI-TD capsules, 50 mg:			
7's	805,659	509,262	1,314,921
30's	32,047		32,047
100's	3,551		3,551
DBI-TD capsules, 100 mg:			
4's	42,719		42,719
100's	202		202
Dulcolax tabs, 5 mg:			
3's	1,016,836		1,016,836
100's	1,325		1,325
Dulcolax suppos. 10 mg:			
2×2's	609,405		609,405
50's	20		20
Eurax cream, 10 percent:			
5 gm	9		9
20 gm	5		5
60 gm	211		211
Eurax lotion, 10 percent:			
6 oz	375		375
16 oz	3		3
Persantine tabs, 25 mg:			
6's	120,282		120,282
100's	1,797		1,797
Sintrom tablets, 4 mg: 50's	213		213
Sterazolidin capsules:			
6's	245,407	176,004	421,411
100's	272		272
Sterosan ointment: 30 gm	14		14
Sterosan H.C. ointment: 30 gm	5		5
Sterosan H.C. cream: 30 gm	600		600
Tandearil tabs, 100 mg:			
6's	203,502	1,393,901	1,597,403
100's	973		973
Tegretol tabs, 200 mg: 100's	124	2,851	2,975
Tofranil ampuls, 25 mg:			
2's	2,299		2,299
10's	220		220
Tofranil tabs, 10 mg:			
6's	81,101		81,101
100's	253		253
Tofranil tabs, 25 mg:			
6's	586,913	473,745	1,060,658
100's	2,506		2,506
Tofranil tabs, 50 mg:			
6's	341,669	64,098	405,767
100's	994		994
Tofranil PM caps, 75 mg:			
3's	240,091	537,439	777,530
30's	1,463		1,463
1000's	76		76
Tofranil PM caps, 150 mg:			
3's	176,063	89,587	265,650
30's	1,498		1,498
1000's	76		76

NOTES

In addition, 5,017 requests for samples from physicians were approved and fulfilled by mail.

Since the vast majority of these requests for medicine are for "personal use," they are filled by bottles of 100. (Except for those requests arising from conventions which are filled by sending 6 X sample vial or cc units. We estimate this to be about 20 percent of total, or approximately 1,000 units). No breakdowni s available by product.

JOHNSON & JOHNSON

Description	Quantity	Unit cost	Total cost
Ortho-Novum reproductive memo pads	103,333	0.06	$6,199.98
Dialpak:			
Desk calendars	29,915	1.12	33,504.80
Book matches (thousand)	70,000	28.60	2,000.00
Key chains	1,000	1.28	1,280.00
Golden rulers	25,000	.86	21,400.00
Coffee mugs	8,000	.65	5,200.00
5. Samples:			
a. Solicited and personally delivered to physician:			
Retin-A tretinoin, swabs starter units			280,900
Retin-A tretinoin, swabs 30/box			8,472
Retin-A tretinoin, liquid 2 oz			1,440
Retin-A tretinoin, cream 1 oz			7,584
Haldol haloperidol, concentrate 15 cc			64,800
Haldol haloperidol, injection 6 x 3/1 cc. ampuls			1,800
Haldol haloperidol, dispensits ½ mg 60 tablets			18,000
Haldol haloperidol, dispensits 1 mg 96 tablets			72,000
Haldol haloperidol, dispensits 2 mg 60 tablets			18,000
Haldol haloperidol, dispensits 5 mg 50 tablets			10,800
Parafon Forte tablets dispensits, 64 tablets			337,500
Grifulvin V 500 mg package of 50 tablets			10,800
Aberel tretinoin, swabs 15/box			300,000
Lippes Loop			7,410
ACI-JEL vaginal jelly, 25 gm tubes			50,200
ACI-JEL vaginal jelly, 85 gm tubes			4,539
Dienestrol cream, 21 gm tubes			106,512
Dienestrol cream, 78 gm tubes			8,128
Sporostacin cream, 16 gm tubes			197,520
Sporostacin cream, 95 gm tubes			8,089
Sultrin cream, 23 gm tubes			224,544
Sultrin cream, 78 gm tubes			8,059
Sultrin tablets, package of 2			41,500
Sultrin tablets, package of 20			4,540
Nickerson's medium vials			53,000
Salpix contrast, medium vials			3,240
Ortho-Novum, 1/50-21 (cycles)			1,605,520
Ortho-Novum, 1/80-21 (cycles)			1,489,840
Ortho-Novum, 2 mg-20 (cycles)			213,040
Ortho-Novum, SQ-20 (cycles)			165,680
Micronor 35's (cycles)			193,200
b. Solicited and delivered to physician by U.S. mail or other carrier:			
Retin-A tretinoin, swabs starter units			70,200
Retin-A tretinoin, swabs 30/box			720
Retin-A tretinoin, liquid 2 oz			144
Retin-A tretinoin, liquid 1 oz			480
Butiserpazide			1,827
Butisol sodium butabarbital			4,161
Tylenol with codeine 25 tablets/package			38,775
Tylenol with Codeine 100 tablets/package			3,485
Butiserpine sedative			216
Haldol haloperidol			913
Parafon Forte tablets			838
Grifulvin V griseofulvin microsize			2,081
Other products in various small amounts (Aberetl tretinoin, Butibel, Butibel R-A, Butibel-Zyme, Butigetic, Clistin carbinoxamine maleate, Clistin R-A carbinoxamine maleate, Clistin-D, Clistin expectorant, Inapsine droperidol, Nactisol, Nacton poldine methylsulfate, Paraflex chlorzoxazone, Twiston R-A rotoxamine			4,343
c. Unsolicited and delivered to physician by U.S. mail: Retin-A tretinoin cream, 1 oz			12,615

ELI LILLY AND COMPANY—1973 SAMPLE USAGE

Item	Package size	Number of packages	Number of dosage units
KEFLEX			
MX-201, Keflex oral susp., 125 mg	15 cc	806, 038	2, 418, 114
MS-202, Keflex oral susp., 250 mg	15 cc	304, 874	914, 622
Pulvule 402, Keflex, 250 mg	4	3, 220, 131	12, 880, 524
Sample total		4, 331, 043	16, 213, 260
Miscellaneous trade packages		143, 608	3, 732, 622
Total		4, 474, 651	19, 945, 882
ILOSONE			
MS-104, Ilosone 125	5 cc	1, 968	1, 968
MS-148, Ilosone liquid 125	15 cc	701, 591	2, 104, 773
MS-153, Ilosone liquid 250	15 cc	1, 010, 351	3, 031, 053
Pulvule 375, Ilosone 250 mg	4	1, 191, 775	4, 767, 100
Tab. 1834, Ilosone chewable	4	144, 904	579, 616
Tab. 1863, Ilosone 500 mg	4	697, 220	2, 788, 880
Tab. 1865, Ilosone chewable	4	260, 279	1, 041, 116
Sample total		4, 008, 088	14, 314, 506
Misc. trade packages		122, 357	3, 008, 380
Total		4, 130, 445	17, 322, 886

1973 SAMPLE USAGE—DARVON PRODUCTS

	Package size	Number of packages	Number of dosage units
Tablet 1883, Darvon-N 100 mg	4	163, 630	654, 720
	30	65, 186	1, 955, 580
Tablet 1884, Darvon-N W/A.S.A	4	473, 423	1, 893, 692
	30	191, 104	5, 733, 120
	100	32, 417	3, 241, 700

1973 SAMPLE USAGE—DARVON PRODUCTS—Continued

	Package size	Number of packages	Number of dosage units
Tablet 1890, Darvocet-N	100	288, 441	28, 844, 100
	64	639, 666	40, 938, 622
	8	1, 437, 729	11, 501, 830
	50	33, 368	1, 668, 404
MS-135, Darvon-N suspension	40cc	22, 019	59, 451
Pulv. 365, Darvon, 65 mg	4	204, 288	817, 152
	30	90, 226	2, 706, 780
Pulv. 366, Darvon, W/A.S.A	4	17, 230	68, 920
Pulv. 369, Darvon Comp. 65	4	750, 951	3, 003, 804
	100	91, 181	9, 118, 100
	30	382, 115	11, 464, 050
Tablet 1855, Stero-Darvon W/A.S.A	50	2, 870	143, 500
Sample total		4, 885, 864	123, 813, 525
Miscellaneous trade packages		37, 959	4, 577, 019
Total		4, 923, 823	126, 390, 544

1973 SAMPLE USAGE—V-CILLIN AND V-CILLIN K

Item	Package size	Number of packages	Number o' dosage units
Tablet 1831, V-cillin K, 250 mg	4	1, 233, 280	4, 933, 120
Tablet 1832, V-cillin K, 500 mg	4	572, 024	2, 288, 096
MS-126, V-cillin K, oral susp., 125 mg	15 cc	296, 781	890, 343
MS-142, V-cillin K, oral susp., 250 mg	15 cc	746, 887	2, 240, 661
Sample total		2, 848, 972	10, 352, 220
Miscellaneous trade packages		141, 168	5, 278, 432
Total		2, 990, 140	15, 630, 652

April 23, 1974.

Lawrence Horowitz, M.D.,
Room 4228 Dirksen Bldg.,
Washington, D.C.

Dear Dr. Horowitz: The additional information on samples you requested by telephone last Friday can best be summarized as follows:

Product	Number of sample types, sizes, forms	In thousands: Number of packages distributed	In thousands: Number of dosage units distributed	Courses of therapy per doctor per call
Keflex	3	4, 500	19, 900	1
Darvon products	17	4, 900	128, 000	4–5
Ilosone	7	4, 100	17, 300	5–6
V-Cillin K	4	3, 000	15, 600	3–4
Cordran	10	3, 000	[1] 9, 900	[1] 10.

[1] With a topical product for dermatological conditions, dosage units and courses of therapy are extremely difficult to determine These figures are nothing more than our best estimate.

Note: Our salesmen see a doctor about every 6 or 7 weeks. The ratios between courses of therapy provided by samples and number of patients seen per doctor are very small. They range from something like 1 course for each 600 patients for Keflex to perhaps 1 for each 150 patients for most other products. Attached is a complete list of the number distributed, broken down by each size or type of sample for each product.

1973 SAMPLE USAGE—CORDRAN

Item	Package size	Number of packages	Number of dosage units[1]
Cream 9, Cordran, half	1.5 gm	602, 784	452, 088
Cream 11, Cordran	1.5 gm	939, 892	704, 919
ND-170, 3x2 Cordran tape	12	32, 055	
Ointment 79, Cordran, half strength.	1.5 gm	431, 321	323, 491
Ointment 85, Cordran	1.5 gm	481, 379	3, 610, 342
ND-564, 1.5 Gm. C T-79 half strength.	50	1, 694	42, 350
ND-565, 1.5 Gm. OI-85 Cordran.	50	5, 385	134, 625
ND-566, 1.5 Gm. CR-9 half strength.	50	7, 349	183, 725
ND-567, 1.5 Gm. CR-11 Cordran.	50	10, 498	262, 450
ND-571, 3x2 Cordran tape	96	994	
Sample total		2, 513, 351	5, 713, 990
Miscellaneous trade packages.		498, 745	4, 193, 888
Total		8, 012, 096	9, 907, 873

[1] A dosage unit equals 2 Cm.

MERRELL SAMPLE RECAP, CALENDAR 1973

	Distributed by salesmen[1]	M.D. personal-use samples	Hospital trials	Distributed at conventions	Distributed to dental schools	Unsolicited direct-mail samples
Rx Alertonic:						
3 oz	391, 644					
16 oz		206	108			
Rx AVC Cream:						
½ oz	249, 360					
4 oz		238	1, 914			
24¼ oz		2	2			
Rx AVC Suppositories:						
2's	188, 595					
12's		113	673			
16's		26	214			
Rx AVC Cream w/D:						
½ oz	87, 570					
4 oz		135	162			
Rx AVC Suppos w/D:						
12's		21	36			
16's		1				

MERRELL SAMPLE RECAP, CALENDAR 1973—Continued

	Distributed by salesmen[1]	M.D. personal-use samples	Hospital trials	Distributed at conventions	Distributed to dental schools	Unsolicited direct-mail samples
Bacimycin:						
25–1 gm	40,145		100			
½ oz		388	48			
Rx benedectin:						
4's	1,147,900					
100's		727	126			
RxBentyl 10 mg:						
Caps:						
4's	514,520					
100's		307	62			
Caps w/Pb:						
4's	490,900					
100's		185	26			
20 mg tabs:						
4's	1,176,800					272,000
100's		423	427			
Tabs w/Pb:						
4's	1,106,000					
100's		214	36			
Rx Bentyl:						
Injection:						
2 ml	73,428		348			
10 ml		350	25			
Syrup:						
1 oz	11,952					
16 oz		157	176			
Syrup w/Pb:						
1 oz	7,728					
16 oz		76	8			
Rx Cepacol Liquid:						
5 oz	1,250,208			504		
7 oz	6,792			48		
14 oz	7,128			288		
20 oz	7,380			48		
32 oz	8,220			48		
BSB: 5 oz	702,216	36	6,814	53,643		
CSB: 5 oz	185,148		648	77,796		
Rx Cepacol Lozenges:						
24's	6,840	164				
100's	43,060			136		
200's	7,140			20		
400's		5	38			
72 L	12					
Rx Cepacol Troches:						
16's	2,196	190	144	82		
200's	23,695	3	92	861	1,725	
Rx Cepacol market action sample	962,102			108		
Rx Cepacol request pk:						
1/5 oz; 1/24 1 oz		353				
1/5 oz; 1/24 oz; 1/6 troche		228				
1/7 oz; 1/24 oz; 1/6 troche		3				
1/14 oz; 1/24 oz; 1/6 troche		7				
Rx Clomid: 30's		1,037	11			
Consotuss:						
1 oz	122,496					
6 oz		227	516			
Cotussis: 16 oz		15	6			
Delcid:						
1 oz	250,738					281,040
8 oz		217	276			
Rx DV Cream: 3 oz		50	156			
Suppos:						
2's	46,780					
12's		30	24			
16's			96			
Ganatrex Caps: 100's		49	36			
Elixir: 16 oz		210	708			
Rx Hiprex:						
4's	1,149,740	(BRC) 30,000				230,000
100's		270	1,068			
500's			19			
Kolantyl Gel:						
2 oz	1,381,252					
6 oz	432		72			
12 oz	468	126	84			
Hosp unit: 6 oz			144			
Tabs: 100's		86	12			
Wafer:						
2's	8,648					
32's	432	9				
96's	216	381	154			
200's	371,830					
400's			60			
Mercodol: 16 oz		26				
Mercodol w/Decapryn: 16 oz		291				
Rx Orenzyme Tabs:						
48's		54				
500's			3			
Bitabs: 4's	241,200					
100's		338	49			
Bitab Hosp U: 100's			3			
Rx Quinamm:						
1's	882,000					680,000
100's		522	41			
500's			6			
Rx Sedadrops: 30 ml		131	72			
Simron:						
3's	173,240					
100's		105	56			
Rx Simron Plus:						
3's	78,060					
100's		143	5			

MERRELL SAMPLE RECAP, CALENDAR 1973—Continued

	Distributed by salesmen[1]	M.D. personal-use samples	Hospital trials	Distributed at conventions	Distributed to dental schools	Unsolicited direct-mail samples
Rx Tace:						
12 mg:						
14's	41, 316					
100's		113	24			
25 mg: 60's		62	10			
Rx Tace (72 mg.): 48's		12	367			
Rx Tace w/Androgen: 100's		3				
Rx Tenuate 25 mg:						
6's	739, 400					
100's		622	24			
1,000's		24				
Rx Tenuate Dospan:						
3's	3, 883, 900					
30's	19, 464	5, 084	216			
100's		649	312			
250's			14			
Rx Vanobid Oint:						
½ oz	180, 840					
150 Gm		259	1, 717			
Rx Vanobid Tabs:						
2's	177, 120					80, 000
28's		270	1, 171			
Trt rable kit	47, 736					30, 000
MISCELLANEOUS PRODUCTS						
Cepacol Plastic prof unit: 4⅘ gas					2, 600	
Cepacol direct steam dispense: 14 oz					27, 500	
Cepacol: ⅕ gal				1, 341		
ACTH Gel (40 units): 1 ml			20			
ACTH Solution: 2 ml			8			
Bassoran, plain: 7 oz			12			
Benat w/B12 Inj			12			
Diphtheria, tetanus, and Pertussis Ads: 0.5 ml			25			
Diothane Ointment: 1 oz			72			
Precalcin Lactate: 100's			12			
Fluzone: 5 ml			20			
Hesper C Prenatal: 100's			12			
Meratran: 1 mg			15			

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[1] Controlled drugs are provided only upon written request from the physician.

MERCK & CO.

ATTACHMENT D—1973 SAMPLE DISTRIBUTION

Product	Manpower	Direct mail
Aldoclor® 250 (2×6)	3,768,000 tablets	2,918,400 tablets.
Aldoclor® 150 (2×6)	1,017,720 tablets	
Aldomet® 250 mg (2×6)	15,291,300 tablets	2,256,000 tablets.
Aldomet® inj. 10×5 cc	7, 440 vials	
Aldoril® 25 (2×6)	7,392,000 tablets	2,361,600 tablets.
Aldoril® 15 (2×6)	2,049,840 tablets	
AquaMephyton® 1 cc	3,400 ampules	
AquaMephyton® 2.5 cc	3,400 vials	
AquaMephyton® 5 cc	3,400 vials	
AquaMephyton® 0.5 cc	3,400 ampules	
Humorsol® 0.25	32,758 bottles	
Humorsol® 0.125 percent	32,758 bottles	
Daranide® (2×6)	615,120 tablets	
Benemid® (3×4)	1,938,120 tablets	470,400 tablets.
Benemid® vials (of 21)	3,101,280 tablets	
ColBenemid® (3×4)	1,862,400 tablets	470,400 tablets.
ColBenemid® vials (of 21)	2,935,380 tablets	
Vivactil® 10 mg (8×21)	2,479,680 tablets	
Vivactil® 10 mg (3×7)	75,600 tablets	
Cogentin® 2 mg (2×7)	1,684,060 tablets	128,800 tablets.
Cogentin® 1 mg (2×7)	1,684,060 tablets	151,200 tablets.
Cogentin® inj. 6×2 cc	7,380 ampules	
Decadron® .75 tabs 3 (2×4)	1,309,680 tablets	
Decadron® .75 tabs (2×4)	40,000 tablets	1,720,800 tablets.
Vivactil® 10 mg 21's		50,400 tablets.
Decadron® 5–12 Pak® (3/sleeve)	1,953,720 tablets	
Decadron® 5–12 Pak®		468,000 tablets.
Decadron® Elixir 30 cc	37,488 bottles	6,500 bottles.
Decaspray® 30 gm	185,940 containers	19,500 containers.
Decadron® Top. Cr. (9×2 gm)	1,115,640 tubes	117,000 tubes.
Decadron® Respihaler®	19,775 containers	20,500 containers.
Turbinaire®	69,690 containers	22,800 containers.
Decadron® Ocumeter® 5 cc	158,512 bottles	62,400 bottles.
Injection Decadron® 5 cc	58,224 vials	
Inj. Decadron® 1 cc syringe	43,700 syringes	
Inj. Decadron® 1 cc	46,560 vials	
Decadron® ophth. oint. 3.5 gm	960,512 tubes	38,400 tubes.
Diupress® 500 (1×6)	2,562,300 tablets	684,000 tablets.
Diupres® 250 (1×6)	465,000 tablets	
Diuril® 500 mg (16)	6,328,800 tablets	1,086,000 tablets.
Diuril® 250 mg (1×6)	557,520 tablets	
Edecrin ® 50 mg (vial of 6)	1,296,780 tablets	
Sodium Edecrin® 50 mg	2,232 vials	
Elavil® 25 mg (3×21)		359,100 tablets.
Elavil® 50 mg (3×21)		359,100 tablets.
Elavil® 10 mg (3×4)	2,554,200 tablets	
Elavil® 25 mg (3×4)	12,348,900 tablets	842,400 tablets.
Elavil® 25 mg (8×21)	3.956,400 tablets	
Elavil® 50 mg (3×4)	3.962,100 tablets	144,000 tablets.
Elavil® 50 mg (8×21)	3 553,200 tablets	
Elavil® inj. 10 cc	1,728 vials	
HydroDiuril® 50 mg (1×6)	7,087,500 tablets	1,344,000 tablets.
HydroDiuril® 25 mg (1×6)	839,880 tablets	
Hydropres® "50" (1×6)	2,887,320 tablets	1.310,400 tablets.
Hydropres® "25" (1×6)	559,920 tablets	
Indocin® 25 mg (2×6)	10,316,040 capsules	2,764,800 capsules.
Indocin® 25 mg (vials of 21)	11,811,450 capsules	
Indocin® 25 mg (18's)	1,867,850 capsules	
Indocin® 50 mg 5 (3×3)	5,413,725 capsules	
Indocin® 50 mg (3×3)		1,445,400 capsules.
Mintezol® chewable tabs. (1×2)	234,100 tablets	
Mintezol® suspension 15cc	55,992 bottles	
Periactin® sirup 1 oz	186,158 bottles	
Periactin® tabs. (3×4)	2,001,120 tablets	1,284,000 tablets.
Triavil® 2–25 (3×4)	11,174,400 tablets	1,339,200 tablets.
Triavil® 2–10 (3×4)	9,774,600 tablets	856,800 tablets.
Triavil® 4–25 (3×4)	2,793,600 tablets	482,400 tablets.
Triavil® 4–10 (3×4)	2,793,600 tablets	
Triavil® 4–25 (8×9)	1,339,200 tablets	
Triavil® 2–25 (8×9)	1,339,200 tablets	
Hydeltra-TBA® 1 cc	46,560 vials	
Hydeltra-TBA® 5 cc	58,224 vials	
Attenuvax®	1,800 vials	
Biavax®	1,800 vials	
MMR®	1,800 vials	
Meruvax®	1,800 vials	
MR-Vax®	1,800 vials	
Mumpsvax®	1,800 vials	

NORWICH

	Salesman delivered solicited	Mail delivered		Total
		So-licited	Unso-licited	
Macrodantin	3, 531, 071	62, 592	98, 913	3, 692, 576
Dopar	26, 625	5, 635	3, 823	36, 038
Vivonex packets	14, 462			19, 462
Furacin topicals	114, 713	405		115, 118
Furacin vaginal suppositories	55, 085	3, 985		59, 070
Tricofuron	30, 909	12, 293		43, 202
Furacin urethal inserts	40, 030			40, 030
Lorophyn	7, 019			7, 019
Furadantin	20, 202		27, 533	47, 735
Furadantin oral suspension	32, 190	3, 843	19, 948	55, 981
Furadantin sodium parenteral	3, 774			3, 774
Furacort	33, 738			33, 738
Furoxene tablets and liquid	92, 846	830		93, 676
Total	4, 007, 664	89, 583	150, 217	4, 247, 464

PFIZER—SUMMARY OF 1973 SAMPLES

Product	Field samples (Number of tablets and/or capsules)	Mail samples (Number of tablets and/or capsules)
Antiminth	[1]	None
Antivert	5, 174, 898	2, 575, 692
Atarax[2]	4, 579, 656	864, 000
Coryban[3]	52, 940	None
Diabinese	4, 141, 880	3, 021, 102
Enarax	730, 376	240, 000
Geocillin	4, 382, 536	None
Geopen	[5]	None
Heptuna plus[3]	228	None
Marax[2]	2, 363, 984	948, 000
Navane	9, 501, 165	None
Pen A[2]	2, 087, 376	None
Pen VK[2]	1, 495, 304	None
Pfizer E	1, 322, 750	None
Pfizerpen G[3]	632, 156	None
Renese	2, 407, 048	646, 296
Renese-R	1, 948, 205	646, 296
Roeribec	1, 344	None
Sinequan	18, 063, 582	3, 047, 400
Tao[2]	500, 532	90, 000
Terramycin[4]	2, 834, 260	559, 936
Tetracyn	634, 604	None
Urobiotic	275, 500	None
Vibramycin[2]	9, 429, 160	401, 080
Vistaril[2]	1, 642, 100	None
Viterra[3]	837, 900	None

[1] Oral liquid only.
[2] Sample oral liquid not included.
[3] This is an over-the-counter drug.
[4] Sample vials not included.
[5] Vials only.

SCHEDULE 5A

PARKE-DAVIS—PRESCRIPTION-LEGEND PRODUCTS, SAMPLE PACKAGES

Product	Sample size	Quantity
Amcill capsules, 250 mg	2 capsules	422, 496
Amcill capsules, 500 mg	2 capsules	306, 432
Amcill susp., 250 mg/5 ml	10-ml bottle	227, 400
Ambenyl	30-ml bottle	758, 592
ABDEC with flouride drops	5-ml bottle	279, 936
Benadryl capsules, 25 mg	10 capsules	660, 400
Benadryl Kapseals, 50 mg	6 capsules	793, 130
Benadryl elixir, 12.5 mg/5 ml	30-ml bottle	634, 032
Benylin	30-ml bottle	1, 328, 412
Betapar, 4 mg	4 tablets	27, 392
Cyclopar, 250 mg	2 capsules	163, 200
Cyclopar, 250 mg	4 capsules	2, 238
Eldec kapseals	3 Kapseals	219, 060
Erypar, 250 mg	2 capsules	377, 600
Initia drops with fluoride	5-ml bottle	213, 815
Midicel suspension	4-oz bottle	132
Natabec Rx Kapseals	3 Kapseals	1, 015, 374
Natabec with flouride Kapseals	3 Kapseals	112, 302
Parest, 400 mg	2 Kapseals	225, 962
Penapar VK, 250 mg	2 tablets	576, 192
Penapar VK susp. 125 mg/5 ml	10-ml bottle	230, 400
Ponstel Kapseals	2 Kapseals	682, 614
Promapar, 25 mg	3 tablets	24, 960
Promapar, 50 mg	3 tablets	24, 960
Tabron filmseals	3 Filmseals	439, 856
Vectrin, 100 mg	2 Kapseals	1, 440, 000
Vectrin syrup, 50 mg/5 ml	5-ml bottle	306, 200
Norlestrin, 2.5 mg	Petipac	9, 200
Norlestrin, 1 mg	Petipac	640, 100
Norlestrin, 1 mg, Fe	Petipac	615, 400
Norlestrin, 2.5 mg, Fe	Petipac	37, 200
Loestrin, 1/20	Petipac	1, 092, 890
Loestrin, 1.5/30	Petipac	320, 000

SCHEDULE 5B

COMPLIMENTARY STOCK PACKAGES

PRESCRIPTION-LEGEND PRODUCTS

[Complimentary stock packages of prescription-legend products are distributed in response to requests from physicians for their personal use or for indigent patients. Distribution is completed by sales representatives or by direct mail. See attached listings]

Product	Unit	Number
TABLETS AND FILMSEALS		
Promapar, 10 mg	100	28
Promapar, 25 mg	100	63
Promapar, 50 mg	100	53
Promapar, 100 mg	100	36
Promapar, 200 mg	100	20
Phenobarbital, 15 mg	10	90
Phenobarbital, 15 mg	100	22
Phenobarbital, 30 mg	10	40
Phenobarbital, 30 mg	100	42
Phenobarbital, 60 mg	10	30
Phenobarbital, 60 mg	100	3
Phenobarbital, 100 mg	10	10
Phenobarbital, 100 mg	100	1
Thyroid strong, 32.5 mg (SC)	100	16
Thyroid strong, 32.5 mg (SC)	1, 000	5
Thyroid strong, 60 mg (SC)	100	27
Thyroid strong, 60 mg (SC)	1, 000	20
Thyroid strong, 0.13 g (SC)	100	61
Thyroid strong, 0.2 g (SC)	100	78
Amchill chewable, 125 mg	40	260
Betapar, 4 mg	100	115
Tabron	10	50
Tabron	100	1, 524
Acetaminophen, 325 mg	10	1, 080
Acetaminophen, 325 mg	100	541
Sodium butabarbital, 30 mg	10	10
Digoxin, 100	10	30
Parfuran, 50 mg	10	140
Parfuran, 50 mg	100	48
Sulfalar, 500 mg	10	70
Sulfalar, 500 mg	1, 000	6
Meprobamate, 400 mg	10	180
Meprobamate, 400 mg	1, 000	1
Penapar VK, 250 mg	10	170
Penapar VK, 250 mg	100	343
Peritrate, 20 mg	10	230
Parfuran, 100 mg	10	100
Parfuran, 100 mg	100	19
Erypar, 250 mg	10	600
Erypar, 250 mg	100	724
Penapar VK, 500 mg	100	81
Thyroid strong, 65 mg	100	113
Thyroid strong, 65 mg	1, 000	58
Thyroid strong, 0.13 g	10	20
Thyroid strong, 0.13 g	100	84
TABLETS AND FILMSEALS—Con.		
Thyroid strong, 0.13 g	1, 000	27
Penicillin G potassium, 400,000 units	10	40
Thyroid strong, 32. 5mg	100	33
Thyroid strong, 32.5 mg	1,000	12
Digifortis, 1 unit	10	160
Digifortis, 1 unit	1,000	4
Povan, 50 mg	25	3, 300
Thyroid, USP, 15 mg	1,000	9
Thyroid, USP 30 mg	100	39
Thyroid, USP, 30 mg	1,000	23
Thyroid, USP, 60 mg	10	310
Thyroid, USP, 60 mg	100	177
Thyroid, USP, 60 mg	1,000	108
Thyroid, USP, 125 mg	100	78
Thyroid, USP, 125 mg	1,000	20
Aspirin cpd with/codeine, No. 2	10	40
Aspirin cpd with/codeine, No. 3	10	30
Aspirin cpd with/codeine, No. 3	1,000	3
Sulfadiazine, 0.5 g	100	6
Sulfadiazine, 0.5 g	1,000	2
Digitoxin, 0.2 mg	10	80
Propylthiouracil, 50 mg	10	30
Propylthiouracil, 50 mg	100	33
Propylthiouracil, 50 mg	1,000	11
Digitoxin 0.1 mg	1,000	7
Camoquin HCl, 200 mg	36	27
Quindine sulfate, USP, 200 mg	10	600
Quinidine sulfate, USP, 200 mg	100	313
Quinidine sulfate, USP, 200 mg	1,000	20
Triple sulfas	1,000	5
Penicillin G, 250,000 unit	100	4
Pamisyl, 0.5 g	1,000	6
Pamisyl sodium, 0.5 g	1,000	6
Promacetin, 500 mg	500	1
Niconyl, 100 mg	100	22
Niconyl, 100 mg	1,000	30
Bardase	100	220
Bardase	1,000	12
Midicel, 0.5 g	24	34
Midicel, 0.5 g	100	18
Norlutin, 5 mg	30	151
Paracort, 5 mg	10	240
Paracort, 5 mg	1,000	15
Pitocin citrate, Buccal	10	239
TABLETS AND FILMSEALS—Con.		
Palaflor	50	541
Palaflor	120	1, 560
Adroyd, 5 mg	30	19
Adroyd, 10 mg	30	134
Norlestrin, 2.5 mg, petipac	21	100, 485
Norlestrin, 2.5 mg, refill	21	175
Norlestrin, 2.5 mg Fe, petipac	28	35, 975
Norlestrin, 2.5 mg Fe, refill	28	80
Norlestrin, 2.5 mg	100	9
Norlestrin, 1 mg, petipac	21	166, 940
Norlestrin, 1 mg, refill	21	205
Norlestrin, 1 mg Fe, petipac	28	52, 585
Norlestrin, 1 mg Fe, refill	28	70
Norlestrin, 1 mg 28, petipac	28	815
Norlestrin, 1 mg 28, refill	28	95
Digitoxin, 0.1 mg	10	280
Digitoxin, 0.1 mg	1,000	3
Loestrin 1/20, petipac	28	1, 595
Loestrin 1/20, refill	28	230
Loestrin 1.5/30, petipac	28	600
Loestrin 1.5/30, refill	28	20
Norlutate, 5 mg	30	820
Tedral	10	420
Tedral-SA	10	130
Mandelamine, 500 mg	10	360
Pyridium, 100 mg	10	170
Dilantin infatabs, 50 mg	10	30
Dilantin infatabs, 50 mg	100	1, 222
KAPSEALS		
Digifortis	100	62
Digifortis	500	7
Ventrex	100	4
Desicol	100	87
Dilantin, 30 mg	10	110
Dilantin, 30 mg	100	149
Dilantin, 30 mg	1,000	11
Dilantin, 100 mg	10	1, 420
Dilantin, 100 mg	100	3, 712
Dilantin, 100 mg	1,000	878
Synkamin, 4 mg	100	7
Carbrital ½ strength	100	171
Carbrital, full strength	10	40
Carbrital, full strength	100	517

SCHEDULE 5B—Continued

Product	Unit	Number
KAPSEALS—Continued		
Carbrital, full strength	1,000	1
Benadryl, 50 mg	10	310
Benadryl, 50 mg	100	3, 109
Benadryl, 50 mg	1,000	57
Dilantin with phenobarbital, ¼ grain	100	202
Dilantin with phenobarbital, ¼ grain	1,000	35
Dilantin with phenobarbital, ½ grain	10	10
Dilantin with phenobarbital, ½ grain	100	157
Dilantin with phenobarbital, ½ grain	1,000	37
Benadryl with ephedrine	100	54
Chloromycetin, 250 mg	10	300
Chloromycetin, 250 mg	16	701
Chloromycetin, 250 mg	100	110
Ventrilex	100	12
Ambodryl	100	439
Milontin 0.5 g	100	80
Phelantin	100	74
Intribex	100	28
Eldec	100	1, 155
Milontin, 0.25 g	100	297
Humatin, 250 mg	16	378
Celontin, 0.3 g	100	297
Natabec Rx	30	100
Natabec Rx	100	692
Natabec-FA	100	453
Natabec-FA	1,000	1
Celontin, 0.15 g	100	38
Ponstel, 250 mg	100	453
Natabec with fluoride	100	116
CAPSULES (SOFT GELATIN)		
Menagen, 10,000 units	100	94
Theelandrol-10	100	1
Zarontin, 250 mg	100	612
Chloral hydrate, USP, 500 mg	10	130
Chloral hydrate, USP, 500 mg	100	8
BIOLOGICALS		
Allergenic extract, ragweed and related pollens.		11
Allergenic extract, timothy and related pollens.		2
Poison ivy extract	1 ml vid	15
Tuberculin, PPD	10 test	18
Tuberculin, diluent	10 ml	4
Immunovac	10 ml	3
Immu-G	2 ml	
Immu-G	10 ml	
Histoplasmin	1 ml	23
Hapamine	5 ml	18
Albuspan, 5 percent	250 ml	6
Albuspan, 5 percent	500 ml	10
Albuspan, 25 percent	50 ml	1
Immu-Tetanus, 250 units	Singles	140
Tetanus toxoid, fluid	7.5 ml	381
Tetanus toxoid, fluid	0.5 ml	490
Tetanus toxoid, adsorbed		983
Poliomyelitis vaccine	10 ml	1
Fluogen (72-73)	0.5 ml	190
Fluogen (72-73)	5 ml	23
Fluogen (72-73)	25 ml	2
Humafac	Vial	28
Fluogen (73-74)	0.5 ml	60
Fluogen (73-74)	5 ml	77
Thrombin, topical	1,000 units	9
Thrombin, topical	5,000 units	16
Thrombin, topical	10,000 units	23
Triogen diptheria, tetanus, pertussis	7.5 ml	
Diphtheria, tetanus and pertussis, vaccine.	7.5 ml	1
Tetanus toxoid	15 ml	21
Diphtheria and tetanus toxiods, fluid	7.5 ml	7
Diphtheria and tetanus toxiods, adsorbed.	5 ml	16
Immunovac tablets	100	1
Aplisol	Vial	489
CAPSULES (HARD GELATIN)		
Amcill, 250 mg	10	610
Amcill, 250 mg	24	1, 654
Amcill, 250 mg	100	789
Amcill, 500 mg	10	160
Amcill, 500 mg	100	1, 080
Sodium pentobarbital, 100 mg	10	50
Cyclopar, 250 mg	10	580
Cyclopar, 250 mg	100	1, 861
Cyclopar, 250 mg	1,000	3
Cyclopar, 500 mg	100	74
Nitrobid, 2.5 mg	10	20
Pavabid, 150 mg	10	300
Secobarbital sodium, 100 mg	10	1
Benadryl, 25 mg	10	300
Benadryl, 25 mg	100	32, 168
Benadryl, 25 mg	1,000	38
Chloromycetin, 50 mg	100	8
Chloromycetin, 100 mg	100	21
Parest, 200 mg	10	—100
Parest, 200 mg	100	155
Parest, 400 mg	10	—60
Parest, 400 mg	100	598
Oxlopar, 250 mg	10	220
CAPSULES (HARD GELATIN)—Con.		
Oxlopar, 250 mg	100	77
Procaimanide Hcl, 250 mg	10	620
Vectrin, 50 mg	10	120
Vectrin, 50 mg	50	264
Vectrin, 100 mg	10	180
Vectrin, 500 mg	50	463
STERI-DOSE SYRINGES (DISPOSABLE)		
Sytobex, 1,000 mcg/ml	1 ml	930
Benadryl, 50 mg/ml	1 ml	3, 220
Heparin sodium, 1,000 units	1 ml	670
Heparin sodium 5,000 units	1 ml	210
Heparin sodium, 7,500 units	1 ml	70
Heparin sodium, 10,000 units	1 ml	260
Heparin sodium, 20,000 units	1 ml	90
Pitocin, 10 units/ml	1 ml	580
AMPOULES		
Caffeine and sodium benzoate	2 ml	20
Pituitrin, 10 units	1 ml	30
Pituitrin-S, 10 units	1 ml	20
Adrenalin, 1:1,000	1 ml	1, 240
Adrenalin in oil, 1:500	1 ml	140
Pitocin, units	0.5 ml	10
Pitocin, 10 units	1 ml	260
Pitressin, 10 units	0.5 ml	50
Pitressin, 20 units	1 ml	70
Pitressin tannate in oil, 5 units	1 ml	1, 170
Ephedrine sulfate injection, 0.05 g/ml	1 ml	380
Dextrose injection, 25 g	50 ml	130
Benadryl, 50 mg	1 ml	1, 850
Chloromycetin solution, 0.5 g	2 ml	20
Calcium gluconate, 1 g	10 ml	20
Ascorbic acid, 500 mg	2 ml	10
Dilantin, 100 mg	2 ml	1, 410
Dilantin, 250 mg	5 ml	220
Quinine and urea, 50 percent	2 ml	50
Magnesium sulfate injection, 1 g	2 ml	40
Sytobex, 1,000 mcg	1 ml	40
Theelin, aqueous, 2 mg	1 ml	30
Theelin, aqueous, 5 mg	1 ml	10
Theelin in oil, 1 mg	1 mg	40
STERI-VIALS		
Adrenalin, 1:1,000	30 ml	38
Antuitrin S, 5,000 IU	Vial	320
Benadryl, 10 mg/ml	10 ml	50
Benadryl, 10 mg/ml	30 ml	46
Benadryl, 50 mg/ml	10 ml	203
Combex, parenteral	10 ml	1
Eschatin	10 ml	11
Eschatin	50 ml	6
Theelin aqueous suspension, 2 mg	10 ml	41
Theelin aqueous suspension, 5 mg	5 ml	14
Theelin in oil, 1 mg	10 ml	8
Thiamine hydrochloride, 100 mg/ml	10 ml	7
Thiamine hydrochloride, 100 mg/ml	20 ml	5
Vitamin B complex	10 ml	51
Hexavibex, 100 mg/ml	5 ml	14
Chloromycetin succinate, 1 g	Vial	599
Lipo-Lutin in oil, 50 mg/ml	5 ml	5
Surital, 1 g	Vial	10
Surital, 1 g, with diluent	Package	8
Surital, 5 g	Vial	50
Surital, 10 g	Vial	21
Liver extract, 10 mcg/ml	10 ml	4
Liver extract 20 mcg/ml	10 ml	7
Penicillin S-R, 400,000 units	Vial	40
Penicillin S-R 4,000,000 units	Vial	20
Penicillin-G, procaine, 300,000 units/ml.	10 ml	570
Sytobex, 100 mcg/ml	10 ml	72
Sytobex, 1,000 mcg/ml	10 ml	324
ACTH, 25 units	Vial	28
ACTH, 40 units	Vial	48
Dilantin, 250 mg	Vial	11
Viomycin sulfate, 1 g	Vial	11
Theelin R-P	10 ml	87
Dilantin, 100 mg	Vial	40
Sytobex-H, 1,000 mcg/ml	10 ml	43
Amcill-S 125	Vial	74
Amcill-S, 250 mg	Vial	385
Amcill-S, 500 mg	Vial	268
Amcill-S, 1 g	Vial	155
Benadryl, 50 mg/ml	1 ml	203
Pitocin, 10 units	10 ml	23
Vectrin, 100 mg	Vial	706
Ketalar, 10 mg/ml	20 ml	22
Ketalar, 10 mg/ml	50 ml	56
Ketalar, 50 mg/ml	10 ml	215
Ketalar, 100 mg/ml	10 ml	177
MISCELLANEOUS SPECIALITIES		
Silver nitrate, wax capsules, 1 percent	100	6
Chloretone	1 oz	1
Theelin suppositories, 0.2 mg	6	14
Benadryl	½ oz	6
Dilantin	1 oz	5
MISCELLANEOUS SPECIMENS—Con.		
Chloromycetin opthalmic, 25 mg	Vial	157
Chloromycetin-hydrocortisone ophthalmic.	5 ml	728
Elase	Vial	1, 187
Sterile disposable syringes	2.5 ml	12, 091
Amcill for suspension, 125 mg/5 ml	5 ml	55, 200
Amicll for suspension, 125 mg/5 ml	10 ml	42, 600
Amcill for suspension, 125 mg/5 ml	80 ml	95
Amcill for suspension, 125 mg/5 ml	100 ml	323
Amcill for suspension, 125 mg/5 ml	150 ml	26
Amcill for suspension, 125 mg/5 ml	200 ml	99
Amcill for suspension, 250 mg/5 ml	80 ml	131
Amcill for suspension, 250 mg/5 ml	100 ml	774
Amcill for suspension, 250 mg/5 ml	150 ml	344
Amcill for suspension, 250 mg/5 ml	200 ml	344
Amcill pediatric drops, 100 mg/ml	20 ml	410
Penapar-VK, 125 mg/5 ml	10 ml	1, 400
Penapar-VK, 125 mg/5 ml	100 ml	160
Penapar-VK, 125 mg/5 ml	200 ml	31
Penapar-VK, 250 mg/5 ml	100 ml	241
Penapar-VK, 250 mg/5 ml	200 ml	120

Samples and/or stock packages of Rx-legend products are presented by representative to physicians only in response to a direct request or on an affirmative answer to an inquiry as to whether the physician would like them. In the case of oral contraceptive products, additional quantities of starter packages are left with a physician, or his nurse, on the basis of a previous request for them.

Parke-Davis has a policy of not distributing product samples or stock packages of prescription products to students of medicine, pharmacy, nursing, etc.

Attached are itemized lists showing the quantity of each product sample or stock package distributed in 1973. Separate lists are provided for samples and stock packages of prescription-legend products.

Product	Unit	Number
LIQUIDS		
Benylin expectorant	5 ml	8, 000
Benylin expectorant	10 ml	600
Benylin expectorant	4 oz	2, 340
Benylin expectorant	16 oz	1, 811
Benylin expectorant	Gallon	43
Initia drops with fluoride	50 ml	198
Chloromycetin palmitate	60 ml	220
Chloromycetin otic	15 ml	16, 658
Ophthochlor	5 ml	1, 113
Ophthochlor	7.5 ml	21, 961
Dilantin-30 suspension	8 oz	76
Dilantin-125 suspension	8 oz	147
ADC Drops with fluoride	30 ml	19
ADC Drops with fluoride	50 ml	30
Ambenyl expectorant	5 ml	200
Ambenyl expectorant	4 oz	1, 215
Ambenyl expectorant	Pint	984
Ambenyl expectorant	Gallon	2
Bardase liquid	Pint	8
Bardase liquid	Gallon	6
Milontin suspension	Pint	15
Midicel suspension	4 oz	7
Povan suspension	2 oz	1, 883
ABDEC drops with fluoride	30 ml	3
ABDEC drops with fluoride	50 ml	475
Vectrin syrup	2 oz	267
TINCTURES		
Belladonna, USP	16 oz	3
OINTMENTS		
Chloromycetin cream, 1 percent	1 oz	147
Chloromycetin ophthalmic, 1 percent	3.5 g	14, 420
Chloromycetin ophthalmic, 1 percent	⅛ oz	2, 187
Ophthocort	3.5 g	319
Ophthocort	⅛ oz	1, 586
Elase	10 g	116, 742
Elase	30 g	356
Elase-chloromycetin	10 g	50, 498
Elase-chloromycetin	30 g	332
Chloromycetin-polymyxin ophthalmic	3½ g	3
Chloromycetin-polymyxin ophthalmic	⅛ oz	168
ELIXIRS		
Iron, quinine and strychnine	Gallon	1
Terpin hydrate and codeine P-D	4 oz	2
Terpin hydrate	16 oz	61
Terpin hydrate	Gallon	1
Phenobarbital	16 oz	5
Benadryl	5 ml	2, 800
Benadryl	4 oz	1, 145
Benadryl	16 oz	980
Benadryl	Gallon	16
Carbrital	16 oz	13
Ambodryl	16 oz	48
Theophylline (495)	15 ml	300

SCHEDULE 5D

COMPLIMENTARY MATERIALS SUPPLIED FOR LABORATORY USE ONLY

[Supplied to Physicians or Pharmacists for Standards and for Susceptibility Testing Procedures]

In response to written requests from physicians or pharmacists in hospitals or comparable institutions, Parke-Davis supplies limited amounts of active ingredients of products for use in laboratory procedures, such as blood level determinations and antimicrobial susceptibility testing. The listing below shows the number of such samples sent or delivered to physicians or pharmacists during 1973.

Product	Number donations	Amount (grams)
Bromodiphenhydramine HCl powder	1	5.0
Diphenhydramine HCl powder	9	23.0
Methsuximide powder	3	4.0
Chloramphenicol powder	24	51.0
Diphenylhydantoin powder	4	9.0
Methaqualone HCl powder	2	1.5
Ethosuximide powder	8	8.5

VETERINARY PRODUCTS

Product	Unit	Number
Nema worm capsules, 0.2 ml	12	8
Nema worm capsules, 0.5 ml	12	5
Nema worm capsules, 1 ml	12	3
Nema worm capsules, 2.5 ml	12	8
Nema worm capsules, 5 ml	12	16
Dilantin Kapseals, 100 mg	1,000	9
Midicel tablets, 250 mg	100	14
Midicel tablets, 500 mg	100	17
Chloromycetin ophthalmic ointment, 1 percent.	3.5 g	116
Midicel suspension, 250 mg/ml	60 ml	13
Vetalar, 100 mg/ml	10 ml	135
Kreso dip	16 oz	10
Kreso dip	32 oz	1
Kreso dip	Gallon	4
Surital, 1 g	Vial	54
Surital, 5 g	Vial	52

A. H. ROBINS

Product description/size	Carton package	Units distributed
REGULAR SAMPLES		
Dalkon foam/kit, 20 gm	0012	13, 216
Dimetane elixir, 1 oz	0072	3, 021
Dimetane expectorant, 1 oz	0072	1, 879
Dimetane expect DC, 1 oz	0072	1, 349
Dimetane extentabs 12, 6S	0144	3, 994
Dimetane tablets, 12S	0144	2, 198
Dimetane extentabs 8, 6S	0144	3, 228
Dimetapp elizir, 1 oz	0072	17, 856
Dimetapp extentabs, 6S	0144	25, 502
Donna extentabs, 6S	0012	414
Donnagel-PG, 1 oz	0072	3, 271
Donnalate tablets, 6S	0072	121
Donnasep tablets, 6S	0072	852
Donnasep MP, 6S	0072	243
Donnatal capsules, 12S	0144	2, 390
Donnatal elixir, 1 oz	0072	4, 862
Donnatal extentabs 6S	0144	2, 278
Donnatal tablets, 12S	0144	7, 503
Donnatal tablets No. 2, 12S	0012	276
Donnatal plus tablets, 12S	0012	435
Donnazyme, 6S	0072	3, 530
Entozyme tablets, 6S	0072	2, 505
Exna tablets, 6S	0144	898
Exna R tablets, 6S	0144	161
Pabalate tabs sod free, 6S	0072	659
Phenaphen capsules, 6S	0072	6, 602
Pondimin tablets, 20 mg, 6S	0144	9, 065
Pondimin tablets, 12x6S	0012	3, 534
Robaxin tablets, 8S	0072	1, 886
Robaxin, 750 tablets,	0072	10, 888
Robaxisal tablets, 8S	0072	5, 921
Robaxisal PH tablets, 8S	0072	32
Robinul tablets, 6S	0144	878
Robinul forte tablets, 6S	0144	2, 313
Robinul PH tablets, 6S	0144	657
Robinul PH forte tab, 6S	0144	1, 305
Robicillin VK sol 125, 5 ml	0144	4, 032
Robicillin VK tabs 250, 2	0144	10, 202
Robimycin tabs 250 mg, 2S	0072	15, 192
Robitet syrup, 15 ml	0072	427
Robitet 250 capsules, 4	0072	13, 706
Robitussin AC, 1 oz	0072	1, 798
Sulla, 500 mg tabs, 4S	0072	1, 094
Tybatran capsules, 250, 6S	0072	98
Tybatran capsules, 350 6S	0072	82
Total report regular samples		192, 348
Ambar tablets, 100		
Ambar No. 1 extentabs, 100		4
Ambar No. 2 extentabs, 100		13
Dalkon Shield, standard, 8s		12
Dalkon Shield, small, 8 s		11
Dalkon foam refill, 45 gm		1
Dalkon foam/kit, 45 gm		665
Dalkon foam refill, 90 gm		472
Dimetane elixir, 16 oz		484
Dimetane expectorant, 16 oz		1, 736
Dimetane expectorant, 1 gal		
Dimetane expectorant DC, 16 oz		1, 824
Dimetane expectorant D.C., 1 gal		
Dimetane extentabs 12, 100		1, 136
Dimetane extentabs 12, 500		2
Dimetane tablets, 100		669
Dimetane tablets, 500		1
Dimetane extentabs 8, 100		549
Dimetane extentabs 8, 500		1
Dimetane 10 injectable, 6 s		43
Dimetane 10 injectable, 100		1
Dimetane 100 injectable, 2 cc		34
Dimetapp elixir, 4 oz		25, 793
Dimetapp elixir, 16 oz		8, 449
Dimetapp elixir, 1 gal		4
Dimetapp extentabs, 100		11, 392
Dimetapp extentabs, 500		44
Donna extentabs, 100		201
Donnagel PG, 6 oz		447
Donnagel PG, 16 oz		1, 631
Donnagesic ext. No. 1, 30		
Donnagesic ext. No. 2, 30		
Donnalate tablets, 100		63
Donnasep tablets, 100		188
Donnasep tablets, 500		2
Donnasep-MP tablets, 100		43
Donnatal capsules, 100		520
Donnatal capsules, 500		2
Donnatal capsules, 1,000		
Donnatal El. disco 5ML, 100		2
Donnatal elixir, 16 oz		1, 367
Donnatal elixir, 1 gal		1
Donnatal extentabs, 100		870
Donnatal extentabs, 500		1
Donnatal tablets, 100		2, 125
Donnatal tablets, 500		32
Donnatal tablets, 1,000		14
Donnatal Dis-Co pack, 1000		2
Donnatal tablets No. 2, 100		60
Donnatal plus elixir, 16 oz		6
Donnatal plus tablets, 100		66
Donnatal plus tablets, 1,000		1
Donnazyme tablets, 100		897
Donnazyme tablets, 500		3
Dopram injectable, 20 cc		78
Dopram V injectable, 20 cc		
Entozyme tablets, 100		884
Entozyme tablets, 500		25
Exna tablets 100		289
Exna R tablets, 100		38
Exna R tablets, 500		2
Pabalate tabs sod free. 100		178
Pabalate tabs sod free, 500		1
Phenaphen capsules, 100		1, 155
Phenaphen capsules, 500		3
Phenaphen capsules, 1,000		3
Phenaphen tablets, 100		15
Phenaphen ¼ gr disco, 4x24		
Phenaphen cod qtr gr, 100		446
Phenaphen cod qtr gr, 500		2
Phenaphen ½ gr disco, 4x24		4
Phenaphen cod half gr, 100		7, 401
Phenaphen cod half gr, 500		6
Phenaphen 1 gr disco, 4x24		
Phenaphen cod 1 grain, 100		498
Phenaphen cod 1 grain, 500		2
Phenaphen plus tablets, 100		156
Pondimin tablets, 100		24, 718
Pondimin tablets, 500		28
Quinidex extentabs, 30		30, 545
Quinidex extentabs, 100		140
Quinidex extentabs, 250		72
Repoise 5 mg tablets, 100		18
Repoise 5 mg tablets, 500		
Repoise 10 mg tablets, 100		50
Repoise 10 mg tablets, 500		4
Repoise 25 mg tablets, 100		227
Repoise 25 mg tablets, 500		
Robaxin ampuls 10 cc., 5s		364
Robaxin ampuls 10 cc., 25S		1
Robaxin tablets, 50		201
Robaxin tablets, 100		14
Robaxin tablets, 500		4
Robaxin, 750 tablets, 50		1, 990
Robaxin, 750 tablets, 500		6
Robaxisal tablets, 100		994
Robaxisal tablets, 500		1
Robaxisal PH tablets, 100		2
Robaxisal PH tablets, 500		
Robinul tablets, 100		283
Robinul tablets, 500		1
Robinul forte tablets, 100		459
Robinul PH tablets, 100		100
Robinul PH tablets, 500		
Robinul PH forte tabs, 100		166
Robinul PH forte tabs, 500		
Robinul injectable, 1 cc, 5 S		125
Robinul injectable, 5 cc, 1 S		114
Robicillin VK Sol 125, 100 ml		26, 883
Robicillin VK Sol 125, 200 ml		76
Robicillin VK Sol 250, 100 ml		33
Robicillin VK Sol 250, 200 ml		431
Robicillin VK tabs 250, 100		4, 898
Robicillin VK tabs 500, 100		1, 213
Robicillin VK tabs 500, 500		2
Robimycin tabs 250 mg, 100		8, 524
Robimycin tabs 250 mg, 500		1
Robitet Syrup, 16 oz		150
Robitet 250 capsules, 100		7, 569
Robitet 250 capsules, 1,000		13
Robitet 500 capsules, 100		2, 851
Robitet 500 capsules, 500		2
Robitussin AC, 2 oz		4
Robitussin AC, 4 oz		229
Robitussin AC, 16 oz		1, 195
Skelaxin tablets, 50		53
Skelaxin tablets, 500		1
Stental extentabs, 100		40
Stental extentabs, 500		2
Sulla tablets, 50		272
Sulla tablets, 500		
Tybatran caps, 125 mg, 100		8
Tybatran caps, 250 mg, 100		43
Tybatran caps, 350 mg, 100		77
Total report clinical samples		188, 582
Dimetane, 8 mg, 6S		95, 455
Dimetane, 12 mg, 6S		95, 455
Dimetane elixir, 1 oz		95, 455
Dimetane tablets, 12S		95, 455
Dimetapp elixir, 1 oz		154, 631
Dimetapp extentabs, 6S		345, 486
Donnatal capsules, 12S		110, 600
Donnatal elixir, 1 oz		80, 200
Donnatal extentabs, 6S		190, 800
Donnatal tablets, 12S		190, 800
Phenaphen, 6S		190, 855
Robaxin-750 (two vials), 6S		171, 839
Robinul forte, 6S		170, 000
Total		2, 158, 870

HOFFMAN-LA ROCHE, INC.

Drug	Total
Alurate Elixir 1 pt	40
Alurate Elixir Ver. 16 oz	2
Matulane cap 50 mg. 100	1, 137
Arfonad amp 10	59
Berocca amps 100's	9
Berocca vials 20 cc	2, 878
Berocca amp 10	771
Berocca C 500 amp 10	371
Berocca tab 100	31, 901
Berocca tab 500	176
Berocca effervs. tab 10's	214
Dalmane cap 15 mg. 100	11, 396
Dalmane cap 15 mg. 500	122
Dalmane cap 15 mg. 1,000 TED	17
Dalmane cap 30 mg. 100	35, 524
Dalmane cap 30 mg. 500	222
Dalmane cap 30 mg. comp. 10	4, 399
Dalmane cap 30 mg. 1,000 TED	118
Levo-Dromoran vials 10 cc	12
Levo-Dromoran amp 10	9
Levo-Dromoran tab 2 mg. 100	290
Larodopa cap 0.25 gm. 100	440
Larodopa cap 0.25 gm. 500	106
Larodopa cap 0.50 gm. 100	1, 124
Larodopa cap 0.50 gm. 500	505
Larodopa tab 100 mg. 100	1, 067
Larodopa tab 0.25 gm. 100	959
Larodopa tab 0.25 gm. 500	333
Larodopa tab 2x100	7
Larodopa tab 0.50 gm. 100	5, 349
Larodopa tab 0.50 gm. 500	24, 230
Larobec tab 100	1, 086
Ancobon cap 250 mg. 100	158
Ancobon cap 500 mg. 100	130
Ancobon cap 500 mg	17
Fluorouracil amp 50 mg. 10	5, 056
FUDR 5 ml. vials 1's	55
Efudex 2 percent sol. 10 ml	900
Efudex 5 percent sol. 10 ml	637
Efudex 5 percent cream 25 mg	1, 702
Azo Gantanol tab 50	2
Azo Gantanol tab 500	266
Azo Gantanol tab 100	12, 001
Gantanol tab 100	19, 182
Gantanol tab 500	471
Gantanol tabs 1,000 TED	13
Gantanol suspension 16 oz	1, 021
Gantrisin tab 0.5 gm. 100	8, 550
Gantrisin tab 0.5 gm. 500	407
Gantrisin tab 0.5 gm. 1,000	561
Gantrisin tab 0.5 gm. 5,000	5
Gantrisin tab 1,000 TED	17

HOFFMAN-LA ROCHE, INC.—Continued

Drug	Total
Gantrisin cream 3 oz	284
Gantrisin opht. oint. ⅛ oz	885
Gantrisin amp 5cc 10	111
Gantrisin amp 10cc 10	93
Gantrisin opht. sol. ½ oz	2,102
Gantrisin ped susp. 4 oz	1,010
Gantrisin ped sub. 16 oz	5,798
Gantrisin syrup 16 oz	164
Azo Gantrisin tab 100	4,617
Azo Gantrisin tab 500	340
Konakion ampul. 1 mg/10	186
Konakion ampul. 10 mg/10	222
Konakion ampul. 25 mg/10	147
Lipo Gantrisin susp. 16 oz	252
Lorfan vials 10cc 1's	144
Lorfan amp 10	56
Mestinon tab 60 mg. 100	803
Mestinon tab 60 mg. 500	585
Mestinon timespan tab 100	1,142
Mestinon syrup 16 oz	67
Mestinon 2 ml. amps. 10's	98
Nisentil amp. 40 mg. 10	86
Nisentil vials 60 mg. 10cc	544
Nisentil amp. 60 mg. 10	5
Noludar tab 50 mg. 100	121
Noludar tab 200 mg. 100	325
Noludar tab 200 mg. 500	2
Noludar cap 300 mg. 100	2,945
Noludar cap 300 mg. 500	110
Pantopon amp 10	335
Prostigmin sol. 7.5 ml	204
Prostigmin Bromide tab 100	5
Prostigmin Bromide tab 1,000	64
Prostigmin Met VI 1x1,000 1's	1,880
Prostigmin Met VI 1x2,000 1's	433
Prostigmin Meth amp 1x2,000	325
Prostigmin Meth amp 1x4,000	150
Marplan tab 10 mg. 100	529
Marplan tab 10 mg. 1,000	62
Librax cap 50	6
Librax cap 500	517
Librax cap 100	55,621
Librax cap 500 govt	3
Menrium 5–2 tab 500	15
Menrium 5–4 tab 500	5
Menrium 5–4 tab 100	690
Menrium 10–4 tab 500	21
Menrium 10–4 tab 100	1,121
Menrium 5–2 tab 100	706
Roniacol timespan 100's	3
Roniacol elixir 16 oz	40
Roniacol tab 50 mg. 100	242
Roniacol tab 50 mg. 500	76
Roniacol timespan tab 500	93
Roniacol timespan tab 100	3,783
Berocca effer. tab 10	92
Berocca effer. tab 2 x 10	81
Librium cap 10 mg. 500	4,617
Librium cap 10 mg 1,000 TED	97
Librium cap 5 mg. 500	374
Librium cap 5 mg. 1,000 TED	63
Librium cap 25 mg. 500	219
Librium cap 25 mg. 1,000 TED	20
Librium amp 100 mg. 10	872
Librium 5 mg. cap 10 x 50	13
Librium cap 10 mg. 100	73,932
Librium 25 mg. cap 10 x 50	1
Librium 5 mg. cap R x P 50's	9
Librium 25 mg. cap 50	6
Librium 10 mg. cap 50's	3
Librium cap 5 mg. 100	15,316
Librium cap 25 mg. 100	13,350
Librium cap 25 mg. 1,000 govt	5
Libritabs tab 10 mg. 100	4,695
Libritabs tab 10 mg. 500	103
Libritabs tab 5 mg. 100	1,593
Libritabs tab 5 mg. 500	41
Libritabs tab 25 mg. 100	1,136
Libritabs tab 25 mg. 500	18
Synkayvite amp 5 mg. 10	180
Synkayvite amp 10 mg. 10	400
Synkayvite amp 75 mg. 10	226
Skynkayvite tab 5 mg. 100	297
Taractan	9
Taractan amp 25 mg. 10	86
Taractan tab 10 mg. 500	55
Taractan tab 10 mg. 100	180
Taractan tab 25 mg. 500	12
Taractan tab 25 mg. 100	610
Taractan tab 50 mg. 500	67
Taractan tab 50 mg. 100	567
Taractan tab 100 mg. 500	32
Taractan tab 100 mg. 100	252
Taractan conc. 16 oz	68
Tensilon vials 10cc 1's	505
Tenilson amp 1cc 10	55
Tigan cap 100 mg. 100	334
Tigan amp 200 mg. 25	2
Tigan amp 200 mg. 10	399
Tigan suppos. 10's	2,894
Tigan suppos. 50's	235
Tigan vials 20cc 1's	1,431
Tigan cap 250 mg. 500	95
Tigan cap 250 mg. 100	3,217
Tigan dispos. syr. 10 x 2	381
Valium tab 2 mg. 500	849
Valium tab 5 mg. 500	2,475
Valium tab 5 mg. 100	171,105
Valium tab 10 mg. 500	977
Valium tab 10 mg. 100	68,235
Valium tab 2 mg. 1,000 TED	85
Valium tab 5 mg. 1,000 TED	154
Valium tab 2 mg. 100	41,137
Valium 2 mg. tab 50 RxPak	16
Valium 5 mg. tab 50 RxPak	18
Valium tab 10 mg. 1,000 TED	109
Valium amp 10 mg. 10	2,385
Valium vials 10 ml. 1's	6,143
Valium amp MG/CC 10 x 200	2
Valium disp syr 10	2,424
Valium 2 mg. tab 1,000 TED	1
Vi Penta F Zestabs 100	8,265
Bactrim 100	9,100
Bactrim 500	1,695
Bactrim tab RxPak 40	28,401
Bactrim tab RxPak 10 x 40	568
Bactrim tab 2 x 40's	16,987

SEARLE

Samples prescription products	Delivered by mail		Delivered by medical service representative (all solicited)
	Solicited	Unsolicited	
Aldactone 7's			1,250,000
Aldactazide 7's			1,000,000
Aldactazide 28's		18,000	327,000
Dramamine amps 5 ml			15,000
Dramamine amps 1 ml		15,000	30,000
Flagyl inserts 10's			15,000
Pro-Banthine 15 mg. 5's			800,000
Pro-Banthine C Pb. 5's			400,000
Pro-Banthine C Dartal 3's			200,000
Pro-Banthine P.A. 2's			300,000
Pro-Banthine vial		15,000	15,000
Progestins:			
Ovulen (21 and 28)	68,000		2,080,000
Demulen (21 and 28)	51,200		1,420,000
Enovid–E (20 and 21)	19,400		250,000
Enovid 5 mg			245,000
Total	138,600	48,000	8,347,000

SMITH, KLINE & FRENCH

Drug name	Number of pills
Combid	9,730,000
Compazine	7,260,000
Dyazide	10,810,000
Ornade	10,390,000
Stelazine	18,060,000
Teldrin	3,000,000
Thorazine	5,670,000
Cytomel	170,000
Darbid	150,000
Dyrenium	580,000
Prydonnal	12,000
Temaril	270,000
Tuss-Ornade	290,000
Urispas	3,300,000
SK–65	1,740,000
SK–65 compound	398,000
SK–Ampicillin	1,600,000
SK–Erythromycin	1,520,000
SK–Estrogens	1,210,000
SK–Pen VK	950,000
SK–Soxazole	980,000
SK–Tetracycline	870,000

SQUIBB

FIELD SAMPLES—1973 TOTAL YEAR

Group	Total units	Total cost
Hematinic (2,143,944)	89,331	$43,647
Mycolog (1,253,844)	69,658	262,984
Kenalog (2,142,825)	119,046	408,799
Engran (no sample)		7,567
Prolixin (1,722,190)	265,810	21,211
Pronestyl (1,605,753)	178,417	40,059
Raudixin (4,170,768)	74,478	32,368
Rauzide (12,496,512)	275,384	124,613
Naturetin (2,601,928)	46,463	18,334
Antifungals (926,024 and 1,386,788)	266,017	167,693
Sumycin (6,418,900)	45,856	225,000
Mysteclin (5,369,932)	1,342,483	155,414
Veetids (1,260,652 and 4,473,464)	1,609,615	267,123
Principen (5,021,044 and 1,478,576)	1,994,549	469,000
Ethril (1,677,084)	464,051	144,237
Pentids (1,230,720 and 3,443,080)	1,429,050	202,322

DIRECT MAIL SAMPLES—1973 TOTAL YEAR

Group	Total units	Total cost
Pronestyl mailing cost (1,131,792)	188,632	$106,583
Mycolog mailing cost (1,913,492)	106,305	103,000
Kenalog mailing cost (2,846,142)	158,119	152,000

SYNTEX

Product	Unit	Number delivered by detailmen	Number sent to physicians upon direct request
Aarane (cromolyn sodium)	1 week's supply.	764,788	4,500
Anadrol (oxymetholone)	50's	96	9
Evex (esterified estrogens)	7's	73,916	5,204
Lidex (fluocinonide)	1 day's supply (1.5 gm.).	4,779,313	85,329
Norinyl (norethindrone and mestranol)	Cycl	2,776,419	120,180
Nor-Q.D. (nonethindrone)	35's	194,658	12,612
Stemex (paramethasone acetate)	100's	1,493	9
Synalar (fluocinolone acetonide)	1 day's supply (1.5 gm.).	5,772,304	34,744
Topsyn (fluocinonide gel)	1 day's supply (1.5 gm.).	650,155	9,186
Vagitrol (sulfanilamide, aminacrine hydrochloride and allantoin).	1 dose or ½ day's supply (7.5 gm.).	361,824	10,770

Note: Since cromolyn sodium represented a significant new drug for asthma in which there was considerable medical interest, to assure immediate availability of the product after FDA approval, a trade size unit (60's) was mailed to each drugstore (approximately 55,000) and to allergists and pediatricians (approximately 16,000).

ATTACHMENT D

SCHERING LABORATORIES—PRESCRIPTION SAMPLES DISTRIBUTED, YEAR 1973

Product	Units distributed		
	Personal delivery	Mail deliveries	
		Requested	Unrequested
Afrin nasal spray:			
15 cc	155,853	694	16,975
3 cc	706,477	23,857	488,322
Afrin nasal solution:			
30 cc	9,036	228	
5 cc	154,049	842	
Celestone tablets:			
0.6 mg, 16 tabs	82,586	7,658	
0.6 mg, 21 tabs	125,685	5,105	9,468
0.6 mg, 30 tabs	518	8	
0.6 mg, 100 tabs	1,889	42	
0.6 mg, 500 tabs	15		
Celestone soluspan: 5 cc	18,759	22	
Chlor-Trimeton tablets:			
4 mg, 16 tabs	8,665	94	
4 mg, 24 tabs	56,330	254	11,098
4 mg, 100 tabs	3,075	175	
4 mg, 1,000 tabs	57		
8 mg, 16 tabs	72,963	382	11,098
8 mg, 100 tabs	2,991	104	
8 mg, 1,000 tabs	16		
8 mg, 5,000 tabs	18		
12 mg, 16 tabs	225,331	3,095	43,047
12 mg, 32 tabs			67,285
12 mg, 100 tabs	3,152	104	
12 mg, 1,000 tabs	49		
Chlor-Trimeton injectable:			
10 mg	1,024		
100 mg	111	1	
Disophrol tablets: 100 tabs	220	10	
Disophrol chronotabs:			
20 tabs	3	23,647	145,446
50 tabs			1
100 tabs	851		73
1,000 tabs	1		
Drixoral tablets:			
10 tabs	8,101		
40 tabs	464,290	6,390	,116,578
60 tabs	9,166		
Etrafon tablets:			
2/10:			
18 tabs	264	4	
24 tabs	61		
36 tabs		41	2,543
60 tabs	1,172	22	
72 tabs	29,780		
84 tabs	183,809		288
100 tabs	21	2	
250 tabs	389	5	
2/25:			
18 tabs	432	4	
24 tabs	48		
36 tabs		41	2,543
60 tabs	1,578	39	
72 tabs	43,105	12	
84 tabs	167,511	1,547	288
100 tabs	20	1	
250 tabs	525	7	
4/10:			
18 tabs	12	4	
24 tabs	48		
60 tabs	184	12	
72 tabs	6,953		
84 tabs	19,116	639	
100 tabs	15	1	
250 tabs	149		
4/25:			
18 tabs	312	4	
60 tabs	962	21	
72 tabs	16,490	5	
84 tabs	40,892	674	
100 tabs	19	1	
250 tabs	455	1	
Fulvicin tablets:			
125 mg: 60 tabs	69	3	
250 mg:			
60 tabs	585	13	
250 tabs	48	1	
1,000 tabs	3		
500 mg:			
14 tabs	52,230	376	29,503
28 tabs	10,809	91	
60 tabs	5,877	146	
100 tabs	103		
250 tabs	371	9	
Garamycin cream:			
40 Unettes:			
1 gm	9,838	514	
15 gm	8,557	263	
Garamycin ointment:			
40 Unettes:			
1 gm	6,074	344	
15 gm	5,347	173	
Garamycin ointment, piston pak: 100 gm	412	11	
Garamycin injectable: 40 mg	12,250	7,732	
Garamycin injectable pediatric	53	28	
Garamycin ophthalmic ointment: ⅛ oz	38,447	608	
Garamycin ophthalmic solution: 5 cc	61,369	1,275	
Hyperstat injectable: 20 mg	1,030	3	
Metimyd ophthalmic suspension: 5 cc	21,951	299	
Metimyd ophthalmic ointment w/o Neomycin: ⅛ oz	57	147	
Metreton suspension: 5 cc	975	104	
Metreton ophthalmic solution: 5 mg	5,862	2	
Optimyd ophthalmic solution: 5 percent, 5 cc	26,939	114	
Ophthamol ointment: ⅛ oz	597	53	
Sodium Sulamyd ointment: 10 percent, ⅛ oz	13,517	135	
Sodium Sulamyd: ⅛ oz	3		
Sodium Sulamyd ophthalmic solution:			
10 percent, 5 cc	7,478	803	
10 percent, 15 cc	90,794	40	
30 percent, 5 cc	1,782	216	
30 percent, 15 cc	521	57	
Otobiotic: 15 cc	3,878	17	
Otobione: 5 cc	2,277	20	
Otodyne: 15 cc	1,527	1	
Polaramine repetabs:			
4 mg, 100 tabs	648		
6 mg, 16 tabs	143,321		32,972
6 mg, 32 tabs			12,880
6 mg, 100 tabs	2,623		
6 mg, 1,000 tabs	10		
Polarmine tablets: 2 mg, 100 tabs	887		
Polaramine sirup: 2 mg/5 cc, 16 oz	211		
Trilafon tablets:			
2 mg, 50 tabs	3,517	18	
2 mg, 50 tabs	20		
4 mg, 50 tabs	6,079	22	
4 mg, 500 tabs	71		
8 mg, 50 tabs	4,537	4	
8 mg, 500 tabs	29		
16 mg, 50 tabs	1,295	5	
16 mg, 500 tabs	2		
1 cc, 5 amps	12		
1 cc, 100 mps	21		
10 cc, 1 amp	155	2	
Trilafon sirup: 4 oz	90	3	
Trilafon repetabs:			
8 mg, 30 tabs	163		
8 mg, 100 tabs	669	2	
Trilafon Concentrate: 4 oz	629		
Valisone cream:			
2 gm	1,672,328	8,598	
5 gm	18,803	5,747	
15 gm	13,311	426	47,948
45 gm	14,674	9,762	

Product	Units distributed: Personal delivery	Mail deliveries: Requested	Mail deliveries: Unrequested
Valisone ointment:			
5 gm	11,749	1,143	
15 gm	5,082	130	
45 gm	5,224	6,749	
2 gm	1,854,624	5,732	
Valisone aerosol: 85 gm	138,872	796	
Valisone lotion:			
20 cc	142,045	1,458	
60 cc	2,233	13,014	
Oreton Propionate:			
50 mg/cc, 10 cc	10		
100 mg/cc, 10 cc	31		
Oreton Bucca tablets: 10 mg, 100 tabs	64		
Oreton Methyl:			
10 mg, 100 tabs	80	3	
25 mg, 100 tabs	144		
Oreton Methy Buccal tablets: 10 mg, 100 tabs	86	3	
Oreton pellets: 75 mg, 3 pellets	23	1	
Oreton suspension: 50 mg/cc, 10 cc	37		
Celestone Sirup:			
6 mg, 1 oz	5,128	24	
6 mg, 4 oz	342	12	
Celestone cream:			
2 mg/gm, 15 gm	439	26	
2 mg/gm, 45 gm	49	1	
Meticorten tablets:			
1 mg, 100 tabs	247		
5 mg, 100 tabs	754	18	
5 mg, 500 tabs	90		
Metreton tablets:			
2.5 mg, 16 tabs	833	6	
2.5 mg, 30 tabs	31		
2.5 mg, 100 tabs	206	2	
Meticortelone tablets: 5 mg, 100 tabs	1		
Meticortelone suspension:			
25 mg/cc, 5cc	73		
50 mg/cc, 5cc	297		
Metiderm:			
5 percent, 10 gm	132	6	
5 percent, 25 gm	38	1	
Metiderm aerosol:			
50 gm	225	29	
150 gm	319	11	
Metiderm/Neomycin:			
5 percent, 10 gm	257	7	
5 percent, 25 gm	1		
Metiderm/Neomycin aerosols:			
50 gm	4		
150 gm	325	6	
Sigmagen tablets: 100 tabs	144	3	
Deronil tablets: 75 mg, 50 tabs	58		
Delenar tablets: 100 tabs	103		
Progynon pellets: 25 mg	22	1	
Progynon aqueous suspension: 1 mg/cc	71		
Disomer chronotabs:			
4 mg, 100 tabs	27	3	
6 mg, 100 tabs	61	3	
Permitil tablets:			
50 tabs	317		
1,000 tabs	14		
Permitil chronotabs:			
60 tabs	269	2	
250 tabs	31		
Permitil oral concentrate: 120jcc	130	6	
Sorboquel: 50 tabs	123	2	
Synestrol:			
5 mg, 100 tabs	54	2	
10 mg, 100 tabs	3		
Prolution: 50 mg, 10 cc	69		
Gynetone injectable: 10 cc	37		
Gynetone tablets:			
2 mg, 100 tabs	258	7	
4 mg, 100 tabs	98	1	
Polaramine expectorant: 2 mg/5 cc, 16 oz	142	1	
Corilin infant liquid: 30 cc	1,044	7	
Coriforte: 4 mg, 100 tabs	430	21	
Sebizon lotion: 10 percent, 3 oz	681	24	
Gitaligin:			
100 tabs	275	3	
1,000 tabs	3		
Solganal:			
50 mg/cc, 10 percent 10 cc	139	1	
10 mg/cc, 10 percent 10 cc	28		
Akrinol cream; 2 mg/gm, 50 gm	1,030	71	
Tindal:			
20 mg, 100 tabs	514	1	
20 mg, 1,000 tabs	8		
Prantal tablets: 100 mg, 100 tabs	46	3	
Prantal repetabs: 100 mg, 100 tabs	186	1	
Miradon tablets: 100 tabs	55	2	
Rela tablets:			
350 mg, 30 tabs	3		
350 mg, 100 tabs	810	12	
350 mg, 16 tabs	1,726	51	
Tremin tablets:			
2 mg, 1,000 tabs	72		
5 mg, 1,000 tabs	48		
Estinyl tablets:			
2 mg, 21 tabs	3,562	38	
2 mg, 42 tabs			30,231
2 mg, 100 tabs	392	7	
2 mg, 250 tabs	63	4	
5 mg, 21 tabs	2,563	17	
5 mg, 42 tabs			30,231
5 mg, 100 tabs	487	11	
5 mg, 250 tabs	78		
Mol Iron Panhemic capsules: 60 caps	157		
Naqua tablets:			
2 mg, 100 tabs	365	10	
2 mg, 1,000 tabs	19		
4 mg, 21 tabs			30,231
4 mg, 24 tabs	108		
4 mg, 28 tabs	5,784	63	
4 mg, 100 tabs	2,219	14	
4 mg, 1,000 tabs	121		
Naquival:			
4 mg, 100 tabs	850	6	
4 mg, 24 tabs	5		
4 mg, 500 tabs	45	1	

EXHIBIT XIV

UPJOHN—1973 SAMPLE AND TRADE PACKAGES FOR SAMPLE USE

Stock number and product	Unit	Type of drug	Sample package	Trade package	Home office	Sales manager	Total
3010 Acetonyl, G.E.S	4 oz	Fl		×		233	233
7592 Adeflor chewable, 0.5 mg	6	Tab	×		166,484		166,484
4084 Adeflor chewable, 0.5 mg	100	Tab		×	6	7,303	7,309
4085 Adeflor chewable, 0.5 mg	500	Tab		×		204	204
4090 Adeflor chewable, 1 mg	100	Tab		×	6	10,054	10,060
4092 Adeflor chewable, 1 mg	500	Tab		×		346	346
1022 Adeflor drop	30 ml	Ml		×	34,518	18,075	52,593
1023 Adeflor drop	50 ml	Ml		×		6,809	6,809
2953 Adeflor-B drop	50 ml	Ml		×		2,481	2,481
4031 Adeflor-M	100	Tab		×		3,041	3,041
0053 Albamycin, 250 mg	16	Caps		×		4	4
0054 Albamycin, 250 mg	100	Caps		×		5	5
1040 Albamycin syrup. 125mg/5ml	2 oz	Fl		×		36	36
4056 Alkets	100	Tab		×		146	146
4147 Anachloric-A	100	Tab		×		2	2
7069 Ascorbic acid, inj. 500 mg	2 ml	Ml		×		103	103
4211 Ascorbic acid, 250 mg	100	Tab		×	27	6,691	6,718
4013 Aspirin 5 gr. (white)	100	Tab		×		4,229	4,229
4021 Aspirin 5 gr. (white)	1,000	Tab		×		436	436
3101 Baciguent 0.0 500 units	⅛ oz	Oint		×		449	449
3097 Baciguent ointment	½ oz	Oint		×		1,737	1,737
3098 Baciguent ointment	1 oz	Oint		×		900	900
3099 Baciguent ointment	4 oz	Oint		×		78	78
7099 Bacitracin, 50,000 units	Vial	Ml		×		127	127
7132 Berubigen, 1000mcg. S.S	10 ml	Ml		×		1,518	1,518
7183 Calcium gluconate, Inj. S.S	10 ml	Ml		×		402	402
4456 Calcium gluconate, 15 gr	60	Wafer		×		700	700
4462 Calcium lactate 650 mg	100	Tab		×		264	264
1329 Caripeptic liquid	Pt	Fl		×		198	198
3232 Casyllium	8 oz	Fl		×		183	183
4635 Cebefortis	100	Tab		×		965	965

EXHIBIT XIV

UPJOHN—1973 SAMPLE AND TRADE PACKAGES FOR SAMPLE USE—Continued

Stock number and product	Unit	Type of drug	Sample package	Trade package	Home office	Sales manager	Total
4636 Cebefortis	500	Tab		×		1	1
4647 Cebenase	50	Tab		×		292	292
4659 Cebetinic	60	Tab		×		515	515
4660 Cebetinic	500	Tab		×		10	10
1387 Cheracol syrup	2 oz	Fl		×		1, 003	1, 003
1391 Cheracol syrup	4 oz	Fl		×		738	738
1400 Cheracol D syrup	6 oz	Fl		×		1, 458	1, 458
1401 Cheracol D syrup	6 oz	Fl		×		735	735
1406 Cheracol D syrup	2 oz	Fl		×		18, 830	18, 830
1407 Cheracol D syrup	4 oz	Fl		×		4, 995	4, 995
1408 Cheracol D syrup	4 oz	Fl		×		6, 794	6, 794
1413 Cheracol D syrup (bilingual)	4 oz	Fl		×		351	351
9081 Cheracol syrup (w/codeine)	1 oz	Fl	×		237		237
9951 Cheracol (empty) collector's bottle	4 oz	Empty	×		3, 356		3, 356
3247 Citrocarbonate G.E.S	4 oz	Pwd		×	6	2, 905	2, 911
3249 Citrocarbonate G.E.S	8 oz	Pwd		×		2, 152	2, 152
3250 Citrocarbonate G.E.S	12	Pwd		×	17	2, 828	2, 845
0103 Cleocin, 75 mg. HCL	16	Caps		×		1, 744	1, 744
0104 Cleocin, 75 mg. HCL	100	Caps		×		238	238
4950 Cleocin, 150 mg. HCL	100	Caps		×		3, 750	3, 750
9719 Cleocin, 150 mg	16	Caps		×		24	24
7527 Cleocin, 75 mg. HCL—Sample blister	48	Caps	×		70, 228		70, 228
7528 Cleocin, 150 mg. HCl—Sample blister	48	Caps	×		285, 630		285, 630
9793 Cleocin, 75 mg	4	Caps	×		744		744
9912 Cleocin, 75 mg	4	Caps	×		1, 036		1, 036
9915 Cleocin, 150 mg	4	Caps	×		109		109
9974 Cleocin, 75 mg	4	Caps	×		404		404
9778 Cleocin, 2 mcg	4	Disk		×		3, 576	3, 576
9942 Cleocin (dispensing cartridge)	30	Disk		×		14, 126	14, 126
6464 Cleocin pediatric, 75mg/5ml	Pt.	Ml		×	37	1, 444	1, 481
6470 Cleocin palmatate, 75mg/5ml	80 ml	Ml		×	1, 506	16, 472	17, 978
6471 Cleocin pediatric, 75mg/5ml	100 ml	Ml		×	1, 070	4, 838	5, 908
6480 Cleocin pediatric. 75 mg/5 ml	200 ml	Ml		×	644	1, 293	1, 937
7283 Cleocin phosphate, 150 mg/ml	2 ml	Ml		×		1, 113	1, 113
7284 Cleocin phosphate, 150 mg/ml	2 ml	Ml		×	1, 500	186	1, 686
7286 Cleocin phosphate, 150 mg/ml	4 ml	Ml		×		2, 052	2, 052
7287 Cleocin phosphate, 150 mg/ml	4 ml	Ml		×	1, 500	667	2, 167
7586 Cleocin pediatric, 75 mg/5 ml sample	10 ml	Ml	×		110, 020		110, 020
7284 Cleocin phosphate, 150 mg/ml	2 ml	Ml		×	1, 500	186	1, 686
7286 Cleocin phosphate, 150 mg/ml	4 ml	Ml		×		2, 052	2, 052
7287 Cleocin phosphate, 150 mg/ml	4 ml	Ml		×	1, 500	667	2, 167
3264 Clocream	1 oz	Oint		×	120	39, 060	39, 180
3265 Clocream	1 lb	Oint		×		2, 007	2, 007
3281 Cold cream	1 lb	Oint		×		377	377
0144 Comycin	100	Caps		×		183	183
1539 Cortef oral sus 10 mg/5 ml	4 oz	Fl		×		177	177
7252 Cortef acetate, Inj S.S. 50 mg/ml	5 ml	Ml		×		48	48
3298 Cortef acetate, 1 percent	20 gm	Oint		×		183	183
7332 Cyclogesterin S.S. 2½ X	5 ml	Ml		×		164	164
7309 Cytosar, 100 mg	Vial	Ml		×		684	684
7310 Cytosar, 500 mg	Vial	Ml		×		144	144
4979 Deltasone, 5 mg (dosepak)	21	Tab		×	79, 595	10, 492	90, 087
4983 Deltasone, 5 mg	100	Tab		×		2, 302	2, 302
4990 Deltasone, 50 mg	100	Tab		×		631	631
7539 Deltasone, (bl card) 5 mg	36	Tab	×		19, 958		19, 958
7522 Deltasone, 5 mg	10	Tab	×		1, 115		1, 115
7383 Depo-estradiol cyc. 1 mg/ml	10 ml	Ml		×		2, 644	2, 644
7386 Depo-estradiol cyc. 5 mg/ml	1 ml	Ml		×	23, 987	521	24, 508
7408 Depo-heparin sod., 20,000 units/ml	1 ml	Ml		×		161	161
7414 Depo-Medrol, 20 mg	5 ml	Ml		×		1, 525	1, 525
7420 Depo-Medrol, 40 mg	1 ml	Ml		×		1, 469	1, 469
7421 Depo-Medrol, 40 mg	5 ml	Ml		×		6, 919	6, 919
7422 Depo-Medrol, 40 mg	10 ml	Ml		×		3, 460	3, 460
7427 Depo-medrol, 80 mg	1 ml	Ml		×		1, 036	1, 036
7428 Depo-medrol, 80 mg	5 ml	Ml		×	660	8, 536	9, 196
7455 Depo-medrol, 80 mg	1 ml	Ml		×	11, 102	1, 154	12, 256
7542 Depo-medrol, 40/80 mg	Comb	Ml	×		4, 968		4, 968
7369 Depo-provera, 400 mg	1 ml	Ml		×		241	241
7371 Depo-provera, 400 mg	2.5 ml	Ml		×		521	521
7381 Depo-estradiol, 400 mg	1 ml	Ml		×	7, 760	755	8, 755
7445 Depo-provera, 50 mg	1 ml	Ml		×		206	206
7446 Depo-provera, 50 mg	5 ml	Ml		×		670	670
7450 Depo-provera, 100 mg	1 ml	Ml		×		216	216
7452 Depo-provera, 100 mg	5 ml	Ml		×		1, 053	1, 053
7459 Depo-testadiol, 100 mg	1 ml	Ml		×		1, 747	1, 747
7461 Depo-testadiol	1 ml	Ml		×	3, 190	369	3, 559
7462 Depo-testadiol cyclo., 100 mg	1 ml	Ml		×	10, 998	1, 122	12, 120
7463 Depo-testadiol cyclo., 50 mg	10 ml	Ml		×		119	119
7466 Depo-testadiol cyclo., 100 mg	10 ml	Ml		×		1, 104	1, 104
7467 Depo-testosterone, 200 mg	1 ml	Ml		×		172	172
7468 Depo-testosterone, 200 mg	10 ml	Ml		×		1, 271	1, 271
7469 Depo-testosterone, 200 mg	1 ml	Ml		×	2, 061	163	2, 224
7717 Diurnal-pen. rdmx, 300 U.M	10 ml	Ml		×		592	592
7722 Diurnal-pen. rdmx, 500 M	10 ml	Ml		×	6	1, 664	1, 670
7725 Diurnal-pen. rdmx, 600 M	1 ml	Ml		×		96	96
7730 Diurnal-pen, rdmx, 1000 M	1.7 ml	Ml		×		26	26
7558 E-mycin, 250 mg. Bl. strip	48	Tab	×		45, 563		45, 563
9732 E-mycin, 250 mg	4	Tab	×		498, 266	62, 052	560, 318
5155 E-mycin, 250 mg	100	Tab		×	159	7, 698	7, 857
5167 E-mycin, 250 mg. Bl. strip	100	Tab		×	58	557	615
3372 Epinephricaine oint	1 oz	Oint		×		211	211
3391 Ergophene oint	1 oz	Oint		×		390	390
5181 Feminone tabs, 0.05 mg	100	Tab		×	10	2, 569	2, 579
5183 Feminone tabs, 0.05 mg	1, 000	Tab		×		37	37
5230 Ferritrinsic tablets	50	Tab		×		2, 335	2, 335
5255 Ferrous sulfate, 5 gr	1, 000	Tab		×		128	128
7861 Gelfoam size, 12-7mm	12	Foam		×		121	121
7867 Gelfoam dental pack size, 2	15	Foam		×		297	297
7868 Gelfoam dental pack size, 4	15	Foam		×		499	499
7876 Gelfoam powder	1 gm	Pwd		×	12	715	727
1705 Gerizyme	12 oz	Fl		×		147	147
0870 Gravlee jet washer	1	Washer		×	3, 400	6, 832	7, 232
5330 Halodrin	100	Tab		×		385	385
5335 Halotestin, 2 mg	100	Tab		×		103	103
5838 Halotestin, 5 mg	50	Tab		×	6	639	645

Stock number and product	Unit	Type of drug	Sample package	Trade package	Home office	Sales manager	Total
5340 Halotestin, 10 mg	50	Tab		X		1,953	1,953
7532 Halotestin, 10 mg	49	Tab		X	1,366		1,366
7540 Halotestin, 10 mg	49	Tab		X	45,024		45,024
9959 Halotestin, 10 mg	50	Tab		X	1,515		1,515
7969 Heparin sodium 1,000 unit/ml	30 ml	Ml		X		1,108	1,108
7971 Heparin sodium 1,000 unit/ml	10 ml	Ml		X		1,339	1,339
7973 Heparin sodium 10,000 unit/ml	4 ml	Ml		X		239	239
7974 Heparin sodium 10,000 unit/ml	1 ml	Ml		X		128	128
7976 Heparin sodium 20,000 unit/ml	5 ml	Ml		X		144	144
7977 Lung heparin sodium 10 M	1 ml	Ml		X		180	180
7978 Long heparin sodium 5,000 unit/ml	1 ml	Ml		X		140	140
7982 Lung heparin sodium Inj 1 M	10 ml	Ml		X		855	855
8007 Heparin sodium 1,000 unit/ml	10 ml	Ml		X		442	442
8008 Heparin sodium 1,000 unit/ml	30 ml	Ml		X		217	217
8010 Heparin sodium 10,000 unit/ml	1 ml	Ml		X		129	129
8021 Heparin sodium (Mucosal) 1,000/ml	10 ml	Ml		X		275	275
5357 Imbicoll w/Cascara	8 oz	Gran		X		45	45
5358 Imbicoll w/Cascara	16 oz	Gran		X		90	90
5361 Imbicoll w/vitamin B	16 oz	Gran		X		43	43
1898 Kao-Con	8 oz	Fl		X		1,329	1,329
1902 Kao-Con	2 oz	Fl		X		8,787	8,787
1884 Kaopectate, bilingual	8 oz	Fl		X		334	334
1926 Kaopectate (bottle)	3 oz	Fl		X		11,735	11,735
1885 Kaopectate (bilingual)	12 oz	Fl		X		176	176
1934 Kaopectate bottle	8 oz	Fl		X		7,653	7,653
1936 Kaopectate bottle	12 oz	Fl		X		4,169	4,169
9563 Kaopectate sample plastic bottle	3 oz	Fl	X				
0386 Lincocin pediatric, 250 mg	24	Caps		X		13	13
0392 Lincocin cap, 500 mg	24	Caps		X		1,272	1,272
0394 Lincocin cap, 500 mg	100	Caps		X		709	709
1974 Lincocin syrup, 250 mg/5 ml	60 ml	Ml		X		215	215
8037 Lincocin S.S., 2 gm	Vial	Ml		X		135	135
8049 Lincocin S.S., 300 mg/ml	10 ml	Ml		X	19,663	550	20,213
8055 Lincocin S.S., 600 mg	2 ml	Ml		X		2,404	2,404
9061 Lincocin, 500 mg	3	Caps	X		1,273	145	1,418
1983 Lipomul, oral	Pt	Fl		X		435	435
3510 Liprotein powder	Lb	Pwd		X	3	388	391
2001 Malcogel	12 oz	Fl		X		192	192
9644 Maolate, 400 mg. (bl. card)	6	Tab	X		215,192		215,192
5567 Maolate, 400 mg	50	Tab		X	463	2,884	3,347
9958 Maolate, 400 mg. (piggyback)	36	Tab	X		7		7
5600 Medadent	50	Tab		X		230	230
5582 Medaprin 1 mg	500	Tab		X		319	319
3525 Medicated foot powder	1½ oz	Pwd		X		3,113	3,113
8142 Medrocort S. opth. sus	5 ml	Ml		X	82,655	28,705	111,360
9923 C. T. Medrol, 4 mg	6	Tab	X		7,584	288	7,872
9530 Medrol, 16 mg	3	Tab	X		144		144
7538 Medrol, 4 mg. (Minisample)	36	Tab	X		43,419		43,419
9585 Medrol, 4 mg	21	Tab	X		20,845		20,845
5617 Medrol ADT pak tab., 16 mg	14	Tab		X	12	6,826	6,838
5604 Medrol, 4 mg. dosepak tab	21	Tab		X	19,165	14,216	33,381
5594 Medrol tabs, 16 mg	20	Tab		X	48	1,133	1,141
5586 Medrol tabs, 2 mg	30	Tab		X	68	279	347
5587 Medrol tabs, 2 mg	100	Tab		X		127	127
5589 Medrol tabs, 4 mg	30	Tab		X	360	576	936
5590 Medrol tabs, 4 mg	100	Tab		X		1,099	1,099
3514 Medrol Top. Ac., 40 mg	Enpak	M1		X		361	361
3518 Medrol Top. Ac., 40 mg	12	M1		X		202	202
3534 Medrol Top. 0.25 percent	7.5 gm	Oint		X	528	8,068	8,596
3544 Medrol Top	1½ oz	Oint		X		592	592
3545 Medrol Top	30 gm	Oint		X	13	2,927	2,940
3550 Medrol	1½ oz	Oint		X		595	595
3551 Medrol	7.5 gm	Oint		X	36	4,828	4,864
3552 Medrol	30 gm	Oint		X		1,374	1,374
9848 Medrol, 1 percent	3.5 gm	Oint	X		6,362		6,362
5578 Malcotabs	100	Tab		X		5	5
3829 Methosarb	120	Tab		X		524	524
2025 Mercresin Tincture	Gal	Fl		X		2	2
0425 Minacap	100	Caps		X		222	222
2067 Mycifradin Sulfate 125 mg/5 ml	2 oz	Ml		X		148	148
3593 Myciguent cream	½ oz	Oint		X		815	815
3600 Myciguent ointment	½ oz	Oint		X		507	507
3601 Myciguent ointment	1 oz	Oint		X		149	149
3604 Myciguent ointment	4 oz	Oint		X		29	29
9009 Mycitracin	2 gm	Oint	X		1,872	336	2,208
3617 Mycitracin	½ oz	Oint		X	36	44,599	44,635
3618 Mycitracin	1 oz	Oint		X	204	4,237	4,441
3666 Neo-Cortef 1.5 percent	⅛ oz	Oint		X		2,181	2,181
3673 Neo-Delta Cortef 0.25 percent	⅛ oz	Oint		X		1,343	1,343
3670 Neo-Cortef	3.5 gm	Oint		X		46	46
3671 Neo-Cortef	5 gm	Oint		X		10	10
2126 Neo-Cortef 0.5 percent	5 ml	Ml		X		4,158	4,158
2128 Neo-Cortef 1.5 percent	2.5 ml	Ml		X		622	622
2129 Neo-Cortef 1.5 percent	5 ml	Ml		X	12	2,661	2,673
2137 Neo-Delta Cortef 0.25 percent	5 ml	Ml		X		2,903	2,903
3654 Neo-Cortef 1 percent	5 gm	Oint		X		581	581
3664 Neo-Cortef 0.5 percent	⅛ oz	Oint		X		2,363	2,363
3682 Neo-Medrol, E.E. 0.1 percent	⅛ oz	Oint		X		1,531	1,531
3689 Neo-Medrol, Ac. 1 percent	7.5 gm	Oint		X		3,023	3,023
3691 Neo-Medrol, 1 percent	30 gm	Oint		X	8	2,888	2,891
3703 Neo-Medrol, 0.25 percent	30 gm	Oint		X		713	713
3704 Neo-Medrol, 0.25 percent	7.5 gm	Oint		X		7,809	7,809
5778 Niacin, 50 mg	1,000	Tab		X		34	34
1535 Optef, 0.2 percent	2.5 ml	Ml		X		423	423
2224 Oral pentecresal, 1–1000	4 oz	Fl		X	6	1,631	1,637
2225 Oral pentecresal, 1–1000	Pt	Fl		X	6	793	799
9547 Orinase, 0.5 gm	Kit	Tab	X		11,726	3,223	14,949
5843 Orinase, 0.5 gm	50	Tab		X	45,896	15,272	61,168
5849 Orinase. 0,5 gm	200	Tab		X		5,488	5,488
5854 Orinase, 0.5 gm	100	Tab		X		169	169
7534 Orinase, 0.5 gm	14	Tab	X		404,872		404,872
9647 Orinase, 0.5 gm	20	Tab	X		934		934
9960 Orinase, 0.5 gm	14	Tab	X		9,502		12,124
2242 Orthoxicol	2 oz	Fl		X		5,805	5,805
2244 Orthoxicol	4 oz	Fl		X		1,780	1,786

EXHIBIT XIV

UPJOHN—1973 SAMPLE AND TRADE PACKAGES FOR SAMPLE USE—Continued

Stock number and product	Unit	Type of drug	Sample package	Trade package	Home office	Sales manager	Total
2245 Orthoxicol	Pt	Fl		X	----	131	131
5858 Orthoxine H.C.L. 100 mg	100	Tab		X	----	380	380
3748 Oxylone, 0.025 percent	120 gm	Oint		X	----	640	640
8219 Oxylone, 0.025 percent	5 ml	Ml		X	118, 311	7, 557	125, 868
3687 Oxylone, 0.025 percent	7.5 gm	Oint		X	144	----	144
3706 Oxylone, 0.025 percent	15 gm	Oint		X	24	7, 003	7, 027
3713 Oxylone, 0.025 percent	60 gm	Oint		X	----	788	788
9331 Oxylone, 0.025 percent	3.5 gm	Oint	X	----	33, 343	5, 243	38, 586
5949 Pamine, 2.5 mg	100	Tab		X	460	1, 171	1, 631
9113 Pamine, 2.5 mg	5	Tab	X	----	4, 828	----	4, 828
9573 Pamine, 2.5 mg	5	Tab	X	----	163, 708	----	163, 708
2294 Pamine	15 ml	Ml		X	----	1, 294	1, 294
7507 Panmycin, 250 mg	Comb	Tab		X	1, 774	209	1, 983
7556 Panmycin, 250 mg	4	Caps	X	----	241, 152	11, 801	252, 953
7595 Panmycin, 250 mg	4	Tab	X	----	52, 428	2, 676	55, 104
7596 Panmycin, 500 mg	4	Tab	X	----	37, 008	7, 560	44, 568
8236 Panmycin, 100 mg	Vial	Ml		X	----	336	336
8239 Panmycin, 250 mg	Vial	Ml		X	----	39	39
8240 Panmycin, 500 mg	Vial	Ml		X	----	53	53
0526 Panmycin, 250 mt	100	Caps	X	----	18	14, 722	14, 730
0536 Panmycin, 250 mg	1,000	Caps	X	----	----	179	179
2313 Panmycin, 100mg/ml	10 ml	Ml	X	----	----	49	49
2316 Panmycin, 125mg/5 ml	Pt	Ml	X	----	22	802	824
2317 Panmycin, 125 mg	2 oz	Ml	X	----	----	49	49
5930 Panmycin, 250 mg	100	Tab	X	----	----	32	32
5931 Panmycin, 250 mg	1,000	Tab	X	----	21, 879	4, 712	26, 591
5935 Panmycin, 500 mg	100	Tab	X	----	----	23	23
5936 Panmycin, 500 mg	500	Tab	X	----	21, 505	3, 748	25, 253
5767 Pensyn, 250 mg	500	Caps		X	----	17	17
5770 Pensyn, 500 mg	24	Caps		X	4	3, 025	3, 029
5772 Pensyn, 500 mg	100	Caps		X	----	553	553
6623 Pensyn, 125mg/5 ml	80 ml	Pwd		X	----	2, 745	2, 745
6625 Pensyn, 125mg/5 ml	100 ml	Pwd		X	----	1, 995	1, 955
6626 Pensyn, 125mg/5 ml	150 ml	Pwd		X	14, 476	403	14, 879
6627 Pensyn, 125mg/5 ml	200 ml	Pwd		X	----	128	128
6629 Pensyn, 250mg/5 ml	80 ml	Pwd		X	6	2, 515	2, 521
6630 Pensyn, 250mg/5 ml	100 ml	Pwd		X	----	2, 650	2, 650
6631 Pensyn, 250mg/5 ml	200 ml	Pwd		X	388	496	884
6632 Pensyn, 250mg/5 ml	150 ml	Pwd		X	----	814	814
7745 Pensyn, 250 mg	Vial	Ml		X	----	690	690
7749 Pensyn, 500 mg	Vial	Ml		X	----	431	431
7754 Pensyn, 1 gm	Vial	Ml		X	----	90	90
5763 Pensyn, 250 mg	24	Caps		X	8, 923	8, 213	17, 136
5765 Pensyn, 250 mg	100	Caps		X	----	2, 052	2, 052
8249 Pen. G. Cryst. 1,000 M	Bottle	Ml		X	----	428	428
6097 Phenolax	100	Wafer		X	----	156	156
0574 Polykol, 250 mg	100	Caps		X	----	148	148
8431 Protamine sulf., 50 mg	Vial	Ml		X	----	353	353
6201 Provera, 2.5 mg	25	Tab		X	----	----	339
6202 Provera, Testpac	5	Tab		X	----	15, 981	3, 517
6203 Provera,10 mg	25	Tab		X	4, 563	350	4, 913
6204 Provera, 10 mg	100	Tab		X	----	3, 081	3, 081
9699 Provera, 10 mg	7	Tab	X	----	----	47, 455	47, 455
9822 Provera, 10 mg	10	Tab	X	----	8, 230	----	8, 230
6255 Pyrroxate	600	Tab		X	----	54	54
6260 Pyrroxate	5,000	Tab		X	----	4	4
0601 Pyrroxate	30	Caps		X	3	17, 647	17, 649
6277 Reserpoid, 0.1 mg	100	Tab		X	----	61	61
6278 Reserpoid, 0.1 mg	500	Tab		X	----	11	11
6285 Reserpoid, 0.25 mg	100	Tab		X	----	238	238
6286 Reserpoid, 0.25 mg	500	Tab		X	----	38	38
6287 Reserpoid, 0.25 mg	1,000	Tab		X	----	8	8
6290 Reserpoid, 1.0 mg	100	Tab		X	----	24	24
2497 Salicresin	1 oz	Fl		X	----	248	248
3794 Salicionyl G.E.S	4 oz	Salt		X	----	30	30
6405 Sigtab	30	Tab		X	356	34, 726	35, 076
6407 Sigtab	90	Tab		X	100	8, 729	8, 829
6408 Sigtab	500	Tab		X	10	103	113
8274 Sodium chl. 0.9 percent	20 ml	Ml		X	----	405	405
8669 Solu-B MOV	2 ml	Ml		X	----	150	150
8677 Solu-B sterile	Vial	Ml		X	----	515	515
8684 Solu-B St. with asc. acid	5 ml	Ml		X	----	698	698
8687 Solu-B with asc. acid	5 ml	Ml		X	----	2, 164	2, 164
8688 Solu-B-forte	10 ml	Ml		X	----	3, 508	3, 538
8697 Solu-B forte	10 ml	Ml		X	----	1, 613	1, 613
8675 Solu-Cortef, 100 mg. MOV	2 ml	M1		X	----	472	472
8692 Solu-Cortef, 100 mg. PL	Vial	Ml		X	----	157	157
8693 Solu-Cortef, 100 mg	2 ml	Ml		X	----	954	954
8695 Solu-Cortef, 250 mg	2 ml	Ml		X	----	139	139
8696 Solu-Cortef, 500 mg	4 ml	Ml		X	----	125	125
8712 Solu-Medrol, 500 mg	Vial	Ml		X	----	981	981
8715 Solu-Medrol, 1,000 mg	Vial	Ml		X	1, 148	1, 665	2, 813
8717 Solu-Medrol, 40 mg. MOV	1 ml	Ml		X	200	1, 063	1, 263
8720 Solu-Medrol, 40 mg. MOV	1 ml	M1		X	----	3, 574	3, 574
8727 Solu-Medrol, 125 mg. MOV	2 ml	Ml		X	200	1, 245	1, 445
3857 Somagen sol. pow. R	Lb	Pwd		X	----	251	251
6490 Somagen gr	Lb	Gran		X	----	112	112
6416 Soxomide tab, 0.5 gm	100	Tab		X	7, 783	1, 712	9, 495
6418 Soxomide tab, 0.5 gm	500	Tab		X	----	5	5
6520 Special formula No. 2	1, 000	Tab		X	----	3	3
2679 Super D cod liver oil	16 oz	Fl		X	----	124	124
0738 Super D perles	100	Caps		X	----	244	244
0707 Super A vitamin 25 M	100	Caps		X	----	181	181
0712 Super A vitamin 50 M	100	Caps		X	----	381	381
3923 Tanicaine	1 oz	Oint		X	----	228	228
3929 Tanicaine	12	Oint		X	----	303	303
6831 Thyroid, 1 gr	1, 000	Tab		X	----	222	222
6806 Tolinase, 100 mg	100	Tab		X	----	601	601
6810 Tolinase, 250 mg	100	Tab		X	----	5, 136	5, 136
6820 Tolinase, 250 mg	200	Tab		X	----	1, 113	1, 113
6826 Tolinase, 250 mg	100	Tab		X	----	134	134
6973 Tolinase, 500 mg	50	Tab		X	----	1, 194	1, 194
7535 Tolinase, 250 mg	14	Tab		X	412, 555	----	412, 555
9105 Tolinase, 100 mg	30	Tab	X	----	12, 152	487	126, 239
9811 Tolinase, 100 mg	50	Tab	X	----	13, 989	4, 451	18, 440
9812 Tolinase, 250 mg	Kit	Tab	X	----	25, 967	2, 413	28, 380

Stock number and product	Unit	Type of drug	Sample package	Trade package	Home office	Sales manager	Total
9928 Tolinase, 250 mg	7	Tab	×		126,909	11,147	138,056
9977 Tolinase, 250 mg	14	Tab	×		611	48	659
9980 Tolinase/orinase, 250 mg., 0 5 gm	Comb	Tab	×		659	611	1,226
8871 Trobicin, 2 gm	2 gm	Ml		×	3,351	248	3,599
8874 Trobicin, 4 gm	4 gm	Ml			1,850	49	1,899
0794 Unicap comb. pkg	24	Tab		×		127	127
0803 Unicap	24	Tab		×		4,274	4,274
0805 Unicap	100	Tab		×		669	669
4157 Unicap visual pkg	24	Tab		×	24	9,334	9,358
4158 Unicap visual pkg	100	Tab		×	12	19,390	19,402
4159 Unicap	250	Tab		×	1	2,109	2,110
4161 Unicap	12	Tab		×	6	3,436	3,442
4165 Unicap chewable	24	Tab		×		6,335	6,335
4166 Unicap chewable	100	Tab		×	8	18,639	18,647
4168 Unicap chewable	12	Tab		×	12	2,567	2,579
4171 Unicap M	30	Tab		×	48	4,339	15,232
4172 Unicap M	90	Tab		×	12	29,689	29,701
4173 Unicap M	180	Tab		×		3,769	3,769
4175 Unicap M	12	Tab		×	30	4,134	4,164
4180 Unicap sr	24	Tab		×		1,012	1,012
4181 Unicap sr	100	Tab		×	3	4,183	4,183
4190 Unicap thera	30	Tab		×	1,050	11,668	12,718
4191 Unicap thera	90	Tab		×	18	22,241	22,259
9855 Unicap chewable	1	Tab	×		9	603	612
6834 Unicap chewable, comb pkg	24	Tab		×		71	71
6841 Unicap chewable CT	24	Tab		×		2,234	2,234
6842 Unicap chewable	24	Tab		×		2,757	2,757
6845 Unicap sr	100	Tab		×		379	379
6846 Unicap sr CCT	100	Tab		×		797	797
6848 Unicap thera	90	Tab		×		4,521	4,521
6849 Unicap thera	30	Tab		×	2,373	2,373	4,746
6851 Unicap thera	500	Tab		×		99	99
6852 Unicap M	30	Tab		×		3,184	3,184
6853 Unicap M	90	Tab		×		4,728	4,728
6854 Unicap M	180	Tab		×		1,148	1,148
6855 Unicap M tab	500	Tab		×		276	276
6866 Unicap M, comb pkg	24	Tab		×		15	15
9879 Unicap M	6	Tab	×		276		276
9864 SEC Unicap, min apoth Jar	6	Tab	×		575	1	575
8936 Urestrin, 2 mg 1 cc	10 ml	Ml		×		527	527
8939 Urestrin, 5 mg	5 ml	Ml		×		351	351
6907 Uticillin VK, 125 mg/5 ml	80 ml	Ml		×	13,734	1,184	14,927
6908 Uticillin VK, 125 mg/5 ml	150 ml	Ml		×		140	140
6910 Uticillin VK, 250 mg/5 ml	80 ml	Ml		×	13,318	1,876	15,194
6911 Uticillin VK, 250 mg/5 ml	150 ml	Ml		×		819	819
6913 Uticillin VK, 250 mg/Tabs	100	Tab		×	8	4,748	4,756
6914 Uticillin VK, 250 mg	1,000	Tab		×		8	8
6915 Uticillin VK, 125 mg/5ml	100	Ml		×		1,715	1,715
6916 Uticillin VK, 125 mg/5 ml	200	Ml		×		194	194
6918 Uticillin VK, 250 mg/5 ml	100	Ml		×		3,993	3,993
6919 Uticillin VK, 250 mg/5 ml	200	Ml		×	28	797	825
6920 Uticillin VK, 500 mg	100	Tab		×		598	598
0883 Vitamin E conc., 50 mg	100	Caps		×		612	612
0887 Vitamin E conc., 100 mg	100	Caps		×		5,634	5,634
2927 Zinc sulf. lotion	4 oz	Fl		×		631	631
0928 Zymacap	24	Caps		×		399	399
0929 Zymacap	100	Caps		×		2,119	2,119
0930 Zymacap	250	Caps		×		110	110
2966 Zymadrop	15 ml	Fl		×		6,117	6,117
2968 Zymadrop	30 ml	Fl		×		1,293	1,293
2972 Zymadrop	50 ml	Fl		×		2,310	2,310
2976 Zymalixir	12 oz	Fl		×		196	196
2984 Zymasyrup	12 oz	Fl		×		119	119
2991 Zymatinic	60 ml	Ml		×		458	458

Exhibit 2

[From the Washington Post, Apr. 28, 1974]

Bioequivalency: Key Issue in the Drug Price Battle

(By Jaime B. Friedman)

Within the next three months, an unusual report will be made to Congress. Its contents could lower the prices Americans pay for prescription drugs and lead to major changes in the nation's health care system.

The report will contain the findings of a blue-ribbon panel of scientific experts convened by Sen. Edward M. Kennedy's Technology Assessment Board. The board presides over machinery set up by Congress last year to advise on complex technological problems affecting legislation.

The issue before the panel is the "bioequivalency" of prescription drugs whether drugs having the same chemical composition but produced by different manufacturers have the same therapeutic effect on the patient.

This seemingly esoteric question began to assume political importance last December when Casper Weinberger, secretary of the Department of Health, Education and Welfare, appeared before Kennedy's health subcommittee hearings and in a surprise move, announced the government's intention to pay for only the lowest priced available version of any drug prescribed for Medicare and Medicaid patients. While the proposal is initially limited to Medicaid and Medicare. Weinberger indicated that the concept should be included in the national health insurance legislation before Congress.

The proposal is based on the fact that, aside from patented drugs, a medicine of a given chemical composition is usually made by several manufacturers. The drug generally known as meprobromate, for example, is marketed by some companies under that chemical name and by others under brand names such as Miltown or Equanil. Brand name drugs are typically higher priced than generics, sometimes by a ratio of more than ten to one.

There is little disagreement that if doctors specified a drug by its generic name instead of its brand name, consumers would pay lower prices for their medicines. The controversial question is whether the different versions of the drug are equally safe and effective—whether they are comparable pure, have similar shelf-life, are absorbed into the bloodstream with the same efficiency and produce identical therapeutic effects.

Scientific opinion has been divided over this issue and, until now, government officials have been reluctant to move health policy in the direction of generic prescribing.

The prospect of imminent government action in this area stunned the medical-pharmaceutical world, and set off a heated debate involving drug producers, the American Medical Association, consumer groups and HEW officials.

The storm centers on HEW's expressed confidence that, with few exceptions, all marketed versions of the same drug are biologically equivalent. This assumption is central to the new policy because the government—and the prescribing physician—can safely regard the lowest price as the decisive factor in drug selection only if all available versions of the drug have the same therapeutic effect.

Questioned at length on this point, Weinberger and HEW Assistant Secretary Charles Edwards assured Kennedy that the Federal Drug Administration's exacting standards, surveillance, screening and testing requirements are strict enough to guarantee the quality of any of the drugs to be covered by the new policy. "When the FDA approves drugs for the market, I think the American people can justifiably assume that those drugs are safe and effective and they are of comparable quality," Edwards said.

Joseph Stetler, head of the Pharmaceutical Manufacturers Association, took exemption to the HEW statement, calling it a "shocking piece of testimony." The PMA, which includes the nation's biggest drug companies, takes the position that the safest guarantee of quality is to buy from firms with established reputations rather than from smaller and less well-known makers of generics who offer drugs more cheaply.

Buying drugs on the basis of lowest price can be dangerous because quality control differs from one manufacturer to another, Stetler said, adding that the FDA does not have the manpower or facilities to guarantee either that all drug makers are equally competent or that their products are equally effective. He cited a 1973 General Accounting Office report to Congress which showed that, although the FDA is required by law to inspect drug manufacturers at least every two years, one-fourth of the firms studied had not been inspected within the statutory time limit. "Some of those manufacturers had not been inspected in five years", he stated.

Commenting on this charge, an FDA spokesman noted that the GAO report covered the period prior to March 1971. FDA Commissioner Alexander Schmidt recently told the Senate monopoly subcommittee that in the past two years his agency has completed inspections of manufacturing plants accounting for 95 per cent of the nation's prescription drugs.

Leaders of organized medicine, always sensitive about encroachment on physician control of patient treatment, also are resisting the HEW proposal. They fear that a government policy restricting reimbursement of drugs to the lowest-price generic available could deter a doctor from prescribing a more expensive preparation even though he believes it is more effective for his patient.

On a letter to the subcommittee, the American Medical Association said that physicians would not be willing to accept a requirement to prescribe the lowest-priced generic until they could be assured that all preparations of the same drug are interchangeable. "In our judgment, that time is yet to come," the letter said.

AMA President James Sammons testified that, while his organization urges doctors to take cost into account, it is "imperative" that the attending physician be free to designate either a brand name or generic drug, whichever he thinks best for his patient. Any interference with doctors' judgments "would be costly to the nation's health," Sammons declared.

Other medical testimony before the Kennedy group raised questions about how well informed doctors are as to the effects of the drugs they prescribe. Dr. Kenneth Melmon, president of the American Federation of Clinical Research, told the Kennedy panel that each year between 150,000 and 450,000 people are hospitalized suffering adverse drug reactions, and cited studies showing that 80 per cent of such reactions are the result of physician error.

Melmon said this misprescribing occurs because medical schools do not provide adequate education in the proper use of drugs and in the dangers of misuse and overuse. Once out in practice, he said, doctors lack the information to keep up with the thousands of drugs on the market. As a result, they become heavily dependent for basic information on industry advertising, marketing and promotional activities.

"Medical schools have devoted little curriculum time and effort to physician education in therapeutics. This vacuum is filled by industry. Detail men are effective in hustling drugs because academic medicine has not enabled the physicians to recognize and correct his therapeutic inadequacies," Melmon said.

HEW has made reassuring noises to the medical profession on the delicate question of interfering with physicians' prescribing. In his appearance before the Kennedy subcommittee, Weinberger proclaimed, "It is not the business of government to tell doctors what marketed drugs they may or may not prescribe. That must remain solely a matter of professional judgment of the prescribing physician."

HEW has yet to make clear, however, how it can bring off its program without in some degree exerting influence upon doctors' prescribing habits. Without some form of control, the government could face a vexing dilemma every time a doctor prescribed a drug more expensive than another version on the market. HEW either would have to force the patient to absorb the difference or lose the savings which the program for "lowest-cost" reimbursement is designed to achieve.

To discourage unnecessary brand name prescribing, HEW officials say they are considering a provision authorizing reimbursement for the higher-priced product only if the physician attaches a note justifying its use when he writes the prescription. Special medical boards would be established to monitor such justifications.

The doctor's freedom to select from different versions of the same drug should be bypassed altogether, according to some consumerists. Ralph Nader, appearing before Senator Kennedy, said that the physician should be limited to determining what generic medicine to prescribe and the pharmacist should be allowed to decide which particular version of that medicine to select in filling the prescription. Nader called for modification of "protectionist anti-substitution laws" which in many states bar a pharmacist from dispensing any drug except the specific preparation prescribed by the physician, even though a lower-priced generic version is available.

If pharmacists are given greater leeway in filling prescriptions, however, there is no assurance that the low prices they pay for generic drugs will be passed on to consumers.

Since 1970, Massachusetts doctors have been required to use both brand and generic drug names on their prescriptions. This change has made no difference in drug prices, according to Robert Raymond, research director of Comprehensive Health Planning, Inc., a Massachusetts health service organization.

Savings have been disappointing because most pharmacists base their earnings on a percentage markup of what they pay for the drugs, Raymond explained. "Say the pharmacist carries two versions of the same drug; the brand name product costs him $10 and the generic costs $2. Whatever his standard markup, why should he dispense a cheaper drug when he can make more profit on a higher-priced one? When the pharmacist has a choice, it's to his advantage to sell the most expensive product," Raymond said, adding that "this sort of thing is happening all over the state."

William Apple, executive director of the American Pharmaceutical Association, questioned whether such pricing practices are common, saying that the pressure of competition among pharmacists should keep them from favoring higher-priced drugs. Nevertheless, HEW officials say they may include in their program a provision limiting druggists to a fixed dispensing fee.

Advocates of wider use of generic drugs say that it not only would bring down the prices charged by the big drug companies but would end their domination over smaller firms in the industry. Nader, reflecting popular concern about excessive industrial concentration, suggested that "the interests of the public coincide more with those of smaller business."

The big drug manufacturers already are large suppliers of generic drugs, however, and if generic substitution became widespread, they undoubtedly would expand their participation in the generics business. The result very well might be to cut into the areas where small companies now are able to play a role.

One of the major problems the government faces in its effort to lower drug prices is how to assure the funds needed for discovery and development of new drugs.

Weinberger told the subcommittee that it is "absolutely essential for the pharmaceutical industry to secure profits sufficient to encourage innovative research." Drug research and development is now almost *entirely* carried on by the big brand-name drug makers, however, and a general lowering of drug prices charged by these manufacturers under a broad policy of generic substitution would mean reducing the money available for the continuing research and development which all sides agree the public health requires. HEW officials have not yet been specific about how they will resolve this problem.

In the last analysis, the impact of the Weinberger proposal will depend on whether the technology exists to assure drug bioequivalence. HEW already has indicated that the "lowest-price" policy will not be extended to any drugs where bioequivalence is in doubt. How many drugs can be covered under Medicare-Medicaid and ultimately under national health insurance, and what changes are in store for medical practice and drug manufacture will become more clear around June 30 when Kennedy's scientific assessment panel is expected to make its report.

Mr. JAVITS. Mr. President, I am pleased to have worked with Senator KENNEDY in the development and introduction of this legislation (S3441, "Drug Utilization Improvement Act") which seeks to respond to the serious issues—in respect to the way drugs are used and marketed—developed in 8 days of hearings by the Health Subcommittee of the Committee on Labor and Public Welfare, of which I am ranking minority member.

I believe there is a national need for the free flow of accurate drug information, both to the medical and health professions and to the public so that new advances in science and medicine can be quickly and safely translated into practical applications in the treatment of disease.

While I recognize the free market economy and the need for marketing activities to make physicians, other health professionals, and the public aware of new drug discoveries—as well as the therapeutic usefulness of existing drugs and substances—the overwhelming weight of the evidence presented during the hearings leads me to conclude that certain sales practices must be restricted or controlled in the public interest. It is clear that certain sales practices relating to the sampling of drugs and "give-away" marketing activities have led to unfair practices and inappropriate pressure on the medical and pharmaceutical professions. There is a need to protect against the unnecessary prescribing of therapeutic agents or the choice and use of preparations for other than proper medical or scientific reasons.

It is the ultimate responsibility of the practitioner to make the necessary judgments in the drug treatment of disease for his particular patients and the bill seeks to insure both that his treatment will be based on medical and scientific decisions rather than marketing pressures and that his prescribing decisions will be precisely executed by those filling his prescriptions.

The bill also seeks to insure that the

medical profession and, where applicable, the public receives that to which they are entitled, reasonable and accurate disclosure of the effects of particular drugs and substances available in the marketplace. The bill places the responsibility on those companies producing such products to make available to physicians prescribing such preparations, wholesalers distributing such products, as well as retail pharmacists dispensing such products information which accurately reflects the known consequences of the use of such drugs not only in their printed promotion but in their personal selling as well.

It is to be noted that such concerns—to which this bill seeks to respond—are shared also by the Pharmaceutical Manufacturers of America. I understand the drug industry has publicly announced it will seek legislation—not voluntary compliance—to remedy the problems presented. For this the industry is to be commended, although the bill Senator KENNEDY and I have developed to achieve such goals differs from the proposed industry bill.

At the beginning of the pharmaceutical industry hearings I made the points: First, that if legislation is developed, the medical profession, industry, and consumer representatives should again have an opportunity to testify on the specific provisions of the legislation; and second, we should focus on such provisions which relate to our primary legislative objective, quality health care. This is precisely what this bill is all about and what the scheduled hearings make clear will happen.

The following is a summary of the bill:

TITLE I—NATIONAL CENTER FOR CLINICAL PHARMACOLOGY

Title I of the bill establishes a National Center for Clinical Pharmacology within HEW with the responsibility for providing financial support to appropriate professional schools to increase the emphasis on the teaching of clinical pharmacology and pharmacy. Such programs would better prepare health professionals about all aspects of prescribing drugs.

The Center would also be charged with responsibility to collect more accurate and definitive data concerning the incidence of adverse drug reactions, their causes, and the severity of such reactions. I believe we must have the necessary information to determine the extent of the problem and what can be done to minimize it. If the data shows need, the Secretary shall formulate a drug safety assurance plan in an effort to reduce improper prescribing to the maximum feasible extent, with due consideration to the benefit to risk factor.

Also, a study is authorized to determine the extent of inappropriate prescribing practices and if necessary, recommendations shall be made to the Congress regarding the necessity of establishing additional mechanisms to control such abuses.

Those entities which receive financial assistance under the Public Health Service Act are required to make satisfactory arrangements for peer review of prescribing and administering drugs; an attempt to ensure the inappropriate drug prescribing practices are minimized.

TITLE II—PROMOTIONAL PRACTICES

Title II of the bill deals with promotional and marketing practices. While I appreciate that the industry must continue to follow the principles of free enterprise in selling its products, I believe it must do so based on the efficacy, quality, and price of the products themselves, and those who prescribe and dispense drugs should not be induced to do so on other grounds, such as "giveaways" and unsolicited samples.

Practitioners should be aware of the differences in prices of similar drugs and the bill requires that price information be included in drug advertising.

In view of the growing incidence of "reminder advertising" which does not include prescribing information useful to the practitioner, the bill prohibits advertising without such information.

In response to improper activities of certain detailmen and whether they are all adequately trained fully, fairly and impartially to describe the promoted product, the bill requires that a manufacturer's hiring, training, and standards of conduct be certified by the Secretary, with every company training program required to include a course of study through a school of pharmacy or other health professions school and requiring every trainer to have satisfactorily completed the course. Also, the bill requires that prior to a detailman's presentation the physician be required to attest he has received a brief document relating to usage, contraindications, side effects, etc.

TITLE III—DRUG QUALITY

Title III of the bill deals with certain questions of drug quality and equivalence. It provides that the Secretary establish requirements for proof of therapeutic equivalence among chemically equivalent products and requires that such data be submitted as part of the New Drug Application where it is appropriate to assure uniform therapeutic performance. I believe this a critical requirement if we are to implement the "Lowest price drug" concept proposed by the administrator under Federally financed health insurance programs.

Also, the Secretary is authorized to require drug batch certification where he cannot otherwise be assured of safety and efficacy.

TITLE IV—NATIONAL DRUG COMPENDIUM

Title IV of the bill establishes a national drug compedium to be prepared by the Secretary and to be distributed to all practitioners without charge. This document is to be arranged by classes of drugs and include adequate and reliable prescribing information required or of value to their safe and effective use. The compendium will include all drugs lawfuly available in the United States.

TITLE V—CONSUMER DRUG INFORMATION

Title V of the bill requires certain drug information to be provided to consumers such as the inclusion of the established name of the drug on every label and information for consumer use relating to indications, usage, warnings, and other appropriate information. The bill also adopts the provisions of the administration bill, S. 2825, which I cosponsored, which establishes a uniform coding system to identify the drug itself, the manufacturer and packager, the dosage form and strength and the number of units in the immediate container. Such information must be placed on all containers and on the tablets or capsules which go to the consumer.

Most important is the provision which requires retail pharmacists to post their prices for the drugs most frequently sold in the area together with the services (professional services and convenience services) associated with dispensing such drugs and the charges for such services.

At the same time it is important to recognize this bill will evoke controversy among manufacturers, pharmacists, medical profession, and consumers. Issues which will need to be more fully explored are:

Should we permit samples to be given to practitioners beyond use for research or for treating medically indigent patients? Can an accurate and reliable mechanism be developed for determining price information? Will it be useful when placed in drug advertising? Will the certification requirements for detailmen training programs actually improve the quality of information provided the practitioner? Are the bills new NDA requirements regarding data on therapeutic equivalence essential? Will such requirements raise the cost of drugs or increase the time required to get such new drugs into the health care system? Will the physicians use a national drug compendium? Should we require price posting or patient package inserts for the consumer?

This is landmark legislation which raises complex questions. I am hopeful legislative hearings will resolve these issues in the public interest.

By Mr. MONDALE (for himself, Mr. McINTYRE, and Mr. HUMPHREY):

S. 3443. A bill to promote the growth of competition in interstate commerce of petroleum and petroleum products by providing for a moratorium on the further acquisition, operation, and control of refining, transportation, and marketing of petroleum and petroleum products by major petroleum producers and refiners, and for other purposes. Referred to the Committee on the Judiciary.

Mr. MONDALE. Mr. President, I am pleased to introduce today the Petroleum Moratorium Act of 1974. I am pleased that the distinguished Senator from New Hampshire (Mr. McINTYRE) and the distinguished Senator from Minnesota (Mr. HUMPHREY) are joining me in sponsoring this legislation.

Within the past 2 weeks, the economic power of the oil industry, and the dominance of a small number of companies over the economic fortunes of that industry, has once again been dramatically demonstrated. The gusher of first quarter profits for 1974 has revealed the full extent to which the major oil companies of this country have profited at the expense of the average consumer. Profit increases of 100 percent have not been uncommon; indeed, those "unfortunate" companies which were not able to report increases of at least 50 percent from the year-earlier figures seemed somehow disappointed that their share of the bounty was not greater.

The oil industry's profit levels for 1974 could rise by $5 to $10 billion from the nearly $10 billion in profit which the industry achieved in 1973.

This will represent a massive income transfer from American consumers into the coffers of a few large corporations, a transfer virtually unprecedented in American corporate history.

In short, the American oil industry has once again demonstrated the benefits of monopoly power over the single most important commodity in our economy.

There are many, of course, who believe that there is no problem of monopoly power within this industry. That controversy—over the competitiveness of the American oil industry, and its responsiveness to the public interest during periods of shortage—will form a crucial part of the intensifying debate on national energy policy.

For years, the Congress has discussed

and debated the problem of preserving competition within the oil industry. Now, the time has come to insure that the single largest industry in our economy is subjected to the rigors of true competition.

The legislation which I am introducing today seeks to provide a climate in which all sides in this debate can pursue their positions with vigor, while insuring the American public that during this debate further concentration in the oil industry will be minimized.

Quite simply, this legislation imposes a moratorium on the further acquisition of pipelines, refineries, and marketing outlets by the 15 largest domestic crude oil producing companies, beginning on July 1 of this year.

I am pleased that a number of groups both within the oil industry and outside of it have endorsed this legislation. These groups include the National Congress of Petroleum Retailers, which represent over 80,000 independent, branded service station operations; the Society of Independent Gasoline Marketers of America, which represents 210 companies selling about 35 percent of all gasoline marketed under "independent" labels; the United Automobile, Aerospace, and Agricultural Implement Workers of America, and the Consumer Federation of America's Energy Policy Task Force.

I ask unanimous consent that communications from these groups expressing their support for this legislation be entered in the Record at the conclusion of my remarks as exhibit 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Mr. President, I would like to state at the outset what this bill is not.

This is not a divestiture bill, for it in no way imposes any requirement that any oil company divest itself of any currently owned refinery, pipeline, or marketing outlet.

This is not a bill which would impede the ability of any oil company to expand their operations internally at the refinery and pipeline levels. Nor would it prohibit these same companies from maintaining their retail operations, provided that no expansion can be achieved through new company-owned and operated stations.

As further study of the structure of the oil industry in light of today's market conditions proceeds, we may wish to impose many additional restrictions to improve competition within the industry.

Indeed, the entire question of divestiture is now under intense study by both the Congress and the executive branch. A number of committees of both the Senate and House have conducted or are conducting extensive hearings on various aspects of the operations of the major oil companies, and particularly on the effects of vertical integration and market domination by a small number of companies on competition within the industry.

The Federal Trade Commission has begun proceedings against the eight largest oil companies in the country, charging anticompetitive practices on their part, and the FTC staff has recommended the divestiture of some refinery operations by these eight companies. The Justice Department also has under study a variety of options relating to possible divestiture of pipeline ownership by the major oil companies.

In short, a flurry of activity is underway which is examining the competitiveness of the industry, and which could result in a number of remedies, including partial divestiture.

In addition, a number of pieces of legislation have been introduced in both Houses of Congress over the past year which would seek to preserve competition through partial or full divestiture of various parts of the operations of the integrated oil companies.

But we must be realistic. Divestiture is an extremely complex undertaking, which must be approached with a good deal of caution. It is simply unrealistic to expect any legislative action accomplishing divestiture in the near future. And the administrative actions and studies now underway will clearly go on for years, whatever their ultimate outcome.

Faced with these prospects, I believe that the legislation I am introducing today represents a middle ground which would enable the current legislative and administrative processes to continue, while at the same time assuring that competitiveness within the oil industry will not be further injured by additional forward integration by the largest companies.

There is little doubt that concentration within the oil industry has increased significantly over the past two decades, and is now at the point of real danger to the public interest.

A recent paper prepared by Richard Howard of the Library of Congress' Congressional Research Service, indicates the growing trend toward concentration in the oil industry.

In the crude oil producing end of the business, the largest 20 companies in the industry controlled 32.8 percent of total crude production in 1952; by 1969, these firms controlled 70 percent of domestic production. And these same 20 firms possessed an estimated 94 percent of domestic proven oil reserves in 1970.

In the refining sector of the industry, the control of the largest 20 companies in the industry has grown from 53 percent of all crude oil refining capacity in 1920 to 80 percent in 1950, and 86 percent in 1970.

In the vital transportation sector of the oil business, the major companies own or have interests in 69 percent of all U.S. pipelines that are regulated by the Interstate Commerce Commission. The major companies control nearly all of the "product" pipelines used to transport oil from refineries to marketing outlets, and have used this control in a variety of ways which are detrimental to the growth of a healthy and competitive independent refining and marketing industry.

Finally, the marketing of petroleum products shares some—though fortunately not all—of the characteristics of the other stages of the petroleum industry. The 20 largest oil companies, according to FTC figures, control approximately 79 percent of the gasoline retailing in this country. In this instance, however, the figures are somewhat more complex, since a substantial percentage of the company-label stations—the so-called "branded" stations—are in fact operated by independent small businessmen or jobbers, who help maintain a substantial degree of competition in the industry.

In addition, there also exists a large and important group of so-called "independent nonbranded" service stations, which account for about one-third of the total number of service stations in the United States. These independents, over the past 2 years, have been hit hard by a combination of events in the world petroleum markets and the actions of the major oil companies.

Both the branded and nonbranded independent marketing outlets, however, are now threatened by the apparent intention of some of the major oil companies to launch large-scale company owned- and operated-marketing outlets. One illustration of the threat which these actions pose to both the viability of the independent service station owner and to competition in the marketing of petroleum products is graphically illustrated by two recent articles from the New York Times. These articles describe the attempt of one of the largest of the major oil companies—Mobil—to take over the most successful of the Mobil stations which previously had been operated by independent small businessmen.

Mr. President, I ask unanimous consent that the text of these articles appear at the conclusion of my remarks as exhibit 2.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MONDALE. This type of activity, clearly designed by the major oil companies to expand the profitability of their retail operations, and to put pressure on independent service station operators, cannot be allowed to continue if we are to preserve any semblance of competition in the oil industry.

Indeed, concentration in the oil industry is in reality even heavier than the rather distressing figures which I have quoted above.

The Federal Trade Commission recently provided an excellent narrative description of the petroleum industry as part of its proceeding against the eight largest American oil companies. One conclusion is particularly noteworthy:

> It is the repeated meeting of the same firms at every level of the industry that has contributed to the ability of the firms in this industry to behave confidently in an interdependent manner.

At the present time, the long-term trend toward greater forward integration in the oil industry might well be accelerating. The large oil companies see the potential profit base of their foreign crude oil operations threatened by hostile governments, over which they now have relatively little control. As the FTC staff report on the oil industry of last summer indicated, this trend is prompting the desire of the industry to increase the profitability of and possibly decrease the competitiveness in other sectors of their operations—particularly the refining and marketing sectors. This is a trend which, if allowed to go unchecked, might further diminish competition within the oil industry.

THE LEGISLATION

Mr. President, the legislation which I am introducing today attempts to squarely meet this problem of concentration within the oil industry.

The bill would, first, prohibit any corporation which is among the 15 largest domestic producers of crude petroleum from controlling any existing refinery or pipeline which, on the effective date, is owned or operated by anyone other than one of the 15 largest producers.

Second, the bill prohibits any of these 15 companies from operating any wholesale or retail marketing outlet which, on the effective date, is not operated by that corporation, any subsidiary corporation or any salaried employee.

These prohibitions would take effect on July 1, 1974.

Violations of the act would be subject both to criminal and civil penalties, and the Attorney General would be given injunctive power to end violations of the act.

The scope of the bill—limited as it is to the 15 largest domestic crude oil producers—seeks to identify those companies which clearly possess dominant market control in the industry, and whose continued increase in vertical integration would further diminish competition. The accompanying chart, prepared from a recent economic report by the staff of the Federal Trade Commission, indicates that these firms are all among the largest factors in the industry in terms of total assets, crude oil production, refining capacity, and gasoline sales.

Mr. President, I ask unanimous consent that this chart be entered in the RECORD at the conclusion of my remarks as exhibit 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. MONDALE. Mr. President, obviously, a few more or a few less firms could be included.

However, as the Federal Trade Commission staff report argues:

> Any reasonable list of major oil companies would include the 14 that are among the top 20 in all four categories (total assets, oil production, refining, and gasoline marketing). These firms have so much weight in the industry that any difference in the marginal firms chosen to complete the list of majors would probably not be significant.

Thus the bill is directed solely at the largest companies in the industry, and attempts to severely limit any further vertical integration while the entire problem of competition in the industry is studied both in Congress and by the executive branch.

To aid in this process, the bill also directs a series of studies by a number of executive branch departments, offices, and agencies on the question of competitiveness in the oil industry and the desirable steps, if any, which might be needed to increase such competition. These studies would be undertaken by the Federal Trade Commission, the Attorney General, the Director of the Federal Energy Office—or any successor thereof—the Secretary of Commerce, the Secretary of the Interior, the Comptroller General, and the Director of the Office of Consumer Affairs, with the results reported to the Congress within 1 year.

Some of these agencies already have work in progress in this area, and for these agencies the studies required by this legislation could be derived from this ongoing work.

The basic reason for these studies is to receive the opinions of a number of agencies and departments which might present differing conclusions on the current degree of competitiveness within the oil industry, and possible steps needed to preserve or increase competition. Hopefully these studies will aid the Congress in its efforts to insure the maintenance of competition within the oil industry.

Mr. President, the American oil industry is simply too vital to the Nation to allow any already monopolistic structure to grow even more concentrated.

At the present time, the largest oil companies have absolutely no incentive to cooperate with the Federal Trade Commission, the Justice Department, or any congressional body which is investigating the problems of anticompetitive practices in the oil industry. Time and delay are on their side, and they know this.

The legislation which I am introducing today would significantly change that situation. Passage of moratorium legislation would have a healthy effect in encouraging the largest oil companies—those which would be covered by this bill—to aid in achieving some type of resolution both in Congress and the executive branch to pending actions and legislation. In short, it would place the burden of obtaining action on the major oil companies—precisely where it belongs.

The American consumer is paying billions of dollars every year because of monopoly control in the industry from wellhead to gas pump. Unless we stop the ever-growing domination of a few large companies in the oil industry, we will never regain a free competitive market in oil. The legislation I am introducing is a first step on the road toward reclaiming the rights of American consumers to an oil industry which will serve the public interest as well as private profit.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3443

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Moratorium Act of 1974".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "petroleum products" means gasoline, kerosene, distillates (including number 2 fuel oil), residual fuel oil, liquified petroleum gas (LPG), refined lubricating oil, or diesel fuel;

(2) "refining" means the refining, processing, or converting of crude petroleum, fuel oil, or natural gas into petroleum products;

(3) "marketing" means the sale and distribution of petroleum products;

(4) "transportation" includes transportation by means of pipelines, railroads, or tankers;

(5) "control" means possession or the acquisition of actual or legal power or influence over another person, whether direct or indirect, including, but not limited to direct, indirect, or interlocking ownership of capital stock, subsidiary corporations (whether wholly or partially owned), interlocking directorates or officers, contractual relations, agency agreements, operating agreements, or leasing arrangements where the result or consequence directly or indirectly affects persons engaged in refining, transportation, or marketing of petroleum or petroleum products;

(6) "major market share" means that proportion of the market for petroleum, as determined by the Federal Trade Commission, which places any persons as among the largest fifteen domestic producers of crude petroleum on May 1, 1974; and

(7) "outlet" means real property used primarily as a place for the wholesale or retail sale of petroleum products, or motor vehicle parts, equipment, accessories, or supplies either directly or indirectly, through any person who receives any commission, compensation, or payment because of the sale of any such product; except that the term "outlet" shall not be construed to prohibit any person from acquiring real property for the marketing of petroleum products, when such marketing at such real property is not operated directly or indirectly by any person possessing a major market share.

MORATORIUM

SEC. 3. (a) No person directly or indirectly engaged in the production of crude petroleum who possesses a major market share shall—

(1) control either directly or indirectly any pipeline or refinery which, on the effective date of this section, is controlled by any person who does not possess a major market share; or

(2) operate either directly or indirectly any outlet which, on the effective date of this section, is not operated by such person, or any subidiary corporation or salaried employee of such person.

(b) Any person who knowingly violates any provision of subsection (a) shall be punished by a fine of not exceeding $100,000 or by imprisonment for not exceeding ten years, or both. A violation of subsection (a) by a corporation is also a violation by the individual director, officer, receiver, trustee, or agent of such corporation who authorized, ordered, or performed any of the acts constituting the violation in whole or in part.

DUTY OF ATTORNEY GENERAL

SEC. 4. The Attorney General shall commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates any provision of section 3(a). Any action under this section may be brought in the district court of the United States for the district in which the defendant is located, resides, or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

CIVIL REMEDY

SEC. 5. Any person injured as a result of a violation of section 3(a) may bring a civil action to enforce compliance with or enjoin any violation of section 3(a) and shall recover threefold the damages suffered by him as a result of such violation, together with the costs of such action and reasonable attorney's fees, as determined by the court. Any such action shall be brought in the United States district court in the district in which the defendant is found, is an inhabitant, or transacts business. Process in any such action may be served in any other judicial district.

STUDIES AND REPORTS

SEC. 6. (a) The Federal Trade Commission, the Attorney General, the Secretary of the Interior, the Director of the Federal Energy Office (or any successor office), the Secretary of Commerce, the Comptroller General, and the Director of the Office of Consumer Affairs shall each undertake a study of the actions which may be required to preserve and enhance competition in the production, refining, transportation, and marketing of petroleum and petroleum products in the United States.

(b) Each such study shall include, but not be limited to, recommendations on the need, if any, (1) for divestiture of persons engaged in the production and refining of petroleum in the United States from the transportation or marketing of petroleum and petroleum products, or both, and (2) for divestiture of persons engaged in the production of petroleum from the refining, transportation or marketing of petroleum and petroleum products, or both.

(c) The studies required under this section shall be completed and their results submitted to the Congress and the President not later than one year following the date of enactment of this Act.

CONSTRUCTION

SEC. 7. The provisions of this Act shall not be construed to affect the rights and duties arising from any contract entered into or any proceedings that were begun pursuant to any provision of law prior to the effective date of this Act.

SEVERABILITY

SEC. 8. If any part of this Act is invalid, all valid parts that are severable from the invalid parts that are severable from the invalid part remain in effect. If a part of this Act is invalid in one or more applications, the part remains in effect in all valid applications that are severable from the invalid applications.

EFFECTIVE DATE

SEC. 9. This Act shall become effective on July 1, 1974 except that section 6 shall be effective upon enactment.

EXHIBIT 1

NATIONAL CONGRESS OF
PETROLEUM RETAILERS,
Washington, D.C., April 26, 1974.

Hon. WALTER MONDALE,
U.S. Senate,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: The National Congress of Petroleum Retailers, representing approximately 80,000 service station dealers, supports and endorses the Petroleum Moratorium Act of 1974.

Major petroleum companies are moving downstream into retailing by terminating or failing to renew dealer leases. A continuation of this marketing practice will allow major petroleum companies to assume total control of the industry, from production through retailing. We do not believe this is in the best interest of either small business or the consuming public.

The legislation you propose will stop the forward integration of these companies, and provide for a much needed study of the oil industry's market structure.

Very truly yours,
CHARLES L. BINSTED,
Executive Director.

SOCIETY OF INDEPENDENT GASOLINE
MARKETERS OF AMERICA,
Washington, D.C., April 11, 1974.

Hon. WALTER F. MONDALE,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: Your staff has been kind enough to discuss a bill which we understand you are considering introducing in the Senate which would have the effect of imposing a legislative injunction against further integration by the major oil companies. I want you to know that this is a concept which SIGMA can heartily endorse and we look forward to seeing the bill as it is finally proposed when you undertake to introduce it.

Unless steps are taken now to insure that the structure of the U. S. Oil Industry is preserved with an independent segment intact, there will be little for the Federal Trade Commission of the Justice Department to rescue should a litagation prove successful some years hence.

I want to thank you for discussing this matter with our organization, and we stand ready to offer whatever help you feel might be useful in this regard.

Sincerely,
SPENCE W. PERRY.

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT WORKERS OF AMERICA,
April 17, 1974.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: Any action which has the effect of promoting competition in the oil industry would be a welcome development for the American people at this time. Enactment of your bill to provide a moratorium on future acquisitions of pipelines, refineries and marketing outlets by the major oil companies obviously would be such an action.

The public interest would be served by action to curb the growth of vertical integration in the oil industry—a condition which promotes the economic power of huge oil companies at the expense of the public. Your bill, the "Petroleum Moratorium Act of 1974", could help to assure that the future does not see ever increasing vertical integration and accumulation of economic power among the giants of the oil industry.

The UAW supports efforts to curb the excessive power of the oil companies over the economic health of our nation. Your bill represents one means of accomplishing this objective. We therefore hope the Congress will act favorably upon it.

Sincerely,
JACK BEIDLER,
Legislative Director.

ENERGY POLICY TASK FORCE,
Washington, D.C., April 29, 1974.

Hon. WALTER MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: Your proposal to establish a moratorium on the acquisition of facilities or companies involved in transportation and marketing of petroleum and petroleum products while the Congress is focusing on basic energy issues, including the structure of the petroleum industry, makes a great deal of sense.

This Nation faces some very significant decisions, and it is essential that there be protection against actions that would be inconsistent with or in conflict with an national policies that will flow from those decisions. It is at least conceivable, however, that there might be some acquisition that ought to be permitted, with the burden on applicants for approval of such an otherwise prohibited act, and you may wish to add that concept to your bill.

As we see it, consumers would be benefitted by enactment of your moratorium proposal in that it would preserve the current situation and protect against any difficult-to-reverse actions in conflict with national policy and interests.

If there is any way we can help in securing broader understanding or support for your suggested legislation, please let me know.

Sincerely,
LEE C. WHITE.

EXHIBIT 2

[From the New York Times, Mar. 19, 1974]

SERVICE STATIONS BATTLE MOBIL OIL IN CONNECTICUT

(By Fred Ferretti)

The Mobil Oil Corporation and some of its Connecticut gasoline dealers are pitted against one another in a battle that typifies the nationwide fight for survival of independent service station operators.

Some Connecticut dealers say that Mobil wants to drive them out of business and is using the passage of a franchise law last October as an excuse to withhold gasoline, auto supplies and renewals of leases.

These dealers, most of them members of the Connecticut Gasoline Retailers Association, contend that their only protection against unwarranted cancellation of their leases with Mobil is the new franchise law, and a group of them say they are going to Hartford today to declare their support for it, and several new amendments that they say will further strengthen it, at a legislative public hearing.

VAGUENESS SEEN

Other Mobil dealers, members of the Mobil Dealers Association, say they are going to appear, too, to contest the franchise law because they believe it is too vague and does not afford them enough protection. Oddly, this latter group, for different reasons, finds itself allied with Mobil.

Mobil says the five-month-old law deprives the company of control of its own properties. It admits that leases have been canceled and withheld.

The focus of the immediate dispute is the law that prohibits franchisers, including oil companies from canceling or refusing to renew a lease without cause and gives the franchisee the right of appeal to the courts to protect his interest. The Connecticut Legislature is holding hearings on amending the law to prohibit franchisers who renew leases from raising rents exorbitantly or altering significantly the terms of the previous lease.

NEW YORK BILL INTRODUCED

New York State has no such franchise law, but last week a bill was introduced in the Legislature that would prohibit the major oil companies from taking over gasoline stations from independent operators. The bill, introduced by Senator William T. Conklin of Brooklyn and Assemblyman Eugene Levy of Suffern, both Republicans, would amend the General Business Law to prevent oil companies from owning or operating any service stations other than those they already operate.

In addition, Senator John Callandra, Republican of the Bronx, has sponsored a bill that gasoline dealers say would protect them from arbitrary cancellation.

New Jersey does have such a law to protect independent gasoline dealers, and last year it prompted Mobil to begin withholding its support of independents in that state.

In Connecticut, a Mobil spokesman said recently, of 515 stations displaying the company's insignia, 33 are owned and operated by Mobil through managers, and 216 are situated on land that Mobil either owns or holds long-term leases on. The remaining 266 dealers either operate their own stations or are lessees of stations owned by wholesale gasoline distributors.

Since the franchise law went into effect, Mobil said that 26 of its independents have been told that the company intended to take over full control of their stations, keeping on the operators as salaried employes rather than independent businessmen. In addition, dealers say there have been wholesale cancellations of leases, without cause. Mobil said that only 10 independents have received new leases.

While other oil companies have not been actively canceling leases or publicly attacking the franchise law, preferring, it is reported, to let Mobil carry the fight, the outcome of the dispute will have significance for the entire industry and independent dealers, not only within Connecticut's borders.

To demonstrate the plight of the independents, Connecticut gasoline dealers pointed to a report by Hartford's Department of Civil Preparedness, released early this month, which reported that, of that city's 163 gasoline stations, 59, or 36 percent, have gone out of business since July, 1973. The report concluded that "independent service station operators are being forced out by big suppliers."

One independent who is protesting what he called "the major oil company squeeze" is Laurence J. Ancker, a Mobil dealer who operates the North Avenue Service Center in Norwalk.

Mr. Ancker contends that Mobil's efforts are concentrated on stations selling more than 500,000 gallons annually—usually the bigger, better situated stations. One of these is his. He has had a Mobil station for two years and says he regards himself as the "Lord & Taylor of Norwalk's gas stations."

His first one-year lease was renewed, and a year later Mobil sent a letter that, Mr. Ancker complained, said "simply that I was being canceled and that it was inadvisable to renew my lease. That's all. No cause. No nothing."

"They came to me and said make this a good Mobil station. I did. And now I'm getting dumped."

Mr. Ancker had some of his regular customers write to Mobil. Among the replies was the following:

"As you may know, an amendment to the Connecticut franchise law recently took effect. We believe this law will seriously jeopardize the substantial investment Mobil has in its service station properties in the State of Connecticut by removing nearly all control that we would have over such investment, even to the extent of preventing us from choosing not to continue doing business with a dealer after a lease or a supply contract has expired. . . . The new amendment . . . left us no alternative but to endeavor to work out a new relationship with dealers in Connecticut."

J. William Dalgetty, a lawyer for Mobil, told the state's legislative General Law Committee essentially the same thing recently, and said in a later interview that the act "has the effect of impairing contract rights," that "we have no alternative but not to allow some dealers to renew." These were, he said, "high-valued, high-volume stations, some of them $300,000 properties. We'd be putting them in the hands of a third party."

Mr. Dalgetty's appearance before the legislators has become another issue in the dispute. A state legislator, Representative James F. Bingham, Republican of Stamford, said recently that Mr. Dalgetty was liable for arrest unless he apologized to the legislators for remarks that Mr. Bingham called "intimidation."

He declared that Mr. Dalgetty had said in his appearance before the committee that Mobil would replace all of its independent stations with company-owned operations if the Legislature did not repeal the franchise law. Mr. Bingham said that the lawyer's remarks "went beyond the usual recommendations of a lobbyist" and constituted "a form of intimidation." He cited a 1973 law under which a person found guilty of interfering with the legislative process or coercing a state lawmaker by intimidation or other means could be imprisoned for up to five years and fined $5,000.

Mr. Dalgetty said he was "shocked" to hear of Mr. Bingham's charges. "There were no threats made, or intended," he said. "All we were trying to do was point out the repercussions that the franchise legislation produced."

He said that, as far as he was concerned, his appearance had been amicable.

Nevertheless, Mr. Bingham has called for an investigation of the "threat" and said he would recommend that the House Judiciary Committee undertake such an inquiry.

On March 8, Mr. Bingham wrote to the Secretary of State, Gloria Schaffer, suggesting that Mr. Dalgetty, because he was attempting to influence legislation, should be registered as a lobbyist with the state. Miss Schaffer agreed and referred the matter to State Attorney Joseph Gormley.

The co-chairman of the General Law Committee, Senator Stanley H. Page, Republican of Guilford, said he received word from the Mobil Dealers Association that they had been asked to today's hearing.

[From the New York Times, Mar. 20, 1974]

CONNECTICUT FEUD ON OIL MAY BE NEAR COMPROMISE

(By Lawrence Fellows)

HARTFORD, March 19.— Connecticut's legislators, its gasoline dealers and the Mobil Oil Corporation appear today to have battled their way to the verge of compromise.

As with most tentative cease-fires, the willingness to settle is there. Only the details remain to be worked out.

"As far as I am concerned, the hatchet is buried," State Senator Stanley H. Page, co-chairman of the Assembly's General Law Committee, whispered in an aside midway through a hearing this afternoon on a new law the committee is proposing that would make it difficult for the oil companies or anyone else to cancel a franchise without good cause, or to accomplish the same ends by renewing leases on prohibitive new terms.

New York and New Jersey will be considering similar legislation. It has obvious national implications for the oil industry and many others.

So worked up are the dealers who lease gasoline stations from the big oil companies that more than 200 of them squeezed into the hall of the House of Representatives for the hearing, some of them empowered to speak for dozens of others. When the seats were taken, dealers stood in the back of the hall, and in the doorways.

A DIFFERENT TUNE HEARD

"I used to be a Mobil dealer," Harry Sperling of Norwalk said bitterly. "I took a rundown station, built it up. After nine and a half years Mobil came along. I will say, though, they gave me three months' notice."

"Mobil does not want to take over the operations of its independent dealers," said J. William Dalgetty, an attorney for the company.

This was a different tune on the one the committee had heard from Mr. Dalgetty two weeks ago when he said Mobil wanted the 1973 franchise act, with its provisions for "good cause," amended to give the company a freer hand in managing its investment in its own stations.

Unless the act is amended, he said, Mobil would take over all its stations as the leases come up for renewal.

"Are you saying that if we don't repeal the act, there won't be any individually-operated stations left that are worth anything?" asked Senator Page, a Guilford Republican.

Mr. Dalgetty nodded bringing down the wrath eventually of just about the whole Legislature.

Senator Page was plainly irritated, and berated Mr. Dalgetty for "throwing down the gauntlet."

State Representative Howard A. Newman, a Rowayton Republican and the committee's other co-chairman, said the company was using "Arab tactics."

State Representative James F. Bingham, a Stamford Republican and co-chairman of the judiciary committee, said the tactics were "intimidating," and fired off a letter to Secretary of the State Gloria Schaffer, asking if Mr. Dalgetty, who obviously was taking a position for his company on proposed legislation, was registered as a lobbyist.

As Mr. Dalgetty was not registered as a lobbyist, Mrs. Shaffer turned the matter over to chief state's attorney Joseph Gormley for action.

Mr. Dalgetty registered quietly last Tuesday as a lobbyist.

He went to Mr. Bingham and to the leaders of the general law committee, and explained that he had not intended his remarks to sound like a threat.

Also, it was noted that if Mobil was going to get in trouble for its efforts on behalf of all the oil companies, Mobil's brass would be embarrassed, and many of the company's officers live in Connecticut—including the chairman of the board, three of the four executive vice presidents, a senior vice president, four vice presidents, the deputy treasurer, and the assistant treasurer and many others.

Since October, when the franchise law went into effect, the company has told 26 of its independents that their leases would not be renewed, although the operators were told they could stay on as employes. All were running lucrative businesses. Five of them have taken Mobil to court.

"We're not trying to water down the franchise act," Mr. Dalgetty said at the hearing today. "We're not trying to subvert it. We're just seeking a reasonable solution."

He suggested that the committee look for a workable definition of "good cause" rather than allow the argued cases to be submitted to arbitration.

"I won't say that Mobil is all heart," Mr. Newman said. "But it may be a workable suggestion."

EXHIBIT NO. 3

MAJOR OIL COMPANIES

Company	Crude oil production rank	Refining capacity rank	Gasoline sales rank	Total assets rank
Exxon	1	1	3	1
Texaco	2	3	1	2
Gulf	3	7	5	3
Shell	4	4	2	7
Standard Oil (California)	5	5	8	5
Standard Oil (Indiana)	6	2	4	6
Atlantic Richfield	7	8	7	8
Mobil	8	6	6	4
Union	9	10	11	15
Getty	10	16	17	17
Sun	11	9	9	13
Continental	12	14	13	11
Marathon	13	17	15	21
Phillips	14	12	10	10
Cities Service	15	15	14	16

Source: Federal Trade Commission, Staff Report on Concentration Levels and Trends in the Energy Sector of the U.S. Economy, March 1974, p. 400.

By Mr. ROBERT C. BYRD (for Mr. HARTKE):

S. 3444. A bill to amend the Disaster Relief Act of 1970 to provide for a minimum amount of time during which applications for disaster relief can be received. Referred to the Committee on Public Works.

Mr. ROBERT C. BYRD. At the request of the distinguished Senator from Indiana (Mr. HARTKE) I ask that a bill which the Senator planned to introduce today together with an accompanying statement be printed in the RECORD.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 3444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Disaster Relief Act of 1970 is amended to add the following new section:

"SEC. 256. In the case of any disaster occurring on or after April 1, 1974, the period for the receipt of any application for disaster assistance under this Act shall be not less than ninety days from the determination of the disaster. In addition, where the circumstances so require, an additional period of at least sixty days shall be provided for the receipt of any such application.".

STATEMENT OF SENATOR HARTKE

Mr. HARTKE. Mr. President, I introduce an amendment to the Disaster Relief Act of 1970 which provides, in the case of disasters occurring on or after April 1, 1974, for a minimum amount of time during which applications for assistance under that Act may be received.

Time limits for receiving disaster relief applications vary according to the specific program, and it is my understanding that these time limits are somewhat flexible. Nevertheless, I have seen the devastation caused by the recent tornadoes in my home State of Indiana. In one town alone—Monticello— the entire business community was wiped out. The Army Corps of Engineers has determined that 60 to 70 percent of those business structures will have to be demolished and replaced with new structures. The time it has taken to make these determinations leaves precious little time for the people of Monticello to apply for the necessary disaster assistance. Under some programs, they have only until June 3rd to make these applications.

The amendment I introduce today would assure that they would have at least until July 3rd to make the necessary application, with an opportunity for an extension thereafter. I believe that these minimum limitation periods are justified in light of the devastation rought on Indiana and other states by the recent tornadoes.

By Mr. MONTOYA:

S. 3445. A bill to amend the Internal Revenue Code of 1954 to allow a credit, in lieu of a deduction, for interest paid on a mortgage on a taxpayer's principal residence and for real property taxes paid on such principal residence. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, today I am introducing a bill to abolish the current income tax deduction for home-mortgage interest and property taxes, and to replace it with a tax credit for the same purpose.

I am also proposing that the statutes directing withholding of tax from wages be amended to allow an individual to take a housing tax-credit exemption on his W–2 form. In this way he could stipulate that his withholding be reduced each month by the amount of one-twelfth of the proposed credit allowed him each year.

The bill I am sending to the desk will allow a tax credit of 50 percent of the interest paid on a home mortgage and of the taxes paid on real property owned as a principal residence. The proposal includes a declining scale, according to which the tax credit would drop 1 percent per year for 10 years. For all the years thereafter that a taxpayer owns his home, a tax credit of 40 percent would be allowed.

In order to prevent too great a revenue loss to the Government, I have also included in the measure a dollar limit on the credit allowable. That boundary is also placed on a declining schedule. For the first taxable year during which the taxpayer owns his own home, he may claim a credit against his tax amounting to $1,500. This ceiling would decline over a period of 10 years to a base of $500 per year.

As an example of the way the tax credit would work, I want at this time to discuss a hypothetical family of four whose total income is $15,000. If the family wished to buy a $35,000 house, a plan could be worked out to put $5,000 down and take a $30,000 mortgage. On a 30-year loan at an interest of 9 percent, the family would pay $2,700 in interest in the first year. Under the present regressive system the value to them of their tax deduction would be $675. If they were allowed a tax credit of 50 percent the first year, their benefit would be $1,350. That is a difference for the taxpayer of $675, or about $56 per month. In many cases today, $50 a month is the difference between qualifying and not qualifying for a mortgage loan.

Mr. President, there are three reasons for providing for declining scales of allowable credit and dollar limits.

First, they will create the greatest tax advantage for a potential home buyer during the first—and the most expensive—tax year the owner must pay on the mortgage. The purpose of the bill is to open the housing market and to invite middle- and lower-income families into it. A first year, 50-percent credit, will have the maximum relaxing effect on tight middle-income budgets.

Second, scaling down the allowable percentage of credit and lowering the dollar limits each year will reduce the Government's tax expenditure over a period when the homeowner is theoretically becoming better able to absorb the interest payments, and as the principle on the mortgage is being reduced.

Third, the base credit of 40 percent and the dollar limit of $500 will buoy those homeowners who have held mortgages for many years. These are more mature families, the elderly, and others whose interest on a home is much less than it once was, but whose property taxes may be rising.

The intent of this measure is to increase the number of Americans eligible to buy their own homes and to stimulate the depressed construction industry. I hardly need to elaborate on the sad state of the housing industry. From a seasonally adjusted rate of 2.6 million private housing starts in January 1973, housing has steadily deteriorated, with small fluctuations, to a low of 1.5 million starts per annum in March 1974. In mid-December 1973, the National Association of Home Builders reported to the Office of Management and Budget that—

> Housing production in 1974 is expected to be 500,000 units below the 1973 level which is expected to be 400,000 below 1972.

The NAHB now reports it may have been too optimistic.

Over the past few months, as business and industry have scurried to acquire credit, interest rates have risen rapidly. Last week an absolutely unprecedented—and frightening—11-percent prime lending rate was posted by the First National Bank of Chicago.

Mortgage money, the lifeblood of the housing industry is scarce. The industry is in its most severely depressed state since World War II. Prospect for an early upswing seem dim.

But, Mr. President, more important even than the sick state of the housing industry is the denial to thousands of would-be American homeowners of the chance to afford their own homes. Although I share the earnest feeling of most of my colleagues that inflation is our Nation's most severe economic problem, I do not believe that tightening money in the area of housing relieves the trouble. Instead, it strikes most closely at the middle- and lower-income portion of our population. At an interest rate of 9 to 10 percent, fewer and fewer middle-income families can afford to buy a home; fewer still can afford to build.

American taxpayers must not be asked to continue to subsidize homes for a wealthy minority. For those who can pay for expensive homes and to whom a 10-percent interest rate is not very important, the tax credit I am suggesting may be faintly inconvenient. For those many families now excluded from the housing market, it will provide a home.

Mr. President, those who oppose use of the tax code to legitimately benefit a large number of possible home buyers may point out that under this proposal, upper- and uppermiddle-income families will receive a somewhat smaller tax break than they do using the present deduction.

But I feel strongly that when taxpayers' money is used to provide a benefit to the public it should always provide that benefit in such a way that the greatest number of people are served, and the stimulation of the economy occurs in the area of greatest need. The purpose of this bill is to allow more American families to buy homes, and to provide a desperately needed assist to the housing industry.

The initial revenue loss to the Government, when viewed against the amount to be regained through the dollar ceilings, and the tax revenue gains from employment which would accompany increased housing starts, ought to be seen as an investment in this Nation.

Mr. President, the figures presented in this statement and in the proposal measure—especially the dollar limits—are suggested as guidelines.

I submit that the able chairman of the Finance Committee and his colleagues may produce other reasonable figures. It may be, for instance, that separate schedules for property tax and mortgage interest would establish a more practical system.

But it is the concept in this bill which is important. The current system of deductions for interest is regressive and because of inflation has now reached the point of encouraging only the wealthy to buy and build homes. A tax credit would be a more equitable way to reach our goal of good housing for all American families.

I hope that my colleagues will join me in sponsoring this move to open the housing market to the many citizens who now find it closed.

ADDITIONAL COSPONSORS OF BILLS

S. 1059

At the request of Mr. Ribicoff, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1059, to create a Cabinet-level Department of Education.

S. 2877

Mr. TOWER. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of S. 2877, the Meeting House Preservation Act: the Senator from Delaware (Mr. Roth), the Senator from Wyoming (Mr. Hansen), and the Senator from Ohio (Mr. Metzenbaum).

The Meeting House Preservation Act has received tremendous support since its introduction and I would like to take this opportunity to list those Senators who have already become sponsors of this legislation: Senators Hugh Scott, Metcalf, Eastland, McIntyre, Johnston, Young, Nunn, Gravel, Dominici, Percy, Hughes, Beall, Dole, Abourezk, Moss, Helms, Pell, Bartlett, Bennett, Dominick, Brock, Humphrey, Hatfield, Jackson, Burdick, Mathias, McGovern, Williams, Stevens, Gurney, Roth, Hansen, Haskell, and Metzenbaum. Identical legislation has been introduced in the House of Representatives three different times with at least 40 sponsors. I have received a great deal of correspondence from the 50 States expressing support of this bill and asking that early consideration be given by the Senate Interior Committee.

Hearings have been scheduled by the Subcommittee on Parks and Recreation for June 5. I encourage those who have expressed an interest in the Meeting House Preservation Act to testify before the subcommittee and press for early action on this worthy legislation.

To reiterate, this bill, which would provide for grants to each State and territory for the purpose of acquisition, restoration, and maintenance of certain historic sites for use as meeting places for those citizens working to retain in their communities their tangible and indigenous historic, cultural, or natural heritage with those citizens concerned with future changes and developments, needs to be acted upon quickly by the Senate in order that the States will have time to plan and institute the program before the beginning of the Bicentennial celebration.

It is my belief that the meeting house program will successfully involve a substantial number of Americans in a meaningful Bicentennial celebration who would not otherwise be involved. The meeting house program also would not only provide a meaningful experience during the Bicentennial but would be a lasting, growing educational experience which would continue into the future. I commend S. 2877 to my colleagues for their consideration.

S. 3267

At the request of Mr. Jackson, the Senator from Illinois (Mr. Stevenson) was added as a cosponsor of S. 3267, the Standby Energy Emergency Authorities Act.

S. 3314

At the request of Mr. Bellmon, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 3314, to provide for a study of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification, and for other purposes.

S. 3315

At the request of Mr. Bellmon, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 3315, to provide for a national policy on weather modification activities.

CONSUMER FOOD ACT OF 1974—AMENDMENT

AMENDMENT NO. 1261

(Ordered to be printed, and referred to the Committee on Commerce.)

Mr. MAGNUSON. Mr. President, on behalf of myself and Senators Hart and Moss, I submit an amendment, intended to be proposed by us jointly to the bill (S. 2373) to regulate commerce and protect consumers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes. I ask unanimous consent that the amendment be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1261

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Consumer Food Act of 1974".

TITLE I—FOOD SURVEILLANCE

Sec. 101. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341–8) is amended by adding at the end thereof the following new section:

"FOOD SURVEILLANCE

"Safety Assurance Procedures

"Sec. 410. (a) (1) Any person who owns or operates any establishment in which food is processed (hereinafter referred to as a 'food processor') shall, unless he is exempted by the secretary, pursuant to paragraph (4) of this subsection, develop, implement, and maintain safety assurance procedures for such establishment. Such procedures shall be set forth in writing and submitted to the Secretary within 6 months of the date of enactment of this section in such manner and form as the Secretary shall prescribe. In developing such procedures a food processor shall—

"(A) identify those control points in the food processing operation carried out by any establishment owned or operated by him which are important in the prevention of adulteration within the meaning of section 402(a) of this chapter;

"(B) identify the hazards associated with each such point;

"(C) establish adequate controls at each such point; and

"(D) establish adequate monitoring of the controls at each such point.

"(2) The safety assurance procedures developed under paragraph (1) of this subsection shall be reviewed, and appropriate revisions made, at least annually, by the food processor involved.

"(3) Written documents required under this section shall be retained for 5 years and shall be subject to inspection, pursuant to section 704 of this Act.

"(4) A food processor shall be exempted from the requirements of this subsection if the Secretary finds by regulation that the establishment or type of establishment owned or operated by such processor is unlikely, because of the nature or volume of its food processing, to create or contribute to a significant risk of adulteration, within the meaning of section 402(a) of this chapter.

"(5) As used in this section 'safety assurance' includes and is limited to those processing factors which bear upon whether a food may be adulterated, within the meaning of section 402(a) of this chapter.

"Safety Assurance Plan

"(b) (1) On or before December 31 of each year, the Secretary shall prepare a safety assurance assessment report concerning existing and potential risks of adulteration, within the meaning of section 402(a) of this chapter, which are known to him and for which safety assurance procedures, safety assurance standards, or inspection and monitoring by the Secretary appear necessary or appropriate to protect the public. Such report shall—

"(A) specify all risks identified;

"(B) rank such risks in the order of their public importance; and

"(C) state, in general terms, the means by which such risks are to be controlled (that is, by safety assurance procedures, safety assurance standards, or identified methods or procedures of inspection and monitoring).

"(2) The first safety assurance assessment report shall include a proposed safety assurance plan, in the form of a proposed regulation, which shall be designed to control the risks required to be specified in such report. Such plan shall include a specific schedule for implementation (that is, the date by which (A) appropriate provisions shall be included in safety assurance procedures; (B) an appropriate safety assurance standard shall be developed and adopted; or (C) a particular method or procedure of inspection and monitoring—including, where appropriate, the frequency of its application—shall be implemented), in such detail as to permit reasonable evaluation by interested persons of the adequacy of the Secretary's total safety assurance effort. Subsequent safety assurance assessment reports shall include any proposed changes in the safety assurance plan, in the form of proposed amendments to such regulation. Such plan may be further amended at any time at the discretion of the Secretary.

"(3) The safety assurance assessment report and the proposed safety assurance plan or amendments thereto shall be published in the Federal Register and interested persons shall be afforded an opportunity for comment pursuant to section 553 of title 5, United States Code. Any final plan or amendment shall constitute final agency action subject to judicial review, in accordance with section 701(f) of this Act.

"(4) The safety assurance plan shall provide for inspection at least once each year, by authorized representatives of the Secretary, of each establishment engaged in the processing of food, other than an establishment (1) which is engaged in processing which consists solely of the sale of food in a retail establishment for consumption on or off the premises; or (2) which is of a type which the Secretary by regulation finds is unlikely, because of the nature or volume of its food processing, to create or contribute to a significant risk of adulteration, within the meaning of section 402(a) of this chapter: *Provided,* That such plan may provide for a transfer by the Secretary of resources committed to such annual inspections to other food safety assurance activities subject to his jurisdiction upon a finding that such transfer is necessary to protect health and safety.

"(5) The safety assurance plan shall, at a minimum, be formulated so as to (A) reduce or eliminate all risks required to be specified in prior safety assurance assessment reports to the maximum extent feasible; and (B) provide reasonable assurance that within 4 years of the date of enactment of this section no such risk shall constitute an unreasonable risk of adulteration, within the meaning of section 402(a) of this chapter, unless and to the extent that the Secretary for good cause finds (and incorporates such finding and a statement of the reasons therefor in the plan) that the realization of this objective is infeasible, impractical, or contrary to the public interest.

"Safety Assurance Standards

"(c) (1) If the Secretary finds that any food or class of food is being processed in such a manner as to present an unreasonable risk of adulteration, within the meaning of section 402(a) of this chapter, and that existing safety assurance procedures and inspection and monitoring activities are not adequate to protect against such risk to the extent required by paragraph (8) of this subsection, he shall promulgate regulations or amendments to existing regulations in order to establish a safety assurance standard to reduce or eliminate such risk.

"(2) Regulations under this subsection shall be promulgated in accordance with section 553 of title 5, United States Code, after notice and an opportunity for a hearing: *Provided*, That (1) the Secretary shall publish in the Federal Register his findings and an adequate statement of reasons underlying the provisions adopted, including responses to objections and comments of interested persons; and (2) an order promulgating regulations or amendments to regulations under this subsection shall be subject to judicial review, in accordance with section 701(f) of this Act.

"(3) Regulations under this subsection may be proposed by the Secretary upon his own initiative or upon the petition of any interested person. In promulgating or modifying such regulations the Secretary shall consider the reports and recommendations of appropriate advisory committees established by the Secretary.

"(4) Regulations under this subsection shall designate—

"(A) the food or class of foods which is subject to the safety assurance standards being established;

"(B) the persons required to conduct surveillance in accordance with such standards;

"(C) the contaminants, properties, unsanitary practices, or other factors (including but not limited to micro-organisms, heavy metals, toxins, drug residues, pesticide residues, filth, and other potentially harmful constituents and practices) for which surveillance is required;

"(D) the sampling methods and methods of inspection and examination by which such surveillance shall be accomplished;

"(E) the methods of analysis by which such examinations shall be accomplished;

"(F) the circumstances under which reports of such surveillance and test results shall be submitted to the Secretary; and

"(G) the activities (including sampling, analysis, and inspections) which the Secretary shall undertake to assure compliance with the safety assurance standards being established.

"(5) No safety assurance standards established under this subsection shall be applicable to any person who has developed, implemented, and maintained safety assurance procedures under subsection (a) of this section which the Secretary finds are adequate to protect against risks of adulteration to the extent required by paragraph (8) of this subsection.

"(6) The Secretary shall periodically evaluate the adequacy of any safety assurance standard established under this subsection and propose amendments in order to reflect new information or changes in methods of food processing.

"(7) Any person or group of persons may petition the Secretary, for an amendment of, or an exception to, regulations promulgated under this subsection, to permit the use of methods other than those specified in the regulations. Upon a showing that any alternative method is equally or more effective than the method specified in the regulations, the Secretary shall (A) approve the requested amendment or exception; or (B) refer the petition for an amendment or exception to an advisory committee established pursuant to subsection (d) of this section for its consideration and recommendation.

"(8) The safety assurance standards established pursuant to paragraphs (1) and (2) of this subsection shall be formulated and implemented so as to provide reasonable assurance that food does not present an unreasonable risk of adulteration, within the meaning of section 402(a) of this chapter. Such standards may vary, as appropriate, among different foods or classes of foods. If there is insufficient knowledge to establish such a standard for any food or class of foods, the Secretary shall immediately initiate a program to acquire sufficient knowledge and to develop such a standard.

"(9) If the Secretary finds a threat or potential threat to the public health, which requires that there be an immediate increase in the level of surveillance pursuant to safety assurance standards, with respect to any foods or classes of foods, he may direct an increase in such level (or otherwise modify the applicable safety assurance standards) to the extent that he determines necessary. Such an order may be entered without regard to any procedural prerequisites otherwise applicable, except that the Secretary shall provide an opportunity for a hearing thereon and comply with other applicable procedures as soon as practicable after the increase in the level of surveillance has been directed.

"(10) Chemical and other analyses performed under this section to determine the presence and amount of contamination in food shall be performed through the use of the best instruments, technology, and trained personnel which are reasonably available.

"Advisory Committees

"(d) (1) The Secretary is authorized to appoint and organize such standing or ad hoc advisory committees as he deems necessary or appropriate to study and report to him with respect to existing and potential hazards to health and safety related to food, risks of adulteration, and recommended action to reduce such hazards or risks. Each committee so established shall provide, to the maximum extent practical, an opportunity for any interested person to submit data and views on all matters considered by such committee. The meetings of such committees shall be governed by the Federal Advisory Committee Act of 1972 (5 U.S.C. App. I). The Secretary shall cause any report submitted to him by any such committee to be published as soon as practicable in the Federal Register and shall provide interested persons an opportunity to comment thereon.

"(2) Where advisory committees are established, the members shall be individuals who are qualified, by training and experience, in food safety or in the use of statistical sampling techniques, analytical methodology, or other technical disciplines relevant to food surveillance. The provisions of chapter 11 of title 18, United States Code, shall apply with respect to voting members of any such committee. In addition to such technical experts, any such committee shall include, as nonvoting members, a representative of consumer interests and a representative of industry interests. Committee members may be nominated by appropriate scientific, trade, and consumer organizations. The Secretary shall designate one of the members of any such committee to serve as chairman. Committee members shall, while attending meetings or conferences of the committee or otherwise engaged in its business, be compensated at per diem rates fixed by the Secretary, but not at rates in excess of the rate for grade GS–18 of the General Schedule at the time of such service, including traveltime. While serving away from their homes or regular places of business, members of such committees may be paid travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Secretary shall furnish any such committee with adequate clerical and other necessary assistance, and he shall prescribe by regulation the procedures to be followed by it.

"Records and Examination

"(e) (1) Any person required to comply with the requirements of subsection (a) or (c) of this section shall establish and maintain such records as the Secretary may by regulation require pertaining to safety assurance procedures and safety assurance standards and make such records available to the Secretary upon request.

"(2) The Secretary may require, by general or specific orders, the submission of special reports or answers in writing to specific questions containing such data and information relating to any safety assurance procedures and safety assurance standards, or the implementation thereof, or any matter relating to detection of adulterated or misbranded food, which may assist him in carrying out the purposes of this Act. The district courts of the United States shall have jurisdiction to enforce such general or specific orders and to require access to such information, upon application of the Attorney General or of the Secretary pursuant to section 309 of this Act. An action for enforcement of such orders may be brought in the district court of the United States for any judicial district in which the person or establishment involved is found or transacts business.

"Notification

"(f) (1) A food processor, upon learning, or acquiring information which supports the conclusion, that there is, with respect to food processed by him, an unreasonable risk of adulteration, within the meaning of section 402(a) of this chapter, shall immediately notify the Secretary of such risk, if such food has left his control. Such food processor shall also notify the Secretary of any recall of any food which is adulterated, within the meaning of section 402(a) of this chapter, if such food has left an establishment subject to his control. No information or statements derived exclusively from any notification required under this section (except for information contained in records required to be maintained under any provision of this Act) shall be used as evidence in any proceeding brought against an individual pursuant to section 303 of this Act with respect to any alleged violation of law occurring prior to or concurrently with such notification.

"(2) The notifications required by paragraph (1) of this subsection shall contain a clear description and evaluation of the risk of such adulteration, including, but not limited to, the nature of the food affected and the quantity involved, and a statement of the measure to be taken to protect the public from such risk.

"Citizens Civil Actions

"(g) (1) Except as provided in paragraph (2) of this subsection, any person may commence a civil action for mandatory or prohibitive injunctive relief, including interim equitable relief, on his own behalf, whenever such action constitutes a case or controversy—

"(A) against any person (including the

Secretary) who is alleged to be in violation of any regulation promulgated under subsection (c)(1) of this section; or

"(B) against the Secretary where there is alleged a failure of the Secretary to comply with the safety assurance plan established under subsection (b) of this section or to perform any act or duty under this section which is not discretionary with the Secretary.

The district courts of the United States shall have jurisdiction over actions brought under this section, without regard to the amount in controversy or the citizenship of the parties.

"(2) No civil action may be commenced—

"(A) under paragraph (1)(A) of this subsection—

"(i) prior to 60 days after the plaintiff has given notice of the alleged violation to the Secretary and to any alleged violator in such manner as the Secretary may by regulation require; or

"(ii) if the Attorney General or the Secretary has commenced and is diligently prosecuting proceedings with respect to such alleged violation.

"(B) under paragraph (1)(B) of this subsection, prior to 60 days after the plaintiff has given notice to the Secretary of such alleged failure to comply with the plan or to perform an act or duty.

"(3) In any action under this subsection the Attorney General or the Secretary may intervene as a matter of right.

"(4) The court, in issuing any final order in any action brought pursuant to paragraph (1) of this subsection, may award costs of litigation (including reasonable attorney and expert wintess fees) to any party, whenever the court determines such an award is appropriate.

"(5) Nothing in this subsection shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any regulation or order or to seek any other relief.

"(6) For purposes of this subsection, the term 'person' means an individual, corporation, partnership, association, State, municipality, or political subdivision of a State.

"Other Authority

"(h) This section shall not be construed to exempt the Secretary or any other person from any obligation imposed by any other provision of this Act or by the provisions of any other Act, nor shall this section be construed to permit the use of any substance practice, or conduct resulting in the presence of adulterated food if such use, practice, or conduct would not have been permitted in the absence of this section.

"Exemption

"(i) This section shall not apply to—

"(1) any processing subject to the exclusive jurisdiction of the Secretary of Agriculture;

"(2) processing which consists solely of the sale of food in a retail establishment for consumption on or off the premises, except with respect to safety assurance assessment reports and safety assurance plans prepared or etablished pursuant to subsection (b) of this section; or

"(3) processing of food which is not or has not been introduced into, delivered or held for introduction into, or shipped in or received or held for sale after shipment in, interstate commerce.

"Small Business Assistance

"(j) The Secretary shall cooperate with the Small Business Administration with respect to applications (under section 7(b)(5) of the Small Business Act, as amended (15 U.S.C. 631 et seq.)) for loans to assist affected small business concerns to comply with requirements under this section. The Small Business Administration shall direct that applications from such concerns, regarding proposed additions to or alterations in plant, facilities, or methods of operation which are designed to enable such concerns to comply with requirements under this section, shall be reviewed by the Secretary. The Secretary shall evaluate each such application and shall report to the Administrator (or to the bank or lending institution) within 60 days as to whether such additions or alterations are appropriate to assist the applicant to comply with such requirements and whether he recommends that the loan be granted."

SEC. 102. Section 304 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334) is amended by adding at the end thereof the following two new subsections:

"(g) If any food is found by an authorized representative of the Secretary in any establishment or vehicle where it is held for purposes of, or during, or after distribution in interstate commerce, such food may be detained by such representative for a reasonable period, not to exceed 20 days, if such representaive concludes that the facts provide a reasonable basis to show that such food is adulterated, misbranded, or otherwise in violation of this Act. Such food may be detained pending seizure action under this section or notification of any Federal, State, or other governmental authority having jurisdiction over the food, and such food shall not be moved by any person from the place at which it is located and detained (except as the Secretary may authorize), until released by the Secretary. If the food is still being processed, and has not been put in final form for shipment, processing may continue until the food is put in final form, but detention of such food in final form may be ordered. Any person who would be entitled to claim such food if it were seized may appeal such detention to a superior official. Such official shall conduct an informal hearing on the matter and confirm or revoke such detention within 5 days of such appeal. The Secretary may extend such detention for an additional 10 days, upon making a finding (and giving appropriate notice) that such extension is necessary to institute seizure action under this section.

"(h) There is a rebuttable presumption, because virtually all food is subject to the jurisdiction of this Act, that any food found in any State is subject to seizure and condemnation pursuant to this section. The claimant or any other party to a condemnation proceeding under this section shall have the burden of establishing that the article or articles are not subject to the jurisdiction of this Act. In the absence of such a showing jurisdiction shall be deemed to be established."

SEC. 103. Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 342) is amended by adding at the end thereof the following new subsection:

"(f) If it is a food which was processed other than in compliance with safety assurance procedures and applicable safety assurance standards required by or pursuant to section 410 of this chapter."

SEC. 104. (a) Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding the following two new subsections:

"(q) The failure to develop, maintain, and submit safety assurance procedures as required by section 410(a) of this Act, the failure to comply with safety assurance procedures or safety assurance standards required by or pursuant to section 410 of this Act, the failure to maintain or make available records or make reports required pursuant to section 410 of this Act, or the failure or the refusal to furnish notification or other information as required by or pursuant to section 410 of this Act, with respect to food subject to the jurisdiction of this Act.

"(r) The unauthorized movement of a food detained under section 304(g) of this chapter or the removal or alteration of any mark or label used to identify the food as detained."

SEC. 105. (a) Chapter III of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331–7) is amended by adding at the end thereof the following two new sections:

"CIVIL PENALTIES

"SEC. 308. (a) Any person who is found by the Secretary, after notice and an opportunity for an adjudicative hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 301 of this chapter with respect to any food, shall be liable to the United States for a civil penalty of not more than $10,000 for each day of violation. The amount of such civil penalty shall be assessed by the Secretary, or his delegate, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited act or acts committed and, with respect to the person found to have committed such act or acts, any history of prior offenses, ability to pay and effect on ability to continue to do business, and such other matters as justice may require.

"(b) Any person against whom a violation is found and a civil penalty assessed under paragraph (1) of this subsection may obtain review in the appropriate court of appeals of the United States by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings of the Secretary shall be set aside if found to be unsupported by substantial evidence, as provided by section 706 (2)(e) of title 5, United States Code.

"(c) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

"AUTHORITY TO INITIATE LEGAL ACTIONS

"SEC. 309. Notwithstanding any other provisions of law, the Secretary may initiate, defend, or appeal any court action arising under this Act through his own legal representative or through the Attorney General, except that the Attorney General shall have exclusive authority to initiate prosecutions of persons under section 303 of this Act."

SEC. 106. Section 304 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334) is amended by deleting "United States attorney for such district" each time it appears therein and inserting in lieu thereof "the Secretary, or the United States attorney for such district, as appropriate,".

SEC. 107. (a) Section 702(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 372(a)) is amended by inserting after the first sentence thereof the following new sentence: "In connection with the training by the Secretary of any individual who is not an officer or employee of the United States to prepare him to perform the duties described in the preceding sentence, the Secretary may allow such individual travel expenses to and from the place of such training, including per diem in lieu of subsistence while in travel status and during such training, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently: *Provided*, That the individual's training is conducted under an agreement between the Secretary and any State or any political subdivision of a State, pursuant to which such individual, upon the completion of the training, will be employed by such State or political subdivision to conduct examinations or investigations to carry out the purposes of this Act.".

(b) Section 6(c) of the Fair Packaging and Labeling Act (15 U.S.C. 1455(c)) is amended by inserting at the end thereof the following new sentence: "In connection with the training by the Secretary of any individual who is an officer or employee of any State or any political subdivision of a State, duly commissioned by the Secretary as an officer of the Department of Health, Education, and Welfare to conduct examinations, investigations, or perform other functions, for the purposes of carrying out this Act, the Secretary may allow such individual travel expenses to and from the place of such training, including per diem in lieu of subsistence while in travel status and during such training, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently: *Provided*, That the individual's training is conducted under an agreement between the Secretary and a State, or a political subdivision of a State, pursuant to which such individual, upon the completion of the training, will be employed by such State, or political subdivision to conduct examinations or investigations to carry out the purposes of this Act.".

SEC. 108. Section 702 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 372) is amended by adding at the end thereof the following new subsection:

"(f) For the efficient administration and enforcement of this Act as it relates to food, the provisions (including penalties but excluding annual reports) of sections 6(b), 9, and 10 of the Federal Trade Commission Act (15 U.S.C. 46(b), 49, 50) are made applicable to the jurisdiction, powers, and duties of the Secretary in administering and enforcing the provisions of this Act as it relates to food and to any person, firm, or corporation with respect to whom such authority is exercised. The Secretary may prosecute any inquiry necessary to his duties under this Act in any part of the United States, and the powers conferred on the district courts of the United States by such sections 6(b), 9, and 10 of the Federal Trade Commission Act may be exercised for the purposes of this Act by any such court.".

SEC. 109. (a) Section 704(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374(a)) is amended by inserting immediately after the first sentence thereof the following two new sentences: "In the case of any establishment manufacturing, processing, preparing, packaging, or holding food, inspection shall extend to safety assurance records bearing upon whether a food may be adulterated, within the meaning of section 402(a) of this Act, and records bearing upon the accuracy of statements made in the labeling of food. Safety assurance records shall be limited to process flow diagrams; any analytical procedure or method used; the results obtained from tests to ascertain compliance with safety assurance systems or procedures; quality assurance instructions or manuals; complaints; any record which relates to a breakdown in or demonstrates a pattern or possible weakness in safety assurance procedures or standards; food ingredient usage records; process validation and control records; coding information; and shipping information.".

(b) Section 704(a) of such Act (21 U.S.C. 374(a)) is further amended by striking the words "second sentence" in the last sentence and inserting in lieu thereof "fourth sentence".

SEC. 110. Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by adding at the end thereof the following new subsection:

"(e)(1) Every person importing, offering for importation, or otherwise responsible for importing into the United States any food or class of food shall file with the Secretary, at least 30 days prior to such importation, a certificate in such manner as the Secretary shall specify, demonstrating that the particular imported food or class of foods has been produced in accordance with safety assurance procedures and in compliance with any applicable safety assurance standard established pursuant to section 410 of this Act.

"(2) The Secretary shall request the Secretary of the Treasury to refuse admission into the United States, pursuant to this section, of any such food or class of food which the Secretary determines has not been produced in accordance with section 410 of this Act, or where the importer has failed to file the certification required in this subsection.

"(3) Any such food refused admission shall not be admitted until such time as the Secretary may determine that the food offered for importation is not injurious to the public health. For the purpose of making such determination, the Secretary reserves the right to request that a duly authorized employee or agent of the Secretary be permitted to inspect the processing procedures employed in the production of the food or class of food offered for importation.".

SEC. 111. Section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended by inserting after "animals," the following: "except that in sections 402(f), 410, and 411 of this Act such term shall not include articles used for food or drink for animals,".

SEC. 112. The amendments made by this title shall take effect upon the date of enactment of this Act, except that the first report under section 410(b) of the Federal Food, Drug, and Cosmetic Act shall be required on or before December 31, 1975.

TITLE II—FOOD ESTABLISHMENT REGISTRATION

FINDINGS

SEC. 201. The Congress finds and declares that—

(a) in order to make regulation of interstate commerce in food effective, it is necessary to provide for registration and inspection of all establishments in which food intended for human consumption is manufactured, processed, packed, labeled, stored, or otherwise handled;

(b) the products of all such establishments are likely to enter the channels of interstate commerce and to affect such commerce directly; and

(c) the regulation of interstate commerce in food, without provision for registration and inspection of establishments that may be engaged only in intrastate commerce in such food, would discriminate against and depress interstate commerce in such food and adversely burden, obstruct, and affect such interstate commerce.

SEC. 202. Chapter IV of the Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by adding after section 410 the following new section:

"REGISTRATION OF FOOD ESTABLISHMENTS

"General

"SEC. 411. (a) On or before December 31 of each even-number year (or of such other year as the Secretary may determine), each food processor in any State shall prepare and submit to the Secretary a registration statement which shall include, but not be limited to, his name; principal place of business; the location of each establishment owned or operated by him; and, for each such establishment, a complete list, in such form as the Secretary shall by regulation prescribe, of all classes of foods processed therein. Such list shall identify the types of processing utilized for each class of food. The Secretary shall promulgate regulations defining classes of foods and types of processing, to promote uniformity and expeditious administration with respect to such registration.

"Notification

"(b)(1) Any person, upon first engaging in the processing of food in any establishment which he owns or operates in any State, shall immediately notify the Secretary and prepare and submit to him a registration statement containing the information required under subsection (a) of this section.

"(2) Any person who has duly registered under this section shall notify the Secretary if he ceases to process or discontinues the processing of any class of food in any establishment, within 90 days of such cessation or discontinuance. Such notification shall not be required in the case of any temporary cessation of processing which is necessitated by the seasonal character of operations at the particular establishment or which is caused by temporary conditions beyond the control of such person.

"(3) Every person who has submitted a registration statement in accordance with this section shall immediately notify the Secretary of any additional establishment which he acquires or at which he commences operations in any State and which involves the processing of food. Such notice shall contain a supplemental registration statement which shall include, with respect to such additional establishment, the information required by subsection (a) of this section.

"Number

"(c) The Secretary may assign a registration number to any person or any establishment registered in accordance with this section.

"Public Availability of Information

"(d) The Secretary shall make any registration statement filed pursuant to this section available for inspection by any person without charge, except to the extent that such information is a trade secret or other matter referred to in section 1905 of title 18, United States Code.

"Exemption

"(e) This section shall not apply to any class of food processors whom the Secretary may by regulation exempt from the application of this section upon a finding in writing that registration in accordance with this section is not necessary for the protection of the public health. This section shall not apply to any processing subject to the exclusive jurisdiction of the Secretary of Agriculture or to any processing consisting solely of the sale of food in a retail establishment for consumption on or off the premises.

"Inspection

"(f) Every establishment in any State which is required to be registered with the Secretary under this section shall be subject to inspection, pursuant to section 704 of this Act.

"Foreign Registration

"(g) The Secretary may by regulation provide for the registration of foreign establishments engaged in the processing of food intended to be offered for importation into the United States.

"Definitions

"(h) As used in this section and sections 402(f), 402(g), 403(o), 410, 801(a), and 801(e) of this Act—

"(1) 'name' includes, in the case of a partnership, the name of each partner and, in the case of a corporation, the name appearing on the corporation's charter or certificate of incorporation, the name of each principal corporate officer, and the name of any State of incorporation;

"(2) 'principal place of business' and 'location of each establishment' include mailing address and telephone number; and

"(3) 'processing' and 'processed' include manufacturing, processing, packing, labeling, storing, importing or being in any manner responsible for importing, or otherwise handling food.".

Sec. 203. Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 331), is further amended by adding after subsection (r) thereof the following new subsection:

"(s) The failure to register or the failure to provide any information, as required by section 411 of this Act."

Sec. 204. Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343), is amended by adding at the end thereof the following new subsection:

"(o) If it was processed in an establishment required to be registered under section 411 of this Act and not so registered."

Sec. 205. Section 801(a) of such Act (21 U.S.C. 381(a)) is amended by inserting "(1)" immediately after "(a)" and adding at the end thereof the following new paragraph:

"(2) The Secretary may refuse entry of any food offered for importation into the United States which has been processed in any establishment, other than an establishment registered pursuant to section 411 of this Act."

Sec. 206. The amendments made by this title shall take effect on the first day of the seventh calendar month which commences after the date of enactment of this Act.

TITLE III—FOOD LABELING

Sec. 301. The Congress finds that the availability to consumers in a uniform manner of information regarding the dating, ingredients and nutritional qualities of food will enhance the health and the nutritional and economic welfare of the consumer. The presence of differing, additional, conflicting, or nonuniform labeling requirements for food leads to consumer confusion and higher food costs by requiring for different localities separate labels for the same food; discriminates against and depresses interstate commerce in such foods; and adversely burdens, obstructs, and affects such interstate commerce.

Sec. 302. Section 403 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 343), is further amended by adding after subsection (o) thereof the following new subsection:

"(p) If the label or labeling bears any information regarding the dating of the food, unless such information is in accordance with regulations promulgated by the Secretary. Regulations promulgated under this subsection shall—

"(1) identify, upon a finding of need to prevent violations of this Act, those foods or classes of food with respect to which date information must be provided, or those characteristics of a food or class of foods which necessitate the providing of date information;

"(2) require the processor of a food, with respect to which the Secretary has made a finding that date information is necessary, to place on the package or label of such food the date by which the processor recommends that—

"(A) such food be sold at retail for consumption (sell date), or

"(B) such food be used or consumed (use date);

"(3) require that the date be stated on the package or label in a clear and conspicuous manner and in such form as will enable the consumer readily to identify the day or date, without reference to any decoding information;

"(4) require that the date be accompanied by a statement or phrase which clearly states whether the date expressed is a sell date or a use date;

"(5) require a statement of the storage conditions recommended by the processor, if such storage conditions differ from ordinary room temperature;

"(6) prohibit a processor of any food with respect to which the Secretary has made a finding that date information is necessary from placing on a label or in labeling of such food any other information which may appear to the ordinary consumer to represent a sell date or a use date; and

"(7) prohibit a processor of any food with respect to which the Secretary has not made a finding that date information is necessary from placing on the label or in labeling of such food any date information, unless such information is expressed in a manner consistent with the requirements of paragraphs (2) through (6) of this subsection."

Sec. 303. Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 331), is further amended by adding after subsection (s) thereof the following new subsection:

"(t) Selling, offering to sell, or displaying for sale any packaged food which has been introduced or received in interstate commerce which bears a date on the label or in labeling, pursuant to regulations issued under section 403(p) of this Act, if such date has passed, unless—

"(1) the food is clearly identified as a food as to which the date specified on the package or label has passed; and

"(2) the food is separated from other packaged foods as to which the date specified on the label or in labeling have not passed.".

Sec. 304. Section 403 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 343), is further amended by adding after subsection (p) thereof the following new subsection:

"(q) If it purports to be or is represented as a food—

"(1) to which a nutrient or nutrients have been added; or

"(2) for which any claim of nutritional value is made on the label or in labeling, or in advertising or in promotion of such food

unless the nutrition information on the label or in labeling is in accordance with regulations promulgated by the Secretary.".

Sec. 305. (a) Section 401 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341), is amended by striking out the fourth sentence thereof.

(b) Section 403(g) of such Act (21 U.S.C. 343(g)), is amended to read as follows:

"(g) If it purports to be or is represented as a food for which a definition and standard of identity has been prescribed by regulations as provided by section 401 of this chapter, unless (1) it conforms to such definition and standard; and (2) its label bears the name of the food specified in such definition and standard.".

Sec. 306. (a) Section 403(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343 (i)), is amended to read as follows:

"(i)(1) If its label fails to bear the common or usual name of the food, if there is one; and

"(2) In case the food is fabricated from two or more ingredients, if its label fails to bear—

"(A) the common or usual name of each such ingredient (in the order of its predominance); except that (i) spices and flavorings, other than those sold as such, may be designated as spices and flavorings without naming each such ingredient, if information concerning each spice and flavoring not designated on the label is available upon request from the manufacturer or distributor named on the label: *Provided,* That the Secretary may by regulation require certain spices and flavorings to be named on the labels or packages upon a finding that such disclosure is necessary to protect public health or to provide information useful to consumers; and (ii) subject to such conditions as the Secretary may by regulation provide, this provision shall not apply to the following:

"(a) a food which has been received in bulk containers at a retail establishment, if such food is displayed to the purchaser with the labeling of the bulk container plainly in view or with a counter card, sign, or other appropriate device plainly in view which prominently and conspicuously displays the information required to be stated on the label;

"(b) incidental additives that are present in a food at insignificant levels and which do not have any technical or functional effect in such food;

"(c) the label declaration of a harmless marker which is used to identify a particular manufacturer's product, in order to protect against disclosure of a trade secret;

"(d) closely related ingredients that may be declared by a general term or without regard to order of predominance in a manner that accurately states the nature of the ingredients;

"(e) a shipment or other delivery of a food which is, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantity at an establishment other than the establishment in which it is originally processed, labeled, or packed;

"(f) an assortment of different items of food which are packed in such a way that there are variations in the ingredients in different packages;

"(g) shipping containers or other transportation wrappers, tray pack displays, and transparent wrappers; and

"(h) inner packages in multicomponent food packages; and

"(B) a declaration of the percentage of any ingredient of such food if (i) the ingredient is an integral part of such food and is significant with respect to value, quality, nutrition, or acceptability of such foods, or (ii) the ingredient is required to be so declared by the Secretary by regulation upon a finding that such information would be useful to consumers."

(b) Section 403(k) of such Act (21 U.S.C. 343(k)) is amended by striking out "paragraphs (g) and (i)" and inserting in lieu thereof "paragraph (i)".

(c) The Secretary of Health, Education, and Welfare shall conduct, or cause to be conducted (taking into consideration, and providing for representation of, views held by consumer, industry and health groups concerned with food labeling) a study of the need to amend the Federal Food, Drug, and Cosmetic Act to require that the common or usual name of every spice and flavoring used in the fabrication of a food be declared on the label of such food. Such Secretary shall transmit a report on the results of such study to the President and Congress simultaneously within 1 year after the date of enactment of this Act. This report shall assess the need for consumers for such information, the feasibility of requiring all such ingredients to be labeled, any potential beneficial or adverse economic or health consequences of such labeling, and the reasonableness of alternatives to the labeling of all such ingredients.

Sec. 307. Section 407(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 347(c)) is amended to read as follows:

"(c) No person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not any charge is made therefor, unless—

"(1) a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place;

"(2) a notice that oleomargarine or margarine is served is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items; or

"(3) each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine.".

Sec. 308. (a) Chapter IX of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 391–2) is amended by adding at the end thereof the following new section:

"Sec. 903. (a) It is declared to be the express intent of Congress to supersede any and all laws of the States or political subdivisions thereof, insofar as they may now or hereafter provide for information on the label or in labeling of a food which is in addition to or different from information required on the label or in labeling under sectin 403 of this Act or regulations promulgated thereunder, except as provided in subsection (b) of this section.

"(b)(1) Upon application of a State or political subdivision thereof, the Secretary is authorized to exempt from subsection (a) of this section any existing or proposed law or regulation which imposes a higher standard of performance than the corresponding Federal requirement under this Act and which does not unduly burden interstate commerce.

"(2) Upon receipt of an application for exemption, which shall be accompanied by any materials gathered by the applicant in its legislative or administrative consideration of the existing or proposed law or regulation, the Secretary shall publish such application in the Federal Register as a proposal, allowing 60 days for public comment. Upon the basis of such application; such materials; comments received; testimony at a Federal public hearing, to be held if requested by the applicant; and other information available to him, the Secretary shall, as soon as reasonably practicable, promulgate the proposal as a Federal requirement, publish an order granting the exemption, or deny the application for an exemption.

"(3) The Secretary shall take whichever action is most likely to promote the interest of consumers.

"(4) The decision of the Secretary shall be subject to judicial review pursuant to section 701(f) of this Act.".

Sec. 309. Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 331), is further amended by adding after subsection (t) thereof the following new subsection:

"(u) Changing, altering, or removing before the sale of a packaged food to the ultimate consumer, any statement or information required by regulations issued under section 403 of this Act to be placed on the label or in labeling of such food.".

EFFECTIVE DATE

Sec. 310. The amendments made by this title shall take effect upon the date of enactment, except that the effective date for any regulations promulgated pursuant to this title shall be no earlier than the first day of the sixth month beginning after the date regulations are published as a final order in the Federal Register with respect to all new or changed labels printed thereafter, and the first day of the eighteenth month beginning after the date the regulations are published as a final order in the Federal Register with respect to all other labels.

EDUCATION AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1262

(Ordered to be printed, and to lie on sight.

Mr. JAVITS. Mr. President, I submit an amendment to S. 1539, the Education Amendments of 1974. It would amend section 4, which authorizes a 1977 White House Conference on Education, by including in the agenda of that conference means of developing and implementing expanded educational opportunities for adults at the basic and secondary education equivalency levels." I feel that failure to include adult education in the bill's provisions for a White House Conference was inadvertent; my amendment seeks to correct this oversight.

This amendment is in keeping with the recommendations contained in the 1972 annual report of the National Advisory Council on Adult Education. The text of those recommendations is included in my remarks. Finally, I might add that I am introducing this amendment at the suggestion of the Advisory Committee.

I ask unanimous consent that certain matters be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

White House Conference

THE PROBLEM

The audit education concerns focused on in the Council's Interim Report and this Annual Report all relate to basic and urgent problems confronting this nation.

To bring them to the attention of all citizens, as well as to educators, legislators and decision-makers at all levels, local, state, and national, the powerful spotlight of a White House Conference is needed. Such an event would stimulate action on all adult education fronts by the emerging effects of study groups, research, workshops, agency dialogue, and face-to-face encounters of interested individuals.

RECOMMENDATION

The National Council on Adult Education strongly recommends that the President of the United States sponsor a Bicentennial Year White House Conference on Adult Education. A focus on educational opportunities for adults would be the goal of the 1976 conference with specific objectives on:

The development of a national policy on adult education

Providing data for use in charting a USOE ten-year plan

Aiding adult education to take its rightful position as an equal component of the educational enterprise

Agency coordination and cooperation for the development of a delivery system of services for the adult

The elimination of bureaucratic overlap and duplication of services which often create program voids and gaps

An awareness of educational programs available to the adult

Providing international leadership in adult education

Focusing on the problems/concerns and recommendations of the National Advisory Council on Adult Education

A Bicentennial Year White House Conference should result in a national commitment to *Lifelong Learning* as the goal of American education.

AMENDMENT NO. 1263

(Ordered to be printed, and to lie on the table.)

BUSING AND HUMAN RIGHTS

Mr. BUCKLEY. Mr. President, in a democratic society there are few public questions on which there is complete unanimity of opinion. Yet on one issue—the forced busing of schoolchildren as an instrument of social policy—there is an overwhelming majority of Americans who are united in opposition.

The statistics are not only self-evident in their reflection of the public attitude toward busing, but, moreover, have been remarkably consistent for years. In a poll taken by the Gallup organization in October of 1971, it was found that 76 percent of those polled opposed busing "children from one school distrct to another." When a similar question was asked by Gallup in 1972, 69 percent opposed "compulsory busing." In a Gallup poll taken in April 1973, only 1 person in 20 selected busing from a list of plans that have been suggested as ways to achieve integration.

There is no doubt concerning the conviction of the American people that forced busing to achieve social policy goals is wrong. Now I do not wish to leave the impression that sheer numbers should decide important issues. I wish only to point out that one of the facts that must be taken into consideration in the formation of public policy is the perception of the public itself concerning an issue. What ultimately matters, however, is whether the proposed policy, whatever it may be, is truly in the public interest and truly reflects basic human values and constitutional principles.

Busing, it seems to me, fails on both counts: the overwhelming majority of Americans quite obviously do not want it and the facts of busing are such that the majority view is, in my opinion, quite in harmony with moral, educational, and constitutional wisdom.

Yet it would seem that there are still some who are deaf to both the voice of the people and the voice of reason in this area. I can perhaps illustrate this point by reference to my own recent experience.

In the past few months I have received numerous letters from parents of children in district 21 in New York City, protesting the decision of Judge Jack B. Weinstein to bus their children to Mark Twain Junior High School. Each letter is a personal and unique expression of disbelief and outrage yet a single theme runs through them all: these parents feel their children are victims of judicial injustice.

This was a decision that highlighted the extremes of judicial adventurism to which some of our Federal courts are now willing to go in pursuit of theoretical goals of racial balance—more often than not at the expense of education and in defiance of the wishes of those most directly concerned of whatever race and background. In this particular case, the decision of the district court was opposed by the school boards of every community affected, to say nothing of the parents and children that were involved. Moreover, the school attended by the students from minority groups has educational facilities that are far above the average. This was made amply clear in an article that appeared in the New York Times on Tuesday, January 29, 1974. I ask unanimous consent that the article be printed in the Record at the conclusion of these remarks.

What this and other similar decisions underscore is the urgent need for us to return to an understanding that the function of education is first and last to educate, and that parents have overriding rights and responsibilities for the education of their children that must not be overridden by judicial fiat. We have chased sociological will-o'-the-wisps for far too long. It is time to return to the basic goal of quality education for every American child with the inherent rights of parents fully recognized and protected.

Mr. President, I attended a public meeting at which parents and school board members of district 21 directly and openly voiced their concerns to me over this issue. They were not "red necks", not bigots. Many of those who spoke had participated in a successful program that allowed substantial numbers of minority students from outlying districts to be voluntarily bused into their own schools that are predominantly white. What these parents insisted upon was the right to maintain their children in the schools nearest to their own homes. I think that one has to have personally and directly seen and heard, as I have, the very deep anguish caused by the prospect of having children forced to leave neighborhood schools in order to fully appreciate the socially harmful effects of what might be called the "busing mentality."

In recent years there has been much talk of "alienation" in our Nation, of cynicism and distrust among the people over the very real faults of government. Mr. President, those I met with in district 21 are representative of the majority of the American people. They are not alienated. They love their country. They love their neighborhood. They do not want to overthrow society.

They want to conserve what they have, what they have built with their own energy and their love of family, a sense of belonging, a sense of permanent roots, not only for themselves but for their children. But they are being haunted by the specter of forced busing. No one is apparently safe. At any time, some judge, full of the juices of ideological zeal and always ready to tell others how to live their lives, might decide that the normal, voluntary organic patterns of their lives, must be uprooted by some mechanistic device for alleged purposes of social betterment.

Mr. President, this is not right. It is not educationally right. It is not morally right. I have heard the voices of the citizens of this district. I have read their letters and the letters of other disgusted parents. The time has come to relieve them and all Americans of the unbearable anxiety brought about by the knowledge that no matter how you have saved and worked and scrimped and sacrificed in order to build a good life for yourself and your family, it can all be taken away with a few scratches of a judge's pen. And, Mr. President, let us not deceive ourselves: that is what forced busing means. It simply does not mean children getting on a bus and riding to a school far away from home. It means the stripping away by the coercive power of the State of a basic human right that the State has no right to take away.

Forced busing by judicial or legislative order is, in effect, the same as the State taking over the human right of parents to determine what is or is not in the best interest of their own children's education. This right cannot, of course, be asserted in a manner that does violence to the rights of another. But this is not at issue here—for it is a perversion of the constitutional guarantee of equal treatment that states that children must be moved around like pawns on a judicial chessboard because of the color of their skins. The State cannot grant such a right, and cannot take it away.

Mr. President, in order to make certain that such a right is not taken away by forced busing, I am today introducing an amendment to the antibusing provisions of S. 1539, specifically section 802 of title VIII of the bill. While this section prohibits the use of Federal funds for busing to overcome racial imbalance it provides an exception to this policy "on the express, written, voluntary request of appropriate local school officials." My amendment would prohibit the compulsory assignment or transportation of students to overcome racial imbalance, but it permits busing in those cases where the parents of the children involved, not school officials, have made an express, written, and voluntary request for such busing, or have given their written, voluntary consent to it.

Mr. President, we are talking here about decisions affecting the lives, the education, and the futures of America's children. I most strongly believe that the only people who have, and should have, the moral and legal right to make such decisions for our children are their parents. For too long the rights of America's parents regarding the education and development of their children have been ignored or violated by overzealous educators or elitist social planners who feel that only they know what is in the best interests of the child, and "the parents be damned."

Mr. President, it is time to reaffirm the rights and interests of America's parents. It is time for the U.S. Senate to reaffirm that Government and its agents are the servants of the people, not their masters.

The time has come to demonstrate to the American people that their representatives in Washington are no longer going to tolerate the massive and harmful intrusions into private lives and futures which is, in essence, precisely what busing is. Mr. President, I send my amendment to the desk, and ask unanimous consent that the full text be printed at this point in the Record.

There being no objection, the amendment and article were ordered to be printed in the Record, as follows:

Amendment No. 1263

On page 384, line 15, delete everything after the comma, through to and including the period on line 20, and insert the following: "except in cases involving children whose parents have made an express, written, voluntary request for, or have given their written, voluntary consent to such transportation, or teachers who have made an express, written, voluntary request for, or have given their written, voluntary consent to such transportation."

[From the New York Times, Jan. 29, 1974]

Mark Twain Pupils, Happy at Their School, Find Integration Order Puzzling

(By Gene I. Maeroff)

Cynthia Graham, a lanky ninth-grader who is president of the student government at Mark Twain Junior High School, was puzzled by yesterday's Federal District Court decision ordering that her school be desegregated.

"I know segregation is against the law," said Cynthia, who is 15 years old. "But I don't see where it makes a difference. This school is run very well and it wouldn't make me feel any different if there were more whites here. Anyway, why, if the white people left, does the judge think they would want to come back here?"

Cynthia's attitude seemed typical of the attitudes of many of the 715 pupils at the school, which has an enrollment that is 82 per cent black or Puerto Rican. The intricacies and nuances of the decision eluded the teenagers, their main question being why anyone would find fault with a school that so many of them said they liked.

Just last week, for instance, a girl whose family moved to Jamaica, Queens, after their house burned down earlier this month, begged Mark Twain's principal, Paul Mirsky, to let her keep attending the school.

SHE WANTED TO STAY

"To understand the intensity of the girl's feelings," said Mr. Mirsky, a bulky man with a fringe of white hair, "you have to understand that she is normally very shy and quiet."

Mr. Mirsky relates sadly that he had to tell the girl that the attendance rules required that she enroll in a new school.

The relaxed atmosphere in Mark Twain seems to reflect a largely harmonious mood among the students. The wide corridors of the three-story, 36-year-old building are clean, and community school-district officials say the school "has no more incidents" than do any of the districts' five other junior highs and intermediate schools, all of which have predominantly white enrollments.

LOW-INCOME AREA

"We have not had to close off any of our lavatories because of violence," said Mrs. Selma Glachman, the school's auxiliary principal. "Our lavatories are used, and there is no fighting or shakedowns and no one is shooting anything in there."

The school draws its students from the Coney Island peninsula, which comprises the southwest corner of Brooklyn, bordering the famed amusement area.

The school, at Neptune Avenue and West 24th Street, is surrounded by towering housing projects and crumbling two-family and three-family attached houses. The grip of poverty is tight upon the neighborhood; Mr. Mirsky said more than 50 per cent of Mark Twain's students were eligible for the special Federal and state education aid for the disadvantaged.

WELL-EQUIPPED SCHOOL

The school bristles with special programs and equipment. There is a reading laboratory with costly audiovisual machines to promote faster reading and better comprehension, and a mathematics laboratory with a battery of calculators. Extra space that is available because the school is under-utilized has been used to accommodate such items as fish tanks for a marine-biology class and a darkroom for a film-making class.

"I wouldn't want to be bused out of here," Sharon Green, another ninth-grader, said of Mark Twain. "I wish they would make it a high school so I could keep on going here."

Despite the enthusiasm, however, many of Mark Twain's students have the learning disabilities found at most schools with a majority of impoverished minority youngsters. In the citywide reading tests in 1972, the average ninth-grader at Mark Twain was reading on the level of a seventh-grader, below any of Community School District 21's other junior highs and intermediate schools.

SOME AT 3D-GRADE LEVEL

"When we get them from the two elementary schools that feed us," Mr. Mirsky said, "they are sometimes reading on a third-grade level."

Although there was a sense of uncertainty yesterday at Mark Twain, at least one question had been answered by the court decision." According to a teacher, when Judge Jack B. Weinstein visited the school recently during his consideration of the case, "he walked around with a poker face as a proper judge should and never cracked a smile, making us wonder what he was thinking."

Now they know.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1974—AMENDMENT

AMENDMENT NO. 1264

(Ordered to be printed, and to lie on the table.)

Mr. KENNEDY submitted an amendment, intended to be proposed by him, to the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1194

At the request of Mr. Gurney, the Senator from North Carolina (Mr. Helms), the Senator from Pennsylvania (Mr. Schweiker), and the Senator from Arizona (Mr. Goldwater) were added as cosponsors of Amendment No. 1194 to the bill (H.R. 10710) to amend the Trade Reform Act for cooperation in locating personnel missing in action.

AMENDMENT NO. 1215

At the request of Mr. Dominick, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of amendment No. 1215 to S. 3203, the Occupational Health and Safety Act.

AMENDMENT NO. 1243

At the request of Mr. Schweiker, the Senator from Arizona (Mr. Goldwater), the Senator from Idaho (Mr. Church), and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of amendment No. 1243 to H.R. 14013, making supplemental appropriations for the fiscal year ending June 30, 1974.

SENATE RESOLUTION 314—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING OF A SENATE DOCUMENT

(Referred to the Committee on Rules and Administration.)

Mr. KENNEDY. Mr. President, today I am submitting a resolution to enable the Freedom of Information Act Source Book, researched, compiled, and published by my Subcommittee on Administrative Practice and Procedure to be designated as a Senate document. The Source Book, containing freedom of information legislative materials, cases, and articles, is a comprehensive compilation that may be used to aid citizens in obtaining information from the U.S. Government, and enforcing their right to gain that access.

Recognition of the people's right to learn what their Government is doing through access to Government information can be traced back to the early days of our Nation. Open Government has been recognized as the best insurance that Government is being conducted in the public interest, and the first amendment reflects the commitment of the Founding Fathers that the public's right to information is basic to the maintenance of a popular form of Government. To exercise effectively their first amendment rights, the people must be aware of the various activities of their Government. The Freedom of Information Act was enacted to assist this awareness. The Freedom of Information Source Book provides full background for the public on how to use the FOIA and for the Government on how to comply with it.

Since publication of the Source Book, my subcommittee staff, which has worked diligently for over 6 months on this committee print, has been overwhelmed with requests for copies from various institutions, public defender groups, Government agencies, congressional offices, an ever-growing number of private citizens involved in freedom of information litigation, and libraries throughout the Nation.

Therefore, Mr. President, I am today introducing a resolution to provide that the Freedom of Information Source Book be made a Senate document.

The resolution reads as follows:

Senate Resolution 314

Resolved, That the committee print of the Committee on the Judiciary entitled "Freedom of Information Act Source Book: Legislative Materials, Cases, Articles" be printed as a Senate document; and that there be printed for the use of that committee 1,300 additional copies of such document.

SENATE RESOLUTION 315—SUBMISSION OF A RESOLUTION TO REFER S. 3442 TO THE U.S. COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. GURNEY submitted the following resolution:

Senate Resolution 315

Resolved, That the bill (S. 3442) entitled "A bill for the relief of Paul M. Burkett and his wife, Ruth A. Burkett", now pending in the Senate, together with all accompanying papers, is hereby referred to the chief commissioner of the United States Court of Claims. The chief commissioner shall proceed with the same in accordance with the provisions of section 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable against the United States or a gratuity and the amount, if any, legally or equitably due from the United States to the claimant.

SENATE RESOLUTION 316—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES FROM THE CONTINGENT FUND—(S. REPT. NO. 93-827)

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution:

Senate Resolution 316

Resolved, That the Committee on Rules and Administration is authorized to expend, from the contingent fund of the Senate, not to exceed $153,000, to improve through the use of computers the payroll, personnel, and voucher system of the Senate. Expenses of the committee under this resolution shall be paid upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 317—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION—(S. REPT. NO. 93-825)

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution:

Senate Resolution 317

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, during the Ninety-third Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

SENATE RESOLUTION 318—ORIGINAL RESOLUTION REPORTED AUTHORIZING PRINTING OF A SENATE DOCUMENT—(S. REPT. NO. 93-826)

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution:

Senate Resolution 318

Resolved, That a revised edition of Senate Document Numbered 92-80, entitled "Election Law Guidebook", be printed as a Senate document, and that there be printed one thousand additional copies of such document for the use of the Committee on Rules and Administration.

SENATE RESOLUTION 319—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO MARGARET A. ROBERTS

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution:

Senate Resolution 319

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Margaret A. Roberts, widow of Hubert C. Roberts, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 320—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO KATHERINE F. WOODWARD

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution:

SENATE RESOLUTION 320

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Katherine F. Woodward, widow of David H. Woodward, Junior, an employee of the Senate at the time of his death, a sum equal to two months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 321—SUBMISSION OF A RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

(Referred to the Committee on Rules and Administration.)

Mr. McCLELLAN submitted the following resolution:

SENATE RESOLUTION 321

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-third Congress $75,000, in addition to the amount and for the same purposes specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

ANNOUNCEMENT OF PROCUREMENT SUBCOMMITTEE MARKUP OF S. 3311

Mr. ROTH. Mr. President, at the request of the chairman of the Ad Hoc Subcommittee on Federal Procurement of the Government Operations Committee, Mr. CHILES, I would like to announce that the subcommittee will hold an open markup session on May 13, 1974, to consider S. 3311, a bill to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000.

This bill was introduced on April 4 on behalf of all the Procurement Subcommittee members, Senators CHILES, NUNN, HUDDLESTON, BROCK, and myself.

In the meantime, the administration has come forward on April 15 to request similar legislation. In view of the unanimous support for this legislation, which the General Accounting Office estimated could save the U.S. taxpayer at least $30 million through the elimination of needless redtape and nonproductive effort in the acquisition of goods and services by the Federal Government, we would like to move promptly.

Mr. President, this legislation is a continuing effort to correct the procurement ills that plague over $60 billion worth of annual purchases.

The subcommittee would like to invite comments from all interested parties who have not yet taken the opportunity to express themselves on S. 3311. These comments should be addressed to the Ad Hoc Subcommittee on Federal Procurement, room A701, Old Immigration Building, 119 D Street, NE., Washington, D.C. 20510.

The markup session will be held in room 3302, Dirksen Senate Office Building, 10 a.m.

NOTICE OF HEARINGS BEFORE INDIAN AFFAIRS SUBCOMMITTEE

Mr. JACKSON. Mr. President, I wish to inform the Members of the Senate that the Subcommittee on Indian Affairs has scheduled a hearing on May 14 to consider the following legislation:

S. 521—To declare that certain lands of the United States is held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma.

S. 2818—To declare that certain federally owned land is held by the United States in trust for the Kiowa-Comanche-Apache Indian Tribes of Oklahoma.

S. 2888—To convey certain lands of the United States to the Inter-Tribal Council, Inc., Miami, Okla.

S. 3358—To authorize the conveyance of certain lands to the United States in trust for the Absentee Shawnee Tribe of Indians in Oklahoma.

S. 3359—To authorize the conveyance of certain lands to the United States in trust for the Citizen Band of Potawatomi Indians of Oklahoma.

The hearing will commence at 9 a.m. in room 3110 of the Dirksen Senate Office Building and is open to the public.

ADDITIONAL STATEMENTS

VICE PRESIDENT HONORED BY UNIVERSITY OF MICHIGAN

Mr. GRIFFIN. Mr. President, last Saturday, Vice President GERALD R. FORD delivered the commencement address and received an honorary doctor of law degree from his alma mater, the University of Michigan.

I ask that the text of his address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY VICE PRESIDENT GERALD R. FORD

When I was an undergraduate a popular young novelist named Thomas Wolfe wrote a book called "You Can't Go Home Again." His title stated a cruel rule of life; in general, you cannot return to the scenes of your younger days and recapture the happiness that memory has stored away while erasing the bad moments.

But there are two places I always feel at home. One is the House of Representatives, where I served 25 years before becoming our country's first "instant Vice President" last December 6th.

The other place where I will always feel I belong is this beautiful and hospitable campus. Here I spent four memorable years that made possible the next forty—well, it is really only 39.

And for the benefit of those who have been wondering, since I became Vice President, whether or not I am able to make the right decisions—I say with pride that I turned down chances to go to Harvard . . . and to Michigan State.

Thanks to Harry Kipke, I had a job here at Michigan and for my meals I waited on tables at the University hospital. I remember I budgeted myself $2 per week for entertainment and spending money. But since I did part of my hashing in the student nurses' cafeteria, I never felt shortchanged on the social side.

Undergraduates weren't allowed to have cars then, so we never had to worry about getting enough gasoline. There wasn't any television, so if you wanted to see a football game you had to go to it by foot, bus or train. It has gotten around that I played a little football here—and I did wear my helmet—but I have skillfully managed to conceal that I studied economics. There have always been too many amateur economists in Washington.

I have been trying to remember my own commencement. For the life of me I can't remember who the speaker was or what he said. I am probably doing some fine American a disservice and I expect the same treatment 39 years from today.

Let me start with a quotation from one of the great world leaders of this century whose words have been read by millions.

"Democracy is correlative with centralism and freedom with discipline. They are the two opposites of a single entity, contradictory as well as united, and we should not one-sidedly emphasize one to the denial of the other.

"Within the ranks of the people, we cannot do without freedom, nor can we do without discipline; we cannot do without democracy, nor can we do without centralism."

This is one of the thoughts of Chairman Mao, taken from this little red book which I was given two summers ago during my trip to the People's Republic of China with the late Hale Boggs, Majority Leader of the House. This was one of the most fascinating experiences of my life.

I do not suggest I have been converted by the thoughts of Chairman Mao. Words like democracy and freedom have different meanings in China and in America. As Americans, we found the People's Republic of China rather short on both democracy and freedom and long on discipline and centralism.

Chairman Mao's definition of discipline for the Chinese Communist Party, for example, is stated very explicitly:

1. The individual is subordinate to the organization.
2. The minority is subordinate to the majority.
3. The lower level is subordinate to the higher level, and
4. The enire Membership is subordinate to the Central Committee.

However hard that would be for Americans of any political party to swallow, I imagine Chinese who have grown up since Chairman Mao's revolution would find the definitions of freedom in our Bill of Rights equally alarming.

When I was in my junior year here, Chairman Mao was leading the famous "Long March" of his comrades to the interior of affairs in the 1930's, we were almost oblivious to them, believing that the Western-style democracy of Dr. Sun Yat Set was bringing China out of her long isolation and division.

I thought of this while spending almost a whole night in animated conversation with Premier Chou En Lai, a veteran of the Long March and as gracious a host as he is a tough debater. Probably the Premier thought of Congressman Boggs and me as mere boys, for he and Chairman Mao have been around a long time.

But almost the only Chinese we saw who were older than ourselves were China's top echelon of leaders. The overwhelming impression one brings away from a visit to the People's Republic is that it is a country of young people. Perhaps most of my generation of Chinese perished in the long war with Japan and the Revolution that followed—I do not know, but we seldom saw them. We did see and talk to literally hundreds of dedicated and disciplined young men and women who grew up after World War II and who live by the Thoughts of Chairman Mao.

Whenever we went, to rural commune or factory or school, we were struck by the intensity of their motivation toward the common goals set for them by their leaders.

The desire of today's Chinese to reform their society through their own resources and by their own hard work, and their apparently total belief in and devotion to their system of government, is both tremendously impressive and a little frightening to Americans.

This was particularly true among students, although we saw only one university, and it was almost deserted. During the so-called Great Cultural Revolution, Chairman Mao decided that university students were getting too big for their britches, too far removed from the reality of the workers' and peasants' hard struggle for subsistence.

So Chairman Mao, without waiting for any act of Congress or court order or national election, simply closed up all the universities and sent the students, professors, administrators and all back to the farms and the factories and the army—the lucky ones got the army—for three or four years to learn about life as it really is.

Only now are the institutions of higher learning being reorganized, with the new students admitted on the basis of correct ideology and party recommendations rather than the ancient Chinese system of scholarly examinations—the direct ancestors of College Boards and probably no worse.

Some of the former students and faculty who have been reinstated and restored to grace told us enthusiastically that getting their hands dirty and feet muddy was a great experience, better equipping them to obey Chairman Mao's command to "Serve the People." I confess I found it difficult to disbelieve them, although it will take a generation to assess what deep damage this strong medicine may have done to China's scientific and educational development.

Weighing all that I saw and learned in those weeks, I returned to my own country with renewed faith in our unique emphasis on individuality and freedom. We are a new nation by Chinese reckoning even as we near our Bicentennial, and our civilization is an amalgam of many older ones, most of them young compared to China's.

Yet we can learn from Chairman Mao's precept—and indeed the Romans were struggling with it when the Great Wall of China was built—that freedom and discipline are the contradictory opposites of a single entity—neither of which should be overemphasized—both of which are essential in any society.

From the earliest records of organized communities to tomorrow's newspaper or television talk show, human beings have made a continuous effort to find the perfect mix of these elements—discipline and dedication on the one hand; individuality and freedom on the other.

The search for proper proportion goes on not only in government but in organized groups of all sizes, in the family, and in our individual lives.

Among the ancient Greeks, the Athenians were long on freedom and the Spartans on discipline; the Spartans won the wars but the Athenians still capture our minds. Roman legions conquered their world with discipline, dedication and iron swords while the free and lawless mobs of Rome carried the Republic first to chaos, then into dictatorship.

Thereafter, the Roman world was a model of law and order but bereft of creativity and fatal for free thinkers. The Renaissance world was almost the reverse.

Whenever a society goes too far in one direction or another it is in trouble; too much discipline begets despotism, even the best of which corrodes the human spirit. Too much individuality and freedom brings disorder and anarchy in which no man can live in safety, let alone create for the common good.

You have seen these contradictory forces clash in your own lives. Youth cries for individuality and freedom; parents and preachers and professors—yes, and most politicians too—come down hard for discipline and dedication.

It is no accident that the several fields of academic inquiry are formally called "disciplines." On the other hand,, now that you have each received a degree for mastering your particular discipline, you rightly feel you have earned a greater measure of freedom. But remember Chairman Mao: "We should not one sidedly emphasize one to the denial of the other.—We cannot do without freedom, nor can we do without discipline."

Without a continuous readjustment of the delicate balance between discipline and freedom, between dedication and individuality, you cannot have either a happy life or a good society.

Perhaps you are wondering . . . what is he doing talking to us like a philosopher, when he is a politician. Well, so is Chairman Mao a politician, even though he is a Communist and I certainly am not. But what are politicians for, except to seek in government that same elusive balance between freedom and discipline we have both recommended to you?

I strongly belive that our Constitution and the traditions and institutions that have grown up under it are much better able to maintain this balance than those of the People's Republic.

But I also believe that America can use a little extra measure of discipline and dedication today—not to any individual or political party—but to the enduring ideals of our country which Abraham Lincoln called "the last best hope of earth."

Those ideals cannot be perfectly articulated—certainly never better than Lincoln did—yet they add up to faith in the American people and the Constitutional conscience of the nation.

I would insult your intelligence and the vote which is not yours under that Constitution—which I never had as a Michigan student—if I remained silent on the political torment which our country is undergoing today with its center in Washington. I would insult you also if I gave you a purely political speech. My views have been pretty well broadcast.

So I will close with these general observations:

I am proud to be a citizen of a country which can openly debate the legal and moral fitness of its highest government leaders without riot or revolution, without reprisals or repression, and within a Constitutional system so strong and secure that its position in the community of nations is undiminished.

I believe that truth is the glue that holds government together and that to the extent that truth, the whole truth and nothing but the truth becomes known, the sooner this tragic chapter in our history can be closed.

I have every confidence in the ultimate wisdom and justice of the American people, even though that elusive thing called "public opinion" may fall into short-range errors. I cannot understand how anyone can criticize the President for "taking his case to the people" unless what the critic really wants is to negate the verdict of the people.

I cannot imagine any other country in the world where the opposition would seek, and the chief executive would allow, the dissemination of his most private and personal conversations with his staff which, to be honest, do not exactly confer sainthood on anyone concerned. Certainly Chairman Mao is never going to do this.

When all is said and done—and the sooner the better—I firmly hope and fervently pray that our country will be stronger and wiser for its present ordeal. Throughout our nearly 200 years as a nation we have emerged from every adversity a bigger and better people. In my own lifetime, and indeed in yours, Americans have made giant strides toward equality among ourselves and peaceful relations with all others, toward a greater sharing of our material abundance and a greater awareness of our spiritual want.

Another well-known writer of my student years, John Steinbeck, said movingly in "The Grapes of Wrath":

"Unlike any other thing in the Universe, Man grows beyond his work, walks up the stairs of his concepts, emerges ahead of his accomplishments."

This is what the University of Michigan tries to prepare us for. I trust it will be true for each of you as you start that joyous journey of work, concepts and accomplishment.

God bless you all.

FOREIGN AID

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record a press release issued by the Senator from Arkansas (Mr. Fulbright) together with copy of letter that Senator Fulbright sent to the Department of Defense and the Department's explanation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Concerning $490 Million in Hidden Foreign Aid

Senator J. W. Fulbright charged today that the Nixon Administration is hiding $490 million in additional foreign military aid in the Pentagon budget. He said that a Defense Department budget item of $490 million labeled "War Reserve Materials" is in reality foreign military aid since it is not for United States use but is destined for use by foreign forces. However, the money is not included in President Nixon's $3.5 billion foreign military aid program.

Information furnished to Senator Fulbright by the Defense Department states that the money is to be used for "acquisition storage and maintenance" of war equipment and munitions for "Vietnam, Thailand, and Korean forces." The Department's explanation said that the materials were to be "stockpiled and earmarked specifically for use by the ROK, RVN, or Thailand forces."

In a letter to Secretary of Defense Schlesinger, Senator Fulbright asked for a full explanation of the request and questioned the legality of buying supplies for ultimate use by foreign forces with funds other than those provided by Congress specifically for foreign aid purposes.

Senator Fulbright, in commenting on the matter, said: "This hidden item *is typical* of the way the Executive branch tries to get around Congressional cuts in foreign aid. Congress turns off or cuts down the flow from one foreign aid spigot and they open up another one somewhere. This appears to be a deliberate attempt to circumvent the Congress which over the last several years has cut back on the military aid program.

"The President has asked Congress to approve a $3.5 billion military aid program, $1.8 billion of which is for these three countries. This secret item, if approved, would add another half billion dollars to that. The fact that this vast amount could be hidden away in the $86 billion Defense budget shows how much fat there is in it. I will do everything I can to eliminate this item from the Defense appropriation bill."

Little Rock, Ark.

Hon. James R. Schlesinger,
Secretary of Defense,
Washington, D.C.

Dear Mr. Secretary: I understand that the Department of Defense budget contains $490 million for "War Reserves Materials" described in information obtained by the Committee on Foreign Relations as: "Costs for acquisition, storage and maintenance of war reserve munitions for Vietnam, Thailand, and Korean forces. This constitutes the only ammunition stockpiled and earmarked specifically for use by the ROK, RVN and Thailand forces. Stocks will remain U.S. owned and controlled."

I oppose such a stockpile program for these three countries, particularly if it is to be paid for out of the Defense budget. A total of $1.8 billion in military aid has been requested for Vietnam, Korea and Thailand in the regular military aid program. Any stockpiled material for these countries should be charged against the regular foreign military aid program, not the Defense budget. It appears to me that this proposal is an attempt to circumvent Congress' actions in recent years to reduce foreign aid and in anticipation of further cuts this year.

I would appreciate your providing me with a detailed report on this proposal, the size and composition of any existing stockpile of this nature, the statutory authority being relied upon for stockpiling materials for foreign military forces and for possible release of materials from such a stockpile to foreign forces.

Sincerely yours,

J. W. FULBRIGHT.

EXPLANATION FROM THE DEFENSE DEPARTMENT

The requested appropriation for War Reserve Materials (WRM) is made up of two categories as indicated and defined below:

WRM—SUPPORT OF ALLIES (EQUIPMENT)

Costs for acquisition, storage and maintenance of war reserve equipment and secondary items for Vietnam, Thailand, and Korean Forces. This constitutes the only equipment stockpiled and earmarked specifically for use by the ROK, RVN, or Thailand forces. Stocks will remain U.S. owned and controlled.

WRM—SUPPORT OF ALLIES (AMMUNITION)

Costs for acquisition, storage and maintenance of war reserve munitions for Vietnam, Thailand, and Korean forces. This constitutes the only ammunition stockpiled and earmarked specifically for use by the ROK, RVN and Thailand forces. Stock will remain U.S. owned and controlled.

1. Please provide complete details and an itemization of concerning the budget category "Support For Other Nations."

The budget activity "Support of Other Nations" is defined on page 68 of the Budget for the fiscal year 1975 as follows:

"Support of Other Nations—This program includes direct support by the Defense Defense Department for the Armed Forces of South Vietnam within the limits permitted by the Paris Agreement. Also included are the military personnel costs of military assistance missions and advisory groups around the world, the U.S. share of cost of international military headquarters and NATO common logistics. For 1975, $2.2 billion in total obligation authority is recommended for this program."

The FY 1975 Department of Defense appropriation request of $2.2 billion for Support of Other Nations is comprised of the following:

	Millions of dollars
MASF—Vietnam	1,450
International Military Headquarters & Agencies	111
NATO Infrastructure	73
MAAGs, Missions, and Military Assistance Groups	63
F-5E International Fighter Aircraft	8
War Reserve Materials	490
Total	2,195

Excludes MAP of $1,279 million.

SENATOR SAM ERVIN

Mr. HRUSKA. Mr. President, I think all of the Members of this body have had occasion recently to take note of the fact that several of our colleagues have announced their intention to retire in January. In each instance we shall miss their comradeship greatly.

I would like to take this opportunity to pay special tribute to one of them. I think of him as one of the powerhouses in the Senate, a first-rate American and a very dear, valued friend. I refer to the distinguished senior Senator from North Carolina, Senator SAM ERVIN.

SAM ERVIN and I never permitted that wide aisle that sometimes separates Republicans from Democrats to hinder our ability to work together on legislation that we believed to be for the good of the country. Through our committee assignments we have had an opportunity to work closely in areas that greatly interest both of us. A relationship of respect, admiration, and kinship has grown stronger over the years.

SAM ERVIN and I are lawyers and deeply proud of that profession. We serve on the Senate Judiciary Committee. Over the years, this committee has been the scene of some pretty tough battles. There have been many times when we have been on the same side of the fence and won the support of our colleagues for passage of far-reaching legislation. There have been other times when our disagreements have signaled the wide disparity of views that can occur on any one issue. There was never a time, however, when I did not truly admire and respect this distinguished gentleman from North Carolina.

It has been said by many that SAM ERVIN is the Senate's constitutional expert. SAM ERVIN knows the Constitution as if if it were a part of him. His career as a North Carolina lawyer, legislator, and judge gave him the ability to not only know what that document says but the wisdom and courage to interpret it whatever his conscience or his duties demanded such. To him, the Constitution is a living document.

Certainly, SAM ERVIN is one of the most colorful Members to sit among our ranks. His homespun humor brings warmth and understanding to the sometimes cold business of legislating. His sharp wit helps focus attention on the issues at hand. His persistence, his perception and sheer ability have made him a recognized leader in the Senate. When SAM ERVIN speaks, America listens. When he debates on the Senate floor, all Senators pay attention.

Mr. President, I do not want anyone to get the impression that I am saying goodbye to SAM ERVIN. We have a full schedule of legislative work ahead of us before next January. I know there is much that he wishes to accomplish in the coming months. I intend to be working with him on some of these items.

I just wanted to use this forum, one which I know means a great deal to him, to say how much I have been honored to know and work with him.

INFLATION

Mr. TALMADGE. Mr. President, there has been brought to my attention an excellent address on our Nation's inflation delivered by Sidney Homer, a limited partner of Salomon Brothers, of New York.

This is certainly one of the most thought provoking speeches I have ever read on the economic woes which presently plague our Nation. Mr. Homer makes some very telling points, and I bring his address to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INFLATION AND INTEREST RATES IN THE 1970's

Seven decades or so ago a famous Austrian economist, von Bohm-Bawerk, propounded a theory which is sure to sound quaint and dated today. He declared that the rate of interest in any nation mirrors the cultural level of that nation. He said, "The higher are a people's intelligence and moral strength, the lower will be the prevailing rates of interest."

Those were the days when prevailing rates of interest on prime credits were extraordinarily low, say 2% to 3½% at long-term in most advanced nations. Von Bohm-Bawerk was, no doubt, praising the cultural and moral standards of the society in which he lived. It was an age of complacency. Few of us today would accept his over-simple correlation, but alas there seems to be a germ of truth in it.

THE POLITICS OF INFLATION

The very high interest rates which prevail today in virtually all great industrial nations are in large part a result of the high rates of inflation which also prevail. Peacetime inflation in its turn is a result of a weakening of what von Bohm-Bawerk would have called the moral strength and economic intelligence of our democracies—a weakening of that grim political determination to maintain the international value and the domestic purchasing power of one's own currency.

During the postwar era the peoples of the chief democracies have been taught to believe that their Governments can provide ever rising standards of living, and at the same time can minimize unemployment. And the people very naturally have everywhere demanded more from their economies than they were willing to pay for. This at least is certainly true today in the United States. The spirit of moderation, of self-denial to achieve a national objective, is lacking. Hence our inflation and hence our high interest rates.

These twin evils are worldwide. They will not be cured by local remedies. It is folly to place the blame on this or that local politician or bureaucrat, although the United States, since it is much the largest economic area, must accept a correspondingly large share of the blame. Either international solutions to inflation will be found or the inflationary boom will continue to spiral through a succession of big ups and small downs until it finally collapses of its own weight.

STABILIZATION THROUGH FISCAL AND MONETARY POLICY

For two decades before 1965 the economy of the United States was fairly well stabilized by the judicious use of monetary and fiscal policy so that, except in wartime, there was little significant inflation. There were, however, a succession of small recessions with moderate unemployment. This stabilization policy was criticized as "stop-go," which indeed it was, because the result was slow growth. Therefore, during the 1960's in the United States and also in many other countries, this policy of "stop-go" stabilization was abandoned in favor of aggressive growth. The risk of inflation was alas deliberately taken.

It is popular today to blame our fiscal officials or to blame our monetary officials for our great inflation, but I believe the roots of the evil now go much deeper—right down to the cultural and moral standards and intelligence of the voters everywhere. Since many leading economists of both parties told us years ago that we should risk inflation as a trade off for growth, we cannot blame politicians of either party for giving in to the popular pressure for big government expenditures, lower taxes, easy money, fatter paychecks and larger profits.

Of course, monetary policy could kill this boom overnight by shutting off the flow of essential credit, but the cost would be depression, unemployment, and bankruptcies. Fiscal policy could do the same if vigorously employed. Political priorities in the United States simply will not permit such policies of effective but damaging restraint. The order of priorities in the United States and elsewhere runs as follows:

1. No avoidable recession or depression.
2. As little inflation as possible provided the anti-inflation measures do not bring any significant economic decline.

Alas, unless defense of the purchasing power of a nation's currency enjoys top priority, ahead of prosperity and full employment that currency will lose value. If our Fed must be a lender of last resort to block tendency towards recession, its power to stop inflation is gone. The same can be said of fiscal policy. To repeat, only if the fight against inflation enjoys top priority can it succeed.

THE INFLATIONARY SPIRAL

By success I mean bring the inflation rate progressively down to the 0–2% areas over time. If this is not done (and it is probably too late to talk about soft landings), then as I have said we can expect the inflation to spiral until it collapses of its own weight. A much happier alternative, of course, would be a protracted policy of gradual restraint that would slowly reduce and finally eliminate the inflation, but this would soon become politically very unpopular and, therefore, could not be sustained long enough.

Years ago a number of economists in the United States and elsewhere suggested that a little inflation is a good thing—we could live they said with a 3% inflation. I don't doubt it provided the inflation rate could be held steady. How do we do that? The rate of inflation is either rising or falling, never stable. In an inflationary era, any rate that is tolerated by our economic managers will soon be exceeded. As soon as we accepted 3% we got 5%. As soon as we tolerated 5% we got 8%. Of course, the line up is not straight; there have been and will be temporary declines in the rate of inflation and there always have been and will be official assurances that the new high rates are temporary. If 7% is tolerated, in a year or two, perhaps it will be 11%, then 20% and so on. At some point common sense or natural cyclical forces will intervene and collapse the boom but the damage will have been done.

SHORTAGES

In its early stages inflation is tolerable and indeed comfortable. Then it becomes a nuisance and a political issue. Then a bit later it brings shortages, then hoarding, then acute shortages, then political battles between economic groups. If you look closely at today's shortages (forgetting the Arabs) you will see that most are not caused by a reduction of supplies or even by a failure of supplies to grow normally, but in most cases by a huge worldwide upsurge in demand far larger than expected by normal forecasts. Nominal incomes over much of the world have spiraled. Most of Europe and America have been living better. The consumer demands in this new age of progress have taken the great leap up. There is lots of money to pay for more than we can produce.

Indeed if it were not for the inflationary worldwide rise in demand for petroleum products, it is doubtful that the Arab embargo and price manipulation could succeed.

FRICTIONS IN THE CREDIT MARKETS

Inflation at a high rate also stimulates huge demands for credit, consumer credit, business credit, government credit and speculative credit. The credit machinery in the United States is under great strain today, but the lender of last resort is providing the needed funds and so far our capital markets are functioning very well indeed, too well in fact.

One way to analyze the reason for the present high rate of inflation in the United States is to ask ourselves why high rates of inflation have never happened there before in peacetime. I have mentioned the rise in popular expectations and the reversal of political priorities. There are, however, other more technical reasons. Heretofore our credit expansion in the United States was always checked by certain frictions which slowed it down in boom times and this contributed to moderating the boom or ending it.

For example, when industrial credit demands rose, interest rates rose and at some point there was disintermediation from mortgage institutions and the housing boom collapsed. This old habit of housing to boom when the rest of the economy was in a slump and to collapse when the rest of the economy was in a boom was very helpful in creating some stability in the economy as a whole and containing the boom-time tendency to inflation. Of course, our friends in the home building business did not enjoy their anti-inflation role. Therefore with the help of friends in Washington they perfected a remarkable series of government housing agencies which pour Federal money into the mortgage market whenever it is needed. As a result this major brake on inflation has been largely removed. Right now housing is finally declining but the timing now is more nearly coinciding with a decline in other demand factors. It came too late.

Similiarly many other segments of our capital markets have sought and achieved a large measure of immunity from a tight money policy. Financially dubious projects, which could not get credit in periods of tight money, have been able to proceed with the aid of governmental guarantees. Again our commercial banks, in periods of tight money, used to be forced to slow down or halt their loan expansion but now with an imposing array of new devices for borrowing reserves they are nearly immune from Fed policy. Therefore in turn they can meet business credit needs of a marginal sort which a few years ago would have been denied credit.

Again, high interest rates by themselves used to make borrowing too expensive for a good number of borrowers and thus acted as a brake on the boom and on the economy, but today a high rate of inflation permits most business to continue to expand on credit. Money on credit indeed is still a bargain to many. Again the Treasury itself used to feel obliged to fund a good part of its debt at long term and this again acted as a brake on private borrowing.

And so it goes: one friction in our great capital markets after another has been eliminated. These traditional brakes on boom and inflation are all but gone. It is the very perfection of our capital markets, their smooth efficiency, which feeds our inflation.

THE CAPITAL SHORTAGE

With this in mind I suggest another approach to the idea of a worldwide capital shortage. It is axiomatic that consumer demands for goods and services around the world have always been infinite if we include in our demand total everything that everybody everywhere would like to have if they could only afford it. On the other hand, effective consumer demands are always a limited quantity, namely, that which consumers can afford. Similarly, capital demands around the world have probably been infinite for a long time if we include every capital project which everybody in every country would like to construct. Again the limiting factor on effective capital demands is the ability to finance them and service the debt. It is just here that our efficient and expanded modern capital markets themselves validate vast new capital demands which in earlier times would never have come to market. The more efficient our capital markets become the larger effective capital demands will be. The inflation, by raising the ability of money economic participants to service debt, guarantees a high level of effective capital demands. An essential cause of much of these high capital demands is not new capital needs but the new efficiency of our capital markets.

THE INTERNATIONAL MONETARY SYSTEM

Finally I should mention one other big brake on earlier booms and inflations which has also been eliminated. I refer to the floating of the United States dollar and the collapse of the Bretton Woods monetary system. I pretend to be no expert in this area and I am glad we have one of my country's real experts here today. My comments on the subject will be limited to pointing out that in the past the old gold standard and to a considerable extent the subsequent dollar-exchange standard did exert discipline on member nations—did frequently put brakes on booms and inflations, did override proud sovereignties and force member governments, including my own, to adopt restrictive economic policies. This is another key reason why we had no large peacetime inflations. The urgent need to maintain the parity and convertibility of one's own currency virtually forebade large spiraling inflations.

This very discipline was the reason why these old international payments systems deserved the name. Alas, I fear that this discipline itself became anathema of a number of officials in Washington and elsewhere. In time they found ways to circumvent the discipline so that our dollar became overvalued and the entire system, based as it was on a reliably stable dollar, collapsed. Now we hear sighs of relief—this negative discipline is gone. We float freely and some are clearly glad of it. But with this old system of defended fixed rates went one of the great traditional brakes inflations.

It will I fear be exceedingly hard, in this dynamic and disorganized world, for my fellow speaker and his fellow experts to devise a new system with effective sanctions which can exert force over sovereign boundaries. And yet a system without effective sanctions may be worse than no system at all. If the day ever comes when worldwide spiralling inflation is no longer acceptable politically, a major step to end it will be the creation of a new effective international monetary system with sanctions: carrots and sticks.

ECONOMIC WARFARE AND THE DIVISION OF LABOR

In the meantime the inflation is producing other of its traditional evil side effects. Free market forces are weakening because vendors more and more control the price of their wares and can multiply it with impunity as the Arabs have done. The Arabs were bold enough to prove it can be done. Others will follow in a form of economic blackmail. An inflationary world devoted to peace and uninterrupted prosperity, is virtually a sitting duck for this reversion to mercantilism. Our worldwide prosperity, domestically and internationally, is based on the division of labor and a large area of relatively free trade. Self-sufficiency has long been forgotten as an economic goal because obviously a high standard of living and economic self-sufficiency cannot go together. And yet the oil embargo and similar forms of economic warfare, if effective, are bound to encourage a worldwide rush for self-sufficiency. And this in turn would generate a great decline in living standards. The spiralling price of gold can be called another example of the rush to self-sufficiency in a backsliding world. Perhaps I have a one track mind, but I blame all of these evils, including the energy scarcity largely on the inflation.

IS THE COUNTRY GOING TO POT?

At this point some of you, I fear, will classify me with that old troglodyte of Galsworthy's "Forsyte Saga," Soames Forsyte, whose opinion of current events in his 19th Century was: "The Country's Going to Pot." This is an over-simplified extrapolation which I am not prepared to accept. Certainly if we assume that the people of the United States can learn no lessons from bitter experience and that the political priorities and economic policies which have led to us to our recent troubles will be continued unchanged over the years ahead, then we can expect worse calamities.

Those who believe in democracy must believe that hard lessons are learned, albeit belatedly. Another year or two of continued spiraling inflation with its side effects will certainly bring more hard lessons similar to or worse than the energy shortage. I must assume that at some point either our political priorities will turn against inflation or natural forces will bring deflation. Either way the inflation will be at least interrupted.

As long as the inflation continues to spiral we can expect high and rising interest rates. They will, of course, fluctuate as will the rate of inflation. They won't rise in a straight line year in and year out. Whenever we witness a recession we can expect temporarily lower interest rates, and perhaps a temporarily lower inflation rate. But fiscal and monetary policies, if recent priorities are unchanged, will quickly act to restimulate the economy and thus lead to higher interest rates again and a higher inflation rate. I will give you one interesting statistic: in the German inflation of 1923 call money on the Berlin Stock Exchange rose to 10,000%. I am sure that such extremes will not be reached with us. Our situation is very different. But we can profit by studying past inflations. Most of these culminated in acute shortages, bankruptcies, political disarray and attacks on democracy.

If my analysis of inflation is correct, we can live with a high rate of inflation temporarily but not indefinitely because of its tendency to spiral and eventually to produce disastrous side effects. Our inflation will end in one of two ways: either by a shift in political priorities leading to a common sense long sustained attack on inflation or by a traditional collapse of the boom. The answer is to be found, not in standard economic analysis, but in analysis of worldwide political and social trends.

CONCLUSION

There is as yet no evidence that the hardships brought on by inflation have altered the generally accepted priorities in the United States which puts inflation fighting in second place. Inflation is still tolerated but its calamitous side effects are only now beginning to appear and it is these side effects which will occupy our attention in the years immediately ahead.

For the better part of a decade now I have repeatedly said in many lectures that there is no acceptable way to live with inflation, that any acceptable level of inflation will be exceeded, that the problem, if not met and solved decisively, is sure to lead to a spiral and disaster.

Our conventional wisdom understates the evil effects of inflation. It often says only that inflation is bad because it penalizes annuitants for the benefit of most of the rest of us. If this were the whole story, we might be content to weep for our annuitant friends just as the walrus in the poem wept for his oyster friends. But my main point in the past and today is that inflation inevitably spirals until it brings with it many painful side effects. Let me list some of them:

1. The traditional penalty I have mentioned on all annuitants and other holders of dollar assets.
2. Skyhigh interest rates.
3. Scarcities.
4. Controls and then rationing.
5. Hoarding by consumers.
6. Withholding of goods and services by producing groups who, because of inflation, have the whip hand.
7. Acute scarcities and quantum price increases.
8. Serious widespread liquidity problems leading to important bankruptcies.
9. Excessive speculation is a substitute tool for useful production.
10. Declines in productivity and production.
11. Efforts at self-sufficiency both internationally and nationally, at great cost.
12. Unemployment.
13. Sharply declining living standards.
14. Internal unrest, strikes against the public interest, power showdowns and defiance of government.
15. The rise of economic nationalism and destructive government financed competition for exports and imports.
16. Successful attacks on Democracy.

I have great confidence that in the United States we will never suffer through the length and breadth of this evil schedule. It is well, however, to look these possibilities in the face before we talk, as many are today, about how to live with inflation.

ALABAMA LEADS NATION IN RURAL DEVELOPMENT

Mr. ALLEN. Mr. President, Alabama, which has lead the Nation for many years in rural development, is now reaping the many benefits of such development.

We have successfully made the laborious agricultural transition from a one-crop economy to that of a diversified agriculture with beef cattle and broilers heading the new list of food and fiber enterprises.

We have largely stemmed the wholesale migration of thousands of our people to distant northern cities in search of employment. The Southeast has set the national pace in balanced growth. And Alabama has set the pace for the Southeast.

A major goal has been to create non-farm job opportunities for our people so that they would not have to pull up their roots and leave the State. Hundreds of laboratories, offices, and industrial plants now dot Alabama's town's and countryside. This is our best testimonial to a successful effort.

Jobs, payrolls, and economic activity and vitality are the primary outgrowth of this progress. But the people benefits count even more. Alabama is more prosperous because of it. Family income is up. Living standards have escalated. Taxes are more equitably shared. Public facilities and services are better. Our State is stronger. And our average quality of life is vastly improved.

Over and above these self-evident benefits of rural development there is a deeper value—one that means more to the preservation and enhancement of the greatest system of government in the history of the world. I speak of self-government—our enviable system of self-determination—a system which has brought Americans undreamed-of levels of attainment—but a system that is often subjected to erosion. Rural development in this State has strengthened this system, because the people—local people—in a bootstrap operation—have brought it about—have shaped the course of their destiny. And this is as it should be.

Rural development is an outgrowth of the industrial and agricultural revolutions. It is the end result of changes in national goals and attitudes. The transportation and communications revolutions contributed to it. But more significantly, it is a characteristic of our maturing civilization—a product of the evolution that has taken place in our cultural and social aspirations.

These are patterns that led to passage by Congress of landmark legislation known as "The Rural Development Act of 1972."

Events leading up to passage of this legislation included the depletion of many rural and smalltown areas of both human and financial resources. On the other side of the ledger was a pileup of humanity and job-producing enterprises in cities—cities that spawned into megalopolises.

Currently we have passed the threshold of a reversal of this process. We have entered an era of rebuilding rural America—an era that means better things for the residents of villages and the open countryside.

This change in directions came about this way:

Twenty-eight million U.S. farm people, not needed in agriculture have left the farm since World War II. The urbanward migration of farm and other rural people in search of employment reached alarming proportions. It drained many areas of financial and human resources. Alabama had an outmigration of better than 100 people a day—7 days a week—52 weeks a year for the 10-year period ending in 1960. One person in eight, a total of 368,000, left the State during those years. This figure was reduced to 233,000 people between 1960 and 1970. And the rate of outmigration has been curtailed since that time. But it is still too high.

Meanwhile, cities grew until many of them today are bursting at the seams; 74 percent of the Nation's population live on less that 2 percent of the land. This sort of people-concentration leads to congestion, crime, pollution, and frustration in civic and economic management.

Experts predict that the U.S. population will grow another 50 to 75 million people by 2000 A.D. Will these people place their roots in large cities already over populated by 156 million Americans?

Countryside communities withered. Some became ghost towns. Doctors' offices were often closed. Business and recreational facilities were boarded up. Necessary services suffered. And the tax load fell on fewer people, hitting farmers and other property owners especially hard.

During this period, Alabama's farm population skidded from just under a million people—960,000—in 1950 to 519,000 in 1960 and down to 216,000 by 1970.

Yet these 200,000-plus farm people today produce far more than the 1 million that populated the State 24 years ago.

What happened to Alabama people as a result of this process?

Family and community ties were split asunder. Many were forced to move to an environment entirely foreign to their heritage. Alabama not only lost the people, but lost the wealth that they took with them through inheritance and otherwise.

Here is why this was not good from a people standpoint.

The family is the hub of civilization. And this outmigration weakened and pulled families apart. In part, it contributed to a nation that is somewhat rootless.

Next to the family, community institutions make the greatest contribution to the well-being of Americans. The community is where people acquire many of their basic philosophies, codes, and behavior patterns. It is there that involvement in self-government is most meaningful. It is there that human relationships—a necessary ingredient in satisfactory living—develop easiest.

And it is in the community that the characteristics of our culture and civilization—born in the family—are incubated best—where the elements of quality in daily life touch us more intimately.

Little wonder Alabama people are using rural development as a way to improve their communities and to keep their families close by.

Rural development makes possible better schools, more and better hospitals and other health services, business conveniences and efficiencies, plus cultural, social, and recreational programs, facilities and services otherwise difficult to attain.

Rural development builds the economic, tax, and people bases needed for vitality in the endeavors of mankind.

Rural development combines human and natural resources, the aspirations of man, and the capacity of the private sector to meet those aspirations. The aim of rural development is to create a better place to live and work.

Here is an example of an Alabama community that has done a good job of fashioning its own destiny.

Livingston, in Sumter County, had been going downhill for 20 years—losing people annually. By the mid-1960's it was thin and gaunt. Jobs were lacking—living conditions were poor—streets, many unpaved, were pitted with potholes. Potential employers took one look and kept going. Insurance companies threatened to cancel fire policies due to undependable water mains.

A crushing blow came in 1965 when the State condemned the tottering town's water system and ordered it to stop dumping its raw sewage into the Sucarnoochee River.

Now it was sink or swim. The town decided to swim. Joining hands with city fathers, the Sumter County Rural Development Committee, quarterbacked a community movement that lead to the development of a master plan. And from that plan, work groups set out to give Livingston a new destiny.

An industrial board worked on developing new jobs. Today five industries are located in the industrial park it created. These industries employ more than 1,000 persons—have a $10 million investment. And negotiations are underway for more industry which will perhaps employ another 300 persons.

A local development company was formed to handle special problems accompanying economic development, including financial matters.

Talk about results. The town placed second in the 1973 competition as an all-American city.

Progress came slowly. It took time for Livingston to reserve its long outmigration of native sons. But by 1968 it had gained people—800 people—and the current population is over 2,500.

One hundred and twenty-five new homes and 180 apartments have been built. And more are going up. In the 7 years since Livingston hit the comeback trail, 30 new businesses have been established. A new $100,000 city hall was completed 2 years ago. The Livingston housing authorities completed a 60-unit low-rent housing project recently. And a second such project perhaps containing as many as 80 units, is on the drawing board. Remember, it was only a few short years ago—1965—that over half of Livingston's housing was substandard. Today, the figure is 10 percent. Underway is an $870,000 addition to Sumter Memorial Hospital. It will be completed in August.

Other projects include extension of the town's water system to smaller communities in the county.

One key to this progress is people involvement, quarterbacked by responsible elected officials.

There are many "Livingston's" in Alabama. The people of this State are continuing to build for themselves an enviable place in the sun.

Nearly every Alabama county, if not every county, has a rural development committee. These counties know that development does not "just happen." Development must be solicited, fostered, cultivated, and created. And they know that development must be planned and guided if undesirable results are to be avoided and if it is to be used so as to bring the greatest possible benefit to local residents—job benefits—esthetic benefits, environmental benefits, and other practical benefits.

Rural development committees in this State may take a well-deserved bow for stimulating, coordinating, and guiding the progress we have made.

But there are many other groups that have contributed bountifully. The chamber of commerce is but one of them.

This is self-determination at its best.

Here is a picture of the 1973–74 projects underway as a result of the work of county rural development committees and others:

Categories	Number counties	Number of projects
Solid waste systems	44	46
Forestry and agriculture	27	45
Tourism and recreation	25	28
Community facilities and services	22	24
Water systems	21	21
Housing	17	17
Human resource development	16	17
Planning land use environment and conservation	16	21
Miscellaneous	8	11
Highways and roads	5	6
Health related projects	5	5
Education	5	7

Governor Wallace has been a strong heartbeat in rural development. He is recognized nationally as one who has contributed bountifully to the development of this State's rural areas and villages. No other Governor has used Federal revenue sharing funds to enhance rural development to a better degree than Governor Wallace. Many communities, unable to develop without community sewer and water systems, but unable to swing loans for such systems, have received grants from Federal revenue sharing funds, administered by Governor Wallace.

Both Auburn University and Tuskegee Institute have played a prominent part in the progress Alabama has made.

And we will all have to admit that some of this progress has been made possible, because of help received from funded programs resulting from passage of the Rural Development Act of 1972. As a member of the Senate Committee on Agriculture and Forestry, the committee that put this act together and got it passed, I am particularly proud of what it is doing and can do for Alabama.

Loans and technical assistance authorized by the act have been used. Research set in motion by the act has been helpful. We are using and coordinating the rural development capacity of all areas of the Federal Establishment. USDA has an Assistant Secretary for Rural Development, Will Erwin, and he has been in this State several times.

Direct loans, authorized by the act, are available from Farmers Home Administration for almost any community facility needed for development. And we have used these freely. These include loans for water and sewer systems, access highways, industrial parks, housing, et cetera. This money comes from a revolving fund—not from the taxpayer. And these loans are only made in case credit is not available elsewhere.

One of the primary aims of rural development is help the private sector develop rural areas. One technique authorized by the act that will be increasingly used is loan guarantees. USDA was authorized to guarantee developmental loans made by private lenders, up to 90 percent of any loss by the lender. And I am most enthusiastic about this approach to helping people help themselves. There is great potential, under today's conditions, for profitable investment in rural areas. And this program, funded for the first time last October, is getting off the ground in good shape.

Sewer, water, and other community facility loans have escalated from $198 million in fiscal 1969 to $424 million in fiscal 1973 and an expected $520 million in fiscal 1974. Rural housing loans jumped from $507 to $1,858 million during the same period and is funded at above the $2 billion mark this year. And the same period found REA electric loan funds escalating from $329 to $618 million and FHA loans to farmers mushrooming from $677 to $1,432 million. Now that REA can guarantee repayment of loans made by private lenders, it expects to loan and guarantee repayment of over $2 billion for electric and telephone purposes during fiscal year 1974.

Cumulatively, these helps become impressive. Take the Farmers Home Administration. It makes rural development loans to individuals and groups provided they cannot get credit elsewhere. As of January 10, 1974, it had these loans outstanding in Alabama:

	Number of loans	Amount
Farm loans (mostly ownership and operating loans)	7,764	$60,021,000
Rural housing loans (mostly individual housing)	27,181	260,462,000
Community facilities (mostly sewer and water systems)	267	37,529,000

In addition to these loans, we have had help from EPA, the Small Business Administration, HUD, and other Federal agencies.

Of course, this sounds all well and good. But we have a long ways to go. Take community sewer and water systems. A 1969 FHA survey indicated that Alabama had 326 communities without, but needing, a central water system and 205 needing a central sewer system. Additionally, the survey indicated 194 of the State's communities with central water systems needed to improve or expand those systems. And that 68 existing sewer systems needed improving or expanding.

Indications are that the turnaround that got underway in Alabama several years ago is becoming a national growth pattern.

The mass migration of rural people to urban centers in search of employment is slowing. Rural job opportunities, especially in manufacturing, are increasing faster than urban job opportunities. Business leaders are increasingly expanding their countryside installations of plants, offices, laboratories, and distributing facilities. Urban areas are expanding their efforts to limit further growth. Surveys show that country living is preferred by twice as many people as currently live there. And farmers and other rural people have found that family scattering because of a dearth of local jobs, is something that they would like to prevent wherever possible.

One top priority of rural development is a prosperous agriculture. We have made good progress in this area. Realized net farm income in 1973 was around $26 billion—up from $14.9 billion in 1963. More important, we have created policies and international relationships which have made it possible for U.S. farmers to take advantage of their comparative production efficiency by expanding exports and thereby contribution to our total national well-being, including the pursuit of peace.

I am hesitant to give the rural development movement equal importance to the preservation and enhancement of the family-type farm. But next to the family-type farm objective, one can make a strong case for helping people build better their small towns and rural countryside. The future of self-government and the evolution of quality in American life are tied to it. There is one element of major urgency that I would like to again mention. Countryside development should be guided. Experience has taught us that haphazard, topsy-like development often creates unsatisfactory problems that are irreversible. My point: Country people stand challenged to prevent this type of development from detracting from the potential benefits of such development.

In short, the degree to which rural development makes its contribution to quality living depends upon the determination of rural people to mold the destiny of their surroundings.

Not only does Alabama come first in the alphabetical listing of the 50 States—it comes first in many tangible ways. One of them is rural development. You—all of us—may be proud of our State and our heritage, glad for our accomplishments, humble about our leadership, and full of faith in our great future. We have a brand of Americans—the natural resources—the transportation advantages—the political leadership—the traditions, experiences, and patterns to take our place among the stars.

This type of leadership was recognized by USDA when it awarded last year to the Alabama—USDA Rural Development Council—its Superior Service Award. The citation mentioned:

> For effective leadership in helping rural people of Alabama organize, define local problems, determine priorities and program structures, and carry out a balanced program to improve their quality of living.

And, last but not least, we may take pride in our capacity to produce championship football teams.

ENFORCER AIRCRAFT

Mr. THURMOND. Mr. President, a number of Members of Congress have expressed an interest in a flight test of a privately developed aircraft designed to provide close air support for ground troops.

This aircraft, known as the Enforcer, may or may not have an application for United States or allied forces, but it is the view of many that such application cannot be determined without a flight test.

Chairman GEORGE MAHON, of the **House Appropriations Defense Subcommittee**, has invited the developer of the Enforcer to testify before the subcommittee this month. Hopefully this testimony will further justify the desirability of a flight test.

An editorial reference the interest in the Enforcer being accorded such a test appeared in the April 29, 1974, issue of the Hartsville Messenger.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ENFORCER AIRCRAFT

WASHINGTON, D.C.—For years the Air Force has enjoyed great influence on Capitol Hill. The Air Forces has accommodated legislators with jet flights and special attention. The Air Force has had the most advanced, or exotic weapons; it has often received the largest slice of the defense budget.

But in recent years Congress has too often been misled. Our best fighter is much slower than the Russian Foxbat. There are questions about the new B–1 bomber. There are strong doubts about the A–10, a so-called close support aircraft built around a new gun, as yet unproved in sustained use. (Hundreds of millions of the taxpayers' money have already been spent on it.)

Congress is beginning to react. Despite all the favors and attention of the Air Force "lobby," the glamor is wearing thin. The best example is the growing concern of many Senators and Congressmen over the Air Force's continued blocking of a flight test of a promising, privately-developed close-support aircraft, which costs only a fourth what the A–10 will cost.

To date, quite a bi-partisan array of Senators and Congressmen have asked Deputy Secretary of Defense William Clements to order a flight test of the Enforcer. The Air Force has managed, thus for, to block action. One reason may be this is the very weapon it should have equipped South Vietnam's Air Force with, and didn't. Some feel the Air Force's failure to Vietnamize the air war is a scandal, a failure to carry out the President's orders.

Senators Strom Thurmond (R–SC), John Tower (R-Tex), Henry Jackson (D-Wash), Thomas McIntyre (D-NH), John Stennis (D-Miss), Sam Nunn (D-Ga), Lawton Chiles (D-Fla), plus Congressmen Bob Sikes (D-Fla), Floyd Spence (R–SC), Bill Young (R-Fla), Charles Bennett (D-Fla), Melvin Price (D-Ill), Bryan Dorn (D-SC), Jim Haley (D–Fla), Edward Hébert (D–La), George Mahon (D-Tex) have all pushed or queried the Defense Department on the Enforcer flight test question.

The Air Force has skillfully blocked every attempt to give the privately-financed aircraft that test. In addition, it has kept top defense officials ignorant of the real cost of the A–10. A year ago an Air Force general told Clements (then new in his job) the Air Force wouldn't buy any A–10's if they cost over $1.5 million. As late as late April Clements still was telling Congress the A–10 would cost $2.5 million! It was common knowledge at that time the cost is likely to be $4 million. (Clements had apparently been misled and misinformed, as had many in Congress).

Now, however, Chairman George Mahon, of the House Appropriations Committee, has moved to have his Defense Subcommittee look into the situation; Congress, at least, is going to get the facts about the Enforcer.

FINANCIAL STATEMENT OF SENATOR J. GLENN BEALL, JR.

Mr. BEALL. Mr. President, in keeping with my usual practice, I am submitting a copy of my financial statement for 1973.

I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the financial statement was ordered to be printed in the RECORD, as follows:

FINANCIAL STATEMENT—SENATOR J. GLENN BEALL, JR.—DECEMBER 31, 1973

ASSETS	
Cash in bank:	
Checking accounts	$8,535.73
Savings accounts	12,201.51
	20,737.24
Stocks and bonds (see list attached, Appendix A)	190,554.53
Life Insurance—cash surrender value	19,909.20
Beall, Garner & Geare, Inc. Retirement Trust (vested interest)	30,816.67
Real estate:	
Beall's Lane, Frostburg, Md	50,000.00
Western Avenue, Chevy Chase, Md	80,000.00
	130,000.00
Personal property	20,000.00
1972 Chrysler 4 door sedan	2,500.00
Total	382,708.88
LIABILITIES	
Note payable, First National Bank and Trust Company of Western Maryland	5,000.00
Due on life insurance	2,744.26
MORTGAGES PAYABLE	
The Fidelity Bank, Frostburg, Maryland (Frostburg house)	14,180.79
Citizens Building and Loan Association (Chevy Chase house)	53,725.61
Total	75,650.66
Net worth	338,911.98
APPENDIX A—STOCKS AND BONDS	
34 Allegheny Power System	$680.00
39 Beall, Garner and Geare, Inc. (Common)	116,248.18
100 Beall, Garner and Geare, Inc. (Pfd.)	26,000.00
Beall, Garner and Geare, Inc. (7% conv. notes)	5,000.00
100 Canadian Export Gas and Oil	312.50
1 Capitol Hill Associates	100.00
163 Cumberland Fair Associates	3,260.00
50 The Fidelity Bank	1,000.00
232 First National Bank and Trust Company of Western Maryland	15,080.00
5 Irving Trust	134.37
17 Kaiser Aluminum and Chemical (common)	337.87
8 Kaiser Aluminum and Chemical (4.3% cum. conv. pfd. 1959)	448.00
170.522 Massachusetts Investors Growth Stock Fund	2,013.86
60 Minnesota Mining and Manufacturing Co	4,680.00
34 Northern Illinois Gas	739.50
34 Tenneco	765.00
30 Exxon	2,823.75
268 United States Fidelity and Guaranty Co	9,681.50
Total	190,554.53
STATEMENT OF INCOME TAXES FOR 1973	
*Gross income	82,195.00
Less adjustment to income	3,000.00
Adjusted gross income	79,195.00
Less:	
Contributions	2,325.00
State and local taxes	7,871.00
Interest paid	5,162.00
Miscellaneous expenses	901.00
Total contributions	16,259.00
Total, income	62,936.00
Exemptions	2,250.00
Taxable income	60,686.00
Federal income tax paid	22,462.00

*Income includes long term capital gain in amount of $6,469.00 from sale of real estate.

MAN OF THE 20TH CENTURY

Mr. HUMPHREY. Mr. President, recently in New York City at a dinner of the National Conference of Christians and Jews, a very distinguished citizen, Mr. Charles H. Silver, was honored by receiving the award known as the "Man of the 20th Century." It was presented to Mr. Silver by His Eminence Terence Cardinal Cooke. It was a fitting and appropriate recognition of the generous and outstanding community service and leadership that has characterized the life of Charles Silver. Few men in our time have done more for their city and community than Charles Silver. He has made great contributions in the field of education and human rights. He has served as a consultant and adviser to several of the mayors of New York City, and he is a personal friend of His Eminence Terence Cardinal Cooke. Likewise, Mr. Charles Silver has done so much to remove the stain of religious intolerance and racial discrimination from the American scene. He is a champion in the cause of human rights.

I have known Mr. Silver as a personal friend, and I was particularly delighted when he was selected to receive the "Man of the 20th Century" award—the most significant honor that can be given by the National Conference of Christians and Jews. I ask unanimous consent that the remarks of Mr. Charles Silver as delivered at the dinner honoring him on April 21, 1974 be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

HONORING MR. CHARLES H. SILVER

The cause for which we have gathered is far greater than the mere giving of an award to someone who has never claimed to be "The Man of the Century."

The purpose of this evening has deeper significance than the high honor you are paying me—and which I shall now try even harder to deserve.

Indeed, rather than be honored—let me honor you, for I am aware of the impressive program and remarkable achievements of the National Conference of Christians and Jews. I respect your admirable record, your constant campaign for human rights, your struggle against the abuse or persecution of any people because of their religious belief.

There is little need to say how deeply moved I am, Your Eminence, by the fact that you—who are so dear to me—have come here personally to present this citation.

Through our constant comradeship—in assuring the success of the Alfred E. Smith Memorial Foundation for more than two decades—I have come to cherish your friendship very deeply. Tonight's ceremony is even more significant because you are here . . . truly a prince of peace and guardian of the brotherhood of man . . . His Eminence Terence Cardinal Cooke.

Let me echo this same heartfelt gratitude to another very close friend and colleague. We work together on the board of Beth Israel Medical Center and for several other good causes.

I know how many demands are made upon your time, Lou, and how few you can accept. I am deeply moved that the celebrated author, orator, artist and eminent attorney—Louis Nizer—has volunteered to serve as our toastmaster.

Let me also express my appreciation to that great soul and distinguished humanitarian, who—as guiding spirit of this great organization saw fit to endorse my name to receive your most coveted award.

To all of your officers and members, I offer proud and humble thanks—and, particularly to your president—David Hyatt.

I cannot find words to convey my appreciation to you, Governor Wilson, for taking time from your busy schedule of tremendous responsibilities to pay me the unforgettable compliment of coming here to serve as our chairman.

We know the heavy obligation of your high office. Your presence is proof again that the man with the biggest task in Albany can easily match the size of his job with the size of his heart.

No man is better equipped to cope with the enormous problems of our great Empire State and, indeed, no man possesses more valuable experience in a top command post than this splendid administrator, this warm and genuine human being—our Governor, Malcolm Wilson.

It means much to me that we are enlisted in a crusade to widen the borders of brotherhood and fellowship—not just as empty words, but as a way of life . . .

Only by such complete dedication can we bring our country—indeed, civilization itself—through such troubled years as we have come to know . . .

Our problems are far from simple.

There is protest in our streets, in our homes, in our schools. Nor is the tide of battle always with us on the remote frontiers of democracy. There is no guarantee of peace in the Middle East—no freedom from oppression or famine in many parts of the world.

The news often becomes worse before it gets better. We are facing the threat of a general moral and ethical breakdown. We are fighting the good fight—but we may suffer some defeats.

To win this war for the minds and souls of men of good will, we can no longer condone racial injustice and acts of violence against minorities in any nation—and certainly not within our own. These make a mockery of the sacred principles on which this conference was founded.

We must prove that we in the United States intend to preserve the liberties we love—to protect a society that will stay forever free, just, and humane—a way of life that rejects poverty, ignorance at home, just as it resists tyranny and slavery anywhere else on the face of the globe.

What hope can we offer to any land if our talk is only from the teeth out—and not from the heart—if we set ourselves up as false prophets of brotherhood while many Americans suffer the insult of second-class citizenship on neglected reservations and in black ghettos?

We weep for the infant bleeding after bombs have fallen in the jungle. We make his tragic plight our problem because we are a decent and conscientious people. But what of our own urban jungles? What of the child neglected in our schools or deprived in his home or despised on our streets because of the color of his skin or the place of his origin? Is this any less a challenge to our conscience?

The quality of interfaith unit—like that of mercy—is not strained. It is not all 'take' and no 'give'—it is not all for one and a lot less for another.

We are either truly and altogether our brothers' keeper—or we are hypocrites—and then we have no business preaching the virtues of a brotherhood to which we do not even belong.

When the blessing of liberty and equality is denied to any human being, we place our own freedom in jeopardy . . . for each of us is alike in the eyes of the Almighty.

Every human being is entitled to share the bright and glorious heritage of an abundant world, a rewarding existence in security and health—a chance to find happiness—to make a living and to make a life.

Unless we—who believe in the democracy of religion—teach it to our children, the disbelievers will thrust us backward to intellectual slavery, economic inequality and racial bigotry.

The constant crisis that piles on crises in each day's headlines—the din of dissension and deceit outside our very door—and, indeed, within it—summons us to pause and to reflect on the old ideals of character, loyalty and public service . . . and communicate them to the young.

It is our job to make young people understand—to make them realize that America will remain the land of the free only so long as it remains the home of the brave.

I marvel at the varied racial strains which contribute to the creation and development of this blessed country. It is like looking at a rainbow and realizing how many colors fuse and blend to fashion its blazing glory.

The brotherhood of worship you are seeking to establish will spread the eternal light of man's love and compassion for his fellow man. It is the flame, the soul, the conscience of humanity . . .

We must keep our fellowship of faith alive and strong, so that liberty can never die. So that America may live as a symbol of hope united in a common bond of loyalty, respecting our fellow men of all races and nations, all peoples and creeds—because we are all the children of God.

Tonight, we meet in testament to the fact that our efforts are joined together to stretch forth the blessings of friendship, compassion and understanding to every living creature on the face of the earth.

The forces opposing us are mighty . . . but we shall conquer. For if ever there was a holy war . . . this is it.

That is why I rejoice in this most valued award which reflects far more credit on you who give—than on me—who receives . . . it is with humble pride and profound gratitude that I thank you for this great honor.

My heart is too full to tell you how much I am moved by your tribute.

Let me close with one more brief word that may echo the truth for which we have organized.

Prejudice and distrust—our ancient enemies—still rule too many men and nations.

The times are unpredictable. Treacherous tides run dangerously high around us. Hate and fear are being stirred by evil men.

But the victory shall be ours, my brother, because I *am* your brother . . . and you are mine: Because—though you worship in your way and I worship in my way—our faith is one and our God is one.

And, someday, we shall look into one another's hearts and find our own reflected there—shining with the same faith in the same creator—and in each other—and in ourselves.

Let us be strong—for we are helping the hands of men to cling together—and the mind of man to come closer to the mind of God.

SENATE PROCEDURE BY DR. FLOYD M. RIDDICK, AN EXHAUSTIVE AND EXTREMELY VALUABLE WORK ON SENATE RULES, PROCEDURE AND PRECEDENTS

Mr. ALLEN. Mr. President, Senators have recently received a copy of Dr. Floyd M. Riddick's great work "Senate Procedure—Precedents and Practices," updated to 1974. This work is a compilation by our distinguished Parliamentarian of the Rules of the Senate, portions of laws affecting Senate procedure, rulings by the Presiding Officer, and established practices of the Senate.

The Nation, the Congress and, in particular, the Senate are indeed fortunate to have Dr. Riddick as Parliamentarian of the Senate. He ranks with John Hatsel, Parliamentarian of the House of Commons in the 18th Century, and with Thomas Jefferson, second Vice President and third President of the United States as one of the greatest of Parliamentarians.

Jefferson's manual quoting Hatsel points out that rules of legislative bodies operate as a check and control on the actions of the majority, and that they are in many instances a shelter and protection to the minority against the attempts of power; and that whether these forms be in all cases the most rational or not, is really not of so great importance. It is much more material that there should be a rule to go by than what that rule is, so that there may be a uniformity of proceeding in business not subject to the caprice of the Presiding Officer or captiousness of the Members.

Senate procedure goes back more than 90 years in assembling Presiding Officers' rulings, and the practices of the Senate that have grown up around the application of the Senate rules in actual Senate procedure.

How valuable it is to a Senator or to the President of the Senate, after reading a Senate Rule, to refer to Senate procedure to see how this rule works in practice or in actual Senate procedure.

Through the specific examples given in the book of how the rules have been applied during the last 90 years we get a pretty clear picture of the Senate as a living, continuing body with references to many Senators and legislative issues now a part of the history of the U.S. Senate.

What a boon this book is to Senators because, strange to say, all of the rules of procedure are not in the Senate rules. Many result in practice from how presiding officers may have construed a rule in the part or how the rule has been applied in similar circumstances long ago.

Without such a book as Senate Procedure, Senators would be without a guide and without precedents or reference to past practices so necessary to orderly and uniform procedure.

Historians studying the U.S. Senate will find this book invaluable to them in learning how the Senate works and what procedures it follows.

Sometimes the Senate must be something of a puzzle or enigma to visitors to the Senate galleries but underneath the seeming confusion, and near chaos the Senate is proceeding as set forth in Senate Procedure.

Every Member of the Senate and everyone who works with the Senate is indebted to Dr. Riddick for his monumental work. Dr. Riddick, we salute you and offer you our sincerest congratulations, and I express my personal appreciation to you and your fine staff of Assistant Parliamentarians.

TOPEKA HEAD START HONORED

Mr. PEARSON. Mr. President, among the many programs originally authorized in the Economic Opportunity Act, Head Start has proven to be one of the most productive. Congress can be proud of the achievements which have been made on behalf of preschool children.

I am personally proud of the Topeka Head Start program which, on May 1, was designated as the outstanding local program in the United States. Operated by the Topeka Board of Education, Head Start serves about 300 low income children each year. These preschoolers receive the "head start" needed to enter school on an equal footing with others from more prosperous backgrounds. Ms. Theresa Counts, director of the program, deserves special commendation for her efforts and for her cooperation with the local school board and the community at large. Because of their combined efforts, Topeka can rightfully say, "we are No. 1."

This award has been given following a special analysis of "high impact programs" by the Office of Child Development in the Department of Health, Education, and Welfare. This effort has examined numerous large programs throughout the country in terms of program design and performance. Among the factors evaluated have been: management effectiveness, impact on children's services in the entire community, and the means by which regional offices can be strengthened in order to stimulate and support improvements in local Head Start grantees. I understand that weekly reports are submitted to Washington for indepth evaluation. This type of review makes the award which has been given to the Topeka agency even more meaningful.

These achievements on the local level also demonstrate the continuing need for adequate Federal funding. Although I am pleased that the Administration's budget for fiscal year 1975 requests a modest increase over previous years, we must continue to question whether this is enough to meet the needs of the large numbers of preschool children.

Mr. President, I want to reiterate my congratulations to the Topeka Head Start program. It has demonstrated that localities can make great strides with the help of Federal funds.

NASA COAL RESEARCH

Mr. MOSS. Mr. President, it has been estimated that in the last 30 years this country alone consumed more minerals than had all preceding generations in history. The problems associated with such a posture have been dramatically brought home to us by the energy crisis. We find our defense posture weakened, our economy threatened, and our way of life being adversely changed. Clearly, we must initiate efforts to correct this situation or our Nation's strength will continue to be eroded. Coal is a good example of the dilemma in which we find ourselves.

It is the Nation's most abundant source of fossil fuels. It has been estimated that we have a several hundred year potential supply at present consumption rates. However, as the director of the Ford Foundation energy policy project said:

> There are two things wrong with coal today—we can't mine it, and we can't burn it.

In recent testimony before the Aeronautical and Space Sciences Committee, Dr. Harrison Schmitt, the Special Assistant to the Administrator of NASA for Energy Research and Development, described the areas in which the National Aeronautics and Space Administration was preparing to contribute to coal research. He indicated that they were aiming at making a "quantum jump" in coal mining methods. Dr. Schmitt described the tremendous breakthrough needed adequately to handle the future need for coal.

To bring into perspective the need for a "quantum jump" in mining technology, I ask unanimous consent to prints in the Record excerpts from the National Conference on Remotely Manned Systems held at the California Institute of Technology in September 1972. To indicate the contributions NASA is prepared to make to achieve this "quantum jump" in mining technology, I also ask unanimous consent to print in the Record a portion of Dr. Harrison Schmitt's testimony before the Committee on Aeronautical and Space Sciences hearings on the 1975 authorization bill.

There being no objection, the material was ordered to be printed in the Record, as follows:

Excerpts From First National Conference on Remotely Manned Systems—RMS

"We must expand domestic mine production. In order to do this we must provide the technologic base necessary to permit the efficient extraction of our Nation's mineral requirements while maintaining the environmental quality at an acceptance level. Added to the pressures of meeting the mineral demand are the economic effects of present and proposed legislation. For example, in the case of coal, an estimate has been made that the cost of environmental protection, given the present level of coal mining and reclamation technology, will be between $0.20 and $0.40 per ton of coal. The cost impact of the Federal Coal Mine Health and Safety Act of 1969 has yet to be fully evaluated, but one estimate has placed the increased cost of $1.50 to $2.00 per ton with a commensurate 20 percent reduction in production. Since the average price of mine mouth coal is about $5.00 per ton, this represents a substantial cost increase which adds to the inflationary pressures of our economy and worsens the energy crisis.

"Coal is a particularly dramatic example because of its special extraction problems, but other minerals will soon show effects which differ only in degree. These costs must be passed on to the consumer because society has decreed the changes. The costs can be mitigated by redirecting part of our resources to applied research to increase mining efficiency.

"An anomalous but interesting set of circumstances point up an additional apparent need for mining techology research. The first is the case of in situ gasification of coal. Much research has been done on this technique for the manufacture of gas (to augment our diminishing reserves of natural gas) by the in place burning of coal. Laboratory results have been encouraging, leading to hope that the shortage of this energy source can be alleviated. However, at this point, the technology necessary to create and maintain economically the necessary underground facilities has not been defined, and it is by no means certain that we have such a capability. Thus, we may have devoted much research toward a problem, the ultimate solution of which may have to wait for mining research not yet begun.

"A second illustration of this is the case of oil shale. Laboratory work has confirmed the feasibility of reducing these bountiful reserves to extract the kerogen to supplement our dwindling crude oil reserves. Research has not yet begun on the mining technology necessary to translate these laboratory results into a practical solution to our energy needs.

"At present, nearly 90 percent of our mining tonnage is moved by surface mining methods . .

"As surface minable deposits are depleted or become uneconomic, it is inevitable that we must turn to large scale underground mining . . .

"The mining of extremely deep mineral deposits also is beset with problems. *Since temperature and rock pressure increase with depth, the environmental and ground control problems associated with deep mining become critical*. Safer, faster, and more economical means must be developed to mine these deposits.

"The development of the necessary technology to exploit these deposits economically will involve consideration and utilization of potential developments in the fields of remote control, sensor devices and cmmunications . . .

"The extraction, as well as the development stages of mining, will require advanced mining techniques to cope with the harsher environments imposed by mining at increased depths. *Completely automated systems of excavation and mineral extraction are needed to permit workers to perform their tasks away from areas of poor ground or environmental conditions while simultaneously obtaining economical mineral extraction. Required is the implementation of remote control and sensing technology to provide a mechanism for discriminating between valuable and waste material and a means of communicating this information to remote locations where feedback control mechanisms to direct the mining system can be employed.*

"In addition to the health and safety aspects, mining stands to benefit economically as the degree of labor intensiveness of the industry is reduced through the introduction of increased automation. An example of this can be seen in the coal industry where, under enlightened union leadership, much has been done to increase both miner pay and mine productivity."

Excerpts From Statement of Dr. Harrison H. Schmitt

COAL—EXTRACTION AND RECLAMATION

It appears that we can support the Department of the Interior's new research and development in coal extraction. Such support will build on our technological base in heavy machinery engineering, automatic control, environmental control systems, remote systems operation and general systems analysis.

COAL—UTILIZATION

Our possible assistance of the Department of the Interior in the technology of coal utilization will be in investigations of clean combustion processes, conversion to gas and liquid fuels and conversion to gas in place in the ground. We also can assist in the improvement of materials technology related to these processes. This support will be based primarily on our technological background in handling high temperature fluids and in the process of combustion in unusual environments.

IMPROVED EFFICIENCY—TRANSMISSION AND CONVERSION

We can continue to assist the Department of the Interior in the development of topping cycles and other means of more efficient energy conversion building on our experience in special materials, turbines and combustion processes. Also, we will look into the expansion of our support to include the development of magneto-hydro-dynamic conversion systems and new bulk power transmission systems utilizing both our background in plasma research and in cryogenic systems."

GENOCIDE—AN INTERNATIONAL CRIME

Mr. PROXMIRE. Mr. President, today I would like to speak on the necessity of U.S. ratification of the Genocide treaty. Besides the fact that the United States has no law of its own outlawing genocide, it is important that we join the Genocide Convention because genocide is an international crime. As the Committee on Foreign Relations stated in their 1973 report—

> On both moral and practical grounds, the commission of genocide, involving as it must mass action, cannot help but be of concern to the community of nations.

The treaty would add genocide to a number of other international crimes which the U.S. has agreed to punish through international agreement. Genocide would be included with other international agreements prohibiting oil pollution, pelagic sealing, slave trading, and production and trade in narcotics. It is ironic that the U.S. Government concedes the power to make treaties governing the killing of seals, yet it is hesitant to make an international treaty on the killing of people.

An international treaty to prohibit genocide is appropriate at this time. President Nixon said 4 years ago that Senate ratification "will demonstrate unequivocally our country's desire to participate in the building of international order based on law and justice." Genocide is an international crime. I urge the adoption of the Genocide Treaty.

ENERGY CONSERVATION BY THE FEDERAL GOVERNMENT

Mr. ROTH. Mr. President, for most people, the fears, uneasiness, discomforts, and inconveniences of the energy crisis are like a bad dream. It is almost as if the threats to our life styles represented by increased unemployment, long waits in gas lines, lowered temperatures in our homes, and canceled business and vacation trips belonged to another era.

Today, people everywhere are questioning the authenticity of the energy shortages they were asked to help solve by altering their way of life and making personal sacrifices to reduce the consumption of energy. They see that almost miraculously the gas lines are gone, highways are clogged, tanks for heating oil are full, and the President is saying that no one will have to forgo a planned vacation because of the lack of gasoline. Yet, other than the fact that the Arab nations have lifted the oil embargo, the supply of energy has not changed. We are still faced with a growing and menacing shortage of all forms of energy. To overcome this condition, we must curb our growing appetites for energy, practice conservation, and launch with determination a long-range program to make this Nation self-sufficient in energy.

At the height of the embargo when our citizens were face to face with the realities of the energy crisis, the people of this country responded admirably to the appeals to conserve. But now that we are dealing with what the Washington Post described as "unstated threats, hypothetical catastrophes, and long-term inadequacies," the urgency of conservation is much, much more difficult to sell. However, the long-range need for conservation is as great as ever.

The necessity for this Nation achieving self-sufficiency in energy is well recognized. Project Independence, the President's program to accomplish this, has been initiated with a great deal of fanfare and support. One of the prerequisites for achieving this objective is a reduction in the rate of growth in the demand for energy from 3.6 to 2 percent, and this must be accomplished in the face of a growth trend which has reached alarming propertions.

Now more than ever we need leadership by example, if, as Mr. Simon told us while he was head of the Federal Energy Office, we must establish a permanent conservation ethic in this country. To do this will require that our Government be in the forefront showing the way in the conservation of energy. In June 1973, the President ordered the Federal Government to reduce its anticipated consumption of energy by 7 percent during fiscal year 1974—not a very impressive goal in view of the seriousness of the shortages or the fact that the Federal Energy Office has been telling us that 30 percent of our energy is wasted in one way or another in unnecessary usage or that with 6 percent of the world's population we consume 35 percent of the world's energy.

The oil embargo showed us that we must reduce our rate of consumption, our energy reserves tell us the same thing, but if we are to be successful in making the necessary reductions an attitude of conservation must become a way of life in both the Government and private sectors.

It is heartening that the Federal Government reduced its projected consumption of energy by 20.8 percent in the first quarter of fiscal year 1974—July–September 1973—and increased this performance to 26 percent in the second quarter of fiscal year 1974—the last 3 months of 1973—for a 6 months average reduction of 23.4 percent. This becomes more meaningful when it is translated into a saving of 262,000 Btu's or the equivalent of 45 million barrels of oil. Expressed in terms of taxpayer dollars, this is a saving of about $360 million. This performance is certainly a tribute to the Federal agencies and their employees who exceeded the President's goal of 7 percent by more than 300 percent.

I think that more can be done, and I am sure I speak for the entire Senate body who supported the amendment I introduced on December 10, 1973, calling for the President to reduce the amount of fuel consumed by the Federal Government by one-third. In this amendment, the Senate advised the President that:

> It is imperative that the Federal government exhibit leadership by example and take immediate and stringent steps to significantly reduce the amount of fuel it consumes.

This is as true today as it was in December 1973.

The President's call for new Federal energy reduction efforts in January indicates that he agrees with the Senate that more than a 26-percent reduction is possible. It is my hope that the following conservation measures ordered by the President will be implemented with sufficient vigor to achieve the one-third reduction called for by the Senate:

Lower gasoline consumption by:

First, reduction by 20 percent of automobile mileage in the first calendar quarter of 1974.

Second, mandatory automobile tune-ups once a year or every 12,000 miles.

Third, increase in the use of compact cars.

Fourth, elimination of most limousines and heavy and medium sedans.

Fifth, giving priority in the award of federally owned parking spaces to those who carpool.

Lower energy consumption in Federal buildings by reducing:

First, maximum heating temperatures; second, air-conditioning; and third, overhead lighting.

Require contractors to comply with Federal energy conservation measures.

Initiate new procurement practices to insure purchase of the most efficient air-conditioners.

It appears that the new FEO Administrator, John C. Sawhill, is going to place heavy emphasis on conservation as a primary thrust in getting the United States into a position "so that no country or group of countries can use their energy resources to dictate or severely impact our foreign or domestic policies." This is commendable. I would strongly urge that the President lend his considerable powers to Mr. Sawhill's conservation efforts by replacing the 7 percent reduction in anticipated energy consumption announced in 1973 with the 33⅓ percent goal suggested by the Senate. Attainment of such a goal would, to a large measure, restore credibility in our Government's management of energy resources and would assure our citizens and industries that the Government is asking no greater sacrifice of them than it has imposed on itself.

Only by demonstrated reductions of the magnitude proposed by the Senate—one-third—can the Federal Government convince Americans that energy conservation applies to all citizens.

REPLENISHMENT TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. McGEE. Mr. President, various nongovernmental organizations have been playing an active and constructive role in efforts to assure the Senate passes S. 2665, the fourth replenishment to the International Development Association (IDA).

These efforts have resulted in excellent analyses of IDA and what it means to the developing nations of the world. One such effort is that of the World Federalists USA.

I believe the World Federalists have performed a valuable educational service and I would hope that my colleagues would give serious consideration to the fruits of their labors.

I ask unanimous consent that two analytical pieces compiled by the World Federalists be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Case for Continued U.S. Participation in the International Development Association, S. 2665

The International Development Association (IDA), designed to aid the world's poorest countries, is the soft loan or concessionary arm of the World Bank. Established in 1960—largely at the initiative of the U.S. Congress—IDA provides loans (officially termed credits to differentiate them from World Bank loans) for self-help development projects to those countries with an average per capita income of less than $375 per year and who can not afford the loan rates of the World Bank. Recipients do not pay interest on loans; they pay only an annual service charge of 0.75 per cent. The repayment period generally extends over a fifty-year span.

On January 23, 1973, the House defeated a bill which would have authorized a U.S. contribution to the Fourth Replenishment of IDA. If the Congress fails to reverse this action, IDA will run out of money for future loans on June 30, 1974.

World Federalists, USA urges the Congress to pass S. 2665 authorizing $1.5 billion over a four year period ($375 million per year) for U.S. participation in the Fourth Replenishment of the IDA for the following reasons:

1. IDA assists the world's poorest countries by providing infrastructure loans for development. IDA provides credits for specific projects in the following categories: agriculture, education, electric power, industry, population, technical assistance, telecommunications, tourism, transportation, urbanization, water supply and sewage (see appendix). IDA projects are concentrated in rural areas—where the bulk of the world's poor live. The following are examples of the wide range of IDA projects:

Drilling tube wells for irrigation in arid but potentially fertile land.

Construction of roads and improvement of river and port navigation to get crops and other products to local and international markets.

Flood control.

Expansion of hydro-electric generating capacity, thus alleviating world-wide demand for fossil fuel.

Introduction of new crops and agricultural techniques.

Secondary education and training of agricultural, industrial, and administrative personnel.

Redevelopment and improvement of farms and herds in such areas as the drought stricken African Sahel.

2. The poorest of the world's poor people benefit from IDA. Although IDA credits go to governments, their effects directly benefit the poor people of these countries. IDA has been effective in aiding over two million people in 21 countries during its 14 years of operation. Its agricultural projects have assisted 1.25 million farmers and have placed into cultivation 3.5 billion acres of land; land that had

previously been fallow. IDA has brought health care to 21 million people who previously were without it. In addition, its projects have protected the health of 9 million people in five countries by improving water supplies and sewage. It also provides assistance for projects combating epidemics such as river blindness in Africa.

3. IDA represents the thin margin between survival and disaster for millions of people in the countries it assists. Economists report that if IDA programs are suspended for lack of funding, the mere survival of its recipient countries will be cast into doubt. Should these countries collapse, the toll in terms of human deaths and misery will cause severe economic and political strain that could have dire consequences for the rest of the world. The resultant political and economic disruption would be extremely damaging to U.S. trade and diplomatic relations.

4. IDA avoids waste and misuse of funds. Since its loans go only to specific projects that are carefully formulated and regulated by the World Bank, waste and misuse are avoided. IDA funds are used only for the capital costs of specific development projects.

Treasury Secretary George Shultz testified: "IDA lends for specific projects; its funds go, as they always have, to pay the suppliers of the pumps, tractors, cement, industrial machinery, laboratory equipment and engineering services needed to build and carry out sound and urgent development projects." Functioning within the context of the World Bank, which has lent $18 billion without a loss during its 28 years of operation, the staff carefully scrutinizes projects to assure a high rate of return to the recipient nations.

5. IDA funds are not used to pay for the increased cost of oil imports or any other such artificial economic condition. Contrary to a widely held but mistaken belief, IDA credits do not end up in the pockets of oil producers. Since its loans go directly for the capital costs of specific projects, IDA funds will not be siphoned off to pay for increased costs of oil. It should also be noted that the vast majority of oil producing countries are not eligible for IDA loans. It would be tragic and potentially disastrous to penalize the world's poor, who are much more severely hurt by increased oil prices than the U.S. High oil prices are particularly damaging to underdeveloped countries because of the essential role played by petroleum based fertilizers in their predominantly agricultural economies.

As Secretary of the Treasury Shultz noted: "For us, the energy crisis will at worst mean that our growth curve will be flat, but for the developing countries hard hit by the energy crisis, IDA can . . . make the difference between survival and starvation." In fact, by assisting poor countries in the development of hydro-electric power and fertilizer production, IDA helps alleviate the energy and fertilizer crises.

6. *IDA helps assure U.S. access to raw materials.* The U.S. is becoming increasingly dependent upon developing nations for supply of raw materials. Presently, one-third of our raw materials come from non-industrialized countries. By 1985, we will be dependent upon them for 10 out of 15 minerals critical to our economy. By building power facilities, roads, ports, and improving river transportation, as well as directly aiding mining projects, IDA helps insure continued reliable access to essential raw materials.

7. *The U.S. economy directly benefits from our participation in IDA.* IDA credits frequently go directly for the purchase in the U.S. of supplies used in its projects. Secretary Shultz testified: "A very significant portion of our contribution to IDA will return to the U.S. economy in demand for exports."

8. *By strengthening the economies of underdeveloped countries, IDA builds markets for U.S. exports. Last year alone, developing* nations provided a $15 billion export market for U.S. goods, representing close to 30% of our total exports. By helping raise the national income of these countries, IDA expands their ability to purchase U.S. goods.

9. *The U.S. share of IDA funding has been reduced to 33% from the 40% of past replenishments.* When the Fourth Replenishment agreement was negotiated in September, 1973 at Nairobi, Kenya, other IDA contributing nations agreed to increase their share of funding. The U.S. contribution of $1.5 billion over four years represents a $300 million reduction from the last replenishment.

Additionally, these contributions merely represent funds available for loans and thus may actually not leave the U.S. Treasury for years to come. Also, unlike previous replenishments, the U.S. assessment will not be adversely affected by any changes in the value of the dollar.

10. *U.S. failure to participate in the IDA replenishment would undermine the willingness of oil-producing nations to contribute to development aid.* Among the countries who have agreed to increase their share of development aid are some of the oil-producing nations, such as Kuwait, Venezuela and Iran. In addition, other oil-producing countries, including Libya, are considering donations to the World Bank. It should be noted that despite the dramatic rise in oil prices, most oil producing nations are still relatively underdeveloped. In fact, only a small handful of tiny oil states have per capita wealth or income approaching or exceeding our own. Presently, the U.S. contributes only one-third of one per cent of its GNP for development assistance and ranks 14th among 16 developed countries in terms of official development assistance. In relation to our national income, US development aid is only one-tenth what it was 25 years ago, when our real income per capita was 45% less than it is today. IDA's annual cost to the U.S. is $1.80 per person—less than an hour's minimum wage—and it represents only one-tenth of one per cent of our budget. The majority of countries receiving IDA loans have per capita incomes of less than $100 per year. At a time when our trade balance, as well as our balance of payments position has significantly improved, it is incumbent upon this country to meet its obligation to aid poorer countries. As Secretary Shultz stated:

> "If the United States out of its wealth cannot continue its historic level of support for IDA and similar financial institutions, on what basis can we ask the rest of the world and the oil-producers to pick up their fair share of the new development finance burden."

11. *IDA contributes to a better world.* Although we have learned that foreign aid can not buy friendship, economic development assistance helps our trade and diplomatic posture by building stronger economies in the world's poor countries. By alleviating the frustration, anger and violence bred by poverty, and their concurrent political and economic disruptions, IDA promotes peace and stability. In a world that is becoming increasingly interdependent, abandonment of IDA could be very costly to the United States.

IDA LENDING OPERATIONS BY MAJOR PURPOSE AND REGION

[In millions of U.S. dollars]

Purpose	IDA credits by region					
	Eastern Africa	Western Africa	Asia	Europe, Middle East, North Africa	Latin America, Caribbean	Total
Agriculture, forestry and fishing:						
Agricultural credit	14.6	17.0	370.5	24.0		426.1
Area development	61.5	34.8	6.5	6.0		108.8
Food and nonfood crops	39.1	25.4	121.8	15.0		201.3
Irrigation, flood control and drainage	109.4	18.8	351.9	157.9	13.0	651.0
Forestry and fishing		1.3	3.5	5.5		10.3
Crop processing and storage	6.3		54.2			60.5
Livestock	46.0	6.4	10.6	29.5	46.9	139.4
Agricultural research						
Other			15.5			15.5
Subtotal	276.9	103.7	934.5	237.9	59.9	1,612.9
Education	104.9	71.0	140.9	46.4	17.1	380.3
Industry:						
Iron and steel						
Pulp and paper						
Fertilizer and other chemicals			123.0			123.0
Mining, other extraction	2.5					2.5
Small industry and industrial estates	4.0		9.5			13.5
Development finance companies	29.5		60.0	52.0		141.5
Other				.2		.2
Subtotal	36.0		192.5	52.2		280.7
Nonproject			1,000.0			1,000.0
Population			34.4	4.8		39.2
Power	5.3	17.1	379.0	35.9	44.3	481.6
Technical assistance			14.0			14.0
Telecommunications		8.9	311.5			320.4
Tourism			4.2	10.0		14.2
Transportation:						
Aviation				2.5		2.5
Highways	268.7	131.0	203.6	50.5	83.3	737.1
Pipelines						
Ports, waterways, and shipping	30.2	3.6	154.3			188.1
Railways		34.9	419.2	38.5	8.0	500.6
Other						
Subtotal	298.9	169.5	777.1	91.5	91.3	1,428.3
Urbanization		8.0		2.3	20.0	30.3
Water supply and sewerage	4.1	3.5	111.2	39.7	3.0	161.5
Total	726.1	381.7	3,899.3	520.7	235.6	5,763.4

INFLATION HITS ELDERLY HARDEST

Mr. ABOUREZK. Mr. President, too often today we hear of the plight of the elderly in this country. Generally these problems are of an economic nature. For example, even though social security benefits have risen 80 percent since 1966, 6 million of the 20 million elderly recipients receive below-poverty incomes. One reason is inflation. Consider if you will, someone who worked long and hard during the early part of this century for wages of 75 cents to $1 per hour. How much of any accrued savings of that salary will be devoured by a plumber at $7 per hour today?

At the same time inflation has eaten up the effects of social security and personal savings, our policies limit the senior American to earning only $2,500 per year. After that point, $1 of social security benefits are subtracted for every $2 earned. It seems to me that we are pushing our senior Americans to live out their lives in poverty without choice.

Thankfully there are organizations, such as the National Council of Senior Citizens and the American Association of Retired Persons, who are working to organize and fight for the senior citizens of this country. They are working toward political power at all levels of government to correct the economic and social injustices facing the elderly, and to return dignity and economic security to our senior Americans.

Mr. President, an article by Ed Meagher appeared in the Washington Post recently, focusing on the economic problems of the elderly, including some I have mentioned above. I ask unanimous consent that this article by Ed Meagher be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Inflation Hits Elderly the Hardest

(By Ed Meagher)

Galloping inflation, hard on almost everyone, is beginning to pauperize thousands of elderly, retired persons who thought they had provided wisely for a comfortable winding down of their lives.

Many of these men and women, used to affluence, are poor for the first time in their lives.

And they are furious.

"I've had to sell the equity in our home and move us into a tiny apartment," said a man who is perhaps typical of a large, once-middle-income group.

He retired from teaching a dozen years ago on savings and a pension providing him an income of about $500 a month.

"At the time, with 500 bucks coming in every month, I didn't think we'd have anything to worry about for the rest of our lives, at least, not financially," he said.

"I was wrong," he said with some bitterness. "We've had to get some help from the kids when emergencies have come up, like when the car breaks down.

"But what the hell, the car itself is getting to be out of the question, with gas at 60 cents a gallon."

Still another retiree, now forced to think about selling his home, reflected, "You simply can't imagine the feeling of helplessness that comes over you from time to time now, about what you'd do if the furnace conks out or the plumbing goes. There's no reserve money for a replacement or repairs."

An elderly widow in West Hollywood was left in despair recently when her landlord notified her of a rental increase, the third in recent years.

It boosted her rent to $100 a month, up from $85 and she cannot meet it on her income of just over $200 a month. She has lived there 15 years. The rent was $30 when she moved in.

"I'm going to have to move," she said. "I don't know where I'll go."

Among her souvenirs is a letter she received from her landlord several years ago commending her for being a good tenant.

To others it is not a question of eating well or keeping a roof over their heads. But they are no less furious.

In this category is a couple with a retirement income, mostly from stocks, of about $1,000 a month. They had planned to travel extensively—Europe, Asia, South America, taking their time.

That seems out of the question now and they are not sure what else they want to do.

"Maybe a short trip in the car for the weekend," the husband said.

Of course, there are many elderly persons who have to get along on a good deal less than $1,000, $500 or even $200 a month.

Among them are millions of persons who are entirely dependent on Social Security. They are forced to live out their lives in near-poverty.

Social Security benefits have increased 80.7 per cent since 1966 but, even so, 29.7 per cent of the 21 million over-65 recipients receive below-poverty level incomes because of inflation.

Figures show, in fact, there are more Social Security recipients in the below-poverty level now than in 1969.

The designated poverty level is $1,850 for a single person and $2,400 for a couple.

The hardest thing about old age, many say, is a feeling of invisibility.

No longer viewed as either a resource or a menace, they tend to fade from public view, counted out by the workaday world.

What they are put through may have been described by Juan Montalvo, a distinguished essayist of the last century.

"There is nothing so hard," he wrote, "than the softness of indifference."

In the best of times, being comfortable enough, old people accept the indifference without public outcry.

But inflation at this stage has pulled the elderly bolt upright, fighting.

They are organizing as never before, banding together by the thousands in groups all over the country.

Joining are senior citizens who in the past stayed aloof, disdainful of causes. But they cannot afford such attitudes any longer.

The American Association of Retired persons, founded by the late Ethel Percy Andrus, a Los Angeles teacher and a dominant figure in the senior citizen movement, now claims 6.5 million members and reports it is growing at the rate of 60,000 members a month.

Another organization, the National Council of Senior Citizens, Inc., affiliated with 3,700 groups across the country, has grown from 1.7 million members in 1972 to more than 3.5 million today.

Their goal: Political power for old people at all governmental levels to get them what they need to survive in dignity and also what they deeply believe they have earned during their working lives.

Both organizations maintain lobbyists and lawyers in Washington and in most state capitals.

One issue troubling their members is $3 billion authorized by Congress in a bill for low-rental, low-cost housing for senior citizens but later impounded by President Nixon.

Another touchy item concerns revenue sharing funds. The act specified allocation of some of these funds for senior citizen projects, but James Carbray, vice president of the National Council of Senior Citizens, charges that only .2 per cent of the total revenue-sharing funds approved have been earmarked for the elderly.

Righting these injustices is a part of the movement's national goals but they also face myriad problems at the local level.

Carbray, a Whittier, Calif., senior citizen, is incensed, for example, because although 19 per cent of Whittier's citizens are over 60, not a nickel of revenue-sharing funds has been spent on them, he charges.

Instead, he said, the city council used $600,000 in revenue-sharing funds to build a tennis complex, "accommodating 1.5 per cent of the population. It was a real estate deal."

The late Dr. Francis E. Townsend introduced a plan in 1933 that he claimed would help the aged and cure the nation's economic ills at the same time. It was the period of the great depression, when hardly anyone had a dime and old people rarely had even that.

The Townsend Plan called for a $200-a-month pension for anyone retiring at 60. The money, a handsome sum at the time, was to be spent in the same month it was received, insuring rapid circulation.

The plan was to be financed by a 2 per cent tax on all business transactions.

It became popular, especially with the over-60s. By 1936, Dr. Townsend claimed 30 million converts, but the scheme died when a congressional committee claimed it would bring only chaos.

Dr. Townsend, a physician in the Black Hills of South Dakota, was retired and living in Long Beach, Calif., when he conceived his plan. He died in 1960 at 93 without ever giving up the idea.

While it is doubtful that the present generation is ready for a Townsend Plan, attitudes toward senior citizens are changing.

The very question of the aged, in fact, as an abstract subject, had been largely ignored by academies over the centuries. Not much is to be found out about it in libraries.

The University of Southern California, the first university in the country to institute an old-age graduate study program, opened its Ethel Percy Andrus Gerontology Center only last year.

The American Association for Retired Persons did not come into existence until 1958. The National Council of Senior Citizens was established three years later.

Pioneered by former County Supervisor John Anson Ford, the Los Angeles Department of Senior Citizens Affairs is only 18 years old but is still regarded as a revolutionary concept in most sections of the nation. Its budget has been limited, however.

Major breakthroughs for old people were the Social Security program in 1936 and Medicare in 1966. But neither senior citizens insist, is doing the job it was created to fill.

A bigger breakthrough, they say, may have resulted from the 1971 White House Conference on Aging—congressional adoption of a conference recommendation to give the elderly an advocacy role in political decisions affecting them.

Since then, commissions on aging have been established in the administration and in every state, as well as in many counties, cities and towns.

The problems of old people are also beginning to get some attention in other countries.

An International Senior Citizens Association, founded in 1963, in Denmark, is headed by a Brentwood, Calif., woman, Mrs. Majorie Borchardt, long active in promoting better treatment of the elderly.

She was recently named among 10 experts around the world to advise the United Nations on future developments in the field of aging. She will attend a meeting of the group next month in New York.

Until last year, Mrs. Borchardt said, the United Nations had never expressed any interest in the problems of old people.

"I would hope," she said, "that the U.N. can establish a special agency for the elderly such as it has for the world's children."

Emergent in the United States is a spectacle "of an invisible minority suddenly becoming visible," according to Dr. Richard H. Davis of the Andrus Center.

He recalled earlier upraised voices of blacks, Chicanos, Indians, women, students and other minorities.

"But here's another kind of minority voice saying, "I also am important to society," Davis said.

"And because of their greater numbers and projections for even greater numbers," he added, "it may be that of all those voices theirs will be potentially the most powerful."

YOUR GOVERNMENT AND THE WORLD OF REFUGEES

Mr. GURNEY. Mr. President, recently, Mr. Frank L. Kellogg, the Special Assistant to the Secretary of State for Refugee and Migration Affairs spoke before an evening meeting of concerned citizens and civic leaders in Los Angeles, Calif. He addressed a distinguished audience on the subject of "Your Government and the World of Refugees." Mr. Kellogg, long a winter resident of Palm Beach, Fla., is widely recognized and respected for his expertise in this field. I call to your attention his carefully developed remarks on the subject.

In a world troubled by dissension and instability, our Nation stands as a tranquil refuge, an open sanctuary dedicated to all those who seek to escape fear and persecution in other lands. Literally thousands of freedom-seeking people flee from communism, from totalitarianism, from revolution, from war, and even religious persecution. As of this date there are more than 650,000 people who have fled Castro's tyranny in Cuba alone. These persons, whom Emil Lazarus called "the huddled masses yearning to be free," share with the people of this country a dual desire: not merely to be free, but correspondingly to contribute to the benefit of our Nation and, in turn, the good of the world.

Mr. President, I ask unanimous consent that the remarks of Mr. Kellogg be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD. as follows:

YOUR GOVERNMENT AND THE WORLD OF REFUGEES

(By Frank L. Kellogg)

I welcome the opportunity to discuss with this audience of concerned citizens some of the overseas humanitarian activities of your Government—activities of assistance and protection for human beings in trouble: persons in need of asylum and safe haven, victims of tyranny and war. Your Government's operations in these programs capture only occasional headlines, yet they constitute an important part of our conduct of foreign relations. Probably no other element of our foreign policy has commanded as full and ready support from successive administrations, Congress and the American people—with the result, I am proud to say, that the United States for many years has exercised world leadership in this broad area of international affairs.

The refugee and migration programs which I manage are largely phenomena of the modern era. Persecution and war, since the beginning of time, have been uprooting people from their homes; migrations of this kind have helped shape the futures of many countries, including our own. But it was not until well into this century that refugees began to receive assistance, for repatriation or resettlement, from governments and from international organizations. The first of the intergovernmental agencies—established 53 years ago to assist displaced persons of the first World War—was the office of the League of Nations High Commissioner for Refugees, headed by the great Norwegian explorer and humanitarian, Fridthof Nansen.

Nansen's heritage remains. One of the persons with whom I work most closely is Prince Sadruddin Aga Khan, the United Nations High Commissioner for Refugees, who has headquarters at Geneva and worldwide responsibilities under U.N. mandate.

The U.S. Government was a late-comer to refugee assistance. Private organizations responded with vigor to the dislocations of World War I, but it was not until the 1930's, result of Hitler's tyrannies in Europe, that the Government began to act. During World War II, with refugees in the many millions of people, the Department of State organized a staff which ultimately became the Office of Refugee and Migration Affairs.

This, in 1966, was put under supervision of a Special Assistant to the Secretary with the rank of Assistant Secretary of State. I have served in this post since January, 1971.

It would be encouraging, in this eighth decade of the 20th century, to be able to say that finally the world's refugee problems have begun to disappear. Unfortunately, despite the large-scale resettlement of refugees over many years, there has been no abatement. Freedom-seeking people continue to flee from communism in very large numbers, and from other totalitarianisms, from revolution and war and from tribal, social, even religious persecution. Presently in refugee status around the world is the equivalent of the population of the entire metropolitan area of Los Angeles—more than 7 million human beings. The greater numbers are in Asia, but there are more than a million refugees in Africa, scores of thousands in Europe, others in Latin America. Here in the United States refugees from Cuba alone number more than 200,000 persons.

So protection and assistance for refugees in a continuing international problem, and one of very major proportion. It is not only American humanitarian tradition which motivates your Government in its efforts; it is also the fact that refugee situations contribute to tensions between nations and threaten the peace. Thus, successful repatriation or resettlement of refugees works toward the achievement of practical foreign policy goals. Yet another factor is our basic national dedication to the protection of human rights, including the right of freedom of movement and also the right of asylum.

In cases of political asylum, my office exercises its responsibility every day. Recently, for example, here in California, the Immigration and Nationalization Service received a request for asylum from a Russian teacher who was in this country on a tourist visa. He was so impressed with our free society that he wanted to stay. The Immigration and Naturalization Service sent his claim to us, we examined the case and determined he probably would be severely punished should he be returned, simply for over-staying his leave. So we advised in his favor.

This is not usually the case. We handled 1,500 others in 1973, but there were only 200 in which we were able to decide in favor of the claimant. The majority failed to meet the legal criteria of a key treaty which we and about half the nations of the world have signed—*the Convention and Protocol on the Status of Refugees*. Under this treaty, no signatory nation may deport a person to his own or any other country where he has a well-founded fear of persecution because of his race, religion, nationality, social group or political opinion. Incidentally that is the U.N. and generally accepted definition of a refugee.

Protection of individuals or families involved in specific situations of trouble or peril is only part of our work. We support a number of continuing American and international programs concerned with general assistance to large groups of refugees. I believe it would be helpful briefly to describe these programs to you.

One is support for the International Committee of the Red Cross, the 111-year-old parent organization of all Red Cross societies. ICRC is the agency which enforces the Geneva Conventions relating to treatment of prisoners and civilian victims of war.

Another assists in activities of the United Nations High Commissioner for Refugees. The UNHCR provides legal protection for refugees. He arranges immediate relief assistance, guards refugees against enforced repatriation, encourages governments to grant them asylum, and assists in their resettlement in new countries. His operations often are conducted in cooperation with other internatioanl or national refugee-relief programs.

Still another is our participation in the work of the Intergovernmental Committee for European Migration, known as ICEM. This body, made up of 31 free nations, was established in 1951, and since then has assisted in the movements of more than 2 million people, refugees and migrants, to new homes in new countries.

Finally, my office conducts direct programs established by our Government according to unilateral American humanitarian and foreign policy objectives.

Our Far East Refugee Program was established in 1954 to help the hundreds of thousands of Chinese refugees who fled to Hong Kong and Macao. Working through voluntary agencies. FERP has helped in the enormous task of supplying shelter, food and medical care. It provides job training and student scholarships, and assists and counsels those of the refugees who are emigrating to the United States. Vocational schools, hospitals, housing developments in Hong Kong and Macao owe their existence in part to this program.

An operation I would like to discuss in a little more detail is the United States Refugee Program. USRP dates back to a time of great human suffering abroad. The World War II organizations for assisting displaced persons had gone out of business. But communist oppression was generating new waves of refugees from Eastern Europe. The only havens these unfortunates could find were desolate and rundown camps left over from the war, in Greece, Austria, Italy, Turkey. Food was scarce, fuel was hard to come by, medical attention was insufficient and there was no machinery for resettlement of families. People were suffering physical hardships of the worst kind, but worst of all, they were almost without hope.

American public opinion, deeply stirred, brought action from a sympathetic Congress, which quickly provided funds for relief and resettlement. What is now known as the United States Refugee Program was set up in 1952. The flow of refugees has been uneven over the years, but it has been unending, with sharp increases in times of crisis in Eastern Europe. The abortive Hungarian revolt of 1956, for example, brought the precipitous flight to freedom of 200,000 people. In 1968, a flood of Jews fled Poland; in the same year, nearly 50,000 refugees from Czechoslovakia sought asylum in foreign countries. Currently, Jews and others in increasing numbers are being permitted to leave the Soviet Union, 35,000 of them in 1973. While most have gone to Israel, some have come to the United States under immigration parole, an arrangement worked out with the assistance of my office.

All told, in the past 20 years, the United States Refugee Program has provided care and resettlement for nearly 400,000 people, of whom about two-thirds have found new lives in America. However, the normal refugee flow to the U.S. is 10,200 a year under our immigration laws plus those who come in under special parole status.

I hope my mention of these programs has not conjured up pictures of platoons and regiments of U.S. Government civil servants swarming into the refugee areas of the world, with offices and secretaries and in-boxes and the other trappings of bureaucracy.

This, I am happy to say, is not the case. My staff is a small one, concentrated in Washington with outposts in Geneva and Hong Kong. The field operators of U.S. refugee relief, unsung heroes for the most part, are the paid and unpaid workers of the voluntary agencies, some Americans, some recruited from local populations. It is these people who serve in the front lines of refugee assistance. They work almost inevitably in situations of physical hardship, sustained—as I have noted on my frequent trips abroad by dedication to humanitarianism and an enduring belief in what is right and good.

My office executes contracts with many of these agencies; these funds usually are spent for such services as care and maintenance transportation and supplies for refugees and migrants. The funds in some cases are augmented by grants of agricultural commodities under the Food for Peace Program. But by far the largest proportion of the resources of the private agencies comes from the millions of generous and compassionate Americans who subscribe to their campaigns. Last year alone, 92 Government accredited voluntary agencies had humanitarian programs in 130 countries, for which they raised from private donors more than $470 million, undeniable evidence of the real and tangible response by Americans to the needs of the less-fortunate around the globe.

If you count our domestic effort to assist Cubans who have reached this country, your Government currently is spending about $330 million a year for refugee assistance. But let me not give the impression that we are in this alone. Other countries—Denmark, West Germany, Sweden, Norway, the Netherlands—on the basis of population and wealth contribute more than we to international refugee programs.

A special case in point is the small, neutral nation of Austria, which for years has upheld principles of human rights and humanitarianism at great financial cost and a great political peril.

Austria, as you know, has borders with Czechoslovakia, Hungary and Yugoslavia and is within easy distance of the rest of Eastern Europe, including the Soviet Union. Ever since the end of World War II, refugees from communist oppression have been entering Austria in a steady flow of some thousands of persons a year, interspersed by sudden and dramatic mass arrivals resulting from such events as the Hungarian revolt of 1956 and the Soviet invasion of Czechoslovakia of 1968.

Despite their exposed position, the Austrians have never flinched. Austria is avowedly and successfully neutral. But it has placed the needs of human beings and the importance of meeting their needs on a plane of compassion above the crosscurrents of political controversy. Austria has received refugees in the many hundreds of thousands over the years. And it has joined in programs, including those we support, to pass the refugees on to other countries for resettlement. Since World War II Austrian taxpayers have spent more than $185 million for these purposes. Both in human and financial terms, it is an admirable and outstanding performance. I am proud that the United States is a leader among the other nations which have helped Austria carry the load.

As to specific refugee situations overseas, the most dramatic in recent years came in 1971–1972, not in Europe but in South Asia, when violence in what was East Pakistan sent Bengalis streaming into India at a rate which sometimes reached 150,000 persons a day. Ultimately there were nearly 10 million of them, huddled in more than a thousand primitive camps.

India accepted the burden but appealed to the United Nations for help, and this triggered probably the most intensive relief operation ever mounted. Before it was over, 70 nations and scores of voluntary agencies had contributed commodities and money, a cholera epidemic had been averted, millions of blankets had been supplied, children had been saved from malnutrition—well, it was a great example of world humanitarianism at work. Ultimately, with establishment of Bangladesh, the refugees went home and began to rebuild their lives.

The U.S. contribution to this program was more than $90 million in commodities and funds from the government plus $11 million from private sources—we were the first and largest foreign donor. It was this mammoth crisis which confronted me only weeks after I took office—to find myself projected into the chairmanship of an across-the-board Government committee which coordinated the U.S. response. I pride myself that the United States did well.

Although not of this magnitude, there have been many other crises in the three-plus years of my term in office. Quite recently, our diplomatic efforts helped to protect alien refugees during and after the revolution in Chile. We have been able to speed the arrival of U.S.-bound Cuban refugees stranded in Spain. In the Sudan, we have helped the U.N. High Commissioner repatriate refugees from that country's long civil war. In South Asia we presently are assisting what probably is history's largest airlift between Bangladesh and Pakistan. We have joined in the effort to resettle thousands of Asians expelled from Uganda.

The programs I have just enumerated—Chile, Cubans, Sudanese, South Asians, Uganda Asians—have helped or are helping more than a million dispossessed people to the opportunity to achieve dignity and self-sufficiency. They are mere samples of what has been occurring in today's world, and what is going to continue to occur for the forseeable future.

I am confident that we Americans, in or out of Government, are going to continue to respond, until we ultimately can edge mankind toward the day that basic rights are universally recognized and human dignity universally respected. It is not going to be a short haul.

MODEL STATE DAY CARE FACILITY LICENSING ACT

Mr. MONDALE. Mr. President, we have all become aware, especially during recent months, of the tragic consequences of failing to provide adequate care and support to the Nation's families and children. In an effort to assist families and others working to support families in their task of adequately caring for children, the Congress passed and the President signed important legislation which aims to preventing child abuse.

There is another aspect to child abuse, involving children out of their own homes, that has also come to the attention of Congress and the Nation. That involves the quality of day care services. We have all come to realize the horror that can result when, inadvertently, we do not adequately protect our children.

Some of the terrible things that can happen to children are so stark that they need no explanation—six children are burned to death in a basement, a 5-week-old baby dies of head injuries during nap time in a family day care home. There are less dramatic, but equally compelling reasons to insist that children be protected, but it is these instances that remain in one's mind.

Because of the need to protect children, because families want and need our support in this effort, and because there is such a broad concensus among professional groups in support of a floor of protection, the Congress has repeatedly and overwhelmingly voted in favor of basic day care standards. This essentially noncontroversial aspect of the Congress work has resulted in the maintenance, at the Federal level, of a basic floor for day care called the Federal Interagency Day Care Requirements. These Federal requirements have now been in effect nearly 6 years.

At the State level, work has also gone forth on behalf of children. In many States, there was a sound floor in law or regulation before we recognized the need at the Federal level. For many of those States, the move to revise and improve their day care standards has been a continuous process.

One aspect of that process has been proceeding quietly, through the work of local, State, and national organizations, under the auspices of the National Council of Organizations for Children and Youth—NCOCY—headed by its able and creative executive director, Ms. Judith S. Helms. NCOCY members, constituting themselves as a "Day Care Alliance," have been working for nearly a year to arrive at the point where they could offer assistance to States that wish to revise and improve their day care licensing. It is through the exercise of licensing that we are assured that our children are protected. In addition, licensing is a protection for parents, in that they may be assured that the places their children are cared for are beneficial. And those who care for other children have the guidance and support of licensing staff, as they carry out day care services or plan new services.

The Day Care Alliance has now completed work on a model statute which States may wish to consider, a statute that has several excellent features:

First. The Day Care Facility Licensing Act generally provides for a quality of care similar to that which is reimbursable under Federal legislation—it is sound from the intergovernmental viewpoint;

Second. The Day Care Facility Licensing Act provides for appropriate involvement by that most essential group of persons, parents of children actually receiving day care services—it is sound from the point of view of families;

Third. The Day Care Facility Licensing Act provides a quality of care that has won the support of 35 organizations concerned about families and their children, ranging from the AFL–CIO and other national groups such as the Child Welfare League of America and the National Council of Jewish Women to groups with experience at the State level such as the Minnesota Children's Lobby and Quality Child Care, Inc., of Minneapolis—a group with special expertise in family day care—it is sound from the point of view of experts and operators;

Fourth. The Day Care Facility Licensing Act, finally, provides the States with a moderate approach in terms of suggested legislation, moderate in its clarity of language, its brevity, and its reliance on State legislators and State agencies to utilize the framework of the model act as they deem appropriate—it is sound from the standpoint of being adaptable for each State.

Mr. President, I believe that it is very important to know the breadth of support that the Day Care Facility Licensing Act has won. Therefore, I ask unanimous consent to have printed at the end of my remarks in the Record a complete list of the National, State and local organizations that have endorsed the act.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Mr. President, finally, let me say that it is my hope that this proposed act will encourage States to reexamine their existing licensing codes and to compare them. Just as many States are reexamining their child-abuse laws in the light of recent experience and the recommendation of groups with special expertise, so also States might wish to look at this related matter of day care from a fresh perspective. I believe the model legislation which the Day Care Alliance has prepared to be enormously useful, and I commend it to you for your consideration. I ask unanimous consent to print the text of the act in the Record.

In order that we may understand the background of the act, and the way it compares to other guidelines issued for the consideration of the States, I refer my colleagues to the introduction to the act, and I also ask unanimous consent that this introduction be permitted in the Record at the close of my remarks.

There being no objection, the introduction was ordered to be printed in the Record, as follows:

The State Day Care Facility Licensing Act

INTRODUCTION

There is little disagreement that children in day care need adequate protection. There is a great deal of difference of opinion about what is "adequate." On the one hand, many organizations hold that the interests of the child are most important and need to be protected by the licensing process. This position grows out of and is directly related to their position in regard to child neglect and abuse: some parents and guardians do not care for their children adequately. On the other hand, there are those who hold that there is no need to license day care, and that the responsibility of deciding what is and what is not adequate care for children should be left to the caregivers and the parents.

In addition to this basic disagreement about whose interests are paramount, there are also conflicting interests apart from those at issue in the day care of children. If the various problems connected with licensing day care were solved, as a service caring for children, there would be still three related areas: fire codes; safety codes; building codes. In each of these three areas, there are legitimate concerns which also must be addressed. For instance, it can be said that day care centers should be allowed wherever there is a need for such services. On the other hand, allowing day care centers to be built in some areas would be ill-advised: certain residential areas have zoning restrictions; certain other areas are inappropriate for children because of hazardous conditions.

In recognition of these problems, and stimulated by a substantial growth in interest by governments and others in more rapid development of day care services, a licensing project was begun by the Federal government beginning in September, 1970. Many organizations sent representatives to the various meetings called in connection with that project, but some were dissatisfied with the day care licensing act and related materials which HEW eventually published. The dissatisfaction with the HEW document was along two lines: 1) the document attempted to cover too much detail, and was not in a format which could be easily addressed by most stage legislatures; 2) the document reflected a philosophy of day care licensing which was not sufficiently protective of children.

The Act drafted by the Day Care Alliance does not attempt to discuss all of the issues related to day care facility licensing. Although the Day Care Alliance recognizes that there are problems with fire, safety, and building codes for day care facilities, the Alliance believes that those issues must be dealt with in other documents, not as part of any suggested legislation. Additionally, the Alliance believes that the variance between states is, to some degree, the result of practical experience gained over time and that any adjustments in the fire, safety, and building codes within a state must be done with utmost caution. Many of the organizations in the Alliance have published materials relating to these matters and at some future date the Alliance may draft some general guidelines in the area. For now, the Alliance believes that the major need is for a licensing act that responds to the needs identified early by the HEW study:

1. "The three categories of day care facilities—family day care homes, group day care homes, and day care centers—are defined in different terms from State to State, but some States do not include all three definitions in their regulations."

2. "State licensing of family day care homes is not mandatory in 10 States."

3. "Some States do not apply mandatory State licensing requirements in all cities and counties."

The Alliance's draft legislation is aimed at meeting these three major deficiencies. The Alliance draft:

1. Defines the three categories of day care facilities (cited above) in terms similar to those contained in the chief Federal regulation which applies to day care and with which most states must comply in order to receive reimbursement, the 1968 *Federal Interagency Day Care Requirements.*

2. Makes licensing of family day care homes mandatory.

3. Provides a legal base for states to apply mandatory state licensing requirements in all cities and counties.

The Alliance draft, since it is related closely to the 1968 *Federal Interagency Day Care Requirements*, would provide slightly higher quality care than the HEW draft. The Alliance believes that, essentially, the quality floor should be higher than those who published the HEW draft. There are also important differences in two other areas: the Alliance draft stresses parental involvement; the Alliance code recognizes the fact that day care services involve a number of professional disciplines.

The Alliance draft also differs from the HEW draft in that it requires most family day care homes to be individually licensed. This recommendation, while it differs from that of some licensing experts, is based on the history of failure of the alternative approach—registration or non-licensing. An important study just completed in England shows that unlicensed family day care homes are a key factor in the continuing incidence of deprivation and poverty, and that there are clear connections between school failure, delinquency, and the like, and the use of non-licensed family day care homes.

The Alliance draft also differs from the HEW draft in that it does not allow for a delegation of licensing authority to large operators of day care programs called "day care systems." Some believe that it may be a conflict of interest for a day care operator to license or otherwise enforce regulations which pertain to his programs.

The Alliance draft grows out of a belief that children require "an extra pound of protection," that the evidence shows that even well-meaning care-givers can and do harm children, and that it is the duty of the states to set such licensing requirements as are necessary to guarantee the health, safety and well-being of these particularly vulnerable citizens, young children.

It is the hope of the Alliance that consideration of this draft legislation will lead to an examination of the existing state and other licensing codes, and that such amendments will be made as are necessary to protect children.

State Day Care Facility Licensing Act

(Most states currently have statutes that provide for the licensing of day care facilities; however, when legally challenged, it has been demonstrated that some of the statutes are deficient. The draft legislation below constitutes no more than suggestions with respect to the problems posed by some licensing statutes. The language should, therefore, be introduced only after careful consideration of local conditions. Existing constitutional and statutory requirements should be examined.

In general, the draft is based on these premises: 1) government's responsibility to protect the rights and welfare of its citizens in matters related to the provision and use of services rests on a benevolent exercise of the police powers of the individual states; 2) day care as a facility or a service to be regulated to be an exercise of the doctrine of *parens patriae*—the state acting as protector or ultimate guardian in matters affecting the welfare of children.)

SUGGESTED LEGISLATION

(Title, enacting clause etc.)

Section 1. Short Title. This Act shall be entitled The Child Day Care Facility Licensing Act.[1]

Section 2. Purpose. The purpose of this Act is to authorize the licensing of day care facilities for children. Licenses are authorized if the Act and applicable rules and regulations are met. Penalties are established if day care facilities are operated without the required license. The purpose of licensing is to regulate day care facilities so as to assure that those facilities will offer and assure children the care, protection, supervision and the promotion of sound growth and development necessary to their health, safety and welfare.

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[1] (*Comment.* The statute is addressed to day care and not to the licensing of other child care or child placement facilities. Some legislatures may wish to conclude other licensing tasks in a single statute.)

Section 3. Definitions. As used in this Act:

(1) "day care" means the care, supervision, and guidance of a child or children, unaccompanied by a parent, on a regular basis, with or without pay, for periods of at least 2 hours but less than 24 hours per day, in a place other than the child's or the children's own home or homes;

(2) "day care facility" means a "family day care home," a "group day care home," or a "day care center," as defined in this Act, whether known or incorporated under some other descriptive title or name such as "Day Nursery," "Nursery School," "Child Play School," "Day Camp," "Child Development Center," "Early Childhood Center," "Recreation Center," and the like: provided, however, that "day care center" does not include a public or private elementary or secondary school engaged in providing legally authorized educational and related functions and which meets the accreditation standards applicable in that state; [2]

(3) "family day care home" means an occupied private residence which receives one or more but fewer than seven children who are related or unrelated to the resident caregiver. No more than five children may be received when children under 3 years of age are received, and no more than two children under 3 may be received at the same time. The maximum number of children to be received shall be reduced by the number of children normally residing in the home.

(4) "group day care home" means an occupied private residence which receives seven through twelve children who are related or unrelated to the resident caregiver. The maximum number of children to be received shall be reduced by the number of children normally residing in the home.[3]

(5) "day care center" means (i) any facility other than an occupied residence which receives one or more children for day care, or (ii) any facility including an occupied residence which provides day care for 13 or more children including the children normally residing in the home and children received for day care who are related or unrelated to the resident caregiver.[4]

Child-staff ratios in all facilities should be lowered in all instances where children with handicapping conditions or special needs are served.

(6) Day Care Operator. The person, corporation, partnership, voluntary association, or other public or private organization ultimately responsible for the overall operation of a day care facility.

(7) Caregiver. Any person whose duties include direct care, supervision and guidance of children in a day care facility.

(8) Child. A person who has not reached the eighteenth birthday.

(9) Department. The State agency designated to administer day care licensing under this Act.[5]

(10) Board. The State Advisory Board on day care licensing named under this Act to advise the department.

(11) Director. The administrative head of the department.

(12) Related. Any of the following relationships by marriage, blood, or adoption: parent, grandparent, brother, sister, stepparent, step-brother, step-sister, uncle, aunt.

(13) License. A license issued to an operator of a new day care facility authorizing the licensee to operate in accordance with the provisions of the license, this Act, and the rules and regulations of the department.

(14) Provisional License. A license issued to an operator of a new day care facility authorizing the licensee to begin operations although the licensee is temporarily unable to comply with all of the requirements for a license, but in no case shall such a provisional license be effective beyond 18 months.

(15) Approval. A written notice issued to a department, agency, or institution of the State, or a county, city, or other political subdivision, approving the operation of a day care facility in accordance with the provision of the notice, this Act, and the rules and regulations of the department.

(16) Provisional Approval. A written notice issued to a department, agency, or institution of the State, or a county, city, or other political subdivision approving the commencement of operations of a day care facility although the operator is temporarily unable to comply with all of the requirements for approval, but in no case shall such provisional approval be effective beyond 18 months.

Section 4. [Licensing and approval.]

(a) No person, corporation, partnership, voluntary association, or other organization may operate a day care facility unless licensed to do so by the Department: Provided, however, that operation of a home specifically excluded from the definition of family day care home shall not preclude the issuance of a license if application is made for one.

(b) Day care facilities operated by the State, or by a county, city, or other political subdivision, must meet or exceed requirements for all other licensed operators of day care facilities. The department, agency, or institution of the State, or the county, city, or other political subdivision which operates a day care facility or facilities shall obtain approval from the department rather than licensure in order to operate such facility or facilities. The department shall provide visitation, consultation, and information services to such departments, agencies, or institutions of the State, and to such counties, cities, or other political subdivisions.

(c) Application for license or approval shall be made on forms supplied by the Department and in the manner it prescribes.

(d) Before issuing a license or approval the Department shall conduct an investigation of the applicant and the proposed plan of care, maintenance, and supervision for children and for operating a day care facility. If the results of the investigation satisfy the department that the provisions of this Act and the applicable rules and regulations promulgated by the department are satisfied, a license or approval shall be issued. If the results of the investigation satisfy the Department that all of the applicable rules and regulations cannot be met immediately but can and will be met within six months or less, and the deviations do not threaten the health or safety of the children, then a provisional license or provisional approval shall be issued for a period not to exceed six months from the date of such issuance.

Section 5. [Denial and Notice.]

(a) An applicant who has been denied a license by the Department shall be given prompt written notice thereof by certified or registered mail to the address shown in the application. The notice shall contain a statement of the reasons for the denial and shall inform the applicant that there is a right to appeal the decision to the Director in writing within 30 days after the mailing of notice of denial. Upon receiving a timely written appeal the Director shall give the applicant reasonable notice and an opportunity for a prompt hearing before an impartial hearing examiner with respect to the denial of the application. On the basis of the evidence adduced at the hearing, the hearing examiner shall make the final decision of the Department as to whether the application shall be granted either for a license or a provisional license or denied.

(b) An applicant who has been denied approval by the Department shall be given prompt written notice thereof, which shall include a statement of the reasons for the denial. The notice also shall inform the applicant that it may, within 30 days after the mailing of the notice of denial appeal the denial by making a written request to the director for an opportunity to show cause why its application should not be denied. Upon receiving a timely written request the director shall give the applicant reasonable notice and an opportunity for a prompt, informal meeting with the director or his designee with respect to the denial of the application and an opportunity to submit written material with respect thereto. On the basis of the available evidence, including information obtained at the informal meeting and from the written material, the Director shall decide whether the application shall be granted for approval, provisional approval or denial. The decision of the Director shall be in writing, shall contain findings of fact and rulings of law, and shall be mailed to the parties to the proceedings by certified or registered mail to their last known addresses as may be shown in the application, or otherwise.

Section 6. [Powers to suspend, revoke, or make probationary.]

(a) The Department shall have power to suspend, revoke, or make probationary a license or approval if a licensee or approved operator is found not to comply with the rules and regulations of the Department respecting day care facilities.

(b) A licensee or approved operator whose license or approval is about to be suspended, revoked or made probationary shall be given written notice by certified or registered mail addressed to the location shown on the license or approval.[6]

The notice shall contain a statement of and the reasons for the proposed action and shall inform the licensee or approved operator that there is a right to appeal the decision to the director in writing within 10 days after the mailing of the notice of the proposed action. If no timely written appeal is made, the license shall be suspended, revoked or made probationary as of the termination of the 10-day period.

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[2] (*Comment*. It is recognized, however, that a day care facility, subject to licensing, might be operated in connection with these public or private schools.)

[3] *Comment*. It is recognized, however, that the group day care home would probably require some modification of the home and that the modified home should serve only as many children as it can integrate into its own physical setting and pattern of living. It is especially suitable for school-age children, who do not require a great deal of mothering or individual care, and who can profit from considerable association with their peers. If preschool children are received, appropriate reduction should be made in the total number of children received or additional staff should be obtained. Preschool children should be cared for somewhat separately, and the child-staff ratio for the preschool group should not exceed five to one. If children under 3 are received, they should be cared for separately, by caregivers who are solely responsible for their care, and the child-staff ratio should not exceed two to one.)

[4] (*Comment*. Day care centers should not accept children under 3 years of age unless the care approximates the mothering in the family home. If children under 3 are received, they should be cared for in a separate part of the center, by caregivers who are solely responsible for their care, and the child-staff ratio should not exceed two to one. As far as a reasonable staffing pattern will permit, the same persons would be charged with the care of the same infants.)

[5] (*Comment*. The licensing function should be carried by a state agency which has a major interest and responsibility for comprehensive services to children and their families. The legislature in each state can best identify that agency.)

[6] (*Comment*. The text permits suspension and revocation only after opportunity for a hearing. It should be noted that Section 7 of the Act provides for injunctive relief where serious harm to children is threatened.)

In the case of a license, upon receiving a timely written appeal the director shall give the licensee reasonable notice and an opportunity for a prompt hearing before a hearing examiner with respect to the proposed action. On the basis of the evidence adduced at the hearing, the hearing examiner shall make the final decision of the Department as to whether the license shall be suspended, revoked or made probationary.

In the case of an approval, upon receiving a timely written appeal, the director shall give the approved operator reasonable notice and an opportunity for a prompt, informal meeting with the Director or his designee with respect to the proposed action, and an opportunity to submit written material with respect thereto. On the basis of the available evidence including information obtained at the informal meeting and from the written material, the Director shall decide whether the approval shall be suspended, revoked or made probationary. The decision of the Director shall be in writing, shall contain findings of fact and rulings of law, and shall be mailed to the parties to the proceedings by certified or registered mail to their last known addresses as may be shown in the application, or otherwise.

Provided, however, that if the Director finds that the health or safety of the children so requires, he shall order the immediate suspension of the license or approval. The licensee or approved operator shall be given written notice of the order by personal service or by certified or registered mail addressed to the location shown on the license or approval. The notice shall contain a statement of the reasons for the suspension and shall inform the licensee or approved operator that there is a right to petition the Director to reconsider the order. The petition shall be in writing and shall be made within 10 days after the personal service or the mailing of the order. In the case of a license, upon receiving a timely written petition, the Director shall give the licensee or approved operator reasonable notice and an opportunity for a prompt hearing before a hearing examiner with respect to the order of suspension of the license or approval. On the basis of the evidence adduced at the hearing, the hearing examiner shall make the final decision of the Department as to whether the order of suspension shall be affirmed or reversed.

In the case of an approval, upon receiving a timely written petition, the Director shall give the approved operator reasonable notice and an opportunity for a prompt, informal meeting with the Director or his designee with respect to the proposed action, and an opportunity to submit written material with respect thereto. On the basis of the available evidence including information obtained at the informal meeting and from the written material, the Director shall decide whether the order of suspension shall be affirmed or reversed. The decision of the Director shall be in writing, shall contain findings of fact and rulings of law, and shall be mailed to the parties to the proceedings by certified or registered mail to their last known addresses as may be shown in the application, or otherwise.

(c) At the hearing provided for by this section or by Section 5, the applicant or licensee may be represented by counsel, and has the right to call, examine and cross-examine witnesses. The hearing examiner is empowered to require the presence of witnesses and evidence by subpoena on behalf of the appellant or Department. Hearing examiner decisions shall be in writing, shall contain findings of fact and rulings of law, and shall be mailed to the parties to the proceedings by certified or registered mail to their last known addresses as may be shown in the application, or otherwise.[8]

Section 7. [Rules and regulations.]

(a) The Department shall develop and promulgate rules and regulations for the operation and maintenance of day care facilities, and for the granting, suspending, revoking and making probationary of both licenses and approvals and provisional licenses and provisional approvals. In developing such rules and regulations the Department shall consult with:

(1) Other appropriate State agencies (including the State Board of Health, the State Department of Education, the State Fire Marshal and the State Attorney General). The agencies consulted are hereby directed to cooperate with and assist the Department in developing appropriate rules and regulations for the licensing and approval of day care facilities.

(2) Parents, guardians or custodians of those children who use the service.

(3) Child advocacy groups.

(4) The State Advisory Board on day care licensing established by this Act.

(5) Representatives of those who operate day care facilities.

(6) Experts in the various professional fields which are relevant to child care, child development, child health, and early childhood education.

Draft formulations shall be widely circulated for criticism and comment.[8a]

(b) The rules and regulations for operating and maintaining day care facilities shall be designed to promote the health, safety and welfare of the children who are to be served by assuring safe and adequate surroundings and healthful food; by assuring supervision and care of the children by capable, qualified personnel of sufficient number; by assuring an adequate program of activities and services to enhance the development of each child; and by assuring continuous parental participation in all aspects of the program.

The rules and regulations with respect to granting, suspending, revoking and making probationary licenses and approvals and licensing and approval administration shall be designed to promote the proper and efficient processing of matters within the cognizance of the Department and to assure applicants, licensees and approved operators fair and expeditious treatment under the law.[9]

(c) The Department shall conduct a comprehensive review of its licensing and approval rules and regulations, at least once each three years.

(d) The rules and regulations shall be published in such a way as to make them readily available to the public.

(e) The Department shall publish a proposed final draft of the rules and regulations, and amendments, as required by the provisions of (the State Code of Administrative Procedure); provided, however, that, in any event, they shall be published in media of general circulation in order to reach the public statewide at least 60 days and no more than 90 days before they are proposed to go into effect. The publication also shall invite comments by interested parties. A public hearing will be held at least 30 days prior to adoption of the rules and regulations by the Department.

Section 8. [Penalties.]

The operation of a day care facility without a license is a misdemeanor punishable ———. The Department is empowered to seek an injunction in the ——— Court against the continuing operation of a day care facility:

(1) When there is any violation of this Act or of the rules and regulations promulgated by the Department which threatens serious harm to children in the day care facility, or

(2) When a licensee or approved operator has repeatedly violated this Act or any of the rules and regulations of the Department.

Proceedings for securing such injunctions may be brought by (the Attorney General, or by the County Attorney or District Attorney of the Jurisdiction in which the day care facility is located).

Section 9. [Expiration and Renewal.]

Regular licenses and approvals expire at the end of one year from the date of issuance except that when a license or approval is issued immediately following the expiration of a provisional license or approval the expiration of the license or approval shall be one year from the date of the expiration of the original license or approval. Licenses and approvals may be renewed upon application and approval.

Each license certificate and written approval shall clearly state the kind of program the licensee or approved operator is permitted to undertake, the address of the licensee or approved operator, the location of the facility, and the number of children who may be served.

Section 10. [Investigation and Inspection.]

In exercising the powers of licensing, renewing, approving, suspending, revoking, or making probationary licenses and approvals the Department shall investigate and inspect licensees and approved operators and applicants for a license or an approval. The authorized representative of the Department may visit a day care facility at any time during the hours of operation for purposes of investigations and inspections. In conducting investigations and inspections, the Department may call on political subdivisions and governmental agencies for appropriate assistance within their authorized fields and it is authorized to contract for and effect payment for such assistance.

The licensee, approved operator or applicant shall cooperate with the investigation and inspection by providing access to its facilities, records and staff. Failure to comply with the lawful requests of the Department in connection with the investigation and inspection is a ground for revocation of license or approval or for a denial of application. The investigation and inspection may involve consideration of any facts, conditions or circumstances relevant to the operation of the day care facility, including references and other information about the character and quality of the personnel of the facility.

Section 11. [Appeal and Judgment.]

Any final decision of the Department made by a hearing examiner after a hearing, or by the Director after an informal meeting and review of the available evidence may be appealed by a party to the hearing or the informal meeting to the ——— Court for review (by commencement of a civil action) within ——— days after the mailing to the party of the notice of the decision. The review shall not consist of a trial *de novo*. The findings of the hearing examiner or the Director as to any fact, if supported by substantial evidence, shall be conclusive. The Court shall have power to enter judgment upon the pleadings and a certified transcript of the record which shall include the evidence upon which the findings and decision appealed are based.

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[8] (*Comment*. The licensee is entitled to a trial-type hearing on the issue of suspension or revocation.)

[8a] (*Comment*. The main thrust of the Act is to enable the appropriate state agency to develop and promulgate the detailed standards, rules and regulations needed both for the substantive and procedural aspects of licensing day care facilities. The agency will possess the experience and the expert assistance which such detail requires. Further, legislation is not as easily amended as licensing regulations ought to be in light of accumulated experience.)

[9] (*Comment*. The text offers the legislative standards which are to guide the development and promulgation of administrative standards, rules and regulations. More specific legislative guidelines may be necessary in states where serious constitutional issues of delegation of power may arise.)

Section 12. [Consultation.]

The Department shall offer consultation through employed staff or other qualified persons to assist a potential applicant, applicants, licensees, and approved operators in meeting and maintaining requirements for licensing and approval and to help them otherwise to achieve programs of excellence related to the care of children served.

Section 13. [Establishment of State Advisory Board.]

A State Advisory Board on day care facility licensing is hereby established. It shall consist of ——— members appointed by the (Governor), in accordance with the following:

(a) At least 50% of the members appointed shall be parents of children receiving day care services at the time of appointment who are broadly representative of all such parents in the State. They shall be appointed from a list which has been compiled and submitted to the Governor by the Department. The list shall contain a number of names equal to twice the number of parent vacancies plus one.

(b) Approximately ½ of the remainder of the members appointed shall be representatives of licensees and approved operators. They shall be appointed from a list compiled and submitted to the Governor by the Department, which shall consist of the names of persons who own, operate, administer, or serve on the staff or governing board of day care facilities. The list shall contain a number of names equal to twice the number of vacant positions in this category plus one.

(c) The remainder of the members appointed shall be specialists in the various professional fields which are relevant to child care, child development, child health, and early chidlhood education. They shall be appointed from a list compiled and submitted to the Governor by the Department, which shall consist of the names of persons who have special qualifications, either by training or experience, in one of said fields. The list shall contain a number of names equal to twice the number of vacant positions in this category plus one.

(d) Members shall serve without pay, but shall be entitled to reimbursement for the reasonable expenses of attending meetings, and a per diem allowance of $——— for each day the board is in session.

(e) Members shall serve for a term of three years from their appointment. Those appointed to fill vacancies created for any reason shall serve only the unexpired portion of the term unless reappointed thereafter. Notwithstanding the foregoing, approximately one-third of the initial appointees shall serve for a one year period and approximately one third shall serve for a two year period; the approximately two thirds of the members whose initial terms shall be so shortened shall be chosen by casting lots among all the appointees. No board member shall be permitted to succeed himself after serving a full three year term of office.

Section 14. [Powers of State Advisory Board.]

The State Advisory Board on day care facility licensing shall:

(a) Review rules and regulations proposed by the Department and make recommendations thereon to the Director.

(b) Make proposals for the improvement of day care licensing by proposing legislation or rules and regulations to the Department.

(c) Advise the Department on matters of licensing policy, planning and priorities.

Exhibit 1

Member organizations who have endorsed the State Day Care Facility Licensing Act as of April 26, 1974:

AFL–CIO.
Amalgamated Clothing Workers of America (AFL–CIO).
American Association of University Women.
American Federation of Teachers (AFL–CIO).
American Home Economics Association.
American Institute of Family Relations.
American Nurses Association.
American Occupational Therapy Association.
American Optometric Association.
American Parents Committee.
American Psychological Association.
Association for Childhood Education International.
Children's Foundation.
Child Welfare League of America.
Daughters of Isabella.
Day Care Council of Nassau County.
Day Care Council of New York City.
Home and School Institute.
Lutheran Church.
Minnesota Children's Lobby.
National Association of Social Workers.
National Association of Training Schools and Juvenile Agencies.
Nat'l Child Day Care Ass'n.
Nat'l Consumers League.
Nat'l Council of Jewish Women.
National Women's Conference of the American Ethical Union.
National Youth Council on Civic Affairs.
Parents Without Partners.
Quality Child Care, Inc.
Salvation Army.
Teen-Age Assembly of America.
United Church of Christ—Board for Homeland Ministries.
United Church of Christ—Division of Health and Welfare.
United Neighborhood Houses.
Volunteers of America.

STRONG SUPPORT FOR LAND USE LEGISLATION

Mr. JACKSON. Mr. President, on April 26, the Subcommittee on the Environment of the House Interior Committee completed its 18th day of hearings on land use legislation over the last 3 years and its fifth day of hearings on H.R. 10294—the "Land Use Planning Act of 1974"—now pending before the House Rules Committee. As my colleague will recall, on June 21, 1973 the Senate passed a similar measure—S. 268, the "Land Use Policy and Planning Assistance Act," by a vote of 64 to 21. Last Congress, by a very similar vote, the Senate passed S. 268's predecessor. That bill failed in the 92d Congress when the House Rules Committee refused to grant it a rule. When, on February 26, 1974, the House Rules Committee deferred action on H.R. 10294, S. 168's counterpart, it appeared that land use legislation might languish again this Congress. There is now, however, reason to hope that, thanks to the able leadership of Chairman Haley and Representative Udall and other land use proponents, the legislation might yet become law.

Should this event occur, those of us who have favored reforms in land use decisionmaking should be particularly appreciative of the efforts of a wide diversity of interests who have worked for strong land use legislation. Opponents of this legislation have taken great pains to depict it as a radical measure supported only by environmentalists. Yet, from the very beginning, Governors, mayors, county executives, and labor and professional groups have favored strong land use bills. Most heartening was the strong support given by the business community to H.R. 10294 in last week's hearings.

Mr. President, I ask unanimous consent that testimony and communications from representatives of the Mortgage Bankers Association of America, the National Association of Homebuilders, and the League of New Community Developers be printed at the end of my statement.

I also ask unanimous consent that letters from representatives of the AFL–CIO and the UAW, reconfirming their long-standing support, be printed at the end of my statement.

Finally, so as to lay rest to any notion that the land use bills are opposed by local government, I also ask unanimous consent that the statements of the New Coalition—representing Governors county executives, and mayors—and of the National Association of Counties be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Mortgage Bankers
Association of America,
Washington, D.C., April 25, 1974.

Hon. Morris K. Udall,
Chairman, Subcommittee on the Environment, Committee on Interior and Insular Affairs, Washington, D.C.

Dear Mr. Udall: The Mortgage Bankers Association appreciates the opportunity to comment on H.R. 10294, the Land Use Planning Act of 1974.

The Mortgage Bankers Association supports H.R. 10294 because of its potential influence on producing reliable and consistent land use plans and policies at local and state governmental levels. The mortgage bankers, as you know, bring together a major portion of the capital behind commercial, industrial and residential development. These major land uses are privately initiated and are subject to a variety of local land use controls. It will be a major benefit to the land development and mortgage banking industries to have these controls consistently and appropriately applied throughout a local jurisdiction or a state. In addition, passage of the Land Use Planning Act during 1974 is of utmost importance in getting on with the jobs of achieving the nation's development and environmental goals.

Since exhaustive hearings have already been held and many people have already been heard on the subject of the bill, we will not address ourselves to specific technical details. However, MBA does wish to go on record as continuing to support the objectives of this legislation, particularly three of them which have important relevance to MBA and the land development industry:

1. to establish land use policy;
2. to make grants to states to develop and implement comprehensive land use planning processes, and;
3. to coordinate federal programs and policies which have a land use impact.

First, the development of land use policy throughout the United States is long overdue. Such land use policy, actually implemented in a practical, comprehensive and consistent manner is virtually non-existent at the federal level. The development of statewide land use policy via adopted land use legislation is just beginning in only one-third of the states and land use policy at the local governmental level is often inconsistent and temporary. Such inconsistencies in land use policies have led to urban development patterns which have hastened deterioration of the quality of both urban and rural life styles. Development of land use policy as a consistent and reliable guide for both private and public sectors for planning and decision making is urgently needed. The rules of where and what development can or cannot take place must clearly be understood by all.

Secondly, utilizing the state and local governments rather than the federal government as a primary developer and administrator of land use planning processes has two major advantages: (1) as the states are much closer to the issues than the federal government, the granting of funds to the states to develop land use planning processes strengthens their role in influencing local, regional as well as inter-state land use policy. In addition, statewide development policy can be an important increment in establishing a basis for a consistent land use policy for the entire nation. General national growth policy guidelines and criteria are urgently needed to assist the states and localities in developing their land use policies and plans. Such assistance would result from implementation of this greatly-needed federal land use bill, H.R. 10294. As known, many states are awaiting federal action before taking definitive steps in the area of land use. Federal land use policy guidance should be a major consideration of the Inter-agency Land Use Policy and Planning Board created by this Act. (2) the emphasis on developing a land use planning process, rather than a land use plan, should provide a policy guide for the local jurisdictions to work within. Accordingly, local jurisdictions must play an important role in the development of a viable state land use policy. With this state policy guide the local jurisdictions could determine in a more reliable manner where growth can and cannot go in the jurisdictions and yet be consistent with state-wide policy. This reliability will be much appreciated by the land development industry.

A third purpose of H.R. 10294, and perhaps most significant to Congress, is the vitally needed coordination of the plethora of existing federal programs which impact land use. These existing related laws have a cumulative impact on land use which must be considered to be national policy. For example, the most significant legislation enacted in the last five years which have greatly impacted or will impact land use policy include:

1. the National Environmental Policy Act of 1969;
2. the Clean Air Act of 1970;
3. the Federal Water Pollution Control Act of 1972;
4. the Noise Control Act of 1972;
5. the Coastal Zone Management Act of 1972;
6. the Flood Disaster Protection Act of 1973; and
7. the recent flurry of energy bills.

As stated previously, H.R. 10294 has an important purpose and an extremely formidable challenge in achieving coordination of these and other land use related legislation. Such coordination of the above laws which affect land use is absolutely necessary to achieve consistency in land use policy at the state and local level. The Land Use Planning Act of 1974 should contain more definite provisions to assure such coordination.

I will close by citing the land use policy position adopted by the Mortgage Bankers Association a year ago at its annual convention. "Land use legislation is undeniably required to assure that appropriate use is made of the remaining land in the country. The Mortgage Bankers Association of America supports the establishment by Congress of general land use policies, substantial grants for state land use planning and inventory, and the creation of a federal office of land use policy for general implementation and coordination with the states. By supporting the general concept of land use, MBA cautions the Congress that the individual, the community and the corporation be given adequate and sensible protection against unwarranted limitation on the use of lands for developmental and habitational purposes. Environmental protection and continued economic growth must share equally in any legislation formulated."

MBA has hope that Congressional action on the Land Use Planning Act during 1974 will be of utmost benefit to the country as a whole in achieving a balance between planned growth and the protection of the environment.

Sincerely,

OLIVER H. JONES,
Executive Vice President.

NATIONAL ASSOCIATION OF
HOME BUILDERS,
Washington, D.C., April 25, 1974.

Mr. Chairman and Members of the Subcommittee: My name is John C. Hart. I am a home builder from Indianapolis, Indiana. I also serve as Vice President and Treasurer of the National Association of Home Builders, the trade association of the home building industry. NAHB's membership totals more than 74,000 in 576 state and local associations throughout the 50 states and Puerto Rico.

How the use of land in this nation will be planned in the years to come is one of the most important issues the country faces today. Equitably resolving the many and diverse conflicts over the way in which private lands are to be used is of grave concern to our industry. The Land Use Planning Act of 1974, H.R. 10294, will have a profound effect on land use planning in this country by encouraging, in many states, a much more elaborate and comprehensive system for making land use decisions and structuring a set of priorities to be considered in dealing with competing interests affected by these decisions.

Accordingly, we are grateful for this opportunity to appear before you today and to comment on the impact of this legislation on housing the American people. Because land, its location, supply, and price is so vital to housing and to us as an industry and because we are so heavily dependent upon the plans and decisions relating to its use, we have watched with deep interest the evolution, over more than four years, of a Federal approach to land use.

Concurrent witih efforts in the Congress to grapple with the development of a better system for avoiding planning mistakes of the past, we as an industry, have given high priority over the past five years to the development of our own conception of an appropriate approach to land use policy for the nation. I personally served on nearly all of the NAHB Task Forces established to deal with the issues.

During the course of our study and debate we looked at the many legislative, judicial and administrative approaches which have been devised to deal with the regulation of land use. The principal test we applied to these was the extent to which they contributed to the enlargement of housing opportunities, to increasing the availability of land for housing in suitable locations at reasonable costs and to enhancing the urban living environment.

Out of this long and extensive consideration has come a statement of policy adopted by our Board of Directors last September. This statement of policy was designed to be applicable to the role of Federal as well as state and local governments in land use planning and regulation. I have attached a copy of this statement as Exhibit "A".

In essence, we believe that any land use policy, whether Federal, state, or local, must balance the basic human needs of a still expanding national population and legitimate environmental concerns. Land use issues should be resolved at the lowest governmental level which will produce rational and coordinated land use. We believe that, in most cases, this is the local level, which is most knowledgeable of and responsive to people's needs.

We conceive the Federal role in land use to be in the area of broad policy making, and in providing the funds necessary for the states to develop, coordinate, and reconcile state and local land use policies. It is our view that the nation's housing policy, first stated by the Congress in the Housing Act of 1949 and reiterated and enlarged upon in subsequent housing legislation, must be considered. Thus, we say in our policy statement that any national legislation establishing broad national land use policy must be consistent with the national housing goals.

We view land use planning legislation as offering a great potential for overcoming some of the roadblocks our industry has faced in recent years in its efforts to achieve the nation's housing goals. The land-use-related impediments to our industry's efforts to respond to the need of people for housing are many. These impediments represent, for the home building industry, a problem of such magnitude that they rank on a plane with the problem of cost and supply of mortgage credit, and far exceed the problems of material and labor supplies and prices.

Increasingly, planning and associated land use controls have ignored the responsibility of communities to respond to the pressures of growth and development. We have seen community after community shut their doors to people who, by their jobs or by other reasons of choice, seek to live there. Sometimes, this exclusion has taken a very subtle form. For instance, in the name of protecting the natural environment, communities have sought to freeze things as they are or to put unreasonable ceilings on their rate of growth or their total growth, without regard to peoples' needs or the impact on surrounding jurisdictions.

Other communities have simply ignored their responsibility to provide facilities and services to accommodate growth and development, allowing, for instance, sewer systems to become obsolescent and hazardous. The resulting emergency is then used to justify the calling of a total halt to all growth. What is worse, adequate corrective measures are often slow and the moratorium becomes the only cure to the problem.

Other examples, of communities' failures to appraise their position and plan for future needs, including the zoning of vast land areas for large lot development exclusively, prohibiting multifamily development altogether, or establishing unreasonable and costly development standards, all of which push land prices and thus housing costs beyond the means of all but the affluent.

The over-dependence of local communities on the real estate tax to finance public services, particularly those not related to the land, plays a large part in resistance to growth and development. Fiscal zoning is a by-product. Another is insufficient capital to invest in water and sewer systems and other infrastructure.

Unfortunately, as Federal land use legislation developed to the stage it has reached today, the potential we in the home building industry saw for solving some of these problems began to fade. The importance of planning for the housing needs of people lost emphasis. The emphasis seemed to switch from a concern for the needs of *people* to one of a concern for *things*. Many now fear that land use legislation could become a Federal "seal of approval" on the no-growth movement.

This is not an entirely accurate appraisal, however, for the bill does, in several respects address the importance of considering housing needs of people in the development of state planning processes. Urban development and an adequate supply of housing within a reasonable distance of employment centers would have to be considered in the state planning process, and so would the continuing growth of expanding areas. A full range of housing opportunities within the state must be considered to the greatest extent possible, and, in areas identified by the states as being of critical environmental concern, all demands upon the land, including economic, social and environmental demands must be given full consideration. Finally, land use of regional benefit is subject to special state attention.

Unfortunately, these and other references to housing are set forth in hortatory language and, therefore, do not provide the needed impetus to the states to include a housing element in the planning processes developed under the Act. We believe that H.R. 10294 can be put back on the track by the inclusion of a very simple amendment which would offset the imbalance between planning for the preservation of the natural environment and the need to plan for people.

Our suggested amendment is attached as Exhibit 'B' to my statement. It would require that the state land use planning process take into account the land needs for a full range of housing within the state. Additionally the process would have to take into account the need for community facilities required to support that housing. Finally, the determination of land needed for housing and related facilities would be based on the state's projections of both present and future population.

By taking this significant step in redirecting the bill towards protecting and planning for the needs of people, we believe that it would be appropriate for the Congress to move forward toward the bill's adoption, although the home building industry still has several reservations.

We are most alarmed over provisions in the Senate bill which mandate new, far-reaching state land use controls over certain developments in nonurban areas. We are pleased with this Committee's action in rejecting a similar proposal in earlier drafts of the bill. This would have been a complete departure from the purpose and spirit of the legislation and would have added substantially to the already spiralling cost of land.

We are also concerned about some provisions in the bill which, while only directive, could lead the states into excesses which would unreasonably restrict needed land development. One is the potential for the reservation of extensive land areas without periodically reviewing the need for the reservation and without adequate compensation. Removing too much land from local tax rolls could have severe consequences. Another is the potential for needlessly complex land use controls imposed by new layers of bureaucracy. We recognize, of course, that these are matters which will have to be decided from state to state.

As you can see, we still do have concerns about H.R. 10294. However, in recognition of the fact that the Subcommittee has been attempting to resolve the conflicting interests of many different orientations to land use planning, we believe that, if the bill can be amended to provide the type of housing concern we have outlined, it deserves consideration by the full House.

Nearly three-fourths of our nation's population lives in urbanized locations on only about 1½% of the nation's land. Many mistakes resulting from inadequate planning of that land are evident, and yet, despite these, we are a nation of more than 200 million, better housed than any other in the world. Hopefully, this legislation will avoid the mistakes of the past and, at the same time, further our national goal of a decent home and a suitable living environment for every American family.

Thank you for this opportunity to appear before you today.

EXHIBIT "A"

STATEMENT OF POLICY

LAND USE AND THE ENVIRONMENT

Any land use policy must balance the basic human needs of a still expanding national population and legitimate environmental concerns. Within that framework, housing opportunities for Americans of all income levels must be englarged and their right of mobility and freedom of choice assured.

Priorities must be set and mechanisms created at the local, state, and national levels for resolving land use issues *at the lowest level* which will produce rational and coordinated land use. We conceive the federal role to be in the area of broad policy; the state role to assure that local land decisions are regionally coordinated and in the broad public interest; and the local role to determine land use in accord with overall needs, encouraging housing for people of all incomes, races, and creeds.

Accordingly, any national legislation establishing broad national land use policy must accomplish the national housing goals and provide for loans and grants to applying states for coordinating, reconciling, and developing state and local land use policies. The *Federal Government* should:

(a) Adopt the general principle that local real estate taxes would be relied upon primarily to meet real estate related services and that other tax sources would be relied upon to provide revenue for other public needs.

(b) Continue the present new communities program (Title VII) and institute a new federal program for small satellite communities which insures appropriate state and local cooperation and support.

(c) Give the highest priority to providing funds for sewage treatment and water purification.

(d) Provide a new comprehensive program designed to regenerate the inner city socially, economically, and physically, relying heavily on incentives to private developers for redevelopment and rehabilitation.

(e) Act promptly, to expand, conserve, regenerate, replenish, and supplement our natural resources essential in the production of energy and raw materials necessary to meet current and future growth needs; and further, to encourage development of adequate transportation and transmission systems for raw materials and energy.

At the *state level* we favor:

(a) Requiring that state and local governments anticipate future growth, provide funds for and build needed community facilities, and create new programs of aid to localities to provide such facilities.

(b) Adoption of state housing goals.

(c) Action to prevent localities from adopting excessive development standards that unnecessarily raise the cost of housing.

(d) Creation of an appropriate appeals mechanism capable of overriding local land decisions that are designed to, or have the effect of, thwarting the fulfillment of housing needs.

(e) State assumption of the major local share of the costs of education and use of real property taxes essentially for real estate related services.

(f) State performance-oriented model codes, enabling legislation and technical help to regions and municipalities when needed to improve their capacity to deal with land use.

When areas of critical environmental concern or areas needed for open space requirements are acquired and/or reserved, the amount of land so acquired and/or reserved must be directly related to the foregoing, and land owners must be equitably and expeditiously compensated for land so acquired and/or reserved, and use restriction must be reviewed periodically. We vigorously oppose, as an unnecessary and unwarranted preemption of activities best performed by private enterprise, a governmental program of land acquisition for land banking not related to a program of public use. We also strongly oppose state-level approval of development.

At the local level we favor:

(a) Regional compacts to plan and coordinate those concerns of a regional nature (such as transportation, water management, regional sewer treatments) and to assure that common problems are solved on a regionally compatible basis.

(b) Equitable assessments for all undeveloped properly encouraging preservation of open space and tax reforms to provide tax incentive for residential rehabilitation.

(c) Construction of community facilities to meet present and future needs.

We strongly oppose:

(a) Moratoriums on building or zoning because of a community's failure to provide for anticipated growth.

(b) Imposition of unreasonable fee and permit charges on new housing, compulsory dedication of land, payment of "in-lieu" fees for parks and schools or any other ancillary charges not related to the cost of issuing approvals.

We shall continue vigorously to fight no-growth policies in all their manifestations—including exclusionary and discriminatory zoning; limitation on approval to develop land or to build; needless delay in providing essential community services and facilities; and any and all other forms of limiting the attainment of housing goals or excluding certain economic, racial, or ethnic groups.

EXHIBIT "B"

SUGGESTED AMENDMENT TO H.R. 10294

Section 104 is amended by inserting immediately after subsection (g) the following new subsection and relettering the succeeding subsections accordingly:

"(h) taking into account the land needs for a full range of housing and related community facilities, based on present and future population projections;"

STATEMENT BY MARK H. FREEMAN, EXECUTIVE DIRECTOR, LEAGUE OF NEW COMMUNITY DEVELOPERS

Chairman Udall and distinguished members of the Subcommittee, I am Mark H. Freeman, Executive Director of the League of New Community Developers. I appear to testify in behalf of the Land Use Planning Act of 1974.

Our organization is part of a growing element in this country that is dissatisfied with unplanned and uncoordinated approaches to the solution of critical domestic problems. We support the need to formulate and implement effective land use policies, and we believe that the building of new communities is a practical and important tool in carrying out such a policy. New communities are, of course, only one element in a total urban strategy, but they do offer an alternative in the struggle to rejuvenate the central city and contain metropolitan sprawl. New communities can do this because they are planned on a large enough scale to provide housing, employment and a system of integrated facilities and services, all within a self-contained environment.

Metropolitan sprawl is both ugly and wasteful. It has overwhelmed our ability to provide services on an effective and economical basis. It has made economic and social integration virtually impossible to achieve. It has destroyed our landscape and threatens our delicate ecological balance. Scattered and unplanned development has turned many parts of our country into a mammoth non-system of non-community living. Nothing relates to anything—like Topsy they just grew. Small towns and rural areas stagnate as more people pile up in our cities and their suburbs. Surely there is a better way to guide growth and development in this country.

In keeping with this philosophy, the League supports the legislation before the Committee to encourage States to develop a land use plan and management program over a five year period.

As we pointed out in testimony before the Senate Committee on Interior and Insular Affairs, the issue of State involvement in land use planning comes at a time when growth and its environmental impact is a matter of grave and vocal public concern. This concern is best illustrated in the debate over "growth" or "no growth" as development alternatives. The "no growth" advocates raise long, overdue points about the environmental effects of traditional, unrestrained growth and development—the degradation of the countryside, balkanization and inefficiencies of local governments, the decline of rural and inner city areas, intensification of air, water, solid waste and noise pollution, shortages of fuel, water, electrical energy, increased economic and social segregation and imbalance of opportunity for various economic, social and racial groups.

In recent years the quality and quantity of growth has become a government policy issue. In Title IX of the 1970 Agricultural Act a congressional commitment was made to the sound balance between rural and urban America. The title stated: "The Congress considers this balance so essential to the peace, prosperity and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas."

Again, in 1970, the Congress expanded and more specifically defined its commitment to a rational, balanced growth in Title VII of the 1970 Housing and Urban Development Act. The policy stated was as follows:

"It is the policy of the Congress and the purpose of this title to provide for the development of a national urban growth policy and to encourage the rational, orderly, efficient and economic growth, development and redevelopment of our States, metropolitan areas, cities, counties, towns, and communities in predominantly rural areas which demonstrate a special potential for accelerated growth; to encourage the prudent use and conservation of our natural resources; and to encourage and support development which will assure our communities of adequate tax bases, community services, job opportunities and well-balanced neighborhoods in socially, economically, and physically attractive living environments."

In the Housing Act of 1968 and 1970, Congress made a substantial breakthrough in its efforts to formulate the ingredients of meaningful urban growth policy and to launch a major new towns' program as an effective tool in carrying out such a policy.

The missing ingredient in this emerging trend was the failure to address the State role in promoting balanced growth. States had long since delegated these responsibilities for land use control to local government. The logical extension of this national movement was to get the States back into the picture. Many States have sought to do so at their own initiative. The legislation before us today makes it possible for all States to reclaim authority for their future growth.

The LNCD welcomes the active role of the States in land use planning. However, we do so only if the States recognize the validity and role of large scale land development as a component of all overall State growth policy. We believe the new community development process, relating economic, physical and social considerations, represents a middle ground—it is a bridge between the traditional, fragmented development process and the "no growth" alternative. In fact, the new community development process becomes more critical since in our opinion, "no growth", in its purest form, is not really a development alternative. Even with a low rate of population growth, we will have to provide housing and community facilities for 35–40 million of our citizens. The development of new communities is a major resource for dealing with an increased population while being sensitive to environmental and social considerations.

The Governors of the States have accepted and endorsed the potential offered by the building of new communities. In a resolution passed by the Governors' Conference last June, they state:

"To effectuate a population growth and distribution policy, there should be the adoption of a comprehensive New Communities program which would include expanded communities, new-towns-in-town, and new towns as major components of a national policy designed to relieve growth stresses upon existing metropolitan areas and to promote growth in appropriate areas which have growth potential.

"In addition to current federal and state activities in fostering new community development, vigorous efforts should be made to stimulate greater participation by the private sector, particularly the financial community, in the development, financing and construction of new communities."

We are delighted that the planning requirements in H.R. 10294 require the States to address the need for new communities. We endorse the language in this bill which requires that a State comprehensive land use plan must "assure the development and implementation of a policy for influencing the location of new communities and the use of land around new communities." (Section 105(i)) We are also pleased that Section 105(g) provides a means for proceeding with worthwhile community development efforts of regional or national significance. For the development of new communities, such provisions are required if the program is to operate most effectively. For example, one of our League members is a developer of a new town in a midwest metropolitan area. Because of his site location, in preparing project plans and his application for HUD, he has had to work with officials in two cities, one county, two townships, two school districts, five public safety systems and a host of other special districts. Negotiations with and presentations to these individuals have been considerable in terms of time and energy. We believe State guidelines or direct State planning minimize these multi-jurisdictional problems faced by all those trying to provide some kind of area-wide response to problems in our metropolitan regions.

We note with pleasure that both H.R. 10294 and S. 268 provide strong language to insure that State planning undertaken pursuant to this Act proceeds in a coordinated and effective manner. The requirements stated in both bills are needed if the planning process is to produce the balanced plan called for in the legislation.

At the national level we are more uncertain whether the coordinative procedure set forth in this bill can effectively operate. Gaining effective interdepartmental cooperation has been most difficult. The requirement of a Biennial Report to the Congress may help to encourage the proposed Interagency Land Use Policy and Planning Board to take their responsibilities more seriously than some predecessor interagency groups.

One thing is certain. If the Act is to effectively work the will of the Congress, strong and continual oversight responsibilities must be exercised by the Committee. This will, in large measure, assure that the goals of this needed and ambitious legislation will be attained.

As new community developers we agree that new communities are not a panacea to our growth problem; they are a tool which when combined as part of an overall policy can absorb substantial future growth. Likewise, a State land use plan is also a tool; it cannot be effective unless it affects public and private investment decisions. The Congress recognized this principle when it passed Title IX of the Agricultural Act. It directed all executive departments and agencies to locate offices and facilities in non-metropolitan areas targeted for revitalization.

The major impetus for new towns must also be tied to key investments, either public or private, Federal, State or local, in the development of the community. In many cases the developer will urge location of a hospital, school or government office building in the community to stimulate and anchor other growth and investment in the area. Because of this causal relationship between growth and government investment decisions, we support the policy and priority given in the Senate and House bills to address the impact of government decisions in promoting better land use practices.

The Committee, however, may want to reaffirm this policy by requiring State land use plans to include criteria which will be considered before public investment decisions are reached. Such a reffirmation should also be made relating to Section III(a) regarding Federal investment decisions. This statement might include a direct reference to GSA and the manner in which they arrive at decisions as to the location of Federal office buildings.

We appreciate this opportunity to testify before the Subcommittee. In conclusion, we support the Land Use Planning Act of 1974. We view the objectives contained in this Act as being desirable and necessary if we are to balance the need to preserve our environment while accommodating future growth. We also see the implementation of this Act as necessary, if new communities are to play the effective role designed for them by the Congress.

American Federation of Labor and
Congress of Industrial Organizations,
Washington, D.C., April 30, 1974.
Hon. Morris K. Udall,
Chairman, Subcommittee on the Environment, Committee on Interior and Insular Affairs, Washington, D.C.

Dear Mr. Chairman: On behalf of the American Federation of Labor and Congress of Industrial Organizations, I wish to express strong support of H.R. 10294 and request that this letter be made a part of the record of the hearings held by your subcommittee during the week of April 23, 1974.

With equal vigor, we oppose the Administration's substitute land use legislation (H.R. 11325) and (H.R. 13790) as failing to achieve the environmental goals of H.R. 10294 and setting forth firm conditions governing eligibility for the states to participate.

The AFL–CIO policy statement on the environment calls for ". . . national land-use as an important and logical next step to improve and enhance the quality of our environment, and at the same time, provide for sound use and development, consistent with the economic and social needs of the American people.

"Such a national land-use policy should

include the following: a federal grant-in-aid program to assist state and local governments in establishing or improving their land-use programs and managements and adopting broad land-use laws and programs; a federal program to improve land-use planning and operations on federally owned lands; developing data on major land-use and planning trends; strengthening federal, state and local soil conservation programs."

H.R. 10294 establishes the federal government's role as that of encouraging and supporting development of sound and forward looking land-use planning by the states to assure that all decisions regarding the uses of land be subjected to consideration of their environmental, social, and economic implications. Such decisions would inevitably deal with matters most directly affecting patterns of growth, particularly in areas of special environmental concern, scenic and recreational areas, coastal zones, flood plains and farm lands which might be subject to pressures for other uses such as public utilities, highways or commercial development.

We believe that H.R. 10294 provides the policies by which decisions on beneficial land-use development would strike a balance between unreasonable restrictions and heedless, chaotic, destructive patterns of development which characterize much of the nation's land use trends today.

America's problems of growth are not confined merely to land-use, and the AFL-CIO does not claim that H.R. 10294 is in itself a cure-all for this larger challenge. We do believe, however, that rational land-use policy must be achieved for our nation if we are to achieve an over-all policy on national growth. Toward this goal H.R. 10294 provides an encouraging beginning.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA,
Washington, D.C., March 5, 1974.

DEAR REPRESENTATIVE: In light of the action of the Committee on Rules last week on the land use legislation (H.R. 10294), I want the record to be absolutely clear that the UAW supports this long overdue measure. There were press reports that some elements of organized labor had opposed the bill. If there were such opposition, the UAW most emphatically was not a part of it.

We believe that the Committee's action was most unfortunate and not in the best interests of the nation. We hope you will reconsider your action and permit this important legislation to come to the floor so that the full House of Representatives may work its will. The land use bill is too important to die without a vote by the House.

Your consideration of our position in this matter will be appreciated.

Sincerely,

JACK BEIDLER,
Legislative Director.

THE NEW COALITION,
April 26, 1974.

Hon. MORRIS K. UDALL,
Chairman, Subcommitee on Environment, Committee on Interior & Insular Affairs, Longworth House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the members of the New Coalition, as staff director, I am submitting this letter on H.R. 10294, the Land Use Planning Act of 1974, reported by your Committee. The New Coalition is made up of representatives of elected officials of states, counties, and cities.

The New Coalition's members have strongly urged the House Rules Committee to reconsider its vote to delay indefinitely consideration of H.R. 10294. This bill should be immediately brought before the House so that the Members may consider the bill, and any alternatives, on its merits. We are confident that once this bill receives full and open consideration, it will be seen as an asset to the citizens and state and local governments of this nation, for all interested in the wise and balanced use of our scarce land resources.

We say this because first, H.R. 10294 defines a proper role for the federal government in that it sets our goals for land uses and then establishes and supports a process which assures that all rights are protected. Federal control of land use decisions would, of course, be unacceptable. But a federal demand for land use plans without some assurance that the process for developing the plans would protect the rights of individuals and legitimate institutions of government would be just as repulsive in the end.

Second, H.R. 10294 would establish a land use planning partnership among the various levels of governments regarding critical areas and land uses of more than local significance. Resources would be focused on these crucial areas, rather than dispersing them throughout the state without the discipline of priority-setting. The overwhelming number of land use decisions which have only local significance would remain under the traditional jursdiction of local governments.

Third, H.R. 10294 recognizes that new legislation will not be developed in a vacuum. It builds upon existing institutions, rather than creating new ones. The land use process would provide a mechanism for interrelating the various federally-assisted functional programs that have more than local impact, primarily through the use of state and metropolitan clearinghouses. This further emphasizes the bill's process for decision-making, rather than creating new substantive laws. Federal review would be limited to methods, and not to the goals and plans adopted by a state.

This is by no means an exhaustive review of the merits of H.R. 10294. The member organizations of the New Coalition have testified before the Committee and have repeatedly communicated to the Committee on the legislation.

In contrast, to H.R. 10294, we find H.R. 13790, introduced on March 27, 1974, by Congressmen Rhodes and Steiger, to be an unacceptable alternative. This bill would allow direct federal review of the substance of a state's land use planning process. It would not protect the rights of states and local governments in the development and implementation of federal and state land use programs. It would leave to the federal government the decision on the nature and extent of such involvement, rather than have the basic outlines incorporated into the legislation.

H.R. 13790 would require statewide land use planning controls, rather than concentration on designated critical areas and uses of more than local significance. All land uses in the state then would be subject to federal scrutiny and control, without clear limits or procedures.

A state land use policy would have to be adopted as a condition for federal aid under H.R. 13790. This would put the cart before the horse, forcing the legislature to make final decisions without the evaluation and consideration of various resources and issues that should be the basis for a state land use policy. Federal assistance should be available at the early assessment and evaluation stage, and not just for implementation.

The basic criticism of H.R. 13790 is the creation of a vacuum of responsibility and authority over land use decisions. In attempting to maximize flexibility, it makes inevitable federal intrusion and rigid mandates. One only has to look at the broad authority assumed by the Environmental Protection Agency under the Clean Air Act, where there are no procedural safeguards, to envision what will happen under H.R. 13790.

In conclusion, the New Coalition urges prompt and favorable action on H.R. 10294, the Land Use Planning Act of 1974, by the Rules Committee and the House. While there are many points of controversy, they can best be resolved on the floor, and not by dilatory field hearings which would virtually kill the bill. The issues have been debated for eight months in the Interior Committee in this Congress, as well as in the 92nd Congress and before. It is time for a vote on the merits.

Sincerely,

SELMA MUSKIN,
Staff Director, New Coalition.

STATEMENT OF RALPH MCCLURE, CHAIRMAN OF THE BOARD OF SUPERVISORS, SALT LAKE COUNTY, UTAH, ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES, APRIL 26, 1974

Mr. Chairman and Members of the Committee: My name is Ralph McClure, Chairman of the Board of Supervisors, Salt Lake County, Utah. I appreciate the opportunity to testify today before this distinguished committee on behalf of the National Association of Counties. We in county government have a high regard for the work of this committee and we believe you have been extraordinarily diligent in your consideration of land use legislation.

Mr. Chairman, I will be presenting testimony for the National Association of Counties' position on three points concerning land use legislation:

1. NACo continues its strong support for responsible land use legislation and specifically supports your committee's bill H.R. 10294.

2. NACo opposes the recently introduced bill, H.R. 13790, introduced by representative Sam Steiger (R-Ariz.).

3. NACo believes adequate hearings have been held on land use legislation and it is time for a floor vote.

NACo continues to support responsible land use legislation (H.R. 10294).

I would like to start by agreeing wholeheartedly with Russell E. Train, the Environmental Protection Agency Administrator who said in a speech on March 15, 1974, "There is, in my judgment, no more important legislation before the Congress than the land use bill."

There is a critical need for a national framework for sound planning and land management on the state, county and city levels. We must provide a framework to protect our most valuable irreplaceable resource—our land.

The NACo Land Use Steering Committee, Board of Directors and membership have consistently supported responsible land use legislation that includes provisions for an effective local input into land use decisions.

NACo, along with the League of Cities/Conference of Mayors, the National Governors' Conference, and the National Legislative Conference, supports the Interior Committee bill (H.R. 10294) because these provisions are included to protect local involvement in land use decisions.

A resolution showing this support from the New Coalition, that represents these groups, is attached to our written statement for your committee's consideration.

We support your committee bill because you have included important provisions to guarantee a working partnership between the state and local government. Specifically I refer to:

Section 103 of the bill, which requires a "consult, review and comment role for local government in the development of planning guidelines;

Section 104, which calls for continued participation by the appropriate officials or representatives of local governments in all significant aspects of the planning process (also requires the impact on the property tax base to be considered);

Section 106, which requires the states, rather than local governments, to bear the burden of responsibility to demonstrate whether local government land use actions are inconsistent with the planning process; and

Section 111, which requires actions of federal agencies to be consistent with adopted plans.

NACO OPPOSITION TO THE STEIGER BILL (H.R. 13790)

Mr. Chairman, since your committee last held hearings on land use legislation, another bill has been introduced (H.R. 13790) by Representative Sam Steiger (R-Ariz.) which purports to encourage maximum use of local governments. However, we challenge that representation. The bill in fact does not include any of the provisions that require local participation that are included in your committee bill. The following comparison of your committee bill (H.R. 10294) and the Steiger bill (H.R. 13790) will demonstrate this.

COMPARISON OF STATE/LOCAL PARTNERSHIP

Though the Steiger bill specifies that the land use plan shall be implemented to the maximum extent possible through general purpose local governments, it fails to provide for the on-going involvement by local governments in the development of the plan and fails to assure that *all* local governments affected by land use decisions have an opportunity to participate in the planning and decision-making process.

Your committee bill, on the other hand, leaves the initiative at the state level for developing the land use planning process, but provides important specific methods for involving local governments during the planning process development, including formation of an intergovernmental advisory council, an appeals process, and consideration of the planning process impact on the local tax base.

The most important distinction, however, is that the Steiger bill would require a land use plan which could include *all* land areas and uses within a state, including those of purely local concern which constitute 90 percent of all land use decisions. Your committee bill, however, omits decisions affecting only one local government by focusing on critical environmental areas and development and land use of more than local concern which constitute only about 10 percent of all land use decisions.

ROLE OF THE FEDERAL GOVERNMENT

The Steiger bill provides no direction to federal agencies to improve decision-making processes which affect the use of non-federally-owned land. These activities, now outside state and local control, have significant influence on future land use patterns in urban and rural areas alike.

Your committee bill would direct federal agencies to get their own house in order. It would require federal projects and activities significantly affecting the use of non-federal lands to be consistent with the state land use program except in the case of overriding national interest, as determined by the President. This provision returns a measure of control over such projects to the states and is the basis of the enthusiastic support of state and local levels of government for the land use legislation. The Steiger bill omits this provision. Also, the Steiger bill contains no definition of what would constitute an adequate state land use policy, which may leave this determination to a federal agency.

BALANCED ENVIRONMENT/DEVELOPMENT

The Steiger bill provides no encouragement to balance development needs and environmental concern and give particular attention to interstate areas of critical environmental concern and give particular attention to interstate areas of critical environmental concern and key facilities in cooperation with other states.

However, your committee bill requires the state to give consideration to all economic, social, and environmental demands on the land. It focuses not only on areas of critical environmental concern, including important natural areas, renewable resource areas and natural hazard areas, but so focuses on key facilities including energy facilities, large-scale development, regionally beneficial development, new communities, and urges the coordination of a full range of housing opportunities.

GRANT AUTHORIZATION

The Steiger bill authorizes the appropriation of only $50 million per year for only 6 years for state grants at 50 percent of the cost for plan development and implementation. If the state chooses to provide mechanisms for the reasonable participation by local government in the development and implementation of the plan, it could receive up to 75 percent of the cost of plan development and implementation.

Your committee bill provides $100 million per year for 8 years and would provide 75 percent of the cost of process development and implementation in any case. If under the Steiger bill a state failed to develop reasonable mechanism for local involvement, it would receive only 50 percent of the cost. The specification of these mechanisms would be left to a federal agency.

GRANT QUALIFICATION

Under the Steiger bill states would be ineligible to receive any financial assistance unless their legislatures had already adopted a land use policy. Needed funding could be delayed since development of a land use policy could take several years and is usually preceded by an evaluation of land resources and uses, evaluation of growth and land use issues, and public consideration.

Under your committee bill, state and local governments could receive grants to develop land use policies as part of their development of a land use planning process. Grants could be made available as soon as the state had designated an agency to receive them and established an intergovernmental advisory council that includes local government participation.

Based on this comparison it is clear that the Steiger bill (H.R. 13790) would negate all the work done over the past three years in developing land use legislation that is acceptable to states, counties and cities. Therefore, we want your committee to know of our opposition.

NACO BELIEVES ADEQUATE HEARINGS HAVE BEEN HELD ON LAND USE LEGISLATION

Mr. Chairman, the National Association of Counties believes adequate hearings have been held concerning land use legislation and it is time that Congress enacts a responsible bill.

This committee knows all the work that has gone into developing balanced land use legislation over the past three years. You have heard extensive testimony in public hearings before your own committee and your subcommittees. Hearings have also been held in the Senate.

In addition, almost every state in the nation has either adopted or considered some form of land use legislation. For example, many states have adopted coastal zone legislation, strip mining laws, environmental protection areas, open space incentives, and so forth. These together with locally adopted plane and zoning amount to a patchwork of land use legislation across the country. It is time now for guidelines to be adopted at the federal level that can be implemented by the states and local governments on a nationwide basis.

Now, here we are after three years of considering these guidelines on a nationwide basis and critics are saying we need more hearings—hearings that they hope will kill the legislation altogether. These critics are saying that land use legislation has been hastily conceived, that it will confiscate private property, start national "zoning," that it is "no growth" oriented, and that it will aggravate the energy crisis.

The states, counties and cities, who endorse your committee bill, know that these claims are not true. First, *this legislation has not been hastily conceived*. There have been three years of debate, hearings, amendments and study. It is time for action.

Second, *this legislation will not confiscate private property*. There is nothing in the bill that would allow this.

Third, *the claim of national zoning is false*. There are specific prohibitions in the bill preventing the federal government from adopting zoning control. On the contrary, there are provisions protecting the involvement of local governments in all phases of land use planning.

Next, *this is not a "no growth" bill*. Local government supports this legislation because it provides a balanced approach to resolving growth and development pressures while identifying areas of environmental concerns.

Finally, *this bill will not aggregate the energy crisis*. In fact, it provides mechanisms to allow locating of energy production facilities.

If anything has been "hastily conceived," it has been the claims critics have been making to justify more hearings.

The National Association of Counties already knows these claims are not true and that further hearings are unnecessary.

We think the *Washington Post* hit the nail on the head in its editorial of March 4, 1974, when referring to these claims by critics, and I quote:

> Such fears are not grounded in fact. The bill, the product of more than three years of careful legislative work, is anti-growth in only one sense; it seeks to combat the unchanneled, casual development which has been such a destructive force across the American countryside. Rashness and preemption are indeed on the scene, but they are found not in the bill, but in the exploitative practices which the measure would stop. The bill itself is actually a conservative measure in two ways. First, its purpose is to insure that a basic, finite, threatened resource—the land—will be prudently used, and that all relevant values and interests will be considered before large, irreversible commitments are made. Second, rather than imposing a national plan, the measure would encourage state and local governments to establish effective planning processes of their own, so that substantive decisions on growth and land preservation can be made sensibly within the traditional federal scheme.

Mr. Chairman, NACo urges you to conclude these hearings. We join with the representatives of the states and cities to urge early adoption of your land use bill, H.R. 10294.

THE NEW COALITION/REPRESENTING ELECTED OFFICIALS OF STATES, COUNTIES, AND CITIES

STATE AND LOCAL OFFICIALS URGE ACTION ON LAND USE LEGISLATION

WASHINGTON, D.C., March 5.—State, county and city elected officials today urged the House Rules Committee to immediately reconsider its vote to delay indefinitely House consideration of the Land Use Policy and Planning bill (H.R. 10294). The "New Coalition" made up of representatives of governors, mayors, county officials and state legislatures reiterated their organizations' support for early enactment by Congress of this legislation, which has passed the Senate and been approved by the House Interior and Insular Affairs Committee.

Washington State Governor Dan Evans, Chairman of the "New Coalition" (see end of statement for new coalition members) stated that these organizations represented at the meeting today—the Governors' Conference, The National Association of Counties, The League of Cities/Conference of Mayors and the National Legislative Conference have been working with Congress for several years to develop a much needed national land use policy. Governor Evans said, "Intelligent land use planning and management provides the single most important institutional device for preserving and enhancing the environment and for maintaining conditions capable of supporting a quality of life while providing the material means necessary to improve the national standard of living."

Governor Evans added, "This legislation will strengthen state and local government planning efforts and provide a framework for orderly growth in this country. Congress has worked on this legislation for four years and the House Rules Committee should let this bill go to the floor of the House now."

In addition to the consensus of concern on the derailing of the land use bill, the "New Coalition" members today discussed methods of working together and with the federal government to alleviate the impact of the energy crisis at the local level. The elected officials also discussed federal budget reform proposals.

The "New Coalition" of state, county and city governments was proposed by Governor Evans in May of 1973 to "chart an agenda that will enable state and local governments to forge a new partnership, particularly in our relationships with the National Administration and Congress."

STATES

The "New Coalition" Members:

Daniel J. Evans, chairman, Governor of Washington.

Marvin Mandel, Governor of Maryland.

Arch A. Moore, Jr., Governor of West Virginia.

Charles F. Kurfess, Ohio House Minority Leader.

COUNTIES

Gil Barrett, co-chairman, Commissioner, Dougherty County, Georgia.

Edwin L. Crawford, County Executive, Broome County, New York.

Jack B. Walsh, Chairman, Board of Supervisors, San Diego County, California.

CITIES

Roy B. Martin, Jr., Mayor of Norfolk, Virginia.

E. J. Garn, Mayor of Salt Lake City, Utah.

Moon Landrieu, Mayor of New Orleans, Louisiana.

NACo News Release

COUNTIES REAFFIRM SUPPORT OF NATIONAL LAND USE LEGISLATION

Washington, D.C., April 26.—A spokesman for the National Association of Counties (NACo) voiced strong support for enactment of national land use legislation (H.R. 10294) today.

Ralph McClure, chairman NACo's Land Use Steering Committee and Chairman of the Salt Lake County, Utah, Board of Commissioners, testified before the House Interior Committee.

"Critics are trying to kill land use legislation with false claims in an attempt to drag the legislation through another year of hearings," McClure said. "This legislation has not been hastily conceived; it will not confiscate private property, it will not set up federal zoning; it is not 'no growth' legislation; it will not aggravate the energy crisis."

The land use bill is the result of three years of hearings and work in the House and has the combined support of states, counties and cities. After the Interior Committee hearings conclude, it is expected that the House Rules Committee will send the bill to the House floor in early May.

McClure indicated that responsible land use legislation, with local government input, is essential "to protect our most valuable and irreplaceable resource—our land."

NACo is the only national organization which represents county government in the United States. Its more than 1200 member counties represent about 70 percent of the nation's population.

IN OBSERVANCE OF NATIONAL HISTORIC PRESERVATION WEEK—PART I

Mr. BEALL. Mr. President, the week of May 5, 1974, marks the observance of National Historic Preservation Week. As a son of western Maryland, I have long had a deep and abiding interest in our Nation's history and the principles it contains which have such an important role to play as we approach the Bicentennial.

To mark this occasion, the State of Maryland is today officially opening the William Paca Gardens in Annapolis. Senator Mathias and I have just returned from attending this ceremony. William Paca was one of Maryland's outstanding revolutionary leaders. He served in the Maryland Legislature during the period prior to the American Revolution. He was subsequently selected to serve as a delegate to the Continental Congress that adopted the Declaration of Independence which he signed on behalf of the "Free State." He served with great prominence throughout the revolutionary struggle and he went on to serve as one of Maryland's early Governors. Due to the persistence of Historic Annapolis, Inc., the 200-year-old Paca mansion is now in the process of being fully restored.

Mr. President, an article entitled "A Garden Comes Back Much Later" by James A. Rousmaniere, Jr., which appeared in the Saturday, May 3, 1974, edition of the Baltimore Sun, describes the efforts to restore the Paca mansion and its 18th century garden. I ask unanimous consent that this article be printed in the Record at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Garden Comes Back Much Later

(By James A. Rousmaniere, Jr.)

Annapolis.—Hans Jorgensen strolled by the pond in a restored formal garden here and pointed to where three buildings stood two centuries ago.

"Over there, on the left," he said in his thick Danish accent, "was a spring house. And over there, that was a bath house. And in the middle was a thing that has different names. But to me," he winked, "it was a gentlemen's play house."

Mr. Jorgensen, 67, offered this narrative in the middle of the William Paca Gardens, a 2-acre estate named after a signer of the Declaration of Independence and one of Maryland's first governors.

It is not known how Mr. Paca really used that building, but this is almost irrelevant in the awesome beauty and order of the garden, which he built in 1765 and which Mr. Jorgensen takes care of now.

Mr. Jorgensen would not be there, planting holly trees and obscured herbs, but for the efforts of local preservationists, who salvaged the garden from a century-long indignity beneath an old bus station, a crumbling 200-room hotel and a parking lot.

Historic Annapolis, Inc., the preservationist group which led the fight to restore the garden and the imposing Georgian Paca mansion in 1965, plans to make this point known starting tomorrow, in advance of National Historic Preservation Week.

Almost halfway through a $2 million fund drive to complete work on the mansion, finance a cultural exhibit center nearby and fund a number of other restoration projects in time for the bicentennial, the society will host a garden tour tomorrow. For Monday, it has planned a march of Revolutionary War soldiers from the State House to the gardens.

There, for the public's eye, is an assemblage of trees and plants only an Eighteenth Century garden master would have—all chosen and spaced in accordance with old texts.

Among them: the original non-hybrid species of wild geraniums and wall flowers shipped from England; a medicinally useful Ilex Vomitoria which does what it sounds like it can do; and along with the narrow European tulips and English yews and boxwood, a plant marked simply: "gas plant."

"Put a match above it, in the summer, and it lights," Mr. Jorgensen asserted.

Nine years ago, this spot was slated for a high-rise office-apartment complex, across the road from the Naval Academy.

Trucks still growl by on King George street, but inside the brick walls there is quiet and order and scents of a different age, a "once and future garden," say the people who saved it.

Mr. BEALL. Mr. President, on August 3, 1973, I introduced S. 2347, a bill to amend the Internal Revenue Code of 1954 to encourage the preservation of historic buildings and structures and for the rehabilitation of other property. S. 2347 has subsequently been cosponsored by Senator Alan Bible, Senator Robert Dole, Senator Pete V. Domenici, Senator Peter H. Dominick, Senator Barry M. Goldwater, Senator Jacob K. Javits, Senator Charles Mathias, Senator Thomas J. McIntyre, Senator Lee Metcalf, Senator Frank E. Moss, Senator Charles H. Percy, Senator Ted Stevens, and Senator John Tower. Similar, although not identical, legislation has been introduced in the House of Representatives by our distinguished colleague from New York, Representative Barber B. Conable, Jr. (H.R. 5584).

Since introducing this legislation I have worked steadily to move it through the legislative process. On two occasions I have written to the Honorable Russell B. Long, chairman of the Senate Finance Committee urging the committee to hold hearings on this legislation. I am also prepared to offer this measure as a floor amendment to the first appropriate tax bill which comes before the Senate for consideration.

I am not totally insensitive to the special problems confronting the Senate Finance Committee and the House Ways and Means Committee when they approach tax legislation in an election year. I do feel, however, that the current system of tax incentives works in a very direct and definite way against enlisting private funds in historic restoration projects. We can no longer continue to systematically destroy our Nation's history, weaken the fabric of our communities, and deplete our resources as we have in the past. As our national values readjust to the concept of a finite world it is important for us to update our tax system so as to help redirect and achieve socially desirable goals.

As we approach our bicentennial celebration, more and more Americans are becoming committed to the cause of historic preservation. It is truly an idea whose time has come and I think it is incumbent upon the 93d Congress to move expeditiously with legislation designed to achieve this goal. By preserving our communities we can strengthen the social fiber which unites Americans of different ethnic, racial, and religious backgrounds.

Mr. President, I ask unanimous consent that an editorial entitled "Not By Bread Alone" which appeared in the Sunday, October 14, 1973, News-American and an article entitled "Preservation Features—Diversity In Your Town" which appeared in the January–March 1974 edition of Historic Preservation be printed at the conclusion of my remarks.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

Not by Bread Alone

Man does not live by bread alone, as the Bible says. Mankind must have a sense of history, and a sense of the beauties of nature, to survive in any form worthy of the name.

Recognizing these elemental facts, Sen. J. Glenn Beall Jr., R-Md., has called for changes in the federal tax laws in order to encourage the preservation of historic buildings and scenic open space.

This legislation would amend the Internal Revenue Code in several ways. The most significant change would allow the same tax incentives for restoration of historic buildings as those for new construction.

At present, the tax laws include special depreciation rates and cost deductions for demolition and new construction. However, these tax advantages are not allowed for restoration work.

The result is that a property owner or developer may have more of an economic incentive to demolish a building and put up a new one than to try to rehabilitate and make use of the existing structure.

Another part of the senator's proposal would provide tax incentives to landowners who wish to preserve open space that may be of particular value for scenic, historical or conservation purposes. The tax deductions would be allowed on property that is dedicated to such uses.

Historically, this nation has used the power to tax or to withhold taxes to promote socially useful purposes. Sen Beall's proposed legislation is in this tradition. Its objective is a worthy one, and we hope it receives favorable congressional action.

Preservation Features—Diversity in Your Town

Distinctions in your town can be subtle and commonplace as a winding street, an old tree, a crop, water frontage, mountainous terrain, a city father or folk hero. Evaluate and highlight these differences in interpreting and protecting local history and landmarks. The dreary monotony of our cities, highways and suburbs can be relieved immeasurably by concentration on cultural differences, starting with one's family heritage.

Immigrants came not empty-handed but with a rich inheritance that is as much a part of America's greatness as the nation's vast geographic diversity. Chinese, English, Italian, Irish and African, we came to mountain, plain and coast to live and work together on brown, red and black earth. Immigration is one of the oldest and most persistent themes in American history. Over a period of 300 years our ancestors and many of us, as immigrants, have experienced adjustment to a new environment with its social, economic, cultural and psychological implications.

Yet ethnic rituals, dances, sports, clothing, food, arts and crafts were discarded over the years in favor of the melting pot concept. The charm of different races and religions, family and tribal distinctions was lost. Recent national trends have helped some groups become more proud of their heritage, but the joy of being different has generally been submerged. Diversity, however, should be valued, especially in America where so many different peoples have come together.

Sixteen years after enactment of historic district control legislation in Santa Fe, N.M., officials still debate the issue of how much influence the city's Indian, Spanish and Anglo heritage should be permitted—or required—to have on contemporary architecture. Why should 20th-century Sante Fe mock its 365-year history or look like a new town trying to capitalize on Sante Fe's architectural heritage? One Santa Fe architect, John P. Conron, thinks it should not; as he explains in this issue, both the creative heritage of Santa Fe's past and the creativity of the present should be respected.

The knowledge and appreciation of ethnic origins should be fostered as an aspect of American Bicentennial studies and celebrations. "I am a Choctaw," proudly sang Delaura Henry, a young American Indian, during her presentation at the "Preservation by the People" session of the National Trust's Cleveland annual meeting in October 1973. She spoke of a goal to preserve the Choctaw Indian skills and to kindle in traditional arts and crafts. Mary Daley, founder and director of Peoples and Cultures, Inc., of Cleveland, Ohio, spoke at the annual meeting about that group's dream of providing a different national meal each week, prepared by community ethnic groups. Peoples and Cultures already has opened the Shop-in-the-Flats to sell traditional handcrafts made by representatives of some of Cleveland's 90 ethnic groups.

Many projects such as these are getting under way at the local level. B'nai B'rith is revising *A Tourist's Guide Through American Jewish History*. Its purpose is a better understanding of the Jewish role in American history. For another project, B'nai B'rith lodges and women's clubs plan to tape interviews with elderly Jewish citizens who immigrated to this country and can recall the experience of Americanization.

The Friends of the Oliveria Lima Library, Catholic University, Washington, D.C., wishes to involve the Portuguese-Brazilian American communities in Bicentennial observations. Suomi College, Hancock, Mich., will focus its Bicentennial project on the contributions of the Finnish community to American culture and life.

Other national groups making Bicentennial plans include the Chinese Historical Society of America, the Afro-American Bicentennial Corporation, the Black American Museum and Cultural Center, the Balch Institute (to be opened as a library and exhibit center emphasizing American political, ethnic, immigration and racial history) and the National Center for Urban Ethnic Affairs.

Americans can appeal to each other and to our foreign visitors by proudly showing that we are a nation of nations, more so than any other nation. Tragic that it has taken us 200 years to find ourselves.

ANNALS OF INDUSTRY: CASUALTIES OF THE WORKPLACE

Mr. MONDALE. Mr. President:

> The medical-industrial complex in this country appeared to be involved in nothing less than a blatant and pervasive effort to suppress and ignore medical information concerning asbestos and other hazardous substances that were estimated to be killing a hundred thousand workers a year, and to prevent any effective enforcement of the Occupational Safety and Health Act that might put an end to the slaughter.

Mr. President, with these alarming words, Paul Brodeur introduces the fifth, and last, installment of his series of articles published in the New Yorker magazine entitled "Annals of Industry: Casualties of the Workplace." I feel Mr. Brodeur has produced an important documentary on the industrial health-safety field that is worthy of my colleagues' attention.

Mr. Brodeur first reviews the history of occupational health and safety regulations in the United States, especially in regard to asbestos manufacture. It was not until 1970, "furnished with incontrovertible evidence that industrial disease was rampant in the United States that Congress passed the Occupational Safety and Health Act"—authorizing the Secretary of Labor to promulgate mandatory standards for exposure to toxic materials so that no employee would suffer diminished health or life expectancy as a result of his work experience. Considering that approximately 100,000 American workers die each year as a result of occupational diseases, the congressional decision was, indeed, long overdue.

According to Mr. Brodeur, economics are the main concern in America and its industry. He paints a shocking picture of how many key government officials react with timidity whenever they are:

> Required to make decisions regarding occupational-health problems which might run counter to the interests of the corporate giants that had been supplying money and manpower to political administrations for decades.

In the words of Sheldon Sameuls of the AFL–CIO's Industrial Union Department:

> The economics of the situation are very simple. Nearly half of the male blue-collar work force is afflicted with chronic—and no doubt partly work-related-diseases that are largely paid for by the worker and the community as a whole. Even if all of the identifiable costs were placed on the employer, we can not always be sure that it would not be cheaper for the employer to replace dead workers than to keep them alive. It may even be profitable, if only dollars and cents are counted. In the case of chronic occupational disease, it may be cheaper for any nation to sacrifice a life that has already achieved peak productivity.

One shudders to think that industry places profit above human life.

Throughout Mr. Brodeur's article are other frightening examples of industry's efforts to hamper the development of safe working conditions, to hide the facts about industrial disease, and to prevent State job-safety agencies from taking effective action ". . . the subversion of government for a profit." The article is a sad commentary on the state of occupational safety and health enforcement in this country.

Mr. President, I ask unanimous consent that the article entitled "Annals of Industry: Casualty of the Workplace" by Mr. Paul Brodeur from the November 12, 1973 issue of the New Yorker be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

ANNALS OF INDUSTRY—CASUALTIES OF THE WORKPLACE

V-A QUESTION OF THE PATIENT'S RIGHTS

Furnished with incontrovertible evidence that industrial disease was rampant in the United States, Congress passed the Occupational Safety and Health Act of 1970, authorizing the Secretary of Labor to promulgate mandatory standards for exposure to toxic materials so that no employee would suffer diminished health or life expectancy as a result of his work experience. This was a considerable undertaking, since American workers were being exposed to thousands of toxic substances, and since federal standards, often inadequate, existed for fewer than four hundred and fifty of them. Of all the industrial hazards, none had been studied more thoroughly or had been proved to be more critical than occupational exposure to asbestos. Mortality studies conducted by Dr. Irving J. Selikoff, the director of the Mount Sinai School of Medicine's Environmental Sciences Laboratory, and by Dr. E. Cuyler Hammond, vice-presidency for epidemiology and statistics of the American Cancer Society, indicated that one out of every five deaths among asbestos-insulation workers in the United States was caused by lung cancer; that almost one out of ten deaths among these men was caused by mesothelioma, a rare cancer of the linings of the chest or abdomen, which usually occurs many years after some, even if slight, exposure to asbestos; that another one out of ten deaths among them was caused by asbestosis, which is scarring of the lungs resulting from inhalation of asbestos fibres; and that nearly half of these men were dying of some form of asbestos disease.

Yet in spite of the fact that the insulation workers constituted only a fraction of the total work force exposed to asbestos, a permanent standard for the mineral was not declared until June 6, 1972. At that time, Secretary of Labor James D. Hodgson and Assistant Secretary of Labor George C. Guenther, who was the director of the Department of Labor's Occupational Safety and Health Administration, decided that until July 1, 1976, workers could safely inhale air containing five absestos fibres greater than five microns in length per cubic centimetre of air, and that after that date the standard would be lowered to two fibres greater than five microns in length per cubic centimetre. (A five-micron fibre can be seen only with a microscope; a cubic centimetre of air is about a thimbleful; and in a normal eight-hour working day a worker will breathe in and out about eight million cubic centimetres of air.) Since the new ruling would permit workers exposed to asbestos to inhale and retain in their lungs as many as thirty million asbestos fibres of all sizes in a working day, it was considered grossly inadequate by almost everyone who had been studying the effects of exposure to the mineral.

Indeed, during the previous six months, a two-fibre standard had been urged upon Secretary Hodgson as a minimum requirement by Dr. Selikoff and other members of the independent medical and scientific community, and by the A.F.L.-C.I.O.'s Industrial Union Department—an organization representing labor unions with several million members who had either direct or indirect exposure to asbestos. (Dr. Selikoff and the union people had also urged the Secretary to require work practices that would ultimately reduce asbestos exposure to almost zero.) In addition, the Department of Health, Education, and Welfare's National Institute for Occupational Safety and Health, or NIOSH—an organization set up under the 1970 Act to conduct medical research on industrial hazards and to provide the Secretary of Labor with criteria for setting new standards for toxic materials—had furnished Secretary Hodgson with a carefully researched asbestos-criteria document recommending that a two-fibre standard go into effect within two years, and informing him that such a standard was attainable with existing technology. The NIOSH document stressed the fact that a two-fibre standard had been recommended by the British Occupational Hygiene Society, and set by the British Inspectorate of Factories—the Department of Labor's English counterpart—in 1968. Subsequently, NIOSH's recommendation for a two-fibre standard was upheld by a five-man advisory committee of Secretary Hodgson's own choosing.

It is not known what prompted Secretary Hodgson to select the five-fibre standard, or why he decided to disregard data furnished by Dr. Selikoff and other leading epidemiologists showing that disease could occur at the five-fibre level of exposure, and that even a two-fibre standard could be expected to prevent only the occurrence of asbestosis and not the development of asbestos-induced cancer. It is believed, however, that he was seeking a middle ground that he hoped would be acceptable to the asbestos industry, which—basing its claims on information supplied by a medical-industrial complex consisting in part of consultants and researchers whose work was supported financially by various segments of the industry—had fought against the two-fibre standard on the ground that the cost of meeting it would drive many asbestos companies out of business and that the five-fibre standard was sufficient to protect the health of workers. In any case, the permanent standard for asbestos was the first ruling that the Secretary had made under his mandate to redefine occupational-safety-and-health regulations, so industry, labor, and the independent medical and scientific community viewed the ruling as an indication of how diligent the federal government would be in setting new standards for other hazardous substances.

The reaction to Hodgson's ruling was strong. Sheldon W. Samuels, the director of Health, Safety, and Environmental Affairs for the Industrial Union Department, declared that since the Secretary had failed to set a standard that would adequately protect workers, the Industrial Union Department would challenge his ruling in the courts. Dr. Selikoff was quoted in the *Times* as predicting that tens of thousands of workers exposed to asbestos would die unnecessarily early deaths because of the inadequate regulations, and that if the Occupational Safety and Health Administration showed the same disregard for essential precautions in setting standards for other toxic substances the working population of the nation would face an unparalleled disaster. As it happened, signs that the disaster predicted by Dr. Selikoff was already at hand had appeared only a few weeks before, when the White House issued "The President's Report on Occupational Safety and Health," describing what had been done to carry out the provisions of the 1970 Act in the year since it had been passed. President Nixon's report was addressed to Congress, and it contained a report from the Secretary of Health, Education, and Welfare, Elliot L. Richardson, who told the President that recent estimates indicated that there were at least three hundred and ninety thousand new cases of disabling industrial disease in the United States each year and that there might be as many as a hundred thousand deaths a year from occupationally caused diseases.

In spite of these appalling figures, indications that the federal government was less concerned about the physical health of workers than about the economic health of industry appeared at around the same time, when word got out that the Occupational Safety and Health Administration had hired Arthur D. Little, Inc., a research-and-consulting firm based in Cambridge, Massachusetts, to perform an economic-impact study of the proposed two-fibre standard for asbestos. There were a number of disturbing factors about Arthur D. Little's involvement. Not only was there no provision in the Occupational Safety and Health Act requiring the Department of Labor to undertake a cost-benefit analysis before promulgating a health regulation but the study was apparently initiated in response to an executive policy handed down by President Nixon's Office of Management and Budget—an organization notably well disposed toward big business. In addition, it soon developed that even as Arthur D. Little was negotiating a contract with the federal government to conduct a cost-benefit analysis of the proposed two-fibre standard, it had urged Raybestos-Manhattan, Inc., a major producer of asbestos products, to move a plant from Stratford, Connecticut, to Mexico, where asbestos operations would be unhindered by any regulations that might be established in the United States.

Moreover, when the report of the Arthur D. Little study, which had been directed by Dr. Donald W. Meals, was released, shortly after Secretary Hodgson declared his controversial standard, it turned out that the firm had solicited "guess-estimates" on the biological effects of a five-fibre standard, as compared with a two-fibre standard, from an eleven-man "expert health panel" that included only one medical doctor who had not been a paid consultant of, or whose investigations into absestos-related disease had not been supported by, some segment of the asbestos industry, and that it had solicited "guess-estimates" on the economic impact of the respective standards from a panel of twelve men representing various asbestos-producing companies and from a committee of thirteen men representing private shipbuilding companies. Small wonder, then, that the A. D. Little report assured Secretary Hodgson that a five-fibre standard would adequately protect the health of asbestos workers, and that a two-fibre standard would impose undue hardship on the asbestos industry and on shipbuilding companies. All this was simply another indication of how much influence the medical-industrial complex had acquired, and how deeply it had penetrated the workings of the government.

During the summer and early autumn of 1972, moreover, it became known in medical circles that the British Occupational Hygiene Society's two-fibre standard, which had been based on information supplied to the society by Dr. John F. Knox and Dr. Stephen Holmes, of the Turner Brothers Asbestos Company, Ltd., of Rochdale, England, might be open to question. New data published by Dr. Hilton C. Lewinsohn, who had succeeded Dr. Knox as chief medical officer of Turner Brothers, suggested that Dr. Knox and Dr. Holmes had furnished the society with information that appeared to understate by as much as tenfold the incidence of asbestosis among the Turner Brothers workers they had studied. The ramifications of this disclosure were staggering, for, if the British two-fibre standard was medically and scientifically invalid, so, by extension, was the proposed two-fibre standard in the United States, which was not even to go into effect until 1976.

In addition to making an obvious mockery of Secretary Hodgson's five-fibre standard, this development presented the possibility that industry influence might have had an effect on official medical considerations concerning the problem of occupational exposure to asbestos in England. By this time, there could hardly be any doubt that such influence was at work in the United States. Indeed, the medical-industrial complex in this country appeared to be involved in nothing less than a blatant and pervasive effort to suppress and ignore medical information concerning asbestos and other hazardous substances that were estimated to be killing a hundred thousand workers a year, and to prevent any effective enforcement of the Occupational Safety and Health Act that might put an end to the slaughter.

In the middle of October of 1972, I went to Washington to talk with Anthony Mazzocchi, the director of the Legislative Department of the Oil, Chemical, and Atomic Workers International Union, about some of the other health problems that were plaguing American workers. Mazzocchi's union had represented employees at the Pittsburgh Corning Corporation's asbestos-insulation plant in Tyler, Texas, where Dr. William M. Johnson and Dr. Joseph K. Wagoner, of NIOSH's Division of Field Studies and Clinical Investigations, had found atrocious conditions and a critical health problem. Mazzocchi considered the Tyler situation a prime example of how the medical-industrial complex had for years ignored occupational-health data with no interference from key industrial-health officials at various levels of state or federal government. At a press conference held in Washington in February of 1972, he had harshly criticized Pittsburgh Corning and its medical-consultant, Dr. Lee B. Grant, for ignoring the peril of workers at the factory, and had been equally bitter in condemning the Department of Labor's Occupational Safety and Health Administration for failing to enforce at the Tyler plant even the grossly inadequate standard of twelve fibres per cubic centimetre which was in effect when the Administration had conducted an inspection of the factory in late November of 1971. Over the past few years, during which Mazzocchi and his associates in the Legislative Department had been holding conferences for factory workers around the country, they had amassed and published, in a series of pamphlets entitled "Hazards in the Industrial Environment," a great amount of information on the effects of chemicals and physical agents on the health of working men and women. In gathering this information, they had compiled a large dossier of the names, affiliations, and activities of people who were involved in occupational-health matters, and so were known to have "the book" on the medical-industrial complex.

I had seen Mazzocchi at his press conference about the Tyler plant; a month later I had encountered him again in Washington at the public hearings on the proposed two-fibre standard, which were held by the Department of Labor; and in October, hoping to learn more about the workings of the medical-industrial complex in areas other than asbestos, I visited him and his assistant, Steven Wodka, at the union offices there. Mazzocchi, a blunt-spoken man in his middle-forties with unruly black hair, had been much on the go in the interval—flying here and there around the country—and he looked tired.

"You've been studying the Tyler plant, which in many ways is a perfect example of the kinds of problems we face," he told me. "Tyler had all the elements—suppression of occupational-health data, callousness on the part of those in positions of responsibility in industry and government, and danger not only for the workers but also for their families and the community at large—and yet you could be hearing much the same story about any number of factories in this country. You could be studying the Mobil Oil Corporation's refinery in Paulsboro, New Jersey, or the Kawecki Berylco Industries factory in Hazleton, Pennsylvania, or any one of hundreds of other places where the health of workers either has been or is being needlessly endangered. I hardly know where to begin. In fact. I *don't* know where to begin. Steve, here, once stated the multiplicity of our problems by saying that members of our union don't get black lung, like coal miners, or brown lung, like cotton-textile workers, but rainbow lung, because they're exposed to so many toxic substances."

"Let's start with the Kawecki Berylco plant in Hazleton," I said. I've already heard something about the situation there."

Mazzocchi asked Wodka to pull out a file on KBI, as the company is known, and told me that the union had represented workers at the factory since the summer of 1969. "By August of 1970, it was apparent that much more information was needed concerning the hazards of beryllium, so the local union representatives initiated plans to hold a conference on the problem in mid-October," he said. "At that conference, the KBI workers told us that beryllium dust was contaminating the Hazleton plant, and that several deaths and current cases of lung disease among them were thought to be related to beryllium exposure." Mazzocchi went on to say that, armed with tapes of the conference, he travelled to Cambridge a few days later and met with Dr. Harriet L. Hardy, who was assistant medical director in charge of the environmental medical service at the Massachusetts Institute of Technology, an associate physician at Massachusetts General Hospital, and a renowned expert on beryllium poisoning. Upon hearing the tapes, Dr. Hardy expressed concern about the reports of conditions inside the Hazleton plant and pledged her assistance in analyzing urine samples of the workers there. "Shortly thereafter, an inspector from the Department of Labor conducted a survey of the plant," Mazzocchi said. "The inspection, which the local had requested some sixteen months earlier, was superficial, to put it mildly. For example, no samples were taken to determine the amount of beryllium dust in the air. The inspector did indicate, however, that better exhaust ventilation was required, so that men would not have to wear respirators on routine production jobs. He also criticized the plant for poor housekeeping procedures and for using an open dump for disposing of the refuse contaminated with beryllium. The company was given until February 1, 1971, to correct these conditions, but a check with the Department of Labor in March revealed that no followup inspection had been performed to determine whether the company had complied."

Mazzocchi asked Wodka to continue the story of the Hazleton plant, since he had spent considerable time there in the fall of 1970 and the winter of 1971. Wodka—a man in his middle twenties, with brown eyes, curly hair, and a laconic manner—told me that he went to Hazleton in late November of 1970 to gather information on conditions in the KBI plant, and returned on December 8th to attend a union-management health-and-safety meeting. "When I questioned company officials on the unsafe procedures I had heard about, they offered to take me on a tour of the plant," Wodka said. "It proved to be an invaluable experience in assessing unsafe conditions, for almost everything I saw confirmed what the workers had told me. Inadequate ventilation equipment had allowed dust to pile up around machinery and to blow throughout the plant. Another serious problem was the company's excessive reliance on the use of respirators. Instead of installing proper ventilation equipment to reduce beryllium-dust levels, the company had simply designated some of the dusty sections of the plant as respirator areas. As a result, many workers were forced to wear respirators for long periods—a practice that is extremely difficult, if not downright impossible."

A couple of days later, Wodka said, he went to Cambridge to report what he had learned to Dr. Hardy. 'She got on the phone immediately and rounded up a team of beryllium specialists to help us out," he continued. "They included Richard I. Chamberlain, an industrial-hygiene engineer at the Massachusetts Institute of Technology, who would sample beryllium-dust levels in the plant and study the ventilation system; Dr. John D. Stoeckle, an expert in industrial lung disease at Massachusetts General Hospital, who would conduct a symptom survey of all workers; Dr. Homayoun Kazemi, the chief of the pulmonary unit at Massachusetts General, who would do lung-function tests; and Dr. Alfred L. Weber, a radiologist from the hospital, who would supervise a mass X-ray program and read and interpret the results. When I returned to Washington, I drew up a set of proposals for the next meeting of the union-management health-and-safety committee, on January 5, 1971. The chief provisions were that beryllium-dust levels in the plant be kept at or below the threshold limit value of two micrograms per cubic metre of air; that the union have the right to observe that company's dust-monitoring operations and have access to the results; and that the company finance a thorough industrial-hygiene survey of the plant, to be conducted by the team of specialists designated by Dr. Hardy, which Chamberlain had estimated could be accomplished at a cost of about twenty-one hundred dollars."

Mazzocchi continued the story by telling me that at the January 5th meeting, plant officials informed him that they were not prepared to deal with such extensive proposals. "They said they would have to consult higher authority in KBI," he said. "As things turned out, we weren't able to arrange another meeting with the KBI people until March 10th. In the meantime, urine samples were collected from five workers and sent to Dr. Hardy, who had them analyzed at M.I.T. by George W. Boylen, Jr., an expert in industrial-hygiene chemistry. He found varying amounts of beryllium in all the samples, and both he and Dr. Hardy said they believed that beryllium would not be present in the urine of men who were exposed at or below the level of air—the standard recommended by the American Conference of Governmental Industrial Hygienists. As a result, the union local voted unanimously that each of the two hundred and seventy-eight members working in the Hazleton plant support the cost of our health proposals by paying a dollar a month surcharge on membership dues."

Mazzocchi went on to tell me that Wodka conducted an investigation of the State of Pennsylvania's role in enforcing health regulations at the Hazleton plant. "It turned out that the state people had more data on the plant than anyone else," Mazzocchi said. "The quality of the data, however, was another matter. When Steve telephoned Edward Baier, who was then director of the state's Division of Occupational Health and is now the deputy director of NIOSH, he was told that there had been no cases of beryllium disease from the Hazleton plant. Later, we learned that in an annual screening program of KBI workers the Pennsylvania people had been using X-ray equipment that, according to Dr. Hardy, was inadequate for detecting beryllium disease. During his telephone conversation with Baier, Steve learned that the state had taken beryllium-dust counts during its inspections of the Hazleton plant. However, Baier told Steve that he considered the data confidential, and felt that their release to the union would damage the relationship between the state and the company."

Wodka said that he then went to Harrisburg to meet with Baier. "During the meeting, Baier and his staff admitted that they had recently taken readings of beryllium-dust levels in the Hazleton plant, and in some sections they were ten times the recommended standard," Wodka said. "Baier assured me that each man in these contaminated areas had been told to wear a respirator, but he also acknowledged that such protection should be used only for interim control. I asked him why the state had not forced the company to comply with the recommended beryllium standard, and he told me that the KBI people were cooperating. When I again requested access to the state's inspection reports, Baier promised that a copy of the most recent survey, which had been conducted in January, would be sent to the company for transmittal to the union."

Mazzocchi then told me that at the March 10th meeting of the union-management health-and-safety committee, C. Dale Magnuson, the industrial-relations manager for KBI, rejected the union's proposal for a survey of the plant by the team of industrial-hygiene experts that Dr. Hardy had assembled. "According to Magnuson, the company already had a good industrial-hygiene department, and there was no need to bring in another group," Mazzocchi said. "Wodka then asked the KBI people if the State of Pennsylvania had forwarded them a copy of its January inspection for transmittal to the union. They replied that the report had not come in. When Steve produced a letter from Baier stating that the report had been sent to them on March 5th, the KBI people admitted after all that they had received the copy marked for transmittal to the union, but said that they felt under no obligation to turn it over."

The only counterproposal made by the KBI people at the March 10th meeting, Mazzocchi said, was that they would give the union a quarterly report of the company's monitoring data on beryllium-dust levels. "On April 29th, we went back to Hazleton to get the first of these reports, taking along Chamberlin, from M.I.T., in a consulting capacity. At the meeting, the KBI people were represented by Magnuson; Edmund Velten, one of their vice-presidents; and James Butler, the assistant to the president. The company's report showed only one area in the plant where there were excessive levels of beryllium dust. Upon reviewing the data, however, Chamberlin said that it was difficult for him to interpret the figures without knowing something about the layout of the plant. Velten then suggested a quick tour, to which we readily agreed. At the end of the tour, Chamberlin said he had seen enough to convince him that the company's interpretation of its data on beryllium-dust levels did not give a true indication of the potential hazard in the plant. Then Steve produced copies of the January inspection conducted by the State of Pennsylvania's Division of Occupational Health, and two earlier state inspections of the plant as well, which Baier had finally decided to release the day before.

The reports showed serious violations of both state and federal beryllium standards in four specific areas of the factory, going back to 1969. At that point, Velten and the other KBI officials agreed to our key proposal that a union-designated investigation team be allowed to conduct industrial-hygiene and clinical surveys at the plant, and that the costs be shared equally by KBI and the union. In May, we got the Pennsylvania people to agree to take X-rays using equipment adequate for the detection of beryllium disease of all the workers in the Hazleton plant, and to allow Dr. Weber to assist in the interpretation of the X-rays. In mid-September, an inspection of the Hazleton plant conducted by the Occupational Safety and Health Administration still showed excessive levels of beryllium dust. The Administration fined KBI six hundred dollars and gave it a month to clean things up.

Then, in November of 1971, Dr. Kazemi, who is one of the world's leading experts on the detection and diagnosis of beryllium disease, conducted a medical survey of the Hazleton workers. Dr. Kazemi found that, out of two hundred and nineteen workers, twenty-five had symptoms possibly related to beryllium disease and seven of these men had lung abnormalities of such magnitude that they shouldn't have been working. Since then, four of the seven have been definitely diagnosed as having beryllium disease. In addition, two other men from the plant, who had been examined at Massachusetts General, were diagnosed as suffering from the disease."

"What happened as a result of the fine and the date for cleaning things up?" I asked.

Mazzocchi gave a short, harsh laugh. "As of this date, more than a year later, the Administration people haven't seen fit to make a followup inspection of the Hazleton plant," he told me. "No doubt they assume the KBI people have complied with their order. Sounds like Tyler all over again, doesn't it?"

After a short coffee break, Mazzocchi said, "Now let me tell you about the Mobil refinery in Paulsboro, which is just southwest of Camden. It employs about a thousand workers, and it manufactures a whole spectrum of oil products, including heating oil, lubrication oil, gasoline, and aviation fuel. For a long time, members of our Local 8-831 had been complaining about health-and-safety conditions there, and on October 11, 1971, we filed a complaint with Alfred Barden, acting regional administrator of the Occupational Safety and Health Administration in New York City, requesting an imminent-danger inspection of the facility. The petition presented Barden with a partial list of health hazards at the refinery, including exposure to asbestos, sulphuric-acid fumes, phenol fumes, carbon-monoxide gas, tetraethyl lead, caustic soda, benzene, cumene, carbon tetrachloride, and chlorine. Since the Administration's regulations permit employees to request that a third party accompany its own representatives on walk-around inspections, the local asked for Steve Wodka, who had assisted them in filing the complaint. The first imminent-danger inspection began on October 15th, resumed on the 19th, and lasted through October 22nd, and Steve's effect on it was soon evident. Even the inspectors remarked that he provided a valuable extra set of eyes during the walk-around. On the other hand, the Mobil people grew increasingly irritated by his presence—so much so, in fact, that on October 22nd the plant manager told Steve that he hoped to have him removed from the premises."

Wodka then described some of the conditions that were discovered during the first part of the inspection of the refinery. "We found workers installing asbestos insulation, similar to the product manufactured in the Tyler plant, on boilers and pipes in various areas of the plant," he said. "In the asbestos shop, where the insulation was cut to size, the men were wearing surgical-type paper masks provided by the company, which are virtually useless for protection against toxic dusts. Moreover, there was absolutely no ventilation equipment in the cutting shop. Elsewhere in the refinery, we found places where men were being exposed to toluene [an aromatic compound similar to benzene], to excessive noise, to welding fumes, and to hydrogen-sulphide gas—a highly toxic substance that is given off in the sulphur plant, where sulphur is removed from the crude oil."

Wodka went on to tell me that when the inspection resumed, on November 8th, he was denied entry to the refinery. "I was told by John Kearney, the assistant regional administrator, that a decision had been made to bar me from accompanying the walk-around any farther," Wodka said. "As a result, I left the plant, under protest. The inspections continued intermittently for several more weeks, but their quality deteriorated, for by giving management advance notice of the areas they wished to tour, the inspectors also gave management an opportunity to reduce operations that were generating harmful fumes and dust. In this way, the Mobil people were able to dominate the inspection process. As a result, the imminent-danger inspection of the Paulsboro refinery was an almost total failure. Take the problem of exposure to asbestos. The Administration failed to issue a citation for excessive asbestos dust, yet when Dr. Selikoff examined and X-rayed nineteen workers who were employed at the refinery as welders, pipe-coverers, boilermakers, and bricklayers, he found that more than half of them showed X-ray abnormalities consistent with asbestosis. When the Administration, on January 28, 1972, issued citations to Mobil, they carried with them fines totalling seventy-three hundred and fifty dollars for three hundred and fifty-four safety-and-health violations, or about twenty dollars per violation. Only twelve of the violations involved occupational-health standards, one of which was for an unsanitary water cooler."

Mazzocchi said that similar performances by the Occupational Safety and Health Administration had occurred in recent months at a chemical plant in Alabama and at an oil refinery in Kansas. "These are just a few of the many instances in which the Administration has failed to enforce the provisions of the Occupational Safety and Health Act," he said. "By the way, did I tell you that when the Administration people fined KBI six hundred dollars for excessive beryllium dust in the Hazleton plant they also fined the company the grand total of *six dollars* for allowing food to be eaten and stored where toxic materials were present? That was just a few weeks after they fined Pittsburgh Corning the sum of two hundred and ten dollars for so-called 'nonserious violations' at the Tyler asbestos plant. Such fines are ridiculous, of course, but the Administration people don't stop there. They rub salt into the wound by being secretive with what, under the law, is public information. We face delays and denials practically every time we ask them for copies of citations, notice of proposed penalties, and inspectors' reports of plant surveys. And, remember, we're trying to exercise the rights of our hundred and eighty thousand-odd members through an extensive union bureaucracy. Imagine what the chances are for unorganized workers, who account for seventy-five per cent of the total labor force in this country!"

At this point, I asked Mazzocchi if he had ever heard of Dr. Mitchell A. Zavon, Assistant Health Commissioner for Cincinnati.

"Yes, I've heard of him," Mazzocchi replied. "Why do you ask?"

"Because I understand he has recently voiced opposition to some proposed city regulations that would ban the spraying of asbestos insulation in building construction."

"We have a whole file on Dr. Zavon," Mazzochi said. "I'll have it Xeroxed for you. In 1969, the House Committee on Government Operations wrote a report on Dr. Zavon's activities with regard to the No-Pest strip, manufactured by the Shell Chemical Company, a division of the Shell Oil Company. According to the report, Dr. Zavon had been a consultant to Shell Chemical during a six-year period—1963 to 1969—when he was also a consultant to the Department of Agriculture's Pesticides Regulation Division, which had registered the insecticide strip for use in restaurants and homes. During that time, Dr. Zavon conducted tests for the company which showed the strips to be safe. When it was demonstrated later that the strips could leave unsafe chemical residues on exposed food, the Department of Agriculture required that they bear a warning label. In the end, the Department informed the Committee on Government Operations that it was referring questions of possible conflict of interest involving Dr. Zavon to the Department of Justice. Nothing came of it, however."

When I left Mazzocchi's office, I was carrying a manila envelope that contained the file on Dr. Zavon and copies of letters, petitions, inspections, and surveys relating to KBI's Hazleton plant and Mobil's Paulsboro refinery. On the plane back to New York, I read the report on Dr. Zavon, which substantiated what Mazzocchi had told me. (Later, I learned that in March of 1973 NIOSH awarded a contract for $205,873 to the Agatha Corporation—a private medical consulting firm headed by Dr. Zavon—for developing health criteria on carbon tetrachloride, chloroform, ethylene dichloride, methylene chloride, tetrachloroethylene, and 1, 1, 1-trichloroethane, which can be synthesized from precursor chemicals obtained from petroleum.) I also glanced through the annual stockholders' report put out by KBI in 1971. It was full of handsome photographs and interesting statistics. It listed principal plants in Hazleton, Boyertown, and Reading, Pennsylvania, and in Wenatchee, Washington. It listed company subdivisions and subsidiaries in Boston; Springfield, Oregon; Revere, Pennsylvania; Thomaston, Connecticut; Yonkers, New York; and Palisades Park, New Jersey. And it listed international operations in France, Germany, the Netherlands, and Great Britain. In a letter to the shareholders, dated March 2, 1972, and signed by Joseph C. Abeles, chairman of the board, and by Walter R. Lowry, president, there was this paragraph:

No industrial enterprise today can afford to ignore the growing instance upon clean air, clean water, and safe, healthful places of work as manifested in antipollution and job safety and health legislation. Considerations of environmental quality which have prompted us to make substantial expenditures on equipment and staff to control pollution and promote occupational health have, in our view, assumed a permanent place in the conduct of a business such as KBI's. We expect to continue to invest in environmental quality to preserve the gains we have made and take advantage of improvements in control technology as they become available."

A few days later, in the October 29, 1972, edition of the *Times*, I came across a story written by Homer Bigart which appeared under the headline "Lung-Disease Problem, Traced to Beryllium Refinery, Plagues Hazleton, Pa." Bigart's article began:

"In the grim year of 1956, when unemployment in this worn-out coal town hovered near 20 per cent and the region was one of the most depressed in Appalachia, there was general rejoicing when the Chamber of Commerce enticed a beryllium refining plant to settle four miles east of here.

"There was only one discordant voice. Dr. Herman H. Feissner, Jr., who has a tiny walk-up office over a store in nearby Freeland, began cautioning his patients that it might be dangerous to work at the plant. Nobody paid much attention."

After saying that nine present or former employees of the plant were suffering from chronic berylliosis, which he described as "a rare disease that involves a slow but progressive—and apparently irreversible—deterioration of the lungs," Bigart returned to the subject of Dr. Feissner:

"The tall, white-haired physician was graduated from Lehigh University in 1928 and from Jefferson Medical College, Philadelphia, in 1932. Now in his late sixties, he spends much of his time working with retarded children at the White Haven State School and Hospital.

"However, he still practices medicine and among his recent patients were several beryllium refinery employees. "At least five," he said, had symptoms of berylliosis.

"Dr. Feissner's first encounter with the beryllium industry came soon after Kawecki Berylco acquired an old Lehigh Valley Railroad machine shop and roundhouse a few miles east of Hazleton and began converting beryl ore into beryllium. Kawecki Berylco is a major company in the specialty metals field, with sales totaling $70 million last year.

"What disturbed Dr. Feissner was the knowledge that the corporation's plant in Reading, Pa., had been cited in several lawsuits charging negligence in exposing workers and nearby residents to unsafe levels of toxic dust.

"Dr. Feissner said he was reproached by a local radiologist, Dr. Edgar L. Dessen, for "telling my patients a little too much about beryllium poisoning." Dr. Dessen was the leader of a Chamber of Commerce drive to bring new industry to Hazleton, a campaign so successful that unemployment is now down to 4.5 per cent.

"Dr. Dessen confirmed that he had spoken to Dr. Feissner.

"He (Dr. Feissner) was telling people beryllium was a toxic material at a time the company was hiring men," Dr. Dessen said. "I felt it was unfair to people who wanted work. The plant was designed under Atomic Energy Commission specifications to keep irritants out of the air. With stringent precautions, the men would be properly protected."

"Dr. Dessen said he had been a director of Kawecki Berylco but did not stand for reelection this year. He said his time was taken up with other matters, including the chairmanship of the American College of Radiology's task force on pneumoconiosis, a generic term for lung diseases caused by dust.

"I'm automatically suspect for having been a director," Dr. Dessen said, "but I consider myself a physician first."

When I later made inquiries about Dr. Dessen, I learned that, in addition to being a former director of KBI, he had been paid by the company for many years to read and take X-rays of employees at the Hazleton plant.

By this time, I was beginning to understand how multiple and intricate were the reasons for the appalling casualty rate in the nation's workplaces, and how intertwined and pervasive were the activities of the medical-industrial complex, which was apparently bent on perpetuating the situation. What seemed more and more incredible to me as the months passed, however, was how such a situation could be—indeed, was being—tolerated at the highest levels of the federal government. Then, in the second week of November, Sheldon Samuels sent me a copy of a speech he had delivered before a joint session of the American Society of Safety Engineers and the National Safety Conference, in Chicago, on November 1st. After referring to Secretary Richardson's estimate of a hundred thousand deaths annually from occupational disease, Samuels addressed himself to the very question that had been troubling me.

"The economics of the situation are very simple," Samuels said. "Nearly half of the male blue-collar work force is afflicted with chronic—and no doubt partly work-related—diseases that are largely paid for by the worker and the community as a whole. Even if all of the identifiable costs were placed on the employer, we cannot always be sure that it would not be cheaper for the employer to replace dead workers than to keep them alive. It may even be profitable, if only dollars and cents are counted. In the case of chronic occupational disease, it may be cheaper for any nation to sacrifice a life that has already achieved peak productivity. Samuels went on to say that in recent months he had learned of at least four plants in which beta-naphthylamine and benzidine were used without proper controls by employers well aware of the probable death from cancer of a third or more of the workers exposed to them. "Because its priorities are determined on a crude cost-benefit basis, however, the federal government has refused to adopt standards for these and seven other carcinogens," he declared.

Later in his speech, Samuels reminded his listeners that most of them worked for companies that were members of the United States Chamber of Commerce, the National Association of Manufacturers, and similar groups. "Read the record of the recent Senate and House oversight hearings of the committees on small business and labor," he said. "The Chamber says that workers face no greater risk than slipping in a bathtub. I only wish the situation were confined to the greedy bluster of such moral midgets. More serious is the subversion of government for profit. The National Association of Manufacturers has a full-time representative—office, phones, even a government expense account—at the very heart of the Occupational Safety and Health Administration operations. Political industry appointments are now made at the lowest levels. Industry standard-setting organizations, such as the American Society for Testing Materials, are attempting to bypass the standard-setting mechanisms in the [Occupational Safety and Health] Act. Industrial consultants dominate the contract route the federal government has taken in lieu of adequate staff in its standard—setting operations."

Of particular interest to me was Samuels' claim that industrial consultants were receiving contracts that in effect allowed them to usurp the standard-setting provisions of the 1970 Act—which had clearly intended that standards be developed and recommended by NIOSH and then promulgated and enforced by the Occupational Safety and Health Administration. I was already familiar with the activities of Arthur D. Little, Inc., in helping to set the questionable compromise standards for asbestos, and a few days earlier I had received information concerning another industrial-consulting firm under contract to the government, which had attempted to play a similar role. This had occurred when Mazzocchi called to suggest that I telephone Dr. Jeanne M. Stellman, who is assistant for occupational health to the president of the Oil, Chemical, and Atomic Workers, at the union's headquarters, in Denver. "Ask her to tell you the story about benzene," Mazzocchi said.

When I called Dr. Stellman, she explained, to begin with, that benzene—a colorless liquid—is produced as an integral part of refining oil and gasoline. "It is probably handled by more than a third of the hundred and eighty thousand-odd members of the Oil, Chemical, and Atomic Workers," she said. "And because benzene is also widely employed in the rubber, cement, and plastics industries, additional thousands of workers come into contact with it there. The trouble with benzene, as has long been known, is that it is a noxious poison, whose fumes, when inhaled, can induce blood changes—anemia and leukemia. Indeed, benzene is considered so dangerous that both the American National Standards Institute and the International Labor Office, which is part of the World Health Organization, have recommended that in any given volume of air, liquid, or solid material it should be present only in the ratio of ten parts per million—which comes to one-thousandth of one per cent—with a ceiling of twenty-five parts per million. The American Conference of Governmental Industrial Hygienists, however, has recommended a standard whereby benzene can be present in a ratio of twenty-five part per million, with a ceiling of fifty parts per million. I tell you all this as background to the fact that in order to develop criteria for the establishment of an official federal standard for benzene a twenty-three thousand-dollar contract from NIOSH was awarded last May to George D. Clayton & Associates—an industrial-consulting firm in Southfield, Michigan."

On October 10th, Dr. Stellman continued, Clayton & Associates called an informal meeting of a benzene committee it had established. The meeting was held at the William Penn Hotel in Pittsburgh, where the Industrial Health Foundation, Inc., was then holding its annual conference. "As a member of the committee, I was invited to attend," she said. "Clayton & Associates called the meeting at that time and place simply because several of the committee's members were attending the foundation's annual conference. The idea was to have us give our opinion of a preliminary draft of the document on benzene criteria they had prepared for NIOSH. In addition to Clayton, Robert G. Keenan, vice-president and director of laboratories for Clayton & Associates, who was formerly head of the analytical laboratories at the Bureau of Occupational Safety and Health, and myself, the members of the committee included Howard L. Kusnetz, who was formerly director of the Bureau's Division of Occupational Injury and Disease Control and is now with the industrial-hygiene department of the Shell Oil Company; Dr. Horace W. Gerarde, who was formerly chief toxicologist at the Esso Research and Engineering Company and is now at Fairleigh Dickinson University, in New Jersey; a representative of the Manufacturing Chemists Association and one from the American Steel Institute; and Louis Beliczky, the director of industrial hygiene for the United Rubber, Cork, Linoleum, and Plastic Workers of America, who could not attend.

When I read the preliminary draft of the benzene document prepared by Clayton & Associates, I was shocked to see that it was proposing a benzene standard identical to the one recommended by the Conference of Hygienists, which is two and a half times as high as the standard for benzene recommended by the American National Standards Institute and the International Labor Office. I told the committee that there was no way labor could live with such a standard. After a whole day of arguing, I finally walked out of the meeting, took a plane to Washington, and told Sheldon Samuels what was going on. Samuels promptly lodged a complaint with Dr. Marcus M. Key, the director of NIOSH, and, as a result, Clayton & Associates revised its preliminary document on benzene criteria, and has since recommended the more stringent standard for benzene of ten parts per million. The point is that the firm obviously called the Pittsburgh meeting in the hope of obtaining approval for a compromise standard for benzene which, while it might not adequately protect workers against anemia and leukemia, would not ruffle anyone's feathers."

Since Dr. Stellman's account of how Clayton & Associates had handled the NIOSH contract for developing criteria on benzene was closely followed by Sheldon Samuels' speech, I started to look into this aspect of the medical-industrial complex by examining a book entitled "NIOSH Contract and Research Agreements," which the Department of Health, Education, and Welfare had published in September of 1972. Without much difficulty, I determined that out of a hundred and forty-eight contracts for research on occupational safety and health which NIOSH had either let or renewed in the fiscal year 1972, eight had been awarded to Clayton & Associates.

In addition to the contract for benzene, the firm had received contracts for developing documents on criteria for toluene, chromic acid, and trichloroethylene; * * * on the ground that it was not presented as an industry-wide study, an action that was reversed by the new people in NIOSH, who approved a study of the effects of coal-tar-pitch volatiles on aluminum workers for the fiscal year 1973, which study was temporarily shelved at NIOSH headquarters when some aluminum-industry officials voiced objections to not having been consulted during the planning stages of the investigation, an event that appeared to repeat the previous action taken by Lewis J. Cralley, who, now retired from government service, participated in writing up the health effects of benzene as paid consultant to Clayton & Associates, which is the firm that received a hundred-and-sixty-thousand-dollar contract from NIOSH to produce the third edition of "The Industrial Environment—Its Evaluation and Control," not to be confused with "Industrial Environmental Health: The Worker and the Community," which was sponsored by the Industrial Health Foundation, Inc., of Pittsburgh, where George D. Clayton and Robert G. Keenan, of Clayton & Associates, called a meeting of the firm's committee on benzene in order to propose an inappropriate and later discredited compromise standard for benzene, at the Hotel William Penn, on October 10, 1972, which was the very time and place of the annual meeting being held by the Industrial Health Foundation, Inc., which employs John A. Jurgiel, an associate editor of "Industrial Environmental Health: The Worker and the Community," and also employs Dr. Paul Gross, who, in addition to having testified for Johns-Manville in a number of workmen's-compensation cases, is the director of research laboratories of the Industrial Health Foundation, Inc., which is a new name for the old Industrial Hygiene Foundation of America, Inc., the self-styled "association of industries for the advancement of healthful working conditions" that, entirely financed by industry, including Johns-Manville, was retained by Pittsburg Corning in the summer of 1963 to evaluate the asbestos-dust hazard at its newly acquired plant, in Tyler, Texas, where, during the next eight years, several more evaluations of the hazard were made, including two by the Bureau of Occupational Health's Division of Epidemiology and Special Services, which showed airborne asbestos-dust levels at the Tyler plant to be grossly out of control, a fact that was not only not made known to the men who worked in the plant—many of whom had inhaled absestos dust for years without even respirator protection—but never evaluated in terms of the incredible disease-and-death hazard it posed for these men by anyone in the Division of Epidemiology and Special Services, including its director during this period, Dr. Lewis J. Cralley, who, as associate editor of "Industrial Environmental Health: The Worker and the Community," wrote a section of the book entitled "Epidemiologic Studies of Occupational Disease," containing a five-page chapter on asbestos that described in detail some studies of disease among asbestos workers conducted by Dr. John Knox and Dr. Stephen Holmes of the Turner Brothers Asbestos Company, who later furnished the British Occupational Hygiene Society with data that appear to have underestimated by as much as tenfold the incidence of asbestosis among the Turner Brothers workers, and by Dr. John Corbett McDonald, of McGill University, in Montreal, whose research on mortality among asbestos miners and millers was financially supported by the Quebec Asbestos Mining Association, but that failed to mention either the study showing the disastrous mortality experience of the asbestos-insulation workers conducted by Dr. Selikoff and Dr. Hammond or Dr. Cralley's own unaccountably uncompleted study showing an appalling rate of death from asbestos disease among asbestos-textile workers, all of which, in turn, was accepted for publication by his brother, Lester V. Cralley, assistant director of Environmental Health Services of the Aluminmum Company of America, who is the editor of "Industrial Environmental Health: The Worker and the Community," which is the book that inspired the riddle.

Shortly before Thanksgiving, I telephoned Dr. Johnson, at NIOSH's Division of Field Studies and Clinical Investigations, in Cincinnati, and asked him to tell me about a survey that he and some associates from the division had conducted in October at the Allied Chemical Corporation's plant in Buffalo. "We believe that there are still some problems with the company's benzidine operation, and that there are major problems with its dichlorobenzidine operation, which is a relatively open system," Dr. Johnson said. "The Allied Chemical people have chosen to treat dichlorobenzidine, which has been proved to be carcinogenic in test animals, as a toxic substance—not as a potential human carcinogen, as has been recommended by the English, who say there is no known safe level of exposure to dichlorobenzidine, and the American Conference of Governmental Industrial Hygienists, who say that there should be an absolute minimal exposure to that chemical. For this reason, we're particularly concerned about employees at the Buffalo plant, who have had past exposure to beta-naphthylamine and benzidine, and who are currently being exposed to dichlorobenzidine.

Incidentally, I have just come back from North Haven, Connecticut, where I talked with industrial hygienists from the Upjohn Company. In 1962, the Upjohn people bought a plant in North Haven that was owned by the Carwin Company, which had been a manufacturer of benzidine since the late ninteen-forties. The Upjohn people discontinued the benzidine operation in 1963, and their hygienists told us the other day that there had been no problems among the workers. However, we then make a check at the Connecticut State Tumor Registry, in Hartford, and discovered that there had already been six deaths from bladder cancer among workers employed at the old Carwin plant. For this reason, we are concerned by the fact that one hundred and seventy-one employees of the plant, whose onset of exposure to benzidine, dichlorobenzidine, and other aromatic amines occurred more than sixteen years ago, are no longer employed there, and are conseqnently not included in any existing program of medical surveillance."

Dr. Johnson went on to tell me that on November 9th he had addressed a meeting of the National Tuberculosis and Respiratory Disease Association, in Houston, where he presented some new information concerning the men who worked at Pittsburgh Corning's asbestos plant in Tyler. "Using data from Dr. Selikoff's and Dr. Hammond's mortality study of the nine hundred and thirty-three men who worked at the Union Asbestos & Rubber Company's Paterson, New Jersey, factory between 1941 and 1945, where exposures were similar to those incurred at Tyler, we now estimate that there will be between one hundred and two hundred excess deaths from asbestos-related cancer among the eight hundred and ninety-five men who worked at the Tyler plant." Dr. Johnson said. ("Excess deaths" are deaths beyond the number that the standard mortality tables would project.) "Late last summer, I sent memorandums to various regional administrators of the Occupational Safety and Health Administration, giving the names and address of other asbestos plants where I had reason to suspect that, because of data we had found buried in the files, there were problems of overexposure that should be investigated.

I have since been informed by one of the assistant directors at NIOSH headquarters, however, that such memos could constitute an embarrassment to our director, Dr. Key, who is apparently anxious to maintain an image of NIOSH as a pure-research agency. In effect, I have been cautioned against alerting the government's enforcement agency to situations where there might be a disease-and-death hazard. I now intend to leave NIOSH at the end of June, when my tour of duty with the government is over, because I've come to the conclusion that I'll be better able to function as a medical doctor in some other atmosphere."

I called Dr. Selikoff in December and asked him to comment on Dr. Johnson's estimate of future mortality among the Tyler workers, and he told me that he thought the estimate would turn out to be too low. "It must be remembered that only thirty-one years have passed since the onset of exposure among the men who went to work at the Paterson factory," Dr. Selikoff said. "It must also be remembered that the excess risk of lung cancer in men exposed to asbestos increases year by year. For example, a man at twenty-five years from onset of exposure has an increased risk over a man at ten years from onset. This risk is greater at thirty years, and even greater at forty. On the basis of the mortality study of the Paterson workers, I expect a dismal future for many of the men who worked in the Tyler plant. In fact, I anticipate that there will be a hundred and fifty excess deaths among them from lung cancer, fifty excess deaths from mesothelioma, forty-five excess deaths from cancers of the colon, rectum, stomach, and esophagus, and fifty excess deaths from asbestos. In other words, almost three hundred, or roughly a third, of these men will probably die unnecessarily early deaths."

During the early part of 1973, occupational-health problems besides those associated with asbestos began to receive increasing public attention. On January 3rd, the Buffalo *Courier-Express* carried an article stating that chemicals used at the Allied Chemical plant in Buffalo had been implicated in a dozen recent cases of cancer, some of them fatal, among workers in the factory. On December 29th, a petition had been filed with the Occupational Safety and Health Administration by the Nader Health Research Group and the Oil, Chemical, and Atomic Workers International Union requesting that a zero level of exposure for ten carcinogens be set through a temporary emergency standard to be issued under the authority of the Occupational Safety and Health Act. A press release issued on the same day read, in part:

"Approximately 100,000 American workers die each year as a result of occupational diseases. As more is learned about the origins of cancer, it becomes clear that thousands of worker deaths are caused by exposure to carcinogenic chemicals in the workplace.

"The Health Research Group and the Oil, Chemical, and Atomic Workers Union are thus petitioning the Department of Labor to promulgate emergency temporary standards to eliminate human exposure to the following 10 cancer-causing chemicals in order to protect the lives and health of American workers: 2-Acetylaminofluorene; 4-Aminodiphenyl; Benzidine and Its Salts; Bis-Chloromethyl Ether; Dichlorobenzidine and Its Salts; 4-Dimethylaminoazobenzene; Beta-Naphthylamine; 4-Nitrodiphenyl; N-Nitrosodimethylamine; and Beta-Propiolactone.

When I telephoned Dr. Johnson toward the end of the month and inquired about these developments, he informed me that on January 24th he had called Dr. Albert J. Rosso, who is associate industrial-hygiene physician at the Buffalo office of the New York State Department of Labor's Division of Industrial Hygiene, and that Dr. Rosso had revealed that no followup inspection of the Allied Chemical plant had been conducted by the state since the NIOSH survey in October, which showed that men working in the factory were at risk because of exposure to benzidine and dichlorobenzidine. On February 9th, the Assistant Secretary of Labor published a notice in the *Federal Register* acknowledging receipt of the petition on the ten carcinogens, and requesting additional information from interested parties. In response to the request, fifty written comments were received during the next few months. Some of them were rather interesting. Dr. Harold Golz, the director of medical-environmental affairs for the American Petroleum Institute, said that the petition should be denied, on the ground that the proposed rules were "unrealistic, technically unfeasible, and inconsistent" and that "zero tolerance is a philosophical concept and an objective that is neither achievable nor necessary." The Benzidine Task Force of the Synethetic Organic Chemical Manufacturers Association asserted that workers were being adequately protected, and then, curiously, went on to say that if tumors did occur they were removed "long before malignancy is expected to develop." Sam MacCutcheon, corporate director for safety and loss prevention of the Dow Chemical Company, said that the suggested standard would serve as a harassment and would dilute present cooperative efforts between industry and government agencies. MacCutcheon went on to say that studies related to bis-chloromethyl ether were in progress, and that, because of their importance and the impact they would have, the chemical should be removed from consideration until they were completed. Bis-chloromethyl ether was also much on the minds of people at the Rohm and Haas Company, in Philadelphia. Frederick C. Moesel, Jr., assistant secretary of the firm, said that exhaustive epidemiological studies on the chemical were under way, and that his company expected results showing a no-effect level well above one part per billion.

On May 3rd, having assessed the petition and the fifty written comments, the Administration issued an emergency temporary standard consisting of strict work practices regarding the manufacture and use of fourteen carcinogens, including bis-chloromethyl ether and the nine others that had been listed in the petition. According to the Administration, workers were being exposed to the fourteen chemicals, such exposure posed a grave danger to them, and the emergency standard was necessary to protect their health until permanent standards could be promulgated six months hence, as the law required.

The subject of bis-chloromethyl ether came to my attention again in the middle of June, when Samuels sent me a copy of an article entitled "Lung Cancer in Chloromethyl Methyl Ether Workers," which had been published in the May 24th issue of the *New England Journal of Medicine* by three Philadelphia physicians—Dr. W. G. Figueroa, of the Germantown Dispensary and Hospital's pulmonary-disease section; Dr. Robert Raszkowski, of Temple University's School of Medicine; and Dr. William Weiss, of the Department of Medicine of Hahnemann Medical College. (Bis-chloromethyl ether is a contaminant by-product occurring with chemical reactions that take place in the production of chloromethyl methyl ether.) The article began by saying that in 1962 the management of a chemical manufacturing plant employing about two thousand workers "became aware that an excessive number of workers suspected of having lung cancer were being reported in one area of the plant, and turned to a chest consultant, who recommended a program to establish the degree of risk by semiannual screening." This screening program, which included chest X-rays, was in progress for the next five years, the article said, and during that time the plant management "made a careful investigation of the work histories in several men whose lung cancers developed while they were working in the area under suspicion, and concluded that the only common denominator was exposure to chloromethyl ether (CMME)."

What action, if any, the plant managers took with regard to the conclusion they had reached by 1967 remains a mystery, for the article continued:

"Management is as yet unable to provide exact information on the exposure of the employees to CMME. Further interest that CMME could be a carcinogen was stimulated by . . . a 44-year-old man admitted to Germantown Dispensary and Hospital in December, 1971, because of cough and hemoptysis. A detailed occupational history revealed that he was a chemical operator who had been exposed to CMME for 12 years. The patient stated that 13 of his fellow workers had lung cancer, and he suspected that this was his diagnosis. All had worked as chemical operators in the same building of a local chemical plant, where they mixed formalin, methanol, and hydrochloric acid in two 3800-liter kettles to produce CMME. During the process fumes were often visible. To check for losses, the lids on the kettles were raised several times during each shift. The employees considered it a good day if the entire building had to be evacuated only three or four times per eight-hour shift because of noxious fumes."

The article went on to say that when a retrospective investigation of the fourteen cases was made, by an examination of hospital records and autopsy results and by consultation with family physicians, it was determined that all the men had indeed developed lung cancer; that their age at diagnosis ranged from thirty-three to fifty-five; that the exposure of thirteen of them to CMME ranged from three to fourteen years; and that thirteen of them had died within twenty months of diagnois. The article concluded that the data "strongly suggest that an industrial hazard is associated with CMME."

At that point, I put down the article, telephoned Samuels in Washington, and asked him if he knew which plant it referred to.

"Sure," he said. "It's the Rohm and Haas factory in Philadelphia."

During the winter, some significant changes of personnel took place in the Department of Labor, which were said to have been instituted under the direction of Charles W. Colson, special counsel to the President. In January, George Guenther's resignation as Assistant Secretary of Labor and director of the Occupational Safety and Health Administration was accepted by the White House—presumably because his performance had received some highly publicized negative reactions from organized labor. Guenther was replaced by John H. Stender, a former vice-president of the International Brotherhood of Boilermakers, Ironshipbuilders, Blacksmiths, Forgers, and Helpers, who was also a former Republican state senator in Washington. Then, in February, James D. Hodgson, who had resigned as Secretary of Labor to return to the Lockheed Aircraft Corporation as senior vice-president for corporate relations, was replaced by Peter J. Brennan, the president of the New York City Building and Construction Trades Council, who had organized the counterdemonstration of hardhat construction workers that disrupted the student peace rally at City Hall in New York on May 8, 1970.

Early in March of this year, I learned

from Samuels that President Nixon's Office of Management and Budget had plans for a reorganization of federal agencies which included a scheme for dismantling large parts of the Department of Health, Education, and Welfare and the Department of Labor, and merging them into a Department of Economic Affairs. "There is considerable speculation that this shuffle may be attempted without the consent of Congress," Samuels said grimly. "If it takes place, it will effectively do away with the separate roles that were envisioned for the Occupational Safety and Health Administration and NIOSH by the Congress when it wrote and passed the Occupational Safety and Health Act. It will also help to sweep under the rug the whole occupational-health scandal we've been trying to expose."

Since then, it seems, whatever plans the Office of Management and Budget had in mind for H.E.W. and the Department of Labor have been held in abeyance pending a resolution of the Watergate crisis. In May, however, NIOSH was transferred from H.E.W.'s Health Services and Mental Health Administration (which was dissolved) to its Center for Disease Control, as part of a decision by H.E.W. to reduce manpower and reorganize health programs. Some people saw this as a further downgrading of NIOSH, others as an attempt by H.E.W. to preserve some semblance of a preventive-medicine program. In any case, Civil Service regulations regarding seniority deprived of NIOSH of more than fifty of its six hundred and fifty employees. Since it already lacked sufficient funds and manpower to keep up with increased demands for research training, industry-wide safety-and-health studies, documents on criteria, and health-hazard evaluations, there were predictions of serious work backlogs and an attendant lowering of morale. In June, the confusion surrounding the future of NIOSH and its operations was compounded by Secretary Brennan, who requested support from the Office of Management and Budget for merging NIOSH with the Department of Labor. Commenting on the general situation in the middle of the month, Dr. Key, the NIOSH director, noted that all its activities would have to be curtailed, and that "the health and safety of the American worker is not going to be protected as much"—a rather chilling prediction in view of the fact that only the previous year Secretary Richardson had estimated that occupational disease killed a hundred thousand American workers each year.

Meanwhile, on April 4th, a hearing on the petition filed by the A.F.L.-C.I.O.'s Industrial Union Department and five trade unions for review of the Secretary of Labor's five-fibre standard for exposure to asbestos dust had been held in the United States Court of Appeals for the District of Columbia Circuit. In a brief for the petitioners, the Industrial Union Department argued that the Occupational Safety and Health Act had clearly required the Secretary to set a standard that would adequately protect the health of workers. The Industrial Union Department's case that the Secretary had not done so was based largely upon the integrity of the NIOSH document on criteria for asbestos, which had recommended that a two-fibre standard go into effect within two years.

However, in the brief for the respondent—former Secretary Hodgson—there were two documents of startling origin which defended the Secretary's action in declaring a five-fibre standard for four more years. The first of these was a nineteen-page single-spaced critique of the conclusions and recommendations of the NIOSH criteria document, which had been submitted to Dr. Powell, an assistant director of NIOSH, on January 11, 1972, by Dr. George W. Wright, a longtime paid consultant of Johns-Mansville, who was then head of medical research at St. Luke's Hospital in Cleveland, and who testified later that year in behalf of Johns-Manville (and against the proposed two-fibre standard) at the Department of Labor's public hearings. Curiously, Dr. Wright's letter to Dr. Powell was never submitted as part of the public record that the Department of Labor was required to compile in order to establish a permanent standard for asbestos but was only later submitted by Dr. Powell as an extra-record statement solicited by Assistant Secretary of Labor Guenther in order to justify the Department's controversial decision to delay the imposition of a two-fibre standard for four years.

The second letter in support of the government brief was an extra-record memorandum sent to Guenther by Dr. Key, on May 30, 1972—three days before Guenther signed the contested standard for asbestos—which, in effect, disavowed critical portions of the criteria document that had been prepared by Dr. Key's own staff, and under his direction. Dr. Key's memorandum to Guenther ended, "In summary, if your hearings and feasibility study indicate that a two-fibre-per-cubic-centimetre level is not achievable until four years hence, I would accept this as a reasonable health standard."

Dr. Key added three safeguards to his acceptance of the higher standard, including provisions that new plant construction be designed to meet a two-fibre level; that plants and operations that had already achieved a two-fibre level be required to maintain it; and that an antismoking campaign be required for workers exposed to asbestos. As it turned out, none of these safeguards were incorporated in the standard promulgated by the Department of Labor. However, the government did make liberal use of Dr. Key's memo ten months later, in its brief defending the Secretary of Labor from the petition brought against him by the unions.

Thus did the director and an assistant director of NIOSH take the astonishing step of compromising *in camera* their own asbestos-criteria document and its recommended two-fibre standard, which Secretary Richardson had assured President Nixon less than a month before Dr. Key wrote his memo, was designed "to protect against asbestosis and asbestos-induced cancer . . . and to be attainable with existing technology." Moreover, as justification for this extraordinary administrative act, Dr. Powell chose to rely on an opinion provided by Dr. Wright, the Johns-Manville consultant (the company was later an *amicus curiae* on the government side), and Dr. Key professed no qualms about feasibility data gathered by Arthur D. Little, Inc., a firm that not only had relied mainly upon information solicited from the asbestos industry, and from a group of medical doctors the vast majority of whom had conducted research on asbestos disease that was financially supported by the industry, but also was involved in a direct conflict of interest in behalf of the absestos industry even as it prepared to undertake its study.

No one knows for sure what could have motivated Dr. Key to sign this extraordinary memorandum, which turned out to have been written by Dr. Powell, but many people assume that he was reacting to pressure from his conferees in the Department of Labor, with which NIOSH might be merged. As for the Industrial Union Department's petition for review of the five-fibre standard, a final decision upon it is still pending. Most observers feel, however, that the fact that the integrity of the criteria document on asbestos has been questioned by its primary author has dealt a blow to the Industrial Union Department's case.

By the late spring of this year, I had long since come to the conclusion that there would be no quick end to the resistance of the medical-industrial complex to action that would ameliorate the plight of workers exposed to toxic substances, or, for that matter, to the capacity of many key government officials to react with timidity and deceit whenever they were required to make decisions regarding occupational-health problems which might run counter to the interests of the corporate giants that had been supplying money and manpower to political administrations for decades. One of the chief difficulties in overcoming the traditional business-as-usual approach to industrial disease was simply that public opinion could not easily be aroused against the delayed carnage occurring in the workplace. In short, unlike the casualty figures of the Vietnam war, which for years had been reported weekly from a specific geographical area, specific or dramatic reporting of casualties from industrial disease could never be provided, for they were occurring years after the onset of exposure to toxic substances and among men and women who had been working in literally tens of thousands of shops and factories in every state of the union. For example, who would be likely to remember forty years from now that several hundred men in the hill country of East Texas who had died of asbestosis, lung cancer, gastrointestinal cancer, and mesothelioma had once been employed at a small insulation plant in Tyler owned by Pittsburgh Corning?

It therefore appeared that only an unusual disaster—a drama of vast magnitude—was likely to evoke the kind of public outrage that, as in the case of the war, would demand an end to the unnecessary slaughter. As things turned out, newspapers and television stations around the country were carrying stories about the possibility of just such a disaster—one that could affect the hundred thousand citizens of *Duluth, Minnesota*. Whether or not the Duluth situation proves to be truly catastrophic, it certainly serves to illustrate how a potential disaster can evolve without warning, and to suggest how other such disasters are bound to occur in the future if steps are not taken to curb industry's indiscriminate use of the environment as a private sewer. The Duluth story broke in the middle of June, when the Environmental Protection Agency announced that the public water system of the city, which derives its supply from *Lake Superior*, contained grossly excessive amounts of asbestos-like material. Upon further analysis, this turned out to be similar to amosite asbestos—the type that was handled in the Paterson and Tyler factories.

The contamination of Lake Superior with asbestos had evidently begun in the middle fifties, when a new process was developed for extracting iron from the taconite-ore deposits in the nearby Mesabi Range. This process consisted in crushing the ore, grinding it in water to a fine muddy sand, and magnetically separating the iron from the wet slurry. In 1956, the Reserve Mining Company—a three-hundred-and-forty-million-dollar subsidiary of ARMCO and Republic Steel—began using the new process at its plant in Silver Bay, a town on the lake about fifty miles northeast of Duluth, and also began dumping, through pipes and chutes, thousands of tons of pulverized waste tailings into the lake each day. (At the same time, large quantities of mineral dust began to be released into the ambient air through the smokestacks of the plant.)

By the middle sixties, when the company was dumping sixty-seven thousand tons of waste tailings into the lake each day, a large green stain almost twenty square miles in area was spreading over the lake in the vicinity of Silver Bay—a stain that was thought for a long time to be composed of algae whose growth was stimulated by the dumping of the tailings. In 1969, concerned about the condition of the water in the lake, the State of Minnesota went to court seeking to enjoin Reserve from the practice of dumping. In the course of the proceedings, it was established that the green stain resulted not from algae but from a light-scattering effect that was caused by sunlight shining on suspended particles. Then, in December of 1972, suspecting that asbestos might be present in the taconite ore mined for production, officials of the Minnesota Pollution Control Agency commissioned two geologists—Stephen Burrell, of the University of Wisconsin, and James Stout, of the University of Minnesota—to undertake a study of the situation.

Over the next seven months, Burrell took samples of ore at Reserve's Peter Mitchell Mine, and when Stout analyzed them, asbestos-type material turned out to constitute about twenty per cent of the total. After the iron was separated from the ore, the waste tailings that were left contained an even greater percentage of this material. Thus, since the dumping had begun, it could be estimated that the waters of the lake had been polluted not only with about two hundred million tons of ore refuse but with tens of millions of tons of asbestos-type minerals. Small wonder that when the Environmental Protection Agency—which had instituted its own suit against Reserve in February of 1972—collected samples of the public water supply of Duluth and sent them to the Environmental Sciences Laboratory of the Mount Sinai School of Medicine, in June, to be analyzed they were found to contain approximately a hundred times as much asbestos-type fibre by weight per litre as any other water samples that had ever been analyzed there.

During May, preliminary results of the Burrell-Stout study were reported to officials of the E.P.A., in Washington, who, after mulling over their implications and the possible effects of their public disclosure (including the possibility of panic among the citizens of Duluth), furnished the information to the court, thus adding a new dimension to the original suit. At the same time, the E.P.A. asked Dr. Selikoff and Dr. Hammond to evaluate within sixty days the possibility of adverse effects upon the health of the citizens of Duluth. Shortly thereafter, United States District Court Judge Miles W. Lord, who was scheduled to hear the case against Reserve, requested Dr. Selikoff and Dr. Hammond to conduct a preliminary study and report their findings to him within two weeks. Since no studies had ever been performed on people whose exposure to asbestos was purely by ingestion, Dr. Selikoff and Dr. Hammond, and Dr. William J. Nicholson, associate professor of community medicine at the Mount Sinai School of Medicine, and also a member of the staff of its Environmental Sciences Laboratory, undertook to determine the presence of asbestos fibres in the tissues of such people by comparing autopsy material from people who had lived all their lives in Duluth with autopsy material from asbestos workers who had been employed at the old Union Asbestos & Rubber Company's factory in Paterson. Because workers at that plant—and other asbestos workers as well—were known to have incurred three times as much gastro-intestinal cancer as people in the general population, the project appeared to be an urgent one.

Toward the end of June, Dr. Selikoff, Dr. Hammond, and Dr. Nicholson informed Judge Lord that because their initial studies showed that the autopsy material from Duluth had been prepared with formalin which had been diluted with water from the Duluth water supply, the material was contaminated with asbestos to start with, and thus made its analysis very much more complicated. For this reason, a proper evaluation of the potential health hazard to the residents of Duluth from drinking water contaminated with asbestos could not be made on short notice but would take many months of painstaking study and evaluation. As a result, the study continued through the summer and fall.

Meanwhile, the suits that had been brought against Reserve by Minnesota and the E.P.A. had been merged, and went to trial on August 1st in United States District Court, with Judge Lord presiding, and with the Justice Department (acting in behalf of the E.P.A., and joined in its action by Minnesota, Wisconsin, and Michigan, as well as by five environmental groups) contending that Reserve's discharge of taconite waste into Lake Superior posed a threat to public health and should be halted. Because of the complexity of the issues involved, most of the government's key witnesses were not called to the stand until the early part of September.

One of the first of these was Dr. Nicholson, who testified that his analysis of water samples from Duluth showed that they contained very large amounts of amphibole minerals. (Amphiboles are a complex group of silicate minerals that chiefly contain magnesium, silicon, and iron. Included in the group are five different varieties of asbestos, including crocidolite and amosite, both of which are known to have caused asbestosis, lung cancer, mesothelioma, and cancer of the gastrointestinal tract in workers who inhaled their fibres.) When asked how many amphibole fibres someone might ingest from drinking a quart of water from the public water supply of Duluth, Dr. Nicholson testified that his analysis showed that a quart of Duluth water could contain anywhere from twenty million to a hundred million such fibres.

Later in his testimony, Dr. Nicholson indicated that Reserve's operations might also constitute a serious air-pollution hazard, since his analysis of air samples taken in the vicinity of the company's plant in Silver Bay showed that they contained concentrations as high as eleven million amphibole fibers per cubic metre of air. (Anyone breathing such air could inhale more than one hundred million fibres in twenty-four hours.) Basing his conclusions on the air and water samples he had analyzed, on his research on people who had been occupationally exposed to asbestos, and on his knowledge of other research into the biological effects of asbestos which showed that asbestos-induced cancers usually took twenty years or more to develop, Dr. Nicholson stated that the situation resulting from Reserve's discharge of taconite waste constituted a serious public-health hazard, "If we waited until we saw the bodies in the street, we would then be certain that there would be another thirty or forty years of mortality experience before us," Dr. Nicholson said. "We would have built up a backlog of disease over which we would have little control."

Dr. Nicholson was followed on the witness stand by Dr. Harold L. Stewart, who had been engaged in cancer research for the United States Public Health Service's National Cancer Institute since 1939, and who had been chief of pathology at the Institute from 1954 until 1969, when he retired. Dr. Stewart testified that in his opinion the amphibole fibres in the Duluth water supply constituted a carcinogen. "You give it to the infants," he said. "You give it to young children. This is a captive population. They not only ingest the water, it's virtually a food additive. Everything that's cooked is cooked in [asbestiform minerals]. All the sheets and the pillowcases and the clothes are laundered in the asbestos water. It must be in the atmosphere. It must be floating around. The dryer that dries the clothes in the cellar must blow this out somewhere, I would assume. It's a carcinogen introduced through the domestic water supply into the homes of people." Toward the end of his direct testimony, Dr. Stewart said that anybody who permits such a situation "must realize that he's condemning people to exposure to a carcinogen that may take their lives and probably will."

After Dr. Stewart's appearance, the government called Dr. Arthur M. Langer, the chief mineralogist and head of the physical sciences section at the Mount Sinai Environmental Sciences Laboratory, who testified that his analysis of fibres in samples of the Duluth water supply showed that half of them were of the amphibole variety, that approximately two per cent were identical with amosite asbestos, and that between four and five per cent were consistent with amosite. Dr. Langer also stated that almost half of the fibres found in the air samples taken in Silver Bay were either identical to or consistent with amosite asbestos in their chemical composition. Dr. Langer was followed to the stand by Dr. Wagoner, of NIOSH. A considerable portion of Dr. Wagoner's testimony was devoted to the excessive amosite-asbestos dust concentrations that Dr. Johnson and others from the Division of Field Studies had found during their survey of Pittsburgh Corning's Tyler plant, in October of 1971, and to the critical occupational-health situation that had existed there. During this testimony, it was brought out that previous surveys of the Tyler plant, which showed gross abuses of good industrial-hygiene practices at the factory as far back as 1967, had been conducted under the direction of Dr. Wagoner's predecessor at the division, Dr. Cralley; that Dr. Cralley had reported the results of the findings to Pittsburgh Corning but not, insofar as Wagoner knew, to any federal regulatory agency; and that Dr. Cralley was at present a consultant for Reserve.

Dr. Wagoner was followed on the witness stand by Dr. Selikoff, who, during four days of testimony, proceeded to review the history of asbestos disease, the results of the major studies of the biological effects of asbestos which had been carried out during the past forty years, and the results of the studies he and Dr. Hammond had conducted showing the disastrous mortality experience of asbestos workers at the Tyler plant and at its predecessor, the Union Asbestos & Rubber Company's factory in Paterson. Dr. Selikoff went on to describe some preliminary findings of a study he is conducting of the relatives of men who had worked at the Paterson plant. He told the court that upon examining a hundred and fifteen people who had lived in the same house with workers at the plant (and who could, therefore, have been exposed to asbestos dust brought home on the workers' clothes), he found that thirty-nine per cent showed X-ray abnormalities, most of them in the form of lung scarring typically found among people who are occupationally exposed to asbestos. Dr. Selikoff also testified that he felt it was highly probable that ingestion of asbestos fibres was responsible for the fact that he had found a threefold increase in cancer of the gastro-intestinal tract among the asbestos workers he had studied.

In attempting to deny the government's charges, Reserve contended that the fibres found in the Duluth water supply were not caused by its disposal of taconite waste into Lake Superior, and that, in any case, the fibres were not of the same chemical type that had been found to cause cancer of the lungs and gastro-intestinal tract among asbestos workers. However, Dr. Selikoff testified that he strongly believed, on the basis of his experience and upon evaluation of all the data he had studied, that cancer was induced by the "size and shape of the particles rather than their exact chemical composition." Later, when asked if he had an opinion as to whether or not the presence of amphibole fibres in the Duluth water system constituted a health hazard, Dr. Selikoff replied that he thought it posed a distinct health hazard to the population of Duluth and to other populations drinking or using such water. "We will not know whether or not these particular circumstances will cause cancer until another twenty-five or thirty-five years have passed," Dr. Selikoff stated. "This is in my opinion a form of Russian roulette, and I don't know where the bullet is located." Upon further questioning, Dr. Selikoff testified that asbestos levels measured in the air at Silver Bay, less than half a mile from two schools, were about ten times as great as asbestos levels measured near sites where asbestos insulation had been used in building construction in New York City (a practice banned by the city as a health hazard in February of 1972), that the asbestos levels in Silver Bay were about the highest environmental levels he had ever seen; and that people who might be breathing air containing such concentrations were, in his opinion, risking the development of mesothelioma.

At Judge Lord's request, a tentative list of witnesses whom the lawyers for Reserve intended to call to the stand was furnished on September 28th. It contained the names and affiliations of sixty-four men, who were listed according to ten different categories of information about which they could be expected to testify. Some of the names were familiar. They included Dr. Cralley and Robert G. Keenan, of Clayton & Associates; Dr. Paul Gross; Dr. Stephen Holmes, now chief health physicist for the Turner Brothers Asbestos Company; and Dr. John Corbett McDonald, of McGill University—all of whom had figured in the riddle about the medical-industrial complex. Also listed were Dr. Donald W. Meals and three other members of Arthur D. Little, including Dr. Charles J. Kensler, the firm's senior vice-president in charge of operations; Dr. Leonard G. Bristol, director of Immunobiological Research Laboratories of the Trudeau Institute, Inc., at Saranac Lake, which Johns-Manville has helped support for many years; and Dr. Hans Weill, professor of medicine in the pulmonary-disease section of the Tulane University School of Medicine, whose study of asbestos is in workers at a Johns-Mansville cement-products plant at Marrero, Louisiana, had been financially supported by the Quebec Asbestos Mining Association, of which Johns-Manville is a leading member.

Whatever the outcome of the trial, all those involved in the Duluth affair, and especially the city's hundred thousand residents, are keeping their fingers crossed. On the face of it, the predicament would seem to be an incredibly absurd and hapless one for the people of any city in this country—the most highly developed and technologically expert nation of the world—to be in. The major steel companies are anxious about it, because many of them have mines and mills in the Mesabi Range, and the health of thousands of their workers may have been seriously jeopardized through exposure to asbestos dust. Most anxious of all, however, are ARMCO and Republic Steel, for, as co-owners of Reserve, they might, if worst comes to worst for the people of Duluth, be sued under Minnesota law. As it happens, one of the chief medical consultants for Republic Steel these days is none other than Dr. George W. Wright. Dr. Wright's value to Republic Steel in the Duluth affair may prove to be limited by the fact that while in the service of Johns-Manville—the world's largest producer of chrysotile asbestos—he testified at the Department of Labor's public hearings that amosite, not chrysotile, was, in his opinion, responsible for the grossly excessive incidence of mesothelioma in the study of insulation workers conducted by Dr. Selikoff and Dr. Hammond.

During the summer, while the situation in Duluth was making headlines across the country, the Department of Labor addressed itself to the business of setting permanent standards for exposure to the fourteen chemical carcinogens for which it had promulgated six-month temporary emergency standards on May 3rd. As in the case of the asbestos standard a year and a half before, the Secretary of Labor convened an advisory committee—the Standards Advisory Committee on Carcinogens—in order to avail himself of expert advice on the problem. The committee was made up of fifteen members drawn from government, labor, the independent medical and scientific community, and industry, and in August, it recommended to Secretary Brennan that the permanent standards include a strict permit system, so that no company could manufacture or use any of the fourteen carcinogens without first demonstrating its ability to handle the chemical in a manner that would avoid detectable exposure to any worker. This recommendation came about largely because of evidence presented to the advisory committee by Dr. Wagoner's Division of Field Studies and Clinical Investigations, which demonstrated that literally hundreds of factories across the land were manufacturing and using the chemicals with either grossly inadequate or, in some cases, no controls for the protection of workers.

In September, when the Department of Labor's Occupational Safety and Health Administration held public hearings on the proposed standards, in Washington, D.C., the recommendation of the advisory committee was discounted by Leo Teplow, a special consultant for Organization Resources Counselors, Inc.—a concern representing forty major corporations, many of which either manufacture or use one or more of the carcinogens involved. Testifying at the hearings on September 11th, Teplow declared that the recommendation merited very little attention, and added, "This is a subject for consideration by people of far more generalized experience than those who were primarily toxicologists and hygienists that composed this committee."

On September 14th, Teplow's statements were contradicted by Dr. Key, of NIOSH, who on this occasion took a strong and forthright stand on the matter of occupational exposure to known carcinogens. "It is the firm conviction of NIOSH that no evidence exists to scientifically conclude that anyone of the fourteen agents under consideration is not carcinogenic in man," Dr. Key testified. "I make this presentation as a concerned public-health official in the spirit of fostering a better understanding of occupational carcinogenesis . . . and also in the spirit of encouraging a prudent approach to standards setting, so that we can profit from those lessons learned from experience with beta-naphthylamine and bis-chloromethyl ether. Such lessons, although advancing the state of knowledge as far as experimental versus human carcinogenicity is concerned, were unfortunately done at the expense of the health of the American worker."

On the same day, Samuels, of the Industrial Union Department, attacked the timing of the public hearings. "This hearing could have been held more than two years ago, when our department and affiliates first questioned the exclusion of known carcinogens from the interim standards promulgated under the Occupational Safety and Health Act," Samuels testified. "The consequence is that, as a result of two years of unjustifiable exposure of carcinogenic agents, regardless of anything done now, hundreds and perhaps thousands of men and women can be expected to experience agonizing death from cancer in the next two decades. Sir, in a truly civilized society we would hold personally responsible those who participated in this crime, both the callous political creatures and the cancer peddlers who bartered moral and statutory obligations. In a just society they would now be undergoing rehabilitation in a penal institution. Instead, they walk freely—some of them are or have been in this room—as if evil is its own reward."

Although Secretary Brennan and Assistant Secretary Stender were required by law to announce the promulgation of permanent standards for the fourteen carcinogens by November 3rd, that deadline passed with no action taken. However, on November 8th, Gerard F. Scannell, the director of the Occupational Safety and Health Administration's Office of Standards, informed Samuels that the new standards would not include a permit system, which had been recommended by Secretary Brennan's advisory committee, by NIOSH, and by the unions, so that the standards could be effectively enforced under the 1970 Act. If this proves to be the case, then once again, as in the case of the asbestos standard, a Secretary of Labor will have disowned the recommendations of the members of his own advisory committee and of occupational-health experts from NIOSH. (In this instance, he will even have disowned the advice of the staff of the President's Council on Environmental Quality, who have also strongly urged the necessity of including a permit system in the new standards.) Indeed, continuing the long business-as-usual approach of the federal government toward the crucial problem of industrial disease, he will have set standards for known cancer-producing substances which fail to adequately protect the health and lives of workers.

Meanwhile, there were some new developments concerning Pittsburgh Corning's Tyler plant, which has provided the starting point for my twenty-one-month investigation of the medical-industrial complex. In October, I received a copy of a report entitled "Tyler Asbestos Workers Study"—a project designed to conduct a medical followup of the Tyler workers in the coming years—which had been drawn up by a newly formed nonprofit organization called the Texas Chest Foundation, with headquarters at the Texas State Department of Health's East Texas Chest Hospital, in Tyler. The idea for the project had been initiated by Dr. Johnson late in the summer of 1972, and it had been developed since then by him and by Dr. Wagoner; by Richard A. Lemen, an epidemiologist in the Division of Field Studies and Clinical Investigation; by Dr. George A. Hurst, the superintendent of the East Texas Chest Hospital; and by Dr. Selikoff. Upon making inquiries, I learned that these men had met in May and June of this year with Dr. Michael B. Sporn, the chief of the lung-cancer branch of the Department of Health, Education, and Welfare's National Cancer Institute, for the purpose of engendering interest in and funding for the project.

I also learned that during the late spring and summer Leman had managed to trace the whereabouts of six hundred and ninety-two of the eight hundred and ninety-five men who had been employed at the Tyler plant from November of 1954, when it opened, until February of 1972, when Pittsburgh Corning shut it down. In addition, I found out that on June 18th, Dr. Johnson had written Dr. Grant, medical director of PPG Industries and medical consultant to Pittsburgh Corning—who had first ignored and then minimized the peril of the workers employed at the Tyler plant—informing him of the proposed study and of the National Cancer Institute's interest in it.

I talked with Lemen recently, and he told me that in August of this year he decided to revisit the site of the old Tyler plant, where the Imperial American Company now manufactures lawn furniture. "I had not been back to Tyler since January of 1972, when Steven Wodka and I visited the dumps where Pittsburgh Corning was disposing of asbestos waste," he told me. "Imagine my surprise when I discovered that the soil with which the company had later covered them over had eroded, and that loose wads of asbestos fibre were lying everywhere on the ground." Lemen went on to tell me that he had brought the matter to the attention of officials of the Texas State Department of Health and of the E.P.A. I later learned that Pittsburgh Corning had been directed by the E.P.A. this past September to remedy the situation. The company then proceeded to recover the dumps with two feet of soil and with four inches of topsoil, and to seed them with grass, at a total cost of some sixty thousand dollars.

The prudence of the E.P.A.'s action was reinforced by an article that appeared recently in the *Annals of Occupational Hygiene*. The article was entitled "Asbestos in the Work Place and the Community;" it was written by Dr. Muriel L. Newhouse, of the London School of Hygiene and Tropical Medicine, who is well known for her studies of mesothelioma; and it included the description of "a patient suffering from a peritoneal mesothelioma [who] recalled playing with handfuls of asbestos on waste ground near a factory as a small boy, some forty years before he developed his tumour."

As for the "Tyler Asbestos Workers Study," which is being considered for funding by the National Cancer Institute (and to which, as yet, Pittsburgh Corning has not offered to make any contribution), it says, under the heading "Definition of the Problem":

"In 1972, approximately eight hundred and seventy-five employees of a Tyler asbestos plant completed massive exposure to inhaled amosite asbestos fibre. Approximately two hundred and sixty of these employees will develop cancer, mainly bronchogenic carcinoma, and die from this disease unless some type of successful intervention is undertaken."

At present, of course, no truly successful intervention to combat the development of lung cancer is known to the medical and scientific community, but it is at least a hopeful sign that if the National Cancer Institute funds the project the Tyler workers will not be wholly abandoned to the awful peril they have been exposed to (as have so many other asbestos workers in the United States), and that if in the next few years some kind of successful intervention is discovered some of these men who might otherwise die unnecessarily early deaths may be saved.

Shortly before the Duluth story broke into the headlines, I received an announcement of the National Symposium on Occupational Safety and Health, which was to be held at the Carnegie Institution, in Washington, D.C., from June 4th to June 6th. Among the listed sponsors of the symposium were the Division of Industrial and Engineering Chemistry, the American Chemical Society, the Manufacturing Chemists Association, the National Safety Council's Chemical Section, NIOSH, and the Occupational Safety and Health Administration. According to the announcement, Session Six of the symposium, entitled "The Human Factor," would be co-chaired by Dr. Grant, who was scheduled to deliver some introductory remarks.

More recently, I received a copy of the October 3rd issue of *Chemical Week*, a publication put out by McGraw Hill. It contained an article entitled "Health Programs Need First Aid," which described a meeting of the Manufacturing Chemists Association, held in Atlanta during September. The article said that "O.S.H.A., now in its third year, had issued its first permanent health standards—for asbestos," and that "ten or more substances will have permanent standards by the end of the year, according to Lee Grant, medical director of PPG Industries, who moderated the discussion." The article went on to state that "Grant says O.S.H.A. will define a 'healthful environment' and take other steps concerning methods and sampling procedures in the work environment, medical examinations for employees, and prescribed work practices."

Although I was unable to attend either the National Symposium on Occupational Safety and Health or the Manufacturing Chemists Association meeting, I had had a chance to see Dr. Grant preside over a similar gathering almost a year before. The occasion was the One Hundredth Annual Meeting of the American Public Health Association, which was held in Atlantic City from November 12th through November 16th of 1972. At that time, nearly eight months had passed since James M. Bierer, the president of Pittsburgh Corning, telephoned me to say that he could not give me permission to talk with Dr. Grant, or with any other Pittsburgh Corning employee, about the Tyler plant. During those eight months, I had gathered a good deal of information about Dr. Grant, and it had made me all the more curious to meet him. Therefore, when I received a copy of the official program of the American Public Health Association's meeting and saw that he was scheduled to preside at two of its sessions, I decided to attend, in the hope of talking with him. I arrived in Atlantic City on Sunday, November 12th, and went directly to a meeting of the American College of Preventive Medicine, which was being held in Ballrooms A and B of the Holiday Inn and was being presided over by Dr. Grant in his capacity as the college's outgoing president.

Upon reaching the doorway of the ballroom, I could see half a dozen people sitting on a platform at the front of the room, about twenty yards away. I asked a young man standing in the doorway if he knew which of them was Dr. Grant, and he pointed out the man sitting at far stage right—a lean blond man, with deep-set eyes and a prominent nose, who looked to be in his middle forties. However, when the session ended, a few minutes later, and I advanced across the ballroom floor toward the platform, I realized that Dr. Grant was at least ten years older than I had thought, and that it was his blond hair—parted and combed in the flat collegiate style of twenty years ago—that made him appear younger at a distance. When I reached the platform, I introduced myself to Dr. Grant, who was standing above me, at approximately knee-to-eyeball level, and reminded him that I had telephoned him in March in the hope of being able to talk with him about the Tyler plant. I also reminded him that at the time he had referred me to Bierer, who had subsequently refused to give me permission to talk with any employee of the company.

"I wonder if there might be some time in the next day or two that I could talk with you," I said.

Dr. Grant appeared to hesitate. Then, glancing quickly over the ballroom, which was emptying, he shook his head. "I'm afraid I can't," he replied. "In this instance, it's a question of the patient's rights."

For a moment, I thought I had not heard him correctly. Then it dawned on me that he was talking about the company. "Do you mean Pittsburgh Corning?" I said.

"Why, yes," Dr. Grant replied. "If they don't want me to talk with you, there's nothing I can do."

"But isn't the patient all those men who worked in the Tyler plant?" I asked.

Dr. Grant straightened up and looked down at me from his full height on the platform. "Well, in the larger sense, of course, that's probably true," he replied. "And now, if you'll excuse me, I have some business to attend to."

I stood at the platform and watched Dr. Grant, who, as he moved away, put a cigar in his mouth, lit it, and exhaled a cloud of smoke into the air. A moment later, I saw him throw an arm in greeting around the shoulders of a colleague. Then I turned away, and found myself looking straight into the face of Anthony Mazzocchi, who, as it turned out, had been invited to speak at one of the convention's sessions on occupational health.

"Did you hear that?" I asked him. "Did you hear what he said?"

For a long time, Mazzocchi looked at me without a trace of expression on his face. Then, very slowly, he nodded his head up and down. And then, just as slowly, he shook it from side to side.

—Paul Brodeur

MALNUTRITION AND MENTAL RETARDATION

Mr. HUMPHREY. Mr. President, I would like to call the attention of my colleagues to an article in the New York Times of May 5 entitled "Hunger's Lifelong Effects."

The article points out that babies are the Nation's "proven reserves," but they may be marred for life by malnutrition. Dr. Charles U. Lowe stated a few years ago:

> There is no evidence that feeding people makes them smart. But it is indisputable that hunger makes them dull.

The article also refers to the supplemental feeding program, funded through the U.S. Department of Agriculture, under which scientists are studying the classes of malnutrition and its effect on mental retardation.

This is an important program which can provide us with valuable information, and I have recently urged that full funding be provided so that this program will not be cut back in fiscal year 1975.

Beyond the value of the study itself is the moral issue of allowing this tragedy to continue.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Hunger's Lifelong Effects

The "proven reserves" of a nation's human resources are babies. Yet, when some babies and their mothers are hungry and malnourished, part of the resource is being wasted, and that, according to a recent staff report from the Senate's Select Committee on Nutrition and Human Needs, is what is happening in the United States.

The discussion is both humanitarian and pragmatic. A hungry baby is heart-breaking when there is no food to give him. But to leave him hungry for months or years may be to mar him for life.

The reason is that the period of fetal development and the first year-and-a-half after birth are crucial for the physiological growth of human beings, Human brain cells multiply most rapidly in the fifth and sixth months of pregnancy, and progressively slower after birth. By the time he is 18 months old, a baby has all the neurons, or brain nerve cells, he will ever have. If a baby has been starved of protein, the building block of body tissues, during the critical period immediately before and after birth, there may be no way of undoing the damage to his brain.

Even without postulating such severe physiological damage, current statistics demonstrate that malnutrition is the common denominator of a series of major health problems. They also show that disease and social deprivation are concomitants of destructive effects on mind and personality, and that malnutrition and poverty are inextricably linked. The Senate committee report, for example, estimated that 75 to 85 percent of the approximately 150,000 reported mentally defective and retarded children born in the United States each year are born in poverty. In 1970, according to the United States Census Bureau, the number of families at poverty level ($4,900 or under) with retarded children under 18 was 3,490,419.

Just how many of the reported cases of defective and retarded children are direct results of poor nourishment of the growing child, and how many the result of social deprivation, is not known. But in one important sense, it makes little difference. As Dr. Charles U. Lowe, chairman of the Committee on Nutrition of the American Academy of Pediatrics, put it a few years ago: "There is no evidence that feeding people makes them smart. But it is indisputable that hunger makes them dull."

Among the findings of recent scientific studies on infant and maternal nutrition are:

Mothers who are poorly nourished during pregnancy are likely to give birth to low-birth-weight, or premature, babies. Researchers have also found evidence that suggests that a mother who was herself poorly nourished as a child may not be able to provide the nourishment the baby in her womb needs. And if such a mother is not properly fed while she is pregnant, her baby's potential handicap is even greater.

Low-birth-weight babies are more likely than other babies to die at birth or during the first year of their lives. The American Academy of Pediatrics Committee on Nutrition has estimated that 70 per cent of the at least 50,000 infant deaths reported in the United States are deaths of low-birth-weight babies.

The survivors who have been poorly nourished before birth are more likely to suffer from physical and behavioral problems. If they are themselves deprived of a proper diet, their problems are accentuated. According to the American Academy on Pediatrics Committee, a significant number have demonstrable intellectual or behavioral deficits by the time they reach school age. Growth retardation and susceptibility to infectious diseases are also considered by some experts to be malnutrition based.

How severe does malnutrition have to be to cause irreversible damage? Research in rats, for example, has proven that severe malnutrition during pregnancy means that mothers produce young whose brains not only have fewer nerve cells than normal, but also are smaller than normal. Studies of gravely malnourished human babies who have died during infancy have shown the same thing.

DISAGREEMENT ON EFFECTS

In scientific terms, there are three degrees of malnutrition: severe, moderate, and mild. Experts have argued about the extent to which the findings in severely malnourished animal and human populations, such as Chile or Biafra, can be applied to the moderate and mild degrees of malnutrition generally found in the United States, where the material standard of living is the highest in the world Statistical comparisons of infant mortality and mother and infant malnutrition rates don't give the answer because few countries' (including the United States') records are complete, and most countries maintain their records in different ways.

Scientists also disagree about how permanent the effects of moderate and mild malnutrition might be. Conceivably, the damage might not be entirely irreversible.

But few argue with the fact that whatever the degree of malnutrition, it wastes lives, or at least portions of them, and in a tragic and expensive fashion. And almost all agree that in the United States, malnutrition is not only almost totally preventable, but prevention is cheaper than coping with its after-effects. A supplemental feeding program funded through the United States Department of Agriculture that provides families with checks for use in retail food stores started operation April 19, in Newark, N.J. It is expected to serve about 7,000 people and cost $1.6-million a year. Total Federal funding for similar programs is $35-million for the current fiscal year. Four years ago, New York State alone spent nearly $126-million on the 26,459 mentally retarded children and adults in the 14 public institutions for their care.

While scientists continue to work on the exact degree to which the three classes of malnutrition affect mental retardation, nutritionists, and the Senate select committee's report, argue that there is no need for the Government to wait for the conclusive answer to justify providing mothers and babies with good food.

NEED FOR COOPERATION BETWEEN HAVE AND HAVE-NOT NATIONS STRESSED BY SECRETARY GENERAL WALDHEIM

Mr. McGEE. Mr. President, the Special Session of the General Assembly of the United Nations is coming to a close, and I would like to take this opportunity to commend the efforts of Secretary General Kurt Waldheim during this recent session.

An article by Mr. Richard Egan, appearing in the National Observer for the week ending May 4, 1974, clearly expresses the valid views of the Secretary General with regard to the developing world's needs and the responsibilities of the developed world.

Secretary General Waldheim feels that the Assembly has clearly demonstrated a will for cooperation and that even if not all the problems have been solved, certainly this session has laid the ground for continued expansion and discussion. He further expresses there is much interest in cooperation, than perhaps ever before, within the United Nations, as the delegates of both the developing and industrialized countries realize that this problem cannot be solved by confrontation.

Secretary General Waldheim has stated:

> Only if both sides cooperate do we have a chance to solve the economic crises.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE "HAVE-NOTS" FLEX THEIR MUSCLES

(By Richard Egan)

In the large General Assembly hall here, the foreign minister of the African nation of Chad told a crowded special Assembly session about the high mortality rate among children in his own and other developing lands. U.N. Secretary General Kurt Waldheim listened for a while and then strode into a small, spare office behind the rostrum and settled into a straight-backed chair.

"I think the special session is a turning point," he said. "We know in the history of mankind that the present economic system isn't workable any more. This was expressed in practically all the speeches we heard in the General Assembly. We have to work out a new economic system for the world."

OIL PRODUCERS' EXAMPLE

And this is exactly the mission of delegates from the U.N.'s 135 member countries. For the first time, the developing nations, custodians of more than half of the world's known reserves of raw materials, are beginning to flex their economic muscles.

Galvanized by the example of oil-producing nations in suddenly becoming *nouveau riche* by quadrupling oil prices, the developing nations want a larger share of the world's wealth. They want higher prices from the industrialized nations for the raw materials they export and lower prices for the manufactured goods, foodstuffs, and other products they import from the industrialized world. They want more foreign aid from the industrialized nations, better tariff treatment for their exports, and a larger voice in world trade and monetary forums. They want abandonment or postponement of the debts they owe industrialized countries and international financing institutions.

In effect the have-nots want a new global economic system that will narrow the disparity between the world's rich and poor. And surprisingly, the industrialized nations, too, seem to recognize that some kind of change has become inevitable.

"We meet here at a moment when the world economy is under severe stress," Secretary of State Henry Kissinger told the special session. "The energy crisis first dramatized its fragility. But the issues transcend that particular crisis. Each of the problems we face—of combating inflation and stimulating growth, of feeding the hungry and lifting the impoverished, of the scarcity of physical resources and the surplus of despair—is part of an interrelated global problem."

The special session is aiming to strike a balance between what the developing nations want and what the industrialized nations believe they can give without further upsetting the world economy—a disruption that would likely hurt the poor even more than the rich. And both sides recognize that a more stable world economy would benefit both the haves and the have-nots.

THE GROUP OF 77

"We have to get together, whether we are rich or poor, to overcome the difficulties," says Waldheim. "My impression is that there is much more interest in cooperation than perhaps ever before in the United Nations—in the world community. The delegates of both the developing and industrialized countries realize that this problem cannot be solved through a confrontation. Only if both sides cooperate do we have a chance to solve the economic crisis."

The foreign minister from Chad was among the last of 107 speakers in 11 days at this special session on raw materials and development. While the speeches went on, delegates from the industrialized and developing nations negotiated over two documents: a declaration of principles to guide nations in their economic dealings, and an "action program" listing specific demands by the developing nations. The action program was drawn up by "The Group of 77," a loose coalition of developing nations now actually numbering 95. The original action program, which Westerners here call "as radical as Karl Marx's *Manifesto*," has gradually been watered down in the negotiations.

This week the negotiators are expected to complete work on the two documents and also to agree on the establishment of an emergency fund for some 30 countries, including Chad, that have been hit hardest by recent sharp increases in the price of oil, food, fertilizer, and manufactured goods.

"I think that if the Assembly agrees on these things it will be a very important step forward," says Waldheim. "We can only solve our economic problems if there is the right political and psychological climate. I mean a will to co-operate. This session has clearly demonstrated this will to co-operate. Even if we are not able to solve all the problems, I think this session has laid the ground for further sessions."

SOBERING PROSPECT

The new political and psychological climate for the special session derives mainly from the decision by the Organization of Petroleum Exporting Countries (OPEC) to quadruple oil prices. Other developing nations with scarce raw materials such as copper and bauxite began talking about the formation of cartels to control and increase prices. The prospect was sobering for the industrialized nations already suffering from inflation and hurting from the higher oil prices. Western governments worried that sharp increases for other raw materials could throw out of kilter the already delicate world economic situation.

"It seems the energy crisis has sparked what has been developing for a long, long time," says Rudolph A. Peterson, administrator of the U.N. Development Program. "It provided the opportunity for developing nations to exploit, explore, and develop their own resources. They want to be masters of their own destiny. But not with an air of defiance—they've come of age."

But Peterson emphasizes that the developing nations are limited on how far they can go before seriously affecting the world economy. "There's a consciousness by everybody that if raw materials go up too high, we're all in trouble. I think the developing nations will take a long look before doing anything precipitous."

CONTINUED AID

U.N. officials believe that the developing nations will increase their raw-material prices, but to a level that the industrialized world can absorb without severe shocks to the world economy. And practically all industrialized nations pledged here to continue their aid programs for the developing nations despite the drain on their resources from high oil prices and anticipated higher prices for raw materials.

The hike in oil prices worsened an already deteriorating economic situation for 30 or so nations that have come to be known as "Fourth World." These countries, from tiny Dahomey in West Africa to India with a population nearing 600 million, already had been hit by a tripling in the price of fertilizer and wheat. The cost of other foodstuffs and of manufactured goods they import from industrialized countries have shot up too. And these countries, which harbor a quarter of the world's population, lack substantial raw materials, so they can't offset the sharply higher costs of their imports by raising significantly the prices of their exports.

One U.N. oil specialist estimates that the Fourth World countries will be paying $20 billion more this year for oil alone—the equivalent of between a third and a half of what they earn through sales abroad. He says that many of the developing countries that have no oil production are paying higher prices for oil than are the industrialized states. Unless they get outside help, "these countries will either starve or their economic development will go down," the oil specialist says. "It's that simple."

"These countries face an extremely serious situation and they need help immediately," says Waldheim. He said he hopes the special session will agree to set up an emergency fund financed by the industrialized nations and oil-rich lands to provide quick relief to the Fourth World. "We need to get immediate aid to the most-affected countries because this means a question of survival for them. In the meantime and later, we can tackle the middle- and long-range problems."

One of those problems is the disposition by the newly rich OPEC countries of the $75–$100 billion more they will be receiving annually from their oil sales. Such OPEC countries as Nigeria and Indonesia will remain among the world's poor nations. "Even if the price of oil went up 100 times, Indonesia would still need outside help," says the U.N. oil specialist. But Iran, Saudi Arabia, and other Persian Gulf nations are awash in money—the per capita income of tiny Abu Dhabi is estimated at $10,000.

FOR THE "POOR POOR" NATIONS

The oil-producing Middle East countries—the "rich poor" of the developing world—have talked about contributing to special funds for the "poor poor" nations. But there is considerable uncertainty over how much they will contribute. The shah of Iran has proposed that the oil producers and industrialized nations contribute to a $2–$3 billion fund for the poorer nations.

One Fourth World economist at the U.N. foresees a sort of unstated three-way deal among the industrialized world, the oil-rich OPEC countries, and the other developing nations. He believes the oil producers will continue to exact high prices for the oil and turn some of their profits back to the other developing nations, particularly the Fourth World, in the form of aid—in effect, distributing the world's wealth somewhat more evenly between rich and poor through the medium of the rich poor. The developing countries worry about inflation and want stable prices for their exports and their imports, he says. The industrialized countries want assured supplies and stable prices. "The interests of both sides are converging in prices and supplies. They should be able to work out a compromise that will satisfy both."

Says Kurt Waldheim: "It is quite clear that what has to be done is to establish a reasonable system that gives the developing countries a chance to sell their products for better prices so that they can then buy what they need from the industrialized world. We need a balance. And that is what we are trying to do [at the special session]. But what has to be avoided is this enormous discrepancy between the industrialized and the developing nations."

SOCIAL SECURITY BENEFITS

Mr. TOWER. Mr. President, I have long felt that our current social security laws failed to do justice to those remarkable men and women who choose to remain productive members of our Nation's work force past the standard age of retirement at 65. If they continue to work on a parttime basis, their social security benefits are reduced for every dollar they earn over $2,400 a year until age 72. If they continue to work full time, they must continue to contribute to the social security trust fund and receive only a very slight increase in benefits upon their late retirement. These are just some of the more apparent injustices of a system full of imperfections.

In an effort to provide fair treatment for those entitled to social security benefits, I have introduced a number of amendments to the Social Security Act during my tenure as a Member of this body. I am pleased that in almost every instance, the U.S. Senate has overwhelmingly approved these amendments. Unfortunately, the Members of the House of Representatives have not always concurred. On a number of occasions during the last several years, I have proposed amendments to increase the earnings ceiling on retirement income to $3,000 and lower the age limit from 72 to 70 after which no deductions would be made for outside earnings. Most recently, this amendment was approved by the Senate on a rollcall vote of 83 to 1 during consideration of H.R. 3153, the 1973 Social Security Amendments. I am sorely disappointed to learn that once again the House and Senate have failed to reach agreement in conference on this important issue.

Over the years, I have also sponsored and supported legislation to exempt those who continue to work full time after age 65 from any further contributions to the social security trust fund. This proposal has also been well received by my colleagues in the Senate.

During this Congress, however, my very good friend and distinguished colleague, the Senator from Hawaii (Mr. FONG) has pointed out the merits of an amendment he has authored which would approach this problem from a different angle. Rather than exempting those over 65 who continue to work from further contributions to the trust fund, the Senator from Hawaii suggests that we provide for incremental increases in old-age benefits payable to those individuals who choose to delay their retirement beyond the age of 65.

Mr. President, I compliment my distinguished colleague on his meritorious proposal which I feel is a vastly superior approach to the problem, and am delighted to join him in sponsoring this important measure in the U.S. Senate.

S. 3386, introduced on April 25, 1974, provides that persons who choose to delay their retirement will qualify for higher benefits on the same percentage basis as benefits are now reduced for early retirement. For each year between age 65 and 72 that an individual elects to waive his social security benefits, those benefits will be increased by 6⅔ percent. For each month an individual delays retirement beyond age 65, the benefit is increased by five-ninths of 1 percent. Under the provisions of this proposal, an individual who delays retirement until age 72 would be entitled to a minimum increase in benefits of 46⅔ percent, compounded by any increase in wages during those last years of employment upon which social security benefits will be calculated.

Mr. President, this measure will not only correct an inequity in our system for those who desire to postpone their retirement, but will increase the choices open to our senior citizens as they approach retirement age. Rather than exempting those over 65 from contributions to the trust fund when their earnings are generally at the peak level, delayed retirement and continued contributions will insure a greater degree of financial security for their late retirement. This approach, combined with the present system of early retirement at reduced benefits, retirement at age 65 with full benefits, and my proposal to increase the retirement income ceiling for those who choose to continue working part-time, will insure a flexible system of retirement options for the millions of older Americans who must provide financial security for themselves and their families in their later years.

In introducing S. 3386, the Senator from Hawaii stated:

> The nation's loss of productivity resulting from waste of skills and experience among older Americans is serious. Even more important is the economic and psychological loss to the individual which comes through

disinvolvement from life's mainstream. There is ample evidence that retirement often is accepted most reluctantly because there is little practical choice in terms of economic advantage.

It is time that we counter-balance present incentives in society for early retirement with comparable incentives for later retirement. Without such balance, older Americans are denied full freedom of choice.

Mr. President, the Senator from Hawaii is to be commended for this important proposal. In light of statistics released last month showing productivity in our Nation's work force had dropped 5.5 percent during the first quarter of 1974—the largest drop since 1947, when the Department of Labor first started compiling productivity records—it could not be more timely or appropriate. In approving this legislation, we will not only be addressing the needs of older Americans but also the economic situation of the Nation as a whole.

I urge my colleagues to give expeditious consideration and approval to this legislation.

ENERGY RESEARCH

Mr. MOSS. Mr. President, the University of Utah is currently making a tremendous contribution to the Nation in terms of energy research. The University has now announced a new, 5-year energy research plan into coal liquefaction and gasification, oil shale and tar sands extraction, geothermal and solar energy, and other areas. The plan will make more likely achievement of the national goal of self-sufficiency in energy in the 1980's.

I ask unanimous consent that an article from the University of Utah Review describing these research efforts be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UTAH JOINS NATION'S ENERGY DRIVE; 50 PROJECTS PROPOSED

A new five-year energy research plan has been developed by the University of Utah which could be a key factor in the United States' drive for energy self-sufficiency by the early 1980's.

The plan—prepared by the College of Engineering and the College of Mines—proposes exploiting the "vast energy reserves" in Utah, Colorado, and Wyoming through new processes and technologies developed at the U.

As outlined, the program is contingent upon federal and private funding of up to $18 million over the next five years. It would support some 50 individual research projects at the U, including studies of coal liquefaction and gasification, oil shale and tar sand extraction, geothermal and solar energy, and gas combustion.

The five-year plan represents "a major commitment" on the part of the University to energy research, explained Dr. Milton E. Wadsworth associate dean of the College of Engineering and professor of metallurgy.

"It has been estimated that the tri-state area of Utah, Wyoming and Colorado possesses four and one-half times as much recoverable oil in oil shale as the total proven reserves in the Arab nations," he stated. "Because of the unique energy wealth of this area, the University must expand its research commitment and play a major role in the development of technology related to all aspects of energy," he stressed.

Currently, the University of Utah is one of the leading schools in the nation in terms of energy research. One major study has been underway for the past 11 years and centers around the development of catalysts for coal conversion and the production of low sulphur fuel oil. Eventual goal of the research is the construction of a network of large pollution-free plants near coal deposits capable of producing upwards of 100,000 barrels of oil daily.

To begin implementation of the new five-year program, project requests totaling $7.7 million have been submitted to the National Science Foundation and other potential funding sources, according to Dr. Wadsworth. He and Dr. William Partridge, vice president for research at the U, voiced cautious optimism that a significant percentage of the requests will be approved because of the current world energy crisis, the energy wealth of the tri-state area, the University's stature as a research institution, and the fact that many of the proposed projects are extensions of current research efforts.

Dr. Wadsworth says the five-year plan also anticipates additional proposals totaling over $11 million "that are either now being prepared or will be prepared within one year's time."

These proposals, he explained, will request extensions of on-going research and funding for extensive new activities applied to coal and oil shale, recovery of bitumen from tar sands, basic processes in pyrolysis, gas combustion, energy conversion, interdisciplinary systems development, solar energy and cooling, energy conservation, use of renewable resources, materials research, and increased technological and basic research in geology and geophysics.

"Clearly, the University has both the desire and capability to make major contributions to energy research and to the development of total energy systems," said Dr. Wadsworth. "In particular, we hope to be involved in broader interdisciplinary activities with state agencies, adjoining states, sister institutions and with industry."

Dr. Partridge said the University's energy research program could have a "tremendous economic impact" on Utah and adjacent states, from the direct inflow of research dollars and the attraction of new industry to the area because of the University's energy expertise.

UNFAIR IMPLEMENTATION OF FOOD STAMP PROGRAM IN PUERTO RICO

Mr. MONDALE. Mr. President, I rise today to call my colleagues' attention to the deplorable situation existing in regard to the implementation of the food stamp program in Puerto Rico.

Last August, Congress mandated full food stamp program implementation for every political subdivision in the United States, Puerto Rico, and the territories by June 30, 1974. Since the food stamp program has been our most potent weapon in the arsenal against hunger, we required the States, Puerto Rico, and the territories to immediately take whatever steps were necessary to get the program fully operational by June 30, 1974. Only under the rare circumstances when a State conclusively demonstrated that it is administratively "impossible or impracticable" to implement the program—either by direct implementation, or subcontracting with a county or municipal entity, or through some other appropriate means—can implementation of the program be delayed. Even then, the program must be implemented by the first date thereafter that is administratively feasible.

Our policy has been to feed the people. If it can be done through the food stamp program, it must be done.

Yet, in disregard for clear congressional intent, despite the absence of a finding of impossibility or impracticability, the Agriculture Department does not plan to provide food stamps in many parts of Puerto Rico before next winter—and not in San Juan before March 1975.

Moreover, the schedule of coupon allotments for Puerto Rico, while it cannot be higher than in the States, is, as in the 50 States, to be based on the cost of obtaining a nutritionally adequate diet. We know that the cost of food in Puerto Rico, due to importation of produce from the continent to the island, is 10- to 20-percent greater than what it is in the States. As a result, the coupon allotments in Puerto Rico cannot reasonably be lower than in the States. It would be unfair to say that current Puerto Rican dietary patterns are worse or less expensive, than the diets of people in the States and that, therefore, coupon allotments in the food stamp program should be lower. This would consign poor Puerto Ricans to hunger forever. Since the cost of food is higher on the island, the benefits under the program must be at least equal to benefits in the States, and the Secretary's recent establishment of lower allotments for Puerto Rico is plainly unreasonable. I urge the Department of Agriculture to change its unfair schedules for food stamp program participation in Puerto Rico. The Secretary should immediately issue schedules which will enable the impoverished residents of Puerto Rico and our territories to receive their food stamp assistance in accordance with the intent of Congress.

Finally, the Agriculture Department appears to have ignored the plain meaning of the act in determining income-eligibility standards. According to the 1971 amendments to the act, eligibility was to reflect average per capita income so that, once the per capita income figure was determined for Puerto Rico and each of the territories, eligibility for different household sizes was to be simply obtained by multiplying that figure by the number of people in the household. But, despite the clarity of the law, the Department has promulgated unconscionably low eligibility standards that will harm many thousands of Puerto Rico's poor. In many cases, Puerto Rican residents, who would be eligible for food stamps under eligibility standards existing in the States, are excluded by the unreasonably low standards.

In short, Mr. President, it appears that the Department of Agriculture—through delayed implementation of the program, through low allotments, and through low eligibility standards—is seriously undermining Congress desire to allow full and fair participation of Puerto Rico in the food stamp program.

WORLD FOOD CRISIS

Mr. HUMPHREY. Mr. President, a very compelling article in the April issue of

Futurist, forecasts chronic world food shortages and problems ahead for food production in North America.

In "Global Food Insecurity," Lester Brown concludes that the current scarcity of agricultural commodities reflects long-term trends. Growing affluence in the developed world and rapid population growth in the developing countries have placed great pressure on food availabilities. The traditional response of increasing the area under cultivation is possible to only a minor extent, and recently, the limited availability of energy and fertilizer supplies has further complicated the picture.

The author also points out the decline of food reserves in the United States, even while idle cropland is being brought into production, and the impact of these developments on the world food supply.

The author comes to the conclusion that a world food reserve program is a necessity to stabilize prices and prepare for scarcity.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GLOBAL FOOD INSECURITY

(By Lester R. Brown)

Rising food prices and food scarcities throughout the world have recently caused increased attention to food problems, but there has been an unfortunate tendency in many quarters to look only at the short-term factors which helped produce the scarcities of the past year, and thus view the current international situation as merely a temporary aberration.

My own analysis indicates that the current international scarcity of major agricultural commodities reflects important long-term trends as well as the temporary lack of rainfall in the Soviet Union and parts of Asia and Africa in 1972.

If my analysis is correct, we are entering an extended period in which global grain reserves, which provide a crucial measure of safety when crop failures occur, are likely to remain on the low side, and in which little, if any, excess cropland will be held idle in the United States. Food prices are likely to remain considerably higher than they were during the last decade. Meanwhile, the world has become overwhelmingly dependent on one continent—North America—for exportable food supplies. From a global perspective, then, the world is likely to be highly vulnerable on the food front in the year ahead.

The poor nations, and the poor people within nations, are in an especially dangerous predicament. When global reserve stocks are low, the capacity of the international community to respond with food aid to emergencies such as droughts or crop failures is greatly diminished. At the same time, high prices may keep needed food out of the reach of both poor nations and poor individuals.

When people spend about 80% of their income on food (as does much of mankind), a doubling in the price of wheat or rice cannot possibly be offset by increased expenditures. Instead, the price rise drives a subsistence diet below the survival level. Today's wheat prices of nearly $6 per bushel will, without doubt, be reflected in higher death rates in many poor nations in the months ahead.

One reason it is possible for the world's affluent to ignore such tragedies is found in the changes which have occurred in the way that famine manifests itself. In earlier historical periods, famine was largely a geographic phenomenon. Whole nations or regions, whether Ireland or West Bengal, experienced dramatically high rates of starvation and death. Today, improvements in national and global distribution and transportation systems have insured that famine is generally more evenly spread among the world's poor rather than concentrated in specific locales. The modern version of famine does not often permit dramatic photographs, such as those of the morning ritual of collecting bodies in Calcutta during the Bengal famine of 1943, but it is no less real in the human toll it exacts.

INCREASING AFFLUENCE PRESSES ON WORLD'S FOOD SUPPLY

During the 1960s, the world food problem was perceived as a food/population problem centered on the developing countries, a race between food and people. At the end of each year, observers anxiously compared rates of increase in food production with those of population growth to see if any progress was being made. Through most of the decade it was nip and tuck. During the 1970s, rapid global population growth continues to generate demand for more food, but, in addition, rising affluence is emerging as a major new claimant on the world's food resources. Thus there are now two important sources of growth in world demand for food.

At the global level, population growth is still the dominant source of expanding demand for food. With world population increasing at nearly 2% per year, merely maintaining current per capita consumption levels will require a doubling of food production in little more than a generation.

Throughout the poor countries, population growth accounts for most of the year-to-year growth in the demand for food. At best, only very limited progress is being made in raising per capita consumption. In the more affluent countries, on the other hand, rising incomes account for most of the growth in the demand for food.

The effect of rising affluence on the world demand for food is perhaps best understood by examining its effect on requirements for cereals, which dominate the world food economy. Consumed directly, cereals provide 52% of man's food energy supply. Consumed indirectly, in the form of livestock products, they provide a sizable share of the remainder. In resource terms, cereals occupy more than 70% of the world's crop area. In the poor countries, the annual availability of grain per person averages only about 400 pounds per year. Nearly all of this small amount (roughly a pound a day) must be consumed directly to meet minimum energy needs. Little can be spared for conversion into animal protein.

NORTH AMERICANS CONSUME FIVE TIMES AS MUCH FOODS AS INDIANS

In the United States and Canada, per capita grain utilization is currently approaching one ton per year. Of this total, only about 150 pounds is consumed directly in the form of bread, pastries, and breakfast cereals. The remainder is consumed indirectly in the form of meat, milk, and eggs. The agricultural resources—land, water, fertilizer—required to support an average North American are nearly five times those of the average Indian, Nigerian, or Colombian.

Throughout the world, per capita grain requirements, both direct and indirect, rise with income. The amount of grain consumed directly rises until per capita income approaches $500 a year, whereupon it begins to decline, eventually leveling off at about 150 pounds. The total amount of grain consumed directly and indirectly, however, continues to rise rapidly as per capita income climbs. As yet, no nation appears to have reached a level of affluence where its per capita grain requirements have stopped rising.

Annual per capita beef consumption in the United States has grown continuously, from 55 pounds in 1940 to 117 pounds in 1972. During the same period, the American population has expanded by 57%. Altogether, national beef consumption has tripled, making the United States a leading beef importer.

In the northern tier of industrial countries stretching from the United Kingdom and Europe through the Soviet Union to Japan, dietary habits more or less approximate those of the United States in 1940. As incomes continue to rise in this group of countries (which total some two-thirds of a billion people), a sizable share of the additional income is being converted into demand for livestock products, particularly beef. Many of these countries lack the capacity to satisfy the growth in their demand for livestock products entirely from indigenous resources. As a result they are importing increasing amounts of livestock products or of feedgrains and soybeans with which to expand their livestock production.

FOUR CRITICAL RESOURCES: LAND, WATER ENERGY, AND FERTILIZER

As the world demand for food climbs, constraints on efforts to further expand food production become increasingly apparent. The primary means available for expanding supplies rapidly fall into two categories: either increasing the amount of land under cultivation, or raising yields on existing cropland through intensified use of water, fertilizers, and energy. We face problems in the needed expansion of each of these resources.

The traditional approach to increasing production—expanding the area under cultivation—has only limited scope for the future. Indeed, some parts of the world face a net reduction in agricultural land because of the growth in competing uses, such as industrial development, recreation, transportation, and residential development. Few countries have well-defined land use policies that protect agricultural land from other uses. In the United States, farmland has been used indiscriminately for other purposes with little thought devoted to the possible long-term consequences.

Some more densely populated countries, such as Japan and several Western European countries, have been experiencing a reduction in the land used for crop production for the past few decades. This trend is continuing and may well accelerate. Other parts of the world, including particularly the Indian subcontinent, the Middle East, North and sub-Saharan Africa, the Caribbean, Central America, and the Andean countries, are losing disturbingly large acreages of cropland each year because of severe erosion.

The availability of arable land is important, but perhaps even more important to the future will be the availability of water for agricultural purposes. In many regions of the world, fertile agricultural land is available if water can be found to make it produce. Yet most of the rivers that lend themselves to damming and to irrigation have already been developed. The rate of expansion of world irrigated area is likely to fall into the familiar S-shaped curve as we run out of easy opportunities to continue expanding. Future efforts to expand fresh water supplies for agricultural purposes will increasingly focus on such techniques as the diversion of rivers (as in the Soviet Union), desalting sea water, and the manipulation of rainfall patterns to increase the share of rain falling over moisture-deficient agricultural areas.

The intensification of agricultural production on the existing cultivated area in many developing countries requires a several-fold increase in energy supplies. With world energy prices rising rapidly, the costs of intensifying food production will rise commensurately, and any increases in the energy used will become increasingly expensive.

In addition to arable land, fresh water and energy, fertilizer is also now in short supply, and the outlook is for higher prices. In part this is because the manufacture of nitrogen fertilizer, the most widely used chemical fertilizer, commonly utilizes natural gas or naphtha as a principal raw material and in part because the manufacturing process consumers large amounts of energy. Fertilizer requirements over the remaining years of this century will soar to phenomenal levels.

One of the key questions concerning future gains in agricultural production is. Can the more advanced countries sustain the trend of rising per acre yields of cereals? In some countries increases in per acre yields are beginning to slow down, and the capital investments required for each additional increase may now start to climb sharply. In agriculturally advanced countries such as Japan, and some European nations, the cost per increment of yield per acre for some crops is rising. For example, raising rice yields in Japan from the current 5,000 pounds per acre to 6,000 pounds could be very costly. Raising yields of corn in the United States from 90 to 100 bushels per acre requires a much larger quantity of nitrogen than was needed to raise yields from 50 to 60 bushels.

ECOLOGICAL UNDERMINING

The pressures of continually growing demand for food are in some cases beginning to undermine the ecological foundations of the world food economy. For example, the rapid growth in the catch of anchoveta off the coast of Peru in the last five years, in order to meet the burgeoning global demand for high protein feeds, may have depleted stocks, damaging the fishery to the point where it will take several years to rebuild. In the drought-plagued Sabelian zone just south of the Sahara in Africa, the need to feed expanding human and livestock populations has led to over-grazing, deforestation, and the hastening of the southward spread of the desert. As a result, a significant part of Africa's food production capacity is being lost. Deforestation in the Nepalese Himalayas and surrounding foothills is contributing to an increase in the frequency and severity of flooding in the subcontinent countries of Pakistan, India, Bangladesh. The effect is to diminish the subcontinent's food-producing capacity, a real and growing threat to its population, now rapidly approaching three quarters of a billion people.

DIFFICULTIES OF INCREASING PROTEIN

In looking ahead, there is reason for particular concern about the difficulties of expanding the world protein supply to meet the projected rapid growth in demand that is now being fueled both by population growth and rising affluence. At present mankind is faced with technological and other constraints in increasing the supply of three principal sources of protein.

Two major constraints are operative in the case of beef. Agricultural scientists have not been able to devise any commercially viable means of getting more than one cell per cow per year. For every animal that goes into the beef production process, one adult must be fed and otherwise maintained for a full year. There does not appear to be any prospect of an imminent breakthrough on this front.

The other constraint on beef production is that the grazing capacity of much of the world's pasture land is now almost fully utlized. This is true, for example, in most of the U.S. Great Plains area, in East Africa, and in parts of Australia. Most of the industrial countries in which beef consumption is expanding rapidly, from Ireland through the Soviet Union and Japan, are unable to meet all the growth in demand from indigenous resources. Either some of the beef, or the feedgrains and soybeans to produce it, must be imported.

A second potentially serious constraint on efforts to expand supplies of high-quality protein is the inability of scientists to achieve a breakthrough in per acre yields of soybeans. Soybeans are a major source of high-quality protein for livestock and poultry throughout much of the world and are consumed directly as food by more than a billion people throughout densely populated East Asia. The economic importance of soybeans as a source of protein in the world food economy is indicated by the fact that they have become the leading export product of the United States—surpassing export sales of wheat, corn, and such high-technology items as electronic computers and jet aircraft.

In the United States, which now produces two-thirds of the world's soybean crop and supplies about 90% of all soybeans entering the world market, soybean yields per acre have increased by about 1% per year since 1950; corn yields, on the other hand, have increased by nearly 4% per year. One reason why soybean yields have not climbed very rapidly is that the soybean, being a legume with a built-in nitrogen supply, is not very responsive to nitrogen fertilizer.

The way the United States produces more soybeans is by planting more soybean acreage. Close to 85% of the dramatic four-fold-increase in the U.S. soybean crop since 1950 has come from expanding the area devoted to it. As long as there was ample idle cropland available, this did not pose a problem, but if this cropland reserve continues to diminish or disappears entirely, it could create serious global supply problems.

The oceans are our third major source of protein. From 1950 to 1968 the world fish catch reached a new record each year, tripling from 21 million to 63 million tons. The average annual increase in the catch of nearly 5%—which far exceeded the annual rate of world population growth—greatly increased the average supply of marine protein per person. In 1969, the long period of sustained growth in the world fish catch was interrupted by a sudden decline. The catch has since been fluctuating rather unpredictably, while the amount of time and money expended to bring it in continues to rise every year. Many marine biologists now feel that the global catch of table-grade fish is at or near the maximum sustainable level. A large number of the 30 or so leading species of commercial-grade fish currently may be over-fished; that is, stocks will not sustain even the current level of catch.

World fishery resources represent an important source of protein. The 1971 catch of 69 million tons amounted to nearly 40 pounds (live weight) per person throughout the world. Of this catch roughly 60% was commercial-grade fish, the remainder consisting of inferior species used for manufacturing fish meal, which in turn is used in poultry and hog feed in the industrialized countries.

The world's major source of fish meal is the anchoveta stock off the coast of Peru. Peru has supplied nearly two-thirds of world fish meal exports in recent years. But last year's disappearance of the anchoveta, at first regarded as a temporary, recurring natural phenomenon, is now being viewed with considerable alarm by many biologists. There are growing indications that the stock has been seriously damaged by over-fishing.

If, as currently seems probable, the global fish catch does not continue rising in the next decades as it did during the last two, the pressures on land-based protein sources can be expected to increase substantially in the years immediately ahead. Thus, consumers everywhere have a stake in the cooperative global management of oceanic fisheries.

Although there are substantial opportunities for expanding the world's protein supply, it now seems likely that the supply of animal protein will lag behind growth in demand for some time to come, resulting in significantly higher prices for livestock products during the 1970s than prevailed during the 1960s. We may be witnessing the transformation of the world protein market from a buyer's market to a seller's market, much as the world energy market has been transformed over the past few years.

DEPLETED GLOBAL RESERVES

The period since World War II has been characterized by excess capacity in world agriculture, much of it concentrated in the United States. In many ways the world was fortunate to have, in effect, two major food reserves during this period. One was in the form of grain reserves in the principal exporting countries and the other in the form of reserve cropland, virtually all of which was land idled under farm programs in the United States.

Grain reserves, including substantial quantities of both foodgrains and feedgrains, are most commonly measured in terms of carry-over stocks—the amount in storage at the time the new crop begins to come in. World carryover stocks are concentrated in a few of the principal exporting countries—namely the United States, Canada, Australia, and Argentina.

Since 1960, world grain reserves have fluctuated from a high of 155 million metric tons to a low of about 100 million metric tons. When these reserves drop to 100 million tons, severe shortages and strong upward price pressures develop. Although 100 million tons appears to be an enormous quantity of grain, it represents a mere 8% of annual world grain consumption—an uncomfortably small working reserve and a perilously thin buffer against the vagaries of weather or plant diseases. As world consumption expands by some 2.5 percent annually, so should the size of working reserves, but over the past two decades reserves have dwindled while consumption has continued to climb.

The second major source of stability in the world food economy throughout much of the post war period has been the reserve of idled U.S. cropland. Roughly 50 million acres have been idled under farm programs for the past dozen years or so. Though not as quickly available as the grain reserves, most of this acreage can be brought back into production within 12 to 18 months once the decision is made to do so.

In recent years, the need to draw down grain reserves and to utilize the reserve of idled cropland has occurred with increasing frequency. This first happened during the food crisis years of 1966 and 1967 when world grain reserves were reduced to a dangerously low level and the United States brought back into production a small portion of the 50 million idle acres, and again in 1971, as a result of the corn blight in the United States. In 1973, in response to growing food scarcities, world grain reserves once more declined, and the United States again resorted to cultivating its idle cropland, but to a much greater degree than on either of the two previous occasions. Government decisions in early 1973 permitted much of the idled cropland to come back into production. In 1974, there will be no government payments to keep cropland idle.

Reserve stocks fell to close to 100 million tons in 1973, and are not expected to be rebuilt in 1974. World grain reserves have now fallen to their lowest level in two decades, though the world's population has increased by half in the interim.

By combining global reserve stocks with the potential grain production of idled cropland, we may obtain a good indication of the actual total reserve capability in the world food economy in any given year. Taking this total as a percentage of total world grain consumption then provides a rough quantitative indicator of global food security for the year. As the accompanying table demonstrates, the world is now in a situation of extreme vulnerability. In 1973 and 1974 world reserve capabilities in relation to consumption needs have fallen far below any previous level in the post-war era.

From the end of World War II until quite recently, world prices for the principal temperate zone farm commodities, such as wheat, feedgrains, and soybeans, have been remarkably stable. In part, this is because throughout much of this period world prices have rested on the commodity support level in the United States. Since world food reserves may become chronically low and the idled crop acreage in the United States may decline sharply or even disappear entirely in the years ahead, there is the prospect of very volatile world prices for the important food commodities.

WORLD DEPENDS ON NORTH AMERICAN BREADBASKET

The extent of global vulnerability is particularly underlined by examining the degree of global dependence on North America for exportable food supplies. Over the past generation the United States has achieved a unique position as a supplier of food to the rest of the world. Before World War II, both Latiin America (especially Argentina), and North America (United States and Canada) were major exporters of grain. During the late thirties net grain exports from Latin America were substantially above those of North America. Since then, however, the combination of the population explosion and the slowness of most Latin American governments to reform and modernize agriculture have eliminated the net export surplus. With few exceptions, Latin American countries are now food importers.

Over the past three decades, North America, particularly the United States, which accounts for three-fourths of the continent's grain exports, has emerged as the world's breadbasket. (See table.) Exports of Australia, the only other net exporter of importance, are only a fraction of North America's. The United States not only is the world's major exporter of wheat and feedgrains, it is also now the world's leading exporter of rice. North America today controls a larger share of the world's exportable surplus of grains than the Middle East does of oil.

Exportable supplies of the crucial soybean are even more concentrated than those of grains. Although as late as the 1930s, China supplied nearly all the soybeans entering world markets, continuing population growth during the ensuing decades has gradually absorbed the exportable surplus. As of 1973, China is importing small quantities from the United States. The position of principal supplier has been taken over by the United States, which provided over 90% of world soybean exports in the sixties and early seventies. With world demand for high-quality protein surging upward, Brazil—virtually the only other nation capable of producing soybeans on a sizable scale in the foreseeable future—has rapidly boosted its soybean production and exports. However, the United States is likely to continue supplying three-fourths or more of the world's soybean exports for many years to come.

At a time when dependence of the rest of the world on North American food exports is increasing so dramatically, there is also a growing awareness that this extreme dependence leaves the world in a very dangerous position in the event of adverse crop years in North America. Both the United States and Canada are affected by the same climatic cycles.

Considerable evidence has now been accumulated to indicate that North America has been subject to recurrent clusters of drought years roughly every twenty years. The cyclical drought phenomenon has now been established as far back as the Civil War when data were first collected on railfall. The most recent drought, occurring in the early fifties, was rather modest. The preceding one, occurring in the early thirties, was particularly severe, giving rise to the dust bowl era in the United States.

When the United States experiences its next stretch of drought years, quite likely during the current decade, its impact on production will not likely be as great as during the thirties because of improved soil management and water conservation practices. But even a modest decline in production, given the rapid growth in global demand and extreme world dependence on North America's exportable margin of food, would create a very dangerous situation. It would send shock waves throughout the world, triggering intense competition for available food supplies.

RICH AND POOR COUNTRIES COMPETE FOR SAME FOOD

Faced with very high international food prices, poor countries have been slow to purchase in advance of demonstrated need. But once their need is obvious, the generally tight world supply situation makes early delivery difficult if not impossible, and the high price may put severe limits on how much could be purchased in any case. In 1973, Bangladesh, threatened with famine, pressed with limited success for a diversion of Soviet-purchased grain to feed its population. India, confronted with an unanticipated need to import sizable quantities of grain on short notice, was fortunately granted a loan of two million tons of grain by the Soviet Union.

As prices are driven up, seriously limiting the ability of the poor countries (and of the poor within those countries) to buy needed food, sources of concessionary food aid are drying up as well. Since the American food aid program under Public Law 480 is largely predicated upon the existence of commercial surpluses, these programs are now being cut severely in this time of scarcity. This year, shipments of wheat will be less than one-third those of two years ago; rice, feedgrains, and vegetables less than half, and milk shipments have dried up entirely. New legislation is needed in the United States to ensure the availability of needed food aid whether or not commercial surpluses exist.

A GLOBAL RESERVE SYSTEM

The global food outlook calls for serious consideration of the creation of an internationally managed world food reserve. Just as the U.S. dollar can no longer serve as the foundation of the international monetary system, so U.S. agriculture may no longer have sufficient excess capacity to ensure reasonable stability in the world food economy over a multi-year period.

I do not mean to imply that surplus production might not occur at some time in the future. We must recognize that a combination of circumstances, e.g., restoring idle cropland to production in the United States, increased use of inputs to increase production in response to higher prices, and better than average rainfall conditions around the world, could lead to more production than demand at some time in the future. This could lead to plummeting food prices, as in the past, which in turn could result in reduced production in the late 1970s. For this reason, there is a need to preserve some system to protect food producers from sudden, drastic price declines beyond their own control.

A world food reserve could be built up in times of relative abundance out of production surplus to immediate needs, and drawn down in times of acute scarcity. This would help to hold down price increases to the consumer during times of scarcity and to hold up prices to the producers during the inevitable periods of production in excess of immediate world demand. In effect, the cushion and stability that surplus American agricultural capacity has provided for a generation would be provided at least partially by a world food reserve system. A system of global food reserves would provide a measure of price stability in the world food economy that would be in the self-interest of all nations. The world community also has a basic humanitarian interest in ensuring that famine does not occur in the densely populated low-income countries following a poor crop year—an assurance which the affluent nations may be less able to provide in the future if the current system of autonomous, nationally-oriented food planning is allowed to continue without modification.

An important first step would be international implementation of the concept of "minimum world food security" proposed in early 1973 by A. H. Boerma, director general of the FAO (see article by Boerma on page 65) and approved by the FAO Council in November 1973. Under the FAO plan, all governments—exporters and importers—would be asked to hold certain minimum levels of food stocks to meet international emergencies. The governments of participating countries would consult regularly to review the food situation, judge the adequacy of existing stocks, and recommend necessary actions.

At the heart of such an arrangement would be agreement that requirements for stocks would be jointly considered and that costs would be shared by exporters and importers alike, with special provisions for assisting developing countries to build up their reserves. International agencies such as the World Bank, the International Monetary Fund, and the FAO should help poor countries to establish and maintain the reserve stocks necessary for self-protection against crop failures. Robert McNamara, president of the World Bank, has recently pledged the Bank's support for the FAO scheme. The political leadership of the United States is now essential if the FAO plan is to succeed.

POOR COUNTRIES HAVE GREAT FOOD-PRODUCING POTENTIAL

One of the most immediate means of expanding the food supply is to return the idled U.S. cropland to production. Over the longer run, however, the greatest opportunities lie in the developing countries, where the world's greatest reservoir of unexploited food potential is located.

In those countries having the appropriate economic incentives, fertilizer, water, and other required agricultural inputs and supporting institutions, the introduction of new wheat and rice varieties has increased production substantially. The jump in yields in most developing countries appears dramatic largely because their yields traditionally have been so low relative to the potential. But today rice yields per acre in India and Nigeria still average only one-third United States yields. Large increases in food supply are possible in these countries at far less cost than in agriculturally advanced nations, if farmers are given the necessary economic incentives and have access to the requisite inputs.

India and the United States, for example, have about the same crop area with many similar characteristics. If Indian yield levels equalled those of the United States, its current annual cereal production would be 230 million metric tons rather than the present total of approximately 100 million tons. If rice farmers in Bangladesh attained Japanese yield levels, rice production would jump fourfold from 10 to 40 million tons. Brazil, by doubling its present cultivated area, could produce an additional 22 million tons of grain even if its currently low yield levels were not improved.

When global food scarcity exists and the capacity of the international community to respond to food emergencies has diminished, a convincing case can be made for strengthened support of agricultural development in such populous food-short countries as Bangladesh, India, Indonesia, and Nigeria. An almost equally convincing case can be made that in doing so, particular attention should be placed on effectively involving small farmers in the production effort. There is evidence that small farmers, when they have effective access to agricultural inputs as well as health and education services, engage in labor-intensive agriculture and generally average considerably higher yields per acre than do large farmers.

Concentrating efforts on expanding food production in the poor countries could reduce upward pressure on world food prices, create additional employment in countries where continuously rising unemployment poses a serious threat to political stability, raise income, improve nutrition for the poorest portion of humanity—the people living in rural areas of the developing countries—and it could also be a very important factor in significantly reducing birth rates.

ASSURED FOOD SUPPLY WOULD SLOW POPULATION GROWTH

The prospect of an emerging chronic global scarcity of food as a result of growing pressures on available food resources underlines the need to stabilize and eventually halt population growth in as short a period of time as possible. One can conceive of this occurring in the industrial countries, given recent demographic trends.

In the poor countries, however, it will be much more difficult to achieve population stability within an acceptable time frame, at least as things are going now. For one thing, the historical record indicates that birth rates do not usually decline unless certain basic social needs are satisfied—a reasonable standard of living, an assured food supply, a reduced infant mortality rate, literacy, and health services—which provide the basic motivation for smaller families.

In short it is in the self-interest of affluent societies to launch a major additional effort directed at helping developing countries to step up food production and generally accelerate the development of the rural areas, which contain the great majority of the world's people and most of the very poor. This effort would not only increase food production at a relatively low cost, but would also meet the basic social needs of people throughout the world. The latter is a prerequisite in lowering birth rates. Population-induced pressures on the global food supply will continue to increase if substantial economic and social progress is not made. Populations that double every 24 years—as many are doing in your nations—multiply eightfold in scarcely 75 years!

There is a moral imperative to take action to reduce the impact of the present food scarcity and reduce the likelihood of future disaster. The point was forcefully articulated by Chancellor Willy Brandt of West Germany in his first address before the U.N. General Assembly: "Morally it makes no difference whether a man is killed in war or is condemned to starve to death by the indifference of others."

WHO DETERMINES RELEVANCY OF REQUESTED WATERGATE EVIDENCE?

Mr. PERCY. Mr. President, over the weekend the President's lawyer, Mr. St. Clair, and his Chief of Staff, Mr. Haig, clearly indicated what has seemed evident for many months. Despite the fact that the President and former members of his staff are the subject of investigations into alleged wrongdoing, the White House nonetheless is reserving to itself the right to determine what is relevant to those investigations. For instance, General Haig said Sunday that—

> The President has now put out for public assessment what we consider to be all of the relevant information on the Watergate story.

He later stated that they have released information "which our lawyers and which the President considers covers the full gamut of the Watergate story."

Mr. St. Clair commented in like manner that "the President feels he has given them everything that he thinks they need." When asked repeatedly why the President should be able to determine what is and what is not relevant, though no direct answer was forthcoming, Mr. St. Clair indicated that the relevancy question was answered by the transcripts of the tapes which have been made public.

Thus it is clear that the White House has determined that it will decide what is needed by the Special Prosecutor and the House Judiciary Committee. This is a most unfortunate and counter-productive tactical decision.

Key to completing the Watergate investigation and getting Watergate behind us is the question of who has the authority to determine the scope of the inquiries now being conducted by the Special Prosecutor and the House Judiciary Committee? Who has the authority to determine what is and what is not relevant to these investigations?

The policy of the White House to place itself in the position of judging what is relevant threatens to delay still further the time when Watergate will be behind us, and, in fact, raises the specter of more constitutional confrontations and more trauma.

I urge the White House to alter its strategy in a fundamental way. It should acknowledge the authority of the House Judiciary Committee and the Special Prosecutor to determine relevancy. Only in this way will we end the anguish and resolve the questions of guilt and innocence as swiftly as possible.

Because, over the past year, I have been firm in my belief on the necessity of a special prosecutor able to investigate and prosecute matters relating to Watergate fully and expeditiously, I forwarded to Special Prosecutor Jaworski correspondence between General Haig and myself which discussed the question of who determines relevancy. In his reply to me, the Special Prosecutor states that:

> The Special Prosecutor should determine what documents and recordings are important for matters within his jurisdiction. The White House is not privy to the scope or results of our investigations and, therefore, is in no position to judge what material is required for the pursuit of these investigations and the prosecution of any trials.

Referring to the refusal of the President to yield the evidence which the Special Prosecutor has requested, Mr. Jaworski concludes:

> The failure to produce this requested evidence is now impeding these grand jury investigations.

Mr. President, I ask unanimous consent that the full text of Mr. Jaworski's April 12 letter to me be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, I do not prejudge the matters now under investigation. I recognize that, along with my colleagues in the Senate, I may be called upon to sit as a juror in judgment of these critical matters. However, it is not improper, and indeed I believe it is essential, to point out my deep concern about the manner in which the White House is responding to the Special Prosecutor and to the House Judiciary Committee.

I urge the White House to reverse its present position and spare us unecessary and risky confrontations. We should allow those who are duly constituted and vested with the authority to decide what is relevant and necessary.

EXHIBIT 1

WATERGATE SPECIAL PROSECUTION FORCE,
Washington, D.C., April 12, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Thank you for your letter of April 2, 1974, enclosing a copy of General Haig's letter to you. Although I dislike to take issue with General Haig's statements, I believe two matters warrant clarification.

General Haig indicates that I have stated publicly that the Watergate Grand Jury knew all that it had to. It is true that I have indicated that the Grand Jury investigation was sufficiently complete to allow the Grand Jury to return its indictment. I never have stated that the Government, represented in this matter by the Special Prosecutor, knows all the facts relating to the events charged in the indictment. Clearly, burdens of proof differ in presentations to the grand jury and at a trial on an indictment. The prosecution, I believe, is obligated to bring before the trial jury all facts relevant and material to the determination of guilt or innocence. Moreover, it is possible that certain materials now in the President's possession will have to be made available to the defense under the doctrine of Brady v. Maryland or the provisions of the Jencks Act, 18 U.S.C. § 3500.

On March 12, 1974, I addressed a letter to Mr. St. Clair requesting access to those taped conversations and related materials we deemed necessary for trial preparation. Many of these recordings had been requested for the Grand Jury as early as January 9, 1974, and subsequently refused. As of now, there has been no definitive response to our request, and we have not been afforded a satisfactory explanation for the delay.

General Haig also states that the White House has produced voluntarily 19 recordings of Presidential conversations and that the return of the Watergate indictment reveals that the Grand Jury did not need the other requested material. General Haig, however, overlooks our responsibility for other areas of investigation under the mandate establishing the office of the Special Prosecutor. Indeed, some of the 19 recordings had no relationship to the investigation of the alleged Watergate coverup—yet are vitally essential to other investigations for which this office has responsibility and for which grand juries have been empaneled. The failure to produce this requested evidence is now impeding these grand jury investigations.

I would further observe that White House cooperation cannot be measured by the volume of materials produced. One must look at each request on its merits. In this regard, as your letter to General Haig states, the Special Prosecutor should determine what documents and recordings are important for matters within his jurisdiction. The White House is not privy to the scope or results of our investigations and, therefore, is in no position to judge what material is required for the pursuit of those investigations and the prosecution of any trials.

If I can provide you with any more information concerning this matter, or if you have any questions, please do not hesitate to call on me.

Sincerely,

LEON JAWORSKI,
Special Prosecutor.

REPORT ON WIRETAPPING AND ELECTRONIC SURVEILLANCE

Mr. McCLELLAN. Mr. President, under the provisions of title III of the Omnibus Crime Control and Safe Streets Act of 1968 (82 Stat. 218), the Director of the Administrative Office of the U.S. Courts is required to transmit to the Congress in April of each year a full and complete report concerning the number of applications for orders authorizing or approving the interception of wire or oral communications.

The Congress has just received the sixth report under the wiretapping and electronic surveillance provisions of title III. The report summarizes the period from January 1, 1973, to December 31, 1973, and again demonstrates the key role court-ordered wiretapping and electronic surveillance is playing in the fight against crime.

As observed by Mr. Henry E. Peterson, Assistant Attorney General in the Criminal Division, Department of Justice, during hearings before a House subcommittee on April 26, 1974:

> We maintain that electronic surveillance techniques are, to date, the most effective method to bring criminal sanctions against organized criminals, and are indispensable in developing witnesses with corroborating testimony, and generally in providing a useful tool in the evidence-gathering process. The Department's most notable success with the use of electronic surveillances has been against organized crime controlled gambling enterprises. However, surveillances have also proved extremely useful in detecting and arresting violators of the other crimes listed in Section 2516 of Title 18.

Mr. President, the report shows that during the calendar year 1973 there were 864 applications for orders to intercept wire or oral communications granted by State and Federal judges. Only two applications for orders were denied during this period, which indicates that thorough, studied consideration is given before an application for an order is made.

Nineteen of the 24 States which had laws authorizing courts to issue wiretap orders used such statutes in 1973. See exhibit No. 11. Wiretap authorizations were reported from 93 State jurisdictions and the Department of Justice. The States issued by far the majority of intercept orders—734 out of 864. Seventy-five percent of the State authorizations were issued in the two-State area of New York and New Jersey. Out of the 864 total applications approved, only 130 were authorized by Federal judges. This figure represents a 37-percent decline in Federal orders over 1972.

The length of time authorized for the 864 orders varied from 1 day to 240 days. The average length of time for an original authorization was 24 days. See exhibit No. 2.

The highest reported cost for a single authorized intercept was $153,488 for a Federal wiretap. The average cost for the total intercept orders was $5,632. See exhibit No. 2.

The offenses specified in the applications for court orders covered a wide range from arson to usury. In 446, or 52 percent of the total authorizations, gambling was the most serious offense, and in 229 authorizations, drug offenses were under investigation. See exhibit No. 2.

As a result of intercepts installed during calendar year 1973, a total of 2,306 arrests had been made as of December 31, 1973. There were 409 convictions in 1973, compared to 402 in 1972. Many of the criminal cases for which orders were authorized in 1973 are still under active investigation.

Mr. President, I feel that the procedures requiring public reporting of statistics on electronic surveillance are very beneficial, not only to provide us with the actual numbers of cases involved, but also to keep the citizens of this country advised of the true scope and operation of this important tool of law enforcement.

Mr. President, I ask unanimous consent that the following exhibits summarizing the availability and use of intercept procedures appear in the RECORD at the conclusion of my remarks:

No. 1—Jurisdictions with statutes authorizing the interception of wire or oral communications effective during the period January 1, 1973, to December 31, 1973.

No. 2—Summary report on authorized intercepts granted pursuant to title 18, U.S.C. 2518.

No. 3—Arrests and convictions as a result of intercept orders installed, calendar years 1969–1973.

EXHIBIT NO. 1

JURISDICTIONS WITH STATUTES AUTHORIZING THE INTERCEPTION OF WIRE OR ORAL COMMUNICATIONS, EFFECTIVE DURING THE PERIOD JAN. 1 TO DEC. 31, 1973

State	Statutory citation [1]	Reported use of wiretap in 1973
Federal	18: 2510 to 2520	Yes.
Arizona	13: 1051 to 13: 1059	Yes.
Colorado	40–4–26 to 40–4–33	Yes.
Connecticut	Public act No. 68	Yes.
Delaware	11: XLII.757	Yes.
District of Columbia	23: 541 to 556	Yes.
Florida	934.01 to 934.10	Yes.
Georgia	26–3001 to 26–3010	Yes.
Kansas	22–2513	Yes.
Maryland	35–92 to 35–99	Yes.
Massachusetts	272–99	Yes.
Minnesota	626A.01 to 626A.23	Yes.
Nebraska	86–701 to 86–707	Yes.
Nevada	200.610 to 200.690	Yes.
New Hampshire	570–A: 1 to 570–A: 11	No.
New Jersey	2A: 156A–1 to 2A: 156A–26	Yes.
New Mexico	40A–12–1.1	Yes.
New York	813–J to 813–M; 814 to 825	Yes.
Oregon	141.720 to 141.900	No.
Rhode Island	12–5.1–1 to 12–5.1–16	Yes.
South Dakota	23–13A–1 to 23–13A–11	No.
Virginia	19.1–89.1	No.
Washington	9.73.030 to 9.73.080	No.
Wisconsin	968.27 to 968.33	Yes.

[1] Excludes jurisdictions which enacted legislation in 1974.

EXHIBIT NO. 2.—SUMMARY REPORT ON AUTHORIZED INTERCEPTS GRANTED PURSUANT TO TITLE 18, U.S. CODE, SEC. 2518, JUNE 20 TO DEC. 31, 1968, JAN. 1 TO DEC. 31, 1969 THROUGH 1973

Summary item [1]	Reporting period					
	1968	1969	1970	1971	1972	1973
Intercept applications authorized	174	301	596	816	855	864
Federal		33	182	285	206	130
State	174	268	414	531	649	734
Average length of original authorization (days)	20	23	22	22	22	24
Number of extensions	128	200	237	228	246	286
Average length of extensions (days)	20	21	20	24	24	26
Location of authorized intercept:						
Residence	67	134	203	342	351	319
Apartment	49	68	163	211	218	237
Multiple dwelling	10	14	39	45	56	61
Business	45	71	121	134	120	156
Business and living quarters		5	30	40	48	32
Not indicated or other	3	9	40	44	62	59
Major offense specified in application:						
Arson and explosives	1	1	13	2	2	1
Bribery	5	11	16	16	9	25
Drugs	71	89	172	126	230	229
Extortion (includes usury and loansharking)	13	10	17	5	13	21
Gambling	20	102	325	570	497	446
Homicide and assault	22	19	21	18	35	47
Larceny	19	10	31	31	22	36
Robbery	8	24	13	17	9	5
Other	15	35	33	31	38	54
Intercept applications installed [2]	147	270	582	792	841	812
Federal		30	179	281	205	130
State	147	240	403	511	636	682
For authorized-intercepts installed:						
Actual number of days in use	NA	9,018.0	11,190.5	14,582.5	15,561	15,382
Average number of persons involved	29	53	44	40	51	49
Average number of intercepted communications	454	544	656	643	600	610
Average number of incriminating intercepted communications	98	265	296	399	303	304
Number of authorizations where cost reported	120	262	569	776	805	798
Average cost where cost reported	$1,358	$2,634	$5,534	$4,599	$5,435	$5,632
Number of orders costing:						
$1,000 or less	75	127	178	241	206	189
$1,001 to $2,000	21	45	88	163	156	167
$2,001 to $5,000	18	54	139	162	185	216
$5,001 to $10,000	6	24	88	114	124	113
$10,001 and over		12	76	96	134	113

[1] See reverse side for minor revisions of previously published data.

[2] Installed intercepts includes only those intercepts where a report was received from a prosecuting attorney.

NA: Not available.

EXHIBIT NO. 3

ARRESTS AND CONVICTIONS AS A RESULT OF INTERCEPT ORDERS INSTALLED, CALENDAR YEARS 1969-73

Year of report	Number of intercepts authorized and installed	1969		1970		1971		1972		1973		Total all years	
		Arrests	Convictions	Arrests	Convictions	Arrests	Convictions	Arrests	Convictions	Arrests	Convictions	Arrests	Convictions
1969	270	625	34	269	69	71	191		87		16	965	397
1970	582			1,874	151	[1] 528	[1] 440	91	398	6	62	2,499	1,051
1971	792					2,811	322	641	708	150	[2] 441	3,602	[2] 1,471
1972	841							2,861	402	532	1,091	3,393	1,493
1973	812									2,306	409	2,306	409

[1] This is an amended figure to include activity occurring in 1971 in Kings County, N.Y., as a result of intercepts installed during 1970.

[2] 9 reversals.

TRANSCENDENTAL MEDITATION

Mr. STEVENSON. Mr. President, the technique of transcendental meditation is in use in a number of Federal and federally assisted programs including prisons, mental institutions, and drug rehabilitation centers. A considerable body of scientific research on the usefulness of transcendental meditation in such settings is building up.

Mr. Amos N. Goldhaber, executive vice president of the Maharishi International University of Goleta, Calif., has prepared an article summarizing the scientific research on the therapeutic value of transcendental meditation in programs directed at drug addicts, alcoholics, criminals, and the mentally ill. The studies cited in Mr. Goldhaber's article indicate that there is evidence that transcendental meditation has measurable beneficial effects on persons participating in a variety of rehabilitation programs.

I believe these studies should be taken seriously and would hope that the question of whether to continue or expand the use of transcendental meditation in Federal and federally assisted rehabilitation programs will be made on the basis of the evidence. I ask unanimous consent that Mr. Goldhaber's article be reprinted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRANSCENDENTAL MEDITATION IN REHABILITATION

1. THE TECHNIQUE OF TRANSCENDENTAL MEDITATION

Over the past five years a technique of "self-development" known as Transcendental Meditation (TM) has been used successfully as an adjunct to conventional treatment modalities in the fields of psychotherapy, drug rehabilitation and corrections. In a widening number of clinical and penal institutions which have added TM to their ongoing programs, researchers and staff have observed the accelerated amelioration of psychological, sociological and pathological deviance. Quantitative empirical data, both published and informally disseminated, has stimulated widespread interest in this technique by institutional staff and, indeed, among inmates and patients themselves.

Transcendental Meditation is unique in its approach and practice. It is an entirely mechanical process which attains its goals automatically with consistent practice. Moreover, it requires no faith or belief whatsoever, is associated with no religion or philosophy, involves no concentration, control or auto-suggestive state. Far from requiring recourse to a reclusive style of living, the technique integrates well with normal activity, enhancing the creativity and the level of energy needed for an active, modern life.

Since the practice of Transcendental Meditation requires no intellectual analysis, it has been found to be easily learned by people of various socio-economic backgrounds, ages and education. In fact, instruction in the techniques is so simple that severely disturbed mental patients under sedation have learned TM successfully and have measurably benefitted from the practice. Teachers of TM claim that only rudimentary communication between pupil and instructor is necessary to learn the technique.

To date over 360,000 Americans representing virtually every walk of life have received personal instruction in this technique through the International Meditation Society, an organization with branches established in all major American cities.

Within the context of rehabilitation, TM can be considered a systematic technique of achieving a state of restful alertness that has been shown effective in reducing anxiety, depression and many other negative-affect states. A number of physiological studies indicate that it produces a state of deep relaxation that is different from, and in certain respects more profound than that which previals during deep sleep—a finding that is consistent with reports by meditators of feelings of inner stability and relaxation. In addition, a number of other studies suggest that at the same time the practice of TM quickens reaction time, increases perceptual ability and improves perceptual-motor performance. Further studies indicate that productivity, job performance, job satisfaction and relations with supervisors and co-workers improve.

In the non-institutional setting TM is taught through a seven-step program requiring a total instruction time of only a few hours extended over a one-week period. Although follow-up meetings help to insure continued practice, the new meditator becomes completely self-sufficient in the technique after the first few lessons. The ease with which TM is learned and its immediate beneficial effects on the practitioner imply suitability to most clinical and institutional settings.

Although severely disturbed clientele may require more attention in the pre-instruction and early stages of learning TM, self-sufficiency in practicing the technique is rapidly achieved. Such a "self help" *non*-chemotherapeutic technique is clearly desirable. Patients feel that improvements in their mental state are by their own efforts and are not dependent on outside chemical agents.

One of the prime advantages of Transcendental Meditation in rehabilitation is low cost. In ongoing programs in institutional settings, Transcendental Meditation could cost less than $200 per client year. Furthermore, one meditation teacher-therapist could supervise a substantial number of students. Since no equipment is necessary and TM is "self-administered," the student can continue to employ it when he is no longer institutionalized; "after care" is provided by a network of TM teaching centers located in every major American city.

Instruction in the technique is very specific—when the meditator sits to begin the practice he or she knows exactly what to do. TM is practiced 20 minutes twice daily. The meditator sits comfortably in a chair or on a bed with his eyes closed during meditation. Since no paraphernalia is used in Transcendental Meditation, it can be practiced in almost any setting.

The evidence indicates that TM produces reliably during each meditation session a specific set of physiological results; further data point to a variety of both physiological and psychological changes that take place in daily life as a result of consistent practice of the technique which may be described generally as increased behavioral flexibility based upon greater inner stability.

A. Findings—Physiological

Measurements suggest the twenty-minute period of Transcendental Meditation brings about many physiological changes characterized by a dramatically reduced metabolic rate (as measured by oxygen consumption), lower on the average than that during sleep, by reduced respiration rate and by reduced work load on the heart—a state of deep physical rest. Skin resistance rises sharply during TM and blood lactate concentration decreases; both electrical change and biochemical change have been found to be often correlated with relaxation and reduced anxiety. This state of rest appears to be related to the reduction in anxiety and other negative-affect states as described by practitioners. The electroencephalographic measurements during TM are of interest. The shifting frequency distribution characteristic of waking consciousness is replaced by simple waves that expand from localized areas of the brain to cover the whole cortex. The left and right cerebral hemispheres becomes synchronized with respect to frequency and phase. Further, it is found that slow waves (delta, theta) are combined simultaneously with fast waves (beta spindles) during TM. The synchrony and coherence of the brain wave patterns may imply an effect within both deep brain structures such as the thalamus and the cerebral cortex and their mutual interaction (Banquet, 1973).

Several experiments have shown that TM gradually causes stabilized reductions in heart rate and respiration rate to be maintained even outside meditation. Other indications of physiological relaxation are suggested by galvanic skin response studies which show greater stability in meditators than in non-meditators, even in the presence of external stressful stimuli (Orme-Johnson, 1972). Various features that generally contribute to improved health have also been observed, including a spontaneous decrease or abstinence in the use of alcohol and cigarettes (Benson & Wallace, 1971) and improvements in certain specific organic diseases such as bronchial asthma (Honsberger and Wilson, 1973), and abnormally high blood pressure. Moreover, the effects of sleep deprivation seem to be more quickly overcome by those practicing TM (Miskiman, 1973).

B. Findings—Psychological

Changes in meditators are not limited to metabolism and improved performance of mental tasks; the stability, spontaneity and positive quality of emotional experience are also enhanced as measured by a variety of psychological tests. This implies expanded potential for meaningful and enriched social and interpersonal relations, a fact relevant to all areas of rehabilitation. Many major personality indices, including the Freiberger Personality Inventory, the Personal Orientation Inventory, the Minnesota Multiphasic Personality Inventory and the Netherlands Personality Inventory show uniformly a pattern of increased capability for spontaneous and expressive interpersonal relationships, positive self-image, firm identity and reduced negativity.

This picture of improved inner state is further supported by results on different measures of anxiety and self-actualization, including the Spielberger Anxiety Scale, the Cattell Anxiety Scale, the Northridge Developmental Scale, Rotter's Locus of Control Scale and Bendig's Anxiety Scale. Research consistently indicates that the practice of TM brings about a reduction in anxiety, increase in internal control and greater degrees of self-actualization.

The fact that tests on personality from different countries (U.S.A., Holland, Germany) show similar results suggests that the effect of TM may be cross-cultural.

Further studies show an actual growth in intelligence due to TM and increased ability to remember and learn (Tjoa, 1972; Abrams, 1972).

In addition, meditators appear to become more alert (faster reaction time), more responsive to sensory stimuli and more effectively coordinated in perceptual-motor tasks (Orme-Johnson, 1972; Graham, 1971; Blasdell, 1971).

The reduction of negative-affect states in the meditator together with steadily increasing clarity of thought and inner stability permit the meditator to improve his or her performance in complex integrative functions such as academic training and on-the-job performance. Together, the whole picture of improved health, emotional stability and increased inner control seems to account for strengthening expanding activities and relationships.

II. RESEARCH ON TRANSCENDENTAL MEDITATION IN REHABILITATION

The data presented above represents measurements made on "healthy" subjects. It is important to note that Transcendental Meditation is always presented as a technique for the development of the whole individual and not for certain specific results. Yet it seems that the areas of an individual's life to be effected first by TM are those most in need of improvement.

For a number of reasons, TM seems a suitable adjunct to both in- and out-patient treatment programs:

TM is easily and quickly learned even in severe cases where only remedial communication is possible;

Meditators quickly become completely self-sufficient in their practice of TM;

Generally, meditators report the practice to be pleasant and more desirable than chemotherapy or techniques which require apparatus such as biofeedback;[1]

TM produces reliably a set of physiological changes which can be generally described as deeply restful—subjectively experienced as calm and relaxation; and,

TM produces certain longitudinal psychological and physiological changes which may be generally described as fundamentals of rehabilitation: adaptability, stability, integration, purification and accelerated emotional growth accompanied by a reduction in anxiety, depression, rigidity, hostility and aggression.

A. Drug abuse

The available evidence suggests that practice of TM results in positive physiological and psychological effects. One positive psycho-physiological effect could have great social significance. This effect is the reported reduction in the use of illicit drugs. Four studies are described below.[2]

1. Harvard University Study

Benson and Wallace (1971) administered questionnaires about the use of non-prescribed drugs, alcohol and cigarettes to approximately 1,950 meditators who had been practicing TM for three months or longer.

Within three months of beginning practice of TM, a vast majority of the practitioners of TM reported a marked decrease in their use of drugs in all categories. The number of subjects using drugs progressively decreased as the duration of practice increased. Most of the subjects who had practiced for 21 months reported that they had almost completely stopped using drugs. Similar decreases were reported in the use of alcohol and tobacco.

Of the subjects who sold drugs before starting TM, most stopped selling drugs immediately after beginning, and 96 percent stopped selling drugs by 21 months of practice.

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[1] *Frontiers of Psychiatry*, "Alpha Biofeedback: Making Waves in Self-Treatment," Vol. 4, No. 1, January 1, 1974.

[2] Adapted from: Kanellakos, D. and J. Lukas, *The Psychobiology of Transcendental Meditation: A Literature Review*, Stanford Research Institute, Menlo Park, California, February 1973.

DATA FROM THE HARVARD UNIVERSITY STUDY

TABLE 1.—AGE AND SEX OF THE RESPONDENTS TO THE QUESTIONNAIRE

Sex	Age					
	14 to 18	19 to 23	24 to 28	29 to 38	39 and over	Total
Male:						
Number	61	574	322	82	42	1,081
Percent	3.3	30.8	17.3	4.4	2.3	58.1
Female:						
Number	71	363	167	81	99	781
Percent	3.8	19.5	8.9	4.4	5.3	41.9
Total:						
Number	132	937	489	163	141	1,862
Percent	7.1	50.3	26.2	8.8	7.6	100.0

TABLE 2.—EDUCATION OF THE RESPONDENTS TO THE QUESTIONNAIRE

Educational experience	Less than high school	High school graduate	Some college	College graduate	Advanced college degree	Total
Number	100	183	971	460	148	1,862
Percent	5.4	9.8	52.2	24.7	7.9	100.0

TABLE 3.—USE OF MARIHUANA AND HASHISH BEFORE AND AFTER STARTING THE PRACTICE OF TRANSCENDENTAL MEDITATION

Usage	Before (months)		After (months)							
	−6 to 0		0 to 3		4 to 9		10 to 21		22 to 33	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Heavy	417	22.4	47	2.5	39	2.1	18	1.3	1	0.1
Medium	618	33.2	190	10.2	137	7.5	65	4.6	18	2.1
Light	422	22.7	613	32.9	500	27.3	264	18.6	85	10.0
Nonuser	405	21.7	1,012	54.4	1,154	63.1	1,070	75.5	748	87.7
Total	1,862	100.0	1,862	100.0	1,830	100.0	1,417	100.0	852	100.0

TABLE 4.—USE OF LSD BEFORE AND AFTER STARTING THE PRACTICE OF TRANSCENDENTAL MEDITATION

Usage	Before (months)		After (months)							
	−6 to 0		0 to 3		4 to 9		10 to 21		22 to 33	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Heavy	132	7.1	14	0.7	13	0.7	6	0.4	0	0
Medium	301	16.1	60	3.3	36	1.9	23	1.7	3	.3
Light	467	25.1	159	8.5	151	8.3	72	5.1	23	2.7
Nonuser	962	51.7	1,629	87.5	1,630	89.1	1,316	92.8	826	97.0
Total	1,862	100.0	1,862	100.0	1,830	100.0	1,417	100.0	852	100.0

TABLE 5.—USE OF OTHER HALLUCINOGENS BEFORE AND AFTER STARTING THE PRACTICE OF TRANSCENDENTAL MEDITATION

Usage	Before (months)		After (months)							
	−6 to 0		0 to 3		4 to 9		10 to 21		22 to 33	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Heavy	5	0.3	2	0.2	5	0.3	3	0.2	0	0
Medium	56	3.0	32	1.7	30	1.7	19	1.4	0	0
Light	665	35.7	143	7.7	130	7.0	90	6.4	34	4.0
Nonuser	1,136	61.0	1,683	90.4	1,665	91.0	1,305	92.0	818	96.0
Total	1,862	100.0	1,862	100.0	1,830	100.0	1,417	100.0	852	100.0

TABLE 6.—USE OF NARCOTICS BEFORE AND AFTER STARTING THE PRACTICE OF TRANSCENDENTAL MEDIATION

Usage	Before (months)		After (months)							
	−6 to 0		0 to 3		4 to 9		10 to 21		22 to 33	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Heavy	12	0.6	1	0.1	1	0.1	1	0.1	0	0
Medium	17	.9	2	.2	2	.2	2	.2	0	0
Light	286	15.4	47	2.5	39	2.1	30	2.1	10	1.2
Nonuser	1,547	83.1	1,812	97.2	1,788	97.6	1,384	97.6	842	98.8
Total	1,862	100.0	1,862	100.0	1,830	100.0	1,417	100.0	852	100.0

TABLE 7.—USE OF AMPHETAMINES BEFORE AND AFTER STARTING THE PRACTICE OF TRANSCENDENTAL MEDITATION

	Before (months)		After (months)							
	—6 to 0		0 to 3		4 to 9		10 to 21		22 to 33	
Usage	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Heavy	30	1.6	7	0.4	3	0.2	2	0.1	0	0
Medium	96	5.2	11	.6	9	.5	2	.2	0	0
Light	470	25.2	104	5.6	79	4.3	49	3.4	10	1.2
Nonuser	1,266	68.0	1,740	93.4	1,739	95.0	1,364	96.3	842	98.8
Total	1,862	100.0	1,862	100.0	1,830	100.0	1,417	100.0	852	100.0

TABLE 8.—USE OF BARBITURATES BEFORE AND AFTER STARTING THE PRACTICE OF TRANSCENDENTAL MEDITATION

	Before (months)		After (months)							
	—6 to 0		0 to 3		4 to 9		10 to 21		22 to 33	
Usage	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Heavy	19	1.0	1	0.1	3	0.2	1	0.1	0	0
Medium	43	2.3	7	.4	3	.2	2	.1	1	.1
Light	258	13.9	56	2.9	37	2.0	27	1.9	8	1.0
Nonuser	1,542	82.8	1,798	96.6	1,787	97.6	1,387	97.9	843	98.9
Total	1,862	100.0	1,862	100.0	1,830	100.0	1,417	100.0	852	100.0

TABLE 9.—USE OF "HARD LIQUOR" BEFORE AND AFTER STARTING THE PRACTICE OF TRANSCENDENTAL MEDITATION

	Before (months)		After (months)							
	—6 to 0		0 to 3		4 to 9		10 to 21		22 to 33	
Usage	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Heavy	50	2.7	21	1.2	16	0.9	8	0.6	3	0.4
Medium	295	15.8	149	8.0	100	5.5	52	3.7	22	2.6
Light	770	41.4	646	34.7	551	20.1	365	25.8	187	21.9
Nonuser	747	40.1	1 046	56.1	1,161	63.5	992	69.9	640	75.1
Total	1,862	100.0	1,862	100.0	1,830	100.0	1,417	100.0	852	100.0

TABLE 10.—USE OF THE NUMBER OF PACKS OF CIGARETTES BEFORE AND AFTER STARTING THE PRACTICE OF TRANSCENDENTAL MEDITATION

	Before(months)		After (months)							
	—6 to 0		0 to 3		4 to 9		10 to 21		22 to 33	
Usage	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Heavy	503	27.0	314	16.9	222	12.2	118	8.4	49	5.7
Medium	180	9.7	165	8.9	136	7.4	86	6.0	34	4.0
Light	203	10.9	186	10.0	163	8.9	105	7.4	55	6.4
Nonuser	976	52.4	1,197	64.2	1,309	71.5	1,108	78.2	714	83.9
Total	1,862	100.0	1,862	100.0	1,830	100.0	1,417	100.0	852	100.0

2. Stanford Research Institute Study

A study conducted by Stanford Research Institute (Otis, 1972) tends to corroborate these findings. Questionnaires (Otis Physical and Behavioral Inventory: Form A) were distributed to persons attending a one-month TM course in August, 1971. Of the 620 respondees, 396 reported that they had given up all drugs after starting meditation. Forty-two of them were a group of 49 who had formerly used opiates.

In a similar study on a random sample of TM practitioners on the mailing list of the International Meditation Society, a non-profit educational organization established in the state of California, of 199 practitioners who had taken drugs, 109 (57%) claimed that they had completely given up drugs. Seven of 10 opiate users made the same claim. The overwhelming effect was a decrease in drug use by people who took up TM and continued its practice.

3. City Hospital, Malmo, Sweden

Brautigam (1971) solicited the participation of known users (known through treatment for hepatitis) of hashhish and hard drugs (LSD, amphetamines and opiates), most of whom had been convicted of drug use offenses. The twenty users were divided randomly into an experimental group, which was taught TM, and a control group, which was engaged in group counseling about as frequently as the experimental group was engaged in training in TM and follow-up guidance. Both groups were subdivided into users of "hard" drugs (LSD, amphetamines, opiates) and "light" drugs (hashish only). All the subjects had used the hard drugs at least 10 times in the six months preceding the study, and users of hashhish in both groups had used it about 20 times in the month preceding the study.

After three months of practicing TM, the experimental subjects had reduced their use of hashish to about three times per month per person. The control subjects, in contrast, were using hashish about 18 times per month per person.

In the month before the study began, use of "hard" drugs was about three times per month per individual in both the control and experimental groups. After three months, the meditators were using hard drugs about 0.2 times per month per subject, on the average, while the control group increased drug use to about seven times per month per subject.

4. Shafii, Lavely, Jaffe Study

In another study, using a questionnaire survey, the authors sought to discover the effect of mediation on their subjects' use of marijuana. While only 15 percent of a non-mediated control group had decreased or stopped their use of marijuana during the preceding three months, among the meditators proportions ranging from half to three-quarters (depending on the length of time since their instruction) had decreased or stopped their use during the first three months after instruction in meditation. The authors also found that the longer a person had practiced meditation, the more likely it was that he had decreased or stopped his use of marijuana.

NUMBER OF MARIJUANA USERS WHO DECREASED OR STOPPED USING MARIJUANA

	Meditators										Nonmeditator controls (N=46)	
Time of stopping or decreasing (months)	I (N=13)		II (N=14)		III (N=16)		IV (N=21)		V (N=13)			
	N	Percent	N	Percent	N	Percent	N	Percent	N	Percent	N	Percent
0 3	6	46	8	57	9	56	18	86	10	77	7	12
Stopped	3	23	8	57	7	44	12	57	9	69	7	14
0 6			5	36	7	44	17	81	11	85	11	25
Stopped			4	28	4	25	13	62	10	77	10	25
0 12					10	62	15	71	12	92		
Stopped					6	38	14	67	10	77		
0 24							16	76	12	92		
Stopped							12	56	10	77		
0 36									12	92		
Stopped									10	77		

Note: Adopted from: Shafii, M., R. Lavely and R. Jaffe, "Meditation and Marijuana," The American Journal of Psychiatry, vol. 131, No. 1, January, 1974.

5. Suitability of TM to Drug Rehabilitation

TM seems particularly suited to drug rehabilitation, as the following excerpts from *Drug Forum* [3] magazine summarize:

(1) "TM's potential in the drug abuse field is not as limited as current treatment methods. If TM does bring happiness or contentment, cause stress and tension to be released and afford a non-chemical means of expanding consciousness, it may be an alternative to drug abuse whatever an individual's reasons are for abusing drugs and whatever are the drugs being abused. The scope of the therapeutic communities, and most certainly methadone maintenance, is not as broad. Methadone maintenance is only available to heroin addicts meeting certain criteria for admission to a program (generally volunteers, over 18 years of age; 2 years of addiction and typically no mixed drug abuse; free of severe psychiatric disorders and major medical problems) and, alone, does nothing about the underlying causes of heroin addiction. The therapeutic communities, as a minimum, require 18 months of full-time atten-

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[3] Marcus, J., "Transcendental Mediation: A new Method of Reducing Drug Abuse," *Drug Forum,* vol. 3 (2), Winter 1974.

dance, seriously limiting their appeal, and cannot effectively reach the non-addict abuser.[4]

(2) "TM is less expensive than methadone maintenance and certainly less expensive than the therapeutic communities. After the intial instruction and a follow-up period to check that the technique is being correctly practiced, it is essentially a do-it-yourself technique which does not involve even the regular use of a facility to administer drugs and do urine testing.[5] Pychotherapeutic communities have been estimated to cost between $16 and $25 per member per day as compared with $7 a day for jail and from $2.50 to $5.00 per day, indefinitely, for methadone maintenance.

(3) "TM treats drug abuse as a side effect of its principal purpose which is the overall development of the individual. One beginning the practice of TM is not stigmatized in any way as a sick person or a drug abuser as is the case with methadone maintenance therapy or the therapeutic communities.

(4) "It is not necessary to view TM as an alternative to drugs, from which, in many instances, the drug user does not want to dissassociate. The termination or reduction of drug abuse is said to occur naturally as life becomes more fulfilling and drugs become less pleasurable.

(5) "TM supplies a new role as mediator which may be attractive and may serve as a buffer against the drug abuser's old lifestyle. There is a positive role change, not merely an attempt to eliminate the old role of drug abuser.

(6) "TM does not involve the use of drugs, which may be harmful over the long term."

6. Drug Prevention

A further quote from Marcus in *Drug Forum* magazine summarizes the possible preventive properties of TM.

(1) "If TM has the attributes that meditators give to it, it may be most effective as a preventive measure primarily because it may be taught to children before they reach the age when they are susceptible to drug abuse . . . the child beginning TM at an early age will approach the age of drug temptation much better equipped. . . . The longer an individual has meditated, the greater may be his resistance to drugs.

(2) "TM seems to be a susbtitute for drugs for some people. Meditators claim that they are unlikely to go back to drugs after TM because of the joy and fulfillment in their lives and because drugs seem less pleasurable and interfere with meditation. This may be due to the increased self-awareness reported by meditators, including a new awareness of the body and the debilitating effects of foreign substances. It may also be a consequence of the immense relaxation achieved through the practice of TM, resulting in a release of stress and tensions. . . .

(3) "TM opens up new opportunities for social contacts without drugs and may create a healthful peer group pressure to avoid the use of drugs and, instead, to meditate."

7. TM in Therapeutic Communities[6]

TM has been used successfully in pilot projects in a number of therapeutic communities in the San Francisco Bay Area. At Walden House (San Francisco), a 70 bed facility, 15 to 20 individuals had been taught TM as of May 1973, and at Group Community Service, Inc. (Berkeley and Oakland) and Soul Site Community Service, Inc. (Berkeley) as of such date approximately 20 individuals had been taught TM. Those instructed included members of the staff and trainees (advanced members of the therapeutic community). John Alves, the director of the Group and Soul Site programs reported that those regularly practicing TM appeared to have increased self-confidence and were acting much more positively. They reported a new peacefulness and were not using drugs. Those therapeutic community members who were taught TM had for the most part been heroin addicts and included a number of poorly educated minority group members. As previously noted, the simplicity of the practice of TM makes it feasible for use by anyone. At Bridge Over Troubled Waters, a therapeutic community in Berkeley, California, 16 residents and 7 staff have learned TM with similar results.

An additional 12 such treatment centers in the San Francisco area have requested TM programs and around the country another 44 have also requested TM programs relating to drug rehabilitation.

B. Mental health research, inpatient

The Institute of Living, a 400 bed private psychiatric hospital located in Hartford, Connecticut, is conducting a three-year study on TM. *Frontiers of Psychiatry*[7] magazine reports on some early findings:

One of these [experimental groups] received training in alpha EEG biofeedback; the other was taught the simple meditation procedures known as transcendental meditation. Controls were provided by a group of normal subjects, who participated randomly in one of the training procedures, and by a group of inpatients who received no training at all.

Selected psychophysiologic variables were monitored before, during and at two-week intervals after the training period. . . .

The study included experimentation with the Wolpe-Lazarus muscle-relaxation techniques which, in contrast with alpha biofeedback and meditation, was found to be "marginally useful, if at all," said Dr. Stroebel, who studied the methods of biofeedback under Elmer Green, Ph. D., at the Menninger Foundation. . . .

"We have always tried to get patients, and well people, to assume more responsibility for their own health and well-being," Dr. Glueck stressed, "but it's one thing to instruct the patient to relax, lose some anxiety, and still have him so anxious he's ready to jump out of his skin. There is no reinforcement for what we are telling him. But, if we teach him to meditate and his anxiety drops sharply, frequently after the first meditation session, there is an immediate reward—'Gee, it made me feel better'—an immediate encouragement to continue meditating."

Meditation Preferred?

The researchers have discovered so far that the meditation procedure may turn out to be preferred for use in institutions, as well as by the patients themselves. The meditation subjects have waxed more enthusiastic about this method than the biofeedback patients have about their training. "Presently, it looks as if alpha biofeedback is not going to become a terribly practical tool as an adjunct to treatment because it is too expensive and too tedious to operate," Dr. Stroebel said. Nevertheless, self-inducement of alpha-state calm or the simple meditation techniques described, might be "just the answer" for the understaffed, poorly funded large public institutions—mental hospitals and prisons—since they could provide easy-to-teach antianxiety routines for large numbers of patients.

"We feel," Dr. Stroebel concluded, "that having patients take responsibility for aspects of their own health may turn out to be a major breakthrough. Presently, the psychiatrist must approximate treatment of idiosyncratic ills according to general theoretic models of etiology. Self-treatment may begin to free the psychiatrist from the enormous complexity of modern medicine—and his patient from its ever-rising costs."

Since the publication of this article, both Wolpe-Lazarus relaxation therapy and alpha biofeedback programs have been dropped for lack of patient interest.[8] In contrast, the TM program has been expanded to include 150 patients.

C. Transcendental meditation in correctional institutions

A number of studies on the positive effects of TM indicated that it may have potential as an intervention technique in the area of criminal behavior. These studies have shown reductions in drug abuse, alcoholism physiological measures which correlated with aggression, tension, anxiety and a large number of maladaptive behavior patterns sometimes associated with sociopaths (e.g., psychosomatic disease and mental illness including aggressive psychosis and neuroticism).

One of the first studies of TM in the prison environment was conducted by Orms-Johnson using hardcore addicts from the NARA (Narcotics Addicts Rehabilitation Act) program at the Federal Correctional Institution at La Tuna, Texas (Orme-Johnson, 1973).

Twelve narcotics addict-prisoners in this program were tested with respect to frequency of spontaneous galvanic skin response (GSR), a physiological index of anxiety, and were given the Minnesota Multiphasic Personality Inventory (MMPI) before beginning TM and again two months later. They were compared with a nonmeditating control group of seven prisoners measured at the same times.

Over a two month period, the percent decrease in spontaneous GSR was significantly greater for regular meditators than for irregular meditators in the two month period and overall decrease in spontaneous GSR was significant ($r = .72$, $p < .01$).

There was a correlation ($r = .68$) between the decrease in spontaneous GSR and decrease in obsessive-compulsiveness as measured by the MMPI. A reduction in compulsiveness indicates an increase in behavioral flexibility. It was concluded that meditation provides a profound physiological and psychological basis for the rehabilitation of prisoners and that regularity of meditation is crucial to its effectiveness.

A second study was completed in February 1972, at a state prison at Stillwater, Minnesota. The State-Trait Anxiety Inventory (Spielberger), a measure of momentary and general anxiety, was administered weekly over a ten-week period to experimental and control groups. Initially, there was no significant decrease in anxiety levels between those who wanted to be instructed in TM and the controls. Within a few days practice, the meditating group showed significantly reduced levels of both momentary and general anxiety below those of the controls. Anxiety in the meditators did not show a gradual decline but was reduced quickly and remained at a low level.

These positive research results were the basis of developing an ongoing treatment program at the Federal Correctional Institution (FCI) in Lompoc, California. The objective was to demonstrate that TM has a strong potential as a rehabilitation technique compatible with the correctional atmosphere. Emphasis was placed in evaluation of teachers and teaching materials used, and developing a staff and inmate commitment to continuing a TM program after the pilot program ended. An evaluation of the program found:

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[4] We realize that there is a divergence of opinion on the efficacy of the major treatment modalities.

[5] We realize that many program clients must at least temporarily have social support and control.

[6] Summary adapted from Marcus, J., op. cit.

[7] *Frontiers of Psychiatry*, "Alpha Biofeedback: Making Waves in Self-Treatment", Vol. 4, No. 1, January 1, 1974.

[8] Brooks, J., "Transcendental Meditation and Its Potential Role in Clinical Medicine," *Synapse* (School of Medicine, Wayne State University), Vol. 1, No. 3, December 7, 1973.

(1) Immediate and lasting reductions of anxiety were recorded for meditators;

(2) A high degree of personality change was reported which corresponded with the regularity of meditation and reduction of anxiety;

(3) The program achieved a high degree of acceptance by inmates and staff;

(4) A reduction in the number of violations of prison rules; and

(5) An increase in the participation of inmates in self-improvement and recreational activities.

The Lompoc study concluded that TM can be taught economically and effectively in the institutional environment. Anxiety reduction may be linked to a reduction of custodial problem behavior and drug abuse.

Further research has begun at Lompoc FCI; FCI, Milan, Michigan; Terra Haute Penitentiary, Indiana; Englewood Youth Center, Colorado; The Federal Youth Center, Ashland, Kentucky; and the Suicide Prevention Center, Los Angeles (Bureau of Prisons contractor for aftercare services) to test the effects of TM on aggressive and self-destructive behavior (suicide and drug abuse). Behavior Modification and another meditation technique are being used in several of these programs as control techniques. Over twenty other prisons in the U.S., Canada, England and Germany are actively seeking experimental programs in TM.

Several Federal institutions (Milan, Michigan; Lompoc, California; Englewood, Colorado; Tallahassee, Florida; Springfield, Missouri) and state institutions (Nevada, Indiana, Alaska, Maryland) are developing or have already started TM pilot projects. A growing number of other institutions have requested more information regarding TM as a treatment technique. As funds become available for institutions to try TM, it is expected that these and other institutions would enthusiastically commit staff and facilities for TM projects.

III. CONCLUSIONS

The data from any single study mentioned in this document when viewed in isolation may serve only to arouse curiousity or inspire further research—certainly further research is indicated. However, evidence of the consistent effectiveness of the technique of Transcendental Meditation to accelerate the rehabilitation process indicates that far more is at hand.

The cost of human suffering is beyond our ability to quantify. Each and every citizen must pay the price of our inability to end deviance in all its manifestations. We, as a nation, no longer can afford to reject promising methodologies simply because they are new. The newness of a thing bears no relation to its potential.

All the evidence points to the effectiveness of TM in the fields of rehabilitation. More evidence may be needed, but let us gather that evidence by implementing full programs in Transcendental Meditation in the areas of life that are so in need of improvement.

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EFFECT OF 6-PERCENT SURCHARGE ON ECONOMIC CONDITION OF INDEPENDENT TRUCKERS

Mr. ABOUREZK. Mr. President, in the May 1974 issue of Overdrive, there is an article which describes the effect of the 6-percent surcharge on the economic condition of the Nation's independent truckers. I urge my colleagues to read this article in view of the fact another shutdown is being considered for mid-May.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT THE 6-PERCENT SURCHARGE REALLY MEANS IN DOLLARS AND SENSE

The so-called Unity Committee that allegedly represented the nation's independent truckers during the first week of February thought the 6% surcharge was a great thing. It was, in fact, the only tangible, dollar-in-the-pocket item that the truckers got. Ironically, it was not even originally asked for, since it is inflationary, and, at best, would be temporary. Besides, thinking truckers knew—as has already been proven by newspaper editorials stating that the truckers got what they wanted—that such a surcharge might only be temporary, and would not cover the increased cost of fuel and loss of time imposed by the fake fuel shortage.

For those truckers who have not yet shown their neighbors and friends, in simple language and direct numbers, here is an easy example for you to look at, to see exactly how much the 6% surcharge means.

Remember: the surcharge does not affect any exempt hauler, does not take into consideration the companies that did not file for it, and does not take into consideration the companies who revised their contracts to offer the owner-operators less money than before, so that they would think they were getting a surcharge, when, in fact, they were not.

Here, then, in dollars and sense, is the wonderful sellout folks thought was so wonderful:

Suppose you drive 10,000 revenue miles in a month. Suppose, also, that you gross, before expenses, 40¢ per revenue mile. This means that your truck would gross $4,000 for those 10,000 revenue miles.

Now, let us assume you get the 6% surcharge. You multiply 6% times $4,000, right? That gives you $240 extra dollars for the 10,000 revenue miles.

In May, 1973, when fuel was 30 cents a gallon, and, assuming you got as much as 5 miles per gallon (a bit high, but let's use that figure), you would have paid out a total of $600 for fuel. (2,000 gallons at 30¢ per gallon.) Therefore, if all other expenses are equal, in May, 1973 your total revenue after fuel would have been $3,400. Right?

Okay, now, let's move on up to May, 1974—or even February, 1974, when fuel approaches 50¢ per gallon. That's 20¢ per gallon more than last May, right?

Assuming you would be getting the same mileage (which you wouldn't, due to lower speed limits, etc.) then, the 2,000 gallons of fuel would cost you $1,000. Even if you add the 6% surcharge (6% times $4,000=$240=$4,240) you now come up with this:

Gross revenue	$4,240
Fuel expense	1,000
Gross revenue before all other expenses	3,240

In other words, $160 per month less than a year ago, even with the 6% surcharge.

And that doesn't take into consideration the loss of time, the extra meals you buy, the extra motel rooms you have to shell out for, etc., etc. Nor the general cost increases that have gone into effect, nor the inflationary rate of the past year which is almost 10% based on cost of living.

In short, you are still coming out on the short end.

If, however, the fuel prices were rolled back to last May's level, you would be, while not gaining anything, at least not losing that extra $160 per month, just for increased fuel costs.

THE FEDERAL ENERGY ADMINISTRATION

Mr. MUSKIE. Mr. President, last week the Senate acted on the important legislation which creates the Federal Energy Administration.

The creation of this agency comes at a time when Congress and the Nation can look back and assess the performance of our various institutions during the trying winter months of the energy crisis. While any such assessment is easier in hindsight, one thing is as clear now as it was last winter—much of the success of our energy programs and policies was based on the ability of State and local governments to deal with the day-to-day problems caused by the constantly changing energy situation.

However, the successes of State and local governments came too often in spite of Federal regulations and policies rather than because of them. In a series of energy hearings the Subcommittee on Intergovernmental Relations, of which I am chairman, heard much testimony about the way the crisis affected the operations of State and local governments. We heard from the Governor of Maine that he could not get information from FEO concerning the extent and the nature of the energy shortages he could expect. We talked in Boston with State and local energy officials from other New England States and they all told us that their offices were understaffed, their authorities unclear and their responsibilities undefined.

The FEA Act provides solutions to these problems and other energy-related problems faced by State and local governments and its provisions have special significance to them. First, the act provides that the FEA officer responsible for Federal and State coordination shall be appointed by the President and confirmed by the Senate. This provision lifts the State liaison official out of the endless maze of titles and departments and places the person responsible for this important task under direct congressional scrutiny and in the eye of the public.

Second, the act requires the FEA Administrator to develop effective arrangements for the participation of State and local governments in the resolution of emergency problems. It specifically requires the FEA to allow State governments to comment, where practicable, on FEA policies, rules, and regualtions that affect their operations. Further, the act requires FEA to provide State governments with the information and technical assistance they need to thoughtfully and properly exercise their energy-related responsibilities and authorities.

The Senate-passed bill required the FEA to provide time for comment on rules and regulations and information to local governments as well as State governments. The conferees chose, however, to limit this responsibility to State governments as a practical matter. This change in no way affects FEA's obligation to local governments set forth in other sections of the act and does not diminish the important role played by local governments in such areas as conservation and utility rate setting.

Third, the act authorizes the FEA Administrator to reimburse State and local governments for the use of their facilities and personnel, and enter with them into contracts, leases and cooperative agreements. This means that in many cases where State and local governments have been administering Federal programs and policies the FEA Administrator can now remove the attendant financial burden of supporting these programs.

These provisions fill many of the gaps in Federal energy policy encountered by State and local governments in their efforts to deal with the energy crisis this past winter and will serve to restore the proper balance between Federal, State, and local responsibilities.

U.S. POLICY TOWARD CUBA

Mr. GURNEY. Mr. President, just over 14 months ago, I took the floor to make a statement in opposition to any change in U.S. policy toward the totalitarian regime of Cuba's Fidel Castro. Now in light of the State Department's recent decision to make an exception to the OAS-imposed trade embargo on Cuba, I feel compelled to not just reiterate my position, but also to reemphasize why such a change in policy is not in the best interests of either the United States or of free Cubans everywhere.

Throughout its history, the United States has been firmly committed to the cause of freedom. In two world wars and a host of minor conflicts we have fought to preserve freedom, not only for ourselves, but for peoples around the world. Yet today, we find ourselves faced, not only with the reality of a totalitarian regime 90 miles from our shores, but with the possibility that we, by our own actions, will help entrench that regime in power and aid Soviet designs in the process.

That is the message I read from the State Department's decision to permit U.S.-owned subsidiaries in Argentina to sell perhaps as many as 45,000 cars and trucks to Cuba. Such a decision can hardly be justified on humanitarian grounds, as were the 11 previous exceptions during the 10-year history of the embargo. It will set a precedent that could make a mockery out of the existing trade embargo. Having agreed to permit this sale, on what grounds is the State Department to reject similar applications from other U.S. subsidiaries in foreign nations?

In fact, one such application has already been received; a subsidiary of Studebaker-Worthington in Canada is asking permission to sell locomotives to Cuba. And, as was the case in Argentina, the Canadian Government is strongly supporting Studebaker-Worthington's application. Only time will tell if the Canadians will put on as much pressure as the Argentinians, but given the success of the Argentinian policy it is useless to expect that other foreign nations will not attempt to emulate it.

In short, if this decision by the State Department is not rescinded, we will be opening the door to increased aid to Castro and throwing a damper on the aspirations of the Cuban people for freedom from the Castro regime. Therefore, I must strongly protest this decision to permit the sale of cars and trucks to Cuba and urge that it be rescinded.

In my view, such a rescission is necessary for two basic reasons. First, we must resassure freedom-loving peoples everywhere that we are not going back on our commitment—as expressed in the Cuban resolution passed by Congress in 1962—to support the aspirations of the Cuban people for self-determination; and, second, we must not give up, without getting something substantive in return, the one remaining lever we have that might cause Castro to reconsider his close ties to the Soviet Union or reevaluate his policy of denying freedom to the Cuban people.

While I am encouraged by Secretary of State Kissinger's recent words to the effect that diplomatic ties will not be renewed with Castro's Cuba at this time, I was dismayed to hear last week of the resolution passed by the Senate Foreign Relations Committee calling for a new policy on Cuba. With all due respect to the members of that committee, nothing could be more shortsighted. The Monroe Doctrine and the Cuban resolution are as valid today as the day they were promulgated and it behooves the Congress to again go on record to that effect. We cannot give encouragement to outside intervention in the affairs of this hemisphere any more than we can compromise the aspirations of others for the freedom we are so fortunate to enjoy.

It is a matter of fact that nothing has happened in the last 14 months that would indicate that Castro is any more willing than he ever was to give up his aspirations in the hemisphere or to have mutually beneficial diplomatic relations with the United States. Instead, the rapidly increasing influence over Cuba exerted by the Soviet Union suggests that our no-recognition, no-trade policy is more appropriate than ever. Reversing it would, at the very least, be tantamount to: First, conceding the Soviets a permanent foothold 90 miles from our shores; second, making it easier for the Soviets to maintain that foothold; third, breaking faith with those who still believe we stand for freedom; and fourth, admitting that standing up for the cause of freedom is too high a price for modern America to pay.

What we are talking about here is not a matter of intervention on behalf of freedom. What we are talking about is a matter of not intervening on behalf of tyranny. There is absolutely no reason why we should feel compelled to do business with a nation with whose policies we do not agree, particularly when doing business would assist the implementation of those policies.

The only reason for changing our policies would be if there was something to be gained—some tangible benefit that could be realized towards our goal of a world where people can live in peace and freedom. But, what do we gain by renewing diplomatic relations or ending the trade embargo? To my mind, nothing.

We do not need to trade with Cuba. We do not need to penalize either our own security or that of the free nations of Latin America. We do not need to have diplomatic relations with Cuba. The Swiss Government representation of our interests has been more than adequate to handle matters of local concern and, in view of Castro's increasing subservience to the people in Moscow, larger matters can best be handled by dealing with the country that really calls the shots—the Soviet Union. This is what we had to do back at the time of the missile crisis of 1962, and things are no different today.

In fact, Cuba is far more of a Soviet satellite now than she was in 1962. Over the last decade, according to available estimates, Castro has borrowed over $6 billion from the U.S.S.R. and is continuing to borrow at the rate of $1.5 million a day. But, in stark contrast to the humanitarian economic assistance programs of the United States, the Russians have insisted on Cuban slavery as the price for their aid. Not merely hoping that their investments pay dividends, the Russians have insisted on—and have obtained—more and more control over all aspects of Cuban life.

The best example of this can be seen in the recent economic agreements signed by Cuba and the Soviet Union. The latest package deal, signed in January 1973, gives the Soviet Union unprecedented influence over the Cuban economy. In exchange for a 13-year deferral of its debt to the Soviet Union—then estimated to be well over $5 billion—plus $390 million worth of economic credits and assistance, the Castro government granted the Soviet Union a direct voice in the decisionmaking in 27 key areas of the Cuban economy. And, if this were not enough, February's communique following the meeting between Brezhnev and Castro in Havana, indicates that even more aid may be forthcoming in the future. And what price will the Cuban people have to pay for that?

These are but two examples; there are others: the vocal support given by Castro to the Soviet invasion of Czechoslovakia in 1968; the permission granted by Castro for construction of a Soviet submarine base at Cienfuegos in 1970; the acceptance by Castro of changes in the vagrancy laws insisted on by the Soviet Union in 1971; the adherence of Castro to a foreign policy more closely in tune with that of the Soviet Union; and the willingness, on the part of Castro, to permit Soviet advisers to take an even greater role in both the economic and military planning in Cuba. Some 5,000 Russian economic advisers are now estimated to be in Cuba and approximately 3,000 Soviet military advisers are now with the Cuban military. At least 50 of these are with the general staff of the army and, according to the London-based institute for the study of conflict, some advisers have been placed as far down as the battalion level.

Furthermore, 55 percent of the foreign aid granted by the Soviet Union goes to propping up the Castro regime, yet the Cuban economy is still in deep trouble. The Soviets would like nothing better than to be rid of some of that burden, and Castro would like nothing better than to use trade with the United States as a means of boosting his stock with both the Soviet Union and the folks at home. In short, Cuba is more firmly in the Soviet orbit today than ever before. And any move, on the part of the United States, to lift the trade embargo will only make it easier for the Soviets to maintain their foothold.

The irony is that Castro has only himself to blame for his present economic dilemma. Nationalization of the industries and collectivization of the farms stifled initiative and discouraged production in the early 1960's. A followup effort to diversify the economy at the expense of sugar led to a disastrous drop in foreign exchange earnings. Castro then turned back to sugar, but in his effort to achieve both economic and social objectives, he got carried away. His all-out attempt to have the Cuban nation achieve a 10 million ton sugar harvest in 1970 resulted in disaster. By extending the cane cutting season to a full year and by cutting the ratoons, an 8.5 million ton harvest was achieved, but the next year the harvest dropped to 5.9 million tons and in 1972 it was down to 4.0 million tons. As of now, the sugar industry in Cuba is less productive than when Castro came to power in 1959.

In addition to all that, the sugar manpower mobilization in 1970 resulted in the dropoff of production in other areas and the concept of moral incentives—plaques rather than pesos—has led to an increase in absenteeism and a decline in productive effort. As a consequence, Castro has initiated at Moscow's behest, stricter laws against absenteeism and the use of material incentives to attain greater productivity.

Even so, the Cuban people are still severely rationed. Each person is restricted to 4 ounces of bread a day, three quarters of a pound of meat every 9 days, and only 6 pounds of rice every month. All shopping for food must be done at the same store with a ration book and nonfood items can only be purchased 3 days a month. Cars and trucks are almost entirely pre-1959 vintage and other mechanical items—such as harvesting equipment and the like—are breaking down or are in short supply. All in all, average per capita income in Cuba declined $40 between 1958 and 1970. Today the Cuban worker earns less per year than he did when Castro seized power.

It is little wonder Castro wants an end to the trade embargo and is trying to purchase cars, trucks, and locomotives from U.S. subsidiaries in Argentina and Canada. But if Castro wants them so badly, let him either get them from the Soviet Union or let him make some concessions that will be of value to the people of the United States and the Western Hemisphere. Why should we let Castro off the hook with his own people? If he is not willing to make concessions or if the Soviets are not willing to spend more money on him, let him explain—if he can—why consumer goods are not available instead of letting him take the credit for goods the United States has produced.

What makes this proposed sale of upward of 45,000 cars and heavy trucks to Cuba particularly ironic is that one of the three firms involved—Ford Motor Co.—has had more than its share of problems with Marxist guerrillas who model their efforts after Castro. These guerrillas, better known as the peoples revolutionary army, have extorted $1 million from Ford, have killed one of the company executives, and have threatened the lives of others—all of which has forced Ford to pull 2 dozen of its American born employees out of Argentina.

Such is the legacy of Castro's attempt to export revolution to the rest of the hemisphere. Despite a lowered profile, there are indications that Castro is still training people to participate in guerrilla warfare, and that he is still assisting guerrilla movements in other Latin American countries. If there has been any change in Cuba's policy of exporting revolution, it has been in technique rather than direction. Instead of emphasizing rural guerrilla warfare, as was the case in the mid-1960's, the emphasis has shifted to urban terrorism and a more pragmatic approach to the establishment of Communist governments in the Western Hemisphere.

To say that Castro has given up the exportation of revolution is totally unrealistic. The only difference is that Castro has been forced, by events, to be a bit more practical. Now that he can use U.S. trade, and now that the Russians would like to be relieved of some of the economic burden, it is to his advantage to lull us into thinking he has given up his efforts to export revolution. But, it is only a tactic, and tactics should not be mistaken for basic changes in policy.

Castro's most dangerous policy has not changed. He has continued to allow Cuba to become a Soviet military outpost in the Caribbean. Last year, I pointed out that Cuba had received over $1.5 billion worth of military aid in the previous 10 years, including such up-to-date equipment as Sam II antiaircraft missiles and Mig-21 jet fighters. This equipment is still there and, coupled with the continuing presence of the Soviet military advisers, these weapons indicate that Castro is not about to swap his military alliance with the Soviet Union for a secure place within the brotherhood of Western Hemisphere nations. If Castro really wants better relations with the United States and Latin America, the best way he could show it would be to ship some, and preferably all, of those Russian advisers and weapons back where they belong.

Next, we come to another acid test of Castro's intentions—his willingness to stop his verbal attacks on the United States and start talking about compensating U.S. companies and citizens for the property he expropriated in 1959 and 1960. According to the U.S. Foreign Claims Settlement Commission, which has studied the matter in great detail, these claims come to almost $1.8 billion dollars—and not a cent has been paid on them, despite the fact that Castro has seen fit to settle up on similar claims made on behalf of French and Swiss citizens by their respective governments.

What all this amounts to is that Castro does not want improved relations except on his own terms. He does not want to lose the United States as a whipping boy; he does not want to pay up for what he has stolen from U.S. citizens unless he can get even more in return; and he is not interested in peace in the hemisphere or in the right of self-determination among nations. What he is interested in—and what the Soviet Union is interested in—is getting something for nothing from the United States, and that something is the trade he needs to help prop up the lagging Cuban economy.

To that I say "No." There is no point in helping a regime that will not respect the basic rights of its own citizens, to say nothing of the rights of its neighbors in the rest of the hemisphere.

We, in this Nation, must reaffirm our commitment to the principle of freedom for all men. When Castro began his revolution back in 1957, a lot of people mistakenly believed that he was fighting for the cause of freedom. It was the promise of freedom, free elections, and a free nation that caused Cubans to flock to his banner.

But, Castro reniged on his promises and, in the place of freedom, he substituted persecution for those who dared disagree with him and regimentation for the rest. Some Cubans may be better fed and better housed than they were before Castro, but none can say that they are freer than before. Only those who were able to flee the land—often with no more than the clothes on their backs—have been able to escape the tyranny of the Castro regime.

But they are the lucky ones. Thousands of other freedom-loving Cubans, many friends or relatives of those who have fled, are still in Cuba with no way to leave now that the freedom flights have been discontinued. They are prisoners in their own nation, much in the fashion of the Jews and the intellectuals in the Soviet Union.

In the past year, there has been a great deal of rhetoric—much of it right here in this chamber—about the persecution of Soviet intellectuals and the refusal of the Soviet Government to permit Jewish citizens to emigrate. Both the House and the Senate have passed amendments barring the granting of most-favored-nation trade status to the Soviet Union as long as it restricts emigration and there has been some suggestion that the whole concept of détente might not be workable in view of the repressive attitude of the Soviet regime. I have supported this position, yet, here we are, talking about the possibility of renewing trade and furthering détente with a regime which still has at least 20,000 political prisoners in its jails and which has done its utmost to see that only those citizens emigrate that it wants to emigrate and that they do so after paying the heaviest type of tax—surrender of all their property.

This strikes me as a classic case of double-think; a classic example of a dichotomy that needs to be unraveled if we are to present an effective case for the right of people to express their views and live their lives as they please. If we are going to make the point with the Soviet Union, and accept the consequences, then there is certainly no point in considering a change of policy toward Castro whose regime represents not only the antithesis of freedom, but total subservience to the policies of the Soviet Union.

Recent events have indicated that Castro has lost none of his determination to bend the Cuban people to his will. In addition to the more than 1,000 persons Cuban newspapers reported as having been executed between 1959 and 1970, dissenters are still slapped in prison regularly. The block committees—the CDR's—still indoctrinate Cubans on what is expected of them, and "correct political attitude" is still a prerequisite to getting into high school and college. Furthermore, at Soviet insistence, "vagrancy" laws were adopted in 1971 threatening any Cuban who missed work for 2 weeks with 2 years in a forced labor camp. And, in late 1972, a whole new series of tough criminal statutes were adopted to crack down on any deviation from the social code prescribed by Castro. Indeed, I suspect that we could get them together, poet Herberto Padilla, who publicly condemned himself after spending a month in one of Castro's prisons in 1971, and Alexander Solzhenitsyn would find they had a great deal in common. Are we justified in supporting Solzhenitsyn and forgeting Padilla?

Not only are these type restraints to human liberty repugnant to freedom-loving people everywhere, but the very fact that such things as "vagrancy" laws and social codes have become necessary in Cuba clearly indicates that the thirst for freedom has not been entirely quenched by 15 years of arbitrary rule. Further indication of that comes from the fact that Castro has turned from moral to material incentives to help discourage the repeated instances of worker absenteeism and industrial sabotage that precipitated the enactment of the vagrancy laws.

Indeed, freedom is a precious thing and I think most every American joins with the 650,000 refugees who have fled Cuba in the hope that, someday, all of the Cuban people will be free. In the meantime, we owe it to freedom-loving Cubans everywhere—be they in Cuba or America—to do nothing that will interfere with those hopes by giving aid or comfort to any unyielding Castro regime.

In recent months, thousands of Cuban-Americans have been protesting and peacefully demonstrating against any change in U.S. policy that would give such aid and comfort. Many of these peaceful demonstrations have been in Miami—in my home State of Florida—and I can assure my colleagues that their concern is heartfelt and deep seated. As a matter of fact, I met with some members of the Cuban-American press not long ago, and there can be no mistaking their attitude. They are suspicious of détente as it might apply to Cuba and they are afraid of any deal that might benefit Castro and hurt the cause of freedom for those still subjected to his despotic whim.

Certainly, this decision to grant three U.S. companies abroad the right to sell cars and trucks to Cuba, with all that it portends, is ample reason for them to be both suspicious and concerned. No amount of denial can get away from the fact that such a sale does represent a shift in U.S. policy. To claim that an exception to the embargo, in this instance, is simply a matter of not punishing U.S. companies for complying with the laws of foreign nations suggests that the future of these companies is more important to the conscience of this Nation than is the cause of freedom in this hemisphere. I certainly hope that this would never be the case.

A much better way to resolve the dilemma these companies face, while at the same time not compromising the trade embargo, lies in the Congress passing legislation prohibiting U.S.-owned firms from shipping goods or services to other U.S. firms—or other subsidiaries—who are forced to do business with the Castro regime.

Since the passage of such legislation would make, in most instances, the question of delivery of goods to Cuba moot, foreign nations would have little reason to exert pressure on U.S. companies operating within their own boundaries. Even if a U.S. subsidiary did have to comply with the law in theory, it would not be long before essential parts were not available and the company would no longer be able to comply in fact.

Then, if another nation still wanted to trade with Cuba, it would have the responsibility of getting the parts and it would suffer the consequences to its economy if the company were no longer able to operate. There is no reason why U.S. firms should supply the parts to undermine U.S. policy.

Just as every other nation has the right to determine the policy of a company operating within its own borders, we also have that same right. We have every right to say we will not ship goods abroad to companies dealing with Cuba and we should not feel reluctant to assert that right. It is time that we stopped being a patsy, a nation that gives and gives and gives and never expects anything in return.

The problem is we have been doing that for so long, other nations have begun to take such a policy for granted and to howl "foul play" when the concept of reciprocity is introduced into diplomacy. In my view, it is time we drew the line, recognized we cannot be all things to all men, and introduced a bit of reality into these proceedings.

Therefore, I will shortly present to this chamber a bill that would prohibit the shipment of goods or services from U.S. firms either here or abroad to U.S.-owned firms in other countries being forced to do business with Castro's Cuba. My bill would put the teeth back in the trading with the enemy act and take U.S.-owned companies out of the position of establishing foreign policy for this country.

This measure would stipulate our position without interfering with any other nation's right to self-determination. Passage of this bill would make it crystal clear to all concerned that we have no intention of changing our policy toward Cuba until such time as Cuba changes her policy toward the rest of the hemisphere. That may sound like harsh medicine, but harsh medicine seems to be what is required. If the choice lies between corporate profits and the cause of freedom in the Western Hemisphere, there can be no doubt, and I think most every corporate executive would agree with me on this, that the cause of freedom must prevail. For our sakes and for the sake of the freedom-loving Cuban people, I hope that Congress will take the steps necessary to see that it does.

NEW HAMPSHIRE BANK COMMISSIONER SPEAKS OUT ON FEDERAL INTEREST RATE CONTROLS

Mr. McINTYRE. Mr. President, the distinguished New Hampshire State Bank Commissioner, Mr. James W. Nelson, recently commented on the manner in which Federal interest rate controls, commonly referred to as "Regulation Q," work against the best interest of the small saver.

I share Jim Nelson's feelings on the unfair impact that Regulation Q has on the average saver and have also spoken out against this Federal policy.

Federal interest rate controls were originally enacted in the hope that their existence would tend to hold down interest rates on loans and particularly with regard to mortgages. Our experience, however, has been just the opposite, and we find ourselves in a situation whereby the small saver is receiving an unrealistically low return on his ordinary savings during a period of record high interest rates.

These interest rate controls only apply to savings accounts of $100,000 or less and, in effect, allow the wealthy to obtain a fair market price for his savings and, at the same time, the smaller saver is held to a maximum 5-percent interest on his savings account at a commercial bank and 5¼ percent on a regular savings account in thrift institutions. These present interest rate maximums are totally unrealistic and cannot be justified.

I compliment Commissioner Nelson for the public position he has taken and request unanimous consent that an article appearing in the Saturday, April 27 edition, of the Nashua Telegraph be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW HAMPSHIRE BANK COMMISSIONER HITS FEDERAL RESTRICTIONS

CONCORD, N.H.—New Hampshire Bank Commissioner James W. Nelson said today federal restrictions on the interest paid on savings accounts give an unfair advantage to the rich.

His pet peeve, and what he sees as the big problem today in the struggle by banks to attract investment money, is federal Regulation Q. It sets a limit of 5 per cent for the interest commercial banks may pay on ordinary savings accounts, 5.25 per cent for savings institutions.

"Regulation Q is undemocratic in that it places at a disadvantage the little fellow," Nelson said.

"Regulation Q limits banks on what they can pay in interest, but there is no maximum prescribed on deposits of $100,000 or more. Someone with that kind of money can go in and bargain with the bank. A man with $100,000 to invest can probably get a 10 per cent on a certificate of deposit," he said.

Besides favoring the rich, Nelson said, Regulation Q drives savings money away from banks because the federal government itself offers a more attractive rate of 8 per cent interest or more on some of its securities.

But that 8 per cent is only for those who can buy in units of $1,000—or more, if the bills available on a given day happen to be in units of $10,000 or more, he said.

If banks can't attract enough money at going interest rates from savers, they lack money to loan out—or have to bargain with big investors for much higher rates, and in turn will have to charge high loan interest rates, Nelson explained.

Bank security has been in New Hampshire headlines as the interstate highway system makes it possible for big city hoodlums to rob formerly inaccessible banks and get out of New Hampshire again quickly.

"I myself wonder if we have to go back to the old type bank we had at the turn of the century," with tellers separated from the public by metal and stone counters and grilles. Nelson said.

"If tellers can stay behind bullet proof glass and have access to police through an alarm system, that's all you can do," he said.

PUBLIC PROTECTION

He outlined the department's purpose as "protecting the public interest by securing the safety and soundness of banks and by promoting competition." Nelson said the last time a bank failed in New Hampshire was in 1953 when the Valley Trust Co. of Penacook closed. It said it had made loans "considerably over the legal limit" and some loan recipients went bankrupt.

The commissioner said New Hampshire's law limiting branch banks to those within 15 miles of the headquarters bank had helped prevent takeover of the banking industry by out-of-state giants.

Nelson got into banking during the depression when he worked for the New Hampshire Savings Bank Association, a forerunner of the Federal Deposit Insurance Corp. "All the savings banks in the state banded together for mutual protection. It liquidated seven banks and paid off 100 cents on the dollar on them," he said, making New Hampshire one of the states least hurt by bank closings.

Nelson joined the Banking Department in 1942 as an examiner, became deputy commissioner in 1952, and was made commissioner in 1968.

Nelson recalls when his disgust with lack of money as a musician drove him into banking.

Early in the Depression, he was playing clarinet with a band doing a Thanksgiving Eve dance at the armory in Troy, N.Y., on a 60-40 profit split with the management.

"When the dance was over, we found the management had run off with all the money. We didn't have a darn penny. We collected five ginger ale bottles, turned them in for 25 cents at a grocery store, and had five-cent hamburgers and a cup of coffee at a White Tower. That was our Thanksgiving." Nelson said.

DEATH OF MILES C. STANLEY LEAVES A LARGE VOID IN RANKS OF LABOR LEADERSHIP AND IN THE HEARTS OF WEST VIRGINIANS

Mr. RANDOLPH. Mr. President, on Friday, May 3, one of the ablest labor leaders of our Nation died unexpectedly, leaving his friends and associates shocked and saddened. Miles Stanley, president of the West Virginia Labor Federation, was a gentleman and a labor union statesman. His life exemplified character and compassion and courage. His dedicated leadership, in a broad range of worker, community, and education interests was the hallmark of his arduous career. His commitment to that cause which he thought was right and in the public welfare was never in doubt. He presented his case always with earnestness but without rancor.

Miles devoted more than half of his life as an advocate for the well-being of those who toil. He gained wide respect among his adversaries by his gentle manner and reasoned presentations.

At the age of 49, Miles Stanley stood at the pinnacle of achievement in his efforts on behalf of the people of our State and region. In the early 1960's, President Kennedy and our State officials turned to this vigorous and selfless man to help spearhead the endeavors to assess the ills of Appalachia and recommend corrective action. From these studies came the basic structure of legislation creating the Appalachian Regional Commission and similar economic development bodies across the country.

In 1964, Miles was instrumental in creating the AFL–CIO Appalachian Council, an organization composed of State central bodies in a multi-State region. Its purpose, he wrote—

> Is to aid the Appalachian poor and secure to disadvantaged regional inhabitants, to the extent possible, the realization of their full economic and cultural potential.

Working in cooperation with employers and funded by the Manpower Administration of the U.S. Department of Labor and the Office of Education, the Council has in the past 5 years recruited nearly 20,000 youth to Job Corps Centers and placed more than 14,000 other trainees in jobs at minimal costs.

Last week, only hours before he was felled by a massive heart attack, Miles was scheduled to meet with Members of Congress as a member of the board of the Appalachia Educational Laboratory. This is a research and development organization he supported strongly because of his belief that in education lies the key to progress for the children of his beloved mountains.

Miles Stanley was a true champion of the laborer because he moved up through the ranks and understood their needs and aspirations. He was active in the labor movement for more than 31 years, beginning his career as a machinist and serving as recording secretary of his union local. After enlisted service in the Army in World War II, he returned to civilian life and became an officer of his local in the United Steelworkers of America. He was elected local president in 1947.

After serving in a number of official positions with the Steelworkers, he was elected the first president of the State Labor Federation in 1957, following the merger of the American Federation of Labor and the Congress of Industrial Organizations.

Miles Stanley was born in a very modest home of loving parents in Dunbar, Kanawha County. He was a lifelong native of that community, but the scope of his service and dedication to the labor movement extended to the international councils of labor. AFL–CIO President Meany, who selected Miles as an assistant in 1965, has described him as one of the most promising State presidents in the union, and I. W. Abel, president of the United Steelworkers, termed his death "a tragic loss for the Nation, the State of West Virginia, the labor movement and, in particular, the United Steelworkers of America." Members of the Senate Labor and Public Welfare Committee valued his counsel.

Miles Stanley was my cherished friend. I recall that when he was 10 years old, his father brought him to meet me when I was speaking in Dunbar. Young Miles shook hands with me and that was the beginning of a valued friendship.

This morning in Dunbar, I visited with his wife, Romaleda, their three daughters, and his mother, Mrs. Worthy Stanley. Miles was truly a Christian man and his values are reflected in his closely knit family, devotion, love, and understanding.

The passing of Miles C. Stanley leaves a large void in the ranks of labor leadership and in the hearts of all West Virginians who shared his concern for the human freedom and human dignity of all Americans.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1974

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 2999, which will be stated.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 2999) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, which was reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under Public Law 93–155 there is hereby authorized to be appropriated during fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $15,000,000; for the Navy and the Marine Corps, $37,500,000; for the Air Force, $120,900,000.

MISSILES

For missiles: for the Army, $47,100,000; for the Navy, $17,000,000; for the Marine Corps, $22,300,000; for the Air Force, $22,900,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $12,000,000.

OTHER WEAPONS

For other weapons: for the Army, $8,000,000.

AUTHORIZATION TO TRANSFER FUNDS

SEC. 102. In addition to the funds authorized to be appropriated under section 101 of this Act, there are authorized to be made available by transfer during the fiscal year 1974 to the Department of Defense, out of any unexpended funds appropriated under the heading "Emergency Security Assistance for Israel" in title IV of the Foreign Assistance and Related Programs Appropriation Act, 1974, the following amounts:

AIRCRAFT

For aircraft: for the Navy and the Marine Corps, $63,600,000; for the Air Force, $33,900,000.

MISSILES

For missiles: for the Army, $19,200,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $38,900,000.

OTHER WEAPONS

For the weapons: for the Army, $200,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under Public Law 93–155, there is hereby authorized to be appropriated during the fiscal year 1974, for the use of the Armed Forces of the United States for research, development, test and evaluation, as authorized by law, in amounts as follows:

For the Army, $35,898,000.

For the Navy (including the Marine Corps), $38,528,000;

For the Air Force, $29,466,000; and

For the Defense Agencies, $5,016,000.

TITLE III—MILITARY CONSTRUCTION

SEC. 301. In addition to the funds authorized to be appropriated under Public Law 93–166, there is hereby authorized to be appropriated during the fiscal year 1974, for use by the Secretary of Defense, or his designee, for military family housing, for operating expenses and maintenance of real property in support of military family housing, an amount not to exceed $3,866,000.

SEC. 302. The authorization contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1974 (Public Law 93–166), in the same manner as if such authorization had been included in that Act.

This Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1974".

The ACTING PRESIDENT pro tempore. The time for debate on this bill is limited to 3 hours, to be equally divided and controlled by the majority and minority leaders or their designees, with a limitation of 30 minutes on any amendment, except an amendment to be offered by the Senator from Massachusetts (Mr. KENNEDY), on which there is a limitation of 1 hour, and any debatable motion or appeal.

Who yields time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. THURMOND. Without the time being charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who yields time?

Mr. MANSFIELD. I yield myself such time as I need on the bill.

Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. S. 2999 is the pending business.

Mr. MANSFIELD. What is the title of that business?

The ACTING PRESIDENT pro tempore. S. 2999 is a bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test, and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

Mr. MANSFIELD. I did not expect to get the full treatment, but I appreciate it. [Laughter].

Mr. President, I ask unanimous consent that debate on the amendment to be offered by the distinguished senior Senator from Massachusetts (Mr. KENNEDY) begin at the hour of 2 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. That 1 hour be allocated on the amendment, and an hour and a half to be equally divided under the previous unanimous-consent agreement.

Mr. STENNIS. Mr. President, if the Senator from Montana will yield, I will not object, but just on that amendment alone, to be equally divided between the author of the amendment and the Senator from Mississippi, is that right?

Mr. MANSFIELD. That is correct.

Mr. STENNIS. I thank the Senator very much.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. In other words, the vote on the Kennedy amendment will occur not later than the hour of 3:30 p.m. today.

I thank the Chair and the manager of the bill.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the following people may have the privilege of the floor during the discussion of this bill: John Goldsmith, Catherine Nelson, Don Lynch, Nancy Berg, Edward Braswell, Clark McFadden, and Edward Kenny.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, the Senate now begins consideration of S. 2999, the supplemental military procurement authorization bill for fiscal year 1974.

At the request of Chairman STENNIS, I chaired the hearings on this particular legislation and will handle the bill at this time on the floor.

The committee is recommending a total authorization of $415,474,000. This is a reduction of $841,981,000 from the request of $1,257,455,000, a reduction of 67 percent from the request.

Before outlining the major items in this bill, I would comment on the generally acknowledged purpose of a supplemental request. The Office of Management and Budget's own guidelines for submitting supplementals to Congress are as follows:

> No supplemental or amendment (or increase in limitation) will be considered unless the matter is of sufficient urgency to warrant immediate action.

Another general premise for requesting a supplemental is that subsequent actions by Congress have created additional costs which cannot be absorbed within existing funding; also, that the funding of these additional costs cannot be delayed until the next fiscal year.

The items requested in this legislation were judged by the committee in accordance with these "supplemental criteria" as well as on their merits; and we concluded that many of the programs for which funds were requested did not meet the qualification of "sufficient urgency to warrant immediate action."

In an effort to conserve time, may we point out that there is before each Member a copy of Senate Report 93–781. It discusses all the aspects of the pending legislation, and we would hope each Member would refer to this report with regard to specific details.

The committee hearings on this supplemental are also available to each Member.

I would hope that as many Members as possible would read this important report, Mr. President, because I note that only two or three Senators are in the Chamber at this time.

The purpose of this statement is to present the highlights of this legislation as approved by the committee.

MIDDLE EAST PAYBACK

Included in this supplemental request is $155.8 million for what is known as the Middle East payback—the difference between what Israel would pay for the equipment the United States shipped to them and the cost of the new equipment that our forces must buy to replenish our own inventory.

The committee recommends language in this bill which authorizes the transfer of that $155.8 million for the $2.2 billion already funded under the military assistance program account as "Emergency Security Assistance for Israel."

The issue being addressed is not the amount that is charged to Israel or any other foreign country for equipment provided out of U.S. inventory, but rather in which account the actual replacement costs are funded.

At the time the committee marked up the supplemental request, the Defense Department advised with respect to the $2.2 billion that—

> Cost data are not yet complete, but it is estimated that these additional approvals (of defense articles and services for sale) will bring the dollar value of items approved and/or supplied to Israel since 6 October to approximately $1.5 billion.

In that some $700 million of the total approved had not yet been either obligated or identified for obligation, the committee felt that the additional incremental costs should be borne by the military assistance program—MAP—account.

The committee fully supports the requirement to replace equipment provided to Israel; however, the committee does not agree that the replacement costs should be borne by the military departments and has included a new section 102 authorizing transfer of the $155.8 million from the "Emergency Security Assistance for Israel."

DIEGO GARCIA

The committee deferred without prejudice the $29 million requested to upgrade U.S. Navy and Air Force facilities on the British-owned island of Diego Garcia in the Indian Ocean.

It is the committee's view that testimony did not indicate any great urgency in this matter. Moreover, because of the complexity of this issue from both a foreign and military policy standpoint, plus the fact there is yet no signed written agreement with the British, who own the island, regarding the status and use of this island, the committee deemed it prudent to defer the matter for more thorough examination in the fiscal year 1975 military construction authorization bill.

TRIDENT ADVANCE PROCUREMENT

The committee also recommends deferral without prejudice of the $24.8 million request for long leadtime components for two Trident submarines in fiscal year 1975, for the following reasons:

In action on the regular fiscal year 1974 defense bill, Congress denied long lead funding for more than a one Trident program for fiscal year 1975.

The contract award for the Trident submarine has slipped.

The Defense Department is now recommending backfit of the Trident I missile into the Poseidon.

Development funding for a new and smaller ballistic submarine, the Narwhal, is now being requested.

The leadtime for materials and equipment has increased dramatically.

Navy shipbuilding programs continue to exhibit delays and cost increases.

The peacetime backlog of shipbuilding is at an alltime high, and the billions upon billions of dollars involved should be watched with more care.

INCREASED AIRLIFT CAPABILITY

Programs associated with increased airlift capability in the supplemental are, first, $40 million for the C–141 stretch program, second, $108.9 million for C–5A/C–141 increased war readiness replenishment spares; and, third, $19 million for the Civil Reserve Air Fleet modification.

The committee decided that sufficient data had not been supplied to make an intelligent judgment as to both the urgency and the merit of the programs in question and, therefore, recommends that consideration of these programs be deferred until review of the regular fiscal year 1975 budget request.

It should be pointed out that funds requested for these programs in this supplemental, when combined with other programs in this same category recommended in the fiscal year 1975 budget, could exceed $3 billion.

In particular, it is the committee's view that the Civil Reserve Air Fleet modification, which involves the modification of existing commercial airlines with features that in a contingency would permit their use as cargo carriers, should be deferred because the Air Force, the Department of Transportation, and the Office of Management and Budget are still working on legislation which the Air Force counsel has recommended be enacted prior to implementation of any such program.

MILITARY ASSISTANCE SERVICE FUNDED AUTHORITY

The committee recommends denial of a requested increase in the fiscal year 1974 ceiling on obligations from the $1.126 billion voted last year to $1.6 billion, because a thorough examination of this program by the committee staff determined that statistical obligations for ammunition which was delivered in prior fiscal years should not have been charged against the fiscal year 1974 ceiling limitation.

This "statistical" reporting method resulted in the reporting during fiscal year 1974 of a $266 million obligation for ammunition that was actually delivered to South Vietnam in either fiscal year 1972 or fiscal year 1973, and thus reduced the real amount of support available in fiscal year 1974 to $860 million.

Based on congressional action last year however, it would appear the intent was to provide sufficient obligational authority so as to permit obligation of new fiscal year 1974 funds—$907.5 million—plus unobligated funds—approximately $200 million estimated by Defense at that time.

The committee, therefore, points out

that the Defense Department could make a change in its bookkeeping procedures which would enable obligation of an additional $266 million of already appropriated but unobligated prior year funds during fiscal year 1974, without increasing the current fiscal year 1974 ceiling.

The statistical method of reporting may have been valid when United States forces and South Vietnam forces were supported by a common pipeline. However, since U.S. forces have been withdrawn, statistical reporting is completely unsatisfactory. I wish to add that the Department of Defense fully agrees that their cost-accounting records in this situation were, to put it mildly, "cockeyed." The Department of Defense should change its method of reporting obligations under the ammunition program from a statistical basis to a more realistic basis as soon as possible.

This concludes a summary of the highlights of this bill. All of the recommendations contained in the committee report were adopted unanimously, and the bill was reported accordingly.

I would like to take this opportunity to extend my thanks to Chairman STENNIS, Senator THURMOND, the ranking minority member of the committee, and to the entire membership of the committee for their cooperation during consideration of this legislation.

In addition, I would like to express my appreciation to the staff for their fine assistance in reviewing this rather wide-ranging legislation in terms of types of programs covered.

Mr. THURMOND. Mr. President, the Senate Armed Services Committee reports to the Senate today on the fiscal year 1974 supplemental defense authorization bill, S. 2999, which contains $571.3 million in new authorization.

The administration requested approximately $1.6 million in new authority and the committee approved about one-third of that sum. A summary of the funds requested by title and the amounts approved follows:

[In millions of dollars]

	Request	Approved
Procurement	1,007.1	458.5
Research and development	217.5	108.9
Construction	32.9	3.9
Vietnam aid (MASF ceiling)	(4740)	

Of the $458.5 million approved by the committee in the procurement request, the committee directed that $155.8 million, known as the Middle East payback account, be financed from the $2.2 billion already authorized for emergency security assistance to Israel. The $155.8 million represents the difference in the cost to the United States for replacement of items transferred to Israel during the October war period.

In the research and development account the committee approved $108.9 million to cover the October 1973 classified civilian pay raises. The other $108.5 million requested as a "readiness" supplemental was denied on the grounds that the programs for which these funds were requested were not of sufficient urgency to justify inclusion in the supplemental.

In the military construction account the $29 million requested for the naval buildup on Diego Garcia in the Indian Ocean was denied without prejudice. The committee concluded that a buildup of this nature was of sufficient importance to justify more thorough examination in the regular procurement process for the fiscal year 1975 program.

The final item in the bill involved the Vietnam aid program which is shown as the military assistance service funded account. The administration requested that the ceiling be lifted from the $1.126 billion approved last year to the $1.6 billion requested in the original fiscal year 1974 account. In denying the increase in the ceiling the committee did approve a change in fiscal year accounting. This change would provide an additional $266 million expenditure under the $1.126 billion ceiling with a simple accounting adjustment.

Mr. President, this matter may be explained by noting that $266 million paid out in fiscal year 1972 and 1973 for ammunition was charged against the $1.126 billion ceiling authorized for 1974. Thus the committee would allow that the $266 million be shifted back to the accounts during the period when the expenditure actually took place. This procedure would allow the administration an additional $266 million in fiscal year 1974. These funds would go chiefly for ammunition, but also for some aircraft replacement and operation and maintenance. Military support costs have exceeded expectations, because South Vietnamese forces have met unforeseen Communist attacks in the current fiscal year.

Mr. President, frankly, it is my view the committee was too severe in its paring of the fiscal year 1974 supplemental request. The Middle East war which came in October of 1973 resulted in a depletion of many U.S. supplies. The war has taught us some lessons which require prompt actions such as acquiring certain types of new equipment and modifying some equipment already on hand.

Mr. President, it would have been my view that more of the approximately $1.6 billion authority requested by the administration should have been approved. However, I support this bill as presented to the Senate, and urge its prompt passage.

In closing, Mr. President, I want to express my sincere appreciation to the able and distinguished chairman of the subcommittee, Mr. SYMINGTON, for the splendid report he has given, which is very thorough, and also for his unfailing courtesy in the handling of this matter.

I would also like to express my appreciation to majority counsel, Mr. Lynch, who worked on the bill with Mr. Kenney, minority counsel, both of whom did a fine job.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, I simply want to ask whether the committee was in full agreement on this report or not.

Mr. THURMOND. We are in agreement on the report.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, I yield the distinguished chairman of the Armed Services Committee all the time that he desires.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator from Missouri. I shall use only about 5 minutes.

As I understand it, this is time on the bill, and not with reference to the so-called Kennedy amendment. I shall defer my discussion of that until later.

Mr. President, the record shows already, but I repeat now, that I requested the Senator from Missouri (Mr. SYMINGTON) to act as chairman for the purpose of handling this supplemental bill. He conducted the hearings, the markup, and is in charge of the bill on the floor today. The Senator, as my colleagues will recall, handled the authorization bill last year, for fiscal 1974, and this is a supplemental bill to the fiscal 1974 authorization. So he has continued the fine work that he did last year on the 1974 budget, and I want to thank him—for myself and for the membership of the committee—for his work and efforts on the legislative items last year and this one, too.

I do fully support the bill before the Senate today as reported by the committee. Substantial cuts were made in this bill. The committee took the position that no item should be included unless it met the strict test of need for funding on an emergency basis, without waiting for regular consideration in the fiscal 1975 bill.

I want to emphasize that point to the Senate. Congress must protect itself from a supplemental bill for this, and a supplemental bill for that, and for everything that any department of the Government may want, just so they can get the Budget Bureau's approval. We spend about 11 months of our time out of each 12, here in session now. I am not complaining about that, except I complain to this extent: that it keeps us away from our home States, away from our constituents, and away from the problems of those constituents far too much in the course of a year. We are trying to meet that problem by having periodic recesses, which sometimes are called vacations. They are the very opposite of a vacation.

Anyway, I shall not dwell on that now.

We just think it should be the rule that committees shall not take up matters as an emergency—and that is what a supplemental bill is—unless they are really emergencies.

One of the Trident submarines, for instance, was deferred without prejudice for the forthcoming regular authorization bill, and that was true with reference to other items that just were not emergencies.

The Diego Garcia project in the Indian Ocean is certainly not an emergency to the extent that it has to be acted on now rather than 6 to 8 weeks later, or even 4 to 5 weeks later.

So those matters were taken out of the bill. I trust that that meets the approval of the Senate and those items will not be brought up in this bill, but will come in for their part of consideration, debate, and votes in the regular annual bill.

I think the Senator from Missouri has spoken, in his opening statement, for the committee with one exception, to which I shall refer briefly. He held the hearings and had a very good consideration of this matter around the table, and it was marked up on the basis of an active consideration.

I also want to pay my respects and my thanks to the Appropriations Committee of the Senate. They would not let themselves be pushed forward, or pushed around, either, with reference to items that were left out of the bill, but said they would have to have an express authorization before they would take up matters like Diego Garcia, the extra Trident, and other matters.

I think that is really the way to approach legislation here. Any other system, except on a real emergency basis, will create chaos, and is not to be tolerated by this body.

Mr. President, there will be an amendment considered this afternoon. I shall not discuss the merits of it now. It is the so-called Kennedy amendment, with reference to the $266 million for military aid in South Vietnam. It is not new money. That item will be fully debated here this afternoon. The committee approved language regarding that money, and I shall support the position of the committee in that.

I thank the Senator for yielding time to me on the bill, and I gladly yield the floor.

Mr. **SYMINGTON**. Mr. President, I would like to say to the able Senator from Missouri what a privilege it is to work with him and for him in these matters. I had the opportunity of having it last year, and again this year. He is very fair and very sincere in his position, which impresses us all as we take up what could be the most important part of this year's budget.

I thank him for what he has said about the efforts I have made to handle this matter to his satisfaction, and I look forward to discussing this afternoon the one relatively minor difference we have.

Mr. President, I suggest the absence of a quorum.

The **ACTING PRESIDENT** pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **COOK**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Who yields time?

Mr. **MANSFIELD**. Mr. President, I yield to the Senator from Kentucky as much time as he desires on the bill.

Mr. **COOK**. I thank the distinguished majority leader.

CAMPAIGN FINANCING

Mr. **COOK**. Mr. President, the Senate recently passed and sent to the House S. 3044, a bill which would provide for the public financing of Federal primary and general election campaigns as well as significant campaign reform which we had previously passed in S. 372. I think the record will show that I supported the principle advanced by this bill when it was first introduced in the Rules Committee and reported favorably by this committee to the Senate floor. I was one of 20 Members who, along with other Senators, signed the first cloture petition and spoke against the filibuster so that the bill could be voted on on the floor of the Senate.

Unfortunately, during the lengthy debate during which some 100 amendments were submitted, the bill was weakened, and I felt in clear conscience that I was forced to withdraw my support. One of the amendments adopted which gave me concern was the requirement that the income tax returns of Federal employees whose salary exceeded $20,000 a year would be subject to audit. I did not feel that we had given this matter sufficient consideration before voting for its adoption. Accordingly, immediately following the passage of this legislation, I addressed a letter to the Comptroller General to determine the estimated cost of this legislation and have now received a reply which I would like to place in the RECORD.

The Comptroller General informs me that he estimates there are approximately 312,000 employees and officials—including military personnel—of the Federal Government having a gross income in excess of $20,000 a year. Section 503 of S. 3044 would require that each of these returns would be subject to audit. The Comptroller General states that his office has no experience in auditing income tax returns; however, in consultation with the Internal Revenue Service he has found that a cost of $66.64 is standard for a detailed audit of tax returns of a gross income range of $10,000 to $50,000 a year. He assumes that the GAO could perform this audit at the same cost as the IRS estimates that on this basis the audit for 1 year would cost nearly $21,000,000. This figure does not include the added space rental, equipment, travel and so forth. He further assumes that the estimated cost for 1 year will have to be multiplied by five to arrive at a figure for auditing each return submitted during the 5-year period and arrives at an estimated cost of $105,000,000 plus space rental, equipment, travel, and so forth.

Mr. President, there is ample argument for the complete audit of the returns of a candidate for Federal office, and if this requirement becomes law, I will, of course, be very happy to comply with the provisions. However, I cannot see how the auditing of the funds of a lieutenant colonel who is stationed in France, or an air force pilot who is flying in Alaska, can in any way have an impact on good or poor campaign procedures. Neither do I believe that the general public wishes to incur a cost of $105,000,000 to audit such returns.

Mr. President, I favor the reform of our present method of conducting our Federal election campaigns. I believe that the provisions contained in S. 343 passed by the Senate to shorten the period during which these campaigns are held would go a long way to reduce the cost of the campaign itself. I also believe that the provisions of S. 372 to establish significant checks and balances for the conduct of campaigns will satisfy many of the deficiencies which we now find in our procedures, and I urge my colleagues in the House to act expediently on these measures.

Mr. President, I ask unanimous consent that the text of the reply to my letter to the Comptroller General be printed in tht RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., May 3, 1974.

Hon. MARLOW W. COOK,
U.S. Senate, Washington, D.C.

DEAR SENATOR COOK: Reference is made to your inquiry concerning the cost to the General Accounting Office to carry out section 503 of S. 3044, the "Federal Election Campaign Act Amendments of 1974", which was passed by the Senate on April 11.

Section 503 requires the Comptroller General on or before July 1 of each and every year hereafter to make an intensive inspection and audit of the income tax returns filed by each Member of Congress and each employee or official of the executive, judicial and legislative branch whose gross income for the most recent year exceeds $20,000, for the five previous years.

We estimate that at present there are approximately 312,000 employees and officials (including military personnel) of the Federal Government having a gross income in excess of $20,000 per year and therefore subject to the audit requirements of section 503.

We have had no experience in auditing income tax returns. However, we have consulted with the Internal Revenue Service and have found that its experience shows a cost of $66.64 for a detailed audit of a tax return with a gross income range of $10,000 to $50,000. Assuming the GAO could perform its work at the same cost as IRS, we estimate that an audit for one year of 312,000 returns would cost nearly $21 million. To that figure must be added space rental, equipment, travel, etc. We have not been able to make an estimate of the audit of the previous four years. It is conceivable that some economies could be brought about by auditing five years of returns at one time but we have no experience upon which to base an estimate of any economies that might be achieved. Therefore, we have to assume that our estimated cost for one year would have to be multiplied by five to arrive at a figure for auditing each return submitted during a five year period. This would raise the first year audit cost to $105 million plus space rental, equipment, travel, etc.

We do not think it is appropriate to require the GAO to perform the auditing work which is already the responsibility of the Internal Revenue Service, particularly in view of the substantial expense involved, and we are, therefore, opposed to the enactment of section 503 in its present form.

The GAO on its own initiative has not been able to make any reviews of the audits performed by the IRS of taxpayers' returns. It is the position of the IRS, with which we do not agree, that no matter involving the administration of the Internal Revenue laws can be officially before the GAO and therefore GAO has no audit responsibility. The Commissioner of IRS in a letter to the Comptroller General dated June 6, 1968, stated:

"* * * I must note that the (chief counsel, IRS) opinion holds that the Commissioner of Internal Revenue is barred by Section 6406 and 8022 of the Internal Revenue Code from allowing any of your representatives to review any documents that pertain to the administration of the Internal Revenue laws. Thus, Federal tax returns and related records can be made available to you only where the matter officially before GAO does not involve administration of those laws."

We are making some reviews of IRS' operations for the Joint Committee on Internal Revenue Taxation which involve the administration of the tax laws. Under this arrangement the IRS has given us complete cooperation but we are considered as performing work as agents of the Joint Committee rather than performing work on our own initiative.

As an alternative to section 503, the Congress could make it clear that the GAO has the authority to audit the work performed by the IRS and the GAO could then make periodic reviews of the audit performed by the Service on individual income tax returns.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. COOK. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. MANSFIELD. On the bill.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. MANSFIELD. On the bill—the time to be charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION REPORT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate a message from the President of the United States submitting the annual report for 1973 of the St. Lawrence Seaway Development Corporation, which, with the accompanying report, was referred to the Committee on Public Works. The message is as follows:

To the Congress of the United States:

I herewith transmit the St. Lawrence Seaway Development Corporation's Annual Report for 1973. This report has been prepared in accordance with Section 10 of Public Law 83–358, as amended, and covers the period January 1, 1973, through December 31, 1973.

RICHARD NIXON.

THE WHITE HOUSE, *May 6, 1974.*

REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate a message from the President of the United States submitting the annual report of the United States-Japan Cooperative Medical Science Program, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I am pleased to send to the Congress the Seventh Annual Report of the United States-Japan Cooperative Medican Science Program.

This joint research effort in the biomedical sciences, undertaken in 1965 following a meeting between the Prime Minister of Japan and the President of the United States, continues to focus upon diseases of both worldwide importance and of special significance to the peoples of Asia: cholera, environmentally induced diseases, leprosy, malnutrition, the parasitic diseases filariasis and schistosomiasis, tuberculosis, and the viral diseases dengue and rabies.

The sustained success of this biomedical research program reflects its careful management and the strong commitment of both nations to its continuation. The increasingly effective research planning and communication between investigators in our two countries has intensified our scientific productivity and strengthened our determination to work together toward better health for all mankind.

RICHARD NIXON.

THE WHITE HOUSE, *May 6, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. NUNN) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

RECESS TO 1 P.M.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until the hour of 1 p.m.

The motion was agreed to; and at 11:50 a.m. the Senate took a recess until 1 p.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. MCINTYRE).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged against either side on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO 1:30 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, at 1:08 p.m., the Senate took a recess until 1:30 p.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. MCINTYRE).

MILITARY PROCUREMENT AUTHORIZATIONS, 1974

The Senate continued with the consideration of the bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

Mr. McGEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. MCINTYRE). On whose time?

Mr. McGEE. Equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT ON S. 411, POSTAL SERVICE

Mr. ROBERT C. BYRD. Mr. President, I make the following unanimous consent request, conditioned on the approval of Mr. BEALL and Mr. JAVITS:

I ask unanimous consent that at such time as Calendar Order No. 737, S. 411, a bill to amend title 39, United States Code, relating to the Postal Service, is called up and made the pending business before the Senate, there be a time limitation thereon of 3 hours, to be equally divided between Mr. MCGEE and Mr. FONG; that there be a time limitation on any amendment thereto of 30 minutes; that there be a time limitation on debatable motions or appeals of 20 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. SYMINGTON. Mr. President, reserving the right to object, would this in any way interfere with the matter which was being discussed in the cloakroom?

Mr. ROBERT C. BYRD. This would in no way interfere with that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 10 o'clock Thursday morning the Senate proceed to the considerations of S. 411.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO RESUMÉ CONSIDERATION OF S. 2986, INTERNATIONAL ECONOMIC POLICY ACT OF 1972, ON THURSDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of S. 411 on Thursday, the Senate then proceed to the consideration of S. 2986, a bill to authorize appropriations to carry out the provisions of the International Economic Policy Act of 1972, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONSIDER S. 3267, EMERGENCY ENERGY BILL, AND EDUCATION BILL ON WEDNESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, the Senate proceed, at the hour of 10 a.m., to consider Calendar Order No. 758, S. 3267, a bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes, and that at no later than 3 p.m., the Senate take up a bill to amend and extend certain acts relating to elementary and secondary education programs.

I ask unanimous consent that at no later than 3 p.m. it be in order for the leadership to call up either of the two elementary and secondary education bills on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I think that about wraps up my unanimous-consent requests.

It would mean that on Wednesday at 10 the Senate would proceed to the consideration of the energy bill, S. 3267, and would debate that bill until about 3 p.m., at which time the leadership would then lay the energy bill aside and take up one of the elementary-secondary education bills. In other words, the Senate would operate on a double track.

On Thursday, the Senate, at 10 o'clock in the morning, would begin consideration of the postal service bill, S. 411, under a time limitation agreement.

Upon the disposition of that bill, the Senate would take up S. 2986, upon which an order has previously been entered laying it over until Thursday. That is a bill to authorize appropriations to carry out the provisions of the International Economic Policy Act of 1972.

ORDER FOR LAYING EDUCATION BILL ASIDE THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, the then unfinished business, which would be one of the education bills, be laid aside temporarily until the disposition of S. 411 and S. 2986—neither which we will complete—or until the close of business that day, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the leadership on both sides of the aisle, I yield 2 minutes to the distinguished Senator from Wyoming (Mr. McGEE).

Mr. McGEE. Mr. President, I take this opportunity to say only a brief word about the pending matter. The Committee on Appropriations and the appropriate subcommittee, of which I am a member, have gone into great detail on the examination and merits of this particular request for the $266 million to be validated as a procedural operation. The money has already been authorized in 1972 and 1973, and this proposal is simply to enable the adjustment of the discrepancies that occurred at that time. It has nothing to do with making new moneys available. It has only to do with adding equity in the procedural mechanisms that at first brought up the question regarding the money.

I think it would be unwise for the Senate to strike down this pending request only for the reason that the commitments and the procedures entered had already been undertaken and the process agreed to, in an attempt to correct the inadvertencies of the preceding 2 years. This measure would simply bring the matter up to date, where it would have been had the intent been pursued at that time.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against both sides on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN AUTHORITY OF THE SMALL BUSINESS ADMINISTRATION

Mr. CRANSTON. Mr. President, my amendment to S. 3331 on minority business contained an error in the last sentence. I ask unanimous consent that the third reading and passage of S. 3331 be reconsidered and that all language after "shall be responsible for," in the second sentence be stricken and the following new language be inserted in lieu thereof:

The formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the administration's execution of such programs in the light of such policy.

I have cleared this matter with the minority side. It is just a tactical change, and there is no problem about it.

The PRESIDING OFFICER. Is there objection?

Mr. HRUSKA. Mr. President, I do not know what consultation has been had on this side of the aisle, but we would like to know what is involved before we do something.

Mr. CRANSTON. There has been consultation with Mr. Dompierre of the Republican Policy Committee.

Mr. HRUSKA. What is it about?

Mr. CRANSTON. It is a technical mistake in the last sentence of the bill on small business.

Mr. HRUSKA. On that basis and the representations of the Senator from California, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed, as follows:

S. 3331

An act to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Amendments of 1974".

SEC. 2. (a) The Small Business Act is amended—

(1) by redesignating subsection (b) of section 2 as subsection (c) and by adding after subsection (a) of that section the following new subsection:

"(b) The assistance programs authorized by sections 7(i) and 7(j) of this Act are to be utilized to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises, with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals; or (2) owned by low-income individuals; and to mobilize for these objectives private as well as public managerial skills and resources.";

(2) by striking out paragraphs (1) and (2) of section 4(c), and inserting in lieu thereof the following:

"(c)(1) There are hereby established in the Treasury the following revolving funds: (A) a disaster loan fund which shall be available for financing functions performed under sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(c)(2), and 7(g) of this Act, including administrative expenses in connection with such functions; and (B) a business loan and investment fund which shall be available for financing functions performed under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, including administrative expenses in connection with such functions.

"(2) All repayments of loans and debentures, payments of interest and other receipts arising out of transactions heretofore or hereafter entered into by the Administration (A) pursuant to sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), and 7(c)(2) of this Act shall be paid into a disaster loan fund; and B pursuant to sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, shall be paid into the business loan and investment fund.";

(3) by striking out paragraph (4) of section 4(c), and inserting in lieu thereof the following:

"(4) The total amount of loans, guarantees, and other obligations or commitments, heretofore or hereafter entered into by the Administration, which are outstanding at any one time (A) under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, shall not exceed $6,000,000,000; (B) under title III of the Small Business Investment Act of 1958, shall not exceed $725,000,000; (C) under title V of the Small Business Investment Act of 1958, shall not exceed $525,000,000; and (D) under section 7(i) of this Act, shall not exceed $450,000,000."; and

(4) by adding at the end of section 7 the following three new subsections:

"(i)(1) The Administration also is empowered to make participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern, or to any qualified person seeking to establish such a concern, when it determines that such loans will further the policies established in section 2(b) of this Act, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed $50,000. The Administration may defer payments on the principal of such loans for a grace period and use such other methods as it deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administration may, in its discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administration: *Provided, however,* That any management training program so approved must be of sufficient scope and duration to provide reasonable opportunity for the individuals served to develop entrepreneurial and managerial self-sufficiency.

"(2) The Administration shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns, and shall seek to stimulate new private lending activities to such concerns through the use of the loan guarantees, participations in loans, and pooling arrangements authorized by this subsection.

"(3) To insure an equitable distribution between urban and rural areas for loans between $3,500 and $50,000 made under this subsection, the Administration is authorized to use the agencies and agreements and delegations developed under title III of the Economic Opportunity Act of 1964, as amended, as it shall determine necessary.

"(4) The Administration shall provide for the continuing evaluation of programs under this subsection, including full information on the location, income characteristics, and types of businesses and individuals assisted, and on new private lending activity stimulated, and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(5) Loans made pursuant to this subsection (including immediate participation in and guarantees of such loans) shall have such terms and conditions as the Administration shall determine, subject to the following limitations—

"(A) there is reasonable assurance of repayment of the loan;

"(B) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(C) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(D) the loan bears interest at a rate not less than (i) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (ii) such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3108 et seq.) shall not exceed the rate currently applicable to new loans made under section 201 of that Act (42 U.S.C. 3142); and

"(E) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

"(6) The Administration shall take such steps as may be necessary to insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this subsection are allotted to small business concerns located in urban areas identified by the Administration as having high concentrations of unemployed or low-income individuals or to small business concerns owned by low-income individuals. The Administration shall define the meaning of low income as it applies to owners of small business concerns eligible to be assisted under this subsection.

"(7) No financial assistance shall be extended pursuant to this subsection where the Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.

"(j)(1) The Administration is authorized to provide financial assistance to public or private organizations to pay all or part of the cost or projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under subsection 7(i) of this Act, with special attention to small business located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals.

"(2) Financial assistance under this subsection may be provided for projects, including without limitation—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Government programs including programs authorized under subsection 7(i);

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

"(E) the encouragement of the placement of subcontracts by major business with small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals, including the provision of incentives and assistance to such major businesses so that they will aid in the training and upgrading of potential subcontractors or other small business concerns; and

"(F) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing businesses, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served.

"(3) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small business concerns by residents of urban areas of high concentration of unemployed or low-income individuals, and to projects which are planned and carried out with the participation of local businessmen.

"(4) The financial assistance authorized by this subsection includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services.

"(5) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(6) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(7) The Administration shall provide for an independent and continuing evaluation of programs under this subsection, including full information on, and analysis of, the character and impact of managerial assistance provided, the location, income characteristics, and types of businesses and individuals assisted, and the extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations deemed advisable by the Administration shall be included in the report required by section 10(a) of this Act.

"(8) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this subsection and of subsection 7(i) of this Act. The Administration shall provide for the continuing evaluation of programs under this subsection and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(k) In carrying out its functions under subsections 7(i) and 7(j) of this Act, the Administration is authorized—

"(1) to utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of such State or subdivision without reimbursement;

"(2) to accept, in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

"(3) to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)); and

"(4) to employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; to compensate individuals so employed at rates not in excess of $100 per diem, including traveltime; and to allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually."

(b) Title IV of the Economic Opportunity Act of 1964 is hereby repealed; and all references to such title in the remainder of that Act are repealed.

SEC. 3. The Small Business Act is further amended—

(1) by amending section 5(b) by striking out "and" following paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and" and by adding at the end of paragraph (9) the following new paragraph:

"(10) upon purchase by the Administration of any deferred participation entered into under section 7 of this Act, continue to charge a rate of interest not to exceed that initially charged by the participating institution on the amount so purchased for the remaining term of the indebtedness."; and

(2) by striking out the third sentence in paragraph (2) of section 7(h) and inserting in lieu thereof: "The Administration's share of any loan made under this subsection shall bear interest at the rate of 3 per centum per annum."

SEC. 4. (a) Section 7(a)(4)(A) of the Small Business Act is amended by striking out "$350,000" and inserting in lieu thereof "$500,000".

(b) Section 7(a)(5)(A) of such Act is amended by striking out "$350,000" and inserting in lieu thereof "$500,000".

SEC. 5. Section 10 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(g) The Administration shall transmit, not later than December 31 of each year, to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives a sealed report with respect to public complaints alleging illegal conduct by employees of the Administration which were received or acted upon by the Administration during the preceding fiscal year."

SEC. 6. (a) The Small Business Investment Act of 1958 is amended—

(1) by striking out in the table of contents in section 101 all references to title IV and section numbers therein and inserting in lieu thereof the following:

"TITLE IV—GUARANTEES

"PART A—LEASE GUARANTEES

"Sec. 401. Authority of the Administration.
"Sec. 402. Powers.
"Sec. 403. Fund.

"PART B—SURETY BOND GUARANTEES

"Sec. 410. Definitions.
"Sec. 411. Authority of the Administration.
"Sec. 412. Fund.";

(2) by striking out section 403 and inserting in lieu thereof the following:

"FUND

"SEC. 403. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $10,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal, year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part.";

(3) by striking out "$500,000" in section 411 and inserting in lieu thereof "$1,000,000"; and

(4) by adding after section 411 the following new section:

"FUND

"SEC. 412. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $35,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part."

(b) Unexpended balances of appropriations made to the fund pursuant to section 403 of the Small Business Investment Act of 1958 (15 U.S.C. 694), as in effect prior to the effective date of this Act, shall be allocated, together with related assets and liabilities, to the funds established by paragraphs (2) and (4) of subsection (a) of this section in such amounts as the Administrator shall determine.

SEC. 7. Section 4(b) of the Small Business Act is amended—

(1) by striking out "three" in the third sentence and inserting in lieu thereof "four"; and

(2) by inserting after the third sentence the following new sentence: "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible for the formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the Administration's execution of such programs in the light of such policy.".

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2509) to name structure S-5A of the Central and Southern Florida Flood Control District, located in Palm Beach County, Fla., as the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, the first secretary-treasurer and chief engineer for the Central and Southern Florida Flood Control District.

The message also announced that the House had agreed to the amendment of the Senate to the amendments of the House to the bill (S. 1125) to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act and other related acts to concentrate the resources of the Nation against the problem of alcohol abuse and alcoholism.

ORDER OF BUSINESS

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY PROCUREMENT AUTHORIZATIONS, 1974

The Senate resumed the consideration of the bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

AMENDMENT NO. 1238

Mr. KENNEDY. Mr. President, I call up amendment No. 1238.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 7, between lines 3 and 4, insert a new title as follows:

TITLE IV—PROHIBITION ON CERTAIN USE OF FUNDS

Sec. 401. None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. There is a time limitation on this amendment. Is that correct?

The PRESIDING OFFICER. One and one-half hours, to be equally divided.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Dale DeHaan and Jerry Tinker be permitted the privilege of the floor during the debate and the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I yield myself such time as I may require.

Mr. President, the pending amendment has three simple objectives.

First, it prohibits on the date of enactment any further transfer of funds for the Military Assistance Service Fund—MASF—for South Vietnam beyond those already obligated this fiscal year.

Second, the amendment reaffirms the decision of the Congress that the Pentagon must not spend one penny over the ceiling established for this fiscal year—a massive sum of $1.126 billion—for military aid to South Vietnam, notwithstanding the Armed Services Committee's finding that the Department of Defense wrongly charged $266 million to this year's ceiling.

Finally, the amendment puts the Pentagon on notice that Congress is tired of the practice of shipping guns and ammunition now, and paying for them later. The amendment, in effect, supports the important recommendation of the Armed Services Committee that the Department must put its bookkeeping on military aid to South Vietnam in order, and that all military supplies delivered to Saigon during 1 fiscal year must be charged to that year's ceiling. For too long, the Pentagon has shipped ammunition to Saigon as if fiscal years did not exist.

Clearly, the question before us today has as much to do with fiscal control as it does with the issue of whether Saigon needs or should have more military aid. The question is whether more money for more guns will come by a vote of Congress or through the back-door. And the question is whether there is any real purpose in Congress setting a ceiling on spending for military aid to South Vietnam, if the Pentagon continues to spend as if ceilings did not exist—assuming it will always get approval somehow, someway to spend more when it runs out.

Make no mistake about it, if we fail to adopt this amendment the Pentagon will, in effect, be allowed to expend up to $266 million more—or nearly a quarter of a billion dollars more—above the congressionally mandated ceiling of $1.126 billion for military assistance to South Vietnam this fiscal year.

On April 10, I requested the General Accounting Office to compile statistics on the totality of U.S. assistance to South Vietnam and Indochina. Regrettably, this has become a difficult task for the GAO, for they have encountered obstacles in obtaining complete and accurate information from the Pentagon on exactly how much it has spent this fiscal year in providing military aid to Saigon. But, according to the best information available to me, it appears that the Pentagon has, to date, already spent close to the ceiling of $1.126 billion, 2 months before the end of the fiscal year. This includes the new appropriation of $907.5 million as well as some $219 million in pipeline and transfer funds authorized for this fiscal year.

The Senate Armed Services Committee, in a commendable effort to review the accounting procedures the Department of Defense has used in the MASF program, has found the Pentagon's bookkeeping system to be in error—to the tune of $266 million. If we fail to adopt this amendment, the Department will be free to use these misobligated funds this fiscal year.

No other Department is rewarded in such a fashion if it makes a bookkeeping error—after it had already spent the money. If the agencies waging the war on cancer made such an error, they would have to live with their mistake for this fiscal year. Furthermore, there is reason to believe that part of this $266 million transfer is illegal—according to preliminary questions raised by the GAO.

On April 4 the House of Representatives, on a recorded vote of 177 noes to 154 ayes, barred the Pentagon from raising the ceiling on military aid to Saigon this fiscal year. It did so, in part, because in hearings before the House Armed Services Committee, it became apparent that the Department of Defense had obligated funds for Saigon at a rate which was certain to make them run short in the last quarter of the fiscal year. It was also clear that the Department was trying to do through the back-door what it could not do through the front, and the House voted to reject it. Today the Senate should do no less in rejecting another form of back-door financing and stand with the House for greater fiscal responsibility.

Let us also be clear that the issue before us today is not one that affects our national defense—and hardly one affecting our national security or national interest. And it is not a question of "abandoning" an ally. The American taxpayer is currently spending well over $2.5 billion dollars this year in military and economic aid to support the Saigon government—over $1.126 billion of it in military aid. Such a sum hardly constitutes "abandonment."

It is also not a question of "scratching" South Vietnam, or ending our aid program there. America still bears heavy responsibilities to the people of Vietnam. But these obligations are today less with governments and armies than with people—to the millions of war victims who cry out for our help in relief and rehabilitation.

And, the basic question before the Senate today is really not whether we will allow the Pentagon, by an accountant's slight-of-hand, to spend another quarter billion dollars in South Vietnam—although it clearly exceeds the ceiling set for this year. Rather, the true question before the Congress and the American people is whether this additional amount—and our continuing massive military aid to South Vietnam—truly contributes to the peaceful evolution of the area.

The issue is whether our action today will contribute to a reduction in our continuing involvement in Indochina, or whether it will help perpetuate old relationships and policies at the same old levels.

If the Paris agreements, and peace with honor, are to mean anything, they must mean that our country's involvement and relationship with South Vietnam must change—and change not only from what it was 2 years ago, or 10 years ago, but even from what it was last year.

The cease-fire agreements for Vietnam and Laos—and the persistent hope that renewed diplomacy will achieve a similar agreement in Cambodia—are benchmarks of immense historical proportions. Although conditions are mixed in the field, and many difficult problems remain for all parties involved, I disagree with those who say "that nothing very much has changed in Vietnam." The fact is for the first time in many years, the United States is no longer directly involved. And for the first time in over a decade we have real opportunities to embark on new policies—to change the character and level of our involvement, to reorder our aid priorities, and to finally practice some lessons from the failures and frustrations of the past.

But this hopeful opportunity implicit in the cease-fire agreements apparently is not shared by this administration, which still seeks to maximize American presence and influence in the area, with the old tools of war instead of a new diplomacy for peace and reconciliation.

The dichotomy between the opportunities for change provided by the cease-fire agreements, and the tired policies of the past, is most explicit in the character of the administration's continuing budget requests for Indochina—and its determined effort to ship more guns and bombs to Saigon no matter what Congress says the limit should be.

The administration is still more interested in funding armies than in providing humanitarian assistance to heal the wounds of war. And the budget priority remains with the means of war, rather than with the tools for building peace.

It is argued that this request for more military aid is crucial for the survival of South Vietnam because it is running out of ammunition. But the question must be asked. Why is Saigon running out of ammunition?

According to a recent cable from Ambassador Graham Martin in Saigon it is apparently not entirely due to North Vietnamese violations of the cease-fire. The Ambassador says it was only after, and I quote, "U.S. imposed constraints" and better South Vietnamese "management controls," that the use of American-supplied ammunition dropped at a rate of 20 to 50 percent. In effect, Ambassador Martin confirms what many have observed over the past year, that without some outside constraints on the supply of ammunition, South Vietnamese military commanders will continue to fire their guns just as they have before, as if nothing has changed. There has always been, and there apparently will always be, a strong connection between the availability of ammunition and its use. According to testimony given the Armed Services Committee, the current estimated average consumption of ammunition in South Vietnam is 700 tons fired each day by Saigon troops, at a cost of over $1 million a day. That is a very explosive and expensive peace.

So the question remains whether the shipment of more arms to South Vietnam will help strengthen the cease-fire agreement, or will it fan the flames of violence. And it is questionable whether shipping more will encourage greater self-reliance and conservation by the South Vietnamese Army, or simply encourage it to use more, not less.

It is argued also that this additional military aid to Saigon is necessary because of inflation—to which I can only say, again, that inflation begins at home. And the Vietnam veteran must wonder at this administration's worry over the effects of inflation in Saigon, when the costs for his schooling or job training climb every day. Apparently the President can find the money to fight the effects of inflation in Saigon, but not to help Vietnam veterans deal with inflation here at home.

Finally, there are some who argue that it would be unconscionable to demand a cutoff or reduction of aid to South Vietnam. The fact is, we are doing neither today.

No one here has demanded a cutoff of aid, or even a reduction in the ceiling established by the Congress. A ceiling is a ceiling, and that is what we are reaffirming here. It was the Pentagon which refused to spend according to the ceiling.

And the issue is not the end of American aid to South Vietnam, but how to encourage a transition in our continuing relationship—from a master-client aid relationship, to a more balanced one that encourages self-reliance rather than dependence.

I believe the Congress acted responsibly last year in limiting our funding of military supplies to the South Vietnamese Army. That wise decision should not now be circumvented. Rather, we should properly consider any further American military support of South Vietnam in the context of the budget request for the next fiscal year—which, again, will be in the neighborhood of $1.6 billion. This is a sum for continuing war in Vietnam that is over three times the amount we now spend on the war on cancer here at home—even though cancer will take next year the lives of 350,000 Americans, or seven times the number of Americans who lost their lives in Vietnam over the past decade.

The recent action of the House, coupled with the actions of the Senate over the past year, correctly reflect the view of most Americans that the time has now come for us to reduce our funding of war, not increase it.

In the absence of any new or meaningful diplomatic initiatives by the administration to reduce the level of conflict in Indochina and strengthen the cease-fire agreements — the Congress must act to chart some new directions, and to change the level and character of our involvement in Vietnam. By accepting this amendment the Senate will reaffirm that this is the new road we should follow—not the road that says more guns and more ammunition for an endless war.

Mr. McGOVERN. Mr. President, will the Senator yield to me?

Mr. KENNEDY. I am glad to yield to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I wish to commend the Senator from Massachusetts for offering this amendment which provides for reasonable restrictions on the amount of American military aid flowing to South Vietnam. I think most Americans would applaud any effort on the part of the Saigon government to heal the wounds of this war and to work out some kind of an accommodation with the people in their country that are challenging that government. But we do not do either the people of Vietnam or ourselves favor when we continue to pour in more and more military aid which only has the effect of prolonging the war.

I think it is quite clear from the available evidence that this military assistance is not being used to restore peace and it is not being used to bring the country back together, but to perpetuate the political rule of the present regime in Saigon.

We did some calculations in our office the other day on the South Vietnamese military budget. That government is now spending what would be the equivalent here in the United States of a $350 billion American military budget. In other words, for the United States to be spending as much on our military budget as the regime of General Thieu is spending on their budget on a per capita basis, we would have to increase our own military budget three and one-half times.

It is no wonder that the major problem in South Vietnam today is inflation because the expenditure on that level of military outlays will inevitably wreck the economy of that country with the kind of ruinous inflation that is now taking place. It is the kind of aid that does not contribute to the wealth of the country. Mr. President, you cannot eat guns; the consumer cannot go out and feed his family on bombs or weapons carriers. So we are not contributing things to heal the country and helping them to stand on their own feet. We are further fueling the fires of inflation and setting back the day when South Vietnam can establish the kind of viable economic base that holds any hope for its independence.

So I think the Senator's amendment is in the interest of the people of South Vietnam and in the interest of moving them away from a war that has gone on far too long and which further weakens the people of that country. As the Senator said, it comes at a time when our budget is under a strain and when we are asking the American people to pour in tax funds for military purposes abroad, at a time when those funds are desperately needed to strengthen our own society, not the least of which is meeting the needs of the young men who participated in that war, as the Senator said.

I commend the Senator and I hope the amendment is agreed to.

Mr. KENNEDY. I would like to ask the Senator from South Dakota, who has been spending a good deal of time in his home State, whether the people of his State understand that we are spending in this fiscal year some $2.5 billion in aid to South Vietnam; whether the people of South Dakota understand the magnitude of that type commitment; and that it appears, given the reasoning and rationale of the letter Dr. Kissinger sent to me in explanation of policy toward South Vietnam, that this apparently is a continuing and open-ended kind of commitment or understanding by the present administration; whether they understand we are going to continue to spend that kind of money in South Vietnam?

I would be interested in what kind of reaction the Senator from South Dakota is receiving from his constituents.

Mr. McGOVERN. I can only say to the Senator that the people in my State who do understand the dimensions of what we are still pouring into South Vietnam are not enthusiastic about it.

As the Senator knows, it is very difficult even for us here in the Senate to keep posted on the way public funds are being spent. Many of these arrangements are worked out by executive discussions, and even we do not catch up with them as fast as we should. But I can say to the Senator that the people in my State are deeply troubled by the mounting cost of living and are deeply troubled by the growing scarcities of things they need. We are basically an agricultural State. We are short not only of fuel but of fertilizer. Everything from baling wire to binding twine is in short supply. Chemicals that produce fertilizer are in short supply.

One of the reasons is that for the last 10 years we have been pouring billions and billions of dollars of the limited resources of this country into Southeast Asia. I think the people of my State and the people of the country as a whole would not object to constructive assistance to make life better for people abroad. It is not that they are isolationist people but the fact they see those resources being wasted on an enterprise that they thought had been put behind us nearly 2 years ago.

One of the things that I find disturbing is that our official policy as a country is to stand on the terms of the Paris agreement. That was the so-called "peace with honor" that was supposed to have come some 18 months ago. It is an interesting fact that while that agreement has apparently been violated on both sides, the Government of South Vietnam has made it illegal to publish the terms of that agreement in South Vietnam, whereas the other side, which is supposedly the culprit in this whole enterprise, is distributing the agreement widely. They are encouraging the reading of its terms and coming to a better understanding of it.

I think we had better be advised of what we are doing when we back with further millions of dollars of support a regime that does not want its people to know the terms of the Paris agreement. We ought to be more interested in seeing the agreement enforced rather than bankrolling a regime in South Vietnam that is bent on sabotaging it.

Mr. KENNEDY. I want to thank the Senator from South Dakota for his comments. As all Americans know, this has been an issue and a question about which he has felt deeply and I think he has made a substantial contribution to the general understanding of the American people with respect to it.

ADDITIONAL MILITARY AID TO VIETNAM IS ILL ADVISED

Mr. McGOVERN. It is vital that Congress exercise its constitutional powers to end the further drain on American tax dollars now fueling the continued killing in Indochina. The time has come for healing, reconstruction and accommodation in Indochina. If these healing efforts are to get under way we must stop pouring in billions of dollars in American arms, oil and money to keep the war going.

I ask unanimous consent that an important statement by Mr. Fred Branfman, codirector of the Indochina Resource Center, before the Asia and Pacific Affairs Subcommittee of the House of Representatives May 1, 1974, be printed at this point in the Record:

There being no objection, the statement was ordered to be printed in the Record, as follows:

The Need for Congressional Action for Peace in Indochina

(Statement of Fred Branfman)

KEY POINTS

1. The Administration has quietly violated congressional intent to *cut* economic aid to Indochina in FY 1974. The original Administration request was for $827.8 million. Congress cut this back to under $700 million. By the end of FY 74, however, the Administration has wound up allocating *$1.1 Billion* in economic aid to Indochina. (See Table 1—p. 28, as well as page 16.)

2. The Administration allocated a total of $3.2 billion in FY 74 for Indochina, almost as much money as was allocated for specific countries in the rest of the Third World combined. This figure, for example, is *6 times* what went to Africa and Latin America combined for economic aid. This was part of the Administration's continuing commitment to combatting local insurgencies, despite a clear public and congressional mandate for non-interventionism in such insurgencies. (See pp. 4a—8)

3. This Administration commitment to counter-insurgency is inflicting unacceptable costs on the people of Indochina—more war victims in 1973 than the rest of the world put together; and it is a disturbing sign of the lack of Administration concern for its own citizens, as well as others in serious need. Food For Peace shipments to Indochina were increased by *$300 million* in FY 74, for example, while hundreds of thousands starved in Sahel. (See Parts III and IV)

4. Congress must "Pause for Peace" by suspending aid pending progress towards political solutions, or at least substantially reduce what are greatly *increased* Administration requests for FY 1975. Military and "Indochina Postwar Reconstruction" requests have jumped *45%*. (p. 19). FY 74 *total* spending saw only *.03%* actually going toward "humanitarian", "reconstruction", or "development" projects. (p. 18). The FY 74 budget, therefore, was a war budget—caused by the *structural* unviability of the GVN and Lon Nol regimes. Administration claims that U.S. aid will allow them to "stand on their own" are myths. (See pp. 18–27)

I. INTRODUCTION—CONGRESS AND THE LESSONS OF VIETNAM

As Congress considers this year's giant $3.7 billion Administration request for U.S. expenditures in Indochina, (see table 1), it will be deciding far more than simply the nature of our Indochina involvement. During the 1960s, millions of Americans turned against the war—in the streets, at the ballot box, in the army. Congress, however belatedly, finally responded to this mandate for peace from the American people.

Powerful congressional opposition to the B52 carpet bombings of urban centers in Christmas 1972 helped force the Administration to sign the Paris Agreement. Congress halted the bombing of Cambodia in August 15, 1973, and passed legislation aimed at ending U.S. support for South Vietnamese police and prisons on December 19, 1973. And, last month, it took the historic step of rejecting an Administration proposal for $474 million in supplemental military aid for Indochina.

These congressional actions have saved countless Vietnamese, Cambodian and Loatian lives; made billions of dollars available for urgent domestic and humanitarian international needs; reversed what seemed like lock-step progress towards Presidential Dictatorship; and, in a subtle and not yet fully understood way, these congressional actions have begun to restore the spiritual health of a nation torn apart by our Indochina involvement.

By so doing, Congress clearly embarked on a new path, away from Global Policemanship, away from silent and willing partnership in a Presidential Dictatorship, away from war and towards peace. If this process is to be continued during the 1970s, Congress cannot continue to assent this FY 1975 to the same kind of covert Executive involvement that got us involved in Indochina in the first place.

The Nixon Administration has in the past year, however, quietly been subverting this public and congressional mandate for peace in Indochina. Intervening covertly as in the early 1960s, the Administration has initiated a spiral which will bring ever-increasing U.S. escalation unless Congress acts.

During FY 1974, the Administration expended $2.53 billion in Indochina, only 7% of which was designated for "humanitarian," or "reconstruction" and "development" programs. The remaining 93% went to prop up military regimes which are unwilling to bring peace to their countries. The Thieu government in South Vietnam, for example, has refused all offers by the other side to negotiate a standstill ceasefire, allow democratic liberties, and form a National Council of National Reconciliation and Concord to help plan elections. As a result, over 75,000 were killed in Indochina last year, 125,000 were wounded, and 1 million made homeless—more war victims that in the rest of the world put together, including the Middle East. (See table 2).

The Administrations FY 1975 program, moreover, offers even more of the same. Its proposed FY '75 military and economic aid requests, total $3.28 billion—or 27% more than what was allocated last year.

Once more, over 90% of this aid is destined neither for reconstruction nor humanitarian needs, but for the maintenance of the war machines in Cambodia and South Vietnam.

And, the Administration's FY 75 program offers even more disturbing visions for FY 76 and beyond. If General Thieu continues to refuse to allow his opponents to participate in the political process outlined by the Paris Agreement, for example, there is every reason to believe that they will feel no choice but to launch an offensive. And what then? Are we to give even more billions to Mr. Thieu in an attempt to repel such an offensive? Is the 200th anniversary of this country to find us convulsed in a national debate over a Presidential attempt to renew U.S. bombing to save Thieu? And even if U.S. bombing is renewed, what reason is there to believe that it will "succeed" next time?

Clearly, this fiscal year 1975 provides Congress with a historic opportunity to ensure that our aid is no longer used for war in Indochina, that the hesitant progress made toward halting our global interventionism be continued.

Congress can achieve these goals by only appropriating aid for Indochina in the letter and spirit of the Paris Agreement. Two means offer progress toward these goals:

(1) A pause for Peace: Congress could suspend all non-humanitarian and non-developmental aid to either side in Indochina until governing bodies emerge which reflect the political realities of the situation. In South Vietnam, this would mean waiting until the political machinery outlined by the Paris Agreement was set into motion, and a newly-formed National Council of National Reconciliation and Concord had gotten off the ground. In Cambodia, this would mean withdrawing from what overwhelming evidence indicates is now a war only among Cambodians, and allowing the Cambodian parties to evolve whatever form of government they will. In Laos, it means absolutely halting all U.S. economic and military inputs which are not approved by all of the parties which have just entered a fragile coalition.

This alternative, we believe, would lead to a major change for peace on the part of all parties concerned within a matter of weeks and would, in the end, result in far less suffering and disruption than any other alternative.

(2) A substantial reduction in non-humanitarian aid: although less likely to bring peace quickly to Indochina, this alternative would also reduce the level of violence and generate pressures on all sides for peace.

It has been contended that such a suspension in aid—or even the more moderate step of a substantial reduction—would deliver South Vietnam "bound hand and foot to the Communists."

It is our contention, however, that present Administration policies can do nothing to prevent such an outcome—and, indeed, are quite likely to produce victory for the guerrillas in any event. All that present Administration programs mean is that there will be millions more war victims, billions more dollars denied people in need, before Indochinese guerrillas eventually seize power militarily because they were outlawed from competing politically.

A suspension or substantial reduction in American aid, such as we are proposing, offers the only hope of moving the conflict away from the military and toward the political arena. The present GVN administration—or a successor—should have no trouble competing politically, if it enjoys the popular support its advocates claim. Nor would it necessarily be precluded from picking up the gun once again, if it turned out that its opponents were not willing to compete politically. Under the Paris Agreement, moreover, Third Force elements would be accorded an important "balancing" role in the political play of forces between right and left.

Under the circumstances, then, Congressional aid designed in accordance with the Paris Agreement offers far less chance of a complete PRG takeover than present Administration policy. And, in Cambodia, a serious American attempt to move the conflict into the political arena offers the only possibility that moderate elements in the Lon Nol cabinet can avoid the complete eclipse an all-out Khmer Rouge military victory could bring.

Congress clearly has a public mandate for such policies. The Administration can point to no substantial group of Americans which supports an admitted expenditure of $3.7 billion and hidden expenditures totalling many billions more—to continue our futile attempts to impose unpopular military regimes on the people of Indochina. Millions of Americans, however, support the notion that the people of Indochina should be allowed to determine their own affairs; the Paris Agreement provides just such a vehicle for this occurrence.

This year could be remembered as the year that Congress finally regained its rightful say in making foreign policy; a year which future Americans would remember as the one in which the Presidential Dictatorship over our country's destinies was significantly altered; in which this country began the slow, painful and long process of turning to peace and healing throughout the world.

If 1976 is to be a year of rebirth, however, Congress must re-cast any U.S. aid requests to Indochina into a form that will bring peace. It can happen . . . this year. It is up to Congress to act.

II. U.S. INVOLVEMENT IN INDOCHINA—THE GEOPOLITICAL CONTEXT

Before turning to the specifics of U.S. expenditures for Indochina this fiscal year, it is important to remember the overall context in which the Administration is presenting them.

The key issue which Vietnam has symbolized for many is whether the U.S. should intervene to put down wars of national liberation in the Third World. Most Americans have by now decided we should not—for moral or practical reasons, or a combination of both.

The Administration, however, has reached just the opposite conclusion. It is as committed to U.S. intervention to put down local insurgencies in 1974 as was the U.S. presidental branch 30 years ago—and particularly in the East Asia and Pacific region that we are discussing today.

This is why the Administration has stationed *more* U.S. troops in the East Asia and Pacific region today than in 1964. We have today 173,000 troops stationed from Guam to Thailand, compared to 156,000 in 1964. (Another 33,000 naval troops are afloat in the Pacific.)

This is why 7 disguised and admitted military dictatorships in the East Asia and Pacific regions receive more Administration aid than the rest of the world put together. In its original FY 1974 budget presentation to Congress, for example, the Administration specifically allocated $3.863 billion for South Vietnam, Laos, Thailand, the Philippines, Indonesia, and South Korea. By contrast $2.13 billion was specifically allocated for military and economy aid to 97 other countries in the Third World. Put another way, *two-thirds* of the Administration's aid worldwide was destined for 7 nations having a population comprising but 10% of the Third World's population.

And this is why the Administration has in FY 1974 allocated so much money to South Vietnam and Cambodia's military regimes, while millions went hungry around the globe:

—In FY 1974, for example, the Thieu government received *$878 million* in economic inputs (see table 2). This money that went into the tiny land of South Vietnam, a nation of 18 million, was 50% more than what the U.S. gave to all of Africa and Latin America combined, two continents with 534 million people ($500 million).

—Also in FY 1974, tens of millions starved and many died from hunger, in the Sahel and Ethiopia. AID contributed some $130 million in food and non-food emergency assistance, as of February 4, 1974. The Administration, however, has targeted nearly *30 times* as much money for Indochina, money which is designed to fight a counter-insurgency.

Particularly reprehensible was an extra $300 million in Food for Peace money which the Administration added to its original requests for Cambodia and South Vietnam—to compensate for cuts made in economic aid by Congress. The Administration clearly had a choice between using that $300 million worth of food to shore up military dictatorships in Indochina or to feed starving millions in the Sahel. It chose the former.

This commitment to Global Policing, finally, is why the Administration transferred economic aid money from nations all over the world to Indochina, where such money is designed to help in the counter-insurgent effort. A recent chart supplied to Congress by AID administrator Parker, for example, shows the differences between AID original proposals for economic aid for FY 1974, and their final allocations, in 18 selected countries plus the continent of Africa. The Administration has reduced aid to nations where millions go hungry precipitously—aid to Bangladesh was down 41%, to India down 56%, to Pakistan down 40%, to Africa down 6%. Aid to Vietnam was listed as increasing 10% (our estimate is 34%, see Table 1), however, aid to Cambodia was listed as increasing 273% and aid to Thailand was up 16%. (Source: Hearings Before House Approp. Com., Part II, on Second Supplemental Appropriation Bill, 1974, pp. 877–880).

It has been argued that detente has made such counter-insurgency efforts obsolete. There is little evidence to support this point of view, however. The only Third World "success" the Administration has been able to point to as a result of detente has been its ability to carpet-bomb Hanoi and blockade Haiphong Harbor without the Soviet Union or China intervening in response. Besides noting that not initiating World War III due to saturation bombing of a tiny far-off land is a curious measure of success, we should point out that there is no reason to believe that things would have worked out any differently without detente.

More to the point, however, the importance of support from the Soviet Union or China during the early stages of insurgency has always been highly exaggerated. As the Pentagon Papers make clear, such support was almost nonexistent in the very beginning in South Vietnam. And even at the height of the war, only 3% of the military expenditures by all three super-powers in Indochina were those of the Soviet bloc and the Chinese (see Table 3). Furthermore, of course, there have been no signs whatsoever that the Soviet Union and China have decided to eliminate the relatively minor aid they give local insurgencies—or why they should or would.

The Administration's massive and continuing commitment to counter-insurgency in the 1970's was particularly brought home to me during a visit to Thailand in the spring and summer of last year.

While in Thailand, I interviewed a large number of American officials, including a member of the U.S. counter-insurgency board, a member of the U.S. Embassy political-military sections and members of private U.S.-supported counter-insurgent think-tanks.

I discovered that these officials also feel that Vietnam was a "mistake", that to a man they deride publicly the President's notion that we have extricated ourselves through "Peace with Honor".

But I also discovered, to my dismay, that our failure in Vietnam has not led them to draw the conclusions drawn by most Americans: that we should get out. The only lesson they seem to have drawn is quite the opposite: that we should have gotten in *sooner*. Time and again I was told that while our cause was just in Vietnam, our means appropriate, we had intervened too late. It was absolutely essential to "get them before they build up", I was told.

Which is precisely what the Nixon Administration is trying to do in Thailand. Unknown to most Senators and Representatives, not to mention the American people, the U.S. Mission in Thailand has recently embarked on an ambitious *new* counter-insurgency program in Thailand. I was told by an official in the "Pol-Mil" section that it would be modeled after the "Regional Forces" and "Popular Forces" concept in South Vietnam, and involved deploying district and province-level "reaction" forces throughout Northeast Thailand. It would be much smaller than in South Vietnam, this official told me, involving only several million dollars and several thousand men. Other Americans told me, however, that this program was not at all modeled after the RF-RF program, but rather the infamous Phoenix program. Assassination of civilians thought to be working for the other side, selective terror, programs for issuing ID cards to all adults linked to computerized bio-dossiers, and mass arrests—based on quotas—had already been tried out on an experimental basis, I was told.

At this point, I have no way of knowing which source was correct, i.e. whether U.S. officials in Thailand have launched new counter-insurgency programs modeled after the RF or Phoenix programs.

I do know, however, that they are committed to such counter-insurgency efforts—as are their counterparts from Indonesia to Indochina to the Philippines.

What we are seeing today in the East Asia and Pacific region is an Orwellian vision come true, as the leaders of our Executive branch engage in the deadly serious business of mass assassination, mass incarceration, and mass labelling of human beings in a Pacific region inhabited by several hundred million people.

There is no more reason to believe it will succeed than did similar visions of totalitarian control held by American leaders in Vietnam during the early 1960's.

And I know that, just as in the 1960's, Administration commitment to counter-insurgency in the East Asia and Pacific region is inflicting unacceptable costs on Asians and Americans alike.

III. COSTS TO THE INDOCHINESE

At the end of his request for Indochina funds during his Foreign Aid message last week, the President of the United States said that "the investment I am now seeking (is) an investment to sustain the peace, to overcome the human suffering resulting from the war."

This statement is beyond comprehension.

We have already pointed out that official figures reveal that more than 1.5 million war victims were created this past year.

To this number of newly killed, newly wounded and newly refugeed last year, moreover, must be added:

Several million refugees living in marginal, undeveloped areas to whom the GVN has denied the right to return to the villages of their birth.

Tens of thousands of political prisoners who remain in prison despite the Paris Agreement, and the thousands more who have been arrested, tortured, imprisoned without trial since the ceasefire was signed.

Thousands of people who are suffering and dying from lack of medicine or an adequate diet—in the cities, in the refugee camps, in the villages.

If Congress does not substantially alter the Administration's aid request, one can assume that casualty figures will be at least as high one year from today as during the past year.

That is, Congressional acquiescence to the President's aid request will guarantee at least 50,000 corpses among people who are now alive, in the coming year. At least twice as many will be wounded. And hundreds of thousands—in Cambodia, in South Vietnam—will lose their homes.

For President Nixon to claim that his aid bill is designed to "overcome human suffering" goes beyond mere duplicity, and enters into a realm of Orwellian doublespeak beyond my understanding.

I know that to accept this statement, however, is to acquiesce in a monstrous lie; one which continues to threaten the lives of all Vietnamese and Cambodians, not merely the war victims enumerated above.

IV. COSTS FOR THE AMERICAN PEOPLE

The costs to the American people of continuing Executive involvement in Indochina are no less real, though perhaps less evident.

I need not tell U.S. Representatives what $3.7 billion could do this fiscal year for millions of the ill, aged, infirm, young and deprived in this society. The following examples, however, may make clearer a larger point:

The chairman of this committee, for example, has noted the distressing plight of hospital workers around the country, earning woefully inadequate salaries. Ten thousand workers could have their annual wages raised by over 25% for the $10 million the Administration is proposing to spend each day in the coming fiscal year.

During fiscal year 1975, the Nixon Administration has reduced federal funding of medical research into diabetes, kidney disease, aging, sudden infant death, glaucoma and cystic fibrosis from $82.4 million allocated in FY 74 to a proposed $74.8 million in FY 1975. These diseases affect the lives of well over 15 million Americans, with the U.S. ranking today 16th in infant mortality. The Administration's proposed saving of $7.6 million will be expended before the next 24 hours are up in Vietnam.

Another serious example is "Public Service Employment", a program which allows tens of thousands of Americans to engage in useful constructive work during periods of temporary unemployment. In FY 1974, approximately $1.25 billion was allocated to these programs. This year, however, while the Nixon Administration is proposing spending $3.7 billion in Indochina, it has reduced its FY 1975 Public Service Employment Program by *1 billion* to a mere $250 million.

And, although the Nixon Administration sent well over a million men off to fight in Vietnam, it has not yet been able to provide them with adequate living benefits on their return. Recently, the Senate Committee on Veterans Affairs proposed raising GI benefits from $220 a month to $270 a month, a move which would affect the lives of 1,630,000 veterans in the first year alone. The Nixon Administration is opposing this program. Its cost? In FY 1975, it would come to $554 million, about the cost of 1½ months fighting in Indochina. The total cost of the program, over a five year period, comes to about $2.272 billion—about 60% of what the Administration proposes spending in the next year alone in Indochina.

And, we may remember the dismemberment of programs reaching tens of millions of Americans carried out by the Nixon Administration on January 29, 1973 when it unveiled its FY 1974 budget. Proposed savings by abolishing the Office of Economic Opportunity—an agency which had helped millions of poor people in its decade of existence—were $62 million in FY 1973, $328 million in FY 1974, and $390 million in FY 1975. In other words, in order to save $780 million over a three year period, the Administration chose to abolish OEO. Meanwhile, however, it spent *four times* that sum last year alone for war in Indochina.

Finally, indeed, we may note the fact that virtually all of the programs abolished by the Administration in the fields of social welfare, job opportunities, health and education, resulted in a saving of far less than the $3.7 billion proposed by the Administration for this year's FY 1975 budget. For example, last year's $3.2 billion of Indochina spending was $600 million more than the $2.6 billion the Administration expected to save in FY 1974 by terminating OEO ($328 million), reducing child feeding programs ($59 million), phasing out the Economic Development Administration ($35 million), eliminating soil and water programs ($258 million), terminating rural water systems and waste disposal grants ($100 million), suspending new housing programs ($305 million), phasing down of the Emergency Employment Assistance Program ($670 million), cutting back Old Age Survivors and Disability Insurance ($310 million), manpower training programs ($354 million), federal student loans ($264 million) and student subsidies ($119 million).

I bring up these examples not because I think that foreign policy objectives can always be weighed against domestic needs so directly. There are indeed cases where it may make more sense to send money abroad, than to use it to help our own citizens at home. This year, for example, when there are millions starving in the Sahel and India, flood and storm victims from Pakistan to Nicaragua, a cogent case can be made that such cases deserve urgent priority. And there is also, to be sure, a very strong case for reconstruction and rehabilitation in Indochina.

I bring up these examples of what our Indochina experience is costing the American people, however, because the Administration is doing none of these things. Not only is it not aiding the starving and sick of the earth anything like it might; not only is it not meeting humanitarian and development needs in Indochina; but it even denies its own citizens badly needed billions, only to take this money for use in killing, maiming and torturing abroad.

I have already in testimony before this committee attempted to describe the kind of mentality, shared by the highest Executive leaders in this land, which I saw in Indochina: a mentality which reduced human beings to numbers, numbers to be tracked, jailed and broken if deemed necessary.

My testimony today reveals the other side of the coin. Not only has this mentality created one of the most sophisticated police-states in the world today abroad, but to achieve this the Administration has begun the process of reducing its own citizens to mere objects, to be manipulated and deprived as well.

I do not think it is necessary for me here to elaborate on the indecency, inhumanity and wretchedness of the present occupants of the Executive branch in following such a policy.

But I feel I must stress again that this question of U.S. aid to Indochina goes beyond mere outrage or shock. It is an issue which directly threatens every man, woman and child in this country, an issue that will in the end determine whether this is a country to be ruled by its people, and, however imperfect, their representatives in Congress; or whether policy will continue to be made by a tiny group of war-makers who turn evermore to deception, as their foreign policy runs ever-more counter to American ideals and values.

The cost of our continuing involvement in Indochina to the people of this country, in a word, is not to be measured merely in financial terms.

What is at stake is no more or less than the spiritual and moral health of this nation.

To understand this point, we may now turn to a consideration in detail of the Administration's FY 1975 aid request.

For only through a microscopic look at this gigantic demand can we see how duplicitous, how indifferent to human needs, and how war-like our Executive branch has become.

I daresay there is no other administration in the world today which would dare to present a budget over 90% of which is designed for war, and call it a budget for "reconstruction". I know there has never been a time in the history of this country when the American Executive has been so contemptuous of its people and Congress: unilaterally alloting money in direct violation of congressional intent, advancing the crudest sort of propaganda to support its position. The Administration has resorted to the most transparent subterfuge simply to mulct their FY 1975 appropriation out of Congress.

"A nation divided among itself cannot stand," said the President during America's first civil war. The cost to Americans of our continued involvement in Indochina will be continued division during this present, rather quiescent phase, of what has become our second civil war.

V. THE ADMINISTRATION'S PROGRAM FOR UNENDING WAR—PRESENTED AS A PLAN FOR PEACE

Realizing public and congressional sentiment for peace and against U.S. involvement, the Administration has sought to present its program to Congress as one designed to heal, rebuild, and bring peace. In fact, however, U.S. aid programs are doing precisely the opposite.

What is more important, moreover, is that there is no end in sight. Henry Kissinger implicitly admitted this recently, when he wrote to Senator Kennedy on March 25, 1974, that "we believe it is important that we continue our support as long as it is needed."

This shockingly open-ended commitment to involvement in Indochina, one year after Mr. Kissinger had negotiated an agreement committing the U.S. to ending its involvement, is sufficient cause for alarm.

When it is realized however, that there is no possibility that pro-U.S. military regimes will ever be able to stand alone, Mr. Kissinger's statement is revealed as nothing less than a commitment to American involvement for decades to come—with the cost of this involvement, moreover, steadily rising.

1. THE FY 1974 PRESENTATION: WAR PRESENTED AS "REHABILITATION" AND "RECONSTRUCTION"

One year ago today, for example, the President of the United States went before Congress to present his FY 1974 foreign aid proposals, and stated:

"The signing of the ceasefire agreements . . . will permit us to turn our attention to the considerable post-war needs of Southeast Asia. . . . The legislation I am presenting today . . . would provide a sound beginning of the process of reconstruction and rehabilitation there."

In fact, however, only 4% of the Indochina Aid that President Nixon proposed for FY 1974 was actually designated for "reconstruction and rehabilitation" or "development" ($121.4 million out of $2.9 billion—See Table 3). And only another 4% was even termed "humanitarian" ($107.4 million out of $2.9 billion).

Ninety-two percent of the Administration-requested funds for FY 1974 were meant to continue the war—both military funds, which were 72% of the total, and "economic" and "Food for Peace" funds, which were indirectly war-related.

Even more importantly, the Administration's aid programs went to feed our narrow-based war machines in South Vietnam and Cambodia, which offered no hopes of peace.

In South Vietnam, President Nixon had announced on January 23, 1973—even *before* he had signed the Agreement—that his Administration would continue to recognize the Thieu Administration as the "sole" and "legitimate" government of the Republic of Vietnam. In elaborating on this, Henry Kissinger explained that the U.S. would continue to recognize the GVN "with its constitutional structure intact".

This not only directly violates the Paris Agreement, which establishes that there are "two parties" exercising sovereignty only over their respective zones of control, and that neither held sovereignty over the Republic of Vietnam until both—together with a "third segment"—met together in a National Council of National Reconciliation and Control to hold elections.

But the Nixon-Kissinger announcement of their recognition of the GVN as the "sole, legitimate" government of the Republic of Vietnam, also ruled out any serious chance for peace. For the Thieu government's constitution, left structurally "intact," outlaws the PRG from peaceful political competition. By committing itself solely to the Thieu regime, the Administration also ensured no hope for a political settlement because of the nature of that regime. The GVN would hardly favor allowing the refugees to return to PRG-controlled villages, emptying its prisons of its tens of thousands of political prisoners, or allowing popular Third Force leaders to have the freedoms guaranteed them by the Paris Agreement, as long as it could count on an Administration lavishly supplying aid with no conditions.

And the situation in Cambodia is even less amenable to a political solution. In throwing its weight behind the Lon Nol regime, the Administration has managed to produce of the most unpopular, ineffectual, corrupt, and comic-operaish regimes in modern history.

Visiting Cambodia last year after the ceasefire, I not only failed to find any Cambodians supporting the Lon Nol regime. I was also told by high-ranking officials in the American embassy in Phnom Penh that Lon Nol had lost even the support of the few groups—students and intellectuals—who had supported him at the time of the 1970 takeover.

More moderate elements within the Phnom Penh regime have made no secret of their distaste for Lon Nol—and he in turn has systematically excluded them from power. The latest casualty was Premier In Tam, who had spoken vaguely of negotiations.

The result is that the Administration has found itself in a no-win situation in Cambodia, spending hundreds of millions annually to prosecute a war which cannot be won.

2. FY 1974 IMPLEMENTATION: ADMINISTRATION COVERTLY INCREASES ECONOMIC AID 34 PERCENT

Last year, Congress clearly showed its desire to *reduce* our involvement in Indochina by cutting the Administration's request for Indochina Postwar Reconstruction from $632 million to $450 million.

Through a variety of subterfuges, however, the Administration succeeded not only in restoring the cuts, but in actually spending nearly *twice* as much for economic aid to Indochina as the Congress had originally intended.

The main means the Administration used for this subversion of Congress was taking money from world-wide Food for Peace allocations and channeling it into Indochina. Since Congress has until now only set world-wide levels, such Administration subterfuge was possible.

Food for Peace for South Vietnam shot up from an original request of $176.4 million to $309 million, and for Cambodia from $30.9 million to $194.2 million.

In addition, the Administration pushed through two "loans" to South Vietnam totaling $110 million, and "supplemental" economic aid of $49 million.

The result is that the Administration proposed a total of $840.8 million in economic aid to Indochina as of the spring of 1973; Congress reduced this figure to about $700 million ($450 for "postwar reconstruction," $50 million "development loan," $208.8 "Food for Peace") by Christmas 1973.

The Administration then proceeded to restore all cuts—and then go beyond even its original request, winding up at $1.1 billion.

This $1.1 billion, moreover, is used almost entirely for war-related programs and has no impact whatsoever on the reconstruction or human needs of Indochina. Almost half of this money, for example, is for "Food for Peace" "Food for Peace" is imported in South Vietnam and Cambodia by local importers, who pay local currency to the GVN and Lon Nol governments. The Administration has used 100% of these funds in South Vietnam, and 80% in Cambodia, for "common defense" needs, i.e. war.

Most of the remaining money—for the commodity import programs, "technical support" programs, etc.—are similarly used to support the war. They are designed to provide the minimal economic backing necessary for the Thieu and Lon Nol regimes to survive, with much for the local currency generated by the CIP and other programs also finding its way into the budgets of the army, airforce and police.

3. FY 1974 IMPLEMENTATION: HUMANITARIAN AND RECONSTRUCTION FUNDS REDUCED

Despite the fact that the "economic" aid has risen, moreover, the *actual* FY 1974 funds devoted to humanitarian or reconstruction needs has actually *fallen*. Total funds requested for "humanitarian, reconstruction and development" programs in the FY 1974 original presentation amounted to $228.8 million. At this writing, however, we have found that the Administration has allocated only $172 million for what is termed "development", "humanitarian", and "reconstruction".

And even this miniscule amount of aid contains a massive deception of Congress. Of the $96.4 allocated for "humanitarian" needs, some $75 million went to "refugee relief." Much of this money pays for "refugee resettlement" which, as former U.S. AID officials Edward Blook and Leon Van Wagoner, as well as the U.S. Senate Subcommittee on Refugees, have recently pointed out, is not humanitarian at all. Rather U.S. and GVN officials have denied refugees the "freedom of movement" guaranteed them under Article 11 of the Paris Agreement, by refusing to allow them to return to the villages of their birth and instead resettling them in marginal areas, often without water and decent farming land, so as to claim this land for "strategic reasons".

Of a total of $3.2 billion appropriated by Congress in FY 1974 for Indochina-related expenses, then, only 96 million, or 3% has actually gone to meet the humanitarian and reconstruction needs of the people. The rest has gone—directly or indirectly—for more war.

4. REQUESTS FOR INCREASED FY 1974 AID: FOUR ADMINISTRATION MYTHS

Since FY 1974 aid was not designed either to meet the human needs of the people of Vietnam, nor to lead to a political solution, it is not surprising that the Administration's FY 1975 aid requests far exceed FY 1974 allocations.

Just one week ago, on April 24, the President unveiled his FY 1975 budget proposal for Indochina. This year, this section of the President's Foreign Aid speech was entitled "Toward Reconstruction of Indochina". In it, the President requested $939.8 million for "Postwar Reconstruction", more than *double* last year's $450 million allocation.

Other Administration documents reveal, moreover, that the President intends to ask for $2.1 billion in *military aid* for FY 1975, an increase of *42%* over last year's military appropriations.

The only major category which did not jump up spectacularly for FY 1975 was the Administration's "Food for Peace" request, which was only $260 million, about half of the FY 1974 allocation. Last year at this time, however, the Administration ony requested $208.8 million for "Food for Peace." Since it eventually grew to $507 million, there is no doubt that this year's request could grow similarly over the next 12 months.

Depending on one's measure, therefore, the FY 1975 Administration request represents an increase over FY 1974 allocations of varying degrees:

1. Overall, the jump is from $3.2 billion in FY 1974 to a requested $3.7 billion in FY 1975—an increase of 16%.

2. Total economic and military inputs into the three countries of Indochina have increased 30%, from $2.5 billion to a requested $3.2 billion.

3. The most real measure of the increase, however, comes from ignoring the preliminary "Food for Peace" estimates for FY 1975. Comparing "Indochina Postwar Reconstruction Aid" funds, with "Military Assistance Service Fund" and "Military Assistance Program" funds, we find an increase from $2.08 billion to $3.02 billion, a jump of *45%*.

This large increase in requested FY 1975 aid has resulted entirely from the weakness of the Administration position in Indochina. Unable to triumph militarily, but unwilling to try and compete politically for fear of losing, the Administration is doing little more right now than simply more of the same.

Unable to admit this to the American people and Congress—and perhaps to themselves—however, Administration officials have instead attempted to present this year's aid requests in the best possible light. The essence of their position is that if these aid requests are passed, they will both give the GVN and Lon Nol government a "fair chance" against the weapons supplied the other side by the Soviet Union and China, and also make them economically and militarily viable so that they will not demand American aid 3 or 4 years from now.

Unfortunately, such arguments by the Administration are little but myths.

Myth (1). Administration Programs are made necessary by our "commitments" under the Paris Agreements. On March 25, 1974, Henry Kissinger wrote to Senator Kennedy that "as a signator of the Paris Agreement . . . the United States committed itself to strengthening the conditions which made the ceasefire possible . . . with these commitments in mind, we continue to provide the Republic of Vietnam with the means necessary for its self-defense and its economic viability."

The American people have been given many reasons in public for our involvement in Vietnam over the years: there was the domino theory, the Gulf of Tonkin, the Seato treaty, the "Yellow Peril" scare, and the ever-popular commitment to allowing the Vietnamese people the right of self-determination."

In fact, as the Pentagon Papers reveal, all of these public rationales were mere sugarcoating for what former Assistant Secretary of Defense John McNaughton described as 70% of our goal: "To avoid a humiliating defeat (to our reputation as a guarantor)." McNaughton also stated that only "10%" of our "aims" were to "permit the people of SVN to enjoy a better, freer way of life."

Of all the previous untruths, however, none is more absurd than Mr. Kissinger's. The notion that the Paris Agreement serves as a rationale for our continued intervention is plainly untrue.

Article 1 of the Paris Agreement states that "The United States . . . respect(s) the independence, sovereignty, unity, and territorial integrity of Vietnam." By signing this, the Administration conceded on the crucial point of debate over the years: Vietnam is *one* country, by definition wrought by a civil war. Continuing U.S. involvement in Vietnam, therefore, constitutes blatant intervention in a civil war, one recognized by international law and common sense to be illegal.

If there was any doubt on this question, moreover, Article 4 of the Paris Agreement removes it. Article 4 states that "The United States will not continue its military involvement or intervene in the internal affairs of South Vietnam." In signing the Agreement, therefore, the Administration was making a solemn commitment to *end* our involvement—military, political, and economic—in South Vietnam, i.e. the zones controlled by President Thieu, as well as by the PRG.

For Mr. Kissinger to now claim that this Paris Agreement in fact "commits" the U.S. to further and massive involvement represents one of the most grotesque and twisted myths ever put forward to the American public as a reason for intervention abroad.

Myth (2): This substantial amount of aid will suffice to launch the GVN on the road to economic recovery, allowing us to reduce our aid substantially in the next 2–3 years.

Recently, for example, the U.S. Ambassador to Saigon Mr. Graham Martin stated that, "If . . . the Congress approves the 850 million dollars I have recommended for fiscal year 1975, plus approximately 700 million dollars for the following year, I am convinced further economic aid from the United States could be drastically reduced or even eliminated altogether by fiscal year 1977." (U.S. News & World Report, April 29, 1974).

All available evidence suggests precisely the opposite, however. The World Bank, for example, recently completed a survey for South Vietnam's economy. In its report, dated January 28, 1974, World Bank experts concluded that ". . . net aid required in 1980 will be on the order of $770 million a year or about $100 million higher than seems probable for 1974. In short, it seems probable that Vietnam is at least a medium 'long haul' case as far as foreign aid is concerned. For what it is worth, as a purely arithmetical exercise but with about the same parameters we have mentioned above, by 1990 the external resource gap would close by about $300 million a year to about $450 million." (Source: "Current Economic position and prospects of the Republic of Vietnam" a World Bank Study Mission, January 28, 1974, page 34).

Mr. Martin is also rather disingenuous about the total amount of funds necessary to get the Thieu economy back on its feet again. For example, he states in the same interview that "We were able to give only 300 million dollars" in economic aid to the Thieu government in FY 1974.

In actual fact, however, AID provided a chart to the House Government Operations Subcommittee on March 20, 1974, indicating that the U.S. had actually provided $708.5 million in "economic and humanitarian assistance to Vietnam, fiscal year 1974." (House Government Operations Subcommittee, Second Supplemental Appropriation Bill, 1974, part II, page 860). This figure, moreover, does not include a $60 million "loan" and $49 million supplemental appropriation expected to pass Congress for FY 1974, and an extra $59 million "food for Peace" money.

Thus the U.S. is supplying $878 million to Thieu's economy this year, not only the $300 million that Martin suggests.

Mr. Martin's $850 and $700 million figures, moreover are based on the assumption that the fighting does not drastically increase in the next year or two. In fact, however, escalation is not only possible but probable, given the refusal of the GVN to even test the other side's offer for a ceasefire and political settlement.

Myth (3): Our aid is "defensive", designed to off-set weapons given the other side by the Soviet Union and China.

The only official figures of Soviet and Chinese military aid to North Vietnam of which I am aware are for the years 1965–68, and 1970 and 1971. For these 6 years, during which hundreds of thousands of U.S. ground troops were fighting in Indochina, and the U.S. airforce dropped well over 5 million tons of bombs, U.S. military expenditures were estimated to total roughly $90 billion. During these same 6 years, source Soviet and Chinese military aid combined was estimated to total roughly $2.245 —or roughly about $380 million a year, or roughly 1/30 the amount of armament, we funnelled in.

Since the ceasefire, moreover, Soviet and Chinese aid has reportedly been substantially reduced. Mr. Martin himself, for example, stated on January 16, 1974, that the Soviet and Chinese "are not resupplying them (Hanoi) with massive weapons of war as they have continuously over the past years." (CONGRESSIONAL RECORD, E2122, April 4, 1974.)

Given this fact, it is fair to assume the Soviet and Chinese military aid to its allies may be on the order of $1–200 million, or less for the coming fiscal year. At the same time, however, we find the Administration proposing $2.08 billion or 10–20 times as much military aid to the Thieu and Lon Nol regimes, as well as $463 million more for U.S. forces in the area.

Indeed, the Soviet and Chinese could turn this equation around and argue that they are in fact only supplying their allies to protect them against the vastly greater quantity of arms given the Thieu and Lon Nol governments. This case can be made even more strongly, moreover, by noting that many of the most expensive items in the other side's inventory, e.g. SAM missiles, are quite clearly defensive weapons; or—as in the case of Soviet-supplied MIGs for the North Vietnamese air force—they are weapons which have historically been used defensively.

Many of the most expensive items we supply our allies in Indochina however e.g. airplanes, spare parts of bombs, are often used offensively. Numerous western journalists visiting PRG zones since the ceasefire, for example, have reported GVN bombing deep inside numerous PRG zones, where no PRG military activity was taking place.

The thesis that our military aid is not at all geared to the threat from the other side, moreover, is strengthened by a comparison of our military aid to the GVN in calendar years 1972 and 1973.

In CY 1972, we supplied $2.383 billion in military aid to the Thieu regime. In that year 39,587 ARVN soldiers were killed. In CY 1973, ARVN casualties declined by two-thirds, to 13,822. This substantial decline in casualties helps to substantiate the universal opinion that fighting was substantially lower in 1973 than it was in 1972. And yet U.S. military aid to the Thieu regime totalled $2.271 billion in 1973, precisely as much as it had been in 1972 when the fighting had been much higher. (Source: AID figures supplied to Con. Abzug, Feb. 20, 1974)

All evidence indicates, therefore, that the amount of U.S. military aid given to the Thieu government is determined more by the constant size of the GVN army 1.1 million men—than by the amount of aid supplied by the Soviet Union and China to their allies.

Myth (4): Administration FY 75 aid requests will allow pro-U.S. regimes "stand on their own feet", thereby allowing the U.S. to walk away in a matter of years.

At the end of his request for economic aid funds for Indochina last week, the President stated that "the investment I am now seeking (is) . . . to give the people of Indochina a chance to stand on their own feet."

Graham Martin, in the interview referred to above, was even more explicit about the time required for the Vietnamese "to stand on their own feet": "How do we end our involvement? . . . I have said our objective should be to end it leaving a Vietnam economically viable, militarily capable of defending itself with its own manpower, and free to choose its own government and its own leaders. I believe this can be done within the next three years."

These optimistic and idealistic pronouncements are reminiscent of former predictions of a "light at the end of the tunnel". And, as in 1961, as in 1964, these predictions cannot and are not substantiated. All available evidence, indeed indicates exactly the opposite.

Thieu's opponents are, if anything, stronger since the ceasefire. Numerous reports from western journalists indicate that the PRG has begun building up its economy, reconstructing its bomb-leveled communities in the zones under its control. The relative prosperity, cleanliness, and lower prices in its rural villages, moreover, have astonished numerous outside observers who have visited its zones.

The PRG has, moreover, seized the political initiative. On my recent trip to Saigon, for example, one friend explained it this way: before the ceasefire, both sides meant war. You might be for the PRG, but to join it meant to opt for a difficult and dangerous life. Since the ceasefire, however, Thieu has continued to call for war, while the PRG have come to represent peace. It is common knowledge, for example, that everyone in PRG zones is encouraged to learn the Paris Agreement, and the PRG has convinced many Vietnamese that it sincerely wants to implement it. In GVN zones, on the other hand, the Paris Agreement is not publicized and Thieu does little but talk of more war.

During my visit to South Vietnam, moreover, I found that most experts believe that the military balance is also shifting away from Thieu. U.S. technicians trying to keep the GVN airforce together, for example, told me that VNAF mechanics have little interest in maintaining their own planes. The desertion rate is reportedly high since the ceasefire, and local accomodations between PRG and ARVN units have skyrocketed since the ceasefire. This has allowed the PRG to move more freely than ever throughout South Vietnam, extending its influence into many villages and hamlets it formerly could not reach.

The notion, moreover, that by providing well over 90% of the GVN's resources, the

U.S. is leaving Vietnam "free to choose its own government" makes no more sense today than it did 20 years ago. The basic fact is that the Thieu government is the only administration in the world (except for Laos and Cambodia) which derives 90% of its resources from a foreign government. And, as such, it is not responsible to its own people but to the U.S. This basic *structural* fact means that the GVN will *never* be able to "stand on its own"—for it has no base in its own country. (See Table 4)

The principal economic problem of the GVN, for example, is the tremendous cost of maintaining its 1.1 million-man army, 350,000 civil servants, and 120,000 policemen. This huge parasitic class not only devours our aid, but can only survive through an ever-increasing amount of aid and war material from the outside.

The Thieu government, unwilling to compete politically, unable to allow a relaxation of tensions which might see its army desert en masse, unable to relax police control of its population, is therefore *structurally* committed to maintaining this huge bureaucracy indefinitely.

Thus it is, for example, that despite the decline in the real value of U.S. transfers of resources to South Vietnam's economy since the 1969 peak, the per capita level of imports into South Vietnam in constant U.S. dollar values remains today at about $25—still higher than the $21 per capita a decade ago. Despite his tremendous influx of funds from the outside, however, the Thieu government has been unable to use this capital for development. It has all been eaten up by an ever-bourgeoning bureaucracy which has seen GVN per capita spending increased from about $25 to $50 during the same period.

Another example of the *structural* inability of the GVN to stand on its own is the artificial nature of its urban economy. By refusing to allow millions of refugees to return to the villages of their birth—because such villages are in zones controlled by the GVN has ensured that millions of its citizens will remain unproductive, and often in need of doles just to survive. This has in turn, led to over-crowding and filth in and around South Vietnam's major cities—and increased the probability that the GVN will need aid indefinitely.

Fundamentally, however, the most basic structural inability of the GVN is its military orientation and disinclination to shift towards a peace-time economy and political mode of competition. In part, it is a question of sheer momentum. For over a decade, General Thieu and other top officials have remained in power due to American largesse in return for ordering troops into battle. Like any government anywhere, it finds it easier to do what it knows best, than shift to what appears to be a more high-risk arena of political competition. In part, however, it may also be a realization or fear on the part of the GVN's part that it simply cannot compete politically with the PRG—that the GVN's well-known corruption, its police-state tactics, and its decade-long commitment to war, will place it at a disadvantage against its adversaries.

Whatever the case, it is clear that as long as the war in Indochina continues—at whatever foreseeable level—the GVN will simply not be able to "stand on its own" no matter how much aid is given it. (1) Agricultural production will still be limited, with war victims, refugees and often, urban dwellers, demanding American food imports indefinitely. (2) Domestic and foreign investors will not put money into long-term investments. (3) Mobilization of manpower and resources for the war machine will continue to constitute a powerful inflationary force; world prices will remain high, and the major items required for capital intensive agriculture we have introduced to compensate for lost production due to war, will continue to be too expensive for most farmers.

And if all the above is true for South Vietnam, of course, the situation is even less hopeful for the Administration in Cambodia.

One need do little here but repeat the obvious: the Lon Nol regime is composed entirely today of hard-line extremists, with such moderates as In Tam having left the cabinet in disgust. The Lon Nol government's *military* position is hopeless, with the Khmer Rouge controlling 70–80% of Cambodia, and remaining on the offensive in the rest. Politically, the Lon Nol government has virtually no support at all—it has even lost the support it originally enjoyed from a numerically tiny group of intellectuals.

For the Administration to suggest that it is in either the American or Cambodian interest for Congress to appropriate more than $600 million in FY 1975—for war in Cambodia is beneath comment. Even more so than in South Vietnam, the only solution for everyone is for us to stop intervening in Cambodia and to allow what all admit is a *civil* war among Cambodians to take its course.

This fiscal year 1975 budget request for Indochina aid, then, represents a fundamental attempt by the Administration to deceive Congress and the American people. It will not allow the GVN or Lon Nol governments to become economically viable, it is not a measured response to Soviet and Chinese aid to their allies, and it offers no hope of ever ending.

TABLE 1.—FISCAL YEARS 1974 AND 1975 U.S. EXPENDITURES FOR INDOCHINA

	Original fiscal year 1974 request	Fiscal year 1974 allocation	Original fiscal year 1975 request
ECONOMIC AID			
1. "Indochina postwar reconstruction"	[1] $619,000,000	[1] $435,000,000	[2] $939,800,000
2. "Food for Peace"	[2] 208,800,000	[1, 3] 507,300,000	[3, 4] 260,000,000
3. Loans		[3] 110,000,000	
4. Supplemental		[5] 49,000,000	
Subtotal, economic aid	827,800,000	1,100,000,000	1,200,000,000
MILITARY AID			
5. Masf	[6] $1,900,000,000	[3] $1,126,000,000	[7] $1,600,000,000
6. Map	[6] 181,000,000	[8] 342,000,000	[3] 480,000,000
Subtotal, economic and military aid	2,909,000,000	2,530,000,000	[9] 3,280,000,000
Indochina-related U.S. forces	[10] 1,000,000,000	[11] 691,000,000	[12] 463,000,000
Grand total	3,909,000,000	3,321,000,000	3,743,000,000

[1] "Current Programing Levels Compared with fiscal year 1974 Congressional Presentation," hearings before House Operations Subcommittee, Mar. 20, 1974, p. 877–879.

[2] President's foreign aid message, Congressional Record, p. 11665, Apr. 24, 1974.

[3] "GAO reports on U.S. Aid to South Vietnam," Hon. Lee H. Hamilton, Congressional Record, p. 8825, Mar. 28, 1974.

[4] Of this, $183,000,000 for South Vietnam (source-footnote 3 above), $77,000,000—Cambodia (source—telephone conversation with Department of Agriculture).

[5] $54,000,000 supplemental expected, though not yet appropriated at this writing.

[6] Hearings before the Senate Appropriations Committee pt. II, 1973, p. 1363.

[7] Letter from Secretary of State Kissinger to Senator Kennedy, Congressional Record, p. 9033, Apr. 1, 1974.

[8] "American Aid to Indochina," Hon. Ronald Dellums, Congressional Record, Apr. 3, 1974.

[9] 27 percent up.

[10] This 9,000,000,000 was the figure advanced by Robert Moot, DOD Comptroller, on Jan. 29 1973, when he stated that $1,000,000,000 was for "support of U.S. forces involved in the Southeas Asia situation, both naval and air."

[11] This figure was supplied the Indochina Resource Center from the DOD Comptroller's officeon Apr. 29, 1974, and defined as "incremental Southeast Asia costs for the support of U.S. force related to the phase-down of the Indochina conflict."

[12] Annual Defense Department budget, Mar. 24, 1974, p. 24—"Included in the $1,900,000,000 for Southeast Asia costs in fiscal year 1975 is $463,000,000 for U.S. forces—largely the air bases in Thailand.

TABLE 2.—HUMAN TOLL OF WAR

[Civilian figures below prepared by the U.S. Senate Subcommittee on Refugees]

	Refugees[1]	Civilian hospital entries-annual[2]	Civilian hospital entries-monthly average[2]	Civilian killed[3]	Civilian wounded[3]	ARVN killed[4]	ARVN wounded[4]	"Enemy" killed[4]	Total killed and wounded
1965	*772,000	50,000	4,166	25,000	75,000	11,234	23,118	35,436	169,788
1966	*906,000	50,000	4,166	50,000	100,000	11,953	20,975	55,524	238,452
1967	*463,000	49,707	4,142	60,000	115,000	12,176	29,448	88,104	304,728
1968	*494,000	86,993	7,249	100,000	200,000	27,915	70,696	181,149	579,760
1969	*590,000	66,002	5,500	60,000	140,000	21,833	65,276	156,954	444,063
1970	**410,000	59,663	4,971	30,000	95,000	23,346	71,582	103,638	323,566
1971	*136,000	50,737	4,228	25,000	75,000	22,069	59,823	98,094	279,986
1972	*1,320,000	53,901	4,491	65,000	135,000	39,587	109,962	131,949	481,498
1973	*818,700	43,166	3,597	15,000	70,000	13,822	60,005	48,237	207,064
Expelled from Cambodia	210,000								
PRG zones	700,000								
Estimated non registered	2,000,000								
Total	8,819,700	510,169	4,723	430,000	1,005,000	183,935	510,885	899,085	3,028,905

[1] Refugees: Figures marked by * are newly generated refugees as reported yearly by the U.S. Agency for International Development. The 1970 figure, marked by **, includes 281,000 persons who registered in 1970, but were generated as refugees from 1965–69.

[2] Hospital entries: These figures are official, supplied by the U.S. Agency for International Development.

[3] Civilian killed and wounded: These figures are estimates made by the U.S. Senate Subcommittee on Refugees.

[4] Soldiers killed and wounded: Figures for 1965—Jan. 27, 1973, supplied by Pentagon Information Office, (202)QX7-2873. Jan. 27 to Dec. 31, 1973, figures are those supplied by the Government of the Republic of Vietnam.

TABLE 3.—A COMPARISON OF UNITED STATES, SOVIET AND CHINESE EXPENDITURES IN INDOCHINA

[In millions of U.S. dollars]

Year	Soviet		Chinese		United States		Military aid		
	Military	Economic	Military	Economic	Military	Economic	Soviet-Chinese total	Soviet-Chinese percent of total	U.S. percent of total
1966	210	85	60	50	5, 263. 5	736. 5	270	5. 0	95. 0
1967	505	200	145	80	17, 431. 9	568. 1	650	4. 0	96. 0
1968	440	240	100	100	22, 463. 3	536. 7	540	2. 0	98. 0
1970	70	345	85	60	16, 523. 3	476. 7	155	1. 0	99. 0
1971	100	315	75	100	11, 424. 3	575. 7	175	1. 5	98. 5
Total	1, 300	1, 200	465	390	73, 100	2, 900	1, 800	2. 0	98. 0

SOURCES:

1. Soviet and Chinese expenditures for 1966–68 were drawn from national security study memorandum No. 1, as reprinted in the Congressional Record, May 10, 1972. They are included in the section prepared by the State Department, in response to question 28, in a chart captioned "In Million U.S. Dollars at Soviet Foreign Trade Prices," on p. 16773.

2. Soviet and Chinese expenditures for 1970–71 are taken from an Associated Press dispatch published in the New York Times on Apr. 13, 1972. The dispatch cites "U.S. Government sources, not allowing use of their agency name." It is entitled "Soviet Arms Aid to Hanoi Is Down."

3. U.S. expenditures for 1966–68, and 1970, are taken from "Impact of the Vietnam War," prepared by the Library of Congress, June 30, 1971, p. 2. Costs are given in fiscal years, and are incremental; i.e., costs that would not have been incurred was the United States not involved in Indochina. The 1971 figure is an estimate reported by "The Air War in Indochina," by a Cornell University study team, Beacon Press, p. 100. We have divided U.S. costs into military and economic by subtracting from the total figure given in the sources just listed, the figures for U.S. economic aid listed in the "Fiscal 1974 Year Program Presentation to the Congress," prepared by the U.S. Agency for International Development, p. 10.

Note. The 5 selected years chosen above are the only ones for which it is possible to compare U.S. Soviet, and Chinese expenditures for Indochina.

UNITED STATES NOW SUPPLIES 86.3 PERCENT OF THIEU'S TOTAL RESOURCES

Note. The chart following this page was recently supplied by the U.S. Agency for International Development. For the first time in the war it *officially* outlines in the clearest way possible the fact that the U.S. is responsible for over 85% of the Thieu government's total resources. It is important to note, moreover, that during 1973 the U.S. was forbidden by the Paris Agreement from interfering in the internal affairs of Vietnam. The 86.3% of the Thieu government's resources supplied by the U.S. is divided up as follows:

1973 INCOME INTO SOUTH VIETNAM

	Amount (millions)	Percent
U.S.-supplied income equals 86.3 percent:		
U.S. military aid	$2, 270. 5	66. 8
U.S. commodity import program	300. 0	8. 8
U.S. Food for Peace	143. 0	4. 2
U.S. project aid	86. 1	2. 5
U.S. loan	50. 0	1. 4
Import revenues due to U.S. presence (minimum)	91. 44	2. 6
GVN-generated income equals 13 percent:		
Direct taxes	58. 6	1. 7
Indirect taxes	283. 2	8. 3
Import revenues	10. 16	. 2
Currency additions	30. 7	. 9
Bond sales	30. 3	. 8
3rd country aid	40. 0	1. 1

Key to Chart following this page

Line (1) The GVN did accomplish a modest gain in direct taxes during 1973. For a population of 20 million, however, the $3 per capita raised in taxes is a telling indictment of the GVN's political appeal.

Line (2) Although we have counted all $283.2 million in "indirect taxes" as internally-generated, in fact 30% of indirect taxes during the war were generated by the U.S. presence, and a substantial portion of such "indirect taxes" are still derived directly from the U.S. presence.

Line (3) Virtually *all* import revenues are derived from U.S.-subsidized imports. Nonetheless, we have estimated the GVN's internally-generated import revenues at 10% of the total, a rather high estimated. Line (4) This simply means that the GVN printed up new currency, thus stimulating inflation. Line (5) The GVN borrowed on the future here, presumably from the national bank. Line (6) The 1973 "loan" was from the U.S., those in 1974 will come from a variety of countries and institutions like the World Bank. Lines (7)–(10) These are 4 *overt* and *admitted* categories of U.S. funding. Inflation has meant that they amount to a declining amount of real aid and thus declining living standards. The 1974 "military aid" figure of $1.026 billion is not taken seriously by the Indochina Resource Center, since it cannot be correlated with the requests of $1.6 billion for FY 1974 and $1.6 billion for FY 1975. Line (12) This indicates that portion of American aid which enters GVN budget accounting. The budget is quite obviously a small portion of what it takes to keep the GVN in existence.

SOUTH VIETNAM—GOVERNMENT BUDGETS BY CALENDAR YEARS 1964–74

[In millions of dollars]

	Calendar year—										
	1964	1965	1966	1967	1968	1969	1970	1971	1972	[1] 1973	[1] 1974
1. Direct taxes	12. 3	12. 7	11. 7	19. 4	24. 4	28. 1	35. 4	34. 0	39. 6	58. 6	65. 6
2. Indirect and other domestic taxes	87. 7	124. 1	128. 3	135. 6	138. 1	158. 9	190. 3	199. 0	201. 5	283. 2	301. 0
3. Import revenues	63. 0	70. 9	215. 8	177. 5	158. 9	275. 5	328. 8	379. 6	114. 3	101. 6	96. 9
4. Addition to currency supply	63. 0	255. 7	131. 7	117. 5	249. 4	86. 5	98. 2	154. 8	47. 1	30. 7	93. 8
5. Bond sales	15. 2	27. 1	17. 7	11. 6	40. 0	28. 6	13. 1	75. 7	121. 4	30. 3	NA
6. Loans from foreign countries										50. 0	100. 0
7. U.S. AID project Asst	46. 3	65. 7	184. 1	324. 8	224. 1	153. 0	115. 9	95. 7	72. 2	86. 1	201. 7
8. U.S. C.I.P	104. 8	157. 5	259. 9	165. 2	104. 4	176. 1	182. 3	239. 4	225. 6	300. 0	240. 0
9. U.S. food for peace	33. 9	48. 2	76. 3	153. 3	138. 3	94. 1	121. 0	81. 8	118. 1	143. 0	160. 0
10. U.S. military aid	181. 8	268. 9	862. 0	1, 203. 5	1, 504. 5	1, 608. 2	1, 692. 6	1, 882. 5	2, 382. 6	2, 270. 5	1, 026. 0
11. 3 country grant aid	19. 9	19. 9	19. 9	20. 0	20. 0	26. 0	20. 6	28. 3	34. 2	40. 0	60. 0
Grand total	627. 9	1, 050. 7	1, 907. 4	2, 328. 4	2, 152. 1	2, 632. 3	2, 798. 2	3, 170. 8	3, 356. 6	3, 394. 0	2, 345. 6
12. Counterpart contribution to the budget	129. 5	174. 5	301. 2	277. 7	177. 4	190. 6	239. 5	267. 4	305. 0	400. 2	390. 2
Total GVN budget	292. 5	382. 2	657. 0	610. 2	498. 8	653. 1	794. 0	880. 0	675. 4	855. 6	854. 3
(Conversion rate VN$/US$)	(81/1)	(79/1)	(120/1)	(160/1	(168/1)	(192/1)	(226/1)	(294/1)	(412/1)	(512/1)	(604/1)

[1] Estimated.

Source: Table 1, Letter to Congresswoman Bella Abzug, from House Foreign Operations Committee, Feb. 20, 1974—from AID.

U.S. ECONOMIC AID TO INDOCHINA, FOR FISCAL YEAR 1974

[In millions of U.S. dollars]

	SVN		Cambodia		Laos		Total	
	Original [1]	Acutal [2]	Original [1]	Actual [2]	Original [1]	Actual [2]	Original [1]	Actual [2]
Humanitarian	85. 0	70. 0	4. 0	13. 4	18. 4	13. 0	107. 4	96. 4
Reconstruction	50. 0	2. 0	5. 0	0	5. 9	10. 9	60. 9	25. 9
Development	48. 0	13. 0			12. 5		60. 5	
Comm. Imp. Pro.	275. 0	200 0	46. 7	62. 1			321. 7	262. 1
Stabiliz. Fund			18. 3	18. 3	18. 2	16. 1	36. 5	34. 4

	SVN		Cambodia		Laos		Total	
	Original[1]	Acutal[2]	Original[1]	Actual[2]	Original[1]	Actual[2]	Original[1]	Actual[2]
Technical Support	17.0	15.0	1.0	1.2			18.0	16.2
Ind. Post-War Rec	475.0	300.0	75.0	95.0	55.0	39.8	605.0	435.0
Food for Peace	176.4	309.0	30.9	194.2	1.5	3.6	208.8	506.8
DOD Moneys	105.0	105.0	(?)	(?)	(?)		(?)	(?)
Supplemental, Cip		49.0						49.0
Loan, Cip		60.0						60.0
Development Loan		50.0						50.0
Grand total	756.4	873.0	105.9	289.2	56.5	43.4	813.8	1,100.0

[1] Original: Stands for original administration requests for fiscal year 1974, present in spring 1973.

[2] Actual: Stands for final administration appropriations.

Mr. McGOVERN. I also ask unanimous consent that a letter from the Saigon Government denying permission to a Vietnamese citizen to publish the terms of the Paris Peace Agreement be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[Translation]

REPUBLIC OF VIETNAM, OFFICE OF THE PRESIDENCY, NATIONAL INFORMATION COMMISSION,*

Saigon, June 9, 1973.

No.: *1JG* [?] *PTDUV/PHBCNT*/KSAL.

To Mr. —:

DEAR SIR: We regretfully inform you that, after examining your work with leniency, we cannot issue you a permit to publish your book: To End the War and Reestablish Peace in Viet-Nam.

Please come to the Bureau of Domestic Printed materials, National Information Commission, at 170 Phan Dinh Phung Street, Saigon, at your early convenience so that we can return your manuscript.

Sincerely yours,

[The seal reads, around its circumference, "Republic of Vietnam, Office of the Presidency," and, in its center, "National Information Commission."]

[Signature] BATUOC.

Chu-Bá-Tuóc.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. Does this amendment by the distinguished Senator cover just the $266 million which was "found" a few weeks ago?

Mr. KENNEDY. The Senator has stated it accurately. It is related only to that amount of money which the majority leader stated.

Mr. MANSFIELD. Does the Senator know whether that $266 million was "found" in the Pentagon or in the Congress?

Mr. KENNEDY. It is the understanding of the Senator from Massachusetts that it was found in the Pentagon, and not in a congressional appropriation.

Mr. STENNIS. Mr. President, will the Senator yield to me on that?

Mr. KENNEDY. I yield.

Mr. STENNIS. I think the answer is that the Armed Services Committee discovered the existence of those funds. That is my information.

Mr. KENNEDY. If I may add this, to complete the matter, I would agree with the chairman of the Armed Services Committee, it was a result of congressional investigation and pursuit, but still the money that is being considered here today was money that was in the Pentagon, and this does not represent any additional funds that have been in any way appropriated or earmarked by a vote of the Congress.

Mr. MANSFIELD. Did I correctly hear the Senator say the cost to the United States as of now is $2.5 billion annually in Vietnam?

Mr. KENNEDY. The Senator is correct. That is an estimated figure.

Mr. MANSFIELD. And that is exclusive of costs in Cambodia. Does the Senator recall what those figures are? They are roughly $400 million——

Mr. KENNEDY. Approximately $400 million. I will correct the RECORD if that is wrong.

Mr. MANSFIELD. Does the Senator recall what the costs are today in Laos?

Mr. KENNEDY. It is approximately $125 million, I think.

Mr. MANSFIELD. Does the Senator know what the cost to this country is of maintaining 35,000 troops and airmen and planes, including B-52's, in Thailand?

Mr. KENNEDY. Well, the Senator has me on that one.

Mr. MANSFIELD. The Senator can get those figures, I am sure.

Mr. KENNEDY. On April 10 I asked the help of the GAO in compiling statistics on the totality of U.S. aid in Indochina; it is a massive sum.

Mr. MANSFIELD. The point I was trying to get at is that we are still involved in Southeast Asia almost a year and a half after peace was declared and after the remaining Americans were withdrawn.

Does the Senator realize that the war in Southeast Asia was not only the longest war in the history of this Nation, but the second most expensive war?

I have here a statistical extract of the United States, 1973, 93d Congress, first session, House Document 93-134, a U.S. Department of Commerce publication issued by the Bureau of the Census.

The estimates based on the assumption that the war would end by June 30, 1970—almost 4 years ago—except for original war costs and for veterans' benefits, 1973. It is estimated that the cost for the Vietnamese war or the war in Southeast Asia will extend almost through the year 2050, and the estimated ultimate cost of that war, listed as the Vietnam war in this official Government document, and based on the assumption that war would end by June 30, 1970, almost 4 years ago, is $352 billion.

That is something to think about.

I hope the Senator is successful. I certainly will support his amendment, because I think we are throwing away too much money, too freely, too far, and too widely.

SENATOR RANDOLPH SUPPORTS IMPROVED CONTROLS ON MILITARY AID TO SOUTH VIETNAM

• Mr. RANDOLPH. Mr. President, I have studied carefully the amendment of the able Senator from Massachusetts (Mr. KENNEDY) and his compelling presentation. I strongly support the proposal. It will provide reasonable restrictions and a tightening of procedures on the military aid destined for South Vietnam.

My colleague has stressed this is not a question of discontinuing aid to South Vietnam. Rather, the issue is whether the Congress will impose controls on the expenditure of funds in South Vietnam. Other departments of the Government are required to operate under strict budgetary controls—there is no reason why the Defense Departments should not be forced to utilize accurate and proper spending procedures. Certainly, vital domestic programs come under the closest scrutiny and examination, and any error in domestic activities of the magnitude—$266 million—to which the pending amendment is directed would be viewed with alarm and pressures for intensive investigation.

Our Nation has unfulfilled commitments to our citizenry for improved housing, health care, transportation, water, and sewage systems and essential public facilities. Programs authorized by the Congress to meet these needs are operating under the most severe budget limitations. In my judgment, citizens generally would agree that foreign assistance programs should be subject to the same strict controls. The amendment of the Senator from Massachusetts (Mr. KENNEDY) is designed to achieve this purpose and I earnestly hope it will be approved by the Senate. It has my complete support.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, in opposition to the amendment of the Senator from Massachusetts, these are rather complicated facts. It is a great pity that such a policy question is going to hinge on one vote here with so few Senators present to get the basic facts.

Just going back briefly as to the history of this legislation: this whole pattern goes back to the Korean war. The pattern of the operation was such in the field of battle that, instead of making a direct appropriation for military aid to operate the Korean army, we merely put a provision in the law that money appropriated for our military forces over there would be eligible for use by the Koreans.

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*Translator's note: The National Information Commission is now the Ministry of Information and Open Arms.

Translated by Phyong Khanh Nguyen, Legal Processing Assistant, Far Eastern Law Division, Law Library, Library of Congress, Washington, D.C. 20540, April 1974.

When we got into the war in South Vietnam, we adopted the same general pattern, and, by agreement with the Foreign Relations Committee, this program was turned over to the Armed Services Committee.

This was before I became chairman.

Originally, there was no ceiling on these aid amounts. It was just possible to spend any amount that the military might see fit for foreign aid in South Vietnam, so long as they were spending out of their money. But we put a ceiling on it—in 1970, I think it was—and it was $2.5 billion. We have put a ceiling on the amount every fiscal year since then.

But let me digress a little, now. The cost of this war to us, out of our Treasury, was at one time running at the rate of $25 billion to $28 billion a year. So the amount we are discussing is only a very small part of the yearly cost of the war when it was going full scale, and it pertains to the military aid that comes out of money appropriated for our military forces. Last year they asked for $1.6 billion.

The Senator from Missouri, in his diligent way, held hearings last year, and the committee proposed a figure that was lower than $1.6 billion, but it was finally settled in conference at $1.1 billion, as it is rounded off. That is the same money as is involved here, the same subject we are discussing now. Then, this year, at the beginning of this session, there was a supplemental authorization bill that contained an amount for Trident. It also contained an amount for Diego Garcia, in the Indian Ocean; and it contained some additional money for this military aid to South Vietnam. It is true that our forces are no longer fighting there. This assistance goes for the South Vietnam Army and military.

The Pentagon asked, in this supplemental bill, for an increase of $474 million as a supplemental item. I asked the Senator from Missouri (Mr. SYMINGTON), and he readiy agreed, to hold hearings on the supplemental bill, because it was a part of the 1974 program. Everybody has been open, straightforward, and honest about this item, but I understood we had all agreed on the bill as a package, as it is before the Senate now. No one voted against any item. The Senator from Missouri will speak for himself. I do not blame him one bit. He is going to speak for the Kennedy amendment, which is why I am handling the opposition to it, or at least why I am the floor manager for the opposition.

I did not favor including in the supplemental bill amendments that were not emergencies. No one else did, very much, and we unanimously left them out.

But as to this money for military aid to South Vietnam, it having run out, I felt that we ought to do something about it rather than simply totally and suddenly stopping all of it, which is what this amendment would do.

There are some supplies on hand in Vietnam, I am sure. They have what is called an inventory base. There may be some rifles, some bullets, some gasoline, some trucks, and other essentials that are necessary to make war, but they are being depleted mighty fast. The Kennedy amendment, if it became law, would stop everything except this supply, which may last for some weeks. It might be 8 weeks or 10 weeks, or something like that, for whatever they have on hand, and that would vary. That is the real issue.

We found this money, which is not new money. This supplemental bill does not authorize any additional new money, as we ordinarily do. The report merely points out that there are some unobligated balances from previous fiscal years, and that we can go on and use that money. That is what the report says. That is why it was so nearly unanimous in the committee. That is all that is asked for now.

This amendment—and I do not blame the Senator from Massachusetts for it—would write into hard law this cutoff proposition; whereas the committee bill, we brought it before the Senate, and as the report speaks now, would permit the use of this money, the old money, the old authorization, at least for these purposes.

Let me say, though, that we are writing into the regular authorization bill a provision which will provide a much larger sum for military aid, and we are going to write in even stricter provisions now, because there are no longer two armies over there now fighting side by side. That provision will say how much more ammunition will be provided, since there is only one army now. We are going to impose additional restrictions, more than we have now.

So back to the provision brought in by the committee, it does not violate the ceiling set by the committee. It does not violate the ceiling or any new authority. It will not require the Committee on Appropriations to appropriate more money. The supplemental appropriations bill will be filed just as soon as we get through with this bill.

They are awaiting the outcome of this supplemental bill on some items, but on this program they did not have to wait because there is no money for this item. So there is no money involved in it. The bill is here, and as a practical matter it rather quickly boils down to this fact.

Talk about the billions invested. We invested 54,000 lives over there, the lives of men who were sent into that war and died in battle or from wounds received in battle. Many more were seriously wounded. I am not willing to turn our backs totally on those men and the memory of their sacrifices. I do not want to be sentimental or emotional about this subject. I just have not made up my mind that I am ready to do that—not yet; not yet. I will not do it all of a sudden, on an amendment offered from the floor, by whomever it may be offered. I will move on this subject, for my part, on a more gradual basis. That is what we did. We said we were going to end the war by gradualism, and we did. I think a great majority of American people, although they were sick and tired of the war, are pleased that we did work on that basis, rather than come out of there with our flags turned toward the ground. We came out with our flags flying.

No one can yet say that the United States ever turned its back and ran out of any war. We almost lost one a 100 years ago, maybe, at one time. But seriously I am glad, and most people are, I believe, that we did not turn our back and come out.

Now, to a degree, the same issues are involved, except the lives of our men are no longer involved. None of our people are going into battle, and there is no prospect of them going back into battle over there. This is a winding down and getting out of that war, as far as we can—not just turning our backs and running out.

I do not know what was promised over there. I would be willing to go over there and go into it, if anyone wants to go into it, and get the most minute facts about it. But I already know what my position is, and my position is to get out of there as fast as we reasonably can, carrying out our obligations, first to our men that we sent to their deaths there and their loved ones left behind, and carrying out our general obligations as an ally there.

We stayed there for years. We knew what we were doing. No one made us go in. And I think we had just better take a second thought here, and whatever we are going to do, not do it on a supplemental bill that has already been stripped of almost everything in it. I think we have taken out about 60 percent of the original bill. And let us not do it by a floor amendment on a matter that is going to be back before this Senate in a few weeks. It will be only 4 or 5 weeks before the general authorization bill is back before the committee.

The Senator from Montana has said we must have it, and must have it soon, and we will make it the pending business soon after the committee gets it here.

Let us act on that bill. Let us act on that bill in the light of more extensive hearings, and in the light of a full recommendation of the Armed Services Committee.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. STENNIS. Yes, I yield to the Senator from Texas for a question.

Mr. TOWER. It is the understanding of the Senator from Texas that by virtue of the very specific language of this amendment, if the amendment were to prevail and become law, it would mean the end of the Joint Casualty Resolution Center activities to resolve the MIA cases, and would result in the withdrawal of U.S. negotiators in the four-party joint military tier, which would end our effort to get information from the other side on MIA's, so it would mean the total abandonment of our MIA's; they could go to blazes, those 1,400 or 1,500 MIA's. We can forget about them. The money is more important, apparently, than our MIA's.

Mr. KENNEDY. Mr. President can the Senator quote the part of the amendment that applies to that? The Senator is totally misrepresenting the effect of my amendment.

Mr. STENNIS. Wait a minute I have the floor.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. STENNIS. How much time do I have remaining Mr. President?

The PRESIDING OFFICER. The Senator has used 15 minutes of his 45 minutes.

Mr. STENNIS. Mr. President, there are other Senators who wish to speak. I ask the Senator from Massachusetts, if I may yield to him briefly, and he then proceed on his own time?

Mr. TOWER. Mr. President I will be glad to respond to the question of the Senator from Massachusetts.

Mr. STENNIS. All right. Mr. President, the Senator says he will answer the questions on the time of the Senator from Massachusetts. I yield the floor.

Mr. TOWER. As I read the amendment, it says:

> None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

That seems to me to be pretty comprehensive.

Mr. KENNEDY. If the Senator will read it completely, he will see that it directly applies to the MASF assistance program, which deals only with ammunition, and relates to the transfer of unobligated funds. So this distorts completely the meaning of the amendment of the Senator from Massachusetts.

Mr. TOWER. No, I have not. It says:

> None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act.

Mr. KENNEDY. This applies only to the question of ammunition and the MASF program. It does not relate to any of the funding which is for the MIA program, which comes from other DOD funds which, I understand, are obligated.

The Senator can state whatever his interpretation is, but he is stating it inaccurately. He can put whatever meaning he wants into it, but I am not going to have my amendment distorted by the Senator's language.

Mr. TOWER. Mr. President, I have not quoted anything but the Senator's own language.

Mr. KENNEDY. The Senator is——

Mr. TOWER. The Senator says "appropriated by this act or any other act."

Mr. KENNEDY. Mr. President, I yield to the Senator from Missouri.

Mr. MANSFIELD. If they did not find it in one place, they could find it in another, could they not?

Mr. TOWER. No; but it is specifically barred, and let us make that plain. I do not care what interpretation may be placed on it; the language here is very specific.

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. SYMINGTON. Mr. President, let me first assure my colleagues I do not want in any way to furl the flag of the United States. I am mighty proud of that flag and my service under it.

On October 3, 1967, on the floor of the Senate, I made the following statement:

> The resources of any country, even those of the United States, are not inexhaustible; and therefore developments in the Middle East and Europe should also be considered as we in turn consider future policies incident to Vietnam.

That was October 3, 1967. On that day, I continued:

> I have presented for many months my conviction that the United States is overcommitted and overextended. We need a great deal of money to handle all these commitments along with our growing problems at home, and we do not want to jeopardize the integrity of the dollar.

Mr. President, every time anything comes up about more money for Indochina, which means Cambodia, Laos, and South Vietnam, there is talk about our honored dead.

In that same speech, on October 3, 1967, I presented that 13,500 Americans had already been killed in Vietnam, and 85,000 wounded.

A few days later, I was asked in Kansas City, Mo., my own State, whether I did not honor those men who had been killed.

I replied, "I will answer that question with another question: Would you rather kill 13,500 more than admit we were wrong?"

The able and distinguished chairman of this committee, for whom I have the greatest respect, has just given a figure which is four times more than have now been killed than were killed at the time I made that talk on the floor of the Senate 7 years ago.

Mr. President, for these reasons I support the Kennedy amendment. The record is all too clear that the Defense Department has spent and will continue to spend every cent and more Congress approves to support current military and logistic activities in Indochina—Laos, Cambodia, and South Vietnam. This is the record over many years, brought back to us by many staff representatives of the Senate.

Let me review briefly the history of the fiscal year 1974 request for the military assistance service funded program.

This is a matter of practical figures and statistics. When it comes to the romance of war regardless of what country is involved, I am tired of seeing all these people killed with the premise it is necessary to protect the best interests of the United States.

The executive branch initially requested a $2.1 billion ceiling on obligations for this MASF program.

As a result of the January 1973 cease-fire, however, this initial request was reduced to $1.6 billion.

After discussion, the Senate Armed Services Committee placed an authorization ceiling for said program of $952 million.

At that time, because of the illness of our able and distinguished chairman, I chaired the conference with the House of Representatives. They came in with $1.3 billion. We compromised at $1.126 billion.

As early as July 31 of last year, the Defense Department was put on notice that their $1.6 billion request for MASF would be substantially reduced. But there is no evidence that any action was taken to reduce the level of support so as to conform to the planned reduced level; in fact, for the first 6 months Defense reported MASF obligations of $890 million, actually the rate Defense would have obligated had Congress approved their originally recommended ceiling of $1.6 billion. Again, this is but typical of their actions over the years with respect to funds for Indochina.

Congress ultimately approved a ceiling of $1.1 billion; but since in the first 6 months Defense obligated nearly $900 million, they are now out of obligational authority. As we know, Mr. President, a supplemental is to consider cases where there must be prompt or immediate action. Defense knew they were overspending the money. They continued to over-spend. Now they ask for justification in this supplemental.

Mr. President, I approved this in the beginning, though I understood where the $266 million came from, and I give full credit to our staff.

Now I have had some accounting training, but still am not entirely clear where the money originates that was not spent.

In any case, the Defense Department solution to this, their own action, was to come back to Congress with this supplemental request, one designed to raise the limitation back to the $1.6 billion originally recommended and rejected—not only by the Senate but also by the House as well as in the conference.

Actually, the request to raise the MASF ceiling was made but one month after Congress had finished action on the fiscal year 1974 appropriations bill.

I, for one, do not believe the Congress should continually bail out the Defense Department—and that is what this is, a bailout—we should not bail out the Department of Defense from monetary jams which they deliberately plan themselves into.

Now we have heard arguments which cite possible dire consequences of not providing more money than the ceiling imposed by Congress last year. But here we are, with less than 2 months left in this fiscal year. I am not convinced anything will happen within the next 2 months if Congress maintains its previously established position, and does not add to this obligational ceiling.

It would seem the time has come for the Senate to hold the Indochina line.

We have been hearing for years and years about the fact we were getting out of Indochina, that we are getting out of Indochina, but we are always coming back for more money to get out of Indochina.

Only this morning I read that South Vietnamese troops are attacking in Cambodia.

We all know only too well that today the United States has serious and current economic problems here at home. If anyone does not so believe, they do not have to travel to my State of Missouri. They can go a few blocks from this Capitol and see homes where people are living, under current Federal housing programs, without heat or light. There can no longer be approval by us of every single monetary request now coming in from all parts of the globe.

Mr. President, we are now giving a great deal of aid to Egypt. I do not protest that. We plan, according to the press, to give military aid to Egypt. I do not protest that. We are giving billions of dollars of aid to Israel and I do not protest that. We are sending billions upon billions of dollars for oil to Middle East countries. I do not protest that. We are spending billions upon billions maintaining a very large military force in Europe. At this time I do not protest that. But I do question whether the American economy can continue to bear all these burdens indefinitely; in fact, that was the basic thrust of my talk on this floor nearly 7 years ago, October 1967.

Surely one could rate a few of the more obvious needs of some of our own American people as being higher in priority than this $266 million now being requested, all of which is above the agreed upon original ceiling for the support of Vietnam.

Let us remember that, if approved, MASF would still be obtaining $174 million more than what was originally passed last year by the Senate.

It is for these reasons, let me repeat, Mr. President, that I support the amendment of the distinguished senior Senator from Massachusetts (Mr. KENNEDY).

The PRESIDING OFFICER. The 10 minutes of the Senator have expired.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from New Hampshire (Mr. MCINTYRE).

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 5 minutes.

Mr. McINTYRE. Mr. President, I intend to support the position of the Armed Services Committee and vote against the amendment offered by the distinguished Senator from Massachusetts (Mr. KENNEDY). Because so much comment has surrounded this amendment, and because many different interpretations are likely to be placed on the results of this vote, I believe it is important to state the reasons for my vote.

At the outset, let me make it clear that:

This is not a vote for open-ended and indiscriminate funding for the Thieu regime.

This is not a vote for devious accounting procedures that allow the Pentagon to "find" mysterious sources of funds.

This is a vote to fulfill congressional intent regarding fiscal year 1974 aid to Southeast Asia, and to live up to the guidelines given to the Defense Department.

Mr. President, this issue can be put in better perspective by a short review of the Armed Services Committee action after the Pentagon's request for an increase in the fiscal year 1974 ceiling on aid to Southeast Asia. When this matter came before our committee, it was my strong feeling that the request was not justified. Accordingly, I voted with the committee to remove this request from the bill and thereby retain the $1.12 billion spending limit.

Close examination by committee staff members of the Pentagon's accounting practices revealed that a system was being used that failed to differentiate between aid given to Southeast Asia during fiscal year 1974 and replenishment to domestic inventories for ammunition and other aid supplied to Southeast Asia in previous years. Thus, the $266 million figure which is the focus of the pending amendment actually represents aid given before fiscal year 1974. The total funds spent for aid to Southeast Asia in this fiscal year would therefore be less than the $1.12 billion ceiling.

Mr. President, I do not regard the sum of $266 million as insignificant or trivial.

I would prefer that this money be spent here at home on some of our pressing domestic problems. But that is not the issue at hand. This Congress has made a commitment—to the Defense Department and to the government of South Vietnam. We have stated that a certain sum of money, but no more than that sum, will be available in this fiscal year. To pass the amendment offered by the Senator from Massachusetts would be to renege on that commitment with less than 2 months remaining in the fiscal year. However attractive that might seem from the standpoint of domestic priorities, I believe it would be unfair and capricious in light of the promises implicit in the 1974 authorization. At a time when the integrity and credibility of the governmental decisionmaking process is under heavy scrutiny, we should not diminish the value of a congressional pledge.

But at the same time that we uphold our previous commitments, let us also serve notice on the Pentagon and on President Thieu that we are not giving a blank check for the future. In no way should my vote be read as a promise to "bail out" the Pentagon any time it overspends or seeks to vitiate a congressional spending ceiling. One glance at the treatment given the Pentagon's supplemental research and development requests by my R. & D. subcommittee should make my position clear. Furthermore, I intend to take a very hard look at the fiscal year 1975 budget requests and especially the $1.6 billion Vietnam aid ceiling sought by DOD. I firmly believe that our policy should continue to be to decrease our involvement in Southeast Asia.

Mr. STENNIS. Mr. President, I yield myself 1 minute to say that I certainly thank the Senator from New Hempshire for going to the trouble of studying this matter and for staying here to make a very fine and clear-cut speech that contributes to the situation, and firmly and strongly backs up the committee position.

This is another illustration of how valuable the Senator from New Hampshire (Mr. MCINTYRE) is not only on the Armed Services Committee, but wherever else he puts his hand to the plow.

Mr. McINTYRE. Mr. President, this was a most difficult decision for me to make but I think we should live up to the pledges that we make.

Mr. STENNIS. Mr. President, I yield 7 minutes to the Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 7 minutes.

Mr. THURMOND. Mr. President, when the defense supplemental bill came in this year, the administration requested $1.6 billion for Southeast Asia for military support. The committee reduced that to $1.26 billion. We feel that this is reasonable. We feel that it is proper. We have lost almost 50,000 men in Vietnam. We have had 300,000 wounded in Vietnam. We believe that with some ammunition and equipment, the South Vietnamese would be able to hold their own and maintain their freedom. But without this, they cannot do it.

Mr. President, under the amendment of the distinguished Senator from Massachusetts, $266 million will be cut from this $1.26 billion. The Armed Services Committee did not add any new money. I would like this to be clear in the minds of my colleagues: We delivered ammunition in 1972 and 1973 that was charged to the 1974 authorization. Therefore, that reduced the authorization for this year, 1974, to $860 million.

All we are trying to do here is to prevent the loss of that $266 million, which we have already authorized and already appropriated. I repeat: We are not adding $266 million. We are merely trying to keep that much from being lost from this year's authorization appropriation which Congress made last year.

Mr. President, Congress has already acted. We do not want to see now the action of Congress undone. If there were justification for undoing it, that would be one thing. But there is no justification. The South Vietnamese need this money.

We were pressed to get out of the Vietnam war, and we made statements and promises that if we could get our manpower out, we would provide them with ammunition and equipment.

That is what we are trying to do now, except on a smaller basis, because we are not providing it on a 1-to-1 basis as the agreement provided. This is less than the agreement provided.

The question might be asked, How is this money going to be used? This is how it will be used: ammunition, $160 million; aircraft procurement, $69 million; operations maintenance and spare parts, $37 million—a total of $266 million. The South Vietnamese need it. They need it in order to stop the aggression of the enemy.

I sincerely hope that the Senate will not undo what it has already done. I repeat: We are not taking any affirmative action to give them more money. We are just trying to hold what Congress has already given. It would be a great blunder, in my opinion, if we were to take steps to deny this $266 million to those people over there who are fighting for their freedom.

An article appeared in a newspaper a few days ago which stated that a battalion was lost over there because of lack of ammunition. We do not want that to happen again. The article reads: "A Battalion Dies at Kontum. Officers Say Lack of Ammo Hampers Operations."

Do we want that to happen? Do we want South Vietnam to go down the drain? Do we want the South Vietnamese to lose their freedom? Do we want the whole of Southeast Asia to go Communist? It will be determined on the floor of the Senate.

These brave people are willing to fight. All they are asking and pleading with us for is a little ammunition and weapons and equipment, and let them do their own fighting.

We said we would do that, when we pressed to get out, and now they have taken it over. We have an obligation to those people to provide them with ammunition and equipment, because, after all, they are fighting for the free world as well as their own freedom.

Mr. President, I hope the Senate will not adopt this amendment. I hope the Senate will stand by what it did last year and let South Vietnam have what Congress already has considered, authorized, and appropriated, and not disturb that amount by trying to reduce it by $266 million.

One might say that the Pentagon is trying to pull a fast one or it is the Pentagon's bookkeeping. Yes, the Pentagon made a mistake; and Mr. Don Lynch, of the Senate Armed Services staff, caught that mistake.

The VICE PRESIDENT. The Senator's 7 minutes have expired.

Mr. STENNIS. I yield 1 additional minute to the Senator.

Mr. THURMOND. Mr. Lynch caught that mistake. What was done was that this $266 million, instead of being charged to the 1972 and 1973 fiscal years, was charged against this year. It was purely an error. If anybody makes a mistake, can they not correct it? A mistake should be corrected. I commend Mr. Lynch for catching that error. He is a very able staff member. Simply because the Pentagon made a mistake, we should not punish the South Vietnamese in their struggle and in their effort to maintain their freedom, by denying them what Congress has already appropriated.

Mr. STENNIS. Mr. President, I yield 4 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I rise in opposition to the amendment proposed by the distinguished senior Senator from Massachusetts.

The amendment, in reality, seeks to nullify and revoke the considered action of Congress earlier this session in enacting the Armed Services regular authorization and appropriation acts for fiscal 1974, which we are now considering. The amendment is an attempt to deauthorize and to cancel an appropriation duly made on the military assistance service funding in regard to South Vietnam and Laos.

It would be extremely unwise to adopt this amendment, and it should be rejected. Previous action by Congress was well considered; it was deliberate and pursuant to sound, long-range policy. It should be preserved.

There may be a time when the merit of this action can be more fairly canvassed, and that time will be here within a few short weeks. But to reverse the deliberate and well considered action of both houses of Congress and the signature of the President on the basis of a 45-minute debate on each side of the respective sides of this issue certainly is not in order and is not wise.

The complicating aspect of the current situation results in the fact that approximately $266 million worth of ammunition had been delivered from Army inventories to South Vietnam in prior years. Under understandings with Congress, and consistent with past practices, the Defense Department charged this amount to the 1974 ceiling on the amounts that were set aside for the military assistance to South Vietnam. In reality, this was "payback" ammunition for United States inventories delivered in previous fiscal years. This resulted in a reduction of $266 million from the amount approved and appropriated for support for fiscal 1974.

Mr. President, there are two ways congressional intent and action can be restored:

First, by increasing the ceiling from $1.126 billion to $1.6 billion. The House refused to do so. The Senate Armed Services Committee also recommended that such increase be denied.

The second way is to correct the bookkeeping entry by which the $266 million were charged against the fiscal 1974 limitation and make that charge against prior years unused authorizations and appropriations. Such a correction would do two very helpful things: First, the actual military assistance rendered for fiscal year 1974 will be clearly and realistically reported; and second, the authorized and appropriated amount for such military assistance will be restored to the amount Congress intended it to be for fiscal year 1974. This is the amount which Congress authorized and appropriated in the regular fiscal year 1974 Authorization and Appropriations Acts.

The Senate Armed Services Committee report in its final paragraphs at page 32 reads:

> This $266 million should not have been included under the MASF limitation for FY 1974. The funds in fact have been obligated for accounting purposes in prior years, and the ammunition was delivered in prior fiscal years.
>
> The statistical method of reporting may have been valid when U.S. forces and South Vietnam forces were supported by a common pipeline. However, since U.S. forces have been withdrawn, statistical reporting is completely unsatisfactory to the committee. The Department of Defense should change their method of reporting obligations under the ammunition program from a statistical basis to a more realistic basis as soon as possible.

By making the correction of bookkeeping to which I have referred, congressional intent and previous action will be observed.

A great deal of painstaking study and consideration was devoted to reaching the decisions contained in the regular fiscal 1974 Authorization and Appropriations Acts.

At this late hour, we should not divert the course of action so carefully and deliberately achieved.

Policy decisions of far-reaching impact are involved. They are well grounded and well founded on a longer range view.

A more clear understanding of the situation can be gained from a reading of the April 29, 1974, U.S. News & World Report article entitled, "Envoy to South Vietnam Answers His Critics."

I ask unanimous consent that its text be printed at the conclusion of my remarks.

The article consists of a verbatim interview in Saigon by Wendell S. Merick of the U.S. News & World Report with Ambassador Graham A. Martin, a 40-year veteran in the diplomatic service of his country.

It is urged that the pending amendment be rejected.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENVOY TO SOUTH VIETNAM ANSWERS HIS CRITICS—INTERVIEW WITH GRAHAM A. MARTIN

Q Mr. Ambassador, has Vietnam made any real progress toward peace since the January, 1973, cease-fire agreement?

A Yes, but the pace has been much slower than most Americans had hoped for. However, many of us who have followed Indo-China events over the years have been convinced all along that there were essential prerequisites to a real peace.

One is that Hanoi would have to become convinced that the South Vietnamese still retained the will to stay free, as well as retaining political unity and the military capability to do so even after all American combat forces had left the country. This is, I think, now clearly established.

The second prerequisite was some diminution of the bitterness which was the inevitable aftermath of a quarter century of savage fighting. That, of course, would take time—but by then Hanoi would come to the realization that only the Vietnamese parties could work our methods of implementing the Paris accords. Then, perhaps, the political machinery established by the accords could be used, quietly and seriously, for real and effective negotiations.

The Republic of Vietnam has been and is now willing to do this. Any objective and dispassionate review of the record confirms that attitude. And one hopes that Hanoi will soon conclude that its own best interests will be best served by a positive political response.

Q Are you optimistic about future progress?

A If you take into account only the two prerequisites I've mentioned, then conditions are certainly ripe for negotiations. But actual progress toward a real peace really is totally dependent on a third requirement. Hanoi must come to realize the futility of its marvelously clever, ingeniously sophisticated and frighteningly pervasive propaganda campaign to force the American Congress to immediately and drastically reduce American aid to the Republic of Vietnam.

I deeply believe that once Congress, by taking action to provide adequate economic and military aid to South Vietnam, shows Hanoi that its campaign cannot succeed, then we will see rather rapid progress. The intensity of fighting and other violence then should lessen, leading to real and meaningful negotiations between the Vietnamese parties.

Q Is the U.S. committed to provide South Vietnam with economic and military aid into the indefinite future?

A Secretary [of State] Kissinger pointed out recently that while the answer, in a precise legal sense, is "No," nevertheless we undertook certain obligations when we signed the Paris agreements. Among the obligations was our commitment to the South Vietnamese people's right to self-determination.

The provision of adequate economic and military aid is, of course, a matter for the Congress to determine as it considers the foreign-aid bills each year.

However, I'd like to look back a few years, back to 1954. Many Americans have forgotten that our real emotional involvement in Indo-China affairs began in 1954, with a characteristic American humanitarian response when we helped move almost a million—mostly Catholic—Vietnamese from the North to the South. They abandoned everything of material value, choosing to become penniless refugees in the South rather than remain under the totalitarian rule of Hanoi.

Also, it seems to me that debate over abstruse questions of "legality" ought not to obscure the fact, the reality, that our present commitment arises from an even more characteristic American trait—our determination and pride that we finish what we set out to do. And in this case, it is to leave Vietnam economically viable, militarily capable of defending itself with its own manpower, and its people free to choose their own government and their own leaders. I am thoroughly convinced that this goal can be achieved rather quickly.

Q Is South Vietnam's claim that it will need 3 billion dollars in U.S. economic aid through the 1970's realistic?

A It is probably correct that South Vietnam will need 3 billion dollars in a combination of foreign aid, foreign investment and export earnings in the 1970s. But in my opinion, if the decisions I have recommended are made now, not much more than half that amount need come from the United States.

Q How much aid is the U.S. providing now?

A In this fiscal year, military aid has been limited to a little over 1 billion dollars—a very tight sum to help complete the last step of the highly successful process of Vietnamization.

Unfortunately, Hanoi did not observe the cease-fire to which it had agreed, and the rate of necessary expenditures for ammunition far exceeded the estimate made in the expectation of peace.

I'm very hopeful, however, that the Congress will appropriate the full amount the Department of Defense has requested for the fiscal year 1975. If this is done, I am certain the process of negotiation will be speeded, leading to a drastic reduction in the intensity of fighting. That, in turn, will result in a decreased need for U.S. military aid thereafter.

It had originally been planned to provide 625 million dollars in economic aid for this fiscal year. We were able to give only 300 million dollars and, as it turned out, the actual impact of that was much reduced by the increase in world prices of commodities that have to be imported, such as petroleum products.

If, as I very much hope, the executive branch proposes and the Congress approves the 850 million dollars I have recommended for the fiscal year 1975, plus approximately 700 million dollars for the following year, I am convinced further economic aid from the United States could be drastically reduced or even eliminated altogether by fiscal year 1977.

Q. Would South Vietnam be anywhere near an "economic breakthrough" if there were peace?

A. Very close to that, as a matter of fact. When I was told a year ago by some of the most competent economists in the United States that all essential conditions were present in Vietnam for an economic breakthrough along the lines achieved in Taiwan and South Korea—but, note this, in a much shorter time frame—I thought they were overly optimistic. Now I am convinced they were right.

Q. What will happen here if Congress fails to appropriate the funds you've recommended?

A. It will take us longer to finish what we set out to do. You see, I do assume we are going to finish it. I do assume this will not be the first time we Americans will fail to do so.

The question in any mind is whether we will, but how long will it take? I do assume that when we leave we will have accomplished our objective: leave Vietnam economically viable, militarily capable of defending itself with its own manpower, and free to choose its own government and its own leaders. My goal is that we leave in the quickest possible time, with that objective accomplished.

My other goal is that, as quickly as possible, Americans will be able to look back at Vietnam and say that the historians can sort out what mistakes we made, but in the end we did a few things right and it came out all right. I want to get to that point as quickly as possible, and I believe the recommendations I have made will greatly accelerate the speed with which we reach that goal.

Q. What sort of economic formula do you see putting South Vietnam on its feet?

A. I am not an economist. But I have been exposed to some of the world's best and I have been a long-time intensive student of the economic-development process. I have concluded that no special formula can repeal the basic laws of economics.

Occasionally, we find in a country a combination of great natural resources, an able administration committed to sound economic policies, an intelligent, ingenious, innovative, incredibly tough people, with a proven capability for sustained effort and with a fierce and passionate determination to maintain their freedom. When this combination exists, as it does now in South Vietnam, an infusion of sufficient outside capital acts as a catalyst, bringing all of the elements I've mentioned together in a way that can produce truly remarkable results.

Q. Going back to the U.S. aid program. In a cable to the State Department in March you stated that Hanoi decided last autumn to launch an all-out campaign to persuade Congress to cut economic and military aid to Saigon. In your opinion, has Congress been in any way swayed by Hanoi?

A. What I actually said was that we had long been aware of decisions taken last fall in Hanoi to mount an all-out campaign this winter and spring to persuade the Congress to drastically reduce the magnitude of both economic and military aid to the Government of Vietnam.

Hanoi's plans called for the Stockholm International Conference on Vietnam to be the main co-ordinating mechanism, and the Provisional Revolutionary Government delegation in Paris—the South Vietnamese Communist representatives—to be the principal channel. The remnants of the American "peace movement" would be used in such a way as to bring influence to bear on selected susceptible—but influential—elements of American communications media and, particularly, on susceptible members of congressional staffs.

The element of timing was important. First, as much material as possible condemning the South Vietnamese Government was to be moved into the "Congressional Record." The hope was that these insertions would show up in—or at least influence—formal reports of congressional subcommittees. These, in turn, could be followed up and given wide circulation by "investigative reporting" which would tend to confirm and, where possible, expand on the distortions already in the congressional subcommittee formal reports.

When I referred to the Hanoi decision of last autumn I was referring to a special effort designed to particularly affect the authorizing and appropriation process for the fiscal year 1975 aid program for Vietnam.

Hanoi's campaign was not something new. I watched the same process being used in France in the early '50s when the French were still here in Vietnam. I became fascinated by its efficiency and pervasiveness.

Q. But is it really effective in the U.S.?

A. Let me give you an example. Outside the corps of professional Hanoi watchers, I have probably been one of the most regular and consistent readers of the output of Hanoi's principal newspaper "Nhan Dan" and of Radio Hanoi. With a background like that you'd think one should be immune to the propaganda. Instead, I find that even I have on occasions accepted as true parts of the "conventional wisdom" so carefully implanted. I believe all Americans have been touched by it to some degree, and since the Congress is representative of our people, it is inevitable that Congress would be influenced by it.

When some of these distortions began appearing in the "Congressional Record" and even in some congressional-committee reports, I began to worry more about what was happening to us in the United States than about what was happening in Vietnam.

"THE PEOPLE MUST HAVE THE TRUTH"

I deeply believe that when the American people and the American Congress have the whole truth, their decisions are almost always correct. But they must have the whole truth. Let me illustrate this with a wonderful passage from Alexander Solzhenitsyn, published in Oslo last fall. It reads like this:

"The error committed by man in his understanding of the meaning of 'peace' is nothing but emotional. I meant what I said. This is nothing unusual. We often err not because we find it hard to perceive the truth (it is often right there, at the surface), but because it is easier and more pleasant to be guided by our feelings, especially if self-centered.

"The truth has long been demonstrated and proved and explained, and yet it has remained without attention or sympathy, like Orwell's '1984' because of a 'universal conspiracy of adulation' (in the author's own words).

"The bestial mass killings in Hué [South Vietnam], though reliably proved, were only lightly noticed and almost immediately forgiven because the sympathy of society was on the other side, and the inertia could not be disturbed.

"It was just too bad that the information did seep into the free press and for a time (very briefly) cause embarrassment (just a tiny bit) to the passionate defenders of that other social system."

I was well aware that if I chose to disturb the intertia, if I openly suggested the current carefully cultivated "conventional wisdom" did not provide the Congress and the American people with the whole truth, which was essential to reach decisions that would truly correspond to American interests, I would be subjected to considerable personal abuse. Nevertheless, I thought the abuse would be worth taking if it might contribute to providing the whole truth to the American people.

Q Does the abuse bother you?

A Not really. Last fall my wife told me the integrity of my 40 years of service to the American people was just too well known for such attacks to be taken seriously. She was confident the majority of Americans still preserved an instinctive aversion to being "taken in," and would appreciate the few who were still willing to fight to see they were told the whole truth. She said our "passionate defenders of that other social system" did not, any more than did the Soviets, know how to handle a completely honest man who was not afraid, and if the fluttering in the dovecotes gets too frantic, she would get me a broad-brimmed hat. Prejudiced and overly generous as her appraisal of me may be, it sure is awfully nice to have around.

Q. Senator Kennedy in early April charged that you had recommended that the State Department refrain from giving him an "honest and detailed answer" to questions about U.S. policy in Vietnam. What was the purpose of your recommendation?

A My first reaction was that George Orwell's 1984 world of "doublespeak" had arrived prematurely.

I have always assumed that all reports of the Secretary or the Department to the Congress or any member thereof would be "honest and detailed." It was obviously a deliberate distortion of the clear intent of my message to suggest that I recommended that Senator Kennedy get any other kind.

On the other hand, I have not been informed that the Senate Judiciary Subcommittee on Refugees has superseded the Foreign Relations and Appropriations committees. I had been impressed by the fact that Senator Kennedy had given a rather free rein to his Subcommittee staff which, it seemed to me, sometimes ill-served him by being more concerned with headlines than with the thorough, painstaking search for accuracy and perceptive insight that has long been the hallmark of the highly competent and professional staffs of the Foreign Relations, Foreign Affairs and Appropriations committees.

Therefore, since the rather important matters of substance raised in Senator Kennedy's letter were very soon to be given an "honest and detailed" presentation to the Foreign Relations Committee and to the Appropriations Committee, my recommendation was simply to convey privately my feeling that it would be the height of folly to give the same "honest and detailed" presentation to the Subcommittee on Refugees before it was given to the committees which had always handled these affairs. I have not the slightest apology for this recommendation.

HOW TO END THE WAR "VERY QUICKLY"

Q Mr. Ambassador, a lot of Americans ask: "Why should we worry any longer about Vietnam?"

A The important questions remain: How do we end our involvement? How quickly can this be accomplished? My personal belief is that we should end it very quickly, and I believe this can be done. How we end it is of crucial importance. I have said our objective should be to end it leaving a Vietnam economically viable, militarily capable of defending itself with its own manpower, and free to choose its own government and its own leaders. I believe this can be done within the next three years.

I believe that the effect on our power relationships elsewhere in the world of being able to walk away from such a Vietnam with the evidence of American commitments fully discharged may well determine whether our grandchildren will live in a peaceful world or one where senseless violence will be the daily norm. Only those who are incapable of understanding the intricate interplay of the balance of forces now loose in the world, or those who refuse to think about it, will contend that the preceding sentence is other than a dispassionate statement of a simple fact.

I also believe that if the Congress and the people are given the whole truth, we will end our involvement quickly with that objective accomplished.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I was present at the subcommittee meeting when the distinguished Senator from Massachusetts (Mr. KENNEDY) made the first presentation of his amendment. After listening to it and without having had at that time an up-to-date briefing on the whole subject, I said to Senator KENNEDY, "I would not find a lot of difficulty in supporting the amendment." I further said, "I do not think the Defense Department should use domestic inflation as a reason for upping the ceiling."

When I made that statement I felt just exactly as I expressed it. However, since that time, and the full committee having been briefed on the entire concept which has been discussed on the floor today, and which I will not repeat. I have changed my opinion, and I think that the money should be allowed. I do not want to make a long speech on this matter. I will just say briefly that I think it is a question of whether or not we want South Vietnam to stand or fall.

I doubt seriously, too, that $266 million would answer that question, but if this amendment is adopted and it leads, as it will inevitably lead, to other amendments, that could mean a striking of the entire sum, something the Senator from Massachusetts assured me he does not want to happen. Then, I think we would be in difficulty.

I refer, for example, to an editorial that appeared in this morning's Washington Post—and I might say they have never felt too strongly that Vietnam should stand.

Referring to a letter Secretary Kissinger wrote to Senator KENNEDY—and I have not seen it—I do not know if Secretary Kissinger sent it to anybody else, but the Post probably has seen it—they referred to a characteristic statement made by Secretary Kissinger:

> The presence of large numbers of North Vietnamese troops in the south demonstrates that the military threat from Hanoi is still very much in evidence.

I go on to read the editorial:

> His plain implication was that Hanoi is violating the peace agreement by keeping troops in the south. Yet the accords permit Hanoi to keep in the south as many troops as it had there in January 1973. By suggesting that Hanoi is doing something it has no right to do, he is implicitly granting Saigon an excuse to take countering steps in its own "self-defense," even though those steps may not be contemplated in the Paris accords. In the aid vote, the Senate has the opportunity to inform the administration whether—and to what extent—it agrees.

Now, I would point out that in the briefings I have had, the North Vietnamese have far greater strength in the South than they had at any time during the actual war. They have completed two paved highways through the South, one going to within 25 miles of Saigon. They have completed a railroad part way down and they have completed a petroleum oil line to points where it could be of advantage to them.

It has been my observation that if we ever withdraw our support from South Vietnam, South Vietnam cannot stand on its own against the forces of North Vietnam, bolstered as they are by aircraft reaching them from the Soviets through Red China and Hanoi.

So, Mr. President, I do not think the Post really understands what is going on over there. I admit I did not at the time I told Senator KENNEDY I liked his amendment. I think the North is merely awaiting the time when the South does not have ample ammunition to make their major attack.

As I see the military situation over there now it clearly indicates that the North is far stronger in men and equipment and, of much more importance to me, of course, is the fact that their air force has been greatly restructured and reinforced by the advent of the new MIG aircraft, not the most modern aircraft but something they did not have during the war to any extent, aircraft with which they can now fight the very good South Vietnamese air force. They also have constructed many new airfields and rebuilt airfields that had been completely destroyed during the course of the conflict in the Vietnam War.

So while I once agreed in part with the Senator from Massachusetts, I find myself in opposition now.

The VICE PRESIDENT. The Senator's 5 minutes have expired.

Mr. GOLDWATER. I thank the Chair. I was just going to conclude. The Chair is a good observer of time, having been trained properly in the House.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. Mr. President, how much time do we have?

The VICE PRESIDENT. The Senator from Massachusetts has 12 minutes remaining and the Senator from Mississippi has 6 minutes remaining.

Mr. KENNEDY. Mr. President, I yield myself 1½ minutes.

Mr. JAVITS. Mr. President, will the Senator yield for one question?

Mr. KENNEDY. I shall yield to the Senator after I speak for 1½ minutes. I will be happy to yield then.

The VICE PRESIDENT. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, there have been inflammatory statements made here about whether the effect of the impact of this amendment would cut back on the funds that would be available to the Joint Casualty Resolution Center. This is a new argument. When the administration appeared before the House Committee looking for an increase of $474 million, they never said for one moment they would need this money for the Joint Casualty Center.

Mr. STENNIS. Mr. President, may we have order? Will those who are not Members be still for a while? The Senator is entitled to be heard.

The VICE PRESIDENT. The Senate will be in order.

Mr. KENNEDY. Second, the amendment as stated makes reference to funds which remain unobligated. Funds for the Joint Casualty Center are obligated. The comments of the Senator from Texas are mistaken with regard to the amendment.

I have listened to the argument of the

Senator from South Carolina and other comments made here. Either the ceilings which are established by Congress have some meaning in terms of authorization or they do not. The American taxpayers are investing their money at the rate of $42,500 per year in electing each Member of Congress, and they are wasting their money if we go ahead and provide a ceiling which does not have any meaning for the Department of Defense or any other department.

What we have done here is to set the ceiling at $1.126 billion, and they are trying to increase it by $266 million.

Then, I hear the argument that if we do not provide the $266 million we are defaming the 55,000 Americans who lost their lives and the 300,000 who were injured. But those who make that argument do not say anything about the $2.5 billion we will be spending on Vietnam, or the fact that the administration wants to double economic aid for Vietnam in the next fiscal year and to increase military spending by about one-third.

How long are we going to hear those arguments? We have been hearing them long enough. It is basically because the Defense Department has not proceeded to allocate our resources wisely and has frustrated the will of the Congress.

Finally——

The VICE PRESIDENT. The time of the Senator has expired.

Mr. KENNEDY. I yield myself 1 minute.

The VICE PRESIDENT. The Senator is recognized for 1 additional minute.

Mr. KENNEDY. The General Accounting Office has said that this is probably illegal in the first place, because if we follow the line of reasoning of the Armed Services Committee and say the money is actually for ammunition that came from 1973 funds and that 60 percent of that was delivered in fiscal 1973, that would raise the ceiling which we authorized. The fact is that the initial reports of the GAO show that this is clearly illegal.

I hope the amendment is going to stand. It makes sense. Are we going to comply with a decision that has been made as a result of conferences between the Armed Services Committees of the House and the Senate on putting a ceiling into effect, or are we not?

Mr. JAVITS. Mr. President, will the Senator yield 1 minute for a question?

Mr. KENNEDY. I yield.

Mr. JAVITS. Does the rationale the Senator wishes us to follow in any way involve the question of judgment as to whether or to what extent the United States should back South Vietnam financially, or is it involved in the fact that we are not being asked to pass upon that issue frontally but, rather, in an implied or indirect way, by asking us to authorize money as if we were being asked to pass on the issue? In other words, are we being asked to add $266 million frankly and frontally because that is desirable because of our interest in South Vietnam, or are we asked to do it in the cover of some accounting which does not let us face the issue?

Mr. KENNEDY. The Senator's latter statement is correct. There is no frontal facing of the issue. No hearings were held on this $266 million payback transfer. It is an accounting change.

It is very interesting to listen to the fiscal conservatives say they are willing to authorize this kind of backdoor financing, but when we are talking about the need for programs having to do with poverty, health, and similar issues they sing a different tune.

Mr. JAVITS. And no backdoor spending.

Mr. KENNEDY. I yield 2 minutes to the Senator from Iowa (Mr. HUGHES).

Mr. HUGHES. I thank the distinguished Senator from Massachusetts for yielding.

Mr. President, I would like, by way of beginning, to associate myself with the remarks of the distinguished Senator from Missouri primarily because on that day at that particular committee I had given the Senator from Missouri my proxy, because I was unable to be there. He has stated his own thoughts and his confusion as a result of that procedure. So my proxy must have been voted on that basis.

Mr. President, I welcome this opportunity to join in supporting the amendment proposed by the distinguished Senator from Massachusetts (Mr. KENNEDY) to deny an increase in military aid to South Vietnam.

The issue, as I see it, is a simple one of obeying the law.

Last year the Congress set a ceiling of $2,735 million for the MASF program, and the Pentagon reported, as required by law, obligations of $2,713,100,000—that is, all but $22 million of its authority.

Now the Pentagon claims that $266 million for ammunition, reported to the Congress for the first time last fall, should not be counted against this year's ceiling of $1.126 billion.

Where should it be reported? I am told that most of those funds properly should be counted against the fiscal year 1973 ceiling, but that would invoke a violation of that restriction on spending.

So now the Pentagon wants us to sanction an ex post facto violation of the law and, in the process, allow over a quarter of a billion dollars more for South Vietnam.

The most charitable interpretation is that the MASF program has the shoddiest bookkeeping in the entire Pentagon. Alternatively, the administration chose to pour money and equipment into Vietnam without regard for the legal restrictions imposed by the Congress.

In any case, I believe that the Defense Department should be held to the letter of the law. And since this extra $266 million was not reported to the Congress until fiscal 1974, then this program should be held accountable for its reports.

Otherwise, we will be in the position of letting misleading reports to the Congress become justifications for violations of the restrictions we wrote into law.

This year alone, we will spend $1.852 billion in South Vietnam for all U.S. Government programs, according to the GAO. Our aid comes to 6½ times what the Thieu government raises for its own budget.

We have built up a massive military machine in South Vietnam, one which has over one-fourth of the male labor force under arms.

And despite the talk of cease-fire violations, the South Vietnamese Government's own figures show that its force have suffered over 40 percent fewer casualties and two-thirds fewer deaths since the cease-fire agreements went into effect.

Reduced violence does not justify increased aid.

Nor should we allow the current scare tactics to force us to capitulate to these demands for more money.

Every time an aid bill is before the Congress, it seems that Saigon starts shouting about a new offensive. We heard it last December; we hear it now.

But just as no offensive took place last winter, I doubt that anything surprising will happen this spring, especially not since the rainy season is about to begin.

A few weeks ago, Saigon trumpeted the "fall" of a ranger base called Tong Le Chan after heavy fighting. U.S. reporters subsequently discovered that the base had been quietly evacuated at night.

As the New York Times reported:

> It appeared that President Thieu was superheating the atmosphere of tension in order to increase the chances that a military appropriations bill would be approved in the United States Senate.

Mr. President, I think we have had enough of deceit and manipulation. The time has come to draw the line.

I strongly support this amendment, because I believe it will do that job.

Mr. KENNEDY. Mr. President, I yield the Senator from California a minute and a half.

Mr. CRANSTON. I thank the distinguished Senator.

Mr. President, I urge my colleagues to vote for the Kennedy amendment. I think that nothing less than responsible government is at stake.

In the last year or two, Congress has taken important steps toward self-reform. Improving its budgetary procedures is one of the most crucial.

Even though the mechanism set up by the budget reform bill has not yet come into being, the budgetary review process has already become more effective. The Senate Armed Services Committee offers us a fine example. This year, the target date for the regular military procurement bill is mid-May instead of well into the fiscal year, as it has been in past years. I commend the distinguished chairman of the Armed Services Committee for that new and more rational timetable.

The Kennedy amendment conforms to this spirit of more responsible budgetary review.

Originally, the Pentagon asked the Congress to increase the ceiling on military aid to Saigon from its present level of $1.126 to $1.6 billion. But on April 4, the House voted 177 to 154 to keep the ceiling where it is.

The Senate Armed Services Committee voted to retain the present ceiling as well. But at the same time, the committee approved a change in fiscal year accounting which has the effect of providing an additional $266 million to South Vietnam—money which the committee says is available because of "inaccurate accounting."

Mr. President, I have struggled with the Pentagon's accounting system ever since I came to the Senate. I know full well how frustrating it is to try to dig statistics out of the files, only to find that you cannot use them, because they are not consistent. I wholeheartedly agree with the committee's insistence on straightening out the bookkeeping maze surrounding military aid to Saigon.

The effect of reform in this case should have been to tighten the procedure and to close the loopholes. Instead, the immediate result is quite different. Somehow, $266 million has suddenly materialized, seemingly from nowhere. And unless we pass the Kennedy amendment, the Senate will go on record in favor of mailing that money directly to General Thieu—airmail special delivery.

When I say that responsible government is at stake, I mean this: Congress should not set formal limits on spending at the "front door" and then allow money to go out the back door.

Congressman MAHON, chairman of the House Appropriations Committee, put the matter very succinctly. He said on April 10:

> If Congress does not see fit to provide additional funds in a forthright way, then I am not in favor of making funds available by changing accounting procedures or by changing reports, or by any other legerdemain, and I will oppose any attempts to accomplish in committee reports what cannot be accomplished by law.

Mr. President, only 5 months ago, Congress reduced the Pentagon's request for military aid to South Vietnam from $1.6 to $1.126 billion. It did so in the appropriate way; namely, through action on the regular fiscal year 1974 military procurement authorization bill.

We should not reverse our decision now—particularly when nothing has happened to justify a supplemental request.

A supplemental funding authorization should not be normal procedure. It should be used only when something major and unexpected has happened, such as the "October War" in the Middle East. It should not be a way of getting around the regular budgetary process.

In this case, there has been no emergency. The "major new offensive" that North Vietnam was supposed to have launched by now has not occurred.

I went back to my files and found that there have been periodic predictions that such an offensive was just about to take place. In November, veteran reporter, Denis Warner, filed a dispatch which began:

> North Vietnam is openly preparing to launch its heaviest offensive ever against South Vietnam.

In December, the National Observer quoted unnamed U.S. officials as saying there was "a strong possibility" of a new offensive by early 1974. In the same month, someone described as a "veteran Vietnam hand" in the State Department told the Chicago Tribune that—

> The next couple of months are going to be extremely crucial . . . In that time it will be clear to everyone whether there will be a major offensive.

And General Thieu, who hardly needed any encouragement, announced in January that his army was going on the offensive against Communist base areas in South Vietnam to preempt the possibility of a major new North Vietnamese offensive.

So much for offensives.

In presenting the administration's case to the House Armed Services Committee, Deputy Secretary of Defense William Clements did not haul out the bugaboo of a major new offensive, but talked instead about inflation and high prices.

He said on March 18:

> The present ceiling is insufficient to keep up with inflation and price rises.

Now those are things that Americans really understand at this point in time. But Deputy Secretary Clements was not talking about the inflation and high price hitting American consumers so hard. The consumer he was talking about was the South Vietnamese military.

Perhaps it has not occurred to him that Thieu and his generals should do just what the American consumer has had to do—make do with a little less.

Certainly there is no way that this $266 million is going to help South Vietnam's economy. Nothing which has the effect of fueling the war will help South Vietnam's economy. In fact, the World Bank recently went on record for the first time against considering capital development funds for South Vietnam as long as the war continues.

Similarly, there is no way that this $266 million is going to help our economy. Actually, it hurts it—for this sort of spending feeds and fuels our own inflation. And certainly this $266 million would not help American small businesses to weather the energy crisis. It would not build a new factory which would provide jobs. It would not help our elderly citizens to cope with the higher cost of living.

What will it do? It will buy ammunition and aircraft for what the Pentagon calls "H and I"—harassment and interdiction—in a war whose continuation is not in our national interest.

That is why Congress reduced the request for military aid to Saigon last December. Inflation and higher prices—the factors cited by Deputy Secretary Clements in support of more military aid—were live issues then, too. Oil prices, which he also mentioned, had already risen dramatically.

In other words, Mr. President, nothing has changed. We must not rubberstamp back-door funding practices designed in part to get around congressional opposition to military aid.

Sure they have inflation in Saigon. So do we. That is all the more reason why military aid to Thieu should be going down—rapidly—not up.

If we really want to help South Vietnam, we should remember that our commitment is not to Thieu, but to peace.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, how much time do I have?

The VICE PRESIDENT. The Senator has 3 minutes.

Mr. KENNEDY. I yield 1 minute to the Senator from South Dakota.

The VICE PRESIDENT. The Senator from South Dakota is recognized.

Mr. McGOVERN. Mr. President I listened to the argument made by the distinguished Senator from Texas that we would be jeopardizing information on our missing men if we restricted military aid to South Vietnam. That is the same old argument that used to be made by President Nixon, that if we did not have such a military operation we would never get our prisoners out. It turned out it was just the opposite. As long as we carried on our military operations, not one single prisoner was released, and it was only after we terminated our military operations that we were able to sit down with the other side and arrange for the release of our prisoners.

None of us knows what the condition is of those men who are missing in action. We are operating in the dark. But it would seem clear that if there was any relevance in this particular issue to our experience, we would be cutting back on the military operations in consequence of opening up negotiations with the other side with regard to the question of men missing in action.

The VICE PRESIDENT. The time of the Senator from South Dakota has expired.

Mr. STENNIS. Mr. President, how much time do I have?

The VICE PRESIDENT. The Senator from Mississippi has 6 minutes.

Mr. STENNIS. I yield 3 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, I was very interested in the comments of my distinguished friend from South Dakota. He said that the cessation of military activities on our part resulted in the return of the POW's. Obviously the POW's do not believe that way, and obviously that is not the way it happened. The escalation of military activity against North Vietnam in December of 1972 resulted in the termination that resulted from the negotiations that began in January 1973, and that is why the prisoners are home today.

Now, relative to the matters of MIA's, the Senator from Massachusetts has contended that the funds are already obligated. My question would be: Under what obligation and under what specific appropriation are they actually obligated on an open-end basis? They are not. The amendment before us reads:

> None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

And whatever the intent of the Senator from Massachusetts is—and I am sure that he did not intend this—the actual effect of his language is so specific that I do not think any court in the land would say that this language does not prevent our maintenance of the joint fund for casualty activities. And therefore, the enactment of this amendment into law constitutes an abandonment of the MIAs. The language is specific. There is no unobligated authority, that is authorized funds appropriated on an open-end basis. Let us, therefore, understand what we do by this amendment.

Let us, therefore, understand what we do by this amendment.

The VICE PRESIDENT. The time of the Senator from Texas has expired. The Senator from Mississippi is recognized.

Mr. STENNIS. I will be quite brief. Let me refer to this fact. There has been talk about the Pentagon asking for one thing and then shifting to another. This situation was found by Mr. Donald Lynch, a very able and faithful member of the staff of the Armed Services Committee, who did a great deal of the staff work on this bill. He was checking, first, to see if all of the fiscal year 1974 authority had been used up. He was checking back on the prior fiscal years also. And in that checking he found this ammunition situation. And that is why the committee adopted this course. We are going to have the same matter of military aid for South Vietnam up 4, 5, or 6 weeks from now in the large authorization bill.

And my thinking on that is that if they get the $266 million here, we can well charge them with part of that or all of it in the big authorization bill.

Now, all the way through we have had criticism of the Pentagon for handling this money. But all the way through the Congress had to yield to the fact that they were operating under battlefield conditions. We allowed estimates to be used. We did not require obligations as we ordinarily do in good accounting practices. We allowed estimates to be used, because the battle was going on in a dozen different places. We were sending shells, rifles, and gasoline from our Army to their army day after day and night after night.

So, these were the circumstances. These estimates were the only thing that we required. And that is why they vary.

We do not find that the General Accounting Office has condemned this matter. They have told us, through our staff, as late as today, that they had formed no kind of conclusions about this matter, that they had to find out about this matter for themselves.

So, I hope that this vote does not go on what the GAO says. They have not said anything.

Again, I emphasize that this matter is coming back before the Senate—the Congress—as it will necessarily have to in the other bill. And the supply is so thin now that they emphasize it is down to what they call the 90-day inventory. And certainly we are not going to let them use up all of that.

The VICE PRESIDENT. All of the time of the Senator from Mississippi has expired.

Mr. HUMPHREY. Mr. President, is any time left on amendments or on the bill?

The VICE PRESIDENT. The Senator from Massachusetts has 1½ minutes remaining.

Mr. HUMPHREY. Mr. President, may I have 1 minute?

Mr. KENNEDY. Mr. President, could I have 2 minutes on the bill from the Senator from Mississippi?

Mr. STENNIS. That will be satisfactory.

Mr. KENNEDY. Mr. President, I yield 2 minutes on the bill to the Senator from Minnesota.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I have supported military assistance to South Vietnam. I have supported economic assistance to South Vietnam. I did so because I thought it was right. However, I do believe that if the Pentagon needs more money, it should not be found in a bookkeeping transaction. They can request an authorization. They failed to do so and the House of Representatives turned them down.

We cannot afford to let the Pentagon juggle the books on the basis of using the taxpayers' funds for that basis on that or on any other basis.

We do not permit it with any other department, and we cannot afford to do it with this one.

I shall with great reluctance, support this amendment. I do not want to see South Vietnam in trouble. However, we have poured our resources in there. And the fact of the matter is that just prior to the cease-fire, we poured our resources in there as fast as they could be put on the docks in South Vietnam.

I have introduced and we have adopted in the Foreign Relations Committee an amendment to the foreign aid measure that directs the Secretary of State to submit to the Committee on Foreign Relations of the Senate and the Speaker of the House within 120 days after the enactment of the authorization, a detailed plan for the future of U.S. economic and military assistance to the Government of South Vietnam, including a specific timetable for phased reduction of such assistance, to the point when the United States will cease to be the principal source of funds and materiel for South Vietnam's self-defense and economic viability.

Now, why? Not because I am opposed to assistance. In fact, I want us to develop a plan for a phased reduction. However, I think it is wrong for the people in the Pentagon to decide what they will spend and then spend at a higher figure than that authorized by the Congress.

This is reverse impoundment. When the President disapproves of a program voted by Congress, he refuses to spend the money. When the Pentagon believes it needs more funds, it seems willing to violate the Anti-Deficiency Act and allocate more than the Congress has authorized.

I believe the Senate must express its condemnation of such spending practices which violate the intent of this body as to the allocation of funds.

The Pentagon has overspent for the MASF program. Now they ask:

"We need help. Bail us out." I do not think it will be necessary between now and the end of the fiscal year. I am perfectly willing to take a good look at fiscal year 1975 when the matter is before us. I have supported foreign aid. And I have managed that bill on the floor, and I am perfectly willing to do it again. However, I am not prepared to see the administration ignore the intent of the Congress concerning appropriated funds. And defy the Anti-Deficiency Law. That is the issue before us. And that is why I support the amendment offered by Senator KENNEDY.

Mr. KENNEDY. Mr. President, I yield 2 minutes to the majority leader.

Mr. MANSFIELD. Mr. President, I have no hesitation and no reluctance whatsoever in supporting the amendment of the Senator from Massachusetts (Mr. KENNEDY).

It has been said on the floor of the Senate this afternoon: "If anyone has made a mistake, he should be allowed to correct it."

I agree completely. I think the war in Southeast Asia and South Vietnam was one of the greatest tragedies that have ever struck this country in the field of foreign affairs. I think it was unrealistic as well as tragic.

What has come out of that war? 55,000 dead, sent home in flag-shrouded coffins; 303,000 wounded. Among those 303,000 wounded, somewhere between 25,000 and 30,000 were paraplegics and quadriplegics.

Do we want to forget that these men died? Do we want to know what they died for? Was it in defense of this country?

I served in a war. I was not much in the way of rank. However, when I served, I served in defense of my country.

Was the war to stop communism in Southeast Asia? What was it for? Mi Lais? The destruction of a society and the creation of a refugee class? The use of herbicides to destroy forest lands?

What was it for? We will never forget Vietnam, at least I never will, because it is a stab wound in the heart of America. It is an episode in which this country should never have become involved. It was an involvement in a civil war, and we have paid a tremendously high price.

Yes, when you make a mistake, admit it; and the way to do that is to get out, get out of South Vietnam, Cambodia, Laos, and Thailand, and the sooner the better as far as this country and those countries are concerned.

I ask unanimous consent that estimates of the total cost of American wars, by rank, contained in the Statistical Abstracts of the United States, 1973, 93d Congress, 1st Session, House Document 93-184, a U.S. Department of Commerce publication issued, I believe, by the Official and Economic Statistics Administration of the Bureau of the Census, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NO. 408.—ESTIMATES OF TOTAL COST OF AMERICAN WARS, BY RANK

[In millions of dollars, except percent]

War	Estimated ultimate costs	Original war costs [1]	Veterans' benefits			Estimated interest payments on war loans	
			Total costs under present laws [2]	Percent of original war costs	Total costs to 1973 [3]	Total	Percent of original war costs
World War II	664,000	288,000	290,000	100	96,447	86,000	30
Vietnam conflict [4]	352,000	[5] 128,000	[6] 220,000	[5] 200	7,271	[7] 22,000	[7] 20
Korean conflict	164,000	54,000	99,000	184	16,960	11,000	20
World War I	112,000	26,000	75,000	290	52,411	11,000	42
Civil War (Union only)	12,952	3,200	8,580	260	8,572	1,172	37
Spanish-American War	6,460	400	6,000	1,505	5,526	60	15
American Revolution	190	100	70	70	70	20	20
War of 1812	158	93	49	53	49	16	17
Mexican War	147	73	64	88	65	16	14

[1] Based on expenditures of Departments of the Army and Navy to World War I and major national security expenditures thereafter. Usually the figures begin with the year the war began but in all cases they extend 1 year beyond the end of the actual conflict. See "Historical Statistics of the United States, Colonial Times to 1957," series Y 351–352 and Y 358.

[2] To World War I, estimates are based on Veterans' Administration data. For World War I, World War II, and Korean conflict, estimates are those of the 1956 report of the President's Commission on Veterans' Pensions plus 25 percent (the increase in the average value of benefits since the Commission made its report).

[3] Source: U.S. Veterans Administration, "Annual Report of Administrator of Veterans' Affairs."

[4] Estimates based on assumption that war would end by June 30, 1970 (except for original war costs and for veterans benefit costs to 1973).

[5] Estimated Department of Defense expenditure in support of Southeast Asia for fiscal year 1965 to 1972.

[6] Medium-level estimate of 200 percent (high, 300; low, 100) based on figures expressing relationship of veterans' benefits payments to original costs of other major U.S. wars.

[7] Medium-level estimate of 20 percent (high, 30; low, 10) based on figures showing interest payments on war loans as percentage of original costs of other major U.S. wars.

Source: Except as noted, U.S. Congress, Joint Economic Committee, "The Military Budget and National Economic Priorities," pt. 1, 91st Congress, 1st sess. (Statement of James L. Clayton, University of Utah.)

Mr. BUCKLEY. Mr. President, today the Congress has an opportunity to express its resolve to support the Vietnam peace accords signed in 1973. Specifically I refer to the obligation we undertook to supply replacement military hardware on a one-to-one basis to the South Vietnamese.

One cannot overestimate the significance of this provision for the maintenance of the integrity of the cease-fire agreement. Although combat has continued to take place since the accords were signed, there has been a substantial reduction in activity when compared to the situation which obtained prior to the signing of the accords. To maintain the uneasy peace which has existed since January of 1973, it is essential that the military balance in the region be maintained. During the past year, in the Middle East, we have witnessed a tragic example of the consequences of the erosion of a military balance when the Arab military buildup made an attack on Israel an inviting opportunity.

The uneasy peace which has been maintained in Southeast Asia has removed this area as a direct source of superpower confrontation. If the United States should fail to maintain an adequate level of military assistance as provided in the pending bill, the uneasy cease-fire would almost certainly turn into full-scale war because South Vietnam would provide an inviting target if in a weakened military state as a result of a shortage in military supplies.

Finally, for us to reach so important an undertaking could have far-reaching consequences. The accredibility of American undertaking in other parts of the world would inevitably be brought into question. The implications of a default can have reverberations that reach far beyond the boundaries of South Vietnam.

The interests of the United States clearly call for a strong demonstration of support for this continuing program of military assistance. I, for one, will support this necessary assistance.

Mr. ABOUREZK. Mr. President, it is heartening to know that in this day and age necessity can still be the mother of invention. The old saw has not been so well exemplified in years as recently in the fortunate discovery that the Department of Defense had "mislaid" at least $266 million. The $36,000 a year accountants claim to have found the quarter of a billion dollars just in the nick of time for use as supplemental aid money to South Vietnam during the remaining 2 months of this fiscal year.

Certainly this "newfound 266 million dollar" mystery is as challenging to the mind as the 18½-minute tape gap and other puzzles which have emanated as of late. How can anyone mislay $266 million? Better yet, how in the nick of time, with their backs to the wall, did they happen to find it just now? There is more than an air of sheer coincidence attached to the roots of this story, I fear.

It is interesting that, in the shadow of the sharp refusal by the House to go along with the original $476 million request, the Pentagon has now discovered a chunk of money already signed, sealed and delivered to DOD by the Congress back in 1972.

Mr. President, I am convinced that if this issue were taken to the American people, they would overwhelmingly refuse to send an additional $266 million—or any amount—to South Vietnam in the remaining 2 months of this fiscal year. Already the United States spends more than 10 times as much helping South Vietnam, with a population of 19 million, than it spends aiding just three of its Asian neighbors—India, Pakistan, and Bangladesh—with more than 35 times South Vietnam's population.

The truth of the matter is that this additional amount is needed by the Thieu regime to finance the next 2 months of our "peace with honor" in that war-ravaged place. Everyone, of course, knows by now that there is neither peace nor honor over there. The blood-soaked tragedy of the sixties and early seventies is haunting us now more than ever. Our latest blackmail payment—the payoff so to speak so they leave us alone—is now $266 million. A sale price you might say considering the original request was for $476 million.

Mr. President, the Vietnam war has continued steadily and has even escalated in violence in recent months. With reports that Saigon's war effort would have to be curtailed, the Pentagon had apparently promised General Thieu another half billion dollars. When the House balked, I believe that the Pentagon simply moved then to "Option No. 2". Who knows how many more options they had up their sleeves had they needed them.

The DOD position has been and continues to be, that we support a struggling government trying desperately to establish a democracy. Yet, it is clear from reports of recent months that the elements of repression that reflect a cruel military dictatorship have never been more obvious. Thieu and his regime are rapidly abandoning even lipservice to democracy. There is complete suppression of dissent and arrests are as common as parking tickets in this country.

Most disturbing of all, however, is the torture that is routine upon arrest and the horrible maltreatment which continues to be the norm. According to one reporter who recently talked with a South Vietnamese police official, he admitted that—

> We torture the guilty and they confess, we torture the innocent until they become guilty.

Mr. President, a statement such as this only illustrates the erosion of whatever remnants of democracy there may have been at one time in South Vietnam.

The unfortunate fact of life, however, is that without the massive injections of U.S. financial support, this corrupt regime could fall in an instant. What troubles me, however, is that, while everyone knows this, we continue to go on living in some kind of myth that things will one day change. I believe that nothing could be further from the truth. Nothing will change until this country decides that the $2½ billion we insist on giving to Saigon could actually be better served at home on programs in this country.

In fact, I am not so sure that even the Vietnamese people would not rather have it that way.

The people in Vietnam believe that without our paternalistic and overwhelming presence, they can work out their own destiny and find a future in which the wounds of war will one day be healed. They plead with us in the Congress to give them the right to work out this destiny and to allow them the responsibility of true self-government.

Even more importantly, I would add that the quarter of a billion dollars which has been so conveniently overlooked by the Pentagon is desperately needed for programs right here at home. I can guarantee that you would not find

$266 million in "mislaid dollars" in programs for Vietnam veterans, Indian health services or in rural housing programs.

It is obvious, Mr. President, that these funds have not been spent, primarily because they were not needed in the first place. I believe that now that the money has been found, rather than turning the money over to the Thieu treasury, it ought to be put back in the U.S. Treasury where it belongs.

If the Pentagon cannot find anything better to do with the funds than to give it to General Thieu, we ought to save it or use it on programs here at home.

Mr. McGEE. Mr. President, I would have to oppose the amendment being offered to cut $266 million from the Department of Defense's military assistance service funded program.

I oppose the amendment because the $266 million does not violate the MASF ceiling authorized and appropriated by the Congress. The MASF obligations reported in the first quarter of fiscal year 1974 include $266 million for payback ammunition for U.S. inventories. This ammunition replaced that which was paid for with moneys authorized in prior years and was, in fact, delivered to South Vietnam in 1972 and 1973.

If, indeed, there had been a violation of law, I would have to support the amendment striking $266 million from the Department of Defense's MASF program. However, the case for such a violation has not been made.

In addition, today's tenuous balance of forces in South Vietnam must be maintained to lead the North Vietnamese and Vietcong to the recognition that their objectives are better served through peaceful political means than through force of arms. This is being impaired by a reduction in purchasing power to provide the South Vietnamese with the capability for self-defense. This reduction in purchasing power is the result of international economic events which were unforeseen last year when the Congress considered the MASF request.

The South Vietnamese Government is facing dramatically increased fuel prices. Inflation of about 65 percent in Vietnam and significant equipment prices increases in the United States have reduced the purchasing power of the funds available under the current ceiling.

Denial of the $266 million adjustment recommended by the Senate Armed Services Committee would certainly create grave problems for South Vietnam.

In conclusion, I would reemphasize that had an actual violation of law occurred, I would have to support this amendment. However, the $266 million would not break the congressionally-imposed ceiling of $1.126 billion for the MASF program.

The VICE PRESIDENT. All time on the amendment has expired.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, I move to lay on the table the amendment of the Senator from Massachusetts, and I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the amendment (No. 1238) of the Senator from Massachusetts (Mr. KENNEDY). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WEICKER (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from Louisiana (Mr. METCALF), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), and the Senator from Ohio (Mr. METZENBAUM) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. PACKWOOD), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Arizona (Mr. FANNIN) is absent on official business.

The result was announced—yeas 39, nays 41, as follows:

[No. 179 Leg.]

YEAS—39

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Fong
Goldwater
Griffin
Gurney
Helms
Hollings
Hruska
Jackson
Johnston
McClellan
McClure
McGee
McIntyre
Nunn
Roth
Scott, William L.
Stafford
Stennis
Stevens
Talmadge
Thurmond
Tower
Young

NAYS—41

Abourezk
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cook
Cranston
Eagleton
Hart
Haskell
Hatfield
Huddleston
Hughes
Humphrey
Inouye
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGovern
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Weicker, against

NOT VOTING—19

Bayh
Bennett
Bentsen
Chiles
Church
Ervin
Fannin
Fulbright
Gravel
Hansen
Hartke
Hathaway
Long
Metcalf
Metzenbaum
Packwood
Scott, Hugh
Sparkman
Taft

So the motion to lay on the table was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL) and the Senator from Ohio (Mr. METZENBAUM) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. PACKWOOD), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Arizona (Mr. FANNIN) is absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "nay."

The result was announced—yeas 43, nays 38, as follows:

[No. 180 Leg.]

YEAS—43

Abourezk
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cook
Cranston
Eagleton
Hart
Haskell
Hatfield
Huddleston
Hughes
Humphrey
Inouye
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGovern
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevenson
Symington
Tunney
Weicker
Williams

NAYS—38

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Fong
Goldwater
Griffin
Gurney
Helms
Hollings
Hruska
Jackson
Johnston
McClellan
McClure
McGee
McIntyre
Nunn
Roth
Scott, William L.
Stennis
Stevens
Talmadge
Thurmond
Tower
Young

NOT VOTING—19

Bayh
Bennett
Bentsen
Chiles
Church
Ervin
Fannin
Fulbright
Gravel
Hansen
Hartke
Hathaway
Long
Metcalf
Metzenbaum
Packwood
Scott, Hugh
Sparkman
Taft

So Mr. KENNEDY's amendment was agreed to.

Mr. SYMINGTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The committee amendment, as amended, was agreed to.

Mr. THURMOND. Mr. President, I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2999) was passed, as follows:

S. 2999

An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under Public Law 93–155 there is hereby authorized to be appropriated during fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $15,000,000; for the Navy and the Marine Corps, $37,500,000; for the Air Force, $120,900,000.

MISSILES

For missiles: for the Army, $47,100,000; for the Navy, $17,000,000; for the Marine Corps, $22,300,000; for the Air Force, $22,900,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $12,000,000.

OTHER WEAPONS

For other weapons: for the Army, $8,000,000.

AUTHORIZATION TO TRANSFER FUNDS

SEC. 102. In addition to the funds authorized to be appropriated under section 101 of this Act, there are authorized to be made available by transfer during the fiscal year 1974 to the Department of Defense, out of any unexpended funds appropriated under the heading "Emergency Security Assistance for Israel" in title IV of the Foreign Assistance and Related Programs Appropriation Act, 1974, the following amounts:

AIRCRAFT

For aircraft: for the Navy and the Marine Corps, $63,600,000; for the Air Force, $33,900,000.

MISSILES

For missiles: for the Army, $19,200,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $38,900,000.

OTHER WEAPONS

For other weapons: for the Army, $200,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under Public Law 93–155, there is hereby authorized to be appropriated during the fiscal year 1974, for the use of the Armed Forces of the United States for research, development, test and evaluation, as authorized by law, in amounts as follows:

For the Army, $35,898,000.

For the Navy (including the Marine Corps), $38,528,000;

For the Air Force, $29,466,000; and

For the Defense Agencies, $5,016,000.

TITLE III—MILITARY CONSTRUCTION

SEC. 301. In addition to the funds authorized to be appropriated under Public Law 93–166, there is hereby authorized to be appropriated during the fiscal year 1974, for use by the Secretary of Defense, or his designee, for military family housing, for operating expenses and maintenance of real property in support of military family housing, an amount not to exceed $3,866,000.

SEC. 302. The authorization contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1974 (Public Law 93–166), in the same manner as if such authorization had been included in that Act.

TITLE IV—PROHIBITION ON CERTAIN USE OF FUNDS

SEC. 401. None of the funds authorized to be appropriated by this Act, and no funds heretofore appropriated to or for the use of the Department of Defense by any other Act and which remain unobligated on the date of enactment of this Act, may be expended in, for, or on behalf of any country in Southeast Asia.

This Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1974".

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SYMINGTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order No. 781, H.R. 14013, that the bill be laid before the Senate and made the pending business.

The PRESIDING OFFICER (Mr. DOMENICI). The bill will be stated by title.

The bill was read by title as follows:

A bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

The PRESIDING OFFICER. Under the previous order the Senate will proceed to consider the bill.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Arkansas in recognized. How much time does the Senator yield himself?

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Is the time controlled?

The PRESIDING OFFICER. Under the previous order, there will be 2 hours on the Schweiker amendment, 1 hour on other amendments, with the time to be equally divided and controlled.

Mr. McCLELLAN. I was not consulted about the agreement. I did not know about it.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, the Committee on Appropriations recommends in the pending measure a grand total of $9,645,935,398 in new budget obligational authority for fiscal 1974.

This amount is an increase of $834,273,355 over the $8,811,662,043 provided by the House and is a reduction of $1,454,594,679 from the revise budget estimates of $11,100,530,077.

Included in these totals is the $530 million estimated cost of the fiscal 1973 retroactive pay increase, provision for which is recommended to the Senate in Senate document 93–72. Inasmuch as an indefinite appropriation is recommended the exact effect on new obligational authority is not known at this time. An explanation of this 3-month retroactive pay increase is found on page 149 of the report.

Of the total amount of $9,645,935,398 recommended in the bill as reported, $3,910,443,595 is to finance increased pay and related costs, and is included in titles II and III.

The committee also recommends transfers between appropriations totaling $295,118,800 in lieu of providing new budget authority in these amounts. The amount provided in transfer authority is $212,155,200 more than the total requested and $225,221,000 more than the House bill provides.

Rather than detail every item in the bill, I will briefly summarize the major highlights contained in each chapter of title I, the general program supplementals.

Chapter I, agriculture, environmental and consumer protection, provides for new budget authority of $616,641,000, which is $40,991,000 more than the budget estimate and $56,411,000 more than provided in the House bill. The increase over the budget estimate is represented in two items—$26,161,000 for the Soil Conservation Service, and $15,000,000 for the school lunch program.

Chapter II of the bill and the title II pay increases portion for the Department of Defense provide fiscal year 1974 supplemental funds in the amount of $4,906,871,000. This is $1,293,550,000 below the initial budget request and

$15,492,000 under the House allowance. It should be noted that the Senate received a request for $196,600,000 which was not acted upon by the House since the funds are required to cover the April 1974 increase in petroleum costs. The committee recommends $125 million of the request which the House did not consider.

The committee recommendation includes $24.8 million for procurement of long lead items for Trident submarines No. 2 and No. 3. No funds were allowed by the House.

In chapter III, the District of Columbia, the committee recommends a Federal payment to the District of Columbia in the amount of $2,550,000 which is the President's budget request.

In chapter IV, for foreign operations, the committee recommends $15 million of the $54 million requested for Indochina postwar reconstruction assistance and that this amount be used only for the relief of refugees and war victims.

In chapter V, housing and urban development, space, science and veterans, the committee recommends an appropriation of $100 million for disaster relief which is made available to bring assistance to those individuals who were the victims of the recent tornadoes which devastated many areas of the midwestern and southeastern sections of our country.

For the Interior Department and related agencies, chapter VI of the bill, the committee recommends $159,899,000. This is a $3,056,000 reduction in the budget estimate and $150,000 over the House allowance. A total of $113,220,000 is provided for firefighting and emergency fire rehabilitation expenses of the Bureau of Land Management, Bureau of Indian Affairs, and Forest Service, along with $6,213,000 for insect and disease control in the national forest and $450,000 for predator control by the Bureau of Sport Fisheries and Wildlife.

In chapter VII, Labor and Health, Education and Welfare, the committee recommends items totaling $1.4 billion, which represents an increase of $138 million over the budget request and $134 million over the House bill. A major item in the bill is the inclusion of $2.5 billion to implement the new employment and training act. This is an increase of $498 million over the House—primarily for more public employment jobs and the summer youth program. At the same time, the committee proposes a recission of $1.2 billion from funds appropriated to public assistance. The committee uncovered a surplus in the welfare estimates which was later verified by HEW in a message to Congress. Our recommendation is to rescind $225 million more than the House amendment.

In addition, an amount of $226,340,000 is recommended in transfer authority for several HEW programs and activities.

In chapter VIII, the legislative branch, the committee considered budget estimates totaling $33,193,329; of which $6,200,805 was for program increases under title I, and $26,992,524 for increased pay costs under title II. The committee cut $259,450 from the program requests and $6,752,229—or 25 percent—from the pay increase estimates.

In the military construction chapter, the committee deferred the Navy's request for $29 million to construct naval facilities on the Island of Diego Garcia located in the Indian Ocean. It was the opinion of the committee that inasmuch as this construction request did not constitute an emergency, it could very well be included in the fiscal year 1975 regular appropriation bill.

In chapter IX, Public Works-AEC, $107 million in new budget authority is recommended, a decrease of $700,000 from the budget estimates. Of this amount, $100 million is included for the flood control, Mississippi River and tributaries project under the civil works function of the Army Corps of Engineers to raise levee heights and for channel improvement along the main stem of the Mississippi River.

In chapter X, the Departments of State, Justice, Commerce, the Judiciary and related agencies, the committee recommends a total of $47,874,000 in new budget authority. This sum is $2,682,000 below the estimates of $50,556,000 and $8,936,000 above the House allowance. Of the increase over the House, $2,000,000 for the Federal judiciary—Senate document 93–78—was not considered by the House. This sum is to cover the cost of the court-appointed counsel program in the District of Columbia.

In chapter XI, the Department of Transportation and related agencies, the committee recommends appropriations totaling $163,984,000. This represents an increase of $64,230,000 over the House allowance and a reduction below the budget requests of $12,798,000. By far, the largest increase over the House is the committee's recommendation of $50,000,000, the full amount requested, for interim operating assistance for the railroads involved in reorganization under section 213(b) of the Regional Rail Reorganization Act of 1973.

In chapter XII, for Treasury, Postal Service and general government, the committee recommends supplemental appropriations totaling $562,478,000 for various agencies and related programs. The amount recommended is $6,486,000 under the House allowance.

Finally, Mr. President, in chapter XIII, the committee recommends an appropriation of $20,977,448 for claims and judgments.

I have endeavored to briefly summarize the main items that appear in this measure pending before us. For a detailed explanation of each item contained in the bill, I suggest that Senators consult the report which is on each desk.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text; provided, that no point of order shall have been considered to been waived by reason of agreement to this request.

The PRESIDING OFFICER (Mr. DOMENICI). Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 8, after the word "program", insert a colon and "*Provided*, That the Animal and Plant Health Inspection Service is authorized to establish and operate an English language school at Tuxtla Gutierrez, Chiapas, Mexico, or to contract therefor without regard to the provisions of Revised Statutes, section 3648, as amended (31 U.S.C. 529), for children of employees of the Animal and Plant Health Inspection Service engaged in the Mexican-American Screwworm Program."

On page 3, at the beginning of line 3, strike out "$450,000,000" and insert "$500,000,000".

On page 3, line 11, after "(33 U.S.C. 701b–1)", strike out "$20,000,000" and insert "and to implement the provisions of section 5 of Public Law 93–251, $26,761,000".

On page 3, after line 13, insert:

INDEPENDENT AGENCIES

Environmental Protection Agency

Following the word "project" at the end of section 204(b)(3) of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92–500, insert the following: ", except that, in the case of an industrial firm that would face extreme economic hardship, and, as determined by the Administrator of the Economic Development Administration, would thereby be unable to continue in business in the applicant's community due to the necessity of paying its proportionate share of the Federal cost of construction of such works, the grantee, if its application for a grant had been received and accepted for processing by the Environmental Protection Agency and found to be in conformity with regulations in existence on the date of acceptance by the Environmental Protection Agency and prior to March 2, 1973, may waive for the industry any payment due. The Administrator of the Economic Development Administration shall redetermine eligibility of the industry for such waiver on an annual basis.".

On page 4, after line 11, insert:

Federal Trade Commission

For expenses necessary to carry out the provisions of section 7 of the Emergency Petroleum Allocation Act of November 27, 1973 (87 Stat. 627) $250,000.

On page 4, line 24, after the word "Navy", strike out "$242,475,000," and insert "$341,000,000".

On page 5, line 17, after the word "Navy", strike out "$242,475,000" and insert "$341-675,000".

On page 5, line 23, after "Air Force", strike out "$224,650,000" and insert "$261,350,000".

On page 6, line 6, after "Navy Reserve", strike out "$17,700,000" and insert "$21,000,000".

On page 6, line 13, after "Air Force Reserve", strike out "$7,000,000" and insert "$9,500,000".

On page 6, line 19, after "Air National Guard", strike out "$14,000,000" and insert $22,300,000: *Provided*, That not less than ninety-two flying units shall be maintained during fiscal year 1974."

On page 7, line 8, after the word "Army", strike out "$71,100,000" and insert "$58,600,000".

On page 7, line 13, after the word "Army", strike out "$200,000,000" and insert "$150,000,000".

On page 7, line 17, after the word "Army", strike out "$45,500,000" and insert "$35,500,000".

On page 7, line 24, after the word "Navy", strike out "$153,700,000" and insert $113,000,000".

At the top of page 8, insert:

SHIPBUILDING AND CONVERSION, NAVY

For an additional amount for "Shipbuilding and Conversion, Navy", $24,800,000, to remain available for obligation until June 30, 1978.

On page 8, line 7, after the word "Navy", strike out "$108,300,000" and insert "$93,300,000".

On page 8, line 20, after "Air Force", strike out "$294,000,000" and insert "$244,400,000".

On page 8, after line 21, insert:

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for "Missile Procurement, Air Force", $27,000,000, to remain available for obligation until June 30, 1976.

On page 9, line 3, after "Air Force", strike out "$97,400,000" and insert "$86,200,000".

On page 9, after line 7, strike out:

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AIR FORCE

For an additional amount for "Research, development, test, and evaluation, Air Force", $5,800,000, to remain available for obligation until June 30, 1975.

On page 9, after line 13, insert:

APPROPRIATION CONTINGENCY

Funds appropriated by this Chapter for the procurement of aircraft for the Army, Navy, and Air Force; for the procurement of missiles for the Army, Marine Corps, and Air Force; for the procurement of weapons and tracked combat vehicles for the Army; and for shipbuilding and conversion, Navy, shall be available for expenditure only to the extent such funds are authorized for the stated purposes by the enactment of H.R. 12565, Ninety-third Congress, or similar corresponding authorizing legislation.

On page 10, after line 2, insert:

FEDERAL FUNDS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For an additional amount for "Federal payment to the District of Columbia", to be paid to the general fund of the District of Columbia, $2,550,000.

On page 10, line 11, after the word "expenses", strike out "$5,859,000" and insert "$5,901,000".

On page 11, line 10, after the word "assistance", strike out "$49,000,000" and insert "$15,000,000".

On page 11, after line 10, insert:

DISASTER RELIEF ASSISTANCE

Public Law 93–240 is amended as follows, at title IV, section entitled Disaster Relief Assistance, by striking "Sahel region" and inserting in lieu thereof the words "drought-stricken nations" and by striking the colon and inserting the words "to remain available until expended:".

On page 11, after line 16, insert:

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount to enable the Secretary of State to increase the contribution of the United States to the International Committee of the Red Cross, $250,000: *Provided*, That the funds appropriated in this paragraph shall be available only upon enactment into law of authorizing legislation.

On page 12, line 5, after "$137,800,000", insert a comma and "to remain available until expended".

On page 12, after line 12, insert:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL DISASTER ASSISTANCE ADMINISTRATION

DISASTER RELIEF

For an additional amount to carry out the functions of the Department of Housing and Urban Development under the Disaster Relief Act of 1970 (Public Law 91–606, as amended, and Reorganization Plan No. 1 of 1973), authorizing assistance to States and local governments in major disasters, $100,000,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

On page 13, line 13, strike out "$300,000-000" and insert "$450,000".

On page 14, line 20, after "$97,133,000", insert a comma and "of which $6,213,000 for insect and disease control shall remain available until expended."

On page 15, after line 7, insert:

OFFICE OF EDUCATION

INDIAN EDUCATION

Notwithstanding any regulation of the Office of Education, Department of Health, Education, and Welfare, amounts for part A and part C appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1974, shall remain available for allocation as provided by law in response to applications received on or before May 30, 1974.

On page 16, line 17, after "(19 U.S.C. 1951 and 1961)", strike out "$2,048,584" and insert "$2,546,584,000"; in line 18, after the word "including", strike out $250,000,000 and insert "$412,400,000"; and, in line 20, after the word "and", strike out "$250,000,000" and insert "$412,500,000".

On page 17, after line 5, insert:

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount to carry out title IX of the Older Americans Comprehensive Services Amendments of 1973, $10,000,000.

On page 17, line 15, after the word "services", strike out "to remain available until June 30, 1975, $85,000,000," and insert "$81,000,000"; in line 18, after the word "Fund", strike out "and which" and insert "of which $40,000,000 shall be for unemployment insurance services and"; in line 21, after the word "from", insert "changes in a State law or"; in line 23, after the word "paid", insert "or increased salary costs resulting from State salary compensation plans embracing employees of the State generally over those upon which the State's gasic grant was based,"; and, on page 18, after the word "adjustments", insert "and of which $41,000,000 shall be available until June 30, 1974 for employment services."

On page 18, line 11, after $60,700,000", insert a comma and "to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure,"; and, in line 25, after "July 1, 1975", insert a colon and "*Provided further*, That funds previously appropriated for training programs as authorized by the Emergency Medical Services Systems Act of 1973 shall remain available until September 30, 1974."

On page 19, after line 4, insert:

PREVENTIVE HEALTH SERVICES

For an additional amount for "Preventive Health Services", $7,000,000 to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure, of which $5,000,000 shall be for carrying out Title I of the Lead-Based Paint Poison Prevention Act of 1974.

On page 19, after line 12, insert:

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For an additional amount for the "National Cancer Institute", $9,500,000 to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure, to remain available until expended.

On page 19, after line 21, insert:

ELEMENTARY AND SECONDARY EDUCATION

For an additional amount for "Elementary and secondary education", $40,000,000, to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure, of which $20,000,000 shall be for grants pursuant to Title VII of the Elementary and Secondary Education Act and $20,000,000 shall be for carrying out section 222(a)(2) of the Economic Opportunity Act of 1964.

On page 20, after line 6, insert:

HIGHER EDUCATION

For an additional amount for "Higher education", for carrying out section 705 of the Higher Education Act, $400,000, to remain available through June 30, 1975, and to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure.

On page 20, at the beginning of line 16, strike out "$1,725,000" and insert "$394,000, to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditures."

On page 20, line 22, after "$30,785,000", insert a comma and "to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure,"; and, on page 21, line 2, after the word "expended", insert a colon and "*Provided*, That $2,000,000 of the $269,400,000 appropriated by Public Law 93–25 for title IV, part E of the Higher Education Act of 1965, shall be available until June 30, 1974, for carrying out section 207 of the National Defense Education Act: *Provided further*, That any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1973 in excess of the amounts required to meet the payment schedule announced for the academic year 1973–1974, shall remain available for payment schedule announced for the academic year 1974–1975."

On page 21, line 16, after the word "of", strike out "$1,000,000,000" and insert "$1,225,000,000".

On page 21, line 20, after "Section 110", strike out "(a)"; and, in line 21, after "(Public Law 93–112)", strike out "$20,000,000" and insert "$22,000,000, to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure, of which $2,000,000 to remain available until expended shall be for facilities construction as authorized by section 301."

On page 22, line 8, after "$44,311,000", insert a comma and "to be derived only transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure".

On page 22, line 17, after "$438,000", insert a comma and "to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditures."

On page 22, line 23, after "$3,362,000", insert a comma and "to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure."

On page 23, line 4, after after the word "Abuse", strike out "Preventive" and insert "Prevention"; and, in line 5, after "$4,500,000", insert a comma and "to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure, to remain available until December 31, 1974."

On page 23, line 13, after "$2,950,000", insert a comma and "to be derived only by transfer from funds appropriated by Public Law 93–192 which were authorized by the enacting clause of said Act to be withheld from obligation and expenditure."

On page 23, line 21, strike out "$85,000" and insert "$594,000".

On page 23, after line 21, insert:

OFFICE OF ECONOMIC OPPORTUNITY

ECONOMIC OPPORTUNITY PROGRAM

For an additional amount for "Economic Opportunity Program", $19,500,000, of which $12,500,000 shall be for the Emergency Food and Medical Services program as authorized by section 222(a)(5) of the Economic Opportunity Act of 1964 and $7,000,000, to remain available until September 30, 1974, shall be available for the Legal Services program as authorized by section 222(a)(3) of the Economic Opportunity Act of 1964.

On page 24, after line 7, insert:

SENATE

SALARIES, OFFICERS AND EMPLOYEES

OFFICE OF THE SECRETARY

For an additional amount for "Office of the Secretary", $13,965: *Provided*, That effective May 1, 1974, the Secretary may appoint and fix the compensation of an auditor, Public Records Office, at not to exceed $14,535 per annum; a secretary, Public Records Office, at not to exceed $11,970 per annum; a clerk, Public Records Office, at not to exceed $10,830 per annum; five technical assistants, Public Records Office, at not to exceed $11,685 per annum each in lieu of three technical assistants, Public Records, Office, at not to exceed such rate; a messenger, stationery room, at not to exceed $10,545 per annum; four messengers, stationery room, at not to exceed $9,690 per annum each in lieu of three messengers, stationery room, at not to exceed such rate; and the Secretary may fix the per annum compensation of the Assistant Keeper of Stationery at not to exceed $21,660 in lieu of $19,665, and the per annum compensation of the chief clerk, stationery room, at not to exceed $15,390 in lieu of $14,535.

On page 25, after line 4, insert:

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For an additional amount for "Office of Sergeant at Arms and Doorkeeper", $5,890: *Provided*, That effective May 1, 1974, the Sergeant at Arms may appoint and fix the compensation of a composer at not to exceed $13,110 per annum and two composer technicians at not to exceed $11,115 per annum each.

On page 25, after line 11, insert:

CONTINGENT EXPENSES OF THE SENATE

INQUIRIES AND INVESTIGATIONS

For an additional amount for "Inquiries and Investigations", $2,000,000.

On page 25, after line 15, insert:

MISCELLANEOUS ITEMS

For and additional amount for "Miscellaneous items", $1,205,000.

On page 26, after line 13. insert:

SENATE OFFICE BUILDINGS

For an additional amount for "Senate Office Buildings", $200,000, to remain available until expended: *Provided*, That any buildings in Square 724 in the District of Columbia, acquired under authority of Public Law 92–607, occupied by the Senate, shall be subject to the provisions of the Act of June 8, 1942 (40 U.S.C. 174 (c) and (d)) and the Act of July 31, 1946, as amended (40 U.S.C. 193a–193m, 212a, and 212b).

ACQUISITION OF PROPERTY AS A SITE FOR PARKING FACILITIES FOR THE U.S. SENATE

The fifth proviso under this head in the Supplemental Appropriations Act, 1973 (86 Stat. 1511), is amended by inserting after the words "purposes or" and before the words "to lease" a comma and the following language: "without regard to section 3617 of the Revised Statutes, as amended (31 U.S.C. 484) and section 3709 of the Revised Statutes, as amended (41 U.S.C. 5 and 6a–1),".

On page 28, after line 6, strike out:

For an additional amount for "Salaries and expenses, distribution of catalog cards", for fiscal year 1973, $300,000.

On page 28, after line 11, insert:

ADMINISTRATIVE PROVISION

Funds available to the Library of Congress may be expended to provide additional parking facilities for Library of Congress employees in an area or areas in the District of Columbia outside the limits of the Library of Congress grounds, and to provide for transportation of such employees to and from such area or areas and the Library of Congress grounds without regard to the limitations imposed by 31 U.S.C. 638a(c)(2).

On page 28, after line 20, strike out:

CHAPTER IX

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, NAVY

For an additional amount for "Military construction, Navy", $29,000,000, to remain available until expended.

On page 29, line 1, change the Chapter number from "X" to "IX".

One page 29, line 7, after the word "Tributaries", strike out "$80,000,000" and insert "$100,000,000".

On page 29, line 14, change the Chapter number from "XI" to "X".

On page 29, at the beginning of line 19, strike out "$6,000,000" and insert "$6,500,000".

On page 30, after line 15, insert:

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for "Contributions to international organizations", $2,287,000.

On page 30, line 24, after the word "West", strike out "$200,000" and insert "$269,000".

On page 31, line 25, after the word "Islands", strike out "$250,000" and insert "$330,000".

On page 32, after line 7, insert:

NATIONAL BUREAU OF FIRE PREVENTION

OPERATIONS, RESEARCH AND ADMINISTRATION

For expenses necessary to carry out the provisions of the Federal Fire Prevention and Control Act, to remain available until expended, $4,000,000.

On page 32, line 18, after the word "expended", insert a colon and "*Provided*, That this appropriation shall be available only upon the enactment into law of authorizing legislation."

At the top of page 33, insert:

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

REPRESENTATION BY COURT-APPOINTED COUNSEL AND OPERATION OF DEFENDER ORGANIZATIONS

For an additional amount for "Representation by Court-Appointed Counsel and Operation of Defender Organizations", to be available for the compensation and reimbursement of expenses of attorneys appointed by judges of the District of Columbia Court of Appeals or by judges of the Superior Court of the District of Columbia, $2,000,000, of which not to exceed $800,000 shall be available for the liquidation of obligations incurred in the prior year.

On page 35, line 1, change the Chapter number from "XII" to "XI".

On page 35, at the beginning of line 6, strike out "$4,000,000" and insert "9,500,000".

On page 35, line 10, after the word "assistance", strike out "$10,800,000" and insert "$50,000,000".

On page 35, line 15, after the word "development", strike out "$3,170,000" and insert "$3,000,000".

On page 35, after line 20, strike out:

FEDERAL HIGHWAY ADMINISTRATION

INTER-AMERICAN HIGHWAY

For expenses necessary to carry out the provisions of title 23 of the United States Code, as amended (sec. 212), $2,000,000.

On page 36, at the beginning of line 5, strike out "$1,500,000" and insert "$2,218,000".

On page 37, line 4, after the word "Corporation", strike out "$41,300,000" and insert "$56,000,000"; and, in line 5, after the word "expended", insert a comma and "of which $4,000,000 is provided only for the initiation of a new service as set forth in section 403 of Public Law 91–518, as amended."

On page 37, at the beginning of line 24, strike out "$8,000,000" and insert "$15,000,000".

On page 38, line 11, change the Chapter number from "XIII" to "XII".

On page 38, line 20, after the word "debt", strike out "$2,250,000" and insert "$2,000,000".

On page 38, line 24, after the word "service", strike out "$17,442,000" and insert "$17,000,000".

On page 39, line 5, after the word "use", strike out "$2,900,000" and insert "$2,700,000: *Provided*, That funds appropriated to the United States Secret Service shall be available to provide protection to the immediate family of the Vice President of the United States."

On page 39, line 12, after the word "Fund", strike out "$230,000,000" and insert "$200,000,000".

On page 39, line 18, after the word "benefits", strike out "$13,165,000" and insert "$38,000,000, to remain available until expended."

On page 39, line 23, after the word "Fund", strike out "$292,429,000" and insert "$292,000,000".

On page 40, line 1, change the chapter number from "XIV" to XIII".

On page 41, after line 1, insert:

SENATE

"Salaries, officers and employees", $1,000,000;

"Office of the Legislative Counsel of the Senate", $21,365;

On page 41, after line 4, insert:

CONTINGENT EXPENSES OF THE SENATE

"Senate policy committees", $45,330;

"Inquiries and investigation", $1,067,975;

"Folding documents", $6,635;

"Miscellaneous items", $1,545;

On page 42, line 24, after "$6,360", insert a comma and "to remain available during the existence of the committee".

On page 43, after line 3, strike out:

"Joint Committee on Atomic Energy", $26,650;

On page 43, after line 16, insert:

"Senate office buildings", $281,500;

"Senate garage", $2,800;

On page 44, line 3, after the word "expenses", strike out "$319,000" and insert "$269,000".

On page 44, line 6, after the word "expenses", strike out "$564,000" and insert "$646,000".

On page 44, line 10, after the word "expenses", strike out "$89,000" and insert "$49,000".

On page 44, line 12, after "$2,900", insert a comma and "to remain available until expended;".

On page 45, line 21, after the word "expenses", strike out "$668,000" and insert "$650,000".

On page 46, line 6, after the word "expenses", strike out "$1,000,000" and insert "$900,000".

On page 46, line 13, after the word "expenses", strike out "$3,495,000" and insert "$3,395,000".

On page 49, line 8, after "$1,300,000", insert a comma and "to remain available until expended".

On page 49, line 16, after "$450,000", insert a comma and "to remain available until expended".

On page 49, line 22, after "$17,250,000", insert a comma and "to remain available until expended".

On page 50, line 3, after "$7,350,000", insert a comma and "to remain available until expended".

On page 50, line 9, after the word "Army", strike out "$595,850,000" and insert "$585,850,000".

On page 50, line 11, after the word "Navy", strike out "$384,650,000" and insert "$308,650,000".

On page 50, line 15, after the word "Army", strike out "$36,092,000" and insert "$23,092,000".

On page 50, line 18, after "Marine Corps", strike out "$1,527,000" and insert "$2,827,000".

On page 50, line 21, after the word "Army", strike out "$51,600,000" and insert "$69,600,000".

On page 50, line 23, after "Air Force", strike out "$7,583,000" and insert "$14,583,000".

On page 52, at the beginning of line 3, strike out "$17,930,000" and insert "$35,898,000".

On page 52, at the beginning of line 6, strike out "$19,234,000" and insert "$38,528,000".

On page 52, line 9, after "Air Force", strike out "$14,721,000" and insert "$29,466,000".

On page 52, line 12, after the word "agencies", strike out "$2,506,000" and insert "$5,016,000".

On page 52, line 21, after the word "expenses", strike out "$2,300,000" and insert "$2,200,000".

On page 53, line 3, after the word "expenses", strike out "$1,000,000" and insert "$1,097,000".

On page 53, line 6, after the word "of", strike out "$942,000" and insert "$1,294,000".

On page 54, line 22, after the word "expenses", strike out "$2,000,000" and insert "$1,500,000".

On page 57, line 19, after the word "minerals", strike out "$7,746,000" and insert "$6,746,000".

On page 57, line 24, after "$283,000", insert a comma and "to remain available until expended".

At the top of page 58, insert:

OFFICE OF WATER RESOURCES RESEARCH

"Salaries and expenses", $80,000;

On page 60, line 7, after "$185,000", insert a comma and "to remain available until expended".

On page 61, line 18, after "$448,000", insert a comma and "of which $111,000 is".

On page 62, line 7, after the word "expenses", strike out "$55,000" and insert "$50,000".

On page 62, line 9, after the word "expenses", strike out "$1,390,000" and insert "$1,300,000".

On page 62, line 13, after the word "expenses", strike out "$15,850,000" and insert "$15,500,000".

On page 62, line 19, after the word "expenses", strike out "$2,450,000" and insert "$2,400,000".

On page 62, line 20, after the word "service", strike out "$36,523,000" and insert "$36,000,000".

On page 62, line 23, after the word "Compliance", strike out "$44,500,000" and insert "$44,000,000".

On page 62, line 25, after the word "expenses", strike out "$815,000" and insert "$800,000,000".

On page 63, line 4, after the word "expenses", strike out "$11,400,000" and insert "$11,200,000".

On page 63, line 22, after the word "expenses", strike out "$1,732,000" and insert "$1,700,000".

On page 64, line 6, after the word "expenses", strike out "$350,000" and insert "$250,000".

On page 65, line 6, after the word "expenses", strike out "$4,780,000" and insert "$4,700,000".

On page 66, line 12, after the word "expenses", strike out "$1,600,000" and insert "$1,500,000".

On page 68, line 9, after the word "expenses", strike out "$3,150,000" and insert "$3,105,000".

On page 68, after line 9, insert:

"Science information exchange", $45,000;

On page 68, line 17, after "$138,000", insert a comma and "to remain available until expended."

On page 69, after line 17, insert a new title, as follows:

TITLE III

FISCAL YEAR 1973 RETROACTIVE PAY COSTS

SEC. 301. For costs in the fiscal year 1973 arising out of pay increases granted by or pursuant to the Federal Pay Comparability Act of 1970 and the Act of December 16, 1967 (81 Stat. 649), for any branch of the Federal Government or the municipal government of the District of Columbia, to be available immediately, such amounts as may be necessary, to be determined as hereinafter provided in this title, but no appropriation, fund, limitation, or authorization may be increased pursuant to the provisions of this title in an amount in excess of the cost to such appropriation, fund, limitation, or authorization related to increased compensation pursuant to such statutes.

SEC. 302. Whenever any officer referred to in section 303 of this title shall determine that he has exhausted the possibilities of meeting the cost of pay increases, first, through the use of the unobligated balances of the fiscal year 1973 appropriations, funds, limitations, or authorizations properly chargeable with the costs in fiscal year 1973, which are hereby restored and made available for this purpose, and, secondly, through the use of the corresponding appropriations, funds, limitations, or authorizations for the fiscal year 1974, he shall certify the additional amount required to meet such costs for each appropriation, fund, limitation, or authorization under his administrative control, and the amounts so certified shall be added to the pertinent appropriation, fund, limitation, or authorization for the fiscal year 1974: *Provided*, That any certification made under the authority of this section by an officer in or under the executive branch of the Federal Government shall be valid only when approved by the Director of the Office of Management and Budget.

SEC. 303. For the purposes of the certifications authorized by section 302 of this title, the following officers shall be deemed to have administrative control of appropriations, funds, limitations, or authorizations available within their respective organization units—

(a) the legislative branch:

The Clerk of the House;

The Secretary of the Senate;

The Librarian of Congress;

The Architect of the Capitol;

The Public Printer;

The Comptroller General of the United States;

The Chief Judge of the United States Tax Court;

The chairman of any commission in or under the legislative branch.

(b) the Judiciary:

The Administrative Office of the United States Courts;

The Marshal of the Supreme Court.

(c) For the executive branch:

The head of each department, agency, or corporation in or under the executive branch.

(d) For the municipal government of the District of Columbia:

The Commissioner of the District of Columbia;

SEC. 304. Obligations or expenditures incurred for pay increases and related costs pursuant to this title, shall not be regarded or reported as violations of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665).

SEC. 305. (a) Amounts made available by this title shall be derived from the same source as the appropriation fund, limitation, or authorization to which such amounts are added.

(b) Appropriations made pursuant to this title shall be recorded on the books of the Government as of June 30, 1974: *Provided*, That no appropriation made by this title shall be warranted after August 15, 1974.

(c) A complete report of the appropriations made by or pursuant to this title shall be made not later than September 15, 1974, by the officers described in section 303 to the Director of the Office of Management and Budget, who shall compile and transmit to the Congress a consolidated report not later than October 15, 1974.

On page 72, line 20, change the Title number from "III" to "IV".

On page 72, at the beginning of line 22, change the Section number from "301" to "401".

On page 72, at the beginning of line 25, change the Section number from "302" to "402".

On page 73, at the beginning of line 9, change the Section number from "303" to "403".

On page 73, at the beginning of line 13, change the Section number from "304" to "404".

On page 73, at the beginning of line 16, change the Section number from "305" to "405".

On page 73, after line 20, insert a new section, as follows:

SEC. 406. Section 718 of the Department of Defense Appropriation Act, 1974 is hereby repealed.

Mr. McCLELLAN. Mr. President, I yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, it is not my intention to make a long statement on the second supplemental. However, I do wish to commend the distinguished chairman of the Senate Committee on Appropriations and the staff of that committee for their diligence in preparing this bill to be reported out at this time. Having worked closely with Senator McCLELLAN and the committee staff for many years, I am not surprised at the expeditious, yet careful, manner in which this bill has been handled.

It is important to note that an important characteristic of this bill, like others we have considered in the recent past, is the request for funds to compensate for inflation-related costs. In the agriculture-environmental and consumer protection area, over 90 percent of the entire amount recommended by the committee reflects inflation-related expenditures. Central in this regard is the $586.5 million additional recommended for the child nutrition and food stamp programs. The escalating costs of food and the rising price of energy needed to produce this food have had a major impact on these programs.

The reasons for dramatic price increases in the food area are many. Too often, however, there is a tendency to put major blame on the American farmer when such increases occur in food-related programs. I believe this is both unjust and unwise. I know something of the great contribution that the American farmer makes to the well-being of this country. And he has done so, not only out of his own self-interest but also with a keen awareness of his societal responsibilities. I have no doubts that the American farmer will continue to seek to supply our Nation, and activities such as the child nutrition program, with the needed agricultural products at the lowest costs commensurate with his expenses and his justified expectation of making a decent return on his labor.

Inflation-related costs are also evident in other sections of the bill. In the State, Justice, Commerce, Judiciary, and related agencies portion approximately $19 million of the $47.8 million requested, or about 40 percent of the latter amount, can be attributed either directly or indirectly to inflationary pressures.

In the foreign assistance area, the entire amount recommended for additional assistance for South Vietnam is wholely attributable to the inflation that has become a worldwide phenomenon in the aftermath of dramatic increases in the prices of agricultural commodities and energy supplies.

In the area of social welfare, some $44 million in increased benefits is provided for coal miners disabled by black lung disease. Such benefits are tied to Federal pay levels and go up automatically as salaries for Federal white collar workers are increased.

In the transportation portion of the bill, inflation is reflected in additional appropriations to cover the costs of Coast Guard retired pay and in Federal grants to the National Railroad Passenger Corporation, otherwise known as Amtrak.

I need not belabor the point further. We are all aware of the negative impact spiraling inflation is having on our efforts to exercise fiscal responsibility and to provide funding for the many worthwhile programs mentioned in this bill. Unless a way is found to control the rate of inflation, an ever-increasing amount of the taxpayers' dollar will be spent trying to maintain our footing on a slippery downward slope. The substantive programs which should receive the bulk of attention will suffer accordingly.

Several substantive programs deserve mention. The committee recommends a line item amount of $100 million for disaster relief to accommodate, on a timely basis, the anticipated Federal relief that will be granted in those States devastated by the recent tornadoes.

Disaster relief funds are also recommended for recent flooding and storm damage—$20 million for the Soil Conservation Service and $100 million for the Corps of Engineers. The House bill provided $100 million total for these purposes.

The Senate bill also provides funds to deal with unemployment particularly in areas of the country hard hit by joblessness. Additional moneys are provided to initiate new programs in the areas of health services delivery and controlling child abuse.

In transportation, the committee provides substantial funding for planning the reorganization of a number of bankrupt railroads operating in the Northeast and Midwest. The reorganization was mandated by a law passed by Congress.

A major part of this Defense supplemental requests funds to provide for recent pay raises, increased postal rates, increased costs of goods and services, Middle East payback and certain readiness items. One of the bigger items is for increased cost of petroleum for all of the services.

The committee had very little choice but to provide funds for those fact-of-life increases such as pay raises, increased costs because of inflation, the Middle East payback, and increased petroleum costs. However, reductions could be made in other programs where existing procurements are in progress and can be continued in fiscal year 1975. It was in the latter area that significant reductions were accomplished. In those items funded the committee will take a hard look at the fiscal year 1975 request and make appropriate reductions. The Senate Appropriations Committee recommends an approximately 20 percent or $1,293,550,000 reduction in the funds requested. For the most part, I feel that these funds represent programs and projects that should be considered in the regular appropriations bill rather than this supplemental.

Mr. President, in closing let me reiterate the central theme of my remarks today. Inflation, with all its attendant problems, is eroding our capacity to deal effectively with the pressing needs of our country. We must find a way to bring it under control. The economic and social well-being of our country depends on our ability to do so.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. HARRY F. BYRD, JR. Am I correct in my understanding that the administration has asked for an additional spending authority of $11.1 billion?

Mr. McCLELLAN. That is correct. That is the total amount of the budget request.

Mr. HARRY F. BYRD, JR. The committee recommends, in round figures, $9.6 billion of that $11.1 billion request.

Mr. McCLELLAN. The Senator is correct.

Mr. HARRY F. BYRD, JR. Is this $11.1 billion additional spending authority sought by the administration over and above the amount appropriated by Congress when it passed the measure?

Mr. McCLELLAN. It is over and above all appropriations made to date for this fiscal year.

Mr. HARRY F. BYRD, JR. It is over and above all appropriations made to date?

Mr. McCLELLAN. That would be my understanding of it; the Senator is correct. It is over and above all appropriations that have already been made to date.

Mr. HARRY F. BYRD, JR. Does the Senator from Arkansas have available the figure giving the total appropriations made to date, not including this amount?

Mr. McCLELLAN. I do not have them immediately available, no. However, we can get them in a few moments for the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, I thank the Senator from Arkansas. While we are waiting for those figures, perhaps I might ask one or two additional questions of the Senator.

Mr. McCLELLAN. That will be fine.

Mr. HARRY F. BYRD, JR. On page 43 of the committee report is a figure of $15 million for Indochina postwar reconstruction assistance. The administration requested $54 million, and the committee recommends $15 million. Do I correctly assume that none of these funds are targeted for aid in North Vietnam?

Mr. McCLELLAN. The Senator is correct. If the Senator from Virginia will note, the bill at page 73, section 404, provides that no funds appropriated in this act shall be expended to aid or assist in the reconstruction of the Democratic Republic of Vietnam, that is, North Vietnam.

The law itself prohibits any funds being used for that purpose, and the purpose of the $15 million is to be used primarily for the relief of refugees and war victims.

Mr. HARRY F. BYRD, JR. The main concern of the Senator from Virginia is that none of these funds be made available to assist in the reconstruction of North Vietnam. I note from the reply of the Senator from Arkansas that on page 73 of the bill the matter is spelled out specifically.

Mr. McCLELLAN. It is prohibited by law. If any funds were used in North Vietnam under this provision it would be in violation of the statute. It is prohibited by the terms of the bill. The $15 million for assistance is to be used for the relief of refugees and war victims. Primarily, that is what it is for. The budget request is for $54 million. However, we reduced that amount to $15 million and provided that none of it could be used to aid North Vietnam or for the reconstruction of North Vietnam.

Mr. HARRY F. BYRD, JR. That is fine. I am certainly pleased that the Appropriations Committee has written into the statute under section 404 that none of the funds appropriated in this act shall be expended to aid or assist in the reconstruction of the Democratic Republic of Vietnam—namely, North Vietnam.

I think that is very desirable and very important.

I was astonished last year when the administration stated that it would request funds to reconstruct North Vietnam.

Mr. McCLELLAN. I certainly assure the Senator that I am in complete agreement with his views regarding any such proposal. I would strongly and vehemently oppose any proposal for us to aid North Vietnam in any fashion. That is not the intent of this language, and we specifically prohibit its use for that purpose.

Mr. HARRY F. BYRD, JR. I understand. I think it is very desirable that the bill carry the section it does, which was included at the request of the able chairman of the committee.

I think that the Senate did a very good job for the taxpayers last year when, right from the very beginning, it went on record as being against supplying any funds to North Vietnam, even though the President and other administration officials said that they were going to request funds to reconstruct North Vietnam. This further ties down the fact that such funds are not going to be made available by Congress.

Mr. McCLELLAN. It ties down the fact so far as funds appropriated in this bill are concerned, and very specifically so.

Mr. HARRY F. BYRD, JR. Mr. President, may I ask the Senator from Arkansas another question in regard to the administering of the public debt? I notice on page 109 of the report that the committee recommends a supplemental appropriation of $2 million for activities under the heading "Administering the Public Debt." I am wondering why additional funds are needed to administer the debt. I know that the debt is going up. The figures are going up. However, I did not think that the administrative costs would increase.

Mr. McCLELLAN. Mr. President, I would like to refer this question to the Senator from New Mexico (Mr. MONTOYA), since that item comes within the part of the bill handled by a subcommittee of which he is chairman.

Mr. MONTOYA. This is a mandatory item, because of the additional costs incurred in performing public debt operations and to reimburse paying agents for redemptions of savings type securities. The funds are for additional printing costs and increased postal costs are items that substantially made up this particular amount. The were not anticipated at the beginning of the current fiscal year.

Mr. HARRY F. BYRD, JR. I note from the report that in 1974 the appropriation to date had been $77 million; then another $2 million was recommended just to administer the public debt. That makes a total of $79 million. Does the Senator have a major breakdown of what that large sum would be for?

Mr. MONTOYA. Yes; I can find it in the hearings, because I went into that question thoroughly.

I have it right here. The proposed supplemental appropriation of $4,130,000 was to provide for the following: $1,800,000 to reimburse the Federal Reserve Banks for operating costs; $450,000 to reimburse paying agents for redemptions of savings type securities subject to a fee.

The amount of $1,880,000 is required to pay increases authorized by Executive Orders 11691 and 11739.

Mr. HARRY F. BYRD, JR. The figure that I am looking at is on page 109 of the committee report, which gives a committee recommendation of $2 million.

Mr. MONTOYA. That is correct. The estimate was $2,250,000 for programs and we recommend $2 million, a reduction of $250,000 under title I of the bill.

Mr. HARRY F. BYRD, JR. Yes. It gives the increased cost of administration at $2 million.

Mr. MONTOYA. As I have stated before, the need for supplemental funds for this particular agency was caused by sharp increases in the cost of postage and shipping fees, a heavier workload than anticipated, cost-of-living salary increases and generally higher cost of goods and services.

Now, postage and shipping costs in 1974 will be more than double those of 1973. During the first 6 months of this year they were $1,400,000, which exceeded the $1,300,000 cost for the full 1973 fiscal year.

A major factor was the abrogation by the Postal Service of a longstanding agreement by which securities were shipped by registered mail at the fourth-class postage rate. In 1973, notice was given that first-class postage would be required for all registered mail shipments effective July 1, 1973. Since shipment of securities required the protection of registered mail, there has been a sharp increase in postal costs.

The large volume of marketable issues generated by the high interest rates has also had an impact on shipping expense.

Mr. HARRY F. BYRD, JR. But the point I am suggesting is that the total figure given just a little while ago by the Senator from New Mexico exceeds substantially the committee recommendation, the committee recommendation being $2 million.

Mr. MONTOYA. As I indicated, the $2 million to which the Senator alludes is only for program expenses which I have detailed here. The balance of $1,880,000 is for increased pay costs under title II of the bill.

Mr. HARRY F. BYRD, JR. The point I am confused about is that the committee recommends a total of $2 million, but the figures given by the Senator from New Mexico add up to $3-something.

Mr. MONTOYA. The total, under title I of the bill, is $2 million and under title II there is $1.8 million for increased pay costs. These are reflected on pages 109 and 141 of committee report No. 93-814.

Mr. HARRY BYRD, JR. I am looking at page 109 of the report. Are we talking about the same item?

Mr. MONTOYA. I am looking at both page 109 and page 141 of the report.

Mr. HARRY F. BYRD, JR. Anyway, the cost of administering the debt, just to administer the debt, is $77 million that has been appropriated to date, plus another $2 million that the committee recommends in this supplemental?

Mr. MONTOYA. For all activities of the Bureau of the Public Debt.

Mr. HARRY F. BYRD, JR. So it is a total of $79 million to administer the debt?

Mr. MONTOYA. Yes, for all activities of the Bureau including the U.S. Savings Bond division.

Mr. HARRY F. BYRD, JR. Does the Senator happen to have available the number of personnel involved in handling the debt?

Mr. MONTOYA. I do have it. The total number of permanent positions in the Bureau is 2,554. None of the supplemental funds are for increasing personnel.

Mr. HARRY F. BYRD, JR. That is to administer the debt?

Mr. MONTOYA. That is correct, for all activities of the Bureau.

Mr. HARRY F. BYRD, JR. Of course, the figures we have been discussing have nothing to do with the interest on the debt.

Mr. MONTOYA. That is right.

Mr. HARRY F. BYRD, JR. The interest on the debt, taking it from memory, in the 1974 budget is $29 billion. Is there an increase in the supplemental for the interest on the debt?

Mr. MONTOYA. There is nothing in the supplemental for the increased interest during the course of the year.

Mr. HARRY F. BYRD, JR. So presumably the total interest charges will be the $29 billion figure?

Mr. MONTOYA. Yes. That is taken care of as a permanent, indefinite appropriation.

Mr. HARRY F. BYRD, JR. And that figure in itself of $29 billion——

Mr. MONTOYA. It was $29.1 billion, and it is anticipated that for fiscal year 1975 it will increase to $30.5 billion.

Mr. HARRY F. BYRD, JR. $30.5 billion; and that estimate, I assume, was made prior to the time that we hit 11-percent interest rates, 10-percent interest rates, or even 9-percent interest rates?

Mr. MONTOYA. Well, the $29.1 billion estimate was made before, in December of last year.

Mr. HARRY F. BYRD, JR. When the prime rate was substantially less than it is now.

Mr. MONTOYA. Yes.

Mr. HARRY F. BYRD, JR. Although the rate that the Government paid at that time was probably not too much less than what the Government is paying now.

Of course, the Government is not paying, so far as I know, as much as 10 percent for money now. I know it paid over 9 percent at one point.

Mr. MONTOYA. I would assume the government is paying more now than it did a year ago, or during the course of the last fiscal year.

Mr. HARRY F. BYRD, JR. But the figure in the new budget provides for an increase, then, of about $1.4 billion for interest charges?

Mr. MONTOYA. That is correct according to the President's budget.

Mr. HARRY F. BYRD, JR. I thank the Senator from New Mexico. I have just one additional question in regard to the supplemental for Postal Service. I do not know whom I should address that question to.

Mr. MONTOYA. Yes, that comes under my jurisdiction. I shall be glad to answer any question.

Mr. HARRY F. BYRD, JR. I thank the Senator. The committee recommends a supplemental appropriation of $200 million to the Postal Service, although it was only a month or so ago, a very short time ago, at least, that the postage rate was increased from 8 cents to 10 cents. Yet in addition to that, the taxpayers will have to pay $200 million more in this supplemental.

Mr. MONTOYA. I argued very vigorously with the Postal Service against this particular request in the hearings, and that appears starting on page 813 of the hearings.

My contention was that it was never intended by Congress during the enactment of the Reorganization Act that the Postal Service should come in and have Congress appropriate out of the general Treasury for deficits that they might have in the operation of the Postal System.

Mr. HARRY F. BYRD, JR. That was my understanding.

Mr. MONTOYA. That is correct. I made that argument. In fact, that is one of the reasons why I recommended a reduction of $30 million from their request.

I asked them to cite a particular provision in the Reorganization Act which allowed them to come to Congress and ask for appropriations out of the general Treasury, rather than through increased postal revenues, and they cited some law. I had a legal argument during the hearings with the Postal Service. I did not agree with their interpretation, which was to the effect that they could come in and ask for this.

The $230 million which they are requesting is being justified by their saying to us that they asked for the rate increase to be effective January 5, 1974, but that the Cost of Living Council did not allow the postal rate increase to be effective until March 2, 1974. It was during those 3 months, they contend, that this $230 million deficit was created. They are asking us to make it up. In addition to what I have said, I cited to the people from the Postal Service that if they had any deficit, they also had a bond issue authority which was granted them by Congress and that they could issue bonds to cover this deficit and recoup this particular money through the sale of bonds.

I opened up many avenues for them but they were adamant in their position that Congress had to appropriate an additional $230 million to cover this particular deficit. This was explained to the subcommittee and as well as to the full committee.

The alternative we have now is—do we relegate them to recouping a deficit of $230 million, as they say, from reductions of postal service, or do we now appropriate the money?

They need the money right now, they say; otherwise, they will be operating at a deficit which was never intended. So that was the quandry we were in when we considered this particular item.

Mr. HARRY F. BYRD, JR. I can appreciate the quandary of the Senator. The point which suggests itself to me is that the postal user has faced a very substantial increase in mailing costs from 8 cents on a letter to 10 cents a letter. On top of that, the general taxpayer is being called upon to supplement that to the extent of $200 million. May I ask the Senator from New Mexico—he mentioned a deficit—except for the $200 million, is the Postal Service operating on a balanced budget?

Mr. MONTOYA. No, it is not. We still have to give them additional moneys which we obligated ourselves to do, for 10 years.

Mr. HARRY F. BYRD, JR. Is the additional money based on a formula?

Mr. MONTOYA. Yes; it is. It is a fixed formula. Ten percent of the 1971 appropriation until 1980.

Mr. HARRY F. BYRD, JR. So the budget request of 1971 must have been for $14 billion because I notice that we have already appropriated $15 billion.

Mr. MONTOYA. To date, for fiscal year 1974, a total of $1,478,000,000 has been appropriated, exclusive of the $200 million recommended in the bill.

Mr. HARRY F. BYRD, JR. We have already appropriated not including this $200 million, $1,478,000,000, is that not correct?

Mr. MONTOYA. Yes, that is as I stated it.

Mr. HARRY F. BYRD, JR. Does that mean, then——

Mr. MONTOYA. May I inform the Senator that this is the first deviation from the original commitment of Congress to spread the contribution to the Postal Service over a period of 10 years based on the 1971 appropriation. This is the first deviation in that they have come in for $230 million outside of that figure.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from New Mexico says that this is the first time there has been a deviation from the original legislation. Is this the second year or the third year that the legislation has been in effect?

Mr. MONTOYA. The Postal Reorganization Act was effective July 1,1971. This is the first deviation, as I have stated, from the provisions of the act.

Mr. HARRY F. BYRD, JR. But how many years has it been in effect, the legislation itself? Three or 2 years?

Mr. MONTOYA. Fiscal year 1972 was the first year that we provided a contribution pursuant to the Postal Reorganization Act of 1972.

Mr. HARRY F. BYRD, JR. So that we have provided in fiscal 1972 and we have provided in fiscal 1973——

Mr. MONTOYA. Yes, and now we are in fiscal year 1974.

Mr. HARRY F. BYRD, JR. 1974 is when they came in with the request to deviate from or to revise what Congress previously had done in regard to the Postal Service?

Mr. MONTOYA. That is correct.

Mr. HARRY F. BYRD, JR. Is my interpretation of that correct?

Mr. MONTOYA. That is correct. I made a point of that in the hearings we conducted.

Mr. HARRY F. BYRD, JR. I am glad that the Senator did. It may help things a bit there.

Could I ask the Senator this: From the hearings he held and the knowledge he has of the Postal Service, has the situation improved both financially and servicewise since the new method of handling the postal service went into effect?

Mr. MONTOYA. I ran a check in my own State on the length of time it takes for letters to reach certain towns from other towns. I had several Chambers of Commerce monitor the mail and endorse the hour of deposit and the hour of receipt respectively. I was amazed to find that the mail service has really gone down tremendously from what it was when the Government was running it as a Government service.

I am not satisfied that there has been any improvement in the service. When we conduct the hearings on the regular bill shortly, I will go into this matter very thoroughly. My opinion is that the service has gone down in quality and timeliness.

Mr. HARRY F. BYRD, JR. Yet the cost to the person who uses the mails has gone up considerably, has it not?

Mr. MONTOYA. That is correct, and it will go up a little more.

Mr. HARRY F. BYRD, JR. It has just gone from 8 cents to 10 cents for a letter. I do not remember exactly what it was when the new procedures became effective but I would guess probably—what—around 6 cents, was it not?

Mr. MONTOYA. We have the chairman of the legislative committee now in the Chamber, the distinguished Senator from Wyoming (Mr. McGEE). He has been conducting hearings, I understand, very thoroughly on this particular point. I wonder whether the Senator from Wyoming would give us his version of what is going on.

Mr. McGEE. As Members of this body perhaps will recall, after the collapse of the Christmas mail bulge in December 1972—that was a year ago last December—a near disaster, we started oversight hearings that extended from that winter until early last fall, into every phase of the new Postal Service.

We found out a number of things that were judgment errors on the part of management—errors that at least were being corrected after the near collapse of the mail service during the 1972 Christmas season. We found that the transition in readjusting the infrastructure of the postal system accounted for delays in the mail.

None of it makes it any better that way, in terms of explaining it to somebody whose letters were late. But it does explain a part of the aches and pains of a changeover in infrastructure.

To make the story short, the net result was that, for the first Christmas at any time in which a record has been kept, during the last Christmas there was no backlog of Christmas mail. That is under this system or the preceding system, under Jim Farley or Larry O'Brien or whomever you want to select. To us, that was the first surfacing of some measurable improvement in the mail service.

Mr. HARRY F. BYRD, JR. That is good news.

Mr. McGEE. The second thing was an improvement in the attitude of management itself in the Postal Service. Under the present Postmaster General, for the first time, a Postmaster General has popped up all over the country, unannounced, in the midst of post offices, to ask the employees, "What would you do? What do we need to know that would tighten it up or make it more efficient or more effective?" This had an immeasurable and positive effect on morale.

I would just add a footnote in regard to the cost of the first-class mail in this context. The mail cannot be carried free. As the Senator knows, everything else in this country has gone up precipitately in the last x number of years, and it was inevitable that postal rates would have to be adjusted accordingly, or you would drop service, set it back, or shake the money tree in order to get it. When the Postal Service increased its rates this past year, it was in direct response to the allowance of the wage increase for all postal employees, which was negotiated under the collective security agreements that were a part of the new postal system. Those agreements were negotiated last June, and that cost likewise required finding the money somewhere.

The percentage that the rates went up was not out of line. I happened to check back on other increases that took place. We had a 3-cent first-class stamp for a great many years, with the taxpayer taking up the difference. That 3-cent stamp was still in effect in the early 1940's.

A 1940 newspaper, the Omaha World Herald, that Mrs. McGee found at the bottom of one of our trunks when we were having our perennial attic cleaning this winter, during one of those darker days, disclosed a food ad of O. P. Skaggs. This was the "hot-shot" ad on a weekend. It was milk at 5 cents a quart, while the stamp was 3 cents. It was hamburger at 9 cents a pound. It was center-cut porkchops at 17 cents a pound.

It seems like somebody's fantasy. But if we add up what those items are costing now, in every family's budget, we begin to get the relative picture, that the postal rates have not gotten completely out of hand or run out of range in regard to what else has happened in our country in the last 25 years.

I wanted to say this only as a moderating thought in one way, and that is that with all that remains to be done as this Postal System makes these adjustments over, the committee concluded two things about which it feels very strongly. One is that there is no turning back; that under the old post office system, the Congress, with part-time people, 15 minutes a day, tried to set postal rates, depending upon who caught them last in the lobby.

We believe there is nothing in the new mechanism that stands in the way of a more effective and efficient postal operation. But we said at the time the bill was finally passed by Congress that it would take from 3 to 8 years to effect the transition. New capital investments are now underway. New bulk-handling facilities are on the boards. There is a definite step forward.

Mostly, there is an improvement at management in the point of view—namely, the career people are being asked to have an input in ideas, in responsibility, in decisionmaking. It is not cozily made downtown any more.

That is a little on the hopeful side. But it is going to take time, as the Senator from New Mexico and the Senator from Wyoming have discovered.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. McCLELLAN. I am reminded that the time for this discussion is coming out of the 1 hour I have on the bill. I have about 10 minutes remaining. I yield 2 additional minutes, and I hope we can conclude in that time.

Mr. McGEE. I wonder whether we can agree to mail some time to the Senator from Arkansas.

Mr. McCLELLAN. I am afraid that I would not get it in time for this bill to be passed.

[Laughter.]

Mr. HARRY F. BYRD, JR. The distinguished Senator from Wyoming has made a most interesting presentation, and I gather that he is encouraged. He thinks progress is being made.

Mr. McGEE. We believe that we are making progress, in relative terms. We are getting there.

Mr. HARRY F. BYRD, JR. When we equate the price of the postage stamp with the price of eggs and the center-cut porkchops and milk, in this bill is approximately $2 billion which we need to add on, if we are going to equate it as mentioned. At any rate, it does seem that progress has been made.

Mr. McGEE. The work is still cut out for us, however.

Mr. President, the $200 million appropriation provided for in this bill for the U.S. Postal Service is necessary in order to insure a sound financial transition consistent with the ratemaking policies intended by the Congress when it passed the Postal Reorganization Act of 1970.

The fact that a supplemental request for $236 million has been made is due to circumstances entirely beyond the control of the Postal Service, having been occasioned by the Cost of Living Council's decision that delayed the effective date of temporary postage rate increases by 2 months and reduced revenues by $236 million. Unfortunately, the Cost of Living Council, in taking this action, moved in a manner wholly inconsistent with an earlier decision whereby the Commission permitted the latest national agreement between the Service and its workers to take full effect. That agreement's cost in large part necessitated the general postage rate increases requested by the Postal Service last September 25.

I am not newly arrived at this point of view. Indeed, last November 13, while the matter of temporary rate increases was under consideration by the Cost of Living Council, I wrote Director John Dunlop to express my concern:

> The Postal Service urgently needs the revenues which would be produced by those increases, especially in view of the National Labor Agreement involving substantial employee increases which was signed July 21, 1973.

I wrote Mr. Dunlop:

> As you may be aware, the Postal Service is enjoined by law to become self-sufficient by 1984. Attempts to reduce expenditures by cutting service early this year produced incontrovertible evidence that neither the public nor the Congress will countenance less than adequate postal service. The U.S. Postal Service has no alternative but to institute a temporary rate increase which it will ask the Postal Rate Commission to make permanent.

The Commission had the authority, which it exercised, to affect the Postal Service request, of course. But its action does not alter the fact that the Service needs the income, else it will have to face the unpalatable choice of reducing its service to the public.

The real problem lies in the economy. Consider that every 1-cent increase in the cost of gasoline per gallon is an increase of $1.5 million in the Postal Service's cost of doing business. Consider, to go back to the national agreement, that meeting the payroll now costs the Service about $365 million every 2 weeks and will jump by about $35 million every payroll period next fiscal year, because of cost-of-living increases.

The Postal Service management may have been guilty of a good many errors in judgment in starting up this huge new establishment, now in its third year. But, Mr. President, I submit that not even the Postal Service can be blamed for inflation or the cost of living.

It can be argued that the Cost of Living Council's action represented but a 2-percent reduction in the Postal Service's total budget. And so it did. But if we consider that the Service now is delivering at the rate of 91 billion pieces of mail a year, and gaining a million pieces a year at least, it becomes apparent what a 2-percent reduction in service might mean. It could be roughly 2 billion pieces of mail delayed.

It could possibly mean, save for the no-cut contracts in force with the postal unions, the laying off of 23,000 postal employees.

When the Postal Reorganization Act passed in 1970, of course, there was no Cost of Living Council and thus no provision specifically covering the circumstance its decisions have given rise to. But the law does provide that:

> Such sums as are necessary to insure a sound financial transition for the Postal Service and a rate policy consistent with chapter 36 of this title are hereby authorized to be appropriated to the Fund without regard to fiscal-year limitation.

Clearly, there is authority for this appropriation. Clearly, it is needed. The Postal Service is still in the transitional stage established by the Postal Reorganization Act; a transitional period which Senators might recall this body believed should be extended indefinitely. More recently, in its report on an investigation of the Postal Service, the Committee on Post Office and Civil Service observed that:

> Rising costs, which affect the entire economy as well as the U.S. Postal Service, re-

> quire that we continually reassess how we are going to meet revenue needs . . . But the forces at work today require that the issues be carefully weighed to determine, for instance, whether the adjustment period to full rates should be extended or whether the Postal Service's payment or subsidy should be increased in the public interest.

I emphasize the last words of that passage, public interest. That, Mr. President, is what is at stake here. Earlier I said the choice was between appropriating these funds or the unpalatable one of reducing the level of postal service to the public. In truth, that second alternative is not just unpalatable but totally unacceptable. The sum appropriated to the U.S. Postal Service should be $236 million. I regret the succession of cuts which have reduced it to the $200 million level.

Mr. HARRY F. BYRD, JR. I have a final question which I should like to ask the Senator from Arkansas later.

Mr. McCLELLAN. The Senator from Virginia asked me earlier about the total amount of appropriations for this year.

Mr. HARRY F. BYRD, Jr. Yes.

Mr. McCLELLAN. The total amount we have appropriated, in appropriation bills prior to this bill, is $169,443,172,000 in budget authority. That is money that we appropriated through the appropriation process.

The rest of the budget was permanent and backdoor spending, over which the committee had no control. As the Senator will recall, we had reduced the budget authority some $3.3 billion below the budget request. The amount in this pending bill is for more than $9 billion, which will make the total appropriations, if this bill is passed, about $179 billion.

Mr. HARRY F. BYRD, JR. I appreciate that. The figure I am trying to get is the total spending figure. How much will the Government spend? As I recall, the administration came in with a request for fiscal 1974 of $269 billion. Is this $11 billion on top of the $269 billion?

Mr. McCLELLAN. The revised outlay according to the budget was estimated to be $270 billion plus.

Mr. HARRY F. BYRD, JR. Now we are getting to it. This is $11 billion more, on top of the $270 billion? Is that correct?

Mr. McCLELLAN. This amount is included, I am advised by the staff, in the $270 billion outlay estimate figure.

Mr. HARRY F. BYRD, JR. Does the Senator mean that the supplemental we are voting on today in May 1974 is included?

Mr. McCLELLAN. I will get the answer for the Senator in just a few minutes. I will let someone else use some time.

Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, will the Senator yield to me for 3 minutes?

Mr. YOUNG. I yield to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I shall not take more than 3 minutes, but I believe that what the committee has done under the gifted guidance of the Senator from Washington (Mr. Magnuson), who is especially concerned here, and with much appreciation to the Senator from Arkansas (Mr. McClellan), the Senator from North Dakota (Mr. Young), the Senator from New Hampshire (Mr. Cotton), and the Senator from New Jersey (Mr. Case), and the Senator from Massachusetts (Mr. Brooke), who carried the ball in a personal sense in the Committee on Appropriations, is to do something for the unemployed, the underemployed, and the poor.

I wish to express my satisfaction with the response of the Committee on Appropriations to a number of requests which I and a number of my colleagues made in testimony on March 27 before the Subcommittee on HEW-Labor Appropriations of that committee, for supplemental funds for this fiscal year, 1974, to meet the needs of unemployed, underemployed and poor persons.

Specifically the Committee has recommended that the Senate include the following items in H.R. 14013, the second supplemental appropriations bill—$364.5 million for the summer youth job program under the transitional and other authorities of the new Comprehensive Employment and Training Act of 1973, signed into law by the President last December 28, as noted at page 62 of the committee report, and included generally at page 16 of the bill.

Together with the $91.4 million in carried over funds, this could provide 878,000 9-week opportunities this summer for economically disadvantaged youth, 14 to 21 years of age, with public agencies along the lines of last summer's Neighborhood Youth Corps summer job program. The administration requested and the House bill includes only $208.6 million, which together with the $91.4 million in carried over funds, is not enough even to maintain last year's level of approximately 709,200 job slots.

The recommendation of the Senate Committee on Appropriations will provide an aggregate program for this summer of 875,000 opportunities and $455.9 million exceeding by 160,800 opportunities and $155.9 million last summer's levels. It will take us a substantial distance toward meeting the needs of the cities for an aggregate of 1,111,483 opportunities, as documented by the National League of Cities-U.S. Conference of Mayors, as the number which could be effectively used. I had originally requested $556,295,082 which together with the $91.4 million would have provided the 1,111,483 job slots as 10-week opportunities—$15.0 million for recreational support for younger poor youth, basically the level of last year's program, and $2.0 million for transportation assistance, an increase over the $1.7 million level of last year, as noted at page 62 of the report, and included generally at page 16 of the bill. The administration did not request and the House did not include any funds for these purposes. The League of Cities documented a need for $26.2 million and $3.9 million for these purposes respectively.

I was joined by 20 Senators in seeking these funds in a letter to the President on April 23, 1974, urging the administration to meet these needs under the new minimum wage law, and by 25 Senators in a previous letter to the President dated March 28, urging that the needs be met under the then applicable minimum wage of $1.60 per hour. Joining me in those letters were Senators Abourezk, Bayh, Beall, Brooke, Burdick, Case, Clark, Cranston, Gravel, Hart, Haskell, Hathaway, Humphrey, Kennedy, Mathias, McGovern, Mondale, Moss, Muskie, Nelson, Ribicoff, Stafford, Taft, Tunney, and Williams.

The $825 million for public service employment generally under the transitional and other provisions of the Comprehensive Employment and Training Act of 1973, as noted at page 61 of the report and page 16 of the bill. The administration had requested $250 million and the House appropriated $500 million. The Senate Appropriations Committee's recommendation meets the request made by Senators Kennedy, Cranston, Nelson, Mondale, Percy, Hart, and Bayh, for an additional $350 million, in which I joined, as well as other requests before the committee. The committee's recommendation could provide as many as 117,800 annual slots, as opposed to 35,700 under the administration's plans and also provides an effective transitional program from the existing to the new program—$7 million for the current legal services program under the Economic Opportunity Act of 1964 and related programs to supplement the $71.5 million already available under the regular appropriations bill, as noted at page 77 of the report and page 24 of the bill. This substantially meets the request, in which I was joined by Senators Case and Brooke, for $10.8 million to provide for the continuation of the program until the new national legal services corporation is fully operative. Legislation to create such a corporation is still being considered in the House-Senate conference. Neither the administration nor the House included additional funds for this purpose.

Mr. President, this action by the committee demonstrates a continued sensitivity in the Congress to the needs of the unemployed, underemployed, and poor in the face of still unacceptable unemployment and other hardships, aggravated by the energy crisis and the economic downturn generally. It should be particularly reassuring to the beneficiaries of these programs who live in the ghettos, barrios, and rural poverty pockets—in New York and elsewhere—where unemployment among teenagers ranges from 30 to 40 percent—as a sign that the national commitment to eliminate poverty, as expressed in the summer jobs and recreation program and the vital legal services effort, will be pushed forward.

Mr. President, since these funds will be allocated on the basis of the application of unemployment criteria as of the time that they actually reach the hands of the Secretary of Labor, it is impossible at this time to indicate precisely the amount of benefits to New York City and other areas in New York State or any other area in the country.

However, it is clear, as noted at page 62 of the report, that no area will receive less for summer jobs—and the same should be true in respect to recreation and transportation—than it did last year and most areas will receive more. Last year's levels are set forth in the League of Cities-Conference of Mayors materials which accompanied the letter to the President dated April 23, 1974 to which I referred earlier.

Again, with respect to public service employment funds, as a general rule, States will share similarly in the overall increase of 82,100 jobs available under the committee's recommendation above the 35,700 jobs available under the administration's plans.

These provisions are thus very crucial in meeting the unemployment situation in New York State, as well as elsewhere. According to Industrial Commissioner of New York State, Louis Levine, the unemployment rate for the State was 6.2 percent in January and February and for the city was 6.9 percent in January and 6.4 percent in February. This compares with rates of 5.6 percent for January and 5.7 percent for February for the Nation as a whole. These New York and national figures are based on a new method of determining unemployment developed with the U.S. Department of Labor.

With respect to legal services, I note that the New York City program, conducted by CALS—Community Action for Legal Services—has had a budget of $5.4 million annually for each of the last 3 years. Current shortages have forced a cutback of staff, and the closing of neighborhood offices, as well as other difficulties.

Mr. President, in addition to these elements where I made specific requests, I wish to commend the committee on the attention given in its report, at page 62, to Operation SER, and opportunities industrialization centers; both of these efforts are very successful and crucial in terms of activities in our inner cities, including many in New York State, and they should be continued from the Secretary's national account, to the extent that State and local funds are not made available for these purposes.

Mr. President, again I commend the committee, its chairman, Senator McClellan, its ranking member, Senator Young, and the chairman of the Subcommittee on HEW-Labor, Senator Magnuson, Senator Cotton, the ranking minority member, and express my personal gratitude to Senators Case and Brooke, who have been personally so helpful, and to the other members of the Appropriations Committee as well as my colleagues who joined with me, for these actions.

Also, I pledge every effort to maintain these actions as they are considered by the Senate and in conference with the House of Representatives.

I ask unanimous consent that there be printed at this point in the Record copies of the letters to the President dated March 28 and April 23, including a copy of a letter dated April 19 from the National League of Cities-U.S. Conference of Mayors and attachments to me, and a copy of a press release of the New York State Department of Labor dated April 12, 1974, regarding unemployment statistics.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate, Committee on Labor,
and Public Welfare,
Washington, D.C., April 23, 1974.

Dear Mr. President: We wrote you on March 28, 1974, urging that the Administration submit a new revised budgetary request for fiscal year 1974 for this summer's youth job program and related transportation and recreation activities.

We are writing again in order to revise our request in light of the provisions of the Fair Labor Standards Act Amendments of 1974, which you signed into law on April 8, 1974; under the new law, the new minimum wage of $2.00 per hour will be applicable to the summer youth job program in lieu of the previous wage of $1.60 per hour which was utilized in determining the aggregate amount of our original request.

Our request now consists of an aggregate of $586,506,386, as follows:

First, $556,295,082 for the summer youth job program conducted under sections 3(c) and 304 of the Comprehensive Employment and Training Act of 1973 to provide (together with $91,416,000 in carried over funds which the Administration plans to use for these purposes) an aggregate of 1,111,483 ten-week opportunities for poor youth ages 14 to 21, each opportunity providing 26 hours of employment each week at the new minimum wage of $2.00 per hour.

We note that even the $300.0 million level planned by the Administration (consisting of $208.6 million in supplemental funds and the $91.4 million in carried over funds) would not now provide the 709,200 nine-week opportunities originally indicated. To maintain 709,200 opportunities, approximately the level of last year, will require under the new minimum wage law, an additional $68.0 million in supplemental funds.

We consider a ten-week program, as originally designed, preferable to a nine-week program so that youth will have meaningful activities for the greater part of the summer months and will be able to increase their overall earnings, which they use to return to school, or to otherwise supplement the family income; the program was cut to nine-weeks in recent years, principally because of delays in funds actually becoming available, a prospect which can be avoided by early action this year.

We note, however, for your information, that to provide the 1,111,483 opportunities as nine-week opportunities, would require an aggregate of $481,523,974 in new funds.

Second, $26,284,082 for recreational support under the Economic Opportunity Act of 1964 and the Manpower Development and Training Act of 1962, authorities which do not expire until June 30. In fiscal year 1973, $15,000,000 was made available. The Administration has not requested any funds for this purpose for fiscal year 1974.

Third, $3,927,222 for transportation under the new Act, as also authorized under previous authorities. In fiscal year 1973, $1,700,000 was made available. The Administration has not requested any funds for this purpose for this fiscal year.

These revised requests are documented on a city-by-city basis—including the fifty largest cities and other areas—in the enclosed letter dated April 19, 1974 and attachments to Senator Javits from the National League of Cities-U.S. Conference of Mayors.

As we indicated in our previous letter, we believe that the unemployment situation among youth—with unemployment levels of 30 to 40 percent in some areas—further aggravated by the energy crisis, makes necessary increases above the amount requested for jobs, as well as the provision of basic amounts in related transportation and recreation activities.

We note that under the Administration's plans for this fiscal year, the States and cities will not have sufficient general resources for manpower training and public service employment, to which to look for satisfaction of these additional needs. The Administration's revised plans, under the new Comprehensive Employment and Training Act of 1973 of $1.3 billion for training and work experience (exclusive of the $300.0 million planned for summer jobs) and the $250.0 million for public service employment would provide $800 million less than the $2.38 billion appropriated for those elements in fiscal year 1973 under the previous authorities.

Furthermore, the private sector will not be able to take up the slack. The National Alliance of Businessmen, which provided 253,000 opportunities last summer, has set a goal of only 200,000 for this summer, in appreciation of difficulties in placement which will arise from the energy crisis and the projected economic situation generally.

In fact the Department of Labor estimates that the "target group" for the program for this summer will include 3.4 million poor youth—over four times the number covered under the Administration's plans. Even our request, which is based on the number which the cities could "effectively use", would meet the needs of less than ⅓ of those who could benefit.

Accordingly, in order to permit early and meaningful planning of an adequate program, at the local level, we would appreciate any consideration given to these requests in connection with H.R. 14013, the Second Supplemental Appropriations bill now under consideration in the Senate.

Sincerely,

Jacob K. Javits, Robert T. Stafford, Gaylord Nelson, Mike Gravel, Frank E. Moss, George McGovern, John V. Tunney, James Abourezk, Dick Clark, Robert Taft, Jr., Quentin N. Burdick, Walter F. Mondale, Edward W. Brooke, Clifford P. Case, Abraham Ribicoff, Hubert H. Humphrey, William D. Hathaway, Philip A. Hart, Floyd K. Haskell, Alan Cranston, Harrison A. Williams.

U.S. Conference of Mayors,
National League of Cities,
April 19, 1974.

Hon. Jacob K. Javits,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

Dear Senator Javits: As in the past several years, we have again surveyed the nation's cities to determine the needs for the youth programs for the approaching summer.

On the basis of our survey:

First, surveys of summer jobs in cities show a need of 669,305 slots for a total of 1,111,483. This would require an aggregate federal fund of $647,711,082, or $347,711,082 above the Administration's request.

Second, with respect to recreation estimates, the cities estimated their needs for this summer total $26,284,082.

Third, with respect to transportation, $3.9 million is needed.

As you well know, the recreation and transportation components of the summer youth programs are essential to provide disadvantaged youngsters with constructive activity during the summer months. These figures reflect the enactment of the Fair Labor Standards Act amendments of 1974. We enclose a chart that is the basis of these requests.

We emphasize that these are amounts which could be effectively utilized this summer, and these amounts are still far short of the total number of youths that could benefit from these efforts.

We would appreciate your assistance in assuring adequate funding for the summer jobs program as well as inclusion of funds for a recreation support and transportation program in the FY 74 Supplemental.

Sincerely,

Allen E. Pritchard, Jr.,
Executive Vice President, National League of Cities.

John J. Gunther,
Executive Director, U.S. Conference of Mayors.

City	Population	Slots				Dollars[2]—1974 need
		1973 need	1973 actual[1]		1974 need	
Region I: Boston	641, 000	6, 400	5, 901	(5, 311)	13, 000	$7, 605, 000
Region II:						
Buffalo	463, 000	6, 834	1, 931	(1, 738)	6, 834	3, 454, 177
Newark	382, 000	14, 563	5, 771	(5, 194)	14, 563	8, 519, 355
New York	7, 868, 000	77, 500	56, 380	(50, 742)	77, 500	39, 171, 600
Rochester	296, 000	4, 650	1, 316	(1, 184)	4, 650	2, 350, 296
Region III:						
Baltimore	906, 000	9, 420	9, 000	(8, 100)	9, 420	5, 510, 700
Norfolk	308, 000	3, 500	2, 110	(1, 899)	4, 200	2, 457, 000
Philadelphia	1, 949, 000	15, 000	3, 000	(2, 700)	15, 000	8, 775, 000
Pittsburgh	520, 000	9, 265	4, 000	(3, 600)	9, 265	5, 420, 025
Washington, D.C	757, 000	20, 000	14, 000	(12, 600)	20, 000	11, 700, 000
Region IV:						
Atlanta	497, 000	5, 388	2, 361	(2, 125)	5, 388	3, 151, 980
Birmingham	301, 000	2, 774	1, 100	(990)	2, 774	1, 622, 790
Jacksonville	529, 000	2, 500	2, 258	(2, 032)	2, 500	1, 462, 500
Louisville	361, 000	3, 500	3, 706	(3, 335)	3, 706	2, 168, 010
Memphis	624, 000	2, 394	2, 400	(2, 160)	2, 400	1, 404, 000
Miami	335, 000	8, 226	960	(864)	8, 226	4, 812, 210
Nashville	448, 000	2, 000	2, 343	(2, 109)	2, 343	1, 370, 655
Tampa	278, 000	6, 515	865	(779)	6, 515	3, 811, 275
Region V:						
Chicago	3, 367, 000	40, 000	41, 758	(37, 582)	45, 000	26, 325, 000
Cincinnati	452, 000	5, 000	3, 100	(2, 790)	5, 000	2, 925, 000
Cleveland	751, 000	12, 500	13, 423	(12, 081)	14, 000	8, 190, 000
Columbus	540, 000	1, 800	1, 316	(1, 184)	2, 500	1, 462, 500
Detroit	1, 511, 000	25, 000	17, 251	(15, 526)	25, 000	14, 625, 000
Indianapolis	745, 000	3, 000	2, 100	(1, 890)	3, 000	1, 755, 000
Milwaukee	717, 000	3, 379	3, 713	(3, 342)	3, 713	2, 172, 105
Minneapolis	434, 000	3, 080	1, 850	(1, 665)	3, 500	2, 047, 500
St. Paul	310, 000	1, 300	1, 519	(1, 367)	2, 062	1, 206, 270
Toledo	384, 000	1, 400	985	(887)	1, 400	819, 000
Region VI:						
Dallas	944, 000	2, 280	1, 531	(1, 378)	2, 280	1, 333, 800
El Paso	322, 000	4, 672	1, 336	(1, 202)	4, 672	2, 733, 120
Fort Worth	393, 000	1, 507	1, 331	(1, 196)	1, 507	881, 595
Houston	1, 233, 000	5, 664	3, 325	(2, 993)	5, 664	3, 313, 440
New Orleans	593, 000	5, 000	3, 337	(3, 003)	5, 000	2, 925, 000
Oklahoma City	366, 000	1, 530	2, 400	(2, 160)	2, 400	1, 404, 000
San Antonio	654, 000	6, 000	3, 750	(3, 375)	6, 000	3, 510, 000
Tulsa	332, 000	1, 011	1, 149	(1, 034)	1, 300	7, 605, 000
Region VII:						
Kansas City, Mo	507, 000	4, 000	3, 588	(3, 232)	4, 000	2, 340, 000
Omaha	347, 000	1, 670	1, 500	(1, 350)	1, 670	976, 950
St. Louis	622, 000	9, 000	8, 841	(7, 957)	10, 000	5, 850, 000
Region VIII: Denver	515, 000	2, 100	2, 845	(2, 561)	2, 850	1, 667, 250
Region IX:						
Honolulu	325, 000	2, 800	1, 075	(967)	2, 800	1, 638, 000
Long Beach	358, 000	432	1, 050	(945)	1, 200	662, 688
Los Angeles	2, 813, 000	27, 491	8, 484	(7, 636)	27, 491	15, 181, 629
Oakland	362, 000	5, 850	1, 820	(1, 638)	5, 850	3, 230, 604
Phoenix	582, 000	17, 000	3, 700	(3, 330)	17, 000	9, 945 000
San Diego	697, 000	5, 000	3, 321	(2, 989)	5, 500	3, 037, 320
San Francisco	716, 000	8, 000	5, 569	(5, 012)	8, 000	4, 417, 920
San Jose	446, 000	3, 535	1, 883	(1, 659)	3, 535	1, 952, 168
Region X:						
Portland	382, 000	5, 000	2, 400	(2, 160)	5, 300	2, 925, 000
Seattle	581, 000	5, 000	1, 700	(1, 530)	5, 000	2, 925, 000
SAMPLING OF CITIES OTHER THAN 50 LARGEST						
Hartford, Conn	158, 017	3, 000	2, 254	(2, 029)	3, 000	1, 755, 000
Providence, R.I	179, 213	1, 250	1, 200	(1, 080)	1, 440	842, 400
Albany, N.Y	114, 873	600	582	(524)	800	404, 352
New Bedford, Mass	101, 777	850	851	(766)	1, 301	761, 085
Paterson, N.J	144, 824	1, 500	1, 112	(1, 001)	1, 500	877, 500
Syracuse, N.Y	197, 208	1, 500	1, 123	(1, 011)	1, 500	758, 160
Trenton, N.J	104, 638	1, 000	709	(638)	2, 150	1, 257, 775
Yonkers, N.Y	204, 370	458	330	(297)	660	333, 590
Charleston, W. Va	71, 505	300	177	(159)	470	274, 950
Alexandria, Va	110, 938	400	169	(152)	400	234, 000
Charleston, S.C	66, 945	1, 000	1, 803	(975)	1, 900	1, 111, 500
Columbus, Ga	154, 168	2, 000	1, 507	(1, 356)	2, 000	1, 170, 000
Montgomery, Ala	133, 386	570	566	(509)	600	351, 000
Ann Arbor, Mich	99, 797	250	580	(522)	600	351, 000
Dayton, Ohio	243, 601	2, 500	1, 820	(1, 630)	4, 000	2, 340, 000
Duluth, Minn	100, 578	600	502	(542)	700	409, 500
Madison, Wis	173, 258	1, 000	806	(725)	1, 000	585, 000
Youngstown, Ohio	139, 788	2, 500	2, 253	(2, 028)	2, 500	1, 462, 500
Baton Rouge, La	165, 963	250	1, 255	(1, 130)	1, 880	1, 099, 800
Corpus Christi, Tex	204, 525	1, 500	1, 304	(1, 174)	1, 600	936, 000
Springfield, Mo	120, 096	500	994	(895)	1, 000	585, 000
Colorado Springs, Colo	135, 060	550	530	(477)	630	368, 550
Salt Lake City, Utah	175, 885	1, 120	1, 120	(1, 008)	1, 200	702, 000
Anaheim, Calif	166, 701	150	209	(188)	540	298, 210
Fresno, Calif	165, 972	2, 500	2, 175	(1, 958)	3, 638	2, 009, 049
San Bernardino, Calif	104, 251	850	850	(765)	1, 100	607, 464
Santa Ana, Calif	156, 601	2, 800	594	(535)	2, 800	1, 546, 272
Stockton, Calif	107, 644	2, 000	2, 366	(2, 129)	2, 500	1, 380, 600
Tucson, Ariz	262, 933	2, 500	2, 378	(2, 140)	3, 000	1, 755, 000
50 largest total		421, 930	272, 352	(244, 003)	442, 178	256, 749, 432
Balance of cities		597, 061	481, 785	(433, 640)	669, 305	390, 961, 650
Total		1, 018, 991	754, 137	(677, 723)	1, 111, 483	647, 711, 082

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[1] All figures in the above chart represent 10-week slots except the 1st column under 1973 actual which are 9-week slots.

[2] Dollar figures represent 10-week, 26 hours a slot at $2 an hour except where State law is highest.

SUMMER RECREATION SUPPORT PROGRAM (RSP)

City	1973 need	1973 actual	1974 need
Region I: Boston	$350,000	$130,006	$350,000
Region II:			
Buffalo	125,000	118,710	150,000
Newark	200,000	100,000	203,500
New York	2,934,000	2,362,000	2,934,000
Rochester	136,000	68,000	150,000
Region III:			
Baltimore	335,000	300,010	335,000
Norfolk	201,500	132,000	201,500
Philadelphia	100,000	532,000	532,000
Pittsburgh	200,000	158,520	200,000
Washington, D.C	364,000	245,000	364,000
Region IV:			
Atlanta	180,000	143,000	180,000
Birmingham	170,000	120,000	170,000
Jacksonville	250,000	150,000	250,000
Louisville	130,000	96,000	130,000
Memphis	305,000	264,000	305,000
Miami	192,000	149,931	192,000
Nashville	200,000	149,770	200,000
Tampa	175,000	100,069	175,000
Region V:			
Chicago	2,100,000	1,179,460	2,100,000
Cincinnati	175,000	135,000	175,000
Cleveland	380,000	230,000	670,490
Columbus	211,000	132,000	211,000
Detroit	897,000	399,000	897,000
Indianapolis	260,000	200,000	300,000
Milwaukee	160,000	144,000	200,000
Minneapolis	130,000	63,000	130,000
St. Paul	58,000	36,000	58,000
Toledo	120,000	84,000	120,000
Region VI:			
Dallas	$285,000	$228,000	$300,000
El Paso	250,000	194,000	250,000
Fort Worth	175,000	108,000	175,000
Houston	440,000	350,000	440,000
New Orleans	500,000	288,000	500,000
Oklahoma City	500,000	106,800	500,000
San Antonio	200,000	324,000	500,000
Tulsa	170,000	92,000	174,395
Region VII:			
Kansas City, Mo	200,000	118,000	200,000
Omaha	96,000	61,000	96,000
St. Louis	405,000	254,000	408,000
Region VIII: Denver	170,000	126,400	170,000
Region IX:			
Honolulu	140,000	70,000	140,000
Long Beach	125,000	72,000	125,000
Los Angeles	650,000	602,000	1,000,000
Oakland	125,000	104,000	168,000
Phoenix	288,000	144,000	288,000
San Diego	825,000	164,000	825,000
San Francisco	250,000	180,000	250,000
San Jose	100,000	85,000	100,000
Region X:			
Portland	135,000	89,000	135,000
Seattle	129,000	89,000	129,000
50 largest total	18,096,500	11,770,676	18,756,885
Balance of cities	6,850,080	3,229,324	7,528,197
Total	24,946,580	15,000,000	26,284,082

SUMMER YOUTH TRANSPORTATION PROGRAM (SYTP)

Region I: Boston	$20,000	$10,700	$30,000
Region II:			
Buffalo	13,000	7,500	15,000
Newark	69,300	23,437	69,300
New York	500,000	149,130	500,000
Rochester	15,000	7,500	15,000
Region III:			
Baltimore	35,000	21,100	35,000
Norfolk	25,600	7,500	25,600
Philadelphia	100,000	24,360	100,000
Pittsburgh	22,000	12,650	22,000
Washington, D.C	100,000	22,960	100,000
Region IV:			
Atlanta	30,000	12,080	30,000
Birmingham	24,000	13,790	24,000
Jacksonville	14,000	6,300	14,000
Louisville	12,500	7,500	12,500
Memphis	18,000	11,860	18,000
Miami	23,000	12,000	23,000
Nashville	12,000	7,000	12,000
Tampa	0	7,500	0
Region V:			
Chicago	70,000	42,240	80,000
Cincinnati	15,000	7,920	15,000
Cleveland	35,000	19,310	35,000
Columbus	17,000	8,640	17,000
Detroit	75,500	36,560	75,500
Indianapolis	15,000	8,480	25,000
Milwaukee	66,192	47,280	70,000
Minneapolis	75,000	12,380	75,000
St. Paul	12,500	7,500	12,500
Toledo	20,000	7,990	20,000
Region VI:			
Dallas	$23,990	$19,340	$23,990
El Paso	77,800	38,900	77,800
Fort Worth	175,000	8,130	175,000
Houston	0	25,060	27,566
New Orleans	25,000	14,790	26,250
Oklahoma City	25,000	14,000	25,000
San Antonio	26,570	14,570	26,570
Tulsa	20,000	7,500	20,000
Region VII:			
Kansas City, Mo	50,000	13,970	50,000
Omaha	16,000	13,500	16,000
St. Louis	43,500	25,790	43,500
Region VIII: Denver	29,000	18,320	36,640
Region IX:			
Honolulu	15,000	7,500	15,000
Long Beach	16,000	7,500	16,000
Los Angeles	164,000	82,870	164,000
Oakland	28,000	15,000	28,000
Phoenix	25,000	11,740	25,000
San Diego	30,000	14,360	30,000
San Francisco	25,000	11,920	25,000
San Jose	9,000	7,500	9,000
Region X:			
Portland	25,000	8,580	25,000
Seattle	32,100	19,060	32,100
50 largest total	2,155,552	963,067	2,342,816
Balance of cities	1,527,879	737,933	1,584,406
Total	3,683,431	1,700,000	3,927,222

NEW YORK STATE
DEPARTMENT OF LABOR,
Albany, N.Y.

NOTE TO EDITORS: With this release, the State Labor Department is implementing revised technical procedures, developed by the U.S. Bureau of Labor Statistics, for estimating New York State and area monthly employment and unemployment statistics, including the unemployment rate.

The purpose of the new system is to unify reporting procedures throughout the nation. Under the revised technical procedures, all employment and unemployment estimates are based on *place of residence* rather than place of work.

Both the old and new systems have been prescribed by the U.S. Department of Labor.

(A detailed statement outlining the new procedures is available on request from the Public Information Office, New York State Department of Labor, Building 12, State Campus, Albany, New York 12201.)

ALBANY.—Industrial Commissioner Louis L. Levine, head of the State Labor Department, in releasing the monthly estimates of employment and unemployment for January and February, announced the inauguration of a new system for computing the figures, based on place of residence rather than place of work.

Under the new computing system, the unemployment rate for New York State was 6.2 per cent in both January and February. Under the old system the rates for January and February 1974, would have been 5.7 per cent. In December of 1973, the unemployment rate was 5.5 per cent under the new system and 5.2 per cent under the old.

Total employment in New York State in January was 6,913,800 and in February, 6,916,600. In January and February 1973, it was 6,855,800 and 6,870,400, respectively. In December 1973, total employment was 7,094,100.

In New York City, total employment was 2,943,600 in January and 2,943,600 in February. In January and February 1973, it was 2,946,300 and 2,957,900, respectively. In December 1973, total employment in New York City was 3,002,800.

Total unemployment in New York State in January was 458,800, and in February, 455,800. In January 1973, it was 432,700 and in February 1973, 421,700.

Total unemployment in New York City for January was 217,100 and in February, 202,500. In January 1973, the total unemployed in New York City was 204,400, and in February 1973, it was 188,400.

The unemployment rates in New York City for January and February of 1974, were 6.9 per cent and 6.4 per cent, respectively. In January and February of 1973, the rates were 6.5 per cent and 6.0 per cent. In December 1973, the rate was 6.2 per cent.

Commissioner Levine explained that the new place-of-residence system more accurately measures the number of residents with jobs, whether these jobs are located within or outside the area in which they reside. For instance, persons holding more than one job are counted only once since they are recorded at the household location and not at the place of work. "In effect," the Commissioner said, "the new system gives a more realistic picture of the employment status of the residents in an area, whether or not they commuted to jobs outside. The old method included only those jobs in the area itself."

He also stated that the new system is prescribed by the U.S. Department of Labor to insure standardization of reporting employment data throughout the nation.

On the effects of the energy crisis on employment, Commissioner Levine said, "Some parts of the decline in employment and rise in unemployment can be attributed to the energy situation, and some to normal layoffs following the holiday season in December."

Following are the unemployment totals and unemployment rates for the State's major industrial areas:

Albany-Schenectady-Troy (covers Albany, Montgomery, Rensselaer, Saratoga and Schenectady counties): In January 1974, 16,300 and February 1974, 16,700 unemployed, compared with 15,200 and 15,400 in January and February of 1973. In December 1973, the total was 15,000.

The area's unemployment rates for January and February of 1974 were 4.8 per cent and 4.9 per cent, respectively. In January and February of 1973, the rates were 4.5 per cent and 4.6 per cent. In December 1973, the rate was 4.3 per cent.

Binghamton (covers Broome, Tioga and Susquehanna (Pa.) counties): In January 1974, 6,300 and February 1974, 5,500 unemployed, compared with 5,700 and 5,300 in January and February of 1973. In December 1973, the total was 5,800.

The area's unemployment rates for January and February of 1974 were 4.9 per cent and 4.3 per cent, respectively. In January and February of 1973, the rates were 4.7 per cent and 4.3 per cent. In December 1973, the rate was 4.4 per cent.

Buffalo (covers Erie and Niagara counties): In January 1974, 45,900 and February 1974, 50,700 unemployed, compared with 42,800 in both January and February of 1973. In December 1973, the total was 39,100.

The area's unemployment rates for January and February of 1974 were 8.5 per cent and 9.3 per cent, respectively. In both January and February of 1973, the rate was 8.1 per cent. In December 1973, the rate was 7.1 per cent.

Elmira (covers Chemung County): In January 1974, 2,500 and February 1974, 2,700 unemployed, compared with 2,400 and 2,500 in January and February of 1973. In December 1973, the total was 2,400.

The area's unemployment rates for January and February of 1974 were 6.0 per cent and 6.5 per cent, respectively. In January and February of 1973, the rates were 5.8 per cent and 6.1 per cent. In December 1973, the rate was 5.7 per cent.

New York Combined Area (covers New York City, and Nassau, Putnam, Suffolk, Westchester and Rockland counties): In January 1974. 287,200 and February 1974, 273,900 unemployed, compared with 266,700 and 251,100 in January and February of 1973. In December 1973, the total was 260,700.

The area's unemployment rates for January and February of 1974 were 6.1 per cent and 5.8 per cent, respectively. In January and February of 1973, the rates were 5.7 per cent and 5.4 per cent. In December 1973, the rate was 5.4 per cent.

New York City: In January 1974, 217,100 and February 1974, 202,500 unemployed, compared with 204,400 and 188,400 in January and February of 1973. In December 1973, the total was 196,900.

The area's unemployment rates for January and February of 1974 were 6.9 per cent and 6.4 per cent, respectively. In January and February of 1973, the rates were 6.5 per cent and 6.0 per cent. In December 1973, the rate was 6.2 per cent.

Nassau-Suffolk: In January 1974, 45,600 and February 1974, 46,700 unemployed, compared with 41,200 and 41,600 in January and February of 1973. In December 1973, the total was 42,900.

The area's unemployment rates for January and February of 1974 were 4.5 per cent and 4.6 per cent, respectively. In both January and February of 1973, the rate was 4.2 per cent. In December 1973, the rate was 4.1 per cent.

Nassau: In January 1974, 24,400 and February 1974, 25,000 unemployed, compared with 22,000 in both January and February of 1974. In December 1973, the total was 23,000.

The area's unemployment rates for January and February of 1974 were 4.0 per cent and 4.1 per cent, respectively. In both January and February of 1973, the rate 3.8 per cent. In December 1973, the rate was 3.7 per cent.

Suffolk: In January 1974, 21,200 and February 1974, 21,700 unemployed, compared with 19,200 and 19,300 in January and February of 1973. In December 1973, the total was 20,000.

The area's unemployment rates for January and February of 1974 were 5.1 per cent and 5.2 per cent, respectively. In both January and February of 1973, the rate was 4.8 per cent. In December 1973, the rate was 4.7 per cent.

Westchester: In January 1974, 19,100 and February 1974, 18,700 unemployed, compared with 15,800 and 15,900 in January and February of 1973. In December 1973, the total was 16,100.

The area's unemployment rates for January and February of 1974 were 4.7 per cent and 4.6 per cent, respectively. In January and February of 1973, the rates were 3.9 per cent and 4.0 per cent. In December 1973, the rate was 3.8 per cent.

Rockland: In January 1974, 4,300 and February 1974, 4,900 unemployed, compared with 4,500 and 4,300 in January and February of 1973. In December 1973, the total was 4,100.

The area's unemployment rates for January and February of 1974 were 4.1 per cent and 4.5 per cent, respectively. In January and February of 1973, the rates were 4.5 per cent and 4.3 per cent. In December 1973, the rate was 3.7 per cent.

Poughkeepsie (covers Dutchess County): In January 1974, 3,200 and February 1974, 3,300 unemployed, compared with 3,200 and 3,100 in January and February of 1973. In December 1973, the total was 2,400.

The area's unemployment rate for both January and February of 1974 was 3.5 per cent. In January and February of 1973, the rates were 3.6 per cent and 3.5 per cent, respectively. In December 1973, the rate was 2.5 per cent.

Greater Rochester (covers Monroe, Livingston, Ontario, Orleans and Wayne counties): In January 1974, 15,200 and February 1974, 16,900 unemployed, compared with 15,900 and 16,600 in January and February of 1973. In December 1973, the total was 12,800.

The area's unemployment rates for January and February of 1974 were 3.6 per cent and 4.0 per cent, respectively. In January and February of 1973, the rates were 3.9 per cent and 4.0 per cent. In December 1973, the rate was 2.9 per cent.

Rochester (covers Monroe County): In January 1974, 8,800 and February 1974, 10,200 unemployed, compared with 9,700 and 10,100 in January and February of 1973. In December 1973, the total was 7,700.

The area's unemployment rates for January and February of 1974 were 2.7 per cent and 3.2 per cent, respectively. In January and February of 1973, the rates were 3.1 per cent and 3.3 per cent. In December 1973, the rate was 2.4 per cent.

Syracuse (covers Madison, Onondaga and Oswego counties): In January 1974, 13,000 and February 1974, 14,100 unemployed, compared with 13,000 in both January and February of 1973. In December 1973, the total was 12,100.

The area's unemployment rates for January and February of 1974 were 4.8 per cent and 5.2 per cent, respectively. In January and February of 1973, the rates were 4.9 per cent and 5.0 per cent. In December 1973, the rate was 4.3 per cent.

Utica (covers Herkimer and Oneida counties): In January 1974, 7,900 and February 1974, 8,200 unemployed, compared with 9,300 and 9,600 in January and February of 1973. In December 1973, the total was 7,300.

The area's unemployment rates for January and February of 1974 were 6.4 per cent and 6.7 per cent, respectively. In January and February of 1973, the rates were 7.6 per cent and 7.8 per cent. In December 1973, the rate was 5.9 per cent.

CIVILIAN LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT AND RATE OF UNEMPLOYMENT, MAJOR AREAS, STATE OF NEW YORK

[Number in thousands]

State and area	Civilian labor force			Employment			Unemployment			Rate of unemployment [1]		
	February 1974	January 1974	February 1973	February 1974	January 1974	February 1973	February 1974	January 1974	February 1973	February 1974	January 1974	February 1973
New York State	7,372.4	7,372.6	7,292.1	6,917.6	6,913.8	6,870.4	455.8	458.8	421.7	6.2	6.2	5.8
New York: Combined area [2]	4,701.3	4,715.1	4,653.7	4,427.4	4,427.9	4,402.0	273.9	287.2	251.1	5.8	6.1	5.4
New York City area [2]	3,682.3	3,694.9	3,671.8	3,455.1	3,453.4	3,462.3	227.2	241.6	209.5	6.2	6.5	5.7
New York City	3,146.1	3,160.7	3,146.3	2,943.6	2,943.6	2,957.9	202.5	217.1	188.4	6.4	6.9	6.0
Westchester County	403.4	402.4	401.7	384.8	383.4	385.5	18.7	19.1	15.9	4.6	4.7	4.0
Rockland County	107.2	106.1	100.6	102.3	101.8	96.3	4.9	4.3	4.3	4.5	4.1	4.0
Nassau-Suffolk area	1,019.0	1,020.1	981.9	972.3	974.5	940.5	46.7	45.6	41.6	4.6	4.5	4.0
Nassau County	602.5	603.3	580.8	577.6	578.9	558.6	25.0	24.4	22.2	4.1	4.0	3.0
Suffolk County	416.5	416.9	401.1	394.8	395.7	381.8	21.7	21.2	19.3	5.2	5.1	4.0
Albany-Schenectady-Troy [3]	340.5	339.1	335.9	323.8	322.9	320.5	16.7	16.3	15.4	4.9	4.8	4.0
Binghamton	127.5	128.4	122.8	122.0	122.1	117.5	5.5	6.3	5.3	4.3	4.9	4.0
Buffalo	542.4	539.6	531.4	491.8	493.7	488.6	50.7	45.9	42.8	9.3	8.5	8.0
Elmira	41.3	41.1	40.5	38.6	38.6	38.0	2.7	2.5	2.5	6.5	6.0	6.0
Poughkeepsie	92.0	91.5	88.6	88.7	88.3	85.6	3.3	3.2	3.1	3.5	3.5	3.0
Rochester [4]	426.7	426.8	415.1	409.9	411.5	398.5	16.9	15.2	16.6	4.0	3.6	4.0
Monroe	320.0	319.3	309.8	309.8	310.5	299.7	10.2	8.8	10.1	3.2	2.7	3.0
Syracuse	272.9	271.7	266.6	258.8	258.7	253.3	14.1	13.0	13.3	5.2	4.8	5.0
Utica-Rome	122.8	122.7	122.6	114.6	114.8	113.0	8.2	7.9	9.6	6.7	6.4	7.0

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[1] Total unemployment as percent of combined total of unemployment and employment.

[2] The New York combined area consists of the New York City area and the Nassau-Suffolk area; the New York City area was redefined to include Putnam County not shown separately.

[3] The Albany-Schenectady-Troy SMSA was redefined on Apr. 27, 1973, by the Office of Management and Budget to include Albany, "Montgomery," Rensselaer, Saratoga, and Schenectady Counties. Addition to area has been quoted.

[4] The Rochester SMSA was redefined on Apr. 27, 1973, by the Office of Management and Budget to include Livingston, Monroe, "Ontario," Orleans, and Wayne Counties. Addition to area has been quoted.

Source: State of New York Department of Labor, Division of Research and Statistics.

U.S. SENATE,
Washington, D.C., March 28, 1974.
Hon. RICHARD M. NIXON,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are very pleased with the Administration's plans to provide the basic amount of $300 million for approximately 709,200 nine-week opportunities for this summer's youth job program basically at the levels provided last year under the Neighborhood Youth Corps summer job effort.

However, we believe that the unemployment situation among youth—with unemployment levels of 30 to 40 percent in some areas—further aggravated by the energy crisis, makes necessary increases above the amount requested for jobs, as well as the provision of basic amounts in related recreation and transportation activities.

Accordingly, we urge you to submit a new revised budgetary request for fiscal year 1974 for an aggregate of $550,385,526, or $250,385,526 above your present request, for the summer youth job program and related activities.

Our request consists of the following elements:

$520,174,222 for the summer youth job program conducted under sections 3(c) and 304 of the Comprehensive Employment and Training Act of 1973 to provide an aggregate of 1,111,483 ten-week opportunities for poor youth ages 14 to 21, each opportunity providing 26 hours of employment each week.

The Administration's revised budget request of $300 million consists of $208.6 million in new budget authority to be added to $91.4 million in carried over funds, as indicated, for an aggregate of $300 million, the levels maintained last year. In fact, a total of $319,000,000 was available last year, but delays in the commencement of the effort made it impossible to use effectively the additional $19,000,000.

$26,284,082 for recreational support under the Economic Opportunity Act of 1964 and the Manpower Development and Training Act of 1962, authorities which do not expire until June 30. In fiscal year 1973, $15,000,000 was made available. The Administration has not requested any funds for this purpose for this fiscal year.

$3,927,222 for transportation under the new Act, as also authorized under previous authorities. In fiscal year 1973, $1,700,000 was made available. The Administration has not requested any funds for this purpose for fiscal year 1974.

These requests are documented on a city-by-city basis—including the fifty largest cities and other areas—in the enclosed letter dated March 1, 1974, and attachments to Senator Javits from the National League of Cities-U.S. Conference of Mayors.

It should be noted that under the Administration's plans for this fiscal year, the States and cities will not have sufficient general resources for manpower training and public service employment, to which to look for satisfaction of these additional needs. The Administration's revised budgetary request under the new Comprehensive Employment and Training Act of 1973 of $1.3 billion for training and work experience (exclusive of the $300.0 million planned for summer jobs) and the $250.0 million for public service employment would provide $800 million less than the $2.38 billion appropriated for those elements in fiscal year 1973 under the previous authorities.

Furthermore, the private sector will not be able to take up the slack. The National Alliance of Businessmen, which provided 253,000 opportunities last summer, has set a goal of only 200,000 for this summer, in appreciation of difficulties in placement which will arise from the energy crisis and the projected economic situation generally.

In fact, the Department of Labor estimates that the "target group" for the program for this summer will include 3.4 million poor youth—over four times the number covered under the Administration's request. Even our request, which is based on the number which the cities could "effectively use", would meet the needs of less than ⅓ of those who could benefit.

We consider a ten-week program, as originally designed, preferable to a nine-week program so that youth will have meaningful activities for the greater part of the summer months and will be able to increase their overall earnings, which they use to return to school, or to otherwise supplement the family income; the program was cut to nine-weeks in recent years, principally because of delays in funds actually becoming available, a prospect which can be avoided by early action this year.

Accordingly, in order to permit early and meaningful planning of an adequate program at the local level, we urge you to submit a new revised budgetary request responsive to the needs we have outlined and in time for consideration in connection with the Second Supplement Appropriations bill, now before the Congress.

Very truly yours,
Jacob K. Javits, Alan Cranston, Hubert H. Humphrey, Robert T. Stafford, Floyd K. Haskell, Philip A. Hart, Birch Bayh, Edward W. Brooke, Clifford P. Case, William D. Hathaway, Robert Taft, Jr. John V. Tunney, George McGovern, Mike Gravel, Gaylord Nelson, J. Glenn Beall, Jr., Quentin N. Burdick, Dick Clark, Edward M. Kennedy, Walter F. Mondale, Abraham Ribicoff, James Abourezk, Edmund S. Muskie, Harrison A. Williams, Charles McC. Mathias, Jr., Frank E. Moss.

Mr. JAVITS. I note the presence in the Chamber of Senator PASTORE, Senator MONTOYA, Senator INOUYE, and Senator MCGEE. They have shown a special understanding of these very grave problems, and it is reflected in this bill.

I thank my colleague for yielding.

(The following colloquy, which occurred during the remarks of the Senator from Virginia (Mr. HARRY F. BYRD, JR.), is printed here by unanimous consent.)

Mr. ROBERT C. BYRD. Mr. President, I understand that the distinguished Senator from Pennsylvania (Mr. SCHWEIKER) has an amendment on which there is a 2-hour limitation. He tells me he can probably dispose of it in 30 or 40 minutes. I also understand that he wants a rollcall vote on his amendment. I wonder whether the Senator from Virgiina would yield so that the Senator from Pennsylvania (Mr. SCHWEIKER) could get the yeas and nays on his amendment, that Senators will know there will be a yea-and-nay vote this evening.

Mr. HARRY F. BYRD, JR. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it may be in order at this time to order the yeas and nays on the amendment of the Senator from Pennsylvania (Mr. SCHWEIKER), if he wants the yeas and nays.

Mr. SCHWEIKER. Mr. President, I would like the yeas and nays but would first ask that the first line of the amendment be modified to read, "On page 69, line 17."

The PRESIDING OFFICER. The amendment is so modified.

Mr. SCHWEIKER. I thank the Chair.

Mr. President, I ask unanimous consent that I may ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, if I could ask one further question, so that Senators will know, as to the time for the vote, could the Senator from Virginia indicate how much additional time he would be engaging in colloquy with the distinguished Senator from New Mexico (Mr. MONTOYA)?

Mr. HARRY F. BYRD, JR. I do not believe more than 10 minutes.

Mr. JAVITS. Mr. President. I shall be seeking recognition, too, just so that the Senate may be informed, to speak generally on the bill.

Mr. ROBERT C. BYRD. Very well, I thank the Senators.

Mr. PERCY. Mr. President, if the Senator from West Virginia will yield for a question, has there been a change in the time limitation for the Schweiker amendment?

Mr. ROBERT C. BYRD. No.

Mr. PERCY. It is still 2 hours?

Mr. ROBERT C. BYRD. That is correct.

Mr. PERCY. But I believe the Senator indicated it would be less.

Mr. ROBERT C. BYRD. Thirty or 40 minutes.

Mr. PERCY. I thank the Senator.

Mr. TOWER. Mr. President, if the Senator will yield just for a moment, I ask unanimous consent that Ed Camp, of the staff of the Committee on Banking, Housing and Urban Affairs, be given the privilege of the floor during consideration of H.R. 14013.

The PRESIDING OFFICER. Without objection, it is so ordered.

(This marks the end of the colloquy which was ordered to be printed at this point in the RECORD.)

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MONTOYA. Mr. President, I have an amendment which I call up at this time.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 20, line 4, after the word "Act" insert the following: ", to remain available until December 31, 1974."

Mr. MONTOYA. Mr. President, this is a technical amendment with respect to some recommended funds in the bill. I have taken this up with the clerk of the subcommittee, Mr. Dirks, and Chairman MAGNUSON.

Mr. McCLELLAN. I wish to ask the Senator how much of the appropriation for this fiscal year remains unexpended at the present time?

Mr. MONTOYA. All of the appropriation has been obligated; that is, the appropriation heretofore enacted. This is a supplemental of $20 million.

Mr. McCLELLAN. That is in this bill?

Mr. MONTOYA. That is correct.

Mr. McCLELLAN. And the Senator

wants to make it available until December 31, 1974?

Mr. MONTOYA. Yes, because the school year starts in September. That is why we wanted this time extended, so that it may be used up to December 31.

Mr. McCLELLAN. Has the Senator discussed this with the chairman of the subcommittee?

Mr. MONTOYA. I have discussed it with the clerk and he has discussed it with the chairman of the subcommittee.

Mr. McCLELLAN. I have no objection to taking it to conference. I am not familiar with it. I am willing to accept the amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MONTOYA. I am happy to yield.

Mr. JAVITS. I have a similar problem with a large number of Spanish-speaking people. The Senator is pinpointing a very critical problem and helping very much in dealing with it. I am very grateful to him for this proposal.

Mr. MONTOYA. I yield back the remainder of my time.

Mr. McCLELLAN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CASE. Mr. President, I send a similar amendment to the desk and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 21, line 12 after "1975", insert the following: *Provided further*, That funds appropriated by Public Law 93-192 for grants to States for State student incentives shall remain available until June 30, 1975, as authorized by section 415A(b)(3) of the Higher Education Act.

Mr. CASE. Mr. President, my amendment would extend the availability of funds previously appropriated for the State student incentive grants. No additional appropriation is proposed.

The regular Labor-HEW appropriations bill—Public Law 93-192—provided $20 million for student incentive grants. But under the terms of the so-called 5-percent reduction provision, $19 million is presently available for obligation until June 30, 1974.

HEW recently surveyed various States and found that 36 of them are prepared to establish a student incentive grant program by June 30. An additional 14 States expressed an interest in establishing a program, but said they could not do so before June 30.

HEW said it could not reallocate the unused funds before June 30.

The proposed amendment would extend, for an additional year, the availability of the funds. In this way, all States that wish to participate—and can establish a qualifying program—can do so. As a safeguard, bill language would provide that any unused funds would be reallocated to States with qualifying programs.

Mr. President, this amendment would extend for 1 year the availability of money appropriated, some $19 million in the student assistance fund. Only $1 million of the $20 million appropriated will have been spent and it just makes common sense to give 1 more year for this purpose.

Mr. McCLELLAN. Will the Senator advise why it has not been expended or obligated until now? Maybe we have given them too much to begin with.

Mr. CASE. It was not that. It is just that it took more time than had been anticipated for the States to get their machinery under way.

Mr. McCLELLAN. I would be glad to take it to conference. I am not familiar with it. We will try to work it out, along with the amendment of the Senator from New Mexico.

Mr. CASE. The Senator is most gracious.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONTOYA. I yield back the remainder of my time.

Mr. McCLELLAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SCHWEIKER. Mr. President, I call up my amendment No. 1243.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 69, line 17, before the period insert a colon and the following: "*Provided*, That after the date of enactment of this Act, none of the funds available to the Export-Import Bank of the United States shall be available for obligation or expenditure by the Bank contrary to the provisions of section 2(b)(2) of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635(b)(2)), and the ruling, B-178205, of the Comptroller General of the United States, dated March 8, 1974".

The PRESIDING OFFICER. Is this the Senator's amendment on which there is to be 2 hours of debate?

Mr. SCHWEIKER. That is correct, Mr. President.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. Mr. President, this amendment is cosponsored by the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. President, I ask unanimous consent that a member of my staff, Mr. David Marston, may be on the floor during the debate on this amendment and the rollcall vote relating thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, this amendment modifies the House-passed limitation on the Export-Import bank, to require the Bank to comply with existing law in its loan policies with Communist countries.

In response to my request, the Comptroller General ruled March 8, 1974, that section 2(b)(2) of the Export-Import Bank Act requires the Bank to supply Congress with a Presidential determination that each proposed Communist country transaction is in our national interest.

Mr. President, despite this clear ruling, however, and the minimal burden of compliance, the Bank has now resumed its prior practice of ignoring this requirement, and an application for a $49.5 million loan for Siberian energy exploration is now pending. This is only the first step of a proposed multibillion dollar subsidized American investment in Siberian energy exploration and production such as the North Star project which is under consideration for some $6 billion for developing Russian gas in western Siberia.

Mr. President, I am opposed to this Russian energy deal, and I have introduced legislation (S. 3229) to stop it. I have also testified before Senator STEVENSON's subcommittee on this subject, and I am confident that the basic Eximbank authority will be substantially amended in Senator STEVENSON's subcommittee to eliminate U.S. subsidies of exotic foreign deals. I commend Senator STEVENSON and his entire subcommittee for their vigorous consideration of this important matter.

It is not my purpose today, therefore, to modify existing Bank authority or to consider restrictions on Eximbank operations which should properly be considered by the Senate Banking Committee. The Banking Committee is considering those substantive areas, and no amendment to this appropriations bill for those purposes would be appropriate.

Rather, my purpose today is simply to require the Eximbank to comply with existing law. The second supplemental appropriations bill, as passed by the House, contains a limitation on Eximbank expenditures. My amendment would merely modify that limitation, by prohibiting any obligation or expenditure of Eximbank funds for Communist country loans as long as the Eximbank is operating contrary to section 2(b)(2) as construed by the Comptroller General.

Those who would permit the Bank to continue flouting the will of Congress will resort to three arguments. They will say the requirements of section 2(b)(2) are not clearcut, they will say compliance would be too burdensome, and they will suggest that requiring the Eximbank to obey the law would somehow jeopardize détente. I would like to respond to each of these specious arguments.

Requirements of law: Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended, reads in relevant part as follows:

> The Bank in the exercise of its functions shall *not* guarantee, insure or extend credit, or participate in any extension of credit, in connection with the purchase or lease of any product by a Communist country . . . *except* that the prohibitions contained in paragraph shall not apply in the case of *any transaction* which the President determines would be in the national interest *if* he reports that determination to the Senate and House of Representatives within thirty days after making the same.

The language could not be more clear. It imposes an absolute prohibition on Communist country loans, except with regard to "any transaction" which the

President advises Congress is in the national interest. Let me emphasize that, Mr. President—the law does not say "any country," it does not say "any category of transactions," it says "any transaction."

Well, I know what those two words mean, Mr. President, and Comptroller General Staats knows what they mean, and I think the Senate of the United States owes it to the American people to let the Eximbank know what those two words mean by adopting my amendment.

I might add that section 2(b) (2) originated from a similar limitation contained in the 1964 Foreign Aid Appropriations Act, a limitation which was also included in the Appropriations Act of 1965, 1966, 1967, and 1968. So the Senate has historically considered it appropriate to limit and restrict Eximbank expenditures to Communist countries by means of amendments to appropriations bills—such as the one before us today.

Burden of compliance: At present, the Eximbank submits to Congress every 30 days a list of its pending Communist country transactions. The law requires only that each transaction on such a list be certified by the President as being in our national interest. That is all my amendment requires.

There could not be a much more modest requirement than that requirement. I do not know why there should be any objection to it, because the Comptroller General testified before the subcommittee of the Senator from Illinois that this was the way to comply with the law. I think before we proceed to subsidize foreign energy, at a time when national energy requirements are one of our big problems, we should investigate before we make a contract or make a deal with a foreign country. Before we make subsidized energy loans or guarantees in foreign countries, it should be done here in the United States of America, so that our taxpayers are paying for something they will get.

At present, five Soviet Union credit applications are pending at Eximbank. Surely it is no overwhelming bureaucratic burden for the President to determine, and tell Congress, whether these deals are in our National interest. Congress would have no veto power over any transaction certified by the President as being in our National interest.

And yet, the Eximbank fiercely resists this simple requirement, and so we are forced to ask "why?" What is so horrible about obeying this law?

I do not know the answer to that question, Mr. President, but I do know that where there is smoke there is usually fire. If the President does not want to advise the Congress that a massive Russian energy deal is in our national interest, maybe it is because he is not so sure it is. My own view is that energy development subsidies should be invested here, in the United States, so our taxpayers are sure to share in the return. The President has expressed a similar view, by proposing Project Independence 1980—and so I think it particularly vital to have the presidential national interest determination the law requires prior to any Eximbank energy investments. My amendment today would require that.

Finally, I would like to dispose of the suggestion that requiring the Eximbank to obey the law will somehow threaten détente. The response to that should be clear to everyone: I do not believe we must condone U.S. Government agencies operating contrary to law in order to preserve détente.

I think détente must stand on its own feet. It is a two-way street. If any proposed transaction is a good deal for the United States, if it is a 50–50 proposition, then we should make that deal and détente should stand; but I think we really jeopardize détente by giving a blank check to an agency to determine our foreign policy or our national interest, where such agency has no authority or procedure for making such determinations, and let it, by means of the blank check, make determinations unrelated to our national interest. There is a basic conflict of interest, because it is the proper function of the Eximbank to expand trade. Its objective is to make loans, and the bankers are quite properly the advocates of expanded trade. So I can imagine bank officers making deals and making trades, and that is their role, but nobody is looking out for what is in the national interest of the United States, and that should be the role of the Congress

That is exactly why the Congress of the United States, on three occasions, has written into the law who should make the national interest determination, and it should not be those promoting sales at the Eximbank; it should be someone at a high policy level that makes the decision that such loans do not jeopardize the national interest of the United States.

Mr. President, in summary, my amendment does not involve any change in basic Eximbank authority, does not impose any undue burdens on the bank, does not stop East-West trade, or threaten détente. My amendment simply requires the Eximbank to obey existing law as construed by the comptroller general.

Mr. McCLELLAN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. I yield.

Mr. McCLELLAN. Does the Senator have any information as to the number of separate transactions the President would have to approve in a year's time? I note this would cover any transaction with Poland, Romania, Yugoslavia, or the Soviet Union.

Mr. SCHWEIKER. There are five with the Soviet Union, according to my list. I do not have the others immediately available.

Mr. McCLELLAN. Pardon me?

Mr. SCHWEIKER. There are five with the Soviet Union. I do not know about the other countries. There are only five with the Soviet Union.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, although I sincerely believe that Senator SCHWEIKER's amendment is legislation on an appropriation bill, I will not voice any objection to it by raising a point of order.

The Export-Import Bank has been operating since March 1968 under the provisions of section 2(b) (2) of its act which prohibits the Bank from extending loans, guaranties or insurance in support of U.S. exports to Communist countries unless the President of the United States determines that it is in the U.S. national interest for Eximbank to provide such support. The President has made such determinations for four Communist countries to date—namely, Poland, Rumania, the Soviet Union, and Yugoslavia—and as required by law has reported each of those four country determinations to the Congress within 30 days. Eximbank subsequently has been extending financing support for exports to those countries pursuant to those Presidential determinations.

An additional requirement would be added in the Schweiker amendment by requiring the Bank to obtain from the President an individual determination on each transaction—past, as well as, future—in order to comply with an opinion provided to Senator SCHWEIKER by the Comptroller General, which opinion was rendered without specific legal authority.

In addition, Eximbank has been authorized to obligate and expend its funds each year since 1968 in the annual Foreign Assistance and Related Programs Appropriations Act in accordance with the previously described procedure. The Schweiker amendment would now add an additional procedure to that required by the Congress at the time it authorized the Bank to operate for fiscal year 1974 and previous years.

The question whether the Export-Import Bank should continue to support U.S. export sales to the Soviet Union, and other Communist countries, is presently being considered by the Bank's legislative committees in both the Senate and the House, that is, the banking committees. The Senate Banking Committee held hearings on pending Eximbank legislation—S. 1890—and other matters relating to the Bank in October 1973, and again in April 1974. The House Banking Committee also has held hearings during the last 2 weeks on similar legislation relating to the Bank.

These are the proper forums in which to consider further congressional action with respect to the authority for the Bank to enter into transactions with the Communist countries.

The Bank has outstanding more than 280 transactions which represent legal and moral obligations on the part of the U.S. Government and which were entered into in accordance with existing interpretation of the law. It would be administratively virtually impossible to comply with such an amendment in time to prevent serious interruptions in servicing outstanding commitments. Thus, this amendment would effectively prevent the U.S. Government from honoring its commitments in support of U.S. exports and servicing its outstanding loans, guarantees, and insurance to these countries. This would also seriously injure the U.S. exporters who have relied on the commitments to manufacture products and incur other costs in connection with these Exim supported export sales.

For these reasons, the committee during its deliberations voiced an opinion against the Schweiker amendment and decided to vote against it.

Mr. STEVENSON. Mr. President, will the Senator from Hawaii yield?

Mr. INOUYE. I yield 5 minutes to the distinguished Senator from Illinois.

Mr. STEVENSON. Mr. President, Congress in its wisdom has required, in connection with loans and guarantees by the Export-Import Bank to the Soviet Union and certain other countries, that the President determine that such loans and guarantees are in the national interest. The President has not complied with that requirement of the law.

I commend the Senator from Pennsylvania for raising this important issue. He raised it, as mentioned, with the General Accounting Office, which concluded that the loans and guarantees made after a blanket finding by the President on a country-by-country basis, instead of on a transactional basis, was not in compliance with the law.

The Senator has also raised this issue in testimony before the Senate Committee on Banking, Housing and Urban Affairs, and has brought it now to the floor of the Senate. I am entirely in sympathy with his purpose. I wish I could support his amendment. But the matter is now receiving serious consideration in the Banking Committee. The Subcommittee on International Finance is examining all of the activities of the Export-Import Bank, including the practice of extending loans and guarantees, many of them in large amounts, to the Soviet Union without the necessary authority and findings of the President.

The Bank's authorizing legislation expires at the end of June. Before that time the Banking Committee will report a bill which I am confident will contain the provisions that are directed to the subject matter of the amendment offered by the Senator from Pennsylvania.

While I agree with the Senator from Pennsylvania, I do not believe this is the appropriate moment for the Senate to address itself to the merits of this issue. As the Senator points out, the language of the law is clear. This amendment would make it more clear. It would stop the evasion of the law. But the amendment does raise a question of the validity of the loans and guarantees already extended to the Soviet Union and other nations. Very little time remains before the Senate will be called upon to consider this issue in connection with an Export-Import Bank bill which is now being considered by the Senate Banking Committee. So while I am sympathetic to the Senator's purpose, I am compelled to oppose his amendment. I assure him, at this point, that his amendment will receive not only prompt but, I believe, sympathetic consideration in the Banking Committee.

I should like to address one question also to the distinguished managers of the bill: Is it the intent of the Appropriations Committee to acquiesce in the ruling of the Attorney General? The ruling of the Attorney General conflicts with the opinion of the General Accounting Office. I do not want to raise questions about the validity of loans and guarantees that are already outstanding, but I do wonder if it is the intent of the Appropriations Committee to acquiesce in the ruling of the Attorney General concerning the practice of ignoring what is the plain intent of Congress with respect, not to past, but to future transactions in the Soviet Union and Eastern Europe and other countries that are enumerated in the law.

Mr. INOUYE. It is not the intention of the committee to acquiesce in the ruling of the Attorney General. In fact, as noted before, the committee is sympathetic to the opinion rendered by the Comptroller General. But the committee felt that the place for consideration was in the legislative committee. We were quite impressed by the fact that hearings were held last year and this year, and we are anticipating that this matter will be properly resolved by the legislative committee.

Mr. STEVENSON. I thank the distinguished Senator from Hawaii. I want to thank him also for the consideration he has given with respect to the jurisdiction of the Banking Committee in this matter. I think it is very important that we do nothing to signify any intention on the part of Congress to acquiesce in what the General Accounting Office has concluded is a violation of the law. That is the main point I wanted to make. I do not know what will be the outcome of the amendment offered by the Senator from Pennsylvania. But I think it ought to be made very clear that if the amendment is not accepted by the Senate, it did not signify any intent on the part of the Senate to acquiesce in conduct which has been held to be unlawful by the General Accounting Office.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I think what we are signifying by rejecting this amendment is not to make——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. McCLELLAN. I yield myself 2 minutes. We are not undertaking to acquiesce in these rulings, but simply taking the position that this is a proper matter for determination by a legislative committee, and not the Appropriations Committee. In view of the fact that there are some 280 outstanding transactions now, it might have a serious adverse impact to enact this provision in an appropriation bill. The orderly procedure, we think, is for the legislative committee to resolve the issue.

Mr. STEVENSON. I thank the distinguished chairman of the committee. I think the point is very well taken, and reaffirms my point that by no action taken in the Senate today does the Senate mean to signify any intention of acquiescence in this practice of making country-by-country determinations.

Mr. McCLELLAN. All we are undertaking to do is say we decline to interfere with the present status of things until the legislative committee can weigh it, act on it, and make its recommendations to Congress.

Mr. STEVENSON. I thank the Senator. I assure the Senator that the legislative committee, in this case the Banking Committee, will proceed rapidly to wind up these hearings and report the bill. It will address itself to this issue in the near future.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Pennsylvania yield?

Mr. SCHWEIKER. I yield the Senator 5 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I support the amendment offered by the Senator from Pennsylvania. I do so primarily because the House of Representatives has passed legislation denying the use of Export-Import Bank funds to the Soviet Union until certain conditions are met. That measure has passed the House of Representatives and is now in the Finance Committee of the Senate.

I think the Senate will act as did the House of Representatives. Yet the Export-Import Bank is completely disregarding the clear intent of Congress. As I say, the House has already passed the legislation and the Senate undoubtedly will pass it. With the fact that the House has acted, even though the Senate has not yet acted and technically it has not become law, I think if the Export-Import Bank wants to comply with the intent of Congress, it would deny the Export-Import Bank funds to Russia until this question is settled by Congress.

That is the primary reason why I am supporting the amendment offered by the Senator from Pennsylvania. As the Senator points out, all his amendment does is require that the Export-Import Bank comply with what the General Accounting Office says is the law of the land. It seems to me that this is a reasonable amendment, but beyond that, it reaches to a fundamental issue, as to whether vast credits of the taxpayers of the United States have to be extended to the Soviet Union, despite the wishes of the House of Representatives and what I believe are clearly the wishes of the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG. Mr. President, I yield myself 3 minutes on the bill.

I am reluctant to oppose this amendment, but I think it is wrong to consider legislative matters such as this on an appropriation bill. This matter belongs to the Banking Committee. We have not held hearings on this subject.

We are dealing with a very delicate subject, handing over to the President the obligation of handling hundreds of transactions every year, with more opportunity for wrongdoing on the part of staff members in the White House.

I think the way these matters are handled now is adequate, but if we want more staff members over in the White House, this is the way to do it.

The PRESIDING OFFICER. Who yields time?

Mr. BROOKE. Mr. President, may I have 3 minutes?

Mr. INOUYE. I yield the Senator 3 minutes.

Mr. BROOKE. I certainly understand what my colleague proposes to do by this amendment. We had quite a discussion of the amendment in the Appropriations Committee.

The matter presently before the Senate is a matter which is under consideration in the Banking Committee. The International Finance Subcommittee of the Banking Committee has held extensive hearings and will have additional hearings, and hopes to mark up a bill in the very near future. I question the wisdom of having the Senate agree to this amendment at this time, before the Banking Committee, which has jurisdiction over the Export-Import Bank, has had an opportunity to conduct its hearings and mark up its bill.

I have serious reservations as to what the action by the Senate will be interpreted to signify. At a time when the Secretary of State, Mr. Kissinger, is trying his very best to strengthen détente with the Soviet Union, I feel that this may be the wrong move to make when we need to move cautiously. The views of the Secretary of State, who, I think it is by all agreed, is doing an excellent job, should be given great weight in actions affecting relations with the Soviet Union. This has not been done in this case.

For us to precipitiously vote on and pass this amendment at this time, in my opinion, might not be in the best interest of the United States and might negatively affect interests we have in détente with the Soviet Union.

I was hopeful that the Senator from Pennsylvania would not bring this amendment to the floor after we had thoroughly discussed it in the Appropriations Committee and voted upon it. The Banking Committee should be given the opportunity to provide the Senate with the benefit of its hearings, which, as I have said, have been rather exhaustive, and of which we will receive the results in a very short period of time before we act on this issue.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. JAVITS. I hope the managers will give the Senator from Massachusetts a minute or two, and I shall not ask for any independent time just to answer this question.

I am very disquieted about the significance. I have heard the Senator very clearly. He does not want a wrong significance to go out of the Soviet Union while the Secretary of State is involved in delicate negotiations with them.

I would hope, however, that they will not draw conclusions from an adverse vote, if there is one, which could also be misread, and that is that the Senate, by this vote, would be abandoning the approach of the so-called Jackson amendment, or is anticipating what it will do with such an amendment if offered to the Export-Import Bank bill.

I hope very much that we will remain neutral on that until action is taken in a considered way, and that they do not draw a conclusion either way.

I may very well, with great regret, vote with the Senator from Massachusetts and the Senator from Illinois.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

Mr. BROOKE. I ask for 2 additional minutes.

Mr. INOUYE. I yield the Senator 2 minutes.

Mr. JAVITS. But I would not wish the significance to be misinterpreted either way. I hope the Senator will concur in that.

Mr. BROOKE. I most certainly do concur with the Senator from New York. Regardless of how the Senate should vote, if the Senate should pass this amendment or reject it, I would hope that the Soviet Union would not conclude that the vote has any bearing upon what the Senate will do with the Jackson amendment. This amendment stands on its own merits, and the Jackson amendment will stand on its own merits, and whatever action is taken by the Senate here on the amendment offered by the distinguished Senator from Pennsylvania should not be interpreted as an indication of what the Senate action may or may not be as far as the Jackson amendment is concerned.

I think that the passage of this amendment may be—and I say may be—an improper signal at this particular, delicate time. I therefore hope that the Senate will reject the amendment offered by my colleague and friend, the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

Mr. SCHWEIKER. Mr. President, I yield myself such time as I may need. I want to advise my colleagues that I shall take only a few more minutes and unless other Senators desire to speak, I am prepared to yield back the remainder of my time and to have a prompt yea and nay vote.

I should like to respond briefly to three or four points which have been raised by my colleagues.

First, we continually hear about putting this onto an appropriation bill. I guess some of my colleagues were not in the Chamber when I made my opening statement, but I point out that this limitation actually started in an appropriation bill back in 1964. That is where it originated, in an appropriation bill. It was then reaffirmed in the appropriation bill of 1965, reaffirmed in the appropriation bill of 1966, reaffirmed in the appropriation bill of 1967, and in the appropriation bill of 1968.

That is pretty clear cut.

The point I am making here is that we are not rewriting the statutory language, or amending the statutory language, or changing the statutory language. All we are saying is, "Please obey the law in accordance with the way the Comptroller General interpreted it."

So that should be clear.

Second, so far as hurting détente goes, there is no overly stringent requirement here. We are not subjecting the export-import deals to a congressional veto. Congress has no role to play here except to assert its initial authority. The President determines what the national interest is. There is no possible way any of these deals can in any way be jeopardized if the President does not want them jeopardized. All he has to do is to send a letter telling the Congress they are in the national interest, and we have no recourse. There is no danger of jeopardizing détente here. I fail to see that point.

Third, I would like to respond to the notion that the prior deals and the prior transactions would somehow be invalidated by my amendment. There is no problem here because the Comptroller General has already said he lacks the authority to go back to disallow past payments. That is why we are here today because he does not have the authority.

The Comptroller General said:

> Inasmuch as the Export-Import Bank has been classified as a Government corporation and its expenditures made in accordance with the Government Corporation Control Act, this Office does not have authority to disallow payments as we do in the case of many other activities.

So that is just a false issue that someone is raising here, because the Comptroller General himself has said he lacks the authority. That is why we are doing it, to enforce the law.

Fourth, and finally, I should like to go back to the reason why we are at this point. The reason why we are at this point and arguing about it is that the Attorney General ruled that since Congress did not assert the authority it had, it gave it up. That is what he was saying in the Attorney General's opinion, contradicting the Comptroller General. That is the key element here. He said:

> No objections were raised concerning any determination or individual transaction. Congress re-enacted the identical provsions each time it passed the Bank's appropriation for several years thereafter.

Here is the Attorney General saying that, regardless of what the law says, this Congress did not assert its authority. This preempts the authority of Congress. And I do not know what the over-riding issue is before us in the country today except that Congress gives its power to the Executive—and will not act to get it back.

A survey shows that Congress is held in lower esteem than trash collectors. I can see why we are considered lower in esteem than trash collectors, because we have the authority and the responsibility and we delay. We give reasons. We postpone. We deliberate. The law is crystal clear. We do not exercise it. We let someone else do it.

That is the issue.

I do not want, of course, to stop détente or the deals which are good for this country, but I think the national interest determination is essential and we are entitled to it. All I am asking for is that we insist on it.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. (Mr. BURDICK). All time has now been yielded back.

The question is on agreeing to the amendment of the Senator from Pennsylvania (Mr. SCHWEIKER) No. 1243.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Florida (Mr. Chiles), the Senator from Idaho (Mr. Church), the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Maine (Mr. Hathaway), the Senator from Louisiana (Mr. Long), the Senator from Montana (Mr. Metcalf), the Senator from Ohio (Mr. Metzenbaum), the Senator from Alabama (Mr. Sparkman), the Senator from Alabama (Mr. Allen), the Senator from Mississippi (Mr. Eastland), the Senator from Iowa (Mr. Hughes), the Senator from Montana (Mr. Mansfield), the Senator from Minnesota (Mr. Mondale), and the Senator from Wisconsin (Mr. Nelson) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh), and the Senator from Ohio (Mr. Metzenbaum) would each vote "yea."

I further announce that, if present and voting, the Senator from Mississippi (Mr. Eastland) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Bennett), the Senator from Oregon (Mr. Packwood), the Senator from Illinois (Mr. Percy), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I also announce that the Senator from Arizona (Mr. Fannin) is absent on official business.

On this vote, the Senator from Illinois (Mr. Percy) is paired with the Senator from Ohio (Mr. Taft). If present and voting, the Senator from Ohio would vote "yea" and the Senator from Illinois would vote "nay".

The result was announced—yeas 43, nays 33, as follows:

[No. 181 Leg.]

YEAS—43

Bartlett
Biden
Brock
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Clark
Cook
Cotton
Cranston
Dole
Domenici
Dominick
Eagleton
Goldwater
Gurney
Hansen
Haskell
Hatfield
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Magnuson
McClure
McGovern
McIntyre
Montoya
Nunn
Proxmire
Ribicoff
Schweiker
Scott,
  William L.
Symington
Talmadge
Thurmond
Tunney
Weicker
Williams

NAYS—33

Abourezk
Aiken
Baker
Beall
Bellmon
Bible
Brooke
Burdick
Curtis
Fong
Griffin
Hart
Hruska
Inouye
Johnston
Kennedy
Mathias
McClellan
McGee
Moss
Muskie
Pastore
Pearson
Pell
Randolph
Roth
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Tower
Young

NOT VOTING—24

Allen
Bayh
Bennett
Bentsen
Chiles
Church
Eastland
Ervin
Fannin
Fulbright
Gravel
Hartke
Hathaway
Hughes
Long
Mansfield
Metcalf
Metzenbaum
Mondale
Nelson
Packwood
Percy
Sparkman
Taft

So Mr. Schweiker's amendment (No. 1243) was agreed to.

Mr. SCHWEIKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LABOR-HEW CHAPTER OF THE SECOND SUPPLEMENTAL

Mr. MAGNUSON. Mr. President, I would like to take just a few minutes to give the Members a brief rundown of the Labor-HEW portion of the supplemental bill. This chapter provides an additional $1.4 billion in new appropriations, an increase of $138 million over the budget and $134 million over the House bill.

There are a number of items covered in the bill, most of which were requested in the budget. I think I voice the opinion of many who feel these supplemental requests are coming all too frequently. More and more we find ourselves dealing with issues that would and should otherwise belong in the regular bill. Nevertheless, we are dealing with some critically important items—which require much more than a rubber-stamp approval. Here, we are talking about jobs for the unemployed—including those segments of the population which the President's budget does not appear to provide for adequately—the veterans, our youth, the elderly, and our Indians.

We are also dealing with education programs for the disadvantaged children, child abuse, and nutrition for the elderly—none of which the administration saw fit to deal with in this bill. Yet in the face of the human needs and suffering that confront us—in spite of all the work and budget resources needed to help meet these needs—the administration was prepared to remain silent about a huge surplus, a potful of unused appropriations amounting to more than $1 billion.

I believe the committee bill succeeds in reordering the priorities. To be more specific, the committee took the budget request and recommends increases of $777 million and decreases of $640 million. We have taken practically the same amount of money and simply put it where it belongs and where it will do the most good.

In the area of manpower assistance, the committee saw a budget request for public service jobs that would support only one-fifth the amount of jobs provided by Congress last year. The House took the first step to improve the budget by providing for about 70,000 jobs. The committee has perfected this further, and recommends a more realistic level of 118,000 jobs.

This is a wise investment of the taxpayers' dollar, and our rationale is very simple. It costs less to provide training and jobs than it does to force people on welfare. The committee bill takes a giant step toward preserving dignity and self-respect by keeping them off unemployment and welfare rolls. I believe most people want to work, but we must help create the opportunities.

Before I go on to highlight the other items in the Labor-HEW chapter, I would like to insert in the Record an April 3, 1974 ruling by the Comptroller General which states that the Department of Labor has had ample authority under its continuing resolution to spend up to $1.25 billion in fiscal year 1974 for public employment programs. Yet the Department has not spent any of this money under this authority for jobs since last year.

Based on this, I wrote the Secretary of Labor on April 3, urging immediate action to begin obligation of at least $250 million for public employment programs—the amount requested by the administration. I would like the Record to include this letter, as well as Secretary Brennan's response. Earlier, the Labor Department testified it would be illegal to spend any money for public employment programs until the supplemental was enacted into law. Congressman Michel, however, during the April 10 House floor debate on the second supplemental, inserted for the Record a letter from Solicitor of Labor Kilberg admitting the Department could renew funding of public employment programs prior to enactment of the supplemental request.

This issue is of great importance to thousands of people throughout the country who are in danger of losing their public service jobs as funds for this program are being exhausted. A number of mayors have told me they are already out of money.

I understand the Department's position now is that it may cover the costs of public employment programs back to April 1, 1974, and that it may reimburse the States and localities. The clear and simple fact is that there is no "maybe" about it. The Labor Department should stop playing games and immediately release impounded public employment program funds for cities which are faced with laying people off. It seems incredible that the Labor Department would fail to exercise spending authority already provided by Congress to prevent current participants from losing their jobs. Despite my strong urging to the contrary, phase-out operations have continued.

I hope the Secretary of Labor will still reconsider his self-imposed spending plan for public employment programs, and promptly release the urgently-needed funds as provided by and intended by Congress.

The committee has taken action to provide a more realistic amount of summer youth jobs—$473 million, compared to $300 million in the budget and House bill. A good part of the $173 million increase will cover the cost of new minimum wage requirements and allow 878,000 jobs for young people, compared to last year's level of 770,000. The House allowance would support only 578,000 jobs.

The committee is recommending $81 million to meet the urgent needs of State employment security agencies. This is broken down to $40 million to process unemployment insurance claims for the remainder of the current fiscal year and $41 million to prevent further staff layoffs and the imminent closing of dozens of local employment offices. Seven offices in my home State of Washington have already been scheduled for closing by June 30. Hundreds of employment service personnel have already been laid off. It would be ridiculous to cut back on vital employment services at a time when rising unemployment is making the demands for these services all the more crucial. The Department's rationale escapes me.

Under this HEW section, the committee is recommending a rescission of $1.2 billion in surplus welfare appropriations. I should point out that the committee was the first to uncover this surplus back in April, when HEW was very reluctant to open its books to us. The Members might wish to review the report language on this item—the committee was very disturbed by HEW's foot dragging. In no way is this rescission intended to cut services to the eligible; the money is just sitting downtown.

The committee bill also includes $60 million to start up the new health maintenance organizations program. These HMO's would not be a cure-all, but they should help to improve the health care delivery system in the years ahead. Most of this is seed-money for planning and development, but once they get off the ground, these HMO's should help a great deal. Also in the health area, the committee has provided an additional $10 million to expand lead-based paint projects to more communities. Here, we cannot get the funds out quick enough to meet the States' critical needs. No funds were provided by the House for this item.

The committee concurs with the House in allowing an additional $20 million for vocational rehabilitation programs. The States are prepared to come up with the matching funds to help rehabilitate about 30,000 severely disabled persons. I might add, this is another area where HEW dragged its feet. The House had already acted before HEW even sent up a formal budget request for this item.

With respect to education programs, the committee has included $20 million to continue the Followthrough program for another year; this program is helping more than 80,000 disadvantaged children. In addition, $20 million is provided for bilingual programs serving 78,000 children. The House did not provide for either of these items.

Other supplementals include: $44 million for coal miner benefit payments; $12 million for emergency food services to the needy—particularly the elderly; $10 million to support 5,500 jobs for the elderly; $7 million to maintain the current level of legal services programs for the poor; and $4.5 million to start up a new child abuse prevention program.

There is one important change from the House bill which the Members should be aware of. In the regular Labor-HEW bill, the Congress added a provision which allows the President to withhold up to $400 million from the total appropriated. This was the only way to get the bill signed and get these programs moving. OMB has said that they intend to withhold the entire amount. The committee therefore recommends that a portion of the funds withheld be used to cover some of these supplemental costs. The money was already appropriated and is just sitting downtown.

Mr. President, I think the committee has done a good job on this chapter. We have taken care of the urgent items—the rest will be dealt with in the next few weeks in the 1975 budget. I would urge favorable consideration of this chapter by the Members.

I am also informed that the Secretary of HEW has some concerns about the Labor-HEW chapter of the Senate report accompanying H.R. 14013. This is appropriate, and I am pleased that we have been able to capture the attention of the Secretary of HEW on some of these very profound matters that deal with the use of appropriated funds.

I would also like to say that for our part, the door is open to further negotiation of the items of concern raised by the Senate committee in the report. What we want on the committee is simply compliance with the public law and the intent of Congress carried out. I am sure the Secretary wants the same.

I think the Congress itself is pleased that the administration is coming to a recognition that the Congress should indeed be a participant in the decision-making process. As the committee report indicates, there is a feeling of concern in the Congress and around the country regarding the expenditure of some previously appropriated funds. After consultation with the General Accounting Office, the committee has found that early indications are that there may be some conflict with the law in the way that HEW is proposing to obligate certain fiscal year 1974 appropriations. While there appears to be a conflict and a violation of congressional intent, it is my personal feeling that the committee does not want to jump to conclusions and that it may be wise for all of us to go back and take a closer look at the public law—its intent and the interpretation. We made an agreement last fall—we hope that agreement is in place and working as we near the end of the fiscal year. In any case, in the weeks to come we will be sitting down with HEW witnesses to discuss the fiscal year 1975 budget. At that time we also plan to discuss what happened to last year's money—for, after all, we do have a continuing oversight responsibility that we must fulfill for the entire Senate.

We are not adverse to discussing openly for the public record what the Secretary believes is a more nearly correct interpretation of several specific passages in the Senate report filed with H.R. 14013.

The Senate report contains reference to the application by HEW of the provision in Public Law 93–192, the fiscal year 1974 Labor-HEW Appropriation Act, which permits the Department to withhold $400 million from the overall appropriation, provided that no budget line item, activity, program, or project would be cut more than 5 percent. The report cites a GAO analysis of HEW's administration of this provision and states that 25 program areas of special concern were reduced by more than 5 percent. The report indicates that—

> This appears to be a clear violation of the Act . . . and hopes that the Department will come into compliance with the law before the end of the current fiscal year.

The Secretary would like me to explain his view that the report should have also pointed out that the conference report on the fiscal year 1974 Labor-HEW appropriations bill, H.R. 93–682, contained a table covering 12 pages and 260 line items and that the conference report stated that that table "reflects the amounts which the conferees are agreed shall be made available if the option to withhold funds is fully exercised."

The Secretary believes that the Department is in full compliance with the public law because it has, in fact, been guided by the amounts in this table in the conference report and has reduced none of the 260 appropriation or activity line items by more than 5 percent. The Department feels strongly that by not reducing any appropriation or activity by more than 5 percent, it has complied with whatever agreements were reached with the House and Senate in working out the cutback provision and also that the legislative record clearly supports this view of the administration of that provision. The Secretary believes that the most important guideline is the table to which he refers.

Let me also bring out on the record the Secretary's concern with multiyear funding as discussed in the Senate report. This relates to the Department's proposal to fund for more than a 12-month period a number of its project grants without the consent of Congress. This practice is becoming known as "multiyear funding" and our report describes it as a new form of impoundment.

As I said earlier, we will be taking a closer look at all this in the months ahead. We want to be fair. We are pleased to bring the Secretary's concerns to the Senate's attention.

The Secretary of HEW and this committee are not that far apart. Maybe the Secretary's concern on this particular report will have the benefit of advancing the understanding of not only the use of fiscal year 1974 appropriated funds but the appropriation request pending before the committee for fiscal year 1975. I am willing to bend over backward to work with the Secretary. We can and should execute every appropriation matter to provide a maximum benefit for the recipient and get the best use of a taxpayer's dollar. We have no difference with the Secretary on this. He has a tough job—our intention is to try and help.

The report further states that—

> All grant awards must be made on a 12-month basis unless specifically provided to the contrary by the Congress.

Now, the Secretary feels that the characterization of multiyear funding as impoundment is not justified. He feels that the report language would somehow require congressional approval for every grant proposed for awards beyond the 12-month period and that this would completely undermine the Department's ability to manage an extremely large and complex number of grants and grant programs. This is the Secretary's view and his feelings on this subject, and we are making it public here on the record. The committee's real concern is to protect an established system that has worked for a long period of time. Any major changes, or any different approach to the use of appropriated funds, should surely have congressional consent. Congress wants to prevent impoundments and be involved in the decisionmaking process. This, too, is appropriate.

A third area of concern for the Secretary is that part of the report which contains what the Secretary views as some very sharp words which allege that the Department withheld information from the Congress about the status of public assistance estimates and in responding to congressional inquiries for this information, "purposefully omitted" the fact that fourth quarter grant awards mailed on April 1 would show a significantly larger surplus of funds that the $783 million identified by the Department on March 29. The committee recommendation is for a cut of $1,225,000,000—A difference of $442,000,000.

The Secretary has asked me to agree with his view that these allegations are overstatements. Perhaps the Senate report's use of "purposefully omitted" is harsh. However, over the years, we have had a tough time getting a handle on welfare estimates and costs. In our frustration in dealing with what is the "right figure" we need the utmost cooperation. I am sure the Secretary and I can agree on this, and I am sure from here on use of this harsh term will be unnecessary.

As I said earlier, we will be taking a closer look at all this in the months ahead. We want to be fair. We are pleased to bring the Secretary's concerns to the Senate's attention.

The Secretary of HEW and this committee are not that far apart. Maybe the Secretary's concern on this particular report will have the benefit of advancing the understanding of not only the use of fiscal year 1974 appropriated funds but the appropriation request pending before the committee for fiscal year 1975. I am willing to bend over backward to work with the Secretary. We can and should execute every appropriation matter to provide a maximum benefit for the recipient and get the best use of a taxpayer's dollar. We have no difference with the Secretary on this. He has a tough job—our intention is to try and help.

Mr. President, I ask unanimous consent to have printed in the Record certain correspondence in connection with this matter.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., April 3, 1974.
Hon. Peter J. Brennan,
Secretary of Labor, Department of Labor,
Washington, D.C.

Dear Mr. Secretary: I have just been informed by Comptroller General Elmer Staats of the General Accounting Office that the Department of Labor *does* have authority to continue funding public employment programs under the continuing appropriations language now in effect for the Manpower Administration. The Department has always had authority to spend at a level of *$1,250,000,000* and will have this authority until June 30, 1974. At that time Congress will provide a new authority for continuation of various programs. A copy of this decision is attached.

In view of the fact that several cities expect to exhaust their current funds available under the Emergency Employment Act of 1971, I urge you to act immediately to begin obligation of at least $250 million for public employment programs. By the time Congress is able to pass the Second Supplemental appropriation bill, which includes the late transmittal of a $250 million Administration request for public employment programs, a number of cities may otherwise have to lay off their current enrollees.

It is unfortunate that your Department advisors took a narrow view of the continuing appropriations authority, despite our urgings to the contrary, and that all this time has been unnecessarily wasted when you could have begun implementing a renewed public jobs program.

I hope now you will act quickly to make up for lost time. Please let me know as soon as possible what specific actions you plan to take.

Sincerely,
Warren G. Magnuson,
Chairman Subcommittee on Labor, Health, Education and Welfare.

Comptroller General of the
United States,
Washington, D.C., April 3, 1974.
Hon. Warren G. Magnuson,
Chairman, Subcommittee on Labor-Health, Education, and Welfare, Committee on Appropriations, U.S. Senate.

Dear Mr. Chairman: This is in response to your request of March 14, 1974, for an opinion as to the availability of funds appropriated by section 502 of Public Law 93–245, the Supplemental Appropriations Act, 1974, approved January 3, 1974, 87 Stat. 1077, to continue funding of public employment activities originally authorized by the Emergency Employment Act of 1971 (EEA), Public Law 92–54, approved July 12, 1971, 85 Stat. 146, which authority expired June 30, 1973.

We believe that such continued funding now is authorized by the Supplemental Appropriations Act, *supra*, through June 30, 1974. The maximum level, manner, and other conditions of support are those which were in effect during fiscal year 1973.

The following legislative chronology is offered in support of our conclusions.

On December 18, 1973, when the Departments of Labor, and Health, Education, and Welfare Appropriation Act for 1974 (Pub. L. 93–192, 87 Stat. 746) was enacted, a bill (S. 1560) to extend EEA through fiscal year 1975 had passed the Senate but was still under consideration by the House Committee on Education and Labor. (We understand the bill is still in the House Committee.) A bill to extend and revise the Manpower Development and Training Act of 1962, as amended, (MDTA) which also had expired in fiscal year 1973, was still pending as well. Accordingly, the Committees on Appropriations decided to defer consideration of all Manpower Administration programs (see S. Rept. 93–414, October 2, 1973, p. 10), and did not include any funds for them in the agency's fiscal year 1974 annual appropriations act.

Ten days later, the Comprehensive Employment and Training Act of 1973 (CETA) was enacted. (Pub. L. 93–203, 87 Stat. 839, approved December 28, 1973.) It did not by its terms renew the expired EEA but section 3(a) of the Act authorized the "continued financial assistance" until July 1, 1974, for job training programs "in the same manner and on the same conditions as provided in the Manpower Development and Training Act of 1962, Title I of the Economic Opportunity Act of 1964, *and the Emergency Employment Act of 1971,* from funds appropriated pursuant to this Act." (Emphasis added.)

The following week, the Supplemental Appropriations Act, 1974, was enacted, Pub. L. 93–245, approved January 3, 1974, 87 Stat. 1071. Among other things, the Supplemental Appropriations Act, 1974, implements the manpower authorizations in CETA, discussed above. Section 502 of Pub. L. 93–245 provides:

"For continuing through June 30, 1974, the activities of the Cabinet Committee on Opportunities for Spanish-speaking people and activities under the Manpower Development and Training Act of 1962, as amended, and title I and title IIIB of the Economic Opportunity Act of 1964, as amended, *and for necessary expenses for the activities of the Manpower Administration,* for which provision was made under the joint resolution of July 1, 1972, Public Law 92–334, as amended, and the Supplemental Appropriations Act, 1973, Public Law 92–607, such amounts as may be necessary but at a rate for operations not in excess of the current rate: *Provided,* That the current rate for operation shall be defined as that permitted by such appropriations for fiscal year 1973: *Provided further,* That expenditures made pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law: *Provided further,* That section 103 of Public Law 93–52 shall apply to this appropriation." (Emphasis added.)

The House version of the Supplemental Appropriations Act, 1974, at the time of its passage on November 30, 1973, did not contain a similar section for continuing appropriations for manpower programs. The Senate-passed version (December 12, 1973) added the language of section 502 (then numbered 402) but without the underlined words. This meant that only activities of the Cabinet Committee on Opportunities for Spanish-Speaking People, and activities authorized by the MDTA and titles I and IIIB of the Economic Opportunity Act of 1964, as amended, were specifically covered. Neither of these acts contain authorizing legislation for the emergency employment program in question.

However, the Senate-proposed language was reported from the Conference Committee in technical disagreement and a House-proposed amendment to the Senate language was put before both Houses and adopted. The amendment added the words "and for necessary expenses of the Manpower Administration" (in addition to changing the section number to 502). There was no debate or other explanation of this change on the floor of either House, but the Conference Report (Rept. No. 93–745, December 20, 1973, p. 14) states that the purpose of the amendment was "to assure continuation of various other on-going activities of the Manpower Administration." The Emergency Employment Act program, under the Senate-passed version, would have been the only program authorized by section 3(a) of CETA which was not implemented in the subsequent supplemental appropriation legislation. It appears to us that the final version of section 502 remedies that omission.

Section 502 refers us back to the joint resolution of July 1, 1972 (as amended), Pub. L. 93–334, 86 Stat. 403, to determine whether the program in question is covered. If it were covered by the continuing resolution, it is included in the current appropriation. Section 101(a) of the 1972 Joint Resolution—which made funds available for fiscal year 1973—provides:

"(1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1972 and for which appropriations, funds, or other authority would be available in the following Appropriation Acts for the fiscal year 1973:

* * * * *

"Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act; * * *

* * * * *

"(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided by the pertinent appropriation Act."

There was, of course, no enacted annual appropriation act for the Departments of Labor, and Health, Education, and Welfare for fiscal year 1973. The President vetoed one bill (H.R. 15417) on August 16, 1972, after sine die adjournment of the 92d Congress.

At the time the joint resolution continuing appropriations for 1973 was passed (July 1, 1972) the final version of the 1973 annual appropriation act had not yet been reported by the committee of conference. Thus the resolution provides (section 101(a)(3)3 that where the amount available or degree of restrictiveness of the authority differs in the House-passed and Senate-passed versions of the appropriation bill, the lesser amount and the more restrictive authority shall prevail. Turning, then, to H.R. 15417 we find that both the House- and Senate-passed versions included a specific appropriation "For expenses necessary to carry into the effect the Emergency Employment Act of 1971, in the amount of $1,250,000,000, of which not to exceed $91,766,000 shall be available for program direction and support, administration of the program at the local level and for agent assistance and statistics, to remain available until June 30, 1974." Thus, the $1.25 billion figure constitutes the "current rate for operations * * * permitted by such appropriations for fiscal year 1973," provided for fiscal year 1974 by section 502 of the January 3, 1974, Supplemental Appropriations Act, 1974 (Pub. L. 93–245).

Note that the program which may receive continued support in fiscal year 1974 is not the "new public employment program," proposed in the Administration's budget amendment, as suggested in your letter, nor is it the revised program contained in the pending bills to extend the EEA. Section 106 of the 1972 joint resolution makes it clear that no funds may be used "to initiate or resume any project or activity which was not being conducted during the fiscal year 1972." Nevertheless, the need you expressed in your letter to "avoid the necessity of laying off enrollees now being terminated from the old program for which funds are becoming exhausted" may be met from funds appropriated by Pub. L. 93–245.

In summary, we find that (1) CETA authorized, and the recent supplemental appropriations act (Pub. L. 93–245) provided, funds for continuation of activities of the Manpower Administration that were covered by the joint resolution continuing appropriations for the fiscal year 1973, as amended, (Pub. L. 92–334), and (2) that the program authorized by EEA was covered by the joint resolution. Thus the program *as it existed prior to its expiration on June 30, 1973*, may nevertheless be continued in the manner of and at the rate provided for fiscal year 1973, through June 30, 1974.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., April 22, 1974.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: The Department has reviewed your letter of April 3, 1974, requesting the immediate obligation of $250 million for public employment programs under the provisions of the recent Comptroller General decision.

Based on examination of the discussion and debate relating to the First Supplemental Appropriations Bill, 1974, the conclusion reached in the Comptroller General decision has not been received with complete agreement in both Executive and Legislative branches of the Government.

Recently, the Chairman of the House Appropriations Committee, during debate by the House of Representatives on the Second Supplemental Appropriations Bill, 1974, specifically noted the Comptroller General decision as it related to the continuation of the Emergency Employment Act, and indicated that the conclusion reached therein was not the intent of Congress in passing the First Supplemental Appropriations Bill. In particular, Chairman Mahon stated that the decision could provide a vehicle for circumventing the review of programs by the Legislative and Appropriations Committees of Congress.

In view of this situation, it is problematical that the $250 million would be made quickly available under continuing resolution procedures to the Department for the purpose of continuing the public employment program.

However, the immediate problem of preventing existing projects from being discontinued during the interim between passage of the pending supplemental and exhaustion of funds previously committed to these efforts has been addressed by the Department. A decision has been made that funds appropriated for public employment programs in the pending supplemental appropriations bill will be available for use to pay costs for these activities from April 1, 1974, regardless of the eventual date of enactment of the appropriation.

In view of the circumstances outlined above, I believe the Department has responded to the immediate situation to the extent it can at this time.

Sincerely,

PETER BRENNAN,
Secretary of Labor.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Mr. BAYH on the adoption of the second fiscal year supplemental.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR BAYH

I want to take this opportunity to congratulate the very distinguished Chairman of the full Appropriations Committee, Senator McClellan and the Ranking Minority Member of the Appropriations Committee, Senator Young for their fine work in bringing to the Floor this very complicated Supplemental Appropriations Bill.

I also want to extend my congratulations to the very able and hard-working Chairman of the Labor-HEW Appropriations Subcommittee, Senator Magnuson and the distinguished Ranking Minority Member of that subcommittee, Senator Cotton. From my personal experience on the Appropriations Committee, I have come to realize just how hard these two Senators work to provide the necessary funding for high-priority health, education, employment, and rehabilitation programs.

I have also come to recognize that this work—these efforts to make the money match the rhetoric—is, as the Chairman says, "Kitchen work" and is not generally appreciated by those who are not privileged to serve on the Appropriations Committee. Nor is the very fine work of these two Senators properly appreciated by the general public at large. Citizens of this country, indeed, owe a vote of gratitude to these two Senators for the deep and searching inquiry they make into the health and education programs and the superb efforts of these two Senators to see that priority programs are properly funded.

At this point, I would like to extend my own personal thanks to Chairman Magnuson and Senator Cotton for their support for certain amendments which I had earlier proposed and which both the Subcommittee and the full Committee have adopted. I urge their adoption by the full Senate.

My first proposal adopted by the Committee was to cut $1,225,000 out of the welfare budget and put $575,000,000 of the savings into the Public Service Jobs program which provides jobs for people who want to work. Based on figures supplied by the Department of Labor, my home State of Indiana will receive over $10,000,000 for public service jobs—compared to the President's budget request which would have provided only $1.2 million for the whole State. I also wish to express my thanks to the Committee for including my recommendation which encourages the Department of Labor to make maximum use of the public employment program to finance a crash program of disaster recovery and clean-up jobs in the tornado stricken areas such as Indiana. These funds, together with the Committee action which adopted my recommendation for $100,000,000 in Disaster Relief funds should provide valuable and needed assistance to those who are struggling to rebuild their lives after the recent tornado devastation.

I also appreciate the Committee including my recommendation urging the Department of Labor to provide strong leadership to State and local governments to hire unemployed and needy veterans on a part-time basis while these veterans pursue an education under the G.I. bill. Young Vietnam veterans presently face a 10% unemployment rate and in many cases, find it difficult to secure the part-time employment needed to augment G.I. benefits—which is a necessity if a young veteran wishes to attend some of the excellent private institutions of higher education located in Indiana and elsewhere.

Moreover, I am pleased to see that the Committee supports increased efforts by the Secretary of Labor to extend specialized manpower training programs to all citizens with limited English-speaking capabilities.

During the course of the hearings on the FY 1974 Supplemental, the Chairman of the Labor-HEW Appropriations Subcommittee asked me to chair oversight hearings on his behalf to determine the scope, nature and causes of the Welfare surplus. I thank the Chairman for that opportunity and as the record shows, the hearings determined that my recommendation for a $1 billion welfare cut was indeed valid—and could be accomplished without reducing or denying assistance to those needy persons who are entitled to assistance. Nor was the $1.25 billion surplus—which the Department attempted to obscure—a result of improved management of the welfare programs or primarily related to a decrease in the numbers of persons receiving welfare payments as implied by the Administration.

To the contrary, the Committee inquiry indicates that most of the surplus results from two causes completely unrelated to any improved management of the welfare programs—poor estimating by HEW and unused medicaid services resulting from the failure of the Department to reach out and enroll the blind, the aged, and the permanently and totally disabled citizens in the new Supplemental Security Income program authorized by the Social Security amendments. In fact, then, both of the causes of the surplus and the manner in which it was handled by the Department, reflect faulty, rather than good management. Consequently, I am very supportive of the Committee recommendations which are intended to interject a measure of fiscal discipline and responsibility into this program.

In conclusion, I wish to again to thank the Committee and especially the Chairman and the Ranking Minority Member of the Labor-HEW Subcommittee for their assistance and cooperation in providing a more nearly adequate level of funding for high priority health, education, rehabilitation and employment programs of benefit to the citizens of Indiana and all of the citizens of this country.

MAINTAINING VITAL PROGRAMS FOR CHILDREN AND YOUTH

Mr. HUMPHREY. Mr. President, I want to thank and commend the members of the Appropriations Committee for providing adequate funds for two vital programs for America's children and youth, the Neighborhood Youth Corps and the Follow Through programs, under H.R. 14013, the Second Supplemental Appropriations Act, fiscal 1974. I also want to emphasize the special leadership shown by the chairman of the Labor-HEW Subcommittee, the senior Senator from Washington (Mr. MAGNUSON), in guaranteeing that these two excellent programs will not be eliminated or cut back.

I am pleased the Appropriations Committee agreed to restore the $20 million cut from the Follow Through program by this administration. The supplemental appropriation will allow more than 80,000 poor children in kindergarten through grade 3 to continue their participation in Follow Through projects. Follow Through has proven to be one of the most successful programs in the Office of Education, but this administration would like to begin phasing it out with complete termination by 1976. Parents, teachers, and program directors are unanimous in their positive evaluation of Follow Through. This $20 million supplemental appropriation is providing continued hope and new opportunity for thousands of our disadvantaged children.

Mr. President, as one who has been very concerned about the critical need to provide summer job opportunities under the Neighborhood Youth Corps program, for needy youth, I am also very pleased that the Appropriations Committee has taken into account the new minimum hourly wage and the need for transportation and recreation in its supplemental appropriation for the corps. The House supplemental appropriation did not reflect the new $2 minimum wage, nor did it provide for summer recreation and related transportation needs.

I hope this administration will move to allocate these funds without delay to assure that these programs are operational this year in time to be of assistance to young people.

However, Mr. President, in addition to the follow through program and the Neighborhood Youth Corps, there is a program for young people that has been very successful but has been neglected by this administration. Two excellent children's television programs, Sesame Street and the Electric Company have suffered severe budget cuts this fiscal year. The U.S. Office of Education reduced the budget for the Children's Television Workshop from $6 million to $3 million for this fiscal year. The workshop is the producer of Sesame Street and Electric Company and was forced to eliminate 36 staff positions, and to reduce its use of animated and live action films. In general, these actions will undermine the experimentation and creativity that have been the hallmark of both these fine children's programs.

As I have pointed out to my colleagues before, both Sesame Street and the Electric Company have been very successful among children, parents and television broadcasters. Sesame Street and the Electric Company were recently rated No. 1 and 2, respectively in a poll of public television broadcasters, and they finished with ratings of 4.8 and 4.7 on a 5-point scale among children's programs.

I am very pleased that the appropriation for the workshop is proposed to be restored to $6 million for fiscal year 1975, even though it will not be receiving a supplemental appropriation for fiscal 1974. It is my hope that the damage that has occurred to these two fine television programs and their staff as a result of this year's budget cut will be recovered during this next fiscal year.

However, we must watch the budget of the workshop very closely in the future. The current $3 million cutback is not much in terms of our national budget, but it has had a major adverse impact on the work of the CTW. I urge my colleagues not to forget the Children's Television Workshop and its great productions when we consider this budget in the future.

Mr. HART. Mr. President. I would like to comment on two items in this supplemental appropriations bill—funds for Neighborhood Youth Corps programs and funds for public employment programs.

As we seek to reform welfare programs, as we propose new housing programs to serve moderate- and low-income families, as we develop still more programs designed to get food to hungry families, I am reminded continually of the testimony I heard from a woman who understood poverty.

In essence she said:

> If you are talking about being poor, you are talking about people without enough money. And if you are talking about ending poverty, you are talking about getting money into the hands of those people.

And her testimony came to mind again this morning at a hearing on the question of tax deductions and advertising campaigns by large corporations to influence public opinion on matters of public policy. While the first amendment guarantees for all citizens the right of free speech and their right to petition the Government, the more money you have to spend on public relations personnel and ads—the better chance you have of getting your message across.

No doubt some changes in our tax codes could help redress that imbalance, but once again the real answer is to insure that even our poorer families have enough money to petition their government and influence public opinion effectively if they wish.

That is one reason why I have come to believe that many of the tensions which afflict our society would be eased significantly if we could find a way to insure an adequately paid job for every person who is able to and wants to work.

Some time ago I testified before a Senate Appropriations Subcommittee in favor of increased funding for public employment programs. In that testimony I recalled the point made by the Eisenhower Commission on the Causes and Prevention of Violence on how important it is for citizens to feel they have a stake in their society. While that observation was made in connection with the prevention of crime, it can also be made in connection with building the public support and confidence needed to make a free society such as ours work.

And that is why I strongly support the recommendations of the Senate Appropriations Committee to increase the budget requests for public employment programs.

At a time of high unemployment, particularly in Michigan where the rate remains above 10 percent, Congress should take the lead in providing funds for jobs.

The administration has requested a total of $300 million for the Neighborhood Youth Corps jobs program and $250 million for public employment. The House did not increase NYC funds, but did vote $500 million for public employment.

Under the Senate bill, $456 million would fund 878,000 9-week jobs for poor youths as compared to less than 700,000 provided under the administration's request. Also, $15 million would go for NYC recreational programs and $2 million for transportation.

The Senate money for public employment would be divided equally between emergency employment programs operated by State and local agencies and a new manpower program authorized last year. Areas with unemployment rates of 4.5 percent qualify for the former program; areas with unemployment rates over 6.5 percent, for the latter.

These additional funds, I believe, can be found within existing budgetary spending levels. First, expenditures for public service employment will result in savings in welfare payments and unemployment insurance and increased tax revenues of 40 cents for every dollar spent. In addition, based upon Bureau of Labor Statistics data, it has been estimated that for every 10 public service jobs created, 4 private sector jobs will be created immediately and that over the next 18 to 24 months, another 6 will be generated.

FUNDS FOR BASIC EDUCATIONAL OPPORTUNITY GRANTS

Mr. PELL. Mr. President, I understand that the second supplemental appropriations bill contains language which authorizes those moneys approproated for the current school year for basic educational opportunity grants which are unexpended to be carried over to the following school year, rather than have a reallocation of those funds to the students who are entitled to them. I find this situation distressing because, at this late date, we find that many students who were entitled to basic grants in substantially greater amounts than they received were deprived of some of their grants because of poor administration on the part of the Office of Education.

Mr. President, the language recommended by the Committee on Appropriations directs that funds appropriated for basic grants be used in a manner inconsistent with the authorizing legislation, and, therefore, that language constitutes legislation. Under the rules of the Senate, general appropriations measures may not contain legislative material. Therefore, a point of order would lie against the language recommended by the committee.

I will not make a point of order against that language because to do so would result in even greater suffering on the part of students than has been the case with the current school year because it is possible that unexpended funds would revert to the Treasury rather than be reallocated to the students who are entitled to greater grants. However, I would point out that this situation is the direct result of poor administration in the Office of Education.

The Office of Education underestimated the amounts of the grants to which students were entitled and overestimated the number of students who would be eligible for basic grants, with the result that millions of dollars which should have been paid to students during the 1973–74 school year were not paid to them. We have no idea how many students did not attend college because the grants to which they were entitled were underestimated.

It is my sincere hope that this instance of gross miscalculation on the part of the Office of Education does not become a precedent for a later pattern of poor administration of the basic grant program. It is for that reason that I would announce to the Senate that I, in the future, might well make points of order on appropriations acts which contain the kind of legislation presently in the bill. It is only by letting the administration know that the Congress will not protect them from their errors that they may learn to administer the basic grant program properly.

RURAL DEVELOPMENT AND FARMERS HOME ADMINISTRATION PROGRAMS

Mr. HUMPHREY. Mr. President, I note that the $170,000 for 10 rural development specialists were not included in the second supplemental appropriations bill for fiscal 1974, H.R. 14013.

I regret this decision, and I would hope that we could keep the idea alive for fiscal year 1975. These specialists would be very useful in having other agencies, outside the Department of Agriculture, carry out rural development programs.

I understood that the purpose of these positions may not have been fully understood. We should test this idea in several councils during fiscal year 1975 to test the approach.

I am also concerned over the impoundment of $120 million of $150 million appropriated for the Farmers Home Administration during fiscal year 1974. There are on hand more than $138 million in applications for water and waste disposal programs. It makes little sense for us to debate this program if OMB makes the final decision. USDA must take steps to release these funds.

DIEGO GARCIA

Mr. PELL. Mr. President, the Senate in debating S. 2999 today will not be voting on my amendment No. 973 on Diego Garcia since the Armed Services Committee wisely decided to defer the request for funds to expand our communications facility on the island for later consideration.

The House has already passed both supplemental authorization and appropriation bills containing the provision of $29 million for the proposed expansion of the Diego Garcia "austere" communications facility into a "modest" air and naval base.

I might remark that the House action provides the anomaly of approving the expenditure of funds under an agreement that does not even exist. To date, the Labor Government has not approved the preliminary understanding we reached with the previous Conservative Government for enlarging the facility on Diego Garcia.

There is always the possibility that the present Government will not approve or decide upon some British Commonwealth arrangement for Diego Garcia. We know that most of the littoral states are opposed to this permanent U.S. military intrusion into an ocean area they hope to see remain peaceful and neutral. Ivor Richard, the British Permanent Representative to the United Nations, has stated that in reviewing the proposed Diego Garcia agreement, his Government would take into consideration the views and concerns of the littoral states.

A procedural question is also involved here that suggests at least postponing any decision on Diego Garcia at this time. This aspect arises from the fact that the Foreign Relations Committee has approved Senator CASE's amendment to the State Department authorization bill which would forbid the expenditure of any new funds for Diego Garcia after January 1, 1974, except under a formal agreement with the British which has congressional approval. As I have just pointed out, at this stage, there is not even a signed or initialed agreement with the British Government.

There are other reasons, too, why the Congress should not be stampeded into hasty action that would confirm a major shift of policy on our presence in the Indian Ocean. Before proceeding on Diego Garcia, there should be a thorough exploration of other alternatives, such as talks with the Soviet Union and other interested states on arms control in the Indian Ocean as proposed in the Kennedy-Pell Concurrent Resolution 76.

Not only would that alternative be the best guarantee against a costly naval arms race, but it would also be in line with the need to consider Diego Garcia most carefully in the light of the interests of the American taxpayer.

I suspect that a reason for the Defense Department's enthusiasm for a naval base on Diego Garcia stems from the desire to keep an aircraft carrier task force in the Indian Ocean and thereby justify maintaining our aircraft carrier fleet at 15 instead of 12. Last year the Defense Department told the Congress that it intended to reduce the number of aircraft carriers by three. If what I suspect is true, the requested $29 million for Diego Garcia is merely the downpayment on a multi-billion-dollar mortgage with which the Pentagon, acting as a Department of Offense, would burden the taxpayer.

Without belaboring the point further, I think there are very solid reasons for not considering Diego Garcia as an emergency funding operation. The Senate Armed Services Committee and the Appropriations Committee have agreed to this point of view. I strongly urge that this reasonable Senate position be maintained in the conference committee to which the supplemental bills will presumably be referred. In doing so, I am convinced that the Senate will be acting in the best interest of world peace, our national security and of our taxpayers.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes tonight.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. ROBERT C. BYRD. Will the manager of the bill yield to me for 2 minutes?

Mr. McCLELLAN. I yield to the Senator from West Virginia for 2 minutes.

Mr. ROBERT C. BYRD. Mr. President, there is a section of the bill or provision of the bill, one of the committee amendments, which is controversial, and on which a rollcall vote will likely occur.

At the request of Mr. PASTORE, Mr. MUSKIE, Mr. RANDOLPH, and others, the leadership has agreed to put that over until tomorrow.

The Senate will come in at 10 o'clock tomorrow morning and presumably this would be the first item up. I assume that a yea-and-nay vote could occur as early as 11 a.m. or 11:15 a.m. I have no way to know what time the vote will occur, if it occurs, but I think we are safe in assuming that no vote would occur before 11 a.m. There is a time agreement on the bill.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLELLAN. Is there an agreement on the time for this amendment?

Mr. ROBERT C. BYRD. There is a time agreement on the bill and amendments, debatable motions, and appeals in connection therewith.

Mr. McCLELLAN. But none on this one.

Mr. ROBERT C. BYRD. Not on this one, specifically.

Mr. PASTORE. Mr. President, I think I should say at this juncture, in view of the statement made by the distinguished majority whip, that on this amendment what we are talking about amounts to is the fact that there is a small town in Rhode Island trying to work out a matter with the EPA, to show that it complied and submitted its application according to the existing rules at the time. As a matter of fact, it submitted the application on February 6, 1973. But an act was passed the previous October that no grants would be made after October 2 unless certain criteria is complied with. As a result of that legislation the new regulations were promulgated on the 28th of February, which was some time after the application had been received by the department and had been received for consideration.

We have language in the bill that is subject to a point of order and I have discussed this matter with the distinguished Senator from Maine. They have consulted with the EPA, and they are awaiting certain information. That is why it is being put over until tomorrow. I hope it is not as controversial as some people think. This is a matter of equity and a matter of cleaning up the waters, and a matter of not putting certain businesses out of business. It may resolve itself into some language being compromised by tomorrow and the chances are that in all probability we might not have a vote at all.

Mr. ROBERT C. BYRD. Mr. President, how much time remains on the bill to both sides?

The PRESIDING OFFICER. The Senator from Arkansas has 7 minutes and the Senator from North Dakota has 51 minutes.

Mr. ROBERT C. BYRD. Mr. President, I wonder if there should be a balancing of the remaining time so that the Senator from Arkansas will have an equal amount of time tomorrow morning—or we can add time now for both sides.

Mr. YOUNG. Let us split the time.

Mr. ROBERT C. BYRD. Mr. President, at the suggestion of the distinguished senior Senator from North Dakota, I ask unanimous consent that the remaining time on the bill be equally divided between Mr. YOUNG and Mr. McCLELLAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no further time be taken from either side during the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk which I understand will be accepted. I have discussed the matter with the Senator from Mississippi (Mr. STENNIS) who has jurisdiction over the area of the bill where my amendment would go. I understand he was going to talk to the chairman, Mr. McCLELLAN about the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 29, between lines 8 and 9, insert the following:

FLOOD CONTROL GUYANDOT RIVER BASIN, W. VA.

Not to exceed $25,000 of available funds shall be used to initiate planning for the purposes of section 60 of the Water Resources Development Act of 1974.

Mr. ROBERT C. BYRD. Mr. President, during the full committee markup of the supplemental, the committee accepted the inclusion of supplemental report language which would authorize the Corps of Engineers to perform, from available funds, work on two projects—one in Washington State and one in Pennsylvania.

In view of the fact that the committee report has authorized available funds for these two projects I thought I would offer this amendment, and see if the distinguished Senator from Mississippi would accept it, which would authorize the Corps of Engineers to use $25,000 in planning work on the dredging and snagging of the Guyandot River and its tributaries in West Virginia.

I am informed by the Corps of Engineers that they are prepared to move ahead. This amendment does not authorize new funds. It merely provides that the planning on the project in West Virgina would go ahead some 90 days before it would otherwise, if the Corps of Engineers were forced to wait for the regular appropriation bill, and to put the project on the same basis as the other two projects in Washington and Pennsylvania mentioned in the report.

As I said, it does not authorize any new money; it would only provide that the engineers may utilize not to exceed $25,000 out of available funds. My colleague, Senator RANDOLPH, joins me in support of the amendment.

I hope the manager of the bill will accept the amendment. The Senator from Mississippi told me that he was agreeable to the adoption of the amendment.

Mr. McCLELLAN. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield. First let me thank the distinguished Senator from Mississippi (Mr. STENNIS) and the distinguished Senator from Arkansas (Mr. McCLELLAN) for accepting my amendment.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, if I recall correctly, I think there was an order entered last week that Senator DOMINICK's amendment to the national labor relations bill would be taken up beginning at 11 o'clock on tomorrow. I assume some adjustment in that agreement may be necessary. I just wondered what the Senator is contemplating.

Mr. ROBERT C. BYRD. Some adjustment would be necessary. I thank the distinguished Republican whip for raising that question.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after morning business tomorrow the Senate return to consideration of the supplemental appropriation bill. There is only one matter, to which the Senator from Rhode Island (Mr. PASTORE) addressed himself, that I know of. That may be worked out overnight. I assume there will be a yea-and-nay vote on passage. There may not be. But I ask unanimous consent that upon disposition of the appropriation bill on tomorrow, the Senate resume consideration of the bill to which the distinguished Republican whip has referred.

Mr. GRIFFIN. Mr. President, reserving the right to object, I am a little concerned that that kind of arrangement could conceivably result in a substantial change in the arrangement that we made last week, unless there were some agreement that we would dispose of the appropriation bill by, say, 12 o'clock. That would take 1 hour away, but that, I do not think, would be too bad.

Mr. ROBERT C. BYRD. The distinguished Republican whip is correct. Conceivably, the final action on the appropriation bill could go beyond 12 o'clock, because I am not sure that there are no other amendments.

I merely throw this out for the consideration of the distinguished chairman of the Appropriations Committee. In view of the fact that it was agreed last week that at 11 o'clock on tomorrow the Senate would resume consideration of—what is the number of the bill?

Mr. GRIFFIN. S. 3203, having to do with hospitals and the National Labor Relations Act.

Mr. ROBERT C. BYRD. Yes. In view of the fact that it was agreed that the Senate, at 11 o'clock tomorrow, would resume consideration of that bill, extending the National Labor Relations Act to certain hospital employees, would the distinguished manager of the bill consider letting the Senate proceed as it was earlier agreed to, and then upon the disposition of that NLRB bill tomorrow, the Senate could return to the consideration of the appropriations bill, or upon disposition of the amendment by Mr. DOMINICK the Senate then could resume consideration of the appropriation bill, and then go back to the NLRB bill?

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLELLAN. It would take just a few minutes' time to complete action on the bill. I do not think it will take more than 20 or 25 minutes. Why lay it aside and go to something else?

Mr. GRIFFIN. Mr. President, I agree with the Senator from Arkansas that, if it is possible to dispose of the bill without any more amendments being offered, it would be in the interest of procedure.

Are there any other amendments?

Mr. McCLELLAN. I know of no amendment other than the Pastore amendment. I cannot guarantee, as the Senator knows, that there will not be any, but the longer we postpone the bill, the more likelihood there is of other amendments being offered.

Mr. GRIFFIN. Suppose we stay with the appropriation bill until noon at least, with the hope of disposing of it by that time.

Mr. McCLELLAN. I think it would be better that way.

Would the Senator want to make a request that we will proceed with that bill until not later than 12 o'clock tomorrow?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLELLAN. I would have no objection to that. I want to accommodate the Senator. At the same time, I want to complete action on the bill

Mr. ROBERT C. BYRD. Yes. The distinguished Senator from Arkansas (Mr. McCLELLAN) is always accommodating. I can appreciate his desire to move the bill along now that it is before the Senate, because, as he pointed out, the longer it is before the Senate, the greater the chances are that other amendments will be offered, thus taking additional time.

Mr. McCLELLAN. I think we will get through by 12 o'clock. I hope so.

Mr. ROBERT C. BYRD. Then, Mr. President, I ask unanimous consent that on tomorrow, after morning business has been completed, the Senate resume consideration of the supplemental appropriation bill, and that at no later than 12 noon, the Senate resume consideration of the NLR bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And when noon arrives, if the Senate is still on the appropriation bill, and it appears that it can be completed in another 15 or 30 minutes, I think the leadership on both sides will try to accommodate themselves to that situation.

Mr. McCLELLAN. Very well.

FOREIGN CURRENCIES AND U.S. DOLLARS UTILIZED BY U.S. SENATE PARTICIPATION IN PARLIAMENTARY MEETINGS

Mr. McCLELLAN. Mr. President, in accordance with the Legislative Branch Appropriation Act, 1961, section 105(b), Public Law 86-628, I ask unanimous consent to have printed in the RECORD the reports of U.S. Senate participation interparliamentary meetings concerning the foreign currencies and U.S. dollars utilized by them in calendar year 1973 in connection with foreign travel.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS, SENATE DELEGATION, CANADA-UNITED STATES INTERPARLIAMENTARY GROUP, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1973

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency
Gale McGee: United States	Dollar		190.00		80.53						270.53
Carl T. Curtis: United States	Dollar		120.00		62.99						182.99
Hubert H. Humphrey: United States	Dollar		120.00		84.69						204.69
J. Bennett Johnston, Jr.: United States	Dollar		120.00		89.94						209.94
William Saxbe: United States	Dollar		120.00		82.42						202.42
Ted Stevens: United States	Dollar		120.00		57.51						177.51
Arthur M. Kuhl: United States	Dollar		80.00		40.07				2.03		122.10
Milrae Jensen: United States	Dollar		60.00		47.57						107.57
Elizabeth Strannigan: United States	Dollar		60.00		31.08						91.08
Delegation expenses:											
Luncheons, receptions, and banquets: United States.	Dollar				5,745.78						5,745.78
Telephone charges: United States	Dollar								9.93		9.93
Transcripts: United States	Dollar								11.48		11.48
Publications: United States	Dollar								52.35		52.35
Room rental: United States	Dollar		40.00								40.00
Transportation charges: United States.	Dollar						464.87				464.87
Total			1,030.00		6,322.58		464.78		75.79		7,893.24

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Public Law 86-42	$7,893.24

GALE W. McGEE,
Chairman, Senate Delegation, Canada-United States Interparliamentary Group.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS, MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1973

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency
Mike Mansfield: Mexico	Dollar		302.56		39.24		10.76		10.56		363.15
Harry F. Byrd, Jr.: Mexico	Dollar		135.55								135.55
Robert P. Griffin: Mexico	Dollar		135.55		37.64		12.36		4.80		190.35
Floyd K. Haskell: Mexico	Dollar		135.55		7.56				9.60		152.71
Frank E. Moss: Mexico	Dollar		135.55		38.12		11.88		40.67		226.22
Sam Nunn: Mexico	Dollar		135.55						6.40		141.95
Charles H. Percy: Mexico	Dollar		211.04		41.74		8.26		23.38		284.42
Jennings Randolph: Mexico	Dollar		135.55		37.42		12.58		22.64		208.19
Pat M. Holt: Mexico	Dollar		135.55		8.00		1.60		24.12		169.27
Arthur M. Kuhl: Mexico	Dollar		114.75		36.15		4.20		4.80		159.90
Richard M. Moose: Mexico	Dollar		135.55						16.76		152.31
Margaret C. Brown: Mexico	Dollar		114.75						3.20		117.95
Francis Valeo: Mexico	Dollar		114.75		38.48		5.16		6.36		164.75
David Paton: Mexico	Dollar		114.75		42.38		7.62		8.00		172.75
James Ramey: Mexico	Dollar		114.75								114.75
Delegation expenses:											
Transportation							1,191.25				1,191.25
Meals					689.04						689.04
Miscellaneous									94.75		94.75
Total			2,171.75		1,015.77		1,265.67		276.04		4,729.23

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Public Law 86-420	$4,729.23

MIKE MANSFIELD,
Chairman, U.S. Senate Delegation.

Mar. 8, 1974.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS, SENATE DELEGATION, NORTH ATLANTIC ASSEMBLY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1973

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency	Foreign currency	U.S. dollar[1] equivalent or U.S. currency
John Sparkman:											
England	Dollar		146.46		152.50				35.04		334.00
Turkey	Dollar		131.43		239.42				25.00		395.85
Spain	Dollar		58.10		64.00				9.33		131.43
Birch Bayh: England	Dollar		120.84		138.03		10.50		6.93		276.30
Jacob K. Javits:											
England	Dollar		68.38		57.65				5.18		131.21
Turkey	Dollar		40.25		[2]342.86		15.00		18.00		416.11
Mike Mansfield:											
England	Dollar		130.44		58.00						188.44
Turkey	Dollar		115.00		109.97						224.97
Thomas McIntyre:											
England	Dollar		120.84		138.01		15.00		6.91		280.76
Turkey	Dollar		73.93		54.39				5.00		133.32
Spain	Dollar		36.97		20.42						57.39
Sam Nunn:											
England	Dollar		95.44		65.09						160.53
Turkey	Dollar		73.93		79.24		7.15		10.70		171.02
Spain	Dollar		36.97		43.03				8.10		88.10
Jennings Randolph:											
England	Dollar		120.84		83.23		5.02				209.09
Turkey	Dollar		73.93		80.16						154.09
Spain	Dollar		36.97		2.43						39.40
John Tunney: England	Dollar		65.15		34.85						100.00
Robert Feyer:											
England	Dollar		95.44		46.38				7.67		149.49
Turkey	Dollar		28.75		15.79		8.00				52.54
Barbara Fritts:											
England	Dollar		95.44		40.46		3.60		.07		139.57
Turkey	Dollar		56.68		50.00						106.68
Spain	Dollar		23.33		5.34						28.67
Donald G. Henderson:											
England	Dollar		120.84		126.47		10.00		5.31		262.62
Turkey	Dollar		73.93		135.21				15.00		224.14
Spain	Dollar		30.19		46.73						76.92
Robert Hunter:											
England	Dollar		95.44		107.39		14.18		7.62		224.63
Turkey	Dollar		28.75		27.64		7.43				63.82
Spain	Dollar		22.54		21.30		.88		1.88		46.60
Milrae Jensen:											
England	Dollar		95.44		53.17		2.50		3.43		154.54
Turkey	Dollar		56.68		60.75						117.43
Spain	Dollar		21.13		46.92				9.23		77.28
Albert A. Lakeland:											
England	Dollar		33.22		13.44		5.00		5.38		57.04
Turkey	Dollar		40.25		125.39		50.00		61.43		277.07
Mary McLaughlin:											
England	Dollar		95.44		89.55		15.15		6.70		206.84
Turkey	Dollar		56.68		145.42		18.00		7.00		222.10
Spain	Dollar		22.54		14.00				2.56		39.10
Octa R. Watson:											
England	Dollar		95.44		94.81		4.64		1.07		195.96
Turkey	Dollar		56.68		185.00				20.00		261.68
Spain	Dollar		23.33		17.43				10.56		51.32
Delegation expenses:											
England:											
Office rent	Dollar		109.85								109.85
Delegation meals	Dollar				231.93						231.93
Telephone charges	Dollar								11.07		11.07
Bus and car hire	Dollar						775.16				775.16
Embassy overtime	Dollar								275.02		275.02
Spain:											
Office rent			29.23								29.23
Delegation meals					58.80						58.80
Bus hire							59.67				59.67
Embassy overtime									321.69		321.69
Telephone charges and gratuities									47.54		47.54
Delegation expenses:											
Ankara, Turkey:											
• Office rent	Dollar		932.32								932.32
Telephone charges	Dollar								47.00		47.00
Office equipment and supplies	Dollar								433.73		433.73
Printing and communications charges and publications.	Dollar								855.46		855.46
Transportation	Dollar						1,862.48				1,862.48
Official meals	Dollar				413.49						413.49
Embassy overtime	Dollar								2,967.64		2,967.64
Room cancellation charges	Dollar		147.68								147.68
Gratuities	Dollar								140.96		140.96
Postage	Dollar								16.05		16.05
Istanbul, Turkey:											
Office rent	Dollar		263.07								263.07
Telephone charges									49.37		49.37
Gratuities	Dollar								90.00		90.00
Office supplies	Dollar								125.21		125.21
Transportation	Dollar						878.57				878.57
Printing	Dollar								82.35		82.35
Embassy overtime	Dollar								465.88		465.88
Official meals	Dollar				813.76						813.76
Total			4,296.18		4,749.85		3,762.93		6,224.07		19,033.03

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[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[2] Includes official entertainment.

RECAPITULATION

	Amount
Appropriated funds: Public Law 84-689	$19,033.03
Total	19,033.03

JOHN SPARKMAN,
Chairman, Senate Delegation, North Atlantic Assembly.

Mar. 20, 1974.

REPORT OF EXPENDITURE BY U.S. GROUP—INTERPARLIAMENTARY UNION CONFERENCE, HELSINKI, FINLAND, JAN. 26-31, 1973; INTERPARLIAMENTARY UNION CONFERENCE, ABIDJAN IVORY COAST, APR. 23-28, 1973; INTERPARLIAMENTARY UNION CONFERENCE, GENEVA, SWITZERLAND, OCT. 22-26, 1973: EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1973

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John Sparkman, Chairman:											
Barbados	Dollar	153.00	78.80	75.47	38.90					228.47	117.70
Ivory Coast	Franc	42,000	185.00	39,070	173.12			13,280	58.56	94,350	416.68
Portugal	Escudo	630.00	25.00	100.00	4.00					730.00	29.00
J. Bennett Johnston, Jr.:											
Barbados	Dollar	153.00	78.80	144.11	74.25					297.11	153.05
Ivory Coast	Franc	42,000	185.00					5,900	25.98	47,900	210.98
Portugal	Escudo	630.00	25.00	208.00	8.20					838.00	33.20
William B. Saxbe:											
Finland	Markka	600.30	144.37	660.87	158.94			47.81	11.50	1,308.98	314.81
U.S.S.R	Ruble		187.00								187.00
Germany	Deutsche mark	100.00	30.00	4.00	1.20					104.00	31.20
Bulgaria	Lev	133.80	72.32	26.39	14.27					160.19	86.59
Greece	Drachma	880.00	29.33	1,303.00	43.43					2,183.00	72.76
Robert T. Stafford:											
Finland	Markka	648.00	155.85	276.97	66.61			60.00	14.43	984.97	236.89
U.S.S.R	Ruble		187.00								187.00
Germany	Deutsche mark	100.00	30.00	10.60	3.40					110.60	33.40
Bulgaria	Lev	133.80	72.32							133.80	72.32
Greece	Drachma	880.00	29.33	671.00	23.37					1,551.00	52.70
Switzerland	Franc	770.00	233.00	182.00	55.65					952.00	288.65
Strom Thurmond:											
Barbados	Dollar	153.00	78.80	63.64	32.80					216.64	111.60
Ivory Coast	Franc	42,000	185.00	23,475	103.47					65,475	288.47
Portugal	Escudo	630.00	25.00	162.00	6.40					792.00	31.40
Octa Watson:											
Barbados	Dollar	99.00	51.00	77.98	40.20					176.98	91.20
Ivory Coast	Franc	36,000	158.52	11,385	50.19			1,100	4.85	48,485	213.56
Portugal	Escudo	402.00	16.00	118.00	4.65					520.00	20.65
Morris Rothenberg:											
Barbados	Dollar	31.84	16.50							31.84	16.50
Ivory Coast	Franc	36,000	158.52	6,785	29.94			4,500	19.81	47,285	208.27
Portugal	Escudo	402.00	16.00	91.00	3.60					493.00	19.60
Darrell St. Claire: Finland	Markka	600.30	144.37	591.64	142.29			41.40	10.00	1,233.34	296.66
Finland [1]	Markka	1,685.00	406.02	9,451.55	2,273.63	21,016.48	5,064.24	307.20	74.02	32,460.23	7,817.91
U.S.S.R	Ruble		187.00								187.00
U.S.S.R [1]	Ruble		142.00		599.40				26.81		768.21
Germany	Deutsche mark	100.00	30.00	25.35	7.60			6.60	2.00	131.95	39.60
Germany [1]	Deutsche mark					713.56	216.23			713.56	216.23
Bulgaria	Lev	133.80	72.32	15.80	8.54					149.60	80.86
Bulgaria [1]	Lev			693.75	375.00	1,025.00	554.08			1,718.75	929.08
Greece	Drachma	880.00	29.33	1,562.00	52.07	7,963.00	266.10	800.00	26.90	11,205	374.40
Greece [1]	Drachma			5,250.00	175.00	49,531	1,651.00			54,781	1,826.00
Barbados	Dollar	54.00	27.85							54.00	27.85
Barbados [1]	Dollar	2,927.39	1,508.08	1,300.68	670.95	2,986.00	1,539.17	63.00	32.50	7,277.07	3,750.70
Ivory Coast	Franc	42,000	185.00	16,565	73.11			2,450	11.00	61,015	269.11
Ivory Coast [1]	Franc	86,085	379.10	243,856	1,074.57	1,749,426	7,706.72	120,132	529.11	2,199,499	9,689.50
Portugal	Escudo	439.00	25.35	162.00	6.40					601.00	31.75
Portugal [1]	Escudo	1,520.00	60.80	13,925.00	557.00	54,323.00	2,172.90	823.00	32.95	70,591.00	2,823.65
Switzerland	Franc	770.00	233.00	581.50	176.21			113.00	34.25	1,464.50	443.46
Switzerland [1]	Franc			195.00	59.10	30,520.00	9,248.01	332.20	100.65	31,047.20	9,407.76
Total			5,883.68		7,187.46		28,418.45		1,015.32		42,504.91

JOHN SPARKMAN, Chairman.

Apr. 1, 1974.

[1] Delegation expenses.

VISIT TO UNITED STATES BY ADM. HUGO H. BIERMANN, COMMANDER IN CHIEF OF ARMED FORCES OF SOUTH AFRICA

Mr. HARRY F. BYRD, JR. Mr. President, the State Department has agreed to issue a visa to Adm. Hugo Biermann for an official visit to the United States. Admiral Biermann is the Commander in Chief of the Armed Forces of South Africa.

Arrangements were made for his visit to the United States some weeks ago. While he was to meet with several officials of the Department of Defense and with Members of Congress—myself not—repeat: not—included—this was done on an informal basis. There was no request that the visit be under State Department auspices, or that there be any sanction or approval on the part of the State Department.

Admiral Biermann was advised by the U.S. Embassy in South Africa that no problems would be encountered in his being issued a visa for his trip to this country. Yet just before his departure, when he called at the U.S. Embassy to receive his visa, he was told that it would not be issued, on orders from the State Department in Washington.

Upon learning of this situation, I immediately protested to the State Department. The State Department then agreed to grant the visa.

At a time in our history when we are encouraging informal visits of U.S. officials to Communist China, and visits by the Communist Chinese to the United States, it seems outrageous that a high official of a country long friendly to the United States should be denied a visa for an unofficial trip to Washington.

The State Department has, as I say, reversed itself. But I think it is appropriate to say that I find it difficult to understand the thinking of the State Department. I think it is important that officials of other countries come to the United States. The more they see of the United States, the better they will like it, and the more they will understand the problems here.

I think it is important that more Americans go to other countries. The more Americans can see the other countries of the world, the more they will understand those countries and, I think, the better they will appreciate the United States of America.

I happen to believe that the trips by President Nixon to Peking and Moscow were important. I think it is important that there be a dialog between the great nations of the world, and I think it is appropriate that officials of the other countries be permitted to come to the United States.

I do not think there was any logic in what the State Department did last week, but I am glad that the State Department reversed its position. There seems to be a blind spot in regard to certain nations of the world.

I remember when, a few years ago, the University of Virginia, Thomas Jefferson's university, invited Ian Smith, the Prime Minister of Rhodesia, to speak at the University of Virginia. The State Department denied him a visa to come to the United States. I thought that was an outrageous thing to do.

This country was built on free speech. Why do we object to hearing the views of individuals who do not happen to agree with the official policy of the United

States? Thomas Jefferson, when he founded the University of Virginia, welcomed dissenting views. I think we today should welcome dissenting views from responsible individuals. I regret that the invitation submitted by the students of the University of Virginia to Ian Smith, the Premier of Rhodesia, was refused by an official act of the State Department here in Washington.

Almost the same thing happened last week with another high Government official, the Commander in Chief of the Armed Forces of South Africa. Again I am glad that the State Department finally realized the error of its ways and granted the visa. But I hope that in the future it will not take such action, because I think that our country can benefit by leaders of other nations coming here and by leaders of our Nation going to other countries.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow, I believe, is as follows:

The Senate will convene at the hour of 10 a.m. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

Upon the conclusion of routine morning business, the Senate will resume consideration of the supplemental appropriation bill, and there is a time limitation for debate thereon and on amendments thereto.

Yea-and-nay votes are likely to occur, I would say certainly before 12 noon, and in any event, under the order, at the hour of 12 noon or earlier, the Senate will take up again the NLRB bill, which would extend that law to certain hospital employees. Yea-and-nay votes will occur on amendments thereto, and apparently the remainder of the day would largely be taken up with consideration of that bill, with a final vote on passage no later than 6 p.m. So it looks as though there may be several yea-and-nay votes tomorrow.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and at 6:51 p.m. the Senate adjourned until tomorrow, Tuesday, May 7, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 6, 1974:

DEPARTMENT OF DEFENSE

Robert Ellsworth, of New York, to be an Assistant Secretary of Defense, vice Robert C. Hill, resigned.

THE JUDICIARY

D. Dortch Marriner, of Virginia, to be U.S. district judge for the eastern district of Virginia vice Oren R. Lewis, retired.

IN THE NAVY

Vice Adm. Jerome H. King, Jr., U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, is amended:

To be lieutenant colonel

Maj. Herbert E. Adams, [redacted]
Maj. Nishan Aghajanian, [redacted]
Maj. Shellie M. Bailey, Jr., [redacted]
Maj. John A. Behuniak, [redacted]
Maj. Louis A. Bulletset, Jr., [redacted]
Maj. James M. Cantrell, Jr., [redacted]
Maj. Robert D. Cardwell, Jr., [redacted]
Maj. Edward L. Cummins, [redacted]
Maj. Frank A. C. Davis, [redacted]
Maj. George J. Dowd, [redacted].
Maj. James H. Dunn, [redacted].
Maj. Darwin R. Edens, [redacted]
Maj. Verlin K. Egley [redacted]
Maj. Nicholas Eremita, [redacted]
Maj. Fernando P. Forest, Jr., [redacted]
Maj. William J. Griffith, [redacted]
Maj. Henry H. Groth [redacted].
Maj. Roger D. Hendrickson, [redacted]
Maj. William R. Herrin, [redacted]
Maj. Richard S. Johnson, [redacted]
Maj. Herbert H. Lengrand, [redacted]
Maj. Mark E. Luedtke, [redacted]
Maj. Ronald H. Martinson, [redacted]
Maj. Martin J. Moran, Jr. [redacted]
Maj. Dean P. Neiman, [redacted]
Maj. Lynn S. Oswald, [redacted].
Maj. John W. Roberson, [redacted]
Maj. Dennis M. Rodgers, [redacted]
Maj. Hubert W. Ryan, [redacted]
Maj. Dale W. Sawyer, [redacted].
Maj. Paul A. Schempp, [redacted]
Maj. Gerald T. Sedik, [redacted]
Maj. David R. Sheahan, [redacted].
Maj. Robert W. Slone, [redacted].
Maj. John R. Stracener, [redacted].
Maj. Edward R. Trudeau, [redacted]
Maj. Ernest L. Webster, [redacted].
Maj. Ted Wernick, [redacted]
Maj. James R. Williamson, Jr., [redacted]
Maj. Robert F. Wissinger, [redacted].

MEDICAL CORPS

Maj. Dean J. Sell, [redacted].
Maj. Henry O. Wick, Jr., [redacted].

IN THE NAVY

The following-named U.S. Army cadets to be permanent ensigns in the Line of the Navy, subject to the qualification therefor as provided by law:

Clifford G. Barnes, Jr.
Jerry P. Jackson
David A. Mitchell
James T. Sharp

The following-named midshipmen (Naval Academy) to be permanent ensigns in the Line or Staff Corps of the Navy, subject to the qualification therefor as provided by law:

George A. Bednar
John Gabriele
Fred L. Stuvek, Jr.

The following-named (Naval Reserve Officer's Training Corps candidates) to be permanent ensigns in the Line or Staff Corps of the Navy, subject to the qualification therefor as provided by law:

Glenn L. Anderson
Alan "R." Austin
Richard D. Bailey
James P. Baldwin
Ronald G. Belanger
Thomas K. Brozovich
Michael L. Buske
Larry L. Cannon
Fen B. Covington
Albon C. Diamond III
Frank T. Dillon III
Larry R. Disano
Thomas J. Flower
Jeffrey E. Galleher
Valdemar Garza
Drew W. Gentile
William L. Griffith
David G. Hadden
William D. Hughey
Robert R. Jones III
William J. Jordan III
Philip C. Kasky
Samuel J. Kulman
Jon F. Lemen
Edward A. Lenio
James A. Libbey
Gregory R. Lippert
Stephen A. McClellan
Paul T. McHenry III
Walter R. McIntyre
Melvin A. Mashner
Daryl D. Miller
Darrell S. Mills
Fred G. Palmer
Stanley F. Paluch, Jr.
Gerald H. Philpy
William D. Pigg
Gregory I. Redfern
David K. Reese
John H. Rhyne
Frederick R. Robbins
James R. Rosmond
Lane L. Seymour
Brian N. Sommer
Andrew G. Spisak
Charles I. Stambaugh
Enos R. Stewart, Jr.
Dell C. Toedt III

The following-named (naval enlisted scientific educational program candidates) to be permanent ensigns in the Line or Staff Corps of the Navy, subject to the qualification therefor as provided by law:

Stephen D. Alexander
Daryl C. Allen
Maurice D. Bain
Robert C. Barr
Edward R. Beauregard
Gary A. Boyd
Roger C. Bradley
Leslie J. Brown
Clarence W. Coffman
Larry D. Coldiron
Franklin E. Decker
Gilbert A. Dupaul
Larry A. Ferner
James H. Fletcher
Errol J. Flores
Wayne P. Gambin
Dennis H. Genovese
Gerald S. Hall
John S. Haumann
Jim E. Helm
Chester E. Helms
Charles A. Hensley
Ronnie Hundley
Richard M. Hunt
Daniel G. Kooken
George E. Kulp
Brian L. Lindeman
Leonard W. Martin
David A. Mawhinney
Michael O. *Minton*
Curtis R. Montgomery
Edward B. Morgan
Gerald R. Mountain
Benjamin D. Neal
Carlton E. Odell, Jr.
James R. Paddock
Stephen W. Phillips
Gregory D. Pierce
Robert A. Reed
Bradley L. Reid
Mark D. Rickenbach
Gary C. Shirey
Michael G. Smith
George L. Sparks
David R. Stacey
Charles E. Stinson
George W. Straight, Jr.
Chris A. Thompson
Donald R. Timms
George T. Vrabel
Samuel D. Weaver
Edelene L. White
Charles R. Witt, Jr.

The following-named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, subject to the qualification therefor as provided by law:

James F. Mayr
Michael D. McGehee

The following-named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to the qualification therefor as provided by law:

David W. Best
Bedford W. Bonta
Ralph R. Chesson, Jr.
Gary D. Graham
Arthur B. Kliefoth III
Mark A. Larsen
Steven A. Muller
James W. Townsend, Jr.

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualification therefor as provided by law:

William K. Murray
Harry M. Mynatt
Richard C. Smith
Thomas F. Styrlund
Richard T. Swanson
Marshall D. Walker

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Charles S. Bailey
John G. English III
Franklin H. Ewald

David A. John (Naval Reserve officer) to be a permanent lieutenant commander in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

Ronald W. Huggins (Naval Reserve officer), to be a permanent lieutenant and a temporary lieutenant commander in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualification therefor as provided by law:

Ben T. Chikaraishi
Walter Doblecki
Joseph A. Draude
Richard A. Guman
William R. Evans
James G. Figenshau
William L. Fullerton
Gregory J. Gosch
Larry G. Herrman
Jowell D. Horton
Ronald W. Housley
John W. Hubbach
Michael D. Johnson
Robert F. Kroeger
Larry V. Kuhl
William F. Maroney
Jerry E. Morley
Robert M. Moody
Gary N. Moyer
Burke B. Peterson
Dean C. Reifenstahl
Patrick J. Stetzel
George J. Tarquinio
Raymond A. Tozzi
James F. Walton III

Robert E. Eckstein (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Dental Corps, in lieu of permanent lieutenant (junior grade) and temporary lieutenant as previously nominated to correct grade, subject to the qualification therefor as provided by law.

Lt. Thomas O. White, USN (ret.) to be reappointed from the temporary disability retired list as a lieutenant (limited duty) for temporary service, subject to the qualification therefor as provided by law.

Vernon C. Eshelby, ex-USNR officer to be permanent commander and a temporary captain in the line (merchant marine engineering) in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law.

The following-named U.S. Navy officers to be permanent commanders, in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law:

Edward M. Jewusiak
Talvaris Turaids
Robert G. Winans
Donald E. Roy
Donald K. Roder

The following-named U.S. Navy officers to be commanders in the Medical Corps in the Reserve of the U.S. Navy for temporary service, subject to the qualification therefor as provided by law:

Orin H. Bruton
Gary C. Graham
Robert B. Mallom
James E. Mullen
James V. Scutero
Robert E. Stetson
Orville D. Wilson, Jr.

Doyle M. Lewis (civilian college graduate) to be a permanent lieutenant in the Dental Corps of the Navy, subject to the qualification therefor as provided by law:

Roger M. Chow (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Lt. Cmdr. Harvey J. Swoboda, U.S. Naval Reserve, for a temporary promotion to the grade of commander in the Line of the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law.

Richard R. Brown (civilian college graduate) to be a permanent commander and a temporary captain in the line (merchant marine engineering) in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6, 1974:

DEPARTMENT OF JUSTICE

William W. Milligan, Ohio, to be U.S. attorney for the southern district of Ohio for the term of 4 years.

Robert G. Renner, of Minnesota, to be U.S. attorney for the district of Minnesota for the term of 4 years.

Richard A. Pyle, of Oklahoma, to be U.S. attorney for the eastern district of Oklahoma for the term of 4 years.

C. Nelson Day, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years.

Jonathan L. Goldstein, of New Jersey, to be U.S. attorney for the district of New Jersey for the term of 4 years.

Eugene E. Siler, Jr., of Kentucky, to be U.S. attorney for the eastern district of Kentucky for the term of 4 years.

Leonard E. Alderson, of Wisconsin, to be U.S. marshal for the western district of Wisconsin for the term of 4 years.

Harry D. Berglund, of Minnesota, to be U.S. marshal for the district of Minnesota for the term of 4 years.

Raymond J. Howard, of Wisconsin, to be U.S. marshal for the eastern district of Wisconsin for the term of 4 years.

Ollie L. Canion, of Louisiana, to be U.S. marshal for the eastern district of Louisiana for the term of 4 years.

Carl H. Slayback, Illinois, to be U.S. marshal for the southern district of Illinois for the term of 4 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

Philip W. Tone, of Illinois, to be U.S. circuit judge for the seventh circuit.

EXTENSIONS OF REMARKS

A NEW "BEGINNING" FOR PORTUGAL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. RANGEL. Mr. Speaker, in the Washington Post there is an article by Mr. Tad Szulc on the projected hopes for democracy in Portugal and the possible liberation of the African peoples of Mozambigue, Guinea, and Angola. Mr. Szulc astutely points out, however, that the coup d'etat in Portugal may force the South African regime and the Portugese settlers to harden their opposition against African Liberation forces.

Mr. Szulc also emphasizes the potential global confrontation between the United States and Russia or China that the hardening of southern African tensions may precipitate.

Mr. Szulc's article is as follows:

[From the Washington Post, May 3, 1974]

A "NEW BEGINNING" FOR PORTUGAL

(By Tad Szulc)

Portugal's military coup d'etat of April 25 has produced some of the most encouraging news in quite a few years for the cause of freedom in the world.

At a time when new repressive dictatorships are sprouting elsewhere and the old ones are becoming more frozen, the Portuguese Junta succeeded in overthrowing the world's most durable dictatorship this side of the Soviet Union and, hopefully setting the peninsular country on the road to democracy for the first time in 46 years.

And while neo-colonialist and "white rule" tendencies were reasserting themselves in much of Africa, the Lisbon Junta's action carried the promise that the long and bloody colonial war in Angola, Mozambique and Portuguese Guinea may finally find a peaceful and rational solution.

Yet, in ejecting the Caetano dictatorship—essentially a combination of extreme rightist politics supported by a cruelly efficient secret police and powerful economic groups drawing their weight from the wealth of the African colonies—General Antonio de Spinola, the Junta chief, has set in motion new and contradictory forces that still leave much of the future in doubt.

If there is a valid precedent for the Spinola coup, it is General de Gaulle's return to power in 1958, signaling the end of the Algerian war and the start of negotiations with the rebels that led to Algeria's independence. At first sight, there is a certain parallel between the conditions that moved De Gaulle and, 16 years later, Spinola to take national matters in their own hands. Both metropolitan nations were exhausted and embittered by lengthy colonial wars, and internal unrest was growing. Both De Gaulle and Spinola concluded that military victory was impossible and that new answers were required.

But this is where the similarities end.

De Gaulle's basic problem was to win at home (and among Algeria's French *colons*) the acceptance of the inevitability of a peace settlement largely on the Algerians' terms. To be sure, he had to endure for awhile the menace of military counter-coups and the terrorism of the OAS (Secret Army Organization). But he was spared the trauma of transforming a nation from a primitive dictatorship into a reasonably functioning democracy, when hatreds and frustrations bottled up for nearly a half-century were surging to the fore. This, of course, is General Spinola's primary task.

Furthermore, De Gaulle's decision to make peace in Algeria was chiefly a French affair. Spinola, on the other hand, has created a situation in which other interests than those of Portugal and the African nationalist guerrillas are involved. What happened in Lisbon on April 25, affects deeply the immediate national security of South Africa and Rhodesia, as their governments perceive it, as well as the whole balance of power in sub-Sahara Africa.

The upheaval in Lisbon is also of concern to the United States and some of its allies in the North Atlantic Treaty Organization. One fear is that the ultimate establishment of unfriendly black regimes in Mozambique and Angola, a disinct possibility in time, may threaten South Africa's stability and endanger the sea lanes around the Cape and to the Indian Ocean. The Soviet Union and China who have long supported the rebels, notably Frelimo in Mozambique, have a stake in the outcome as well. Among the fears is that lack of access to southern Africa may deprive the U.S. and NATO countries of raw materials, ranging from uranium and other strategic metals to gold.

As long as a year ago, when it became obvious that the rebels were gaining in strength in Mozambique, the U.S. and NATO began to draw up secret contingency plans for air and naval defense of South Africa. In June, 1973, NATO's Defense Planning Committee (DPC) instructed SACLANT (Supreme Allied Commander, Atlantic) headquarters in Norfolk, Va., to draw up plans for an allied air-naval task force to stand ready to assist South Africa, should the need arise.

This was part of broader United States strategy, as visualized at the Pentagon, to reinforce positions in the Indian Ocean—from South Africa to the Indian subcontinent—against a Soviet threat in the area. Plans for establishing a naval base at Diego Garcia fit into this pattern. Following a December 1969 National Security Council decision to preserve a "balance" in southern Africa, the United States has been quietly selling Portugal "non-lethal" military end-items such as jeeps, radio systems and spotter planes as well as defoliants. It has trained Portugese officers in counter-insurgency at the jungle warfare Army school at Ft. Gulick in the Panama Canal Zone and helped in training Portuguese pilots at bases in Western Germany.

In a bilateral arrangement, France has been selling arms to Portugal and South Africa (Britain, too, has been selling weapons to the South Africans during the Tory government). This month, South African and French naval units conducted joint exercises in the area. Rhodesian detachments have been fighting with the Portuguese in Mozambique against the Frelimo.

In the light of the new uncertainties emerging from the Lisbon coup, all parties concerned will inevitably rethink their strategies. Inevitably, General Spinola will be the target of powerful international pressures.

But even in terms of direct dealings with the rebel movements, General Spinola faces serious problems.

For one thing, unlike in the Algerian situation, there is no unified rebel leadership in the Portuguese "overseas provinces." Since the 1969 murder of Dr. Eduardo Chivambo Mondlane, the top leader, Frelimo has been run by a politburo group in which Samora Machel, who was Mondlane's chief lieutenant, is the only clearly identifiable personality. Very little is known about others, including Frelimo officials in charge of "liberated zones" in Mozambique.

In Angola, the rebels are divided into two groups: the National Front for the Liberation of Angola headed by Holden Roberto, and the Popular Movement for the Liberation of Angola led by Dr. Antonio Neto. A fairly firm leadership exists in the Portuguese Guinea.

Spinola's problem, therefore, is to establish with whom he should negotiate and who has the power of decision.

The Junta seems to have defused the danger that white settlers in Mozambique and Angola would proclaim "unilateral declarations of independence" on the Rhodesian model to impose white rule.

What General Spinola, therefore, must first do is to ascertain whether his "grandualism" approach—he has called for a federation of the three colonies with metropolitan Portugal—can serve as the basis for subsequent negotiations, possibly leading to a form of independence in which the three provinces would be tied to Portugal in the way in which the African Francophone states are to France.

Spinola has ruled out a ceasefire for the time being, but domestic pressures from the newly emergent democratic parties—from Christian Democrats to the left—may force him to reconsider his stand and try for a De Gaulle formula, if he can find responsible interlocutors in Portuguese Africa.

April 25, 1974 in Portugal marks a significant new beginning for the country and its embattled colonies. But a great deal of flexibility is required of the Junta to find the proper solutions at home—and in Africa.

ADDRESS OF SHELBY McCAULEY: PILGRIMAGE TO THE TOMB OF THE UNKNOWN

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. STEIGER of Arizona. Mr. Speaker, I would like to bring to the attention of my colleagues the annual address of the sovereign grand master of the Independent Order of Odd Fellows at the Tomb of the Unknown Soldier in Arlington Cemetery. The address was given following a pilgrimage yesterday to the cemetery by a delegation of Odd Fellows.

The address pays a fitting tribute to the men who have died for our country. In a time of our history when there so often seems to be an apathetic, even blatantly unpatriotic, attitude in our country by some of its citizens, it is important that we take time to remember with gratitude the many thousands of brave men who, over the past 200 years, have given their lives so that all of us may be free. We must never forget what these men have done for us. We must never take for granted the liberty we have today which was preserved through these men who were willing to make the supreme sacrifice of their lives for this country.

The address by Sovereign Grand Master Shelby McCauley, who is from Clarkdale, Ariz., in the Third District, follows:

ADDRESS OF SHELBY McCAULEY: PILGRIMAGE TO THE TOMB OF THE UNKNOWN

Brother Chairman, officers, members and friends of the Independent Order of Odd Fellows, we are gathered here today, as is our annual custom, to express our love and gratitude to those entombed here. We are and ever shall be grateful to them, and to all those whom they represent, for the sacrifice which they made to secure the blessings of liberty, peace and freedom for you and me and for this great North American continent.

As we reverently stand on this hallowed ground, in the quietness and beauty of this moment of remembrance, our hearts overflow as we search for words to express these sentiments.

James R. Howard, a 17 year old senior of Granite High School, Salt Lake City, Utah, was among the students chosen to visit Washington, D.C., a number of years ago. After visiting the Tomb of the Unknown Soldier he found the words and wrote the following tribute:

"TO THE UNKNOWN SOLDIER

"(By James R. Howard)

"You lie in your cold grave—triumphant in death because you defeated tyranny, peaceful in death because you died a free man.
"And I wonder what tribute I can pay to you—a patriot who loved freedom and country enough to forfeit life and name on a foreign battlefield?
"I would thank you—but words of thanks cannot penetrate the grave.
"I would weep for you—but tears can neither stir your silent body nor warm your still heart.
"I would laugh for you—but laughter would disintegrate against the walls of your joyless tomb.
"I would comfort you as a brother—but brotherhood cannot surmount the obstacle of eternity.
"I would show you the free land you helped to save—but your vision is blocked by the curtain of death.
"So I will offer you the one tribute which makes your death meaningful and my life worthwhile.
"I will honor your memory by pledging myself to the perpetuation of those ideals for which you fought and died—
"The Defense of Freedom; the Love of Liberty; and a peaceful future.
"Thus will your death enrich my life, thus will my actions honor your unknown name."

Can you think of a better way to honor the unknown name of those who repose here and the thousands upon thousands whom they represent, than to pledge ourselves to the unfinished task of building a better World of Liberty, freedom, peace and brotherhood?

They died for love of country and with a firm conviction that their sacrifice would bring peace and freedom to all mankind. From these honored dead let each of us take a full measure of devotion to the cause for which they fought and died. Let us resolve that every fibre of our being is now dedicated to the unfinished task of establishing the brotherhood of man thoughout the world. May we continue to go forward to peace by serving all mankind with sincere friendship, unfeigned love and simple truth.

As members of this great fraternity, the Independent Order of Odd Fellows, we are obligated to the practice of friendship, love and truth. Our goal is not a victory of might, power or subjection, nor peace at the expense of freedom, but rather both peace and freedom because the causes of war have been destroyed. Our aim has always been and is now to make peace wanted where it is now unknown, to make it strong where it is weak and to make it permanent throughout the world. Let us then pray for understanding and sympathy, for wisdom and courage, for vision and strength to succeed in the awesome task of giving dignity, freedom, right and opportunity to every man, woman, and child.

War is the business of the barbarian the mad game of the dictator who would trample meek humanity into the dust and glorify licentiousness, vice and lust. Any man who has seen one day of war prays to almighty God that he may never have to witness another.

The men entombed here loved life but they loved America even more. They loved their country and their flag. They loved freedom, they loved liberty and they loved justice. They lived by these ideals and would not surrender them to the mandate of anyone. They were strong men of courage and conviction, so let us ask them to speak to us about it. Let us call upon the unknown soldier to speak to us who are gathered here today. Listen as he says:

"I am the Unknown Soldier; I speak for all those brave men who died on San Juan Hill, in the Meusse-Argonne Forest, at Pearl Harbor and Corregidor, on Midway Island and Iwo Jima, on the burning sands of North Africa and the bloody beaches of Normandy. I speak for those who died for freedom in the air, on land and sea. I speak for those who died for justice, liberty and equality in France, Germany, Italy, Holland, Belgium, Japan, Korea, Vietnam, the Philippines, the islands of the Pacific and in other foreign lands. I speak for the members of your great organization, the Independent Order of Odd Fellows, who made the supreme sacrifice for friendship, love and truth; for faith, hope and charity; for fidelity, service, honor and universal justice.

"I speak for those buried here beneath the green grass of Arlington, those who lie under the poppies in Flanders Field, those who have been placed beneath the sod of the land where they fell, those entombed below the waves of the sea and those who were returned home to be laid beside loved ones gone before. I also speak for our Canadian brothers and comrades who fought and died beside us for freedom, equality and justice.

"When you placed me here in this silent tomb to represent all those who have died and for whom I speak, you said, 'sleep; rest in peace!' But there is no peace so we cannot rest.

"We cannot sleep! We died for freedom but there is no freedom. You have forgotten that freedom also has responsibility and that you cannot be free unless your neighbor is also free.

"We cannot sleep! We died for liberty, but you have no liberty. We died for equality, but you have no equality. You have mistaken liberty for license and equality for special privilege. You have become so ensnarled and entangled with precedents, bigotry, pressure groups and politics that you have not the justice for which we fought and died, therefore, we cannot sleep; we cannot rest.

"We cannot sleep! We died for friendship but millions of lonely people still walk the highways and byways of the world and stalk the streets of your cities and towns, searching for a friendly gesture, a smile, a handclasp or a kind word of encouragement.

"We cannot sleep! We died for love and brotherhood, yet you still live in a world full of hatred, jealousy, lust, intemperance, sensuality and passion. How do you expect us to rest while you practice intolerance, envy, jealousy and hatred toward your brother?

"We cannot sleep! We died for truth, still falsehood permeates the land. You talk about truth in advertising, sworn statements, and affidavits under penalty of perjury. Fear controls your actions instead of honor and integrity; the only foundation on which a fully successful life can be built.

"We cannot sleep! We died for peace, but there is no peace. War and the threat of war is on every hand. Violence is rampant throughout the world. Terror strikes at the hearts of thousands. Militant groups rule your institutions through fear, vice, corruption, strife and destruction, and there is no peace. Murder, rape, assault and robbery infest the land and you are afraid to walk your own streets by day or by night and we are sorely disturbed.

"We cannot sleep! We will not rest until you have accomplished that for which we fought and died, until you have brought peace to the world by abolishing war and the causes of war, until you have made peace live in the hearts of all men and made this truly a land of brotherhood from sea to shining sea."

Brothers, sisters and friends, we have heard the unknown soldier. Let us honor his unknown name and all those whom he represents by a revival of their spirit and their patriotism. They were strong men, men of courage and conviction. They loved life, but they loved America and freedom even more. They had faith in democracy and a clear vision of right and wrong. We must recapture their spirit and honor them by rededicating ourselves to the task of making America strong and keeping her free. We must rededicate ourselves and America to Almighty God and ask His divine guidance as only through Him can we succeed.

Then and only then can we say to those who repose here, "Sleep; rest in peace!"

CARIBOU, MAINE, SEEKS GOVERNMENT AID IN URBAN RENEWAL

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. COHEN. Mr. Speaker, on behalf of Mr. Thomas F. Valleau, president of the Maine chapter of the National Association of Housing and Redevelopment Officials, I am inserting in the RECORD a resolution I have received from the City Council of Caribou, Maine. This resolution outlines Caribou's futile attempts over the past 4 years to secure the assistance of the Federal Government in its urban development efforts. It justifiably points an accusing finger at the Department of Housing and Urban Development, whose inexplicable and unforeseen changes of policy and organization have cost small communities like Caribou great amounts of time and expense. I respectfully suggest that my colleagues consider Caribou's experiences as they reevaluate the role of the Federal Government in solving our Nation's critical urban housing and redevelopment problems.

The resolution follows:

RESOLUTION OF THE GOVERNING BODY IN SUPPORT OF URBAN RENEWAL AND HOUSING PROGRAMS

Whereas: under Title 1 of the Housing Act of 1949, as amended, the City of Caribou did undertake an urban renewal project in 1969, known as the Sweden Street Project Me. R-23; with financial assistance to the local agency by the Department of Housing and Urban Development, and

Whereas: the project was initiated to eliminate urban blight and slums and to create a more healthy and economic environment. The project did progress in a rapid and orderly manner and has been consistant with the general welfare of the citizens. The Council by resolution dated August 4, 1970 did elect to spend $6,500.00 to prepare a survey and planning application for a second project with the advice and consent of the Housing and Urban Development Region I office.

Whereas: the Caribou Urban Renewal Authority did submit the prepared application in August 1970 to the Region I office for approval. The application having been returned for re-submission to the new area office and attempts to re-submit have failed.

Now, therefore, be it resolved by the City Council of Caribou, Maine:

1. That without federal assistance the Caribou Urban Renewal Authority and the Caribou Housing Authority cannot undertake the proposed project.

2. That the proposed project would fairly well complete the need for any additional redevelopment and housing program in Caribou.

3. That we, as the governing body of the City of Caribou, do hereby support and are cognizant to the need for the project to eliminate the blighted areas and sub-standard housing.

4. That we, as members of the governing body of the City of Caribou, do personally request your attention to our problems and needs along with other municipalities in the Nation.

CARIBOU CITY COUNCIL.

ARE WE GETTING ENOUGH FOR OUR MASS TRANSIT DOLLAR?

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, as chairman of the Urban Affairs Subcommittee of the Joint Economic Committee I have been conducting a series of hearings on the effectiveness of our urban transportation expenditures. What is becoming clear at these hearings is that we are far from a definitive answer to our urban transportation problems. In fact, we are not even sure which programs have achieved success in the past.

Since 1965, the Federal Government has spent almost $3 billion on programs of assistance to urban transportation. State and local governments have also made a considerable contribution in recent years for both urban transit capital and operating assistance. However, during this same period, the total number of annual revenue passengers riding urban public transportation has declined by 1.5 billion riders, or 22 percent. This decline has occurred in spite of a large financial effort from all levels of government. Essentially, our urban transportation systems have lost 1.5 billion annual revenue riders since 1965 at a cost to the Federal Government alone of almost $2 per revenue passenger lost. While it is certainly not the intent of Federal funding to induce these riders to leave public transportation, this statistic does illustrate a certain lack of success on the part of the Federal program.

Certainly much of the lack of success of urban mass transportation expenditures has resulted from factors which were beyond the influence of our transportation systems. Growth in outlying regions, the diffusion of both employment and living opportunities and the easy availability of the automobile have all contributed to the decline in ridership. However, as was pointed out by Prof. Martin Wohl, of Carnegie Mellon University, at our hearings, the transit market has not really disappeared:

> Admittedly, all the growth in population, and the growth in employment, has been in areas outlying the central city, and more specifically in the suburbs. But the transit market has not really left. The people are still living in the central cities in absolute terms. The downtown job market has roughly held steady in the larger cities. The trouble is that people don't want the low quality service which is being afforded to them. They want a better service.

To the extent that our urban mass transportation expenditures have failed to provide the improvements in service that would keep old riders and attract new ones, they have been unsuccessful.

Part of this unsatisfactory record of accomplishment results from an inconsistent national transportation policy, resulting in an inconsistent level of funding. Both Congress and the executive have contributed to this fragmented policy and inconsistent commitment. We have argued long and hard about highways versus mass transit, rail systems versus buses, and capital versus operating subsidies, paying little attention to the impact of these vacillations on local governments attempting to solve their transportation problems. The cities desperately need to know that a consistent Federal transportation policy exists and that they can expect a level of funding sufficient to support the implementation of this policy. Mayor Maynard Jackson, of Atlanta, Ga., explained this problem so ably to our subcommittee last Monday:

> In Atlanta's case we found ourselves caught up in a Federal movement of encouraging urban areas to move quickly and with substantial local commitment in the solution of the transportation problem we face. Having received not only the go-ahead but actually the aggressive encouragement of the Federal government, Atlanta got out there first. We stuck our necks out, and now we are looking at a potential transportation act which could have a very negative effect on us, the effect being somewhat consonant with the idea of our being on the limb and the Federal government being behind us sawing it off.

In these times when energy and environmental considerations make urban mass transit so important, it is absolutely essential that we abandon these shifts in policy, identify and adopt specific national transportation objectives and then commit sufficient Federal funds to meet these objectives. If a national urban transportation policy is adopted and a Federal commitment made to the implementation of this policy, cities such as Atlanta would no longer feel like young trees bending in the Federal winds. Such an urban transportation policy would, in my opinion, have three basic elements.

First, it is necessary to clearly define the objectives we intend to achieve with our urban transportation programs. These objectives should be as broad-based as possible with input from consumers of our urban transportation services as well as from Government officials and the industry itself. At the same time the objectives should be as specific as possible so we can clearly measure what expenditures are most successful in meeting our objectives, and also so they can be included in national transportation legislation. The objectives might include minimum levels of service, fare guidelines, environmental standards, minimum standards for energy efficiency, specific guidelines for serving the poor and the elderly and any other objectives which are judged to have sufficient national value to merit a commitment of Federal funds. If our present knowledge is not sufficient to make these determinations immediately, legislation should include enough money to develop meaningful objectives.

The second part of a national transportation policy would be a firm commitment on the part of the Federal Government to provide sufficient Federal funding to meet these objectives. The incorporation of these objectives into national legislation would signify a Federal commitment to providing this minimum level of transportation service.

Finally, each city would determine, with the assistance of the Department of Transportation, how much money is necessary to provide that city with the minimum standard of service stated in the Federal objectives. The Federal Government would then participate in the funding of urban transportation projects up to the amount necessary to meet Federal objectives. This funding scheme would not preclude any city from choosing the level of transit service they desired. If a city chose to provide less than the level of service embodied in the national objectives it would receive less than the maximum funding it would otherwise receive. Similarly, cities which desired a level of service in excess of the national standards would be rquired to support their stated priorities with local funds. This funding program would be a recognition of the Federal Government's responsibility to provide a satisfactory level of mass transit service, without committing the Federal Government to full support of large projects which are of local and not national interest.

The total level of funding necessary for this program would be determined by aggregating the specific allocations to opinion, be far superior to the present system in which estimates of total annual national transportation needs vary by several billion dollars, depending upon whether one is talking to the Department of Transportation or the mayors. In this manner, there would be a rational relationship between total funding for urban transportation and the objectives our urban transportation programs are designed to achieve.

Finally, a national transportation policy of the type I have just described would have the distinct advantage of providing local governments with the assurance that both Federal transportation policy and Federal financial commitments will be stable. With this assurance cities can begin to improve our urban transportation services with the belief that their plans will not be undercut by shifts in policy or funding.

SSI—THE UNENDING APRIL FOOL'S JOKE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. ROSENTHAL. Mr. Speaker, on April 1 social security payments were increased by 7 percent, but many of the Nation's poorest elderly never saw any of that money. They are the 1.9 million elderly who participate in both the social security and supplemental security income, SSI, programs. They lost the 7-percent social security increase because their SSI benefits were reduced by the same amount because of an unnecessary amendment to the Social Security Act.

This situation has been aptly termed a "cruel hoax," perpetrated on the most vulnerable of older Americans. After the problem became known, many of my colleagues and I introduced legislation to remedy this injustice. Our bills are still pending as the elderly are about to witness a repeat of that "cruel hoax." But the cause of the upcoming hoax will be State legislation.

Social security benefits are scheduled to go up another 4 percent in July. At the same time, SSI is scheduled to increase $6 for an individual and $9 for a couple. These increases will be granted by Federal amendment, and were it not for existing State laws that set ceilings on the payments permissible, these increases would actually be received. However, unless States which are supplementing SSI benefits take legislative action now to raise the overall payment level allowable, the State supplementary benefits will be reduced by the same amount as the social security and SSI increases. And, thus, the needy elderly will have been dealt another body blow in the battle against inflation.

Inflation continues to rage and its most vulnerable victims are those on fixed incomes such as social security and SSI. The net effect of not getting these three social security and SSI increases is not to stay in place but to fall further and further behind in the fight against the skyrocketing cost of living.

The plight of these persons is poignantly described in a recent letter to the editor of the New York Times. I am inserting that letter in the RECORD at this point for all of our colleagues to read:

SOCIAL SECURITY "PRANK"

To the Editor:

It has been years since I've been the object of such a well-thought-out April Fool's joke as happened to be this year. Now hear this: Being old and poor, I am on welfare and Social Security. I think it is an excellent thing that these things exist nowadays. And this I do mean; no sarcasm intended.

I am living in a charitable institution's place with a lot of other people who are in the same condition as I am. For my room and board this institution receives $561 a month. They pay the necessary medication. I receive pocket money of $28.50 a month.

Out of this pocket money has to come soap, toothpaste, shampoo, soap powder for laundering clothes, shoe repair (a pair of new heels costs now $1.75 compared to the

60 cents of two years ago), new ribbons for my typewriter (I am trying to write something worth reading), eraser for typewritten copy (little bottle costs $1), writing paper, stamps for both "business" and "personal" mail, an occasional newspaper, bus fare (I tire easily nowadays), mouthwash and deodorant (which I don't consider luxuries but necessities, especially for older people); sewing materials for repairs, Kleenex, a new toothbrush occasionally—all the things that have gone up in price just like anything else.

I would not know what to do if my wristwatch broke down or my shoes needed resoling; I simply could not afford that. Nobody slips me a $5 bill since I have no relatives visiting. My husband is long dead; my son drowned a few years ago. I don't smoke. I don't eat candy and I certainly don't drink. I try to keep myself as well groomed as I possibly can.

But now about that April Fool's joke.

On the first of April we were to get an increase in Social Security. Who would have thought that the Government would take away with one hand what it gave with the other? Instead of a few dollars more pocket money, we got exactly our regular bounty of $28.50, because welfare had been lowered by the exact amount of the increase.

Wasn't that clever of them? I certainly would not have dreamed up such a trick. You see, most of us—and I among them—would not go on a bender when presented with a few more bucks; you buy yourself a pair of stockings or a few apples or an interesting paperback. Or maybe you buy a nice plant for your room.

Boy, are those people diabolically witty. I would never dream up such a prank to play on oldsters. I laughed until I cried (or was it the other way 'round?).

R. B.

NEW YORK, *April 9, 1974*.

POLISH CONSTITUTION DAY

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. McCOLLISTER. Mr. Speaker, today marks the 183d anniversary of the Polish 3d of May Constitution and I am happy to join my colleagues in commemorating this historic occasion.

Just 2 years after the adoption of the U.S. Constitution, Poland formulated a document which attempted to do away with the medieval and outmoded system of government in Poland and replace it with a modern constitutional monarchy and parliamentary type of government. The Constitution discarded those aspects of the old system which contributed to the constitutional and political weakness of Poland. It was the instrument through which the Polish people hoped to raise themselves to a condition of independence and security.

Unfortunately, it could not prevent Russian armies from invading the following year and destroying the new constitution. But the principles established in 1791 have lived through the years of oppression and foreign domination and are alive today.

Their proclamation of liberalism stated:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

Generations of Poles have continued to strive for freedom and we take this opportunity to reaffirm our support of the courage and faith which sustains them. We look toward the day when Poland can once again live under the principles of the original constitution of 1791.

THE "CATCH 22" OF FEDERAL LAND-USE CONTROL

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. RARICK. Mr. Speaker, even before the floodwaters had subsided, the southern Mississippi community of Hattiesburg discovered the bitter "Catch 22" of Federal land-use control in the National Flood Disaster Act of 1973.

The city of 38,000 was one of the first communities to join the flood insurance program when it was begun in 1968. But in mid-January last year, it was kicked out and denied participation in the Federal program because the city council failed to adopt the stringent Washington-demanded land use measures for flood-prone areas. Residents whose property was washed away by severe flooding last month soon discovered that not only are they ineligible to buy the insurance, but that they are also denied Federal disaster assistance.

Here comes the "catch": Under terms of the 1973 act, all properties and buildings in a federally designated flood-prone area must be insured whether the localities have qualified for the Federal program or not.

But without the insurance, the properties are not eligible for any Federal disaster aid.

Communities throughout the country are in a similar situation. There are more than 115 cities in Louisiana which are labeled "flood prone," but have thus far refused to join the program. Only 12 of the 200 localities so designated in Virginia have qualified for the Federal flood insurance. Incidentally, an area is said to be "flood prone," based upon the 100-year high water level.

Like every other Federal program, the flood insurance scheme cannot give States and local communities anything without first taking something in exchange. In this case, they propose to take control of your property—the uses that you can make of your own land. Not only do the Federal guidelines, already rejected by many local authorities, dictate the selection of building sites in flood-prone areas, but rigid construction standards are imposed as well.

Proponents of the current land-use control bill pending before Congress (H.R. 10294) are fostering the illusion that there are no "sanctions" in the bill. But it goes farther than sanctioning the State. Controls are directed against the individual private property owner himself. What Washington land planners are attempting to push through Congress is a standardized building and development code, including regulations against "material changes in the use or appearance of any (private) structure or land." "Development" in their dictionary includes, but is not limited to "erection construction, redevelopment, alteration or repair" of your property or buildings.

The sad experience already suffered under the flood insurance program will be multiplied if this potentially dangerous piece of legislation is bulldozed into law. It should be obvious to anyone who has had the misfortune to observe the workings of Federal bureaucratic controls over local affairs in the past, that Washington design is actually Washington disaster.

I include the related newsclippings at this point:

[From the New Orleans Times-Picayune, Apr. 18, 1974]

FLOOD INSURANCE: A SAD, SOGGY IRONY

(By Emile LaFourcade)

Severe flooding of Hattiesburg, Miss., has been compounded by a manmade tragic irony—the city is the only Mississippi community kicked out of the federal flood insurance program.

As a result, flooded-out citizens who may have wanted to buy flood insurance were denied the privilege and had no way of avoiding the great losses they now will have to bear from damages wrought by raging flood waters earlier this week.

Information supplied The Times-Picayune by the National Flood Insurance Administration indicate flood victims in Washington Parish, La., are not much better off, since the parish and the municipalities of Franklinton and Bogalusa have been identified as flood prone, but public officials neglected to apply for participation in the program.

They are among more than 115 Louisiana communities that have been identified for some time now as flood prone, but which have neglected to join the program.

Hattiesburg, however, appears to be unique in the two-state area: the only community which once participated and was later ejected.

In an interview Wednesday, assistant NFIA administrator Richard Krimm said Hattiesburg was suspended from the program Jan. 15, 1973 for failure of its city council to adopt land use measures called for under the National Flood Insurance Act of 1968 which set up the program.

He said Hattiesburg officials were notified during the summer of 1972 they had six months to begin complying.

Krimm said that Hattiesburg officials were notified both by mail and by phone of the impending suspension.

Asked what reaction he got from them, Krimm said, "One of indifference. It sounded like they couldn't have cared less."

He said if only the city officials had evidenced good faith in developing land use measures during the six months grace period, suspension probably would not have been necessary.

"We realize that it is often impossible for communities to develop, enact and implement land use provisions all at once or within a short period of time," he said.

"In fact, changes in the act sometimes delay rapid implementation. So, we can't be so inhuman as to demand communities do the impossible, but we can expect them to at least be working on it. Hattiesburg was not even in the process of developing a land use program at the time.

A lot has changed since then, and Hattiesburg was about two weeks away from submitting application for reinstatement in the flood insurance program when the high waters struck.

Willard Inman, manager of the planning assistance branch of the Mississippi Research and Development Center in Jackson which serves as the state coordinating agency for the flood insurance program, said he twice made personal appeals to the city administration in Hattiesburg in 1972 to adopt a flood plan ordinance to comply with new requirements of the program.

"Mayor Paul Grady, as I recall, was in favor of the flood plan ordinance," Inman said, "but members of the city council were not, and they failed to adopt it.

He added that a new city administration has taken office since then and it has been in the process of having a new flood plan ordinance drafted by city planner James Gladden.

Hattiesburg was one of the first communities to join the flood insurance program back in 1968.

Inman said some 90 cities and counties in Mississippi are in the program, but none of those that suffered the heaviest flooding this week—Forrest, Lamar, Perry and Greene—are among them.

Commenting on this, Krimm said, "One of the saddest things about flood prone communities that have so far failed to apply is that our office continually gets letters from people living in them who say they have tried to get the coverage, but their local officials refuse to apply."

He added that every flood prone community in Louisiana and Mississippi not participating in the program has been notified by the NFIA at least three times that they are flood prone.

[From the Washington Post, Apr. 30, 1974]

Few in Virginia Obtain Insurance To Cover Flooding

Richmond, April 27.—Private property owners in Virginia's flood-prone areas—including some in Northern Virginia—are failing to take full advantage of the easier-to-obtain national program of flood insurance.

Some 106 local governments, among them Fairfax and Arlington counties and Alexandria, have initiated action to qualify for national flood insurance, but only 4,000 to 4,500 policies have been issued, said Louis F. Lombardi, coordinator of flood insurance programs for the State Water Control Board.

A minimum of 10,000 policies should be written to cover public and private properties and buildings in Virginia, Lombardi said. He added that the figure should go as high as 20,000 to 30,000 in the future.

"It's a publicity problem, and we are trying to expand the public's knowledge of the program wherever we can," Lombardi said.

He said many Virginia citizens aren't aware of the program, don't know what can be covered or where to get the insurance and some insurance companies aren't even completely familiar with the program.

The Insurance Co. of North America is coordinating the Virginia program, but it is being handled only through the INA main office in Washington.

So far, 12 localities in Virginia have qualified for full flood insurance protection under the National Flood Disaster Protection Act of 1973—Alexandria, Arlington County, Big Stone Gap, Cleveland, Fairfax, Fairfax County, Glasgow, Hampton, Portsmouth, St. Paul, Virginia Beach and Waynesboro, Lombardi said.

He said the remaining localities are in what is known as the "emergency" phase of the program, a preliminary step designed to enable property owners to seek the purchase of the insurance while the locality prepares up-to-date maps showing flood-prone areas for review by federal officials.

Lombardi estimated that by July 1, 1975, about 200 localities in the state will be included in the general designation of flood-prone areas. Under terms of the 1973 Act, all properties and buildings must be insured whether the localities have qualified for the federal program or not.

Without the insurance, the properties won't be eligible for any federal disaster aid, Lombardi said.

He estimated the total value of property that has been insured in the flood program at $100 million. Very little of the property is state-owned, he said, because the state has yet to determine what properties are in flood-prone areas.

The program allows a home-owner to buy up to $35,000 in insurance on his house and up to $10,000 on its contents. Up to $100,000 in insurance is available on business and commercial property and $10,000 on contents.

FRAUD MADE PERMANENT BY POSTCARD REGISTRATION

HON. M. CALDWELL BUTLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. BUTLER. Mr. Speaker, last month editorialist Tom Powell of WDAU television in Scranton, Pa., made strong editorial comment against the postcard registration bill. Mr. Powell's statements about the fraud potention of postcard registration are especially frightening.

I agree with Mr. Powell that the House should "have the good sense to send the postcard bill to the congressional dead letter department."

The editorial follows:

Postcard Registration Bill

We'll soon know whether Congress feels that fraud should be made a permanent part of American elections.

The House is scheduled to vote this week on the postcard registration bill that has already passed the Senate.

It would be hard to conceive a bill so made to order for the vote stealers as this one. Under its terms, all one has to do to get a name on the voter rolls is to send in a postcard.

It's easy to see how the vote lists will be ballooned. Election corrupters and pranksters can send in hundreds of postcards, raising havoc with the registration system.

The idea behind postcard registration is that many persons who would like to vote are prevented from doing so by stringent registration procedures. That's hokum. The Census Bureau has reported that its surveys show most of those not signed up to vote in the last presidential election simply were not interested.

The question then is whether we should invite massive corruption of the election process to make life easier for those not concerned with the issues in the first place.

The notion is reminiscent of Ralph Nader's brainstorm that would make it a punishable crime not to vote.

We see little value for our democratic system—grounded in the notion of an informed and concerned electorate—in dragging recalcitrant voters, kicking and screaming, to the polling places.

We hope the House will have the good sense to send the postcard bill to the congressional dead letter department.

MONTHLY CALENDAR OF THE SMITHSONIAN INSTITUTION

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. SMITH of New York. Mr. Speaker, it is my privilege to insert in the Record each month the monthly calendar of the Smithsonian Institution. The May Calendar of Events follows:

May at the Smithsonian

WEDNESDAY, MAY 1

Beyond the Planets: The Big Bang. Speaker: George Field, Center for Astrophysics. Final lecture in the 1974 Guggenheim Lectures in Astronomy, cosponsored by the Smithsonian National Air and Space Museum and the Astrophysical Observatory. 7:30 p.m., Carmichael Auditorium, History and Technology Building. Free.

Free Film Theatre: The Unexplained—a documentary on scientific phenomena not yet understood. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

THURSDAY AND FRIDAY, MAY 2–3

Free Film Theatre: The Unexplained. Repeat. See May 1 for details.

Washington Print Club Exhibition: Fifth biennial showing. Fifty graphics, all from the private collections of the club members, ranging in time from 1500 to 1973. National Collection of Fine Arts, through June 16.

Museum Education Day: Spotlighting programs in art, history and science offered to school children by the Smithsonian, including folk instrument workshops, Japanese tea ceremonies and improvisational tours. Designed for teachers and museum educators, 9 a.m.–2:30 p.m. Open to the public. National Collection of Fine Arts and National Portrait Gallery. Free.

Rehabilitation Medicine Lecture: *Splinters from a Wooden Leg*. Speaker: Henry Viscardi, Jr., President of Human Resources Center, a facility devoted to the rehabilitation, education, training and employment of the disabled. 12:30 p.m., Carmichael Auditorium, History and Technology Building. Free.

SATURDAY, MAY 4

Shakespeare is the One: Special program for children over 12 years; including scenes from Shakespeare's Love's Labour's Lost. 2 p.m. The Folger Library. $4 general, $3 Smithsonian Associates.*

Boomerangs—5th Annual Festival: Lecture and workshop conducted by Benjamin Ruhe. The lecture, including a film, will cover the history and uses of the boomerang, and will be followed by a workshop in the skills of boomerang carving and throwing. Minimum age 9 years. 10:30 a.m. to 3 p.m. Baird Auditorium, Natural History Building. $8 general, $6 Resident Associates. Boomerang throwing competition will be held May 18.*

Saturday Shorts: *Gerald McBoing Boing; Betty Boop's May Party; The Floorwalker,* Charlie Chaplin; *The Balloonatic*, Buster Keaton; *The Big Thumb*, W. C. Fields; *Newsreel*. $1.25 general, 75 cents Resident Associates; $1 students. History and Technology Building Auditorium. Tickets sold at the door.*

SUNDAY, MAY 5

Concert: *The Madison Madrigal Singers,* under the direction of Robert Shafer. Program consists of works by four Washington composers—Robert Shafer, Russell Woollen, Robert Evett and Frederick Weck, and includes the premiere of a concerto for unaccompanied voices and film by Frederick Weck. 8:30 p.m., Hall of Musical Instruments, History and Technology Building. Free. Sponsored by the Division of Musical Instruments.

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*Indicates programs presented by the Smithsonian Resident Associate Program. For attendance or other information call 381-5157.

MONDAY, MAY 6

Concert: *Theatre Chamber Players and the Gregg Smith Singers, String Trio in C Minor opus 9* by Beethoven, *Tempest Destruendi, Tempus Aedificandi* by Luigi Dalla Piccola and *Pierrot Lunaire* by Schoenberg will be performed. 8:30 p.m., Baird Auditorium, Natural History Building. $4.75 general, $2.10 students and senior citizens, $4.25 Resident Associates. For reservations call 381–5395. Sponsored by the Divisions of Performing Arts and Musical Instruments.

The Full Moon of Buddha: Suvira Kapur presents a program on the life and thought of Buddha and the values that distinguished them—charity, simplicity and equality. A film of Buddhist places of pilgrimage will be shown. Suvira Kapur was formerly with the University of Delhi and has taught at George Washington University and the Johns Hopkins School of Advanced International Studies. 9 p.m., Reception Suite, Museum of History and Technology. $3 general, $2 Resident Associates.*

TUESDAY, MAY 7

Museum Talk: Modern Philately. Speaker: Franklin R. Bruns, Jr., Associate Curator, Postal History. 12:30 p.m., Carmichael Auditorium, History and Technology Building, Free.

Lecture: Indian Art of the Northwest Coast. Speaker: Dr. William C. Sturtevant, Smithsonian Curator of North American Anthropology. Dr. Sturtevant will discuss the American Indian art that reached its peak in the late 1800's. 12:30 p.m., The Renwick Gallery. Scheduled in conjunction with the current exhibition Boxes and Bowls: Decorated Containers by 19th-Century Haida, Tlingit, Bella Bella, and Tsimshian Indian Artists. Free.

WEDNESDAY, MAY 8

American Aviation Historical Society. Monthly meeting. 8 p.m., Conference Room, National Air and Space Museum. The public is welcome.

Free Film Theatre: *Alaskan Pipe Dream*—a new film on the proposed pipeline; *Landmark*—nuclear breeder reactors, an AEC film. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Puppet Theatre Opening: *What If . . .?* See reverse side.

Symposium: *Energy*: *The Last Upheaval?* A panel of three scholars of the Woodrow Wilson International Center for Scholars will discuss the problems of the energy crisis and the options that are being explored. The panel will consist of Chester Cooper, former Director, International and Social Studies Division, Institute for Defense Analyses; Lincoln Gordon, former President, Johns Hopkins University; and Ezra Mishan, Reader in Economics, London School of Economics and Political Science. David Challinor, Assistant Secretary for Science, will act as moderator. 8 p.m., Baird Auditorium, Natural History Building. $5 general, $3 Resident Associates.*

THURSDAY, MAY 9

Free Film Theatre: *Alaskan Pipe Dream*; and *Landmark*, Repeat. See May 8 for details.

Creative Screen: *The Royal Copenhagen Porcelain Manufactory Ltd.* The history of the oldest Danish enterprise in the field of applied art and the innovative producer of porcelain, stoneware and faience work from dinnerware to commemorative and unique art objects. 11 a.m., 11:45 a.m., 12:30 p.m. and 1:15 p.m. The Renwick Gallery.

Rehabilitation Medicine Films: *Run Dick—Run Jane*, distributed by the Washington Heart Association; *Within Our Grasp*, Veterans Administration; *Home for Supper*, Berk Rehabilitation Center. 12:30 to 2 p.m. Carmichael Auditorium, History and Technology Building, free.

SATURDAY, MAY 11

Saturday Shorts: *I Saw a Putty Tat, Betty Boop's Life Guard; The Immigrant*, Charlie Chaplin; *Blotto*, Laurel and Hardy; *Newsreel*. 10 a.m., History and Technology Building Auditorium. $1.25 general, $1 students, $.75 Resident Associates. Tickets sold at the door."

Library Theatre for Children: *Where the Wild Things Are, Jim and the Beanstalk*, and *The Million Dollar Summersaults*—three children's books presented with dance, puppetry and drama to introduce children to literature through the performing arts. Recommended for children ages 4–9. 1:30 p.m. Carmichael Auditorium, History and Technology Building. $2.50 general, $1.75 Resident Associates.*

SUNDAY AND MONDAY

All Mozrt concerts

Concert: *Piano Sonatas, Sonatas for Violin and Piano*, and Songs.

Concert: *Violin Concerto in D Major; Exultate Jubilate; Duos for Violin and Viola; Chamber Concerto for Piano and Strings.*

Two concerts held in conjunction with the Kennedy Center Mozart Festival. Works will be performed on historic instruments from the Mozart Era by Jean Hakes, soprano, Sonya Monosoff, violin and Michael Rogers, piano. The guest artists will be accompanied by a chamber group of strings and winds comprised of Washington musicians. Each program $3.50 general, $1 students and senior citizens; $3 Resident Associates. 8:30 p.m., Hall of Musical Instruments, History and Technology Building. Sponsored by the Divisions of Performing Arts and Musical Instruments. For reservations call 381–5395.

TUESDAY, MAY 14

Museum talk: *America's Wooden Age*. Speaker: Robert P. Multhauf, Senior Scientific Scholar, Smithsonian Department of Science and Technology. 12:30 p.m., Carmichael Auditorium, History and Technology Building, free.

WEDNESDAY, MAY 15

Lunchbox Forum: *Interpol: Worldwide Police Organization*. Informal Discussion led by Kenneth S. Giannoules, Chief of Interpol's National Control Bureau, Washington. 12 noon. Room 449, Smithsonian Institution *Castle* Building. Free.

Free Film Theatre: The Energy Crunch, parts I and II——*The Bottom of the Oil Barrel and Nuclear Power Dilemma*. 12:30 p.m. Carmichael Auditorium, History and Technology Building.

Hello Earth—Greeting from Endeavor: *Poetry Reading by Alfred Worden*, command module pilot of Apollo 15. Worden will read his own poetry inspired by his experiences as an astronaut and his emotions preparing for flight, during the journey and after returning to earth. 7:30 p.m., Baird Auditorium, Natural History Building. Free. Early arrival is advised.

THURSDAY AND FRIDAY, MAY 16–17

Free Film Theatre: *The Bottom of the Oil Barrel; Nuclear Power Dilemma*. Repeat. See May 15 for details.

Rehabilitation Medicine Film. *I am Joe's Heart*, distributed by the Washington Heart Association; *The Person Within*, Clark School for the Deaf; *Harlem Hospital Center*, Columbia University. 12:30 to 2 p.m., Carmichael Auditorium, History and Technology Building. Free.

Exhibition: *The Goldsmith: Jewelry and Other Objects by Contemporary Artist-Craftsmen of North America*. The trend in American goldsmithing—the emphasis on design, flamboyance, elegance and whimsy—is shown in 161 works by almost as many artists that use peacock feathers, gemstones, ivory and wood as well as metals. Among the craftsmen represented are Albert Paley, Arline Fisch, Ed Weiner, and Svetozor Radakovich, The Renwick Gallery, through August 18. Organized by the Renwick Gallery and the Minnesota Museum of Art.

SATURDAY, MAY 18

Boomerang Festival: Fifth annual boomerang throwing competition. Registration 3 to 4 p.m.; competition 4 p.m. Constitution Avenue and 20th Street N.W. Open to the public Bring your own boomerangs. Free. See May 4 for boomerang lecture and workshop.

Saturday Shorts: *Betty Boop, M.D.; Origin of the Motion Picture; In the Desert; In the Park*, Charlie Chaplain; *Brats*, Laurel and Hardy; *Newsreel*, 10 a.m., History and Technology Building Auditorium. $1.25 general, $1 students, $.75 Resident Associates. Tickets sold at the door.*

Children's Day: Annual all-day fantasy world for children, featuring demonstrations and participation activities. Local artists will demonstrate macrame, clay modeling and printmaking with an introduction to the art of printmaking by Allan Kaneshiro, NCFA artist-in-residence. Other events include music and dance, puppet shows by Kajaji, portrait sketching by Washington artist Allen Carter, improvisational Magical Tours of the museum, and animated films. Films include *A Scrap of Paper and a Piece of String; Hailstones and Halibut Bones*, and a short starring the alphabet. Activities are continuous throughout the day. Open to children of all ages—very young visitors should be accompanied by an adult. For further information call 381–6541. Sponsored by the National Collection of Fine Arts. Free.

SUNDAY, MAY 19

Jazz Heritage Concert: *Jim Hall Duo*, guitarist and *Jimmy Jiuffre III* playing clarinet, flute and saxophone. 8 p.m., Baird Auditorium, Natural History Building. $4.50 general; $3 students and senior citizens; $4 Resident Associates. For reservations call 381–5395. A free Workshop/Demonstration is also scheduled for 4:30 p.m. in the Baird Auditorium. Sponsored by the Division of Performing Arts.

TUESDAY, MAY 21

Museum Talk: *American Pottery and Porcelain, from Colonial Times to 1900*. Speaker: Jay J. Miller II, Smithsonian Curator of Ceramics and Glass. 12:30 p.m., Carmichael Auditorium, History and Technology Building. Free.

WEDNESDAY, MAY 22

Free Film Theatre: The Energy Crunch, part III—*Sunbeam Solution; and Lasers*—the manifold aspects of this rapidly developing wonder tool. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Walter Terry and the Royal Ballet: Two part event with lecture by Walter Terry (May 22), *Saturday Review/World* dance critic, 8 p.m., Reception Suite, History and Technology Building. $25 general; $20 Resident Associates.* Performance by the Royal Ballet (May 29) of *La Bayadere* and *La Fille Mal Gardee* at The Kennedy Center.

THURSDAY, MAY 23

Free Film Theatre: *Sunbeam Solution;* and *Lasers*. Repeat. See May 22 for details.

Creative Screen: *The Royal Copenhagen Porcelain Manufactory Ltd.* Repeat. See May 9 for details. Free.

Lecture With Films: *The Documentary*. Charles Guggenheim discusses his art and screens several of his award-winning films. Mr. Guggenheim has been awarded two Oscars—for *Nine from Little Rock* and *Robert Kenedy Remembered*—The Venice Film Festival's XI Gold Mercury Award and top honors at the *Beirut* and Edinburgh film festivals, as well as the Nation's Conservation Service Award. 8 p.m., Baird Auditorium, Natural History Building. $4 general, $3 Resident Associates.*

FRIDAY, MAY 24

Rehabilitation Medicine Films: *Breath of Life,* and *Congestive Heart Failure,* distributed by the Washington Heart Association; *Lights Out, No Sound,* Schmidler; *Everything But Hear,* Clark School for the Deaf. 12:30 to 2 p.m., Carmichael Auditorium, History and Technology Building.

Exhibition: *Anne Ryan Collages.* Fifty works comprise the first major museum exhibition of collages by the late Anne Ryan (1889–1954). The cubist designs of Anne Ryan are a combination of fragility and strength, cerated with bits of paper, fabric, thread, and paint. Collages are from the artists' estate, the artist's daughter Elizabeth McFadden, Hirshhorn Museum, Metropolitan Museum of Art, Mrs. Paul Mellon, Alfred Barr as well as the NCFA collections. National Collection of Fine Arts, through July 14.

SATURDAY, MAY 25

Saturday Shorts: *Mother Goose Land,* Betty Boop; *Putting Pants on Phillip,* Laurel and Hardy; *In the Wilds; California Bound,* W. C. Fields; *A Night at the Show,* Charlie Chaplain, 10 a.m., History and Technology Building Auditorium. $1.25 general, $1 students; $75 Resident Associates. Tickets sold at the door.*

TUESDAY, MAY 28

Museum Talk: *As Phony as a $3 Bill.* Speaker: Raymond J. Hebert, Museum Specialist, Smithsonian Division of Numismatics, 12:30 p.m. Carmichael Auditorium, History and Technology Building. Free.

WEDNESDAY, MAY 29

Free Film Theatre: *Energy: A Matter of Choices*—an overview of the subject; *A Question of Values*—jobs vs. environment in a small New England town. 12:30 p.m., Carmichael Auditorium, History and Technology Building.

Walter Terry and the Royal Ballet. See May 22 for details:*

THURSDAY AND FRIDAY, MAY 30–31

Free Film Theatre: *Energy: A Matter of Choices; A Question of Values.* Repeat films. See May 29 for details.

Rehabilitation Medicine Films. *Flow of Life,* distributed by the Washington Heart Association; *Kevin Is Four,* Ohio State University. 12:30 to 2 p.m. Carmichael Auditorium, History and Technology Building. Free.

Experimentarium

National Air and Space Museum

New Born Babe—a demonstration show that introduces the spacearium concept. Included in the program are a simulated Apollo launch, a look at the different colors of stars, a description of pulsars and an imaginary closeup look at a quasar on the edge of the universe. Tuesdays through Fridays, 4:30 p.m.; Saturdays and Sundays, 11 a.m., 12 noon, 2:30, 3:30 and 4:30 p.m.

Museum tours

Museum of History and Technology

Highlights: Weekdays, 10:30 and 11:30 a.m., 1:30 p.m. Weekends, 10:30 a.m., 12 noon, 1:30 and 3 p.m.

First Ladies' Gowns: Monday-Friday, 10:30 and 11:30 a.m.

200 Years of Needlework: Tuesdays only, 10:15 a.m. Begins at the Star Spangled Banner exhibit.

A Touch of Glass and Ceramics: Highlights of the Smithsonian collections. 3rd floor, Ceramics Hall entrance. Tuesdays and Fridays 10:15 a.m. Other days by appointment—call 381–5030.

The Spirit of 1776: Tuesdays through Fridays. For groups by advance arrangements. Call 381–6471.

Museum of Natural History

Highlights: Weekdays, 10:30 a.m., 12 noon (noon tour may be delayed) through May 17.

Radio Smithsonian

Radio Smithsonian, a program of music and conversation growing out of the Institution's many activities, is broadcast every Sunday on WGMS–AM (570) and FM (103.5) from 9–9:30 p.m. The program schedule for May:

5th—*Unearthing the Past.* Gus Van Beek, Smithsonian Curator of Old World Anthropology, talks about his exciting excavations at Tell Jemmeh in Israel. *The Creative Architect.* A talk with Moshe Safdie, creator of the innovative *Habitat,* seen at Expo 67.

12th—*Concert,* featuring recorder virtuoso Frans Brueggen and harpsichordist Alan Curtis.

19th—*The Smithsonian Tomorrow.* A conversation with S. Dillon Ripley, who recently completed ten years as Secretary of the Smithsonian.

26th—*The Great Louis Armstrong.* Martin Williams, director of the Smithsonian's Jazz Studies Program, looks at one of the giants of jazz.

Radio Smithsonian can also be heard over WAMU–FM (88.5), Fridays at 7:30 p.m. and over WBAL–FM (97.9), Mondays at 7:30 p.m. (Baltimore).

Deadline for June calendar entries: May 6. The Smithsonian Monthly Calendar of Events is prepared by the Office of Public Affairs. Editor: Lilas Wiltshire.

Hours

Open 7 days a week

Freer Gallery of Art, National Collection of Fine Arts, National Portrait Gallery. The Renwick Gallery, Smithsonian Institution Building—10 a.m.–5:30 p.m.

Anacostia Neighborhood Museum—10 a.m.–6 p.m. Monday through Friday; 1–6 p.m. weekends.

Extended Hours:

Arts and Industries Building, National Air and Space Museum, National Museum of History and Technology, and the National Museum of Natural History—10 a.m. to 9 p.m.

National Zoo Buildings—9 a.m. to 6 p.m.

Discovery Room, Museum of Natural History: An area where visitors of all ages can touch, handle and smell a wide variety of natural history specimens of all shapes and sizes ranging from whale fossils to petrified wood. Now open seven days a week—Monday through Thursday: 12 noon to 2:30. Friday through Sunday: 11 a.m. to 3 p.m. On weekends, free tickets are required and may be picked up at the rotunda Info desk.

Puppet theatre

Begins May 8

What if . . .? A comic space fantasy that brings visitors from the planet Poggarpobbybaloobanop into contact with the complexities and idiosyncrasies of Anytown, USA. Performed by fifteen puppets and Allan Stevens and Company. Wednesdays through Fridays, 10:30 and 11:30 a.m.; Saturdays and Sundays, 11 a.m., 12:30 and 2:30 p.m. Arts and Industries Building. For reservations call 381–5395.

Calendar Requests: Mail to Central Information Desk, Great Hall, Smithsonian Institution Building, Washington, D.C. 20560. For changes of address, please include mailing label.

Dial-a-Phenomenon—737–8855 for weekly announcements on stars, planets and worldwide occurrences of short-lived natural phenomena.

Dial-a-Museum—737–8811 for daily announcements on new exhibits and special events.

Continuing series

Single lecture tickets are now available for the following series. $7 general, $5 Resident Associates. Call 381–6722.

Freedom of the Press: May 1—The Paradox of Television; 8th—The Press and National Security; 15—Investigative Reporting; 22nd—A Free Press for Whom? 29th—The President and the Press.

Popular Culture: May 7—Television and Radio: The New Waves; 14th—A Scientific View of the New Cults; 21st—Films of the Seventies; 28th—Music Now.

American Folk Art: May 6—Germanic Folk Art; 13th—Three Dimensional Wood and Metal Folk Art; 20th—Folk Art of the Northwest.

Lost Cities: May 6—Chatal Huyuk and Mycenae; 13th—Hasanlu; 20th—Sar-O-Tar; 27th—Ipiutak.

Demonstrations

Museum of History and Technology

Spinning and Weaving—Tuesday through Thursday, 10 a.m.–2 p.m. 1st floor, and Sunday, May 5 and 19, 1–4 p.m.

Printing and Typefounding: Monday, Tuesday, Thursday, Friday, 2–4 p.m., 3rd floor.

Musical Instruments. A selection of 18th and 19th century instruments, and American folk instruments, Hall of Musical Instruments, 3rd floor, 1:30 p.m., Mondays and Fridays—keyboard; Wednesdays—lute and guitar; Thursday—folk.

Domestic study tours

For information on the following tours, contact Mrs. Howe, Room 106–SI, Smithsonian Institution, Washington, D.C. 20560, or call 381–5910.

Albuquerque/Santa Fe/Taos: June 19–27, 1974.

Boston Art and Architecture: June 21–24, 1974.

Colorado River Float: July 7–12, 1974.

Berkshire Music Festival: July 20–26, 1974.

REMARKS ON THE POLISH 3D OF MAY CONSTITUTION DAY

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. DU PONT. Mr. Speaker, allow me to take this opportunity to pay tribute to the courageous nation of Poland on the eve of the Polish 3d of May Constitution Day. This Polish national holiday celebrates the adoption of the impressive Polish Constitution on May 3, 1791. The Polish nation has suffered deeply from tyranny of the Russian and German nations of the past. Today, the brave Polish people remain under the yoke of Soviet totalitarian rule. In the face of a history of oppression, the spirit of the Polish freedom has remained remarkable strong.

The Polish Constitution, a sweeping assertion of the principle of the sovereignty of the people, represented the pioneering light of liberalism in Europe and consequently, a threat to the rigid absolutism of nazism and communism. The similarity in the philosophy of government expressed in the constitutions of our two nations should inspire within all Americans a fervent hope that Poland's ultimate destiny will be a lasting triumph of freedom and justice and a just reward for the unending faith of the Polish people.

If we truly cherish our own liberty, we, as Americans, must offer our sincere encouragement to the Polish people in their valiant struggle against Communist suppression. Let us hope that all citizens of Polish ancestry will enjoy a very memorable commemoration of this great event in the history of the Polish nation.

POST CARD REGISTRATION: AN INEFFECTIVE METHOD

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. FRENZEL. Mr. Speaker, the low voter turnout in the 1972 election has given great impetus to the proposal to establish a Voter Registration Administration to establish and administer a voter registration-by-mail program for all Federal elections. There is considerable debate over whether or not post card registration will actually increase the number of registered voters. The National Municipal League, after 2 years of study of all facets of the present registration system stated in hearings before the House Administration Committee, Subcommittee on Elections that post card registration "may appear to be an improvement over the present practices, but it will not significantly increase registration levels." For the 1973 election, the State of Minnesota implemented a statewide system of registration by post card, but it did not mail out the post cards. By analyzing the Minnesota experience in the 1973 election, it may be possible to determine whether post card registration actually did increase the number of registered voters, but the Minnesota system is not comparable to H.R. 8053.

THE MINNESOTA EXPERIENCE

The figures for the entire State of Minnesota are presently not available. However, there are some preliminary figures for the city of Minneapolis. A letter from Gov. Wendell R. Anderson states:

> In 1973 there were 28,433—or 12.6 percent—more registered voters than in 1971. By contrast, in 1971 there were only 1,214 more voters than in 1969—an increase of just .6 percent. Clearly, our new law has had a significant effect on voter registration.

Yet, there may be other factors that account for this increase. For example:

First. Much of the increase of 28,433 could be accounted for by the 1972 registration levels; 1972 was the first year for the 18-year-old registration and since it was a Presidential year, registration efforts were maximized. Figures from the 1972 election indicate that 39,566 people registered to vote, and indicates that a substantial portion of this increase occurred in 1972. In addition, about 20,000 names were purged in 1971 and many of these people may have registered again. Reregistration probably accounted for at least part of the 12.6-percent increase between 1971 and 1973.

Second. The 1973 election may not have been comparable to the 1971 election. In fact, the 1971 election occurred in June, when there was probably much less voter interest, because most people are accustomed to important elections being staged in November. Also, labor did not endorse for mayor in 1971, but did in 1973. Intensive registration drives by groups with greater interest in the 1973 election than they had in the 1971 election might also have accounted for part of the difference.

Third. Alternative methods of registration could have been used in 1973 that were not used in 1971—excluding post cards. Minnesota instituted election day registration system in 1973. This is perhaps the simplest form of registration possible. Eligible voters simply show up on election day, present proper identification and are allowed to vote. This eliminates the need for prior registration. In effect, there is no registration at all, because all a citizen has to do is show up on election day and prove that he is a citizen of that particular precinct. Election day figures follow:

	Change of address	Duplicates	Incompletes	Registered or voted illegally in the wrong ward or precinct	Notification form undeliverable as addressed	Total	New registrants
Primary	1, 201	144	NA	NA	31	2, 712	1, 367
General	3, 600	512	664	382	170	8, 371	4, 259
Total	4, 801	656	NA	NA	201	11, 083	5, 626

According to these figures, about 20 percent of the increase of 28,433 between 1971 and 1973 was accounted for by election day registration, not postcard registration.

Governor Anderson, however, notes that 11,152 people registered by mail. New registrants, however, number only 5,411, as the following chart indicates:

REGISTRATION BY POSTCARD

	Duplications	Changes of address	Duplications and changes of address	Total	New registrants
August	181	627	808	1, 742	934
September	115	544	659	1, 680	1, 021
October	440	3, 371	3, 811	7, 297	3, 486
November	NA	NA	NA	NA	NA
December	NA	NA	NA	NA	NA
Total, August–October	736	4, 542	5, 278	10, 719	5, 441
Total	NA	NA	NA	11, 152	--------

Since only 433 cards were processed in November and December, the figures would not significantly change the above figures. Apparently, then 5,441 people or 20 percent or the increase of 28,433 registered by postcard.

However, the National Municipal League issued another caveat in its testimony:

> This bill would mandate mail registration for federal elections to the unfortunate exclusion of more effective methods of registration.

In other words, Minnesota may have eliminated or curtailed other more effective ways of registering voters when it implemented postcards. In particular, registration involving face-to-face encounters is probably more effective than an impersonal postcard.

In Minnesota, this is apparently what happened. As Gov. Wendall Anderson noted:

> Not only is this new system more convenient for the voters, it has also resulted in financial savings, as the City no longer has to staff its fifteen libraries with registrars several weeks prior to an election.

A check with the city of Minneapolis revealed that the following efforts were made in years before the implementation of postcards, but were eliminated in 1973:

	Cost
1. One person was placed in each of 10 libraries and 2 people were placed in 5 libraries. $25/day, days per week for 2 weeks	$5, 000
2. An average of two and a half people a day were assigned to a mobile registration unit to register people in black neighborhoods. $25/day, 4 days	250
3. Two persons each day were assigned to aid the League of Women Voters' Registration Drive. $25/day, 6 days per week for 2 weeks	600
4. Four persons were assigned to process the registration forms. $25/day, 4 weeks (2 for general and 2 for primary), 5 days per week	2, 000
Total	7, 850

The city of Minneapolis did not save $7,850, because it still had to pay extra people to process the postcards. A total of 10 extra people were employed for 5 days a week for 4 weeks at a cost of $25 a day. This cost comes to $5,000 or a savings of $2,850 for registering 5,441 voters.

However, the elimination of the previous methods of registration was not a savings if fewer people registered by postcards than normally registered under the old system. If more people registered under the old system, then postcard registration was probably responsible for an actual reduction in the number of registered voters. Unfortunately, the 1971 and 1972 elections years were not comparable to 1973, so an accurate comparison of the old system and postcards cannot be made. Consequently, any estimate will have to be crude and will have to rely on registration costs and figures in other similar areas.

The old Minneapolis system resembles the deputy registrar system. Dr. Dick Smolka, of the Institute of Election Administration, estimates that the deputy registrar system costs from 35 cents to $1 per registrant. Because it depended on libraries, the Minneapolis system was less effective than many other similar systems and probably cost about $1.25 per registrant. If the more efficient League of Women Voters' drive and the mobile registration unit are not included, the number of registrants probably averaged about $7,850—the cost of the old system—divided by $1.25 per registrant or about 6,280 registrants, 439 more voters than were registered by postcard in 1973. If the figure is reduced to $1 to account for the increased effectiveness of the League of Women Voters' drive and the mobile registration unit, the figure would be 7,850 which is 2,409 more than were registered by postcard registration in 1973.

Whether or not the old system of registration is more effective than postcards is not the only relevant question. There may be better and more effective systems than either of these methods. Somewhat surprisingly, according to Dr. Smolka, a comprehensive, thorough door-to-door registration system may be the cheapest and most efficient system. Present methods, including postcards, are based on a many-step, fragmented, scattergun approach that wastes valuable resources and is actually very inefficient. A door-to-door canvassing system that included the purging of deadwood probably would cost only about 70 cents per registrant. If the money used under the old Minneapolis system was invested in door-to-door canvassing, slightly over 11,000 people would have been registered in 1973, or twice as many as were registered by postcard. If the lesser figure of $5,000 is used, about 7,100 people would have been registered, or about 1½ times the number of people who were registered under the postcard system. The door-to-door canvassing system, if applied nationwide, would be far superior, because it would register all Americans, not just selected groups or individuals who took the time and effort to fill out a postcard.

If Congress wishes to increase the number of registered voters, the Minneapolis experience suggests that postcards are not the best way to do it. Not only did postcards apparently register fewer people than were registered under the previous system, it registered only about half as many people as would have been registered, at the same expense, if a door-to-door canvassing system had been implemented.

STATEMENT OF PERSONAL, OFFICIAL, AND CAMPAIGN FINANCES, 1973

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HORTON. Mr. Speaker, because of the events of the past year or so, it is vital that public servants make clear the fact that they are not involved in any actual or potential financial conflicts, and that they are not profiting personally from their positions of public trust.

It is with this purpose in mind that I submit for the Record, the following summary of my personal, political, and officials during the year 1973:

I. Personal Finances and Taxes

A. TAXES

1. Federal income tax paid for 1973 (joint return filed by Frank and Marjorie Horton), $5,054.34.*

2. New York State income tax paid for 1973 (joint return), $1,900.00.*

3. Montgomery County, Maryland real estate tax on personal residence (jointly owned) paid for 1973, $1,277.00.

4. Herkimer County, New York real estate tax on cottage (jointly owned) paid for 1973, $400.00.

B. SOURCES OF ALL INCOME

1. Annual salary as U.S. Congressman, $42,500.00.

2. Total dividends received on common stock in 1973, $41.80 (received jointly).

3. Interest received on savings account and on notes outstanding, $1,413.03.

4. Other: I received no income from any services rendered, including none from honoraria for speeches or appearances. It is my policy not to accept honoraria or expenses from persons, groups or organizations for appearances within my Congressional District.

Total 1973 income: $43,954.83.

C. SUMMARY OF PERSONAL ASSET AND LIABILITIES

1. Family residence at 9607 Hillridge Drive, Kensington, Maryland: Approximate value, excluding furnishings, $70,000.00; jointly owned with Marjorie Horton; mortgage amount outstanding as of May, 1974, $39,500.00.

2. Cottage at Big Moose Lake (Herkimer County), New York: Approximate value, excluding furnishings, $35,000.00; jointly owned with Marjorie Horton; mortgage outstanding as of May 1974, $17,500.00.

(Note.—My residence in the 34th District is a rented apartment at 2123 East Avenue in the Town of Brighton, New York, in which I have no ownership interest.)

3. Common Stock (all owned jointly with Marjorie Horton).

(a) 10 shares of Eastman Kodak Company stock, valued in March, 1974, at $113.75 per share, total value, $1,137.50.

(b) 10 shares of Xerox Corporation stock, valued in March, 1974, at $116.50 per share, total value $1,165.00.

(c) 10 shares of Rochester Community Baseball, Inc., stock, valued in March, 1974, at $3 per share, total value $30.00.

4. Automobiles:

(a) 1973 Buick valued in March, 1974, by a Washington area Buick dealer at $3,500.00.

(b) 1972 Buick valued in March, 1974, by the same dealer at $2,300.00.

5. Other assets:

(a) I am owed $34,500.00 by the partnership of Johnson, Reif and Mullan law firm as the proceeds of my sale to them of shares of stock in Blackacre, Inc., a Rochester, New York real estate corporation which owns the building at 47 S. Fitzhugh Street in which the law firm of Johnson, Reif and Mullan has its offices. I ceased all active practice of law at the time of my election to the Congress in 1962, and I am no longer affiliated with this or any other law firm. I no longer hold any stock in Blackacre, Inc.

(b) Not included in this statement of assets are such miscellaneous items as clothing and household furnishings, and cash value of life insurance, which have not been appraised and all of which are within the normal range of expectation for a man of my age and income.

D. PERSONAL DEBTS

(Note.—Mortgage liabilities for home and cottage are disclosed under C.I., assets summary.)

1. I owe $4,000.00 on a loan account with the National Bank of Washington, Washington, D.C.

2. I owe $1,350.00 to Blackacre, Inc., as part of the purchase price of stock in Blackacre, Inc., which I have since sold.

II. OFFICIAL EXPENSES AND REIMBURSEMENTS CONNECTED WITH MY DUTIES AS A U.S. CONGRESSMAN

(Note.—With the single exception of the Stationery Allowance, any unused portion of which is taxable to a Congressman as income, none of the other accounts accrue any personal benefit to a Congressman or to members of his staff.)

A. OFFICE ACCOUNTS

1. In 1973, each Congressman was authorized a Stationery Allowance of $4,250.00 for office use. I expended the entire amount and deposited additional personal funds to make up the difference between this amount and the amount needed for the operations of my Washington, Rochester and Wayne County offices. At the end of 1973, this account showed a debit balance of $51.46, which was carried over to my 1974 Stationery Allowance.

During the year, I also deposited into this account, a contribution of $150.00 made by the David J. Kauffman Post of the Jewish War Veterans in Rochester. This was given to help defray the expense of purchasing American Flags for presentation to constituent groups. These flags are purchased in the House Stationery Room.

2. Each Congressman was authorized a postage allowance of $910.00 for the year, of which I expended the full amount.

3. Each Congressman is permitted an actual transportation expense (auto mileage or air fare) reimbursement for 19 round trips to his home district per year. I claimed reimbursement for all of these trips, at a total reimbursement of $1,889.36. In addition to these 19 trips, I made 11 additional trips to the 34th District at my own personal expense. Transportation expenses for these additional trips, car rental for all air trips, plus meals and other expenses for all trips are not reimbursed by the government and amounted to personal travel expenses of $4,080.00 for me in 1973.

4. The staff of each Congressman is allowed a *total* of three government-reimbursed round trips to the home district per year. As in the case of the Congressman, the reimbursement is limited to actual transportation expense (auto mileage or air fare). Meals, lodging and other expenses are not reimbursed. Similarly, there is no reimbursement for mileage expenses of staff members of Congressmen who travel within the Congressional District on official business. In

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* See II.B. regarding deductions of official expenses not reimbursed by the government.

1973, all three reimbursed trips were utilized by my Administrative Assistant, for a total reimbursement of $288.00. He made seven additional trips to the District at his personal expenses in 1973, and other members of my staff traveled to the Rochester area less frequently either at my expense or at personal expense. I believe that personal contacts with government officials and constituent groups in my District by professional staff members contribute a great deal to the quality of my service and representation. However, this practice has had to be carried out at considerable expense to myself and members of my staff.

5. Each Congressman was permitted 16 staff positions and a total annual staff salary allowance of $182,707.00 in 1973. The number is uneven because two changes were made in this allotment during the calendar year. I utilized a total of $176,002.50 from this amount, with the balance of $6,704.50 reverting to the U.S. Treasury. I currently employ 13 full-time and two part-time staff members, with nine of the full-time people serving in Washington, and the remainder in my District Offices.

6. Each Congressman was authorized a telephone and telegraph allowance of 100,000 message units in 1973. Unused message units may be carried over from one year to the next. I used 80,068 telephone message units in 1973, and 1,525 telegraph units for a total of 81,593 units used. All units used were for official communication by myself or my staff and the bulk of them were consumed in communications to constituents in Monroe and Wayne Counties about federal matters affecting the 34th District.

7. Each Congressman was permitted reimbursement up to $4,200.00 in 1973 for the rental of space for District Offices. Since my Rochester office is in the Federal Building, and my Wayne County office is in the County Office Building, I did not claim any portion of this amount.

8. Each Congressman was permitted reimbursement up to $1,200.00 for District Office Expenses in 1973. Since my Distict Office expenses exceeded this amount, I claimed the full $1,200.00.

9. Each Congressman was permitted reimbursement up to $1,950.00 for District Office telephone expenses in 1973. Although my actual District Office telephone expenses exceeded this annual figure, variations in these expenses from one quarter of the year to another enabled me to claim only $1,478.55 of this amount. All of these reimbursements are applied to the payment of monthly bills to my office from the U.S. General Services Administration, which operates the phone service in the Rochester Federal Building. There is no phone service in my Wayne County office.

B. OFFICIAL EXPENSES MET PERSONALLY

Out of my personal income in 1973, I expended $7,637.00 for official expenses above and beyond the amounts of reimbursements I received from accounts listed above. These official expenses met with personal funds were properly deducted from my Federal and New York State taxable income.

III. POLITICAL AND CAMPAIGN FINANCES

A. It has been my practice neither to accept nor expend any monies personally for campaign purposes. All campaign contributions for my re-election campaigns have been received and expended by one of two campaign committees which have been organized for this purpose.

1. The Committee for the Re-Election of Congressman Frank Horton was reorganized in 1972 for the purpose of that year's Congressional election campaign. Its treasurer is David Lang, a Rochester CPA with Price, Waterhouse. The Committee has submitted all required disclosure reports to the Clerk of the House of Representatives (Washington, D.C. 20515) and with the Secretary of State in Albany, New York, as required under federal campaign finance disclosure laws. These reports are available for public inspection at these offices.

2. The Citizens Committee to Re-Elect Congressman Frank Horton was also reorganized in 1972, with Matthew Fairbank, M.D. of Honeoye Falls, New York as its Treasurer. It has also filed all required reports with the two offices listed above, which are available for public inspection.

NOTE.—None of the funds in these committees are subject to my personal control.

B. Each Republican Congressman was allowed $2,000.00 by the National Republican Congressional Committee for use to defray public information expenditures in 1973. I utilized the full amount, for purposes such as the production of public service radio and television broadcasts, photographic services and other public information expenses related to my duties as a Member of Congress.

IV. AFFILIATIONS

I hold no directorships or partnerships in any professional or corporate profit-making entity, except I do serve as a director of Rochester Community Baseball, Inc., which I served as President prior to my election to Congress in 1962.

I also serve on the board of the Genesee Valley Arts Center, Inc. I receive no fees or expenses for membership or service from any of these organizations.

In addition, I serve on advisory boards of the Center for Migrant Studies at the SUNY College at Geneseo, of SOHI, a non-profit group which promotes investments in low and moderate income housing projects around the country, and of a group called Citizens for Decent Literature. These are relatively inactive, honorary positions in which I serve without fee. I am also a dues-paying member of a large number of Rochester area civic, masonic and community organizations, a list of which I would gladly provide upon request.

In my official capacity as a Member of Congress, I serve as a member of the Board of Visitors of the U.S. Naval Academy, and as a Delegate to the Canada-U.S. Interparliamentary Conference, in addition to my service as Ranking Minority Member of the House Committee on Government Operations and its Subcommittee on Legislation and Military Operations.

I made no trips abroad at government expense or otherwise in 1973.

V. CONGRESSIONAL PAPERS

In 1967, I selected the University of Rochester as the repository for all of the files and papers resulting from my service in the Congress. In that year, I executed a document making a gift to the University of my Congressional papers then in existence as well as those that would result from further years of service as a Congressman. A substantial portion of my papers, from my first 12 years in the House are already filed at the University. At the time of this gift, University officials brought to my attention the availability of a tax deduction for the appraisal of these papers. Because much of the paper itself as well as much of the staff work which created the files was properly paid for by the government, through stationery and staff allowances, I declined the opportunity to take any tax deduction for this gift. In fact, I declined to have the papers appraised.

Therefore, the gift of my Congressional papers to the University of Rochester did not result and will not result in any tax or financial benefit to me whatsoever.

(Prepared as of May 1, 1974.)

CAN CONGRESS DO ITS JOB?

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, shortly, I hope, the House will consider the reforms proposed by the Select Committee on Committees. I trust my colleagues, while reflecting on these proposals, will take the time to read two articles which appeared in the Cincinnati Enquirer on April 26. In the first article, the chairman of the Select Committee effectively summarizes the rationale behind the committee's recommendations in his customary lucid and concise manner. The second article constituted the Enquirer's lead editorial for the day; I wish particularly to underline its conclusion:

> The fact remains that the House needs to update its machinery, and the Bolling Committee has provided a blueprint. For the full House to ignore it would be to invite a further dimunition of public confidence in the House's capacity to do the multitude of jobs that need doing.

I hope my colleagues will read these articles carefully as they consider the proposed reforms:

IS CONGRESS DOOMED TO DIE ON THE VINE?

(By Representative RICHARD BOLLING)

The House of Representatives, as a result of the way it is organized, is unable to deal effectively with many of the national problems that come before it. Yet congressional reform is little beyond the talking stage because there are powerful forces both in and out of Congress whose vested interests would not be served by a change in the status quo.

To put it simply, efforts to protect political castles may override efforts to help make Congress a legislative body that can formulate intelligent policies for the people of the United States. Take a look at the energy problem, for example.

Thirteen different committees and subcommittees of the House have jurisdiction over aspects of the energy squeeze, and there is, thus, little wonder that a national, forward-looking national energy policy is still beyond our grasp.

All the chairmen of those 13 committees and subcommittees fumbling over energy policy want to keep their chairmanships. And so do the dozens of other committee and subcommittee chairmen dealing—in an equally chaotic manner—with problems such as transportation, health, environment and foreign affairs.

The problem, of course, does not involve only committee chairmen. Senior members who had to serve 15 or 20 years in Congress before they obtained meaningful roles in policy-making are not likely to give up any power voluntarily to members who have not served their impotent apprenticeship. For example, members now serving on two of the more important committees do not want to give up either assignment.

Outside the House, special interest groups—including such unlikely bedfellows as the National Association of Manufacturers and the AFL-CIO Executive Council—have for years carefully cultivated members who serve on committees these groups are most interested in. Any proposal that might remove "their guys" from the lineup right in the middle of the ball game apparently deeply disturbs such lobbies.

But the House of Representatives, because of its chaotic organization, cannot exercise its proper responsibility in national government. And unless rational policy decisions can be generated by Congress—and generated soon—the way our nation is governed is going to change.

The current struggle to make some sensible order of the present tangle of House committee structure and procedure is expected to come to a head next month when the House membership will consider reform recommendations of the Select (temporary) Committee on Committees. But those of us advocating reform are not sure at all of success—either in the House Democratic caucus or on the House floor.

As chairman of the select committee, which was created in January, 1973, I know that its recommendations are the product of 13 months' intensive work. Witnesses from the House membership, from colleges and universities and from a variety of private special interest groups and public organizations have been heard. Weeks of discussion and debate—in open session—by the bipartisan committee (five Democrats and five Republicans) and by the bipartisan profession followed.

Our recommendations are based on two primary assumptions:

That as far as possible, meaningful one-stop jurisdiction of House standing (permanent) committees should be provided in at least the areas of energy, environment, health, transportation and foreign policy.

That each member of the House should have an important role in national policy decisions by virtue of his committee assignment.

To accomplish these basic objectives we had to do several things simultaneously.

To gain the best, meaningful "one-stop" jurisdiction in the five key areas listed we recommend reassigning total responsibility now scattered among a number of standing committees to single committees whenever feasible.

The report of the bipartisan committee was approved unanimously by the 10 members before it was submitted to the House.

But despite the bipartisan support and approval the committee and its recommendations have received, the opposition is so powerful and so deeply entrenched that we are not certain that the proposals will be accepted by the House.

It is important to understand that the opposition is not proposing another carefully thought-out proposal as an alternative. The opposition is only trying to find enough votes to defeat the select committee's proposal and thus protect its private areas of influence—with the consequence being an ineffectual Congress.

House Resolution 988—containing the committee's recommendations—is a balanced, interrelated package designed to enable the House to do its job. Another balanced, interrelated alternate might serve as well or better. I have considered several. But none is being offered except our proposal—unanimously approved by a bipartisan committee of 10 members from 10 different states and with House seniority ranging from 25 to three years.

The House of Representatives is not working. And I believe most Americans understand this better than some House members.

Can Congress Do Its Job?

One of the most stunning aspects of the contemporary political scene—and, in some respect, the most inexplicable—is the extent to which the U.S. Congress has declined in public favor and confidence.

It is far easier to understand that the White House, whose principal occupants have been sorely beleaguered on a variety of fronts for a year and a half, should be suffering from a crisis of public confidence.

Yet the opinion polls suggest that fewer Americans repose confidence in Congress than in the executive branch.

The apparent reason is that Congress, for one reason or another, has failed to respond swiftly and decisively to a variety of highly complex problems ranging from energy to inflation, from crime to world trade.

Those failures, in turn, are widely believed to stem from Congress'—particularly the House's—antiquated system of committees.

A guest column on today's editorial page, by Rep. Richard Bolling (D-Mo.), cites as one example the circumstance that no fewer than 13 committees and subcommittees have a measure of jurisdiction in the field of energy. "Little wonder," he concludes, "that a rational, forward-looking national energy policy is still beyond our grasp."

Early last year, Representative Bolling became chairman of a special House committee to study the jurisdiction of House committees—a subject to which House members had not devoted themselves for a generation.

The result of that inquiry, which was undertaken by a broadly representative, bipartisan group of House members, is a reorganization plan that will come before the full House next month.

The committee's original plan, advanced last December, drew a storm of protests largely from groups with special interests to protect. The Bolling committee thereafter revised its plan to encompass many of the grievances offered by other House members. The result has been a unanimously endorsed revised plan that still adheres to the basic purpose of making the House better equipped to cope with the specialized problems presently before it.

One key aspect of the original plan as well as of the revised formulation is the reorganization of the powerful House Ways and Means Committee, which has ranked as one of the principal congressional bottlenecks. The committee's primary function is sponsoring and overseeing tax legislation, but it has acquired additional responsibility over the years for unemployment compensation, health insurance and foreign trade. That broad jurisdiction, combined with the unwillingness of the committee to divide itself into subcommittees, has left the House with no structure for dealing swiftly with proposed legislation in these highly technical areas.

The Bolling committee proposes leaving tariff and customs administration within Ways and Means' orbit, but other aspects of foreign trade would be shifted to the jurisdiction of the Foreign Affairs Committee.

Health insurance would be shifted to a new Commerce and Health Committee. Unemployment compensation would go to a new Labor Committee (the present Education and Labor Committee would become two distinct committees). The Public Works Committee would become Public Works and Transportation. Government Operations, in addition to receiving jurisdiction over the U.S. Postal Service from the Post Office and Civil Service Committee, which would be abolished, would also be given responsibility for general revenue-sharing.

These, and other proposed shifts, abolitions and creations, were the products of an exhaustive examination of what the House needs by members of Congress long experienced in its traditions and operations.

Most members of Congress, and many laymen as well, can probably detect flaws in the Bolling committee's recommendations. But none, we venture to say, compares with the basic defects the committee's work was designed to correct.

The fact remains that the House needs to update its machinery, and the Bolling committee has provided a blueprint. For the full House to ignore it would be to invite a further diminution of public confidence in the House's capacity to do the multitude of jobs that need doing.

ROLLOUT OF NORTHROP YF-17 AIRCRAFT

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. CHARLES H. WILSON of California. Mr. Speaker, a few weeks ago it was my privilege to take part in the unveiling ceremony for a new jet fighter built by Northrop Corp. at Hawthorne, Calif., in my district.

The plane is the YF-17, the first of two prototypes built by Northrop under a U.S. Air Force program to demonstrate how technology can be applied to improve performance and cut costs of advanced fighters.

Northrop has an enviable record in the development and production of new aircraft. Going back to 1959 when the first T-38 supersonic trainer rolled off the Northrop line, the company has produced more than 2,000 of the F-5/T-38 family of planes—without a single schedule delay or cost over-run.

At the unveiling of the YF-17, four of these high performance, low-cost Northrop planes provided the backdrop—the T-38 Talon, the F-5A tactical fighter, the F-5B fighter-trainer, and the F-5E international fighter.

An account of the unveiling ceremony, including a description of this newest Northrop airplane, was carried in the April 5 issue of the Los Angeles Times under the byline of Marvin Miles, veteran aerospace writer for the Times. At this point in the Record I would like to insert the text of that story:

Ultramodern Jet Fighter Unveiled at Northrop Plant

(By Marvin Miles)

A new lightweight fighter that can maneuver 50% better than current operational combat jets and accelerate twice as fast was unveiled Thursday at the Northrop Corp. plant in Hawthorne.

Designated the YF-17, the sleek twin-tailed scrapper is one of two ultramodern fighter types ordered by the Air Force to assess technology in an innovative program that could lead to effective fighters at low cost.

The other aircraft is the YF-16 produced by the General Dynamics Corp., Ft. Worth, currently in test phase at Edwards Air Force Base.

Both firms were allowed wide latitude in their designs (two aircraft each) to assure high performance in the new day fighters that could lead to a new mix in the U.S. force structure, with more low-cost aircraft and fewer expensive, sophisticated types.

While the Air Force is under no commitment to buy either plane, it is expected the program will produce a wealth of technical knowledge on lightweight fighters that will in turn develop understanding and confidence in their development and use.

Thomas V. Jones, Northrop president, told a press conference he preferred the designation "fightweight" instead of "lightweight" for his company's design, which he said will have a takeoff weight of but 23,000 pounds, compared with approximately 58,000 pounds for a new sophisticated fighter.

In addition to the fighter's maneuverability and acceleration, the YF-17, he said, will have other prerequisities for victory in the swirling arena of air-to-air combat.

Its turn rate will be 75% better than that of other current fighters in the U.S. or Soviet inventories and it will be the first air superiority type capable of supersonic speed without the use of an afterburner.

A single-place airplane, the double-sonic YF-17 was unveiled as a "a thing of beauty and deadly utility" when a giant covering of a parachute silk was withdrawn in the Thursday ceremony that featured remarks by Air Force Secretary John L. McLucas.

Prototyping, he said, is controlled innovation in which the government sets performance goals and lets industry work out the manner of achieving them.

"We can't afford not to prototype," the secretary remarked, "if we are to hold down costs and get the most out of technology."

In order to emphasize the low-cost objectives of the program, the USAF established a fly-away cost goal of $3 million per airplane in fiscal 1972 dollars if 300 aircraft are produced at a rate of 100 per year. Sophisticated all-weather fighters' cost about $10 million each.

The first of Northrop's two planes, the culmination of eight years of research and development in high-performance fighters, will be test flown next month at Edwards AFB.

There is no rigid time element in testing the two aircraft types, USAF officers said, and the evaluation will not be a head-to-head flyoff competition in the sense that a winner would be assured a production contract.

LETTER FROM COMMITTEE EXPRESSES CONCERN ABOUT DÉTENTE

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. ICHORD. Mr. Speaker, a communication has recently come to me from the Committee for Human Rights in the Soviet Area which is based at the University of Massachusetts in Amherst, Mass.

It very succinctly and profoundly sums up many of my own concerns about American dealings in détente with the Soviet Union.

In print the communication at this point in the Record:

Committee for Human Rights
in the Soviet Area,
Amherst, Mass., March, 1974.

Dear Congressman: The undersigned members of the campus community at the University of Massachusetts in Amherst wish to draw your attention to the following statement, prepared by the local Committee For Human Rights in the Soviet Area, which they endorse.

Is abstract sympathy the only response we are permitted with respect to Soviet dissidents, emigration rights for Soviet Jews, and the general plight of people living under totalitarian regimes in the Soviet area? Officials in charge of United States foreign policy seem to say as much: These humanitarian concerns, though praiseworthy, must remain sterile, lest they interfere with the cold calculations of the politics of détente.

Why should that be so? Is it really in our interest? Considering that these "cold calculations" seem to have resulted mainly in one-sided concessions to the Soviet Union, they should be subjected to close scrutiny. It is possible, for instance, that the administration takes this stand—as it does in the case of the Trade Reform Bill—because it feels under pressure to fulfill its end of some sort of understanding reached perhaps in connection with the end of open warfare in Vietnam. On the other hand, the notion that concern with conditions in the Soviet Union conflicts with rational policy making may be simply due to a failure to perceive clearly the implications of Soviet domestic conditions and of the struggle of Soviet dissidents for the long-term interests of the United States. This is the issue we want to explore.

We believe that it is wrong as well as dangerous to leave the state of the Soviet domestic regime out of our assessment of international power relations. At the basis of United States policy is the search for a stable peace. The totalitarian nature of the Soviet internal regime affects this policy both indirectly and directly. Therefore, we are concerned with endangered individuals. They should be seen in the full context of Soviet totalitarian controls, and of what they mean for the preservation of peace.

The greatest danger lies, to our thinking in the area of communications. We are unable to tell the Soviet people about our own intentions. They are unable to find out for themselves what the world is like outside their country. They are also unable to communicate freely with each other, and with their writers and thinkers, to find out about the true state of their country and their own potentialities for change. Between them and us, as well as between one Soviet citizen and another, there stands the regime's near-absolute monopoly of information.

The purpose to which this information monopoly is put is the creation of myths bolstering and sustaining the totalitarian regime. To justify its existence and rigor, the regime needs to keep alive the image of an external enemy. At the same time, it also needs to keep up the image of a Western world of cruel poverty and injustice on the brink of imminent economic and social collapse. ("Can black people in the U.S. own cars?" was one typical question addressed recently to an American). The falseness of the image of a threatening West is clear to anyone who knows about prevailing Western attitudes toward military budgets and economic assistance to the Soviet Union. However, internally, it helps the regime to exploit the profound emotions of patriotism for the loyalty of its subjects, and support of its military machine and expansionist stratagems.

Therefore, to preserve our own security and be able to divert the world's resources to more productive ends than armaments, *we need to make the elimination of the Soviet monopoly of information a priority policy objective.* Only if the Soviet people learn the truth will they be able to activate their own social energies and put their rulers under the constraint of their opinion and will, as we do ours. Only then will our negotiated agreements have a solid basis, instead of being subject to the risks of arbitrary changes of mind or hidden intentions of uncontrolled leaders.

Do you have the practical means to influence the course of events in that direction? Definitely yes. We are convinced that our communications technology is sufficiently advanced, or can be developed, to penetrate the regime's information monopoly on a more effective scale than has been the case so far. Furthermore, with some degree of imagination, it should be possible to tie our various economic and other concessions effectively to concrete Soviet counterconcessions that would provide for a free and unrestricted travel of people in both directions, and for a free flow of information. While some may object to this as interference in Soviet domestic affairs, we believe that it is a legitimate interference since it promotes world peace as well as human rights.

Unless the connection between the domestic regime of the Soviet Union and our security is clearly understood, the warnings addressed to us by Andrei Sakharov, the dissident Soviet physicist and perceptive political analyst, will have been in vain:

"Detente without democratization, detente in which the West in effect accepts the Soviet rules of the game, would be dangerous. It would not really solve any of the world's problems and would simply mean capitulating in the face of real or exaggerated Soviet power . . . As a result, the world would become helpless before this uncontrolled bureaucratic machine . . . It would pose a serious threat to the world as a whole."

We count on you to use the influence of your office to counter these dangers by practical political and legislative measures. In this instance, our traditional sense of decency and human solidarity goes hand in hand with our most selfish interest in peace and security. And even though tangible results may not be within immediate reach, they are of such vital importance to us that they ought to be pursued steadily, consistently, and relentlessly until they *are* reached.

Thank you.

Professor Vaclav Holesovsky,
Chairman.
Professor Howard Brogan,
Vice-Chairman.
Professor Laszlo Tikos,
Secretary-Treasurer.

FINANCIAL STATEMENT OF REPRESENTATIVE RONALD SARASIN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. SARASIN. Mr. Speaker, I believe that in these difficult times an extraordinary effort must be made to restore public confidence in government. The people must know that the great majority of their elected leaders abide by the highest standards of integrity and citizenship. I am therefore reporting to you, to my colleagues in the House, and to the general public, the information contained in my 1973 Federal income tax return.

I filed a joint return with my wife, Marjorie, who was employed for a portion of 1973 as a teacher. Total income received by us from wages and salaries during 1973 was $41,355, based on congressional salary payments of $38,722—eleven-twelfths of $42,500. This was augmented by dividend and interest income of $396 and reduced by a net loss of $476 for a total on line 13 of form 1040 of $41,275.

The net loss of $476 is the difference between $14,636 received from the law firm from which I resigned prior to taking my seat in Congress, representing final payment for services rendered prior to 1973, and a loss of $15,112 as a partner in a real estate venture entered into prior to my election to Congress.

My deductible congressional expenses exceeded the amount I was reimbursed by $4,421, reducing my adjusted gross income $36,854. There were $8,465 in itemized deductions, such as taxes and mortgage interest payments on my Connecticut home, and standard exemptions totaling $2,250 for my wife, myself and one dependent child, age 11. This made my taxable income $26,139, on which I paid Federal income tax of $7,270.

As required by the Committee on Standards of Official Conduct, I have filed a statement of financial interests and associations with that committee prior to April 30, 1974, and included a complete copy of my 1973 Federal income tax return even though filing of such tax returns is not required.

A copy of the applicable sections of our 1973 tax return follows:

1973 U.S. INDIVIDUAL INCOME TAX RETURN— (FORM 1040)

Name (if joint return, give first names and initials of both) Ronald A. and Marjorie G. Sarasin.

Present home address (Number and street, including apartment number, or rural route) 155 Munson Road.

City, town or post office, State and Zip code: Beacon Falls, Connecticut 06403.

County of Residence: New Haven.

Occupation: Yours; Congressman—Spouse; Teacher.

Filing Status—check only one: 2. Married filing joint return (even if only one had income).

Exemptions: 6a. Yourself; b. Spouse; C. Michael (son).

8. Presidential Election Campaign Fund.—Check x if you wish to designate $1 of your taxes for this fund. If joint return check x if spouse wishes to designate $1.

Note: This will not increase your tax or reduce your refund. See note below (italics).

INCOME

9. Wages, salaries, tips, and other employee compensation. $41,355.

10a. Dividends: $576. 10b. Less exclusion $200, balance: $376.

11. Interest income: $20.

12. Income other than wages, dividends, and interest (from line 38): (—$476).

13. Total (add lines 9, 10c, 11 and 12): $41,275.

14. Adjustments to income (such as "sick pay," moving expenses, etc. from line 43): $4,421.

15. Subtract line 14 from line 13 (adjusted gross income): $36,854.

TAX, PAYMENTS AND CREDITS

16. Tax, check if from: x Tax Rate Schedule X, Y, or Z: $6,430.

19. Other taxes (from line 61): $840.

20. Total (add lines 18 and 19): $7,270.

21a. Total Federal income tax withheld (attach Forms W–2, or W–2P to front): $11,151.

22. Total (add lines 21a, b, c, and d): $11,151.

BALANCE DUE OR REFUND

24. If line 22 is larger than line 20, enter amount Overpaid: $3,881.

25. Amount of line 24 to be Refunded To You: $3,881.

Note: 1972 Presidential Election Campaign Fund Designate.—Check x if you did not designate $1 of your taxes on your 1972 return, but now wish to do so. If joint return, check x if spouse did not designate on 1972 return but now wishes to do so.

Preparer's signature (other than taxpayer): Donald L. Perlroth, CPA, 2405 Whitney Avenue, Hamden, Connecticut 06518.

PART I. INCOME OTHER THAN WAGES, DIVIDENDS AND INTEREST

28. Business income or (loss) (attach Schedule C): $14,636.

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts etc. (attach-Schedule E): ($15,112).

38. Total (add lines 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here and on line 12: (—$476).

PART II. ADJUSTMENTS TO INCOME

41. Employee business expense (attach Form 2106 or statement), $4,421.

43. Total adjustments (add lines 39, 40, 41, and 42). Enter here and on line 14: $4,421.

PART III. TAX COMPUTATION

44. Adjusted gross income (from line 15): $36,854.

45a. If you itemize deductions, enter total from Schedule A, line 41 and attach Schedule A, line 41 and attach Schedule A. (b) if you do not itemize deductions, enter 15% of line 44, but do not enter more than $2,000. ($1,000 if line 3 checked): $8,465.

46. Subtract line 45 from line 44: $28,389.

47. Multiply total number of exemptions claimed on line 7 by $750: $2,250.

48. Taxable income. Subtract line 47 from line 46: $26,139.

PART V. OTHER TAXES

55. Self-employment tax (attach Schedule SE): $840.

61. Total (add lines 55, 56, 57, 58, 59 and 60). Enter here and on line 19: $840.

Under the Federal Election Campaign Act of 1971 all receipts and expenditures of campaign funds are made by the Sarasin Congress Committee, Waldo Robison, treasurer, Post Office Box 555, Waterbury, Connecticut 06701. That committee filed its own income tax returns for 1973, and showed no taxable income and, therefore, no income tax due.

NEW ORLEANS NAMED BICENTENNIAL COMMUNITY

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mrs. BOGGS. Mr. Speaker, last week, the city of New Orleans was officially designated a Bicentennial Community by the American Revolution Bicentennial Administration.

At this time, I would like to laud the diligent efforts exerted by Mrs. Verna Landrieu, chairwoman of the New Orleans Bicentennial Commission, and wife of our illustrious mayor, Moon Landrieu. Without her hard work, this honor would certainly have been much longer in coming.

Mrs. Landrieu has chaired the New Orleans committee since its inception in January when the mayor organized it for the purpose of coordinating New Orleans' Bicentennial festivities. At the time of her appointment to the chair of the commission, Mayor Landrieu said he designated his wife because of the organizational talents she has exhibited each morning by successfully getting all nine Landrieu children to school on time. Obviously, the mayor knows how to choose his chairpeople.

Although Louisiana was not a member of the Thirteen Original Colonies—the Louisiana Purchase not having occurred until 1803—the city of New Orleans was nevertheless an integral part of Revolutionary War activity. From 1776 to 1785, Don Bernardo de Galvez served as the Spanish governor of the Louisiana territory. He assisted American agents in New Orleans by supplying arms, ammunition and gunpowder. In addition, in 1779, he was instrumental in the capture of the British garrison at Baton Rouge, and again at the captures of Natchez that same year, and Mobile in the year following.

According to the esteemed historian and chronicler of New Orleans' rich past, Mr. Charles L. (Pie) Dufour, Governor Galvez had among his troops over 100 black soldiers fighting in support of the struggle for independence.

The territorial governor also helped to protect colonial shipping on the Mississippi River by giving his assistance to the Americans while at the same time, guarding against a British attack.

As you can see, the Revolutionary spirit infected the Louisiana settlement despite its status as a foreign territory. By aiding American activity in these ways, Louisiana and New Orleans contributed its own footnote to the history of the American Revolution.

TRIBUTE TO KARL WEBER—A MAN OF MANY TALENTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. ANDERSON of California. Mr. Speaker, next month the Los Angeles Harbor College Chapter of the American Federation of Teachers will honor Karl Rowland Weber upon his retirement from the teaching profession.

Professor Weber has long been Harbor College Chapter President of the American Federation of Teachers and representative on the District Federaion Executive Board. He has been a dedicated leader of his local union, working tirelessly and effectively for many years to improve working conditions for teachers. It is a pleasure to bring to the attention of my colleagues this man's career to serve as an inspiration to others.

Prior to entering the teaching profession, Karl Weber led a varied and interesting life. After graduating from high school, during which he served in the Massachusetts National Guard, Professor Weber attended business college. In 1928, Karl moved to the west coast where we worked as a roustabout and a teamster. He next went to sea with the Tacoma Orient Line, and later with the

United States Line sailing out of New York.

Karl Weber's next career was with the Federal Government in the Works Progress Administration, Navy Department, Agriculture Department, Joint Chiefs of Staff, War Labor Board, and many other agencies, where he used his excellent shorthand skills.

Mr. Weber joined the Navy in 1943, and served with distinction in the Pacific, first with the Seabees and later on the staff of Admiral Nimitz on Guam.

Upon leaving the service, Karl attended Lewis and Clark College under the GI bill. He received his bachelor of science degree in 1948; his master of arts degree in 1950 from Stanford University; and 13 years later, Karl Weber added to his academic achievements with a masters of business administration degree from the University of California at Los Angeles.

Karl began his teaching career in 1952 at the age of 43, and his first assignment was at Dana Junior High School in San Pedro, Calif.

Professor Weber joined the staff of the Business Department of Los Angeles Harbor College, located in Wilmington, in 1956. During his 18 years at Harbor College, he also taught night school and summer school and made three trips to Europe to continue his educational pursuits.

Karl Weber may be retiring from his professorship at Harbor College, but he does not intend to leave the teaching profession entirely. He looks forward to substitute teaching—and maybe starting yet another new career.

Karl Weber has, indeed, enjoyed a rich and full life, which he has shared with his dedicated wife, Beth, and their three children, John, Jay, and Maryanne.

I am pleased to join with the Los Angeles Harbor College Chapter of the American Federation of Teachers—and all of Karl Weber's many friends—in honoring him and wishing him the best in the years ahead.

NATIONAL DAY FOR HUMILIATION AND FASTING

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HUNT. Mr. Speaker, Mrs. Hunt and I had the distinct honor of sharing the pulpit at St. Paul's United Methodist Church in Thorofare, N.J., on April 30, 1974. St. Paul's is a small Methodist Church—Pastor Stuart McKenzie is truly a dedicated servant of the Lord and doing an excellent job. We sometimes lose the real perspective of life by failing to observe specific occasions for prayer and it is my fervant hope that in 1975 we will have a national observance of this day spearheaded by our country's leaders.

ISRAELI INDEPENDENCE DAY

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mrs. GRASSO. Mr. Speaker, on April 24 we commemorated the 26th anniversary of the birth of Israeli independence.

This truly meaningful milestone is a shining tribute to those valiant men and women who more than a quarter of a century ago left the persecution and displacement of Europe to establish a Jewish state in the Promised Land.

The distinguished history of the Jewish people is one of a suffering and wandering group, yearning for freedom and peace in a land promised to them by God. This wonderful dream became a reality after centuries of perseverance in foreign lands, when in 1948 David Ben-Gurion proclaimed the establishment of the State of Israel.

Since those days, Israel has grown to become a true example of the accomplishments and great progress that can be made by patriotic energetic people proud of their country and their heritage.

Mention of David Ben-Gurion's name brings to mind the deep sadness experienced by all men and women who mourned his death last year. He was a patriot who loved freedom and worked long and diligent years to help bring his beloved country to great stature.

Truly, Ben-Gurion and his comrades have provided generations of Israelis to follow them with a strong foundation of ideals and accomplishments on which to increase the greatness of their small nation.

Since nationhood, thousands of acres of swamps and deserts, marshes and eroded hills have been claimed and made to bloom in the very shadow of the adversary. Israel's GNP has increased at an annual rate of 8 to 14 percent in recent years and the nation's exports exceed $2 billion. From small villages, large cities have risen. The suffering and displacement of centuries of unfriendly exile in foreign countries have been transformed into a strong national character of unity.

Having come this far, the people of Israel need no further self-justification. Their only need now is peace. We all mourn with Israel the needless loss of life and awful destruction that are part of war. As Americans we dedicate ourselves to a partnership of common interests and objectives with the Israelis.

To seek peace in the Middle East and to continue to support Israel's deterrent strength, I have joined with several of my colleagues in cosponsoring a House concurrent resolution to insure the Israelis of the supplies they need to maintain their security.

It is unfortunate that such a dark cloud still hangs over Israel on such a jubilant day as the anniversary of Israeli independence. It is my profound hope that at long last peace will come to the Middle East and the 2.5 million people of Israel will have an opportunity to enjoy the fruits of their achievements.

SPECIAL SESSION OF U.N. GENERAL ASSEMBLY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. FRASER. Mr. Speaker, at the close of general debate during the special session of the United Nations General Assembly in New York, Secretary General Waldheim stressed the need for assistance to the countries hardest hit by the steep rise in oil prices. The World Bank lists those countries: Bangladesh, Bolivia, Ethiopia, India, Kenya, Mali, Pakistan, Sri Lanka, Sudan, Tanzania, Uganda and Zaire.

The Secretary General further stated that another imperative was that developing countries earn better returns on their commodities so they would be able to pay for their imports. Hence, the Secretary General urged that the special session of the General Assembly make a renewed effort, "in the interests of both producing and consuming nations."

His closing paragraph was as follows:

> If we have begun to face up to the most urgent needs, and if we have made the necessary arrangements to follow up what has been done here, then this session will indeed prove to have been a turning point in world affairs.

I insert Secretary General Waldheim's statement in the RECORD in its entirety:

TEXT OF STATEMENT BY SECRETARY GENERAL KURT WALDHEIM AT CLOSING OF GENERAL DEBATE IN GENERAL ASSEMBLY

For the past two weeks, the General Assembly has conducted a debate of remarkable scope and depth on the most pressing and fateful issues of our time. The high level of representation in the Special Session has been matched by the quality and substance of the interventions. It is no exaggeration to say that this Special Session is an unprecedented event, not only for the United Nations but for the world community.

We now have before us a vivid picture of the world economic situation seen from many different points of view and an extraordinary wealth of constructive proposals. No one has any illusions about the difficulties which will be encountered, or the efforts which must be made to combine and shape these proposals into agreed policies and plans of action, which will be the foundation of a new world economic order.

All over the world, the proceedings of this special session have been followed with extraordinary interest. The world expects, and anxiously awaits, the first concrete steps which this assembly will take to deal with the emergency situation which, in one way or another, now faces all nations. The anxiety and expectation of the world community is heightened by the undoubted fact that, quite apart from the medium and long-term problems which confront us, the fate of millions of people may well depend, within the next few months, on what this special session does, or does not do.

As I said in my opening statement, the perspectives of different nations or groups of nations vary enormously. Certainly the observation has been amply borne out by the general debate. But the debate has also, and perhaps more significantly, demonstrated a striking degree of agreement among member states on a number of important aspects of the problem before the assembly. Clearly, the debate has provided the substance for a process of negotiation. Co-ordination and harmonization which will endure beyond the week of the special session remains to us.

At this stage in the work of the debate with the closest attention, I fell that a summary of my main impressions might be helpful in formulating the decisions which are necessary both for immediate action and for continuing expeditiously the vital work which this session has initiated. The following observations are made with full respect for the positions of member governments as stated in the course of the debate, and in full respect for the positions of member governments as stated in the course of the debate, and in full cognizance of the strenuous efforts being made in the ad hoc committee to formulate a declaration of principles and a programme of action.

First, no one could have failed to be impressed by the range, the relevance and the seriousness of the general debate, illustrating dramatically the undeniable interdependence of the many issues which must be tackled in the evolution of a new world economic order. It is imperative to maintain the momentum which this debate has generated and to agree on the principles which will give it direction.

Second, it is imperative to provide now financial and other assistance to those member states placed in the greatest jeopardy as a result of recent violent economic changes and great natural disasters. Individual member states and groups of states have undertaken steps bilaterally, collectively, and through international organizations to meet some of these needs. The international Bank for Reconstruction and Development, in the International Monetary Fund and the other members of the United Nations system are also striving to do all they can to help. However, all these efforts are not enough. A potentially disastrous gap continues to exist between minimum needs and the resources so far made available to meet those needs. It is imperative that we take steps to mobilize greater resources before the special session ends.

Third, it is imperative to effect the speedy transfer of the necessary assistance to those member states most in need, and also to make arrangements to monitor continuously future needs and responses to those needs from the world community. The United Nations system stands ready to act as catalyst and clearing-house for everyones efforts, and would be willing to act in whatever manner and through whatever mechanisms the general assembly may decide. I wish to emphasize that any arrangements made by the United Nations system would be complementary to those made by individual member states and groups of states.

Fourth, it is imperative to recognize that the developing countries must earn more to pay for their imports, and that they still depend on commodities for the greater part of their export earnings. To the extent that progress could be made on this basic problem, progress could be made in ameliorating the acute financial crisis to which I have just referred. In the past, international efforts have failed to produce significant overall results in the field of commodity agreements. Today, however, and more than ever before, it is in the interests of both producing and consuming countries to initiate, during this special session, action which will lead to the resolution of this problem.

Fifth, and finally, it is imperative, as I have said, that the momentum generated by this special session should be maintained. The basic problems so courageously and constructively faced by this assembly will increase in the sooner realistic international policies can be established and effective action taken to implement those policies, the sooner it will be possible to move from our present dangerously defensive position to one where bold and positive action can be taken to establish a new economic and social order for the benefit of all of mankind. Whatever the outcome of the special session, some relatively simple and effective arrangements must be made to ensure continuity and follow-up.

The administrative committee on co-ordination, which consists of the heads of all the agencies, organizations and programmes of the United Nations system, met here at United Nations Headquarters last week. The members of this committee, including the heads of the International Monetary Fund, asked me to inform this assembly of their readiness to make available immediately the services of their institutions in order to facilitate and support any action within their competence that may be taken by the general assembly. Recent experience has shown the usefulness of the United Nations system in focussing many forms of assistance to the maximum effect in dealing with a critical situation.

I believe that this special session will prove to have been a truly historic meeting. My main concern, which I know is shared by all of the distinguished representatives in this hall, is to get the maximum of agreement, the maximum of effective decisions, out of the few days of the session that remain. If upon the adjournment of this session we know where we are going, if we have begun to face up to the most urgent needs, and if we have made the necessary arrangements to follow up what has been done here, then this session will indeed prove to have been a turning point in world affairs.

COUNTY AGENT'S COLUMN

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. MATHIS of Georgia. Mr. Speaker, on Saturday evening in Hahira, Ga., while visiting with some good people in my district, one of my fine constituents, Gary Hancock of Cook County, Ga., handed me a column written by the Cook County agent, Walt Smith, who is also a close friend of mine. In these days of increasing prices, I continue to remind the Members of the House that the farmers of this Nation are in a squeeze unlike anything they have ever seen before, and I would recommend that each Member take about 30 seconds and read this little article which appeared in the Adel News on May 1, 1974.

The article follows:

COUNTY AGENT'S COLUMN

(By Walt Smith)

"Thatl'll be $6.80, please," the store keeper said to the lady. The items purchased were five packs of cigarettes. Pepsi-colas and assorted goodies for snacks. "My food is high," replied the lady. Bill Smith related this real happening to me.

Bill's reply. "Get your chicken coops, and come to my poultry farm. I am cleaning out some "layed-out" hens. I'll sell you sixty-eight of these birds for your $6.80!" "I don't believe it," the lady replied.

Bill advised her to bring someone to help her, because she could not handle a crate of chickens by herself. The hens avererage 3.8 pounds each.

I guess I ought to editorialize a bit about the above true happening, but what can I say that will add impact to the incident. Is Bill Smith responsible for the high cost of food? Bill paid 60 or 70 cents for the day old chick, he sold her for a dime, or less than three cents per pound.

How in the name of common sense can Bill keep on feeding us for the amount of money he receives for his products? Yes, him and all the others like him. Food is high, but so is everything else. Corn and wheat are cheaper than a year ago. Is bread cheaper?

Must we bankrupt all our farmers before we see the handwriting on the wall? Hogs and cows are selling for less than the cost of production. One simple question, who is subsidizing whom?

THE 183D ANNIVERSARY

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. BOLAND. Mr. Speaker, May 3 marked the 183d anniversary of the promulgation of the Polish Constitution. Following, as it did, hard on the heels of the American Constitution, which was adopted in 1789, the 1791 Polish Constitution gave another great people the inspiration and the vehicle with which to continue the Poles' centuries long fight for national expression and autonomy, just as the American Constitution helped firmly cement the Union of the Original Thirteen States.

The words of the Polish Constitution are worthy of note. Democracy in Poland was guaranteed in the following passage:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the State, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

Mr. Speaker, it is evident to me that our two great peoples, as evidenced by the Constitutions which were devised by their citizens to preserve liberty and justice for all, were inspired by similar philosophies. I feel that it is particularly appropriate that we should commemorate the resemblances of these two documents and that we should thank God for His benevolence in allowing ours to flourish and remain strong. The Poles of the 18th century were not able to enjoy the fruits of their constitutional government for long. The third partition of Poland in 1795 put an end for many years to the concept of a united, democratic Poland.

The United States was greatly enriched by the influx of Polish refugees then and in the years that followed. They constitute a hardy, freedom loving stock that has given strength and durability to our American character. As we celebrate the ratification of the Polish Constitution of 1791, let us also remember her sons and daughters who came to this country and took up its ideals and freedoms for their own. Their contributions to our heritage stand as a tribute both to their race and to the principles of liberty and democracy that the Polish nation proclaimed so gloriously in the Constitution of 1791.

ENERGY TRANSPORTATION SECURITY ACT OF 1974

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. DU PONT. Mr. Speaker, the Energy Transportation Security Act of 1974—H.R. 8193—will be before the House this week. This bill would require that 20 to 30 percent of U.S. oil imports be carried in U.S.-flag vessels.

The bill is poorly drawn and has drawn unanimous disapproval from every department of the Federal Government asked for its view: Commerce, Treasury, State, Interior, and Defense. Two of the best communications I have received are from Kenneth Rush, Acting Secretary of State, and William Simon, Administrator of the Federal Energy Office. I commend their analysis to my colleagues:

The text of the two letters follows:

DEPARTMENT OF STATE,
Washington, D.C., May 1, 1974.

Hon. PIERRE S. DU PONT,
House of Representatives,
Washington, D.C.

DEAR MR. DU PONT: I wish to take this opportunity to express my personal views to the members of the House of Representatives on H.R. 8193 which if enacted into law would have adverse repercussions in a number of foreign policy areas.

First, an extension of U.S. cargo preference to commercial cargoes, such as petroleum imports, would be an undesirable deviation from U.S. shipping and overall foreign economic policy. Until now, United States foreign economic policies have been directed towards the maintenance and encouragement of open markets on a non-discriminatory basis, which we believe best serve the development of both U.S. and world trade and economic growth. These policies apply to a wide range of economic matters, of which shipping is one of the more important.

This basic approach is reflected in our many Friendship, Commerce, and Navigation treaties with other countries, and specifically in the most-favored nation or national treatment clauses customarily included in these treaties. Such clauses usually apply to shipping, and require that we grant the same treatment in the carriage of commercial cargoes to the shipping lines of the treaty partner as we provide for our own lines. In exchange, our shipping lines similarly are entitled to equal access to the commercial cargoes of the respective treaty partner. United States adoption of cargo preference for commercial cargoes, for U.S.-flag vessels, would be contrary to these treaty provisions. Such a unilateral action by the United States could not help but damage the attainment of U.S. objectives in a wide range of international economic matters, including the protection of our own shipping lines threatened by foreign government cargo preference measures.

Second, U.S. cargo preference for oil imports would encourage the adoption of similar measures by other countries, and particularly by oil exporting countries. At the present time much of our imported petroleum is carried by ships of allied or friendly countries. As other countries adopted cargo preference requirements it would mean the consolidation by the same countries of control of both the source and the transport of a large part of our oil imports. It would also mean less flexibility in the use of tankers on a world-wide basis and specifically in the transport of petroleum to the United States. These consequences would constitute a deterioration in the conditions of availability and security of supply of petroleum and petroleum products for the United States.

Third, the adoption of cargo preference legislation, applicable to commercial cargoes, would be viewed by a number of our NATO allies as directly detrimental to their shipping interests and would therefore adversely affect our relations with those countries.

In addition to the above foreign policy reasons for opposition to H.R. 8193, there are a number of primarily economic reasons which have been already cited by other Administration spokesmen, and which I will not repeat here.

I might just add, however, that cargo preference is, in comparison to direct subsidy, an inefficient and cumbersome means for promoting the merchant marine. In the case of cargo preference for oil imports, it would mean increased tanker costs, reduction in the flexibility in the use of tankers, and reduced incentives for U.S. ship operators to be competitive in world markets. We consider that the Merchant Marine Act of 1970, as amended, provides the best mechanism for promoting the bulk cargo carrying segment of the U.S. merchant marine.

I would hope that these viewpoints may help your colleagues in Congress to appreciate the serious foreign policy implications that would result from the passage of H.R. 8193.

Sincerely,

KENNETH RUSH,
Acting Secretary.

FEDERAL ENERGY OFFICE,
Washington, D.C., April 18, 1974.

Hon. PIERRE S. DU PONT,
House of Representatives,
Washington, D.C.

DEAR MR. DU PONT: Thank you for your letter asking for my views on H.R. 8193. I understand that the House Merchant Marine and Fisheries Committee has already voted out the Energy Transportation Security Act of 1974, H.R. 8193, which would require, starting immediately, 20% of all crude oil and product imports be carried on U.S. ships. This percentage would increase to 30% within three years. I oppose the passage of this legislation because I believe it (a) runs counter to our broad economic and trade policies, (b) would seriously worsen our current energy shortages and increase petroleum costs to the U.S. consumer while (c) making it more difficult over the long term to implement Project Independence. I want to describe in some detail these concerns and would be happy to discuss them with you further.

First, I believe this legislation violates a fundamental international trading policy which our country has long embraced calling for the free movement of international goods and services. If this Bill is passed, a dangerous and disruptive precedent would be set. Other importing nations would probably react to their own, creating an extremely inflexible tanker market and hindering world petroleum trade in general. This, of course, could spill over into other commercial policies countering much of the progress we have made to free up international trade these past 15 years. To date, our country has not established cargo preferences except in the area of government-owned or financed cargoes, and it would be decidedly unwise to create these commercial preferences now.

An immediate effect of the legislation would be to reduce the supply of petroleum available to the country simply because imports would be reduced due to the present unavailability of U.S. ships. The legislation would reduce U.S. importers' flexibility in the transport of crude and refined petroleum into the U.S. and mean some crude and products would not be brought into the country. The potential for shortages this summer and next winter would be increased. Today, almost half of our petroleum imports come into the country as refined products. The availability of these products is uncertain because it depends on parameters that are difficult to predict such as foreign demand which is affected by climate, operational refinery capacity and other factors. In this situation importers most often act quickly to obtain their supplies when available and the introduction of cargo preference would create additional difficulties for them. Despite the waiver provision, which provides for the use of non-U.S. shipping if sufficient U.S. shipping is unavailable, we would end up losing some imports because of the difficulty of either getting U.S. ships or obtaining a waiver in time to transport it into the U.S.

Finally, the scarcity of U.S. tankers and the fact that transport costs in U.S. ships are greater than foreign flag vessels would increase the price of imports and increase the inflationary impact on the already overburdened U.S. consumer who would bear the brunt of higher transportation costs.

I believe strongly that before enacting legislation of this sort, we should carefully and systematically examine its desirability in the total context of our overall projected transportation requirements associated with Project Independence. We in FEO currently have such an evaluative effort underway and when the results of these studies are ready this fall, we will be ready to submit a coherent legislative program. Action prior to them would be premature.

Finally, I believe a better method than cargo preference for strengthening the U.S. Merchant Marine is our current mechanism of providing direct construction differential subsidies to bulk carriers. Since the passage of the 1970 Act, we have found the significant increases in tanker and other bulk vessel construction have been achieved through this method. We also believe this progress will continue in the future without the cargo preference legislation which could hinder our progress towards Project Independence and other national energy goals.

I have also expressed in writing these points to Carl Albert, John Rhodes, and Leonor Sullivan. If I can provide you additional information on these issues, I shall be happy to do so by phone or in person,

Sincerely yours,

WILLIAM E. SIMON,
Administrator.

"HANOI JANE"—THE RED'S FRIEND

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HUNT. Mr. Speaker, another chapter in the travels of Jane Fonda unfolded last week in North Vietnam, the home-away-from-home for her, her husband, and baby. Returning to her adopted land, the one she has come to love and defend, she resorted to her usual rhetoric, damning the United States for what she called the creation and financing and commanding of a "neocolonial administration in South Vietnam."

The Fonda family apparently went to North Vietnam to make a movie which condemns the South Vietnam Government and its American allies. All of this is not surprising of course. What is surprising is that our Government continues to let her continue, with complete freedom, these treasonable pronouncements.

According to article III, section 3 of the Constitution:

> Treason against the United States, shall consist only in levying War against them, or in adhering to their Enemies, giving them Aid and Comfort. No Person shall be convicted of Treason unless on the Testimony of two Witnesses to the same overt Act, or on Confession in open court.

Needless to say Mr. Speaker, she has given comfort to the enemy. And further, we have more than enough witnesses to attest to it.

As sick as I am over Jane Fonda and her anti-American diatribes, I shall continue in this body to expose her to all my colleagues and all Americans.

I submit for the Record the following article describing her latest foray into North Vietnam as printed in the April 28, 1974, edition of the Washington Post:

JANE FONDA HITS UNITED STATES FROM HANOI

HONG KONG, April 27.—American actress Jane Fonda has charged that the United States has created, financed and is commanding a "neo-colonial administration in South Vietnam."

Miss Fonda levelled the charge in a taped interview with the North Vietnam News Agency, which dispatched the story from Hanoi today.

Accompanied by her husband, Tom Hayden, on a tour of the post-war North Vietnam, she said: "As long as there are three flags in Vietnam, and particularly two flags in the South, the war is not over. If there are two flags in the South, it is not because there is a civil war, it is because the U.S. has created, financed and is commanding a neo-colonial administration in the south."

MRS. MATILDA M. GAYER

HON. KENNETH J. GRAY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. GRAY. Mr. Speaker, life is so uncertain and death so certain; however, we are never ready to give up our loved ones. On April 22, 1974 Mrs. Matilda M. Gayer, a fine Christian wife and mother and Federal employee working for the Post Office in Zeigler, Ill. passed away. Mrs. Gayer's husband, Paul Gayer, is my friend and valued representative at large in charge of my 24th Congressional District Office in Illinois. Before joining my staff, Mr. Gayer was mayor and commissioner of public health and safety for many years in the city of Zeigler and his wife, Matilda, was one of those sterling characters who gave inspiration and dedication to her husband, her children, her church and her community. Mrs. Gayer will be sorely missed in the Zeigler community and I am sure all of my colleagues in the Congress join me in expressing deepest sympathy to Mr. Gayer and his family at the passing of Mrs. Gayer at the relatively young age of 60 from cancer.

Mr. Speaker, it is ironic that just this week we have passed in the House a bill to accelerate our research in the dread disease of cancer. Let us hope that prevention and cure can be found before many other persons such as Mrs. Gayer are taken from us. Almost 1,000 persons die every day from this dread disease; therefore, I hope and pray that this plague can be stopped as soon as possible. Mrs. Gayer was gallant to the end but she has left a void that can never be filled.

Mr. Speaker, under previous order granted me I herewith enclose a copy of a resolution adopted by Mayor Kermit L. Beals and the entire city council of the city of Zeigler and attested to by the city clerk, Geneva Sciranko that I wish printed in the Record:

RESOLUTION

Whereas: Matilda M. Gayer, wife of Paul Gayer, did pass away April 22, 1974, and,

Whereas: Mrs. Gayer had worked for the Post Office Department for several years and contributed to the general welfare of the Community. Mr. Gayer served as Commissioner of Public Health and Safety for 14 years and as Mayor 4 years for the City of Zeigler, now therefore be it, and it is hereby

Resolved by the City Council of the City of Zeigler, Illinois that it be spread upon the minutes and records of the said City of Zeigler as a tribute to her memory and respect for services to the community. Be it further resolved that the City Hall be closed from 10:30 A. M. to 1:00 P. M. April 25, 1974 during the hour of the funeral and burial.

Issued and Recorded this 23rd Day of April, 1974.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HOSMER. Mr. Speaker, H.R. 11500, the bill to eradicate surface coal mining, requires the coal operator to restore land to the approximate original contour. In the interim enforcement program it permits a few deviations, under very stringent restrictions. But practically no deviations are allowed after the long-term reclamation regulations take effect.

In a burst of nature worship that would do credit to the Druids, the sponsors insist that the only acceptable configuration of the land is just the way weathering, gravity, erosion and other natural forces had shaped it on the day before it was mined. There are no deviations for better environmental protection or for agricultual use.

It does not matter if the land before mining was a rocky slope incapable of supporting any crop. It does not matter if the mine operator wants to level it, reshape it to control erosion and conserve soil and water. This bill would tell the mine operator, "Put it back like you found it."

Of course, the logical solution would be to allow the coal operator to shape the land for its best possible use as he is reclaiming it. But logic seems to have no place in this bill. It is as cockeyed as trying to grow bananas on Pike's Peak.

OIL PROFITS CONTINUE TO RISE—GULF UP 76 PERCENT; TEXACO UP 123 PERCENT; OCCIDENTAL UP 718 PERCENT; STANDARD OIL UP 92 PERCENT

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the big oil companies continue to reap high profits from the whirlwind of the energy crisis at the expense in large part of the American people who continue to pay exorbitant prices for gasoline at the pump.

For the first quarter of 1974, for example, big oil profits ranged up to 718 percent for Occidental Petroleum over the first quarter of 1973.

Exxon, the world leader in the oil industry, came up initially with a reported 39 percent increase in profits. It appears, however, that the profits of Exxon and some other companies may be even higher because of bookkeeping devices which charged against profits millions of dollars in reserves held back purportedly to pay off possible expenses that might be chargeable to the first quarter.

These substantial profits were, of course, reflected in higher prices of gasoline for the American people and underline the importance of the acceleration of research and development efforts directed toward developing alternative sources of energy for fossil fuels such as gasoline and oil.

The $2.2 billion special energy research and development appropriations bill recently passed by the House is therefore an historic bill—and a significant step in the right direction of energy self-sufficiency and independence by the United States.

Because of the interest of my colleagues and the American people in the high profits of the major oil companies, I place in the Record herewith an editorial and excerpts from articles from the New York Times concerning these profits.

The editorial and articles follow:

[From the New York Times, Apr. 25, 1974]

OIL: FAT CITY

The first-quarter profit returns of the oil companies are coming in, and the results are staggering—a mirror image of the prices that consumers are paying. Exxon was, in a sense, low with a gain of only 39 per cent and first quarter earnings of $705 million. Texaco was up 123 per cent to $589 million, Gulf up 76 per cent to $290 million, and Indiana Standard up 81 per cent to $121 million. Occidental Petroleum, a relative pygmy, increased its first-quarter earnings by 718 per cent.

The new head of the Federal Energy Office, John C. Sawhill, has managed to take these oil earnings in stride; he finds them "reasonable," and indeed "vital to our future well-being." With professorial equanimity, Mr. Sawhill told a Senate committee, "Where price elicits new supply, it serves a useful economical function and benefits consumers with increased supply, which ultimately results in lower prices."

It is difficult to argue with anyone's "ultimately," but what has actually happened to date is clear enough: As the price of this nation's domestic crude oil has nearly tripled in the past eight months, domestic crude oil production has scarcely increased. In fact, in the last two months, domestic crude output has been 2 percent less than a year ago.

The explanation appears to be that crude oil stock are now slightly higher than a year ago, and producers are being careful not to let prices break downward. Refinery runs are also lower than a year earlier. Thus if the oil companies continue to be careful not to give consumers too much oil, prices should hold up nicely. So, for 1974, oil profits promise to double over 1973, and reach about $8 billion.

The Administration continues to champion a so-called "windfall profits tax," but the version of this tax likely to emerge from the House Ways and Means Committee would not yield much revenue after its first year. This is because a "plowback" provision would permit the oil companies to recapture their windfall tax payments if they reinvested them in oil production—as they are likely to do anyway.

The plowback rule would not apply in 1974 and the windfall tax would thus yield about $500 million this year. But the effect would be cut in half in 1975, and thereafter the oil companies could recapture the whole of any remaining windfall taxes.

Ways and Means has voted to phase out the 22 per cent oil depletion allowance by 1977—but with a string of exceptions for natural gas, small "stripper" wells, the first 3,000 barrels a day of other wells and the Alaska pipe line. The Alaska project is being given until 1979 to get in on depletion allowances before the goodies run out.

With the kind of profits the oil industry is making, it needs no special tax breaks any longer—if it ever did. The plowback provision of the proposed windfall tax should be eliminated entirely, not just in 1974. And Congress should act now to abolish oil depletion allowances without a long phase-out—and without exceptions.

[From the New York Times]

Continental Oil Raises Net 130 Percent—First Quarter's Profit $2.16 a Share Against 94 Cents—Other Gains Posted

(By Ernest Holsendolph)

The Continental Oil Company, eighth largest of the nation's oil companies, reported yesterday a 130 per cent increase in profits for the first quarter as the industry continued to show huge gains over its 1973 performance.

Profits for the first three months reached $109.2-million, or $2.16 a share, on sales of $1.6-billion, compared with $47.5-million, or 94 cents a share, on sales of $931-million last year.

Two smaller companies, the Getty Oil Company and the Amerada Hess Corporation, also registered large gains.

Getty's net income rose more than 122 per cent to $73.6-million, or $3.93 a share, on sales of $655.3-million, compared with $33.1-million, or $1.75 a share, on sales of $400-million last year. The first quarter of 1973 included an extraordinary gain of $6.1-million that did not recur this year.

Amerada Hess reported a first-quarter gain of 36 per cent as profits amounted to $49.9-million, or $1.33 a share, on sales of $983-million, compared with $36.7-million, or 99 cents a share, on sales of $405-million in the first quarter of 1973.

The Standard Oil Company of California, which is expected to announce first-quarter results today at its annual meeting, said it would increase its quarterly dividend 7½ cents to 50 cents a share, payable June 10 to stockholders of record May 10.

Nine of the top 16 oil companies now have reported for the first three months, showing profits above the $1.218-billion a year earlier.

Every company that has reported so far has had an increase from last year, attributable at least in part to higher prices for crude oil and oil products here and abroad.

Continental Oil's chairman, John G. McLean, said his company's earnings came from worldwide petroleum and chemical sales. But he added that the quarter also reflected about $65-million of "inventory profits," as the company was able to sell lower-cost inventories for higher prices after Jan. 1.

Mr. McLean said these inventory profits were not likely to recur this year.

[From the New York Times, Apr. 27, 1974]

Understating of Oil Profits Alleged by Some Analysts—But Provision on Future Costs Is Held Prudent by Other Experts

(By Ernest Holsendolph)

Profits reported by major oil companies for the first quarter have shown increases averaging nearly 80 per cent from a year ago, but some analysts estimate that they may be much higher.

A number of oil companies, including Exxon, Texaco, Mobil and others, indicated that they had set aside certain amounts of profits to cover first-quarter costs that might be incurred later this year. Such costs could include tax increases and higher retroactive costs of Middle East crude oil.

Some accountants and analysts described the moves by oil companies to "reserve" money for these costs as "prudent." They cited certain precedents for this, such as provision for higher expected labor costs by companies involved in union negotiations, where retroactive pay may be at stake.

The nation's second biggest oil company after Exxon, the Mobil Oil Corporation, reported yesterday a 66 per cent first-quarter profit gain, to $258.6-million, and an increase in the quarterly dividend to 80 cents from 75.

Earlier this week, the Exxon Corporation, at the same time that it reported profits of $705-million in the first quarter, said that it had held a reserve an unspecified amount of revenue to pay for possible retroactive taxes and to pay for expected increases in crude oil produced in the first three months.

Robert A. Albrecht, an oil analyist for Reynolds Securities, was reported to have said yesterday that Exxon might have held back more than $400-million for these purposes, thereby avoiding the disclosure of more than a billion dollars in profit—which would have been a 118 per cent increase in earnings for the quarter.

But in its earnings announcement on Tuesday, Exxon said its increase was 39 per cent over the $508-million posted in the same quarter of 1973.

Archie L. Monroe, controller of Exxon, said yesterday that Exxon had set aside $37-million for possible retroactive taxes on some "nonpetroleum sources of income," but he refused to say how much allowance the company had made for higher-cost oil.

$10-BILLION REVENUE

"We are not in a position to disclose that number," Mr. Monroe said. "We had a $10-billion revenue quarter, and there were many costs that accrued—but it would be unfair to pull out one of those costs."

Texaco and Mobil indicated that they had put aside reserves to cover possible increases in crude oil costs, but they said that they had not provided for higher taxes.

Texaco said it had charged to earnings $143-million in the first quarter for possible increased crude oil costs. Without that charge, the company would have had profits of $742-million, a 181 per cent increase over the performance of the same quarter in 1973.

Instead, with the $143-million charge, the company indicated profits of $589-million, for a 123 per cent increase.

No other company specified the amount allowed for higher crude oil costs.

If the oil companies must finally buy back 40 per cent of the oil produced at or near the $11-dollar-a-barrel posted prices, their retroactive costs for the first quarter will be much higher than they were last year at about $3 a barrel.

A CATEGORICAL DENIAL

J. K. Jamieson, chairman of Exxon, denied yesterday categorically that his company had misstated its first-quarter earnings. He went on to say that Exxon's earnings report had been prepared in accordance with accepted accounting principles and that the accounting principles involved were reviewed with Price, Waterhouse, the company's auditors, prior to their release.

In its record performance last year, Exxon's profits were $2.44-billion for the 12 months.

[From the New York Times]

Mobil Oil Raises Net 66 Percent in Quarter—Dividend Lifted to 80 Cents From 75 Cents as Earnings Increase $103 Million—Foreign Operation Gain—Company Attributes Portion of Higher Profits to an Advance in Crude Prices

(By Ernest Holsendolph)

The Mobil Oil Corporation, second largest in the nation, yesterday announced a 66 per cent increase in first-quarter net income to $258-million, compared with $155-million in the same period last year.

On a per-share basis, the record earnings were $2.54 a share, comparde with $1.53—on total quarterly revenues of $4.4-billion—compared with $2.8-billion in 1973.

The company also announced that it was raising its quarterly dividend to 80 cents a share from 75 cents. The new dividend is payable June 10 to stockholders of record May 6. The company said this brings the first six months' total to $1.60 a share, compared with $1.40 a share in the period a year earlier.

In a statement by Rawleigh Warner Jr., chairman of Mobil, the company said it increased United States earnings for the quarter from $49-million to $66-million, and the price of crude oil—which was $3 a barrel higher than it was in the first quarter of 1973—made this possible.

PROFITS RISE EXPLORED

"The increased profit attributable to this crude oil price increase was greater than the entire earnings increase from our U.S. petroleum operations," Mr. Warner said. He went on to say that the company was unable to recover higher costs incurred in domestic refining and marketing operations.

Earnings from Mobil's foreign petroleum operations increased from $109-million in the first three months of 1973 to $177-million in the same quarter this year, Mr. Warner said.

As with Exxon, Texaco and other multinational oil companies, Mobil said its foreign earnings were based on estimated costs on Middle East crude oil because pending negotiations with producer nations are likely to result in higher costs for oil already drawn from the fields in the first quarter.

[From the Washington Post, Apr. 26, 1974]

Profits Up 92 Percent for Standard Oil of California and 52 Percent at Shell

(By Ernest Holsendolph)

The Standard Oil Company of California, the fifth largest oil company in the nation, announced first-quarter profits yesterday that increased 92 per cent over results for the first three months of 1973.

And the Shell Oil Company, one of only two large oil companies, that had a decline in profits in the fourth quarter, recorded yesterday a 52 percent gain in earnings for the first quarter. The other company was the Standard Oil Company (Ohio), which had a 29 per cent rise in first-quarter profits.

For Socal, first-quarter net income totaled $293-million or $1.72 a share, on sales volume of $3.9-billion, compared to $153-million, or 90 cents, on volume of $1.9-billion.

Shell, the domestic subsidiary of the Royal Dutch Shell Group, disclosed first-quarter net income of $121.8-million, or $1.81 a share, on sales of $1.9-billion, compared with $80.2-million, or $1.19 per share, on volume of $1.3-billion.

Eleven of the top 16 oil companies in the nation have now reported first-quarter results, and, for the group, aggregate net income has risen 77 per cent, from $1.45-billion in 1973 to $2.56-billion this year.

The huge gains in profits have put some oil companies on the defensive in recent months. Yesterday, Socal, in an annual meeting, noted that its first-quarter earnings were "an increase of 3 per cent" over the fourth-quarter results without mentioning that the profits were nearly double what they were a year ago—or that fourth-quarter results were 94 per cent ahead of the same quarter in 1972.

H. J. Haynes, chairman of Socal, told shareholders gathered in San Francisco that the company's huge improvement was attributable to improved margins in foreign operations and higher crude oil prices in the United States.

INVENTORY PROFITS CITED

He said that, like many other multinational companies, Socal realized large inventory profits on its oil reserves, built up when costs were low and then sold at the higher prices allowed in the first quarter.

Without this non-recurring advantage, Mr. Haynes said, "our company would have had essentially no increase in profits in the quarter as compared with the year-earlier period."

In another statement that appeared calculated to play down the big profit gain, Mr. Haynes said in a statement: "In contrast to the last quarter of 1973, the company's profits in the United States did improve modestly, but still only produced an annual rate of return statement released after its anon invested capital of about 6 per cent."

Actually the integrated company does more business abroad than it does domestically, and consequently its rate of return is much larger than 6 per cent over-all.

Harry Bridges, president of Shell, told a shareholder meeting in Houston that "by far the most important factor in the earnings performance was the higher prices received for crude oil produced in the United States."

UNSATISFACTORY LEVELS

But he said that earnings from oil marketing and manufacturing operations "remain at unsatisfactory levels" because the industry was prohibited by the Government from raising prices to a level to cover infationary costs.

Shell, which is mainly a United States company, reported that chemical operations helped to lead the earnings recovery as revenues rose 41 per cent to $252-million for the quarter.

PAPER POLLUTION

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. BYRON. Mr. Speaker, I thought my fellow colleagues might be interested in the following editorial published in the Oakland Republican issue of May 2, 1974. Its content is self-explanatory, its message compelling:

PAPER POLLUTION

Business men are getting fed up with the great amount and they feel unnecessary mountain of paper work the government is requiring them to do daily, weekly, monthly, and on and on, in order to conduct their business. This certainly merits attention. They are already bombarding congressmen, federal officials and state legislators with complaints about the growing piles of records, forms, surveys and other documents that have to be filled out for various agencies.

Most of the time it is the small business man who is hardest hit and he appears to be complaining the hardest. The small business man as a rule doesn't have the money to hire another person just to take care of the paper work, and must spend long hours just to keep his head above the paper blizzard.

An article in U.S. News and World Report on this mountain of paper work quotes a small business man as saying more than 50 percent of his time is on unproductive requirements that did not exist a few years ago but now come under the guise of "fact finding" or "consumer protection."

Lack of coordination and duplication of effort are among the biggest gripes.

Since the Occupational Safety and Health Act was passed two years ago employers have had to file detailed reports on their compliance with health and safety standards. Other agencies take a similar amount of time and the small business man is really "run ragged."

In response to the rising tide of complaints the White House asked for a study, and hearings are being held in Congress. We can only hope that the end result might be a drastic reduction in the number of forms needed to actually survive in business, even when business is profitable.

NATIONAL MIGRANT EDUCATION WEEK

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. ROYBAL. Mr. Speaker, I and several of my colleagues have introduced today a concurrent resolution declaring May 12 through 18 "National Migrant Education Week." This action is a first step in demonstrating congressional awareness of and concern for the special educational needs of migrant children. It is also a call for renewed efforts on the part of educators and legislators on the local, State, and national levels to meet the needs of the 2½ million children who follow the crops with their families—Americans who, despite their mobility, remain the people left behind.

More tragic than the plight of adult migrants is the future of their children. Forced into the fields at an early age, migrant children are deprived of educational opportunities that would enable them to escape migrancy in later life. Because of demands of migrant life and the need to help with the harvest, migrant children become the unnoticed dropouts, condemned to repeat the poverty of their parents. Few have the opportunity to advance beyond the third grade of school. Unfortunately, our school systems are not committed to meeting the educational needs of these children. Lack of school records creates placement problems. Teaching materials are not culturally relevant or sensitive to the migrant experience, nor do they adequately deal with language differences.

While Congress has begun to provide for the special educational needs of migrant children, more has to be done, especially in the area of vocational education and counseling. Programs to encourage migrants to return to high school and continue on to college, begun by OEO and transferred last year to the Department of Labor, must be expanded. Remedial vocational education programs for migrant adults should be strengthened to give displaced workers a second chance.

It is my hope that Congress will not ignore its responsibility to the vast number of migrant children who have the right to an equal education in this country. I am pleased to have Representatives THOMPSON, BRADEMAS, FORD, MCFALL, O'HARA, and PERKINS join me in this call for equality and concern for migrant children.

The concurrent resolution follows:

H. CON. RES. —

Resolved by the House of Representatives (the Senate concurring),

Whereas the migrant families which harvest food for this country's table are a unique national resource;

Whereas these families have, by the nature of their employment, no permanent home in any city, county, or State;

Whereas migrant children number over two and one-half million and rarely advance beyond the third grade of school;

Whereas the circumstances of these families often confine their children's lives to the fields;

Whereas the migrant education program is the only force currently providing migrant children choices, not circumstances, for their future; and

Whereas in recognition of the need for better continuous education of migrant children: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States hereby—

(1) designates May 12 through May 18, 1974, as National Migrant Education Week; and

(2) requests each Federal agency having programs which relate to migrant education to recognize such week by taking such actions as it may deem appropriate.

HOUSE REFORM EFFORT LAUDED

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. UDALL. Mr. Speaker, as the House reform effort reaches a climax it is good that the public and press is focusing on this body and ways that it might better perform its vital constitutional functions.

In this connection I urge my colleagues to note the Washington Post editorial, "Housecleaning in the House" published

April 30, 1974. It correctly notes the crucial and painful conflict between the career and personal problems which the Bolling committee's proposals would require and the long range institutional interests of the House and of the American people in having a more responsive, active institution.

While the House may wish to make some adjustments and changes in the Select Committee's detailed plan, it is in my judgment a carefully thought out package that moves committee jurisdictions together in a more rational way and provides for future flexibility in the years ahead. I believe it will strengthen the House as against the Senate and equip us to legislate today's and tomorrow's problems in a more orderly productive way.

The editorial follows:

HOUSECLEANING IN THE HOUSE

If ideas can be measured by the opposition they arouse, the package of House reforms advanced by Rep. Richard Bolling's Select Committee on Committees must be either very good or very bad. The swarm of active opponents of the plan includes Ways and Means Committee Chairman Wilbur D. Mills, Merchant Marine and Fisheries Committee Chairman Leonor K. Sullivan, Rep. John D. Dingell, Rep. Phillip Burton, the AFL–CIO, the National Association of Manufacturers, transportation lobbies and some environmental groups. When such a formidable array of powers and interests becomes mobilized, something substantial has to be afoot.

What has stirred up all of these forces is an ambitious, bipartisan plan to overhaul the House committee system. Many in and outside Congress have been advocating such a housecleaning for years, in order to enhance the efficiency, capacity and image of the House and to improve members' ability to deal with complex subjects and to ride herd on the executive branch. But now that the select committee, under Rep. Bolling's determined leadership, has finished its year of study and presented a bold blueprint for reform, the predictable howls of protest have begun.

Many of the complaints arise from the select committee's attempts to equalize and rationalize committee workloads and jurisdictions. Rep. Mills, for instance, is mightily displeased because the Ways and Means Committee, which has gradually extended its domain over about 20 per cent of all the measures introduced in the House, would lose most of its authority over health and trade legislation. Others object to splitting the Education and Labor Committee, or to consolidating subjects such as transportation and environmental affairs, which are now fragmented among several groups. Some liberals and labor groups also fear that their influence would be diluted by other proposed reforms which would prohibit proxy voting and limit representatives to service on one of the 15 major committees.

Many of these objections obviously spring from self-interest or a fear that cozy relationships between legislators and lobbyists would be disturbed. Others are based on pessimistic speculation. Some environmental groups, for instance, worry that the proposed committee on energy and the environment would be industry-dominated, but that seems hard to demonstrate in advance, especially at a time of such extensive turnover in the membership of the House. What does seem clear is that many small baronies would be shaken up and substantial power would be reapportioned among more members of the House. The impact may be hard to predict in terms of issues or ideologies. In institutional terms, however, such a periodic reordering is both healthy and overdue, since House committees were last overhauled in 1946.

Whatever its imperfections, the select committee's plan is the most serious—and promising—attempt in a generation to inject coherence and vitality into a legislative scheme which is now burdened with overlaps, imbalances and incongruities. It would be silly to expect too much; no reorganization, by itself, can restore the effectiveness and public esteem which the Congress has squandered over the years. At minimum, however, the committee's plan seems likely to make the domains of many House committees more rational, to open many panels to new viewpoints and considerations, and to insure that many complicated subjects will receive better scrutiny. All this is highly desirable. Important hurdles are still ahead: the House Democratic caucus, which has promoted many useful changes in the workings of the House, is still stewing over this plan, and action by the Rules Committee has not been scheduled yet. It would be a sad day if either panel put a few selfish concerns ahead of the long-range institutional interests of the House, and failed to advance one of the most provocative and potentially valuable reforms in many years.

WATERGATE CHRONOLOGY: A COMPENDIUM OF SCANDAL AND REVELATIONS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. FRASER. Mr. Speaker, when five agents of President Nixon's campaign were arrested at the Democratic National Committee's Watergate headquarters on June 17, 1972, White House Press Secretary Ronald Ziegler labeled the incident "a third-rate burglary." The Watergate break-in has since called "the opening act of one of America's greatest tragedies."

Watergate has mushroomed into a political scandal of unprecedented dimensions, with allegations, indictments, and events coming in rapid, bewildering succession. As Congress and the country debate impeachment of President Nixon, it is important to clarify our perception of the Watergate kaleidoscope.

From this chronology there emerges a clear picture of the Nixon administration showing flagrant and systematic violation of constitutional rights, subversion of the electoral process through illegal fund raising and campaign sabotage activities, abuse of the Federal bureaucratic machinery and willful obstruction of justice.

The chronology shows that Nixon illegalities began in 1969, for almost as soon as he became President, Richard Nixon began secret bombing of Cambodia and authorized illegal wiretaps on 17 reporters and Government officials. It also shows consistent White House efforts to block or impede the course of the Watergate investigation.

Yet despite Nixon's efforts to prevent full disclosure of the facts, the Watergate "bombshells" have continued. Now almost 2 years after the discovery of the Watergate break-in, we know that in undermining public faith in the integrity of our leaders and governmental institutions, President Nixon and his administration have delivered the most sinister attack on American democracy in our Nation's history.

The chronology follows:

WATERGATE CHRONOLOGY

(Compiled by Americans for Democratic Action)

1969

January 20: Richard Nixon becomes President. John N. Mitchell is named attorney general, H. R. Haldeman becomes White House chief of staff, and Ronald Ziegler is appointed Nixon's press secretary.

March: Nixon begins secret bombing of Cambodia.

May: Nixon authorizes illegal "national security" wiretaps on 17 reporters and high government officials after leaks of information on SALT and the bombing of Cambodia.

August: At the request of the White House, the I.R.S. sets up an "Activist Organizations Group," later renamed the "Special Services Group," to crack down on "extremist organizations."

August 1: Justice Department initiates anti-trust proceedings against ITT in connection with an ITT-Hartford merger.

November: John D. Ehrlichman becomes Nixon's chief domestic advisor.

1970

April 30: Nixon announces invasion of Cambodia. Though U.S. air strikes begun in March 1969 total 3,875 by May 1970, Nixon tells the American people the U.S. has not moved against enemy sanctuaries in Cambodia for five years.

July: John Dean III becomes counsel to the President.

July 23: Nixon approves the "Huston Plan" calling for use of illegal methods to gather intelligence on demonstrators and domestic radicals. Five days later, Nixon allegedly rescinds his approval.

September: Pentagon allegedly begins pilfering of secret National Security Council documents, a project which continues through December 1971.

December: White House forms "Interagency Evaluation Committee" to serve essentially the same purpose as the Huston Plan, which apparently never went into effect.

December 16: Dairy industry group writes letter promising a $2 million contribution to the 1972 Republican campaign in return for curbs on dairy imports.

December 31: Nixon places import quotas on certain dairy products.

1971

January 19: Herbert Kalmbach, Nixon's personal attorney, becomes unofficial fund raiser for Nixon's re-election campaign and begins soliciting illegal corporate contributions.

February: "National security" wiretaps authorized by Nixon in May 1969, and later declared unconstitutional by the Supreme Court, are terminated.

Spring: Nixon begins secret taping of all Oval Office conversations, ostensibly for historic purposes.

March 12: Agriculture Department announces decision not to raise milk price supports.

March 25: Shortly after a meeting between Nixon and milk producers, Agriculture Department announces milk price support increase. Nixon campaign contributions from the dairy industry—eventually totaling at least $427,500—are forthcoming.

May 3–5: May Day—Over 13,000 anti-war demonstrators are illegally arrested in Washington, D.C.

June: Pentagon Papers are published in the *New York Times* after being leaked by

Daniel Ellsberg. Nixon directs creation of the White House "Plumbers" group, headed by Egil Krogh, Jr., and David Young, to investigate the matter. Ehrlichman hires E. Howard Hunt and G. Gordon Liddy to investigate Daniel Ellsberg.

June 25: Dita Beard, an ITT lobbyist, writes memo linking ITT pledge of $400,000 for the Republican convention in San Diego to favorable settlement of the anti-trust case against ITT.

July 23: At Ehrlichman's request, C.I.A. Deputy Director Robert Cushman meets with Hunt to provide logistical aid and equipment for Hunt's "highly sensitive mission."

July 31: ITT anti-trust case is settled favorably for ITT.

August: Nixon approves Hunt-Liddy trip to California to develop information on Daniel Ellsberg.

August 5: ITT deposits $100,000 in the bank account of the G.O.P. Convention Bureau in San Diego.

September: Hired by presidential aides, campaign saboteur Donald Segretti begins recruiting Nixon supporters to act as spies in Democratic campaigns and to perform "dirty tricks."

September 3: Ellsberg's psychiatric records are burglarized from Dr. Louis Fielding's office in Los Angeles. The burglary is financed with Nixon campaign money.

October 15: Billy Graham Day, Charlotte, N.C.—The Secret Service is involved in widespread violations of civil liberties at observances honoring Billy Graham.

December: Liddy becomes general counsel to the Committee to Re-elect the President (CREEP) and begins developing an intelligence plan for use in the campaign.

1972

January 27: Mitchell, Dean, Deputy Director of CREEP Jeb Magruder, and Liddy meet to discuss Liddy's proposed $1 million intelligence plan. Liddy is told to develop a "more reasonable plan."

February 4: Mitchell, Dean and Magruder consider and reject a second Liddy intelligence plan, but instruct Liddy to continue his planning.

February 15: Maurice Stans becomes financial chairman of CREEP and immediately begins stepped-up fund-raising efforts.

February 29: Columnist Jack Anderson breaks story linking favorable settlement of the ITT anti-trust case to Nixon campaign contribution and implicating Mitchell and Kleindienst in the affair.

March: White House aide Charles Colson writes memo to Haldeman warning of evidence which could "directly involve" the President in the ITT scandal.

March 1: Mitchell resigns as attorney general to become director of CREEP.

March 29, 30: Mitchell, Mitchell's aide Fred LaRue and Magruder meet in Key Biscayne, Florida, and Liddy's third plan calling for illegal entry into and wiretapping of the D.N.C.'s Watergate headquarters is approved.

April 3: Gulf Resources President Robert Allen contributes $100,000 to Nixon's campaign, and the E.P.A. subsequently abandons a pollution case against Gulf's principal mining and smelting company.

April 5: Hugh Sloan, CREEP finance committee treasurer, receives the Allen contribution after it has been "laundered" in Mexico and gives some of this money to Watergate conspirator G. Gordon Liddy.

April 7: New disclosure law requiring strict financial reporting of campaign contributions takes effect. CREEP has collected $19.9 million in legal and illegal campaign contributions prior to this date.

April 10: Financier Robert Vesco, under investigation by the S.E.C. for stock fraud, makes a secret $200,000 contribution to the Nixon campaign.

May 27: First Watergate break-in and wire-tapping of the D.N.C.'s headquarters takes place undetected. Magruder, according to his own testimony, begins supplying Mitchell with copies of information obtained from the wiretaps.

June 9: Congress confirms Richard G. Kleindienst as attorney general.

June 17: Second Watergate break-in occurs, and five agents of the Nixon campaign are arrested by the Washington, D.C. police.

June 19: Press Secretary Ronald Ziegler labels Watergate break-in "a third-rate burglary."

June 20: Nixon, Haldeman and Ehrlichman, according to the Haldeman memo, meet to plan a "PR offensive" to divert attention from Watergate. During a telephone conversation with Nixon, Mitchell, according to his own testimony, tells the President that only the five men arrested at Watergate were involved.

June 22: Referring to the Watergate break-in, Nixon says the White House has had "no involvement whatever" in the matter.

June 23: At Nixon's request, White House aides Haldeman and Ehrlichman meet with C.I.A. officials Helms and Walters to discuss limiting the F.B.I.'s Watergate investigation.

June 28: Acting F.B.I. head L. Patrick Gray III, at a meeting with Dean and Ehrlichman, is given Hunt documents which Dean labels "political dynamite" and says "should never see the light of day."

June 29: Nixon's attorney Herbert Kalmbach begins funneling secret payments to Watergate conspirators.

July 1: John Mitchell resigns as Nixon's campaign manager after Martha Mitchell demands publicly that he leave politics and "all those dirty things that go on."

July 6: Gray calls Nixon to express concern over the interference of White House aides in the F.B.I.'s Watergate investigation, stating, "People on your staff are trying to mortally wound you." Nixon tells Gray to press ahead with the investigation.

August 1: G.A.O. begins investigation of CREEP finances after the *Washington Post* reports that a $25,000 Nixon campaign contribution was deposited in the bank account of one of the men arrested at Watergate.

August 26: G.A.O. issues first of several reports citing Nixon's re-election finance committee for apparent violations of the Federal Election Campaign Act of 1971.

August 27: CREEP Finance Chairman Maurice Stans denounces the G.A.O.'s report.

August 28: Attorney General Kleindienst announces the F.B.I.'s investigation of Watergate will be the "most extensive, thorough and comprehensive" investigation since Kennedy's assassination.

August 29: Nixon claims all those currently employed in his administration have been cleared of complicity in Watergate by an investigation by John Dean.

August 30: Nixon says he will not comply with a Democratic suggestion that a special, nonpartisan prosecutor instead of a Justice Department attorney be assigned to the Watergate case.

September 15: Grand jury indicts James W. McCord, Jr., Bernard L. Barker, Frank A. Sturgis, Eugenio Martinez, Virgilio Gonzales, E. Howard Hunt, and Gordon Liddy for their involvement in the Watergate break-in. At a meeting in the Oval Office, Nixon, Haldeman and Dean discuss Watergate and related matters. The President, according to Dean, commends Dean on doing a "good job" and says he is pleased the Watergate case has "stopped with Liddy."

October 10: CREEP dismisses *Washington Post* report of a widespread Republican network of espionage and sabotage directed against Democrats as "a collection of absurdities."

October 23: Citing Justice Department files, *Time magazine* reports that Donald Segretti was hired by White House aides Dwight Chapin and Gordon Strachan and was paid more than $35,000 by Nixon fund raiser Kalmbach to sabotage the campaigns of Nixon's Democratic rivals.

November 7: Richard Nixon is re-elected President in a landslide victory.

December: Gray destroys Hunt documents received June 28, 1972.

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January 8: Trial of Watergate defendants Barker, Sturgis, Martinez, Gonzales, McCord, Hunt and Liddy begins, with Judge John Sirica presiding.

January 11: Defendant E. Howard Hunt pleads guilty.

January 15: Defendants Barker, Sturgis, Martinez and Gonzales also plead guilty.

January 26: CREEP finance committee is fined $8,000 after pleading no contest to charges of failing to report to the G.A.O. cash sums given to Liddy by treasurer Hugh Sloan.

January 30: Liddy and McCord are convicted for illegal activities in connection with the Watergate break-in.

February 7: Senate Watergate Committee is established by a unanimous vote of the Senate.

February 27, 28: President Nixon evinces complete awareness of the Watergate cover-up and reassures John Dean that he has no legal problems, according to testimony by Dean.

February 28: Senate hearings on L. Patrick Gray for confirmation as permanent F.B.I. director begin, and new disclosures are made about CREEP officials' efforts to impede the F.B.I.'s Watergate investigation.

March 3: Attorney General Kleindienst testifies he was not pressured to drop the ITT antitrust case.

March 13: Nixon, according to testimony by Dean, says he has approved executive clemency for Hunt and there will be "no problem" raising $1 million to silence Watergate participants.

March 17: Nixon learns of the Ellsberg break-in but does not immediately disclose this to Judge Matt Byrne, who is presiding at the Ellsberg trial.

March 21: According to his own account, President Nixon first learns of the Watergate cover-up, "personally assume(s) responsibility for conducting intensive new inquiries into the matter," and orders those conducting the investigations to report directly to him.

March 23: Judge Sirica makes public a letter received from McCord which charges that perjury was committed at the Watergate trial and that defendants were pressured to plead guilty and keep silent.

March 24: McCord tells Senate investigators that John Dean and Jeb Magruder had advance knowledge of the Watergate break in.

April 5: Gray's nomination as F.B.I. director is withdrawn, and Nixon and Ehrlichman meet with Judge Byrne to sound him out for the vacant F.B.I. post.

April 14: Ehrlichman, according to his own account, gives Nixon a complete report on the Watergate cover-up.

April 15: Dean, according to his own testimony, tells Nixon he has gone to the U.S. attorney's office to report the Watergate cover-up. Nixon, according to Dean, says he had been "joking" when he approved raising $1 million for the Watergate defendants and was "foolish" to have discussed executive clemency with White House counsel Charles Colson.

April 17: Nixon announces there have been "major new developments in the case." After ten months of assailing Watergate news stories as "fiction," Press Secretary Ziegler declares past White House statements on Watergate "inoperative."

April 24: White House denies that Watergate defendants were offered executive clemency to plead guilty and remain silent.

April 26: Jeb Magruder, deputy director of CREEP, leaves the Department of Commerce, thereby becoming the first Nixon Administration official to resign over the Watergate affairs.

April 27: Gray resigns as acting director of the F.B.I. after being implicated in the attempted Watergate cover-up. G.A.O. issues report charging Hugh Sloan, former Nixon campaign finance committee treasurer, with knowingly submitting false financial reports to the G.A.O. Office of Federal Elections in violation of the Federal Election Campaign Act.

April 30: Nixon announces the resignations of four of his closest aides: H. R. Haldeman, White House chief of staff, John Ehrlichman, chief domestic advisor, presidential counsel John Dean, and Attorney General Richard Kleindienst. The President nominates Elliot Richardson as attorney general, giving him full charge of the Administration's Watergate investigation and authority to appoint a Watergate special prosecutor. Accepting full responsibility for Watergate, Nixon pledges that justice will be pursued "fairly, fully and impartially, no matter who is involved."

May 4: Former campaign treasurer Hugh Sloan admits that a secret cash fund of $1–2 million was never reported publicly.

May 9: Plumbers' head Egil Krogh resigns as under secretary of transportation. Nixon pledges Attorney General designate Richardson and the special prosecutor "will have the total cooperation of the executive branch in investigating the Watergate case."

May 10: Former Nixon cabinet officers Mitchell and Stans are indicted in connection with the Vesco contribution for which they allegedly promised to intercede on behalf of Vesco in a stock fraud case. Dean issues statement reporting efforts underway to prevent his testifying fully and freely.

May 11: Judge Byrne declares a "mistrial due to government misconduct" in the Pentagon Papers case and dismisses all charges against Daniel Ellsberg and Anthony Russo.

May 14: Deputy C.I.A. Director Lt. Vernon Walters says White House pressure was put on the C.I.A. to assist in the Watergate cover-up. John Dean denies ever having written, or been asked to write the so-called "Dean Report" referred to by Nixon on August 29, 1972.

May 16: Press Secretary Ziegler confirms a *New York Times* report that information for Nixon's August 29, 1972, statement did not come from a briefing by Dean as originally maintained. Former C.I.A. Director Helms testifies White House aides used Nixon's name in requesting C.I.A. aid in the Watergate cover-up.

May 17: Senate Select Committee on Watergate, chaired by Sam Ervin (D-N.C.), begins televised public hearings.

May 18: Attorney General designate Richardson names Archibald Cox as special Watergate prosecutor.

May 22: Nixon for the first time publicly admits Watergate cover-up efforts at the White House, but denies personal complicity. The cover-up, he claims, was necessary to protect "national security."

May 23: Elliot Richardson is confirmed as attorney general after a long Senate deadlock over the powers of the special prosecutor.

June 14: Former CREEP Deputy Director Magruder testifies that Mitchell approved the Watergate break-in and later participated in the cover-up.

June 20: CREEP finance committee is fined $3,000 for failing to report the Vesco contribution.

June 25–29: Challenging Nixon's May 22, 1973 statement, John Dean testifies the President was aware of the Watergate cover-up as early as September 1972.

June 28: Senate Watergate Committee publishes list of 216 Americans on the White House "enemies" list.

July 6: American Airlines official admits to having donated $55,000 in corporate funds to the Nixon campaign after solicitation by Herbert Kalmbach. Subsequently, other corporations admit illegal contributions.

July 10: In testimony before the Senate Watergate Committee, John Mitchell denies having approved the Watergate break-in, but acknowledges his role in the cover-up.

July 13: *New York Times* reports that, according to their attorney, Watergate defendants Barker, Sturgis, Martinez, and Gonzalez pleaded guilty to the Watergate break-in because they were promised support payments and executive clemency by Hunt.

July 16: Surprise witness Alexander Butterfield, former deputy White House aide, discloses the existence of Oval Office tapes.

July 17: Senate Watergate Committee requests access to certain White House tapes. Dean's attorney predicts the tapes will corroborate his client's assertions about Nixon's awareness of a cover-up.

July 18: Special Prosecutor Cox asks for the tapes.

July 20: In a speech to the White House staff, Nixon says, "Let others wallow in Watergate, we are going to do our job."

July 23: Claiming "executive privilege," Nixon refuses to release the White House tapes. Senate Watergate Committee decides to subpoena the tapes, and Cox announces he too will seek subpoenas.

July 24: Ehrlichman, in testimony before the Senate Watergate Committee, cites "national security" as justification for White House intelligence operations.

July 27: Ehrlichman defends the Nixon campaign practice of spying on opposition candidates and states that the President was not fully briefed on Watergate until April 14, 1973.

July 30: Haldeman testifies that he and Nixon are innocent of wrongdoing in the Watergate affair, claiming they were "misled" by Dean.

July 31: Rep. Robert Drinan (D.-Mass.) introduces first impeachment resolution.

August 2: Vice President Spiro Agnew is informed he is under federal investigation on charges of bribery, extortion and tax fraud.

August 6: Former F.B.I. head Patrick Gray testifies he received no orders after March 21, 1973, to report the progress of the F.B.I.'s Watergate investigation directly to the President.

August 14: In response to a federal prosecutor's request for his personal records, Vice President Agnew declares, "I have nothing to hide."

August 15: In an address to the nation, President Nixon again denies personal complicity in Watergate. Citing the need for confidentiality of presidential conversations and documents, Nixon says he will not turn over White House tapes to either the Senate Watergate Committee or the special prosecutor's office.

August 22: Nixon declares at a press conference, "We must move on from Watergate to the business of the people."

August 29: Judge Sirica issues court order for nine presidential tapes.

September 4: Krogh, Young, Liddy and Ehrlichman are indicted in connection with the Plumbers' break-in at the office of Ellsberg's psychiatrist.

October 1: Donald Segretti pleads guilty to having engaged in illegal campaign activities.

October 10: Vice President Agnew resigns after pleading no contest to income tax evasion.

October 12: Court of Appeals upholds Judge Sirica's order for White House tapes.

October 14: Rep. Jack Brooks (D-Tex.) says the expenditure of $10 million in public funds on Nixon's private residences raises "serious questions of propriety."

October 19: Seeking resolution of the tapes controversy, the White House makes the "Stennis Compromise" offer: Sen. Stennis (D-Miss.) will be allowed to listen to the tapes so he can attest to the veracity of White House transcripts. Special Prosecutor Cox rejects the offer. John Dean pleads guilty to obstruction of justice in the Watergate cover-up, saying he hopes that "others involved will also come forward and accept responsibility for their complicity."

October 20: "Saturday Night Massacre": Richard Nixon orders the firing of Special Prosecutor Cox; Attorney General Richardson and Deputy Attorney General Ruckelshaus resign rather than carry out Nixon's order; and Cox is ultimately fired by Solicitor General Robert Bork.

October 23: Yielding to public pressure, Nixon agrees to hand over the tapes.

October 30: House Judiciary Committee begins its impeachment inquiry.

October 31: Nixon's lawyers report to Judge Sirica that White House tapes of two key presidential conversations—Nixon's June 20, 1972 conversation with Mitchell and his April 15, 1973 conversation with Dean—do not exist. Former Attorney General Kleindienst admits for the first time that he was pressured by President Nixon to drop the ITT case.

November 1: Leon Jaworski is named as special prosecutor to replace Cox.

November 13: White House aide Stephen Bull testifies that Nixon knew about the missing tapes on September 29, 1973—a month before the White House announced their disappearance.

November 14: The firing of Cox is ruled illegal by U.S. District Court Judge Gerhard Gesell.

November 17: In response to newsmen's questions about his personal finances, Nixon declares at Disney World, "I am not a crook."

November 20: Having begun "Operation Candor," Nixon assures Republican governors there will be no more "bombshells."

November 21: White House reveals gap of 18½ minutes in tape of crucial June 20, 1972 conversation between Nixon and Haldeman.

November 26: Nixon's secretary Rose Mary Woods says that she may have caused the tape gap by inadvertently leaving her foot on the control pedal.

November 30: Panel of experts approved by the White House and the court begins examining the tape with the missing segment. Former Plumbers' head Krogh pleads guilty to federal charges in connection with the Ellsberg break-in.

December 6: Congress confirms Gerald Ford as Vice President.

December 8: Nixon releases his tax returns for the year 1969–72. Questions immediately arise concerning, among other things, the validity of a $576,000 deduction taken for the donation of Nixon's vice-presidential papers to the National Archives.

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January 15: Electronics specialists appointed by the court conclude the 18½ minute tape gap could not have been caused accidentally in the manner suggested by Rose Mary Woods.

January 18: Judge Sirica recommends a grand jury investigation to determine whether indictments should be brought for criminal actions in the tape mystery.

January 30: In his state of the Union message, Nixon declares: "One year of Watergate is enough."

February 14: Special Prosecutor Leon Jaworski reports refusal of White House to comply with his request for tapes and documents relating to his investigation.

February 20: House Judiciary Committee staff study concludes that a President can be impeached for serious offenses against the public interest without proof of criminal misconduct.

February 25: Nixon declares at a press conference: "I do not expect to be impeached."

March 1: Watergate grand jury gives Judge Sirica a sealed report believed to deal with

Nixon's involvement in the Watergate cover-up.

March 2: Grand jury indicts seven of President Nixon's former White House and campaign aides for participation in the Watergate cover-up: H. R. Haldeman, John Ehrlichman, John Mitchell, former White House special counsel Charles W. Colson, former White House aide Gordon Strachan, former Assistant Attorney General Robert C. Mardian and CREEP Attorney Kenneth W. Parkinson.

March 6: Nixon once again insists that he never approved clemency or hush money for the Watergate defendants, but concludes that the tape of his March 21, 1973 meeting with Dean and Haldeman might lead to different conclusions.

March 12: Press Secretary Ziegler suggests the President will not supply the House Judiciary Committee with additional tapes until it defines an impeachable offense.

March 18: Judge Sirica rules that the Watergate grand jury's secret report should be turned over to the House Judiciary Committee.

March 19: Sen. James L. Buckley (Cons., R-N.Y.) becomes the first conservative Republican in Congress to call on Nixon to resign because of the Watergate scandal.

March 21: A House Government Operations Subcommittee reveals that over the past five years $17 million in government funds have been spent on Nixon's San Clemente and Key Biscayne homes.

March 26: Federal Judge John Sirica gives the House impeachment inquiry the sealed report and the locked briefcase of evidence entrusted to him by the Watergate grand jury March 1.

April 3: The staff of the Joint Committee on Internal Revenue Taxation finds that Nixon owes $476,431, including interest, on back taxes for 1969 through 1972 for improper deductions and failure to pay capital gains taxes; Nixon agrees to pay $432,787 plus interest that the Internal Revenue Service ruled was due. Lt. Gov. Ed Reinecke of California is indicted for allegedly having lied to a Senate Committee about the ITT pledge of money for the 1972 Republican National Convention.

April 5: Dwight Chapin, President Nixon's former appointments secretary, is convicted of two counts of perjury concerning his connection with political saboteur Donald Segretti.

April 11: The Judiciary Committee votes 33-3 to subpoena tapes and records of more than 40 presidential conversations.

April 28: John Mitchell and Maurice Stans are found innocent of all charges relating to the Vesco campaign contribution.

April 29: President Nixon agrees to turn over to the House Judiciary Committee edited transcripts of some of the subpoenaed Watergate tape recordings "blemishes and all."

May 1: The Judiciary Committee votes 20-18 to reject Nixon's delivery of edited transcripts rather than copies of the original tapes.

THE 183D ANNIVERSARY OF POLISH CONSTITUTION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1974

Mr. BIAGGI. Mr. Speaker, it is my distinct honor and privilege to join with many of my colleagues in this special order commemorating the 183d anniversary of the signing of the Polish Constitution of 1791. As we celebrate this important day in the annals of world history, it is only fitting that we take time to consider the tumultuous history of Poland since 1791, as well as pay tribute to the great contributions which the Polish American community has made to this Nation.

To Polish nationals and people of Polish ancestry everywhere in the world, this day is comparable to our own Fourth of July celebration. However, the similarity ends there. While we in the United States have realized and maintained the democratic ideals contained in our Constitution of 1789, for Poland, these have been years of tyrannical and oppressive occupation, and thus, they have far from achieved the great democratic goals contained in their constitution.

The greatness of the 1791 Polish Constitution lies in the principle it embodied; namely, the sovereignty of the people of the state. Yet an ironic and tragic indication of the present day control of the state over the people is seen in the fact that the people of Poland are not even permitted, by their Communist rulers to celebrate this great national holiday.

We in the United States owe much to the Polish American community for their years of contribution to this Nation. They have served us in times of war, all the way from General Pulaski of the Revolutionary War to the thousands of Polish American who served in the Vietnam conflict. Further, they have achieved great successes in all facets of our cultural, political, and community life, and it is for these contributions that we as a nation pay tribute to them on this day.

It would serve us well to consider the present-day plight of the Polish people as well as those millions of other residents of Eastern Europe who continue to find themselves under the yoke of Communist oppression. We are embarking on an unprecedented era of international agreements between nations of widely divergent ideological ideas. Yet, before we can expect responsible participation by the Communists in these agreements, they must begin to permit the people they rule to have the right of self-determination. This is a fundamental right to a civilized society. The Polish people stand as examples of the inherent failure of communism, for while the Communists have ruthlessly deprived these people of basic freedom, their spirit and hopes for freedom remain as strong today as they were in 1791.

Mr. Speaker, as millions of Polish Americans celebrate this important day, let us as a nation redouble our efforts at championing the cause of true freedom and dignity for all the residents of the world community. If we are successful, the people of Poland may, after 183 years realize the true democratic ideals they so eloquently called for in their Constitution of 1791.

SOCIAL SECURITY COST-OF-LIVING DIFFERENTIALS

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. BRASCO. Mr. Speaker, today the average elderly American living on a fixed retirement income is at best living marginally. For those who happen to be living in major metropolitan areas, such as my home city of New York, an added burden is imposed; their fixed incomes are not enough to cope with the cost of living in places like New York City. Many retired New Yorkers find that they come out about $100 short annually, which, although not a huge sum to a working person, looms very large in the estimation of the older citizen.

They desperately require some form of balancing mechanism to make up the difference in order to remain on a subsistence level. Therefore, I am joining in sponsorship of a bill that would, indeed, make available such special cost-of-living increases to older people in such high-price areas. It would guarantee the elderly a realistic annual minimum income above the level of enforced poverty. Current law already mandates annual cost-of-living increases for all, regardless of where they reside. But such a requirement fails to take into account differences between living in a large city and in rural areas.

We must sadly come to grips once again with a prime fact of life for the 25 million older people in the Nation; that from their ranks are coming the largest number of new recruits for those who are called poor. Further, inflation is cutting enormous swaths in their purchasing power. Job opportunities for them are minimal and decreasing. Federal programs for them are in disarray. All in all, time is of the essence, and we should act with dispatch.

Erosion of actual purchasing power is not just a catch phrase. The situation is serious for those in urban areas of size. The goods and services obtained by an elderly person in the rural South for $1,788.64 would cost the same person $1,867.88 in Baton Rouge, $2,195.48 in New York City, and $2,296.28 in San Francisco. These are figures offered by the Bureau of Labor Statistics for minimum levels of subsistence for older persons in those areas. But the social security check received by the elderly is the same everywhere in the United States—$2,087.60 annually for the average retired worker. Many receive much less for a variety of reasons.

In New York, therefore, the average retiree is $100 short annually. This means that Federal programs reaching such people should reflect the differences in realities of life where such people live. That is the purpose of the bill I am joining in supporting now.

It would establish a minimum standard of income for older Americans of $3,850 a year for an individual and $5,200 for a couple.

The sum would be adjusted annually to reflect changes in the intermediate budget level cost of living as determined by the Bureau of Labor Statistics. Benefits would rise for residents of large cities where the cost of living exceeds the national average.

We must bear in mind the fact that almost three out of every four Americans over age 65 subsist on incomes of less than $3,000 annually. More than 2½ million have no income whatsoever. Yet last year food prices rose an incredible

19.1 percent, placing many items we consider essential out of their reach.

Nor is there much prospect for significant relief from falling prices. If anything, prices will continue to rise. Even though the Congress has pushed through several hikes in social security bents, the inflationary spiral has outdistanced whatever new buying power these have given the elderly. They are still playing catchup. And in major cities, the situation is worse than anywhere else. What this bill is seeking to do is not to provide the elderly with more dollars in one area of the Nation over another area, but to equalize buying power of social security recipients.

Almost all of the elderly have worked all their lives and are not seeking a handout. To know these people is to understand their pride and desire to earn whatever they have. The levels of payment provided them now are no credit to this country, especially when we observe how other advanced industrialized nations treat their older people.

This bill recognized the facts of life for the elderly in large cities today, and we would do well to understand why they require such an equalizing benefit. For many, their income limitation reduces them to deciding between medicine for a chronic condition and a decent diet. Their needs and ability to suffer in silence is perhaps as great a shame for our Nation as the recently highlighted plight of the Vietnam veterans. If we could send them to fight, we can deliver their veterans benefits. If we could take advantage of a lifetime of labor on the part of these older people, we can make life tolerable for them now.

KYROS COMMENDS ALCOHOL TREATMENT ACT

HON. PETER N. KYROS

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. KYROS. Mr. Speaker, I rise in support of the Senate amendments to the Alcoholism Prevention, Treatment, and Rehabilitation Act (S. 1125). As a member of the House Public Health Subcommittee, which wrote the original bill, I can say from testimony we heard before the committee that the extent of alcohol abuse in the United States is staggering. It is the No. 1 drug problem in America today.

Let me just cite some statistics:

Some 9 million Americans—or 7 percent of our entire adult population—are alcoholics; 200,000 new cases develop each year.

Alcohol is directly related to half of the Nation's traffic fatalities and 40 percent of all non-traffic arrests.

An estimated 10 percent of the Nation's workforce have serious alcohol problems, costing the national economy $15 billion annually.

Today we are in a position to continue the Federal Government's massive attack on the abuse that gives rise to these alarming statistics. This involvement in alcoholism research, treatment, and rehabilitation began in 1947, when the Federal Government first supported State research efforts. It continued through the landmark comprehensive alcoholism bill passed in 1971 and written by my Public Health Subcommittee. And it can reach a new intensity under the Alcoholism Prevention, Treatment, and Rehabilitation Act of 1974, which has passed both Houses of Congress and now awaits action by the President.

Specifically, the bill:

Provides for a 2-year extension of the program of formula grants to the States to assist them in developing more effective and comprehensive means for meeting the problems of alcoholism. I am pleased to say that Maine's share of block grants under this program is now $255,000 and is likely to increase under the extension.

Establishes and consolidates within the Department of Health, Education, and Welfare a single administration to supervise and coordinate the three fragmented groups that now deal with alcoholism. A new Alcohol, Drug Abuse, and Mental Health Administration (ADAMA) within HEW will coordinate and supervise programs carried out through the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse. These three agencies, working together, will redirect Federal efforts somewhat away from research and more toward the practical problems of prevention and treatment.

Extends the project grant and contract authority of the act for an additional 2 years, through 1976. This is an especially important provision of the legislation, since the desire for new approaches to alcoholism prevention and treatment can best come from the local level, in cooperation with the Federal Government, where local or regional projects can tailor their treatment plans to community needs.

Establishes a special grant of up to $100,000 plus 10 percent of an equal amount to a State's formula grant allotment for States which have adopted the provisions of the Uniform Alcoholism and Intoxication Treatment Act, which requires that alcoholism and intoxication be a health and social service care responsibility. I am proud that Maine is one of twenty states that have adopted the act, and that alcoholism in our State will be treated more as a psychological problem than a criminal act.

Each of these provisions is crucial to continuing and improving our Federal effort to overcome this massive national problem. The initiatives begun by the original legislation is now going forward. I applaud passage of this bill.

BAN THE HANDGUN—XLVII

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. BINGHAM. Mr. Speaker, on April 11 in this space, I included an article written by Stephen Brill for New York magazine, entitled "How Guns Get To Town—Tracing the Southern Connection." I have now obtained a special report by Howard Metzdorff, deputy chief of the Intelligence Division of New York City's Police Department, which was the basis for the Brill article. This report documents the existence of an extensive black market in illegal handguns imported into New York from States with less strict or nonexistent gun control laws. I commend Deputy Chief Metzdorff for the thoroughness of this study.

I insert herewith the opening section of the 1973 New York City Handgun Study and will be inserting additional sections in ensuing editions of the CONGRESSIONAL RECORD:

HANDGUN STUDY—NEW YORK CITY, 1973

SITUATION

There has been an alarming increase in crimes involving the use of handguns. Homicide, considered the "ultimate crime" may be a good barometer. In 1960 there were 390 homicides in New York City of which 75 or 19% involved the use of handguns. In 1972 there were 1,691 homicides, an approximate 450% increase; however, the use of handguns increased a staggering 1012% to 834 shootings. As of December 1, 1973, the number of firearms incidents has exceeded 14,600 cases.

ANALYSIS

This study was begun in August 1973 and involves a review of all handgun cases recorded between January 1, 1973 and July 31, 1973, over 5,000 cases in all. After review and elimination of cases which were obviously untraceable (starter's pistols, military, homemade or legally possessed guns, or those with obliterated serial numbers which could not be restored), 3,328 cases were selected for tracing; 322 of these are still under investigation and are listed as outstanding.

Completed tracing of 3,006 guns were reviewed, analyzed, and categorized; data concerning the following was developed:

1. Origin of illegal handguns and last retail outlet.

2. Purchasers of illegal handguns (to determine if persons arrested for weapons charges had purchased guns in violation of gun control act of 1968 and/or made large purchases of weapons).

3. Thefts of handguns, both legal and illegal.

4. Legally owned handguns (the presence of legally owned guns in the crime picture could not be overlooked).

Available data breaks down as follows:

Traced to states other than New York (includes 109 handguns which are subject of ATF investigation or arrests	1,343
Traced to New York State (other than New York City)	1
Traced to foreign countries	13
Stolen (various states)	365
Apparently legal handguns not reported stolen and under current investigation	22
New York City permit holders (46 arrested)	48
Permit Holders other than New York City	10
Subtotal	1,802
Non-traceable weapons, identified as starter's pistols converted to fire projectiles or not converted, but serially numbered; however, non-traceable	111
Companies concerned no longer in business, or did not keep records at time of sale	781
Military handguns	31

Duplicate requests forwarded for same weapon	97
Gun involved in routine testings, or surrendered by the permit holder	184
Subtotal	1,204
Total	3,006

Of the guns traced to other than New York State, 69% were traced to four (4) southern states: South Carolina (427), Florida (176), Virginia (176), and Georgia (156). The remaining 31% were traced to 39 states, the District of Columbia and 9 foreign countries. 72% of those traced to the four southern states were classified as "Saturday Night Specials."

An examination of the 1,343 cases reveals that in approximately 49% of the cases, possession of a dangerous weapon was the only charge. Nevertheless, a random perusal of the criminal records of those arrested for simple possession indicates a prior arrest record in 58% of the cases (based on a random sample of 100 of 622 cases). Further, of the 1,343 cases, the person arrested was not the original purchaser of the weapon in 97% of the cases.

The study indicated that one gun was purchased outside New York City, but within New York State by an individual using fraudulent credentials; while those traced to foreign countries could not be traced to individuals. Of the 365 guns stolen in various states, which is approximately 21% of all the handguns traced, the breakdown is as follows:

Stolen from autos (outside New York State)	4
During burglaries outside New York State)	17
During robbing (outside New York State)	10
From dealers (outside New York State	58
From manufacturers (outside New York State)	20
Stolen in New York City (various ways)	91
Stolen in New York State (other than New York City)	6
Stolen in transit	96
Stolen in unknown manner	63
Total	365

A separate investigation and report has been made regarding the 46 New York City pistol Permit holders mentioned in this report. Briefly, 58% of these used their licensed pistol in the crime for which they were arrested. Pistol license hearings restored their license in 78% of these cases. Of those who did not use their guns in the crime for which they were arrested, hearing restored the license in only 20% of the cases. The holders of permits issued by other than New York City were all charged with possession of dangerous weapons. In addition, there were also charged with other crimes.

Twenty-two cases are still under investigation. These involved apparently legally owned guns of law enforcement or other licensed persons which were apparently stolen; however, they were never reported as such.

CONCLUSION

The conclusion of this report indicates that:

1. Guns are purchased legally or illegally by residents of other states and jurisdictions and brought or sent to New York City.

2. Guns are purchased by New York residents in other states, using the services of residents of those states or through fraudulent identifications.

3. Guns are stolen in various states including New York City and New York State.

4. Foreign military weapons which are presumably war souvenirs, are brought into New York City.

5. Guns are stolen from military reservations.

6. Since in 97% of the cases of those arrested with handguns were not the original purchasers, we assume the existence of a black market. (Recent arrests by undercover men confirm this assumption.)

7. Although New York City has the most stringent gun control laws in the nation, it cannot stem the flow of guns into this city without federal gun control legislation.

SUMMARY: NEW YORK CITY HANDGUN STUDY—DECEMBER 10, 1973

[Based on population distribution]

Estimated handguns:	
In Nation	32,700,000
In City	1,310,000
Increase in handgun usage in homicides (percent of homicides):	
1960	19
1972	49
1973 (1-1-73 through 11-30-73)	48
Study:	
Ballistics Cases	8,887
Selected for tracing	3,328
Returned from ATF	3,006
To be returned from ATF	322
Traced to other States	1,343
Traced to New York State	1
Traced to foreign countries	13
Stolen (various states)	365
N.Y.C. Permit holders (arrested—46)	48
Legal handguns not reported stolen	22
Not traceable	1,204
Total	3,006

ANALYSIS

1. Guns traced out of New York came from 39 states, the District of Columbia and 9 foreign countries.

2. Of guns traced to other states 69% are from four (4) states: South Carolina, Florida, Virginia, and Georgia.

3. Approximately 72% of the guns traced to South Carolina, Florida, Virginia, and Georgia were classified as "Saturday Night Specials."

4. A random perusal of the criminal records of those arrested for simple possession indicates a prior arrest record in 58% of the cases (based on a random sample of 100 of 622).

5. Less than two-tenths of one percent of all of New York City permit holders were arrested during subject period (46 of 28,000).

6. 58% of 43 permit holders arrested used their licensed handguns in the commission of crimes (25 of 43).

7. Of the handguns traced to other states (excluding indictment cases) only 3% were purchased by the persons ultimately arrested with them (46 of 1,234).

8. Approximately 21% of all guns traced (excluding legal handguns) were stolen (365 of 1,722).

WOMEN'S EDUCATIONAL AND BUSINESS ACT OF 1974

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. PEYSER. Mr. Speaker, on April 9, 1974, I introduced the Women's Education and Business Equity Act of 1974 with Mrs. HECKLER of Massachusetts. The purpose of this legislation is to assist and encourage women to enter and fully participate in business and all other areas of our society.

We are all aware that in recent years much effort has been made to end sex discrimination and to encourage the corporate world to make meaningful efforts to hire and promote qualified women. For over a year, many top corporations have had "affirmative action" programs in effect the purpose of which is to provide opportunities for females who are seriously interested in pursuing business careers. Unfortunately from the reports that are now coming in these programs have not been successful.

On April 18, 19, the Wall Street Journal reported that—

> By large and large, women aren't getting many important corporate posts.

The September-October 1973 issue of the Harvard Business Review reported—

> The fact is that in the United States business operations have not been significantly affected by equal employment opportunity demands for women.

In effect then, progress for women in the area of equal employment has been slow, and the forecast is unfortunately not much brighter. Hence, there is a real, dramatic need for the type of legislation that I have introduced.

One of the major reasons for the lack of progress in this area has been the approach taken by the Government to encourage equal employment. The Harvard Business Review survey reported—

> The manner in which the government has made its demands and organized its program has seemingly decreased rather than increased management support for female opportunity.

This is obviously a serious indictment of what has been the major impetus behind the "affirmative action" programs. The report goes on to point out why the approach has met resistance and been less than effective—

> Typical of business's reaction to the government's EEO requirements is this comment by an insurance company vice president: "We pull out all our records for a review, which in itself takes precious time, and then the only comment we get is, 'You haven't met your objectives yet.' We knew that before the EEOC investigator walked in. Why can't the government offer us constructive, practical suggestions?"

I believe that the Government should offer help to companies which make the effort to open participation to women. I also believe that the Government should help prepare women for this participation. The Harvard Business Review report points out still another problem facing women in business:

> Once affirmative action goals and timetables have been established on paper, they must be met in reality. And so the search begins for female talent, particularly for women to fill official, managerial, and professional posts.
>
> On-campus recruiting has helped in some areas. In others, such as engineering, in which few women are to be found, companies have come up with poor recruiting results. This will change in the near future only if educational institutions, society in general, and women in particular stop characterizing certain jobs as "masculine."

I believe that the Congress should take meaningful steps to help alleviate the problems and remove the barriers that exist in this area. The Federal Government, through the Equal Employment Opportunity Commission is already deeply involved, but as has been indicated, is not necessarily providing solutions.

It is my belief that the legislation

which has been proposed by myself and Ms. HECKLER will help women reach equity in business careers. There is no question that something needs to be done. The Harvard Business Review report indicates that out of 20 major corporations surveyed, employing nearly 2 million people, women represent less than 1 percent of the officials, managers and professionals.

We need to make a positive response to end the waste of sex discrimination. I urge that the Congress take prompt action on this legislation.

The bill follows:

H.R. 14074

A bill to provide educational and business equity for women

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Women's Educational and Business Equity Act of 1974".

SEC. 2. (a) The Congress hereby finds and declares that present educational programs and business policies in the United States are inequitable as they relate to women of all cultural and ethnic groups and limit their full participation in American society.

(b) It is the purpose of this Act, in order to provide educational and business equity for women in this country, to encourage the development of new and improved curriculums; to demonstrate the use of such curriculums in model educational programs and to evaluate the effectiveness thereof; to provide support for the initiation and maintenance of programs concerning women at all levels of education (preschool through adult education); to disseminate instructional materials and other information for use in educational programs throughout the Nation; to provide training programs for parents, teachers, other educational personnel, youth and guidance counselors, community leaders, labor leaders, industrial and business leaders, and government employees at the State, Federal and local level; to provide for the planning of women's resource centers; to provide improved career, vocational, and physical education programs; to provide for community education programs; to provide programs on status, roles, and opportunities for women in this society; to provide for the preparation and dissemination of materials for use in mass media.

(c) Nothing in this Act shall be construed as prohibiting men from participating in any of the activities funded.

SEC. 3. (a) There is hereby established within the Office of Education a Women's Bureau. The Women's Bureau will consist of a Council on Women's Educational Programs (hereinafter referred to as the "Council"). The Council will be composed of twenty-one members (including not less than twelve women) appointed by the President. The Council shall consist of persons broadly representative of the public and private sectors with due regard to their knowledge and experience relating to the role and status of women in American society, their active involvement in securing equal rights for women and with due consideration being given to geographical representation. The Director of the Women's Bureau in the Department of Labor, the Chairman of the Citizens' Advisory Council on the Status of Women, and the Director of the Department of Health, Education, and Welfare's Women's Action Program shall serve as ex officio members of the Council. The Women's Bureau and Council shall be provided with adequate staff and facilities to carry out its duties as prescribed by this Act.

(b) The Council will elect one member to serve as its Chairperson. The Chairperson shall be compensated at a rate not to exceed the maximum rate prescribed for grade GS-17 in section 5332 of title 5, United States Code.

(c) The remaining twenty members of the Council shall serve without compensation, except that they shall be allowed travel and subsistence expenses while actually engaged in the business of the Council as authorized by section 5703 of title 5, United States Code.

(d) The members of the Council shall serve for terms of three years each, except that the initial appointments shall be made in accordance with procedures designed to allow for the staggering of appointments so that the member or members whose terms expire in any year will be approximately the same as the number of members whose terms expire in any other year.

(e) The Council shall—

(1) advise the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") concerning the administration of, preparation of, general regulations for, and operations of, programs assisted under this Act;

(2) make recommendations to the Secretary with respect to the allocation of any funds pursuant to this Act, with due respect to the criteria developed to insure an appropriate geographical distribution of approved programs and projects throughout the Nation;

(3) develop criteria for the establishment of program priorities;

(4) develop programs and procedures for review of projects assisted under this Act annually; and

(5) develop and disseminate an annual independent report of the programs and activities authorized under this Act.

SEC. 4. (a) The Council shall advise, review and make recommendations for the administration of the programs authorized by this Act, and the coordination of activities within the Federal Government which are related to women's educational programs.

(b) The Secretary shall annually present to the Council a design for a program of making grants to, and contracts with, institutions of higher education, State and local educational agencies, regional research organizations, and other public and private nonprofit agencies, organizations, and institutions (including libraries and museums) to support research, demonstration, and pilot projects designed to fulfill the purposes of this Act; and shall carry out a program of grants and contracts for such purposes in accordance with the policies of the Council; except that no grant may be made other than to a nonprofit agency, or organization, or institution.

(c) Funds appropriated for grants and contracts under this section shall be available for (but not limited to) such activities as—

(1) the development of curriculums;

(2) dissemination of information to public and private pre-school, elementary, secondary, higher, adult, and community education programs;

(3) the support of women's educational programs at all educational levels;

(4) preservice and inservice training programs;

(5) training and counseling programs for corporate personnel which will serve to recruit and upgrade women in business and management;

(6) projects including courses of study, fellowship programs, conferences, institutes, workshops, symposiums, and seminars for both education and business institutions;

(7) research, development, and dissemination of curriculums, texts and materials, nondiscriminatory tests, and programs for adequate and nondiscriminatory vocational education and career counseling for women;

(8) development of new and expanded programs of physical education and sports activities for women in all educational institutions;

(9) planning and operation of women's resource centers;

(10) community education programs concerning women, including special programs for adults;

(11) preparation and distribution of materials;

(12) programs or projects to recruit, train, and organize and employ professional and other persons, and to organize and participate in women's educational programs;

(13) research and evaluation of the effectiveness of such programs;

(14) research and development of programs aimed at increasing the number of women in administrative positions at all levels in institutions of education and business enterprises;

(15) research and development of programs aimed at obtaining and maintaining an adequate distribution of instructors, counselors, and other professionals of both sexes in educational institutions;

(16) training, educational, and employment programs for unemployed and underemployed women;

(17) to increase programs for utilizing professional and nonprofessional women on a part time basis; and

(18) research and development of programs aimed at increasing the proportion of women in fields in which they have not traditionally participated.

(d) In addition to the activities specified in this section, such funds may be used for projects designed to demonstrate, test, and evaluate the effectiveness of any such activities, whether or not assisted under this Act.

(e) Financial assistance under this section may be made available only upon application to the Secretary. Any such application shall be submitted at such time, in such form, and containing such information as the Secretary shall prescribe by regulation and shall be approved only if it—

(1) provides that the activities and services for which assistance is sought will be administered by, or under the supervision of, the applicant;

(2) describes a program for carrying out one or more of the purposes of this Act which holds promise of making a substantial contribution toward attaining such purposes;

(3) sets forth policies and procedures which assure that Federal funds made available under this Act for any fiscal year will be used so as to supplement and, to the extent practical, increase the level of funds that would in the absence of such Federal funds, be made available by the applicant for the purposes described in this section, and in no case supplant such funds;

(4) sets forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application;

(5) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this Act;

(6) provides for making an annual report, and such other reports, in such form and containing such information, as the Secretary may reasonably require, and for keeping such records and affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports; and

(f) For the purposes of this section, the Secretary shall require evidence that an organization or group seeking funds shall have been in existence one year prior to the submission of a proposal for Federal funds and that it shall submit an annual report to the Secretary on Federal funds expended. The Secretary may waive such one-year existence requirement where it is determined that an organization or group existing for less than one year was formed because of policies or practices of a predecessor organization which discriminated by sex: *Provided*, That such organization or group meets eligibility standards in other respects.

(g) Amendments of applications shall, except as the Secretary may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as the original applications.

Sec. 5. The Secretary, in cooperation with the heads of other agencies with relevant jurisdiction, shall insofar as practicable, upon request, render technical assistance to local educational agencies, public and private nonprofit organizations, institutions at all levels of education, agencies of State, local, and Federal governments and other agencies deemed by the Secretary to affect the status of women in this society. Such technical assistance shall be designed to enable the recipient agency or institution to carry on education and related programs concerning the status and education and the role of women in American society.

Sec. 6. The Secretary is authorized to make grants to, or enter into contracts with, public or private nonprofit agencies, organizations, and other institutions for planning and carrying out community-oriented education programs or projects on women in American society for the benefit of interested and concerned adults, young persons, ethnic and cultural groups, community and business leaders, and other individuals and groups within a community. Such programs or projects may include, among other things, seminars, workshops, conferences, counseling, and information services to provide advise, information, or assistance to individuals with respect to discrimination practices, and vocational counseling, and will include information centers designed to serve individuals and groups seeking to obtain or disseminate information, advice, or assistance with respect to the purposes and intent of this Act.

Sec. 7. (a) In addition to the grants authorized under section 4, the Secretary, from the sums appropriated therefor, shall have the authority to make grants, not to exceed $15,000 annually per grant, for innovative approach to women's educational programs.

(b) Proposals submitted by organizations and groups under this section shall be limited to the essential information required to evaluate them, unless the organization or group shall volunteer additional information.

Sec. 8. In administering the provisions of this Act, the Secretary is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or private agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon. The Secretary shall publish annually a list and description of projects supported under this Act, and shall distribute such list and description to interested educational institutions, citizen's groups, women's organizations, and other institutions or organizations and individuals involved in the education, status, and role of women.

Sec. 9. Payments under this Act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of previously made overpayments or underpayments.

Sec. 10. As used in this Act, the term "State" includes (in addition to the several States of the Union) the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

Sec. 11. There is authorized to be appropriated not to exceed $15,000,000 for the fiscal year ending June 30, 1975, $25,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 for the fiscal year ending June 30, 1977, for carrying out the purpose of this Act.

THE MONEY SCENE—SAVINGS ETHIC LIVES DESPITE INFLATION

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HANRAHAN. Mr. Speaker, Americans have always been known for their ability to save money. Now, regardless of the rising cost of living, Americans are saving even more money. This article might be of interest to my colleagues:

[From the Chicago Tribune, Apr. 28, 1974]

The Money Scene—Savings Ethic Lives Despite Inflation

Despite the inflationary ripoff, the American breadwinner is still salting away whatever he can of his paycheck. He hasn't lost his saving ethics—not yet, anyway.

Actually, the consumer has been saying even more money in the face of a two-digit inflation rate that not even a business slump has been able to cool off.

The consumer's savings rate in the last quarter of 1973 rose to 7.3 per cent from 5.7 per cent in the previous three-month period. The higher savings rate was extended into the first quarter of 1974.

In other words, the consumer is still responding to inflation in his traditional way—by saving more money.

But the consumer is stunned by the price inflation which rose by an appalling 14.5 per cent in the first quarter this year—the biggest three-month boost in 23 years.

He can't believe this kind of Latin American inflation is actually happening to him.

Food prices have gone up about 20 per cent in the last year, and, presumably, they'll be in two-digit inflation territory for at least the rest of the year.

And of course, there'll be a general surge in prices when controls come off next Wednesday.

The experts expect consumer spending will be lethargic this year. Recent surveys show consumer confidence declined to a new low early this year. There aren't any signs that consumer spending will pick up soon.

Inflation has seriously eroded the financial position of consumers.

In a special economic study, the investment firm of Goldman, Sachs & Co. notes that at 1973 yearend the total financial assets of consumers amounted to $2.3 trillion.

These assets include cash, demand deposits, savings accounts, pension and insurance reserves, stocks, and bonds.

Because of inflation, the real value of consumers' financial assets at the end of 1973 was actually lower than at 1968 yearend. And in the 1968–73 period, consumers added almost $500 billion to their financial assets.

Between 1962 and 1968, the real financial assets of consumers' holdings increased at an average rate of 7.1 per cent a year.

Clearly, consumers have not been able to protect themselves against the ravages of inflation despite continued additions to their financial assets.

Their experience with inflation, as Goldman, Sachs notes, has heen "very dismal" in these past years.

"We conclude that attempts by consumers to rebuild their inflation-eroded wealth position will limit the recovery of consumer spending in 1974 and perhaps in 1975," Goldman, Sachs said.

The firm said it expects the inflation rate to continue at a high level this year. But with income growth slowing down because of the business slump, it will be difficult for many consumers to improve their real financial wealth.

The critical question, then, is how consumers will react to this erosion.

If inflation continues to soar, they could reduce their savings and spend more to buy goods they think will cost substantially more in the future. Or they may save even more in an effort to rebuild their asset positions.

"We know from the experiences of hyperinflation in Europe and South America that when inflation becomes rampant enough, consumers begin to view traditional forms of saving as futile," observed Goldman, Sachs.

"The urge to buy now those goods that will cost much more in the future begins to dominate consumer behavior.

"But no one knows how high the inflation rate would have to go and how long it would have to stay there before it shattered the saving ethic of many United States consumers."

Let's hope we don't have to learn the answer to that question.

SSI HAS DIFFICULTIES

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. WOLFF. Mr. Speaker, the supplemental security income program—SSI—is riddled with difficulties. The law placed a ceiling on SSI payments and so the needy blind, elderly, and handicapped, who depend on SSI to live without the threat of malnutrition or lack of shelter, cannot benefit from the recent increase in social security. This law has these people in a financial stranglehold. Nine members of the New York delegation and myself have introduced legislation that is designed to correct the glaring problems of SSI. Those members are Representatives Bingham, Brasco, Badillo, Chisholm, Fish, Horton, Koch, Murphy, and Podell. On the day my SSI bill, H.R. 14419, was introduced, April 10, WCBS–TV aired an editorial by Ms. Sue Cott, explaining how these poor, disabled, and elderly citizens will not be helped by the cost-of-living increase in social security. I insert Ms. Cott's editorial in the Record for it explains most clearly the plight of SSI recipients.

The editorial follows:

April Fool

If you are one of the almost 2 million Americans who are over 65 and poor, April 1st turned out to be April Fool's Day. That was the day you thought you'd be getting a seven per cent cost-of-living increase in your Social Security check. Right? But you didn't end up with seven per cent more income. Well, here's what happened.

If you were over 65 and on welfare, this year you were transferred to a new federal income supplement program. But the catch is that under the terms of the new program the cost-of-living increase in your Social Security check has to be deducted from your supplemental income check. And that leaves you back where you started—with no change at all in your total benefits.

Another weakness in the new system is that to qualify for this supplemental income, you can't have an income larger than $227 a month. But since Social Security is considered income, the seven per cent increase may have nudged you over the line, even if only by a dollar or two, making you ineligible for any income supplement at all.

That's why we think the law setting up the supplemental income program should be changed. As it stands it defeats the whole purpose of giving the nation's poorest old people a little extra money to make their lives more bearable.

In July, Social Security recipients will be getting another cost-of-living increase. What a terrible irony that old people living on fixed incomes who need the cost-of-living increase the most won't be able to get it. That's why we urge Congress to act quickly. The elderly poor above all others should be allowed to get the cost-of-living increase in their Social Security payments. The federal government must stop taking with one hand what it gives with the other.

THE CONTINUING THREAT OF WORLD COMMUNISM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. CRANE. Mr. Speaker, despite the fact that there is much hopeful discussion of "détente," the facts of life for the Russian people and for those who are the targets of continued Soviet expansionism remain much the same.

The Soviet Union, at the same time that it speaks of a new era of peace and coexistence, continues to build its military machine and, in recent years, has moved ahead of the United States in a number of important military categories.

Discussing this changing balance of power, Representative RICHARD ICHORD of Missouri, speaking to the Seventh Annual Convention of the World Anti-Communist League held in Washington, D.C., in April, pointed out that:

> During the course of the 60s our military policy changed from superiority to parity and "assured destruction." In other words, the powers that be in the high counsels of government made the determination that we could control the Soviet nuclear threat by maintaining the ability to retaliate . . . The balance of military power in the world is in a very precarious position with the Soviets now holding superiority in virtually every area except in the most advanced technology.

Unfortunately, when Americans speak of détente and peaceful coexistence they mean something far different than do the leaders of the Soviet Union Representative ICHORD stated that:

> All of the Soviet leaders from Khrushchev to Brezhnev have taken great pains to emphasize that "peaceful coexistence" does not mean the abandonment of the struggle with the West and that there can be no such thing as a long-term coexistence with bourgeois ideology. Quite to the contrary they make no secret of the fact that "peaceful coexistence" is only a temporary strategy . . . in their "life and death" conflict with capitalism.

What the Soviet Union seeks from détente is quite clear. Mr. ICHORD points out that:

> They want American goods, credits, and technology to expand and improve their staggering economy. They also hope to receive similar military concessions in SALT II as they received in SALT I. The United States, on the other hand, seems to be striving only for political moderation and cooperation . . . How is each side fairing in their pursuits? Based on the evidence I have been able to obtain the Soviets are coming out much better than we are.

On July 8, 1972, the Commodity Credit Corporation agreed to lend the Soviets $750 million at 6⅛ percent interest to purchase $750 million worth of wheat from private U.S. exporters. Mr. ICHORD declared:

> This sale of wheat at a subsidized price and interest rate saved the Russians from a famine, allowed them to withstand the pressure to reform their system of collectivization of the farming industry, and cost the American taxpayer some $300 million in subsidies.

It is time for us to rethink the policies which have been called détente but which often appear to be one-sided concessions to the Soviet Union. I wish to share with my colleagues the thoughtful address of Representative RICHARD ICHORD, presented on April 9, 1974, to the annual meeting of the World Anti-Communit League, and insert it into the RECORD at this time:

ADDRESS OF CONGRESSMAN RICHARD H. ICHORD

It is a pleasure for me to have the opportunity to speak to this 7th annual convention of the World Anti-Communist League with representatives from over 50 free and captive nations. Your goals and purposes and your willingness to spend the time and effort to fight to preserve freedom in the world is most commendable and I congratulate you on your dedication. The world today is still locked into a life and death struggle between the forces of freedom and the forces of tyranny. I strongly believe in conformity with the founding fathers of the United States of America that man has a God-given right to be free. No man ever chooses to live in slavery! Those living in totalitarian societies at this very moment would long to be here with us today if they had the choice to do so. Perhaps there are those living in the world who have never known the taste of freedom and would be hesitant to venture away from the only life they have known but I feel that only a small portion of those living in communist lands would fall into that category. I am very concerned, however, that all too many of those living in the luxury of freedom having never known what it is like to lose this precious gift of God do not really appreciate the liberty they enjoy. Freedom—like good health—is a treasure that many people don't really appreciate until they lose it. Alexander Solzhenitsyn, a man who knows what it is like from firsthand experience to live without freedom, made this very astute observation in the seventh section of "The Gulag Achipelago":

"Oh, freedom-loving 'leftist' thinkers of the West! Oh, leftist Laborites! Oh, progressive American, German, and French students! For you, all (that I have written) counts for little. For you, my entire book amounts to nothing. You will only understand it all when they bellow at you—'hands behind your back'—as you yourselves trudge off to our archipelago."

The President of the United States tells us that we have moved from the age of confrontation into the age of detente—that the goal of his Administration is to create a generation of peace. Certainly we all share the hope of seeing peace in the world—no rational man wants war. Yet, we cannot help but ask ourselves: what price are we willing to pay for detente? what type of peace are we really talking about? what does the free world have to gain and/or to lose by the course we are following at the present time? what risks are reasonable for us to take in our pursuit for better relations and understanding between the two super-powers?

First, let me make the point that we must consider the fact that the world situation has changed drastically in the past twenty years and the balance of military power has shifted. We may not want this to be so but we have to face the realities of the matter. At the time of the Korean War, the uprising by the Hungarian freedom fighters, the Berlin crisis, the Cuban missile crisis, the United States of America was the unchallenged military power in the world with absolute strategic superiority. At that time U.S. policy was that we could best preserve peace in the world by maintaining military superiority. During the course of the 60's our military policy changed from superiority to parity and "assured destruction." In other words, the powers that be in the high counsels of government made the determination that we could control the Soviet nuclear threat by maintaining the ability to retaliate in kind if they launched a nuclear attack. The balance of military power in the world is in a very precarious position with the Soviets now holding superiority in virtually every area except in the most advanced technology.

Yet, the struggle between the free world and communist bloc countries has never been limited to a simple military struggle; the economic and political struggles are certainly of equal if not greater importance. We have to some degree understood the basic military, economic, and political conflicts between the free system of government and the communist system but we have never quite understood still a fourth dimension of struggle—the psychological struggle for men's minds and loyalties. We don't define terms and mean the same thing by our words as do the communists.

For example, what does the word "detente" mean to us and what does it mean to the communist? I am not totally certain exactly what "detente" means to this Administration and I am totally convinced that it means something entirely different to the communists than it does to us. The dictionary defines "detente" as a relaxing of tensions and a bringing together of two rival camps. Does this mean that the Soviets have abandoned their goal of world conquest? Are they now ready to cease fanning the fires of revolution all over the world and to stop supporting so-called "wars of national liberation" in Vietnam, the Middle East and anywhere else there seems to be a chance for a communist takeover? Are the Soviets now ready to redirect their priorities from military to domestic concern and truly join the family of peaceful nations? If so, where is the evidence? I submit to you that such an examination of the evidence indicates exactly the opposite is true.

To properly understand the meaning of detente from the Soviet point of view and the challenge we are facing we must clearly understand what *they* mean by "peaceful coexistence." I am convinced that the average American believes that "peaceful co-existence" means "live and let live" just like he feels that detente means that the Soviets have somehow given up their goal of world domination. Yet, all of the Soviet leaders from Khrushchev to Brezhnev have taken great pains to emphasize that "peaceful coexistence" does not mean the abandonment of the struggle with the West and that there can be no such thing as a long term co-existence with bourgeois ideology. Quite to the contrary they make no secret of the fact that "peaceful coexistence" is only a temporary strategy or a temporary stage in their "life and death" conflict with capitalism.

In February of this year Director Colby of the CIA appeared before the House Armed Services Committee. His very first words were "detente does not mean that the Soviets have had a change of heart." Later on the Secretary of Defense Schlesinger appeared before the same committee and testified that detente does not mean that the Soviets have changed their objectives. They are now aiming at acquiring American technology. A short time later Dr. Currie, the head of Research and Development in DOD testified that in basic research and development the Soviet Union and United States are just about equal but where the superiority of America lies is in technology spread throughout our entire industrial base. That is the capability of conceiving of fashioning, developing and producing all that technology that is necessary to do that does give us the superiority that we have over the Soviet Union.

This brings us down to the practical point of asking what do we want from detente and what can we expect to obain? what do the Soviets want from detente and what do they expect to receive? what price have we already paid for detente? how great are the prospects for detente leading to a lasting peace? and what price should we be willing to pay for the goals that we hope to achieve?

It is quite obvious that the Soviets are seeking economic gains and military concessions. They want American goods, credits, and technology to expand and improve their staggering economy. They also hope to receive similar military concessions in SALT II as they received in SALT I. The United States, on the other hand, appears to be striving only for political moderation and cooperation from the Soviets and a slowing down of the arms race together with an eventual, mutually balanced troop and arms reduction.

How is each side fairing in their pursuits? Based on the evidence I have been able to obtain the Soviets are coming out much better than we are at this point in time. Let's look at the record: on July 8, 1972, the Commodity Credit Corporation agreed to loan the Soviets $750 million at 6⅛% interest to purchase $750 million worth of wheat from private U.S. exporters. This sale of wheat to the Soviets at a subsidized price and interest rate saved the Russians from a famine, allowed them to withstand the pressure to reform their system of collectivization of the farming industry, and cost the American taxpayer some $300 million in subsidies in addition to a tremendous inflationary rise in the cost of food. Secondly, in a secret agreement on October 18, 1972 the Administration agreed to loan the Soviets up to $500,000,000 in Export-Import Bank credits at a 6% interest rate before we would require the Soviets to submit financial information required for all EXIM Bank transactions. Most of the requested loans have already been granted and preparations are being made for even larger loans and exportation of American technology. Thirdly, it now appears clear that the eagerly sought Soviet signature to the first installment of the Strategic Arms Limitation Treaty (SALT I) may have locked the U.S. into second place in strategic power. I would conclude, based on these facts, that the Soviets are coming out very well in the initial stages of détente.

What about our side? What concrete expressions of cooperation and friendship have we experienced from the Soviet side. Honesty would compel me to speculate that the Russians probably did offer some assistance in the Vietnam settlement. However, this may not have been much of a concession for them since it still appears that we are in great danger of losing South Vietnam in the long run. The Soviets certainly were of no help in the Middle East crisis—they armed the Egyptians and Syrians to the hilt, their threatened intervention in the war caused us to put our troops on worldwide alert, they not only made no contribution to the cease fire agreement but criticized the Egyptians for signing the treaty, they urged the Arabs to continue the oil embargo against us after the cease fire, and they encouraged the Arabs to use their oil won dollars to disrupt Western currencies. The Russians have all but scuttled the European Security Conference aimed at a reduction of forces between the NATO and WARSAW pact countries.

These facts all lead me to the conclusion that we are paying a very high price for détente and appear to be willing to pay an even higher price in spite of every indication that the Soviets are pressing ahead with each of our concessions to further their goal of world domination.

In recent months, I have led a fight in the Congress to force the Export-Import Bank to refrain from making any further loans to the Soviets until Congress has had the opportunity to thoroughly debate all the ramifications of our giving credit and technology to the Russians and until we have worked out some of the basic problems between our two societies.

How can we offer the Soviet Union huge loans of American money—at low interest incidentally—and make our modern technology available to them and yet have the President turn around and request a record-breaking $85 billion plus budget for defense? Now I certainly am not opposed to spending $85 billion or whatever we need to maintain the military strength we need to defend ourselves and the free world As a matter of fact, I have consistently fought for more money for research and development in order that we do not lose what advanced technological lead we have over the Soviets. But what I am saying is how can we justify loans and assistance that will make them better able to divert even more of their money and resources to military matters and then have to spend even more ourselves to keep up?

The Soviet Union is now engaged in the largest peace-time military buildup in the history of man. In the fact of all this, on January 8, 1974, the Soviet Defense Minister called for the strengthening of the Soviet military might and additional military spending. This would lead me to conclude that détente is not working in the most important area.

Apparently, turning a blind eye and a deaf ear to this Soviet military buildup and their lack of commitment to a really meaningful détente, that lessens tensions in the world, we are even being urged by the Administration and some business leaders to volunteer our financial resources and technology for the development of the Soviet oil and gas fields in Siberia. Rather extensive plans have been drawn up which would ultimately involve the United States in investments of over $10 billion in loans and extensive use of our drilling and pipeline technology to develop the oil and gas reserves in Western and Eastern Siberia in return for a Soviet promise that they would repay us with the extracted product. Such a proposal completely ignores the national security interest of this nation and would cause us to become partly dependent upon the Russians for our vital energy needs.

In my efforts to block further loans to the Soviet Union, I have focused my attention especially on these proposed oil and gas deals and hopefully—in view of the fact I obtained 223 co-sponsors—a majority of the membership of the House of Representatives—for my resolution calling for a moratorium on credits to the Soviet Union—these transactions have been delayed for the present. The real fight will come in the next few weeks when we consider the bill to extend the life of the Export-Import Bank and the proposal to expand their loaning authority from $20 to $30 billion dollars.

I intend to insist that provisions are included in the Export-Import Bank legislation that will extend and preserve congressional control over the policies of the Bank. I will further insist that any future loans to the Soviet Union be contingent upon a re-ordering of priorities on their part from a military oriented economy to a consumer-oriented economy. If they want our money and technology let them abandon their aggressive ways and show signs of working for peace in the world. This leads me to another point that those of us who love freedom cannot ignore. I do not like as a general rule to meddle in the internal affairs of other nations but I cannot love my freedom without sympathizing with and striving to improve the lot of those who are denied it.

A source of constant concern to a bi-partisan majority of the Congress is the matter of granting concessions or otherwise extending favors to the Soviet Union while that Communist tyranny and its satellites continue the persecution of the peoples of Eastern Europe for their intellectual, political or religious beliefs.

Thanks to a relatively few brave men and women who have had the courage to write and to speak out despite the awful prospect of confinement in labor or concentration camps, mental hospitals or one of the scores of Soviet prisons, we have been able to verify the dimensions of the terror that has gripped the U.S.S.R. since Lenin's time, destroying or crippling tens of millions of people.

We know the same cruel oppression exists in Communist Cuba and the Communist-run states in Asia—mainland China, North Korea and North Vietnam. We know it was about to occur in Chile under Salvador Allende until the people themselves, aided by their Army, brought that ill-starred regime to an end last September.

And we know from the experience of many in this audience that the Communist system which has already enslaved half the world can, ultimately, enslave us all if we let down our guard, relax our vigilance and fail to compete on every front with the Communist challenge.

Those who are gathered in convention here, feel strongly that the world in this last Twentieth Century must not—not more than could these United States during the Presidency of Abraham Lincoln—continue half slave and half free without vigorous and unrelenting protest from all free men.

It is most fitting that the World Anti-Communist League is honoring, in this convention, several of those who have fought so long and hard against their oppressors and who, in their fighting, have altered us all to the menace of Communism.

Unquestionably, the single most influential spokesman for freedom in recent years has been that great Nobel prize winnig novelist, Alexander Solzhenitsyn. Yet in honoring Solzhenitsyn, we must not forget Andrei Sakharov, the brilliant nuclear physicist who has confronted the Soviet leadership repeatedly in his clamor for freedom.

This convention pays homage to Cardinal Mindszenty who has been a symbol to people of every religion for his stubborn resistance to the atheism for Marxist-Leninist-Maoist dogma. Yet in our hearts and minds we can never forget the dramatic effect the Jewish effort to emigrate from the Soviet Union to Israel has had in mustering an international outcry against the Kremlin's denial of religious freedom and the right to emigrate.

We also are honoring that great Ukrainian teacher, historian and writer, Valentine Moroz. But we must not foregt that just as Moroz languishes in prison today, so, too, does Vladimir Bukovsky who is reportedly near death in his cell and whose mother has begged the Soviet authorities to let her take her sons place so that he—a brilliant poet—may survive in freedom.

There are so many more, both among the living and the dead, who are deserving of our recognition and appreciation for their heroic contributions to the cause of freedom. Consequently, I must assume that in honoring Solzhenitsyn, Mindszenty and Moroz, we are, in effect, honoring all.

Were we to do less, Solzhenitsyn's inspiring essay of February 12, 1974, entitled "Live Not By Lies" might come to apply to all of us. In the essay he wrote—(and I quote)—

"We have been so hopelessly dehumanized that for today's modest ration of food we are willing to abandon all our principles, our souls, and all the efforts of our predecessors and all the opportunities for our descendants—but just don't disturb our fragile existence. We lack staunchness, pride and enthusiasm.

We don't even fear universal nuclear death and we don't fear a third world war. We have already taken refuge in the crevices. We just fear acts of civil courage. We fear only to lag behind the herd and to take a step alone—and suddenly find ourselves without white bread, without heating gas and without a Moscow registration." (end of quote)

And both Solzhenitsyn and Sakharov have signalled this clarion call to us: do not make trade and military concessions to the Soviets until and unless they make concessions on granting their subjects basic human and civil rights. Do not—say repeated messages from the oppressed—make it easier for the masters of the Kremlin to continue their oppressive policies by yielding to Moscow's requests for credit and technology which will give the Soviet Union in an instant what 50 years of Marxism-Leninism and Stalinism was incapable of achieving.

Frankly, I am far more inclined to heed the advice of those who have experienced the suffering of the oppressed under Communism than the rather wishful thinking that I sense among those who argue that detente is so beneficial that we should extend the credit and technological knowhow of the United States as a concession for detente's continuation.

I see no evidence of the benefits of detente—except to the Soviets. I see no evidence of a Soviet willingness to provide any quid pro quo for the concessions we are presently considering. I see no evidence that the Soviets and their communist satellites are prepared to extend civil and human rights to their peoples or to opt for greater freedom.

Those of us who believe in freedom must remain unremitting in our determination not to pay the high price of detente presently being demanded by the Communists. If the Communist world wants to pick America's brains and pocketbook, it is up to them to pay the price and that price is no higher than the simple, clear granting of those inalienable rights of Man . . . those freedoms . . . which are fundamental to any free society.

HARLEM'S SMALL CLAIMS COURT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. RANGEL. Mr. Speaker, too often government places itself beyond the reach of the citizen. Agency offices, courthouses, and institutions are often situated in hard-to-reach locations. Physical distance helps breed psychological distance, so the people feel far removed from an impersonal government.

The Harlem Small Claims Court was designed to put at least one part of our judicial system within reach of the poor. It has been successful, but its full potential, both in Harlem and nationwide, may never be achieved due to funding problems. Government at the local level and at the Federal level has the resources to keep this experiment in operation, and there is no excuse for letting Harlem's Small Claims Court die. I have been in communication with State, city, and Federal officials in the hopes that the necessary funds can be made available.

At this point in the Record, I include an article on the Harlem Small Claims Court:

Harlem's Small Claims Court

(By Sylvia Porter)

Time: 7:30 p.m.

Place: Second story of an old courthouse in the heart of Harlem.

Characters: Several dozen plaintiffs, primarily blacks and Puerto Ricans; a judge; three arbitrators; others.

Action: Real-life decisions in suits brought by hundreds of "little people" in the model two-year-old Harlem Small Claims Court, a part of New York's Civil Court, against those whom they believe have cheated them in a wide range of deals.

Illustration 1: A Puerto Rican couple bought a color TV from a local merchant and paid to have it delivered to their apartment. The delivery boy was held up and the set was stolen before it even got to its new owners. The couple claimed they should get the set ordered; the merchant claimed the holdup was not his responsibility. The arbitrator to whom the case was assigned decided in favor of the couple.

Illustration 2: A semi-literate tradesman was lured into signing up for more than $2000 worth of training to become a computer programmer. He made a $95 down payment, signed a contract to pay the rest, then decided not to go through with it. In presenting his case to the arbitrator he pointed out that a computer-programmer aptitude test he was supposed to get under the contract was never given to him and that he had canceled within the stipulated period of time during which he was permitted to cancel and get a refund. The arbitrator concluded the man deserved to get back his $95 down payment.

Illustration 3: A 9-year-old boy whose mother had sent him with a list to buy $8 of school supplies came back with supplies not on the first list that he shouldn't have bought. His parents sent him back with the supplies but the shopkeeper wouldn't give him a refund. When the shopkeeper turned up with a lawyer to defend himself in Small Claims Court, the judge demanded that he refund the boy's money on the spot.

Illustration 4: A lady who had bought nearly $500 of food to stock her freezer before she went on vacation found on her return that it had all gone bad. It turned out that a crew of workmen from the housing authority had unplugged the freezer. The lady sued the housing authority for the lost food—and won.

Other cases run the gamut from inaccurate utility bills to shoddy shoe repairs, from complaints about nonworking air-conditioners to dry cleaners who ruin your clothes.

Many of the Small Claims Court plaintiffs are referred there by Harlem's two Community Complaint Centers staffed by consumer specialists and run by New York's aggressive Dept. of Consumer Affairs. Before the plaintiff presents his or her story to the judge or arbitrator, a trained community advocate goes over the case, at no cost, helps develop and document it, and advises on court procedures, how and whom to sue. "We do everything possible to keep things simple," says Sam Ingram a lawyer, who directs the program.

The Harlem system is a model because of its unique complaint centers and community advocates; because the court sits at night when working people can come and costs amount to only $3.18 (refundable if you win your case); because waiting time between filing and trial is just a few weeks; because it has Spanish interpreters. Owing to the careful preparation and screening of cases, a full 75 to 80 percent of the claimants win and have so far collected well over $1 million in refunds.

So successful has been this record that other similar courts have been started in places from coast to coast.

In the face of all this, it is astonishing that the Harlem Small Claims Court is fighting for survival as the Federal Model Cities program—provider of the modest $240,000 annual budget—is phased out. It is, in fact, incredible that a program which cries out for expansion, not execution, is in danger of not lasting beyond the summer.

Perhaps, though, the outlook will brighten with the possible passage of a little-publicized bill in Congress that would federally fund such exemplary consumer-complaint mechanisms. Details in tomorrow's column.

COMMENTS ON THE ABORTION ISSUE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. BROWN of Californa. Mr. Speaker, we have all considered the issue of abortion in our official capacity, as well as from a personal viewpoint. The two are not always the same. I have always thought that the ability of the American people to tolerate differing religious values was one of the strengths of this country.

The issue of abortion can be approached from many different directions, but they all rest upon value judgments that affect the life of a woman. The proposals for a constitutional amendment prohibiting abortion are an attempt to place in the Constitution one set of religious beliefs and values. Mr. Speaker, I have not concurred with this approach, nor the language of the proposed amendments. I am not prepared to play God with other lives and impose my beliefs on all women. Because of my refusal to capitulate to the demands of the Right to Life organizations, I, like many others, have been denounced. Many words can be said about this issue, but I sometimes wonder if the advocates of a constitutional amendment are listening. In this emotional climate, how can good legislation be written or considered?

An enlightening article on the abortion issue was written by David Broder and published in this morning's Washington's Post. I believe that it very thoroughly describes the situation.

The article follows:

[From the Washington Post, May 6, 1974]

Hill Fears Abortion Issue

(By David S. Broder)

Two hours a day, every working day for the past three months, a line of pickets has appeared outside each of the two district offices of Rep. Don Edwards (D-Calif.).

Edwards is a member of the House Judiciary Committee, which is handling the impeachment of President Nixon, and the assumption is natural that some of Mr. Nixon's supporters are putting pressure on the liberal Democrat.

But that is not the case. The picketers are supporters of Mrs. Marian Banducci, Edwards' opponent in the June 4 Democratic primary and an active leader in the "right-to-life" movement in what is rapidly becoming a vocal part of 1974 politics.

Edwards is a natural target for the anti-abortion forces, for he is the chairman of the judiciary subcommittee which has jurisdiction over the several constitutional amendments to revise or reverse last year's Supreme Court decision sanctioning surgical termination of pregnancy.

Despite intense pressure, Edwards has refused to call any hearings on the amendments. "There is," he maintains, "no real desire on the part of most members of Congress to move ahead."

One reason, obviously, is that abortion is an emotional issue on which politicians feel they lose votes whichever side they espouse. The safest course of action in that situation is delay.

But that is not the course which Edwards' Senate counterpart, Sen. Birch Bayh (D-Ind.), has taken. Bayh, who heads the Senate judiciary subcommittee on constitutional amendments, started hearings on the anti-abortion amendments in March and has been continuing them, at intervals, ever since.

"In my judgment," Bayh says, "this is probably the most volatile issue in American politics—or it will be before it's over. A lot of my colleagues don't want it to come to a vote before November. In fact, a lot of them wish that I wouldn't even hold hearings—and some of them are people who are normally the most avid advocates of free debate."

Until this year, abortion had not become a major problem for most members of Congress, because the battleground for the issue had been in the state legislatures and the courts.

But when the Supreme Court, in 1973, invalidated two state anti-abortion laws on grounds that the government may not intervene with a decision to terminate pregnancy, at least in the early months, the opponents of abortion turned to a constitutional amendment as their only remedy.

Sen. James L. Buckley (Cons.-R-N.Y.) and Sen. Jesse Helms (R-N.C.) are sponsoring the major amendments on the Senate side, with a score or more variants in the House.

The pressure and counter-pressure for hearings and action on the amendments has brought into being several national coalitions on each side of the issue.

The National Right to Life Committee, the National Committee for a Human Life Amendment and the Life Lobby confront such groups as the National Abortion Rights Action League, the Religious Coalition for Abortion Rights, the Planned Parenthood Federation and the American Civil Liberties Union.

Both sides are focusing on individual members of Congress. Last November, the National Right to Life Committee began compiling what its newsletter called "an elaborate profile" on each member of the House and Senate. "We need . . . to know his position on human life issues, his voting record, his committees, his friends, his source of campaign funds, his basis of political support, his family, his constituency, his district and anything else that will give us an advantage in influencing his vote."

"While all of this is being done," the memo said, "we must become fully organized, especially in those congressional districts where we know or suspect that the congressman is not with us . . . We must understand that above all else, votes motivate congressmen."

While the exhortation and the information-gathering may be done at the national level, anti-abortion leaders say theirs is genuinely a grass roots movement, with hundreds of autonomous local committees. Warren Schaller, director of the National Right to Life Committee, estimates that the 855 organizations on his mailing list constitute less than half the working units in being.

The political activity at the local level also has a spontaneous air. Minnesota right-to-life backers moved into the precinct caucuses of both the Republican and Democratic Farmer-Labor parties, in unexpected numbers, last month, in an effort to get both parties to pass anti-abortion resolutions in Utah, where the anti-abortion position of the Mormon Church is influential with almost all of the politicians, an initiative effort is under way to strengthen the existing state abortion law. Similar but diverse activities can be found in almost all the states.

While right-to-life forces are agitating the issue, deluging Congress with mail and securing anti-abortion resolutions from almost one-third of the state legislatures, those who support the Supreme Court decision are working—with less publicity—to put out the fires and calm the politicians nervous about the anti-abortion pressure.

Their main effort, as Arlie Schardt of the ACLU said, is to convince the legislators that while abortion may be "the most volatile and emotional issue in the election today, it does not have the priority of inflation, unemployment or impeachment."

Their main talking point is the special election in Cincinnati this spring, in which Rep. Thomas Luken (D-Ohio) defeated William Gradison (R) in a traditionally Republican district with a sizeable Catholic population.

Luken promised during the campaign to support the anti-abortion amendments, while Gradison declined to make such a pledge, and the abortion issue became a focus of debate.

But the point that the Supreme Court decision supporters make is that a post-election survey by pollster Peter Hart showed less than 5 per cent of the voters mentioned abortion stands as one of the issues on which they made their choice.

Overall, they point out, the Supreme Court decision is backed by significant majorities of voters of each religious faith. A Gallup poll, for example, showed 64 per cent of all voters—including 56 per cent of the Roman Catholics in the sample—regarded abortion as a private decision by a woman and her doctor.

But as with other issues that stir the emotions of some voters, the problem is one which is vexatious for politicians. The case of Bayh and a Republican member of his subcommittee, Sen. Marlow Cook of Kentucky, illustrates the cross-pressures of the issue.

Both are facing stiff challenges for reelection this year. Bayh is a Protestant running in a state with a substantial Roman Catholic population; Cook, a Catholic convert, is running in a strongly Protestant state.

Both of them decided that the prudent course was to participate actively in hearings on the issue while deferring their decision on the matter until the testimony is in—presumably some time after next November.

In Indiana, where the South Bend-headquartered Right-to-Life group claims 15 local affiliates, Republican senatorial hopeful Richard Lugar, the mayor of Indianapolis, has been hinting at support for the group's stand.

By contrast, Mrs. Robert Hunt, its president, told Washington Post correspondent Gordon Engelhardt, that Bayh "has not committed himself, pro or con, publicly or privately, as far as we are concerned. . . . We can't say he is against us, but neither can we say he is for us . . . and we will not vote for anybody, regardless of political party, who will not take a pro-life stand."

In Kentucky, where the 2,500-member Right-to-Life affiliate was instrumental in getting the legislature to petition Congress for an antiabortion amendment to the Constitution, the group's president, Mrs. Schumann A. Montgomery says she is chagrined that only two of the state's seven congressmen have signed the discharge petition to bring the amendment, now bottled up in Edwards' subcommittee, to the floor.

Mrs. Montgomery told Post correspondent Bill Billiter that her group would poll every congressional candidate on the amendment, adding that the issue "is nonnegotiable" to her.

Although there is reason to think that Indiana and Kentucky mirror the national averages in overall support for the Supreme Court decision, both Bayh and Cook are handling the issue with kid gloves.

At the opening of the hearings, Bayh said "there are more strong emotion and deep convictions on both sides of this issue than any issue I have ever seen before this committee."

Cook chimed in with the observation that "this matter has caused a great division in this country . . . which had to be aired . . . We look forward to a rocky road of decision, one way or the other."

Bayh has been called a "genocidal prospermist" by a feminist letter-writer who bitterly criticized his decision to hold hearings. Cook has had a steady stream of mail along the lines of the letter from a Covington, Ky., anti-abortion woman, who said, "This issue is most important to me, and if you do not give a strong affirmative answer, I will not vote for you again."

So far, both senators—and most of their colleagues—are seeking shelter in silence.

GOUGING THE MOTORIST

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. GAYDOS. Mr. Speaker, the price of gasoline at the pumps is higher than at any time before in our motoring history—some 15 cents or more a gallon than only a few months ago. Meanwhile, our oil companies have reported the highest profits in their experience.

It is highly disconcerting to read the figures. Exxon, Texaco, Gulf, Standard of Indiana, and Occidental have run first quarter profits from 75 percent to 718 percent over the levels a year ago. Getty Oil scored a 122-percent gain. Continental is up 130 percent. Murphy Oil, one of the small ones, checked in at 257 percent.

Now we hear charges that even these figures may be rigged, that the full profits story is not being told, that income, normally reported for a quarter, has been hidden and spread over months ahead lest the percentages become even more startling than those announced.

It seems to me that all the excuses for this plundering of the hapless motorist lack validity. In fact, I think we all are becoming tired of hearing how the bonanzas are needed to finance exploration for new oil sources, the building of new refineries, and so forth. What other business is permitted to gouge the public to pay the costs of its own expansion?

The oil companies stand convicted by their fiscal reports. They have taken full advantage of an emergency which they largely created themselves by failing to assure the fuel supply. They have violated the public trust and then shamelessly have made the most of it.

The only recourse for Government is take away the depletion allowances and all the other advantages which a generous nation has afforded this industry in the belief that it had to be kept financially healthy in the public interest. We see now that it has not played fair and does not deserve special consideration. It has plundered the people and, with unbridled arrogance, has served notice it plans to continue to do so. Its leaders are speaking of still higher gasoline prices in the same breath as they are revealing their unconscionable profits.

It is a sad commentary that the oil executives of today are a throwback to the "robber barons" of yesterday. The only recourse is for the Government to deal with these freebooters of today as it dealt with their nefarious predecessors.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 27

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HARRINGTON. Mr. Speaker, I wish to insert in the RECORD an article which appeared in the Journal of Commerce on April 24, in which Mr. Andrew Biemiller, the legislative director of the AFL–CIO, called for the creation of a Federal Oil and Gas Corporation. In testimony before the Senate Commerce Committee, Mr. Biemiller charged the private oil companies with failing to meet their public responsibilities and suggested that the public corporation be established to insure our Nation's energy needs are met. The AFL–CIO's endorsement of the public oil company is indicative of the expanding support for the Federal Oil and Gas Corporation, and I would like to direct my colleagues' attention to Mr. Biemiller's remarks.

The article follows:

LABOR SUPPORTS FEDERAL OIL-GAS CORPORATION CREATION

(By Dan Skartvedt)

WASHINGTON.—Spokesmen for two of the nation's top labor organizations voiced support yesterday for creation of a federal oil and gas corporation while criticizing the high profits of major oil companies.

Both Andrew Biemiller, legislative director for the AFL–CIO, and Leonard Woodcock, president of the United Auto Workers, backed the proposal for a TVA-like government enterprise to explore for new fuel on public lands as they testified before the Senate Commerce Committee.

INCLUSION OF SHALE OIL

Mr. Biemiller pointed out that "most major industrialized countries already have such a public body," and urged that the corporation's authority be expanded to include development of shale oil also.

Drawing a parallel with the historic climate which led to TVA's creation during Franklin Roosevelt's New Deal, the AFL–CIO spokesman said: "Just as the private electric companies failed their public responsibilities in the 1930s, the oil and gas companies failed their responsibilities in 1974. It is time for the government to take strong action."

He argued that the Nixon Administration is refusing to protect consumers from what he termed the "rape of the pocketbook," making it imperative for Congress to act.

Mr. Woodcock argued along similar lines, claiming that "only the public sector is strong enought to create effective competition for existing, highly-integrated, monopolistic energy companies."

He said that the proposed federal oil and gas corporation "will not only directly expand available energy supplies, it will also provide us with a yardstick by which to evaluate the performance of the private sector."

At another hearing yesterday, also before the Senate Commerce Committee, Chairman Russell Peterson of the Council on Environmental Quality explained and defended CEQ's recently-released report on the ecological hazards of offshore drilling.

The report, made public last week, has been criticized in some circles for not firmly recommending either for or against permitting drilling at various locations. Mr. Peterson defended the logic of this approach yesterday, pointing out that CEQ's study does say when the risk "is greater than that of an available alternative, then we should not move ahead until we know more and can do better."

The report "is intended to advise the President on the relative risks" of offshore drilling in the Atlantic and the Gulf of Alaska and "to suggest ways in which the risks can be minimized or prevented," Mr. Peterson said.

It ranks various potential drilling sites according to the environmental hazards likely from such things as oil spills, but stops short of making any outright recommendations against drilling in the "high-risk" areas.

Mr. Peterson said he is hopeful the areas designated as lower risk sites will be given first priority by the Interior Department as it grants leases, and that the required environmental impact statements will be studied very carefully before any actual drilling is allowed to commence.

COSTLY BILLS COULD BANKRUPT NATION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. LANDGREBE. Mr. Speaker, I would like to call to the attention of my colleagues an article written by the most distinguished writer and correspondent for the Indianapolis Star, Mr. Ben Cole. His comments illustrate clearly and concisely the direction Congress is headed if we do not, Mr. Speaker, look more closely at the bills Congress plans to take action on this year.

The article follows:

COSTLY BILLS COULD BANKRUPT NATION

(By Ben Cole)

Once upon a time there was a congressman who boasted that he kept the affections of his unfortunate constituents by carefully voting for every appropriations bill and against every tax bill.

The example conjures up the epigram spoken by the late Adlai Stevenson: "The public's public servants serve it right."

For better or worse, the lawmaker who dedicated himself to big spending without taxation is no longer with us.

But some of his political descendants, in a more respectable guise, practice his formula with fascinating variation. They face up to votes on appropriations and taxation, but in-between they are wanton promoters of programs that load more and more onto the broad but burdened shoulders of the payers of taxes.

The key to this mystery is the "authorization bill." Most people don't pay attention to the distinction between a bill that "authorizes" a program and a measure that "appropriates" the money to pay for it.

In fact, the whole appropriating process in Congress is an esoteric matter that barely moves most of us at all except when the pending issue has to do with some pet item of our several selfish concerns.

In a manner of speaking an "authorization" bill is something like an order phoned to the local merchant for goods put on the purchaser's charge account. An "appropriation" bill, then, is roughly analogous to the check that settles the account. This is oversimplification, but it might give the picture.

Once a program is authorized by Congress, and signed into law, it becomes public policy. There is usually big pressure to fund it and put it into operation, and all kinds of arguments are brought forth to demonstrate how critical it is.

Representative Jack Kemp (R-N.Y.) and two of his colleagues recently took the House floor to warn their colleagues that a whole catalogue of 450 bills is waiting action—each one calling for outlays over the next four years that when added together exceed $880 billion and might approximate $1 trillion.

What were they trying to say is this: No matter how good they sound, all these programs are too expensive.

But they come before Congress and the public one by one—$100 million there, $10 billion there, and so on. The spreading commitment grows like Topsy.

When the President refuses to spend money that Congress may decide to force on him for some of these programs, a Constitutional confrontation ensues. Congress even now is trying to figure a way to make the President carry out its spending mandates whether or no.

Representative Kemp and his friends, Representative Samuel Devine (R-O.) and Del Clawson (R-Calif.) were like voices crying in the wilderness. But somebody had better listen to what they're crying about because it is a hard truth that once the government gobbles up everything the people produce, there will be nothing left—and all the lofty aspirations within those multitudinous bills will be in vain.

A GOOD CHOICE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HILLIS. Mr. Speaker, I would like to share with my colleagues the following editorial which appeared in the Marion, Ind., Chronical Tribune.

I most certainly agree with the comments of this widely respected, long-established newspaper concerning a former Member of Congress, the Honorable Richard L. Roudebush.

The editorial follows:

A GOOD CHOICE

Under fire from many quarters, Donald E. Johnson, current administrator of the United States Veterans Administration, Monday night announced he would resign from the post, probably in June.

As is common in Washington, there was immediate speculation about who might succeed him, and one of the names frequently mentioned was that of Richard E. Roudebush, who served five terms in the United States House of Representatives from several different districts in Indiana before losing a contested Senate election to Sen. Vance Hartke.

If anyone has the qualifications to head the sprawling, multi-project Veterans Administration, we certainly think Roudebush should fill the bill more than adequately.

He is a former national and Indiana commander of the Veterans of Foreign Wars, but Johnson is a former national commander of the American Legion and, at least in the eyes of critics, has failed miserably as the top man in the important Veterans Administration.

Directing the Veterans Administration, which tries to supply veterans with so many different services, certainly is no simple task. Far from it. It may well be the most difficult government agency to administer, since it is involved in so many different programs serving so many people.

But Richard Roudebush long ago proved his ability to administer and one office he held for eight years with the Veterans of Foreign Wars especially qualifies him to handle the post in a manner which will provide veterans with the services and assistance to which they are entitled.

The eight years to which we refer were spent as VFW service officer for the state of Indiana. During that period he handled compensation and disability claims for veterans of all wars. During that time, he learned first hand the problems faced by veterans. He had impressed on him the frustrations which can result from dealing with a huge national agency, and knows well the problems of individual veterans.

As a Congressman, the boundaries of his district changed many times, and one of those terms was spent representing the district of which Grant County is a part, and he became familiar with the operations of the Marion VA Hospital and the problems faced there by the staff and the patients. One of the chief complaints about the VA in recent months has been the health care and hospital services. This will not be new to Roudebush. A combat veteran of World War II he knows the difficulties veterans sometimes encounter. As a former member of Congress, he also knows the government side of the situation.

In addition to the veterans of World Wars I and II and the Korean War, the Veterans Administration now must deal with young men home from an unpopular war in which many of their countrymen turned their backs to them. Some Vietnam veterans groups charge this is the general attitude of the country toward them, and they include the Veterans Administration in their charges.

We feel that Richard Roudebush would never slight any man or woman who served in this country's armed forces, instead he would almost certainly battle tooth and nail to see that their needs were met, and promptly. He may be considerably older than these young Vietnam veterans in years, but we believe he would be able to communicate with them and understand their feelings of frustration. And we also believe he would do something to solve the problems.

Unlike Roudebush and other veterans of World War II, these men did not come home as conquering heroes. They served their country when it asked, and it was just as dangerous to serve in Vietnam as in Europe or the South Pacific during World War II or in France in World War I. Possibly more so.

They should not be forgotten, nor should they be short-changed by the Veterans Administration, the Congress or the people of this country. We believe Richard Roudebush would do everything in his power to see this does not happen, and we believe he would succeed.

GOOD IDEAS FOR AMERICA

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. TEAGUE. Mr. Speaker, recently I received a letter from a resident of my Sixth Congressional District of Texas. The letter is from Mr. Robert S. Tapley of Bryan, Tex. He poses some good ideas and good thinking in his letter and it deserves some thought and study. The most interesting thing about the letter is that Mr. Tapley has a rule that he follows that reads, "don't bitch if you can't suggest a better way."

I commend this letter from Mr. Tapley to you, Members of Congress and the general public.

The letter follows:

BRYAN, TEX., *March 19, 1974.*

HON. OLIN E. TEAGUE,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN TEAGUE: I have a good idea for America, but no platform from which to launch it. You do.

Let me ghost-write it for you, and if you get widely acclaimed for the innovation you will deserve it. Contrary to popular ballyhoo, ideas are a dime a dozen—idea implementation is the scarce commodity.

The Idea; the theory/concept/philosophy of legislation must switch from rules/enforcement to the creation of psychological situations.

Why: Modern technology, especially communications and transportation have completely changed the society game since the venerable Greeks founded the concepts of law in Athens 2500 years ago.

Even the military has given up on discipline—they train leaders from corporals up in the psychological methods of behavior modification, eq, create a situation so that the guys will want to do what you want them to do. Why don't legislators use the same technique?

Don't think for a minute that I am a Skinnerian. I detest Skinner's concept of Controlled Society and firmly believe they won't work. But the whole idea of legislation is to control society within limits—limits hopefully safeguarded by the bill of rights and the balance of power. Shouldn't the control be as effective and efficient as current knowledge can make it?

EXAMPLES

A. Drugs—making drugs available and inexpensive through pharmaceutical houses and doctor's prescriptions would take the profit out of illicit drug activities.

Money currently spent for enforcement of drug laws could be spent on public education—really propaganda—to make drug use socially unacceptable. These people who sell VWs and Alka-Seltzer are scientists in moulding human drives—use them.

B. Fuel—every high school economics book will state that increased price will cause decreased consumption. Why freeze the price then charge the taxpayer for administering an allocation/rationing program which will never be as equitable as increased prices in the distribution to those in need. In our materialistic society how else is need and/or desire measured other than by how much one is willing to spend?

C. National Productivity—the current taxation/welfare system may obtain funds to help those in need, but my God! Look at the psychological direction it creates. The less one produces the more is given and the more one produces (measured in pay) the more is taken away. If anyone wonders why the welfare expenditure increases, he is ignorant of behavior reinforcement, or an idiot.

If the government feels obligated to help under-privileged dependent children it should—but take them from their mothers and really help them not their mothers and midnight fathers. In so doing the government will stop subsidizing their production and eliminate an environment where the young are taught the ease of the welfare road.

If the government feels that a family of 4 is poor if they earn less than X number of dollars then don't tax their income until they earn Y dollars, the amount the government feels is an adequate income to prevent deprivation—whatever the sociologists mean by that. (As an aside, surely the amounts should be different in Bryan and Washington). This way a producer (worker) will not feel the effects of tax discouragement until he has tasted luxury.

Fill in the missing tax revenue with voluntary taxes, that is, National Lottery, alcohol, tobacco, passive sports equipment, et cetera.

D. Gun Control—Recognize that rules will have no effect on would-be murderers or armed robbers—there would be enough guns left over after a national confiscation to supply this element for 200 years. Next, if the number of available guns were reduced, so would the number of passion killings. But, why are guns available? Because people feel they need them for protection. So—Sponsor development of a non-lethal defense that costs less than a Saturday night special and convince the public that it is as effective against assailants as conventional weapons. Then in the honky tonk pockets and purses you will find Mace instead of 25 cal. Autos. Talk to them—they don't want to kill anybody, but they don't want to be "wupped" either.

There is more—such as, a complete cure of the national ills could be accomplished by updating the American philosophy to incorporate the successes of science and technology. Using modern communications, a change could be brought about in one-tenth of the 300 years it took to develop the current materialistic philosophy. Given time, and interest on your part, I could further illuminate and substantiate these concepts.

I am a man of varied experience (construction, Airforce, industry, physics professor at A & M and currently chef-owner of the Texan Restaurant) who for the past ten years has been actively questioning the basics of the world in which we live. From this come solutions to today's problems—not the only solutions, of course.

You see, I have a rule—don't bitch if you can't suggest a better way. Here are the suggestions—I'll save the bitching for people with more time and less important things to do than you.

Respectfully yours,
ROBERT S. TAPLEY.

TIME FOR SPECIFICS

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. RIEGLE. Mr. Speaker, having read nearly half of the edited transcripts of recorded Presidential conversations, I find Mr. Anthony Lewis' column in today's New York Times particularly relevant. I insert it for the interest of my colleagues:

Time for Specifics

(By Anthony Lewis)

"Whoever willfully endeavors by means of bribery . . . to obstruct, delay or prevent the communication of information relating to a violation of any criminal statute of the United States . . . shall be fined not more than $20,000, or imprisoned not more than five years, or both."—18 U.S. Code sec. 1510

"Whoever commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission is punishable as a principal."—18 U.S. Code Sec. 2.

CHICAGO—The first press and public comment on the edited White House transcripts has dealt largely with the President character revealed—the meanness of spirit, the isolation, the hatred, the conspiratorial air. That is understandable. But now it is time to focus sharply on what must overwhelmingly concern the House impeachment inquiry: the evidence of specific crimes.

By the standards of what is required to bring an ordinary indictment, there is overwhelming evidence in these transcripts that Richard Nixon committed Federal crimes. It is easy to understand now why the Watergate grand jury wanted to indict him.

The Chicago Daily News asked an experienced former Federal prosecutor, David P. Schippers, to study the transcripts. He concluded that they would support indictments of the President for "six different kinds of criminal activity": obstruction of justice and of criminal investigation, subornation of perjury, misprision of a felony, conspiracy and interstate transportation in aid of bribery.

The two main themes are obstructing justice and suborning perjury. They were also sounded by Philip Kurland, the distinguished and conservative constitutional scholar of the University of Chicago Law School. In an interview in The Chicago Tribune, Professor Kurland said there was "strong evidence" of both in the transcripts.

The evidence of obstruction of justice relates to the demand for more hush money by E. Howard Hunt, one of the convicted Watergate defendants. John Dean reported the blackmail demand to Mr. Nixon in their talk of March 21, 1973, warning him explicitly three times that payment would be an obstruction of justice. The President nevertheless repeatedly indicated his approval of paying the money.

"I know where it could be gotten," he said, and he agreed that John Mitchell was the man to handle it. "It seems to me we have to keep the cap on the bottle that much, or we don't have any option."

Ten times during that March 21 talk, Mr. Nixon returned to the subject of Hunt's blackmail demand. After H. R. Haldeman joined the conversation, Mr. Nixon said, "the Hunt problem . . . ought to be handled now" and "his price is pretty high, but at least we can buy the time on that as I pointed out to John."

Then, toward the end of the transcript, there is this most significant exchange:

P: "That's why for your immediate things you have no choice but to come up with the $120,000, or whatever it is. Right?"

D: "That's right."

P: "Would you agree that that's the prime thing that you damn well better get that done?"

D: "Obviously he ought to be given some signal anyway."

P: "(Expletive deleted), get it. In a way that—who is going to talk to him? Colson? He is the one who is supposed to know him?"

Very few criminal cases have such direct, first-hand evidence in the words of the conspirators. After that discussion, Professor Kurland said, "everyone in the room knew that the money was to be paid." And $75,000 was paid to Hunt that night.

A direct obstruction prosecution would reach Mr. Nixon, though he did not pay the money himself, under the Federal law on aiding, abetting or inducing crime. The same evidence would also support an indictment for conspiracy to obstruct justice, the required overt act being the payment to Hunt.

A charge of subornation of perjury is supported by at least two passages in the March 21 transcript. In one the President advises on how to avoid perjury prosecutions when testifying before a grand jury: "You can say I don't remember. You can say I can't recall." And in a discussion of cutting off disclosures, there is this exchange:

D: "But to accomplish that requires a continued perjury by Magruder and requires—"

P: "And requires total commitment and control over all of the defendants. . ."

Mr. Nixon's lawyers and flacks are busy trying to suffocate judgment with upside-down characterizations of the transcripts and with attacks on Mr. Dean, whose recollections are of marginal import now that we have the President's actual words. These attempts at fuzzing the picture show a fine contempt for the nation's good sense. The answer is to focus on the facts—the facts of crime in the White House.

HUD AIDE SAYS CONSTRUCTION OF NEW HOUSING FOR THE POOR IS "WASTEFUL"

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HANRAHAN. Mr. Speaker, low-income housing is becoming a real problem in the Chicago area. This Government subsidized housing is poorly constructed and a waste of taxpayers' money. For the benefit of my colleagues, I insert the following article which informs us of a better way to house low-income families:

HUD Aide Says Construction of New Housing for the Poor Is "Wasteful"

(By Robert Young)

WASHINGTON, April 27.—James L. Mitchell, undersecretary of housing and urban development, said today that government-subsidized housing for the poor emphasizing new construction is "wasteful, inefficient, and inequitable," and now benefits only one out of 15 eligible families.

The most housing per dollar of subsidy for low-income Americans, he said, can be obtained by using existing housing. He said the most promising solution to the problem is the administration's plan for direct cash assistance to enable lower-income families to shop around and buy housing where available.

"Their basic problem, it seems to us, is not so much a housing problem per se, or a health problem per se, or food and nutrition problem per se, but an income problem," Mitchell said in an interview.

Mitchell, a native of Evanston, Ill., and formerly a partner in a Chicago law firm, was appointed undersecretary of the Department of Housing and Urban Development April 2. He had been HUD general counsel and special assistant to the commerce secretary for policy development. At 36, he is the administration's youngest undersecretary.

Last month, the Senate brushed aside administration objections to continuing subsidies for new housing for the poor and voted to reinstate those programs that HUD suspended in January, 1973. Mitchell said today the administration is pinning its hopes for new approaches to housing for the poor and federal aid for community development on legislation now being drafted in the House.

HUD now is implementing a rent subsidy program for low-income families which makes up the difference between market levels for rental housing and what they can afford to pay. This Mitchell said, is close to the administration's direct cash assistance plan for home buying.

According to Mitchell, using available existing housing is not as costly to the taxpayer as building new dwelling units for the poor. He criticized new construction as "the expensive way to serve lower-income people."

The administration's objective, Mitchell continued, is up to obtain the maximum amount of housing for the poor per subsidy dollar. Channeling this money into buying or renting existing units appears to be the best bet, he said.

"I would hope," he said, "that in time Congress will understand this principle and seek with us the goal of providing the housing units for all our families in need, not simply the one in 15 that happens to get a new unit."

He also was critical of the section of the housing bill voted last month by the Senate which restricts federal funds for community development to previously authorized grant levels rather than actual need. He predicted that if this formula is continued, urban areas like Chicago which have grown rapidly in recent years and are most in need of assistance will be short-changed in the scramble for funds.

PRESS CAMPAIGNS

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. FISHER. Mr. Speaker, in these days of bitter public controversy, when the press and other media have jumped into the ring as contestants, it is well to stop and take stock once in a while.

The trend of the media has been moving toward activism in recent years at a galloping speed. Both newspapers—particularly the big metropolitan press—and the television and radio owners, sometimes the same, deny this. The public, however, by all accounts remains highly skeptical.

That freedom of the press is highly desirable goes without saying. Unfortunately the guarantee of the first amendment is easily abused. The public nevertheless has not surrendered its basic right of self-government or its right to have something to say about it. Since the media now presume to take a hand in shaping our Government, the principle of self-government demands that we the people have something to say about any media practices that may subtract substantially from the power of self-government by the citizenry.

Recently O. R. Strackbein, who has had long experience in public affairs, addressed a letter to Mr. Arthur Ochs Sulzberger, publisher of the New York Times, on this general subject. I believe that Mr. Strackbein's observations are both rational and cogent, and deserve the attention of all who have an interest in present-day practices of the big press and electronic media. The letter follows:

Mr. Arthur Ochs Sulzberger,
Publisher, the New York Times,
New York, N.Y.

Dear Mr. Sulzberger: For some time, as you know from previous correspondence, I have been interested in the function of the press and how faithful it is to the principle of freedom which it enjoys under the First Amendment.

I have been particularly concerned about the press practice of *conducting campaigns* relating to political, economic, social and similar subjects. My conclusion is that dominant elements of the press have abused this practice in a gross manner; and that in so doing they have been guilty of a high degree of unfairness arising in some measure from the nature of the press itself, attributable to its extraordinary power in communication with the public.

The proper function of the press is to gather and disseminate news and expressions of opinion. This function is unquestionably entitled to the protection of the First Amendment.

However, there is a distinction between that function and using the press as a private instrument for conducting a variety of campaigns. A conflict of interest looms immediately when the press launches a campaign, as distinguished from simply printing the news. This distinction becomes obvious when the two purposes are compared. One is to provide the public with news, presumably as accurately as possible. The other is to influence public thinking through the devices open to "advocacy journalism". The first course makes no special demand on the newspaper beyond the presentation of facts. This, of course, is difficult enough. It, however, calls for neither subtle or concealed nor blatant or partisan efforts to persuade readers to accept the newspaper's views or preferences. The second course, i.e., campaigns, do precisely that. The newspaper publisher is not satisfied with straightforward presentation of the news. His ego demands that he seek to influence the course of events, not merely to report the news. This great temptation, poorly resisted, if at all, is the curse of journalism today and is the source of much disapprobation and outrage.

Once a newspaper mounts a campaign in behalf of, or in opposition to, a candidate for office, a public figure or some plan or proposal, a grievance or a reform, it has a goal in view and inevitably assumes the function of an advocate. Its aim will be to win the contest, even as a legal representative in a legal action seeks victory. However dedicated the newspaper may fancy itself to be to the principles of journalism and ethical practices, it will now no less surely than the attorney, glean from the collection of facts gathered from all sources those facts and appearances that will, in its opinion, best sustain and promote the side in the campaign to which it has given its support; and will be inclined to neglect or even bury countervailing facts.

If the newspaper has a circulation of hundreds of thousands its reporters will be specialists who are given assignments by the managing editor. They are assigned a beat, so to speak, and achieve intimate knowledge of the field of their assignment. They develop discriminating judgment about the meaning of statements, messages, acts and purposes, a grasp not usually within the reach of the ordinary citizen. This gives them grounds for interpretation of wide latitude, and therefore places them in a position to inject their own views with no one except other experts aware of the additives or coloration infused.

Perhaps as reporters they pride themselves on their dedication to the high principles of journalism in point of independence, fairness and objectivity. In any large organization, however, a mixture of firmness of dedication, or in degree of determination will be found, modified by ambition, opportunism or other considerations.

Each reporter, in any event, is on a payroll and seldom feels that his salary is commensurate with his talents and contribution, or equal to what he regards as his true deserts. One of his pressing endeavors will be to repair the deficiency. It is natural then that he will be motivated by a desire to stand well in the eyes of his superior, even as the latter in turn is similarly motivated, on up the different levels of the hierarchy. In a contest between what the boss desires, on the one hand, and those beautiful principles of journalism to which the reporter holds himself to be dedicated, on the other, the odds may not be very reassuring. We are all "trimmers", to a degree, in a showdown, with the exception of a bare handful of the martyr contingent.

In the face of a choice between journalistic principles and pleasing the boss there is much room for mental maneuvering, especially when the marvelous powers of rationalization are given their inning at self-justification. Sometimes the most outraged among reporters when they are accused of slanting their writing are also the most self-righteous and ego-blind of the lot. It may be guessed in any event that they are human. They may indeed be under instructions to write what they see, hear or learn, as it is or was.

For that reason the newspaper has rewrite men, copy editors and similar reviewers who have the power of the blue pencil and may be interested in much else beside grammar, punctuation, abbreviation or the rules of rhetoric. They were perhaps selected by their own superiors for their competence and skill and particularly because they had demonstrated that they knew how to read the boss without too obvious a need to be coached. In any event they were not so obtuse that they could not soon appreciate some of the seamy "facts of life", in newspaper editing: that the best way "to get along is to go along".

Without laboring the point it is quite evident that publishers, editors and managing editors have not been frustrated or wrecked in their designs to produce newspapers that quite faithfully mirror the ambitions, purposes or predilections of the owners-publishers by the adamant stand of editors against bending the knee. The reporter in the ranks may try "to reason why" but he can satisfy himself perhaps quite honestly by saying that he turns in true copy and that it is not his affair what happens to it later. His conscience thus neatly passes the buck.

The commentator, columnist or cartoonist may, of course, be selected in the first place by the management because he has already displayed his views as a liberal or conservative, a radical or a mugwump from his previous writings and expressions. He may then be given his head. If he needs some coaching to fit him into the team, the approach may be made through delicately worded innuendoes, clever and sportive ambiguities, subtle encomium or craftily seasoned jocular fare carrying a warhead. He does wish to be respected and may be induced to sway to the wind through solemn acknowledgment of the respect due him which he finds so pleasing without admitting it. If his name is a household word he may indeed disagree with his employer's policy with impunity, but, of course, within limits. He may even influence the management.

The "activist" publisher or editor will know how to build a stable of by-line reporters, "name" columnists, editorial writers and cartoonists who can be relied upon to carry out an orchestrated campaign without too much chafing at the bit or wild prancing out of the appointed path. Higher pay than the prevailing scale will have remarkable healing powers over a smarting conscience.

What then is wrong with an ensemble to proficient and, at least outwardly, so smooth?

Does it represent a fraud on the public? That depends on a variety of possibilities. The options open to reporters who are willing confederates to the boss are almost unlimited. If the reporter is a clever writer his "copy" will not need much editing, if any. There may be a hundred different ways open to him to turn a descriptive phrase, by adding color to give it sting, or leeching to make it pale, whatever the purpose may be; to impart a favorable gloss or patina or to dismiss with even less than faint praise; to promote enthusiasm for a favored project or personality or to apply a dampening depressant or worse; or to convey roundabout disdain or, conversely, instigate an attitude of acceptance or even happy attachment. The scope is virtually infinite and cleverness is the master key. The highest skill lies in advocacy or denigration without seeming to do either: a highly valued achievement.

"Slanting" of news and commentary to produce preconceived effects is an art. Not only the reporter, the rewrite editor but the headline artist, all working as a team, takes his turn. The options of the latter, the headline architect and layout designer, are also almost unlimited. The powers of promotion, demotion, relegation to oblivion or launching to summitry are in his hands, to use as effectively as he can. He may make or unmake or in any event give immeasurable impetus to, or frustrate and halt a candidate, a movement or a cause. He may drop an unfavored person or cause into the dark pit of oblivion by nonmention and thus write finis to the one or the other. In combination the press may thus exert fateful influence.

It is because of the endless means of producing desired effects at the command of reporters, editors and commentators that they may practice bias without detection by the public that reads as it runs.

The selection of news items and their placement in the newspaper under contrived headlines, purposively designed and placed with an eye to emphasis or de-emphasis, offers opinion-moulding powers to the newspaper owner that is not matched or overcome by the ordinary reader-skepticism. The public is prepared to regard the editorial page as an area set aside for opinion but if opinion or bias becomes inextricably mixed with the news, or if the news is run through the process of caricaturization in the form of cartoons loaded with prejudice and exaggeration, or if nearly all the commentary by columnists is at one with the editorial policy, thus depriving the readers of a balanced view, the journalistic function of the newspaper is vitiated and dishonored.

The distinction between the two types of advocacy, which is to say, that of the attorney in a courtroom and that of the newspaper conducting a campaign, becomes readily visible. The legal advocate openly practices the promotion of his client's interest. The attorney is not looked upon as objective or unbiased; and if the judge or the jury were exposed to the plea of only the one attorney the process would represent an outrageous travesty of justice.

The newspaper in conducting a campaign is also an advocate, but denies acting in that capacity and may take elaborate precautions to conceal its true colors. It therefore acts as a disguised advocate while purporting to be objective in its presentation of the news. Thus while the public treats the attorney's plea as a one-sided expression and awaits the rebuttal from his opponent, the reader of a newspaper becomes a captive of a biased campaign without access to full and competent rebuttal—unless newspapers of an opposite orientation are readily available to him. If they are indeed available he must spend more money and time for his news than he perhaps cares to budget for that purpose.

Most newspapers do open the door slightly to contrary opinion expressed by letters to the editor; but the newspaper selects what it wishes to print and no outside monitor is on hand to assure an unbiased selection. In any event letters to the editor are no adequate antidote to the bias of which the press may be guilty. Printing such letters, without bias is a commendable practice but falls far short as a counter-point against the newspaper's uninhibited powers of campaigning. Measured against the outpourings of biased news reports and especially those of the commentators, the letters, usually one-shot assaults, fall far behind in effect. The columnists successively come back to the same subject, commenting on intangible appearances, motives, probabilities, uncertainties and dubious meanings with an air of certainty and conclusiveness that only omniscience could support. Hardly the shadow of a doubt is tolerated. The positive assertion bulldozes all uncertainty or doubt out of the way. The commentator sets himself up as the last word by virtue of his rhetoric, mode of expression and invincible self-assurance. He cannot, of course, be held to account from the outside.

All civic, political and economic rules, laws and regulations are subject to reform at the pleasure of the popular majority, in accordance with their experience over a sufficient period of time. This possibility represents the very essence of the power of self-government. The press regards itself as lying outside of this otherwise universal rule. The public as it becomes increasingly enlightened through education and political experience deserves better of the press; and the press should not for the sake of the future of journalism become a stand-pat imitator of the political reactionary whom it generally purports to despise.

The remedy? How to establish accountability without abridging the freedom of the press?

Perhaps the most sobering answer would lie in removing the profit motive, by converting the news-supplying operation into a nonprofit enterprise. How does the need differ from that financing of political campaigns? Have you, Sir, a better suggestion?

Sincerely,

O. R. STRACKBEIN.

A LISTING OF OIL COMPANIES WHICH WOULD BE EXEMPTED BY THE ANDERSON AMENDMENT TO H.R. 8193

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. ANDERSON of California. Mr. Speaker, this week, we will be considering H.R. 8193, which requires that a percentage of oil imports be carried on U.S.-flag ships. I plan to offer an amendment to exempt from this requirement the small refiners that have less than 30,000 barrels per day capacity. I am inserting in the RECORD, for the information of other Members, a list of small refiners located in each State which would be exempted by my amendment:

A listing of oil companies which would be exempted by the Anderson amendment to H.R. 8193

	Daily refinery capacity
ALABAMA	
Hunt Oil Co., Tuscaloosa	15,008
Marion Corp., Alabama Refining Co., Inc., Theodore	15,000
Vulcan Asphalt Refining Co., Cordova	3,500
Warrior Asphalt Corp., Holt	3,000
ARIZONA	
Arizona Fuels, Inc., Fredonia	8,500
ARKANSAS	
Macmillan Ring-Free Oil Co., Inc., Norphlet	4,400
Wood, Charles J., Petroleum Co., Cross Oil & Refining Co., Smackover	3,500
CALIFORNIA	
Edgington Oil Refineries, Inc., District V, Long Beach	29,500
Powerine Oil Co., District V, Santa Fe Springs	28,500
San Joaquin Oil Co., Oildale	27,000
Reserve Oil & Gas Co., Mohawk Petroleum Corp., District V, Bakersfield	22,100
Fletcher Oil & Refining Co., Carson	15,000
West Coast Oil Co., Oildale	13,000
Golden Eagle Refining Co., Carson	13,000
Lunday-Thagard Oil Co., South Gate	3,000
Pauley Petroleum, Inc., Newhall Refining Co., Inc., Newhall	8,500
Road Oil Sales Inc., Bakersfield	840
Sabre Oil and Refining Co., Bakersfield	2,500
Beacon Oil Co., Hanford	12,100
Macmillan Ring-Free Oil Co., Inc., Signal Hill	10,000
Witco Chemical Corp., Golden Bear Oil Co., Oildale	11,000
Edgington Oxnard Refinery, Oxnard	2,500
Sunland Refining Corp., Bakersfield	9,000
COLORADO	
First General Resources Co., The Refinery Corp., Denver	17,500
Gary Western Co., LaJunta	8,300
FLORIDA	
Seminole Asphalt Refining, Ltd., St. Marks	4,500
GEORGIA	
Young Refining Corp., Douglasville	2,500
ILLINOIS	
Wireback Oil Co., Plymouth	1,200
Yetter Oil Co., Colmar	1,000
Richards, M. T., Inc., Crossville	63
INDIANA	
Ingot Oil & Refining Co., East Chicago	29,500
Rock Island Refining Corp., Indianapolis	29,500
Laketon Asphalt Refining Co., Laketon	8,544
Gladieux Refinery, Inc., Fort Wayne	5,500
Indiana Farm Bureau Cooperatives Association, Inc., Mount Vernon	12,500
Witco Chemical Corp., Hammond	7,500
KANSAS	
North American Petroleum Corp., Shallow Water	5,000
Mid-America Refining Co., Inc., Chanute	3,000
KENTUCKY	
Somerset Refining, Inc., Somerset	3,000
Kentucky Oil & Refining Co., Betsy Layne	500
LOUISIANA	
North American Petroleum Corp., St. James	11,000
Anchor Gasoline Corp., Canal Refining Co., Church Point	3,200
Bayou State Oil Corp., Hosston	3,500
Calumet Industries, Inc., Calumet Refining Co., Princeton	2,400
Evangeline Refining Co., Inc., Jennings	4,000
Claiborne Gasoline Co., Lisbon	6,500
Gasland Inc., Good Hope Refineries, Inc., Good Hope	29,292
MICHIGAN	
Dow Chemical Co., Bay City	11,746
Lakeside Refining Co., Kalamazoo	4,000
Crystal Refining Co., Carson City	6,200
MISSISSIPPI	
Vermont Gas Systems, Inc., Southland Oil Co.:	
Lumberton	5,500
Sandersville	11,000
Yazoo City	4,500
Total	21,000
MONTANA	
Thunderbird Resources, Inc.:	
Kevin	5,123
Cut Bank	4,658
Diamond Asphalt, Chinook	1,000
Total	10,771
Jet Fuel Refinery, Mosby	450
NEW MEXICO	
Suburban Propane Gas Corp., Plateau Inc., Bloomfield	5,200
Famariss Oil & Refining Co., Monument	5,000
Thriftway Oil Co., Bloomfield	4,020
Navajo Refining Co., Artesia	20,930
NORTH DAKOTA	
Thunderbird Resources, Inc., Williston	5,200
OKLAHOMA	
Crystal Oil & Gas, Stephen	3,240
OKC Refinery Inc., Okmulgee	20,000
Midland Cooperatives, Inc., Cushing	17,740
Tonkawa Refining Co., Arnett	5,000
Swift & Co., Bell Oil & Gas Co. (A division of Vickers Petroleum), Ardmore	30,000
Allied Materials Corp., Stroud	4,292
PENNSYLVANIA	
Witco Chemical Corp., Bradford	8,500
Quaker State Oil Refining Corp.:	
Emlenton	3,320
Farmers Valley	6,500
Total	9,820
TENNESSEE	
Earth Resources Co. (the Southland land Co.), Delta Refining Co., Memphis	29,500
TEXAS	
Dorchester Gas Producing Co., Cargray	1,000
Eddy Refining Co., Houston	3,250
Flint Chemical Co., San Antonio	1,200
Allied Chemical Corp., Union Texas Petroleum, Winnie	9,400
JOW Refining Inc., Palestine	10,000
Pride Refining Co., Abilene	14,125
Texas Eastern Transmission Corp., La Gloria Oil & Gas Co., Tyler	24,000
Winston Refining Co., Fort Worth	15,000
Crystal Oil & Gas:	
Longview	7,500
La Blanca	4,000
Total	11,500
South Hampton Co., Silsbee	5,617
Wood County Refining Co., Quitman	3,000
Texas Fuel & Asphalt Co., Inc., La Coste	2,310
Petroleum Refining Co., Lueders	2,159
Three Rivers Refinery, Three Rivers	1,500
UTAH	
Arizona Fuels, Inc., Major Oil Corp., Roosevelt	12,000
Crown Refining Co., Inc., Woods Cross	10,000
Morrison Petroleum Co., Woods Cross	15,000
Caribou Four Corners Oil Co.:	
Kirtland, N. Mex	2,200
Woods Cross, Utah	5,000
Total	7,200

WASHINGTON	
U.S. Oil & Refining Co., District V, Tacoma	16,000
Kewanee Oil Co., Sound Refining, Inc., Tacoma	3,400
WEST VIRGINIA	
Quaker State Oil Refining Corp.:	
St. Mary's	5,000
Newell	9,700
Total	14,700
WYOMING	
Southwestern Refining Co., La Barge	330
Mountaineer Refining Co., La Barge	175
Oriental Refining Co., Greybull	150
Little America Refining Co., Casper	22,000
Sage Creek Refining Co., Cowley	1,000

VICE PRESIDENT FORD EXPRESSES SOLID NATIONAL DEFENSE BELIEFS

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HOSMER. Mr. Speaker, of definite interest and importance, both at home and abroad, are the views of the Vice President of the United States which bear on the military security of the Nation. Vice President Ford spoke out candidly on this subject recently to one of America's top military reporters. An article and interview resulted which appeared in the March 1974 issue of Sea Power magazine.

Most of us recall John G. Norris, author of the article, as the former military reporter of the Washington Post and later editor in chief of Sea Power. He was last year's winner of the Navy League's Alfred Thayer Mahan Award for Literary Achievement.

The subject of his article is a Navy shipmate from World War II. It is always pleasant to see someone like him get ahead in the world. More than that, it is most comforting to his fellow citizens to know that a man of his competence and caliber stands able and ready, though not at all anxious, to command the ship of state.

Mr. Morris' article and interview with the Vice President follow:

FORMER NAVAL PERSON MAKES GOOD—INTERVIEW WITH VICE PRESIDENT FORD

(By John G. Norris)

Vice President Gerald R. Ford, who may well be the next President of the United States, sees the nation facing "a real test" this year over whether it will continue as top world leader or decline toward "second best."

In an interview in which were discussed American troubles abroad and at home, the rise of Soviet Russia and the doubts of such people as Winston Churchill and others over whether the United States has the will to "stay the course" as world leader for a span comparable to the great nations of the past, Ford was asked: "Are we already fading?"

He replied: "no, not yet. But a real test might come in calendar 1974." The President has requested a substantial increase in the Defense Department budget—I think it's around $8 billion.

"If the Congress doesn't respond affirmatively to this," said the Vice President, "it will be a real indication that we are not going to 'stay the course' . . . it will mean that there *is* a serious trend developing to end up second best.

"I don't think it's going to happen," he said, "I know the President is going to do his best to prevent it and I hope Congress will [cooperate] this time. I think it is mandatory."

Ford's experience in defense matters—including duty aboard an aircraft carrier through many battles of World War II and long service on the House Defense Appropriations Subcommittee and as House GOP Leader—gives him particular insight both on matters of national security and in judging what Congress may do.

In the wide-ranging exclusive interview, the Vice President also gave his views on the current status of American/Soviet nuclear and conventional military power, the direction in which U.S. strategic nuclear and conventional arms emphasis should head, the need for control of the seas, prospects for a proposed new U.S. Indian Ocean Fleet, the outlook for an all-nuclear Navy and a nuclear American merchant marine, and a number of other foreign and military policy matters. The text starts on page 10, but here are the highlights:

While the U.S. is not "seriously weakened" today in such elements of national power as military strength, natural resources, wealth, technology, unity, and leadership, and has not suffered, as a result of recent agreements, any real security loss relative to Russia, the upcoming SALT II and other talks "will be a better test."

Although there is still "rough parity" in strategic nuclear arms, there is also "ample evidence" that the Soviets are "moving ahead in research, development, procurement and deployment of some nuclear weapons." If the two nations can't agree on parity, Ford says, the USSR is going to continue to expand and "it is up to us to do the same. . . . the American people would not let us *not* do it."

If arms limitation talks do fail, Ford said, the United States should "certainly move forward on Trident," look into the feasibility of mobile landbased missiles (which Ford views as having a "great potential") and build B-1 bombers.

Discussing "general purpose" or conventional forces, Ford said he would not try to match potential foes man for man or weapon for weapon, but would concentrate on the Navy, where our "problems are serious. . . . I don't think we've lost [superiority at sea but] the Soviet Union is [building] at a much more accelerated rate. . . . Their Navy is much more modern," said the Vice President. "We've got to continue the modernization program of the Navy, our Navy, at an accelerated rate." He added that he also favors upgrading the performance capabilities of tactical Air Force and Navy aircraft.

The Vice President made it plain that the basic problem of control of the seas in world strategy is that, while the Soviets are largely self-sufficient in raw materials, the United States must import many vitally important materials from overseas to keep U.S. industry and life going, and in doing so must be prepared to cope with the Soviet Union's large and modern submarine fleet. "We're facing a situation where *we must control* [the seas], where all *they* have to do is *deny us control*, and that makes their problem a lot simpler," he said.

Asked how the United States will cope with superior Soviet sea power in the Indian Ocean-Persian Gulf-Red Sea area—particularly when, after the expected opening of the Suez Canal, Soviet warships can come from the Black Sea, rather than from Siberian, Arctic or Baltic bases—Ford said the United States should keep up a sufficient Mediterranean Fleet and "actively explore the desirability of having an Indian Ocean Fleet." He said it is "important to explore vigorously" the military requirements—ships and bases both—for such a fleet.

The Vice President also came out strong for stepped up construction of more nuclear powered naval surface ships. Asked whether the Arab oil embargo and subsequent fuel price rises make nuclear vessels more attractive economically, he said that, while some in the Navy have tried to persuade him otherwise, the logic of a nuclear navy seems "rational" to him. He also favors "further research, further development" on a nuclear merchant fleet.

The Vice President said he "vigorously" opposes a unilateral scaledown of U.S. troops in Europe, but knows there is growing pressure for it in Congress. He believes the Nixon Doctrine—postulating greater reliance on troops of U.S. allies overseas, but supported by American sea and air power—is sound and should be followed by future Presidents, of whatever party. And if that policy *is* followed it will mean "a greater role for the Navy."

Predicting a major battle this year over the defense budget, Ford made it clear that he views the struggle as not merely another fight over key military programs, but rather a major policy showdown which might well determine whether the United States will continue as a world leader or become an increasingly inward-looking nation largely concerned with domestic priorities.

The Vice President's views are of essential importance not only because he is "only a heartbeat from the White House," as the saying goes, but because he would become President should Mr. Nixon become incapacitated, resign, or be removed by impeachment. Ford might in any case, of course, be just what the country is looking for when it chooses a new leader in 1976.

READY ANSWERS FOR CONGRESS

After Watergate and Agnew, Ford made a strong and favorable impression on most Americans during hearings before Senate and House committees which conducted the most exhaustive investigation ever given a nominee for high office. He made a complete exposure of his affairs, putting into the record FBI raw files, his Navy fitness reports, financial records, and other data rarely exposed. He emerged not only as Mister Clean, but as solid, sincere, forthright, and a man of integrity, in the eyes of liberal as well as conservative members of Congress, most of whom supported his confirmation. The handful of votes against him were based solely on his record and views as a conservative—an active, consistent one, although to the left of the far right. Some commentators and some members of Congress also apparently believed Ford to be perhaps too loyal and too much a follower of the President, rather than an independent leader. But early criticism that Ford lacks the intellectual qualification and/or is not qualified in the intricacies of foreign and domestic affairs disappeared under the testimony of leading Democrats who spoke for him, the unprecedented exposure of his record, and, perhaps most important of all, that strong, almost but not quite stern, countenance, charm, poise, manner, and ready answers.

Gerald Rudolph Ford, Jr., was born Leslie King, Jr., in Omaha, Neb., July 14, 1913, and was reared in Grand Rapids, Michigan. After his mother and father were divorced, his stepfather, a prominent businessman, adopted him and gave him his name. Young Ford, six foot and 200 pounds, went to the University of Michigan where he was center on its national championship football team and a collegiate all star. Graduating in 1935 with a major in economics, Ford chose Yale Law School and a job as assistant coach over professional football offers.

Graduating from Yale in 1941, Ford practiced law until he was commissioned an ensign in the Naval Reserve in early 1942 under the pre-flight athletic conditioning program for aviators and was assigned as a physical instructor at Chapel Hill, N.C. He applied for sea duty aboard aircraft carriers and was assigned to the new light carrier Monterey (CVL–26) in May, 1943.

Lieutenant Ford soon qualified as officer of the deck underway, assistant navigator and antiaircraft battery officer, and served aboard Monterey until the end of 1944. He participated in the Gilbert Islands, Birmarck Archipelago and Marshall Islands operations, the 1944 Asiatic-Pacific Raids, Aitape and Humboldt Bay Hollandian operations, and the Marianas, Western Carolines, Western New Guinea and Leyte Gulf operations, earning the Asiatic Pacific Campaign Medal with eight bronze stars. Philippine Liberation Ribbon with two bronze stars, and American Campaign and World War II Medals. He made lieutenant commander before his release in early 1946.

All of Ford's World War II skippers gave him high ratings, Monterey Commanding Officer Captain S. H. Ingersoll, now a retired vice admiral, praised Ford as "outstanding in all respects," and possessing a "thorough knowledge and ready grasp of seamanship and tactics." Ford was "steady, reliable and resourceful . . . an excellent navigator and all around ship's officer," said Ingersoll, adding that "his unfailing good humor, pleasing personality and natural ability as a leader made him well liked and respected by the officers and men."

Should Ford become President he would be the fourth consecutive Commander-in-Chief and Chief Executive who had been a naval officer during World War II.

RESOUNDING RE-ELECTIONS

After the war Ford returned to law practice in Grand Rapids, but soon ran for Congress, with the encouragement of the late Senator Arthur Vandenberg, a friend of Ford's stepfather. Ford, like Vandenberg, had altered his thinking from isolationist to internationalist as a result of the war. He defeated the incumbent, still isolationist Congressman, and was easily re-elected to succeeding Congresses, getting 60 to 69 percent of the total vote each time out.

In the House, Ford won a coveted spot on the House Appropriations Committee and spent long years on that panel's Defense Subcommittee, also serving on the Foreign Aid and CIA Subcommittees. The long hours of briefings by and questioning of Pentagon, State, AID and intelligence officials that appropriations committee men experience gave him an invaluable education in foreign and military affairs.

Although not active in the Naval Reserve, Ford remained on the Navy rolls until 1963, when he resigned, opting for discharge rather than honorary retirement because he wanted, considering his congressional position, to avoid any possible conflict of interest.

Ford's voting and speaking record was the subject of a detailed Library of Congress Reference Service study made for the Senate Rules Committee when his nomination as Vice President was considered. One conclusion summarized in the study: the Vice President has been a "forceful and consistent advocate of a strong U.S. national defense," and a supporter of an "active role for the United States abroad, involving close working ties with this country's allies and a willingness to confront serious challenges to the nation's security."

The record confirms this. Ford criticized President Kennedy for withdrawal of vital air support during the abortive Bay of Pigs invasion of Cuba and, while generally supporting the Vietnam war, was a critic of President Johnson's conduct of the conflict, urging early bombing of Hanoi, a naval blockade of Haiphong, and a generally more vigorous prosecution of the war.

Ford has demonstrated political courage, as well. Since taking his present office, he told a B'nai B'rith meeting that American Jews could not have it both ways—they could not back defense cuts and still expect the United States to support Israel from a position of strength. He himself has voted for strength, coming out strong, for example, for the sometimes controversial CVN 70 and other weapons programs.

Ford also has backed the Sea-Grant College plan and other oceanographic programs, as well as various measures designed to strengthen the U.S. merchant marine. In the non-defense area he has favored a Constitutional amendment to permit school prayers and legislative proposals to bar busing for racial balance and to let states decide whether abortions should be permitted. Perhaps his most controversial action was to lead a move to impeach liberal Supreme Court Justice William O. Douglas.

ENOUGH, BUT NOT TOO MUCH

During his Senate confirmation hearings, Ford was asked a pointed question about his priorities on how America should spend its money.

"I really feel," he replied, "that the number one priority in the very controversial world we live in is adequate funding for our national security. That does not mean that I would vote whatever funds are requested." he said.

"Now, once you have an adequate national security, and that means enough, not too much, then I think you have to take the rest of the pie, and you have to divide it, bearing in mind what taxes we want to pay, what borrowings we want to make, and allocate according to the proper balance."

Jerry Ford has become perhaps the busiest Vice President in history. The day of his Sea Power interview he had an early breakfast with Secretary of the Treasury Shultz and aides, joined President Nixon for a meeting with congressional leaders, met with an Indian tribe leader and a state governor, was the featured speaker at a large lunch as well as, later, at dinner, and also found time to talk to two "interns" who had worked for him for several months and were returning to college in Michigan.

The Vice President's major task is handling relations with Congress, a job previously held by former Secretary of Defense Melvin Laird, but Ford also sits in on Administration leadership meetings—and heads them in the President's absence. He has five offices on Capital Hill: a ceremonial one just off the Senate floor, a working office nearby, a staff office in the New Senate Office Building, and two rather more private "cubbyholes" of the type traditionally maintained by the powers that be on Capitol Hill, one in the House and one in the Senate. His main office, housing his 50 member staff, is next to the White House in the Old Executive Office Building—formerly the old State, War and Navy Building.

Robert T. Hartmann, an ex-newsman (former chief of the *Los Angeles Times* Washington Bureau) and retired Naval Reserve captain who worked for Fleet Admiral Bull Halsey throughout the Pacific war, is Ford's chief of staff. Former Virginia Congressman John O. Marsh, Jr., was recently shifted from the Pentagon where he was Assistant Secretary of Defense for Legislative Affairs to replace now-retired Army Major General John M. Dunn as Ford's assistant for defense affairs. Commander Howard J. Kerr is Ford's naval aide and Lieutenant Colonel Americo A. Sardo is his Marine Corps aide. At this writing, there were no Army or Air Force aides.

Jerry Ford married Elizabeth Boomer, a tall, slim former Powers model, just before he came to Washington as a Congressman. They have four children, 16 to 23, three boys and one girl, all in high school or college. The oldest son is studying for the ministry. The Fords are Episcopalians. They live in Alexandria, Va., near Washington, in what the Washington Star-News called an "unpretentious house" with an all-weather pool—Ford swims early every morning to keep fit. His favorite sport, however, is skiing, which he indulges in at the family lodge in Colorado, and he likes to watch football.

Mrs. Ford once told a reporter her husband is a "square," and his early photographs confirm that description, literally—straight mouth, straight eyebrows and a straight hairline (the latter, now receding, has changed with the passage of the years).

The term "square," in its best sense, still fits, however. Many years ago Jerry Ford told a sports reporter his pet peeve was, at that time, anyway, "unknowing and unreasonable critics of football coaches and players" and that his favorite people were New Dealer Thurman Arnold, actor Paul Muni, actress Betty Grable and Singer Paul Robeson.

Asked during his Sea Power interview if he still holds those views, the politically adept Ford said he might amend his favorite people list, but declined to "update" his criticism of sportswriters "because of the delicacy of the relationship between politicians and the news media."

When asked whether well-done steaks smothered in onions were his favorite dish, Ford replied with an emphatic "Yes."

INTERVIEW

(Following is the text of his Sea Power interview conducted by Mr. Norris, with Mr. Hartmann, Commander Kerr, and Editor-in-Chief James Hessman sitting in.)

SEA POWER. Mr. Vice President, Winston Churchill publicly pondered whether the United States, as the new world leader has the will to "stay the course," and that question has been more recently asked by such people as Arthur Krock and others. In light of our troubles over the past decade and the upsurgence of the Soviets, are we already fading?

VICE PRESIDENT GERALD R. FORD. I don't think we're failing right now. I believe a real test might come in calendar 1974. The President has requested a substantial increase in the Defense Department budget—I think it's around $8 billion. If the Congress doesn't respond affirmatively to this, it will be a real indication that we are not going to stay the course. I think it's needed mostly to replenish drawn down mobilization reserves, to replenish some of our stocks that were used in the Middle East, and if the Congress fails to support this budget increase for the Defense Department it will mean that there is a serious trend developing to end up second best. I don't think it's going to happen. I know the President is going to do his best to prevent it and I hope the Congress will this time; I think it's mandatory.

S.P. To follow that up, many things make a nation a world leader—size, wealth, abundance of natural resources, technology, unity, good leadership and the power and will to provide and use, if needed, strong armed forces. Haven't we been weakened in some of these strengths, particularly in our defense, with relation to Russia?

FORD. I don't believe we've had any serious weakening in those areas listed. We have made some agreements with the USSR. We've gotten something from them in return for something given by us. So there hasn't been any weakening *vis a vis* one another. I would agree that we have some real important negotiations going on right now. SALT II, MBFR—those negotiations, those agreements will be a better test, I think, than where we are today.

S.P. To be specific, has not the USSR captured at least rough parity in strategic nuclear arms and is apparently aiming at superiority? Can we afford to let this happen, and what should we do to avert it, aside from SALT negotiations?

FORD. I think we have a situation today where there is *rough* parity in strategic nuclear weapons. If the Soviet Union doesn't come to some agreement with us, there is ample evidence that they are moving ahead in research, development, procurement, and deployment of some nuclear weapons. We can negotiate a limitation and maintain relative parity; if we don't, you and I know they're going to continue this surge they've had; and then it's up to us to do the same. I think the American people would not let us *not* do it. The American people will want us to do it, if we can't negotiate some limitation. It's a lot of easier for the Soviet Union to continue this program than it is for us.

S.P. If we must bolster our nuclear arms, would you favor emphasis on: (1) Trident submarines; (2) landbased forces; or (3) B-1 bombers. Or some of these other things, such as mobile land missiles, cruise missiles from submarines, etc.

FORD. I would certainly move forward on the Trident submarine; I would advocate, certainly, investigation as to the feasibility of mobile landbased missiles. I think we should proceed with the B-1. We certainly couldn't remain static with just the programs we have. We'd probably have to accentuate research, development, procurement and deployment of all of those. With a new factor, maybe, of mobile landbased missiles.

S.P. Do you believe strongly in mobile rather than stationary landbased missiles?

FORD. Yes. It's got a great potential, Jack, if it's feasible.

S.P. I mean mobility, at sea and in the air.

FORD. I'm talking about mobile landbased missiles.

S.P. Since the "nuclear umbrella" has prevented all-out war to date, do we need to bolster our conventional arms to cope with lesser crises? Are we not falling behind in numbers, modernity and readiness in land and air forces and sea forces, and are we losing our superiority? I think things have gotten so bad that we are maybe losing our superiority at sea, I don't know what you . . .

FORD. I don't think we've lost it, the building program of the Soviet Union is at a much more accelerated rate than ours. Their Navy is much more modern. We've got to continue the modernization program of the Navy, our Navy, at an accelerated rate, if we are to maintain any degree of naval superiority. I don't think on the land we have to match the Soviet Union or China man for man, or weapon for weapon. I think that is a responsibility for some of our allies. We can help with the supplying of weapons. But Navy problems are serious, and that's one thing that we really are qualified to do anything about.

S.P. How about modernizing the naval air force?

FORD. Aircraft?

S.P. Aircraft.

FORD. Well, we are moving up in light bombers, we are moving forward in fighter aircraft; I think we have to continue upgrading our actual capabilities in these areas. But I do not think we have to significantly increase manpower.

S.P. Everyone now is aware of the importance of the Persian Gulf, Red Sea, Indian Ocean oil, owned by militarily weak Arab countries, and should be aware of the burgeoning Soviet naval power and its concentration of ships and bases in that area. Is there not only a future threat of a cutoff of oil supplies to the West, not only by the embargo, but, with the opening of the Suez Canal, letting the Soviets gain control of the seas there? That will certainly enable them to strengthen their position there, will it not?

FORD. I think we've got to maintain a task force of sufficient size in the Med to be a deterrent. Now, I think also that we've got to actively explore the desirability of having an Indian Ocean Fleet. I can't tell you the number, I can't tell you what the bases ought to be, but I think it is important to us to explore vigorously the military requirements of such a force being deployed.

S.P. There's been an announcement that we're asking for $20 million to bolster Diego Garcia . . .

FORD. I saw that . . .

S.P. . . . which is a pretty small atoll, but it would make it more of a base. Could you tell us what they're going to do there? It seems like they're going to make it a longer airport so it can take anything.

FORD. Jack, I can't tell you what the details are on that.

S.P. Well, the initial plan, as I understood it, in time, projected by the Navy and the Air Force, was to make the airstrip long enough to handle any type of plane. If this is needed, do we need to increase the size of the Navy? This would be another commitment, would it not?

FORD. There's no question that, if you're going to go into an area that you've never had an active fleet in before, you will have to accelerate your modernization program or you have to add more ships. If you add more modern ships, I supopse you could stretch them a little further. But I suspect we'd probably have to do both.

S.P. With the new awareness of U.S. shortages, which go far beyond oil, do we need to strengthen the U.S. Fleet to assure continued control of the area to bring in the bauxite, tin, and many other strategic materials which we lack and are so necessary to U.S. industry and life? Do we need to keep control of the seas?

FORD. It would certainly be desirable, looking back at the catastrophe in the early days of World War II. Frankly, I just don't know how big a fleet you have to have to meet the challenge, the underseas challenge of the Soviet submarine fleet. I honestly can't answer that. I would assume that enemy submarines are far more capable of attacking surface ships today than the ones were in 1940-41. I'm sure they've got more sophisticated weapons, they're more silent, they're faster. I think we're facing a situation where *we must control*, where all they have to do is *deny us control*, and that makes their problem a lot simpler than ours. I think you've got to be cognizant of that problem, but I don't know how many new ships you need to meet that problem.

S.P. The Arab oil embargo has cut off most fuel sources for American ships—warships and merchantmen—overseas and the price of oil has multiplied. Does this change the outlook for a nuclear surface Navy? Should we then build more nuclear warships, and possibly develop a nuclear merchant marine?

FORD. Well, I'm sympathetic to an all-nuclear Navy. Some naval officers have tried to convince me otherwise. But I better not quote them. They aren't supposed to make policy decisions. But the logic of it escapes me—that we shouldn't move more rapidly into a nuclear navy. I guess I've been brainwashed, perhaps, by Admiral Rickover, but this looks to me like the most *rational* decision.

S.P. What are the prospects for a scale-down U.S./U.S.S.R. force in Western Europe or for unilateral reduction or withdrawal of American troops there? Does this mean possibly a greater role for the U.S. Navy—particularly with the loss of relative power *vis a vis* Russia in the Mediterranean and on the northern flank of Europe?

FORD. I'm very much opposed to unilateral reduction of American forces in NATO. I believe there is a good prospect for an equitable downward reduction agreed to by the Soviet Union, its allies, ourselves, and our allies. I think there's a good possibility.

S.P. You're opposed, but what do you think *might happen*, either as to a unilateral reduction or withdrawal.

FORD. Well, there's a growing pressure in the Congress to force us out; it was not successful last year; but it's increased in pressure. I'm vigorously opposed to it. But I have to deal with the realities.

S.P. Well, take the second point of our question. Does either the unilateral reduction or agreed withdrawal of American troops mean a possibly greater role for the Navy, particularly with the loss of relative power *vis a vis* Russia?

FORD. I don't see that unilateral reduction of U.S. troops in Europe means automatically a greater role for the Navy in either the Mediterranean or in Northern Europe.

S.P. What do you see as the future of NATO? Are there any prospects for a NATO Indian Ocean Force in light of the heavy reliance of Western Europe on Mideast oil?

FORD. I don't see any evidence of a NATO Indian Ocean Force. It seems to me that our best prospect would be for a U.S. force that would handle that responsibility. It would be better if we could get NATO to do it, but I haven't seen any evidence of their willingness to expand their naval capability.

S.P. Do you feel that the "Nixon Doctrine," will continue, under any name, in future administrations? If so, does this mean a greater role for the Navy?

FORD. The "Nixon Doctrine" overseas is sound; any subsequent administration would be wise to follow it. And if the program or policy is continued there is probably a greater role for the Navy.

S.P. In view of present and prospective mineral shortages, as well as shortages of food and other essentials, do you expect a major enlargement of oceanography programs to obtain these needed resources from the seas?

FORD. The answer is yes.

S.P. Some people have long felt that our national leaders do not fully appreciate the importance of the seas to this country, and that this stems from the lack of maritime input and advice at the top. The Secretary of the Navy was dropped from the Cabinet by post-World War II unification of the services. The top merchant marine official is an assistant secretary. Do you see any merit in the argument that, because the oceans are foreign to most Americans and most officials lack knowledge and appreciation of the problems and advantages of three-quarters of the Earth's surface, the President should have a top "maritime advisor" reporting directly to him?

FORD. I don't necessarily see the need for that. After all, we have had, since the Chiefs of Staff were established, we've had Admiral Radford for four years, we've had Admiral Moorer, for two, and two more years.

S.P. That's what this question really stems from. During those periods when there was no input of the maritime—meaning navy/maritime—at the top. A great many Navy thinkers are saying this and writing this, because the generals can't quite think in such terms.

FORD. Helen Bentley [Chairman of the Federal Maritime Commission] hasn't had any difficulty in being heard.

S.P. Well, she's interested in the maritime, and right there I've got another question. Do you think there's any need or any prospect for starting work on a nuclear merchant marine?

FORD. I certainly do. The one we had, the SAVANNAH, was, unfortunately, unsuccessful. But I think we ought to proceed with further research, further development in this area.

S.P. One great problem of the military today is personnel. More than half of the defense budget—56 per cent, I think—goes for pay and related items, compared to 25 per cent in Russia, thereby permitting them to spend much more for weapons development and procurement. We now have an all-volunteer force, but enlistments are lagging and quality is a continuing problem. If this continues are there alternatives or remedies that can be applied? Can you discuss this?

Ford. If we are unsuccessful in maintaining the quality and numbers needed in the Defense Department, all services, with the abolition of the draft, then I think we'll actively be forced to reconsider the draft again. I think it's fair to point out, however, that it will be darn hard to get Congress to enact it. I think it will be very difficult.

S.P. Can you think of an alternative?

Ford. Universal military training? With a six-month or one-year obligation? I don't think so.

S.P. What is your view of the treaty that's about to be signed that will turn over the Panama Canal?

Ford. I have many reservations. I haven't seen the newest version, the details of it. But I've had many reservations about the one that's been discussed over the previous three or four years.

S.P. I have a few little personal questions here, that I'd like to throw out quickly. That scrapbook of your wartime service has a cartoon from a Cedar Rapids paper . . .

Ford. *Grand* Rapids.

S.P. Excuse me. Sorry, *Grand* Rapids. It says: "His pet peeve is 'unknowing and unreasonable critics of football players.'" Would you care to modernize, update that a little?

Ford. Because of the delicacy of the relationship between politicians and the news media I don't think I ought to move my criticism from athletics to the current political scene.

S.P. Are well-done steaks smothered in onions still your favorite dish?

Ford. Yes.

S.P. Last question: do you remember any little things about ship life that you would care to tell me? You were there on the *U.S.S. Monterey* 18 months, two years . . . ?

Ford. I think a little over two years. Before I forget it, I think in our House Committee hearings, or Senate Committee hearings, we put my whole fitness report in. Probably the most interesting experience that I had was during the Battle of the Philippines. We got caught in that real tough typhoon—off the Philippines. I've forgotten the exact date but it was the day leading up to the worst day. I think it was December 18. We were refueling. Ourselves and destroyers and others were being refueled. And boy, the weather was just hell. That night, of course, three of those destroyers rolled over in the sand. But, anyhow, that night we rolled and pitched; I had the midnight to 0400 watch as officer of the deck. I went down to my sack when I was relieved; then we had general quarters at about 5:00, 5:30. We secured from general quarters and I went down to the sack and all of a sudden general quarters sounded again.

S.P. Sounds like the old Navy . . .

Ford. . . . and my relief was on board and he had never been to sea before. And I woke up—it must have been about a half hour after we secured—smoke was coming up through the corridors and my relief came by and said, "Jerry, Jerry, get up!" And I tell you, there was fear in his eyes. I didn't know what had happened, but I could see smoke. Rather quickly it became obvious we were on fire. My battle station was the bridge; I was officer-of-the-deck under general quarters. I went from my stateroom, went forward, which was the way I always went, turned right, went up on a catwalk, got up on the flight deck and then went back to the island structure, which was the quickest way to get up there. I went up the catwalk, up the ladder, and as I got on the flight deck and the ship rolled like this [the Vice President slanted his hands at about a 45 degree angle] and I took off just like I was going down a toboggan. Well, I'm sure you know that on a carrier there's a metal raised strip around the flight deck, which is to keep things from rolling over the side. Well, as I went down just like a toboggan, pretty damn fast since it was raining, it was slippery, and there was oil and everything on it, I could just visualize going over the side. So I spread out as broadly as I could; I hit that thing, and I spun around and rolled into the catwalk, instead of going over the side. We had catwalks, you know, all the way around, on starboard and portside. But we lost four or five people over the side that day. That's about as close as I ever came. And, boy, I had a bruised back because, as I went over the side of the flight deck, I landed sort of on my back against the rail. So I had a sore back for about a month. So other than being in general combat, in operations, etc., that's about as interesting a time.

S.P. That's thrilling enough. Now they'd have to get sideboys out.

Ford. Yes, we had a lot of fun.

A REUBEN FOR HAGAR

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr SARASIN. Mr. Speaker, I would like to bring to the attention of my colleagues the high honor accorded one of my constituents, Mr. Dik Browne of Wilton, Conn., who was recently presented with a Reuben for his Hagar the Horrible.

This may sound like a gastronomical treat for an unruly pet to some of you not privileged to read the right newspaper and not familiar with the world of cartoonists, but it in fact represents a stellar achievement in this popular of graphic art forms.

The Reuben Award, named for the late Rube Goldberg, the inventive cartoonist whose name has become a synonym for complexity carried to the insane limit, is the prestigious top honor awarded by the National Cartoonists Society. Mr. Browne was selected by his peers in the society for this award, recognition of his unique talent and the high regard in which he is held by his fellow cartoonists.

Hagar the Horrible, for those of you not familiar with the popular Norseman, is a daily comic strip which appears in papers across the country. It depicts the humorous antics of a viking clan led by the humorously fierce Hagar, one of the more improbable pillagers of all time.

I would like to add my personal congratulations and best wishes to Dik Browne on the occasion of this richly deserved award and suggest to any of my colleagues not familiar with his work that the humor of his creations can offer a welcome respite from the cares of the day.

PENSION REFORM

HON. WILLIAM V. ROTH, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, May 6, 1974

Mr. ROTH. Mr. President, on May 2, 1974, I had the privilege to appear before the Delaware Life and Health Sales Congress at the University of Delaware to discuss the pension reform legislation which is currently in conference.

As a member of the Senate Finance Subcommittee on Private Pensions, I have supported efforts to protect the hard-earned pensions which employees have come to depend on as the high cost of living makes personal saving progressively more difficult.

I am also particularly pleased with a provision in the legislation which would permit workers not covered by pensions to set aside up to $1,500 per year, tax free, from their earnings. This provision would apply to the one-half of our gainfully employed people who do not have the benefit of an established pension plan.

Mr. President, I ask unanimous consent that a copy of my speech be printed in the Extensions of Remarks.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Pension Reform

Good Morning. I am delighted to be here at the Delaware Life and Health Sales Congress to discuss the pending pension reform legislation. The argument for pension reform legislation can best be summed up this way. If you remain in good health and stay with the same company until you are 65 years old, and if the company is still in business, and if your department has not been abolished, and if you haven't been layed off for too long a period, and if there is enough money in the fund, and if that money has been prudently managed, you will get a pension.

I would like to begin this talk by commending your industry in particular for its history of untiring support for our efforts to strengthen this country's private pension plan system. I, along with the majority of my colleagues in Congress, share your concern that we must have a viable system to assure adequate retirement income.

Let me also take this opportunity to express my support for your industry as a whole. A strong, viable life insurance industry, one which does so much to relieve the Federal Government's fiscal burden, is essential to our economic well-being.

It has been over thirty years since the basic pension provisions were adopted by the Congress. And, it is now time to conform our pension laws to our present economic system. During our considerations of the bill, many observers argued that it is our national duty to provide for complete and comprehensive coverage, vesting and funding provisions. However, we must remember that our private pension plan system is entirely voluntary and the additional costs of restrictive standards would discourage employers from vuluntarily setting up retirement plans for their workers.

After three years of consideration, the Congress is on the verge of enacting legislation to establish minimum standards and guidelines to improve our private pension plan system. The pension legislation will increase the number of individuals participating in employer-financed plans. It will insure that those who do participate in such plans actually receive their benefits. And, the bill will make the tax laws relating to qualified retirement plans fairer by providing greater equality of treatment under such plans for different taxpayers. To put pension reform legislation into proper perspective it might be useful to review briefly for you the history of this legislation.

Early in 1973, an ad hoc Subcommittee on Private Pensions was appointed to review an enormous amount of material relevant to the need for legislative reform. As a Member of that panel, I supported efforts to protect the hard earned pensions which employees have come to depend on more and more as the high cost of living makes personal saving progressively more difficult.

In late summer of 1973, after weeks of intensive work, the Senate Finance Committee, of which I am a member, approved legislation stipulating that companies that have plans must conform to minimum standards for guaranteeing pension rights to their employees. Since the Labor and Public Welfare Committee also had approved a pension reform bill, a compromise was worked out by the two committees and a final bill was passed by the Senate by a 93–0 vote.

On the House side, the Education and Labor, and Ways and Means Committee worked to develop confronting legislation. By the end of February of this year, the House had passed their bill by a vote of 376–4.

The Senate and House bills, which are now in a joint conference committee, parallel each other in principle, but differ in specific detail. I understand that the conference committee, which will hold its first formal meeting within the next few days, hopes to have a final bill completed by June. I am confident that the Congress will quickly accept the conference report, and we will have a new pension law on the books by this July.

Since today's program includes presentations by a number of experts on the pension legislation, I will not discuss the technical aspects of the bill. But, I would like to discuss Congress' main objectives in developing this legislation.

This legislation is designed to extend the coverage under our pension system more widely. Despite the phenomenal growth in the pension system, which has seen the participants in private plans soar from about four million people in 1940 to more than thirty-five million people in 1973, our national coverage has often been inadequate and restrictive. In fact, pension coverage is rare in such areas as agriculture and some small businesses.

Pension reform should also liberalize the vesting practices of companies by establishing a new minimum standard with which companies must comply. Our present law generally does not require a retirement plan to give a covered employee vested rights to his benefits if he leaves or loses his job before retirement.

This issue of eligibility has all too often been used to the disadvantage of individuals who are approaching their date of participation. Every year loyal workers are summarily dismissed from service just before they are to become vested beneficiaries. To the man who is on the eve of receiving his pension rights, this eleventh hour news can wipe out years of expected income, and put him back at square one, bringing hardship of a very serious nature.

Additionally, the failure to vest sooner could interfere with the mobility of our labor force to the detriment of our economy. Therefore, Congress has dealt with this issue by requiring qualified pension plans to grant covered employees minimum vested rights after serving a specified number of years.

Congress also has had a concern that many employees currently covered by pension plans, anticipating retirement income, will not receive benefits because of inadequate funding.

Since a significant number of plans have not accumulated sufficient assets to pay benefits in the future to covered employees, the Congress has established minimum safeguards to insure that there will be enough money to pay the guaranteed rights of retiring employees.

After all, the Federal Government long ago took steps to insure that applicants for jobs not suffer discrimination in hiring, and that once on the job, reasonable health and safety standards would protect them from many occupational hazards. I feel it is high time we did something to protect these same workers' hard earned pensions.

While these new vesting and funding requirements will make pension plans much more effective, they will have little effect on a pension plan that is suddenly terminated. For this reason, the Congress has established a plan for insuring employees against loss of benefits resulting from a plan's termination.

When I served on the Senate Banking Committee, we spent many hours reviewing the insurance funds which now protect the savings deposits and securities investments of the American public. While we now protect more than $300 billion in savings institutions, present law provides no safeguard at all for the more than $200 billion in pension assets that now exist.

In a highly mobile economy, as companies merge or liquidate, plan terminations can cause economic panic in the lives of those who worked under the honest assumption they would have a "nest egg" with which to retire.

The Congress has also acted to provide fairer tax treatment of contributions to pension plans. The one provision that I am particularly pleased with, since I was an early supporter, would permit workers not covered by pensions to set aside up to $1500 per year, tax free, from their earnings.

I have always felt that our present law discriminates against the many employees not covered by retirement plans and against the self-employed. This is because personal retirement savings of individuals not covered by pension plans must be made out of after-tax income, while those covered by retirement plans are permitted to defer tax on their employer's contributions.

I want to give you some figures that illustrate this unequal tax treatment received by our citizens. Let us take the case of the individual who does not have the benefit of a pension plan. Let us assume that he earns $50 for saving and that he is in the 19 percent tax bracket. His $50 earned income would be reduced to $40.50 because of the tax. We will assume that his savings earn 5 percent interest. If such an individual earned $50 for saving and kept it up from age 35 for 30 years or until he was 65, he would accumulate $27,498. This would pay him a life annuity at age 65 of $221 a month.

Now, if another individual earns $50 to be saved, and he has the benefit of our tax laws for pension plans, the $50 is not taxable and so the full amount goes into his retirement fund. The earnings from his $50-a-month saving likewise are tax-free. This person with the generous tax treatment would over the same 30-year period accumulate $39,864, or enough to pay him a lifetime annuity at age 65 of $319.

About half of our gainfully employed people do not have the benefit of an established pension plan. This is the national average. In Delaware there are many people who do not have the benefit of a private pension plan because of our agricultural interests. This new proposal of ours will benefit everyone—employees, employers, the self-employed—everyone. It will promote thrift. It will provide tax equality. It will enable people to provide for their own old age and they will be less dependent upon government programs.

The Senate and House versions of this provision are somewhat different, with the Senate version insuring that a pensioner's widow and children receive both the tax benefits and the incidental benefits. As an early supporter of this provision, let me assure you that I strongly support the Senate version of the bill. I have spoke with officials at the Treasury Department in regard to this matter, and they have assured me that the Administration will support the Senate version. I have also discussed this matter with several of my Senate colleagues on the conference committee, and they have assured me that they will support this life insurance factor in the final bill.

This bill is the amalgam of many different proposals, heard jointly by four separate Congressional committees. In my opinion, the legislation represents a major breakthrough in retirement security for the millions of American workers who are now covered by corporate or self-employed plans. With its final enactment, we will be affirming our promise to insure that economic disaster does not befall those who have worked so hard to assure America's prosperity and who are deserving of financial security in their retirement.

HONORING DONALD K. CURRLIN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. EDWARDS of California. Mr. Speaker, May 7, Donald K. Currlin will retire as counsel to the Santa Clara Valley Water District. He has served the district since its creation by the California State Legislature in 1952, as legal adviser, as manager-counsel, and as general manager. In these 22 years, the Santa Clara Valley has grown from a sleepy, semirural collection of communities to a major metropolitan area. Without Mr. Currlin's many contributions, this growth would never have been possible.

Shortly after World War II, the Santa Clara Valley began to experience major water shortages as the result of population expansion and lack of flood control. Mr. Currlin was instrumental in developing new water resources, initiating water importation, and instituting water conservation measures. In later years when the flood control and water conservation districts were merged, he also became responsible for flood controls. Under his guidance flood protection was extended to thousands of previously unprotected citizens and their property. A coordinated system of flood planning for the valley was also instituted. Most recently, he has focused attention on the need to anticipate water requirements and plan accordingly. In this connection, he has been a leading advocate of developing water reclamation programs.

In sum, Don leaves the Santa Clara Valley Water District having accomplished a great deal. His leadership and counsel will be sorely missed, but the basic framework for water management he created should continue to serve as a valuable guide for the future.

On behalf of all the citizens of the Santa Clara Valley, I wish him a retirement as productive as his years with the water district.

OEO: WHAT IS TO BE DONE?

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. LANDGREBE. Mr. Speaker, the House Committee on Education and Labor recently reported H.R. 14449, a bill to continue the programs administered by the Office of Economic Opportunity—OEO—by transferring them to the Department of Health, Education, and Welfare. Since Congress will soon be voting on the fate of OEO, I call the following memorandum to the attention of my colleagues. It was prepared in 1972 by Howard Phillips, formerly Director of OEO, at the request of the White House:

OEO: What Is To Be Done?

Why Does It Matter?

With "only" $¾ billion under its direct authority, one might conclude that OEO, however bothersome on occasion, is relatively insignificant in the overall context of Federal domestic activity. Such a conclusion would be perilously off the mark. One might also conclude that while the problems are well known, practical solutions are not possible. This too would be incorrect.

As many of OEO's proponents have boasted over the years, it is the "cutting edge" of social change in America. But what kind of change? And why?

The objectives of OEO and many of its grantees have included:

*Fostering the notion that America is an "oppressive" society whose existing institutions and systems cannot justly serve "the poor" against whom they are alleged to be arrayed;

*"Educating", radicalizing, and organizing the poor for direct action to "confront" the system with demands, demonstrations, boycotts, rallies, marches, and other forms of protest and pressure which, however legal and however peaceful, tend to result in the shaping of public policy without the normal majoritarian, democratic safeguards and accountability incident to the electoral process;

*Attempts at "reform" through erosion of such socially stabilizing values and institutions as the family, the work ethic, majority rule, parental authority over children, school authority over students, love of country, respect for law enforcement, control by prison authorities over inmates, military discipline, etc.

*Glorification of dissent and dissenters, whether rebelling prisoners, conscientious objectors, women's libbers, welfare mothers, abortion proponents, peace marchers, lettuce strikers, homosexuals, etc.

*Politicization of institutions, ranging from prisons to schools to nursing homes;

*Attempts to "overload" state and federal budgets by adding millions of dollars to welfare costs (a training program for this purpose is currently underway at Federal expense).

*Conscious assignment of responsibility for social decision-making to elite groups of bureaucrats, lawyers, community organizers, consultants, and poverty professionals who are beyond recall by the people as a whole or by the duly elected representatives of the people;

*Tendency to define and treat poverty as a cultural characteristic to be celebrated, rather than an economic disability to be overcome;

*Efforts to make individual poor people "conscious" of their "collective identity" and interests "as a class".

The scope of OEO vastly transcends the impact of the 2000 people directly employed by OEO:

*The combined total of persons employed under the Economic Opportunity Act in funded agencies is nearly 300,000 (including HEW & DOL EOA funded programs);

*There are 986 Community Action Agencies (CAAs), 81 migrant and seasonal farmworkers program locations, 90 Indian projects, 934 Legal Services offices, and numerous other offices funded under OEO health center projects, housing, community development corporations, etc. etc. It is the largest and, in many ways, only nationwide domestic network or organizations funded by the U.S. government;

*OEO has funded the staffs of colleges, legislative lobbies, newsletters, TV and radio stations, hospitals, housing corporations, and much more. Virtually each week it is in session, the Supreme Court hands down far reaching decisions on cases brought by OEO funded lawyers. We have financed the travel of thousands, direct training of thousands more, as well as the publication of numerous pamphlets, manuals, and the like.

OEO AND THE FUTURE

Premises for future action

In considering alternative policies and courses of action regarding OEO, it is useful to keep in mind the following observations:

*In selecting personnel to run social programs, Republicans too often discriminate against Republicans. Too many of our appointees, lacking self-assurance and confidence in their own judgment regarding Great Society programs, become infected with credentialitis, deferring to those most intimately involved in the creation and management of LBJ-Shriver programs. Loyalty, shared values, judgment, and ability must be treated as more important than credentials. Credentials and knowledge can be acquired; loyalty and shared values usually are not. Co-optation is likely when a person without a firm entering point of view is put in charge of an activity which is conceptually-rooted and ideologically flavored by the bureaucrats who have psychological, political, or pecuniary stakes in its unchanged perpetuation.

*The problem of OEO would be dangerously exacerbated if its various components were merely broken up and reassigned without being fundamentally reformed. Nor should we delude ourselves by thinking that the mere rhetoric of reform can effectively substitute for the fact of it.

*The failures of the War on Poverty are primarily failures of concept, rather than of technique. It is less that particular programs fall into the wrong hands (although they frequently do) or that leadership has been lacking, than that its root premises are deeply flawed. Basic reforms, as well as tactical ones, are necessary.

*_Research and development is not neutral._ At beginning and end, that which is to be examined, the manner of examination, and that which is to be done with the result are inevitably influenced by the values and, indeed, the political objectives of those making the decisions. _Evaluation isn't neutral either._

*In administering GSA or IBM, one can generally conclude that "operations is operations" and middle-management, to perform faithfully and effectively, need not share top management's values and political objectives. However, _in OEO and other social program agencies, "operations is policy"_. If elections are to be meaningful, therefore, top management must either require policy loyalty from middle managers or, alternatively, deny them the opportunity to superimpose their own objectives over those set forth by the President.

*_Progress against poverty is not a function of how much "staff" is put in place or how many dollars are spent._ Professionals are not needed to solve all problems. Indeed, it can be persuasively argued that the "agency" or "staff" system funded by OEO is destructive of real community development and wastefully diverts dollars from meeting people's needs. Help, as opposed to service delivery, must reach inside. Furthermore, institutions which are politically sponsored tend to operate politically.

*Why must we conclude that once a project is funded, it must be forever funded, regardless of result? _Non-profit programming often fails to develop a mechanism for phasing out failure._

*_One may be pleased that confrontations are less prone to violence, while still being fully concerned at the fact of their subsidization_ by the Federal government.

*Some proponents of the OEO status quo suggest that, if confrontation outside the electoral process is non-violent, it is good, and that community action is theoretically consistent with Republican notions of decentralization, community control, and diversity. Whatever the style, however, confrontation or constructive cajolery, the concept still involves a kind of bureaucratic apartheid, placing the poor in a system separate from that of the society at large, a system in which new bureaucracies, representative only of those who constitute them, stand in structural definance of "equal protection of the laws." Federally anointed, often dominated by small cliques, yet fully accountable to neither Federal nor local authority, they serve only some of the poor.

*The grant system often discriminates in favor, not of need, but of artful grant hustling.

*Funds expended to promote the availability of abortions or disseminate contraceptives could _instead_ be used to improve adoption opportunities and communicate family values;

*Funds which are now used to encourage dissent within correctional institutions could _instead_ be expended on prisoner rehabilitation;

*Funds now used to challenge military justice and administration could be used _instead_ to improve post-service career opportunities for veterans;

*Funds now used to promote "welfare rights" could be used _instead_ to develop receptivity to gainful (as opposed to "meaningful") employment;

*Funds now used to undermine control of parents over their own children could be used _instead_ to foster policies which will hold the family together;

*Funds currently used to promote busing for racial balance could be used _instead_ to strengthen neighborhood schools;

*Funds used to liberalize drug laws and assist "addicts rights" groups could be used _instead_ to further drug prevention;

*Funds now used to organize student protest and dissent could be used _instead_ to help school administrators improve the quality of education;

*Funds now used to recall and impeach

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*(Statistics based on a pending OEO study).

public officials could be used *instead* to strengthen our system of justice;

*Funds now used to liberalize bail procedures and secure early release of accused criminals could be used *instead* to assist those poor people who are the victims of crime;

*Funds which are now used to organize rent strikes can be used *instead* to expand opportunities for private home ownership;

*Funds which have been used to subsidize literally thousands of Democratic party leaders and left-wing social activists in permanent jobs can be returned *instead* to people who would prefer the opportunity to help themselves over the subsidized imposition of the paternalistic, politicized policies of radical ideologists (who may have never endured economic hardship);

*Funds now used to attack the police could be used *instead* to strengthen the forces of order in poverty communities (since order is a necessary precondition to both liberty and opportunity).

Aid to the United Farm Workers Organizing Committee (UFWOC) in opposition to the Teamsters Union should be brought to a halt, as should aid to such groups as the National Tenants Organization, National Welfare Rights Organization, the American Friends Services Committee, the Council of Churches and the many others which are essentially political in objective and function.

Decisions should be made to discontinue funds to grantees which promote racial disruption, desecrate the American flag, idealize the likes of Che Guevera or engage in similar activities on official time which are repugnant to the taxpayers who pay their salaries.

Get out of the business of funding grantee and non-profit delegate agencies to engage in independent, unaccountable advocacy on matters of public policy. Just as it would be wrong, in terms of our constitutional traditions, for the Federal government to directly fund the Archdiocese of New York to retain Washington and state house lobbyists (freedom of religion), so also is it improper for OEO to subsidize literally hundreds of quasi-political organizations for precisely the same purpose (freedom of speech). Ofter, in addition to administrative and legislative activities, subsidized lobbying take the form of film production, training sessions, newsletter dissemination, and promoting grass roots protests, both on ad hoc and on sustained organizational bases.

As a general rule, funding decisions, both in terms of the subject areas on which funding shall be concentrated and the groups which will be subsidized to carry out the assignment, the actual decisions and priorities are established at a middle-management level by persons either unaware of or opposed to the policies of top agency leadership. The process must be reversed so that funds are expended in a manner consistent with an overall policy and plan. The same problem of making Administration policy part of interagency decision-making processes applies to program evaluation procedures.

The standards by which current expenditures shall be evaluated can often determine the outcome of funding decisions. To cite one outrageous example, until very recently, evaluators of Legal Services programs have been instructed to check with the Black Panthers to see how local programs are doing. Another embarrassment which flows from having decision making authority flow upward is the fact that policy makers sometimes discover that the agency has hopelessly and irrevocably committed funds on questionable projects and to questionable grantees before the policymakers have a chance to make their views known.

Recognize that government is more effective as a generator of choices than a provider of services (for proof, compare, on the one hand the Post Office and, on the other, the educational voucher system). We should be empowering people to do things for themselves in diverse ways rather than continuing the subsidization of generally inefficient governmentally funded systems.

It is wrong to delegate decision making authority to quasi-public non-profit groups which are generally neither accountable to those they seek to serve or to the public as a whole. The President should be in a position to directly hold accountable agency officials for decisions on policy and program content. *While policy-executing may be privatized, policy-setting should never be.*

Efforts should be made to substitute for centralized staff bureaucracies self-energizing systems which involve less reliance on federal subsidy and which facilitate (indeed require) greater involvement by more people in each community.

A major thrust in regard to operational programs should entail *assigning ever greater responsibility to state government and away from control of federal bureaucrats.* In the context of clearly established national policies, public officials can and should be accorded broad discretion in terms of oversight of the dollars in their areas. One advantageous result of increasing reliance on state and private approaches to poverty problems is to reduce the likelihood of putting "all of our eggs" in single "basket" approaches. *Diversity will enhance the likelihood of finding effective approaches to poverty problems.*

Without totally dismissing the importance of money in achieving goals and objectives, *it is also important to remember that, (1) there is simply not enough money to solve all problems and (2) money misspent can do even less good than money never spent.* One favored argument is that "if X program is not funded, Y program will increase commensurately." Alternatively, it is argued that, even though Y problem increased rapidly despite X program, it would have increased even more without X program. This is referred to in the vernacular as "non-reduction by subtraction."

A vastly neglected aspect of the "war on poverty" is in the area of *strengthening those values and incentives which reinforce efforts by the poor to help themselves out of poverty.* Enhanced motivation and self-esteem have been objectives of many successful efforts to overcome poverty. They should be attempted more broadly. Studies indicate that fewer than 5% of those who are non-poor (as opposed to near-poor) return to poverty. Every 3 years 40% of those who are poor become near-poor or non-poor. Instead of focusing research on negative aspects of why some poor people remain poor, greater emphasis should be placed on understanding why some of them escape their condition of poverty. Merely finding work which may be performed at home by female poor persons who are also family heads would deal wtih 25.3 percent of the entire poverty population.

Limit the opportunity for anti-Nixon activists to gain control of the boards of OEO grantees and delegate agencies (where they impact on decisions concerning hiring of employees, approval of activities, and disbursement of funds). Widespread improvement could be achieved, for example, by the simple act of disqualifying such groups as the National Welfare Rights Organization from representing the "private sector" on CAA boards. In addition, funding leverage can be used by appointed administrators to prevent funds from going to groups which have acted improperly (in most cases a flat 20% discretionary cut is possible, at a minimum). The agency's operational leadership should be encouraging the involvement of members of the New American Majority in seeking public and private sector seats on CAA boards, and professional seats on, for example, Health and Legal Service boards.

Prevent manipulation of delegate programs by barring interlocking directorates *and placing tight limits on the use of travel and training funds for political organizing purposes.*

Instead of being defensive about changes in Great Society programs, whether in terms of programs, policies, or personnel, *defuse the impact of potential criticism by telling the truth.* Let the American people have examples of problems which resulted in decisions for change.

In the past, *OEO funds have often been expended in a manner tending to discriminate against elements* of the New American Majority, particularly *the elderly and ethnic poor* In some cases they have been excluded by designation of target area boundaries which do not encompass areas in which they live, in others, the indices of poverty according to which funds are allocated tend to be weighted against them. There are many OEO funded agencies in which small cliques, through concerted action, gain control of funding and personnel decisions simply by being well organized and holding a bare plurality of votes at an organizational meeting. Rules which discriminate against the unorganized and non-radical poor can be changed and should be. In many cases, however, this kind of discriminatory activity is the inevitable consequence of funding private bureaucrats in competition with duly established government. If the poverty program is to genuinely effective in the use of the taxpayers' dollars, the poor must be helped because they are poor, not because they are white, or black, or yellow, or red, or urban, or rural, or young, or old.

Previous efforts to more fully involve elements of the private sector in the "war on poverty" have been disappointing, in part because of their excessive reliance on good intentions, as opposed to reliance on enlightened self-interest. We must *apply the profit motive* to social programming, especially since non-profit systems have been so unsuccessful in phasing out failures: ownership systems, development systems, privatization of public services in poverty communities, experimental competitive alternatives to "natural monopolies"—these offer hope for the future.

We should prevent the indirect channeling of agency funds to private political or quasi-political organizations by denying grantees and delegates the opportunity to transfer funds to such organizations as "dues payments" or "meeting fees".

One of the most serious problems has resulted from the fact that, in accordance with a general plan to decentralize grant-making authority to regional offices, *many of the more controversial activities are removed from review* and notice by headquarters officials. This can be easily corrected without damage to the decentralization concept by changes in personnel and procedures.

Clear eligibility standards for participation in OEO funded programs must be established in order to limit the *arbitrary diversion of funds to the non-poor in support of political or ideological objectives.*

The fact is that professionals are not needed to solve all problems. Government need not be the problem solver of first resort. Governmental help in seeking to privatize solutions to problems and expand consumer choice can have a better chance of success, because such approaches reach inside and *energize people to help themselves by giving them greater control over, and responsibility for, their own lives.*

"Above all, let's stop funding the left-wing of the Democratic Party and find new ways to better serve the new American majority."

RESERVE MINING CASE

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, May 6, 1974

Mr. GRIFFIN. Mr. President, on April 20, Judge Miles W. Lord issued an extraordinary order which halted the pollution of Lake Superior by the Reserve Mining Co.

Shortly thereafter, a three judge panel of the Eighth Circuit Court of Appeals stayed—or suspended—the order, pending review by the Appellate court.

The decision and order handed down by Judge Lord, particularly his "Findings of Fact," should make enlightening reading for those who have not had the opportunity to closely follow the Reserve Mining case.

I ask that his decision entitled "Memorandum and Order" be printed in the Extensions of Remarks.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

U.S. DISTRICT COURT, DISTRICT OF MINNESOTA, FIFTH DIVISION

(United States of America, et al., Plaintiffs, against Reserve Mining Co., et al, Defendants)

Memorandum and order

This action for injunctive relief is before the Court after 139 days of trial, which included testimony from well over 1000 witnesses, over 1621 exhibits, and over 18,000 pages of transcript. Of necessity, it will require several weeks before the Court will be able to set forth in writing its detailed findings of fact and conclusions of law. Inasmuch as the case deals with issues concerning public health, the ultimate resolution of the problem should not be delayed by this procedural matter. The Court has carefully considered all of the evidence and hereto sets forth its essential findings of fact and conclusions of law to be refined and supplemented at a later date.

FINDINGS OF FACT

(1) Reserve Mining Company (Reserve) is set up and run for the sole benefits of its owners, Armco Steel Corporation (Armco) and Republic Steel Corporation (Republic), and acts as a mere instrumentality or agent of its parent corporations. Reserve is run in such a manner as to pass all its profits to the parents.

(2) Reserve acting as an instrumentality and agent for Armco and Republic discharges large amounts of minute amphibole fibers into Lake Superior and into the air of Silver Bay daily.

(3) The particles when deposited into the water are dispersed throughout Lake Superior and into Wisconsin and Michigan.

(4) The currents in the lake, which are largely influenced by the discharge, carry many of the fibers in a southwesterly direction toward Duluth and are found in substantial quantities in the Duluth drinking water.

(5) Many of these fibers are morphologically and chemically identical to amosite asbestos and an even larger number are similar to amosite asbestos.

(6) Exposure to these fibers can produce asbestosis, mesothelioma, and cancer of the lung, gastrointestinal tract and larynx.

(7) Most of the studies dealing with this problem are concerned with the inhalation of fibers; however, the available evidence indicates that the fibers pose a risk when ingested as well as when inhaled.

(8) The fibers emitted by the defendant into Lake Superior have the potential for causing great harm to the health of those exposed to them.

(9) The discharge into the air substantially endangers the health of the people of Silver Bay and surrounding communities as far away as the eastern shore in Wisconsin.

(10) The discharge into the water substantially endangers the health of the people who procure their drinking water from the western arm of Lake Superior including the communities of Beaver Bay, Two Harbors, Cloquet, Duluth, and Superior, Wisconsin.

(11) The present and future industrial standard for a safe level of asbestos fibers in the air is based on the experience related to asbestosis and not to cancer. In addition its formulation was influenced more by technological limitations than health considerations.

(12) The exposure of a non-worker populace cannot be equated with industrial exposure if for no other reason than the environmental exposure, as contrasted to a working exposure, is for every hour of every day.

(13) While there is a dose-response relationship associated with the adverse effects of asbestos exposure and may be therefore a threshhold exposure value below which no increase in cancer would be found, this exposure threshhold is not now known.

CONCLUSIONS OF LAW

(1) The Court has jurisdiction over the subject matter of the various claims pursuant to 28 U.S.C. §§1345 and 1331. As to those claims based upon state law, the Court exercises its jurisdiction pursuant to the doctrine of pendant jurisdiction.

(2) Reserve's discharge into the water is in violation of the Federal Water Pollution Control Act as amended in 1970. 33 U.S.C. §1151 et seq. The violations involve both interstate and intrastate waters and are subject to abatement pursuant to 33 U.S.C. §§1160(c)(5) and (g)(1). Specifically Reserve's discharge is in violation of water quality standards referred to as WPC 15 (a)(4), (c)(6) and (c)(2).

(3) Reserve's discharge into the water creates a common law nuisance in both interstate and intrastate waters of Lake Superior.

(4) Reserve has no permit that sanctions its violations of the Federal Water Pollution Control Act as amended in 1970.

(5) Reserve has no permit that sanctions its creation of a common law nuisance in the waters of Lake Superior.

(6) Reserve's discharge into the air creates a common law nuisance condition in the ambient air in Silver Bay and the surrounding communities and is subject to abatement. Furthermore, the air discharge violates Minnesota Regulations APC 5, 6 and 17.

(7) Industrial standards for asbestos exposure do not apply to environmental exposure and are therefore not applicable to the facts in this case.

(8) In that Reserve is a mere instrumentality or agent of its parents who have used Reserve as a shield to protect themselves from the consequences of Reserve's illegal pollution of Lake Superior, Armco and Republic must bear legal responsibility for Reserve's actions. Furthermore, since Reserve's profits are siphoned off by its parents, in order to insure an effective remedy if civil fines or other monetary relief are called for, the independent corporate entity of Reserve must be disregarded.

(9) All additional legal questions including the question of civil fines, financial responsibility for water filtration systems in Lake Shore communities, alleged violations of the Refuse Act, 33 U.S.C. § 407, specific Wisconsin criminal and civil statutes as well as the Wisconsin Public trust doctrine, and Reserve's counterclaims against the State of Minnesota are taken under advisement and will be decided at a later date. The question as to what part of the potential fines and penalties should be awarded to Reserve employees or others who would lose their jobs is likewise held for further argument and consideration.

MEMORANDUM

It has been clearly established in this case that Reserve's discharge creates a serious health hazard to the people exposed to it. The exact scope of this potential health hazard is impossible to accurately quantify at this time. Significant increase in diseases associated with asbestos exposure do not develop until 15 to 20 years after the initial exposure to the fibers. The state of the scientific and medical knowledge available in this area is in its early stages and there is insufficient knowledge upon which to base an opinion as to the magnitude of the risks associated with this exposure. The fact that few fibers have been found in the tissue of certain deceased Duluth residents may indicate that the general contamination in the community of Duluth has not yet reached alarming proportions. Unfortunately, the real answer to the problem will not be available until some ten to twenty years from this date when the health experience of those exposed to the fibers emitted from Reserve's plant is reviewed. At present the Court is faced with a situation where a commercial industry is daily exposing thousands of people to substantial quantities of a known human carcinogen. Emphasis is placed upon the fact that the Court is not dealing with a situation in which a substance causes cancer in experimental animals where the effect of humans is largely speculative. Fibers identical and similar to those emitted from Reserve's plant have been directly associated with a marked increase in the incidence of cancer in humans.

The Court has been constantly reminded that a curtailment in the discharge may result in a severe economic blow to the people of Silver Bay, Babbit and others who depend on Reserve directly or indirectly for their livelihood. Certainly unemployment in itself can result in an unhealthy situation. At the same time, however, the Court must consider the people downstream from the discharge. Under no circumstances will the Court allow the people of Duluth to be continuously and indefinitely exposed to a known human carcinogen in order that the people in Silver Bay continue working at their jobs.

Naturally the Court would like to find a middle ground that would satisfy both considerations. If an alternate method of disposal is available that is economically feasible, could be speedily implemented and took into consideration the health questions involved, the Court might be disposed to fashion a remedy that would permit the implementation of such a system. However, if there is no alternative method available, the Court has no other choice but to immediately curtail the discharge and stop the contamination of the water supply of those downstream from the plant.

With these considerations in mind, the Court on February 5, 1974, took the unusual step of relating to the parties the Court's view of the evidence to date concerning the public health issue. The Court had heard in one form or another from substantially all of the world's experts in the area. The Court was led to believe by Reserve that little had been done in the way of devising an alternative method of disposing of the tailings on land and, in fact, that Reserve knew of no feasible way to accomplish such as system.

At that time, it was Reserve's posture in this litigation that the only feasible alternative to the present discharge was the creation of a pipe system that would carry the tailings to the bottom of the lake. If, in fact, the deep pipe system was unacceptable, the Court was led to believe that Reserve had no alternative method for disposing of the tailings. Hence the Court found it essential that Reserve's attention be focused directly on the problem and a possible on land disposal alternative be developed as quickly as possible.

The Court was at one and the same time hearing a motion for a temporary restraining order and a permanent injunction. The reluctance of the Court to make a formal ruling on the temporary restraining order at an early time was done out of caution with the anticipation of hearing from more of the world's experts. It was after hearing all of this evidence that the Court gave its tentative findings on the health issue with the caveat that further evidence would be taken. The statement was made with a view toward giving Reserve an impetus to start resolving its problem and to give Duluth and the Lake Shore communities time to seek clean water. It did not have the desired effect in either instance.

As it turned out, after days of testimony on the underwater disposal alternative proposed by Reserve, it became clear to the Court that this alternative in no way lessened the public health threat and possibly created additional problems relating to public health. The Court's findings in this regard turned out to be superfluous in that later testimony by representatives of Armco, half owner of Reserve, indicated that Armco had long since disregarded this underwater disposal system on the basis of engineering infeasibility alone, without any regard to its effect on the lake or public health. Upon further inquiry to officers of Armco and Republic, who also serve on the Board of Directors of Reserve, it appeared that several plans had been developed dealing with the possibility of on land disposal. Although these plans had been asked for by plaintiffs by way of interogatories and by the Court by direct order, they were not produced nor mentioned until the representatives of Armco and Republic were deposed on March 1, 1974.

The Court is apprised that defendants failure to produce these plans for on land disposal will be the subject matter for motions by the plaintiffs to collect costs involved in the litigation so this matter will be dealt with at that time. The Court has stated on the record and will repeat here that Reserve's insistence on advocating the underwater disposal system which had been deemed infeasible by one of its owners and the failure to timely produce the documents dealing with possible on land disposal systems has substantially delayed the outcome of this litigation in situation where a speedy resolution is essential.

The Court refers to this history in the case only to point out that since February 5 defendants were informed that the present method of discharge would stop and that if they chose to keep Reserve in operation they had to come up with an on land disposal alternative that would satisfy the health problems created by the present discharge in the air and water. It was the Court's fervent wish that the health hazard could be abated without the economic problems that would be imposed upon the people in the North Shore communities if Reserve in fact closed down permanently. The documents of Reserve's parent companies indicate that they have known for some time that they would have to make modifications in their discharge, Judge Eckman in December of 1970 came to this same conclusion. In *Reserve Mining Company v. Minnesota Pollution Control Agency*, Sixth Judicial District of Minnesota he stated:

"In view thereof the Court finds that the continuance of the present method of discharge for any substantial period of time, and particularly for the next forty-year expected life span of Reserve's operations, is intolerable and that substantial modifications must be put into effect." Even when faced with the evidence in this case that their discharge creates a substantial threat to the health of the people exposed to it, defendants are reluctant to curtail their discharge until the latest possible moment, presumably in order to prolong the profitability of the present discharge.

It was not until a few days ago that there was any indication to this Court that Reserve had a feasible plan for the disposal of taconite tailings on land. The testimony in the case by Reserve and representations by Reserve's counsel indicated that they not only had no such plan but that the engineering problems of such a system were insurmountable. The plaintiffs, on the other hand, introduced testimony indicating that on land disposal is feasible.

Reserve took issue with this testimony even after the major engineering problems were solved and maintained that it would simply be too expensive to change their method of disposal to on land.

The evidence in the case indicates that the daily profit in the operation at Reserve is in the neighborhood of $60,000.00 per day. Each year that the plant remains in operation there is a 90 per cent return on owners' equity. In other words, for every dollar Armco and Republic initially invested in Reserve, they get back ninety cents each year the plant remains in operation.

This is not to say that the companies could not afford to make modifications. The testimony adduced at trial was to the effect that (with product improvement) Reserve, Republic and Armco could afford *at the very least* a $180,000,000 to $200,000,000 capital outlay with reasonably associated operating costs without substantially changing their economic situation as to profitability, intra-industry position, interest coverage, bond rating, etc. This figure should come as no shock to the defendant. Their own documents, recently discovered, support this fact. In this area it should be noted that any reduction in the royalty rate paid by Reserve or the interest rate, by such devices as revenue bonds or industrial bonds, would make even larger capital outlays, with accompanying operating expenses, possible. The defendants deny that they have made any overtures towards the Mesabi Trust with respect to a possible adjustment of the royalty rate and that no such overtures are contemplated. Therefore this Court's finding as to the financial ability of Reserve, Armco and Republic to abate the discharge is made without reference to any reduction in the royalties. This is not an occasion that calls for massive public aid to a dying industry. There is no evidence that either state or federal assistance is needed by the defendant to make this investment. The protestations by Reserve that it cannot do it alone must be put in the same class of assertions as the one that the "deep pipe" plan was the only possible alternative method of tailings disposal. The evidence is clear that Republic and Armco are two of the largest corporations in this country. They are prosperous now and would remain prosperous even after the necessary alterations are made. Defendants have had the means to implement a feasible, economical alternative. It was their choice whether they would make the investment or abandon their employees and the State of Minnesota.

It should be noted in this regard that the State of Minnesota is here in the posture of asking the Court for fines and penalties as well as injunctive relief. Reserve on the other hand still has outstanding counterclaims against the state. It would, therefore, be inappropriate and premature for this governmental unit to subsidize the company before these matters are decided by the Court.

Today, April 20, 1974, the chief executive officers of both Armco and Republic have testified that they are unwilling to abate the discharge and bring their operation into compliance with applicable Minnesota regulations in an acceptable manner. They proposed a plan for an on land disposal site in the Palisades Creek area adjacent to the Silver Bay plant. Although this particular plan was in existence for several years it was not brought forward until the latest stages of this proceeding. The plan, which has been rejected by the plaintiffs because it is not environmentally sound, is totally unacceptable to the Court because of the conditions imposed with it. In the first place implementation of the proposal fails to effectively deal with the problem caused by the discharge of amphibole fibers into the air. Secondly, the plan contemplates that the discharge into the water will continue for five more years. In light of the very real threat to public health caused by the existing discharge, this time period for abatement is totally unacceptable. Third, it is suggested that the Court order all appropriate state and federal agencies to grant permits that would immunize Reserve's operations from ever complying with future environmental regulations as they might be promulgated. The Court seriously doubts that it has the power for such an order, and states flatly that if it had the power it would not grant such an order. Reserve in this case has argued that certain state and federal permits granted years ago sanctions their non-compliance with existing regulations and should preclude the Court from abating the discharge of human carcinogens into the air and water. Such a claim is preposterous and the Court will have no part in perpetuating such claims. The proposal is further conditioned on obtaining compensation from the federal and state governments. The Court has previously discussed the lack of necessity for such a subsidy and finds the suggestion absurd. Finally, the proposal was conditioned upon favorable findings by the Court as to the public health issues. The Court finds this condition to be shocking and unbecoming in a court of law. To suggest that this or any other court would make a finding of fact without regard to the weight of the evidence is to ask that judge to violate the oath of his office and to disregard the responsibility that he has not only to the people but also to himself.

Defendants have the economic and engineering capability to carry out an on land disposal system that satisfies the health and environmental considerations raised. For reasons unknown to this Court they have chosen not to implement such a plan.

In essence they have decided to continue exposing thousands daily to a substantial health risk in order to maintain the current profitability of the present operation and delay the capital outlay (with its concommitant profit) needed to institute modifications. The Court has no other alternative but to order an immediate halt to the discharge which threatens the lives of thousands. In that defendants have no plan to make the necessary modifications, there is no reason to delay any further the issuance of the injunction.

Up until the time of writing this opinion the Court has sought to exhaust every possibility in an effort to find a solution that would alleviate the health threat without a disruption of operations at Silver Bay.[1] Faced with the defendants' intransigience, even in the light of the public health problem, the Court must order an immediate curtailment of the discharge.

Therefore, it is ordered:

(1) That the discharge from the Reserve Mining Company into Lake Superior be enjoined as of 12:01 A.M., April 21, 1974.

(2) That the discharge of amphibole fibers from the Reserve Mining Company into the air be enjoined as of 12:01 A.M., April 21, 1974 until such time as defendants prove to the Court that they are in compliance with all applicable Minnesota Regulations including but not limited to APC 17.

THE WAR IN SOUTH VIETNAM

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. ARCHER. Mr. Speaker, despite the American withdrawal of troops from South Vietnam and the signing of a truce designed to bring peace, the war in South Vietnam has not ended. Charles J. V. Murphy is a journalist who has traveled widely in Asia. He has specialized in political and strategic matters. Mr. Murphy wrote a perceptive article on the situation entitled, "The Shocking Sabotage of the Vietnam Truce," which appeared in the March 1975 issue of the Reader's Digest. I highly recommend it to my colleagues.

The Shocking Sabotage of the Vietnam Truce

(By Charles J. V. Murphy)

South Vietnam, early 1974; automatic-weapons fire rips through the night as North Vietnamese troops, backed by Soviet-built T-54 tanks, overrun an army outpost in the Central Highlands. In the Mekong Delta, a Village chief is led into the town square and assassinated by a communist terror squad. Just outside Saigon, well-trained North Vietnamese sappers flee into the jungle as their explosive charges trigger an ammunition dump into an awesome eruption of smoke and flame.

On the cease-fire record to date, it is depressingly plain that South Vietnam remains, as it has been for nearly two decades, an arena of vicious combat in communism's implacable effort to achieve hegemony in Southeast Asia. After a year of the bloodiest truce in history, these are the gruesome statistics:

More than 12,000 South Vietnamese village and hamlet chiefs, policemen, schoolteachers and civil servants have been murdered, wounded or kidnaped by communist terror teams.

Thousands of clashes have occurred North and South Vietnamese troops, with more than a dozen full-scale battles involving tanks and heavy artillery.

Thirteen thousand South Vietnamese soldiers have been killed and 50,000 wounded. North Vietnamese casualties over the period may be twice as great.

Today, even those American and foreign observers who once refused to believe that the Paris cease-fire wouldn't work now soberly admit that there is scarcely a section of the agreement that has not been flagrantly violated. Consider the main points:

TROOP BUILD-UP

Article 7 of the Paris agreement prohibits the communist forces in place at the time of the cease-fire from strengthening themselves by introducing fresh "troops, military advisers and military personnel" except for purpose of rotation or replacement. The expectation on the Americans side was that if the truce lasted the forces on both sides would be progressively drawn down. Instead, as U.S. troops departed, some 75,000 fresh communist conscripts entered the battle zones during the first ten months of the cease-fire. Only a handful of sick and wounded were withdrawn, and perhaps 25,000 to 30,000 more were lost in battle. The net result has been to raise the combat strength of the communist forces inside South Vietnam by 40,000 to 50,000 troops.

WEAPONS REPLENISHMENT

The same Article 7 limits both sides to the periodic replenishment of weapons and other fighting gear and materiel destroyed, damaged or worn out, but only on the basis of "piece for piece, of the same characteristics and properties." In blatant disregard of this constraint, the communists have tripled their armored forces by sending from 350 to 400 new Soviet and Chinese medium tanks into South Vietnam, and as many as 350 pieces of heavy artillery (twice as many as they had when the cease-fire went into effect). These heavy weapons include large numbers of Soviet 130-mm. guns—extremely accurate, highly reliable field pieces that far outshoot the U.S. 105-mm, and 155-mm. cannon on the South Vietnamese side. (In contrast, the Saigon government has been replacing supplies at less than the "piece for piece" rate, and all foreign troops have left South Vietnam.)

In the past, the South Vietnamese Army (ARVN) relied heavily on U.S. air support to negate the communist big guns. Now the U.S. aircraft are gone, and there are grave doubts whether ARVN's own jets can restore the balance in the battle equation—especially in the northern and western parts of South Vietnam where the communists now have heavy anti-aircraft guns and even some surface-to-air missiles.

RESUPPLY ROUTES

Because the 1973 cease-fire agreement fixed communist forces in the positions they then occupied, scattered in pockets down the entire length of South Vietnam, resupply has been for them a major burden. To prevent them from simply transforming the demilitarized zone (DMZ) into a handy transmission belt for war gear, Article 15(b) of the Paris agreement required that communist equipment and supplies be moved south only through predetermined points of entry.

The communists have totally ignored this understanding. A dozen usable roads have been bulldozed through the wooded hills of the DMZ, and columns of troops and long truck convoys make regular use of them, mostly in support of a massive communist buildup of infantry and armor in the northernmost provinces of South Vietnam, possibly for another fierce assault against the old imperial capital of Hue. One of the best roads has become the departure point for an ambitious new north-south route inside South Vietnam which parallels the famous Ho Chi Minh trail network for 300 miles. When finished, the all-weather road will provide the communists with a second major supply corridor all the way to the jungle strongholds near Cambodia, within a day's march of Saigon.

EXPLOITING CAMBODIA AND LAOS

Under Article 20 of the Paris agreement, Hanoi promised to withdraw its forces from both Cambodia and Laos; to refrain from starting up or supporting any new military adventures in either country; and to give up the sanctuaries there that have long served as bases for operations against the South Vietnamese government.

The North Vietnamese have unabashedly broken all three stipulations, sending men and supplies down the Ho Chi Minh trail through Laos and Cambodia without interruption. Some of these reinforcements have already gone into combat—in the struggles for control of the Central Highland road system, the Cambodian approaches toward Saigon, and the rice paddies of the Western Mekong Valley.

PRISONER INFORMATION

Articles 7 and 8 of the Paris agreement require both sides to cooperate in obtaining all possible information about missing civilian and military personnel. Although more than 1300 Americans are still unaccounted for, all attempts to obtain communist assistance in confirming the death of these men and bringing their remains back to the United States have been blocked. By wrangling over procedural details, North Vietnam has circumvented requests to allow any outsiders, including the International Red Cross, to make on-site inspections either in the North or in communist-controlled areas of South Vietnam and Laos. This is particularly cruel for numerous families who must live in a state of agonizing doubt, not knowing for sure whether their loved ones have perished.

SABOTAGING TRUCE INSPECTION

The North Vietnamese have reduced to near futility the functions of the International Commission on Control and Supervision (ICCS). At the start of the truce, four countries (Poland, Hungary Canada and Indonesia) assumed responsibility for policing the cease-fire and investigating the communist claims that they had stopped the infiltration of troops and weapons into the South. Under the Paris agreement, the communists are legally bound to allow the commission teams to be positioned in predetermined sites, and to accord the inspectors all reasonable freedom of movement, assistance and courtesy. It has not worked out that way.

Communist gunners have shot down one of the commission's helicopters, killing all aboard, and fired upon others. Two Canadian officers were seized, roughly handled, and held incommunicado for 18 days. So far, the truce force has taken up residence in but one of the five localities that the communists agreed to open up for observation.

Moreover, the Hungarian and Polish members have behaved like the loyal communists they are—opposing, obstructing, filibustering and in diverse ways defeating every attempt by the commission to expose what is really going on. Last July, after Canadian members had protested the "massive" and "unrelating" infiltration of North Vietnamese troops across the border, Canada withdrew its delegation in disgust. The only serious violations it had found during its tenure were committed by the North Vietnamese. (In fact, Saigon has cooperated fully with the ICCS, abiding by the troop and resupply provisions of the Paris agreement to what—given the situation—must be considered an extraordinary extent.) The Iranians have taken the place of the Canadians, but the obstructionism of the Hungarians and Poles has worsened. In truth, the ICCS is all but dead.

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[1] In an effort to alleviate the health risk, the Court ordered that the Army Corps of Engineers provide potable water to the affected communities. This, however, is only a temporary stop-gap solution. In the first place, it does nothing to lessen the air pollution problems and is an unsatisfactory answer over the long run to the problems caused by the discharge into the water. It is possible that water filters can be installed which would have some degree of success at reducing the number of amphibole fibers ingested, but actual installation of these filters is months away and their effectiveness is uncertain. The only real answer to the problem is curtailment of the discharge. This would have a dramatic effect on the air pollution problem and result in a tenfold decrease in the fiber concentrations in the Duluth water supply within a two month period.

ALL-OUT WAR AHEAD?

There is no debate among intelligence analysts about the renewed capacity of the North Vietnamese to launch yet another full-scale offensive, should such be Hanoi's intention. Will it happen?

President Thieu and his senior generals are by-and-large convinced that recent intense and costly preparation on the part of Hanoi presage an imminent return by the communists to an all-out offensive. General Giap launched the 1972 offensive on the mistaken assumption that the ARVN could be ground down to helplessness as U.S. infantry drew back into reserve position. Now the fear in Saigon is that the absence of both American air and ground forces may tempt the Hanoi strategists into yet another try for a knock-out blow—all the more so because of the unexpected decline of President Nixon's prestige and influence.

At the U.S. embassy in Saigon, and in the intelligence community in Washington, the prevailing view is somewhat more sanguine. This hopefulness derives in some degree from a widely based judgment that neither Peking nor Moscow, for all their incessant jockeying for political and strategic advantage in Asia, is disposed at this juncture to arouse American sensibilities on the issue of South Vietnam's continued survival. An equally important factor for optimism has been the stout behavior of the South Vietnamese armed forces under fire.

In the ascending sequence of battles since the start of the cease-fire, the ARVN has demonstrated repeatedly that it will stand and fight. Thus there has been no significant loss of territory or seeping of population into communist hamlets, and no discernible erosion of the government's authority. Instead, the central government in Saigon has come into effective control of all but five percent of the population.

Finally, Thieu himself has emerged from the cease-fire testing period as a strong leader. He has been the driving force in assembling the generally competent administrative elements which now permeate the countryside and have all but shut off the Delta's rice deliveries to the communists. Given his expanding performance, and the now established battle competence of ARVN, many U.S. observers are persuaded that the communists will stop short this year of another all-out assault. They see Giap limiting himself to a creeping, tentative campaign, the purpose of which will be to probe, test, deplete and wear down the South Vietnamese resolve and resources, as prelude to a climactic blow to be struck when circumstances are more favorable.

Thieu is acutely aware of the situation, and of the pressure upon him. And Americans who remain sensitive to the meaning of a free Vietnam also feel pressure. As Graham Martin, our experienced ambassador to Saigon, recently put it: "The Republic of Vietnam is finally functioning on its own. It will go on to become a vigorous, self-supporting and friendly society if we Americans only have the good sense to continue to give it the economic and material support we have promised."

ENERGY: THE CRISIS THAT WAS; JIM WECHSLER; PERCEPTIVE COMMENTS

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. CLEVELAND. Mr. Speaker, during the past winter, the energy crisis was the subject of deep concern. At the time, I was one of those who expressed the view that as inconvenient as it was, the crisis might serve to wake up the country to the need to conserve resources. I also expressed the view that we had become a Nation of wastrels and that this was an extremely serious long-term problem.

I am inserting after these brief remarks an excellent editorial from the Granite State Gazette/Mascoma Week expressing very perceptive thoughts along these lines. One can hope that Jim Wechsler is wrong in observing that people may not have learned the lesson, but only time will tell.

Jim Wechsler's thought-provoking editorial follows:

ENERGY: THE CRISIS THAT WAS

(By Jim Wechsler)

Remember the crisis about a year ago over meat prices? Remember the housewives' "beef boycott"? Not, too well, do you now?

The American consumer has been proven to have a short attention span and the energy crisis is just the latest in a long series of incidents that would tend to prove the theory.

Six months ago, it was crisis. Don't be fuelish. Drive at 50. Will there be gasoline rationing? We'd better get a wood burning stove in case we run out of heating oil.

Today, much of it is forgotten.

True, we gripe when the electric bills come out—although the longer daylight hours have tended to reduce the bills' totals and thus the amount of griping; sure, once in a while when our favorite gas station is out, or we realize that we just paid 55 to 60 cents for a gallon, we gripe.

But it appears that not too much of the lesson we learned last fall and winter is sticking. And it's a shame, too.

Many people seriously concerned about this nation's energy crisis and the impending long-range shortages thought that last winter's "crisis" was the best thing that could happen to us as a nation. It might, they reasoned, bring us to our senses while there was still time to do something to conserve on energy sources. Reaction to the mini-crisis might, they hoped, lead to long-term solutions.

It sounds good, but we doubt it.

A case in point occurred last weekend and brought home that unfortunate message, as, for the first time in several months, this editor went on something resembling a trip—a drive to Connecticut.

It's about 240 miles each way and—we admit as much out of curiosity as anything else—we did what we've been told should be done.

Our car's engine had been recently tuned up. And we stayed within the recommended speed limits.

The return trip Sunday of 240 miles took us about 25 minutes longer than it used to, because our speed stayed generally in the 50 to 55 range, instead of the pre-crisis 60 to 70 at which we used to cruise I-91.

There were several interesting results. First of all something must have been working. Where we used to average about 13 to 15 miles a gallon on that same trip, we got a shade less than 19 miles a gallon Sunday, and pulled into Lebanon with better than a quarter of a tank of gas left. (We used to either have to stop for gas, or coast home on the fumes and a prayer.)

But, cruising along at 53–54–55 Sunday afternoon, to while away the time, we kept track of cars—and, in the 70 mile stretch of I-91 from the Massachusetts border to White River Junction, we passed just three vehicles—two of them ancient farm trucks wheezing their last, we're afraid. In that same stretch, more than 60 vehicles passed us—and half of them were pushing 70, to be charitable.

Where, oh, where, are those "Drive 50, Don't Be Fuelish" ideas?

It reinforced our theory and worry about the short memories some people have. Of how we had a fuel shortage last summer even before the Arabs turned off the spigot.

The experts' fears have been stilled. Gas is once again reasonably plentiful, albeit at premium in price. The fact that April and May should be the two best months for it goes right by the public. (The reasoning is that there's more gas being produced since less crude oil is needed for home heating now, yet there isn't yet the summer vacation demand.)

And so, sadly, it appears that the same people who learned the hard way last fall, are going to have to learn the hard way all over again this summer and fall.

And, whatever did happen to that beef boycott?

NEW DISTRICT COURT CHIEF FEISTY, BUT FAIR

HON. PETER N. KYROS

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. KYROS. Mr. Speaker, in the Maine Sunday Telegram of May 5, 1974, an article appeared about the Honorable Ralph Ross, recently appointed chief district court judge in Portland, Maine. Judge Ross, a personal friend, is not only an outstanding attorney, but also a very fine judge, as I believe this article will illustrate. Judge Ross has the reputation of being one of my State's most colorful and outspoken magistrates; but one who is eminently fair to all those who appear before him. Mr. Speaker, I commend the following article to the attention of my colleagues. I believe it is a fitting tribute to one of Maine's outstanding public servants.

The article follows:

NEW DISTRICT COURT CHIEF FEISTY, FAIR

(By Lynn Liljeholm)

The sobered culprit of a drunk driving arrest stands in the dock.

The judge turns to the trooper who is testifying on behalf of the state and asks the results of the blood test.

"Point two zero, your honor."

"That's not blood," Judge Ralph Ross explodes, "that's a bloody Mary!"

Judge Ross, elevated to chief District Court judge a month ago, will still be "sitting"—i.e., presiding—in his own inimitable style in Maine's 33 district courts scattered over its 16 counties "at least 50 per cent of the time," he believes.

Happily for the public at large, though not always for the man in the dock, Ross' elevation to chief judge and his new load of administrative duties will not deter him from his one-man crusade to rid Maine roads of drunk drivers, slow down speeders and read the riot act to kids who have gone astray on pot.

One of Maine's most colorful and outspoken judges, Ross on the bench gives the impression of being pugnacious, tenacious, feisty but fair. He once suspended the driving license of his own daughter, then 18, when she appeared in his court on a stop sign violation. His sentences are apt to be heavily larded with Shakespearian quotations and Biblical exhortations. Anyone who has faced the wrath of Ross in the dock does not soon forget his peppery salvos.

"The law says one point zero is enough," he recently told a Portland woman who had a breath test showing two point zero. "This is slightly more than driving under the influence. You had twice as much. You were half embalmed." Ross then ran up the sliding scale of fines—the more inebriated, the heavier the fine—winding up, "Over 3.6 you don't pay a fine. You're dead!"

Ross' frequent allusions to the "Sharpe Hilton next door"—the county jail supervised by Sheriff Charles Sharpe—seem to be more of an oral deterrent than a concrete threat. It may be, as a fellow judge puts it, "Ross' bark is worse than his bite."

Ross' own belief is that long sentences accomplish little. He puts it in the form of an analogy: "If a man goes to church every Sunday and listens to the minister, the priest or the rabbi and learns nothing the first 10 minutes, he won't learn anything the next 50."

Particularly in the case of young people, Ross is a strong believer in rehabilitation and "the county jail is not the place for rehabilitation. Of course, you have a continuous repeater—he's done 30 days, he's done 60 days, he's back. I say let's try six months. . ."

The crimes and misdemeanors handled by the Maine district courts are punishable by fines up to $1,000 and jail sentences of 11 months or less.

The 180,000 to 185,000 cases that Ross and his 19 District Court judges will handle this fiscal year are the small fry caught in the toils of the law—the speeders, red light runners, unregistered and unlicensed drivers, the rock hurlers, pot smokers and shoplifters.

Ross feels he can move 50 simple traffic cases through in an hour, through he frequently has to hear feeble excuses such as "the wind blew off my inspection sticker," or "I wasn't driving without a license, I was just driving under suspension."

"What you need," Ross says in exasperation to the latter, "is a license to drive without a license."

However, most offenders in district court, confronted by the evidence, usually brought by a state trooper or police officer, plead guilty and pay up. Those who plead innocent or opt for a trial are usually fighting to keep points off their driver's license or to avoid a conviction that could hurt job chances later.

Speeding Ross sometimes refers to as "the honorable crime," and notes that on this charge he has had people before him that have lived 50 or 60 years and never before been in court.

In addition to the petty crimes and misdemeanors handled in its huge workload, Maine's district courts also adjudicate juvenile cases, small claims, and civil cases, such as auto accident injuries, where damages run less than $20,000. It also handles 98 per cent of all divorce and domestic relations cases in the state.

Of the crush of work, Ross says, "I've trained myself to move a docket." He cites days when, as a full time presiding judge, he worked from 8 a.m. until 8 p.m. with only a sandwich and a glass of milk on his desk for lunch at noon, moving 150 cases a day.

"It's not unusual for a judge to have 100 to 125 cases a day. When you get through a day like that, you've had it."

Last week in Portland three district courts were in session simultaneously, one handling traffic, one domestic relations and the third criminal cases. Ross feels that Portland could use three district court judges the year round. As things stand, he may augment one or two judges with a third judge-at-large who comes in for three days a week until the current backlog is cleaned up.

He also plans to redistribute the case workload "Where one judge, in a sparsely populated area like Presque Isle or Madawaska, may have 5,000 cases a year and another, in Portland, 16,000 cases."

Technology will also arrive in Maine district courts when Ross sets up tape recorders in each of them. Prior to this time, there was no record of district court sessions other than a scribbled disposition on the complaint. The tapes will be transcribed and records stored.

Ross is also in the process of negotiating with townships, municipalities and contractors to renovate existing down-at-the-heels courts or to lease existing facilities for court use. He says about half of the district courts facilities in the state are in "terrible shape."

In the past, all district courthouses were either county or town-owned buildings and rent-free. "Now," Ross says, "we have reached the point where we must negotiate with private enterprise."

Renovations have been completed at the Kittery courthouse, and Ross is in the market for a courthouse in Sanford, Biddeford or Saco.

The old Aroostook County courthouse in Caribou is being refurbished, and some renovations are being made in the Houlton courthouse. Newport is also in the process of being renovated. The city of Lewiston is building a new courthouse and Ross last week signed a contract with Livermore Falls, which is constructing a new municipal building in which a district court will be incorporated.

The money district courts collect in fines—which can hit upwards of $2 million a year—reverts to the general fund where it is set aside for the courts for administration of the system. Salaries of court officers, clerks, judges and other personnel in the system is in excess of $1 million a year. Another chunk of the budget, for rentals, runs into some $200,000 a year. In the first few years, district courts in Maine didn't pay their own way, but in the last two years there has been distributions of $750,000 and $600,000, "leftover" funds which are divided among all the counties on a per capita basis for county administrative expenses.

If you were to write a success story with a Maine background, in which a poor boy makes good against all the odds, Ross' story might well be the prototype.

Ross was born 50 years ago in Sanford, the son of French-Canadian immigrants with a dash of Scottish blood—the Ross name traces back to Ferguston, Scotland, a number of generations ago—and one of seven children in a large, poor Catholic family.

It was sheer grit and pluck that got him through high school. His father, a mill worker, broke his leg when Ross was in high school and the family was thrown onto unemployment, which in those depressions days was $8 a week. Ross worked in the mill cardroom as alley boy and bobbin spinner while sticking it out for his degree. In his senior year he worked the mill's third shift, 10:30 p.m. until 6 a.m. He was accustomed to come home, take a bath and a bite of breakfast, then walk a mile and a half to Sanford High School.

He graduated seven months after World War II had started, and he was classified 1-A by his draft board.

Though the war disrupted the life of every fit youth in that era, it provided an unexpected turn of luck for Ross after he served on China duty with the Marines. He picked up a copy of the Stars & Stripes and saw that the mill was no longer the end of the road, thanks to something called the GI Bill of Rights.

He realized that here was the way to a law degree—but, holding a high school commercial diploma, he didn't have the credentials to get into college. At that time the Sanford school board created a new program called the "Veterans' School," which gave returning veterans a chance to finish high school. With typical determination, Ross accumulated his required college credits in one year.

When he entered the University of Maine, in the then-Brunswick branch, set up because Orono was jampacked with returned GIs, Ross got another break. The Maine legislature decided that any young man who had been in the services had earned two years' college credit. With that leg up, Ross enrolled in the second class of the Portland University Law School.

"We had the front rooms of the second floor of the YMCA on Forest Avenue," Ross recalls the makeshift arrangement of Maine's first law school. "One room was for freshmen, one for sophomores."

Typically, Ross was working to put himself through law school, and his young wife was working as well. He was pounding an 82-cents-an-hour beat as a Sanford policeman until his last year at law school.

When he graduated in 1951, he had a wife, two children and an honors degree (cum laude).

Ross is proud that his stubborn determination got him through college "without a nickel from my parents." It may be that, because he knows it can be done, he tends to get testy with youthful offenders who appear before him, long-haired or ponytailed, jobless, aimless and up for an infraction of the law.

One of these who appeared on multiple marijuana charges was asked by Ross: "Do you go to school or work?"

The boy, 18, said: "Neither."

"What do you do," Ross demanded, "besides breaking the law?"

Ross is hard-nosed about pot and he discounts the younger generation argument, once posed to him by one of his own children, that it is "no different than liquor was in your day."

"You drink beer," Ross points out, "so you go on to gin, rum, vodka. It's still liquor. But I've seen them start off with marijuana and go on to speed, cocaine, the big stuff."

Ross, who handles cases of young people who have "freaked out" and hit the psycho wards, says that the drug picture in Maine today "didn't exist when I became a judge in '68." Maine's largest city doesn't have a corner on drug infractions, either. "There are as many drugs in Houlton and Madawaska, percentage-wise, as there are in Portland. In fact, the drug scene in the border towns is heavier."

Ross claims the atmosphere of permissiveness that not only lands youths in the dock on pot counts, but has now decriminalized truancy, incorrigibility, runaways and living in circumstances of manifest danger of falling into immorality.

"Children today have the advantages of television, are far superior intellectually than we were. Now they know if they don't go to school there is nothing you can do about it. . . ."

Ross, as a district judge-at-large, was, before the truancy laws were scratched this past year, something of a "specialist" in getting wayward youths to toe the mark. School boards and administrators waited until he was scheduled to bring their truants into court.

In the same trend in softening the law, intoxication will be decriminalized on July 1.

Ross sees this as a new problem for police officers and hospitals. "If a police officer sees a drunk on the street (after July 1) he is supposed to take him home. But from Kittery to Fort Kent I know drunks whose only home is the county jail. Or they'll have to take him to a hospital. But there are no hospital beds. We've put the cart before the horse."

Ross feels the "standards and goals and concepts" of more humane treatment of the perpetrators of these "victimless" crimes "are fine. But the problem is today you haven't got a community ready to implement these concepts."

While the legislature has tightened a law in another area—breaking, entry and larceny now carry a mandatory jail sentence on a second conviction—Ross is dismayed because he feels the new law is weakened because of a second new law relative to bail.

"Anyone who appears in court short of murder can now get out on personal recognizance discretionary with the presiding judge," Ross says. "If that person is supporting a habit for which he needs money, and is let out (pending a court appearance) he can commit 25 more breaks."

Ross sees himself as a "liberal conservative."

"I'm a firm believer in governmental fair play," he says. "The Constitution of the U.S. and of Maine make it very difficult to put a man away and this is the way it's got to be. If there's a doubt, no matter how slight, it must be resolved in favor of the defendant.

"Some people say these bums—these crooks—have more rights than honest people. But bear in mind that when you give these rights to the drunk, the arsonist, the murderer, you are doing nothing more than preserving these rights for your own family.

"In other words, take these rights away from the accused, and somebody can take them away from you."

ISRAEL INDEPENDENCE DAY—MAY 7

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. ROONEY of New York. Mr. Speaker, with the gravity of the problems now confronting the world in the Middle East and more particularly our concern for the peace and security of Israel we could easily overlook the observance of Israel's Independence Day, May 7. However, it is my belief that while tensions are high in this area as they are now, it is of tremendous importance to all of us to pause on this 25th anniversary and see how Israel has progressed in that short span of years.

Seldom, if ever in history, has any nation matured and developed as rapidly and as soundly as has Israel. Its economic growth has been little short of miraculous. Its military potential has developed with amazing strength on land and in the sea and in the air. Its cultural achievements are most remarkable and today Israel's writers, artists, musicians, and scientists are on a par with the best any nation can offer. Israel's political growth has likewise been amazing. Her statesmen have safe guarded her sovereign rights and have advanced her place in world affairs to a superb degree and at a spectacular rate.

For all of us who led in 1948 the vanguard in helping to establish this new nation and to insure its proper infant and child care during its tender years, the sound maturity of Israel today is of greatest personal satisfaction. I have been proud of the part I was permitted to play giving world Jewry a real homeland. I have always been gratified on my visits to Israel to see with my own eyes the growth and advancement of this fledgling state. In fact, every attainment of Israel over the ensuing years has been even more than a vicarious achievement for me. It has indeed seemed a personal accomplishment.

It has been with real regret that I have watched so many of Israel's resources being tapped and drained off for military use because of war or the threat of war. It has been a source of real concern to me to note the extent to which Israel's young people have had to devote themselves to military duties instead of the important tasks of building up her economy.

I hope that in these coming months Israel may secure her full independence from the costly climate of political or boundary alertness. I hope, too, that all the forces for peace and rational progress will be reunited to the extent that all of us can say to the people of Israel, "many returns of the day."

I am happy to extend my personal best wishes and my heartiest congratulations to my many friends in Israel who have given such magnificent leadership to this beloved state.

NATIONAL WEEK TO HONOR YOUNG LADIES' RADIO LEAGUE, INC.

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. MINSHALL of Ohio. Mr. Speaker, I am today introducing a resolution setting aside the first week of each November in recognition of the outstanding achievements of the Young Ladies' Radio League, Inc.

This international organization of women radio amateurs, most of them in the United States, provides emergency communication services in times of crises, aids servicemen to talk to their families via the YLRL voluntary wireless network, makes radio tapes for the blind, holds competition to increase radio knowledge and skills, and sponsors girls around the world who want to participate in electronic communication.

In my own area of Ohio I know firsthand of instances in which these selfless ladies have provided important services, notably during the July 1969 storms that caused such havoc along Lake Erie. I am very proud of the fact that the 1974 president of YLRL is Mrs. James L. Russell of Fairview Park and Kelley's Island, Ohio. When the 1969 storm struck Kelley's Island, Eila and Jim Russell operated their radio station, providing communication for islanders with worried relatives ashore.

The State of Ohio has honored the YLRL for the past 3 years with a "Buckeye Belles" Amateur Radio Week, and New York State has honored its YLRL similarly in the past.

At a time when person-to-person service is gaining increasing recognition, I hope that my resolution will focus attention on a unique group of women which for years has been providing just that humanitarian facet to the fascinating field of amateur radio.

WCET–TV HELPS SCHOOL CHILDREN IMPROVE READING SKILLS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. LUKEN. Mr. Speaker, the city of Lincoln Heights, Ohio, has recently enjoyed great success in cooperative action to solve a community problem. Significant improvements in the reading skills of young grade schoolers was achieved through the use of television programing and because diverse groups of people were willing to take part. School teachers and officials of Lincoln Heights, the staff of WCET–TV in Cincinnati, the General Electric Aircraft Engine Group, the Ford Motor Co. Fund, and others combined their efforts to achieve this significant accomplishment.

So that my colleagues can see how this dynamic group of people were able to work together for the improvement of their children's education, I include the full report on "The Electric Co.," as printed in the Children's Television Workshop Newsletter of March 8, 1974, at this point in the RECORD:

THE ELECTRIC CO.

TEC Turns School on to Reading: The Electric Company was credited by elementary school teachers and officials in the Cincinnati suburb of Lincoln Heights with playing a major role in revitalizing reading interest and skills among students who watched the series daily on an experimental multi-channel closed circuit videotape system installed in the Fall of 1972.

The impressive results of two sets of standardized achievement tests were cited by Ernest Ector, principal of the 780-pupil Lincoln Heights Elementary School where the TV system was installed, to show that second and third graders exposed to the system and to the Electric Company for a school year were five and six months more advanced in acquisition of reading skills than previous second and third grades not exposed to the system. These results were in marked contrast to the situation three years earlier when 75 per cent of Lincoln Heights School District students tested well below appropriate achievement levels for their ages and grades and some elementary school students were trailing contemporaries in other schools in reading achievement by as much as two and three years.

Ector credited the gains to his schools' intensified reading program that was built mainly around use by teachers of the videotape system and the Electric Company. The series was the program most frequently used in the first year of the system's operation. It was the only program shown almost continuously all day long and was available to teachers any time during the day. The Electric Company and Sesame Street, which was shown to Early Start, kindergarten and first grade classes, were assigned two of six in-school channels that feed, along with the on-air broadcasting of Cincinnati's educational station, WCET–TV, educational material to monitors in every classroom.

The WCET–TV staff, including Charles Vaughan, president and general manager, and Mrs. Marjorie McKinney, director of instructional television services first conceived of the idea of tackling a no-progress-in-reading-achievement trend with a highly flexible closed-circuit system tailored to meet teachers' needs.

With a population of 7,000, Lincoln Heights is the largest all-black city in Ohio and possibly the nation. Severe reading and math deficiencies among its 1,800 students were revealed in testing in 1970 when the local school district was merged with its larger, more affluent and primarily white neighbor, the Princeton City School District.

A crash remedial reading and math program instituted by school officials resulted in some gains but, according to Ector, the conclusive improvements in reading began with the installation of the videotape system suggested by WCET–TV. The first indications that Lincoln Heights students were indeed closing the gap in reading achievement came in the form of results from Gates-MacGinitie standardized tests administered in May 1972 and again in May 1973 after the new system had been in operation for eight months.

The tests, according to Ector, showed that second graders in 1973 were five months more advanced in acquisition of vocabulary and six months more advanced in reading comprehension than their non-viewing counterparts a year earlier. Third graders, the test showed, were five months ahead in vocabulary and three months ahead in comprehension of the previous third grade, said Ector, who also reported that the Gates-MacGinitie results were substantiated by Stanford Achievement Tests administered in May 1972 and October 1973. "We finally reversed a no-progress trend that is still evident in other area schools," the principal said. "We were finally making progress in reading achievement."

Flexible System: The WCET–TV staff—which not only originated the idea for the system but also designed it, obtained funding, oversaw its installation and maintains it—recognized the need for a totally flexible system that would put maximum control in the hands of the teachers. This meant equipping each classroom (40 in all) with a 23-inch color TV monitor and six sets of earphones. Teachers have found the earphones especially handy when singling out individuals and small groups for special attention. The educational material seen on the in-school system is taped from Channel 48 (WCET) and commercial stations by the system's operator using a videotape recorder (VTR). Six other VTR's broadcast previously taped material to the school's channels. THE ELECTRIC COMPANY and SESAME STREET are taped automatically each day by the control room operator, while other educational TV programs are taped and used only when requested by teachers who are kept apprised of upcoming educational programs by WCET.

The entire cost of the system, underwritten by the General Electric Aircraft Engine Group, the Ford Motor Company Fund (separate from the Ford Foundation) and the Andrew Jergens Foundation, was $42,250. The outlay included expenditures for the 40 monitors, 240 sets of earphones, seven VTR's, 50 videotapes, peripheral control room equipment and two years of servicing.

Teachers like Tom Hinkle feel that having the videotape system is, in his words, "Like having another arm." About THE ELECTRIC COMPANY, Hinkle said, "That show stays with the kids. Weeks later they remember segments with material I'm trying to teach." He's noticed that even though his second graders are exposed to THE ELECTRIC COMPANY in school they go home and watch it again. "This type of thing is great reinforcement. It's kind of like bringing the home and school together," he said.

Mrs. Anzola MacMullen, head of the school's resource center where the videotape system's control room is located, said that THE ELECTRIC COMPANY has had a definite impact on students. "It's most obvious in the way the kids are using the library. Circulation is up and there is much greater interest in using the center especially on the part of third-to-sixth graders," she explained, and then added that teachers and students come clamoring down to the control room to find out what's wrong when a system malfunction interupts THE ELECTRIC COMPANY.

RAISIN ENERGY WEEK

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. SISK. Mr. Speaker, I again join with my colleagues, Mr. MATHIAS and Mr. KETCHUM, in calling attention to the 65th National Raisin Week, which will be known this year as National Raisin Energy Week. My two colleagues and I have the honor of representing this Nation's raisin industry, and we join with them in giving special recognition May 4 through May 12 to National Raisin Energy Week.

We are convinced the more than 200,000 tons of California raisins produced in a normal crop year could, if properly converted into British thermal units of energy in the form of people power to be used in walking to work and the propelling of such gasoline-saving vehicles as bicycles and pedal cars, substantially alleviate the Nation's present energy shortage.

The California raisin industry produces the entire U.S. output of raisins and produces and processes and markets one-half of the world's raisin supply.

National Raisin Energy Week will call attention to a quarter-billion-dollar industry which directly involves many thousands of people in the production, distribution, and sales of raisins in the retail grocer and industrial and institutional handling of raisins in all forms.

Raisins from California vineyards and the related industries engaged in producing, processing, and distribution, have returned to the marketplace after a year of shortage. Once again U.S. consumers are energizing themselves with this delicious product used for eating out of hand, for cooking, for baked goods, and in gourmet dishes.

High commendation for its work in this effort and its activities in the fields of research, promotion, and advertising is merited by the California Raisin Advisory Board.

Utilizing funds provided by participating producer and processor members, CALRAB carries on its program of aggressive advertising and promotion not only domestically, but in countries throughout the world in cooperation with the U.S. Department of Agriculture's Foreign Agricultural Service.

I also wish to point to the important role of the Raisin Bargaining Association, which has successfully brought raisin growers and packers together in a concerted effort to give them a better voice in marketing.

Raisin packers and growers are also deserving of praise for their efforts on behalf of this major industry.

Also meriting special commendation in the raisin industry is the work of the Federal Raisin Advisory Board and the Federal Raisin Administrative Committee, who operate under Federal marketing orders which have done so much to bring about the orderly marketing of our raisin crops and have also been instrumental in the development of export markets.

The raisin industry, which effectively utilizes the self-help tools of sales promotion and advertising in the best American tradition, well deserves a special salute during this National Raisin Energy Week.

MAGAZINE LAUDS HOUSE PASSAGE OF TVA POLLUTION CREDIT BILL

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. EVINS of Tennessee. Mr. Speaker, as you know, the House recently passed H.R. 11929, a bill which will assist in holding down electric power rates of the Tennessee Valley Authority by crediting pollution control costs incurred by the agency against its annual repayments to the U.S. Treasury.

Passage of this bill—which I was pleased to cosponsor with many of my colleagues from the Tennessee Valley—was praised in an article written by Mr. John Stanford entitled "Pollution Control Credit Bill Vital to TVA Rates" and published recently in the Tennessee magazine.

The article points out that private utilities have been given similar relief from pollution control through tax credits and that the people of the Tennessee Valley "deserve the same good treatment as other U.S. citizens."

The article details my testimony in support of this bill before a subcommittee of the House Public Works Committee.

Because of the interest of my colleagues and the American people in this matter, I place in the RECORD herewith a copy of the article.

The article follows:

Pollution Control Credit Bill Vital to TVA Rates

(By John Stanford)

It isn't news that electric rates in Tennessee have been going up during the past six years, within a total range of some 50 to 70 percent for residents, due almost entirely to seven wholesale rate increases which the Tennessee Valley Authority has passed along to distributors—primarily electric cooperatives and municipal systems. Distributors, in turn, have been economically forced to pass along all, or most, of these wholesale increases to their consumers.

TVA points to increasing costs of coal and materials, higher interest rates on borrowed money, higher wages for employees and the high priced devices which must be installed at most generating plants in order to comply with pollution control regulations as the prime reasons that the agency has had to increase its wholesale rates so often in recent years. (Indications are that still another increase, possibly as much as 20% is in the offing for mid-summer.)

Whether or not we like or consider these considerable wholesale increases as justified, chances are that as long as the inflation spiral continues upward, so will the wholesale and, in turn, the retail rates, with only one possible deterrent standing partially in the way of the upward rush. That one exception to the above list of prime reasons that TVA lists as basically responsible for its wholesale increases concerns the pollution control devices.

This doesn't mean that TVA will no longer be required to install this expensive equipment at a cost which runs to more than $3-million per week.

If, however, legislation now pending in the U.S. Congress becomes law, TVA will be allowed to deduct from its annual payments to the U.S. Treasury certain funds spent for pollution control devices. The amount involved should be more than enough to affect TVA's future rates.

This legislation, sponsored or cosponsored by every member of Tennessee's Congressional Delegation along with, among others, Representative Bob Jones of Alabama and Representative William Wampler of Virginia, was introduced in the House in December but committee hearings were not held until last month

At the time of the hearings, Tennessee Electric Cooperative Association Executive Manager J. C. Hundley dispatched a letter of support and request for passage of the legislation, sometimes referred to as the TVA Pollution Credit Bill. Hundley's letter, noting that the subject legislation had been introduced in Congress, continued: "This seems particularly appropriate since the Congress has provided private industry with tax credits for similar costs. Tennessee's electric users deserve the same good treatment as other U.S. Citizens. We are vitally concerned with the increased costs of electricity to our cooperatives and thus to their member-owners. We urge your strong support of this legislation, so that we may avoid facing additional rate increases which could result in an increase to the consumer in excess of 50 per cent of their current rate."

Replies from the Congressmen were immediate, all promising active support, including appearances for Representatives before the House Public Works Committee, to which the Bill was assigned after introduction, or to one of its sub-committees.

Lead-off Congressional witness in support of the Bill, listed as House Resolution 11929, was Tennessee's veteran Fourth District Congressman, Joe L. Evins. Congressman Evins' testimony was so complete, so objective and so typical of the testimony offered by others in Tennessee's Congressional Delegation that it is herewith printed in full:

"TESTIMONY BY CONGRESSMAN EVINS

"Certainly I want to thank you and other distinguished Members of the Subcommittee on Water Resources for the opportunity of stating and emphasizing my strong support and endorsement of H.R. 11920, a bill which would authorize the Tennessee Valley Authority to credit any expenditures for pollution control against its required repayments to the Treasury.

"This bill is needed and necessary to provide some relief to the people of the Tennessee Valley who recently received the seventh electric power rate increase by TVA in six years. Power bills of $100 and more for a single month are not uncommon for relatively modest homes. Homeowners were encouraged for years to utilize "low-cost electricity" for heating, cooking and other uses—and now the owners of these all-electric homes are bearing the brunt of almost prohibitive electric bills.

"Industries are also suffering in the TVA service area because of heavy increases in their electric power bills.

"During TVA appropriations hearings held by our Subcommittee on Public Works Appropriations last year, representatives of several industries testified that electric power for their plants was costing more in Tennessee than in other states.

"One industry spokesman said further that his plant would not have located in Tennessee if it had been made aware of the planned ecalating rate increases—and would locate no additional industry in the Tennessee Valley area.

"One of the major TVA expenses is its repayments to the Treasury and another is the cost of pollution control of its steam plants, which burn enormous quantities of coal. This bill would have the effect of eliminating environmental control costs by crediting such costs against repayment requirements.

"By way of background, in 1959 the Congress gave TVA authority to issue bonds to assist in financing its power program—in an amount not to exceed $5 billion at any one time.

"Prior to 1959, funds required to finance TVA's power program were obtained from appropriations by the Congress.

"However, the 1959 act required that TVA make payments into the Treasury of—first—a return on the net appropriation investment in power facilities and—secondly—annual repayments of such investments.

"The return on the investment is based on the computed average interest rate payable by the Treasury upon its total marketable price obligations and the unrepaid appropriations investment at the beginning of the fiscal year.

"To give you some idea of the amount of these repayments, prior to 1959 under various repayment sections, TVA had repaid $250 million 131 thousand to the United States Treasury.

"Subsequent to 1959—or 1961, when the amendment went into effect—TVA payments have totaled $891 million.

"Therefore, TVA repayments since its inception have totaled more than $1 billion 141 million.

"In fiscal 1974, TVA will make a $20 million payment toward its appropriations investment and $63 million payment as a dividend—a total payment into the U.S. Treasury of $83 million in one year.

"Indications are that $170 million will be spent on pollution control equipment in fiscal 1974.

"Furthermore, if the Environmental Protection Agency requires very stringent measures to remove pollution from steam plant stacks—as it has indicated it will—TVA will be forced into an outlay of $1 billion during the next few years on this new and untried technology.

"Under the bill before your Committee, the cost of these pollution control facilities would be applied the next year to cover the required dividend payment to the Treasury. The remainder would be applied to reduce the $20 million investment payment—further, if the costs of pollution facilities exceeded these payments, the remainder would be applied to a further reduction of the remaining investment.

"It is estimated the bill would save TVA $85 million in the first year with benefits increasing substantially each year.

"I would like to point out that the Tax Reform Act of 1969 provided an amortization deduction for certified pollution control facilities built by private corporations—TVA has no such recourse for relief.

"In other words, the Congress has provided private industry with tax credits for the costs of pollution control measures—but has not provided any similar relief for public utilities or their customers who, in many instances, ultimately pay the higher costs in higher power rates.

"This bill would provide some relief not only to TVA, but to its customers and consumers in the Tennessee Valley.

"As you all know, TVA has long enjoyed its traditional role as a low-cost power rate yardstick and in my view is in danger of losing this image because of the sharp increase in power rates over the past seven years.

"TVA rates are rising more rapidly than the Nation as a whole, and TVA customers are paying a higher electric bill because four out of ten homes in the service area are all-electric.

In the Tennessee Valley today, residential customers are paying approximately 65 percent more for the same amount of electricity used seven years ago—and industries are paying 90 percent more.

"We need some relief, gentlemen, and I appeal to you—I urge you—to look with favor on this bill.

"I urge you to report the bill to the full Committee—recommending prompt and favorable action thereon.

"Thank you very much, Mr. Chairman and gentlemen."

It is good to note that H.R. 11929 has been favorably reported by the full House Public Works Committee and is expected to be brought before the House of Representatives for debate and consideration in the near future.

Hopefully, similar action will be taken in the Senate at the earliest possible time.

Even more hopefully, the action of both Houses will be favorable to TVA, this in terms of what it means to ultimate consumers financially and to TVA in its role of the "yardstick" by which, in service and rates, the electric industry in America is measured.

SOVIET SEA CHALLENGE

HON. H. R. GROSS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. GROSS. Mr. Speaker, a recent speech by Vice Adm. George C. Dyer, USN, retired, a distinguished officer in the U.S. Navy, has come to my attention, and I commend it to the Members of Congress.

In it, Admiral Dyer points up the challenge to this country's seapower posed by the Soviet Union, and I insert it in the Record at this point:

The Soviet Sea Challenge

My talk about the Soviet sea challenge will be divided into three parts, just as we learned in our long ago Latin lessons that all Gaul was so divided.

First, I will briefly bring you up to date by reminding you of previous sea power challenges which have occurred during the twentieth century against the then current #1 sea power.

Second, I will name briefly the elements of sea power, as they exist in the decade of the 1970's, and point out some of the trends that are taking place in the Soviet navy, and in the United States Navy.

Third, I will give you one man's opinion of where the United States Navy, the most important element of sea power of the United States, stands today in relation to the Soviet navy, and where it might stand in 1980.

And all this in twenty-five minutes.

PREVIOUS SEA POWER CHALLENGES

In the early years of the twentieth century, it was axiomatic that "Britannia rules the waves". Great Britain had over fifty colonies and dominions scattered around the world and tremendously long lines of communication extending to Egypt, India and Australia in the East and to Newfoundland, Canada, the Falkland Islands and Fiji to the West. Britain needed a large and active navy to protect these lines of communication and a strong merchant marine to sustain the commercial trade of the dominions and colonies with the mother country. Britain had both and was definitely "number one sea power".

Kaiser Wilhelm in Germany, and his predecessors and their advisors, found time to study the books of our Admiral Mahan about the influence of sea power on history and took to heart the lessons set forth in Mahan's mighty volumes. If Germany was ever to be number one in the world. Germany had to have sea power and a large Navy. Germany set forth to challenge Great Britain in sea power.

At the great sea battle at Jutland in 1916, the British Navy turned back this challenge, and at the end of World War I, the German fleet was surrended to the British fleet.

Based on a strong suspicion that the German challenge just might succeed, a success which would be an undesirable turn of events for the United States, President Theodore Roosevelt and Woodrow Wilson built up our Navy to close comparability with that of the #1 sea power, Great Britain.

The Washington inspired limitation of Naval Armaments Treaty of 1922 sought to freeze naval strength as it then existed and put an end to naval challenges. Great Britain and the United States were allowed an equal big ship strength of 5, Japan a relative strength of 3, and France and Italy each a relative strength of 1.67.

I call your attention to the fact that the navy of the Soviet Union in 1922 was a distinct "also ran" in naval strength, altho back in 1900, the Russian navy had been the third navy in size in the world, not too far behind France, which followed at a respectful distance behind Great Britain.

During the twenty year period between World War I and World War II, the Soviet navy built up its submarine strength so that this part of the Soviet navy was the largest in the world, amounting to, in 1940, some 240 submarines. But the Soviet fleet was very unbalanced, being without an air arm or an amphibious arm, and the basic essential, the skill of going to sea and staying at sea.

More importantly to the United States Navy, during the twenty year period between World War I and World War II, the Japanese government, disregarding the Japanese treaty obligations, built up the Japanese navy beyond the limitations set on naval strength by the 1922 Limitation of Naval Armament Treaty, as well as the later 1930 Naval Limitations Treaty. Japan denounced the treaties in 1934 and commenced its unbridled sea power challenge. Germany, getting a somewhat later start, also commenced to build up her Navy at a rapid rate for her second sea power challenge.

Great Britain easily turned back the second German Naval challenge and the United States slowly but surely, and a bit painfully, commencing in mid-1942, turned back the Japanese Naval challenge.

In the period following World War II, and immediately following the formation of the United Nations organization, the Soviet Union torpedoed the formation of the planned for and the charter prescribed "United Nations Armed Forces". She insisted that each and every nation of the five permanent members of the security council must make equal contributions of land, sea, and air forces to the "United Nations Armed Forces". Since, at that time, 1947, China had no navy to mention, and specifically no carriers, no battleships or large cruisers and no amphibious forces, this proposal meant that the "United Nations Armed Forces" would have available no real seagoing naval power with a wallop and that only land and air forces would be available in any United Nations crises. It was quite natural that the United States, Great Britain and France would not accept such an unbalanced "United Nations Armed Forces". So the "United Nations Armed Force" died aborning.

But the Soviet leaders of 1951 were brighter than they had been in 1920 and 1930 and 1940 and much brighter than they had been in 1947. In 1951, after observing what sea power had done to them in Korea, they decided to build up their sea power and that of course included their navy.

As the years passed after World War II and Korea, the lessons of Mahan in regard to the influence of sea power on history were heeded less and less in the United States and shoved under the table in Great Britain. The British excused themselves from doing what they knew was the right thing to do, on the basis of poverty. The United States was content to slumber as a self confident No. 1. On the other hand, the Soviets having taken the decision that the Soviet Union couldn't be No. 1 in the world without having the No. 1 sea power forces in the world, put their rubles behind their ambitions. They have gotten results.

On the Presidents of the United States from Harry Truman to Richard Nixon, the present incumbent, Richard Nixon, is the only one to clearly perceive that the United States can do little overseas for herself or for her allies in the cause of freedom, without the broad means to get overseas and the power to stay. These objectives take sea power. President Nixon has moved naval appropriations from being No. 3 amongst the services to the No. 1 spot, money wise. President Harry Truman had the lesson of lack of sea power wallop forced upon him, when on the 24th of June 1950, the Communist North Koreans poured over the borders into South Korea. As President, however, Harry Truman had not only tolerated but supported Louis Johnson as Secretary of Defense and Francis Mathews as Secretary of the Navy. These two, in 1949 and 1950, viewed sea power as an anachronism.

So the lesson of history in sea power of the first seventy years of the twentieth century has been that since the German challenge was turned back twice and the Japanese challenge was turned back once, that when the chips are down on the field of battle, challenges by even just slighty inferior forces don't succeed. On the other hand, confrontations as we confronted Great Britain during the first two years of World War I, and as the Soviets confronted us during the Cuban missile crisis, are the energy foods which spur on the No. 2 sea power to become the No. 1 sea power.

Now, let us look at my second point.

ELEMENTS OF SEA POWER

What are the elements of sea power in March 1974, and what are the trends taking place in these elements in the United States and in the Soviet Union today? Is the Soviet sea challenge for real?

Sea power is first and foremost the ability to conduct war at sea. But it is also the ability to exploit the economic, political and psychological advantages of a strong maritime presence. This latter requires a wide ranging fishing fleet, an active and strong merchant marine and a highly financed oceanographic research and exploration program.

First, a word about the Soviet merchant marine and a sad word about ours.

In 1960, I finished a book for the Naval Institute titled "Naval Logistics" and took my wonderful wife on a freighter trip around the world, as I had promised her to do. Except in ports like Okinawa, Olongapo and Manila, I was amazed, truly amazed to find that merchant ships of the Soviet Union outnumbered United States merchant ships by two to three and even four to one. I had spent two years, 1947–1948 in the Mediterranean as a cruiser division commander and the very opposite had been true in the Mediterranean then. But, in 1960, in ports like Madang, Sourabajo, Port Swetenheim, even Penang and Singapore, these large fine looking Soviet merchant ships were always to be seen and in profusion.

And today, the imbalance has become more marked. By and large, our active merchant marine has shrunk from 2926 ships during the period from 1960 to 1972. In the same period, the Soviet active merchant marine has grown from 873 to 1480 ships. The active Soviet merchant marine is now two and one quarter times the size of our active merchant marine. The Soviet Merchant Marine is the fifth largest in oceangoing ships in the world, and what is more important it is remarkably new. And if you are wondering who the first four are, Japan, Great Britain, Norway and Liberia are the current leaders in active merchant shipping on the highways of the oceans.

Another element of the Soviet Unions' strong maritime presence is the Soviet's open ocean fishing fleet. It is the largest in the world and still growing.

And finally, the Soviet oceanographic research and exploration programs. They are beyond the range of any simple formula to rate, but they are judged by those who claim to know as "highly aggressive" and no less than "second to none," to borrow an old U.S. Navy slogan.

Summarized, the Soviet merchant marine is large and active and growing rapidly: Ours is shrinking steadily: Their fishing fleet is first and growing: Their oceanographic research is "second to none".

ONE MAN'S OPINION

And now, my third point. And it is just one man's opinion as to where the United States stands today in relation to the Soviet sea challenge.

Is the challenge for real? I answer "yes".

With the challenged and the challenger being in the general area of equal strength, it would seem to me that the battle result in the years ahead might well be determined by the "professionalism of the officers corps" of the two navies. I do not see how the United States Navy can expect to excell in this area in the pears ahead when Secretaries of the Navy and at least one Chief of

Naval Operations, the present one, downgrade seagoing command achievements and capabilities in sea going skills and upgrade fiscal management, so called "people to people" relationship, "management skills" rather than "command skills". They have done this in their letters of instruction to the flag officer selection boards, flag officer plucking boards, and in administrative practices and policies.

It was a lesson of World War II that not every Naval officer wearing a flag officers uniform had the personal courage, the professional capability to fight well and to keep on fighting well over long periods of time to permit building up successful fighting teams. There were a lot of "trial and error" details of flag officers to combat assignment during World War II.

In World War III, it will be a lot more difficult for the United States Navy to resist the Soviet sea challenge, if the Navy starts out without a very large backlog of professionally qualified flag officers who have won their spurs at sea. Where will the United States Navy be with its flag list filled with officers who have won their spurs ashore and kept themselves on active duty by saying "yes sir, it's a fine idea"?

The Soviet Navy has, at long last, in 1973, launched their first large aircraft carrier of about 40,000 tons, and have laid down the keel of another. When the Soviets have commissioned and outfitted these ships, put them thru a shakedown cruise and a considerable series of tactical exercises, they will have taken a big step ahead.

As the Soviets press ahead in this area of large carriers, with the laying down of more keels and then have more launchings and more shakedown cruises, and more tactical exercises and deep water fleet problems, say in 1978 to 1982, the Soviets will be in a position to make a chips down sea challenge to the United States Navy.

For the Soviet Navy already has three times as many submarines as the United States Navy. The Soviet submarines have been patrolling off our coasts for some years with their thirty-one yankee submarines each armed with sixteen missiles good for 1,300 to 1,500 miles from launch position. And in 1972, the Soviet Delta submarine each armed with twelve 4,000-mile missiles commenced cruising in our offshore waters, able to pinpoint any location in the United States from either the Atlantic or Pacific Ocean. And even more worrisome, the Soviets are now carrying sixteen 4,000-mile missiles.

As one more fact pointing up that Soviet sea power is on the move is that the Soviet Marine Corps has reappeared together with seagoing landing ships and craft.

To reinforce the statement that the Soviet Navy is "on the make", let me advise you that from 1965 to 1972, the number of ship days the Soviet Navy is spending cruising at sea, that is one ship one day cruising in the Atlantic, the Mediterranean, the Caribbean, the Indian Ocean and the western Pacific Ocean increased from 6,000 in 1965 to 48,000 in 1972. An eightfold increase. From these figures you will know that the Soviet Navy is learning to go and to stay at sea.

The present emphasis in the United States Navy, currently accentuated by decreasing amounts of fuel oil available, seems to be on how much time the ships can stay in port, and how frequently officers and men may go ashore, and how small the watch on duty aboard may be.

During the recent Israel-Egyptian war, the United States Sixth Fleet in the Mediterranean had its forces increased from 50 to 60 ships. The Soviet forces in the Mediterranean at the same time were increased from 50 to 90 ships. "This is the portend of things to come."

THE PORTEND OF THINGS TO COME

My opinions are: (1) the decision has been taken in the Kremlin to become the No. 1 in sea power, and to make the Soviet Navy the largest in the world. I believe this will be accomplished, because there has been no decision taken in Washington by the President and the congressional leaders of both political parties that the necessary steps must be taken to keep the United States ahead of the Soviet Union in sea power, expensive as such a decision would be. (2) The Soviet decision to be No. 1 will be brought to fruition shortly after 1980. (3) There will be some confrontations in the intervening years, but no "chips down" challenge. (4) The United States Navy does not appear to be acting like a navy under very serious challenge, although it has not reached the nonchalance of the British Navy as it slid quietly from being No. 1 to No. 2 to a "way back" No. 3.

When the chief of naval operations of our Navy can take time from not only leading his subordinates, but pushing them a bit to develop professional excellence in meeting the sea challenges ahead, to personally cut the hair of a sailorman before television cameras, then it seems to me that the reality of the sea power challenge of the Soviet Navy has been missed.

So I recommend to each of you that you have your back yard bomb shelter built and ready for occupancy before 1980, because, by that date, at the present rates of growth and relative decline of the two leading sea powers, the Soviet Navy will be "Number one."

RAPE: SOCIETY'S CRIME AGAINST WOMEN

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. HEINZ. Mr. Speaker, the Rape Prevention and Control Act, H.R. 10848, which I sponsored along with 62 of my colleagues, addresses itself to a growing problem facing this country, the crime of rape. This legislation would establish the Center for the Prevention and Control of Rape, and would provide grants to local agencies and organizations for research and demonstration projects related to rape prevention and treatment.

The pressing need for this legislation has been demonstrated in recent months by the growing number of sexual assaults on this Nation's campuses. The University of Pittsburgh, like other institutions, has been plagued by such assaults. For this reason, and in light of growing national concern over the increased incidence of rape, the Pittsburgh New Sun recently devoted an entire issue to an in-depth study of rape, its perpetrators and its victims.

The following is an excerpt from this special edition, dealing with the incidence of rape, the rapists' motivations, the callous treatment often experienced by rape victims, as well as the victims' physical and emotional scars. I hope that this thoughtful and informative article receives the full consideration and attention of my colleagues.

The article follows:

RAPE: SOCIETY'S CRIME AGAINST WOMEN

Over 40,000 rapes are reported to the police in the U.S. each year; this is only the iceberg's tip, for although no one knows exactly how many rapes there are, the FBI calculates that ten occur for every one that is reported. *A woman is raped every several minutes in America;* anywhere from 300 to 3,000 occurred in Pittsburgh last year.

The rapist's victim may suffer severe injuries or beating in addition to physical degradation; she then is subject to rumors and suspicion by her neighbors, who harbor society's prejudice that only deserving women are assaulted, that they seduce their attacker to satisfy forbidden promiscuous urges.

Legislatures and juries also share that prejudice, which produces laws which safeguard the accused's right to a fair trial more rigorously than society's right to justice, and which produces acquittal verdicts because, "I just couldn't believe that a boy whose girlfriend was as pretty as the one who came into court to testify would have even wanted to rape such a plain-looking girl."

RAPE AND RAPISTS

Rape, ironically is often not a sexual crime.

Two years ago Ellen, a 17 year old high school student, met Joe at a party. They had several mutual acquaintances, but had never socialized. The two later met on the street once or twice, and several months later Joe invited Ellen and a girlfriend to his apartment to listen to records.

When Ellen and her friend arrived, Joe was alone; his roommates were gone for the evening. As the three were listening to records, Ellen dialed the serviceman's check number to start Joe's phone ringing. She lifted the receiver, mumbled a few words, and hung up. When Joe demanded to know who had called, she told him it was just a joke—she had dialed herself. He became irrationally angry at the prank and pushed her around the kitchen. As his anger increased he violently slammed her against a wall, with her friend present, and railed: "You've never been hurt, have you? Well, I've been hurt and you deserve to be."

The popular image of a rapist as a man suddenly and uncontrollably overcome by sexual need is denied by those members of the medical profession who study and treat rapists. Generally, rape is a premeditated crime of violence.

In his 1971 report, Dr. Menachem Amir concluded that rapists "do not constitute a unique or psychopathological type; nor are they as a group invariably more disturbed than the control groups to which they are compared." A parole officer working with convicted rapists at San Luis Obispo in California said, "Those men were the most normal men there. They had a lot of hang-ups, but they were the same hang-ups as men walking out on the street."

Rapists are motivated by any number of conscious or unconscious drives. Their intent, however, is to achieve sexual gratification by asserting and affirming their masculinity, or to forcibly degrade women.

"I'd say 75% of the girls raped provoked it by wearing outrageously sexy clothes and flashing their bodies around, I really think that some girls dig being raped."

Dr. Robert Loisselle, a staff member of Western Psychiatric Hospital and an associate professor of clinical psychology at Pitt, describes the rapist's motivation and behavior. Of the first type, those seeking sexual gratification, he says:

"In our society it is a given fact that a man is expected to prove his masculinity—aggressiveness—sexually. Rape is a very good way to exert that aggression. Ultimately, masculinity equals aggression and that equals rape. There is a *super* need and pressure to be a MAN in our culture." Because the rapist is seeking positive affirmation of his weak masculine identity, "he may be deterred by flattery. If a victim tells him; 'You're so strong, handsome, masculine, etc.; why pick on me, a stranger—you must have lots of girlfriends?' He may be sufficiently gratified. Also, it is contrary to the stereotype of virility for a man to rape a pregnant woman." Men are the protectors of the honorable state of motherhood.

Again and again we find that the sexual aspects of rape are not the primary or motivational factors. "Rape is a crime of violence and violence is a part of the American culture and its stereotyped definition of the masculine identity."

The more dangerous and less predictable rapist is less concerned with proving himself than with expressing his violence and anger through a sadistic sexual act. Dr. Loisselle points out, "Rape is often a crime commited not against an individual woman—but against the entire sex." The motives of these men are highly complex and usually deeply rooted in the subconscious. Because such rapists are rarely treated, little is known about their sadistic drives.

Every woman knows a potential rapist. They aren't confined to socio-economic class, age, race, or background; there are as many in Mt. Lebanon as there are on the Hill. They are usually married, and have families. Rapists frequently repeat their act. In Pittsburgh one man committed 60 reported rapes before he was arrested. The odds are good that if convicted, upon release he will resume his criminal activity.

Dr. Loisselle feels that rapists can be successfully treated. However, because there are no medical rehabilitation programs within our penal system (with exceptions in Wisconsin, Massachusettes and California) to deal with the offenders, their problem is never treated.

As our society's attitudes about sex open up and become more liberated, rape and other sex offenses should decrease. Pat Farley of Magee Women's Hospital explains that, "Sex has always been thought of as something a man does to a woman. I think rape arises out of that." Dr. Loisselle and other experts hope that as definitions of masculinity and femininity become less restricted, human sexuality more open and honest, and sex associated less with taboo and ignorance, the need to dominate, brutalize and degrade women will diminish.

Until that time, rape continues. The rapist may, but often will not, be subjected to the humiliation of arrest; even if arrested, he need not be overly fearful, for less than a third of the accused rapists brought to trial in Allegheny County in 1973 were convicted.

So the rapist's story often ends with his act. The woman's unfortunately, is barely beginning.

Following rape, a woman should obtain medical aid immediately, for even if she has suffered no obvious injuries, there is a risk of internal wounds, venereal disease, and pregnancy. In addition, a medical examination is critically important in prosecuting the rapist, if he is caught; for this reason the victim should not tend her own injuries unless first aid is really necessary. So it is that medical people, often emergency room staff, are the first with which the victim must deal.

A woman choosing to involve the police in her case will be first escorted by them to the hospital nearest the spot where her rape occurred. (Until recently, all local rapes were taken to Magee Women's Hospital.) However, if she decides against reporting the incident she may select the hospital of her choice, or may seek a private physician. Upon entering the hospital emergency room and reporting her attack, the victim is asked by hospital officials, if alone, if she would like to call the police, since many women often run first to a hospital and then think of calling the police only when it is too late. Whatever her decision, there should be no difference in the manner, or thoroughness, with which she is examined.

CALLOUS TREATMENT

After giving some of the details of the rape and her own medical history, the patient must enter an examining room and undress. During the daytime the emergency rooms of most hospitals are staffed by full time doctors, but at night, since they must be called from their homes, a woman raped has a lesser chance of being examined by an experienced physician rather than an intern. Ms. Pat Farley, a Magee Women's Hospital social worker, commented that the rape victim's chances of being cared for by a full-time physician are even less than those of the typical emergency case, because "doctors hate to be called out for rape cases, since they usually must deal with an overwrought woman, and must perform many tedious tests if the woman is accompanied by a policeman."

A woman often must face this type of callousness from all the emergency room staff. Many do not understand or sympathize with her, and of course emergency room conditions are rarely conducive to understanding on anyone's part. The victim should, if possible, bring a friend for support, for although police forces and feminist groups elsewhere maintain special personnel to counsel and comfort the victim, no such assistance is available in the Pittsburgh area.

Beyond treatment for her wounds, at many hospitals, women not using some type of birth control are offered a simple procedure known as a prophylactic "D and C" (dilation and curettage), a scraping of the womb which removes an implanted egg from its lining. Often, more simply, she is offered a "morning after" pill, which dislodges the zygote from the womb. However, many forms of the morning after pill contain a powerful hormone, DES (diethylstilbestrol) which has been discovered to cause vaginal carcinoma (malignancy) in women who take it frequently, and also in their daughters. When used infrequently, as in the case of rape, it is unlikely to do so, but it will produce harsh side effects such as nausea, vomiting, and diarrhea, and since the pill must be taken for five consecutive days, many women opt for the painless D and C.

(One form of the anti-abortion bills considered last year by the—all male—Pennsylvania legislature would have outlawed these prophylactic measures offered to rape victims.)

Some time during the examination the victim is told that she might have been exposed to some type of venereal disease, and that it would be wise for her to return to the hospital or to her own doctor in two or three weeks for a blood test. Because it would not have had time to infect her body and thus appear in a blood sample taken at the first exam, the test for syphilis cannot then be performed. A smear is taken to check for gonorrhea at that time, however, since its presence might be detected.

Contrary to the scenes in recent movies about rape, a police officer locally need not be present during the victim's internal exam. A doctor and nurse are recognized to be medical witnesses at least as competent as a cop. If the victim hopes to prosecute, the following steps must be taken. First and most important, a culture is taken from the woman's vagina to check for semen and blood left there by the attacker; this establishes the fact of penetration, and may help to identify him. Then samples of the woman's head and pubic hair are taken, in the event that the attacker is found with any of her body hair still on his person. A sample of his saliva may be taken from her body, if necessary. Any scrapings of skin from under her fingernails or toenails are taken if the woman attempted to scratch and kick her attacker, and all other possible evidence, such as clothing with blood stains on it, is considered.

PHYSICAL INJURIES NOT WORSE

But except for the sometimes severe wounds, the most serious damage to the victim is psychological. She has been violated and degraded as a person. She may feel shame and guilt, for society commonly blames her more than the attacker.

Boyfriends and husbands *may* react in that way also, making the tacit assumption that she provoked or encouraged the attack through her manner or actions. Though these reactions are usually not critical in the long run, they afford much anguish for the victim and can be instrumental in breaking up already unstable relationships.

Morbid curiosity on the part of friends and neighbors intensifies the problem, leaving the victim with a feeling of being on display.

Counselors, who of course only deal with women who have reported their rapes and are therefore atypical, have identified three stages common to most women's reaction and adjustment to rape.

Immediately following sexual assault, the victim's feelings include shock, disbelief, or dismay, followed by anxiety or fear. It is extremely important during this phase for the social worker or volunteer to encourage her to talk about the assault. Often her relatives and friends try to dissuade her from thinking or talking about it, in the mistaken belief that she will become more emotionally distressed. However, if others refuse to listen, she may conclude that they are embarrassed and ashamed, and want to punish her for what has happened.

A rape victim's anxiety usually diminishes significantly after she has talked with a relative or friend about the assault; thus the worker should help her decide who will be told (parents, boyfriend, husband, friend, clergy) and how this will be accomplished. She should be assisted in these contacts if she desires to be, while being encouraged to handle as much herself as possible. Nothing should be done for her without her knowledge.

FALSE ADJUSTMENT

As the victim deals with practical problems, curious psychological mechanisms such as denial of affect, suppression, and rationalization are called into play. She resumes her normal activities and appears to be adjusting to the assault. Her interest in seeking help and talking about her experience wanes rapidly. This response is healthy and should be encouraged, despite the fact that it represents an interim period of false adjustment.

Sometimes a rape victim will seek help for the first time during this stage, usually because a friend or relative urged her to do so. However, women are generally reluctant to involve themselves in an intense relationship at this time and should not be criticized for their feelings. A counselor can help her gain perspective about this reaction by describing the whole process and can offer psychiatric services if requested.

In the third phase, two central issues must be worked through by the victim: her feelings about herself and her feelings about the assailant. Often she feels guilty, unclean, or damaged, and it is useless for a helper to reassure her until she has talked about these feelings. "The victim's anger is usually directed more towards self than towards the attacker," says Dr. Loisselle. Although the counselor may believe there was nothing the woman could have done to prevent the attack, he/she must be cautious about saying so. It is preferable for the victim to reach this conclusion on her own; some need to go through a period of guilt and self-punishment as a first step toward integrating the experience. If friends or a counselor challenge their guilt prematurely, victims may feel they are misunderstood and cannot be helped.

After several weeks most women have integrated the experience and it takes its appropriate place in the past. If a woman does not accomplish this within a reasonable period, the rape has created or rearoused feelings that she cannot handle and psychotic or neurotic symptoms may result.

Fortunately, most women do adjust to the trauma of rape after a painful, but relatively brief, time. Unfortunately, what is usually the most anguishing experience still lies ahead.

THE IMPLICATIONS OF THE COUP IN PORTUGAL FOR THE AFRICAN LIBERATION MOVEMENT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. RANGEL. Mr. Speaker, an issue of great concern to me and the other members of the Congressional Black Caucus has been the ongoing struggle, in Mozambique, Angola, and Guinea-Bissau, between African liberation forces and Portugal. The recent coup d'etat in Portugal brings hope that these three countries will gain their independence and that Portugal will realize its potential for democracy.

We also realize, however, that the situation in southern Africa is a tenuous one and that South Africa may feel threatened by this new development. If their feelings of insecurity lead them to take aggressive action, the repercussions could be global in magnitude.

Still, the coup d'etat in Portugal by General Spinola is a course for optimism for now and, we hope, for the future.

To inform my colleagues of the implications of the coup in Portugal for the African liberation movement, I have entered for the CONGRESSIONAL RECORD a commentary written by Ovid Abrams for the Community News Service.

COMMENTARY: PORTUGAL'S COLONIES NEARER LIBERATION AFTER OVERTHROW?

(By Ovid Abrams)

April 26.—The overthrow of Portugual's dictatorial regime of Dr. Marcello Caetano by a seven-man military junta, which claims it will reintroduce democracy to Portugal, may also signal the beginning of the end of over two decades of war between Portugal and her African colonies. The overthrow could also mean liberation for the people in a large chuck of Black Africa.

Liberal generals Antonio Sebastiao Riberio del Spinola and Francisco da Costa Gomes who took over the country yesterday, are former heads of defense staffs who were dismissed last month for criticizing the wars in Angola, Mozambique, Portuguese Guinea and the Cape Verde Islands.

The wars for liberation have been repressively put down by Portugal with arms and funds from NATO and large grants from the United States in exchange for trade and American use of a strategic base in the Azores.

But despite the use of U.S.-made napalm and other genocidal weapons by Portuguese soldiers against African liberation movements, Guinea Bissau declared itself independent late last year.

Portugal—with an area less than the size of New York State and a population equal to that of New York City—has possessed over one million square miles of African territory since about 1575.

One of Black Africa's most notorious imperialist masters, Portugal has used expansionist policies toward Africa and ceased to recognize her overseases possessions as colonies. The territories have been considered part of Portugal and have been called "overseas provinces."

It took over 142,000 Portuguese troops—over half of the country's armed forces of 218,000—to maintain a flimsy grasp on those "overseas provinces" in the past 10 years. Twenty-five per cent of the country's expenditures since 1971 have been on this effort.

During the 10 years there have been untold atrocities committed against civilians, many of which make the My Lai massacre in Vietnam look like a street brawl.

Along with mass extermination of the Black population in the colonies, Portugal practices a more subtle elimination of Blacks by having their soldiers rape Black women and let them give birth to children of mixed breed.

The neither-Black nor-White children have occupied a kind of associated White status. In the Portgugese territories this is know as "assimilado" status.

In addition, there is also discrimination and segregation in the African colonies similar to that practiced in neighboring South Africa and Rhodesia.

There is a vast supply of untapped resources in the colonies—resources which Portugal had neither the expertise nor the capacity to develop. Mozambique, which is more than twice the size of Nigeria, has large deposits of iron ore, petroleum and other minerals much in demand by the developed world.

Perhaps these resources explain why Portugal's major trading partners are the United States, Japan, Canada, the United Kingdom and West Germany. African goods were exchanged by Portugal for support by NATO of which these countries are members, and arms to subvert liberation movements and carry out further repression of Africans.

The prolonged Portuguese war, somewhat similar to our Vietnam war, demoralized the Portugese people and eroded confidence in the Caetano regime. The coup was marked by jubilant demonstrations in the streets—the Portuguese people seem to have won their victory, the African people must still win theirs.

The coup could mark the end of an era of colonialism for over 20 million Africans. But if this hope fails to materialize it should not be too surprising, since Portugal's faithful NATO allies have always stood ready to come to her rescue against the forces of Black liberation.

The present situation could be the testing ground for General Spinola, who has spoken much liberal rhetoric and promised to restore the democracy Portugal lost when Dr. Salazar began his authoritarian rule over 40 years ago. Let us see how well the good General backs up his words.

POLISH WOMEN'S CLUB AT THREE RIVERS, MASS., CELEBRATES 50TH ANNIVERSARY

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. BOLAND. Mr. Speaker, on Saturday, April 27, I had the great pleasure of attending the 50th anniversary celebration of the Polish Women's Club of Three Rivers, Mass. It was an inspiration to join with these spirited ladies at their gala dinner, which was highlighted by the presence of five of the club's charter members: Agata Frydryk, Frances Bukowski, Frances Dymon, Agnes Zerdecki, and Helen Nowak.

The program began with a gracious welcoming address from President Helen B. Grzywna and was followed by an impressive performance by toastmistress Anna Kulig. The Polish and American anthems were sung by Hedi Kay, after which the Reverend Robert Ceckowski, pastor of St. Peter and Paul Church, Three Rivers, delivered the invocation.

After an introduction of the officers, past presidents, and guests, Mr. William J. Lemanski, chairman of the board of selectmen of the town of Palmer, extended the town's greetings to the club, as did Rose Corso, vice president of the District V, Massachusetts Federation of Polish Women's Clubs, and Beatrice Melody, president of the Massachusetts Federation of Polish Women's Clubs. State Senator Fredric W. Schlosstein, Jr., congratulated the ladies of the club along with State Representative Alexander Lolas.

The principal address was delivered by attorney Mary A. Socha on the theme of "Women's Organization in Today's World." Reverend Ceckowski then gave the benediction and Anna Kulig offered the closing remarks before the audience and Hedi Kay once again joined in the Polish and our national anthems.

Mr. Speaker, I say that the scene was an inspiring one. It was. However, the Polish Women's Club of Three Rivers is distinguished by what I feel is an equally inspiring history, a little of which I would like to share with you:

HISTORY OF POLISH WOMEN'S CLUB

Recognizing the need for assisting women of Polish ancestry to become citizens of this country, early in 1924 the Messrs. Stanley Zerdecki, Walter Dymon, Michael Boyko and Joseph Les spearheaded an organizational drive toward this end.

Records show that on February 24, 1924 these four organizers were successful in getting together a group of women for this purpose. A club was formed and named The Polish American Women Citizens Political Club of Three Rivers and Thorndike. On March 30, 1924 Miss Anna Rusek became the first president of this group of 59 charter members.

The purpose of the club was three-fold:

1. To encourage women to become citizens and assist them in procuring citizenship papers by teaching English and related subjects.

2. Take active part in politics and get proper recognition and positions on local, state and federal level.

3. Support businesses owned by people of Polish extraction.

With club members as volunteer teachers, and the financial backing of this club, numerous other men and women came forth to lend their assistance in whatever manner necessary. Thus was set in motion and accomplished the dream of the organizers—seeing women of Polish extraction becoming American citizens.

This service and assistance continued for the next 20 years, the main purpose of the club was fulfilled.

The second objective with regards to participation in politics was also seriously undertaken in 1926 when the club became affiliated with the United Polish American Citizens of Massachusetts on both county and state levels. For the next 40 years delegates were present whenever possible at the annual conventions throughout the state to exchange ideas and get a better knowledge of the working of our government. Over the years these Polish women have sent innumerable letters and telegrams, made contact with state and federal legislators on behalf of qualified individuals seeking jobs, or in connection with expressing the favoring or opposition of bills or proposed legislation. On a town level their support has also been solicited and given to those who they felt merited such support, whether Democrats or Republicans or Independents. Almost every election brings requests from hopeful candidates asking to speak to the membership and soliciting their vote.

It is with pride that members note that at least one of the club's members, the first President, Miss Anna Rusek, was named Postmaster of the Three Rivers post office in 1944 and served the community faithfully until her retirement in 1968.

Through the years the club has actively commemorated historical events. As early as 1926 the July 4th parade included members as a unit; in 1932 note was made of the 200th Anniversary of George Washington's birth; for many years the May 3 observance of Polish Constitution Day included a delegation from the club.

In 1933 it was decided to join the Massachusetts Federation of Polish Women's Clubs, Inc. The affiliation with that group continues to the present. Much has been gained through this association particularly in fostering Polish culture. Several daughters of members have received scholarship grants from the Federation, thus permitting them to continue their education. In 1952 and again in 1969 the Annual Convention of the Federation was held in Three Rivers. Delegates from the entire state of Massachusetts have high praise for the cordiality and hospitality not only of the members of this club but of the entire citizenry of the Town of Palmer. Executive committee members and various committees have included the Three Rivers Polish Women's Club members.

Activities within the framework of the Federation also include the Fifth District which comprises the Western Massachusetts area. Here, also, members continuously hold office and direct the activities of this unit.

Membership has also been held in the Polish American Congress as well as the Kosciuszko Foundation in New York.

Locally membership in the United Polish American Organization Council in the Township of Palmer is felt and appreciated. Since its inception in March of 1955, members have consistently and faithfully served in various offices and committees. They have been called upon to perform a variety of services at the functions sponsored by this group. It can be truly be said that no other local club has contributed more towards the scholarships given annually to local Polish students. The $1000 amounts contributed to date stand unmatched, especially when considering the fact that up to January 1, 1956 membership dues were 5¢ per month, and since that time remained at 10¢ per month.

May 8, 1949 marked the official observance of the club's 25th Anniversary. There was a Mass of Thanksgiving at S.S. Peter & Paul Church and a banquet was held at St. Stanislaus Hall in the evening. Local and state officials as well as the clergy participated in this affair. Messrs. Boyko, Dymon, and Les, three of the four original organizers were invited guests. Atty. Irene Dumas was the main speaker with Miss Lucy Wisniewski of the State Civil Service Commission, Stanley Wondolowski of Worcester, and Rev. Alfons Skoniecki also giving brief talks.

Active support of the parish during the past 50 years has been maintained. Since 1926 when a $25 contribution was made for the church renovation, members have bought church vestments, chimes, contributed for organ, flowers for various occasions. Members services were always given at bazaars, banquets, jubilee observances, anniversaries, etc. The club has always worked harmoniously with the clergy, recognizing that spiritual well being is an integral part of life which affects club activity as well. All are grateful for being a part of S.S. Peter & Paul Parish.

The club has also cooperated with the Franciscan Sisters who staffed the parochial school until its closing in June of 1973. Their help was truly appreciated at times of need and all the ladies have high regard and praise for their invaluable assistance.

Children, locally and elsewhere, have been remembered. For many years annual contributions were made to the S.S. Peter & Paul School for their activities. Orphanages at Hyde Park, Brightside, the blind children in Poland, Youth Camp in Bondsville and Community Day Camp, to mention a few, have also been aided by the club.

Sizeable donations were made in the Wing Memorial Hospital Building Fund as well as the Expansion Fund. Records show that the club's first contribution to the Wing Memorial Hospital was made in 1928. Members served as volunteers in staffing the Wing Gift Shop and cart. As early as 1930 a Community Chest donation was made and this was continued until recently. The Red Cross has also been remembered over the years.

World War II and its various activities brought requests for help with Bond Drives, Blood Banks, U.S.O., Air Raid Committee, National War Fund and Polish Relief. Clothes were sewn and sent to needy, soldiers from Westover were entertained, money and services were generously donated to the various causes.

The post-war period brought a renewal of activity among organizations. Each month brought invitations or requests from religious, civic, political and community groups for participation and donation.

Having outlived its original intent, in 1958 a committee was named to revise the constitution. On October 20, 1958 the name of the club was changed to "Polish Women's Club of Three Rivers." Fostering ethnic culture, encouraging higher education, exchange of cultural ideals, replace the original aim to help with citizenship papers. Integrating this culture with the cultures of other ethnic groups of the U.S.A. offers a new challenge.

Much is being done to implement new ideals. The club constantly sponsors, attends, or contributes toward attainment of these aims. The Pop Concert, 1966 observance of Poland's Millennium, attendance at various plays, Krakowiak Dance Group, Kosciuszko Foundation Presentation Ball, Poznan Boys Choir, Liberace, Kopernik Observance, exhibits, donation of books to schools and libraries dealing with accomplishments of Poles, support of Alliance College, Palmer High School Polish Cultural Club are but a few examples of what the members are striving to achieve.

It is impossible to give just credit to any one individual member. Truly the club's success has been a team effort for the past 50 years. All must, however, remember to include Miss Josephine Roman, the first volunteer teacher, Mrs. Nellie Motyka who served as President for 24 years, Mrs. Bernice Tenczar Treasurer for 20 years, Mrs. Sophie Jorczak, Secretary for 12 years, Mrs. Frances Frydryk, Miss Mary Jajuga, Mrs. Frances Dymon, and particularly those 59 valiant women whose desire to become American citizens started the club toward making possible this—its 50th Anniversary.

HOUSE OF REPRESENTATIVES—*Tuesday, May 7, 1974*

The House met at 12 o'clock noon.

Rev. Edward E. Heydt, United Methodist Church, Mount Savage, Md., offered the following prayer:

Father, God of the Universe, we pause from our tasks to talk with You.

Father, we work hard and with sincere motive to create a just society for all. We strive to live at peace with all men. We are blessed to live in a nation where striving for these ideals has made possible a good life for many. But, we have deceived ourselves by what is thought to be the successes of self-initiative and satisfaction of personal pleasures.

As individuals and as a nation, we need to focus upon You. We need to reaffirm our trust in You. May we fulfill Your desires for us in the history of man.

Father, we have sinned. Forgive our self-centered ways and heal our land. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 5759. An act for the relief of Morena Stolsmark; and

H.R. 6116. An act for the relief of Gloria Go; and

H. Con. Res. 485. Concurrent resolution authorizing the Clerk of the House to make a technical correction in the enrollment of H.R. 11793.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 239. An act for the relief of Loretto B. Fitzgerald;

S. 506. An act for the relief of Rosina C. Beltran;

S. 1357. An act for the relief of Mary Red Head;

S. 2220. An act to repeal the "cooly trade" laws;

S. 2593. An act for the relief of Ioan Gheorghe Iacob;

S. 2594. An act for the relief of Jan Sejna;

S. 3124. An act to increase the size of the Executive Protective Service; and

S. 3331. An act to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first bill on the calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTATE OF THE LATE RICHARD BURTON, SFC, U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late Richard Burton, SFC, U.S. Army (retired).

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ESTELLE M. FASS

The Clerk called the resolution (H. Res. 362) to refer the bill (H.R. 7209) for the relief of Estelle M. Fass to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

RITA SWANN

The Clerk called the bill (H.R. 1342) for the relief of Rita Swann.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2629) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

FAUSTINO MURGIA-MELENDREZ

The Clerk called the bill (H.R. 7535) for the relief of Faustino Murgia-Melendrez.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ROMEO LANCIN

The Clerk called the bill (H.R. 4172) for the relief of Romeo Lancin.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

RUSSELL G. WELLS

The Clerk called the bill (H.R. 8545) for the relief of Russell G. Wells.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WYLIE and Mr. GROSS objected, and, under the rule, the bill was recommitted to the Committee on Interior and Insular Affairs.

AUTHORIZING SECRETARY OF THE INTERIOR TO SELL RESERVED PHOSPHATE INTERESTS OF UNITED STATES IN LANDS IN FLORIDA TO JOHN CARTER AND MARTHA B. CARTER

The Clerk called the bill (H.R. 10626) to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

KAMAL ANTOINE CHALABY

The Clerk called the Senate bill (S. 245) for the relief of Kamal Antoine Chalaby.

There being no objection, the Clerk read the Senate bill as follows:

S. 245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the periods of time Kamal Antoine Chalaby has resided in the United States since his lawful admission for permanent residence on October 31, 1962, shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNEST EDWARD SCOFIELD (ERNESTO ESPINO)

The Clerk called the Senate bill (S. 428) for the relief of Ernest Edward Scofield (Ernesto Espino).

There being no objection, the Clerk read the Senate bill, as follows:

S. 428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Ernest Edward Scofield (Ernesto Espino) shall be held and considered to be the natural-born alien son of Mr. Raymond V. Scofield, a citizen of the United States: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MILDRED CHRISTINE FORD

The Clerk called the bill (H.R. 1961) for the relief of Mildred Christine Ford.

There being no objection, the Clerk read the bill, as follows:

H.R. 1961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mildred Christine Ford shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, in the administration of the Immigration and Nationality Act, Mildred Christine Ford may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Reverend and Mrs. Samuel Ford, a citizen of the United States and a lawfully resident alien of the United States, respectively, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEPTY MASAUO JONES

The Clerk called the bill (H.R. 3203) for the relief of Nepty Masauo Jones.

There being no objection, the Clerk read the bill, as follows:

H.R. 3203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Nepty Masauo Jones shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

SEC. 2. Nepty Masauo Jones shall be held and considered to have satisfied the requirements of section 316 of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States and, notwithstanding the provisions of section 310(d) of that Act, he may be naturalized at any time after the date of enactment of this Act if he is otherwise eligible for naturalization under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, in the administration of the Immigration and Nationality Act, Nepty Masauo Jones may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in his behalf of Janet Middleton Jones, a citizen of the United States, may be approved pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAYMOND MONROE

The Clerk called the bill (H.R. 11392) for the relief of Raymond Monroe.

There being no objection, the Clerk read the bill, as follows:

H.R. 11392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Raymond Monroe of Overland Park, Kansas, is relieved of liability to the United States in the amount of $5,445, representing the loss resulting from his erroneous setting of a postage meter on January 3, 1964, as a clerk for the Post Office Department. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this section.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Raymond Monroe of Overland Park, Kansas, an amount equal to the aggregate of any amounts paid by him, or withheld from sums otherwise due him, with respect to the indebtedness to the United States specified in the first section of this Act.

(b) No part of the amount appropriated in subsection (a) of this section in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike all after the enacting clause and insert:

That, on such terms as it deems just, the United States Postal Service is authorized to compromise, release, or discharge in whole or in part the liability of Raymond Monroe of Overland Park, Kansas, to the United States in the amount of $5,445, representing the loss resulting from his erroneous setting of the postage meter on January 3, 1964, as a clerk for the Post Office Department.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GERTRUDE BERKLEY

The Clerk called the bill (H.R. 2950) for the relief of Mrs. Gertrude Berkley.

There being no objection, the Clerk read the bill, as follows:

H.R. 2950

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Mrs. Gertrude Berkley, of Arlington, Virginia, the sum of $305 which shall be in full settlement of all her claims against the United States and the District of Columbia arising out of the injuries she sustained when she fell over a sidewalk elevator on F Street Northwest District of Columbia, in 1964.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM L. CAMERON, JR.

The Clerk called the bill (H.R. 8322) for the relief of William L. Cameron, Jr.

There being no objection, the Clerk read the bill, as follows:

H.R. 8322

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized and directed to receive, consider, and if found meritorious, to pay the claim of William L. Cameron, Junior, of Fountain, Colorado, for the destruction of his 1968 Ford Falcon automobile on or about August 29, 1970, when it was set on fire while parked at the headquarters parking lot at the United States Army Post at Baumholder, Germany, as if that claim was cognizable under the Military Personnel and Civilian Employees' Claims Act of 1964, as amended (78 Stat. 767, as amended); and in the consideration of the claim under that Act, the said William L. Cameron, Junior, shall be held and considered to be a person eligible to be compensated under the Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CPL. PAUL C. AMEDEO

The Clerk called the bill (H.R. 1715) for the relief of Cpl. Paul C. Amedeo, U.S. Marine Corps Reserve.

There being no objection, the Clerk read the bill, as follows:

H.R. 1715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Corporal Paul C. Amedeo, United States Marine Corps Reserve, of Binghamton, New York, is relieved of liability to the United States in the amount of $896.12, representing the amount due to the United States as a result of certain overpayments of pay and allowances received by him during the period beginning April 20, 1966, and ending October 19, 1970, while he was on active duty in the United States Marine Corps. The overpayments were the result of administrative errors which occurred without fault on the part of Corporal Paul C. Amedeo. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount for which liability is relieved by this section.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Corporal Paul C. Amedeo an amount equal to the aggregate of any amounts paid by him to the United States with respect to the indebtedness to the United States referred to in the first section of this Act.

(b) No part of the amount appropriated in subsection (a) of this section in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5: Strike "$896.12" and insert "$606.92".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 3190) for the relief of Gabriel Edgar Buchowiecki.

Mr. **WYLIE**. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER**. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JAMES LENNON

The Clerk called the bill (H.R. 5011) for the relief of James Lennon.

There being no objection, the Clerk read the bill, as follows:

H.R. 5011

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, James Lennon shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

On page 1, line 9, after the words, "shall instruct the proper", strike out the remainder of the bill and substitute in lieu thereof the following: "officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPHINE GONZALO (NEE CHARITO FERNANDEZ BAUTISTA)

The Clerk called the bill (H.R. 5477) for the relief of Josephine Gonzalo Charito Fernandez Bautista).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Josephine Gonzalo (nee Charito Fernandez Bautista) shall be deemed to be an immediate relative within the meaning of section 201(b) of that Act and may be issued a visa and admitted to the United States for permanent resident if she is found to be otherwise admissible under the provisions of that Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, for the purposes of sections 203(a)(2) and 204 of the Immigration and Nationality Act, Charito Fernandez Bautista shall be held and considered to be the natural-born alien child of Mr. and Mrs. Petronio D. Gonzalo, lawful resident aliens of the United States: Provided, That the natural parents or brothers and sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill for the relief of Charito Fernandez Bautista."

A motion to reconsider was laid on the table.

LEONOR LOPEZ

The Clerk called the bill (S. 280) for the relief of Leonor Lopez.

Mr. **ROUSSELOT**. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

ESTATE OF PETER BOSCAS, DECEASED

The Clerk called the bill (H.R. 2637) for the relief of the estate of Peter Boscas, deceased.

Mr. **ROUSSELOT**. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

VIORICA ANNA GHITESCU, ALEXANDER GHITESCU, AND SERBAN GEORGE GHITESCU

The Clerk called the bill (H.R. 8543) for the relief of Viorica Anna Ghitescu, Alexander Ghitescu, and Serban George Ghitescu.

Mr. **ROUSSELOT**. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

RAYMOND W. SUCHY

The Clerk called the bill (H.R. 2208) for the relief of Raymond W. Suchy, second lieutenant, U.S. Army (retired).

There being no objection, the Clerk read the bill as follows:

H.R. 2208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Second Lieutenant Raymond W. Suchy (numbered Z 2–475–343, United States Army, retired), of Shorewood, Wisconsin, the sum of $28,915.79 in full settlement of all his claims against the United States for retirement benefits which accrued from March 23, 1945, to March 16, 1962, and which he failed to receive due to administrative error.

SEC. 2. No amount in excess of 10 per centum of the sum appropriated in the first section of this Act shall be paid to or received by any agent or attorney for services rendered in connection with this claim. Any person violating provisions of this section shall be fined not more than $1,000.

With the following committee amendments:

Page 1, line 6: Strike "(numbered Z 2 475 343, United States Army, retired)" and insert "United States Army, retired, (Army Serial Number O–503716, Social Security Number [redacted])".

Page 1, line 9: Strike "$28,915.79" and insert "$28,758.29".

Page 1, line 11: Strike "March 23, 1945, to" and insert "March 24, 1945 to July 17, 1945, and August 30, 1945 to".

Page 2, line 4: Strike "in excess of 10 per centum".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONALD L. TYNDALL, BRUCE EDWARD TYNDALL, KIMBERLY FAY TYNDALL, LISA MICHELE TYNDALL, AND THE ESTATE OF ELIZABETH M. TYNDALL

The Clerk called the bill (H.R. 3532) for the relief of Donald L. Tyndall, Bruce Edward Tyndall, Kimberly Fay Tyndall, Lisa Michele Tyndall, and the estate of Elizabeth M. Tyndall, deceased.

There being no objection, the Clerk read the bill, as follows:

H.R. 3532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $82,058.46 to Donald L. Tyndall; the sum of $44,965.84 to the estate of Elizabeth M. Tyndall, deceased; the sum of $25,000 to the legal guardian of Bruce Edward Tyndall, a minor; the sum of $6,000 to the legal guardian of Kimberly Fay Tyndall, a minor; and the sum of $15,000 to the legal guardian of Lisa Michele Tyndall, a minor, in full settlement of all claims against the United States for medical and hospital expenses, funeral expenses, personal injuries, death, property damage, and other damages and losses suffered as the result of an automobile accident which occurred in Duplin County, North Carolina, on Highway Numbered 24 near the town of Beulaville on October 5, 1967, when a Chevrolet automobile in which the family was riding was struck and demolished by a United States Marine Corps six-wheel truck driven by a member of the Marine Corps. These claims are not cognizable under the tort claims provisions of title 28, United States Code.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 3 through 9 and p. 2, line 1, Strike "That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $82,058.46 to Donald L. Tyndall; the sum of $44,965.84 to the estate of Elizabeth M. Tyndall, deceased; the sum of $25,000 to the legal guardian of Bruce Edward Tyndall, a minor; the sum of $3,000 to the legal guardian of Kimberly Fay Tyndall, a minor; and the sum of $15,000 to the legal guardian of Lisa Michele Tyndall, a" and insert:

"That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $24,000.00 to Donald L. Tyndall; the sum of $12,000.00 to the Clerk of the Superior Court of Duplin County, North Carolina, to be administered under North Carolina general statute 7A-111 entitled "Receipts and Disbursements of Insurance and other Moneys of Minors and Incapacitated Adults", in behalf of Bruce Edward Tyndall, a minor; the sum of $12,000.00 to the Clerk of the Superior Court of Duplin County, North Carolina, to be administered under North Carolina general statute 7A-111 entitled "Receipts and Disbursements of Insurance and other Moneys of Minors and Incapacitated Adults", in behalf of Lisa Michele Tyndall, a minor; and the sum of $2,000.00 to the Clerk of the Superior Court of Duplin County, North Carolina, to be administered under North Carolina general statute 7A-111 entitled "Receipts and Disbursements of Insurance and other Moneys of Minors and Incapacitated Adults", in behalf of Kimberly Fay Tyndall, a".

Page 3, line 7; Strike "the amount" and insert "each of the amounts".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill for the relief of Donald L. Tyndall, Bruce Edward Tyndall, Kimberly Fay Tyndall, and Lisa Michele Tyndall."

A motion to reconsider was laid on the table.

NOLAN SHARP

The Clerk called the bill (H.R. 7768) for the relief of Nolan Sharp.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MARCOS ROJOS RODRIGUEZ

The Clerk called the Senate bill (S. 724) for the relief of Marcos Rojos Rodriguez.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. This ends the call of the Private Calendar.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules I ask unanimous consent that that committee may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN FORMS OF ZINC

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6191) to amend the Tariff Schedules of the United States to provide that certain forms of zinc be admitted free of duty, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, and I shall not object, but I take this time to ask the gentleman from Arkansas, the chairman of the committee (Mr. MILLS), to explain this legislation.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 6191 is to suspend for a temporary period, until the close of June 30, 1977, the duty on zinc-bearing ores and certain other zinc-bearing materials.

Suspension of the duty on zinc ores and concentrates is being sought by zinc producers and domestic consumers of zinc due to the shortage of zinc ores and concentrates in the United States. The existing U.S. tariff places domestic smelters at a competitive disadvantage in purchasing zinc ores and concentrates on the world market in relation to other major zinc metal-producing countries where zinc ores and concentrates are imported duty-free.

H.R. 6191 would suspend the duty under rate column numbered 1 of the Tariff Schedules of the United States which is applicable to imports from countries accorded most-favored nation treatment. It would not affect the duty rate under column numbered 2 applicable to imports from Communist countries, except Poland and Yugsolavia.

Mr. Speaker, no objection to H.R. 6191 has been received from the executive departments or from any other source.

The committee was unanimous in reporting this bill and I urge its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 6191, a bill to suspend through fiscal 1977 the duties on zinc-bearing ores and certain other forms of zinc. The legislation is designed to ease a shortage of raw materials which has posed severe problems for a substantial segment of the domestic industry.

U.S. smelters have, for a long time, used imported ores and concentrates in the production of zinc metal, but in recent years these shipments have declined markedly, in large part because of tariffs, the committee was informed. We were advised that in 1972, imports of ores and concentrates declined by 26 percent while imports of zinc metal grew by 64 percent.

On an ad valorem basis, the duties range from about 6 to 20 percent. They provide no protection for our zinc mining firms, according to the Interior Department, but they do impose a penalty on our smelters by increasing the cost—and helping to decrease the available supply—of the ores and concentrates needed.

Other major zinc-producing countries already permit the duty-free entry of ores and concentrates. Therefore, our domestic smelting industry has to pay a higher price than its foreign competitors for raw material.

It seems clear to me that not only would this legislation help put the existing domestic industry on a firmer competitive footing, it would provide an important incentive for the construction of new, technologically advanced smelters in the United States.

Mr. Speaker, our committee heard no unfavorable comments on the measure, from the executive departments or from any other source. H.R. 6191 was ordered reported unanimously, and I urge its passage by the House.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

H.R. 6191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting new items: 911.20, 911.21, 911.22, 911.23, 911.24, and 911.25, as follows:

"Item	Articles	Rates of duty		Effective period
		1	2	
911.20	All zinc-bearing ores (provided for in item 602 20, part 1, schedule 6).	Free	No change	Two year period beginning day after enactment of this bill.
911.21	Zinc dross and zinc skimmings (provided for in item 603.30, part 1, schedule 6).	Free	No change	Two year period beginning day after enactment of this bill.
	Other metal-bearing materials of a type commonly used for the extraction of metal or as a basis for the manufacture of chemical compound:			
	Other:			
	Materials, other than the foregoing, containing, by weight, over 10 percent of any one of the metals copper, lead, or zinc, and to be initially treated at a copper, lead, or zinc plant:			
911.22	When, under the procedure set forth in headnote 5 of part 2C of this schedule, the market price of copper is considered to be below 24¢ per pound (provided for in item 603.49, part 1, schedule 6).	Free on zinc content	No change	Two year period beginning day after enactment *of this bill.*
911.23	Other (provided for in item 603.50, part 1, schedule 6).	Free on zinc content	No change	Two year period beginning day after enactment of this bill.
	Materials, other than foregoing, containing by weight, over 5 troy ounces of gold per short ton, or over 100 troy ounces of precious metals per short ton:			
911.24	When, under procedures set forth in headnote 5 of part 2C of this schedule, the market price of copper is considered to be below 24¢ per pound (provided for in item 603.54, part 1, schedule 6).	Free on zinc content	No change....	Two year period beginning day after enactment of this bill.
911.25	Other (provided for in item 603.55, part 1, schedule 6).	Free on zinc content	No change....	Two year period beginning day after enactment of this bill.

SEC. 2. The amendments made by the first section of this Act shall apply to articles entered or withdrawn from warehouse, for consumption on the first day after this bill becomes law.

Mr. MILLS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read the committee amendment as follows:

Committee amendment:

Strike out all after the enacting clause and insert the following:

That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 907.80 the following new items:

"911.00	Zinc-bearing ores (provided for in item 602.20, part 1, schedule 6).	Free on zinc content.	No change	On or before 6/30/77.
911.01	Zinc dross and zinc skimmings (provided for in item 603.30, part 1, schedule 6).	Free	No change	On or before 6/30/77.
911.02	Zinc-bearing materials (provided for in items 603.49, 603.50, 603.54 and 603.55, part 1, schedule 6).	Free on zinc content.	No change	On or before 6/30/77".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATION OF DUTY ON METHANOL IMPORTED FOR CERTAIN USES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of this bill (H.R. 11251) to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as fuel, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, and I shall not object, I take this time to ask the chairman to explain the bill.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 11251 is to provide for the duty-free status of methyl alcohol—methanol—but only when imported for use in producing synthetic natural gas—SNG—or for direct use as a fuel.

Methanol is currently dutiable under item 427.96 of the Tariff Schedules of the United States—TSUS—at 7.6 cents per gallon if imported from a country accorded most-favored-nation treatment, or 18 cents per gallon if imported from most Communist countries. Under the bill, methanol, when imported for use in producing synthetic natural gas or for direct use as a fuel, would be free of duty when entered from countries accorded most-favored-nation treatment. All other imports of methanol would remain dutiable at existing rates of duty.

Your committee held public hearings on H.R. 11251 on March 4, 1974, during which witnesses called attention to the fact that in such petroleum-producing countries as Saudi Arabia, Iran, and Indonesia, large quantities of natural gas produced in association with petroleum production are simply being flared off and wasted due to the absence of nearby energy markets.

Imports of both natural gas and liquified natural gas—LNG—are accorded duty-free treatment. Methanol, which can be produced from natural gas, is dutiable as a chemical intermediate—methyl alcohol. Widespread use of methanol as an energy source has not been economically feasible until recently.

The development of liquified natural gas facilities in the Caribbean and the Mediterranean areas already has demonstrated the feasibility of processing and transporting over long distances to energy markets the natural gas presently being flared off in certain petroleum-producing areas.

The procedure involved in the production and transportation of liquified natural gas from relative near source countries can be both elaborate and expensive. However, recent research indicates that a more practical and less expensive method of transporting natural gas from more remote areas is to change the natural gas into liquid methanol by a relatively simple chemical process. Firms in the United States and other energy-consuming countries have been working on proposals to acquire this wasted natural gas to process it into methanol and to transport it to their energy markets in that form.

Methanol can be transported in any tanker or vessel suitable for transporting water or gasoline. Once it reaches the energy market, it may be converted into synthetic natural gas and used to supplement the domestic supply of gas in natural gas pipeline distribution systems or it may be used directly as fuel for gas burners modified to accommodate the liquid fuel. However, the existing rate of duty on imports of methanol precludes any further development of such additional foreign sources of energy for the U.S. market.

Refined methanol is produced domestically by a number of chemical companies, which in 1972 produced 6 billion pounds valued at almost $120 million. Crude methanol is not an article of trade, nor is there any domestic production of methanol for use as a fuel.

The duty-free treatment of methanol as provided in H.R. 11251 does not apply to methanol imported for other purposes, such as chemical uses, which would remain dutiable at the current rates of duty. Attention is called to this fact due to concern expressed by a domestic producer of methanol during the committee's public hearings that duty-free imports of methanol might be diverted to chemical use which would be detrimental to U.S. producers. In this regard, it will be required under general headnote 10(e) of the U.S. Tariff Schedules that methanol imported duty-free under item 427.96 must be intended for the prescribed energy uses, that it must be actually so used, and that proof of such use be furnished the U.S. Customs Service within 3 years after entry.

In order to assure appropriate surveillance of duty-free methanol imported under this legislation, your committee has directed that the U.S. Customs Service shall give notification to the committee of the initial entry of such imports. It has also directed that the Customs Service shall supply specific information to the committee before January 1, 1978, relating to the volume of imports and also at that time, shall inform your committee of any difficulties that may have arisen with respect to the control of duty-free methanol under item 427.96. This information will also permit your committee to reassess any development of domestic energy sources related to the use of methanol such as the possibility of producing methanol from coal and other fossil fuels. Your committee believes that this provision and its careful administration by the Customs Service will serve as adequate prevention of diversion of methanol for uses other than those for which H.R. 11251 expressly provides.

Mr. Speaker, your committee believes that permanent elimination of duty on imports of methanol for use as a fuel is necessary to provide sufficient inducement to American investors in processing plants and to host governments, both in terms of cost and as an aspect of a long-term financial commitment to obtain and process the natural gas in the producing countries.

No unfavorable reports relative to H.R. 11251 were received from any of the executive departments nor was any objection to H.R. 11251 received from any other source.

Your committee was unanimous in favorably reporting this bill and recommends its passage by the House.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, the bill before us, which would provide for the elimination of duty on methanol when it is imported for use as a fuel, is a step in the right direction toward a solution of our energy problems. It does not represent a monumental step but it will prove helpful in supplying the United States with some additional energy.

I am pleased to have been one of the original sponsors of this measure and certainly applaud the Ways and Means Committee for its prompt consideration and action on this bill.

Passage of this bill will allow American industry to proceed with efforts to recover methanol from the flared oil wells that now exist throughout the world. This methanol can then be imported into the United States and either used directly as a fuel or converted into gas and act as a substitute for the increasingly scarce natural gas.

I strongly support the bill.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 11251, which would provide for the duty-free entry of methanol, or methyl alcohol, for use in the production of synthetic gas or for use directly as a fuel. It is the committee's intention that no other usage be permitted, and I believe this is a point worth emphasizing.

The primary purpose of the legislation is to increase the country's fuel supply. The committee was told that natural gas, which is now being flared-off into the atmosphere, and thus wasted, in connection with oil production in the Middle East, can be converted to a liquid—methanol—and transported by ship to the United States, where it can be used as an energy source supplemental to both natural gas and liquefied natural gas, both of which now can be entered duty-free. We were advised, however, that this process would be economically feasible only if the 7.6 cents per gallon duty on the imported methanol could be lifted.

The committee further was informed that, although at present there is no domestic production of methanol for use as a fuel, there is domestic production for use in the chemical industry. Some concern was expressed during our public hearings on the bill that the duty-free methanol might be diverted after entry to chemical use.

In regard to this concern, the committee has cited general headnote 10(e) of the Tariff Schedules of the United States, which requires that proof of use, with respect to articles such as this, must be provided to the Customs Service within 3 years following entry.

The committee also included in its report on H.R. 11251 a directive to the Customs Service to supply the committee with substantial information concerning methanol imports under the legislation, including any difficulties or problems arising in connection with administration or control.

In short, Mr. Speaker, we intend to maintain sufficient surveillance to make certain the methanol imported under this legislation is used exclusively in fuel production.

The interested departments and agencies all reported favorably on the bill. For example, the Treasury commented, in part:

> **Methanol provides a source of clean energy which is critically needed in view of the present energy shortage. Currently, methanol is not produced in large quantities in the United States. There have practically been no foreign imports of methanol. In fact, the revenue collected from merchandise dutiable under item 427.96 for calendar year 1972 was $17. Several companies have proposed to build methanol plants in the Middle East to produce methanol for importation into the United States provided that the tariff on methanol is removed so as to make such importation economical. At a time when the United States needs all the clean fuel it can get, it seems sensible to remove a tariff which is prohibitive to imports of a clean fuel.**

Mr. Speaker, H.R. 11251 was ordered reported unanimously, and I urge its passage now.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 11251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart D of part 2 of schedule 4 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out item 427.96 and inserting in lieu thereof the following:

"	Methyl:		
427.96	Imported only for use in producing synthetic natural gas (SNG) or for direct use as a fuel........	Free	18¢ per gal.
427.97	Other........	7.6¢ per gal.	18¢ per gal. "

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

With the following committee amendment:

Page 1, strike out the matter appearing immediately after line 6 and insert the following:

	Methyl:		
427.96	Imported only for use in producing synthetic natural gas (SNG) or for direct use as a fuel.	Free	18¢ per gal.
427.97	Other................	7.6¢ per gal	18¢ per gal.

Mr. MILLS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the committee amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON CRUDE FEATHERS AND DOWNS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11452) to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, will the gentleman from Arkansas kindly explain the legislation?

Mr. MILLS. Will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 11452 is to suspend for a temporary period, from the 180th day after enactment to the close of December 31, 1979, the duty on certain feathers and down. These articles are used primarily in the manufacture of pillows, comforters, sleeping bags, and outerwear garments such as parkas and ski jackets.

The object of H.R. 11452 is to correct an anomaly in the duty rate applicable to crude feathers and down which permits imports of finished goods containing these components to enter under a lower duty rate which, of course, places domestic manufacturers at a disadvantage.

The temporary suspension of duty on these articles would also provide, under section 2 of the bill, an opportunity to negotiate reciprocal trade benefits.

Mr. Speaker, the committee amended this bill to provide that feathers and down cleaned for manufacture and entered under rate column No. 1 of the Tariff Schedules of the United States, applicable to nations accorded most-favored-nation treatment, shall meet both test methods 4 and 10.1 of Federal Standard 148(a) promulgated by the General Services Administration. Upon the recommendation of the domestic industry, it is the intention of the committee that meeting both test methods 4 and 10.1 of Federal Standard 148(a) means the following: feathers and down meet method 4—determination of oxygen number (titration method)—when their oxygen number does not exceed 20 grams of oxygen per 100,000 grams of sample when tested by method 4; feathers and down meet method 10.1—determination of turbidity (turbidimeter method)—when they have a turbidity of not less than 75 centimeters when tested by method 10.1. The committee is informed that these test methods and specifications described above are acceptable to the U.S. Customs Service. There would be no change in the duty on those feathers and down cleaned for manufacture under rate column No. 2, which applies to Communist countries, except Poland and Yugoslavia.

All other feathers and down not cleaned for manufacture would be entered duty free under both column 1 and column 2 rates under a separate tariff item.

No unfavorable reports were received from any of the executive departments or from any other source.

The committee was unanimous in favorably reporting H.R. 11452 and recommends its passage to the House.

Mr. SCHNEEBELI. Mr. Speaker, I thank the gentleman for his explanation.

Mr. Speaker, I support H.R. 11452, a bill to suspend temporarily the duty on imported crude feathers and downs.

These articles currently are dutiable at 15-percent ad valorem from non-Communist countries, while products which are made from feathers and down, such as sleeping bags, are dutiable at only 7-percent ad valorem. The central problem addressed by this bill is that the duty structure has encouraged imports of finished products at prices which are placing domestic manufacturers at a competitive disadvantage. The Agriculture Department reported, for example, that:

> There currently is a built-in incentive for U.S. manufacturers of feather products to establish facilities abroad and there is some evidence that the trend has already begun.

Suspension of the duty on the raw material would help eliminate this incentive and enable domestic producers of the finished products to compete effectively in the home market.

The committee was informed that imports of the feathers and downs affected by this bill totaled 9 million pounds, valued at $15.7 million, this past year. Major sources of supply were France, West Germany, Taiwan, and mainland China.

Mr. Speaker, the committee heard no objection to the bill, and all reports from interested departments and agencies were favorable. The measure was reported unanimously, and I recommend passage by the House at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 11452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 903.90 the following new items:

"	Feathers and downs, whether or not on the skin, crude, sorted (including feathers simply strung for convenience in handling or transportation), treated, or both sorted and treated, but not otherwise processed (provided for in item 186.15, part 15D, schedule 1):			
903.70	Not cleaned for manufacture	Free	Free	On or before 12/31/79
903.80	Cleaned for manufacture	Free	No change	On or before 12/31/79 ".

SEC. 2 (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) For purposes of any authority that may be delegated to the President to proclaim such continuance of existing duty-free treatment as he determines to be required or appropriate to carry out a trade agreement with foreign countries or instrumentalities thereof, the duty-free treatment provided by items 903.70 and 903.80 of the Appendix to the Tariff Schedules of the United States shall be considered as existing duty-free treatment.

With the following committee amendments:

Page 1, strike out the matter appearing immediately after line 6 and insert the following:

"	Feathers and downs, whether or not on the skin, crude, sorted (including feathers simply strung for convenience in handling or transportation), treated, or both sorted and treated, but not otherwise processed (provided for in item 186.15, part 15D, scehdule 1):			
903.70	Meeting both test methods 4 and 10.1 of Federal Standard 148a promulgated by the General Services Administration	Free	No change	On or before 12/31/79.
903.80	Other	Free	Free	On or before 12/31 79. ".

Page 2, line 4, immediately before "date" insert "180th day after the".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN CARBOXYMETHYL CELLULOSE SALTS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12035) to suspend for a 1-year period the duty on certain carboxymethyl cellulose salts, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, will the gentleman from Arkansas kindly explain the legislation?

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 12035 is to suspend for a temporary period, until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts.

As amended by the committee, H.R. 12035 shall be effective the day after enactment.

Carboxymethyl cellulose salts are classified under item 465.87 of the Tariff

Schedules of the United States and are presently dutiable at 8 cents per pound under rate column No. 1, which is applicable to countries receiving most-favored-nation treatment. These chemicals, of which there is only one domestic producer, are used as a synthetic sizing agent in the processing of textiles. The sole producer is currently unable to meet domestic demand and is limiting shipments to its customers who provide chemical compounds of this substance to the textile industry.

Mr. Speaker, there is no objection from the single domestic producer to the proposed temporary duty suspension on carboxymethyl cellulose salts. Planned production expansion by the producer will not be completed in time to alleviate the present shortage in domestic supply. There are no unfavorable reports from any of the executive departments or from any other source.

The committee was unanimous in its favorable report on this bill and recommends its passage.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 12035, which would suspend for 1 year the duty on certain cellulose salts which are used in the processing of textile fibers.

Imports of this item were running last year at an estimated annual rate of slightly more than 250,000 pounds valued at about $130,000. The duty is 8 cents per pound or about 16 percent ad valorem. The principal exporting country is the Netherlands.

The committee was informed that there is only one domestic manufacturing company, which cannot meet home demand. The firm has been producing an estimated 70 million pounds a year and is planning to expand capacity. However, this expansion is not expected to compensate for a current, severe short supply situation for at least a year, which is the period of duty suspension called for in this bill.

Favorable reports on the measure were received from interested executive departments and agencies, and the committee heard no objection from any source. The bill was ordered reported unanimously, and I urge its passage now.

Mr. Speaker, I thank the gentleman for his explanation. I would like to call to the attention of the House that this very desirable legislation was originally introduced by the gentleman from Georgia (Mr. YOUNG). I compliment him on this legislation. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will not object, what countries basically benefit from this import program?

Mr. MILLS. Mr. Speaker, if the gentleman will yield, most of this product comes from the Netherlands.

Mr. ROUSSELOT. Is there any from Russia or China?

Mr. MILLS. Not that I know of.

Mr. ROUSSELOT. I thank the gentleman from Arkansas, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 12035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 905.31 the following new item:

" 907.60	Carboxymethyl cellulose sodium salts of a purity not exceeding 98 percent nor less than 95 percent by weight on a dry weight basis (provided for in item 465.87, part 8A, schedule 4)	Free	No change	On or before the close of the 1-year period beginning on January 1, 1974.".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after January 1, 1974.

Amend the title so as to read: "A bill to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts."

With the following committee amendments:

Page 1, strike out the matter appearing immediately after line 6 and insert the following:

"907.60	Carboxymethyl cellulose sodium salts of a purity not exceeding 98 percent nor less than 95 percent by weight on a dry weight basis (provided for in item 465.87, part 8A, schedule 4).	Free	No change	On or before 6/30/75.".

Page 2, line 4, strike out "January 1, 1974" and insert "the day after the date of the enactment of this Act".

Mr. MILLS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the committee amendments be dispensed with and that they be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

The title was amended so as to read: "A bill to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the four bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PROSPECT OF ANOTHER CRIPPLING NATIONWIDE TRUCKER STRIKE

(Mr. GUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNTER. Mr. Speaker, the country now faces the possible prospect of another crippling nationwide strike by independent truckers, at a time when we are not yet fully recovered from the disastrous effects of the previous strike.

With another strike apparently scheduled by at least one segment of the independent truckers for May 13, I was therefore extremely disturbed to read in the newspaper this morning that the Federal Mediation Service has not yet made an effort to contact those threatening a shutdown and apparently has no plans to do so.

At the same time, little or no effective relief has been provided for the causes of the original nationwide strike, which resulted from the skyrocketing cost of diesel fuel and scarcity of supplies.

I have already introduced legislation to provide meaningful, immediate, and large-scale relief for the Nation's truckers by suspending for 6 months collection of the 4 cent a gallon Federal tax on diesel fuel, tied to a freeze at January 15, 1974, price levels.

However, in view of the prospect of another strike, I believe additional action is called for by the executive branch.

I am therefore introducing today a sense of the House resolution calling on the President to immediately inform the Congress of what steps he is taking or will take in an effort to avert another nationwide crisis similar to the strike which recently imperiled movement of the Nation's food supply and caused unknown economic damage.

I have a particular concern because of a statement attributed to Mr. Mike Parkhurst of Overdrive magazine predicting that a new shutdown will "be tighter in some areas, like Florida" than in others.

But this is a problem that is hardly limited to my own State of Florida.

It threatens the economy of the entire Nation and all its citizens, and therefore deserves prompt attention by all of us.

FINANCING NATIONAL PARTY CONVENTIONS

(Mr. STARK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, this morning we received a letter from George Bush explaining, in response to efforts by a bipartisan committee to seek ways to finance national nominating conventions, that the Republican National Committee at a recent meeting passed the following resolution:

That the Republican National Committee go on record here and now as being strongly opposed to national financing of national party conventions and continue to explore other alternatives.

Mr. Speaker, one can only assume that those other alternatives will include contributions from Bebe Rebozo, ITT, Howard Hughes, and Arab oil money, as this type of action which we have come to expect from the morally and ethically bankrupt Republican leadership.

NATIONAL PARTY CONVENTION FINANCING

(Mr. CRANE asked and was given permission to address the House for 1 minute.)

Mr. CRANE. Mr. Speaker, with all due respect to my esteemed colleague, the gentleman from California (Mr. STARK), I think that he just took a cheap shot.

Concerning the question of public financing, I think that there are some very sound and profound philosophical reasons for objecting to it, and I am sure that those reasons will be articulated when we get into further discussion of this matter. However, to suggest impropriety as the alternative for public financing, in my estimation, is as improper and as out of line as it would be for Republicans to attempt to suggest that because of Bobby Baker or Billy Sol Estes one might indict the Democratic Party.

Mr. Speaker, I think that the gentleman from California may wish to participate in a more extensive debate when we get into the public financing question, and I would be happy to provide him with some of the good arguments against that concept.

CALL OF THE HOUSE

Mr. BLACKBURN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 207]

Archer
Bevill
Blatnik
Brotzman
Brown, Mich.
Carey, N.Y.
Carney, Ohio
Chisholm
Clark
Clay
Conyers
Derwinski
Diggs
Dingell
Findley
Flowers
Frelinghuysen
Gray
Green, Oreg.
Griffiths
Haley
Hansen, Wash.
Hébert
Helstoski
Holifield
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Lujan
Macdonald
Madden
Martin, N.C.
Moorhead, Calif.
Moorhead, Pa.
Morgan
Nichols
Nix
Patman
Pickle
Powell, Ohio
Reid
Riegle
Roncallo, N.Y.
Rooney, N.Y.
Rose
Ruppe
Sandman
Sisk
Smith, N.Y.
Stanton, James V.
Stephens
Stokes
Stubblefield
Stuckey
Treen
Udall

The SPEAKER. On this rollcall 376 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

METRIC CONVERSION ACT OF 1973

Mr. TEAGUE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11035) to declare a national policy of converting to the metric system in the United States, and to establish a National Metric Conversion Board to coordinate the voluntary conversion to the metric system over a period of 10 years.

The Clerk read as follows:

H.R. 11035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Metric Conversion Act of 1973".

FINDINGS

SEC. 2. The Congress finds that—

(1) the use of the metric system of weights and measures in the United States was authorized by the Act of July 28, 1866 (14 Stat. 339); and

(2) the United States was one of the original signatories to the Convention of the Meter (20 Stat. 709), which established the General Conference of Weights and Measures, the International Committee of Weights and Measures, and the International Bureau of Weights and Measures; and

(3) the metric measurement standards recognized and developed by the International Bureau of Weights and Measures have been adopted as the fundamental measurement standards of the United States and the customary units of weights and measures used in the United States have been since 1893 based upon such metric measurement standards; and

(4) the Governments of Australia, Canada, United Kingdom, India, Japan, New Zealand, and the Republic of South Africa have determined to convert, are converting, or have converted to the use of the metric system in their respective jurisdictions; and

(5) the United States is the only industrially developed nation which has not established a national policy committing itself to and facilitating conversion to the metric system; and

(6) as a result of the study to determine the advantages and disadvantages of increased use of the metric system in the United States authorized by Public Law 90-472 (82 Stat. 693), the Secretary of Commerce has found that increased use of the metric system in the United States is inevitable, and has concluded that a national program to achieve a metric changeover is desirable; that maximum efficiency will result and minimum costs to effect the conversion will be incurred if the conversion is carried out in general without Federal subsidies; that the goal for the changeover period be ten years, at the end of which the Nation would be predominantly, although not exclusively, metric; that a central planning and coordinating body be established and assigned to plan and coordinate the changeover in cooperation with all sectors of our society; and that immediate attention be given to education of the public and to effective United States participation in international standards making.

STATEMENT OF POLICY

SEC. 3. It is therefore declared that the policy of the United States shall be:

(a) to change the United States to the metric system of weights and measures in a carefully coordinated manner in order to reduce the cost of such changeover;

(b) to implement the changeover to the metric system through the voluntary participation of the members of each affected sector and group in the Nation;

(c) to facilitate and encourage the voluntary substitution of metric measurement units for customary measurement units in education, trade, commerce and all other sectors of the economy of the United States with a view to make metric units the predominant, although not exclusive, language of measurement with respect to transactions occurring after ten years from the date the Board commerces implementation of the changeover plan pursuant to section 11;

(d) to encourage efficiency and minimize overall costs to society through application of the general principle that changeover costs shall lie where they fall;

(e) to assist in the development of a broad educational program to be carried out in the Nation's elementary and secondary schools and institutions of higher learning, as well as with the public at large, designed to enable all Americans to think and work in metric terms;

DEFINITIONS

SEC. 4. For the purpose of this Act—

(a) The term "metric system of measurement" means the International System of Units as established by the General Conference of Weights and Measures in 1960 and interpreted or modified for the United States by the Secretary of Commerce.

(b) The term "engineering standard" means a standard which prescribes a concise set of conditions and requirements to be satisfied by a material, product, process, procedure, convention, test method, and the physical, functional, performance and/or conformance characteristics thereof.

(c) The term "international standard or recommendation" means an engineering standard or recommendation formulated and promulgated by an international organization and recommended for adoption by individual nations as a national standard.

ESTABLISHMENT OF NATIONAL METRIC CONVERSION BOARD

SEC. 5. There is hereby established a National Metric Conversion Board (hereinafter referred to as the "Board") to implement the policy set out in this Act.

SEC. 6. The composition of the Board shall be as follows:

(a) twenty-one persons appointed by the President who shall serve at his pleasure and for such terms as he shall specify who shall be broadly representative of the American society including industry, labor, business and commerce, the consumer, education, state and local government, science and engineering, and other affected groups. The President shall designate one of the members appointed by him to serve as Chairman and another to serve as the Vice Chairman of the Board;

(b) two members of the House of Representatives who shall not be members of the same political party and who shall be appointed by the Speaker of the House of Representatives; and

(c) two members of the Senate who shall not be members of the same political party and who shall be appointed by the President of the Senate.

SEC. 7. No vacancy on the Board shall impair the right of the remaining members to exercise all the powers of the Board. Eleven members of the Board shall constitute a quorum for the transaction of business.

Sec. 8. Unless otherwise provided by the Congress, the Board shall have no compulsory powers.

Sec. 9. The Board shall cease to exist no later than ten years after implementation of the plan begins as called for by section 11.

DUTIES OF THE BOARD

Sec. 10. It shall be the function of the Board to devise and carry out a broad program of encouragement, coordination, and public education with the aim of implementing the policies set forth in this Act. In carrying out this program the Board shall—

(a) consult with and take into account the interests and views of the United States commerce and industry, including small business; science; engineering; labor; education; consumers; government agencies at the Federal, State, and local level; nationally recognized standards developing and coordinating organizations; and such other individuals or groups as are considered appropriate by the Board to carry out the purposes of this section;

(b) provide for procedures whereby industry groups, under the auspices of the Board, shall formulate and recommend to the Board specific programs for coordinating the changeover in each industry and segment thereof, and for suggesting specific metric sizes, shapes, or other measurements for general use consistent with the needs and capabilities of manufacturers, suppliers, consumers, and other interested groups, and further consistent with the national interest;

(c) publicize, in an appropriate fashion, such programs and provide an opportunity for interested groups or individuals to submit comments on such programs. At the request of interested parties, the Board, in its discretion, may hold hearings with regard to such programs;

(d) facilitate and encourage the development as rapidly as practicable of new or revised engineering standards based on metric measurement units in those specific fields or areas in the United States where such standards will result in rationalization or simplification of relationships, improvements of design, or increases in economy consistent with the efficient use of energy and the conservation of natural resources;

(e) facilitate and encourage the retention in new metric language standards of those United States engineering designs, practices, and conventions that are internationally accepted or embody superior technology;

(f) cooperate with foreign governments and public and private international organizations which are or become concerned with the encouragement and coordination of increased use of metric measurement units or engineering standards based on such units, or both, with a view to gaining international recognition for metric standards proposed by the United States and to encouraging retention of equivalent customary units in international standards or recommendations during the United States changeover period;

(g) assist the public through information and educational programs to become familiar with the meaning and applicability of metric terms and measures in daily life. Programs hereunder shall include:

(1) Public information programs conducted by the Board through the use of newspapers, magazines, radio, television, other media, and through talks before appropriate citizens' groups and public organizations.

(2) Counseling and consultation by the Secretary of Health, Education, and Welfare and the Director, National Science Foundation, with educational associations and groups so as to assure that the metric system of measurement is made a part of the curriculums of the Nation's educational institutions and that teachers and other appropriate personnel are properly trained to teach the metric system of measurement.

(3) Consultation by the Secretary of Commerce with the National Conference of Weights and Measures so as to assure that State and local weights and measures officials are appropriately informed of the intended metric changeover and are thus assisted in their efforts to bring about timely amendments to weights and measures laws.

(4) Such other public information programs by any Federal agency in support of this Act which relate to the mission of the agency.

(h) consult, to the extent deemed appropriate, with foreign governments, public international organizations, and, through appropriate member organizations, provide international standards organizations. Contact with foreign governments and intergovernmental organizations shall be accomplished in consultation with the Department of State;

(i) collect, analyze, and publish information about the extent of usage of metric measurements, evaluate the costs and benefits of metric usage, and make efforts to minimize any adverse effects resulting from increasing metric usage;

(j) conduct research, and publish the results of this research on any unresolved problems associated with metric usage, including but not limited to the impact on workers and on different occupations and industries, possible increased costs to consumers, the impact on society and the economy, effects on small business, the impact on the United States international trade position, the appropriateness of using Federal procurement to effect conversion to the metric system, the proper conversion or transition period, and effects on national defense.

Sec. 11. (a) Within twelve months after funds have been appropriated to carry out the provisions of this Act the Board shall, in furtherance and in support of the policy expressed in section 3 of this Act, develop and submit to the Secretary of Commerce for transmittal with his recommendations within ninety days to the President and both Houses of Congress, in accordance with subsection (b), a comprehensive plan to accomplish a changeover to the metric system of measurement in the United States. Such plan may include recommendations for legislation deemed necessary and appropriate.

(b) Upon transmittal of the plan to the President, the plan shall be delivered to both Houses of Congress on the same day and to each House while it is in session. The Board shall implement the plan after sixty (60) legislative days following the date of delivery to the Congress unless both Houses of Congress by concurrent resolution shall have disapproved the plan, in whole or in part, within the same period.

(c) If a plan is disapproved by the Congress a revised plan shall be submitted by the Board to the Secretary within sixty days. Such revised plan shall be subject to the procedures set forth in subsections (a) and (b).

(d) Any amendment to an approved plan shall also be submitted by the Board to the Secretary and the President and delivered to the Congress in accordance with the procedures set out in this section. Such amendments shall be subject to the procedures set forth in subsection (b).

Sec. 12. The Board shall submit annual reports of its activities and progress under this Act to the Secretary, to the President, and to the Congress.

AUTHORITY OF THE BOARD

Sec. 13. In carrying out its duties, the Board is authorized to:

(a) establish a Board Executive Committee, and such other Committees of the Board as it deems desirable;

(b) establish such committees and advisory panels as it deems necessary to work with the various sectors of the American economy and governmental agencies in the development and implementation of detailed changeover plans for those sectors;

(c) conduct hearings at such times and places as it deems appropriate;

(d) enter into contracts in accordance with the Federal Property and Administrative Services Act of 1949, as amended, with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties;

(e) delegate to the Executive Director such authority as it deems advisable;

(f) perform such other acts as may be necessary to carry out the duties prescribed by this Act.

Sec. 14. (a) The Board is hereby authorized to accept, hold, administer, and utilize gifts, donations, and bequests of property, both real and personal, and personal services, for the purposes of aiding or facilitating the work of the Board. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Board.

(b) For the purpose of Federal income, estate, and gift taxes, property accepted under subsection (a) of this section shall be considered as a gift or bequest to or for the use of the United States.

(c) Upon the request of the Board, the Secretary of the Treasury may invest and reinvest in securities of the United States any moneys contained in the fund herein authorized. Income accruing from such securities, and from any other property accepted to the credit of the fund authorized herein, shall be disbursed upon the order of the Board.

(d) Funds not expended by the Board at the time of expiration of the life of the Board shall revert to the Treasury of the United States.

COMPENSATION OF THE BOARD

Sec. 15. Members of the Board who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Board or otherwise engaged in the business of the Board, be entitled to receive compensation at a rate not to exceed the daily rate currently being paid grade 18 of the General Schedule under section 5332 of title 5, United States Code, including traveltime, and, while so serving on the business of the Board away from their homes or regular places of business, they may be allowed travel expenses; including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service. Payments under this section shall not render members of the Board employees or officials of the United States for any purpose. Member of the Board who are in the employ of the United States shall be entitled to travel expenses when traveling on the business of the Board.

STAFF SERVICES

Sec. 16. (a) An Executive Director of the Board shall be appointed by the President. The Executive Director shall be responsible to the Board for carrying out the metric conversion program according to the provisions of this Act and the policies established by the Board.

(b) The Executive Director of the Board shall serve full time subject to the provisions of section 5315 of title 5, United States Code.

Sec. 17. (a) The Board is authorized to appoint and fix the compensation of such staff personnel as may be necessary to carry out the provisions of this Act in accordance with the provisions of chapter 51 and subchapter

III of chapter 53 of title 5, United States Code.

(b) The Board is authorized to employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, compensate individuals so employed at rates not in excess of the rate currently being paid grade 18 of the General Schedule under section 5332 of such title, including traveltime, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of said title 5 for persons in the Government service employed: *Provided, however*, That contracts for such temporary employment may be renewed annually.

SEC. 18. Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) and such other staff services as may be requested by the Board shall be provided the Board by the Secretary of Commerce, for which payment shall be made in advance, or by reimbursement, from funds of the Board in such amounts as may be agreed upon by the Chairman of the Board and the Secretary of Commerce. In performing these functions for the Board, the Secretary is authorized to obtain such information and assistance from other Federal agencies as may be necessary.

FUNDS FOR THE BOARD

SEC. 19. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Appropriations to carry out the provisions of this Act may remain available for obligation and expenditure for such period or periods as may be specified in the Acts making such appropriations.

The **SPEAKER**. Is a second demanded?

Mr. **PARRIS**. Mr. Speaker, I demand a second.

The **SPEAKER**. Without objection, a second will be considered as ordered.

There was no objection.

GENERAL LEAVE

Mr. **TEAGUE**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 11035.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. **TEAGUE**. Mr. Speaker, I rise in support of H.R. 11035, the Metric Conversion Act. This bill was reported without dissenting vote by the Committee on Science and Astronautics, and it has the support of the administration.

In making the change to the metric system our country is behind the rest of the world. In fact, as the map before you shows, with the exception of eight small nations, Barbados, Burma, Ghana, Liberia, Muscat and Oman, Nauru, Sierra Leone, and Southern Yemen—none of whom are important industrial powers, the United States is the only country in the world which has not made the decision to change to the metric system.

Twenty-five years ago many of our important trading partners, including Canada and England, were still using the customary measures. Today each one of them is making the change to the metric system, and only America has not officially taken this step.

The purpose of the bill is to declare, as a matter of national policy, that the United States will convert to the metric system of weights and measures on a voluntary basis. To perform this coordinating function, the bill provides for the establishment of a National Metric Conversion Board with a life of 10 years, and with a membership of 21 persons broadly representative of all sectors of American society which will be affected by this change.

The United States is now in the early stages of converting to the metric system. Many companies have already announced that they are changing the sizes of their products and the standards to which they are manufactured to the metric system. For example, this year the General Motors Corp. announced that all automobiles manufactured in the United States, including the parts and components made by their subcontractors and other suppliers, will be made according to the metric system within the next few years. Similarly, the school systems of California, Maryland, and Massachusetts have announced that textbooks will be entirely changed to the metric system by the year 1976.

The choice before the committee and the Congress is not whether we should go on the metric system or not. That conversion has already begun. The choice is between continuing the conversion process in an entirely uncoordinated fashion, as is the case now, or going forward with the conversion process on a coordinated basis. The testimony heard by the committee indicated that there was wide agreement on the desirability of going forward with this changeover.

Furthermore, it became apparent that many firms which are now considering conversion are only awaiting a firm statement by the Congress and the President committing the United States to the conversion and to the metric system before they, too, adopt the metric system. The bill includes such a policy statement as well as provisions for the establishment of a National Metric Conversion Board to carry out the coordination function.

The bill declares that it shall be the policy of the United States to change to the metric system in a coordinated manner, and that the purpose of this coordination shall be to reduce the total cost of the changeover. The changeover shall be carried out by means of the vountary participation of each affected sector and group in the Nation.

In order to encourage the efficient changeover and to minimize the overall costs, the general principle that changeover costs shall lie where they fall is included in the policy statement. That part of the changeover period involving active Federal participation shall be 10 years and the goal of the Federal participation in the process shall be that after 10 years metric units shall be the predominant, but not the exclusive, language of measurement in the United States. And finally, the policy of the United States shall be to assist in the development of a broad, national public education program.

The bill provides for the establishment of a National Metric Conversion Board. The Board shall be composed of 21 persons who will be appointed by the President. The members shall serve at the pleasure of the President and they shall serve such terms as he specifies. They shall be broadly representative of those groups in American society which will be affected by the changeover to the metric system, and shall include representatives of industry, labor, business and commerce, the consumer, education, State and local government, science and engineering, and other affected groups.

The membership shall include, in addition, two Members from the House of Representatives and two Members from the Senate of the United States. The President shall designate one of the Members to serve as Chairman and another to serve as Vice Chairman of the Board. The bill further provides that the Board shall have a life of 10 years and that unless otherwise provided by the Congress it shall have no compulsory powers.

The bill provides that the Board shall perform three major functions: The development of a broad, overall conversion plan for the United States, the implementation of this conversion plan in all sectors of American society where weights and measures are used, and the conduct of a program of public education in the metric system at all levels from elementary to adult education with the objective that the American people become familiar with the meaning and use of metric terms and measures in their daily lives.

The Board shall consult with and take into account the interests and views of industry, labor, the consumer, and other groups who would be affected by the changeover to the metric system. The intent of this consultation process is that each sector or industry in the country shall be asked, on a voluntary basis, to develop its own plan for the conversion to the metric system in such a time period as that group feels to be in their own best interest insofar as efficiency and minimum costs are concerned.

The Board shall carry out programs of public education and information aimed at making every citizen of the United States familiar with the metric system. These programs shall include public information activities conducted by the Board itself through the use of newspapers, magazines, radio, television, and other media; consultation by the Secretary of Health, Education, and Welfare and by the Director of the National Science Foundation with education associations and other education groups to insure that the metric system is made a part of the curriculum in all of the Nation's educational institutions and that teachers are trained to teach the metric system; consultation by the Secretary of Commerce with the National Conference of Weights and Measures to assure that weight and measure officials in each State and local jurisdiction are fully informed of the metric changeover activities in the country and are assisted in their efforts to bring about timely amendments to weight and measure laws; and such other public information activities by any Federal agency which would relate to the mission of the agency.

The bill provides that the Board shall prepare a comprehensive, overall metric conversion plan for the changeover of the United States to the metric system in accordance with the policies established by the act. The plan may include recommendations for legislation deemed necessary or appropriate by the Board. The plan shall be completed by the Board within the first 12 months after funds have been appropriated to the Board. When it is completed the plan shall be submitted to the Secretary of Commerce who, no later than 90 days after he received it shall submit it to the President and to both Houses of the Congress accompanied by such recommendations that he deems appropriate.

The bill further provides that the plan shall be submitted by the Secretary to both Houses of the Congress on the same day and on a day on which each House is in session. The Congress after reviewing the plan may disapprove it, in whole or in part, by concurrent resolution within 60 days of receipt of the plan. If the plan is not disapproved by the Congress, the Board shall implement it after the 60-day congressional review period has expired. If the Congress does disapprove the plan, then the bill provides that the Board shall submit to the Secretary of Commerce a revised plan within 60 days of the date of such disapproval.

The revised plan shall be submitted by the Secretary of Commerce with his recommendations, if any, to the Congress and be subject to the same period of 60 days of review and disapproval as the original plan. If, after a plan has been approved and implementation has begun, the Board determines that there is a need to amend the plan, an amendment to the plan shall be submitted by the Board for review and approval in the same manner as the original metric conversion plan.

I am convinced that this bill is good for the country. Perhaps I will never learn the total metric system myself, but there is no doubt that today's schoolchildren will learn it sooner or later, and before long the housewife who goes shopping will understand it.

American industry has begun to adopt the metric system in growing numbers, and those companies which are going metric are doing so because it makes economic sense. Even though the change involves added cost, they are going ahead because in the long run the change will more than pay for itself.

But the change to the metric system is proceeding in an entirely uncoordinated manner with the result that the total cost of going metric is much higher than it needs to be, mainly because it will take longer. This bill will provide a way to reduce the time of the transition period and thereby reduce the total cost.

I want to stress, however, that H.R. 11035 would preserve the right of each individual and each business firm to decide whether to go metric. The bill provides that the adoption of the metric system shall be entirely voluntary. As noted, the bill would establish a National Metric Conversion Board which, among other things, would have the job of assisting those who want to adopt the metric system and coordinate the change with others in the same industry.

The life of the Board would be limited to 10 years. After that time period we expect that the metric system would be in general use in our schools and industry, although the customary units might still be found in many places where it is advantageous to keep them.

The Committee on Science and Astronautics has had this subject under study since 1959. In 1968 our work led to the enactment of Public Law 90-472 which called upon the Secretary of Commerce to investigate and appraise the relative merits of adopting or not adopting the metric system. The result of the study was the report "A Metric America" which was issued in 1971. It recommended the adoption of the metric system over a 10-year period.

H.R. 11035 was reported by the committee after extensive hearings last spring. I know that some would like a bill that goes further by providing subsidies. The committee concluded that this would be unwise and that no exceptions should be made to the general principle that "costs shall lie where they fall." A similar bill was passed by the Senate in the 92d Congress which followed this same principle.

Mr. Speaker, H.R. 11035 is a step in the right direction for America. I urge its adoption by the House today.

Mr. Speaker, we will have this map in front of the House for just a few minutes. The white shows the countries not committed to the metric system, and the colored portion shows the countries that are committed to the metric system. It is very easy to see where our country stands.

Mr. Speaker, regardless of what is said following what I have to say, this bill is completely voluntary. It does not cost one single solid cent, except for the administration of the bill. It is simply an attempt to try to give guidance to something that is happening in a haphazard way.

Mr. Speaker, the committee held extensive hearings on this bill. It has been pending in the Congress since 1886. I never expect to learn the metric system, and the only reason I am supporting the bill is because I think it is good for our country.

There are statements being made about this bill that are absolutely false, and I hope the Members will take the time to know what is in the bill and will support the bill.

Mr. MOSHER. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Ohio.

Mr. MOSHER. I thank the gentleman for yielding.

I am sure the gentleman from Texas will agree with me that we on the Science Committee fully understand the concern that has been expressed for possibly the impact on small business as a result of this bill.

With that in mind, as an effort to make legislative history today, will the gentleman from Texas respond as to whether or not he agrees with the following statement I am going to read, which is in a few brief paragraphs?

It is definitely the understanding and intent of our committee that small businesses should be able to get loans under the provisions of the Bible amendment to section 7(b) of the Small Business Act in order to meet special economic hardships that might result from passage of this metric bill.

For example, a small business that could be eligible in our view for an economic disaster relief loan would be a parts supplier to a major firm that decides to go metric and informs its suppliers that they must convert immediately to metric output in order for their products to be used in the future by the big firm.

I spoke just a few hours ago with the Small Business Administrator, our former colleague, Tom Kleppe, and he told me that he agrees with our belief that Bible amendment assistance would be available to small firms forced to convert capital equipment to metric faster than they would normally replace their equipment.

The Commerce Department and the Office of Management and Budget agree with this opinion, according to conversations we had with them this morning.

The committee feels that this loan assistance is completely in keeping with the "no cost" nature of this legislation and that it is consistent with our intent to let the costs of conversion lie where they fall. The small business would be required to pay back the full loan plus the Government's cost of borrowing. The SBA loans, though, are clearly necessary to assure that the small firms can get the capital they need in this time of tight money and exorbitant interest rates.

To get the best perspective on the so-called Bible amendment I would like to quote briefly from Senator BIBLE's statement on the floor of the Senate on February 7, 1973, when he introduced his legislation:

> I believe that a uniform approach of one statute would be desirable and would avoid many problems. It would consolidate the existing enactments under a single statute and provide a single framework for the extension of this loan program to other fields. We believe that helping small business into compliance with new governmental standards is sensible and it is also sound as a budget matter.

Finally, let me note that the National Small Business Association, representing almost 50,000 independent firms, has written to me advising that they support this bill as long as they are assured eligibility for SBA economic disaster relief loans.

Mr. TEAGUE. I would certainly agree

with the gentleman from Ohio and would not object at all to it being written in the bill. I know the gentleman is attempting to make legislative history. I certainly agree with the gentleman from Ohio.

Mr. BELL. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from California.

Mr. BELL. Mr. Speaker, today, I would like to urge my colleagues to unanimously support H.R. 11035, the Metric Conversion Act of 1973. As the ranking minority member of the Subcommittee on Science, Research and Development that originally investigated this legislation, I can attest to the fact that this particular measure is both necessary and beneficial to our country.

The Metric Conversion Act of 1973 would convert America's system of weights and measures from the customary inches, feet, pounds, and quarts to the metric system of centimeters, meters, kilograms, and liters. Currently, the United States is joined in its resistance to the metric system only by Barbados, Burma, Gambia, Ghana, Jamaica, Liberia, Muscat and Oman, Nauru, Sierra Leone, Southern Yemen, Tonga, and Trinidad.

I am convinced that this change is both inevitable and beneficial, and that we must now move to accomplish the change in a planned, orderly and equitable fashion. Metric conversion will provide three large areas of benefit to the United States. First, America's position in international trade will be substantially improved. Second, once completed, it should yield great savings at home and in industry because of its inherently great efficiency. I also believe that metric conversion by the United States would make a significant aspect of daily life truly international by bringing the peoples of the world closer together.

The bill before us today, H.R. 11035, declares a national policy of converting to the metric system and establishes a National Metric Conversion Board to coordinate the conversion activities over a period of 10 years. It is important to point out and to emphasize that this conversion is entirely voluntary.

At this time I would like to remind my fellow colleagues that many industries are presently in the process of converting to the metric system; many industries have already converted to the system; many industries are currently working in a system using standard measurements at home and metric measurements abroad. This latter system is extremely costly, but nevertheless must be in existence if a company desires to remain in the foreign market. A prime example of this is in the automobile industry. In our country today there are many cars on the market with metric components.

It is inevitable that we will consistently increase our use of the metric system, even in the absence of congressional action. It would seem, therefore, that the wise decision for Congress to make at this time would be to provide the country with an orderly and effective means for metric conversion. Individual States have already taken the initiative in this regard. California is leading the Nation in metrification. By the fall of 1976 all mathematics and science textbooks used in all California schools will use only metric measurements. Ohio has road signs designated in metric and Maryland is fast following California's lead in the area of education.

The time has come for Congress to take the initiative—we cannot wait until there is a "crisis situation" before we convert to metric. H.R. 11035 gives us the opportunity, not to surge forward and become pioneers, but rather to catch up with the other nations of the world. The United States needs H.R. 11035 and we cannot afford to delay this legislation any longer.

Mr. TEAGUE. There is no question that California is in the lead and we hope all our schools will be going to the metric system.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker. I appreciate the gentleman yielding.

As the gentleman knows, this is really quite an important bill, and it goes into a great many fundamental aspects of American society, including business and education and the military and the general economy. It gets right down into the daily lives of the American people, and, as the gentleman said a minute ago, we do not know a great deal about it.

What I find it difficult to understand, I may say to the gentleman from Texas, is why a bill of this magnitude is brought here under a suspension of the rules with 20 minutes debate on each side and with no opportunity to educate ourselves. It does seem to me a bill of this kind ought to be brought in here with a rule and with opportunity to discuss it and also to amend it. I regret that the gentleman and his committee have seen fit to try to do this under a suspension. It is too important a bill.

Mr. TEAGUE. I would say to the gentleman from Indiana I agree with him completely. Our committee went to the Rules Committee and asked for an open rule on this bill. They not only gave us an open rule but they also made in order amendments that were subject to a point of order. That is exactly the reason this bill is brought before the House the way it is.

Mr. DENNIS. The gentleman is just saying he got a rule and he does not want to use it. I think we ought to have a rule.

Mr. TEAGUE. We got a rule making in order amendments that were subject to a point of order. This is a complete reversal of what we have been hearing here about closed rules. We did not ask for a closed rule. We asked for an open rule, but we certainly did not expect the committee to give us a rule making in order amendments the committee had considered thoroughly and had voted down. The Rules Committee not only wanted to give us a rule but they also wanted to write the bill.

Mr. DENNIS. I appreciate the gentleman's statement, but the rest of us have some input besides the Rules Committee and the gentleman's committee. It is nevertheless true that without any rule at all we are going to try to ram this through the House with 20 minutes for each side under a suspension of the rules.

Mr. TEAGUE. Mr. Speaker, I will agree with the gentleman, but I still do not expect the Committee on Rules to rewrite the bill after all this hard work has been done on it.

Mr. PARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Speaker, I want to agree wholeheartedly with the chairman of the committee. I would support this measure coming to the floor of the House under an open rule.

I testified before the Committee on Rules in that behalf; but what happened was that the Rules Committee granted a special rule which permits this coming to the floor of the House—with the right to offer nongermane amendments in violation of the House Rules—amendments which are desired by certain limited elements of organized labor. These proposed nongermane amendments are contrary to the whole purpose and purport of this bill and would require the waiving rules. The measure before us would establish a Federal mechanism enabling the private economy and our private educational institutions to voluntarily convert to the metric system over a 10- to 12-year period. However, those nongermane amendments would make a boondoggle precisely of the kind the gentleman from Indiana is opposed to.

I sponsored a much stronger bill, but I reconciled myself to supporting this bill which comes to the floor of the House today, even though I felt we needed a lot more discipline because we are lagging behind. As the map which was displayed indicated, we are the last industrial country in the world that has not converted, or is not in the course of converting to the metric system.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Indiana

Mr. DENNIS. I just wonder what the big rush is. We have been 200 years without this.

Mr. McCLORY. Let me answer that.

Mr. DENNIS. This is one of the last things the people in my district, whom I represent, are asking for.

Mr. McCLORY. Mr. Speaker, there is no great rush here. We have been at this since the founding of our Nation. In 1790 George Washington directed Thomas Jefferson, who was then Secretary of State, to investigate the subject of a system of weights and measures. This authority to fix standards of weights and measures is provided in the Constitution, as the gentleman knows. In 1821 Secretary of State John Quincy Adams recommended that the new French system would be a viable system for our Nation to adopt.

In 1968 the Congress authorized a 3-year study, a very responsible 3-year study which was completed and came to us and to every Member of Congress in July 1971. This report provided the precise kind of mechanism that we are recommending today

It has taken a long time to get this measure to the floor of the House and it has taken a long time for this Nation to come of age, so far as the adoption of a viable system of weights and measures which we can use on an international basis. Today is the day of decision and today is the day when the Congress of the United States should recognize that we are in the 20th century, that we are a world power dealing with nations throughout the world with whom we have to carry on extensive trade and commerce. That is the reason why this legislation can benefit the entire Nation.

The educational institutions of our country are already converting. General Motors is already converting and 40,000 General Motors suppliers are already converting.

It is possible, of course, that they may want to do it in their own private individual way; but I say that the Federal Government has a responsibility to establish the mechanism by which all industry may act on a voluntary basis, and so that all education on a voluntary basis over a 10- or 12-year period of time may convert to the metric system of measurements.

The nongermane amendments that I expect will be offered, if this measure comes to the floor under the rule voted by the Rules Committee, will authorize Federal handouts, in the form of Federal subsidies, gratuities, and loans for businesses and for workers.

Let me say that 145,000 automobile repair shops without any Federal subsidies, and without any Federal compulsion, are already repairing foreign cars manufactured according to metric measurements. We do not need that kind of a subsidy program. Our private economy can and should absorb the costs. We should "let the costs lie where they fall"—as the report recommends. The exaggerated estimates of what this program of gradual conversion would cost are outlandish.

Every nation that has converted has found tremendous advantages which develop in the course of conversion, and the costs are not what they are estimated to be. In the course of converting they have developed labor-saving and cost-saving practices. Converting to the metric system would enable the Nation to improve and advance.

Let me suggest that we support this bill today. The bill after it leaves here, of course, will go to the Senate; but I think this is a good bill in its present form. All the offers of amendments have been reconciled by the committee. I have resigned myself to take this bill in this form.

The other amendments that the gentleman from Hawaii (Mr. MATSUNAGA) would like to offer were carefully considered by the committee over a long period of time. This is a very late date in our history for us to consider this legislation. I hope it will be adopted and approved overwhelmingly today.

Mr. Speaker, even without this legislation the United States is in the process of converting to the metric system of weights and measures. The present legislation, H.R. 11035, does not determine whether or not this country will go metric. However, what we decide here today answers a simple question—will the changeover to the metric system in this country result from costly drift, or will it progress through efficient design? In my opinion, we must, by passing this bill, bring our unplanned and uncoordinated drift to a halt and provide a structure for change, which will thereby save the people of this country millions of dollars that otherwise will be lost through inefficiency and waste.

Mr. Speaker, as I indicated earlier, Thomas Jefferson, then Secretary of State under President Washington, attempted to establish a uniform and stable system of weights and measures, in which all units of measure would be divisible by 10. At about this same time the metric system was developed in France. It possessed many qualities that had appealed to Jefferson, and it has had great and lasting influence throughout the world.

Mr. Speaker, to a degree Jefferson's early efforts in this country bore fruit, but only after the passage of many years. The Congress sanctioned the metric system in 1866 for use in this country. Later this country endorse the Treaty of the Meter and joined every other major country in the world in endorsing the metric system as the internationally preferred system of weights and measures. In 1893, the metric system was adopted as the standard of measure for this Nation.

All during this time there were great pressures applied to Congress to prevent the country from adopting the metric system as the predominant language of measure. There were several reasons for this obdurate opposition. For example, some people objected to the metric system because it was considered to be "foreign" and thus not to be trusted. Foreign, however, did not mean England and its dependencies. These English-speaking countries represented our major trading partners. Along with Japan, these same countries are still major trading partners—but with a difference. They have all made conversion to the metric system. Thus, if we are to retain our old trading partners, remain competitive, and enlarge our position in world trade, we too must convert to metric.

This is a step that many companies have recognized as vital and have taken on their own initiative, allowing costs to lie where they fall. For example, one of the most outspoken opponents of the metric system for many years was the automobile industry, but it has now begun a voluntary conversion program. This step was not taken because the industry suddenly realized that the metric system was the superior kind of measure—only because it became economically necessary to convert and thereby remain competitive.

Mr. Speaker, so far in this country economic compulsion has been the driving force for voluntary conversion. H.R. 11035 will retain this free enterprise characteristic. The bill calls for a voluntary conversion over a 10-year period so that at the end of the goal year, 1986, the Nation will be predominantly but not exclusively metric. Thus, large and small business and other sectors of the economy are not being compelled to convert to the metric system. To the contrary, all segments of our society will voluntarily decide to convert when it becomes economically feasible, if not profitable, for them to do so. The Metric Conversion Board, made up of representative segments of our economy, will coordinate and plan continuing metric conversion, taking all viewpoints into consideration.

In addition, it is important to point out that attempts by certain groups to adversely influence the Congress against metric conversion by citing conversion costs of billions of dollars, with little or no real substantiation for such claims, have been of no avail. Up to this time we have had no such costs and we expect none in the future. If this country was not already going metric and if adopting this legislation meant that we would in a mandatory way change over to metric the next day, then and only then would conversion costs be of the proportions claimed by these groups. Out of consideration of and concern for conversion costs, Congress decided to extend the voluntary conversion period over 40 years—more time may be granted by the Metric Conversion Board if it is necessary—so that we can have a reasonable length of time in which to convert. In 10 years many instruments, machines, and so forth, will wear out, and can be replaced with metric equivalents. It is the intent of Congress that at the end of 10 years we will be predominantly but not exclusively metric. Thus, we are tacitly recognizing that the process of conversion may not be 100-percent completed after 10 years, but that which may remain will have been planned for and coordinated with the rest of the economy.

Mr. Speaker, three labor unions, which by no means represent all labor, have been making claims about huge conversion costs and how such costs will hurt the worker and the country. We know that over 10 years the costs will not be high and that in the experience of the rest of the world, the workers, have, indeed, benefited from metric conversion. For example, I recently received a telegram from the English Metrication Board in London, in which it is made quite clear that workers in Great Britain have supported metric conversion. The main point English labor wanted to make clear was that it did not favor a prolonged conversion period. The telegram reported that by the end of 1973 over 80 percent by value of all new design in Great Britain was metric, except in the public sector where the changeover is virtually accomplished. In addition, almost all materials and components are now being made in metric sizes in that country.

Mr. Speaker, I have been told that in every country in the world that has recently undertaken metric conversion the workers have supported such a change. I can only conclude that they have taken such a position because it serves their best interests. Thus, I am sure that the majority of the workers in the United States support metric conversion and the present legislation. Experience in this country has shown that companies replace measurement-sensitive tools for their workers and provide on-the-job instruction of the metric system to their workers, some of whom have found the metric system easier to learn than the customary system and have said so for publication.

Mr. Speaker, it is important to note that most of the tools used by workers in this country and elsewhere are not measurement sensitive, that is, very few tools now in use would have to be replaced with metric tools. For example, a carpenter may need a new measuring tape or simply use the metric measure on his dual unit tape, but he will not need to buy new hammers, saws, nails, et cetera. For auto mechanics, such a changeover will make little difference since they have been repairing metric made foreign autos for years and have had the tools for just as long.

Mr. Speaker, in regard to education, we have been instructing our young scientists and engineers for many years in the use of the metric system. It is worthy of our attention to note that the metric system has been and still is the language of measure in our outstanding and famous scientific community. Most of our scientific institutions are predominantly metric and have been for years. In regard to general public instruction, I have been told that California has begun the conversion process in all of its public schools, and that other State school systems are taking similar steps.

Mr. Speaker, I have a deep and abiding faith and confidence in the ability of the American people to learn and adapt to new conditions, even a different manner of measure. There are abundant examples of this ability to change throughout our history and even in the present. This is what makes our country great and strong. However, the question is not will we change, but how will we change? This is what is so crucial about this legislation. In order to prevent waste, duplication of effort, and other costly problems, we must have a structure for a planned change. This is the only way to prevent waste and the astronomical costs and damage to workers. Some groups are so overly concerned about their particular interests that they fail to recognize the voluntary nature of our planned and coordinated conversion to metric. They fail to understand that each sector of the economy will be represented and have its interests represented on the Metric Conversion Board. In another regard, we must coordinate and promote metric conversion if this Nation is to have any influence on the establishment of world metric standards, in which we must participate actively—if we are to remain competitive in world markets. I call upon all my colleagues to support the present legislation and vote for its passage.

Mr. Speaker, why it is that when we propose a Federal program—or we propose the cooperation and assistance of a Federal department or agency—we feel there has to be a Federal subsidy, I do not know.

Opponents of this legislation today, purporting to speak for the working men and women of the Nation, want us to vote a subsidy, a gratuity, for tools for workmen—or reparation. The working men and women of the Nation are not so useless—so helpless—that they cannot secure their own tools—without the creation of a new Federal bureaucracy and a handout of Federal funds.

According to my advice there are 145,000 automobile repair shops in this country, all of which already have the tools with which they can repair Volkswagens—and other cars made according to the metric system.

Carpenters will be able to use their same hammers. And it will take them but a few hours to adjust to the use of centimeters and meters on their new rules and squares and other measuring devices.

And whatever they do, they will do voluntarily with the other carpenters and tradesmen—over a 10- or 12-year period—with a maximum of cooperation—and a minimum of governmental interference—as well as a minimum of personal expense—or inconvenience.

This is a relatively weak bill. It provides very little in the way of Federal compulsion. In my view, we would benefit far more from a measure which contained greater discipline—and which would avoid the opportunities for virtual nullification of this legislation by the possible disapproval of a metric conversion plan or other steps which are possible under the pending measure.

But one saving—all important—feature of this bill is that it does not provide for Federal subsidies or grants or gratuities which would convert the whole subject to metric conversion into a bureaucratic boondoggle and a maze of confusion, favoritism, and conflict.

Let me ask, for instance, what justification could we have for providing Federal grants to any economic segment of our society whether it be in the area of education, or in behalf of business large or small, or the working men and women of the country, unless at the same time we were willing to provide equal benefits for those educational institutions and systems which have already undertaken a program of metric conversion with their own resources, their own funds, or with money borrowed in order to carry out a voluntary program, including funds which they have already repayed.

The metric study which was undertaken over a period of 3 years, and which was followed by a survey of business, large and small, as well as the educational community and other areas of interest in this subject, indicated no justification for any such subsidy or grant programs. The report contained a flat proposal that the costs shall fall where they lie. Indeed, that has been the experience of other nations. This bill carries out that principle and avoids that hazard to the maximum.

And I urge you to give it your overwhelming support.

Mr. TEAGUE. Mr. Speaker, I yield 5 minutes to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Speaker, I rise in reluctant opposition to the motion to suspend the rules and pass H.R. 11035, the proposed Metric Conversion Act of 1973.

My reluctance stems from two sources. First, I find myself opposing two great friends for whom I have the greatest respect, the distinguished gentleman from Texas (Mr. TEAGUE), and the distinguished gentleman from Georgia (Mr. DAVIS), the chairmen of the full committee and the subcommittee, respectively, out of which the bill was reported. These two gentlemen have worked diligently to come up with a measure that would ease the trauma of metric transition for as many Americans as possible.

Second, I find myself in the most awkward position of opposing the passage of a bill which, in principle, I favor. As a matter of fact, I have sponsored bills similar to H.R. 11035 in this Congress and the 92d Congress. My objections go, not to the substance of H.R. 11035, but to its being considered under suspension of the rules.

H.R. 11035 was the subject of intense consideration in the Rules Committee, of which I am a member. A rule was granted for this bill on March 11 of this year. It is an open rule, permitting full and open discussion of the merits of the bill and of any amendments a Member of the House might wish to offer. It also makes in order the offering of two possibly nongermane amendments, covering matters which were considered by the legislative committee but rejected.

Yet today the House is being asked to approve this highly controversial bill under a procedure more properly reserved for noncontroversial matters—a procedure which completely precludes any amendments.

I am convinced that at least three amendments to H.R. 11035 are necessary.

The first is one to extend the transition period from 10 years to 15 years. The committee took its 10-year figure directly from the study, "A Metric America," from which the basic conversion recommendation was taken. That study offers no solid justification for choosing 10 years. Some wanted more time, the study said, and some wanted less. My own contacts among business and labor representatives almost universally favor a longer transition period. The administration, through the Department of Commerce, has informed me that it "would have no objection to extending the changeover period from 10 to 15 years and prolonging the life of the Board from 10 to 15 years."

Another amendment I am unable to offer today because of the procedural setting concerns small businessmen. My amendment would make eligible for SBA loans those small businessmen who would suffer serious economic injury as a result of the conversion plan. The National Federation of Independent Business, with about 350,000 members, testified some time ago that it would oppose any metric bill not including this loan authorization. In fact, the "Metric America" study admitted that:

> The Government would have a special responsibility toward small businessmen in the conversion period, and that training programs and other forms of technical assistance might warrant Government support.

The third amendment to H.R. 11035 which I am being denied the privilege of offering, relates to worker assistance. Many thousands of individual workers are required by employers to furnish their own tools. Many work for several employers in the course of a year. One labor union alone, the United Brotherhood of Carpenters and Joiners, estimates that its members would lose some $350 million dollars if H.R. 11035 were to pass as reported. It is beyond the technical capacity of an individual Member to calculate what the overall costs of worker assistance might be; indeed, the committee itself finds it impossible to put an accurate price tag on overall conversion. So my amendment is formulated in the most flexible terms possible, to give the Board the authority needed to assist workers who would be injured by the conversion. This, too, was recognized by the "Metric America" study. In addition to technical training for self-employed craftsmen, which "might warrant Government support," the report states that:

> Workers' loss of experience would be real and substantial, and that it would be important to ensure that this problem is dealt with equitably in the design of a national plan.

Mr. Speaker, the underlying principle in H.R. 11035 is that metric conversion should "let the costs lie where they fall." This ignores the fact that the legislation itself causes the costs to fall differently than if no legislation were enacted. Indeed, if the legislation were not designed to speed up the conversion process, there would be little justification for it.

Unfortunately, the suspension procedure provides no opportunity to debate these issues fully. I urge my colleagues, therefore, to oppose passage of H.R. 11035 under suspension of the rules, so that it can be considered under the rule already accorded it by the Rules Committee.

Mr. TEAGUE. Will the gentleman yield for just 1 minute for a question?

Mr. MATSUNAGA. I yield to the gentleman from Texas.

Mr. TEAGUE. Did the gentleman appear before the committee or express any interest in these ideas before it went to the Rules Committee?

Mr. MATSUNAGA. Did I appear before the committee?

Mr. TEAGUE. Yes.

Mr. MATSUNAGA. No, because I was not notified as to when the hearings were being held.

Mr. TEAGUE. At the beginning of this Congress it was announced that this bill would be taken up. If the gentleman had been really interested, he would have let it be known.

Mr. MATSUNAGA. Mr. Speaker, I will point out to the gentleman that the amendments which I propose were even recommended by his study called "Metric America." Why the gentleman's committee, after 3 years of study coming up with a recommendation, turned down the recommendations, I do not know.

Mr. TEAGUE. If the gentleman will yield further, every amendment the gentleman has suggested was considered and was voted down.

In fact, some of them were considered so far out of line that they did not even vote on them. The amendments were considered in committee, and the Department of Commerce recommended 10 years; they did not recommend 15 years.

Mr. Speaker, I would not object to 15 years. It is completely voluntary. There is not one compulsory thing in this bill except to provide for a study.

The SPEAKER. The time of the gentleman from Hawaii (Mr. MATSUNAGA has expired.

Mr. TEAGUE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. Mr. Speaker, I wish first to respond to the gentleman from Texas (Mr. TEAGUE) and then I will yield to the gentleman from Illinois (Mr. McCLORY).

The gentleman will recall that when this measure was taken before the Committee on Rules, hearings were held. At that time real interest was created among labor representatives, and the Carpenters Union, in particular, was really concerned about this bill as it was reported out by the gentleman's committee, and its representatives suggested an amendment. I would like to offer such an amendment.

Mr. Speaker, the small businessmen's association, the National Federation of Independent Business, consisting of 350,000 or more members throughout the United States, voiced opposition to the bill as it was reported out of the gentleman's committee, and I proposed to quell that objection by offering an amendment, as was proposed by that businessmen's association.

These amendments, the gentleman will recall, are in keeping with recommendations in the committee's very own report called "A Metric America."

Mr. Speaker, if the gentleman will check, he will find that to be so. I see that the gentleman is shaking his head.

The amendments which I propose to offer, in any event, were discussed fully in the committee and rejected. But why should we not, under the open rule which was granted by the Committee on Rules, have an open debate here on the floor, and allow the House to determine whether the amendments should be adopted or rejected?

I am all for the bill. As the gentleman knows, I was one of only four members in the Committee on Rules who voted to report the bill out in its original form under an open rule. That effort, however, failed, and it was only after I had worked up an amended rule, making my amendments in order, that the rule was granted. All I am asking is that the bill, H.R. 11035, be called up for consideration by the House under that rule, instead of under suspension of the rules.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from Texas.

Mr. TEAGUE. Mr. Speaker, I will ask the gentleman one more question:

Did not the report state that the costs shall be borne where they lie?

Mr. MATSUNAGA. Mr. Speaker, this is what the committee proposal intends to do. However——

Mr. TEAGUE. It is what the report says.

Mr. MATSUNAGA. Yes, the report says that, and my amendments would put the costs squarely where they lie, and would be directly in line with what the committee intended.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Hawaii (Mr. MATSUNAGA) has expired.

Mr. MATSUNAGA. Mr. Speaker, I regret that I do not have any further time in which to yield to the gentleman.

Mr. TEAGUE. Mr. Speaker I yield 1 additional minute to the gentleman from Hawaii (Mr. MATSUNAGA), so that the gentleman from Illinois may ask a question.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, the question I have is this:

The legislation before us provides that there would be a plan which would come back to the House of Representatives after a year, and there would be 60 days provided within which the House and the Senate could disapprove the plan. Among the powers given to the Metric Conversion Commission is the power to recommend legislation for the House and the Senate to consider. So that if any such legislation was recommended by them or by the representatives of labor, under the Metric Planning Commission, if it was recommended that we should have a subsidy provided for labor, and that we should pay for the tools of the working men and provide subsidies for an educational program—which I do not think is essential at all—but if that were decided, then we would have an opportunity at a later time to pass upon that proposition.

We do not need, Mr. Speaker, to build this provision into the bill at the present time and create another bureaucratic monster.

Mr. MATSUNAGA. Mr. Speaker, I was granted 1 additional minute so that the gentleman could ask a question, not make a statement.

Mr. McCLORY. Mr. Speaker, I will ask the gentleman: Is that not a fact, that it would be in the bill and we could get those proposals from the Commission as provided?

The SPEAKER. The time of the gentleman from Hawaii (Mr. MATSUNAGA) has expired.

Mr. MATSUNAGA. Mr. Speaker, I am afraid the gentleman has used all the time at my disposal.

Mr. PARRIS. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. TEAGUE. Mr. Speaker, will the gentleman yield for 30 seconds?

Mr. GROSS. Mr. Speaker, I will yield to the gentleman if he will yield me additional time.

Mr. TEAGUE. Mr. Speaker, I will yield to the gentleman whatever time I use.

Mr. Speaker, I would like to congratulate the gentleman from Iowa (Mr. GROSS) for coming before the committee and offering his thoughts. The gentleman gave us his views, after giving a lot of thought and study to this bill, which I know the gentleman opposes.

Mr. GROSS. I thank the gentleman from Texas for his remarks and say to him that while we are on opposite sides of this issue it is not often we find ourselves so arrayed.

Mr. Speaker, before the end of this debate of only 40 minutes, on a bill that is estimated to cost the people of this country between $60 billion and $100 billion, I would like to hear an explanation of why it is before us under suspension of the rules instead of the rule that was granted some 6 weeks ago that would have permitted 2 hours.

Mr. TEAGUE. Will the gentleman yield?

Mr. GROSS. I would like to make my statement.

Mr. TEAGUE. I will yield the gentleman another minute if he will allow me time to answer that.

Mr. GROSS. How many minutes did the gentleman yield?

Mr. TEAGUE. It is the amendments that have been offered that would cost $60 billion. It is not what is in the bill but it is the amendments that have been offered that would cost that.

Mr. GROSS. How much time did the gentleman yield, Mr. Speaker,

Mr. TEAGUE. Whatever I used I will yield.

Mr. GROSS. Mr. Speaker, how much time did the gentleman consume?

The SPEAKER. Will the gentleman from Texas yield 1 minute to the gentleman from Iowa?

Mr. TEAGUE. I yield the gentleman 1 minute.

Mr. GROSS. Mr. Speaker, last year I presented to the House a study by the General Accounting Office which thoroughly discredited the Department of Commerce report urging the establishment of an accelerated program to convert this country to the metric system.

I asked the GAO to make a study of the report because I suspected it was biased. Those suspicions were fully confirmed.

I have also obtained a transcript of a meeting held by members of the Commerce Department's Metric System Study Advisory Panel, at which the Department's report to Congress was discussed.

Mr. Speaker, this document is a blueprint of how to deceive the American people and Congress. I do not believe I have ever read a more damning record of such intent.

The writers of the Commerce Department report, urging conversion to the metric system, were afraid that if the American people knew the true costs of this project they would reject it out of hand. So, they simply decided not to tell them. And they decided not to tell the Members of Congress.

The comments of members of the advisory panel are most interesting. These people knew the cost of the proposed conversion would be a staggering $60 billion or more. Not $10 billion, or $20 billion, but $60 billion.

It bothered panel member William J. Harris, a vice president of the Association of American Railroads. He said:

> I think the $60 billion figure is just going to stick in people's minds and . . . stick in people's throats, and I don't know what to do about it . . . It comes out awfully hard, even though you have explained around it.

Panel member Daniel De Simone, who was also the director of the study responded in this fashion:

> Bill, what you say about the $60 billion figure has been said by many other people who consider it rather scary and unwarranted in terms of the data we have analyzed.

The next panel member to comment on this staggering cost figure was William D. Rinehart, assistant general manager of the American Newspaper Publishers Association Research Institute, who had this to say:

> The bill, as provided by Congress, asked the Commerce Department to evaluate the cost. Sixty billion, if that's the cost, I think it is the responsibility of the Secretary of Commerce to record it as such.
>
> To hide it or to put it into some other form in this report would cause the report to be dishonest.

This is precisely what happened.

Earlier in the meeting, however, Mr. De Simone had, in effect, dismissed the necessity of stating the cost in the report by saying,

> We can almost presume that Congressmen and Senators will not read the whole thing.

That bears repeating.

> We can almost presume that Congressmen and Senators will not read the whole thing.

Perhaps he was right.

Thomas Hannigan, director of research and education for the International Brotherhood of Electrical Workers said:

> What we should be doing is something for the Congressmen, as the law requires . . . it's an attempt to bypass Congress, an attempt to go to the constituents without going through Congress.
>
> It is a biased promotional effort and, therefore, actually in effect going beyond Congress.

Mr. Hannigan went on to criticize the report's drafters and said,

> . . . I cannot go along with this report with my name on it, because it's going to be subject to intense criticism, the mass public is against it.

Mr. Speaker, the General Accounting Office has told us that the Commerce Department's metric report is twisted, distorted and misleading.

One of the Department's advisory panel members decries the "terrible bias that flows through here" and calls it nothing more than "a biased promotional effort."

Another member fears what would happen if the Congress and the public were told what the cost will be and, as any of you who have read the report know, the $60 billion cost figure does not appear in it. Of course, the author, Mr. De Simone, did not expect many of us to read the report in the first place.

I do not believe it would be either fair or principled for Members of this body to approve legislation, on the strength of a biased report, that will cost the American taxpayers $60 billion.

If such a question were put to the people themselves, I am convinced that they would flatly reject it. The transcript of the advisory panel meeting shows the same conviction.

The proponents of this legislation would have you believe that the conversion mandated by it will be a purely voluntary thing. If voluntary conversion is what is sought, then I submit there is no need whatsoever for this bill.

The proponents of this legislation would have you believe that the American people are fairly beating down the doors of Congress, demanding that it be passed. Nothing could be further from the truth.

I know of no housewife who is looking forward to buying a complete new set of measuring cups and spoons, or of having to learn to cook all over again using metric recipes.

Hank Aaron will no longer hit a baseball a country mile and you will not be able to walk that far for a Camel. Metric will be good for the advertising agencies and some special interests, but bad, thoroughly bad for the average American for he will have to pay the $60 billion this legislation will cost.

I want to remind Members of the House once again that no less an authority than the Comptroller General of the United States has said that this 10-year crash conversion program will:

> Be more costly than the 50-year no-plan change-over—contrary to what was shown by the (Commerce Department's) Study.

The General Accounting Office also concluded that this crash metric conversion program:

> Would tend to increase costs and prices of (United States) products and thus place these products at even more of a competitive disadvantage vis-a-vis the products of foreign firms that are already metric.

In addition to increasing costs of U.S. products, the General Accounting Office has found that this program will also dramatically increase imports of metric products into this country.

And there is no proof whatever that this legislation will bring one scintilla of benefit to the people of this country.

The one sure thing involved in all of this is a minimum price tag of $60 billion.

We already have enough problems in this country without saddling our people with such an enormous additional burden.

The people of this country have given no indication they want this legislation and I urge that it be overwhelmingly defeated.

Mr. PARRIS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Anderson).

Mr. ANDERSON of Illinois. Mr. Speaker, I am grateful to my good friend and colleague from Ohio (Mr. Mosher) for granting me this time given the limited time available under this suspension procedure and the fact that I am not a member of the committee. I am in wholehearted and enthusiastic support of the Metric Conversion Act as reported by the committee and intend to vote for it on final passage today.

Mr. Speaker, we have often been accused of being a Congress by crisis—responding and acting on problems only when they reach crisis proportions. And I suppose there will be some who will argue here today that because we are not currently saddled with a metric crisis, this legislation is unnecessary. We have enough immediate crises to deal with, they will argue, without having to worry about a long-range program for converting to the metric system.

Mr. Speaker, I would like to take issue with that attitude. I would suggest that our public image would not be so low today, and we would not be confronted with as many crises today, if we had only bothered to do a little long-range planning on problems before they got out of hand and became crises. That is exactly what we are being asked to do in this legislation today. And I do not think I am overstating the case one bit by suggesting that unless we act now on metric conversion, it will one day come back to haunt us as a crisis.

Mr. Speaker, I am proud to claim as a constituent one of the most renowned experts on metrication, Mr. Kenyon Y. Taylor, president of Beloit Tool Corp. and coauthor of two books on metric conversion. Here is what he had to say in his testimony before the House Science and Astronautics Committee:

> When international pressures force conversion, assuming we do not have a coherent national program, only those few companies which have planned ahead, or which are multi-national and have foreign operations capable of supplying guidance and products, will be able to survive. The smaller industrial organizations which have no foreign components, which have not systematically prepared for conversion, will find themselves faced with excessive re-tooling costs as well as intense international competition with extensive metric experience.

Mr. Taylor went on to testify, and again I quote:

> Conversion to the metric system is inevitable. As the world becomes smaller, as competition for trade increases, the United States—to date the only major power not utilizing the metric system—will find itself involved in an expensive crash program which no doubt will result in too little too late, unless we begin planning now.

In conclusion, Mr. Speaker, I appreciate the fact that there are some who object to this bill on the grounds that metric conversion will be costly and disruptive. But I would submit that if we do not act now on a rational and national long-range conversion program, we will one day be faced with staggering costs and chaos by comparison. To those who say, we cannot afford to, I can only respond, we cannot afford not to. I therefore urge passage of this bill today.

At this point in the Record, Mr. Speaker, I ask unanimous consent to include the full text of Mr. Taylor's statement to the House Science and Astronautics Committee.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The letter referred to is as follows:

Beloit Tool Corp.,
South Beloit, Ill., March 22, 1973.

Hon. John W. Davis,
Rayburn Office Building,
Washington, D.C.

Dear Congressman Davis: Following your suggestion subsequent to the opening session of the Metric Sub-Committee meeting on Monday, March 19, 1973, I would like to confirm for the record my verbal comments to you and other members of the Committee.

We urgently need a Federal Metric Conversion Coordinating Commission which can provide guidance and serve as a clearinghouse for information on metrication—conversion to the Metric System. While many industrial enterprises of all sizes already have begun the process, including large organizations such as IBM, Caterpillar, Minneapolis Honeywell, and others, many more, particularly the smaller ones, have not. Sources of information and assistance are extremely limited. No overall national direction exists. When International pressures force conversion, assuming we do not have a coherent national program, only those few companies which have planned ahead, or which are multi-national and have foreign operations capable of supplying guidance and products, will be able to survive. The smaller industrial organizations which have no foreign components; which have not systematically prepared for conversion, will find themselves faced with excessive retooling costs as well as intense international competition with extensive metric experience.

Subsidies are not needed. Additional lengthy studies are not needed. Trial runs are not needed. What is needed is a Federal commission which can implement a well-planned schedule for orderly conversion to a metric America within a logical, acceptable time frame, administered by Congress and free of domination by large industry or special interest groups, enabling thousands of small business concerns to convert to the metric system in an orderly manner at minimum cost. I favor the time frame of ten years, as is proposed in legislation (HR 2351) introduced by Representative Robert McClory (R-Ill.) which would establish the metric system as the nation's only legal system of weights and measures a decade after passage. We need a law such as this to encourage smaller industrial organizations to begin metrication now, and to take advantage of assistance available from the federal commission which also would be established. We need this legislation not so much for the sake of the small industrialists, but more for the sake of the vital segment of the economy which they represent.

Four myths now discourage many small industrial organizations from implementing conversion procedures: The first myth has it that conversion involves extensive costs. From everything we have seen and heard, and we have been on the front lines for the past ten years, estimated costs of conversion as presented in the U.S. Metric Study report and in testimony in Senate hearings seem greatly exaggerated. In fact, given some basic planning, firms presently undergoing conversion estimate that what costs are incurred can be recaptured in a period as short as one year. Present tax provisions involving investment credit and accelerated depreciation make retooling very feasible, and costs of supplying employees with necessary personal hand tools have proved to be only a fraction of estimates.

The second myth is that conversion to the metric system will have negative impact on the average factory worker. We now have enough experience to know that this is untrue. Even older employees accept and adapt to the new system quickly. What special training is required can be provided very inexpensively on an on-the-job or pre-employment basis. Any unusual problems can be handled through collective bargaining at the plant level.

The third myth intimates that conversion will create virtually endless confusion and, as a result, reduced productivity and efficiency. But the facts of the matter indicate the opposite. Some companies already have found that use of the metric system in their foreign operations results in simpler, more accurate computations, reduced inventories, and a rationalized product line which can move freely across national borders without tariff. The Common Market, for example, has ruled that after 1978 importation of non-metric products will be disallowed.

The fourth myth is that metrication will never occur so there's no need to worry about it. But I submit that conversion to the metric system is inevitable. As the world becomes smaller, as competition for trade increases, the United States—to date the only major power not utilizing the metric system—will find itself involved in an expensive crash metrication program which no doubt will result in too little too late, unless we begin planning now. Present demand for information and assistance in regard to metrication far exceeds available supply. The main source of information and assistance is Beloit Tool Corporation. Just to give you an idea of the demand, we have sixteen men in the field whose job is to conduct seminars and other educational programs on metrication. Several thousand representatives of industry already have attended more than 400 such seminars in the last three years alone. As another example, not too long ago I co-authored two books on metrication, *"USA Goes Metric" and "Discover . . . Why Metrics"*. The demand was so overwhelming that we had to establish our own publishing house, Swani, and to date more than 150,000 copies of the books have been distributed. But our resources are limited and we can only hope to satisfy a small fraction of the overall demand.

In addition to my corporate responsibilities with Beloit Tool Corporation, I am affiliated with the Center for Metric Education, University of Michigan at Kalamazoo, which was established by the Office of Education to develop metric curricula for 1100 vocational and technical schools; Metric Advisory Council of the Society of Manufacturing Engineers, and the Metric Advisory Council of the Metal-Cutting Tool Institute. In all these areas the need for strong leadership from Congress is evident.

Sincerely.

Kenyon Y. Taylor,
President.

Mr. ANDERSON of Illinois. Mr. Speaker, with regard to the argument presented by the gentleman from Iowa (Mr. Gross) as to the $60 billion that the gentleman was talking about, let me say that not one dime of that is mandated as an expenditure under this bill. Not one dime of that is going to come out of the Federal Treasury, but only from those companies who choose to voluntarily convert to this system.

The SPEAKER. The time of the gentleman has expired.

Mr. PARRIS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I had an amendment to this bill, but inasmuch as the bill is being considered under a suspension of the rules, as the gentleman from Hawaii (Mr. Matsunga) has suggested, there is no opportunity to offer that amendment. I would therefore respectfully refer the Members to page 21 of the committee report on which that amendment is discussed at some length.

The amendment simply would have provided for the authority of the executive branch of this Government or the Congress, to approve any conversion plan developed by the board to insure that the people who will implement this proposal in the real world will have an input into the final product.

Mr. Speaker, if I had had the chance to offer this amendment I am confident that every Member in this body would favor its adoption. If you oppose the bill and the conversion program it would be one more step in the final adoption. If you favor conversion, then approval of the executive branch would strengthen the conversion, and unify the efforts for conversion. If you are on this side of the aisle, then you put the monkey on the back of the administration for approval. If you are on the other side of the aisle you give the administration an opportunity for effective input into a final plan. If you are a liberal, you insure greater input of Government in the process of conversion. If you are a conservative, you have more control over the independent board prior to conversion.

Mr. Speaker, as I have suggested, I am sure everyone in this House would have supported this amendment if I had the chance to offer it for consideration.

What this plan is going to do is to create a Board composed of 21 people appointed by the President who will be broadly representative of the American society, including industry, labor, business and commerce, the consumer, education, State and local governments, science and engineering, and other affected groups—whatever that is.

In the subcommittee, and in the full committee, the plan was originally conceived to be subject to approval by the President. That was stricken out. The plan then was conceived to be approved by the Secretary of Commerce, and that was stricken out. Now this bill before us has no approval of any representative of the executive branch or of any agency designed to implement the program. It is not even required to be shown to the Department of Commerce prior to the time it is submitted to the Congress, and we then have 60 days in which to reject it by concurrent resolution.

I respectfully suggest that we cannot blow our collective noses around here in 60 days.

Mr. Speaker, I commend both Chairman Teague of the full committee and Chairman Davis of the subcommittee for their long and tireless efforts on behalf of this legislation. I feel that the legislation they are now proposing reflects an imaginative and generally well-reasoned approach to metric conversion. But I do feel that the bill does reflect one major shortcoming—a shortcoming which can be remedied with only a minor change of language. I refer to a provision that would require that the plan generated by the National Metric Conversion Board for metric conversion within the United States be submitted to the President, as well as to the Congress, for review and approval.

Mr. Speaker, the original administration metric bill submitted to the Congress provided for the metric conversion plan to be submitted to the President for review and approval, and, to the Congress for review only. My amendment, in essence, addresses what I feel to be the appropriate role of the executive branch and the Congress with respect to the review and approval of the metric conversion plan.

The recommendations in the administration bill were the results of an exhaustive 3-year study commissioned by the Congress and directed by the Department of Commerce. The 42-member panel which performed the study based its findings on extensive public hearings, supplementary investigations, plus invited oral and written contributions to numerous conferences. All together, some 200 presentations were offered and discussed not including approximately 100 additional written papers which were received.

Based upon these findings, the Secretary of Commerce recommended that final review and approval/disapproval power for the metrication plan be vested in the Congress and the President respectively. This recommendation that the President be the sole approving authority was in recognition of the fact that metric conversion in the United States impacts significantly on such vital areas as the U.S. stake in world trade, our relations with global trading partners, the transacting of domestic business in both the public and private sectors, and in fact, our national security.

However, based upon further independent analysis or study, the provision requiring formal executive branch approval has now been deleted by the Science Committee. The rationale which was propounded for the amendment was that the Secretary of Commerce, as spokesman for the President, would provide appropriate executive perspective through his "recommendations."

Mr. Speaker, I take exception to our preempting the executive branch from playing a more substantive role in the conversion of this Nation to the metric system. I disagree because the counsel and expertise upon which the Chief Executive and the Commerce Department base their recommendations represent a significant and independent source separate and distinct from that of either the National Metric Conversion Board or the Congress.

Instead of a truly substantive involvement, the executive branch now has no authority in this entire matter except to transmit its recommendations to the Congress for consideration. In fact, there is not even a requirement that the Secretary of Commerce be permitted to see the metric plan until the plan has been completed and prepared for final transmittal to the Congress. I would emphasize one further point in this regard. Although the administration originally acquiesced to the final recommendations of the Science Committee downgrading the role of the executive branch, the administration has now changed its position and is strongly in favor of the amendment I am proposing today. The administration's support for the change I am recommending was communicated directly to me within the past several weeks. The rationale for the administration recommendation is identical to that which I have been discussing and which appears on page 21 as my additional views in the committee report.

In my opinion, we are implementing a major and far-reaching change in our system of weights and measures by the passage of this bill and the subsequent adoption of the conversion plan. Clearly, the public interest demands that this Nation summon its full executive and legislative resources in accomplishing the conversion.

I therefore regret that the legislation in its present form adopts the parochial point of view that the Congress be established as the only body of expertise in approving or disapproving a formal plan for the conversion of our Nation to the metric system.

Mr. Speaker, the United States has been foundering long enough in its totally uncoordinated conversion to the metric system. It would be desirable if we took the necessary step to provide for a more planned and coordinated conversion—a conversion which means significant international trade advantages, a more simplified commercial system, a stimulated industry, and a large savings for the American consumer, but we can not abrogate our responsibilities to insure that that conversion plan be realistic and effective.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the distinguished chairman.

Mr. TEAGUE. I thank the gentleman for yielding.

I should like to say to the gentleman that I, for one, support his amendment. If it comes up in conference, I shall vote for it.

Mr. PARRIS. I appreciate very much the chairman's statement, and I appreciate his position in that regard.

I would simply suggest, Mr. Speaker,

that this is perhaps a technical but, in my opinion, fatal defect in this bill, and that the public interest demands that this nation summon all of the expertise of the legislative and the executive branches in developing a plan and accomplishing a conversion to make a major change in our basic system of weights and measures, rather than leave the final development and implementation of a conversion plan to an appointed board, which we will not in realistic terms be able to control.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Mr. Speaker, I noted that the gentleman from Illinois (Mr. ANDERSON) did not say who is going to pay this enormous bill. He questioned my statement, but he did not say who was going to cough up at least $60 billion. The gentleman in the well of the House and every other Member of the House know very well that the toolmakers in Rockford, Ill., are going to hand the cost right on down to those who buy their tools, and so will the manufacturers of every other product.

Mr. PARRIS. The people who are going to pay for this, ultimately, are the people who pay for everything in the United States—the consumers.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

Mr. Speaker, at a time when we are concerned with our balance of payments and our position in world technology in highly sophisticated products, the people of this country are surely going to pay if we do not see the wisdom of adopting the metric system that will enable us to be truly competitive in the markets of the world—in Trinidad, in Southern Yemen, Tobago, and countries like that, fine, but then do not expect the United States to remain a competitive force.

Mr. PARRIS. I would respectfully suggest the gentleman review the comments made by the GAO in its report printed in the hearings on this legislation, and particularly as it relates to the expected increase in imports after conversion.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Iowa.

Mr. GROSS. That is exactly right. Let him read the GAO report.

Mr. MATSUNAGA. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. I thank the gentleman for yielding.

Mr. Speaker, the gentleman's case emphasizes the need to defeat the bill as presented under the suspension of the rules, because even the chairman of the committee recognizes the merits and soundness of the gentleman's amendment. Yet he is proscribed from offering it because the bill is being considered under suspension.

Mr. PARRIS. I would say to the gentleman I have great and high regard for the chairman of the committee and for the chairman of the subcommittee, who put a great deal of effort into this legislation, but it is simply in its present form, a defective legislative proposal.

The SPEAKER. The time of the gentleman has expired.

Mr. PARRIS. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. MOSHER).

(Mr. MOSHER asked and was given permission to revise and extend his remarks, and to include extraneous matter.)

Mr. MOSHER. Mr. Speaker, the National Small Business Association says that its position on metric conversion by H.R. 11035 is that it supports voluntary conversion which this bill calls for, provided there are economic-disaster-type loans made available to small business. Earlier in the session in colloquy with the chairman of the committee, we certainly made legislative history here, indicating the committee's intention, and I think the Congress intends that such loans would be available.

The letter is as follows:

NATIONAL SMALL BUSINESS ASSOCIATION,
Washington, D.C., May 7, 1974.

Hon. CHARLES A. MOSHER,
House Office Building, Washington, D.C.

DEAR MR. MOSHER: National Small Business Association's position on the metric conversion bill, H.R. 11035, is that it supports voluntary conversion, provided there is economic disaster-type loans made available to small business.

It is our understanding the Small Business Administration has determined that under existing authority it may make economic disaster-type loans under Section 7(b) (5) of the SBA Act. It is also our understanding that the Office of Management and Budget and the Commerce Department concur in this decision.

It is important that the foregoing references to the SBA and OMB and the Commerce Department be made part of the legislative history.

Should the vote go against the metric bill today NSB will make every effort to see that an amendment providing economic disaster-type loans at reasonable interest rates is introduced on the floor the next time the bill is considered.

This loan provision is not inconsistent with the expressed intent of the Congress which states that costs of conversion must lie where they fall. A loan provision is not a grant. It's merely federal assistance aimed at aiding compliance where necessary because of either legislative or economic compulsion upon small business.

Sincerely,

CARL BECK,
Chairman, Metric Committee.

Mr. MOSHER. Mr. Speaker, I suggest that metrication means doing what comes most naturally. In weights and measures, that is.

This metric conversion program is a superb example of American commonsense and practicality. It is a move for greater accuracy, efficiency, economy and rationality.

So, Mr. Speaker, I enthusiastically join with the Science Committee and subcommittee chairmen, Messrs. TEAGUE and DAVIS, and with nearly all members of our Science Committee, in strong support of H.R. 11035, which will declare as national policy our intent to convert to the metric system in the United States, to convert on an orderly basis, but to convert voluntarily.

I emphasize most emphatically that this legislation will not mandate metric on anyone. I repeat, it is a voluntary program.

Opponents talk a lot about heavy costs for industry as the price for metric conversion.

But I say it need not cost any industry anything, unless that industry decides of its own accord, voluntarily, that going metric will be a good investment that will in the long run—or immediately, probably—will be profitable.

Thus, our bill provides that only "the rule of reason" is the rule that shall prevail when any industry or firm shall determine voluntarily whether or not to go metric.

The costs to the Government, to the taxpayers, will be only those of administering the conversion program; and, again, I argue those costs will be more than warranted as a sound investment.

In fact, so sensible is metric conversion, and necessary from a good business point of view, it is happening very rapidly in our country anyway. This bill will only pick up that existing momentum and channel it most efficiently; it is a bill that only provides leadership, not coercion.

Abundant testimony before our Committee supports the need for it, especially if America is to maintain its world preeminence in science and technology.

Mr. Speaker, I submit we on this world may still be in our infancy, in what we need to know and what we will learn and produce, in the realms of science and technology, and to the extent we in the United States persist in our "off horse" measures, to that extent we will increasingly fall behind the rest of the world, losing our leadership that is so crucially important for us, and I believe for humanity in general.

It is said that the establishing and acceptance of world standards in technology is still only some 10 percent complete, but the progress is rapid, and to the extent that American standards are ignored—as they will be, if not in metric terms—to that extent American industry and the American economy, including American labor, will be sorry losers.

Mr. Speaker: in the last 20 years the metric system has become the dominant language of measurement in the world. The United States stands almost alone today in our failure thus far to go metric. We are the unrealistic, hidebound, impractical island of outmoded weights and measurements.

But even within this country, the metrication is slowly but steadily increasing in use. And therein lies the problem.

The growing use of metric weights and measures in the United States is proceeding in a relatively haphazard and unplanned way, with individual companies, industries, and local governments making the changeover whenever and in whatever way it appears advantageous to do so.

The conversion thus far has therefore been best characterized by the confusion and misdirection which has resulted.

The legislation now under consideration here seeks to provide the necessary direction and coordination in this country's continuing conversion.

The primary motivation for the changeover, however, is not so much to bring order to an otherwise chaotic process of conversion; there are other, more compelling arguments.

First, there is significant potential for increased exports of our manufactured products made to metric standards; the people and industries in countries that have been predominantly metric for many years do much prefer to purchase metric designed products. Our gain in exports is estimated to be on the order of $600 million annually.

Second, there is the potential for cost savings when a common design can be used for products both here and internationally. If there is to be global uniformity of manufacturing procedures, it is now evident that it is our inch-pound measurement units which must yield since the millimeter-kilogram units are so firmly entrenched on a worldwide basis.

Furthermore, changing to metric designs affords the opportunity of greatly reducing the excessive varieties and sizes of products. The gains that can be realized by rationalizing our "off the shelf" product lines are immense. Not only can money be saved because of reduced inventories and greater production of each size, but also in materials saved, the value of which we are more aware now that the need for conservation of our resources is becoming more clearly recognized.

I also feel it important to emphasize that the goal of the metric legislation is to promote a voluntary conversion in which this country would become predominantly, although not exclusively, metric.

The objective of this legislation is not complete conversion regardless of costs—it is instead metrication to the extent reasonable at a minimum cost. The point is that the conversion will proceed in some sectors at a relatively rapid pace, in certain others at a slower pace, and finally, in some sectors, there may never be a measurable impact.

And just as industry will convert to the metric system only as it is economically justifiable to do so, so will the Federal Government. Where an agency deems extra funds necessary for metric conversion, the request will have to be justified on the basis of the benefits to be obtained from the change recommended.

I would further stress to my colleagues that the present bill, as it authorizes the establishment of a National Metric Conversion Board responsible for the generation of a conversion plan, requires that the proposed conversion plan be referred to the Congress for appropriate review.

Thus, once the formal metric conversion plan has been drawn up, the sole power to approve or disapprove is vested in the Congress. I know that I can speak for my colleagues on the Science Committee when I point out that this committee will continue with a very vigorous oversight effort with respect to both the Board's activities in generating the plan, as well as the subsequent conversion itself once the plan is adopted.

Mr. Speaker, the longer the United States waits to convert to the metric system, the longer this country will have to pay the extra costs associated with maintaining, and operating under, a dual measurement system. Clearly, it is time to get on with the business of conversion. The time has come for a national decision on a positive course of action and I sincerely welcome the opportunity to lend my support to this initiative.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MOSHER. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Is the gentleman suggesting that economic-disaster loans must be a part of the conversion to the metric system?

Mr. MOSHER. I would say certainly not.

The SPEAKER. The time of the gentleman has expired.

Mr. PARRIS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Speaker, I join with my colleagues, the Science Committee members in offering my enthusiastic support for the metric conversion legislation presented here today.

Mr. Speaker, over 3 years ago the Congress requested a comprehensive study of the metric question because this body sensed that the world trend toward metric usage called for a new assessment. This investigation proceeded over many different avenues including public hearings, detailed surveys of international trade, business and industry, education, and national security, to mention only a few. The result of this effort plus the combined activities of the Science Committee is reflected in the legislation now before us—legislation long overdue.

At the present time, this country is the only major industrialized country which does not use the metric system. With the countries of Canada, Great Britain, and Australia presently in the process of converting to metric usage, only eight small, underdeveloped nations, in addition to the United States, have yet to start metrication.

Moreover, we continue to see increasing use of the metric system in this country with a great majority of businessmen, educators, and other informed advisers emphasizing that metric conversion is in the best interests of our country. We also see convincing evidence that it is far better for the Nation to move to the metric system by plan rather than by no plan at all.

After thorough study, this committee believes that a most effective means to convert is through a national commitment to a coordinated but voluntary changeover. It also appears that this Nation should begin as quickly as possible in adopting the metric system in order to facilitate U.S. participation in developing the expanding body of international engineering standards which serve in turn to regulate world trade in scientific and technical products.

The legislation also reflects a number of key principles which will serve to guide the conversion.

The first reflects the so-called rule of reason. In effect, conversion to the metric system will be made only where and when it is advantageous to do so. In other words, individual organizations will make this determination on their own as to the worthwhileness of converting their own particular operations.

There is also no provision for subsidies, cost reimbursements, tax remittances, or the like. The committee has concluded that this type of financial assistance may encourage unreasonable or unnecessary changes whereas the policy we desire to encourage is one in which changes will be implemented only if reasonable and commensurate with benefits to be gained.

In addition, the changeover will be entirely voluntary. This principle is in keeping with congressional intent to provide the greatest flexibility in conversion and to prevent excessive cost burdens being imposed on any sectors of our society.

Finally, although the Federal Government will be responsible for coordinating the overall conversion program, the initiative for both planning and the actual converting will rest with the private sector. The plan itself, in fact, will be solely the work of representatives from such diverse activities as labor, consumer affairs, education, construction, engineering-oriented industry, and the like.

Based upon these key principles, the legislation now before us reflects a changeover period of 10 years after which the United States would be predominantly, though not exclusively, metric. This 10-year period represents only a guideline however—a time period which will be the common goal of those participating in the conversion. A specific time period is also desirable in order to encourage a near-term conversion since studies have shown that it will be less costly to change the earlier the conversion proceeds.

Mr. Speaker, this committee has been studying the metric conversion for a number of years—even before the enactment of the 1968 legislation which authorized the 3-year National Bureau of Standards effort. Our conclusion which we have seen reinforced by virtually all with whom we have worked is that the United States should change to the international metric system in a deliberate and careful fashion, and that this be done through a coordinated national program. H.R. 11035 reflects the firm commitment of the Congress to a positive program for changeover. The legislation also responds to the progressive elements of our society which recognize both the inevitability and desirability of an effective, prompt, and planned conversion program.

I urge all Members of the Committee of the Whole House to agree with me in providing this bill our fullest support.

Mr. TEAGUE. Mr. Speaker, I yield to the gentleman from Ohio (Mr. LUKEN) such time as he may consume.

Mr. LUKEN. Mr. Speaker, I thank the distinguished chairman of the Committee for giving me this time and commend him for all the effort he and his Committee have expended to bring us this bill.

Mr. Speaker, I am in favor of metric conversion. And I therefore regret to oppose this bill today. I do so only because the procedures under which the bill is presented preclude a fair chance for decision on a few important issues.

First, I believe the bill as it stands is unfair to the small businessman. The costs to him that conversion will require are in many cases prohibitive because of the small profit margins he must work under. Nonetheless, small businessmen do not oppose metric conversion, nor do they demand that the Government pay their conversion costs. What they do ask for is reasonable help to see them through the transition period. Small businesses which would suffer economic injury should be allowed to take out SBA loans to cover the costs. After all, is that not what the SBA is for?

My second concern with the bill as it stands is for the worker who must maintain his own tools to do the job required by his employer. Electricians, carpenters, plumbers, and others have an enormous personal investment in their tools. It would be unfair for us to simply legislate the obsolescence of what to them is a major capital investment. It is only fair that the Government minimize the economic hardship of conversion for these workmen.

Mr. Speaker, as I said, I do not oppose metric conversion. On the contrary, I favor it. I think this country must convert to improve opportunities for small and large business to compete with foreign producers. I believe conversion will enhance jobs and create new jobs. And I believe we must decide the issue soon so that our schools can know how to plan their lessons and so that businessmen and workers can begin to plan their conversion budgets.

But conversion must be done the proper way. A matter as important as this one must be allowed to enjoy the benefits of the full legislative process.

By defeating this bill today we will not kill conversion. We will simply let it come up another day, open to amendments and debate on those amendments. Indeed, the open rule for the bill has already been prepared.

So, Mr. Speaker, I urge my colleagues to do as I plan to do. Vote against this bill today. And then, later, we shall take it up again and debate it properly. At that time we can pass legislation for metric conversion in a way that is fair to all.

Mr. PARRIS. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of this measure. It is important and it is long overdue. I remind the Members of this House, progress does not stand still. America is not a backward country. America has always taken leadership throughout her history. I know this bill is long overdue and should be enacted now for the benefit of commerce. Our international trade is being hampered. Our small businesses will not be damaged, but will be helped. The labor force of this country will not be damaged, but new jobs will be created. The Government of this country is aware of what must be done. This is not a handout but a helping hand.

Mainly this measure is long overdue. We must enact it and we must get started on a volunteer basis and go forward if we are to compete in the world market, and compete we must.

Mr. PARRIS. Mr. Speaker, we have no further request for time.

I would remind the Members of this House that we have heard a great deal of comment around here over the last few months about responsibility and the exercise of congressional prerogatives. I would suggest to the Members of this House, when we promote a plan the significant impact of which has been discussed here this morning without the input, which is unrealistic, of the executive branch of this Nation, I think that constitutes a fatal defect in this legislation, and I would respectfully suggest that this bill should therefore be rejected by this House.

Mr. TEAGUE. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. DAVIS), chairman of the subcommittee which has done so much work on this legislation.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Speaker, conversion to the metric system is a monumental step surrounded by considerable controversy. My vote today should not be interpreted as taking a position on the substantive merits of the issue. My "nay" vote merely says that the issue is too important and too controversial to be disposed of under suspension of the rules. This bill should be fully and completely debated and subject to amendment at the House's will.

Mr. SYMINGTON. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. Speaker, I thank the gentleman for yielding.

If this bill made any specific demand on any sector of the economy, I could understand and maybe appreciate some of the objections made to it. This bill does not do that. It provides, after all these long years, for the creation of a plan which is then to be submitted to the Congress for approval.

There is nothing in the bill which prescribes a conversion period which such plan might recommend or the compensation to labor that the plan might recommend or indeed the total likely cost as predicted by a metric study which is 3 years old and which is not binding for 1 minute on the nature and content of the plan.

I wish to assure my colleagues that the gentleman from Iowa was not alone in his concern with the report of the General Accounting Office concerning the U.S. metric study.

When these preliminary findings were made known to the Subcommittee on Science, Research, and Development, an additional hearing was scheduled on May 10, 1973, so that we might carefully consider their possible significance with respect to the legislation then before the Subcommittee. At that time, we not only were privileged to hear the comments of the distinguished Representative from Iowa, but we also asked the Director of the National Bureau of Standards to discuss the GAO charges concerning the report prepared by that Bureau.

Let me point out, however, that the decision of our committee to recommend the particular legislation that is before you today was not based as much on the findings of the NBS study as on the very substantial rate of the changeover to metric now in progress in our country.

The GAO letter of March 27, 1973, to Representative GROSS reported three preliminary findings.

First, it was noted that the metric study report mentioned a possible $600 million increase in exports resulting from metrication, but neglected to mention a possible increase of $100 million in imports. Dr. Richard W. Roberts, Director of the National Bureau of Standards, explained that the $100 million was considered by the Bureau of Domestic Commerce of the Department of Commerce to be so uncertain of precise determination concerning international trade, that it was not included. Perhaps more important, he pointed out that even if the net gain of exports over imports were taken as $500 million—instead of $600 million—as of 1970 when the data were collected, the gain would be much greater today and will be even greater in the future.

The second GAO finding was that the metric study did not take into account the time value of money in its analysis of the cost of metrication by plan versus no plan. The GAO found that had this factor been considered, planned conversion would be less costly if the costs of conversion were $10 billion or less, but would be higher if conversion costs were at the $25 billion or $40 billion levels also mentioned as examples in the report. Dr. Roberts acknowledged that this more sophisticated cost analysis could lead to such a conclusion. However, he emphasized that under the metric legislation being considered by the subcommittee, the changeover to metric will be made in accord with the "rule of reason," with changes made only when the costs involved will be compensated by benefits. Under these conditions, the best available estimates indicate that the net cost of conversion should be less than $10 billion. Accordingly, the belief of the GAO that the $10 billion planned conversion would be less costly, lends added urgency to the enactment of the legislation that is before us today—which provides for planning the metric changeover now in progress in the United States.

Finally, the GAO letter suggested that the U.S. metric study did not inquire directly into the impact of metrication on small business. In his testimony on May 10, 1973, Dr. Roberts assured the subcommittee that the surveys of both manufacturing and nonmanufacturing industries, which were a basic part of the study, included a substantial sampling of small business. Furthermore, well over 50 percent of the small firms surveyed increased metric usage.

It may also be significant to note that only a few days after this hearing before the Science, Research and Development Subcommittee, the General Accounting Office concluded its investigation of the NBS metric study and made no further report of its findings beyond the preliminary and tentative report that was the subject of our hearing.

Finally, of course, we must not confuse this 3-year-old study with a conversion plan which has yet to be begun much less submitted to Congress. A key element of such plan would be cost effectiveness.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I strongly support this legislation. Establishment of the metric system is long overdue.

There is a widespread notion that the change to the metric system is supported only by those in industry. However, this is not the case; let me briefly detail the widespread support for the weights and measures which is already in force in every industrialized nation in the world.

First, the changeover to metric is supported by a large number of nationally representative groups, many of which are nonindustrial and nontechnical. For example, the following major groups are definitely committed: the American Home Economics Association, representing the consumer; the National Grange, representing the farmer; and the National Education Association.

The National Education Association's support is an indication of the interest and support of our teachers. They have long been in favor of the change, primarily because the decimal nature of the metric system make it easier for them to teach and easier for the students to learn and use than our more cumbersome current measurement system. In fact, the States of California, Maryland, Michigan, Alabama, and South Carolina are now formally committed to metric education. This list is certain to grow as we move closer to metric in this country.

Finally, consumers not represented by these groups are becoming increasingly aware of the change to metric, and those that are aware of the change and understand the reasons for it largely support it.

The National Bureau of Standards reports that those consumers viewing its display on the results of the U.S. metric study rarely express opposition to the idea of going metric, especially after viewing the world map that shows how few are the nonmetric countries today. The common response is "I had no idea we are so isolated." A growing number of the average citizens say that they are aware of the probable change to metric.

Incidentally, this growing awareness of the change is certainly due in part to the many stories about metric change that have been in the Nation's newspapers. And perhaps the positive response shown is related to the fact that metric editorials, appearing in nearly all of our newspapers over the past 2 years, are 91 percent in favor of metric, 2 percent opposed, and the remainder neutral. I doubt if many issues today can show such support.

Also of interest here is a finding in a survey of consumers done by the Survey Research Center of the University of Michigan for the U.S. metric study. It showed that those consumers possessing accurate knowledge about metric were strongly in favor—3 to 1—of a change.

I am sure not all of our constituents are metric proponents. In fact, the University of Michigan survey showed that consumers who were not so well informed were not as enthusiastic about the change. This clearly points out the need for public education. But it also suggests that such an effort will, in fact, be successful in convincing most persons of the wisdom of a change to metric.

Thus there is much support for the change to metric from the man on the street—that is, the man on the street who has had some contact with or has some knowledge of metric units of measurement such as the meter, liter, and kilogram. And it is generally agreed that one of the first major responsibilities of the National Board this legislation will create is to do all in its power to see that all of our citizens become informed thoroughly and accurately.

Although I personally feel that this far-reaching and important legislation should be debated more fully under an open rule, it seems to me that every Member of the House should clearly express his preference on the substance of this legislation. When it comes down to a question of favoring or opposing the metric system, I cast my vote in favor of the metric system.

Mr. DAVIS of Georgia. Mr. Speaker, I would like to address a few general remarks concerning conversion to the metric system. In the first place, my good friend, the gentleman from Hawaii, (Mr. MATSUNAGA) pointed out that the carpenters union is opposed to this bill. For the life of me, I cannot see why a carpenter would be. There is no such thing as a metric saw. The saw will saw a board to any length one might want to saw it. There is no such thing as a metric pair of pliers. There is no such thing as a metric hammer. There is no such thing as a metric screwdriver.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman convert 2 inches into the metric system for me?

Mr. DAVIS of Georgia. Yes, 50 millimeters.

Mr. GROSS. Fifty millimeters?

Mr. DAVIS of Georgia. Well, that is not precise, but it is almost exact.

Mr. Speaker, I ask unanimous consent to proceed for such time as was consumed by laughter during the time the House was not in order.

Mr. Speaker, 1 inch is 2.54 centimeters. Two inches would be twice that amount. One-half inch, by the way, is 1.27 centimeters. That happens to be the only inch measurement that is used worldwide and they are used in the tapes of airport towers, seismographs and other tape-recording instruments all over the world. Other countries do not call it half an inch. They call it 1.27 centimeters.

What I am saying is that we are not changing the size of anything. Everything will still be the same size when we are finally on the metric system. We will just have another name for the size, that is all. Everybody will be the same height. I hope I weigh a little less than I weigh now.

What I am trying to say, it is a matter of language.

Mr. MATSUNAGA. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Lest the Members are left with the wrong impression that carpenters use no tools where metric conversion would be involved, the gentleman would concede there is not a steel square, there is not a try-square, there is not a rule but which needs to be converted and which the carpenters union estimated will cost its members about $350 million.

Mr. DAVIS of Georgia. I cannot believe that; plus the fact we all know that a steel rule wears out, all tools wear out, and can be replaced with the metric system.

Furthermore, inches can be converted to centimeters, and so forth, by a small conversion table no larger than a credit card. The amount of trouble involved might well be compared to that which confronts a checkout clerk in a supermarket in computing the amount of sales tax due on a purchase.

Mr. Speaker, the bill before the House, H.R. 11035, has two purposes. One is to confirm, as a matter of national policy, a change to the metric system of weights and measures which is already well underway in this country. The other purpose of the bill is to establish a National Metric Conversion Board to assist and coordinate, on the basis of voluntary participation, the efforts of those business firms and school systems who wish to make the conversion to the metric system in the most efficient and economical manner.

Before I describe the content of this bill, Mr. Speaker, there are a few general observations which I would like to make. It is worth noting that the United States is not the only country which is making the changeover to the metric system. In the years since the end of the World War, all of the industrialized countries who in 1945 shared with us the use of the inch, the pound, and the degree Fahrenheit, have begun the process of changing to the metric system. England began in 1965, South Africa in 1966, Ireland in 1968, New Zealand in 1969, Australia in 1970, and our neighbor to the north, Canada, in 1970. Each of these countries, with a substantial economy of its own, decided that it was in their interest to make this change.

The result has been that the United States today is the only industrial country which has not formally adopted a policy of changing to the metric system. The list of those countries who are in the same position is short and does not include any of our major trading partners. Barbados, Burma, Ghana, Liberia, Muscat and Oman, Nauru, Sierra Leone, Southern Yemen, and the United States of America are the only countries which have not made the decision to convert to the metric system.

But while we in this country have not formally adopted the metric system, there is abundant evidence that individual companies, schools, and other organizations have found it to their advantage to make the change to the metric system. It would be impossible for me to recite the complete list of those who have made the change, or who are now in the process of making the changeover. But let me give some examples which I think will illustrate the extent of this.

The pharmaceutical industry, with its heavy basis in scientific research, has long used the metric system. The photographic equipment industry is also a longtime user of the metric system. More recently, several companies in the computer industry including IBM and Honeywell, have announced a changeover to the metric system. In the construction equipment industry Caterpillar Tractor and Clark Equipment have announced a changeover to the metric system. Many of these firms have large export sales, but the list of firms is not limited to those with important markets abroad. In the auto industry, Ford has begun the changeover and the engine for the Pinto is already made in this country to metric measurements. General Motors announced last April that all new development projects would be carried forward on metric rather than in the customary units of measurement, and the many suppliers of auto parts will be following GM's lead. In the farm equipment industry the John Deere Co., the Massey Ferguson Co., and the International Harvester Co. have begun the change to the metric system.

Perhaps most notable of all, the schools of America have begun to teach the metric system, although it is still only in small numbers. Requests for copies of the committee hearings have come from a number of teachers and principals who want to introduce this subject in their schools, and the State boards of education in California, Maryland, and Michigan have announced that their textbooks are to include the metric system no later than 1976.

These examples show, Mr. Speaker, that in many areas of our society where weights and measures are used or taught, the change to the metric system has begun. Furthermore, most of these decisions to change to the metric system have been made in the last few years and the number of such decisions is increasing fast. The testimony heard by the committee indicated that there was wide agreement on the desirability of going forward with the changeover. Furthermore, it became apparent that many firms who are now considering conversion are only awaiting a firm statement by the Congress and the President committing the United States to the conversion to the metric system, before they, too, adopt the metric system.

In the United States the choice before us is, therefore, not whether to go metric or remain with the customary system of measures. The changeover has begun and is now in the early stages. The choice before us is whether we shall continue to make the changeover in an entirely uncoordinated fashion as we are doing now, or whether the Federal Government should assist in coordinating the changeover to the metric system and thus make it more efficient and less costly.

And that brings me to the question of costs. In recent days there have been suggestions that the cost of going metric would be very high, and several rather astronomical figures have been mentioned. The committee made a close examination of this question and arrived at several conclusions. First of all, the $50 or $60 billion figures which have been mentioned are based on changing everything without regard to need or economic merit. Such an approach is neither feasible or desirable, and the cost estimates based on that approach are therefore entirely unrealistic.

This bill provides that the costs of metrication shall "lie where they fall." This is the principle which has been followed by the other countries which have changed to the metric system, and which was recommended by the U.S. metric study. This principle, rather than a program of Federal subsidies, provide a strong incentive to minimizing costs, and will insure that the change to the metric system will be done in the most efficient and least wasteful manner. If industry makes the change when and where it is called for based on its own judgment of the costs and benefits, it will have a strong incentive to hold down costs. Furthermore, the timing of the changeover will strongly affect costs. No one would argue that a perfectly good machine tool be scrapped simply in order to replace it with a new one built to metric standards. Instead, the dials on the existing tool will be replaced at a fractional cost, and eventually, when the tool wears out or becomes uneconomical to operate, it will be replaced with a new metric tool. The bulk of the cost of the new tool will then be replacement costs, not metric costs.

However, this is not to say that the cost of making the change to the metric system will be negligible. They will be substantial, and an important purpose of the bill is to reduce the total cost to American society. The bill would achieve a reduction in the cost of metrication in two ways: One, by providing a mechanism for the voluntary coordination of the changeover, and two, by reducing the length of time which the conversion will take. The coordination function of the Board is based on the experience of several of the other countries now making the change. The Board would bring together each sector of American industry on a voluntary basis to assist them in developing the new metric standards that would be needed and the time schedule on which the changeover could be made.

No one would be bound to the 10-year period over which the Board would be in existence. Some sectors of industry may find it best to make the conversion in a shorter period of time. Others may decide that a longer period, such as 12 or 14 years, is best for them. In that case they would have the benefit of assistance by the Board for the first 10 years, and would then have to make the conversion over the remaining 4 years on their own. In any case the coordination function of the Board will serve to reduce confusion, cut dual inventories, and lessen the mismatching of components, and, as a result, would reduce the total cost to the American economy.

The bill provides that the National Metric Conversion Board shall consist of 21 members, appointed by the President, and that the members shall be broadly representative of industry, labor, the consumer, education, and other affected groups. The first function of the Board shall be the preparation of plan for its future work. This plan shall be submitted to the Congress where it can be disapproved in whole or in part by a vote in either House. The Board would have no compulsory powers whatever, and would accomplish its educational and coordination work entirely through voluntary participation.

Mr. Speaker, this bill deserves the support of every Member.

A summary of the benefits and costs analysis and a telegram follow:

COMMITTEE ON SCIENCE
AND ASTRONAUTICS,
Washington, D.C., February 19, 1974.

MEMORANDUM

To: Members of the Committee on Science and Astronautics.

From: John Holmfeld, Staff.

Subject: Costs and Benefits of the Metric System.

During the current consideration of the

Metric Bill, H.R. 11035, which was reported out by the Committee on Science and Astronautics on October 23rd, 1973, a number of questions related to the Metric system have been discussed.

At the request of several members of the Committee, a summary of the estimates of costs and benefits developed by the U.S. Metric Study, and contained in the report "A Metric America", has been prepared and is attached for your information.

THE COSTS AND BENEFITS OF METRIC CONVERSION

(A Summary of the Benefits and Costs Analysis in the U.S. Metric Study, Prepared by the Staff, Committee on Science and Astronautics, U.S. House of Representatives. February 19, 1974)

SUMMARY

Conversion to the Metric Systems in the United States will involve substantial costs as well as large benefits. The U.S. Metric Study concluded that over the long run the benefits would outweigh the costs. Furthermore, the Study found that the costs could be reduced and the benefits would come sooner if the Metric Conversion was done in a coordinated, as opposed to an uncoordinated fashion. However, both benefits and costs are difficult to estimate with any degree of accuracy.

BENEFITS OF METRICATION

The benefits of Metrication are especially difficult to measure in dollars and cents. The U.S. Metric Study asked a large number of firms, including many who are making the Metric changeover now, to provide estimates of the benefits expected. Few were able to provide a dollar figure for the expected benefits. This is because some of the benefits are intangible and will never be measurable, because the benefits will come some time in the future and are not, like the costs, confined to a short period of time, and because some benefits can not be attributed exclusively to the Metric changeover.

Direct benefit

The benefit which is expected from Metrication is first and foremost that Metric is a simpler system. It has fewer units of measurement, it is easier for schoolchildren to learn, and it is easier for everyone to use in making calculations.

Indirect benefits

The U.S. Metric Study found that a number of indirect, but very real benefits would arise from converting to the Metric system. These benefits include the reduction in the number of different parts made and kept in stock as a result of the adoption of Metric standards (For example, in Britain the number of standard nuts and bolts was reduced from 400 to 200 and the number of ball bearing types from 280 to 30), compatibility with the military equipment of our allies, time available to schoolteachers to teach other subjects, and greater ease for housewives in using the unit pricing system in supermarkets.

Balance of trade

The one type of benefit for which Dollar estimates were made is the effect of Metrication on the U.S. balance of trade. The Metric study concluded that sales of American products abroad would increase annually by approximately $600 million, and that imports would increase by approximately $100 million for a total net benefit to the balance of trade of approximately $500 million per year.

COSTS OF METRICATION

It is not as difficult to place a Dollar figure on the cost of Metrication as it is to put a Dollar figure on the benefits. However, estimates of costs are still highly uncertain and vary greatly depending on the assumptions used and the manner in which the costs are charged off. The U.S. Metric Study concluded that conversion to the Metric system in the United States will be expensive and that a program for coordinating the changeover could reduce the total cost.

Rule of reason

The U.S. Metric Study recommended that in making the changeover the "Rule of Reason" be applied. The Rule of Reason means that costs should not be incurred unless there are corresponding benefits. In the case of Metrication it means that no machine or piece of equipment should be replaced solely for the purpose of making the change to the Metric System. Rather, a machine should be replaced when it wears out or when, for any other reason, it becomes uneconomical to operate. At that time the changeover to the Metric System for that machine should take place and only the additional cost of buying a Metric machine as opposed to a machine with the customary system (if any) should then be charged as a Metrication cost.

An extreme example of the application of the Rule of Reason is that railroad tracks should not be torn up simply for the purpose of making the distance between the rails exactly one meter. It will probably never be economical to make that change. An actual example of the application of the Rule of Reason is found in the case of school textbooks. The cost of printing and issuing new textbooks throughout the U.S. simply to make a change to the Metric System would be large, according to some estimates about $1 billion. However, textbooks are reissued on the average of every four years. If the change to Metric is made at the time the textbooks are changed anyway, the cost attributable to Metrication would be very small.

Two types of costs

The cost of making the Metric changeover involves two types of costs: The direct, "out-of-pocket" costs and the indirect, or "paper" costs. Direct costs are those costs attributable solely to Metric Conversion. Examples of direct costs are: A Metric highway sign, a Metric dial on a machine tool, a metric micrometer, and the cost of carrying a dual inventory. An indirect cost is a cost arising indirectly from the changeover to Metric. Examples of indirect costs are: The cost of worker training, the costs of mistakes, the temporary loss to workers on piece work. Indirect costs frequently are difficult to measure in Dollars and Cents.

The manufacturing sector

By far the largest cost impact of Metrication will be felt in the manufacturing sector. Several estimates of the costs of Metrication in this sector were made and they differ because the assumptions on which they are based differ.

The $25 Billion Cost Estimate. In response to a request for detailed cost estimates from 4,000 U.S. manufacturing companies, the U.S. Metric Study received 126 such estimates. The analysis of these responses and a simple extrapolation to all U.S. industry led to a total cost estimate of $25 billion. However, this extrapolation assumes that the 126 firms are typical of the more than 300,000 industrial firms in the U.S. The U.S. Metric Study concluded that this was not the case. For example, a single large mining and refining company had cost estimates which were much higher than those anticipated by similar firms. If this single estimate was omitted from the extrapolation, the total estimate was reduced by $3 billion to $22 billion. The U.S. Metric Study therefore performed a more complex, but also more valid analysis of the same data which led to the following estimate.

The $10 Billion Estimate. A statistical analysis of the 126 responses mentioned above was made. This analysis eliminated, insofar as possible, the lack of representativeness in the responses and the overestimates found in some of the estimates. The analysis led to the finding that the costs for the manufacturing sector should lie between a high of $14.3 billion and a low of $6.2 billion. The approximate midpoint between these two figures is $10 billion.

The nonmanufacturing sector

Non-manufacturing companies were asked to estimate how Metric conversion would increase their annual cost of doing business. The majority estimated that their expenses would rise by about one half of one percent during the changeover period. When extended to the country as a whole, this would mean a total cost of about $1 billion per year or roughly $10 billion for the 10 year conversion period.

Cost of dual inventories

Many U.S. companies would have to maintain a dual inventory of spare parts. For the 10-year period the cost is estimated at $5 billion, or $500 million per year. In some businesses, such as auto repair firms, this cost is already being incurred. A longer conversion period would extend this annual cost.

The Federal Government

The cost of adopting the Metric system by the Federal Government was made in two parts; one part covered the Department of Defense, and the other covered all other agencies.

Defense Department Cost Estimate. The estimate made for the U.S. Metric Study by the Department of Defense (DOD) (Interim Report No. 9) amounted to $18 billion. This cost estimate is based on several assumptions which were not used in making cost estimates for the Manufacturing sector and other sectors. It is therefore a good deal higher than it would be if such assumptions as the "Rule of Reason" had been applied.

The assumption used in the DOD estimate was that the Metric Conversion will be made on a "directed" basis. For example, modification of the 144,000 machine tools in the DOD Industrial Plant Equipment Center would be made regardless of immediate needs. This is estimated at a cost of $115 million, and that total cost is included in the total DOD estimate. In some areas of technology, such as aircraft engines, the U.S. has been predominant throughout the world, and customary units are therefore used in many countries outside the U.S. The DOD study assumes that in these fields of technology a total conversion will be made. In sum, the DOD study assumes that the Metric system will be mandatory in all DOD activities after the conclusion of the 10-year changeover period, except for spare parts.

The Rest of the Federal Government. The other 55 departments and agencies that were surveyed were much more optimistic about costs. Conversion expenses over ten years would be about $600 million. This would amount to 30 cents per capita per year, and after the conclusion of the ten year conversion period the annual savings were estimated at 11 percent of the total conversion costs.

The $60 billion cost estimate

The estimate of $60 billion for U.S. Metrication, which appears in some discussions of this subject, was arrived at by adding the $25 billion estimate for the manufacturing sector, the $18 billion estimate for the Department of Defense, the $10 billion estimate for the non-manufacturing industry and the $5 billion for the cost of dual inventories. This results in a total of $58 billion which is then brought to $60 billion by estimating that all other costs will amount to $2 billion.

The $60 billion estimate is an estimate of what a Metric conversion would cost if, over a 10-year period, a total conversion was made, and all costs of replacing tools, equipment and facilities were charged solely to the Metric conversion. As noted in discussing the rule of reason above this is not a reasonable way to charge Metrication costs and does not reflect the actual changeover practices now being followed by those firms, school districts, and others who are now actually making the changeover.

COMPARISON OF COSTS AND BENEFITS

The U.S. Metric Study concluded that a clear-cut balance sheet comparing benefits and costs of metrication could not be developed. This is due to the inability to measure benefits in dollars and cents and due to the uncertainty attached to the cost estimates.

The study found that the choice before the Congress and the country is not whether to go Metric or not. Schools, commerce, and industry in the U.S. have begun to adopt the Metric system in increasing numbers. The choice therefore is whether the changeover shall continue on an uncoordinated, firm-by-firm and school-by-school basis, as is now the case, or whether a modest effort of voluntary coordination shall be made.

Based on this finding the Metric Study concluded that the most meaningful analysis of the cost question would consist of a comparison of the costs of conversion over a 10-year period and the costs of conversion over a much longer period. For study purposes a 50-year period was used.

Using the same assumptions for both time periods the Metric Study found that a coordinated changeover aimed at making the U.S. "predominantly, but not exclusively" metric over a 10-year period would reduce the total cost to the U.S. economy.

[Telegram]

May 2, 1974.

Hon. John W. Davis,
House Office Building,
Washington, D.C.

The National Education Association supports H.R. 11035, conversion your support in achieving final passage of this bill, which is a major step in resolving this extremely important national issue.

Stanley J. McFarland,
Director of Government Relations, National Education Association.

Mr. FRENZEL. Mr. Speaker, I shall support H.R. 11035, the metric conversion bill, with some misgivings.

The growth in use of metric measures in this country has been significant. The growth will continue whether or not we pass this bill. Since the bill does not impose mandatory conversion, is wholly voluntary, and is intended to provide coordination and leadership to the inevitable development of the metric system, it seems to be a pretty safe piece of legislation.

The complaints from small business groups would seem to be answered by the dialog between the chairman and the ranking minority member of the Science and Astronautics Committee. If holdups are forced by this bill, which seems an unlikely prospect, small businesses should be protected by loans through SBA. I believe that any businesses, large or small, or any employee would be better served under the bill, than under a system of random growth of the metric system.

With some national leadership, on the other hand, both export-oriented and domestically oriented firms will get better guidance to make their conclusions, if they choose to do so, in the manner that serves their interests best.

I am sorry the bill has been handled under suspension. This is a bad procedure. We should have an opportunity to amend. But, even under the procedure I shall vote for the bill.

Mr. BAKER. Mr. Speaker, if H.R. 11035 passes, American farmers 10 years hence will be reporting their crop yield as X number of hectoliters. The prospective buyers, who a few years earlier were quite comfortable thinking in terms of bushels, will quickly multiply X hectoliters by 2.84 thereby revealing Y numbers of bushels.

In 10 years the Occupational Safety and Health Administration may well hire an army of mathematicians to translate the nebulous world of OSHA regulations into unfamiliar metric measurements.

Small businessmen and American workers will have shoveled out much of their narrow profit margin for new instruments and tools of every kind.

And everyone will have purchased a calculator to figure out everything from body temperature to the amount of flour for a recipe.

The justification for metric conversion is, of course, to keep American industry in a competitive position with metrical industrial powers. But we must realize that if it will be easier for Americans to sell American products abroad, it will also be easier for other nations to sell foreign products in America. And as a GAO report pointed out, the added costs of metric conversion will actually make U.S. exports more costly and place these products at even more of a competitive disadvantage vis-a-vis the products of foreign firms that are already metric.

Another GAO report last year estimated that we may expect that U.S. exports will increase by a total of $5 billion during the 10-year conversion period. But when compared to the staggering estimated cost to convert—$45 to $100 billion—the trade advantages look less attractive.

If we do opt for the metric system we should decide how we can convert with a minimum of inconvenience and cost. As the GAO has indicated, a 10-year conversion will be far more costly than a gradual and voluntary conversion.

I think we can learn from the British experience. Six years after conversion, a Gallup poll shows that 57 percent of the British people oppose the metric system. If disenchantment is this high in a nation tied to the metrically oriented Common Market, it is doubtful whether America will convert more smoothly—especially when, as indicated by a National Bureau of Standards report, 60 percent of the American people are totally unfamiliar with the metric system.

I am most concerned about the 5,200,000 small businessmen and millions of American skilled workers who do not have the resources of large corporations to absorb the expense of remeasuring all aspects of their businesses. Conversion will be a nonproductive expense for all businesses, but it will be worse for small businesses because they are minimally involved in foreign trade, and hence the cost conversion offers no ultimate benefit in increased business. The cost of metric conversion for the small businessman will therefore be doubly unjustified: it will be nonproductive, and it will not result in an expanded market.

The 10-year crash program may well be financially disastrous for small businessmen and American workers. As small businesses fold, the large corporations would gobble up the old markets of the small businessmen, and business ownership would be greatly concentrated.

If there is real need for small businesses—as opposed to giant international corporations—to convert, then they will do so as the need arises, gradually and naturally. It makes no sense to force them to convert against their will.

Mr. RARICK. Mr. Speaker, the committee has heard a lot of emotionally charged rhetoric that somehow we Americans are lagging behind the entire world because we have not converted to metric. I would simply remind the Members that we are the only country that has put a man on the moon—not once, but numerous times. And this was done by the inch, pound, foot system—not by metric. Also, I have never heard of any of these other progressive countries turning down our aircraft, tanks, or other sophisticated weaponry or refusing our agricultural products because they were harvested and packaged by the pound, bushel, or short ton.

As for the charges that unless we convert to metric, we will lose our international markets, one need only to look at the foreign automobiles on our streets and the foreign goods and materials in our stores to question whether the market we are losing is overseas under metric or here at home from foreign imports converted to the inch, foot, pound system.

The proposed National Metric Conversion Act, which we are discussing today, to coordinate the "voluntary conversion" to the one-world, metric system is deserving of a great deal of serious consideration before we attempt to impose it on the American public. It is, after all, a revolutionary concept to our people who are accustomed to thinking in terms of feet, inches, pounds, miles-per-hour, and so forth—the American system.

The metric system has been authorized for use in the United States since 1866, yet except in the scientific and related fields, the average citizen has not converted to the metric system as a means of communication. Metric remains an alien language, probably because it is incompatible with our everyday lives and is of little practical benefit. Or, it might be said, the average American feels if the present system works, why change it simply for the benefit of change.

There has been so much hoopla in the press suggesting that national conversion to a foreign measurement system is an "inevitable reform" that many of our colleagues seem to accept this as a foregone conclusion. We must examine some of the realities of this legislation before we move to hastily impose a foreign measurement on our people after almost 200 years of successful use of a proven system of measurement communication.

One great concern is the effect of this legislation on small businesses in America doing business with Americans. Truly, passage of this bill will only further the old adage that "the big boys get richer and the small boys get poorer." Succinctly, as Mr. George C. Lovel points out in his forthcoming book, "The Coming Metric Disaster"—

> If one cannot produce to metric specifications as would be required by Government Contract (by 1985), or is competitively placed at a disadvantage with his giant counterparts, then he voluntarily closes shop or goes bankrupt.

What I am saying is that we have only recently seen the tragic effect of the energy crisis on small businesses; this will again be the case if this Congress sees fit to enact measurement control legislation. Langague, like economics, should be free—left to the people, not to political edict.

My residence lot is 100 times 175 feet or 17,500 square feet. It took me one second to compute this because of the multiple 10 idea—but it was not metric. Our monetary system is decimalized, but it is not metric. In metric, my lot is 30.48 times 53.34 meters or 1624.8032 square meters. A lot 88 times 110 feet would be 9680 square feet or 26.9984 times 33.528 meters which comes to 95.450552 square meters. Metric proponents claim simplicity. That all one needs to do is move the decimal back and forth—don't you believe it. When you think of all the parcels of land all over the country and all the real estate transactions recorded in the public records, one can envision somewhat the confusion metric would provoke. And that is only the beginning. Think of all the land surveys, and distances based on the mile from a central point in Washington, D.C.—the official land tracts based on a mile square—the maps and the distances between places; and try to convert to metric remembering that 1 mile equals 1,609,344 meters. In cubic measurements, one usually has an answer with 12 decimals; thus, a 2 inch cube, or 8 cubic inches, ends up as 0.000131096512 cubic meters.

To get around this decimal problem, metric has a table of 15 prefixes. Thus, the above cube would be 131,09512 tetra meters, or is it nano, or giga, or micro? This leads to another flaw in the metric wonderland—the "teaching math is easier" syndrome.

Because we cannot get rid of inch-based things which surround us, we will need to learn both systems—on top of these add the layer of 15 prefixes which must be taught, memorized and understood. There are other deeper and more subtle problems to the metric educational fallacy which England now is discovering to her dismay. One educator contends that fractions will no longer be taught and this theme was touted in one of the world's most widely read digest. They may be beating a dead horse, however, a music teacher friend of mine observed. He reports that fractions may have already been deleted from the curriculum for most teenagers today are unable to comprehend or relate to the simplest half-notes, quarter-notes, eighths, and sixteenths.

Additionally, it is not clear what the effect of this legislation will be on American companies operating in competition with foreign firms. Quoting Mr. Lovell—

> As U.S. producers switch to metric standards, the U.S. trade deficit will grow sharply because the competitive advantage will swing further to foreign producers who will have had production experience with such standards, whereas U.S. producers will have to acquire it and educate U.S. consumers to accept it. There will be added costs to U.S. producers from retooling, double inventories, errors due to unfamiliarity with the new system, and costs arising from the necessity to continue producing to the old specifications for many years to service existing inch-based equipment. These added costs would automatically give the foreign metric-based producers an additional cost advantage by opening the gates to a "new" flood of exports into this country.

It may prove acceptable to foreign consumers but of serious long-term impact on the real world market—the U.S. consumers.

The true effect of this legislation on American consumers is not clear. Certainly, the primary problem stems from the fact that it will be impossible to get rid of the inch-foot based things around us. Some of the adverse results of this will be economic; others will be financial, and some will be political. In each case, the American people will be faced with endless inconveniences and confusion, which in some cases could expect to be with us for centuries.

Proponents of this legislation argue that the United States alone in the world is the only country that has not established a national policy on converting to the metric system. This is really a rather tenuous argument. After all, this is the greatest country in the world, with the greatest technology. If the scientists want to use the metric system, then they certainly have the freedom to do so; however, it seems unconscionable to ask the carpenter, farmer, real estate agent, or consumer to change to the metric system, including bearing the cost of the conversion, simply because the scientists, intellectuals, and multinational business interests feel that it would be advantageous to them for foreign trade—especially since the world market has already accepted and is using the U.S. system.

One of the great advantages of life in America is that its people are so diverse. I know that the Members would hesitate to change the language of our society from English to, say, Esparanto or Swahili simply for the proposed benefit of international trade. It is, I suggest, just as troublesome to pass legislation such as that before us, which proposes an international one-world measurement for use in America.

I know our people may not understand this bill before us today but they will next year and the years thereafter if it should pass. As for me, I am an American. I am satisfied with America and our system which has and is serving our people well. I shall cast my people's vote against this legislation and I urge my colleagues to join in opposing this anti-American legislation.

Mr. KOCH. Mr. Speaker, I am voting "no" on this bill although I would vote "yes" if it were to come up under the regular parliamentary procedure. I believe, however, that no controversial bill, and this measure is controversial, should be brought to the floor under the suspension calendar which limits debate to only 40 minutes and bars the offering of any amendments. I urge my good friend, Mr. TEAGUE, chairman of the Science and Astronautics Committee, to bring this bill up under the rule already provided by the Rules Committee and let the House work its will.

Mr. DRINAN. Mr. Speaker, the Metric Conversion Act, which we have before us, is an important proposal for improving the American system of weights and measures by conforming it to the systems of other nations. It will undoubtedly facilitate international exchanges in a number of areas, as well as achieve certain domestic benefits.

To be sure, conversion has already been undertaken in some sectors of the Nation. The scientific community has used the metric system for a number of years, and students studying science, at whatever level, have worked with it. Thus the act really seeks to promote and encourage its wider use, rather than introduce a totally unfamiliar system into the United States.

In my judgment, conversion to the metric system has two principal advantages. First, the system, based on the number 10, is easier to use than our system. Anyone who has attempted any type of calculation involving weights and measures is aware of the difficulties of our present arrangement.

From the grammar school student to the supermarket shopper, the daily struggles with ounces and pounds, inches and feet, are very frustrating. Since our monetary system is based on 10, it is foolish not to use weights and measures based on the same decimal. The consumer would benefit greatly under the new system, as well as the pupil striving for comprehension, notwithstanding the new math.

Furthermore, the metric system is nearly universal among the nations of the world. Our conversion to that system would be very helpful for our international exchanges.

The difficulties I have with the Metric Conversion Act, as presented to us today, do not go to its underlying purpose. My objection is that the bill is here under a suspension of the rules, allowing no amendments. That is too stifling a manner in which to consider this important measure. This is particularly true since the Rules Committee has already granted an open rule when the proposal comes up in the regular course of business.

While the principal thrust of the bill is exemplary, there are a few provisions that might well benefit by amendment. For example, the act appears to preclude the use of Federal aid to assist the voluntary conversion to the metric system. Those directives, it seems to me, are too inflexible.

The National Metric Conversion Board, which this bill would establish, will be devising a master conversion plan over the next 12 months. It is very possible that, as the Board focuses on the practical problems associated with the conversion, Federal financial assistance may be necessary. It seems to me that we should not foreclose the Board from including in its plan or recommending to the Congress a conversion program which calls for Federal subsidies, whether in the form of loans, grants, tax deductions, or other incentives.

I can envision that small businesses and workers would particularly feel the economic impact of the conversion. Persons who are employed in the crafts or as mechanics might well have to invest in new tools. Companies which metricate will surely have to purchase new equipment or convert their old machinery to the new system. If it is in the national interest to change to the metric system, it is surely in the national interest to ease the financial burdens which accompany it.

It goes almost without saying that it is important to complete the conversion process at the earliest practicable date. We should not tarry over the consideration of this measure. It has been over 100 years, however, since Congress first authorized the use of the metric system. Thus to debate final passage using the extraordinary procedure of a suspension seems to me a bit hasty in light of this history. The more prudent course, I suggest, is to await the return of the Metric Conversion Act to the floor under the rule authorized by our committee.

Mr. RAILSBACK. Mr. Speaker, as one who has cosponsored similar legislation with Congressman McCLORY, I would just like to add my support to H.R. 11035, the Metric System Conversion Act. The purpose of this bill is to declare and implement voluntary conversion to the metric system within the next 10 years.

Under the metric system, all units have a uniform relationship—which is based upon the decimal. The meter—which roughly corresponds to our yard—is the principal unit. All measures of capacity, surface, volume, and weight are derived from it. The scale of subdivisions and multiples is 10.

As far back as 1866, the U.S. Congress legalized the metric system, and a few years later the United States was a party to "the Treaty of the Meter." By signing this treaty, our country, along with every other major country in the world, endorsed the metric system as "the internationally preferred system of weights and measures." However, our Government then made no concerted effort to authorize a program to actually provide for the conversion to such a system.

In 1965, Great Britain began implementing the metric system. Since at that time the United States was about the only industrialized Nation not using metric units, Congress was prompted to reevaluate our position. Hearings were held which led to the eventual enactment of legislation directing the Secretary of Commerce to study the desirability of increasing the use of the metric system in our country. To carry out this directive, an advisory panel was set up, composed of persons who represented all walks of life. In part, the summary of their findings read:

> . . . eventually the United States will join the rest of the world in the use of the metric system as the predominant common language of measurement. Rather than drifting to metric with no national plan to help the sectors of our society and guide our relationships abroad, a carefully planned transition in which all sectors participate voluntarily is preferable. The change will not come quickly, nor will it be without difficulty; but Americans working cooperatively can resolve this question once and for all.

I think it is clear from this report that we must proceed in an orderly manner with metric conversion. In addition, the metric system is in itself desirable for a number of reasons.

First, it is already used by our Government for several purposes, including tariff matters and weighing foreign mail.

Second, many private industries use metric measures. Deere & Co., which has offices in my congressional district, began its own conversion nearly 10 years ago—using dual dimensions in many of their technical drawings. In fact, at least 10 percent of all U.S. manufacturers currently use the metric system, and 90 percent prefer a coordinated policy on this matter. Ford Motor Corp. will soon produce our first entirely metric automobile engine. And the pharmaceutical industry and the medical profession already use such measurements.

Perhaps the most compelling argument in favor of the metric system, however, is in regard to our trading position. At a time of integrated commerce which has been of such benefit to American businessmen and farmers—and in turn the American consumer—it is only prudent for the United States to adjust its systems to those internationally accepted. By 1978, nonmetric products are not even expected to be allowed to enter the European Economic Community, so the metric system seems clearly in our own best interests.

The bill before us today will provide for conversion in an orderly, thorough manner. It recognizes the need of coordination, voluntary participation, and the importance of education about the system itself. Very briefly, H.R. 11035 sets up a board to devise an appropriate program which must be submitted to the Secretary of Commerce within a year. The Secretary would then, along with his own recommendations, submit this plan to the Congress for final approval. While I preferred the bill I originally cosponsored as it provided for a more immediate commitment, H.R. 11035 does have an advantage of insuring careful planning on an action which will virtually affect every American citizen. I therefore urge immediate enactment of the Metric System Conversion Act.

Mr. ESCH. Mr. Speaker, I rise in support of H.R. 11035, the declaration of national policy to convert to the metric system in the United States. I join with the gentleman from Georgia (Mr. DAVIS) in my support for this measure and commend him for his leadership in developing this legislation.

Mr. Speaker, I would like to emphasize three very important points concerning this legislation. First, that this country has already begun the process of metric conversion, but that there needs to be some order brought to that conversion process. Second, that this country will reap significant economic benefits from such a conversion. And, third, that the legislation provides for a voluntary conversion.

The United States is one of the few nations left in the world which has not yet officially adopted the metric system. Yet within this country the metric system is slowly, but steadily increasing in use. Many industries have already announced that they are changing the sizes of their products and the standards to which they are manufactured to the metric system. Concerns in the automotive industry, pharmaceutical industry, and the medical profession have already begun the conversion to the metric system.

Similarly, the school systems of a number of States have announced that their textbooks will be entirely changed to the metric system by the year 1976. The choice before the Congress, therefore, is not whether we should move toward the metric system; that conversion has already begun. The choice is between continuing the conversion process in an entirely uncoordinated fashion, as is the case now, or going forward with the conversion process on a coordinated basis. The legislation before us today provides the necessary direction and coordination for that process.

The legislation has four major provisions. First, it establishes a national policy of voluntary metric conversion in the United States; second, the conversion period would span ten years after which time the metric system would be the predominant, but not sole, system of weights and measures in the United States; third, the costs of conversion would lie where they fell; and fourth, a Metric Conversion Board comprised of representatives of all major sectors in society would be appointed to guide the Nation through the conversion period.

My second point, Mr. Speaker, is that this legislation makes sound economic sense. During the hearings before our subcommittee, it was clearly demonstrated that there is significant potential for increased export of our manufactured products made to metric standards. The gain in exports is estimated to be $600 million annually. Through testimony from various industrial representatives it was also demonstrated that there is tremendous potential for cost-savings when a common design can be used for products both at home and abroad. To realize that common design worldwide, it is evident that our inch-pound measurement units must give way to the millimeter-kilogram units which are so firmly entrenched on a worldwide basis.

Third, I should stress that the goal of this legislation is to promote a voluntary conversion in which this country would become predominantly, although not exclusively, metric. The objective of this legislation is not complete conversion regardless of cost. It is instead metrication to the extent reasonable at a minimum cost. The conversion may proceed in some sectors at a relatively rapid pace, in certain others, at a slower pace, and in some sectors there may be no measurable impact at all.

Mr. Speaker, this is legislation that is economically beneficial. It is legislation which facilitates a process that is already underway in this country. It is legislation which provides flexibility and accommodation so that the interests of all sections of the economy are taken into account. I would urge my colleagues to support this legislation.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. TEAGUE) that the House suspend the rules and pass the bill, H.R. 11035.

The question was taken.

Mr. PARRIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 153, nays 240, not voting 40, as follows:

[Roll No. 208]

YEAS—153

Adams
Alexander
Anderson, Ill.
Andrews, N.C.
Ashley
Aspin
Bell
Bennett
Bergland
Biester
Boggs
Boland
Bolling
Brademas
Breaux
Brooks
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burleson, Tex.
Casey, Tex.
Cederberg
Chamberlain
Cohen
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Danielson
Davis, Ga.
Davis, Wis.
de la Garza
Dellenback
Dellums
Denholm
Dorn
Downing
du Pont
Edwards, Ala.
Edwards, Calif.
Esch
Fascell
Fisher
Foley
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gettys
Giaimo
Gibbons
Goldwater
Griffiths
Gubser
Gude
Gunter
Hamilton
Hanna
Hanrahan
Hansen, Idaho
Harrington
Hechler, W. Va.
Heinz
Hicks
Hogan
Hosmer
Howard
Ichord
Kastenmeier
Landrum
Lent
Long, La.
McClory
McCloskey
McCormack
McEwen
McKay
McKinney
Mallary
Mann
Maraziti
Mathis, Ga.
Mayne
Meeds
Michel
Milford
Miller
Mink
Minshall, Ohio
Montgomery
Mosher
Moss
O'Hara
O'Neill
Owens
Pettis
Pike
Poage
Powell, Ohio
Preyer
Pritchard
Quie
Quillen
Railsback
Rees
Rhodes
Robison, N.Y.
Roncalio, Wyo.
Rostenkowski
Roush
Ruppe
Ryan
Sarasin
Schneebeli
Schroeder
Seiberling
Shipley
Smith, Iowa
Smith, N.Y.
Steelman
Stratton
Symington
Teague
Tiernan
Towell, Nev.
Udall
Ullman
Van Deerlin
Vander Jagt
Veysey
Waldie
Ware
Whalen
White
Wiggins
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki

NAYS—240

Abdnor
Abzug
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Biaggi
Bingham
Blackburn
Bowen
Brasco
Bray
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carter
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Collier
Collins, Ill.
Collins, Tex.
Conlan
Crane
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Delaney
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Drinan
Dulski
Duncan
Eckhardt
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Flood
Flynt
Ford
Fountain
Froehlich
Fulton
Gaydos
Gilman
Ginn
Gonzalez
Goodling
Grasso
Gray
Green, Pa.
Gross
Grover
Guyer
Hammerschmidt
Hanley
Harsha
Hastings
Hawkins
Hays
Hébert
Heckler, Mass.
Henderson
Hillis
Hinshaw
Holt
Holtzman
Horton
Huber
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Latta
Lehman
Litton
Long, Md.
Lott
Luken
McCollister
McDade
McFall
McSpadden
Madigan
Mahon
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mazzoli
Melcher
Metcalfe
Mezvinsky
Minish
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Obey
O'Brien
Parris
Passman
Patten
Pepper
Perkins
Peyser
Podell
Price, Ill.
Price, Tex.
Randall
Rangel
Rarick
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Rooney, Pa.
Rosenthal
Rousselot
Roy
Roybal
Runnels
Ruth
St Germain
Sarbanes
Satterfield
Scherle
Sebelius
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Traxler
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wright
Wyman
Yatron
Zion
Zwach

NOT VOTING—40

Bevill
Blatnik
Brotzman
Carey, N.Y.
Carney, Ohio
Flowers
Frelinghuysen
Green, Oreg.
Haley
Hansen, Wash.
Helstoski
Holifield
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Leggett
Lujan
Macdonald
Madden
Martin, N.C.
Mills
Morgan
Nichols
Nix
Patman
Pickle
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rose
Sandman
Sisk
Stanton, James V.
Stephens
Stokes
Stubblefield
Thornton
Treen
Young, Ga.

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Nichols.

Mr. Blatnik with Mr. Morgan.

Mr. Flowers with Mr. Carney of Ohio.

Mrs. Green of Oregon with Mr. Martin of North Carolina.

Mr. Haley with Mr. Thornton.

Mrs. Hansen of Washington with Mr. Stubblefield.

Mr. Holifield with Mr. Brotzman.

Mr. Jones of Alabama with Mr. Leggett.

Mr. Madden with Mr. Rose.

Mr. Mills with Mr. Frelinghuysen.

Mr. Pickle with Mr. Bevill.

Mr. Patman with Mr. Johnson of Pennsylvania.

Mr. Reid with Mr. Macdonald.

Mr. Stephens with Mr. Lujan.

Mr. Sisk with Mr. James V. Stanton.

Mr. Nix with Mr. Young of Georgia.

Mr. Stokes with Mr. Jones of North Carolina.

Mr. Helstoski with Mr. Roncallo of New York.

Mr. Carey of New York with Mr. Sandman.

The result of the vote was announced as above recorded.

VETERANS' AND SURVIVORS' COMPENSATION INCREASES

Mr. DORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14117) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, and for other purposes.

The Clerk read as follows:

H.R. 14117

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 314 of title 38, United States Code, is amended—

(1) by striking out "$28" in subsection (a) and inserting in lieu thereof "$31";

(2) by striking out "$51" in subsection (b) and inserting in lieu thereof "$57";

(3) by striking out "$77" in subsection (c) and inserting in lieu thereof "$86";

(4) by striking out "$106" in subsection (d) and inserting in lieu thereof "$122";

(5) by striking out "$149" in subsection (e) and inserting in lieu thereof "$171";

(6) by striking out "$179" in subsection (f) and inserting in lieu thereof "$211";

(7) by striking out "$212" in subsection (g) and inserting in lieu thereof "$250";

(8) by striking out "$245" in subsection (h) and inserting in lieu thereof "$289";

(9) by striking out "$275" in subsection (i) and inserting in lieu thereof "$325";

(10) by striking out "$495" in subsection (j) and inserting in lieu thereof "$584";

(11) by striking out "$47" and "$616" and "$862" in subsection (k) and inserting in lieu thereof "$52" and "$727" and "$1,017" respectively.

(12) by striking out "$616" in subsection (l) and inserting in lieu thereof "$727";

(13) by striking out "$678" in subsection (m) and inserting in lieu thereof "$800";

(14) by striking out "$770" in subsection (n) and inserting in lieu thereof "$909";

(15) by striking out "$862" in subsections (o) and (p) and inserting in lieu thereof "$1,017";

(16) by striking out "$370" in subsection (r) and inserting in lieu thereof "$437"; and

(17) by striking out "$554" in subsection (s) and inserting in lieu thereof "$654".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 2. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$31" in subparagraph (A) and inserting in lieu thereof "$36";

(2) by striking out "$53" in subparagraph (B) and inserting in lieu thereof "$61";

(3) by striking out "$67" in subparagraph (C) and inserting in lieu thereof "$77";

(4) by striking out "$83" and "$15" in subparagraph (D) and inserting in lieu thereof "$95" and "$17", respectively;

(5) by striking out "$21" in subparagraph (E) and inserting in lieu thereof "$24";

(6) by striking out "$36" in subparagraph (F) and inserting in lieu thereof "$41";

(7) by striking out "$53" and "$15" in subparagraph (G) and inserting in lieu thereof "$61" and "$17", respectively;

(8) by striking out "$25" in subparagraph (H) and inserting in lieu thereof "$29"; and

(9) by striking out "$48" in subparagraph (I) and inserting in lieu thereof "$55".

SEC. 3. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E-1	$215
E-2	221
E-3	228
E-4	241
E-5	248
E-6	254
E-7	266
E-8	281
E-9	[1] 294
W-1	271
W-2	282
W-3	291
W-4	307
O-1	271
O-2	281
O-3	301
O-4	318
O-5	350
O-6	394
O-7	$427
O-8	467
O-9	502
O-10	[2] 549

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the widow's rate shall be $316.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the widow's rate shall be $589.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the widow shall be increased by $26 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a widow shall be increased by $64 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 4. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) One child, $108.

"(2) Two children, $156.

"(3) Three children, $201.

"(4) More than three children, $201, plus $40 for each child in excess of three.".

SEC. 5. (a) Subsection (a) of section 414 of title 38, United States Code, is amended by striking out "$55" and inserting in lieu thereof "$64".

(b) Subsection (b) of section 414 of such title is amended by striking out "$92" and inserting in lieu thereof "$108".

(c) Subsection (c) of section 414 of such title is amended by striking out "$47" and inserting in lieu thereof "$55".

SEC. 6. Section 337 of title 38, United States Code, is amended by striking "January 31, 1955" and inserting in lieu thereof "December 31, 1946".

SEC. 7. The first section and sections 2, 3, 4, and 5 of this Act shall take effect on the first day of the second calendar month which begins after the date of enactment.

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from South Carolina (Mr. Dorn).

GENERAL LEAVE

Mr. DORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation, and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the basic purpose of this bill is to provide appropriate increases in the rates of compensation payable to service-disabled veterans, including the rates of additional allowances for dependents payable to certain of such veterans and, finally, to increase the monthly rates of dependency and indemnity compensation to the widows and children of veterans who have died from service-connected disabilities. This bill was developed after 2 days of open hearings on the compensation programs conducted by our very diligent and capable subcommittee on compensation and pension headed by our most distinguished and longtime former chairman of the full committee, the gentleman from Texas (Mr. Teague). I wish to commend him and his fellow Members, the gentleman from Texas (Mr. Roberts), the gentleman from Mississippi (Mr. Montgomery), the gentleman from Georgia (Mr. Brinkley), the gentleman from Arkansas (Mr. Hammerschmidt), and the gentleman from Ohio (Mr. Wylie).

Mr. Speaker, I am sure that the record will clearly demonstrate that our committee has consistently through the years given particular attention to the needs and adequacy of the programs for our service-connected veterans and their survivors. In this connection I think I should point out that while we have endeavored through the years to equate the monthly rates with increases in the cost of living, we have not overlooked the fact that experience has shown that the greater need lies with the more seriously disabled veterans who in many cases are completely unable to supplement their disability compensation payments with outside income. Accordingly, in this bill as in previous measures we have proposed somewhat greater increases on behalf of the severely service-connected disabled veterans.

I should like to note particularly that for many years there has been a modest statutory award payable for the loss of a limb, eye, et cetera, in addition to the basic rate of compensation payable according to the percentage of the disability. This has become known among veterans' groups as the so-called "k" award.

For the first time in over 20 years we have reconsidered this award and granted a 10-percent increase, from $47 to $52, and as I indicated this is payable in addition to the new increased basic rate of compensation in the particular case.

As chairman of the Veterans' Affairs Committee I am proud to be a part of the unanimous committee approval of this very worthwhile legislation. I now feel that it is appropriate to yield such time as he may desire to the chairman of the subcommittee, the gentleman from Texas, who will explain in more detail the specific provisions of H.R. 14117.

Mr. TEAGUE. Mr. Speaker, the rates of compensation for service-disabled veterans were last increased on August 1, 1972. Since that time we are all very much aware of the large increase in the cost of living which has caused our committee to give a very high priority to determine the adequacy of this benefit for our disabled veterans. In March the VA recommended an increase of 12 percent in the compensation rates, later advising that a 13-percent increase would be acceptable. After careful consideration the committee has reported a bill which would provide approximately 11 percent increase in the lower rates of disability up to 18 percent for the more severely disabled, including the totally disabled cases and all of the higher statutory awards. The table which I will include following my remarks sets forth the dollar amount of each of the existing rates and the new rates proposed. The additional allowances for dependents where the veteran is rated 50 percent or more service-disabled are increased 15 percent across the board.

With regard to the DIC rates authorized for widows and children of veterans who have died from service-connected causes, we find that they have not been increased since January 1, 1972, almost 2½ years ago. While the VA agreed to an increase of 15 percent, it appears that the consumer price index has already increased above that percentage since the last increase in rates. Keeping in mind the proposed effective date in the bill of the rate increases, namely, the first day of the second calendar month following the date of enactment, the committee has concluded that an increase of 17 percent in the DIC rates is fully justified and the rates are increased accordingly. The table I have referred to also reflects a comparison of the present and proposed rates under this program.

Finally, the bill extends the so-called presumptive period for finding service-connection of a chronic or tropical disease for veterans who served during the period following World War II—after December 31, 1946—and prior to the beginning of the Korean conflict period—June 27, 1950. When we passed the cold war GI bill in 1966 this presumption of service-connection was extended to veterans who served after January 31, 1955, which, until 1964, was for the most part a peacetime period. Accordingly, the committee feels that to continue the exclusion of those who served during this short period between World War II and the Korean conflict is an unwarranted distinction.

Mr. Speaker, H.R. 14117 carries the joint sponsorship of 23 members of our committee. I believe it represents a reasonable and fully justified increase in the rates of monthly compensation payable to our service-connected disabled veterans and to the widows and children of such veterans who have died—each of such groups certainly deserves our prime consideration. I therefore strongly recommend approval of the bill.

Mr. Speaker, under consent previously granted, I include at this point in my remarks a brief sectional analysis of the bill, a table showing the additional cost for each of the first 5 years and certain relevant statistical data which I believe will be of interest to the Members:

SECTIONAL ANALYSIS OF THE BILL

SECTION 1

This section provides increases in the basic rates of disability compensation ranging from 10.7 percent to 18 percent, depending upon the degree of severity of disability. An increase of 18 percent is provided for total disability and all of the higher statutory awards involving combinations of severe disabilities.

SECTION 2

Additional allowances for service-disabled veterans are provided on behalf of spouses, children and dependent parents in all cases where the veteran is rated 50 percent or more disabled. Under the bill these rates are increased 15 percent across the board.

SECTIONS 3, 4 AND 5

Dependency and indemnity compensation (DIC) is payable to widows, children and dependent parents of veterans whose death is determined to be the result of service. The rates of DIC for parents were increased in connection with the veterans' pension bill which was enacted last year as Public Law 93-177. This bill increases the rates for widows and children by 17 percent across the board.

SECTION 6

This section would extend the longstanding presumption of service-connection for wartime veterans to those veterans who served between the end of World War II, December 31, 1946 and before June 25, 1950, the beginning of the Korean Conflict period.

SECTION 7

The effective date of the increased rates authorized by the first section and sections 2, 3, 4 and 5 of the bill is the first day of the second calendar month following the date of enactment. Section 6 would be effective the date of approval of the bill.

ADDITIONAL COST FOR 1ST 5 YEARS

[In millions]

	Secs. 1 and 2	Secs. 3, 4, and 5	Total
1st year	$434.3	$102.1	$536.4
2d year	432.7	103.8	536.5
3d year	430.9	105.5	536.4
4th year	428.3	107.3	536.6
5th year	424.7	109.1	533.8

HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION [1] INCREASES FOR DISABLED VETERANS*—JULY 1, 1933, THROUGH AUG. 1, 1972

		Jan. 19, 1934		P.L. 312, 78th Cong., June 1, 1944		P.L. 182, 79th Cong., Oct. 1, 1945	P.L. 662, 79th Cong., Sept. 1, 1946		P.L. 339, 81st Cong., Dec. 1, 1949		P.L. 356, 82d Cong., July 1, 1952		P.L. 427, 82d Cong., Aug. 1, 1952	
Disability [1]	July 1, 1933 rate	+ Percent increase =	Rate	+ Percent increase =	Rate	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate
(a) Rated at 10 percent [1]	$9	11.1	$10	15.0	$11.50		20	$13.80	8.7	$15	5	$15.75		
(b) Rated at 20 percent [1]	18	11.1	20	15.0	23.00		20	27.60	8.7	30	5	31.50		
(c) Rated at 30 percent [1]	27	11.1	30	15.0	34.50		20	41.40	8.7	45	5	47.25		
(d) Rated at 40 percent [1]	36	11.1	40	15.0	46.00		20	55.20	8.7	60	5	63.00		
(e) Rated at 50 percent [1]	45	11.1	50	15.0	57.50		20	69.00 60.00	8.7	75	15	86.25		
(f) Rated at 60 percent [1]	54	11.1	60	15.0	69.00		20	82.80	8.7	90	15	103.50		
(g) Rated at 70 percent [1]	63	11.1	70	15.0	80.50		20	96.60	8.7	105	15	120.75		
(h) Rated at 80 percent [1]	72	11.1	80	15.0	92.00		20	110.40	8.7	120	15	138.00		
(i) Rated at 90 percent [1]	81	11.1	90	15.0	103.50		20	124.20	8.7	135	15	155.25		
(j) Rated at total [1]	90	11.1	100	15.0	115.00		20	138.00	8.7	150	15	172.50		
(k) (1) Additional monthly payment for anatomical loss or loss of use of any of these organs: 1 foot, 1 hand, blindness in 1 eye (having light perception only), 1 or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss [2]	[2] 25			40.0		[2] $35	20	[2] 42.00					11.9	[2] $47
(2) Limit for veterans receiving payments under (a) to (j) above														
(3) Limit for veterans receiving payments under (l) to (n) below						300							33.3	400
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	150			33.3		200	20	240.00					10.8	266
(m) Anatomical loss or loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, either with light perception only or rendering veteran so helpless as to require regular aid and attendance	174			34.3		235	20	282.00					11.0	313
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent, use of prosthesis or anatomical loss of both eyes	200			32.5		265	20	318.00					11.0	353

Footnotes on page 13376.

HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION[1] INCREASES FOR DISABLED VETERANS*—JULY 1, 1933, THROUGH AUG. 1, 1972—Continued

Disability[1]	July 1, 1933 rate	Jan. 19, 1934		P.L. 312, 78th Cong., June 1, 1944		P.L. 182, 79th Cong., Oct. 1, 1945	P.L. 662, 79th Cong., Sept. 1, 1946		P.L. 339, 81st Cong., Dec. 1, 1949		P.L. 356, 82d Cong., July 1, 1952		P.L. 427, 82d Cong., Aug. 1, 1952	
		+ Percent increase =	Rate	+ Percent increase =	Rate	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less)	$250			20.0		$300	20	$360.00					11.1	$400
(p) (1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed						300	20	360.00					11.1	400
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 40 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of 1 ear next intermediate rate is payable, but in no event may compensation exceed														
(q) Arrested tuberculosis, minimum monthly compensation rate														[3] 67
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to (o) or (p) rate														
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound														

HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION[1] INCREASES FOR DISABLED VETERANS* JULY 1, 1933 THROUGH AUG. 1, 1972

Disability[1]	P.L. 695, 83d Cong., Oct. 1, 1954		P.L. 85-168, Oct. 1, 1957		P.L. 87-645, Oct. 1, 1962		P.L. 89-311, Oct. 31, 1965		P.L. 90-493, Jan. 1, 1969		P.L. 91-376, July 1, 1970		P.L. 92-328, Aug. 1, 1972		Percent increase from July 1, 1933, to Aug. 1, 1972	Rates proposed by H.R. 14117
	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase –	Rate		
(a) Rated at 10 percent[1]	7.9	$17	11.8	$19	5.3	$20	5.0	$21	9.5	$23	8.7	$25	12.0	$28	211.1	$31
(b) Rated at 20 percent[1]	4.8	33	9.1	36	5.6	38	5.3	40	7.5	43	7.0	46	10.9	51	183.3	57
(c) Rated at 30 percent[1]	5.8	50	10.0	55	5.5	58	3.4	60	8.3	65	7.7	70	10.0	77	185.2	86
(d) Rated at 40 percent[1]	4.8	66	10.6	73	5.5	77	6.6	82	8.5	89	7.9	96	10.4	106	194.4	122
(e) Rated at 50 percent[1]	5.5	91	9.9	100	7.0	107	5.6	113	8.0	122	10.7	135	10.4	149	231.1	171
(f) Rated at 60 percent[1]	5.3	109	10.1	120	6.7	128	6.3	136	8.1	147	10.9	163	9.8	179	231.5	211
(g) Rated at 70 percent[1]	5.2	127	10.2	140	6.4	149	7.4	161	8.1	174	10.9	193	9.8	212	236.5	250
(h) Rated at 80 percent[1]	5.0	145	10.3	160	6.3	170	9.4	186	8.1	201	10.9	223	9.9	245	240.3	289
(i) Rated at 90 percent[1]	5.0	163	9.8	179	6.7	191	9.4	209	8.1	226	10.6	250	10.0	275	239.5	325
(j) Rated at total[1]	4.9	181	24.3	225	11.1	250	20.0	300	33.3	400	12.5	450	10.0	495	450.0	584
(k) (1) Additional monthly payment for anatomical loss or loss of use of, any of these organs: 1 foot, 1 hand, blindness in 1 eye (having light perception only), 1 or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss[2]										(3)						52
(2) Limit for veterans receiving payments under (a) to (j) above										[3] 500	12.0	560	10.0	616		727
(3) Limit for veterans receiving payments under (l) to (n) below	5.0	420	7.1	450	16.6	525	14.3	600	16.6	700	12.0	784	9.9	862		1,017
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	4.9	279	10.8	309	10.0	340	17.6	400	25.0	500	12.0	560	10.0	616	310.7	727
(m) Anatomical loss or loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, either with light perception only or rendering veteran so helpless as to require regular aid and attendance	5.1	329	9.1	359	8.6	390	15.4	450	22.2	550	12.0	616	10.1	678	287.4	800

Footnotes on page 13376.

HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION[1] INCREASES FOR DISABLED VETERANS* JULY 1, 1933 THROUGH AUG. 1, 1972—Continued

Disability[1]	P.L. 695 83d Cong. Oct. 1 1954		P.L. 85-168 Oct. 1 1957		P.L. 87-645 Oct. 1 1962		P.L. 89-311 Oct. 31, 1965		P.L. 90-493 Jan. 1, 1969		P.L. 91-376 July 1, 1970		P.L. 92-328 Aug. 1, 1972		Percent increase from July 1, 1933, to Aug. 1, 1972	Rates proposed by H.R. 14117
	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase =	Rate	+ Percent increase –	Rate		
(n) Anatomical loss of two extremities so near shoulder or hip as to prevent, use of prosthesis or anatomical loss of both eyes	5.1	$371	8.1	$401	9.7	$440	19.3	$525	19.0	$625	12.0	$700	10.0	$770	285.0	$909
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less)	5.0	420	7.1	450	16.7	525	14.3	600	16.7	700	12.0	784	9.9	862	244.9	1,017
(p) (1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	5.0	420	7.1	450	16.7	525	14.3	600	16.7	700	12.0	784	9.9	862	--------	1,017
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 40 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of 1 ear next intermediate rate is payable, but in no event may compensation exceed								600	16.7	700	12.0	784	9.9	862	--------	1,017
(q) Arrested tuberculosis, minimum monthly compensation rate										(3)						
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to (o) or (p) rate				150	33.3	200	25.0	250	20.0	300	12.0	336	10.1	370	--------	437
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound				265	9.4	290	20.7	350	28.6	450	12.0	504	9.9	554	--------	654

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[1] The basic rates payable for those 10 percent through 100 percent disabled, subsection (a) through (j), may be increased if the veteran qualifies for additional payments listed in subsection (k).

[2] Payment generally made for one loss only, until enactment of P.L. 90-77, effective Oct. 1, 1967, which permitted payment to be made for each loss, to a maximum monthly payment of $500 per month.

[3] Veterans who have active tuberculosis are rated as totally disabled, and receive compensation at the 100 percent rate. When the disease becomes inactive, the degree of disability is reduced over a period of several years, so that after it has been inactive for at least 6 years, the veteran receives the monthly payment of $67. P.L. 90-493 repealed subsection (q) on Aug. 19, 1968 with a savings provision under which any veteran who was receiving or entitled to receive the $67 minimum on that date continues to receive this payment.

*Rates for wartime service. (Rates for peacetime were 80 percent of wartime rate until P.L. 92-328 effective July 1, 1973 which provides for equalization of wartime and peacetime rates.)

The tables which follow outline the amounts of increases in all cases under H.R. 14117:

Percentage of disability or subsection under which payment is authorized	Increase From—	Increase To—
(a) 10 percent	$28	$31
(b) 20 percent	51	57
(c) 30 percent	77	86
(d) 40 percent	106	122
(e) 50 percent	149	171
(f) 60 percent	179	211
(g) 70 percent	212	250
(h) 80 percent	245	289
(i) 90 percent	275	325
(j) 100 percent	495	584

Percentage of disability or subsection under which payment is authorized	Increase From—	Increase To—
Higher statutory awards for certain multiple disabilities:		
(k) (1) Additional monthly payment for anatomical loss or loss of use of, any of these organs: 1 foot, 1 hand, blindness in 1 eye (having light perception only), 1 or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss	$47	$52
(2) Limit for veterans receiving payments under (a) to (j) above	616	727
(3) Limit for veterans receiving payments under (l) to (n) below	862	1,017

Percentage of disability or subsection under which payment is authorized	Increase From—	Increase To—
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	$616	$727
(m) Anatomical loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, either with light perception only or rendering veteran so helpless as to require regular aid and attendance	678	800
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent, use of prosthesis or anatomical loss of both eyes	770	909

Percentage of disability or subsection under which payment is authorized	Increase	
	From—	To—
Higher statutory awards for certain multiple disabilities—Continued		
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (1) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less)	$862	$1,017
(p) (1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	862	1,017
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 40 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of one ear next intermediate rate is payable, but in no event may compensation exceed	862	1,017
(q) [This subsection repealed by Public Law 90–493.]		
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to (o) or (p) rate	370	437
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	554	654

In addition to basic compensation rates and/or stautory awards to which the veteran may be entitled, dependency allowances are payable to veterans who are rated at not less than 50 percent disabled. *The rates which follow are those payable to veterans while rated totally disabled.* If the veteran is rated 50, 60, 70, 80, or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified on the next page as the degree of disability bears to total disability. For example, the veteran who is 50 percent disabled receives 50 percent of the amounts which appear on the next page.

	Increase	
	From	To
If and while veteran is rated totally disabled and—		
(A) has a wife but no child living	$31	$36
(B) has a wife and 1 child living	53	61
(C) has a wife and 2 children living	67	77
(D) has a wife and 3 or more children living	83	95
(plus for each living child in excess of 3)	15	17
(E) has no wife but 1 child living	21	24
(F) has no wife but 2 children living	36	41
(G) has no wife but 3 or more children living	53	61
(plus for each living child in excess of 3)	15	17
(H) has a mother or father, either or both dependent upon him for support for each parent so dependent	25	29
(I) for each child who has attained age 18 and who is pursuing a course of instruction at an approved educational institution	48	55

The following increases are provided for widows of deceased veterans whose deaths are service-connected and who are receiving dependency and indemnity compensation (DIC) payments:

WIDOWS[1][2]

Pay grade	From	To
E-1	$184	$215
E-2	189	221
E-3	195	228
E-4	206	241
E-5	212	248
E-6	217	254
E-7	227	266
E-8	240	281
E-9[3]	250	[3]294
W-1	232	271
W-2	241	282
W-3	249	291
W-4	262	307
0-1	232	271
0-2	240	281
0-3	257	301
0-4	272	318
0-5	299	350
0-6	337	394
0-7	365	427
0-8	399	467
0-9	429	502
0-10[4]	469	[4]549

[1] If there is a widow with 1 or more children of the deceased veteran below the age of 18, the DIC monthly rate for the widow is increased by $26 for each such child.

[2] The widow's aid and attendance rate is increased from $55 to $64.

[3] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, the widow's rate is increased from $270 to $316.

[4] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, the widow's rate is increased from $503 to $589.

When there is no widow receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates are increased as follows:

(1) One child, from $92 to $108.

(2) Two children, from $133 to $156.

(3) Three children, from $172 to $201.

(4) More than three children, from $172 plus $34 for each child in excess of three to $201, plus $40 for each child in excess of three.

The additional payment to a child who has attained the age of 18 and who became permanently incapable of self-support while under such age is increased from $55 to $64.

If DIC is paid to a widow and there is a child of her deceased husband who has attained the age of 18 and who became permanently incapable of self-support while under such age, DIC is also payable to each such child, concurrently with the DIC payment to the widow, in the amount of $92. This additional payment is increased to $108.

If DIC is payable to a widow and there is a child of her deceased husband who has attained the age of 18 but has not attained the age of 23 and is pursuing a course of instruction at an educational institution approved under the veterans' education programs, DIC is paid to each such child, concurrently with the DIC payment to the widow, in the amount of $47. This additional payment is increased to $55.

COMPENSATION—DISABILITY, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, PERIOD OF SERVICE: JUNE 1973

Degree of impairment	Total				Tuberculosis (lungs and pleura)			
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value
All periods:								
Total	2,203,041	100.0	$259,061,389	$117.59	61,561	100.0	2.8	$124.23
No disability	29,133	1.3	1,884,708	64.69	27,248	44.3	93.5	65.86
10 percent	865,895	39.3	24,129,977	27.87	1,344	2.2	.2	54.83
20 percent	341,823	15.5	17,445,952	51.04	7,705	12.5	2.3	66.67
30 percent	313,520	14.2	24,203,556	77.20	11,799	19.2	3.8	75.39
40 percent	178,512	8.1	19,290,122	108.06	1,562	2.5	.9	108.28
50 percent	112,697	5.1	19,436,301	172.47	2,645	4.3	2.4	174.27
60 percent	113,459	5.2	32,978,208	290.66	1,637	2.7	1.4	277.70
70 percent	72,532	3.3	26,301,892	362.62	1,251	2.0	1.7	276.16
80 percent	36,580	1.7	14,191,451	387.96	1,972	3.2	5.4	321.12
90 percent	12,732	.6	5,545,730	435.57	137	.2	1.1	416.39
100 percent	126,158	5.7	73,653,492	583.82	4,261	6.9	3.4	529.47
World War I:								
Total	65,163	100.0	11,489,809	176.32	9,996	100.0	15.4	131.60
No disability	798	1.2	47,312	59.29	463	4.6	58.0	67.00
10 percent	10,180	15.6	349,577	34.34	27	.3	.3	58.78
20 percent	15,700	24.1	995,656	63.42	7,054	70.6	44.9	66.90
30 percent	8,507	13.0	717,124	84.30	607	6.1	7.1	87.94
40 percent	6,267	9.6	726,118	115.86	345	3.5	5.5	118.47
50 percent	5,403	8.3	906,728	167.82	92	.9	1.7	166.95
60 percent	5,515	8.5	1,692,707	306.93	125	1.2	2.3	371.49
70 percent	2,540	3.9	842,292	331.61	37	.4	1.5	287.08
80 percent	1,550	2.4	561,633	362.34	13	.1	.8	363.62
90 percent	364	.6	152,777	419.72	11	.1	3.0	350.00
100 percent	8,339	12.8	4,497,885	539.38	1,222	12.2	14.7	519.86

COMPENSATION—DISABILITY, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, PERIOD OF SERVICE: JUNE 1973—Continued

Degree of impairment	Total				Tuberculosis (lungs and pleura)			
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value
World War II:								
Total	1,351,425	100.0	$150,186,401	$111.13	32,452	100.0	2.4	$128.69
No disability	17,734	1.3	1,174,100	66.21	16,919	52.1	95.4	67.00
10 percent	551,007	40.8	15,578,606	28.27	745	2.3	.1	60.05
20 percent	201,914	14.9	10,355.413	51.29	421	1.3	.2	66.88
30 percent	198,639	14.7	15,526,883	78.17	6,668	20.6	3.4	77.14
40 percent	111,816	8.3	12,170,683	108.85	751	2.3	.7	108.06
50 percent	69,112	5.1	12,082,240	174.82	1,287	4.0	1.9	183.16
60 percent	69,000	5.1	20,269,737	293.76	1,085	3.3	1.6	277.40
70 percent	42,510	3.2	15,792,097	371.49	1,021	3.2	2.4	277.24
80 percent	21,788	1.6	8,295,263	380.73	1,778	5.5	8.2	322.17
90 percent	6,818	.5	2,896,777	424.87	112	.3	1.6	417.79
100 percent	61,087	4.5	36,044,602	590.05	1,665	5.1	2.7	561.23
Korean conflict:								
Total	240,756	100.0	32,412,658	134.63	11,190	100.0	4.6	90.59
No disability	7,645	3.2	507,698	66.41	7,340	65.6	96.0	67.00
10 percent	85,982	35.7	2,460,703	28.62	256	2.3	.3	64.11
20 percent	37,173	15.4	1,912,838	51.46	105	.9	.3	66.38
30 percent	32,985	13.7	2,593,586	78.63	2,289	20.4	6.9	77.19
40 percent	20,328	8.4	2,232,060	109.80	254	2.3	1.2	107.11
50 percent	11,784	4.9	2,157,556	183.09	344	3.1	2.9	176.81
60 percent	13,231	5.5	4,047,826	305.94	202	1.8	1.5	267.00
70 percent	9,074	3.8	3,527,371	388.73	98	.9	1.1	296.51
80 percent	4,319	1.8	1,829,303	423.55	77	.7	1.8	357.05
90 percent	1,567	.7	712,119	454.45	8	.1	.5	422.38
100 percent	16,668	6.9	10,431,588	625.85	217	1.9	1.3	549.06
Vietnam era:								
Total	354,062	100.0	44,596,458	125.96	2,196	100.0	.6	256.39
No disability	164	0	8,274	50.45	5	.2	3.0	67.00
10 percent	141,035	39.8	3,993,101	28.31	202	9.2	.1	28.00
20 percent	57,766	16.3	2,964,199	51.31	22	1.0	.0	54.50
30 percent	45,960	13.0	3,599,305	78.31	412	18.7	.9	76.91
40 percent	27,495	7.8	3,024,484	110.00	74	3.4	.3	105.61
50 percent	19,140	5.4	3,261,068	170.38	645	29.4	3.4	170.74
60 percent	16,270	4.6	3,493,949	276.21	91	4.1	.6	246.07
70 percent	12,559	3.6	4,333,798	345.08	30	1.4	.2	259.80
80 percent	6,562	1.9	2,693,646	410.49	11	.5	.2	402.00
90 percent	3,287	.9	1,520,457	462.57	2	.1	.1	498.50
100 percent	23,824	6.7	14,704,177	617.20	702	32.0	2.9	528.59
Regular establishment:								
Total	191,609	100.0	20,365,670	106.29	5,727	100.0	3.0	101.20
No disability	2,791	1.4	147,264	52.76	2,521	44.0	90.3	54.15
10 percent	77,690	40.5	1,747,962	22.50	114	2.0	.1	46.47
20 percent	29,267	15.3	1,217,693	41.61	103	1.8	.4	52.99
30 percent	27,427	14.3	1,766,505	64.41	1,823	31.8	6.6	62.21
40 percent	12,609	6.6	1,136,777	90.18	138	2.4	1.1	87.62
50 percent	7,255	3.8	1,028,246	141.73	277	4.8	3.8	140.42
60 percent	9,441	4.9	2,473,315	261.98	134	2.4	1.4	237.11
70 percent	5,848	3.1	1,806,074	308.84	65	1.1	1.1	229.92
80 percent	2,361	1.2	811,606	343.76	93	1.6	3.9	255.83
90 percent	696	.4	263,600	378.74	4	.1	.6	307.00
100 percent	16,227	8.5	7,966,628	490.95	455	8.0	2.8	431.11
Spanish American War:								
Total	13	100.0	7,493	576.38				
No disability								
10 percent								
20 percent								
30 percent								
40 percent								
50 percent	1	7.7	149	149.00				
60 percent	1	7.7	179	179.00				
70 percent	1	7.7	259	259.00				
80 percent								
90 percent								
100 percent	10	76.9	6,906	690.60				
Mecican Border Service:								
Total	13	100.0	2,900	223.08				
No disability	1	7.7	47	47.00				
10 percent	1	7.7	28	28.00				
20 percent	3	23.1	153	51.00				
30 percent	2	15.4	154	77.00				
40 percent								
50 percent	2	15.4	314	157.00				
60 percent	1	7.6	495	495.00				
70 percent								
80 percent								
90 percent								
100 percent	3	13.1	1,709	569.66				

COMPENSATION—DISABILITY, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, PERIOD OF SERVICE: JUNE 1973

Degree of impairment	Psychiatric and neurological diseases				General medical and surgical conditions			
	Number	Percent of total psychiatric and neurological diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
All periods:								
Total	476,132	100.0	21.6	$197.74	1,665,348	100.0	75.6	$94.43
No disability					1,885	.1	6.5	47.00
10 percent	145,837	30.6	16.8	27.78	718,714	43.2	83.0	27.83
20 percent	26,150	5.5	7.6	51.69	307,968	18.5	90.1	50.59
30 percent	82,155	17.3	26.2	76.30	219,566	13.2	70.0	77.63

COMPENSATION—DISABILITY, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, PERIOD OF SERVICE: JUNE 1973—Continued

	Psychiatric and neurological diseases				General medical and surgical conditions			
Degree of impairment	Number	Percent of total psychiatric and neurological diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
All periods—Continued								
40 percent	26,218	5.5	14.7	$106.55	150,732	9.0	84.4	$108.32
50 percent	41,972	8.8	37.2	167.49	68,080	4.1	60.4	175.46
60 percent	18,912	4.0	16.7	252.01	92,910	5.6	81.9	298.76
70 percent	35,370	7.4	48.8	387.60	35,911	2.2	49.5	341.04
80 percent	9,886	2.1	27.0	399.34	24,722	1.5	67.6	388.74
90 percent	3,351	.7	26.3	444.07	9,244	.5	72.6	432.78
100 percent	86,281	18.1	68.4	564.92	35,616	2.1	28.2	636.10
World War I:								
Total	13,182	100.0	20.2	264.95	41,985	100.0	64.4	159.15
No disability					335	.8	42.0	47.00
10 percent	679	5.2	6.7	35.18	9,474	22.6	93.0	34.21
20 percent	1,803	13.7	11.5	65.91	6,843	16.3	43.6	59.18
30 percent	1,563	11.9	18.4	85.76	6,337	15.1	74.5	83.59
40 percent	1,057	8.0	16.9	118.78	4,865	11.6	77.6	115.05
50 percent	1,896	14.4	35.1	168.30	3,415	8.1	63.2	167.57
60 percent	868	6.6	15.7	224.00	4,522	10.8	82.0	321.06
70 percent	902	6.8	35.5	332.86	1,601	3.8	63.0	331.94
80 percent	423	3.2	27.3	325.67	1,114	2.7	71.9	376.25
90 percent	45	.3	12.4	424.89	308	.7	84.6	421.45
100 percent	3,946	29.9	47.3	537.15	3,171	7.5	38.0	549.68
World War II:								
Total	308,126	100.0	22.8	175.76	1,010,847	100.0	74.8	90.87
No disability					815	.1	4.6	47.00
10 percent	108,386	35.2	19.7	28.10	441,876	43.7	80.2	28.26
20 percent	16,976	5.5	8.4	51.15	184,517	18.3	91.4	51.26
30 percent	56,465	18.3	28.4	77.16	135,506	13.4	68.2	78.64
40 percent	17,743	5.8	15.9	106.87	93,322	9.2	83.4	109.23
50 percent	25,239	8.2	36.5	170.61	42,586	4.2	61.6	177.06
60 percent	11,497	3.7	16.7	249.06	56,418	5.6	81.7	303.19
70 percent	20,736	6.7	48.8	409.04	20,753	2.1	48.8	338.61
80 percent	5,670	1.9	26.0	397.45	14,340	1.4	65.8	381.38
90 percent	1,614	.5	23.7	428.49	5,092	.5	74.7	423.88
100 percent	43,800	14.2	71.7	579.73	15,622	1.5	25.6	622.08
Korean conflict:								
Total	45,379	100.0	18.9	277.95	184,187	100.0	76.5	101.99
No disability					305	.2	4.0	47.00
10 percent	10,137	22.3	11.8	28.27	75,589	41.0	87.9	28.55
20 percent	2,016	4.4	5.4	51.63	35,052	19.0	94.3	51.40
30 percent	6,501	14.3	19.7	77.22	24,195	13.1	73.4	79.14
40 percent	2,357	5.2	11.6	107.80	17,717	9.6	87.2	110.11
50 percent	3,744	8.3	31.8	179.92	7,696	4.2	65.3	184.92
60 percent	2,167	4.8	16.4	278.00	10,862	5.9	82.1	312.23
70 percent	4,247	9.4	46.8	414.83	4,729	2.6	52.1	367.39
80 percent	1,193	2.6	27.6	442.74	3,049	1.7	70.6	417.72
90 percent	447	1.0	28.5	468.90	1,112	.6	71.0	448.15
100 percent	12,570	27.7	75.4	611.89	3,881	2.1	23.3	675.32
Vietnam era:								
Total	69,676	100.0	19.7	217.15	282,190	100.0	79.7	102.42
No disability					159	.1	97.0	47.00
10 percent	17,194	24.7	12.2	28.27	123,639	43.8	87.7	28.32
20 percent	3,852	5.5	6.7	51.47	53,892	19.1	93.3	51.30
30 percent	11,575	16.6	25.2	77.56	33,973	12.0	73.9	78.59
40 percent	3,656	5.3	13.3	108.16	23,765	8.4	86.4	110.30
50 percent	7,606	10.9	39.7	164.25	10,889	3.9	56.9	174.64
60 percent	3,111	4.5	19.1	256.03	13,068	4.6	80.3	281.30
70 percent	5,867	8.4	46.7	344.44	6,662	2.4	53.1	346.02
80 percent	1,909	2.7	29.1	408.46	4,642	1.6	70.7	411.35
90 percent	1,050	1.5	31.9	471.18	2,235	.8	68.0	458.49
100 percent	13,856	19.9	58.2	563.77	9,266	3.3	38.9	703.82
Regular Establishment:								
Total	39,763	100.0	20.7	220.16	146,119	100.0	76.3	75.50
No disability					270	0.2	9.7	39.84
10 percent	9,441	23.7	12.2	22.21	68,135	46.6	87.7	22.50
20 percent	1,503	3.8	5.1	41.37	27,661	18.9	94.5	41.58
30 percent	6,051	15.2	22.1	62.50	19,553	13.4	71.3	65.20
40 percent	1,405	3.5	11.1	87.09	11,063	7.6	87.8	90.60
50 percent	3,486	8.8	48.1	138.11	3,492	2.4	48.1	145.45
60 percent	1,269	3.2	13.5	243.66	8,038	5.5	85.1	265.28
70 percent	3,618	9.1	61.9	316.63	2,165	1.5	37.0	298.19
80 percent	691	1.7	29.3	359.86	1,577	1.1	66.8	341.88
90 percent	195	.5	28.0	374.63	497	.3	71.4	380.92
100 percent	12,104	30.5	74.6	472.90	3,668	2.5	22.6	557.94
Spanish American War:								
Total	3	100.0	23.1	791.33	10	100.0	76.9	511.90
No disability								
10 percent								
20 percent								
30 percent								
40 percent								
50 percent					1	10.0	100.0	149.00
60 percent					1	10.0	100.0	179.00
70 percent					1	10.0	100.0	259.00
80 percent								
90 percent								
100 percent	3	100.0	30.0	791.33	7	70.0	70.0	647.43

COMPENSATION—DISABILITY, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, PERIOD OF SERVICE: JUNE 1973—Continued

Degree of impairment	Psychiatric and neurological diseases: Number	Psychiatric and neurological diseases: Percent of total psychiatric and neurological diseases	Psychiatric and neurological diseases: Percent of degree of impairment	Psychiatric and neurological diseases: Average monthly value	General medical and surgical conditions: Number	General medical and surgical conditions: Percent of total general medical and surgical conditions	General medical and surgical conditions: Percent of degree of impairment	General medical and surgical conditions: Average monthly value
Mexican Border Service:								
Total	3	100.0	23.1	$450.00	10	100.0	76.9	$155.00
No disability					1	10.0	100.0	47.00
10 percent					1	10.0	100.0	28.00
20 percent					3	30.0	100.0	51.00
30 percent					2	20.0	100.0	77.00
40 percent								
50 percent	1	33.3	50.0	149.00	1	10.0	50.0	165.00
60 percent					1	10.0	100.0	495.00
70 percent								
80 percent								
90 percent								
100 percent	2	66.7	66.7	600.50	1	10.0	33.3	495.00

COMPENSATION—DISABILITY: CLASS OF DEPENDENT, PERIOD OF SERVICE—JUNE 1973

Class of dependent	Total			World War II		World War I		Korean conflict		Vietnam era		Regular establishment		Spanish-American War		Mexican Border Service	
	Number	Monthly value	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value
Total veterans	2,203,041	$259,061,389	$117.59	1,351,425	$111.13	65,163	$176.32	240,756	$134.63	354,062	$125.96	191,609	$106.29	13	$576.38	13	$223.08
Veterans less than 50 percent disabled (no dependency benefit)	1,728,883	86,954,315	50.30	1,081,110	50.69	41,452	68.41	184,113	52.72	272,420	49.88	149,781	40.17			7	56.43
Veterans 50 percent or more disabled	474,158	172,107,074	362.97	270,315	352.85	23,711	364.98	56,643	400.86	81,642	379.79	41,828	343.06	13	576.38	6	417.50
Without dependents	118,194	43,004,018	363.84	57,545	361.68	8,594	371.88	11,081	398.14	29,061	361.47	11.902	342.27	7	515.43	4	423.25
With dependents	355,964	129,103,056	362.69	212,770	350.46	15,117	361.05	45,562	401.52	52,581	389.92	29,926	343.37	6	647.50	2	406.00
Wife only	158,614	56,024,162	353.21	108,385	347.70	14,724	360.26	10,825	399.34	15,226	365.86	9,446	332.00	6	647.50	2	406.00
Wife, child or children	166,826	60,168,571	360.67	88,908	242.75	310	391.64	28,533	390.97	32,567	393.56	16,508	339.32				
Wife, child or children, and parent or parents	3,588	1,692,311	471,66	1,903	441.66	1	862.00	812	536.21	513	500.15	359	442.88				
Wife, parent or parents	1,888	866,523	458.96	1,284	448.52	3	269.67	236	516.25	260	462.35	105	454.96				
Child or children only	16,292	6,093,331	374.01	7,614	358.18	75	378.00	3,410	397.70	2,861	408.10	2,332	349.07				
Child or children and parent or parents	624	310,856	498.17	238	469.61			170	553.72	115	518.37	101	448.94				
Parent or parents only	8,132	3,947,281	485.40	4,438	485.41	4	534.75	1,576	512.70	1,039	491.62	1,075	439.13				
Total dependents on whose account additional compensation was being paid	749,447			405,936		15,547		132,663		119,153		76,140		6		2	
Wives	330,916			200,480		15,038		40,406		48,566		26,418		6		2	
Children	402,200			196,857		501		89,000		68,047		47,795					
Parents	16,331			8,599		8		3,257		2,540		1,927					

COMPENSATION—DEATH: TOTAL, CLASS OF BENEFICIARY, PERIOD OF SERVICE—JUNE 1973

Class of beneficiary	Total			World War II		World War I		Korean conflict		Vietnam era	
	Number	Monthly value	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value
Total cases	373,643	$62,178,173	$166.41	200,639	$146.80	36,553	$194.77	39,401	$157.44	47,528	$203.42
Compensation	107,379	8,197,700	74.34	85,937	76.71	854	81.96	16,486	76.70	33	134.03
Dependency and indemnity compensation	260,516	52,427,473	201.24	110,431	196.51	35,688	197.44	21,880	212.84	47,466	203.43
Dependency and indemnity compensation and compensation	5,748	1,553,000	270.18	4,271	271.59	11	272.27	1,035	272.38	29	266.62
Widow alone	147,515	32,053,132	217.29	72,377	215.83	34,898	196.14	12,135	243.72	7,555	233.59
Widow and children	34,247	9,174,569	267.89	8,341	250.36	525	278.38	3,079	268.68	14,605	276.55
Widow, children, and mother	3,293	1,153,346	350.24	388	343.22			172	346.07	1,932	353.07
Widow, children, and father	457	156,893	343.31	50	334.96			24	332.92	286	346.85
Widow, children, mother, and father	1,112	408,191	367.08	45	358.09			45	351.18	811	369.59
Widow and mother	8,317	2,440,772	293.47	5,349	286.76	23	287.39	1,008	298.42	822	305.86
Widow and father	1,354	387,932	286.51	961	283.63			128	293.51	117	295.93
Widow, mother, and father	1,444	440,959	305.37	804	305.11			203	287.17	265	314.01

COMPENSATION—DEATH: TOTAL, CLASS OF BENEFICIARY, PERIOD OF SERVICE—JUNE 1973—Continued

Class of beneficiary	Total			World War II		World War I		Korean conflict		Vietnam era	
	Number	Monthly value	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value
Children alone	23,183	$2,873,252	$123.94	3,798	$124.31	484	$146.19	2,069	$124.24	9,207	$125.10
Children and mother	2,471	502,080	203.19	255	206.81			191	199.83	1,118	206.78
Children and father	353	70,737	200.39	33	207.36			29	199.76	164	206.10
Children, mother, and father	954	209,266	219.36	37	221.59			55	215.47	561	222.32
Mother alone	107,949	8,646,495	80.10	80,718	80.88	598	82.11	13,917	78.21	5,815	77.72
Father alone	16,172	1,310,973	81.06	12,587	83.35	23	79.61	1,926	76.98	756	66.45
Mother and father	24,822	2,349,576	96.66	14,876	94.32	2	80.00	4,420	88.02	3,514	105.39
Total dependents	516,088			241,144		37,280		54,342		105,439	
Widows	197,739			88,335		35,446		16,794		26,393	
Children	121,319			20,924		1,186		10,707		57,734	
Mothers	150,362			102,472		623		20,011		14,838	
Fathers	46,668			29,413		25		6,830		6,474	

Class of beneficiary	Regular establishment		Spanish-American War		Civil War		Indian wars		Mexican Border Service	
	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value	Number	Average monthly value
Total cases	49,201	$196.55	305	$199.42	13	$174.23	1	$147.00	2	$195.00
Compensation	4,066	65.46	3	87.00						
Dependency and indemnity compensation	44,733	207.99	302	200.53	13	174.23	1	147.00	2	195.00
Dependency and indemnity compensation and compensation	402	249.76								
Widow alone	20,257	237.26	285	201.09	6	206.00			2	195.00
Widow and children	7,694	269.43	3	337.33						
Widow, children and mother	801	347.70								
Widow, children, and father	97	339.76								
Widow, children, mother, and father	211	362.73								
Widow and mother	1,115	312.15								
Widow and father	128	292.96								
Widow, mother, and father	172	314.74								
Children alone	7,600	120.77	17	147.00	7	147.00	1	147.00		
Children and mother	907	198.46								
Children and father	127	191.35								
Children, mother, and father	301	214.26								
Mother alone	6,901	76.61								
Father alone	880	69.89								
Mother and father	2,010	92.95								
Total dependents	77,557		310		13		1		2	
Widows	30,475		288		6				2	
Children	30,738		22		7		1			
Mothers	12,418									
Fathers	3,926									

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 14117, a bill to increase the rates of compensation for service connected disability and the rates of dependency and indemnity compensation payable to widows and children of men who died in service or as the result of service-connected disability.

It is my privilege, Mr. Speaker, to serve also as the ranking minority member of the subcommittee that considered this legislation. The subcommittee held public hearings on more than 100 bills, all having as their purpose a more generous schedule of payments for service-connected veterans and the survivors of their less fortunate comrades. The bill before the House today, which I am proud to have cosponsored, is the result of our deliberations.

This measure, Mr. Speaker, will authorize increases ranging from 10.7 percent in the monthly compensation payable to veterans with disability evaluated at 10 to 18 percent for those veterans who are 100 percent disabled. Increases are also provided in the special monthly compensation or statutory awards as they are commonly called payable generally for the loss or loss of use of an extremity.

The additional allowances for dependents payable to veterans with disabilities evaluated at 50 percent or more are increased by 15 percent under the terms of the bill.

Monthly payments of dependency and indemnity compensation to widows and children of service-connected deceased veterans are increased under this measure by 17 percent.

Mr. Speaker, these are the major provisions of this very important bill. I need not remind my colleagues that we have always assigned the highest priority to benefits for service-connected disabled veterans and their survivors. Payments were last increased in August 1972. Survivor benefits have gone even longer without an increase—since January of 1972.

President Nixon in a letter to me in which he recommended an increase in payments for service-connected disability and death, said:

> In a sense, the Nation can never fully repay these men and women and their families for their devotion and sacrifice. We can assure, however, that the value of the benefits they receive from veterans programs keeps pace with the cost of living, and we can act to assure that VA compensation to service-disabled veterans provides full compensation for impaired earning ability.

Mr. Speaker, I urge that the bill be passed.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I rise in support of H.R. 14117. It is most meritorious since it provides increases in monetary benefits payable to veterans with service-connected disabilities and to the widows and dependent children of those who died from service-connected causes.

Compensation for service-connected disabilities will be increased in a scale ranging from 10.7 to 18 percent in accordance with the severity of the disability. The allowance payable to veterans rated at 50 percent or more for their dependents will be increased 15 percent.

Dependency and indemnity compensation for widows and dependent children will be increased by 17 percent. This is the benefit paid to the survivors of the veteran who died of a service-connected disability.

Under existing law veterans who had wartime service have been granted the protection of what is termed presumptive benefits. This benefit permits the granting of service connection for tropical and chronic diseases which are diagnosed within certain specified periods following discharge from active duty.

The period between the end of the Korean conflict, January 31, 1955, and the beginning of the recognized Vietnam era has been embraced as a wartime period for presumptive purposes. H.R. 14117 will also include those who served after December 31, 1946 and prior to June 27, 1950, the period between World War II and the Korean conflict.

I consider this bill very necessary and will vote for it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to a distinguished member of the committee, the gentleman from Minnesota (Mr. Zwach.)

Mr. ZWACH. Mr. Speaker, I rise in strong support of H.R. 14117, a bill increasing the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation for their survivors.

The major features of the bill include: First, increases of 10.7 percent to 18 percent in basic disability rates; second, 18 percent across-the-board increase for all statutory awards involving severe disabilities; third, a 10-percent increase in the "K" award; fourth, a 15-percent increase in payments to direct dependents of veterans rated 50 percent or more disabled; fifth, a 17-percent across-the-board increase in DIC rates for widows and orphans of veterans; and sixth, an extension of the longstanding presumption of service connection for chronic diseases incurred after wartime service to those veterans who served between December 31, 1946 and June 25, 1950.

Since World War I, we have paid our disabled veterans some form of compensation for service-connected disabilities. We have made periodic increases.

Since the last disability increase (August 1, 1972) the cost of living has increased 12.7 percent. H.R. 14117 provides for a 10.7-percent to 18-percent increase, depending on degree of disability.

Mr. Speaker, the cost of a war does not end when the last man has returned home. The suffering, both physical and financial, continues for a lifetime.

As a member of the Veterans' Affairs Committee I have listened to many hours of testimony and have read many letters from disabled veterans and their dependents. Their story is not a happy one; but it is a proud one. They have served their country well. I for one am very proud of the men and women who have fought to make this country a better place in which to live. The suffering they have gone through cannot be measured in money. Our thanks must be much, much deeper than that.

H.R. 14117 only attempts to "update" old levels of support for disabled veterans and their dependents. The cost of living increases catch us all, but it catches the disabled the most. We must make the necessary adjustments. H.R. 14117 makes some of them, and I support it wholeheartedly.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. Heckler).

Mrs. HECKLER of Massachusetts. Mr. Speaker, I rise in support of a bill that will increase compensation payments to veterans for their service-connected disabilities and to their widows and dependent children when death results from these same disabilities. The payments to survivors will be increased by 17 percent. Compensation increases vary from a little more than 10 percent to as high as 18 percent, with the greater increases going to the more severely disabled. The allowance paid for the dependents of the veterans rated at 50 percent or more will be advanced by 15 percent.

The current law provides for the payment of $47 for what is termed "a statutory award for the loss or loss of use of certain organs." This is a separate amount of money that is paid in addition to the basic rate of compensation. It will be increased to $52 a month under this bill.

The rates of compensation were last increased effective August 1, 1972, and the dependency and indemnity compensation has not been increased since January 1, 1972. At the rate that the cost of living keeps going up, it is manifest that this legislation, H.R. 14117, is overdue and very necessary. I endorse it heartily.

VETERANS' AND SURVIVORS' COMPENSATION INCREASES

When the average American wage earner can barely keep up with the current cost-of-living increases in food, fuel, and rent, it is almost a sure bet that a disabled veteran receiving compensation based on the same rates as on August of 1972 is barely making ends meet, if at all.

Inflation is hitting the pockets of all Americans—food costs have risen by over 20 percent within the past year, gasoline sells on an average of about 55 cents per gallon, and rents and utilities have skyrocketed—creating a severe financial squeeze for millions of Americans.

The situation is doubly serious for the veteran who has come home to a devastating economic situation, a high rate of unemployment, and inadequate compensation to insure him a decent living standard and the chance of professional advancement.

But what happens when the veteran is disabled—and cannot find employment because of severe service-connected disabilities. He is often totally dependent on some form of disability compensation. Salaries do not count for him.

It is incumbent upon us to support our disabled veterans by making certain that compensation is adequate to meet with increased costs of living. We owe a decent level of financial assistance to the hundreds of thousands of men who fought bravely in Southeast Asia. Now it is our turn to see that these men and their families and widows receive what is necessary to maintain the living standard which they expect and deserve.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the distinguished member of the committee, the gentleman from Indiana (Mr. Hillis).

Mr. HILLIS. Mr. Speaker, I rise in support of a bill that increases the benefits payable to the most deserving of our veterans and their dependents. This bill is H.R. 14117.

Under this legislation, veterans with service-connected disabilities will have their compensation increased by up to as much as 18 percent in the more seriously disabled cases. The dependency allowance payable to the veteran with disabilities ratable at 50 percent or more will be increased by 15 percent.

Widows and dependent children who are receiving dependency and indemnity compensation will receive increases of 17 percent. These are the survivors of the veteran who died of a service-connected disability.

This bill also provides that veterans who served after December 31 and before June 25, 1950 will be entitled to the same presumptive protection afforded to wartime veterans and those who served between the end of the Korean conflict and the beginning of the recognized Vietnam era. This provision of the law is one that permits the recognition of tropical and chronic diseases as service-connected if they arise within certain specified periods following discharge from active duty.

In my estimation this legislation is overdue and it gives me great pleasure to vote for it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to a former member of our committee, a gentleman who has made a significant contribution to this piece of legislation, the gentleman from Tennessee (Mr. Duncan).

Mr. DUNCAN. Mr. Speaker, I want to compliment the committee on bringing forth this piece of legislation which has been needed for a long period of time.

Mr. Speaker, I support H.R. 14117, a bill to increase the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation for their survivors. I feel that these increases are justified by the inflationary pressures which have greatly reduced the purchasing power of these veterans and their survivors.

I wish to discuss section 6 of H.R. 14117, which incorporates a bill which I first introduced in the 89th Congress, and have reintroduced on several occasions during the past 9 years. This section makes presumptions relating to certain diseases applicable to veterans who served during the period between the end of World War II and the beginning of the Korean conflict.

Existing law provides, with respect to veterans who have served at least 90 days during a period of war, or after January 31, 1955, that: First, a chronic disease—other than active tuberculosis, multiple sclerosis, and Hansen's disease—or a tropical disease—as those terms are defined in 38 U.S.C. 301—becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from active service; second, all types of active tuberculosis and Hansen's disease becoming manifest to a degree of 10 percent or more within 3 years of the date of separation; and third, multiple sclerosis becoming manifest to a degree of 10 percent or more within 7 years of the date of separation, shall, subject to rebuttal, be considered to have been incurred in or aggravated by such service.

Public Law 89–358, the Veterans' Readjustment Act of 1966, extended the presumption to veterans serving after January 31, 1955, which was the date the presumption expired for veterans of the Korean conflict.

The "Vietnam era" is defined for purposes of the presumption as "the period beginning August 5, 1964, and ending on such date as shall thereafter be determined by Presidential proclamation or concurrent resolution of the Congress." Since neither the President nor the Congress has acted to declare an end to the "Vietnam era," the presumption continues in effect for personnel now serving in the military.

Therefore, the combined effect of existing law is to allow the presumption for all veterans serving between December 7, 1941, and the present, with the exception of those who served between December 31, 1946, and June 26, 1950. This represents a serious inequity to those veterans, many of whom were drafted, whose service was confined to this three and a half year period.

Since a large percentage of the veterans now entitled to this presumption did not serve in areas of special hazard or during wartime, I see no reason why the veterans serving during the period from the end of World War II and the beginning of the Korean conflict should not be entitled to the same benefits.

Section 6 of H.R. 14117 will insure equal treatment for veterans serving during this period.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. DORN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I rise in support of H.R. 14117, to provide cost-of-living increases in the compensation paid to veterans with service-connected disabilities, increases in allowances for dependents of 50 percent or more disabled vets, and increases in indemnities paid to widows and children of veterans who died from service-connected causes. As a cosponsor of this legislation, I am hopeful that it will be enacted by the Congress as expeditiously as possible.

As you remember, the last increase in compensation for service-connected disabled vets was in August of 1972. Since that time, the Consumer Price Index has risen 12.7 percent. Similarly, the last increase in indemnities paid to survivors of vets who died from service-connected causes was in January of 1972. The CPI has risen 14.9 percent since then.

I am sure that the majority of my colleagues have received mail from disabled vets and widows of veterans in their districts, expressing concern over our very high cost of living. I know that I have, and these letters all tell the same story. The present disability compensation and indemnity pay is simply inadequate for these disabled vets and widows of vets to keep step with our soaring inflation. The disability compensation program was originally intended to provide relief for the impaired earning capacity of veterans disabled as a result of their military service. We have a special obligation to these vets, as well as to the widows of vets who gave their lives for their country, and present rates of compensation are not fulfilling that obligation. Survivors of veterans who died from service-connected causes and those who must endure severe handicaps as a result of their military service have a right to live in dignity and comfort. We who benefited from their sacrifices have a responsibility to insure that the compensation afforded to them is realistic and keeps pace with the cost of living.

The increases provided for in H.R. 14117 have been scaled to provide the most help to those in greatest need. It would increase service-connected disability compensation in amounts ranging from 10.7 percent to 18 percent depending on the severity of the disability. In addition, allowances for spouses, children, and dependent parents of 50 percent or more disabled vets would be increased 15 percent across the board. Finally, survivors' indemnity and dependence compensation would also be increased 17 percent across the board.

These are just and necessary increases, and they are important if we are going to provide more than mere token expressions of gratitude to those who made such enduring sacrifices on behalf of this Nation. I urge support for H.R. 14117.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. WIDNALL).

Mr. WIDNALL. Mr. Speaker, I rise today, with great pleasure, to state my strong support for H.R. 14117, which provides increases in the basic rates of disability for veterans.

This country owes more than it is possible to express to its veterans, and those who are disabled deserve even more of our compassion and consideration.

The last increases in disabled veterans' benefits took effect in January 1972—more than 2 years ago. Since that time up until February 28, 1974, the Consumer Price Index has risen 14.9 percent. This is a tremendous jump, which has had disastrous effects on the disabled veteran living on a fixed income. There is no doubt that this increase is and has been badly needed, and should not be denied. I was pleased also to note that the committee chose to provide varied increases in basic rates to reflect the greater need of the more seriously disabled veteran by increasing his payments proportionately more than the others.

Some of the provisions of H.R. 14117 are: It increases basic rates of disability payments from 10.7 to 18 percent depending on the degree of disability involved. It provides an 18-percent across-the-board increase of all statutory awards involving severe disabilities. It provides for a 15-percent increase in payments to direct dependents who are 50-percent disabled, and a 17-percent increase for widows and orphans, of deceased veterans.

Mr. Speaker, I know this is a much-needed shot in the arm for many of our veterans. I had the honor to address a meeting of the Hasbrouck Heights, N.J., Veterans of Foreign Wars commemoration of Loyalty Day on Sunday, and I heard for myself of the dire circumstances which many veterans face without this increase. I urge rapid House/Senate action so the bill can become law as soon as possible.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time.

Mr. DORN. Mr. Speaker, I yield such time as he may consume to the distinguished member of the subcommittee, the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I appreciate my chairman yielding. As a member of the Subcommittee on Compensation and Pensions, I am very pleased that this bill has been brought to the House floor and hope it will receive the strong support of my colleagues.

Our service-connected disabled veterans, like other Americans on fixed incomes, have been hard hit in the last 2 years by the ravages of inflation. With the measure under consideration we will be able to restore a portion of their purchasing power and assist them in their time of need as they came to the assistance of freedom and democracy as members of the U.S. Armed Forces.

I would remind my colleagues that, even though the legislation is entitled "The Veterans' and Survivors' Compensation Increases," it will not be an increase in the real sense of the word. Sure, our veterans will receive a bigger check each month, but in reality they will barely catch up to where they were in real dollars before inflation eroded the value of the dollar since the last increase 2 years ago.

Mr. Speaker, for this reason I feel that it is absolutely imperative that we pass this bill and send it to the Senate for their speedy and favorable approval.

Mr. MINISH. Mr. Speaker, I rise in strong support for H.R. 14117, the veterans' and survivors' compensation increases legislation. In these days of constantly soaring inflation, it is the very least we can do to see that our disabled veterans do not fall behind the spiraling cost of living.

The measure before us would provide modest, but necessary, increases in the monthly rates of compensation which are payable to veterans with service-connected disabilities, the rates of additional allowances for dependents payable to such veterans who are rated 50 percent or more disabled, and the rates of dependency and indemnity compensation payable to the widows and children of veterans who have died from service-connected disabilities.

Since August of 1972, when the last increase in these rates took effect, the cost of living has risen more than 13 percent. I, therefore, am pleased to see that the Committee on Veterans' Affairs has recommended increases which in almost every case exceed the rate of inflation.

The bill provides increases for service-disabled veterans rated 10 to 30 percent in amounts ranging from 10.7 to 12 percent. Cases rated 40 and 50 percent disabling are granted increases in the amount of 15 percent. All cases rated 60 percent or more, including the special statutory awards for combinations of serious disabilities, are increased by 18 percent. Finally, with regard to the DIC rates for survivors, a 17-percent boost is provided.

Mr. Speaker, I urge the Members of the House to endorse this legislation with an overwhelmingly favorable vote. Disabled veterans, who have sacrificed so much for their country, deserve this legislation, and they deserve the support of all their elected representatives in the Congress.

Mr. BURKE of Massachusetts. Mr. Speaker, I want to urge my colleagues to support H.R. 14117, a bill entitled, "Increased Rates of Disability Compensation for Veterans and Dependency and Indemnity Compensation for Certain Veterans' Survivors."

Certainly, during this period of economic hardship, we shall not deprive those veterans, who served our Nation at such great personal cost, of their deserved benefits. H.R. 14117, as reported by the House Committee on Veterans Affairs, would increase the rates of disability compensation for service-connected disabled veterans. In addition, this measure would increase indemnity compensation payments to widows and children of deceased veterans whose deaths are service connected.

Veterans' compensation payments would be increased by an average of about 15 percent, while dependency and indemnity compensation payment for survivors are increased by 17 percent.

To withhold increased benefits, upon which so many disabled veterans and their families depend, would be reprehensible. H.R. 14117 will only provide restitution to those who gave so selflessly.

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 14117, a bill to amend existing veterans' disability compensation laws to increase the rates of disability compensation for disabled veterans, to increase dependency compensation, and to increase survivor indemnity compensation. On March 12, 1974, I introduced a similar bill, H.R. 13421, to increase the rates of compensation for service-connected disabled veterans and their wives and children by 20 percent. Although the bill reported out of the committee does not provide for all of the increase in the rates of compensation that I proposed in my bill, I think it will go a long way to compensate the disabled veteran for his past losses in buying power and increases in other living expenses caused by inflation in the economy.

The bill before the House would provide increases for service-disabled veterans rated 10 to 30 percent in amounts ranging from 10.7 to 12 percent. Veterans rated 40 to 50 percent disabled would receive a 15 percent increase in compensation. Veterans with disabilities rated 60 percent to 100 percent would receive an 18-percent increase in disability compensation.

I commend the Veterans' Affairs Committee for reporting out an increase for subsection "k" compensation which is added on to the basic disability rate compensation where the veteran has suffered certain severe injuries such as the loss of an arm, hand, leg, foot, or eye. The bill that I introduced earlier this session would have amended this section to include the additional compensation for loss of use of a lung and for kidney failure requiring regular dialysis also. I regret that the committee did not include these expensive and severe physical impairments in the reported bill, however, I hope that this will be considered during the next Congress.

In addition the bill before the House would provide for a 15-percent increase in allowances for veterans with service-connected disabilities in excess of 50 percent for the support of their spouse, children, and dependent parents, and it provides for a 17-percent increase in indemnity compensation paid to widows and children of veterans whose death is determined to be the result of military service.

Mr. Speaker, there are currently over 2.2 million veterans who have been disabled while fighting our Nation's wars and who receive disability payments compensation for loss or reduction of their earning capacities resulting from service-connected injuries. The Vietnam war has added 364,000 wounded veterans with disabilities to those of prior wars, so there is a renewed need to emphasize and continue this program. Service-connected disabled veterans received their last increase in compensation on August 1, 1972. Unfortunately, since that date, the Consumer Price Index has reflected a cost-of-living increase of 12 percent. Since the last increase in widows and childrens survivor compensation on January 1, 1974, the Consumer Price Index has reflected a cost-of-living increase of 14.9 percent as of February 28, 1974. It is vitally important that we increase veterans benefits for disabled veterans and their families to keep pace with the spiraling inflation which is particularly injurious to persons on fixed incomes such as many of our disabled veterans.

Mr. Speaker, it is vitally important that we do not neglect our disabled veterans who have so valiantly fought for our Nation during times of war, and I urge other Members of the House of Representatives to join me in support of this worthwhile legislation.

Mr. BIAGGI. Mr. Speaker, I rise to voice my strong support of H.R. 14117 a bill to provide increased compensation payments for millions for disabled veterans, as well as their survivors. Passage of this legislation is vital to the future economic security of these Americans, many of whom find themselves today perched at the brink of poverty.

There should be no fanfare associated with this bill. It is a piece of legislation which is long overdue and is simply designed to provide disabled veterans with the ability to keep up with the skyrocketing cost of living. The severe inflation which has gripped this Nation unrelentlessly for 10 years, has had its most devastating effects in the last 2 years. In this period alone, the all-important economic indicator, the Consumer Price Index has risen by an astonishing 14.7 percent. While all Americans are suffering from the effects of inflation, those Americans who are forced to exist on a fixed monthly or yearly income, have found the last 2 years to be a virtual economic nightmare.

The disabled veteran has been forced to do battle with inflation without having an increase in his compensation since August of 1972. During this period, not only have the prices risen, but so has the unemployment rate and with the traditionally difficult time disabled veterans have obtaining jobs, finding employment has been an almost futile task.

What this bill will do, and I commend the committee for making important revisions to the VA's plan, is the following:

First, for those veterans with a 10 to 30 percent disability their compensation payments would increase by 10 to 12 percent.

Second, for those with 40 to 50 percent disability, the increase would be 15 percent.

Third, the most severely disabled, namely 60 to 100 percent, will receive an increase of 18 percent.

These figures represent the kind of financial assistance we should be affording the brave men who served in defense of their country. We owe these men as much today as we did when they returned from the battlefield. This is especially true for the men who returned from warfare with a disability which prevented them from resuming work. Yet, our efforts have not been enough, for the disabled veteran of today has been struggling to eke out a basic existence, and this to me represents a national disgrace.

In addition, H.R. 14117 will provide needed assistance to the widows and survivors of our disabled veterans. Many of these individuals have endured years of personal and economic hardship as a result of the injuries their husbands and fathers received in the service. Many of these women and children have worked long years to assist in making ends meet. We in the Congress recognize the problems and the legislation we have today seeks to eradicate some of these hardships by providing a 17 percent across-the-board increase in dependency and indemnity compensation payments for all survivors of disabled veterans.

Finally, this bill would create a presumption of service disability for those veterans who served between December 31, 1946 and June 27, 1950. This is the only interval not presently covered by such a presumptive period. As a result, another long standing inequity will be eliminated, and any veterans who incurred a chronic or tropical disease during this period will not be able to have it deemed as a service connected disability.

Mr. Speaker, the time for talking about helping veterans is passed. Problems like inflation and high costs of education have rendered many veterans to the point of economic despair.

These are problems which demand attention, and are not likely to be solved with merely rhetoric. The legislation we are considering this afternoon represents the kind of positive commitment we need to undertake if we are to eliminate these problems and improve the quality of life for all veterans. Veterans affairs is an important an issue as we will confront in the coming months, and I feel an important step will be achieved with the passage of this bill today by my colleagues.

The disabled veteran through his service and sacrifice in defending his country is responsible for the freedoms and liberties we enjoy today. Just as they helped us in our hour of need, so must we help them.

Mr. BROYHILL of North Carolina. Mr. Speaker, I am very pleased that the House is considering this bill today. This bill will increase rates for disability compensation for veterans and dependency and indemnity compensation (DIC) for certain veterans' survivors.

Several months ago, I cosponsored compensation legislation and I have long supported an increase in compensation benefits. Payments to the deserving veterans, their widows, and dependents must be increased in this time of runaway inflation if their purchasing power is to be maintained in response to the cost of living.

The House Veterans' Affairs Committee has held hearings on compensation and dependency and indemnity compensation. I am glad that the committee has voted to include in this needed legislation an increase in the statutory awards many disabled veterans receive if they suffer from certain anatomical losses. These rates were last increased in 1946 and these deserving disabled veterans are long overdue for an increase in these statutory awards.

We all know that inflation has skyrocketed in recent years. As a grateful and understanding nation, we in the Congress must provide the necessary adjustments to those veterans who were injured or who suffer from injuries as a result of their service to our country. We must also provide assistance to the families of those who have died from service-connected causes.

For many, compensation is the only fixed monthly income and we owe our disabled veterans and their families an increase in the moneys they receive. I trust that the House of Representatives will approve this legislation today and it is my hope that the Senate will promptly consider this important measure.

Mr. MILLER. Mr. Speaker, legislation is before the House today that deserves prompt consideration. I am speaking of H.R. 14117 which increases the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation for their survivors. The last basic rate increase in disability compensation was made in August 1972. Since that time the Consumer Price Index has risen 12.7 percent. The House of Representatives has reviewed and increased these compensation rates periodically. With the cruel burden that inflation imposes on the disabled veteran and his family an increase in compensation is overdue.

H.R. 14117 provides for increases in the basic rates of disability of from 10 to 18 percent, depending on the degree of disability. The bill provides for an 18 percent across-the-board increase for all statutory awards that involve severe disabilities. For those dependents of veterans who are 50 percent or more disabled the measure will increase payments by 15 percent. Also, a rate increase of 17 percent is provided for widows and orphans of disabled veterans.

Mr. Speaker, this body has long recognized the heavy debt the Nation owes to those who have served her so well. H.R. 14117 is but another logical step in the payment of that great debt. I urge passage of this bill by the House and would hope that the Senate will also act quickly so that the day when the benefits may be increased will not be long delayed.

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 14117, a bill providing increased rates of disability compensation for disabled veterans and increased rates of dependency and indemnity compensation for their survivors.

It is gratifying that both the Congress and the administration recognize the necessity for additional financial assistance to disabled veterans due to the rapidly escalating cost of living. Early in this session, I introduced a similar measure and for this reason I am pleased to support the committee's recommendations for a scaled 18-percent increase to our disabled veterans.

My only regret in considering this measure, is that it has been placed on the Suspension Calendar preventing me from offering an amendment to rectify another blatant hardship which has recently come to my attention. One of my constituents, Mr. Henry Werkman of Washingtonville, N.Y., lost one of his legs as a result of a service-connected disability. More recently, Mr. Werkman lost the use of his second leg; the increased burden on his remaining leg having culminated in its loss of use. However, the Veterans' Administration held that because the loss of his second leg was not "technically" service-connected, Mr. Werkman is not eligible for compensation for the loss of both legs.

His case has been appealed in the Veterans' Administration where we are hopeful of a favorable decision.

However, in light of this particular case and others of the same nature, I have introduced legislation which provides full disability payments to a veteran who has lost the use of one leg in a service-connected disability and at a later date, through no willful misconduct on his own part, looses the use of a second leg or arm through a nonservice connected disability.

There is precedent for this legislation in the existing statutes which provide that a veteran who looses an eye, ear or kidney through a service-connected disability and later looses his second eye, ear or kidney is eligiblie for full disability. Accordingly, it is reasonable to apply the same provision to the loss of a limb.

Mr. Speaker, I wholeheartedly support the disability measure before us and I hope that the House Veterans' Affairs Committee will consider the plight of the Werkmans of our country, men who have given so much and who are not adequately being compensated. I respectfully urge the committee to favorably consider the bill I have introduced, H.R. 14162, in order to legislatively correct this oversight in disability compensation for disabled veterans. We can do no less for those who have given so much.

Mr. BOLAND. Mr. Speaker, I wish to warmly endorse passage of H.R. 14117, which would increase the rates for veterans' and their survivors' compensation in light of recent inflationary trends. The rates of these payments were last adjusted in August of 1972. Since that time, the Consumer Price Index has climbed an additional 12.7 percent.

In response to this inflationary increase in the cost of living and its attendant reduction in buying power for disability payments, dependents' support payments and the dependency and indemnity compensation—DIC—payments, the Veterans' Affairs Committee, under the leadership of its distinguished chairman, the gentleman from South Carolina, has taken what I consider a proper and very thoughtful response. The committee has recommended that veterans with lower rated disabilities receive less of a ratable increase than those whose disability will not allow them to pursue the kind of outside income that many lower rated disabled veterans are able to otbain. Thus the increase range from 10.7 percent for a 10-percent disablement to 18 percent for disablement rated above 60 percent. In addition, the committee has recommended an increase in the so-called "k" award for loss of limb or other losses from $47 to $52—also in recognition of the fact that this add-on award will increase the allowances of those veterans who most often must rely on their veterans' payments as their sole source of income. Lastly, the committee has recommended an across-the-board 17-percent increase in the present DIC rates.

Mr. Speaker, this bill, although it contains dramatic increases in certain cases, will only bring the veterans and their dependents up to a level of compensation that equals that which they enjoyed in August 1972. I need not go on at any length concerning the debt that we individually and collectively owe these men and their families, the sacrifices that they have made for this country and continue to make. We have many times acknowledged this debt. We are now merely faced with an interest payment on that debt. If it is a heavy one, the fault lies not in our commitment but in our handling of an economy which suffers such a disastrous rate of inflation over such a short time. It is my conviction that we ought to be more concerned with a sound and cohesive economic, monetary, and fiscal offensive against inflation and unemployment than the bill for these veterans payments. I urge this measure's quick passage and an early resolution of the inflationary cycle that makes it necessary.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina (Mr. DORN) that the House suspend the rules and pass the bill, H.R. 14117.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 396, nays 0, not voting 37, as follows:

[Roll No. 209]

YEAS—396

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Lehman
Lent
Litton
Long, La.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—0

NOT VOTING—37

Blatnik
Brotzman
Carey, N.Y.
Carney, Ohio
Flowers
Frelinghuysen
Green, Oreg.
Green, Pa.
Haley
Helstoski
Holifield
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Leggett
Long, Md.
Lujan
Macdonald
Morgan
Nix
Patman
Pickle
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rose
Sandman
Schneebeli
Sisk
Stanton, James V.
Stephens
Stokes
Stubblefield
Treen
Wyatt
Young, Ga.

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Morgan with Mr. Patman.

Mr. Stubblefield with Mr. Leggett.

Mr. Rooney of New York with Mr. Blatnik.

Mr. Green of Pennsylvania with Mr. Reid.

Mr. Haley with Mr. Stephens.

Mr. Macdonald with Mrs. Green of Oregon.

Mr. James V. Stanton with Mr. Brotzman.

Mr. Rose with Mr. Johnson of Pennsylvania.

Mr. Carey of New York with Mr. Jones of North Carolina.

Mr. Carney of Ohio with Mr. Lujan.

Mr. Holifield with Mr. Frelinghuysen.

Mr. Nix with Mr. Long of Maryland.

Mr. Stokes with Mr. Sisk.

Mr. Jones of Alabama with Mr. Sandman.

Mr. Young of Georgia with Mr. Wyatt.

Mr. Helstoski with Mr. Schneebeli.

Mr. Flowers with Mr. Roncallo of New York.

Mr. Pickle with Mr. Treen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DORN. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 3072) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3072

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1974".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$28" in subsection (a) and inserting in lieu thereof "$32";

(2) by striking out "$51" in subsection (b) and inserting in lieu thereof "$59";

(3) by striking out "$77" in subsection (c) and inserting in lieu thereof "$89";

(4) by striking out "$106" in subsection (d) and inserting in lieu thereof "$122";

(5) by striking cut "$149" in subsection (e) and inserting in lieu thereof "$171";

(6) by striking out "$179" in subsection (f) and inserting in lieu thereof "$211";

(7) by striking out "$212" in subsection (g) and inserting in lieu thereof "$250";

(8) by striking out "$245" in subsection (h) and inserting in lieu thereof "$289";

(9) by striking out "$275" in subsection (i) and inserting in lieu thereof "$325";

(10) by striking out "$495" in subsection (j) and inserting in lieu thereof "$584";

(11) by striking out "$47" and "$616" and "$862" in subsection (k) and inserting in lieu thereof "$52" and "$727" and "$1,017", respectively;

(12) by striking out "$616" in subsection (l) and inserting in lieu thereof "$727";

(13) by striking out "$678" in subsection (m) and inserting in lieu thereof "$800";

(14) by striking out "$770" in subsection (n) and inserting in lieu thereof "$909";

(15) by striking out "$862" in subsections (o) and (p) and inserting in lieu thereof "$1,017";

(16) by striking out "$370" in subsection (r) and inserting in lieu thereof "$437"; and

(17) by striking out "$554" in subsection (s) and inserting in lieu thereof "$654".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$31" in subparagraph (A) and inserting in lieu thereof "$36";

(2) by striking out "$53" in subparagraph (B) and inserting in lieu thereof "$61";

(3) by striking out "$67" in subparagraph (C) and inserting in lieu thereof "$77";

(4) by striking out "$83" and "$15" in subparagraph (D) and inserting in lieu thereof "$95" and "$17", respectively;

(5) by striking out "$21" in subparagraph (E) and inserting in lieu thereof "$24";

(6) by striking out "$36" in subparagraph (F) and inserting in lieu thereof "$41";

(7) by striking out "$53" and "$15" in subparagraph (G) and inserting in lieu thereof "$61" and "$17", respectively;

(8) by striking out "$25" in subparagraph (H) and inserting in lieu thereof "$29"; and

(9) by striking out "$48" in subparagraph (I) and inserting in lieu thereof "$55".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E-1	$215
E-2	221
E-3	228
E-4	241
E-5	248
E-6	254
E-7	266
E-8	281
E-9	[1] 294
W-1	271
W-2	282
W-3	291
W-4	307
O-1	271
O-2	281
O-3	301
O-4	318
O-5	350
O-6	394
O-7	427
O-8	467
O-9	502
O-10	[2] 549

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $316.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $589.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the widow shall be increased by $26 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to the widow shall be increased by $64 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) One child, $108.

"(2) Two children, $156.

"(3) Three children, $201.

"(4) More than three children, $201, plus $40 for each child in excess of three.".

SEC. 203. (a) Subsection (a) of section 414 of title 38, United States Code, is amended by striking out "$55" and inserting in lieu thereof "$64".

(b) Subsection (b) of section 414 of such title is amended by striking out "$92" and inserting in lieu thereof "$108".

(c) Subsection (c) of section 414 of such title is amended by striking out "$47" and inserting in lieu thereof "$55".

SEC. 204. Section 322(b) of title 38, United States Code, is amended to read as follows:

"(b) The monthly rate of death compensation payable to a widow or dependent parent under subsection (a) of this section shall be increased by $64 if the payee is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 205. (a) Section 342 of title 38, United States Code, is amended by striking out "equal" and all that follows down through the end thereof and inserting in lieu thereof "those specified in section 322 of this title".

(b) Section 343 of such title is hereby repealed.

(c) The table of sections at the beginning of subchapter V of chapter 11 of title 38, United States Code, is amended by striking out the following:

"343. Conditions under which wartime rates are payable.".

SEC. 206. (a) The Administrator of Veterans' Affairs shall make a detailed study of claims for dependency and indemnity compensation relating to veterans, as defined in section 101(2), title 38, United States Code, who at time of death within six months prior to the date of enactment of this Act were receiving disability compensation from the Veterans' Administration based upon a rating total and permanent in nature.

(b) The report of such study shall include (1) the number of the described cases, (2) the number of cases in which the specified benefit was denied, (3) an analysis of the reasons for each such denial, (4) an analysis of any difficulty which may have been encountered by the claimant in attempting to establish that the death of the veteran concerned was connected with his or her military, naval, or air service in the Armed Forces of the United States, and (5) data regarding the current financial status of the widow, widower, children, and parents in each case of denial.

(c) The report together with such comments and recommnedations as the Administrator deems appropriate shall be submitted to the Speaker of the House and the President of the Senate not more than thirty days after the beginning of the Ninety-fourth Congress.

TITLE III—PAYMENT OF BENEFITS TO PERSONS UNDER LEGAL DISABILITY

SEC. 301. (a) Subsection (a) of section 3202 of title 38, United States Code, is amended to read as follows:

"(a) Where it appears to the Administrator that the interest of the beneficiary would be served thereby, payment of benefits under any law administered by the Veterans' Administration may be made directly to the beneficiary or to a relative or some other person for the use and benefit of the beneficiary, regardless of any legal disability on the part of the beneficiary. Where, in the opinion of the Administrator, any fiduciary receiving funds on behalf of a Veteran's Administration beneficiary is acting in such a number of cases as to make it impracticable to conserve properly the estates or to supervise the persons of the beneficiaries, the Administrator may refuse to make future payments in such cases as he may deem proper."

(b) Subsection (c) of section 3202 of title 38, United States Code, is amended by deleting the phrase "guardian, curator, conservator, or other person legally vested with the care of the claimant or his estate", following the word "any" and inserting "fiduciary or other person for the purpose of payment of benefits payable under laws administered by the Veterans' Administration" and by deleting the word "estates" and inserting the word "benefits".

(c) Subsection (e) of section 3202 of title 38, United States Code, is amended by deleting the phrase "guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate," following the words "hands of a ", and inserting in lieu thereof the words "fiduciary appointed by a State court or the Veterans' Administration" and by deleting the phrase "guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate", following the word "such", and inserting in lieu thereof the word "fiduciary".

(d) Subsections (f) and (g) of section 3202 of title 38, United States Code, are hereby repealed.

SEC. 302. Subsection (a) (4) of section 1701 of title 38, United States Code, is amended to read as follows:

"(4) The term 'guardian' includes a fiduciary legally appointed by a court of competent jurisdiction, or any other person who has been appointed by the Administrator under section 3202 of this title to receive payment of benefits for the use and benefit of the eligible person.".

TITLE IV—EFFECTIVE DATES

SEC. 303. Subsection (a) (4) of section 1701 become effective on May 1, 1974, except that title III shall become effective on the first day of the second calendar month following enactment.

AMENDMENT OFFERED BY MR. DORN

Mr. DORN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORN: strike out all after the enacting clause of S. 3072 and insert in lieu thereof the provisions of H.R. 14117, as passed by the House.

The amendment was agreed to.

The Senate bill was ordered to be read

a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 14117) was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

RETURN OF ENROLLED BILL H.R. 11793, REORGANIZATION AND CONSOLIDATION OF CERTAIN FUNCTIONS IN FEDERAL ENERGY ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

Pursuant to House Concurrent Resolution 485, I am hereby returning the enrolled bill H.R. 11793, "An Act to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions," to the House of Representatives for the purpose of making necessary technical corrections.

RICHARD NIXON.

THE WHITE HOUSE, *May 7, 1974.*

DESIGNATING CERTAIN LANDS IN THE FARALLON NATIONAL WILDLIFE REFUGE, CALIFORNIA, AS WILDERNESS; AND ADDING CERTAIN LANDS TO POINT REYES NATIONAL SEASHORE

Mr. MELCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11013) to designate certain lands in the Farallon National Wildlife Refuge, California, as wilderness; to add certain lands to the Point Reyes National Seashore; and for other purposes, as amended.

The Clerk read as follows:

H.R. 11013

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. In accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), certain lands in the Farallon National Wildlife Refuge, California, which comprise about one hundred and forty-one acres and which are depicted on a map entitled "Farallon Wilderness—Proposed" and dated October 1969, and revised March 1970, are hereby designated as wilderness. The map shall be on file and available for public inspection in the offices of the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

SEC. 102. The area designated by this Act as wilderness shall be known as the Farallon Wilderness and shall be administered by the Secretary of the Interior in accordance with the applicable provisions of the Wilderness Act.

TITLE II

SEC. 201. Section 2 of the Act of September 13, 1962 (76 Stat. 538), as amended (16 U.S.C. 459C–1), is further amended by including the following new subsection (c):

"(c) The Point Reyes National Seashore shall include, in addition to those lands hereinbefore described, such lands as are depicted on the map entitled 'Planning Map, Point Reyes National Seashore, Marin County, California', numbered 8530/30006A and dated February 1974, to which a legal description of such lands shall be attached. For the purposes of this subsection, there are authorized to be appropriated for the acquisition of lands such sums as may be necessary, but not to exceed $200,000."

Amend the title so as to read: "A bill to designate certain lands in the Farallon National Wildlife Refuge, California, as wilderness; to add certain lands to the Point Reyes National Seashore; and for other purposes."

The SPEAKER. Is a second demanded?

Mr. STEIGER of Arizona. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Montana (Mr. MELCHER) will be recognized for 20 minutes, and the gentleman from Arizona (Mr. STEIGER) will be recogized for 20 minutes.

The Chair recognizes the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 11013 designates certain lands in the Farallon National Wildlife Refuge, San Francisco, Calif., as wilderness. It was unanimously reported out of the Committee on Interior and Insular Affairs, as amended, by voice vote on February 6, 1974.

The bill would designate as wilderness 141 acres of the existing 211-acre Farallon National Wildlife Refuge which is located on four island groups about 28 miles offshore from San Francisco County, Calif. It includes all of the islands except the 70-acre Southeast Farallon Island, which has an extensive lighthouse installation.

The refuge preserves the natural condition of the islands and provides protection to some 200,000 nesting sea birds of 11 species.

The Presidential recommendation for wilderness designation in the case of the Farallon proposal is dated April 28, 1971. The committee endorsed the designation of this portion of the refuge for addition to the National Wilderness System.

An amendment adopted by the committee also adds about 168 acres to the existing Point Reyes National Seashore in California.

This action was taken to correct what was described as a surveying error which apparently was made when the original legislation was enacted in 1962. The seashore now contains 64,850 acres—the additional acreage is located along the Inverness Ridge adjacent to the existing national seashore.

While the Farallon Wilderness Area will require no additional Federal investment, title II of the bill relating to the Point Reyes addition authorizes the appropriation of not more than $200,000 to acquire the lands involved.

Mr. Speaker, I want to make it clear that by unanimous consent the committee agreed to the Point Reyes amendment as an amendment to this bill. These lands involve about 16 acres and they are located along and adjacent to the Inverness Ridge and would be conspicuous to visitors to the seashore if developed.

It was our understanding that these lands were intended to be included in the seashore but that, apparently due to a surveying error, they were excluded.

It is, I am told, a beautiful location, especially since the integrity of the area between the ridge line and the sea would be assured by Government ownership.

Mr. Speaker, naturally every private owner involved in the acquisition area of a wilderness area would prefer to retain his individual holdings. However, for the purpose of the seashore it is only practical to bring this 168 areas in. If this legislation is approved, as recommended by the committee, the Secretary would be authorized to acquire the lands in question by purchase, donation, or exchange. We did not have precise land cost data, but it is anticipated that these costs would not exceed $200,000. For that reason the committee expressly limited the appropriation authorization that amount.

Mr. Speaker, this amendment will accomplish a worthy goal. It has the support of the local county planning commission and was considered by the committee after the California Assembly memorialized the Congress to add these lands to the seashore. I think it is a constructive effort to resolve a potentially difficult development problem if not promptly resolved.

I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

The lands to be purchased, then, are to be purchased from private owners. Is that correct?

Mr. MELCHER. That is correct.

Mr. GROSS. The Federal Government has had no title to these lands at any time or, at least, not over a long span of years?

Mr. MELCHER. That is correct.

Mr. GROSS. I thank the gentleman.

Mr. STEIGER of Arizona. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I would just like to comment on the legislation presently before us if I might.

The gentleman from Montana described an amendment that was put on in the committee, and I think it would be fitting if we had some reflection in the record of the fairly unique nature of this amendment that was offered in the committee and accepted.

It is not only a tribute to the gentleman from California, Mr. BURTON's political mechanical skill but was also sufficiently unique that it caught the attention of the administration. They asked that their opposition to this amendment be registered.

As the ranking member of the subcommittee, I attempted to find someone willing to oppose the amendment but could find nobody. However, I want the record to reflect the administration's concern; it is not the concern of any of the minority members of the committee or, indeed, of anybody else that I can find.

Mr. HOSMER. Will the gentleman yield?

Mr. STEIGER of Arizona. I am glad to yield to the gentleman, a ranking member of the subcommittee.

Mr. HOSMER. I am glad the gentleman from Arizona brought out that fact, because this opposition, as far as I can gather, from someone in the administration does not really go to the merits of the bill but, rather, to the procedures by which it came here. They claim the inalienable right to say what the Congress can or cannot do before any such measure is brought here. Congress, on the other hand, the way I read the Constitution, is an independent body of the Government and has every right and reason to bring something like this in if it feels it is proper to do so.

It has been brought in here. I believe this is a good measure.

I suggest that the Farallon Islands and Point Reyes are both nice places to see, particularly when you are coming in from the far Pacific to make a landfall after having been out in nowhere for a long time. As I say, they are a great sight to see. They are even better sights if you make sure you see them, because otherwise they are hazards to navigation, and you might run aground up on the beach.

So this new legal status that is going to be attributed to both of these places may produce an additional advantage, maybe they will keep the lighthouses a little cleaner, and the lights shining a little brighter.

I thank the gentleman for yielding.

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman from California for injecting that bit of nautical wisdom into this discussion.

Mr. MELCHER. Mr. Speaker, I yield such time as he may consume to the chairman of the Subcommittee on Parks and Recreation, and the acting chairman of the Committee on Interior and Insular Affairs, the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Speaker, I would like to point out to the Members a bit of history regarding Point Reyes National Seashore by saying that it was intended in the beginning that this seashore area would go to the top of Inverness Ridge. Instead, the boundary line was placed below the top of the ridge due to a surveying error.

In order to keep the seashore in conformity with the original intent, we do need to include these 168 acres which will be added to the 64,000-acre park. The costs are estimated at $200,000, which will come from the land and water conservation fund. Time is of the essence because of threatened private development on the ridgetop.

Mr. Speaker, I might also point out that our Committee on Interior and Insular Affairs has been tied up in meetings two and sometimes three times a week on the surface coal mining bill, and that this approach seemed to be the most expeditious method by which this needed change in the Point Reyes National Seashore boundary could be brought before the House.

Mr. STEIGER of Arizona. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I rise briefly to concur in the statements made by the chairman of the Subcommittee on Parks and Recreation of the Committee on Interior and Insular Affairs, the gentleman from North Carolina (Mr. TAYLOR), and to also concur in the remarks that have been made by the gentlemen who have preceded me, both the gentleman from Montana (Mr. MELCHER), and the gentleman from Arizona (Mr. STEIGER).

I think the record should reflect that there has been some opposition to the acquisition of this land by some of the private owners. However, it has been brought to my attention that the board of supervisors of Marin County and the legislators of that area are in support of completing this land acquisition which will protect the panorama of Inverness Ridge which was originally intended as the boundaries of the Point Reyes National Seashore.

So I concur in what the gentlemen have stated, and support the legislation as presented.

Mr. BURTON. Mr. Speaker, I would like to express my appreciation to the distinguished subcommittee chairman, Mr. MELCHER—and the full committee—for their help in approving my bill (H.R. 11013) to designate a portion of the Farallon Island as a wilderness area and to acquire certain additional land for the Point Reyes National Seashore.

This proposal is supported by all of the conservation groups and deserves to be enacted into law.

The following, more detailed, explanation of the bill may be of interest to my colleagues:

FARALLON NATIONAL WILDLIFE REFUGE

TITLE I—FARALLON WILDERNESS

Explanation and Need

The Wilderness Act of September 3, 1964 (78 Stat. 890), directed the Secretary of Agriculture to review, within ten years, areas within the National Forest System to determine their suitability for preservation as wilderness. The Secretary of the Interior was directed to review areas within national parks, national monuments, wildlife refuges and game ranges for the same purpose. Upon finding favorable to wilderness designation, the respective Departments were directed to submit their recommendations to the President in order that he might advise the Congress of his recommendations regarding these areas. Any such recommendation of the President for designation of an area as wilderness becomes effective only if so provided by an act of Congress.

The above outlined procedure was followed in the case of the Farallon proposal. The Presidential recommendation is dated April 28, 1971, and it, together with the accompanying explanation and justification, is contained in House Document 92–102, Part 10.

This proposed wilderness contains 141 acres of the existing 211 acre Farallon National Wildlife Refuge. The refuge consists of the emerged land of four rugged and picturesque island groups above mean high tide. It extends over about seven miles of Pacific Ocean, 28 miles offshore from San Francisco County, California. The proposal includes all of the islands except the 70-acre southeast Farallon Island which has an extensive lighthouse installation. Personnel from the Point Reyes Bird Observatory are residents on the island and Coast Guardsmen stay overnight on an intermittent basis.

Middle Farallon is a single rock, 50 yards in diameter and 20 feet high. The North Farallons are four miles to the north in two clusters of bare precipitous rocks. They reach a height of 155 feet. Noonday Rock, three miles further to the north, is awash most of the time and is a feeding ground for diving birds.

The Farallon Refuge was originally the three northern island groups of 91 acres, established in 1909 by Executive order of President Roosevelt. The Southeast Farallons were added by Executive order in 1969. The U.S. Coast Guard has primary jurisdiction of this addition and concurs in this proposal.

Geologically, the Farallon Islands are a granitic formation of a decomposing crystalline type. There are some pockets of shallow soil, particularly on the less vertical portions of Southeast Farallon. No significant mineral deposits are known to exist on any of the islands.

The climate is characterized by frequent strong winds and dense fog. Rainfall occurs mainly during winter, with summer moisture usually limited to damp fogs. Annual precipitation is approximately 10 inches.

Vegetation is sparce. Farallon weed, a plant indigenous to the islands, predominates. Fourteen other native plants, 68 marine algae, and six lichens have been identified on Southeast Farallon and most of these occur on certain of the other islands as well.

The refuge preserves the natural condition of the islands and provides protection to some 200,000 nesting sea birds of 11 species. There are no active habitat management programs on the islands. The cormorant colony complex is the largest on the Pacific Coast outside Alaska. Also present are the Cassin's auklet, western gull, ashy petrel, common murre, tufted puffin, and black oystercatcher. The California and stellar sea lions haul out on these rocks.

Access to the islands is limited to protect bird colonies, but boat tours around the refuge are sponsored by the San Francisco Bay area chapter of the National Audubon Society for birdwatching.

The Committee endorses the designation of this portion of the Farallons National Wildlife Refuge for addition to the wilderness system and recommends enactment of H.R. 11013 as amended.

TITLE II—POINT REYES NATIONAL SEASHORE ADDITION

During the deliberations on this legislation by the Committee on Interior and Insular Affairs mention was made of the fact that a surveying error had apparently been made in the original boundaries of the Point Reyes National Seashore. To correct this mistake, the Committee agreed to an amendment making this minor (167.83A) boundary adjustment. Prompt action is considered necessary in order to avoid, to the extent possible, any further development on the lands in question.

By way of background, it should be noted that the legislative history of the original Act creating the Point Reyes National Seashore strongly suggests that the Inverness Ridge, south of Tomales Bay State Park, should be the boundary for this portion of the seashore. This, it was argued, was essential if the esthetic natural setting of the seashore was to be adequately protected since the Ridge is the natural visual barrier between the seashore and lands further inland. In addition to its line-of-sight value, it was important to include all of these lands in order to assure the integrity of the watershed, as well.

Apparently, this boundary error went unnoticed in the complicated metes and bounds description when the original legislation was enacted in 1962. Relatively recently it was learned that certain residential dwellings had been constructed or were being planned along the Ridge. This development generated further review and the discovery of the error in the boundary which H.R. 11013, as amended, is designed to correct.

As explained to the Committee, some of the landowners involved are willing to sell their holdings to the United States so that the lands can be included in the seashore. Undoubtedly, since some choice sites are involved, some will not sell unless their lands are acquired by eminent domain. In all cases, the landowners will be entitled to just compensation for any lands included in the seashore.

This boundary change—which involves less than 170 acres in a seashore now totaling 64,850 acres—has, in fact, been endorsed by the local county planning commission and reflects a memorial approved by the California Assembly urging the Congress "to change the boundaries of the Point Reyes National Seashore to include within it the last remaining undeveloped parcel on Inverness Ridge overlooking the national seashore. . . ."

COMMITTEE AMENDMENT

The only substantive Committee amendment to H.R. 11013 would add 167.83 acres to the Point Reyes National Seashore. All of these lands are located along the Inverness Ridge and are adjacent to the existing national seashore.

COST

While the Farallon Wilderness Area will require no additional Federal investment, Title II of the bill relating to the Point Reyes addition authorizes the appropriation of not more than $200,000 to acquire the lands involved. In making this recommendation, the Committee notes that the land acquisition program for this seashore is now virtually complete—only 577 acres of the lands in the land acquisition program remain in private ownership and they are included in the acquisition program presently underway. It is anticipated that between $7 and $8 million of the existing authorization ceiling will not be needed and will be available for use at other project areas.

COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs recommends that H.R. 11013, as amended, be approved. The bill was unanimously reported, with the amendment, by a voice vote.

The SPEAKER. The question is on the motion offered by the gentleman from Montana (Mr. MELCHER) that the House suspend the rules and pass the bill H.R. 11013, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 11013.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

NATIONAL SCHOOL LUNCH ACT AMENDMENTS

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14354) to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes, as amended.

The Clerk read as follows:

H.R. 14354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by redesignating section 14 as section 15 and by inserting immediately after section 13A the following new section:

"COMMODITY DISTRIBUTION PROGRAM

"SEC. 14. Notwithstanding any other provision of law, the Secretary, during the period beginning July 1, 1974, and ending June 30, 1975, may—

"(1) use funds available to carry out the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c)) which are not expended or needed to carry out such provisions, to purchase (without regard to the provisions of existing law governing the expenditure of public funds) agricultural commodities and their products of the types customarily purchased under such section, for donation to maintain the annual programed level of assistance for programs carried on under this Act, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965; and

"(2) if stocks of the Commodity Credit Corporation are not available, use the funds of such Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), for such donation.".

SEC. 2. The first sentence of section 3 of the National School Lunch Act, as amended (42 U.S.C. 1752) is amended by striking out "sections 11 and 13" and by inserting in lieu thereof "section 13".

The SPEAKER. Is a second demanded.

Mr. SYMMS. Mr. Speaker, I demand a second.

Mr. QUIE. Mr. Speaker, I demand a second.

Mr. SYMMS. Mr. Speaker, I make a parliamentary inquiry: Is the gentleman from Minnesota (Mr. QUIE) opposed to to the bill?

Mr. QUIE. No, Mr. Speaker, I am not opposed to the bill. I am in favor of the bill.

The SPEAKER. Is the gentleman from Idaho opposed to the bill?

Mr. SYMMS. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PERKINS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am bringing up for consideration today H.R. 14354, a bill to amend the National School Lunch Act in order to authorize the use of certain funds to purchase agricultural commodities for distribution to schools.

This bill has one single purpose—to assure that school lunch programs will continue to receive the normal level of agricultural commodities which for many years have been purchased and distributed to schools by the Department of Agriculture. This is necessary in order that the nutritional quality of the lunches served to the children in our Nation's schools will be maintained.

The Department of Agriculture has budgeted $290 million for the direct purchase and donation of agricultural commodities to the school lunch program for the fiscal year 1975. This bill would not in any way increase this budgeted amount. In fact, the figure of $290 million is $17 million less than was expended for food commodities by the USDA in the current fiscal year.

However, the USDA would not have been able to continue the program of purchase and donation of foods during this fiscal year in the absence of special authority granted by the Congress last summer. H.R. 14354 would continue this special purchase authority for just 1 additional year. This 1-year extension has been supported by the Department of Agriculture in testimony before the House Education and Labor Committee.

In simple terms, this bill authorizes the Secretary of Agriculture, on a permissive basis, to utilize funds available under section 32 of the act of August 24, 1935 and the funds of the Commodity Credit Corporation in order to maintain the annually programed level of direct food assistance to the school lunch program. Again, let me repeat that the USDA has already budgeted these section 32 and Commodity Credit Corporation funds for this very purpose for the fiscal year 1975.

There are, as you know, three primary sources of funds for the purchase and donation of foods to the school lunch and child nutrition programs. Let me discuss them separately.

First, there is section 6 of the National School Lunch Act. This provision of law authorizes the Secretary of Agriculture to use part of the Federal funds appropriated to the school lunch program for the direct purchase and donation of foods to the school lunch program. Over a period of many years, the source of these section 6 funds has been a transfer from section 32 funds under annual appropriation acts. Under authority of the National School Lunch Act, the Secretary has authority to use section 6 funds in order to purchase nutritious foods for the lunch program without restriction. Accordingly section 6 is not covered by H.R. 14354.

Second, there is the section 32 purchase and donation authority. The funds available under section 32 have amounted to nearly $1 billion annually. These funds are derived annually from an amount equal to 30 percent of customs receipts and are automatically available to the USDA without a direct appropriation. By law, these funds are to be used to encourage domestic consumption of agricultural commodities and for other purposes.

Historically, these funds have been used for the purchase and donation of foods to the school lunch program, beginning in the late 1930's. Also, in recent years, large amounts of section 32 funds have been transferred to the school lunch program in order to finance the service of free lunches to needy children. For the current fiscal year the sum of $428 million has been so transferred. This has been accomplished through appropriation acts and has not involved any legislative amendment to the section 32 law.

Also, on several occasions, legislation coming out of the House Education and Labor Committee has approved the special transfer of section 32 funds to help support the school lunch and child nutrition programs. As examples, I will cite Public Law 92–32, approved June 30, 1971, Public Law 92–433, approved September 26, 1972, and Public Law 93–150, approved November 7, 1973.

The third source of commodity assistance to the school lunch program has been those foods acquired by the Commodity Credit Corporation of the Department of Agriculture. In the past, such foods have been donated to schools under section 416 of the Agricultural Act of 1949, as amended. For the most part, these foods have not come out of food stocks held by the Commodity Credit Corporation. Rather, they have been purchased on the open market from processors in the form and packaging suitable for the school lunch program.

In conclusion, I would like to make these points:

First. This legislation is necessary to continue the distribution of an adequate supply of commodities to schools.

Second. The Department of Agriculture has testified that it supports a 1-year extension of this special purchase and donation authority.

Third. There is a great deal of legislative precedent for the use of section 32 funds to support and strengthen the school lunch program.

Fourth. The proposed legislation does not in any way amend the section 416 donation authority. This donation authority is designed "to prevent the waste of commodities whether in private stocks or acquired through price support operations by the Commodity Credit Corporation before they can be disposed without impairment of the price support program." Rather, it simply authorizes the use of funds available to the Commodity Credit Corporation for the purchase and donation of foods to the school lunch program. Further, it does not in any way affect or alter the operation of price support programs as authorized by law.

Finally, let me say that there is no intent to invade in any way the prerogatives of any other committee of the House, either legislative or appropriations. The single purpose, as I have stated earlier, is to set a national policy that the highest priority will be given to fulfilling the nutritional needs of our Nation's children. Regardless of any other issues, I know that everyone of us joins in this purpose.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I rise to urge my colleagues to support H.R. 14354, the National School Lunch Amendments of 1974. As a member of the Education and Labor Committee which approved this legislation I have some familiarity with the bill and the issue, and wish to outline its importance to you.

This bill authorizes the Secretary of Agriculture to continue for 1 additional year the purchase of commodities at "nonsurplus" or "market" price for distribution to feeding programs carried on under the School Lunch Act, the Child Nutrition Act, and title VII of the Older Americans Act.

This legislation will require no increase in funding, and the base amounts carried over from last year are modest: 934.4 million pounds of food commodities costing $305.5 million. In this country, which is so rich in so many ways, there is no excuse for hunger and malnutrition. This program will go a considerable distance toward seeing that we need not make any excuse.

We are, however, not extending the program for more than 1 year because it is time we took a broad look at the nature of the program. The time has passed when this Nation has enormous surpluses of free food to give away. Food prices for the paying consumer are also rising significantly. Clearly things cannot continue as they have. It is with this situation in mind that the committee has decided to ask for a 1-year extension of the National School Lunch Amendments, rather than for a longer period.

But make no mistake; this program is very necessary for the immediate future. I urge all my colleagues to support this important Federal effort.

Mr. PERKINS. I thank the distinguished gentleman from New York.

Mr. Speaker, I will not take any further time at this point and I yield now to the gentleman from Minnesota (Mr. QUIE) 5 minutes.

Mr. QUIE. Mr. Speaker, as Chairman PERKINS has indicated, this is a very simple—but nonetheless important bill—relating to the authority of the Department of Agriculture to purchase commodities not in surplus for distribution to feeding programs authorized by three acts under the jurisdiction of our committee. These are the School Lunch Act, the Child Nutrition Act, and title VII of the Older Americans Act—nutrition for the elderly.

The basic authority of the Secretary to purchase nonsurplus foods at market prices to maintain "the annually programed level of assistance for schools, domestic relief distribution, and such other food assistance programs as are authorized by law" was contained in Public Law 93–86, which originated in the Committee on Agriculture. This authority expires June 30, 1974. H.R. 14354 extends only part of that authority—with respect to programs within the jurisdiction of the Committee on Education and Labor—for 1 year. It is permissive authority, and there is no additional cost involved beyond that amount already budgeted for commodity purchases. The Department favors and needs this additional year in order that there is no disruption in these programs.

Now it is true that there are two kinds of disputes with respect to this bill, but neither should hinder its speedy enactment. The first is purely jurisdictional as the basic and broader authority to purchase commodities not in surplus was contained in the Agriculture and Consumer Protection Act of 1973, which is within the jurisdiction of the Committee on Agriculture.

That committee now has under consideration proposals to extend that authority. But since the committee had not acted, we felt it imperative to act with respect only to the programs within the jurisdiction of our committee. Failure to act speedily could cause unnecessary doubt and confusion among those in States and local communities responsible for these programs, and might result in actual disruptions of the programs.

The second issue cannot be determined by this legislation. It is whether the Federal Government should continue commodity purchases unrelated to surplus removal, or simply increase the cash support available to these programs. I think all of us perhaps need more information on that issue than we now have, and as I have said, in any event we could not discontinue the present system at this late date without severe disruption in the programs. In fiscal year 1973 the Department of Agriculture purchased and distributed commodities to schools valued at $260.2 million. In addition, because the Department could purchase the full amount it had budgeted, it distributed an additional $70 million in cash to the schools to enable them to purchase food directly.

The value of this assistance averaged 6.4 cents per meal in commodities and 1.8 cents in cash, for a total of 8.2 cents per meal served. The average cost of a school lunch in fiscal 1973 was 74.8 cents, which includes both cash support and the value of donated commodities. The food element in that cost was 41.5 cents per meal. So, I think it is evident that even though the bulk of food purhases are made at the local level, the Federal purchases of commodities are a significant portion of the total food costs of the school lunch program. Certainly, for the reasons I have indicated, we cannot change the system abruptly, and the Department agrees with this view.

Mr. Speaker, for these reasons, I urge approval and speedy enactment of H.R. 14354.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Kentucky, the chairman of the committee (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, a question has been brought to my attention by certain members of the Committee on Agriculture that we are invading the jurisdiction of the committee. I want to ask my colleague this question. Has it not been the practice of the Education and Labor Committee for several years to work on and approve bills within our jurisdiction which authorize the transfer of section 32 funds to the school lunch program. In fact have not section 32 funds been the cornerstone for the building of the free lunch program in this country today? Am I correct?

Mr. QUIE. The gentleman is correct that we have amended section 32 before to make certain amounts available for the National School Fund Act, the Child Nutrition Act, and title VII of the Older

Americans Act in the past. While I would not say that it is a cornersone of he free lunch program, it at least permitted the continuation of making available commodities that were not available under the Commodity Credit Corporation price support program under their purchases because there are no longer the surpluses.

So this then will enable us to give some continuity to the program, which otherwise would not be the case. The gentleman is correct.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. The gentleman from Kentucky is right. That has been the practice for several years, but that does not make it sound procedure nor sound legislation.

I hope I may have time later to discuss this matter. I have been chairman of the Committee handling these programs since 1947, except for 2 years.

What has happened during this period is that the section 32 program, the purpose of which is to promote the production of food, has deteriorated under the drawing down of its funds now to less than a $200 million carry-over, which leaves it in serious danger.

The practice followed by the gentleman in his committee is just like eating your seed stores. We are tinkering with that which helps produce food. In order to produce it, we cannot eat the seed today and expect to have it tomorrow.

Mr. SYMMS. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. Poage).

CALL OF THE HOUSE

Mr. WHITTEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. POAGE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 210]

Blatnik
Brooks
Brotzman
Carey, N.Y.
Carney, Ohio
Clark
Cochran
Conyers
Dickinson
Diggs
Dorn
Drinan
Evins, Tenn.
Flowers
Fraser
Frelinghuysen
Grasso
Green, Oreg.
Haley
Harsha
Helstoski
Holifield
Horton
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kuykendall
Lujan
McFall
Macdonald
Mathis, Ga.
Milford
Morgan
Nix
O'Neill
Patman
Pepper
Pickle
Rangel
Rees
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rose
Rosenthal
Sandman
Satterfield
Shuster
Sisk
Stanton, James V.
Steed
Stephens
Stokes
Stubblefield
Teague
Treen
Wilson, Charles H., Calif.

The SPEAKER pro tempore (Mr. Bingham). On this rollcall 374 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

NATIONAL SCHOOL LUNCH ACT AMENDMENTS

The SPEAKER pro tempore. The gentleman from Texas is recognized for 5 minutes.

Mr. POAGE. Mr. Speaker, I want to thank my colleague from Idaho for providing me with this time, and I want to thank the gentleman from Mississippi for providing me with an audience, I am afraid that I have nothing to say which would justify this consideration.

In fact I simply want to point out and I want to make it clear, I am not here opposing school lunches; I am not here seeking to enter into any jurisdictional war with any committee, because I know we all have more than we can do. However, I think it is important that we should understand the way in which this bill attempts to finance the school lunch program is a dangerous procedure; and that it is one on which this House passed an adverse judgment ratherly recently.

There was a request, I believe, for $15 million for the same purpose a few months ago. A request to use the money out of section 32 funds, and this House turned it down. This House would unquestionably give the money needed for the school lunch program today. If we give the Appropriations Committee authority I will vote for it and every Member I know will vote for it.

Mr. PERKINS. Will the distinguished chairman yield for a question?

Mr. POAGE. For a question, certainly.

Mr. PERKINS. We are only proposing to finance and continue the school lunch program in the same way it was financed and operated last year. The only difference is here under section 32 commodities can be purchased at market price and then donated to the schools.

Mr. POAGE. Yes, but what is the question?

Mr. PERKINS. The question is that the bins of the country are empty and the Commodity Credit Corporation does not have the authority and the Secretary of Agriculture——

Mr. POAGE. What is the question? I will gladly yield for a question but not for a speech, Mr. Speaker.

Mr. PERKINS. The question is: Does the Secretary of Agriculture have the authority—when we have surpluses in the bins under the price support programs—to donate commodities to the schools?

Mr. POAGE. Mr. Speaker. I am sorry, but I was unable to understand the question asked by the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, the question is: Had the Secretary of Agriculture in the past—when we had commodities stored in the bins of this country—the authority to donate commodities without any additional legislation to the school lunch program?

Mr. POAGE. I would not undertake to give a legal opinion but I doubt that he has that authority without an act of Congress.

Mr. Speaker, I only have a limited amount of time. The gentleman from Kentucky has had his time.

Mr. Speaker, I want to call attention to the fact that what the gentleman from Kentucky is doing is asking that we impose the cost of financing the additional costs of the school lunch program upon the Department of Agriculture. I think that there may be some merit to having the Department buy commodities for the school lunch program, and then there may not. I do not know whether it will save or not, but where the gentleman is proposing to get the money is not from an appropriation nor by action of this House, but the gentleman proposes to take it out of one of the agricultural programs, to take the money that was set aside a long time ago, I believe it has been 35 or 40 years ago, that was set aside——

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I cannot yield further to the gentleman. The gentleman from Kentucky has had his own time. I would gladly yield for a question, but the gentleman does not ask a question. He makes a statement.

Mr. PERKINS. Mr. Speaker, will the gentleman yield further?

Mr. POAGE. Mr. Speaker, I am not yielding for another speech. The gentleman has made his speech, and I would appreciate it if the gentleman would let me make one.

The SPEAKER pro tempore (Mr. Bingham). The Chair will state that the gentleman from Texas (Mr. Poage) has control of the time at this point.

Mr. POAGE. Mr. Speaker, it would appear that the gentleman from Kentucky does not want the membership to understand just how he proposes to get the money for this change in the school lunch program. I think the membership is entitled to understand that the way this bill is drawn, the additional money that the gentleman has asked for, is not going to come from the Committee on Appropriations, it is not going to come through the regular channels, it is not going to come out of general funds, but it is going to come out of special funds that were created a long time ago to take care of the needs of the perishable commodities in agriculture, fruits and vegetables, primarily, and this is the only fund——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SYMMS. Mr. Speaker, I yield 3 additional minutes to the gentleman from Texas (Mr. Poage).

Mr. POAGE. Mr. Speaker, this is the only fund that is available to carry out our programs for the perishable agricultural commodities.

If we take, for no matter how good the purpose—and I am not questioning the validity of the purpose for which the gentleman from Kentucky wants this money—but if he takes it away from agriculture, for any purpose it is not going to be available when we need it to support our agricultural programs.

What the gentleman from Kentucky is doing is saying that the producers of perishable commodities in the United States must bear the cost of the school lunch program.

I have been for the school lunch program, and I will vote for the money for it, but I do not like to take the money away from a program as good as our section 32 fund or our commority credit program to use them for any other purpose.

Mr. PERKINS. Mr. Speaker, let me say this——

Mr. POAGE. Mr. Speaker, I must respectfully decline to yield.

Mr. PERKINS. Mr. Speaker, I want to correct a statement that was made. The House did not turn down——

Mr. POAGE. Mr. Speaker, I must refuse to yield further.

The SPEAKER pro tempore. The gentleman refuses to yield further.

Mr. POAGE. Mr. Speaker, I think it is fair that we understand that this money is not coming through an appropriation, it is bypassing the Committee on Appropriations, and it is bypassing the Committee on Agriculture. It is taking from one good use to try to use it for another good use, I readily admit, but it is not what I think is a fair and honorable approach to the matter. I think that we ought to proceed and give these people what they need for school lunches, but let us do it in the regular. Let us charge the money to the program to be benefited.

I will vote for it, and for coming legislation regarding other food programs. Give them what they need, but make it come out square and above board where everybody can read it. It seems to me that all we are asking is honest bookkeeping.

If the program the gentleman is bringing before us is not good enough to stand on its own, then it is not good enough for this House to pass.

Mr. BURTON. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. BURTON. I thank the gentleman for yielding.

Mr. Speaker, I should like to commend the gentleman in the well. For the benefit of those who did not have the opportunity to hear the gentleman, he stated initially that he felt—and I agreed—that the entire House should have an opportunity to better understand this somewhat complicated issue. He further stated he is not speaking in opposition to the legislation but primarily to say that the Members should understand the balanced judgment here.

I should like to commend the gentleman in the well and note further that we recognize and applaud the efforts of our distinguished chairman. If there might be any conceivable disadvantage to agriculture, we would be better off redressing any disadvantage. We hope there will be support for this legislation.

Mr. SYMMS. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, I made the point of order, because I do believe the membership should hear the explanation of what is involved here. Many do not have occasion, perhaps, to study section 32 of the Agricultural Adjustment Act. One of the problems we have in this country is that we must see that we produce more than an adequate amount of food. When we do produce more, we now buy up the surplus, strengthen the price in order to make certain that people produce food and stay in the farming business. Many years ago, in trying to have ample supplies, we provided what we call section 32, whereby 30 percent of the import duties are set aside primarily to promote the production of perishable commodities by purchase of surpluses. Those surplus commodities are made available for consumer use.

Only a few weeks ago the Budget Bureau sent down to our Subcommittee on Appropriations a request for $15 million in transfer of section 32 funds for school lunch. We promptly denied the transfer but we promptly appropriated the $15 million. By way of illustration, if we have six cars that we have to sell, and only five buyers, the sixth car will run down the price of the five. So section 32 funds, being available in adequate quantities to buy up the surplus, the extra car, and divert it to good use, makes it possible for the other owners to come out all right. It was deemed advisable back in 1936—and I think my colleague, the chairman of the committee, is right about it—that the Department could accumulate up to $300,000,000, because if the Secretary of Agriculture needed to say he would buy up all of a certain perishable commodity, eggs, for instance, and had the money, frequently he would have to buy little if any. The key is to have on hand enough money to do the job, if he had to. Then he did not have to.

The gentleman from Kentucky, my colleague (Mr. PERKINS). He means to do well in these areas. The request before the committee of which I happen to be chairman has a request before it of in excess of $4 billion in appropriation for the various food programs. Because of the practice which the gentleman from Kentucky has espoused for the last several years—and Congress has gone along with it—the $300 million, which could well be necessary, to meet future needs, is now down to $102.8 million.

He would use here the planting seed so essential to produce food for tomorrow. It is said that we do not need to worry about it, but the average per year of farmers leaving farms is around 400,000. It will not help to have all the food stamps in the world, and if the shelves are bare, because we have lost section 32 funds, essential to keeping adequate food production.

Two weeks ago we turned down a $15 million drain on this fund but instead appropriated such amount. That is as it should be. Not only do we need to keep the gentleman from Kentucky from depleting what should be a $300 million fund which has already been drawn down to $102 million, but also we need to keep that fund so if supports by purchase are announced the commitment can be carried out.

This is a wrong approach. The Congress has proved time after time it will support school lunch with general funds.

I understand how strong the gentleman from Kentucky is for school lunch, but I know he is unsound to take the money needed to produce food when such needs could be and will be made available from regular funds.

Mr. PERKINS. I yield 3 minutes to the distinguished gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON of New Jersey. Mr. Speaker, the distinguished gentleman from Mississippi, my very good friend, knows that over the years despite the fact that I am from a heavily urban area I have done whatever possible to advance the interests of agriculture. I know that the industry is fading, and it is indeed in my State, but I thank the gentleman, as I do the gentleman from Texas, for endorsing in principle this legislation.

I do not think we need to be mired down in jurisdictional conflicts when after all we all seek the same results.

I would like to address to my distinguished chairman two or three questions, that is to the chairman of the committee, the gentleman from Kentucky (Mr. PERKINS). As the gentleman knows I am a cosponsor of the legislation which would effectively extend the food commodities program and I have submitted my thoughts to the subcommittee. I expressed a great need for continuation of the program which is due to expire. However, some questions arise in light of the fact that the legislation before us is not as strong nor as inclusive as that which was referred to the subcommittee.

For instance, on line 10 it reads that the Secretary "may" and I think it should read "shall".

It is also my understanding that this amendment would expire in 1 year when the importance of the matter would mandate an indefinite effective period of time. The effect of this expiration date is that it places uncertainty in the minds of those agencies and persons on the State level whose job it is to administer a commodities program.

I would like to ask my distinguished chairman about the phrase to be found on lines 12 and 13 and 14 and ask him if it would include schools and institutions and Indian reservations not requesting a stamp program and supplemental feeding programs and disaster relief programs.

Mr. PERKINS. If the gentleman will yield, it does not. We restricted the legislation to programs solely within the jurisdiction of our committee. Under an amendment which we adopted in committee only the school lunch program, the child nutrition programs and programs for the elderly are covered.

Mr. THOMPSON of New Jersey. May

I ask also, Mr. Chairman, if there are any of these programs which are included in this bill which could be construed as programs under the administrative responsibility of the Department of Agriculture?

Mr. PERKINS. Yes, the school lunch program is administered by the Department of Agriculture.

Mr. THOMPSON of New Jersey. In that event we are just continuing in the easiest possible way an extremely meritorious program?

Mr. PERKINS. Correct.

Mr. THOMPSON of New Jersey. I am glad that despite minor differences our distinguished colleagues, who preceded me, support in principle this legislation.

Mr. PERKINS. I yield the gentleman 1 additional minute.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Texas.

Mr. KAZEN. I just have one question. Why is it that this bill does not ask for a direct appropriation out of general funds?

Mr. THOMPSON of New Jersey. I yield to my chairman for the answer to your question.

Mr. PERKINS. Mr. Speaker, let me say the bill does not provide for a direct appropriation by the Committee on Appropriations. The funding of the school lunch programs has historically been complex. We are spending about $1.7 billion for the school lunch program and it is constituted in several different ways. To take care of free lunches for needy children we authorized the transfer of funds from section 32 several years ago. As I recall, the first time was back in 1967.

Now under section 4 of the act we have a program of reimbursement for all lunches. We have a budget of $420 million for this next year and under section 11 of the School Lunch Act funds are provided for free and reduced price lunches. We have a budget of $728 million much of which will come from section 32.

For school breakfasts under the Child Nutrition Act we have a budget of $7 million.

For equipment, there is budgeted $22 million.

We are talking about funds already in the budget for the school lunch program that will not be utilized for any other purposes. We are only giving the Secretary the authority to utilize section 32; $96 million is already budgeted for section 32 and under section 416, $125 million. He has to have the authority to purchase at market price, because commodities are not on hand as they used to be. The bins are empty. If those bins were filled, we would not be here asking for this authority. We are asking that the programs continue to receive commodities as it has in the past.

Mr. THOMPSON of New Jersey. I thank my chairman and ask for the overwhelming support of this bill.

Mr. SYMMS. Mr. Speaker, I yield to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Speaker, I thank the gentleman for yielding. I must take exception to one remark which my friend, the gentleman from New Jersey, made, if I may have his attention. He stated that the agricultural industry is fading. I would agree that the number of Members in the House who represent agricultural districts is shrinking; but certainly agriculture itself is not fading. Agriculture is coming on strong, meeting a tremendous challenge for production, which is of great importance not only to our country, but to the entire world. Agriculture itself is more important than ever.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. In making that statement, I was agreeing with the distinguished gentleman from Mississippi and referring specifically to the number of persons or families engaged in agriculture, as distinguished from the great growth as the result of corporate farming and modern farming processes. In New Jersey, for instance, in the counties which I represented until the last previous districting, they were largely dairies and something like 60 percent of them have gone out of business for various causes. That does not mean we are producing that much less milk. It is the number of family farms and small farmers I was referring to.

Mr. MAYNE. Mr. Speaker, I thank the gentleman for that explanation. I do want to agree with him that the school lunch program is certainly a very meritorious one that deserves our support and certainly consistently has had my support. But it is the means of going about giving it this additional support in this particular manner which is really very misconceived here. I am for the school lunch program, but I do not believe it should be financed by raiding section 32 funds.

There is no question in my mind that the Education and Labor Committee with this very meritorious school lunch program could come forth with a bill and get an appropriation for $30 million in the regular manner. I would support it and I think most of the Members on my side of the aisle would support it; but it really is not fair to bring this bill up so hurriedly under suspension of the rules. As we all know, the suspension procedure precludes any amendments being considered from the floor and it is limited to a total of 40 minutes, consideration. This bill was not introduced until April 24 and not reported out by the committee until May 1. To bring it up on suspension here where we do not have an opportunity to point out how very vital and indispensible these perishable commodity programs are which depend for funding on section 32 is not acting with good judgment.

Section 32 is the only way that we have to sustain and finance price support programs on perishable commodities like beef, pork and vegetables. These very necessary funds should not be taken away from our perishable commodity programs which are so very essential. I am sure everyone in this House supports an adequate national defense. But I am equally sure no one would advocate using "section 32" to finance that effort. A similar situation exists with our education and nutrition programs. We should use funds earmarked for those purposes, not "section 32" moneys which are and have been for many years used for agricultural purposes.

Let us vote this bill down in this particular form. It certainly should not pass under suspension of the rules. Let the committee bring it up in the regular way, and I am sure it will get the regular support to which it is entitled. A no vote on this bill is by no means a vote against the school lunch program, but merely against the highly irregular way in which it is brought to this floor.

I am for the school lunch program, but I will vote no on this bill, and I ask other Members to join with me so that we can have an opportunity to give a properly drawn school lunch bill funded by a regular appropriation we can all support.

Mr. SYMMS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, these are days when we talk about credibility and straightforwardness, but at the same time we are requested to approve a proposal to finance a school lunch program by taking the money from tariff receipts which clearly have been provided for another purpose. Such a method of financing the program seems to me to be utterly unacceptable. There are probably not 10 Members of this House who would vote against an appropriation for the school lunch program. We have established time and again that we are for it, but there are some of us who will vote against this bill as a matter of principle because the bill proposes an unsound method of financing.

Of course, we are in favor of the school lunch program, but we are not in favor of financing school lunches by robbing the tariff fund. It is just not the way to do the job.

I am hopeful that while we pay lipservice to budget control and straightforward handling of fiscal matters, we do not slip in through the back door and undertake to finance the program for school lunches, one of the most responsible programs in the entire Federal Government, by taking the funds from the tariff receipts. The tariff receipts are supposed to be used to support the perishable commodities market when it needs supporting, and not for other purposes, however worthwhile they may be.

Mr. Speaker, in a sense it can be argued that this is an antifood program, a program which would result in hampering the efforts of the Government to provide the incentives needed to encourage food production at a time when the whole world is clamoring for better food programs. By using the tariff recepts for the school lunch program, such a result could easily occur.

So, Mr. Speaker, I rise to express my opposition to the bill because of the method of financing which it contains and urge that we approach this matter in a forthright way, authorize the appropriation, and of course, everybody knows the appropriation will come forward as it always has in the past.

Mr. PERKINS. Mr. Speaker, I regret deeply that this confusion exists on this important piece of legislation. If commodities were available in surplus, the Secretary of Agriculture would go ahead and make them available as he has done through the years.

We do not in any way affect the price support program.

Mr. Speaker, section 32 of the Agricultural Adjustment Act of 1935, which is a set-aside of 30 percent of the custom receipts on all imports that come into this country, amounts to approximately $1,100,000,000 a year. Sometimes it runs up to a billion and a quarter a year and through the years has provided commodity support for the lunch program. But now we do not have surplus commodities. That has not been explained clearly. The only difference here is that the commodities to be acquired and donated are not on hand and not in surplus. The funds to accomplish our goal are in the budget of the Secretary of Agriculture.

There is $96 million in the budget under section 32, and there is $129 million in the budget of the Commodity Credit Corporation to provide commodities for the school lunch program. School lunch programs, particularly for needy children, are in desperate need of donated commodities.

Mr. Speaker, I say again that we do no harm to section 32. The bill specifically provides only for the use of section 32 funds which are not expended or needed to carry out the provisions of section 32. Furthermore, there will be a carryover again this year of section 32 funds. The purpose of section 32, when it was set up, was to promote agriculture and to promote markets in the country. That was the purpose of the section 32 funds.

As to the price support program, under section 416 of the Commodity Credit Corporation Act, if commodities were in the bins, we would not be conducting this debate. Keep in mind this authority is in the budget.

Again may I say there is no harm done to section 32 anywhere along the line. There are simply surplus commodities available, and we are just continuing the Secretary's authority to buy commodities on the markets and funds are budgeted for this purpose.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. Mr. Speaker, I will yield in just a moment to the distinguished gentleman from Minnesota (Mr. QUIE) who is a farmer.

I am a farmer myself, and under no circumstances—I wish to say for the benefit of the distinguished gentleman from Texas—would we destroy section 32. This is a healthy situation that we are proposing, one which will promote agriculture and the school lunch program.

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, I just want to point out what is in the report.

The Secretary of Agriculture was given authority in August 1973 under Public Law 93-86 to purchase foods at "nonsurplus" prices to maintain "the annually programed level of assistance for schools, domestic relief distribution, and such other domestic food assistance programs as are authorized by law."

Mr. Speaker, that authority expires June 30, 1974.

Now, what we have done is to continue authority for the Secretary to make these nonsurplus commodities available only in those three acts that we have jurisdiction over, and that is all. We are only doing it for 1 year.

Mr. Speaker, I do not think that is anything the Members ought to object to.

Mr. PERKINS. Mr. Speaker, the gentleman is absolutely correct.

If we had surpluses under the price-support program, the bill would not have been necessary. But there is no surplus this year, and we must continue to go out on the market and continue the Secretary's authority to pay the market prices.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, the objection here is that as we read section 32, we find it gives authority to the Secretary to buy commodities, and the purpose of our objection is that we are taking this money from sources where the money is needed in quantities. So we can announce a support level for perishable commodities and meet that.

If we announce the purchase of commodities in this fashion, we may not have enough money to carry out the purpose of the act.

Mr. PERKINS. Mr. Speaker, let me say to my distinguished colleague, the gentleman from Mississippi, that the Secretary of Agriculture must feel that there is extra money or he would not have budgeted $96 million under section 32 to purchase these commodities on the open market. $129 million is in the budget likewise for the Commodity Credit Corporation.

I am certain that the Secretary of Agriculture, if he felt that he would have endangered section 32, would not have budgeted these amounts.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield once again?

Mr. PERKINS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, 2 weeks ago the same Secretary of Agriculture had budgeted millions of dollars from section 32. We properly turned back to section 32 and brought a bill up appropriating the money. It is now pending in the other body, and it will be passed.

So may I say to my friend, the gentleman from Kentucky, that the Secretary of Agriculture is not an expert in this field.

Mr. BURKE of Massachusetts. Mr. Speaker, the House has to consider today a measure of great importance; H.R. 14354, the National School Lunch Amendments. I consider this legislation to be most important for the continuation of the most effective national school lunch program.

This bill, which requires no new appropriations over those already budgeted for fiscal year 1975, authorizes the Secretary of Agriculture to continue for 1 additional year the purchase of commodities at nonsurplus or market price, for distribution to programs carried on under the School Lunch Act and the Child Nutrition Act, as well as title VII of the Older Americans Act. Through this purchasing authorization, we can insure quality, standardization of purchase, and adequate quantity in our school lunches. Since the initiation of school lunch programs, Congress has provided for the availability of hot, wholesome meals for the Nation's schoolchildren, maintaining good nutritional habits for our children, enabling them to be more attentive to their schoolwork. As has been said many times before, the Nation's schoolchildren are the future of our country. We cannot ignore their needs.

H.R. 14354 also reinstates the authorization for the special assistance to needy children program. This authority is needed to continue to provide free and reduced price meals on a permanent basis.

The bill was reported unanimously by the House Education and Labor Committee. This bill further has the support of the administration. It would seem to me that the Congress should immediately enact this measure, and provide these foods to feeding programs in schools, service institutions, and to the elderly.

Mr. SMITH of Iowa. Mr. Speaker, I want to make it clear that I very strongly support the school lunch program and always have and will support appropriations for it. In fact, I am supporting expansion of the program with emphasis upon nutritional content. However, I strongly oppose the financing it from section 32. School lunch can stand on its own with no difficulty. To rob this tariff fund for this purpose would logically lead to also robbing the fund established to pay wage losses for persons displaced by shifts in imports. I am voting for the bill today with a 1-year provision for such practice but I agree with those who oppose this method of financing.

Mr. BADILLO. Mr. Speaker, I am pleased to rise in support of H.R. 14335, an amendment to the National School Lunch Act extending the commodity purchasing power of the Secretary of Agriculture.

Commodity distribution has been an important, integral part of the school lunch program for the past 30 years. Donated foods helped to keep meal prices low and served to assure a variety of menus as well as high nutritional standards in participating schools. Nationally, commodity contributions added about 7 cents per meal per child to the school lunch budget.

Early this year, when it became apparent that the Department of Agriculture was taking active steps to divest itself of its commodity purchasing role, well-founded consternation was expressed throughout the country by groups and individuals involved in school lunch, senior citizen nutrition, and similar feeding efforts. In view of rapidly rising food prices, donated foods assumed an unequaled importance and the public was not convinced by the Department of Agriculture's logic that cash in lieu of commodities would enable directors of programs to purchase food more efficiently in the open market. Instead, concern was voiced that unregulated regional demand generated by additional bulk-buying in certain areas could act to further increase prices for the average consumer.

During the school year of 1970–71 New York City schools received $3,098,468 worth of commodities. In 1971–72 contributions of donated foods amounted to $3,740,039, while a year previously they totaled $4,304,120. City calculations showed that food which the Department of Agriculture could buy for $1 cost the city $1.30 in the open market. Cash in lieu of commodities thus would create a deficit of more than $1 million a year at present market prices. Since more than 400,000 needy children in the city depend on the free lunches they receive for an important part of their daily nutrition, I was extremely concerned that this latest attempt by the Department of Agriculture to circumvent Congress mandate and feed the Nation's youngsters would gravely injure the poorest of the poor. Further, I also knew that the consequences would be devastating for our beleaguered senior citizen feeding programs.

I am very pleased, therefore, that the chairman of the Committee on Education and Labor (Mr. PERKINS) took the initiative in assuring that the benefits of the commodity distribution program will continue. It is my hope that the House will overwhelmingly approve this legislation and thus help assure that hungry youngsters and needy old people throughout our country will continue to receive the food they desperately need.

Mr. BIESTER. Mr. Speaker, for many years the Federal Government's commodity distribution program has been responsible for channeling surplus farm goods into our Nation's schools, enabling millions of children daily to enjoy nutritious hot meals at reasonable prices. This has benefited everyone—from the farmer needing to dispose of a surplus crop to the parents financially unable to provide their children with the kinds of balanced meals they require. As agricultural surpluses have diminished in availability, the Government has been hard pressed to provide surplus commodities and has resorted to the purchase of food at nonsurplus prices in order to continue its food distribution program.

The Department of Agriculture has indicated its recommendation to phase out the commodity distribution program, replacing it with a cash payment system by June 30, 1975. Therefore, the legislation before us, H.R. 14354, would extend the present nonsurplus purchased food program for only 1 year. During this period, Congress must evaluate the Department's proposal to institute an exclusively cash program.

Cash-in-lieu of commodities seems logical and reasonable, especially in a time of scarce surpluses, but only if the cash has the equivalent value of what would have been purchased and donated by the Government. Unfortunately, this may not be the case. Based on the Department of Agriculture's years of experience in commodity distribution, the Government has the unique ability to purchase vast quantities of food at much lower prices than can individual local school districts. There is no comparison between the capabilities of the Federal Government, on the one hand, and local school districts, on the other, to do the same job with the same financial resourcefulness. It has been estimated that the Government's commodity distribution program can have about 30 percent more buying power than an equivalent amount of cash expended by a local school district. What the Federal Government buying in bulk may be able to purchase for $10 could cost a school district in Bucks or Montgomery Counties in Pennsylvania $13. Any additional costs would have to be absorbed by the school district, jeopardizing the continued effectiveness of the school lunch program in the quality of meals served and the reasonableness of their price.

I have introduced legislation extending indefinitely the Secretary of Agriculture's authority to purchase nonsurplus food. I am supporting H.R. 14354 as an interim measure since the present authority expires on June 30 and the program must be continued. The commodity distribution program should receive the most careful legislative and departmental evaluation in the months ahead so that Congress will be prepared to judge the best course to be followed in providing nutritious and economical meals for all schoolchildren.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and pass the bill, H.R. 14354, as amended.

The question was taken.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 359, nays 38, not voting 36, as follows:

[Roll No. 211]

YEAS—359

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Butler
Byron
Carter
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Devine
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Pa.
Grover
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Hosmer
Howard
Hudnut
Hungate
Hunt
Ichord
Jarman
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKinney
McSpadden
Madden
Madigan
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—38

Bowen
Burleson, Tex.
Camp
Casey, Tex.
Cochran
Crane
Daniel, Dan
Dennis
Dickinson
Evans, Colo.
Flynt
Goodling
Gross
Gubser
Hébert
Huber
Hutchinson
Landgrebe
Lott
McKay
Mahon
Mathis, Ga.
Mayne
Minshall, Ohio
Montgomery
Nichols
Poage

Rarick
Robinson, Va.
Rousselot
Runnels
Satterfield
Smith, N.Y.
Steiger, Ariz.
Symms
Taylor, Mo.
Whitten
Zwach

NOT VOTING—36

Alexander
Blatnik
Carey, N.Y.
Carney, Ohio
Diggs
Dorn
Flowers
Frelinghuysen
Green, Oreg.
Griffiths
Haley
Helstoski
Horton
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Lujan
Macdonald
Morgan
Nix
Patman
Pickle
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rose
Sandman
Sisk
Stanton, James V.
Stephens
Stokes
Stubblefield
Treen
Wilson, Charles H., Calif.
Wydler

So (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

The Clerk announced the following pairs:

Mr. Morgan with Mr. Flowers.

Mr. Rooney of New York with Mr. Jones of Alabama.

Mr. James V. Stanton with Mr. Jones of North Carolina.

Mr. Macdonald with Mr. Patman.

Mr. Carney of Ohio with Mr. Charles H. Wilson of California.

Mr. Haley with Mr. Roncallo of New York.

Mr. Nix with Mr. Helstoski.

Mr. Diggs with Mr. Reid.

Mr. Carey of New York with Mr. Frelinghuysen.

Mr. Blatnik with Mr. Stokes.

Mr. Alexander with Mr. Johnson of Pennsylvania.

Mr. Dorn with Mr. Lujan.

Mr. Pickle with Mr. Sandman.

Mr. Sisk with Mr. Horton.

Mr. Rose with Mr. Wydler.

Mr. Stephens with Mr. Treen.

Mrs. Green of Oregon with Mr. Stubblefield.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 14354) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

FEDERAL EMPLOYEES COMPENSATION AMENDMENTS

Mr. DOMINICK V. DANIELS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13871) to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes.

The Clerk read as follows:

H.R. 13871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8101(2) of title 5, United States Code (hereinafter referred to as the "Act"), is amended by inserting ", podiatrists." after "surgeons".

(b) Section 8101(3) of the Act is amended by inserting "podiatrists," after "supplies by".

"(11) 'widower' means the husband living with or dependent for support on the decedent at the time of her death, or living apart for reasonable cause or because of her desertion;".

(c) Section 8101(11) of the Act is amended to read as follows:

"(11) 'widower' means the husband living with or dependent for support on the decedent at the time of her death, or living apart for reasonable cause or because of her desertion;".

(d) Section 8101 of the Act is amended by adding at the end thereof the following new paragraphs:

"(20) 'organ' means a part of the body that performs a special function, and for purposes of this subchapter excludes the brain, heart, and back.

"(21) 'United States medical officers and hospitals' includes medical officers and hospitals of the Army, Navy, Air Force, Veterans' Administration, and United States Public Health Service, and any other medical officer or hospital designated as a United States medical officer or hospital by the Secretary of Labor."

Sec. 2. Section 8103(a)(3) of the Act is amended to read as follows:

"(3) by or on the order of United States medical officers and hospitals, or, at the employee's option, by or on order of physicians and hospitals designated or approved by the Secretary.

The employee may initially select a physician to provide medical services, appliances, and supplies, in accordance with such regulations and instructions as the Secretary considers necessary, and may be furnished necessary and reasonable transportation and expenses incident to the securing of such services, appliances, and supplies. These expenses, when authorized or approved by the Secretary, shall be paid from the Employees' Compensation Fund."

Sec. 3. Section 8104 of the Act is amended by inserting "(a)" before "The" at the beginning thereof, and adding at the end thereof the following new subsection:

"(b) Notwithstanding section 8106, individuals directed to undergo vocational rehabilitation by the Secretary shall, while undergoing such rehabilitation, receive compensation at the rate provided in sections 8105 and 8110 of this title, less the amount of any earnings received from remunerative employment, other than employment undertaken pursuant to such rehabilitation."

Sec. 4. Section 8107(a) of the Act is amended to read as follows:

"(a) If there is permanent disability involving the loss, or loss of use, of a member or function of the body or involving disfigurement, the employee is entitled to basic compensation for the disability, as provided by the schedule in subsection (c) of this section, at the rate of 66⅔ percent of his monthly pay. The basic compensation is—

"(1) payable regardless of whether the cause of the disability originates in a part of the body other than that member;

"(2) payable regardless of whether the disability also involves another impairment of the body; and

"(3) in addition to compensation for temporary total or temporary partial disability."

Sec. 5. Section 8107(c) of the Act is amended by adding at the end thereof the following new subparagraph:

"(22) For permanent loss or loss of use of any important external or internal organ of the body as determined by the Secretary, proper and equitable compensation not to exceed 312 weeks' compensation for each organ so determined shall be paid in addition to any other compensation payable under this schedule."

Sec. 6. Section 8110(a)(2) of the Act is amended to read as follows:

"(2) a husband, if—

"(A) he is a member of the same household as the employee;

"(B) he is receiving regular contributions from the employee for his support; or

"(C) the employee has been ordered by a court to contribute to his support;".

Sec. 7. (a) Section 8111(a) of the Act is amended by striking out "$300" and inserting in lieu thereof "$500".

(b) Section 8111(b) of the Act is amended by striking out "$100" and inserting "$200".

Sec. 8. (a) Section 8113 of the Act is amended by striking out subsection (b) and redesignating subsection (c) as subsection (b).

(b) Section 8143(a)(2) of the Act is amended by striking out the word "and" in clause (1), striking out the period after clause (2) and inserting in lieu thereof a semicolon, and by inserting the following two clauses immediately after clause (2):

"(3) other benefits administered by the Veterans' Administration unless such benefits are payable for the same injury or the same death; and

"(4) retired pay, retirement pay, retainer pay, or equivalent pay for service in the Armed Forces or other uniformed services, subject to the reduction of such pay in accordance with section 5532(b) of title 5, United States Code."

(b) The amendment made by this section shall be effective with respect to disability or death occurring before or after the date of enactment of this Act and with regard to any election under section 8116(b) of the Act; but no payment shall be made by reason of such amendment for any period prior to the date of enactment of this Act.

Sec. 10. Section 8117 of the Act is amended by striking out "21 days" and inserting in lieu thereof "14 days".

Sec. 11. Section 8118 of the Act is amended to read as follows:

"§ 8118. Continuation of pay; election to use annual or sick leave

"(a) The United States shall authorize the continuation of pay of an employee, as defined in section 8101(1) of this title (other than those referred to in clause (B) or (E)), who has filed a claim for a period of wage loss due to a traumatic injury with his immediate superior on a form approved by the Secretary of Labor within the time specified in section 8122(a)(2) of this title.

"(b) Continuation of pay under this subchapter shall be furnished—

"(1) without a break in time unless controverted under regulations of the Secretary;

"(2) for a period not to exceed 45 days; and

"(3) under accounting procedures and such other regulations as the Secretary may require.

"(c) An employee may use annual or sick leave to his credit at the time the disability begins, but his compensation for disability does not begin, and the time periods specified by section 8117 of this title do not begin to run, until termination of pay as set forth in subsections (a) and (b) or the use of annual or sick leave ends."

Sec. 12. (a) Section 8119 of the Act is amended to read as follows:

"§ 8119. Notice of injury or death

"An employee injured in the performance of his duty, or someone on his behalf, shall give notice thereof. Notice of a death believed to be related to the employment shall be given by an eligible beneficiary specified in section 8133 of this title, or someone on his behalf. A notice of injury or death shall—

"(a) be given within 30 days after the injury or death;

"(b) be given to the immediate superior of the employee by personal delivery or by depositing it in the mail properly stamped and addressed;

"(c) be in writing;

"(d) state the name and address of the employee;

"(e) state the year, month, day, and hour when and the particular locality where the injury or death occurred;

"(f) state the cause and nature of the injury, or, in the case of death, the employment factors believed to be the cause; and

"(g) be signed by and contain the address of the individual giving the notice."

(b) The table of contents of chapter 81 of the Act is amended by striking out

"8119. Notice of injury; failure to give."

and inserting in lieu thereof

"8119. Notice or injury or death.".

SEC. 13. Section 8121(3) of the Act is amended by striking out "furnished" and inserting "approved" in lieu thereof.

SEC. 14. Section 8122 of the Act is amended as follows:

(1) Strike subsection (a) of section 8122 and insert in lieu thereof the following:

"(a) An original claim for compensation for disability or death must be filed within 3 years after the injury or death. Compensation for disability or death, including medical care in disability cases, may not be allowed if claim is not filed within that time unless—

"(1) the immediate superior had actual knowledge of the injury or death within 30 days. The knowledge must be such to put the immediate superior reasonably on notice of an on-the-job injury or death; or

"(2) written notice of injury or death as specified in section 8119 of this title was given within 30 days."

(2) Strike subsection (c) of section 8122 and insert in lieu thereof the following:

"(c) The timely filing of a disability claim because of injury will satisfy the time requirements for a death claim based on the same injury."

(3) Subsection (d) of section 8122 is amended by changing the reference to subsection "(a)-(c)" to subsections "(a) and (b)", by striking out the period at the end thereof and inserting "; or", and by adding at the end thereof the following new clause:

"(3) run against any individual whose failure to comply is excused by the Secretary on the ground that such notice could not be given because of exceptional circumstances."

SEC. 15. Section 8132 of the Act is amended to read as follows:

"§ 8132. Adjustment after recovery from a third person

"If an injury or death for which compensation is payable under this subchapter is caused under circumstances creating a legal liability in a person other than the United States to pay damages, and a beneficiary entitled to compensation from the United States for that injury or death receives money or other property in satisfaction of that liability as a result of suit or settlement by him or in his behalf, the beneficiary, after deducting therefrom the costs of suit and a reasonable attorney's fee, shall refund to the United States the amount of compensation paid by the United States and credit any surplus on future payments of compensation payable to him for the same injury. No court, insurer, attorney, or other person shall pay or distribute to the beneficiary or his designee the proceeds of such suit or settlement without first satisfying or assuring satisfaction of the interest of the United States. The amount refunded to the United States shall be credited to the Employees' Compensation Fund. If compensation has not been paid to the beneficiary, he shall credit the money or property on compensation payable to him by the United States for the same injury. However, the beneficiary is entitled to retain, as a minimum, at least one-fifth of the net amount of the money or other property remaining after the expenses of a suit or settlement have been deducted; and in addition to this minimum and at the time of distribution, an amount equivalent to a reasonable attorney's fee proportionate to the refund to the United States."

SEC. 16 (a) Subsections (a) and (b) of section 8133 of the Act are amended to read as follows:

"(a) If death results from an injury sustained in the performance of duty, the United States shall pay a monthly compensation equal to a percentage of the monthly pay of the deceased employee in accordance with the following schedule:

"(1) To the widow or widower, if there is no child, 50 percent.

"(2) To the widow or widower, if there is a child, 45 percent and in addition 15 percent for each child not to exceed a total of 75 percent for the widow or widower and children.

"(3) To the children, if there is no widow or widower, 40 percent for one child and 15 percent additional for each additional child not to exceed a total of 75 percent, divided among the children share and share alike.

"(4) To the parents, if there is no widow, widower, or child, as follows:

"(A) 25 percent if one parent was wholly dependent on the employee at the time of death and the other was not dependent to any extent;

"(B) 20 percent to each if both were wholly dependent; or

"(C) a proportionate amount in the discretion of the Secretary of Labor if one or both were partly dependent.

If there is a widow, widower, or child, so much of the percentages are payable as, when added to the total percentages payable to the widow, widower, and children, will not exceed a total of 75 percent.

"(5) To the brothers, sisters, grandparents, and grandchildren, if there is no widow, widower, child, or dependent parent as follows:

"(A) 20 percent if one was wholly dependent on the employee at the time of death;

"(B) 30 percent if more than one was wholly dependent, divided among the dependents share and share alike; and

"(C) 10 percent if one is wholly dependent but one or more is partly dependent, divided among the dependents share and share alike.

If there is a widow, widower, or child, or dependent parent, so much of the percentages are payable as, when added to the total percentages payable to the widow, widower, children, and dependent parents, will not exceed a total of 75 percent.

"(b) The compensation payable under subsection (a) of this section is paid from the time of death until—

"(1) a widow, or widower dies or remarries before reaching age 60;

"(2) a child, a brother, a sister, or a grandchild dies, marries, or becomes 18 years of age, or if over age 18 and incapable of self-support becomes capable of self-support; or

"(3) a parent or grandparent dies, marries, or ceases to be dependent.

Notwithstanding paragraph (2) of this subsection, compensation payable to or for a child, a brother or sister, or grandchild that would otherwise end because the child, brother or sister, or grandchild has reached 18 years of age shall continue if he is a student as defined by section 8101 of this title at the time he reaches 18 years of age for so long as he continues to be such a student or until he marries. A widow or widower who has entitlements to benefits under this title derived from more than one husband or wife shall elect one entitlement to be utilized."

(b) Section 8135(b) of the Act is amended by inserting after "On remarriage" the following: "before reaching age 60".

SEC. 17. Section 8133(e)(1) of the Act is amended to read as follows:

"(1) the monthly pay computed under section 8114 of this title, except for increases authorized by section 8164 of this title; or".

SEC. 18. Section 8133 of the Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any funeral and burial expenses paid under section 8134, there shall be paid a sum of $200 to the personal representative of a deceased employee within the meaning of section 8101(1) of this title for reimbursement of the costs of termination of the decedent's status as an employee of the United States."

SEC. 19. Section 8135(a)(1) of the Act is amended by striking out "$5" and inserting in lieu thereof "$50".

SEC. 20. The last two sentences of subsection (a) of section 8135 of the Act are amended to read as follows: "The probability of the death of the beneficiary before the expiration of the period during which he is entitled to compensation shall be determined according to the most current United States Life Tables, as developed by the United States Department of Health, Education, and Welfare, which shall be updated from time to time, but the lump-sum payment to a widow or widower of the deceased employee may not exceed 60 months' compensation. The probability of the happening of any other contingency affecting the amount or duration of compensation shall be disregarded."

SEC. 21. Section 8146a of the Act is amended by striking "third" from subsection (a) and by striking subsection (b) and inserting in lieu thereof the following:

"(b) The regular periodic compensation payments after adjustment under this section shall be fixed at the nearest dollar. However, the regular periodic compensation after adjustment shall reflect an increase of at least $1."

SEC. 22. Subchapter I of chapter 81 of the Act is amended by adding the following new section:

"§ 8151. Civil service retention rights

"(a) In the event the individual resumes employment with the Federal Government, the entire time during which the employee was receiving compensation under this chapter shall be credited to the employee for the purposes of within-grade step increases, annuity computation under the civil service retirement provisions, retention purposes, and other rights and benefits based upon length of service.

"(b) Under regulations issued by the Civil Service Commission—

"(1) the department or agency which was the last employer shall immediately and unconditionally accord the employee, if the injury or disability has been overcome within one year after the date of commencement of compensation, the right to resume his former or an equivalent position, as well as all other attendant rights which the employee would have had, or acquired, in his former position had he not been injured or disabled, including the rights to tenure, promotion, and safeguards in reductions-in-force procedures, and

"(2) the department or agency which was the last employer shall, if the injury or disability is overcome within a period of more than one year after the date of commencement of compensation, make all reasonable efforts to place, and accord priority to placing, the employee in his former or equivalent position within such department or agency, or within any other department or agency."

Sec. 23. The table of contents of chapter 81 of the Act is amended by the addition of the following:

"8151. Civil service retention rights.".

Sec. 24. Section 8146a of the Act is amended by adding at the end thereof the following new subsection:

"(c) This section shall be applicable to persons excluded by section 15 of the Federal employees' Compensation Act Amendments of 1966 (Public Law 89–488) under the following statutes: Act of February 15, 1934 (48 Stat. 351); Act of June 26, 1936 (49 Stat. 2035); Act of April 8, 1935 (49 Stat. 115); Act of July 25, 1942 (56 Stat. 710); Public Law 84–955 (August 3, 1956); Public Law 77–784 (December 2, 1942); Public Law 84–879 (August 1, 1956); Public Law 80–896 (July 3, 1948); Act of September 8, 1959 (73 Stat. 469). Benefit payments to these persons shall initially be increased by the total percentage of the increases in the price index from the base month of July 1966, to the next most recent base month following the effective date of this subsection."

Sec. 25. Section 8147 of the Act is amended by adding after the first comma in subsection (c) the following: "the United States Postal Service, or".

Sec. 26. Section 8147(a) of the Act is amended by striking out "Bureau of the Budget" and inserting in lieu thereof "Office of Management and Budget".

Sec. 27. The Secretary of Labor shall conduct a study of the provisions of the Act and the programs thereunder, which shall include, but is not necessarily limited to—

(1) such hearings, research, and other activities as the Secretary of Labor deems necessary in order to enable him to formulate appropriate recommendations,

(2) specific examination of the need of granting the Secretary of Labor the authority to increase the allowance for services of attendants under section 8111(a) of the Act above the maximum amount fixed under such section where exceptional circumstances exist,

(3) an examination and evaluation of the effectiveness of the Act, and

(4) recommendations regarding survivor benefits. The Secretary of Labor shall report the results of such study, together with his findings and recommendations, to the Congress not later than 12 months after the date of the enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. ESCH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am pleased to bring to the House floor, H.R. 13871, a bill to amend chapter 81 of subpart C of title 5, United States Code—the Federal Employees' Compensation Act (FECA).

Since the 1966 amendments to the Federal Employees' Compensation Act, social and economic developments have necessitated a review of the efficacy of compensation for injured Federal workers. The conclusions drawn from that review, combined with the recommendations of the National Commission on State Workmen's Compensation Laws, convinced the authors of this legislation that amendments were required in order to modernize and update the present system of Federal compensation. These amendments would assure that FECA continue as a model of efficient and equitable compensation for workers injured in the performance of their duties.

Because of the need for a revision of FECA, the Select Subcommittee on Labor, which I chair, held 4 days of hearings on my bill, H.R. 9118. Testimony was heard from all significant groups interested in the development of new compensation policy. As a result of the information gathered at these hearings and because of the efforts of my colleagues, Mr. Esch, Mr. Gaydos, and Mr. Burton, the cooperation of Mr. Herbert Doyle, director of the Office of Workmen's Compensation programs and his staff, H.R. 9118 was reported unanimously with amendments to the full committee on March 14, 1974. On April 3, 1974, the House Education and Labor Committee unanimously reported H.R. 13871, my substitute, a bill which carries the sponsorship of 22 members of the committee.

At this time, I would like to mention briefly the highlights of this legislation, after which I will answer any inquiries from my colleagues.

H.R. 13871 would:

Assure Federal workers injured on the job and receiving disability compensation that during their period of disability, they will incur no loss of benefits which they would have received absent the injury or disease. In addition, this provision guarantees to an injured employee who recovers from his disability within 1 year from the time compensation payments commence the right to return to his former position or an equivalent position. For those employees whose disability extends beyond 1 year, the employing agency or department is to accord to the injured worker priority in employment;

Authorize schedule compensation for the loss or loss of use of an internal or unspecified external organ and authorize payment of up to 312 weeks for said loss or loss of use;

Allow the worker the choice of using existing Federal facilities for medical treatment or a physician chosen from an approved list. Existing law requires an injured worker to make use of available U.S. facilities in the first instance, and would permit use of private physicians only if it was impracticable to use Federal facilities. In addition to permitting the employee a choice of facilities and physicians, the bill adds podiatrists to the list of authorized physicians and available services. This reflects the drafters' recognition that injured workers are choosing more diverse methods of medical treatment to cure their ills, and that Federal employees compensation should allow for such a choice;

Authorize the employing agency to continue payment of an employee's pay where the employee files a claim under the act relating to a "traumatic" injury. This provision was prompted by the persistent complaint of Federal workers that the delay between notice of injury and initial payment was causing economic hardship to the worker and his family. The section intends that the continuation of pay be treated as such for all purposes, including withholding tax, contributions, retirement, et cetera. This would not increase the amount of payment for the period immediately following the filing of a claim related to work-connected traumatic injury, but only eliminate interruptions in the cash flow for the employee;

Authorize the Secretary of Labor to continue the compensations rate without reduction when a Federal employees disability changes from total to partial and he is enrolled in an approved program of vocational rehabilitation. This practice would provide an incentive for partially disabled workers to enter into approved programs of rehabilitation so that they might return to work and leave the compensation rolls. It is intended to eliminate the discentive to return to vocational rehabilitation caused by the present reduction in benefits;

Erases the artificial differences between the entitlement of husband and wife. It permits a widower to receive the same benefit as a widow because of the death of his Federally employed spouse if he lived with her or was dependent upon her at the time of her death or if living apart for good reason or because of the desertion of the husband by the wife;

Extends the period for filing claims from 1 to 3 years and eliminates the often inequitable 5-year waiver provision. It is foreseen that the present provision concerning latent disability, and the newly added section tolling the statute of limitations in cases of exceptional circumstances will provide the worker the same protection afforded by the existing waiver provision without the attendant difficulties;

Reallocates benefits between widows and widowers and children of deceased Federal employees by increasing the share of widows and widowers generally by 5 percent. The committee recognized that parents retain a continuing responsibility for the welfare of their children, and that this reallocation of survivors' benefits would reflect that recognition in the legislation;

Removes the two month waiting period currently required following a 3 percent rise in the price index for 3 consecutive months over the price index for the latest base month. This amendment achieves the reasonable and logical result of most accurately reflecting increases in the consumer price index;

Corrects the unintentional exclusion of certain groups of beneficiaries, including those from the Federal Public Works Administration, the Civilian Conservation Corps, the Works Projects Administration, and other New Deal agencies—from receiving the automatic cost-of-living increases provided for in the 1966 Federal Employees Compensation Act amendments;

Permits employees or survivors to receive benefits administered by the Veterans' Administration while receiving benefits under the FECA, as long as such payment is not for the same injury or the same death. It also permits receipt of military retirement, retired or retainer pay while receiving benefits under the act subject to the limitations on receipt of dual compensation for the same injury, and further subject to the limitations imposed on retired officers in 5 U.S.C. 5532; and

Finally, because of the recent ongoing studies of workmen's compensation programs at both the State and Federal level, it is not only justified, but absolutely essential, to conduct a broad-based review of the FECA to ascertain whether further revisions are necessary.

This legislation corrects certain inequities in existing law and is viewed as a great stride forward in the effort to keep the FECA in step with the most current workmen's compensation developments. It is enthusiastically supported by the Committee on Education and Labor, both Democrats and Republicans, by the administration and most importantly by the Federal employees who are most directly affected by the changes incorporated in this bill.

I believe that every Member of this House should support H.R. 13871, without qualification. This bill provides fair and progressive compensation to Federal workers injured on the job.

Mr. ESCH. Mr. Speaker, I rise at this time in support of H.R. 13871. The original bill, H.R. 9118, was introduced on June 29, 1973. In early fall 1973 Chairman DANIELS, the primary sponsor of that bill, conducted hearings. In addition to representatives of the Federal employees interests, the committee also had the advantage of testimony and the assistance of representatives of the Department of Labor's Office of Workmen's Compensation programs.

It was through the cooperative interests and efforts of Chairman DANIELS that the members of the Select Labor Subcommittee were able to develop what I now feel is a reasonable piece of legislation. It is because of the sincere efforts of Chairman DANIELS to discuss and effectively deal with our objections to the original bill that I now feel comfortable in the fact that H.R. 13871 is being brought up under Suspension of the Rules of the House. One of the provisions of the original bill that could have been the cause of considerable controversy was the section dealing with continuation of compensation from the date of the wage loss of the injured employee. To begin with, as proposed in the original bill that section would have exceeded the recommendations of the National Commission on State Workmen's Compensation laws which, after thorough study, concurred in some reasonable waiting period before benefits would be in fact paid an affected individual.

However, Chairman DANIELS and I did agree that a problem could exist, where an injured employee was not paid benefits during the period of administrative delay normally associated with the processing of worker claims. However, the issue concerning that provision was averted by the willingness of Mr. DANIELS to consider the alternative which was eventually incorporated in the bill now up for consideration.

Essentially this provision authorizes the employing agency to continue to pay the regular pay of an employee who files a claim in connection with a traumatic injury. In other words without regard in the initial stages as whether or not an employee has a valid claim, the agency shall continue his pay. His pay is subject to all the normal deductions for income tax, withholding contributions and things of a like nature. The period for which an employee is paid on that basis shall be pursuant to recommendations and accounting procedures prescribed by the Secretary of Labor for a period not to exceed 45 days. Once a determination has been made by the Office of Federal Employees Compensation that a claim is valid, the compensation provisions of the act take effect.

As indicated in the explanation in the committee report, it was our intention to eliminate interruption in income without increasing the net benefit to the employee. I feel that the provision as now incorporated in the bill, along with the above relevant legislative history is acceptable.

Another area of major concern of the subcommittee was the affect of absence stemming from illnesses or injuries on the employment status of Federal employees. Accordingly for the first time we agree to specifically protect the rights of these individuals who because of work-connected illnesses or injuries have had breaks in the continuity of their employment which affected their status as employees.

I do want to point out in this connection that our committee report explains that this provision does not accord or bestow greater rights than the employee would have enjoyed if he had continued working, but is intended solely not to impose a reduction of rights if he had otherwise enjoyed had he not been absent due to a work-connected illness or injury.

I am aware that some are concerned with this provision, however, I am advised that similar provisions are contained in labor agreements between employers and labor organizations in the private sector of our economy. These provisions would accord similar rights to injured employees who are covered by such agreements.

There are provisions which would add to the cost of this legislation. However in the course of the hearings herein and in consideration of this legislation, I could not agree that these costs should not be appropriately absorbed by the Federal employer. One of the provisions would redefine "organ," the loss or loss of use of which is covered by the scheduled awards contained in the act. We did specifically exclude the heart, the brain, and the back from scheduled awards because of the still uncertain state of the medical art in determining the extent of loss of those cases. However, we did not ignore our responsibility with respect to these organs, and this bill would require the Secretary of Labor to conduct a study to determine how these organs could be appropriately added to the scheduled provision of the act. I feel this is a eminently reasonable approach to this problem and for that reason also support the bill.

An additional cost item concerns itself with the payment of 100 percent of compensation where an employee who has suffered total disability agrees to enter a vocational rehabilitation program. I concur in the sentiment expressed in our committee report that this will encourage employees who were totally disabled to make an effort to return to useful life.

Other provisions of the bill are designed to eliminate certain inequities which came to our attention in the course of the hearings. One such provision would allow an injured employee free choice between Government and private medical facilities for treatment for work-connected injury and illness. This merely represents adoption of the recommendations of the National Commission on State Workmen's Compensation Laws.

In recognition of the changes in our patterns of thinking about these matters, the bill would extend equal treatment to dependent widowers now enjoyed by widows of Federal employees.

Another inequity concerned the application of the cost-of-living index increases provided for by the act to certain New Deal agencies. This bill would not provide for retroactive payment by virtue of the extension of this provision to these New Deal agencies. It simply brings the rates of compensations up to the current standards enjoyed by employees of other agencies.

Finally, I agreed that a Federal employee who is receiving benefits administered by the Veterans' Administration should not be disqualified from receiving benefits under this act, so long as the benefits do not relate to the same injury or death.

In recognition of the fact that the legislative task in the area of workmen's compensation is never finished, we have directed that the Secretary of Labor conduct studies regarding increases in attendant allowances, the matter concerning additions to scheduled awards and distribution of survivor benefits between surviving spouses and dependent children.

So all of these reasons, Mr. Speaker, I join my respected colleague, Mr. DANIELS, in recommending passage of this bill.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, I support the legislation and enthusiastically urge that it pass.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Speaker, I rise in support of this bill. The Federal Employees' Compensation Act was last amended in 1966. Experience since then has disclosed certain shortcomings with respect to Federal employees.

H.R. 13871, therefore, is an omnibus bill, and I will highlight some of its more important provisions.

Current law provides that when an employee's disability changes from total to partial, the Office of Federal Employees' Compensation must recompute his compensation on the basis of his former pay and his new earning capacity. In many cases, such reduction in compensation makes it financially impossible for an employee to undertake or continue vocational rehabilitation, but forces him to take any available job regardless of the pay scale. Accordingly, the employee will continue to collect compensation for partial disability. This works to the disadvantage of both the employee and the Government.

Section 3 of the present bill addresses itself to this problem. It provides that an employee whose disability status changes from total to partial would continue to receive his prior compensation while undergoing vocational rehabilitation and training. This will accomplish two objectives; one, the individual will be able to learn new skills so that he can return to the labor force with an improved earning capacity, and two, there will be a reduction in the compensation payments paid to the employee in the long run. Thus, a small investment, namely continuation of compensation at the total disability level for a short period, will mean less total compensation payments overall.

In addition, section 7 of the present bill increases from $100 to $200 the monthly allowance the Secretary of Labor must pay an employee for necessary maintenance while undergoing such vocational rehabilitation. This is to provide funds for carfare, lunch, uniforms, tools, books, and partial contributions to food and lodging for courses taken away from home.

Under present law, the Office of Federal Employees' Compensation is required to review compensation awards when a recipient attains the age of 70. This has been the law since 1916. It is based on the rationale that if a person receiving compensation experiences a reduction in earning ability solely because of age his compensation payments should be reduced. Age 70 has significance in that it was the mandatory retirement age for a Federal employee, who upon attaining that age should receive retirement benefits rather than to continue to receive compensation benefits for impairment of earning capacity.

The implementation of this section of the present law has resulted in great controversy, particularly where a person does not have sufficient retirement benefits accrued. To reduce his compensation payments at that age would seriously impair his ability to provide for himself.

Accordingly, in this situation, the Office of Federal Employee's Compensation is faced with the soul-searching task of deciding whether or not to reduce the compensation of a 70-year-old who may have no other source of income. Although the instances when such reduction is made appear to be minor or limited, much time is wasted in conducting the review procedure, with no substantial impact on the benefits paid.

Section 8 of the bill would repeal this section and save considerable time of the Office of Federal Employee Compensation as well as anguish on behalf of compensation recipients who approach age 70.

Current law provides that while an employee receives compensation for a work-connected disability, he may not receive other payments from the U.S. Government other than for services performed or from a military disability pension.

This means that a person retired from the military service and who is employed by the Federal Government and is receiving income from both sources, if injured on his current job, must forgo receipt of his military retirement payments if he elects to receive compensation benefits for a work-connected disability.

If it is proper for a person to receive checks from two sources when employed by the Federal Government, there is no reason why, if he incurs a work-connected disability, he should be penalized and forced to forfeit his right to the military retirement.

Section 9 of the bill would allow an employee receiving compensation benefits also to receive military retirement or retainer pay subject to the limitations on receipt of dual compensation by retired officers as required by law. It would also allow the receipt of benefits from the Veterans' Administration provided they are not for the same injury or death as from the Federal Employees Compensation Act.

This proposed change is certainly justifiable since a Federal employee who receives disability payments for a work-connected injury should not be deprived of benefits from other sources for different injuries or service. His right to receive the compensation payment should be based solely on the merits of his claim, and not on the availability of other Federal income.

Under present law, when a Federal employee is injured on the job and is unable to work, he is faced with the alternative of using either accrued annual or sick leave or else be put on leave without pay until he returns to work or a determination is made that his injury is compensable.

The situation is further complicated by the fact that it may be 60 days or more before there has been a determination that his injury is compensable. Once it is determined that his injury is compensable, he will then receive compensation, but only for that period of time for which he did not use annual or sick leave. For example, if an employee was disabled from work for a period of 60 days and used 30 days of annual and/or sick leave during the period, then he would receive compensation for only 30 days. On the other hand, if such employee did not choose to use his annual or sick leave, then he would receive compensation for the entire 60-day period.

It appears that most of the delay is attributable to the processing of claims by the employing agency. Even though any compensation paid will be charged back to it, there is no reason or incentive for that agency to expedite the processing of compensation claims. In fact, there is a disincentive to do so, since for minor disability claims, individuals will use annual or sick leave and there will be no compensation paid, thus no charge back to the employing agency to reimburse the Office of Federal Employee Compensation—other than payment for medical bills which, of course, are charged back to the agency in any case.

Section 11 of the bill would amend the present law so as to authorize the employing agency to continue to pay an employee who has been disabled from a traumatic injury up to 45 days. This sum will not be considered compensation, but instead will be taxable income. There will be no reason for the employing agency to delay processing a disability claim and it is anticipated that a disposition of the claim by the Office of Federal Employee Compensation will be made within 45 days. Thus if a person returns to work before the expiration of the 45-day period, he will have received his regular income for the period and will not have used up his annual or sick leave.

On the other hand, if a person receives a traumatic injury keeping him out of work for more than 45 days, he will commence receiving compensation benefits as of the 49th day, if he returns to work between the 45th and 59th day. If the employee remained off work 59 days or more because of the disability, he will then be paid disability from the 46th day on. This is because the 14-day waiting period for retroactive benefits commences on the 46th day of a person's disability.

If it should be determined that the employee did not receive a compensable injury, then a reduction would be made in the employee's annual or sick leave to account for the receipt of his earnings during the 45-day period.

There is certainly no reason why an employee with a service-connected disability should either have to forgo his annual or sick leave or, worse, experience a period of no income while the appropriate Federal agency was processing his disability claim.

The provision that an adjustment be made in the annual or sick leave of an employee whose claim for disability was held not compensable, will prevent an abuse of this provision by employees who do not have compensable injuries.

Adoption of this change will lead to efficiencies in the administration of the act in that with respect to traumatic injury claims of 45 days or less, no longer will it be necessary for the Office of Federal Employees Compensation to issue weekly checks to a compensation claimant and then obtain reimbursement from the employing agency. Instead, the check will be issued directly by the employing agency. In view of the fact that half of the compensation claims involve disabilities of 45 days or less, there will be a reduction in the payroll cost of the Office of Federal Employee Compensation. The cost savings here can then be applied to employing more technical advisors to further expedite the processing of claims both at the Office of Federal Employees Compensation as well as in the employing agency.

Section 22 of the bill is an attempt to "make whole" the disabled employee and assure that he will lose no benefits that he otherwise would have received had he continued to work during the time he received disability compensation.

It provides that if an individual resumes employment with the Federal Government, he shall be credited for within grade step increases, annuity computations under Civil Service Retirement, retention purposes, and other rights and benefits based upon length of service for the entire time during which the employee received compensation under the Federal Employee Compensation Act.

Additionally, an employee who recovers from an injury or disability within 1 year after commencement of compensation benefits would have an absolute right to his job or an equivalent position. If his injury or disability extended beyond 1 year, he would be entitled to priority in employment with the employing agency or department by whom he was formerly employed.

The purpose of this compensation law is to protect an employee from his loss of earnings due to a work-connected injury or disability. Accordingly, he should not be deprived of re-employment when his disability terminates, nor should he suffer a tolling of employment benefits while receiving compensation benefits.

The changes provided in the bill under consideration will clearly indicate that Congress intends that the Federal Government will be a model employer in the area of workman's compensation.

I urge my colleagues to support this bill.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. Biaggi).

Mr. BIAGGI. Mr. Speaker, I rise to urge my colleagues to support H.R. 13871, the Federal employees compensation amendments. This legislation, which I have cosponsored as a member of the Education and Labor Committee, represents an important step forward in the rights of our citizens under the workmen's compensation laws.

The greatest problem with the workmen's compensation laws in the past has been the fact that the worker has had to go without pay between the time of his injury and the time of his compensation award. This has proven to be a hardship for his wife and family as well as for himself. This legislation corrects that situation by providing for an automatic payment of wages for 45 days after the accident.

The companion problem is the delay which often occurs before the Workmen's Compensation Board makes payment to the injured party. This legislation seeks to relieve this hardship by requiring that the Compensation Board make an award within 45 days of the injury—the same 45 days the worker is receiving pay. This means that the new law effectively eliminates the specter of injury induced poverty which has been such a serious problem in the past.

Almost as important, the existing statute of limitations has long penalized the worker seeking to file a claim. At present it is for 1 year; in this law we are extending it to 3 years to provide greater opportunity for the worker who has a hidden physical injury to receive his just compensation.

Finally, this bill grants to the civil service employee the right to return to his old job—or one of equal rank and equal pay—if his injury clears up within 1 year. If the injury takes longer to heal, the worker in civil service is granted preferential status in job selection when he returns. This is an important provision. It takes account of the legitimate needs of the worker who has invested an enormous amount of time in his job situation, and who ought not to be penalized for an injury sustained while he is giving faithful service on that job.

In sum, Mr. Speaker, H.R. 13871 is an important and necessary piece of legislation to safeguard the rights of the worker, and I urge its prompt passage by the House.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. Dominick V. Daniels) that the House suspend the rules and pass the bill, H.R. 13871.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

RAISING THE SALARIES OF LEVEL V, IV, AND III EMPLOYEES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-297)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

The recent rejection by the Congress of higher salaries for the Executive, Legislative and Judicial branches has created a problem within the Government that needs to be quickly remedied.

Under the law, career officials in the General Schedule—"GS employees" as they are called—cannot be paid a higher salary than anyone on the lowest rung, Level V, of the Executive Schedule.

For the past five years, the salaries of those in the Executive Schedule have been frozen, and with the recent action by the Congress, will continue to be frozen until 1977.

During this same period, in actions approved by the Congress, the salaries of those in the General Schedule have been gradually increasing.

The result now is that GS employees in the top three levels of the General Schedule—GS 16s, 17s, and 18s—are almost all paid the same salary, $36,000, which is the same salary as a Level V employee on the Executive Schedule.

For the 10,000 careerists in the top levels of the General Schedule, this salary bunching or "pay compression" denies them fair increases in compensation, robs them of the incentive to seek promotions, and adversely affects their future annuities. Already it is creating greater difficulties in recruiting and retaining top-flight career personnel, and it could lead to a serious decline in the quality of the managerial work force.

To correct this problem, I am transmitting to the Congress today legislation which would raise the salaries of those in the lowest three levels of the Executive Schedule and thereby permit a significant increase in the salaries of those in the highest grades of the General Schedule.

This proposal would raise the salaries of Level V, IV and III employees to $41,000, $41,500 and $42,000 respectively. No increase would be provided for any Federal official now making more than $42,000.

By virtue of this reform, there would be a significant reduction in the salary compression for top-level GS employees whose salaries could continue to increase in a way that they deserve.

For the sake of the career employees within the Government and the quality of management which we need within the executive branch, I urge the Congress to give this proposal its swift approval.

Richard Nixon.

The White House, *May 7, 1974.*

FARM LABOR CONTRACTOR REGISTRATION ACT AMENDMENTS OF 1974

Mr. FORD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13342) to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement.

The Clerk read as follows:

H.R. 13342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Labor Contractor Registration Act Amendments of 1974".

Sec. 2. Section 3(d) of the Farm Labor Contractor Registration Act (7 U.S.C. 2042 (d)) (hereinafter in this Act referred to as the "Act") is amended by striking the following words: ", when such service or activity is performed by an individual worker who has been transported from one State to another or from any place outside of a State to any place within a State".

Sec. 3. The second sentence of section 3(b) of the Act (7 U.S.C. 2042(b)) is amended by inserting "directly or indirectly" immediately after "who".

Sec. 4. Section 5(a) (1) of the Act (7 U.S.C. 2044(a) (1)) is amended by striking out "and sworn".

Sec. 5. Section 5(a) (2) of the Act (7 U.S.C. 2044(a) (2)) is amended by striking out "but in no event shall the amount of such insurance be less than $5,000 for bodily injuries to or death of one person; $20,000 for bodily injuries to or death of all persons injured or killed in any one accident; $5,000 for the loss or damage in any one accident to property of others" and inserting in lieu thereof the following: "but in no event shall the amount of such insurance be less than $10,000 for bodily injuries to or death of one person; $50,000 for bodily injuries to or death of all persons injured in or killed in any one accident; $10,000 for the loss or damage in any one accident to property of others".

Sec. 6. (a) Section 6(a) of the Act (7 U.S.C. 2045(a)) is amended by inserting immediately before the semicolon at the end thereof the following: "and shall be denied the facilities and services authorized by Act of June 6, 1933 (48 Stat. 113; 29 U.S.C. 49, et seq.), commonly referred to as the Wagner-Peyser Act, upon refusal or failure to exhibit the same".

(b) Section 6(b) of the Act (7 U.S.C. 2045 (b)) is amended to read as follows:

"(b) ascertain and disclose to each worker at the time the worker is recruited the following information in written form to the best of his knowledge and belief: (1) periods of employment, (2) the areas of employment, (3) the crops and operations on which he may be employed, (4) the transportation, housing, and insurance to be provided him, (5) the wage rates to be paid him, (6) the charges to be made by the contractor for his services, and (7) whether or not a labor dispute exists in the area of contracted employment; the Secretary may prescribe an appropriate form for recording such information;".

Sec. 7. Section 7 of the Act (7 U.S.C. 2046) is amended to read as follows:

"Sec. 7. (a) The Secretary or his designated representative affirmatively shall monitor and investigate and gather data with respect to matters which may aid in carrying out the provisions of this Act. In any case in which a complaint has been filed with the Secretary regarding a violation of this Act or with respect to which the Secretary has reasonable grounds to believe that a farm labor contractor has violated any provisions of this Act, the Secretary or his designated representative shall investigate and gather data respecting such case, and may, in connection therewith, enter and inspect such places and such records (and make such transcriptions thereof), question such persons, and investigate such facts, conditions, practices, or matters as may be necessary or appropriate to determine whether a violation of this Act has been committed.

"(b) The Secretary or his designated representative may issue subpenas requiring the attendance and testimony of witnesses or the production of any evidence in connection with such investigations. The Secretary, or any agent designated by him for such purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. In case of contumacy or refusal to obey a subpena, any district court of the United States within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Secretary or his designated representative, shall have jurisdiction to issue to such person an order requiring such person to appear before the Secretary or his designated representative, to produce evidence if so ordered, to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

"(c) The Secretary shall report and refer all information concerning any probable violations to the appropriate office of the United States Department of Justice.".

Sec. 8. (a) Section 9 of the Act (7 U.S.C. 2048) is amended by inserting immediately after "employee thereof" the following: ", any person directing the activities of a farm labor contractor, or any person engaging the services of any farm labor contractor to supply farm laborers," and by striking out "on any regulation prescribed hereunder".

(b) Section 9 of the Act is further amended by striking out "shall be fined not more than $500" and inserting in lieu thereof the following: "may be fined not more than $1,000, imprisoned for not more than six months, or both. In addition, the Secretary or his designated representative shall have power to petition any district court of the United States within any district where any violations of any provision of this Act or any regulation prescribed hereunder is alleged to have occurred or wherein such person resides or transacts business, for appropriate injunctive relief. Upon the filing of any such petition the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction to grant to the Secretary or his designated representative such temporary or permanent relief or restraining order as it deems just and proper".

Sec. 9. Section 4 of the Act is amended by adding the following new subsections:

"(c) No person shall engage the services of any farm labor contractor to supply farm laborers unless he first observes in the immediate possession of the farm labor contractor a certificate from the Secretary that is in full force and effect at the time he contracts with the farm labor contractor.

"(d) Upon determination by the Secretary that any person knowingly has engaged the services of any farm labor contractor who does not posses such certificate as required by subsection (c) of this section, the Secretary is authorized to deny such person the facilities and services authorized by the Act of June 6, 1933 (48 Stat. 113; 29 U.S.C. 49 et seq.), commonly referred to as the Wagner-Peyser Act, for a period of up to three years.".

Sec. 10. The Act is amended by adding at the end thereof the following new sections:

"DISCRIMINATION PROHIBITED

"Sec. 16. (a) No person shall intimidate, threaten, restrain, coerce, blacklist, discharge, or in any manner discriminate against any farmworker because such worker has, with just cause, filed any complaint or instituted or cause to be instituted any proceeding under or related to this Act or has testified or is about to testify in any such proceedings or because of the exercise, with just cause, by such worker on behalf of himself or others of any right or protection afforded by this Act.

"(b) Any worker who believes, with just cause, that he has been discriminated against by any person in violation of this section may, within thirty days after such violation occurs, file a complaint with the Secretary alleging such discrimination. Upon receipt of such complaint, the Secretary shall cause such investigation to be made as he deems appropriate. If upon such investigation, the Secretary determines that the provisions of this section have been violated, he shall bring an action in any appropriate United States district court against such person. If any such action the United States district courts shall have jurisdiction, for cause shown, to restrain violation of paragraph (a) and order all appropriate relief including rehiring or reinstatement of the worker or damages up to and including $1,000 for each and every violation.

"CIVIL ACTIONS BY PRIVATE PARTIES

"Sec. 17. Any person claiming to be aggrieved by the violation of any provision of this chapter or any regulation prescribed hereunder may on behalf of himself file suit in any district court of the United States having jurisdiction of the parties without respect to the amount in controversy or without regard to the citizenship of the parties. Upon application by the complainant and in such circumstances as the court may deem just, the court may appoint an attorney for such complainant and may authorize the commencement of the action. If the court finds that the respondent or respondents have intentionally violated any provisions of this chapter or any regulation prescribed hereunder, it may render declaratory and injunctive relief, and may award damages up to and including $500 for each and every violation. Any civil action brought under this section or under section 8 hereof shall be subject to appeal as provided in sections 1291 and 1282 of title 28, United States Code.".

The SPEAKER. Is a second demanded?

Mr. LANDGREBE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FORD. Mr. Speaker, before we vote on final passage of the Farm Labor Contractor Registration Act Amendments of 1974, I would like to commend the distinguished ranking minority member of the Subcommittee on Agricultural Labor (Mr. Landgrebe) for his assistance and cooperation in drafting this bill and guiding it through the committee. Because of his efforts, a spirit of bipartisanship has prevailed throughout the entire proceedings in both subcommittee and committee which culminated in the unanimous vote on H.R. 13342 when it was reported by the committee. H.R. 13342 is cosponsored by every member of the Subcommittee on Agricultural Labor and by several other members of the committee from both sides of the aisle.

Mr. Speaker, I would also, at this point, like to commend my good friend and distinguished colleague from Michigan (Mr. O'Hara) who, as my predecessor as chairman of the Subcommittee on Agricultural Labor, first proposed amendments to the Farm Labor Contractor Registration Act during his tenure as chairman in the 92d Congress. Much of what is in the legislation before us today is from the legislation conceived by the distinguished gentleman back in 1971.

The Farm Labor Contractor Registration Act Amendments of 1974 are designed to improve the existing law. The original law was passed by Congress in 1963 and became effective in 1965.

Unfortunately, the present law never quite accomplished its purpose—which was to protect agricultural workers from being exploited by unscrupulous farm labor contractors, who are more commonly referred to as crew leaders.

Farm labor contractors or crew leaders are the middlemen who serve as bridges between the grower who owns the land and the workers who plant and harvest the crops. Crew leaders normally contract with a grower to supply workers. Then they recruit workers and transport them to the work site. In many cases, the crew leader also takes on the responsibility of providing his workers with food and clothing and other incidental items in addition to transportation—and in most cases he charges each worker for these goods and services—sometimes reasonably, sometimes exorbitantly.

The present law requires any crew leader, who for a fee, either for himself or on behalf of any other person, recruits, solicits, hires, furnishes, or transports 10 or more migrant workers at any one time during any calendar year across State lines for agricultural employment to apply for a certificate of registration through the Department of Labor.

Under the act's provisions, the crew leader is required to submit: Information concerning his conduct and method of operation as a farm labor contractor; satisfactory assurances as to his coverage by public liability insurance on the vehicles he uses to transport migrant workers; and a set of his fingerprints.

The registration certificate may be rejected, revoked, or suspended if the crew leader fails to perform any of the above requirements or commits certain acts of malfeasance such as: Knowingly giving false or misleading information to migrant workers concerning the terms, conditions, or existence of farm employment; unjustifiably failing to carry out his agreements with farm operators or his working arrangements with migrant workers; and convictions of certain specified crimes.

The present law also provides that any crew leader who willfully and knowingly violates any provision shall be fined not more than $500.

Mr. Speaker, the present law was a good beginning, but the committee has learned that the act has not been as effective as Congress had intended it to be. There has been and continues to be widespread violations of the Act. According to the Department of Labor, of over 6,000 crew leaders operating across State lines, fewer than 2,000 are registered as required by law, and a spot check of over 900 crew leaders last year revealed violations by 73 percent of those checked.

The committee received testimony from a public official from Pennsylvania who reported complaints from migrants who were allegedly being cheated out of their wages, overcharged for food furnished, and physically assaulted—all by the crew leader who hired them. The committee staff received similar reports from victims in Florida and interviewed members of the so-called slave labor gang which received front page publicity in Dade County, Fla., just 1 year ago.

The committee also received testimony from crew leaders and former crew leaders who substantiated many of these allegations, and one former crew leader testified that he was unaware of any crew leader who did not give false and misleading information to workers who were recruited.

Testimony before the committee further indicated that it is a common practice for crew leaders to receive a certain amount of payment from the grower and then "skim" excessive amounts from the workers' portion of the payment; promise adequate living facilities and then house their crews in filthy, overcrowded, and substandard housing; overcharge for rent, food, liquor, and cigarettes; and recruit workers without informing them that they were being used as strikebreakers.

In several instances it has also been brought to our attention that crew leaders often carry a gun to maintain their authority.

Yet despite these reports of widespread violations, only one person has ever been convicted under the present Act during its history of almost one decade.

Mr. Speaker, several explanations may account for the act's ineffectiveness. One is the difficulty of proving that the crew leader is engaged in recruitment across State lines. Another is the relatively light penalty upon conviction—with no provision for a jail sentence even for serious or repeated violations.

Perhaps even more important is the Department of Labor's shortage of adequate manpower to properly police and enforce the present law.

H.R. 13342 is intended to overcome these deficiencies by extending the act's coverage, by creating stronger enforcement provisions and by creating a civil remedy for persons aggrieved by violations.

At this point, I would like to insert into the RECORD a section-by-section summary which describes the provisions of H.R. 13342, the Farm Labor Contractor Registration Act Amendments of 1974:

SHORT TITLE

The first section of this legislation provides that it may be cited as the "Farm Labor Contractor Registration Act Amendments of 1974."

EXTENSION OF COVERAGE

Section 2 amends section 3(d) of the Farm Labor Contractor Registration Act of 1963 (referred to in this explanation as the "Act") to extend the coverage of the Act to all aspects of commerce as defined either in the Fair Labor Standards Act, Title 29 U.S.C. 203(f) or the Internal Revenue Code, 26 U.S.C. 3121(g), applicable to transactions which may occur entirely within a state.

COVERAGE OF CONTRACTORS ACTING THROUGH AGENTS

Section 3 amends section 3(b) of the Act to provide that the prohibitions established by the Act apply to contractors who are not registered but direct the activities of a farm labor contractor, as well as to both the direct and indirect actions of farm labor contractors. The intent of the amendment made by section 3 is to apply such prohibitions to acts which any such contractor commits through agents acting on his own behalf.

APPLICATION FOR CERTIFICATE OF REGISTRATION

Section 4 amends section 5(a)(1) of the Act to eliminate the requirement that written applications shall be sworn to by the applicant.

INSURANCE COVERAGE

Section 5 amends section 5(a)(2) of the Act to provide that registration applicants shall carry motor vehicle insurance in the following amounts: (1) $10,000 for bodily injuries to or death of one person (increased from $5,000 required by the Act); (2) $50,000 for bodily injuries to or death of all persons injured or killed in any one accident (increased from $20,000 required by the Act); and (3) $10,000 for the loss or damage in any one accident to property of others (increased from $5,000 required by the Act).

OBLIGATIONS OF FARM LABOR CONTRACTORS

Denial of certain facilities and services

Subsection (a) of section 6 amends section 6(a) of the Act to provide that a farm labor contractor shall be denied the facilities and services authorized by the Wagner-Peyser Act (48 Stat. 113; 29 U.S.C. 49 et seq.) if such contractor refuses or fails to exhibit his certificate of registration.

Disclosure of certain information

Subsection (b) of section 6 amends section 6(b) of the Act to provide that a farm labor contractor shall disclose to each worker at the time such worker is recruited (1) the period of employment of such worker; and (2) whether a labor dispute exists in the area of contracted employment. The amendment made by subsection (b) of section 6 further provides that such information, together with certain other information required to be disclosed by section 6(b) of the Act, shall be disclosed in written form, and that the Secretary of Labor may prescribe appropriate forms for recording such information. It should be noted, however, that this section is not intended to preclude or discourage the farm labor contractor from providing the required information orally as well as in written form, and that the intent of this section is to emphasize that the law demands that the farm labor contractor make every effort to convey to a potential worker all relevant information relating to the job for which the worker is being recruited, to the best of the farm labor contractor's knowledge at the time of recruitment.

AUTHORITY TO OBTAIN INFORMATION

Section 7 amends section 7 of the Act to provide that the Secretary of Labor shall have an affirmative duty to monitor and investigate and gather data with respect to matters which may aid in carrying out the Act. The amendment made by section 7 further provides that if a complaint is filed with the Secretary of Labor or he has reason to believe that a farm labor contractor has committed a violation of the Act, then the Secretary of Labor may issue subpeonas in connection with fulfilling his enforcement obligations. It is the intention of the Committee with respect to this amendment to place a mandatory duty on the Secretary of Labor both to monitor the Act in a manner adequate to its enforcement and to refer immediately any probable violations of the Act to the United States Department of Justice.

PENALTY PROVISIONS

Extension of coverage

Subsection (a), of section 8 amends section 9 of the Act to provide that the penalty provisions shall apply not only to farm labor contractors and their employees but also to any person directing the activities of any such contractor and to any person engaging the services of any such contractor to supply farm laborers. The amendment made by subsection (a) of section 8 also eliminates any penalty for a violation of any regulation prescribed under the Act, thus leaving the penalty provisions of section 9 applicable only to persons who willfully and knowingly violate the provisions of the Act.

Increase in penalties; injunctions

Subsection (b) of section 8 amends section 9 of the Act to provide that the maximum fine for violation of any provision of the Act shall be $1,000 (increased from $500 provided by the Act), and to provide that any person who violates any provision of the Act may be imprisoned not more than 6 months. The amendment made by subsection (b) of section 8 further provides that the Secretary of Labor may petition the appropriate district court of the United States for injunctive relief with respect to the violation of any provision of the Act.

CERTIFICATES OF REGISTRATION

Section 9 amends section 4 of the Act to provide that any person who engages the services of any farm labor contractor to supply farm laborers shall be required to observe in the possession of such contractor a certificate of registration from the Secretary of Labor which is in full force and effect. The amendment made by section 9 further provides that any person who fails to meet such requirement may be denied the facilities and services authorized by the Wagner-Peyser Act (48 Stat. 113, 29 U.S.C. 49 et seq.) for a period of not more than 3 years. Failure to observe a certificate of registration in the possession of a farm labor contractor at the time any person engages the farm labor contractor's services also subjects that person to the penalty provision of the Act.

PROHIBITION OF DISCRIMINATION; CIVIL ACTIONS

Section 10 amends the Act by adding at the end thereof two new sections. Section 16(a) of the Act (added by section 10) makes it unlawful for any person to intimate, threaten, restrain, coerce, blacklist, discharge, or in any manner discriminate against any farmworker because such farmworker has, with just cause, filed any complaint or instituted any proceeding under the Act or has testified or is about to testify in any such proceeding.

Section 16(b) of the Act (added by section 10) provides that any person who believe he has been discriminated against may seek an investigation by the Secretary of Labor. If such investigation reveals any violation of the provisions of section 16, the Secretary shall bring an action for relief in the appropriate district court of the United States. Such relief may include injunctive relief, rehiring or reinstatement of the worker, or damages of not more than $1,000 for each violation.

Section 17 of the Act (added by section 10) provides that any person who claims to be aggrieved by the violation of any provision of the Act may file suit in the appropriate district court of the United States without regard to the amount in controversy or to the citizenship of the parties. This provision is free of any requirement that such a person first exhaust any administrative remedies otherwise available, like that created under section 16(b), prior to filing suit. Section 17 of the Act further provides that such court may appoint an attorney for such person, may render declaratory and injunctive relief for any violation, and may award damages of not more than $500 for each violation. Section 17 of the Act further provides that any civil action brought under such section shall be subject to appeal as provided by section 1291 and section 1292 of title 28, United States Code.

Mr. Speaker, it was just 13 months ago from today when this problem was first brought directly to the attention of the subcommittee when we conducted hearings in Dade County, Fla. Ever since then the members of the subcommittee and the staff have been working together on a bipartisan basis to formulate a legislative remedy for the problems we saw.

The Farm Labor Contractor Registration Act Amendments of 1974 represent the culmination of our efforts. I now urge my colleagues from both sides of the aisle to continue the bipartisan spirit which has prevailed throughout our consideration of this legislation and vote to suspend the rules and pass H.R. 13342.

Mr. Speaker, before yielding, I would like to point out, for the benefit of the distinguished gentleman from Iowa (Mr. Gross), that we did ascertain from the Department of Labor the approximate cost of the additional enforcement which this legislation would require, and this cost has been estimated at $500,000 annually. The cost estimate and breakdown appear on page 3 of the committee report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I am delighted that my friend, the gentleman from Michigan, has shown such consideration to the gentleman from Iowa.

Mr. FORD. Mr. Speaker, I would like to say that I have enjoyed very much the educational process of serving with the distinguished gentleman from Iowa on a committee in this House.

Mr. Speaker, this new item would also require the crew leaders to furnish specific information to employees in a way which would guarantee against the duplicity that causes a farmer to end up with a lot of very angry employees who have been attracted to his particular agricultural operation by false statements made by a crew leader. It requires, of course, for the first time the grower to make an effort to determine whether a crew leader is registered and is complying with the law.

Although the penalties to the grower only apply when he willfully and knowingly violates the law, there is for the first time at least an obligation on his part to ask a crew leader or a labor contractor to see his registration credentials.

Mr. Speaker, it also extends the coverage of the Act to the so-called "super crew leaders." These are the second level of crew leaders or labor contractors who contract with other labor contractors. They are one more step removed from both ends of the transaction between the employee and the employer.

Finally, it would deny the use of the Wagner-Peyser Act to crew leaders who fail to exhibit their certificates.

Mr. O'HARA. Mr. Speaker, I rise to add my voice to those who have cosponsored and are supporting H.R. 13342, a bill to amend the Farm Labor Contractor Registration Act. I want to congratulate my friend and neighbor, the distinguished gentleman from Michigan (Mr. Ford), who is the chief sponsor of this legislation, for putting together a bipartisan coalition behind this very helpful, and long overdue improvement in the 1963 act.

In the 92d Congress, I served as chairman of the Subcommittee on Agricultural Labor, a post which is now very ably filled by my colleague Bill Ford, and in that capacity I introduced legislation which had some basic similarities to H.R. 13342. I am delighted that the committee has been able to develop legislation in this area and to bring it to the floor with bipartisan support.

In 1963 we passed the Farm Labor Contractor Registration Act. This law attempted to curb the reprehensible practices of some unscrupulous crew leaders by requiring certification by the Secretary of Labor of all those operating on an interstate basis. Certificates were to be denied to men convicted of certain crimes. Registered crew leaders were to inform the workers what housing would be available, and so forth.

In the years subsequent to the passage of the act, the evidence mounted that we had not solved the problem of exploitation. Hearings held last year made it clear that the enforcement provisions of the act had to be strengthened.

Fewer than one-third of the crew leaders covered by the act had even registered.

H.R. 13342 provides for stiffer penalties, mandates the Secretary to actively investigate and prosecute violators and authorizes him to seek injunctive relief as well as providing criminal and administrative penalties. A civil remedy is made available in Federal court for those aggrieved under the act.

Events in recent years have shown us that unionization of farmworkers is an important part of any program to achieve better wages and living conditions. Under H.R. 13342, a crew leader must inform a worker at the time of contracted employment of any labor dispute at the workplace.

Mr. Speaker, the Crew Leader Act amendments which we are about to pass will not solve all the problems faced by farmworkers. He will remain underpaid, overworked, exposed to occupational safety and health hazards which we thought we left behind us a century or more ago. He will remain exploited, cheated, and ignored. And he will remain all of these things until he is able to exercise to the fullest possible extent his right to organize and bargain collectively over wages and working conditions.

But this amendment will ameliorate working conditions, and will, if vigorously administered, start to bring to book some of those who have been most callous in their exploitation of the men and women and—let us face it—children, who put the food on our tables and the clothes on our backs.

I congratulate the gentleman from Michigan, the chairman of the subcommittee, and his colleagues for a good job well done. I hope we will follow up this step with others also long overdue.

Mr. THOMPSON of New Jersey. Mr. Speaker, I join today in strong support of H.R. 13342, a bill which I cosponsored to amend the Farm Labor Contractor Registration Act. The bipartisan support we have had for this legislation is gratifying.

The majority of the farm labor force is not hired directly by farmers. Instead farm labor contractors, or crew leaders as they are called, recruit labor crews and transport them to the places where the picking is done. The crew leader runs the show as far as the workers are concerned. He directs the field operations, the labor camps and often the stores where they buy food. He keeps count of the units they work and pays their salaries.

The Farm Labor Contractor Registration Act of 1963 attempted to curb the exploitation of both the farmer and the migrant farmworker by the crew leader. The farmer was sometimes left with a crop rotting in the field because the crew leader never appeared on the promised date. Workers recruited to drive tractors found themselves doing stoop labor. Vehicles used to transport them were unsafe and housing in the field camps was substandard. Before salaries were paid, unitemized "deductions" for taxes and food were made.

The act required that the crew leader register to operate interstate. Crew leaders convicted of certain crimes are not eligible for certificates. Registered leaders are required to inform their workers of the kind of work they will be doing, the wage rate, transportation facilities, housing available, and to keep payroll records if he takes care of salaries.

Despite this legislation, it is clear from onsite investigations and oversight hearings that the act has been less than effective. Fewer than one-third of the crew leaders covered by the act are registered. More than three-quarters of those interviewed recently were violating the act.

H.R. 13342 is a response to the weaknesses now apparent in the legislation as it stands. Basically this bill will strengthen the enforcement provisions of the act. The Secretary is empowered with positive duties of investigation and can bring to bear injunctive as well as criminal and administrative sanctions against violators. Civil remedies are made available for those aggrieved under the act.

Mr. Speaker, H.R. 13342 extends coverage of the act to crew leaders recruiting for intrastate jobs. It is often difficult to prove that a contractor is recruiting across State lines and therefore required to register. In New Jersey, we had approximately 105 registered crew leaders in 1972, and we are fairly sure that at least twice that number are operating in the State. Perhaps with extended coverage under the act, some of those crew leaders who have claimed immunity from the registration will be forced to comply. This extension stands to benefit a significant number of now unprotected workers.

After carefully considering the testimony from the hearings, an important change was made in the proposed bill. Day haul operations, eliminated in the early draft, were included in this final bill. Between 40 and 75 percent of New Jersey's unskilled farm labor force are in this category. They do not move around but commute daily to their jobs. These workers, often paid less than the $1.75 an hour New Jersey minimum wage and sometimes less than the Federal minimum wage of $1.30 in effect prior to May 1, need the protection the Farm Labor Contractor Registration Act amendments can provide.

Mr. Speaker, H.R. 13342 evidences the constant interest of Congress in the needs of our agricultural labor force. Beset by technological change rapidly driving agriculture into the 21st century, the farm worker is at least entitled to the rights and freedoms of a 20th century American.

Mr. LEHMAN. Mr. Speaker, I rise in support of H.R. 13342, a bill which I joined with my distinguished colleagues on the Subcommittee on Agricultural Labor in introducing, to amend the Farm Labor Contractor Regstration Act of 1963. Several other members of the Education and Labor Committee are also cosponsors of this legislation.

In 1963, Congress passed the Farm Labor Contractor Registration Act with overwhelming support from both sides of the aisle. The bill before the House today is likewise a product of a cooperative, bipartisan effort.

The grower who uses migrant labor generally contracts with a farm labor contractor who then hires a crew of workers. The contractor, or crew leader as he is called, will frequently provide transportation, housing, and food for his crew. He will direct the field operations, keep a tally of individual production, and act as paymaster.

Clearly, any system of contracting for human labor, a system more feudal than 20th century, would be prone to abuses. From testimony before both Houses preceding passage of the 1963 act, it became evident that the crew leaders were exploiting both farmers and migrant farm workers. In spite of promises made, they would fail to show on an agreed date and crops would be left to rot. When recruiting, they would mislead the workers about the kind of work to be done. Housing was substandard or nonexistent. Vehicles used to transport the migrants were unsafe. Payroll deductions made for purchases at the contractor-operated store were not itemized, nor were records kept of tax withheld or even or units worked.

The Farm Labor Contractor Registration Act attempted to prevent this exploitation by requiring crew leaders to get a certificate of registration from the Secretary of Labor to operate. Certificates were to be denied to those who failed to satisfy certain conditions designed to insure fiscal and moral responsibility on the part of crew leaders.

By 1968 fewer than one-third of the crew leaders covered by the act had registered. Spot checks made for violators indicated that 73 percent of crew leaders were operating in violation of the act. That year one application for a certificate was denied. Investigations in my own State of Florida brought out facts to show that abuses were still rampant. Workers were being kept in conditions closer to slavery than freedom. This legislation was introduced to strengthen the Farm Labor Contractor Registration Act as a direct result of these investigations.

H.R. 13342 provides for stiffer penalties for violations of the act. It gives the Secretary positive duties of investigating and acting on violations. It broadens the definition of those covered to include crew leaders recruiting for work done in the same State, thus removing the problem of proving that a contractor is operating interstate in order to bring him under the act. An important addition is the civil remedy made available in Federal court to those aggrieved under the act.

Mr. Speaker, it is my belief that, inherent in the system itself, are the abuses that we have sought to correct with legislation. Quite frankly, I feel that it would be better if we did away with the crew leader system entirely, and instead, simply required growers to hire their own personnel directly. But I recognize that such a change cannot be expected to take place overnight. Therefore, until such time as the whole institution of labor contracting is abolished, strong regulatory legislation is necessary to cope with the problem.

H.R. 13342 will have a significant impact only on those crew leaders who are illegally and unconscionably exploiting the migrant work force. The legislation will have very little impact on the scrupulous crew leaders who do not mistreat and abuse their workers, but this legislation is very important to my own State of Florida, because this is where many of the abuses have taken place.

Mr. Speaker, at this point I would like to urge my colleagues from both sides of the aisle to continue the spirit of bipartisanship which has prevailed throughout the committee consideration of this legislation, and vote for its final passage.

Mr. PEPPER. Mr. Speaker, I rise in strong support of this measure.

I know of no more exploited class of American working people than the migrant workers of this country. They are not rooted anywhere, and they do not have the opportunity to vote. They are not tied to any place where they have prestige or influence in the community. They do not have adequate schools for their children or adequate health care for themselves. The system under which they work does not give them the ordinary fair compensation for their labor which is customary for other workers.

I am proud that the Congress of the United States is stepping into these challenging problems.

The adoption of the Farm Labor Contractor Registration Act amendments will be a tremendous help in improving the working conditions of some of these poor workers who are being exploited by unscrupulous crew leaders.

Mr. Speaker, I support H.R. 13342 wholeheartedly. I would like to commend the subcommittee chairman, the distinguished gentleman from Michigan (Mr. FORD) and the other members of the Agricultural Labor Subcommittee, for their bipartisan effort to protect our farm labor force against exploitation.

Just a little over a year ago, the subcommittee held hearings at which I testified in my own congressional district in the State of Florida on the conditions in migrant labor camps. Evidence was submitted indicating that many crew leaders were in violation of the Farm Labor Contractor Registration Act and that some were treating their crews like slave labor.

There is clearly a necessity for strengthening the enforcement provisions of the present law and expanding its coverage.

The proposed legislation mandates the Secretary of Labor to take affirmative steps to investigate and act to stop violations. It requires employers to observe the crew leader's certificate when contracting for workers. In addition, civil actions are now available to parties aggrieved under the act. This three-pronged attack on the deficiencies in the Farm Labor Contractor Act should call a halt to some of the immoral and irresponsible practices carried on by unscrupulous crew leaders, and it should not hinder or interfere with the operations of the law-abiding crew leaders.

Mr. Speaker, the migrant labor force has been too often ignored in the halls of Government. Today we have taken heed of their call and acted. We must work together to see that we continue our efforts on behalf of the hundreds of thousands of men and women who help bring forth the bounty of our land.

Mr. LANDGREBE. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I would like to pay tribute to the chairman of this subcommittee. It has been a real pleasure to work with him on this bill ever since the day he referred to a year ago when we went to Florida and had about 12 hours of hearings in about a day and a half time. It was a real marathon situation.

But since then we did work diligently, and we feel we have come up with a bill that should bring order out of chaos.

Mr. Speaker, most migrant farm laborers are recruited to work for large farmers by farm labor contractors, commonly known as "crew leaders." The "crew leaders" operations are presently governed by the Farm Labor Contractor Registration Act of 1963, which became effective January 1, 1965—Public Law 88–582, 78 statute 920.

The bill under consideration, to amend the Farm Labor Contractor Registration Act (H.R. 13342) has significant implications for protection of our migrant farm workers nationwide. It is a bipartisan approach to end the abuses of which we are all aware and which last year received national publicity with the typhoid epidemic at one Florida migrant farm labor camp.

We passed the 1963 legislation in the hope of getting all crew leaders registered. We found that legislation necessary because some crew leaders were mistreating and cheating the farm workers they recruited and transported. Not only were workers being "ripped off" of their wages, but farmers and growers were, as well, being cheated by some unscrupulous crew leaders.

Now, we find that the act is not being enforced, and that only a small portion of the crew leaders operating are registered. We would like to see all crew leaders registered, and the purpose of our amendment to the Farm Labor Contractor Registration Act of 1963 is to encourage them to do so. However, in considering exactly what approach to take to achieve our purpose, we found that we may discourage registration if we bore down too heavily on requirements for registration and compliance. In other words, if we legislated too stringently, it would discourage registration, but if we did not act at all, then we would continue to have the act ignored. I believe we have reached a middle ground with H.R. 13342.

Briefly, let me restate what the existing law requires. It requires "crew leaders" to—

Register with the Secretary of Labor, after proof of: Application and method of operation, financial responsibility or adequate insurance coverage, a set of finger prints.

Keep the certificate of registration in their possession and exhibit it to persons with whom they intend to deal.

Disclose to recruited workers the terms and conditions of employment, including:

Area of employment;

Crops and operations on which he may be employed;

Transportation, housing and insurance;

Wage rates to be paid, and

Charges for crew leader fees.

Post the terms and conditions of employment upon arrival at given place of employment.

Post terms and conditions of occupancy if "crew leader" provides housing paid and withheld.

Keep payroll records and provide same to each migrant worker as to sums paid and withheld.

At present the Secretary of Labor "may" investigate regarding provisions of the act. The Secretary may also, after hearing, revoke, suspend or refuse to issue a certificate of registration if he finds the "crew leader" has:

Made misrepresentations in application given misleading information to workers;

Failed to perform agreements with farmers;

Failed to comply with working arrangements made with migrants;

Failed to show financial responsibility;

Recruited persons with knowledge that such persons are violating immigration laws;

Been convicted of crime involving gambling, sale of alcoholic liquors, or prostitution, or felony;

Failed to comply with ICC regulations;

Employed an agent who, for above reasons, except failed to show financial responsibility, could be refused a certificate, and

Failed to comply with act or regulations.

Even though those requirements are quite extensive, they are not being enforced, and they are being violated. To solve those problems, we offer H.R. 13342. Let me briefly summarize the amendments offered in H.R. 13342:

First. "Day haulers" would now be covered. Day haulers may just work in one State or may cross State lines. However they operate, it is clear that they affect interstate commerce since they contract with large farmers and often control an enormous payroll.

Second. "Super" crew leaders would now be covered. "Super" crew leaders are those who do not register, but direct the activities of others, registered or unregistered. These "super" crew leaders work behind the scenes, directly or indirectly, but they are the individuals who actually direct the show while violating the law, and, in so doing, "skim off the cream" of any financial arrangement.

Third. To meet the realities of present-day economics, H.R. 13342 increases the amount of insurance required by crew leaders who transport workers. In order not to discourage registration by increasing insurance requirements too high, we have settled on a reasonable amount—thought to be the minimum required.

Fourth. The amendment provides that crew leaders disclose to workers, in writing, on forms prescribed by the Secretary, what the terms and conditions of employment are to be. This does not preclude oral advice, but encourages and gives evidence of compliance with existing law.

Fifth. The Secretary of Labor now will have an affirmative duty to monitor and investigate violations of the law. This improves one of the failures of the original act.

Sixth. H.R. 13342 requires growers to observe the crew leader's registration when contracting with him, and subjects the grower to the penalty provision for failure to so observe. We feel this provision will substantially strengthen the crew leader's inclinations to register and strengthen the mechanisms for enforcement.

Seventh. The bill increases the penalties for violations of the act, from a civil penalty of $500, to $1,000 and/or imprisonment or both. It also eliminates penalties for violations of regulations. We have found that some persons do not even know of the existence of the law, which is really the only proper vehicle on which to impose penalties.

Eighth. H.R. 13342 protects migrant workers when they do complain of violations with a nondiscrimination clause. If a worker believes, with just cause, that he has been discriminated against for complaining of violation of the act, he may file a complaint with the Secretary, who may bring action for relief. Relief would be in the form of an injunction, rehiring, or damages up to $1,000.

Ninth. H.R. 13342 also provides for a private cause of action by an individual on his own behalf for violations of the act. However, this does not provide for class action, attorney fees or court costs, but allows for damages of up to $500.

Testimony before the Subcommittee on Agricultural Labor and participation in oversight by the subcommittee has convinced me that improvements in the act are necessary, and that the act needs to be strengthened in the manner suggested by H.R. 13342. I urge passage of this legislation.

Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, I thank the gentleman for yielding.

First I want to commend the gentleman from Indiana for his work on this legislation and the amendments which he offered to enable this legislation to appear before us.

Mr. Speaker, I rise in support of the pending legislation to amend the Farm Labor Contractor Registration Act of 1963. The committee report enumerates many of the abuses by "crew leaders" of both the workers they recruit and the "growers" with whom they contract. Rather than reiterate those abuses, I wish to point out two particularly important aspects of this bill.

First, H.R. 13342 requires or "mandates" the Secretary of Labor to investigate and monitor the activities of "crew leaders." The Farm Labor Contractor Registration Act of 1963 did not mandate action by the Secretary of Labor. It only stated that he "may" investigate. And even upon a complaint that the act had been violated, it was discretionary as to whether he would investigate. The pending legislation now says he "shall" investigate violations and monitor activities regulated by the Farm Labor Contractor Registration Act.

Why is this important? It is important for two interrelated reasons. It is important because of the abuses by crew leaders discovered and uncovered in both the testimony and oversight prior to the 1963 legislation and the testimony and oversight leading up to the present bill. It is clear the act is being and has been violated. It is equally as clear that the act has not been enforced, and that is my second reason for saying that it is important that Congress direct the Secretary of Labor to carry out and enforce the provisions of the act.

In other words, we found a need for the original legislation, then legislated, and now find our congressional purposes are not fulfilled. This is not to say that the Secretary of Labor has been derelict in his responsibilities, since it may have been Congress' fault for failing to affirmatively direct monitoring in 1963; rather, is only to point out that this legislation now requires that the Secretary must act, and has now directed authority to the Secretary to act, in order to carry out the purposes and policies of the Farm Labor Contractor Registration Act of 1963.

Testimony from the Department of Labor seemed to indicate that they investigated abuses of the Farm Labor Contractor Registration Act only when they investigated abuses or complaints of the Fair Labor Standards Act. Furthermore, the Department had authority only under the Fair Labor Standards Act to seek injunctive relief for abuses of the Farm Labor Contractor Registration Act. Simply, both laws had to be violated before remedies for violation of the Farm Labor Contractor Registration Act could be obtained. This pending legislation rectifies the inadequacies of the original act. H.R. 13342 demands the Secretary to investigate violations of the Farm Labor Contractor Registration Act and gives him the concomitant authority to seek injunctive and other relief for violation of that act alone. This insures that the Secretary does not lack the authority to carry out the purposes and policies of the Act and to fulfill the intent of that act.

The second aspect of H.R. 13342 that I wish to emphasize is the fact that the bill under consideration will now, to an extent, cover "growers" or large "farmers" that deal with a crew leader. We are not attempting to make the growers joint employers with the crew leaders, nor are we attempting to make them responsible for the crew leader's unlawful actions. What we require of these growers is only that each grower observe a certificate of registration in the possession of a crew leader at the time the grower contracts with a crew leader. If we require the crew leader to register and carry with him his registration—like a driver's permit when someone is driving—why should we not require that certificate to be displayed and observed by the person with whom the crew leader is dealing? At present, the crew leader is required to display it, but no one is required to observe it. In an attempt to get these crew leaders properly registered, it is appropriate that the persons with whom they deal request to see the certificate required of and issued to them.

In holding a grower responsible for observing a certificate from a crew leader with whom he contracts, the penalty provisions of the act will apply. This requirement gives some teeth to the provision that the grower observe the certificate, as well as giving teeth to the requirement that crew leaders register. It should be clear that the penalty provisions of the act do not apply to growers in other respects—for instance, a grower would not be subject to penalty if the crew leader misled his employees or made a false statement in securing his certificate—but it does require that the grower, as well as the crew leader, observe the law so important to migrant workers.

In denying growers and farmers—who violate the requirement of observing a certificate—the facilities of the Wagner-Peyser Act—U.S. Employment Service—the bill is consistent since it also denies to crew leaders who violate the act the services of the U.S. Employment Service.

The two provisions I have spoken about are designed to encourage registration and strengthen the enforcement procedures of the act—an act which was designed to end the exploitation by crew leaders of farmers, migrant workers, and the public generally. I urge adoption of the bill.

Mr. LANDGREBE. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Speaker, I rise in support of the amendments to the Farm Labor Contractor Registration Act of 1963 set forth in H.R. 13342, and urge your support for them. Also, I believe the chairman of the Subcommittee on Agricultural Labor, the ranking minority member and the ranking minority member of the full Committee on Education and Labor are to be congratulated for their interest and bipartisan support and work toward this legislation.

The problems and abuses of the "crew leader" system have been stated, both in the report and by my colleagues. However, the "crew leader" system serves a useful purpose.

The crew leader is able to bring farm workers to the area or fields where it is necessary to plant or harvest crops at the time those crops need attention. Without that service offered by our crew leaders, many of our agricultural products would spoil in the fields or fail to be harvested. Therefore, it is not necessary to abolish the crew leader system, despite the problems created by it, but it is necessary to attempt to eliminate some of those problems. My colleagues have set forth some of the important provisions of H.R. 13342 that attempt to eliminate those problems and abuses. I do not want to again cover that ground: Rather, I wish to call to your attention some of the technical or legal provisions in H.R. 13342 that might otherwise be overlooked.

First, H.R. 13342 eliminates the requirement that crew leaders swear to their applications. This in no way weakens the provisions of the Farm Labor Contractor Registration Act, for false and misleading statements are otherwise punishable under the act. Furthermore, the bill continues the requirement that crew leaders subscribe to their applications. Accordingly, the provision that they must also swear to the application is redundant.

Second, H.R. 13342 in section 8 eliminates the penalty provisions from applying to any violation of regulations prescribed under the act. The existing law makes it illegal to violate "any provision of this act" or "any regulation prescribed hereunder." The bill proposes that no longer will it be a criminal offense to violate "any regulation prescribed hereunder." In effect, the existing law gives the Secretary of Labor power to determine offenses to be punished by criminal sanctions. It is only appropriate that offenses to be punished by criminal sanctions be a determination made by Congress and not by administration officials.

Furthermore, we have seen that the act itself has not been enforced, so we can be relatively sure that any regulations prescribed under the act have likewise been ignored to the same or greater degree. Not only should criminal offenses and sanctions be a determination that should be made by Congress, but attention should be directed to the provisions of the act itself, not the regulations prescribed thereunder. Regulations are for administrative convenience, the act itself is what is important.

Finally, certain objections have been raised to H.R. 13342 regarding the extension of coverage to intrastate or day haulers, mainly because it is an incursion by the Federal Government into State jurisdictions. This is just not so. All the bill does is delete the present exception to the act's coverage for farm labor contracting conducted intrastate by extending coverage to interstate commerce as presently defined in the Fair Labor Standards Act and the Internal Revenue Code.

Certainly, the activities of many intrastate crew leaders, operating mainly in California, Texas, and Florida, affect interstate commerce to the same or greater degree than the activities of crew leaders who cross State lines, possibly more so, since they probably have the largest farms in their particular States under contract. Further, the provisions for interstate commerce or affecting interstate commerce continue to be those as defined in existing Federal law—the Fair Labor Standards Act and the Internal Revenue Code.

As to the allegation that this bill intrudes into State jurisdictions, it does not any more than it previously did. I would call your attention to section 12 of existing law, which remains unchanged. Section 12 reads:

> STATE LAWS AND REGULATIONS
>
> SEC. 12. This Act and the provisions contained herein are intended to supplement State action and compliance with this Act shall not excuse anyone from compliance with appropriate State law and regulation.

The subcommittee heard recommendations to preempt State law as well as recommendations to have the Secretary of Labor make sure crew leaders abided by the State law. Both recommendations were rejected because of the existence of section 12 of that act. That section makes it clear Congress is not preempting State law. Any State laws in effect continue in effect and the State can properly enforce them. Not only will State law apply where States have laws, but also the Federal law applies. This is not an unusual circumstance—we all are responsible to the Federal Government for Federal taxes and equally as responsible to the State government for State taxes.

The act makes "crew leaders" equally responsible under both sets of laws also. Consequently, "crew leaders" will be covered by the Federal law in States that have no laws in effect, and will be covered by both State and Federal law where the States have a statute in effect. If the State statute is more stringent than the Federal law—and so far, we have not found this to be so—then the crew leader must abide by both. I believe this is an area where the States and the Federal Government can work together without any preemption doctrine. Section 12 of the existing act supports that view. Accordingly, the complaints about extension into State affairs of the bill under consideration have no merit, and, as the existing act indicates in section 12, have already been met.

H.R. 13342 is a bipartisan bill. The issue has been investigated and compromises have been made. It does not legislate the "crew leader" system out of existence, but does provide sanctions to encourage registration and enforcement. It merits your support.

Mr. LANDGREBE. Mr. Speaker, I have no further requests for time.

Mr. FORD. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. Ford) that the House suspend the rules and pass the bill, H.R. 13342.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING THE NORTHWEST ATLANTIC FISHERIES ACT OF 1950

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14291) to amend the Northwest Atlantic Fisheries Act of 1950 to permit U.S. participation in international enforcement of fish conservation in additional geographical areas, pursuant to the International Convention for the Northwest Atlantic Fisheries, 1949, and for other purposes.

The Clerk read as follows:

H.R. 14291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2 of the Northwest Atlantic Fisheries Act of 1950 (16 U.S.C. 981) is amended by striking out subsection (d) and redesignating subsections (e), (f), (g), (h), (i), and (j) as subsections (d), (e), (f), (g), (h), and (i), respectively.

(b) The first sentence of section 4(a) of such Act (16 U.S.C. 983(a)) is amended by striking out "of the convention area" each place it appears and inserting in lieu thereof in each such place "under regulation by the Commission".

(c) Section 4(b) of such Act (16 U.S.C. 983(b)) is amended by striking out "may" and inserting "shall" in lieu thereof.

(d) Section 7(d) of such Act (16 U.S.C. 986(d)) is amended by striking out "that portion of the convention area" and inserting in lieu thereof "any area inhabited by species of fish which are regulated by the Commission".

(e) Section 7(e) of such Act (16 U.S.C. 986(e)) is amended by striking out "any portion of the convention area except such portions" and inserting in lieu thereof "any area inhabited by species of fish which are regulated by the Commission except any such area".

(f) Section 9(c) of such Act (16 U.S.C. 988(c)) is amended by striking out "the convention area" and inserting in lieu thereof "any area inhabited by species of fish which are regulated by the Commission".

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 19421 would enable better conservation of fish stocks along our Atlantic coast by broadening the geographic area for international conservation enforcement. It also requires the Government to pay travel expenses and per diem for up to five advisers from the fishing industry who attend meetings of the International Commission for Northwest Atlantic Fisheries.

Last year the International Commission for Northwest Atlantic Fisheries, known as ICNAF, agreed to extend the zone of its fish conservation scheme southward from Rhode Island to Cape Hatteras, N.C. This was done in order to take into account the migratory movement of certain species of fish outside the original area covered by the International Convention for the Northwest Atlantic Fisheries. The ICNAF conservation scheme was initiated in 1971 and was implemented under legislation passed during the 92d Congress. H.R. 14291 is an expansion of that conservation scheme.

An advisory committee from the fishing industry was established under the Northwest Atlantic Fisheries Act of 1950, to advise the U.S. Commissioners to ICNAF. Under this act, the U.S. Government is not required to pay for advisers' expenses incident to attendance of meetings. H.R. 14291 would amend the 1950 act so as to require payment. There is precedent for this in an amendment to the North Pacific Fisheries Act which requires payment of expenses of up to three advisers. The scale and complexity of Northwest Atlantic fisheries is sufficiently greater than in the Pacific to warrant payment to five advisers, as recommended to the Committee on Foreign Affairs by representatives of the fishing industry.

The committee supports H.R. 14291 in the hope that its enactment will result in more effective measures to arrest the serious depletion of fish stocks off the Atlantic coast through overfishing in recent years. It is in the direct interest of the hard-pressed U.S. fishing industry to restrict fishing by all nations to levels which will produce a sustainable yield at optimum levels.

H.R. 14291, initiated by an executive communication from the State Department, has the support of the administration. It authorizes no additional appropriation of funds.

Mr. GROSS. Mr. Speaker, I believe the gentleman from Wisconsin has adequately explained the bill.

Mr. Speaker, this legislation has been carefully considered by the House Foreign Affairs Committee.

Briefly, H.R. 14291 would permit participation by the United States in international enforcement of fish conservation in additional geographic areas, taking into consideration the migratory habits of some species of fish which move in and out of an area. The International Commission for the Northwest Atlantic Fisheries agreed last year that international conservation enforcement should be extended to cover the area southward from Rhode Island to North Carolina. However, for the United States to participate in the extended area requires the amendment of the Northwest Atlantic Fisheries Act of 1950.

The committee hopes that H.R. 14291 will help to stop the serious depletion of fish stock off the Atlantic Coast that has resulted from overfishing in recent years.

The legislation does not authorize the appropriation of additional funds. However, it does require the Department of State to pay from its existing budget for the travel expenses of five members of the industry advisory committee to attend meetings where they are asked to advise the U.S. Commissioners to the International Commission for the Northwest Atlantic Fisheries.

Mr. Speaker, I have no objection to this bill, and support its passage.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. Studds).

Mr. STUDDS. I thank the gentleman for yielding.

Mr. Speaker, I should like to commend the committee for taking this most significant step on behalf of the Atlantic fisheries. It is an extremely critical time in the battle to save the resources of the northwestern Atlantic.

While American fishermen do not have a great deal of faith in the enforcement provisions of the ICNAF agreement, at least this does extend the method whereby inspections can be made and detections of violations are much more likely.

Mr. Speaker, I also particularly want to thank the committee for blending into the bill the provisions of H.R. 8317 which I introduced in the first session of this Congress. I think this is a step forward and one of genuine equity for the Atlantic fishermen.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki) that the House suspend the rules and pass the bill H.R. 14291.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

INDEMNIFICATION FOR LOSS OR DAMAGE TO ARCHEOLOGICAL FINDS OF THE PEOPLE'S REPUBLIC OF CHINA

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 3304) to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States.

The Clerk read as follows:

S. 3304

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State or such officer as he may designate is authorized to conclude an agreement with the Government of the People's Republic of China for indemnification of such Government, in accordance with the terms of the agreement, for any loss or damage suffered by objects in the exhibition of the archeological finds of the People's Republic of China from the time such objects are handed over in Toronto, Canada, to a representative of the Government of the United States to the time they are handed over in Peking, China, to a representative of the Government of the People's Republic of China.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of S. 3304 is to authorize the Secretary of State to negotiate an agreement with the People's Republic of China for a showing in this country of a special exhibit of Chinese archeological finds.

The companion bill, H.R. 14174, was introduced jointly by the majority leader, Mr. O'NEILL, and the minority leader, Mr. RHODES.

The Senate measure was approved by the other body on April 10.

The executive branch has asked for prompt passage of this bill so that negotiations may begin with the People's Republic of China concerning this very worthwhile exhibition.

In brief, this legislation would allow the State Department to enter into an agreement with the Chinese Government for indemnification for any loss or damage to objects in the exhibition while it is in U.S. custody.

The Chinese have required similar agreements from other countries where this exhibit was shown. In an agreement between the Chinese and Canadian Governments, the value of the exhibit was set at $51.3 million.

The State Department expects that a similar valuation will be arrived at for the agreement between China and the United States.

Mr. Speaker, this exhibit will give many Americans an opportunity to view Chinese archeological objects which they might otherwise never get a chance to see.

The exhibit is to be brought to the United States under the new cultural and scholarly exchange as a consequence of President Nixon's 1972 visit to China.

I urge passage of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. GROSS. Mr. Speaker, I yield to the gentleman from Michigan (Mr. BROOMFIELD) such time as he may consume.

Mr. BROOMFIELD. Mr. Speaker, as noted in the committee report, S. 3304 would authorize the Secretary of State to conclude an agreement with the People's Republic of China for indemnification in case of loss or damage to objects in the Exhibition of Archeological Finds of the People's Republic of China.

The U.S. Liaison Office in Peking is arranging to bring the exhibition to the United States for a 6-month period. The indemnification agreement authorized by this bill would cover the period commencing when the exhibit is handed to a U.S. representative in Toronto. It would terminate when the exhibit is returned to a representative of the People's Republic of China in Peking. The exhibit includes 385 objects valued at $51,300,000. Should any damage or loss occur, indemnification would be limited to 50 percent of the value of the individual items.

This is the standard indemnification agreement required of host governments for this exhibit. I believe it is fair and reasonable, and support passage of the bill.

Mr. O'NEILL. Mr. Speaker, I rise in strong support of S. 3304, a bill to authorize the Secretary of State to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States.

The proposed legislation, S. 3304, which we are considering today, is comparable to the bill I, and the distinguished minority leader, JOHN RHODES, introduced in the House on April 10, 1974.

I want to take this opportunity to commend and to thank Chairman ZABLOCKI, and the members of the Foreign Affairs Committee for their expeditious consideration and unanimous support of this necessary legislation.

Mr. Speaker, the U.S. Liaison Office in Peking will soon begin discussions with officials of the People's Republic of China to arrange for bringing the Chinese Archeological Exhibition to the United States. This exhibition is the premier event in the current series of cultural and scholarly exchanges with the People's Republic. The Department of State anticipates that its display in the United States will do more than any event since the President's visit to China to demonstrate the new United States-People's Republic of China relationship. The People's Republic of China has required each host government to sign an agreement of indemnity for any loss of or damage to objects as set forth in the agreement.

This bill, S. 3304, is designed to obtain authorization from Congress to permit the Department of State to conclude such an agreement to indemnify the People's Republic of China.

I urge its immediate adoption.

Mr. GROSS. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and pass the Senate bill S. 3304.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

IMPLEMENTING UNITED STATES-HUNGARIAN CLAIMS AGREEMENT

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13261) to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes.

The Clerk read as follows:

H.R. 13261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Claims Settlement Act of 1949, as amended, is further amended as follows:

(1) Section 302, title III, is amended by adding a new subsection (c) as follows:

"(c) The Secretary of the Treasury shall cover into the Hungarian Claims Fund such sums as may be paid to the United States by the Government of Hungary pursuant to the terms of any claims settlement agreement between the Government of the United States and the Government of that country.".

(2) Section 303, title III, is further amended by striking out the word "and" at the end of paragraph (3); by striking out the period at the end of paragraph (4); by inserting a semicolon in lieu thereof, and by immediately thereafter inserting the word "and".

(3) Section 303, title III, is further amended by adding a new subsection (5) as follows:

"(5) Pay effective compensation for the nationalization, compulsory liquidation, or other taking of property of nationals of the United States in Hungary, between August 9, 1955, and the effective date of the claims agreement between the Governments of Hungary and the United States.".

(4) Section 306, title III, is further amended by adding a new paragraph (c) as follows:

"(c) Within thirty days after enactment of this paragraph, or thirty days after enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under subsection (5) of section 303, whichever date is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed with the Commission, which limit shall not be more than six months after such publication.".

(5) Section 310, title III, is further amended by adding at the end of subsection (a) thereof a new paragraph (7), as follows:

"(7) Whenever the Commission is authorized to settle claims by enactment of paragraph (5) of section 303 of this title with respect to Hungary, no further payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission pursuant to paragraphs (2) and (3) of section 303 out of the Hungarian Claims Fund until payments on account of awards certified pursuant to paragraph (5) of section 303 with respect to such Fund have been authorized in equal proportions to payments previously authorized on existing awards certified pursuant to paragraphs (2) and (3) of section 303.

"(A) With respect to awards previously certified pursuant to paragraph (1) of section 303, the Secretary of the Treasury shall not authorize any further payments until payments on account of awards certified under paragraphs (2), (3), and (5) have been authorized in equal proportions to payments previously authorized on existing awards certified pursuant to paragraph (1) of section 303 and recertified pursuant to section 209 (b) of the War Claims Act of 1948, as amended.

"(B) The Secretary of the Treasury shall not authorize any further payments on account of awards certified under paragraph (3) of section 303 when he is on notice from the Commission that such awards are based on Kingdom of Hungary bonds expressed in United States dollars or upon awards to Standstill creditors of Hungary that were the subject matter of the agreement of December 5, 1969, between the Government of Hungary and the American Committee for Standstill Creditors of Hungary.

"(C) The Secretary of the Treasury is authorized and directed to deduct the sum of $125,000 from the Hungarian Claims Fund and cover such amount into the Treasury to the credit of miscellaneous receipts in satisfaction of the claim of the United States referred to in article 2, paragraph 4 of the agreement of March 6, 1973: *Provided*, That the said amount shall be deducted in annual installments over the period during which the Government of Hungary makes payments to the Government of the United States as provided in article 4 of the agreement of March 6, 1973.".

(6) Section 316, title III, is amended by adding a new subsection (c) as follows:

"(c) The Commission shall complete its affairs in connection with the settlement of claims pursuant to paragraph (5) of section 303 of this title not later than two years following the deadline established under paragraph (c) of section 306 of this title.".

The **SPEAKER**. Is a second demanded?

Mr. **BROOMFIELD**. Mr. Speaker, I demand a second.

The **SPEAKER**. Without objection, a second will be considered as ordered.

There was no objection.

Mr. **ZABLOCKI**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of this bill is to implement the United States-Hungarian Claims Agreement of March 1973. It amends the International Claims Settlement Act of 1949 to provide that Hungarian payments under that agreement be used to satisfy claims of U.S. nationals. The legislation also insures fairness in handling such claims by paying new awards to the same percentage that past successful claimants received. The remaining funds are then to be divided equally among all successful claimants. Submission of claims for property seized after August 9, 1955, and before March 6, 1973, also would be allowed.

H.R. 13261 will involve no additional cost to the U.S. Government.

Mr. **BROOMFIELD**. Mr. Speaker, I support this bill, which was requested by the administration. It was supported in the hearings by the Department of State, the Foreign Claims Settlement Commission, and by several individuals who have claims pending against the Hungarian Government. The committee approved the resolution unanimously and without amendment.

As noted in the committee report, this legislation is needed to implement the March 6, 1973, Claims Agreement between Hungary and the United States. This agreement provided for the settlement of outstanding claims, most of which resulted from the expropriation of property by the Hungarian Government since World War II.

The bill also insures fairness in paying new awards for claims. The majority of the claims covered and settled by the agreement have been adjudicated by the Foreign Claims Settlement Commission under title III of the International Claims Settlement Act. However, this bill also would give the Commission jurisdiction over claims which have not been adjudicated by the Commission because they arose after the enactment of title III in 1955, and prior to the March 6, 1973, agreement.

I urge approval of this bill.

Mr. **ZABLOCKI**. Mr. Speaker, I have no further requests for time.

The **SPEAKER**. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and pass the bill H.R. 13261.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **ZABLOCKI**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the three bills just passed.

The **SPEAKER**. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SHORT SUPPLY OF FERROUS SCRAP

(Mr. DENT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **DENT**. Mr. Speaker, I am today introducing legislation concerned with the prohibitions and limitations of the exportation of ferrous scrap, a material which we in the United States have experienced a short supply of, and will continue to experience, if action is not taken soon.

There are some alarming statistics that make up the ferrous scrap export story. In 1970, our iron scrap exports totaled 6 million tons. By 1973, last year, this total had nearly doubled, to 11 million tons. And there is every indication that the figure will continue to skyrocket, unless some limitations are set.

Certainly, foreign industrial powers, such as Japan and Germany, will grab up as much of our scrap as possible. They definitely need it. But we need it too, and it is about time that we begin safeguarding our own needs in this area.

I have been receiving distressing signals from both labor and management in the steel industry in Pennsylvania. They have experienced shortages, and will continue to do so, as will other industries, if the exportation of scrap metal is permitted to continue at the present rate.

I urge all of you to study this problem as it relates to American industry and the American economy. Your attention is called to a recent editorial, presented by John G. Conomikes, vice president and station manager of WTAE–TV in Pittsburgh. It has a message for all of us.

WTAE–TV RADIO EDITORIAL

For the next minute and a half or so, we're going to talk very simply about a very complicated subject. But it's about steel. And we figure that around Pittsburgh, most people are born smart about steel, the same as Texans know about cattle and people from Kansas know about corn.

Our statement is this: The United States is out of its mind if it continues to sell some ten million tons of scrap metal each year to overseas markets.

No other country in the world does this. Other countries keep their scrap and buy ours, and then sell us finished steel. For good reason. When you ship out scrap, you're not just selling a profitable item. You're sending out energy and jobs.

Scrap represents an investment already made in energy and resources. The energy that has gone into a ton of scrap represents about one third of the energy required for a ton of new steel. Sell that one third to Japan or Europe, and you're starting out one third behind in the energy and basic ore you need to make finished steel.

Scrap exports may be making fortunes for a few, but they are going to be long-run disaster for many.

In dollars, resources and environment, the United States is coming out a day late and a dollar short on the export-import scale. The steel-makers of Pittsburgh and other basic production centers are trying to tell Congress and the Commerce Department this. We hope they listen.

THE ROSENBERG CASE

(Mr. ICHORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **ICHORD**. Mr. Speaker, the communications media exerts a strong influence over our national standards. Television, which reaches into the homes of millions of Americans, has been a particularly powerful force in our lives. Although the television networks have control over the programs they present, there has been a great deal of discussion about the amount of distortion depicted in many shows.

A prime example of such distortion was recently brought to light by Simon H. Rifkind's column in the March 16, 1974, issue of TV Guide. The column titled "TV Turns Soviet Spies into U.S. Folk Heroes," pertains to the trial of atom spies Julius and Ethel Rosenberg who were executed in 1953 after being convicted of conspiracy to commit espionage.

Although I personally did not view the programs, Mr. Rifkind calls attention to the manner in which certain television networks during recent portrayals of the Rosenberg trial have endeavored to convince their audiences that the defendants were railroaded. Before the Rosenbergs died as traitors, their case was given one of the most careful and thorough reviews of any case in American criminal history. In spite of this, Mr. Rifkind comments, two television networks have presented these spies for Russia as a pair of "American folk heroes," and have attempted to demonstrate that the American system of justice is "utterly beyond redemption."

Mr. Speaker, I have always been strongly opposed to any form of media coverage that depicts criminals as heroes and I resent very much these attempts to vindicate the Rosenbergs. The failure of these television networks to inspire their audiences to arrive at a reasoned conclusion based on facts impartially presented, points up a problem of serious concern. A free, yet responsible television media is absolutely essential in providing a self-governing nation with an enlightened citizenry.

I congratulate Mr. Rifkind and TV Guide and commend to my colleagues and to the people of the Nation this thoughtful and illuminating article which suggests the strong need for responsible and factually accurate reporting. The text follows:

[From TV Guide, March 16, 1974]

TV Turns Soviet Spies Into U.S. Folk Heroes

(By Simon H. Rifkind)

(Note.—Judge Rifkind, who served on the Federal bench, is a distinguished trial lawyer who had no professional connection with the Rosenberg case.)

What is the cause of the recurrent flurry of interest in the Rosenberg trial? A few weeks ago we saw the Rosenberg trial on Stanley Kramer's "Judgment" series, appearing on ABC. Currently, PBS is distributing a public-affairs documentary, "The Unquiet Death of Julius and Ethel Rosenberg."

This question would be out of order if, in fact, an author or playwright had used the ingredients of the trial for the creation of a truly great novel or play. That, of course, would be sufficient reason for publication or production. That, however, has not happened. The productions exposed to the public have not measured up, as entertainment, to the routine cops-and-robbers stories which fill the TV screen. As news commentary, their cargo of relevance is on a par with that of a rerun of the McKinley campaign.

To discover the answer to our question, I suggest we first list a few of the hard facts of the Rosenberg trial.

1. In January, 1951, a Federal grand jury indicted Julius and Ethel Rosenberg for conspiring, from 1944 to 1950, to communicate secret information to the Soviet Union. No one has yet questioned the composition of that grand jury or the quality of its behavior.

2. The Rosenbergs were tried by a Federal jury in New York. That jury was not sworn until counsel for the Rosenbergs pronounced it a satisfactory jury; and he did that long before he had exhausted all his challenges.

3. Counsel for the Rosenbergs was not court appointed. He was the Rosenbergs' personally retained lawyer, one Emanuel H. Bloch, a lawyer of wide experience and good reputation as an advocate.

4. The judge who presided at the trial was the Honorable Irving R. Kaufman, a judge whose capacity and character caused Judge Learned Hand, one of the towering personalities of our judicial system, to recommend him to President Kennedy for appointment to the Court of Appeals (of which he is now the Chief Judge). Judge Hand was not known to disperse his favors carelessly. He was adored by a long generation of judges and lawyers as the champion of fair trials and the protector of human liberty.

5. The jury's verdict met the test of guilt beyond a reasonable doubt and was affirmed by the Court of Appeals in an opinion written by Judge Jerome N. Frank. No judge had a higher reputation for the care with which he examined any possible ground to question a conviction.

6. After conviction, the Rosenbergs filed sixteen petitions for reconsideration in the District Court, seven appeals in the Court of Appeals, seven applications to the Supreme Court and two applications to President Eisenhower for executive clemency. Altogether 112 judges dealt in one form or another with the Rosenberg case. Not one saw fit to question their guilt or their conviction.

The explanation of how a unanimous verdict of guilty which passed unscathed through every judicial review and appeal can be turned into a documentary or play which leaves the audience convinced the defendants were railroaded (as reported by Bob Williams, N.Y. Post, 2/26/74) may also answer the first question: What makes the Rosenberg case so recurrent a subject for dramatization?

Whoever presents the Rosenberg trial to a public audience or on television must so rearrange it that the story engages the reader's sympathy and so that he is emotionally stirred by the fate of one or another of the protagonists.

In the story of the Rosenberg trial, the only characters who qualify for such a role are the Rosenbergs themselves. After all, it was they who suffered the supreme penalty. It was they who died faithful to a cause they espoused (never mind that Stalinism, to which they were attached, was the most wretched and vicious idolatry of the century). They were little people encountering the almost limitless resources of a powerful government.

It takes only a few liberties with the true facts to evoke sympathy for such people, even from those who begin by despising and condemning what they have done. What can evoke more sympathy than the picture of a husband and wife going down together into the abyss, locked in a loving embrace with each other and holding fast to a quasi-religious faith they passionately espouse?

And so, the inevitable has happened. Every new exposure of the Rosenberg story has presented the two spies for Russia as a pair of American folk heroes, folk heroes who should be understood, and therefore forgiven; folk heroes with whom the viewer deeply sympathizes and whose guilt is therefore questioned.

If guilt is questioned it must be because the processes of justice have failed.

The villain of the play, once the spies have become its heroes, must be the system of American justice. The argument is simple. If, after the enormous attention given to this case by so many judges, the innocent are nevertheless convicted, it must be that the system is rotten to the core. In short, the story lends itself readily to the accomplishment of two purposes. One, the generation of sympathy for two spies who have served their Russian masters; and two, the demonstration that the American system of justice is utterly beyond redemption. The conclusion is inescapable—that there are those who find the propagation of these two ideas an acceptable assignment.

Those of us who have studied the record, who know that the Rosenbergs were fairly tried and fairly convicted by a system of justice, which, though not perfect, is probably the best the world possesses, naturally question the wisdom or the purpose of this propaganda.

Even Bloch, the accused's lawyer, said during summation: "I would like to say to the court on behalf of all defense counsel that . . . you have tried us with utmost courtesy . . . and that the trial has been conducted . . . [as] an American trial."

On the day of sentence, Bloch also said: "In retrospect, we can all say that we attempted to have the case tried as we expect similar cases to be tried in this country; . . . and I know that the court conducted itself as an American judge."

REMEMBERING OPERATION CANDOR

(Mr. SYMINGTON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SYMINGTON. Mr. Speaker, I wonder what sentiments are evoked in the House by the content of the Presidential transcripts just released. Will those who find in it standard Presidential operating procedure incorporate its moralities into their commencement addresses? Why not? If this be patriotism, let us make the most of it. For my part, I find in these conspiratorial exchanges indirect answers to questions and observations I conveyed to the President over 5 months ago, and to which there has been no other substantive reply. It was at the close of Operation Candor that I wrote the President as follows:

House of Representatives,
Washington, D.C., November 27, 1973.

The President,
The White House,
Washington, D.C.

Dear Mr. President: As a Democratic member of Congress who has not called for your impeachment or resignation and who hasn't been invited to a group session, I am impelled to let you know the line of questions I would ask if given the chance in a setting for the purpose. They are not overly specific. What was said or done on such and such a day, allegedly by whom and in whose presence, later to be denied or reinterpreted, will be the continuing concern of judges and journalists today and historians tomorrow. While I am a lawyer and have been periodically inclined to put such questions I expect this ground to be adequately covered. It is not as a lawyer I write, but as a fellow citizen who, like you, holds the momentary responsibility of public office. In 1969, in my first newsletter as a Member of the House of Representatives, I said that I had seen enough of the first-hand burdens of your two immediate predecessors to wish to spare you comment or criticism that wasn't clearly warranted by conscience and circumstance. I have been relatively silent over the past weeks, in part, because I recognize that you and the country consider the source of critical comment. When it is a Democrat it is so weighed. We all have our threshold of sensitivity to this point. I have crossed mine. Were I a Republican, you would have heard from me some time ago.

My questions are put in the context of

the election environment of 1968, the pledges made at that time, and the great public expectations they raised. The national temperament was adrift, halfway between the subsiding initiatives of a resigned incumbent and the stirring visions offered by the Presidential contenders, you and Senator Humphrey. The public order had been much disturbed, in large part due to the growing gap between the Viet Nam rhetoric and its reality. You saw this. You campaigned on the theme. Restoration of basic American values at all levels of government was your pledge. Law, order, morality and a return to first principles was the drumbeat of your candidacy. Nor were you hampered by the incumbent or the media. President Johnson, sensing Senator Humphrey's dawning restlessness with his policies, was cordial to you. The press was aware of the need for changes which the elevation of his faithful Vice-President by no means guaranteed.

You won. The country looked forward to the kind of leadership which would end its involvement in a wasteful war, heal the divisions between the races, and generations, and reaffirm the principle of equality before the law—its penalties as well as its protection. Your principal new appointment was that of your Attorney General, a man you pledged of complete integrity, honesty and commitment to the Constitution and laws of land. What happened? First of all, the fervent wish for an end to our participation in the Viet Nam conflict was frustrated by events. At your sole command we warred in two additional countries. Interest rates rose; the market fell. Young Americans took to the streets. The media which did not engender, but did report these events, was set upon by your Vice President. He attacked the young dissenters before American Legion audiences, and the northern press in southern states. By 1972, with the exception of your Soviet and Chinese initiatives, opposed by absolutely no one except the ideological remnants of your own previous point of view, you had brought the nation's Viet Nam policy to the point President Johnson had left it in 1968, hovering between withdrawal and retaliation.

Completing this 360-degree turn consumed another 20,000 American lives, some 60 billion dollars, and how much fuel? Having failed to deliver within your own stated time frame on the Viet Nam pledge, the one achievement that could rightly retain the confidence reposed in you in 1968 was the maintenance of a government deserving of the people's respect. The people are generally inclined to forgive, if not applaud, constitutionally-suspect foreign adventures that "work", and/or appear to be the product of the patriotic deliberations of their commander in chief. What the people have difficulty in understanding, much less forgiving, is a seeming disdain for virtue in public life and their right to know if it exists.

The public is bewildered by a sudden cold indifference to the want of virtue in your closest associates, men you selected and offered up as examples of peerless integrity. The press did not choose these men. You did. Many of them have brought shame on America, on you, on all of us in public life. What can the people do but look to you for some expression of sorrow and righteous indignation, and the application without fear or favor of the swift sword of an outraged president. Not sanctimonious resignations, ambiguous testimonials, bland references to misguided zeal, raucous receptions for replacements, but a stern accounting they asked, a fierce, tenacious and unrelenting searching out of every man who did not do his duty as the law directed him to do. What did they get? First, the assertion of a blanket executive privilege over the entire federal establishment, stretching both into the past and the future. Second, puzzling praise when you spoke of certain resignees, and stranger silence when you should have spoken, as for example when your former Attorney General testified he might consider committing a felony to secure your re-election. This chilling avowal awakened no response from you. Nor did John Ehrlichman's calm observation that Pitt's defense of cottage against King was old-fashioned. It was, indeed, even more old-fashioned than the document which severed us from that King. That document alleged the King had "obstructed the Administration of Justice". How is your order to Kleindienst to withhold his ITT appeal to be seen in this light? Then, in a flash of time you found it necessary to sacrifice three of the most respected and distinguished men in your government. Your administration has been like an inferno consuming the professional lives of patriots. We look at the shattered careers of men young and old. We look at the blatant subordination of so many great agencies of government to momentary political advantage and evasion of law. Mr. President, is it any wonder the people, or a good part of them, withhold their confidence from you as they contemplate the fallen and see the law dethroned by personal vindictiveness? Do airport cheers drown out their silence? Has not your long public career convinced you that a crowd is brought more easily to its feet than to its senses? Your Vice President was cheered to the end. And what of those who haven't written or wired or shouted? Like East Europeans who have little belief and undefined hope, they go about their working day at a time when the nation needs their best energies and most fervent commitments. It is important now to know what you believe the American people as a whole think of your leadership, and what you believe, in the light of all that has occurred, they should think of it. Within the answer to that question lies the nature and degree of your own inner resolve and the effectiveness of every initiative you take. No one can answer it for you. History will second-guess your judgment. And if you hold the people to a higher regard for your leadership than you yourself think warranted by the events of your tenure, its judgment can not be favorable. And what would it then be of those of us who allowed your conscience to be the sole determining factor in the great decisions of our time?

Sincerely,

JAMES W. SYMINGTON.

Receipt of the letter was acknowledged December 3, 1973, as follows:

DEAR MR. SYMINGTON: I wish to acknowledge and thank you for your November 27 letter to the President. You may be assured it will be called to his attention at the earliest opportunity. With kind regards,

Sincerely,

MAX L. FRIEDERSDORF,
Deputy Assistant to the President.

Mr. Speaker, the fair-minded citizen, so much invoked in recent White House pronouncements, would agree, I think, that the earliest opportunity has passed, and subsequent opportunities too; and that I must seek these answers from the record itself, not from the men who made it.

Mr. Speaker, no succession of Gallup polls can reveal what only the President has the power to reveal, his innermost thoughts about the stewardship of the trust he holds. But we in this House do have the power and the duty to reveal as best we can the innermost thoughts of America on how she wishes to be governed. It is not enough to say an election, standing alone, conveys the American will. Only an informed people can give consent, much less show an unshakeable preference, by any fair interpretation of those terms. In October 1972, taking the Watergate burglary at face value, I conjectured that an administration which would countenance such methods to attain power would certainly employ them to keep it. This was before I knew or had reason to know how deeply involved were the highest officials of this Government.

More importantly, it was before the country knew—the country which shortly thereafter expressed overwhelming confidence in the Presidential candidate it believed offered the highest measure of law, order, stability, and progress. It seems to me for that expression alone, in acknowledgement of it, in gratitude for it, in remorse for its betrayal, the President has owed the people who gave him this, their highest trust, his highest accountability. Is that what they have received? Is that what they now have in these poor, tattered conversations, wrenched after months of juridical wrangling from the clutch of executive privilege? An unmentioned constitutional freedom is the freedom to condone, to excuse, to say, if you will, "it is all part of politics."

But if this is the course we take, let us spare America's children the contrary rhetoric that seems to occur to us every June. Tell them, rather, that all is sufficient in this most sufficient of all worlds, and that we are about to celebrate in 2 years is the bicentennial of simply another time when a few selfish men gathered in secret in Philadelphia to save their own hides and to secure what was in their several personal interests, regardless of its impact on the people of the Colonies or their most treasured values. Tell them that is how the "game" has always been played; that church, school, and family lessons are to be memorized, not realized; that the old saw about nice guys is meaningless because there really are not any; and that victory belongs to those who can best buy silence, sell influence, run with the hare, hunt with the hounds, and give equal time to all sides of the question of truth. Yes, the first penance America might assign to those who would say there has been no wrongdoing or at least none proven, would be the drafting of all the Nation's commencement addresses this year. Perhaps they could argue that America's one enduring legacy to the world is actually the reminder that Democracy works well enough only if the people do not ask too many questions or threaten otherwise effective government by a foolish insistence on integrity and high purpose.

IMPEACHMENT INQUIRY HEARINGS TO COMMENCE THURSDAY, MAY 9 AT 1 P.M.

Mr. O'NEILL. Mr. Speaker, I would like to advise the Members that the gentleman from New Jersey (Mr. RODINO), chairman of the Committee on the Judiciary, has informed me that the impeachment inquiry hearings to be conducted by the committee pursuant to House Resolution 803 will commence on Thursday, May 9, 1974, at 1 p.m. in room 2141 of the Rayburn Building.

MEDICREDIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. BROYHILL) is recognized for 30 minutes.

Mr. BROYHILL of Virginia. Mr. Speaker, I wish to point out two key virtues of medicredit—virtues that some Members may have lost sight of in the fog bank of rhetoric and printed words swirling about the question of national health insurance.

The first key virtue of medicredit is that it protects—guarantees by law—the right of every American to choose the health care setting he believes best for himself and his family.

He is assured the right to seek out a physician in private solo practice—or the physician who chooses to practice in a group—or in a prepaid plan—or in a clinic—or in an HMO.

And each of us under medicredit would be given a choice as to the institution or facility where we wished to receive our care—a great teaching hospital, a large community hospital, or the little hospital close to where we live.

Furthermore, this right of free choice is a two-way street. It applies also to the physician—the almost forgotten element in the structure of many of the proposed national health insurance plans. Yet the doctor is an indispensable part of any workable plan for national health insurance. His side of the story must be considered—or we will have chaos.

The bill of rights for patients and physicians written into medicredit is not clearly spelled out in any of the more drastic proposals—though here and there some watery language can be found saying some attempt will be made to preserve this right of choice.

The Congress faces a complex task in shaping a workable and equitable health insurance plan for the Nation. I urge that as a body we not overlook this key virtue of medicredit—free choice for both patient and physician.

Now to the second key virtue of medicredit—the American philosophy of voluntarism.

All of the front-leading proposals for national health insurance—except medicredit—have cast aside voluntarism and taken up the idea that such a program must be compulsory—a philosophy once alien in this country.

"Well, it may be against our traditions," say the people pushing these wide and sweeping bills, "but national health insurance is a modern, social program, and it has got to be compulsory if it is going to work."

If that is so, then how come HEW Secretary Weinberger a couple of weeks ago told me and fellow committee members on Ways and Means that 98 percent of all Americans 65 and over had "volunteered in" on the part B medical coverage of medicare?

Up in Canada, where they went down this national health insurance road some years ago, the score is even better—99.8 percent of the population of British Columbia enrolled in the program.

"But," say the "compulsory" people around here, "we have got to force every American into a national health insurance program. We have got to give everybody good health."

Well, I have two objections to that argument.

In the first place, we have many Americans—maybe millions—who are eligible to enter for free our present health care system. But they do not.

They hold either medicare or medicaid tickets into the system, but some through fear and superstition do not want to look for the gate.

And you will not get these people into a national health insurance program simply by making it compulsory. They need to be educated on health, convinced that personal health is an individual responsibility.

No national health insurance program is going to solve this educational problem. You can lead a horse to water, but you cannot make him drink.

My second objection to the compulsory people who talk about giving good health to every American is best answered by a quote from the late Doug Coleman, who ran the Blue Cross plan up in New York.

> Positive health is not something that one human can hand to or require of another. Positive health can be achieved only through intelligent effort on the part of each individual. Health professionals can only insulate the individual from the more catastrophic results of his ignorance, self-indulgence, or lack of motivation.

Let us change just one word of that quote and make it read:

> Health legislation can only insulate the individual from the more catastrophic results of his ignorance, self-indulgence, or lack of motivation.

No, a compulsory approach to national health insurance is not an answer. Rather, it distracts our attention from voluntarism—in this case the individual American's responsibility for his own health.

I commend to you these two key virtues of medicredit. One, the freedom to choose the health care setting we believe best for ourselves and our families. Two, medicredit builds a plan for national health insurance that does not abandon or toss to the winds the great American tradition of voluntarism.

One hundred and eighty-two Members of this Congress have seen through the fog of rhetoric and printed words swirling about national health insurance. They have chosen medicredit.

And the door is wide open. I invite more of you to come aboard in support of a sensible piece of legislation—medicredit.

Mr. Speaker, I wish to have appended to my remarks here today this list of the names of the 182 Members of Congress that support medicredit:

MEDICREDIT SPONSORS (BY STATE)

ALABAMA

Sen. John Sparkman, Sen. James Allen, Jack Edwards, Bill Nichols, Tom Bevill, John H. Buchanan, Jr., Walter Flowers, William L. Dickinson.

ARIZONA

Sen. Barry Goldwater, Sen. Paul Fannin, John J. Rhodes, John B. Conlan, Sam Steiger.

ARKANSAS

John Paul Hammerschmidt, Bill Alexander.

CALIFORNIA

Don Clausen, Charles S. Gubser, Carlos J. Moorhead, Barry Goldwater, Jr., Charles H. Wilson, Jerry L. Pettis, William M. Ketchum, Bob Wilson, Clair Burgener, Victor Veysey, Andrew Hinshaw, Del Clawson, Bob Mathias, Burt L. Talcott, Charles Wiggins.

COLORADO

Sen. Peter Dominick, Donald G. Brotzman.

CONNECTICUT

Robert Giaimo.

FLORIDA

Sen. Edward Gurney, Bob Sikes, Don Fuqua, C. W. Bill Young, James A. Haley, Louis Frey, Jr., Herbert Burke, Dante Fascell, Bill Gunter, Bill Chappell, Jr.

GEORGIA

Ben B. Blackburn, W. S. Stuckey, Jr., John W. Davis.

IDAHO

Sen. James McClure, Orval Hansen, Steven Symms.

ILLINOIS

Robert P. Hanrahan, Edward J. Derwinski, Leslie Arends, George O'Brien, Robert Michel, Thomas Railsback, Paul Findley, Edward Madigan, Samuel Young, George Shipley.

INDIANA

Sen. Vance Hartke, William Bray, Roger Zion, John T. Myers, Elwood Hillis, William Hudnut III.

IOWA

H. R. Gross, William Scherle, Wiley Mayne.

KANSAS

Sen. Bob Dole, Garner E. Shriver, Joe Skubitz, Keith Sebelius, Larry Winn.

KENTUCKY

Frank Stubblefield, Gene Snyder, Tim Lee Carter.

MAINE

Peter Kyros.

MARYLAND

Sen. Glenn Beall, Goodloe Byron, Lawrence Hogan, Marjorie Holt.

MICHIGAN

Elford Cederberg, Philip E. Ruppe, Wm. S. Broomfield, Marvin L. Esch, Robert J. Huber, Garry Brown.

MINNESOTA

Ancher Nelsen, John M. Zwach.

MISSISSIPPI

Sen. James Eastland, David R. Bowen, G. V. Montgomery, Thad Cochran, Trent Lott, Jamie Whitten.

MISSOURI

W. J. Randall, Gene Taylor, Richard Ichord.

MONTANA

Dick Shoup.

NEBRASKA

Sen. R. L. Hruska, John McCollister, Charles Thone.

NEW JERSEY

John Hunt, Joseph Maraziti.

NEW MEXICO

Manuel Lujan, Jr.

NEVADA

David Towell.

NEW YORK

Norman F. Lent, Joseph Addabbo, Hugh Carey, Carleton King, Henry P. Smith, Jack Kemp, James Hastings, Otis Pike, Angelo D. Roncallo, William Walsh, James Grover.

NORTH CAROLINA

David Henderson, Wilmer Mizell, Roy A. Taylor, Earl B. Ruth.

NORTH DAKOTA

Sen. Milton Young, Mark Andrews.

OHIO

Tennyson Guyer, Delbert Latta, William Harsha, Clarence Brown, Walter Powell, Clarence Miller, Chalmers Wylie, John Ashbrook, William Minshall, Donald Clancy, Samuel Devine.

OKLAHOMA

John Happy Camp, John Jarman, Clem MacSpadden.

OREGON

Sen. Bob Packwood, Wendell Wyatt, John Dellenback.

PENNSYLVANIA

Gus Yatron, George Goodling, Albert Johnson, Larry G. Williams, Fred Rooney, Edwin Eshleman, E. G. Shuster.

RHODE ISLAND

Robert Tiernan.

SOUTH CAROLINA

Sen. Strom Thurmond, Floyd Spence, Wm. J. B. Dorn.

SOUTH DAKOTA

James Abdnor, Frank Denholm.

TENNESSEE

Sen. Bill Brock, Sen. Howard Baker, James Quillen, John Duncan, LaMar Baker, Richard Fulton, Robin Beard, Ed Jones, Dan Kuykendall, Joe Evins.

TEXAS

Robert Price, Omar Burleson, O. C. Fisher, Bob Casey, Dale Milford.

VIRGINIA

Sen. William Scott, Thomas Downing, William Whitehurst, Robert W. Daniel, Jr., Caldwell Butler, Kenneth Robinson, Stanford Parris, William Wampler, Joel Broyhill.

WISCONSIN

Vernon Thompson, Harold Froehlich, Glenn R. Davis.

WYOMING

Sen. Clifford Hansen.

Bills Nos: Senate S. 444; House H.R. 2222. Senate, 19; House, 163; total, 182.

Mr. FULTON. Mr. Speaker, before this Congress adjourns the House Ways and Means Committee is going to write and, hopefully, the Congress will pass and send to the President a national health insurance program.

It was my privilege at the beginning of the 91st Congress to introduce the first major national health insurance program designed to cover all Americans in more than a decade. That bill is the medicredit plan which is sponsored by nearly 200 of our colleagues and which is actively before our Ways and Means Committee.

However, at this time I do not intend to devote my remarks to a review of and testimonial in behalf of the medicredit plan. Rather I would like to look at the broader aspect of financing this or any national health care program.

In deference to my colleagues who are joining with me today and to the limited time allotted us, Mr. Speaker, I include the text of my remarks in the Record at this point:

Mr. Speaker, the subject of national health insurance is not a new one. It has been around since the days of Franklin Delano Roosevelt, when serious consideration was first given to the idea of making national health insurance an integral part of the Social Security Act.

The idea was shelved but not for long. A serious effort was made to pass a national health insurance law in President Truman's day. It failed, but it was a case of gone but not forgotten.

Meanwhile, a number of the problems relating to health care refused to go away.

In part, they were and are problems of our own success.

The advances in medical science and technology, particularly in the decades since World War II, have been nothing short of astonishing. Together they add up to a medical revolution.

But as medicine's ability to provide quality care increased with dramatic speed, the costs of that care moved upward just as dramatically. And it doesn't do a patient much good to know that quality care is available if he can't afford it.

As early as the 1940's rising costs threatened to bar substantial numbers of Americans from gaining access to the health care they needed.

And into the gap moved the private health insurance industry, which, between 1940 and 1959 developed the capacity to provide some form of private health insurance to nearly three-quarters of the American public.

The trouble was that as we moved into the 1960's, such groups as the poor, the disabled and the elderly were still remaining outside the protection offered by these plans—at least, for the most part.

So we passed Medicare in 1965 to take care of the elderly and Medicaid a year later to provide health protection for the poor. In the process, the nation managed to cover more than 90 per cent of the public under private or governmental health insurance programs.

Just the same, a number of problems still remain. The fact is that insurance coverage is less than universal; protection against the costs of catastrophic illness is still inadequate for most people; and demands for increased access to care and more effective cost controls are still mounting.

And that's where we are today.

How do we correct the situation?

Congress is far from unanimous in the solutions its members have advanced. There are somewhat more than 20 legislative proposals in the hoppers, all grouping themselves under the general heading of national health insurance.

The hospitals back one approach, the insurance industry another, business organizations another still. The Nixon Administration has its own proposal. Labor has other ideas.

In fact, we are confronted with a regular smorgasbjord of approaches ranging from the bob-tailed, which would cover catastrophic illnesses only, to the full-scale, across-the-board plans that would cover everyone—regardless of need—and restructure the entire system in the process.

Now if you're wondering why I haven't said anything about Medicredit yet, it is because I intend to discuss Medicredit in a few minutes.

I am, after all, one of its 48 Democratic sponsors.

But before I get to Medicredit, a few general remarks seem called for.

Many of the proposals now before Congress don't seem to me to go far enough to get the job done. Others call for surgery on our health care system so radical that the patient might not survive.

Just the same, let me make a couple of points plain:

I believe that health care is a right for everyone and not simply a privilege available to the affluent.

And I believe that it will take a national health insurance program to confirm that right.

As far as I'm concerned—and I think I reflect the thinking of most members of Congress—every national health insurance proposal now before us deserves careful scrutiny, for the problem is incredibly complex as all of us know.

Neither political party has a monopoly on wisdom. No single member of Congress has a lock on every good idea. And whatever piece of legislation finally emerges, it will inevitably be better law if it reflects the thinking of many rather than the thinking of a few.

This may well be one of the thorniest domestic problems of our time. Involved in its solution are far-reaching philosophical considerations, fiscal responsibility—and human need.

Should we take a view, for instance, that government should be the single source—the *only* source—of health care financing; that it is the proper function of government to control the payment and the provision of health care for everyone, regardless of need?

There are those who take this view.

Or should we approach the problem from the standpoint of Lincoln's maxim, that government should do for the people what they cannot do, or do so well for themselves?

Applying that yardstick, the role of government is to help those Americans who actually *need* the help, allowing those who don't to function individually and self-sufficiently.

There are many of us who take this view—and we can be found on both sides of the aisle.

Here, then, is a philosophical schism. Its implications are so profound that our very system of government, its future course, its underpinnings and structure, will be influenced by the decision we make.

As I said earlier, I am a sponsor of Medicredit, along with 47 other Democrats. The measure has bipartisan support, and all told it now boasts 182 Congressional sponsors—more than any other NHI proposal.

Medicredit, essentially, would do three things:

First, it would pay the full cost of health insurance for those too poor to buy their own.

Second, it would help those who can afford to pay a part—if not all—of their health insurance premium. The less they could afford to pay, the more the government would help out.

Third, this measure would see to it that no American would have to bankrupt himself because of a long-lasting, catastrophic illness.

In other words, the poor would pay nothing for their health insurance certificate; the well-to-do would pay just about all of it; and those in between would pay what they could afford, according to a sliding scale.

Everyone—rich or poor—would be protected against the cost of a catastrophic illness.

We estimate that this proposal would cost somewhere in the neighborhood of $12 billion a year in new money.

Twelve billion dollars is a great deal of money indeed.

Some of the other proposals before us would cost less but would accomplish less. The Kennedy-Griffith measure, on the other hand, would cost a great deal more—HEW says $77 billion gross in its first year.

Meanwhile, our economy is in the doldrums. Unemployment is too high, inflation is raging, the stock market is soft, the Gross National Product is slipping, interest rates are setting new highs and we've got trouble right down at River City.

Some of my colleagues are already talking seriously about the need for a tax cut. And at the same time we have some high priority worries on our hands in the areas of transportation, energy and environmental control (just to name a few).

How far can we go with a national health insurance plan, balancing human need against the realities of the budget?

I don't think we can afford to go overboard. Medicredit gives help to the people who need the help, and to the degree that they need it. It does not take the view that everybody needs help every inch of the way. Medicredit builds on the system we have—not a perfect system, but one with demonstrable strengths. Kennedy-Griffiths, for example, would junk our present system from top to bottom and start all over again.

And there is another aspect to Medicredit that is highly appealing to me:

It would not invoke the Social Security system.

When Social Security first became law, the thinking was to provide some floor of protection for those too old to work. It has done this, and done it well.

But Social Security is financed through a payroll tax that bears most heavily on working people. The executive who earns $75,000 a year pays no more Social Security tax than the blue-collar worker with four children who earns $13,200.

In other words, Social Security taxation is essentially regressive. And over the years since the law was passed, we have steadily increased the percentage of taxes collected and the salary base on which they are levied.

We have already reached the point where many Americans are paying more Social Security than income tax.

Are we to add the greater part of a national health insurance program to our Social Security system? If we do, it seems to me that we drastically restructure not only our entire tax system but our approach to the business of government. And we endanger Social Security in the process.

This is one of the reasons why Medicredit appeals to me as a far superior approach to the problem: its financing is not hitched to a payroll tax, is not regressive, is not in any way involved in a Social Security system whose integrity must be preserved.

Medicredit relies on the tax credit for its financing. In this, it is distinctive among all of the national health insurance proposals.

Some of my friends have argued against what they term an "innovative" approach, but I suggest that the idea of tax credits is not as innovative as it may seem at first. I should like to point out, Mr. Speaker, a fact that is often forgotten:

Both the Ways and Means Committee, and the Senate Finance Committee have, in years past, authorized investment credits, retirement income credits, work incentive and job development credits. The tax credit approach is an incentive approach, and Medicredit is an incentive program rather than a compulsory program.

The employee who is covered by a group health insurance policy paid for in part or totally by his employer would receive credit for most of his employer's contribution as well as his own contribution if any. The amount of this contribution which the government would then reimburse him for would depend on the amount of income tax that he or his family would pay. If the income is so low, or the deductions or exemptions are so high that there is no income tax owed, then the government pays the entire bill. Every $10 of income tax that the individual or family owes, the government share is reduced by one percentage point until we get from 100 per cent government payment down to ten per cent—and this is the floor.

As for those who have no income, obviously they pay no income tax.

These people, the poor or the unemployed or the disabled, would receive a certificate from the Federal Government which they could then present to Blue Cross, Blue Shield, the health insurance company, or an HMO. They would then be provided with a health insurance policy or enrolled in the HMO, with the bill being paid by the Federal Government.

Consider the problems inherent in the payroll tax as a vehicle for social welfare programs.

The method employed in Italy may prove instructive. On old age, invalidity and death, the insured person pays 6.35 per cent of his earnings; the employer pays 12.65 per cent of payroll, plus a small wage-class contribution; and the government pays lump sum subsidies until 1975, after which it pays the cost of social pensions.

Now comes sickness and maternity benefits. The insured person pays 0.15 per cent of earnings. The employer pays 9.13 to 12.46 per cent of payroll, depending on the employee's occupation. And the government pays various subsidies in addition.

To cover work injuries, the employer pays two to 16 per cent of payroll. To cover unemployment insurance, the employer pays 2.3 per cent of payroll plus 0.2 per cent for a special "wage supplement fund."

Nor is this the end. Family allowances are paid for by the employer at the rate of 17.5 per cent of payroll.

In other words, Mr. Speaker, these social welfare programs in Italy can total more than 70 per cent of payroll, with 60 per cent of payroll being paid by the employer in the form of a payroll tax.

Admittedly I have taken an example which would help me make my point strongly. France, for instance, collects only around 30 per cent of payroll in social service taxes paid by the employer.

But the point I am making is that our own Social Security mechanism should not be turned into a Christmas tree loaded down with social welfare presents and sugarplums paid for mainly by the nation's employers in the form of a payroll tax.

What happens to the small business man under such an arrangement? Is he to be driven out of business by payroll taxes so high that he cannot afford to keep his doors open?

Yet I remind my friends that in every even year since the Social Security Act became law, the Congress has inched the payroll tax up a little, inched the base up a little, inched the benefits up a little. I do not argue against the need. I mention this simply to establish the expansive nature of all social welfare programs.

If we embark on a parallel course to that of Italy, France, the Netherlands and other nations, adding social welfare benefits to our Social Security system, at what point does that expansion stop? At what point do the straws we keep adding break the back of the small business man who is required to bear their weight?

Medicredit is tied to *income* tax, which is progressive rather than regressive, which collects more from the affluent than the marginal and more from the marginal than the poor.

Medicredit's benefits are comprehensive, its ability to meet our present needs seem unarguable, its price tag in terms of new tax dollars seems to be within the nation's means, and the method it proposes for financing the plan appears to me to rest fairly on the taxpayer without overburdening our Social Security system.

What happens next? I cannot say for sure. But I can guarantee you that the thinking inherent in Medicredit will have had an important influence on the considerations of Congress—regardless of the form that national health insurance eventually takes—when NHI becomes, as it eventually must, the law of the land.

Mr. ROBINSON of Virginia. Mr. Speaker, as a cosponsor of H.R. 2222, I want to go on record at this time in behalf of an approach to rising health care costs which permits all citizens to have a reasonable prospect of access to the high quality medical services of which we are understandably proud in the United States.

We have to recognize, however, that all of our citizens are not receiving this high quality care. It is oversimplification to set the situation in this way, I suppose, but it has been suggested with at least shreds of truth, that the rich can get the best of care, because price is no object, and that the very poor probably can get it, if properly informed, because of subsidization of health services, and the substantial donation of time and services by members of the medical profession, including outstanding specialists.

The problem area, then—and I do not mean to imply, by what I have said, that the poor are fully serviced, because I know that they are not in many circumstances—is the great body of the working people of this country who expect to pay, from their earnings, for the goods and services they need—and the services include medical care.

Insurance is a concept which has been accepted in our commerce, and in our family and business planning, from the earliest years of this Republic.

Health insurance now has established a substantial history of service.

I am concerned, however, by the suggestion that the Federal Government should preempt the field—that health insurance should become, in effect, a socialized operation, managed by a central bureaucracy in Washington.

I recognize that there are risks in insuring against the costs of health care which are beyond the limits of acceptance by private enterprise insurors as premium costs within the ability of citizens to pay.

In particular, this is true of the catastrophic illnesses. We must try to find a formula to deal with the costs of protracted, immensely costly illnesses. It is no solace to a family to be told that costs will be paid for 6 months, when the family knows that the illness, and the costs of specialized care, are going to extend over a period of years.

I do not contend, Mr. Speaker, that H.R. 2222 comprises all of the reasonable answers. I do believe, however, that it points us in a reasonable direction—that it retains the desirable resource of the private health insurance industry and, at the same time, brings into play Federal financial support to the extent that private enterprise risks would be unacceptable.

The concept, I submit, is far to be preferred to a massive Federal establishment which, some now urge, should supplant the private health insurance industry and result in socialization of health care cost management.

Mr. DORN. Mr. Speaker, American medical care is the envy of the world. In considering the various national health insurance proposals now before Congress I urge that we build upon the existing system of free enterprise medicine and free enterprise medical insurance. I strongly support the "medicredit" national health insurance program recommended by the American Medical Association and am pleased to be a cosponsor.

Medicredit would protect against socialization and nationalization of medical care. It would preserve the element of freedom, Mr. Speaker, freedom for every patient to choose his own physician. Our medicredit proposal would preserve the physician's freedom to minister to his patients according to the highest standards of his profession, without Government interference. Consumers of health care would retain freedom to choose from competing private health insurance companies. This is the answer to national health insurance, Mr. Speaker, not yet another massive Government bureaucracy.

The answer, Mr. Speaker, is a voluntary program like medicredit, which provides important benefits to middle-income Americans as well as to people with lower income. The poor would receive Government assistance in paying for health insurance, while others would have their insurance premiums paid through income tax credits on a sliding scale based on income. I am especially pleased, Mr. Speaker, that the medicredit bill includes coverage of catastrophic medical expenses of the type that all too often can financially destroy even families who are financially comfortable.

Mr. Speaker, may I commend the American Medical Association and the entire medical profession for their dedicated and devoted service to all Americans. I would urge the Congress to attach the highest importance to their recommendations. For whatever proposal the Congress adopts, it will be our physicians who will make it work.

The American people hold the medical profession in highest respect, Mr. Speaker. Our people are pleased with the quality of medical care they receive, and expect the medical profession to play an important role in developing any new system of national health insurance.

Mr. FROEHLICH. Mr. Speaker, I have long been concerned over the status of health care in this country and there is no doubt in my mind that Congress should take meaningful action to provide the assistance that so many people are seeking. At the same time, I do not favor a complete governmental takeover and the subsequent exhorbitant cost which we would be adding to already-burdensome taxes.

The medicredit approach seems to me to be sound, sensible and viable. It builds upon our present system and takes advantage of our present strengths as well as correcting our most pressing weakness—the financial barrier to access to health care for all. The catastrophic coverage it provides is, I feel, essential, and I also strongly favor Federal assistance, on the basis of need, in terms of the cost of health insurance premiums.

We do not need a radical departure from our present system. We do not need to throw out the baby with the bathwater. What we need is to improve on our present system, and the medicredit approach does just that.

I hope that the Ways and Means Committee will see the wisdom of this approach and will take prompt action to report this legislation to the floor. The American people both need and deserve the assistance it will provide them.

Mr. DERWINSKI. Mr. Speaker, I add my voice to those of other Members who are expressing support this afternoon for passage of the medicredit health insurance bill, which I cosponsored.

I believe this is the most workable and practical of all the bills which have been submitted in this field. First stressing this point, may I emphasize that other proposals, some of which have received widespread publicity and are backed by intensive lobbying efforts, actually would impose substantially higher taxes on the working family and would, by bureaucratic structure, add complications to medical services needed by the American public.

The basic principle in the medicredit proposal is the recognition that assistance should be based on the legitimate need of the family and individual. It will also be a very practical vehicle to protect a family or individual against catastrophic medical expenses.

I would like to close by saying that the public need, at this point, is practical legislation aimed at true need rather than a fancy package that will add to our tax burden and interfere with, rather than aid, medical services. Medicredit, in my judgment, is the answer to the public need.

Mr. BURLESON of Texas. Mr. Speaker, it is a pleasure to join my colleagues in pointing out the desirable features of the medicredit bill, H.R. 2222 of which I am a sponsor. The bill enjoys wide support in the Congress on both sides of the aisle and among Members from all parts of the Nation.

Certainly there must be some good reasons why this bill has so many sponsors both in the House and Senate as well as on the Ways and Means Committee. I think one reason why the legislation has such support in the Congress is because it is based on some solid principles that are both realistic and workable.

For myself one of the principles that has appealed to me is the fact that the Federal dollars would come from the general Treasury rather than through imposing a new tax on the wage earner. The poor would receive a voucher to pay for their health insurance under medicredit, and the Federal Government would reimburse insurance companies or prepaid plans upon presentation of the voucher.

For those able to pay part of the cost of their health insurance the Government would allow tax credits for the balance of the cost. Again this would come from the general funds in the Treasury.

It is these working pepole who have the most to gain from medicredit and the most to lose from some of the other bills which would impose new taxes on the working families.

Mr. Speaker, we all know that a payroll tax is regressive. It falls most heavily on those in the lower income bracket.

If we have a 1-percent payroll tax on the first $15,000 of income it obviously falls much heavier on the person whose income is $10,000 than the person whose income is $50,000 or $100,000. It is a bigger share of the earnings of the low-paid worker than of the median worker or of the rich.

I do not think that we should even consider imposing new payroll taxes on the wage earner. Many working families now pay more in social security payroll taxes than they do in income taxes. No one is exempt from the social security tax or from payroll taxes generally. Thus the first earned dollar is taxed regardless of family situation or deductions.

Another thing that concerns me about the bills that would impose new social security-type taxes is that we would be taking a course of action which moves the Social Security Administration further into the health field and away from the basic purpose of social security. I believe we must have a strong social security system. Heaven knows we already are mortgaging the income of wage earners for years in the future in order to meet the obligations that have been voted. It will be necessary to increase social security taxes and the base payroll on which they are based a number of times in the future just to keep the system self-sustaining.

Of course we all know that it is not actuarially based as an insurance company's operations must be. The social security system just has to take in enough in taxes today to pay out today's benefits. Tomorrow's benefits will be paid by tomorrow's taxpayers.

With the drastically lower birth rate, we face the situation of having to increase social security taxes even more in coming decades as the work force might be smaller than we now anticipate.

Mr. Speaker, my concern is that the social security system retain its strength. Tens of millions of Americans now depend on it. Tens of millions of Americans will depend on it in the future. We must keep it free of other programs which experience has shown are subject to tremendous inflationary pressures. We do not want to end up with a social security tax of 20 or 30 percent which could easily happen if we propose to pay the health bills through social security-type taxes. There is ample evidence abroad that social security-type taxes can escalate dramatically in order to finance customarily added fringe benefits. I think one of the strengths of the American social security system has been that it is basically a pension plan rather than an all-out social welfare plan.

I would be against any payroll taxes on the working family to pay for health benefits. Instead we should use general revenues and limit them to paying for care or for insurance for people who need help.

Mr. Speaker, there are several bills before the Congress and the Ways and Means Committee which reject the route of higher payroll taxes. Medicredit is one of them. Another is the Burleson-McIntyre bill, H.R. 5200. And another is H.R. 1 introduced by our colleague from Oregon (Mr. ULLMAN).

There is widespread concern about the rate of taxation in social security. A number of our colleagues have introduced legislation to change the financing methods and fund the social security system partly from general revenue. This is merely a further explanation of the same concern I have and many of my colleagues have about loading new payroll taxes on the working men and women. They pay enough payroll taxes now.

National health insurance in whatever form it takes should be financed out of the general funds and not through a new burden on the working family.

Mr. Speaker, there are other features of medicredit which I also believe are very important. Among them are the protection against catastrophic expenses, the free choice for both patients and physicians and the arrangement under which we will build on the present insurance system in this country rather than replacing it with an additional Federal bureaucracy.

I am pleased to be among the sponsors of H.R. 2222. It has much to recommend it.

Mr. PETTIS. Mr. Speaker, the Ways and Means Committee is in the midst of extended hearings on national health insurance. We have heard from the advocates of several plans introduced in the Congress. For reasons that others have indicated this afternoon I am a sponsor of the medicredit plan, H.R. 2222.

I think medicredit has behind it a base of solid support because it is built on some very sensible principles. Probably the foremost principles are restricting the use of tax dollars to pay for insurance protection only for those who cannot afford to provide for their own protection and building on the present essentially private insurance system.

I do not believe that any national health system can work unless it is based on these principles. I believe all of us have read that the United States is the only industrialized Nation without a national health insurance plan.

Mr. Speaker, I submit that this is not true. We do have a national health insurance plan and it is costing the Government nearly $9 billion for medicare plus another $5 billion for medicaid. It is true we do not have a nationalized health care system as some other countries have. It is true we do not try to finance all health care through the national government nor do we try to own hospitals and have physicians as Federal employees. But we do have programs aimed at protecting two of the groups most in need of health insurance—the aged and the poor.

To those who say this country should have some sort of national health system because other industrialized nations do, let me offer a word of caution:

In the words of the noted medical economist and writer, Anne R. Somers:

> Government operation is not a general panacea.

Further, a report on foreign national health programs prepared by a leading American insurance expert pointed out:

> In the main, and contrary to commonly heard assumptions, government programs do not cover all health care expenditures, and do not cover all forms of care.

This author continued:

> Government programs are financed in a variety of ways, involving principally some combination of general tax revenue, employer and/or employee taxes, and cost-sharing by the patient of care received at time of illness.

Mr. Speaker, our colleagues should consider these facts about foreign national health systems:

A former British minister of health says that a quarter century of socialized medicine has not given the British people more health services, more hospitals, or necessarily better medical attention, and that no one should be looking for panaceas in nationalization.

The former health minister says:

> I happen to believe that the total resources devoted to medical care in Britain would be larger but for the National Health Service. I believe people would opt for more medical care than the state decides to allocate.

Astronomical cost increases are part of a number of national health systems: In Sweden the per capita health care costs increased by 614 percent from 1950 to 1966 compared to 174 percent in the United States. Since 1960 medical costs in Sweden have increased almost 900 percent.

The average Swedish family pays about 55 percent of its income in national, local, social security and value-added taxes, while the American family pays about 20 percent.

In West Germany which has essentially a government-mandated private national health insurance plan there is a serious maldistribution of medical personnel.

Norway reports a shortage of practitioners especially in the remote northern areas.

In Britian's National Health Service doctors complain of a deadening amount of paperwork.

In England getting into a hospital at all is difficult. Urgent surgery is likely to require a wait of at least 2 weeks; some elective surgery has waiting lists for 5 years.

Sweden has waits of several weeks if not months for routine physician appointments and years for gall bladder, hernia, and other elective surgery in some cities.

Inflation is a problem in virtually all countries. In Sweden the current rate of inflation could produce a situation in which 37 percent of the gross national product would be spent on health by 1987 compared with the current U.S. rate of 7 percent.

The Beveridge report, upon which the British National Health Service was based, grossly underestimated costs. The report predicted that costs would remain fairly constant for the first 20 years, but after only 6 months the price was doubled and now is 11 times the original estimate.

A medical expert in Israel, which has a national system of medicine, reports that the system was exploited because it is free; that patients have overburdened the system by insisting on seeing a doctor with every headache.

The program in Canada cannot be described as socialized medicine or even national health care. It is purely an insuring mechanism establishing Federal minimums and guidelines, with the provinces running the program. The Canadian system too has been plagued by higher costs and over-utilization.

Hospital rates in Canada are higher and length of stay longer than in the United States.

Due to government fiscal policies, there was an almost total absence of hospital construction in England for the first 15 years under the nationalized system.

Mr. Speaker, this recitation of facts should bring every thinking American to but one conclusion—we had better be very careful about tinkering with our present system. Certainly there is clear warning in these facts to all of us that we should not abandon the strengths of the American system for the type of health delivery system which has been developed in some other country.

The Federal Government in this country is already providing billions of dollars to help provide medical care for the aged and the poor—two of the groups that have special health problems or special problems in financing their health care.

The medicredit bill is designed to strengthen the medicaid program and provide a limited measure of help to the rest of the Nation in order to give everyone protection against the cost of a medical catastrophe. But it would not turn out our present system and try to substitute some new system which probably would not work as well as the one we have.

A final word of warning: To those who say our problems in health care delivery would be solved by adopting the plan used in some foreign country I would quote H. L. Mencken who said:

> For every human problem, there is a solution that is simple, neat and wrong.

Mr. KUYKENDALL. Mr. Speaker, it is a pleasure for me today to join with so many of my distinguished colleagues in expressing our interest in the medicredit health insurance bill, and I thank the gentleman from Virginia for arranging for this special order.

As a cosponsor of medicredit, I am vitally interested in what it does, as well as what it does not do. I think it is unnecessary to remind anyone in the House that it does provide for protection against colossal hospital bills incurred by the so-called catastrophic illnesses; and that it does relate Federal assistance to the individual family, on an individual basis, in an area where individuality is of vital importance.

It does not, I submit, put the Federal Government in the health insurance business. It does not establish any super-giant Federal agency, complete with regulations, guidelines, and redtape. It does not make another monster that we as Members of Congress will be called upon to intercede with on behalf of our constituents. It does not ignore the middle-income wage earner nor the destitute. Of equal importance to the medical profession, whose cooperation is vital to any health program, it does not do damage to the doctor-patient relationship. And though it may seem trite to say so in these days of billions upon billions of Federal expenditures, it does not cost as much as the other programs being judged here alongside of it.

I commend it to you as the best answer to the problems we want to solve, to provide high-quality medical care to all Americans at the most reasonable cost.

Mr. CONLAN. Mr. Speaker, much discussion is presently underway in Congress concerning the need for comprehensive protection for all Americans against the high costs of extended medical care and hospitalization.

I believe such protection is possible for every citizen without resorting to unsound, uneconomical, bureaucratic government plans that would induce waste and inefficiency in health care across the Nation. Just as importantly, it is possible without jeopardizing freedom of choice in doctor-patient relationships.

Private insurance to cover medical expenses is the most practical way to provide the protection Americans deserve and demand—especially against catastrophic illness. Government programs providing free medical and hospital care at taxpayer expense encourage unnecessarily long hospitalization, and hospitalization that is often unnecessary in the first place. They relieve doctors and hospitals of the need to count costs, and they promote waste of valuable medical resources that could otherwise be used to protect lives and cure illness.

The Health Care Insurance Act of 1974, known as medicredit, is one proposal which would provide private insurance coverage for all indigent citizens to insure themselves against high unexpected medical bills, as well as normal medical expenses. And it would not interfere with a patient's right to choose his own doctor or hospital or a doctor's right to run his own practice.

Unlike other health care proposals that would have taxpayers pay all medical costs and have Government control the delivery of health care, such as in Great Britain, this medicredit plan would encourage people to protect themselves through private insurance while safeguarding high quality that is an essential feature of American medical care.

Mr. Speaker, there has been a lot of demagoguery on the subject of health care in America. The truth of the matter is that the American system of private medical practice is the most effective and efficient medical system in the world, despite meddlesome Government programs like medicaid which have needlessly increased demand for medical services without helping to increase their supply.

There is no question that doctors' costs and hospital costs have doubled in the past decade, and there is legitimate concern over whether all these increases were necessary. But it would be highly reckless for Congress to doom our system of medical excellence to the stagnation and inefficiency found wherever health services have been nationalized.

The proposed Medicredit Act does not relieve citizens who can afford it of the responsibility for their own small medical costs. It therefore discourages them from needlessly seeking medical attention. Doctors and hospitals would be accountable to private insurance companies for higher-than-justified costs, while policyholders would have Government protection against private insurance company abuses denying them proper coverage or adequate medical attention.

No citizen should be unprotected against extreme risks, or stand defenseless against the large expenses that can be incurred when serious illness or injury strikes. It appears these objectives can be achieved through passage of this law, employing conventional casualty insurance techniques flexible enough to restrain costs and aiding medical resources toward the service patients need most.

Medicredit would also protect freedom of choice in doctor-patient relationships and avoid substituting bureaucratic judgment of Government for the wiser, more personal judgment of medical practitioners and their patients.

Mr. STEIGER of Arizona. Mr. Speaker, I welcome this opportunity to add my voice to the growing number of supporters of H.R. 2222, the medicredit national health insurance bill.

This bill has the support of 183 Members of Congress and the American Medical Association, and support for the measure is increasing rapidly. The bill has broad support for a reason: it represents a workable program which would provide all American citizens quality health care without imposing higher, burdensome taxes on the American public and without using Federal funds to force changes in the existing health system.

The bill would satisfy all interested parties: the American public which would benefit with comprehensive health care, the medical profession which would not feel threatened with the idea of "socialized medicine," the many independent health insurance carriers whose organization and experience would play an important role in the program, and the Federal Government which would be able to do all of this at a reasonable cost.

H.R. 2222 is based on the idea of income tax credits for the costs of private health insurance. It would pay the full cost of health insurance for those too poor to pay for their own and help those who could afford to pay a part of the cost. The less a person or family could afford to pay, the more the Federal Government would pay.

The plan would protect all Americans from the cost of medical catastrophes and, importantly, it would give the individual the choice of the physician, location and method of receiving medical care, whether through private solo practice, group practice, some type of health maintenance organization or a clinic.

The program would provide for comprehensive health benefits, including rehabilitative and preventive care which is presently not covered under most health insurance programs.

H.R. 2222 provides appropriate Federal assistance for all the health care an American citizen will need in a lifetime and it does it without bankrupting the Federal Government or forcing citizens to foot the bill through higher taxes. The annual cost estimate for the medicredit proposal is $12 billion, in sharp contrast to the annual estimated costs of the Kennedy-Mills proposal of $100 billion.

If this were not enough in favor of the bill, it also provides for the barest minimum Federal bureaucracy. Most of the other national health insurance proposals would create a large single Government agency to administer the health program which would essentially control the entire private health industry, right down to setting health care rates. Changing and controlling the industry is not a part of the medicredit proposal. And a gigantic and expensive administrative bureaucracy would not be created under the bill. The measure wisely provides that the program will be run through insurance companies which meet Federal standards. It would be absurd and unnecessarily costly to train an entire set of bureaucrats when there is a wealth of experience already available in the present private health insurance carriers.

In conclusion, let me say that all the other proposals seem to be lacking in some crucial area. Some would provide for catastrophic illness, but provide nothing for basic comprehensive coverage. Some would create costly and unnecessary Federal agencies to administer the program. And some would force individuals to give up their choice of physician, location and method of receiving care.

The medicredit approach provides the American people a way to receive the best possible health care without discriminating against the private health industry and it does it at a reasonable cost to the taxpayer and the Federal Government.

Mr. QUILLEN. Mr. Speaker, I would like to associate myself with the remarks of my colleague, Congressman BROYHILL of Virginia. I am very much impressed with the medicredit approach because it helps those who need help and most especially, those who are stricken with long term oppressive catastrophic illnesses.

Mr. ZION. Mr. Speaker, I have been pleased to join with my colleague, JOEL BROYHILL and other Members, in cosponsoring what I believe to be a responsible approach to health insurance legislation. Few more vital issues will be considered by the 93d Congress.

In stressing the importance of the medicredit approach I would remind my colleagues of the key principles that must be envisioned by any successful and workable legislative approach to the problem of adequate health insurance for all of our citizens. The most important principle is that Federal aid in this area should be based on the underlying criteria of need.

The need of the individual and his family should be paramount to this consideration. Everyone should be protected against catastrophic medical expenses and every citizen should have free choice in determining how he shall finance and receive his or her medical care.

There are other proposals dealing with health care insurance pending before this Congress. Medicredit has attracted 183 cosponsors and widespread support in and out of government because of its adherence to the above principles. Other legislative approaches would seek to impose higher taxes on the working family or would use Federal dollars in an effort to force changes in our national health system. I do not believe the good judgment of Congress will permit such approaches to succeed and I would strongly urge favorable early consideration of medicredit as a workable approach to our national health insurance needs.

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I wish to associate myself with the views expressed by the gentleman from Virginia and would like to commend to the Member's attention, in particular, section 2 of the bill.

This provision provides that the purpose of this act is to make it possible for every individual to obtain comprehensive health care insurance of his choice. H.R. 2223 does not force patients—or physicians—into any one particular type of health care policy, program, or plan. Instead, it fosters flexibility and innovation in developing new, more efficient ways to take care of people. It permits free choice of physicians by every patient and free choice by every physician as to how he will conduct his practice.

Mr. HANSEN of Idaho. Mr. Speaker, one of the important issues facing Congress is the financial availability of health care to every citizen and the best possible system for providing it. Numerous proposals for a national health insurance system have been advocated. Some of these are very costly and would greatly expand the Federal role in health care. I oppose this approach and believe we should strive to improve and build the present system by making changes that will respond to the most urgent needs and remedy the obvious deficiencies. One such proposal which I support is the so-called medicredit health insurance bill.

This legislation, which now has 183 cosponsors, will provide high-quality medical care at a cost the Nation can afford. It embodies the following principles, which are so vital to any health care system:

One. Federal assistance should be based on the need of the individual or family;

Two. Everyone should be protected from catastrophic medical expenses; and

Three. Everyone should have a choice of where and how he receives his medical care.

This legislation will allow all Americans, regardless of income, to purchase comprehensive health insurance by establishing tax credits to offset the cost of the insurance. The Government would pay the entire cost for low-income people and would assist others depending on family or individual income. It would pay everyone's premium for catastrophic insurance coverage.

This approach is sensible because the Government assists an individual according to his need.

The medicredit plan would stress preventive care and include such services as annual checkup, well baby care, out-of-hospital diagnostic services, dental care for children, and home health services. It would also preserve the patient's freedom to select the doctor and hospital of his choice.

This legislation would help equalize some of the tremendous health costs that now burden some families unequally. It would insure that all receive adequate health insurance coverage with a minimum of Federal interference and with continued reliance on the private health insurance industry. It will provide the greatest benefits at the lowest possible cost to the taxpayer. The approach is sound and I reaffirm my strong support and urge its adoption.

Mr. SHRIVER. Mr. Speaker, I commend my friend and colleague from Virginia for arranging for this time to discuss the merits of the "medicredit" approach to national health insurance. With all the press coverage of other, constantly changing plans calling for mandatory and enormously expensive national health insurance programs, it is well that we get some exposure for the medicredit plan, which now has more than twice the number of cosponsors as any other plan.

I was pleased on March 6, 1973, to join in cosponsoring the medicredit bill. I believe the time has come to provide a basic health insurance program available to all our citizens and paid for by those citizens according to their ability to pay. I do not believe it is time to replace the private health insurance industry with additional Federal bureaucrats, nor is it time for the Federal Government to impose a standard health delivery system on our citizens.

Those who can afford to pay for this health insurance, and who choose voluntarily to join the Federal program, should pay their fair costs. Federal assistance should be available to pay the insurance premiums of those who cannot afford to pay, and this assistance should go down as their ability to pay improves.

It is vitally important that any national health insurance program should provide assurance to American families that they will not be wiped out financially by expensive long-term illnesses or serious accidents. The medicredit plan would pay the premiums for all citizens for catastrophic expense coverage.

The choice of the type of health care desired must remain the perogative of the individual seeking care. We should not involve the Federal Government in this choice.

Any insurance plan is going to necessarily limit coverage to certain types of treatment, but we get into a dangerous area when it is the Federal Government making this decision and enforcing it with tax funds.

At the present time about 90 percent of our population are covered by some form of health insurance, and studies show that more than 80 percent are satisfied with their coverage. They have chosen the type of coverage which best suits their own needs, and that right should never be removed.

There is an old saying that you should never criticize a person's dog or his doctor. Health care is a personal decision, and of all the proposed national health insurance plans now on the table, only medicredit provides full, basic coverage for all citizens while protecting this important right of choice.

Medicredit's coverage is comprehensive, including all medical services provided by physicians and osteopaths, the services of health maintenance organizations, hospital care, preventive physicals, laboratory work, dental care for children, inoculations, extended care, and other items.

The insurance coverage under medicredit would be provided through the private health insurance industry, the same industry which is now satisfying the health insurance needs of more than four-fifths of our population.These companies would have to qualify their rates and policies under State law, which they already must do, provide certain basic coverage, make coverage available without regard to preexisting health conditions, and guarantee annual renewal.

It makes no sense to attempt to substitute the experience and expertise of the employees of these private insurance companies with inexperienced Federal bureaucrats. The evidence is all too obvious in the administration of the medicaid and medicare programs that the Federal Government is just not equipped nor can it be equipped, to handle such workloads efficiently.

Medicredit would be financed to a large extent by those receiving its benefits. Tax credits would be allowed at varying levels for payments of premiums, according to the income levels of those paying for the premiums. For those whose incomes are not sufficient, full payment of the premiums would be made by the Federal Government out of general Treasury funds. There would be no increase in the social security taxes.

Mr. Speaker, in acting on any form of national health insurance we must preserve and use the health care and health insurance resources already in hand. Preliminary returns from my annual opinion poll of my constituents this year show that 53 percent of those responding favor some form of national health insurance, while 39 percent oppose such action. While this shows a majority in favor of some type of plan, it does not indicate a mandate for hasty, wholesale action which would disrupt and possibly destroy the system we now have in the field of health insurance.

I believe the medicredit plan offers the best approach yet proposed to build on what we have and to extend adequate protection at reasonable costs to all our citizens. I hope it will receive careful consideration.

Mr. VEYSEY. Mr. Speaker, on the question of national health insurance, as on many other major issues, men of reason can agree on desirable goals although they disagree on the appropriate means to attain the goals.

The shortcomings of medicaid have illustrated the necessity for a new program to provide adequate medical services for the poor. Furthermore, there is cause for distress in that not everyone who seeks the protection of health insurance finds it available.

A number of proposals have been made to remedy these problems, and nearly all of us agree that substantial improvements are needed. The strength of this Nation lies in the health of its citizens, and it is the duty of the Congress, as representatives of the people, to insure that professional health care is available to those who need it.

The introduction of a new administration position and the Kennedy-Mills compromise have brought us to a decisive juncture in the consideration of federally financed health care. Both of these plans have merit, and they both have equally bad attributes of high cost and discrimination against wage earners and employers who are going to be required to fork over the tax dollars to finance health care for everyone, including themselves. While the administration bill and the Kennedy-Mills bill have received the most publicity, I hasten to point out that this is not an "either-or" situation. There are other versions of national health insurance that I believe to be inherently more fair and more efficient. Specifically, I refer to H.R. 2222, the medicredit bill.

There is a tendency to confuse health care and welfare, but Federal assistance for health care should not be based on economic status. Everyone should be protected from the burden of excessive medical expenses. To provide free health care exclusively for the poor is to replow the same old furrow that has been turned by almost every Federal social program. Invariably, these elaborate schemes reward the indigent at the expense of the diligent and wind up trapping the beneficiaries in a perpetual state of welfare. The incentive to move up the income ladder is effectively destroyed by the prospect of losing "free" benefits.

On the other hand, medicredit provides benefits without regard to economic status. Medicredit would furnish health insurance certificates to the low-income population and provide tax credits for those above the low-income level who purchase private insurance coverage.

Health care should not be allowed to become a subterfuge for the redistribution of income. If the poor must have income assistance then it should be provided under welfare—not under the guise of health care—and welfare should be based on need rather than health.

The argument for a voluntary rather than a compulsory program has strong support. We must recognize that a mandatory national health insurance program would be opposed by large segments of the population. Many wage earners object to portions of their salaries being withheld for social security, and opposition would be augmented if additional sums were deducted for health insurance. Under a voluntary system a person is free to choose a private insurance carrier and receive a tax credit on the premiums.

I object to the paternalism that is inherent in compulsory health insurance. There is an underlying assumption that only the Government knows what is best for the people. I reject this argument. I cannot believe that some omniscient bureaucrat is capable of administering a program that will meet the health care needs of everyone without being discriminatory. Every man and woman should have the right to make a personal decision as to how he or she will pay for their medical expenses.

Under the present system of health care, the indigent receive free medical care while the wealthy can afford the best care that money can buy. However, the majority of the population lies between these extremes, and they are left to fend for themselves. The expenses of catastrophic illness can turn even a wealthy man into a pauper overnight; so no system of national health insurance is complete without provisions for protection from financial disaster of cancer, heart disease, multiple sclerosis and other debilitating diseases.

A great measure of the economic success of this Nation can be traced to the fact that private enterprise has been allowed to prosper, but there are some who suffer from tunnel vision and refuse to believe that private enterprise can serve meaningful social purposes. Under compulsory health insurance, one of the first casualties will be the private health insurance industry. This industry has served its clients well, and it should not be abandoned unless it proves to be inadequate. Certainly, if Government agencies are an example, there is no basis to conclude that Government can be as efficient, effective, or expedient as private enterprise.

Under the private system of health care, insurance has been conditional on the state of health, and many times, those who needed it most were denied coverage. The problem will be alleviated under medicredit with an assigned risk pool, and guaranteed renewable insurance will be available to everyone.

For the past decade we have stacked one social program on top of another, and today, we find that nearly three-fourths of the national budget of $300 billion is uncontrollable. The Congress merely appropriates the money from year to year to pay for ongoing programs. Medicredit will add to the overall tax burden to provide for the indigent, but the increase will be much less than the administration or Kennedy-Mills bill would impose. The middle-income taxpayer will heave a collective sigh of relief to learn that he is not shouldering the burden for everyone.

Proper incentive will be applied under medicredit to keep insurance rates competitive and to inhibit the overuse of medical facilities by the consumer. In fact, the latter may be the most ominous threat to health care. The capacity of the health care delivery system is finite. As with any other commodity, a sharp increase in the demand for services will produce a corresponding price increase. It is conceivable that a runaway demand for service could lead to a rapid deterioration of quality health care.

Finally, may I say that the medicredit bill will not require the establishment of a huge bureaucracy to create redtape and will not employ thousands of bureaucrats at taxpayers' expense to parcel out the benefits. Briefly, a voluntary system, utilizing private insurance carriers, will be competitive and self-regulating, and it will require very little administration from Government.

Federally financed health care can relieve the burden of illness from many Americans who cannot afford to pay the market price for good health care. However, Federal support should not be used as a wedge to force changes in health care or to substitute public control for private control.

Mr. MICHEL. Mr. Speaker, I wish to associate myself with the support given to medicredit here today by my colleagues, Representatives BROYHILL of Virginia, BURLESON of Texas, CARTER, FULTON, KYROS, PETTIS, and others.

I have joined as a sponsor of medicredit because it meets the true test of any workable national health insurance plan—it provides access to high-quality medical care to all Americans on the basis of sharing the cost in an equitable fashion. The poor would pay nothing. In a fair way, the better off would pay on a sliding scale that reflected their income.

And, most importantly, this legislation would insure that no American would have to go bankrupt because of a catastrophic illness.

Medicredit calls upon the Federal Government to perform a "proper role" in the provision of care, an all-important safeguard to the taxpayer's pocketbook and the Nation's Treasury.

Mrs. HOLT. Mr. Speaker, the need for a national health insurance system is plainly evident. I have always maintained that no American should lack adequate medical care because of his economic condition. However, the skyrocketing cost of health care has made it increasingly difficult to deliver on this promise.

While there may be little dispute over the need for a national health insurance system, there is a great deal of debate surrounding the specifics which should be incorporated in such a system. Proposals currently being discussed cover the entire spectrum from simple catastrophic protection with minimal governmental involvement to programs which would put the Government directly in the insurance business.

When entering into any unchartered area, it is mandatory that one proceed cautiously and be willing to learn from their mistakes. National health insurance is an old concept, but one with which we have no practical experience. The major lesson that we learned during the past decade is that the Government is not capable of developing total solutions to every problem which confronts its citizenry.

In the instance of national health insurance, we must exert considerable effort to insure that the system we create is a workable one—one which will solve the critical health care problems at a reasonable cost without the creation of another massive, expensive, and unresponsive bureaucracy. The system that we enact this year will be with us for many years to come; let us make it a good one.

I firmly support the principle of limited Government involvement in the health care field; Government involvement designed to provide the essentials without the frills. The role of the Federal Government, in my mind, should be restricted to providing that everyone has access to quality health care at a price that they can afford; to protecting all Americans from the indigence that can accompany catastrophic illness, and to insuring that the consumer has a variety of options as to the method of financing and receiving his health care. This can be accomplished without putting the Government in the insurance business, without creating another new, massive bureaucracy, and without adding a new mandatory payroll tax to the paychecks of the already overtaxed American workingman.

Mr. Speaker, I am pleased to have the opportunity to endorse the principles contained in H.R. 2222, the medicredit health insurance bill. I urge that we give careful consideration to these principles in the development of our Nation's first national health insurance proposal

Mr. MILLER. Mr. Speaker, the issue of national health insurance is one that is gaining increasing publicity in the media these days. There are many competing plans that are being proposed and, unfortunately, most of them attempt to provide a quick solution to the health problem without adequately considering the costs and consequences of the plan. However, H.R. 2222, the medicredit health insurance bill, of which I am a cosponsor, does in fact provide adequate comprehensive coverage without escalating the general cost of health care to the Nation.

Medicredit provides for the voluntary purchase of private health insurance and allows individuals to finance this cost through the granting of tax credits against the premium costs. For those families that have no Federal tax liability the Government would pay the premium price.

While these features of the plan are important, the most significant provision is that relating to medical expenses for catastrophic illnesses. Since 1960 the cost of hospitalization has risen almost 200 percent. When catastrophic illness strikes a family of average means today, it is impossible to meet medical expenses. The catastrophic expense coverage of medicredit provides for unlimited inpatient hospital care as well as up to 30 additional days in a skilled nursing facility. In addition, outpatient blood and plasma is covered after the first three pints. These tax credit benefits are subject only to a deductible of 10 percent of the combined taxable income of eligible and dependent beneficiaries.

Mr. Speaker, the tax credit concept of H.R. 2222 provides the surest method of providing an equitable system of national health insurance. The measure has 183 cosponsors in the House. Such broad bipartisan support is an indication of why medicredit deserves favorable consideration by the Congress.

Mr. CARTER. Mr. Speaker, I am pleased to join my colleagues today in calling the attention of the public and the Congress to the merits of the medicredit proposal. Any plan dealing with national health insurance ultimately must be tested by public acceptance. How best would the public benefit is the question before us, not how health providers would fare, not how the bureaucracy would fare, not how health insurance companies would fare, indeed, not how Congress or any committees of Congress would benefit.

My intention is to focus for a moment on one provision of the medicredit bill, that dealing with mental illness. It is treated precisely the same way as any other illness under medicredit. There is no limit on psychiatric care. No other national health proposal before us offers as liberal a psychiatric benefit.

The American Psychiatric Association, testifying before the House Ways and Means Committee 2 weeks ago, pointed out that medicredit stands alone in this regard. All other proposals contain some discrimination that separates treatment of the mentally ill from that of the physically ill.

Can there be any Member of Congress whose experience has not included the tragedy of mental illness? We have all had loved ones and dear friends whose lives have been marred by psychiatric problems. Several Members of Congress, serving with us in the pressure cooker of politics, have themselves suffered. No one is immune.

Certainly from the experiences of my own practice I can attest to the prevalence of serious mental disorders. These can be every bit as crippling as physical ailments and just as anguishing for the parents and friends involved.

Mental illness today, unfortunately, retains some of the stigma that once attached itself to cancer. This, plus the fear that adequate treatment would be prohibitively expensive, has resulted in a distinct limitation in insurance policies as to length of treatment.

Studies have shown that expense is not a serious problem. One of the most generous existing health insurance plans in the area of mental illness—the high option Blue Cross-Blue Shield plan for Federal employees—offers up to 365 days a year of hospital care in a general hospital or in a participating mental hospital. Total charges in 1969 were equal to only 6 percent of charges for all conditions. The average length of stay was 17 days. The unlimited benefit in the medicredit proposal compares with the general 30-day limit in a mental facility that is provided in both the administration's national health plan and the Mills-Kennedy approach.

As the American Psychiatric Association further noted, under the administration and Mills-Kennedy bills, a psychiatrist would be able to give twice as much service to a patient he sees at a center as he gives to a private patient, despite the fact that inpatient treatment is more costly. The differentiation, as the association pointed out, "does not seem to make sense."

If psychiatric illness is not treated appropriately, the financial burden will fall eventually and at a much heavier cost than if treatment is made available at the earliest opportunity.

Thus, medicredit comes squarely to grips with this terrible health problem of mankind and places it firmly where it belongs on a par with the physical injuries and diseases. This discourse is intended to show how in just one important and somewhat neglected area medicredit would serve the health needs of the Nation.

The other benefits of the medicredit plan are fully as generous as those in the other major NHI proposals before us. Ironically, the one phase of medicredit most attacked has been its so-called failure to establish a new Federal bureaucracy to police the system.

I have been sitting for a number of years on the Health Subcommittee of the House Committee on Interstate and Foreign Commerce and have some acquaintance with the way Government manages health affairs. Efficiency is not one of the adjectives I would apply to the Health, Education, and Welfare Department. Just the other day officials were telling us that a new health planning program designed to achieve efficiencies caused more troubles than it solved. The cost was only a hundred million dollars or so—down the drain. I would like to see development of an ointment that would cure the itch of bureaucrats and social planners of the desire to move in and control things.

Physicians realize that in any Federal program there must be some controls to prevent abuses. But they believe they have a right to practice good medicine without interference from the Federal Government. Already they are feeling hemmed in by the hundreds of pages of Federal regulations on the operations of medicare and medicaid, and from their experiences with the Cost of Living Council. Any further redtape would simply reduce their effectiveness.

Make no mistake. If a national program is enacted that calls for an extensive Federal apparatus to manage it, not one person in the private health field, including the insurance companies, would drop out. But a layer of thousands upon thousands of bureaucrats would be superimposed, adding billions of dollars to the taxpayers' burden.

Medicredit is a workable approach. The medical profession and the public want a plan that keeps the Federal Government's role at a minimum. From the standpoint of benefits, efficiency, financing and acceptability, I am convinced that the medicredit approach is by far the best we have before us.

Mr. YOUNG of ILLINOIS. Mr. Speaker, it is my feeling that one of the most important matters which Congress needs to deal with is the establishment of an effective program of national health insurance. At the same time we do not need the kind of program where Government officials will be telling individuals who they must see and where they must go to receive needed medical services. To me it is essential that the basic physician-patient relationship be unhampered by intrusion from Washington.

The House Committee on Ways and Means has been looking at the subject of national health insurance in great depth. Many different plans with wide variations have been presented to the committee and I know they are making a conscientious effort to come up with a practical answer to our national health needs.

I have been a cosponsor in the House of the Medicredit bill which I believe is a reasonable and economically feasible approach to providing the American people with adequate health care at a cost they can afford and can be provided.

Briefly, the legislation I have introduced would provide the following: Full coverage for catastrophic illness such as long-term sickness or serious accidents; right of the individual to choose his place of care and physician; comprehensive benefits for the entire family; federal assistance based on need—including up to 100 percent payment for the poor; and administration of the program through private insurance companies which must meet Federal standards.

This legislation has been sponsored by more than 180 Members of Congress. It is certainly hoped that the Ways and Means Committee will be able to send legislation along this line to the floor of the House within a short period of time so that this vital and necessary program can be quickly implemented.

Mr. GUYER. Mr. Speaker, I am proud to associate myself with Mr. BROYHILL and to be a cosponsor of H.R. 2222.

Health and adequate medical care are concerns of all of our people and the providing of these services with corresponding protection should have top priority of the Congress and all of the participating professional groups that have contributed so much to making Americans among the most selectfully cared for people on Earth.

There is no question but that many reforms and additions are needed in the area of national health legislation, but we should also be careful that the burden of fiscal support not outweigh the intended benefits.

Many health care measures have been introduced, some with cradle-to-the-grave proportions that in dollars would cost as much as $2,000 per family per year. Others, equally as exorbitant in cost, would destroy our present health and professional medical care facilities.

I believe first of all, any acceptable program of health insurance must provide catastrophic coverage and protection against wipeouts of family savings and resources from long lasting illnesses or disabilities

Second, we must provide full payment of such insurance for those less fortunate ones who have neither circumstance nor means to purchase their own. A further feature of a good program would pay on a graduated tax-credit basis, parts of such costs for people able to pay for much of their own.

Above all else, we must be certain that whatever kind of health insurance we approve, be one that does not jeopardize our competitive free enterprise system, nor disrupt our time-honored freedom of selected patient-doctor relationship, nor be a kind that would only further plunge our country into the mire of runaway spending and further oppressive taxation.

Mr. JARMAN. Mr. Speaker, it is appropriate that we take time today to discuss the issue of national health insurance. We are aware of the hearings now being held by the Committee on Ways and Means. We are also aware of the recent hearings on other aspects of national health care before a subcommittee of the Interstate and Foreign Commerce Committee, on which I serve.

It is certainly appropriate to examine these issues and to see what the proposals are in this field. But, Mr. Speaker, I believe we must be very careful in our approach. We have to be wary of piling additional Federal spending on top of a budget that is far out of balance already.

We know that even the most modest of national health insurance plans would cost money. We know that some of the plans would cost as much as $80 billion in new Federal spending. We simply cannot afford anything like that. It would add a staggering budget deficit on top of the large deficit we already have.

To enact a sweeping national health plan would perhaps aid some people now, but only at the expense of a national debt increase that would be a burden on future taxpayers for decades. No, this is not the time for a vast national plan.

But there are problem areas which need attention. And perhaps this Congress will find a way to act on these problem areas without throwing huge new deficits on top of the existing deficit. I suggest that the approach in H.R. 2222, the medicredit bill, has the best chance to solve these problems without unnecessary Federal expense.

This legislation would provide Federal assistance for the poor and for those working families that really need help. Others would be helped only on a limited basis in order to furnish protection against a medical catastrophe. This is a sensible approach. It is one I have supported now for three Congresses.

In the 91st Congress it was a sensible approach, and it is now. In the 91st Congress I had the privilege of serving as the chairman of the House Health Subcommittee. In that Congress the bill did not have the very desirable feature which several of us thought should be included—the protection against the medical catastrophe.

When we introduced the bill in the 92d Congress it was revised and did contain protection against the catastrophic expenses which sometimes occur. Certainly many in the Congress believe that this is a proper Federal role. Many believe that if we do anything perhaps this is what the Federal Government should do; namely, to protect all our citizens and families against a financial catastrophe which would cause the loss of their homes and their savings, because of unusually high medical bills.

One other point should be made, Mr. Speaker. Medicredit does not impose new payroll taxes on the working people. I do not think that this Congress will enact a bill which adds even more social security taxes. They are already high enough. Unfortunately they are already scheduled to go higher in future years.

We do not need any more increases in social security taxes on working families.

Mr. KYROS. Mr. Speaker, mail from my constituents reflects a common worry about health care costs. Again and again, this theme is sounded: "I can manage to take care of my family's day-to-day medical expenses. It is the long, serious illness that worries me. These costs could wipe us out."

I am sure that every Member of Congress receives similar messages, and unquestionably, this is a valid concern. One has to be wealthy, indeed, not to worry about it.

That is why I support a comprehensive national health insurance plan, and feel that any plan we enact must include a strong catastrophic illness provision. In this regard, I feel the medicredit bill, introduced by Representatives FULTON and BROYHILL, deserves very careful consideration.

Medicredit goes to the heart of the catastrophic illness problem. After paying "basic" benefits, the plan goes on to pay those additional expenses that can be so disastrous to a family's savings. These include hospital charges, the costs of extended care, drug administered in the hospital, prosthetic devices and, of course, physicians' charges.

As one who fought to have psychiatric care included as a basic benefit in the HMO bill enacted at the end of last year, I am especially pleased to note that psychiatric care, under medicredit, would be covered without limit.

Medicredit offers a thoughtful approach to health care financing. It provides a sliding scale, whereby a family's health care costs might vary, but they would never go beyond 10 percent of their previous year's taxable income. This would certainly be a reassurance to every family.

I am confident that the medicredit bill will receive the attention and consideration it most certainly deserves in the current great debate over national health insurance.

Mr. COCHRAN. Mr. Speaker, one of the most pressing issues before this Congress is the need to establish a comprehensive national health insurance plan. Although the United States has the most advanced health care system in the world, many citizens find that they are often unable to afford the cost of necessary medical care.

The numerous shortcomings of medicaid have demonstrated its inability to consistently meet the health needs of the indigent. Many middle-income Americans find that, because of their medical record, the cost of comprehensive health insurance is prohibitive or, frequently, that the necessary coverage is available at any cost. No one, regardless of wealth, is free from the threat of catastrophic illness and its prolonged expense.

The House Ways and Means Committee is presently conducting hearings on the several health insurance proposals before the Congress. Of the legislation being considered by the committee, I feel that H.R. 2222, the medicredit bill of which I am a sponsor, offers the most practical and economical solutions to the disturbing problem of national health care.

In approaching the problem of national health insurance, it is vitally important that the Congress proceed with a good measure of caution. The existing national health care system is enormously complex; hastily or ill-conceived reform efforts might inadvertently limit the continued development of more advanced health care techniques, or even impair delivery of health care services through existing systems.

Several bills presently before the committee, most notably the widely publicized Kennedy-Mills compromise, would reshape entirely the existing structure. Such proposals would assign the administration of a mandatory national program of health care to a new and independent bureaucracy. Such proposals would be quite hazardous, and, needless to say, very expensive.

In the United States 90 percent of the population is currently covered by some form of health insurance, and as shown in a recent Roper poll, a full 80 percent are satisfied with their existing coverage. In light of such statistics, it would be ridiculous to create a new Federal bureaucracy to perform those tasks now effectively handled in the private sector for the vast majority of Americans.

This is not to say that the present system of private health insurance is free of shortcomings. But we must not suppose that the virtual replacement of that system with an immensely expensive and untried Federal program of compulsory health insurance would cure the Nation's health woes. The role of the Federal Government should be to supplement, rather than supplant, the existing system of private health insurance, taking care to preserve its strengths while correcting its inadequacies.

Medicredit would built on the present insurance system, making available to individuals Federal assistance to defray the cost of health insurance premiums. For those low income families or individuals unable to contribute toward the purchase of high quality health insurance, Medicredit would pay the entire premium cost of such coverage. For all others, medicredit would provide tax credits to help defray the cost of health insurance, with the amount of Federal assistance inversely related to the beneficiary's income tax liability for that year.

Additionally, medicredit provides comprehensive protection against the unexpected expenses of catastrophic illness. Such protection would be extended to all enrolled in the program regardless of wealth.

The bill does not require the restructuring of the present system, put the Government into the insurance business, or make participation in the program mandatory. By not obligating the Government to pay for the care of those people who can afford to handle most of their own medical expenses, medicredit is vastly more economical than the Kennedy-Mills proposal whicn would require all citizens to enroll. HEW estimates of the cost of the Kennedy-Mills proposal for the first year range as high as 77 billion dollars, compared to 12 billion for medicredit. With 72 percent of the Federal budget already wrapped up in mushrooming, ongoing programs that are virtually uncontrollable by the appropriations process, Congress should exercise the utmost restraint in legislating new such expensive programs.

The Kennedy-Mills programs would be financed by a 20 percent increment in present withholding tax levels. Rather than further increase regressive payroll taxes, medicredit would be funded out of general treasury funds. The amount of aid received under the program is linked to the progressive income tax schedules; under Medicredit those who earn less pay less.

The paternalistic tone of the mandatory Kennedy-Mills proposal is dangerous. Medicredit would preserve the individual's freedom to select that plan of protection most suited to his own needs, while guaranteeing that no individual be denied comprehensive coverage because of inability to pay or past medical record.

We should not delude ourselves into thinking that by requiring each citizen to participate in a national program Congress can simply legislate a healthy nation. The most we can hope to do is insure that each American has the opportunity to lead a healthy life. I think H.R. 2222 is a necessary step toward that goal.

Mr. BROTZMAN. Mr. Speaker, many of the speakers on medicredit have pointed out the dangers and inequities of a payroll tax to finance needed health care insurance.

I agree that such a tax on payrolls falls most heavily on the lower-income working man and lower-income families. On the other hand, the tax credit feature of medicredit would draw from each person and family the taxes on a graduated scale to pay for national health insurance.

Medicredit—through its tax credit system—is a balanced approach. The person with no income subject to tax because of low income or large family deductions would have full payment by the Federal Government. This is the basic premise of medicredit—that Government help be based on need.

Others would have some Government help, and it would be graduated and based on need. Some have commented that the tax credit would not receive approval of the Congress. Some have said it does not have support in key places.

Mr. Speaker, I would like to include a question and answer sheet on the tax credit feature which may be useful to all Members in considering what approach will be best for the Congress to use. This sheet shows that the tax credit approach does have substantial support in Government, Congress, and academic quarters.

The fact sheet follows:

The Tax Credit Feature of Medicredit

1. It has been said that Chairman Wilbur Mills of the House Ways and Means Committee is opposed to any kind of tax credit. Doesn't this make the tax credit part of Medicredit a dead issue?

Both the House Ways and Means Committee and the Senate Finance Committee have previously authorized investment credits, retirement income credits, work incentives credit and job development credits. The Medicredit tax credit approach is a similar incentive approach. There is no reason to think that it will not receive consideration in both committees.

2. Isn't Medicredit the only national health insurance bill that would provide tax credits?

Yes. Medicredit is the only bill that offers any innovative financing for national health insurance. Some bills would increase Social Security-type payroll taxes which bear the heaviest on those with the least income. Medicredit does not do this.

Medicredit would provide federal help through a direct federal subsidy from general revenues or through a tax credit which would reduce as a family's income increases. This tax credit would be applied directly against the taxes owed by the family or individual.

3. Would Medicredit cut taxes?

Yes. With the understanding, of course, that the cost of the Federal Government must be met from one source or another, Medicredit would provide for a reduction in taxes for most American families. Unlike some bills which would impose additional Social Security-type taxes, Medicredit would *reduce* taxes for most Americans by giving them a tax credit to subtract from their tax bill.

4. Has Congress approved a tax credit lately?

Yes. The Senate Finance Committee approved a tax credit for low income persons by an 11-1 vote just last October.

The Senate passed the bill with the tax credit included and it went to conference with the House shortly after the second session began.

5. Who supports the tax credit approach?

A variety of groups have endorsed the tax credit approach. The Council of Economic Advisers advocated that the Nixon Administration adopt a plan which would include tax credit arrangements inversely related to income for the purchase of public or private-offered coverage.

A study for the Brookings Institute entitled "Setting National Priorities—The 1974 Budget" advocated a tax credit approach. "A superior alternative would be to replace all existing tax benefits for health insurance and medical expenses with a tax credit for all medical expenses in excess of some percentage of income. . . . Such an approach would have several advantages over a tax deduction . . . benefits under the tax credit plan would be funneled much more heavily toward low-income people."

A new study published by the University of Iowa Graduate Program in Hospital and Health Administration, as part of its "Health Care Research Series," points out that the Medicredit approach "is indeed significant and certainly warrants consideration." The study points out that the Medicredit bill is "predicated upon the assumption that the greater the tax liability, the greater the individual's ability to purchase personal health care services or health insurance."

This study also found the income tax system "to depict more adequately the income accruing" to each individual or family unit.

GENERAL LEAVE

Mr. BROYHILL of Virginia. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on my special order today.

The SPEAKER pro tempore (Mrs. Collins). Is there objection to the request of the gentleman from Virginia?

There was no objection.

TAX REFORM BILL INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Findley) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, today I am introducing the Tax Reform and Simplification Act of 1974. I do so because it has become abundantly clear that our present tax system is neither fair nor intelligible to many Americans.

Last year, more than 400 wealthy citizens paid no income taxes whatsoever. Many others paid only a small fraction of their fair share.

At the same time, most Americans struggled to figure out the complex income tax forms, trying to decide what deductions they could legally take. About 30 million gave up and paid, one-half billion dollars to have tax specialists fill out their forms. Some resorted to tax specialists out of fear that if they did not, they might make a mistake which could result in a heavy fine or even land them in jail.

The American tax system is, in a sense, an honor system. The Government relies upon the taxpayer to declare the number of exemptions he claims, list his own deductions, and compute his own tax. Most citizens try honestly to comply with the law. However, a double threat now faces our tax system, hacking at the very roots of popular support.

First is the existence of the small number of people who skillfully manipulate their personal fortunes to take advantage of tax loopholes in order to avoid paying their fair share of taxes. While the deductions, tax preferences, and other devices which they use are usually within the letter of the law, it is unconscionable for the law to permit these devices to be used as foils by millionaires to shift the tax burden to those in middle- and lower-income brackets.

The second danger to the voluntary tax system is derived from the fact that the tax laws have become so incredibly complex that no average citizen can really understand them. The present system is constructed to encourage the average person to hunt for tax deductions and exclusions in order to minimize his taxes. This is so because the standard deduction is not "standard" or realistic when compared with the deductions that can be taken if the taxpayer itemizes. Yet, he can never be certain whether many of the deductions he takes are legitimate or may be disallowed.

In fact, a recent study shows that even the Internal Revenue Service cannot consistently interpret the law. In a recent study, a private organization submitted to 22 different IRS offices the same income tax form filed by a family with 1 child. One of the IRS offices concluded that the family owed an additional $52.14 in taxes, while the other offices felt that a tax refund was due, varying in amounts up to a maximum of $811.96. If IRS cannot compute a taxpayer's bill any closer than within $900 of the "correct" amount, how can the average taxpayer be expected to do it right?

This double threat to the tax system has already led to double disenchantment with the system. It simply is not reasonable to expect people willingly to support an unfair system, any more than it is realistic to expect them to support a system they cannot understand and which forces them to skate on thin ice every time they file their tax forms.

For this reason, I am today introducing legislation to change the tax laws in three important ways.

First, my bill will double to 20 percent the minimum tax which certain wealthy individuals must pay on tax preferences. The current applicable rate is 10 percent, which is far below what they would be required to pay if the tax preferences were not given.

Second, my bill will impose a new 20 percent minimum tax on those who have avoided paying any taxes whatsoever because their income is derived from tax exempt municipal bonds. Such bonds, although they are quite important to the financing of local government, have become an unconscionable tax haven for many wealthy citizens. This bill would not eliminate the usefulness of these bonds to governments, but it would require that a minimum tax of 20 percent be paid on income from them.

Third and finally, my bill simplifies the tax code of the average American. Instead of requiring him to search for deductions to itemize, this bill provides a realistic standard deduction. In 1970, which believe it or not is the latest year for which IRS has statistics the average American who itemized came up with a total of $2,500 in deductions. The median annual income was under $12,000. Thus, his deductions totalled about 20 percent of his income. Allowing for inflation, and to provide a modest incentive, I propose setting the standard deduction at 25 percent of income or $3,000. With such a figure, most Americans would no longer have to itemize deductions in order to pay the lowest tax. For them, April 15 would no longer be the national headache it now is. They could take the standard deduction, breathe more easily, and avoid paying a fee to H. & R. Block or one of their colleagues in the tax preparation fraternity.

Mr. Speaker, these reforms are urgently needed. They are relatively simple to make, and they are fair. If the respect of the people for their Government is to be retained, then tax reform and simplification is essential. There is no reason why this type of legislation cannot be passed by this Congress so that next year will be a better year for taxpayers.

PROCEDURES OF IMPEACHMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 10 minutes.

Mr. HOGAN. Mr. Speaker, as a member of the House Committee on the Judiciary I feel it is my duty to inform the House of a matter which may possibly affect every single vote cast on the question of impeachment. Every vote that each Member may cast will be one of far-reaching consequence, nationally and internationally, and no one of us should be so irresponsible as to pass judgment until each has had the opportunity to know the facts and the methods by which they will be presented.

What disturbs me most, Mr. Speaker, is that we are undertaking so-called impeachment proceedings without any of us clearly knowing what the rules of procedure will be. If and when Articles of Impeachment are reported to the House by the committee no one seems to know precisely how it will be presented to us.

Do any of our colleagues know how much time there will be allowed for debate? Do any of us know how the time will be divided? Do any of us know whether an amendment may be offered to an article of impeachment and whether a separate vote may be had on each article? May an additional charge be offered from the floor?

It is important that each one of us have the answer to all such questions if we are to be able to discharge our individual responsibility on this grave matter of impeachment. I have researched all the impeachment proceedings that have come before the House and have found that the precedents are, for the most part, outdated and at best ambiguous. I do not think the membership of this distinguished body would want to consider any articles of impeachment without first having some clearly defined rules of procedure previously established.

Therefore, Mr. Speaker, that this procedural matter may be resolved without any undue delay and each Member be fully informed with respect to it, I am today introducing a resolution to establish a select committee "to prepare and report the forms and ceremonies, rules of procedure and practice of the House of Representatives in its consideration of charges or articles" proposing impeachment, "together with such recommendations as it deems advisable." My resolution further proposes that a copy of its procedural report and its recommendations be delivered to each Member of the House.

A copy of my resolution follows:

RESOLUTION

Resolved, That there is hereby created a select committee to be composed of ten Members of the House of Representatives to be appointed by the Speaker, in consultation with the Minority Leader: five from the majority party and five from the minority party, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The select committee is authorized and directed to conduct a thorough and complete study with respect to the operation and implementation of the precedents and Rules of the House of Representatives in regard to any charges or articles of impeachment brought before the House of Representatives.

The select committee is authorized and directed to prepare and report the forms and ceremonies, rules of procedure and practice of the House of Representatives in its consideration of charges or articles reported by any committee or member of the House of Representatives proposing impeachment.

The select committee shall report to the House within sixty days of enactment of this resolution during the present Congress the results of its investigations, hearings, and studies, together with such recommendations as it deems advisable, and a copy thereof delivered to each Member of the House. Any such report or reports which are made when the House is not in session shall be filed with the Clerk of the House.

For the purposes of this resolution, the select committee or any subcommittee thereof is authorized to sit and act during sessions of the House and during the present Congress at such times and places whether or not the House has recessed or adjourned. The majority of the members of the committee shall constitute a quorum for the transaction of business, except that two or more shall constitute a quorum for the purpose of taking evidence.

To assist the select committee in the conduct of its study under this resolution, the committee may employ investigators, attorneys, clerical, stenographic, and other assistants; and such funds as are necessary to be available one-half to the majority and one-half to the minority, shall be paid from the contingent fund of the House on vouchers signed by the chairman of the Select Committee and approved by the Speaker.

VETERANS NEED AND DESERVE OUR FULL SUPPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois, (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, our veterans have served the country faithfully. We must assure them that we deeply appreciate their services in the past and are concerned about their continuing welfare.

The Veterans' Affairs Committee received testimony from the Veterans' Administration, concerned Congressmen, and from numerous veterans organizations. After a careful review of this testimony, the committee reported out the bill, H.R. 14117, which is before us today. I would like to say I fully support this legislation, and urge immediate enactment of it.

Briefly, the bill has four purposes. First, it would provide increases in the disability compensation rates for the 2.2 million veterans who have a service-connected disability. These increases would range from 10.7 to 18 percent, depending upon the degree of severity of the disability. The compensation program is designed to provide relief for the impaired earning capacity of the service-connected disabled veteran. It has been shown that veterans with a high degree of disability have a great need for compensation benefits, while those with relatively minor disabilities are generally able to supplement their compensation with earnings. Accordingly, this bill provides an increase ranging from 10.7 to 12 percent for veterans rated 10–30 percent disabled. Cases rated 50-percent disabled are given a 15-percent increase, and those rated 60 percent or more will receive an 18-percent increase.

Second, H.R. 14117 increased the dependency allowance by 15 percent. This allowance is provided to veterans on behalf of their spouses, children, and/or dependent parents.

Third, DIC benefits for widows and children are increased by 17 percent across the board. There are currently 375,000 widows and children who receive dependency and indemnity compensation as a result of the service-connected death of their husbands and fathers.

Fourth, the bill will extend the presumption of service connection for wartime veterans to those veterans who served between the end of World War II and before the beginning of the Korean conflict period. With the exception of veterans who served during this period, all veterans from 1941 to the present have been entitled to a presumptive period during which time the occurrence of a chronic or tropical disease would be deemed to be service connected. This provision would extend that presumption to those veterans who served between the end of World War II and the beginning of the Korean conflict.

Since the last increase in compensation benefits on August 1, 1972, the Consumer Price Index has increased 12.7 percent—through February 1974. Since the last payment increase in DIC benefits on January 1, 1972, the CPI has increased 14.9 percent. All evidence seems to indicate that there will be even further increases in the cost of living. Such increases seriously threaten the adequacy of the compensation and DIC benefits.

These statistics give us an overall view of the situation. But the Consumer Price Index does not tell all. It does not tell the heart-breaking story of the young widow with children who must survive in spite of 25-percent increases in the cost of food. It does not tell the story of the aged veteran who must face rapidly soaring medical costs.

It is clear we must act now. We must pass a bill to restore the value of the compensation and DIC benefits as rapidly as possible. H.R. 14117 takes into account the loss of purchasing power since the last increases, and also has made some provisions for the estimated additional loss which will undoubtedly occur between the present and the next review of the program by Congress.

However, I would like to take this opportunity to add that the compensation and DIC programs are not the only ones which need fuller support. These are difficult times for veterans, especially Vietnam veterans.

The Vietnam veteran is facing significant unemployment. His GI bill benefits are frequently inadequate for the soaring costs of tuition. The VA medical and hospital program has been under attack by some veterans. It is imperative for Congress to carefully review all veteran-related legislation.

I have, in the past few weeks, been studying the 1975 budget request. Funding levels for veterans' program are the highest in this budget than in any other in past years.

The budget proposes the largest hospital construction budget in VA history. The construction request of $276 million is up $165 million from last year, and $33 million from the post-World War II building boom of 1946.

The medical care request of more than $3.1 billion will allow the VA to provide inpatient treatment for thousands of beneficiaries; will raise hospital staffing; permit the handling of more outpatient medical visits; add six new outpatient clinics and six geriatric and clinical centers; and will provide more support for research.

The budget also calls for an increase in GI bill benefits by 8 percent through new legislation. Various other proposals have also been introduced in Congress which would raise such benefits by an even greater percentage.

The budget also calls for a reform of the current pension system. $250 million is requested to make the system more equitable and more responsive to the needs of pensioners.

In addition, the budget includes $22.7 million for the national cemetery system, which was established in 1973. Included in that amount is $5 million for construction.

Mr. Speaker, in the coming weeks Congress will be asked to examine the adequacy of these budget requests. I sincerely hope that as we consider funding levels and new legislation we bear in mind the sacrifices that all veterans and their dependents have made for our Nation. For a start today, to show our appreciation, let us immediately enact H.R. 14117, veterans' and survivors' compensation increases.

INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, citizens of Alabama's First District leave little doubt as to what they consider the most important problem facing America today.

In the approximately 14,000 returns of my legislative questionnaire this year, 57 percent of those answering chose inflation as the subject foremost on their minds.

Crime and drug abuse were rated second with 19 percent and the energy crisis was third with 10 percent. Unemployment received 5 percent, Watergate, 5 percent and various other answers, 4 percent.

"Stop inflation" also topped the list of replies to my question, "What is the single most important thing I can do as your Congressman this year?" Twenty-nine percent answered "stop inflation." Others said end the energy crisis, 13 percent; keep up the good work, 13 percent; impeach the President, 11 percent; cut Federal spending, 10 percent; end Watergate, 9 percent; stop foreign aid, 8 percent and various other answers, 7 percent.

Concerning President Nixon and what he should do in the wake of Watergate, 55 percent said he should continue in office, 21 percent said he should resign, 17 percent said he should be impeached and 7 percent said they do not know.

Pertaining to the energy crisis, 49 percent said big oil companies are most responsible for the situation. Twenty-one percent chose the Nixon administration, 17 percent blamed the Congress, 7 percent said the crisis is due to consumer waste, and 4 percent said there is no crisis.

On gasoline rationing, 61 percent said it should be used only as a last resort, 26 percent said rationing should never be used, and 12 percent said rationing should begin at once.

A strong 66 percent said they feel emission controls should be removed from automobiles in an effort to conserve fuel.

Wage and price controls were given a negative vote with 54 percent saying "no" to continuing them and 40 percent voting "yes."

Sixty percent said they feel we are spending enough to assure an adequate defense of this country compared to 35 percent who said we are not.

In consideration of national health insurance, 33 percent said they do not see the need for any new Government program, 23 percent said they would favor a Government plan covering medical care for everyone, 21 percent said they favor continuing reliance on private health insurance with Government paying premiums for the poor, and 20 percent said they favor a Government plan covering only long-lasting illnesses.

In answer to the question, "Do you favor a bill to increase the minimum wage?" 55 percent said no and 45 percent answered yes.

Do you favor a bill that would require public financing of Federal elections? 70 percent said no and 26 percent said yes.

Mr. Speaker, I place a high premium on the views of my constituents, and I look forward each year to receiving their advice in the form of a response to my annual questionnaire. Our representative form of government functions best, I think, when there is frequent interchange of ideas and opinions between the represented and the representative.

WEIGHTED VOTING IN THE U.N.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. WYMAN) is recognized for 5 minutes.

Mr. WYMAN. Mr. Speaker, more than 2 years ago I introduced a concurrent resolution expressing the sense of Congress that the President, through the U.S. delegation to the United Nations, seek to amend the U.N. Charter to weigh each U.N. member's vote according to the population and economic product of each country. The resolution died with the passage of time, but the need for a more equitable voting structure in the U.N. has not.

Clearly, U.N. history illustrates that it is frequently contrary to the national interest of the United States to be bound by the decisions of any international organization dominated by many small island nations, rural, undeveloped countries, and virtual protectorates each of which has a vote equal to that of the United States, or any other major world power.

If it is to remain to the advantage of the United States to continue as a member of the United Nations, voting should be weighted in recognition of the realities of population and economic product. It should be measured by a formula weighted half by population and half by gross national product.

The United Nations is no place to exercise the principle of one nation-one vote, lest we be blind to reality. In a world in which the population exceeds 3 billion, of which the United States has less than 220 million but a substantial portion of the world's wealth and the largest of the world's gross national products, it is sheer folly for the United States to continue to acquiesce and be fettered by the voice of an international organization whose voting structure is balanced in favor of tiny nations of inconsequential GNP and whose voice is dominated by parochial interests.

I am, therefore, today reintroducing the following concurrent resolution which calls for weighted voting in the United Nations. It is my firm belief that this change should be made.

H. CON. RES. —

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President, acting through the United States delegation to the United Nations, should initiate such steps as may be necessary to amend the Charter of the United Nations so as to provide that the vote of each member state in the General Assembly of the United Nations during any calendar year shall be weighted (A) one-half in the ratio which the gross national product of such member state during the preceding fiscal year bears to the total of the gross national products of all member states of the United Nations during such preceding fiscal year, and (B) one-half in ratio which the total population of such member state bears to the total population of all member states of the United Nations, which population of each member state shall be determined by thhe most recent official census.

VIOLATION OF SANCTIONS AGAINST RHODESIA IS CONTRARY TO U.S. INTERESTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, on April 22, 1974, I submitted a statement to the annual meeting of the stockholders of the Union Carbide Corp., held in New York City. I did this to express my deep concern with Union Carbide's role in actively opposing current legislation which would restore U.S. compliance with United Nations sanctions on Rhodesia. Uniond Carbide is a company with significant investment in the extraction of chrome ore and the production of ferrochrome in Southern Rhodesia—an investment which predates that country's unilateral declaration of independence UDI. However, I am convinced that any short-term benefits accruing to Union Carbide as a result of the Byrd amendment are certainly overriden by the greater long-term interests of the United States, and even of the Union Carbide Corp. This is essentially the position set forth in my statement, which I insert for the thoughtful attention of my colleagues:

STATEMENT SUBMITTED BY HON. CHARLES C. DIGGS, JR.

As Chairman of the Subcommittee on Africa of the House Foreign Affairs Committee, I appreciate and welcome the opportunity to submit this statement before the annual meeting of Union Carbide Corporation. I am deeply concerned with the adverse implications of the 1971 Byrd amendment for the long-range national interests of the United States, and with Union Carbide's role in actively opposing current legislation which would restore U.S. compliance with United Nations sanctions on Rhodesia.

S. 1868, recently passed in the Senate after defeat of a filibuster, would supersede the Byrd amendment which allowed the importation of chrome, ferrochrome, nickel, and other "strategic" minerals from Southern Rhodesia. This importation is in violation of U.S. international legal obligations and has seriously jeopardized our long-term national interests even though these Rhodesian imports are not necessary for U.S. national security.

Africa, whose raw materials (including the increasingly significant U.S. imports of oil from Nigeria) are becoming more and more critical to the United States, considers the repeal of the Byrd amendment a priority issue. The Byrd amendment has placed an unnecessary stumbling block in U.S.-African relations, and evidences an insensitivity to African concerns. Former Assistant Secretary of State for Africa, David Newsom, confirmed that, in his four years in that position the Byrd amendment "has been the most serious blow to the credibility of our African policy." Secretary of State Henry Kissinger, in an October 3, 1973 letter to me, stated: "I am convinced that the Byrd provision is not essential to our national security, brings us no real economic advantage, and is detrimental to the conduct of foreign relations."

In addition to harming our international relations, the Byrd amendment, which has had the effect of increasing importation of ferrochrome from Southern Rhodesia, is adversely affecting our domestic ferrochrome industry. American jobs and American ferrochrome plants have been seriously jeopardized by cheap imports of Rhodesian ferrochrome. The April 7, 1974 issue of Steel Labor, a newspaper published by the United Steelworkers of America, states:

"The pressure of low-cost imports of ferrochrome from Rhodesia began to be felt only months after passage of the Byrd Amendment, which 'sanctioned' the U.S. to violate our international obligations and deal with the rump government created by Rhodesian racists. Today seven USWA locals who once employed 2,800 workers in four companies in Ohio, West Virginia, South Carolina and Alabama now have a work force almost 30 percent smaller—directly attributed to ferrochrome imports of which Rhodesia is the largest source."

I urge the stockholders of Union Carbide Corporation to be aware of this company's active role in support of the Byrd amendment and in support of its own immediate economic gain in Rhodesia—even though these positions are clearly at the expense of the greater long-term concerns of the United States.

In this regard, Steel Labor's editorial further states:

"Steelworkers who have been asked by company publications and mailings to support their lobbying efforts to continue this source of cheap ferrochrome may correctly ask if the motivation behind this concern is not American jobs, but rather multinational profits? Union Carbide and Foote Mineral are not coincidentally the most prominent lobbyists for Rhodesia—for they have multimillion dollar investment in that country and seek to protect their holdings."

I urge the stockholders of Union Carbide Corporation to consider the possible impact of this company's position on an issue of concern to the independent majority-ruled countries of Africa—in which this company has extensive investment. I urge you then to examine Union Carbide's own long-term interests. What will be the consequences of continued insensitivity by this multinational and others to the legitimate aspirations and concerns of independent majority-rule countries throughout Africa? And, what happens when Southern Rhodesia inevitably has a democratic, majority-rule government—what will be the response of this government to Union Carbide's present stance in support of Ian Smith's illegal regime?

The implications and ramifications of all these questions deserve careful consideration and appropriate action by the stockholders of Union Carbide.

THE C-5: IT WORKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, military airplanes today are criticized time and again because they cost a great deal of money. But one thing that you do not hear much is a claim that the airplanes do not work as advertised.

A case in point is the C–5, the biggest operational airplane in the world. It cost a great deal of money, and it has been the subject of more controversy than any other military purchase I have ever heard of. But suddenly the critics are silent, and for a very good reason. The C–5 has been tested in a military emergency, and it works.

The Yom Kippur War last autumn created a large scale military emergency, demanding the immediate transfer of huge amounts of military stocks overseas. There was no time to wait for ships. It would have been impossible to accomplish the airlift with any other airplane than the C–5. And this airplane did the job. It proved itself as a long-distance, supremely reliable carrier of staggering amounts of cargo. We did not even have to call on all the C–5's that were available, to accomplish the mission of resupplying the Israeli army. In short, we were confronted with a tactical and strategic emergency, thousands of miles from home, and the C–5 worked as planned: it did the exact job that its designers called upon it to do.

You cannot argue with something that works, and the C–5 does just that: it works.

Mr. Speaker, I include in my remarks an article from National Aeronautics, detailing just how the C–5 did its job:

THE SAGA OF "FAT ALBERT"

(By Craig Powell)

When you're big and bulky and seem just too clumsy to ever get off the ground, it takes a lot of work just to fly. Faced with ridicule and abuse, it takes a lot more effort to become an aerial star. Walt Disney's famed elephant "Dumbo" discovered this the hard way. So did "Fat Albert," the U.S. Air Force's affectionate name for the world's largest aircraft, the Lockheed C–5 "Galaxy." But when all the dress rehearsals were over and it was time for the big performance, both Dumbo and Fat Albert not only flew; they stole the show.

For Dumbo it was star of the circus tent. For Fat Albert it was being a star over the Holy Land and mainstay of a gigantic airlift that became a strongly influencing factor in bringing about a cease-fire between the Arabs and the Israelis, a buffer Zone between the two, and peace talks in a lonely tent in the Egyptian desert.

Looking back in time, it was October 14, 1943 . . . Over the skies of southern England the B–17 "Flying Fortresses" of the 8th Air Force assembled to begin the now famous mission against the Third Reich's ballbearing factories at Schweinfurt, Germany.

Exactly three decades later, October 14, 1973, airborne behemoths, the U.S. Military Airlift Command's Lockheed C–5 Galaxies, began a massive airlift to resupply Israel with vitally needed weaponry at the height of the Yom Kippur war.

It would be difficult to finitely measure the success of the Schweinfurt bombing raid. Not even the historians can yet postulate in the absolute. But some facts are known. The 8th Air Force suffered the greatest casualties of any mission of World War II; 63 aircraft, over 630 combat crewmen lost. But soon thereafter, German tanks began to grind to a halt. Aircraft of the Luftwaffe were being grounded. Nazi ships and submarines were failing to go to sea. The Fatherland's factories, began to lay fallow; in fact, everything that required ballbearings was ceasing to function.

In like manner, it would be difficult today to finitely measure the success of the Israeli airlift. That, too, will be for later historians to determine. Yet again certain facts are known. No aircraft were lost. But, already, there are strong indicators that the C–5A's have paid off, not only as cargo carriers, but as instruments of national policy directly contributing to the Mideast cease-fire and possibly to a more lasting peace.

When the recent Yom Kippur war began, the Arab nations were well stocked and supplied with the weaponry of war. Almost from the beginning, the Soviet Union started its best sea and airlift resupply to the Arab ports and airfields.

Faced with massive attrition of supplies and equipment, it appeared Israel would quickly lose the conflict through the classic military principle of "too little—too late." But world observers had failed to take cognizance of Fat Albert and the C–V's capability to play "catch-up" ball.

Once the billion-dollar United States resupply to Israel was underway, at least one Russian observer read the writing in the desert sands. Watching the freshly supplied Israeli tanks and equipment spearhead across the Suez Canal, the Soviet is reported to have commented that from what he could observe of the Israeli resupply effort, Cairo and the Arab armies were in imminent danger of being overrun and would do well to negotiate a cease-fire immediately.

Unlike the 1967 conflict, the Yom Kippur war of the waning days of 1973 was not an Israeli pre-emptive strike born of fear of an onslaught by the Arab nations. This time the Israelis were struck without warning from across the Suez and in the Syrian Golan Heights.

Following the initial shock, the Israeli forces rebounded to take the initiative on both fronts. But again the battle was different from 1967. This time the Arab armor and air forces were intact and the task of destroying them was costly to the Jewish state.

Quickly the war developed into one of attrition with Israel in dire need of resupply. Tel Aviv urgently called on its mentor, the United States, for help.

Unfortunately for the Israelis, their pleas for assistance came at a time when the two superpowers were conducting power politics behind the scenes. The Soviet Union was enjoining the U.S. to move with the USSR into the battle area in sufficient military strength to force a cease-fire. The United States found such incursion into the middle-east unacceptable.

At the same time, Secretary of State Henry Kissinger and Washington were entreating the Russians to go along with the U.S. in placing a two-nation clamp on all resupply to both antagonists. This proposal met with obvious Soviet declination, as the Russians had on October 10, only four days following the outbreak of hostilities, begun a massive airlift to the Egyptian/Syrian military forces. With such one sided support, it was clear Israel could not sustain its military operations and the war could come to a speedy close with the Arab armies prevailing.

If, as President Richard Nixon and the U.S. National Security Council believed, an ending of hostilities in the middle-east and hopes for a peace, however uneasy, lay in a military balance, then a substantial American effort was needed to pump vitality back onto the weakened Israeli forces.

The National Security Council and the Pentagon made its decision on October 13 and nine hours later, operation "Nickel Grass" was underway. The first of what was to become a steady stream of C–5 and C–141 jet transports of the Military Airlift Command was loaded and airborne. At roughly 10 p.m., October 14, 1973, a C–5 Galaxy flanked by F–4 Phantom-jets in Israeli battle dress, touched down at Tel Aviv's Lod Airport. The first of the "Nickel Grass" aircraft and the first C–5 to ever operate on a mission to Israel was carrying 193,916 pounds of military cargo.

Three-and-a-half hours later, the aircraft had been unloaded, serviced and the Galaxy was airborne, enroute back to the United States.

On November 14, 33 consecutive days of airlift had been completed flying a daily average of almost a thousand tons of critically needed weapons, ammunition, spare parts, medical supplies and other material. There had been a total of 421 C–141 and 145 C–5 missions. The C–5's had delivered some 10,800 tons in 4,880 flying hours while the C–141 Lockheed "Starlifters" brought in 11,500 tons in 13,620 flying hours for a total of 22,300 tons of combat equipment in 566 missions.

The figures themselves are impressive. Yet, for a genuine insight into the manner in which Fat Albert met the test requires a more detailed examination of that Israeli aerial pipeline supply route.

As the massive airlift began, the United States' NATO allies quickly ducked for cover rather than be caught up in the middle-east conflict. Despite the fact that the conflagration was being waged on the NATO southern flank, the European nations sought sanctuary in aloofness.

Not only did they refuse to make NATO equipment available for resupply to Israel, but they closed all U.S. occupied airfields in Europe to airlift operations in support of the Israelis. Thus, the U.S. Military Airlift Command had to cope with a round-robin route of more than 14,000 miles, a task that the C–5 could still have accomplished by restricting its payload or by means of airrefueling carrying maximum tonnage (the C–5 is the only U.S. jet transport with a refueling capability).

Fortunately, Portugal allowed the U.S. to utilize facilities at the Azores in the Atlantic from which the MAC aircraft could stage its flights into Lod International Airport at Tel Aviv. Though the stage lengths were still in excess of 4,000 miles, the C–5 alone airlifted approximately two-thirds the total amount tonnage moved by the competing Russian airlift which had been in operation since the fourth day of the war and over stage lengths averaging only 1,700 nautical miles.

By November 2, the U.S. aerial resupply had equaled the achievements of the Soviet airlift to the Arabs using AN–12's and AN–22's. Together with the smaller C–141's, the C–5's transported 22,395 tons over the 7,500 route to the mid-east in Soviets in 934 missions. Though the C–5 flew only 145 of the 566 missions, it accounted for nearly 50 percent of the total tonnage or 10,763 tons of cargo.

But total tonnage itself was merely the cake itself. The frosting came in the form of the C–5's, 36 percent fuel savings over the smaller C–141 and in the fact that the C–5 on many of its missions was carrying what it termed "outsized" cargo. It was for just such a contingency of airlifting outsized cargo that Fat Albert was designed and built. And when the chips were down, the C–5 came through with even its severest critics sitting up to take notice.

As the world's largest aircraft, the Lockheed C–5 Galaxy is almost as long as a football field and stands as high as a six-story building. The cargo compartment is 121 feet long, nineteen feet wide, and thirteen feet 6 inches high; or roughly the size of an eight-lane bowling alley.

So, despite the "slings of outrageous fortune" hurled at the C–5 during its development stages—despite all of its growing pains—when the real world called on the Galaxy to do the job, Fat Albert came through. It not only accomplished the job it was designed to do, it proved it was also the only aircraft in the world that could.

During the Israeli airlift, outsized cargo that could not have been airlifted by any other plane in the world was gobbled up in the cavernous storage compartments of the C–5's. The latest of the United States' heavy tanks, the M60 main battle tank and the M48 tank along with supplies and ammunition to sustain them rolled aboard the C–5's. Sikorsky CH–53 helicopters went on board without the necessity of being completely disassembled. Self-propelled howitzers and armored personnel carriers rolled on and off, fore and aft as the gargantuan C–5's unique landing gear knelt to accommodate them almost at ground level. Even full tail sections for the McDonnell Douglas A–4 attack bombers were airlifted in to permit rapid repair of the A–4's sustaining damage from Soviet built surface-to-air missiles. Operating under semi-wartime conditions, the C–5 accomplished its mission with a logistics reliability rate of 95.7 percent between the Azores and Israel.

Meeting crews at Lod International Airport, Premier Golda Meir spoke for the people of Tel Aviv and Israelis throughout the nation. Referring to the C–5 airlift, she vowed, "For generations to come all will be told of the miracle of the immense planes from the United States."

As stated, not even the airplane's most ardent critics, and there have been many, would fault the quality of the airlift the C–5 provided the mid-east. But the story runs deeper.

Because of that airlift resupply, the Israeli armed forces were able to continue on the aggressive, free of the certain knowledge that their munitions, weapons, and other supplies were rapidly dwindling.

With fresh stockpiles available, they were able to continue their drive to the outskirts of Damascus in Syria. With the Syrian front under control the Israeli commanders shifted the full force of their armies to the west, drove across the Suez to entrap the Egyptian Third Army in a pocket encompassing both sides of the canal.

It was perhaps because the Egyptian commanders and President Sadat recognized that with this type of resupply, the Israelis would have the capability of winning the war on the battlefield that led to the cease-fire and the ultimate peace negotiations.

It is perhaps more likely that, behind the scenes, the Soviets also recognized the handwriting on the wall. This recognition was probably the principal factor in the USSR's decision to cease its ultimatum unilaterally to move into the mid-east with military forces and instead to join the United States in pressuring both antagonists (Arab and Jew) to come to the conference table.

These are assumptions of many mid-east watchers. Again, only the historians of the future will be able to validate them. But one military fact of life is clearly evident and has been since the cease-fire went into effect; the U.S. C–5/C–141 airlift altered the course of the Yom Kippur war.

Interestingly, Fat Albert's portion of the airlift was carried out by some 51 of the total force of 79 C–5's in the Air Force inventory. The remaining Galaxies, though they could have been fruitfully employed in the airlift, were tied up elsewhere.

There seems little question that the mid-east airlift would have been greatly enhanced had the Pentagon acquired the full 115 aircraft originally programmed rather than cut production back to 81 planes; an action that Cong. Melvin Price said the U.S. would one day live to regret.

If Disney's "Dumbo" had problems getting his tiny wings to lift his enormous pachyderm's body off the ground, they were nothing compared to the growing pains suffered to Fat Albert as he struggled through his early development stages. The Galaxy suffered the tortures of the damned.

Few weapon systems being developed across the technological boundaries have been quite so badly maligned as the C–5. All sorts of demeaning labels were hurled at the plane, including "The Flying Fraud of All Time," which was one of the few occasions on which its detractors were willing to concede the C–5 would actually get airborne. A phrase of the time was that the C–5 had become "Proxmired down in a morass of charge, countercharge and innuendo".

Unfortunately, it was a time when the wolves were howling about the expense of defense procurements. Because of its size, the Galaxy made an excellent target and the wolves snapped hardest at its heels. The new giant Bird became a *Cause Celebre* for Congressional and public critics.

On Capital Hill, Senator William Proxmire led the pack. And from out of the labyrinth of the Pentagon, came a civil servant, A. Ernest Fitzgerald, who established one of the first of the currently vogue "Washington leaks" to the Proxmire Committee. Unfortunately, there was just enough of the chlorine of truth in the water from Fitzgerald's spigot to make it seem potable.

Just enough in fact, that the "Fitzgerald Case" has in itself remained a current news item for over half a decade. The Air Force, piqued at lack of loyalty, abolished Ernest's high-paying Pentagon position in a Reduction of Force. Fitzgerald yelled "foul" and claimed the Air Force was conducting a personal vendetta because he had told the truth about mismanagement of the C-5 program.

Fitzgerald ultimately had his day in court and the Civil Service Commission ruled his dismissal had not been in keeping with CSC doctrine and directed the Air Force to reinstate him.

The Air Force complied. (Fitzgerald now maintains that he has been pigeon-holed in a do-nothing job, has sued for $3.5 million and the pot continues to boil.) What has not as yet been clearly established is if whether Fitzgerald's charges were based on altruistic concern over "cost growth" of the C-5 or mal-contention with the Air Force, Lockheed, or both. At any rate, the journalistic "30" is still to be added to the anecdote of A. Ernest Fitzgerald.

Countering Fitzgerald and the critics, Larry Kitchen, President of Lockheed Georgia Company, builders of the C-5, has his own opinions which he told to NATIONAL AERONAUTICS in personal interview. While admittedly he speaks from a company position, NATIONAL AERONAUTICS found that most Air Force airlift officials conversant with the C-5 history tend to basically concur with Kitchen's evaluation.

According to Kitchen, the C-5's traumatic experiences stemmed from a never-before-tried-or-tested conceptual development technique. Neither Total Package Procurement nor "concurrency" contained sufficient flexibility to be a viable concept in the development of an aircraft system that was to cover a nine-year program and require advances in the technological state of the art. The TPP contract was probably the single most responsible factor in the cost growth of the C-5 which led to its reputation for excessive cost overruns and such misnomers as the "billion dollar bilking." Under the contract there was no way to affect reasonable and timely trade-offs on cost, schedules, or performance.

"Because we knew we would probably run into problems of unknowns, a repricing formula was written into the contract designed to protect the government investment and the contractor against catastrophic loss or windfall profit. These were the provisions the opponents of the program called the 'Golden Handshake'.

"Actually, because of a divergence of interpretations between DOD and Lockheed resulted in a legal dispute that was never carried to the Board of Appeals, these provisions were never properly used. A requirement levied against Lockheed to put up the multimillion dollars to keep the production line flowing mandated that Lockheed accept a restructuring of the TPP contract to a fixed-loss cost-reimbursement type contract supposedly pegged at $200-million. Overall, Lockheed, either directly out of pocket, or through missed opportunities, dropped on the order of well over $300-million on the C-5."

But this type of pragmatic evaluation of the program was little understood by the general public because of far more flamboyant and dramatic vignettes along the way which were the delight of the media.

Just as "Dumbo" was laughed at and ridiculed in his first attempts to fly, Fat Albert had more than his share of downright embarrassing incidents that caught the eye of the press. So embarrassing, in fact, that Fat Albert's visored nose blushed to the same rosey hue as Dumbo's face in the circus tent. That they were insignificant in the development of such an aircraft was inconsequential.

This is not to say that the C–5 did not have its share of real troubles.

But Fat Albert's biggest problem was an overwhelming penchant for making headlines under the most ludicrous conditions. For a while, it seemed that whatever "Albert" did was destined to end up in banners on the front pages and heading the television newcasts, with pictures to match. Most of them added up to "John Q. Citizen's Fed Up With Billion Dollar Bellyfull". And all made good editorial copy.

Poor Fat Albert. With full fanfare and bands playing, the delivery of the first "operational" C-5 was made in June 1970 to Charleston, South Carolina. Extensive ceremonies were arranged with local VIP's and politicians in attendance. On hand to officiate, with his abundant shock of silver hair flowing in the breeze, was Congressman H. Mendel Rivers, audacious Chairman of the House Armed Services Committee. At the controls of the first aircraft was General "Smiling Jack" Catton, then Commander of the Military Airlift Command.

Following a spectacular flyby of the reviewing stands and before a full contingent of press and television representatives, Fat Albert made his approach for landing. But unknown to General Catton in the cockpit, "Murphy's Law" had overtaken Fat Albert (Murphy's Law postulates if a part can be improperly installed on an aircraft, sooner or later, someone will install it the wrong way). In this case, a retainer ring on one of the 28 wheels of the landing gear had been improperly seated.

As the giant aircraft touched down for landing, the wheel spun off the bird. Like an errant cub romping ahead of the pack, the wheel bounded down the runway outdistancing the slowing aircraft—also making for fantastic picture coverage for still and motion cameras alike.

Actually, the high flotation landing gear of the C-5 had been specifically designed for rough landings in the forward battle areas and loss of one wheel was no serious incident. In fact, General Catton never knew the wheel was gone until his copilot saw it cavorting down the runway and told the general. If anything, it resulted in improved checklist procedures in the operation of the aircraft. But at that moment, with the media in search of another C-5 story, it could have well been the "Titanic" going down again.

Coolest cat on the flight line was veteran Chairman L. Mendel Rivers who was deluged by the press. "What catastrophic portents lay in the lost wheel," he was asked. Replied Rivers, "It meant the aircraft landed on the 27 wheels left."

But even this spectacular display of showmanship was not to end Fat Albert's affinity for the press. He was back for an encore about a year later.

Still faced with no room for trade-offs, and to meet weight restrictions, the builders put the C-5 through a massive structures redesign, the use of extensive chemical milling of metal and the use of titanium fasteners. Weight was saved at great expense but the changes also had a tendency to close the engineering margin for error in calculating stress levels that are normally built into all aircraft.

This was one of the factors responsible for the fatigue difficulties that have so far kept the C-5 from reaching a life expectancy of 30,000 flying hours. "Known changes, however," contends Kitchen, "will extend the expectancy to 15,000 to 20,000 hours of the initial requirements; a contention, then-Secretary of the Air Force Robert Seamans supported.

And therein lies Albert's next tragedy/comedy. One of the causes of metal fatigue discovered was in pylon truss fittings supporting the General Electric TF-39 engines. The fittings were redesigned for aircraft still coming off the line and the rest of the fleet scheduled for retrofit during periodic inspections.

Unfortunately, one of the early production aircraft with high flying hours was caught behind the retrofit "power curve." On September 29, 1971 Fat Albert made the front pages again.

The aircraft could not probably have taken off and flown its runway of the C-5 training base at Altus, Oklahoma. As the crew standardly brought the engines up to full power, the truss fittings on one pylon failed allowing the engine to separate. The engine still developing maximum power took off like a gyrating skyrocket, climbed to approximately 200 feet of altitude before arching back over the aircraft to come to rest alongside the runway.

Again, the incident was relatively minor as the entire fleet was already scheduled for modifications. But, from a news coverage standpoint, one would have thought man had first split the atom.

The aircraft could most probably have taken off and flown its mission without further incident except that flight safety procedures precluded. So the world will never know if Fat Albert could have taken off with one of its four engines completely missing.

Summing the whole C-5 picture, Lockheed's Larry Kitchen philosophizes, "It is a shame that an advanced technology aircraft such as the capable C-5 was forced to take the undeserved criticism it did. This has not only hurt Lockheed and the whole aerospace industry but the Air Force as well.

"Further, most of the valid criticism was caused by the inflexibility of the untried concept of total package procurement. Certainly, there would have been a cost growth due to inflation and technology problems but TPP increased the costs beyond proportion.

"But, let's not cry about the problems of the C-5. We must realize that sophisticated weapon systems, pushing technological frontiers, cost money. If we have a valid requirement for say a C-5, B-1 bomber, or a new fighter, let's find the money and build it.

"If we, as Americans, feel we can't afford the costs of advanced technology weapon systems, then let's drop operational performance requirements of the aircraft to meet the costs we feel we can afford. The point I'm trying to make is, wisely spend the money necessary to advance the technological state of the art to meet national needs or build airplanes designed to the technology available with a recognized risk in our national defense posture."

Now the problems of the C-5 are mostly behind. It is today a battle-tested veteran that has proven the concept of a heavy logistics aircraft that can move outsized cargo such as tanks and helicopters into critical areas that lack sophisticated logistics handling equipment. As its name implies, the Galaxy has established itself in the "star" category and like Dumbo commands the respect of all as it cavorts in the "top of the tent."

So the C-5 stands ready for its next curtain call. In the meantime, the Pentagon continues with other advanced aircraft programs; specifically, the F-15 air superiority fighter and the F-16 light weight fighter.

Nothing is quite as fool-proof as use of the test tube under laboratory conditions. But you can't fly aircraft in a test tube. However, in the case of its two new fighters the F-15 and F-16, the Air Force did the next best thing. Both aircraft made their first airborne flights in the safest possible environment to assure they got off the ground and back to earth again with the least possible danger. What environment was that? Why in the belly of "Fat Albert," of course. . .

PAYROLL TAX RELIEF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, Massachusetts State Senate has joined the Massachusetts State House in passing a resolution memorializing the U.S. Congress to adopt the provisions of my bill, H.R. 12489, which would provide payroll tax relief for millions of American workers by increasing the taxable wage base under social security and providing for Federal participation in the cost of the social security program.

Mr. Speaker, the resolution was guided through the Massachusetts Senate under the able leadership of Senator Joseph B. Walsh of Boston, who time and time again demonstrates a keen perception of the problems facing the common working man and woman. I praise the action taken by the Massachusetts Senate, whose members have joined their colleagues in the House in focusing in on a matter of growing national concern.

I include the resolution in the RECORD at this point:

RESOLUTION

(Resolutions memorializing the Congress of the United States to enact legislation amending the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs)

Whereas, There is pending before the Congress of the United States a bill H.R. 12489 which if enacted into law would amend the Social Security Act and the Internal Revenue Code of 1954 to provide for federal participation in the costs of the Social Security Program, with a substantial increase in the contribution and benefit base and with appropriate reductions in Social Security taxes to reflect the federal government's participation in such costs; and

Whereas, Said bill would grant tax relief to every wage earner with an income of twenty thousand dollars or less; and

Whereas, It is the sense of the Massachusetts Senate that, in these times of severe inflation, every means should be employed to increase the spendable income of working people; and

Whereas, Said bill, in addition to aiding the workers, would lower the cost of doing business for employers; now, therefore, be it

Resolved, That the Massachusetts Senate urges the Congress of the United States to enact into law H.R. 12489; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of Congress and to each member thereof from the Commonwealth.

Senate, adopted, April 25, 1974.

ILLINOIS IMPEACHMENT PETITIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of Illinois. Mr. Speaker, today, the country is uneasy. This past week has seen the revelation of Presidential material which has served to heighten the country's desire for the truth about the Watergate scandal. The volume of documents, containing page after page of apparent plotting by White House officials, has not lessened this country's anxiety to seek and find the truth.

The word "impeachment" is being sounded loudly from one corner of the Nation to the other. And not because anyone is out to "get" the President as has been suggested. Very simply put, Mr. Speaker, while the people in the White House were busy trying to hide their involvement in Watergate, trying to save each other from the juries and from justice, not once considering the effect of their actions on the American people or on our system, hundreds of thousands of Americans were calling for explanations and the truth.

Their voices are being heard in every city in the Nation including here in Washington, D.C. And so I have presented today to representatives of the House Judiciary Committee, petitions bearing the names of more than 90,000 residents from the State of Illinois. These citizens have placed their names among those who are calling for impeachment of President Richard Nixon as the only way to determine the facts about a scandal which threatens our very system of government.

The names were collected by impeach Nixon committees and the American Civil Liberties Union and given to me in Chicago recently. I was asked to deliver the petitions to the Judiciary Committee so they and all the Congress might know how many Americans feel about the current state of the leadership of this Nation.

We cannot ignore the problem in hopes that it will go away in time. We cannot concede that the system may be so morally bankrupt that justice will never be served and we cannot continue hearing the same tired phrase, "One year of

Watergate is enough." We have already had almost 2 years of Watergate and we have not yet reached the truth. At least not the kind of truth which will satisfy 90,000 people in my home State.

It is often heard that Americans should take their minds off Watergate and instead think about what is right with America. Well, one of the things that is right with America is her system of justice. It works when it is allowed to function freely, unfettered by other branches of Government, open to all the people with all the facts laid out on the table for all to see.

This is the way America works best. And if the Judiciary Committee is allowed to proceed unhampered then shortly we, and millions of Americans, shall know the truth.

REQUEST FOR MODIFIED RULE ON THE OIL AND GAS ENERGY ACT OF 1974

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, next week, the House of Representatives will be considering H.R. 14462, the Oil and Gas Energy Tax Act of 1974 as reported by the House Ways and Means Committee. The committee's bill makes almost no changes in the tax treatment of foreign oil operations.

The continuance of the foreign tax credit for oil is indefensible. Over the past several decades, oil companies generated $4 billion in excess foreign tax credits; $16 billion will be generated this year alone through the new oil pricing systems. These excess foreign credits do not contribute to energy independence and in fact drain away precious capital for investment elsewhere.

As a sponsor of legislation to repeal the intangible drilling expense on foreign operations and change the foreign tax credit on oil companies from a credit to a deduction, I hope to obtain a modified rule to permit a vote on this amendment.

Pursuant to the modified closed rule procedure adopted by the Democratic caucus, 62 Members of the Democratic Party of the House of Representatives have today requested a special meeting of the caucus to consider a resolution providing that the rule for House consideration of H.R. 14462 make in order an amendment to be offered by myself.

Following is the full text of the substitute amendment which will be debated in the caucus and hopefully passed by the full House of Representatives:

AMENDMENT TO H.R. 14462 OFFERED BY MR. VANIK

Page 36, strike out section 201(b) and section 202 (beginning on line 17 and ending on page 49, line 14) and insert in lieu thereof the following new subsection:

(b) Treatment of Intangible Drilling and Development Costs in the Case of Foreign Oil and Gas Wells.—Section 263(c) (relating to intangible drilling and development costs in the case of oil and gas wells) as amended by section 102(c) of this Act, is further amended by adding at the end thereof the following new paragraph:

"(3) Denial of deduction in the case of foreign oil and gas wells.—

"(A) In general.—In the case of any foreign oil or gas well, no deduction shall be allowed under this subsection for any intangible drilling and development cost which is properly chargeable to capital account.

"(B) Foreign oil or gas well.—For purposes of this subsection, the term 'foreign oil or gas well' means any oil or gas well which is not located in the United States or in a possession of the United States."

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1973.

Sec. 202. Denial of credit and allowance of deduction with respect to foreign taxes on foreign oil and gas extraction income.

(a) Foreign Tax Credit.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (f) as subsection (g) and by inserting immediately after subsection (e) the following new subsection:

"(f) Denial of Foreign Tax Credit With Respect to Foreign Oil and Gas Extraction Income.—

"(1) In general.—No credit shall be allowed under this subpart for any income, war profits, or excess profits tax paid or accrued (or deemed to have been paid) during the taxable year to any foreign country with respect to foreign oil and gas extraction income.

"(2) Foreign oil and gas extraction income defined.—For purposes of this subsection, the term 'foreign oil and gas extraction income' means the taxable income derived from sources without the United States and its possessions from the extraction (by the taxpayer or any other person) of minerals from oil and gas wells.

"(3) Denial of carryovers to years after December 31, 1973.—The amount of taxes paid or accrued (or deemed to have been paid) to any foreign country with respect to foreign oil and gas extraction income for any taxable year ending before January 1, 1974, shall not be deemed under section 904(d) to be paid or accrued in any year ending after December 31, 1973.

"(4) Exception by Treaty.—The denial of credit under paragraph (1) shall not apply to such extent as may be provided by any treaty ratified by the United States after the date of the enactment of this subsection.".

(b) Deduction for Foreign Taxes Paid or Accrued.—Section 275(a) (relating to certain taxes not deductible) is amended by adding at the end thereof the following new sentence: "Notwithstanding paragraph (4), a deduction shall be allowed for any income, war profits, or excess profits taxes imposed by the authority of any foreign country to the extent credit is denied by section 901(f) (relating to denial of foreign tax credit with respect to foreign oil and gas extraction income)."

(c) Technical Amendment.—Section 901 (e)(2) (relating to foreign taxes on mineral income) is amended by striking out "extraction of minerals" and inserting in lieu thereof "extraction of mineral (other than minerals extracted from oil or gas wells)".

(d) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1973.

Page 36, line 3, the section heading for section 201 is amended to read as follows:

Sec. 201. Repeal of percentage depletion, and denial of deduction for intangible drilling and development costs, in case of foreign oil and gas wells.

RAYMOND J. PEACOCK

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the people of the northwest side of Chicago, an area that I have been privileged to represent, have lost one of its outstanding citizens. Yesterday Mr. Raymond J. Peacock, who was known on the northwest side of Chicago as "Mr. Republican," passed away.

He was the publisher of the Peacock Northwest Newspapers, a group of 13 city and suburban neighborhood newspapers which have served the people of our area for over 50 years.

Ray Peacock played a formidable role in the Republican Party of our State, and especially in our country, and was for a period of over 40 years, one of its most powerful leaders.

The passing of Ray Peacock is a tremendous loss to our community and he will be greatly missed. I want to extend my deep sympathies to the people of his staff and to his family which includes several nieces and nephews.

An article from the May 7 Chicago Tribune about Mr. Peacock's life and accomplishments follows:

RAYMOND J. PEACOCK: NEWSPAPER CHIEF ON NORTHWEST SIDE DIES

Raymond J. Peacock, 86, the wiry, cigar-smoking "Mr. Republican" of Chicago's Northwest Side, died yesterday in Swedish Covenant Hospital.

He was publisher of Peacock Northwest Newspapers, 2319 N. Milwaukee Av., a group of 13 city and suburban neighborhood newspapers, a thriving enterprise that he built over a 50-year publishing career. He continued active management of the newspapers up until he entered Swedish Covenant Saturday.

From the 1930s to the rise of the Democratic machine of Mayor Daley. Mr. Peacock was a formidable political power in the 10 Republican wards of the Northwest Side. He served for most of that period as Republican committeeman for the old 39th Ward and he was the political whip for the other wards.

He was a small, wiry and handsome man who always wore his hat in the office and usually had a cigar in his mouth. He had strong Republican opinions, and he even refused to accept lucrative political advertising supporting Franklin D. Roosevelt.

He often said of his newspapers that "we publish ink, not mud," and he refused to make official editorial endorsements of candidates—with one exception. In the last elections he published a front-page endorsement of Daley, whom he believed to be a man so good for the city that he deserved the support even of "Mr. Republican."

Mr. Peacock ran unsuccessfully for Congress, state legislator, and county assessor.

His main political contribution was in organizing weak Republicans into a tight, strong party. In his heydey he was able to virtually handpick candidates for major offices, and was appointed supervisor of collections for the Chicago area for the State Revenue Department in the early 1940s.

Born in the Jefferson Park area of Chicago, he entered the newspaper business as a newsboy at age 10. He later entered the advertising phase of the business, and in 1923 he bought the North West News and subsequently established other newspapers in city and suburban neighborhoods.

He lost much of his ward power base when the Northwest Expressway cut thru the 39th Ward and drove scores of Republican households to the suburbs. From 1961 to 1970 he served as a member of the board of the Chicago Transit Authority.

Survivors include several nieces and nephews.

VOTER REGISTRATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Puerto Rico (Mr. Benitez) is recognized for 5 minutes.

Mr. BENITEZ. Mr. Speaker, during the consideration by the House of H.R. 8053, the Voter Registration Act, I intend to offer an amendment which the House of Representatives, and indeed the Government of the Commonwealth of Puerto Rico have requested me to submit. The amendment simply involves exempting the Commonwealth of Puerto Rico from this particular legislation.

The amendment does not deal with the merits of the bill itself but with the demerits of making it extensive to Puerto Rico. None of the evils that the proposed legislation tends to correct prevail in Puerto Rico. As the committee reported:

> The purpose of the bill is to encourage increased voter participation in the electoral process.

The committee report further indicates:

> The major impetus for legislation in this area has resulted from the emerging concern over the steady decline in voter participation in our national elections over a number of years. During the hearings by the Subcommittee on Elections of the House Administration Committee, statistics were offered by various witnesses to the effect that voter participation in presidential elections has dimished from 64% of the voting age population in 1960, to 62.9% in 1964, 61.8% in 1968, and most recently, to approximately 55% in the 1972 presidential race.

I am happy to advise you that the Congressional Research Service of the Library of Congress has informed my office that Puerto Rico has the highest registration percentage anywhere under the American flag, 95.61 percent for 1972. The Census Bureau has advised the Congressional Research Service that the voting-age population of Puerto Rico for 1972 was 1,627,000. By election time, 1,555,504 or 95.61 percent were registered. Only three States came anywhere close to this high percentage; Maine with 92.4 percent, South Dakota with 90.4 percent, and Utah with 90.1 percent.

If we move now to the election itself we find that 1,308,950 citizens voted in the 1972 elections. This means that 84.14 percent of those registered, voted and that 80.4 percent of the total population 18 years and over exercised their suffrage. This is a voting record higher than that prevailing in any State of the Union and fully 25 percent higher than the average for mainland United States.

Under the circumstances, I hope my amendment will be favorably received and acted upon.

The amendment follows:

> Amendment to H.R. 8053, as reported offered by Mr. Benitez: Page 13, line 21, strike out "the Commonwealth of Puerto Rico,".

COMPENSATION BENEFITS FOR DISABLED VETERANS

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record.)

Mr. HANLEY. Mr. Speaker, I am pleased to support this measure providing for a vitally needed increase in compensation benefits to our Nation's service-connected disabled veterans and their families; and to the families of those who gave their lives in our Nation's service.

In recent months the problems of our Nation's veterans have been particularly prominent in the news. Many speeches have been delivered here in this Chamber on the plight of those veterans who left the battlelines of Vietnam only to return to the unemployment lines of America. Numerous speeches have also been delivered on the problems facing veterans who are trying to get a decent education through the GI bill. But when the rhetorical fog cleared, we found that the veteran who needed the most was the veteran who complained the least, the disabled veteran.

Today we are faced with a measure that can do so much for those who have given so much.

Today we can move to free our disabled veterans and their families from the rampages of inflation. Today we can move to give them the assistance they need to make ends meet. Today we can move to give these veterans the benefits they deserve.

Therefore, I call on my distinguished colleagues to approve this measure and reaffirm our strong commitment to our Nation's veterans.

THE CITY OF ONEIDA—ROOM TO GROW

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, the most recent edition of the New York State Department of Commerce magazine, Business in New York State, contains two excellent articles related to the 32d Congressional District, which I am privileged to represent.

The first article deals with the city of Oneida, and second outlines the business and industrial opportunities presented by the historic Delaware and Hudson Railroad. With my colleagues permission, I would like to share these articles with the readers of the Congressional Record:

Oneida—Room To Grow

"We are definitely interested in industrial development and we have 22.5 square miles within our city limits—that's the third largest city land area in the state," says Oneida Mayor Herbert Brewer.

"As you can see, we have plenty of room for industry to grow," he adds enthusiastically.

And grow it does in Oneida, a pleasant Madison County city of almost 12,000 that is very nearly the geographical bullseye of New York State.

A good example is Tele-Com Industries Corporation, which maintains its home office and Specialized Products Division—the firm's sales and marketing arm—in Oneida. TIC in 1966 averaged $35 a day total sales; the firm recorded $8 million in sales during fiscal year 1973. Tele-Com products—refuse shredders, car crushers, engine pullers, hydraulic cranes and more—are distributed throughout this nation and Canada.

Smith-Lee Company, Inc., celebrated its 75th year in 1973. One of the leading designers and manufacturers of single-service disposable table service products, this longstanding Oneida firm boasts a range of paper products they consider to be unexcelled in the industry. The firm operates in nearly 150,000 square feet of production space, plus a warehouse nearly as big, in the city.

Compared with Smith-Lee, Oneida Molded Plastics Corporation is a relatively new Oneida industry, having arrived in 1964—but this high-quality custom injection molder has been expanding ever since. Today, about 90 work in the firm's 36,000 square foot plant, 12,000 of which has been added in the last two years. Oneida Molded injection molds thermoplastic parts for many of the state's and nation's top manufacturers, including General Electric, Xerox, Eastman Kodak, neighboring Oneida Ltd., and many more.

Northeast Dairy Co-op (NEDCO), a federation comprising local dairy farmer cooperatives in New York and Pennsylvania, maintains an ultra-modern aseptic food processing plant in Oneida, at the heart of a major milk producing area of New York State, where it produces milk and milk and food products. Constructed in 1964, it has been expanded several times to accommodate many of the nation's leading food distributors. Aseptic processing, a relatively new technique, serves to eliminate, or render inactive, bacteria contained in a raw product.

There are many more thriving businesses and industries in Oneida, a city which actually traces its early history and owes much of its growth and success to an industry—Oneida Ltd.—and the Oneida Community out of which it arose.

The old Oneida Community was a religious and social society founded here in 1848 by John Humphrey Noyes and his followers. When the Community turned to the manufacture of silverware in the 1850's, an industry was born. Today, Oneida Ltd. manufacturing is done in adjacent Sherrill, but the firm's headquarters is still located across from its historic and picturesque "Mansion House" in Oneida.

Oneida was not incorporated as a city until 1901, although settlers first arrived as early as 1834. The origin and development of the ensuing community was engendered by the construction of Syracuse and Utica railroad lines through the locality, first known as Oneida Depot. It grew rapidly from that point, and was incorporated as a village in 1848.

Oneida today is a far cry from the days when it was merely a dining stop for trains, as per an agreement by the original settler, Sands Higinbotham. He had demanded this condition in return for his giving the railroad company the needed lands.

Retail activity is at a high water mark. Four bright, new shopping centers and a busy downtown area serve a trade population of some 45,000.

Oneida is well situated. State routes 5, 46 and 365A pass through the city, and two New York State Thruway interchanges are nearby. Major airports are within a 30-mile radius at Syracuse and Utica-Rome. Truck and railroad freight service is handy, and a Barge Canal terminal is conveniently near the city.

Educational facilities are first class. There are four grade schools, a junior and a senior high school, and a parochial school, as well as grade schools in outlying communities. Eight colleges—including Syracuse and Colgate Universities—are within a 30-mile radius. The community is home to Madison-Oneida BOCES Area Occupational Center.

Another new building, destined to become an Oneida landmark, was finished in 1972—the 128-bed Oneida City Hospital, a $5 million, 105,000 square foot structure. This was phase I of a three-phase total operation—phase II to involve conversion of the former downtown hospital to an extended care facility of 110 beds, scheduled for use in late spring of 1974, and phase III to include rehabilitation of nurses residences and a personnel recruitment program.

Oneida is known as "A Bit of America at its Best." Close by is beautiful Oneida Lake, with the sprightly resort village of Sylvan Beach and a state park at Verona Beach. Largest inland lake in the state, Oneida is noted for fine fishing, boating and swimming. Vernon Downs, one of the nation's most modern harness raceways, is also near to the city.

Cottage Lawn, the original early 19th century Higinbotham home, houses the Cottage Lawn Historical Museum under the auspices of the Madison County Historical Society, and contains county historical memorabilia. Held here are Crafts Days in September, an annual feature of the Society. One of the largest events of its kind in the nation, Crafts Days feature traditional craftsmen demonstrating age-old skills that were a part of a lifestyle long past—blacksmithing, broom making, sheep shearing and a host of other yesteryear activities.

Cottage Lawn is Oneida's yesterday. City Hall is today. The supermodern structure has housed all of Oneida's offices and public facilities since its completion in 1968.

Mayor Brewer is a dairy farmer in this dairy-conscious area. He and city officials are progressive. An ambitious six-year capital improvement program, including downtown revitalization, was begun in 1972 that will lead to an even more modern, up-to-date Oneida upon completion.

"There are nice attributes to a small city like ours," he notes. "We are near the big cities and great educational and recreational areas, yet we keep a pleasant personality of our own. It's nice to live in Oneida."—A.C.H.

A Good Place for Industry on the D. & H Line

Delaware & Hudson's romance with New York State industry began in 1823 with the canalling of coal from the Pennsylvania hills to New York City.

Today, a host of New York State industries belong to the Delaware & Hudson Railway Company's "on-line" family. The industrial development section of D&H is an integral part of its overall traffic, marketing and sales effort, and all D&H personnel are keenly aware that a viable, solvent railroad depends to a large extent on its attractiveness to industry.

D&H's message to industry is that it is a strong, forward-looking railroad — large enough to fill the needs of any firm, regardless of size, yet small enough to tailor service.

In fully recognizing industry's need for quality, customized rail service, D&H offers a varied fleet of modern, specialized freight equipment as well as flexible local freight and switching services and closely coordinated scheduling of 14 daily run-through freight trains. D&H service territory is linked with all parts of the continent, and it maintains direct connection with 12 other railroads.

New York State firms which have recently located on-line include Agway, Inc., with a new plant in Salem, Washington County, and plans for another in Voorheesville, near Albany; H. K. Webster in Bainbridge, Chenango County; Tampax Inc. in Willsboro, Essex County; Wickes Corporation in Menands, Albany County; Fleetwood Enterprises in Saratoga Springs, Saratoga County, and Country Club Acres, a private warehousing complex in Ushers, Saratoga County.

D&H's largest single on-line shipper is International Paper Company, with its huge mills in Ticonderoga and Corinth, and D&H's principal cargo is paper and paper products.

The reasons for industries choosing New York and D&H are varied, but, in addition to the state's plentiful labor force and equitable state tax programs, reasons most cited were its excellent transportation position and availability of lucrative markets for their products.

An on-line firm that is a case in point is Fleetwood, the nation's second largest mobile home producer. When choosing a site on which to locate its 60,000 square foot facility, Fleetwood put good transportation high on its priority list. The firm builds only to dealer order and ships throughout New England and Pennsylvania, as well as instate. A D&H rail spur also allows the company to receive carload shipments of lumber and insulation.

"Our industrial development department works closely with the New York State Commerce Department, local chambers of commerce and private industry groups with the view of locating industry on the more than 1,000 miles of D&H railway in New York State," states Thomas E. O'Brien, D&H's vice president of sales and industrial development.

D&H is far more than just industrial development in New York State, however. Last year, the firm celebrated its Sesquicentennial, underscoring its claim of being the oldest continuously operated transportation firm in North America. For 151 years, D&H has been a productive corporate citizen of New York State, playing an active role in every community in the 13 upstate counties it serves—good neighbor, taxpayer, consumer of local products, and a just and fair employer of some 1,850. The firm vigorously promotes the scenic beauty and natural and human resources that abound along its line.

D&H began as the Delaware & Hudson Canal Co. and represented the solution to a vexing problem: how to market recently discovered Pennsylvania anthracite coal in the then rapidly growing city of New York. A canal was the answer—from the Delaware Valley across country to the Hudson Valley and on to the City. The project, 108 locks in 108 miles, was complete in 1828.

The company's first railway led from the terminus of the canal to the mines at Carbondale. These were "gravity" trains. Coal cars were hauled up over the hilly terrain by stationary steam engines and winches, allowed to roll down gentle grades, and on in that manner to Honesdale, where the canal took over.

Steam locomotives were devised to combat the flat stretches on this type of system and the first of these was the famous *Stourbridge Lion*. It was spectacular, but unsuccessful. Its weight was too much for the then primitive track structure. But, it marked a historic beginning.

The steam era was here, and, although D&H operated its gravity line and canal for some time, several steam lines were built in 1860 and the firm began to expand into vast new markets, unhindered by the seasonal and geographic considerations that dictated its canal operation.

D&H leased two existing systems—the Albany & Susquehanna and the Rensselaer & Saratoga—and then, in the 1870's, embarked on a construction program designed to extend their rails all the way to Canada along Lake Champlain. This line, completed in 1875, gave the company direct rail access from the mines to the markets of upstate New York, New England and Canada.

Coal production continued to grow, and more and more of it was being shipped via rail. The D&H canal operation was shelved completely just before the turn of the century and the firm, now entirely in the railroad business, concentrated on bigger and better locomotives, as well as installing automatic signals and improving track.

1907 began a period in D&H history of unparalleled growth and success under President Leonor F. Loree, a wizard of both railroad management and high finance. He rebuilt, re-equipped and made shrewd investments, all of which raised D&H's prestige in the industry to new highs. Many innovations in locomotive design and building were accomplished under his leadership that became standard practice in later day locomotives.

D&H management, perceptive to change, knew that the age of coal was drawing to a close and steps were taken in the 30's to reduce the firm dependency on this commodity. A program was initiated that transformed the firm into a high-speed "Bridge Carrier," specializing in rapid movement of overhead carloads received from one connection and delivered to another.

The firm's motto, "A Century of Anthracite Service," soon became "The Bridge Line to New England and Canada."

After World War II, the era of the diesel began, with its concomitant modernity and efficiencies. It soon became, for all railroads, the source of survival in the post-war age. D&H's last steamer plied the tracks in 1953, ending 134 years of steam operation. A fleet of 179 diesels took over at D&H.

Today. the Delaware & Hudson's equity is owned by Dereco, Incorporated, a railroad holding company formed by the Roanoke, Virginia-based Norfolk & Western Railway, one of the East's most prosperous and progressive trunk line systems.

A firm alliance with business and industry has marked D&H's recent history. In the words of Carl B. Sterzing, Jr., D&H president and chief executive officer:

"The opportunities for industrial development of the many prime sites which are available along our own routes, coupled with the cooperation of the state's aggressive Commerce Department and increasingly favorable tax climate, gives D&H a sound base to plan for its customers' future with optimism as America's oldest continuously operated transportation business firm."

COLOCATION OF COUNTY AGRICULTURAL AGENCY OFFICES

(Mr. MELCHER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MELCHER. Mr. Speaker, on November 7 last year I put in the Congressional Record for the information of Members the background papers concerning the Department of Agriculture plan to colocate county agricultural agency offices in multicounty centers across the Nation.

The background papers revealed a plan to reduce the number of agency offices by 800, cut employes from 3,500 to 5,000 by attrition, and centralize 4,500 county offices in 2,200 locations.

Today I am putting in the Record a new directive about the big location scheme which was sent out to all States on April 25, advising the State Administrative Committee which were planning the State colocations that the June deadline for developing their plans has proved impractical, that implementation of the scheme would have to be phased over several years, and that only a limted number of noncontroversial colocations should be undertaken on a pilot basis after checking with everyone concerned, including congressional delegations.

To be sure that any pilot colocations are acceptable to everyone, the State administrative committees are told to get the approval of the agency head in the State, discuss them with agricultural related agencies and the public if they deem this proper.

Only if there are no unresolved issues after necessary review are the agency heads to submit a single, pilot colocation to the Steering Committee in Washington for discussion with congressional delegations prior to Washington approval of the pilot move.

People who have read the new memorandum to the State administrative committees regard it as an announcement that USDA is reverting to the old tempo of colocating county agricultural agency offices as they individually prove acceptable to everyone concerned.

Colocation has been going over for more than a decade. Many county Farmers Home, ASCS, and Soil Conservation offices have been centralized into a single building in a single town without any big drive that would dislocate and inconvenience thousands of farmers, employees, and disrupt operations. That will go on, but apparently the big, get-it-done-now drive is over.

The three-page memo which I shall insert in the Record, my informants say, amounts to an instruction to field personnel to forget about the big crash program to cut locations in short order, and avoid rocking the boat. What will happen after the November election is rather obviously up to the electorate.

The new directive follows:

Department of Agriculture,
Office of the Secretary,
Washington, D.C., April 25, 1974.

Subject: Revision of Agricultural Service Centers program guidance.

To: State Administrative Committee.

Thru: Kenneth E. Frick, Administrator, ASCS; Edwin L. Kirby, Administrator, ES; Melvin R. Peterson, Manager, FCIC; Frank B. Elliott, Administrator, FHA; Kenneth E. Grant, Administrator, SCS.

During the past few months guidelines for state service centers plans and for operation of centers (revised draft of operational guidelines will be forwarded under separate cover) have been developed; each SAC has been visited at least once by representatives of the Department; and extensive contacts with field personnel, public officials and groups, and other individuals interested in the service centers program have occurred.

As you know, the service centers program objective is to establish for the future an effective modern complex of offices, co-located locally and with agencies working cooperatively to better serve our clients. Such centers would be capable of providing agricultural and rural clients everything they should expect from their Government in the way of services rendered by the Department and cooperating agencies. The program must and will be built on the successes of the past.

The purpose of this letter is to inform you of the restructuring of the procedures for implementing the U.S. Agricultural Service Centers Program and to develop a common footing as we proceed into an initial pilot phase of the program.

RESPONSIBILITIES

1. The Steering Committee has recently reaffirmed the primary role that each Agency Head and his SAC representative have in this program. The Agency Heads have responsibility for directing the development and implementation of the service centers program, through, and in cooperation with, each SAC. In all aspects of the service centers program, it is important for SAC members to maintain close liaison with their Agency.

2. To assure that the service centers are capable of providing the maximum range of services to our clients, the Steering Committee strongly urges that State Directors of Extension participate in all phases of the service centers program. Secretary's Memorandum No. 1492 is being revised to reflect that State Extension Directors are full members of SAC's with the right to hold offices.

3. The Office of Operations, in cooperation with designated agency representatives, will assist in the liaison between the Agencies and the Steering Committee. ASCS, ES, FCIC, FHA and SCS will provide representatives to work with the Office of Operations on this program.

PROGRAM PLANNING

The state plans called for in the Guidelines for Developing State Plans for U.S. Agricultural Service Centers should be viewed and treated as simply a framework in which short- and long-range objectives for each state are set forth. Like any comprehensive planning process which extends objectives over several years, the state plan should be a fluid one which would be reviewed and updated periodically to reflect the dynamic changes which our society and client groups are certain to witness over the next few years.

We must recognize that the implementation of the Service Centers Program will be phased over several years, and each SAC should accommodate such phasing in the planning process. Therefore, each SAC should continue to develop a sound, comprehensive planning framework over a longer period of time than originally envisioned. The June deadline has proved to be unrealistic and submission of a complete state plan as called for in the Guidelines for Development of State Plans for U.S. Agricultural Service Centers is not a requirement during this pilot phase.

Each SAC should recommend as soon as possible a limited number of service center sites to be operated on a pilot basis.

SITE SELECTION FOR PILOT SERVICE CENTERS

1. Many SAC's have indicated that they now have some co-located sites that with modification may satisfy the service centers concept. Also, some SAC's have indicated they have situations in which decisions on construction, leases, etc., must be made now or in the near future. From these, each SAC should select a limited number that have the greatest potential for becoming service centers. Prime consideration should be given to those locations where other agricultural-related agencies are interested in co-locating.

2. Each SAC should contact other agricultural-related agencies and discuss with them the benefits of co-location for better services for farmers, ranchers, and other rural clients.

SUBMISSION PROCESS

1. Each SAC member should submit to his Agency Head those proposed sites that the SAC is recommending as pilot service centers with the information requested on the Attachment.

2. Agency Heads will coordinate the review of each proposed location and concurrence will be given, prior to any public or formal announcement, to each SAC for only those locations which show the greatest potential for satisfying the centers concept. Should SAC members have questions concerning the suitability of a particular site they should contact their agency designated representative.

3. After receiving Agency Head concurrence for recommended pilot service center sites each SAC should discuss the proposal with affected employees and employee groups and, at its discretion with public groups interested in USDA activities. If no unresolved issues remain after necessary review, the Agency Head will submit the proposal to the Steering Committee.

4. The Steering Committee will discuss recommended pilot sites with Congressional delegations prior to approval.

5. Each SAC will be informed of those sites approved as pilot center locations and the procedures to be followed in implementation.

6. After sufficient operation of initially approved pilot service center sites, additional pilot centers may be recommended by the SAC's.

It has been quite apparent that each of you has devoted long and hard hours from your normal pressing duties to develop a sound planning foundation for the USDA field structure within your respective states. While this is a difficult assignment requiring substantial inputs of your time, each of you is contributing substantially to the future of USDA's field delivery system. We must continue building on the Department's solid record of achievement in serving farmers, ranchers, and others in rural America.

Joseph R. Wright, Jr.,
Assistant Secretary for Administration.

Note: Secretary's Memorandum 1492 is being amended in accordance with the above. For matters other than those covered under existing agency responsibilities, SAC's may contact any of the following concerning SAC problems.

Personnel Matters: Sy Pranger, Office of Personnel, x73858.

General Administrative Matters: John Keaney, Office of Operations, x73937.

Service Centers: Richard Hadsell, Office of Operations, x74071.

INTRODUCTION OF EQUAL CREDIT LEGISLATION

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, the Supreme Court has held that a person's sex is an impermissible criteria on hiring and promotion practices. Clearly, the Court has, in a number of decisions, stated its position—laws which disable women from full participation in the political, social, and business arenas are no more acceptable in American life than laws struck down in years past for perpetualing invidious racial and ethnic discrimination.

Similarly, there is no reason for credit discrimination on account of sex or marital status in today's society. Yet, there is considerable evidence that points to discrimination against women with regard to institutional credit policies.

In May of 1972 the National Commission on Consumer Finance held hearings on the availability of credit to women in response to numerous allegations of discrimination. At those hearings witness after witness including Members of Congress, State and Federal officials, private citizens, and representatives of women's and civil rights groups, described how women with different income and marital status have trouble getting, or are actually refused credit otherwise available to men. It was documented at those hearings that: Single women have more trouble in obtaining credit than single men; creditors require women, upon marriage, to reapply for credit in their married name; a wife's income is not counted when a married couple applies for credit; and divorcees and widows have trouble establishing credit in their own names. As Betty Howard, of the Minnesota Department of Human Rights described the situation:

> If you're married and in your childbearing years, you're a bad credit risk; if you're divorced, you're a bad credit risk; if you're single, you're a bad credit risk. Men are bad credit risks when they don't pay their bills. Women—just because they are women!.

These frustrations come at a time when our social and economic institutions are supposedly becoming responsive to the needs of women. How can we consider this a just society when a majority of Americans are discriminated against, as in the following examples:

> An unmarried Minneapolis woman in her early 30's applied to a bank for a loan to purchase a summer home. She had enough cash to make a substantial down payment and was steadily employed, but her loan application was turned down. Yet her fiancé, who had gone through bankruptcy, had no trouble in securing a loan to purchase the very same property with a smaller down payment.
>
> An Illinois woman in her 40's, the head of her household, wanted to buy a home for herself and her children. She was told that to get a mortgage she would have to ask her 70 year old retired father, who was living on a pension, to cosign the loan.

Women are the victims of the illogical view, held by loan officials and many others, that women are of marginal economic value. How could this be so when women comprise over 37 percent of the work force; when over 50 percent of all women between the ages of 16 and 64 are in the labor force; when 22 percent of all married women are in the labor force; or when 14.6 percent of all mothers with children under the age of 18, and 30 percent of all mothers with children under the age of 6 are in the work force; or when 44 percent of all women living with their spouses work; or when 6.2 million heads of household are women? This is not a temporary trend according to the U.S. Department of Labor, which foresees a 70-percent increase in female participation in the work force during the next decade. Surely it is obvious that women are making substantial contributions to the growth of the Nation's economy. Women deserve a measure of economic freedom equal to their important contribution to America's GNP. It is not enough to be allowed to participate in the work force, or even to dominate the consumer market. Women must also be given the right to enjoy the benefits that accompany hard work—benefits such as the ability to borrow money on a par with men.

In October 1973, responses to a survey by the D.C. Commission on the Status of Women revealed that more than one-fourth of the mortgage lenders in Washington, D.C., who replied said that they discriminated against female applicants. In a companion survey, the Commission found that department stores still discriminate against women in their charge account policies. The president of the New York State Bankers Association told a legislative hearing in New York City in October 1973 that banks did discriminate against women but that—

> There is no conscious policy of discrimination. It's just that the bank officers are operating the way they did twenty years ago.

It is time those bankers realize that we are living in the 1970's not the 1950's. Old myths that women are economically irresponsible have been shattered and to continue to assume that women are bad credit risks simply on account of their sex is base discrimination.

As early as 1941, a study conducted by David Durand for the National Bureau of Economic Research concluded that women were indeed better credit risks than men. In a 1973 study by the Oregon Student Research Group this conclusion was reaffirmed, with the additional finding that an applicant's marital status was not a reliable determinant of credit worthiness.

Extension of credit should not be based upon sex or marital status but rather upon realistic criteria developed from an assessment of the individual's financial, employment, and personal qualifications and not because of a class trait. Although several States have enacted Equal Rights Amendments, existing laws have not been totally responsive to the problems of women in securing equal credit rights. The answer must be national legislation, setting uniform rules prohibiting credit discrimination.

Today I am introducing legislation that would prohibit discrimination in credit transactions for personal or business purposes. This legislation would make it unlawful for any credit institution to discriminate against any individual on account of sex or against any business enterprise on account of the sex of an individual or group of individuals controlling the enterprise. With respect to the issuing of credit, the bill would require that, if both spouses are to be liable for the loan, both incomes must be taken into account. Furthermore, a credit institution would be prohibited from assuming that the income of an individual would be unstable because of the marital status or sex of the individual. In all cases, violators would be subject to civil penalties.

My bill would also require prompt justification by the credit issuer explaining why either credit was denied or renewal refused to an individual. Compliance with the regulations of this law would be enforced under section 8 of the Federal Deposit Insurance Act.

The unique and perhaps most important aspect of my bill is the specific inclusion of business enterprises within the protective umbrella of the anti-discrimination law. Since more and more women are going into business we must assure to them the ability to secure the same financial assistance that similar male dominated organizations have access to.

I believe these measures would go far in correcting this invidious form of discrimination and I urge the appropriate committee of the House to take prompt and favorable action on this bill.

FEDERAL RESERVE BANK ECONOMIST CALLS FOR PAYROLL TAX CUT

(Mr. BURKE of Massachusetts asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to call attention to the excellent article on payroll tax relief by Alicia Munnell, an economist with the Federal Reserve Bank of Boston.

Although we do not entirely agree on the means to achieve a reduction of the regressive social security tax, we certainly are in agreement concerning the fundamental issues that the excessively high rate of the payroll tax poses for the low and middle income segments of the work force.

I commend Ms. Munnell's excellent analysis to the attention of the House. She is to be commended for focusing in on a matter of increasing concern to millions of American workers.

PAYROLL TAX RELIEF

(By Alicia Munnell*)

As the second largest source of Federal revenue, payroll taxes, earmarked to finance social security, have a significant effect on the distribution of income. These taxes are levied on earnings without exemptions or deductions and consequently even those below the poverty line are taxed. It is ironic that while attention has been focused on the plight of the working poor, the payroll tax has been permitted to take a rapidly growing chunk out of the earnings of low-income families.

This article examines in detail a straightforward solution to the increased burden of social security financing—extending to the payroll tax the personal exemption and low-income allowance currently available under the personal income tax. This type of proposal, which has been advocated in recent publications of the Brookings Institution, was introduced as legislation in 1971 by Senators Muskie and Mondale but did not reach a vote.

The main purpose of the following discussion is to emphasize the small revenue loss involved if the value of the exemptions is allowed to decline as income rises. Under the preferred scheme a family of four would pay no payroll tax until its income reached $4300, a reduced tax between $4300 and $8600, and above $8600 the same tax as under current law. This plan would cost about $4 billion at 1974 levels, which could be recouped either by changes in the payroll tax (i.e., raising the tax to a combined employer-employee rate of 12.4 percent or increasing the ceiling on earnings subject to tax to $18,000) or preferably, through a transfer of personal income tax revenues to the social security trust fund.

Part I takes a close look at the payroll tax and its growth in recent years. In Part II, the proposed reform is described in detail and compared to other plans. In the third section, the practical and administrative feasibility of introducing the plan is investigated.

I. THE NATURE OF THE PROBLEM

The payroll tax rate in 1974 is 11.7 percent of wages and salaries up to a maximum of $13,200. (See Table 1.) Half the tax is paid by the employer and half is paid by the employee.[1] There are no exemptions or deductions, which means that even those below the poverty line pay taxes. The tax also places a very heavy burden on those just over the poverty line. In fact, for a family of four with total income under $7100 social security taxes exceed personal income taxes. In short, the payroll tax is a significant burden for low-income families.

The problem of the payroll tax is particularly acute since it is not only the second largest Federal tax but also the fastest growing. As shown in Table 2, for 1974 the payroll tax should amount to over $70 billion, representing more than a five-fold increase since 1960. The growth in dollar receipts of the payroll tax has been paralleled by its growing importance as a revenue source. In 1950, the payroll tax accounted for only 5 percent of all Federal receipts, but its share of revenues has doubled every 10 years since then. In 1974, the payroll tax will raise close to 25 percent of Federal revenues. In contrast, the personal income tax will raise 44 percent and the corporation income tax 17 percent of Federal receipts.

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*Economist, Federal Reserve Bank of Boston.

[1] For the self-employed the rate is 7.9 percent on the first $13,200 of earnings.

TABLE 1.—BASIC DATA FOR THE PAYROLL TAX, 1969–74

Calendar year	Total OASDHI[1] contributions (billions of dollars)	Maximum taxable earnings	Earnings in covered employment			
			OASDHI[1] tax rate (percent)	Total (billions of dollars)	Taxable (billions of dollars)	Taxable total (percent)
1969	$36.1	$7,800	4.8	$508	$406	80
1970	39.5	7,800	4.8	536	418	78
1971	43.9	7,800	5.2	564	428	76
1972	50.1	9,000	5.2	620	483	78
1973	64.6	10,800	5.85	684	564	82
1974	71.0	13,200	5.85	737	632	86

[1] OASDHI stands for Old Age, Survivors' Disability and Health Insurance.

Source: Actual data from "Social Security Bulletin," vol. 36, No. 3 (March 1973) table Q–3, p. 76; 1973 and 1974 estimates from Social Security Administration.

TABLE 2.—FEDERAL RECEIPTS, CALENDAR 1950–74

[In billions of dollars]

	1950	1960	1970	1973	1974 (estimate)
Personal income tax	18.1	43.6	92.2	114.5	129.5
Corporation income tax	17.0	21.7	31.1	49.8	50.2
Payroll tax:					
Social Security (OASDHI)	2.7	11.9	39.7	64.6	71.0
Other[1]	3.2	5.8	9.8	15.5	16.5
Indirect business and nontax receipts	8.9	13.5	19.3	21.0	25.4
Total	49.9	96.5	192.0	265.4	292.6

[1] Includes unemployment insurance, contributions to the railroad retirement system, and civil service retirement.

Source: "Economic Report of the President 1974," table C–68, p. 309; "Social Security Bulletin," Annual Statistical Supplement, 1971 and "Social Security Bulletin," vol. 36, No. 9, September 1973.

II. ALTERNATIVE PROPOSALS

Studies have revealed that substantial payroll tax relief could be provided to low income individuals with only moderate cost in terms of foregone revenues.[2] This section begins with a comparison among the 1971 revenue losses of three alternative ways of applying exemptions and low-income allowances currently available under the Federal personal income tax to the payroll tax. Next, approaches are investigated for raising compensating revenues through a) higher payroll tax rates, b) raising maximum taxable earnings ceilings, or c) general revenue financing. The conclusion thus reached is that a slowly "vanishing" exemption with losses made up by a transfer from individual income tax revenues is the most desirable combination.

Alternative plans for exemptions and deductions

All three plans considered below insure that families pay no payroll tax until their incomes exceed the exemptions and low-income allowance granted under the income tax. They differ only with respect to how fast the exemption is reduced and consequently how far up the income scale tax relief is extended. These plans will be characterized as 1) a flat exemption, 2) a slowly vanishing exemption, and 3) a quickly vanishing exemption. Simple numerical examples based on a family of four will clarify what is happening in each case.[3] For a family of four, the deduction will amount to $4300 which is the sum of four $750 exemptions and the $1300 low-income allowance.

Flat Exemption. For a family of four, the flat exemption will reduce taxable income by $4300. Families with incomes under $4300 will pay no payroll tax and families with incomes over $4300 will pay tax only on earnings in excess of that amount.

Slowly Vanishing Exemption. In the case of the slowly vanishing exemption, again families with incomes under $4300 pay no taxes, but now families over $4300 lose $1 of exemption for each $1 of earnings in excess of $4300. Therefore, by the time a family's income reaches $8600 the exemption has been reduced to zero and the full $8600 is subject to the payroll tax.

(Taxable income=8600—[4300—(8600—4300)]=8600)

Quickly Vanishing Exemption. Finally, in the case of the quickly vanishing exemption, the PTE is reduced by $5 for each $1 that earnings exceed $4300. Therefore, by the time earnings reach $5160, the payroll exemption has been reduced to zero and the full $5160 is subject to tax.

(TI=5160—[4300—5(5160—4300)]=5160)

The specific taxes paid by a family of four under the three alternative plans are presented in Table 3. All three plans insure that families with earnings of less than $4300 pay no taxes. Plan 1 (the flat exemption) extends tax relief all the way up the income scale. The second plan limits tax reduction to families with income under $8600. Finally, Plan 3 with the quickly vanishing exemption extends tax reduction only up to $5160. The third plan does suffer from the disadvantage of extremely high marginal rates, with the rate exceeding 35 percent as an individual moves from $4300 to $5160.[4]

TABLE 3.—TAX PAYMENTS FOR A FAMILY OF 4 UNDER 3 ALTERNATIVE PLANS

Earnings	Employee's contribution[1]			
	No exemption	Plan 1 flat exemption	Plan 2 slowly vanishing exemption	Plan 3 quickly vanishing exemption
$2,000	$117	$0	$0	$0
$4,000	234	0	0	0
$4,300	251	0	0	0
$4,500	263	12	23	70
$5,000	293	41	82	245
$5,160	308	50	101	302
$6,000	351	99	199	351
$8,000	468	216	433	468
$8,600	503	251	503	503
$10,000	585	333	585	585
$11,000	644	392	644	644
$12,000	702	450	702	702
$13,000	760	509	760	760
$13,200	772	521	772	772
Total cost (billions of dollars)		15	4	2

[1] Tax rate is 1974 level of 5.85 percent.

Source: Cost estimates made on the basis of estimates in J. A. Brittain, The Payroll Tax for Social Security (Washington, D.C.: The Brookings Institution, 1972), Ch. V. A rationale for applying Brittain's estimates to 1974 data is presented in the appendix.

The relative costs (bottom line of Table 3) of the three plans vary inversely with the rate at which the exemptions vanish.[5] The flat exemption, of course, is the most expensive, amounting to $15 billion, whereas the quickly vanishing exemption would cause the smallest reduction in tax revenue, costing only $2 billion. The estimate for the cost of the slowly vanishing exemption is $4 billion.

These cost estimates are considerably lower than figures presented by other authors,[6] because the deductions have been limited to the employee's share of the tax. This approach has been taken because the incidence of the payroll tax is an unsettled issue. In light of the controversy, this proposal limits tax relief to that portion of the tax where the impact is completely predictable and the benefit is sure to accrue to the low-income families. Extending the relief to the employer only raises the possibility that some of the foregone revenues may simply result in increased business profits.[7]

Although the cost estimates are quite rough, they probably give a reasonable picture of the relative magnitudes. Plan 2 is favored because it avoids the larger revenue loss of the flat exemption of Plan 1 and the high marginal rates of the quickly vanishing exemption of Plan 3.

Compensating for the revenue loss

As noted earlier, there are three ways to compensate for the revenue lost through the introduction of exemptions into the payroll tax—two involve changes in the payroll tax and one involves transfers from general revenues. The proposals are summarized in Table 4.

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[2] See Brittain, *The Payroll Tax for Social Security* and The Brookings Institution, *Setting National Priorities: The 1974 Budget*, pp. 60–62.

[3] In equation form, the three plans are as follows:

1. Flat exemption:
Taxable Income=Earnings−Payroll.
Tax Exemption (PTE).
PTE=$750×No. of Exemptions+$1300.
2. Slowly Vanishing Exemption:
Taxable Income=Equal Earnings—[PTE—(Earnings—PTE)] or $0.
3. Quickly Vanishing Exemption:
Taxable Income=Earnings — [PTE — 5 (Earnings—PTE)] or $0.

[4] The marginal tax rate is the change in taxes divided by the change in income. In the case of the quickly vanishing exemption, a family of four earning $4300 pays no tax, but a family earning $5160 pays $302. (See Table 3.) Therefore, the marginal rate is 35.1 percent.

Change in tax/Change in income=$302—$0/($5160—$4300)=$302/$860=35.1%

[5] The cost estimates are based on extrapolations of Brittain's calculations. See the Appendix for the methodology and justification for the final numbers. The numbers are very close to those presented in *Setting National Priorities: The 1974 Budget*, p. 61. These estimates are slightly higher—$15 billion versus $13 billion for Plan 1 and $4 billion compared to $3 billion for Plan 2.

[6] Brittain, *The Payroll Tax*, Chapter V.

[7] Economists generally argue that labor bears the full burden of the tax. (See for instance, Joseph A. Pechman, *Federal Tax Policy* (Revised Edition), (Washington, D.C.: The Brookings Institution, 1971), pp. 176–177.) For instance, the worker who would earn $4,550 in the absence of a payroll tax receives only $4,050 in disposable earnings. $250 of the reduction is due to a lower wage received from the employer and $250 is due to the payroll tax deducted from his earnings.

The economists' conclusion that the burden of payroll taxes falls completely on wage earners is based on an economic model that assumes perfectly functioning markets. How-

The first option is to raise payroll tax rates.[8] It would be necessary to increase the rate from the present combined employer-employee level of 11.7 to a new level of 12.4 percent. However, since the payroll tax is a regressive tax (even with exemptions), increasing the rates is clearly the least desirable of the three alternative methods of replacing the lost revenues.

A way of raising additional revenue from the tax, while also reducing the regressivity, would be to increase the ceiling on maximum earnings subject to the payroll tax.[9] Raising maximum taxable earnings from $13,200 to $18,000 should increase the tax base by approximately 5 percent, yielding an additional $4 billion at 1974 tax rates.[10] This $4 billion is enough to make up for the revenue loss from the exemptions.

A third means of making up the loss is to transfer revenues from the individual income tax. Taxing higher incomes is much more equitably accomplished under the income tax than under the payroll tax, since the former includes capital as well as labor income and has progressive rates. The transfers can be referred to as "contributions" made by government on behalf of the poor. This formality can thus help maintain the insurance analogy which has been so important to the widespread acceptance of the program.

TABLE 4.—ALTERNATIVE METHODS OF RECOUPING $4 BILLION IN REVENUES IN 1974

Proposal and required change in 1974

1. Raise the payroll tax rate—11.7% to 12.4%.
2. Increase the ceiling on maximum taxable earnings—$13,200 to $18,000.
3. Finance from general revenues—Transfer $4b. from personal income tax revenues.

SOURCE: Author's estimates. See footnotes in text.

III. ADMINISTRATIVE QUESTIONS

The question arises, "Is this proposal administratively feasible?" A closer look will reveal that the problems of introducing exemptions are relatively minor and that there is adequate precedent for transferring funds from general revenues.

Appropriations from general revenues have been made several times to finance specific provisions of the social security system. In 1947 and 1956, general revenues were used to finance the cost of gratuitous military service wage credits. In 1965, transfers were provided to finance Medicare benefits for persons not covered by social security and to help pay for the supplementary medical insurance. Another departure from payroll tax financing was introduced in 1966, when general revenues were appropriated to finance special OASDHI benefits to persons aged 72 before 1968, who were not covered by social security. Again in 1972, general revenues were appropriated to finance the cost of gratuitous wage credits for Japanese internees and to further finance the supplementary health insurance. Since income tax revenues have been transferred to social security frequently in the past, there should be no legal difficulty in appropriating general revenues to compensate for the introduction of exemptions and deductions.

The actual introduction of the exemptions and deductions should also be quite simple, building on the administrative apparatus of the income tax. Employees already have to fill out forms for income tax withholding indicating the number of exemptions to which they are entitled. This information can also be used to calculate the individual's withholding rate for the payroll tax.

If the "slowly vanishing" exemption were introduced, then the average weekly withholding would resemble the schedule presented in Table 5. Unlike the individual income tax, married persons and single individuals are subject to the same withholding schedule. The amount of the tax varies with the level of income and the number of exemptions. For families with a single worker, withholding according to this schedule should not present any problems, since the procedure is perfectly analogous to that employed with the individual income tax.

Some difficulties emerge when there are two workers in a family, because there is substantial underwithholding due to the high degree of progressivity in the tax at the low end. For instance, a family of four where the husband earns $5000 and the wife earns $3000 has a total liability of $8.33 per week or $434 per year. If the husband claimed three exemptions and the wife claimed one, withholding would amount to $3.26 and $2.14 respectively. This would represent a shortfall of ($8.33—$3.26—$2.14) $2.93 per week or $152 per year. To avoid this large lump sum payment, withholding should be adjusted. The worker, himself, could reduce the number of exemptions claimed on the basis of his expected family income or families with two workers could be disallowed one exemption. No matter which approach is taken, at the end of the year corrections for any remaining improper withholding can be made up either by credits or debits against the income tax or by filing a special return.

The problem of workers with more than one employer can be handled exactly as under the income tax. That is, if an employee claims exemptions with one employer, he is not entitled to claim the same withholding exemptions with his second employer. As is currently done with the payroll tax, both employers are required to withhold.

TABLE 5.—WEEKLY WITHHOLDING FOR PAYROLL TAX UNDER SLOWLY VANISHING EXEMPTIONS PLAN

Annual wages	Present withholding	Number of exemptions 1	2	3	4	5	6
$1,000	$1.12	0	0	0	0	0	0
$2,000	2.25	0	0	0	0	0	0
$3,000	3.37	$2.14	$.45	0	0	0	0
$4,000	4.50	4.39	2.70	$1.01	0	0	0
$4,300	4.84	4.84	3.38	1.69	0	0	0
$5,000	5.63	5.63	4.95	3.26	$1.58	0	0
$6,000	6.75	6.75	6.75	5.51	3.83	$2.14	$0.45
$7,000	7.88	7.88	7.88	7.76	6.08	4.39	2.70
$8,000	$9.00	$9.00	$9.00	$9.00	$8.33	$6.64	$4.95
$9,000	10.13	10.13	10.13	10.13	10.13	8.89	7.20
$10,000	11.25	11.25	11.25	11.25	11.25	11.14	9.45
$11,000	12.38	12.38	12.38	12.38	12.38	12.38	11.70
$12,000	13.50	13.50	13.50	13.50	13.50	13.50	13.50
$13,000	14.63	14.63	14.63	14.63	14.63	14.63	14.63
$13,200	14.85	14.85	14.85	14.85	14.85	14.85	14.85

Source: Author's estimates.

In summary, introducing exemptions and low income allowances into the payroll tax would pose only minor administrative difficulties. Furthermore, there have been ample precedents for transferring from general revenues to the trust fund.

IV. SUMMARY

income individuals. It makes no sense for

income individuals. It makes no sense for

the government to devise programs to help those below the poverty line and at the same time levy taxes on the meager earnings of this group.

Applying the personal exemptions and low-income allowance currently available under the individual income tax to the payroll tax would give relief to the working poor. Rough cost estimates indicate that this approach would be feasible and that revenues could be easily recouped within the general framework of the existing social security program. Payroll tax reform should be given the highest priority.

APPENDIX: BRIEF JUSTIFICATION OF COST ESTIMATES FOR PAYROLL TAX REFORM

The cost estimates are based on extrapolations of estimates presented by John Brittain in his recent book, *The Payroll Tax for*

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ever, in the face of powerful labor unions and large corporations, markets may not operate in a purely competitive fashion. Unions may resist long-term reductions in wages as payroll taxes increase. Also, companies will not allow increased payroll contributions to reduce their profits and in response are likely to raise the prices that they charge their customers. Therefore, it is popularly believed that while the employee's share of the tax is borne entirely by the wage earner, the employer's share is shifted forward in the form of higher prices to consumers. For a discussion of this effect, see Richard A. Musgrave and Peggy B. Musgrave, *Public Finance in Theory and Practice*, (New York: McGraw-Hill, 1973), pp. 352–355. In the end, the question of payroll tax incidence can only be settled by empirical analysis.

Some support for the hypothesis that labor bears the whole burden has been provided by Brittain, *The Payroll Tax*, Chapter III. For a criticism of this approach see Martin S. Feldstein, "The Incidence of the Social Security Tax: Comment," *American Economic Review* (September 1972).

[8] At 1974 levels, a revenue reduction of $4 billion implies a base decline from $632 to $597 billion. To recoup the $4 billion with the new $597 billion base, the tax rate would have to be increased from 11.7 percent to 12.4 percent.

[9] Complete removal of the ceiling would raise the question of extending benefits up the income scale, which would be a clear departure from social security's goal of providing "minimum" retirement support. Increasing the maximum to $18,000, however, can be dealt with within the existing benefit structure. See Joseph A. Pechman, Henry J. Aaron, and Michael K. Taussig, *Social Security: Perspectives for Reform* (The Brookings Institution: 1968), Ch. 4.

[10] Brittain, *The Payroll Tax*, p. 127. Under Brittain's plan 920A–1, raising the ceiling from $13,200 to $18,000 would increase the percentage of earnings subject to taxes from about 82 percent to 86.5 percent. Using this 4.5 percent figure for 1973 probably underestimates the increase in tax base since wages have risen from both productivity and price changes. Nevertheless, assuming earnings in covered employment totalled about $737 billion in 1974, a 4.5 percent increase would raise taxable wages by $33 billion. Applying the combined employer-employee rate of 11.7 percent would yield the additional revenues of $4 billion.

Social Security. Brittain presented cost estimates for 1964. The exemption plans he considered included $700 exemptions plus $200 standard deduction. Separate estimates were made for the costs under the three assumptions: 1) that the exemption did not vanish, 2) that it vanished slowly, and 3) that it vanished quickly. The cost estimates were based on a sample of 100,000 1964 individual income tax returns and the results were extrapolated to the full population. In a second stage, the detailed estimates for 1964 were used to derive approximate relationships for 1969. In 1969, the exemption plans amounted to $920 per Federal individual income tax exemption plus $200, so for a family of four the exemption would amount to $3,880.

The costs of the plans in 1969 were as follows:

Plan:	*Percentage revenue loss*
Nonvanishing exemption	49
Slowly vanishing exemption	13
Quickly vanishing exemption	7

Estimates for 1974 were made by extending the already sketchy 1969 projections a bit further. Brittain's exemptions were adjusted for increases in the Consumer Price Index from 1969 to 1974. The numbers are presented in Table A-1 for comparison with the exemptions allowed under our "slowly vanishing" exemption scheme. The Brittain proposal is considerably below the slowly vanishing exemption for small families; for large families, the relationship is reversed. Even though the structure of exemptions in Brittain's proposal differs from the slowly vanishing exemption scheme, the two are close enough to use his cost estimates as a starting point.

The 1969 cost estimates, though, probably should be reduced since the ceiling on taxable earnings has been increased from $7,800 in 1969 to $13,200 in 1974, and consequently, the proportion of revenue coming from the under $4,300 income group has declined. Reducing all the estimates by about 10 percent yields new estimates of 44 percent, 12 percent and 6 percent, respectively.

Furthermore, focusing tax relief only on the employee's taxes reduces the cost by one half, so that we end up with revenue losses of 22 percent, 6 percent and 3 percent, respectively. Applying these percentages to estimated 1974 tax revenues of $69.9 billion implies costs of $15 billion, $4 billion and $2 billion, respectively, for the three plans.

TABLE A-1.—VALUE OF EXEMPTIONS UNDER BRITTAIN AND "SLOWLY VANISHING" EXEMPTION PROPOSALS

Number of exemptions	1969 Brittain plan 920A-1	1969[1] Brittain in 1974 dollars	1974 slowly vanishing exemption
1	$1,120	$1,456	$2,050
2	2,040	2,651	2,800
3	2,960	3,847	3,550
4	3,880	5,042	4,300
5	3,800	6,238	5,050
6	5,720	7,434	5,800

[1] The CPI averaged 109.8 percent in 1969 and is expected to average 142.7 percent in 1974.

CONSTITUTIONAL GOVERNMENT BY THE PEOPLE OF THE VIRGIN ISLANDS

(Mr. DE LUGO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DE LUGO. Mr. Speaker, today I am introducing legislation for the organization of a constitutional government by the people of the Virgin Islands, and the drafting of a proposed Virgin Islands Federal Relations Act. This bill will prove to be of profound significance in the evolution of self-determination and the right of the people of the Virgin Islands to manage their own affairs. It is a fitting capstone to six decades of political, social, and economic development of the Virgin Islands, since their acquisition by the United States in 1917. I am pleased that Congressman PHILIP BURTON, the distinguished chairman of the House Interior and Insular Affairs Subcommittee on Territorial and Insular Affairs, has joined me in sponsoring this legislation.

Because of their strategic geographic location and magnificent natural harbors, the Virgin Islands have had a richly varied and colorful history since Columbus first arrived in the late 15th century. The Islands were a much contested prize in the colonial struggles involving France, England, Spain, and Denmark. The Danish West Indian Co. was chartered in 1671, and shortly thereafter Denmark began colonizing St. Thomas for the principal purpose of sugar production. St. John and St. Croix were purchased by Denmark from France in 1733, and except for a period of English rule during the Napoleonic wars, remained under Danish rule until 1917.

Although the United States had shown interest in acquiring the Islands as a naval base as early as 1865, it was not until World War I fears for the security of the Panama Canal, that negotiations for their purchase were successfully completed. The Virgin Islands were purchased for $25 million and officially became a U.S. territory on March 31, 1971. By Executive order, the islands were transferred from the jurisdiction of the Department of the Navy on March 18, 1931, and responsibility for their administration was placed under the supervision of the Department of the Interior.

From this brief sketch it may be seen that post-Columbian Virgin Islands history has been dominated by a multitude of colonial rule. This experience has been as diverse in its characteristics as the national backgrounds of the parent countries, and political philosophies of the particular period in time. Even in the relatively short span of jurisdiction under the United States there has been remarkable variation in local administration including that by the Navy, later the Department of the Interior, and presently under an elected Governor.

Notwithstanding the dominant part played by European colonial rule and later the administration of the territory by the executive departments of the U.S. Government, the people of the Virgin Islands have shown a remarkable aptitude for self-government. However, it was not until the passage of the Virgin Islands Organic Act in 1936 that this ability was formally acknowledged by the Congress. This document set forth the basic form of government, and articulated the relationships of the territory with the Government of the United States.

In the years since its initial passage, the Organic Act of the Virgin Islands has been amended many times. It was completely revised in 1954 and from that date it has been periodically expanded to provide ever greater self-government and self-determination for the people of the Virgin Islands. This process culminated in the passage of legislation in 1968 which provided for an elected Governor, and legislation in 1972 giving the territory an elected delegate to the Congress. During this time it has become increasingly apparent that rather than have Congress periodically amend the original act in a single issue, piece-meal approach a total systematic review and updating was required. It has also been recognized that, as with every State of the Union and the Commonwealth of Puerto Rico, a constitution should be adopted by the direct action of the people.

This recognition is reinforced by the fact that the period since the adoption of the 1954 amendments has coincided with a time of unprecedented population and economic growth as well as a markedly increased social and political maturity. The year 1954 also marked the passage by Congress of legislation designed to give the Virgin Islands the opportunity to realize its full economic potential. This combined with territorial legislation granting liberal tax exemptions and subsidies to new business and industry signaled the beginning of a broad range of commercial development.

At this same time the natural endowments of the Virgin Islands were "discovered" by vacation seekers from the U.S. mainland and the phenomenal growth of the tourist industry was started. The establishment of tourism as the major industry of the Virgin Islands was greatly enhanced by the expanding U.S. economy with increasing availability of disposable income, and faster and less expensive transportation made possible by the development of jet aircraft and modern cruise vessels.

While a dramatic increase in the prosperity of the islands has taken place, it has also brought with it the hitherto unknown social problems long experienced on the U.S. mainland. One of the most important means of resolving these new problems is through the adoption by the people of a constitution and Federal Relations Act based upon the needs of the times.

In 1972 a constitution and Federal Relations Act were drafted and submitted to the electorate of the Virgin Islands. However, despite the fact that there was no organized opposition, these documents failed to obtain an absolute majority of the votes cast as had been expected. Upon becoming the Virgin Islands first elected Delegate to the Congress, I conducted a poll to determine the feelings of the electorate regarding whether or not the constitution should be submitted to Congress. In response to my questionnaire, which involved a statistically large sampling, 76 percent of those replying indicated that they did not consider the proposed constitution ready for submission to Congress, while only 19 percent were in favor of submission, and 5 percent gave no answer.

After long and careful searching for the reasons the anticipated massive public support failed to materialize, I am convinced that this failure is largely attributable to the manner in which the delegates to the convention were selected. The 33-member convention was made up of the Virgin Islands Legislature with the remaining delegates chosen by the territorrial committees of each political party. The legislation I have introduced provides for the popular election of delegates to the convention, and this in turn will help insure that the documents they draft will be of, by, and for the people.

I am encouraged by the fact that the constitutional convention held in 1972 and the prior one which was convened in 1964 will provide the knowledge, experience, and general framework for expediting the work of the next convention. Thus, this new undertaking will start with the distinct advantage of being able to avoid the errors of the past and in a way which should encourage wide spread enthusiasm and popular debate.

In summary, my bill would authorize the Legislature of the Virgin Islands to call a constitutional convention to draft a constitution for the people of the Virgin Islands. The bill also provides that the constitutional convention shall draft a proposal dealing with all aspects of the relationship of the laws and Government of the United States to be entitled the "Proposed Virgin Islands Federal Relations Act." Upon completion of the Constitution it shall be submitted to the voters of the Virgin Islands who may approve it by a majority vote of the voters participating. It shall then be forwarded to the President for submission to the Congress where upon approval by a majority vote of those voting it shall become effective.

In addition, the bill provides that upon approval of the proposed Virgin Islands Federal Relations Act by a majority of the delegates to the convention, it shall be transmitted to the Congress. Upon approval of the constitution by the Congress, it shall then consider and adopt the proposed Virgin Islands Federal Relations Act to replace those laws specified by the Congress with respect to the Virgin Islands.

A recent editorial in a leading Virgin Islands newspaper offered the following insight—

> When the time does come for . . . the drafting of a constitution it should be done as free of the constraints of the status quo as possible. As we consider ourselves unique and distinctive, our constitution, which should embody our most ambitious potential as well as the realistic limitations of our islands, should speak directly with the voice of our people addressing our needs.

Mr. Speaker, the Virgin Islands are presently facing the greatest challenges in their long and distinguished history. I am certain that in the spirit of unity and common purpose our people can solve their problems and move on to a new era of accomplishment and prosperity. This new spirit will be forged and articulated through the drafting and adoption of a constitution with the full participation of all of our people. I, therefore, urge early and positive action by the Congress on my legislation authorizing the calling of a constitutional convention in order that the aspirations of the people of the Virgin Islands may be realized.

LEAVE OF ABSENCE

By unanimous consent to Mr. Helstoski (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Horton (at the request of Mr. Rhodes), today, after 3 p.m., on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Peyser) to revise and extend their remarks and include extraneous material:)

Mr. Findley, for 5 minutes, today.

Mrs. Heckler of Massachusetts, for 20 minutes, today.

Mr. Hogan, for 10 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Wyman, for 5 minutes, today.

Mr. Hechler of West Virginia, to address the House tomorrow, Wednesday, May 8, 1974, for 30 minutes.

(The following Members (at the request of Mr. Ryan) to revise and extend their remarks and include extraneous material:)

Mr. Diggs, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Murphy of Illinois, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Benitez, for 5 minutes, today.

Mr. Fountain, for 60 minutes, on May 16, 1974.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks was granted to:

Mr. Burke of Massachusetts, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $574.75.

(The following Members (at the request of Mr. Peyser) and to include extraneous material:)

Mr. Conlan in five instances.

Mr. Kemp in two instances.

Mr. Erlenborn.

Mr. Rhodes.

Mr. Hosmer in two instances.

Mr. Symms in two instances.

Mr. Robison of New York.

Mr. Steelman.

Mr. Winn.

Mr. Gilman in two instances.

Mr. Hogan in two instances.

Mr. Railsback.

Mr. Goldwater in two instances.

Mr. Steiger of Wisconsin.

Mr. Peyser in five instances.

Mr. Wyman in two instances.

Mr. Devine.

Mr. Hillis.

Mr. McCollister in six instances.

Mr. Roncallo of New York.

Mr. Shriver.

Mr. Robinson of Virginia.

Mrs. Holt.

Mrs. Heckler of Massachusetts.

Mr. Derwinski in three instances.

(The following Members (at the request of Mr. Ryan) and to include extraneous material:)

Mr. Obey in six instances.

Mr. Hungate.

Mr. Moorhead of Pennsylvania in 10 instances.

Mr. Downing.

Mr. Nix.

Mr. Mahon.

Mr. Waldie in three instances.

Mr. Dingell in two instances.

Mr. Brinkley.

Mr. Kyros in six instances.

Mr. Wolff in five instances.

Mr. Lehman in 10 instances.

Mr. Ford in two instances.

Mrs. Boggs.

Mr. Rarick in three instances.

Mr. Gonzalez in three instances.

Mrs. Grasso in 10 instances.

Mr. Leggett in three instances.

Mr. Harrington.

Mr. Anderson of California in six instances.

Mr. Roy.

Mr. Murtha.

Mr. Roybal.

Mr. Zablocki in two instances.

Miss Jordan.

Mr. Stuckey.

Mr. Burke of Massachusetts.

Mr. Burton.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 239. An act for the relief of Loretto B. Fitzgerald; to the Committee on the Judiciary;

S. 506. An act for the relief of Rosina C. Beltram; to the Committee on the Judiciary;

S. 1357. An act for the relief of Mary Red Head; to the Committee on the Judiciary;

S. 2220. An act to repeal the "cooly trade" laws; to the Committee on the Judiciary;

S. 2593. An act for the relief of Ioan Gheorghe Iacob; to the Committee on the Judiciary;

S. 2594. An act for the relief of Jan Sejna; to the Committee on the Judiciary; and

S. 3331. An act to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5759. An act for the relief of Morena Stolsmark;

H.R. 6116. An act for the relief of Gloria Go; and

H.R. 11793. An act to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1125. An act to extend through fiscal year 1974 certain expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; and

S. 2509. An act to name structure S-5A of the Central and Southern Florida Flood Control District, located in Palm Beach County, Fla., as the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, the first secretary-treasurer and chief engineer for the Central and Southern Florida Flood Control District.

ADJOURNMENT

Mr. RYAN. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p.m.) the House adjourned until tomorrow, Wednesday, May 8, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2287. A letter from the Secretary of Health, Education, and Welfare, transmitting the final annual report of Federal activities under the Vocational Rehabilitation Act, pursuant to 29 U.S.C. 39; to the Committee on Education and Labor.

2288. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of the Determination by the Acting Secretary of State that it is in the security interests of the United States to allocate $4 million in funds appropriated for security supporting assistance in fiscal year 1974 to provide assistance for the International Commission of Control and Supervision in Vietnam, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2413(a)); to the Committee on Foreign Affairs.

2289. A letter from the Acting Director of Legislative Services, Food and Drug Administration, Department of Health, Education, and Welfare, transmitting the annual report of the Food and Drug Administration for calendar year 1973; to the Committee on Interstate and Foreign Commerce.

RECEIVED FROM THE COMPTROLLER GENERAL

2290. A letter from the Comptroller General of the United States, transmitting a report on the need for increased use of value engineering in Federal construction; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1094. Resolution providing for the consideration of H.R. 8193. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels (Rept. No. 93-1029). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1095. Resolution providing for the consideration of H.R. 10337. A bill to authorize the partition of the surface rights in the joint use area of the 1882 Executive Order Hopi Reservation and the surface and subsurface rights in the 1934 Navajo Reservation between the Hopi and Navajo Tribes, to provide for allotments to certain Paiute Indians, and for other purposes (Rept. No. 93-1030). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 14610. A bill to review the present uses of public lands of the United States that contain energy resources and to determine which of these lands shall be reserved and which shall be developed; to the Committee on Interior and Insular Affairs.

By Mr. BOWEN:

H.R. 14611. A bill to direct the President to conduct a study of foreign investment in the United States and to report to Congress the results of such study, including in such study and report a comparison of implications of foreign investment in the United States with implications of foreign investment in other countries, and analysis of the regulation of foreign investment in the United States and in other countries, and a consideration of alternative policy options concerning foreign investment available to the United States, taking into account the U.S. national interest as it relates to the protection of domestic economic interest and to the fostering of commercial intercourse between nations; to the Committee on Foreign Affairs.

H.R. 14612. A bill to amend the Migratory Bird Treaty Act to guarantee a trial by jury for any person charged with a violation of the provisions of that act; to the Committee on Merchant Marine and Fisheries.

By Mr. BRASCO:

H.R. 14613. A bill to amend the Social Security Act to provide for minimum annual income (subject to subsequent increases to reflect the cost of living) of $3,850 in the case of elderly individuals and $5,200 in the case of elderly couples; to the Committee on Ways and Means.

By Mr. BURLESON of Texas (for himself, and Mr. Archer):

H.R. 14614. A bill to repeal the last sentence of section 861(c) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. DELLENBACK:

H.R. 14615. A bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers; to the Committee on Interstate and Foreign Commerce.

By Mr. de LUGO:

H.R. 14616. A bill to extend the Federal-State unemployment compensation program to the Virgin Islands and for other purposes; to the Committee on Ways and Means.

By Mr. de LUGO: (for himself and Mr. Burton):

H.R. 14617. A bill to provide for the organization of a constitutional government by the people of the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. DENT:

H.R. 14618. A bill to prohibit for a temporary period the exportation of ferrous scrap, and for other purposes; to the Committee on Banking and Currency.

By Mr. DRINAN:

H.R. 14619. A bill to amend section 303 of the Communications Act of 1934 to require that radios be capable of receiving both amplitude modulated (AM) and frequency modulated (FM) broadcasts; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN:

H.R. 14620. A bill to amend title II of the Social Security Act to provide that increases in monthly insurance benefits thereunder (whether occurring by reason of increases in the cost of living or enacted by law) shall not be considered as annual income for purposes of certain other beenfit programs; to the Committee on Ways and Means.

H.R. 14621. A bill to amend section 103 (c) of the Internal Revenue Code of 1954 to increase the exemption from the industrial development bond provisions for certain small issues from $1 million to $5 million; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 14622. A bill to reform and simplify the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. FORSYTHE (for himself and Mr. Lehman):

H.R. 14623. A bill to amend section 1201 of title 18 of the United States Code to clarify the intent of the Congress by creating a presumption that a person who voluntarily agrees to travel with another to a particular destination, but does not arrive at such destination after a reasonable period of time, is inveigled or decoyed, within the meaning of such section; to the Committee on the Judiciary.

By Mr. FROEHLICH:

H.R. 14624. A bill to eliminate temporary duties on bleached hardwood kraft pulp; to the Committee on Ways and Means.

By Mr. HANLEY:

H.R. 14625. A bill to amend the Natural Gas Act to secure adequate and reliable supplies of natural gas and oil at the lowest reasonable cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Ms. Abzug, Mr. Badillo, Mr. Bingham, Mr. Brown of California, Ms. Holtzman, Mr. McCloskey, Mr. Mitchell of Maryland, Mr. Rees, Mr. Seiberling, Mr. Stark, and Mr. Won Pat):

H.R. 14626. A bill to repeal economic sanctions against Cuba which are contained in certain acts of Congress; to the Committee on Foreign Affairs.

By Mr. HELSTOSKI:

H.R. 14627. A bill to amend section 410 of the Federal Aviation Act of 1958 to provide financial assistance during the energy crisis to U.S. air carriers engaged in overseas and foreign air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. KUYKENDALL:

H.R. 14628. A bill to improve the regulatory control over the transportation of hazardous materials, to provide uniform civil sanctions for violations of hazardous materials regulations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14629. A bill to repeal certain provisions of law relating to the transportation of hazardous materials, and for other purposes; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 14630. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations and condominium housing associations; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 14631. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of Professional Standards Reivew of health care services, to expand the Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions, and to protect the confidentiality of medical records; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself, Mr. Teague, Mr. Mosher, Mr. Goldwater, and Mr. Drinan):

H.R. 14632 A bill to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes; to the Committee on Science and Astronautics.

By Mr. McCORMACK (for himself, Mr. Teague, Mr. Mosher, Mr. Goldwater, Mr. Hechler of West Virginia, Mr. Bell, Mr. Davis of Georgia, Mr. Downing, Mr. Winn, Mr. Frey, and Mr. Cotter):

H.R. 14633. A bill to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes; to the Committee on Science and Astronautics.

By Mr. McKAY (for himself, and Mr. Johnson of California):

H.R. 14634. A bill to authorize the Secretary of the Interior to construct necessary drainage works for the Vernal unit of the Central Utah project and the Emery County project, participating projects, Colorado River storage project; to the Committee on Interior and Insular Affairs.

By Mr. McSPADDEN:

H.R. 14635. A bill to permit the Director of the Office of Economic Opportunity to transfer to Northeastern Oklahoma Community Development Corporation certain Federal property used for its program in the event OEO assistance is discontinued; to the Committee on Education and Labor.

H.R. 14636. A bill to amend title 17 of the United States Code to permit the copyrighting of recorded performances of musical compositions; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 14637. A bill to authorize the Secretary of the Interior to provide transportation for employees of Haleakala National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. MINK (for herself, Mr. Addabbo, Mrs. Collins of Illinois, Mr. Hechler of West Virginia, Mr. Leggett, Mr. Lehman, Mr. Moorhead of Pennsylvania, Mr. Podell, Mr. Rodino, Mr. Roybal, Mr. Tiernan, Mr. Vander Veen, Mr. Vanik, and Mr. Young of Georgia):

H.R. 14638. A bill to amend the Mineral Lands Leasing Act to provide for a more efficient and equitable method for the exploration for and development of oil shale resources on Federal lands, and for other purposes; to the committee on Interior and Insular Affairs.

By Mr. MOLLOHAN:

H.R. 14639. A bill to authorize the disposal of manganese metal from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 14640. A bill to authorize the disposal of vanadium oxide from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. MURTHA:

H.R. 14641. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. OBEY (for himself, and Mr. Bowen):

H.R. 14642. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation; to the Committee on Agriculture.

By Mr. PARRIS:

H.R. 14643. A bill to allow a credit against the Federal income tax for State and local real property taxes, or an equivalent portion of rent, paid on their principal residence by individuals who have attained age 62; to the Committee on Ways and Means.

H.R. 14644. A bill to amend the Internal Revenue Code of 1954 to provide that interest shall be paid to individual taxpayers on the calendar-year basis if the refund check is not mailed out within 30 days after the return is filed, and to require the Internal Revenue Service to give certain information when making refunds; to the Committee on Ways and Means.

By Mr. PETTIS (for himself and Mr. Burleson of Texas):

H.R. 14645. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of capital gains and losses; to the Committee on Ways and Means.

By Mr. RHODES (for himself, Mr. McCollister, Mr. Hudnut, Mr. Wyatt, Mr. Myers, Ms. Boggs, Mr. Dickinson, Mr. Hinshaw, Mr. Madden, Mr. Bob Wilson, Mr. Landgrebe, Mr. Hosmer, Mr. Melcher, and Mr. Mollohan):

H.R. 14646. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. ROBISON of New York (for himself, Ms. Abzug, Mr. Cleveland, Mr. Conte, Mr. Frelinghuysen, Mr. Gilman, Mr. Gude, Mrs. Heckler of Massachusetts, Mr. Kemp, Mr. McKinney, Mr. Mayne, Mr. Schneebeli, Mr. J. William Stanton, Mr. Steiger of Wisconsin, Mr. Thone, Mr. Vander Jagt, Mr. Walsh, Mr. Won Pat, and Mr. Young of Florida):

H.R. 14647. A bill to authorize the President to call and conduct a White House Conference on Energy; to the Committee on Interstate and Foreign Commerce.

By Mr. RONCALIO of Wyoming:

H.R. 14648. A bill to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers; to the Committee on Agriculture.

H.R. 14649. A bill to amend the Railroad Retirement Act of 1937 so as to increase the amount of the annuities payable thereunder to widows and widowers; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL:

H.R. 14650. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increase in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 14651. A bill to amend title 5, United States Code, to include as creditable service for civil service retirement purposes service as an enrollee of the Civilian Conservation Corps, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 14652. A bill to amend the Internal Revenue Code of 1954 to allow to a taxpayer who has attained the age of 65 a carryback or carryover for certain medical expenses which do not result in a reduction of taxes; to the Committee on Ways and Means.

By Mr. SARASIN (for himself, and Mr. McKinney):

H.R. 14653. A bill to amend the Regional Rail Reorganization Act of 1973 to allow adequate time for citizen participation in public hearings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHERLE:

H.R. 14654. A bill to authorize voluntary withholding of Maryland, Virginia, and District of Columbia income taxes in the case of Members of Congress and congressional employees; to the Committee on Ways and Means.

By Mr. SEBELIUS:

H.R. 14655. A bill to adjust target prices established under the Agriculture and Consumer Protection Act of 1973, as amended, for the 1974 through 1977 crops of wheat and feed grains to reflect changes in farm production costs and yields; to the Committee on Agriculture.

By Mr. SHIPLEY:

H.R. 14656. A bill to amend the Regional Rail Reorganization Act of 1972 to allow adequate time for citizen participation in public hearings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SKUBITZ:

H.R. 14657. A bill to provide for the commemoration of the opening of the Cherokee Strip to homesteading, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VANDER VEEN:

H.R. 14658. A bill to improve education by increasing the freedom of the Nations teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. YATRON:

H.R. 14659. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of Professional Standards Review of health care services, to expand the Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions, and to protect the confidentiality of medical records; to the Committee on Ways and Means.

By Mr. BINGHAM:

H.R. 14660. A bill to prohibit discrimination on account of sex or marital status against persons seeking credit; to the Committee on Banking and Currency.

By Mr. DELLUMS:

H.R. 14661. A bill to authorize the Secretary of Agriculture to distribute seeds and plants for use in home gardens; to the Committee on Agriculture.

H.R. 14662. A bill to authorize the District of Columbia Council to provide for an increase in compensation for teachers in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. KYROS:

H.R. 14663. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RONCALIO of Wyoming:

H.R. 14664. A bill to amend the Small Business Act by adding at the end thereof the following new title; to the Committee on Interior and Insular Affairs.

By Mr. ROSENTHAL:

H.R. 14665. A bill to require retailers to provide point of sale information to consumers concerning the recent price history of products and merchandise offered for sale at retail in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BELL (for himself and Mr. STEELE):

H.J. Res. 1002. Joint resolution to protect whales and certain other living marine sources; to the Committee on Foreign Affairs.

By Mr. GUYER:

H.J. Res. 1003. Joint resolution to designate Findley, Ohio, as Flag City, U.S.A.; to the Committee on the Judiciary.

By Mr. HUBER (for himself, Mr. ASHBROOK, Mr. BELL, Mr. ESHLEMAN, Mr. FORSYTHE, Mr. KEMP, Mr. LANDGREBE, Mr. QUIE, Mr. SARASIN, and Mr. TOWELL of Nevada):

H.J. Res. 1004. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. McEWEN:

H.J. Res. 1005. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans' Day; to the Committee on the Judiciary.

By Mr. RONCALIO of Wyoming:

H.J. Res. 1006. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans' Day; to the Committee on the Judiciary.

By Mr. YOUNG of Illinois:

H.J. Res. 1007. Joint resolution proposing an amendment to the Constitution of the United States to change the terms of office and authorized membership total of the House of Representatives, and to provide a method for future changes in such total; to the Committee on the Judiciary.

By Mr. BINGHAM:

H. Con. Res. 488. Concurrent resolution relating to arms control in the Indian Ocean; to the Committee on Foreign Affairs.

By Mr. WYMAN:

H. Con. Res. 489. Concurrent resolution expressing the sense of Congress to amend the Charter of the United Nations to provide for weighted voting; to the Committee on Foreign Affairs.

By Mr. BOWEN:

H. Res. 1090. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. GUNTER:

H. Res. 1091. Resolution calling upon the President to report to the Congress on steps taken by the executive branch to avert a crisis in the trucking industry; to the Committee on Education and Labor.

By Mr. HOGAN:

H. Res. 1092. Resolution to create a select committee to conduct a study of the precedents and Rules of the House regarding impeachment and to recommend to the House within 60 days, rules of procedure and practice for the consideration of articles of impeachment by the House of Representatives; to the Committee on Rules.

By Mr. KETCHUM:

H. Res. 1093. Resolution expressing the sense of Congress regarding the reclassification of servicemen listed as missing in action in Southeast Asia to presumptive finding of death status; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

464. By the SPEAKER: Memorial of the Legislature of the State of California, relative to resource conservation district services; to the Committee on Agriculture.

465. Also, memorial of the Legislature of the State of California, relative to the Sausalito base yard and dock complex; to the Committee on Armed Services.

466. Also, memorial of the Legislature of the Commonwealth of Massachusetts, relative to oil price controls; to the Committee on Banking and Currency.

467. Also, memorial of the Legislature of the Commonwealth of Massachusetts, relative to the metric system; to the Committee on Science and Astronautics.

468. Also, memorial of the Legislature of the Commonwealth of Massachusetts, relative to the enactment of legislation to preclude social security benefits from affecting Veterans' Administration pension payments; to the Committee on Veterans' Affairs.

469. Also, memorial of the Legislature of the Commonwealth of Massachusetts, relative to Federal financial assistance for the Massachusetts Veterans Service program; to the Committee on Veterans' Affairs.

470. Also, memorial of the Legislature of the Commonwealth of Massachusetts, relative to a national health care insurance program; to the Committee on Ways and Means.

471. Also, memorial of the Legislature of the Commonwealth of Massachusetts relative to real estate taxes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. YOUNG of Illinois introduced a bill (H.R. 14666) for the relief of Eva Schejbal which was referred to the Committee on the Judiciary.

SENATE—*Tuesday, May 7, 1974*

The Senate met at 10 a.m. and was called to order by Hon. FLOYD K. HASKELL, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"God of our fathers, known of old, be with us yet
Lest we forget, lest we forget!"

Lest we forget—

Thy care over us in the past,
Thy liberating spirit among free men,
Thy creative power within us even now,
Thy chastening hand upon our sins
Thy forgiveness in our humble repentance
Thy mercy which follows us all our days

"Judge of the nations, spare us yet,
Lest we forget, lest we forget!"

Remembering Thy goodness, we renew our dedication to be Thy faithful ministers in service to the Nation. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 7, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. FLOYD K. HASKELL, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HASKELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, May 6, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE STATUS OF MAJOR LEGISLATION LEFT FROM 1ST SESSION OF 93D CONGRESS AND 2D SESSION, INCLUDING MAY 1, 1974

Mr. MANSFIELD. Mr. President, the Senate has been in session for 54 days up to and including May 1, 1974, in the 2d session of the 93d Congress.

During that period, there have been 163 yea-and-nay or rollcall votes. I should like at this time to submit to the Senate the status of major legislation left over from the 1st session of the 93d Congress and the 2d session, including yesterday.

It represents the work not of the Democratic majority in Congress but the results of the endeavors on the part of both Democrats and Republicans who comprise the membership of this body.

I think it is a record of which the Senate can be proud. I only express the hope that the same kind of accommodation which has been so evident will continue in the future—and I anticipate that it will.

There are no appropriation bills on this list because aside from the supplemental bill which will be taken up on Monday or Tuesday next, we have only received one of the regular appropriation bills from the other body.

Of course, we all understand that under precedent and custom, we are unable to act until or unless we receive the bills from the House but, in the meantime, all of the Senate committees are working assiduously trying to keep up to date and to be as well prepared as possible when those bills reach us.

The Senate is to be commended for its devotion and dedication in attending to the business of the Nation, despite Watergate and related matters. It has done so with restraint and responsibility and it has done so fairly and effectively, both in reality and in appearance. The proof of what the Senate has done in facing up to its constitutional responsibilities—and will continue to do—lies in its record to date.

Mr. President, I ask unanimous consent that a list of the status of this major legislation be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

STATUS OF MAJOR LEGISLATION LEFT FROM 1ST SESSION OF THE 93D CONGRESS AND 2D SESSION INCLUDING MAY 1, 1974

SIGNED INTO LAW 1974

1. Civil Service Annuities—Public Law 93-259.
2. Education Funding and Guaranteed Student Loans—Public Law 93-269.
3. Energy Emergency—VETOED.
4. Minimum Wage Increase—Public Law 93-259.
5. Public Works—Rivers and Harbors—Public Law 93-251.
6. Senate Confirmation of Director of OMB—Public Law 93-250.
7. Sudden Infant Death Syndrome—Public Law 93-270.

IN CONFERENCE

1. Aircraft Hijacking.
2. Biomedical Research.
3. Disaster Relief—Conferees agreed to file a report 4-25-74.
4. Federal Energy Administration—Conf. Rept. agreed to by House.
5. Federal Impoundment Control.
6. Legal Services Corporation.
7. Private Pension Plan Reform.
8. Social Security Act Amendments—Welfare Reform.
9. Toxic Substances Control.
10. Urban Mass Transit—Conference agreement reached 2-20-74, awaits report from House Public Works Committee.
11. Congressional Budget Reform.

PASSED SENATE

1. Campaign Reform—S. 372 P/S 7-30-73.
2. Campaign Reform—S. 3044 P/S 4-11-74.
3. Compensation for Victims of Crime—P/S 4-3-74.
4. Energy Conservation—P/S 12-10-73.
5. Energy Research and Development—P/S 12-7-73.
6. Housing—P/S 3-11-74; House subcommittee markup in progress.
7. Indian Self Determination—P/S 4-1-74.
8. Land Use—P/S 6-21-73; Delayed in House Rules Committee.
9. Medical Devices—P/S 2-11-74.
10. National Cancer Program—P/S 3-26-74.
11. National No-Fault Auto Insurance—P/S 5-1-74.
12. Postcard Registration—P/S 5-9-73; Await action by House Rules Committee.
13. Safe Drinking Water—P/S 6-22-73.
14. Strip Mining Controls—P/S 10-7-73; House full committee marking up.

PASSED HOUSE

1. Foreign Trade—P/H 12-11-73; Senate hearings in progress.

ON SENATE CALENDAR

1. Consumer Protection Agency—P/H 4-25-74.
2. Elementary and Secondary Education—P/H 3-27-74.
3. Standby Energy Authority.

HOUSE ACTION FIRST

1. National Health Insurance—House hearings began 4-24-74.
2. Sugar Act Extension—House hearings held.
3. Tax Reform—House hearings scheduled.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 780, and then beginning with Calendar Nos. 785 and 795.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF FOREST PEST CONTROL ACT

The Senate proceeded to consider the bill (S. 3371) to amend the Forest Pest Control Act of June 25, 1974, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That the first sentence of section 5 of the Forest Pest Control Act of June 25, 1947 (61 Stat. 177; 16 U.S.C. 594-1 through 594-5), is amended by changing the period at the end thereof to a comma and adding the following: "such sums to remain available until expended.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend the Forest Pest Control Act of June 25, 1947."

DEVELOPMENTS IN AGING

The resolution (S. Res. 310) authorizing additional copies of report entitled "Developments in Aging; 1973 and January-March 1974," was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Special Committee on Aging one thousand two hundred additional copies of its report to the Senate entitled "Developments in Aging: 1973 and January-March 1974."

SURGEON GENERAL'S REPORT BY SCIENTIFIC ADVISORY COMMITTEE ON TELEVISION AND SOCIAL BEHAVIOR

The concurrent resolution (S. Con. Res. 83) authorizing the printing of additional copies of Senate hearings entitled "Surgeon General's Report by the Scientific Advisory Committee on Television and Social Behavior," was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Commerce one thousand additional copies of its hearings of the Ninety-second Congress, second session, entitled "Surgeon General's Report by the Scientific Advisory Committee on Television and Social Behavior.".

ADDITIONAL EXPENDITURES BY COMMITTEE ON JUDICIARY

The resolution (S. Res. 311) authorizing additional expenditures by the Committee on the Judiciary, was considered and agreed to, as follows:

Resolved, That the Committee on the Judiciary is authorized to expend from the contingent fund of the Senate, during the Ninety-third Congress, $10,000 in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1956, and in S. Res. 103, Ninety-third Congress, agreed to May 10, 1973.

ADDITIONAL EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The resolution (S. Res. 312) authorizing additional expenditures by the Committee on Interior and Insular Affairs for routine purposes, was considered and agreed to, as follows:

Resolved, That the Committee on Interior and Insular Affairs is authorized to expend from the contingent fund of the Senate, during the Ninety-third Congress, $25,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946, and in S. Res. 96, agreed to May 10, 1973, S. Res. 137, agreed to July 20, 1973, and S. Res. 78, agreed to October 23, 1973.

REPORT OF NATIONAL FOREST RESERVATION COMMISSION

The resolution (S. Res. 313) authorizing the printing of the annual report of the National Forest Reservation Commission was considered and agreed to, as follows:

Resolved, That the Annual Report of the National Forest Reservation Commission for the fiscal year ended June 30, 1973, be printed with an illustration as a Senate document.

SALE AND DISTRIBUTION OF CONGRESSIONAL RECORD

The bill (S. 3373) relating to sale and distribution of the Congressional Record, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 910 of title 44, United States Code, is amended to read as follows:

"§ 910. Congressional Record: subscriptions; sale of current, individual numbers, and bound sets; postage rate

"(a) Under the direction of the Joint Committee, the Public Printer may sell—

"(1) subscriptions to the daily Record; and

"(2) current, individual numbers, and bound sets of the Congressional Record.

"(b) The price of a subscription to the daily Record and of current, individual numbers, and bound sets shall be determined by the Public Printer based upon the cost of printing and distribution. Any such price shall be paid in advance. The money from any such sale shall be paid into the Treasury and accounted for in the Public Printer's annual report to Congress.

"(c) The Congressional Record shall be entitled to be mailed at the same rates of postage at which any newspaper or other periodical publication, with a legitimate list of paid subscribers, is entitled to be mailed.".

(b) Section 906 of such title 44 is amended—

(1) by striking out of the section caption the last semicolon and "SUBSCRIPTIONS"; and

(2) by striking out the last full paragraph thereof.

(c) The analysis of chapter 9 of such title 44, immediately preceding section 901, is amended—

(1) by striking out of item 906 the last semicolon and "subscription"; and

(2) by striking out item 910 and inserting in lieu thereof the following:

"910. Congressional Record: subscriptions; sale of current, individual numbers, and bound sets; postage rate.".

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 317) authorizing additional expenditures by the Committee on Rules and Administration, was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, during the Ninety-third Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

MARGARET A. ROBERTS

The resolution (S. Res. 319) to pay a gratuity to Margaret A. Roberts, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Margaret A. Roberts, widow of Hubert C. Roberts, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

KATHERINE F. WOODWARD

The resolution (S. Res. 320) to pay a gratuity to Katherine F. Woodward, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Katherine F. Woodward, widow of David H. Woodward, Junior, an employee of the Senate at the time of his death, a sum equal to two months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ELECTION LAW GUIDEBOOK

The resolution (S. Res. 318) authorizing the printing of a revised edition of the "Election Law Guidebook" as a Senate document was considered and agreed to, as follows:

Resolved, That a revised edition of Senate Document Numbered 92-80, entitled "Election Law Guidebook", be printed as a Senate document, and that there be printed one thousand additional copies of such document for the use of the Committee on Rules and Administration.

IMPROVEMENT OF PAYROLL SYSTEM OF THE SENATE

The resolution (S. Res. 316) authorizing expenditures from the contingent fund to improve the payroll, personnel, and voucher system of the Senate was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration is authorized to expend, from the contingent fund of the Senate, not to exceed $153,000, to improve through the use of computers the payroll, personnel, and voucher system of the Senate. Expenses of the committee under this resolution shall be paid upon vouchers approved by the chairman of the committee.

IN SUPPORT OF SECRETARY OF STATE KISSINGER

Mr. MANSFIELD. Mr. President, we are all engaged to some extent in Watergate and related matters. We are interested in the transcripts of the tapes released by the White House on Monday last. It is a most important question which will find its way through the courts on the one hand and through the House Judiciary Committee on the other. That is what the President has indicated would be the proper courses to pursue. That is the way in which we will get Watergate and related matters behind us.

However, I would take this occasion to point out that during all this interest in this matter at home, one of the world's most distinguished statesmen, Secretary of State Dr. Henry Kissinger, is conducting most important negotiations. To date he has visited Libya, Egypt, Jordan, Israel, and Syria. He is due either today or tomorrow on the island of Cyprus to meet with the Soviet Foreign Minister, Mr. Andrei Gromyko.

I do not think we should lose sight of the importance of the journey which Dr. Kissinger has undertaken and how much its success will mean to this country and the rest of the world.

Dr. Kissinger cannot afford a failure. If he fails, it will not be because of lack of effort because, in my opinion, there has been no man in the history of this Republic, up to now, who has performed as creditably and as successfully as Secretary Kissinger. But perhaps his most difficult step is ahead of him. So I take this occasion to rise only to indicate that the Senate is taking note of Dr. Kissinger's travels, that we support him fully and completely in what he is attempting to do, and that we hope and pray that he will be successful in his efforts to find a road to peace in the Middle East, a road which now seems to lead toward Damascus.

I think the distinguished Republican leader may have something to add on this subject.

Mr. HUGH SCOTT. Mr. President, if I may be recognized, a number of Senators, including the distinguished majority leader and I, have, by letter, expressed our full support of the activities of Dr. Kissinger in his very sturdy efforts to secure peaceful conditions in the Middle East. I congratulate the always fair and eminently thoughtful distinguished majority leader for what he has just said.

We must all support Dr. Kissinger whose achievements have been truly remarkable and who is at this moment engaged in very difficult and very touchy negotiations.

SENATOR KENNEDY'S RECENT TRIP TO MOSCOW

Mr. HUGH SCOTT. Mr. President, I should like the Record to show two things regarding the recent trip to Moscow by the distinguished Senator from Massachusetts (Mr. Kennedy).

One, the Senator has written a letter to the Washington Post today pointing out that his speech, and the question-and-answer period with the students at Moscow University were terminated by his action, and not by any action of his Russian hosts.

I wish to affirm that, because I talked to the distinguished Soviet official present at the time, and Senator Kennedy did have another engagement. As I recall what I was told, his aide advised him of it, and he had to leave. In fairness to the distinguished Senator, that ought to be said.

I should also like to add that during the Dartmouth Conference at Tblisi, in Georgia, about 2 weeks ago, Senator Kennedy, at my invitation and that of Mr. Norman Cousins and the cochairman, Mr. Yuri Zhukov, was in the city and appeared and delivered a most useful address. It was useful because it stressed the bipartisan nature of our foreign policy in general. It shored up what I had undertaken to say on behalf of the Senate and Congress. We were all impressed and very much gratified that he took the time from his itinerary to appear at this conference.

THE WATERGATE TRANSCRIPTS

Mr. HUGH SCOTT. Mr. President, as to the Watergate matter, I have read about two-thirds of the transcript. I find a great deal there that is deplorable. I think there is much that is shabby and immoral. There are occasional flashes of moral indignation, but not enough. Numerous proposals were made to get all the information out, and that was finally done, very largely through the release of these 1,200 and some pages. But I recommended that 8 months ago, 6 months ago, 4 months ago, 3 months ago, 2 months ago, and so forth. I am relieved that it is out and I favor such means of verification as will satisfy reasonable requests of the House committee.

I will not take a position supporting any action which involved any form of immorality or criminality as the transcripts indicate. At the same time, I again call for a suspension of judgment. I hope that all of us will assume the presumption of innocence and that we will all withhold our judgment as to specific individuals, pending the operation of our great constitutional system. It works. It always has. It will this time.

TRANSCRIPTS OF TAPES SUBMITTED BY THE PRESIDENT: PUBLIC TRANSCRIPTS—III

Appendix 6. Meeting: The President, Dean and Haldeman, Oval Office, March 21, 1973. (10:12–11:55 am):

P. Well, sit down, sit down.

D. Good morning.

P. Well what is the Dean summary of the day about?

D. John caught me on the way out and asked me about why Gray was holding back on information, if that was under instructions from us. And it was and it wasn't. It was instructions proposed by the Attorney General, consistent with your press conference statement that no further raw data was to be turned over to the full committee. And that was the extent of it. And then Gray, himself, who reached the conclusion that no more information should be turned over, that he had turned over enough. So this again is Pat Gray making decisions on his own on how to handle his hearings. He has been totally (unintelligible) to take any guidance, any instruction. We don't know what he is going to do. He is not going to talk about it. He won't review it, and I don't think he does it to harm you in anyway, sir.

P. No, he is just quite stubborn and also he isn't very smart. You know—

D. He is bullheaded.

P. He is smart in his own way but he's got that typical (expletive deleted) this is right and I am going to do it.

D. That's why he thinks he is going to be confirmed. He is being his own man. He is being forthright and honest. He feels he has turned over too much and so it is conscious decision that he is harming the Bureau by doing this and so he is not going to.

P. We have to get the boys off the line that this is because the White House told him to do this and everything. And also, as I told Ehrlichman, I don't see why our little boys can't make something out of the fact that (expletive deleted) this is the only responsible position that could possibly be made. The FBI cannot turn over raw files. Has anybody made that point? I have tried to several times.

D. Sam Ervin has made that point himself. In fact, in reading the transcript of Gray's hearings, Ervin tried to hold Gray back from doing what he was doing at the time he did it. I thought it was very unwise. I don't think that anyone is criticizing your position on it.

P. Let's make a point that raw files, I mean that point should be made that we are standing for the rights of innocent individuals. The American Civil Liberties Union is against it. We are against it. Hoover had the tradition, and it will continue to be the tradition. All files are confidential. See if we can't get someone inspired to put that out. Let them see what is in one.

D. (Expletive deleted) You—

P. Any further word on Sullivan? Is he still—

D. Yes, he is going to be over to see me today, this morning someplace, sometime.

P. As soon as you get that, I will be available to talk to you this afternoon. I will be busy until about one o'clock. Anytime you are through I would like to see what it is he has. We've got something but I would like to see what it is.

D. The reason that I thought we ought to talk this morning is because in our conversations, I have the impression that you don't know everything I know and it makes it very difficult for you to make judgments that only you can make on some of these things and I thought that—

P. In other words, I have to know why you feel that we shouldn't unravel something?

D. Let me give you my overall first.

P. In other words, your judgment as to where it stands, and where we will go.

D. I think that there is no doubt about the seriousness of the problem we've got. We have a cancer within, close to the Presidency, that is growing. It is growing daily. It's compounded, growing geometrically now, because it compounds itself. There will be clear if I, you know, explain some of the details of why it is. Basically, it is because (1) we are being blackmailed; (2) People are going to start perjuring themselves very quickly that have not had to perjure themselves to protect other people in the line. And there is no assurance—

P. That that won't bust?

D. That that won't bust. So let me give you the sort of basic facts, talking first about the Watergate; and then about Segretti; and then about some of the peripheral items that have come up. First of all on the Watergate: how did it all start, where did it start? O.K.! It started with an instruction to me from Bob Haldeman to see if we couldn't set up a perfectly legitimate campaign intelligence operation over at the Re-Election Committee. Not being in this business, I turned to somebody who had been in this business, Jack Caulfield. I don't remember whether you remember Jack or not. He was your original bodyguard before they had the candidate protection, an old city policeman.

P. Yes, I know him.

D. Jack worked for John and then was transferred to my office. I said Jack come up with a plan that, you know—a normal infiltration, buying information from secretaries and all that sort of thing. He did, he put together a plan. It was kicked around. I went to Ehrlichman with it. I went to Mitchell with it, and the consensus was that Caulfield was not the man to do this. In retrospect, that might have been a bad call because he is an incredibly cautious person and wouldn't have put the situation where it is today. After rejecting that, they said we still need something so I was told to look around for someone who could go over to 1701 and do this. That is when I came up with Gordon Liddy. They needed a lawyer. Gordon has an intelligence background from his FBI service. I was aware of the fact that he had done some extremely sensitive things for the White House and he had apparently done them well. Going out into Ellsberg's doctor's office——

P. Oh, yeah.

D. And things like this. He worked with leaks. He tracked these things down. So the report that I got from Krogh was that he was a hell of a good man and not only that a good lawyer and could set up a proper operation. So we talked to Liddy. He was interested in doing it. I took Liddy over to meet Mitchell. Mitchell thought highly of him because Mitchell was partly involved in his coming to the White House to work for Krogh. Liddy had been at Treasury before that. Then Liddy was told to put together his plan, you know, how he would run an intelligence operation. This was after he was hired over there at the Committee. Magruder called me in January and said I would like to have you come over and see Liddy's plan.

P. January of '72?

D. January of '72.

D. "You come over to Mitchell's office and sit in a meeting where Liddy is going to lay his plan out." I said I don't really know if I am the man, but if you want me there I will be happy to. So I came over and Liddy laid out a million dollar plan that was the most incredible thing I have ever laid my eyes on: all in codes, and involved black bag operations, kidnapping, providing prostitutes to weaken the opposition, bugging, mugging teams. It was just an incredible thing.

P. Tell me this: Did Mitchell go along—?

D. No, no, not at all, Mitchell just sat there puffing and laughing. I could tell from—after Liddy left the office I said that is the most incredible thing I have ever seen. He said I agree. And so Liddy was told to go back to the drawingboard and come up with something realistic. So there was a second meeting. They asked me to come over to that. I came into the tail end of the meeting. I wasn't there for the first part. I don't know how long the meeting lasted. At this point, they were discussing again bugging, kidnapping and the like. At this point I said right in front of everybody, very clearly, I said, "These are not the sort of things (1) that are ever to be discussed in the office of the Attorney General of the United States — that was where he still was — and I am personally incensed." And I am trying to get Mitchell off the hook. He is a nice person and doesn't like to have to say no when he is talking with people he is going to have to work with.

P. That's right.

D. So I let it be known. I said "You all pack that stuff up and get it the hell out of here. You just can't talk this way in this office and you should re-examine your whole thinking."

P. Who all was present?

D. It was Magruder, Mitchell, Liddy and myself. I came back right after the meeting and told Bob, "Bob, we have a growing disaster on our hands if they are thinking this way," and I said, "The White House has got to stay out of this and I, frankly, am not going to be involved in it." He said, "I agree John." I thought at that point that the thing was turned off. That is the last I heard of it and I thought it was turned off because it was an absurd proposal.

P. Yeah.

D. Liddy—I did have dealings with him afterwards and we never talked about it. Now that would be hard to believe for some people, but we never did. That is the fact of the matter.

P. Well, you were talking with him about other things.

D. We had so many other things.

P. He had some legal problems too. But you were his advisor, and I understand you had conversations about the campaign laws, etc.

Haldeman told me that you were handling all of that for us. Go ahead.

D. Now. So Liddy went back after that and was over at 1701, the Committee, and this is where I come into having put the pieces together after the fact as to what I can put together about what happened. Liddy sat over there and tried to come up with another plan that he could sell. (1) They were talking to him, teling him that he was putting too much money in it. I don't think they were discounting the illegal points. Jeb is not a lawyer. He did not know whether this is the way the game was played and what it was all about. They came up, apparently, with another plan, but they couldn't get it approved by anybody over there. So Liddy and Hunt apparently came to see Chuck Colson, and Chuck Colson picked up the telephone and called Magruder and said, "You all either fish or cut bait. This is absurd to have these guys over there and not using them. If you are not going to use them, I may use them." Things of this nature.

P. When was this?

D. This was apparently in February of '72.

P. Did Colson know what they were talking about?

D. I can only assume, because of his close relationship with Hunt, that he had a damn good idea what they were talking about, a damn good idea. He would probably deny it today and probably get away with denying it. But I still—unless Hunt blows on him—

P. But then Hunt isn't enough. It takes two doesn't it?

D. Probably. Probably. But Liddy was there also and if Liddy were to blow—

P. Then you have a problem—I was saying as to the criminal liability in the White House.

D. I will go back over that, and take out any of the soft spots.

P. Colson, you think was the person who pushed?

D. I think he helped to get the thing off the dime. Now something else occurred though—

P. Did Colson—had he talked to anybody here?

D. No. I think this was—

P. Did he talk with Haldeman?

D. No, I don't think so. But here is the next thing that comes in the chain. I think Bob was assuming, that they had something that was proper over there, some intelligence gathering operation that Liddy was operating. And through Strachan, who was his tickler, he started pushing them to get some information and they—Magruder—took that as a signal to probably go to Mitchell and to say, "They are pushing us like crazy for this from the White House. And so Mitchell probably puffed on his pipe and said, "Go ahead," and never really reflected on what it was all about. So they had some plan that obviously had, I gather, different targets they were going to go after. They were going to infiltrate, and bug, and do all this sort of thing to a lot of these targets. This is knowledge I have after the fact. Apparently after they had initially broken in and bugged the DNC they were getting information. The information was coming over here to Strachen and some of it was given to Haldeman, there is no doubt about it.

P. Did he know where it was coming from?

D. I don't really know if he would.

P. Not necessarily?

D. Not necessarily. Strachan knew it. There is no doubt about it, and whether Strachan—I have never come to press these people on these points because it hurts them to give up that next inch, so I had to piece things together. Strachan was aware of receiving information, reporting to Bob. At one point Bob even gave instructions to change their capabilities from Muskie to McGovern, and passed this back through Strachan to Magruder and apparently to Liddy. And Liddy was starting to make arrangements to go in and bug the McGovern operation.

P. They had never bugged Muskie, though, did they?

D. No, they hadn't but they had infiltrated it by a secretary.

P. By a secretary?

D. By a secretary and a chauffeur. There is nothing illegal about that. So the information was coming over here and then I, finally, after—. The next point in time that I became aware of anything was on June 17th when I got the word that there had been this break in at the DNC and somebody from our Committee had been caught in the DNC. And I said, "Oh, (expletive deleted)." You know, eventually putting the pieces together—

P. You knew what it was.

D. I knew who it was. So I called Liddy on Monday morning and said, "First, Gordon, I want to know whether anybody in the White House was involved in this." And he said, "No, they weren't." I said, "Well I want to know how in (adjective deleted) name this happened." He said, "Well, I was pushed without mercy by Magruder to get in there and to get more information. That the information was not satisfactory. That Magruder said, "The White House is not happy with that what we are getting.'"

P. The White House?

D. The White House. Yeah!

P. Who do you think was pushing him?

D. Well, I think it was probably Strachan thinking that Bob wanted things, because I have seen that happen on other occasions where things have said to have been of very prime importance when they really weren't.

P. Why at that point in time I wonder? I am just trying to think. We had just finished the Moscow trip. The Democrats had just nominated McGovern. I mean, (expletive deleted), what in the hell were these people doing? I can see their doing it earlier. I can see the pressures, but I don't see why all the pressure was on then.

D. I don't know, other than the fact that they might have been looking for information about the conventions.

P. That's right.

D. Because, I understand that after the fact that there was a plan to bug Larry O'Brien's suite down in Florida. So Liddy told me that this is what had happened and this is why it had happened.

P. Where did he learn that there were plans to bug Larry O'Brien's suite?

D. From Magruder, long after the fact.

P. Magruder is (unintelligible)

D. Yeah. Magruder is totally knowledgeable on the whole thing.

P. Yeah.

D. Alright now, we have gone through the trial. I don't know if Mitchell has perjured himself in the Grand Jury or not.

P. Who?

D. Mitchell. I don't know how much knowledge he actually had. I know that Magruder has perjured himself in the Grand Jury. I know that Porter has perjured himself in the Grand Jury.

P. Who is Porter? (unintelligible)

D. He is one of Magruder's deputies. They set up this scenario which they ran by me. They said, "How about this?" I said, "I don't know. If this is what you are going to hang on, fine."

P. What did they say in the Grand Jury?

D. They said, as they said before the trial in the Grand Jury, that Liddy had come over as Counsel and we knew he had these capacities to do legitimate intelligence. We had no idea what he was doing. He was given an authorization of $250,000 to collect information, because our surrogates were out on the road. They had no protection, and we had information that there were going to be demonstrations against them, and that we had to have a plan as to what liabilities they were going to be confronted with and Liddy was charged with doing this. We had no knowledge that he was going to bug the DNC.

P. The point is, that is not true?

D. That's right.

P. Magruder did know it was going to take place?

D. Magruder gave the instructions to be back in the DNC.

P. He did?

D. Yes.

P. You know that?

D. Yes.

P. I see. O.K.

D. I honestly believe that no one over here knew that. I know that as God is my maker, I had no knowledge that they were going to do this.

P. Bob didn't either, or wouldn't have known that either. You are not the issue involved. Had Bob known, he would be.

D. Bob—I don't believe specifically knew that they were going in there.

P. I don't think so.

D. I don't think he did. I think he knew that there was a capacity to do this but he was not given the specific direction.

P. Did Strachan know?

D. I think Strachan did know.

P. (unintelligible) Going back into the DNC—Hunt, etc.—this is not understandable!

D. So—those people are in trouble as a result of the Grand Jury and the trial. Mitchell, of course, was never called during the trial. Now—

P. Mitchell has given a sworn statement, hasn't he?

D. Yes, Sir.

P. To the Jury?

D. To the Grand Jury.—

P. You mean the Goldberg arrangement?

D. We had an arrangement whereby he went down with several of them, because of the heat of this thing and the implications on the election, we made an arrangement where they could quietly go into the Department of Justice and have one of the assistant U.S. Attorneys take their testimony and then read it before the Grand Jury.

P. I thought Mitchell went.

D. That's right, Mitchell was actually called before the Grand Jury. The Grand Jury would not settle for less, because the jurors wanted him.

P. And he went?

D. And he went.

P. Good!

D. I don't know what he said. I have never seen a transcript of the Grand Jury. Now what has happened post June 17? I was under pretty clear instructions not to investigate this, but this could have been disastrous on the electorate if all hell had broken loose. I worked on a theory of containment——

P. Sure.

D. To try to hold it right where it was.

P. Right.

D. There is no doubt that I was totally aware of what the Bureau was doing at all times. I was totally aware of what the Grand Jury was doing. I knew what witnesses were going to be called. I knew what they were asked, and I had to.

P. Why did Petersen play the game so straight with us?

D. Because Peterson is a soldier. He kept me informed. He told me when we had problems, where we had problems and the like. He believes in you and he believes in this Administration. This Administration has made him. I don't think he has done anything improper, but he did make sure that the investigation was narrowed down to the very, very fine criminal thing which was a break for us. There is no doubt about it.

P. Do you honestly feel that he did an adequate job?

D. They ran that investigation out to the fullest extent they could follow a lead and that was it.

P. But the way point is, where I suppose he could be criticized for not doing an adequate job. Why didn't he call Haldeman? Why didn't he get a statement from Colson? Oh, they did get Colson!

D. That's right. But as based on their FBI interviews, there was no reason to follow up. There were no leads there. Colson said, "I have no knowledge of this" to the FBI. Strachan said, "I have no knowledge." They didn't ask Strachan any questions about Watergate. They asked him about Segretti. They said, "what is your connection with Liddy?" Strachan just said, "Well, I met him over there." They never really pressed him. Strachan appeared, as a result of some coaching, to be the dumbest paper pusher in the bowels of the White House.

P. I understand.

D. Alright. Now post June 17th: These guys immediately—It is very interesting. (Dean sort of chuckled) Liddy, for example, on the Friday before—I guess it was on the 15th, no, the 16th of June—had been in Henry Peterson's office with another member of my staff on campaign compliance problems. After the incident, he ran Kleindienst down at Burning Tree Country Club and told him "you've got to get my men out of jail." Kleindienst said, "You get the hell out of here, kid. Whatever you have to say, just say to somebody else. Don't bother me." But this has never come up. Liddy said if they all got counsel instantly and said we will ride this thing out. Alright, then they started making demands. "We have to have attorneys fees. We don't have any money ourselves, and you are asking us to take this through the election." Alright, so arrangements were made through Mitchell, initiating it. And I was present in discussions where these guys had to be taken care of. Their attorneys fees had to be done. Kalmbach was brought in. Kalmbach raised some cash.

P. They put that under the cover of a Cuban Committee, I suppose?

D. Well, they had a Cuban Committee and they had—some of it was given to Hunt's lawyer, who in turn passed it out. You know, when Hunt's wife was flying to Chicago with $10,000 she was actually, I understand after the fact now, was going to pass that money to one of the Cubans—to meet him in Chicago and pass it to somebody there.

P. (unintelligible) but I would certainly keep that cover for whatever it is worth.

D. That's the most troublesome post-thing because (1) Bob is involved in that; (2) John is involved in that; (3) I am involved in that; (4) Mitchell is involved in that. And that is an obstruction of justice.

P. In other words the bad it does. You were taking care of witnesses. How did Bob get in it?

D. Well, they ran out of money over there. Bob had $350,000 in a safe over here that was really set aside for polling purposes. And there was no other source of money, so they came over and said you all have got to give us some money. I had to go to Bob and say, "Bob, they need some money over there." He said "What for." So I had to tell him what it was for because he wasn't just about to send money over there willy-nilly. And John was involved in those discussions. And then we decided there was no price too high to pay to let this thing blow up in front of the election.

P. I think we should be able to handle that issue pretty well. May be some lawsuits.

D. I think we can too. Here is what is happening right now. What sort of brings matters to the (unintelligible). One, this is going to be a continual blackmail operation by Hunt and Liddy and the Cubans. No doubt about it. And McCord, who is another one involved. McCord has asked for nothing. McCord did ask to meet with somebody, with Jack Caulfield who is his old friend who had gotten him hired over there. And when Caulfield had him hired, he was a perfectly legitimate security man. And he wanted to talk about commutation, and things like that. And as you know Colson has talked indirectly to Hunt about commutation. All of these things are bad, in that they are problems, they are promises, they are commitments. They are the very sort of thing that the Senate is going to be looking most for. I don't think they can find them, frankly.

P. Pretty hard.

D. Pretty hard. Damn hard. It's all cash.

P. Pretty hard I mean as far as the witnesses are concerned.

D. Alright, now, the blackmail is continuing. Hunt called one of lawyers from the Re-Election Committee on last Friday to leave it with him over the weekend. The guy came in to see me to give a message directly to me. From Hunt to me.

P. Is Hunt out on bail?

D. Pardon?

P. Is Hunt on bail?

D. Hunt in on bail. Correct. Hunt now is demanding another $72,000 for his own personal expenses; another $50,000 to pay attorneys fees; $120,000. Some (1) he wanted it as of the close of business yesterday. He said, "I am going to be sentenced on Friday, and I've got to get my financial affairs in order." I told this fellow O'Brien, "If you want money, you came to the wrong man, fellow. I am not involved in the money. I don't know a thing about it. I can't help you. You better scramble about elsewhere." O'Brien is a ball player. He carried tremendous water for us.

P. He isn't Hunt's lawyer?

D. No he is our lawyer at the Re-Election Committee.

P. I see.

D. So he is safe. There is no problem there. So it raises the whole question. Hunt has now made a direct threat against Ehrlichman. As a result of this, this is his blackmail. He says, "I will bring John Ehrlichman down to his knees and put him in jail. I have done enough seamy things for he and Krogh, they'll never survive it."

P. Was he talking about Ellsberg?

D. Ellsberg, and apparently some other things. I don't know the full extent of it.

P. I don't know about anything else.

D. I don't know either, and I hate to learn some of these things. So that is that situation. Now, where are at the soft points? How many people know about this? Well, let me go one step further in this whole thing. The Cubans that were used in the Watergate were also the same Cubans that Hunt and Liddy used for this California Ellsberg thing, for the break in out there. So they are aware of that. How high their knowledge is, is something else. Hunt and Liddy, of course, are totally aware of it, of the fact that it is right out of the White House.

P. I don't know what the hell we did that for!

D. I don't know either.

P. What in the (expletive deleted) caused this? (unintelligible)

D. Mr. President, there have been a couple of things around here that I have gotten wind of. At one time there was a desire to do a second story job on the Brookings Institute where they had the Pentagon papers. Now I flew to California because I was told that John had instructed it and he said, "I really hadn't. It is a mis-impression, but for (expletive deleted), turn it off." So I did. I came back and turned it off. The risk is minimal and the pain is fantastic. It is something with a (unintelligible) risk and no gain. It is just not worth it. But—who knows about all this now? You've got the Cubans' lawyer, a man by the name of Rothblatt, who is a no good, publicity seeking (characterization deleted), to be very frank with you. He has had to be pruned down and turned off. He was canned by his own people because they didn't trust him. He didn't want them to plead guilty. He wants to represent them before the Senate. So F. Lee Bailey, who was a partner of one of the men representing McCord, got in and cooled Rothblatt down. So that means that F. Lee Bailey has knowledge. Hunt's lawyer, a man by the name of Bittmann, who is an excellent criminal lawyer from the Democratic era of Bobby Kennedy, he's got knowledge.

P. He's got some knowledge?

D. Well, all the direct knowledge that Hunt and Liddy have, as well as all the hearsay they have. You have these two lawyers over at the Re-Election Committee who did an investigation to find out the facts. Slowly, they got the whole picture. They are solid.

P. But they know?

D. But they know. You've got, then an awful lot of the principals involved who know. Some people's wives know. Mrs. Hunt was the savviest woman in the world. She had the whole picture together.

P. Did she?

D. Yes. Apparently, she was the pillar of strength in that family before the death.

P. Great sadness. As a matter of fact, there was a discussion with somebody about Hunt's problem on account of his wife and I said, of course commutation could be considered on the basis of his wife's death, and that is the only conversation I ever had in that light.

D. Right.

D. So that is it. That is the extent of the knowledge. So where are the soft spots on this? Well, first of all, there is the problem of the continued blackmail which will not only go on now, but it will go on while these people are in prison, and it will compound the obstruction of justice situation. It will cost money. It is dangerous. People around here are not pros at this sort of thing. This is the sort of thing Mafia people can do: washing money, getting clean money, and things like that. We just don't know about those things, because we are not criminals and not used to dealing in that business.

P. That's right.

D. It is a tough thing to know how to do.

P. Maybe it takes a gang to do that.

D. That's right. There is a real problem as to whether we could even do it. Plus there is a real problem in raising money. Mitchell has been working on raising some money. He is one of the ones with the most to lose. But there is no denying the fact that the White House, in Ehrlichman, Haldeman and Dean are involved in some of the early money decisions.

P. How much money do you need?

D. I would say these people are going to cost a million dollars over the next two years.

P. We could get that. On the money, if you need the money you could get that. You could get a million dollars. You could get it in cash. I know where it could be gotten. It is not easy, but it could be done. But the question is who the hell would handle it? Any ideas on that?

D. That's right. Well, I think that is something that Mitchell ought to be charged with.

P. I would think so too.

D. And get some pros to help him.

P. Let me say there shouldn't be a lot of people running around getting money—

D. Well he's got one person doing it who I am not sure is—

P. Who is that?

D. He has Fred LaRue doing it. Now Fred started out going out trying to solicit money from all kinds of people.

P. No!

D. I had learned about it, and I said, "(expletive deleted) It is just awful! Don't do it!" People are going to ask what the money is for. He has apparently talked to Tom Pappas.

P. I know.

D. And Pappas has agreed to come up with a sizeable amount, I gather.

P. What do you think? You don't need a million right away, but you need a million? Is that right?

D. That is right.

P. You need it in cash don't you? I am just thinking out loud here for a moment. Would you put that through the Cuban Committee:

D. No.

P. It is going to be checks, cash money, etc. How if that ever comes out, are you going to handle it? Is the Cuban Committee an obstruction of justice, if they want to help?

D. Well they have priests in it.

P. Would that give a little bit of a cover?

D. That would give some for the Cubans and possibly Hunt. Then you've got Liddy. McCord is not accepting any money. So he is not a bought man right now.

P. OK. Go ahead.

D. Let me continue a little bit right here now. When I say this is a growing cancer, I say it for reasons like this Bud Krough, in his testimony before the Grand Jury, was forced to perjure himself. He is haunted by it. Bud said, "I have not had a pleasant day on my job." He said, "I told my wife all about this. The curtain may ring down one of these days, and I may have to face the music, which I am perfectly willing to do."

P. What did he perjure himself on, John?

D. Did he know the Cubans. He did.

P. He said he didn't?

D. That is right. They didn't press him hard.

P. He might be able to—I am just trying to think. Perjury is an awful hard rap to prove. If he could just say that I—Well, go ahead.

D. Well, so that is one perjury. Mitchell and Magruder are potential perjurers. There is always the possibility of any one of these individuals blowing. Hunt. Liddy. Liddy is in jail right now, serving his time and having a good time right now. I think Liddy in his own bizarre way the strongest of all of them. So there is that possibility.

P. Your major guy to keep under control is Hunt?

D. That is right.

P. I think. Does he know a lot?

D. He knows so much. He could sink Chuck Colson. Apparently he is quite distressed with Colson. He thinks Colson has abandoned him. Colson was to meet with him when he was out there after, you know, he had left the White House. He met with him through his lawyer. Hunt raised the question he wanted money. Colson's lawyer told him Colson wasn't doing anything with money. Hunt took offense with that immediately, and felt Colson had abandoned him.

P. Just looking at the immediate problem, don't you think you have to handle Hunt's financial situation damn soon?

D. I think that is—I talked with Mitchell about that last night and—

P. It seems to me we have to keep the cap on the bottle that much, or we don't have any options.

D. That's right.

P. Either that or it all blows right now?

D. That's the question.

P. We have Hunt, Krogh. Well go ahead with the other ones.

D. Now we've got Kalmbach. Kalmbach received, at the close of the '68 campaign in January of 1969, he got a million $700,000 to be custodian for. That came down from New York, and was placed in safe deposit boxes here. Some other people were on the boxes. And ultimately, the money was taken out to California. Alright, there is knowledge of the fact that he did start with a million seven. Several people know this. Now since 1969, he has spent a good deal of this money and accounting for it is going to be very difficult for Herb. For example, he has spent close to $500,000 on private polling. That opens up a whole new thing. It is not illegal, but more of the same thing.

P. Everybody does polling.

D. That's right. There is nothing criminal about it. It's private polling.

P. People have done private polling all through the years. There is nothing improper.

D. That's right. He sent $400,000, as he has described to me, somewhere in the South for another candidate. I assume this was 400,000 that went to Wallace.

P. Wallace?

D. Right. He has maintained a man who I only know by the name of "Tony," who is the fellow who did the Chappaquiddick study.

P. I know about that.

D. And other odd jobs like that. Nothing illegal, but closer. I don't know of anything that Herb has done that is illegal, other than the fact that he doesn't want to blow the whistle on a lot of people, and may find himself in a perjury situation. Well, what will happen when they call him up there—and he has no immunity? They will say, "How did you say Mr. Segretti?" He will say, "Well, I had cash on hand." "How much cash did you have on hand?" Where does it go from there? Where did you get the cash? A full series of questions. His bank records indicate he had cash on hand, because some of these were set up in trustee accounts.

P. How would you handle him, John, for example? Would you just have him put the whole thing out? I don't mind the $500,000 and the $400,000.

D. No—that doesn't bother me either. As I say, Herb's problems are politically embarrassing, but not criminal.

P. Well he just handled matters between campaigns. These were surveys etc., etc. There is no need to account for that. There is no law that requires his accounting for that.

D. Ah, now—

P. Sources of money. There is no illegality in having a surplus in cash after a campaign.

D. No, the money—it has always been argued by Stans that it came in the preconvention primary for the 1968 race, and it was just set aside. That all can be explained.

P. How about the other probabilities?

D. We have a runaway Grand Jury up in the Southern District. They are after Mitchell and Stans on some sort of bribe or influence peddling with Vesco. They are also going to try to drag Ehrlichman into that. Apparently Ehrlichman had some meetings with Vesco, also. Don Nixon, Jr. came into see John a couple of times about the problem.

P. Not about Vesco, but about Don, Jr.? Ehrlichman never did anything for Vesco?

D. No one at the White House has done anything for Vesco.

P. Well Ehrlichman doesn't have to appear there?

D. Before that Grand Jury? Yes he could very well.

P. He couldn't use Executive Privilege?

D. Not really. Criminal charge, that is a little different. That would be dynamite to try to defend that.

P. Use the Flanigan analogy?

D. Right! That's pretty much the overall picture. And probably the most troublesome thing is the Segretti thing. Let's get down to that. Bob has indicated to me that he has told you a lot of it, that he, indeed, did authorize it. He did not authorize anything like ultimately evolved. He was aware of it. He was aware that Chapin and Strachan were looking for somebody. Again, this is one that has potential that Dwight Chapin should have a felony in this. He has to disprove a negative. The negative is that he didn't control and direct Segretti.

P. Wouldn't the felony be perjury again?

D. No, the felony in this instance would be a potential use of one of the civil rights statutes, where anybody who interferes with the campaign of a candidate for national office.

P. Why isn't it under civil rights statutes for these clowns demonstrating against us?

D. I have argued for that very purpose.

P. Really?

D. Yes, I have.

P. We were closer—nuts interfering with the campaign.

D. That is exactly right.

P. I have been sick about that because it is so bad the way it has been put out on the PR side. It has ended up on the PR side very confused.

D. What really bothers me is this growing situation. As I say, it is growing because of the continued need to provide support for the Watergate people who are going to hold us up for everything we've got, and the need for some people to perjure themselves as they go down the road here. If this thing ever blows, then we are in a cover up situation. I think it would be extremely damaging to you and the——

P. Sure. The whole concept of Administration justice. Which we cannot have!

D. That is what really troubles me. For example, what happens if it starts breaking, and they do find a criminal case against a Haldeman, a Dean, a Mitchell, an Ehrlichman? That is——

P. If it really comes down to that, we would have to (unintelligible) some of the men.

D. That's right. I am coming down to what I really think, is that Bob and John and John Mitchell and I can sit down and spend a day, or however long, to figure out one, how this can be carved away from you, so that it does not damage you or the Presidency. It just can't! You are not involved in it and it is something you shouldn't——

P. That is true!

D. I know, sir. I can just tell from our conversation that these are things that you have no knowledge of.

P. You certainly can! Buggings, etc! Let me say I am keenly aware of the fact Colson, et al., were doing their best to get information as we went along. But they all knew very well they were supposed to comply with the law. There was no question about that! You feel that really the trigger man was really Colson on this then?

D. No. He was one of us. He was just in the chain. He helped push the thing.

P. All I know about is the time of ITT, he was trying to get something going there because ITT was giving us a bad time.

D. I know he used Hunt.

P. I knew about that. I didn't know about it, but I knew there was something going on. But I didn't know it was a Hunt.

D. What really troubles me is one, will this thing not break some day and the whole thing—domino situation—everything starts crumbling, fingers will be pointing. Bob will be accused of things he has never heard of and deny and try to disprove it. It will get real nasty and just be a real bad situation. And the person who will be hurt by it most will be you and the Presidency, and I just don't think——

P. First, because I am an executive I am supposed to check these things.

D. That's right.

P. Let's come back to this problem. What are your feelings yourself, John? You know what they are all saying. What are your feelings about the chances?

D. I am not confident that we can ride through this. I think there are soft spots.

P. You used to be——

D. I am not comfortable for this reason. I have noticed of recent—since the publicity has increased on this thing again, with the Gray hearings, that everybody is now starting to watch after their behind. Everyone is getting their own counsel. More counsel are getting involved. How do I protect my ass.

P. They are scared.

D. That is bad. We were able to hold it for a long time. Another thing is that my facility to deal with the multitude of people I have been dealing with has been hampered because of Gray's blowing me up into the front page.

P. Your cover is broken?

D. That's right and it's——

P. So what you really come to is what we do. Let's suppose that you and Haldeman and Ehrlichman and Mitchell say we can't hold this? What then are you going to say? What are you going to put out after it. Complete disclosure, isn't that the best way to do it?

D. Well, one way to do it is——

P. That would be my view.

D. One way to do it is for you to tell the Attorney General that you finally know. Really, this is the first time you are getting all the pieces together.

P. Ask for another Grand Jury?

D. Ask for another Grand Jury. The way it should be done though, is a way—for example, I think that we could avoid criminal liability for countless people and the ones that did get it could be minimal.

P. How?

D. Well, I think by just thinking it all through first as to how. You know, some people could be granted immunity.

P. Like Magruder?

D. Yeah. To come forward. But some people are going to have to go to jail. That is the long and short of it, also.

P. Who? Let's talk about——

D. Alright. I think I could. For one.

P. You go to jail?

D. That's right.

P. Oh, hell no! I can't see how you can.

D. Well, because——

P. I can't see how. Let me say I can't see how a legal case could be made against you, John.

D. It would be tough but, you know, I can see people pointing fingers. You know, to get it out of their own, put me in an impossible position. Just really give me a (unintelligible)

P. Oh, no! Let me say I got the impression here—But just looking at it from a cold legal standpoint: you are a lawyer, you were a counsel—doing what you did as counsel. You were not—What would you go to jail for?

D. The obstruction of justice.

P. The obstruction of justice?

D. That is the only one that bothers me.

P. Well, I don't know. I think that one. I feel it could be cut off at the pass, maybe, the obstruction of justice.

D. You know one of the—that's why——

P. Sometimes it is well to give them something, and then they don't want the bigger push?

D. That's right. I think that, I think that with proper coordination with the Department of Justice, Henry Petersen is the only man I know bright enough and knowledgeable enough in the criminal laws and the process that could really tell us how this could be put together so that it did the maximum to carve it away with a minimum damage to individuals involved.

P. Petersen doesn't know does he?

D. That's right. No, I know he doesn't know. I know he doesn't know. I am talking about somebody who I have over the years known to have enough faith in—you constantly. It would have to put him in a very difficult situation as the Head of the Criminal Division of the United States Department of Justice, and the oath of office—

P. No. Talking about your obstruction of justice, though, I don't see it.

D. Well, I have been a conduit for information on taking care of people out there who are guilty of crimes.

P. Oh, you mean like the blackmailers?

D. The blackmailers. Right.

P. Well, I wonder if that part of it can't be—I wonder if that doesn't—let me put it frankly: I wonder if that doesn't have to be continued? Let me put it this way: let us suppose that you get the million bucks, and you get the proper way to handle it. You could hold that side?

D. Uh, huh.

P. It would seem to me that would be worthwhile.

D. Well, that's one problem.

P. I know you have a problem here. You have the problem with Hunt and his clemency.

D. That's right. And you are going to have a clemency problem with the others. They all are going to expect to be out and that may put you in a position that is just untenable at some point. You know, the Watergate Hearings just over, Hunt now demanding clemency or he is going to blow. And politically, it's impossible for you to do it. You know, after everybody—

P. That's right!

D. I am not sure that you will ever be able to deliver on the clemency. It may be just too hot.

P. You can't do it politically until after the '74 elections, that's for sure. Your point is that even then you couldn't do it.

D. That's right. It may further involve you in a way you should not be involved in this.

P. No—it is wrong that's for sure.

D. Well—there have been some bad judgments made. There have been some necessary judgments made.

P. Before the election?

D. Before the election and in the wake the necessary ones, you know, before the election. You know, with me there was no way, but the burden of this second Administration is something that is not going to go away.

P. No, it isn't.

D. It is not going to go away, Sir!

P. It is not going to go away.

D. Exactly.

P. The idea, well, that people are going to get tired of it and all that sort of thing.

D. Anything will spark it back into life. It's got to be,—It's got to be—

P. It is too much to the partisan interest to others to spark it back into life.

D. And it seems to me the only way—

P. Well, also so let's leave you out of it. I don't think on the obstruction of justice thing—I take that out. I don't know why, I think you may be over that cliff.

D. Well, it is possible.

P. Who else do you think has—

D. Potential criminal liability?

P. Yeah.

D. I think Ehlichman does. I think that uh—

P. Why?

D. Because of this conspiracy to burglarize the Ellsberg doctors' office.

P. That is, provided Hunt breaks?

D. Well, the funny—let me say something interesting about that. Within the files—

P. Oh, I thought of it. The picture!

D. Yes, sir. That is not all that buried. And while I think we've got it buried, there is no telling when it is going to pop up. Now the Cubans could start this whole thing. When the Ervin Committee starts running down why this mysterious telephone was here in the White House listed in the name of a secretary, some of these secretaries have a little idea about this, and they can be broken down just so fast. That is another thing I mentioned in the cycle—in the circle. Liddy's secretary, for example, is knowledgeable. Magruder's secretary is knowledgeable.

P. Sure. So Ehrlichman on the—

D. What I am coming in today with is: I don't have a plan on how to solve it right now, but I think it is at the juncture that we should begin to think in terms of how to cut the losses; how to minimize the further growth of this thing, rather than further compound it by, you know, ultimately paying these guys forever. I think we've got to look—

P. But at the moment, don't you agree it is better to get the Hunt thing that's where that—

D. That is worth buying time on

P. That is buying time, I agree.

D. The Grand Jury is going to reconvene next week after Sirica sentences. But that is why I think that John and Bob have met with me. They have never met with Mitchell on this. We have never had a real down and out with everybody that has the most to lose and it is the most danger for you to have them have criminal liabilities. I think Bob has a potential criminal liability, frankly. In other words, a lot of these people could be indicted.

P. Yeah.

D. They might never be convicted but just the thought of spending nights—

P. Suppose they are?

D. I think that would be devastating.

P. Suppose the worse—that Bob is indicted and Ehrlichman is indicted. And I must say, we just better then try to tough it through. You get the point.

D. That's right.

P. If they, for example, say let's cut our losses and you say we are going to go down the road to see if we can cut our losses and no more blackmail and all the rest. And then the thing blows cutting Bob and the rest to pieces. You would never recover from that, John.

D. That's right.

P. It is better to fight it out. Then you see that's the other thing. It's better to fight it out and not let people testify, and so forth. And now, on the other hand, we realize that we have these weaknesses—that we have these weaknesses—in terms of blackmail.

D. There are two routes. One is to figure out how to cut the losses and minimize the human impact and get you up and out and away from it in any way. In a way it would never come back to haunt you. That is one general alternative. The other is to go down the road, just hunker down, fight it at every corner, every turn, don't let people testify—cover it up is what we really are talking about. Just keep it buried, and just hope that we can do it, hope that we make good decisions at the right time, keep our heads cool, we make the right moves.

P. And just take the heat?

D. And just take the heat.

P. Now with the second line of attack. You can discuss this (unintelligible) the way you want to. Still consider my scheme of having you brief the Cabinet, just in very general terms and the leaders in very general terms and maybe some very general statement with regard to my investigation. Answer questions, basically on the basis of what they told you, not what you know. Haldeman is not involved. Ehrlichman is not involved.

D. If we go that route Sir, I can give a show we can see them just like we were selling Wheaties on our position. There's no—

P. The problem that you have are these mine fields down the road. I think the most difficult problem are the guys who are going to jail. I think you are right about that.

D. I agree.

P. Now. And also the fact that we are not going to be able to give them clemency.

D. That's right. How long will they take? How long will they sit there? I don't know. We don't know what they will be sentenced to. There's always a chance——

P. Thirty years, isn't it?

D. It could be. You know, they haven't announced yet, but it——

P. Top is thirty years, isn't it?

D. It is even higher than that. It is about 50 years. It all——

P. So ridiculous!

D. And what is so incredible is, he is (unintelligble).

P. People break and enter, etc., and get two years. No weapons! No results! What the hell are they talking about?

D. The individuals who are charged with shooting John Stennis are on the street. They were given, you know, one was put out on his personal recognizance rather than bond. They've got these fellows all stuck with $100,000 bonds. It's the same Judge, Sirica, let one guy who is charged with shooting a United States Senator out on the street.

P. Sirica?

D. Yes—it is phenomenal.

P. What is the matter with him? I thought he was a hard liner.

D. He is. He is just a peculiar animal, and he set the bond for one of the others somewhere around 50 to 60,000. But still, that guy is in. Didn't make bond, but still 60 thousand dollars as opposed to $100,000 for these guys is phenomenal.

P. When could you have this meeting with these fellows as I think time is of the essence. Could you do it this afternoon?

D. Well, Mitchell isn't here. It might be worth it to have him come down. I think that Bob and John did not want to talk to John Mitchell about this, and I don't believe they have had any conversation with him about it.

P. Well, I will get Haldeman in here now.

D. Bob and I have talked about it, just as we are talking about it this morning. I told him I thought that you should have the facts and he agrees. Of course, we have some tough problems down the road if we—(inaudible). Let me say (unintelligible) How do we handle all (unintelligible) who knew all about this in advance. Let me have some of your thoughts on that.

D. Well we can always, you know, on the other side charge them with blackmailing us. This is absurd stuff they are saying, and

P. See, the way you put it out here, letting it all hang out, it may never get there.

(Haldeman enters the room.)

P. I was talking to John about this whole situation and he said if we can get away from the bits and pieces that have broken out. He is right in recommending that there be a meeting at the very first possible time. I realize Ehrlichman is still out in California but, what is today? Is tomorrow Thursday?

H. (unintelligible.)

D. That's right.

P. He does get back. Could we do it Thursday? This meeting—you can't do it today, can you?

D. I don't think so. I was suggesting a meeting with Mitchell.

P. Mitchell, Ehrlichman, yourself and Bob, that is all. Now, Mitchell has to be there because he is seriously involved and we are trying to keep him with us. We have to see how we handle it from here on. We are in the process of having to determine which way to go, and John has thought it through as well as he can. I don't want Moore there on this occasion. You haven't told Moore all of this, have you?

D. Moore's got, by being with me, has more bits and pieces. I have had to give him.

P. Right.

D. Because he is making judgments—

P. The point is when you get down to the PR, once you decide it, what to do, we can let him know so forth and so on. But it is the kind of thing that I think what really has to happen is for you to sit down with those three and for you to tell them exactly what you told me.

D. Uh, huh.

P. It may take him about 35 or 40 minutes. In other words he knows, John knows, about everything and also what all the potential criminal liabilities are, whether it is—like that thing—what, about obstruction?

D. Obstruction of justice. Right.

P. So forth and so on. I think that's best. Then we have to see what the line is. Whether the line is one of continuing to run a kind of stone wall, and take the heat from that, having in mind the fact that there are vulnerable points there;—the vulnerable points being, the first vulnerable points would be obvious. That would be one of the defendents, either Hunt, because he is most vulnerable in my opinion, might blow the whistle and his price is pretty high, but at least we can buy the time on that as I pointed out to John. Apparently, who is dealing with Hunt at the moment now? Colson's—

D. Well, Mitchell's lawyer and Colson's lawyer both.

P. Who is familiar with him? At least he has to know before he is sentenced.

H. Who is Colson's lawyer? Is he in his law firm?

D. Shapiro. Right. The other day he came up and—

H. Colson has told him everything, hasn't he?

D. Yep, I gather he has. The other thing that bothered me about that is that he is a chatterer. He came up to Fred Fielding, of my office, at Colson's going away party. I didn't go over there. It was the Blair House the other night. He said to Fred, he said, "well, Chuck has had some mighty serious words with his friend Howard and has had some mighty serious messages back." Now, how does he know what Fielding knows? Because Fielding knows virtually nothing.

P. Well—

H. That is where your dangers lie, in all these stupid human errors developing.

P. Sure. The point is Bob, let's face it, the secretaries, the assistants know all of this. The principals may be as hard as a rock, but you never know when they, or some of their people may crack. But, we'll see, we'll see. Here we have the Hunt problem that ought to be handled now. Incidentally, I do not feel that Colson should sit in this meeting. Do you agree?

D. No. I would agree.

P. Ok. How then—who does sit on Colson? Because somebody has to, don't they?

D. Chuck—

P. Talks too much.

D. I like Chuck, but I don't want Chuck to know anything that I am doing, frankly.

P. Alright.

H. I think that is right. I think you want to be careful not to give Chuck any more knowledge than he's already got.

D. I wouldn't want Chuck to even know of the meeting, frankly.

P. Ok. Fortunately, with Chuck it is very—I talk to him about many, many political things, but I have never talked with him about this sort of thing. Very probably, I think he must be damn sure that I didn't know anything. And I don't. In fact, I am surprised by what you told me today. From what you said, I gathered the impression, and of course your analysis does not for sure indicate that Chuck knew that it was a bugging operation.

D. That's correct. I don't have—Chuck denies having knowledge.

P. Yet on the other side of that is that Hunt had conversations with Chuck. It may be that Hunt told Chuck that it was bugging, and so forth and so on.

D. Uh, huh, uh, huh. They were very close. They talk too much about too many things. They were intimate on this sort of—

H. That's the problem. Chuck loves (unintelligible). Chuck loves what he does and he loves to talk about it.

P. He also is a name dropper. Chuck may have gone around and talked to Hunt and said, well I was talking to the President, and the President feels we ought to get information about this, or that or the other thing, etc.

D. Well, Liddy is the same way.

P. Well, I have talked about this and that and the other thing. I have never talked to anybody, but I have talked to Chuck and John and the rest and I am sure that Chuck might have even talked to him along these lines.

H. Other than—Well, anything could have happened. I was going—

D. I would doubt that seriously.

H. I don't think he would. Chuck is a name dropper in one sense, but not in that sense. I think he very carefully keeps away from that, except when he is very intentionally bringing the President in for the President's purposes.

P. He had the impression though apparently he, as it turns out, he was the trigger man. Or he may well have been the trigger man where he just called up and said now look here Jeb go out and get that information. And Liddy and Hunt went out and got it at that time. This was February. It must have been after—

D. This was the call to Magruder from Colson saying, "fish or cut bait." Hunt and Liddy were in his office.

H. In Colson's office?

D. In Colson's office. And he called Magruder and said, "Let's fish or cut bait on this operation. Let's get it going."

H. Oh, really?

D. Yeah. This is Magruder telling me that.

H. Of course. That—now wait Magruder testified—

D. Chuck also told me that Hunt and Liddy were in his office when he made the call.

H. Oh, ok.

D. So it was corroborated by the principal.

H. Hunt and Liddy haven't told you that, though?

D. No.

H. You haven't talked to Hunt and Liddy?

D. I talked to Liddy once right after the incident.

P. The point is this, that it is now time, though, that Mitchell has got to sit down, and know where the hell all this thing stands, too. You see, John is concerned, as you know, about the Ehrlichman situation. It worries him a great deal because, and this is why the Hunt problem is so serious, because it had nothing to do with the campaign. It has to do with the Ellsberg case. I don't know what the hell the—(unintelligible)

H. But what I was going to say—

P. What is the answer on this? How you keep it out, I don't know. You can't keep it out if Hunt talks. You see the point is irrelevant. It has gotten to this point—

D. You might put it on a national security grounds basis.

H. It absolutely was.

D. And say that this was—

H. (unintelligible)—CIA—

D. Ah—

H. Seriously,

P. National Security. We had to get information for national security grounds.

D. Then the question is, why didn't the CIA do it or why didn't the FBI do it?

P. Because we had to do it on a confidential basis.

H. Because we were checking them.

P. Neither could be trusted.

H. It has basically never been proven. There was reason to question their position.

P. With the bombing thing coming out and everything coming out, the whole thing was national security.

D. I think we could get by on that.

P. On that one I think we should simply say this was a national security investigation that was conducted. And on that basis, I think the same in the drug field with Krogh. Krogh could say feels he did not perjure himself. He could say it was a national security matter. That is why—

D. That is the way Bud rests easy, because he is convinced that he was doing. He said there was treason about the country, and it could have threatened the way the war was handled and (expletive deleted)—

P. Bud should just say it was a question of national security, and I was not in a position to divulge it. Anyway, let's don't go beyond that. But I do think now there is a time when you just don't want to talk to Mitchell. But John is right. There must be a four way talk of the particular ones you can trust here. We've got to get a decision on it. It is not something—you have two ways basically. You really only have two ways to go. You either decide that the whole (expletive deleted) thing is so full of problems with potential criminal liabilities, which most concern me. I don't give a damn about the publicity. We could rock that through that if we had to let the whole damn thing hang out, and it would be a lousy story for a month. But I can take it. The point is, that I don't want any criminal liabilities. That is the thing that I am concerned about for members of the White House staff, and I would trust for members of the Committee. And that means Magruder.

D. That's right. Let's face it. I think Magruder is the major guy over there I think he's got the most serious problem.

P. Yeah.

H. Well, the thing we talked about yesterday. You have a question where you cut off on this. There is a possibility of cutting it at Liddy, where you are now.

P. Yeah.

D. But to accomplish that requires a continued perjury by Magruder and requires——

P. And requires total commitment and control over all of the defendants which—in other words when they are let down——

H. But we can, because they don't know anything beyond Liddy.

D. No. On the fact that Liddy, they have hearsay.

H. But we don't know about Hunt. Maybe Hunt has that tied into Colson. We don't know that though, really.

P. I think Hunt knows a hell of a lot more.

D. I do too. Now what McCord does——

H. You think he does. I am afraid you are right, but we don't know that.

P. I think we better assume it. I think Colson——

D. He is playing hard ball. He wouldn''t play hard ball unless he were pretty confident that he could cause an awful lot of grief.

H. Right.

P. He is playing hard ball with regard to Ehrlichman for example, and that sort of thing. He knows what he's got.

H. What's he planning on, money?

D. Money and—

H. Really?

P. It's about $120,000. That's what, Bob. That would be easy. It is not easy to deliver, but it is easy to get. Now,

H. If the case is just that way, then the thing to do if the thing cranks out.

P. If, for example, you say look we are not going to continue to—let's say, frankly, on the assumption that if we continue to cut our losses, we are not going to win. But in the end, we are going to be bled to death. And in the end, it is all going to come out anyway. Then you get the worst of both worlds. We are going to lose, and people are going to—

H. And look like dopes!

P. And in effect, look like a cover-up. So that we can't do. Now the other line, however, if you take that line, that we are not going to continue to cut our losses, that means then we have to look square in the eye as to what the hell those losses are, and see which people can—so we can avoid criminal liability. Right?

D. Right.

P. And that means keep it off you. Herb has started this Justice thing. We've got to keep it off Herb. You have to keep it, naturally, off of Bob, off Chapin, if possible, Strachan, right?

D. Uh, huh.

P. And Mitchell. Right?

D. Uh, huh.

H. And Magruder, if you can.

P. John Dean's point is that if Magruder goes down, he will pull everybody with him.

H. That's my view. Yep, I think Jeb, I don't think he wants to. And I think he even would try not to, but I don't think he is able not to.

D. I don't think he is strong enough.

P. Another way to do it then Bob, and John realizes this, is to continue to try to cut our losses. Now we have to take a look at that course of action. First it is going to require approximately a million dollars to take care of the jackasses who are in jail. That can be arranged. That could be arranged. But you realize that after we are gone, and assuming we can expend this money, then they are going to crack and it would be an unseemly story. Frankly, all the people aren't going to care that much.

D. That's right.

P. People won't care, but people are going to be talking about it, there is no question. And the second thing is, we are not going to be able to deliver on any of a clemency thing. You know Colson has gone around on this clemency thing with Hunt and the rest?

D. Hunt is now talking about being out by Christmas.

H. This year?

D. This year. He was told by O'Brien, who is my conveyor of doom back and forth, that hell, he would be lucky if he were out a year from now, or after Ervin's hearings were over. He said how in the Lord's name could you be commuted that quickly? He said, "Well, that is my commitment from Colson."

H. By Christmas of this year?

D. Yeah.

H. See that, really, that is verbal evil. Colson is—That is your fatal flaw in Chuck. He is an operator in expediency, and he will pay at the time and where he is to accomplish whatever he is there to do. And that, and that's, — I would believe that he has made that commitment if Hunt says he has. I would believe he is capable of saying that.

P. The only thing we could do with him would be to parole him like the (unintelligible) situation. But you couldn't buy clemency.

D. Kleindienst has now got control of the Parole Board, and he said to tell me we could pull Paroles off now where we couldn't before. So—

H. Kleindienst always tells you that, but I never believe it.

P. Paroles—let the (unintelligible) worry about that.

Parole, in appearance, etc., is something I think in Hunt's case, you could do Hunt, but you couldn't do the others. You understand.

D. Well, so much depends on how Sirica sentences. He can sentence in a way that makes parole even impossible.

P. He can?

D. Sure. He can do all kind of permanent sentences.

P. (Unintelligible).

D. Yeah. He can be (characterization deleted) as far as the whole thing.

H. Can't you appeal an unjust sentence as well as an unjust?

D. You have 60 days to ask the Judge to review it. There is no Appellate review of sentences.

H. There isn't?

P. The judge can review it.

H. Only the sentencing judge can review his own sentence?

P. Coming back, though, to this. So you got that hanging over. Now! If—you see, if you let it hang there, you fight with them at all or they part—The point is, your feeling is that we just can't continue to pay the blackmail of these guys?

D. I think that is our great jeopardy.

P. Now, let me tell you. We could get the money. There is no problem in that. We can't provide the clemency. Money could be provided. Mitchell could provide the way to deliver it. That could be done. See what I mean?

H. Mitchell says he can't doesn't he?

D. Mitchell says—there has been an interesting phenomenon all the way along. There have been a lot of people having to pull oars and not everybody pulls them all the same time, the same way, because they develop self-interests.

H. What John is saying, everybody smiles at Dean and says well you better get something done about it.

D. That's right.

H. Mitchell is leaving Dean hanging out on him. None of us, well, may be we are doing the same thing to you.

D. That's right.

H. But let me say this. I don't see how there is any way that you can have the White House or anybody presently in the White House involved in trying to gin out this money.

D. We are already deeply enough in that. That is the problem, Bob.

P. I thought you said—

H. We need more money.

D. Well, in fact when—

P. Kalmbach?

D. Well, Kalmbach.

H. He's not the one.

D. No, but when they ran out of that money, as you know it came out of the 350,000 that was over here.

P. And they knew that?

D. And I had to explain what it was for before I could get the money.

H. In the first place, that was put back to LaRue.

D. That's right.

H. It was put back where it belonged. It wasn't all returned in a lump sum. It was put back in pieces.

D. That's right.

P. Then LaRue used it for this other purpose?

D. That's right.

H. And the balance was all returned to LaRue, but we don't have any receipt for that. We have no way of proving it.

D. And I think that was because of self-interest over there. Mitchell—

H. Mitchell told LaRue not to take it at all.

D. That's right.

H. That is what you told me.

D. That's right. And then don't give them a receipt.

P. Then what happened? LaRue took it, and then what?

D. It was sent back to him because we just couldn't continue piecemeal giving. Everytime I asked for it I had to tell Bob I needed some, or something like that, and he had to get Gordon Strachan to go up to his safe and take it out and take it over to LaRue. And it was just a forever operation.

P. Why did they take it all?

D. I just sent it along to them.

H. We had been trying to get a way to get that money back out of here anyway. And what this was supposed to be was loans. This was immediate cash needs that was going to be replenished. Mitchell was arguing that you can't take the $350,000 back until it is all replenished. Isn't that right?

D. That is right.

H. They hadn't replenished, so we just gave it all back anyway.

P. I had a feeling we could handle this one.

D. Well, first of all, I would have a hell of a time proving it. That is one thing.

P. I just have a feeling on it. Well, it sounds like a lot of money, a million dollars. Let me say that I think we could get that. I know money is hard to raise. But the point is, what we do on that—Let's look at the hard problem—

D. That has been, thus far, the most difficult problem. That is why these fellows have been on and off the reservation all the way along.

P. So the hard place is this. Your feeling at the present time is the hell with the million dollars. I would just say to these fellows I am sorry it is all off and let them talk. Alright?

D. Well,—

P. That's the way to do it isn't it, if you want to do it clean?

H. That's the way. We can live with it, because the problem with the blackmailing, that is the thing we kept raising with you when you said there was a money problem. When you said we need $20,000, or $100,000, or something. We said yeah, that is what you need today. But what do you need tomorrow or next year or five years from now?

P. How long?

D. That was just to get us through November 7th, though.

H. That's what we had to have to get through November 7th. There is no question.

D. These fellows could have sold out to the Democrats for one-half a million.

P. These fellows though, as far as what has happened up to this time, are covered on their situation, because the Cuban Committee did this for them during the election?

D. Well, yeah. We can put that together. That isn't of course quite the way it happened, but—

P. I know, but that's the way it is going to have to happen.

D. It's going to have to happen.

P. Finally, though, so you let it happen. So then they go, and so what happens? Do they go out and start blowing the whistle on everybody else? Isn't that what it really gets down to?

D. Uh, huh.

P. So that would be the clean way—Right!

D. Ah——

P. Is that—you would go so far as to recommend that?

D. No, I wouldn't. I don't think necessarily that is the cleanest way. One of the things that I think we all need to discuss is, is there some way that we can get our story before a Grand Jury, so that they can really have investigated the White House on this. I must say that I have not really thought through that alternative. We have been so busy on the other containment situation.

P. John Ehrlichman, of course, has raised the point of another Grand Jury. I just don't know how you could do it. On what basis. I could call for it, but I——

D. That would be out of the question.

P. I hate to leave with differences in view of all this stripped land. I could understand this, but I think I want another Grand Jury proceeding and we will have the White House appear before them. Is that right John?

D. Uh huh.

P. That is the point, see. Of course! That would make the difference. I want everybody in the White House called. And that gives you a reason not to have to go before the Ervin and Baker Committee. It puts it in an executive session, in a sense.

H. Right.

D. That's right.

H. And there would be some rules of evidence, aren't there?

D. There are rules of evidence.

P. Rules of evidence and you have lawyers.

H. You are in a hell of a lot better position than you are up there.

D. No, you can't have a lawyer before the Grand Jury.

P. Oh, no. That's right.

H. But you do have rules of evidence. You can refuse to talk.

D. You can take the 5th Amendment.

P. That's right.

H. You can say you have forgotten too can't you?

D. Sure but you are chancing a very high risk for perjury situation.

P. But you can say I don't remember. You can say I can't recall. I can't give any answer to that that I can recall.

H. You have the same perjury thing on the Hill don't you?

D. That's right.

P. Oh hell, yes.

H. And the Ervin Committee is a hell of a lot worse to deal with.

D. That's right.

P. The Grand Jury thing has its in view of this thing. Suppose we have a Grand Jury thing. What would that do to the Ervin Committee? Would it go right ahead?

D. Probably. Probably.

P. If we do that on a Grand Jury, we would then have a much better cause in terms of saying, "Look, this is a Grand Jury, in which the prosecutor—How about a special prosecutor? We would use Peterson, or use another one. You see he is probably suspect. Would you call in another prosecutor?

D. I would like to have Peterson on our side, if I did this thing.

P. Well, Peterson is honest. There isn't anybody about to question him is there?

D. No, but he will get a barrage when these Watergate Hearings start.

P. But he can go up and say that he has been told to go further with the Grand Jury and go in to this and that and the other thing. Call everybody in the White House, and I want them to come and I want them to go to the Grand Jury.

D. This may happen without even our calling for it when these—

P. Vesco?

D. No. Well, that is one possibility. But also when these people go back before the Grand Jury here, they are going to pull all these criminal defendants back before the Grand Jury and immunize them.

P. Who will do this?

D. The U.S. Attorney's Office will.

P. To do what?

D. To let them talk about anything further they want to talk about.

P. But what do they gain out of it?

D. Nothing.

P. To hell with it!

D. They're going to stonewall it, as it now stands. Excepting Hunt. That's why his threat.

H. It's Hunt opportunity.

P. That's why for your immediate things you have no choice but to come up with the $120,000, or whatever it is. Right?

D. That's right.

P. Would you agree that that's the prime thing that you damn well better get that done?

D. Obviously he ought to be given some signal anyway.

P. (Expletive deleted), get it. In a way that—who is going to talk to him? Colson? He is the one who is supposed to know him?

D. Well, Colson doesn't have any money though. That is the thing. That's been one of the real problems. They haven't been able to raise a million dollars in cash. (unintelligible) has been just a very difficult problem as we discussed before. Mitchell has talked to Pappas, and John asked me to call him last night after our discussion and after you had met with John to see where that was. And I said, "Have you talked to Pappas?" He was at home, and Martha picked up the phone so it was all in code. I said, "Have you talked to the Greek?" And he said, "Yes, I have." I said, "Is the Greek bearing gifts?" He said, "Well, I'll call you tomorrow on that."

P. Well look, what it is you need on that? When—I am not familiar with the money situation.

D. It sounds easy to do and everyone is out there doing it and that is where our breakdown has come every time.

P. Well, if you had it, how would you get it to somebody?

D. Well, I got it to LaRue by just leaving it in mail boxes and things like that. And someone phones Hunt to come and pick it up. As I say, we are a bunch of amateurs in that business.

H. That is the thing that we thought Mitchell ought to be able to know how to find somebody who would know how to do all that sort of thing, because none of us know how to.

D. That's right. You have to wash the money. You can get a $100,000 out of a bank, and it all comes in serialized bills.

P. I understand.

D And that means you have to go to Vegas with it or a bookmaker in New York City. I have learned all these things after the fact. I will be in great shape for the next time around.

H. (Expletive deleted)

P. Well, of course you have a surplus from the campaign. Is there any other money hanging around?

H. Well, what about the money we moved back out of here?

D. Apparently, there is some there. That might be what they can use. I don't know how much is left.

P. Kalmbach must have some.

D. Kalmbach doesn't have a cent.

P. He doesn't?

H. That $350,000 that we moved out was all that we saved. Because they were afraid to because of this. That is the trouble. We are so (adjective deleted) square that we get caught at everything.

P. Could I suggest this though: Let me go back around——

H. Be careful——

P. The Grand Jury thing has a feel. Right? It says we are cooperating well with the Grand Jury.

D. Once we start down any route that involves the criminal justice system, we've got to have full appreciation that there is really no control over that. While we did an amazing job of keeping us in on the track before while the FBI was out there, and that was the only way they found out where they were going——

P. But you've got to (unintelligible) Let's take it to a Grand Jury. A new Grand Jury would call Magruder again, wouldn't it?

D. Based on what information? For example, what happens if Dean goes in and gives a story. You know, that here is the way it all came about. It was supposed to be a legitimate operation and it obviously got off the track. I heard—before, but told Haldeman that we shouldn't be involved in it. Then Magruder can be called in and questioned again about all those meetings and the like. And it again he's begun to change his story as to what he told the Grand Jury the last time. That way, he is in a perjury situation.

H. Except that is the best leverage you've got with Jeb. He has to keep his story straight or he is in real trouble, unless they get smart and give him immunity. If they immunize Jeb, then you have an interesting problem.

D. We have control over who gets immunized. I think they wouldn't do that without our——

P. But you see the Grand Jury proceeding achieves this thing. If we go down that road—(unintelligible) we would be cooperating. We would be cooperating through a Grand Jury. Everybody would be behind us. That is the proper way to do this. It should be done in the Grand Jury, not up there under the kleig lights of the Committee. Nobody questions a Grand Jury. And then we would insist on Executive Privilege before the Committee, flat out say, "No we won't do that. It is a matter before the Grand Jury, and so on, and that's that."

H. Then you go the next step. Would we then—The Grand Jury is in executive session?

D. Yes, they are secret sessions.

H. Alright, then would we agree to release our Grand Jury transcripts?

D. We don't have the authority to do that. That is up to the Court and the Court, thus far, has not released the ones from the Grand Jury.

P. They usually are not.

D. It would be highly unusual for a Grand Jury to come out. What usually happens is——

H. But a lot of the stuff from the Grand Jury came out.

P. Leaks.

D. It came out of the U. S. Attorney's office, more than the Grand Jury. We don't know. Some of the Grand Jurors may have blabbered, but they were—

P. Bob, it's not so bad. It's bad, but it's not the worst place.

H. I was going the other way there. I was going to say that it might be to our interest to get it out.

P. Well, we could easily do that. Leak out certain stuff. We could pretty much control that. We've got so much more control. Now, the other possibility is not to go to the Grand Jury. We have three things. (1) You just say the hell with it, we can't raise the money, sorry Hunt you can say what you want, and so on. He blows the whistle. Right?

D. Right.

P. If that happens, that raises some possibilities about some criminal liabilities, because he is likely to say a hell of a lot of things and will certainly get Magruder in on it.

D. It will get Magruder. It will start the whole FBI investigation going again.

P. Yeah. It would get Magruder, and it would possibly get Colson.

D. That's right. Could get—

P. Get Mitchell. Maybe. No.

H. Hunt can't get Mitchell.

D. I don't think Hunt can get Mitchell. Hunt's got a lot of hearsay.

P. Ehrlichman?

D. Krogh could go down in smoke.

P On the other hand—Krogh says it is a national security matter. Is that what he says?

D. Yeah, but that won't sell ultimately in a criminal situation. It may be mitigating on sentences but it won't, in the main matter.

P. Seems we're going around the track. You have no choice on Hunt but to try to keep—

D. Right now, we have no choice.

P. But my point is, do you ever have any choice on Hunt? That is the point. No matter what we do here now, John, whatever he wants if he doesn't get it—immunity, etc., he is going to blow the whistle.

D. What I have been trying to conceive of is how we could lay out everything we know in a way that we have told the Grand Jury or somebody else, so that if a Hunt blows, so what's new? It's already been told to a Grand Jury and they found no criminal liability and they investigated it in full. We're sorry fellow—And we don't, it doesn't—

P. (Unintelligible) for another year.

D. That's right.

P. And Hunt would get off by telling them the Ellsberg thing.

D. No Hunt would go to jail for that too—he should understand that.

P. That's a point too. I don't think I would throw that out. I don't think we need to go into everything. (adjective deleted) thing Hunt has done.

D. No.

P. Some of the things in the national security area. Yes.

H. Whoever said that anyway. We laid the groundwork for that.

P. But here is the point, John. Let's go the other angle, is to decide if you open up the Grand Jury: first, it won't be any good, it won't be believed. And then you will have two things going: the Grand Jury and the other things, committee, etc. The Grand Jury appeals to me from the standpoint, the President makes the move. All these charges being bandied about, etc., the best thing to do is that I have asked the Grand Jury to look into any further charges. All charges have been raised. That is the place to do it, and not before a Committee of the Congress. Right?

D. Yeah.

P. Then, however, we may say, (expletive deleted), we can't risk that, or she'll break loose there. That leaves you to your third thing.

D. Hunker down and fight it.

P. Hunker down and fight it and what happens? Your view is that is not really a viable option.

D. It is a high risk. It is a very high risk.

P. Your view is that what will happen on it, that it's going to come out. That something is going to break loose, and—

D. Something is going to break and—

P. It will look like the President

D. is covering up—

P. Has covered up a hugh (unintelligible)

D. That's correct.

H. But you can't (inaudible)

P. You have now moved away from the hunker down—

D. Well, I have moved to the point that we certainly have to take a harder look at the other alternative, which we haven't before.

P. The other alternative is—

D. Yes, the other choices.

P. As a matter of fact, your middle ground of Grand Jury. I suppose there is a middle ground of a public statement without a transcript.

D. What we need also, Sir.

H. But John's view is if we make the public statement that we talked about this morning, the thing we talked about last night—each of us in our hotel, he says that will immediately lead to a Grand Jury.

P. Fine—alright, fine.

H. As soon as we make that statement, they will have to call a Grand Jury.

P. They may even make a public statement before the Grand Jury, in order to—

H. So it looks like we are trying to do it over.

D. Here are public statements, and we want full Grand Jury investigations by the U.S. Attorneys office.

P. If we said that the reason we had delayed this is until after the sentencing—You see that the point is that the reason time is of the essence, we can't play around on this. If they are going to sentence on Friday, we are going to have to move on the (expletive deleted) thing pretty fast. See what I mean?

D. That's right.

P. So we really have a time problem.

D. The other thing is that The Attorney General could call Sirica, and say that, "The government has some major developments that it is considering. Would you hold sentencing for two weeks?" If we set ourselves on a course of action.

P. Yep, yep.

D. See, the sentencing may be in the wrong perspective right now. I don't know for certain, but I just think there are some things that I am not at liberty to discuss with you, but I want to ask that the Court withhold two weeks sentencing.

H. So then the story is out: "Sirica delays sentencing Watergate"—

D. I think that could be handled in a way between Sirica and Kleindienst that it would not get out. Kleindienst apparently does have good rapport with Sirica. He has never talked since this case developed, but—

P. That's helpful. So Kleindienst should say that he is working on something and would like to have a week. I wouldn't take two weeks. I would take a week.

D. I will tell you the person that I feel we could use his counsel on this, because he understands the criminal process better than anybody over here does.

P. Petersen?

D. Yes, Petersen. It is awkward for Petersen. He is the head of the criminal division. But to discuss some of things with him, we may well want to remove him from the head of the Criminal Division and say, "That related to this case, you will have no relation." Give him some special assignment over here where he could sit down and say, "Yes, this is an obstruction, but it couldn't be proved," so on and so forth. We almost need him out of there to take his counsel. I don't think he would want that, but he is the most knowledgeable.

P. How could we get him out?

D. I think an appeal directly to Henry—

P. Why couldn't the President call him in as Special Counsel to the White House for the purpose of conducting an investigation. Rather than a Dean in office, having him the Special Counsel to represent us before the Grand Jury.

D. I have thought of that. That is one possibility.

H. On the basis that Dean has now become a principal, rather than a Counsel.

D. I could recommend that to you.

H. Petersen is planning to leave, anyway.

D. Is he?

P. You could recommend it and he could come over and I would say, "Now Petersen, we want you to get to the bottom of the damn thing. Call another Grand Jury or anything else. Correct? Well, now you gotta know whether Kleindienst can get Sirica to hold off. Right? Second, you have to get Mitchell down here. And you and Ehrlichman and Mitchell by tomorrow.

H. Why don't we do that tonight?

P. I don't think you can get Mitchell that soon, can you?

H. John?

P. It would be helpful if you could.

D. It would be better if he could come down this afternoon.

P. It would be very helpful to get going. Actually, I am perfectly willing to meet with the group. I don't know whether I should.

H. Do you think you want to?

P. Or maybe have Dean report to me at the end. See what conclusions you have reached. I think I need to stay away from the Mitchell subject at this point, do you agree?

D. Uh, huh.

D. Unless we see, you know, some sort of a reluctant dragon there.

H. You might meet with the rest of us, but I am not sure you would want to meet with John in this group at this time.

P. Alright. Fine. And my point is that I think it is good, frankly, to consider these various options. And then, once you decide on the right plan, you say, "John," you say, "No doubts about the right plan before the election. You handled it just right. You contained it. And now after the election we have to have another plan. Because we can't for four years have this thing eating away." We can't do it.

H. We should change that a little bit. John's point is exactly right. The erosion here now is going to you, and that is the thing that we have to turn off at whatever cost. We have to turn it off at the lowest cost we can, but at whatever cost it takes.

D. That's what we have to do.

P. Well, the erosion is inevitably going to come here, apart from anything and all the people saying well the Watergate isn't a major issue. It isn't. But it will be. It's bound to. (Unintelligible) has to go out. Delaying is the great danger to the White House area. We don't, I say that the White House can't do it. Right?

D. Yes, sir.

Appendix 7. Meeting: The President, Dean, Haldeman and Ehrlichman, EOB Office, March 21, 1973. (5:20—6:01 pm):

P. Well, what conclusions have you reached up to the moment?

H. Well, you go round and round and come up with all questions and no answers. Right back where you were at when you started.

P. Well, do you have any additional thoughts?

E. Well, I just don't think that the immunity thing will wash—

P. In a Grand Jury?

E. It may but (inaudible) John's Grand Jury package was—

P. To get immunity for some—

E. For various witnesses.

P. Who had to go before the Grand Jury.

E. I think you have to figure that that is out of the picture.

I just don't believe we can do that. It can't be carried off.

H. Either the Grand Jury (inaudible) special, or a special panel,

D. A panel could investigate and report back on the whole thing. Immunized witnesses can be obtained.

P. Will it be an indictment of people in the Presidential family?

D. We have pending work on legislation to get immunity powers at the Department of Justice right now, asking them to assess this.

P. Well, let's take the Grand Jury now, without immunity, and what are your ideas about getting out of it?

D. Well, yes I think that is still a possibility, at least for some very drastic results (inaudible) statutes later on some (inaudible).

E. Well, there could be people in and out of the White House indicted for various offenses.

P. The other item I mentioned, I wouldn't spend too much time with that.

E. The other item would be to pick out two papers and possibly three and say "(expletive omitted), you asked me about this. Here is my review of the facts." I think we disagree as to whether or not that is a viable. I think you could get out a fairly credible document that would stand up, and that would have the effect of turning the scope, and would have the effect of maybe becoming the battle ground on a reduced scope, which I think is important. The big danger in the Ervin Hearings, as I see it, is the Committee will run out leads into areas that it would be better not to have them get into. And then Baker could come in this direction. And then you could put out a basic document that would come on in a limited subject that would rather consciously hit the target.

P. The imposing problem is this, Does anybody really think we can do nothing? That's the option, period. If he fights it out on this ground, it takes all summer.

H. Which it will.

P. That's it, whether or not today at the danger point.

H. Well, we have talked about that. We have talked about possible opportunities in the Senate. Things may turn up that we don't foresee now. Some people may be sort of playing the odds.

E. The problem of the Hunt thing or some of these other people, there is just no sign off on them. That problem goes on and on.

P. Well, that's right. If that's the case then, what is your view as to what we should do now about Hunt, et cetera?

E. Well, my view is that Hunt's interests lie in getting a pardon if he can. That ought to be somehow or another one of the options that he is most particularly concerned about. Now, his indirect contacts with John don't contemplate that at all—(inaudible).

P. He assumes that's already understood.

D. He's got to get that by Christmas, I understand.

E. That's right. And if he does, obviously he has a bigger defense crosswise.

H. If that blows—

E. If that blows and that seems to me, although I doubt if he is understood, he has really turned over backwards since he has been in there.

However, can he, by talking, get a pardon? Clemency from the Court?

Obviously he has thought of this. If he goes in there and tells this Judge before sentencing, if he says, "Your honor I am willing to tell all. I don't want to go to jail. I plead guilty to an offense. If I don't have to go to jail, I will cooperate with you and the government. I will tell you everything I know." I think that probably he would receive very favorable consideration.

P. Yeah. And then so the point we have to, the bridge we have to cross there, that you have to cross I understand quite soon, is what you do about Hunt and his present finance? What do we do about that?

D. Well apparently Mitchell and LaRue are now aware of it so they know how he is feeling.

P. True. Are they going to do something?

D. Well, I have not talked with either of them. Their positions are sympathetic.

P. Well, it is a long road isn't it? When you look back on it, as John has pointed out here, it really has been a long road for all of you, of us.

H. It sure is.

P. For all of us, for all of us. That's why you are wrestling with the idea of moving in another direction.

D. That's right. It is not only that group, but within this circle of people, that have tidbits of knowledge, there are a lot of weak individuals and it could be one of those who crosses up: the secretary to Liddy, the secretary to Jeb Magruder. Chuck Colson's secretary, among others, will be called before the Senate Committee. This is not solved by one forum. A civil suit filed by O'Brien which for some reason we can't get settled. They are holding on to it. They will have intense civil discovery. They may well work hand and glove with that Senate Committee. They will go out and take depositions and start checking for the inconsistencies, see what is in the transcript of one and see what people say in the other (inaudible)

P. Well, I am not going to worry about that.

D. Well, they, the people are starting to protect their own behind: Dwight, for example, hired himself a lawyer; Colson has retained a lawyer; and now that we are all starting the self-protection certainly.

P. Maybe we face the situation. We can't do a damn about the participants. If it is going to be that way eventually, why not now? That is what you are sort of resigned to, isn't it?

D. Well, I thought (inaudible) by keeping on top of it it would not harm you. Maybe the individuals would get harmed.

P. We don't want to harm the people either. That is my concern. We can't harm these young people (inaudible). They were doing things for the best interests of their country—that is all.

H. Well, we don't have any question here of some guy stashing money in his pocket.

P. It isn't somthing like this, for example, (expletive omitted) treason.

H. Well, like Sherman Adams, doing it for their own ambition or comfort.

P. Well, that is why I say on this one that we have to realize that the system is going to run and that is your problem.

H. The only problem (inaudible)

D. It is structured. That your concern about, "There is something lurking here." Now is the time to get the facts before Richard Nixon himself. Dean couldn't get all the information. People wouldn't give it to him. There are things, there are a lot of things. And if you would like to get all of this information and you lay it before the public, but it is not going to come because some people go to a Grand Jury and tell the truth.

H. Lie?

P. And it isn't going to come out of the Committee.

H. For those reasons,

D. It would not be fair. Go ahead, that's the point, or it may never come out. But now is the time to throw it all out.

H. They are not going to have the key witnesses.

D. So therefore you select a panel of the Attorney General, the head of the Criminal Division, head of the Civil Division—something like that. Call on everybody in the White House, and tell them we want them, we have been instructed by the President to tell him exactly what happened. And you won't be prosecuted for it because that is not the point now. The point is to get out this information. And then you will make a decision, based on what you learn, whether people can remain in the government or not. And if it is bad they will be removed or forced to resign. If it was something that is palatable, they'll go on with their job.

H. The hue and cry is that this is a super-Presidential Board. And now they realize that they have got guilty people, and they immunize them so that they cannot be prosecuted.

D. I am not so sure how many people would come out guilty.

H. The perception, as you put it.

P. The point is, we were talking—

D. Alright, is that better? Or is it better to have (inaudible) and things blow up and all of a sudden collapse? Think about it.

H. After a little time, the President is accused of covering up that way.

P. That isn't the point.

E. Or is there another way?

P. Yeah, like——

E. The Dean statements, where the President then makes a bold disclosure of everything which he then has. And is in a position if it does collapse at a later time to say, "I had the FBI and the Grand Jury, and I had my own Counsel. I turned over every document I could find. I placed in my confidence young people and as is obvious now (inaudible).

P. (inaudible). It doesn't concern me. I mean as far as the policy is concerned. You as White House Counsel, John. I asked for a written report, which I do not have, which is very general understand. I am thinking now in far more general terms, having in mind the facts, that where specifics are concerned, make it very general, your investigation of the case. Not that "this man is guilty, this man is not guilty," but "this man did do that." You are going to have to say that, John. Segretti (inaudible) That has to be said. And so under the circumstances,

E. Could he do this? To give some belief to this, that he could attach an appendix, listing the FBI reports that you had access to: interview with Kalmbach, interview with Segretti, interview with Chapin, Magruder, and whoever and me. So that the President at some later time is in a position to say, "I relied."

D. And Dean cooperated on these things.

E. That's right.

P. It also helps with the Gray situation because it shows Dean's name on the FBI reports as reporting to the President. He can say in there, "I have not disclosed the contents of these to anybody else. Yes, I had access to the reports for the purpose of carrying out your instructions." And I know that that is true because you are the one I asked with regard to my report.

E. I think the President is in a stronger position later. The President is in a stronger position later, if he can be shown to have justifiably relied on you at this point in time.

D. Well, there is the argument now that Dean's credibility is in question. Maybe I shouldn't do it. Maybe someone else——

H. This will rehabilitate you though. Your credibility——

P. As a matter of fact, John, I don't think your credibility has been much injured. Sure you are under a test that they want. You are up there to testify. I don't think it is the credibility. They want you to testify. I would not be too sensitive about that. You are going to make a hell of a good impression.

E. Beyond that, you can help your participation in the interviews by saying that, in addition to having seen the FBI synoposes, you were present at the time of the interviews.

P. No. Not seeing. You were present at the time of the interviews and that you, yourself, conducted interviews of the following people. I am just trying to think of people, et cetera, that you can list.

D. It will turn it all into a puzzle.

H. Absolutely, yeah.

E. I am doing this in furtherance of my role.

P. Also, that there has been such a lot of—put out about what you have done without referring to the fact, without being defensive about it, you intended to—This should not be a letter to Eastland. I think this should be a letter to me. You could say that, "Now, now that hearings are going on, I can now give a report that we can put out."

H. That is what you can say. In other words, he gives you a report because you asked him for it, regardless of the timeliness.

D. I am not thinking of that. Don't worry about that. I have no problem with the timing. It is just that Liddy and McCord are still out on appeal. That is why I haven't tried to do this before.

H. We are going to have a big period of that. I think you could say—

E. You could say, "I have a report. I don't want to show it. I would not want it published because some fellows' trial of the case is still going on."

P. Let me say this. The problem with, is: I don't believe that helps on our cause. The fact that cover up—I am not sure. Maybe I am wrong. The fact that the President says, "I have shown Ervin." Remember we had nobody there. I think that something has to go first. We need to put out something.

H. If we worry about the timeliness, and try to hang it on a sense thing, then we have to ignore the trial, and say Dean has given you a report. We basically said it was an oral report. The thing is that Dean has kept you posted from time to time with periodic oral reports as this thing, as it becomes convenient. You have asked him now to summarize those into an overall summary.

P. Overall summary. And I will make the report available to the Ervin Committee. And then I offer the Ervin Committee report this way, I say, "Dear Senator Ervin. Here is the report before your hearings. You have this report, and as I have said previously, any questions that are not answered here, you can call the White House staff member, and they will be directed to answer any questions on an informational basis." (inaudible).

H. Yeah.

E. Let's suppose you did do that. You did as to the burglary, you did it as to Segretti and you made some passing comments to money, right? You send her up there. Let's suppose I am called at some time. Our position on that is that I wasn't a prosecutor, that he was sent out to do an investigation on Ellsberg. And when we discovered what he was up to, we stopped him. Now, I suppose that lets Ellsberg out, because there are search and seizure things here that may be sufficient at least for a mistrial, if not for—

P. Isn't that case about finished yet?

E. Oh, it will go a little while yet. Let's suppose that occurred. That it was a national security situation. The man exercised bad judgment, and I think it is inarguable that he should never have been permitted to go to the Committee after that episode, having reflected on his judgment that way. But beyond that, the question is did he completely authorize (inaudible)

P. Yeah. Getting back to this, John. You still tilt to the panel idea yourself?

D. Well, I see in this conversation what I have talked about before. They do not ultimately solve what I see as a grave problem of a cancer growing around the Presidency. This creates another problem. It does not clean the problem out.

P. Well,

E. But doesn't it permit the President to clean it out at such time as it does comes up? By saying, "Indeed, I relied on it. And now this later thing turns up, and I don't condone that. And if I had known that before, obviously I would have run it down."

P. Here's what John is to. You really think you've got to clean the cancer out now, right?

D. Yes sir.

P. How would you do that? Do you see another way? Without breaking down our executive privilege.

D. I see a couple of ways to do it.

P. You certainly don't want to do it at the Senate, do you?

D. No sir, I think that would be an added trap.

P. That's the worst thing. Right. We've got to do it. We aren't asked to do it.

D. You've got to do it, to get the credit for it. That gets you above it. As I see it, naturally you'll get hurt and I hope we can find the answer to that problem.

E. Alright, suppose we did this? Supposing you write a report to the President on everything you know about this. And the President then, prior to seeing it, says "Did you send the report over to the Justice Department?" When it goes he says, (unintelligible) has been at work on this. My Counsel has been at work on this. Here are his findings."

P. Where would you start? I don't know where it stops. Ziegler? The Vice President?

H. Well, re Magruder over at Commerce. Obviously you would send a report over that said Magruder did this and that. Well, that is what he is talking about apparently.

P. And then Magruder. The fellow is a free agent.

H. The free agent.

P. Who according to the Hunt theory, could pull others down with him.

H. Sure. What would happen? Sure as hell we have to assume Dwight would be drawn in.

D. Draw numbers with names out of a hat to see who gets hurt and who doesn't. That sounds about as fair as you can be, because anyone can get hurt.

P. Strachan. This wouldn't do anything to him would it?

D. Strachan? I would say yes. About the same as Jeb.

H. Do you think so?

D. Yes, I think he has a problem.

P. What is the problem about?

H. He has a problem of knowledge.

D. Magruder has a problem of action, action and perjury.

H. Well, Strachan handled the money. That is the problem.

D. The thing that I would like to happen, if it is possible to do it, is—Hunt has now sent a blackmail request directly to the White House.

P. Who did he send it to? You?

D. Yes.

P. Or to me?

D. Your Counsel!

H. That is the interesting kind of thing, there is something there that may blow it all up that way and everything starts going in a whole new direction.

E. That he would hurt the Eastern Asian Defense. Right there. That is blackmail.

H. For example, where does that take you? That takes you to your support, the other people who are not fully aware of the DC end of it. But then we didn't know about it either.

D. That's right. Well, then you have to get the proper people to say——

H. Well, see if we go your route, you can't draw the line someplace and say——

D. No, no you can't.

P. You see, if we go your route of cutting the cancer out. If we cut it out now. Take a Hunt. Well, wouldn't that knock the hell out from under him?

D. That's right.

H. If you take your move and it goes slightly awry, you have a certainty, almost, of Magruder going to jail, Chapin going to jail, and you going to jail, and probably me going to jail.

P. No, I question the last two.

H. Certainly Chapin. Certainly Strachan. No, not really. Chapin and Strachan are clean.

E. I think Strachan is hooked on this money.

P. What money was that?

E. He is an accessory on undeclared campaign funds.

H. That's not his problem. The only man responsible for that is the Treasurer. I am sure.

D. I don't know under the law.

P. That undeclared was money from before 1970, that was 1968.

E. Yeah. But then it got back into the coffers and was used in this campaign.

D. Let's say the President sent me to the Grand Jury to make a report. Who could I actually do anything for? As a practical matter, firsthand knowledge, almost no one. All I could do would be to give them focus point leads.

P. Right.

H. Then they would start calling the leads.

D. That's right and whether all of them would come down or be served. There again, we don't have anybody who could talk to somebody who has learned how to process that sort of thing on the outside. I was talking outside with Bob about Henry Peterson. We need to have someone talk of Henry Peterson, who can say to Henry, "What does this mean in criminal justice? What kind of a case could be made on this? What kind of sentences would evolve out of that?" He would have a pretty good idea of most of the statutes that are involved. There is so much behind the statutes.

P. Do you want to recommend that? That you talk to him?

D. Well, you are putting in his knowledge.

P. I see.

D. There're a couple of points——

H. It would be even much better. Yes. I have this brother-in-law in school.——

D. He wants a wild scenario.

H. My friend is writing a play, and he wants to see how——

D. It bothers me to do anything further now, sir, when Hunt is our real unknown.

P. Do you think it is a mistake to talk to him?

D. Yes, I do.

P. It doesn't solve anything—it's just one more step.

H. The payment to Hunt does too.

D. The payment to Hunt does. That is why I say if somebody would assess the criminal liability.

H. Maybe we are mis-assessing it?

D. Well, maybe. We don't know.

P. Would you reply to him?

H. I think I would.

E. How else would you do it? You could start down that road. Say, "I want to talk with you about some questions that arise in the course of my own investigation, but I would have to swear you to secrecy."

H. If he will take it on that basis.

D. The answer is, of course, in the course of this investigation I don't know whether he would talk to me off-the-record.

H. What are your options?

E. Boy, if you could eliminate the option by taking a legal position. You knew nothing about it.

P. So you don't see the statement thing helping insofar as in anyway sparking the start? You think that over some more.

D. Yes, sir. You see it is a temporary cancer.

P. I agree with that. And the point is,—but you see, here is the way I would see the statement that we would put out: Everything we would intend to say in a general statement that I have already indicated with regard to the facts as we send them in, we say people are to cooperate, without executive privilege, et cetera. Statement, it is true, is temporary. But it will indicate that the President has looked into the matter, has had his Counsel report to him and this is the result of the matter. We tell the Committee "we will cooperate." The Committee will say no. And so we just stand right there.

D. Well, really I think what will complicate the problem will be Sirica giving a speech from the Bench on Friday when he sentences. Where he will charge that he doesn't believe that the trial conducted by the lawyers for the government presented a legitimate case and that he is not convinced that the case represents the full situation.

H. In other words—

D. It will have a dramatic impact coming from the Bench.

P. That's right.

D. I may say in Sirica's defense, it has been charged that there are higher-ups involved in this. He may take some dramatic action like, he might appoint a special prosecutor. Who knows?

P. Can he do that?

D. Sure.

P. He would appoint a special prosecutor, for what?

D. For work in the field of investigating. He is the Presiding Judge.

H. You know he can pick the Grand Jury. Or he said he could.

P. The government is going to do that for a while.

D. A week after sentencing they are going to take all of the people who have been sentenced before a Grand Jury—

P. These same ones?

D. These same ones. And see if they will now want to talk. When it comes to Sirica and sentencing, he may be giving the ones who talk a lesser sentence. If they don't talk, he will probably leave these long sentences stand.

P. Suppose he does that. Where does that leave us, John?

E. I don't think that is a surprise to the defendants. I think their counsel has advised them of that.

P. Right, right. However in terms of this, what about a solution? We are damned by the courts before Ervin even gets started.

E. The only thing we can say is that we have investigated it backwards and forwards in the White House, and have been satisfied on the basis of the report we had that nobody in the White House has been involved in a burglary, nobody had notice of it, knowledge of it, participated in the planning, or aided or abetted it in any way. And it happens to be true as for that transaction.

P. John, you don't think that is enough?

D. No, Mr. President.

E. Let's try another concomitant to that. Supposing Mitchell were to step out on that same day to say, "I have been doing some investigation at 1701 and I find—so and so and so and so and so."

P. Such as what?

E. I don't know what he would say, but that he wanted to be some kind of a spokesman for 1701.

P. What the hell does one disclose that isn't doing to blow something? I don't have any time. I am sorry. I have to leave. Well, good-bye. You meet what time tomorrow?

H. I am not sure. In the morning probably.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with amendments:

S. 3009. A bill to provide that moneys due the States under the Provisions of the Mineral Leasing Act of 1920, as amended, derived from the development of oil shale resources, may be used for purposes other than public roads and schools (Rept. No. 93–828).

EXECUTIVE REPORTS OF A COMMITTEE

Mr. CANNON. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of 5 lieutenant generals in the Army to be placed on the retired list in that grade—Pickett, Davidson, Seignious, Taber, and McLaughlin; that 66 colonels beginning with Risner through Presley be promoted to the temporary appointment of brigadier general in the Army; in the Navy, Adm. Worth Bagley, U.S. Navy, be appointed as Vice Chief of Naval Operations, Vice Adm. Damon Cooper, U.S. Navy, be appointed to the grade of vice admiral, when retired and Rear Adm. Harry Train for appointment as vice admiral; in the Marine Corps, the list beginning with DeBarr through Kelley and consisting of 10 colonels for temporary appointment to brigadier general be approved; and in the Air Force and Air National Guard, 1 to the permanent promotion of major general and temporary appointment of lieutenant general and 1 colonel to the temporary appointment of brigadier general, I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations ordered to be placed on the Executive Calendar are as follows:

Col. Robinson Risner, Regular Air Force, and sundry other officers, for temporary appointment in the U.S. Air Force;

Maj. Gen. Walter T. Galligan (brigadier general, Regular Air Force), U.S. Air Force, for appointment in the Regular Air Force;

Col. John T. Guice, Air National Guard, for temporary appointment in the U.S. Air Force;

Lt. Gen. George Edward Pickett, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenant general;

Lt. Gen. Phillip Buford Davidson, Jr., Army of the United States (major general, U.S. Army), and sundry other officers, to be placed on the retired list in the grade of lieutenant general;

Lt. Gen. John Daniel McLaughlin, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenant general;

Adm. Worth H. Bagley, U.S. Navy, for appointment as Vice Chief of Naval Operations;

Vice Adm. Damon W. Cooper, U.S. Navy, for appointment to the grade of vice admiral, when retired;

Rear Adm. Harry D. Train II, U.S. Navy, for commands and other duties determined by the President, for appointment to the grade of vice admiral while so serving; and

John R. DeBarr, and sundry other officers, for temporary appointment to the grade of brigadier general in the Marine Corps.

Mr. CANNON. Mr. President, in addition, there is 1 appointment in the Army to the grade of captain; in the Marine Corps there are 217 for promotion to the rank of colonel and below; in the Naval Reserve there are 478 for temporary promotion to the grade of commander; and in the Air Force, 837 appointments to the grade of second lieutenant, and 142 for appointment in the grade of lieutenant colonel and below. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing on the calendar I ask that these lists be placed on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection it is so ordered.

The nominations ordered to lie on the desk are as follows:

Bobby M. Jones, and sundry other officers, for appointment in the Regular Air Force;

Robert A. Ain. and sundry other cadets, U.S. Air Force Academy, for appointment in the Regular Air Force;

Sally Ann McCandless, for appointment in the Regular Army of the United States;

Alfredo Lionel Abeyta, and sundry other Naval Reserve officers, for temporary promotion in the Navy;

Michael Capoot, and sundry other persons (Navy enlisted scientific education program) graduates, for permanent appointment in the Marine Corps;

Ronald H. Alnutt, and sundry other commissioned warrant officers/warrant officers, for temporary appointment in the Marine Corps;

Myron E. Allen, and sundry other staff noncommissioned officers, for temporary appointment in the Marine Corps;

George K. VanNess (Navy enlisted scientific education program) graduate for permanent appointment in the Marine Corps; and

Kenneth D. Dunn, and Charles Robinson (U.S. Naval Academy) graduates, for permanent appointment in the Marine Corps.

Mr. CANNON. Mr. President, as part of these nominations, I am submitting for the RECORD an affidavit by Colonel Hans H. Driessnack. This affidavit was part of my subcommittee's examination of Colonel Driessnack's involvement in the Air Force treatment of Mr. A. Ernest Fitzgerald.

The PRESIDING OFFICER. Without objection, the affidavit will be printed in the RECORD.

The affidavit is as follows:

STATEMENT FOR THE RECORD

1. I am Colonel Hans H. Driessnack, United States Air Force. I wish to state for the record the background to and the facts of my association with A. Ernest Fitzgerald during his service as Deputy for Management Systems, Office of the Assistant Secretary of the Air Force for Financial Management. This is the first time I have had an opportunity to clarify the nature and extent of my role in this matter, since my testimony was not required by the Civil Service Examiners.

2. I first met Mr. Fitzgerald in 1965, when he was still President of Performance Technology Corporation (PTC). At that time I was working for Mr. J. Ronald Fox, who was the Deputy for Management Systems in the Office of the Assistant Secretary of the Air Force for Financial Management. Fitzgerald succeeded Fox later that same year as the Deputy for Management Systems and became my boss.

3. In 1967, while I was still in the Deputy's office, Systems Command assumed direction of part of a PTC-Minuteman contract and hired PTC to conduct several cost management training sessions for AFSC personnel, and to develop material to be used ultimately in a similar course to be run by the Air Force Institute of Technoolgy. Systems Command personnel were to review the management systems of the Air Force contractors to test their compliance with Air Force cost management criteria, and PTC officials were to accompany the Air Force employees to conduct what was, in effect, on-the-job training. The contract was programmed for about a one-year effort.

4. In June 1968, I was reassigned to Systems Command to implement the new Department of Defense cost management criteria, which were based in large part on the work that had been done within the Air Force. On or about February 10, 1969, I read an article in the Washington papers to the effect that Performance Technology Corporation was going out of business because the Air Force had failed to make timely payments under a contract between its Ballistics Systems Division (BSD) and PTC. The article implied that these slow payments were in retaliation for a critical cost analysis report PTC had filed with the Navy concerning Pratt & Whitney's contract for procurement of F-111 engines. A copy of the article is attached to this statement. I knew that the referenced PTC contract with BSD was in reality our contract. I therefore immediately checked the story with Lieutenant Colonel John Badin, the contract monitor, who assured me that its contents were misstatements of the true facts. He informed me that in his opinion PTC had gotten into financial difficulty because it had more than doubled in size to handle what it expected would be increasing Government business which never materialized. I let the matter drop.

5. On the morning of May 7, 1969, I read an article in the Washington Post concerning the testimony of Gordon Rule, a Navy Procurement official, before the House Government Operations Subcommittee. A copy of this second article is also attached. Rule had testified that he had noticed a high mortality rate among competent private management firms that examined Government contractors. Rule reportedly stated that Performance Technology Corporation had gone bankrupt when the Air Force had delayed payments under one of its contracts. I recalled my earlier conversation with John Badin and recognized that the misstatements contained in the previous article were now being advertised as concrete facts.

I felf that the uncontradicted assertion of these inaccurate statements were derogatory to the Air Force and to my own organization. I immediately reported the entire matter to my superior, Brigadier General Harold Teubner, Comptroller of Air Force Systems Command. I felt very strongly that the Congress and the public were being misled by distorted facts in front-page articles, and that we should make a public response. General Teubner agreed. During our conversation we reviewed the whole matter of the PTC/AFSC relationship. We discussed the fact that the presence of the PTC personnel with the Air Force review teams had always troubled some contractors. These contractors felt that Mr. Fitzgerald, the immediate past President of PTC, was directly involved with developing and implementing an Air Force requirement which resulted in PTC's presence to inspect their operations.

I also noted that, from my own observation, PTC personnel did have easy and frequent access to Mr. Fitzgerald. General Teubner raised the question of whether or not the PTC/AFSC contract relationship possibly constituted a conflict of interest on Mr. Fitzgerald's part. I told General Teubner that I had never personally connected Mr. Fitzgerald's frequent contact with PTC to a conflict of interest. General Teubner pointed out that Air Force Regulation 30-30 concerning Standards of Conduct required that Air Force personnel avoid even the appearance of a conflict of interest. We both felt that there was at least a basis for suspicion of favoritism, but neither of us possessed sufficient information to draw a final conclusion.

General Teubner decided that, in accordance with Air Force Regulation 124-8, Violation of Public Trust, he was obliged to report our discussion to Lieutenant General Duward L. Crow, Comptroller of the Air Force. An appointment was arranged for that same day with General Crow. At that meeting, I brought General Crow's attention to the newspaper articles and reviewed for him my information concerning payments under the PTC contract and the real cause of PTC's financial troubles. I urged him to respond to the articles at once so that the inaccurate and misleading version of the facts presented in the articles would not go unchallenged.

We also reviewed what we knew about the PTC/AFSC contract. General Crow asked if I thought this represented a possible conflict of interest on Fitzgerald's part. I responded that I had heard the possibility mentioned before, and that I could see that the potential for a conflict of interest existed, but that I had no way of knowing because I had been out of the Deputy's office for more than a year. I suggested that other AFSC officials, who were directly involved in managing the contract with PTC, would have a much better grasp of the facts than I did. General Crow then said, "I'll take it from here," and the meeting ended.

6. On an evening very soon after the meeting with General Crow, an agent named Sullivan from the Office of Special Investigations came to my home. I had no notice of the visit, and I did not know its subject matter until Sullivan announced that he was there as a result of the meeting with Generals Crow and Teubner. The interview lasted less than an hour.

7. I must point out here that the contents of the OSI memorandum concerning this interview, which I saw for the first time just recently, bear little resemblance to the actual tone of the interview. The entire affair was a question and answer session, but the questions were not detailed and so the answers change their meaning when taken out of context. For example, I did not, as it was later reported, accuse Fitzgerald of being cheap. To the contrary, I was denying that he seemed to spend more money than he made from his Government salary; in effect, negating any implication that he had an undisclosed source of income. Furthermore, I never made a statement and Sullivan never showed me a copy of his memorandum of the interview, so I could not control its accuracy. This, too, had unfortunate consequences. I did not call Fitzgerald untrustworthy; I said that he did not trust or respect the abilities of most Air Force military men in cost management, and I made that comment in response to a direct question about our working relationship. Later, at what I regard as a crucial point, Sullivan asked: "How does Fitzgerald get anything out of this?" I answered, "While he does have a close relationship with PTC personnel, I don't know if or how he gets anything out of it" (paraphrasing in both cases). That exchange is very different from my reported comment that I didn't know how they paid him off.

8. Beyond my role as an OSI interviewee, I played no part in any OSI or other investigation of Fitzgerald. I had no knowledge of any events in this connection beyond my own interview. I was not and am not aware of any inquiry into Fitzgerald's personal life, nor did I ever knowingly misrepresent his character or background at any time. I had absolutely no connection with any effort to terminate Fitzgerald's position.

9. In conclusion, I did not act in any way out of malice or other personal motives. I only responded to what I felt was my duty to answer false stories about the Air Force that concerned my area of responsibility.

HANS H. DRIESSNACK,
Colonel, USAF.

CHANGE OF REFERENCE

Mr. **HARTKE**. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be discharged from further consideration of the bill (S. 2500), the Office of Constituent Assistance Act, and that it be referred to the Committee on Government Operations.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BAKER:

S. 3446. A bill to provide for trial by jury in certain Federal condemnation proceedings and to provide for advisory commissions in such proceedings. Referred to the Committee on the Judiciary.

By Mr. ROTH (for himself and Mr. HUMPHREY):

S. 3447. A bill to amend certain provisions of law relating to the leasing of oil and gas deposits of the United States, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. STAFFORD:

S. 3448. A bill to amend the Tariff Act of 1930 to permit the informal entry of merchandise not exceeding $500 in value. Referred to the Committee on Finance.

S. 3449. A bill to amend the act of June 21, 1940, as amended, to remove the ninety day requirement for the submission of general plans and specifications for altering a bridge in accordance with an order of the Secretary of Transportation; and

S. 3450. A bill to amend the act of August 18, 1894, the act of March 3, 1899, the Bridge Act of 1906 and the General Bridge Act of 1946, to provide for civil penalties in certain circumstances, and for other purposes. Referred to the Committee on Public Works.

By Mr. McCLURE:

S. 3451. A bill to exempt range sheep industry mobile housing from regulations affecting permanent housing for agricultural workers. Referred to the Committee on Labor and Public Welfare.

By Mr. PASTORE (by request):

S. 3452. A bill to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3453. A bill to amend certain provisions of the Communications Satellite Act of 1962, as amended. Referred to the Committee on Commerce.

By Mr. STAFFORD:

S. 3454. A bill to amend the Occupational Safety and Health Act of 1970, to provide the initial onsite inspections not subject to penalties in certain cases, and to provide a more adequate means of voluntary compliance with the provisions of this Act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAKER:

S. 3446. A bill to provide for trial by jury in certain Federal condemnation proceedings and to provide for advisory commissions in such proceedings. Referred to the Committee on the Judiciary.

Mr. BAKER. Mr. President, I send to the desk for introduction and appropriate referral a bill to provide that a homeowner shall be entitled to have a trial by jury of the issue of value when his property is taken for a Federal project. I consider it to be one of the great anomolies of the American legal system that a person whose home is taken for a Federal project has no right to a jury trial on the issue of value despite the fundamental constitutional precept which guarantees due process of law. The fifth amendment to the Constitution specifically guarantees that private property may not be taken for public use "without just compensation." However, under the Federal Rules of Civil Procedure the issue of just compensation may be relegated to panels of real estate experts who are often biased strongly in favor of the narrow market value test as a basis of compensation.

Not only is this inconsistent with the basic legal rules concerning the determination of just compensation, but it often results in compensation to the homeowner which is substantially less than the cost of replacement housing—especially in urban ghettos and rural areas which lack economic vitality.

We have all heard the saying "there is no market for property" in a certain place and know that what is meant is that the market for property in that area is extremely depressed. I am also sure that we all know of such areas.

The infrequency of land transactions and the susceptability of sales to extra market influences in these areas makes the market value test subject to a high degree of error.

While rule 71A of the Federal Rules of Civil Procedure contains flexibility in the use of the commission in lieu of a jury, the pressure of overloaded dockets often leads to the use of the streamlined procedure even though the determination of value by a jury might more adequately reflect the real value of the property involved.

The bill which I am now introducing would afford an absolute right to a trial by jury on the issue of compensation in any case where the property condemned includes the residence of the owner of such property or his family or where a condemnation of land in immediate proximity adversely affected the value of such a residence. The Commission procedure, as provided in rule 71A, would still be retained in cases not involving such residences or as an assistance to the court on the issue of value in cases where the right of jury under this bill would apply.

In cases involving investment or business property the market value test imposed through the commission system is often a surer barometer of value and the Commission is more able to deal with the complex questions of value which might arise in such cases. But in cases involving a dwelling the ability of a jury to accomplish fairness in the determination of value cannot be exceeded and should not be bypassed.

I ask unanimous consent that a Vanderbilt Law Review article by Dr. W. Harold Bigham be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"FAIR MARKET VALUE," "JUST COMPENSATION," AND THE CONSTITUTION: A CRITICAL VIEW

(By W. Harold Bigham) [*]

Fair market value is . . . the amount of money which a purchaser willing but not obligated to buy the property would pay to an owner willing but not obligated to sell it, taking into consideration all uses to which

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Footnotes at end of article.

the land was adapted and might in reason be applied.[1]

"[M]arket value" is not an end in itself, but merely a means to an end, the ultimate object being the ascertainment of "just compensation." Ordinarily, where the value of the land is to be ascertained, and it is of such kind and so situated as to be available for sale in the ordinary course of dealing, market value is perhaps the best test and under such circumstances is generally adopted.[2]

I. INTRODUCTION

It has become almost an article of faith that "fair market value" constitutes the only fair and workable measure of damages for a landowner whose real property has been taken for public use.[3] The courts apply it woodenly;[4] the magnic words are solemnly intoned to jurors, commissioners, and arbitrators.[5] Even the learned scholars in the field give it at least implicit recognition.[6] Moreover, it continues to flourish despite widespread public dissatisfaction with both the substantive test for damages and the procedures through which the land is obtained.[7] The taking of private property for the federal interstate highway and urban renewal programs, for example, has left a trail of unhappy landowners who have lost all faith in the ability or willingness of government to deal fairly with its citizens.

The discontent with existing condemnation compensation practices stems from the failure of condemning authorities using the fair market value test to make whole those who are forced to give up their property for public use.[8] The fifth amendment's command that "private property [shall not] be taken for public use, without just compensation" has been construed to mean that the condemnor must pay only for the property taken. The adoption of the fair market value standard for valuing property, coupled with judicial interpretation of the terms "property" and "taken," has resulted in denial of recovery for sundry incidental damages. For instance, compensation is not allowable for the unwillingness of the owner to part with his property,[9] the loss of business or future profits,[10] the frustration of the owner's plans, loss of opportunities, or other so-called consequential or indirect damages.[11]

Although the fair market value test has been widely utilized, another view of the extent of the government's obligation to the dispossessed landowner may reasonably be evolved from an accommodation of the constitutional power of eminent domain and the constitutional right to just compensation. This is the theory that the landowner has the right to be made whole—to be put in as good a pecuniary position as he would have been in if his property had not been taken.[12] This approach, known pejoratively as the "indemnity theory," frames the question in terms of "what has the owner lost, not what has the taker gained."[13] When the interests of society are balanced against those of the condemnee, it seems clear that there is no compelling justification for not *completely* indemnifying the landowner for his loss. The object of the fifth amendment's just compensation clause is to effect a distribution of certain losses inflicted by public improvements among the public generally rather than upon those whose property is taken.[14] It is sometimes said that the law does not require the condemnee to bear more than his fair share of the burden of the public improvement for which his land is being taken. To the extent that the existing use of the fair market value test prohibits compensation for consequential damages, however, the landowner's compensation is inadequate, and he is in fact paying more than his fair share.

While it is recognized that a few state and federal statutes have provided some relief from the procustean bed that is the test of fair market value, it is the thesis of this article that the time is rapidly approaching when merely peripheral and palliative remedies will no longer suffice to suppress the widely-held view that government is unconstitutionally refusing to "pay the piper" in its public operations requiring the taking of private property. The purpose of this article is to consider the areas in which it appears that the "fair market value" test fails to give the condemnee "just compensation" and to suggest procedural reforms in condemnation administration. Additionally, alternative valuation standards will be examined through a review of the expropriation procedures of several foreign countries.

II. "FAIR MARKET VALUE" AND THE RELUCTANT LANDOWNER

A. In general

With respect to the fifth amendment's prohibition against the taking of property without just compensation, former Attorney General Ramsey Clark has said: "There is no more vital concept in the Constitution, for it protects the citizen in his property, and freedom cannot exist in a propertyless state. Property affords the opportunity for the exercise of liberty."[15] It is an axiom of basic property law that the ownership of real property involves a bundle of rights. If the government is to compensate for only a portion of the bundle, then it should be forthright enough to admit it. If the courts believe that the Constitution requires only that government pay what it can afford for public-use property, it would be less of an irritation for them to say so than to continue to mouth pious incantations about "fair market value." At the same time, however, "there is as much, if not more, need for thoughtful consideration to be given as to how best the entire public interests can be protected as there is for concern about the individuals whose property is acquired for public use."[16] One has little patience or sympathy, for instance, with the kind of grasping landowner described in *United States v. Merchants Matrix Cut Syndicate, Inc.*:

"All too frequently, profit seeking motives creep into condemnation cases. This observation, no doubt, will be distasteful to those who envisage the public treasury as fair game in such proceedings. Though competitive existence in our society may stimulate such desires, just compensation, only, remains the yardstick in eminent domain proceedings."[17]

Lack of public planning[18] and failure to anticipate the need for public property can result in apparent raids on the public treasury, particularly when the value of land is steadily appreciating.

With the foregoing perspective, the discussion now turns to some of those areas in which the fair market value test results not only in an inability to do substantial justice, but also in a failure to meet the constitutional imperative of "just compensation."

B. Disruption, disturbance, and demoralization

The definition of "fair market value" assumes valuation based on the "highest and best use"[19] to which the property can be put as of the date of taking. At least at this point it is clear, however, that the condemnee is not constitutionally entitled to compensation for the incidental taking of his business. Since the landowner presumably can carry on his business elsewhere, a requirement that the condemning authority "pay for the business" would result in an exorbitant condemnation value. Moreover, since the property's highest potential is a factor in determining market value, and since the present use of the property may represent its highest potential, it has been argued that the landowner is, in fact, indirectly compensated for the loss of his business.[20] If, for example, the landowner is using the property to operate a service station, and if the property would be valued higher in the market place for that than for any other potential use, then the landowner's compensation should make him whole since the value of the service station is included in the valuation of the land. This reasoning, however, ignores damages attributable to such factors as business interruption, the loss of going concern value and goodwill when the business cannot relocate without a substantial loss of its patronage, the loss of ability to continue in business when there is inadequate capital or credit to finance a new operation, the loss of the services of an elderly proprietor or others with inadequate training or health to withstand the competitive pressures and risks of relocation, transportation costs and expenses of search for replacement property, and costs of moving personal property and dismantling and reinstalling machinery and equipment. Claims for expenses incident to the taking of property have, nevertheless, been regularly rejected on the grounds that they are too speculative, that they confuse the issue, or that consideration of the property's "highest and best use" necessarily includes these elements of damage.[21] These objections all reflect skepticism of the expedience of a "value to the owner" standard, which, it is argued, is not only administratively infeasible but gives the landowner a windfall at the expense of society in general. Very frequently, however, the unarticulated reason that proof of "value to the owner" damages for loss of business is rejected can be traced to a basic lack of faith in the ability of the trier of fact to arrive at a rational result in the face of confusingly large amounts of data.

Few would deny that land is often "worth" more to a particular landowner than it is to anyone else. It is certainly not difficult to conclude that the fair market value test creates substantial injustice when the family homestead is being taken and no replacement property is available, or when a black or poor white family has paid off a home in a ghetto and cannot find comparable shelter for the small price they receive for their home. There is a certain lack of persuasiveness to the argument that the trier of fact, even with proper instructions, cannot measure the value of these factors when triers of fact regularly assess and award damages for such obviously subjective ailments as pain and mental anguish.

The existence of the problems described has been recognized and discussed, not in terms of constitutional prerequisites, but in terms of pure utilitarianism.[22] The constitutional issues, however, are clearly the same, and the following balance of these interests should be persuasive as to constitutional requirements as well. If society makes the pragmatic decision that the *total* loss suffered by the landowner whose business or home is taken for public projects, including expenses of replacing the taken property, outrage and anger at the governmental taking and any other tangible or intangible but measureable loss is so great that it outweighs the public benefit of the acquisition, then the public project should be abandoned or compensation should be made for all of the loss. If the loss remains uncompensated, society must suffer what Professor Michelman calls the demoralization costs.[23]

III. FAIR MARKET VALUE AND PROCEDURAL DIFFICULTIES

In assessing the fairness of the "fair market value" approach, the difficulties that have arisen in the procedural application of substantive condemnation principles cannot

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be ignored. There is, for example, a constant struggle between condemning agencies and landowners over who should be the trier of fact. Condemnees and their attorneys are convinced that substantially more in the way of an award can be obtained from a jury than from a judge or a commission. Not only is there no empirical proof for this proposition, the available evidence indicates that the factual confusion that attends the trial of eminent domain cases is much more likely to result in a lower award from a jury of laymen than from a judge or an experienced and sophisticated commission or arbitration tribunal.[24] Regardless of the form of the tribunal or the procedure adopted, however, the fact that the goal is the establishment of "fair market value" inevitably renders the proceeding chaotic.[25]

A. The "comparable sales" dilemma

The courts frequently refer to "comparable sales" as the "best evidence" of market value.[26] Presumably, evidence of comparable sales provides the least confusing guide to market value, and the definiteness and ascertainability of such evidence lends an air of objectivity to the testimony of the appraiser-experts. If the sales are in fact "comparable," they are excellent indicators of the value of the subject property. A free and open sale of the *same* property, not too remote in time, would in fact be the *best* evidence of the fair market value of the property as of the date of taking, but this is a happy situation not frequently encountered. Several difficult problems attend the utilization of comparable sales data.

In the first place, with the possible exception of very unattractive subdivision tracts, no two pieces of property are exactly alike.[27] Almost all eminent domain proceedings are afflicted with unseemly wrangles about the comparability of the sales being used. The sales may not be comparable, for example, because of their geographical distance from the subject property and their remoteness in time from the date of taking.[28] It may even develop that there have been no sales of comparable property within reasonable geographical and calendar proximity. The introduction of evidence of comparable sales, therefore, may lead to trial of collateral issues, and the absence of evidence of comparable sales may leave the trier of fact hopelessly uninformed. Moreover, since almost every allegedly qualified appraiser has a different concept of what is meant by a comparable sale, the use of comparable sales data often results in compromise awards somewhere between the highest and lowest appraisal, without any real reference to the intrinsic value of the property. The use of the comparable sales approach to arrive at "fair market value" has been recently characterized in uncomplimentary terms:

"It is advanced herein that the dual tendency of the courts to limit the presentation of market value to the comparative sales approach and to label this method the 'best evidence' constitutes an unwarranted and often erroneous simplification of the value problem. Such an approach is blind to the advancement of appraising techniques and, more so, to the marketplace. In an effort to achieve expediency and simplicity, it reconstructs a Procrustean bed; if the subject does not fit comfortably—and with *comparative* ease—upon the ready-made bed, then the victim's head or feet are cut down to the convenient size. . . .

"Buying and selling in the mid-twentieth century is far different in the marketplace from the way it is viewed from the courthouse." [29]

Considerable controversy has raged over the years on the question of whether sales of comparable property made subsequent to the date of taking should be considered in arriving at fair market value.[30] The most frequently cited criticism of the use of this evidence is that the condemnation proceedings often cause an increase in property values in the vicinity, with the result that subsequent sales may not accurately reflect the value of the subject property at the exact date of its taking, which is the only proper time for the fixing of value. The short answer to this argument is that adjustments are necessary in order to make evidence of comparable sales usable, whether they occur *before* or *after* the date of taking. If conditions have been changed to the extent that the sale can no longer be said to be "comparable," then evidence of the sale can be excluded for that reason alone. As the California Law Revision Commission recently pointed out:

"Not only is the admission of subsequent sales justified on the ground that they indicate what the value would have been on the date of taking, but they are especially important when prior sales are (1) few in number or (2) considerably more remote on the date of taking than are the subsequent sales. Furthermore, subsequent sales may indicate a trend in the market." [31]

When a public works project is of any magnitude, such as a dam and reservoir, an interstate highway, or an urban renewal project, the failure of condemning authorities and their appraisers to be consistent and uniform in their offers can create great difficulty. Public dissatisfaction with apparent unequal treatment inevitably results since there is no practical means by which the confidentiality of the condemnor's offers can be maintained. Notwithstanding the apparent inequities of inconsistent offers, the overwhelming majority of the cases exclude from evidence testimony of both offers made and sales amounts actually paid to other condemnees for similar property in the project areas,[32] no matter how comparable in terms of geography, time, and potential use. Three reasons are normally assigned for refusing to admit evidence of such sales. First, the sale is not, by definition, a voluntary sale in a free and open market. Secondly, in partial taking cases the condemnor's sales price may include not only the value of the property taken but damages for remaining property as well. Finally, the admission of evidence of other sales in the project area would allegedly introduce "aggravating and time-consuming collateral issues tending to promote confusion rather than clarity." [33] These reasons are not persuasive. Although sales to the condemnor are not "voluntary," there should at least be an element of estoppel working against the condemnor's attempt to resist admission of evidence of such sales. This would not place an undue burden on the condemnor, since any attempt on the part of landowner's appraisers to rely on sales to the condemnor could be attacked through cross-examination on the basis that different conditions rendered the sales not comparable. Moreover, it does not seem that review of the condemnor's explanation for inconsistent sales prices would involve the court in the examination of collateral issues. On the other hand, the admission of proof of these sales would have the salutary effect of compelling the condemnor, on pain of having his failure to do so disclosed in open court, to deal with similarly situated landowners on a fair and uniform basis.[34]

Much of what has been said about sales to condemnors can also be said about so-called "forced sales." Evidence of sales of comparable property by an executor or administrator, foreclosure sales, sales to settle estates, and any other sales made under legal duress or coercion, is not admissible.[35] As soon as it appears that the sale falls into one of these categories, the trier of fact may not hear about it, even though it may have been conducted in a free and open manner, even including an auction sale. No satisfactory explanation has been given why the appraiser could not adjust for the forced nature of the sale as he does for geographical or temporal disparities. Both sides have experts who are free to question the alleged comparability of sales. It is the height of folly, therefore, to refuse to allow the trier of fact to hear of a foreclosure auction sale, in connection with a foreclosure, of property adjacent to the taken property, made only a day or two prior to the date the subject property is taken, and conceded by an objective, experienced appraiser to have been fair in every respect. After all, there is an element of necessity connected with all sales, even those made in the ordinary course of business.[36]

Finally, offers to buy or to sell property, including the subject property, are generally considered inadmissible, even for the purpose of challenging a witness's credibility.[37] These offers are inadmissible even if made voluntarily and in good faith. Certainly the relevance of bona fide offers to buy the subject property is clear:

"When the conduct of others indicating the nature of a salable article consists in offering this or that sum of money, it creates the phenomena [sic] of *value*, so-called. For evidential purposes, Sale-Value is nothing more than the nature of quality of the article as measured by the money which others show themselves willing to lay out in purchasing it. Their offers of money not merely indicate the value; they are the value; *i.e.* since value is merely a standard or measure in figures, those sums taken in net potential result are that standard." [38]

Nevertheless, courts consistently cite a multitude of reasons why such testimony of offers to buy or sell property should be excluded: pure speculation may have induced the offer; the purchaser may have wanted the land for some purpose disconnected with its value; the offer cannot be cross-examined; or the offer may have been a mere expression of opinion by one who was without serious intention or who had no resources.[39] Although in individual cases there may very well be merit to the objections listed, a failure to even consider such evidence indicates a very limited confidence in the ability of courts to examine evidence objectively and to exclude that which requires an excessive amount of collateral investigation. The result is that in many instances sales of scant evidentiary value are presented to the trier of fact, while offers that provide a much more rational basis for valuing the subject property are excluded out of hand.

What has been said, of course, reflects discontent with the refusal of courts to hear what is in many cases reliable evidence concerning the value of property. Realistically, it must be admitted, however, that use of the fair market value approach with its concomitant reliance on the market data or comparable sales approach makes inevitable the evidentiary rules discussed. These exclusionary rules have their origin in a jury trial atmosphere, which the courts believe compels a high degree of judicial selectivity. In that regard, more will be said later about possible alternative tribunals for the setting of just compensation.

B. "Fair market value" minus the attorney's fee

While it may be somewhat sacrilegious to say so, the application of the "fair market value" test in the context of traditional eminent domain proceedings results more often than is necessary in the hiring of an attorney, with the result that the attorney's fee must be subtracted from the amount the landowner receives for his property.[40] The following review of typical condemnation practice demonstrates why an attorney is so often needed. Very often, especially in condemnation proceedings at the state level and in those carried out by quasi-public agencies granted the power of eminent domain, an appraisal is made sometime prior to the

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actual contemplated date of taking by either an appraiser who is only moderately qualified—very frequently an employee of the condemning agency—or by an independent expert. If the agency is financially unable to employ an appraiser to reappraise the property as of the date of the taking, then the deposit that is finally paid into the court, when settlement with the landowner is not possible, is based on an erroneous appraisal. The problem is particularly acute when there has been a steady appreciation in the value of the land from the time of the initial negotiations for the purchase until the dispute is taken to court. Even if the landowner was unreasonable in his demands prior to the filing of the litigation, he may be willing to settle rather than litigate if a new offer is made based on the realistic value of the land at the date of taking. Where a new offer is not made, however, the landowner has no choice but to hire counsel and pay the attorney's fee.

Under the typical arrangement, the attorney's fee is from one-third to one-half of the amount by which the final award exceeds the condemnor's deposit or final firm offer. In many instances, the final award represents the value of the property *as of the date of taking*. In these cases, the landowner has been forced to pay a sizeable attorney's fee to obtain compensation to which even the condemning agency admits he is entitled.[41]

Public officials, including negotiators for condemnors, are well aware of the burden that an attorney's fee places upon the recalcitrant landowner, and it is not at all unusual for them to exploit this obstacle to litigation to force the landowner to settle out of court. Indeed, recent studies have shown that in many instances the first offer is less than the condemning agency's own appraisal.[42] As reprehensible as this conduct may appear, it is not as deplorable as another practice that is sometimes used. The landowner may be given a firm offer, told that it is a "take it or leave it" proposition, and notified that it is the agency's intention to deposit *less* than the firm offer in court if the offer is rejected. This kind of high-handedness is of course aided and abetted by the generally accepted rule that precludes discovery of the opinions of the condemnor's experts concerning the fair market value of the property.[43]

The solution to these problems may lie in the appointment of a "condemnation proctor" or "public defender" for eminent domain proceedings—a publicly paid, but independent counsel who would represent the interests of the landowner. One suspects, however, that empirical experience with such a drastic measure would reveal that the landowner, in the long run, would be economically better off with private counsel, with all the attendant expenses, since the independence of public counsel would seem to be very difficult to preserve.[44] A more reasonable solution lies in the improvement and modernization of condemnation procedure.

The fair conclusion from the foregoing would be that the quest for fair market value in the context of a highly-structured judicial atmosphere, with the accompanying technical rules of evidence and procedure, leaves a great deal to be desired. There seems to be general recognition of this fact. As stated above, any attempt to remove eminent domain proceedings from the courts is met with stern resistance on the part of landowners—resistance which, in the long run, is probably shortsighted.[45]

C. Alternative tribunals to ascertain "fair market value"

The deluge of valuation problems caused by use of the fair market value test is not being handled efficiently or effectively by the courts. Even if it is assumed that the standard itself should not be rejected, it seems clear that administration of the test must be reformed. The removal of eminent domain proceedings from the courts may provide part of the solution.

Several states have established permanent arbitration tribunals staffed with experienced personnel as an alternative to the judicial forum for condemnation proceedings. Along these lines, the American Arbitration Association (AAA) has recently promulgated eminent domain arbitration rules,[46] and the California Law Revision Commission (CLRC) has recommended that the State legislature adopt arbitration rules that provide for the determination of just compensation by a panel of arbitrators.[47] Significantly, neither the AAA nor the CLRC rules provide an alternative to the "fair market value" test. Given the variables involved and the difficulty of charging lay jurors, the arbitration expedient seems particularly promising, especially if the "fair market value" test is retained.

Another procedure that has worked satisfactorily is the use of a commission appointed by the court. Rule 71A(h) of the Federal Rules of Civil Procedure provides for a jury trial in condemnation cases "unless the court in its discretion orders that, because of the character, location, or quantity of the property condemned, or for other reasons in the interest of justice the issue of compensation shall be determined by a committee of three persons appointed by it." [48] In *United States v. Merz*,[49] the Supreme Court outlined the standards that district courts should apply to a commission appointed under rule 71A (h), the duties of the commission in making findings, the duties of the litigants, and the duties of the district court vis-a-vis the report of the commission.[50] The commission's finding on "fair market value" and just compensation can be overturned by the district court only if it is "clearly erroneous." The preliminary draft of the Model Code on Eminent Domain, prepared by the Real Property, Probate and Trust Section of the American Bar Association, however, recommends a more liberal standard of judicial review of commission decisions.[51] While this position is not surprising in view of the Bar Association's resistance to the 71A(h) commission, its reasonableness is subject to the challenge that the right to a trial de novo before the court reduces the commission proceeding to a waste of time.

IV. A COMPARATIVE STUDY

The foregoing discussion has been oriented primarily toward the inequities created by judicial efforts to serve the constitutional mandate of "just compensation" through the "fair market value" test. Undoubtedly, many of the problems considered could be more simply and effectively disposed of by substituting another standard for that of fair market value. Suggestions of this nature, however, are frequently met with the charge that any other method of arriving at just compensation would work an injustice on the public, give a windfall to the landowners, and deter the undertaking of worthwhile and necessary public projects. Since this position apparently has been accepted unquestionably in the United States, it seems appropriate to challenge the presumption through a comparative examination of eminent domain policy and methods of valuation in several other countries, including an examination of procedure where apposite. All of the countries chosen are nontotalitarian in nature and have governmental systems that protect the ownership of private property. Moreover, it may be safely assumed that in these countries public projects requiring the expropriation of private property occur with regularity and that somehow these societies have been able to obtain a balance between the rights of the public and the private property interests of the landowners.

A. Canada

There is in Canada no constitutional principle that private property cannot be taken without due process of law, like the fifth and fourteenth constitutional amendments in the United States. It has been said of the Imperial Parliament that is can do anything except make a man a woman. The Dominion Parliament and the Provincial Legislatures within their spheres are just as supreme. "As to the question whether Parliament has the power to expropriate land for public purposes without compensation, there cannot be any doubt." [52]

Despite the Canadian landowner's lack of constitutional protection, an examination of the cases and the various provincial and federal Canadian statutes reveals that the landowner is much more likely to be made whole in Canada than in the United States. The Canadian courts have repeatedly stated that when private property is taken for public use "the value to be paid for is the value to the owner . . . not the value to the taker . . ." [53] The following quotation accurately expresses the approach of the Canadian courts to the valuation problem:

"The principles upon which compensation is assessed when land is taken under compulsory powers are well settled. The owner receives for the land he gives up [its] equivalent, *i.e.* that which [it is] worth to him in money. His property is . . . not diminished in amount but to that extent it is compulsorily changed in form. But the equivalent is estimated on the value to him and not on the value to the purchaser, and hence it has from the first been recognized as an absolute rule that this value is to be estimated as it stood before the grant of the compulsory powers. The owner is only to receive compensation based upon the market value of his lands as they stood before the scheme was authorized by which they are put to public uses. Subject to that he is entitled to be paid the full price for his lands and any and every element of value which they possess must be taken into consideration insofar as the increase the value to him.[54]

As expressed in the recent of *Zeta Psi Elders Association* v. *University of Toronto:*

"The value of a property to its owner is identical in amount with the adverse value of the entire loss, direct and indirect, that the owner might expect to suffer if he were to be deprived of the property.

"Value to the owner means the price at which the owner would value his property if he made an intelligent valuation in the light of data available on valuation date." [55]

In estimating the amount that should be paid to the owner whose land is taken, the court, arbitrator, or board must consider all the circumstances in order to determine the sum that will restore the owner to a position that is as nearly as possible identical to the position he occupied before the expropriation.[56] In those cases in which there are buildings or lands of exceptional character, or premises suitable for a business only under special conditions or by means of a special license, compensation includes the right to "reinstatement." Reinstatement, defined as "placing the owner from whom property is taken in a substantially equivalent position by means of substituted property," [57] is analogous to the American doctrine that allows reproduction costs less depreciation when there is no comparative market data by which to arrive at fair market value.

In recent years, the major controversy in Canada has swirled around the so-called "allowance" for compulsory dispossession.[58] While there are statutes granting recovery for so-called "injurious affection," [59] interest and costs, there apparently is no express statute authorizing the practice of granting an allowance.[60] The allowance, which ranges from an average of ten percent to as high as

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50 percent, is awarded to the reluctant landowner simply because he is an unwilling seller. Although it has often been said that the allowance is granted because of the difficulty in arriving at value to the owner, recent cases have suggested that it is awarded to cover the "expense and inconvenience of moving elsewhere, the loss of benefits enjoyed by the owner due to location of the property taken and, where a business is carried on which the owner proposes to continue elsewhere, the loss due to the dislocation of the business carried on and the loss of profit in the interval before it can be established elsewhere, moving costs and other unavoidable expenses."[61]

While a great many Canadians feel that the existing law gives landowners only their fair due, a new federal expropriation bill for Canada has been proposed to correct what some believe to be a landowner-oriented bias in the law.[62] Bill C 200 would give the landowner additional power to challenge the necessity of the public taking, but it would, in a substantial number of cases, substitute the "fair market value" test for the "value to the landowner" standard. Although the proposed bill purports to abolish the ten percent allowance for compulsory taking, it provides for allowances for costs, including moving costs, expenses, and disturbances, which combined may exceed the ten percent "allowance."

B. England

The existing law in Canada accurately describes the English expropriation law prior to the passage of the Acquisition of Land Act of 1919.[63] The Act abandoned the "value to the owner" rule and provided that "[t]he value of the land shall . . . be taken to be the amount which the land if sold in the open market by a willing seller might be expected to realise."[64] No provision is made in the Act for an allowance for the compulsory nature of an acquisition.

The English law dealing with expropriation of land is best understood when considered in conjunction with the various planning acts.[65] The Town and Country Planning Act of 1947,[66] as well as earlier planning and development acts, consisted of a pervasive system and plan of land use development. This scheme tended to affect the fair market value of property by severely restricting its potential uses. For some time, the "open market" value of property could only be computed with reference to its existing use and any possible deterrents to its development, including development fees. Now, according to a leading authority:

"Valuation is, in general, to be made not only on the basis of any planning permissions which at the date of the notice to treat have actually been granted, but also on the basis of any planning permissions likely to be granted. Thus if the land is being acquired for some specific purpose, it is to be assumed that planning permission would be given for that purpose; and it is to be assumed permission would be given to develop the land in accordance with the development plan."[67]

Significantly, the Acquisition of Land Act of 1919 does recognize a right to compensation for "disturbance," as well as a right to recover for severance damages, or "injurious affection."[68] Additionally, when the land has no market value, the doctrine of reinstatement[69] continues to apply in England. The various planning acts also recognize that the previous application of land use controls can, under certain circumstances, constitute a taking that is compensable under the law.

C. Sweden

The Swedish Law on Expropriation provides as follows:

"*Article 7*. Compensation shall be made for real estate that is expropriated in amount corresponding to the value of the real estate, especially with regard to the comparative value and productive value of the real estate. If a part of the real estate is expropriated and the remainder sustains damage or encroachment through the expropriation or the use of the expropriated part, compensation for this shall be made. If damage otherwise arises for the owner through the expropriation, such damage shall also be compensated.

"*Article 8*. When deciding on the compensation for real estate, no consideration shall be given to a change in the value that occurs as a consequences of the expropriation or the accomplishing of the intended purpose.

"*Article 9*. If a part of real estate is expropriated and the expropriation or the use of the expropriated part causes damage or depreciation of the residue, but in another respect causes it to appreciate, compensation shall be paid only when the depreciation is greater than the appreciation."[70]

The compensation must be paid according to the market price of the real estate—the price that can be expected through usual transactions due to the quality, nature, and location of the real estate, without taking into account unusual or personal circumstances.[71] When deciding market price, consideration is given primarily to the comparative value.[72] When deciding on the comparative value, earlier transactions used for comparison must be representative in location, kind, nature of the ground, size, age, condition of buildings, and so on, and the prices compared cannot be outdated.[73] Changes resulting from the increase or decrease of purchase power are also taken into consideration examination of comparable sales. As is the case in all of the countries studied, the Swedish expropriation law does not, as a general rule, compensate for sentimental values of the owner. Severance damages, however, are recognized and compensated.

Article 7 of the Law on Expropriation states that all damages shall be compensated. This means, for instance, compensation for special damages, such as loss of business which frequently remain uncompensated in the United States. Consistent with general damage compensation theory, compensation for loss of business requires a determination of the extent to which the business would have developed, had the expropriation not occurred. This is established by the so-called "difference principle,"[74] which requires that the amount of compensation be decided after comparing business losses that have occurred in connection with expropriation with those that might have occurred independently of expropriation.[75] If the business is discontinued, the compensation is estimated on the basis of the usual projected net profits. Compensation is also given for goodwill and other business values. Significantly, expropriation matters are adjudicated in special expropriation courts on which expropriation technicians serve. Notwithstanding their specialization, however, the courts apparently have not been very effective and condemnation proceedings are, according to the authorities, quite frequently prolonged.[76]

D. France

Article 17 of the Declaration of Rights of 1789 as reaffirmed by the Constitution of 1946 proclaims:

"Property being a sacred and inviolable right, no one can be deprived of it unless a legally established public necessity evidently demands it, and on the condition of a just and prior indemnity."[77]

"Just and previous indemnity" has been defined to encompass recovery for "the entire damage, direct, material and certain, caused by the condemnation."[78] Precise and complex rules concerning the methods of evaluating condemned property and the elements of damage have been established to prevent private persons from making sacrifices for public purposes.[79] According to the principles established by court practices, reestablishment of the landowner to the same or similar status is considered "just."[80] Although the indemnity must cover the entire damage caused by the condemnation, it is limited to direct, material, and certain damage. Demoralization loss, for example, is excluded. Although the methods for evaluating condemned property vary according to the existing use of the property, the basis for the evaluation is always market value, which is defined as "[t]he value which tribunals and the Court of Cassation defined as the price for which a reasonable man agrees to acquire an estate, taking into consideration the market price of the real estate of the region where the reality is located."[81]

E. Italy

The Italian Civil Code provides that [n]o one shall be deprived, wholly or in part, of his property except for legally declared reasons of the public interest. . . ."[82] and then only upon the payment of "just indemnity."[83] This expropriation for the public benefit may be described as a contribution that the landowner is compelled to make for the achievement and benefit of all.[84] As a result of this approach, there has been some controversy concerning whether an indemnity should correspond to the value of the expropriated object or should consist of a smaller amount in view of the fact that the public need exists.[85] The present Italian expropriation rule, however, is that indemnity should consist of a just price that has been established by experts exactly as it would have been established for a sales transaction.[86] In effect, the law grants full indemnity to the owner as if he were making the sale of his own free will.[87] The paramount intent of the law is to fully satisfy the just price; it reflects the need to balance the interest of the public with that of the private landowner. The indemnity "must exclude an unjust sacrifice as well as unjustified enrichment."[88]

F. Germany

In Germany, compensation in eminent domain cases is provided for in the constitution. The basic expropriation law provides that:

"Expropriation shall be admissible only for the well-being of the general public. It may be effected only by legislation or on the basis of a law which shall regulate the nature and extent of compensation. The compensation shall be determined after just consideration of the interests of the general public and the participants. Regarding the extent of compensation, appeal may be made to the ordinary courts in cases of dispute."[89]

The German Code contains more specific compensation standards; compensation shall be given for eminent domain and it shall be awarded:

1. For the loss of rights occurring as a consequence of eminent domain;

2. For other damage in property occurring as a consequence of eminent domain.[90]

Section 93(3) of the Code debits the landowner with any special benefit that may accrue to remaining properties as a result of the public project. Section 95 of the Code provides that compensation shall be ascertained according to the "market value" of the real property to be expropriated. The Code precludes recovery for "changes in value which have arisen as a consequence of the impending eminent domain," and there is, in addition, a rather peculiar provision that excludes "increases in value which have occurred after the time when the property owner could have accepted an equitable purchase or exchange offer made by the petitioner to avoid the expropriation." This "in terrorem" provision has not been found in any other country.

Footnotes at end of article.

Section 96 of the Code authorizes compensation for "other property damage"—presumably consequential and incidental damages—and for the "temporary or continous loss which the previous owner suffers in his professional activity, business activity, or in the fulfillment of duties which are basically imputable to him, however, only to the extent of the expenditures which are necessary to use another property in the same way as the property to be expropriated was used." [91] Finally, the section provides for compensation for necessary moving expenses and incidental damage to remaining land.

Valuation is rendered by independent "expert commissions" set up for that specific purpose. Either the condemnee or the condemnor may request the expert evaluation of the commission. The market value that the expert commission seeks is explicitly defined by Section 141 of the Code:

(1) The expert commission shall establish the common value (market value).

(2) The market value shall be determined by the price which can be realized in the regular business at the time at which the appraisal is made, according to the qualities and other conditions as well as the location of the piece of real property, with no regard to special or personal circumstances.

(3) In the case of developed properties, the market values for the land and for the buildings shall be ascertained separately if this is possible on the basis of comparative prices; these shall be separately indicated in the expert opinion.[92]

Two rather unusual provisions not encountered elsewhere should also be noted.[93] First, in certain cases, upon the request of the former owner, compensation must or may be rendered in the form of exchange property of no higher value than the fair market value of the expropriated property. This provision is most often invoked when the property taken is a single-family home. The decision on whether to grant the request for exchange property rests with the authorities who decided on the request for eminent domain. The second oddity is that the former owner of the expropriated property may request that compensation be paid in regular installments or in a lump sum.

G. Belgium

The complex system of expropriation for the public interest in Belgium was inherited from France.[94] It dates back to the Declaration of the Rights of Man and of the Citizen of August 26, 1789. The ideas set forth in Article 17 of this Declaration[95] were incorporated in the Belgium Constitution and the Belgium Civil Code.[96] Belgium has replaced the French concept of "public necessity" with the concept of "public interest." [97] Since the Belgium Code deals only briefly with condemnation indemnity, expropriation policies have developed primarily in the case law through broad judicial interpretation of the legislative mandate that expropriation shall only be effected "with the condition of a just and previous indemnity." [98]

To be "just," compensation must be full and equitable—it must cover all damage caused by the expropriation. For writers of the nineteenth century, it was sufficient if all rights and advantages taken from the owner by expropriation, as well as any prejudices caused, were replaced by a pecuniary compensation.[99] More recently it has been said that "the judge must compare what would be the price without expropriation and what would happen (to the price) if expropriation took place. It is the balance of these two situations which constitutes the loss in an expropriation in which the compensation for expropriation must pay." [100] Still another view is that a person whose property has been expropriated should be put, as nearly as possible, in a position to obtain for himself, with the help of the compensation, the same rights and advantages as those of which he has been dispossessed.[101]

Compensation is not "just" unless it completely indemnifies the former owner.[102] Just compensation is composed of two elements: the market value of the property and reparation of the prejudice resulting from the expropriation.[103] The definition of market value as "a price which could normally be obtained for the property if it were sold publicly on the day when the court ruled that the administrative formalities had been completed and ordered the transfer of ownership" is not surprising.[104] Generally "future value," the potential that the property has apart from its use at the date of taking, has also been considered.[105] Other factors considered in determining just compensation include a supplemental indemnity for settlement charges to which the landowner is subject in acquiring an equivalent property,[106] and a "convenience value." [107] The "convenience value" would appear to be analogous to the "allowance" of the Canadian law, although it has been stated that courts refuse to consider "sentimental values." [108] If a person is obliged to suspend his activities at his present location and move to another place, and in so doing encounters disruptions in his commercial business, resulting in damage, the Belgium courts and legal writers are in agreement that this prejudice requires a special indemnity.[109]

V. CONCLUSION

It is an inescapable conclusion that a delicate balancing is involved in condemnation cases between public and private interests. Public funds, on the one hand, are becoming increasingly inadequate to finance needed public improvements and therefore desperately need to be safeguarded. On the other hand, private interests plead for increasing recognition of the elements of damage, some of which are real but many of which are fancied. Use of the "fair market value" test to strike this balance of public and private interests has not been satisfactory; its application has precluded recovery for many elements of actual damage that accrue as a result of the taking of private land for public use. The search for "fair market value" is a snipe hunt carried on at midnight on a moonless landscape.

The hackneyed expression that "there is nothing so powerful as an idea whose time has come" may very well be apropos here. The decisions of the United States Supreme Court usually are not very far behind public sentiment. Already the criticisms of eminent domain procedures in this country are growing louder and louder. There is an observable general sentiment that government at all levels owns too much land, and that there is general insensitivity on the part of public officials to the suffering wrought by the taking of private property. Heretofore, the Supreme Court's reading of "just compensation" has involved an interpretation of expediency, promoted by public officials who waved banners of private greed. It is herein predicted that the time is rapidly approaching when the Supreme Court is going to insist, as a matter of constitutional law, that the landowner be paid for all he surrenders. The cases themselves admit that "fair market value" does not indemnify the landowner. A good case can be made for the proposition that the elements of damage now denied the landowner on the ground that they are incapable of measurement are in fact measurable if the proof is adduced in a tribunal having expertise in condemnation problems. And, surely, the argument that allowing presently prescribed damages would make the costs so high that the public could not pay its own way is going to be finally met by the response that, if that is the situation, neither can it ride on the train.

Almost without exception, the foreign countries discussed in this paper are doing a better job of compensating the deprived landowner than is the United States. It may be, if the United States is unwilling to streamline its condemnation procedures and tribunals, that the "allowance" utilized by Canada is the most feasible solution. It certainly would go a long way toward allaying the fears and soothing the irritations that existing evaluation methods and procedures have created.

FOOTNOTES

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The writer is a member of a land condemnation commission appointed under Federal Rule of Civil Procedure 71(A)(h) by the former chief judge of the United States District Court for the Middle District of Tennessee, the Honorable William E. Miller, now a member of the United States Court of Appeals for the Sixth Circuit. The views expressed herein are not those of the Commission, nor, to the extent that they reflect variations from existing law, do they represent the principles applied by the author in the carrying out of his duties as a member of the Commission, under the explicit instructions of the court. This paper was prepared, in part, under the terms of a grant from the Urban and Regional Development Center of Vanderbilt University and the author gratefully acknowledges the help and encouragement of the Center.

[1] 4 P. Nichols, The Law of Eminent Domain § 12.2[1] (rev. 3d ed. J. Sackman 1962) (footnotes omitted).

[2] *Id.* § 12.2 (footnotes omitted). *See, e.g.*, Berger & Rohan, *The Nassau County Study: An Empirical Look into the Practices of Condemnation*, 67 Colum. L. Rev. 430 (1967); Hershman, *Compensation—Just and Unjust*, 21 Bus. Law 285 (1966).

[3] *See, e.g.*, Crouch, *Valuation Problems and Procedures Under Eminent Domain*, in American Bar Association National Institute, Condemnation, Compensation and the Courts 31 (1969); Dolan, *Just Compensation: Indemnity or Market Value?*, 34 Appraisal J. 353 (1966); MacLeod, *Adequacy of Compensation in Condemnation*, 31 Appraisal J. 477 (1963); Sengstock & McAuliffe, *What is the Price of Eminent Domain?*, 44 J. Urban L. 185 (1966).

[4] "For purposes of the compensation due under the Fifth Amendment, of course, only that 'value' need be considered which is attached to 'property,' but that only approaches by one step the problem of definition. The value of property springs from subjective needs and attitudes; its value to the owner may therefore differ widely from its value to the taker. Most things, however, have a general demand which gives them a value transferable from one owner to another." Kimball Laundry Co. v. United States, 338 U.S. 1, 5 (1949). *See also* United States *ex rel.* TVA v. Powelson, 319 U.S. 266 (1943); United States v. Miller, 317 U.S. 369 (1943); McCandless v. United States, 298 U.S. 342 (1936); Olson v. United States, 292 U.S. 246 (1934); United States v. New River Collieries Co., 262 U.S. 341 (1923); Seaboard Air Line Ry. v. United States, 261 U.S. (1923).

[5] A fair example, and a correct statement of the law, is the following extract from the *Instructions to Commissioners* given by Judge William E. Miller.

"The method by which to determine the just compensation to be paid to the property owner for the taking of a part of his property is, as a general rule, to compare the fair market value of the property before and after the taking; that is to say, by subtracting the fair market value of what remains after the taking from the fair market value of the whole immediately before the taking.

"Just compensation is not a question of the value of the property in question to the defendant, on the one hand, nor its value to the Government on the other. Therefore, in determining the fair market value of the property in question on the date of taking you shall not consider or be influenced by the fact that the United States needs the property or that these proceedings are pending, nor shall you consider or in any way be influenced by the fact that the United States is able and willing to pay for the property or that the defendant is or may be unwilling to sell. It would be improper for you to permit such matters to affect your findings.

"In every condemnation proceeding the problem is to determine what the property owner has lost as a result of the taking, and not what the Government may have gained.

"Just compensation is intended to cover the loss caused the owner by the taking of his property for public use and not the value of the property as applied to the public use. How much the property taken may be worth to the public for those purposes to which it will be applied is not to be considered by you in any way in arriving at the fair market value of the property at the date of the taking by the Government.

"So, in determining fair market value of the time of the taking, you are not to consider the fact that the Government intends to take the land; instead you are to fix the fair market value on the date of taking at a time immediately before the taking, without regard either to the imminency of the taking or the pendency of any proceedings to take the land.

"In determining the fair market value of the estate or interest taken, you may not consider the Government's need for the property, nor whether or not the defendant owner wanted to sell it. Your task is to find what was the fair market value of the tract involved in this trial, as of the time of the taking, uninfluenced in any way by either the necessities of the Government or the wishes or wants or desires of the owners.

"By fair market value is meant the price in cash or its equivalent that the property would have brought at the time of the taking, considering its highest and most profitable use, if then offered for sale in the open market in competition with other similar properties at or near the location of the property, with a reasonable time allowed to find a purchaser.

"You are to assume that the purchaser in such a transaction was desirous of buying the property, but not forced to buy, and that the seller was desirous of selling the property, but not forced to sell; and that both buyer and seller were fully informed on that date as to all circumstances and factors favorable and unfavorable with respect to the property, and as to all uses to which the property was then being put, and as to the highest and best use and all other uses for which the property was at that time actually and potentially suitable and adaptable.

"In arriving at your estimate of fair market value, you should take into account all factors which could fairly be suggested by the seller to increase the price paid, and all counterarguments which the buyer could fairly make to reduce the price to be paid by him, to the extent that you believe such matters would have been considered in the bargaining as to price. Your determination is to be made in the light of all facts affecting value as shown by the evidence, together with any facts which, although not shown by the evidence, are of such general knowledge in the community as not to require proof." (Judge Miller's order of instruction is retained on file in the federal district court for the Middle District of Tennessee.)

[6] *E.g.*, American Institute of Real Estate Appraisers, Condemnation Appraisal Practice 4–8 (1961); L. Orgel, Valuation Under the Law of Eminent Domain §§ 11–15, 17 (2d ed. 1953).

[7] Even the courts recognize the hardship. *See* United States v. General Motors Corp., 323 U.S. 373, 382 (1945); City of Newark v. Cook, 99 N.J. Eq. 527, 538, 133 A. 875, 879 (Ch. 1926).

During 1963 and 1964, hearings were conducted around the country by the Select Subcommittee on Real Property Acquisition of the Committee of Public Works of the United States House of Representatives. These hearings, dealing with real property acquisition practices and adequacy of compensation in federal and federally assisted programs, revealed a deep, pervasive distrust of governmental motives and practices in land acquisition programs. *See Hearings on Real Property Acquisition Practices and Adequacy of Compensation in Federal and Federally Assisted Programs Before the Select Subcomm. on Real Property Acquisition of the House Comm. on Public Works*, 88th Cong., 2d Sess. (1964). The study, a considerable portion of which is reproduced in Practicing Law Institute, Real Estate Value in Condemnation 255–98 (1969), points out that present practices are not doing substantial justice to the condemnees, and it suggests that the market value standards limiting compensation to the value of the property taken were adopted by the courts in a comparatively uncomplicated time in our nation's history when land was plentiful and government acquisitions skirted cities and by-passed homes and businesses, causing few displacements and relatively little damage. The gist of the report is that it is the responsibility of the Congress to determine whether other losses suffered by public owners or tenants should be absorbed by the public. *See also* Slaritt, *More Inequities and Injustices of Condemnation Practice*, 43 Conn. B.J. 89 (1969).

[8] For a vivid description of the adverse psychological effect see Fried, *Grieving for a Lost Home: Psychological Costs of Relocation* in J. Wilson, Urban Renewal: The Record and the Controversy 359 (1966). *See also* Weisl & Cohen, *Federal Condemnation Law and the Public Interest*, in 1968 Institute on Eminent Domain 45. Not all of the dissatisfaction, however, lies with the landowners. Governmental officials sometimes believe that the public is forced to pay *more* for the property than is fair. *See, e.g.*, United States v. Merchants Matrix Cut Syndicate, Inc., 219 F.2d 90 (7th Cir.), *cert. denied*, 349 U.S. 945 (1955); United States v. 0.84 Acres of Land, 112 F. Supp. 828 (N.D. Cal. 1953). Then, too, courts themselves are becoming aware that present condemnation practices and damage-measuring procedures do not even approximate the rendering of justice:

"In this era of the law explosion no phase of judicial administration is more ripe for reform than eminent domain valuation. Trial judges, lawyers and appraisers are willy-nilly players in a super-charged psychodrama designed to lure twelve mystified citizens into a technical decision transcending their common denominator of capacity and experience. The victor's profit is often less than the public's cost of maintaining the court during the days and weeks of trial." State v. Wherity, 275 Cal. App. 2d 279, 290, 79 Cal. Reptr. 591, 598 (Ct. App. 1969) (Friedman, J., dissenting).

[9] United States v. Miller, 317 U.S. 369 (1943).

[10] Omnia Commercial Co. v. United States, 261, U.S. 502 (1923); Bothwell v. United States, 254 U.S. 231 (1920); United States v. Honolulu Plantation Co., 182 F.2d 172 (9th Cir. 1950).

[11] *See generally* United States v. Petty Motor Co., 327 U.S. 372 (1946); Mitchell v. United States, 267 U.S. 341 (1925).

[12] Monongahela Navigation Co. v. United States, 148 U.S. 312 (1893).

[13] Chamber of Commerce v. City of Boston, 217 U.S. 189, 195 (1910).

[14] There are many losses to redistribute. For example, the cost of the rights of way on the 41,000 mile interstate highway system has been conservatively estimated to be 5 billion dollars. H.R. Doc. No. 300, 85th Cong., 2d Sess. 1, 6 (1958)

[15] Attorney General Clark's statement is reprinted in Weisl & Cohen, *Federal Condemnation Law and the Public Interest*, in Proceedings of the Eighth Institute on Eminent Domain 45 (1968).

[16] Weisl & Cohen, *supra* note 15, at 51.

[17] 219 F.2d 90, 98 (7th Cir.), *cert. denied*, 349 U.S. 945 (1955). Anthony Lewis has recently described, from his English perspective, the unhappy experiences of public officials in their attempt to obtain the so called "Burling Park" on the Virginia palisade of the Potomac in Fairfax, Virginia. Lewis, *The Making of a Park*, N.Y. Times, Sept. 28, 1970, at 41, col. 1 (city ed.).

[18] For a description of the pervasive effect of long-range planning of land use patterns in England see text accompanying notes 65–67 *infra*.

[19] For an excellent discussion of "highest and best use" see Crouch, *A Perspective Look at Highest and Best Use*, 34 Appraisal J. 166 (1966).

[20] *See, e.g.*, Olson v. United States, 292 U.S. 246 (1934).

[21] *Id.* For many years in England a landowner was entitled to an eminent domain proceeding to receive the value of the land to him. G. Challies, The Law of Expropriation 87 (2d ed. 1963). Similarly there has been recognition, in Canada and elsewhere, that a condemnee is entitled to a premium merely because he is an unwilling seller. *See* e.g., Lock v. Furze, 19 C.B. (N .S.) 96 (1865); *In re* Wilkes' Estate, 16 Ch. D. 597 (1880). In recent years the Congress of the United States has given statutory recognition to the legitimacy of such claims. For an excellent discussion of federal statutes of this nature see Note, *The Interest in Rootedness: Family Relocation and an Approach to Full Indemnity*, 21 Stan. L. Rev. 801 (1969). *See also* Practicing Law Institute, Real Estate Valuation in Condemnation 191–253, 301–405 (1969). With regard to state condemnations, however, the picture is much less attractive.

[22] Perhaps the best known discussion is Michelman, *Property, Utility, and Fairness: Comments on the Ethical Foundations of "Just Compensation" Law*, 80 Harv. L. Rev. 1165 (1967). *See also* Dunham, *Griggs* v. *Allegheny County in Perspective: Thirty Years of Supreme Court Expropriation Law*, 1962 Sup. Ct. Rev. 63; Fried, *Two Concepts of Interests: Some Reflections on the Supreme Court's Balancing Test*, 76 Harv. L. Rev. 755 (1963); Kratovil & Harrison, *Eminent Domain—Policy and Concept*, 42 Calif. L. Rev. 596 (1954). For cases dealing with the balancing concept see Malman v. Village of Lincolnwood, 61 Ill. App. 2d 55, 208 N.E.2d 884 (1965) and Rochester Business Institute Inc. v. City of Rochester, 25 App. Div. 2d 97, 267 N.Y.S.2d 274 (1966).

[23] Michelman, *supra* note 22. A very plausible argument can be made that, even if we are to adhere to the "fair market value" test as a constitutionally sufficient standard for governmental expropriations, when quasi-public agencies such as utilities, railroads and universities are granted the power of eminent domain, all losses must be compensated. The exception would be justifiable on the ground that, although the quasi-public agencies are serving a vital public function, they are nevertheless profit-making organizations whose publicly established rate structures can be, and are, adjusted to give a reasonable return on investment. It is considerably more difficult, however, to explain why "just compensation" is not the same in both cases, since the fifth amendment addresses itself specifically to the *government's* deprivations.

[24] *See* L. Wallstein, Report on Law and Procedure in Condemnation (1932). A Mas-

sachusetts study described in Note, *Eminent Domain Valuations in an Age of Redevelopment Incidental Losses*, 67 Yale L.J. 61, 73, 87 (1957) suggested that jury trials usually do not materially increase the amount available to the property owner over what he would have obtained in a settlement. On the other hand, there are many cases in which juries appear to have acted arbitrarily to give compensation for incidental losses, despite directions to the contrary. *E.g.*, Reeves v. City of Dallas, 195 S.W. 575 (Tex. Civ. App. 1946).

[25] It has been suggested that the price of "splitting the difference," generally followed in the trial of eminent domain cases before juries, makes it possible "to adjust the rigid rules of law to the requirements of justice and indemnity in each particular case." Park Comm'n v. United States, 143 F.2d 688 (2d Cir. 1944), *quoting* L. Orgel, Valuation Under the Law of Eminent Domain 810, 837 (1st ed. 1936). It seems more likely that dispensing this kind of "fireside equity" will result in injustice.

[26] *See* United States v. 329.05 Acres of Land, 156 F. Supp. 67 (S.D.N.Y. 1957), *aff'd sub nom.* United States v. Kopperman, 263 F.2d 331 (2d Cir. 1959) ("[s]ales of the same property or those of comparable character in the same neighborhood in recent times constitute the best evidence upon which to establish value in a condemnation proceeding"). *See also,* United States v. 5139.5 Acres of Land, 200 F. 2d 659 (4th Cir. 1952); United States v. 70.39 Acres of Land, 164 F. Supp. 451 (S.D. Cal. 1958); Dolan, *Federal Condemnation Practice General Aspects,* 27 Appraisal J. 15 (1959).

[27] There are inadequacies in the market data technique. These have been summarized from an appraiser's perspective as follows:

"1. Sales are historical evidences of past actions in the market.

"2. The essence of value is the relationship between people and property. The actual transactions reflect not only the influence of the individual property but also the personalities and motives of the buyer and seller. The probable behavior and performance of individuals is not subject to exact prediction.

"3. No comparison can be expected to furnish the exact dollar value for the subject property . . . .

"4. There are differences in physical similarities in market circumstances in the 'justified' and 'actual' sales. Distinction between the two must be recognized in their respective interpretation of the fair market value. . . .

"5. The mathematically adjusted indications are not true market conditions. They are unrealistic and conjectural based on ephemeral assumptions and not reflective of true market conditions.

"6. Each property has its own specifics, individuality, character and capacity. No two pieces of property are alike. . . .

"7. The assignment of percentage values to each of the factors can become arbitrary, unrealistic, and theoretical in nature and relegates itself under the realm of mysticism.

"8. Piecemeal adjustments by mathematical percentages of the so-called 'comparables' tend to invalidate the composite evidentiary picture of the transactions by increasing the chances for error or judgment by omission or exception." Lum, *Comparison and Use of Market Data in Preparation for Expert Testimony,* 31 Appraisal J. 178, 181 (1963).

[28] For a general discussion of the comparability problem see Sengstock & McAuliffe, *What Is the Price of Eminent Domain?,* 44 J. Urban L. 185, 197–206 (1966).

[29] 3 Cal. L. Revision Comm'n Rep., Recommendations & Studies A–25 to –26 (1961).

[30] *See, e.g.,* Old Dominion Land Co. v. United States, 269 U.S. 55 (1925); United States v. Brooklyn Union Gas Co., 168 F.2d 391 (2d Cir. 1948); County of Los Angeles v. Hoe, 138 Cal. App. 2d 74, 291 P.2d 98 (Dist. Ct. App. 1955); Dolan, *supra* note 26.

[31] 3 Cal. L. Revision Comm'n Rep., Recommendations & Studies A–37 (1961).

[32] *See* 5 P. Nichols, *supra* note 1, §§ 21.3[1], .4[1]; 1 L. Orgel, Valuation Under the Law of Eminent Domain § 147 (2d ed. 1953); Annot., 174 A.L.R. 386 (1948).

[33] Blick v. Ozaukee County, 180 Wisc. 45, 48, 192 N.W. 380, 381 (1923).

[34] At least one state has recently held that evidence of sales to the condemnor is admissible to prove value, notwithstanding the coercion allegedly inherent in such transactions. *See* County of Los Angeles v. Faus, 48 Cal. 2d 672, 312 P. 2d 680 (1957).

[35] *See, e.g.,* Redevelopment Land Agency v. 61 Parcels of Land, 235 F. 2d 864 (D.C. Cir. 1956); Baetjer v. United States, 143 F. 2d 391 (1st Cir. 1944); Wyman v. Lexington & W.C.R.R., 54 Mass. 316 (1847).

[36] *Cf.* Hickey v. United States, 208 F. 2d 269 (3d Cir. 1953), *cert. denied,* 347 U.S. 919 (1954) (attempting to expand the area of forced sales and excluding even the private business sale when made under compulsion).

[37] *See, e.g.,* Sharp v. United States, 191 U.S. 341 (1903), *See also* Annot., 7 A.L.R. 2d 781 (1949); 1 L. Orgel, *supra* note 32, § 148; Note, *Methods of Proving Land Value,* 43 Iowa L. Rev. 270 (1958).

[38] 2 J. Wigmore, Evidence § 463, at 503 (3d ed. 1940). *See also* County of Los Angeles v. Faus, 48 Cal. 2d 672, 677, 313 P. 2d 680, 683 (1957).

[39] The following quotation from Los Angeles City High School Dist. v. Kita, 169 Cal. App. 2d 655, 663, 338 P. 2d 60, 65 (Dist. Ct. App. 1959) expresses the conventional view:

"Much has been said about the propriety of receiving in evidence unaccepted offers to buy similar property. An offer to pay a certain amount does not necessarily involve an estimate that such is its full value and should have been taken into consideration in forming an opinion of market value. At best, such offers are but expressions of opinion. They are a species of indirect evidence of the opinion of the offerer as to the value of land. An unaccepted offer places before the jury an absent person's declaration or opinion of value while depriving the adverse party of the benefit of cross-examination. The offerer may have such slight knowledge on the subject as to render his opinion of no value. He may have wanted the land for some particular purpose disconnected with its value. Pure speculation may have induced the offer, a willingness to take chances that some new use of the land might later prove profitable. The person making the offer may not have been competent in a legal sense to express an opinion on the subject. Offers may be glibly made without serious intention or the required resources. The offer may contain contingencies, as in the present case. The area for collateral inquiry is far broader than in the case of consummated sales, as is also the opportunity for collusion and fraud. The assertion that the offerer tendered his money might give such hearsay opinion more weight with the jury than an opinion given by a witness before them, not thus supported. If evidence of an unaccepted offer is to be received, it is important to know whether the offer was bona fide and made by a man of good judgment acquainted with the value of the property, and whether made with reference to market value or to supply a particular need or to gratify a fancy. Unaccepted offers are unsatisfactory, easy of fabrication, and even may be dangerous in their character."

[40] "To require the defendants in this case to pay any portion of their costs necessarily incidental to the trial of the issues on their part, or any part of the costs of the [condemnor], would reduce the just compensation awarded by the jury, by a sum equal to that paid by them for such costs." City & County of San Francisco v. Collins, 98 Cal. 259, 262, 33 P. 56, 57 (1893).

The best study of this problem is contained in Note, *Attorneys' Fees in Condemnation Proceedings,* 20 Hastings L.J. 694 (1969).

[41] Even when there is a legitimate difference of opinion between the experts employed by the landowner and those used by the condemning authority, the net compensation received by the landowner, if it develops that he is correct and the agency is wrong, must be diminished by the attorney's fee and other expenses. A few states have enacted statutes which grant the landowner a measure of protection as to his attorney's fees, most notably Florida, North Dakota, Iowa and Oregon. For citations to the relevant statutes in these states see Note, *supra* note 40, at 704–08.

Florida's statute is of special interest:

"The petitioner shall pay all reasonable costs of the proceedings in the circuit court including a reasonable attorney's fee to be assessed by that court." Fla. Stat. Ann. § 73.091 (Supp. 1970).

"The petitioner shall pay all reasonable costs of the proceedings in the appellate court, including a reasonable attorney's fee to be assessed by that court, except upon an appeal taken by a defendant in which the judgment of the trial court shall be affirmed." *Id.* § 73–131(2).

[42] *See Hearings on S. 1351 Before the Subcomm. on Improvements in Judicial Machinery of the Senate Comm. on the Judiciary,* 90th Cong., 2d Sess. 26, 36–38 (1968); *Hearings on Real Property Acquisition Practices and Adequacy of Compensation in Federal and Federally Assisted Programs Before the Select Subcomm. on Real Property Acquisition of the House Comm. on Public Works,* 88th Cong., 1st Sess. 368–81, 383–91 (1963); Berger & Rohan, *The Nassau County Study: An Empirical Look Into the Practices of Condemnation,* 67 Colum. L. Rev. 430 (1967).

Section 504 E of the proposed Model Eminent Domain Code under consideration by the Committee on Condemnation Law of the Real Property, Probate and Trust Section provides:

"Where the ultimate award is more than the offer of the condemnor, the Trial Judge shall have the authority to cause the condemnor to reimburse the condemnee for his . . . attorneys' fees and other reasonable expense, but his authority shall exist only in those instances where the Trial Judge finds affirmatively that to do otherwise would invoke serious hardship on the condemnee. . . ."

[43] *See* City of Chicago v. Harrison-Halsted Bldg. Corp. 11 Ill. 2d 431, 143 N.E.2d 40 (1957). *But cf.* United States v. Meyer, 398 F.2d 66 (9th Cir. 1968). *See also* Varney, *The Use of Prior Appraisals in Condemnation Cases* in ABA Section of Local Government Law, Report of Committee on Condemnation and Condemnation Procedure 377 (1968). A California study has shown that unless the award exceeds the offer by $3,000 to $5,000, the unrecoverable costs of defending such a case will exceed the increase in compensation. 1969 Cal. L. Revision Comm'n Rep. 128 n. 10.

[44] Unlike "public defenders" for criminal cases, a condemnation proctor inevitably would develop the type of close working relationship with the condemning authority and local appraisers that makes neutrality impossible.

[45] *See* Berger & Rohan, *supra* note 2, at 440. At least one type of federal condemnation proceeding, that of the Tennessee Valley Authority (TVA), has partially moved from a commission type hearing to a jury trial procedure. Section 25 of the Tennessee Valley Authority Act was amended to abolish the commission system as the sole method for determining just compensation for TVA takings. Act of September 28, 1968, Pub. L. No. 90–536, 80 Stat. 885, *amending* 16 U.S.C. 831x (1964). Since TVA takings are now on the same basis as all other federal condemnation,

if the requisite findings can be made, the federal district judge can appoint a commission under Fed. R. Civ. P. 71A(h).

[46] American Arbitration Association, Eminent Domain Arbitration Rules (1968).

[47] 1969 Cal. L. Revision Comm'n Rep. 131.

[48] Beginning in 1951, bills have been introduced in Congress from time to time to strip the district court of its discretionary power to deny a demand for a jury trial. In support of such legislation, the American Bar Association argues that jury trial had been enjoyed under the old conformity act and was improperly taken away by rule 71A. *See* ABA, *Report of the Committee on Amendment of Rule 71A of Federal Rules of Civil Procedure,* 81 A.B.A. Rep. 386 (1956). Interestingly enough, however, the cases that have reached the appellate courts indicate that it is usually the government, not the landowner, that complains of denial of a jury trial. *See, e.g.,* United States v. Leavell & Ponder, Inc., 286 F.2d 398 (5th Cir. 1961); United States v. Chamberlain Wholesale Grocery Co., 226 F.2d 492 (8th Cir. 1955).

[49] 376 U.S. 192 (1964).

[50] *Id.* at 197-200.

[51] "The right to appeal [from the commission's finding] shall be absolute and the trial shall be de novo." Model Code on Eminent Domain § 504 (Prelim. Draft, 1968).

[52] G. Challies, The Law of Expropriation 75 (2d ed. 1963).

[53] *See e.g.,* Woods Mfg. Co. v. The King, [1951] 2 D.L.R. 465; Belanger v. The King, [1918] 42 D.L.R. 138, Lucas v. Chesterfield Gas & Water Bd., [1909] 1 K.B. 16 (C.A. 1908).

[54] Lucas v. Chesterfield Gas & Water Bd., [1909] 1 K.B. 16 (C.A. 1908), *quoted in* G. Challies, *supra* note 52, at 87.

[55] [1967] 2 O.R. 185, 187.

[56] Diggon-Hibben Ltd. v. The King, [1949] 4 D.L.R. 785, 787: "The owner at the moment of expropriation is to be deemed as without title, but all else remaining the same, and the question is what would be, as a prudent man, at that moment, pay for the property rather than be ejected from it."

[57] G. Challies, *supra* note 52, at 153.

[58] *See* Drew v. The Queen, [1961] 29 D.L.R. 2d 114; Todd, *The 10% Allowance in Assessing Compensation Payable for Property Expropriated Under Statutory Authority,* 2 U.B. C.L. Rev. 623 (1958). For a thorough discussion of the "allowance," sometimes called "indemnity for forceable dispossessions" see G. Challis, *supra* note 52, at 206.

[59] This is another name for severance damages, or, as they are sometimes referred to in Canada, "consequential damages." *See* G. Challies, *supra* note 52, at 131.

[60] The earliest case in which the "allowance," as import from England where it was abandoned in 1910, appeared was Symonds v. Rex, 8 Can. Exch. 319 (1904).

[61] Drew v. Regina, [1961] Can. S. Ct. 614, *discussed in* G. Challies, *supra* note 52, at 207.

[62] *See* Safian, *Bill C200: Federal Expropriation Bill,* 34 Sask. L. Rev. 299 (1969).

[63] Acquisition of Land (Assessment of Compensation) Act of 1919, 9 & 10 Geo. 5, c. 57, § 2, 2. Indeed, English cases prior to 1919 are freely cited by the Canadian federal and provincial courts. 3 Cal. L. Revision Comm'n. Rep., Recommendations & Studies A-17 (1961).

[64] Acquisition of Land (Assessment of Compensation) Act of 1919, 9 & 10 Geo. 5, c. 57, § 2, rule 2. It has been suggested that the "value to the owner" rule may be for various reasons, more realistic in Canada than in England, Safian, *supra* note 62, at 307.

[65] *See* Megarry, *Compensation for Compulsory Acquisition of Land in England,* in Law and Land 212 (C. Haar ed. 1964).

[66] 10 & 11 Geo. 6, c. 51.

[67] Megarry, *supra* note 65, at 221.

[68] *Id.* at 222–23.

[69] *Id.*

[70] Law of May 12, 1917, concerning the Law on Expropriation, [1969] Sveriges Rikes Lag B114–30 (Swed.). *See generally* V. Ollikainen. Regulation of Eminent Domain in Sweden, December 1969 (unpublished private study on file with the *Vanderbilt Law Review*).

[71] M. Hernmarck, Löseskilling vid Expropriation for Tatbebyggelse 103 (2d ed. 1967).

[72] *Id.* at 110.

[73] V. Ollikainen, *supra* note 70, at 2-3.

[74] Svenska Kommunal-Tekniska Föreningen, Expropriations Teknik 375 (1968).

[75] Practice attempts are made to calculate the net losses the business may suffer. V. Ollikainen, *supra* note 70, at 4.

[76] For a discussion of the expropriation courts see V. Ollikainen, *supra* note 70, at 5. Prior to 1950, article 7 of the Law of Expropriation required that "just compensation "be paid for the voluntary taking of real property. It is generally believed, however, that the change in the wording of article 7 has not resulted in a change in the basis for estimated compensation. 1948 Statens Offenliga Utredningar No. 4, 85.

[77] J. Brissaud, A History of French Public Law 545 (1915).

[78] *See* D. Krivickas, Regulation of Eminent Domain in France 1 & n.3, December 1969 (unpublished study on file with the *Vanderbilt Law Review*).

[79] For a complete study of these rules see D. Krivickas, *supra* note 78.

[80] D. Musso, Le Nouveau Regime De L'Expropriation et Ses. Modalites D'Application M1 (2d ed. 1965).

[81] J. M. Auby, L'Expropriation pour la Cause D'Utilite Publique 20 (1968). For an extensive discussion of evaluation methods in France see F. Ferbes & G. Salles, Expropriation et Evaluation Des Biens (2d ed. 1969).

[82] A considerable portion of this study is based upon K. Vokopola, Regulation of Eminent Domain in Italy, December 1969 (unpublished study on file with the *Vanderbilt Law Review*).

[83] The expression "just indemnity," coming immediately after the other preconditions concerning the declaration of the public interest makes it clear that such payment is the *sine qua non* for a lawful exercise of the power of eminent domain.

[84] Under Italian legal doctrine it is commonly held that an indemnity for the expropriation of private property for a declared public interest and need is not a "price," and therefore, does not constitute a valuable consideration in a transaction of exchange.

[85] There is some authority for the later viewpoint. Constitutional Court Decision No. 61, *reported in* 2 Revista di Diritto Agrario 250 (1957).

[86] K. Vokopola, *supra* note 82, at 5.

[87] P. Carugno, Espropriazone Per Pubblica Utilitá 309 (6th ed. 1967).

[88] K. Vokopola, *supra* note 82, at 6. *See also* P. Carugno, *supra* note 87, at 265. There has been special legislation, frequently applied in connection with slum clearance. The determination of the just price contained in this legislation states that the "indemnity due the owners of expropriated property shall be determined on the basis of the average commercial value or of the rents for the past ten years." P. Carugno, *supra* note 87, at 309.

[89] The Bonn Constitution, Washington, D.C. U.S. Government Printing Office, 1949. For a general study of evaluation problems in Germany see W. Sólyom-Fekete, Regulation of Eminent Domain in the Federal Republic of Germany, December 1969 (unpublished study on file with the *Vanderbilt Law Review*). According to Sólyom-Fekete, "the literal translation of the term 'Bundesbaugesetz' would be Federal Law on Construction. This Law is a comprehensive code of urban development planning, and will be referred to as the 'Code'." *Id* at 1 n.4.

[90] The text of the Code, commentaries thereto, and its implementing statutes may be found in S. Heitzer & E. Oestreicher, Bundesbaugesetz (1968).

[91] The tone of the section is set by a provision that "compensation shall be determined after just consideration of the interests of the public and the affected parties." BGB1 § 96, 1, at 341 (1960).

[92] *Id.* § 141.

[93] W. Sólyom-Fekete, *supra* note 89, at 7–8.

[94] For a thorough study of expropriation problems in Belgium see V. Stoicoiu, Regulation of Eminent Domain in Belgium, December 1969 (unpublished study on file with the Vanderbilt Law Review).

[95] *See* note 77 *supra* and accompanying text.

[96] V. Stoicoiu, *supra* note 94, at 1–2.

[97] M. Vauthier, Precis Du Droit Administratif De La Belgique ¶ 239, at 290 (1928).

[98] L. Belva, L'Expropriation Pour Cause D'Utilité Publique ¶ 987 (1955).

[99] V. Stoicoiu, *supra note* 94, at 8. Compensation must not include more than the prejudices that are an "immediate and direct" consequence of the expropriation; here the antecedents in French law are obvious. *See* V. Stoicoiu, *supra note* 94, at 8.

[100] 5 Repertoire Pratique Du Droite Belge No. 571, ¶ 2 (1950), *quoted in* V. Stoicoiu, *supra note* 94, at 9.

[101] V. Stoicoiu, *supra* note 94, at 9.

[102] *Id.* at 10.

[103] *Id.*

[104] *Id.* at 11.

[105] *Id.* at 12.

[106] *Id.* at 14.

[107] *Id.* at 15.

[108] *See, e.g.,* United States v. Petty Motor Co., 327 U.S. 372, 377–78 (1946). *See also* 1 L. Orgel, Valuation Under the Law of Eminent Domain § 39 (2d ed. 1953); Weisl & Cohen, *Federal Condemnation Law and the Public Interest,* in 1968 Institute on Eminent Domain 45.

[109] V. Stoicoiu, *supra* note 94, at 15–17. If a landowner excepts to the administrative determination of the amount to be paid for his land and appeals to the courts, the costs in courts of first instance are paid by the state; but if he appeals further and loses, he must bear the court costs and other expenses. *Id.* at 21. Although it has been argued to the contrary, courts have held that attorneys' fees are not "costs," and that the hiring of a lawyer is purely a voluntary act of the owner. *Id.* at 23.

By Mr. STAFFORD:

S. 3448. A bill to amend the Tariff Act of 1930 to permit the informal entry of merchandise not exceeding $500 in value. Referred to the Committee on Finance.

Mr. STAFFORD. Mr. President, the bill I am introducing today is a simple proposal designed to raise the value of merchandise subject to informal entry into the United States to $500 to compensate for present day prices and to reduce the paper workload on Customs personnel as well as on American businessmen.

At present, in most cases merchandise with a value of more than $250 is required to go through a formal entry basis when entering the United States. This $250 level has been in effect for many years, while inflation has long since made that figure unrealistic in terms of its original intention.

The bill I introduce today would merely amend the Tariff Act of 1930 to permit the informal entry of merchandise not exceeding $500 in value.

By Mr. STAFFORD:

S. 3449. A bill to amend the act of June 21, 1940, as amended, to remove the ninety day requirement for the submission of general plans and specifications for altering a bridge in accordance with an order of the Secretary of Transportation; and

S. 3450. A bill to amend the act of August 18, 1894, the act of March 3, 1899, the Bridge Act of 1906 and the General Bridge Act of 1946, to provide for civil penalties in certain circumstances, and for other purposes. Referred to the Committee on Public Works.

Mr. STAFFORD. Mr. President, I am introducing today two bills, proposed by the administration and intended to enable the Coast Guard to oversee more effectively its responsibilities regarding bridges over navigable waterways.

The first of these bills would amend an existing statute under which the Coast Guard can direct the owner of a bridge to altar the bridge if it acts as an obstruction to marine navigation. Such orders usually occur on older bridges subsequent to dredging of the river channel and the use of larger tugs and barges.

Once such an alteration order is issued, provisions of the Truman-Hobbs Acts are available to assist financially in the necessary alterations.

Under present law, the bridge owner is required to submit specific alteration plans and specifications to the Coast Guard within 90 days of the order. The Coast Guard says that period of time is wholly unrealistic. Bridge owners simply cannot do all the necessary engineering work in that brief period. This results in a general disregard of that provision of law, forcing the Coast Guard to grant extensions.

The first bill would grant to the Coast Guard discretion in setting a time period for submission of alteration plans. The Coast Guard informs me that it anticipates that this period in most cases will be about 6 months.

The second bill would establish a civil remedy enabling the Coast Guard to bring actions against operator of draw bridges for improper operation of a draw bridge.

Clearly, a criminal penalty is far too extreme as a remedy for sloppy operations of a drawbridge that may involve leaving it open too long or failing to be on hand when a vessel is ready to pass underneath.

The Coast Guard and the Justice Department have neglected to initiate actions, even in the rare incidents of flagrant violators. The creation of a second remedy—a civil citation and administrative penalty—should enable the Coast Guard to induce better performance, where necessary.

Mr. President, I believe these two administration bills merit the attention of the Senate. I ask that copies of the bills, as well as letters accompanying each, be printed at this point in the Congressional Record.

There being no objection, the bills and letters were ordered to be printed in the Record, as follows:

S. 3449

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 4 of the Act of June 21, 1940 (54 Stat. 498), as amended (33 U.S.C. 514) is further amended as follows:

By deleting the phrase "ninety days" from line 2; and inserting in lieu thereof the phrase "such reasonable times as the Secretary may prescribe".

The Secretary of Transportation,
Washington, D.C., April 27, 1973.

Hon. Spiro T. Agnew,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft of a proposed bill, "To amend the Act of June 21, 1940, as amended to remove the ninety day requirement for the submission of general plans and specifications for altering a bridge in accordance with an order of the Secretary of Transportation."

The proposed bill would amend Section 4 of the Act of June 21, 1940 (54 Stat. 498), as amended (33 United States Code 514) to permit the Secretary of Transportation, after service of an order on a bridge owner to alter his bridge, to prescribe a reasonable period of time after service of such order for the submission of general plans and specifications to carry out the required alteration.

Currently, the bridge owner must submit alteration plans and specifications within ninety days after service of the Secretary's order upon him. Past experience has shown that ninety days is an insufficient period of time in which to expect the bridge owner to accomplish this task. This is primarily due to the time needed to select an engineering consultant, obtain a proposal from him, and submit it to the Coast Guard for review and approval prior to proceeding with the design phase of the needed alteration. This preliminary procedure itself usually takes approximately ninety days at a minimum; thus insufficient time is left under current requirements for the consultant to conduct site investigations and to prepare satisfactory outline plans and design criteria for submission. In realization of these difficulties, requests by bridge owners for extensions of time have routinely been granted.

Willful failure or refusal to proceed with the preparation of plans and specifications by bridge owners has not been a problem in the past. In recent years, however, some owners have not proceeded diligently in this matter in spite of persistent urgings to do so. The criminal sanctions for failure to comply with the ninety day requirement have not been invoked in the past due, in part, to the realization that the requirement is impractical. Allowing the Secretary to specify a reasonable time for the submission of general plans and specifications, and eliminating the rigid ninety day rule, will remove a major obstacle toward ensuring compliance with the Secretary's order.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection from the standpoint of the administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

Claude S. Brinegar.

Comparative Type Showing Changes in Existing Law Made by the Proposed Bill

(Matter proposed to be omitted is enclosed in brackets; new matter is italics.)

TITLE 33

§ 514. Submission and approval of general plans and specifications

It shall be the duty of the bridge owner to prepare and submit to the Secretary, within [ninety days] *such reasonable times as the Secretary may prescribe* after service of his order, general plans and specifications to provide for the alteration of such bridge in accordance with such order, and for such additional alteration of such bridge as the bridge owner may desire to meet the necessities of railroad or highway traffic, or both. The Secretary may approve or reject such general plans and specifications, in whole or in part, and may require the submission of new or additional plans and specifications, but when the Secretary shall have approved general plans and specifications, they shall be final and binding upon all parties unless changes theren be afterward approved by the Secretary and the bridge owner.

S. 3450

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 18, 1894 (28 Stat. 362), as amended, is amended as follows:

(A) Section 5 (33 U.S.C. 499) is amended—

(1) By redesignating the present section as subsection "(a)",

(2) By striking the following clause from the second sentence of subsection (a): ", or who shall unreasonably delay the opening of said draw after reasonable signal shall have been given," and

(3) By striking the word "section" wherever it appears between the words "this" and "may" in new subsection (a), and inserting in lieu thereof the word "subsection".

(B) By adding a new subsection (b) to section 5 as follows:

"(b) Whoever violates any rule or regulation issued under subsection (a), or whoever shall unreasonably delay the opening of said draw after reasonable signal shall have been given as provided in such rules or regulations, shall be liable to a civil penalty of not more than $1,000. The Secretary of Transportation may assess and collect any civil penalty incurred under this subsection and, in his discretion, remit, mitigate, or compromise any such penalty. Upon failure to collect or compromise a penalty under this subsection, the Secretary of Transportation may request the Attorney General to commence an action for the penalty prescribed by this subsection in any district court of the United States."

Sec. 2. That the Act of March 3, 1899 (30 Stat. 1151), as amended, is amended as follows:

(A) Section 9 (33 U.S.C. 401) is amended by redesignating the present section as subsection "(a)".

(B) By adding a new subsection (b) to section 9 as follows:

"(b) It shall not be lawful for any bridge, drawbridge or causeway to obstruct, hazard or endanger the free navigation of any navigable waters of the United States, when such obstruction, hazard or danger results from a failure to keep the bridge, drawbridge or causeway and their accessory works in proper repair.".

(C) Section 12 (33 U.S.C. 406) is amended by redesignating the present section as subsection "(a)".

(D) By adding a new subsection (b) to section 12 as follows:

"(b) Every person and every corporation that shall violate any of the provisions of section 9(b) of this Act shall be liable to a civil penalty of not more than $1,000; and every month such violation continues thereafter shall be deemed a new offense and subject such person and corporation to additional penalties therefor. The Secretary of Transportation may assess and collect any civil penalty incurred under this subsection and, in his discretion, remit, mitigate, or compromise any such penalty. Upon failure to collect or compromise a penalty under this subsection, the Secretary of Transportation may request the Attorney General to commence an action for the penalty prescribed by this subsection in any district court of the United States.".

SEC. 3. That the Bridge Act of 1906 (34 Stat. 85), as amended, is amended as follows:

(A) Section 5 (33 U.S.C. 495) is amended—

(1) by redesignating the present section as subsection "(a)"; and

(2) in new subsection (a)—

(i) by adding the word "willfully" between the words "shall" and "fail",

(ii) by striking the phrase ", shall be deemed guilty of a violation of said sections, and any persons who shall be guilty of a violation of said sections,"; and

(iii) by striking the word "civil" between the words "on" and "conviction".

(B) By adding a new subsection (b) to section 5 as follows:

"(b) Whoever violates any of the provisions of this Act, or any order, rule, or regulation issued thereunder shall be liable to a civil penalty of not more than $1,000; and every month such violation continues thereafter shall be deemed a new offense and subject such person to additional penalties therefor. The Secretary of Transportation may assess and collect any civil penalty incurred under this subsection and, in his discretion, remit, mitigate, or compromise any such penalty. Upon failure to collect or compromise a penalty under this subsection, the Secretary of Transportation may request the Attorney General to commence an action for the penalty prescribed by this subsection in any district court of the United States.".

SEC. 4. That the General Bridge Act of 1946 (60 Stat. 847), as amended, is amended as follows:

(A) Section 510 (33 U.S.C. 533) is amended—

(1) by redesignating the present section as subsection "(a)"; and

(2) in new subsection (a) by adding the word "willfully"—

(i) between the words "who" and "fails" wherever they appear,

(ii) between the words "who" and "refuses"; and

(iii) between the words "otherwise" and "violates"

(B) By adding a new subsection (b) to section 510 as follows:

"(b) Any person who violates any of the provisions of this Act, or any order, rule, or regulation issued thereunder shall be liable to a civil penalty of not more than $1,000; and every month such violation continues thereafter shall be deemed a new offense and subject such person to additional penalties therefor. The Secretary of Transportation may assess and collect any civil penalty incurred under this subsection and, in his discretion, remit, mitigate, or compromise any such penalty. Upon failure to collect or compromise a penalty under this subsection, the Secretary of Transportation may request the Attorney General to commence an action for the penalty prescribed by this subsection in any district court of the United States.".

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., December 21, 1973.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a comparative type showing changes made in the existing law, and a draft of a proposed bill "To amend the Act of August 18, 1894, the Act of March 3, 1899, the Bridge Act of 1906 and the General Bridge Act of 1946, to provide for civil penalties in certain circumstances, and for other purposes.

The proposed legislation would amend several sections of title 33, United States Code to provide for civil penalties in addition to the criminal sanctions currently authorized. The sections, in general, concern penalties for violating orders or regulations dealing with the construction, alteration, repair or operation of bridges and drawbridges. In addition, the bill would amend title 33, United States Code to clearly require owners to keep their bridges, drawbridges, or causeways; or the accessory works of any of them in proper repair, to the end that marine traffic will not be obstructed, endangered or placed in hazard while making reasonable use of the navigable waters over which they are built. In the past, bridge owners have been informed that they were in violation of the terms of their construction permit when necessary repairs to the bridge or drawbridge pier protection work (primarily sheer fencing and fenders) were neglected. The criminal sanctions available for enforcement in this area have proved to be both cumbersome and ineffective.

A somewhat similar situation has occurred in regard to some drawbridge operations, where the number of complaints from the boating public and others concerning improper drawbridge operation has been steadily growing. Due primarily to the difficulty encountered in establishing criminal intent as an element of the act complained of, the criminal sanctions available for enforcement in this area have also been essentially ineffective as well. This factor, coupled with the increased pressure of land traffic across both highway and railway bridges, may well be encouraging some bridge owners or drawbridge operators to be less responsive to the needs of marine traffic.

The addition of these civil penalty authorities as enforcement devices should serve to prompt bridge, drawbridge and causeway owners and operators to be more attentive to both the condition and the operation of their facility. There are no cost implications included with this proposal.

It would be appreciated if you would lay this proposed bill before the House of Representatives. A similar bill has been transmitted to the President of the Senate.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

CLAUDE S. BRINEGAR.

COMPARATIVE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY THE PROPOSED BILL

(Matter proposed to be omitted is enclosed in brackets; new matter is in italics.)

TITLE 33

§ 499. Regulations for drawbridges; penalties for violation; enforcement

(*a*) It shall be the duty of all persons owning, operating, and tending the drawbridges built prior to August 18, 1894, or which may thereafter be built across the navigable rivers and other waters of the United States, to open, or cause to be opened, the draws of such bridges under such rules and regulations as in the opinion of the Secretary of Transportation the public interests require to govern the opening of drawbridges for the passage of vessels and other water crafts, and such rules and regulations, when so made and published, shall have the force of law. Every such person who shall willfully fail or refuse to open, or cause to be opened, the draw of any such bridge for the passage of a boat or boats [, or who shall unreasonably delay the opening of said draw after reasonable signal shall have been given,] as provided in such regulations shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine of not more than $2,000 nor less than $1,000, or by imprisonment (in the case of a natural person) for not exceeding one year, or by both such fine and imprisonment, in the discretion of the court: Provided, That the proper action to enforce the provisions of this [section] *subsection* may be commenced before any commissioner, judge, or court of the United States, and such commissioner, judge, or court shall proceed in respect thereto as authorized by law in case of crimes against the United States: Provided further, That whenever, in the opinion of the Secretary of Transportation, the public interests require it, he may make rules and regulations to govern the opening of drawbridges for the passage of vessels and other water crafts, and such rules and regulations, when so made and published, shall have the force of law and any violation thereof shall be punished as hereinbefore provided: Provided further, That any regulations made in pursuance of this [section] *subsection* may be enforced as provided in section 413 of this title, the provisions whereof are made applicable to the said regulations.

(*b*) *Whoever violates any rule or regulation issued under subsection* (*a*), *or whoever shall unreasonably delay the opening of said draw after reasonable signal shall have been given as provided in such rules or regulations, shall be liable to a civil penalty of not more than $1,000. The Secretary of Transportation may assess and collect any civil penalty incurred under this subsection and, in his discretion, remit, mitigate, or compromise any such penalty. Upon failure to collect or compromise a penalty under this subsection, the Secretary of Transportation may request the Attorney General to commence an action for the penalty prescribed by this subsection in any district court of the United States.*

§ 401. Construction of bridges, causeways, dams or dikes generally

(*a*) It shall not be lawful to construct or commence the construction of any bridge, dam, dike, or causeway over or in any port, roadstead, haven, harbor, canal, navigable river, or other navigable water of the United States until the consent of Congress to the building of such structures shall have been obtained and until the plans for the same shall have been submitted to and approved by the Chief of Engineers and by the Secretary of the Army: *Provided,* That such structures may be built under authority of the legislature of a State across rivers and other waterways the navigable portions of which lie wholly within the limits of a single State, provided the location and plans therefore are submitted to and approved by the Chief of Engineers and by the Secretary of the Army before construction is commenced: *And provided further,* That when plans for any bridge or other structure have been approved by the Chief of Engineers and by the Secretary of the Army, it shall not be lawful to deviate from such plans either before or after completion of the structure unless the modification of said plans has previously been submitted to and received the approval of the Chief of Engineers and of the Secretary of the Army.

(*b*) *It shall not be lawful for any bridge, drawbridge or causeway to obstruct, hazard or endanger the free navigation of any navigable waters of the United States, when such obstruction, hazard or danger results from a failure to keep the bridge, drawbridge or causeway and its accessory works in proper repair.*

§ 406. Penalty for wrongful construction of bridges, piers, etc., removal of structures

(*a*) Every person and every corporation that shall violate any of the provisions of sections 401, 403, and 404 of this title or any rule or regulation made by the Secretary of the Army, in pursuance of the provisions of section 404 of this title shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding $2,500 or less than $500, or by imprisonment (in the case of a natural person) not exceeding one year, or both such punishments, in the discretion of the court. And further, the removal of any structures or parts of structures erected in violation of the provisions of the said sections may be enforced by the injunction of any district court exercising jurisdiction in any district in which such structures may exist, and proper proceedings to this end may be instituted under the direction of the Attorney General of the United States.

(b) *Every person and every corporation that shall violate any of the provisions of section 401(b) of this title shall be liable to a civil penalty of not more than $1,000; and every month such violation continues thereafter shall be deemed a new offense and subject such person and corporation to additional penalties therefore. The Secretary of Transportation may assess and collect any civil penalty incurred under this subsection and, in his discretion, remit, mitigate, or compromise any such penalty. Upon failure to collect or compromise a penalty under this subsection, the Secretary of Transportation may request the Attorney General to commence an action for the penalty prescribed by this subsection in any district court of the United States.*

§ 495. Failure to comply with regulations; penalty; removal of bridge

(a) Any persons who shall *willfully* fail or refuse to comply with the lawful order of the Secretary of the Army or the Chief of Engineers, made in accordance with the provisions of sections 491 to 498 of this title [, shall be deemed guilty of a violation of said sections, and any persons who shall be guilty of a violation of said sections,] shall be deemed guilty of a misdemeanor and on [civil] conviction thereof shall be punished in any court of competent jurisdiction by a fine not exceeding $5,000, and every month such persons shall remain in default shall be deemed a new offense and subject such persons to additional penalties therefore; and in addition to the penalties above described the Secretary of the Army and the Chief of Engineers may, upon refusal of the persons owning or controlling any such bridge and accessory works to comply with any lawful order issued by the Secretary of the Army or Chief of Engineers in regard thereto, cause the removal of such bridge and accessory works at the expense of the persons owning or controlling such bridge, and suit for such expense may be brought in the name of the United States against such persons, and recovery had for such expense in any court of competent jurisdiction; and the removal of any structures erected or maintained in violation of the provisions of said sections, or the order or direction of the Secretary of the Army or Chief of Engineers made in pursuance thereof may be enforced by injunction, mandamus, or other summary process, upon application to the district court in the district in which such structure may, in whole or in part, exist, and proper proceedings to this end may be instituted under the direction of the Attorney General of the United States at the request of the Secretary of the Army; and in case of any litigation arising from any obstruction or alleged obstruction to navigation created by the construction of any bridge under said sections, the cause or question arising may be tried before the district court of the United States in any district which any portion of said obstruction or bridge touches.

(b) *Whoever violates any of the provisions of sections 491 and 498 of this title, or any order, rule, or regulation issued thereunder shall be liable to a civil penalty of not more than $1,000; and every month such violation continues thereafter shall be deemed a new offense and subject such person to additional penalties therefore. The Secretary of Transportation may assess and collect any civil penalty incurred under this subsection and, in his discretion, remit, mitigate, or compromise any such penalty. Upon failure to collect or compromise a penalty under this subsection, the Secretary of Transportation may request the Attorney General to commence an action for the penalty prescribed by this subsection in any district court of the United States.*

§ 533. Penalties

(a) Any person who *willfully* fails or refuses to comply with any lawful order of the Secretary of the Army or the Chief of Engineers issued under the provisions of sections 525 to 533 of this title, or who *willfully* fails to comply with any specific condition imposed by the Chief of Engineers and the Secretary of the Army relating to the maintenance and operation of bridges, or who *willfully* refuses to produce books, papers, or documents in obedience to a subpena or other lawful requirement under said sections, or who otherwise *willfully* violates any provisions of said sections, shall, upon a conviction thereof, be punished by a fine of not to exceed $5,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

(b) *Any person who violates any of the provisions of sections 525 to 533 of this title, or any order, rule, or regulation issued thereunder shall be liable to a civil penalty of not more than $1,000; and every month such violation continues thereafter shall be deemed a new offense and subject such person to additional penalties therefore. The Secretary of Transportation may assess and collect any civil penalty incurred under this subsection and, in his discretion, remit, mitigate, or compromise any such penalty. Upon failure to collect or compromise a penalty under this subsection, the Secretary of Transportation may request the Attorney General to commence an action for the penalty prescribed by this subsection in any district court of the United States.*

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3453. A bill to amend certain provisions of the Communications Satellite Act of 1962, as amended. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend certain provisions of the Communications Satellite Act of 1962, as amended, and ask unanimous consent that the letter of transmittal, section-by-section analysis and comparison with existing law be printed in the Record with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "International Satellite Communications Act of 1974."

Sec. 101. Section 201(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) The following paragraph is inserted after paragraph (7): "(8) aid in the planning and development of additional communications satellite systems which are developed pursuant to any agreement, understanding or other arrangement between the United States and foreign countries; and in conjunction therewith, provide for continuous review of all phases of the development and operation of such systems, coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, and carry out the functions set forth in subsections (a)(4) through (a)(7) of this section with respect to such systems and with respect to the corporation or any other communications common carrier or other entity which participates in the establishment, ownership, or operation of such systems".

Sec. 102. Section 201(c) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) Section 201(c)(8) is deleted.

(b) Sections 201 (c)(9), (c)(10), and (c)(11) are designated 201 (c)(8), (c)(9), and (c)(10) respectively.

Sec. 103. Section 301 of the Communications Satellite Act of 1962, as amended, is amended by striking the words "to the District of Columbia Business Corporation Act." and substituting therefor the words "to the laws governing corporations in the jurisdiction within the United States in which it is incorporated."

Sec. 104. Section 303(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by striking all except the last three sentences of section 303(a) and substituting therefor the words "The corporation shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman: *Provided, however*, That effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section."

(b) by striking, in the antepenultimate sentence of section 303(a), the words "Subject to the foregoing limitations, the" and substituting therefor the word "The".

(c) by striking, in the antepenultimate and penultimate sentences of section 303(a), the words "under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29–911(d)). The articles of incorporation of the corporation" and substituting therefor a comma followed by the word "and, in the manner prescribed by the laws governing corporations in the jurisdiction in which the corporation is incorporated,".

(d) by striking, in the penultimate sentence of section 303(a), the words "of not less than 66⅔ per centum".

(e) by striking, in the last sentence of Section 303(a), the words "section 36 of the District of Columbia Business Corporation Act (D.C. Code, sec. 29–916(d))," and substituting therefor the words "the law of any State or of the District of Columbia,".

Sec. 105. Section 304 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by adding in section 304(a) the words "with or" before "without par value".

(b) by striking the second sentence in Section 304(b)(2).

(c) by striking in section 304(b)(2) the number "50" and substituting therefor "5".

(d) by striking in the third sentence of section 304(b)(2) the words "after the initial issue is completed" and substituting therefor "after the effective date of this Act".

(e) By striking in section 304(d) the words "which are held by holders other than authorized carrier".

(f) by striking the present language of section 304(e) and substituting therefor the words "Any record holder of the stock of the corporation, without regard to the percentage of stock so held, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the corporation's record of shareholders and to make extracts therefrom."

Sec. 106. Section 305 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) The following is added after section 305(b)(5):

"(c) Nothing herein shall be deemed to vest in the corporation the exclusive right to establish, own or operate communications satellite systems or associated equipment and facilities separate from those used in conjunction with the global system referred to in section 102(a) of this Act, nor to preclude the corporation from establishing, owning or operating such facilities."

(b) Section 305(c) is redesignated as 305 (d) and is amended by striking the words "District of Columbia Business Corporation Act." and substituting therefor the words "laws of the jurisdiction in which it is incorporated."

SEC. 107. Section 402 of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a) by striking the words "the corporation" following the word "Whenever" in the first sentence of section 402 and substituting therefor the words "any communications common carrier or other entity which participates in the establishment, ownership and operation of a communications satellite system which is developed pursuant to an agreement, understanding or other arrangement between the United States and foreign countries".

(b) by striking the words "authorized by this Act" in the first sentence of section 402 and substituting therefor the words "related to such system".

(c) by striking the word "corporation" following the words "advise the" in the first sentence of section 402 and substituting therefor the words "carrier or other entity".

(d) by striking the word "corporation" in the second sentence of section 402 and substituting therefor the words "carrier or other entity".

(e) by striking the word "corporation" in the third sentence of section 402 and substituting therefor the words "carrier or other entity".

SEC. 108. Section 403(c) of the Communications Satellite Act of 1962, as amended, is amended by inserting the words "or other entities" after the words "communications common carriers".

SEC. 109. Section 404(a) of the Communications Satellite Act of 1962, as amended, is amended as follows:

(a by striking the word "and" after the words "objectives of this Act" and substituting therefor a comma; and

(b) by striking the period at the end of section 404(a) and substituting therefor the words "and, where appropriate, a summary of activities and accomplishments with respect to communications satellite systems referred to in section 201(a)(8)."

OFFICE OF TELECOMMUNICATIONS POLICY,
Washington, D.C., April 5, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill to amend the Communications Satellite Act of 1962. These amendments are designed to update the Act to reflect current conditions in international satellite communications; they do not change the basic policy premises underlying the original legislation.

In 1962, there were a number of technical and operational uncertainties regarding the creation of the Communications Satellite Corporation (Comsat) to serve as the chosen instrument of the United States in a global system. These uncertainties gave rise to the inclusion of several special provisions in the Act relating to Comsat's ownership and the conduct of its affairs, provisions not normally associated with a private communications common carrier enterprise. With the successful establishment of the International Telecommunications Satellite Organization (INTELSAT) global communications satellite system and the emergence of Comsat as an established and mature corporation, it is appropriate to remove a number of these special provisions.

COMMON CARRIER OWNERSHIP

The need for operational expertise and technical know-how in the establishment of Comsat led to special provisions for participation by other common carriers in Comsat's financing and management. The need for this expertise has diminished, however, as Comsat has gained operating experience over the years. Moreover, most of the carriers for various reasons have now sold their interests in Comsat so that the special carrier ownership provisions are no longer relevant. The proposed bill would eliminate the special class of Comsat stock reserved for common carriers, reduce the aggregate amount of Comsat's outstanding shares that may be held by such carriers from 50 percent to 5 percent, and eliminate the special provision for common carrier directors on Comsat's board.

PRESIDENTIAL DIRECTORS

The present Act requires Comsat's Board of Directors to include three directors appointed by the President. The proposed bill would eliminate this requirement. While public interest considerations may have justified this special class of directors during the initial years of the Corporation's development, this requirement no longer appears warranted. As a communications common carrier, Comsat is subject to regulation by the Federal Communications Commission and, as the U.S. participant in INTELSAT, is subject to Executive Branch oversight. Thus, public interest considerations are adequately protected without retaining a special class of Presidentially-appointed directors.

FCC AUTHORITY OVER COMSAT FINANCING

The amendments would also repeal the provision requiring Comsat to obtain FCC approval prior to obtaining additional capital. The FCC does not exercise similar financial control over other common carriers, and the technological and operational uncertainties which originally warranted this departure from normal procedures are no longer present. This change would, of course, leave intact current FCC procedures regarding the licensing of Comsat's facilities and regulation of its common carrier activities.

CORPORATE SITUS AND PAR VALUE STOCK

The amendments would permit Comsat to incorporate in jurisdictions other than the District of Columbia and would allow the Corporation to issue stock having par value. These changes will afford Comsat the same flexibility as any other common carrier in decisions regarding place of incorporation and par valuation of stock.

NEW INTERNATIONAL SATELLITE SYSTEMS

In addition to updating the Act as discussed above, the amendments also deal with the possible emergence of specialized international satellite systems that would be separate from the INTELSAT system. Discussions have been taking place among various foreign governments and the United States regarding the possibility of implementing such specialized systems for aeronautical and maritime communications purposes. One amendment would make explicit that Comsat could participate in any such new international systems, on a non-exclusive basis, thus legislatively affirming an FCC rulemaking decision to the same effect in the context of domestic satellite systems.

Another relates to the clarification of the Executive Branch role in the planning, implementation and operation of new international satellite systems that are developed pursuant to intergovernmental agreements to which the United States is a party. Specifically, the Presidential responsibilities set forth in Sections 201(a)(1) through 201(a)(7) of the present Act, and the State Department role specified in Section 402 of the Act, would be made applicable to such systems. Presidental oversight and coordination would assure that international arrangements and operational procedures with respect to these new systems are responsive to the national interest and consistent with the foreign policy objectives and commitments of the United States.

The Office of Management and Budget advises that the enactment of the proposed legislation would be consistent with the program of the President.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely,

CLAY T. WHITEHEAD.

SECTION-BY-SECTION ANALYSIS OF THE "INTERNATIONAL SATELLITE COMMUNICATIONS ACT OF 1974"

Section 101. Subsections 201(a)(1) through 201(a)(7) of the Communications Satellite Act of 1962 provide for Executive Branch involvement in the organization, implementation and development of the global communications satellite system (INTELSAT). Additional international systems, separate from the INTELSAT system, are permitted under Section 102(d) of the Act, if required to meet unique governmental needs or if otherwise required by the national interest. Discussions have been taking place among various foreign governments and the United States regarding the possibility of creating new specialized systems for aeronautical and maritime communications purposes.

As was the case with INTELSAT, the organization, implementation and operation of these systems would require a high level of government-to-government cooperation and accord; the foreign policy implications of systems serving the interests of a large number of countries call for clearly defined Executive Branch responsibility. Accordingly, a new subsection is added to Section 201(a) whereby the Executive Branch would aid in the planning, development, coordination and review of additional international communication satellite systems that are developed and operated pursuant to intergovernmental agreements to which the United States is a party. Presidential oversight and coordination will assure that institutional arrangements and operational procedures are responsive to the national interest and consistent with the foreign policy objectives and commitments of the United States. Responsibilities similar to those vested in the Executive Branch with respect to Comsat as the U.S. participant in INTELSAT are extended to include any communications common carrier or other entity (*e.g.,* a consortium of U.S. users, a private non-carrier corporation, etc.) which serves as the U.S. participant in any new international systems that are developed and operate pursuant to intergovernmental agreements to which the U.S. is a party.

Section 102. Section 201(c)(8), which requires Comsat to receive authorization from the Federal Communications Commission prior to the issuance of any debt or equity securities, is repealed. The need for such close regulation of Comsat's financing, originally warranted by the uncertainties and business risks associated with an unprecedented venture, no longer exists. The FCC does not possess similar authority over the equity and debt of any other communications common carrier. This amendment would in no way affect normal FCC procedures with respect to licensing of facilities and regulation of Comsat's common carrier activities.

Section 103. Section 301 is amended to eliminate the requirement of incorporation in the District of Columbia, thus giving Comsat the same flexibility as any other common carrier regarding selection of its place of incorporation.

Section 104. Section 303(a) is amended to eliminate Presidentially-appointed and common-carrier elected directors. The factors which originally warranted such representation on the Comsat board of directors, i.e., the need to provide formally for common carrier experience on the Board and the need for close governmental guidance, are no longer present, and the continued provision for such representation serves no meaningful purpose now that Comsat is a mature, viable commercial enterprise. The effect of this amendment would be to treat Comsat in the same manner as any other communications common carrier is treated with respect to its board of directors.

The deletion of the reference in Section 303(a) to the District of Columbia Business Corporation Act is a consequent editorial change resulting from the amendment to Section 301.

Section 303(a) is also amended to delete the requirement of a 66⅔ vote for amendment to Comsat's articles of incorporation. This requirement was originally included in the Act because a vote of that percentage was required under the District of Columbia Business Corporation Act. Elimination of this requirement is appropriate in view of the amendment permitting Comsat to incorporate in another jurisdiction, which may have a different statutory voting requirement.

Section 105. Section 302(a) is amended to permit Comsat to issue stock having par value. This affords the corporation the same flexibility as any other common carrier in determining whether to issue stock with or without par value and thereby obtain comparable tax treatment. Other Congressionally-created stock corporations modeled after Comsat are not subject to the no par stock requirement.

Section 304(b)(2) is amended to eliminate a special class of stock for common carriers and reduce the aggregate amount of shares that may be held by such carriers from 50 percent to 5 percent of Comsat's outstanding shares. With the passage of time the carriers, for various reasons, have sold their stock and no longer have any significant ownership interest in the corporation. The requirement that shares should be reserved for such carriers in any future issue no longer serves any practical purpose. The proposed 5 percent ceiling is sufficient to accommodate present carrier holdings and any foreseeable purchases by independent carriers.

The amendment of Section 304(d) is a consequent editorial change.

Section 304(e) is amended to eliminate reference to the District of Columbia Business Corporation Act, while retaining the substantive shareholder inspection rights that were intended by the 1962 Act.

Section 106. The right of Comsat to participate in satellite systems that are separate from the INTELSAT system is clarified in new Section 305(c). In addition, this section makes it clear that Comsat does not have exclusive statutory authority to operate such additional systems. Both of these points were implicit in the original Act, as interpreted by the FCC, and this section affirms the Commission's conclusions.

Section 305(c) is redesignated as Section 305(d). The amendment of this section is a consequent editorial change resulting from the amendment of Section 301 relating to the District of Columbia Business Corporation Act.

Section 107. As a result of this amendment, the State Department role specified in Section 402 of the Act is made applicable to new international satellite systems that are developed and operate pursuant to intergovernmental agreements to which the United States is a party. This amendment complements the addition of Section 201(c)(8) regarding the Executive Branch role in the planning, implementation and operation of these new international satellite systems.

Section 108. The amendment to Section 403(c) is a consequent editorial change resulting from the addition of Section 201(a)(8).

Section 109. The amendment to Section 404(a) requires the President to transmit to the Congress a summary of activities and accomplishments regarding additional international communications satellite systems which are encompassed by Section 201(a)(8).

COMPARISON WITH EXISTING LAW

TITLE I—SHORT TITLE, DECLARATION OF POLICY AND DEFINITIONS

SHORT TITLE

DECLARATION OF POLICY AND PURPOSE

SEC. 102 (a) The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system, as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

(b) The new and expanded telecommunication services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical use of the electromagnetic frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

(c) In order to facilitate this development and to provide for the widest possible participation by private enterprise, United States participation in the global system shall be in the form of a private corporation, subject to appropriate governmental regulation. It is the intent of Congress that all authorized users shall have nondiscriminatory access to the system; that maximum competition be maintained in the provision of equipment and services utilized by the system; that the corporation created under this Act be so organized and operated as to maintain and strengthen competition in the provision of communications services to the public; and that the activities of the corporation created under this Act and of the persons or companies participating in the ownership of the corporation shall be consistent with the Federal antitrust laws.

(d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic communication services where consistent with the provisions of this Act nor to preclude the creation of additional communications satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest.

DEFINITIONS

SEC. 103. As used in this Act, and unless the context otherwise requires—

(1) the term "communications satellite system" refers to a system of communications satellites in space whose purpose is to relay telecommunication information between satellite terminal stations, together with such associated equipment and facilities for tracking, guidance, control, and command functions as are not part of the generalized launching, tracking, control, and command facilities for all space purposes;

(2) the term "satellite terminal station" refers to a complex of communication equipment located on the earth's surface, operationally connected with one or more terrestrial communication systems, and capable of transmitting telecommunications to or receiving telecommunications from a communications satellite system.

(3) the term "communications satellite" means an earth satellite which is intentionally used to relay telecommunication information;

(4) the term "associated equipment and facilities" refers to facilities other than satellite terminal stations and communications satellites, to be constructed and operated for the primary purpose of a communications satellite system, whether for administration and management, for research and development, or for direct support of space operations;

(5) term "research and development" refers to the conception, design, and first creation of experimental or prototype operational devices for the operation of a communications satellite system, including the assembly of separate components into a working whole, as distinguished from the term "production" which relates to the construction of such devices to fixed specifications compatible with repetitive duplication for operational applications; and

(6) the term "telecommunication" means any transmission, emission or reception of signs, signals, writings, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems.

(7) the term "communications common carrier" has the same meaning as the term "common carrier" has when used in the Communications Act of 1934, as amended, and in addition includes, but only for purposes of sections 303 and 304, any individual, partnership, association, jointstock company, trust, corporation, or other entity which owns or controls, directly or indirectly or is under direct or indirect common control with, any such carrier; and the term "authorized carrier", except as otherwise provided for purposes of section 304 by section 304(b)(1), means a communications common carrier which has been authorized by the Federal Communications Commission under the Communications Act of 1934, as amended, to provide services by means of communications satellites;

(8) the term "corporation" means the corporation authorized by title III of this Act.

(9) the term "Administration" means the National Aeronautics and Space Administration; and

(10) the term "Commission" means the Federal Communications Commission.

TITLE II—FEDERAL COORDINATION, PLANNING, AND REGULATION

IMPLEMENTATION OF POLICY

SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act—

(a) the President shall—

(1) aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of a commercial communications satellite system;

(2) provide for continuous review of all phases of the development and operation of such a system, including the activities of a communications satellite corporation authorized under title III of this Act;

(3) coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, so as to insure that there is full and effective compliance at all times with the policies set forth in this Act;

(4) exercise such supervision over rela-

tionships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

(5) insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellite system;

(6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for general governmental purposes except where a separate communications satellite system is required to meet unique governmental needs, or is otherwise required in the national interest; and

(7) so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad;

(8) aid in the planning and development of additional communications satellite systems which are developed pursuant to any agreement, understanding, or other arrangement between the United States and foreign countries; and in conjunction therewith, provide for continuous review of all phases of the development and operation of such systems, coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, and carry out the functions set forth in subsections (a)(4) through (a)(7) of this section with respect to such systems and with respect to the corporation or any other communications common carrier or other entity which participates in the establishment, ownership, or operation of such systems.

(b) the National Aeronautics and Space Administration shall—

(1) advise the Commission on technical characteristics of the communications satellite system;

(2) cooperate with the corporation in research and development to the extent deemed appropriate by the Administration in the public interest;

(3) assist the corporation in the conduct of its research and development program by furnishing to the corporation, when requested, on a reimbursable basis, such satellite launching and associated services as the Administration deems necessary for the most expeditious and economical development of the communications satellite system;

(4) consult with the corporation with respect to the technical characteristics of the communications satellite system;

(5) furnish to the corporation, on request and on a reimbursable basis, satellite launching and associated services required for the establishment, operation, and maintenance of the communications satellite system approved by the Commission; and

(6) to the extent feasible, furnish other services, on a reimbursable basis, to the corporation in connection with the establishment and operation of the system.

(c) the Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

(1) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation and communications common carriers of apparatus, equipment, and services required for the establishment and operation of the communications satellite system and satellite terminal stations; and the Commission shall consult with the Small Business Administration and solicit its recommendations on measures and procedures which will insure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation for property and services, including but not limited to research, development, construction, maintenance, and repair.

(2) insure that all present and future authorized carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations under just and reasonable charges, classifications, practices, regulations, and other terms and conditions and regulate the manner in which available facilities of the system and stations are allocated among such users thereof;

(3) in any case where the Secretary of State, after obtaining the advice of the Administration as to technical feasibility, has advised that commercial communications to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings under section 214(d) of the Communications Act of 1934, as amended, to require the establishment of such communication by the corporation and the appropriate common carrier or carriers;

(4) insure that facilities of the communications satellite system and satellite terminal stations are technically compatible and interconnected operationally with each other and with existing communications facilities;

(5) prescribe such accounting regulations and systems and engage in such ratemaking procedures as will insure that any economies made possible by a communications satellite system are appropriately reflected in rates for public communication services;

(6) approve technical characteristics of the operational communications satellite system to be employed by the corporation and of the satellite terminal stations: and

(7) grant appropriate authorizations for the construction and operation of each satellite terminal station, either to the corporation or to one or more authorized carriers or to the corporation and one or more such carriers jointly, as will best serve the public interest, convenience, and necessity. In determining the public interest, convenience, and necessity the Commission shall authorize the construction and operation of such stations by communications common carriers or the corporation, without preference to either;

[(8) authorize the corporation to issue any shares of capital stock, except the initial issue of capital stock referred to in section 304(a), or to borrow any moneys, or to assume any obligation in respect of the securities of any other person, upon a finding that such issuance, borrowing, or assumption is compatible with the public interest, convenience, and necessity and is necessary or appropriate for or consistent with carrying out the purposes and objectives of this Act by the corporation;

[(9)] *(8)* insure that no substantial additions are made by the corporation or carriers with respect to facilities of the system or satellite terminal stations unless such additions are required by the public interest, convenience, and necessity;

[(10)] *(9)* require, in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended, that additions be made by the corporation or carriers with respect to facilities of the system or satellite terminal stations where such additions would serve the public interest, convenience, and necessity; and

[(11)] *(10)* make rules and regulations to carry out the provisions of this Act.

TITLE III—CREATION OF A COMMUNICATIONS SATELLITE CORPORATION

CREATION OF CORPORATION

SEC. 301. There is hereby authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government. The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act, [to the District of Columbia Business Corporation Act.] *to the laws governing corporations in the jurisdiction within the United States in which it is incorporated.* The right to repeal, alter, or amend this Act at any time is expressly reserved.

PROCESS OF ORGANIZATION

SEC. 302. The President of the United States shall appoint incorporators, by and with the advice and consent of the Senate, who shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and qualified. Such incorporators shall arrange for an initial stock offering and take whatever other actions are necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

SEC. 303. (a) [The corporation shall have a board of directors consisting of fifteen individuals who are citizens of the United States, of who one shall be elected annually by the board to serve as chairman. Three members of the board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, effective the date on which the other members are elected, and for terms of three years or until their successors have been appointed and qualified, and any member so appointed to fill a vacancy shall be appointed only for the unexpired term of the director whom he succeeds. The remaining twelve members of the record date for the annual meeting of stockholders is less than 45 per centum of the total number of shares of the voting capital stock of the corporation issued and outstanding, the number of members to be elected at such meeting by each group of stockholders shall be determined in accordance with the following table:

[When the number of shares of the voting capital stock of the corporation issued and outstanding and owned either directly or indirectly by communications common carriers is less than—]	[But not less than—]	[The number of members which stockholders who are communications common carriers are entitled to elect shall be—]	[And the number of members which other stockholders are entitled to elect shall be—]
[45 per centum	[40 per centum	[5	[7
40 per centum	35 per centum	4	8
35 per centum	25 per centum	3	9
25 per centum	15 per centum	2	10
15 per centum	0 per centum]	1	11
0 per centum]		0]	12]

[No stockholder who is a communications common carrier and no trustee for such a stockholder shall vote, either directly or indirectly, through the votes of subsidiaries or affiliated companies, nominees, or any persons subject to his direction or control, for more than three candidates for membership on the board, except that in the event the number of shares of the voting capital stock of the corporation issued and outstanding and owned either directly or indirectly by communications common carriers as of the record date for the annual meeting is less than 8 per centum of the total number of shares of the voting capital stock of the corporation issued and outstanding, and stockholder who is a communications common carrier shall be entitled to vote at such meeting for candidates for membership on the board in the same manner as all other stockholders.] *The corporation shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman: Provided, however, that effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section.* [Subject to the foregoing limitations, the] The articles of incorporation of the corporation shall provide for cumulative voting [under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29–911(d). The articles of incorporation of the corporation,] *and, in the manner prescribed by the laws governing corporations in the jurisdiction in which the corporation is incorporated,* may be amended, altered, changed or repealed by a vote [of not less than 66⅔ per centum] of the outstanding shares of the voting capital stock of the corporation owned by stockholders who are communications common carriers and by stockholders who are not communications common carriers, voting together, if such vote complies with all other requirements of this chapter and of the articles of incorporation of the corporation with respect to the amendment, alteration, change; or repeal of such articles. The corporation may adopt such bylaws as shall, notwithstanding the provisions of [section 36 of the District of Columbia Business Corporation Act (D.C. Code, sec. 29–916d),] *the law of any State or of the District of Columbia,* provide for the continued ability of the board to transact business under such circumstances of national emergency as the President of the United States, or the officer designated by him, may determine after February 18, 1969, would not permit a prompt meeting of a majority of the board to transact business.

(b) The corporation shall have a president, and such other officers as may be named and appointed by the board, at rates of compensation fixed by the board, and serving at the pleasure of the board. No individual other than a citizen of the United States may be an officer of the corporation. No officer of the corporation shall receive any salary from any source other than the corporation during the period of his employment by the corporation.

FINANCING OF THE CORPORATION

SEC. 304. (a) The corporation is authorized to issue and have outstanding, in such amounts as it shall determine, shares of capital stock, *with or* without par value, which shall carry voting rights and be eligible for dividends. The shares of such stock initially offered shall be sold at a price not in excess of $100 for each share and in a manner to encourage the widest distribution to the American public. Subject to the provisions of subsections (b) and (d) of this section, shares of stock offered under this subsection may be issued to and held by any person.

(b)(1) For the purposes of this section the term "authorized carrier" shall mean a communications common carrier which is specifically authorized or which is a member of a class of carriers authorized by the Commission to own shares of stock in the corporation upon a finding that such ownership will be consistent with the public interest, convenience, and necessity.

(2) Only those communications common carriers which are authorized carriers shall own shares of stock in the corporation at any time, and no other communications common carrier shall own shares either directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to its direction or control. [Fifty per centum of the shares of stock authorized for issuance at any time by the corporation shall be reserved for purchase by authorized carriers and such carriers shall in the aggregate be entitled to make purchases of the reserved shares in a total number not exceeding the total number of the nonreserved shares of any issue purchased by any other persons. At no time after the initial issue is completed] *after the effective date of this Act* shall the aggregate of the shares of voting stock of the corporation owned by authorized carriers directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to their direction or control exceed 50 *5* per centum of such shares issued and outstanding.

(3) At no time shall any stockholder who is not an authorized carrier or any syndicate or affiliated group of such stockholders, own more than 10 per centum of the shares of voting stock of the corporation issued and outstanding.

(c) The corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, and other certificates of indebtedness as it may determine. Such nonvoting securities, bonds, debentures, or other certificates of indebtedness of the corporation as a communications common carrier may own shall be eligible for inclusion in the rate base of the carrier to the extent allowed by the Commission. The voting stock of the corporation shall not be eligible for inclusion in the rate base of the carrier.

(d) Not more than an aggregate of 20 per centum of the shares of stock of the corporation authorized by subsection (a) of this section [which are held by holders other than authorized carriers] may be held by persons of the classes described in paragraphs (1), (2), (3), (4), and (5) of section 310(a) of the Communications Act of 1934, as amended (47 U.S.C. 310).

(e) [The requirement of section 45(b) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29–920(b) as to the percentage of stock which a stockholder must hold in order to have the rights of inspection and copying set forth in that subsection shall not be applicable in the case of holders of the stock of the corporation, and they may exercise such rights without regard to the percentage of stock they hold.] *Any record holder of the stock of the corporation, without regard to the percentage of stock so held, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the corporation's record of shareholders and to make extracts therefrom.*

(f) Upon application to the Commission by any authorized carrier and after notice and hearing, the Commission may compel any other authorized carrier which owns shares of stock in the corporation to transfer to the applicant, for a fair and reasonable consideration, a number of such shares as the Commission determines will advance the public interest and the purposes of this Act. In its determination with respect to ownership of shares of stock in the corporation, the Commission, whenever consistent with the public interest, shall promote the widest possible distribution of stock among the authorized carriers.

PURPOSES AND POWERS OF THE CORPORATION

SEC. 305. (a) In order to achieve the objectives and to carry out the purposes of this Act, the corporation is authorized to—

(1) plan, initiate, construct, own, manage, and operate itself or in conjunction with foreign governments or business entities a commercial communications satellite system;

(2) furnish, for hire, channels of communication to United States communications common carriers and to other authorized entities, foreign and domestic; and

(3) own and operate satellite terminal stations when licensed by the Commission under section 201(c)(7).

(b) Included in the activities authorized to the corporation for accomplishment of the purposes indicated in subsection (a) of this section, are, among others not specifically named—

(1) to conduct or contract for research and development related to its mission;

(2) to acquire the physical facilities, equipment and devices necessary to its operations, including communications satellites and associated equipment and facilities; whether by construction, purchase, or gift;

(3) to purchase satellite launching and related services from the United States Government;

(4) to contract with authorized users, including the United States Government, for the services of the communications satellite system; and

(5) to develop plans for the technical specifications of all elements of the communications satellite system.

(c) *Nothing herein shall be deemed to vest in the corporation the exclusive right to establish, own or operate communications satellite systems or associated equipment and facilities separate from those used in conjunction with the global system referred to in Section 102(a) of this Act, nor to preclude the corporation from establishing, owning or operating such facilities.*

[(e)](*d*) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the [District of Columbia Business Corporation Act.] *laws of the jurisdiction in which it is incorporated.*

TITLE IV—MISCELLANEOUS

APPLICABILITY OF COMMUNICATIONS ACT OF 1934

SEC. 401. The corporation shall be deemed to be a common carrier within the meaning of section 3(h) of the Communications Act of 1934, as amended, and as much shall be fully subject to the provisions of title II and title III of that Act. The provision of satellite terminal station facilities by one communication common carrier to one or more other communications common carriers shall be deemed to be a common carrier activity fully subject to the Communications Act. Whenever the application of the provisions of this Act shall be inconsistent with the application of the provisions of the Communications Act, the provisions of this Act shall govern.

NOTICE OF FOREIGN BUSINESS NEGOTIATIONS

SEC. 402. Whenever [the corporation] *any communications common carrier or other entity which participates in the establishment, ownership and operation of a communications satellite system which is developed pursuant to any agreement, understanding* *or other arrangement between the United States and foreign countries* shall enter into business negotiations with respect to facilities, operations, or services authorized by this Act *related to such system* with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation *carrier or other entity* of relevant foreign policy considerations. Throughout such negotiations the corporation *carrier or other entity* may request the Department of State to assist in the negotiations, and the Department shall render such assistance as may be appropriate.

SANCTIONS

Sec. 403. (a) If the corporation created pursuant to this Act shall engage in or adhere to any action, practices, or policies inconsistent with the policy and purposes declared in section 102 of this Act, or if the corporation or any other person shall violate any provision of this Act, or shall obstruct or interfere with any activities authorized by this Act, or shall refuse, fail, or neglect to discharge his duties and responsibilities under this Act, or shall threaten any such violation, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which such corporation or other person resides or may be found shall have jurisdiction, except as otherwise prohibited by law, upon petition of the Attorney General of the United States, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct or threat.

(b) Nothing contained in this section shall be construed as relieving any person of any punishment, liability, or sanction which may be imposed otherwise than under this Act.

(c) It shall be the duty of the corporation and all communications common carriers *or other entities* to comply, insofar as applicable, with all provisions of this Act and all rules and regulations promulgated thereunder.

REPORTS TO THE CONGRESS

Sec. 404. (a) The President shall transmit to the Congress in January of each year a report which shall include a comprehensive description of the activities and accomplishments during the preceding calendar year under the national program referred to in section 201(a)(1), together with an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act, and any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of such objectives, *and, where appropriate, a summary of activities and accomplishments with respect to communications satellite systems referred to in section 201(a)(8).*

(b) The corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

(c) The Commission shall transmit to the Congress, annually and at such other times as it deems desirable, (i) a report of its activities and actions on anticompetitive practices as they apply to the communications satellite programs; (ii) an evaluation of such activities and actions taken by it within the scope of its authority with a view to recommending such additional legislation which the Commission may consider necessary in the public interest; and (iii) an evaluation of the capital structure of the corporation so as to assure the Congress that such structure is consistent with the most efficient and economical operation of the corporation.

By Mr. STAFFORD:

S. 3454. A bill to amend the Occupational Safety and Health Act of 1970, to provide the initial onsite inspections not subject to penalties in certain cases, and to provide a more adequate means of voluntary compliance with the provisions of this Act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. STAFFORD. Mr. President, I introduce, for appropriate reference, a bill to amend the Occupational Safety and Health Act of 1970. I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Occupational Safety and Health Amendments of 1974".

Sec. 2. Section 8(g) of the Occupational Safety and Health Act of 1970 is amended by adding at the end thereof the following new paragraph:

"(3) The Secretary, after consultation with the Secretary of Heatlh, Education, and Welfare, shall compile and publish in an appropriate form, not less often that twice a year, a report of the classes of violations of this Act most often occurring in the most recent six month period immediately preceding the issuance of such report, classified by industry and occupation. Upon request, the Secretary shall furnish without charge, a copy of the report required by this paragraph to any trade association or labor organization."

Sec. 3. (a) Section 9(a) of the Occupational Safety and Health Act of 1970 is amended by inserting "(1)" immediately after the subsection designation and by striking out "If" and inserting in lieu thereof the following: "Except as provided in subsection (b) of this Act, if".

(b) Subsection (b) and (c) of section 9 of such Act are redesignated as paragraph (2) and (3), respectively.

(c) Section 9 of such Act is further amended by adding at the end thereof the following new subsection:

"(b)(1) Whenever an employer—

"(A) requests an initial onsite inspection in order to facilitate compliance with the provisions of this Act, and

"(B) has not been cited for a serious violation of the provisions of this Act since its enactment,

the Secretary is authorized to conduct initial onsite inspections and investigations in accordance with the provisions of section 8, of such employer.

"(2) If, after any inspection or investigation conducted under this subsection, the Secretary or his authorized representative finds that an employer has violated a requirement of section 5 of this Act, of any standard, rule or order promulgated pursuant to section 6 of this Act, he shall immediately notify that employer. The Secretary is authorized to establish procedures for the notification and the contents of the notification prescribed by this paragraph. Each such notification shall fix a reasonable time for abatement of the violation except that such reasonable time shall in no event be more than twenty working days from the receipt of such notification.

"(3) At the end of the period of abatement prescribed in the notification under paragraph (2), the Secretary or his authorized representative, shall undertake an inspection or investigation, in accordance with the provisions of section 8 of this Act. If, upon such inspection or investigation, the Secretary or his authorized representative finds that an employer is in violation of a requirement of section 5 of this Act, of any standard, rule or order promulgated pursuant to section 6 of this Act, or of any regulations prescribed pursuant to this Act, he shall immediately issue a citation to that employer under subsection (a) of this section. In considering any penalty to be assessed under section 17 in connection with such a citation, the Secretary shall consider the extent to which temporary measures were taken to abate the violation, and if the Secretary determines that the failure to abate the violation was serious and unjustified, he is authorized to propose a penalty to be assessed from the date of the initial onsite inspection.

"(4) The provisions of the subsection shall apply to each employer only once."

ADDITIONAL COSPONSORS OF BILLS

S. 1539

At the request of Mr. Talmadge, the Senator from South Carolina (Mr. Thurmond) and the Senator from Utah (Mr. Bennett) were added as cosponsors of amendment No. 1239 to S. 1539, the Education Amendments of 1974.

S. 2665

At the request of Mr. Javits, the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Illinois (Mr. Percy), the Senator from Massachusetts (Mr. Brooke), the Senator from Kansas (Mr. Pearson), the Senator from Minnesota (Mr. Humphrey), the Senator from Illinois (Mr. Stevenson), the Senator from Maryland (Mr. Mathias), the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Washington (Mr. Jackson), the Senator from Michigan (Mr. Griffin), the Senator from Florida (Mr. Chiles), the Senator from Massachusetts (Mr. Kennedy), the Senator from Utah (Mr. Bennett), the Senator from Maine (Mr. Hathaway) the Senator from Utah (Mr. Moss), the Senator from California (Mr. Cranston), and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 2665, authorizing U.S. participation in the Fourth Replenishment of the International Development Association—IDA.

S. 3101

At the request of Mr. Brock, the Senator from Montana (Mr. Metcalf) was added as a cosponsor to S. 3101, a bill to prescribe a standard for increasing the money supply.

S. 3215

At the request of Mr. Brock, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 3215, a bill to authorize the Secretary of Commerce to enhance and validate certain export expansion activities.

S. 3339

At the request of Mr. Humphrey, the Senator from Connecticut (Mr. Ribicoff), and the Senator from Maine (Mr. Hathaway) were added as cosponsors of S. 3339, a bill to amend the program of supplemental security income for the aged, blind, and disabled—established by title XVI of the Social Security Act—to provide for cost-of-living increases in the benefits provided thereunder.

S. 3371

At the request of Mr. Robert C. Byrd (for Mr. Eastland), the Senator from Florida (Mr. Chiles) was added as a cosponsor of S. 3371, to amend the Forest Pest Control Act of June 25, 1947.

S. 3398

At the request of Mr. Hartke, the Senator from Rhode Island (Mr. Pell), was added as a cosponsor of S. 3398, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows.

S. 3403

At the request of Mr. Dole, the Senator from Hawaii (Mr. Fong), the Senator from Wyoming (Mr. McGee), and the Senator from Utah (Mr. Bennett) were added as cosponsors of S. 3403, to amend the act of August 31, 1922, to prevent the introduction and spread of diseases and parasites harmful to honeybees.

STANDBY ENERGY EMERGENCY AUTHORITIES ACT—AMENDMENTS

AMENDMENT NO. 1265

(Ordered to be printed, and to lie on the table.)

Mr. DOLE (for himself and Mr. Hugh Scott) submitted an amendment, intended to be proposed by them, jointly to the bill (S. 3267) to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes.

AMENDMENT NO. 1266

(Ordered to be printed, and to lie on the table.)

NATIONAL SPEED LIMIT INCREASE

Mr. DOLE. Mr. President, last fall, when the Arab embargo was at its height, a law was passed to set a national speed limit of 55 miles per hour. This action was taken to conserve precious gasoline at a time when we did not really know how long the embargo would last or how serious the situation would become. So the law was passed, and I believe everyone agrees that it has saved fuel, cut into the growing demand for fuel—and as an additional benefit has saved many lives which might otherwise have been taken in speed-related accidents.

These points are all to the good and should not be ignored or minimized. But there is another side to the coin, and I believe it deserves consideration.

EMBARGO ENDED

In the first place, times and circumstances have changed somewhat. The Arab embargo has been lifted, and most of our supply problems are considerably eased. The prices for this imported oil have not declined significantly, but that is another matter which must be dealt with on a broad front. But the point is that the embargo is ended. We are not in a crisis situation with supplies, and measures—such as the 55 miles per hour limit—which were appropriate to that crisis may require reconsideration now.

NEGATIVE IMPACT

In the second place, some of these measures have impacts which are definitely on the negative side. It may be only a matter of inconvenience in some cases, but in others it may amount to real and serious economic damage.

And I think this is a very important concern here in Kansas. In Washington, D.C., or in New York City, a 55-mile-per-hour limit may mean very little to the average person in terms of his actual highway travel. People in the major urban areas simply do not get out on the highway as often; and when they do, it is usually for relatively short trips, since cities and major urban centers are so close together. And when greater distances have to be covered, there is also a great number of alternative sources of transportation, such as buses, railroads, and airlines available in our major urban areas.

AUTOMOBILES ESSENTIAL IN KANSAS

But here in Kansas the automobile is almost indispensible, and the distances are great. It is some 209 miles between Kansas City and Wichita. Almost exactly the same distance from New York City, you will find Boston and Washington, D.C., with Philadelphia, Wilmington, New Haven, and Providence and tens of millions of people in between.

But in Kansas we do not have the choice of traveling by Metroliner or air shuttle. When most Kansans need to go somewhere, they must use their cars. And I believe that under the present circumstances, requiring the Kansas motorist to go only 55 miles per hour is inappropriate and not absolutely essential to the Nation's welfare.

PROBLEM IN TRUCKING INDUSTRY

There is the additional factor that the 55 mile limit is having an extremely serious impact on the American trucking industry. Time is money to this industry and the new speed limit has cost the Nation's travelers a great deal in lengthened trip times and reduced loads per month while they have faced even higher fuel prices and reduced fuel mileage.

Truckers are frustrated by this situation, and they have threatened to take out their frustrations by staging another nationwide strike on May 13. I believe such an action would be wrong and would be against their interests and those of the entire country. But the situation is there, and I feel every appropriate effort should be made to provide them some relief.

BILL TO SET 60-MILES-PER-HOUR LIMIT

Therefore, I am introducing an amendment to raise the limit to 60. I believe such an increase is justifiable in light of the current fuel supplies. It is consistent with the need to continue some conservation efforts. And it would help make the daily travel requirements of most motorists much more enjoyable and agreeable.

As I have traveled around Kansas visiting with many people, I have come to feel that they consider 60 miles per hour a better and more acceptable speed. It is not that much more costly in terms of fuel use than 55 miles per hour, but it is a limit to which people seem better able to live with and abide by than the present one.

DANGER TO KANSAS BEEF INDUSTRY

As I said, a truck strike would be against the best interests of the entire economy, but of particular concern to me is the Kansas beef industry. Perhaps no other business sector depends on trucks so totally as the beef industry, and it was dealt a devastating blow by the first strike. Many beef processors, feedlots and cattlemen would be ruined and forced to go out of business by another strike. This prospect is already having a grave impact in Kansas where the billion-dollar beef industry is the largest single component of our economy.

Cattle sales are up and prices are down. And if the strike should come to pass it will mean increased beef prices at the supermarket and eventually another round of shortages.

But the trucker's problems cannot be dealt with to the exclusion of other travelers' interests. We could not have a higher speed limit for trucks and a lower one for cars. They must be dealt with together, so I am proposing a uniform 60-miles-per-hour limit for everyone.

So, Mr. President, I offer this amendment for consideration and will welcome the cosponsorship and support of my colleagues.

I will call it up when S. 3267 is considered and believe that it has widespread support among the motoring public in America.

I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1266

At the end of the bill add the following new section:

Sec. —. Section 2 of the Emergency Highway Energy Conservation Act is amended by inserting at the end thereof a new subsection as follows:

"(g) Notwithstanding the provisions of subsection (b), after the sixtieth day after the date of enactment of this subsection, the Secretary of Transportation shall not approve any project under section 106 of title 23 of the United States Code in any State which as (1) a maximum speed limit on any public highway within its jurisdiction in excess of sixty miles per hour, and (2) a speed limit for all types of motor vehicles other than sixty miles per hour on any portion of any public highway within its jurisdiction of four or more traffic lanes, the opposing lanes of which are physically separated by means other than striping, which portion of highway had a speed limit for all types of motor vehicles of sixty miles, or more, per hour on November 1, 1973, and (3) a speed limit on any other portion of a public highway within its jurisdiction which is not uniformly applicable to all types of motor vehicles using such portion of highway, if on November 1, 1973, such portion of highway had a speed limit which was uniformly applicable to all types of motor vehicles using it. A lower speed limit may be established for any vehicle operating under a special permit because of any weight or dimension of such vehicle, including any load thereon. Clauses (2) and (3) of this section shall not apply to any portion of a highway during such time that the condition of the highway, weather, an accident, or other condition creates a temporary hazard to the safety of traffic on such portion of a highway.".

Sec. 2. Subsection (d) of section 2 of the Emergency Highway Energy Conservation Act is amended by striking out "reduction in speed limits to conserve fuel" and inserting in lieu thereof "change in speed limits pursuant to this section".

AUTHORIZATION OF APPROPRIATIONS FOR CARRYING OUT PROVISIONS OF THE INTERNATIONAL ECONOMIC POLICY ACT OF 1972—AMENDMENT

AMENDMENT NO. 1627

(Ordered to be printed, and to lie on the table.)

Mr. HATHAWAY submitted an amendment, intended to be proposed by him, to the bill (S. 2986) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1026

At the request of Mr. McGovern, the Senator from Alaska (Mr. Gravel), the Senator from California (Mr. Tunney), the Senator from Connecticut (Mr. Ribicoff), the Senator from Minnesota (Mr. Humphrey), the Senators from Montana (Mr. Mansfield and Mr. Metcalf), the Senator from Nebraska (Mr. Hruska), the Senator from New Mexico (Mr. Montoya), the Senators from North Dakota (Mr. Young and Mr. Burdick), the Senator from South Dakota (Mr. Abourezk) and the Senator from Washington (Mr. Magnuson) were added as cosponsors to amendment No. 1026, relating to Federal assistance to school districts with a high concentration of students whose parents live and work on a Federal installation.

AMENDMENT NO. 1236

At the request of Mr. Humphrey, the Senator from Maine (Mr. Hathaway), the Senator from Maryland (Mr. Mathias), the Senator from Minnesota (Mr. Mondale) were added as cosponsors of amendment No. 1236 to S. 1539, the Education Amendments of 1974.

NOTICE OF PUBLIC HEARINGS ON PREPAID LEGAL PLANS

Mr. TUNNEY. Mr. President, as chairman of the Subcommittee on Representation of Citizen Interests of the Committee on the Judiciary, I desire to give notice that the subcommittee will hold public hearings on May 14 and 15, 1974 on recent developments in prepaid legal plans. The hearings will commence on May 14, at 9:30 a.m. and on May 15 at 10 a.m. in room 6226, Dirksen Senate Office Building.

The subcommittee consists of members of the Judiciary Committee including Senators Sam Ervin, Jr., Charles McC. Mathias, Jr., Marlow W. Cook, Birch Bayh and myself.

ANNOUNCEMENT OF HEARINGS ON S. 2008, S. 1029, S. 1772, AND S. 2587

Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Labor of the Committee on Labor and Public Welfare will hold hearings in Washington, D.C., on S. 2008, S. 1029, S. 1772, and S. 2587. S. 2008, which I introduced with Senator Javits, will provide minimum Federal standards for State workers' compensation programs. S. 1029, introduced by Senator Taft, S. 1772, introduced by Senator Sparkman, and S. 2587, introduced by Senator Humphrey, all will provide compensation for various respiratory diseases.

The first 2 days will be on Thursday, May 16, 1974, and Friday, May 17, 1974, in room 4232, Dirksen Senate Office Building, at 9:30 a.m. Additional hearings will be scheduled at a later date.

Those persons or groups wishing to testify or to submit testimony for the record should contact Donald Elisburg, counsel of the Labor Subcommittee, room G-237, Dirksen Senate Office Building, or telephone 202-225-3674.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

James L. Browning, Jr., of California, to be U.S. attorney for the northern district of California for the term of 4 years. (Reappointment.)

Robert W. Rust, of Florida, to be U.S. attorney for the southern district of Florida for the term of 4 years. (Reappointment.)

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Tuesday, May 14, 1974, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF JOINT ECONOMIC COMMITTEE HEARINGS ON ECONOMIC OUTLOOK

Mr. HUMPHREY. Mr. President, on Friday, May 10, Dr. Herb Stein, Chairman of the Council of Economic Advisers, will testify before the Joint Economic Committee Subcommittee on Consumer Economics, which I chair.

We have asked Dr. Stein to appear before the subcommittee to give us the administration's current assessment of the state of the economy.

We know that the U.S. economy suffered a recession in the first quarter of this year. Instead of providing an increase in the output of goods and services available for the Nation, the economy produced about $12 billion less.

At the same time inflation continued to accelerate, rising to an incredible 11-percent rate.

In the face of these disastrous economic statistics, the administration continues to say that economic improvement is just around the corner.

The chief objective of the hearing will be to explore whether an economic recovery is developing and when we can expect inflation to moderate. We also expect to review the administration's current economic policies for meeting the twin problems of inflation and recession.

The subcommittee will also hear the testimony of Dr. Gerard F. Adams of the Wharton School of Finance who will testify following Dr. Stein. Dr. Adams will present the most recent Wharton econometric forecast.

The hearing will be held in room 318 of the Russell Senate Office Building beginning at 10 a.m. on Friday, May 10, 1974.

ADDITIONAL STATEMENTS

CRIME

Mr. BROCK. Mr. President, one of the truly critical problems that we still have with us today in these United States is that of crime. There are many, many thousands of dedicated people who work diligently every day to prevent crime and the heartbreak that it ultimately causes. I have just read a most intriguing article by Dr. George L. Kirkham, an assistant professor in Florida State University's School of Criminology.

Dr. Kirkham, not content with his knowledge of the duties and fears of a policeman, decided to become a policeman himself to better understand the trial through which they go each day. His account of his experience is almost unbelievable, and I think every American should read it. Crime is one of our truly mammoth problems and Dr. Kirkham's experiences may help in understanding some of the problems facing our law enforcement officials. I ask unanimous consent, Mr. President, that Dr. Kirkham's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

WHAT A PROFESSOR LEARNED WHEN HE BECAME A "COP"

(By Dr. George L. Kirkham)

Persons such as myself, members of the academic community, have traditionally been quick to find fault with the police.

From isolated incidents reported in the various news media, we have fashioned for ourselves a stereotyped image of the police officer. . . . We see the brutal cop, the racist cop, the grafting cop, the discourteous cop. What we do not see, however, is the image of thousands of dedicated men and women struggling against almost impossible odds to preserve our society and everything in it which we cherish.

For some years, first as a student and later as a professor of criminology, I found myself troubled by the fact that most of us who write books and articles on the police have never been policemen ourselves. . . . I decided to take up this challenge: I would become a policeman myself. . . .

As I write this, I have completed over 100 tours of duty as a patrolman. Although still a rookie officer, so much has happened in the short space of six months that I will never again be either the same man or the same scientist who stood in front of the station on that first day. . . .

I had always personally been of the opinion that police officers greatly exaggerate the amount of verbal disrespect and physical abuse to which they are subjected in the line of duty. . . . As a college professor, I had grown accustomed to being treated with uniform respect and deference by those I encountered. I somehow naively assumed that this same quality of respect would carry over into my new role as a policeman. . . .

I quickly found that my badge and uniform, rather than serving to shield me from such things as disrespect and violence, only acted as a magnet which drew me toward many individuals who hated what I represented. . . .

Several hours into my first evening on the streets, my partner and I were dispatched to a bar in the downtown area to handle a disturbance complaint. Inside, we encountered a large and boisterous drunk who was arguing with the bartender and loudly refusing to leave.

As someone with considerable experience as a correctional counselor and mental-health worker, I hastened to take charge of the situation. "Excuse me, sir," I smiled pleasantly at the drunk, "but I wonder if I could ask you to step outside and talk with me for a minute?"

The man stared at me through bloodshot eyes in disbelief for a second, raising one hand to scratch the stubble of several days' growth of beard. Then suddenly, without warning, it happened: He swung at me, luckily missing my face and striking me on the right shoulder.

I couldn't believe it. What on earth had I done to provoke such a reaction? Before I could recover from my startled condition, he swung again—this time tearing my whistle chain from a shoulder epaulet. After a brief struggle, we had the still-shouting, cursing man locked in the back of our cruiser. I stood there, breathing heavily with my hair in my eyes as I surveyed the damage to my new uniform and looked in bewilderment at my partner, who only smiled and clapped me affectionately on the back.

"Something is very wrong," I remember thinking to myself in the front seat as we headed for the jail. I had used the same kind of gentle, rapport-building approach with countless offenders in prison and probation settings. It had always worked so well there.

What was so different about being a policeman? In the days and weeks which followed, I was to learn the answer to this question the hard way. As a university professor, I had always sought to convey to students the idea that it is a mistake to exercise authority, to make decisions for other people or rely upon orders and commands to accomplish something.

As a police officer myself, I was forced time and again to do just that. For the first time in my life, I encountered individuals who interpreted kindness as weakness, as an invitation to disrespect or violence. I encountered men, women and children who, in fear, desperation or excitement, looked to the person behind my blue uniform and shield for guidance, control and direction. As someone who had always condemned the exercise of authority, the acceptance of myself as an unavoidable symbol of authority came as a bitter lesson.

I found that there was a world of difference between encountering individuals, as I had, in mental-health or correctional settings and facing them as the patrolman must: when they are violent, hysterical, desperate. When I put the uniform of a police officer on, I lost the luxury of sitting in an air-conditioned office with my pipe and books, calmly discussing with a rapist or armed robber the past problems which had led him into trouble with the law.

Such offenders had seemed so innocent, so harmless in the sterile setting of prison. The often-terrible crimes which they had committed were long since past, reduced like their victims to so many printed words on a page.

Now, as a police officer, I began to encounter the offender for the first time as a very real menace to my personal safety and the security of our society. The felon was no longer a harmless figure sitting in blue denims across my prison desk, a "victim" of society to be treated with compassion and leniency. He became an armed robber fleeing from the scene of a crime, a crazed maniac threatening his family with a gun, someone who might become my killer crouched behind the wheel of a car on a dark street.

Like crime itself, fear quickly ceased to be an impersonal and abstract thing. It became something which I regularly experienced. It was a tightness in my stomach as I approached a warehouse where something had tripped a silent alarm. I could taste it as a dryness in my mouth as we raced with blue lights and siren toward the site of a "Signal Zero" (armed and dangerous) call. For the first time in my life, I came to know—as every policeman knows—the true meaning of fear. . . .

I recall particularly a dramatic lesson in the meaning of fear which took place shortly after I joined the force. My partner and I were on routine patrol one Saturday evening in a deteriorated area of cheap bars and pool halls when we observed a young male double-parked in the middle of the street. I pulled alongside and asked him in a civil manner to either park or drive on, whereupon he began loudly cursing us and shouting that we couldn't make him go anywhere.

An angry crowd began to gather as we got out of our patrol car and approached the man, who was by this time shouting that we were harassing him and calling to bystanders for assistance. As a criminology professor, some months earlier I would have urged that the police officer who was now myself simply leave the car double-parked and move on rather than risk an incident.

As a policeman, however, I had come to realize that an officer can never back down from his responsibility to enforce the law. Whatever the risk to himself, every police officer understands that his ability to back up the lawful authority which he represents is the only thing which stands between civilization and the jungle of lawlessness.

The man continued to curse us and adamantly refused to move his car. As we placed him under arrest and attempted to move him to our cruiser, an unidentified male and female rushed from the crowd which was steadily enlarging and sought to free him. In the ensuing struggle, a hysterical female unsnapped and tried to grab my service revolver, and the now-angry mob began to converge on us.

Suddenly, I was no longer an "ivory-tower" scholar watching typical police "overreaction" to a street incident—but I was part of it and fighting to remain alive and uninjured. I remember the sickening sensation of cold terror which filled my insides as I struggled to reach our car radio. I simultaneously put out a distress call and pressed the hidden electric release button on our shotgun rack as my partner sought to maintain his grip on the prisoner and hold the crowd at bay with his revolver.

How harshly I would have judged the officer who now grabbed the shotgun only a few months before. I rounded the rear of our cruiser with the weapon and shouted at the mob to move back. The memory flashed through my mind that I had always argued that policemen should not be allowed to carry shotguns because of their "offensive" character and the potential damage to community relations as a result of their display.

How readily as a criminology professor I would have condemned the officer who was now myself, trembling with fear and anxiety and menacing an "unarmed" assembly with an "offensive" weapon. But circumstances had dramatically changed my perspective, for now it was *my* life and safety that were in danger, *my* wife and child who might be mourning. Not "a policeman" or Patrolman Smith—but *me*, George Kirkham!

I felt accordingly bitter when I saw the individual who had provoked this near riot back on the streets the next night, laughing as though our charge of "resisting arrest with violence" was a big joke. Like my partner, I found myself feeling angry and frustrated shortly afterward when this same individual was allowed to plead guilty to a reduced charge of "breach of peace."

As someone who had always been greatly concerned about the rights of offenders, I now began to consider for the first time the rights of police officers. As a police officer, I felt that my efforts to protect society and maintain my personal safety were menaced by many of the court decisions and lenient parole-board actions I had always been eager to defend.

An educated man, I could not answer the questions of my fellow officers as to why those who kill and maim policemen, men who are involved in no less honorable an activity than holding our society together, should so often be subjected to minor penalties. I grew weary of carefully following difficult legal restrictions while thugs and hoodlums consistently twisted the law to their own advantage.

I remember standing in the street one evening and reading a heroin pusher his rights, only to have him convulse with laughter halfway through and finish reciting them word for word, from memory. He had been given his "rights" under the law, but what about the rights of those who were the victims of people like himself? For the first time, questions such as these began to bother me.

As a corrections worker and someone raised in a comfortable middle-class home, I had always been insulated from the kind of human misery and tragedy which become part of the policeman's everyday life. Now, the often-terrible sights, sounds and smells of my job began to haunt me hours after I had taken the blue uniform and badge off. . . .

In my new role as a police officer, I found that the victims of crime ceased to be impersonal statistics. As a corrections worker and criminology professor, I had never given much thought to those who are victimized by criminals in our society. Now the sight of so many lives ruthlessly damaged and destroyed by the perpetrators of crime left me preoccupied with the question of society's responsibility to protect the men, women and children who are victimized daily. . . .

The same kinds of daily stresses which affected my fellow officers soon began to take their toll on me. I became sick and tired of being reviled and attacked by criminals who could usually find a most sympathetic audience in judges and jurors eager to understand their side of things and provide them with "another chance." I grew tired of living under the ax of news media and community pressure groups, eager to seize upon the slightest mistake made by myself or a fellow police officer.

As a criminology professor, I had always enjoyed the luxury of having great amounts of time in which to make difficult decisions. As a police officer, however, I found myself forced to make the most-critical choices in a time frame of seconds rather than days: to shoot or not to shoot, to arrest or not to arrest, to give chase or let go—always with the nagging certainty that others, those with great amounts of time in which to analyze and think, stood ready to judge and condemn me for whatever action I might take or fail to take. . . .

I found myself progressively awed by the complexity of tasks faced by men whose work I once thought was fairly simple and straightforward. Indeed, I would like to take the average clinical psychologist or psychiatrist and invite him to function for just a day in the world of the policeman, to confront people whose problems are both serious and in need of immediate solution. I would invite him to walk, as I have into a smoke-filled pool room where five or six angry men are swinging cues at one another. I would like the prison counselor and parole officer to see their client, Jones—not calm and composed in an office setting but as the street cop sees him: beating his small child with a heavy belt buckle, or kicking his pregnant wife.

I wish that they, and every judge and juror in our country, could see the ravages of crime as the cop on the beat must: innocent people cut, shot, beaten, raped, robbed and murdered. It would, I feel certain, give them a different perspective on crime and criminals, just as it has me.

For all the human misery and suffering which police officers must witness in their work, I found myself amazed at the incredible humanity and compassion which seems to characterize most of them. My own stereotypes of the brutal, sadistic cop were time and again shattered by the sight of humanitarian kindness on the part of the thin blue line. . . .

As a police officer, I found myself repeatedly surprised at the ability of my fellow patrolmen to withstand the often-enormous daily pressures of their work. Long hours, frustration, danger and anxiety—all seemed to be taken in stride as just part of the reality of being a cop. I went eventually through the humbling discovery that I, like the men in blue with whom I worked, was simply a human being with definite limits to the amount of stress I could endure in a given period of time.

I recall in particular one evening when this point was dramatized to me. It had been a long, hard shift—one which ended with a high-speed chase of a stolen car in which we narrowly escaped serious injury when another vehicle pulled in front of our patrol car.

As we checked off duty, I was vaguely aware of feeling tired and tense. My partner and I were headed for a restaurant and a bite of breakfast when we both heard the unmistakable sound of breaking glass coming from a church and spotted two long-haired teen-age boys running from the area. We confronted them, and I asked one for identification, displaying my own police identification. He sneered at me, cursed and turned to walk away.

The next thing I knew I had grabbed the youth by his shirt and spun him around, shouting, "I'm talking to you punk!" I felt my partner's arm on my shoulder and heard his reassuring voice behind me, "Take it easy, Doc!" I released my grip on the adolescent and stood silently for several seconds, unable to accept the inescapable reality that I had "lost my cool."

My mind flashed back to a lecture during which I had told my students, "Any man who is not able to maintain absolute control of his emotions at all times had no business being a police officer." . . .

As a police officer myself, I found that society demands too much of its policemen: not only are they expected to enforce the law but to be curbside psychiatrists, marriage counselors, social workers and even ministers and doctors. . . .

I have often asked myself the questions: "Why does a man become a cop? What makes him stay with it?" . . . The only answer to this question I have been able to arrive at is one based on my own limited experience as a policeman. Night after night, I came home and took off the badge and blue uniform with a sense of satisfaction and contribution to society that I have never known in any other job. . . .

For too long now, we in America's colleges and universities have conveyed to young men and women the subtle message that there is somehow something wrong with "being a cop." It's time for that to stop.

JUVENILE JUSTICE

Mr. BAYH. Mr. President, as chairman of the Subcommittee to Investigate Juvenile Delinquency, I have long felt that solution to the problem of juvenile delinquency must be found at the local level through the involvement and discussions with concerned citizens and organizations. I want to share with you some ideas of youth from my home State of Indiana who have impressed me with their thoughts about the juvenile justice system.

Recently the Coalition for Juvenile Justice of Anderson, Ind., arranged for me to meet with community leaders and active citizens regarding juvenile justice legislation and the effectiveness of youth programs. This meeting was sponsored by the League of Women Voters, the Red Cross, the YMCA, the UAW-CAP Council and many other dedicated individuals and groups. I was gratified by the large turnout of concerned citizens who deal with the problems of youth on a day-to-day basis and from whom I learned about what needs to be done at the community, State and Federal level to meet the needs of children in trouble.

As a follow-up to the meeting the Madison-Hamilton County UAW-CAP Council, led by Hester Vest, president, held an essay contest on the subject "Your Opinion on Juvenile Justice" in the elementary and high schools of Anderson. With the help of many teachers, discussions were held in many classrooms on law relating to youth, juvenile courts and juvenile corrections. I have been very impressed by the originality and usefulness of the essays on these subjects by the many youths who wrote essays in this contest. The thoughtful essays of the following three final winners would be of interest to my colleague in Congress:

Grade school, Linda Gray, College Corner Grade School.

The 7th, 8th, and 9th grade, Sandy Danner, Highland Junior High School.

The 10th, 11th, and 12th grade, Jan Barnes, Highland High School.

I ask unanimous consent that these three essays be printed in the RECORD.

There being no objection, the essays were ordered to be printed in the RECORD, as follows:

MY OPINION ON JUVENILE JUSTICE

(By Sandy Danner)

I think that if a guy or a girl gets in trouble with the police they should be sent to a juvenile court. At the juvenile court I think they should talk to the person in charge to see why they did it and see if they can find out the problem, if there is one. If that doesn't help then I would try maybe to discipline them in some way to make them understand. I wouldn't treat the kids like animals. They are human beings too. I would just sort of make it hard on them, like don't let them do anything they want. Let them prove to you that they can be trusted. I also think that if they don't do what they are told and still cause trouble the boy or girl should be sent to a boys' or girls' school. If the kid doesn't cause trouble and does what he or she is supposed to do they should let up on them because it's not fair for a person who cause trouble and another person who doesn't cause trouble to get to do the same thing. They should be punished if they break any of the rules. They shouldn't baby anybody or treat anybody unfairly.

I think each boy or girl has a right to have a trial, no matter what he or she did. It's only fair and if they did commit the crime they should be punished for it. I don't think they should stay in the juvenile court all their life. They should get out in about 7 or 8 months, but it really depends on what they did. That's my opinion about juvenile justice.

MY OPINION ON JUVENILE JUSTICE

(By Linda Gray)

Juvenile delinquency refers to a juvenile who has broken the law. It includes acts that would be crimes if adults committed them and also acts that are only for boys and girls, like staying out after curfew.

Juvenile delinquency is one of the most critical aspects of the crime problems facing the nation today. Its percentage has risen in the past decade 193% in crimes such as murder, rape, and robbery. As where thefts have increased 99%.

The legal term juvenile delinquent was established to keep young law breakers from a criminal record. In most cases, juveniles are tried in juvenile court, where the main point is to rehabilitate offenders, rather than punish them.

Over 90% of the delinquents of today had unhappy homes and felt unhappy with life circumstances.

Many efforts have been made for programs to prevent delinquency. Some programs provide counseling services to youths who appear to be on the verge of becoming delinquents. Other programs provide youngsters with clubs and recreational centers in an effort to keep them away from situations in which delinquency is likely to happen.

I think it would help to get people of the same age group to counsel the juveniles. Also the person could have some experience in the juveniles' problems as in their own past.

More of the time should be spent on the juvenile who is on the verge of committing a crime. As in organizations or recreational programs. Also, I think a group with the same problems could get together and discuss their problems and solutions.

When it comes to punishing a juvenile, I think they should have some punishment if the crime is repeated because some don't realize they're getting into deeper and deeper trouble and crime may become a way of life.

JUVENILE JUSTICE

(By Jan Barnes)

Fifteen year-old Jody has a problem. He enjoys being alone because he is afraid of rejection.

Jody's home situation is not exactly desirable. His mother has been divorced and married three times and is just too busy to pay much attention to Jody. Jody's new father doesn't like children so Jody stays away from home a lot. Sometimes he stays with friends, but usually he is alone.

Jody misses a lot of school; he is not an exceptionally good student and is afraid of failing. Jody's fear of failure makes it hard for him to face school, so often he takes long walks instead of going to school. Jody didn't know that it is against the law to take these walks on school days. It never occurred to him that he was in fact truant from school.

He finds it best to take long walks when he is alone, but because he likes to talk out loud to himself he finds city streets unsuitable for his lonely walks. To Jody the railroad tracks that run through his home town to the outer city limits is the best path to walk on when he needs to be alone. However, Jody didn't know that walking on a railroad track is against the law.

Then one day Jody, who was too afraid to go to school because of a test being given that day, decided to take one of his walks on the railroad tracks. He wanted to be alone. He needed to talk to someone, yet he knew that the only one he could trust his deepest thoughts to was himself.

As Jody walked along the tracks that morning, unaware that he was breaking the law, he was picked up by the city police and taken to jail. Here he had to spend several nights until his mother was finally reached.

Jody's mother, for the sake of her third husband's wishes, decided to declare Jody incorrigible. Jody was rejected.

Jody, who is completely confused, hurt, and literally torn up inside, might retreat within himself if he does not get the correct psychological help that he needs. He may become completely withdrawn from all reality. Jody desperately needs help.

The day Jody's case came up in juvenile court, the judge who tried the case, after trying several cases before his, had become impatient and not at all understanding of Jody. He only partly listened to the facts of Jody's case when it was presented. After only a few moments of thought, he decided to send Jody to a boys' reform school. Here he would stay until he reached the age of twenty-one.

This isn't what Jody needs. The boy needs understanding and skilled counseling—most of all Jody needs to have his faith in people restored—but the boys' reform school that he is being sent to offers little of this for Jody. It's not really the school's fault, it's just there are so many boys like Jody who have also been sent there that need special help too. Yet the school's funds limit the staff to a minimum of over-worked, underpaid, not always qualified people that try their best, but this just isn't enough. Jody, and other boys like Jody, need and deserve more than that.

Jody's crime was being ignorant of the law, neglected and not wanted. For these crimes Jody has been removed from society, locked up and forgotten.

This is juvenile justice!

THE GENOCIDE CONVENTION AND OUR OWN IMAGE

Mr. PROXMIRE. Mr. President, I have stated before how the ratification of the Genocide Convention would advance our world leadership in the eyes of other nations. More important is how our ratification would help the image we have of ourselves as a nation and as a people.

The Senate Foreign Relations Committee stated in their 1973 report:

> We find no substantial merit in the arguments against the convention. Indeed, there is a note of fear behind most arguments—as if genocide were rampant in the United States and this Nation could not afford to have its actions examined by international organs—as if our Supreme Court would lose its collective mind and make of the treaty something it is not—as if we as a people don't trust ourselves and our society.

I know that the people of the United States trust themselves and their society. The American Nation has never been afraid to look itself square in the face. Watergate has proven that the American people wish to find the truth about their country so that they can correct any faults. We have seen that the people demand that no person be above the laws of our Nation.

Ratification of the genocide treaty will again affirm the belief in justice of the American people. Genocide is an international crime that requires every nation to commit itself morally to the basic right of survival for ethnic, religious, national and racial groups. Senate ratification will confirm the image we have of ourselves as a proud nation seeking the truth and working for the betterment of our own citizens and of mankind. I urge the prompt consideration of the Genocide Convention.

THE PRESIDENT'S PROCLAMATION TO OBSERVE "NATIONAL ARTHRITIS MONTH"

Mr. ROTH. Mr. President, on April 4, 1974, I introduced Senate Joint Resolution 203, which is similar to House Joint Resolution 938 introduced by Representative Howard, of New Jersey. I regret that circumstances have precluded timely floor action in both cases.

Mr. President, it is most gratifying that Senate Joint Resolution 203 enjoys the cosponsorship of 58 colleagues of mine. I ask unanimous consent that Senate Joint Resolution 203 and the list of these distinguished Senators be printed in the Record.

There being no objection, the joint resolution with list of cosponsors was ordered to be printed in the Record, as follows:

S.J. Res. 203

Mr. Roth (for himself, Mr. Abourezk, Mr. Allen, Mr. Baker, Mr. Bartlett, Mr. Bayh, Mr. Beall, Mr. Bennett, Mr. Bentsen, Mr. Bible, Mr. Biden, Mr. Brock, Mr. Burdick, Mr. Clark, Mr. Cotton, Mr. Cranston, Mr. Dole, Mr. Dominick, Mr. Eagleton, Mr. Ervin, Mr. Fannin, Mr. Fong, Mr. Goldwater, Mr. Gurney, Mr. Hansen, Mr. Hart, Mr. Hartke, Mr. Hollings, Mr. Hughes, Mr. Humphrey, Mr. Jackson, Mr. Javits, Mr. McClure, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Magnuson, Mr. Mansfield, Mr. Mathias, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Schweiker, Mr. Hugh Scott, Mr. Stafford, Mr. Stevenson, Mr. Taft, Mr. Thurmond, Mr. Tower, Mr. Williams, Mr. Young, Mr. Pastore, Mr. Muskie, Mr. Cook, Mr. Gravel, Mr. Inouye, Mr. Metzenbaum, and Mr. Domenici) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary.

Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as "National Arthritis Month"

Whereas arthritis and rheumatic diseases are the Nation's number 1 crippling diseases affecting over twenty million Americans of all ages, causing loss of fourteen million five hundred thousand working days each year;

Whereas arthritis and rheumatic diseases are second only to heart disease as the most widespread and disabling chronic illnesses in the United States today;

Whereas the annual cost of arthritis and rheumatic diseases to Americans is estimated to exceed $9,200,000,000 annually in medical costs, lost wages, and disability payments, and taxes lost to the Federal Government;

Whereas advances in research show promise of significant breakthrough leading to a better understanding of and cure for these diseases: *Provided*, That adequate funding is provided;

Whereas the month of May is the period during which the Arthritis Foundation conducts its annual public education campaign to support its efforts in arthritis research, and treatments; and

Whereas the most common form of arthritis strikes mainly older Americans who suffer particularly from the problems of pain and disability: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation (1) designating the month of May 1974 as "National Arthritis Month", (2) inviting the Governors of the several States to issue proclamations for like purposes, and (3) urging the people of the United States, and educational, philanthropic, scientific, medical and health care professions and organizations to provide the necessary assistance and resources to discover the cause and cures of arthritis and rheumatic diseases and to alleviate the suffering of persons struck by these diseases.

Mr. ROTH. Mr. President, in the absence of congressional action on Senate Joint Resolution 203 and House Joint Resolution 938, the President of the United States has issued a Presidential proclamation declaring May 1974 as "National Arthritis Month." I ask unanimous consent that the President's proclamation be inserted in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

National Arthritis Month, 1974

(By the President of the United States of America, a proclamation)

Arthritis and the rheumatic diseases are the Nation's number one crippling disorders, affecting 20 million Americans of all ages, causing them great suffering and limiting their activities. Arthritic disorders are second only to heart disease as the most widespread chronic illness in the United States today.

This disease cripples people not only physically, bringing them untold pain and anguish, but also financially. The total cost of arthritis to America in terms of medical costs and lost production is estimated in the billions of dollars.

Each year, as medical science advances through publicly and privately supported medical research and education, thousands of people receive improved treatment and live more comfortable, more productive, and more satisfying lives. Yet, despite research efforts, this dreadful disease continues to be a major threat to human well-being. America must do more to treat and eliminate the curse of arthritis.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby proclaim the month of May, 1974, as National Arthritis Month. I invite the Governors of the States, the Commonwealth of Puerto Rico, and officials of other areas subject to the jurisdiction of the United States to issue similar proclamations.

I urge the people of the United States and educational, philanthropic, scientific, medical, and health care organizations and professionals to provide the necessary assistance and resources to discover the cause and cure of arthritis and rheumatic diseases and to alleviate the suffering of persons struck by these disorders.

In witness whereof, I have hereunto set my hand this first day of May, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-eighth.

Richard Nixon.

DEDICATION OF THE HOWARD C. REICHE ELEMENTARY SCHOOL

Mr. HATHAWAY. Mr. President, last Sunday educators and public officials from throughout the State of Maine gathered in Portland for the dedication of the Howard C. Reiche Elementary School. This school embodies the latest in the creative concepts that is making education so exciting for students and teachers alike. The dedication of this modern school is a fitting tribute to a man who has been a moving force in Maine education for four decades.

Howard Charles Reiche served as principal of Portland High School from the years 1947–72. During his tenure as principal, Mr. Reiche innovated several programs including expansion of vocational and college preparatory programs, and youth involvement projects which aided in getting young people off streets and working constructively in the community.

One of Howard Reiche's proudest achievements was his handling of veterans who returned to Portland High School after World War II. These older men, finishing high school with young teenagers, presented a morale problem for the veterans. Howard Reiche met this problem by establishing veterans clubs within the high school and personally aiding many in securing employment and college positions after graduation.

Active in other areas of education, Mr. Reiche served as a member of the National Education Association and president of the Maine Secondary School Principals.

He has been an active force in the community through his workings with the Rotary Club and the Young Men's Christian Association.

The city of Portland and the State of Maine have been fortunate in having Howard Charles Reiche as an active citizen and leader and I am sure that he will continue to play a role wherever young people can be found in Portland.

I wish Howard Reiche, his wife Laura, and their family continued happiness in the future.

POLICE SERVE THE DEAF IN CHICAGO

Mr. PERCY. Mr. President, the deaf community in Chicago is very fortunate to have the services of two dedicated members of the Chicago Police Department. On their own initiative, Patrolmen Sam Anthony and Patrick McGoldrick learned the sign language used by many hearing-impaired individuals in order that deaf people needing to communicate with police officers might be able to do so.

The Chicago Daily News recently carried an article on the fine work of these two men and the vital service they provide. I ask that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Cops Who Care

(By Barry S. Felcher)

The middle-aged woman and her husband were scared. Both were deaf.

A young man had jammed a .357 caliber revolver into the woman's stomach and kicked her several times during an attempted robbery as the couple stood in front of their Austin home.

And now they would have to appear in court to testify in sign language against a suspect arrested by police.

"The lady was afraid he would be found not guilty and would be coming after her," said policeman Patrick McGoldrick, who along with his partner, Sam Anthony, are fluent in sign language and finger spelling.

McGoldrick and Anthony act as a link between the police department and deaf persons who are witnesses to or are victims of crimes.

They also teach driver's education and pedestrian safety to deaf schoolchildren.

McGoldrick acted as interpreter for the deaf couple during the trial and had assisted the state's attorney's office communications with them while the case was being prepared.

The young man was found guilty of attempted robbery this week and sent to an institution.

"The lady was very much relieved because of the guilty findings," McGoldrick said. "She feels much more secure in her home because the perpetrator knows where she and her husband live."

Both policemen are regularly assigned to the department's Traffic Safety Education Section.

Recently they visited the Alexander Graham Bell School, 3730 N. Oakley, which has 160 deaf pupils. They showed the seven students in Carole Brodsky's class a stop sign and a railroad crossing sign while explaining in sign language the meaning of each sign.

"You must be careful anytime you see that railroad crossing sign, "McGoldrick told the class with his hands. "You won't hear a train or the warning bells," he continued.

"Be careful when you make a stop. Be sure it is safe to go."

Assistant principal Lester Thieda stood near the door and watched McGoldrick and Anthony "speak" to the class with their hands.

"They wonder why a policeman would learn total communication," Thieda said. "At times of riots, something like this negates all adverse publicity against policemen. They see the police in a happy light," he said.

McGoldrick, 52, and Anthony, 28, decided two-and-a-half years ago to learn sign language.

"We know another policeman, John O'Connell, who had worked with the deaf for years," Anthony said.

"In October, 1971, we knew he would be retiring the next June, and we thought it would be a shame to let all his work go down the drain."

Both policemen then enrolled in sign language classes at the Chicago Hearing Society and spent a year learning the basic skills of total communication."

"We felt it would be good for the deaf community to know some policemen who would be able to help them," McGoldrick said.

Several months ago, Anthony, knowing that a deaf person cannot telephone police during an emergency, came up with the idea of installing teleprinter machines in the homes of the deaf. The machines would be hooked up to the police communications system.

He presented his idea to his commanding officer, Sgt. John Higgins, and now some 200 such machines are in use.

"The bad policemen get all the headlines," McGoldrick recently said.

"We get personal satisfaction from our work. Thank God my five kids are all OK, and I can help some who are less fortunate," he added.

"FAIR PLAY" BY THE COMMON MARKET NOW REQUIRED IN TRADE NEGOTIATIONS

Mr. TALMADGE. Mr. President, at a time when international economic cooperation is so crucial, I am disturbed that the European Community has failed to meet its responsibilities under the General Agreement on Tariffs and Trade. International trading rules specifically required that whenever economic unions expand their membership, such as the European Community did a little over a year ago, they should compensate outside countries for any diversion of trade. In the case of the United States, this trade diversion amounts to over $1 billion. Despite our potential loss of grain, tobacco, citrus, and other exports to the community, the Common Market has made no serious effort to offer reasonable concessions.

Current trade negotiations, called the 24:6 negotiations after the section of the GATT under which they are authorized, have as yet attracted little public attention. This has even led European negotiators to remark that the public and the Congress really do not care about the 24:6 negotiations, so why should they be pressured into concessions. In the absence of such public attention, the Europeans have not moved significantly from their initial attitude that "we do not owe you anything." This is hardly a reasonable position.

While these trade talks may not have received great attention by the news media, I can assure our trading partners that they have not been forgotten. It is the constitutional responsibility of the Congress to regulate commerce with foreign nations. And while the legislative responsibilities of the Congress may seem particularly diverse and burdensome at the present time, the conduct of foreign trade relations is an issue which must not be overlooked.

I therefore would like to bring these 24:6 negotiations to the attention of my colleagues and suggest that all of us follow closely the developments in these talks. For unless the Europeans begin to demonstrate a spirit of good faith in these talks, I feel that the Congress will have no alternative but to call for the procedure described within the GATT for governmental hearings on concession withdrawals. My hope, and I feel the hope of the Congress, is that the Common Market will appreciate the need for cooperative consultation in view of the disruption that unilateral economic actions have created for the world economy in recent months.

The Europeans have been dragging their feet and stalling the 24:6 negotiations from the beginning. Originally scheduled to end in June 1973, the 24:6 talks were extended to July and then September. Still unwilling to offer a reasonable settlement, the Europeans asked a further extension promising to submit a new set of concessions by February 15, 1974. Again this deadline was extended into March, and then April. Now our negotiators tell me the Common Market has asked for another 60 days.

I have had the privilege of chairing Finance Committee hearings on the proposed Trade Reform Act. I have heard many people say that if we only had a trade bill we could move forward with the so-called "Nixon round" of trade talks. And some of our friends in Europe like to claim that the U.S. Congress is jeopardizing the multilateral trade negotiations by not acting on trade legislation. Frankly, I do not see any reason to begin a new set of negotiations before we have finished the job of the negotiations now in progress. The behavior of the Europeans in these 24:6

trade talks certainly will color the Senate's consideration for vastly expanded authority for a new set of negotiations. If we can not make any progress in these relatively small negotiations why should we expect to do any better in the multilateral trade negotiations involving many more countries and products.

I will be closely watching the meeting of the Commission of the European Communities in June to consider the 24:6 negotiations. If at any time it does not appear that progress in these trade talks is forthcoming, I intend to call upon the President to initiate hearings to consider the withdrawal of trade concessions to the European Community, for failure to properly compensate third countries for trade which was lost as a result of the expansion of the Common Market under the prerogative specified by the GATT. The American people have been patient long enough.

I have always been a leading proponent within the Congress for international cooperation. But I have become greatly concerned by the breakdown of international trade rules and procedures. And I feel that the Congress cannot stand idly by while these rules are disregarded. One need only to point out the disastrous consequences of a breakdown in international economic order which led to the great world depression of the 1930's, to demonstrate the importance of maintaining international economic rules and principles.

If we are to preserve the international economic order, we cannot keep overlooking transgressions of international trade principles. I will continue to stress economic cooperation. However, when countries refuse to acknowledge international canons, I will insist upon the strongest prescribed disciplines.

It is time that we demand fair play in our relations with Western Europe. Since World War II the American tax payer has shouldered the burden of European reconstruction and defense. Those days are becoming short. It is time that we called for a quid pro quo in defense and economic cooperation. It is time that we insist that the Europeans abide by the "rules of the game" in trade and economic matters. And most important, it is time that we show the countries of Western Europe that the United States is more than a "sugar daddy" that will always give in if they hold out long enough.

NATIONAL HISTORIC PRESERVATION WEEK PART II—THE C. & O. CANAL

Mr. BEALL. Mr. President, as my colleagues know, this week is National Historic Preservation Week, a time when Americans can take time to appreciate the treasure which the past has left us and remind themselves that much work remains to be done in order to protect our historic areas from the ravages of time.

One such area in which I am deeply committed to and concerned about is the Chesapeake and Ohio Canal. The canal, which extends from the Georgetown area of Washington, D.C., to Cumberland, Md., a distance of 184.5 miles, is steeped in history. George Washington was one of those Americans who envisioned a water route to the West, and was in 1785 the first president of the Potomac Co., a group which sought to build such a canal. Washington had to later resign because of other pressing business—he became President of the United States—but served as honorary president of the company until 1795.

Although $500,000 was spent on this project, it was never successfully completed, and its charter was revoked in 1821.

But interest in the project did not wane, and on July 4, 1828, President John Quincy Adams began construction of the present C. & O. Canal. Said Adams on that occasion:

> The project contemplates a conquest over physical nature, such as has never yet been achieved by man. The wonders of the ancient world, the Pyramids of Egypt, the Colossus of Rhodes, the Temple of Ephesus, the Mausoleum of Artomisia, the Wall of China, sink into insignificance before it—insignificance in the mass and momentum of human labor required for the execution—insignificance in the comparison of the purposes to be accomplished by the work when executed.

Perhaps we ought to excuse our sixth President for a bit of exaggeration, but certainly the C. & O. Canal represented a new economic era in our country. Construction was completed in 1850, and canal barges regularly plied its waters until 1924.

The C. & O. Canal, of course, no longer serves any economic need. Today, it serves a different, and in my view an equally important role; that of a national historical park. With the enactment of Public Law 91-664 in January 1971, the Congress established the park for the use and enjoyment of all Americans.

Unfortunately, however, the C. & O. Canal is in trouble today. In June 1972 tropical storm Agnes caused some 26 major breaks in the canal, as well as eroding banks, damaging culverts, and destroying historic locks. Damages were estimated then at $34 million, and with the tremendous rise in costs in the last 2 years, that figure has probably risen by as much as 20 percent.

And if that was not enough, the process of decay has begun to claim more and more structures along the canal. The October 31 collapse of the 140-year-old Catoctin Creek Aqueduct was dramatic evidence of the critical need for the restoration if in fact the canal is to be saved.

The Congress in passing the 1971 act which established the C. & O. Canal Historical Park decided quite clearly that the canal ought to be saved. Now we must make sure that this restoration is carried out as rapidly as possible. The process of deterioration is quickly reaching the irreversible stage, and certainly the costs of repair will not go down as time goes by—on the contrary, they will escalate tremendously.

Our Nation's Bicentennial celebration is only 2 years away. Millions of people will flow to the Maryland-District of Columbia-Virginia area to visit the many historic areas in the region. The C. & O. Canal should be an integral part of the celebration. Portions of the canal could be used as an outdoor museum of life in the 19th century and provide a lasting tribute to the engineering skill of American builders at that time. Barge trips can be planned along the canal. Uninterrupted hiking can be available. And, of course, major portions would serve as a haven from daily life, where one can sit along the banks of the canal, and imagine in his mind's eye, the passing of a canal barge destined for Washington, loaded with George's Creek Coal.

But because of Federal inaction, the C. & O. Canal may well not be ready for our Nation's Bicentennial.

I have, and will continue, to do everything possible to increase funding for C. & O. Canal repair and restoration. For fiscal year 1975, the Department of the Interior has requested $3 million for the canal, an amount I deem grossly inadequate, since all of this money will be used for aqueduct and culvert stabilization, and little, if any, will be available for restoration work.

The C. & O. Canal—its structures and its ecology—are fragile objects, and they must be protected. But we are rapidly moving to the point where restoration in many cases may not be possible. Then we will have lost forever a unique part of our Nation's heritage.

So, on National Historic Preservation Week, I ask the Congress, and the American public, to consider our past history, and take steps to preserve it for future generations.

Our country's history is the legacy left us by our forefathers. Let us not throw away this priceless gift.

SPACE EXPLORATION

Mr. MOSS. Mr. President, as chairman of the Aeronautical and Space Sciences Committee, I am interested in the successful completion of meaningful and effective space programs that are beneficial to this Nation and its citizens. This matter is of particular interest to me now as we prepare to discuss and decide on budgets for space programs for the coming fiscal year.

Long range and consistent budget planning is essential to a successful space program. A recent publication by the American Institute of Aeronautics and Astronautics has given a cogent and lucid explanation of the different reasons for the need of foresight and consistency in space planning. I ask unanimous consent that this excerpt from the review, "Exploration of the Solar System," be printed in the RECORD:

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

BUDGETARY CONSTRAINT

The budgetary constraint is almost always the primary limitation on any program. In most high technology projects, it is sometimes possible to allow performance specifications and schedules to "slip" in order to keep the budget in line. This is far more difficult to accomplish, however, for solar system exploration, because:

(1) The schedule is often dictated by orbital dynamics; for example, the opportunity

for an outer-planet Grand Tour comes up only once each 178 years.

(2) The budget line item time duration is excessive compared to most other government-funded programs; for example, the Mariner to Jupiter and Saturn, scheduled for launch in 1977, became a budget line item in 1972, and the mission will not be completed until perhaps 1982. Further, the research programs on which the 1971 "go-ahead" decision was based predated the actual project initiation by a number of years. The total time-line for a given solar-system exploration project might therefore run as high as 15 years from plan to completion.

(3) Performance specifications are, to a great extent, inflexible because of the specific needs of trajectory dynamics and the limitations on launch-vehicle capability. Also, a major component failure or an inaccurate maneuver such as a midcourse correction any time during periods measured in years can wipe out a whole program.

As a consequence of these factors, only very limited programmatic changes are possible, and therefore, once a solar system exploration project has been initiated, a budget reduction could seriously affect the ability to perform the mission. After a program has reached its peak funding year (generally about 2 years prior to launch) little money can be saved by a program cancellation.

Thus, although NASA has attempted to match future budget predictions and projected mission costs so as to maintain a logical and feasible program, the imposition of budget reductions encourages the cancellation of young programs; i.e., those that have not yet reached their peak funding and, therefore, involve smaller losses in "sunk" costs. The effect of a significant budget cut thus tends to be the elimination of new program starts, and hence generation of a void in the program six to ten years in the future.

TABLE 5.—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION FUNDING IMPLICATIONS OF FISCAL YEAR 1974 BUDGET

[In millions of dollars]

Budget plan	1973	1974	1975	1976	1977	1978
Aeronautics	$151	$171	$159	$142	$128	$117
Space science	679	584	488	413	335	256
Space applications	189	153	146	124	86	74
Manned space flight operations, Apollo and advanced mission studies	957	582	345	226	218	218
Space Shuttle	200	475	850	1,100	1,190	1,090
Space research and technology	65	65	65	65	65	65
Nuclear power and propulsion	17	4	4	4	4	4
Technology utilization	$4	$4	$4	$4	$4	$4
Tracking and data acquisition	248	250	254	254	254	247
Construction of facilities	77	112	150	100	80	70
Research and program management (includes pay for all NASA personnel)	715	707	707	707	707	707
Total, budget plan	3,302	3,107	3,167	3,139	3,072	2,852
Total, outlays	3,062	3,136	3,231	3,219	3,145	3,043

INFORMATION ON WOMEN'S STUDIES

Mr. PERCY. Mr. President, recently the Feminist Press sent me a report of its activities from August 1972 to December 1973. The report impressed upon me that the Feminist Press has become an important source for nonsex stereotyped publications and that its Clearinghouse on Women's Studies has become a national center for information on women's studies courses and programs. I therefore ask unanimous consent that the report in a condensed form be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FEMINIST PRESS ACTIVITIES

INTRODUCTION

The Feminist Press has grown rapidly in the 18 months covered by this report, and the Clearinghouse on Women's Studies has been recognized as the single national center for information on women's studies courses and programs. The Press has been able to grow because of the aid of numerous volunteers and through the generosity of the Rockefeller Family Fund, the Ford Foundation, and the Cummins Engine Foundation. The Press has benefited greatly from the generosity of the College at Old Westbury for the housing and services provided and from a friendly administration, faculty, and student body. The students at Old Westbury have come to regard the Press and Clearinghouse as resources and have been instrumental in bringing them into the academic program. The Press and the Clearinghouse have both become integrally related to the American Studies Program and to the academic life of the College.

I. PUBLICATIONS PROGRAM

The Feminist Press publishes books that represent girls and boys, men and women in "real life" rather than in stereotyped roles. The books are meant to serve parents and teachers looking for educational alternatives to those books commercially available. Publishing efforts include children's books, biographies of outstanding American women, and reprints of "lost" literature. Resource materials for teachers, curriculum developers and parents include the following: Guide to Female Studies III; Feminist Resources for Schools and Colleges: A Guide to Curricular Materials; Female Studies VI: Closer to the Ground, Women's Classes, Criticism, Programs—1972; Female Studies VII: Going Strong, New Courses and Programs—1973; Consciousness Razors; A Child's Right to Reading: A Guide to Key Cases in Women and the Law; Nonsexist Curricular Materials for Elementary Schools; High School Feminist Studies; and Community Workshops on Children's Books.

II. EDUCATION PROJECTS

Community Workshops on Children's Books consist of parents, teachers, and librarians studying the children's books available in local public libraries, writing guidelines for their improvement, and projecting methods of implementing the changes they seek. The Clearinghouse on Women's Studies began in 1970 as a function of the Modern Language Association's Commission on the Status of Women and is an ongoing educational project of the Feminist Press, chiefly as a source of information on changes in women's education at all levels: elementary, secondary, and higher education. The Clearinghouse is the principal repository of curricular information, records of publications, conferences, fellowships, awards and jobs. Who's Who and Where in Women's Studies is being published. The Women's Studies Newsletter tries to serve the entire education community. The Curriculum Development Project for Secondary School English and Social Studies produces documents that will allow the Press to focus publishing energies on areas especially of use to high school English and social studies teachers. The In-Service Teacher Education Project includes publishing and distributing in-service course materials to teachers and systems and holding a national conference.

The Women's Studies Resource Library contains material supplementary to Old Westbury's own library collection, including the following: periodicals, pamphlets, published and unpublished articles, dissertations, news clippings and other resource material relevant to all aspects of the lives of women, as well as to all disciplines. In addition, the library contains a unique file of women's studies courses and programs, most of which is available for public use.

III. A GLANCE TOWARDS THE FUTURE

The Feminist Press feels they should absorb what they have learned and teach it to others before concentrating on continued growth and expansion. The Press particularly wishes to become more focused on specific areas of educational projects and publishing.

Further information on the Feminist Press and the Clearinghouse on Women's Studies may be received from the Feminist Press, State University of New York, College at Old Westbury, Box 334, Old Westbury, Long Island, New York 11568.

WORST ECONOMIC CRISIS AMONG CATTLE FARMERS

Mr. MONDALE. Mr. President, cattle farmers in the United States are today facing what is probably the worst economic crisis since the Great Depression. Producers are losing an average of from $100 to $200 per head on their livestock. For a farmer marketing 200 head of cattle this works out to a loss of $20,000 to $40,000.

Already this crisis has lasted for a half year after prices received by farmers dropped by a third when the price ceiling on beef was lifted. Although the market began to show some recovery at the beginning of the year, these modest gains backed up in the feedlots during the truck strike.

As a result of the prolonged depression at the farm level, many cattle feeders are being forced to drastically cut back on replacement livestock, and some are being forced out of business altogether. Unless some action is taken, this disaster at the farm level may soon become a disaster at the supermarket level with shortages and sharply higher prices of beef.

To avert such a disaster, the Minnesota Farmers Union recently proposed that a program of low interest emergency loans be created to assist cattle feeders who have suffered losses of at least $5,000 but who, despite these losses, are willing to try to reenter the highly volatile livestock market. Such a program would, of course, be confined only to family farmers and not to tax loss or large-scale commercial operations.

Consumers may legitimately question the merits of a proposal to help cattle farmers when many cannot afford to pay the current retail price for beef to feed their families. Supermarket prices for beef have not declined in proportion to the precipitous drop at the farm level. If this had happened, increased demand for meat might have adjusted farm prices to a level which would have allowed operators to stay in business. I have joined with a number of other members of the Midwest Caucus of Democratic Senators in urging the Federal Trade Commission to examine the price spreads for beef as part of its investigation of the food industry.

Nevertheless, any readjustment in retail prices prompted by the Federal Trade Commission's findings would come too late to save the many farmers who are now suffering crippling losses.

That is why I recently wired the Secretary of Agriculture to urge that the Department of Agriculture give its immediate and very serious consideration to the Minnesota Farmers Union proposal. I would hope that this constructive proposal would also be carefully reviewed by my colleagues in the Senate.

Mr. President, I ask unanimous consent that the Farmers Union telegram, news release, and my wire to Agriculture Secretary Earl Butz be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN.,
April 18, 1974.

To: All State Presidents and Editors.
From: Cy Carpenter, Minnesota Farmers Union.

DEAR MR. SECRETARY: The current flight of livestock feeders in this country is devastating. Farmers are losing $100 to $200 per head on cattle they sell. It is not uncommon that farmers rarely regain the dollars they paid for cattle after they have added 200 to 300 pounds of weight, with no returns for this feed or labor.

As a result, many farmers may not have the capital or the credit needed to reinvest in feeder stock or remain in livestock production. This, of course, will inevitably lead to severe disruption of the livestock industry and meat production.

We are expressing our concern not only for the farmers themselves, but for consumers who, as a result of this disruption and roller-coaster effect, will again find themselves paying higher prices for a scarce commodity. Interest rates are scandalous and we find they are currently causing consumers to pay 5 to 10 cents per pound of beef just to make up the interest costs farmers were charged on feedlot cattle—on which they are losing money. Interest rates are still higher and farmers are finding that even at the higher rate it is not available to them to re-enter the volatile livestock market. Farmers who, despite losses from $10,000 to $50,000, are willing to give it another try, find they can't.

A substantial portion of this problem must be credited to this administration for their placing ceilings on beef prices, urging consumers to buy less beef, and importing excessive amounts of cheese to compete with American meat.

Therefore, we are requesting, Mr. Secretary, that you take the initiative and provide leadership to secure authorization and funding for an emergency loan program to help keep these stricken farmers in business. We ask that you make 2 or 3 percent loans available to farmers who have suffered a documented loss of $5,000 or more, with a limit of $100,000 per loan. The loan should run for a period of 18 months to allow completion of a feeding operation.

The losses farmers suffer as a result of price disaster deserves every bit as much attention as losses suffered as the result of a natural disaster.

To retain a viable livestock industry, and for the benefit of consumers who want to keep beef in their diets, we ask prompt action on an emergency loan program.

MINNESOTA FARMERS UNION,
St. Paul, Minn., April 18.

FEDERAL LOANS ASKED FOR BEEF FARMERS

A request for an Emergency Loan Program to assist livestock farmers who have suffered losses as a result of plummeting beef prices was issued today on behalf of farmers by Cy Carpenter, President of Minnesota Farmers Union.

In a telegram to Secretary of Agriculture Earl Butz, Carpenter said that immediate action should be taken to provide low-interest loans to livestock farmers who can document a loss of $5,000 or more in the last six months.

"Farmers are losing $100 to $200 on every head of cattle they sell. It is not uncommon that farmers cannot even regain the dollars they paid for cattle after they have added 200 to 300 pounds of weight, with no returns for feed, labor or investment," Carpenter said.

"As a result, farmers do not have the capital or the credit needed to reinvest in their operations in order to purchase replacement cattle and feed. An emergency loan program is needed not only to allow farmers to stay in business, but also to protect consumers who already are paying inflated prices for beef," Carpenter added.

Carpenter said that as farmers are forced out of business by severe losses, the consumer will also suffer by shorter supplies and higher prices due to the scarcity.

"Farmers who suffer losses as a result of roller-coaster prices beyond their control deserve the same attention and assistance as victims of a natural disaster," Carpenter said.

He indicated that the federal government has a responsibility to help these stricken farmers because Administration policies contributed to the problem.

Carpenter said, "A substantial portion of this problem must be credited to this Administration by placing of ceilings on beef prices, urging consumers to buy less beef, and importing excessive amounts of cheese to compete with American meat."

"This recovery program is vital both for the afflicted farmers and for consumers wanting an adequate supply of food," Carpenter concluded.

Hon. EARL BUTZ,
Secretary, Department of Agriculture,
Washington, D.C.

I am writing to you regarding the critical situation within the livestock industry. Losses of $100 to $200 per head or more have been documented among farmers. Unless action is taken to ease their plight, cattle feeders may be unable to replace animals now going to market, and some may be driven out of businesses.

If this were to happen, consumers would inevitably suffer from scarcities and still higher prices in the supermarket.

Retail prices for beef have not generally reflected the sharp decline in prices paid to farmers since last August, and therefore market forces have not worked as they should to stimulate increased consumer demand for red meat. I have joined with a number of other Senators in asking the Federal Trade Commission to investigate this problem in connection with their investigation of the food industry.

Nevertheless, I recognize that any readjustment prompted by the Federal Trade Commission's findings would come too late to save the many farmers who are now suffering serious, if not crippling, losses.

Cy Carpenter, on behalf of the Minnesota Farmers Union, recently urged that you take the initiative in setting up an emergency loan program to help stricken cattle farmers stay in business. I believe that this is a constructive suggestion, and I should like to request that it be given very serious consideration by the Department. It is obvious that urgent action is needed to prevent today's crisis among cattlemen from becoming tomorrow's crisis among consumers the Nation over. I urge your immediate attention to this grave situation.

Sincerely,

WALTER F. MONDALE.

THE ENERGY CRISIS

Mr. FANNIN. Mr. President, my distinguished colleague from Oklahoma, Senator BARTLETT, delivered an excellent speech recently before the World Energy Conference in New York.

In his talk, Senator BARTLETT pointed out that Congress has taken a lot of testimony and consulted with many experts, but very little action has been taken which would increase the supply of energy.

He cites the facts and figures which show the detrimental effect policy set by Congress has had on the oil industry in the United States over the past two decades. The Senator demonstrates how price incentives have worked, are working, and will work to solve the energy crisis.

Mr. President, I ask unanimous consent that this speech be printed in the RECORD so that it will be available to all Members who are concerned about solving the energy crisis.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

OIL POLITICS

(By Senator DEWEY F. BARTLETT)

I am pleased to have the opportunity to address this distinguished group. I congratulate the *Oil Daily* and the *Financial Times* of London for sponsoring a seminar which should help lead to responsible answers to the world oil problems.

Even though there is sufficient energy available world wide, political and economic decisions by the Organization of Petroleum Exporting Countries (OPEC) have created shortages, economic chaos and uncertainty about energy supplies for most of the rest of the world.

A competitive free world oil and gas market is essential to stable economic social and political structures of energy importing countries.

The United States is the largest importer of energy, the largest producer of energy and also the largest consumer of energy. With the average U.S. oil well producing 18 barrels per day as compared to ARAMCO's average well producing 14,000 barrels per day our challenge of reaching energy self-sufficiency is great.

To assure Americans ample supplies of energy at the least possible price, a continued growth of our economy and a high standard of living we must develop energy self-sufficiency.

A complicating economic fact of life we must learn to live with is that the Arab countries can, at their pleasure, raise or lower the price and amount of oil and gas they are willing to sell us.

A commitment by the United States to achieve domestic energy sufficiency is essential to our own future and would, more than any other action outside of OPEC, help to create a more competitive world market. And help to stimulate sound political and economic judgments affecting the rest of the world by the Arab countries.

Other nations have a large stake in what we do or do not do—and when we do it.

A report on the energy debate and action and inactions on energy matters in Congress is appropriate, timely and frustrating.

It has been over three years since Senate Resolution No. 45, which provided for a study on "National Fuels and Energy Policy", was introduced and very little has been accomplished towards establishing a national policy which will provide sufficient energy supplies.

Congress has made no commitment—there has been no consensus toward the goal of adequate domestic supplies.

History may be repeating itself as Congress may be investigating and harassing the oil industry to death as was done by Congress to the railroads in the 1960's.

In fact, many of the proposals before Congress, if adopted, would be counterproductive to increasing energy supplies.

On March 13, 1974, the *Wall Street Journal* published an article by Senator Henry M. Jackson criticizing the *Journal* and others, myself included, for their stands against his rollback of the price of domestic crude oil and refined petroleum products. Senator Jackson's dominance of Congressional energy policy, his hard work, and political prowess have earned my respect in the year that I have been a United States Senator. Senator Jackson is the Chairman of the Interior and Insular Affairs Committee on which I serve as its most junior minority member. This committee is charged with developing our "National Energy Policy".

The distinguished chairman, who generally represents the majority party's views on energy, and I have differences of opinion of the appropriate energy policy for Congress and the Administration. Our differences represent the differing opinions of the energy debate going on in the Senate.

In 1973, my distinguished colleague, Senator Henry M. Jackson, advanced as an overall solution to our short-term energy problems a plan that consisted of reducing demand by mandatory allocation and rationing of the shortages and conservation of energy, but neglected the supply side of the supply—demand relationship.

Walter J. Levy, on January the 4th of this year, in a speech entitled the "Implications of Exploding World Oil Costs" noted that threat that the world shortage of energy poses to the economic and monetary structures of all importing nations and went on to say that reducing demand only will not solve the problem.

Senator Jackson has favored rolled back controlled prices and mandatory allocation and rationing of shortages while others in the Senate including myself, recognize that a free market price will increase production, dampen demand and will hasten the development of alternate sources of energy—it will clear the market by providing a supply sufficient to balance demand. Both sides favor conservation of our energy supplies.

The recent history of the Cost of Living Council shows controlled prices most often cause shortages and breed more controls. Congress may allow the Economic Stablization Act to expire on April 30, but I fear at least partial price controls legislation will be passed by Congress.

During the past three years of hearings on the energy crisis, Senator Jackson, with the exception of his short-lived support of the "stripper-well" amendment to maintain marginally economic production, did not make any specific recommendation to increase short and mid-term domestic supplies of oil and natural gas by price incentives or otherwise. This was in spite of the overwhelming testimony before his committee that direct and indirect control of the price of natural gas and oil played a dominant role in the shortfall of domestic energy we are now experiencing.

The capable Senator from Washington said, "There are real and serious differences among the nation's top energy economists about the wisdom of the legislative rollback of crude oil prices." To the contrary, on Saturday, February 2, 1974, there was unanimity of opinion from several well-known economists testifying before Senator Jackson's Interior and Insular Affairs Committee against rolling back domestic crude oil prices. Dr. John H. Lichtblau, Executive Director of the Petroleum Industry Research Foundation, New York, New York, Dr. Thomas Stauffer, Research Associate, Center for Middle Eastern Studies, Harvard University, Warren Davis, Chief of Economics, Gulf Oil Corporation, Washington, D.C., John Emerson, Energy Economist, Chase Manhattan Bank, New York, New York, and by telegram Dr. C. Jackson Grayson, Jr., School of Business Administration, Southern Methodist University, Dallas, Texas, and former head of the Price Commission testified as economists. It is significant that all agreed that now is not the time for Congress to rollback the price of crude oil.

Dr. Grayson said, "In my opinion, the energy pricing issue is far too complex to be handled in pending legislation without considerable additional investigation. The consequences of moving too quickly without sufficient background information on such a measure could place this nation in greater international jeopardy by inhibiting rapid movement toward domestic energy self-sufficiency." All of the economists subsequently agreed with Dr. Grayson's statement.

Senator Jackson tries to justify the rollback provision by saying, "The fact is that no one, either in testimony before the Senate committees or on the floor of the Senate, has presented an intellectually respectable defense of $10.00 crude oil from the standpoint of supply incentives." But this is a specious argument. The previously mentioned economists stated that it was impossible to preselect accurately a market clearing price. Senator Jackson could defend a $5.25 price for domestic crude oil no better than anyone else can defend any other fixed price.

If the consumer would have enjoyed all the benefit from the proposed crude oil rollback, on the 29% of domestic production that is now uncontrolled, from $9.51 to $5.25 per barrel, he would realize an immediate savings of only approximately 2.0¢ per gallon at the pump and have the probable assurance of continued shortages and further reliance on higher cost crude oil from foreign countries that would more than offset this savings.

Fortunately, for the consumers of America and the world, President Nixon vetoed the Energy Emergency Act that Congress passed early this year, because he realized that the crude oil price rollback provision would be counterproductive to the goal of increasing energy supplies.

Senator Jackson has said he will introduce an amendment to his new Emergency Energy bill which probably will be considered by the Senate the week after next. The amendment requires mandatory price controls on crude oil and petroleum products and a price rollback on crude oil. The Commerce Committee has finished hearings on its Consumer Energy Act which provides price controls and rollbacks for oil and oil products.

The hard working Interior and Insular Affairs Committee, during 1973, spent most of its time discussing and reporting bills authored by the Chairman which do nothing to increase short and mid-term supplies of energy and sometimes even aggravate the energy supply problem.

Senator Jackson et al opposed the important Gravel-Stevens Amendment to his Alaskan Pipeline Bill. This amendment has speeded up the day that domestic oil and natural gas supplies from Alaska will reach our lower 48 states. He voted against this amendment, but fortunately it passed the Senate on the Vice-President's tie-breaking vote.

Senator Jackson recently introduced his Energy Supply Act of 1974 which as far as increasing energy supplies is concerned, does little more than call for expanded lease sales—something that many of us have been proposing for some time. The Interior Department has been expanding lease sales as fast as environmental impact statements can be prepared to meet requirements of the National Environmental Policy Act.

Another provision of Senator Jackson's Energy Supply Act of 1974 will actually limit exploration and development of our tremendous potential offshore reserves of oil and gas. This provision calls for the Federal Government to share in the net profits of any oil or gas production from OCS lands. This provision amounts to a 55 percent Federal net profits tax on offshore production. How can that possibly be an incentive to increase energy supplies as the name of the act implies?

Chairman Jackson introduced a bill to increase energy supplies for the long term—a 10 year, 20 billion dollar research and development program on which there is general Senate agreement. It passed the Senate and is currently in the House of Representatives.

Senator Jackson's only other positive action to increase supplies of oil or natural gas was his modification and support of my amendment to free from price and allocation controls the small marginally economic oil wells called "stripper wells"—those producing ten barrels of crude oil per day or less. His recently proposed price rollbacks represent a reversal of his former support of the stripper well exemption.

The most significant legislation that Congress could pass to increase energy supplies would be to deregulate the price of natural gas sold in interstate commerce. However, Senator Jackson actively opposed and successfully defeated by two votes an amendment by Senator James Buckley of New York that would have deregulated the price of new natural gas in interstate commerce to encourage additional domestic supplies for the nonproducing states.

The direct and indirect control of prices of natural gas and oil, even with the help of much criticized tax incentives, have not provided sufficient profits to drill the number of wells required.

In 1956, a high of 16,207 exploratory wells were drilled—in 1972, only 7,539 exploratory wells were dried—less than half the 1956 amount. Yet the demand for oil and natural gas in 1972 was double that of 1956.

To reach the 1956 ratio of exploratory drilling to consumption of energy, we would need to increase our present rate of drilling by 400%.

The price for domestic crude oil in 1957 was $3.09. Then the price of crude oil decreased slightly after 1957 and did not reach $3.09 per barrel again until 1969. During the same period, oilfield operating costs increased. The price of oilfield tubular goods went up 21 percent, labor up 45 percent and the cost to drill a well up 75 percent.

In 1969, the oil depletion allowance was reduced from 27½% to 22%—having the effect of reducing the domestic price of oil by approximately 17c per barrel—to $2.92—a price less than the 1956 price.

The decreased drilling activity reduced the ratios of reserves of domestic oil and gas (excluding the North slope of Alaska) to yearly production of domestic oil and natural gas for the interval from 1956 to 1972 from 11.9 years to 8.1 years to 10.7 years, respectively.

During this period, many small independent producers (those other than the 30 largest), who drilled 82.5% of all domestic wells in 1972 were forced out of business. Fifteen years ago, there were 20,000 independents—today, there are only approximately 10,000.

What about the major companies during this period? To a significant extent, they went overseas in search of higher profits and cheaper foreign oil.

The unequivocal result of 20 years of direct and indirect price controls on oil and natural gas was low profits, which caused a decline in drilling and reserves, independents going out of business, majors going overseas, and insufficient domestic energy supplies. It made possible high-priced foreign oil and an Arab embargo—and most importantly—it helped cause shortages.

Recent price increases for crude oil and natural gas have proved that energy supplies are elastic to price.

On April 15, 1974, there were 1404 drilling rigs operating in the United States. In 1973, on April 16, there were only 996 drilling rigs operating. That means there are 40% more drilling rigs operating due to price incentives for oil and gas.

Exploratory locations now holding or awaiting rigs in the United States are up 33 percent. Development locations on "Active" and "Spending" lists are up 25 percent.

Mandatory price controls would eliminate that small element of free market—the Administration's pricing system for new and released crude oil and the stripper well amendment—that has greatly helped boost domestic activity to increase energy supplies. The result would be sharply reduced future drilling programs and a delay in the development of alternate fuel sources—such as oil from shale and gasification of coal.

It's difficult to understand anyone's disregard of the dismal results of 20 years of direct and indirect price controls of oil and natural gas.

Controlling and reducing domestic prices of oil and natural gas will again encourage the exportation of our domestic drilling activity to other countries, again further our dependence on high-cost, unreliable Arab oil, again delay our becoming self-sufficient in energy, and jeopardize our independence in determining foreign policy in the Middle East.

Despite numerous warnings by experts before Congress over the past years, the Arab nations have made the only statement about energy that Congress and the public has believed and understood—but, Senator Jackson and the majority of Congress prefer to ignore it.

Senator Jackson is saying it's fine for our citizens to continue paying approximately $10.00 per bbl to foreign nations for increasing amounts of crude oil, but that our citizens should only be permitted to pay other U.S. citizens $5.25 per bbl for domestic crude, which amounts to about half the price paid to foreign countries. This hampers our efforts to increase our domestic energy supplies.

Dr. Thomas Stauffer, a Harvard economist, said of Senator Jackson's proposed price rollback, "this may be good politics, but it is bad economics."

As one of the *Oil Daily* Washington reporters has correctly observed, Congress has summoned either Bill Simon, the former Administrator of the Federal Energy Office and/or his top assistants to Capitol Hill 52 times in the last three months. Yet not one piece of legislation which deserved the personal appearance of the Energy Czar has been approved by Congress.

Nearly every Senate committee has a subcommittee on energy. None of them are seriously discussing how we get from here to there—from energy shortage to sufficiency.

But the various committees have not been idle on energy matters. Many days of hearings have been held on the Energy Information Act, the Consumer Energy Act, which includes FOGCO, Divestiture/Divorcement of Integrated Operations legislation, Windfall Profits, Foreign Tax Treatment, Excess Profits Tax, and Price rollback proposals.

The House Ways and Means Committee has agreed to take away the depletion allowance—having the effect of reducing available capital or increasing consumer prices. In 1969, when the Depletion Allowance was reduced from 27½ percent to 22 percent, the petroleum industry responded by spending $500 million less in 1970 than the historical trend would have indicated.

Congress could have been using its time more constructively if it had addressed the problems of siting additional refineries, deepwater ports, sufficient amounts of casing and tubing, sufficient number of drilling rigs and sufficient monetary capital, and other road blocks to providing sufficient energy for the consumer's use.

On the other side of the ledger, we are currently running the Roll Call to see if we have enough votes to pass the Buckley Amendment to deregulate the price of new natural gas in interstate commerce.

Congress is so busy investigating the oil industry and blaming it for the oil crisis that it is not even considering a national commitment to pay the price of domestic energy sufficiency.

The United States is making some progress toward energy sufficiency in spite of Congress. But—today we are worse off than we were yesterday.

Things will get worse before Congress acts to develop a consensus on domestic energy sufficiency.

But—Congress WILL act.

THE BENEFITS OF SKYLAB

Mr. MOSS. Mr. President, in the magazine Aviation Week & Space Technology of April 15, 1974, there is an editorial that aptly evaluates the Skylab program and assesses its achievements. The editor in chief of the magazine and the author of this particular commentary is Robert B. Hotz. Mr. Hotz has been an editor with Aviation Week & Space Technology since 1953. His years of work and devotion to aeronautics and space activities have greatly increased the public's acceptance and understanding of this vital science. Mr. Hotz has also worked with Pratt & Whitney Aircraft Division of United Aircrafts as director of public relations, and in 1942 he organized Air Force magazine. His efforts and contributions to aerospace sciences are much appreciated.

Mr. Hotz concludes in his editorial that "Skylab was an achievement that will ultimately benefit every inhabitant of this planet and of which every American should be extremely proud." This is so, he states, primarily because of the presence of man in the spacecraft and his ability to operate and perform when machines cannot.

Mr. President, we will soon be considering the space program's authorization bill for fiscal year 1975. I would like to share Mr. Hotz's editorial with my colleagues because of its relevancy to the space program. I ask unanimous consent that the entire commentary be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

End of an Era

(By Robert Hotz)

The successful Skylab program marked the end of the first era of manned spaceflight and laid the foundations of an expanded role for the future of man in space exploration. Skylab ended the era in which both the U.S. and the USSR space programs sought to determine the limits of man's useful performance in a space environment. Skylab answered affirmatively the questions of man's ability to adapt to a space environment and the value of his useful contributions to space operations. It also laid the foundations for future space operations by demonstrating the basic feasibility of shuttle operations and the habitability and workability of large long-duration space stations that hopefully will appear before the end of this century.

We think the most important contribution is the convincing manner in which Skylab proved beyond all shadow of doubt man's ability to adapt to long periods of space flight without losing his normal capability to work effectively over a broad spectrum of space laboratory activities. These ranged from the spectacular solar panel and solar shield external repairs to a wide variety of internal equipment and scientific experiment fixes that enabled the three Skylab missions to exceed all of their prescribed workload parameters by wide margins.

AVALANCHE OF NEW DATA

The whole cumulative achievement of Skylab requires considerable perspective to evaluate fully. Less than 15 years after Yuri Gagarin inaugurated manned space flight with a single orbit inside his spherical Vostok, a multimanned space station was kept operational for nearly six months—171 days, 13 hr. and 14 min. to be exact. Three crews shuttled to this space station and they performed an enormous workload both on their spacecraft and with the scientific experiments that produced an avalanche of new data sufficient to occupy groundling scientists for years.

All of the three crews returned in good condition and quickly readjusted from prolonged weightlessness to earthly gravity. Much was learned about exactly how to accomplish this during the three missions, and relatively simple solutions were found to most of the medical problems. The last crew, which flew the longest mission, returned to earth in the best condition.

In addition to their constant work as space mechanics, the Skylab crews demonstrated that man is a valuable addition to the loop of scientific experiments and activities that can be performed uniquely from space. Trained human eyeballs again proved to be a valuable supplement to automated optical systems. Skylab crews made a number of significant observations from their orbital platform, some of which officials are pressing them not to discuss, such as activities along the Sino-Soviet border and new construction at Soviet missile test centers. There is no doubt that man must be an integral part of any future space reconnaissance system.

Skylab gave man a tremendous new vantage point from which to explore his universe, both outwardly with a fascinating new look at the sun and inwardly to the changing dynamic patterns of his home on earth. The Skylab earth resources equipment was probably the least effective on board the space lab. But even this breadboard model produced enough data to confirm the possibility for tremendous future contributions from space monitoring of the dynamic processes of this planet to insure a better, and perhaps longer, life for its inhabitants.

For the budgeteer bean counters, who perennially lament the expenditures on space exploration, Skylab offers some interesting facts that may help gauge return on investment. A rough cut from early earth resources data gathered by Skylab is yielding clues to new mineral resources that may ultimately be worth more than the cost of the whole U.S. space program to date. One potential copper deposit located in Nevada from Skylab pictures alone is estimated to have an ultimate value in the billions of dollars.

Another extremely interesting area where Skylab pioneered successfully is in experimenting with various manufacturing processes that are doomed either to limitations or imperfections by the pull of earth gravity. The idea of space manufacturing facilities to exploit the characteristic of weightlessness has been given its initial validity by Skylab.

FLEXIBILITIES' SIGNIFICANCE

But perhaps the real essence of Skylab's performance and its significance for future space operations were in its tremendous flexibility—both in initial design and in operational planning. This quality prevented the initial failure of Skylab when the solar shield was ripped off and a solar panel fouled in deployment and also surmounted a dozen other less spectacular equipment problems to keep the spacecraft operational and reap a bonus harvest of data. There was some additional equipment onboard Skylab, such as the onboard teleprinter that aided this flexibility. But primarily it was a spirit developed between the ground crews with their considerable array of resources and the flight crews who were able to focus these resources on solving their problems aloft. Because of this, philosophized one Skylab astronaut, "Skylab worked better broken than anybody had hoped for if it was perfect."

Skylab was an achievement that will ultimately benefit every inhabitant of this planet and of which every American should be extremely proud.

MOTOROLA

Mr. PERCY. Mr. President, recently Motorola, Inc. announced its intention to sell its television division to Matsushita of Japan. Motorola decided to sell its television division as the company has done no better than break even in home consumer electronics over the past 10 years and has suffered heavy losses in its three domestic television plants. Accordingly, Motorola decided it must sell its television division or close it.

Motorola had discussed sales of its television division with three U.S. companies previously, but negotiations in each case were terminated by the prospective buyer.

The agreement reached would appear to be beneficial for all parties concerned, especially the employees who would be adversely affected if the three plants in Illinois were to be closed if a sale is not consummated.

Antitrust questions, however, have been raised by several Members of Congress about the proposed sale, and contacts have been made with the Justice Department concerning the sale by them and one or more companies.

Mr. President, just so that the point of view of certain concerned members of the Illinois congressional delegation would be known to the Justice Department, Senators STEVENSON and I, along with Congressmen FINDLEY and COLLIER, sent a letter to Attorney General Saxbe to express our concerns about the future of 7,000 employees and their families in Illinois. I ask unanimous consent that the letter referred to be printed in the RECORD at the conclusion of my remarks.

On April 23 the Department of Justic did announce that the proposed sale does raise antitrust questions and Motorola and Matsushita have agreed to delay the closing of the sale for 30 days while Motorola seeks to determine if any other valid purchaser can be located for Motorola's television business.

The Department has stated that if Motorola cannot find another purchaser, and the only alternative is to discontinue its television operations, that the Department does not plan to sue to prevent the sale to Matsushita.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 11, 1974.

Hon. WILLIAM B. SAXBE,
Attorney General of the United States, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: We have recently become aware of a letter that Senator Birch Bayh has written to you opposing the sale by Motorola, Inc. of its television division to Matsushita of Japan. One of Senator Bayh's prime concerns seems to be the effect of such a sale on the profitability and employment of Magnavox, which is located in Indiana.

On behalf of the almost 7000 employees of Motorola in Illinois affected by this transaction, we urge that Illinois be given an equal opportunity to express its views to the Justice Department.

Motorola arrived at its decision to sell its television division after long, careful and deliberate thought. Motorola has done no better than to break even in home consumer electronics over the past ten years and has suffered heavy losses in its three domestic television plants. Accordingly, Motorola decided it must sell its television division or close it. Motorola has discussed sale with three companies previously, but negotiations in each case were terminated by the prospective buyer.

This sale will not result in a loss of employment domestically, as employee security and salaries are protected in the sale agreement. Indeed, if the sale does not take place, Motorola will close three of its plants in Illinois involving 3000 employees in Quincy; 700 employees in Pontiac; and 3000 employees in Franklin Park.

Mayor Nicholson of Quincy has contacted me to urge in the strongest possible terms that the sale be finalized. Motorola is the largest employer in Quincy and the community would not be able to stand the loss if the $20 million annual payroll were removed from Quincy.

We are most concerned about the adverse employment impact if the sale is not consummated, but we are also concerned about competition in the industry. If Motorola is forced to close, then, in our opinion, competition in the television industry will be lessened. Currently, Motorola has about 6–7% of the U.S. color TV market and Matsushita 2–3%. The sale to Matsushita means that another healthy competitor may exist in the industry competing with RCA, Zenith, Admiral (owned by Rockwell International), Sylvania (owned by GT&E), Warwick (owned by Whirlpool), Philco (owned by the Ford Motor Company), General Electric and Magnavox.

We ask that the Department of Justice give thoughtful consideration to the above points.

We will appreciate your attention to this matter.

Sincerely,
CHARLES H. PERCY,
ADLAI E. STEVENSON, III,
U.S. Senators.
HAROLD R. COLLIER,
PAUL FINDLEY,
Members of Congress.

ZETA BETA TAU DANCE MARATHON

Mr. STEVENSON. Mr. President, I want to commend the young men of the Zeta Beta Tau fraternity of the University of Illinois Champaign-Urbana campus. On the weekend of April 5–7, Zeta Beta Tau sponsored a 3-day dance marathon which raised almost $64,000 for the National Multiple Sclerosis Society. More than 100 couples participated in this fundraising event in the fight against one of the most dreaded neurological diseases.

Many of the victims of multiple sclerosis are in the same age group as the members of the Zeta Beta Tau fraternity. At a time when many people believe that today's college students are apathetic, it is gratifying to find the men of ZBT evidencing their concern for others. It is through such expressions of public spiritedness that the money to conduct the research to find a cure for multiple sclerosis will be found.

EXPORT-IMPORT ACT AMENDMENTS

Mr. BEALL. Mr. President, on April 26, 1974, one of my constituents, Mr. Herbert P. Buré, testified before the Senate Finance Subcommittee on International Finance and Resources with respect to S. 1890, the Export-Import Act, Amendments. In his statement, Mr. Buré outlined the effect Eximbank operations have on his company, as well as on our national policies, and I ask unanimous consent that his remarks be printed in the RECORD for the benefit of my colleagues.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY BY HERBERT P. BURÉ, PRESIDENT, ELLICOTT MACHINE CORP., DREDGE DIVISION, BALTIMORE, MD.

Mr. Chairman, I am very pleased that you have invited our firm to testify, regarding S. 1890, the Export-Import Act Amendments of 1973. My company is a small business firm with a large percentage of export sales and we are especially interested in any proposal which might have an effect upon export trade or financing. The Export-Import Bank has provided services which have enabled our firm to make numerous export sales which would have gone to foreign suppliers had the Bank's services not been available. We look forward to the continued availability of these services, and I urge you to extend the Export-Import Bank's authorization.

In view of the current review of your Subcommittee into the matters regarding Eximbank operations in participating in the financing or issuing guarantees on commercial banking for foreign procurement of American-made products, I wish to express my Company's concern over the possible change in the bank policy regarding Presidential determinations to allow the Bank to support American sales in Eastern Europe.

If the policy of requiring Presidential determination on a project by project basis, rather than a country by country basis, is adopted, our sales efforts in Eastern Europe will be severely hampered and our foreign competitors will reap great benefits.

Our company is a Small Business firm in a highly competitive international field and the largest United States designer and manufacturer of dredges and dredging equipment. Ellicott was established in 1885 and designed and built all of the hydraulic dredges which dug the Panama Canal in 1907. Our business has grown and developed throughout the world to the extent that we compete for the world dredge business primarily with one foreign cartel based in the Netherlands. We compete with them on virtually all dredge procurement projects all over the world.

Our company started exporting in the mid '30's, just before the Export-Import Bank was founded, and as an average over the last five years, we have exported 75% of our total production from the Baltimore plant. We have worked with Eximbank for over 25 years on many projects.

Dredging equipment is normally considered a long term investment to our customers, whether agencies of foreign government or private international contractors, and long term financing of the dredge purchase price is a tradition in the international industry.

A large percentage of our resources is constantly applied by the Company to research and development, leading to improved products which give our customers a higher return on their investment. Ellicott has advanced the U.S. dredge technology to the highest in the world.

Even during the period of the 1950's and '60s when we were severely handicapped in the international trade by an unfavorable rate of exchange between the United States dollar and foreign currency, primarily the Dutch guilder and Japanses yen, we managed to increase our share of the export business in competition with these countries as a result of continous improvement in our products which actually resulted in a gradual reduction in purchase price and cost of investment to our customer against an ever increasing productive capability and return on the investment.

Our overseas customers in dredge buying countries—and Ellicott dredges are well known in more than 60 countries of the free world—must be able to count on the availability of competitive credit terms from the United States in order to consider Ellicott as a potential supplier of dredging equipment.

If such financing is not available on a predictable basis, the United States and Ellicott are deprived of the opportunity to compete on the world market.

A recent example of this is the negotiated transaction between the Peoples Republic of China and our Dutch competitors which led to the largest single dredge procurement contract in the history of the industry for the very same type of equipment on which we can normally compete successfully, because no United States financing was available.

We submit that the financial services offered by Eximbank are not a direct benefit to the foreign buyer, but rather a necessity to the U.S. Manufacturer. Please note that we are not talking about any form of foreign aid, which is quite another matter and of no particular interest to my company. We are addressing a situation whereby our foreign buyer should count on the same financing terms from Eximbank as he can negotiate with financial institutions in other industrial countries, so that our Company is provided with an opportunty to compete with our foreign competitors.

Let me repeat: It does not provide us with an advantage, it merely puts us on an equal footing with our foreign competition. It is then up to us to compete dollar for dollar, pound for pound of hardware, and our technology against theirs.

The degree of certainty which the foreign buyer must have, demands more than an admission of his application for a preliminary commitment, subject to an extensive bureaucratic evaluation of his particular project, with excessive demands for detailed information of the buyer's political or financial credentials; it demands a certainty on the buyer's part that if he decides in favor of the Ellicott product because of the technical and economic advantages which it offers to him, he will indeed be able to get his credit application approved quickly and efficiently when he can provide the appropriate guarantees and priorities from his government.

The lapse of time involved in the approval procedure from date of application to final execution of the loan agreement is an important economic factor in the decision making process of the foreign buyer. For example—a 4½ million dollar Ellicott Dredge System, which may require approximately 3 million dollars worth of export from the U.S., may take approximately 12 months to build and complete, ready for operation, and have a productive capability of 1 million cubic yards per month, or approximately ½ million dollars of monthly revenue. A delay in processing this foreign buyers application of as little as two weeks may represent an economic loss to him of approximately one quarter of a million dollars which would be sufficient to turn his back to the U.S. and Ellicott and procure equipment elsewhere.

In the last several years, Eximbank has made many constructive and far reaching improvements to reduce the turn-around time between application and final commitment which has been a significant benefit to our Company in negotiating export contracts. Please note that Eximbank was really beginning to close the gap. The foreign financial institutions still are quicker and faster on their feet.

The present consideration for approval on a project by project basis to countries to which export financing of U.S. products has already been judged to be in the national interest, by Presidential determination, would be a severe set-back to our Company's export and represent an abdication of our interest in favor of our foreign competitors.

We strongly urge your Subcommittee to recommend extension of authorization of Eximbank, and support a clear definition of country by country evaluation without the additional burden of Presidential determination of each specific project within such country, and further assist and urge Eximbank to take every possible step to reduce its turn-around time between application and final commitment in cases where the foreign country's priorities and guarantees are clearly established.

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT

Mr. WILLIAMS. Mr. President, I am extremely pleased to join in introducing S. 3378, the Developmental Disabilities Assistance and Bill of Rights Act of 1974. This legislation provides for the extension and revision of the Developmental Disabilities Services and Facilities Construction Act—Public Law 91-517—and includes as title II, the bill of rights for the developmentally disabled, a bill introduced earlier during this Congress by Senator JAVITS and myself.

This bill, as part of the continuing responsibilities of the Subcommittee on the Handicapped to conduct oversight on and act as an advocate for the rights of handicapped individuals, has been revised substantially to meet the mandate of the intent of Congress in passing Public Law 91-517 and to respond to testimony given on the legislation earlier this year. The subcommittee has been assisted in its oversight activities by review data submitted by the General Accounting Office in a two volume report which was requested following the hearings by Subcommittee chairman, JENNINGS RANDOLPH.

When the Developmental Disabilities Services and Facilities Construction Act was first signed into law on October 30, 1970, it represented a significant expansion of the scope and purposes of the Mental Retardation Facilities and Construction Act of 1963. The term developmental disabilities broadened the scope of this program to include not only the mentally retarded but also persons suffering from other developmental disabilities originating in childhood, including cerebral palsy, epilepsy, and other neurological handicapping conditions. The program was fashioned to include support for a full array of service programs, and new authority and responsibility was given to the States for the development of comprehensive planning and programing for services to persons with developmental disabilities.

It is important to understand the intent of this legislation. DDSFA was intended by Congress to establish a partnership of Federal, State, and local government in order to create a broad continuum of community-based programs and facilities for the developmentally disabled. It was the purpose of this act to provide a complete mechanism through which the States could pull together, at the level of service delivery, all of the fragmented programs needed to provide integrated care, training, and services for individuals with neurologically handicapping conditions. The goal was not to duplicate existing services, but to deploy funds in a catalytic manner for systematic planning, coordination, and integration of services. Funds under this act are only used to support service delivery when services do not exist or when necessary gaps must be filled to provide comprehensive programing.

As an outgrowth of the Mental Retardation Facilities and Construction Act, this legislation was aimed at a target group—those individuals with severe disabilities which originate before the age of 18, which severely affect their development, and which have continued or can be expected to continue indefinitely. Because of the chronic nature of the disability, and its occurrence early in life, individuals so impaired are more likely to have ongoing difficulties throughout the developmental years.

Also, they are less likely to have the comfort and support of family, and an income adequate to their needs later in life. Estimates of this population indicate that there may be as many as 3.5 million adults, and 3 to 4 million children, suffering from disabilities such as mental retardation, epilepsy, cerebral palsy, childhood psychoses, sensory disorders, infantile autism, and severe mental illness. More than a quarter of this population is institutionalized, and a much higher percentage is ill served by existing service programs because of their failure to fit into neat categories.

It is within this framework that the revised legislation has been introduced. S. 3378 seeks to make changes in this program which will foster the ability of State planning councils for the developmentally disabled to carry out the objectives of the State plan, to promote community alternatives to deinstitutionalization and to direct resources toward these alternatives, and to provide coordination with other existing State agencies which deliver services to developmentally disabled individuals.

These changes include the following:

First. State councils: S. 3378 provides that members of the State planning council will be appointed by the Governor, and shall act as advocates for persons with developmental disabilities. Functions of the council will include the development of the overall State plan, and the approval of specific implementation designs submitted by State agencies to carry out the overall State plan.

State councils shall also be responsible for reviewing and approving applications for grants by university affiliated facilities to assure that such applications are consistent with the provisions of the State plan.

Under this legislation, administration of State grants will be carried out by the State agency or agencies responsible for the submission of the implementation design.

The State councils will further notify the Governor and the Secretary of failures to comply with the implementation design and of cause to begin compliance proceedings.

Second. Priorities for State plans: S. 3378 has adopted as an overall priority the deinstitutionalization of individuals with developmental disabilities and the creation of community alternatives for care and provision of services. The adoption of priorities for funding under the State plan related to this overall goal are the following: The reduction of inappropriate placement in institutions; the improvement of care within institutions; early screening, diagnosis and evaluation for infants and preschool children, including home care, early stimulation and parent counseling and training; support of community alternatives; the protection of rights of persons with developmental disabilities; cross-disciplinary intervention and training programs for multiple-handicapped individuals; and public information and public awareness programs.

Third. Construction: Construction under State plans has been limited to 10 percent of the State funding.

Construction projects related to university affiliated facilities may only be approved for projects to bring facilities into compliance with Public Law 90-480, for removal of architectural barriers.

Fourth. Definition: The definition of developmentally disabled has been broadened to include: Mental retardation, cerebral palsy, epilepsy, autism, learning disability, or any other condition which is related to mental retardation as it refers to the general intellectual functioning or impairment in adaptive behavior or to require treatment similar to that required by mentally retarded individuals.

Such disabilities must: originate before the age of 18, be expected to continue indefinitely, and constitute a severe handicap to the individual's ability to function normally in society.

Fifth. Special projects: A new special project authority has been included in the legislation to supersede funding for special projects currently contained in the Rehabilitation Act of 1973—Public Law 93-112.

Such special projects may be approved by the Secretary after consultation with the National Advisory Council for projects and demonstrations which hold promise of expanding and improving community based services for persons with developmental disabilities including parent counseling and training, early screening and intervention, infant and preschool programs, seizure control systems, and community based care, housing and other services necessary to maintain a person with developmental disabilities in the community.

Sixth. Evaluation: The committee legislation also directs the Secretary to develop within 18 months a model evaluation system and implementation plan for the evaluation of all services delivered within States to persons with developmental disabilities.

Following the development of such system, States under the State plan must implement such evaluation systems within 1 year.

The system must provide for the evaluation of all services and assistance under laws administered by the Secretary, and shall be designed to measure the effects of services on the lives of individuals with developmental disabilities, evaluate the impact of programs, evaluate the cost-benefit ratios of service alternatives and provide that evaluation of program quality be performed by individuals who are not directly involved in the delivery of such services.

Seventh. Waiver authority: S. 3378 also provides waiver authority to the Secretary to waive regulations in order to establish integrated service projects.

This provision has been included in order to facilitate the establishment of community based services and to explore innovative service delivery for comprehensive services to the developmentally disabled.

The waiver authority is provided only on a case-by-case basis, and may be provided for a specified period of time—but not longer than 36 months. Such waiver authority does not extend to provisions explicitly established in law.

Eighth. Standards for institutions: In line with the emphasis placed upon community based alternatives in title I of the act, the committee has adopted in title II, standards adopted by the Joint Commission on Accreditation of Hospitals for institutions for the mentally retarded and the developmentally disabled.

These provisions are adopted in order to assure that for those individuals who need institutional care their rights are protected, and that developmental care is provided.

Mr. President, S. 3378 represents a bipartisan effort on the part of the Subcommittee on the Handicapped to improve services and care to persons with developmental disabilities. Provisions relating to the priorities under the State plan, the development of a statewide evaluation system for services to the developmentally disabled, the special project authority and waiver authority provided to the Secretary represent a strong commitment by the committee to the provision of comprehensive and developmental services to individuals in need of such services.

I believe that unless such authority is complemented with standards of care and services within institutions, all that we attempt to accomplish for those individuals in the community will have no effect on individuals who reside within the institutions and residential care in our Nation. There is strong testimony to the fact that much of the care within such institutions, and indeed, the institutionalization itself ill serves those residents who are the most in need of comprehensive and individualized care which these institutions are often unable to provide.

There can be no question that we must judge ourselves by that care and service which this Nation provides to its poorest citizens. Surely change has come to many of the large residential institutions in the last few years as the result of court action, and the continuing concern expressed by consumer groups, and efforts on the part of States to improve conditions and care within State institutions. Yet the effort toward community based care, and the reduction of institutionalization, and deinstitutionalization has resulted in the fact that the individuals who remain within institutions are those in need of the most individualized and intensive care.

At the time the Congress enacted provisions within the Social Security Act for intermediate care facilities, there was hope that the Federal Government would assist in the effort to protect the rights of institutionalized individuals and require developmental programing on the part of all facilities applying for such assistance. The failure to provide adequate minimum standards of care in the regulations on intermediate care facilities makes it imperative that this committee take that action.

INDUSTRY GUIDE TO ENERGY MANAGEMENT: TIMELY RESPONSE TO A CRISIS

Mr. PERCY. Mr. President, the era of low-cost energy is no longer with us. Many business plans have been upset—

or soon will be—and require reconsideration. To insure practical solutions and truly workable contingency plans, each industry and individual business must become fully apprised of its own unique energy posture.

In this regard, I commend a most constructive response to the current crisis offered by the American Society of Association Executives.

At a special White House meeting on energy on January 25 this year, ASAE released a report entitled, "A Guide to Energy Management: How To Conduct an Energy Audit." The report exemplifies the timely and creative leadership of some of the men and women who manage America's voluntary, nonprofit organizations of industry and the professions.

The first sections of the report outline procedures for an efficient energy audit to be undertaken by each individual business.

Reliable facts must be compiled about energy sources and supplies, energy consumption for operations, and the effect of shortages on market demand for the company's product or services. Price projections and the severity and time profile of shortages must also be carefully assessed.

Hopefully, determinations can be made concerning energy alternatives and the extent to which the consumption of presently used fuels might be reduced. For many companies, a thorough energy audit will pinpoint new business opportunities and ways to reduce production costs and overhead.

But, the major theme of the report is that much progress can also be made at the industry level to ascertain and alleviate energy problems. Industrywide guidelines can be set and general solutions developed to deal with those energy-related difficulties common to all members of an association. ASAE lists "12 Steps an Association Can Take To Help Solve the Energy Crisis." I think that their mention at this time is valuable:

1. Appoint staff energy liaison officer.

2. Appoint association energy committee or council.

3. Have energy council gather data on energy requirements of members by:

Holding meeting of energy council and having members estimate the energy needs of the industry or profession.

Conducting mail energy survey or audit.

Estimating effect of crisis on markets for industry or profession.

4. Have energy council develop conservation campaign for members and customers of members.

5. Prepare back-up literature and promotional material for conservation campaign.

6. As soon as possible, prepare white paper on energy needs of industry or profession for presentation to governmental agencies.

7. Arrange meetings with representatives of government agencies to discuss needs and programs.

8. Provide members with continuing information on new regulations concerning energy.

9. Pool best ideas of members on ways to conserve fuel and energy.

10. Consider and draft new industry standards, specifications, and so forth, that may reduce energy use.

11. Sponsor new research on conservation, conversion, and utilization of waste or byproducts.

12. Develop long-range plans for energy use over next three to five years.

During the immediate energy crisis and in the future, the Nation's economy can be substantially bolstered by the constructive action of responsible trade associations. The leadership that can, and I fervently hope will, be provided can be instrumental in minimizing foreseeable disruptions to the economy due to fuel shortages. I strongly urge that trade associations across the country promptly adapt the ASAE measures to the structure and needs of their particular industry and act upon them.

In this country, a vigorous private sector has always been the key to national resilience in meeting new problems and challenges. Voluntary organization and action are integral parts of the American way. The trade association is a proud symbol of this tradition. And, ASAE's effort is just one example of the contribution that associations can make to our economy and to the society at large.

In the past, I have called into question the performance of a few trade associations which through their actions, and inaction, have actually contributed to decline in recent years of public confidence in business. For example, I am currently cosponsoring, along with Senators Ribicoff, Javits, Magnuson, Moss, and Cook what I think might fairly be termed the most important piece of consumer legislation ever to come before the Congress. The bill proposes the creation of a Consumer Protection Agency to represent the interests of the consumer before Federal agencies and courts.

In my years as a Senator, I have encountered no piece of legislation about which so much misstatement and misrepresentation of fact has circulated. And, I cannot help but blame, at least in part, a very small minority of trade associations which have chosen to attack the bill unfairly—a minority which seems to have forgotten that our free enterprise system functions most successfully in the absence of faulty goods and services, unfair trade practices, and deceptive advertising.

In numerous meetings with close personal friends of mine from the business community, I found that many of their criticisms of the CPA were often refuted by the very language of the bill. Repeatedly, the response was, "That answers my question, but our trade association did not tell us that."

Needless to say, some trade associations had misinformed their members, criticizing the bill without regard for the facts.

This performance was extremely disappointing to me. If other trade associations were to undertake their tasks with the same resolve and attention to fact that ASAE has displayed, substantial progress could be made toward restoring the good name of American business in the eyes of the public.

Mr. President, because I believe that the report by the American Society of Association Executives is so useful to industry for the management of energy problems, I ask unanimous consent that it be appended to my remarks and printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

A Guide to Energy Management—How To Conduct an Energy Audit

(Compiled by ASAE with the assistance and cooperation of the Washington office of the national accounting firm Ernst & Ernst and the U.S. Department of Commerce.)

FOREWORD

As President Nixon has reported, we face continuing energy shortages. No matter what happens in the Middle East, our commitment to finding solutions to energy problems must go on for a period of years. We in government share with business and industry a determination that there be minimum disruption in our vigorous economy from these shortages.

The Department of Commerce is convinced that fuel supply problems can be minimized if each company will adopt a four-point energy management program:

Top management commitment to energy conservation.

An audit of all energy usage.

Tough, measurable goals for energy savings.

An information campaign among employees, suppliers, and customers on the need for energy conservation.

A careful audit of energy use is, of course, a crucial element in this program. We are especially pleased, therefore, that the American Society of Association Executives has published this booklet, "A Guide to Energy Management," with its detailed explanation of how to conduct such an audit.

Guidance and procedures in the following pages will enable many companies to see their way through this trying period and help them to hold down production costs and safeguard jobs.

This is a fine example of creative leadership by the men and women who manage America's voluntary, nonprofit organizations of business, industry, and the professions. I urge every business manager to consider carefully the procedures described here. Taken together, they constitute guidelines to good management of energy resources.

Frederick B. Dent,
Secretary of Commerce

Introduction

The material that follows—"How to Conduct an Energy Audit"—was written to serve a pressing national need.

It is intended for the use of trade and professional associations seeking to help their members cope with and plan for the energy-related problems we face.

Association executives are encouraged to duplicate this material, or adapt it as necessary, for use among their members. The purpose is to help association members through this crisis.

In the preparation of this material, ASAE sought the special assistance of the national accounting firm of Ernst & Ernst. ASAE is grateful for the assistance of R. Bruce MacGregor and Dr. William J. Leininger, of the firm's Washington office. Their help and guidance, and the work they had done previously, proved invaluable.

ASAE also appreciates the cooperation and guidance of a great many staff specialists in the U.S. Departments of Commerce, Interior, and Transportation; the U.S. Treasury; the Atomic Energy Commission; and the Federal Energy Administration.

It is the hope of ASAE that concerted voluntary efforts such as this will contribute to a better society for all Americans in the years ahead.

James P. Low, CAE,
Executive Vice President, American Society of Association Executives.

A GUIDE TO ENERGY MANAGEMENT—FOR ASSOCIATIONS AND THEIR MEMBERS

The era of low-cost energy is gone.

This means that most business plans have been upset—or soon will be—and must now be reconsidered.

The important question that every business executive must answer now is: "How will the energy shortage affect my business?" And, "What can we do about this situation for the future?"

In some cases, the survival of the company is at stake. In others, the impact will be less severe. The extent of impact will depend on such things as depth and duration of the shortages, the degree of change in customer and supplier attitudes, and the extent to which the company's product or service relies on petroleum-related products.

There is one other factor of great importance—how the individual companies will be able to adjust to the new economic environment.

Not all effects will necessarily be bad news for everyone. Some companies will find new opportunities. Companies whose planning is thorough and sound will feel less impact than others.

No businessman or professional person can afford to ignore the implications of the energy crisis. Each will find himself face to face with one of the starkest problems ever to bedevil the American economy—a potentially crippling lack of essential fuels and a host of energy-related shortages.

The crisis has still another dimension that can't be waved away. Fuel prices are headed straight up in coming months, and even if prices level out they will do so at price points almost unbelievably high.

As Pearl Harbor and Sputnik heralded dramatic changes in this country, the Arab oil embargo of last October marked the beginning of an entirely new chapter in our economic history. No longer can energy be taken for granted. Not in this year's planning. Not in next year's planning. Perhaps not for many years to come. Crisis precipitated by a far-off war has exposed our national over-dependence on oil imports and demonstrated with painful clarity how laggard we have been in pushing toward the goal of self-sufficiency.

Shocked by the oil crisis, the nation already is taking steps to close the long-neglected gap in energy policy and action. But in the difficult interim between the first mile of this journey and its last, your job will be one of dealing with energy shortages month to month, day to day—even hour to hour.

KEY QUESTIONS FOR BUSINESSMEN

The broad questions each business will need to answer are these:

1. What is going to happen to the company's sources of supply?
2. What will happen to the company's markets?
3. How will operations be affected?
4. What is the best plan of action—and what are the alternatives—to keep the company going at its most efficient pace?

IMPLICATIONS FROM SUPPLIERS

Each businessman will need first to consider how conditions outside the company can tilt the scales one way or another. The actions of suppliers—including those who furnish energy—will materially affect operations. Suppliers have special problems of their own, and none will be affected equally by shortages. So, the businessman will need to look almost as deeply into that situation as his own to reach any conclusion firm enough to merit inclusion in company plans.

Supplier X, for example, might well choose to curtail service to customers, or may be forced to. If that happens, is there an alternate source of supply? Does the supplier have an alternative source for his supplies?

A foretaste of the interdependence of company with company was provided as much as two years ago when shortages of paper, steel, chemicals, and other materials began to appear with the economy then approaching rates close to the limits of productive capacity.

Pressure on supply means pressure on established lines of corporate goodwill.

PATIENCE AMONG BUSINESSMEN

At the recent National Retail Merchants Association trade show in New York, to cite one illustration, exhibitors of paper bags and other paper products found themselves catching hell from former customers who sought out their booths and demanded: "Why aren't you filling orders from us anymore?" Limitations on supplies of gasoline, electric power, natural gas, propane, petrochemical feed stocks, diesel fuel, and heating oils inevitably will breed short tempers, hurt feelings, and long-remembered disagreements—unless there is patience in the business community and a high level of mutual understanding.

Only businessmen, and voluntary associations of businessmen, can generate this esprit de corps. No agency or bureau in Washington can manufacture it for you.

If the skein of interdependence is still unclear, consider the following examples from real life;

Manufacturer A may take comfort from the knowledge that he consumes very little energy. But suppose his products depend heavily upon synthetics. His ability to meet his company's requirements then could hinge entirely on whether his petrochemical supplier is compelled to curtail output.

Moral: An alert manager will obtain as much information as possible, as soon as possible, on the energy vulnerability of suppliers. He also will look into alternative sources of supply, price implications, and other relevant possibilities.

A firm may purchase materials or products which are marginal in its supplier's line. If the supplier has to curb his production, he might elect to discontinue or to slash his output of those items. This already is happening in some industries.

Moral: Get some assurance that it won't happen to you, or look for another supplier. With business slowing in 1974, your bargaining leverage may be enhanced.

Companies buying services or supplies from long distances could experience service problems if flight schedules to the area are diminished.

Moral: Look for service agencies closer to home, or gear up—where it is practical—to do the work yourself.

CHANGES IN SUPPLY AND DEMAND

Since the basic effect of the energy crisis is to change supply-demand relationships, the demand element merits the closest attention.

Demand could increase, for instance, for a ski resort that might not be glamorous but is within a tankful of gasoline for those who want to ski. Demand already has risen for such items as bicycles, storm windows, warm apparel, small cars, and public transportation.

On the other hand, demand may decrease for such things as bank loans to finance second homes, recreation vehicles, boats, and private aircraft. Demand also may decrease for conventional mortgages due to lessened construction activity and the questionable location of some new housing units in far-out suburbs.

PRODUCT-RATIONING SYSTEM

Because of unavoidable curtailments or its inability to meet newly created demands, a company may have to decide which customers should receive less products or services than others. In this case, the company will need to devise its own product-rationing system. Such systems will face the same problems that federal rationing schemes do—namely, the development of equity criteria, how to avoid blackmarket payoffs, how to grant exceptions for hardships, and so forth.

Another aspect—preexisting relationships—also must be weighed. Business loans by banks, for example, may be threatened by the energy crisis—such as loans to motels, resorts, and motor home manufacturers. Restricted driving owing to gasoline shortages may result in significant savings in the claim costs of insurance companies, so that premium levels based on previous driving habits may now be reconsidered. This already is happening in several states.

In each instance, the business executive should examine the potential exposure to his company arising from preexisting arrangements.

Businessmen hoping to bring their companies successfully through the uncertain waters of 1974 face the top-priority assignment of adjusting plans and operations to the new future. Every business—which hasn't already done so—will benefit by making an energy audit to determine where the company stands now, where it is headed, and how the problems can be dealt with.

HOW TO CONDUCT AN ENERGY AUDIT

A meaningful and usable energy-impact audit requires the development of an orderly approach for the collection of data, evaluation of the data, and the formulation of action and contingency plans.

The first step in making an energy audit is to compile facts. The businessman setting out to do this has to identify the historical facts he needs, or determine current estimates. Then he must determine where the necessary information can be obtained. Next, he should design a structure for classifying the information he gathers.

This initial part of the audit, or inventory, is not intended to answer questions about what might happen. Rather, its purpose is to organize facts on activities and projects which, when analyzed, will disclose the nature of energy-caused impacts. From that information, action plans can be evolved. Put a different way, you pinpoint supplies essential to maintaining your business and single out those which may be especially vulnerable to cutbacks.

AUDITING ENERGY SUPPLIES

The obvious place to begin determining fuel consumption is, of course, with the utility bills. Monthly data for at least one year should be collected in order to establish a 12-month revolving base period upon which estimates can be made and against which present performance can be compared.

In some cases it will greatly facilitate accurate data-gathering if the fuel supplier can be called upon to help determine the exact prices and quantities involved. The supply audit also should include any purchases of heated water and steam. Finally, it is important to obtain some assessment of the future availability of supplies and prices for each fuel.

In addition to energy purchased directly, a firm also must be concerned about the implications of energy shortages on the availability and price of each of the other goods and services which the firm must purchase in order to do business.

For a manufacturing concern, the data needed could include steel by volume and type, fasteners, motors, paint and finishes, plastics, computer services, delivery capability, and so forth.

CRITICAL NATURE OF SUPPLIES

Inspection of invoices paid will provide a ready rundown on all outside suppliers and supplies, while review of the bill of materials, plant production schedules, and company information systems will yield insights into the critical nature of supplies.

Vulnerability of supplies—when not detectable from in-house documents—can be assessed by turning to outside sources. These may include economic and production data published by trade journals, government publications, and the general press. Personal communication with suppliers of key items also may yield useful forward-looking information. Larger companies may want to employ economic input/output models. Perusing federal regulations governing the availability of petroleum products to supplier industries also can provide insight into future developments.

GET RELIABLE INFORMATION

Whatever the source of the information, a businessman should validate its reliability. We are entering a period of rampant rumor, and it would be disruptive, if not downright disastrous, to base a business decision on unconfirmed reports.

When classifying information about suppliers, describe supplies in terms pertinent to their energy impact. This will help to eliminate from consideration those supplies which have an assured availability, or are generally unaffected by energy shortfalls.

CLASSIFICATION OF INPUT MATERIALS

It is important also to make sure that classifications show input materials—semi-finished, shaped, delivered, and so forth.

The classification scheme should include such supplier characteristics as (1) distance from the plant or location where needed; (2) whether U.S. or foreign; (3) mode of transportation; (4) extent to which transportation might be curtailed; and so on.

GATHER FACTS ON OPERATIONS

Facts concerning operations also will be needed. The businessman should round up data on heat, light, energy-using equipment, such as fork lifts, trucks, machine tools, etc. For these items, a separate listing can be developed to show alternate sources of energy, where applicable.

Items of energy consumption can be grouped in categories such as process requirements, non-process, and transportation. The level of detail then can be broken into three categories: quantity of energy consumed, how critical to continuing operations, and likelihood of energy shortage.

To do this properly, the business executive should look at quantity consumption in relationship to seasonal patterns, contractual arrangements concerning peak periods, and other important characteristics. For example, storage capacity for fuel oil used as back-up, to a possible interruption in natural gas service.

ALLOCATING ENERGY CONSUMPTION

The next step in the inventory is one of allocating energy consumption down through the company's organizational structure. For instance, the company may have three separate heating systems using fuel oil. Allocating first to a heating system, and then to facilities or zones within facilities, may contribute to the best-use pattern. The analysis will show how the best-use pattern can be incorporated into future plans.

Further detail concerning alternative second steps may be useful for some companies, especially where short supplies might prevent the fulfillment of growth opportunities.

SUPPLY AND DEMAND RELATIONSHIPS

Since the energy crisis already has changed traditional supply and demand relationships, it is wise to consider further changes. The first task here is to identify possibilities for increased or decreased demand for a company's products or services.

Consumer buying patterns, broadly speaking, already are shifting. For example, note the increase in the demand for home insulation products and the decrease in the demand for travel-oriented products and services.

The firm needs to know which consumer demands will rise and which will fall—and by how much. Historical patterns may not help much. The task of data collection and evaluation can be complicated by the fact that some demand changes may begin one or more steps beyond the company's product or service. The pattern of a wholesaling company, for example, can be disrupted because of impacts on retailing. A manufacturer's output may certainly be affected by such things as the level of consumer demand in department stores.

Collection of relevant information about customer demand, therefore, is complex. The job needs to be done for each kind and category of company operation.

ANALYZE SUPPLY INFORMATION

The next step involves evaluation and analyzing all of the information that has been collected.

In terms of supplies, the businessman should:

Estimate the severity of the shortage. What percentage below last year's supply, for example.

Project the time profile of the shortage. For example, in what months will the greatest shortage occur? How long? When will the shortage ease?

Consider whether the shortage will be absolute or relative. Not available at all? Available in limited quantities? Available at much higher prices?

Anticipate the range of price increases for supplies with relative shortages. If rising—by how much?

Guesstimate the timing of price changes.

For each input in short supply, the businessman should draw up a list of possible alleviating actions, time and cost for each alternative, the extent to which each alternative will relieve the problem, and so forth.

In terms of price, for example, while a product may be in short supply, a company may still be able to get as much as needed at a higher price. That impact should be evaluated in each instance.

Many larger companies may be able to use simulation of the production process or develop a computer model of the interrelationships among the company and its suppliers. Even in the more sophisticated approaches to analysis, however, judgmental estimates will play a vital role in decision-making.

WAYS TO CONSERVE ENERGY

In terms of on-site conservation, here are some specific ways to save fuel:

1. Check your plant's heating efficiency. Eliminate heat loss sources. Broken windows. Doors that won't close properly, etc. Increase heating plant maintenance. Evaluate the feasibility of using other fuels. Check plant area for heat balance.
2. Adopt a four-day week and add two hours of work time to each shift.
3. Reduce the temperature to 50 degrees during non-work periods and 65 degrees during work periods.
4. Think about reducing temperatures to 46 degrees during non-work periods and 60 degrees during working hours.
5. Refer to the checklist of energy conservation measures developed by the Office of the Chief Engineer at the Federal Power Commission (Washington, D.C. 20426) and the pamphlet, "33 Money-Saving Ways to Conserve Energy in Your Business," published by the Office of Energy Programs, Department of Commerce, Washington, D.C. 20230.

Other possibilities: Redesigning a product to reduce process energy needs; redesigning the process system to make it more efficient; modifying the process flow to increase efficiency; discontinuing the use of equipment that has a low efficiency rating.

SEVERE LEVELS OF ENERGY REDUCTION

On any checklist should be a reminder to examine the vulnerability of the company to severe levels of energy reduction.

Establish a lower boundary which is the irreducible minimum the company needs to stay in business. For example, safety, health, and efficiency considerations may show that plants and offices need to be heated no lower than 60 degrees during working hours and 46 degrees during non-working hours.

The basic minimum requirement will not likely be a single set of figures, but rather alternatives based on varying operational assumptions. For example, assumptions about working hours establish the time for which 60 degrees will be necessary.

In serving the company's market or customer needs, two items are basic:

1. The problem of allocating products or services among customers if the company is forced to limit output to less than demand.
2. The problem of identifying how preexisting customer relationships may be changed in ways that affect total demand for the company's products.

In the first instance, the company faces what amounts to a need for developing a rationing system. Some guidelines: Rely on price; provide reduced allocations with extra amounts available at penalty prices; or go to strict rationing.

The selection of the best method for each company probably will be influenced by such factors as the degree of competition, stability of business relationships, the length and severity of shortages, the type and volume of products, and the manpower available to implement allocation. Pricing options do, of course, have important limitations, such as price controls and antitrust regulations.

The problems related to the second instance are less troublesome—particularly when demand goes below the plant's ability to produce. Preexisting customer relationships may provide guidance to solutions in this area.

SETTING UP CONTINGENCY PLANS

Now, the job of developing contingency plans. This can be achieved by blending the information revealed by the analysis of supplier circumstances, operations, and customer relationships.

Very possibly, in doing an impact analysis, a company will find other matters which must be reflected in contingency plans. For example, the foreseen demand changes may be so significant that work-in-progress, finished goods, and accounts receivable valuation will require review. Hence, the value of certain capitalized research and development may decline.

If you anticipate substantial curtailment, you might want to activate a cost-reduction program to protect profit margins. A similar program might be triggered by sharp increases in the cost of supplies.

The final task is one of devising specific steps to be taken now and possible steps to be taken if specified events occur in the future. A good procedure is to establish an action plan for immediate implementation and then formulate a series of contingency plans with trigger mechanisms.

CRUCIAL ELEMENT FOR SUCCESS

A crucial element for the success of this whole exercise is to establish ways to measure the effect of the action and ways to follow events which are basic to contingency plans. Plans too often have been implemented without appropriate monitoring and control so that, if not disastrous, the results were less than desired.

Implicit in the control process are steps aimed at evaluating the effects of a given plan on operations and profits.

The company which goes about an energy

audit systematically, identifying and evaluating all relevant elements, will surely come through the energy crisis in better shape than the one which doesn't. This should be the aim of management. Anything less, given the murky outlines of the road that lies before us, would be folly.

CHECKLIST FOR CONDUCTING AN ENERGY AUDIT

Each business executive must find the answers to these basic questions:

1. What is going to happen to the company's sources of supply?
2. What will happen to the company's markets?
3. How will operations be affected?
4. What is the best plan of action—and what are the alternatives—to keep the company going at its most efficient pace?

The approach to an energy audit should be systematic. It involves four steps:

1. Collect all relevant information.
2. Evaluate and analyze the information.
3. Formulate action plans.
4. Formulate contingency plans.

I. COLLECT ALL RELEVANT INFORMATION ABOUT SUPPLIES

1. Relevant historical facts.

2. Determine current estimates.

3. Sources for information about supplies.

a. Inspection of invoices paid.

b. Bill of materials, plant production schedules, company information systems.

c. Trade journals, government publications, the press; personal communication with suppliers of key items; federal regulations governing availability of petroleum products.

Note: Characterize supplies in terms pertinent to energy impacts. Make certain that all information is reliable.

Information about operational energy use

1. Process requirements.

a. Quantity of energy consumed.

b. How critical to continuing operations?

c. Likelihood of energy shortage.

2. Non-process requirements.

a. Quantity of energy consumed.

b. How critical to continuing operations?

c. Likelihood of energy shortage.

3. Transportation.

a. Quantity of energy consumed.

b. How critical to continuing operations?

c. Likelihood of energy shortage.

4. Allocate energy consumption down through the company's organizational structure.

Information about markets

1. Identify possibilities for increased demand for each kind and category of company product or service.

2. Identify possibilities for decreased demand for each kind and category of company product or service.

II. EVALUATE AND ANALYZE THE DATA

Evaluate supplier information

1. Estimate the severity of the shortage. What percentage below last year's supply, for example.

2. Project the time profile of the shortage. In what months will the shortage occur? For how long? When will the shortage ease?

3. Consider whether shortage will be absolute or relative. Not available at all? Available in limited quantities? Available at much higher prices?

4. Estimate the range of price increases for supplies with relative shortages. If rising—by how much?

5. Estimate the timing of price changes.

6. For each input in short supply, draw up a list of possible alleviating actions, showing:

a. Time and cost for each alternative.

b. Extent to which each alternative will relieve the problem.

Evaluate information about energy consumption

1. Determine the extent to which consumption can be reduced without affecting production or service levels.

a. List actions needed to achieve these reductions.

2. Determine the vulnerability of the company to energy and petroleum product reductions beyond levels achieved by conservation measures.

Evaluate market information

1. If demand for the company's products or services increases:

a. List actions needed to meet demand.

2. If demand for the company's products or services decreases:

a. List effects on company, and actions necessary to keep the company from going out of business (if the decrease in demand is severe).

III. FORMULATE ACTION PLANS

1. Decide which alternatives to follow regarding supplies.

2. Decide which alternatives to follow regarding internal operations.

a. Conservation measures.

b. Establish a lower boundary which is the irreducible minimum energy level needed to stay in business.

3. Decide on a course of action for serving customers.

IV. FORMULATE CONTINGENCY PLANS

For each area of your audit—supplies, operations, and markets—establish possible steps to be taken if specified events occur in the future.

Monitor and control each step of your plan.

HOW TO MAKE AN ENERGY PROFILE OF YOUR INDUSTRY

The question that most directly affects you as an association executive is: "What actions can your association take to support your members?"

Whatever the action, it must have two key ingredients if it is to be successful. It needs to be based on solid, hard, consistent facts. And the way this ammunition is used must be well controlled and closely targeted.

These elements are essential to keep you out of the energy soup where members won't sit still from one day to the next, and nobody quite believes you.

How can you get the facts?

One way of getting the facts is to follow a simple four-step work plan:

1. Have your association staff make up an energy profile of your industry—what is the role of energy in your industry and what are the effects of the crisis?
2. Call a meeting of 20 or so of your key members to verify the estimate.
3. Formulate a course of action.
4. Conduct a detailed survey of the membership to refine the initial estimate and provide a supporting data base.

MAKING AN ESTIMATE

Your initial estimate is an important starting point. Because events are moving so swiftly, you have to take the best estimate your staff can give you—now.

The estimate needs to be placed in a time frame—short run, six to 12 months; intermediate term (1975–76); long run (1976–80).

The initial data must come from information already available in your files, from your staff's knowledge, and from available outside sources. To assemble the information, you need to set up your own energy task force.

Large associations probably will be in good shape to produce the information from internal data and knowledge simply because of the staff size and staff specialties. Medium and smaller size associations may need to rely more on available outside sources.

The result of this crash effort will be a first cut at the energy profile in your industry. What reliance do you have on energy? How will you be helped or hurt? What effect will these changes have on the economy, regional or national?

MEMBERSHIP INPUT MEETING

Now that you have a starting position, the next step is to refine the information by getting membership input.

In order to derive maximum results from such a meeting, the members attending should be prepared to provide the following kinds of information from their own energy audits:

An energy usage history, present energy usage, current reserves, and an assessment of which energy sources will experience greatest impact or be subject to excessive price increases.

A compilation of specific current problems which can be grouped into major problem areas, identification of potential problems, and a membership consensus of expected severity of the shortage impact.

An industry profile of the minimum energy resources required to maintain production at different levels—from full production down to minimum production levels required to stay in business.

A list of actions taken to conserve energy, together with resultant expected savings, and a list of alternatives available to the membership to counteract expected shortages for each type of energy.

It is important that your energy profile be developed with the perspective of your industry structure. Where are your members located? How many people do they employ? What is their contribution to the total national output? How critical is your industry's output to other areas of the economy?

This kind of information normally is available to the association, so that this framework can be created rather quickly.

The specific course of action will depend on the projected impact of the crisis. If the crisis is causing problems, the actions will be directed to increasing supplies, changing regulations, firming up supplies, and so forth. If the crisis offers opportunities, the actions will be directed to identifying the extent of opportunity, making it known, and so forth.

One clear course of action will be to establish a permanent means of communication so that ideas and information have a focal point in the association and you can speak with a single, authoritative and consistent voice.

The final step in your attack on the energy problem should be a detailed survey of your membership, initiated as soon as you start developing estimates.

The survey will provide you with the detailed back-up information you need to continue your efforts to solve the crisis. The information will be the same as that requested for the meeting, but generally in greater detail and better refined, since the companies will now be much further along in completing their own audits.

This data base will ensure that you can continue to speak factually, forcefully, and effectively for your industry. In times of crisis and change, the association executive who can do this is the executive whose views will be heard.

TWELVE STEPS AN ASSOCIATION CAN TAKE TO HELP SOLVE THE ENERGY CRISIS

1. Appoint staff energy liaison officer.
2. Appoint association energy committee or council.
3. Have energy council gather data on energy requirements of members by:

Holding meeting of energy council and having members estimate the energy needs of the industry or profession.

Conducting mail energy survey or audit.

Estimating effect of crisis on markets for industry or profession.

4. Have energy council develop conservation campaign for members and customers of members.

5. Prepare back-up literature and promotional material for conservation campaign.

6. As soon as possible, prepare white paper on energy needs of industry or profession for presentation to governmental agencies.

7. Arrange meetings with representatives of government agencies to discuss needs and programs.

8. Provide members with continuing information on new regulations concerning energy.

9. Pool best ideas of members on ways to conserve fuel and energy.

10. Consider and draft new industry standards, specifications, and so forth, that may reduce energy use.

11. Sponsor new research on conservation, conversion, and utilization of waste or byproducts.

12. Develop long-range plans for energy use over next three to five years.

MINNESOTA'S REFRESHING NATURAL BEAUTY

Mr. MONDALE. Mr. President, time spent in the outdoors is a refresher and a tonic to all of us. Minnesotans are in the enviable position of living in a State with a wealth of lakes and waterways, forests, and hiking trails. The opportunity to revive tired spirits is always close by in Minnesota's unspoiled bounty.

This summer, the 65th Annual Convention of Rotary International will be held in Minneapolis and St. Paul. The Rotarians have chosen well to take advantage of the excellent convention facilites offered by the Twin Cities and to enjoy Minnesota's outdoor splendor nearby.

The variety of outdoor activities available in Minnesota was recently described in the Rotarian. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GREAT WIDE WONDERLAND OF WATER

(By Mike Michaelson)

The 17-foot aluminum canoe was drawn up on the otherwise deserted beach, a slim necklace of pale sand rimming the wind-ruffled blue waters of the lake. As two children gathered driftwood for a fire, their father worked on a stringer of plump bass, filleting the fish with a keen-edged, thin-bladed knife. With quick, deft strokes he removed a pair of fillets from each fish and dumped them into a small bag of flour. Soon they were sizzling in butter in a heavy black skillet, filling the northern air with an irresistible aroma.

This traditional shore lunch was savored at a small lake in deeply wooded country north of Brainerd, Minnesota, less than 150 miles from Minneapolis/St. Paul. But the setting could have been any of the thousands of similar lakes in Minnesota or Wisconsin, northwoods neighbors that offer some of the finest and most varied freshwater fishing—and quiet-water canoeing—in the U.S.A.

The statistics themselves are awesome. Some 2.6 million acres of Minnesota (about five per cent) are covered with water, including 15,291 lake basins of 10 or more acres and more than 25,000 miles of flowing water. Wisconsin is also well endowed, with 8,600 lakes, 35,000 miles of fishing streams, and 174 species of fish. Both states have an infinite variety of well-charted canoe trails and hundreds of canoe-rental liveries—a paddler's paradise that ranges from the celebrated wild rushing waters of Wisconsin's Wolf River to the 14,000 square miles of quiet wilderness waters that comprise Minnesota's Boundary Waters Canoe Area.

Notwithstanding this vast fishing and canoeing Eden stretching out for hundreds of miles from the hub of Minneapolis/St. Paul, visitors to the Twin Cities need not travel great distances to enjoy these sports. Within the metropolitan area itself are many lakes where you can cast from shore or fish from bridges or rented boats. An eight-county region surrounding the Twin Cities is pepered with 936 lakes jumping with walleye, bass, pike, and panfish. Lake Minnetonka, nestled against the western edge of the metropolis, stretches for more than 12 miles, has dozens of small bays, and offers good paddling and fishing. And the St. Croix River, which begins as a bubbling spring amid the muskeg of the northwestern corner of Wisconsin, reaches down to within a dozen miles of Minneapolis/St. Paul.

The lower segment of the St. Croix, flanked by undulating farmland, is quiet and placid, a broad highway for big-boat fishermen, with deep holes that hide hulking sturgeon, lazy catfish, and panfish galore. The northern reaches of the river are swift and clear, the promised land for canoeists and the home of fighting bass and plump walleye.

North from the twin towns of Taylors Falls, Minnesota, and St. Croix Falls, Wisconsin, the St. Croix tumbles and foams through a wilderness where you can find quiet isolation as a bald eagle soars overhead and deer gambol in the adjoining forest. The surrounding upper valley is a rugged, lonely country of creeks and brooks and the rushing white water of the tributaries that spill into the St. Croix.

Canoe trips onto the upper river can be arranged at Taylors Falls, where outfitters will transport you and the rental canoes to a point within one to four days canoeing time back downstream. Those who venture up as far as Grantsburg, Wisconsin, will find some of the area's finest smallmouth bass fishing. The Northern States Power Company, largest single landowner along the upper St. Croix, maintains 28 primitive campsites or access areas along the river. Visitors wishing to take a one-or-two-day trip on the more tranquil waters of the lower St. Croix can have their cars shuttled downstream and leave canoes at their destination.

The St. Croix is but one of many exceptionally fine canoeing waters Minnesota has to offer. Others include:

The Big Fork—a 173-mile canoe trail in north-central Minnesota through moose country and vast fields of wild rice. Near the Highway 6 bridge, visit Bill Hafeman's canoe factory where he hand-builds birch-bark canoes of the Chippewa and Voyageur design.

Boundary Water Canoe Area—in northeastern Minnesota, abutting the Canadian border, offers one million acres of portage-linked lakes and streams. In many places paddle power in the fashion of latter-day voyageurs is the only practical means of travel. A popular jumping-off point for wilderness trips is Ely, where experienced outfitters can provide everything you'll need for a trip—canoe, tent, sleeping bags, food, utensils—even a reflector oven, great for performing culinary wonders with freshly caught trout or for baking a pie from blueberries picked along the trail. All you need bring, literally, is yourself.

Canon River—less than 40 miles south of the Twin Cities, is ideal for short outings. In the picturesque hamlet of Welch is a dam and a water-powered mill.

Crow Wing River—so clear that one could read a newspaper spread on the bottom, is good for swimming and, with an easy current, offers some of the best family canoeing in the state. It begins in the Crow Wing chain of lakes and flows south to join the Mississippi. Seldom is the water depth more than three feet.

Kettle River—a scenic waterway that joins up with the St. Croix, alternates between rushing rapids and long placid pools as it rolls through ever changing forest. The cascading waters of the upper Kettle are popular with white-water paddlers but can be dangerous for the novice. Hell's Gate Rapids has claimed several lives.

The Minnesota—a 300-mile voyage down this river that is rich with Indian and Voyageur history lets you trace the early settlement of Minnesota through a region of granite outcroppings and dense hardwood forest.

La Grande Dame herself, the Mississippi, should not be overlooked. She presents some diverse canoeing and fishing experiences and a big slice of pioneer history. Paddlers might also consider these rivers: the Cloquet, Des Moines, Little Fork, Crow, Red Lake, Root, Rum, and Snake. Information and detailed charts are available from the Minnesota Department of Conservation, Division of Parks and Recreation, 320 Centennial Building, St. Paul, Minnesota 55101.

In Wiscosin, the musical names of the fine water trails evoke images of the great French explorers and the Indians who once plied these twisting blue highways in birchbark canoes. The Flambeau and Brule, the Chippewa and Manitowish, the Peshtigo and the Namekegon—these are the waters waiting for you to explore, just as the missionaries and fur traders probed them three centuries ago.

For example, the stretch of the Chippewa from Cornell to where it joins the Mississippi about 50 miles south of the Twin Cities makes an agreeable cruise, with some rapids and dams, but with pleasant stretches of quiet water, too. It also offers some fine smallmouth bass fishing and plenty of campsites.

Tumbling out of northeast Wisconsin near Rhinelander is the Wolf, a favorite with white-water canoeists and kayakers, but it also contains some stretches that are more amiably disposed to beginners. There is an eight-mile section from Hollister to Langlade that, with the exception of a rock rapid near the latter community, offers a fine cruise to the average paddler. Another favorite in the northern part of the state is the Flambeau. A protected stream, it bears few scars of civilization along its heavily wooded shoreline. Deer, waterfowl, and other wildlife abound. Try casting for smallmouth bass and walleye to fill your camping skillet.

Many recreational canoeists who prefer more tranquil paddling start at the midsection of the long Wisconsin River, a trip from Nekoosa to Prairie du Sac that includes such scenic attractions as Petenwell Rock, Castle Rock, the dikes at Portage, Lake Wisconsin, and the famous Upper and Lower Wisconsin Dells. On the 35-mile trip from Nekoosa to Petenwell Dam the canoeist will encounter no falls, rapids, or portages.

Another fine family-type trip in central Wisconsin is the Waupaca chain of lakes. Twenty-three clear, spring-fed lakes with connecting channels provide wooded shorelines, sandy beaches, good fishing, and plenty of nearby resorts. The chain connects with Crystal River, a fast-running little stream popular with tourists who rent fiberglass canoes there for a taste of river-running excitement. (Write to the Department of Natural Resources, Madison, Wisconsin 53701, for the booklet *Wisconsin Water Trails*.)

Fishermen from either of these north-country states will tell you their land is Avalon for freshwater game fishing. In fact, groundbreaking is planned at Hayward, Wisconsin, this year for the National Fresh Water Fishing Hall of Fame to be housed in a building shaped, appropriately enough, like a muskie.

Something about the legendary muskellunge fires the imagination of fishermen. This giant of a fish is difficult to catch; many fishermen spend lifetimes trying. It is not especially good to eat, nor is it the prettiest of fish. Perhaps the same motivation drives man to scale the Himalayas or hunt Bengal tigers. Muskies are big and awesome and surrounded by mystique.

If you're determined to *try* to catch a muskie, this north country *could* be the place. In Minnesota, where the state record for muskies is 56.8 pounds, you might choose to do battle at Leech Lake off Highway 371 near Walker, a town that may have more tackle shops per capita than any community anywhere. You'll find them dotted along Main Street, their window freezers displaying the latest catch of lunkers. Some 150 muskies are pulled out of Leech Lake each year, averaging out at about 18 pounds each. But you may get lucky and arrive during a long awaited reenactment of the frenzied "Muskie Days" of the summer of 1955, when the species went on a rampage and the usual annual quota of these prize fighters was landed in a single week, 55 muskies being taken in two days.

Another well-known Minnesota muskie spot is Case Lake, where a group called Muskie. Inc. has been rearing this hard-to-raise fish. Other hot spots may be Lake Winnibigoshish and many of the headwater lakes of the Mississippi in the north-central part of the state—plus sections of the river itself, particularly between Brainerd and St. Cloud.

Over in Wisconsin, the heaviest concentration of muskellunge lakes is found in the headwater regions of the Chippewa, Flambeau, and Wisconsin rivers. In Vilas County, tucked away in the high country of the state's northern forests at an altitude of 1,860 feet above sea level, they make a claim to global fame with the "world's greatest concentration of muskie waters." Certainly, there is a lot of water in the county—90,293 acres of it contained in more than 1,300 lakes (tops in the state).

Walleye fishing is superb in both states. The Wisconsin Department of Natural Resources has published a list of 1,207 waters where lurk this marble-eyed fighter valued for its delicious meat. Minnesota, where the record walleye topped 16 pounds, has designated this large member of the perch family as the state fish. Both states also abound with northern pike, a powerful, spirited fighter that is prized as a game fish.

In the midst of all these heavyweight contenders, don't overlook the thrill of landing a scrappy panfish on lightweight tackle. A "transplanted Californian" has mounted on the wall of his Minneapolis home a pair of four-pound-plus black crappies which he claims gave him as big a thrill fishing as any Pacific salmon he has landed. He caught them on a black jib in the relatively obscure Toad Lake in the Detroit Lakes region (which claims to be "Sunfish Capital of the World"). Although he proudly claims that this lake yields the finest fishing in the entire northland, the fact is that, with thousands of lakes in this prime fishing region, *everyone* has his own special fishing spot.

Maybe this year you'll have one, too. (Further information on fishing places and regulations is available from the two addresses previously mentioned.)

STATE OF THE WORLD ECONOMY: PAKISTAN'S VIEW

Mr. PERCY. Mr. President, because of the important role played by Pakistan in a very important region of the world, I wish to submit for the Record a comprehensive statement on the world economy by Dr. Mubashir Hasan, Pakistan's Minister of Finance, Planning, and Development.

This statement was given by Dr. Hasan, whom I have the pleasure of knowing personally, at the Special Session of the United Nations General Assembly on April 22, 1974.

I ask unanimous consent that the text of Dr. Hasan's statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Text of the Statement of His Excellency Dr. Mubashir

The General Assembly of the United Nations, representing, as it does, 135 states, is meeting for the first time in order to consider specifically the state of the world economy and the economic relations among states and groups of states. It is indicative of the gravity of the situation that it has brought to this session such distinguished personalities including Heads of States and Governments.

The problem before this special session is an all-embracing one—political, social, economic, biological and ecological. It affects every facet of national and international life. Its implications are awesome and mind-boggling; but for us in the Third World, or call us the fourth, the fifth, or indeed the last, the essentials of the problem are simple.

For the industrialized world, the primary problem is that of making suitable adjustments in the economic order that has brought to them the highest standards of affluence ever attained by man in the history of civilization.

For us in the non-industrialized world, the spectre of death looms large. Poverty, hunger and disease have reached unprecedented levels. Out of every three children born in the developing countries, one succumbs before the age of five. For those who survive, it is a life of deprivation, desperation and degradation. Theirs is a subhuman existence. It is an intense but, mercifully, a short struggle, as their life expectancy is no more than thirty years.

The degree of tragedy varies with time and circumstances. One of the worst in contemporary history is unfolding on the continent of Africa. The suffering caused by the drought to Mauritania, Mali, Niger, Chad, Upper Volta and Ethiopia, is such as cannot even be imagined by those countries where such visitations have not taken place.

How has this tragic situation come about? Hardly a generation ago our Charter laid down in Article Fifty-five that the United Nations should promote a "higher standard of living, full employment, and conditions of economic and social progress and development". The problems we face today have come about because we did not take measures that the Charter required of us. Despite our political independence and sovereign status, an unceasing transfer of resources has been taking place from the poor to the rich nations. This transfer occurs in many forms. However, the single most active mode is that of "unequal exchange". The prices of commodities exported by the developing countries are low because we are forced to pay low wages to our workers. Not only are our wages low, but our profits are low too. If our profits were higher, the income, or value added we receive per unit of our exports would be on a par with that of the developed countries with their high wages. But this is not the case. Thus the exchange is unequal. Furthermore, where our goods compete with those of the developed countries, tariff and non-tariff barriers force our prices down. This is the case with textiles, leather-goods and a large number of foodstuffs.

Where our goods do not compete, it is the mutual competition of producers within the same country and between different poor countries that keeps them low. Such goods include tea, coffee, cocoa, copper, and other minerals and, until recently, oil and phosphates.

One must ask oneself how much such products would cost if they were to be produced by the highly paid workers of the industrialized nations. It is a question of simple arithmetic. The labour of the developed countries is paid at least ten, and of certain types, twenty times of what the labour of a developing country receives. If one were to assume that at present only one-third of the cost of production is the wage cost, then a wage ten times higher would raise these prices four-fold. I regard this a low estimate, because, in fact, our average wage rates are much less than a tenth of the rates in the developed countries and the proportion of labour costs in our products is much higher than a third. Thus the magnitude of the difference between what we *do* receive and what we *should* receive is hundreds of billions of dollars. Our estimates range between 250 and 630 billions annually, depending upon the method and range of calculations. The figures may at first sight seem incredible but, unfortunately, these are hard and cold facts which explain the basic reason for the miseries of two billion people, nearly two-thirds of mankind who toil from dawn to dusk, from childhood to old age.

Our delegation has studied the transfer of resources and income from the un-industrialized to the industrialized world. The principal elements of the mechanics of this transfer are the following:

(i) Unfair tariffs imposed by developed countries result in government revenues which are, in effect, paid by the exporting developing countries.

(ii) The tariff structure becomes more unfavourable to the developing countries as the degree of processing increases. For example, it tends to encourage the export of cotton rather than yarn, and yarn rather than cloth. In other words, there is discrimination against our exports in direct proportion to the value-added in the developing countries. On the other hand, the added value in the exports from the developed countries is overpaid. In addition, quota restrictions are imposed by the developed countries against imports of manufactures and agricultural products from the developing countries.

(iii) The developing countries are required to pay exorbitant interest on capital and excessive profits on investment to the developed countries.

(iv) The increase in creation of international reserves of currency always favours the developed countries.

(v) The prices of raw materials from the developing countries are unfavourably depressed not only through the competition of producers but also through the existence of monopolies, cartels and unfair trade practices indulged in by the buyers in the developed countries.

(vi) Even the trade surplus of oil in the developing countries has been going to the services of the developed countries.

(vii) The developed countries have a virtual monopoly of the means of ocean and air transport.

(viii) The international financial practices such as clearance of money transactions, insurance and co-insurance schemes, and fixation of freight rates, all work in favour of the developed countries.

(ix) The managements of firms from the developed countries operating in the developing countries prefer to make purchases of their requirements from the developed countries at very high prices. These are not "arms-length" transactions in all cases.

(x) The developed countries charge too high a price for technology from the developing countries.

(xi) Emigration of educated, skilled, and professional manpower from the developing countries to the developed countries.

In sum, the economic power of the developed countries which determines the pattern of investment, production, commerce and consumption in the developing countries is always used to the advantage of the first group of countries and to the detriment of the second. At the same time, the pattern of consumption has become so lopsided that the privileged countries obtain a disproportional share of production, leaving very little for consumption in the poor countries. Similarly, the affluence of the developed countries, being on the intensive use of raw materials, is in effect depleting the natural resources of the developing countries at an alarming rate. These serious excesses are further compounded by a thoughtless and short-sighted pursuit of unrestricted production and consumption which cause ecological imbalances and pollute the land, water and atmosphere of our planet.

The availability and prices of raw materials are posing an extremely difficult problem to most countries. Shorn of rhetoric, the problem of raw materials boils down to this: Until recently the developing countries, producing raw materials, literally got a raw real.

The terms of trade were against us. Having no holding capacity, we had to sell at cheap prices and any increase in production was penalized by lower unit prices. The international middleman, the speculator and the hoarder of the commodity markets reaped most of the benefits while the individual producer and the producing country suffered. The recent rise in commodity prices has not helped many developing countries, but in fact has made us suffer to an unbearable degree. To support my point, I have only to refer to the high prices of fertilizer, foodgrains and certain other essential items like edible oil. Whichever way the developing countries turn, we are faced with ever-increasing difficulties. Shortage of fertilizers will lead to loss in food production which means more food imports and a worse balance of payments. This snowballing effect will continue until we are economically and, in some cases, physically wiped out. This is the grim spectacle facing us at present.

The waste of the natural resources of our world, both renewable and non-renewable, is a folly mankind can ill-afford. The gifts of the earth, without which no economy can function, are being exhausted at an incredibly increasing speed. The sooner it can be controlled the better.

My religion, Islam, is quite explicit on the subject that God has created sustenance for all his creatures and that the resources of the earth are for all mankind.

I quote from the Holy Quran:

". . . He (God) is the one who made *for you* all that there is in the earth. . . ." (Ch: 2:29).

And again:—

"Do you not see how Allah has made of service to you whatsoever is in the skies and in the earth and has loaded you with favours, both within and without. . . ." (Ch. 31:20).

It is our deep belief that the riches of land, sea, and the spaces beyond are meant for the good of all mankind for all time not merely for one generation, much less the exclusive use of their temporary owners. Indeed, Islam also proclaims that the individuals, and nations for that matter, who seemingly own wealth (or anything) are only its custodians. They are allowed to use only as much of it as they rightfully need. They must not waste this wealth nor usurp the share of others; otherwise severe chastisement awaits them.

We are urged by many distinguished friends to allow the forces of supply and demand to operate freely.

We are asked to put our faith in the great enterprises which utilize the resources and operate the existing system of international trade. But they do not operate for the objectives that have been stated again and again by a vast majority of the speakers in this special session. They operate merely for profit and they use up the natural resources for the economic priorities of a minority rather than a majority. They do it in a manner that is not in accord with the economic needs of developing nations.

To say that the international monetary system is in disarray would be an understatement. It allows the privileged countries to incur large deficits because their currencies are used as the basis for international exchange. The monetary crisis is the result of a situation in which the increase in production in the developed countries still does not keep pace with the increase in demand. The inflation which is raging across the world today, and which has created a situation that can no longer be sustained, is the manifestation of the effort to consume more than is produced.

The antagonism between the rich and the poor is natural. You have to be poor to realize it. The poor are increasingly beginning to believe that the rich have not become rich by Divine design but by expropriating the fruits of their labour; that some nations are affluent and others are impoverished as a result of the cumulative effect of the eras of imperialism, colonialism and neo-colonialism, and not due to any inherent defect in themselves.

In fact, most people in developing countries work hard, for excruciatingly long hours, to eke out a miserable living. Surely, such labour deserves better reward than they receive.

The problem under consideration at this session has a historical perspective. The history of centuries of unjust and unequal existence is the history of a long struggle. Over the last few decades the developing countries have struggled successfully for their political independence. They are now struggling for their economic emancipation. Is it not natural that the struggle should continue until peace on earth and goodwill among mankind are established,

What I have just stated is not a distorted interpretation of history. It is history's object lesson. For us in the Islamic Republic of Pakistan, it is also the word of Allah who says in the Holy Quran and I quote:—

"Mischief has appeared on land and sea because of what the hands of men have wrought (so) that (God) may give them a taste of some of their deeds, in the hope that they may turn back (from evil) . . ." (Ch: 30: 41).

Again:

". . . . and if Allah had not repelled some men by (means of) others, the earth would have been corrupted . . . " (Ch: 2:251).

There is another matter intimately connected with the agenda before the Assembly. Most developing countries owe huge debts to the developed countries. These were accumulated over the last fifteen to twenty years. These were given and received with the objective of economic development of the poorer nations. The loans were made with the best of intentions but, as it is apparent, the intended objectives did not materialize. The borrowing was not a unilateral act of the recipient countries but was a joint decision of the donor and the recipient. In actuality the final say was that of the donor and not that of the recipient.

Before the increase in the cost of oil, the economies of the developing countries had reached a breaking point as in many cases as much as one quarter of their export earnings were being used for servicing their debts. And, in most cases, these exports consist of those very vital commodities and goods so urgently required for improving the economic welfare of their own people.

We, therefore, suggest that when proposals are formulated for alleviation of the problems with which the developing countries are faced, the question of the burden of debt has to be kept in full view. The solution in the form of the most liberal rescheduling, if donor countries cannot persuade themselves to reach a still more generous solution, is an absolute imperative.

The debate has been remarkable for its range and depth. I should like here to express my country's warmest appreciation to His Excellency Mr. Houari Boumedienne, President of Algeria, for his vision in calling for the convening of this special session. The debate has been remarkable also for the number of concrete proposals and useful suggestions it has brought forth, for the relief of those immediately affected, and for changing the international economic order.

We fully endorse the theme of self-reliance expounded by the Chairman of the delegation of the People's Republic of China envisaging reliance on the strength of our own people, and making full use of our own resources for economic development.

We are re-assured by the determination of the USA, announced by Secretary of State, Dr. Kissinger, to build food reserves, to restore the world's capacity to deal with famine, and to increase the quantity of food aid over the level provided last year.

We support the bold initiative of His Imperial Majesty, the Shahinshah of Iran, for the establishment of a Special Development Fund.

We welcome the reported decision of OPEC to create a fund for soft-term loans to developing countries.

We welcome the announcement of the Minister of Petroleum and Mineral Resources of Saudi Arabia that they will participate in a number of institutions and funds to mitigate the hardship of the developing countries.

We are wholly with the Arab countries in establishing institutions such as the Kuwait Development Fund, the Arab Bank and a Fund for Africa.

We envy the centrally planned economies which, as the Foreign Minister of USSR stated, ensure proportionate and harmonious use of all resources and which have not been affected by the present crisis.

We also fully appreciate the many constructive proposals made by other delegations which deserve detailed and expeditious study for the improvement and the well-being of people all over the world.

As many distinguished delegates have already spoken on the subject, it is not necessary for me to relate once again the gravity of the economic plight of the nations hit by the rise in the prices of oil, fertilizer, wheat and other essential commodities. So hard has been the blow that more than a billion people are in no condition to suffer the agony of the delay that detailed investigations, time-consuming diagnosis and a protracted debate on treatment must entail. They need first-aid without further loss of time.

And, we will support any scheme, any proposal, any institution that will lead to an enduring solution of the problem. A cooperative effort of producers, a fund for stabilization of prices, and a stockpiling operation; all are welcome toward the objective of having stable prices, assured supplies and satisfaction of reasonable demands. Let experts sit down and formulate a workable scheme which will achieve this objective for all nations of the world, rich and poor, developed and developing, producer or consumer. This will indeed be a noble effort.

I have already referred to the restrictions, particularly tariffs, placed on our exports by the developed countries and remarked that their effect is to lower the prices we receive. Because our economies are so dependent on foreign exchange earnings, we have no choice but to cut our prices below those of the competing producers in the developed countries. In effect, it is we who pay these tariffs and the governments of the developed countries that collect revenue out of them. It is understandable that no country would like to see whole industries and agricultural and mining activities swept away by low-cost competitors.

However, these tariffs and non-tariff barriers designed for protection of producers at home were never intended to become means of raising revenue at the expense of the developing countries. It is only just and reasonable, therefore, that these tariff revenues should be refunded to the governments of the exporting countries by the governments of the developed countries. Such a scheme would go very far indeed towards improving the trading relationships between all countries.

The basic pre-requisite to fulfill the purpose of this special session cannot be met unless the world production is increased. Unless there is more production, there can be no increase in anyone's prosperity. All nations have to join in increasing production. The developed nations naturally have to carry the major burden in this endeavour as their productive capacity is larger. But their production cannot increase without increase in the production of the Third World. And the Third World will have to be generously helped in order to help itself and the rest of the humanity.

Unfortunately, my delegation does not see in the immediate future the prospect of a technological breakthrough in the industrialized countries which can lead to a substantial increase in their production.

The second alternative for transfer of goods and services to the Third World is to reduce consumption in the affluent countries. Will the developed nations do this? This is a big question mark for the whole world.

The third alternative is further impoverishment of the underdeveloped nations. However, this would lead to major upheavals.

All these issues, although economic in appearance, are political in substance. It is, therefore, imperative that solutions be found on the basis of the principles laid down in the charter of the United Nations.

The complexity and immensity of the problem, the possibilities of recession and depression, the spectre of pestilence and famine need not give rise to pessimism and gloom. The very convening of this session, the addresses of the high dignatories and the level of the debate demonstrate the desire of mankind for a just solution. Above all, the desire for unity and the awakening of the Third World auger well for the future. We are happy that the recent Islamic Summit held in Pakistan helped, among other things, in stimulating this process of awakening. This is evident from the large number of messages received from all over the world by our Prime Minister, Mr. Mulfikar Ali Bhutto. The Lahore Declaration contains portions relating to economic cooperation that are of vital significance not only to the Islamic countries, but also to the whole world.

What is required is a vision on the part of the rich, both in the oil-consuming and the oil-producing countries. In this vision lies the only chance of a peaceful solution of the current crisis. Should we fail to find a solution based on justice and equity, let us always remember that Nature has its own grand design for fulfilment of the destiny of mankind.

I thank you.

DESIGNING AMERICA'S FUTURE

Mr. HUMPHREY. Mr. President, on Sunday, May 5, I had the pleasure of participating in the annual meeting of the Small Business Service Bureau in Worcester, Mass.

I was particularly pleased to join in their tribute to Massachusetts State Senator Daniel Foley as the Bureau's outstanding public servant for 1974. I have known Dan Foley for years as an outstanding legislator, a fine American, and a good friend. But most importantly, Dan Foley is a man of the people and a tireless champion of their interests.

Among the more than 1,000 guests attending the annual meeting were Gov. Francis Sargent, former Gov. Endicott Peabody, Attorney General Robert Quinn, Congressmen HAROLD DONOHUE and JOSEPH MOAKLEY, Worcester Mayor Izrael Katz, and the entire Democratic leadership in the Massachusetts State Legislature.

As a result of the very careful planning and hard work of the bureau's energetic president and gracious host, Mr. Francis Carroll, the entire evening was one that all of us will long remember.

Mr. President, I ask unanimous consent that my remarks to the annual meeting of the Small Business Service Bureau be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

DESIGNING AMERICA'S FUTURE

(Address by Senator HUBERT H. HUMPHREY)

It is a pleasure to be here tonight to participate in the Annual Meeting and Testimonial of the Small Business Service Bureau. As a small businessman of sorts myself—my family still owns a small drugstore in South Dakota and I grew up behind the counter of my fathers store—I feel right at home.

I am particularly pleased to be able to join in your tribute to Senator Daniel Foley as your Outstanding Public Servant for 1974. I have known Dan Foley for years as an outstanding legislator, a fine Democrat, and a good friend His initiatives in the field of progressive health legislation and no-fault auto insurance, have not only succeeded in protecting the consumers of this state, but have shown the way to many other states around the nation. But, even more than these specific accomplishments, Dan Foley has remained close to the people he represents and an effective champion of their interests. I compliment your organization for your excellent selection of a truly outstanding public servant.

And, speaking of outstanding public servants, it is a privilege to be here in the home district of my distinguished colleague of 25 years in Congress, HAROLD DONOHUE. HAROLD has been one of the most consistent and vigorous supporters of progressive legislation in the House of Representatives for two decades. Colleagues recognize that he is an experienced source of sound thinking and quiet strength when the legislative atmosphere gets a little tense, as it so often does in this turbulent time of our history.

We have worked together on many major pieces of legislation during our years together in Congress. But today he is deeply involved in the most important and historic deliberation of the Congress in over a century. As the ranking Democratic member of the House Judiciary Committee, Harold Donohue is in a critical leadership position in Congressional consideration of the impeachment of the President of the United States. While I do not envy him in this difficult job. I am thankful that men with his experience and character are carrying out this difficult responsibility.

* * * * *

Rapid change and increased complexity are hallmarks of modern societies and America is no exception.

Overnight the energy situation seemed to burst into our consciousness as a national crisis. One day the radio jingle was "Electricity is cheap, cheap, cheap," the following day it was "turn your thermostat down."

For years the price of crude oil in our country increased at a rate of about 1.5% each year, but in the past twelve months its price has skyrocketed an incredible 80%. In other words, the price of domestic crude oil has risen twice as much in the past year as in the prior 23 years combined.

Government policy has traditionally been aimed at holding down the supply of oil domestically as a way of keeping American crude prices above world market levels. This year that policy has been reversed. Today our policy is based on an urgent need to expand production and bring supplies to market at the earliest possible time, in order to drive down today's high world market oil prices.

The world food situation reversed itself just as dramatically. For decades, our concern was over how to keep our farms from producing so much that farmers drove each other out of business, and how to dispose of surpluses. Today, world demand is running far ahead of the ability of the world's farmers to produce.

The growth in world population and world affluence has turned the food situation around. Our nation's food stocks are at their lowest level since World War I. And world food reserves today have shrunk to a point where they are adequate to meet demand for a mere 21 days. That is a slim margin and is courting a world food disaster. Coupled with this scarcity are rising world food prices that spell trouble to many American consumers. But starvation for many millions around the globe who rely on the products of our farms for their sustenance.

Conditioned to a world of food surpluses, neither the United States nor any other major food exportng nation has taken the steps that will be needed to provide a minimum level of food security and price stability to the world's producers and consumers.

For centuries countries have argued, bargained and entered trade negotiations to gain access to the markets of other nations.

This was the reason for the Kennedy Round of trade negotiations in the early 1960's and the purpose of virtually every trade overture the United States has ever initiated—including those toward the Soviet Union and China.

But today, the focus of international trade discussions has been radically changed. The main concern of every industrialized nation in the world today is access to the resources of other nations.

Yes, historically it has been access to markets—now, it is access to supply!

Access to fuel, to food, to lumber, to minerals, is what international trade is suddenly all about.

These are just a sampling of the many indicators that our nation now faces a much more basic question: How will America adapt to this new recognition of the limits on nature's resources without diminishing the standard of living of its people?

One necessity will be to begin to do a much better job of planning-yes, of establishing goals and setting priorities for our Nation.

We have been most successful when such goals have been precisely set and doggedly pursued.

The Space Program is a good example. It was a success because we set a goal, developed a plan for achieving it, and assigned a specific time period for its accomplishment.

The Marshall Plan met with success in rebuilding Europe after World War II for similar reasons. We defined our objectives, and put the entire effort under a comprehensive plan and management system.

Today's needs can also be met if we clearly and carefully select our goals, establish a time period for their accomplishment, pledge the resources required and then create a management system to pursue each of them.

Some of our most important needs—needs that should be national priorities—are pretty obvious to all of us.

First, our Nation's transportation system needs urgent attention; it is neither balanced, efficient, nor modern.

Second, the conflict between environmental protection and industrial growth must be resolved.

Third, the development of alternative energy sources is essential if we are to sustain our standard of living.

Fourth, our cities are decaying—they need to be made modern and liveable again.

Fifth, we need a National Food Policy to assure plenty.

Sixth, rural and small town America provide a choice. A diversity, in lifestyle to our citizens that is healthy for our country and has to be preserved and developed. And we have important unmet needs in housing, health, and education.

These are just a few of the goals to which America must address itself.

But, we will not set the Nation's priorities, commit its resources, mobilize the support of the people, and reach these goals without a much better job of planning—looking ahead. Yes, better planning!

For years we in politics, and many in private life, have avoided this word like the plague.

Planning—it conjured up the demons of Socialism and Communism in the minds of many people. Today, I believe we are a bit more mature. Most people accept planning as a non-ideological necessity in managing activity in the modern world—private and public activity.

When I speak of planning I do not mean having someone in Washington make the many detailed decisions regarding public or private activity. Nor do I envision a one-year, two-year, or five-year national economic plan within which every business in every sector of the economy must be fit and to which they all must conform. This is not my idea of what we need in America at all.

Planning in our nation can only be effective if all levels of government and the private sector are intimately involved in it. The philosophy of our people and the traditional practices in our economy doom any other approach to certain failure.

We have had experience with planning of this sort in our country in the past, and it has worked quite well.

For example, without careful planning the great interstate highway system which is rapidly nearing completion, would have been impossible. And the system of state and national parks in this country could, likewise, only have been developed with clear goals and thorough planning.

The need today is to extend the concept of planning as a way of dealing with the problem of continued prosperity in the face of ever more limited resources.

This is a tremendous challenge to America.

But, we have faced great challenges in the past and emerged a stronger nation—challenges that would have broken the spirit and defeated a lesser nation and a weaker people.

To move this concept of planning along and to focus public discussion on this crucial issue, I have recently introduced in the Senate the Balanced National Growth and Development Act of 1974. It is the single most important legislative proposal of my 25 years in Congress, and I have worked for over two years on its development.

When one looks ahead to the beginning of the next century—a mere 25 years away—the need for such a planning capability is obvious.

In 25 years, our nation's population is expected to exceed 270 million people; today it is 212 million.

In 25 years, 83% of our people will be living on one-sixth of this nation's land in ten massive urban areas.

In 25 years, the per capita income of Americans will be from two to three times what it is today.

In 25 years, we will be consuming three times as much energy as we did in 1970, if past trends continue.

In 25 years, automobile travel in the United States will easily double, even if it grows at a slower rate than it has in the past.

In 25 years, consumption of increasingly scarce raw materials will have risen dramatically over current levels—for example, aluminum consumption in the United States can be expected to jump almost five-fold from the 1970 level by the year 2000.

It is incredible that the United States, the first nation to enter the modern world of the 20th Century, may well be the last nation to develop the institutions and processes needed to deal with the complexity and rapid change that come with a modern technological society.

If we are to "design" our future and not simply "resign" ourselves to it, if we are to anticipate change and direct it to the fullest possible benefit of our people; then we must create the means and organization needed to plan and provide for America's balanced national growth and development.

The need for this kind of legislation is particularly urgent today, when trust and confidence in the political process is at an all time low. And the mistrust and cynicism are not directed solely at the White House—the shadow of doubt extends from the city hall to the state house, from the Governor's Mansion to the United States Congress. Nor is it directed solely at individuals. Rather, the basic integrity and soundness of our political institutions is being questioned.

Our political process must be cleansed. Government must become worthy of the trust and confidence of the people. But campaign and election reform, so often touted as the response to Watergate, are only the beginning.

Unless our government buckles down and begins to meet the needs of our people, all the campaign reform and election reform in the world will not restore the people's faith in their government.

The proposal I have discussed with you tonight would, I believe, result in a great improvement in the ability of government to anticipate and respond effectively to our nations' problems.

I do not claim that it is a perfect proposal or that modifications would not improve it. And, as with anything that is new, we probably will make mistakes as we learn to use it. But I do believe that the problems of the 20th century require that government have the new tools. I am proposing, if it is to successfully deal with them. Certainly we must try. For as Franklin Roosevelt once said:

"Governments can err, Presidents do make mistakes. But the immortal Dante tells us that the Divine Justice weighs the sins of the cold-blooded and the sins of the warm-hearted on a different scale. Better the occasional faults of a government living in the spirit of charity than the consistent omissions of a government frozen in the ice of its own indifference."

SCHOOL IMPACT AID REFORM

Mr. HRUSKA. Mr. President, S. 1539, the Education Amendments of 1974, proposes a comprehensive reform of school impact aid under Public Law 81–874. I have expressed earlier my appreciation to the Education Subcommittee chairman (Mr. PELL) and the ranking minority member (Mr. DOMINICK) for their efforts to assure recognition of impact aid funding priorities. This is a matter of serious concern to school districts near major military installations. May I again express my appreciation and extend it to all members of the committee for addressing the many issues involved. My constituents in the school districts adjacent to Offutt Air Force Base, the headquarters of the Strategic Air Command, have had good opportunities to make their views known.

For several years the Senate Appropriations Committee has asserted funding priorities for category A—"on base" entitlements through appropriation language. This is not a satisfactory procedure. It is vulnerable to point-of-order challenge. School districts with severe category A impaction have faced continuing uncertainty about the amount of their annual entitlements. We would do well to write reasonable priorities into law as the committee has recommended.

There are some impact aid features in S. 1539 which I oppose. The inclusion of low rent public housing in the Public Law 874 definition of Federal property has been unacceptable to me since it was first adopted several years ago. This inclusion grossly distorts the original intent of Public Law 874. S. 1539 would remove the Public Law 874 safeguard which precludes funding of the category C or public housing eligibles until other funding requirements of the act are met. S. 1539 would do this by eliminating category C and folding the public housing eligibles into the established A and B categories.

Both the President and the Secretary of Health, Education and Welfare have raised strenuous objections to this proposal. In a March 5, 1974 letter to the distinguished committee chairman the President referred to the proposed change in category C entitlement. He said:

> The modest steps taken by the Committee to accomplish this reform are overwhelmed by the forced funding of a new Category.

The Secretary stated on the same date in a letter to the distinguished chairman that:

> The inclusion of Category C—public housing—within the A and B Categories is a step backwards, making Title II of S. 1539 unacceptable.

I trust, Mr. President, that all of my colleagues understand that no firm estimates exist for the cost of funding public housing children under Public Law 874. Some consider $300 million a good guess.

The Select Committee on Equal Educational Opportunity, chaired by the distinguished senior Senator from Minnesota, addressed this issue in its report filed on December 31, 1972. The report recommended substantially the same public housing impact aid support reflected in the pending bill. In minority views, joined by the distinguished senior Senators from Colorado and Kentucky, I then stated strong objections to recommendations for full funding of the Public Law 874 provisions which authorize impact aid payments to school districts in relation to the number of children living in federally assisted public housing. The cost was then estimated at about $300 million for fiscal year 1973.

The position I stated in December 1972 on impact aid and public housing is the one I still hold and recommend to the Senate:

> The addition to total municipal overburden in large cities, as a result of heavy concentrations of poor and low-income families, deserves consideration on a more comprehensive basis than education. The Report [of the Select Committee on Equal Educational Opportunity] recognizes this in its adoption of the recommendation of the President's Task Force on Urban Renewal—to provide support related to a variety of municipal services. Any urging of immediate full funding of school impact aid, related to public housing, would be a digression from the goal of more comprehensive urban support. It would also confuse current efforts to clarify P.L. 874 objectives with respect to school-district impact of military and civil service dependents.

The danger in removing the current Public Law 874 safeguard on category C funding is clear upon examination of the impact aid proration provisions in S. 1539. Unless categories A and B, which under S. 1539 would now include public housing children, are fully funded, each category would first receive 25 percent of entitlement. Then a second set of varied proration factors would apply. The net result of the proration under optimistic appropriation conditions would be a drop in entitlement from 100 percent to 85 percent for school districts with greater than 25 percent A—"on base" impaction.

Senators from States with heavy category A impaction will recognize clearly the dangers to local school budgets of the 15-percent entitlement reduction threatened by S. 1539. It is a serious threat. I cannot conceive that the appropriations Committee would support and the President accept a fully funded impact aid appropriation on the terms of the pending bill. The full-funding amount could exceed $1 billion per year. Any amount less than full funding, and the proration factors apply.

Mr. President, while I have commended the chairman and members of the committee for their attention to impact aid priorities, I regret very much that what the right hand has given the left tends to take away through the devices of public housing eligibility, full funding and proration.

I have agreed to cosponsor the amendment introduced by the distinguished senior Senator from my neighbor State of South Dakota. It would shield the school districts with 25 percent or greater category A impaction from the S. 1539 proration provisions and thus maintain a critical funding priority established in recent years through the appropriation process. The Senator from South Dakota has rendered good service to all States with large military bases near relatively small school districts.

It has come to my attention that there has been some consideration of a substitute for or an amendment to the proposal of the Senator from South Dakota. As I understand it, the purpose would be to raise the proration immunity threshold to some level higher than 25-percent category A impaction. For example, under the Senator from South Dakota's amendment, all districts with 25 percent or greater impaction would be immune from proration in less than full-funding situations. The ranks of the immune school districts would be thinned considerably, however, if a higher category A immunity threshold were stipulated, say 50- or 60-percent impaction.

The effects of raising the percentage above 25 percent can be seen in the tables below. I ask unanimous consent that they be printed in the RECORD at the end of my remarks.

In fiscal year 1973, the most recent year for complete impact aid data, 34 States had a total of 229 school districts with greater than 25-percent category A impaction. Some of these are American Indian districts. These are noted in the table which lists individual school districts.

Senators from each of the 34 States concerned can gage the effects of altering the McGovern amendment by raising the proration immunity threshold above 25 percent. It is simply a question of how many severely impacted school districts in each State would be vulnerable to proration and suffer as much as a 15-percent category A entitlement reduction. For example, by raising the proration immunity threshold from 25-percent to 60-percent category A impaction, 134 of the 229 severely impacted school districts—nearly 59 percent of the total—would remain vulnerable to proration. A 50-percent category A impaction threshold would leave 112 school districts—nearly 49 percent of the 229 district total—still vulnerable.

Mr. President, the case for a 25-percent threshold rests mainly on usage. For several years, 25 percent has been accepted as the point where severe category A impaction begins and 100 percent of entitlement should be guaranteed. It is not an immutable level, but it shows signs of being durable. I strongly oppose efforts to tamper with it.

Experience with past education bills and the stated position of the administration suggest that we may be some distance from the signing of a bill into law. Regardless of the fate of S. 1539 and H.R. 69, the House-passed education bill, we are building an important record on impact aid reform. I welcome this opportunity to help build the reform record. I would regret very much, however, seeing in that record any efforts to tamper with the Senate's established acceptance of 25 percent as the beginning of severe category A impaction.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

NUMBER OF SCHOOL DISTRICTS AT VARYING LEVELS OF CATAGORY 3A IMPACTION, FISCAL YEAR 1973

[Percent of impaction]

State	25–29	30–39	40–49	50–59	60–69	70–79	80–89	90–100	Total number
Alaska	2	2	1			1			6
Arizona	4	2	2	6	1	3	3	17	38
Arkansas					1				1
California	3	5	1	2	2	4	1	3	21
Colorado		1	1	1					3
Connecticut		1							1
Idaho			1						1
Illinois	1	2		3					6
Indiana		1							1
Kansas			2					1	3
Maine			1			1			2
Massachusetts		1		2					2
Michigan			1		1	1			3
Minnesota								3	3
Missouri	1			1	1				3
Montana	1	6	6	2	4	7	2	3	31
Nebraska		1				2		1	4
Nevada			1						1
New Hampshire	1								1
New Jersey	1	1	2			1			5
New Mexico	2	1	3	2			2		10
New York	1		1						2
North Dakota	3	3	2	1	2	2		2	15
Ohio	2								2
Oklahoma	5	2	5	2	3	1			18
Oregon		4						1	5
Rhode Island	1	1							2
South Dakota	1	2			2	1		2	8
Texas	4							4	8
Utah		1	1						2
Virginia	1								1
Washington	2	6	1	1	2	1	3		16
Wisconsin			1						1
Wyoming						2	1		3
Total	36	43	33	22	19	27	12	37	229

DATA ON DISTRICTS WITH 25 PERCENT OR MORE CATEGORY 3A IMPACTION—FISCAL YEAR 1973

State and school district	Total average daily attendance	Category 3A children	Category 3A children as percentage of total	Total entitlement
Alaska:				
Alaska Dept. of Ed	21,119	16,617	78.68	$24,727,591
Hoonah Public Schools[1]	270	97	35.93	70,435
King Cove City School Dist	81	22	27.16	15,975
Bristol Bay Boro School Dist.[1]	264	69	26.14	50,103
Dillingham City School Dist.[1]	316	101	31.96	73,340
Nome-Beltz Reg. High School	315	135	42.86	98,028
State total	22,365	17,041	----------	25,035,474
Arizona:				
Maricopa Co. Accomodation S. D	515	515	100.00	221,527
Indian Oasis S. D. No. 4[1]	934	934	100.00	401,760
Fort Huachuca Accomodation Schools[1]	1,847	1,847	100.00	794,487
Mt. Lemmon Accommodation S. D	103	46	44.66	19,786
Yuma Co. S. D. No. 27[1]	1,143	622	54.42	267,553
Litchfield S. D. No. 79	1,124	309	27.49	132,916
Northern Yuma H. S. D.[1]	556	184	33.09	79,147
Grand Canyon S. D. No. 4 and 3	178	127	71.35	54,629
Tuba City E. S. D. No. 15[1]	1,134	1,107	97.62	476,176
Grand Canyon H. S. D.[1]	76	65	85.53	27,959
Tuba City H. S. D.[1]	371	361	97.30	155,284
Union E. S. D. No. 62[1]	116	58	50.00	24,948
Peach Springs S. D. No. 8[1]	115	105	91.30	45,165
Valentine S. D. No. 22	35	18	51.43	7,742
Moccasin S. D. No. 1	20	10	50.00	4,301
Dysart S. D. No. 89[1]	2,734	702	25.68	301,965
Chevelon Butte S. D. No. 5	20	20	100.00	8,603
Page High Sch. Dist. No. 8	563	281	49.91	120,872
Page Elem. Sch. Dist. No. 8	1,446	835	57.75	359,175
Window Rock S. D. No. 8[1]	2,156	2,084	96.66	896,432
E. S. D. No. 2[1]	988	987	99.90	424,5[illegible]8
Keams Canyon E. S. D. No. 25[1]	361	361	100.00	155,284
McNary Elem. S. D. No. 23	101	87	86.14	37,423
Alchesay H. S. D. No. 2[1]	242	240	99.17	103,236
Ganado S. D. No. 19[1]	1,294	1,209	93.43	520,051
Kayenta E. S. D. No. 27[1]	814	814	100.00	350,142
Chinle C. S. D. No. 24[1]	2,803	2,803	100.00	1,205,710
Puerco E. S. D. No. 18[1]	582	300	51.55	129,045
Young Sch. Dist. No. 5[1]	289	223	77.16	95,923
Rice S. D. No. 2[1]	1,015	903	88.97	388,425
Sacaton E. S. D. No. 18[1]	802	762	95.01	327,774
Apache Co. H. S. D. No. 9[1]	767	200	26.08	86,030
Fort Thomas Elem. S. D. No. 7[1]	347	254	73.20	109,258
Fort Thomas H. S. D. No. 7[1]	117	79	67.52	33,981
Alpine S. D. No. 7	39	11	28.21	4,731
Monument Valley H. S. D. No. 5[1]	365	365	100.00	157,004
Navajo Compressor Stat. S. D. No. 5[1]	29	29	100.00	12,474
Horse Mesa Accom. Sch. & Unor. Terr.[1]	20	7	35.00	3,011
State total	26,161	19,864	----------	8,544,499
Arkansas:				
Gosnell S. D. No. 6	1,864	1,205	64.65	518,150
State total	1,864	1,205	----------	518,150
California:				
Two Rock U. S. D.[1]	151	88	58.28	37,853
Reservation S. D.[1]	14	10	71.43	4,301
Herlong S. D	296	117	39,53	50,327
Coffee Creek, S. D	26	10	38.46	4,301
Alpine Co. Unif. S. D	109	32	29.36	15,789
Center Jt. S. D	1,160	673	58.02	289,490
Wheatland S. D	2,542	2,151	84.62	925,252
Wheatland U. H. S. D	862	591	68.56	423,912
Travis Unif. S. D	3,420	3,326	97.25	1,641,081
Monterey Peninsula Unif. S. D	17,799	5,166	29.02	2,548,956
Atwater S. D	3,400	1,077	31.68	463,271
Chawanakee S. E. D	40	40	100.00	17,206
Big Creek Elementary S. D	185	126	68.11	54,198
Ocean View S. D	2,142	660	30.81	283,899
Adelanto S. D	1,864	1,452	77.90	624,577
China Lake Jt. S. D	2,500	2,387	95.48	1,026,768
Muroc Unif. S. D	3,894	2,763	70.96	1,363,291
Central U. S. D	2,181	1,625	74.51	698,993
Seeley U. S. D	383	205	42.44	88,180
San Pasqual Valley Unif. S. D.[1]	672	245	36.46	120,885
Lompoc Unif. S. D	12,167	3,113	25.59	1,535,985
State total	55,907	25,587	----------	12,218,525
Colorado:				
El Paso Co. S. D. No. 8	3,196	1,876	58.70	806,961
Ignacio United S. D. No. 11 Jt.[1]	918	443	48.26	190,655
Air Academy S. D. Bo. 2	4,466	1,700	38.07	789,123
State total	8,580	4,019	----------	1,786,640
Connecticut:				
Town of Groton Bd. of Ed	8,722	2,769	31.75	1,710,632
State total	8,722	2,769	----------	1,710,632
Idaho:				
S. D. No. 193	3,925	1,725	43.95	742,008
State total	3,925	1,725	----------	742,008
Illinois:				
Highwood Highland Park S. D. No. 111	1,416	428	30.23	$311,160
North Chicago S. D. No. 64	3,451	1,965	56.94	975,249
Community H. S. D. No. 123	1,304	392	30.06	419,612
Rantoul City S. D. No. 137	3,481	1,770	50.85	926,595
Rantoul Twp. H. S. D. No. 193	1,537	421	27.39	368,484
Mascoutah Comm. Unit. S. D. No. 19	3,511	1,905	54.26	945,470
State total	14,700	6,881	----------	3,946,571
Indiana:				
Maconaquah Sch. Corp	3,788	1,375	36.30	658,460
State total	3,788	1,375	----------	658,460
Unif. S. D. No. 475	6,412	2,719	42.40	1,270,316
Unif. S. D. No. 437	3,127	1,397	44.68	652,678
Unif. S. D. No. 27	2,368	2,366	99.92	1,105,395
State total	11,907	6,482	----------	3,028,390
Maine:				
Limestone School Dept	2,400	1,699	70.79	730,824
Town of Winter Harbor Sch. Comm	193	93	48.19	40,003
State total	2,593	1,792	----------	770,828
Massachusetts:				
Town of Ayer Sch. Committee	3,413	2,030	59.48	1,540,973
Bourne Sch. Committee	3,230	1,169	36.19	1,046,839
State total	6,643	3,199	----------	2,587,812
Michigan:				
Oscoda Area Schools	4,121	1,717	41.66	834,530
Rudyard Twp. S. D. No. 11	2,221	1,593	71.72	774,261
Forsyth S. D. No. 7	3,314	2,130	64.27	1,035,265
State total	9,656	5,440	----------	2,644,057
Minnesota:				
Redlake I. S. D. No. 38[1]	909	893	98.24	449,143
I. S. D. No. 77[1]	135	135	100.00	67,899
Unorg Territory S. D.[1]	92	92	100.00	46,272
State total	1,136	1,120	----------	563,315
Missouri:				
Knob Noster Redrg. S. D. R. 8	2,043	1,206	59.03	555,278
Belton S. D. No. 124	4,300	1,101	25.60	506,933
Waynesville Reorg. S. D. R. 6	4,902	3,030	61.81	1,395,102
State total	11,245	5,337	----------	2,457,314
Montana:				
Jt. S. D. No. 8[1]	358	109	30.45	46,886
Browning E. S. D. No. 9[1]	1,267	952	75.14	620,028
H. S. D. No. 9[1]	378	236	62.43	198,320
Elmo E. S. D. No. 22[1]	33	24	72.73	13,814
Babb S. D. No. 8[1]	71	55	77.46	31,295
Heart Butte S. D. No. 1[1]	160	160	100.00	105,044
Lakeside S. D. No. 3	109	32	29.36	13,764
Jt. H. S. D. No. 8[1]	121	40	33.06	26,640
Dixon S. D. No. 9[1]	68	22	32.35	13,730
Gardiner S. D. No. 4[1]	102	46	45.10	42,923
S. D. No. 21	116	84	72.41	49,649
Lame Deer S. D. No. 6[1]	304	258	84.87	125,496
Glasgow E. S. D. No. 1	1,415	443	31.31	196,948
Harlem E. S. D. No. 12[1]	392	170	43.37	81,108
Harlem H. S. D. No. 12[1]	183	76	41.53	59,461
Brockton S. D. No. 55[1]	139	103	74.10	79,821
Box Elder E. S. D. No. 13[1]	141	93	65.96	48,653
S. D. No. 2[1]	50	49	98.00	29,918
E. S. D. No. 27[1]	306	170	55.56	83,303
E. S. D. 17 H[1]	1,091	333	30.52	149,510
Blaine Co. S. D. No. 5[1]	203	171	84.24	130,079
S. D. No. 2[1]	136	62	45.59	29,750
Frazer H. S. D. No. 2[1]	46	20	43.48	19,174
Poplar Pub. Grade S. D. No. 9[1]	593	304	51.26	151,601
Poplar H. S. D. No. 9[1]	241	82	34.02	58,675
S. D. No. 57	44	35	79.55	25,469
Box Elder H. S. D. No. G[1]	86	66	76.74	71,677
H. S. D. No. 2[1]	140	92	65.71	73,481
Brockton H. S. D. No. 55[1]	31	21	67.74	20,852
Edgar S. D. No. 4[1]	55	25	45.45	25,100
Elem. S. D. No. 87	257	247	96.11	170,247
State total	8,636	4,580	----------	2,792,432
Nebraska:				
Winnebago S. D. No. 17[1]	307	231	75.24	149,119
Macy S. D. No. 16[1]	364	285	78.30	183,978
Santee S. D. C. 5[1]	48	46	95.83	29,694
S. D. of the City of Bellevue	10,170	3,932	38.66	2,538,263
State total	10,889	4,494	----------	2,901,056

Footnote at end of table.

DATA ON DISTRICTS WITH 25 PERCENT OR MORE CATEGORY 3A IMPACTION—FISCAL YEAR 1973—Continued

State and school district	Total average daily attendance	Category 3A children	Category 3A children as percentage of total	Total entitlement
Nevada:				
Mineral Co. S. D	1,674	697	41.64	$299,814
State total	1,674	697		299,814
New Hampshire:				
City of Portsmouth Bd. of Ed	5,332	1,496	28.06	891,765
State total	5,332	1,496		891,765
New Jersey:				
Boro. of Lakehurst Bd. of Ed	791	259	32.74	206,047
Boro. of Eatontown Bd. of Ed	2,346	1,119	47.70	739,558
Bd. of Ed. N. Hanover Twp	2,037	1,606	78.84	911,629
No. Burlington Co. Reg. S. D	2,239	1,097	49.00	953,490
Pemberton Twp. Bd. Ed	7,277	2,041	28.05	1,623,717
State total	14,690	6,122		4,434,443
New Mexico:				
Dulce I. S. D. No. 21[1]	595	527	88.57	226,689
Jemez Springs Mun. S. D. No. 31[1]	612	265	43.30	113,989
Bernalillo Mun. S. D. No. 1[1]	2,772	1,179	42.53	507,146
Cuba I. S. D. No. 2[1]	1,080	519	48.06	223,247
Alamogordo Mun. S. D. No. 1	8,875	2,334	26.30	1,003,970
Tularosa Municipal S. D. No. 4[1]	1,484	464	31.27	199,589
I. S. C. No. 22[1]	4,479	3,610	80.60	1,552,841
Gallup McKinley Co. Bd. of Ed.[1]	12,177	6,791	55.77	2,921,148
Bloomfield Mun. S. D. No. 6[1]	1,909	567	29.70	243,895
Magdalena Mun. S. D. No. 12[1]	609	312	51.23	134,206
State total	34,592	16,568		7,126,725
New York:				
U. F. S. D. No. 14, Town of Fire Island	78	23	29.49	50,487
Central S. D. No. 1, Town of Peru	3,996	1,613	40.37	1,199,539
State total	4,074	1,636		1,250,027
North Dakota:				
Riverdale Pub. S. D. No. 89	268	160	59.70	84,465
New Town Pub. S. D. No. 1	746	216	28.95	92,912
Lincoln S. D. No. 38	152	61	40.13	26,239
Grand Forks Pub. S. D. No. 1	10,552	2,667	25.27	1,440,446
Minot Pub. S. D. No. 1	9,023	2,543	28.18	1,373,474
Solen Pub. S. D. No. 3[1]	346	213	61.56	119,757
Fort Totten S. D. No. 3[1]	31	31	100.00	13,334
Fort Yates Pub. S. D. No. 4[1]	369	286	77.51	123,022
Twin Buttes S. D. No. 37[1]	79	62	78.48	26,669
Couture S. D. No. 27[1]	835	269	32.22	115,710
Ingebreton S. D. No. 28[1]	115	74	64.35	31,831
Mandaree Pub. S. D. No. 36[1]	213	207	97.18	89,041
White Shield Pub. S. D. No. 85[1]	197	77	39.09	33,121
Nekoma School District No. 36	120	52	43.33	22,367
Oberon SD No. 16	107	34	31.78	14,625
State total	23,153	6,952		3,607,019
Ohio:				
Mad River Twp. Local S. D	7,604	1,932	25.41	831,049
Hamilton Local Bd. of Ed	3,324	902	27.14	387,995
State totals	10,928	2,834		1,219,045
Oklahoma:				
Dahlonegah D. S. No. 29[1]	101	64	63.37	27,529
Bell D. S. D. No. 33[1]	223	125	56.05	53,768
Lost City D. S. D. No. 17[1]	197	97	49.24	41,724
Ryal D. S. D. No. 3[1]	66	45	68.18	19,356
Skelly D. S. D. No. 1[1]	110	45	40.91	19,356
Rocky Mountain Dep. S. D. No. 24[1]	100	30	30.00	12,904
Maryetta D. S. D. No. 22[1]	199	56	28.14	24,088
Wickliffe D. S. D. No. 35[1]	43	18	41.86	7,742
Wolfe D. S. D. No. 13	46	23	50.00	9,894
Justice D. S. D. No. 54[1]	72	48	66.67	20,647
Vamoosa D. S. D. No. 8[1]	115	46	40.00	19,786
Broxton I. S. D. No. 68[1]	159	65	40.88	27,959
Carnegie I. S. D. No 33[1]	827	207	25.03	89,041
Boone D. S. D. No. 56[1]	67	48	71.64	20,647
Little Axe D. S. D. No 7[1]	198	59	29.80	25,378
Stony Point D. S. D. No. 124	62	16	25.81	7,232
Canton I. S. D. No. 15	438	130	29.68	55,919
Burns Flat I. S. D. No. 7	435	168	38.62	72,265
State total	3,458	1,290		555,243
Oregon:				
Hebo S. D. No. 13 J	100	36	36.00	$23,234
Petersburg S. D. No. 14 C	106	36	33.96	29,490
Jefferson Co. S. D. 5 9 J	2,082	632	30.36	451,658
Three Lynx S. D. No 123	66	66	100.00	42,595
Bonneville S. D. No. 46	72	24	33.33	19,660
State total	2,426	794		566,639
Rhode Island:				
Town of Middletown Sch. Comm	4,255	1,402	32.95	861,332
Town of N. Kingstown Sch. Dept	6,555	1,832	27.95	1,098,851
State total	10,810	3,234		1,960,184
South Dakota:				
Todd Co. I. S. D.[1]	1,784	1,213	67.99	638,790
Douglas I. S. D. No. 3	3,158	2,421	76.66	1,274,947
Shannon Co. I. S. D. No. 1[1]	1,448	1,325	91.51	697,771
Eagle Butte I. S. D. No. 3[1]	858	594	69.23	312,812
White River I. S. D. No. 29[1]	424	148	34.91	77,939
McLaughlin I. S. D. No. 21	619	169	27.30	88,998
Smee I. S. D. No. 4[1]	189	171	90.48	90,052
C. S. D. No. 3[1]	98	37	37.76	19,484
State total	8,578	6,078		3,200,796
Texas:				
Del Valle I. S. D. No. 91	3,916	1,001	25.56	430,580
Killeen I. S. D	13,215	3,703	28.02	1,592,845
Flour Bluff I. S. D	2,972	744	25.03	320,031
San Vincente C. S. D. No. 2	14	14	100.00	16,166
Randolph Field I. S. D	1,344	1,288	95.83	1,097,221
Lackland I. S. D	867	865	99.77	736,876
United Cons. I. S. D	2,171	596	27.45	256,369
Fort Sam Houston I. S. D	1,521	1,421	93.43	1,210,521
State total	26,020	9,632		5,660,612
Utah:				
San Juan Co. S. D.[1]	2,494	1,176	47.15	505,856
Daggett S. D	188	75	39.89	32,261
State total	2,682	1,251		538,117
Co. Sch. Bd. of Prince George Co	4,629	1,326	28.65	570,378
State totals	4,629	1,326		570,378
Washington:				
Oak Habor S. D. No. 2 1	5,128	1,646	32.10	735,729
Diablo S. D. No. 1 5[1]	40	12	30.00	5,363
Dupont Fort Lewis S. D. No. 7	1,150	998	86.78	446,086
Cape Flattery S. D. No. 4 1	622	218	35.05	97,441
Anderson Island S. D. No. 24	43	36	83.72	16,091
Taholah S. D. No. 77[1]	145	105	72.41	46,932
Queets Clearwater S. D. No. 2[1]	79	30	37.97	19,643
Mill A. S. D. No. 31	90	30	33.33	13,409
Mount Adams S. D. No. 2 9[1]	878	427	48.63	190,860
Medical Lake S. D. No. 326	2,334	1,416	60.67	632,923
Inchelium S. D. No. 7[1]	179	64	35.75	28,606
Nespelem S. D. No. 14[1]	165	93	56.36	41,569
Wellpinit S. D. No. 49[1]	177	154	87.01	68,834
Keller S. D. No. 3[1]	30	19	63.33	8,492
Columbia S. D. No. 2 6	214	57	26.64	25,477
Clover Park S. D. No. 4	13,153	3,364	25.58	1,503,640
State total	24,427	8,669		3,881,103
Wisconsin:				
Flambeau S. D. No. 1[1]	369	181	49.05	108,203
State total	369	181		108,203
Wyoming:				
S. D. No. 14[1]	344	270	78.49	297,972
Fort Washakie C. S. D. No. 21[1]	229	203	88.65	224,030
S. D. No. 38[1]	311	238	76.53	251,466
State total	884	711		773,468
National total	387,443	182,651		109,549,761
Districts on this listing		229		

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[1] American Indian school districts.

IMPORTANT ROLE PLAYED BY LOCKHEED C–5 "GALAXY" IN CEASE-FIRE IN MIDDLE EAST LAST OCTOBER

Mr. TALMADGE. Mr. President, there appeared in the June issue of National Aeronautics magazine an excellent article on the Lockheed C–5 "Galaxy," the world's largest aircraft, and the important role it played in achieving a cease-fire in the Middle East last October.

The article points to the importance of the C–5, not only as a huge cargo carrier, but as an instrument of national defense and foreign policy, present and future.

The C–5 massive airlift to strengthen Israel during the recent war is credited with directly contributing to the Mideast cease-fire and possibly to a more lasting peace. We are very proud that the C–5 is built at the Lockheed Georgia Company in Marietta, Ga., and I bring this article to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SAGA OF "FAT ALBERT"

(By Craig Powell)

When you're big and bulky and seem just too clumsy to ever get off the ground, it takes a lot of work just to fly. Faced with ridicule and abuse, it takes a lot more effort to become an aerial star. Walt Disney's famed flying elephant "Dumbo" discovered this the hard way. So did "Fat Albert," the U.S. Air Force's affectionate name for the world's largest aircraft, the Lockheed C–5 "Galaxy." But when all the dress rehearsals were over and it was time for the big performance, both Dumbo and Fat Albert not only flew; they stole the show.

For Dumbo it was star of the circuit tent. For Fat Albert it was being a star over the Holy Land and mainstay of a gigantic airlift that became a strongly influencing factor in bringing about a cease-fire between the Arabs and the Israelis, a buffer Zone between the two, and peace talks in a lonely tent in the Egyptian desert.

Looking back in time, it was October 14, 1943 . . . Over the skies of southern England the B–17 "Flying Fortresses" of the 8th Air Force assembled to begin the now famous mission against the Third Reich's ballbearing factories at Schweinfurt, Germany.

Exactly three decades later, October 14, 1973, airborne behemoths, the U.S. Military Airlift Command's Lockheed C–5 Galaxies, began a massive airlift to resupply Israel with vitally needed weaponry at the height of the Yom Kippur war.

It would be difficult to finitely measure the success of the Schweinfurt bombing raid. Not even the historians can yet postulate in the absolute. But some facts are known. The 8th Air Force suffered the greatest casualties of any mission of World War II; 63 aircraft, over 630 combat crewmen lost. But soon thereafter, German tanks began to grind to a halt. Aircraft of the Luftwaffe were being grounded. Nazi ships and submarines were failing to go to sea. The Fatherland's factories began to lay fallow; in fact, everything that required ballbearings was ceasing to function.

In like manner, it would be difficult today to finitely measure the success of the Israeli airlift. That, too, will be for later historians to determine. Yet again certain facts are known. No aircraft were lost. But, already, there are strong indicators that the C–5's have paid off, not only as cargo carriers, but as instruments of national policy directly contributing to the Mideast cease-fire and possibly to a more lasting peace.

When the recent Yom Kippur war began, the Arab nations were well stocked and supplied with the weaponry of war. Almost from the beginning, the Soviet Union started its best sea and airlift resupply to the Arab ports and airfields.

Faced with massive attrition of supplies and equipment, it appeared Israel would quickly lose the conflict through the classic military principle of "too little—too late." But world observers had failed to take cognizance of Fat Albert and the C–V's capability to play "catch-up" ball.

Once the billion-dollar United States resupply to Israel was underway, at least one Russian observer read the writing in the desert sands. Watching the freshly supplied Israeli tanks and equipment spearhead across the Suez Canal, the Soviet is reported to have commented that from what he could observe of the Israeli resupply effort, Cairo and the Arab armies were in imminent danger of being overrun and would do well to negotiate a cease-fire immediately.

Unlike the 1967 conflict, the Yom Kippur war of the waning days of 1973 was not an Israeli pre-emptive strike born of fear of an onslaught by the Arab nations. This time the Israelis were struck without warning from across the Suez and in the Syrian Golan Heights.

Following the initial shock, the Israeli forces rebounded to take the initiative on both fronts. But again the battle was different from 1967. This time the Arab armor and air forces were intact and the task of destroying them was costly to the Jewish state.

Quickly the war developed into one of attrition with Israel in dire need of resupply. Tel Aviv urgently called on its mentor, the United States, for help.

Unfortunately for the Israelis, their pleas for assistance came at a time when the two superpowers were conducting power politics behind the scenes. The Soviet Union was enjoining the U.S. to move with the USSR into the battle area in sufficient military strength to force a cease-fire. The United States found such incursion into the middle-east unacceptable.

At the same time, Secretary of State Henry Kissinger and Washington were entreating the Russians to go along with the U.S. in placing a two-nation clamp on all resupply to both antagonists. This proposal met with obvious Soviet declination, as the Russians had on October 10, only four days following the outbreak of hostilities, begun a massive airlift to the Egyptian/Syrian military forces. With such one sided support, it was clear Israel could not sustain its military operations and the war could come to a speedy close with the Arab armies prevailing.

If, as President Richard Nixon and the U.S. National Security Council believed, an ending of hostilities in the middle-east and hopes for a peace, however uneasy, lay in a military balance, then a substantial American effort was needed to pump vitality back onto the weakened Israeli forces.

The National Security Council and the Pentagon made its decision on October 13 and nine hours later, operation "Nickel Grass" was underway. The first of what was to become a steady stream of C–5 and C–141 jet transports of the Military Airlift Command was loaded and airborne. At roughly 10 p.m., October 14, 1973, a C–5 Galaxy, flanked by F–4 Phantom-jets in Israeli battle dress, touched down at Tel Aviv's Lod Airport. The first of the "Nickel Grass" aircraft and the first C–5 to ever operate on a mission to Israel was carrying 193,916 pounds of military cargo.

Three-and-a-half hours later, the aircraft had been unloaded, serviced and the Galaxy was airborne, enroute back to the United States.

On November 14, 33 consecutive days of airlift had been completed flying a daily average of almost a thousand tons of critically needed weapons, ammunition, spare parts, medical supplies and other material. There had been a total of 421 C–141 and 145 C–5 missions. The C–5's had delivered some 10,800 tons in 4,880 flying hours while the C–141 Lockheed "Starlifters" brought in 11,500 tons in 13,620 flying hours for a total of 22,300 tons of combat equipment in 566 missions.

The figures themselves are impressive. Yet, for a genuine insight into the manner in which Fat Albert met the test requires a more detailed examination of that Israeli aerial pipeline supply route.

As the massive airlift began, the United States' NATO allies quickly ducked for cover rather than be caught up in the middle-east conflict. Despite the fact that the conflagration was being waged on the NATO southern flank, the European nations sought sanctuary in aloofness.

Not only did they refuse to make NATO equipment available for resupply to Israel, but they closed all U.S. occupied airfields in Europe to airlift operations in support of the Israelis. Thus, the U.S. Military Airlift Command had to cope with a round-robin route of more than 14,000 miles, a task that the C–5 could still have accomplished by restricting its payload or by means of air-refueling carrying maximum tonnage (the C–5 is the only U.S. jet transport with a refueling capability).

Fortunately, Portugal allowed the U.S. to utilize facilities at the Azores in the Atlantic from which the MAC aircraft could stage its flights into Lod International Airport at Tel Aviv. Though the stage lengths were still in excess of 4,000 miles, the C–5 alone airlifted approximately two-thirds the total amount tonnage moved by the competing Russian airlift which had been in operation since the fourth day of the war and over stage lengths averaging only 1,700 nautical miles.

By November 2, the U.S. aerial resupply had equaled the achievements of the Soviet airlift to the Arabs using AN–12's and AN–22's. Together with the smaller C–141's, the C–5's transported 22,395 tons over the 7,500 route to the mid-east in its 566 missions as compared to the 15,000 tons moved by the Soviets in 934 missions. Though the C–5 flew only 145 of the 566 missions, it accounted for nearly 50 percent of the total tonnage or 10,763 tons of cargo.

But total tonnage itself was merely the cake itself. The frosting came in the form of the C–5's 36 percent fuel savings over the smaller C–141 and in the fact that the C–5 on many of its missions was carrying what it termed "outsized" cargo. It was for just such a contingency of airlifting outsized cargo that Fat Albert was designed and built. And when the chips were down, the C–5 came through with even its severest critics sitting up to take notice.

As the world's largest aircraft, the Lockheed C–5 Galaxy is almost as long as a football field and stands as high as a six-story building. The cargo compartment is 121 feet long, nineteen feet wide, and thirteen feet 6 inches high; or roughly the size of an eight-lane bowling alley.

So, despite the "slings of outrageous fortune" hurled at the C–5 during its development stages—despite all of its growing pains—when the real world called on the Galaxy to do the job, Fat Albert came through. It not only accomplished the job it was designed to do, it proved it was also the only aircraft in the world that could.

During the Israeli airlift, outsized cargo that could not have been airlifted by any other plane in the world was gobbled up in the cavernous storage compartments of the C–5's. The latest of the United States' heavy tanks, the M60 main battle tank and the M48 tank along with supplies and ammunition to sustain them rolled aboard the C–5's. Sikorsky CH–53 helicopters went on board without the necessity of being completely disassembled. Self-propelled howitzers and armored personnel carriers rolled on and off, fore and aft as the gargantuan C–5's unique landing gear knelt to accommodate them almost at ground level. Even full tail sections for the McDonnell Douglas A–4 attack bombers were airlifted in to permit rapid repair of the A–4's sustaining damage from Soviet built surface-to-air missiles. Operating under semi-wartime conditions, the C–5 accomplished its mission with a logistics reliability rate of 95.7 percent between the Azores and Israel.

Meeting crews at Lod International Airport, Premier Golda Meir spoke for the people of Tel Aviv and Israelis throughout the nation. Referring to the C–5 airlift, she vowed, "For generations to come all will be told of the miracle of the immense planes from the United States."

As stated, not even the airplane's most ardent critics, and there have been many, would fault the quality of the airlift the C–5 provided the mid-east. But the story runs deeper.

Because of that airlift resupply, the Israeli armed forces were able to continue on the aggressive, free of the certain knowledge that their munitions, weapons, and other supplies were rapidly dwindling.

With fresh stockpiles available, they were able to continue their drive to the outskirts of Damascus in Syria. With the Syrian front under control the Israeli commanders shifted the full force of their armies to the west, drove across the Suez to entrap the Egyptian Third Army in a pocket encompassing both sides of the canal.

It was perhaps because the Egyptian commanders and President Sadat recognized that with this type of resupply, the Israeli would have the capability of winning the war on the battlefield that led to the cease-fire and the ultimate peace negotiations.

It is perhaps more likely that, behind the scenes, the Soviets also recognized the handwriting on the wall. This recognition was probably the principal factor in the USSR's decision to cease its ultimatum unilaterally to move into the mid-east with military forces and instead to join the United States in pressuring both antagonists (Arab and Jew) to come to the conference table.

These are assumptions of many mid-east watchers. Again, only the historians of the future will be able to validate them. But one military fact of life is clearly evident and has been since the cease-fire went into effect; the U.S. C–5/C–141 airlift altered the course of the Yom Kippur war.

Interestingly, Fat Albert's portion of the airlift was carried out by some 51 of the total force of 79 C–5's in the Air Force inventory. The remaining Galaxies, though they could have been fruitfully employed in the airlift were tied up elsewhere.

There seems little question that the mid-east airlift would have been greatly enhanced had the Pentagon acquired the full 115 aircraft originally programmed rather than cut production back to 81 planes; an action that Cong. Melvin Price said the U.S. would one day live to regret.

If Disney's "Dumbo" had problems getting his tiny wings to lift his enormous pachyderm's body off the ground, they were nothing compared to the growing pains suffered to Fat Albert as he struggled through his early development stages. The Galaxy suffered the tortures of the damned.

Few weapon systems being developed across the technological boundaries have been quite so badly maligned as the C–5. All sorts of demeaning labels were hurled at the plane, including "The Flying Fraud of All Time," which was one of the few occasions on which its detractors were willing to concede the C–5 would actually get airborne. A phrase of the time was that the C–5 had become "Proxmired down in a morass of charge, counter-charge and innuendo."

Unfortunately, it was a time when the wolves were howling about the expense of defense procurements. Because of its size, the Galaxy made an excellent target and the wolves snapped hardest at its heels. The new giant Bird became a *Cause Celebre* for Congressional and public critics.

On Capital Hill, Senator William Proxmire led the pack. And from out of the labyrinth of the Pentagon, came a civil servant, A. Ernest Fitzgerald, who established one of the first of the currently vogue "Washington leaks" to the Proxmire Committee. Unfortunately, there was just enough of the clorine of truth in the water from Fitzgerald's spigot to make it seem potable.

Just enough in fact, that the "Fitzgerald Case" has in itself remained a current news item for over half a decade. The Air Force, piqued at lack of loyalty, abolished Ernest's high-paying Pentagon position in a Reduction of Force. Fitzgerald yelled "foul" and claimed the Air Force was conducting a personal vendetta because he had told the truth about mismanagement of the C–5 program.

Fitzgerald ultimately had his day in court and the Civil Service Commission ruled his dismissal had not been in keeping with CSC doctrine and directed the Air Force to reinstate him.

The Air Force complied. (Fitzgerald now maintains that he has been pigeon-holed in a do-nothing job, has sued for $3.5 million and the pot continues to boil.) What has not as yet been clearly established is if whether Fitzgerald's charges were based on altruistic concern over "cost growth" of the C–5 or mal-contention with the Air Force, Lockheed, or both. At any rate, the journalistic "30" is still to be added to the anecdote of A. Ernest Fitzgerald.

Countering Fitzgerald and the critics, Larry Kitchen, President of Lockheed Georgia Company, builders of the C–5, has his own opinions which he told to National Aeronautics in personal interview. While admittedly he speaks from a company position, National Aeronautics found that most Air Force airlift officials conversant with the C–5 history tend to basically concur with Kitchen's evaluation.

According to Kitchen, the C–5's traumatic experiences stemmed from a never-before-tried-or-tested conceptual development technique. Neither Total Package Procurement nor "concurrency" contained sufficient flexibility to be a viable concept in the development of an aircraft system that was to cover a nine-year program and require advances in the technological state of the art. The TPP contract was probably the single most responsible factor in the cost growth of the C–5 which led to its reputation for excessive cost overruns and such misnomers as the "billion dollar bilking." Under the contract there was no way to affect reasonable and timely trade-offs on cost, schedules, or performance.

"Because we knew we would probably run into problems of unknowns, a repricing formula was written into the contract designed to protect the government investment and the contractor against catastrophic loss or windfall profit. These were the provisions the opponents of the program called the 'Golden Handshake'.

"Actually, because of a divergence of interpretations between DOD and Lockheed resulted in a legal dispute that was never carried to the Board of Appeals, these provisions were never properly used. A requirement levied against Lockheed to put up the multimillion dollars to keep the production line flowing mandated that Lockheed accept a restructuring of the TPP contract to a fixed-loss cost-reimbursement type contract supposedly pegged at $200-million. Overall, Lockheed, either directly out of pocket, or through missed opportunities, dropped on the order of well over $300-million on the C–5."

But this type of pragmatic evaluation of the program was little understood by the general public because of far more flamboyant and dramatic vignettes along the way which were the delight of the media.

Just as "Dumbo" was laughed at and ridiculed in his first attempts to fly, Fat Albert had more than his share of downright embarrassing incidents that caught the eye of the press. So embarrassing, in fact, that Fat Albert's visored nose blushed to the same rosey hue as Dumbo's face in the circuit tent. That they were insignificant in the development of such an aircraft was inconsequential.

This is not to say that the C–5 did not have its share of real troubles.

But Fat Albert's biggest problem was an overwhelming penchant for making headlines under the most ludicrous conditions. For awhile, it seemed that whatever "Albert" did was destined to end up in banners on the front pages and heading the television newscasts, with pictures to match. Most of them added up to "John Q. Citizen's Fed Up With Billion Dollar Bellyfull". And all made good editorial copy.

Poor Fat Albert. With full fanfare and bands playing, the delivery of the first "operational" C–5 was made in June 1970 to Charleston, South Carolina. Extensive ceremonies were arranged with local VIP's and politicians in attendance. On hand to officiate, with his abundant shock of silver hair flowing in the breeze, was Congressman H. Mendel Rivers, audacious Chairman of the House Armed Services Committee. At the controls of the first aircraft was General "Smiling Jack" Catton, then Commander of the Military Airlift Command.

Following a spectacular flyby of the reviewing stands and before a full contingent of press and television representatives, Fat Albert made his approach for landing. But unknown to General Catton in the cockpit, "Murphy's Law" had overtaken Fat Albert (Murphy's Law postulates if a part can be improperly installed on an aircraft, sooner or later, someone will install it the wrong way). In this case, a retainer ring on one of the 28 wheels of the landing gear had been improperly seated.

As the giant aircraft touched down for landing, the wheel spun off the bird. Like an errant cub romping ahead of the pack, the wheel bounded down the runway outdistancing the slowing aircraft—also making for fantastic picture coverage for still and motion cameras alike.

Actually, the high flotation landing gear of the C–5 had been specifically designed for rough landings in the forward battle areas and loss of one wheel was no serious incident. In fact, General Catton never knew the wheel was gone until his copilot saw it cavorting down the runway and told the general. If anything, it resulted in improved checklist procedures in the operation of the aircraft. But at that moment, with the media in search of another C–5 story, it could have well been the "Titanic" going down again.

Coolest cat on the flight line was veteran Chairman L. Mendel Rivers who was deluged by the press. "What catastrophic portents lay in the lost wheel, he was asked. Replied Rivers, "It meant the aircraft landed on the 27 wheels left."

But even this spectacular display of showmanship was not to end Fat Albert's affinity for the press. He was back for an encore about a year later.

Still faced with no room for trade-offs, and to meet weight restrictions, the builders put the C–5 through a massive structures redesign, the use of extensive chemical milling of metal and the use of titanium fasteners. Weight was saved at great expense but the changes also had a tendency to close the engineering margin for error in calculating stress levels that are normally built into all aircraft.

This was one of the factors responsible for the fatique difficulties that have so far kept the C–5 from reaching a life expectancy of 30,000 flying hours. "Known changes, however," contends Kitchen, "will extend the expectancy to 15,000 to 20,000 hours of the initial requirements; a contention, then-Secretary of the Air Force Robert Seamans supported.

And therein lies Albert's next tragedy/comedy. One of the causes of metal fatigue discovered was in pylon truss fittings supporting the General Electric TF–39 engines. The fittings were redesigned for aircraft still coming off the line and the rest of the fleet scheduled for retrofit during periodic inspections.

Unfortunately, one of the early production aircraft with high flying hours was caught behind the retrofit "power curve." On September 29, 1971 Fat Albert made the front pages again.

The aircraft could not probably have taken off and flown its runway of the C–5 training base at Altus, Oklahoma. As the crew standardly brought the engines up to full power, the truss fittings on one pylon failed allowing the engine to separate. The engine still developing maximum power took off like a gyrating skyrocket, climbed to approximately 200 feet of altitude before arching back over the aircraft to come to rest alongside the runway.

Again, the incident was relatively minor as the entire fleet was already scheduled for modifications. But, from a news coverage standpoint, one would have thought man had first split the atom.

The aircraft could most probably have taken off and flown its mission without further incident except that flight safety procedures precluded. So the world will never know if Fat Albert could have taken off with one of its four engines completely missing.

Summing the whole C–5 picture. Lockheed's Larry Kitchen philosophizes. "It is a shame that an advanced technology aircraft such as the capable C–5 was forced to take the undeserved criticism it did. This has not only hurt Lockheed and the whole aerospace industry but the Air Force as well.

"Further, most of the valid criticism was caused by the inflexibility of the untried concept of total package procurement. Certainly, there would have been a cost growth due to inflation and technology problems but TPP increased the costs beyond proportion.

"But, let's not cry about the problems of the C–5. We must realize that sophisticated weapon systems, pushing technological frontiers, cost money. If we have a valid requirement for say a C–5, B–1 bomber, or a new fighter, let's find the money and build it.

"If we, as Americans, feel we can't afford the costs of advanced technology weapons systems, then let's drop operational performance requirements of the aircraft to meet the costs we feel we can afford. The point I'm trying to make is, wisely spend the money necessary to advance the technological state of the art to meet national needs or build airplanes designed to the technology available with a recognized risk in our national defense posture."

Now the problems of the C–5 are mostly behind. It is today a battle-tested veteran that has proven the concept of a heavy logistics transport aircraft that can move outsized cargo such as tanks and helicopters into critical areas that lack sophisticated logistics handling equipment. As its name implies, the Galaxy has established itself in the "star" category and like Dumbo commands the respect of all as it cavorts in the "top of the tent."

So the C–5 stands ready for its next curtain call. In the meantime, the Pentagon continues with other advanced aircraft programs; specifically, the F–15 air superiority fighter and the F–16 light weight fighter.

Nothing is quite as fool-proof as use of the test tube under laboratory conditions. But you can't fly aircraft in a test tube. However, in the case of its two fighters the F–15 and F–16, the Air Force did the next best thing. Both aircraft made their first airborne flights in the safest possible environment to assure they got off the ground and back to earth again with the least possible danger. What environment was that? Why in the belly of "Fat Albert", of course. . .

CHOICE FOR TOMORROW

Rapidly changing events in the arena of world affairs have not only established the validity of the requirements for a C–5 type aircraft, they are also forcing the White House and the Department of Defense to reappraise its capabilities to meet contingencies of the future.

The recent logistics support to Southeast Asia and the resupply to the Mid-east have tested the concept of the "Galaxy" and its ability to carry outsized cargo. Now, the Nixon Doctrine itself and the climate within NATO circles imply retrenchment of U.S. forces based throughout the world. Rather than maintain forces abroad, new concepts may be calling for a "remote presence"; i.e. forces, on alert within the United States, ready for instant airlift to any trouble spot in the world.

Whatever these decisions may be, most airlift experts feel that there must be a revamping of the Military Airlift Command. Until now, the current MAC force structure has been sufficient to meet its contingencies, but it now needs additional aircraft to supplement the force.

Several options are open for the supplemental aircraft if it is decided to bolster MAC's airlift capability. The cargo capacity of the existing C–141 fleet would be expanded. The Air Force could opt to purchase a cargo version of the Boeing 747 or start development of an entirely new aircraft in the form of an advanced C–5, the C–XX. Another viable option would be the reopening of the C–5 production line at the Lockheed Georgia Company. A number of airlift experts, both in the Air Force and on Capitol Hill favor this latter option. Even at the time, the C–5 production order was cut from 115 to 81 aircraft, some members of the House Armed Services Committee's airlift subcommittee voiced the opinion that four squadrons were insufficient to fulfill U.S. foreign commitments; six squadrons, they said, were needed.

Lockheed Georgia's President Larry Kitchen believes the restart of the C–5 line could turn out the first aircraft in approximately 40 months and by incorporating known improvements into the new run of heavy logistics transport aircraft the purchase of additional C–5's would be most economical and cost effective in the long run.

In Kitchen's judgment, the Military Airlift Command needs additional strategic airlifters more than any other type aircraft. While he is extremely complimentary as to the capabilities of a cargo version of the Boeing 747, he does not feel the airplane falls into the category of a heavy logistics strategic airlifter; i.e., one that can airlift M–60 main battle tanks, Sikorsky CH–53 helicopters and other such outsized cargo.

The C–XX, says the Lockheed official, is also an acceptable option for the next decade. The questions here, as he sees them, seem to be "Does it make sense to go with the C–XX which, at this time is an unknown aircraft rather than go with an improved C–5?" Also, "would the increased performance of a C–XX be worth the extra costs involved, particularly when the aircraft would still be some 8 to 9 years downstream before starting into the Air Force inventory?"

Kitchen is the first to admit that he has a definite vested interest in the C–5. But, at the same time, he is equally quick to point out that the government also has a valuable national asset. "First," he told National Aeronautics, "there is the matter of some $1-billion in 'sunkcosts' for the research and development of the original C–5. Second, there is an investment of $200–$250 million of tooling lying idle and available to restart C–5 production. And, thirdly, there is qualified manpower in the area already experienced by the C–5 'learning curve' ready to go to work."

He explains too, that everything is not all sweetness and light. There would be startup cost to be considered. Some of the sub-contractors are no longer in business and some of the components are no longer being manufactured. Yet, even with these considerations. Kitchen estimates that based on a 40 aircraft buy, the unit price would cost out, including startup, at about $40 million, per aircraft. Though the 81st C–5 off the original line that came in at only $25 million, inflationary factors have so boosted overall costs that the $40 million figure is comparatively less than the cost of the original C–5.

Lockheed has programmed several contingencies in the event the Air Force should opt for opening the C–5 line. Preferably, Lockheed would make modifications and improvements to the new run of aircraft that would increase certain capabilities as well as decreasing overall costs.

The aerospace firm would like to design a new wing box that would solve the fatigue problems and extend the life of the aircraft to the desired 30,000 flying hours which was part of the initial goal.

They would build a simplified version of the aircraft leaving out some of the more sophisticated but little used systems on the up-dated model of the plane. Basically, it would mean removing those systems not needed for airlift and adding those which would contribute to long life.

There are, of course many questions to be answered by the DOD airlift experts before they come to a decision on what airplane or mix of airplanes are needed for the next decade or two.

Senator William Proxmire, perhaps the most outspoken critic of the C–5, taking cognizance of the Mid-east airlift and the Galaxy's contribution, again took the opportunity to comment on the C–5's cost effectiveness. In a newspaper interview, he implied that "memories in Congress of the original cost overrun on the C–5 make it far from certain that the C–5 assembly line could ever be reopened."

He also asked a number of questions which may or may not have been intended to downgrade the effectiveness of the C–5. Larry Kitchen, however, thinks they were questions most apropos and that should be answered before decisions are made at the Pentagon.

Proxmire in his interview said, "If the C–5 helped make our airlift mission to Israel a success, I say that is great. No one would be more pleased than me to know that the money invested in this program may have paid off in this case. But all the facts about the airlift are not yet known and it would be a serious blunder to leap to any premature conclusions.

"A careful analysis of the Middle-east airlift is absolutely essential before any new programs are decided upon. How many C–5's were actually used in the airlift? How many C–5's weren't used? How many tanks were delivered? Were the number of tanks and other equipment delivered a significant factor in the outcome of the conflict? Would it have made any difference if we had more C–5's in the inventory, given the logistical problems and the ability of the Israelis to accept the deliveries? Can we extrapolate from the Middle-east conflict to Europe, where we presently pre-position large numbers of tanks? The issue of withdrawing troops from Europe is not the same as the issue of withdrawing tanks and equipment. Would it help in any future European conflict to have more C–5's or other kinds of cargo planes? These are some of the questions that need answers before new programs are launched."

These questions, properly answered, Kitchen believes substantiate his position that whatever the mix of new aircraft to supplement the MAC fleet, a minimum of two additional C–5 squadrons are a must.

The major question, of course, is: "What will the Department of Defense and Congress think?"

OUR FLIP-TOP SNAP-TAB THROW-AWAY SOCIETY AND THE BOTTLE BILL

Mr. HATFIELD. Mr. President, 2 days of hearings were held this week on legislation I introduced to ban all throw-away beverage containers, and to require a deposit on all beverage containers. Under the able leadership of the subcommittee vice chairman, Senator Moss, a thorough hearing record was made by both proponents and opponents of the bill before the Environment Subcommittee on the Senate Commerce Committee.

I want to call particular attention today to the statement of the Environmental Protection Agency about the bill. While they did not endorse the specifics of the bill, I was gratified by the strong support of the concept of requiring a deposit on all beverage containers. It is a victory for those of us who want a national law patterned after our successful Oregon bottle law.

As sponsor of the bill, I certainly am willing to consider a phasein, as is suggested by EPA. If reasonable mechanics can be developed for a 3- or a 5-year phasein, then one should be reviewed carefully.

To be candid, I also am gratified by the EPA statement, because it represents a victory of the EPA experts over the cautious accountants at the Office of Management and Budget. I had feared that other pressures, ones quite obvious, might cause OMB to scuttle what I was told had been a strong statement of support put together for EPA by its experts in litter, solid waste, and energy.

Mr. President, I ask unanimous consent that the statement of John R. Quarles, Jr., Deputy Administrator of the Environmental Protection Agency be printed in the Record, followed by my statement in support of S. 2062.

There being no objection, the statements were ordered to be printed in the Record, as follows:

STATEMENT OF HON. JOHN R. QUARLES, JR.

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to appear before you this morning to discuss the views of the Environmental Protection Agency on S. 2062, "a bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers." This measure would impose a mandatory two cent deposit on containers which could be used interchangeably by various beverage manufacturers and bottlers and a 5 cent deposit on all other beverage containers for sale or shipment in the United States. While the bill would not prohibit the use of metal cans, it would ban those metal containers with detachable tab tops.

S. 2062 is modeled after the beverage container law which was enacted by the State of Oregon in October 1972.

As a Nation, we Americans consume more bottled soft drinks and malt beverages than any other people in the world. Indeed, there are few national habits more typically American than taking time out for "the pause that refreshes." Bottled beverages, whether we like it or not, are truly part of the American life style.

While the soft drink and beer industries have grown over the last twenty years in response to the demands of a growing and thirsty population, the consumption of beverage containers has also increased—but at a rate in considerable disproportion to both population trends and beverage consumption.

Between 1959 and 1972, the quantity of beer and soft drinks consumed in the United States increased 33% per capita. During this same time period, the number of beer and soft drink containers consumed skyrocketed by 221%—from 15.4 billion units in 1959 to 55.7 billion units in 1972. This dramatic increase in container consumption can be traced, in large part, to an increase in the use of the non-refillable container.

To borrow another phrase from the beverage industry, we Americans have adopted over the years a "no deposit, no return" attitude about our resources which has become increasingly troublesome now that energy and materials are in short supply.

Nowhere is our "throw away" style of life more apparent than along the streets and highways of this country.

Beer and soft drink containers form a large and highly visible segment of roadside litter. According to a privately commissioned study, in 1969, discarded beverage containers were estimated to comprise 19.7% of highway litter by item and between 54 and 70 percent by volume, based on observations of the Oregon State highway department.

Relating these figures to the broader solid waste picture, we find that approximately 8.2 million tons of beer and soft drink containers were produced and discarded in the U.S. in 1972. This figure represents 21% of all packaging wastes and approximately 8% of the total product waste generated by business and commercial establishments, households and institutions. Beverage containers are the most rapidly growing segment of all municipal waste with a growth rate of approximately 8% per year.

While a concern for the environment and the problems of litter and solid waste disposal serves as the more obvious incentive to reduce the burgeoning number of discarded beverage containers, we have found that a return to refillables has undeniable materials and energy benefits as well. Discouraging the use of "throwaway" containers is indeed one practice which fully satisfies the demands of both environmental enhancement and energy conservation.

In 1972, beverage container production resulted in the use of 6 million tons of glass, 1.6 million tons of steel, and 575,000 tons of aluminum. Moreover, beverage container consumption results in the use of approximately 1% to 2% of energy used by all U.S. industries.

Our studies show that taking into account the energy demands of both the manufacturing and refilling process, a refillable bottle making 5 trips has been found to use one third less energy than that required merely to produce one nonrefillable glass or aluminum container. This is a significant energy savings when we consider that most returnable bottles make upwards of 10 trips, and 25 to 30 trips per bottle is not unusual.

The trend toward increased use of nonrefillable containers is likely to continue over the next decade if steps are not taken to slow this spiraling demand for throwaways. By 1980, the 55.7 billion figure for containers consumed is expected to rise to 80 billion units, with the greatest growth anticipated for the aluminum beverage container.

Public officials and private citizens alike have watched with increasing concern the proliferation of discarded bottles and cans along our highways, parks and beaches. Aside from local anti-litter laws and privately-sponsored clean-up campaigns, efforts to come to grips with the problems associated with the careless disposal of non-returnable were ineffective until recently.

In 1970, with the enactment of the Resource Recovery Act, the Environmental Protection Agency was given authority to investigate the beverage container situation. Section 205 of that Act directs EPA to study the recovery of resources from solid waste and the reduction of solid waste at the source. Beverage containers as well as other types of packaging were among those areas studied under this authority.

Our *Second Report to Congress*, transmitted in March of this year pursuant to Section 205, discusses our work in the area of beverage containers and outlines the major options available to reduce the generation of disposable bottles and cans.

Briefly, we found three major types of strategies that have been proposed to either reverse the trend toward refillable containers or reduce the beverage container portion of litter: taxes on beverage containers to finance litter clean-up, a ban on the manufacture and sale of non-refillable containers, and a mandatory deposit system, such as that contained in S. 2062.

(1) *Litter Tax*. The litter tax would require that a minimal additional sum, perhaps $0.005 per container, be paid on the sale of each container for beer or carbonated soft drinks. The tax could be imposed at the point of purchase of the container by the beverage industry. Litter taxes could be imposed at the State or local level, as in the State of Washington. Where implemented at the State and local level, the costs and benefits must be analyzed in relation to the characteristics of the particular area. While a low litter tax might not cause any change in the rate of littering, it would raise revenue to be used for litter collection. Such a tax would not affect the trend toward non-refillables.

(2) *Ban on Nonrefillable Containers*. A ban on nonrefillable containers would prohibit utilization of any container other than one which is refillable. Bottlers of beer and soft drinks would probably place deposits on their refillable beverage containers to retrieve them for refilling. As for the drawbacks associated with such an approach, such a ban would completely eliminate the beverage can manufacturing industry as well as the contract canning industry. The uses of steel and aluminum for beverage cans would also be eliminated. The State of South Dakota has recently enacted a law prohibiting the sale of beverage containers which are not reusable or biodegradeable.

(3) *Mandatory Deposit*. The mandatory deposit alternative would require the retailer to pay anywhere from 2 to 10 cents for every empty container of beer and carbonated soft drinks. The retailer would be required to accept from the consumer any empty container of the kind, size, and brand sold by that retail outlet. Retailers, in turn, could return empty containers to the distributor who would also be required to pay the stipulated refund.

Mandatory deposit legislation is now in effect in the States of Oregon and Vermont. In Oregon, the law has been upheld by the Oregon Supreme Court. The Vermont law has also recently been upheld in the courts. However, the laws that have been passed in Bowie, Maryland, Loudoun County, Virginia, and Ann Arbor, Michigan, have not been enacted due to legal challenges.

Data presently available from the operation of the various State and municipal mandatory deposit programs reflect both the merits and the drawbacks of such a system.

Studies by both Research Triangle Institute and Midwest Research Institute indicate that mandatory deposit legislation is likely to result in decreases of 60 to 95% in the number of beverage containers discarded as litter. Preliminary data from Oregon support these analyses as they illustrate beverage container litter reductions of from 75 to 85%. Such a mandatory deposit system would be likely to result in a decrease in solid waste of from 70–75% of the beverage container portion of the amount of total product waste, or 5–6 million tons.

Benefits produced by mandatory deposit legislation in reducing energy consumption depend upon the mix of containers available and the number of trips per container. Based on the achievement of a 90% refillable bottle market in which each container makes 10 trips, we estimate a reduction in the energy required to produce beverage containers of approximately 194 trillion BTU's of energy. This would be equivalent to 92 thousand barrels of oil per day.

Turning now to the economic effects of

mandatory deposit legislation, predictions on beverage sales impacts range from no sales decline to a decline of 8%. Preliminary experience in Oregon indicates a drop in the beer growth rate from 6% in previous years to 1.2% in 1973. However, it is important to point out that an analysis of beer sales trends over the past 10 years has indicated that sales in 1973 show no significant deviation from the trend line. It would therefore be difficult to prove any adverse sales impacts from the Oregon beverage container legislation.

No comprehensive data on soft drink sales in Oregon are as yet available. A recent survey by Oregon State University estimates a 10% rise in soft drink sales, a figure that is consistent with previous years. Although comprehensive beverage sales data are not yet available from Vermont, it appears that the law in that State has resulted in some sales decline.

One major drawback of the implementation of a mandatory deposit program is the potential for considerable temporary industrial disruption. A study performed by Research Triangle Institute estimates that in 1969, a deposit measure would have resulted in a loss of approximately 60,500 jobs nationally, primarily in the container manufacturing industries, and a gain of 60,800 jobs, primarily in the retail and product distribution sectors of the economy. This would mean a net increase in total jobs. It is important to note, however, that the jobs gained would be lower paying than those lost. Thus such a measure might be likely to produce a net loss in labor income.

Mandatory deposit legisltaion is also likely to result in a decline in tax revenues during the period of transition to a refillable system. This would be due to the fact that a majority of beverage can lines would become obsolete, as would a large percentage of container handling equipment. Estimates of losses in revenue from beer excise taxes and corporate write-offs for obsolete equipment during the first year of transition range from $271 to $803 million nationally. These figures would probably decrease if beverage sales did not decline, and if beverage cans continued to be sold.

Mandatory deposit legislation would also affect the consuming public. While the average price paid by consumers for beer and soft drinks should decrease because the higher price nonrefillable containers would not be available, increased handling costs and costs related to equipment changes in the brewing and soft drink industries are likely to be passed on to the consumer. Nevertheless, it is likely that the consumer could pay slightly less on the average for beer and soft drinks under a mandatory deposit system.

In this regard, it is interesting to note that the price of soft drinks in the State of Washington where no mandatory deposit law is in effect rose 12% as compared with only an 8% rise in the neighboring State of Oregon, which had a mandatory deposit law in effect during that same period.

Mandatory deposit legislation may result in limitations on both brands and sizes of beverage containers available to the consumer. Preliminary data from Oregon support this indication as many foreign beers and some soft drink brands cannot be obtained in the same sizes in which they were available before the law went into effect.

It should be emphasized that these considerations are based upon a fairly broad-brush national macro-economic assessment. There are a number of other micro-economic effects that could occur which are much more difficult to predict, and have not been the subject of analysis to date. These include shifts from regional to local beverage distribution systems and other inter-firm and inter-product effects.

Based upon our observations in the States and localities which have enacted mandatory deposit laws, we believe that a mandatory deposit program results in conservation of energy and materials and a reduction in solid waste and litter caused by beverage containers. We would therefore favor the adoption on a nationwide scale of a mandatory deposit system to eliminate differences in beverage container programs from State to State and to assure a uniform and equitable program for manufacturer, bottler, laborer, and consumer alike.

Associated with a sudden shift to refillable systems, however, is the likelihood of some economic disruption and unemployment. In order to achieve the resource and energy recovery benefits of such a program while at the same time minimizing the adverse economic repercussions, we would recommend that such a nationwide system be implemented over an extended period of time and with proper controls. Such a phasing-in would greatly reduce industrial disclocation.

If an immediate shift to a national mandatory deposit system went into effect in 1975, based on the achievement of a 90% refillable bottle market, we estimate that approximately 57,000 employees in the metal and glass container industries would be affected.

Phasing in such a system by 1980, however, would reduce the employment dislocations by 32%, thereby affecting 39,000 employees rather than 57,000. This would mean an average of less than 7,000 employees disclocated per year. Further reductions in dislocation could be achieved by an even more lengthy phase-in period. If, for example, a 90% refillable bottle market were to be achieved by 1985, an estimated 16,000 employees would be affected, less than 3,000 per year.

These dislocations must also be viewed in light of job opportunities available for the displaced workers within their occupational category and industry. Assuming a 90% refillable market by 1980, we have been advised by the Bureau of Labor Statistics that for each job lost, a minimum of 70 job opportunities would become available in the same occupational category. For certain job categories, several thousand job opportunities would be made available for every dislocated employee. These job opportunities do not take into account the large number of jobs that would be created in the beverage manufacturing, retail, and distribution sectors of the economy by a return to a refillable system.

As to the specific provisions of S. 2062, we offer several observations. We have considerable difficulty with the failure of the bill to provide for a phase-in period. Without some equitable and efficient technique for phasing-in the deposit requirements, we would anticipate severe economic disruptions and dislocations. We are not sure in our own minds how a "phase-in" could best be accomplished.

Another problem stems from a provision in the bill which might be construed as drawing a distinction between interstate and intrastate beverage shipments. Such a distinction could well defeat a national program, and it would clearly result in inequities.

Since the success of any program of mandatory deposits depends on public awareness and response, we believe the approach taken must be simple and unmistakably clear. The multiple definitions of a variety of beverage containers could be confusing.

However, aside from the difficulties we have with many of the specific provisions of S. 2062, we are in accord with the basic idea of the bill.

Mr. Chairman, we could go on and on in the collection and examination of data, and in the analysis and re-analysis of probable effects from any regulatory approach to the problems of beverage container consumption and litter. We have studied this matter intensively and we believe that we now have a reasonably reliable body of data concerning the problem. We have the benefit of the Oregon experience. We also have the prospect of a proliferation of State and local laws addressing the problem with differing and perhaps contradictory approaches.

As I mentioned earlier, we do lack some economic data concerning possible market effects of a mandatory deposit requirement. On the other hand, the information and data we have concerning the environmental effects of such a requirement we believe are persuasive.

Because of the difficulties we have with the provisions S. 2062 we do not recommend its enactment. However, we *do* endorse its underlying premise—that a national requirement of mandatory deposits for beverage containers can make a significant contribution toward the solution of the environmental problems associated with no-deposit, no-return containers.

STATEMENT BY SENATOR MARK HATFIELD

Mr. Chairman, as the former ranking Republican on this subcommittee, it is a pleasure to appear before you this morning in support of my proposal, S. 2062. My colleague from Oregon, Mr. Packwood, is a cosponsor, as are Senators Case, Hughes, Kennedy, McGee, and Metcalf.

Appearing before the Senator from Utah, Mr. Moss, always is a pleasure, for his national leadership efforts for consumers and in the recycling area I know will alert him to the problems of solid waste, litter and energy, and he will see what Oregon has done to solve one aspect of this problem with our bottle bill. I am aware of the many pressures for hearings before this subcommittee, and my thanks for scheduling the hearing are echoed by everyone from Oregon, where we have made our state bottle law work.

I also want to recognize the fine staff work done on this hearing by Mr. Paul Cunningham.

A THROWAWAY SOCIETY—CAN WE AFFORD IT?

Can the American people reverse the drift toward a "throwaway society?" The people of Oregon have answered "Yes" to this challenge, and the opportunity now exists for the rest of the country. Non-returnable beverage containers—beer and soft drink—have been banned from sale in Oregon for over a year. No flip-top snap-tab cans; no throwaway bottles. A deposit is required on all bottled and non-tab canned beverages.

The Oregon legislature picked out an identifiable segment of the "make it, use it, discard it" attitude and passed a law showing that some people recognize yesterday's attitudes won't work on today's problems or tomorrow's challenges. The state law in Oregon has been a huge success. It has cut litter drastically and saved energy. The people of Oregon made the law work. Today and tomorrow this Committee will hear from a number of people from Oregon who will provide the Committee with details on the Oregon law, and discuss its application to a national bottle bill. I will not, therefore, address my remarks to the nuts and bolts of the legislation, for others I know will offer testimony on its merits, and others on what they see to be its shortcomings.

Instead, Mr. Chairman, I would like to share with you some thoughts on the broader picture of why a national ban on the sale of non-returnable beverage containers should be enacted.

To pass such legislation as the Committee is considering would help reverse the counter-ecological growth patterns that have paralleled the technology explosion of the past two decades.

Beverage packaging is only one example of this pattern. Housing could have been chosen, where aluminum siding creates a pollution price tag nine times greater than wood siding. It takes six times the energy to move the same amount of freight by truck than by rail. Production of aluminum, cement, and chemicals consumes thirty percent of the industrial use of electric power in the United States. Some of the new energy sources under review will use great amounts of energy in their production, so the "net energy" result is meager in the face of the resource depletion in generating it.

NET ENERGY

Energy consumed to make new energy is a crucial factor to which energy planners and economic advisors have paid little attention. For example, if it took nine units of energy to mine, process, and transport oil shale that in turn, generated only ten units of energy, the net energy gain would be only one unit of energy. Such a shale reserve, therefore, would deliver only one-tenth as much net energy and last one-tenth as long as was calculated using today's gross energy figures. Using such gross energy reserve statistics regarding fossil fuels instead of a net energy figure only deludes the public. Nuclear power, hailed by many, probably just barely yields net energy today, due to high costs of mining and processing fuels, storing wastes, operating complex safety systems, and manning governmental regulating agencies.

The issue of throwaway beverage cans and bottles is one that can be conquered. In the abstract, we can say that all this issue needs is the support of those people who sip, drink, swill, or guzzle beverages. In reality, it needs the support of this committee and a push by Congress. While the opposition is powerful and influential, and has, I presume, a substantial "war chest" to fight this bill, I believe this legislation should be passed. The beverage container issue is one definable in scope. It can be examined and—more importantly—I can be solved.

SOLID WASTE

Although the statistic is staggering, we are told that some 90 million beverage containers will be produced this year. Most of that total will be thrown away, except in Oregon. Production on non-returnable beer bottles increased from 1946 to 1969 by over 3700%—an amount difficult to comprehend. At the same time, returnable beer bottles dropped 64% per capita.

Putting away the ethics of a throwaway society for a moment, we should try to visualize the solid waste problem of disposing of these cans and bottles. It is a staggering job. The siting of future landfills to dispose of mountains of trash is a major problem whose dimensions—literally and figuratively—will continue to grow.

ENERGY SAVINGS

Because solid waste on such a vast scale is difficult to comprehend, every beverage purchaser should look at energy savings from passage of our national bottle bill. I think the Committee should look at this carefully, for information I have received indicates such a law would generate substantial energy savings. One study shows an energy saving equal to the total 1970 energy needs for the cities of Boston, Washington, Pittsburgh, and San Francisco for five months. Another report states that the energy equivalent of 131,000 gallons of gasoline daily would be saved by banning throwaways. Another study shows it takes over three times the energy to bottle a gallon of beer in throwaway containers than in returnable ones.

Each time an empty beer can or soft drink bottle is thrown away, the energy used in its manufacture also is discarded. A returnable container is used an average of over ten times, with obvious energy savings. We are told a 100 watt light bulb could burn for twelve hours on the energy wasted on a throwaway. One Ph.D studying this problem says the energy waste is so great that throwing away an aluminum 12 ounce beverage can is like throwing it away half full of gasoline—the energy equivalent used in its manufacture. An environmental group here in Washington has calculated the national energy savings of a ban on throwaways to equal:

The electrical needs of 9.1 million Americans for a year; or

The gasoline for 1.5 million cars averaging 10 miles per gallon to travel 10,000 miles; or

The natural gas to heat 2 million three bedroom homes in the Mid-Atlantic region for the 8-month heating season.

ENVIRONMENTAL TECHNOLOGY

Today we are led to believe that maintaining a quality environment and providing for our energy needs are conflicting objectives. Maintenance of our natural ecological systems, however, should not have to compete with man's other uses for energy. These ecological cycles actually should supplement our energy supply, and it is tragic we have allowed this relationship to be turned around.

We have been making technological choices that have been displacing products and processes that fit in with the cycles of nature. To rescue nature, we then have been applying "environmental technology" which substitutes for natural processes, and therefore duplicates the natural work from the ecological sector. This displacement and duplication is a crippling economic handicap. Consider the example of how sewage is handled. As the growth of urban areas has become more and more concentrated, much energy—including research and development work—has gone into developing and implementing technologies to protect lakes, rivers and oceans from the wastes dumped into them. These wastes, however, often are rich sources of chemical energy capable of being recycled back into the farmlands from which the nutrients came. They could replace much of the fertilizer now produced from fossil fuels and eliminate the need for energy-expensive tertiary sewage treatment.

The same attitude is reflected in the numerous ads showing large bottle and can manufacturers encouraging the recycling of their throwaways, although the increased energy use can be seen by anyone. Modern man unfortunately appears to believe it is better to solve the litter-solid waste problem by energy-expensive recycling rather than by avoiding much of the problem to begin with through use of returnable containers. In spite of the national leadership given by Senator Moss in the recycling area, however, insufficient economic incentives unfortunately still hinder solutions to solid waste problems such as beverage containers. I just wish some of Senator Moss's recycling proposals had been in effect for years, and our solid waste problem would not be as severe as it is today.

LITTER REDUCTION

While energy savings offer an au courant impetus for banning throwaways, the dramatic reduction in litter in Oregon provides another critical reason why our bill should be enacted. In fact, the litter reduction is really an easily seen benefit to anyone travelling in Oregon recently. We have witnessed a dramatic drop in roadside beverage container litter. A study of the impact of the law on litter in Oregon by the Environmental Protection Administration states ". . . the law had a significant and positive impact on the litter in Oregon." The E.P.A. study showed beverage container content in roadside litter has dropped about 96%. EPA spokesmen in their testimony, as well as Oregon witnesses can provide more background on this important savings from enactment of our bill.

CONSUMERS AND THE "THROWAWAY TAX"

As supermarket dollars buy less and less, consumers should remember they are paying a "throwaway tax" on all those snap-tab flip-top cans and throwaway bottles. Dollar watchers need only examine beverage costs where both returnable and nonreturnables are sold. You pay less for returnables. When a consumer buys a beverage in a returnable container and returns it, he pays only a fraction of its container cost. The throwaway purchaser, however, pays the entire cost. Added to this is a disposal cost, and sometimes a roadside litter cleanup cost.

In a throwaway society characterized by mountains of discarded beverage containers, the problem is not caused by "them", but by "us." Two slogans illustrate the situation: "We have met the enemy and they is us." and "If you're not part of the solution, then you're part of the problem."

So far, however, little has been done to solve this problem. Oregon results from our bottle law show it can be attacked and solved, but acquiescence by a dormant public won't accomplish it.

Throwaway containers should be repugnant reminders of how little society cares about wanton depletion of its energy resources, or a measure of the disdain for helping curtail the staggering litter and solid waste problems.

A laundry list of areas exists where blind obedience to technology has created a host of problems. The beverage container area provides Congress a clear opportunity to reject this throwaway ethic spawned by the idolatry of technology. We must reject this misguided attitude in favor of one which reduces energy and help solve our litter—solid waste problems.

I urge this Committee to approve our bill, and thus to signal an end to this destructive approach to the stewardship of our land and its finite resources.

While we are the enemy today, we can be part of the solution tomorrow. To do less than solve this problem would be to submit to the tyranny of technology. To solve the problems caused by throwaway beverage containers would be to signal that society can place critical values—ethical and economic—in their proper perspective. The American people and the Congress must reject the flip-top, snap-tab throwaway society, and banning throwaway nonreturnable containers is a needed first step.

In closing, Mr. Chairman, let me thank you again for holding hearings on this bill. We in Oregon know such a law can work and we welcome the opportunity to testify about the Oregon law. As Oregon witnesses appear, I would hope that some questions could be directed to them about the opposition to our bill. Ask them what dire predictions were made in hearings similar to this one before the Oregon legislature. Try to find out just what the opposition claimed the effect of enactment of the law would be. The reason I suggest this to the Chairman is that I know opponents of our bill will stream before this hearing and predict a worse depression than the 1930s if Congress bans throwaways. Tales of woe will be pictured by our powerful opponents. As witnesses from Oregon will tell you, the Oregon legislature heard all the same dire predictions. If the men and women in our legislature had believed all the claims of the bill's opponents, there would have been no Oregon "bottle bill".

It is no secret that opponents of the bill represent both labor and management—and perhaps I should be pleased that I could help this labor-management rapproachment, even if it is only to defeat my bill.

Thank you again, Mr. Chairman, and I

> **will supply any added material you wish for the RECORD.**

NATIONAL PUBLIC RADIO: A PRECOCIOUS 32 YEAR OLD

Mr. METCALF. Mr. President, national public radio is a precocious newcomer among media operations covering activities on Capitol Hill. Its budget is modest, and its audience, while growing steadily, is small compared to that of the commercial radio and television broadcasters. Yet, because of its innovative and creative programing, NPR is clearly establishing standards for public affairs broadcasting which have great significance for the industry, for the Congress, and for the American people.

I refer particularly to NPR's coverage of congressional committee hearings. In just 3 years of operation, this public radio network has transmitted live over 725 hours of such hearings. That is the equivalent of 6 solid weeks of broadcast coverage each year—and the policy of the network is to choose an issue and stay with it, uninterrupted except for necessary explanatory comments and continuity, until the hearings are completed.

Moreover, the network has transmitted to its 164-member stations around the country not only the highly dramatic hearings, such as those on the war in Vietnam or on Watergate. It has also carried hearings on subjects less likely to receive close media attention, such as the nomination of cabinet officers or proposed farm legislation.

Mr. President, one of the most important purposes of congressional hearings is to inform the public, to develop awareness of public policy issues, and to create a record for describing in the fullest possible detail how a particular program or law will affect the interests of various segments of our population. Hearings serve to inform and to educate. If what our witnesses say were to be heard only in the confines of the committee room, congressional hearings would serve very little purpose.

NPR is performing a valuable service in broadcasting congressional hearings today. And I believe that this service has great potential for bringing the workings of the Congress closer to the American people, expanding public understanding and giving our citizens a sense of participation in functions of their national legislature.

Most recently, the Joint Committee on Congressional Operations held 6 days of hearings on Congress and mass communications. We were seeking to discover ways that Congress might assist the media in covering its activities and in reporting on them more fully and accurately. We had outstanding witnesses from both the Senate and the House as well as from the media and the academic community.

NPR covered these hearings gavel to gavel. Their engineer and commentator were completely unobtrusive—staying with us for almost 26 hours of airtime. And my mail reflected the fact that people were not only listening but were highly appreciative of the opportunity to tune in. I want to quote from a few of the letters of these listeners, because they point up the significance of this kind of broadcast coverage. A California listener wrote:

> I have learned more about how legislation is developed and shaped by listening to your committee on radio just A FEW TIMES *than in 15 years of reading newspapers!* Live coverage is essential if Americans are going to come to know and respect their government.

A Maryland woman listened throughout our 6 days of hearings—and expressed a desire for coverage of more congressional hearings. She wrote:

> We bless PBS for making all Congressional hearings available as they are able to. And listen to all of them. It would be a great service if we could have more of them.

An Arizona woman, noting that the broadcast coverage gave her a sense of participation and involvement, commented that the broadcast coverage is a "splendid way to build a responsible and informed electorate." She wrote:

> The radio broadcasting of your and other committee hearings has enabled me to feel participatory democracy working more than any other time of my 55 years. I am "glued" daily to these hearings and have learned more and become more involved in government issues than possibly pleases my legislators! I particularly wish to plug the radio rather than TV coverage. Listening, I can go about many activities that require only my physical attention which I could not do if I had to sit and *watch*. Also, I do not really see the added worth of "looking" at all you photogenic types to observe whether you are biting your lips or swiveling in your chairs. I'm more than *content* to listen to the essential *content* of words. In any case, the opening of all legislative activity at every level is the most splendid way to build a responsible and informed electorate. I hope you will continue to believe that "the American public" is capable of making reflective decisions if given the opportunity.

A student from Michigan sent along observations which I believe go to the heart of the matter. He wrote:

> **We see, I fear, only one small aspect of our representatives in congress at present. We see them delivering thirty second segments on the evening news. And, at a time when government seems further than ever from the people whom it effects, this latter image does not help to lessen the gap.**

And he continued:

> It is because I am a student (and therefore not working a nine to five job) that I am able to follow the committee's activities. Were I relying on major radio-tv networks (exclusive of NPR) coverage of the day's events, I would not even know (as of this date, at least) that such meetings were going on. This seems to make the creation of channels of communication between the Congress and its constituency a most vital project if this nation is to continue to be called a democracy. And these channels of communication must provide extensive information on the day's proceedings "on the hill' into the evening hours when working people and school children will have access to them.

And from Missouri, a man wrote:

> **If it were not for National Public radio that carried your joint committee meeting, . . . I never would have known you** were thinking of these things. I heard Senators Mondale and Humphrey and *completely* support what they have to say. You Can't have Democracy & Secrecy at the same time.

Mr. President, most of us have public radio stations in our States. We know they are partially funded by the communities they serve. The stations that are able to offer full service can then obtain additional support and funding from the Corporation for Public Broadcasting—the body we created in 1967 for that very purpose.

I am pleased that KUFM–FM at the University of Montana in Missoula, is presently taking steps to join the ranks of the CPB qualified public radio stations and to obtain eligibility for membership in the National Public Radio network. If these negotiations are successful Montana will have its first full-service, public radio station.

Last Friday was NPR's third anniversary. I am delighted, on this occasion, to learn that live coverage of congressional hearings and other educational and cultural programs offered through the network's interconnection system may soon become available to the people of my State.

I commend NPR for the work that it is doing to improve public knowledge and understanding of the Congress and its vitally important role in the American system. I hope that, by calling attention to the availability of their broadcasting, more of our citizens will take an opportunity to listen in and to support their coverage. With continued excellence and imaginative programing I trust that the potential of this service for public affairs education will be fully realized.

WHITE COLLAR CRIME HANDBOOK

Mr. BIBLE. Mr. President, whether it is the better known crimes in the streets or the business-oriented crimes in the suites, these nefarious activities are increasingly sapping this country's economic and social strength. A Commerce Department survey says property thievery totals $16 billion per year and other estimates say fraud and embezzlement add another $1½ billion per year with the increases going upward.

Therefore, may I commend the U.S. Chamber of Commerce for its affirmativeness in just publishing a handbook, "White Collar Crime: Everyone's Problem—Everyone's Loss," which it hopes to distribute nationwide to business executives and professional people.

This 92-page booklet, concise and easily readable, certainly is one of the most excellent, down-to-Earth guides to control business crimes I have ever seen. It offers practical advice to curb the criminal who preys on businesses of all types. To Mr. Arch N. Booth, executive vice president of the U.S. Chamber of Commerce, and his crime prevention and control panel made up of outstanding business and law enforcement leaders from across the country, I want to say that your job is a fine contribution.

As our Small Business Committee has learned in some 5 years of hearings on the impact of crime on business, police and law enforcement personnel alone cannot control it. Crime against property, and that is what business crime is all about, represents preventable economic injury. Therefore, the suggestions this Chamber of Commerce guide provides to executives and supervisory help, should pay dividends in stopping the criminal whether he plies his trade by thievery on the shipping docks or by embezzlement or fraud inside the office suites.

This handbook spells out how various management policies and procedures can help deny to the potential white-collar criminal the means, opportunity and motive to commit these offenses of bankruptcy fraud, bribes, kickbacks, payoffs, computer-related crime, consumer fraud, illegal competition, deceptive practices, embezzlement and pilferage, insurance fraud, receiving stolen, property and securities theft and fraud.

This anticrime, probusiness handbook deserves a "must read" label for all businessmen, from chairman of the board to the night shift supervisor. Crime, whether ordinary thievery or the under-the-desk white collar variety, can only be stopped by businessmen who do their part to stop it.

COMMUNITY EDUCATION

Mr. HARTKE. Mr. President, the Senate will shortly be considering legislation to amend the Elementary and Secondary Education Act. Included in those amendments is provision for community education programs.

Community education includes: adult education programs, health programs, recreational programs, vocational programs, academic programs, and enrichment programs. It is a community concept, because it involves schools, churches, civic organizations, agencies, business, industry, and government.

I have long believed in expanding the concept of education to all of the people. I was involved in the creation of the adult education and cooperative education programs. Each of us should have the opportunity to learn, for there should be no such thing as a specific school age.

Recently, I received a letter from Dr. John A. Fallon, who is a consultant for the Institute for Community Education Development at Ball State University in Indiana. Dr. Fallon cites two concerns with the Senate bill's provisions regarding community education.

Mr. President, I request unanimous consent to have printed in the Record following my remarks the text of Dr. Fallon's letter together with a listing of current statistical data on community education in the United States.

There being no objection, the material was ordered to be printed in the Record, as follows:

Ball State University,
Muncie, Ind., April 29, 1974.

Hon. Senator Vance Hartke,
U.S. Senate,
Old Senate Building,
Washington, D.C.
Attention: Mr. Howard Marlowe.

Dear Sir: After visiting your office last week while in Washington, D. C., I thought a follow-up letter reaffirming my concern about Senate Bill #1539 would be most appropriate.

As I had discussed with your aide, those of us working in Community Education Development are most appreciative of the fact that federal support for such development may be forthcoming. On behalf of the Institute for Community Education Development (serving Illinois, Indiana, Kentucky and Ohio) and the Mid-America Community Education Association, I would however like to express two concerns with the Senate bill.

First of all, the fact that the Senate bill provides for project grants from U.S.O.E. to locales is a great concern. The efforts of the Institute for the past several years have been geared toward establishing the State Department of Public Instruction as the community education development agent within the states. To that end, Indiana currently employs a State Director of Community Education and Illinois is considering both legislation and a position. Should the Senate bill pass and subsequently become law, the State Departments would be "shortcircuited" and thus only peripherally involved. Ideally, State Departments would be involved directly with funding, technical assistance, and other appropriate services. As you are no doubt well aware, the House version of such legislation (H.R. #69) directly involves State Departments.

Secondly, the Senate bill provides for technical assistance from U.S.O.E. As one who has had experience with such a situation, I find this theoretically sound but pragmatically absurd. With the existing decentralized technical assistance support system in operation (45 University and College Centers for Community Education Development located throughout the U.S.), approximately 15 State Departments currently operating in such a capacity, and hopefully all State Departments in the future, the need for such U.S.O.E. support would be slight. The University and College Centers represent at least seven years with technical assistance to date and current statistics available on Community Education Development in the U.S. indicate that they have been most effective.

I would greatly appreciate your views on this matter as well as the probable route, timetable, and prospects for the legislation. This information will help those of us in the field to determine our role and subsequent strategies in the matter.

Again, the fact that federal legislation for Community Education Development has been proposed is greatly appreciated. I'm quite hopeful that those of us back home can count on your assistance.

I will anxiously await your reply.

Sincerely,

Dr. John A. Fallon,
Consultant, Institute for Community Education Development.

Current Statistical Data on Community Education

1. 900 communities across the U.S. are involved in C.E., involving 3% of the nation's schools.

2. In 1973—2,000 community schools were open involving 1,800,000 people a year.

3. 15 regional centers for community education exist across the U.S.

4. Over 30 Cooperating Centers assist the regional centers in C.E. Development.

5. The National Center for Community Education in Flint collects research and provides short-term training.

6. 4 State Departments have Community Education person on their staff.

7. 20,000 persons have participated in Community Education workshops in Flint, Michigan and regional centers.

8. Over 700 Community Educators have been trained in Flint and Regional Centers.

9. National Legislation is pending on community education as part of the ESEA.

10. Five states have laws reimbursing schools for ⅓–½ of a coordinator's salary: Florida, Utah, Michigan, Minnesota, and New Jersey.

11. National PTA has endorsed C.E. as a desirable concept.

12. National Jaycee's have adopted C.E. as a national project.

13. November, 1972 Issue of Phi Delta Kappa devoted entirely to C.E.

14. Nearly a dozen foundations have put money into C.E. including Lilly, Danforth, Sears, Rockefeller, Mott, Ball, Kellogg, Amos, and Ford.

NEW YORK TIMES PUBLISHES ARTICLE BY SENATOR THURMOND ON PANAMA CANAL

Mr. HELMS. Mr. President, today's New York Times carries a very fine article by our distinguished colleague, the senior Senator from South Carolina, Senator Thurmond. The article deals with current negotiations with the Republic of Panama for a new Panama Canal treaty. Senator Thurmond is one of the Senate's outstanding authorities on the Panama Canal, whose operations and defense come under the Senate Armed Services Committee, of which he is the ranking minority member. His work over the past many years has brought him outstanding recognition in this field.

The New York Times has a policy of running articles on its op-ed page dissenting from the Times' usual views on matters. Senator Thurmond was invited by the Times to articulate a view on the canal which, needless to say, is quite opposite that of the Times. It is a view which has strong support in the Senate. Senator Thurmond joined with the distinguished Senator from Arkansas (Mr. McClellan) and 33 others in sponsoring Senate Resolution 301 in opposition to the basic principles of the canal negotiations being conducted by the administration. I have the honor of being among these cosponsors.

Mr. President, I ask unanimous consent that the article by Senator Thurmond from today's New York Times be printed in the Record at the conclusion of my remarks. This article is a concise summary of the situation as it now stands, along with the historical background necessary to understanding that situation. I congratulate the Senator for his fine piece of work.

There being no objection, the article was ordered to be printed in the Record, as follows:

For Perpetual U.S. Control Over the Panama Canal

(By Strom Thurmond)

Washington.—Secretary of State Kissinger and the Panamanian Foreign Minister, Juan Antonio Tack, on Feb. 7 signed a "Joint Statement of Principles" to serve as the basis of treaty negotiations for the surrender of United States sovereignty in the Canal Zone.

In my judgment, the Secretary committed an egregious blunder in committing the United States to a course of action on a new Panama treaty without a reasonable assurance that the requisite two-thirds majority of the Senate supported the abrogation of sovereignty.

In consultations with members of Congress before signing the statement, Mr. Kissinger and his chief negotiator, Ambassador Ellsworth Bunker, were advised that the surrender of United States sovereignty in the

Canal Zone was not a negotiable item; they apparently chose to ignore this advice.

On April 5, a sense-of-the-Senate resolution was introduced calling for continued United States sovereignty over the Canal Zone. At this time, 35 Senators—more than one-third of the members of the Senate—have joined in sponsoring to pick up co-sponsors for this resolution; in fact, most of the signatures were collected in a single afternoon.

This list of co-sponsors is noteworthy not only for its numbers, but for its leadership quality. It includes the chairman and ranking Republican of the Agriculture and Forestry committee, the chairman and ranking Republican of the Appropriations Committee, and chairman and ranking Republican of the Judiciary Committee, the chairman and ranking Republican of the Veterans Affairs Committee, and the chairman and ranking Republican of the Select Committee on Presidential Campaign Activities. It also includes the ranking Republicans of the Aeronautical and Space Sciences Committee, the Armed Services Committee, the Banking Committee, the Commerce Committee, the Finance Committee, the Interior Committee and the Public Works Committee. At the other end of the seniority spectrum, it includes every freshman Republican Senator.

There is no way in which the Joint Statement of Principles can be reconciled with the Senate resolution. There is no way that any treaty can adequately protect and defend our interests in operating the Canal when it has as its basis the abrogation of sovereignty. And sovereignty is the nub of the issue. In the complicated power relationships of the modern world, the continued exercise of sovereignty is the only way to keep the canal operating efficiently and continuously, not only for the benefit of the United States but also for the entire world.

Indeed, perpetual United States control was an essential arrangement that enabled the United States to build the canal and keep it operating through war and peace.

At the turn of the century, the French-owned canal company in the Colombian province of Panama had virtually failed. On the other hand, the United States already was involved in construction of an isthmian canal in Nicaragua. It was the Columbian Government that opened negotiations with the United States to abandon the project in Nicaragua and, instead, build the canal in Panama.

In the Spooner Act of 1902, Congress authorized Theodore Roosevelt to negotiate with Colombia but only on the basis of perpetual United States control. When the internal dissensions of Colombian politics denied the people of Panama the benefits of the proposed canal, Panamanian patriots risked their lives and property to proclaim independence. In ensuing negotiations with the United States, the new Government of Panama agreed to perpetual United States sovereignty over the Canal Zone as the necessary inducement to divert United States interests from Nicaragua to Panama.

The Canal Zone is United States territory. It was obtained both by grant of sovereignty in the 1903 treaty, and by purchase of all outstanding rights and titles in perpetuity. In all, we have paid $163,718,571 for these rights and titles, including the assumption of the annuity formerly paid by the Panama Railroad to Colombia.

The total United States investment, including defense, amounts to nearly $6 billion. There is no "lease" involved whatsoever. In fact, the purchase of the Canal Zone is the most expensive territorial acquisition in the history of the United States, outstripping by far the Louisiana and Alaskan purchases of $15 million and $7.2 million respectively.

The treaty of 1903 specifically excluded Panama from an exercise of sovereignty in the Zone. Congress is, therefore, the legislature for the Canal Zone. Congress has set up a Canal Zone Code, a Federal District Court at Balboa, and a government for the Zone. Much of the domestic legislation of this country applies in the Canal Zone, unless specifically excepted.

If the United States were to surrender its sovereignty, Panama could easily destroy herself under unbearable pressures, both internal and external.

Without continued United States sovereignty over the Canal Zone, any treaty signed with Panama would become a mere scrap of paper, subject to the escalating demands of internal Panamanian politics.

The Suez Canal is a mute reminder of what happens when a powerless nation assumes a responsibility it is unable to support.

It is unfortunate that the giveaway mentality of some in the State Department has misled the Panamanian people about the true status of the Zone and the mood of the American people.

The United States can continue to make proper adjustments in our treaty relationship with Panama, within the framework of the retention of sovereignty. Through appropriate legislation now introduced in the Senate and House, the United States should make a commitment for the major modernization of the present Canal under the present treaty. Such a project, whose cost has been estimated at $950 million, would have a major impact upon all levels of the Panamanian economy, establishing the job skills and economic base that would give Panamanians one of the highest standards of living in the Western Hemisphere.

Creative negotiations would re-establish a harmonious partnership as these two nations work together for their mutual benefit and the world's.

OIL-IMPORTING COUNTRIES TO BE AIDED BY OIL-PRODUCING COUNTRIES

Mr. JAVITS. Mr. President, I would like to call to the attention of my colleagues an article from the New York Times, dated May 7, disclosing that the oil-producing countries, including the Arab oil-producing countries, have pledged credits of $2.75 billion to a special oil facility of the International Monetary Fund. This is a recognition by the oil-producing countries, of their new international responsibilities to countries with balance-of-payments problems.

With proper encouragement, this "oil facility" should grow.

Responsibility among oil-producing states in using their new wealth also takes U.S. leadership. In this respect it is particularly important that the Senate take early action to approve U.S. participation in the fourth replenishment of IDA, the window of the World Bank designed to assist the poorest of the developing countries.

Mr. President, I ask unanimous consent that the article referred to be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL PRODUCERS PLEDGE CREDITS OF $2.75 BILLION FOR IMPORTERS

(By Edwin L. Dale, Jr.)

WASHINGTON, May 6.—The International Monetary Fund disclosed today that Arab and other oil-producing nations had "indicated their willingness to lend to the fund" about $2.75-billion to help establish a special new "oil facility" that would lend money to oil-importing countries at a time when these countries will nearly all have deficits in their balance of payments because of higher petroleum prices.

The announcement said "several" of the oil-producing countries "saw the possibility of adding to that total later in the year." Although the pledges were not fully broken down, the announcement said Saudi Arabia had offered $1.2-billion; Iran, $720-million, and other countries $840-million.

In a related development, the managing director of the I.M.F., H. Johannes Witteveen, disclosed further details of how the oil facility would operate and said he was hopeful it "can be put in place before the middle of the year."

Mr. Witteveen discussed the plan in a speech to the Economic Club of Detroit, the text of which was made available here.

The problem is how to channel the huge surpluses of the oil countries back into the rest of the world. Mr. Witteveen said that "unavoidably" this money must flow back in one form or another to the oil-importing countries, but he added that "the key question is how to assure that the pattern of such flows helps rather than hinders the achievement of monetary and economic stability."

The "main contribution" in channeling the return flow of money will be that of private financial markets, chiefly what is called the "Eurocurrency" market, he said. This is the intricate interbank network of depositing, lending and borrowing of various currencies owned by citizens, companies and governments of numerous nationalities.

But Mr. Witteveen said that for several reasons "the Eurocurrency markets do not provide a complete answer," and he added that in the near future there was no certainty "that the surplus funds of the oil countries will find their way to where they are most needed."

It was for this reason, Mr. Witteveen said, that he proposed last January the new oil facility, a kind of separate borrowing "window" for the member countries of the I.M.F. He disclosed these features of the new facility today:

It would operate for only two years, 1974 and 1975.

It would make funds available to countries "which have a balance-of-payment need and which have difficulty in obtaining finance elsewhere." The amount to be borrowed would be "related to the higher costs of oil, subject to an upper limit related to the [country's] quota in the fund."

The drawings, or borrowings, "may be outstanding as long as seven years, with repayment beginning after the third year."

The money for the new facility would come "for the most part from borrowing"—presumably chiefly from the oil countries—"thus keeping the fund's existing resources available to meet the other demands of its members."

The interest rate would be higher than on normal fund drawings but "somewhat below" what countries would have to pay for alternative sources of funds.

The loans from the oil countries "would be demoninated in terms of Special drawing Rights"—the new international money created by the I.M.F.—and "by the time the loan agreements come to be ratified, we hope that a new basis of valuation for the S.R.D. will have been approved." The Special Drawing Right is now linked in value to the official price of gold, but an international agreement is likely to link it instead to a "basket" of leading currencies.

"The proposed new arrangements in the fund will be a success only if they help to promote a smooth transition to a sustainable medium-term balance-of-payments situation" Mr. Witteveen said. "At present, we cannot see any clarity what arrangements will eventually be established to provide for the orderly investment of surplus oil revenues in the medium term."

Speaking of the "most difficult" economic problem facing the world generally, Mr. Witteveen indicated his belief that inflation remains a greater danger than stagnation and unemployment.

ADDRESS BY CHILEAN SENATOR SERGIO JARPA

Mr. HELMS. Mr. President, I recently had the great honor to be one of three honorary cochairmen of the World Anti-Communist League's seventh conference, held here in Washington. For the first time this international organization of men and women who are fighting for the principles of freedom and justice for all men against world communism held its annual conference in the United States.

Nearly 350 freedom-loving delegates from 54 free nations and 19 captive nations participated in one of the most interesting and informative conferences to be held in this city for many years.

The host organization, the American Council for World Freedom, its outgoing president, Maj. Gen. Thomas A. Lane, U.S. Army, retired, and the new president of ACWF, and WACL, Mr. Fred Schlafly, of Alton, Ill., can be proud of this conference and the impact it has made on men and women throughout the world.

Now I know that outside of Washington, D.C., word of the seventh World Anti-Communist League conference went to the people through the press, radio, and television. But if the residents of Washington, D.C., did not read out-of-town newspapers, magazines, or hear the news on out-of-town radio and television, they would never have known that this conference was held. They would never have heard from the men and women who have suffered under the yoke of brutal Communist dictatorships. The citizens of Washington, D.C., would never have heard, for example, of Mr. Avraham Shifrin or Mr. Antaol Radygin who spoke at the WACL conference about their 20 years in the notorious "Gulag Archipelago" labor camps at the Soviet Union.

I would like to point out to my colleagues that the Washington Post did not publish one line about the conference while the Washington Star-News carried only one brief item of three paragraphs on the WACL conference. Thus, this international conference never happened so far as most of the citizens of this city knew, or the Members of Congress and their staffs, and the international community here, and the thousands of Government employees whose daily work is affected by international affairs.

Mr. President, I commend the American Council for World Freedom and the World Anti-Communist League for bringing this conference to the United States, and salute the many men and women who participated and told the story of their trials and tribulations under communism.

I would like to list some of the distinguished men and women who participated in the WACL Conference.

Mr. Bruce Herschensohn, Deputy Special Assistant to the President; the Honorable Nathan Ross, of Liberia; Adm. John McCain, Jr., U.S. Navy, retired; Hon. Yaroslav Stetsko; our colleague from the House, Representative RICHARD ICHORD, Democrat of Missouri; Dr. Han Lih-wu, Republic of China; Mr. Mario Lazo, Cuba; Mrs. Suzanne Labin, France; Mr. Hoang Van Chi, Vietnam; Prof. James Dornan, United States; Gen. Anatasia Somoza Debayle, Nicaragua; Mr. William F. Buckley, Jr., United States.

I want to pay particular tribute to Dr. Ku Cheng-kang, of the Republic of China, who as honorary chairman of the World Anti-Communist League, has provided WACL inspiration and leadership since its birth in Korea 8 years ago.

These are just a few of the men and women who spoke so eloquently to acquaint the citizens of the United States and the world of the dangers of communism.

I wish to thank my fellow honorary cochairmen, Representative CLEMENT ZABLOCKI of Wisconsin, and Representative PHILIP CRANE of Illinois, for working to make the conference a tremendous success.

One of the speakers at WACL conference, Mr. President, brought a message to all freedom-loving people from his countrymen—the men and women of Chile who only a few months ago overthrew a Marxist dictatorship—that of Sr. Salvador Allende. Chilean Senator Sergio Onofre Jarpa presented the WACL conference and the world with a concise and documented presentation of the facts surrounding the coming to power of Allende and the forces behind the coup which ended 3 years of Communist control of Chile. Of the Allende-Communist takeover Senator Jarpa said:

> The international Communist party used a new tactic in Chile. The Cuban model had lost all prestige in the western world and the attempts to create subversion through guerrillas and terrorism had failed. . . . In Chile they had to attempt an operation without pain, that is, with enough anasthesia to prevent the patient from rebelling in time.

He traced the history of the Communists' ruination of his nation's economic policy, of the Allende-Communist regime's derogation of the law and Chile's judicial system, and of the abandonment of the constitutional and legislative systems. Of the revolution for freedom from the Communist tyranny, Senator Jarpa said:

> It was the people of Chile who mobilized to reject the marxist dictatorship. The free women and men of Chile assumed their responsibility and did what they understood to be their duty.

He warned the conference that—

> It is difficult to comprehend the attitudes of those organs of the media and those political leaders who are supposed to be the defenders of liberty and democracy, and yet, now they fall into all the traps laid by the international communist forces.

Speaking of those Americans and the American media who are wringing their hands over the overthrow of Allende-communism in Chile, Senator Jarpa declared:

> The international Communist party has been able to count on the support of apparently democratic or neutral organizations for their campaign. However, we find it very curious that the representatives of these organizations have so suddenly been hit by an interest to visit our country to interview those who are being tried for their crimes or their thefts. All this is being done, they claim, to guarantee respect for human rights. A very commendable but belated concern, because we never saw them in Chile, nor did we hear their protest, when the marxists were in power and were commiting all sorts of abuses and crimes. Nor are we aware that they have ever shown any concern for the concentration camps in Soviet Russia, Eastern Europe, Cuba or any other communist country.

Mr. President, I ask unanimous consent that the full text of Senator Jarpa's address before the seventh conference of the World Anti-Communist League be printed in the CONGRESSIONAL RECORD so that all of my colleagues may have the advantage of reading firsthand the reasons why the Chilean people overthrew the Allende-Marxist dictatorship and returned to freedom.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SAVING FREEDOM IN CHILE

(Hon. Sergio Onofre Jarpa)

We are thankful to the world anti-Communist league and to the American council for world freedom for their invitation to participate in this their seventh conference to expose recent events in Chile and talk about the situation at present.

A PERSONAL EXPERIENCE

We hear very often a series of judgments and criticisms of our country from foreign journalists, politicians and intellectual leaders which bear no reflection of our reality. In many cases they are the opinions of people with a vested interest who seek very precise political ends. In others, they come from people who have paid quick tourist visits to Chile, where they have gathered a very superficial and biased picture of events and who appear later on as the great specialists on Chile and Latin America.

We can understand the position of the Marxists: After their shameful defeat in Chile they must build up a black legend to justify their own failure. However, it is difficult to comprehend the attitudes of those organs of the media and those political leaders who are supposed to be the defenders of liberty and democracy, and yet, now they fall into all the traps laid by the international Communist forces. Unfortunately, in every country there are those who prompted by populist demagogy, by personal ambition, by the need to have a public platform, or simply as an apology for their own private wealth, feel that they must echo all the slogans which the Communists fabricate and spread all over the world. The Communists will always flatter them but only for as long as they serve the Communists purposes, then, when the objectives have been fulfilled, they will be thrown overboard as a useless burden.

In Chile this sort of people have already learned their bitter lesson: they know now that if you make an alliance with the communists and you win, it is in fact only the communists who win. The theoreticians of social democracy also seem to fall into the category of those who refuse to see things as they are. They are indeed more respectable than the opportunist bourgeois politicians, but no less mistaken in their views and in their concepts. Candidly, they dreamt that Chile would become the paradise of "socialism with a human face". Now they moan their painful awakening. But instead of blaming Chile for the failure of their experiment they would do better to analyze the conduct and the methods of their communist partners. We have not come here to compare doctrines, nor to give magical recipes. We have come here as Chileans, with no official representation, to tell about an experience, an experience which may have as its only merit the fact that it is a personal experience.

SITUATION IN CHILE BEFORE 1970

The Marxist Government of Salvador Allende was not the cause of all Chile's evils. The popular unity represented the last stage in a long process of decadence which had its roots in many and varied factors. Marxism succeeded in contaminating the body politic of the nation when it was already weakened by chronic, long standing illnesses, the most important of which were a decline of all national spirit and the overpowering effect of foreign political organizations, sectarian party governments, a crippling and expensive bureaucracy, an ever increasing tendency towards greater and greater state control which corrupted and depressed the country's economy, an educational system which discouraged initiative, audacity and the spirit of risk and adventure, and led the young towards the pursuit of a life of mediocrity, with no sacrifice and no horizons. The ultimate aims of the system seem to have been to work as little as possible and retire on a pension as soon as possible. All this was aggravated by a remarkable inability to resolve the grave social problems which affected vast sectors of our people.

In 1964 the vast majority of the country voted against the Marxist candidate of Mr. Allende and elected as president of the Christian Democrat Eduardo Frei. Nevertheless, during the Christian Democrat Government, the deep changes that the country required remained undone; instead, the government continued the road towards state control and party political sectarianism. The Marxists continued to undermine the institutional foundations of the country behind an apparent but superficial appearance of stability and for those six years they extended their influence and control in the most important centers of social and political power, in the corporations, in the unions, in the universities, in the television channels and in the cultural, scientific and technological organizations.

The propaganda, directed by government circles, was bent on negating or distoring our history and provoked a reaction of either indifference or spite against our national values, thus creating a profound generational chasm.

The Christian Democrats led by fear of being thought reactionaries and by an uncontrollable tendency towards a dialogue or a compromise with the Communists, made ever greater concessions to them, so much so, that a government that was elected as an alternative to communism ended in practice being its best ally.

The same attitude was observed in external affairs. This was reflected in our relations with eastern Europe and above all with Cuba. Chile had broken off relations with Cuba as a gesture of solidarity with Venezuela and other Latin American nations which were the victims of aggressive Castroite infiltration. Under the Christian Democrat Government relations with Cuba were renewed for no pragmatic reasons, but merely to tune in to the well orchestrated Communist campaign. In 1970 Chile in fact was not the solid, efficient and progressive democracy which some claim. The bureaucratic mentality and the party political interests ruled in all government institutions. Resources were wasted and development was paralyzed. Meanwhile the people were submerged by the pressure of masive demagogy, anti-Chilean propaganda and became the victims of greater confusion while their real problems remained unsolved.

THE ELECTION OF ALLENDE

It has been said, with reason, that democracy must be efficient in order to survive. Nevertheless, in spite of the ineffectiveness to which we have referred and to all the negative factors which were operating, the majority of Chileans repudiated once again the idea of a Marxist government in 1970. The Marxist popular unity obtained 36% of the votes, but got in because the democratic majority was divided into two. They were helped by an electoral campaign which was a masterpiece of simulation and camouflage. But had the democratic forces fought together, their success would have been even greater than in 1964. Unfortunately the differences that existed between them were so profound that any kind of a united front became impossible.

The Christian Democrat candidate Mr. Tomic proposed a government programme which was *etatiste*, while the national party supported by vast sectors of independent groups advocated private enterprise, freedom of work, a return to our national values and backed the candidature of ex-president Alessandri. At the election no one candidate obtained an absolute majority, therefore, according to our constitution, it was up to congress to choose between the two candidates that polled the greater number of votes: Mr. Allende and Mr. Alessandri. Mr. Alessandri announced publicly before the election in congress that if he were elected, he would resign to leave room for a new election where the democratic forces could react and fight in a united front. What was not known was that a secret pact existed between Allende and Tomic which enabled the Marxist candidate to negotiate with the Christian democrat leadership their support for him in congress. The basis of their agreement was a constitutional reform intended to clarify and extend the guarantees and rights of Chilean citizens, so that Mr. Allende would not be able to trample them under any pretext. This constitutional amendment mentions specifically individual civil rights and the rights of trade unions, universities and community organizations, poltical liberties, the freedom of expresson, education and work and reaffirms the prohibition to create armed groups outside those established by law. When the amendment was passed in the senate, Allende said:

"We and the President of the Christian Democrat Party and its executives, had no other desire than to seek the road which is herewith consecrated. We wished it so, in order to show that Chile can and must find its own way on the basis of its own idiosyncrasy, its tradition and its history."

Later on he added:

"I have come here to say that these laws must be understood not only as principles which are from now on enthroned in the fundamental charter, but also as the moral rule of a commitment before our own conscience and before the judgment of history."

When he had been president for a few months Mr. Allende was interviewed by the French Marxist Journalist Regis Debray. Debray asked him, "Was it absolutely necessary? Was it indispensable to agree to the statute of democratic guarantees?" Allende answered, "You must place yourself in the context of the time at which it happened and you will see that it was a tactical necessity". And then he adds: "At that moment it was necessary to take the Government".

Mr. Allende then, was not elected by the majority, nor by the people as it has been said. He was nominated by Congress conditional on the statute of guarantees which he solemnly promised to respect in its entirety, but which we now know he only did as a matter of tactical necessity, not principle.

THE CHILEAN ROAD TO SOCIALISM

The International Communist Party used a new tactic in Chile. The Cuban model had lost all prestige in the western world and the attempts to create subversion through guerrillas and terrorism had failed, therefore, it became necessary to present a new attractive face which could allow the Communists to attain their goals without provoking the repudiation they had incurred in other countries. They also had the added obstacle in Chile that they were in a country with a well established libertarian tradition. They could not use the brutal means they had used in Soviet Russia, Eastern Europe, Cuba and other Communist countries. In Chile they had to attempt an operation without pain, that is, with enough anesthesia to prevent the patient from rebelling on time. With this purpose they eliminated from their rethoric all signs of violence, threats or oppression and adopted attitudes of goodness and sanctity. They appeared open to dialogue, respectful of religion, of freedom, of democracy, of private property, of ideological pluralism and peaceful co-existence. This posture contributed without any doubts to dissipate many fears about the intentions of the Marxist candidate.

In the famous interview with Debray which we have mentioned, Allende clarifies perfectly the tactic used. Debray says: "One can ask oneself if the proletariat and its allies will be imprisoned with the bourgeois institutions, whether they will be appeased with reforms, or if it will be possible at some point to break away from these patterns? Is it the proletariat which will impose itself over the bourgeois or will the bourgeois absorb the proletariat in its own world? Who is using who? Who is kidding who? This question is important".

To which Allende replied: "The answer is brief: The proletariat," and added, "Well, so the question is who is using who? Even accepting that this is the question, the answer is: The proletariat. And if it weren't so, I would not be here".

If we bear in mind that in the same interview Allende claimed that the Marxist parties represented the proletariat, the aim of the Chilean way is self-evident. It was not democratic socialism, it was dictatorship of the proletariat through the Marxist parties.

Once power was in their hands, the Communists put forward the second stage of the Chilean way. They tried to win the support of the majority in order to establish a socialist state by means of a plebiscite. No one would then be able to doubt that Chileans had freely opted for a Marxist regime.

RISE AND FALL

The programme of the popular unity was a mystification designed to win electoral support through deception. It was based on premises which were alien to the Chilean situation and contained a series of measures intended to produce a temporary and apparent improvement in the social and economic situation to win time for the Communists to consolidate their positions.

With this object in mind, prices were frozen, wages and salaries were raised and hundreds of thousands of people were employed by government institutions with a clear political purpose. In order to finance this plan private enterprise was taxed beyond all economic viability and inflationary currency was emitted.

The price freeze plus higher taxation and wages led the majority of private enterprise either to bankruptcy or to a total paralysis of their activity. At that point the government offered the major shareholders of the most important industries to buy their shares, at far higher prices than those of the Stock Exchange. This was, to say the least, immoral since it meant the ruin of small shareholders. And, of course, there were those who hurried to offer their shares to the government: There are always some merchants ready to sell even the cord that will hang them. The government then, purchased the shares with public money freshly emitted for the purpose and without parliamentary consent or legal justification.

The second means for financing the programme was copper. With the nationalization of the great mining companies and the new development investments which had been made, Chile should have increased considerably its income from copper. The Chilean government after it had spent all foreign. reserves, 400 million dollars which it had inherited from the previous government, proceeded to draw on the revenues it expected to collect from copper.

Again this background and with a well staged populist demagogic propaganda, with the economic mirage which had been created by these measures and still without a united opposition, Chile faced the municipal elections of April 1971, where the Marxist government increased its vote to 50% of the total. The Chilean way to socialism was working very efficiently. It seemed a matter of time and perseverance and a clear mandate from the electorate could be won to allow for a plebiscite to be called.

But very soon the effects of this deceptive economic policy began to be felt as the first symptoms of what would become a boundless inflation and shortages of essential goods, began to be felt, followed by the immediate consequence of popular discontent.

On July 18th, 1971, the government lost a parliamentary by-election at Valparaiso. For the first time the democratic opposition had joined forces against marxism. After that, at every by-election the government lost more and more support. This was true not only in parliamentary elections, but also in elections in the trade unions, in the corporations, in the universities, school federations and community organizations.

The Marxist Government answered with massive expropriation of industry, agriculture and all private enterprise. The objects were two: In the first place, to destroy the alleged economic support which private enterprise gave to the democratic parties and secondly, to subjugate the workers through the control of all source of employment. Naturally, all this was done on the pretense of giving the land to the peasants and the factories to the workers. But very soon the Marxist leaders realized that their situation did not improve because the peasants and the workers demanded that these promises should be fulfilled, while farms and factories began to decrease rapidly their productivity, managed as they were with the utmost clumsiness by the political commissaries who had replaced the professional managers and technicians.

In 1973 the astronomical losses of the nationalized industries, the decline in production of good and services, the waste and corruption that prevailed in the management of public finances, were leading the country's economy to disaster and the people to misery.

At the time and today we hear it again, the economic crisis was attributed to an economic blockade of our external trade and to the suspension of foreign credits. Nothing could be further from the truth. During the popular unity government, Chile was able to import more goods than under any other previous government and our foreign debt increased in three years by 800 million dollars, and this in spite of higher copper prices and the fact that all foreign reserves were used up.

MARXISM WITHOUT A MASK

The Marxist then abandoned the propaganda for "socialism with liberty" and presented a new objective: revolution. From then on, they justified all kinds of abuses and illegalities. Those who protested were disqualified as "enemies of the revolution" and were publicly threatened with elimination.

With this change in tactics Allende was faced with a dilemma: Either he respected his constitutional commitments, leaving aside the Marxist revolutionary objectives which incited such opposition or he broke off definitely with the institutional channels and established a totalitarian dictatorship. We do not know what he would have chosen had he been free to act, but the Communist control over him left him with no alternative.

From that moment on the popular unity government began to imprison the free journalists, shoot workers on strike, jailed and tortured opposition political leaders, tried to suppress the freedom of the press through economic pressures and the control of newsprint. It prevented arbitrarily the extension of the Universities' television channels while it used the state television to cheat the people and to libel and slander all dissenters. It attempted to destroy the free corporations, the strong trade unions, the professional and technical associations. It took the law in its hands depriving the judiciary of its legal prerogatives and openly said that the courts' decisions would be implemented only in certain cases and under certain conditions, It ignored the powers of congress and refused to sanction a constitutional reform which had been approved by congress without calling a plebiscite to resolve the conflict of powers as the constitution demands.

The control of the distribution of food fell into the hands of the state for which they created government run committees in every neighborhood and settlement in an attempt to make people submit by the threat of hunger. It expropriated, intervened or simply seized illegally new industries and factories every day. It deprived farmers and peasants of their land and of their production. It persecuted shopkeepers and transport workers and imposed the massive Marxist indoctrination of the young through a political educational plan. Finally, it took the decisive step: It created its own military organization incorporating in its ranks more than 10,000 foreign extremists to whom it gave arms which had been smuggled into Chile.

One hundred people were killed throughout Chile in three years, an omen of the fate that awaited anyone who opposed the Marxist power.

The parliamentary elections of 1973 were an organized fraud. An investigation of the law faculty and the faculty of engineering of the Catholic University into the electoral results showed conclusively that more than 300,000 votes were polled in favor of the government by non-existent voters. For this, two, or three and even five identity cards were issued to one person so that they could register and vote as many times. In spite of this, the democratic forces obtained once again a clear majority. But this did not change in the slightest the policies of the government.

On July 27, 1973, the naval aide-de-camp of the President, Captain Arturo Araya was assassinated by Castroite agents because he was known to oppose Cuban infiltration of high government spheres. Naturally the government blamed this crime on the opposition, but one of the accomplices, afraid of being eliminated for knowing too much, gave himself up to the police and confessed.

The political storm caused by this asassination prompted Carlos Rafeal Rodiguez, number two in the Cuban Communist Party, together with Castro's chief of secret police Manuel Pineiro, to travel to Chile to consult with Allende.

Neither the crimes, the abuses, the corruption nor the constant threats weakened the spirit of most Chileans. Resistance to the Marxist government which originally came only from militant members of the the national party became stronger and more widespread as the true purposes of the Marxist coalition became clearer. Once the democratic political forces began to act together, they were joined by the trade unions, the student federations, the professional associations, the technicians, the peasants, the dockers, the bank employees, the transport workers, the copper miners, the neighborhood organizations and above all by the women.

The women of Chile in these bitter years gave the highest example of courage, sacrifice and decision at every difficult stage.

It was the people of Chile who mobilized to reject the Marxist dictatorship. The free women and men of Chile assumed their responsibility and did what they understood to be their duty.

The other constitutional powers, also rejected the Marxist dictatorship and protested against the government's arbitrary abuses. The Supreme Court, the Comptroller General of the Republic and the House of Deputies made written statements of protest which all the country knew.

On May 26, 1973, the Supreme Court wrote to Mr. Allende in the following terms:

"The Supreme Court must point out to your Excellency, for the tenth time, that the illicit intrusion of the government in judicial affairs is illegal". On the 25th of June in another statement to the president it said:

"The prerogatives of the judiciary are being ignored by your Excellency and thereby you are becoming an accomplice of the government's rebellion". And it adds: "The President has assumed the difficult and painful task for someone whose knowledge of the law is only vicarious, of trying to give instructions to this court about the interpretation of the law which is exclusive prerogative of the judicial power. If this court has always respected the attributes of the President, it is entitled to demand in exchange, respect for its judiciary functions."

The House of Deputies, on the other hand, denounced on August 22nd in a transcendental vote the unconstitutionality of Allende's government. It stated:

"It is a fact that the present government from its beginnings has been bent on the conquest of total power with the evident purpose of submitting all persons to the strictest political and economic control of the state in order to establish a totalitarian system absolutely opposed to the democratic, representative system which the constitution establishes. In order to achieve this end, the government has violated the constitution and the law, not only in isolated instances, but has made it into a permanent system of conduct". The resolution lists a long series of illegal acts committed by the government.

It has usurped Congress' legislative prerogatives.

It has failed to promulgate the law which defines the areas of the economy.

It has led an infamous campaign of libel and slander against the Supreme Court.

It has made a mockery of the orders of the courts of justice, whenever they affect members of the government parties.

It has failed to implement the judicial resolutions.

It has violated the dictators of the Comptroller General.

It has violated the principle of equality before the law through the sectarian discrimination in the distribution of food.

It has attempted against the freedom of expression, exercising all sorts of economic pressures against the opposition press.

It has illegally imprisoned opposition journalists.

It has violated the autonomy of the universities.

It has prevented the free exercise of the right of assembly.

It has attempted against the freedom of education applying an educational plan aimed at the Marxist indoctrination of the young.

It has systematically violated the constitutional guarantee of private property.

It has arrested people illegally for political reasons and the victims have been submitted to tortures and flagellations.

It has ignored the rights of the workers and of the trade unions.

It has broken the constitutional right which guarantees the free access to and from the country.

It has encouraged and protected seditious organizations which act as the pillar of a totalitarian dictatorship over the people.

It has protected the organization of armed groups which attempt against the security and the rights of individuals and are meant to confront the armed forces.

This document ends up by calling on the members of the armed forces which are collaborating with the government "to put an immediate end to all aforementioned infringements of the law and of the Constitution".

Two days later, on August 24th, the Association of Engineers agreed to "demand of the President that for the good of the country and of peaceful co-existence, he should resign his office in order to allow for the establishment of a democratic government".

The Association of Doctors with a well known tradition of leftwing bias and once presided by Allende himself, addressed the following message to the President:

"You have already been asked to change your policies, to obey the rule of law, to respect the Constitution, but to this moment you have showed no sign that you intend doing so. This is why we consider that the moment has come to ask you that, as a patriotic duty to your country, you should resign from the Presidency".

On August 30th the Confederation of Professional and Technical Workers agreed to "ask the President of the Republic that he should make an immediate rectification of his policies, restore the Nation to the rule of law or that he should resign his office". It then called on all its members to join the general strike which had been called by "the institutions and organizations which uphold the same democratic principles that we do". This agreement was signed by the following associations and unions: Lawyers, doctors, chemists, constructors, dentists, librarians, engineers, agronomists, doctors, chemists, public administrators, social workers, accountants, nurses, midwives, veterinarians, medical practitioners, psychologists and technicians of Chile.

On September 22nd, the president of the National Union of Journalists denounced to the secretriat general of the United Nations the government's attack on the freedom of the press and on the free journalists and asked the U.N. to intervene "to protect the values and principles which are fundamental for the full exercise of the democratic rights of Chileans".

INTERVENTION OF THE ARMED FORCES

At the beginning of September, the country had reached a state of practical standstill. The provision of food became more and more difficult every day. The Marxist militias had occupied all the factories, industries and strategic positions around Santiago and other cities. Government officials were daily calling their followers to unchain violence and prepare for the civil war. Only the intervention of the armed forces could prevent the disaster.

The Chilean Armed Forces have always been strictly professional institutions. They have prided themselves in their firm adherence to constitutional and legal norms. The Chilean Constitution gives the President wide faculties over the armed forces. Allende used these powers and appealed to their patriotic duties and asked them to collaborate with the Government in order to find solutions to the country's problems. For three years Allende counted on the full support of the armed forces, so much so, that on more than one occasion they were represented in his Cabinet. The armed forces were often criticised for their support of the Allende government which many considered a mistake since at the time it was difficult to understand why they were helping out a government which was leading the country to an internal crisis and weakening its independency and sovereignty.

Recently, numerous documents have come to light which show that the armed forces were fully aware of the situation and had expressed their concern to the President consistently with the greatest honesty and clarity.

When no one in Chile could any longer doubt that the country was being driven to disintegration and civil war, the armed forces had to intervene. As Chileans and as soldiers they had no other alternative. Having decided to act, they did it with the greatest efficiency and decision, thus avoiding the bloodbath and destruction which the Marxists had forecast.

To those who criticize Chileans for having rebelled against the Marxist government we ask: What do you expect? That we should have remained unmoved while our country was being destroyed? That we should have accepted meekly the tyranny they were trying to impose on us? That we should have followed the same fate as Hungary, Czechoslovakia, Cuba and so many others who today lie crushed by the most inhuman Communist tyranny?

In the light of all the existing evidence, no one in good faith can argue the popular unity government was a constitutional government. It was constitutional in its origins, but it lost its legitimacy when it abandoned the legal channels and when it trampled over the political constitution and the rights and freedoms of the people. The rebellion of Chileans was therefore, a legitimate act, as it has always been legitimate, throughout history, to fight for one's country's liberty and independence.

THE CAMPAIGN AGAINST CHILE

After the collapse of the Marxist regimes, the International Communist Party had mobilized all its agents and used their influences throughout the world to discredit Chile. This campaign is not merely the product of spite, nor is it an obsessive compulsion for revenge. It was the very clear aim of preventing world public opinion from knowing objectively what the Chilean Marxist experiment was really like: How the people were cheated, how the economy was destroyed, how the democratic groups which believed the promises of Allende were betrayed, how the Marxist leaders led a life of luxury and corruption of all sorts, while the people struggled in the midst of hunger and misery.

The International Communist Party has been able to count on the support of apparently democratic or neutral organizations for their campaign. However we find it very curious that the representatives of these organizations have so suddenly been hit by an interest to visit our country to interview those who are being tried for their crimes or their thefts. All this is being done, they claim, to guarantee respect for human rights. A very commendable but belated concern, because we never saw them in Chile, nor did we hear their protest, when the Marxists were in power and were committing all sorts of abuses and crimes. Nor are we aware that they have ever shown any concern for the concentration camps in Soviet Russia, Eastern Europe, Cuba or any other Communist country.

Today in Chile human rights are being respected and the law is being abided by According to the law, those who have committed offenses are being judged without any political or ideological discrimination.

The position of the Communists is not very strange. But we must admit that certain events have taken us by surprise. For example, the behavior of the ex-Swedish Ambassador in Chile, a Mr. Edelstam, who, while head of his mission in Santiago, provoked any amount of incidents to create problems for the Chilean authorities. Now, after his visit to Havana to meet Fidel Castro, his real identity as a Communist agent has been shown up. Equally surprising and inexplainable has been the attitude of Sweden's Prime Minister, Mr. Olaf Palme. He seems to have perfected what we might call the technique of "voluntary schizophrenia". He claims either candidly, or very cynically, that in his capacity as a party political leader he can head a campaign against Chile and that this does in no way interfere with his obligations as the Prime Minister of a country which claims to believe in the principles of non-intervention in the internal affairs of other nations. It wasn't long ago that another Swede using the same tactic of supporting one thing on principle, but acting in the opposite way in fact, surrendered to the Soviet Union a group of refugees from the Baltic countries who had sought asylum in Sweden, trusting that country's avowed respect for human rights.

The inevitable crooks who use it as a lucrative business are also participating in this campaign. Notable amongst these are certain Chilean Ambassadors of the popular unity government who go round the world begging for money for the Chilean guerrillas which only seem to exist in their own imaginations.

There is also the case of a film where the alleged tortures in Chilean jails are shown, but we know for certain that this film was made in Czechoslovakia. This film is shown to arouse sympathy and feelings of solidarity and compassion in the audience which is then asked to contribute generously to the so-called liberation of Chile.

MARXIST METHODS

Amongst the multiple lessons we have learned from the Chilean experience, we would like to give some idea of the way in which the truth was deliberately hidden and manipulated during the Allende Government.

On June 8, 1971, the ex-Minister and ex-Vice President, Mr. Edmundo Perez was assassinated by Marxist terrorists. His strong stand against the Communists within the Christian Democrat Party was well known. His assassins had already been condemned once for other offences, but they had received amnesty by Allende himself. Nevertheless, Allende tried to blame the crime on the opposition. Once the criminals had been identified and their political affiliations become publicly known, the government maneuvered to divert public attention from the fact that one of the leading members of the opposition had been gunned down, he had been killed by Marxist terrorists who only recently had received amnesty for previous crimes by the President himself, because as he said at the time, "they were only young idealists" and his death had been blamed on the opposition, although the government had the evidence that proved the contrary. To divert attention the government announced on June 16th, that they had discovered a vast quantity of armaments being smuggled into Chile by the opposition in a merchant vessel and they called on the people to defend the government to defeat the conspiracy. After a long inquest it was established that the ship carried no arms at all and that the photographs which showed lorries unloading the alleged arms in an isolated place on the coast, had been taken by government agents using lorries from the Department of Public Works.

A few months later, a customs officer announced that the Minister of the Interior himself had received several packing cases from Cuba and had refused to go through the normal customs refusing to have them revised by the custom officers on duty. When parliament ordered an investigation, the president solemnly declared that the cases contained works of art sent by Castro as gifts for himself. After the 11th of September a list of the contents was found in the apartment of the Socialist head of civil police which clearly showed that they contained arms and munitions.

At the same time as the president was signing a law which forbade the private possession of arms, guerrilla schools existed in his private residences and arms which had been smuggled were distributed to extremist groups.

The major lesson we learned in three years was that Marxist groups act in concert, under the direction of the Communists who in turn receive direct order from Soviet Russia. There was an apparent discrepancy as to the aims of the Communists and the extreme terrorist groups. The latter openly encouraged and provoked violence and terrorism while the Communist leaders appeared to be moderate, serious, and constructive. But in the final analysis it was the Communists who controlled events and profited from the positions conquered by the extreme left. When the extreme left seized at gun point a factory or a farm, the Communists protested but they sized control over it immediately appointing a good party member to run it.

The organization of armed groups and the existence of guerrilla encampments were publicly denounced by the communists, but we have since discovered that the arms for them in fact came from Russia and Czechoslovakia and were negotiated by distinguished members of the communist party.

Let those, therefore, who are gambling on a division of the Marxist groups, be under no illusion.

Another interesting aspect is the communists' use of drugs in their political affairs. Drugs serve three purposes for them. In the first place to corrupt bourgeois society, dragging the youth and the intellectual elites to the use of drugs. Secondly, to obtain financial resources for their political activities, and finally, to use them eventually against terrorist groups. Since September the 11th, the Chilean police has uncovered a vast international network of pushers and manufacturers of drugs which operated under the protection of the government not only in Chile, but also had connections in other Latin American countries and even in the U.S.

THE RECONSTRUCTION OF CHILE

For three years, a predominantly communist government failed to break our will to survive in freedom. Hundreds of thousands of workers who voted in favor of Allende realized their mistake and joined the cause of democracy. Many citizens who had never participated in politics took up their posts at the front and joined in the struggle. The young, who until so recently had been blinded by demagogy and poisoned by the excess of rhetorical politics, threw off the false idols and the myths. Today the young in Chile are fighting to forge their destiny, to create a new society based on personal freedom, on the desire to excel, on righteousness and social solidarity.

The existence and the conduct of the young is the best guarantee we have, that there will be no return to a mediocre and decadent past and that we shall never again fall into the vicious circle that could lead us into communism. Chile has woken up from a nightmare and has got over a profound crisis. We have left behind corruption, sectarianism and political and economic dependency on foreign interests. The experience we have gone through has made us more united and has increased our solidarity. A new aspiration for moral government and for a return to spiritual values has arisen. This rebirth of our nation will be the highest and only compensation for those who fought and fell for the sake of Chile's liberty.

We are fully aware that we have difficult days ahead; days of deprivation and sacrifice. We are fully aware that the International Communist Party will try every means to create both internal and external problems. We know that having lost the chance of transforming Chile into a Soviet base for their operations in the Americas and the South Pacific, they will attempt to use other countries and other governments for their purposes. But the more we are attacked, the harder our will to resist will be, and the more we will support our new government. Let no one try to put their fingers in our country or else their fingers will be cut off. We are great pacifists by nature, but we do not want even again either communists or their puppets.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (S. 514) to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 510. An act to authorize and direct the Secretary of Agriculture to convey any interest held by the United States in certain property in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 5641. An act to authorize the conveyance of certain lands to the New Mexico State University, Las Cruces, N. Mex.; and

H.R. 12884. An act to designate certain lands as wilderness.

The message further announced that the House had agreed to the concurrent resolution (H. Con. Res. 485) requesting the President to return the enrolled bill (H.R. 11793) to the House of Representatives, rescinding the signatures of the Presiding Officers of the two Houses on said enrolled bill, and directing the Clerk to make a correction in the reenrollment of said bill, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Interior and Insular Affairs:

H.R. 510. An act to authorize and direct the Secretary of Agriculture to convey any interest held by the United States in certain property in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 5641. An act to authorize the conveyance of certain lands to the New Mexico State University, Las Cruces, N. Mex.; and

H.R. 12884. An act to designate certain lands as wilderness.

RETURN OF ENROLLED BILL H.R. 11793

Mr. MANSFIELD. Mr. President, I understand that one of the measures just reported in the message is House Concurrent Resolution 485. Is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. MANSFIELD. What does it seek to do?

The ACTING PRESIDENT pro tempore. The clerk will state the concurrent resolution by title.

The assistant legislative clerk read as follows:

> A concurrent resolution (H. Con. Res. 485) requesting the President to return the enrolled bill H.R. 11793 to the House of Representatives, rescinding the signatures of the Presiding Officers of the two Houses on said enrolled bill, and directing the Clerk to make a correction in the re-enrollment of said bill.

Mr. MANSFIELD. Mr. President, if my understanding is correct, this is the emergency Federal Energy Administration bill.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. MANSFIELD. And the sum in the bills which has been agreed to by the House and Senate is listed as $2 million, whereas the sum, I understand, should be $200 million.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. MANSFIELD. And I understand further that the President has announced that he intends to sign the bill at the hour of 12:15 this afternoon.

The ACTING PRESIDENT pro tempore. The Chair does not know.

Mr. MANSFIELD. I have been so informed. I will ask the acting Republican leader to corroborate that statement.

Mr. GRIFFIN. Mr. President, that is my understanding. I appreciate the cooperation of the distinguished majority leader in making it possible to make this technical correction and have what is strictly an oversight remedied.

Mr. MANSFIELD. Have I stated the case correctly?

Mr. GRIFFIN. Yes.

The ACTING PRESIDENT pro tempore. Without objection, the Chair lays before the Senate House Concurrent Resolution 485, which the clerk will state.

The assistant legislative clerk read the concurrent resolution as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That the President of the United States is requested to return to the House of Representatives the enrolled bill (H.R. 11793) to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions. If and when said bill is returned by the President, the action of the Presiding Officer of the two

Houses in signing the bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the re-enrollment of said bill, to make the following correction:

In section 29 of the enrolled bill, strike out "$2,000,000" and insert in lieu thereof "$200,000,000".

The concurrent resolution (H. Con. Res. 485) was agreed to.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1974

The **ACTING PRESIDENT** pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 14013, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

The **ACTING PRESIDENT** pro tempore. The bill is open to amendment.

Mr. PASTORE. Mr. President, I believe that at this juncture, I should invite the attention of the Senate to an amendment which was proposed by me in the committee, which appears on page 3 of the bill. The amendment reads as follows:

Following the word "project" at the end of section 204(b)(3) of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92–500, insert the following: ", except that, in the case of an industrial firm that would face extreme economic hardship, and, as determined by the Administrator of the Economic Development Administration, would thereby be unable to continue in business in the applicant's community due to the necessity of paying its proportionate share of the Federal cost of construction of such works, the grantee, if its application for a grant had been received and accepted for processing by the Environmental Protection Agency and found to be in conformity with regulations in existence on the date of acceptance by the Environmental Protection Agency and prior to March 2, 1973, may waive for the industry any payment due. The Administrator of the Economic Development Administration shall redetermine eligibility of the industry for such waiver on an annual basis.".

Mr. President, the reason why I offered this amendment was to alleviate a very serious and catastrophic situation that confronts the city of Woonsocket, R.I.

We passed the water quality bill in a spirit of enthusiasm and compassion because we felt that the time had come that in our environmental and ecological endeavors, we should do something about cleaning up the waters and the streams of our country. Woonsocket, being conscious of its responsibility and being determined to do something about it, did begin a plan and had 40 separate meetings and exchanges of correspondence with the EPA officials extending over a 2-year period.

The people of Woonsocket voted on referendum an amount of $2.5 million in order to clean up the Blackstone River. In the process of the plan, it was determined that if we in Woonsocket began to clean up our part of the river, the fact remained that the river began up in Massachusetts, and in Massachusetts they were dumping raw human waste into the river. So if we had begun in Woonsocket, without doing something about Blackstone, Mass., we would have been wasting our money. As a matter of fact, the money we appropriated would have been going down the drain, to use the vernacular.

In order to accomplish an overall plan the mayor of Woonsocket had conversations with the people of Blackstone and also Smithfield, in Rhode Island, and it was necessary for Blackstone to comply and cooperate in this regional plan. It was necessary for them to pass legislation, which took time. Then the city of Woonsocket, once it had formulated its plan, filed an application with the EPA on February 6, 1973. It just so happens that in October of 1972, the Congress of the United States amended the law requiring the formulation of new regulations. So it took the EPA some time to do it and the law required that after March 1, 1973, no grant was to be made unless it was in conformity with these rules.

On February 6, 1973, which is almost a month before March 1, the city of Woonsocket submitted its application under the existing law. It had no other alternative because the new rules were passed and promulgated on February 28.

So, Mr. President, you cannot fault the city of Woonsocket. The city officials did everything they were supposed to do under existing rules, when the application was filed. Nothing was said until after March 1, and then they were notified that no grant could be made after March 1 unless it was in conformity with the rules promulgated February 28, irrespective of the fact that the application was filed on February 6.

This is the situation. If Woonsocket is to comply with the new regulations after spending $600,000 for formulating these plans and it has to institute a user charge, we are going to be in severe trouble. We are going to be in the same trouble that Appalachia was in in 1965 and 1967.

This is what we did for Appalachia, because we realized the dire need. We passed a bill in 1965 on a vote of 62 to 22. And where was PASTORE? PASTORE was with the 62. Why? Because PASTORE understood from compassion that something needed to be done. So we authorized $41 million for the construction of medical health facilities on an 80–20 matching basis; we authorized $17 million for land development; we authorized $5 million for loans for timber development; we authorized $21 million for reclaiming strip mining areas; we authorized $5 million for a water resources study; we authorized $16 million for vocational education; and we authorized $6 million for sewage treatment facilities, without any matching funds, and $90 million in Federal grant-in-aid programs.

Now, why do I say this? I say this because when the chips are down this Senate and its Members are not without compassion and they are not without understanding, and that is the reason PASTORE introduced this amendment, in the hope that this Senate would understand the predicament.

The Senator from Maine well knows that we in New England have lost most of our textile industry. Why? Because we have old mills that are struggling along. First, they went to the South and then finally much of the business went to Japan, Portugal, Italy, Taiwan, and Hong Kong. We lost most of our textile industry.

What is going to happen here if we have to comply with this user charge? What is going to happen? Every mill on the Blackstone River will have to close and we will have accelerated unemployment in Rhode Island after we have suffered that death blow that was given us by the Navy Department when they closed down Quonset Point and Newport and put 22,000 people in New England out of work. Add insult to injury and where are we going to be? Do we want to give to the Administrator the opportunity to use his discretion that where the user charge would cause economic chaos he could use some compassion to save jobs in America? What good is it going to do to clean up the Blackstone River if everyone living near it is out of work? What good will it do? What are they going to do? Are they going to swim all day long? Where are their jobs going to be? That is our problem. That is why I introduced this measure.

Now I am being told this is subject to a point of order. Of course, it is. I knew at the time I introduced the amendment. I had Mr. Train in my office and I had in my office the mayor of Woonsocket. Mr. Train is very compassionate and he wants to do something but he said, "I cannot do it under existing law. The law will have to be amended."

EPA has the money. This is money already appropriated that has not been used and do Senators know why it has not been used? It has not been used because some communities cannot afford to comply. After the inspirational eloquence we heard on this floor urging that we clean up our rivers, what are we going to do? Are we just going to clean them up for the rich and are we just going to clean them up for the affluent communities? What are we going to do? Is it just for a company, perhaps like General Motors, that would not find it to be a strain? Are they the people we are talking about? Is that what we are trying to do? Or are we trying to do it for the economically depressed community like Woonsocket?

Mr. President, let me tell you something, and I make this statement from the bottom of my heart. If we do not do something about cleaning up that river in Blackstone, we are not only endangering the lives of people who live in that part of Rhode Island, because the raw human waste is coming down from Massachusetts and some of it out of Rhode Island, as well. Unless we do something about that situation we not only jeopardize the health of our people, and if we do not show some compassion here, taking into account the distress situation, insult will be added to injury, because, Mr. President, on top of the possibility of disease, we will have unemployment as a further scourge.

That is why I submitted the amendment. I ask my colleagues to look deep in their hearts and look at the many times PASTORE understood their predicament. Appalachia meant nothing to me but I supported the legislation out of compassion. I remember at the time Bob Kennedy stood up here in the Senate and said, "Look, it is not only Appalachia; it is upstate New York, too." We supported his amendment and included extra counties.

Mr. President, I realize that in order to override rule XVI need a two-thirds vote if a point of order is raised. In all probability, if I insisted, that point of order would be raised. I have been in the Senate for 24 years and I have been in active political life for 40 years, and if I have learned one single thing, it is that politics is the art of the possible. I know I cannot get a two-thirds vote.

If I had 100 Senators on the floor to hear what I am saying I would have great confidence, but that is not going to happen. They will be straggling in here and asking, "What is this for?" There will be a man standing at that door and a man standing at this door, and maybe the word will be, "PASTORE is planning to get something—a handout."

Mr. President, that is not the case at all. It is not the case at all. I am looking for justice, that is all. I am looking for fairness.

I have had a discussion with the distinguished Senator from Maine, Mr. President. He tells me there are certain problems because he would like to know just how many other projects this might affect. That is logical. They have been trying to get that information. They have not been able to get it.

Certainly, if they insist on a point of order, I shall not pursue it, because I know it is subject to a point of order, but I have been assured that this matter will be looked into. I hope it will be looked into immediately. Something needs to be done. Something needs to be done to review the consequences of a bill that was passed in October of 1972 and the effect that it has upon communities that are already distressed.

I am hopeful that they will all be conscious of the fact that what we are trying to do is clean up the waters. That is all we are trying to do in Woonsocket—clean up the Blackstone River. If we do not do something about the user charge, we will be on the horns of a dilemma and our alternatives will be zero. And so I appeal to my friends. If they insist that they are going to insist on a point of order, I would hope that in their hearts they would see the way clear within a week or 10 days to hold hearings, at which time the mayor of Woonsocket will appear, at which time I will appear, and we will make our case, which hopefully will remove this inequity.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. McCLELLAN. I wish to express my sympathy with the distinguished Senator from Rhode Island and this problem, and it would be my purpose to support legislation to correct this situation. I commend him for being willing to let the legislative process take its proper course under the rules of the Senate. I think it is the best course to pursue, and I appreciate his doing that, because I think I have a project in Arkansas—maybe more than one—that has comparable merit, but not of the same proportion or of the same magnitude, possibly, and there may be a few in some other States that should have a look-see, and we should try to do equity among all of us.

I commend the Senator for bringing this matter to the attention of the Senate and for the splendid remarks he has made here this morning in support of his position.

I would asure him that if we can get hearings before the proper committees and the Muskie committee, every Senator should be diligent in presenting any comparable projects he may have in his State, and then the Senate and the Congress should take immediate remedial action so that these inequities and injustices may be promptly corrected.

I again commend the Senator for bringing this matter to the attention of the Senate.

Mr. YOUNG. Mr. President, I yield myself 3 minutes. I have always been strongly opposed to legislating on appropriation bills except in cases of emergencies where a strong case can be made that there is little or no money involved.

I think the Senator from Rhode Island made the strongest case possible for the project in his State. It is a necessity. I do not know how one could make a much stronger case.

I support his amendment. I want to commend him for the very strong case he made, not only on the floor of the Senate but in committee, of a worthy project in the State of Rhode Island.

Mr. MUSKIE Mr. President, I think that I should take some time now to outline the history of the legislation which leads us to the issue we have before us this morning.

In the first place, I would like to commend the distinguished Senator from Rhode Island, my good friend, for pressing the interests of his constituents not only because that is his responsibility but also because their problem raises a question for legitimate legislative consideration in this national forum of the U.S. Senate and the U.S. Congress.

Let me, if I may, briefly outline the history of the provision which has caused the Senator from Rhode Island such great concern. Prior to 1966, Mr. President, no provision was made under any Federal program for the use of Federal funds to deal with the treatment of industrial wastes.

The waste treatment program which had been originated in 1956, in the legislation of that year, dealt with municipal wastes and provided for Federal funding of some portion of the cost of municipal waste treatment plants. There was no provision, I repeat, prior to 1966 to have the building of waste treatment plants with Federal money deal with industrial wastes.

In the 1966 act, it seemed to us that it might be useful to experiment with the construction of combined municipal-industrial waste treatment plants with a view to dealing with the problems of smaller communities, perhaps even larger communities, and benefiting from the economies of scale. So the 1966 act did authorize the initiation of that kind of limited program. There was no provisions for repayment of the Federal share of the cost of constructing such plants. To the extent that they were planned and built, they were built with the Federal share without any requirement for repayment.

Let us review the implications of that. Under the 1966 act the Federal share of the cost of constructing municipal waste treatment plants ranged from 30 percent of the cost to a maximum of 55 percent.

The percent of the Federal share depended, first, on the extent to which States contributed to the cost of construction, and to the extent to which plants were built in accordance with regional planning requirements, and to the extent to which plants met water quality requirements. So the range of Federal support was between 30 and 55 percent of the cost.

If the plant included provisions for dealing with industrial wastes, there was a requirement under Federal regulations that the portion of the cost of Federal construction that related to industrial wastes should be repaid insofar as the local share of the cost was concerned. In other words, if a plant were built costing a million dollars, to use a number, if the Federal share of the cost of construction were 30 percent, and if there were no State matching program, then the local proportion of the cost would be 70 percent, or $700,000.

If a portion of the capacity of that plant were constructed to deal with industrial wastes in that community, then that industry was required to repay to the community its portion of the cost of the local share for building in that industrial capacity. There was no requirement that the Federal share of 30 percent, or $300,000, should be paid in any way by the local government, by the State government, or by the Federal Government.

In the 1972 act, we were confronted with a greatly expanded Federal waste treatment program. We were confronted with the need, if that program were to get off the ground, to increase the Federal share. We were also interested in stimulating the use of the combined industrial-Federal waste treatment in the best way we could. The Federal share was increased from a range of 25 to 75 percent across the board. That was an enormous Federal commitment, representing the spending of billions upon billions of Federal dollars into the future.

That commitment had not been made because of the impoundment of funds by the President and the failure of Congress to overcome that decision of the President—which is still pending in the courts, I might add—so the commitment has not been made, and the commitment will not be there until such time as the impoundment decision has been made.

We still have the maximum 75-percent

cost of construction for waste treatment facilities, greatly reducing the local responsibility and the State responsibility, and representing billions upon billions of dollars.

We felt that, inasmuch as we had thus increased the Federal commitment to build plants, we needed to review some of the other provisions of the 1966 law. So we provided with respect to building industrial waste capacity into municipal plants that the Federal share of the cost should be repaid to the Federal Government, at no interest. The Federal share of the cost should be repaid, and that repayment should be made under the system of user fees that were mandated in the law, and which applies not only to industrial users, but also to individual users, to small users, to all users. In other words, the user charge system was not directed to industry, but was directed to all users as a way of cutting the enormous investment requirement, to put these enormous waste treatment plants on a sound fiscal basis, and to provide the reserves necessary to expand the waste treatment facilities as the population grew, as the problem grew, and so on.

In other words, we wanted to build a sound economic basis which would insure, first, that we would catch up with the backlog, but would also build into the program a means for keeping our plants current and relevant to the growing problem which was sure to come.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. I am glad to yield.

Mr. PASTORE. What the Senator is talking about is the act passed in October 1972. Am I correct?

Mr. MUSKIE. The Senator is correct.

Mr. PASTORE. That act would require that the EPA substitute certain guidelines. Is that correct?

Mr. MUSKIE. The Senator is correct.

Mr. PASTORE. Those guidelines were not instituted as of February 28. Is that correct?

Mr. MUSKIE. The Senator is correct.

Mr. PASTORE. Our people filed on February 6 under existing law. They could have granted this money to the city of Woonsocket before February 28, which would have been absolutely legal, would it not?

Mr. MUSKIE. The Senator is correct. I was about to touch that point.

Mr. PASTORE. All right. I hope the Senator will touch that point.

The point I am making, if the Senator will permit—and I do not want to trespass too much on his time—is that the city of Woonsocket had no other alternative but to do what it did; and if the EPA would have granted that money before February 28, I would not be here this morning, speaking about it, and would have spared the Senator the trouble of making the statement he is making now.

Mr. MUSKIE. I shall get to the point. I wanted to give the history, so that we might minimize the number of questions that might be raised.

I have described the provisions of the 1972 law. Why did we not provide for Federal funds without repayment of the industrial waste treatment capacity that was built into the municipal plants anywhere in the country? Obviously, that kind of open door would have more than doubled the Federal commitment. The act in 1972 provided a total of $24 billion of Federal money, $18 billion of it to fund the Federal portion of building waste treatment facilities. We simply did not feel that we could recommend to Congress a program involving a Federal commitment that would have included the total cost of building into every municipal waste treatment plant the treatment of industrial waste where that treatment would be compatible. We estimated that the additional cost would have been $9 billion. So we did not build it in. It was the sheer numbers that dictated our judgment. Since we were faced with the problem of moving from one policy, under the 1966 act, to a new policy, under the 1972 act, obviously we were confronted with the problem of a cutoff date. We were changing the policies and had to have a cutoff date somewhere.

There was some disagreement between the House and the Senate. The House wanted a date later than March 1, 1973. We wanted an earlier date than that. But we finally agreed on March 1, 1973, as the cutoff date. Of course, that cutoff date was public knowledge as of the date which Congress passed the legislation, which was in the fall of 1972.

We passed the bill, and the President vetoed it in October of 1972. So the cutoff date was public knowledge as of the time we overrode the veto. As of that time, many communities undertook to begin the processing of their applications for planning projects in order to get them in before the cutoff date of March 1. I think that the EPA was remiss in not getting the regulations promulgated before February 28, 1973.

Its failure to do so created real problems, not just for Woonsocket, R.I., but for Fort Fairfield, Maine, and some other communities in my State and throughout the country.

So there was a hardship created. You always have it when you have cutoff dates set by law. But we saw no alternative to writing in a cutoff date.

Now with respect to the amendment of the Senator from Rhode Island: In the first place, I am concerned about writing this legislation on an appropriation bill. Appropriation bills have been used in the other body for at least a year as a way to write in legislation to undercut the Clean Air Act, and I am sure that efforts will be made this year to use it for the same purpose. I do not like, by this action, to set a precedent for using that route to amend environmental laws. That causes me some concern.

Second, with respect to the specific language of the Senator's amendment, which obviously has been carefully written in response to the dimensions of the problem of Woonsocket, we are not sure what the implications of this amendment would be, how many projects would be covered, and so on.

In April of this year, I wrote to Mr. Russell Train, the Administrator of EPA, asking for information that would have given me the basis for analyzing the Senator's amendment. I ask unanimous consent that that letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 25, 1974.

Hon. RUSSELL E. TRAIN,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. ADMINISTRATOR: The Subcommittee on Environmental Pollution is in the process of evaluating EPA's implementation of the Federal construction grant program under the Federal Water Pollution Control Act Amendments of 1972 (P.L. 92-500).

Section 204(a) of the Act lists six determinations which the Administrator shall make before approving grants for any project for any treatment works under section 201 (g)(1). One of these determinations is ". . . that the size and capacity of such works relate directly to the needs to be served by such works including sufficient *reserve capacity.*"

To enable the Subcommittee in its evaluation of the environmental effects and the cost-effectiveness of the Federal grant program, I would like the following information for every grant that has been made under section 201(g)(1) of P.L. 92-500:

1. Identification of the treatment needs (in terms of million gallons per day) for (a) industrial users and (b) non-industrial users existing at the time the grant was awarded.

2. Identification of the reserve capacity in the grant for (a) industrial users and (b) non-industrial users (to be expressed as a percentage of the needs identified in (1) above).

3. The ratio (expressed as a percentage) of the existing population to the future population to be served by the publicly owned treatment works.

4. The target date for the reserve capacity.

5. Identification of the:

(a) Location of project (city and State).

(b) Size of grant (dollars).

(c) Date of grant.

I would like to receive this information by May 20. If you have any questions concerning this request, please contact Jim Readle of the staff of the Environmental Pollution Subcommittee.

Sincerely,

EDMUND S. MUSKIE,
Chairman, Subcommittee on Environmental Pollution

Mr. MUSKIE. But to my amazement, the information is not available. It could not be made available for this morning, so we do not know how many projects across the country might be triggered by the Senator's amendment. I think we ought to know this because the total dollar cost ought to be a matter of record before Congress acts on such an important amendment. The best that I could get from EPA this morning—and I have received this letter just a few minutes ago; I ask unanimous consent that it be printed in the RECORD—in effect is a report on that proportion of the waste treatment plants across the country that are usually treated as a part of the industrial waste problem. That proportion, I gather, is about 20 percent, but that figure does not give us much to work on.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL PROTECTION
AGENCY,
Washington, D.C.

HON. EDMUND S. MUSKIE,
Chairman, Subcommittee on Environmental Pollution, Senate Public Works Committee, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your telephone request of May 6, I am pleased to furnish the following information which I hope will be useful to you. You requested to know the amount of monies that would be foregone to the U.S. Treasury if the requirement for industrial cost recovery were waived for all municipalities who had applications for grants into the Environmental Protection Agency before March 2, 1973.

In order to obtain this figure the following methodolgy was used:

(a) The percentage of industrial use for these municipal plants was considered to be the same as the national average which was generated by last years Needs Survey. The Survey showed that 20 percent of the municipal use was attributable to industry.

(b) As stated in regulations, 50 percent of the monies generated by cost recovery reverts to the U.S. Treasury, the other 50 per · cent remains for local use.

(c) All municipalities who had grants filed with EPA before March 2 are included even though a later grant has been made. This method was used since these municipalities could also request that their grants be reconsidered.

The total amount of grants that fall within this category is approximately $342,000,000. Using the methodology as outlined above, the approximate amount that might be foregone to the U.S. Treasury by the waiver of this portion of the grants from cost recovery would be $34,200,000.

Sincerely yours,

ROBERT G. RYAN,
Director, Office of Legislation.

Mr. MUSKIE. In addition, I have received from EPA a list of the projects applications for which were pending on March 2, 1973. There are listed some 38, plus a possible additional 6. I ask unanimous consent that this list be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF PROJECTS ORIGINALLY SUBMITTED BY REGION FOR CONSIDERATION FOR A STEP III GRANT PRIOR TO MAR. 2, 1973

State and city	Award date	Grant amount
REGION I		
Connecticut:		
Norwich	Feb. 28, 1973	$10,900,000
Killingly	do	13,300,000
Stonington	Mar. 1, 1973	6,200,000
Derby	Feb. 28, 1973	1,300,000
Montville	do	5,400,000
Avon		2,200,000
Bristol		300,000
Maine:		
Lisbon	Feb. 28, 1973	1,818,000
Fort Fairfield		2,000,000
Brewer	Feb. 28, 1973	5,900,000
Paris Ut. District	do	4,000,000
Kennebec SD	do	18,000,000
Massachusetts:		
Fitchburg East	do	1,600,000
Ludlow	do	800,000
Holyoke		9,000,000
Hatfield		660,000
Webster	Feb. 28, 1973	2,600,000
Merrimack		535,000
Greater Lawrence SD	Feb. 28, 1973	44,200,000
Upper Blackstone	do	20,000,000
Ipswich	Feb. 1, 1973	2,700,000
Springfield	Feb. 28, 1973	48,000,000
Gloucester		6,150,000
Pittsfield		7,500,000
Millersfalls		945,000
Ware		1,800,000
Hoosac W.Q.D		$3,809,000
Haverhill	Feb. 28, 1973	18,450,000
Orange		2,000,000
Chicopee		8,200,000
New Hampshire:		
Lebanon	Mar. 1, 1973	3,300,000
Manchester	Feb. 28, 1973	18,000,000
Rhode Island:		
East Providence	do	5,950,000
Woonsocket		6,000,000
Cumberland	Feb. 28, 1973	1,102,800
Vermont:	June 28, 1973	820,000
Sheldon Falls		810,000
REGION II		
New York:		
Niagara Falls	Mar. 1, 1973	47,379,800
Onondaga County	do	829,500
Do		59,537,745
Do	Mar. 1, 1973	3,910,050
Do	do	2,690,000
Oakwood Beach	do	81,922,300
Red Hook	do	11,035,500
New Windsor	do	2,077,500
REGION III		
ennsylvania:		
City of Chester		24,800,000
Darby TWP		3,936,750
Derry TWP	Feb. 28, 1973	13,614,520
Hamburg	do	641,770
Morrisville		3,969,000
Virginia: Danville	Feb. 28, 1973	2,200,000
West Virginia: Huntington		7,900,000
REGION V		
Illinois: Chicago, MSD (8)		8,000,000
Wisconsin: Racine		6,750,000
REGION VI		
Louisiana: Kenner SD 1	Mar. 1, 1974	147,370
Texas:		
Center		660,000
Corsicana		1,136,250
Donna		112,500
REGION VII		
Iowa: Mason City		2,300,000
Missouri:		
Eldorado Springs	Mar. 1, 1973	375,000
Milan	do	251,000
Southwest City		307,000
Carollton		2,100,000
Bethany		810,000
Meosho	Mar. 1, 1973	1,200,000
Campbell		66,000
Nebraska:		
Omaha	June 29, 1973	3,200,000
Omaha	Mar. 1, 1973	6,500,000
Grand Island		3,700,000
Lexington	June 30, 1973	600,000
York		1,250,000
Waverley	Jan. 10, 1974	400,000
Arlington	June 30, 1973	123,000
REGION IX		
California: City of Los Angeles	Feb. 28, 1973	9,733,500
Hawaii: City of Honolulu		5,570,000
Nevada:		
Kingsbury GID	Feb. 28, 1973	960,440
Tahoe Douglas GID	do	2,461,700

Mr. MUSKIE. The problem is that there is no indication as to which of those projects include industrial pollution.

The total additional cost of those projects is $176 million, so obviously we are talking about a figure that is of some significance.

The third point I would like to make this morning, and then I will yield for whatever questions I may be asked, is that the Pastore amendment undertakes to write into the policy of the clean water law a hardship basis for providing Federal funding.

There is no hardship basis in present environmental law. There is in other legislation which comes before the full Committee on Public Works. The Economic Development Act, the Land Area Redevelopment Administration, and the disaster relief legislation that comes out of our committee have such a basis, so our committee is concerned with that problem. The Appalachia legislation came out of our committee. We are concerned about this matter in the work of our committee, but never before have we written into the environmental laws a hardship basis for environmental funding. I think before we write that into the law, we ought to have hearings to develop a rational basis for implementing such legislation.

Therefore, I would like to suggest to the Senate, first, that this matter be dropped from this bill, and that we on the Public Works Committee commit ourselves to hold hearings. I am not sure that we can hold them within 10 days, but it will not be our purpose to delay; second, that we take testimony not only with respect to the problem of Woonsocket and other communities in like situations, but also with respect to other proposals to write into this whole program a hardship basis for funding, and other possible solutions.

I have discussed this matter with the Senator from West Virginia (Mr. RANDOLPH) who is chairman of our Public Works Committee, the Senator from Tennessee (Mr. BAKER), the ranking Republican on the full committee, and the Senator from New York (Mr. BUCKLEY), the ranking Republican on the Environmental Pollution Subcommittee, and they are all sympathetic with the Senator's problem. They are all interested and willing to do whatever we can, with as little delay as possible, to deal with the problem, to hold hearings, to consider it, to discuss it, and to try to develop an answer for it. I make that commitment, and am delighted to do so.

At this point I yield to the distinguished Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Maine for yielding. As the ranking Republican member on the committee, I am more than happy, in fact I enthusiastically endorse the proposal that we have early, thorough, and effective hearings on this very delicate subject that has been brought to our attention by the diligent, industrious, and distinguished Senator from Rhode Island.

It has been a matter of some interest to me to follow the description of the evolution and development of the environmental legislation with which we are concerned, as it was outlined by the Senator from Maine, and then to see the unintended consequences, in effect, that were described by the Senator from Rhode Island.

Such a result is not untypical of the legislative experience, however. We do our best, and then we find we have not picked up all the stitches, and there are genuine problems that we had not anticipated and that must be accounted for.

This problem falls into that category. The basis for providing an economic hardship test is one, if my memory serves me, that we did think of and rejected as we wrote up the several pieces of environmental legislation that make up the body of our effort in that regard. But that does not mean we should not consider it, and I am willing now to assure the Senator from Rhode Island, as the senior Republican on the committee, that we will consider the whole range of suggestions and ideas, and will look forward, most assuredly, to his observations on how we can take care not only of this problem, but others similar to it which may arise throughout the country.

I think the Senator from Rhode Island has done us all a great favor by bringing this matter to our attention, and I thank him for his agreement not to pursue his efforts on this appropriation bill. He is very eloquent and persuasive, and his efforts might succeed. I think his willingness not to pursue it, but to hold hearings in the Public Works Committee, is testimony to his respect for our institutions and his confidence in this body.

I thank the Senator from Maine for yielding.

Mr. MUSKIE. I yield now to the chairman of the committee, the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the Senator from Maine (Mr. MUSKIE) has very properly used his time to sketch the background of the Clean Water Act and amendments which bear directly on modification of industrial user charge requirements under which projects could be eligible for assistance. I quickly, commend the able Senator from Rhode Island (Mr. PASTORE) for once again speaking so eloquently and effectively about something that concerns not only a community in his State, but many other communities throughout the country.

We have through the years developed a body of law not only on clear water and clean air but also on solid waste disposal. All of these matters have been of continuing concern to us. The subcommittee headed by the knowledgeable Senator from Maine, and all the members of the committee, have given their time to the writing of legislation which would be applicable to the Nation, its communities, and the people as a whole.

I feel that what has been said today by Senator PASTORE, Senator MUSKIE, and Senator BAKER, has not in any sense muddied the waters. We have through the colloquy clarified the situation. As chairman of the committee, I reinforce what has been said about the necessity for prompt action within the committee on this matter.

But I have some thoughts about attaching the amendment of the Senator from Rhode Island to this legislation. It would be more practical to consider it in relation to legislation that is under the jurisdiction of our committee and also the Public Works Committee in the other body. I am sure we will attempt to be resourceful and creative in finding the answers to the problem of the Rhode Island community and similar problems in other parts of the country.

In Huntington, W. Va., because of this incident, we have been checking certain projects in our State. The same is true in other parts of the country.

So what has been said here has been wholesome and I am sure that it will be helpful. The committee members pledge to the Senator from Rhode Island (Mr. PASTORE) our attention and our desire, as well as our determination, to move this matter forward.

Mr. MUSKIE. Mr. President, I thank the Senator from West Virginia (Mr. RANDOLPH) for his typical cooperation, understanding, and commitment to deal with this problem.

I hope that the Senator from Rhode Island will now understand this is a real promise and not a brush-off. We do want to come to grips with the matter. We do want to be helpful.

Mr. PASTORE. Mr. President, first of all, I want to thank my colleagues for their cooperation in this matter. I realize that this is legislation on an appropriation bill and, for that reason, it is subject to a point of order. In order to waive rule XVI, which would require a two-thirds vote in the affirmative which, under the circumstances—because of the pleas already made—might be rather difficult to obtain, I only hope that we would do this as expeditiously as possible.

The only reason why I had it written on an appropriation bill was that I had no other vehicle to use. This is an emergency, as I have already said. This is a poor town in terms of its wealth, but it is a rich town in terms of its people and very progressive in terms of its people.

Much of this condition is concentrated within the environment of Woonsocket. We have done a tremendous job in diversifying and trying to bring in industries. We have a progressive mayor in John Cummings. He has really worked assiduously on this. He started two or three years ago. It has required a lot of planning and many conferences. It has required speaking to officials of municipalities in another State. It has required the municipalities in another State, Massachusetts, to wait for their legislatures to act. That all takes time, as we all know, the Senator from Maine in particular, having been previously a governor of his own State.

Mr. President, let me read one letter into the RECORD and I will have the other printed in the RECORD a little later, which points out dramatically exactly what the problem is.

The PRESIDING OFFICER (Mr. HATHAWAY). The time of the Senator from Maine has now expired. The Senator from Rhode Island has 13 minutes remaining on his own time.

Mr. PASTORE. Mr. President, I will take whatever time I may need and then will grant to my colleagues whatever time they may need to speak on this subject. I think we are nearly finished.

Here is the letter from Hanora Industries Division, First Republic Corp. of America, to Mayor John Cummings, City Hall, Woonsocket, R.I.

It reads:

DEAR MAYOR: I have been advised of recent events concerning a pending matter as between the city of Woonsocket and the federal government, whereby Hanora Industries as well as other companies will be required to pay an additional assessment of approximately $10,500.00 per year towards the improvement of the sewerage system and plant in our city.

I find this news both shocking and disturbing. Hanora Industries is currently paying $125,000.00 in real estate and machinery taxes to the city of Woonsocket. The tax burden at the present time is enormous. Our Company is presently enduring severe economic hardship. We are incurring enormous operating losses as a result of extremely poor conditions in the textile industry.

As a result of these poor business conditions,

And this is important—

we have recently laid off 135 employees.

Any additional assessments in our local tax structure by the City or the federal government, directly or indirectly, would create an untenable economic hardship. I look for every assistance possible from your office to deter and eliminate any proposed increase or additional taxes.

Thank you.

Sincerely,

BERNARD TURRET,
President.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Alan E. Symonds, chairman, Quincy Dye Works, Inc., Woonsocket, R.I., dated April 2, 1974, to Mayor John Cummings.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

QUINCY DYE WORKS, INC.,
Woonsocket, R.I., April 2, 1974.

Hon. JOHN A. CUMMINGS,
Mayor of the City of
Woonsocket, R.I.

Sir: It has come to my attention that there is currently a bill before the Congressional Subcommittee on Public Works relative to a particular water pollution bill that will necessitate the construction of a new sewage treatment plant for the City of Woonsocket. It is my understanding that the cost of this sewage treatment plant will be paid for by local industry and a proration of this cost to our company will increase our tax bill by $15,266 per year. This additional charge will represent an approximate 100% increase over our present annual tax charges.

While one cannot dispute the value of pollution abatement and while this company itself spent substantial sums of money a few years ago for this very purpose, we certainly are not prepared for any additional tax charges of the amount contemplated. With the continuing and dramatic increases in costs of raw material and labor in an industry which is particularly being hard hit with the current economic crunch, we would appreciate your passing along to the proper authorities our opposition to this plan for the indefinite future.

Your cooperation in this matter is greatly appreciated.

Very truly yours,

ALAN E. SYMONDS,
Chairman.

Mr. PASTORE. Mr. President, in conclusion, let me say that this is a serious situation. I am appealing to my colleagues to use their best judgment, to be compassionate in achieving some kind of solution for those municipalities where it would be disastrous to insist that in order to clean the water we must create widespread unemployment.

I know the compassion of my colleague from Maine, and also my colleagues from West Virginia and Tennessee, and I would hope that we would not wait too long before we resolve this problem.

Mr. MUSKIE. Mr. President, I give the Senator from Rhode Island my commitment on that.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUSKIE. Is it in order now to make the point of order we have been discussing?

The PRESIDING OFFICER. Yes, it would be in order.

Mr. MUSKIE. Then, I make the point of order.

Mr. PASTORE. Mr. President, in view of the commitment, I shall not proceed with the notice I have already placed on the desk to ask for the suspension of rule XVI.

The PRESIDING OFFICER. The point of order is sustained. This amendment obviously is legislation on appropriation bills, and under rule XVI it is not in order. It is, therefore, stricken from the bill.

AMENDMENT NO. 1246

Mr. KENNEDY. Mr. President, I call up my amendment No. 1264.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 73, line 21, delete section 406.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. KENNEDY. Mr. President, a parliamentary inquiry. How much time is there on each amendment?

The PRESIDING OFFICER. One hour on each amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. I point out that at 12 o'clock noon, if action on this bill has not been completed, it will be laid aside, and a bill will be taken up having to do with the extension of the National Labor Relations Board.

Mr. KENNEDY. I yield myself such time as I may require.

Mr. President, this is an amendment to strike section 406 of the bill before the Senate. That provision, in turn, would repeal section 718 of Public Law 92-238.

Section 92-238 has two different provisions. It says that of those people who go into the Armed Forces, not less than 45 percent may be those who do not have a high school diploma. So 55 percent of those who go into the Armed Forces have to have a high school diploma.

It also has a second provision which recognizes that intelligence tests are given to young people who go into the Armed Forces of our country, and those tests categorize the young people into four categories. Under the existing provision in the law, not more than 18 percent of category 4, which is the lowest category, can be taken. The law at the present time is that the Armed Forces cannot take more than 18 percent of the lowest category, and it requires that at least 55 percent of those who go into the Armed Forces at the present time are going to be high school graduates.

The effect of section 406 of the appropriations bill is to repeal that requirement and, in effect, give complete discretion to the Army recruiters to take anyone they wish—no requirement at all in terms of graduation from high school, and it will permit them flexibility to reach down into the lowest achievement quartile for the bulk of its recruits into the Armed Forces of the United States.

Mr. President, since 1967, I have expressed concern over possible dangers in the All-Volunteer Army concept. In 1971, I expressed concern that there might be inequitable minority representation in the Volunteer Army, particularly in the combat units, which is supposed to defend all Americans. The statistics of the past year, since the institution of the Volunteer Army in July 1973, largely bear out many of my concerns.

I have consistently said that I would support a peacetime Volunteer Army, though I continue to maintain that we may have to resort to a draft system in a time of war, so as to equitably spread the hazards of war.

But even in peacetime, we must assure that our Volunteer Army policies encourage representation of the broad spectrum of our citizenry.

In the past I have warned that a Volunteer Army could result in an army consisting largely of disadvantaged citizens. Indications now are that there are greater proportions of poor whites, blacks, Chicanos, Puerto Ricans, Indians, and other minorities in the Volunteer Army than in the general population. These disadvantaged poor and minorities also happen to be among our population with the least education. They are drawn to the Volunteer Army largely because the financial alternatives available to them in civilian society are less attractive.

This is a form of economic coercion. Our democratic society should not have to rely on this segment of our population to defend the rest of the country.

Mr. President, Department of Defense statistics show that, as of December 31, 1973, 19.9 percent of enlisted personnel in the Army were black, and 17.7 percent of enlisted personnel in the Marine Corps were black. These compare with only 13 percent of our total American population being black. By contrast, the numbers of black officers were 4.2 percent in the Army, 1.1 percent in the Navy, 2 percent in the Air Force, and 2 percent in the Marine Corps. Furthermore, among new volunteers of the past year, blacks comprise up to 27 percent of the Army.

Most disconcerting is the fact that even higher proportions of blacks comprise the combat units of infantry, artillery, and armor. Statistics for other minorities and volunteers from disadvantaged backgrounds generally are not yet available; but indications are that they swell even further the ranks of the combat units. Enlistment and reenlistment bonuses have been increased to $3,000 and $5,300 (average) respectively, and they tend to entice the poor and disadvantaged to join and remain in the combat units. Such bonuses are obviously less attractive to the more advantaged youths of middle- and upper-class families. Their education and acquired skills, in any event, would qualify them for enlistment and reenlistment bonuses in other noncombatant areas where such skills are needed. In fact, recent legislation would authorize a reenlistment bonus of up to $15,000 for a reenlistee with nuclear skills.

The lower educational pattern of the Volunteer Army is seen in the fact that the Department of Defense is having a difficult time fulfilling the congressional requirement that at least 55 percent of military manpower in each service be high school graduates, and is requesting that this limitation be relaxed. Congress also imposed a requirement that at least 82 percent of military personnel in each service be in the average or above average mental categories (categories I, II, III). The Army and Marine Corps with their greater infantry, artillery, and armor needs, are having a more difficult time meeting these standards than the Navy and Air Force. Enlistments and reenlistments in the Army and Marine Corps during this past year have been running at increasingly higher levels of nonhigh school and below average personnel.

I have high regard for the ability and desire of disadvantaged enlistees to improve themselves, make good soldiers, and serve their country. Indeed, their ambition and voluntarism is greatly to be praised. However, I do regret that their social and economic status allows the rest of our society to profit by offering them financial inducements that middle- and upper-class families would scarcely be tempted by.

Two other concerns regarding the Volunteer Army continue to remain unanswered. They are the fears that a professional military force might become isolated from, and therefore a danger to, civilian society and second that the costs might be prohibitive. The first question remains for the future to determine.

While the costs have clearly risen for military manpower, the Defense Department argues that increased pay cannot be attributed to the Volunteer Army concept and that economic benefits also accrue from the anticipated deduction in manpower turnover costs. However, the fact remains that miltary manpower costs under a Volunteer Army of reduced size continue to escalate.

One basic advantage of having moved from the draft system to a relatively small Volunteer Army in peacetime is that in the event the President would wish to commit these troops to an extended war situation, the Congress would have the opportunity to fully discuss such a decision. This would occur not only by virtue of the war powers law, but also because the President would have to ask for authority to raise the congressionally established manpower ceiling. Such a decision would necessitate a full-scale national debate of the kind that was totally absent during the massive buildup of forces during the Vietnam war.

After nearly a year of trial, the reports of the Volunteer Army progress have been mixed. Its predicted success has not materialized. Many inadequacies predicted have, indeed, occurred. Although Defense Department officials are optimistic that these can eventually be overcome, many older officers and recruiters are less sanguine.

The inadequacy I am particularly concerned about is the inequity of having our disadvantaged citizens undertaking a greater share of the Nation's defense than their proportion of the population warrants.

Mr. President, the Department of Defense maintains that its forces are representative of American society at large, perhaps even ahead of the rest of society in the area of equal opportunity.

However, I believe further improvements can be effected, and that we should make every effort to avoid aggravating the problem of having disproportionate numbers of disadvantaged personnel in our armed services, particularly in the combat units.

For this reason, I cannot agree with the provision in this bill to repeal section 718 of Public Law 93–238, the fiscal year 1974 DOD appropriations bill passed last December. That section prohibits enlistment of non-prior-service personnel who are not high school graduates when such enlistments of the service concerned will exceed 45 percent, and limits mental category IV (below average) enlistments to 18 percent. That provision was enacted for good reason, and I believe it should be maintained until all other measures for filling current manpower shortfalls have been fully tested or at least until full examination has been made of the impact of raising that level of non-high-school graduates above 45 percent.

Does the committee believe it could go to 60 percent, to 75 percent or to 100 percent without endangering our Defense Establishment?

The House of Representatives on April 4 passed its fiscal year 1974 supplemental defense authorization bill (H.R. 12565) only after a provision to waive the non-high-school-graduate restriction of Public Law 93–238 was deleted. Instead, a vaguely worded amendment was substituted simply prohibiting denial of enlistment to a volunteer solely on the grounds of his not having a high school diploma. No mention was made of waiving the restriction contained in Public Law 93–238.

Mr. President, I would not wish to establish quotas for assuring that our Armed Forces are representative of our population at large. And I commend again our Armed Forces for affording an opportunity for service and advancement to all segments of our population—with the exception of unnecessarily restricting the opportunities for women. However, what I do wish to assure are programs that will attract as many volunteers as possible from all segments of our society, that will provide education and skills training for as many volunteers as are truly eligible, and that disadvantaged volunteers are not arbitrarily relegated to combat assignments—even with pay incentives—because they are led to believe that they are not eligible for any other opportunities. The Army has noted that, in addition to combat arms, there are about 26 other critical skill areas in which it is not getting sufficient volunteers, and where less than 70 percent of school seats are filled. I would like to be assured that disadvantaged volunteers are given as much opportunity to apply for these 26 critical skill areas as they are for the combat arms area.

Let me comment briefly on one area of potential utility for meeting military force levels which is being bypassed. Only 2.9 percent of total Active Forces are women. Surely, when over 50 percent of our population is comprised of women, we can find a greater use of women in our armed services. Nearly all the services are meeting their goals for women officers and enlistments; the only problem is that their goals are very low. Furthermore, requirements for women are much more strenuous than those for men: All women must be high school graduates, and they are required to achieve higher mental and physical scores on eligibility tests.

The effectiveness of women in the Israeli Armed Forces should be enlightening enough for the United States to make better use of women who wish to volunteer in our armed services. There seems to be little reason why equal qualifications cannot be required of women volunteers as are required of male volunteers. In the past year, thousands of eager women volunteers have been turned away because very small quotas have been met and qualifications have been restrictively high. I am pleased to note that the Department of Defense plans to increase the number of women servicewide from 55,400 last year to 93,500 in 1975. This near doubling of women in the Armed Forces although only a small step forward, plus further civilianizing of certain assignments, should contribute to filling current shortfalls.

Mr. President, I am concerned that the repeal of section 718 of Public Law 93–238 at this time might cause an even greater disproportion of disadvantaged volunteers in that armed services, and that these might comprise 50 percent or even more of our combat units.

I believe it is grossly unfair for our disadvantaged youth, who cannot hope for successful opportunities in civilian society, to find a role in our society only by serving in our armed services in disproportionate numbers to their percentage of our population. What is still more unfair is that this segment of our population is being assigned increasingly—and more and more unwillingly—into the combat units of our armed services.

A current excellent study of the Volunteer Army in the Washington Star-News underscores my concern. It reports:

> In the combat arms—men for infantry, artillery and armored units—the Army was able to recruit only 84 percent of its goal last month, in spite of a $2,500 bonus offer. The goal for the month in combat arms was 2,498—it paid bonuses to 911, and 1,177 went into combat arms without a bonus. What about the 410 empty combat arms spaces? To fill them, the Army simply orders people to become riflemen—and they get no bonus.
>
> The people who make up shortfalls in combat arms present quite a contrast to the bonus soldiers, who all must be high school graduates, must sign up for four years, and be in the upper intelligence categories. The individual who fills the shortfall is typically a man who has flunked out of technical school, is not a high school graduate, and is in a low intelligence category. If the effort to fill the combat unit falters further, the combat arms increasingly will be filled with unwilling, lower-quality men—a complete reversal of the volunteer Army's philosophy.

Mr. President, I sympathize with the shortfalls in volunteers that the Army and Marine Corps are having, particularly in the combat units. And I desire to see sufficient numbers to assure the combat effectiveness of our Armed Forces. However, I do not believe that repealing the high school and mental category provision of our current law is the best solution at this time. There seems to be no doubt that the increased numbers of non-high-school graduates and category IV enlistments would be given little opportunity for service in other than combat units—without even a pay bonus.

The House of Representatives did not vote such action in either its authorization or appropriations bills. The Senate authorization bill makes no such recommendation. Indeed, the basic principal of the Armed Services Committee in considering the defense supplemental authorization should be maintained here as well: That any Department of Defense request in this supplemental which can be deferred for consideration in the fiscal year 1975 authorization and appropriations bills—which I understand are nearly ready for consideration—should be so deferred. Fiscal year 1974 is practically at an end, and the little time remaining hardly warrants rushing so hastily into repealing a provision of current law with such enormous social and national security implications.

Mr. President, rather than repeal section 718 of Public Law 93–238 for the remainder of fiscal year 1974, I would make the following recommendations. I would recommend that the Congress direct the Department of Defense to make further efforts to devise and implement enlistment programs that would fill its armed service shortage while maintaining equitable opportunities for all segments of the population represented among volunteers. Specifically:

First. That further incentives, in addition to pay bonuses, be devised for the purpose of attracting personnel to fill shortages in the military services;

Second. That increased efforts be made to afford educational opportunities for disadvantaged volunteers, including critical skills training;

Third. That every effort be made to attain a more equitable distribution of disadvantaged volunteers among combat and noncombat units;

Fourth. That shortages in manpower goals be compensated for through civilization of assignments to the greatest extent possible.

Fifth. That every effort be made to increase the numbers of women and personnel from middle and upper economic levels in the military services; and

Sixth. That improved testing methods be devised for determining the eligibility of volunteers for combat and noncombat assignments.

Mr. President, I earnestly hope the provision to repeal section 718 of Public Law 93-238 will be deleted from this measure, and that my colleagues will give due consideration to my recommendations.

I ask unanimous consent that Department of Defense statistics and an article on the Volunteer Army published by the Washington Star-News be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Mental Groupings: High School Graduates. Mr. Brehm said that in March about 91% of all non-prior-service enlistees were in Mental Categories I–III, which are the average and above average mental groups; only 9% were in Mental Category IV, the below-average group. High School graduates amounted to 62% of enlistments; this is unchanged from February and is more favorable than seasonal trends. The data for July–March is shown in the following table along with the March results:

HIGH SCHOOL GRADUATES AND MENTAL GROUPINGS (NON-PRIOR-SERVICE MEN AND WOMEN)

	High school graduates			Mental groups, I, II, III[1]		
	March		Year to date	March		Year to date
	Number	Percent	percent	Number	Percent	percent
Army	7,760	58	54	11,390	85	82
Navy	3,420	60	71	5,480	96	97
Marine Corps	1,520	35	48	4,010	92	92
Air Force	5,400	92	94	5,850	99	99
Total DOD	18,100	62	65	26,730	91	90

[1] Above average and average categories.

PARTICIPATION OF BLACKS, AS OF DEC. 31, 1973

									Overall population			
	Black officers	Percent	Black warrant officers	Percent	Black enlisted	Percent	Total	Percent	Officers	Warrant officers	Enlisted	Total
Army	3,927	4.2	702	4.8	133,511	19.9	138,140	17.8	93,779	14,569	669,998	778,346
Navy	610	1.1	116	2.7	38,955	8.1	39,681	7.1	67,086	4,398	482,978	554,462
Air Force	2,371	2.0	1	.5	76,882	13.8	79,254	11.8	113,394	98	556,278	669,764
Marines	356	2.0	48	3.8	30,129	17.7	30,533	10.5	17,522	1,272	170,598	289,392
Total	7,264	2.5	867	4.2	279,477	14.8	287,608	12.6	291,781	20,331	1,879,852	2,291,964

Note: Total number of blacks, 287,608 over total population, 2,291,964 equals 12.6 percent.

WOMEN IN THE ARMED SERVICES, AS OF DEC. 31, 1973

Category	Women	Total force	Women percent of total
Army:[1]			
Officer	[2] 4,350	108,347	4.01
Enlisted	20,547	670,051	3.07
Total	24,897	778,398	3.10
Navy:			
Officer	[3] 3,459	68,189	5.07
Enlisted	10,744	480,707	2.24
Total	14,203	548,896	2.59
Marine Corps:			
Officer	340	18,787	1.81
Enlisted	2,088	170,612	1.22
Total	2,428	189,399	1.27
Air Force:			
Officer	[3] 4,764	113,494	4.20
Enlisted	17,353	556,234	3.12
Total	22,117	669,728	3.30
Total Active Forces:			
Officer	12,913	308,817	4.18
Enlisted	50,732	1,877,604	2.70
Total	63,645	2,186,421	2.91

[1] Active Army.
[2] Includes WAC, ANC, and AMSC.
[3] Includes healing arts.

RECRUITING—STILL THE BIG PROBLEM

(By Duncan Spencer)

COLUMBIA, S.C.—A thin, blond recruiting major, James Coleman, a man of facts and figures and many graphs, pointed on the map to the eastern portion of the state of South Carolina. "This is the area that's really producing," he said.

"The Florence area is the top recruiting area in the nation," he continued, turning to the chart propped up on a chair. "Sparse population . . . 4–5 percent unemployment . . . little industrial activity. Farming, cotton, tobacco, corn, some peanuts. Maybe they're not really happy with their lives."

He was talking about some of the things that make young men and women come to the colors in 1974. If the rest of the country were like the flat piedmont around Florence, the ranks would fill quickly.

The Army offers its recruits $326 a month, and steady work. It offers them food and clean clothes. It will fix their teeth, minister to them if they're sick, insure them, promote them, teach them a skill they can turn into a job when they leave. These things seem considerable in a countryside of wood stoves and bare feet and trailer parks.

But the entire nation is not worn-out farm land and non-union mill towns. And the South, though it has provided much more in proportion to its population than any other section of the country, is not enough to fill an Army, even though that Army is only 40 percent as large as it was during the height of the Vietnam buildup.

Lt. Gen. Georgė Forseythe, the man who was given the job of planning the shift from the draft force to volunteer, focuses the problem in a single area. "Our biggest problem is getting high-quality enlistments in combat arms. We felt if we could lick the combat arms problem we could lick them all."

Nobody wants to get shot.

Last month, it was the Army's hope to enlist 16,300 men and women. It actually got 14,850, or 91 percent of the goal, and for the fiscal year to date, it has met 89 percent of its recruiting goal, the lowest percentage in the entire Defense Department.

In the combat arms—men for infantry, artillery and armored units—the Army was able to recruit only 84 percent of its goal last month, in spite of a $2,500 bonus offer. The goal for the month in combat arms was 2,498—it paid bonuses to 911, and 1,177 went into combat arms without a bonus. What about the 410 empty combat arms spaces? To fill them, the Army simply orders people to become riflemen—and they get no bonus.

The people who make up shortfalls in combat arms present quite a contrast to the bonus soldiers, who all must be high school graduates, must sign up for four years, and be in the upper intelligence categories. The individual who fills the shortfall is typically a man who has flunked out of technical school, is not a highschool graduate, and is in a low intelligence category. If the effort to fill the combat units falters further, the combat arms increasingly will be filled with unwilling, low-quality men—a complete reversal of the volunteer Army's philosophy.

In South Carolina, though, these problems evaporate like the puffy clouds above the fields. "In the last fiscal year," said Maj. Coleman, "we were well over 100 percent of our goals." His monthly figures showed excesses of 108 to 135 percent, and for women, the recruiting district came in with 185 percent of its goals.

Soil like this is heavily tilled. There are 76 recruiters assigned to Coleman's Columbia headquarters and there are 24 recruiting stations in the state. About 70 miles from Columbia is the recruiting station of M. Sgt. Rudy Smith, who was feted this year as the nation's top recruiter.

In a recruiting area like Coleman's all systems seem to work for the Army. A basic favorable factor is history—the South has always had a strong military tradition, so a young man is likely to have known military men or to have idolized local boys who made good, like Gen. William C. Westmoreland, the former chief of staff who is now running for governor of the state.

Campus radicalism, which still bedevils recruiters in the Northeast, parts of the Midwest and the West Coast, had little impact in the Deep South. Schools welcome recruiters, and many high schools make Army qualifications tests mandatory for their seniors. Coleman and his men are invited to join job fairs, and high school principals work with them. This is a policy of the state Department of Education, Coleman said. High School guidance counselors usually promote the Army.

Recruiting is far more sophisticated under the Volunteer Army than under the draft. It is no longer a matter of setting up a storefront with a couple of posters and waiting for whoever comes in the door.

"First," said Coleman. "we isolate the people above the minimum cut-off score." The Volunteer Army must have no more than 45 percent of its ranks non-high school graduates. That is a congressional mandate. "Then contact follows—phone calls, letters, personal visits. Schools make time avilable for us to do this. Sometimes we go knocking on doors."

Who are they getting. Farm hands, mill employes, gas station workers, and many young men who are drifting without any particular skills, ambitions or schooling, bouncing from job to job.

They are also getting great numbers of black youths. Of the 2,096 persons enlisted in the Florence recruiting area between last July and December, 69.8 percent were black.

The population of the state as a whole is about 50 percent black.

Many who wished to join were rejected out of hand after Coleman gave his tests. Of the total, 35.9 percent failed for mental or medical causes in the first quarter of 1974.

Though black men are one of the recruiting district's strengths, few black women enlist, possibly because all women recruits must be high school graduates.

The increasing blackness of the Volunteer Army, officially, is not a worry. After a year of the Volunteer Army, blacks make up about 20 percent of the total Army enlisted force. The Defense Department's policy toward this trend is simple. "Whether or not there is a higher percentage of minorities in the service than the population is not a concern to us," says Defense Secretary James R. Schlesinger.

The trend began long before the volunteer concept. In 1949 in all services, there were 7.5 percent minority enlisted men; in 1968, 9.9 percent. But since the end of the draft, the numbers and percentages have accelerated rapidly.

Beneath the official attitude Army officers reflect two main fears about the larger numbers of minorities. They are worried, first that a large body of black enlisted men may become resentful if they continue to be led by an overwhelmingly white officer corps.

The percentage of black officers has grown slowly, from about 1 percent in 1949 to 3.5 percent in 1964 to 4.3 percent in 1974. The other fear is that if war comes, black casualties will become a political issue, as they did during the Vietnam War.

[From the Washington Star-News, May 2, 1974]

SUBURBIA ARID

WHITE PLAINS, N.Y.—When recruiter Sgt. Charles Funari, a city New Yorker, first came out here to work two years ago, the locals were waiting with a picket line. "They told me I might not continue my good health," he said.

Since then, the antiwar fervor has calmed down, he reports, but recruiting has not gained much. His district, 265,000 in population, which includes the sprawling commuter city of White Plains in Westchester County and "bedroom suburbs" like Scarsdale, Port Chester, Rye and Mt. Kisco is not the least productive of volunteer soldiers in the nation, but it is one of the least.

The way Funari sees it, the draft will have to come back if the Army is to meet its goal of maintaining a 785,000-man force. "It has to come back," he says. "There's too much question about the Volunteer Army—outside the Army and inside it, too."

His pessimistic view is shared by powerful members of Congress; the only difference between them and the sergeant is that he is talking from experience in his area and they are talking from long-held convictions that young Americans ought to be obligated to serve their country.

Funari's problem is very much the Army's. It's not just that he finds it very difficult to produce more than about 50 percent of his monthly goal ("Why not call it a quota—that's what it is," he said sadly, but that his quota is so low in one of the most densely populated parts of the U.S.

The Army considers Funari to be doing well if he can deliver 12 men or women a month from his district. He's got five so far this month, and it hasn't been easy. The Defense Department calculates that one of every three available young men will have to enlist to maintain the Army at projected levels. Funari could as easily fly to the moon.

"Look," he said, "around here, even if the kid doesn't want to go to college, the parents make him go. That's the kind of place it is." College, in recruiting terms, pretty well ends the Army's chances to get a young person.

"Westchester Community College has open enrollment," said Funari gloomily. He made it sound like a disease. "But I just shipped one young man—he was 17, a category II (mental category II is next to the top)—a middle income family, father was a plumber. He wanted a trade, and thought he might be an MP, but he was too short."

White Plains has made Sgt. Funari into a frustrated man, but in larger terms its attitudes strike deep at the vitals of the volunteer concept. It is a prosperous area. It is surrounded by institutions of higher education, it is near the great industrial complex of New York. Its sons and those of the wealthy nearby suburbs are part of the upper middle class probably destined to become leaders of local business, industry, education and government. The volunteer Army is getting very few of them. Instead, it is getting the poor white farm boys of South Carolina and Alabama, young black mill hands, high school dropouts.

The new Army simply can't compete for the youth of much of the Northeast. Economic and attributes both play a part. The result is an increasing departure from the ideal of a "representative" Army.

If economics seems to be the deciding factor to success in recruiting for the enlisted ranks, attitudes play a more important part with young people who might become officers.

It seems logical that a high-income area like White Plains would produce a healthy number of young officers through Reserve Officer Training Corps programs in its colleges. But the reverse is true. Funari explains that the Army in many cases is simply unable to get its message to youth.

One of the things that recruiters work with is the high school student list. Armed with this, a recruiter immediately has a grip on who is near graduation. But of the 22 high schools in his area, Funari has been able to get lists from only two. The others simply refuse, he says. "We've had no cooperation from private schools, good to excellent cooperation from some public schools, and poor to miserable cooperation from parochial schools," he said.

"Up here it's tooth and nail even to get the kid time to take tests," he added. His plans to get a junior ROTC program started in a school at Newburgh, N.Y., have been stalled, and the only college in the district that still offers ROTC is Fordham.

The ROTC picture nationwide is not so gloomy. There are more than 290 colleges and universities participating and with West Point and a small Officers Candidate School program within the service, the supply of officers is assured. But Princeton is the only Ivy League college which offers ROTC and many of the colleges that have rejoined the program since its low point during the late 1960s are small and little known. Most of them are in the mid-South and Southwest.

Some scholars regard this change in the source of officers more serious than the changes that have been seen in enlisted recruits.

"The bottom has not dropped out of ROTC," wrote Gen. DeWitt Armstrong III, a Princeton Ph.D. who retired from the Army in 1972, "but the top has. Among the dozen or so universities which dropped Army ROTC were some of the nation's best, ones which attract the brightest, most ambitious of our young. There are some perfectly splendid youngsters becoming Army officers via ROTC, but far fewer than before . . . between the 'influentials' and the Army a distinct new gap has been growing."

Sgt. Funari has little time for philosophy as he toils in White Plains with a recently increased staff of five. His life-style, he admits, is lousy. For one thing, he can't afford to live near his job on a sergeant E-7's salary. Every day, his total commutation from a town far upstate is over 100 miles.

The attitudes of local parents, particularly the mothers of teenage sons, is another problem. "I talk to these people all the time," he said, "They all think it's a great thing to have no draft—but not their sons.

"YES, WE ARE REPRESENTATIVE," GENERALS SAY

Lt. Gen. Bernard W. Rogers, deputy chief of staff for personnel of the Army, and his second in command, Maj. Gen. DeWitt Smith, assistant deputy chief of staff for personnel, are the Army's top two generals in personnel matters. Both note encouraging trends in recruiting despite past and current problems.

ROGERS. "We find ourselves defending ourselves based on the questions we are asked, and the question is, are we representative? And the answer is yes, we are representative. Now we don't have as many college graduates as we have in society, in the enlisted ranks. We have more blacks than we have in society. If you take the 18-year-olds, the country has about 13 percent (blacks) We have more than that. But there's no way you're going to come out with the same break-out as you have in society. Sure, if we wanted that we'd want about 13 percent (blacks) We'd like to have 30 percent Catholics.

"I have asked everybody I can ask what percentage of blacks is going to be alarming. I don't know of any percentage that is going to be alarming to me. But what does concern me is the other side of the coin. At what percentage would it cause concern to black society? We don't know what that figure is, either. But let's project this into the future. We're bringing in somewhere between 26 and 27 percent black enlistees for this year. It's going to level off at about 25 percent. Their reenlistment rate is running at about 21 percent. If you string that out, you're going to end up in fiscal year 1977 with about 25 percent black content of the Army."

SMITH. "We can tell from what the black people tell us, both the commissioned and the enlisted alike. They are quite certain that they have a better shot at getting as far as their talents merit in the armed services than they do in any part of our society. If there's a leveling out of opportunity, then you'll see a leveling out of where people go. Now the opposite happens in respect to officers. Here, you're basically talking about college graduate blacks. And there aren't so many, and they're in enormous demand by other segments of society, so we have one hell of a time getting in the numbers young black men and women officers we'd like to have. We've made king-sized efforts to shift that ration. "

ROGERS. "We have gone down from about 72,000 in the ROTC program—about three years ago—to about 33,000 now in the ROTC program. One of the encouraging signs was that, this year, the losses were down.

They were about 300 percent less this year than they were last year. So it may be that we are seeing a leveling off now of the losses in the ROTC program."

"We don't have Harvard: Princeton remains with us. There are some others that went out of the program—11 or 12—at the time of much of the opposition to the Vietnam War. But we do have a waiting list of other colleges which want to come into the program. Now I'll have to add this. We have to evaluate the output of each of these universities and colleges, because there's a certain number that should come out each year, if it's going to be cost-effective.

"Obviously, there's going to be less output from ROTC. But we anticipate getting out of the program this year, available for assignment in the Army, just over 6,000. Now of that 6,000, we will bring just over 4,000 on active duty—you see 2,550 of them have commitments to us, either as scholarships, distinguished military graduates, and so forth—so we have to bring them on. And then we're bringing on an additional number that brings us to 4,020. And they will go on active duty with the Army. That leaves about 2,000 in excess to active Army needs. But the point that you don't want to lose is the requirement of about 4,000 officers to go into reserve complement units every year. So this year we will not have sufficient to come out of the ROTC program to provide for that group of reserve units."

SMITH. "To characterize the Volunteer Army as mercenary is real slander. First of all, people in the Army resent very deeply the word mercenary. Mercenary is a word very clearly and simply defined in the dictionary. It implies a certain degree of venality; it implies that you would sell your soul or your arms or legs to the nearest emperor for a campaign. Not your own country, but anybody's country. It implies that monetary incentives are the only incentives that motivate people. And there isn't a shred of evidence to indicate there's a monetary incentive in the Army sufficient to cause a man to get shot at. So to use the word mercenary at any level in the Army is demeaning and inaccurate.

"You might take a look at the representative nature of numbers of your large business institutions and contrast them with ours. I don't think you would find the leadership corps, or the people paying for this, stem any more from one segment of our society than those who are in the military. Among enlisted people there are fewer from the collegiate group. But there are more high school graduates than there are in our population. You're not dealing with a peasantry, or a yeomanry or mercenaries who are ignorant or poor, and have no aspirations or no soul being run around by the eldest children of the English noblity. You're talking about something entirely different."

ROGERS. "To carry on the point. If you look at the representation within the other professions, the medical profession, the legal profession and other professions, and contrast them with ours, I think you'll find the officer corps is as representative as other professions.

"If you took a picture of the Army today, we have 71 percent high school graduates, you'll find that also above the percentage in our general population, which is 67 percent.

"The ceiling of 45 percent on non-high school graduates doesn't make much sense to us, because we're the ones who ought to be determining quality, and we're the ones to measure that quality. We had a self-imposed ceiling of 19 percent on Category IV, that's the lowest mental category, because our studies show we could use 19 percent in our force. The tests are supposed to show if a man can be trained in a skill we need. But what the test actually measures is arithmetic reasoning, verbal knowledge, and spatial perception. We want to measure more than these three things. We believe we have tests that are a better measure.

"The other thing, the traditional measure, is high school graduation. We believe it's better to put the man in the environment of a soldier, and to scrutinize him closely, and to see if he has the motivation and the self-discipline that a high school diploma is supposed to measure. But to do it in the environment of a soldier, under drill sergeants and a company commander and platoon leaders, and then if he doesn't cut the mustard in the first 179 days, then we'll separate him with an honorable discharge. We think that is a better way and a far better measure than point scores. We don't need the other tests, we ought to get rid of them. What I'd like to see done away with is categorizing a soldier as a Category I to IV. It's not meaningful as far as trainability.

"The most difficult part—that we have not yet licked—is providing the input to our schools for training in what we call hard skills. We have in addition to combat arms, skills in other areas, about 26, in which we have difficulty getting enough individuals. Now Congress in both houses has just passed a bill to allow us to pay bonuses to fill those school seats.

"These are critical skills that we have to have, and we consider them critical when less than 70 percent of the school seats are filled. That will remove the last major deterrent from the Volunteer Army from being a complete success."

Mr. KENNEDY. Mr. President, some years ago, I opposed the Volunteer Army because I believed that the Volunteer Army was going to end up with poor people fighting rich men's war. I warned this body that this was going to be the very impact and effect of moving from a random selection system which would have spread the burden and the responsibility as well as the honor equitably, to a complete volunteer system.

The fact remains that we are getting a disproportionate amount of poor people as well as minorities who are going into the Armed Forces of the United States.

The number of disadvantaged and minority group members who are going into the combat arms have increased even more dramatically, with the Armed Forces offering a $3,000 combat arms enlistment bonus I find that repugnant, quite frankly.

We can look back in the course of our history to the time of the American Civil War, when one could buy one's self out of going into the Armed Forces of the United States. At that time, we had draft riots in New York and many other eastern States, because of the resentment of the American people for the system permit some young men to pay others to take their place.

Irrespective of our individual attitude about the future of the Volunteer Army, I think this provision is objectionable from a number of points of view. First, it is objectionable from a procedural point of view since it is legislating on an appropriations bill. Second, it is objectionable because we have not had full hearings and examination of this particular issue by the appropriate committee, the Armed Services Committee. Finally, we have not considered the very serious broad implications that this kind of amendment can have on the quality of our military force and the equity of placing the burden of military service on the disadvantaged groups in this land.

For these reasons, I believe this amendment should be adopted.

Finally, Mr. President, I recognize that there are those who say that you cannot equate high school graduates and intelligence; that in some instances a point will be made that even if they do not have the diploma, perhaps they have the intelligence, and therefore the level of intelligence that is going into the Armed Forces has remained about the same. But it is important to recognize that we have not had any testimony on this matter. There have been some studies. I have reviewed those studies. I think they are open to serious questions. It is the kind of issue on which we ought to have a full hearing.

Second, not only does section 406 relate to the question of high school graduates, but also, it would eliminate the category 4 limitation I have mentioned previously, which only permits the acceptance of 18 percent of "below average" achievement into the Armed Forces. It would effectively permit the Armed Forces complete discretion to go to 60 percent, or 75 percent or even 100 percent of nonhigh school graduates and those who score in the lowest quartile on achievement tests.

This has broad implications in terms of our preparedness, in terms of the efficiency and the effectiveness of our Armed Forces; and, as a policy matter, it has brought implications relating to the equity of our manpower policies that merits the closest scrutiny and examination. For these reasons, I am hopeful that this amendment will be adopted.

I feel that this matter could be very easily delayed or deferred until the Armed Services Committee has had an opportunity to examine it and report back to the Senate. Then we would have a complete record to discuss and to debate.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. YOUNG. Mr. President, General Cushman, Commandant of the Marine Corps, especially asked for relief from this requirement for high school graduates.

This amendment is especially hard on the Indians of the United States, and we have many Indians in North Dakota. When one joins the Marine Corps or any other branch of service, he has a better chance for education than he would have otherwise. Indians have been among our best fighters in every war in which we have been involved. They like the service. But a very high percentage of them do not have a high school education.

Speaking of a high school education, a great hero of World War I, Sgt. Alvin York, did not have a high school education. In World War II, Audie Murphy, a Medal of Honor winner, did not have a high school education. Of the seven Marine heroes of Iwo Jima who raised the flag, one-half of them did not have a high school education. So, it follows that a person with a high school diploma may or may not be a better fighter. When a person enlists in the services now he has a good chance of getting a good education in addition to carrying out his military duty.

I think if we are going to continue the all volunteer service we will have to provide relief from this requirement. They will establish their own standards, which will be very high. But we will make a mistake if we delete this section of the bill. We did so last year, and we found to our dismay that it was a mistake.

Mr. KENNEDY. I would like to ask

the distinguished Senator from North Dakota if this provision of the bill was requested by the Department of Defense. Did this request come from the Department of Defense?

Mr. YOUNG. It came from the Marine Corps, in particular; the commandant, General Cushman, and other Marines.

Mr. KENNEDY. So it did not originate in the Department of Defense.

Mr. YOUNG. They are part of the Department of Defense.

Mr. KENNEDY. Did the Senator have a spokesman for the Department of Defense? Has the Department of Defense taken a position on this issue?

Mr. YOUNG. I do not believe Secretary Schlesinger has done so, but the Army and the Marines know the problems. They made the request, and we honored their request.

Mr. KENNEDY. I understand there was a request only by the Marine Corps and not by the Navy or the Air Force.

Mr. YOUNG. I do not think the President got into it either.

Mr. KENNEDY. It is difficult for me to believe that the Defense Department, in a matter affecting the quality of individuals serving in our Armed Forces, did not have a formal position on this matter. It is also interesting to note that in 1969, 16 percent of the enlisted men in the Armed Forces actually were college graduates. As of March 31 of this year, the figure is probably about 4 percent.

The Senator has made a statement about high school graduates. Why did they ask for the elimination of the requirement that provides they cannot recruit more than 18 percent of category 4? The amendment applies not only to high school graduates, but, in effect, new recruits would be filling in the quotas in the Army and the Marine Corps, and they are young people who scored in the lowest category of intelligence. This amendment did not say, "Let us provide a waiver for those who received a high school diploma."

Mr. YOUNG. Is the Senator making a speech on my time or asking a question?

Mr. KENNEDY. I am interested in learning why the Senator extended the amendment to eliminate the requirement that no more than 18 percent would be brought to category 4.

Mr. YOUNG. We did it at the request of the services. We went into this quite thoroughly with the House last year. This provision was included by the House last year. Representatives of the Marines have said they do not think that a high school degree is a necessary requirement of a good fighter. I agree with them. I have read a list of some of our great heroes of the past who were not high school graduates.

If the Senator wishes to eliminate the other section, I would be willing to consider it, but I would like to have the opinion of the chairman.

Mr. McCLELLAN. With respect to whether the Secretary of Defense has testified, he has not testified. I cannot conceive that representatives of the other services, the Marines and the Army, would come up here and testify contrary to the policy of the Secretary of Defense. They come up here and testify on these matters all the time, and when they give testimony on matters of this kind, we assume it is the policy of the Department of Defense.

Mr. KENNEDY. Is this a matter considered by the Committee on Armed Services or just by the Committee on Appropriations?

Mr. McCLELLAN. It was considered by the Committee on Appropriations. I cannot answer for the Committee on Armed Services. But the House Armed Services Committee repealed it.

Mr. KENNEDY. I am asking about our responsibility here.

Mr. McCLELLAN. I know, but the Senator asked about it, and I am pointing out where we are going. The House enacted H.R. 12565 which provides that no volunteer for enlistment into the Armed Forces shall be denied enlistment solely because he does not have a high school diploma. They repealed that part of it.

I have no special interest in this except that the Marines pointed out they were 10 percent short in their enlistment goals. The Army is in about the same situation. In the draft we had no requirement that one had to have a high school education or that so many had to have a high school education to be accepted. I think we should get the standard as high as we can and have the goals to do that. But as to this restriction which may be and apparently is already developing in the first year of experience under it to be a harsh restriction, one that is going to have a severe impact on the ability to have a volunteer Army, we better give some thought to it or whether we want to go back to selective service.

I agree with the Senator. I was not very enthusiastic about the repeal of selective service, but everyone wanted to try a volunteer Army.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. McCLELLAN. I do not wish to take the time of the Senator from Massachusetts. Mr. President, I yield myself 5 minutes.

Mr. HARRY F. BYRD, JR. I wish to ask the Senator if there is any money involved in this amendment.

Mr. McCLELLAN. No.

Mr. HARRY F. BYRD, JR. It is not an appropriation.

Mr. McCLELLAN. But it was in an appropriation bill. The original provision was in an appropriation bill.

Mr. HARRY F. BYRD JR. But it is a policy matter. I wonder whether it should be considered by the Committee on Armed Services.

Mr. McCLELLAN. I think it should be, but it is presently in an appropriation bill. It did not come from the Committee on Armed Services.

Mr. HARRY F. BYRD, JR. I am fearful that what the armed services are doing is to lower the standards in order to just get more bodies into the military service. I am wondering whether or not this matter should be considered by the Committee on Armed Services in relation to the entire manpower program.

Mr. McCLELLAN. Frankly, I think it should. I think that is really where it should be, but it was included in the appropriation bill, the regular appropriation bill, and that is where it is at the present time. This would simply repeal it insofar as it being in the appropriation bill, not to keep the Committee on Armed Services from considering it. I think it should consider it and if it should be deemed advisable, wise, and prudent to establish these standards, I think it originally belongs in that committee. But it did not come from there. This was placed in the regular appropriation bill.

Mr. HARRY F. BYRD, JR. The services undoubtedly have lowered the standards in order to get more bodies into the service, and this despite the fact that there have been seven pay raises in the Armed Forces in the past 6 years.

Mr. McCLELLAN. That is right; they still cannot get them.

Mr. HARRY F. BYRD, JR. If we still increase those in category 4; namely, those of low qualification, we are further reducing the quality of the men who might be called upon to defend our Nation.

Mr. McCLELLAN. To some extent, the Senator is correct. To some extent, it is true that if we required them to be college graduates, we would further reduce them. If we required 55 percent of them to be high school graduates, we would further reduce the numbers. That is true in spite of the fact that we are paying them bonuses to keep them. In spite of the fact that we are paying bonuses, the Marines are 10,000 short of their quota and the Army is 10,000 short of its quota.

I do not know what the answer is. I think it is a question for the Armed Services Committee to address itself to and bring in permanent legislation after holding hearings and ascertaining what is the wisest and best course to pursue.

Mr. HARRY F. BYRD, JR. Frankly, I am disappointed that the Commandant of the Marine Corps would recommend this. The Marine slogan is that the Marines need a few good men. Apparently he is discarding that slogan and going out to get numbers, if I correctly understand the colloquy this morning.

Mr. McCLELLAN. Well, Senator, I think we can all recognize the fact that there is not the enthusiasm any more for joining the military services that there once was in this country, and inducements are being offered to have a voluntary Army. We would like to have as high standards as we can get, but if we cannot get them after offering these inducements and these bonuses and cannot get high school students to fill the quotas, what is the alternative? To pay more bonuses or to do away with the requirements and give some discretion, as they do in the draft, to evaluate each individual with respect to his capabilities of making a soldier or making a marine or making a sailor, and let them accept him?

I do not know the answer, but we are confronted here not with a theory but with a reality. We have to try to deal with it. I do not know the best answer, but, again, I think the Armed Services Committee is the proper authority, the proper legislative entity, to give it attention and bring its recommendations to the Congress of what should be the standard, and we should enact a law accordingly.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

The Senator from Virginia, I think, has put his finger right on the nub of this particular problem, which is that we are, I feel, in a crisis of quality in the armed services of this country—in spite of the efforts which have been made to make the Volunteer Army work.

Let me direct a question to the Senator from Virginia. As I understand the legislative proposal, there would be nothing that would prohibit the Armed Services Committee, at the time when the military authorization comes up, from making recommendations to the Senate on this particular matter. As I understand, it would be possible to review this problem, to study it, and then to offer an amendment to the authorization bill which could alter or change what is in existing law.

Mr. HARRY F. BYRD, JR. Yes, that is correct, and the Armed Services Committee is prepared to go carefully into this problem to try to determine just how our country can get quality military personnel. That is what we really need. The question of numbers does not solve the problem, as I see it. If we fill the Army up with unqualified people we would be worse off than if we did not have an Army.

Mr. KENNEDY. The Senator is correct. It just seems to me that with the trend that has developed, in terms not only of fewer high school graduates but also of greater number of those in the lower achievement percentile, the effect of this amendment is extremely distressing. It is a matter I hope the Armed Services Committee itself will consider in view of what has happened with the recruitment program in the last 2 or 3 years.

My amendment is offered to express the very same genuine concerns that have been expressed by the Senator from Virginia about the whole question of quality of those that are going into the armed services. The committee provision would alter in a significant way the very modest restrictions that have been placed on the recruitment practices of the Armed Forces.

Mr. HARRY F. BYRD, JR. I cannot speak for the Armed Services Committee as a whole, of course, but my feeling is that the entire committee is greatly concerned with the problem of recruiting quality personnel. There have been discussions of it within the committee, and as the markup sessions continue—there will be one tomorrow, one the following day, and one the day after that—undoubtedly there will be more and more discussions of this subject, particularly on how we can best determine the needs and how to meet the needs of the armed services and at the same time keep an acceptable standard. No formal vote has been taken, but if I can judge the attitudes of my colleagues on the committee correctly, they are concerned that the standards have been lowered and that something needs to be done to increase the standards rather than reduce the standards.

Mr. KENNEDY. The only point I would make, on the issue both of quality and also of equity, with respect to the level of the people that are coming into the Armed Forces themselves, is that we want to insure that we are going to get quality individuals to assume their responsibilities in the Armed Forces. I would hope that in that pursuit we will make sure that there is no particular group in our society that will have to bear an undue burden for the defense of the Nation.

Mr. HARRY F. BYRD, JR. If the Senator will yield, I think he is quite right. I think the equity problem is a part of the total manpower problem, and we should attempt to take steps to see that the burden does not fall improperly or inequitably on any one group.

Mr. McCLELLAN. Mr. President, I may observe that this legislation on an appropriation bill was put in by the House, not by the Senate. We had it before us in conference, but we finally had to yield to the House on the language that is there now. It is language which is legislation which I thought all along properly should be the prerogative and responsibility of the Armed Services Committee. If the Armed Services Committee, in the bill that will come before us in a day or two, or perhaps a few days, for consideration, can deal with it, I think that is where it should be dealt with.

But in the meantime, we have got this situation, if this law is going to stay in effect. We talk about quality. I do not know whether we are lower in quality, because we are not changing what has happened in the draft in the past. After years and years and years under the draft, final discretion has been left to the military with respect to selection. There is no restriction on them like this in the draft today. With this restriction, if it is continued, as it is now, there are all indications that we are not going to be able to maintain the military strength we ought to have. It is a matter, I think, that addresses itself purely to the Armed Services Committee. I would be glad to see them take appropriate action.

Mr. YOUNG. Mr. President, since the Appropriations Committee has been called on with respect to legislation on appropriation bills in the past, I wonder whether the Senator from Virginia, for whom I have great respect, would consider having the Appropriations Committee leave this language in the bill, and thereby let the Armed Services Committee work its will in the authorization bill. Since the Appropriations Committee wrote in this language in the regular appropriations bill, would not the Senator think it would be logical if we take our own language out of the bill? That, in effect, is what we are doing by repealing section 718 of the Defense Appropriation Act of 1974.

Mr. HARRY F. BYRD, JR. The only aspect on which we differ is that it would be better not to remove the restriction until the Armed Services Committee has had an opportunity to examine the problem and present its views to the Senate. It is clearly an Armed Services Committee matter.

Mr. YOUNG. I think this provision in the bill does militate against the minority. They should not be prohibited from the honor of serving in the armed services. They should not be prevented from enlisting in the service. The provision that is in the law now prohibits them from volunteering for service unless they have a high school education. History has proved that the Indians have been among our best fighters in all the wars. I was particularly interested in our Indians, because they have made the best fighters, among the most loyal fighters we have in our services. They want to join. This would be a limitation on this American minority as well as other minorities.

Mr. HARRY F. BYRD, JR. I think the question of being a high school graduate is only a part of it. Category 4 is perhaps more important than the requirement of a high school degree.

Mr. KENNEDY. I would finally say, with regard to the previous lack of standards during the draft is that we were under a random selection system. Under that system, obviously, when the young people were taken at random, we had a reasonable distribution among most groups of both the burden and responsibility of serving in the Armed Forces. One reason those standards were established in recent times was the genuine concern I have found, quite frankly, among officers in the Armed Forces. My conversations with military individuals who are involved in combat arms is that they are, personally, extremely concerned about the lowering of the quality of enlistees. Second, there was a concern that the military would become disproportionately comprised of the poor and the black.

But rather than get into that issue, I think the Senator from Virginia has stated it correctly. I would hope that this amendment will be agreed to and that the Committee on Armed Services would be consulted. I would hope that the chairman of the Committee on Appropriations would write to the chairman of the Committee on Armed Services, asking him to review this exchange that is taking place in the Chamber, to gather all the information that is available from the Defense Department, and then to come back to the Senate and provide us with the best information that is available from the Defense Department and from those who have the responsibility for leading our young men in the combat services, with a recommendation for us.

I think this is really the way that it should be done. I say this as one who has been interested in our manpower policy for some time, as one who was opposed to the draft prior to the elimination of education deferments and occupational deferments and as one who supported the draft when it moved to a random selection system.

Now we are under a different system of selection. The new move, as contemplated by the supplemental appropriation, is extremely important. I know the chairman of the committee considers it to be so. But it is one in which I think we ought to have full consideration by the members of the Armed Services

Committee and give them an opportunity to examine that record before taking action.

I do not mean to continue the discussion. I hope the chairman of the committee would now join with me in my amendment and join with me in urging the chairman of the Armed Services Committee to review this particular matter. I would hope we could move ahead in that way. I think that would meet the particular needs of the Marines and also would provide us with the kind of information which is of such concern to myself and, I know, to the Senator from Virginia and, I am sure, many other Senators as well.

Mr. McCLELLAN. Mr. President, I may say it would be my hope that unless we will have a military bill up in the next few days, we will probably withhold any conference on the bill until the Senate acts on the authorization bill. Of course, we would be guided by whatever action is taken in conference. I think that is the way it should be done.

Mr. KENNEDY. I do feel that we should not leave this matter in limbo, so to speak. I think it is a matter, quite rightfully, that should be given the detailed attention that the Armed Services Committee can give to it. We do not know—the leadership has said that we have a busy program—when the fiscal year 1975 authorization bills will be coming up. I think we had best leave this question to the Armed Services Committee for at least their recommendations. I would hope that we could resolve the question in that way, if it is agreeable to the chairman. If not, we shall have to resolve it in another way.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the distinguished Senator from Maine such time as he may require.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the point of order that I previously raised cover only the following language:

From line 14, page 3, through line 11, page 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. KENNEDY. I had hoped that we would be able to work this out, either with a joint letter or some kind of indication requesting the chairman of the Committee on Armed Services to give this question consideration.

Mr. McCLELLAN. I would be glad to join in sending such a letter.

Mr. KENNEDY. So would I, but I should like to have the letter sent with the understanding that we were going to let them make the decision rather than have us make it now.

Mr. McCLELLAN. That is what I am undertaking to do. But I said that we could withhold action on it. I do not think we will have a conference immediately. Certainly I do not have any intention of doing so until after the military authorization has passed. Then we would be governed accordingly, because the question will be resolved by that committee. Whatever is resolved there would be the will of the Senate and its committee, and we would certainly follow that recommendation.

Mr. KENNEDY. Mr. President, will the Senator accept the amendment?

Mr. McCLELLAN. I am prepared to accept it. The distinguished Senator from North Dakota sponsored the amendment, and I would like to defer to him. But I truly think this is the way it ought to be worked out: I think the Armed Services Committee should bring in, in the authorization bill, a provision dealing with it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. YOUNG. Since there are about nine other money provisions in the bill that are not authorized, we should hold up a conference with the House of Representatives until armed services has acted. If we leave this provision in there, it will still be up to the Armed Services Committee to determine what should be done.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. HARRY F. BYRD, JR. Would it be the intent, then, not to have a conference on this bill until after the authorization?

Mr. McCLELLAN. I have so stated. It is not my intention to hold a conference on this measure until after the Senate has acted on the authorization bill. Whatever the Senate does then will guide us.

Mr. HARRY F. BYRD, JR. But this is a supplemental bill. Presumably the money items require some speed.

Mr. McCLELLAN. There are several money items in this bill that are not authorized, and we have stated in the bill that the appropriations, where the money is not authorized, are made subject to their being authorized, which means that if these money items go through, there has to be authorization of them by legislation. These money items cannot be appropriated and will not be appropriated, under the terms of the bill, until and unless there is authorization legislation for them.

I have no special interest. I think we are fully protected. We would naturally do whatever was the will of the Senate in the matter. Whatever the Senate does. But this gives us an opportunity to go to conference with whatever provision is enacted in the authorization bill.

Bear in mind, the House of Representatives has already acted on its authorization bill, and we would have to go to conference, too, I am sure, to work it out.

Mr. KENNEDY. As I understand, the House of Representatives does not have this particular provision in its legislation.

Mr. McCLELLAN. It has part of it. It has "no volunteer for enlistment in the Armed Forces shall be denied enlistment solely because of his not having a high school diploma."

That is half of it.

Mr. KENNEDY. But that does not seem to repeal the particular requirement of the law which says there will not be less than a certain percentage. I think that should be open to legislative counsel's reading of that. Second, it does not include the waiving of the 18-percent restriction.

Mr. HARRY F. BYRD, JR. On the amendment submitted by the Senator from North Dakota, would it not prejudice the position of the Armed Services Committee?

Mr. KENNEDY. It would appear so to me. With the review of the record and our disclaimer, nevertheless it would have gone through, and I think it would have that effect.

Mr. HARRY F. BYRD, JR. I do not think we really have, today, the facts showing what percentage and category of personnel there are in each of the four services, what the enlistment rate has been in the last 30 to 60 days, and all that. It seems to me there is a great deal of information the Senate needs to have before making a basic decision like this.

Mr. KENNEDY. These are exactly the reasons why this amendment was raised. I would hope we could have acceptance of the amendment, with the understanding that we would inquire of the Armed Services Committee and ask their earliest possible attention to the entire question of the manpower policies of the Volunteer Army. I would hope the manager of the bill would accept the amendment in that spirit.

Mr. YOUNG. Mr. President, I would like very much to do that, but this is so important to the armed services: we either have to go back to the draft or try to get this voluntary system working. We cannot deny these minority groups the right to be in the armed services, and they can get a good education and still serve in the armed services. I think this is very important. So I would be unwilling to accept this amendment.

Mr. KENNEDY. This is the very issue, Mr. President, whether we are going to go back to a random selective service or draft, or how we make the Volunteer Army work in a way that achieves the goal of equity and in a way that assures the necessary quality of manpower. Quite frankly, I think it would be a matter the Armed Services Committee ought to consider carefully. So, Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Is it appropriate for me at this time to raise the question whether this particular provision that exists in the bill now, the section which is identified as section 406, is legislation on an appropriation bill and therefore out of order?

The PRESIDING OFFICER. The Senator can raise the point of order after time on the amendment has been yielded back.

Mr. KENNEDY. Well, Mr. President, I am prepared to yield back the remainder of my time.

Mr. McCLELLAN. I am prepared to yield back the remainder of the time on this amendment. I think the Senator from Virginia wants to ask some questions.

Is that on this amendment?

Mr. HARRY F. BYRD, JR. On this amendment.

Mr. KENNEDY. I withhold that, then, Mr. President.

Mr. HARRY F. BYRD, JR. Before the Senator does that, could I address a parliamentary inquiry to the Chair?

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. What is the schedule of the Senate? Is it not correct that in another 2½ minutes the Senate will go on another piece of legislation?

The PRESIDING OFFICER. The Senator is correct. At 12 o'clock the Senate is scheduled to resume consideration of S. 3203.

Mr. MANSFIELD. Mr. President, there is a proviso, however, that if this bill could be disposed of within 12 or 15 minutes after 12 o'clock, that would be done. Otherwise, we would go on to the other legislation. I would hope we could get this bill out of the way as quickly as possible.

Mr. HARRY F. BYRD, JR. If the Senator will yield, we have, of course, the pending amendment, and then I had in mind a brief colloquy with the distinguished chairman of the committee on the bill itself, which would be separate from the amendment.

Mr. McCLELLAN. We would have time for that, I think.

Mr. MANSFIELD. A brief colloquy would allow the leadership to keep its word, but I believe the Senator from Massachusetts has raised a point of order, and I would like the Chair at this time to make its findings known on that.

Mr. McCLELLAN. We would have to yield back time on the amendment. I yield back the remainder of my time on the amendment.

Mr. KENNEDY. I yield back the remainder of my time. Then, Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Is section 406 legislation on an appropriation bill?

The PRESIDING OFFICER. The Senator is correct. It is, under rule XVI, legislation on an appropriation bill.

Mr. KENNEDY. Is it in order, Mr. President, to legislate on an appropriation bill?

The PRESIDING OFFICER. The Senator may make such a point of order.

Mr. KENNEDY. I make that point of order, Mr. President.

The PRESIDING OFFICER. The point of order is sustained. The bill is now open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read the third time.

The bill (H.R. 14013) was read the third time.

Mr. KENNEDY. Mr. President, as we consider the second supplemental appropriations bill today, we should be pleased that one request for funds does not appear. This was the administration's request for $29 million to expand U.S. Navy facilities on the British-owned island of Diego Garcia. Fortunately, the Armed Services Committee deleted this provision.

I say "fortunately," because I believe it is imperative for the United States and the Soviet Union to refrain from a new arms race in the Indian Ocean.

Many Americans are concerned that the prospective reopening of the Suez Canal will lead to a significant increase in Soviet naval power in the Indian Ocean. This may prove to be so and, if so, might require an appropriate U.S. response. Yet it is important in the meantime for the United States to refrain from taking any action that would make it more likely that the Russians would take such a destabilizing action.

In time, some U.S. naval facilities in the Indian Ocean, along the lines of that proposed by the administration for Diego Garcia, might prove to be in our national interest. It is not in our interest, today. Rather, we should be seeking in all ways to prevent a naval arms race with the Soviet Union.

I have returned this week from the Soviet Union, where I raised the issue of limiting arms in the Indian Ocean with top Soviet leaders. And I am now convinced more than ever that we must work with the Russians to prevent misunderstanding, naval competition, and perhaps even conflict, in this distant but important part of the globe.

To this end, I have joined with the distinguished Senator from Rhode Island (Mr. PELL) in introducing Senate Joint Resolution 76. This resolution calls upon President Nixon to seek direct negotiations with the Soviet Union on arms limitation in the Indian Ocean. These talks could take place either bilaterally, or within the U.N. Ad Hoc Committee on the Indian Ocean, of which the Soviet Union and ourselves are not now members.

Mr. President, as this resolution proceeds through the Senate, I will urge the support of my colleagues for it. In the meantime, it is important that we in the Senate support the action of the Armed Services Committee in deleting funds for the naval facility on Diego Garcia. The House has already approved this supplemental appropriation. Therefore, it is important that we be on record as opposing it, as the legislation goes to conference.

Mr. President, I urge the Senate's conferees to support the Senate's position on this issue when the supplemental appropriation goes to conference.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Arkansas yield for a couple of questions?

Mr. McCLELLAN. I yield.

Mr. HARRY F. BYRD, JR. First, I want to commend the able Senator from Arkansas for the work that he has done, not only on this appropriation bill, but on all the appropriation bills since he has become chairman. I know of his deep concern and deep interest in bringing about some fiscal sanity and some fiscal solvency to our Government. I know that no one has worked harder to achieve that end than has the distinguished senior Senator from Arkansas. It is a very difficult job that he has, in serving as chairman of the Appropriations Committee, handling such a vast amount of tax funds.

I should like to address two questions to the distinguished Senator if I may. One question will deal with budget authority and the other with outlays.

In January of 1973, the President submitted a request to Congress for $288 billion in budget authority.

My question is this: If H.R. 14013 as it now stands as recommended by the committee becomes law, what will be the total budget authority for fiscal year 1974?

Mr. McCLELLAN. I am advised by our staff that the total budget authority would be approximately $306.1 billion. That would be the total budget authority for fiscal year 1974, including permanent budget authority and all other legislative actions not considered through the regular appropriation process.

Mr. HARRY F. BYRD, JR. That would be the total budget authority for fiscal year 1974?

Mr. McCLELLAN. Yes, sir.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The second question deals with outlays. The President's estimated budget outlays for fiscal year 1974, when he submitted his budget in January 1973, was $269 billion. What is the estimate of the Appropriations Committee as to the total outlays for fiscal year 1974, assuming that the pending legislation as it now stands becomes law?

Mr. McCLELLAN. I believe the figure the Senator gave of $269 billion was in round numbers?

Mr. HARRY F. BYRD, JR. That is correct.

Mr. McCLELLAN. That figure was $268,772 billion, as originally submitted.

Mr. HARRY F. BYRD, JR. Yes. I rounded off the figure to $269 billion.

Mr. McCLELLAN. With this supplemental bill, it is estimated that the total outlays would be about $273.4 billion. I may say that the revised budget outlay estimate shown in the 1975 budget is $274,660 billion. That is the revised estimate for the outlays. But under the action that the committee proposes including inaction on legislative proposals, the outlays would be reduced somewhat from $274,660 billion to about $273,400 billion.

Mr. HARRY F. BYRD, JR. So what the committee did, it took the——

Mr. McCLELLAN. It would be a reduction of $1.2 billion.

Mr. HARRY F. BYRD, JR. Nearly one billion and a half?

Mr. McCLELLAN. No, $1.2 billion. Take $273.4 billion from $274.6 billion and that would be $1.2 billion less in outlays.

Mr. HARRY F. BYRD, JR. That the committee has reduced. That would include the legislation before us.

Mr. McCLELLAN. That includes the supplemental——

Mr. HARRY F. BYRD, JR. It deals only with the supplemental. That was the request for $11.1 billion and that is reduced to $9.6 billion, in new budget authority.

Mr. McCLELLAN. I believe that figure is correct.

Mr. HARRY F. BYRD, JR. I thank the Senator. If the Senator would yield me just 2 more minutes?

Mr. McCLELLAN. I am glad to yield.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks two tables which I have had prepared dealing with Government deficits, the interest on the national debt and other information, as well as figures showing the receipts and outlays for various years.

The PRESIDING OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I again express deep concern about the Government's financial situation. It is very important that we get back to a balanced budget. We have had enough deficits in recent years. The continued and increasing large deficits are the major cause of inflation. The Senator from Arkansas and the committee which he heads is making an effort to bring some order out of chaos. But it is a very difficult job. I recognize that. It will take some time to get back to a balanced budget but I think it is important that an effort be made at the earliest possible time. Government spending is out of control. While I favor many of the items in this supplemental appropriation bill, I shall vote against it as a means of expressing my deep concern over continual deficit spending and the inflation which results from it.

EXHIBIT 1

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1956–75, INCLUSIVE

[Prepared by Senator Harry F. Byrd, Jr., of Virginia]

[In billions of dollars]

	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest
1956	65.4	63.8	+1.6	6.8
1957	68.8	67.1	+1.7	7.3
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.7
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974[1]	185.6	203.7	−18.1	27.6
1975[1]	202.8	220.6	−17.9	29.1
20-yr total	2,205.6	2,433.0	−227.5	296.4

RECEIPTS

[In billions of dollars]

	Fiscal years—							
	1968	1969	1970	1971	1972	1973	1974[1]	1975[1]
Individual income taxes	69	87.0	90	86	95	103	118	129
Corporate income taxes	29	37.0	33	27	32	36	43	48
Total income taxes	98	124.0	123	113	126	139	161	177
Excise taxes (excluding highway)	10	11.0	11	10	11	10	11	11
Estate and gift	3	3.0	4	4	5	5	5	6
Customs	2	2.0	2	3	3	3	4	4
Miscellaneous	3	3.0	3	4	4	4	5	5
Total Federal fund receipts	116	143.0	143	134	149	161	186	203
Trust funds (social security and highway, less interfund transactions)	38	44.0	51	54	60	71	84	92
Total	154	188.0	194	188	209	232	270	295

EXPENDITURES

	1968	1969	1970	1971	1972	1973	1974[1]	1975[1]
Federal funds	143	149.0	156	164	178	186	204	221
Trust funds (less interfund transactions)	36	36.0	40	48	54	61	71	83
Total	179	185.0	196	212	232	247	275	304
Unified budget surplus (+) or deficit (−)	−25	+3.1	−2	−24	−23	−15	−5	−9
Federal funds deficit	27	6.0	13	30	29	25	18	18

[1] Estimated figures

Source: Office of Management and Budget and Treasury Department.

Mr. McCLELLAN. Mr. President, I should like to observe for the benefit of the Senate that, after all, the Appropriations Committee does not deal with the total amount of the budget by any means. It is only about—what? —40 percent of the budget in budget authority and less than 30 percent in outlays that we really have any control over. The remainder is backdoor spending, permanent authority, and fixed expenditures, over which we can make no reduction.

Mr. HARRY F. BYRD, JR. But the part the Senator has control over he has made reductions on.

Mr. McCLELLAN. We do, but I want to emphasize that we probably could make greater progress if we had complete control, but we do not have it. But for the current fiscal year, 1974, in action on appropriation bills prior to this supplemental we have reduced budget authority by $3.3 billion with a reduction on estimated outlays of one-half billion.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, I rise to call the attention of the Senate to one item in chapter XII over which I have serious misgivings. I refer to the supplemental appropriation requested by the Postal Service. The postage rate increase planned for January 5, 1974, was delayed until March 2, 1974, as a result of action by the Cost of Living Council. Therefore, the Postal Service revenue from mailings was reduced by $236 million in fiscal year 1974. The $236 million was requested by the Postal Service in this supplemental, but that request was cut by the House to $230 million and further cut by our committee to $200 million. In my opinion the full $236 million requested should be appropriated if the Postal Service is to avoid a minus cash position.

Mr. President, the Congress created the Postal Service with the purpose of making the Service largely self-supporting and independent of congressional appropriations, except for amounts necessary to cover the cost of handling Government mail and the other services provided at congressional direction. Also, in creating the Postal Service, many Members of Congress expressed the hope that the level of service provided to the citizens of this country would be materially improved.

At present, the Postal Service has many critics. Most of these are individuals who have been impatient for more rapid progress than has been possible in an organization of some 700,000 Postal employees, operating 35,000 post offices.

Much of the equipment was obsolete and it is taking a considerable amount of time to get the personnel retrained and the facilities modernized. In its efforts to provide better services within the revenues which postal rates produce, the Postal Service has depleted its operating fund down to a level less than the $350 million cash required to meet the payroll every 2 weeks.

Mr. President, we simply cannot have it both ways. If this country is to have prompt, efficient mail delivery, the Postal Service must have the finances available to secure the personnel and facilities needed to move the Nation's mail. In my opinion, the $36 million cut which the Senate is making in this supplemental item is without justification and can only have the result of further damaging the delivery of mail in this Nation.

Having called this matter to the attention of the Senate, it is my intention to support this bill, and urge its speedy adoption by the State.

Mr. CRANSTON. Mr. President, I have a number of reactions and comments regarding the Labor-HEW portion—chapter VII—and the Veterans' Administration portion—in chapter V—of the committee's reported Second Supplemental Appropriations Act, fiscal year 1974, H.R. 14013. Once again, the distinguished Senator from Washington (Mr. MAGNUSON) who serves so ably as chairman of the Appropriations Labor-HEW Subcommittee, has shown himself to be remarkably compassionate and responsive regarding previously unfunded needs in this crucial human resources program area. The country continues to owe him an enormous debt for his vigilance and dedication to insure that these programs receive all the funding that can be squeezed out of a tight budget.

I congratulate him, and the ranking minority member of his subcommittee, Mr. COTTON, as well as the learned Appropriations Committee chairman, Mr. MCCLELLAN, and its ranking minority member, Mr. YOUNG, for their excellent work on this bill as reported, especially chapter VII. And I also want to express my personal appreciation to the committee members with whom I have worked so long and who have been so courteous and cooperative on various programs: the Senator from Missouri (Mr. EAGLETON) on emergency medical services; the Senator from South Carolina (Mr. HOLLINGS) on the veterans cost-of-instruction program; the Senator from Indiana (Mr. BAYH) on public service employment programs; the Senator from New Mexico (Mr. MONTOYA) on bilingual education; and the Senator from Wisconsin (Mr. PROXMIRE) on VA medical care and other veterans' matters.

SOCIAL SERVICES

REHABILITATION ACT OF 1973

Mr. President, as acting chairman of the Subcommittee on the Handicapped during consideration of S. 1875, the Rehabilitation Act of 1973 (now Public Law 93-112), and as chairman of the House-Senate Conference Committee on this legislation, I strongly urge the Senate to support the committee recommendation to appropriate an additional $20 million for basic grants to assist States to meet the needs of handicapped individuals so that they may prepare for and engage in gainful employment. This additional amount would bring the total available for State rehabilitation services to $650 million, the full amount authorized for fiscal year 1974 in section 100(b)(1) of the public law.

This is the same amount, Mr. President, that I recommended to the committee and which was intended in the authorization legislation to represent a minimum authorization level, rather than—as is often the case—a more ideal amount if unlimited Federal dollars were available for expenditures to meet all the program needs authorized in the law.

Further, it should be pointed out that when the Senate and House originally voted an appropriation of $630 million in the first Supplemental Appropriation Act (Public Law 93-245), it was understood that if additional amounts were needed, a supplemental appropriation would be requested. The States have now indicated that they have sufficient funds to match the full Federal allotment of $650 million.

The administration, I might add, has also proposed, in a belated supplemental budget request, a like additional amount for this purpose.

Mr. President, I also concur with the committee recommendation to the Secretary to reconsider the Department of Health, Education, and Welfare's self-imposed spending plan for SRS and spend the previously appropriated funds as intended and provided for by the Congress. The administration's announced policy of cutting back and eventually phasing out the training of rehabilitation personnel continues to concern me gravely, and I have so stated in my own recommendations to the committee.

If the Senator will yield, I have already indicated my support for the recommendation that your committee has made to the Secretary of Health, Education, and Welfare to spend the previously appropriated training funds, as intended and provided by the Congress.

However, on behalf of myself and our distinguishing colleagues on the Labor and Public Welfare Committee's Subcommittee on the Handicaped—the subcommittee chairman, Senator RANDOLPH, whom I had the privilege of collaborating with as author of the Rehabilitation Act of 1973; Senator WILLIAMS, chairman of the full committee; and Senator STAFFORD, ranking minority member of the subcommittee—I would like to raise a question with regard to the fiscal year 1975 training appropriation.

Although the fiscal year 1974 funding level for training represents the level authorized in the law—$27.7 million—it is actually money from two different pots—$15.6 million which was appropriated in the fiscal year 1974 first Supplemental Appropriations Act (Public Law 93-245), and $12.1 million in carryover balances from fiscal year 1973. This latter money was actually obligated in fiscal year 1973 but it is being spent, we are told, for programs in operation during fiscal year 1974.

Our question to the distinguished chairman is this: if SRS now in turn obligates the $15.6 million appropriated in fiscal year 1974, but again does not spend the money until fiscal year 1975, the actual amount of Federal dollars being expended on rehabilitation training programs in fiscal year 1974 will be only $12.1 million and not $27.7 million, the level both Houses of Congress have indicated as the level of rehabilitation training for fiscal year 1974. Using the argument that there are unexpended fiscal year 1974 funds available for fiscal year 1975, the administration can again come back with a budget request for fiscal year 1975 that is considerably below the authorization level, despite the recommendation of your committee for an annual program level of $27 million. I and my colleagues on the Subcommittee on the Handicapped do not believe that this was what was intended when we established the target authorization figures in Public Law 93-112—those figures were meant to be actual program operating levels.

Are we correct in assuming that for fiscal year 1975 it will not be acceptable to justify a lower appropriation on the grounds that obligated money from the previous year is being spent in that fiscal year?

Mr. MCCLELLAN. That is correct.

Mr. CRANSTON. I would now like to turn to other matters.

CHILD ABUSE PREVENTION AND TREATMENT ACT

Mr. President, the Child Abuse Prevention and Treatment Act, signed into law by the President on January 31 of this year as Public Law 93-247 authorizes the creation of the first systematic, national program to prevent, identify, and treat child abuse. As a sponsor of the original Senate bill, S. 1191, I had the privilege of chairing joint hearings held in Los Angeles and San Francisco by the Special Subcommittee on Human Resources—which I chair—and the Subcommittee on Employment, Poverty, and Migratory Labor on which I and Senator MONDALE, the author of the bill, serve. Again and again during the hearings on S. 1191 the tragic story of abused children—victims of psychological and emotional abuse as well as the truly shocking incidence of physical abuse—was told.

The new law is a most important law, designed to attempt to come to grips with this appalling national tragedy. Some 100,000 cases of child abuse occur in this Nation annually. I know that no Member of the Congress—and certainly no private citizen—believes that we can let this continue; the cost is simply too great.

Mr. President, the Child Abuse Prevention and Treatment Act would direct the Children's Bureau within the Office of Child Development, DHEW, to begin a program of demonstration projects to local communities and units of Government in an effort to develop successful child abuse prevention programs. I urge the Senate to include in the second supplemental appropriations bill the $4.5 million recommended by the committee to start up this program, and to extend the availability of these funds through December 31, 1974.

EXTENDED AVAILABILITY OF FUNDS FOR EMS TRAINING PROJECTS

Mr. President, I am particularly pleased that the committee has included language in H.R. 14013 which would make the $6.6 million which has been appropriated in fiscal year 1974 for training grants in emergency medical techniques available through the first quarter of fiscal year 1975. These training authorities result from a provision in the Emergency Medical Services Systems Act of 1973, Public Law 93–154, overwhelmingly accepted in both the House and the Senate last fall.

Mr. President, the extension included in H.R. 14013, which I suggested with Senator Eagleton, has been made necessary, because of the serious delay in the publication of regulations governing the granting of awards under this authority. These regulations were finally published on April 29, 1 week ago, which is some 5½ months after Public Law 93–154, which I authored in the Senate, was signed into law. This delay has meant that the grant application kits could not be distributed to potential applicants. In fact, Mr. President, it is estimated that the earliest these applicants would receive their kits was yesterday, May 6, with a deadline date for submission of completed applications of May 30. Without an extension in the time for funding availability, it will be virtually impossible for these applications to be adequately reviewed and grants awarded on an equitable basis by June 30.

Training is a vital element of any emergency medical services system and is an area in which there are a large variety of fully justifiable training programs. By extending the time in which the $6.6 million already appropriated will be available for obligation, Congress will have insured that a fair proportion of these programs can be supported. The ability to utilize these training authorities will mean greatly strengthened emergency medical service systems with trained personnel capable of providing the essential emergency medical services.

I am very grateful to Senator Eagleton and Senator Magnuson for their full cooperation in accepting and recommending to other members of the Appropriations Committee my suggestion that the availability of these funds be extended through September of 1975. They have been absolutely steadfast in their support of the programs within the Appropriations Committee and on the Senate floor.

BRAIN INFORMATION SERVICE

Mr. President, I would also like to express my full agreement with the committee's recommendation, included in the Senate report, that the Brain Information Service administered by the Center for the Health Sciences at the University of California at Los Angeles, should receive continued support at least at the level of $300,000 per year. This service has been supported for the last 10 years by the National Institute of Neurological Diseases and Stroke, and its value has been attested to by numerous specialists in the area of neurological sciences throughout the Nation. Last year, over 20,000 conference reports and 43,000 reference bibliographies were distributed; the monthly circulation of the current alerting bulletins was over 10,000. Today the Brain Information Service serves more than 14,000 neuroscientists, clinicians, and institutions. It is apparent the Brain Information Service provides a valuable and useful service to these specialists and, through them, to the improvement of the Nation's ability to advance knowledge in the field of neurological research. The committee's action in recommending continued support at least at the $300,000 level will prevent the imminent phaseout of this valuable program, which had been predicted as a result of severe reductions recommended by the National Institute of Neurological Diseases and Stroke.

DENTAL HEALTH CENTER

Mr. President, the committee has expressed concern that the Dental Health Center in San Francisco be continued at full operation at its present location until its future is discussed in the upcoming hearings on the fiscal year 1975 appropriations bills. I applaud this committee action vigorously. The center has become very much a part of the San Francisco community, and many citizens were quite upset at the prospect of its move to Washington, D.C. It is my understanding that there is considerable equipment invested in the San Francisco center, where, for some time now, the staff has been providing invaluable services to promote the development of innovative curriculums for dental schools throughout the country. This center has been given by HEW primary responsibility for education, research, and training activities in the dental and allied dental professions, and has developed demonstration projects with dental schools throughout the Nation. Its location on the West Coast has not inhibited its ability to be a leading force in the development of dental education. I would hope that when its future is discussed in the upcoming hearings, attention will be focused on whether it could fulfill this role, as the administration proposes, any more competently from Washington than from San Francisco.

EDUCATION

BILINGUAL EDUCATION

I am extremely pleased that the committee has honored the request of several Senators, including myself, by increasing the available funds for the Federal bilingual education program by $20 million. I believe this is a significant statement by the Senate that we will work harder to honor our legislative commitments to bilingual children throughout America. The committee action is especially encouraging, coming as it does so close after the Supreme Court law decision which mandates that the San Francisco Unified School District must take steps to meet the special educational needs of its non-English-speaking students.

FOLLOWTHROUGH

Although just 7 years old, the followthrough program has proved to be a major contribution to early childhood education programs serving disadvantaged children. The administration has sought to phase out the followthrough program over the next 3 years. The committee, however, has wisely provided an additional $20 million to continue the program for an additional year, thereby helping to sustain the impact this important program is having on children leaving Headstart and entering elementary school.

HEW'S REFUSAL TO SPEND MONEY FOR VETERANS COST OF INSTRUCTION

Mr. President, I am especially pleased by the committee's firmly voiced disapproval of HEW's refusal to spend, for use by eligible institutions in this fiscal year, the $25 million already appropriated this fiscal year for the veterans' cost-of-instruction—VCL—program, which I authored in the 1972 Education Amendments—Public Law 92–318. The Labor, Health, Education, and Welfare, and related agencies fiscal year 1974 Appropriations Act, Public Law 93–192, appropriated $25 million for the VCI program. Under the act's anti-impoundment language—that not more than 5 percent of the amount specified in any appropriation provision contained in the act or any activity, program, or project within such appropriation may be withheld from obligation and expenditure for the fiscal year ending June 30, 1974—a minimum of $23.7 million must be obligated for the VCI program during this fiscal year.

Using the Office of Education's theory that the fiscal year 1973 funds, which were finally made available in June 1973, were for use in academic year 1973–74, the law in section 420(d) clearly requires two additional installment payments in this academic year. Thus, the committee has directed that the $23.7 million appropriated and required to be obligated in this fiscal year "obligated without further delay" in order to make the required two remaining installment payments for this academic year. I thank the committee for making this point clear and the Senator from South Carolina (Mr. Hollings) for his support of this program and cooperation with me.

LABOR DEPARTMENT

ADDITIONAL FUNDING FOR PUBLIC SERVICE JOBS

Mr. President, I am particularly gratified by the committee's strong support and recognition of the need for additional funds for public service jobs. This is a full response to the bipartisan recommendations of 13 Senators led by Senator Kennedy, myself, and Senator Javits.

The approximately 117,800 new positions created by the $325 million added by the committee over the House allowance of $500 million, will do much to continue the successful experience of the Nation over the last 2 fiscal years with public service employment programs under the Emergency Employment Act of 1971, and will help alleviate the continuing high level of unemployment across the country. I congratulate and thank the Senator from Indiana (Mr. Bayh), a member of our bipartisan coalition, for taking the lead on this matter in committee.

Public service employment programs have clearly proven their worth, not only in terms of providing the jobless with meaningful jobs, but also in decreasing the Nation's expenditures for welfare payments and unemployment insurance. In addition, based upon Bureau of Labor Statistics data, it has been estimated that for every 10 public service jobs created, 4 private sector jobs will be created immediately and that another 6 will be generated over the next 18 to 24 months from the gross national product increase resulting from those initial 14 jobs.

Mr. President, this past February, I was privileged to chair a most enlightening day-long hearing in Los Angeles on the unemployment situation in California, and the job impact of—what was at the time called—the energy crisis. This hearing was a joint effort of the Senate Labor and Public Welfare Committee's Special Subcommittee on Human Resources, which I chair, and the Subcommittee on Employment, Poverty, and Migratory Labor, chaired by my colleague from Wisconsin (Mr. NELSON).

Mr. President, at that hearing I called for a massive infusion of public service funding. Nearly every witness at this hearing testified to the past success and the very substantial current, as well as future, need for an adequate public service employment program. Mayor Tom Bradley, of Los Angeles, specifically recommended increased funding for public service employment, and public service employment specialist Prof. Walter Fogel of the UCLA Graduate School of Management, urged a substantial increase in the size of the public employment program.

The new jobs created by the additional funding recommended by the committee for public service employment would be especially helpful to chronically unemployed and underemployed persons, such as blacks and browns and young Vietnam-era veterans. The unemployment rate for veterans under 25 for the first quarter of this year has been 9.9 percent, and a staggering 18.9 percent for non-Caucasian veterans. For all Vietnam-era veterans it is 5.1 percent—meaning 291,000 unemployed veterans based on the Labor Department's first quarter figures. A provision of the new Comprehensive Employment and Training Act—CETA—requires not only that we give veterans special consideration in filling public service jobs, but also requires, in a provision I authored, that special emphasis be placed on the development of jobs which utilize the special skills these veterans acquired in the service, and that prime sponsors must specifically describe how they are going to accomplish these special emphases.

These provisions and the $825 million in the committee bill can be very instrumental in dealing with this national disgrace of intolerably high levels of unemployment among Vietnam-era veterans.

Mr. President, at hearings last week of the Veterans' Affairs Subcommittee on Readjustment, Education, and Employment, the Assistant Secretary for Manpower, William Kolberg, of the Department of Labor pledged, in response to my questions, first, to be an advocate within the administration for spending the full amount appropriated for public service employment, and second, to insure that an appropriately high proportion of the PSE jobs created thereby are filled by Vietnam-era veterans—27 percent of the EEA jobs were—and third, to reexamine the CETA regulations, and those under chapter 41 of title 38, to make appropriate revisions in accordance with the underlying law.

Mr. President, I ask unanimous consent that the full text of my March 27 testimony before the Appropriations Subcommittee on Labor and Health, Education, and Welfare, followed by my April 30 statement concerning veterans' employment problems at the hearing of the Veterans' Affairs Subcommittee on Readjustment, Education, and Employment, be printed in the RECORD at this point:

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR ALAN CRANSTON

Mr. Chairman, I very much appreciate your providing me—and my colleagues—the opportunity to testify on our proposed amendment to provide an additional $350 million this fiscal year for the immediate creation of almost 200,000 public service jobs with state and local governmental sponsors across the nation.

There are currently—and there have been for two months now—over 4.7 million Americans out of work. The February figure of 4.75 million very nearly approximates the 5 million level which plagued the nation throughout 1971 and 1972 and which precipitated our decision to appropriate $2.25 billion in that period to fund public service jobs. I think it is clear that the same need for public service job creation is with us today.

While it was somewhat encouraging that January's unemployment rate of 5.2 did not increase even further in February, Julius Shiskin of the Bureau of Labor Statistics, cautioned us—in his March 7th testimony before the Joint Economic Committee—not to expect any substantial decline in the unemployment rate in the near future.

Mr. Chairman, 4.5 million people approximate the entire civilian labor force of Iowa, Kansas, Missouri, and Nebraska being out of work at the same time. Or, if one could imagine the approximate total civilian labor force of Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming, Alaska, Idaho, and Washington being unemployed at the same time, then one could begin to appreciate the dimension of the problem in terms of numbers of ruined lives and livelihoods, when we speak of a national unemployment rate of 5.2 percent.

These numbers represent hundreds of thousands of individual personal tragedies—something the present administration has never seemed to understand. The hard facts are that these numbers represent human tragedies, and that words, such as "inflation" and "recession" are not merely the playthings of economists spouting competing theories, but rather represent, literally, the bread and butter and other necessities which bear directly upon the human condition of all Americans.

The spiraling inflation we have been experiencing has created all kinds of hardships for most Americans. But it has been particularly disastrous for the millions of Americans and their families who just cannot find work.

Just last week, the Department of Labor announced that living costs have gone up 10 percent over the past 12 months, the highest annual rise since 1948. The cost of living sped ahead another 1.3 percent last month while the purchasing power of an average hour's labor—for those fortunate enough to have jobs—continued to decline. This February rise was the second largest in any one month since 1951—with the largest occurring last August. Food prices alone have risen 22.2 percent in the last year.

For those Americans who are unemployed, these increases are absolutely devastating.

Mr. Chairman, Americans want and need jobs, not welfare. They want and need jobs, not unemployment compensation. And there are literally millions of important public service jobs which need doing in thousands of localities throughout the Nation.

In my State of California, we are facing an unemployment rate of 7.2 percent. The number of jobless persons soared by 42,400 in January over the previous month, bringing the February total up to 744,000. In February, I was privileged to chair a most enlightening day-long hearing in Los Angeles on the serious unemployment situation in California, and the job impact of the energy crisis. This hearing was a joint effort of the Senate Labor and Public Welfare Committee's Special Subcommittee on Human Resources, which I chair, and the Subcommittee on Employment, Poverty, and Migratory Labor.

We received valuable insights and expertise from important public officials—including the mayor of Los Angeles, Tom Bradley, the chairman of the Los Angeles County Board of Supervisors, Ken Hahn, and former Secretary of Labor, James Hodgson—as well as representatives of labor, industry, and community-based groups, and some outstanding economists. There was a very strong support for a large infusion of public service dollars right away.

Mr. Chairman, whether or not we are still in the midst of an energy "crisis," or whether or not our crisis is but a mere "problem" now, is not the question at this time. Nearly every witness at the February 14 hearing testified to the past success and the very substantial current, as well as future, need for an adequate public service employment program. Mayor Tom Bradley specifically recommended increased funding for public service employment, and public service employment specialist Professor Walter Fogel of the U.C.L.A. Graduate School of Management urged a substantial increase in the size of the public employment program.

I believe the subcommittee is familiar with the evaluations of the E.E.A. program. Even those initially skeptical about public service employment, especially the administration, have come to sing a different, sweeter tune. There seems to be universal agreement that the E.E.A. program—so incredibly relegated to the junk heap in the President's initial F.Y. 1974 budget—has been a successful, productive job creation effort.

I want to make two often overlooked points about public service employment, Mr. Chairman. First, we can fund the 200,000 new jobs we are seeking within our present overall budget level; and second, for each public service job we create, we generate over the next 18 to 24 months another job in the economy, generally in the private sector.

The facts are these in terms of total costs and job generation in connection with public service employment: Expenditures for public service employment will result in savings in welfare payments and unemployment insurance, and increased tax revenues, of 40 cents for every dollar spent. In addition, based upon Bureau of Labor statistics data, it has been estimated that for every 10 public service jobs created, 4 private sector jobs will be created immediately and that another 6 will be generated over the next 18 to 24 months from the gross national product increase resulting from those initial 14 jobs.

Last March, I introduced legislation, the

Public Service Employment Act of 1973 (S. 793), which would provide for a continuing program of public service employment producing 1.15 million public service jobs, and would operate in much the same way as the highly successful programs of the Emergency Employment Act of 1971, but without an unemployment rate trigger. I strongly believe in the need for an ongoing P.S.E. program.

In the interim, however, we propose to use the transition provisions—section 3(a) specifically—of the newly enacted Comprehensive Employment and Training Act of 1973 to provide immediate relief to the millions of Americans currently out of work. Under our proposal, some 197,000 new public service jobs would be created, although we propose in this supplemental only to pay the three-months down payment on the annual salaries for these jobs. When added to the administration's request for funding 35,700 public service jobs in the second supplemental, this would get us started with a total of 232,700 federally-financed local jobs—140,000 nationwide and 92,700 in communities of very high unemployment.

These additional jobs would be especially helpful to chronically unemployed or underemployed persons and those first thrown out of work during the energy "thing", such as blacks and browns and young Vietnam era veterans. The unemployment rate for veterans under twenty-five which has consistently run higher than the over-all national unemployment rate, has jumped again, this time by an explosive 2½ points—from 7.5 percent last December to 10 percent in February.

The amendment we are proposing today would mean many more job opportunities for the 288,000 unemployed Vietnam veterans as a result of a provision we wrote into the new law which requires not only that we give veterans special consideration in filling public service jobs, but that special emphasis be placed on the development of jobs which utilize the special skills these veterans acquired in the service.

Mr. Chairman, March 29, this Friday, has been designated "Vietnam Veterans Day" by a Joint Resolution of Congress. But honoring these veterans with speeches and parades is simply too little and too late. These men and women need adequate GI bill benefits, and more importantly, they need jobs now.

It would be especially fitting, if as we approach the first Vietnam Veterans Day, we could make a promise to these veterans which—unlike far too many of their expectations—would come true, a promise of many more job opportunities available to young veterans through the funding of a large number of new public service jobs right away.

For their sake Mr. Chairman—and for the millions of Americans who are facing unbearable hardships because they, or one or more members of their families, are out of work—I believe we must act quickly to increase the number of available jobs. It is a national disgrace for such great numbers of Americans to be jobless. We can and must begin now to put Americans back to work again—in productive, meaningful ways.

STATEMENT BY SENATOR ALAN CRANSTON AT A HEARING OF THE VETERANS' AFFAIRS SUBCOMMITTEE ON READJUSTMENT, EDUCATION, AND EMPLOYMENT, APRIL 30, 1974

Mr. Kolberg, I have had a brief opportunity to review your prepared statement although I was unable to be here when you read it this morning since I was chairing another hearing. Somehow you and I don't read the unemployment data the same way; nor do we evaluate the labor department's performance on behalf of veterans the same way.

As to the data, I can find no reassurance in a seasonally adjusted unemployment rate of 9.9 per cent for 20–24 year-old veterans for the first three months of this year, up from 7.7 per cent for the last quarter of 1973, with a total of 291,000 Vietnam-era veterans now unemployed. As the department's own bureau of labor statistics points out, in contrast to your optimistic words based on the first quarter of 1974. We are "back up to a year-ago levels" of veterans' unemployment. This is especially true for black, brown, and other minority group veterans, whose unemployment rate for 20–24 year olds nationwide is at an astronomical 18.9 per cent, more than 30 per cent higher than for minority group non-veterans of the same age.

Your data for the west coast show even greater and even more disparate, and even more tragic, data in terms of how much tougher it is for all veterans, and especially minority group veterans, to get jobs. For the west coast, the B.L.S. first quarter report shows an unemployment rate of 16 per cent for young Vietnam-era veterans, fully sixty per cent higher than for all west coast non-veterans 20 to 24 years old. And for all Vietnam-era veterans the west coast rate for minority veterans is 13.2 per cent, fully 42 per cent higher than the 9.3 per cent rate for non-veteran westerners 20–34 years old.

The rates themselves are high enough, but it is absolutely intolerable for veterans, and especially those from disadvantaged backgrounds, to be having so much worse problems getting work than those who did not serve their country.

If that's your idea of "progress," in which we should "take pride", I'd hate to see what you'd characterize as a poor record. I consider the unemployment situation confronting Vietnam-era veterans a national disgrace!

This situation was certainly avoidable had the department chosen merely to, first, obey the law, and, second, to carry out the mandates of the law with some imagination, foresight, and conviction. I'm talking about title five of the 1972 GI bill amendments, entitled the "Veterans' Employment and Readjustment Act of 1972," which I authored with Chairman Hartke. In fact, I first proposed and the Senate adopted that legislation in 1970.

For you to come up here today, fully 19 months after that law was enacted and 16 months after its effective date and with apparent aplomb tell us you've now "filled" all 68 new assistant veterans employment representative positions mandated by the law, is just preposterous.

How can the President boast of having a positive program for veterans if that kind of lethargy is tolerated? Or was it even encouraged—aided and abetted—by the President's fiscal arm, the Office of Management and Budget?

Surely, if these new A.V.E.R.'s had been doing the job Congress intended, we could have avoided this early 1974 reversal for veterans' job opportunities, or at least done a lot better.

Second, as to the Labor Department's record of noncompliance with the 1972 law, the annual report required under the law was three months late and three pages long, and it was incomplete. That's about one-sixth of a page for each of the 19 months since the law was enacted, and what we get raises more questions than it answers.

Third, the Labor Department's totally lethargic, uninterested, implementation—or, more accurately, non-implementation—of the 1972 law is further evidenced by your failure to do anything to require Federal contractors and subcontractors to take any steps at all, beside listing job openings with the local employment service offices, to provide the "special emphasis" which the law requires that these Federal contractors give to the employment of Vietnam-era and service-connected disabled veterans. Absolutely nothing!

I discussed this with you a year ago both at your confirmation hearings and in my office personally and there has been zero performance to do more than require job listing, which you were doing before the law was enacted anyway.

Now, Mr. Secretary, your prepared statement makes some vague allusion to reexamining steps you are taking under the law in light of the enactment of the Comprehensive Employment and Training Act of 1973. That law was enacted more than 4 months ago. Since I authored all the veterans' provisions in C.E.T.A. which you cited, I am particularly interested in the fact that you've finally gotten around to reading them—and the Senate committee report and the conference report which my staff on two separate occasions sent to your office—urging that you do more to carry out the special emphasis program.

SUMMER JOBS

Mr. CRANSTON. Mr. President, I am also encouraged by the committee's recommendation for funding summer youth employment programs. In addition to the House allowance of $208,584,000, together with $91,416,000 in carryover funds, for summer jobs for young people, the committee's inclusion of $173 million to meet new minimum wage requirements and provide for a summer youth recreation and transportation program will do much to improve the opportunities for our Nation's youth this summer. This is a sound response to the bipartisan recommendations submitted by 25 Senators led by Senator JAVITS, in which I joined.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Mr. President, title IX, community service employment, under the Older Americans Act, is designed to provide community service jobs for low-income older Americans 55 years of age and older in the fields of education, social services, recreation services, conservation, environmental restoration, economic development, and the like.

During the June 4 San Francisco and August 14 San Diego hearings I chaired last summer on alternatives to institutionalization of the elderly, significant testimony was given on the importance of providing job opportunities for those senior citizens who want and are able to work. Senior citizens are particularly qualified to perform public service jobs that aid their own peer group, whose special problems and experiences are often less well understood and appreciated by younger persons. Many of the jobs that would be created under title IX are designed to offer this very opportunity. Furthermore, jobs provide the purchasing power senior citizens need to live independent lives—a particularly difficult achievement with food prices skyrocketing and cost-of-living increases averaging 14.5 percent for the first quarter of 1974 alone, on an annual basis.

Mr. President, in the first supplemental appropriations bill the Congress appropriated $10 million out of the $100 million authorized to be appropriated for fiscal year 1974 so that this vital program—which has the potential to create as many as 40,000 to 60,000 jobs—could be initiated. The $10 million additional which the committee has recommended to be appropriated in the second supplemental appropriations bill under our consideration today would bring that level up to $20 million. I urge the Senate to support the committee recommendation so that senior citizens—who have especially suffered under the high unemployment rate of recent months—can begin to enjoy the same dignity and respect that more employable groups in our country take for granted.

LEGAL SERVICES PROGRAMS

Mr. President, I am very pleased to note the committee's continuing commitment to legal services programs, and particularly, its recognition of the need for funding to permit the smooth transition of legal services programs presently funded through the Office of Economic Opportunity. The Congress is presently considering, in conference committee, legislation which would establish a separate Legal Services Corporation.

Mr. President, the legal services program has provided our Nation's poor with the same access to the courts and other tribunals as those able to hire attorneys. This vital program has enabled many poor people to pursue their claims and vindicate their rights through the judicial process—in other words to participate fully in our society. Most importantly, the legal services program has helped to restore the faith of one segment of our population in the fairness and viability of our system of law and order.

I welcome the committee's foresight in recognizing the importance of continuity in the provision of legal services to the poor until such time—hopefully in the very near future—that a Legal Services Corporation is created. I thank the Senator from Washington (Mr. MAGNUSON) and the Senator from New Jersey (Mr. CASE) for their continued championship of the program in the Appropriations Committee.

VETERANS' ADMINISTRATION—CHAPTER V

VETERAN'S MEDICAL CARE

The appropriation of $39,535,000 for medical care for veterans included in the second supplemental appropriations bill, 1974, is a direct result of the Senate committee's action in the first supplemental of urging the administration to carefully estimate its needs in carrying out the new authorities mandated by Public Law 93–82, the Veterans' Health Care Expansion Act of 1973, which I authored in the Senate. This direction to the VA in the first supplemental bill Senate committee report was the result of a specific recommendation which I made to the committee with the chairman of the Committee on Veterans' Affairs (Mr. HARTKE). The administration, I believe, has made a careful estimate, and I am pleased that both the House and the Senate have accepted the administration figure. I applaud the work of the distinguished subcommittee chairman for VA appropriations (Mr. PROXMIRE) for his work on this matter.

Mr. KENNEDY. Mr. President, I want to take this opportunity to commend the Senate Appropriations Committee for its actions on approving the second supplemental appropriations bill for fiscal year 1974. I particularly want to recognize the leadership shown by the chairman of the Labor-HEW Appropriations Subcommittee, Senator MAGNUSON.

Responding to the economic situation in the Nation, the committee accepted the basic provisions of an amendment that I cosponsored along with 12 other Senators to substantially increase the funding for public service employment programs.

Some $325 million in additional appropriations over the House-approved $500 million. This will return the appropriations level for fiscal year 1974 to permit some 117,000 additional jobs to be made available across the Nation.

The additional funds place well on the road to returning the level of public service employment to the level achieved during the earlier years of the Emergency Employment Act. From testimony to the committee and from the administration's own evaluation contained within the annual report of the Secretary of Labor, it is evident that this program not only was a marked success but it was applauded by cities, States, by labor unions, and by the workers themselves.

I am hopeful that in the fiscal year 1975 appropriations we can maintain and increase still further the Federal commitment to assisting men and women obtain jobs that offer critical community services.

In addition, the Appropriations Committee accepted an amendment I introduced to add $10 million to the funding of the community service employment program for older Americans.

This increase in the appropriations for fiscal year 1974 for title IX of the Older Americans Comprehensive Services Amendments of 1973 is a forceful reminder to the Department of Labor that the congressional intent was to establish a separate, categorical, and distinct program to provide part-time community service jobs to workers 55 and older and that special revenue sharing was not deemed to be an acceptable answer to their needs.

I ask unanimous consent to place my letter to Senator MAGNUSON on this matter in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. Mr. President, in that regard, I am hopeful that the regulations issued by the Department of Labor to shift the direction of the title IX programs to the revenue-sharing model with States and localities replacing national contract agencies as prime sponsors will be reversed.

This is the second appropriations bill which specifically reiterates the intent of Congress, which was spelled out during the legislative history of the authorization measure.

I am enclosing a letter signed by myself, as chief sponsor of the authorizing provisions, and Senator EAGLETON, chairman of the authorizing subcommittee, which underlines our view. The acceptance by the committee of our amendment and our view of the intent of this legislation should make it obvious to the Department of Labor that its regulations will have to be revised to maintain, not only for a single year, but throughout the term of title IX, a separate program in which national contract agencies play a major role.

They were the agencies which produced the successful model programs and they have demonstrated a capability for low-cost administration of these programs that we want to see continued.

I am hopeful now that the additional funds approved in this measure will permit the expansion of the existing title IX programs in other States by many of the same organizations which have currently been operating these pilot programs.

EXHIBIT 1

APRIL 9, 1974.

HON. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: We are writing to urge that the Senate Appropriations Committee amend the budget request of the President in the area of manpower affairs affecting older workers in the following way. First, we would urge that the language suggested by the Administration which would underline its intent to administer Title IX of the Older Americans Comprehensive Services Amendments of 1973—the Older Workers Community Service Employment Program—through CETA be struck. Second, in its place, we would urge that an additional separate authorization of $10 million for Title IX, to be operated as an independent program as intended by the Congress, and to be used initially for expansion of the national contract programs, be incorporated. This would permit the expansion of the operation mainstream programs in other states and at a level of operation that is both more consistent with the level of authorization and the record of some eight applicants for every available jobslot. Third, we believe that additional language should be incorporated to insist that a substantial portion of the $10 million appropriated by this Committee for Title IX in the previous supplemental appropriations bill be spent through the national contract programs.

As the chief sponsor of the original authorizing bill and the chairman of the authorizing subcommittee, we believe the Labor Department's proposal conflicts with the Congressional intent. What we attempted to do in the Title IX legislation, as this Subcommittee knows all too well, was to capitalize on the experience, the record of low administrative operating costs, the widespread community support, and the generally positive testimony of the elderly participants and the elderly community, regarding the Operation Mainstream program. That program had been operated as a pilot program. We attempted to make it permanent, separate, and nationwide.

It had been operated as a national contract program by various organizations which had demonstrated an ability—far better than the Labor Department's general record in the manpower field or the record of state or local governments in their use of either EEA funds or general revenue sharing funds—in serving low income unemployed workers over 55. And we hoped, as the Senate Committee Report states, that a substantial portion of the funding under Title IX would go to expand these national contract programs. We did not desire to exclude state and local governments but we in no way intended for them to replace the national contract programs as the Labor Department now informs us it intends to do.

Nor do we object to their proposed absorption of the Title IX monies under the same prime sponsorship system as called for in CETA merely because of unsubstantiated fears. We have had a disturbing experience now with general revenue sharing. Its results, as reported in a letter from the General Accounting Office, were that less than one-half of one percent of the funds actually ever found their way to older persons.

In the states and communities, older persons apparently have not been able to obtain their fair share of revenue-sharing funds. Nor does the past experience of the Labor Department in the manpower field justify any better expectation for the CETA program. The average percentage of first-time enrollees under the EEA program in 1972 of persons 55 and over was approximately 5.4 percent. For all manpower programs, it was 1.7 percent. Yet older Americans traditionally represent 20 percent of the unemployed and nearly 25 percent of the poor.

All of these factors seem to justify a reversal of the Labor Department's administrative decision to totally alter the character of the Title IX program as originally passed by the Congress. The legislative paragraph they relied upon was inserted to insure coordination with the CETA program. However, the entire bill and its legislative history substantiates the fact that we were not satisfied with utilizing a special revenue sharing program administered by the states to serve the needs of the elderly. Therefore, we sought to make permanent the Operation Mainstream program as a separate, identifiable, categorical and, to a substantial degree, national contract administered program. It was in this way that we felt it possible to target assistance to meet the needs of older workers. We would hope that the Committee would share our concerns. We believe this proposal is supported by the National Council of Senior Citizens, AARP/NRTA, the National Farmers Union and the National Council on Aging.

We appreciate your consideration on this matter.

Sincerely,

EDWARD M. KENNEDY,
Chairman, Federal State Community Services Subcommittee of Senate Committee on Aging.
THOMAS F. EAGLETON,
Chairman, Senate Subcommittee on Aging.

Mr. McCLELLAN. Mr. President, I yield back all time on the bill.

Mr. YOUNG. Mr. President, I yield back all time.

The PRESIDING OFFICER. All time on the bill has now been yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. ALLEN), the Senator from Missouri (Mr. EAGLETON), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), the Senator from Wyoming (Mr. McGEE), the Senator from Ohio (Mr. METZENBAUM), the Senator from Minnesota (Mr. MONDALE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Florida (Mr. CHILES), is absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Ohio (Mr. TAFT) is necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 85, nays 1, as follows:

[No. 182 Leg.]

YEAS—85

Abourezk
Aiken
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eastland
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hart
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stevenson
Symington
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—1

Byrd, Harry F., Jr.

NOT VOTING—14

Allen
Chiles
Eagleton
Ervin
Fulbright
Gravel
Hartke
Hughes
McGee
Metzenbaum
Mondale
Sparkman
Taft
Talmadge

So the bill (H.R. 14013) was passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. YOUNG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed the following Senators conferees on the part of the Senate: Messrs. McCLELLAN, MAGNUSON, STENNIS, PASTORE, BIBLE, ROBERT C. BYRD, McGEE, MANSFIELD, PROXMIRE, MONTOYA, INOUYE, HOLLINGS, BAYH, YOUNG, HRUSKA, COTTON, CASE, FONG, BROOKE, HATFIELD, STEVENS, MATHIAS, SCHWEIKER, and BELLMON.

PERSONAL STATEMENT—VOTE ON SUPPLEMENTAL APPROPRIATION BILL

Mr. HARRY F. BYRD, JR. Mr. President, I cast the only vote against the supplemental appropriation bill just passed by the Senate.

I did this to express my deep concern for the Government's financial situation.

I really believe that it is the No. 1 problem facing our Nation—the need to get Federal spending under control, the need to get back to a balanced budget.

We are not going to get the cost of living under control until we get Government spending under control.

There are parts of the supplemental appropriation bill that I favor. I regret the need to vote in opposition to it. But some way or another we must call a halt to the Government's accelerated spending and deficits.

I recognize that the Appropriations Committee reduced the amount requested by the administration, but I feel so keenly about the problem of Government deficits and runaway spending that I concluded to cast my vote in the negative.

I might say that when the budget for the current fiscal year 1974—when that budget was submitted by the President in January 1973, the budget request was for $288 billion in obligational authority. With the passage of the supplemental today, it brings the fiscal 1974 figure some $18 to $19 billion greater than the proposal submitted January a year ago.

With that in mind, I voted in the negative.

One final word: For the 6-year period ending June 30, 1975, the accumulated Federal funds deficit will be $133 billion. Thus, 25 percent of the total national debt will have been incurred during that brief period of time. The annual interest cost of the debt is $30 billion.

COVERAGE AND PROTECTION FOR EMPLOYEES OF NONPROFIT HOSPITALS

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 3203, which the clerk will state by title.

The assistant legislative clerk read the bill by title, as follows:

> A bill (S. 3203) to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Colorado (Mr. DOMINICK) relating to the Occupational Health and Safety Act.

Mr. DOMINICK. Mr. President, I do not believe that is the pending question. That was the one that I was going to have brought up, but I would like to bring up at this time—I do not believe there is any objection—amendment No. 1214.

The PRESIDING OFFICER. Without objection, the clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Amendment No. 1214 is as follows:

> At the end of the bill, add the following new section:
>
> SEC. 2. Section 8(a)(3) of the National Labor Relations Act is amended by inserting before the semicolon at the end thereof a comma and the following: "or (C) if he has reasonable grounds for believing (1) that such employee has been issued a certificate by the National Labor Relations Board either that he is a member of a religious sect or division thereof, the established and traditional tenets or teachings of which oppose a requirement that a member of such sect or division join or financially support any labor organization, or that, even though he is not a member of such a religious sect or division thereof, he holds conscientious objections to membership in any labor organization based upon his religious training and beliefs in relation to a Supreme Being involving duties superior to those arising from any human relation, and (ii) either that such employee has timely paid, in lieu of periodic dues and initiation fees, sums equal to such dues and initiation fees to a nonreligious charitable fund which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, and which is designated by the labor organization and the employee or by such labor organization or employee alone if the other fails upon request to participate in the designation of a fund or, in any case in which different funds are designated by the labor organization and the employee, selected by lot from the funds so designated, or that the labor organization waives such payment, or (iii) that such employee has complied with alternative arrangements mutually agreed upon by such employee and such labor organization".

Mr. DOMINICK. Mr. President, for the benefit of my colleagues who are here, I will explain this amendment very quickly, and I do not really think that anybody on the committee would object to it. I say that because this amendment was adopted by the committee prior to this time, on another bill 2 years ago. The proposal originates from a group of people who have religious scruples against joining a union. Their whole religious training is against that, and in many cases where there are union shops in existence, they are, as we all know, required to join such a union after they have been employed a certain time, as opposed to the old closed shop system, where one had to be a member of the union before he was employed, which we outlawed.

This amendment says that if a person is a member of a religious sect or division thereof, the established and traditional tenets or teachings of which oppose a requirement that a member of such sect or division join or financially support any labor organization, or that, even though he is not a member of such a religious sect or division thereof, he holds conscientious objections to membership in any labor organization, when such an employee has timely paid the equivalent to his dues to a charity which is, under the approved terms of the IRS, in an amount which is equal to what he would otherwise be required to pay, then he can go ahead and work in that employment or that organization.

One of the groups which is very strong in this belief is the Seventh-day Adventists. They do not believe one should be required to join a union if their religious teachings tell them they should not. They agreed, a few years ago, even though it did not become the general law, that this idea, which is, a compromise from their original position, will be sufficient as far as they are concerned. They could give to their local hospital or to their own religious sect, or whatever it might be, an amount equivalent to the amount of dues which they would otherwise have to pay, and by so doing could accept employment in a union shop operation, whereas they would not, under their religious training, be allowed to join that particular company.

So I would ask my friend from New Jersey if he has any objection to this kind of amendment.

Mr. WILLIAMS. Mr. President, certainly the principle involved here is a principle that all Senators can accept—the fact that a man's religion is a matter of personal conviction, and matters of that nature, should be understood.

However, there are several practical reasons why I am advised, I hope this amendment would not be added to the bill at this time. The Senator from Ohio, who is most concerned with this measure, of which he is a coauthor, thinks it ought not to be burdened with some of the amendments that might be offered here, because it might affect the ultimate passage.

I am opposed to this amendment, first, on the ground that it is unnecessary and redundant. Union policy and practice already fully recognize the religious convictions of individuals.

The AFL–CIO Executive Council officially declared, nearly 10 years ago:

> That unions should accommodate themselves to genuine individual scruples.

The AFL–CIO strongly urged all of its national and international affiliates to:

> 1. Immediately adopt procedures for respecting sincere personal religious convictions as to union membership or activities; and
>
> 2. Undertake to insure that this policy is fully and sympathetically implemented by all local unions.

Mr. President, throughout the Nation, unions have negotiated such provisions in their contracts with employers. I want to emphasize that among these employers are nonprofit hospitals—both religiously affiliated and nonsectarian.

The clauses which unions have negotiated to protect employees with religious scruples are both strong and effective. I ask unanimous consent to place examples of these clauses in the RECORD.

First. The clause in a contract with a Portland, Oreg., hospital reads:

> In order to safeguard the rights of nonassociation of employees, based on bonafide religious tenets or teaching of a church or religious body of which an employee is a member, the employee may exercise the choice of joining the union or to pay an amount of money equivalent to regular union dues, initiation fees and assessments, if any, to a non-religious charity mutually agreed upon by the employee and the representatives of the union.
>
> Payments are to be paid on a regular monthly basis or in advance and receipts sent to the secretary-treasurer of the union.

Second. A contract with an Aberdeen, Wash., nursing home:

> No employee shall be required to join the union if such joining would be, in good conscience, a violation of his or her religious beliefs and neither the employer, other employees or the union shall in any way discriminate against the said employee for his or her refusal to join the union, provided that any employee refusing to join the union on the basis of religious beliefs shall, as a condition of continued employment, make a monthly contribution in an amount equal to the monthly union dues paid by her fellow employees to a recognized charitable organization located in Grays Harbor Country, for which contribution she shall receive and retain monthly receipts delivering same to the union upon demand.

Third. A collective bargaining agreement with a health acre institution in Tacoma, Wash.

> Objections to joining the union which are based on bona fide religious tenets or teaching of a church or religious body of which such employee is a member will be observed. Any such employee shall pay an amount of money equivalent to regular union dues and initiation fee to a non-religious charity or to another charitable organization mutually agreed upon by the employee affected and the bargaining representatives to which such employee would otherwise pay the dues and initiation fee. The employee shall furnish written proof to the union that such payment has been made. If the employee and the bargaining representative do not reach agreement on such matter, the Department of Labor and industries shall designate the charitable roganization.

Mr. President, I want to point out that in each of the contracts that I have quoted, a union shop agreement had been negotiated. Indeed, it should be clear that free collective bargaining is the most effective vehicle for reconciling union security and individual rights.

I oppose this amendment not only because it is unnecessary in light of union practice, but also because it is grossly impractical.

It is the very essence of labor relations policy that collectively bargained contracts are much more easily enforced than are contracts whose terms have been imposed by a third party.

This amendment flies in the face of good sense and practical administration. It creates a cumbersome process whereby the NLRB must certify that every employee seeking exemption from joining a union is either:

First, a member of a religious sect where traditional tenets or teachings oppose the joining or financing of a union; or

Two, if not a member, holds conscientious objections based on "religious training and beliefs in relation to a Supreme Being involving duties superior to those arising from any human relation."

This procedure would require the board to make an initial factfinding determination as to whether the employee is a bonafide religious objector. Making such a determination would not only be time-consuming, but it would also involve esoteric and highly sensitive interpretations.

The proposed amendment creates a further problem of burden of proof. The question is left unresolved as to which party would have the burden of establishing that an employee does or does not possess the requisite religious convictions.

As if the first factfinding determination were not cumbersome enough, this amendment would further require still another factfinding determination if the employee files an unfair labor practice charge.

In addition to delegating to the NLRB the task of certifying employees with religious convictions this amendment would burden the board with an additional policing function by providing for a procedure of charitable payments in lieu of periodic dues and initiation fees.

The cumbersome determination and enforcement procedure, which the amendment seeks to impose on unions and the board would be counterproductive. The treatment of employees with religious convictions is better left to the parties through the free collective bargaining process.

So, while the principle is acceptable, I believe there are reservations to including it in this way on this bill.

Mr. DOMINICK. Well, I can understand the Senator from Ohio's feeling that the bill ought to go through without an amendment. Frankly, it has been amended once already by an amendment which he accepted, and I think it would be kind of tough for any of us to vote against religious freedom of this kind.

I am happy to see that the Senator from New Jersey agrees with the principle, but, as he knows, what I am saying is that there ought to be something in the law which makes this type of employment available for people who hold these religious beliefs. I, myself, do not happen to be a member of that sect, but I will say that I have found them to be very, very fine people in all the time I have known them.

Although I had this bill up before in the committee, I think for something like 6 years—and I may be just a little wrong on that—I have never had an opportunity to present it on the floor. I have never had an opportunity to present it in committee except once, when it was adopted.

All I can say is that, with all due deference to the Senator from Ohio—and I think it is unfortunate that he is not here—I do not foresee any opportunity to present this type of amendment in the rest of this session. So I have to take such opportunity as I have, and this is the only bill coming out of the Labor Subcommittee dealing with the NLRA, and it certainly is most germane to the provisions of the National Labor Relations Act.

I would say that if the Senator from New Jersey, despite his feeling about the principle of the bill being right, believes he must be opposed to it, I, in turn, must press for it and will ask for a vote on it.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. WILLIAMS. Mr. President, might I ask the Senator a question or two?

Mr. DOMINICK. Surely.

Mr. WILLIAMS. Mr. President, as I have just pointed out the AFL–CIO, throughout its member unions, recognizes that there are religious groups that have convictions that are antithetical to the membership of the union; and in recognizing that, they in no way permit any discrimination in the employment of someone whose religious convictions keeps that person from becoming a member of the union.

Does the Senator have any examples to the contrary where people have been denied employment because of their religious convictions?

Mr. DOMINICK. Mr. President, I do not have any examples right at the tip of my tongue. However, I would say that members of the Seventh Day Adventists have come to me and said on a number of occasions that they could not get employment, because they are religiously and traditionally against a union. The difficulty, of course, is not that the AFL–CIO may not, policywise, from the top be in favor of this lack of discrimination. The difficulty is that we get a business manager or someone like that who has worked hard in a particular area, is looking for a promotion in his job, and does not want to take in a group of people who will not support his union.

I presume that that is the type of case, or at least is what the Seventh Day Adventists have come to me about.

Mr. CURTIS. Mr. President, will the distinguished Senator yield to me on that point?

Mr. DOMINICK. Mr. President, I am glad to yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, Nebraska happens to be a State where the union shop is not permitted. Consequently, I cannot report that anyone has been denied employment, because of his religious conviction that he could not join a labor union. However, I have had workers come to me and advise me that they were victims of harassment, because of their feelings that they did not want to join the union. Things were made disagreeable for them in their place of employment.

I would not for a minute imply that all of their fellow workers engage in that type of activity. However, in any organization, there are enthusiasts who feel that everybody should go along and join. As a result, there are barbed insinuations, and sometimes there is actual interference with a man's performance of duty. That makes a disagreeable situation that no honest individual who intends to do an honest day's work should have to put up with.

Mr. DOMINICK. Mr. President, the Senator from Nebraska is, in my opinion, totally right. The Seventh-day Adventists, to whom I have referred quite a few times in this discussion, run a hospital of their own in my State. They have one in Denver which is called the Porter Memorial Hospital. It is a church-run hospital. Under this bill we would be subjecting them to a labor organization. It is true that all the people working in that hospital are not Seventh-day Adventists, although I would presume that the majority of them are. What we are really saying to the people who are there is: "Sure. Go ahead and do your collective bargaining. Bargain with the people who are at the top of the hospital." But the people at the top of the hospital do not, religiously. believe in the union at all.

That makes for a very difficult situation. I can see how that hospital could receive a very severe economic impact in trying to run a good hospital unless we have this kind of provision in the bill.

So I would sincerely hope that the Senator from New Jersey and my friend the Senator from New York will agree to accept this amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. WILLIAMS. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I am troubled by this amendment for a reason quite different from the merits, which I shall discuss in a minute. I am troubled by it, because it seeks to deal with the National Labor Relations Act, and we have resisted such amendments to this bill, which deals only with the question of access of hospital workers to the National Labor Relations Board.

For example, Mr. President, the idea of religious discrimination or discrimination on religious grounds is something to which we are all very sympathetic, of course. However, are we not also very deeply sympathetic to provisions barring all racial discrimination? Yet I have moved to table such an amendment. I will not yield to anyone in my devotion to opposition to racial discrimination, which has been characteristic of my whole public and private life.

I moved to table such an amendment myself, and it was tabled. The reason why I did so was not the merits or demerits of that issue. The essential fact is that if we open the door by any amendment, no matter how plausible or how pleasing, to the National Labor Relations Act, other Senators can say, "OK. If you are going to start going into the National Labor Relations Act, why not go into the whole thing from end to end."

The Senator from Colorado says that he does not know when we will get another labor bill on the floor of the Senate. Well, how do we ever get a labor bill on the floor? There are so many of them that are introduced.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I yield.

Mr. CURTIS. Mr. President, what is the objection to having the Senate consider amendments to the National Labor Relations Act? Why must we close the door or close our minds to them?

Mr. JAVITS. Mr. President, I do not consider it as closing the door or closing our minds. Any Senator, of course, can introduce a bill and offer an amendment, as the Senator from Colorado (Mr. DOMINICK) has done. The Senate will then work its will and control. I make no pretense that I have the right to close anything. As the ranking member of the committee with respect to this bill, so far as this side is concerned, I feel that I may express my view, so that if the bill has in it provisions relating to a generalized revision of the National Labor Relations Act, it has much less chance of either being passed here or, what is more important, ever becoming law, if it gets through the conference.

Let us remember that we are dealing with a Senate bill. It has to go to the House. There are many amendments which Senators can feel justified in trying to have accepted. Once we make these as traditional Christmas tree measures—and we have done that to many other measures—in my judgment, that will doom the measure.

But there is no closed door or closed mind about it at all. The fact is that any Member can introduce a bill or any Member can introduce an amendment. The Senator from Colorado is a very senior member of our committee. He can contend in the committee, as many of us have in the past, for an opportunity to review the whole National Labor Relations Act and amend it.

We did not contemplate, at least I did not and I do not think the committee did, that this bill would be made such a vehicle. One of the dangers of bringing any bill to the floor regarding unionization—and we may have one regarding agriculture, too, which will come along in due course—is that it may be made the vehicle for another complete review of the labor-management statutes, something which would have this measure carry a weight which it cannot support.

Mr. CURTIS. If the Senator will yield further, there are many of us who, not just in the last weeks but over the past several years, have introduced bills and urged the Senate to consider them. On one occasion, I was successful in getting the subcommittee to hold some hearings on amendments to the Occupational Safety and Health Act. Witnesses came in here, traveling some distance at their own expense, and made an excellent case. All they got out of it was a compliment for having made a fine appearance.

I cannot understand the resistance of the committee to opening up the idea that our national labor relations law, in general, should not be subject to amendment. That is what it amounts to, when amendments are tabled and not considered on their merits. I believe that the committee is the agent of the Senate, and I would hope that on this amendment and the others to be offered today we will have an opportunity to vote on them on their merits.

Mr. JAVITS. Mr. President, in the first place, the hearing to which the Senator from Nebraska refers related to the Occupational Health and Safety Act. I believe that the hearing was very productive for the Senator and the constituents who appeared, and there were material changes in the rules and regulations and practices of OSHA which resulted. That was entirely satisfactory as far as I was concerned; indeed, I participated and cooperated in respect of the hearing and the changes.

Nor is there any closed door or lack of consideration for these amendments. The Senate will quite conscientiously vote up or down any motion to table because, in its own judgment, it will decide whether it does or does not wish to have this bill the vehicle for those particular amendments.

The same is true in the committee. The Senator from Colorado, on any day this session, can call up any of the bills which have been introduced, including a new one, and ask for a committee vote, which I would certainly fully facilitate, and I am sure our chairman would agree, which would say, "We want to set a series of hearings on amending the National Labor Relations Act." So I would not say that the door is shut or anyone's mind is shut.

This particular amendment has been debated before. As a matter of fact, it was debated with regard to the repeal of section 14(b), which deals with the question of the union shop and State control of that situation. Senator DOMINICK says, and I accept his word for it, that it was accepted at that time. That was certainly directly germane to that issue. But it is not germane to this issue, in my judgment and that of others who have dealt with this measure, including the Senator from Ohio, who had so much to do with bringing it to the point at which it exists now.

So it is a point which the Senate will pass on in due course.

One other thing I would like to point out is this: I have read the amendment very carefully. I notice a little dichotomy in it, which is understandable.

In the first place, it is significant that there is no proof before us that this matter has worked in a discriminatory way to deprive anyone of any rights or to violate anyone's conscience.

The Senator from Colorado states, and I accept it, that representatives of a given church have approached him and said there is such a situation. But we have no cases. We have had no hearings, nor any cases. I think that is an important point where you are going to strain to put it on a bill which has such a highly specialized purpose.

The other thing I noticed, and I hope the Senator from Colorado will answer this, is that in lines 7, 8, and 9, the reference is to financial support:

> A requirement that a member of such sect or division join or financially support any labor organization.

Then, when you look on the next page, lines 1, 2, and 3, there is the statement:

> He holds conscientious objections to membership in any labor organization based upon his religious training.

What that leads me to ask the Senator, just so that the record may be clear, is whether it is a conscientious objection to membership or a conscientious objection to payment, because the cases are very clear, and this is borne out by the very section Senator DOMINICK wishes to amend, section 8, paragraph (a)(3), that you cannot make anyone join a labor union. They do not have to join a labor union so long as they pay their part of the cost. Indeed, there is a case just decided within the week by the U.S. Court of Appeals for the Second Circuit involving a prominent columnist, Bill Buckley, which deals with that very issue.

So no one is going to make anyone join a union, nor can they make anyone join a union. The question then becomes one of financial support, and the question as to financial support, obviously, is whether that is a problem of conscience, a proper one, and second, whether the scheme by which it is avoided in the amendment, to wit, the payment to some charitable organization, et cetera, really means anything to the union in question which has to bear the cost. The union has an interest in avoiding "free riders." I hope that the Senator will, for the purpose of clarifying this RECORD, address himself to that.

But my basic objection is that we have fought off amendments which relate to the general provisions of the NLRB law, and I deeply believe that is our best policy for getting this situation dealt with involving hospital workers and, therefore, we ought to do the same with this one.

Mr. DOMINICK. Mr. President, I am happy to reply to my distinguished leader in the committee. First, I would say to him that the problem with being in a union is that you have, in many cases, not only voluntary contributions that are asked for, but involuntary ones, if you want to remain a member of the union. If you do not make those payments, you are thrown out. This is standard, I think, in almost any organization; if you do not pay your dues at the country club, you get thrown out of that eventually, too, or someone brings suit against you.

The people who came to see me and talked with me about this some years ago pointed out that their religious tenets are not only against being a member of a union, but supporting one, because they do not believe in unions religiously. Consequently, if you contribute to it, you are in effect supporting it, and this they do not believe in. So the net effect is that if they will not support the union or join it, they cannot, then, become a member of the union, and it means that management opportunities, in any case where you have union shops, are simply knocked out. They cannot be hired.

So we have that problem.

The second thing I want to say to my distinguished friend is that I cannot think of any more germane amendment than this one would be to the hospital bill, because the Seventh Day Adventists in fact run hospitals, and unless we put this in, those people who are not members of that sect will be part of a collective bargaining unit within it. The Seventh Day Adventists will not, and then we will have terrible problems with the hospital and the management of it. From the very beginning, we will have real problems. It is not the fact that this affects employers other than hospitals. Yes, it does. There is no question about it. But it is specifically germane to this issue with the Seventh Day Adventists running hospitals.

I do not happen to have on the tip of my tongue the names of other religious sects who agree with the philosophy of the Seventh Day Adventists. There are two or three of them, I believe. The Plymouth Brethren is one sect that go this way. I have frankly forgotten the names of the others.

All I can say is that this is not a unique situation where I am bringing up something which has flared from spot to spot around the country before. What I am bringing up is an amendment which will permit these people to run their hospitals in the way they want to and which will permit them to have employment in areas where there is a union shop even though they may be considered being "freeloaders" which was, I think, the phrase used by the Senator from New York. They are not really that, because they are required to give an equivalent amount to a charitable organization. So they are not freeloaders, but they may be "freeloaders" from the point of view of the union. But they are contributing exactly the same amount as they would be if they did not have their religious beliefs.

So, for the life of me, I cannot understand why this would be considered nongermane, nor can I conceive why we should not add this on when it deals with hospitals as well as other forms of employment.

I know that the Senator from New York is going to move to table and I would like to get a vote on that tabling motion. We do have a Policy Committee meeting going on now so I should like to propound a unanimous-consent request and ask unanimous consent that on any tabling motion, the vote on it be taken no sooner than 5 minutes after 2 today.

The PRESIDING OFFICER (Mr. STEVENSON). Is there objection to the request of the Senator from Colorado?

Mr. JAVITS. Mr. President, reserving the right to object, a parliamentary inquiry—if the Senator will yield to me for that purpose——

Mr. DOMINICK. I yield.

Mr. JAVITS. Assuming the motion is not made at this time but is made later in debate, is it possible, by unanimous consent to fix the time for a vote on that motion and to ask for the yeas and nays at that time? The difficulty is that the yeas and nays have not been ordered and cannot be ordered without sufficient Senators being in the Chamber, of course. If we have a quorum call in order to ask for the yeas and nays, we might as well break up the lunch.

So what we should do, as I have no desire to have this vote any sooner, is to provide for a quorum call before the vote so that I can get the yeas and nays and then provide for a vote thereafter.

So, Mr. President, if the Senator will allow me, I should like to suggest an amendment to his unanimous-consent request that without prejudice to my right to move to table the amendment, there may be a call for a quorum at 5 minutes to 2. I have explained that to the Senator—we have a conference at 2 o'clock on a major bill—and that the vote occur upon termination of that quorum call and that I have the opportunity to ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I shall make the motion to table in due course, but if the Senator will yield to me further——

Mr. DOMINICK. I yield.

Mr. JAVITS. I should like to argue the merits here. I have heard what the Senator said about endeavoring to make this amendment so directly relevant. It is not a question of germaneness as it is a question of being directly involved with the issue of the hospitals, because the Seventh Day Adventists run these hospitals, or some of them run these hospitals. That may very well be true, but we have already turned down the idea of exempting such religiously run hospitals. We turned that down decisively in an amendment proposed by the distinguished Senator from North Carolina (Mr. ERVIN). This is not an issue of management of hospitals. It is an issue of employees of hospitals. Those employees are not given a union by this statute. They are only given it if, after a vote via NLRB procedures, a majority of the employees indicate they want a union pursuant to the National Labor Relations Act.

The employees of a Seventh-Day Adventist hospital need not be Seventh Day Adventists. If they are, they do not have to vote for a union. They can turn it down. So, automatically, the thing corrects itself.

I hardly see that as an argument for adding this broad-scale amendment, which relates to a broad issue under the National Labor Relations Board, in this bill, just because it has a particular relevance to the bill.

If it is desirable to get on with this business, I was going to suggest to my colleague from Colorado and my colleague from New Jersey that I could make my motion to table, if we are through with debate on this amendment, and the matter could be temporarily laid aside by unanimous consent and the distinguished Senator from Colorado might—and I only suggest this—choose to go on with the debate on his OSHA amendment.

Mr. TAFT. Mr. President, the Senator from Colorado's amendment, as I understand it, would permit an employee by way of certification from the National Labor Relations Board to be exempt from joining or contributing money to a labor organization due to membership in a religious organization that has established teaching tenets against such membership or financial contribution. An individual could also qualify for such a certification, if he holds conscientious objection to membership in any labor organization based upon his religious training and beliefs in relation to a Supreme Being. An employee qualifying under either approach could in lieu of paying periodic dues and initiation fees, pay an equal sum of money to a nonreligious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code or comply with alternative arrangements mutually agreed upon by the employee and the labor organization.

While I believe the intentions and objections of the Senator from Colorado are quite good with respect to the amendment, I feel constrained to oppose it on procedural grounds. This amendment was not offered during the committee's deliberations on this legislation and while germane to the National Labor Relations Act, it is not germane to S. 3203. No member of the committee is aware of its precise ramifications and practical effect on labor relations in this country. For example, what criteria would the Board use in determining whether a particular religion did or did not qualify for certification? Assuming the religious organization qualified, to what extent would the member have to take part in the religious teachings and observances of the sect? What criteria will the Board apply in the conscientious objection area? Would not the National Labor Relations Board be forced into some of the difficult and troublesome legal and practical questions that have faced the Selective Service Commission on this point? For example, the Supreme Court in *Welsh v. U.S.*, 398 U.S. 333 (1970) held that an individual could qualify as a conscientious objector if opposition to war stemmed not only from religious teachings, but also from deep-seated nonreligious teachings against war.

Would not the same analogy apply with respect to the standards in this proposed amendment?

It has been suggested during debate on this bill that the Board is already overburdened. What would the practical effect of this proposal be? How many potential cases are we talking about here?

Further, I believe it is important to point out that an individual with religious convictions against joining a labor organization can refuse membership in such an organization. To begin with, for all employees in States who have availed themselves of section 14(B) of the act, there is no need for the amendment as these employees do not have to join a labor organization. The question in States not applying 14(B) is the potential for conflict between first amendment religious freedom and the right of the State to regulate an individual's activities in society. The Supreme Court has repeatedly held that the first amendment's protections of religious conscience are not absolute when a religious belief is translated into an act or refusal to act. For example, in *Jacobson v. Mass.*, 197 U.S. 11 (1905), the Court upheld compulsory vaccination requirements even when they offended religious conscience. Other examples are the Court decision in *Braunfeld v. Brown*, 366 U.S. 599 (1961), upholding Sunday closing laws despite claims by sabbatarians that such laws interfered with the free exercise of their religion and, the decision of the Court in *Reynolds v. U.S.*, 98 U.S. 145 (1878), forbidding polygamy by Mormons even though it was consistent with their religion.

In essence, the Senator's amendment makes a finding that individuals with certain religious convictions can be totally excluded from any financial contribution whatsoever to the collective bargaining process and would, in effect, overrule the following U.S. Circuit Court cases in which the Supreme Court has refused "cert": *Gray v. Gulf, Mobile & Ohio R.R. Co.*, 429 F. 2d 1064 (5th Cir. 2970), cert. denied 400 U.S. 1001 (1970); *Linscott v. Millers Falls Co.*, 440 F. 2d 14 (1st Cir., 1971), cert. denied 404 U.S. 872 (1971); *Hamond v. United Papermakers & Paperworkers, AFL–CIO, et al.*, 462 F. 2d 174 (6th Cir., 1972), cert. denied 409 U.S. 1028 (1972).

The practice of many labor organizations, as I understand it, is to permit a number of options for payment of dues and initiation fees. As an example, I would cite the AFL–CIO executive counsel statement of union membership and religious objectors found on page 546 of the hearings.

I have reviewed the testimony in the hearings on this point from the Seventh Day Adventist Church, the religious group that I understand the Senator's amendment is primarily directed to, and I certainly am sympathetic with this viewpoint. I am not convinced that it is needed from the testimony, however.

It may very well be that the Senator's amendment will be a desirable part of comprehensive reforms of the act in the future, on which I would seriously consider supporting. As a rider on this bill, however, I do not feel it is appropriate.

Due to its nongermaneness, I will respectfully vote to table the amendment.

Mr. WILLIAMS. Mr. President, there are one or two points here that should be made if we are to leave this and go to the next amendment.

It is certainly true that some of the hospitals that will be the subject matter of this legislation are owned and managed by religious groups that have this conviction against union membership. There is a germaneness here, I am sure. But it seems to me that while this subject matter is germane at this point, it is certainly an unnecessary provision. All experience tells us that this question has been worked out in agreement with the parties. For example, in one place where the Seventh Day Adventists have a nursing home, no one has to join a union if they are a member of that religious group, which conviction says they cannot join a union.

In fact, I should like to bring to your attention that the collective bargaining agreement between the nursing home in Aberdeen, Wash., and the Service Employer International Union which I have just cited is owned and operated by the Seventh-day Adventist Church.

Here is the point, it has been worked out practically in every case by the parties involved. It seems to me most unwise to bring this subject matter to the Federal Government, which will mean a new division in the National Labor Relations Board. I can see it now. Another wing with offices, with those sitting in judgment on whether the people are bona fide members of religious organizations.

Where is the burden of proof here? Who has it under the Senator's amendment?

Mr. DOMINICK. Is that a question directed to me?

Mr. WILLIAMS. That is a question, yes.

Mr. DOMINICK. Oh, yes. A person asserting it certainly has it.

Mr. WILLIAMS. Therefore, we would have the National Labor Relations Board with extra administrative law judges, and I should imagine there would be an appellate division within it. It seems that where it has all been worked out without any problems by the parties, why do we bring this religious question to the National Labor Relations Board?

Mr. DOMINICK. Mr. President, I always enjoy the arguments of my good friend from New Jersey. Obviously, the problems have not been worked out or I would not be introducing this amendment. I have here a resolution dated as far back as 1968 from the General Conference of the Seventh-day Adventists institution, paragraph 5 of which says:

> 5. That responsible boards and administrators of the institutions of the church conduct the affairs of these institutions in harmoney with the principles herein outlined. Therefore Seventh-day Adventist institutions cannot either conscientiously or consistently as employing agencies favor or agree to the unionization of the employees in our church-operated institutions.

So I think we have a resolution right on the point. It has not been solved. It is still there.

I do not have one from the Plymouth Brethren—and I want to thank Gene Mittleman for giving me that name—nor do I have it from some of the others who have written in on this matter.

Where we are dealing with what the committee at least thought was equity within the hospitals, why should we not give equity both within the hospitals and elsewhere for religious freedom?

For the life of me, I cannot see why this type of amendment, which is totally germane and which deals with the subject matter we are talking about—namely, hospitals—should be tabled. It does not make any sense to me at all.

Mr. President, I do not have any more requests for time, and I do not have a great deal more to say. If the Senator from New York or the Senator from New Jersey are happy this way, I would suggest that the Senate stand in recess until 5 minutes to 2.

Mr. JAVITS. Mr. President, I have a word or two to say.

It should be pointed out that the resolution read was a 1968 resolution, and that is hardly consistent with saying that it is up to date. But I am willing to assume that that is the position of the Seventh-day Adventists, because they actually testified on this bill. So we have something more current. But even in their testimony, I am advised—and the testimony is before us all—they did not actually cite cases.

The only other point I should like to make is the constitutional point, and that is that you cannot compel a person to belong to a union, although you can make him pay a part of the tab of maintaining a collective-bargaining agency which, pursuant to this act, which is a union.

One of the classic cases to be cited is *Railway Employees Department, AFL, v. Hansel*, decided in 1956, 351 U.S. 225, from which it would be interesting to read one sentence that the Court said:

> We hold that the requirement for financial support of the collective bargaining agency by all who receive the benefits of its work is within the power of Congress under the Commerce Clause and does not violate either the First or the Fifth Amendments.

So, Mr. President, I feel that there is no constitutional issue raised by this amendment. It is simply a matter of judgment and policy.

Mr. President, I ask the chairman of the committee and the manager of the bill what he thinks about the procedure now. I am ready to move to table.

Mr. WILLIAMS. If we are going to set this matter aside and go to the next amendment, I would think that would probably improve the time more than a recess would at this point.

Mr. DOMINICK. If I may, I should like to reply to a couple of statements made by the distinguished Senator from New York.

First, I ask unanimous consent to have printed in the RECORD this resolution, captioned "Seventh-day Adventist Institutions and Labor Unions," dated October 8, 1968.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SEVENTH-DAY ADVENTIST INSTITUTIONS AND LABOR UNIONS

Whereas, the Scriptures and the writing of Ellen G. White counsel our people to avoid confederacies that might prevent fulfilling their obligations to God or hinder the church in its mission and spiritual ministry, and

Whereas, there is need for more clearly defining the viewpoint and procedure whereby we seek to uphold and implement these positions, it is

Resolved 1. That the church recognizes its responsibility as an employer to deal with all its employees in equity, justice, fairness and a spirit of Christian concern, and in harmony with the laws of the countries where it serves. It maintains that its dealings as an employer should be so fair and just as to negate the need or desire of its employees to seek for third party representation.

2. That the church is opposed to the use of coercion and duress from any and all sources as tools for the accomplishment of economic objectives. The church resists compulsion which might prejudice the accomplishment of its spiritual objectives and lessen the effectiveness of its ministry or which might tend to vest control over its policy-making responsibilities in any third party agency.

3. That because of these principles the church must assert and protect under all circumstances:

a. Its complete freedom to uphold and maintain the basic religious tenets of the church such as Sabbath observance, etc., in its institutional operations:

b. Its complete freedom to establish operating policies in harmony with its stated objectives and within the laws of the land;

c. Its complete freedom to select administrative, instructional, employed staff and all other personnel whose character qualifications are compatible with the objectives of the church.

4. That it counsel its members as employers and/or employees to refrain from violence, coercion or any methods incompatible with Christian ideals, as instruments in the attainment of social and economic goals. The church espouses the principle of being in the world, but not of the world.

5. That responsible boards and administrators of the institutions of the church conduct the affairs of these institutions in harmony with the principles herein outlined. Therefore Seventh-day Adventist institutions cannot either conscientiously or consistently as employing agencies favor or agree to the unionization of the employees in our church-operated institutions.

(General Conference Officers and Union Conference Presidents Meeting, October 8, 1968.)

Mr. DOMINICK. Mr. President, if the Senator from New York thinks that 1968 is out of date, I hate to think of what 1956 is in the Supreme Court. It is thoroughly out of date.

It is not really a question of the constitutionality as to whether or not one has to be a member of the union or need not be. If there is a union shop agreement and you refuse to join the union for any ground whatsoever, the union can make it so unpleasant that you cannot keep the job. A person can go to the employer and say, "We have this agreement with you, and you are hiring persons who say that under their religious beliefs, they cannot join the union. We do not like that kind of stuff, because they are freeloading on the union." Or, the union can take steps during the process of the working day to make it so unpleasant for the person who has not joined the union that he leaves. Let us not be naive about the fact that the person who has these beliefs is going to have enough money to carry all these cases to the Supreme Court and prove that he is some kind of Horatio Alger in the process.

All I can say is that if we put this amendment in, we will not have that trouble. If we do not put it in, we will continue to have the trouble.

Mr. President, I move that the Senate stand in recess until 10 minutes to 2.

Mr. JAVITS. Mr. President, is that motion debatable?

The PRESIDING OFFICER. The motion is not debatable.

Mr. DOMINICK. Then I withdraw it.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. If the Senator will withhold that request, I should like to reply.

Even if we adopt the Senator's amendment, there is no reason why a union cannot try to harass an employer with respect to those employees who are paying into some charity and not dues. The thing is just as broad as it is long.

Second, in my citing cases, I must say it is rather amusing to hear classic cases referred to as out of date. They still are the law. I also mentioned a decision announced last week of the U.S. Court of Appeals for the Second Circuit, in a case involving Bill Buckley, in which the same doctrine was upheld.

I ask unanimous consent that the decision of the Second Circuit Court of Appeals to which I have referred be printed in the Record

There being no objection, the decision was ordered to be printed in the Record, as follows:

United States Court of Appeals for the Second Circuit

William F. Buckley, Jr., National Review, Inc., and M. Stanton Evans, *Plaintiffs-Appellees*, v. American Federation of Television and Radio Artists, *Defendant-Appellant*,

National Labor Relations Board, American Civil Liberties Union, *Amici Curiae*

Before: Waterman, Friendly and Timbers, *Circuit Judges*

Appellant labor union appeals from judgment order below, United States District Court for the Southern District of New York, Brieant, *J.* The district court held that appellees' rights under the first amendment to the U.S. Constitution were infringed by appellant labor union, a union having "union shop" agreements with media upon which appellees appeared. Upon appeal by the union, it is held not to be an infringement of appellees' first amendment rights to require them to pay dues to the union, and that as to other claims of infringement which are arguable unfair labor practices the National Labor Relations Board has primary jurisdiction.

Reversed and remainded.

C. Dickerman Williams, Baker, Nelson & Williams, New York City; John L. Kilcullen, Edith Hakola, (District of Columbia Bar), for Appellees.

Alexander M. Bickel, Mortimer Becker, Edward Schlesinger, Robert M. Jaffe, New York City, for *Appellant*.

Glen M. Bendixsen, Chief, Spec. Litigation; Stephen C. Yohay, Attorney; Peter G. Nash, General Counsel; John S. Irving, Deputy General Counsel; Patrick Hardin, Assoc. General Counsel; Elliot Moore, Asst. Gen. Counsel, *for National Labor Relations Board*.

Melvin L. Wulf, New York City for *American Civil Liberties Union*.

Waterman, *Circuit Judge:*

This is an appeal by the labor organization, American Federation of Television and Radio Artists (AFTRA) from an order entered in the United States District Court for the Southern District of New York, declaring, in part on constitutional grounds, that any provision of any collective bargaining agreement "requiring, or purporting to require, that [appellees William F. Buckley, Jr. and M. Stanton Evans] continue to be members of [appellant union, American Federation of Television and Radio Artists] pay dues to [appellant union] and/or comply with [appellant union's] orders and regulations, as a condition of" appearing on radio or television in their roles as paid commentators on public affairs is "void and of no effect." Insofar as the appellees' responsibility to tender periodic dues to the union is nullified by the judgment below, we reverse on the merits. Moreover, inasmuch as we hold that the district court was without jurisdiction to adjudicate the other issues raised by the appellees' complaints, which pertained to compulsory union membership and to compulsory compliance with union orders and regulations, we also reverse the remaining portions of the district court's judgment.

With great care the district court accurately set forth the specific facts and circumstances from which this litigation arose. See 354 F. Supp. at 826–836. No useful purpose would be served by a detailed repetition of the presentation so articulately and comprehensively set forth in the opinion below. Moreover, the relative narrowness of the decision we reach today renders immaterial for our purposes much of the factual background developed by the district court. We shall therefore confine our discussion of the facts to those which are within the ambit of the limited role we think a federal court can play in this dispute at the present time.

Both appellees are well-known articulate exponents of a "conservative" political philosophy. They are engaged in a plethora of activities, amongst which are regular appearances on radio and television. Mr. Buckley is the host of his own television program, "Firing Line," in which he usually engages in spirited argument guest spokesmen of "liberal" persuasion. Mr. Evans appears as a participant on the CBS radio series "Spectrum," a program in which on a regular basis a number of spokesmen for differing political and social philosophies express their opinions on topics of their own choosing.

The employing parties with whom Buckley and Evans negotiated their contracts of employment have collective bargaining agreements with AFTRA. These latter agreements, by incorporation of the union's "Code of Fair Practices," obligate the employers to employ only members of AFTRA or persons who became members of AFTRA within thirty days after the commencement of the employment relationship. This "union shop" provision is authorized, but not required, by Section 8(a)(3) of the National Labor Relations Act ("NLRA"), 29 U.S.C. § 158(a)(3), which reads:

(a) It shall be an unfair labor practice for an employer—

In order to establish jurisdiction to reach the merits of this first amendment claim, it might at first blush appear we must resolve the "government action" issue. But this is not necessarily so.

The line between a jurisdictional issue unrelated to the merits of an action and one which depends upon adjudication of the ultimate merits of a case is sometimes a fine line. In fact, many jurisdictional problems cannot be unqualifiedly inserted into one category or the other. It often is difficult to resolve jurisdictional issues without, in effect, reaching determinations on the merits. See, e.g., Comment, 47 N.Y.U.L.Rev. 349, 354 (1972). In *Bell* v. *Hood,* 327 U.S. 678 (1946), the Supreme Court sought to alleviate some of these conceptual incongruities by developing a practical approach. This approach allows a federal court to assume jurisdiction over an action alleging violation of the U.S. Constitution if satisfied by an initial cursory examination that there is, on the merits, a justiciable issue. In *Bell* the plaintiffs sought money damages from the defendants, Federal Bureau of Investigation agents, who were alleged to have improperly searched the plaintiff's premises and to have falsely imprisoned the plaintiffs in derogation of their fourth and fifth amendment rights. The defendants argued that the fourth and fifth amendments represent proscriptions "against the federal government as a government" and could not support a damage suit against particular government employees for allegedly violating those proscriptions. The Court approached the issue of whether such a suit, bottomed upon alleged violations of constitutional limitations, was maintainable—an issue somewhat analogous to the issue of whether a suit alleging violation of the first amendment can be maintained against the private party, AFTRA, here. In *Bell* the Court held that, in the circumstances there alleged, federal jurisdiction to adjudicate the plaintiffs' claims on the merits could *only* be defeated by a showing that an alleged violation of the Constitution is really immaterial to the practical resolution of the litigation and was raised solely for the purpose of achieving jurisdiction, or by a showing that the claim is wholly insubstantial and frivolous. *Id.* at 682–683.

So here, when we apply the practical test of *Bell,* we conclude, without having to decide the issue of whether AFTRA's dues requirement is "government action," that the district court had jurisdiction to adjudicate the appellee's claims that AFTRA's dues requirement impinges upon appellees' first amendment rights. First of all, the constitutional claim is neither "immaterial" nor presented "solely for the purpose of obtaining jurisdiction." More importantly, although the government action aspect of the claim may be a close question, the claim is not an insubstantial or frivolous one. Indeed, the contrary is true. For instance, an examination of the contrasting views expressed in the majority and concurring opinions in *Linscott* v. *Millers Falls Co., supra,* convinces us that the claim appellees here assert under the Constitution is not made insubstantial and frivolous because of its "government action" aspect.

Having established that we have jurisdiction to decide whether AFTRA's requirement that appellees pay its prescribed dues violates appellees' first amendment rights, we hold there is no violation. In so deciding, we do not need to reach the issue of whether government action is involved. We conclude that even if it were, which we do not intimate, the dues requirement is not constitutionally infirm.

Acts of speech and of expression, although protected by the first amendment, are not so exalted that they can never be, even indirectly, obstructed. *Cox* v. *New Hampshire,* 312 U.S. 569 (1941). Indeed, even with reference to freedom of the press, the Supreme Court has recently reaffirmed what has long been understood to be the law: "[O]therwise valid laws serving substantial public interests may be enforced against the press as against others, despite the possible burden that may be imposed." *Branzburg* v. *Hayes,* 408 U.S. 665, 682–683 (1972). More specifically, where there is a proper governmental purpose for imposing a restraint and where the restraint is imposed so as not to "unwarrantedly abridge" acts normally comprehended within the first amendment, there is no abridgment of first amendment rights. *Cox* v. *New Hampshire, supra* at 574. Nor is there any abridgment of first amendment rights arising from the congressional authorization granting a union the power to collect dues from employees in a "union shop." The congressional purpose in authorizing mandatory union dues is surely a permissible one, for Congress was understandably concerned with minimizing industrial strife and thereby insuring the unimpeded flow of commerce. It was the legislative judgement that these goals are most easily realized if a suitable collective bargaining apparatus exists, see, e.g., *International Association of Machinists v. Street,* 367 U.S. 740, 760 (1961), and so the national labor laws provide for an exclusive bargaining agent to represent each discrete employee NLRA, 29 U.S.C. § 159(a). To enable these agents to fulfill their statutory responsibility to represent all the employees while collectively bargaining with the employer, the statutes permit the levying of mandatory dues on all employees who will reap the benefits of the union's representation of them in the contract negotiations with the employer.

A required tolerance of "free riders," i.e., those who enjoy the benefits of the union's negotiating efforts without assuming a corresponding portion of the union's financial burden, would result not only in flagrant inequity, see, e.g., *NLRB* v. *General Motors Corp.,* 373 U.S. 734, 740–743 (1963); *Radio Officers' Union* v. *NLRB,* 347 U.S. 17, 41 (1954), but might also eventually seriously undermine the union's ability to perform its bargaining function. It is thus manifest that the statutory treatment of mandatory union dues serves a "substantial public interest."

Moreover, we find that the means adopted to achieve this proper purpose of reducing industrial strife are reasonable, and do not "unwarrantedly abridge" free speech. The dues here are not flat fees imposed directly on the exercise of a federal right. See *Murdock* v. *Pennsylvania,* 319 U.S. 105, 113–114 (1943). To the contrary, assuming *arguendo* that government action is involved here, the dues more logically would constitute the employee's share of the expenses of operating a valid labor regulatory system which serves a substantial public purpose. If there is any burden on appellees' free speech it would appear to be no more objectionable than a "nondiscriminatory [form] of general taxation" which can be constitutionally imposed on the communication media. *Branzburg* v. *Hayes,* 408 U.S. 665, 683 (1972); *Grosjean* v. *American Press Co.,* 297 U.S. 233, 250 (1936).

Appellees also contend that they did not seek, and do not desire, to be represented by the union and that as they have not derived any substantial benefit from the union's AFTRA members within thirty days of the inception of the employment relationship. Article XVIII of the AFTRA Constitution, quoted *supra,* gives the union the power to expel from membership any member who "shall fail to observe" any union rule or regulation. At first glance, the union would seem to have attempted to reserve to itself the power to force an employer to discharge an employee by the simple expedient of expelling the employee from union membership for any real or imagined infraction of its rules or regulations. On the other hand, §§ 8(a)(2) and 8(b)(2)'s substantial limitation on the ability of the union to so affect the employment relationship appears to receive implicit recognition in § 84 itself, which provides for automatic amendment of the section if the NLRA should be "repealed or amended so as to permit a stricter union security clause (emphasis added)." Evans' case is distinguishable from Buckley's case in that Evans's case relies principally on these broad union-drafted documents rather than on the highly specific warnings Buckley received.

However, in any event, it is the function of the NLRB to ascertain whether Evans' controversy is sufficiently developed to enable it to declare the rights of the parties, and, if the controversy has so evolved, whether the union commits or would commit unfair labor practices by indulging in the conduct about which Evans is apprehensive.

Reversed and remanded.

Friendly, *Circuit Judge,* concurring:

I concur in the result and in the majority's holding that § 8(a)(3) is constitutional insofar as it permits a union to require employees in a union shop to pay ordinary dues and fees even if the employees are radio and television commentators. However, I disagree that the issues of compulsory membership and compliance with union regulations, as presented on this appeal, fall within the exclusive jurisdiction of the National Labor Relations Board. The appellees sought a declaratory judgment after AFTRA's union security agreement, authorized by § 8(a)(3) of the Act, violated their constitutional rights, in part because it would expose them to union discipline and require them to become union members. Federal courts must give way to the National Labor Relations Board when the claim is that the conduct in question violates the unfair labor practice provisions of the NLRB. And to the extent that the appellees contend that the union would be committing an unfair labor practice by imposing fines or otherwise disciplining them, I agree that their claim is preempted. However, the real thrust of appellees' argument seems rather to be that the Act authorizes the union to discipline them and is therefore unconstitutional. Since the preemption doctrine does not extend to constitutional attacks on the National Labor Relations Act, see *Seay* v. *McDonnell Douglas Corp.,* 427 F.2d 1002–04 (9 Cir. 1970); *Lewis* v. *AFTRA,* 71 Misc. 2d 253, 336 N.Y.S.2d 56 (Sup. Ct. 1972), *aff'd,* 41 App. Div. 2d 707, 341 N.Y.S.2d 625 (1st Dep't 1973), the district court's jurisdiction over the constitutional claims in this case was not preempted. However, as the court points out in footnote 5, and as the union concedes, an employee under the union shop provision of the Act need not accept "full-fledged" membership in the union, and thus can avoid the disciplinary sanctions to which "full-fledged" members may be subjected. Under this construction, I see no constitutional infirmity in § 8(a)(3) even as applied to persons whose First Amendment protection is of peculiar importance.

Be that as it may, Mr. President, I intend shortly to move to table the amendment, but in the meantime I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMINICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. JAVITS. Mr. President, I move to table the pending amendment.

RECESS UNTIL 1:50 P.M.

Mr. DOMINICK. Mr. President, I move that the Senate stand in recess until 1:50 p.m. today.

The motion was agreed to; and at 1:19 p.m. the Senate took a recess until 1:50 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. McINTYRE).

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 7188) to modify the boundary of the Cibola National Forest, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1125. An act to extend through fiscal year 1974 certain expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes;

S. 2509. An act to name structure S–5A of the Central and Southern Florida Flood Control District, located in Palm Beach County, Fla., as the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, the first secretary-treasurer and chief engineer for the Central and Southern Florida Flood Control District;

H.R. 5759. An act for the relief of Morena Stolsmark;

H.R. 6116. An act for the relief of Gloria Go; and

H.R. 11793. An act to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions.

The ACTING PRESIDENT pro tempore (Mr. Haskell) subsequently signed the enrolled bills.

HOUSE BILL REFERRED

The bill (H.R. 7188) to modify the boundary of the Cibola National Forest, and for other purposes, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

COVERAGE AND PROTECTION FOR EMPLOYEES OF NONPROFIT HOSPITALS

The Senate continued with the consideration of the bill, S. 3203, to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I demand the yeas and nays on the motion to lay on the table.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table——

Mr. ROBERT C. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERT C. BYRD. Are we about to vote?

The PRESIDING OFFICER. The Senate is about to vote on the motion by the Senator from New York (Mr. Javits) to lay on the table the amendment of the Senator from Colorado (Mr. Dominick).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McIntyre). Without objection, it is so ordered.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from Colorado (Mr. Dominick). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. Allen), the Senator from Missouri (Mr. Eagleton), the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), the Senator from Minnesota (Mr. Humphrey), the Senator from Montana (Mr. Mansfield), the Senator from Ohio (Mr. Metzenbaum), the Senator from Rhode Island (Mr. Pell), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

I further announce that the Senator from Florida (Mr. Chiles) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey), the Senator from Ohio (Mr. Metzenbaum), and the Senator from Rhode Island (Mr. Pell) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. Stafford) is necessarily absent.

The result was announced—yeas 50, nays 37, as follows:

[No. 183 Leg.]

YEAS—50

Abourezk
Aiken
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Church
Clark
Cook
Cranston
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nunn
Pastore
Pearson
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams

NAYS—37

Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hruska
Mathias
McClellan
McClure
Metcalf
Nelson
Packwood
Randolph
Roth
Scott,
William L.
Stennis
Thurmond
Tower
Young

NOT VOTING—13

Allen
Chiles
Eagleton
Ervin
Fulbright
Gravel
Hughes
Humphrey
Mansfield
Metzenbaum
Pell
Sparkman
Stafford

So the motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, I move that the vote by which the motion to table was agreed to be reconsidered.

Mr. Javits and Mr. Robert C. Byrd moved to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1215

Mr. DOMINICK. Mr. President, on behalf of myself, Senator Bennett of Utah, Senator Brock of Tennessee, Senator Buckley of New York, Senator Dole of Kansas, Senator Domenici of New Mexico, Senator Eastland of Mississippi, Senator Fannin of Arizona, Senator Goldwater of Arizona, Senator Gurney of Florida, Senator Hansen of Wyoming, Senator Hatfield of Oregon, Senator Helms of North Carolina, Senator McClure of Idaho, Senator McIntyre of New Hampshire, Senator Nunn of Georgia, Senator William L. Scott of Virginia, Senator Thurmond of South Carolina, Senator Tower of Texas, Senator Bartlett of Oklahoma, Senator Baker of Tennessee, Senator Cotton of New Hampshire, and Senator Curtis of Nebraska, I call up my amendment No. 1215.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOMINICK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 1, between lines 2 and 3, insert the following:

"TITLE I—EXTENDING COVERAGE TO EMPLOYEES OF NONPROFIT HOSPITALS".

On page 1, line 3, strike out "That" and insert in lieu thereof: "Sec. 101.".

At the end of the bill add the following new title:

"TITLE II—AMENDMENTS TO THE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970".

Sec. 201. That this title may be cited as the "Occupational Safety and Health Act Amendments of 1973".

Sec. 202. Section 6(b)(2) of the Occupational Safety and Health Act of 1970 is amended by inserting at the end of the first sentence the following: "Such proposed rule shall be accompanied by a statement summarizing its economic impact on affected employers, including an estimate of the total costs which will be incurred by employers in each affected industry in complying with such rule.".

Sec. 203. (a)(1) Subsections (b) and (c) of section 9 of the Occupational Safety and Health Act of 1970 are redesignated as subsections (c) and (d), respectively.

(2) Section 9 is further amended by inserting after subsection (a) a new subsection (b) as follows:

"(b) Any employer who is issued a citation and who believes that he maintains work conditions which would meet the criteria for a variance under section 6(d), may apply to the Secretary for such a variance within the time designated in section 10(a) for giving notice of intent to contest a citation. Except where the Secretary finds it frivolous and submitted for the purpose of delay, such application shall result in the suspension of all further proceedings with respect to such citation pending final action by the Secretary on such application. If a variance is granted, the Secretary shall enter an order vacating such citation."

(b) Section 9(c) of such Act (as redesignated by this section) is amended by adding at the end thereof the following: "Such posting shall not be required after (1) such violation has been abated, or (2) a proceeding contesting such citation has been concluded by an order under sections 9(b), 10(c), or 11 vacating or modifying such citation, whichever comes first: *Provided*, That where such order modifies such citation, the citation as modified shall not be required to be posted after the violation has been abated."

Sec. 204(a). Section 17(b) of the Occupational Safety and Health Act of 1970 is amended (1) by striking the word, "shall", and inserting in lieu thereof the word, "may"; and (2) by inserting at the end thereof the following new sentence: "In determining whether a penalty shall be assessed under this subsection, due consideration shall be given to the gravity of the violation, the good faith of the employer, and the history of previous violations.".

(b) Section 17 of such Act is further amended by striking subsection (c), and redesignating subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l), and all references thereto, as subsections (c), (d), (e), (f), (g), (h), (i), (j), and (k), respectively.

SEC. 5. (a) Section 21 of the Occupational Safety and Health Act of 1970 is amended by changing the heading to read as follows:

"TRAINING, EDUCATION, AND TECHNICAL ASSISTANCE"

(b) Section 21 of such Act is further amended by inserting at the end thereof the following new subsection:

"(d)(1) In order to further carry out his responsibilities under this section, the Secretary shall visit the workplaces of employers having one hundred or fewer employees for the purpose of affording consultation and advice to such employers. Such visits (A) may be conducted only upon a valid request by an employer for consultation and advice at the workplace on the interpretation or applicability of standards or on possible alternative ways of complying with applicable standards, and (B) shall be limited to the matters specified in the request affecting conditions, structures, machines, apparatuses, devices, equipment, or materials in the workplace. Where, after evaluating a request by an employer pursuant to this subsection, the Secretary determines that an alternative means of affording consultation and advice is more appropriate and equally effective, he may provide for such alternative means rather than onsite consultation.

"(2) The Secretary shall make recommendations regarding the elimination of any hazards disclosed within the scope of the onsite consultation. No visit authorized by this subsection shall be regarded as an inspection or investigation under section 8 of the Act and no notices or citations shall be issued nor shall any civil penalties be proposed by the Secretary upon such visit, except that nothing in this subsection shall affect in any manner any provision of this Act the purpose of which is to eliminate imminent dangers.

"(3) Nothing in this subsection shall be deemed to require the Secretary to conduct an inspection under section 8 of the Act of any workplace which has been visited for consultative purposes. The failure of the Secretary to give consultation and advice regarding any specific matter during a consultation visit shall not preclude the issuance of appropriate citations and proposed penalties with respect to that matter.

"(4) In prescribing rules and regulations pursuant to this subsection, the Secretary shall provide for the appropriate separation of functions between officers, employees, or agents who conduct visits pursuant to this subsection and officers, employees, or agents who conduct inspections or investigations under this Act.".

SEC. 205. This title shall take effect sixty days after the date of enactment of this Act.

Mr. DOMINICK. Mr. President, this is known as the OSHA amendment.

The PRESIDING OFFICER. The Chair wishes to announce prior to the debate that time for debate on this amendment shall be limited to 3 hours, with 2 hours for the Senator from Colorado (Mr. DOMINICK) and 1 hour for the Senator from New Jersey (Mr. WILLIAMS), and that the vote on final passage of this bill is to occur no later than 6 p.m.

Who yields time?

Mr. DOMINICK. I yield myself 10 minutes.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President, in October of 1970 when OSHA legislation was first reported by the Senate Labor Committee, I filed minority views and was joined then by Senator Smith of Illinois. At that time, I suggested that an act to achieve occupational safety and health had to place emphasis on cooperation between employers, employees, and the regulatory agency, and a focus on motivation through "the stick" rather than through "the carrot" was wrong. Well, the bill which eventually became law has, I believe, shown us the wisdom of using "the stick" as a motivating factor. The verdict has been that it is a folly.

In 1972, the President's report on occupational safety and health indicated that only 25 percent of employers inspected were found to be in compliance with the act. Mr. President, the cause of this has not been that employers are seeking to avoid safety and health responsibilities. Rather, I think it is clear that it is the failure of the act to aid in and provide for assistance to employers—especially small ones—which has caused such a protest against OSHA.

I want to make it clear that I am not opposed to the objectives of OSHA, which are to provide a healthful and safe environment in which to work. I am however, opposed to legislation which results in punishing unsuspecting employers while failing to promote and encourage in a constructive manner safety and health improvements in our country's businesses. It was this opposition which led me to introduce S. 1147, a bill to make what I felt were necessary improvements in OSHA. That bill has now been cosponsored by 29 other Senators, all of whom I now wish to thank for their support.

Since that time, the bill has been endorsed by groups ranging from automobile dealers to retail druggists. I have taken a quick check on my correspondence in the office and note that mail from at least 26 different States has come in the last 9 months on OSHA and this bill.

I would hope that my colleagues would review and consider my comments closely as I proceed.

It has now been almost 14 months since I introduced that bill. In the absence of any activity in the interim on the Senate side to move forward on this bill and/or other measures on OSHA, I decided to introduce this bill as an amendment No. 1215 to S. 3203, a Labor Committee bill, dealing with the National Labor Relations Act.

I expect to hear that my amendment should not be passed without hearings to acquire further information. I must respond that in my opinion this bill does not alter the basic thrust of the act, but it would change emphasis from punishment to assistance of employers. My point is that I am now bringing to the floor an amendment which will change the punitive aspects of OSHA, and will in the end, I believe, result in better compliance through assistance and advice.

Mr. President, my amendment has six major provisions. First, advice and technical assistance would be made available to employers having less than 100 employees. Such advice would be provided through onsite consultation when requested by employers and would be limited to matters specified by the employer. OSHA would also be able to provide such assistance through means other than onsite consultations, where more appropriate and equally effective.

I would like to make one or two points clear about this provision of the amendment. In the first place, this amendment would not exempt any employer from coverage, but it does offer a means whereby small employers can get advice. Second, OSHA would not be required to unilaterally provide such assistance to all small employers. Rather, only when a small employer requests such assistance would OSHA provide it. In no way does this prevent OSHA from continuing its activities regarding inspections.

I also understand that it has been suggested by some of the opponents of this measure that there are not enough inspectors now, and we should not, therefore, give added duties to OSHA. I would merely respond to them that there will never be enough inspectors to coerce the employers of this country into Federal compliance, and the solution must be to provide an atmosphere of cooperation.

One of the obvious analogies to my bill is the way in which IRS operates. I do not think that anyone in this room would seriously contend that we would ever be able to provide enough IRS agents to enforce the Internal Revenue Code. Yet, IRS also offers aid to every taxpayer in complying with the law.

Second, the amendment would remove OSHA's discretionary power to assess penalties for nonserious violations on the first inspection. Under the act as presently written, an employer can be fined up to $1,000 for a nonserious violation discovered on the first inspection of his premises. This change would not affect the provisions of the act imposing penalties for willful or repeated violations, or for failure to correct violations within the abatement period prescribed by OSHA. Thus, an employer who received a citation for a nonserious violation could receive a penalty for failure to correct that violation within a reasonable time; and he could be fined up to $10,000 for a subsequent nonserious violation.

As evidence that this is not necessarily a radical idea, let me quote from a recent decision by the Occupational Safety and Health Review Commission, vacating a penalty assessed for a nonserious violation. The employer, who is in the custom steel fabrication business, received a citation and $30 fine for violating a "housekeeping" standard, which requires that "All places of employment, passageways, storerooms, and service rooms shall be kept clean and orderly and in a sanitary condition." The OSHA inspector had found certain electrical cords and welding cables lying across passageways. The hearing examiner's opinion stated:

> In any event the inquiry here, and in like and similar cases, should be as to any useful purpose or function to be derived by the assessment of a $30 penalty for a nonserious violation. Is the penalty to act as a deterrent? Is it to vindicate the breach of a standard? Is it assessed just to sting the respondent? If punishment is the end in view, how does a $30 assessment under all the facts and circumstances here relate to that end? Isn't the end in view to assure so far as possible every workman safe and healthful working conditions? If the answer to the latter question is yes, is there any relevance to a $30 penalty?

He went on to say:

> To the employer the connotation is that the omnipotent federal government has moved into his private domain and exacted a fine to punish him for an act of commission or omission of which in the majority of cases he is unaware. He can and does understand, "thou shall not kill," but he is oblivious to, "thou shall not run cords and leads haphazardly in aisleways," when this condition had never, in any prior experience, deprived a workman of a safe place to work.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. DOMINICK. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DOMINICK. Third, the bill would change the penalty for serious violations from mandatory to permissive. In determining whether a fine should be assessed, OSHA would be required to take into account the gravity of the violation, the good faith of the employer; that is, whether he had tried to comply, and the history of previous violations. Again, whether or not a penalty is assessed for the first serious violation, the employer would be subject to stringent penalties for failure to abate the violation, and for any subsequent violation. While the amount of a fine for a violation classified by OSHA as "serious" is discretionary under the act—up to $1,000—a fine in some amount is mandatory. I have generally been opposed to mandatory sentences for criminal offenders on the ground that the trial judge should have the discretion to consider all of the circumstances surrounding the crime. I think employers ought to be entitled to at least equal treatment, particularly since this is not supposed to be a criminal statute. It should also be kept in mind that, unlike a criminal defendant, an employer accused of violating an OSHA regulation is not entitled to a trial by a jury of his peers.

I think it is only fair to point out at this juncture that I received a telephone call in my office one day from probably the leading ski boot manufacturer in my State, the Lange Co., which is well known. They said, "We do not know what to do." I said, "What happened?" He said, "We employ 400 people making ski boots, which we have been doing for a great many years. OSHA has just come in and closed down our plant by saying that unless we stopped using a material with which we make our primary affixing agent for the boots, unless we stop using by Thursday of this week," and this was on a Tuesday, "we are not only going to be heavily fined, but they are going to come in and impound all the materials and take care of us in that way."

I said, "And you have never heard of any of this before?"

"No," he said. "This guy has just walked in and said that is an illegal agent we are using in the manufacture of the ski boots and he said, 'You are out of business.'"

It took me quite a while to get the matter straightened out, and to see what other sources of material could be used. The material they were using came from Du Pont and it had been manufactured at Du Pont for, I think 21 years without any adverse effects whatever. All of a sudden the OSHA people decided they had a new wrinkle on this. Maybe another form is now being used, but I do not know what it is.

In any event, our people almost lost their business plus the employment of 400 people.

Mr. AIKEN. Mr. President, will the Senate yield?

Mr. DOMINICK. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, on page 4 of the Senator's amendment it is stated on line 4:

> In order to further carry out his responsibilities under this section, the Secretary shall visit the work places of employers having 100 or fewer employees for the purpose of affording consultation and advice to such employers.

I would like to know whether the phrase "workplaces of employers" is confined to industrial plants only or does the definition also apply to orchards and other agricultural enterprises?

Mr. DOMINICK. It includes everything.

Mr. AIKEN. Recreational?

Mr. DOMINICK. Recreational, industrial, manufacturing plants, commercial credit plans.

Mr. AIKEN. I know the Senator is aware of the difficulty we have with respect to orchards.

Mr. DOMINICK. I do, and we have the same problem as the Senator from Vermont.

Mr. AIKEN. Also we have recreational businesses.

Mr. DOMINICK. Yes, I know.

Mr. AIKEN. I thank the Senator.

Mr. DOMINICK. Mr. President, fourth, it would establish a procedure under which an employer who has received a citation could apply for a variance from the OSHA standard violated on the ground that work procedures in operation at the time of the citation are equally effective in protecting his employees.

There was a highly entertaining incident which I might cite here. An inspector went to a small marina in California and he pointed to a man in a rowboat who was scraping barnacles off a small boat. The inspector said, "You are in violation of OSHA standards." The man at the marina asked, "Why?" The inspector said, "Because that man out there ought to have a life preserver on. If he were to upset he would be in terrible trouble."

The fellow said, "I do not think he would be. He won a 2-mile swimming race the other day and the water is only 3 feet deep where he is working."

This is the kind of thing it took him 18 months as an employer to overcome in the initial inspection. It seems to me to be totally ridiculous. In that case the water was only 3 feet deep so why in the world would he need any kind of life preserver for that kind of work?

The act now permits an employer to apply for such a variance in advance of an inspection or citation. Under this change, an employer could apply for a variance after receiving a citation, and no penalty, could be assessed, pending review of the application. If a variance were granted, the citation would be withdrawn. OSHA would not be required to suspend enforcement proceedings where the application for a variance was determined to be frivolous or filed for the purpose of delay. This provision would add needed flexibility without reducing the incentive for employers to comply, and without reducing protection to workers.

While this amendment does not include such a provision, I think Congress should consider removing the flat prohibition in the act against advance notice of inspections, and should consider even requiring that employers be given reasonable advance notice except where OSHA finds that to do so would interfere with the inspection or otherwise defeat the purposes of the act. This change would give employers an opportunity to make sure that their safety personnel and/or attorneys are present during the inspection. This would help alleviate the situation where an employer who has decided to contest a citation finds himself at a tremendous disadvantage before the review commission's hearing examiner, because of OSHA's expert witness—the inspector—was present during the inspection, and his was not. To the suggestion that advance notice would give employers the opportunity to correct violations thus avoiding penalties, my response is this: The Occupational Safety and Health Act is not a criminal statute; its objective is to improve working conditions, not to fine employers. That being true, the only rationale for prohibiting advance notice is that such notice would reduce employers' incentives to comply voluntarily with the act. I do not think that argument is valid. Since advance notice would not be required in every case, employers would have no less incentive to make every effort to comply with OSHA regulations as quickly as possible. Moreover, only relatively minor violations could be corrected during the short time between an employer's receipt of notice and arrival of the inspector.

But, I repeat, that is not in this amendment. It would come up in the course of further discussion.

I yield myself 3 more minutes.

Fifth, the amendment would provide that citations for violations need not be posted by employers after such violations have been abated. The act as presently written requires that citations be posted near the site of the violation.

There is not anything wrong with that.

OSHA regulations under the act frequently require posting long after the violation has been corrected. This clearly serves no useful purpose other than to further punish employers, and to damage the morale of their employers.

Sixth, the amendment would require OSHA to consider the economic impact of proposed new standards on affected employers, and to publish in the Federal Register along with such standards a statement summarizing their expected economic impact, including an estimate of the total costs which will be incurred by employers in each affected industry in complying. I think this provision would result in a healthy awareness on the part of OSHA regarding the costs of proposed new standards, and would better enable all interested members of the public to measure the benefits against expected costs, which are, of course, ultimately passed on to consumers.

Let me just say, because I know the argument is coming up that we ought to have hearings on this proposal and bring it up that way. I have written the distinguished chairman, the manager of the bill, on three different occasions and have talked with him innumerable times on the floor, and we still have not got any date for hearings. I have the letters here, which I shall not put into the Record, but the dates are March 1973, August 3, 1973, and October 2, 1973. At the minimum, 6 months ago I wrote the last letter. It is over a year ago since I wrote the first. We have not had any hearings. Perhaps 1 day before the bill was put in we had 1 day's hearings, but that was it. There has been nothing since that bill has been put in.

So I say once again, I have done my best to bring this matter to the attention of the committee to try to get hearings. I am not getting hearings, so I am putting it on this bill if I can do so.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield 5 minutes to the Senator from Arizona.

Mr. FANNIN. Mr. President, I strongly support Senator Dominick's amendment No. 1215, which is identical with S. 1147, a bill providing for some six changes in the Occupational Safety and Health Act of 1970.

S. 1147 was introduced on March 8, 1973, and I joined with Senator Dominick in its introduction. Although 28 other Senators joined as cosponsors, over a year has passed without hearings by the Labor Committee. Under such circumstances it is wholly proper to bring S. 1147 up for Senate consideration while another labor-related bill is being considered.

My own Arizona mail, almost without exception, favors repeal of this law rather than amendment. Most of it comes from small employers. A member of my staff receives all bulletins, regulations, rulings, explanations, and other materials from OSHA. Last year, my staff member informs me, such constituted a stack almost 3 feet high. How in the world can a small employer keep himself informed as to his rights and duties if he has to study such voluminous material and still run his business? OSHA is typical of the many Federal bureaucratic agencies. Big business can live with their regulations by simply adding a couple more lawyers to their staff to keep them informed. Small business cannot do this.

Mr. President, we considered exempting small employers. We met with the argument that preventable accidents are frequent in small business. Therefore, none of the changes proposed in our amendment would exempt any employers from coverage. None of the changes proposed would result in lessened protection for employees.

Soon after passage of OSHA in 1970, my own State of Arizona adopted a State plan. Enforcement was given to the Industrial Commission of Arizona. I personally followed closely the actions of our commission. It hired 26 full-time qualified inspectors. During the period from August 14, 1972 to December 31, 1972, the Arizona Commission made 540 inspections in 128 target industries. It wrote 344 citations and found 1,919 violations. In my opinion, the Arizona Commission in a short time demonstrated its ability to be as effective, if not more effective, than the Federal law. Its activities had the full support of the business community, and I was informed that it had the support of organized labor in the State. I mentioned 344 citations, but the commission's reinspection found compliance in 255 of those citations. This is the kind of administration that achieves results. I am convinced that a law must have the support of a large majority of the businesses it attempts to regulate if it is to be successful.

What happened to the Arizona plan? It was submitted to OSHA on March 7, 1973, and was disapproved. The plan was disapproved because it did not provide for "first instance sanctions." The Arizona Legislature is unwilling to change its law to permit inspectors to come into businesses unannounced and conduct searches for violations. They do not want inspectors rated according to the number of citations issued.

Senator Dominick's amendment would remove OSHA's discretionary power to assess penalties for nonserious violations on the first inspection. Under the act as presently written, an employer can be fined up to $1,000 for a nonserious violation discovered on the first inspection of his premises, often a violation of a standard of which the employer was totally ignorant. The amendment would not affect the provisions of the act imposing penalties for willful or repeated violations, or the failure to correct violations within the abatement period prescribed by OSHA.

The amendment would change the penalty for serious violations from mandatory to permissive. In determining whether a fine should be assessed, OSHA would be required to take into account the gravity of the violation and the good faith of the employer. Had he tried to comply? Had there been previous violations?

Another provision of the amendment would require OSHA to provide advice and technical assistance to employers having fewer than 100 employees. Such advice and assistance would be provided only upon request of the employer and would be conducted onsite at the premises. Such consultations would be limited to matters specified by the employer, and no citations could be issued during the consultative visit. At the present time, OSHA cannot provide technical assistance through onsite consultations. If an OSHA inspector observes a violation during a visit to the worksite, he must issue a citation and propose penalties. Thus, many employers are reluctant to seek advice from OSHA.

The amendment also establishes a procedure under which an employer who has received a citation could apply for a variance from the OSHA standard violated on the ground that work procedures in operation at the time of the citation are equally effective in protecting his employees. Under present law, the employer can only apply for a variance in advance of an inspection or citation.

Mr. President, I believe that the Senator from Colorado would agree with me that his amendment would not correct all of the evils of present OSHA enforcement. The amendment merely seeks to correct the most glaring, ill-advised practices. I also want to point out that I am not condemning OSHA. Congress must share the blame, for all of Senator Dominick's amendments should have been in the original law. The corrections his amendment makes possible are for the most part corrections which OSHA could not make under present law.

I thank the distinguished Senator from Colorado. I certainly support his amendment.

Mr. DOMINICK. Mr. President, I yield myself 1 minute. I know that the Senator has been very vitally concerned about this amendment.

Mr. President, I yield 10 minutes to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I am grateful to the senior Senator from Colorado (Mr. Dominick) for bringing his amendments to the Occupational Safety and Health Act before this body today.

I am grateful to him for the excellent work he has done in evaluating the legislative wrongs which Congress committed through its enactment of the occupational safety and health law of 1970, and in tailoring an effective reform measure that will retain the safety features while eliminating the oppression.

I am grateful to him for ripping away the chains of bondage that have held every OSHA reform measure prisoner within the Labor and Public Welfare Committee for the past 2 years.

I am grateful to him for having the courage to bring this matter before the full Senate for an accounting to the people who are dependent on this body to exercise a sense of fairness and equity in the legislation it passes.

I am grateful to him, and the people should be grateful to him.

The Occupational Safety and Health

Act of 1970 delegates unconstitutional powers to the Department of Labor to put men and women in jail without a jury trial. It delegates to the Department of Labor the authority to levy fines in the tens of thousands of dollars against individual American citizens without a jury trial.

It completely bypasses the Federal district court level in our court system by arbitrarily defining jail sentences and steep fines meted out by administrative boards as "civil penalties," when in fact they have all the punitive earmarkings of criminal penalties.

It contains the seeds of destruction not only for individual liberty in this country but for the free enterprise system itself.

Both the Labor Department and the Justice Department are aware of the pitfalls of going to trial on the constitutional issues. They have successfully headed off appeal after appeal by compromising at the administrative level, reducing fines, and waiving or foregoing jail sentences, to avoid confrontations at the court of appeals level where OSHA grants the citizen entry to the court system for the first time under this law's peculiar scheme of things.

Both the Labor Department and the Justice Department are trying to avoid a confrontation for the same reasons that Congress enacted OSHA in the first place.

The driving force behind the enactment of the Occupational Safety and Health Act was not a burning desire to reduce industrial accidents or to eliminate hazards to work safety.

The driving force behind the enactment of OSHA was labor union bosses who drafted language and tailored provisions and lobbied for the passage of a bill designed to serve as a union organizing and bargaining tool.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield.

Mr. WILLIAMS. I thought I heard the Senator say that the driving force was not to bring standards for safer working conditions before the people of the country, but something about labor union imposition on us.

Mr. CURTIS. That is correct.

Mr. WILLIAMS. I take offense at that—not personal, but legislative offense. I think the Senator from Colorado will, too. The bill he introduced in 1970 contained most of the provisions that were finally enacted. I am certain that the Senator from Colorado would be the last one to feel that he was pushed by the union leaders into the introduction of that bill.

I am aware that there have been some problems with OSHA, and I know there are probably others. We are dealing with them appropriately, but certainly the motivation here I do question when it is expressed as only a big labor union imposition on us.

I introduced the bill and fought for it. I know what I was fighting for. It was for safer working conditions for the working people of this country.

Mr. CURTIS. I respect the distinguished Senator from New Jersey, and I am sure that my language, when examined, will reflect my true motives. My language was: "The driving force behind the enactment of OSHA." I stand by that.

I have in my files, Mr. President, a case involving a construction company in Nebraska that was inspected and fined on four separate occasions within a period of a few months during which the company was engaged in union negotiations.

A construction contractor from another State wrote to me that the Occupational Safety and Health Act gives union bosses "the very club they need to beat down any contractor who they want to break." This same contractor noted that workmen desiring to harrass their employer could, under the provisions of this law, deliberately create a safety hazard and then bring about an inspection resulting in fines and corrective costs for the employer. He reported that labor newspapers were advertising the law and asking their members to call an advertised telephone number to request inspections.

Fines totaling $36,717 were levied against a Nebraska contractor by the area director of the Occupational Safety and Health Administration following two inspections. The amount was later reduced to a small percentage of the total by an administrative review board after the case was publicized, and the contractor made a fight indicating he would take it to the highest court if necessary.

Within the last 6 weeks I received a letter from a small manufacturing company in Nebraska that I would like to share with the Senate. This company is located in a small manufacturing and agricultural community. An OSHA inspector came to town and conducted inspections of all of the small manufacturers, those having from 5 to 50 employees. The inspector cited numerous violations at each company.

The company that wrote to me reported that a very rough preliminary survey of all of the companies indicated that they will have to make expenditures in the neighborhood of $500,000 or more to correct the causes of the alleged violations.

Let me quote directly from the letter I received from one of these companies. It reads as follows:

> In our case we are a very small company consisting of four full-time employees and three or four part-time employees, and in our particular circumstance it will necessitate a capital outlay of approximately $200,000 for new plant and equipment. The inspector has given us a time limit of September 1 to be out of our present facilities. Although this will be the largest capital outlay that our company has ever had to invest, at the present time it appears that due to our strong credit standing we will be able to carry this type of a loan.

The inspector indicated to this small company that it was possible for companies its size to obtain Small Business Administration loans, at lower than regular commercial loan interest rates, in order to make changes necessary to comply with the Occupational Safety and Health Act. However, in talking with a representative of the Small Business Administration about the possibility, this small company learned the SBA has had "very little success in getting approval for construction plans from OSHA." The company in reporting on its contact with the SBA official gave this explanation:

> He (the SBA official) stated that in trying to get these low-interest loans, the plans and specifications for the company would be submitted and that OSHA would sit on them for six months and then return them stating that they are unacceptable for one reason or another and they would have to be then resubmitted.

The SBA official recommended that the company not pursue this channel of financing as the redtape involved in it made it practically impossible.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. Mr. President, may I have 5 more minutes?

Mr. DOMINICK. I yield 5 minutes to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I am citing these specific instances and quoting from this particular company's experience in order to point out, Mr. President, that the Occupational Safety and Health Act lends itself to many abuses in the use of governmental powers. It is shot through with provisions and procedures that enable autocrats or, better said, bullies to invade the constitutional rights of others. It is heavily oriented to favor the use of governmental power by labor union bosses to force their will and their terms on management. It must be changed, in the interests of fairness and equity in both the labor-management arena and in the area of government regulation of business.

The Dominick bill which is being considered in the form of an amendment today is not the total answer. However, it would make substantial improvements in the act. It would, for example, take away the punitive aspect of violations discovered in the first routine inspection of a place of business and employment. It would provide assistance to employers in meeting the requirements of OSHA, in the interests of maintaining jobs and employment rather than destroying them. I agree with Senator DOMINICK that no one disagrees with the objective sought to be accomplished by OSHA—to provide a safe and healthful environment in which to work for all Americans.

The question is whether Congress is going to continue to allow Federal administrators to enforce excessive safety requirements by bludgeoning the providers of jobs, putting them out of business or forcing them to lay off employees or change to other types of operations such as contracting on an individual basis with each employee so the employees become private entrepreneurs responsible for owning and operating their own equipment.

I have tried to get the Labor Committee to take up these matters and take corrective action. The committee has been a burial place for all corrective legislation that has been introduced up to the present time. It has been a burial place for a 28-page briefing paper which I hold in my hand, which I prepared from my file of complaints 2 years ago and presented to the committee with a request for action. The committee held hearings to which a number of Nebraskans came and testified on the excesses and abuses that need to be corrected in this law, and still took no action on pending legislation to make the corrections. I appeal to the fairness and commonsense of the Senate to make the necessary changes in the law by adopting the Dominick amendment today.

Mr. President, we are a government of law. We should not have to depend upon regulation. I believe that a test of our fair intentions here will be on whether or not we can have a vote on the merits of the pending amendment.

I yield to the Senator from Colorado.

Mr. DOMINICK. Mr. President, I just want to congratulate the Senator from Nebraska. I know how hard he has worked on this. I have been working with him to the best of my ability all the way through.

I hope we can adopt this amendment. As the Senator has very properly said, we are not trying to gut the law, nor to do anything except as a matter of making remedial law. I think the contribution of the Senator from Nebraska to this debate has been extremely helpful.

Mr. CURTIS. I thank the Senator.

Mr. DOMINICK. I yield 10 minutes to the Senator from Virginia (Mr. WILLIAM L. SCOTT).

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's yielding to me, and want to commend him for this amendment.

I am happy to be among those who have cosponsored the amendment. Frankly, I do not think it goes far enough—certainly not as far as I would like it to go. It would seem preferable to take the small businessman out of the act. But this is a step in the right direction, and it should help.

Every Member of this body favors healthy and safe working conditions for employees. I do not believe that this is a matter subject to differences of opinion or subject to debate. Yet my mail and the contact I have with businessmen throughout Virginia indicates that they are being harassed by this act. They do not know, oftentimes, what they can do and what they cannot do under the act.

Big business, the large corporation, can employ people to study regulations, to study the Federal Register, to determine just what the enforcement agency has said the businessman can do and what they cannot do, but it is difficult for the small businessman to learn what the regulations are.

It might even be argued that these regulations constitute a denial of due process of law. We know that due process can be denied in many ways, including the way the law is written or the way it is enforced. Everyone is entitled to notice and an opportunity to be heard.

Oftentimes the small businessman would like to know whether or not the way he is operating his business conflicts with the law or with regulations, but he is afraid to have the inspector come by, inspect his operation, and determine whether or not he is in compliance with the law, because he is afraid of being charged with violations. This is one of the things that, as I understand the amendment by the distinguished Senator from Colorado, is intended to do: help the small businessman learn when he is in violation and when he is not in violation of this act.

This amendment would require OSHA to provide advice and technical assistance to the small businessmen, those having 100 employees or less. Nonserious violations on first inspection would not be penalized under the amendment. It would require OSHA to issue an economic impact statement on the possible effect on small business and employment of new OSHA standards.

I believe experience has shown that the large corporations are able to adapt to new regulations in due time but it is more difficult for the small concern. I recall one small businessman in Virginia, in the construction business, who says that under this act his men are supposed to wear hardhats. He cannot get them to wear hardhats. I think a matter like this is something that he should be able to talk over with the enforcement agency. There are all sorts of small, minute regulations that are difficult, even impossible, for the small businessman to know and enforce.

It just seems to me that in our country, with our emphasis on the free enterprise system, where we feel that the competition in business brings about a higher standard of living for all of us, we should encourage free enterprise, and certainly Government should not harass the free enterprise system as it sometimes does.

The volume of concern of the people throughout my State indicates that this act is not working properly. I believe we can tell whether we have a good law or not by the response of the people of our various States and in our various communities.

Mr. President, let me say that I hope very much that the Senate will see fit to adopt the Dominick amendment. It does not go as far as I would like to see it go. It does require OSHA to provide advice and technical assistance to employers having 100 or fewer employees. It does remove OSHA's discretionary power to assess penalties for nonserious violations on the first inspection. It does change the penalty for serious violation from mandatory to permissive. It does establish a procedure under which the employer who has received a citation could apply for a hearing on the ground of work procedures in operation at the time. Finally, and equally effective in protecting the employer, it does provide that citations for violation need not be posted by the employer after such violations have been abated.

Finally, Mr. President, it provides and requires OSHA to consider the economic impact of proposing new standards on affected employees as published in the Federal Register, along with such standards as statements summarizing the expected economic impact, and including an estimate of the total cost which will be incurred by each affected industry in compliance.

To me, this is an amendment that has long been needed. I was the cosponsor of a bill that was introduced sometime ago by the Senator from Colorado that would accomplish the same purpose. No hearings have been had. It might be argued that this is not the best way for us to legislate. But when a committee refuses to take up and consider a bill, to me, the procedure being followed by the Senator from Colorado becomes necessary.

I commend the Senator once again, and hope that the vast majority of the membership of this body will see fit to vote in favor of his amendment.

Mr. DOMINICK. Mr. President, I want to thank the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT) for his extremely helpful comments. I would like to see us have some kind of agreement on hearings, but I have not been able to get them for over a year now. I thought we had better go this way.

Mr. President, I now yield to the Senator from Texas (Mr. TOWER) for 5 minutes.

The PRESIDING OFFICER (Mr. MCCLURE). The Senator from Texas is recognized for 5 minutes.

Mr. TOWER. Mr. President, as a cosponsor of the amendment offered by the distinguished Senator from Colorado, Mr. DOMINICK, I strongly urge its adoption.

The essential feature of this amendment is that it will not in any way restrict the effectiveness of the Federal objective of providing a safe and healthy environment for Americans to work. Soon after OSHA was passed by the Congress in 1970, it became apparent that in many respects the law was unworkable.

The pending amendment would only remove the punitive aspects of the law. It would for instance provide onsite consultation for employers with 100 or fewer employees, remove the Department of Labor's discretionary authority to assess penalties for nonserious violations on the first inspection, establish procedures to allow an employer to seek a variance from an existing safety standard to allow him to show that the safety methods he is using are equally effective, allow for the removal of citations from the employer's place of business after the violation has been abated and to require OSHA to publish economic impact statements prior to the promulgation of new standards.

Mr. President, if I thought that the changes contained in the Dominick amendment would seriously erode the cause of Federal job safety and health, I would not support the amendment. However, the sole aim of this amendment is to remove the punitive aspects of the bill and to give the small businessmen of this Nation a fair chance to comply with the law. In many respects, OSHA now resembles a criminal law without the usual due process safeguards provided to potential violators. The pending amendment addresses this problem and, would, if enacted, provide the necessary balance in the law to insure a more successful program.

Mr. President, opponents of this amendment have again raised the argument that this is the wrong time and the wrong bill to raise these issues. If this is the case, then I would like to know when is the right time. Every Senator has heard OSHA horror stories from their constituents since the inception of this law. We have heard stories of surprise inspections, demands for the private records of employees, excessive penalties that generally could fall into the category of unreasonable search and seizures. How can we expect the objectives of OSHA to be met when small businessmen operate in fear of their government. They are reluctant to ask questions about the law out of fear they will be assessed with heavy fines.

Consequently, Senator DOMINICK is to be commended for raising this matter as an amendment to S. 3203, Unfortunately, it seems that the small business community does not have the clout of either big business or big labor to get the authorizing committees in Congress to hold legislative hearings to amend the Occupational Health and Safety Act.

Yesterday, I received a letter from my distinguished friend, the chairman of the Labor and Public Welfare Committee. In this letter Senator WILLIAMS gave notice that he would move to table the amendment and stated that his committee has been moving toward consideration of amendments to the act. However, to the best of my knowledge the committee has not ever held hearings on any amendments to OSHA; small businessmen continue to be harrassed by the occupational safety and health administration and continue to be unable to practically be in compliance with the act due to the voluminous requirements they must meet and the failure of the act to provide them with the necessary technical assistance and afford to them adequate and fair procedures.

Quite frankly, the small businessman should not be subject to further delays in their receiving adequate protestions from unfair and counterproductive intrusions on their business. The pending amendment is not radical. All it does is guarantee the kinds of protections which our governmental system would naturally afford to any American.

Mr. President, again I commend my distinguished friend from Colorado for offering this amendment. If a tabling motion is made, I hope that it will be rejected and that we can vote on this amendment on its merits.

Mr. DOMINICK. Mr. President, I thank the Senator from Texas. I think he has brought out his points very clearly. People are being affected by this act every day. I have not rushed at it. I put in a bill in early March of 1973. I have tried three times by letter to get the hearings scheduled. The chairman, in the process of debate on the Curtis amendment in 1972, said that he was going to hold hearings. Here it is now, May of 1974, and we still have not had any hearings. So far as I know, we have not had any hearings. At least I have never been notified of any hearings, anyhow. We had hearings before Senator CURTIS had introduced his amendment or we may have had 1 day of hearings right after his amendment was voted down. But we have not had any in the past year and a half. Meanwhile, the employers and employees of this country are being affected by this on a day-to-day basis.

There was one plant in the capital city of Denver, Colo., where the inspectors came in and required so many changes that the owner looked at them—he had been operating ever since 1880—and he said:

> You are out of your minds, if you think I am going to do that.

That plant had never had any problems with safety from the point of view of any deaths being caused, although there were some slight injuries. But the owner closed down his plant, which he had been operating since 1880, which threw 80 people out of work, because he was not going to go along with that kind of arbitrary treatment. I am not criticizing him at all. Thus, 80 people, because of lack of action by Congress, were thrown out of work when their jobs might have been saved.

Mr. President, how much time does our side have left?

The PRESIDING OFFICER. The Senator has 61 minutes remaining.

Mr. DOMINICK. Mr. President, I reserve the remainder of my time.

Mr. WILLIAMS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

Mr. WILLIAMS. Mr. President, I strongly oppose the amendment now offered by the Senator from Colorado, and, at the appropriate time I shall move to table it. The amendment, I would point out, has nothing to do with the business at hand—it relates neither to the National Labor Relations Act generally, nor to the substance of S. 3203, which would extend that act's coverage to employment in private, nonprofit hospitals.

The amendment of the Senator from Colorado would extensively alter an entirely unrelated piece of legislation—the Occupational Safety and Health Act of 1970.

I recognize, of course, that ever since that legislation went into effect, its administration and implementation has been the source of continuing complaint to Members of Congress. Employers have objected to what they consider to be unreasonable standards, and the unavailability of adequate information concerning the requirements imposed by the standards.

On the part of many employees and their representatives, there has been great concern that OSHA has failed to mount a truly effective effort against toxic substances and other serious hazards to health and safety which exist in many workplaces, and that it has given undue emphasis to turning much of the program back to the individual States.

During the last Congress, the Labor and Public Welfare committee held a series of hearings regarding these complaints.

The critical attention focused on OSHA during that period, and since, has, I believe, led to a number of significant improvements. For example, a number of the standards issued by OSHA which were most objected to have since been revoked or modified.

Of particular importance is the fact that OSHA has made extensive efforts to improve the comprehensibility and accessibility of its standards, and to broaden and intensify its informational programs. These are matters which have very clearly been at the heart of many of the problems and complaints concerning the OSHA program.

In addition to the hearings held during the last Congress I realized that it would be most important for our committee and the Congress to have the benefit of objective factfinding and analysis to assist in the ongoing process of oversight and the consideration of amending legislation. I, therefore, requested the Comptroller General, in June 1972, to make an extensive series of reviews of various aspects of the implementation of the Occupational Safety and Health Act.

Subsequently, the Comptroller General agreed to make available a substantial number of General Accounting Office investigators—at times as many as 15—for the purposes of this effort.

Several reports from the GAO studies have already been issued and have been sent to Members of Congress.

These include studies of the development of occupational health criteria by the National Institute of Occupational Safety and Health, the administration of the small business loan program under the Occupational Safety and Health Act, the implementation of the occupational safety and health program for Federal employees, and the dissemination of OSHA standards to covered employees.

In addition, GAO will be reporting to our committee very shortly on most of the remaining areas of its present studies—including an in-depth review of the entire OSHA compliance program, its development of new standards, and its training of inspectors.

Mr. President, the point I am making now goes right to the heart of my reason for announcing that I will move to table.

I mention these GAO studies because I want to emphasize my concern that when we review the performance of OSHA's administration, or consider amendments to the existing legislation, we have the benefit of solid and objective information and analysis concerning the existing program.

Mr. President, not only do I think that this should be important to our foundation in getting ready for hearings, but also, all Members of the Senate have become authorities on aspects of the OSHA administration, also, and each day we get more information.

Yesterday, I had the pleasure of a visit with 40 or so Methodist ministers from New Jersey. One of the ministers from the southern part of our State, in Cape May, described to me an OSHA inspection of some of the construction at the church. He had a complaint that I regret is one we used to hear of a similar nature—that the inspector came to the church under construction with a certain arrogance. This man of the cloth was not inappropriately complaining; he was just stating some facts.

He then said:

> You know, we didn't know what the standards of construction were. It seemed to me that it might be very helpful if at the time we got our building permit, we got a copy of the construction standards.

This is the sort of reasonable approach that I think might well be part of the hearings we will have, getting ready for necessary amendments, if we find there are necessary amendments, after we get the GAO report.

While we may conclude that amendments to the act are desirable—and I can certainly see some ways in which the act might be strengthened—I do not believe there is anything in the amendment offered by the Senator from Colorado that requires adoption at this particular time. On the contrary, on the basis of presently available information, I do not believe the provisions of this amendment would deal in any meaningful way with whatever real problems may exist in the OSHA program.

For example, the first provision of the Dominick amendment would require that each new standard "be accompanied by a statement summarizing its economic impact on affected employers, including an estimate of the total costs which will be incurred by employers in each affected industry in complying with such rule."

I would point out that in issuing new standards under the act, the Department of Labor has already been considering economic impact. Indeed, a number of standards which have been recommended by the Department of Health, Education, and Welfare for the protection of employee health, including a new standard for noise exposure, have obviously been held up by the Department of Labor because of just such considerations. Moreover, the Court of Appeals for the District of Columbia, in its decision last month dealing with OSHA's asbestos standard, concluded that the Department of Labor may have been overly solicitous of possible economic impact insofar as some of the affected industries were concerned.

If the amendment of the Senator from Colorado is intended to go beyond what the secretary has already done in taking economic considerations into account, then I believe it would be imposing a requirement that would paralyze the standard-making process. The fact is that most OSHA standards have application to a variety of industry groups and to require the Secretary to estimate the total costs for each would be a virtually impossible task. By thus delaying consideration of new standards for the elimination of safety and health hazards the lives and well-being of untold numbers of workers may be put in jeopardy.

This proposal to require OSHA to develop estimates of the cost of complying with new standards in each affected industry is somewhat ironical in view of the fact that 2 years ago, the Labor Department sought to include on its annual accident survey a question as to the costs incurred by surveyed employers in complying with the existing standards. There was a great outcry from employers that they could not develop such information, and as a result, the Business Advisory Council of the Office of Management and Budget compelled the Labor Department to eliminate this question.

Now if those who are spending the money are unable to say, after the event, how much compliance has cost them, I think it is quite unrealistic for OSHA to have to provide this information before the event.

Another provision of Senator DOMINICK's amendment would enable employers to apply for variances from the act's requirements after a citation has been issued. Such an application under the proposed amendment, unless frivolous, would stay all further enforcement proceedings until final action on the application.

I would point out that the intent of the act is to eliminate workplace hazards before they can cause death or injury. However, this proposal now being made would provide an incentive for employers to postpone taking necessary corrective action.

Presently an employer is entitled to apply for a permanent variance for workplaces that are not in technical compliance with OSHA regulations, based on his establishing that his own work practices provide equal protections to workers as those specified in an OSHA standard. Such variance applications, however, do not operate as a stay of enforcement proceedings. If this principle were turned around, and the filing of a variance could operate to postpone enforcement there would be less reason for employers to actively and voluntarily assess their compliance status prior to an OSHA inspection.

The likelihood is that the Secretary would be flooded with post-citation variance applications by employers who would see it as a way to put off the imposition of enforcement sanctions. This provision would thus be a disincentive to voluntary compliance, and would place at a competitive disadvantage those employers who conscientiously attend to safety and health matters prior to any OSHA inspection.

The proposed amendment would also revise the existing posting requirements so as to provide that a citation would not have to be posted after a violation has been abated or after the review commission has modified or abated the citation. The requirement under current regulations is that a citation be posted for 3 days even if abatement occurs within that time.

This 3-day posting requirement is designed to let employees know that a violation has been found, and fully accords with one of the important objectives of this legislation, which was to assure that employees are fully informed of the compliance status of their workplaces and the result of any inspections.

If posting is eliminated after abatement as proposed, the worker will essentially be deprived of the opportunity to evaluate the workplace in terms of health and safety standards.

The proposed amendment as drafted also eliminates a posing requirement after a review proceeding has ordered a modification or vacating of the citation. The provision is completely unnecessary as there presently is no such requirement.

The proposal in Senator DOMINICK's amendment to make penalties for serious violations discretionary instead of mandatory cuts to the very heart of the OSHA enforcement concept—the threat of instant penalties so employers will have an economic incentive, if not a moral obligation, to eliminate serious hazards before inspection is made. Existing law, moreover, already requires consideration of such factors as gravity of the violation, employer good faith, and previous history of compliance in the determination of the amount of the penalty.

In addition, by eliminating any penalty for nonserious violations, the amendment would remove any incentive for employers to correct such hazards prior to inspection.

I would point out that when this legislation was considered in 1970, both the bill that Senator DOMINICK introduced and supported and the bill that was passed, contained virtually identical provisions requiring that a penalty of some amount be assessed when a serious violation is found, and that a penalty may be assessed when a nonserious violation is found. I know of nothing that has happened since to demonstrate that judgment was unsound. Indeed, during our hearings in the last Congress, the National Safety Council stressed the importance of retaining the present penalty provisions of the act, and pointed out:

> Such provisions will encourage compliance with the OSHA standards at a date sooner than would be the case if there were no "first-instance" sanction. The mere fact that there is such a provision, encourages and motivates employers to allocate resources soon for whatever changes are deemed necessary for compliance before any OSHA inspection. To eliminate the first-instance penalty provision may encourage some employers to

procrastinate, since no civil penalty would be applicable unless the employer failed to abate an alleged violation found in the course of an OSHA inspection.

A further provision of the Dominick amendment would require OSHA to provide on-site consultative visits and advice to employers having one hundred or fewer employees.

The question of whether OSHA should make available such a service, is one that has a considerable amount of appeal. However, such a program presents considerable practical problems.

It is clear that if such a service were available, every employer would naturally tend to feel that he should be provided with such consultation prior to any enforcement inspection. Bearing in mind that an estimated five million establishments are covered by the act—and that over 97 percent of them have 100 or fewer employees—compliance would be severely jeopardized if employers were to develop unrealistic expectations about being given a consultative visit before any enforcement activity.

It will take an enormous staff to provide such a service, and it is highly doubtful that such staff would ever be funded.

It should also be stated that continuing efforts have been made by OSHA to improve the comprehensibility of its standards, and to improve its informational programs which will certainly help to reduce any need that employers might feel for any on-site consultation.

Currently within the OSHA is an education and training arm, which is now providing a steady flow of information and technical advice to many employers throughout the country.

In fact, there are now more than 100 field offices set up to provide off-site consultative services and other information services geared especially to the needs of small businesses. OSHA has also recently awarded a $3 million contract to the National Safety Council for the purpose of providing employers and employees with assistance in complying with the act.

I would also point out that the National Institute of Occupational Safety and Health, through its technical services division, currently provides employers with hazard evaluations in the workplace, and provides consultation in engineering, industrial hygiene, and medical aspects of occupational safety and health.

In addition, the small business administration already has authority, under section 8(b) of the small business act, to provide assistance to small business on safety matters.

When S. 3331, an amendment to the Small Business Act, was considered in the Senate last Thursday, this fact was discussed by Senator CRANSTON, the manager of that bill, and other Members, and it was agreed that the Small Business Administration would be requested to survey the actual need for on-site consultation and to report back to Congress with its recommendations.

Those companies which provide workmen's compensation coverage are, in connection with their loss control programs, offering employers consultative assistance in dealing with workplace hazards. Such companies now employ a total of some 9,000 safety engineers—compared to the several hundred compliance officers employed by OSHA—and thereby possess an enormous capability for furnishing this kind of assistance to employers.

As an example of still another existing source of private assistance to employers I would point to the American Society of Safety Engineers, whose consultant division has registered and approved a number of safety engineers qualified to provide on-site consultations with respect to OSHA requirements.

In view of these various forms of assistance now available to employers. I do not believe there is any compelling need to adopt an amendment requiring the labor department to provide a consultation service which will only draw upon the Department's already scarce compliance resources.

In closing, I would point out that many of the calls for amendments to the Occupational Safety and Health Act result from the predictable cries of the pain of change, as employers are forced to give new attention to the condition of their workplaces and the well-being of their employees.

We are, nevertheless, concerned that the act is being administered fairly, and in a manner designed to achieve the high objectives we set for it when this legislation was enacted. With the aid of the studies now being completed, I believe our committee will shortly be in a position to hold further hearings and to give full consideration to these questions.

I will say that the Senator from Colorado has been conscientious all the way through, not only in the development of this act but also in its oversight function, which is our responsibility, too. I applaud him. However, I believe that it is untimely now—and I am not going to get into the merits of the various parts of his amendment—to deal with it in this way. When I have the opportunity, I will move to table.

I see that the Senator from New Hampshire, who is also concerned and conscientious on this subject, has arrived in the Chamber to speak. I think his time probably should be yielded by the offerer of the amendment. Am I correct?

Mr. McINTYRE. That is correct.

Mr. DOMINICK. Mr. President, I yield myself 1 minute, first.

I say to the distinguished chairman, for whom I have great affection, that nothing in this amendment, if it is adopted, would stop the necessity of hearings on the GAO study which is now going on. They are dealing with things which are wholly different from my amendment. Some of them involve standards; some of them involve notice, and so on.

All I am trying to do is get away from the tentative aspects, awaiting word from GAO and further hearings, so that we can get into the merits of some of the other problems we have in this matter.

I yield 10 minutes to the Senator from New Hampshire.

THE NEED TO PROTECT SMALL BUSINESS UNDER OSHA

Mr. McINTYRE. Mr. President, I wish to express my support for the amendment now being offered by the distinguished Senator from Colorado. For some time, I have been aware of the need to amend the original Occupational Safety and Health Act of 1970 in order to attempt to correct some of the problems which Small Businessmen face in trying to comply with this law. In February of last year, I have introduced legislation, cosponsored by Senators BIBLE, BURDICK, HUMPHREY, NELSON, and SPARKMAN, which attempts to do just that. Several provisions of my legislation are embodied in the amendment we have before us.

I feel very strongly that small businessmen should be allowed one employer-requested citation-free onsite inspection. This would not effect the Secretary's right to seek injunctions for hazardous conditions representing "imminent dangers." However, this would allow some help to our small business concerns. This segment of our business community can not afford the time and money to "plow through" the volumes of OSHA regulations nor be satisfied that these regulations have been implemented properly without expert consultation.

I believe that the OSHA regulations at the present time consist of three huge volumes, at least 3 or 4 inches in thickness. If you are a small businessman, with 20 employees, and you are trying to meet your payroll, do your purchasing, get your sales going, and keep your employees, it is an awful mess to be confronted with these gigantic OSHA regulations.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. McINTYRE. I am happy to yield.

Mr. DOMINICK. I believe it was Senator FANNIN who indicated that his staff has been collecting the rules and regulations as they have come out, and it is now a file 3 feet high. How in the world can a small businessman ever attempt to assimilate that?

Mr. McINTYRE. I received a report from a small businessman who was told that he would have to put up safety guidelines near his machinery. They asked him what color the lines were. He said they were painted white. They said that will not do; the lines will have to be painted red.

Some of the Labor Department's regulations are absolutely ridiculous. I might add, I will have some good to say about them before I am through.

Suggestions have been made to have businesses hire OSHA consultants or confer with the Small Business Administration regarding implementation of OSHA. The place for a small businessman to receive advice on compliance with regulations is with the Agency which established the standard.

The development of an economic impact statement for each new or modified standard provides the Secretary of Labor with additional tools to determine the appropriateness of his action. This provision does not prevent the Secretary from issuing standards with unreasonable cost-benefit ratios but does, at least, allow for consideration of "economic impact."

Senator Dominick's amendment would allow the Secretary greater discretion in assessing penalties for first-instance nonserious violation and first-instance serious violations as well as in the granting of variances where the employment condition is as safe as that which would prevail under the standard.

When Congress originally passed this legislation it was the intent of this Senator to assure so far as possible every working man and woman in the Nation safe and healthful working conditions. This is still my primary desire when dealing with the Occupational Safety and Health Act.

At the same time, we must also realize that a viable, healthy small business community is absolutely necessary for the economic welfare of this Nation. Safe and healthful workplaces and economic success are not only compatible, but in many ways prerequisites for one another.

In the past several years, I have held a number of hearings in the Select Committee on Small Business and in the Small Business Subcommittee of the Senate Banking, Housing, and Urban Affairs Committee regarding the effect that various pieces of legislation have on the competitive position of the small business segment of our economy.

It occasionally happens that in passing well-intentioned legislation to remedy a specific problem area, small businessmen are unintentionally injured and put at a competitive disadvantage. Certainly, in passing OSHA, there was no thought by Congress to injure small business.

Mr. President, 14,000 deaths a year and over 2 million serious injuries to workers in this country make not only a strong, but absolute case that occupational health and safety regulations are essential. That is why I voted for the Occupational Safety and Health Act.

However, it is now May of 1974 and there have not been many amendments coming out of Congress to help small business people.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. McINTYRE. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. McINTYRE. Mr. President, problems have developed with the administration of this law. Congress has experienced this problem many times before.

Well-meaning legislation embodying essential public interest goals often causes reactions which are totally unintended.

The enforcement of OSHA regulations has created in some cases insurmountable problems in this critical area of our business community—the small business sector.

I was pleased last week to hear Senators CLARK and CRANSTON speak on the needs of reforming this legislation, legislation that is so necessary to our working community.

I agree with Senator CLARK that a blanket prohibition of on-site consultations is counter-productive.

I do hope these Senators and all Senators will turn words into actions and join with me in support of Senator DOMINICK's amendment.

Mr. President, before I complete my remarks, I wish to state that I received a letter from the distinguished chairman of the committee and the ranking minority member, the Senator from New York (Mr. JAVITS) dated May 6. I am very happy to see this letter and some of the directions and actions that have been undertaken, and particularly that GAO is working on it. This is all for the good but in my opinion it is long delayed. Certainly, small businesses all over the country are taking an awful beating from this law. I am very happy that the Senator from Colorado has brought this amendment up and I hope we have a chance to vote on it up or down.

Mr. DOMINICK. Mr. President, I thank the Senator from New Hampshire. I think he has added materially to the debate we have had on this matter. As I said to the Senator from New Jersey, my distinguished chairman, there is no reason why we should not have hearings on whatever the GAO or the others bring back because I am sure that report will suggest additional changes. What they are working on is not the problem I am working on in this amendment. We could adopt this amendment without interfering with that study.

Again I thank the Senator from New Hampshire.

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. Mr. President, will the Senator yield to me for 3 minutes?

Mr. WILLIAMS. I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, while I am very sympathetic with the objectives of the Senator from Colorado in offering his amendment pertaining to changes in the Occupational Safety and Health Act, I will join in tabling the amendment, as it is not germane to S. 3203 and may very well jeopardize enactment of this legislation.

As a cosponsor of S. 1147, I share some of the Senator's concerns with regard to the need to explore constructive changes in the act, particularly with respect to consultation for small employers. My primary reason for cosponsoring S. 1147 was to permit onsite consultation and greater efficiency for compliance by business. I am vitally concerned that the most efficient and fair procedures be implemented by the Department of Labor with regard to enforcement of the act. I believe significant improvements have been made by the Department of Labor in this area, especially with regard to offsite consultation. OSHA fields offices have been expanded to 100. In a vast majority of cases employers may resolve their concerns through a description of the problem coupled with photographs, diagrams, blueprints and other geographic aids. Training and education programs have also been initiated by the Department. Granted, some of these steps are only a beginning, but I believe they are a step in the right direction. Further, I noted with interest the discussion on the floor on May 2 in relation to the authority of the Small Business Administration. As was pointed out during this consideration of S. 3331, section 8(b) of the Small Business Act currently permits assistance to small businesses with regard to accident control, including a loan program to correct occupational safety and health deficiencies. These loans are available at low interest rates for up to 30 years and permit a small businessman to add to or alter equipment to be in compliance with OSHA standards.

The question of onsite consultations of course is still one that must be addressed and I can understand the Senator's concern on this point. As I stated this is one of the principal reasons I cosponsored S. 1147. As Senator CRANSTON noted last week on the floor, the SBA could establish a procedure to provide onsite consultations through independent contracts with consulting firms specializing in industrial safety.

In some ways that would seem to me to be preferable to going the route of consultation and enforcement both in the Department of Labor.

While I have no particular problems with the SBA conducting a survey to determine the desire of small businessmen for this type of consultation, I believe the Labor and Public Welfare Committee should take a great deal of responsibility in analyzing procedures such as this to supplement the act. I am extremely reluctant, however, to wait 6 months as was suggested during the discussion of S. 3331, for action on this matter and am delighted that the Chairman of the committee, Senator WILLIAMS, will shortly be holding hearings on OSHA.

As I stated previously this matter is not one that should come up on this legislation. Therefore, at the termination of the time on this amendment, I do expect to support a motion to table.

Mr. JAVITS. Mr. President, I wish to associate myself with the argument of the Senator from Ohio (Mr. TAFT) respecting the appropriateness of putting this matter on this bill. Again, we have a trade-off. Do we want the bill respecting the coverage of hospital workers or do we want to load it down with another major amendment on which there will be a considerable difference with the House, on which there is a very considerable problem with organized labor and that always makes for delay. So I shall vote to table when the Senator from New Jersey (Mr. WILLIAMS) makes the motion. But, Mr. President, I believe there are some very substantive objections to this particular amendment, too.

The thing that bothers me very deeply is this idea that after a violation is discovered, and that is what the amendment states, the person violating may come in for a variance. That is hardly the way to run a railroad or to administer a law. In addition there is a stay of the order of enforcement which is automatically built into the amendment unless the Secretary rejects the application as frivolous. But the word "frivolous" is a very strong word and I can hardly think of an objection made in good faith which could be rejected as frivolous. I think the Secretary would find himself in deep trouble with the courts if we passed this, if he tried that. That is one imperfection. Another imperfection is the matter of penalties.

One of the big compromises in this act was the idea of serious and nonserious violations, one calling for mandatory penalty and the other calling for discretionary penalty. The amendment simply makes serious violations subject to discretionary penalty, and eliminates altogether the question of penalty for nonserious violations—simply strikes the section.

It seems to me that would get us into a hassle that could delay the bill for months if we ever took this amendment.

One thing that the Senator from Colorado (Mr. Dominick) is absolutely right about, and which the Senator from Ohio (Mr. Taft) has mentioned, and in which I myself have been deeply concerned, is the very active pursuit of the question of onsite consultation, which is especially critical for small business. There, I would like to say to the Senator, no matter what happens on this amendment, I am going to join very strongly—and indeed, I may say to the Senator from Colorado, I am going to try to get our whole minority together—because I think the Secretary of Labor has the power and he has the machinery to set that up. We in the minority, since this is our administration, ought to press for that. In addition, the idea of contracting out to independent contractors so the Government inspector is doing not less than his duty as an onsite inspector is a very good idea. I am convinced the Secretary of Labor has the authority under existing law generally to provide onsite consultation either with his own employees or on a contracted-out basis.

I want to assure the Senator from Colorado (Mr. Dominick) that, with the spark we have had in this debate, and with his great support—I think he has done a remarkable job in marshalling support for his position, and I will do my utmost to marshal the minority in our committee—I think we can together see that we get action on that particular subject.

Also, on the matter of hearing, I do not think we have to wait an inordinate period of time. We got a prompt hearing for the Senator from Nebraska (Mr. Curtis). I think we can get a prompt hearing so this point may be aired.

Finally, I think the point made by the Senator from New Hampshire (Mr. McIntyre) about burdens on small business is very important, but I think we should recognize that this is not only true in OSHA but in taxes, and every small businessman pays taxes. It is also true in what SBA can do in meeting regulations with respect to loans, assistance, et cetera.

I want to mention the point about simplification because we would like to encourage it. The department has put out a considerable number of brouchures simplified as to language and concept, so that normal civilians can read them and not have to be expert engineers or lawyers to do so. Thirty-nine are being put out this summer. In addition, they are developing a subscription service which keeps people up to date without undue expense. The number of pamphlets put out—and I have them here—runs into the millions.

In fairness to the agency, I ask unanimous consent that there may be included in the Record, a summary of OSHA's efforts to disseminate information, a project report on the effort to index OSHA standards, and an appendix showing the titles and estimated numbers in print of OSHA publications designed for this purpose.

There being no objection, the list was ordered to be printed in the Record, as follows:

OSHA's Efforts To Disseminate Information

1. Development of subscription service, in cooperation with Government Printing Office. For $50 a year, one can receive a 5-volume loose-leaf service with up-to-date changes. General Industry Standards will cost $21; construction $8; rules and regulations $5.50; compliance manual $8.

2. A series of 39 indexes will be completed this summer. Will tell what standards are applicable to various industries, occupations, or trades.

3. $3 million contract awarded to National Safety Council which has brought in many of its local safety councils to provide free seminars on OSHA and its requirements.

4. Chicago Training Center provides free one-week courses available to employers and employees.

5. OSHA now has over 100 area offices where employers can get information and can discuss particular problems in their plants.

Suggested Titles for Index to OSHA Standards Project

Basic Occupational Safety and Health Index for ALL Employers.

Basic Occupational Safety and Health Index for ALL Construction Work.

Roofing and Sheet Metal.

Manufacture of Mobile Homes and Recreation Trailers and Bodies.

Excavating; Trenching; Concrete Work; and Steel Erection.

Food and Kindred Products Production (Including Heat and Meat Products (Does not include production of alcoholic beverages).

Materials Handling and Storage (Including Warehousing).

Manufacturing Wood Furniture and Fixtures.

Lumber Milling and Millworking (Does not include mobile home manufacturing).

Logging and Logging Camp Operation.

Wrecking and Demolition.

Masonry and Stonework; Tilesetting; Plastering.

Manufacturing Metal Furniture and Fixtures.

Manufacturing Stone, Clay, Glass and Concrete Products.

Manufacturing Parts; Precision Equipment; General Hardware and Electronic Devices.

Printing and Allied Operations.

Paper and Paperboard Converting.

Pulp, Paper, and Kraft Milling.

Tobacco Manufacturing.

Textile Milling.

Electrical Work and Equipment Installation.

Laundering.

Equipment Repair Services.

Road Vehicle Servicing, Maintenance and Repair.

Health Services.

Cutting and Sewing Fabrics and Hides (Needle Trades).

Processing of Hides (For synthetics, see chemicals production).

Refuse and Garbage Disposal.

Production of Primary Metals; and Heavy Fabrication of Metals Including Machinery and Transportation Equipment (Including Metal Moving).

Petroleum Refining and Chemicals Production (Includes Rubber and Plastics).

Oil and Gas Drilling and Extraction (Does not include pipeline operation, or transportation of bulk).

Commercial Food Product Baking.

Painting and Decorating.

Carpentering; Flooring; Glazing.

Construction of Bridges; Tunnels; Elevated Highways; Service Mains; Pipe, Power and Communication Lines.

Forestry (Does not include fishing, hunting, and trapping).

Number of OSHA publications in print
(Estimate)

OSHA Act	400, 000
OSHA Act in Spanish	85, 000
All about OSHA	1, 500, 000
Safety and health protection on the job	8, 000, 000
Recordkeeping requirements under the Williams-Steiger Occupational Safety and Health Act of 1970	6, 000, 000
Handy reference guide	750, 000
Fact sheet for small business	300, 000
Target health hazard	150, 000
Principles and techniques in mechanical guarding	200, 000
Safe practices for excavation and trenching operations	150, 000
Contractors planning for job safety and health in excavation, trenching and backfilling	150, 000
15 questions	150, 000
Employer-employee safe practices for excavation and trenching operations	150, 000

Index to OSHA Standards, Project Report

HISTORY OF KEY GUIDES PROJECT

Background

The publication of selected standards suitable to a given industry was suggested by a Congressional subcommittee (Select Committee on Small Business—Subcommittee on Environmental Impact on Small Business) following hearings investigating OSHA impact on small business. A program was planned and initiated to accomplish the need identified by the committee.

Initial efforts

The original program was a two pronged effort to select those portions of the OSHA standards that affected particular industries.

The industries to be covered were selected from a comparison of those areas where a large number of citations had resulted from OSHA inspections and where a large segment of the employers were small business. No attempt was made to incorporate the skewed weighting effects that resulted from the relatively few Industrial Hygienists that OSHA had in the field. A total of 58 industries were selected.

The initial effort was headed by an appointee working for OSHA under the White House exchange program with a background in aerospace industries and an interest in safety.

A task force group started work on a "cut and paste" operation to assemble parts of the standards that covered each selected industry. This task group was drawn from OSHA field forces. Shortly after, a contract was awarded to accomplish the same task for part of the total list.

The initial output from the task group effort was reviewed in-house and the consensus opinion was that too much extraneous material remained in the selected standards. Much could be done and should be done to eliminate a great deal of the extraneous information and make it more useful and less confusing to the small businessman. An effort to accomplish this was initiated within the Office of Standards.

The contractor had continued his efforts of examining the standards in detail and selecting standards provisions that applied to each industry. It became obvious to the contractor that a consolidation could be accomplished by selecting the provisions that applied to all industry and placing them in a separate volume and by combining certain industries. Further, the "all industry" provisions would cover a sizeable number of individual industries (more than 1200 non-manufacturing industries alone) without the necessity of any other specialized booklets. The obvious advantage to the employer who needed several key guides to cover his operations is very attractive. No longer would he be burdened with having to read the same material repeatedly in each book.

At this point, around August 14, 1973, internal changes in the Office of Standards resulted in relocation of these efforts from the Division of Special Industries to the Division of Technical Information.

NEW APPROACHES

Initial efforts were made to perform the following:

Two general booklets for general industry and construction were planned.

The 58 industries were consolidated by combining related industries that could be covered by single booklets.

Efforts were made to reduce the material from the OSHA standards of concern to the manufacturer of equipment but which is of no value to the average employer (except to know of its existence) by replacing quantities of standards with short annotations.

The overall direction was shifted from total reliance on industries and SIC codes to include occupations, trades, crafts, and functions where this can more effectively provide coverage.

At this point, around December 1, 1973, a top management decision was made to stop work on the contract and to change and re-examine the entire concept of a digest of the standards versus a key guide index. To test out the appearances of this, several draft layouts were prepared by cut-and-paste operation using the index from the OSHA Subscription Service and a presentation made to A/Secretary Stender on December 20, 1973.

In order to accomplish this and other changes it was necessary to modify the work statement and terms of our contract with Federated Analysis, Consulting and Technical Services. A revised work statement was delivered to OASA in late December, 1973. A proposed revision was sent to the contractor in early January. The contractor responded well within the thirty day period that OASA allowed and, as of February 15, 1974, no action has been taken by OASA.

A meeting with the contractor on February 14, 1974, resulted in a finalized list (Appendix A) and in an agreement in the technical aspects of the revised work statement and schedule.

Attempts to contact the Contracting Officer OASA have been singularly unsuccessful.

The delivery schedule proposed by the contractor is predicted on successful use of a computer program by the Applied Physics Laboratory of Johns Hopkins University. The program was developed on government funding. The computer is a government-leased facility. Only normal direct labor, overhead, and General and Administrative would be applied as cost to the contract. However, the Department must approve use of non-Department computational facilities; this must be accomplished. Failure to do so will materially slow down the production of the indexes.

If the list-forming program is unable to produce the desired lists and other products (Key Guide Index), this would mean the job must be accomplished manually. This is slower, of course, and will require additional time to complete all of the guides. We have been assured, however, that is an unlikely event.

MANPOWER REQUIREMENTS

No additional contractor manning requirements are included. Increasing the manning of the many facets would result in difficulties of work interference and inconsistencies.

For the cover preparation, the continued effort of Robert Schmitt is required. He was involved in the work done on the covers to date and is familiar with the various processes.

The early review of front matter, text, rework, and functions in final preparation of copy will require the work of Mr. Schmitt and Mr. Moore who can provide the needed expertise.

The review steps within OSHA will require the services of various staff members outside standards; this will take them away from other duties. No details are provided in the plan as their performance in the review is less a problem in the amount of time, but will be critical in providing a timely response.

You will note our plan calls for field review as well. Review with the private sector is also recommended. This review may, however, be coordinated by others in OSHA (voluntary compliance or Office of Information, or Lou Cox).

SCHEDULING

The steps for producing reproducible draft copy are shown in Figure 1. The critical path is not shown, but, in general, the indexing and the selection processes appear critical.

The schedule of significant milestones is shown in Figure 2; of note is that over the short performance period it is not appropriate to attempt to use PERT or similar management control techniques. There is not time to correct slippage. What is needed is constant vigilance over the two critical operations to assure that no slippage occurs. Figures 3 and 4 show milestones for the entire project.

ACTION ITEMS

1. Obtain approval for outside computer application.
2. Finalize the modified contract (GO AHEAD!)
3. Initiate review of foreword, direction for use of the guides and disclaimers.
4. Setup coordination points with the Office of Standards, other OSHA offices, and with Solicitor of Labor for review sequencing of material.
5. Submit weekly reports to AASN.

Mr. JAVITS. Mr. President, OSHA was a great reform. All of us who have had anything to do with it—the Senator from Colorado (Mr. Dominick), like myself, the Senator from New Jersey (Mr. Williams), the Senator from Ohio (Mr. Taft), who have had a great deal to do with it—are extremely proud of that fact.

It would be a cliche belaboring the obvious to say human life and the maiming of human beings is about the most important thing we have to deal with in a civilized society. As the Senator from New Hampshire (Mr. McIntyre) said, when we realize the number of casualties of a couple of million a year, with 14,000 or 15,000 killed in industrial accidents, it can be seen why we passed this law and why we have to encourage it.

So my conclusions would be as follows:

No. 1, we cannot really weigh this bill down. We have had a number of votes on it already rejecting extraneous amendments.

No. 2, there are some things which are sought here which are not sound, other things are sound, and I pledge myself to join with my colleague from Colorado (Mr. Dominick) in getting action on those.

Finally, I deeply believe the proper course for this is hearings, and I will do my utmost—perhaps I have a little influence left with the chairman of our committee—to get to this at the earliest moment; if we have to in a specialized way, to deal with the committee's calendar. For example, if we do not get anywhere with the Secretary of Labor on the on-site inspection question, conceivably we could have a hearing on that particular subject which would get us action on that subject, just as the agency itself has broken up the lines of businesses in different brochures. We may get more action in proceeding that way.

So I think, with all respect to the Senator from Colorado (Mr. Dominick) and what he is trying to do, we will make good progress, we will probably make the best progress, by the routes I have described. I therefore feel that I shall have to support the motion to table.

Mr. DOMINICK. Mr. President, I yield myself 1 minute just to comment lightly to the Senator from New York that I am getting awfully tired of everybody agreeing with the substance of my amendment and finally getting it tabled. It gets a little tiring to hear everybody saying, "I agree with you, but I am going to knock you down." It is my hope they will not succeed on that.

On the subject of the variance, it should be observed that the variance, must be at least as effective as the standard.

It would seem to me that the Senator from New Hampshire (Mr. McIntyre) gave a good example when he illustrated the instance of someone painting a white line and then someone coming in and saying, "You have to paint a red line." Maybe a white line is the kind they paint in New Hampshire, and a red line is the kind they paint in New York. What difference does it make whether it is a red line or a white line? It is still paint and it still is designed to show what the problem is. The obvious question on that particular subject is, which shows up more clearly? Which indicates a danger? Suppose they had a white line with a red plaque on it? One could go on forever and ever on that kind of thing. All I can say is that I now yield 10 minutes to the Senator from Idaho.

The PRESIDING OFFICER (Mr. COTTON). The Senator from Idaho is recognized for 10 minutes.

Mr. McCLURE. Mr. President, I first want to commend the senior Senator from Colorado for the leadership which he has shown in bringing this matter to the floor in this manner. It is the kind of leadership we have been accustomed to his taking in matters of this kind, and the fact that this has attracted such a large number is a tribute to that leadership and also an indication of the grim necessity of it.

It has been pointed out that various representations have been made since the act was passed for hearings and amendments, and still nothing has been done, and still today we hear the statement being made, this is not the way, this is not the time; let us hold hearings first.

Those of us who have been around here more than a year or two recognize when we are being put off and that really no action may follow, and I am afraid that may be so here even after the GAO report. But, as the Senator from Colorado has so correctly pointed out, even with the adoption of these relatively minor changes in the act, there is much in the act to which we can direct our attention following the GAO report, and indeed, if that report indicates that what we do hear is ill-advised, we can change what we do here today; and so I hope we adopt the amendment here today as a first step, not as final action, in the revision of the OSHA act.

Every Member of the Senate and the House of Representatives has had dozens and dozens of bad cases recited to him. I do not suppose it does a great deal of good to cite them again because they have been recited for the record and the CONGRESSIONAL RECORD over the last several years as instances of ridiculous enforcement, unmerited enforcement punitive fines, the kind of things which lead people to refer to OSHA inspectors as Gestapo agents, the kind of inspection which happily has not characterized it so much in the last year as it did in the first year. So the enforcement is better than it was. However, it certainly is not what we as free Americans have a right to expect from our Government.

There have been many bad cases, not only the one cited by the Senator from New Hampshire. A contractor in Boise, Idaho, was erecting a scafford to the second story of a building. The regulations required that toe boards as well as rails be put around the scaffold. The carpenter was putting the toe board around one end of the scaffold, and the inspector was at the other end of the board writing a citation because they were not on yet. That is the kind of enforcement which I think every one of us has the right to feel offended by.

I think that beyond the extremely bad enforcement of what was intended to be a good act, we should look at other things, things which this amendment will not solve. I think we need to look at the growing need for criminal penalties instead of a civil statute in order to circumvent the constitutional right of due process before someone is found guilty and fined. OSHA is just another manifestation of that very serious infringement upon the right of free people to remain free from the oppression of government.

We have in this act gone a long way down the road to saying that a person has no right to a presumption of innocence; that he has no right to counsel at all stages of the proceedings, with counsel to be paid, if necessary, by the taxpayers.

We have gone a long way down the road toward depriving individual citizens of the individual rights guaranteed by the Constitution, and have done so under the guise of a civil penalty. We must get into that field, and get their soon.

I would suggest, too, that appeals have been taken from penalties, as cited by the Senator from Nebraska, as evidence not only of a pattern of indecision or fear on the part of the administrator that they might lose in court, but also as a technique used too often by a large entity dealing with a much smaller entity; and that is to wear them down and to use the oppressive tactics of government to destroy them simply because they cannot contend for their rights. So they charge them with a high fine and require them to go through the appellate procedure. They then reduce the penalty so that they cannot afford to get civil justice, and will pay the fines.

Is that justice? It is being done. That is why I say that we should look at some other aspects of the law, not just this one, and say that whenever a citizen of our country is called up to defend himself against the Government or to assert his rights against the Government and the Government is found to be wrong, the Government should be called upon to pay all reasonable costs of that proceeding, and all expenses including attorneys fees.

We did that a long time ago with respect to insurance companies in every State of the Union because the economic might of the insurance companies was too powerful simply because their power was great enough to deprive individual citizens of their rights. The insurance companies had house counsel and could destroy the rights of an individual or individuals who could no longer assert their rights or afford to pay counsel. If the weight of insurance companies was so great that the Government found it necessary to protect its citizens against them, how much greater is the pressure exerted by a bureaucracy upon some small individual in our society?

We have been promised hearings. I remember 2 years ago, when I was in the House of Representatives, and Representative FINDLAY, of Illinois, and I sponsored a resolution which we attached to an appropriation measure which said that none of the funds could be used to enforce the measure against small businessmen who were unable to protect themselves.

We were promised hearings. They have gotten around to a hearing this year. They have not gotten around as yet, however, to the promise of 2 years ago that we should be given a hearing.

I commend the Senator from Colorado for doing what I think is obviously very necessary, namely to get this matter before the Senate where, I am satisfied, we will, indeed, be given the opportunity to make these very modest changes.

A revolt is taking place in the countryside. America is revolting against oppressive government. It is a revolt that says to me, "Amend the law and make it reasonable or we will throw the whole thing out, and, if necessary, we will throw all of you out in the process."

This is the kind of arbitrary government, oppressive government, that is bringing the people to their senses. It is oppressive government, a government that does too much to them and too little for them, instead of assisting them in bringing about safe conditions for the men and women of the country.

A great many individual suggestions might be made about the amendment that would improve the administration of OSHA. I would hope that the Senator from New Jersey, the Senator from New York, and other Senators will be successful in their pledge to have hearings. I hope that when those hearings are held, Senators who have been concerned, and have expressed their concrn at various times in the past, will be able to attend them.

I further hope that several days will be set aside for those hearings and that testimony will be taken from Senators and Members of the House who will want to speak in behalf of their constituents. In those hearings we can address ourselves to a number of changes that might be made in the act in addition to the changes suggested here.

It is time the OSHAcrats were forced to add something to their guidelines and their compliance regulations and those other manifestations of arbitrary authority which, if unchecked, grow like cancer. That something is commonsense.

Commonsense does not dictate the use of an elevator guardrail which prevents loading an elevator, but OSHA has. Commonsense tells that if disgruntled employees can infringe rules and call for surprise inspections, you will see unfair fines. But that has happened under OSHA.

Commonsense tells everyone that if you impose a safety regulation on a device—thereby completely precluding its future use—you have been of no assistance to anyone, but this notion is apparently too complicated for OSHAcrats.

It is time for someone to tell the OSHA people that their primary business is not the harassment of citizens, not the collection of funds for the Federal Treasury, and not the swelling of welfare rolls with unemployed workers who lost their "unsafe jobs."

All of us get hundreds of letters each month about the administering of this program. Virtually every letterwriter opposes it, of course. But the most troubling ones are the letters from small businessmen who have suffered under OSHA. I quote from one of these communications, which arrived only a few days back, because it is typical of them all. The writer is a shop manager for a small metal fabricating plant. He says:

> We were recently cited by OSHA for not having a guard on our shear and press brake. We installed a guard on the shear which makes it more difficult to see the work piece, therefore making it less safe. In fifteen years of operation we have never had an accident with the shear. It is impossible to install a guard on a press brake and still use the machine. OSHA then came up with the idea of using push buttons instead of the standard foot treadle to actuate the press brake clutch. This stupid idea as it is, only serves as a distraction to the people holding the work piece. We were arbitrarily fined $550.00 for these so called serious violations. In my opinion, this is not due process of law.
>
> There are only two examples of the stupid and arbitrary citations issued by OSHA. A friend of mine was cited for the two same things previously mentioned. His inspector was obviously well qualified since he had a degree in biology.

This sort of thing does more to destroy the credibility of the Federal Government than 1,000 Watergates. It is time that we took the necessary steps to stop it.

Mr. President, again I wish to commend the Senator from Colorado (Mr. DOMINICK) for his leadership and for doing what is necessary when the legislative process does not yield itself to the very real demand of the people of the country that something be done about a law that is being misused and that has become oppressive to the working men and women of the country.

Mr. DOMINICK. Mr. President, I yield myself 2 minutes.

I thank the Senator from Idaho very much for his extremely lucid and helpful contributions.

I was reminded toward the end of his talk about a colloquy I had with the distinguished Senator from Vermont (Mr. AIKEN), who said that OSHA suddenly came along and said, "If you spray your orchard, then you can't go into it for a certain amount of time, depending upon the humidity, wind, and so forth." They set a standard that said, "You have to let your crop rot on the ground before you can do anything with it."

Otherwise there would be a violation of OSHA. So they were caught both ways. There have been many such protests on the part of Senators. We were able to change that. That is the unreasonable type of thing that we get into in a situation of this kind.

Mr. HRUSKA. Mr. President, it is with much interest and appreciation that I listened to the remarks of my distinguished colleagues from Nebraska (Mr. CURTIS) and Colorado (Mr. DOMINICK) concerning the Occupational Safety and Health Act.

It is with deep concern that I note the failure of the Congress so far to reform the Occupational Safety and Health Act of 1970. My office has received a steady stream of complaints from Nebraska businessmen, both large and small, who express grave dismay for the unfair application of this law. These are sincere and hardworking businessmen who recognize the need for safe standards of working conditions, but who also seek relief from the chaotic and inequitable provisions of this law.

Several bills, of which I am a cosponsor, are presently before the Senate which seek to amend OSHA. These bills provide a focal point for debate on this law and could serve as an excellent vehicle for positive reform in this area. It is indeed unfortunate that little action has been taken on these bills, particularly in view of the widespread and serious interest in this subject.

We all recognize that the goal of insuring safe and healthful working conditions is commendable and should be the objective for both employer and employee. OSHA was enacted by a Congress which intended to reduce the incidents of injury and illness on the job. However, in view of the large volume of critical comment which has been directed at this law and the evidence of serious problems confronting the business community, it is becoming increasingly clear that in practice this law is not working as the Congress intended.

Experience has shown that in execution the law is punitive rather than constructive.

As with many high-minded and well-intentioned experiments which have been enacted into law, it has become all too apparent that Congress has produced a burdensome and ineffective piece of machinery which at best is heavy-handed in operation and at worst of little help in the promotion of safety.

The objections to this law and its administration are by no means limited to Nebraska. The problems voiced by Nebraskans are similar to those voiced by businessmen all over America.

It has become apparent that less than a creditable job has been done to notify employers what to expect under the law. However, at the same time, much effort has been expended in exercising the stringent enforcement measures of the act. The arbitrary imposition of an estimated 20,000 rules and regulations has placed many businesses, and especially the small ones, in a financial pinch. Often the small businessman is forced to apply for a Small Business Administration loan, as is provided for in the act, and often has been compelled to reduce his work force. At a time when the economy needs full employment, the unduly restrictive provisions of OSHA must be corrected.

The time to reform OSHA is now. Senator DOMINICK's amendment is a most worthy proposal. It goes a long way in correcting many of the injustices that are built into the present law.

I, therefore, urge my fellow members to join wholeheartedly in support of Senator DOMINICK's proposal.

Mr. BAKER. Mr. President, as a cosponsor of S. 1147, I would like to take this opportunity to express my strong support for amendment No. 1215, Senator DOMINICK's proposal to correct existing deficiencies in the Occupational Safety and Health Act, which I am also cosponsoring.

The distinguished Senator from Colorado has already pointed out to the Senate the fact that none of the changes which he proposes to make in the OSHA law would result in lessened protection for employees. I share his full endorsement of the purposes of the Occupational Safety and Health Act: "to assure so far as possible every working man and woman in the Nation safe and healthful working conditions and to preserve our human resources." After several years of experience with the enforcement of the law, however, it is clear that the act has resulted in severe economic damage to many small businessmen, arbitrary assessment of penalties, and a wide-spread loss of respect for the Federal Government within the business community.

The purpose of the law can be successfully fulfilled only if the Nation's employers work with the Department of Labor in a spirit of cooperation, and such a spirit can only be achieved if employers are given the assistance which they need in order to come into compliance with safety standards.

The basic deficiencies in the law are as follows:

First, safety standards are promulgated without adequate consideration of the manner in which they should be applied to various types of businesses, the difficulty which businesses may have in meeting the standards, or the effectiveness of those standards in protecting the health and safety of employees. Amendment No. 1215 would require that OSHA consider the economic impact of proposed new standards on affected employers and publish in the Federal Register a summary statement of economic impact when the standards are proposed. The agency would, therefore, be fully aware of what effect its proposals would have upon employers and consumers prior to adoption of a new standard, and the affected parties would have an opportunity to add their comments to the Department's findings.

Second, insufficient attention has been given to the problem of acquainting employers with the standards, explaining to them how they can comply with the standards, and giving them adequate time within which to comply before inspections are made. Senator DOMINICK's amendment would remedy these difficulties by requiring OSHA to provide advice and technical assistance to employers of 100 employees or less through consultative inspections during which employers can be advised of potential violations of safety standards without being assessed penalties.

Third, Federal inspectors are given absolute power to arbitrarily issue citations to employers and then to require immediate payment of fines without explaining how the employer can bring his operation into compliance with the law or allowing him enough time to do so. Amendment No. 1215 would alleviate these problems by making several changes in the penalty provisions of the law. First, the amendment would remove OSHA's discretionary power to assess penalties for nonserious violations on the first inspection. In addition, in the case of serious violations of safety standards, the amendment would provide discretion with the Agency as to whether or not a fine must be assessed. An employer's efforts to come into compliance with safety standards and his record of safety could, therefore, be taken into consideration by OSHA. Finally, the amendment would allow an employer to apply for a variance from OSHA standards after he has received a citation on the grounds that safety measures in effect in his place of business at the time of the citation were equally as effective as the OSHA regulations in protecting his employees.

Several of the amendments contained in amendment No. 1215 were recommended by the Subcommittee on Environmental Problems Affecting Small Business of the House Select Committee on Small Business after a study of the law's impact on businesses in 1972. I am convinced, Mr. President, that adoption of these changes in the law will greatly increase its effectiveness without detracting in any way from its purpose.

Logic and common sense indicate that it is in the best interest of every employer to provide the safest, most healthful, most attractive working conditions for his employees. This is particularly true of small businesses, where the employer may have a difficult time finding good workers, may invest a good deal of time and money in training them, and where his income and profit depend very directly upon the workers' productivity and good health. Enforcement of Federal occupational safety and health standards should concentrate on facilitating compliance with those standards and on a realistic attitude toward alternate safety measures which may provide as much or more protection to employees. Experience with the Occupational Safety and Health Act as now written, however, seems to indicate that more attention is placed on collecting fines than on insuring compliance and that the employer is more frequently frustrated in his attempts to understanding and obey the law than knowledgeable about the requirements he must meet and how he can meet them.

Mr. President, I believe that amendment No. 1215 is a reasonable proposal which will increase compliance with the law and restore some of the confidence that has been lost in the Federal Government, and I urge its adoption by the Senate today.

Mr. TUNNEY. Mr. President, this is an inappropriate time to consider amendments to the Occupational Safety and Health Act of 1970. The minimal amount of time that has been designated for debate on this OSHA amendment is totally inadequate for proper consideration and discussion of this serious and far-reaching legislation. This amendment, as well as other OSHA amendments previously introduced and now awaiting committee action, should be aired in open hearings so that all sides might be weighed and discussed. The employers and employees of this Nation deserve more thoughtful and careful consideration than a hasty debate on this Senate floor. May I urge full hearings by the Senate Labor and Public Welfare Committee on this issue rather than hasty floor action here today.

Mr. DOLE. Mr. President, as a cosponsor of this amendment to modify the Occupational Safety and Health Act of 1970 by altering some of its punitive aspects, I would like to say that the law as it now stands has been extremely unpopular in the State of Kansas.

I have received hundreds of complaints from employers—particularly from small firms—during the period since enactment of OSHA, most of them advocating outright repeal of the act. While I do not believe that that type of action is either necessary or practical, I do feel very strongly that we must do something substantial to make the law more reasonable and effective for all concerned.

Perhaps the most objectionable of the present OSHA provisions is the mandatory assessment of penalties for first-instance, nonserious violations of the act. Besides the obvious "due process" constitutional question which this raises, it tends to defeat the whole spirit of fairness with which the enforcement proceedings of any Government program have traditionally been conducted.

I think that this amendment—by making such penalties discretionary, in addition to rescinding authority to issue citations for violations found on employer-requested visits to smaller businesses—will go far toward fostering an attitude of acceptance among those endeavoring to comply in "good faith" with safety regulations.

Certainly, no employer is opposed to taking every reasonable step possible to assure safe and healthy working conditions for those under his supervision. At the same time, he cannot afford to become so preoccupied with forecasting potential hazards—in order to avoid being fined—that the economic viability of his business is jeopardized.

The key to overall success in the implementation of OSHA, then, is to seek cooperation between employers and inspectors in working to eliminate dangerous job situations. The way to arrive at that goal is to encourage and assist those charged with the well-being of their workers to correct the problems which may exist. This may very readily be achieved, I think, by changing the emphasis of OSHA methodology from punitive harassment of employers to offering—in a positive way—technical advice and constructive recommendations in advance of any sanctions or adverse action.

No one solution to any problem is absolute, but the philosophy of allowing a reasonable "grace period" has worked quite adequately with both municipal building and fire inspectors, as well as with vehicle safety officials. The same standard should also be applied to occupational safety and health matters, and I urge adoption of this amendment to accomplish that change.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Colorado, Mr. DOMINICK.

The Occupational Safety and Health Act has been the source of unnecessary problems and irritation for businessmen throughout this country. I was one of only three Senators voting against its passage in November of 1970, but I am certain that our number would have been much greater if developments which have transpired in the last 4 years could have been foreseen.

Mr. President, many businessmen resent this act and they resent the manner in which it has been administered. If its objectives are ever to be reached, it will be through a spirit of cooperation and understanding, not coercion, intimidation and the imposition of penalty. All the good faith in the world will be of no good whatsoever until certain provisions of this act are changed so that this attitude can be exercised. This amendment would accomplish precisely that. It would not lessen the protection for any employees, nor would it exempt any employers from coverage.

This amendment contains several provisions. One would require OSHA to provide advice and technical assistance through onsite consultations to those smaller businesses requesting it, with no threat of citations. Many employers with 100 or less employees need assistance in understanding and complying with OSHA standards and this provision would allow it. As the law now stands, such an obviously beneficial course of action is not allowed.

Another provision would allow an employer to operate under a variance from OSHA standards if his work procedures were found to be equally effective in protecting his employees. This is only reasonable.

Some of the other provisions would change the penalty for serious violations from mandatory to permissive and disallow the imposition of penalties for nonserious violations detected on the first inspection. In this way, employers will not be fined automatically for serious violations when the circumstances do not warrant it, and fines for nonserious violations of standards which are unknown to the employer will be precluded.

Mr. President, opponents of this amendment contend that we are moving too fast and that these propositions should be studied and analyzed before they are considered. In my judgment, this concern is unwarranted. This amendment is simple and straightforward. It is not subtle or complex. The faults in the law which this amendment addresses have been allowed to exist too long and the sooner we adopt these remedial measures the better off business in this country will be.

Mr. President, I am pleased to be a cosponsor of this much needed amendment and I hope that my colleagues will give it their favorable consideration.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have a statement by the distinguished Senator from Florida (Mr. Chiles) printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Chiles

The amendment that Senator Dominick has submitted to S. 3203, providing for changes in the Occupational Safety and Health Act of 1970, points very clearly to the continued concern with this law, as presently constituted, and the interest in amending legislation. In the several years since enactment of OSHA, I and I am sure many of my colleagues have become aware of a pervasive dissatisfaction among members of the business community with the administration of OSHA. The objections that have been raised by employers do not represent a lack of support for the goal of assuring safe and healthful working conditions but a concern with a pattern of unreasonable requirements, confusing standards and a lack of assistance, in achieving compliance, that, if anything, works against the development of better working conditions.

It is my conviction that significant progress in the reduction of on-the-job injury and illness will only take place with the establishment of a working partnership between the employer and OSHA. At present there is an atmosphere of acrimony and suspicion that is most certainly working against the development of a truly effective worker safety program.

In response to what I feel have been reasonable and responsible criticisms of the way OSHA operates, I have offered a number of amendments which I feel will rectify the problem areas and put the effort to accomplish improved worker safety back on the right track. Over a year ago, Senator Dominick introduced legislation providing for amendments to the act. Yet there has been no action on these proposals which has prompted the introduction of this amendment to S. 3203.

The level and persistence of interest and concern in respect to the performance of the Occupational Safety and Health Administration indicates quite clearly the need for the Senate and particularly the Labor and Public Welfare Committee to address itself to this issue. Hearings should be initiated promptly to take a long, hard look at the experience of the employer with OSHA and to determine areas in which the law can be amended—not to lessen worker protection but to foster a better working relationship between OSHA and the employer with the ultimate result being improved safety and health conditions for working men and women.

Mr. DOMINICK. Mr. President, I do not have any more requests for time. If the manager of the bill is ready—Mr. President, may I have the attention of the manager of the bill?

Mr. WILLIAMS. Mr. President, I am sorry. I am being asked by the Senator from North Dakota (Mr. Burdick) if I had promised hearings this year. Is that the question?

Mr. DOMINICK. No. My question is whether the Senator is ready to yield back his time.

Mr. WILLIAMS. The answer is "Yes." I am prepared to yield back my time and move to table the amendment.

Mr. DOMINICK. Mr. President, I yield back the remainder of my time.

Mr. WILLIAMS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion to table.

Mr. DOMINICK. Mr. President, I suggest the absence of a quorum so that we can bring into the Chamber enough Senators to secure the yeas and nays.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMINICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, I ask for the yeas and nays on the motion to lay on the table.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. McClure). The question is on agreeing to the motion to lay on the table the amendment (No. 1215) of the Senator from Colorado (Mr. Dominick). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. METCALF (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Ohio (Mr. Metzenbaum). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. Allen), the Senator from Missouri (Mr. Eagleton), the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), the Senator from Montana (Mr. Mansfield), the Senator from Ohio (Mr. Metzenbaum), the Senator from Alabama (Mr. Sparkman), and the Senator from South Carolina (Mr. Hollings) are necessarily absent.

I further announce that the Senator from Florida (Mr. Chiles) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Packwood) is necessarily absent.

The result was announced—yeas 47, nays 40, as follows:

[No. 184 Leg.]

YEAS—47

Abourezk
Bayh
Beall
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Fong
Hart
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mathias
McGee
McGovern
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—40

Aiken
Baker
Bartlett
Bellmon
Bennett
Bentsen
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Church
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Fannin
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hruska
Johnston
Long
McClellan
McClure
McIntyre
Nunn
Roth
Scott, William L.
Stennis
Talmadge
Thurmond
Tower
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Metcalf, against

NOT VOTING—12

Allen
Chiles
Eagleton
Ervin
Fulbright
Gravel
Hollings
Hughes
Mansfield
Metzenbaum
Packwood
Sparkman

So the motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. McClure). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. STAFFORD. Mr. President, I am introducing an amendment to the Occupational Safety and Health Act of 1970 which will provide initial onsite inspections not subject to penalties in certain cases and provide for a more adequate means of voluntary compliance with the provisions of the act.

The bill would require the Secretary of Labor to file public reports on violations classified by industry and occupation and furnish these documents to trade and labor organizations to facilitate voluntary compliance.

The Occupational Safety and Health Amendments of 1974 that I am introducing are designed not to have a detrimental effect on the objectives of the 1970 act for it is the right of every American to work in a danger free environment, and it is the responsibility of the employer to provide a safe working environment.

I cannot think of a better manifestation of concern for the public interest than the 1970 Occupational Safety and Health Act and I commend its principal sponsor, Senator Williams, for the hard work which he put into the development of this act.

As many of my colleagues are aware, the administration of OSHA has been the source of frequent complaints from both labor and management in the field. It is my belief that these complaints are a result of unrealistic administration of the act by the Department of Labor.

It is my belief that the act was not meant to be punitive to those employers who wish to comply with the provisions.

The hearings held by the Labor and Public Welfare Committee during the last Congress showed our concern for a better enforcement of the law and one that was just for both employee and the employer. I believe a number of improvements have been made in the administration's program. However, a couple of points of the 1970 law do not adequately address the problems faced by the workers and employers. Therefore, I am introducing a bill which will substantially improve the administration and enforcement of the act by allowing for fuller cooperation between Government and private industry.

First, my bill would require that the Secretary of Labor compile and publish at least semiannually a report of cases of violations under the act which most often occurred during the 6 preceding months and that this report be issued to all those who have interest in receiving it so that it would facilitate compliance.

Second, the bill would amend section 9 of the law to allow an employer to request an initial onsite inspection in order to facilitate his compliance with the provisions of the law. This initial inspection to facilitate compliance to be done by an inspector who would compile all existing potential violations and provide the employer with a listing. The employer would not be given citations for such violations in this initial requested inspection but would be given a reasonable time, not exceeding 20 working days, to abate the violations as required by the law.

After the conclusion of such "reasonable time" the inspector would resurvey the site to ascertain whether the violations had been corrected. If the violations were corrected or satisfactory interim steps were taken by the employer to provide a safe working environment, then no citations would be issued. However, if the employer failed to correct any such violations, then the inspector would issue citations for still existing violations and the normal course for imposing penalties would take place.

This new provision could not be utilized by any employer who had been fined for a serious violation of the provisions of the act and could not be used more than once by an employer.

This provision provides the necessary consultation that an employer needs to find violations which he might not be aware of while placing the burden on the employer to correct the violations as soon as possible. The employer is only relieved of the penalties of the law when he has corrected the violations of the law.

The responsibility of the employer to comply with this act or that of the Federal Government to enforce the act should not be waived in whole in an attempt to facilitate compliance. By the method that I propose in my bill, of an initial request inspection by an employer with a period of grace for correction of violations, we can obtain speedier compliance in a safer working environment without abrogating our responsibility.

Senator WILLIAMS, in his letter of May 6, stated that he intends to hold hearings in the Labor and Public Welfare Committee when the General Accounting Office's complete study of OSHA compliance and enforcement is completed. I hope at that time that we can also examine the different pending pieces of legislation that would amend the Occupational Safety and Health Act of 1970 in view of all the information we have available.

I think subcommittee hearings and full committee consideration is a necessity when we consider changes of this magnitude that effect the lives and health of the millions of American workers.

Mr. TAFT. Mr. President, before the debate is closed on S. 3203, there are a number of areas that I would like to clarify. Under section (b) of S. 3203, a new subsection 2(14) is added to the National Labor Relations Act; it is to read as follows:

> (14) The term "Health Care Institution" shall include any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged persons.

As pointed out by the committee report this new definition is not meant to cover public employees and, therefore, the applicable exemption in section 2(2) of the act is to continue unchanged. The scope of the application of this amendment is meant to include patient care situations and is not meant to include purely administrative health connected facilities. As an example, an insurance company specializing in medical coverage would not fall under the scope of these amendments, but would remain under general coverage of the act. An administrative facility or operation within a hospital, however, would be within the scope of the amendments as there would be a connection directly and indirectly with ongoing patient care. The crucial connection is the welfare of the patients and such connection would in certain cases be mere geographical proximity to ongoing patient care. As to doctors' offices and clinics, I would think the board would continue to apply reasonable monetary standards—the board's current self-imposed jurisdictional standards for proprietary hospitals is $250,000 total annual volume of business and at least $100,000 for proprietary nursing homes. At least these standards, if not greater monetary levels, should be applicable in light of current inflation.

As to coverage of health maintenance organizations, our intent was to parallel the definition contained in Public Law 93–222, the Health Maintenance Organization and Resources Act of 1973. Each of these areas of coverage, I believe, certainly merits a finding of rational connection with interstate commerce and the public welfare. I would particularly note the increasing financial impact of health care to the national economy with a projected estimate that the health care field may be the Nation's largest employer by 1975. As an example of the impact, just in nursing homes, I would note the board's decision in University Nursing Home, 168 NLRB 263 (1967).

Second, I believe it should be stressed that the only time the 10–day strike-picket notice in new section 8(g) would not apply would be in usual and ordinary unfair labor practice cases. Only where the actions of the employer "reflect a flagrant example of interference by the employers with the expressly protected right of their employees to select their own bargaining representative," *Mastro Plastics Corp.* v. *National Labor Relations Board*, 350 U.S. 270(1956) at page 278 would the restrictions and requirements of 8(g) not apply. It is not correct that this 10-day period can be nullified by "an unfair labor practice" as was stated by one of the cosponsors of S. 3203 in debate on the bill last Thursday. My intent in drafting this provision was only to permit the nullification of 8(g) requirements of exceptional cases such as Mastro Plastics supra, due to the overriding public interest in continuity of patient care. This point and intent by the committee was underscored by reference to the Mastro decision on page 4 of the report in discussing application of the 10-day notice.

Further, as I stated in my opening remarks, it is important to remember that a violation of 8(g) will constitute an independent unfair labor practice and may also constitute a refusal to bargain under 8(b)(3). Violation of this subsection may also constitute violation of other provisions of the act. It is absolutely crucial that these sanctions be available to give meaning to this new subsection.

Another issue that was not discussed in the opening day of debate on S. 3203 pertains to supervisors. The committee report on page 6 quite accurately and succinctly explains the committee rationale for rejecting proposed amendments to section 2(11) of the act. I would note with regard to the continuing evaluation in this area, contemplated by the report, my positive reaction to a decision in this general area last month by the Supreme Court, *National Labor Relations Board* v. *Bell Aerospace Co., Division of Textron, Inc.* (slip opinion No. 72–1598, April 23, 1974). Certainly the same general principles will apply in the health care field, as the test as to whether an individual is an employee or not will not rest solely on the test of a "potential conflict of interest in labor relations." Such an approach as contained in Bell Aerospace, supra, certainly is consistent with the objectives of S. 3203.

As to the issue of bargaining units, I would like to clarify that my omission in my opening remarks to mention the footnote to the Extendicare case in the committee report, certainly was accidental. As stated in the committee report:

> By our reference to Extendicare, we do not necessarily approve all the holdings of that decision.

Part of the unit findings in that case, it can be argued, was overly broad and not consistent with minimization of the number of bargaining units in health care institutions. Certainly, every effort should be made to prevent a proliferation of bargaining units in the health care field and this was one of the central issues leading to agreement on this legislation. In this area there is a definite need for the Board to examine the public interest in determining appropriate bargaining units. *NLRB* v. *Delaware-New*

Jersey Ferry Co., 128 F. 2d 130 (3rd Cir. 1942).

Another area that was discussed last week was the possibility of the Board ceding jurisdiction to a particular State law. A case in point is the State law of Minnesota. As the Senator from Minnesota (Mr. MONDALE) pointed out last week, this State law has worked extremely well and is endorsed by the State AFL-CIO, and the State Hospital Association and other interested groups in the State. Under these circumstances, it would certainly seem that the Board should consider ceding jurisdiction under 10(a) of the act. This provision reads as follows:

> SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in section 8) affecting commerce. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise: *Provided*, That the Board is empowered by agreement with any agency of any State or territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith.

The key here are the words "inconsistent with the corresponding provisions of this act or has received a construction inconsistent therewith." In examining the legislative history of this provision in the 1947 amendments it is not clear that the Congress rejected a liberal interpretation of this section. That is to say, a State act may share the same objectives of the national act and be compatible with regard to unfair labor practice settlement procedures, representation procedures, and other duties and obligations under the act. If a State act went beyond these procedures, however, with regard to strike situations it would not necessarily have to be consistent with the 1947 amendments. First, the National Labor Relations Act has only a few provisions with regard to impasse situations. These particular provisions are commonly known as the Taft-Hartley emergency disputes procedures under section 208 of the Labor Management Relations Act. Certainly a State could enact a law consistent with the provisions of the National Labor Relations Act and be ceded jurisdiction under 10(a) without necessarily becoming involved in strike resolution procedures. Even if the Board felt that such consideration was necessary in reference to 10(a), such procedures in a State could be consistent with the purposes of the act if they were designed to resolve disputes consistent with section 208 of the Labor Management Relations Act. These principles certainly should be explored with relation to the Minnesota State statute for labor relations in hospitals.

Mr. President, S. 3203 is a compromise and as in all compromises it represents give and take by all parties. I realize that there will be those who are not completely satisfied from both a labor and management perspective as to the final draft of S. 3203. As I have stated previously, however, I believe labor relations in the health care sector of the economy will be significantly improved by the provisions contained in S. 3203. This legislation marks the first time in the history of the National Labor Relations Act that a particular occupational group has been singled out for special consideration. This legislation clearly reflects the congressional recognition that health care is significantly different enough from other aspects of the economy to merit special protections and procedures under the act. As was stated last Thursday, particularly in the area of recognition strikes, improvements will result in labor relations in health care institutions. The other statutory protections and intent outlined in the committee report will be a positive step for the framework of future labor relation legislation in this country.

I would like to thank the staff of the Labor and Public Welfare Committee, including Gene Mittleman, Don Ellsberg, Jeff Doranz, and Bob Bohan for their work on this legislation. I also would like to thank representatives from various hospital associations throughout the country for working with my staff on this bill. On the labor side I would like to thank Jack Curran and Bob Connerton, of the International Laborer's Union; Dick Murphy of the Service Employees' International Union; Ken Young and Ken Meikeljohn of the AFL-CIO. Special thanks also should go to Richard Whalen, William Emmanuel, and Clifford Elliott for their outstanding contributions to this legislation. Mr. Elliott and Mr. Emmanuel have been involved with this bill since the outset of consideration of the issues involved and were very instrumental in helping Roger King of my staff in drafting provisions of S. 2292, S. 3088, and S.3203.

Mr. President, I am extremely hopeful that the Senate will adopt this legislation and that my colleagues in the House will also take expeditious action in permitting these proposals to be sent to the President for consideration. I yield the floor.

NLRA COVERAGE OF EMPLOYEES OF NONPROFIT HOSPITALS

Mr. HUMPHREY. Mr. President, it is time that we extended the rights granted under the National Labor Relations Act to employees of charitable health care institutions. It is simply unfair that the rights of these individuals not be protected under provisions similar to those available for the rest of America's workers. However, in extending these workers their due, the needs of our citizens for reliable health care has to be given careful consideration.

I believe that the bill before us today, which I support—S. 3203—represents a very reasonable approach to meeting these twin objectives. While extending NLRA coverage to nonprofit hospital employees, this bill makes special provision to safeguard hospital patients.

In particular, it seems to me that the 10-day statutory advance notice of any strike or picketing, which I feel would be an unacceptable interference with workers' rights in most other industries, is fully justified in the case of hospital employees.

I also understand that the National Labor Relations Board will give high priority to the resolution of disputes involving health care institutions. With their help, I hope we will be able to keep actual work stoppages at our hospitals at a very low level.

My only regret is that this legislation will preempt Minnesota's State law dealing with labor relations in nonprofit hospitals. Since 1947, the Minnesota Charitable Hospitals Act has served the citizens of my State well. It has protected workers and patients by prohibiting strikes, on the one hand, and requiring final and binding arbitration, on the other.

My colleague, Senator MONDALE, offered an amendment to S. 3203, when it was in committee, that would have exempted Minnesota's hospitals from this legislation. Regrettably, that measure was not accepted by the committee and would undoubtedly suffer a similar fate if offered today on the floor.

Despite this objection, I do support this legislation. For in most of the States in our Nation, workers in nonprofit hospitals do not have the bargaining power that comes with the right to strike or the requirement of binding arbitration.

I believe it is essential that we pass this bill today and extend coverage of the National Labor Relations Act to those 56 percent of all hospital workers in this country who are today excluded. It is a commonsense solution to meeting the dual objectives of protecting the rights of our workers and assuring reliable health care to our citizens.

Mr. THURMOND. Mr. President, I am opposed to passage of S. 3203. Private nonprofit hospitals have been specifically exempted from coverage under the National Labor Relations Act for 27 years, and I see no reason why such coverage should be extended now. Passage of this bill will expose these hospitals to strikes and lockouts which could severely jeopardize the delivery of health care in many parts of our country.

Mr. President, I am opposed to any extension of the National Labor Relations Act, as it is presently being administered by the National Labor Relations Board. I am particularly opposed when it is extended to an area as vital to the wellbeing of the American citizen as the health care industry.

Mr. JAVITS. Mr. President, I demand the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, this will be the last rollcall vote today.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. ALLEN), the Senator from Missouri (Mr. EAGLETON), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Florida (Mr. CHILES) is absent on official business.

On this vote, the Senator from Ohio (Mr. METZENBAUM) is paired with the Senator from North Carolina (Mr. ERVIN).

If present and voting, the Senator from Ohio would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. PACKWOOD) is necessarily absent.

The result was announced—yeas 63, nays 25, as follows:

[No. 185 Leg.]

YEAS—63

Abourezk
Aiken
Baker
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cook
Cranston
Domenici
Fong
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NAYS—25

Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd,
Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Eastland
Fannin
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
McClellan
McClure
Roth
Scott,
William L.
Stennis
Thurmond
Tower

NOT VOTING—12

Allen
Chiles
Eagleton
Ervin
Fulbright
Gravel
Hollings
Hughes
Mansfield
Metzenbaum
Packwood
Sparkman

So the bill (S. 3203) was passed, as follows:

S. 3203

An act to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(2) of the National Labor Relations Act is amended by striking out "or any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual,".

(b) Section 2 of such Act is amended by adding at the end thereof the following new subsection:

"(14) The term 'health care institution' shall include any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged persons.".

(c) The last sentence of section 8(d) of such Act is amended by striking out the words "the sixty-day" and inserting in lieu thereof "any notice" and by inserting before the words "shall lose" a comma and the following: "or who engages in any strike within the appropriate period specified in subsection (g) of this section,".

(d)(1) The last paragraph of section 8(d) of such Act is amended by adding at the end thereof the following new sentence: "Whenever the collective bargaining involves employees of a health care institution, the provisions of this section 8(d) shall be modified as follows:

"(A) The notice period of section 8(d)(1) shall be ninety days; the notice period of section 8(d)(3) shall be sixty days; and the contract period of section 8(d)(4) shall be ninety days.

"(B) Where the bargaining is for an initial agreement following certification or recognition, at least thirty day's notice of the existence of a dispute shall be given by the labor organization to the agencies set forth in section 8(d)(3).

"(C) After notice is given to the Federal Mediation and Conciliation Service under either clause (A) or (B) of this sentence, the Service shall promptly communicate with the parties and use its best efforts, by mediation and conciliation, to bring them to agreement. The parties shall participate fully and promptly in such meetings as may be undertaken by the Service for the purpose of aiding in a settlement of the dispute."

(e) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(g) A labor organization before engaging in any strike, picketing, or other concerted refusal to work at any health care institution shall, not less than ten days prior to such action, notify the institution in writing and the Federal Mediation and Conciliation Service of that intention, except that in the case of bargaining for an initial agreement following certification or recognition the notice required by this subsection shall not be given until the expiration of the period specified in clause (B) of the last sentence of section 8(d) of this Act. The notice shall state the date and time that such action will commence. The notice, once given, may be extended by the written agreement of both parties."

SEC. 2. The amendments made by this Act shall become effective on the thirtieth day after its date of enactment.

Mr. JAVITS. Mr. President, will the Senator yield to me for 1 minute on the bill?

Mr. WILLIAMS. I yield.

Mr. JAVITS. Mr. President, I thank my colleague for yielding.

I wish to commend Donald Elisburg, an aide to Senator WILLIAMS; Eugene Mittelman, my aide, and his assistant, David Dunn; Roger King, who helped Senator TAFT; and Bob Bahan, who helped Senator DOMINICK, for working on the fashioning of this bill. I have every expectation that it will have a good effect, constructive and peacemaking on labor-management relations in the hospital field. It will be our duty in conference to make the measure go as far as the Senate desired.

I particularly wish to congratulate my colleague from Ohio, Senator TAFT, who took great personal interest and had a lot to do with fashioning the measure we have just passed.

I thank the Senator for yielding.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 7, 1974, he presented to the President of the United States the following enrolled bills:

S. 1125. An act to extend through fiscal year 1974 certain expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; and

S. 2509. An act to name structure S-5A of the Central and Southern Florida Flood Control District, located in Palm Beach County, Florida, as the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, the first secretary-treasurer and chief engineer for the Central and Southern Florida Flood Control District.

STATEMENT OF SENATOR BARTLETT BEFORE SENATE COMMERCE COMMITTEE ON CONSUMER ENERGY ACT OF 1974

Mr. LONG. Mr. President, Senators and others will find it useful to have the views of the junior Senator from Oklahoma (Mr. BARTLETT) when considering proposals for extending further regulation to oil and gas production, as well as in connection with proposals leading toward nationalization of the industry.

I ask unanimous consent to have printed in the RECORD testimony before the Senate Commerce Committee on the Consumer Energy Act of 1974 by the Honorable DEWEY F. BARTLETT on April 23, 1974.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY BY SENATOR DEWEY F. BARTLETT

Mr. Chairman, I believe you and I want adequate supplies of domestic energy at reasonable prices for the consumers of the United States. However, this bill is not the vehicle to achieve that goal. On the contrary this bill would be counterproductive to that goal.

The real issue involved in this piece of legislation is whether the private enterprise system of this country should be replaced by governmental corporations.

If I might borrow an analogy from a fellow Oklahoman, "the current travail of the oil industry can be likened to a horse whose master has ridden it long and hard, without giving it sufficient feed along the way. Then, when the animal falters, the master begins to beat it to death because it has 'failed' him."

The Consumer Energy Act of 1974 does not address the real problem of increasing the energy supplies. There have been obvious imperfections in the federal policies toward and controls of energy over the last twenty years.

The free market system is truly the eighth wonder of the world. It has made this country great.

The working of the free market has been encumbered by Federal regulations, much like the fine lines of a once beautiful antique covered with many layers of paint. Instead of removing the layers of paint to reveal the beauty of the system, S. 2506 would slap on another layer—a thick layer of drab paint.

We saw it happen to the railroads. They were regulated to death. History is repeating itself.

If we are to have adequate supplies of natural gas in this country, the price must be deregulated. The Commerce Committee staff summary of the issues before this Committee (sent to members of the Committee by letter from Senator Magnuson on January 28, 1974) failed to mention the comments of Senator Tower, Senator Fannin, Senator Buckley, Senator Hansen, Senator Dole, Senator Bellmon, and Senator Bentsen before this Committee.

The basic assumption inherent in all of S. 2506 is that the petroleum industry is noncompetitive.

It is revealing that the years of Judiciary Committee testimony have not led to that conclusion.

The fact is that the producing industry is highly competitive. There has been no evidence to show that the industry is noncompetitive despite years of study by the Federal Trade Commission and the Department of Justice. Moreover, both the Federal Power Commission and the Supreme Court have stated that the producing segment of the industry is highly competitive.

I personally listened to a dozen days of hearings by the special subcommittee of the Interior and Insular Affairs Committee on Integrated Oil Operations. There was no convincing evidence to indicate that there is a lack of competition in the petroleum industry especially in the producing segment. Quite to the contrary there was significant data submitted showing that the exploration and producing industry was highly competitive.

It is significant that the independent refiners and marketers have increased their share in recent years. The decrease in the independent's role in exploration and development is directly attributable to direct and indirect controls of price. This bill will further reduce competition by squelching the independent out of business.

Independent producers drill 82% of the wells drilled in the U.S.; the top 30 majors drill only 18%. The petroleum industry is relatively unconcentrated when compared to other key industries such as steel, autos, aircraft and many more in which four firms have over 70% of the value of shipments of their industry.

The profits of the major oil companies are not indicative of monopoly profits. John Winger has said that petroleum profits are insufficient to meet their capital needs if the consumers' needs are to be satisfied (insert John Winger's "The Profit Situation").

It seems to me that if the producing industry were not competitive that the independent producer would be telling us so. Instead they have consistently testified over the years that today what is needed is deregulation of petroleum prices. They want freedom to compete—not a subsidized noncompetitive big brother.

The consequences of making the wrong assumption—that the petroleum industry is not competitive—are staggering. S. 2506 would increase our dependence upon foreign imports to satisfy our domestic energy needs. Not only would we have a balance of payments deficit that would be overwhelming, but the possibility that our supply might be cut off at any time would be intolerable.

Even if the petroleum producing industry is proven not to be competitive, S. 2506 is not the way a person who believes in free enterprise would solve the problem. If oligopoly is proven to exist, let's address the problem forthrightly, not in a round about way.

The federal government need not become involved in the business of producing petroleum when that function can be fulfilled by private enterprise. The government's role is that if being a referee, not a player. If the government is a subsidized participant, its fairness as a referee would be doubtful.

The Federal Oil and Gas Corporation provided for in the Consumer Energy Act has been advocated as following in the footsteps of the Tennessee Valley Authority.

However, there is a basic fundamental difference between the basis for the formation of the Tennessee Valley Authority and the alleged need for the Federal Oil and Gas Corporation.

TVA stepped in to do a job which was not or could not be done by private concerns at that time. We were in the midst of a great depression with high unemployment and gross under utilization of labor, and plants and a shortage of available monetary capital. The huge capital investment required for the project was totally beyond the capability of the private industry.

The TVA Act granted authority to the TVA to develop the Tennessee River with Electric power as one part of the overall river basin development. However, through a broad interpretation of the original law, the TVA has become the exclusive source of electric generataion over a large seven state area with more than 85 percent of its assets representing power facilities. It has built an extensive transmission network and has driven almost all privately owned electric companies out of this vast area.

The subsidies provided FOGCO in S. 2506 render invalid the argument that the Corporation would constitute a meaningful "yardstick" to measure oil and gas prices, the elements of cost to be applied in appraising the prices to be compared with would be completely different and incompatible. FOGCO would be no more than a yardstick of oil and gas prices than TVA has been in measuring the costs of electricity, and like TVA would, because of extensive sudsidies, provide a means for driving private enterprise out of business, particularly the small businessman—the independent—who invariably suffers from government regulation.

The conclusion is inescapable that enactment of S. 2506 would fail in its alleged purpose to increase energy supplies by strengthening competition in the petroleum industry and instead would undermine the free enterprise system, with the American people the losers.

Mr. Chairman, I know that you want to be fair and just to all parties, but S. 2506 would also be unfair to many land owners.

Farmers and other owners of mineral rights who have leased their land to a controlled major oil company would receive lower royalty payments for its oil or gas while those who had leased to an independent producer would receive higher royalty payments even if their land is adjacent and the oil or gas produced is from the same reservoir.

I might also point out that if the price allowed for the oil and natural gas produced from federal lands is held below the free market price that the public will not be receiving just compensation for federal lands in the form of a bonus bid and royalties. This means that all of the taxpayers of the United States would be subsidizing those consumers of oil and gas produced from federal lands. That is unfair. It is happening today in the case of natural gas.

The intrastate natural gas market, the sole remaining free market, provides an important yardstick for the value of gas as a commodity.

It is the only market in which natural gas can presently be sold at the price a willing buyer will pay a willing seller for the commodity.

Recently, higher intrastate prices have caused a revitalization of drilling activity in gas producing states, and a concomitant increase in gas well completions. The extension of federal regulation into the intrastate market would only dampen the enthusiasm for finding more oil and gas.

If the intent is to cause more competition for existing supplies, regulation of the intrastate market does not achieve this goal. A regulated ceiling on intrastate gas—presumably one consistent with the interstate ceiling—would retard competition. Producers would simply obtain the ceiling price and, to the extent that exploration was discouraged, less gas would be available to serve total needs.

It is not coincidental that the shift from gas abundance to extreme scarcity has occurred during the past 20 years of FPC regulation of producer prices. Regulation by cost based public utility standards is doomed to continued failure in a high risk business such as petroleum production.

The intrastate market does not use gas for inherently "inferior" purposes.

It is true that a higher ratio of intrastate gas is consumed for industrial purposes and by electrical utilities for the generation of power than in the interstate market. This has been a natural result of low price, price controls, and location. Many industries tended to settle near areas of gas production when supplies were plentiful.

Approximately one half of intrastate industrial use is by refineries and chemical plants that are heavily dependent on this gas for continued production. For example, the fertilizer industry which I know the chairman knows, is suffering from a severe shortage which can have a devastating effect on agricultural production—depends on the intrastate market for more than one half of its supply of feedstock and processed gas. It is quite clear that these gas uses are not "inferior" and, in any event, any regulatory scheme which suddenly deprived these customers of their needed supplies would cause a severe and unwarranted economic dislocation and the loss of thousands of jobs in producing states with repercussions for consumers in all parts of the United States.

The Expropriation of Oklahoma's oil and gas will not increase the overall domestic energy supplies. Oklahomans are willing to share their energy supplies at a free market price so long as other states are willing to share their portion of the burden to develop their own resources, site refineries, drill on their lands and off their shores and provide for deep water ports.

No case has been made that any public benefit would be derived from the extension of federal control to the intrastate gas market. On the contrary, there is no experience which has been more disastrous to the American consumer than the 20 years of Federal regulation of interstate gas prices. Regulation of intrastate producer prices would bring forth no new gas for interstate buyers and is certain to discourage the development of new gas supply. Any effort to reallocate existing intrastate use would cause severe economic dislocation, major hardship and gross inequity. Regulation of the intrastate market is—as Congress intended when it enacted the Natural Gas Act—a proper area for state rather than federal authority.

The Consumer Energy Act of 1974 is not in the consumers interest. It is not in the consumers best interest to see the petroleum industry become like the post office or another railroad industry and then to suffer from shortages as the government flounders about while trying to make up for its mistakes.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries, and he announced that on May 6, 1974, the President had approved and signed the following act:

S. 2770. An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services.

EXECUTIVE PAY INCREASES—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. McClure) laid before the Senate a message from the President of the United States, transmitting a draft of proposed legislation, which with the accompanying papers, was referred to the Committee on Post Office and Civil Service. The message is as follows:

To the Congress of the United States:

The recent rejection by the Congress of higher salaries for the Executive, Legislative and Judicial branches has created a problem within the Government that needs to be quickly remedied.

Under the law, career officials in the General Schedule—"GS employees" as they are called—cannot be paid a higher salary than anyone on the lowest rung, Level V, of the Executive Schedule.

For the past five years, the salaries of those in the Executive Schedule have been frozen, and with the recent action by the Congress, will continue to be frozen until 1977.

During this same period, in actions approved by the Congress, the salaries of those in the General Schedule have been gradually increasing.

The result now is that GS employees in the top three levels of the General Schedule—GS 16s, 17s, and 18s—are almost all paid the same salary, $36,000, which is the same salary as a Level V employee on the Executive Schedule.

For the 10,000 careerists in the top levels of the General Schedule, this salary bunching or "pay compression" denies them fair increases in compensation, robs them of the incentive to seek promotions, and adversely affects their future annuities. Already it is creating greater difficulties in recruiting and retaining top-flight career personnel, and it could lead to a serious decline in the quality of the managerial work force.

To correct this problem, I am transmitting to the Congress today legislation which would raise the salaries of those in the lowest three levels of the Executive Schedule and thereby permit a significant increase in the salaries of those in the highest grades of the General Schedule.

This proposal would raise the salaries of Level V, IV and III employees to $41,000, $41,500 and $42,000 respectively. No increase would be provided for any Federal official now making more than $42,000.

By virtue of this reform, there would be a significant reduction in the salary compression for top-level GS employees whose salaries could continue to increase in a way that they deserve.

For the sake of the career employees within the Government and the quality of management which we need within the Executive Branch, I urge the Congress to give this proposal its swift approval.

Richard Nixon.

The White House, *May 7, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. McClure) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATIONS, 1974

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of H.R. 12565.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 12565.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

H.R. 12565, a bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SYMINGTON. Mr. President, I move that all after the enacting clause of H.R. 12565 be stricken and that the text of S. 2999, as passed by the Senate on May 6, 1974 be inserted in lieu thereof.

The PRESIDING OFFICER. The motion was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 12565) was read the third time and passed.

Mr. SYMINGTON. Mr. President, I move that the Senate insist upon its amendment to H.R. 12565 and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. Stennis, Symington, Jackson, Thurmond, and Tower conferees on the part of the Senate.

The PRESIDING OFFICER. Does the Senator request that S. 2999 be indefinitely postponed?

Mr. SYMINGTON. I do, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, may I inquire of the Chair whether or not there are any special orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. There are none. I thank the Chair.

ORDER FOR ADJOURNMENT TO 11:30 A.M.

Mr. ROBERT C. BYRD. That being the case, Mr. President, I ask unanimous consent that when the Senate competes its business, it stand in adjournment until the hour of 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND CONSIDERATION OF S. 3267 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, and that at the conclusion of routine morning business, the Senate proceed to the consideration of Calendar Order No. 758, S. 3267, a bill to provide standby emergency authority to assure that the essential energy needs of the United States are met.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I believe I have already gotten consent that at some point tomorrow, not later than 3 p.m., the leadership be authorized to call up one of the education bills. Am I correct, I ask the Chair?

The PRESIDING OFFICER. Either bill; that is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON FRIDAY, May 10

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, after the two leaders or their designees have been recognized under the standing order, Mr. Proxmire be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM WEDNESDAY, MAY 8, TO THURSDAY, MAY 9, AT 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until the hour of 9:30 a.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, that convening hour may be changed. However, I should think that the Senate would have to come in no later than 9:45 on Thursday in order to begin action on the Postal Service bill, which, under the agreement, will have to be taken up at 10 a.m. that morning.

So for the moment I shall leave the hour stand at 9:30 a.m.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow the Senate will convene at the hour of 11:30 a.m. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

At the conclusion of routine morning business, the Senate will take up, on a first track, the bill (S. 3267), the energy bill, and, based on my conversations with Mr. Jackson, the chairman of the Committee on Interior and Insular Affairs, opening statements will be made on that bill on tomorrow. He does not anticipate action on tomorrow beyond that of making opening statements.

At some point during the afternoon, not later than 3 p.m., the leader will call up one of the education bills, and inasmuch as no statements have been yet made on that legislation in connection with either of those bills, I gather, from talking with the chairman of the subcommittee handling the legislation, Mr. Pell, that the opening statements will be made. Whether or not any amendments to that bill will be readied by tomorrow remains to be seen. If so, votes could occur.

Conference reports, being privileged, and/or other matters, if cleared for action, may be called up at any time, and yea-and-nay votes could occur.

Incidentally, there is no time agreement on either the energy bill or the education bill as of now.

On Thursday, at 10 a.m., the Senate will proceed to take up S. 411, a bill relating to the Postal Service. There is a time agreement on that bill. Yea-and-nay votes are expected.

I assume that the joint leadership would probably be agreeable, if it meets with the approval of the Senate, to delay any vote on that bill until the afternoon so that committees will be allowed to meet without interruption during the morning hour. In any event, that is a matter that can be decided later.

Following the disposition of S. 411 on Thursday, the Senate will then resume the consideration of S. 2985, a bill to authorize appropriations for carrying out provisions under the International Policy Act.

I assume that those two bills will probably consume most of Thursday. Yea-and-nay votes will probably occur on both bills.

I should think it quite possible that amendments may again be offered to the International Policy Act—amendments dealing with wage-price controls, et cetera.

On Friday, the Senate will resume its consideration, on the double track system, of the energy bill and the education bill. Yea-and-nay votes could concur—especially on amendments to the education bill.

Again, I say that conference reports and other matters that have been cleared for action may be called up at any time.

I think that by and large what I have stated will, for the most part, probably cover the program for the next 3 days—Wednesday, Thursday, and Friday.

ADJOURNMENT TO 11:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11:30 a.m. tomorrow.

The motion was agreed to; and at 4:44 p.m. the Senate adjourned until tomorrow, Wednesday, May 8, 1974, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 7, 1974:

Department of State

The following-named Foreign Service Officers for promotion in the Foreign Service to the classes indicated:

Foreign Service Officers of class I:

James E. Akins, of Ohio.
Julio Javier Arias, of the District of Columbia.
Philip Axelrod, of Florida.
John A. Baker, Jr., of Connecticut.
Richard W. Boehm, of Maryland.
David B. Bolen, of Colorado.
John R. Burke, of Wisconsin.
Patricia M. Byrne, of Ohio.
Herman J. Cohen, of New York.
William R. Crawford, Jr., of Pennsylvania.
Oliver S Crosby, of Washington.
John B. Dexter, of Maryland.
Lawrence S. Eagleburger, of Wisconsin.
William B. Edmondson, of Nebraska.
Culver Gleysteen, of Pennsylvania.
Elizabeth J. Harper, of Missouri.
Robert B. Hill, of Rhode Island.
Robert B. Houghton, of Michigan.
Kempton B. Jenkins, of the District of Columbia.
Curtis F. Jones, of Maine.
William B. Jones, of California.
Roger Kirk, of Michigan.
Loren E. Lawrence, of Maryland.
John C. Leary, of Virginia.
Jack C. Miklos, of California.
Michael H. Newlin, of Florida.
Albert V. Nyren, of the District of Columbia.
Frank V. Ortiz, Jr., of New Mexico.
Stephen E. Palmer, Jr., of California.
Harry M. Phelan, Jr., of Tennessee.
Laurence G. Pickering, of Nebraska.
Paul Monroe Popple, of Illinois.
Lloyd M. Rives, of Rhode Island.
David T. Schneider, of Maryland.
William C. Sherman, of Kentucky.
William B. Sowash, of Ohio.
Heywood H. Stackhouse, of Florida.
Edward J. Streator, Jr., of New York.
Charles R. Tanguy, of Maryland.

Foreign Service Officers of class 1 and Consular Officers of the United States of America:

Thomas J. Dunnigan, of Ohio.
Pierre R. Graham, of Illinois.
John M. Howison, of Texas.
LeRoy F. Percival, Jr., of Connecticut.
Lewis M. Purnell, of Delaware.
Herbert E. Weiner, of New York.

Foreign Service Officers of class 2:

David Anderson, of New York.
George R. Andrews, of Tennessee.
Diego C. Asencio, of New Jersey.
George M. Barbis, of California.
Melville E. Blake, Jr., of Maryland.
Paul H. Boeker, of Ohio.
Lewis W. Bowden, of Maryland.
John A. Bushnell, of Connecticut.
Harry A. Cahill, of Virginia.
David H. Cohn, of Florida.
Peter D. Constable, of New York.
Walter L. Cutler, of Maine.
Mario R. DeCapua, of Connecticut.
Francis De Tarr, of California.
Robert S. Dillon, of Virginia.
John T. Doherty, of Maryland.
Robert W. Drexler, of Wisconsin.
Albert A. Francis, of the District of Columbia.
Robert E. Fritts, of Maryland.
Fred J. Galanto, of Massachusetts.
Paul F. Gardner, of Texas.
Mark J. Garrison, of Indiana.
Alan A. Gise, of California.
Erland H. Heginbotham, of Maryland.
John W. Holmes, of Massachusetts.
Hume A. Horan, of New Jersey.
Herbert Eugene Horowitz, of Florida.
Herbert Kaiser, of Maryland.
Robert V. Keeley, of Florida.
William Kelley, of Florida.
Lawrence J. Kennon, of California.
Barrington King, Jr., of Georgia.
David Adolph Korn, of Missouri.
Dennis H. Kux, of New York.
Melvin H. Levine, of Massachusetts.
Gifford D. Malone, of Florida.
Vernon D. McAninch, of Texas.
Edward Joseph McHale, of New York.
Frazier Meade, of the District of Columbia.
William D. Morgan, of Virginia.
Robert J. Morris, of the District of Columbia.
Daniel O. Newberry, of North Carolina.
Robert B. Oakley, of Louisiana.
Nancy Ostrander, of Indiana.
Ronald D. Palmer, of the District of Columbia.
Jack R. Perry, of Georgia.
Sol Polansky, of California.
Ernest H. Preeg, of New York.
Anthony C. E. Quainton, of Washington.
Donald E. Rau, of Florida.
Robert G. Rich, Jr., of Florida.
Carl W. Schmidt, of New Jersey.
Peter Sebastian, of Florida.
Walter John Silva, of Texas.
Walter Burges Smith II, of Rhode Island.
Roger W. Sullivan, of Massachusetts.
Charles R. Wilds, of Georgia.
Marshall W. Wiley, of Florida.
William M. Woessner, of New York.

Foreign Service Officers of class 2 and Consular Officers of the United States of America:

John Edward Karkashian, of California.
Sam Moskowitz, of Illinois.
Raymond L. Perkins, Jr., of Colorado.
Theodore A. Wahl, of Maryland.

Foreign Service Officers of class 3:

James E. Baker, of California.
G. Paul Balabanis, of California.
Robert L. Barry, of New Hampshire.
Donald P. Black, of California.
Jay H. Blowers, of Florida.
William D. Boggs, of West Virginia.
M. Lyall Breckon, of the District of Columbia.
Arthur E. Breisky, of California.
Edward W. M. Bryant, of New Hampshire.
Ralph H. Cadeaux, of Florida.
William Clark, Jr., of the District of Columbia.
Paul M. Cleveland, of Massachusetts.
Douglas McCord Cochran, of Pennsylvania.
Edward M. Cohen, of New York.
John R. Countryman, of New York.
Dwight M. Cramer, of Nebraska.
Trusten Frank Crigler, of Arizona.
Curtis C. Cutter, of California.
Daniel H. Daniels, of Pennsylvania.
Richard A. Dugstad, of Virginia.
William J. Dyess, of Alabama.
Joseph O. Eblan, of New Hampshire.
William H. Edgar, of the District of Columbia.
David K. Edminster, of Connecticut.
Robert Duncan Emmons, of California.
Ralph F. W. Eye, Jr., of New Hampshire.
James R. Falzone, of California.
Donald C. Ferguson, of California.
John P. Ferriter, of New York.
Charles E. Finan, of Ohio.
Sherman Jay Fine, of Connecticut.
John A. Froebe, Jr., of Ohio.
George A. Furness, Jr., of Maryland.
Louis P. Goelz, of Pennsylvania.
Olaf Grobel, of Tennessee.
William H. Hallman, of Texas.
Martin G. Heflin, of Florida.
John P. Heimann, of Connecticut.
Lyle R. Hewitt, of Washington.
Richard C. Howland, of New York.
George F. Jones, of Texas.
Robert E. Kaufman, of the District of Columbia.
George Lockwood Kelly, of Georgia.
John W. Kimball, of California.
George L. Kinter, of Vermont.
James A. Klemstine, of Virginia.
Tadao Kobayashi, of Hawaii.
Donald A. Kruse, of Pennsylvania.
Joseph P. Leahy, of Virginia.
Perry W. Linder, of California.
Wingate Lloyd, of Pennsylvania.
Samuel Eldred Lupo, of California.
Richard R. Martin, of the District of Columbia.
J. Thomas McAndrew, of New York.
Sherrod B. McCall, of Illinois.
Mary E. McDonnell, of the District of Columbia.
John H. Moore, of the District of Columbia.
James M. Murray, of Illinois.
Thomas M. T. Niles, of Kentucky.
Robert P. Paganelli, of New York.
Russell O. Prickett, of Minnesota.
Lawrence R. Raicht, of New York.
Fernando E. Rondon, of Virginia.
Gerald A. Rosen, of New York.
Edward B. Rosenthal, of New York.
Lawrence D. Russell, of Florida.
Thomas J. Scotes, of Maryland.
John W. Simms, of Pennsylvania.
Frederic N. Spotts, of Massachusetts.
Richard L. Springer, of Ohio.
Peter A. Sutherland, of Massachusetts.
John J. Taylor, of Tennessee.
Richard W. Teare, of Ohio.
Charles H. Thomas II, of New Hampshire.
Joseph W. Twinam, of Tennessee.
Harold E. Vickers, of Massachusetts.
Richard Noyes Viets, of Texas.
W. Robert Warne, of California.
Joseph R. Yodzis, of Pennsylvania.

Foreign Service Officers of class 3 and Consular Officers of the United States of America:

Alice M. Smith, of North Carolina.
Victor Wolf, Jr., of New York.

Foreign Service Officers of class 4:

Norman L. Achilles, of Pennsylvania.
Alvin P. Adams, Jr., of New York.
James A. Allitto, of California.
Theodore L. Austin, Jr., of Maryland.
Michael I. Austrian, of New York.
Richard W. Baker III, of New Jersey.
James E. Baldridge, of Illinois.
John A. Barcas, of New Jersey.
Irene Mary Bauer, of Kansas.
Richard D. Belt, of Ohio.
Robert B. Bentley, of California.
Charles G. Billo, of New York.
Eli William Bizic, of Texas.
Robert D. Blackwill, of Nevada.
David L. Blakemore, of the District of Columbia.
John W. Bligh, Jr., of New York.
Barbara J. Blume, of California.
Charles R. Bowers, of California.
G. Gardiner Brown, of Ohio.
Timothy C. Brown, of Nevada.
David H. Burns, of Massachusetts.
Weldon D. Burson, of Texas.
Edward A. Casey, Jr., of New Jersey.
James H. Cheatham, of Tennessee.
Joseph P. Cheevers, of Kansas.
Helenann Clarke, of California.
Henry L. Clarke, of California.
Harvey T. Clew, of Connecticut.
L. Selwyn Coates, of Ohio.
Peter Collins, of New York.
Richard E. Combs, Jr., of California.
Alford W. Cooley, of Connecticut.
Arthur B. Corte, of New York.
Donald E. Crafts, of Georgia.
Brian G. Crowe, of Maryland.
Frank B. Crump, of Pennsylvania.
Carl B. Cunningham, of California.
Hilary J. Cunningham, of Michigan.
Rolfe B. Daniels, of California.
Francis J. Dennett, of Florida.
Don J. Donchi, of New Jersey.
Robert W. DuBose, Jr., of California.
David J. Dunford, of Connecticut.
Faye E. Dunn, of Alabama.
Michael L. Durkee, of New York.
Clarke N. Ellis, of California.
Donald C. Ellison, of Virginia.
Harvey Fergusson, of New Jersey.
David C. Fields, of California.
John D. Finney, Jr., of Missouri.
Charles W. Freeman, Jr., of Massachusetts.
Townsend B. Friedman, Jr., of Illinois.
William A. Garland, of Maryland.
John Charles Garon, of Maryland.
Frederick H. Gerlach, of Virginia.
Charles A. Gillespie, Jr., of California.
John A. Graham, of Washington.
John R. Graham, of Pennsylvania.
Larry C. Grahl, of Ohio.
William Rogers Gray, of California.
George G. B. Griffin, of Maryland.
John E. Hall, of New York.
Peter T. Hansen, of Florida.
Thomas M. Harrington, of Rhode Island.
Frederick H. Hassett, of Missouri.
Marianne B. Hewitt, of Washington.
Richard J. Higgins, of Missouri.
Herbert A. Hoffman, of Pennsylvania.
W. Nathaniel Howell, Jr., of Virginia.
James S. Huffman, of California.
Arthur H. Hughes, of Nebraska.
John J. Hurley, Jr., of Massachusetts.
Donald E. Huth, of California.
Linda C. Irick, of Arizona.
Lowell Richard Jackson, of Missouri.
Richard L. Jackson, of Massachusetts.
Martin Jacobs, of Florida.
Larry Craig Johnstone, of Washington.
M. Gordon Jones of California.
Peter Edward Jones, of Maryland.
Louis E. Kahn, of California.
John H. Kelly, of Georgia.
William P. Kelly, of Pennsylvania.
David T. Kenney, of the District of Columbia.
Dennis W. Keogh, of West Virginia.
Susan M. Klingaman, of New York.
Harry Kopp, of New York.
Norman C. LaBrie, of Massachusetts.
Robert B. Lane, of the District of Columbia.
Warren A. Lavorel, of California.
Lawrence B. Lesser, of New York.
Roscoe C. Lewis, III, of the District of Columbia.
Velma H. Lewis, of New Hampshire.
Bonnie M. Lincoln, of Minnesota.
Larrie D. Loehr, of California.
Raymond B. Lombardi, of Rhode Island.
Lewis R. Macfarlane, of Washington.
Arturo S. Macias, of Wisconsin.
Edward M. Malloy, of New York.
Gerald Eugene Manderscheid, of California.
Charles A. Mast, of South Dakota.
Stephanie Mayfield, of California.
Shirl F. McArthur, of Washington.
J. Phillip McLean, of Washington.
Thomas E. McNamara, of New York.
Roger B. Merrick, of Colorado.
William B. Milam, of California.
Thomas F. Milliren, of Pennsylvania.
Ned E. Morris, of Tennessee.
Richard W. Mueller, of Connecticut.
Alvis Craig Murphy, of Ohio.
Dennis P. Murphy, of Washington.
Peter K. Murphy, of Massachusetts.
Robert P. Myers, Jr., of California.
John L. Nesvig, of Minnesota.
Donald R. Niemi, of Wisconsin.
Jerrold M. North, of Illinois.
James Ozzello, of Washington.
Alan Parker, of Kansas.
David D. Passage, of Colorado.
Edward T. Paukert, of Nevada.
Miles S. Pendleton, Jr., of Washington.
John H. Penfold, of Colorado.
Vernon D. Penner, Jr., of Maryland.
Philip E. Penninger, of North Carolina.
Edward B. Pohl, of Louisiana.
Gordan R. Powers, of Idaho.
Robert Maxwell Pringle, of Virginia.
Robert E. Prosser, of Pennsylvania.
Herbert Rathner, of Virginia.
Richard J. Redmond, of Nebraska.
Randolph Reed, of Ohio.
Oscar A. Reynolds, of Texas.
Karl S. Richardson, of Nebraska.
Floyd A. Riggs, of Virginia.
Wilson A. Riley, Jr., of Connecticut.
James Joseph Romano, of Virginia.
Herman J. Rossi III, of Washington.
William E. Ryerson, of Maryland.
L. Benjamin Sargent, Jr., of Washington.
Thomas J. Scanlon, of California.
Arnold P. Schifferdecker, of Missouri.
Ruth M. Schimel, of New York.
Andrew D. Sens, of the District of Columbia.
Michael M. Skol, of Illinois.
Gerald E. Snyder, of Florida.
Steven E. Steiner, of Pennsylvania.
Michael D. Sternberg, of New York.
David H. Swartz, of Illinois.
Garett Gordon Sweany, of Washington.
James Tarrant, of California.
James C. Todd, of California.
Peter Tomsen, of Ohio.
Charles H. Twining, Jr., of Maryland.
Phillip J. Walls, of Michigan.
H. Francis Wanning III, of Pennsylvania.
Stephen H. Whilden, of California.
Michael G. Wygant, of New York.
John M. Yates, of Washington.
Toby T. Zettler, of Ohio.
Murray David Zinoman, of New York.

Foreign Service Officer of class 4 and a Consular Officer of the United States of America:

Thomas Gustafson, of Oklahoma.

Foreign Service Officers of class 5:

Victor A. Abeyta, of New Mexico.
Edward Gordon Abington, Jr., of Florida.
L. Stuart Allan, of Mississippi.
Carolyn M. Allen, of Oklahoma.
Douglas B. Archard, of Wisconsin.
Jack Aubert, of New Jersey.
Eugene C. Bailey, of California.
Robert Thomas Banqué, of California.
Phillip V. Battaglia, of Illinois.
Janice Friesen Bay, of California.
Robert M. Beecroft, of Pennsylvania.

Robert J. Bel, of California.
Ross E. Benson, of California.
Michael Billick, of Florida.
Paul H. Blakeburn, of New Hampshire.
James Taylor Blanton, of Texas.
John S. Blodgett, of Virginia.
John S. Boardman, of Ohio.
Paul Carl Bofinger, of New York.
Elizabeth B. Bollmann, of Missouri.
Michael A. Boorstein, of Colorado.
Ella M. Borough, of Michigan.
Aurelia E. Brazeal, of Georgia.
Clifford Lloyd Brody, of Virginia.
Maurice L. Brooks, of New Jersey.
Raymond F. Burghardt, Jr., of Florida.
J. Grant Burke, of Massachusetts.
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EXTENSIONS OF REMARKS

BILL TO AUTHORIZE ADDITIONAL DRAINAGE WORK FOR VERNAL AND EMERY RECLAMATION PROJECTS

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. McKAY. Mr. Speaker, I am today introducing a bill to authorize the construction of necessary drainage works and to amend the respective repayment contracts for the Vernal unit, central Utah project, and the Emery County project. Both are participating projects under the Colorado River storage project.

The repayment contract negotiated with the Uintah Water Conservancy District and for the Vernal unit, signed July 14, 1958, provides for the construction of all drainage facilities for the Vernal unit which the Secretary of the Interior feels are necessary for project purposes at a cost not to exceed $675,000. Such costs are to be held within the limit of funds made available by Congress.

Similarly, the repayment contract with the Emery Water Conservancy District of May 15, 1962, provides for the construction of drainage facilities which the Secretary decides are necessary at a cost not to exceed $999,000, and again within the limit of funds made available by Congress.

Since the time of the contract negotiations, water delivery features for the Vernal unit have been completed for 14,700 irrigable acres. In the operation of the project it has become evident that more acres have a drainage deficiency than originally anticipated. Project drains have been completed and are now serving about 1,250 acres. Drainage facilities are needed for about 2,450 additional acres in order to complete a viable project capable of yielding the benefits agreed upon at the time of authorization.

Delivery features on the Emery County project have been completed for 18,775 irrigable acres since the contract was negotiated. There is also a drainage deficiency on this project. Project drains have been completed and are now serving about 440 acres. Facilities are needed for about 1,350 more acres to make the project viable, as agreed upon at the time of authorization.

The present estimated cost of the entire Vernal unit drainage system is about $2 million, an increase in cost from the $657,000 estimate. The increase results from the additional area requiring drainage together with escalation of construction costs. The estimated cost of the entire drainage system of the Emery County project is about $2.2 million, an increase over the original estimate of $999,000. Again, it also results from increased drainage needs and increased construction costs.

Legislation is required to authorize the construction of the additional drainage works for these two projects, and it is also necessary to amend the repayment contracts in both instances to increase the cost ceiling for drainage facilities that are considered necessary to sustain the crop production anticipated under the original project authorization without increasing the obligation of the water users.

Repayment of the additional costs on both projects would not require additional appropriations, but would be taken from power revenues of the Colorado River basin fund.

The text of the bill is as follows:

H.R. 14634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to construct drainage facilities for the Vernal Unit of the Central Utah Project and the Emery County Project to the extent that he determines necessary for the sustained crop production on the irrigable lands of these projects. The Secretary is further authorized to negotiate and execute amendments to contract No. 14-06-400-778, dated July 14, 1958, between the United States and the Uintah Water Conservancy District and Contract No. 14-06-400-2427, dated May 15, 1962, between the United States and the Emery Water Conservancy District to provide for the cost of such drainage works to be paid from the Colorado River Storage Project basin fund without increasing the repayment obligation of the water users of either project.

FOOD PRICES RISE

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, I rise at this time to again remind the Members of the U.S. Congress of the rising cost of food prices and how these prices are hitting the low-income family hardest. Today a hearing was held by the Subcommittee on Agriculture on my bill that would provide free garden seeds upon request from the Department of Agriculture.

This bill which would be minimal in cost would produce garden vegetables in enormous quantities. It would promote good healthy outdoor exercise for our young Americans. It would bring our farming communities and urban areas closer together in understanding. It would return the American people to the soil. It would give urban America a chance to compete with the high cost of living. Today before the hearing I had some members of my staff go into a local supermarket to buy some vegetables. These are the prices they paid for the vegetables:

Three tomatoes, 63 cents; potatoes, $4.65 a peck; one cucumber, 33 cents; one head of lettuce, 49 cents; 10 ounces spinach, 55 cents; turnip, 28 cents pound; eggplant, 24 cents each; squash, 49 cents pound; stringbeans, 49 cents pound.

Last year onions were selling for 69 cents a pound and lettuce was selling for 89 cents a head. This will give you an idea of what it is all about.

I include in the Record a UPI story that appeared in the May 4, 1974 edition:

Food Cost Rise Hit Low-Income Family Hardest

WASHINGTON.—Rising food prices in March hit low-income families harder than middle and upper-income consumers, government figures show.

Agriculture dept. economists said the weekly cost of feeding a family of four on a low-cost diet plan developed by the agency's nutrition specialists rose to $43.70—an increase of 60 cents, or 1.4 percent from February.

For consumers in higher earning brackets, however, the February-to-March increase was only half as much in cash terms and about one-third as great on a percentage basis.

The cost of feeding a family of four on the agriculture dept.'s moderate-cost diet rose to $55.10 a week in March, a report showed. This was 30 cents, or about 0.5 percent, above February. Costs for a liberal-cost diet in March were estimated at $66.90 a week, up 30 cents or about 0.5 percent from February.

All three diet plans are designed to provide complete nutrition for adults and children. They differ only in the types of foods used in sample menus. The low-cost diet plan uses fewer and cheaper cuts of meat, for example, while the moderate and liberal plans use more of the costlier foods like steaks and roasts.

Some foods used frequently in the low-cost menus, including potatoes, beans and rice, have risen more over the past year than many costlier items.

BILL ON OIL RESERVES

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. BELL. Mr. Speaker, I am introducing today, a bill to authorize the Secretary of the Interior to review the present uses of Federal lands which contain oil, oil shale, and natural gas resources. The Secretary will than make recommendations as to which of these Federal lands shall be put into production and which shall be established as Federal reserves.

The recent controversy over the Naval Petroleum Reserves at Elk Hills and other oil and oil shale reserves that the Navy owns has indicated to me that there needs to be a single overall policy with regard to oil and oil shale production on Federal lands. Presently the only reserves are owned by the Navy and production can only be authorized by Congress in a national emergency. During the recent oil shortage, Congress learned that the Navy's reserves were not developed sufficiently to insure that even the Navy could get needed oil in a short time. It would take at least 1 year to bring production at Elk Hills to a reasonable rate and almost 3 years to produce it at its maximum efficient rate. The naval reserve in Alaska would require almost 10 years to bring to full production and the oil shale reserves would require an indefinite amount of time.

Clearly, the Federal Government must evaluate the extent of oil, oil shale, and natural gas on Federal lands and develop a sound policy to regulate the development and production of these lands so that our resources will last for several years and even more importantly, so that they will be available in time of need. It is not improbable to believe that the United States will face another oil embargo. The ordeal that the American people faced this past winter should teach us that we must not depend solely on imported oil. We must have domestic resources available that can be produced in short notice.

My legislation does not in any way diminish the need for exploration and development of alternative energy sources such as nuclear and solar power. In fact I believe the Federal Government should increase its participation in finding new forms of energy. We are using up our oil resources and we are not going to be able to replace them. It makes more sense to me to follow a sound national policy in using these resources than to use them haphazardly as we have been doing.

A complete text of my bill follows:

H.R. 14610

A bill to review the present uses of public lands of the United States that contain energy resources and to determine which of these lands shall be reserved and which shall be developed

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall review and report to Congress within one year from the date of this Act the reserved, unreserved, and acquired lands of the United States that contain energy resources to include oil, oil shale, and natural gas.

SEC. 2. The Secretary shall recommend which of these lands, with the exception of lands in the National Park System, the National Wildlife System, the Wild and Scenic Rivers System, the National Wilderness System, and any lands currently under review for inclusion in these systems, shall be held in reserve for possible future energy development and which lands shall be developed to meet the energy requirements of the United States. The Secretary shall consider the most efficient use of all resources in determining which to hold in reserve and which to develop.

SEC. 3. On those lands which the Secretary determines shall be developed, he is authorized and directed to encourage and stimulate exploration and development. He may utilize for this purpose any statutory authority he may have with respect to leases, contracts, agreements, permits, rentals, royalties, fees, and cooperative or unit plans, and he shall report to Congress the need for any additional authority. Lands heretofore reserved by executive or legislation action that prohibits or limits oil and gas development, except lands in the systems referred to above, shall be subject to the provisions of this section, notwithstanding such limitations, but no oil or gas development thereon shall be authorized by the Secretary unless sixty days notice is given to the Congress (not counting days on which either the House of Representatives or the Senate is not in session for three days or more) and neither the House of Representatives nor the Senate adopts a resolution of disapproval. Any such notice shall explain in detail the relative need for developing the oil and gas resource in order to meet the total energy needs of the Nation, compared with the need for prohibiting such development in order to further some other public interest.

SEC. 4. On those lands which the Secretary determines shall be reserved, he is authorized to establish national oil and oil shale reserves. The development of these reserves will be regulated in a manner that will meet the total energy needs of the Nation, including but not limited to national defense. Any reserve so established shall supersede any prior reservation for a more limited purpose. The reserves shall be maintained in an efficient manner to insure that in time of need, development and operation can be initiated within 120 days. The oil and gas resources of such reserves shall be developed only pursuant to statutes hereafter enacted for that purpose.

SEC. 5. In order to provide a broader competitive base for development of oil and gas resources of the lands of the United States, the Secretary of the Interior shall consider and provide for competitive bidding, to the maximum extent practical, on the basis of either bonuses or royalties, or both, at the option of the bidder, and the highest bid shall be determined by the Secretary on the basis of the total estimated return to the United States over the probable productive life of the property being disposed of. If the Secretary determines in a particular case that the Federal government could best develop and operate any oil or gas resources covered under this Act, he may authorize such development and operation by the Interior Department after giving sixty days notice to the Congress (not counting days on which either the House of Representatives or the Senate is not in session for three days or more) and if neither the House of Representatives nor the Senate adopts a resolution of disapproval.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 28

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HARRINGTON. Mr. Speaker, Mr. John Wilson, former Chief of the Federal Power Commission's Division of Economic Studies, has called for the creation of a Federal Oil and Gas Corporation. In testimony before the Senate Subcommittee on Antitrust and Monopoly of the Judiciary Committee, Mr. Wilson endorsed the Corporation as a "force which will obligate producers to render services at prices reflecting just and reasonable rates." Mr. Wilson's remarks eloquently underscore the need for a public oil corporation, and I insert excerpts of his testimony into the RECORD at this time:

EXCERPTS OF MR. WILSON'S REMARKS

"Congress should seriously consider the merits of establishing an independent public corporation to explore for and develop petroleum hydrocarbons on Federal property. The creation of TVA assisted in improving performance in the electric power industry after the discovery of major private corporate abuses in the 1920's. There is every reason to believe that a vigorous, independent, public petroleum production corporation may similarly be a major assist in breaking the monopolistic market power currently in the hands of our privately owned and thoroughly interlocked petroleum companies. Without a competitive threat, they can well afford to move slowly as the growing energy crisis builds support for higher prices. With a viable public corporation that can step in and do the job if they don't, they would be far less likely (or able) to behave like a stodgy cartel. The Federal domain, after all, belongs, quite rightfully, to the consumers of this country, and there is little reason why its mineral wealth should be treated as the private preserve of the big oil companies.

It is true that the rich history of this Nation is steeped in the merits of competitive private enterprise. But when private enterprise is not competitive, it ceases to serve the public, and then it must be controlled, corrected, or replaced.

The corrective measure which must be taken in this regard is to establish a force which will obligate producers to render service at prices reflecting just and reasonable rates. A public corporation, by virtue of the fact that it would provide for an independent alternative source of supply, would constitute such a force. At the present time there is none, and the consequences of this void are serious.

For example, if in response to a supply shortage regulators raise prices in hopes of eliciting new supplies, but the producer combine recognizes that continued shortages may bring still higher prices, regulatory authorities cannot compel them to produce gas at reasonable price levels. Moreover, if conditions develop so that producers have strong reasons to speculate that prices are likely to continue to rise rapidly in the future, there will be strong economic pressure from them to hold off on proving up new reserves until their anticipations are met and further speculation subsides.

There are substantial indications that this is happening at the present time. The FPC has taken a number of significant steps to increase new natural gas prices in the last two years, but proved reserves have not grown appreciably. They have declined. The result is that now the industry trade press talks about the imminent likelihood of future prices double those that have been instituted recently, which are, themselves, double those that prevailed only a few years ago.

In an economic climate such as this, it is seldom the case that those who hold the valuable and rapidly appreciating assets are in any hurry to liquidate their holdings. Why sell today when the price is X, if tomorrow it will be X^2?

Thus, regulation is a scissors with one blade—fair rates can be established, but if producers decide to hold out, regulators have little authority to rectify the situation. I should hasten to note that this discussion of the institutional failures of producer regulation is not intended to whitewash the way in which the institutions, as weak as they are, have been implemented. In all candor, implementation too has had its shortcomings. Even if legislative or other institutional restrictions prevent or inhibit the effective implementation of the most efficient public policies, it is nevertheless possible to identify those roadblocks and to work aggressively for their removal. That is one of the purposes of this testimony.

In any event, it should be rather obvious that it is somewhat unfair to expect outstanding results if the tools provided are inadequate to the task, and it is perhaps also unfair to expect great enthusiasm from those assigned a task if the overriding conditions make that task next to impossible. In short, regulation and regulators could be far more successful if the institutional blockages noted here are "eliminated."

ENERGY CONSERVATION ESSENTIAL IN NATIONAL INTEREST

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the House recently passed the special energy research and development appropriations bill in an effort to expedite and accelerate short-term and long-range solutions to the energy crisis through development of alternative sources of energy.

This bill includes appropriations for a number of vital and important energy research programs—including the development of the Liquid Metal Fast Breeder Reactor, which is expected to utilize uranium 30 times more efficiently than the present reactors used in nuclear power plants; other advanced reactors including the light water breeder reactor, high temperature gas reactor, gas-cooled reactor and molten salt reactors; controlled thermonuclear fusion, gas centrifuge technology, solar energy, magnetohydrodynamics and coal gasification and liquefaction, among others.

In this connection my attention has been called to a recent editorial in the Nashville Banner entitled "The Energy Binge: Driving Ourselves Back Into Crisis."

In the course of my remarks on the floor of the House during the debate on the special energy research and development appropriations bill, I emphasized the importance of conservation.

We as a nation must think conservation—we must practice conservation—we must teach our children conservation.

Indeed we have been warned that we must make conservation a way of life for the American people.

This is the tone and theme of the excellent editorial in the Banner which I place in the RECORD herewith, because of the interest of my colleagues and the

American people in this most important matter.

The editorial follows:

[From the Nashville Banner, May 2, 1974]

THE ENERGY BINGE: DRIVING OURSELVES BACK INTO CRISIS

Who believes there's still an energy crisis?

Nobody, apparently, if the binge upon which we're now embarking is an indication.

True, oil is flowing freely once again from the Middle East.

And to most Americans, it's all over—the long gasoline lines, the thermostat turndowns, the carpools, the 55 mile-per-hour speed limits, the heating oil shortages.

Indeed, since the embargo was lifted in March, automobile traffic is almost back to normal, mass transit ridership is down, many drivers ignore the slower speed limits, the carpool idea is all but dead and electricity consumption is back up.

An Associated Press survey contained these telling quotes:

"People are going back to their old driving habits"—Federal Energy Office administrator John C. Sawhill.

"Connecticut citizens have gone back to their old gluttonous ways, people drive at the old speeds, one person in a car, the car pools broken up"—Connecticut Emergency Energy Office official.

"They've gone wild again . . . they're just flying out there"—South Carolina highway patrolman.

Mr. Sawhill says Americans are only kidding themselves if they think they can go off on a toot of some kind.

"At least for the next three to five years the only way . . . to reduce our dependency on foreign (energy) sources is conservation."

Precisely. There is no other way.

Conservation became a way of life last winter. It must remain a way of life.

For one thing, the prices of gasoline will remain high. It will take time to get production up. The long-range possibility—even probability—of renewed shortages will remain.

We should not reduce our resolve to make the United States completely self-sufficient in energy as quickly as is reasonably possible.

We should never forget that embargo. We should have learned our lesson.

Energy experts agree that the energy pinch is far from over. Power brownouts and gasoline shortages could be chronic this summer unless consumers conserve fuel and electricity.

But does anybody really believe it?

Take the 55-mile-per-hour speed limit, for example. You'd never guess it is still in effect. If you do stick to that speed, everything from Volkswagen bugs to trailer trucks will leave you standing still.

The speed limit was implemented because slower speed means less gas consumed. The public that flew into a near-tantrum this winter over the Arab embargo became indignant that anyone should interfere with their right to drive, wherever they wanted, whenever they wanted, however fast they wanted.

The gasoline is flowing again. But to many, the warnings are distant and premature—as they were last fall before the crunch.

Who will be blamed when it comes again?

Not the people alone. There have been foolish moves by the government and action—or inaction—by industry.

But in a democracy these things can't happen without approval—or apathy—of its people.

At least the next time we'll have a better idea of who to blame.

IS NIXON'S TRIP NECESSARY?

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. FRASER. Mr. Speaker, our colleague from Wisconsin, LES ASPIN, has introduced three concurrent resolutions that address some of the foreign policy problems that arise whenever the House votes articles impeaching a President.

Friday, April 12, Lester Kinsolving's column, "Is Nixon's Trip Necessary?" appeared in the Waterbury, Conn., American. Mr. Kinsolving raises some of the issues that led me to cosponsor LES ASPIN's resolutions. These are issues that we must face. We do not ask that ongoing negotiations be curtailed during the period following impeachment and prior to the disposition of the articles of impeachment. We simply ask that these negotiations not be formally concluded during this period.

The Kinsolving column follows:

IS NIXON'S TRIP NECESSARY?

(By Lester Kinsolving)

"Another issue connected with Watergate is arising today. This is the question of how the President continues to perform his duties effectively in the national interest, even when the impeachment issue is being resolved by the country's constitutional process."—Sen. Jacob Javits, R-N.Y.

Sen. Javits' statement goes on to note: "If the President believes that because of the proceedings against him he cannot carry out his duties, he has an option under the Constitution pursuant to the 25th Amendment."

This suggestion of a possible leave of absence seemed to evoke only scorn from the President's Deputy Press Secretary, Gerald Warren, who told newsmen:

"Let me just say that the President is well aware of the various articles of the Constitution. As to his plans for the next three years, he has spelled these out for you (i.e. no resignation) and nothing has changed."

Warren was then asked by one newsman if the President really intends to go through with plans to visit the Soviet Union this year—even if he is impeached.

Warren: "The criteria or the reasons for a trip to the Soviet Union are independent of the matter you are discussing."

Question: "Are you saying that even if the President is facing impeachment, this does not weaken his negotiating position?"

Warren: "I cannot predict the future, but the considerations which go into the planning of a trip to the Soviet Union are based on foreign policy considerations, and on decisions made in this government on vital issues and that the President will take that position in his negotiations he has with the Soviet leaders, and will be dealing from a position based on strength."

This astounding official contention was questioned 16 times by a generally incredulous White House press corps. But in similar verbiage Warren doggedly and repeatedly maintained that even an impeached Nixon "would not be in a position of negotiating from weakness."

This seems only a little bit more realistic than the idea that the Emperor Maximilian of Mexico could have negotiated (from strength) a cooperative conquest of Canada with President Andrew Johnson, in May of 1867. (One month before Maximilian was executed by Benito Juarez, and one year before Johnson's impeachment trial by the Senate.)

The idea that Nixon can possibly stave off his personal gotterdammerung on the Potomac by staging a recapitulation of the detente triumph—with the Soviets used as spear carriers—is not merely fantastic. It is also dangerous to the welfare and security, not to mention the image, of the United States.

When ordinary citizens are put on trial for high crimes they are rarely allowed to leave their county or state, much less the nation.

Congressman Les Aspin, D.-Wisc., has introduced a resolution asking for a moratorium on state visits either by or to President Nixon, from the time of a possible impeachment resolution passed by the House, to its final outcome in the Senate. Another Aspin resolution asks that during this period, the President conclude no agreements with any foreign powers.

Explained Aspin: "It is important to remember that Nixon himself established a precedent for such a moratorium on diplomatic activities. Immediately after the 1968 election, President-elect Nixon asked President Johnson not to hold any summit meetings or sign any treaties for the remainder of his term in office.

Nixon was, of course, correct in making this request. The temptations of the outgoing President to give too much away, to sign a history-making treaty, were considerable—and they are exactly the same as those Nixon is now facing . . . Congress has the utmost moral responsibility to protect our national interest against a Chief Executive who might be tempted to compromise it to save his own skin, or a foreign power that might be tempted to exploit the situation."

HUMANISTIC SIDE OF POST OFFICE

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. RONCALLO of New York. Mr. Speaker, yesterday, I received a copy of a letter from Mr. John Martin, postmaster of the Massapequa Park Post Office, to Kristy Barrett, niece of Mrs. Verna Barrett, a constituent, who had recently registered a complaint against the local post office. Mrs. Barrett had complained that a "Me-Book" she had ordered for her niece was carelessly delivered and consequently damaged. I wanted to share the postmaster's letter, which was sent by Mrs. Barrett, so one can appreciate the humanistic side of one of our government agencies, the U.S. Postal Service. It was particularly good to receive this letter in view of all the complaints against the Postal Service.

The letter follows:

U.S. POST OFFICE,
Massapequa Park, N.Y., April 15, 1974.

Miss KRISTY BARRETT,
30 Flower Road,
Carlisle Barracks, Pa.

DEAR KRISTY: You are no doubt surprised to find this book mailed to you in a Post Office envelope. Well, there is a story that goes with the book—not in the book.

Your Aunt Verna bought this book as a gift for you. The book was sent from California to your aunt by the United States Mail. The Postman delivered the book to your aunt, leaving the book in the magazine rack for her mailbox. On that day, it was extremely windy, rainy and snowy. I am very sorry to say that the wind blew the book onto the ground and the snow covered it over hiding it until the next day. Because of the rain and the wet snow, you will see that the book has been damaged. I am very sorry about this and your Aunt Verna felt very, very bad because of it. She called me and asked if I would explain to you what happened to your birthday gift.

I know that you are happy with all of your gifts. I also know from my small boy memories that a gift from far away—coming in the mail—from a nice aunt and uncle is a very special gift. Because it is a very special gift, I have written to the people who wrote your story and asked them to send another book. I hope to receive it shortly and when I do I will call your Aunt Verna and then send it on to you. You will then have two very nice favorite books. In the meantime, please have fun with this book and I wish you a very happy birthday.

Your friend,
John J. Martin, *Postmaster*.

REVAMP FEDERAL COURT SYSTEM

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HOGAN. Mr. Speaker, our judicial system is known to have a considerable backlog of cases to be tried and the delay is causing inefficiency in our judicial system. A possible means of alleviating this may be to revamp our Federal court system. This concept has been partially explored by the Commission on Revision of the Federal Court Appellate System. On the other hand, our courts have been too lenient in handing down sentences to criminals and it has resulted in many of these people being set free only to commit another crime.

WMAL, on April 3, editionalized on this issue and their remarks are deserving of the attention of each of my colleagues. I would like to have their editorial inserted in the Record at this point:

In-Again, Out-Again Justice

Two recent crime stories may be welcome news to the local criminal community, but they sure don't offer much comfort for the rest of us.

Up in Montgomery County, Judge Plummer Shearin passed sentence on a man convicted of breaking into a home in Dickerson, beating and robbing an elderly couple, and attempting to rape the 74-year-old woman. The man pleaded guilty to eight counts. He could have gotten 200 years. Judge Shearin gave him two years.

Two years . . . and the man was already on parole from a manslaughter conviction. He's been in jail for a year, awaiting trial. That means he has only a year to serve. He's eligible for parole *right now*.

In the District . . . Police brought a man before Magistrate Jean Dwyer Wednesday. He was charged with robbing a bank on Connecticut Avenue. Magistrate Dwyer turned him loose . . . No cash bond to put up in order to get out. Friday, another bank was robbed. Police and the FBI arrested the same man. And the police say that six out of every ten persons charged with bank robbery are released on personal recognizance.

It's like having a revolving door on the court house.

Police and the public are asking a lot of questions about our judges . . . and the sentences they give. And with good reason. Judge Shearin and Magistrate Dwyer didn't do much to make the public sleep easier tonight.

DEEP SEA MINING

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. DOWNING. Mr. Speaker, a little over a month ago, I had the privilege of speaking on the subject of deep sea mining legislation at the second annual meeting of the National Ocean Industries Association, a young but vigorous trade association organized to serve as the legislative and administrative voice for the offshore and ocean-oriented industries at the Federal level. The well-attended 2-day meeting reflected the great and growing concern of this Nation with a whole spectrum of problems relating to increasing shortages of energy, food, minerals, and living space, and how the theme of the meeting, "Solutions From the Sea," might provide answers to ease the problems.

Among the 17 speakers and panelists heard by the delegates was our colleague, the distinguished chairman of the Committee on Merchant Marine and Fisheries, the Honorable Leonor K. Sullivan.

Mrs. Sullivan began her remarks in the subject of "High Seas Oil Port Legislation" by recalling a statement she had made a year ago: "Whether or not the energy problem that faces the Nation can accurately be called a crisis, there is no question that we are going to have to increase our oil imports in substantial quantities. The construction of offshore ports may be the most efficient, the most economic, and the safest way to handle the increased imports."

At the conclusion of her remarks she expressed her concern at the proposal of the Select Committee on Committees to disperse the cohesive marine-oriented jurisdiction of the present Merchant Marine and Fisheries Committee. She pointed to the offshore port legislation as an example of "the overall necessity for leaving one committee the responsibility for ocean problems."

I commend Chairman Sullivan's timely and thoughtful remarks to the attention of my colleagues. The full text of her speech follows:

Remarks by Hon. Leonor K. (Mrs. John B.) Sullivan

Mr. Chairman, Mr. Grafton, Mr. Matthews, Ladies and Gentlemen.

First, let me thank you for your invitation to join you today. When your President invited me to discuss with you the High Seas Oil Port Legislation, now pending in the Congress, I was happy to accept. First of all, I consider the legislation forward looking and important, and secondly, the people who will ultimately make it work, are represented in the audience in this room.

As you may know, my assignments in the House include serving as Chairman of the Merchant Marine and Fisheries Committee, and as Chairman of the Consumer Affairs Subcommittee of the Banking and Currency Committee. One of my responsibilities is to consider legislation necessary to protect the interests of United States citizens as consumers. The other is to deal with legislation related to the development and maintenance of an adequate marine transportation system, the reconciliation of competing ocean uses, and the proper utilization and protection of ocean resources. It has been gratifying, therefore, to work on offshore port legislation which has the potentiality for a favorable impact on both these areas of interest.

In taking a look at your program for your first conference last year, I noted that almost exactly one year ago, Brigadier General Kelley, United States Army Corps of Engineers, addressed you on the subject of "Deepwater Ports: How Do We Get There From Here?" Since my remarks today are on the same general subject, I will pose three new questions: "How Did We Get Here From There?", "Where Are We Now?", and finally, "Where Do We Go Next?"

The idea of offshore ports is certainly not a new and novel one. Members of your Association know that fact only too well. Many of them have been engaged in the design and construction, as well as the furnishing of support services, to such ports located in various place around the world. Most have been designed for export, rather than import, of commodities, particularly of oil, but the operational problems, as well as the technology and expertise, are essentially the same. There is no question that when this legislation passes, members of your Association will be actively involved in its implementation. It might be interesting to you, therefore, for me to talk about its evolvement.

For some years, it has been apparent, particularly since the closing of the Suez Canal, that the transportation economics involving the movement of oil has dictated the use of larger and larger tankers on the long hauls. It has also been apparent for some time that our present port areas are threatened with the inability to handle the increasing number of ships arriving in the United States, not to mention the increasing threat to our coastal waters and estuaries from this growing congestion. It is not surprising, therefore, that proposals have been made to utilize our offshore waters for the establishment of port terminals. Similar space needs have prompted proposals for offshore airports, offshore power plants, and other offshore facilities. Early in the present Congress, therefore, I concluded that the Committee should examine the problem areas related to these proposals.

As to the overall problem of offshore construction, I concluded that, as a follow-on to the Marine Protection, Research, and Sanctuaries Act and the Coastal Zone Management Act, legislation might be needed to insure that increased offshore activities would not constitute a threat to the marine environment. I, therefore, introduced H.R. 5091, which provided for the establishment of criteria and procedures which might provide the fullest practicable protection of the marine environment prior to the time when any offshore construction might be undertaken.

Excluded from the coverage of the bill were the oil platforms already covered under the Outer Continental Shelf Lands Act. The second problem related to legislation that might take advantage of the transportation economics to which I referred earlier and which could, in addition to providing benefits to the consumer, also benefit the United States merchant marine, the United States shipbuilding industry, and the marine environment, and promote our national interests generally.

I, therefore, introduced H.R. 5898, which would amend the Merchant Marine Act of 1936, to provide for permit procedures whereby offshore ports or terminal facilities might be constructed and operated in the offshore waters beyond the territorial waters of the United States. As I said in announcing the hearings on those two bills, which began in June of last year and continued through eight days of hearings over a period of several weeks, "Whether or not the energy problems that face the nation can accurately be called a crisis, there is no question that we are going to have to increase our oil imports in substantial quantities. The construction of offshore ports may be the most efficient, the most economic, and the safest way to handle the increased imports. In any case, we expect to find out in these hearings."

I may say that I still agree with that statement of last June and we *did* find out in our hearings. Unfortunately, we did not at that time have advance notice of the renewal of the Mideast conflict, and the subsequent action of the oil exporting countries of the Mideast in declaring an embargo on the export of oil to the United States. This embargo action, of course, has only served to demonstrate our near-term needs for foreign oil and does not change the basic principle behind the bill. We still need to be prepared for the construction and operation of these ports so that we may move forward expeditiously at such time as the present embargo—(which I am convinced, for various reasons, is temporary)—is finally lifted.

As the Committee prepared to begin its hearings on the two bills, it was quite apparent that offshore ports would have an impact across the areas of interest to several Subcommittees. The question involved the impact upon the merchant marine and shipbuilding industry, the involvement of maritime safety and Coast Guard operations, the potential impact upon the marine environment and its resources, and the effect on the coastal zone of nearby States. For that reason, and also because of the importance of the subject, I concluded that the hearings would best be held before the Full Committee.

During the course of the eight days of hearings before the Merchant Marine and Fisheries Committee, a total of more than 40 witnesses appeared, including your own President and the representatives of two companies in your Association, with particular expertise and background in this subject. The information your representatives furnished to the Committee was extremely helpful to the Members of the Committee in understanding the problems involved and in arriving at ultimate decisions on the final language of the bill. In addition to the witnesses, the Committee reviewed various studies from both the public and private sectors relating to the economic as well as the environmental impact of offshore ports for the importation of oil.

At the conclusion of the hearings, the staff was directed to carefully consider the testimony and the documents submitted and to draft new language which reflected, as well as it could, the various viewpoints presented. That draft was used as a briefing paper through which the staff then reviewed the testimony and the proposed language with the Members of the Committee. During the briefing, various Members raised issues on the draft language and suggested the inclusion of additional items for final Committee consideration. This was done.

Subsequently, the Committee spent four days of mark-up during which all facets of the bill were considered in detail and ultimately reported H.R. 5898, with an amendment in the nature of a substitute for the language in the original bill.

Where are we now? The answer is that we have moved no further but we are not yet "spinning our wheels". When we appeared before the Rules Committee prior to the termination of the First Session, other pressing matters related to the energy crisis prevented our being heard on our Rule request. We again appeared before the Rules Committee on January 22. During the course of the hearings before the Rules Committee, two issues were raised by Members of the Rules Committee.

One related to the question of whether the language of H.R. 5898 was sufficiently strong to prevent the takeover of the High Seas Oil Ports by foreign investors who would then operate those oil ports in their own interests rather than in the interests of the United States. The other issue was whether the bill contained language that would properly protect existing port areas from unacceptably adverse impact through diversion of traffic from those ports. The Rules Committee then voted to delay the granting of a Rule until the Merchant Marine and Fisheries Committee could consider the two issues raised by Rules Committee Members. Amendatory language has since been drafted which will, in part, handle those issues.

And now perhaps I should tell you what the bill does. It provides for the issuance of licenses to construct High Seas Oil Ports to be located outside the territorial seas of the United States in waters of the Continental Shelf where very large crude carriers with drafts up to 100 feet may be unloaded without risk of grounding and without the congestion of existing ports. The authority for issuing the construction licenses is vested in the Secretary of the Interior, the responsible officer for present lease activities on the Shelf, which on a use basis must be carefully coordinated with the location of proposed High Seas Oil Ports, including their pipeline connections to shore.

Before issuing a license, the Secretary must make a specific determination related to the capability of the licensee, the guarantee of access, the impact upon other high seas uses, the evaluation of national security interests, and the potential economic impact upon existing nearby ports. In addition, he must carefully consider all potential environmental effects and must insure that the location, the design, and the operational requirements represent the best alternatives available to insure the least possible impact on the surrounding environment. In doing these things, he must carefully coordinate his proposed actions with other interested Federal agencies and must carefully consider the viewpoints of affected States. In the latter case, he may not issue a license for a project which, in its shoreside impact, would be inconsistent with State requirements.

The bill also extends to the High Seas Oil Ports the provisions of certain existing Federal law relating generally to vessel control, vessel construction standards, environmental protection measures, rate structures for pipeline oil transportation, navigational safety, and personnel safety measures. The Secretary of the Department in which the Coast Guard is operating would be responsible for the supervision of the port operation. Finally, the bill creates a no fault liability fund to be derived from user fees, which would be available to satisfy claims resulting from damage inflicted to property within the territorial limits of the United States as a result of an oil pollution incident occurring at the oil port.

In a recent issue, the Oil and Gas Journal contained an editorial which was critical of the speed with which the Congress moves and in particular implied that the delays in enacting an offshore ports bill were caused by conflicts between three House Committees. Let me respond to that suggestion briefly. While there is no question that the Congress sometimes moves at a snail's pace in enactment of legislation, that is not always bad. In fact, it enables Members to carefully consider all problem areas and to attempt to accommodate various viewpoints in arriving at an ultimate legislative solution. In the present case, any delays because of Committee jurisdiction have resulted in my firm conviction that if possible all interested Committees should support one piece of legislation on the issue. When the Merchant Marine and Fisheries Committee began its consideration of the problem, bills on the same subject were also pending in the House Public Works Committee and in the House Interior and Insular Affairs Committee. At an early point, I contacted the Chairmen of those two Committees and suggested that we should keep each other informed of the progress of our hearings and that ultimately we should look to a common solution. During the development of H.R. 5898, the staff of my Committee was able to work closely with the staff of the House Interior and Insular Affairs Committee and the ultimate language of the bill reflected many of the views of that staff and of some of the responsible Members of that Committee. Unfortunately, we were unable to achieve the same degree of coordination with the Public Works Committee, and that Committee ultimately reported H.R. 10701 as its legislative solution.

Since the action of the Rules Committee, the Chairman of the Public Works Committee has contacted me and suggested that perhaps now we might be able to consider language which would resolve the differences between our two bills. The present major differences between the two bills, aside from the details in drafting techniques, are: (1) that H.R. 10701 creates a five-member commission to control both the construction and operation of the port facility, whereas H.R. 5898 places the authority for each in a single agency; (2) H.R. 10701 provides for an exclusive preference to an adjacent coastal State should that State apply for a permit; and (3) H.R. 10701 authorizes an adjacent State to assess a fee on the use of an offshore port, even though that port will lie outside its territorial limits, such fees designed to reimburse the State for costs which the State may incur, attributable to the construction and operation of the oil port.

Additionally, H.R. 10701 introduces a new subject by including a Title which prohibits the exclusion of any person, on the ground of sex, from participating in or any such person being denied the benefits of or subject to discrimination under, any program or activity under this Act, or otherwise the jurisdiction of the Army Corps of Engineers. Let me just comment that I am somewhat uncertain of the necessity for including such a Title.

The attempt to reach compromise language is now in progress. I hope that it will be successful. We may find on the other hand that a few of the basic differences cannot be resolved and will have to be resolved when the legislation is considered on the Floor of the House. If the first of these occurs, I am certain that we can move forward quickly to enact this very timely and important legislation. If the second ensues, and agreement cannot be reached, I am prepared to return to the Rules Committee and seek a Rule on our bill, with such amendments as the Committee may desire to include. In any case, I am determined that a decision will be made at an early date because I firmly believe that unless we move forward in time to complete action and send the matter to the other body, we will not be successful in enacting legislation during the present Congress. For me, that result is unacceptable.

And now before concluding, I would like to turn to a related subject which is of special interest to me and to all of us at this time. As you know, the Bolling Select Committee on Committees has been considering a revision of Committee jurisdiction in the House, as well as changes in the House Rules. This initial tentative proposal last December included a recommendation that the House Merchant Marine and Fisheries Committee be abolished, a notion which I and all the constituent jurisdictional entities of the Committee viewed with alarm and concern. After subsequent reconsideration, the Select Committee now has decided to leave the Committee in existence but to substantially curtail its jurisdiction.

We had suggested a name change to something like, "Marine and Ocean Affairs", but the Select Committee decided to keep the name Merchant Marine and Fisheries with the jurisdictions of merchant marine, Coast Guard and fisheries. The Select Committee proposes to realign other Committees and create new Committees such as the Committee on Energy and the Environment. In my opinion, some of these suggestions fly directly in the face of logic. Under these proposals we would lose the following present jurisdictions: Panama Canal to Foreign Affairs; wildlife to Energy and Environment; and oceanography to Science and Astronautics.

I would like to dwell just one moment on the proposed changes with respect to oceanography. As I just mentioned it is proposed that our oceanography jurisdiction would be transferred to Science and Astronautics. At the same time, the Select Committee would transfer ocean dumping to Energy and Environment, Coastal Zone Management to Energy and Environment, Sea Grant Colleges to Science and Astronautics, and seabed mining to Energy and the Environment.

For the life of me, I do not see how you can put ocean dumping and coastal zone management in the new Committee on Energy and Environment and the parent oceanography over in Science and Astronautics. It is my impression that the purpose of the Select Committee was to streamline and improve the workings of the House. If we just take this one example of oceanography which was formerly one unit with all the entities in our Committee and which is now split all over the place, I cannot see improvement. I can only see that where there was unity and cohesiveness there will now be a dispersion of this unified jurisdiction and chaos.

I can point to the bill which we have been discussing today as just one example of the overall necessity for leaving in one Committee the responsibility for ocean problems. This bill impacts on marine transportation, on marine safety, on the marine environment, and on the State coastal zones, all of which at this time lie within the jurisdictional area of the Merchant Marine and Fisheries Committee. With the realignment, several aspects of that responsibility would be split off and consideration of similar problems would again point up jurisdictional conflicts.

I can point to the creation of your Association as another example. There are many organizations and associations which are concerned with various aspects of the oceans along with other problems, for instance the American Petroleum Institute. And yet you found more than a year ago that a significant void existed. As a result you formed an association the value of which has been demonstrated by its rapid growth by joining together otherwise disparate groups which met in their ocean interests. I think your example could be cited as the industry counterpart to the same legislative needs in the House.

I also suggest that the recent adoption by unanimous vote in the other House of Senate Resolution 222, authorizing a National Ocean Policy Study, recognizes the same need. I am aware that your President has taken the time to express his views to the Select Committee. I only hope that the Members of that Committee will find the time to give his views the careful consideration which they deserve. If so, perhaps the results may be different than presently indicated and we can be allowed to continue in our efforts to legislate in a comprehensive and responsible manner.

NEWSLETTER QUESTIONS IMPACT OF MEETINGS ON WORLD TRADE

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. EVINS of Tennessee. Mr. Speaker, a recent newsletter printed by the Liberty Lobby discussed certain secret meetings of some of the world's leaders in government and international finance.

The newsletter raises questions about the purpose and subsequent consequences of these meetings, particularly in regards to advocacy of increased foreign aid—milking the U.S.A.

Because of the interest of my colleagues and the American people in this matter, I place in the RECORD herewith excerpts from the Liberty Lobby newsletter concerning this meeting.

The newsletter follows:

SECRET WORLD SUMMIT CONFERENCE: 1974 MEETING

For three years, Liberty Lowdown has kept a close watch on the secret Bilderberg meetings, which are held each year at a different resort in Europe or the United States. Since 1971, no publicity is permitted until after the conference. The 1972 meeting was held in Knokke, Belgium and in 1973 at Saltsjobaden, Sweden. Liberty Lowdown learned of these two meetings too late to send a reporter. Extensive digging finally developed the time and location of the 1974 meeting, which was attended by the Rothschilds, Rockefellers, Wallenbergs and other billionaire international financiers or their proxies.

In 1971 Liberty Lobby first penetrated the outer hard shell of secrecy which surrounds this clandestine and sinister group. In May of that year they met in Woodstock, Vt., at a luxurious hotel owned by Laurance Rockefeller. This was fully reported in Liberty Lowdown No. 100. With the single exception of the local paper in Vermont, which could not ignore the event, the only other news source which reported on it was the Washington Observer. It was deliberately suppressed by all other media in the U.S.

Following the 1971 Bilderberg meeting unusual world events happened in rapid successsion. There was the severe dollar crisis of August, resulting in vast profits for the "insiders" and the first devaluation of the dollar. The Bilderberg floating dollar policy has put an end to the financial independence of the United States and signals the impending collapse of the American economy.

The 1971 meeting, which broke policy with previous meetings in that two Russians and two Red Chinese attended, also presaged the Nixinger policy of "detente," following Rockefeller trips to the U.S.S.R. and Red China, followed in turn by Kissinger and Nixon, followed by vast oil and grain deals with communists . . . etc.

ALPINE CONSPIRACY

This time, the Bilderbergers met at Megeve, France, a village nestled in the French Alps about 20 miles from Switzerland. The secret conferences were in the luxurious Hotel Mont d'Arbois, owned by Baron Edmond de Rothschild. Security surrounding the Megeve meeting was even more strict than that in Woodstock three years ago. * * *

Few reporters were in Megeve, all of them French, but no wire service was permitted to carry news of the meeting. No publicity appeared anywhere in the world except for the local French paper which had to carry a story because no one in the area could ignore the obvious fact that something very important was happening.

The guests arrived at the Geneva Airport beginning Apr. 18 and were whisked over the Swiss-French border in a caravan of Mercedes-Benz, Rolls Royce and Cadillac limousines—each one preceded and followed by heavily armed and uniformed Swiss and French police.

THE AMERICAN CONNECTION

From the U.S. came both David and Nelson Rockefeller. Since the time of their grandfather, John D. Rockefeller, Sr., this family has worked hand-in-glove with the Rothschilds.

Only one top-level publisher was invited, Henry A. Grunwald, managing editor of Time. In 1971 Grunwald's opposite number in Newsweek attended, Elliott Osborn. Newsweek in 1971 carried no mention of the meeting and Time will not, either, unless forced to by publicity elsewhere.

In deference to women's lib, perhaps, this year the Bilderbergers invited a woman, Mrs. Miriam Camps, a senior research fellow for the Council on Foreign Relations. Also representing the C.F.R. was James Chace, managing editor of the C.F.R. periodical Foreign Affairs. The Rockefeller-funded, tax-exempt C.F.R. has the responsibility of disseminating the decisions of the Bilderbergers to American "intellectuals."

Another top Rockefeller man in attendance was Emilio G. Collado, executive vice president of Exxon Corp., the world's largest oil company, which reports record profits resulting from the Mideast war, the oil boycott and rising oil prices.

Only politicians who have proved their unquestioning loyalty to the Rockefeller-Rothschild cabal are invited to Bilderberg meetings. They must be willing tools of the super-rich internationalists and must pose as liberals and "friends of the working man." Nationalist and anti-communist political figures are never allowed inside a Bilderberg meeting.

Representing the military was Gen. Andrew J. Goodpaster, Supreme Allied Commander in Europe, who, incidentally, was listed in the "International," not the U.S., Section.

KISSINGER HAD PLANS

Secretary of State Henry A. Kissinger was invited. He planned to attend, as he usually does. Kissinger is now recognized by even foes of Liberty Lobby as the most powerful man in America, far outstripping Nixon. At the last moment, however, Kissinger sent his regrets and dispatched two of his deputies, Helmut Sonnenfeldt, Counselor of the Department of State and Winston Lord, significantly the Director of Planning and Coordination for the "American" State Department.

Sonnenfeldt is a notorious leftist and internationalist who always receives the finest press coverage and is obviously chosen for a rapid rise in the Rothschild-Rockefeller world secret government. He has repeatedly transmitted classified U.S. documents to a foreign power (Israel). During the reign of J. Edgar Hoover, security risk Sonnenfeldt was under intensive scrutiny by the F.B.I. and his telephone was tapped for more than a year prior to Hoover's mysterious death.

Key factotum in setting up the Bilderberger meetings is Joseph E. Johnson, president emeritus of the Carnegie Endowment for International Peace, a tax-free group best known for its detailed plan for the invasion of South Africa by U.N. troops and the murder of its White inhabitants. Johnson has the job of transmitting invitations to selected persons to attend the annual Bilderberger meetings. Actual arrangements for the hotels, security and transportation are left to the permanent Bilderberg office in The Hague, Holland.

In a rare private interview with the close-mouthed Johnson, the Liberty Lowdown reporter managed to get him to reveal that the agenda for the Megeve conference included the Mideast and petroleum, NATO and the Common Market. Johnson also admitted that this time no Russians, Chinese or Arabs were invited.

The list of leaders from other nations who attended is also known to Liberty Lowdown. Heading the list, of course, is H.R.H. Prince Bernhard of the Netherlands, front man for and chairman of the Bilderberg organization. The list includes Edgar Faure, president of the French National Assembly; Helmut Schmidt, Germany Minister of Finance; Giovanni Angelli, president of Italy's gigantic Fiat Co.; Marcus Wallenberg, the richest and most powerful financier in Sweden; Denis Healy, Great Britain's Chancellor of the Exchequer and of course Baron Edmond de Rothschild of France—host of the meeting and owner of the hotel and grounds on which it was held—and his cousin, Guy Rothschild of England. The total number of those attending was about 120 plus, of course, hundreds of retainers and security personnel.

DELETE THE EXPLETIVE

HON. GEORGE McGOVERN

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 7, 1974

Mr. McGOVERN. Mr. President, as Members of Congress, we must maintain our objectivity during the inquiry and possible trial of Mr. Nixon. But I cannot resist passing on to my colleagues an impeachment slogan proposed by one of my South Dakota constituents: "Delete the Expletive."

FEDERAL CIVILIAN EMPLOYMENT, MARCH 1974

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. MAHON. Mr. Speaker, I include a release highlighting the March 1974 civilian personnel report of the Joint Committee on Reduction of Federal Expenditures:

JOINT COMMITTEE REPORT

Total civilian employment in the Executive, Legislative and Judicial Branches of the Federal Government in March 1974 was 2,835,648 as compared with 2,827,186 in the preceding month of February—a net increase of 8,462. Total pay for February 1974, the latest month for which actual expenditures are available, was $2,812,146,000.

Employment in the Legislative Branch in March totaled 34,682—an increase of 160, and the Judicial Branch decreased 69 during the month to a total of 9,300. These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Federal Expenditures.

Civilian employment in the Executive Branch in March 1974, as compared with the preceding month of February and with March a year ago, follows:

	Full-time in permanent positions	Change	Temporary part-time etc.	Change	Total employment	Change
Monthly change:						
February 1974	2, 443, 838		339, 457		2, 783, 295	
March 1974	2, 451, 893	+8, 055	339, 773	+316	2, 791, 666	+8, 371
12-month change:						
March 1973	2, 430, 948		326, 870		2, 757, 818	
March 1974	2, 451, 893	+20, 945	339, 773	+12, 903	2, 791, 666	+33, 848

Some highlights with respect to executive branch employment for the month of March 1974 are:

Total employment of executive agencies shows an increase of 8,371 during the month to a total of 2,791,666. Major increases were in Health, Education, and Welfare with 3,244 and Defense agencies with 2,796. The largest decrease was in Postal Service with 2,196.

The full-time permanent employment level of 2,451,893 reflects an increase during the month of 8,055 primarily in Defense with 1,785, Health, Education, and Welfare with 1,721, Postal Service with 1,267 and Treasury with 1,022.

FISCAL YEAR 1974, THIRD QUARTER

During the first three quarters of fiscal year 1974 total employment in all three branches of the Federal Government increased 11,091 to a total of 2,835,648. Some points of interest are:

Employment in the legislative branch decreased 246 since June 1973 and the judicial branch increased 560.

Employment in the executive branch experienced a net increase since June of 10,777 to a total of 2,791,666. Major increases were in civilian agencies with 21,308, offset by a decrease of 10,531 in Defense agencies.

Included in the total for March 1974 are 2,451,893 employees in full-time permanent positions, an increase of 30,186 since June 1973. Major increases were in Postal Service with 15,071, Treasury with 5,911, Veterans with 2,189, and HEW with 10,449 (largely due to the conversion of certain public assistance grant programs from State to direct federal administration).

Full-time permanent employment at the end of the third quarter, March 1974, totaled 2,451,893—28,707 under the budget projections for June 30, 1974, the end of the fiscal year. Civilian agencies are over the projections by 9,403 and the military agencies are under by 38,110. These comparisons are summarized as follows:

	Civilian	Military	Total
June 1973	1, 434, 426	987, 281	2, 421, 707
September 1973	1, 429, 574	973, 922	2, 403, 496
December 1973	1, 449, 641	982, 832	2, 432, 473
March 1974	1, 464, 703	987, 190	2, 451, 893
June 1974, estimate	1, 455, 300	1, 025, 300	2, 480, 600

In addition, Mr. Speaker, I would like to include a tabulation, excerpted from the joint committee report, on personnel employed full time in permanent positions by executive branch agencies during March 1974, showing comparisons with June 1972, June 1973, and the budget estimates for June 1974:

TABLE 1-B.—PERSONNEL EMPLOYED FULL-TIME IN PERMANENT POSITIONS[1] BY AGENCIES OF THE EXECUTIVE BRANCH DURING MARCH AND COMPARISON WITH JUNE 1972, JUNE 1973, AND BUDGET ESTIMATES FOR JUNE 1974

Major agencies	June 1972	June 1973	March 1974	Estimated June 30, 1974[2]
Agriculture	82, 511	81, 715	78, 384	80, 200
Commerce	28, 412	28, 300	28, 338	28, 600
Defense:				
Civil functions	30, 585	29, 971	28, 651	28, 700
Military functions	1, 009, 548	957, 310	958, 539	996, 600
Health, Education, and Welfare	105, 764	114, 307	124, 756	[3] 123, 900
Housing and Urban Development	15, 200	15, 820	14, 992	14, 800
Interior	56, 892	56, 771	57, 240	58, 900
Justice	45, 446	45, 496	47, 321	48, 900
Labor	12, 339	12, 468	12, 255	12, 700
State	22, 699	22, 578	22, 547	23, 400
Agency for International Development	11, 719	10, 109	9, 406	9, 900
Transportation	67, 232	67, 885	67, 805	69, 500
Treasury	95, 728	98, 087	103, 998	104, 700
Atomic Energy Commission	6, 836	7, 145	7, 308	7, 400
Civil Service Commission	5, 260	5, 911	6, 301	6, 100
Environmental Protection Agency	7, 835	8, 270	8, 702	9, 200
General Services Administration	36, 002	35, 721	35, 915	37, 200
National Aeronautics and Space Administration	27, 428	25, 955	25, 512	25, 000
Panama Canal	13, 777	13, 860	13, 637	14, 000
Selective Service System	5, 791	4, 607	3, 348	3, 100
Small Business Administration	3, 916	4, 050	3, 924	4, 100
Tennessee Valley Authority	14, 001	13, 995	13, 513	14, 000
U.S. Information Agency	9, 255	9, 048	8, 821	9, 100
Veterans Administration	163, 179	170, 616	172, 805	173, 400
All other agencies	33, 499	34, 610	35, 521	37, 300
Contingencies				2, 000
Subtotal	1, 910, 854	1, 874, 424	1, 889, 539	1, 942, 700
U.S. Postal Service	594, 834	547, 283	562, 354	537, 900
Total[4]	2, 505, 688	2, 421, 707	2, 451, 893	2, 480, 600

[1] Included in the total employment shown on table 1.

[2] Source: As projected in 1974 budget document submitted by the President on Feb. 4, 1974.

[3] Excludes 4,000 positions involved in proposed transfer of St. Elizabeths Hospital to the District of Columbia.

[4] March figure excludes 963 disadvantaged persons in public service careers programs as compared with 1,134 in February.

MELVIN LAIRD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, when I first came to Washington in 1967, I was most fortunate in having as my neighboring Congressman a man who had been an earlier alumnus of the Wisconsin State Legislature. That man, Melvin Laird, was of immeasurable help to me, giving me the kinds of insights I needed to do this job better. I am sure there are many others in the House today who share this feeling.

Melvin Laird is now out of public life for the first time in 28 years. He's now with the Reader's Digest, after serving as a Wisconsin State Senator, U.S. Representative, Defense Secretary and Special Counselor to the President. Though he is no longer actively involved in politics, he is no less respected as a politician—and as a conscientious, knowledgeable spokesman for the interests of the American people.

Nick Thimmesch in the May 5 Potomac magazine offered an excellent portrait of Melvin Laird. He traced Mel's career, but more important, he captured the facets of the man that cause all of us—and the American people—to respect and care for him as a dedicated public servant and as a human being. I commend the article to my colleagues' attention.

BACK-ROOM MASTER IN WAITING

(By Nick Thimmesch)

Melvin Laird is out of public life now for the first time in 28 years. This hardly rates a headline, but it says a lot about a career. Even with 28 years in the game behind him, Laird isn't retiring. But what happens to these men who seem always with us in public prints and pictures, telling us what's best for the Republic and the world, what democratic means should be followed to reach our Excelsior on earth?

So many fade into law firms, corporate tiers, the mazes of consultant firms or foundations, or the sanctuary of a university. Robert S. McNamara left Defense and was almost able to hide out at the World Bank. Senators like George Smathers, Charles Goodell and John Sherman Cooper are seen on the streets and occasionally at cocktail parties, but one knows they won't be back in political life.

Others, like, say, Joseph Califano, fold into the top law firms, and bob into print often enough to suggest they will be back. Many found themselves in late middle age before realizing there will be no restoration of Camelot. And now and then one sees senior men who are unnoticed legends—Tommy (The Cork) Corcoran, James Rowe or Benjamin Cohen from the moss-covered, but once exciting New Deal.

But Laird is 51, and though Herblock probably wept mightily at losing Laird's dome-head, the complex politician from Wisconsin is hardly ready for some Republican Valhalla. Mel Laird went to Reader's Digest, or did he?

"He comes in at nine now and leaves at five," reports Laurie Hawley, Laird's secretary for seven years. "That's the biggest difference. At Defense it was 15 hours a day, and sometimes, he stayed until two or three in the morning."

We usually remember him, surrounded by charts and graphs, as he pled for the utensils of national security or understanding on the war. For many years, he was famed as one of the Hill's most skillful operators, and before that, as a precocious State Senator in Wisconsin, once described as a leftist Republican. The legislative years were his happiest.

Then, the firehorse Laird, called to replace the suddenly departed John Ehrlichman. Laird dutifully tried to make the best of a bad war, and temporarily neutralized some of President Nixon's adversaries. But the Watergate-plagued White House was not a haven for the professional politician.

So on February 1, Laird left it all for his first try at an authentic private life. At first, he vacationed in Florida, golfed, and read some books. But he soon went back to work.

He has a professional title or two now. But really, Laird is the Master Back-Room Dealer in Waiting.

Besides earning his pay from Reader's Digest, he performs a battery of free services—chairing a project on national energy problems for the American Enterprise Institute; consulting for the Defense Department; a few speeches; providing over-all direction, as chairman, of the Wolf Trap Foundation for the Performing Arts; and most of all kibitzing with old friends.

He takes time, on occasion, to talk with a newsman, which is what he did with me a few weeks ago.

"I love Washington," Laird tells you, with that look which has launched a thousand useful compromises. "I keep in contact with many people in government. I go up to the Hill to have breakfast or get my hair cut, and stay around and visit with congressmen like Tip O'Neill or John Rhodes.

"I play golf with Ken Rush and George Schultz on weekends," says Laird.

"I go see Henry (Kissinger) because he's got problems with our European allies. I have friendships with many in their parliaments and governments, men like Helmut Schmidt and Dennis Healey, because, you know, we're all politicians. Henry doesn't know them the way I do. They're upset because Henry believes it is easier to deal with dictators and Communist leaders than elected officials in democratic countries. You know, politicians have a constituency, and that's the way it goes. We must maintain democratic forms of government. They have election in Europe. They speak out and express opinions. Is that bad?"

Laird thunders a bit and the eyebrows arch, before his eyes crinkle from the smile following. How many congressmen, admirals, generals, cabinet officers have been warmed to the argument this way?

He still works it on Vice President Gerald Ford and others he visits in the White House. "Jerry ought to get into some substantive issues now," Laird says. "That will happen. I tell him he must portray himself as a loyalist to the President, and not give the impression he promotes himself. Jerry must promote the country, and not any idea of succeeding the President. I've been as tough as I can be on that.

"I talk with the President, too. My advice has been followed, but it's so painful getting them to do it. They came around too late in providing materials on Watergate. The President insists on being his own lawyer and press secretary. Len Garment and Charles Alan Wright and Fred Buzhardt took it. I think St. Clair will take it too. But they'll be giving up more to Pete Rodino's committee.

"One thing I wanted and didn't get was for St. Clair to have his own spokesman, so his operation would be separate from the White House. But Ziegler speaks for him, and it looks as though St. Clair is under the President.

"The President has lost ground in the past couple of months, by getting caught up in legalistic arguments, but he won't be indicted by the House. And I have to believe him when he makes it clear to me that he won't resign.

"If he'd only know that the House isn't

out to get him. I have faith in John Doar. He was a law partner with Warren Knowles who stood next to me in the Wisconsin senate years ago. I helped bring John Doar to Washington in the Eisenhower Years. He is a good man.

"I talked to Rodino about Doar before he came on. I am awfully disappointed in Pete voting against Jerry Ford's confirmation as Vice President. The real measure of a politician is whether, in certain instances, you vote your conscience or your constituents. It's easier to vote your constituents. You're a more lasting politician when you vote your conscience. Pete didn't do that on the Ford vote."

Laird gets as passionate talking about health legislation as he does about nuclear balance, impeachment or energy problems. He is a man of Congress. He likes ideas to clash, and the combatants to then wrap their arms around each other in resolution.

He doesn't like the atmosphere in Washington now.

"There are too many people paranoid on both sides," he says, "There is so much feeling of suspicion and distrust, between the congressional and executive branches. One reason that Congress has so low public acceptability, is that they fight each other personally inside the system. In my years up there, we had confrontation of ideas, which is essential to our system, but we tried not to get personal. I've never seen the personal distrust we have now."

Perhaps the most curious part of Laird's career was his shortest—the eight months he served as domestic counselor to the President.

Laird was pushed through the heavy black gates of the White House by Congress, and the most vigorous pushers were an angry, determined band of Republican leaders, as fed up with the vault-mentality as they were with Watergate.

"Mel can do the job if the old man will let him," pronounced Barry Goldwater. "He's got to make Nixon one of the boys. Otherwise, Mel will leave. The President can no longer hide the weaknesses of the White House. We're counting on Mel because he's never lost anything he started."

Republicans and Democrats too, hoped for a new era in White House-Congressional relations. "It's about time they got a professional politician down there," said Senate Majority Leader Mike Mansfield. Congressman Les Aspin said, "I don't think he'll be a presidential yes man. He'll tell the president what he has to hear. He might even box him in on some occasions."

Up with Old Mel, chewer of Corona Tabacalleras, sipper of Manhattans, arm-around-the-shoulder guy. Down with the arrogant amateurs whose secretaries answered some of Washington's top people with, "Would you give me the subject of your call, please?"

So Laird trekked up to the Hill where he could sit (and still does) in the House barber shop to get that fringe of spiked hair cut, and kid with "the fellows." He went around to the bureaucracy's departments to visit long-neglected cabinet officers and their staffs. The word got around that Mel was down there and could do something.

So the phone calls came, in fives and tens, and then incessantly, as Hill people said, "You're the only one who can help me with this, Mel." And one day Laird hollered in to his secretary, "Who in the hell is handling sewers here?"

In the summer of 1973, Laird worked his will. He got Mr. Nixon to agree to sign a bill designating August 15th as the cut-off date for bombing in Cambodia. (He had a tougher time convincing Congressional friends that Nixon would keep his word.)

Nixon relented on questions that John Ehrlichman might have waved off, with an "absolutely not." Some $200 million restored for the Upper Great Lakes Commission; a reversal of the planned phase-out of grants to young scientists-in-training; a manpower training bill; a four-year agricultural program; highway bills with emphasis on mass transit; an education bill. The logjam of domestic legislation was broken by Laird, the Main Street American out of Marshfield, the Master Politician.

He sorely wanted Ziegler moved into another job. Laird had always managed to defang an angry press, and he knew the press was livid over Watergate. Without mentioning Ziegler, Laird told me one day last summer, "There're too many smart-asses around here. We've got to make some changes. I've got to get the President to open up. I wouldn't have come here, if I didn't think it would work. If I'm not making a contribution, I'll leave. I would rather be away from it."

Laird wheedled. Congress restored cuts in foreign aid, thus assuring $1.1 billion for South Vietnam. Nixon tentatively accepted Laird's push for a Legal Services Program. Nixon agreed to put a health insurance program into the State of the Union. Another shove for welfare reform. Then Laird pressed on Congress to move the H.E.W. bill, the first in two years.

So Mel Laird used his weight, pressing Nixon and pressing congressmen and Senators, but he didn't change the President's set view of the world about him much.

On a January afternoon, he told me a vote on impeachment could be forced, and that would be good, because impeachment would fail by 120 votes. Still, he was appalled with the President's income-tax returns, even though there might have been good explanations for controversial deductions. "I have been on the public payroll all my life," he told me. "I get my money from the taxpayer. That's why I avoided claiming marginal stuff. If anybody wants to read my tax returns, they are on file in Madison, Wisc., and they can get them for a dollar."

Laird was a mixture of satisfaction and disappointment that day.

"Where I had a responsibility," he said, "the President never gave me a problem. We moved stuff through. You know, I never lost a vote on the Hill all the time I was at the Pentagon. There was no fun at the Pentagon, I had responsibility for the war.

"I had to push him (Nixon) on that bombing cutoff. You know Henry Kissinger wanted more bombing. But that decision on the cutoff was good for Congress and the administration. The South Vietnamese can handle them. They have enough pilots. It's their foot soldiers who are important. If there is no will, it's their own tough luck. We have done everything that we told them we were going to do. That's what Vietnamization is all about. The fighting will continue for 20 years.

"I could never understand why Henry (Kissinger) urged a world alert last October (during the Middle-East war). Why call a world alert? I never called for one, and we had tougher situations than that. There are ways of doing it, partially, or with a show of the flag, but a world alert wasn't the way. Look at what it did to our European friends."

Barbara Laird says, "I'm old fashioned, and when you marry a person, you go with his calling. My husband's was politics. Politics doesn't have to put a family to a special test. A person is a person, no matter what his life is—being a doctor, lawyer, or what. It's a bunch of bunk to say that my life would have been different had Mel not been in politics."

Barbara Laird was in his career from the beginning, and "we grew up in politics." She thinks Laird is out now, but she isn't sure, "you never say never," she says absolutely, "I don't make judgments for him, I only give my opinion."

During one of the more heated moments in the national dispute on Viet Nam the Lairds' eldest son, John, was photographed marching in an anti-war demonstration at the University of Wisconsin campus at Eau Claire. This caused quite a stir in the press. "Mel and John discussed the war and didn't agree," Barbara Laird says. "But John always respected his father. The children were always interested in the political process. They didn't like the cartoons and criticism of their father but they understood them." She says "you'll have to ask the children if they are Republicans."

The "children" are John, 26, married five years, and teaching in Los Angeles; Mrs. Allison Kelley, 22, president of the senior class at the Univ. of Tenn.; and David, 19, at the University of N.C." I am proud of Allison," says Barbara, "because the mayor of Knoxville gave her an award for her class's Rape Crisis Center."

Barbara Laird makes it clear that their home is not in the Kenwood section of Bethesda; rather, it's across River Road in the Springfield section. They have lived in the three-story house for 17 years. They often go out to dinner parties and sometimes give dinner parties at home. Years ago, the Lairds would go back to Marshfield for summer vacations, but since the children have grown, Mel and Barbara prefer to go to John's Island, about 70 miles north of Palm Beach. Still their roots are in Wisconsin and Laird frequently visits Marshfield to see his mother, now in her mid-80's, who lives alone.

VITAMINS, FOOD SUPPLEMENTS, AND FREEDOM OF CHOICE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. GOLDWATER. Mr. Speaker, today I join my colleague from California, Congressman Craig Hosmer, on his discharge petition for the bill, H.R. 643. It is a sad day when Members of the House of Representatives must resort to such a parliamentary device in order to bring before the full House important legislation. What is at stake is the basic, essential freedom of each and every American to choose the content and quality of his dietary food supplements.

Under the guise of labeling standards, the Federal bureaucracy has again moved to tell the American citizen that the Government knows what is good for him. Worse, this presumption can have the force of law. Congressman Hosmer has introduced legislation that would preserve such basic choices for the individual. His legislation is currently bottled up in committee and cannot receive the complete congressional attention it deserves.

Americans are sick and tired of being pushed aside, stepped on, and otherwise presumed upon by a leviathan bureaucracy that presumes we are all incompetent drones incapable of making healthy choices. It is stupidity to classify vitamins in such a way as to have them regulated like dangerous drugs. H.R. 643 seeks to undo the damage of the administrative decisions of the FDA, and to let Americans eat and live in peace. I urge my colleagues to carefully consider H.R. 643. I am sure they will see its merit and will support its consideration by the full House.

COUNCIL'S 75TH ANNIVERSARY

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, I was recently very honored to appear at the 75th anniversary celebration of the St. John's Council 404, Knights of Columbus, in Attleboro, Mass. This hearty organization of men dedicated to the principle of charity, religion, and patriotism is a living tribute to the goals of the group's original founders. Members of St. John's Council have been and continue to be active, contributing members of the Attleboro community. In these times when it is often fashionable to disregard the lessons of the past, the St. John's Council 404 respects its own history as it moves toward becoming a healthy 100 years young.

Mr. Speaker, I place in the RECORD a recent editorial from the Sun Chronicle which aptly describes the organization and notes its many contributions to the community at large.

The editorial follows:

[From the Sun Chronicle, Apr. 6, 1974]

AS 404 BECOMES 75

In 1899, a group of men that included the late Sylvester McGinn, traveled in one of the worst snow storms of that winter from North Attleboro to Attleboro to institute a council of the Knights of Columbus.

Their belief that the ideals of that relatively new fraternal society would appeal to the Catholic men of Attleboro has been borne out by the events of the past 75 years. St. John's Council 404, Knights of Columbus, is celebrating its diamond jubilee with a series of events. Principal events of the celebration will be the attendance of the Knights at Mass tomorrow in a group and a Communion breakfast afterward at the council home.

Many of the older members of the council remember how the late Mr. McGinn enjoyed recounting the details of the trip to Attleboro for the organizing of the new council. He told it each time with the same enthusiasm that he undoubtedly had the first time he told it. Those who knew him and knew the early leaders of St. John's Council form a link between its beginnings and its present day.

When the 50th anniversary of the council was observed, there were several charter members on hand. They are gone now but their imprint on the council continues. The 50-year members who will be honored on Sunday are today's link between the earlier days of the council and the Knights of today.

That the founders built well and that their successors have been faithful to such principles as charity, religion and patriotism that the Knights of Columbus espouses is indicated by the fact that the local council, celebrating its diamond jubilee, is a strong organization.

St. John's Council often has contributed to health and charitable institutions in Attleboro. It also has contributed to the cultural life of the city with such enterprise as sponsorship of debates and through awarding prizes for essay contests. The council has contributed to recreation in the city through sponsorship of athletic teams, especially baseball, and musical groups.

As individuals, its members have been and are found in the industrial, commercial, legal, educational, protective, judicial and governmental life of the city. The members of St. John's Council have been, by adhering to the principles of their Order, good citizens of the community. Joyous salutes to the council's 75th birthday, therefore, go beyond the membership. So too does the belief that the council will continue to serve its church and its community as it moves on toward its 100th anniversary.

AGAINST "NADERISM"

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. CRANE. Mr. Speaker, despite the fact that polls show greater disillusionment with Government on the part of the American people than ever before, there remain those who advocate additional Government controls of and intervention in the American economy.

Thus, when a problem arises which Government has helped to cause, such as the shortage of oil—due in large measure to Government controls on the price of natural gas and import quotas limiting the amount of petroleum which could be brought into the country—there are many who call for the nationalization of the oil industry. To treat a problem with its cause, of course, is illogical. Yet, this kind of thinking is all too prevalent in our country at this time.

Anthony Harrigan, executive vice president of the U.S. Industrial Council, notes that—

> America is experiencing an antibusiness binge in which every corporate mistake or imperfection, from a defective can of tuna to a single oil spill off the California coast, becomes an excuse for slowing technological development, proposing new economic controls and urging nationalization of private enterprise.

Mr. Harrigan points out that—

> No evidence has been produced indicating that a shift to a socialist or maximum-regulation society would make the American people any wealthier. To replace big business with big government is hardly a progressive step. In country after country, economic controls and nationalization have been a disaster.

Unfortunately, business has been reluctant to speak up in its own defense and in support of our traditional system of private enterprise. It is high time that it initiated such a defense, for the facts are clearly on the side of free enterprise and against the imposition of additional government controls.

Writing in the New York Times of April 17, 1974, Mr. Harrigan concludes his article this way:

> The foes of a free economy set out several years ago to create a crisis of confidence in capitalism. That's the meaning of the Nader movement. Using sensational charges against business, they have endeavored to create hostility toward the economic system that has enriched our nation. In considerable measure, they have succeeded. If economic freedom is to survive in this country, businessmen must fight back in the forum of public opinion.

I wish to share this important article with my colleagues, and insert it into the RECORD at this time:

[From the New York Times, Apr. 17, 1974]

AGAINST "NADERISM"

(By Anthony Harrigan)

NASHVILLE.—America is experiencing an antibusiness binge in which every corporate mistake or imperfection, from a defective can of tuna to a single oil spill off the California coast, becomes an excuse for slowing technological development, proposing new economic controls and urging nationalization of private enterprise.

This shrill, crusade against business is as absurd and unfair as it is hurtful to the public. The deficiencies of business are nothing as compared to the excesses of unions with their monopolistic power used to paralyze cities and transportation systems.

Yet business is increasingly subjected to smear attacks and to near-totalitarian demands such as Sen. Henry M. Jackson's call for placement of Government representatives on the boards of energy companies. In the view of the critics of business, everyone has rights except the corporation.

The current Naderized antibusiness atmosphere has produced proposals for radical change in the United States economic system, including demands for Federal chartering of business, deconcentration of large corporations, mandatory placement of union representatives on boards of directors, and switching authority to Government for location of plants, choice of products and control of advertising. In effect, there would be a take-over of stockholder rights without due process.

No evidence has been produced indicating that a shift to a socialist or maximum-regulation society would make the American people any wealthier. To replace big business with big government is hardly a progressive step. In country after country, economic controls and nationalization have been a disaster.

It is dismaying that the anti-business big lie finds any acceptance. The increases of wealth in this country have been the result of activity by individuals and corporations, not Government. The managerial failures of the Federal Government are notorious. The Postal Service can't deliver mail with dispatch; how can anyone believe that bureaucrats could do a better job developing oil resources than companies with decades of experience and global expertise?

Antibusiness groups have proliferated in recent years. They would strip business management of the right to manage. They regard profit as a dirty word. Congress has responded with a barrage of regulations covering numerous industries. Thus, today, we have a condition or regulatory overkill.

Where business has gone wrong is in failing to stand up for its rights against those who seek totalitarian controls over private property. Unhappily, many large companies have sought to appease the enemies of free enterprise.

They have resorted to soft public-relations campaigns instead of battling against Naderism with the most important weapon, truth, These instances of corporate cowardice have only produced more extreme attacks on business.

Ironically, some of the big oil companies that have been drawn and quartered in public long have been among the most tame and meek corporations. They have engaged in ecology-fad advertising and substituted lyrical humbug for tough talk about the disastrous effects of excessive Government regulation.

The foes of a free economy set out several years ago to create a crisis of confidence in capitalism. That's the meaning of the Nader movement. Using sensational charges against business, they have endeavored to create hostility toward the economic system that has enriched our nation. In considerable measure, they have succeeded. If economic freedom is to survive in this country, businessmen must fight back in the forum of public opinion.

RESOLVED: TO HEREBY SUPPORT HISC

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ASHBROOK. Mr. Speaker, it has been a distinct honor for me to be able to present the views of so many fine organizations who have made recent representations on behalf of the House Internal Security Committee which would be banished to oblivion by a resolution—House Resolution 988—proposed by a small handful of House Members flying in the face of the overwhelming vote of confidence given to HICS year in and year out by the vast majority of the House Members.

Today, as I have done in the past few weeks, I am happy to share with my colleagues the following material: a letter to selected Congressmen from the national office of the Catholic War Veterans which represents 50,000 veterans, from its National Commander Neil G. Knowles, dated March 13, 1974, and a resolution from CWV's King County Chapter; a letter to the House leadership of both parties of April 16, 1974, from the executive vice president of the National Association for Uniformed Services, Brig. Gen. Hallett D. Edson, retired, a veterans organization which embraces all of the military branches; and a mailgram from Otto Dohrenwend, chairman, and William Rizzuto, commander of the American Legion Chapter of Westchester County, N.Y., addressed also to selected House Members.

The material follows:

THE CATHOLIC WAR VETERANS

DEAR CONGRESSMAN: We have heard of a recommendation of the Select Committee on Committees that the Committee on Internal Security be discontinued and that their functions be assigned to the Committee on the Judiciary.

The Catholic War Veterans, U.S.A., support the continued existence of the Committee on Internal Security and asked that its 1974 budget request be approved and that the recommendation of the Select Committee on Committees be disapproved.

We are of the opinion that to put these functions in the jurisdiction of a subcommittee of the Judiciary Committee would greatly diminish the good work this Committee has done in the past and will continue to do in the future.

The internal security of this country is too great a problem to be handled by a committee where it will only be a portion of the entire thrust of that committee. Again, we ask for your support of the budget request for the House Internal Security Committee and your rejection of the Select Committee on Committees as regards the House Internal Security Committee.

Respectfully yours,

NEIL G. KNOWLES,
National Commander.

CWV–KINGS COUNTY CHAPTER RESOLUTION

Whereas the House Internal Security Committee has been a force against those who would overthrow our present form of government and,

Whereas activity against our form of government is on the upswing e.g. the Symbionese Army of Liberation and the American Revolutionary Party involved in the two current kidnappings and,

Whereas the Select Committee on Committees has recommended the transfer of the mandate of the H.I.S.C. to the Committee on the Judiciary and,

Whereas in this transfer the individuality of this thrust against our domestic enemies would be severely diminished,

Now, therefore, be it Resolved that the Catholic War Veterans of Kings County Chapter do hereby support the House Internal Security Committee and urge approval of its 1974 Budget Appropriation and be it,

Further Resolved that we oppose the action to abolish this committee and transfer its function to the Committee on the Judiciary and be it,

Further Resolved that copies of this resolution be sent to the Majority and Minority Leader of the House of Representatives, the Representatives from the County of Kings and be it,

Further Resolved that the membership of Kings County Chapter be urged to write to their congressman to support H.I.S.C. and its existence and budget allocation.

NATIONAL ASSOCIATION OF UNIFORMED SERVICES

We are most concerned with various proposals that would tend to reduce the effectiveness of the House Committee on Internal Security, chaired by Representative Richard H. Ichord of Missouri.

Our membership have spent their total careers in maintaining our country's security, and we wish to insure that every effort is made to retain this security. The work performed by the highly trained, experienced and dedicated staff of Mr. Ichord's HCIS is absolutely essential to our country's defense against internal and external forces inimical to our national interests. Reorganizing the committee system to reassign the HCIS as a subordinate element of any other committee, particularly the already overworked Judiciary or Government Operations Committees, would be tantamount to emasculating its true effectiveness.

We urge that every effort be made to continue the House Committee on Internal Security as a separate committee and that further consideration be given to extending its powers to include the broad fields of espionage and organized crime.

Sincerely,

HALLETT D. EDSON,
Executive Vice President.

THE AMERICAN LEGION, WESTCHESTER COUNTY, N.Y.

The American Legion, Westchester County, N.Y. urges continuation House Committee Internal Security and granting requested appropriation for this vital bulwark against subversion attacking body politic, particularly our Youth and educational, religious, penal institutions.

Crime, violence, terrorism, kidnapings, guerrilla revolutionary warfare increasingly rampant.

For decades CPUSA, fronts, fellow-travelers have sought destruction of all Internal Security including House Committee. In 1957, "Operation Abolition" became major objective.

Bolling Committee efforts to transfer HISC functions to Judiciary should be rejected. Emasculation of HISC would represent suicidal defeat for USA.

OTTO DOHRENWEND,
Chairman.
WILLIAM RIZZUTO,
Commander.

LOS ANGELES POLICE RELAY RUN

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. REES. Mr. Speaker, it is difficult to repay the men and women who protect us in our communities—our policemen.

This year National Police Week will be celebrated in May. To mark the occasion a group of police officers representing the Los Angeles Police Revolver and Athletic Club of the Los Angeles Police Department will run in relays from the steps of the Capitol to the city hall in Los Angeles—a total of 3,820 miles in just under 20 days.

This feat alone deserves special commendation. But these men are not participating in the run for commendation, but for policemen everywhere, seeking recognition of the "cop" as "one of us, just a regular guy who has the same likes and dislikes, sense of satisfaction, and so forth." This accomplishment will be uplifting to the morale of the American people everywhere.

The run starts on May 10. It will be completed on May 28—in record time.

The officers will be running in this event on their own time and at their own expense. They are: Lt. Frank Mullens, Sgt. Bob Hickey, Sgt. Al Shearer, Officer Dick Bonneau, Officer Bob Burke, Officer Pat Connelly, Officer Ed Esqueda, Officer Chuck Foote, Officer Donald Hall, Officer Frank Janowicz, Officer Bob Jarvis, Officer Dick McKenna, and Officer John Rockwood.

Special commendation is due the progressive-thinking administrators in the city of Los Angeles for their role in encouraging this event. These include Mayor Thomas Bradley and Chief of Police Edward Davis, as well as members of the Los Angeles Board of Police Commissioners—James G. Fisk, Salvador Montenegro, Robert I. Weil, and Samuel L. Williams.

Backup personnel involved in the project are: Race directors, Chief George Beck, Comdr. Charlie Reese, Capt. Rudy Deleon; communications director, Comr. C. Kirby; public relations directors, Mr. Hal Phillips and Officer Norm Conn; sponsor coordinator, Mr. Bob Hogue; race coordinator, Officer Bob Burke; information coordinator, Officer Dennis Humphry; team captain, Officer Chuck Foote; coach, Officer Pat Connelly; doctor, Sgt. Ron Kiser; mechanic, Sgt. George Dewit; drivers, Lt. Ron Breiter, Sgt. Bob Van Gelder, Sgt. Bill Guiney, Sgt. Ed Brown, Sgt. Elmer Puellegrino, Sgt. Dick Wuerfel, Officer Jerry Lewis, and Officer George Moore.

Many forward thinking, civic minded firms and individuals are assisting in this worthwhile undertaking, the foremost of which is the Juvenile Opportunities Endeavor Foundation, which has lent manpower for a major fundraising campaign to underwrite the costs of the run. With the cooperation of Daylin, Inc., the Beverly Hills, Calif., company out of which grew the JOE Foundation, Amnon Barness, Daylin chairman of the board has allowed expertise in several areas to become a part of the relay of good will.

Among those who are assisting are Chic Watt, senior group vice president of Daylin; Peter Grant and Ron Rieder, director and associate director of communications for Raylin; Hal Phillips, Daylin public relations consultant, and Ruth Frauman, executive director of JOE, as well as many other Daylin employees and their families. Through JOE, arrangements are being made for youngsters to run with the police officers in certain cities to foster better relations between "kids and cops," the name given this program.

In addition, the following firms and organizations are participating as sponsors: Lawry's Associated Restaurant, Los Angeles Hilton Hotel, Nike Sports Shoes, Southern California March of Dimes, Southern California United Cerebral Palsy, Sports Coach Motor Homes, Investigator Joseph Wambaugh, Western Council of Private Fleet Operators, and World's Wristwrestling Association, Inc.

This run will establish better rapport between our policemen and the people they protect, especially the youth, making people proud of their accomplishments.

I ask every Member of this Congress be present on Friday, May 10, 1974, at 10 a.m. on the steps of the Capitol to show their support and encouragement for these men as they embark on their amazing feat.

I am also asking the Congress of the United States of America to join in paying special tribute to the men of the Los Angeles Police Department and wish them every success in their endeavor.

A SECOND LANGUAGE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. DERWINSKI. Mr. Speaker, I have consistently supported a bilingual educational program, and have emphasized my belief that Americans tend to disregard the great advantage of possessing a second language.

Therefore, I insert an editorial by radio station WIND, Chicago, Ill., broadcast April 27 and 28, which deals with the frustrations involved with Chicago Spanish community's language barrier:

[Editorial from WIND radio]

A Second Language

The inability to speak English, in an English-speaking world, is an obstacle to basic survival. Filling out an application form, taking a test, getting a job are all but impossible if you can't speak English.

For thousands of Chicago's Spanish community, the language barrier is a cruel reality. Effective education in the public schools and city colleges has moved slowly to meet the need and even these programs miss the many Spanish-speaking, who are beyond school age, have neither the time nor the wherewithall, or don't know an English program is available.

Even so, there's a time lag and this means that those social agencies that should, and must help those in need, have Spanish-speaking personnel available to answer the phone and meet with people who come in for help. Not only to communicate, but to preserve an individual's dignity.

The attitude that all who cannot speak English are stupid is an arrogant assumption and a truly stupid attitude.

If you've ever been in a situation where English was not the language spoken, you know the humiliation of attempting to communicate with the total vocabulary of a two-year-old. And, you know the feeling of relief when you found a sign printed in English, or someone who spoke English.

The language barrier must not be allowed to keep Chicago's Latino community separated from the rights that are theirs. And all too often, that is the case.

YOUNG PEOPLE TODAY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HARRINGTON. Mr. Speaker, a series of interviews with college students in the Boston area appeared in the Globe magazine of May 5. It seems to me that with the passing of large, but nonviolent demonstrations, we too easily lose sight of the hopes, aspirations and ambitions of young Americans. Yet, it is these young men and women who will shape the future of our Nation.

The interviews by Antonio Mendoza, including one with Roann Costin, a constituent of mine and a former intern in my Washington office, give us an all too rare glimpse into what makes many young people tick, and I think they deserve the attention of each of my colleagues.

Therefore, I would like to insert the article in the Record at this time.

The text follows:

Viewpoint of the College Senior—1974

EIGHT HARVARD STUDENTS TELL HOW THEY FEEL ABOUT THEMSELVES, THE WORLD AND THE FUTURE—AND THERE SEEMS TO BE QUITE A GAP BETWEEN THEIR MOOD AND THAT OF THE 1960'S

(Interviews by Antonio Mendoza)

For some time, I've been baffled by the college student of 1974. From what I read in the media it seems that college students spend all their time in a nook in the stacks, cramming for exams, worrying whether they will get into the law school, business school or medical school of their choice.

When they aren't studying, they spend their time mapping their life for the next 50 years. Or when they want to relax, they are taking ballroom dancing classes at MIT or streaking down the campus. I graduated from college eleven years ago, and although streaking then took place mostly indoors, everything else sounds vaguely familiar. What baffles me is that so much happened in between. Could it be that the 10 years between Selma and McGovern's defeat has left only a dim imprint in the minds of today's graduate? It's not a simple question and I offer no clear answers, but here is what eight students of the Harvard class of 1974 have to say.

Peggy Yanow

"My sister was here two years ahead of me. She was in the middle of the whole anti-war thing. Now you can feel a change in the mood. It's a little frightening. Everyone is a lot more concerned over their careers. Supposedly, a large portion of the incoming classes are pre-med, very more self-centered rather than politically oriented. Our class is sort of in the middle. It's hard to explain. Part of it is the coming down climate, after the strikes, the protests, people are disillusioned.

"We had all these strikes to get things changed, we worked for political candidates that didn't get elected and then Nixon's grotesque victory. A great amount of energy was devoted to political activity here. When that died, the reaction was to go back to work, to your little stack in the library.

"I feel pretty confident about the future, because everything in the past has worked out for me. I don't even have any gripes about being victimized as a woman. Personally, I find it hard to recognize that there even is discrimination. Nothing has stood in my way just because I'm a woman. I wanted to come here, and that was OK. I wanted to work in the Harvard Lampoon, and that was OK. The Lampon had been traditionally an all male organization and sophomore year they opened up to women. I joined and have enjoyed it tremendously. I wanted to get into a good law school and that was OK. So, it's hard to gripe.

"I liked Harvard a lot. I liked living in Lowell House, which was opened to women during my sophomore year. I liked living with men, it was a nice atmosphere. I think attitudes will change when the men and women who are contemporaries are in a position of power. The men, just from having lived with women, not just in Harvard, but in any college . . . I don't see how they could possibly have opinions that women aren't capable. They see women doing exactly what they are doing, and just as well. I think it would be hard for a Harvard graduate to have a Radcliffe secretary."

Phil Gelston

"I'm going to law school next year. I got into the Harvard Law School, I've sent in my deposit which means that I'm definitely committed. After that, I plan to go to New York and practice down there in a Wall Street type practice. I love the city and spend a lot of time there. Life there can be seen as a distortion, but it's a distortion I would like to live. I enjoy that kind of thing, the important thing is not to take anything too seriously. I'm looking forward to the rat race, it sounds kind of funny, but I enjoy pressure. I feel ambitious, I like to push as much as I can, the rat race is one of the pluses of New York for me. I guess I anticipate to do real well, right now I'm confident that I can.

"I'm sort of infamous among my friends as being one who is a little more concerned with money than most. In a way, a great part of that is a put-on. A way of being a character around here is to take an unusual position. On the other hand, I hope to be comfortable, and my idea of comfortable is what a lot of people consider being way above comfortable. I like to think that I want to have enough money so that I could do anything I felt important without having to worry about money, and that includes, say I have kids, sending my children to college etc. Part of it is my wanting to be in New York, which is an expensive place.

"When I came to Harvard, I entertained the idea of being President of the United States, and that idea is gone. It was sort of ridiculous. There was very little happening politically when I got here. Freshman year there was still some anti-Vietnam stuff going on, which I did become involved in, the non-radical anti-war movement. That disappeared during the summer, and was replaced by McGovern. I wasn't wild about him. I considered him to be a lost cause. Instead, I started doing Harvard politics, which is a world unto itself. I still have politics in my blood, but the scale has changed.

But I like the feeling of having influence; power is a dirty word.

"The whole sixties thing I sort of missed. While it was happening, I was going to a public high school in Indianapolis. I remember, as a senior, the Kent State thing happened, and among all my friends, there were only two of us who felt outraged. That's the kind of environment I had.

"In a funny way for me Watergate is more important than the sixties thing. I could visualize myself as perhaps being caught in that situation. Remove the Nixon element and put in a Bobby Kennedy, someone who I did like, and then I might be caught up and suddenly start doing stuff and rationalizing it because the end was so important. I know that won't happen now. I'm going to question things more. It's a warning as to what can happen."

Winifred White

"I went to a white suburban high school in Milwaukee. Coming here, I found people getting all riled up about things that I hadn't even heard of before. I was somewhat aware of black issues, just because I'm black, but it was really interesting to get here. There are a lot of ethnically aware people here. Most of my friends are third world people. We share certain feelings . . . it's easiest to relate to people like me.

"I'm aware of political type problems. I also feel a certain helplessness. When I was a sophomore, the blacks at Harvard took over Massachusetts Hall, and there was a big march about Vietnam. That was the last big demonstration that I took part in. Nothing really was done by the administration, I felt ignored. A lot of my friends feel the same way. Yet I don't think students are less concerned, especially black students, because I know most black students are involved in black affairs in the university or the community. It's done on a smaller scale. A lot of people are working in teaching programs in Roxbury. Also students are more serious about their studies than when I first got here. I don't think it's a matter of wanting to go out and earn money, at least most of my friends aren't concerned with that. It's more a matter of being in a position in the future where you can be effective.

"The women's movement has also been scaled down, but I think that's a good thing. When I first came to Radclife, the women's movement was so high pitched that people were getting excited over things that I thought were sort of trite. Women were throwing their bras into the river and stuff like that. To me that was silly . . . still, there are problems. Sometimes I wonder, what am I doing here. Here are all these Radcliffe women, working their heads off, and they are quite capable, and then you read the magazines about Radcliffe alumnae and you don't really know what a lot of them do when they leave here, you hear about them marrying Harvard men and you never hear about them again. I find that real scary.

Last Saturday I went to the farmworkers dinner. They had movies and I couldn't believe it. It really struck me . . . the kinds of conditions these people were living in. To me it was like slavery. I'm so far removed from that, I couldn't believe it. In my mind this little voice was saying that this couldn't happen. All this is totally illegal, they fought against it in the 60s and 50s and it all should have been taken care of by now. When you live at Harvard you start thinking that all this direct oppression and racism doeosn't exist any more, that it's all more subtle . . . I want to get out and find out just what is going on, because I don't think you can find out here."

Carlos Sandoval

"I feel that I'm caught up between three or four cultures. I'm half Puerto Rican, half Chicano, and I've been raised in the U.S. I'm trying to arrive at some sort of synthesis. I'm trying to decide if I should be involved in the community, and if so, at what level. Whether I have a responsibility to go back to the Chicano community where I was raised or should I act as an individual and do exactly what I want to do and screw everything else. The first year I was here, I came to a politicized campus. The Chicanos that were here were very active and they laid the heavy radical trip on me and I was almost convinced that the revolution was coming and I had to take a stance. I became president of the Harvard Radcliffe Raza, a Chicano organization. Then things calmed down and I took a leave of absence. I pulled out. All my life, since I was 12, I've been pushed as a 'leader,' and I've always felt I had this responsibility. Well, I needed to go away from that. I went to California and bummed around, and basically indulged myself. I came back and now I'm coming out of that.

"One thing that I've decided is that I'm more individually oriented than I thought. That has been part of my acculturation into the Anglo society. I want personal satisfaction and if working with the Spanish community brings me that, then that's fine.

"I've tried here not to make a big deal about the fact that I'm Latino. For me, that's being on the defensive. My experience, at home, has made me Latino enough, there's no way that I can get rid of that, and there's no way that I want to. Whatever I do, I carry that with me. So I try not to think—I'm going to do this because I'm Latino, or I'm going to do this because I'm Anglo. But it's not easy.

"Being at Harvard has been a double-edged sword, it has allowed me to get away from the community, allowed me to develop as an individual the way I want to, and yet it has made me forget a lot of things about my culture. In a sense, I can't go back to the barrio after all this. Right now, I want to get out of here and start working, probably in publishing. I feel a responsibility to start earning money to support my parents, who are getting old. My father works 12 hours a day at hard labor. My mother has always worked over 40 hours a week and taken care of our home. In fact, my mom raised her brothers and sisters, and I don't want to go too much into all that because she's sensitive about her family's history, and then, afterwards, raised my brother and me, and now she is raising her third generation, my brother's daughter. She went through a lot, and I feel more than gratitude. So I realized I've been living under an illusion here. I've begun to take for granted what is actually a luxury. People here are fairly wealthy. They talk about trips to Europe at the drop of a hat, and I had begun to expect that."

Bart Hopkins

"First of all, I've been trying to free myself of the notion of a professional orientation because that is a dead end for me. What I see is, when you're a kid you go to school and you learn that, then you go to Harvard and you learn 'everything,' then you go to law school and you learn that, then you start a practice which builds up, move to suburbia and by the time you're fifty you can play golf three times a week. I don't want that. I see myself as an individual developing continually. In terms of what I'm actually doing, already I'm doing a hodge-podge of things, and I don't think that is actually going to change . . . I did apply to law school and I got accepted. But I turned it down. I guess I did it to please my father. I didn't want it to look to my father that I didn't go to law school because I couldn't. I'm just not ready to map out a life-course.

"My thesis here was on Jamaican revival church music. I went to Jamaica this summer and found myself going to church a lot. All they do in church is music; even when they preach, they do it to rhythm.

"The way I ended up in Jamaica was a coincidence. I met a Jamaican Jesuit priest in Boston last year. He writes church songs and needed a folk guitarist to do some recording. I said OK, thinking that it would be an interesting experience, but I wouldn't get too tied up in it. The net result was that I got totally involved. I did a lot of arranging and recording and ultimately ended in Jamaica and did more recording there.

"My most immediate prospect is to go back to Jamaica and possibly teach school there and do some more music. But I don't envision staying there because I'm American. It takes a lot of energy to be constantly bridging cultural barriers. Then, I don't know. But for some reason, I have this great confidence that I will ultimately do something in my terms; I doubt that I will be illuminating the entire world, but I'm going to make myself a life."

Roann Costin

"I feel confident, excited and ready to get out of Harvard and move to something else. My life here has been a very positive and happy experience for me. Prior to coming here, I felt I had done extremely well academically, but I never felt challenged. Here I didn't have to worry about that. I also learned about my own limitations, and that feels OK. And yet, I feel I've done well academically. In sports, I made the all-American women's swimming team. All that gives me confidence . . . not that everything is going to work out. There's going to be hurt and pain, but I feel I will make it through. That's one thing that a long distance swimmer learns. Win or lose, you have to persevere and you are going to make it through.

"I think that the athletic woman is something that is new and revolutionary and people don't really know how to react to it. When a man does sports, there's this stereotype that people have, big, brawny and brainless, and here I am standing 5–3 and 115 pounds and a Cliffy, and I don't feel that stereotype. People want to know—are you a jock, or an intellectual, and is it possible that you can be both and still be a woman? The thing is, women in athletics are challenging one of the more traditional male roles, and they don't know how to react . . . I don't see myself as a standard-bearer for the woman's cause, but I want a full, deep, meaningful life and if traditional male roles hinder me in reaching that goal, then I will be confronting men.

"Politically, I'm in a way inactive. I see myself, and my class in general, as aware of what goes on politically. Rather than attempt to bring some kind of solution we sit and criticize and remain passive. I think that instead we have turned to individual development and concern for our own being. I guess they say that this is an academically oriented class, that all we do is study. But I think people are very aware. We won't be marchers and demonstrators but maybe this kind of individual development will bring some kind of solution."

Paul Rutecki

"I'm going to medical school. Yet I don't plan to be your typical doctor with all the values that the medical profession seems to hold. I'm a little bit weary of falling into the system. Right now, though, I plan to finish medical school, then settle someplace in a small town . . . get married. I don't like big cities too much . . . you always have to deal with what I call the system. You have judgments from your peers coming at you from every direction, and in a way, it leads one towards conformity. In a small town I feel I'll have more personal freedom and people might accept me more for who I am. Having less people available in a small town won't be a handicap. I don't set values on people. People interest me enough and you have the capacity to know only so many people at one time anyhow. Suburbs don't interest me a bit. My mother calls them ghettos, and I agree.

"I think I'm going to like medicine, but I'm going to have to be very careful about what I see in the medical profession. I sort of think of myself as a radical and a nonconformist. I guess I'm going to be conforming somewhat by just becoming a doctor, but I don't want to conform any more than I have to. I'm not too worried about the future. A number of people have told me that I'm overconfident about the future. Who knows, they might be right. I'm only afraid of going to medical school and changing my mind about all the idealistic notions that I have. But I don't think so."

Fran Schumer

"I've spent most of my time here working on the Harvard Crimson. I've been the supplement editor this year. I'm interested in being a journalist . . . I feel a conflict when I have to decide what to do when I graduate. I'm a social studies major and mostly I have been studying American society from a radical perspective. I would like to continue to learn without going to graduate school. If there is a newspaper that reported truly meaningful news rather than news that sells newspapers, then I probably would want to work for it. Something like I. F. Stone's Weekly. But there aren't many papers around like that. So I might have to settle for something more conventional. And besides, I come from what you might call a lower middle class family. It's important for me to have the kind of money that you can do things with. I like taking vacations, seeing good movies, drinking good wine, and anything that is sort of expensive, and that becomes a factor in what I do. I want a job that allows me to do these things. It's a problem. I've spent four years here, writing in the Crimson about how we should have a socialist democracy . . . writing for an audience that is not like the mass audience out there, and it's hard, you almost feel like an elitist . . . you tell people, no, you shouldn't be interested in last night's murder, or what is happening to the Republican Party, but you should be interested in what is happening in Chile. I guess some newspapers are better than others, but usually you have to take a job wherever you can get one.

"To your question of settling down sometime and if I'm going to raise a family, well, I sort of push that into the background. On the other hand, I come from a background where the best thing a woman can do is have a career and get married. I kind of respect that but I don't see it happening for a while. It's not easy, it's not easy going home and having a grandmother say I just want to see you as a bride before I die. I guess when you are a journalist you have to be willing to move a lot, to take risks. I worry about it. When I came here, I thought I had it made. But it turned out to be a pretty bad experience, so I don't know how things in the future will turn out. Even here at Harvard so few people go out and get jobs when they graduate, they keep studying. I understand why people here do that, but it makes it harder when you don't. I guess you can say I'm somewhat scared."

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HOSMER. Mr. Speaker, according to H.R. 11500 if you are a coal mine operator you are no good and must be discriminated against.

This inane bill would establish such stringent restrictions on mine operators that it would be almost impossible to surface mine for coal without returning the mined land to its approximate original contour, no matter how nutty or expensive that would be.

Yet, at the same time, the bill authorizes the Secretary of Agriculture to pay an 80 percent subsidy to landowners who are not coal operators to reclaim abandoned lands in accordance with sound soil conservation practices. That is, for some odd reason, he can reclaim 30 acres, no more. It makes a fellow wonder what is magic about 30 acres. If it is a good idea for that many, why not for all the mined land the farmer owns? And coal operators, too?

But mind you, if a coal operator owns the land, he cannot reclaim the land in accordance with good soil practices at all. He has to put it back to its original contour, no matter how wretched nature herself had contoured the land before mining began.

All that leads me to believe any bill like H.R. 11500 which imposes such erratic requirements must be irrational. In fact, H.R. 11500 makes as much sense as trying to grow bananas on Pike's Peak. It ought to be buried and a decent bill substituted, one which respects both the Nation's environmental values and its energy needs.

MICHIGAN MEMBERS OF THE NATIONAL EDUCATION ASSOCIATION OPPOSE NATIONAL POSITION IN FAVOR OF FORCED BUSING

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HUBER. Mr. Speaker, some months ago, when I learned that the National Education Association here in Washington had joined in an amicus curiae brief with the NAACP in favor of busing for our Detroit area schoolchildren, I publicly asked the question as to whether the membership of the Michigan Education Association had been asked their opinion. Judging by the fumbling and stumbling that took place, following my announcement, the membership had not been polled.

In substantiation of my point, I recently received petitions bearing the names of 230 persons in or near my congressional district which stated the following:

> We, the undersigned National Education Association members, are opposed to the National Education Association supporting the National Association for the Advancement of Colored People position favoring the Detroit cross-district busing desegregation case. We have never been given the opportunity to vote on this issue.

I salute these members of the NEA who were willing to sign and send me this petition. This proves to me once again that whether it is a big educational lobby, or big government, the views of the rank and file are usually not asked for, let alone considered.

MR. SAM SIEGAL

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. JONES of Tennessee. Mr. Speaker, I would like to take the opportunity today, to honor Mr. Sam Siegal, of Bruceton, Tenn. Sam is past president of H.I.S. and has been mayor of Bruceton for 18 years. I have known Sam for several years and have the utmost respect for him as a man and as a civic leader and humanitarian.

Following is the text of an article on Sam Siegal which appeared in the Jackson, Tenn., Sun on Sunday, May 5:

SAM SIEGAL: A HAND, EXTENDED

(By Ellen Dahnke)

BRUCETON.—Talk to anyone in Carroll County or even surrounding areas about a civic campaign, crusade or promotion and it's likely that at least one name will emerge as a major participant—Sam Siegal.

While consumers coast-to-coast are familiar with the Henry I. Siegal Corporation (H.I.S.) brand name on slacks and shirts, the senior vice-president has managed to stamp his own unique brand on myriad projects in the community and state.

If local residents refer to him as "Sam" it is not out of disrespect, but indicates the kind of rapport Siegel has established with his neighbors.

Mayor of Bruceton for 18 years and onetime president of H.I.S., the Polish-born Siegel has run the gamut from his beginnings as an assistant plant manager in the Dickson plant to making specially ordered shirts for a President of the United States.

As he traces his diverse accomplishments in an interview in his home here, Siegel recalls laughingly that when brother, Henry, first sent him to Dickson in 1936, "I didn't think I wanted to stay."

Siegel had only been in the United States one year, working in an H.I.S. plant in Scranton, Pa., when his brother sent him to Dickson as an assistant plant manager.

"You can imagine. I came from New York to Dickson," Siegel recalled in his still-thick accent. "I thought I was in the wilderness."

"People didn't understand me—they still don't," he laughed, "and I didn't understand them."

"I wanted to go home."

However, he recollects, his sister prevailed upon him to stay and buy a car.

"I was determined to leave and had already started packing," Siegel remarked. "She got after me and told me to get a car and go out and have some fun."

Siegel bought the car—"a beautiful Hudson, it had everything"—and he stayed in Dickson—at least four years.

In 1940, Siegel was transferred to Bruceton where he became plant manager. He has not left yet, and, even though he does not intend to seek another term as mayor in August, he plans to stay.

He became president of H.I.S. in 1945 and held that position until about 1949 when the company went public.

"When my brother died, my family thought that perhaps it would be best to go to New York and help out with the business. He recalled. "I asked my wife what she wanted to do and she left it to me to decide. I decided to stay."

Siegel traces his success, both in business and privately, to "staying close to people. Helping them out when they need it."

One of his memorable experiences grew out of a request from President Lydon Johnson to the late Gov. Buford Ellington—a request that spawned a friendship Siegel is particularly proud of.

President Johnson, Siegel observed, "had an unusually large neck, size 22 inches."

His friendship with the late President began when Johnson admired a shirt worn by Ellington at a White House meeting.

Ellington called Siegel and told him the President wanted "three or four dozen shirts." Siegel filled the order and was invited on several occasions to the White House for dinner—once with the prime minister of Israel.

A picture of the Siegels with the late President hangs on a wall of his den. Fittingly enough, they are standing in front of a portrait of fellow Tennessean, Andrew Jackson.

Siegel's friendship with Johnson continued through the years and, at least, on one occasion caused a flurry of excitement in the Siegel home one Christmas morning.

Siegel recalled that his daughter answered the telephone that morning and started screaming excitedly, "Daddy, Daddy, It's the President of the United States!"

Siegel calmly took the phone and Johnson asked him where a promised package of shirts was. As it turned out, Siegel remembered, Johnson's secretary forgot to deliver the package to her boss.

On a more somber note, Siegel recalls that President Johnson called him "about two weeks before he died."

"He said we were getting older and why wouldn't we come to his place in Texas, and ride and enjoy ourselves," Siegel says. "I was sick myself at the time and I'll always regret that we didn't get to see him again."

Siegel, himself, is something of a legend in his part of the country. Almost from the first, Carroll Countians recognized Siegel as a man who gets things done. He, however, contends, "I just don't know how to say no."

"First they asked me to take over the Red Cross drive," Siegel recalled. "Without really knowing it, I was getting involved."

The still-buoyant Siegel, despite his 60-odd years and some health problems, remembers proudly that the group raised over $600 "more than anyone had ever raised in this part of the country."

From then on, Siegel was asked to help with just about every charitable organization on fund-raising drives. In addition, Siegel has offered his home to honor everyone from the youths at Sheriff's Youth Town in Jackson to the winning Trezevant basketball team.

Siegel has participated in rejuvenating the Democratic Party in the county, sponsoring several dinners and meetings to spark interest in the party and promote activity.

On another occasion, Siegel thought the Bruceton high school football team deserved some support in a post-season game with a Memphis team in Jackson. Not to be stopped by a mere problem with transporting local fans, the innovative Siegel, arranged for a train to take "anyone who wanted to go" over to Jackson.

"We had thousands," he recalled. "People from Camden, Huntingdon, McKenzie and Bruceton—we took everyone."

"It was wonderful," but he adds ruefully, "we were beaten terribly."

In 1956, he was elected mayor of Bruceton—a post he still retains after 18 years, although he reminds that he won one time by only 13 votes.

Even as he approaches the end of his last term as mayor, Siegel isn't slowing down. His current project is aimed at constructing a recreational facility for the some 900 school children in the Hollow Rock-Bruceton school system.

Siegel hopes to persuade parents of school children to donate money for the construction of the badly needed facility. Already, he has started a personal door-to-door campaign, trying to raise the estimated $40,000 to construct a baseball field, swimming pool and tennis courts.

GOVERNMENT SPENDING: WHERE DOES YOUR TAX DOLLAR GO?

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. OWENS. Mr. Speaker, in the past 7 years, we have endured a rise in inflation of 43 percent. Inflation is currently increasing at an annual rate of 10 to 16 percent, depending on which index one uses. The time is long overdue for the Federal Government to deal with the causes of inflation and not rely solely on intermittent price controls to curb rising prices.

Excessive Government spending is frequently blamed for high prices and vanishing purchasing power. The relationship between a succession of budget deficits and rising inflation is an indisputable fact. And $300 billion budget proposals raise the central question: Where is all that money going? Last month when American taxpayers were working frantically to complete their income tax forms, most could feel assured that their money is going to pay for activities which are at least hypothetically justified as being in the public interest.

With outlays approaching $300 billion, one can expect a minimal amount of waste and duplication. But some examples of Government spending seem implausible. Let us take a look at where some of your tax dollars have gone in the last few years:

WHERE YOUR TAX DOLLARS WENT

$70,000 went to study the perspiration given off by the Australian aborigines.

Some money could possibly been saved on the aborigine project if only the State Department had prevailed upon Turkey to lend the Australians the odor measuring machine we purchased for them for $28,361.

$250,000 a year to maintain 13 government members of the Interdepartmental Screw Thread Committee.

$35,000 in two years produced two Defense Department films showing military people how to brush their teeth.

$80,000 for design and $230,000 for "environmental testing" of a prototype zero gravity toilet that the National Aeronautics and Space Administration is building.

$660,000 to construct the Hockey Hall of Fame.

The Navy spent $375,000 to find out if Frisbees can be used to carry flares over battlefields. Unfortunately, they can't.

$19,300 study commissioned by the Department of Health, Education, and Welfare to find out why children fall off tricycles.

Storage costs of $59,000 per year to maintain 1500 tons of feathers in the government stockpile program.

$35,000 for one year of chasing wild boars in Pakistan.

$50,000 to study the lifeviews of the Gaujiro Indians in Colombia.

$117,250 a year for the Board of Tea Tasters. This doesn't count the extra sipping done by the Board of Tea Appeals.

The Queen of England received $68,000 for not planting cotton on her plantation in Mississippi. The Ford Motor Company got only $14,000 for not planting wheat and Libby-McNeil received $19,000 for growing no cotton.

Yugoslavia's Marshal Tito garnered $2 million to purchase a luxury yacht.

$6,000 went to study Polish bisexual frogs.

$85,000 was consumed learning about the "Cultural, Economic, and Social Input of Rural Road Construction in Poland.

$20,000 to study the blood groups of Polish Ziotnika pigs.

$5,000 to collect rare moss in Burma, and another $8,000 to track down specimens of a certain Burmese ant.

$15,000 to find Yugoslavian lizards, and $5,000 to learn all about Yugoslavian Intertidal Hermit Crabs.

$121,000 to find out why people say "ain't."

$71,000 to compile a history of comic books.

$5,000 for an analysis of violin varnish.

Los Angeles received $203,979 to extend travelers' aid to migrants lost on the freeway.

$5,000 to a scholar who labored to write the poem "Lighght." That's not the title—that's the poem.

Experts investigating the construction of the C-5A cargo plane found proof of the Defense Department paying $111 for a pin. Overall construction was so inefficient that if your family car were built on the same methods with similarly inflated labor costs, it would have to be priced at $100,000.

The bureaucrats who devise these important projects need a rest now and then. The Alaskan Chateau in Anchorage is maintained for their exclusive use (provided they make $20,000 or more or are members of the military above the rank of major). For $3 a day, these public servants can unwind in steam rooms, sauna, sun rooms, massage rooms, a gym, and a cocktail lounge. The bill for salaries alone at the Alaskan Chateau totals more than $100,000 per year.

Mr. Speaker, I am not claiming that all of these expenditures were completely unjustified. What I am trying to say is that both the Congress and the executive branch must scrutinize much more critically the outlays of public moneys.

Both the House and Senate have passed the Budget and Impoundment Control Act of 1974 in order to provide effective congressional review of budget proposals. The bill would establish budget committees in each House to oversee the entire budget-economic picture. It would provide for the setting of targets for total expenditures. Congress would be able to determine whether a budget surplus or deficit would be warranted in light of the economic situation. Congress could formulate a comprehensive legislative budget whose priorities could be compared with those of the President's budget. Finally, every Federal program would have to justify its very existence in light of the need to reduce Government waste and duplication. This measure will hopefully be ready for the President's signature this summer. Nothing demonstrates the need for this historic budget reform legislation more than the foregoing list of questionable Government expenditures.

METRIC CONVERSION AND SMALL BUSINESS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. LEHMAN. Mr. Speaker, today I voted against H.R. 11035, the National Metric Conversion Act, despite the fact that I believe that the United States must proceed with conversion.

My objection to the bill centered on the manner in which the bill was considered, which did not permit any amendments to be offered to assist small businesses with meeting the extra costs associated with the retraining of employees in the metric system, and the expenses of those employees who would have to provide their own metric tools and equipment.

I had hoped that the committee would include in its bill the recommendations of the Small Business Committee that financial and technical assistance be provided for small firms. As these recommendations were not incorporated in the bill before the House today, I could not support it.

FIFTY-FOUR YEARS OF SERVICE TO EDUCATION

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. STEELMAN. Mr. Speaker, Mrs. Bonnie L. Gentry, principal of the Ben F. Tisinger Elementary School in Mesquite, Tex., is retiring this month from an active role in education after 54 years of continuous service as both teacher and principal in the public schools of Texas.

Mrs. Gentry's dedication to children and young people has been quite evident since her career began in 1920 at Prairie View, Rockwall County, in a two-teacher school. From there she went to Nadine, a one-teacher school in Rockwall County. Then she taught at Caddo Mills Elementary and Royse City Elementary. Mrs. Gentry then went back to Caddo Mills as principal of the high school. She came to the Mesquite Independent School District in 1951. Ben F. Tisinger Elementary in the Northridge area opened in 1957 and Mrs. Gentry became the first principal.

Mrs. Gentry is past president of the Dallas County Elementary Teachers Association, past president of the Mesquite Teachers Association, and past president of the American Association of University Women—Mesquite Branch. She has served as secretary of the Mesquite Council of Women's Clubs; as parliamentarian. Mesquite City Council of Parent-Teachers Associations; and is a member of Delta Kappa Gamma—Epsilon Chapter—Society.

Other organizations that Mrs. Gentry has been active in include: Grand Chapter of Texas, National Education Association, Texas State Teachers' Association, Mesquite City Council of Parent-Teacher Associations, Ben F. Tisinger PTA Executive Board and Association, American Association of University Women, Order of the Eastern Star—Caddo Mills Chapter, and Mesquite Chamber of Commerce. Mrs. Gentry has been awarded both an honorary life membership in the Texas Congress of Parents and Teachers Association and an honorary life membership in the National Congress of Parents and Teachers Association, the highest honor given in the PTA.

Church, community, and family activities have always been important to Mrs. Gentry. She and her husband, Clarence, a retired farmer, are long time residents of Royse City, Tex. They are both active members of the First Christian Church in Royse City where she has taught an adult Sunday school class for over 25 years.

We, as members of the Texas delegation, are proud of Mrs. Gentry, of what she has accomplished and of her dedication to excellence in education. We are delighted to have this opportunity to pay tribute to her.

A list of the Texas congressional delegation follows:

John G. Tower, U.S. Senator.

Wright Patman, Member of Congress, First District.

Charles Wilson, Member of Congress, Second District.

Lloyd M. Bentsen, U.S. Senator.

James M. Collins, Member of Congress, Third District.

Ray Roberts, Member of Congress, Fourth District.

Alan Steelman, Member of Congress, Fifth District.

Olin E. Teague, Member of Congress, Sixth District.

Bill Archer, Member of Congress, Seventh District.

Bob Eckhardt, Member of Congress, Eighth District.

Jack Brooks, Member of Congress, Ninth District.

J. J. (Jake) Pickle, Member of Congress, 10th District.

W. R. Poage, Member of Congress, 11th District.

James C. Wright, Jr., Member of Congress, 12th District.

Robert D. Price, Member of Congress, 13th District.

John Young, Member of Congress, 14th District.

E. (Kika) de la Garza, Member of Congress, 15th District.

Richard C. White, Member of Congress, 16th District.

Omar Burleson, Member of Congress, 17th District.

Barbara Jordan, Member of Congress, 18th District.

George H. Mahon, Member of Congress, 19th District.

Henry B. Gonzalez, Member of Congress, 20th District.

O. Clark, Fisher, Member of Congress, 21st District.

Bob Casey, Member of Congress, 22nd District.

Abraham Kazen, Jr., Member of Congress, 23d District.

Dale Milford, Member of Congress, 24th District.

MISS HOPE OF NEW YORK STATE—RITA A. RYBARCZYK

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. KEMP. Mr. Speaker, Miss Rita A. Rybarczyk, R.N., Erie County's Miss Hope 1974 has been named Miss Hope of New York State by the American Cancer Society.

Miss Rybarczyk, a pretty, 24-year-old graduate of Canisius College, and the Sisters Charity Hospital School of Nursing in Buffalo, is presently specializing in cancer related nursing at Strong Memorial Hospital.

Rita will be the official representative of the society, symbolizing progress in care and treatment to cancer patients through research, education, and service.

The rampant, treacherous effects of cancer will touch almost every family in the United States. Cancer research and the implementation of that research have made great strides in controlling and removing malignancies from victims of cancer, but the nature of the disease—its many forms, and deceptive causes—have made it by far the most dreaded cause of illness and death in this country.

Rita and the American Cancer Society are the symbols of hope for hundreds of thousands of Americans that cures will be found—perhaps in our lifetime—to free us from the tragedies of cancer.

I salute Miss Rybarczyk, and the many other medical professionals and paraprofessionals, and the society itself, for their outstanding dedication to finding a cure for cancer, and to easing the suffering of victims whose only true hope rests with them.

NATIONAL CONFERENCE ON NATIONAL HEALTH INSURANCE AND PRIVATE PHILANTHROPY

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ROY. Mr. Speaker, private philanthropy has been a major support of our health care facilities in the past. Not only has private philanthropy reduced the Federal and State costs of health facilities and programs, but also it has provided the opportunity for the cooperation of interested community citizens with the health facilities which deliver care to them. As a physician, I am well aware of the contribution made by concerned philanthropists, of all economic levels. It would be very unfortunate if any law we write would slow down, or prevent entirely, this excellent source of voluntary action from continuing.

That is why I find myself interested in the upcoming National Conference on National Health Insurance and Private Philanthropy, sponsored by the National Association for Hospital Development, in Washington on June 19, at the Quality Motor Inn on Capitol Hill. The major question of the conference will be: "Will your hospital's private philanthropy program die out because of National Health Insurance?" As the cochairmen of the conference point out, their discussions with congressmen and staff indicate that little serious thought has been given to this question.

So that my colleagues may have the opportunity to think about this matter, I introduce into the RECORD at this point the letter of invitation that has been mailed by the cochairmen to hospital administrators, foundation leaders, and hospital development officers all across the country:

THE NATIONAL ASSOCIATION
FOR HOSPITAL DEVELOPMENT,

JACK HERMAN,
Regional Vice President,
New York-New Jersey Region:

DEAR FRIEND: Will your hospital's private philanthropy program die out because of National Health Insurance?

It is clear that hospital finances already have been affected profoundly by Medicare, Medicaid, and the recent cost control program of the Federal government. The prospect is for much more of the same with National Health Insurance, which is only months away.

Your hospital's continued development depends upon private giving. Yet, are you aware that there is no mechanism in any of the proposed National Health Insurance bills to provide for the continuation of private giving? Indeed, our personal conversations with congressmen and their staffs indicate that almost no thought has been given to this vital matter.

Certainly all Senators and Representatives should be aware of the need to continue this kind of philanthropy. As community leaders, they should know that as NHI standardizes costs, delivery of care, and financing, private philanthropy may well die out, and with it will go much of the community interest and pluralism so necessary for creative health institutions. Further, they should know that the total cost of health care to the Federal government would be reduced by legislated encouragement of giving.

We invite you to attend our conference, at which we intend to probe this matter deeply with Congressional and Administration leaders and their staffs, as well as other health public policy experts. We intend to bring the results of this conference directly to the Congress so that its members may know the depth of the problem and our concern.

We don't have much time to develop this issue, and we need all the insights and viewpoints we can get. Join us.

Sincerely,
I. BREWSTER TERRY,
Regional Vice President,
Mid-Atlantic Region.

VETERANS AND SURVIVORS' COMPENSATION INCREASES

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. OWENS. Mr. Speaker, spiraling inflation and continuous increases in the cost of living have had a disastrous effect on those living on a low, fixed income. Among those hardest hit are the more than 2 million veterans and their families who rely for their survival in whole or in part on VA compensation checks.

I was pleased, therefore, to join with my colleagues today in voting to unanimously accept H.R. 14117, the veterans and survivors' compensation increases. This legislation is designed to provide much-needed increases in the amount of compensation payments to veterans with a service-connected disability or to surviving dependents of veterans who have died from such a disability.

The Senate has already passed a similar bill. I urge the conferees on this legislation to move with dispatch, to enable speedy final consideration of this most needed measure.

MATTER OF IMPEACHMENT

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HUNGATE. Mr. Speaker, at a time when the House is considering the serious constitutional matter of impeachment, I believe the following article may be helpful:

EXECUTIVE IMPEACHMENT: STEALING FIRE FROM THE GODS

(By Timothy Walthall)

INTRODUCTION

Impeachment is something of an enigma to most people. To the uninitiated, it often appears as some sort of constitutionally authorized congressional witch-hunt, wherein a vindictive legislature takes its revenge upon the hapless officer. Legal practitioners are piqued that commonly accepted legal precepts do not apply to this curious form of "legislative justice."

The law of impeachment is unique in American jurisprudence as perhaps the only area in the formulation of which the judiciary takes no part. There has been no legislation to fill out the frail constitutional framework left by the founders. Prior impeachments are of diminished importance because of the way that they have been resolved and by the fact that they are not binding upon the men who make the law. There is no federal commonlaw or case law and no judicial opinions as such to rely on. There is only the mystical *lex Parliamentaria* to guide the disposition of impeachments.

Only slightly less misunderstood than impeachment itself is the single instance of presidential impeachment we have had: the Johnson impeachment.

Due to a resurgent interest in the topic, and the great questions it raises, a fresh look at this inveterate mechanism of executive removal is appropriate. In particular, just what does the House of Representatives, and ultimately the Senate, consider when they decide whether or not to remove one or both of our governments highest magistrates? What must a man do to warrant his impeachment? Are the lawmakers ever under any duty to impeach? Should they be? What (if any) alternatives are available and desirable to impeachment as a process of removing the Chief Executive?

Finally I should point out that I have tried as much as possible to limit the scope of my comments to executive impeachments. The subject is of particular interest at this time and judicial impeachment is an area well-covered in the literature. Though there is a great deal of overlap, the two areas involve somewhat different policy considerations and therefore deserve separate treatment.

THE ENGLISH BACKGROUND

Impeachment as used in the Constitution is a generic term applied to a proceeding by the legislature to remove a civil officer of the United States from his office upon charges. Technically, the word impeachment applies only to the initial accusation made by the House of Representatives. The actual removal cannot be accomplished until the accused is tried by the Senate upon the charges preferred by the House. In order to better understand impeachment in the United States resort must be taken to its origin and use in England.

Impeachment as a legal entity emerged in England during the heroic struggle between King and Parliament sometime in the mid-fourteenth century. Since time immemorial English monarchs had been accruing an awesome reserve of power, until it had bordered upon the absolute. When Parliament took to reversing this tradition, to transferring some of the sovereign power to themselves, the members developed the process of impeachment.

But impeachment was not aimed at the king himself. In that day, no member of Parliament would have dared to suggest that the king was not above the law. What was attacked was the concept that his royal ministers were likewise immune. Parliament claimed the right to remove and punish the king's ministers who would overawe and were therefore beyond the reach of the common law courts. Impeachment would be their means. As Edmund Burke put it: "It is by this tribunal that statesmen who abuse their power are tried before statesmen and by statesmen, upon solid principles of state morality."

So it was that impeachment, like its kindred Attainder (or the Bill of Pains and Penalties) and Address to the King was a device, a "political weapon" really, fashioned by Parliament to curb the immense power of the king by controlling his appointees. To be sure, in its early uses, impeachment was a blunt instrument. The members did not limit their power to the king's minions; impeachment was, in theory at least, applicable to all subjects of the king, lest a wily Tudor circumvent Parliament's authority by employing "non-officials" to implement his policies. Then, too, impeachment had a much greater deterrent effect: punishment upon conviction knew no bounds and occasionally included death.

Most important, Parliament declined specific identification of what would constitute an impeachable offense. This again to avoid being outflanked by their resourceful sovereign. Instead, it was left to be defined by the course of the *lex parliamentaria*, that law which Parliament made up to suit the needs of the case before it. As a matter of practice, articles of impeachment usually included a recitation that the accused stood impeached for "high crimes and misdemeanors" which one author has described as "general official misconduct" and has included everything from high treason to rendering an unconstitutional opinion to giving "bad advice" to the king.

One point, however, becomes clear upon examination of the impeachments entertained by the House of Lords: impeachment would lie for conduct which could not be considered criminal at common law. In English practice before 1737, "the greatest possible variety of offenses, not indictable, were nevertheles held proper causes for impeachment." The phrase "high Crimes and Misdemeanors" was, as Brown puts it, "* * * a generalization as broad as the mischief against which the process of impeachment guards." For the evils are too insidious and the political craft too elusive to predetermine what would be impeachable. An examination of some of the English articles of impeachment exhibited by the House of Commons will bear out this contention.

In 1450, the Duke of Suffolk was impeached for "procuring offices for persons who were unfit and unworthy of them" and for interfering with justice by stopping writs of appeals in criminal prosecutions. The Duke admitted some of the articles, denied others and threw himself upon the mercy of the king. The House of Commons called it treason, but the king would not acquiesce in this. Instead he banished the Duke from the kingdom for five years for what he considered misdemeanors.

Article I exhibited against Attorney General Yelverton in 1621 accused him of jailing persons "refusing to enter into bonds to restrain their own trades" before he had authority to require the bonds. He was, in short, enforcing laws of his own making. This is arguably criminal. But Article VI charged that he had commenced suits, and failed to prosecute them. To be sure, the Attorney General was either harassing his foes or neglecting to prosecute his friends to the extent that it merited the attention of Parliament. Yelverton was fined and imprisoned in the Tower at the King's pleasure.

The infamous Duke of Buckingham was impeached on a variety of offenses in 1626 including attempting to convert the king of England (then Prince of Wales) to Catholicism by various devices; failure to guard the high seas as the great admiral of the United Kingdom; and procuring offices and honors for himself and his relatives, thereby preventing the deserving from so doing.

Chief Justice Scroggs was accused in 1680 of having discharged a grand jury before it made its presentments, and of having arbitrarily granted general warrants in blank. These articles, like the others set out above, charged abuses of discretionary power, but were certainly not crimes as we know them.

Raoul Berger has organized the English impeachment charges into five inclusive categories: (1) misapplication of funds; (2) abuse of official discretion; (3) neglect of duty; (4) encroachments on and contempts of Parliamentary prerogative; and (5) charges groups under the general rubric of corruption. Classes (2) through (4) of these predominantly non-criminal in nature, while groups (1) and (5), though more often criminal, need not be.

Vinerian Lecturer Richard Wooddeson's appraisal of impeachable offenses does not conflict with Berger's. Though Wooddeson characterizes impeachments as criminal prosecutions, the offenses he then describes could not have been indictable at common law. Thus, he declares:

". . . if a lord chancellor be guilty of acting grossly contrary to the duty of his office, if the judges mislead their sovereign by unconstitutional opinion, if any magistrate attempt to subvert the fundamental laws, or introduce arbitrary power . . . where a lord chancellor has been thought to have put the seal to any ignominious treaty, a lord admiral to neglect the safeguard of the sea, an ambassador to betray his trust, a privy counsellor to propound or support pernicious or dishonarable measures, or a confidential advisor of the sovereign to obtain exorbitant grant or incompatible employment; these imputations have properly occasioned impeachments; because it is apparent how little the ordinary tribunals are calculated to take cognizance of such offenses or to investigate and to reform the general policy of the state."

This last remark points to the crucial distinction between the law of parliamentary impeachments and the common law. The common law protected the king's peace against disturbances arising from disputes between individual citizens. The role of the commonlaw courts was mainly passive. They were not meant to set or direct national policies. This has always been a function of the legislature and the executive in a republic.

The High Court of Impeachment played a very different role. Its very purpose, as related above, was to regulate the policies of the state; it passed judgment upon the highest ministers of the state. Needless to say, the standards by which public officers, who formulate and administer governmental polices, are judged will be different from those used for private citizens. When a commoner is negligent, only his victim suffers the consequences; when the lord high admiral neglects to safeguard the sea, the very existence of the nation is at stake.

If Parliament hoped to effectively influence governmental policy, it must in some way control those who would implement it. As other means were restricted at that time, this was left in large part to impeachment. It acted as the means by which Parliament could monitor the affairs of state. As such, though judicial in form, impeachment was essentially a legislative process. English impeachments were then more legislative than adjudicatory. They put Parliament's stamp of disapproval upon certain state policies by removing their principal adherents.

But the animus of legislation is politics. Therefore, to say that impeachments are legislative is also to say that they are *political* in nature. This fact, coupled with unlimited jurisdiction and punishment, at times produced untoward results in English impeachments.

CONSTITUTIONAL PROVISIONS

Six disjointed references in the constitution set out the rudiments of the law of impeachment in the United States. The first two confer exclusive jurisidiction upon Congress to prosecute and try impeachments. Article I, sec. 2, cl. 5 reads:

"The House of Representatives . . . shall have the sole power of impeachment."

This is the power to accuse only. Article II, sec. 3, cl. 6 completes the delegation of power:

"The Senate shall have the sole power to try all impeachments. . . ."

This clause also outlines the essential elements of procedure to be observed in impeachments:

"When sitting for that purpose, they shall be on oath or Affirmation. When the President of the United States is tried, the Chief Justice shall preside: And no person shall be convicted without the concurrence of two thirds of members present."

This last proviso was included, we are told, to "break the force of faction," to insure that the head of state is not carried away by partisan whim. Yet a two thirds consensus puts a heavy burden on the prosecution which is justified only when weighed against the gravity of Presidential removal.

But this provision alone cannot prevent a pretext removal of the President. It can only require that the faction reach two thirds of the Senate before proceeding. More likely is the danger that a President's abuses will be continued through the obstinance of a partisan *minority* in the Senate. One should also keep in mind that, in the end, impartiality depends upon the fair judgment and good conscience of the Senators. And this, in turn, can be assured only by good sense and a sober choice by the voters.

Mindful of the excesses under English practice, the framers carefully provided that:

"Judgment in cases of Impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of Honor Trust or Profit under the United States; but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment and punishment, according to law."

Two other clauses make reference to impeachment only to remove doubt concerning its effect on other provisions of the Constitution. Article II, sec. 2 excludes impeachment from the domain of Presidential pardons. This is to prevent the undoing of Congress' work by executive fiat and to avoid the anomaly of putting the President in a postion to pardon himself. The other provision (Art. III, sec. 2, cl. 5) exempts impeachments from the rule of jury trial in criminal cases.

The essence of the impeachment power is contained in Article II, sec. 4:

"The President, Vice President, and all Civil Officers of the United States, shall be removed from office on impeachment for and conviction of Treason, Bribery, or other high Crimes and Misdemeanors."

This is the removal clause. It prescribes who may be impeached: basically all *civil officers* up to and including the President. Thus, it does not include military officers, who are not civil servants, but who are removable by the President. To provide otherwise would certainly impinge upon the President's prerogatives as commander-in-chief. Also not included are federal *employees,* who are dismissable for cause by their superiors. Clearly the impeachment mechanism was aimed at a relatively small, manageable group of semi-autonomous administrators: federal judges, cabinet officers, the Vice-President, and of course the Chief Magistrate.

It differs markedly from the English model by limiting the impeachable class to *political* office-holders. This, coupled with restrictions upon the legislature's power to punish, underscore the Framers' recognition of impeachment as a political exercise, quasi-judicial in its procedure only.

Yet it is not who may be impeached, but what for, that gives the legislators headaches. The Constitution limits the offenses to "Treason and Bribery or other high Crimes and Misdemeanors." Treason and bribery are clear enough at law. The latter is of ancient significance and avails itself easily enough to statutory definition; treason is defined in the Constitution. Discernment of the content of the phrase "high Crimes and Misdemeanors" determines the scope of the impeachment power.

THE STANDARD OF IMPEACHABILITY

The intended scope of this "delphic" phrase of the Constitution has been the focal point of controversy since the earliest of American impeachments. The question to be resolved is whether the term was intended to include misbehavior not made criminal by statute. The decided weight of authority indicates that it does include such "non-criminal" offenses.

The arguments advanced in favor of a narrow construction of "high Crimes and Misdemeanors" proceed mainly from the text:

(1) According to well-known principles of statutory construction, the terms "Crimes" and "Misdemeanors" are to be taken with the same meanings they had at commonlaw;

(2) The language used in the Constitution in referring to impeachment indicates an intent on the part of the framers to make it a criminal proceeding;

(3) In order to preserve the other branches from the partisan retribution of Congress "high Crimes and Misdemeanors" should be limited to individual offenses.

(4) Impeachment for less than indictable offenses would violate other provisions of the Constitution.

It is indeed a well known principle of statutory construction that terms not defined in the instrument should be construed as having the ordinary meaning they assumed at commonlaw. And this cannon has been applied to the Constitution in numerous cases. This being the case, some writers have urged that "high Crimes and Misdemeanors" be interpreted in their ordinary commonlaw sense. In 1787, so the argument goes, a misdemeanor at commonlaw was only a lesser criminal offense than a felony. If this meaning be accepted, of course impeachments would lie for nothing less than indictable offenses.

A second theory in support of a narrow reading is that an intent of the Framers to limit impeachable offenses to indictable crimes appears from the language used in the sections referring to impeachment. This view was most recently advanced by Brant who remarks:

"Running through all of the clauses on impeachment are words and phrases connoting criminality."

Thus, references in the Constitution to "conviction" (art. III, sec. 4), "try" and "Convicted" (art. I, sec. 3, cl. 6), "judgement" (art. I, sec. 3, cl. 7), as well as the specific exemptions of impeachment from presidential pardons (art. II, sec. 2, cl. 1) and from the right to trial by jury (art. III, sec. 2, cl. 3) have been cited as evidencing an intent to make impeachment one more aspect of the criminal process. Brant contends that this shows an intent to make impeachment a criminal proceeding. It then follows that such a proceeding could take cognizance of only indictable offenses.

To resolve these questions resort may be had to five sources: (1) the text of the Constitution; (2) the English precedents; (3) the debates of the constitutional convention; (4) the constitutional commentators; and (5) American precedents.

As to the text, there are compelling arguments against taking "high Crimes and Misdemeanors" in their commonlaw sense. To begin with, even if a misdemeanor is only a lesser felony at commonlaw, both are "crimes." Hence, the inclusion of the word "misdemeanor" within the phrase "high Crimes and Misdemeanors" is already accounted for in the word "crimes."

Such a construction was approved in *Kentucky* v. *Dennison*. That case involved the meaning of "crimes" in the Extradition Clause of the Constitution. The court took the view that the word was meant to include "every offense forbidden and made punishable" by the law of the state seeking the extradition. The court went on to say that "[t]he word 'crime' of itself includes . . . what are called 'misdemeanors' as well as treason and felony." This was subsequently confirmed in *Ex Parte Reggel*.

However, if "misdemeanors" in included in "crimes," it is superfluous verbiage in the Constitution. It imputes to the framers an intent to add the term as a "precaution" against Congress' overlooking minor violations of the law. But this interpretation is contrary to another, equally well-recognized rule for construing statutes applied to the Constitution in *Holmes* v. *Jennison*. There the court said:

"In expounding the Constitution . . . every word must have its due force, and appropriate meaning . . . No word in the instrument, therefore can be rejected as superfluous or unmeaning . . ."

This was a necessary conclusion to prevent recalcitrant executives from construing a statute to a nullity for his own purposes.

A better rendition of the phrase "high Crimes and Misdemeanors" is given by Simpson who suggests that:

"The word 'crimes' was used to negative the thought that the only criminal offenses for which an impeachment would lie were "treason" and "bribery"; and the word misdemeanor was used to negative the thought that only 'crimes' were impeachable."

Again basing the argument upon the internal logic of the constitutional provisions, it does not neecssarily follow that impeachment is limited to indictable crimes. Art I, sec. 3, cl. 7 provides that "the [p]arty convicted shall nevertheless be liable and subject to Indictment, Trial, Judgement and Punishment according to law." But this in no way implies that only those subject to indictment may be impeached. All the clause does insure is that deposed officers could not claim immunity from civil prosecution under the double jeopardy clause of the fifth amendment, or otherwise. This argues for the broader interpretation of the removal clause: if impeachment were a criminal process, "a new trial *would* constitute double jeopardy."

Likewise for the exemption of impeachment from the necessity of jury trial or from the power of presidential pardons. These provisions were set down to prevent an impeached or removed officer from exploiting otherwise apparent inconsistencies in the Constitution, not to demonstrate the criminal nature of the process. Otherwise, an accused might claim violation of his right to jury trial or a removed officer might be reinstated by the President rendering the impeachment negatory.

These provisions serve rather to distinguish impeachments from other judicial proceedings. They accent the legislative prerogative asserted by impeachment.

Nonetheless, the text of the Constitution can not be read in a vacuum. The phrase "High Crimes and Misdemeanors" had meaning applied by the English usage. It was a "term of art" with a fixed technical definition: a "known thing" so to speak. It will do at this point to reiterate those features of English impeachments most salient for the purposes of this discussion. First, the term "high Crimes and Misdemeanors" was in no wise limited to crimes indictable at commonlaw; and second, though judicial in form, the process was primarily a legislative function.

That the framers were aware of the narrow application of the term can hardly be doubted. In fact, several references were made throughout the convention to the trial of Warren Hastings just underway in England. In addition several exchanges during the debates indicate that the term was intended in its narrow parliamenetary sense.

On September 4, 1787, the Committee of Eleven (as it was known) reported a draft which included a provision of the impeachment of the President "for treason or bribery." When debate on this provision was taken up on September 8th, George Mason of Virginia inquired:

"Why is the provision restrained to treason and bribery only? Treason as defined in the Constitution will not reach many great and dangerous offenses . . . Attempts to subvert the Constitution may not be treason as above defined. . . . As bills of Attainder which have saved the British Constitution are forbidden, it is all the more necessary to extend the power of impeachment."

He moved to add "maladministration" after "bribery." But fellow Virginian, James Madison, objected that "[s]o vague a term will be equivalent to a tenure during pleasure of the Senate." Mason then offered "high Crimes and Misdemeanors" in place of "maladministration."

From Farrand's notes there was no further debate on the question and the form was accepted by a vote of eight states to three. Since Madison did not object, it may be presumed that he at least interpreted the phrase more narrowly than maladministration. But if "high Crimes and Misdemeanors" were not to reach the "great and dangerous offenses" including "[a]ttempts to subvert the Constitution", Mason would not have offered it. From this discussion alone it may be concluded that the convention accepted as properly impeachable something less than treason or bribery, including subversion of the Constitution, which would not require a violation of a statute. Yet at the same time the offense must be something more than maladministration.

Madison subsequently shed some light on exactly what was intended by the phrase "high Crimes and Misdemeanors" in the course of a debate in Congress on a bill to establish the Department of Foreign Affairs. "The danger," he posited:

". . . consists merely in this: the President can displace from office a man whose merits require that he should be continued in it. What will be . . . the restraints that operate to prevent [such an abuse of power]? In the first place he will be impeachable by this House, before the Senate, for such an act of *maladministration;* for I contend that the wanton removal of meritorious officer would subject him to impeachment . . ." (emphasis mine).

Here Madison does admit that *some* kinds of maladministration should be punishable by impeachment. This also shows Madison's belief that impeachable offenses need not be indictable. Surely no one could argue that removal of meritorious officers is an indictable crime in the absence of a statute. Thus, even though they did not say so specifically, all indications are that the delegates intended the phrase to be read in its parliamentary sense as a term of art. Just the coincidence of using the exact words of English impeachments is too compelling to conclude that the framers intended a different meaning.

If the convention debates themselves did not clarify the meaning they would give the words "high Crimes and Misdemeanors," yet another maxim used in the construction of statutes comes to our assistance. Early on it was decided by our courts that words otherwise undefined in the Constitution should be construed according to their sense well known and accepted at the time of writing. Later, in *Pennock v. Dialogue*, the Supreme Court decided that:

"When English statutes are adopted, the known and settled construction of those statutes is incorporated into the American acts or has been received with all the weight of English authority."

The same must hold true for technical terms of art imported from English law.

Finally, in 1838, the High Court confirmed that, in the construction of the Constitution, the Court "must look to the history of the time, and ascertain the old law, the mischief and the remedy. No suggestion could be more appropriate for interpreting "high Crimes and Misdemeanors." It would seem from this that the English usage must at least be used where no contrary intent is clearly evidenced.

To be added to these considerations is the fact that the majority of commentators who have participated in this debate agree that the President is impeachable for less than indictable offenses. J. N. Pomeroy's statement is fairly typical:

"The importance of the impeaching power consists . . . in the check which it places upon the President . . . . [who is] clothed with . . . ample discretion . . . The danger to be apprehended is from an abuse of this discretion. But at this very point where the protection should be certain, the President . . . is beyond the reach of congressional legislation. Congress cannot . . . interfere with the exercise of a discretion conferred by the Constitution. . . . If the offense for which the proceeding may be instituted must be made indictable by statute, impeachment . . . becomes absolutely nugatory against those officers in those cases where it is most needed as a restraint upon violation of public duty."

And it might be added, if this discretionary power is not regulated by statute or censurable by impeachment, the perpetrator has the free rein of tyranny.

It is perhaps one of the gravest omissions of the founders that they did not specifically provide that impeachment would lie for administrative abuses of constitutional magnitude. It was no doubt their intent; the debates attest to that. The desire to set some limit on executive power in favor of Congress is interspersed throughout Farrand's *Debates*. The point was no better put than by George Mason, author of the Bill of Rights and the most staunch defender of the humanitarian ideal of his time. Mason put the critical question to the delegates in this way:

"No point is of more importance than that the right of impeachment shall be continued. Shall any man be above justice? Above all shall that man be above it, who can commit the most extensive injustice?"

Others of the delegates were in substantial agreement. James Madison "thought it indispensable that some provision should be made for defending the community against the incapacity, negligence and perfidy of the Chief Executive." Gerry observed that "A good magistrate will not fear [impeachments]. A bad one ought to be kept in fear of them. He hoped the maxim would never be adopted [at the convention] that the chief magistrate could do no wrong." Ben Franklin wryly pointed out that in the case of a bad ruler, without impeachment the people's only recourse would be to assassination. Davie considered it "an essential security for the good behavior of the Executive.".

The convention was not without dissenters. Rufus King and Charles Pinckney were concerned with the independence of the Executive. Governor Morris wanted the offenses "enumerated and defined," but was persuaded by the debate that "the Executive ought . . . to be impeachable for treachery, corrupting his electors and incapacity." It is significant that these dissents were overruled at the convention.

Despite all their foresight, the framers perhaps underestimated the resourcefulness of those with more base motives and mediocre talents in carving out exceptions to meet their needs. They did not foresee a Congress filled with men of any less intellect and ability or fortitude than themselves. They treated it as a matter of course that a President would be upbraided for abuses, regardless that they were arguably legal. Their omission here is perhaps justified by an admitted desire to avoid too narrowly specifying the prescribed actions. However, the addition of a phrase such as "or abuses of constitutional authority whether legal or not" would have covered the crucial activity.

The problem caused by this "delphic" phrase in the Constitution becomes apparent upon an examination of the American impeachments.

RESIDENTIAL CONDOMINIUMS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. LEHMAN. Mr. Speaker, residential condominiums and cooperatives have mushroomed through the United States, and now and in the immediate future will represent the major source of reasonably priced housing in this country available to young newly formed families and senior citizens. The State of Florida stands in the forefront in the development of these types of housing, there being more than 300,000 residential units in Florida which fall within these categories.

The feature which is a common denominator in these types of housing developments is that the unit owners assess themselves through their associations or corporations for all of the expenses required to administer, manage, maintain, and operate the areas or facilities common to all of the residential units. This would include such elements as lawn maintenance, parking areas, streets and sidewalks, roofs and exteriors of buildings, hallways, elevators, laundry rooms, trash and garbage removal, and a host of other necessary functions common to all of the residential units.

The assessments must also encompass reserves for depreciation, obsolescence, and replacement of equipment and facilities used in common. What this amounts to is that the individual unit owners contribute their moneys into a common fund to be dispensed by themselves through their associations or corporations for the common good as they see fit. By no stretch of the imagination can these funds be considered as taxable income to the associations or corporations since they are not payments to the associations or corporations for services rendered, and the amounts to be collected and dispensed are solely the determination of the unit owners.

The Internal Revenue Service has rendered a number of rulings on the tax status of condominiums based on the Internal Revenue Code of 1954. In section 501(c) of the Code, 19 types of organizations are exempted from taxation. However, in Revenue Ruling 74-17 (26 CFR 1.501(c)(4)-1) condominium housing associations are held not to qualify for exemption under section 501(c)(4) of the Code. None of the other 18 types of organizations remotely relate to condominiums or cooperatives.

Further, Revenue Ruling 70-604 (26 CFR 161-1), as amended by Revenue Ruling 71-11, implies that any excess of assessments over expenses in the management, maintenance or operation of a condominium must either be returned to the unit owners or applied to the following year's assessment as otherwise it will be taxable as income. This ruling makes it impossible for a condominium, and by analogy a residential cooperative, to build up reserves for depreciation, obsolescence or replacement without the payment of taxes on the funds reserved. Since the reserve funds are in effect the savings of the unit owners, this is akin to saying that if one starts the year with $100 in his or her savings account and then ends the year with $200 in the account, the additional $100 savings somehow becomes taxable income to the saver.

In order to avoid this unfair result, I have introduced H.R. 14630 to provide an exemption from income taxation for cooperative housing corporations and condominium housing associations. Such a bill is vitally necessary for these types of housing if they are to remain a viable means to provide housing at a reasonable cost to the majority of our young families and our senior citizens.

H.R. 14630

A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations and condominium housing associations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501(c) of the Internal Revenue Code of 1954 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraph:

"(20) (A) Cooperative housing corporations (as defined in section 216(b)(1)).

"(B) Any organization formed for the purpose of managing, operating, and maintaining the property within a condominium housing project which is owned in common by the owners of units within such condominium housing project, if—

"(i) membership in such organization is limited to the owners of units within such condominum housing project,

"(ii) no member of such organization is entitled (either conditionally or unconditionally) to receive any distribution from such organization except on a complete or partial liquidation of the organization; and

"(iii) 80 percent or more of the gross income of such organization consists solely of amounts received from the owners of units within such condominium housing project.

"(C) For purposes of this paragraph, the term 'condominium housing project' means any condominium project substantially all the units of which are used by individuals as residences."

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years beginning after December 31, 1974.

[From the Miami Herald, April 16, 1974]

CONDOMINIUM ASSOCIATIONS HIT BY IRS RULING

(By Sylvia Porter)

To all the other questions now being raised about ownership of condominiums has just been added the exceedingly serious one of federal income tax liability—for this past Jan. 16, the IRS ruled that condominium owner associations are no longer exempt from the federal income tax. This new ruling, of which few condominium owners are even aware, opens new traps for both prospective buyers and current owners of condominium residences.

Previously, these associations, which represent the owners of condominium units and which manage the community, had been exempt under Section 501(c)(4) of the tax code. This provision provides "for the exemption from federal income tax of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare." IRS's finding in January was that "since the organization's activities are for the private benfit of its members, it cannot be said to be operated exclusively for the promotion of social welfare. Accordingly, it does not qualify for exemption."

What are the major ramifications for condominium unit owners as a result of this tax ruling?

First, says James I. Laughlin, director of Community Association Services of Arlington, Va., owners must realize that money not spent for operating expenses—such as lawn maintenance, salaries, heating, etc.—may be subject to taxation as retained earnings.

Most likely, Laughlin adds, "IRS will treat community associations as corporate entities whether or not they're formally incorporated, and a corporation's retained earnings are taxable. Of course, the accumulated and unspent reserves are not retained earnings, but it may take court action to establish this." Questions of accounting and bookkeeping controls—questions most owner associations never even ask—will now become crucial in determination of the association's tax liability.

To you, the condominium owner, the tax liability will be reflected directly in the amount of your assessment, with more taxes inevitably meaning higher assessments.

Second, long-term improvements funded from the owner association's reserves may be interpreted as "constructive dividends" by the IRS.

If the IRS so determines, to you, the owner, this may mean that the equivalent cash value of the improvement would become income for tax purposes for each and every owner at the time of sale. Crucial to this interpretation would be how your organization's bylaws are drawn and how its operating procedures are set up.

Stresses Laughlin: "There is no general rule which will be uniformly applicable. In some cases, the owner association will be able to do very little to ease the tax burden imposed by this ruling because of the way its bylaws and Master Deed are drawn. In other cases, changes can be made to ease the impact of the ruling"—if the owner association learns of the need to act and takes the appropriate action.

What, then, should you do?

As a prospective buyer of a condominium unit, check to make certain that the developer from whom you're buying is aware of the new nonexempt status of the owner association.

At a minimum, the developer should consult a tax expert to see that the Master Deed, the association bylaws, and accounting procedures have been set up to take into consideration this new factor of tax liability.

As a current owner of a condominium, immediately seek all legal means for avoiding tax liability for any surplus funds or reserves. There are many possible solutions, depending on how your Master Deed and bylaws are drawn. For the steps to take, you will have to have professional counsel.

(P.S. The sense of the January ruling was extended on March 6 to homeowner associations generally. Some howeowner associations will still be tax-exempt—but most organized to administer and protect architectural features or to manage recreational and other amenities from which the general public is excluded, will no longer be exempt from federal income taxes. Be warned.)

POLISH NATIONAL HOLIDAY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. MURTHA. Mr. Speaker, the Polish National Holiday, May 3, is a day that all freedom-loving people can heartily commemorate. It is that moment in Polish history, in 1791, when in peaceful agreement the Polish Constitution was adopted by the Polish Parliament.

The significance of this document lies in that fact that at one stroke it eliminated the most fundamental weaknesses of the Polish legislative and social system.

Americans, many of whom can claim Polish ancestry, have been instructed in the sovereignty of the people; this is the primary postulate in the Polish Constitution of 1791.

The light of liberalism to be found in this Constitution was formulated in these words:

> All power in Civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

It is quite clear from the philosophy of government evident in the May 3d Polish Constitution that the American and Polish people drew inspiration for their respective constitutions from the same source.

That is why in the United States, wherever Americans of Polish descent live—and many reside within the limits of the 12th Congressional District—this holiday is observed with appropriate exercises throughout the month of May; to pay tribute to the Polish Nation and to remind fellow Americans that Poland was one of the first pioneers of liberalism in Europe.

Our thoughts go out today to those men and women in Poland, 90 percent of whom are still devout, church-attending members of their faith, who cannot commemorate this proud occasion.

Let us not forget, in these days of détente, arms limitation, and the easing of tensions, the bitter lessons of history.

It may well be that today is an even more important time to reaffirm our love of freedom and liberty. It is a time to remember the common hopes and dreams we share with the people of Poland. It is a time to inspire our younger generations with the need to maintain our democratic ideals.

With the millions of Americans of Polish ancestry, I gladly join in this moment of commemoration.

TIME FOR VALUE ANALYSIS

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. WINN. Mr. Speaker, our fellow Americans expect us to make wise decisions in the expenditure of their hard-earned tax dollars. And we respond with our own best efforts in this regard. But it is difficult to save the taxpayers' money without just deleting programs or cutting costs across the board.

I have been involved for the past several years in seeking positive and workable ways in which the Federal Government can perform to the best of its ability those things expected by its citizens while still holding the line on expenditures. I can attest to the fact that there are ways to save the tax dollars of America without sacrificing particular policies or programs. Across-the-board cost cutting, or the "meat-ax approach," practiced in the name of economy, seldom solves problems. Most generally that kind of action merely delays the inevitable crisis yet to come.

One creative way to save tax dollars is through the use of techniques such as value engineering—also called value analysis. Though the use of this buck-stretching system is not limited to construction-related activities, I would like to commend to your reading a document prepared by the General Accounting Office, dated May 6, 1974, and distributed to Members of Congress. The title of this report to Congress tells the story: "Need for Increased Use of Value Engineering, A Proven Cost Saving Technique, in Federal Construction."

According to the report:

> Value engineering as applied to Federal construction should be a creative process for identifying and removing unnecessary construction costs while maintaining the required quality and performance of the facility. It should analyze the functions for which the facility will be used and identify alternatives in its construction that will reduce overall costs of building and using the facility for the functions intended.

I am a strong proponent of the use of value analysis—engineering—throughout the Federal Government. Its methodology can as easily be applied to operations and procedures as they are to manufacturing and construction.

This is a technique whose time has come and which you will be hearing more about. I commend to you a close reading of the GAO report.

A CONSERVATIVE EDITOR FACES FACTS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. CONYERS. Mr. Speaker, William Randolph Hearst, Jr., the editor-in-chief of the Hearst Newspapers has published an extraordinary column about the disclosures contained in the transcripts made public by the President. Because Mr. Hearst departs from his previous position, I insert it in the RECORD at this point to call my colleagues' attention to the way one man faced facts:

[From the Hearst Newspaper, May 5, 1974]

A FACING OF FACTS

(By William Randolph Hearst, Jr.)

NEW YORK.—This is a very tough column for me to write, but events this week make it imperative. The essence—or lead as we say in the newspaper business—is that President Richard M. Nixon has made it impossible for me to continue believing what he claims about himself in the Watergate mess.

That's about the most reluctant statement made here in the last 20 years. It probably will disappoint, surprise and maybe even shock a lot of people. If so, they will have nothing on the disappointment, surprise and shock I have felt in reading those transcripts of the White House tape recordings during the past few days.

Now any more or less regular reader of these weekly editorial comments knows how consistently the President has gotten my backing—and properly so. Even his worst enemies now have to admit that his strategy for ending the Vietnam War was correct. And absolutely no one can fail to praise his many remarkable initiatives toward a more peaceful world.

It also was proper—certainly in my book—to continue to back and defend the President as strongly as possible when the Watergate scandals began leaking all over the place. As a loyal American, to me it seemed only natural and necessary to be loyal to the nation's elected leader; to accept his explanations and deplore the excesses of his accusers. At the very least, like everyone else, he should be presumed innocent until proven guilty.

That was my consistent position, expressed here many times and in many ways. Not that it was easy. In my heart I often felt he probably knew a lot more than he admitted. And it certainly became obvious, despite his claims of executive privilege and national security, that he was far from being as forthright as the people and the Congress had a right to expect.

The real reason for his uncooperative stalling tactics is now abundantly and terribly clear. It is all in the tape transcripts he finally was forced to make public. Even in their heavily edited and possibly inaccurate form, the transcripts add up to as damning a document as it is possible to imagine short of an actual indictment.

Maybe, technically, the President still is justified in claiming he knew nothing in advance about the Watergate break-in, or of the initial cover-up efforts. The point is that those shameful tapes reveal a man totally absorbed in the cheapest and sleaziest kind of conniving to preserve appearance, and almost totally unconcerned with ethics.

The man seems to have a moral blind spot. To me it is simply astonishing that he would make the transcripts public with the avowed belief that they would exonerate him. They may not actually amount to a conviction of criminal behavior. Perhaps the kindest way of putting it is that they amount to an unwitting confession, in which he stands convicted by his own words as a man who deliberately and repeatedly tried to keep the truth from the American people.

I am not being heartless or simple minded about this. Over the years I have known quite a few Presidents and am very much aware of the often ruthless—even deplorable—actions made necessary by the pressures of their awesome power. But I have never heard anything as ruthless, deplorable and ethically indefensible as the talk on those White House tapes.

The voices on the tapes, even the censored parental guidance version, comes through like a gang of racketeers talking over strategy as they realize that the cops are closing in on them. Scene after scene sounds like a corny old movie. How can we cover up this and that? How much dough do we need to pay off so and so? Who's going to take the rap for this and that?

An odd fact is that the Boss in these sessions—to this reader, at least—fails to radiate even a whiff of the authority of Edward G. Robinson in the movies, or even Chicago's Big Bill Thompson in real life. Instead the other members of the gang all clearly felt free to keep coming up with tricky ideas and chew them around with as much apparent authority as the chief.

In this sharing of power, this speaking as equals, the atmosphere was solely one of intrigue and self-protection. If any of the participants—ever—gave any consideration to what was right for the nation instead of themselves, then I must have missed it in the thousands of words I have waded through.

Think how impossible it would have been for any of the founding fathers or for Abraham Lincoln to have tolerated two minutes of it.

I also think of Eisenhower—as easy-going a President as we ever had. He instantly chopped off his strong right arm, Sherman Adams, the man who was running the country for him, when his chief aide committed the impropriety of accepting gifts from a man seeking business with the government.

To Lincoln, to Ike, and to most of our Presidents, the White House itself had to be just that—a house of pristine integrity, both in reality and appearance.

The symbol of America's faith in its government is sullied beyond measure when it is used as headquarters for a gang whose main concern is the maintenance of personal power—at any cost.

As was declared in the opening paragraph, this is a tough column for me to have to write. Perhaps some of what has been said is overly tough. Certainly it is not my intention to join the persecutors of Richard Nixon.

All the same, honesty and a natural concern for my country's dignity compel me to face the facts. This is something that Richard Nixon, unhappily for both himself and the nation, has repeatedly refused to do in the Watergate affair.

As noted, it is amazing to me that he doesn't seem to realize how damning those tape transcripts are. Even more amazing is the fact that an astute politician, which he is, failed to realize that cleverness is no match for demonstrable truth.

From the very beginning of Watergate I thought he would sit tall and straight in the saddle. His White House cleanup at least partially confirmed my expectations. But then he proceeded, in one razzle-dazzle move after another, to show that he was going to resist Congress and the press in their every effort to get the full truth.

Practically all of his troubles, including the impending threat of impeachment, would have been avoided if he had only had the honesty to tell the whole truth right away. Lacking that, he certainly should have stuck by his original contention that nobody has a right to examine the intimate records of the presidency.

Over a year ago, in this column, the opinion was expressed that only the Supreme Court has the authority to decide whether such records may be opened or not. It was the President's steady retreat from defiant positions, plus the suspicious and renewed attacks each retreat created, that finally compelled him to release at least part of them

He released them only because he had to, finally, and because he somehow thought the censored versions would do him some good with the public. God knows what the unexpurgated tapes would show.

Incredible? It sure is.

Sickening? Just read the transcripts.

Today, sitting here in a kind of stunned sorrow, it is hard for me to imagine why any informed person would not see the inevitability of impeachment.

STENNIS SPEAKS ON U.S. SPENDING

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. LANDGREBE. Mr. Speaker, I thought my colleagues might be interested in the following article by Mr. Ben Cole of the Indianapolis Star. The conclusions that we are led to are not pleasant and serious consideration should be given to the points Mr. Cole makes.

The article follows:

CONGRESS HANDS TIED ON 72 PERCENT OF U.S. SPENDING, STENNIS SAYS

(By Ben Cole)

Congress has tied its own hands so that nearly three-fourths of the $304 billion budget for fiscal 1975 is uncontrollable, Senator John Stennis (D-Miss.) declared yesterday.

Stennis, in an analysis of the budget-making process, found that the administration proposes $344 billion in gross outlays for the coming fiscal year. Of this, he said, $248 billion—or 72 per cent—is relatively uncontrollable by the appropriation process.

"This means that actions taken by Congress in past years have preempted appropriation discretion and control over nearly three-fourths of the proposed spending for fiscal 1975."

Stennis said this uncontrollable part of the Federal budget creeps higher year by year. In fiscal 1967 it amounted to 59 per cent of the budget; in 1970 it was 64 per cent.

"For example," Stennis said, "in the last six fiscal years, Congress, through its actions on appropriations bills, reduced administration requests for new budget authority by approximately $33 billion.

"But during that same six-year period, Congress approved in legislative measures outside the regular appropriations process authority which exceeded the budget estimates by slightly over $40 billion. For this 'backdoor spending' practice and its adverse effect on budget control, Congress itself is solely to blame."

Stennis said he believes the Senate Appropriations Committee can reduce the proposed $304 billion budget for 1975 by $3 billion.

Seven of his subcommittees projected cuts totaling $5.7 billion: defense, $3.5 billion; foreign operations, $1.3 billion; housing and urban development and space, $613 million; legislative, $13.5 million; military construction, $120 million; transportation, $69 million; Treasury, U.S. Postal Service and general government, $130 million.

Three subcommittees said they would make budget increases totaling some $2.7 billion: Agriculture, $93.8 million; labor and health-education-welfare, $2.4 billion; public works and atomic energy, $180 million.

Three other subcommittees said they would make every effort to keep their appropriations within the budget requests: District of Columbia, Interior Department, and State, Justice, Commerce and the Judiciary.

Stennis said, "I wish to emphasize that each individual member of Congress has the responsibility for helping put our fiscal affairs in order. Unless we have the will—unless we exercise restraint in authorizing new programs—unless we weigh and accommodate priorities so that spending is kept within the bounds of revenues—we will never be able to establish a sustaining and durable fiscal policy that is most essential to national solvency and a stabilized economy."

THE BOOK OF REVELATIONS

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HANNA. Mr. Speaker, the continual fluctuation of Presidential posture toward Watergate has created a mood of cynicism and dissatisfaction with politics among our citizens that cannot be lightly regarded by any of us. As the newest chapter in this tragedy unfolds, I wish to address myself here not to the narrow question of whether the transcripts prove the guilt or innocence of the President, but rather to the larger question of their impact on public confidence in the Nation's highest office.

One cannot fail to be dismayed and disturbed at the language used by and to the President as revealed in the transcripts. Before their release, the Office of the Presidency was regarded with high esteem and honor by all. The image of the Office cannot fail to be tarnished by the tone and demeanor of the White House staff during conversations with their "leader." Their view of the function of the Oval Office was as a tool for political manipulation, rather than to provide moral leadership for the country.

Furthermore, the transcripts show that the President, who sees himself as the leader of the free world who will bring peace in our time, cannot even offer leadership to his own staff. The degree to which he is subject to the pressures and influences of his two closest advisors is astonishing, even to those of us who have never supported the President, but still viewed him as decisive and determined. No such strength of purpose is shown in the face of the suggestions and influence of these two men. The President presented by the transcripts is the pitiful subject of the pressures of his aides, unable to make any constructive input and unwilling to provide leadership and direction.

With all the remonstrances, denials and objections coming from the White House, it is disturbing as to what was not said. For in no place can one find the strong, direct command from the President, "Do not do that." One single, clear, clarion call from his lips saying, "Don't do it" is absent in any shape, form or style.

Regardless of their bearing on the ultimate decision of the Congress on the issue of Mr. Nixon's tenure in office, the transcripts will undoubtedly have a damaging impact on his capacity to instill confidence in the American people or to provide leadership to his own administration or to the heads of state of our allied nations. Furthermore, the transcripts have dealt a devastating blow to the already shaky confidence people have in our political system. The next President will, we can be sure, face a crisis of confidence which will require years to erase. Our job in the Congress must be to do all we can to rebuild confidence in the system generally by acting decisively on the problems which face the country. It ill behooves us to simply lament the absence of leadership and the decline of stature of the Nation's highest office. We must, as best we can as an institution, fill the vacuum created by the President's handling of Watergate over the past several months.

ON TARIFF SUSPENSION BILLS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. VANIK. Mr. Speaker, today, the House of Representatives considered four minor tariff suspension bills, relating to zinc, methanol, feathers and down and carboxymethyl cellulose salts.

Whenever we have one of these tariff bills, it seems to be something that is needed by a specific company or two. Certainly, all consumers benefit—but there are other areas of tariff relief which might be of even more use to the average consumer.

For example, in January, the President asked for a suspension of the tariff on wheat. It was feared that we might have exported ourselves out of wheat—and we would have to import some wheat from Canada to meet spot shortages. Fortunately, that situation has not developed. Nevertheless, it might be a good idea to suspend this tariff. Between March of 1973 and March of 1974, the Consumer Price Index shows enormous increases in the cost of wheat products. The cost of white bread to consumers increased 33.6 percent. The cost of flour rose by 60.3 percent. Pastry items went up 21.8 percent.

In addition, there is a tariff on a number of tinned and canned meats. True, meat prices have been falling recently—partly because consumers simply refuse to pay sky-high prices for beef and have changed their eating habits. But there are many forms of tinned and canned meats—which do not compete with domestic products—which are generally low-cost items, used by people on fixed and low incomes, which are subject to tariffs. Supplies and prices of these items have always been artificially raised by the meat import quota and the fear of the imposition of the meat import quota, as well as by tariffs. For example, between March of 1973 and this March, the price of hamburger rose 18.1 percent, canned hams rose 25.3 percent, hot dogs went up 17.5 percent, bologna rose 19.1 percent.

I am a sponsor of bills to repeal the Meat Import Quota Act, and the tariffs on wheat and tinned and canned meats. I would hope that in the future, when the Committee on Ways and Means and the House considers some of these specialized tariff relief bills, it could also consider some more-broad-based relief for the consumer.

CONSUMERS PAY FOR ENERGY INDUSTRY AD BLITZ

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ROSENTHAL. Mr. Speaker, the oil industry is spending millions of dollars trying to convince the American public that it is the Caesar's wife of the energy crisis. The culprits, they would have everyone believe, are Government, environmentalists and, the people themselves.

The bill for this multimedia advertising blitz is being passed on to consumers because energy prices are raised to pay for the ads, and to taxpayers whose share of the tax burden is increased because the advertising costs are deducted as business expenses. The public also is being cheated in yet another way—it is the victim of an informational brownout on the truth behind the energy crisis.

Over the past 18 months, the oil industry has spent an estimated third of a billion dollars on advertising, most of it on politically oriented messages rather than product promotion.

Sixteen House and Senate Members have joined me in asking the Nation's broadcasters to provide free air time for public interest alternative advertising under the FCC's fairness doctrine to respond to this advertising blitz. This would assure that the public is fully and fairly exposed to all sides of the energy crisis controversy. Federal law requires that broadcasters present all divergent, responsible viewpoints on controversial issues of public importance.

Some broadcasting executives contend there is no need for alternative advertising because the industry advertising is adequately balanced by news coverage. This is not so.

News reporting presents an objective view of events. It is not expected to counter politically oriented advertising, whose sole purpose is persuasion. That is why it is so important that citizens have the right to communicate in the same format used so heavily by the oil industry—the 30- or 60-second spot during prime viewing time.

An important precedent for alternative ads was established last December when the FCC ruled two Georgia broadcasters had violated the fairness doctrine by refusing free time for citizen groups to respond to commercials by the Georgia Power Co. in support of rate increases.

Although the fairness doctrine applies only to broadcasters, we would like to see the print media voluntarily provide free space for citizen responses to the energy industry's lobbying campaign. Letters to the editor, guest columns such as this one and even editorials cannot begin to compete with page after page of oil company political advertising.

We are not disputing the industry's right to tell its side of the story, only its monopolistic hold on costly media advertising. The real issue is one of access—access to the news media, to the public, and to the policymakers in Government.

In order to assure that access, 413 individuals directly connected with the oil industry contributed $5.7 million to President Nixon's reelection campaign in 1972. The latest dividends on that investment came when the President vetoed the oil price rollback, and when 70 former oil industry executives were given top policymaking jobs in the Federal Energy Office.

Only when the media provide free public service air time and print space for responses to the energy industry's political advertising campaign will they be fulfilling their legal and informational obligations.

MRS. SYLVIA KOZOROSKY, WOMAN OF THE YEAR

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. FORD. Mr. Speaker, it is always an honor to cite outstanding achievements made by the fine citizens of the 15th District of Michigan which I have the honor to represent. I am happy to report that the Westland City Council recently honored Mrs. Sylvia Kozorosky, as Woman of the Year. Mrs. Kozorosky was nominated for this honor by the Wayne/Westland Community Schools Senior Citizens Club.

Because of her outstanding leadership in the community and her many contributions to the city of Westland, particularly in her work with senior citizens, this fine woman surely deserves such recognition.

Mrs. Kozorosky is a loving wife, a devoted mother of five children, and a well-organized home maker. She has dedicated her time and boundless energies toward betterment and improvement of her family and her community. She participates in a variety of activities with her family as well as the community. She finds work with people of all ages a source of gratification.

Among her notable achievements is her work with the Wayne/Westland Community Schools Senior Citizens Club. Mrs. Kozorosky's special activities with senior citizens include: The Bicycle Club, square dancing, the Jessie Polka Girls, choral group, baking contests, talent show, fashion show, and senior citizens' newspaper. Special yearly awards: Senior Citizen of the Year, Grandmother of the Year, Grandfather of the Year, King and Queen of Hearts. Fund-raising projects for the Senior Citizens Club: Cookbook, bazaar, raffles, bingo and auctions, and 50–50 raffles. She also makes arrangements for interesting trips, entertainment and guest speakers.

Mr. Speaker, let Mrs. Kozorosky's achievements serve as an example of outstanding citizen service to all Americans.

EDITORIAL SUPPORT FOR A HOUSE URBAN AFFAIRS COMMITTEE

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. BADILLO. Mr. Speaker, a week ago I announced my intent to offer an amendment to create a standing Committee on Urban Affairs in the House when the committee reform bill is brought to the floor. Editorial comment to date has been strongly in favor of the proposal, with the New York Post, WINS Radio, and the New York Daily News publicly endorsing the concept of a committee devoted to the interests and concerns of the Nation's cities.

In urging my colleagues to support my amendment, I would like to share with them the views of leading opinion-shapers in New York City by printing the statements in full in the RECORD:

[From the New York Post, May 2, 1974]

RESTRUCTURING THE HOUSE

Many months of work have been devoted by Rep. Bolling (D-Mo.) and his colleagues to plans for restructuring the House standing committees. They present some plausible alternatives to some of the panels now sitting.

But there are also some discouraging disappointments in the reform plan and, conceding that its authors are being relentlessly bombarded with belated ideas and demands, it does seem important to object to the omission of a new "urban affairs" committee.

As presented by Rep. Badillo (D-N.Y.), its sponsor, the urban committee proposal would be entirely consistent with the overall reform plan for consolidating committee responsibilities and grouping areas of related interest. The proposed panel would assume jurisdiction for housing, economic development, mass transit, urban development and clearly allied issues.

The idea for such a consolidation is familiar. It is reflected in the title of the federal Department of Housing and Urban Development. And there is reason to think that an urban-oriented committee could more efficiently assess and expedite critically needed legislation for metropolitan regions—where most Americans live.

[From the Daily News, May 6, 1974]

MORE CLOUT FOR CITIES

Rep. Herman Badillo (D-Bronx) has proposed that a standing committee on urban affairs be set up in Congress to oversee all federal urban housing, mass transit and development programs. It's about time!

Some 70% of America's people live in metropolitan areas. Yet no single committee handles their interests.

Housing, transportation and other federal city programs are spread all over the lot in scores of separate committees and subcommittees.

The farm bloc, with less than 10% of the population, exerts tremendous power through the Agriculture Committees when farm bills come up. A large urban bloc, working through a single committee, would wield a far mightier hammer to advance the interests of city dwellers.

Reform of the present antiquated, inefficient Congressional committee system is long overdue. A select committee, headed by Rep. Richard Bolling (D-Mo.), has devised a drastic change that would consolidate present mishmash groups more realistically, bar members from sitting on more than one major body, and create much needed new budget panels to watchdog overall federal spending.

Badillo's urban committee plan is not yet included in the reform measure. It should be. But the bill faces powerful opposition from big labor and big business, together with old-line Democrats like chairman Wilbur Mills of the House Ways and Means Committee. Mills will try to knock it on the head to keep the vast powers of his precious fiefdom.

Congressmen from urban areas should fight tooth-and-nail for these committee changes and give neglected city folks the representation they deserve.

[Editorial from WINS radio]

NEEDED—A HOUSE URBAN AFFAIRS COMMITTEE

(By Robert W. Dickey)

New York Congressman Herman Badillo plans to offer what we think is a very sound amendment to the committee reform legislation being considered by the House of Representatives. He will propose that a standing committee on urban affairs be created to provide a coordinated approach to the problems of our cities and densely populated metropolitan areas.

As matters currently stand, city representatives must deal with numerous committees in trying to initiate and continue programs which are vital to the solution of urban problems. Many of these committees are dominated by rural lawmakers who have little or no personal knowledge of city problems. And, as a result, much legislation of crucial importance to cities and their neighboring suburbs does not get fair consideration.

The proposed urban affairs committee would have jurisdiction over all laws and programs with a substantial impact on cities such as housing and urban mass transportation. Both these areas of vital concern have been badly neglected under the present committee structure.

In addition, the committee would provide regional planning for urban affairs, including matters of mutual concern to nearby cities or to cities and their suburban neighbors. Almost 69% of the people live in the nation's 243 metropolitan areas, of whom 31% live in the central cities.

We think it's time for a coordinated effort to solve their problems and a house urban affairs committee would be a constructive step in the right direction.

FAIR HOUSING MONTH

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise to pay tribute to the U.S. Department of Housing and Urban Development on the sixth anniversary of the passage of title VIII of the Civil Rights Act of 1968.

Title VIII made it unlawful to discriminate against any person—on the grounds of race, color, religion, or national origin—in the sale or rental of housing, in the financing of housing, or in the provision of brokerage services. Throughout the Nation, the month of April was observed as "Fair Housing Month."

Although many Federal departments and agencies are involved, to one degree or another, in housing—and I mention the Department of Agriculture and the Veterans' Administration as only two examples—the primary responsibility falls upon HUD. HUD has therefore taken a strong leadership role in enforcing the provisions of equal opportunity in housing. Beyond that, the Department has instituted many active programs of voluntary compliance and affirmative action—with builders, realtors, financial institutions, corporations, States and local communities, bar associations, and a host of others—as a key ingredient of assuring fair housing for all our citizens.

I would particularly commend the Secretary of Housing and Urban Development, the Honorable James T. Lynn, his Assistant Secretary for Equal Opportunity, Dr. Gloria E. A. Toote, and all the dedicated people of HUD, for their efforts in making equal housing opportunity a reality.

IN MEMORY OF JOHN GRINER

REMARKS

OF

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. NIX. Mr. Speaker, I wish today to ask for a solemn moment of tribute to one who was a veritable giant of the labor movement in this country, one John F. Griner, president emeritus of the American Federation of Government Employees, who recently succumbed after struggling to overcome a long illness.

Under his tutelage as president, AFGE became the largest union in the Federal sector. I was always amazed at the man's ability to accomplish so much in organization, administration and membership relations. I say this because it always seemed to me that Mr. Griner spent so much of his time on Capitol Hill. His sound and considered advice was invaluable to me—and, I know, to many of my colleagues. For if it came from Griner, you knew it reflected the wants and needs of the rank and file membership, not just some executive board or self-serving leadership cabal. John never lost the common touch and sympathy, a loss, I feel, that often subverts the thinking of many who rise to power and prestige.

His was a desire and goal that is in all decent men—to serve his fellow workers with honesty, with deep concern for the ordinary member, and yet with the tenacity and diligence that characterizes one who believes in achieving his mission.

John Griner led his union to a high plateau and established a basis for future growth and influence. At his death he was, I am sure, content in the knowledge that the aegis has been assumed by a capable and dedicated successor, Clyde Webber, whom I feel confident will carry on in the fine tradition we have come to expect of the American Federation of Government Employees.

NEW DIRECTIONS IN HIGHER EDUCATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. LEHMAN. Mr. Speaker, it has recently come to my attention that a consortium of 12 Southern States are planning to pool their higher education resources into what some have called an academic common market.

Under the proposed program, the States will pool selective graduate programs, so that out-of-State students could participate in these courses of study without paying out-of-State tuition charges.

I am inserting below an article describing this plan which recently appeared in Regional Action, a publication of the Southern Regional Education Board, for the attention of my colleagues. Not only does this plan maximize our higher education resources, but assists our graduate students as well.

The article follows:

[From Regional Action, March 1974]

AN ACADEMIC COMMON MARKET—SOUTHERN UNIVERSITIES PIONEER IN AN EFFORT TO SHARE THE COSTS OF EXPENSIVE GRADUATE EDUCATION

(By Richard Wilson)

[EDITOR'S NOTE: The following is a major excerpt from a feature story prompted by the publication of SREB's Academic Common Market bulletin which describes the first-year offering of 116 uncommon graduate programs pooled for selection by states participating in this reciprocal agreement. Residents of these states are now applying for fall enrollment in the program.]

Spiraling costs and limited enrollments—persistent problems for many highly specialized graduate programs in American universities—may be overcome in the South if a soon-to-be-launched cooperative program among the region's universities succeeds.

At least 12 states are planning to pool selective graduate programs in an Academic Common Market and open them to students of other states without charging out-of-state tuition. More than two years and numerous background papers have gone into the planning for the Southern Regional Education Board (SREB)-sponsored program expected to get under way this fall.

The common market is intended to broaden educational opportunities by making available to students various programs not offered in their home states—and at a reasonable cost. Equally important, it should eliminate the need for each state to consider development of its own graduate programs in all fields.

"Traditionally, as new needs have developed and enrollments have increased, states have responded by developing their own programs, since high out-of-state tuitions discourage movement of residents across state lines for similar programs already in existence," SREB President Winfred Godwin says.

The common market, Godwin adds, offers an educational alternative to costly and often unnecessary duplication of academic programs.

Thirty-one Southern universities . . . have already pooled more than 100 "uncommon" graduate programs for the upcoming 1974–75 academic year. And more than 20 programs in other states—ranging from study in coastal and oceanographic engineering at the University of Florida to Ph.D. work in nuclear engineering at Georgia Tech—will be available to Kentuckians through the common market.

University of Kentucky offerings through the common market include either master's degree or Ph.D. work in musicology, toxology, agricultural engineering and metallurgical engineering and materials science. The University of Louisville is pooling master's degree programs in community development, expressive therapies and systems science.

Dr. William Hovenden, an SREB official and overall coordinator of the common market, said in a recent telephone interview . . . that states were asked to use three criteria in determining their common market contributions:

"We asked that programs chosen be ones not available in one or more of the regional states, ones that could handle more students and ones with quality."

Other schools that do not grant doctoral degrees, such as Kentucky's regional universities, may be asked to submit programs in the future. Hovenden added.

Dr. Michael J. Gardone, associate research director of the Kenutcky Council on Public Higher Education and this state's coordinator for the common market, said in a recent interview that the program would have little impact on graduate enrollments at either UK or UL.

"I don't see it ever amounting to hundreds of students (traveling across state lines), but if only 10 students a year are helped by the common market, it's worthwhile," Gardone added.

Students interested in common market programs apply for admission to the schools offering their preferred programs. Verification of their residency is also necessary before they can be accepted and have out-of-state tuition waived.

Among the other study courses available to qualified Kentuckians are Ph.D. fields in biomathematics, fiber and polymer science, wood and paper science at North Caroline State; a Ph.D. in criminology at Florida State and master's and doctoral work in classics at the University of North Carolina.

Hovenden acknowledges that the common market will widen educational opportunities. But its main reason for existence, he adds, is to better utilize existing campus facilities. The SREB official likens the common market to stand-by, reduced rates offered by airlines. . . .

"[It's] the same way with these programs. Once you've committed yourself in terms of faculty, capital outlay and equipment and you have only three-quarters as many students as you can handle, why not go ahead and fill that program up, even at a reduced tuition rate?

"It's going to mean additional revenue from tuition even though it is not as high as out-of-state tuition. Of course, if you continue to charge the high out-of-state tuition, you'd probably discourage a lot of students from coming across state lines—in fact, that's what's been happening," Hovenden said.

The common market will be SREB's second student exchange program. It already administers "contract programs" through which its member states "buy" slots for their residents in certain high-cost, high-demand programs at other states' universities within the region. Students pay only residential tuition for these programs. . . .

"If a school has a high-demand, high-cost professional program, it just would not be wise to let in large numbers (of students at reduced tuition rates) from other states unless you get something in return. In this case, you do. It's money," Hovenden said.

But in the common market, he added, the payoff is not money, but the opportunity for states to share each other's academic programs.

ACADEMIC COMMON MARKET STATE COORDINATORS

Prospective students should contact their home state Common Market coordinator to obtain specific information about the graduate programs available to them through this cooperative effort. Here is a list of those coordinators:

ALABAMA

Dr. William D. Barnard, Associate Director for Academic Affairs, Commission on Higher Education, Suite 1504—Union Bank Building, Montgomery, Alabama 36104.

ARKANSAS

Mr. Gary D. Chamberlin, Associate Director, Department of Higher Education, 401 National Old Line Building, Little Rock, Arkansas 72201.

FLORIDA

Dr. Allan Tucker, Vice Chancellor, State University System of Florida, 107 West Gaines Street, Tallahassee, Florida 32304.

GEORIGA

Dr. James E. Boyd, Vice Chancellor for Academic Development, University System of Georgia, 244 Washington Street, S.W., Atlanta, Georgia 30334.

KENTUCKY

Dr. Michael J. Gardine, Jr., Associate Director for Research, Council on Public Higher Education, Capital Plaza Office Tower, Frankfort, Kentucky 40601.

LOUISIANA

Mrs. Sharon Beard, Assistant Executive Director, Louisiana Coordinating Council for Higher Education, Box 44362, Capitol Station, Baton Rouge, Louisiana 70804.

MARYLAND

Mr. Eugene Stanley, Staff Specialist, Maryland Council for Higher Education, 93 Main Street, Annapolis, Maryland 21401.

MISSISSIPPI

Dr. Charles Q. Coffman, Associate Director for Planning, Board of Trustees of State Institutions of Higher Learning, P.O. Box 2336, Jackson, Mississippi 39205

NORTH CAROLINA

Dr. Robert W. Williams, Associate Vice President for Academic Affairs, Box 2688, University of North Carolina, Chapel Hill, North Carolina 27514.

SOUTH CAROLINA

Dr. Frank E. Kinard, Assistant Director, Commission on Higher Education, 1429 Senate Street, Columbia, South Carolina 29201.

TENNESSEE

Dr. Thomas F. Stovall, Associate Director of Academic Affairs, Tennessee Higher Education Commission, 908 Andrew Jackson State Office Building, Nashville, Tennessee 37219.

TEXAS

Dr. David T. Kelly, Head, Division of Program Development, Coordinating Board, Texas College and University System, P.O. Box 12788, Capitol Station, Austin, Texas 78711.

VIRGINIA

Mr. Gordon K. Davies, Associate Director, State Council of Higher Education, 10th Floor—911 E. Broad Street, Richmond, Virginia 23219.

WEST VIRGINIA

Dr. Keith S. Turner, Director of Special Projects and Administrative Services, West Virginia Board of Regents, 1316 Charleston National Plaza, Charleston, West Virginia 25301.

LIVING WITH INFLATION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HARRINGTON. Mr. Speaker, we all know that inflation continues in the American economy, and that the Government has failed for more than 5 years to effectively come to grips with it.

What we too easily lose sight of is the effect that inflation all too often has on American men and women—not only the poor, but all Americans.

An article appeared in the May 6 Wall Street Journal, "A Young Couple Finds Life Has Few Frills on a $12,000 Salary," by Urban Lehner, which profoundly demonstrates the crisis in which this continued inflation plunges millions of Americans.

It seems to me that this article deserves the attention of each of my colleagues, and therefore, I would like to insert it in the RECORD at this time.

The text follows:

A YOUNG COUPLE FINDS LIFE HAS FEW FRILLS ON A $12,000 SALARY

(By Urban C. Lehner)

ELLICOTT CITY, MD.—Everything had gone wrong at headquarters for Trooper First Class Hugh Thomas (Tom) Moore of the Maryland State Police; so when he arrived home to find one of his children crying, he lost his temper. It was irrational, he admits with chagrin—"kind of like when you have a hard time and you kick the cat for no reason."

The Moores don't have a cat, but Tom Moore did have his eyeglasses in his hand as he swung his arm in a gesture of frustration. The glasses slipped out of his grasp, flew across the room and crashed into a metal stand for a flowerpot, smashing one lens and snapping the frame.

And *that*, Tom says, "really threw me into a spin. We try not to buy on credit except in an emergency, but I just don't have the $60 they want for a pair of glasses."

A few years ago, Tom Moore might have managed the $60 with less strain. But that was before fuel oil jumped from 19 cents a gallon to 28 cents, before the property taxes on the three-bedroom Cape Cod house that the Moores bought for $25,000 in 1970 almost doubled, back when gasoline was still 37 cents a gallon and the Moore family could still get by at the supermarkets on $50 a week. Government talk of inflation? "They're not telling me anything I don't already know," Tom says.

For in truth, being forced to rely more on credit is just one of the changes that inflation is bringing in the lives of young, middle-income families like the Moores. Tom Moore, 31; his wife, Linda, 32, and their children Stephanie, 6, and Matthew, 4, aren't starving by any means. But in a great many ways, some big, some little, the Moores live differently now than they did just a year or two ago because of increases in the prices of almost everything they buy.

As a trooper first class after nine years with the Maryland State Police, Tom earns $12,281 a year before taxes; for him, that works out to $320 take-home every two weeks. (During his first eight years on the force, he drove a patrol car 10 hours a day on a series of rotating shifts. Nowadays, he works in the department's public-information office at headquarters in Pikesville, 15 miles from his house. Listeners to small radio stations throughout the state often learn that grisly details of auto accidents from "Trooper Tom Moore of the Maryland State Police.")

BENEFITS AND PREREQUISITES

Tom brings home another $812 a year as a staff sergeant in the Maryland National Guard. In addition, there are certain benefits and prerequisites attendant to his job as a trooper that translate, if not directly into income, at least into money saved—perhaps as much as $2,500 a year. These include a state car that he is permitted to drive on off-duty hours, a full set of uniforms (provided by the state) and an annual state-subsidized physical examination.

Salaries on the force have risen significantly in recent years. A starting trooper now makes $8,980 a year, compared to the $3,900 Tom got when he graduated from the state police academy in June 1965. But as Tom sees it, he has been essentially standing still for the last few years despite the raises. "I can remember thinking, 'If I could only make $10,000 a year I'd be home free.' Now that I'm making twelve, if I could make fifteen I'd be home free. It's a never-ending battle against the economy."

As a result, the Moores, like many families in similar circumstances, have responded to inflation by looking inward for opportunities to economize. They buy their meat in bulk and grow their own vegetables. Linda sews most of the children's clothes. Major household projects once left to professionals now fall largely to Tom. Last summer, after getting contractors' estimates to waterproof the basement that started at $1,500, Tom took two days off from work and did the job himself for $400.

A DIFFERENT APPROACH

For most of their nonrecurring purchases, Tom says, "we've had to do more planning." Four years ago, he says, when they moved into their house in this village of 9,500 about 12 miles west of Baltimore and wanted to paint some of the rooms, "we selected the colors . . . (and) went out and bought them." Just recently, however, when the dining room needed painting, Tom and Linda did things differently. This time, they asked a friend who owns a hardware store to let them know when paint went on sale, finally buying it only when they could get the reduced price.

What is remarkable about this jousting with inflation is that, in the Moores' case at least, it is done in the context of a way of life that by many standards was already restrained. Tom and Linda haven't gone anywhere on vacation—not even to the seashore for a weekend—since a trip they took to Florida in 1966. They dine out only on anniversaries and birthdays, and even then, Linda says, "We have to plan to get this money. We don't always make it." They rarely see the inside of a bar.

Most of their friends are people they know from the Catonsville Presbyterian Church. Tom is the catcher on the church softball team, and the big social event of the week is Monday night after the game when members of the team and their families gather at Pappy's, a pizza parlor on Route 40. "We're basically homebodies," says Tom.

Both Linda and Tom love to read (he is a World War II history buff), but they have always relied on the library for most of their books. Besides their subscription to Reader's Digest, a gift, Linda takes three women's magazines and a craft publication. Tom narrowed the choice of the one magazine he would allow himself to either Playboy or Model Railroading before deciding on the latter.

Down in the basement, the layout for Tom's model railroad is a clutter of half-completed villages and freight yards. The first of what will eventually be two loops of track circles three-quarters of the way around an unpainted plywood platform, ending abruptly at a gap in the table. This, Tom explains, is where the bridge will be—someday. "The company's out of funds right now," he says with a laugh. "My wife runs the finances, (and) she's not buying any more of our bonds for my railroad at the present time."

A few weeks ago, Tom and Linda fell upon $84 "mad money." He had investigated an accident involving two Virginia residents; when the civil case came to trial in Manassas, he was given expenses plus an hourly rate to testify on his day off, a common procedure in such cases. They used part of the money to have dinner out and to see a movie. "It was a big night on the town with buttered popcorn and the whole bit," Tom joshes. "Big time," Linda joshes back.

But joke as they will, the evening *was* a welcome break for the Moores. The fact of the matter is that their budget allows less and less room for frivolity and requires more and more work on their part to hold down spending. Linda, for example, had budgeted $100 every two weeks for food until last spring, when she discovered that $100 "just wasn't going anywhere."

"It really wasn't," she affirms. "And we don't eat that well. We never have rib roast or eye roast. It was a special occasion when we would buy a steak. We eat a lot of ground beef, a lot of chicken, a lot of chuck roast, things that I can make casseroles and stews out of, where you can take the meat and spread it."

Even before food prices began to soar last spring, Linda had cut back on buying snacks and desserts. Tom, who is six-feet-four, was trying to get down from 260 pounds to 215; now at 205, he still works out in the state police gym every day and is careful about what he eats.

Faced with the prospect of drastically cutting back on their diet, Tom and Linda bought a 20-year-old freezer for $75 and began shopping for sales and buying in bulk. Last summer, they expanded the little plot they tend on Linda's mother's 15-acre farm a few miles away to include tomatoes, radishes, squash, beans and cucumbers; this year, they're going to try corn as well.

Still not satisfied, this past March they joined a "food plan" offered by Dutterer's of Manchester, a local company. After paying an initial membership fee of $300, the Moores were entitled to buy a four-month supply of meats, canned juices and other food at what were billed as bargain prices. For their first four-months load, they're paying $87.30 a month; it includes beef, chicken, veal, orange juice, lemonade, bacon, sausage, margarine and fish. "So far, we've been very happy with it," Linda says.

They're also happy with what has happened to their food bills. Except when she needs to load up on paper products or on basic staples such as flour and sugar, Linda finds that she now can get by on $25 to $35 every two weeks for the items she doesn't order through the food plan.

The couple has also had some success in battling the rising cost of fuel. By keeping the thermostat at 62 degrees during the day last winter. ("It's just Matthew and I here, and we would wear socks and sweaters and warm things and we were very comfortable"), Linda cut the fuel bill to $140 for the winter from $300 a year ago—even though the price of a gallon of oil was 28 cents compared with 19 cents.

Linda has owned a sewing machine for years, but she didn't begin sewing in earnest until she noticed last year that boys' polo shirts, once $2.59 each, were selling for as much as $5 in some stores. Now, after a series of lessons on how to sew using knit fabric, she makes 90% of Stephanie's and Matthew's clothes. (The lessons cost $15.)

"If Linda didn't make nice clothes, we

Mr. Speaker, all of us could do well to follow the example being set by this outstanding young man in his pursuit of excellence in the face of adversity, and I know all of my colleagues join me in expressing to him and his family our very highest congratulation.

SENIOR CITIZENS DAY

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mrs. GRASSO. Mr. Speaker, on May 5, the people of Connecticut celebrated Senior Citizens Day.

Each year on this day, we take time out to pay special tribute to some 400,000 older Americans in Connecticut. These dedicated men and women have to their credit years of sacrifice and diligent commitment to the ideals which have made America the great Nation it is today. It is indeed fitting that Senior Citizens Day in our State should occur in May, which through the years has been proclaimed Older Americans Month throughout the land.

The marvelous accomplishments of our senior citizens testify to their courage, determination, and resourcefulness. Yet, for many older Americans, the vintage years offer hard times filled with loneliness, illness, and suffering, the inability to meet basic human needs for food, clothing, shelter, and medical care.

The latest available figures for Connecticut indicate that the median income for persons between the ages of 65 and 74 is about $1,800, while the median income for those over 74 years of age is less than $1,200. These are truly paltry sums in this time of galloping inflation which is having a particularly disastrous effect on Americans who live on fixed incomes. These people are being forced to pay more for essential goods, such as food, with catastrophic results on their limited budgets.

We in the Congress have worked for the elderly by enacting legislation to increase benefits for our older Americans and set up effective programs for them.

As a member of the House Education and Labor Committee, it was my privilege to help draft amendments to the Older Americans Act—comprehensive legislation encouraging the establishment of projects, such as senior citizens centers, to aid the elderly. Chief among these amendments was the addtion to the act of the nutrition program for the elderly—a program which would be extended for 3 years by legislation which recently passed the House and now awaits Senate action. The nutrition program has already provided $1,360,000 in funds for Connecticut through our State Department of Aging. Regional nutrition programs have been established and now serve senior citizens with over 2,500 well balanced, nutritious meals daily at more than 70 sites throughout the State.

It is my hope that the bill to extend this program will soon become law—clearly representing a meaningful commitment to nutrition for our senior citizens.

In other areas, the Congress has worked to provide a decent standard of living for our older Americans through legislation to increase social security benefits. Legislation—recently enacted into law—to increase these benefits by a total of 11 percent had my strong and vocal support.

In addition, I have cosponsored legislation to increase medical coverage for senior citizens under medicare by including prescription drugs as an item covered under the program. Another measure would provide expanded coverage under medicare for non-institutional long term care. Training programs for paraprofessionals, who would make home health care available for senior citizens, would be established under a third bill.

Legislation to remove limitations on income which can be earned by persons on social security has been cosponsored and ardently supported by me. So also has a bill to base payment of benefits to married couples on combined earnings where that method produces a higher combined benefit.

As a nation, we must assure that our senior citizens have the opportunity to live happy and healthy lives in retirement. We must continue our efforts to ensure that 20 million Americans over the age of 65 can maintain the peace of mind, dignity and comfort that they deserve, along with the cherished title "Senior Citizen."

LETTER FROM THE LATE JOHN FRIER

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HILLIS. Mr. Speaker, John Frier during his lifetime made his comments known through articles published in the Wall Street Journal and a variety of other newspapers. Prior to his death on May 5, Mr. Frier wrote the editor of the St. Louis Globe. Ironically enough, Mr. Frier's letter dealt with taxation imposed on the property of the deceased. A portion of Mr. Frier's letter which I would like to share with my colleagues follows. I believe that Mr. Frier has made comments upon our present sales and inheritance tax laws worthy of serious thought.

The letter follows:

Letter to the Editor of the St. Louis Globe, Published April 3, 1974

Also in every paper is quite an obituary list, and what many folks don't realize is that the funeral of each of those folks also netted government money from a sales tax. Sales tax on just an ordinary funeral may run $50. In other words, government still wants to pick the pockets of those who depart this earthly paradise.

And of course, if they leave just a little in the bank or have a few pieces of property, they will also have to pony up what has become known as the inheritance tax. Let us hope St. Peter is more charitable and they don't have to pay a tax across the Pearly Gates.

John Frier.

SUPPORT FOR THE PRESIDENT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. RHODES. Mr. Speaker, Eugene Siler, of Kentucky, a former colleague in the House, has written an analysis of the present situation regarding impeachment, in which he compares events and attitudes with some prominent figures and actions in history. I submit it for the Record, and urge that my colleagues take the time to read it. The text of Mr. Siler's article is as follows:

Heads or Tales

(By Gene Siler)

Joan of Arc, a great woman, was burned at the stake in France in 1491.

Although this nineteen year old maid was a great and good person and had miraculously led a band of soldiers out to victory and saved her home town from its enemies and although she was officially declared a saint more than 400 years later, yet in the emotionalism of that day a selfish mob cried, "Burn her, burn her, burn her." And they did. Flames of the mob burned Joan of Arc to death.

Savonarola was an Italian preacher, reformer and priest. He denounced corruption among the great and worldliness in the clergy. He was forbidden to preach and was summoned to Rome. Both orders he refused to obey. Although he devoted himself heroically to the care of the sick during a plague which had swept through the City of Florence and although his main offense was preaching his convictions, yet in the emotionalism of that day the mob cried, "Hang him, hang him, hang him." And they did. Rope in the hands of a mob strangled the life out of Savonarola.

John Huss was a religious reformer of Bohemia, a child of Czech peasants. He was also a preacher but many did not want him going about preaching his own convictions. Twenty-nine charges were presented against him and a number of these were absolute misrepresentations of his teachings. Huss was a brilliant student, doing good as he understood it, yet in the emotionalism of that day, the mob cried, "Burn him, burn him, burn him." And they did. Flames of the mob burned John Huss to death the very same day he was convicted.

Pontius Pilate, the Roman Governor, asked the mob, "What shall I do then with Jesus which is called Christ?" Although Jesus had said, "My peace I give unto you, my peace I leave with you," yet in the emotionalism of that day, the mob said, "Crucify him, crucify him, crucify him." And they did. Hammer and nails in the hands of a mob crucified Jesus.

Joan of Arc, Savonarola, John Huss were all good people, yet none of them were perfect. All had some elements of sin and had made some bad judgments. But to burn them or hang them? This was beyond imagination, for they were indeed good people. They too, like Jesus, had said, "May there be peace." They too, like Jesus, had originated from among the peasants, the plain people.

Also, our President, is a good man, yet we know he is not perfect. He has some elements of sin like all humans and he has made some bad judgments. But to impeach the man? This is beyond imagination, for he is indeed basically a good person. He said, "May there be peace for America." And for the first time in nearly ten years America found peace. He said, "Let our prisoners come home." And 587 war prisoners, many sick, war weary, long suffering men returned home. The words on their lips were, "God bless America—God bless our President."

1. Nixon made friends with China.
2. Nixon made friends with Russia.
3. Nixon ended the war and the draft.
4. Nixon led America in causing Health, Education and Welfare Department spending to surpass Defense Department spending for the first time in many years.
5. Nixon leadership stopped rioting on college campuses and the burning of our cities.
6. Nixon brought home 587 prisoners and a great number said, "God bless America—God bless our President."

Our President, who is certainly not perfect and who has indeed made some bad judgments, is also a son of peasant people, plain folks of our country.

Emotionalism of today, the mob spirit, cries, "Impeach him, impeach him, impeach him."

Yet I can never escape the good sounds of his life, "Let there be peace" and certainly there did come peace. Nor can those cries of "Impeach him" ever drown out the meaningful words of our long suffering prisoners saying, "God bless America—God bless our President."

It would be proper for any congressman or senator without fault to cast the first stone. Where is he?

BRINGING PETRODOLLARS HOME

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. GONZALEZ. Mr. Speaker, sound economic policy requires that every nation maintain a reasonably good trade balance, and that means bringing home about as much money as you spend abroad. Some imports can be offset by export sales; other imports can be offset by foreign investment. In the case of oil imports, there is no way that this or any other country can sell sufficient goods to the exporting countries to offset fully the cost of our purchases. We therefore have to consider other ways of bringing those oil dollars home, lest we build up a potentially dangerous surplus abroad.

Last fall, my Subcommittee on International Finance considered several means of strengthening the dollar, and the staff recommended, among other things, that foreign investment be encouraged by eliminating the current tax on interest and dividends payable to foreigners. The Wall Street Journal yesterday endorsed this concept, and I think their comments are worth your consideration:

ATTRACTING PETRODOLLARS

With one easy stroke, the United States can go a long way toward improving its eminence as an international capital market, with financial benefits that would exceed the $200 million the Treasury would lose in tax revenues. The necessary step is the elimination of withholding taxes on interest and dividends that flow out of the U.S. to foreigners holding U.S. securities. The program amounts to a tariff on foreign capital.

These taxes have been on the books a long time, but until the arrival of petrodollars have been of relatively little significance. The basic rate of 30% applies to all residents (other than Americans) of countries that don't have tax treaties with the United States. Most of our major trading partners do have treaties with us which lessen the impact of these taxes on investors and on capital flows. But the oil-producing nations of the Middle East and Latin America neither have nor desire such tax treaties, as long as they can invest their colossal reserves through the Eurodollar market.

What this means is that as a matter of national policy, the United States is protecting the Eurodollar and Eurobond market to the detriment of its domestic capital market. The $200 million the Treasury would forego by eliminating these taxes is admittedly a lot of money, but it is small potatoes compared to the tens of billions in petrodollar business that the U.S. is throwing away to foreign capital markets. Why should the sheiks cough up 30% of their income from investments here when they can keep it all when their investments are cycled through London?

We are not prepared to argue that this simple tax change will mean an extra $4 billion to $6 billion a year of investment in the United States, as some proponents of the change are forecasting. After all, whichever market is recycling the oil money will put it here, directly or indirectly, when that market finds superior opportunities here. The withholding taxes simply insure that London and Geneva will do the picking and choosing, not New York. If the most promising investment for a Kuwait dollar is in Niger or Bolivia, it won't be banked through New York.

This is no trivial consideration. The penny or two of banking profits on every recycled petrodollar adds up to a tidy sum when the gross amounts top $25 billion and could approach $100 billion by the end of the decade. Also, foreign exchange is earned through financial intermediation.

The process of rebuilding the U.S. capital market began earlier this year when Treasury eliminated the interest equalization tax and the direct controls on foreign investment, the two U.S. programs that more than anything spawned the Eurodollar market. The rebuilding will be further aided if U.S. tax laws invite, rather than discourage, all that oil money.

TAX DEDUCTIONS WILL NOT END

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. CONLAN. Mr. Speaker, I have received many letters from my Arizona constituents and from citizens in other areas of the country expressing concern about a bill introduced in the 92d Congress, H.R. 15230, The Tax Review Policy Act.

This bill was introduced in 1972 as a measure to stimulate discussion in the area of income tax reform. Among changes proposed in the bill was removal of major deductions for charitable activities.

It appears that some people believe that this proposed legislation is about to be enacted by Congress. I have discussed this matter with the members and staff of the House Committee on Ways and Means, the tax and revenue committee, and have been assured that this is not the case.

I believe that an overwhelming majority of the Congress recognize the advantages of tax deductions to encourage private contributions to religious and charitable organizations, and that any bill to remove this provision would stand little chance of passage.

Mr. Speaker, for the record, I would actively oppose any such legislation.

THE PRESIDENT'S REAL CRIME

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. DEVINE. Mr. Speaker, it is a little tough these days to find any copy that might put the President in a favorable posture. In my mail today was a letter to "all Congressmen" from James Gardner of Cincinnati, and he enclosed a letter to the editor of the Cincinnati Enquirer from one Mr. Coyne. I do not know either of these men, but feel others should share their thoughts.

The letters follow:

CINCINNATI, OHIO,
April 29, 1974.

To all Congressmen:

You who are to determine whether President Nixon deserves to be impeached will be confronted by many accusations and rumors.

However, due consideration should be given to what some people, including a few Congressmen who still put political revenge ahead of National Welfare and World Peace, call a GREAT CRIME, as presented above by my neighbor, Mr. Terence A. Coyne, who spent several years in Vietnam.

My friends in NATO countries now see through the extensive propaganda and agree with Mr. Coyne. London's two leading newspapers endorse President Nixon as doing more for World Peace than any other National Leader.

In 1970 I visited five Southeast Asian countries. People there were overjoyed when U.S. troops crossed into Cambodia, capturing vast quantities of missiles, guns and ammunition cached near the border for an all-out raid. This saved many American lives and set the enemy back two years in that area. Mr. Coyne aptly explains the National Disgrace avoided by the President's act.

Sincerely,

JAMES A. GARDNER,
Cincinnati, Ohio.

THE PRESIDENT'S REAL CRIME

To the editor: Recently, according to press reports, Alger Hiss called for the impeachment of President Nixon. Mr. Hiss thus joins the select company of Jane Fonda, the Berrigan brothers, Ramsey Clark, Daniel Ellsberg and others of like persuasion. This is an event of some importance. When the President is accused by citizens like these, whose integrity and patriotism are known to us all, who can long doubt his guilt? And when the accusations are repeated in every issue of Time magazine, the Washington Post, and the New York Times, and in every Columbia Broadcasting System and National Broadcasting Co. (NBC) newscast, what further need have we of witnesses?

Indeed, the weary and brainwashed U.S. public might be willing to accept all the charges without scrutiny, if it were not for the haunting, insistent memories of 1972.

It was less than 20 months ago. The Vietnam War dragged on interminably, with no light visible at the end of the tunnel. American fighting men rotted in the jails of North Vietnam. Their wives and children not knowing if they were alive or dead, lived a nightmare of despair. At the Paris peace talks, the United States endured daily insults from the arrogant Communist negotiators. The ultraliberal press and television networks raged, demanding that the United States abandon Vietnam immediately and unconditionally, without requiring the liberation of American prisoners of war. Congressmen wrung their hands as congressmen do, solemnly asserted "I told you so," but had no suggestion whatever for a course of action. One senator spoke of crawling on his knees to Hanoi to implore mercy. The pride and prestige of the world's greatest nation were at their lowest ebb. Do you remember this, my countrymen? Does anyone remember?

But there was one man who, in the face of almost total opposition, had the patriotism, the astuteness and the raw courage to make a decision which stunned the American people, terrified the Congress and sent the leftists into a frenzy. This man—politician, patriot and President—directly challenged the resolve of Peking and Moscow, mined the harbor of Haiphong and showed North Vietnam, for the first time in the long war, the awesome power of the U.S. Air Force. And the North Vietnamese quickly came to terms, as the clear-thinking President knew they would.

This is the memory that won't go away—the memory of a President, unsupported at home and savagely censured by our European allies, lifting the Stars and Stripes from the mud, freeing American prisoners from cruel bondage and giving us back our national pride and self-respect. As one American who loves his country and has served that country on five continents, I shall never cease to be grateful to Richard Nixon; *I take off my hat to him, then and now.*

Isn't it just possible that Alger Hiss, Jane Fonda, the Berrigans, Ramsey Clark and Daniel Ellsberg may not be altogether loyal to their country? Isn't it just possible that Time, the Washington Post, the New York Times, CBS and NBC may be blinded by hatred of the President, or perhaps influenced by some philosophy alien to what most Americans believe in? Isn't it possible that the real crime of Richard Nixon—the heinous, unforgivable crime—is that he achieved an honorable peace in Vietnam, when his critics in the press, in television and in Congress were demanding a shameful retreat, desertion of our ally and abandonment of our imprisoned fighting men to the tender mercies of the Communists?

TERENCE A. COYNE,
A Lifelong Democrat.

MARYLAND HISTORIC PRESERVATION WEEK

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mrs. HOLT. Mr. Speaker, I am pleased to have the opportunity to bring to the attention of my colleagues, the opening of Maryland Historic Preservation Week, which coincides with National Historic Preservation Week, May 6 through May 12.

This week long program is being sponsored by the Maryland Historical Trust and its local committees in order to focus attention on the need to maintain historic resources in today's world. Maryland is a State rich in 17th and 18th century history. Annapolis, now our State capital, was also our first national Capital, and Maryland today is a vast treasurehouse of American history. It is vitally important that our historic sites, in Maryland and across the Nation, be preserved as part of our total environmental planning.

Historic property should be as useful in the present as it was in the past. It is through historic preservation that man sees himself most clearly, a product of his past and a contributor to his future. I would like to extend my very best wishes to the Maryland Historic trust for success in this important venture.

I would also like to extend a warm invitation to my colleagues to take advantage of this unique opportunity to step back into the pages of American history and visit Maryland this week.

BUSINESS FACES THE FIGHT OF ITS LIFE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. MICHEL. Mr. Speaker, an article appearing in the current issue of Nation's Business magazine written by Senator BARRY GOLDWATER should be required reading for businessmen throughout the country.

Speaking from his broad experience as a businessman and a long time public official, Senator GOLDWATER brings into sharp focus a growing problem which many of us here in the Congress who have a high regard for the private enterprise system have tried to impress upon members of the business community.

I ask that the text of the article be placed in the RECORD:

BUSINESS FACES THE FIGHT OF ITS LIFE

(By Senator BARRY M. GOLDWATER)

The American private enterprise system—especially its basic industry segment—is headed for new and serious trouble in Congress.

In fact, the threat of crippling anti-business legislation is now greater than at any previous time in my experience. The going-over that representatives of the oil industry got recently in a Senate committee is only the beginning. From now on, you can expect to see a constant parade of corporate witnesses going to Capitol Hill to be badgered and blamed for a growing list of problems which are not only affecting the nation's economy, but interfering with the conveniences of the average American.

These problems; like comparable ones before them, have been seized upon by the liberal-radical element in Congress, in the private sector and in the academic community which would like to bring about the nationalization of American business.

In the current drive for government ownership of business, the oil industry just happened to be the first juicy target for the liberal-leftist cabal. And already we know from signs that are evident in all parts of the nation that today's energy crisis will be tomorrow's steel crisis, and tomorrow's steel crisis will be the next day's crisis for the entire competitive enterprise system.

I am not sure the business community has ever faced a situation just like the one that confronts it today. Our problem seems to be one involving too much of what American business has always held beneficial.

What I'm saying is that there is too much growth, too much demand, and too little supply. The system is faltering under a series of badly handled shortages and is under attack by all its old socialistic enemies.

Unfortunately, much of the present drive against business is fueled by public anger. The claim of some demagogues that the whole energy crisis is nothing more than a conspiracy on the part of the big oil companies—just to take a current example—is gaining loud and angry support from American consumers who are paying record prices for gasoline and who, for a time, were forced to spend hours in line to get it.

If there are any new and naive members of the corporate management community who believe the forces of nationalization do not know how to use this kind of public anger, I hope they'll wise up very fast.

Never before have I seen a situation which cried out as loudly for intelligent planning by business representatives. And I am talking about those business representatives, whether they be in oil, steel, the automotive industry or the toilet paper business, who come in contact with the public and testify before Congressional committees in front of television cameras.

Perhaps I am presumptuous. But as one member of Congress who has met a payroll, has served his time in the business community and has never forgotten his regard and affection for the free enterprise system during a quarter-century of public service. I feel I have a right and a duty to issue a warning.

Some weeks ago, on Feb. 6, I let my hair down and delivered a message to the corporate heads of the iron and steel industry. Now I should like to amplify that message for the benefit of all American business. My message is to urge you to understand the situation you are in, to take an accurate measurement of your opponents, and to prepare for the fight of your life.

I have long held a front row seat from which I can watch some of the things that American corporations do wrong in Washington. For example, most industry spokesmen come to the nation's capital to testify before committees of Congress when the problems affecting their businesses are especially grave. But they seem invariably, to be the most poorly organized, poorly informed group of witnesses in the whole country. It is not that they don't understand their businesses, not that they can't articulate their problems—rather, an attitude they carry with them into the committee rooms seems to prohibit their story from getting across.

I have spent a lot of time considering this situation. And I have come to the conclusion that too many of the business spokesmen whom I see testify assume that the members of Congress know little or nothing about the intricacies of their enterprises. This may be true, but what the witnesses fail to understand is that even the dumbest member of Congress can be armed with the toughest kind of question. Some witnesses fail to understand that many of the questions put to them in these hearings are prepared by brilliant young staff members who mistrust or totally disbelieve the attributes of the private enterprise system.

Other witnesses come to Washington with an abiding faith that the members of Congress will have an appreciation of their problems and that their testimony will get the kind of treatment in the news media they believe it deserves. The record fully proves that these are mistaken assumptions.

If any of America's business leaders doubt that there is danger ahead. I would ask them to ponder the consequences of a bill now before Congress to place government and public members on the boards of directors of all major U.S. oil companies.

And then I would tell them to start making plans *today*—not *tomorrow*—to head off a concerted drive against all important elements of the American private enterprise system. I predict we have only heard the beginning of charges that industry representatives conspired to bring about material shortages, inflation and unemployment. I believe American business will be accused on every side of reaping windfall profits at the expense of helpless consumers and taxpayers. And I predict that Congress will before long be considering a barrage of bills to nationalize businesses or to impose greater controls and taxes on the domestic and foreign earnings of American industry.

The current challenge to business seemed to reach crisis proportion almost overnight. This, by itself, should inform the leaders of the private enterprise system that the hour is very late and growing later every minute.

CONSUMERS NEED PRICE HISTORY OF PRODUCTS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ROSENTHAL. Mr. Speaker, today I am introducing legislation that would require the Nation's retailers to post in their stores, a "box score" of recent price increases for all of their products. With controls removed, consumers need this detailed point-of-sale information so they can keep track of and judge the reasonableness of price increases on an item-by-item basis.

The proposed legislation would require the posting of the current retail price of an item as well as its price 12 and 18 months prior to the current price. Small businessmen would be exempted from the posting requirements as would products, such as fruits and vegetables, whose prices fluctuate seasonally.

The technique of selective buying is a useful consumer self-help weapon for resisting the damaging effects of high prices in an inflationary economy. But the bewildering pace and staggering intensity of price increases in the marketplace make it impossible for the average consumer to evaluate the fairness and impact of these increases.

Only by providing detailed point-of-sale information on the recent price fluctuations of an item, can consumers decide whether a particular purchase is prudent or would contribute to the general inflationary spiral. The Government's Consumer and Wholesale Price Indexes, while useful to economists are not satisfactory for this purpose.

The Federal Trade Commission would administer the bill's provisions. The text of the legislation follows:

H.R. —

A bill to require retailers to provide point of sale information to consumers concerning the recent price history of products and merchandise offered for sale at retail in commerce, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Price Information Act of 1974."

STATEMENT OF FINDINGS AND DECLARATION OF POLICY

SEC. 2. The Congress finds that during periods of severe inflation, consumers can minimize the effects of rapidly rising prices by avoiding the purchase of products that have experienced sharp price increases over a brief time span. The utilization and success of this self-help technique, known as selective buying, are dependent on the availability to the consumer of precise information concerning a product's price behavior in the marketplace. But the great proliferation of products and the rapid pace of price increases make assimilation of such information impossible for most consumers.

It is therefore the policy of Congress, to provide consumers with point of sale information concerning the nature and extent of price variations for products offered for sale at retail in commerce.

SEC. 3. As used in this Act—

(1) the term "commerce" means commerce between any State or possession of the United States, or the District of Columbia, and any place outside thereof; or between points within the same State or possession, or the District of Columbia, but through any place outside thereof; or within any possession or the District of Columbia.

(2) the term "Commission" means the Federal Trade Commission.

(3) the term "person" means an individual, partnership, corporation, association, business trust, or any organized group of any of the foregoing.

(4) the term "former retail prices" does not include any retail price temporarily used in the course of business by a person for the purposes of a clearance sale, special event sale, or the like.

SEC. 4. (a) No person engaged in commerce may, in the course of such commerce, sell or offer for sale at retail any products, goods, wares, or merchandise unless there is conveniently available to consumers at the place of sale price information, in such form and manner as shall be prescribed by the Commission, which contains—

(1) the retail price at which such item or article is currently being offered for sale at retail by such person; and

(2) the price (hereafter referred to in this Act as the "former retail price") at which the item or article was usually sold at retail (or if no such item or article was sold at retail although offered for sale, the usual price at which it was so offered) by such person in the course of business (A) immediately before and (B) twelve and eighteen months before such time as the price referred to in clause (1) was established as the current retail price, if such former retail prices and the current retail price differ.

SEC. 5. The Commission shall prescribe such rules and regulations as may be necessary to carry out this Act including regulations with respect to the manner and form of price information on products, goods, wares, and merchandise as required by section 4 of this Act.

SEC. 6. (a) Any person who knowingly violates this Act shall be guilty of a misdemeanor and upon conviction shall be fined $250. Each article or item of manufactured goods, wares, or merchandise to which this Act applies and which is sold or offered for sale in violation thereof shall be deemed to constitute a separate violation of this Act.

(b) Whenever the Commission has reason to believe that any person is guilty of violating this Act, it shall certify all pertinent facts to the Attorney General, who shall cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

SEC. 7. The following entities shall be exempt from the operation of this Act—

(1) Any individual retail outlet which sells or offers for sale packaged consumer commodities and whose total gross sales do not exceed $250,000 per annum, unless such an outlet is one of a number of outlets owned substantially or whose inventory is supplied substantially, by a single person, partnership, or corporation whose total gross sales exceed $500,000 per annum.

(2) Products whose price is subject to predictable seasonal variations, as established by the Commission.

SEC. 8. This Act shall apply with respect to products, goods, wares, or merchandise sold or offered for sale at retail in commerce on or after ninety days following the date of enactment of this Act.

FERMI ACCELERATOR: GREAT MINDS AND SKILLED HANDS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ERLENBORN. Mr. Speaker, the National Accelerator Laboratory will be dedicated Saturday, May 11, at Batavia, Ill., by Dr. Dixie Lee Ray, the Chairman of the Atomic Energy Commission. At that time, it will become the Enrico Fermi National Accelerator Laboratory, so named in memory of a great Italian-American and a leader in high-energy physics.

This is the world's largest accelerator for high-energy physics. It started 11 years ago with a recommendation to the Atomic Energy Commission. The site was chosen in 1966 and construction started in 1969. The plans had called for a 200-billion-electron-volt accelerator, and the cost was to be $250 million.

What we have is an accelerator which already has operated at the 400-electron-volt level. It was built in 39 months and the cost is still several million dollars below the $250 million authorization.

The performance is due to design improvements worked out by Dr. Robert R. Wilson, the laboratory director, and his staff. Much of the credit for the extraordinary performance, for the speed of construction, and for the low cost must go to the building trades craftsmen who worked on the job.

Mostly, they were drawn from the communities around the accelerator. They are the carpenters, the masons, the plumbers, and all the others. Their skills are older than recorded history, but they have been honed and polished to cope with modern demands and with new materials. Their skills have enabled Dr. Wilson and his staff of scientists to make good their vision of what this great scientific instrument ought to be.

To understand what a great instrument the Fermi Accelerator is, one must know that, when it was started, the largest accelerator in the world was a 76-billion-electron-volt proton synchroton in the Soviet Union.

The Fermi Accelerator first attained the specified energy of 200 billion electron volts on March 1, 1972. It now is usually operated at 300 GeV and has been operated at 400 GeV. As a layman, I regard this as a miracle of performance. As a Member of Congress, I look upon it as a fiscal miracle, also. All this has been done within the scope of appropriated funds.

The experimental areas have been extended beyond those planned, and two bubble chambers have been added. One of these, the world's largest, is being cooled down now, and the laboratory scientists hope to have it in operation late this month.

Some 45 experiments have been completed and over 20 more are in progress.

Many of these are international collaborations, including several with the U.S.S.R. The beam of protons is distributed among the experimental areas so that as many as 10 to 15 experiments can make use of it at the same time.

Mr. Speaker, this laboratory occupies 6,800 acres—a little more than 10 square miles—of land in a triangle bounded by Batavia, west Chicago, and Warrenville, Ill. Its main ring has a diameter of two kilometers, or about a mile and a quarter. It is operated for the Atomic Energy Commission by Universities Research Association, a consortium of 52 universities, one of which is Canadian.

I rise to salute:

The Atomic Energy Commission for perceiving the need;

The Joint Committee on Atomic Energy and the Congress for understanding what this instrument promises;

Dr. Wilson and his fellow scientists for their expertise and their sense of adventure; and

The building tradesmen, whose craftsmanship enables scientific innovation and imagination to become reality.

STATE AND LOCAL PROGRAMS THREATENED BY OMB POLICY

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Miss JORDAN. Mr. Speaker, the Office of Management and Budget is currently considering the issuance of a policy directive, circular A–70, which could cripple State and local government efforts in the fields of higher education student loans, low- and moderate-income housing, urban renewal, and airport and mass transit construction. By administrative fiat, the Office of Management and Budget is proposing to establish a comprehensive, governmentwide policy, which would prohibit Federal participation in State and local government programs and projects partially financed through the sale of tax exempt bonds. The impact of the amended circular is so broad I believe it would be wise for the administration to submit the language to the Congress in the form of proposed legislation.

In November 1972, OMB drafted and circulated a draft revision to circular A–70 aimed at strengthening administration policy regarding programs which provide assistance through the extension of Federal credit. The circular contained a provision establishing a Federal policy against the use of Federal loan guarantees, insurance or interest subsidies in conjunction with State or local funds raised through tax exempt bonds.

The proposal was circulated to State and local officials for review and comment. Governors and mayors were vigorous in their opposition to it. As a result, the circular was not issued. In recent weeks a redraft has surfaced and indications are that OMB plans to issue a revised circular shortly. The revised draft contains even stronger language than the 1972 draft. Of most concern is the proposed section 5(c) stating:

> Aid to tax-exempt securities. State and local government obligations, the interest income from which is exempt from Federal taxation, shall not be guaranteed by Federal agencies. Nor shall there be indirect guarantee of tax-exempt financing through guarantee of underlying loan portfolios, debt service payments, lease or lease-purchase contracts, or other pledges or equivalent support.

This provision will have an immediate adverse impact on the operations of State housing finance agencies and higher education student loan programs. The operations of these agencies depend upon the proceeds from the sale of tax-exempt securities to finance their operations. By relending the tax-exempt proceeds together with Federal funds, to developers and university students, these State agencies are making needed capital available at interest rates lower than the prime rate. In this manner, developers and moderate-income home buyers are able to complete their transactions at a time when the housing finance market has almost dried up.

Since 1965 Texas has had its own State higher education student loan program. Known as the Hinson-Hazelwood college student loan program, it has lent more than $132 million to almost 103,000 needy Texas college students.

As of August 1971, the State has been operating as a Federal loan insured institution, much like the local banks in any other State for student loan purposes. This program would be difficult to maintain if the Federal Government were prevented from guaranteeing the tax-exempt securities sold every year by the State.

Neither the Housing Act nor the Higher Education Act prohibit the Federal Government from guaranteeing, either directly or indirectly, tax-exempt securities. And yet the administration is proposing to virtually shutdown these State programs without so much as a public hearing. At the very least, the pros and cons of the proposal ought to be fully explored in public. Since the effect of the proposed OMB amendments to circular A–70 would be to establish policy affecting all Federal programs, and since such a policy would not be consistent with any statutory mandate, it is reasonable to request that the Office of Management and Budget refrain from issuing such a sweeping directive until the Congress has had a reasonable opportunity to consider the complex issues in dispute and take appropriate action.

VOTING CORRECTION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. FORD. Mr. Speaker, on May 1, 1974, on rollcall No. 198, I am reported as not voting. I was present, and was properly recorded as voting on all the other rollcalls. I voted "yea" on rollcall No. 198 and the machine apparently failed to record my vote. I would like the RECORD to so note.

IN MEMORY OF AMBASSADOR ANGEL SAGAZ OF SPAIN

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. BADILLO. Mr. Speaker, it was with great sadness that I learned of the death yesterday of the Spanish Ambassador to the United States, His Excellency Angel Sagaz, at a hospital in his hometown of Jaen.

A career diplomat, Ambassador Sagaz served his country with great distinction, not only in the United States but also in the United Nations, Egypt, Finland, Sweden, and Canada. His relationship with our country was particularly close, however, and during his tenure as the Spanish envoy in Cairo, he performed an outstanding service in protecting the United States' interest following the break in diplomatic relations between the United States and the United Arab Republic after the Six Day War.

In addition, Ambassador Sagaz performed notable humanitarian acts in aiding the Jewish community in Egypt and he assisted some 1,500 Jews to leave that country. Further on a number of occasions in the past few years I called upon Ambassador Sagaz to use his good offices and his personal knowledge of Middle Eastern affairs to aid Jewish citizens of Syria and Iraq who had been subjected to harrassment, intimidation and arrest. Without hesitation the Ambassador undertook to provide whatever aid and information he could on these sensitive and deep-seated problems. Surely both the United States and the Jewish communities in the Arab nations have lost a valued and trusted friend.

Mrs. Badillo joins in extending our deepest condolences to his charming wife, Ursula, and to his five fine sons.

The article follows:

[From the Washington Post, May 7, 1974]

ANGEL SAGAZ DIES; SPANISH DIPLOMAT

Angel Sagaz, 61, the Spanish Ambassador to the United States, died Monday at the Hospital Nacional El Neveral in Jaen, Spain.

He had flown there from Washington April 18 after spending a week at Walter Reed Hospital, where he was under treatment for cancer.

Mr. Sagaz, a career diplomat, was named ambassador to this country in February, 1972, after serving as his country's ambassador to Cairo for six years.

He had long had contact with the United States, serving as first secretary at the Spanish Embassy here from 1953 until 1956, when he was named Spanish counselor at the United Nations General Assembly.

In 1961, as third minister of the Spanish Foreign Ministry, Mr. Sagaz took part in the negotiations of the trade agreement and air accord between the United States and Spain.

A year later, when he again was a member of the Spanish delegation to the U.N. General Assembly, he accompanied the late Ambassador Adlai Stevenson on a U.N. mission to Spain.

In 1963, Mr. Sagaz accompanied the Chief Justice of the United States on a trip to Spain and later was part of the official Spanish delegation that attended the funeral here of President Kennedy.

Mr. Sagaz was named general director of relations with the United States at the Spanish Ministry of Foreign Relations in 1964, when he also was a member again of Spain's delegation to the U.N.

When he was named ambassador to Cairo in 1966, he also served as ambassador to the neighboring states of the Yemen Arab Republic, the Republic of Sudan and the Somali Democratic Republic.

During his assignment to Egypt, Mr. Sagaz worked with American officials in Cairo to protect United States interests after Spain acted as this country's protecting power when the U.S. severed diplomatic relations with the United Arab Republic following the Arab-Israeli war.

During that war, he also assisted the Jewish communities in Egypt and more than 1,500 persons were evacuated through his negotiations.

In 1970, Mr. Sagaz represented Spain in the UN-ESCO General Conference of Cairo to save the monuments of Philas Island.

Born in Madrid, Mr. Sagaz graduated from Spain's School of Diplomacy there in 1943. In addition to his diplomatic posts in Washington, Egypt and with the United Nations Mr. Sagaz had served in Finland, Sweden and Canada during his 31-year career.

He held numerous decorations from Spain, Sweden, Portugual and the Holy See.

He is survived by his wife, Ursula Zinsel Sagaz, whom he married in Washington in 1956, and five sons, Jose, Gabriel, Juan Carlos, Manuel and Santiago.

POW/MIA "MAN OF PROMISE" BURIED IN MILWAUKEE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ZABLOCKI. Mr. Speaker, it was with heavy heart that I participated in memorial services on Saturday, April 27, for Capt. Lance Sijan, a young Air Force officer from my home district of Milwaukee who died while a prisoner of war in North Vietnam.

As a friend and neighbor I joined with his parents, family, and friends in paying prayerful respect to this outstanding young man. As the representative of a grateful nation and the Congress it was my privilege to pay him the just tribute and esteem Lance Sijan so much deserved.

It was my honor and privilege to take part in the funeral services particularly since young Lance competed for and won the Fourth District Congressional appointment to the Air Force Academy in 1961. His obvious academic ability and personality—qualities of leadership—and numerous achievements gained the approval of the reviewing board created to evaluate the many competing candidates. Lance was their unanimous first choice. I was pleased to name him as my principal appointee. Following an outstanding career at the Academy Lance Sijan went on to newer challenges and opportunities, each of which he met with distinction.

It was his determination to excel and to become a pilot, a goal that he achieved. He enjoyed the zest of flying, known best to those who, like he, have soared through the skies. Unfortunately on November 9, 1967, he was shot down in enemy territory over the Ho Chi Min Trail. Despite a compound leg fracture he evaded capture for 46 days. Even after being taken prisoner he once tried to escape and otherwise showed defiance of his captors.

According to his fellow prisoners the North Vietnamese gave him no medical treatment during his first 2 weeks in Hanoi. The failure to promptly treat the infection caused by the fracture led to his death on January 1, 1968.

All of these facts and more were outlined in Donald Pfarrer's story of the memorial service which appeared in the Milwaukee Journal of April 28, which I place in the RECORD at this point and recommend it to the full and careful reading of my colleagues:

MAN OF PROMISE—A COST OF WAR

(By Donald Pfarrer)

"He fought the good fight, he finished his course, he kept his faith."

So said a minister Saturday of Capt. Lance Peter Sijan, U.S. Air Force, in a memorial service at Bay View High School.

And because the meaning of the service depends on the meaning of Capt. Sijan's life, and to some degree on a knowledge of his life, this report will tell something of his life first.

He was born April 13, 1942 at St. Mary's Hospital, first child of Sylvester and Jane Sijan, who lived then in an apartment at 816 W. Greenfield Ave.

Later the family moved to a house at 3212 S. Indiana Ave., where they stayed 12 years and where two other children were born: Marc, who is now 26 and an art teacher at Brookfield East High School, and Janine, now 19 and a student at the University of Wisconsin—Oshkosh.

Lance's father had his own sales business for seven or eight years, then concentrated on a family owned restaurant and tavern business. He now operates Mary's Log Cabin, 117 W. Greenfield Ave., with Lance's grandmother.

When Lance was in Bay View High School the family moved to its present home, a neat brick house at 2751 S. Shore Dr., overlooking South Shore Park and the yacht club.

Lance was in the top scholastic club at Bay View, captain of the football team and member of the Milwaukee Journal all-conference team, president of the student government in his senior year, member of the senior class commission and star of several dramatic and musical productions.

He won the top honor available to a male graduate, the Gold Medal, in 1960.

From Bay View he went to a service academy preparatory school in Bainbridge, Md., as a member of the Air Force Reserve. He had obtained an appointment to the Naval Academy but changed his mind and sought appointment to the Air Force Academy.

Rep. Clement J. Zablocki said Lance was the unanimous choice of the review board, and in the autumn of 1961 he entered the Air Force Academy, where he continued his record of achievement.

He won the military honor of selection to the Commandant's List several times, played end on the varsity football team and was named to positions of responsibility in the Cadet Wing, or student body.

An instructor at the academy called him a young man of unusual talents.

He painted and was a sculptor. His wood carving of a female ballet dancer stood in an academy display until his death was officially ascertained, then it was sent home to his parents.

LIKED SKY DIVING

He graduated in 1965 and trained in the F-4C Phantom. He liked sky diving and once jumped in a Santa Claus suit and distributed toys to children near the training base in Texas.

He went to Vietnam early in 1967 and wrote to his father that he had developed a special affection and admiration for the Marines. He said that when he would take off the strip at Da Nang the Marines would stand at the edge of the runway giving the thumbs up sign, and he told his father: "If it weren't for the Air Force, I think I'd like to be a Marine."

He flew more than 50 missions out of Da Nang before Nov. 9, 1967.

With the help of the Air Force and returned prisoners of war, Sylvester Sijan has pieced together this account of his son's final weeks.

He took off from the Da Nang strip after dark on Nov. 9 with a load of bombs and flew to eastern Laos in company with another Phantom.

HIT BY FLAK

Lance and his aircraft commander, with Lance piloting, made one pass over the target area but found no evidence of enemy activity They radioed the forward air controller, aloft in a light plane, to drop more flares.

Lance's Phantom, making its second pass over the target, entered the light of the flares, was hit by antiaircraft fire, burst into flame, climbed to 8,000 feet and exploded.

The other Phantom stayed in the area for an hour but could not raise any radio signals from the ground. The pilot said he had seen no parachutes.

VOICE IS HEARD

The next day a flight of rescue helicopters came to the target area and picked up Lance's voice. He said he was in deep jungle and had suffered a compound fracture of the leg.

The helicopters, amid constant and heavy ground fire, circled and made repeated passes but could not locate the voice from the ground. Lance's aircraft commander, a colonel, was never heard from.

An hour later the helicopters made contact with Lance again, but the terrain was mountainous and the jungle canopy 300 feet high. They lost radio contact and never saw the man on the ground or any evidence of him.

NEVER LOCATED

There were six planes in that mission. They returned the next day, and Air Force planes passed over the area every day for the next three weeks but never located the injured man.

Yet he was down there all the time.

He lived in the jungle 46 days. He was 6 feet 2 and weighed 200 pounds when he crashed. He ate what the jungle afforded and drank whatever water he could find.

The compound fracture not only made walking virtually impossible, but proved a ready conduit for bacteria.

FOUND NORTH VIETNAMESE

It became infected, it swelled, and the infection invaded the rest of his body. He was cut everywhere from trying to move through the brush, and by the time he was found by the North Vietnamese Army he was lying semiconscious beside a trail and he weighed 120 pounds.

The NVA took him to an infirmary, where his leg was set.

Air Force Capt. Guy Gruders, who had been one year ahead of Lance at the Academy, said he was a prisoner in the same infirmary. He told Sylvester Sijan that Lance regained consciousness, looked up into his face and said:

"Aren't you Gruders?"

ESCAPES—BUT IS CAUGHT

Gruders said that after his leg had been set Lance escaped into the jungle, dragging his cast, but was caught a half mile away, brought back and fitted with a much heavier cast.

His health was getting worse. During the three day truck ride to Hanoi, Gruders and a Navy lieutenant had to hold him to keep him from bouncing and striking his head on the truck floor.

He was conscious at times and unconscious at times; he was weakening.

When they reached Hanoi the three Americans were put in separate cells, then put in a single cell together, and Gruders and the Navy lieutenant began to fear that Lance would die.

SHOWED DEFIANCE

When he most needed to preserve his strength he wasted it instead. He wasn't always lucid, and he would throw off his blanket in the middle of the night, go to the door and shake the bars and—in his mother's words—show the North Vietnamese that they hadn't broken him.

He told Gruders he wanted to escape and he made some efforts to do so, but his strength was scarcely enough to sustain life.

The North Vietnamese gave him no medical treatment during his first two weeks in Hanoi. In the third week, approximately, he became more gravely sick.

Then the camp commander ordered medical attention for him and he got large doses of antibiotics as treatment for what turned out to be double pneumonia, but it was too late.

He died Jan. 1, 1968.

REPORT NOT BELIEVED

His family wrote letters every month, believing him to be a prisoner. In late 1971 a group opposed to the U.S. war effort returned from Hanoi with a list showing Capt. Lance Sijan as "deceased," but the family didn't believe it and continued to write.

It wasn't till the POWs came home and told of his death that the family on S. Shore Drive believed their son was dead.

The body was returned to the U.S. April 12, and Sylvester Sijan told the Air Force he wanted one Marine in his son's guard of honor.

So the memorial service opened Saturday with a Marine sergeant marching down the aisle of Bay View High School auditorium, among a hushed audience of 350 people, and saluting the flag covered casket.

The rest of the honor guard of airmen and airwomen, singly, marched down the right aisle, saluted, and marched up the left.

There were seven bouquets and the flags of Wisconsin and the United States.

23D PSALM READ

The Rev. Melvin H. Herlache, pastor of Greenfield Avenue United Presbyterian Church, 1455 S. 97th St., West Allis, read the 23rd Psalm and said:

"If there is a physical body there is also a spiritual body.

"The things that are seen are transient; the things that are unseen are eternal.

"If God is for us, who can be against us?"

He said Lance had loved life, and that he still lived.

Rep. Clement J. Zablocki said he came as a neighbor and friend who shared the family's grief, and as a representative of a grateful Congress.

"Crushed by our understandable grief," he said, "we too often see death as the end. . . . But it is not the end."

AWARDED DFC

Retired Col. Leonard Dereszynski of the Air Force Reserve announced that Lance had been awarded the Purple Heart, the Air Medal and the Distinguished Flying Cross, the latter for courageous and effective action over North Vietnam on Aug. 22, 1967.

Arthur Showers, retired principal of Bay View, said Lance had led by serving, that all his achievements as a student were secondary to his ideal of service, of helping others.

"Dear Lord," he prayed, "let us be aware that we are in the presence of greatness, in the presence of unusual courage."

He asked: Why was such a striking young man taken so early?

"Perhaps his message and his influence on other youths will be more powerful," Showers said, "if it is known that he accomplished so much so early."

He announced that the high school was establishing a memorial award to the senior boy who best exemplified leadership, scholarship, and service, in the tradition of Lance Sijan.

State Rep. Louise Tesmer, a classmate, said all Lance's accomplishments in school had not changed his fundamental humility.

And Maj. Albert H. Neubauer Jr., a teacher at the Air Force Academy, said: "The death of a young man of his talents is a great loss to both the Air Force and the nation."

At Arlington Park Cemetery, 4001 S. 27th St., Greenfield, the minister said a final prayer, the honor guard fired a salute, the flag was folded and presented to Mrs. Sijan and a bugler played taps.

INDIVIDUAL RIGHTS IN NORTHERN IRELAND

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. MOAKLEY. Mr. Speaker, the right to dissent is one of the fundamental privileges upon which this great Nation was built. It is the heart of all of our history, and was the basis of our revolution. It is a right for which we have continued to struggle, throughout the world, and at home, for all of our years.

Thomas Jefferson, a great American, and perhaps the leading proponent of the idea of individual rights, once said that the price of liberty was eternal vigilance. I fully believe that we must maintain the type of vigilance that has characterized this country in the past, to see that the rights of the individual throughout the world, are not abridged.

Recent events in Northern Ireland indicate that not all people of the world are able to maintain this type of vigilance. Rights of individuals have been suspended in an effort to keep the peace. The guarantee of freedom and self-determination appear to have been forfeited.

Mr. Fred Burns O'Brien has recently published a report on practices now common in Northern Ireland. This report is a clear, concise summary of a suspension of human freedoms. And I think that it is a new approach to the problem, one which applies the vigilance to which Thomas Jefferson ascribed.

I am sure that many of my colleagues would be interested in this report. Perhaps, by pointing out what a lapse in vigilance can do, it will stimulate our own.

I would now like to submit this report for inclusion in the RECORD:

INSTITUTIONALIZED REPRESSION

(By Fred Burns O'Brien)

The Irish People in the Six British Occupied Counties known as Ulster have been subjected to the vilest cruelty and acts of inhumanity over the past few years by order of the British Government. In a spy trial in Dublin in 1973, it was revealed by two criminals in the employ of the British Defense Ministries as spies that the British Army has in fact assassination squads and bomb squads that were formed to discredit the IRA as their sole function. The spies, the Littlejohn brothers, stated that it was these squads that were responsible for the Dublin car bombs and other sectarian assassinations that were blamed on the IRA. The British Army is the instrument of repression in Northern Ireland and the Republic is well under a clandestine cover. Not only have they made war on Irish civilians, but they have performed acts of torture under the legitimizing effect of abominable legislation.

What follows is a description, not of the war itself, but of related consequences, the internment without charge or trial and subsequent torture of Irish People for their efforts at seeking freedom and self-determination, a most respected international right. The abuse stems from two pieces of legislation *The Special Powers Act*, and its replacement *The Emergency Provisions* Bill; the second attempting to justify the indiscretions of the first and perpetrating new harassment of its own volition.

The legislation cited has been directed almost exclusively at the Minority Community and only recently has it been placed in effect against the Majority Loyalist group. It seems now that any Irish group in disagreement with the British Crown is to be treated with equity. At least Britain spreads her injustice in equal lots.

The most insoluble portion of discrimination against the Minority has conclusively been the application of *The Special Powers Act* in selective and arbitrary fashion. There is no legal protection or safeguards for the accused in the Act and he or she might be subjected to the whim of those applying the administration of the act. Regulation 22B(3) of the Act states "a person examined under this regulation shall not be excused from answering any question on the ground that the answer thereto may criminate or tend to criminate himself." This is a basic violation of the English Common Law as well as international covenants which sets out that an accused man is presumed to be innocent until the contrary is proven beyond a shadow of a doubt. This right is abrogated in the case of Nationalists and there is a suspension of equal application of law in their cases, as only qualified principles are applied, not full rights under law.

A SENTENCE NOT A TRIAL

Most serious of all the provisions of the Act are those which may be grouped together as derogating from the personal liberty of the subject by rendering him liable to artibrary imprisonment. By the principle of Habeas Corpus, it is generally understood to be a right of the subject to remain at liberty unless he be detained under charge prior to trial for some alleged, but specified crime, or under sentence of a judicial tribunal. Further, Habeas Corps in itself implies the right to apply to the courts to test the validity of any deprivation of liberty.

Any provision which renders an individual liable to arbitrary imprisonment and at the same time cuts him off from access to the courts to test the validity of his imprisonment, since it qualifies the principles stated above, may be described as suspending Habeas Corpus. Such suspension is effected by the Act in no less than four instances. *Detention* under Regulation 23 of the Act allows for any person to be arrested without warrant upon mere suspicion of having acted, of acting or of being about to act in a manner prejudicial to the preservation of the peace of maintenance of order, and may be detained for an indefinite period without charge or trial. Under the new law the word "urgent" is substituted for "suspicion" meaning one and the same in practical application. Any act of urgency is perpetrated upon suspicion.

Exclusion orders, Regulation 23A, added by the Home Minister early in 1922, empowers the civil authority in its discretion to make an order prohibiting any person, whether he is domiciled in Northern Ireland or not, from residing in or entering any part or parts of the Six counties.

Internment orders, Regulation 23B, the Home Minister is entitled to intern any person by order for any period. His powers are purely discretionary and are not subject to review by any tribunal. (Review of case allowed under new law, but time for review is arbitrary in nature. *Detention of Terrorists Act* under Emergency Provisions Bill one year after initial detention then every six months. A denial incarcerates them forever.)

Detention of Witnesses—persons suspected of having information can be detained as well.

IMPLICATIONS—A CRIME

Of those interned up to 1973, since August 1971, most haye not been members of the Irish Republican Army as is usually implied and for whom the Act was created, but merely those individuals holding a political philosophy that would see Ireland united and free (see Irish Press; London Times p. 1 8/10/71). This is considered subversive by the British Government and her agent at Stormont Castle, Belfast. The same pertained in the 1920's and 1930's as it does today. "There is a large body of opinion in the Six Counties in favor of a United Ireland, not confined to those professing the Roman Catholic faith.

This opinion tends to find outlet, particularly in Belfast, in secret support of Republicanism." "Special Powers are freely employed by the Government against persons known or suspected to entertain Republican sympathies, whether or not they are members of organizations such as the IRA, proscribed under *The Special Powers Act*. These powers, have in fact, been so used as to deprive the Republican Movement of all lawful modes of conducting propaganda or of engaging in legitimate political activity. Not only are its newspapers, emblems, colors and associations proscribed under Special Powers, and its supporters intimidated or penalized, but through recent changes in the electoral law its candidates are prevented from standing for election as they refuse to undertake to take their seats if elected."

Situations do not seem to change over time and in regard to Northern Ireland, the situation is static, without any change whatsoever. The facts retain their discriminatory aspects with all the characters the same for the past fifty years.

The Special Powers Act, per se, is undemocratic and not befitting a society such as the British Government seeks to portray. According to Article 3 of the *European Convention of Human Rights and Fundamental Freedoms*, to which Britain is a signatory, states: "No one shall be subjected to torture or to inhuman or degrading treatment or punishment." Article 15 of the Convention stipulates that Article 3 shall continue to apply even in times of war or grave public emergency. It therefore represents an absolute minimum standard of civilized behavior and treatment from which not even war can justify departure.

The imposition of internment without trial in 1971 was aimed at and intended for sole application against Nationalists as the Northern Prime Minister, Mr. Faulkner was in the throes of a personal vendetta against the IRA with total abstinence of concern for human rights; Mr. Faulkner finally got his wish fulfilled in August, 1971, when Britain acquiesced in his request for interning Nationalists.

In the small hours of August 9, 1971, the machinery was put into motion. The Army had wanted "to lift" no more than 100–150 people on the joint police-army list—only those who, they thought, were irreplacable by the IRA (no mention of Loyalists who initiated the violence). But technically, the British Army could only make "suggestions", Mr. Faulkner, as Prime Minister of Home Affairs, dictated the final size of the list—and he declared a clean sweep (of Nationalists), the lifting of more than 450 people. By the evening of August 9, 1971, 342 people had been arrested all over the province and distributed among three holding centers. They were not charged with any offense; *The Special Powers Act* did not require it.

If such undemocratic legislation was to be devolved on the people of the North, it should at least be devolved with equity on all groups, meaning specifically, the Ulster Volunteer Force and the Ulster Defense Association, none of whom were interned until late in 1972 and then a miniscule number. It is well known that the so-called Loyalists held in their possession an arsenal of legally licensed weapons and were unabused by the British Army. The Loyalists have been allowed to operate quite freely and openly, even now, while the IRA must resort to clandestine tactics. The Loyalists paramilitary groups wrought havoc upon Irish civil rights groups and this initiated the request for British troops to back the present government in Northern Ireland—that of Mr. Faulkner. The Ulster Volunteer Force under Gusty Spence, Rocky Burns and Noel Doherty sought to intimidate Catholics specifically and Nationalists in general, and the British Army if necessary.

SELECTIVE LAWS

The people of Britain proper would be revolted if *the Special Powers Act* were devolved upon them, yet their own Parliament passed it to be applied to other "Britons" claimed by the British Government to be within their jurisdiction. The investigation of 1936 into the Act proved how abusive it was and in contradistinction to traditional British democracy. When convenient the British authorities appear to excuse past discrepancies by instituting laws to divert attention to the new proposals. *The Special Powers Act* was repealed (in name only) as the result of the Diplock Commission and forthwith the *Emergency Provisions Bill* was effectuated. This Bill is vague and without any safeguards to insure the rights of alleged defendants or those innocent people drawn by British authorities into implied roles of criminal by association, which can be merely living in the same neighborhood as a wanted person.

The Special Powers Act and now *the Emergency Provisions Bill* are designed to relegate dissent to oblivion. Under the new Bill, "It would be an offense under the Bill to belong to proscribed organizations . . . (that is as interpreted as such) encouraging or promoting terrorism." Any political group with strong Nationalist leanings would be classified as offensive and proscribed and the British authorities would thereby thwart dissent. Britain's reversal of policy nominally is a surrender to outside pressure that engenders severe criticism within the international community.

As well as this is the fact that the Republic of Ireland enacted a case against Britain at the European Court at Strasbourg, which will be detailed later. The suit involves allegations of brutality to prisoners detained under the two previously mentioned British Acts. This was placed in relevance by evidenciary support by British appointed Compton Commission, Amnesty International and the Association for Legal Justice, all of whom made inquiries into torture of prisoners, and confirmed the allegations.

MILITARY NOT POLITICAL MOTIVE

The British Government has as its stated policy: the military defeat of the IRA, not the rectification of recurring wrongs, and with their blatant failure to effect such a tactic, they have resorted to a general punishment of the Irish race by the utilization of concentration camps in a similar fashion as employed by Nazi Germany on the selected victims for mental dismemberment. The disorientation of the Irish mind is the underlying intent of the policy of internment without charge or trial. This is resultant to the entire process of arbitrary arrests, detention, torture and mental derangement.

PRELATE ATTESTS TO TORTURE

Bishop Thomas J. Drury of Corpus Christi, Texas, just recently returned (8/73) from visiting Longkesh Concentration Camp in Northern Ireland attests to the appalling plight of those interned. He stated: "I was shocked and outraged by the obscene conditions of the camp; but I was deeply impressed and edified by the spirit, courage and dignity of the P.O.W.'s . . . I was a chaplain with the United States Air Force during World War II, but even in Japan I never saw such abominable conditions. Longkesh is clearly designed to disorientate its victims. In plain language, it is designed to torture, degrade, and drive the men out of their minds . . . and it succeeded in the case of poor Patrick Crawford . . . ."

Bishop Drury fully evidences as an eyewitness all the physical and mental abuses perpetrated by the British; the humiliation, human degradation and torture of Irish men in concentration camps. Ireland is a prime example of a full abridgement of human rights and for her part Britain must be utterly condemned.

The Bishop is the only member of the Catholic Hierarchy to visit the beleaguered victims of British atrocities. His credentials are impeccable and to hear in his own words the abuse that he saw lends further credibility to the allegations made by former internees whose words were in direct conflict with the entire British Government and the powerful, not the truthful, prevailed. How can an alleged democracy—how can human beings treat others in a dehumanizing manner? Only those devoid of humanity themselves could perpetrate such a crime against humanity. This is the state of the mentality of Britain's forces in Ireland and the Government itself, from the observations of this writer.

The process of torture referred to officially as "interrogation in depth" involves the placing of a hood on the detainee who is made to stand at an angle to a wall, balanced on fingertips. This is described as standing in the search position. If the victim falters, he is beaten and a favorite trick of British authorities is abuse of a man's testicles; the British have an affinity for this area of the anatomy. A noise machine is used while the victim is in this position and the incessant noise disorients the mind. The men are deprived of food and sleep which is meant to draw a confession out of desperation.

There are 22 distinct types of physical abuse that are applied to Irish citizens by Her Majesty's forces, in her name. On paper, the British constantly offer to clear up indiscretions on their part when they are exposed, but the revisions remain on paper and never find their way into practice. Any new legislation passed (for example the new Emergency Provisions Bill) is left purposely vague, so that torture can be condoned by a loose definition and an attempted excuse is contrived to cover the continuation of torture of detainees.

Internment without trial is a crime against the citizenry from which other abuses derive their being. *The Irish Times* quotes British sources as saying their pre-dawn swoop on 8/9/71 captured 70% of the IRA for certain and that they were defeated. 342 Catholic men were arrested and on August 31, 237 of those were detained. As of December, 1972, 15 of these are still interned. As with the 327 who were arrested in admitted error, and since released, it is believed that the remaining 15 are no exception, but they are still imprisoned without trial upon prejudice—they are Mr. Whitelaw's political hostages.

CONGRESSIONAL REORGANIZATION AND THE ENVIRONMENT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. DINGELL. Mr. Speaker, several weeks ago I communicated with a number of conservation and environmental organizations in an effort to determine whether they were as distressed about the implications of the proposed reorganization of the Congress, set forth in House Resolution 988, as I was. I found, not at all to my surprise, that most were very distressed indeed.

The only reservations raised by any of these groups dealt with the question of whether it was better to oppose the reorganization entirely, or to suggest that it might be cured if those portions of the plan which deal with conservation and environmental issues were drastically revised. I found no support for House Resolution 988 as presently drafted.

I would like to share with my colleagues a letter which sets forth the position of the Sierra Club in opposition to the entire proposal, and makes a number of telling points in the process. That these points have been made before, by me and by others, in this and in other places, should in no way disguise their fundamental accuracy and relevance to the issues which will soon confront us.

The letter follows:

SIERRA CLUB,
Washington, D.C., May 7, 1974.

Hon. JOHN D. DINGELL,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DINGELL: After much thought and discussion of the proposals and their effect upon public programs of importance to our organization, I regret to say that we are opposed to certain parts of the "Committee Reform Amendments of 1974." We believe the concerns we have must be expressed to you and other members of the House of Representatives. An identical letter is being sent to Honorable Carl Albert (D-Okla.), Speaker of the House of Representatives, because we believe it is important to make our views known to the leadership.

Our concerns go to the very heart of the basic premise upon which the Committee Reform Amendments are based: limiting members to service upon only one major committee; and increasing the number of exclusive committees while at the same time reducing their size (over those currently designated by the Democratic Caucus). We believe that this limitation will have a profoundly adverse effect not only upon the programs of interest to environmental organizations but also to other important national concerns. Almost all recommendations for narrowing Congressional committee assignments were also accompanied by the insistence that this limitation be accompanied by a mandatory rotation system to alleviate the abuses of the Seniority System. There is no rotation system in the Committee Reform Amendments and without it we believe that the final outcome of these proposals would be a narrowing of the control over programs by regional and special economic interests.

The proposals, if adopted, would also have the adverse impact of narrowing of members' expertise and knowledge. Most issues before Congress are very complex and quite often benefit from interdisciplinary approaches. A member's service on other committees would more often than not bring valuable expertise and insights to the problems addressed by each committee. Another possible adverse impact would be the reduction of Congress to be simply a "rubber stamp" for legislation done by the exclusive committees. With the reduced size of these committees and their narrowed and concentrated jurisdictional focus there will be less members in the House in a knowledgeable position to challenge legislative proposals which emerge from these newly structured and restricted committees.

Further, the limitation on committee assignments and the new regrouping of environmental jurisdictions into an "Energy and Environmental Committee" will not bring about one of the desired effects of the reform proposals, that of more balanced committee memberships.

Committees such as Agriculture and Forestry or Energy and Environment (made up from the current Interior and Insular Affairs Committee) are very subject to regional and interest biases, which will continue to be paramount with members from the affected states over and above the new jurisdictions which have been combined with them (and are often in conflict with the paramount interests). An example can be found in a recent study done on House committee assignments. A member of the Interior and Insular Affairs Committee was quoted as saying: "I was attracted to it, very frankly, because it's a bread and butter committee for my state. I guess about the only thing about it that is not of great interest to my state is insular affairs. I was able to get two or three bills of great importance to my state through last year. I had vested interests I wanted to protect, to be frank."[1] We believe that our concerns are well founded that the broadly based environmental policies and programs such as clean air and water resources, etc., will take a back seat to the energy and public land resource exploitation jurisdictions in the proposed Energy and Environment Committee.

It is with the deepest regret that our concerns are being expressed. The need for congressional reform is real and the Select Committee has made a genuine, thoughtful, and important effort; however, we find ourselves still in basic disagreement with some of the basic proposals. The complaints about conflicting pressures upon members' time and lack of effective policy leadership on the part of Congress can be dealt with by other solutions with less detrimental effects upon important public interest programs.

Sincerely,

LINDA M. BILLINGS,
Washington Representative.

A CRITIQUE OF THE ONE COMMITTEE PER MEMBER PLAN

The justification of a legislature (from Madison in the Federalist Papers to recent theoretical research in social choice) is that it allows representatives of the people to consider a broad range of issues about which not all people feel the same. Conflicting views on outcomes, and different intensities of feelings about outcomes are the two engines that drive the democratic process.

An early example occurred in the First Congress, when Thomas Jefferson successfully engineered a resolution of the assumption of state debts issue by tying it to the equally vexed question of the location of the new capital. In modern terms this vote trade can be shown as follows:

Assumption of debts: North, yes; South, no.

Potomac site for capital: North, no; South, yes.

Perceived separately, neither issue could be resolved. Jefferson found, however, that the North felt more strongly about the debt issue (for good reason, they had the debts!) while the South felt more strongly about the location of the capital. The trade was arranged by Jefferson (in a New York tavern) so that the Southern representatives voted with the North on the debt issue while the Northern representatives voted with the South on the Potomac site for the capital.

Our present rigid committee structure replaces this grand trading arena envisioned by Madison and used so successfully by Jefferson with a number of smaller trading guilds. House rules of procedure, under which Committee bills rarely suffer major change on the House floor further restrict vote trading that can speak to intensity of interest and minority concern.

The recent proposal to restrict each Member of the House to one committee would further constrict this essential feature of any legislative body. If a Member may sit only on one Committee, he perforce must choose a Committee of high interest to his constituency. It will be as if one group had decided the assumption of debt issue and another, and totally different group, had decided the location of the capital. (Had that happened, neither issue would have been resolved, and Hamilton's fears that the Union would have had to be dissolved would have proved accurate.)

Any representative must have leverage. Such leverage is usually obtained by cooperating on some matters not so important to him as others. If each Member has only one committee assignment, his leverage will be severely weakened.

Reform of the present Committee system is long overdue. This measure, however, runs in a fundamentally wrong direction. Committee memberships should be expanding, not contracting.

EDWIN T. HAEFELE,
Director, Regional and Urban Studies, Resources for the Future, Inc., Professor of Political Science, University of Pennsylvania.

TWENTY-SIXTH ANNIVERSARY OF ISRAEL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ANDERSON of California. Mr. Speaker, today, 26 years after the proclamation of independence for the State of Israel, we find a nation of signal accomplishment against overwhelming odds, confident of its future and proud of its past.

And the genius that has met the challenge—the hardship and the hazards—of building a nation has also proven to the world that Israel can and will endure, progress, and excel.

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[1] Rohde, David W. and Shepsle, Kenneth A., "Democratic Committee Assignments in the House of Representatives: Strategic Aspects of a Social Choice Process," The American Political Science Review, Vol. 67, page 894.

Not only have the Israelis shown their ability to retain their sovereignty by resisting hostile neighbors, they have also made great strides in scientific advancement—inspiring new approaches to meet the everyday challenges of squeezing the most out of scarce resources.

Yet, the elusive peace that has been sought for years has been denied; the peace which would allow even greater prosperity has escaped the people of the Middle East, and instead, has forced them to prepare for war.

Mr. Speaker, on this occasion of the 26th anniversary of the independence of Israel, I offer my sincere congratulations, and express my hope that next year this event will be a celebration of peace and a celebration of brotherhood.

PROF. ARTHUR WRIGHT OF THE UNIVERSITY OF MASSACHUSETTS RESPONDS TO OIL POLICY QUESTIONS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. VANIK. Mr. Speaker, in an effort to clarify the complex issues surrounding taxation of the oil industry, I have sought the views of several noted economists on key issues of oil policy. In recent weeks I have inserted into the RECORD the views of Profs. Otto Eckstein and Stephen McDonald, who were responding to a number of policy questions I had forwarded to them. Mr. Eckstein served as a member of the Council of Economic Advisors under President Johnson, and his remarks appear in the RECORD on March 7 on page 5873.. The remarks of Mr. McDonald, who is chairman of the Economics Department at the University of Texas, appear on March 14 on page 6950.

Today, I insert into the RECORD the comments I have received from Prof. Arthur Wright of the University of Massachusetts. Professor Wright is a noted expert in the field of energy economics and has testified on numerous occasions before committees of both the House and Senate. His remarks regarding two key aspects of our tax policy toward the oil industry—the percentage depletion allowance and the foreign tax credit—are particularly illuminating.

With regard to the depletion allowance, Mr. Wright comments, in part:

> Even if there are price controls, instead of the market, the present set of tax-breaks seems a very clumsy and ambiguous way to provide subsidies; specific cash grants, for specific purposes, *rigorously enforced*, appear superior from the standpoint of sound public policy. (Author's emphasis.)

At another point Mr. Wright states:

> On both theoretical and empirical grounds . . . the present tax subsidies are not effective in promoting energy independence. . . .

Regarding the foreign tax credit, Professor Wright recommends the termination of all taxpayer subsidies to foreign oil investment. Mr. Wright is unequivocal on this point:

> I advocate the repealing of all of the special tax treatment now accorded the petroleum industry on foreign income. The percentage depletion allowance and the expensing of intangibles are not now very effective, because of the huge foreign tax credits enjoyed by the oil companies. Were the foreign tax credit removed . . . the depletion allowance and intangibles expensing still should be repealed, since there is no argument for subsidizing foreign operations with American tax dollars. (Even the national security argument, which I do not find persuasive, for domestic tax subsidies, is not valid here).

Mr. Wright goes on to state regarding the foreign tax credit:

> It is quite clear that the petroleum companies have abused the foreign tax credit. . . . I strongly doubt that it is possible to devise a means of distinguishing between royalties and true income taxes which is not extremely difficult to administer.

For the interest of my colleagues I am submitting the complete text of Professor Wright's comments in addition to my correspondence with him. The material follows:

U.S. CONGRESS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 4, 1974.

Prof. ARTHUR WRIGHT,
Department of Economics, University of Massachusetts, Amherst, Mass.

DEAR PROFESSOR WRIGHT: As you may know, the Ways and Means Committee will be holding hearings February 4 to consider reform of the special tax provisions available to the petroleum industry. Of particular interest will be the Administration's Windfall Tax Proposal.

I feel that the committee must take the fullest advantage of this opportunity for tax reform. In view of your established reputation in the field of economics, it would be helpful to have your comments on a number of policy questions.

I would appreciate your thoughts on any of the questions I have enclosed. I am spending a similar letter to colleagues of yours in the economics profession, and it is my intention to include the responses I receive in the hearing record. For this reason, it would be helpful if I received your comments at the earliest opportunity.

Your assistance in clarifying these critical issues now before the Ways and Means Committee and the Congress is most welcome.

Sincerely yours,

CHARLES A. VANIK,
Member of Congress.

POLICY QUESTIONS RELATING TO TAXATION OF THE PETROLEUM INDUSTRY

(1) The Administration is proposing that the market price for crude oil reach a "long run equilibrium price." The Treasury Department estimates this price level to be about $7 a barrel. The Department also estimates that this equilibrium price will be achieved in three to five years. Are these realistic projections? As far as you can determine, are the assumptions underlying these projections valid? In an industry in which price has been closely regulated through such mechanisms as state prorationing and import quotas is it justified now to have confidence in the price mechanism to allocate available petroleum supplies?

(2) It appears to me that the Administration's windfall profits tax is engineered to prevent wild fluctuations in the domestic price for crude, while at the same time allowing this price to reach its "equilibrium" level. Is this a correct interpretation of the primary function of the tax? What is your opinion of the Administration's proposal? Is it correct to label this tax an excise tax on the price of crude oil? If so, is the tax likely to be shifted forward to consumers? How regressive do you think this tax is likely to be?

(3) Does the Administration's goal of achieving a long run equilibrium price for crude undercut in any way the case for production subsidies, such as the depletion allowance? I understand that the impact of such subsidies is to bring forth more supplies than a given price alone would justify. Accepting this interpretation, do you see a "price" policy as an adequate substitute for a "tax" policy? Would not the pursuance of both simultaneously be contradictory?

(4) In your opinion, is the percentage depletion allowance an efficient means of guaranteeing our domestic production capacity as one component of national security? Should the depletion deduction be terminated altogether? If so, would you advise an immediate repeal of the depletion allowance for domestic properties? Or as an alternative, would you favor a gradual phasing out of the deduction?

(5) If you feel that some sort of subsidy for domestic oil production is warranted, would you favor substituting a direct cash payment system for tax subsidies? The advantages I see in such an approach is that such a cash system would be easily managed and accurately targeted to exploratory activity.

(6) A major argument against removal of the depletion allowance and other tax advantages for petroleum production is that these reforms would undermine the industry's ability to attract new capital. Could you evaluate this argument? Are the existing subsidies essential to meeting the financial requirements of the industry?

(7) Would the national security be better served through the establishment of a national defense petroleum reserve (in situ or in above ground storage) on the public lands of the U.S.? Do you feel it is wise to establish inventory requirements for producers and/or refiners?

(8) The Administration has recommended the repeal of the depletion deduction on foreign properties. Do you favor this step?

(9) The foreign tax credit has been criticized as an irresistable incentive for foreign investment by the petroleum companies. Do you agree? Do you feel that the foreign tax credit, in general, is a sound policy? Do you find the oil companies use of the credit as an unjustified abuse? If so, would you favor outright repeal of the credit for the oil companies or do you recommend that an effort be made to define what is a royalty payment and what is a tax?

(10) Do you recommend any change in the intangible drilling expense provision?

(11) It has been said that many producers shut down marginal wells and declare them as dry holes in order to expense their cost. To prevent this abuse, would you recommend that dry hole costs be placed in a special capital account and be depreciated over five or ten years?

UNIVERSITY OF MASSACHUSETTS,
Amherst, March 1, 1974.

Mr. CHARLES A. VANIK,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE VANIK: This is in reply to your letter of February 7, enclosing a list of questions on taxation and energy. I am sorry to be so tardy in replying, but the press of other business (some of it late, too) prevented my giving your questions the attention they deserve until just now. Even if my answers are too late to be entered in the hearing record, I welcome the opportunity to discuss the issues you raised with you individually. For convenience, my comments are enclosed separately.

If you have any further questions about what I have written, I shall be glad to try and answer them.

Sincerely yours,
ARTHUR W. WRIGHT,
Assistant Professor of Economics.

REPLY TO POLICY QUESTIONS RE TAXATION OF THE PETROLEUM INDUSTRY, POSED BY REPRESENTATIVE CHARLES A. VANIK

(By Arthur W. Wright)

QUESTIONS 1 AND 2

The Administration's proposal for a sliding excise tax on crude oil is essentially a compromise between two extreme policies to deal with the "energy crisis" of 1973–74. At one extreme, the government could force a rollback of all crude oil prices to their pre-crisis level; this would prevent crude oil producers from reaping any windfall profits. This extreme would also (1) create shortages of crude oil, which would have to be rationed some way other than by price; and (2) seriously delay the expansion of crude oil capacity and output in both the short and the long run. Hence, while a price rollback would "protect" some consumers against price increases, it would frustrate others unable to obtain oil products because of the shortage of crude oil, and probably postpone the day when prices would come back down, even if not controlled, because of expanded capacity and output.

The other extreme would allow crude oil prices to rise (sharply) to market clearing levels now. Crude oil producers would reap large windfall profits in the short run. Provided the industry is kept (or forced to be, through anti-trust action) competitive, those profits would attract new capacity and expanded production in the long run, tending to bring prices back down. In the interim between the short and long runs, however, consumers would face very stiff price increases on oil products.

The Administration evidently envisions a combination of gradually rising controlled prices and a sliding excise tax. Such a combination would spread the price increases more evenly over time (still leaving shortages to be allocated by non-price means, of course), and siphon some of the windfall profits into the U.S. Treasury, away from the coffers of crude oil producers. It would also leave some of the windfall profits with private producers, to attract investment in new capacity (though less than would be attracted under the second extreme case above).

Note that an excise tax on crude oil would mean a higher price of crude oil, for any given quantity sold, than would obtain in the absence of a tax. This is because an excise tax is paid partly by consumers and partly by producers, depending on the relative slopes of the market demand and supply curves. Thus part of any excise tax would be shifted forward to purchasers of crude oil and thence to consumers of oil products. Most probably, an excise tax on crude oil would be "regressive," in the sense that the portion of the tax borne by consumers would be a larger proportion of poorer people's income than of the richer people's. The net impact of the combined tax-and-price-control policy on different income groups would depend on how the Federal government spent the tax proceeds and on how crude oil was allocated at the below-market-clearing prices. My guess is that, on balance, the policy would have a regressive effect, in the sense specified above.

It is difficult to say what kind of policy would be best in the *short run*, one of the extremes or a compromise such as the Administration has proposed. If the sharp price increases were market-determined, the extremes of rigid price controls would be the worst possible policy. If, however, as seems to be the case, the crisis of 1973–74 was brought on by badly designed government policies, the extreme of high prices would not bring about the expected result of larger capacity in the long run, since regular private business responses would not be operating.

One danger of the Administration's compromise scheme is that it appears to be geared to a specific long-run equilibrium price of $7.00 a barrel. If that is *not* the true long-run market equilibrium price, the Administration's proposal would be just one more interference with the processes of market adjustment, helping to prolong rather than to solve the energy crisis. If the OPEC monopoly remains in existence (and I for one cannot predict when, if ever, it will fall apart), my estimate of the long-run equilibrium price of oil on the U.S. East Coast (assuming no import controls) would be closer to $8.00 a barrel than to $7.00. Because of uncertainty about prices, I would favor shying away from any proposal which was so closely tied to a specific expected price of crude oil.

QUESTIONS 3, 4, 5, 6 AND 10

Provided that market forces were setting crude oil prices, there would be no *economic* reason for providing special subsidies to the petroleum industry. (This position has been endorsed by Atlantic-Richfield (ARCO).) Even if there are price controls, instead of the market, the present set of tax-breaks seems a very clumsy and ambiguous way to provide subsidies; specific cash grants for specific purposes, *rigorously enforced*, appear superior from the standpoint of sound public policy. In my judgment, however, the best policy would be to rely on market forces. Were this to be done, subsidies would be no more necessary to raise capital for petroleum than they are for any other industry.

Where military security is involved, there is a justification for government intervention in the market place. On both theoretical and empirical grounds, however, the present tax subsidies to petroleum are not effective in promoting energy *independence*—that is, avoiding undue dependence on imported petroleum, leaving the U.S. vulnerable in time of war. General tax subsidies to the entire industry constitute a "drain-America-first" policy, not a policy to promote energy independence.

QUESTION 7

The question of energy independence for military security should be considered separately from questions of general tax policy. Above, I indicated that the present tax subsidies to petroleum are not very effective in promoting energy independence. The national reserve suggested in the question is one possible alternative that would appear preferable to the tax subsidies, since it would be directed specifically at holding excess capacity in case of military emergency. Another possibility is to use tariff policy to encourage private producers to hold excess capacity.

QUESTIONS 8 AND 9

I advocate repealing all of the special tax treatment now accorded the petroleum industry on foreign income. The percentage depletion allowance and expensing of intangibles are not now very effective, because of the huge excess foreign tax credits enjoyed by the oil companies. Were the foreign tax credit removed (see below), the depletion allowance and intangibles expensing still should be repealed, since there is no argument for subsidizing foreign operations with American tax dollars. (Even the national security argument, which I do not find persuasive, for domestic tax subsidies, is not valid here.)

It is quite clear that the petroleum companies have abused the foreign tax credit. As Professor Glenn Jenkins of Harvard has shown, in his work for the Energy Policy Project and in recent testimony before the Senate Subcommittee on Multinational Corporations, the international oil companies have been able to use the present foreign tax credit to "shelter" income against tax in both the U.S. and Western Europe, by transferring it to countries with lower tax rates. As a result, they have reduced their U.S. tax burden through the foreign tax credit by a much higher proportion than firms in other industries are able to. I strongly doubt that it is possible to devise a means of distinguishing between royalties and true income taxes which is not extremely difficult to administer.

Unless I am wrong, it would seem appropriate simply to deny foreign tax credits against any income earned on the production of natural resources, on the theory that any payments to governments are royalties for producing rights, not income taxes. It would be better to err somewhat in denying credits where they would in fact be justified than to err considerably, as at present, in allowing far too many credits.

QUESTION 11

An argument can be made that "dry holes" are not business losses in the sense in which that term is ordinarily used in Federal tax argot; hence they should not be expensed, but rather capitalized along with other capital outlays and depreciated over the regular life of assets permitted in the tax law. The argument for this view says that dry holes yield information which is valuable to the firm, even if they do not yield petroleum; any rational business firm undertakes a drilling program expecting to have a certain portion of dry holes. If the expensing of dry holes were repealed, the alleged abuse referred to in the question would no longer arise.

If we accept the contrary view that dry holes are a business loss, I doubt that the alleged behavior is in fact an "abuse." Given that we are going to tax corporate income, a set of incentives is created. If a firm finds it more profitable, after tax, to shut down a new well than to operate it, where is the grounds for complaint? (The dividing line between a "dry hole" and a "marginal well" is very hazy: a high enough price of crude oil or gas could turn many a dry hole into a producing well.) Thus the way to deal with this "abuse" would seem to be to repeal the expensing of dry holes, and make them depreciable in the normal manner.

COMMUNISTS AGAIN ATTACK ELEMENTARY SCHOOL IN SOUTH VIETNAM

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. HUBER. Mr. Speaker, on March 26, 1974, I called the attention of the Members of this body to a totally unwarranted attack by the Vietcong on a South Vietnamese elementary school. My remarks are on page 8324 in the CONGRESSIONAL RECORD of that date. It appears that this is beginning to be a habit. Last Saturday another such attack occurred. The incident, as reported in the Washington Star-News of Sunday, May 5, 1974, is reported herewith:

FOUR CHILDREN DIE AS MORTARS BLAST MEKONG SCHOOL

SAIGON.—A barrage of mortar shells tore through a Mekong Delta elementary school during classes yesterday afternoon, killing at least four children and wounding 23 others, field reports said.

Reports from Song Phu hamlet said three adults also were injured when eight shells hit the school, 68 miles southwest of the capital.

Saigon command sources blamed the Viet Cong for the tragedy and said the shells were from an 82mm mortar, used only by the communists.

Song Phu, site of yesterday's attack in Vinh Long Province, is a cluster of riverside hamlets with a population of more than 13,000.

Communist officers in Saigon were unavailable for comment on the attack.

GEORGE BUNDY SMITH: MODEL CITIES ADMINISTRATOR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. RANGEL. Mr. Speaker, George Bundy Smith has long been active in community affairs in Harlem. I have had the privilege of working with him for a number of years on a variety of community projects. Now, Mr. Smith is the Model Cities Administrator for New York City.

I am including an article on Mr. Smith which appeared in the New York Post on April 29, 1974, at this point in the CONGRESSIONAL RECORD:

GEORGE BUNDY SMITH: MODEL CITIES ADMINISTRATOR

(By Aida Alvarez)

Back in 1957, George Bundy Smith left for a year of study in France. He was a Yale undergraduate then. "I left at the height of the Little Rock crisis," he recalled. "I thought maybe it was the wrong time to leave. I might be needed here."

Almost 20 years later, sitting in the office he has occupied since January as the city's new Model Cities administrator, Smith, 37, no longer reproaches himself for his decision. "When I returned, the problem was still here," he said. "It would have been here had I not gone to France."

Smith wants to help solve "the problem," but, as head of Model Cities, earning $43,255, he could be the captain of a sinking ship. "I've spent a lot of time on the funding situation," he said. In the future he hopes to devote more time to the actual task of overseeing the activities of a wide variety of programs, ranging from drug rehabilitation to day care.

But if the agency is to survive beyond June 30, federal funds must be found to meet the $5 million-a-month costs. "To cut the funding at this time would be a disaster," said Smith. Hundreds of blacks and Puerto Ricans employed by Model Cities feel the same way.

Last March they congregated outside of City Hall, not far from Smith's office at 2 Lafayette St., to shout "If Model Cities goes, Beame must go."

But Smith, "an active member of Percy Sutton's club," sees the Mayor as a man who "has tremendous support from black political leaders. And he's trying hard to get more funds."

Those funds would go to Model Cities programs in Central Brooklyn, Central and East Harlem, and the South Bronx. "People have to realize, though, that Model Cities can't last forever," said Smith. "They have to do their utmost to take advantage of the situation, but the answer lies in getting more people to enter the civil service system."

Smith's mother, the former Beatrice Bundy, was a civil servant, a clerk in Washington, D.C. Smith was born in New Orleans and moved to Washington as a child, after his parents were divorced. Sidney Smith was a Congregationalist minister. Both parents are dead.

"I think of myself as a person who is bringing his past experiences with poverty to bear on the present situation," said the new administrator, explaining how his past had prepared him for his job with Model Cities.

Mrs. Smith raised and supported George Smith, his twin sister and older brother singlehandedly. "She never told me to study, but it was a way of life with us," Smith said. "My one goal was to get an education."

When a spokesman for Andover Academy visited his school, George Smith took an interest. At 15 he became a scholarship student there.

From Andover he went on to Yale University, where he majored in history. He graduated from the College in 1959, and from Yale Law School in 1962. Just this year he received a doctorate in American government from NYU.

"At Andover I got my first real contact with the white world," said Smith. When I was growing up, Washington was a segregated city. The schools, the restaurants and the theaters were segregated."

Today, Smith lives in a Harlem apartment with his wife, the former Alene Jackson, 36, and their two children George, 8, and Beth Beatrice, 3. I won't go out of my way to look for an apartment in a white neighborhood," he said.

When George Smith first came to New York in 1962, a newlywed, he looked for an apartment. On a number of occasions I'd be told there was an apartment. I'd show up to see it and they'd tell me it was rented."

After six weeks of looking, Smith decided to play a little game. I'd have a friend of mine call to ask about the rented apartment," said Smith. For him, the apartment was available."

George Smith is a religious man, a Congregationalist, who believes the church can be an instrument for social change. "Like Martin Luther King, though, I still believe the 11 o'clock Sunday hour is one of the most segregated in the United States."

Before becoming administrator for Model Cities, Smith was law secretary to Judge Harold A. Stevens. "I'm very interested in court reform." Smiling, he added, "I probably wouldn't turn down a judgeship if I were offered one."

As president of the Harlem Lawyers' Assn., Smith is particularly interested in helping young black lawyers. He believes that "in the past few years, things have improved for the middle class black." But, for the majority of blacks, he said, "the economic situation is still a very bad one. It will take a lot to improve that."

CONTROLS CREATED BEEF BLUES

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. SHRIVER. Mr. Speaker, the beef industry, which is so vital to the economy of my State of Kansas, has been plagued with a series of problems. Heavy financial losses have been experienced. Recent experiences have demonstrated that this industry, like others, operates best according to the laws of supply and demand—and not by governmental interference.

Dale Daugherty, staff writer for the Wichita, Kans., Eagle and Beacon, recently wrote a series of six articles examining the dilemma involved in the beef industry. One of these articles featured an analysis of problems facing the industry by Mr. Erv Priceman, Wichita, president of Kansas Beef Industries, who also is president of the National Independent Meat Packers Association. Under the leave to extend my remarks in the RECORD, I wish to call my colleagues' attention to this meaningful article:

CONTROLS CREATED BEEF BLUES, PACKER SAYS

(By Dale Daugherty)

Although agriculture is subject to a variety of pressures and variations, the biggest problem in the beef industry "was created by government controls."

That's the analysis of Erv Priceman, president of Kansas Beef Industries who also is president of the National Independent Meat Packers Association.

Priceman said government regulations imposed in the past several years have forced many small meat packers out of business.

These governmental controls, he said, are "like a distortion in the distribution pattern. It's like throwing a stone into the middle of the pond."

Optimistically, Priceman said, the future looks better.

"Hopefully," he said, "the government will not be dissuaded from getting the hell out of our business, or anybody's business, or getting the hell out of operating industry and letting industry itself create additional supply through more productivity without the interference of imposing regulations that are not even understandable by the people who promulgate them."

Prices had held steady a long time, Priceman said, because "the consumer was able to buy at a figure that was satisfactory through habit, through long-term stabilization of the price range which had been brought about by advancement in the industry."

Advancement, he said, included:

Better feeding, more efficiently done.

Better gains, shortening the time necessary to bring livestock to market.

Innovations in the slaughter houses, including automation and higher volumes with more productivity.

"All," Priceman said, "tend to offset increasing costs."

Then, he added, the industry "confronted a proliferation of new government regulations through various new agencies which were created, all of which have as their intent protection of the consumer."

Included in this proliferation noted by Priceman have been regulations promulgated by the following:

The U.S. Department of Agriculture.

The Food and Drug Administration.

The Environmental Protection Agency.

The Federal Energy Office.

The Occupational Safety and Health Agency (OSHA)

State and city regulations.

"All," Priceman said, "were foisted onto the industry in one short period of time."

Priceman mentioned specifically the Wholesome Meat Act of 1967 with its timetable of modernization, sanitation improvements and better refrigeration.

"By 1970–71 conditions had to be put into effect," he said. "We lost the old family style company of a father and one or two sons. It got to the point where so many dollars were needed to be invested to upgrade facilities that the returns did not warrant the additional investment. They just shut down.

Additionally, Priceman said, "There's the increased cost of transportation between the feeder and us; between us and the wholesale-jobber and between the wholesaler and retailer. And there are new regulations the retailer operates under, including minimum wage law changes.

Priceman said the upward spiralling of price was put into motion by the first price freeze of Aug. 12, 1971.

"That price freeze did what a beaver does upstream when he builds a dam. When the dam finally breaks, the water comes gushing down."

Then, he said, there was the fear of shortages and resultant stockpiling and hoarding.

"In July 1973 the Cost of Living Council removed from price freezes all other meat products with the exception of beef," Priceman said.

"It stalled beef under the freeze until Sept. 15. This created unnatural market conditions. Feeders withheld (cattle) from marketing . . . with the expectation beef would be worth more on Sept. 15."

This withholding from the market affected feeder cattle values and packers could not purchase fat cattle at a price to allow them to stay in business.

"Retailers," Priceman said, "were allowed to bypass the wholesalers. They decided to pay the price necessary for live cattle, getting them custom killed so they could have supplies in the market."

This, he said, drove the market upward to $58 to $60 per hundredweight for fat live cattle. Replacement feeder cattle reached $60 to $65 per hundredweight last summer.

"These feeder cattle," Priceman said, "when fattened and subsequently marketed in early winter 1973, suffered losses between $100 and $200 per head."

At the turn of the year, he said, marketing stabilized and the backlog was fairly well worked down. Then the industry found itself in the midst of a trucker's strike.

"The distribution pattern was, once again, disrupted; market values were distorted," Priceman said. "There was an upward pressure for dressed cattle, an upward pressure for feeder cattle, all without the normal demand-and-supply relationship."

"In essence," he said, "the feeder currently is looking at a losing situation unless the prices on the wholesale market go up."

Who is making money?

"Nobody, right now," Priceman said.

The demand for beef, he said, has diminished with 1973 figures indicating about five pounds per person less consumption.

Priceman, like the feeder and the rancher, can't understand the ruling on the ban on DES which was based on parts of residue per trillion.

"I can't even understand parts per million, let alone parts per billion or trillion," he said.

Priceman also is a firm believer in a need for a change in grading standards which he terms "archaic."

"The standards were set many years back," he said.

Cattle are now marketed at a much younger age than when the standards were written.

REPORT FROM WASHINGTON

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ROYBAL. Mr. Speaker, I am pleased to include in the RECORD my March 1974 report from Washington to the residents of California's new 25th District. The report highlights some of the major legislative and national issues being considered by the 93d Congress.

The report follows:

REPORT FROM WASHINGTON

A FAIR ENERGY POLICY

The energy crisis has taken a heavy toll on hundreds of thousands of American workers who face unemployment and rising consumer prices. Recent labor figures show a jump in unemployment from 4.8% to 5.2%. This increase has thrown some 500,000 persons out of work, raising the total unemployed to 4.8 million.

This disturbing news came less than 48 hours after President Nixon promised the Nation "there will be no recession" this year. His optimism runs counter to warnings from his own economists who predict even higher unemployment and a general economic slowdown, at least during the first half of 1974.

Aggravating the crisis has been a growing suspicion expressed by many that the fuel shortage has been contrived. Studies reveal that fuel reserves are actually 9% higher than a year ago and that oil profits rose a staggering 55% last year. This has prompted some to ask whether the oil companies are enjoying "a feast in the midst of famine." The public has the right to know before paying even higher prices whether this shortage is a contrivance or a real crisis.

On the legislative front, the House passed a provision requiring fuel companies to disclose their reserves and production/distribution practices. This authority is but the first step in determining the extent of the shortage and developing a national energy plan which deals fairly with the American worker.

Mr. Nixon's sole appeal for consumer sacrifice is basically unjust, for it puts the brunt of the crisis on the shoulders of middle- and lower-income consumers while ignoring industry's energy waste. What we need is a program founded on fairness and equality of sacrifice which includes:

Assurance that current supplies are distributed fairly to all sectors of our economy.

Immediate halt on exports of any fuel products in short supply. It is reported that despite fuel shortages the administration continued to allow the exporting of oil and gasoline late last year at a rate of over 1.7 million barrels a month. A bill that I sponsored would make that ban mandatory.

Top level council to advise both Congress and the President on energy.

Repeal of corporate tax breaks for oil and gas exploration abroad, including the oil depletion allowance. A recent Congressional study found that these tax breaks have not been effective in stimulating the discovery of new oil sources. Rather they have cost the government $600 million to $1 billion in revenues.

Enactment of an excess profits tax on large energy producers and distributors to stop windfall profits.

Expansion of the public employment program, and special unemployment assistance to workers displaced by the energy shortage.

Mass transit operating assistance, particularly for high pollution areas such as Los Angeles.

These steps should help in our efforts to create a coherent and equitable policy—one that ends corporate favoritism at the expense of the American consumer and worker.

VETERANS BENEFITS

The House recently adopted major legislation to increase educational and training allowances for Vietnam veterans. For years I have strongly supported changes to strengthen veterans educational benefits, including increased assistance and formation of a veteran-run policy group.

The House bill represents an important stride in that direction, and will enhance opportunities for Vietnam veterans to compete in the job market. First of all, it would approve a five year $2.1 billion program raising educational benefits by 13.6%. This is a considerable improvement over President Nixon's recent budget proposal to increase educational allowances by only 8%.

The House bill contains other major provisions:

Increases the period of time during which veterans must complete their education from the present 8 years to 10 years,

Reduces the disability requirement for receiving vocational rehabilitation from 30% to 10%,

Allows prisoner of war veterans to exclude the period detained as a POW from the time restraints for completing their education.

The Senate is expected to hold hearings on the House-passed version later this month.

SOCIAL SECURITY

Over the past two years Congress has acted quickly to improve social security benefits through increases and additional safeguards. However, these advances have only been partially successful in protecting retirees and their spouses from poverty and loss of income.

The current social security law, for instance, requires a $1 reduction in benefits for every $2 earned above the $2,400 a year income ceiling. This $2,400 limitation has worked against retirees who need to work to offset increases in consumer costs. Recent figures show retirees on social security receiving on the average $2,000 a year in benefits. But even this income falls below the poverty level for older Americans.

This month I introduced a bill which would raise the amount of income a person can earn before losing social security benefits from $2,400 to $3,600 a year. It would continue the cost of living adjustment provision enacted under the 1972 social security amendments. The purpose of this bill is to help thousands of retirees on social security gain a more equitable and self-sustaining income. This change would provide an opportunity for retirees to improve their economic status while protecting their benefits.

BUDGET HEARINGS

Since 1971 I have been a member of the House Appropriations Committee. Regarded as one of the three key assignments in Congress, this Committee acts as a watchdog over federal spending. During hearings on the general government and foreign aid budgets, I found several instances of fiscal abuse:

GSA scandal

A federal investigation revealed that the General Services Administration had set up a "special referral unit" to hire staff on the basis of their political influence rather than qualifications. This practice violated federal law and subverted Civil Service merit principles. In questioning GSA officials, I found that special referral applicants had received favored treatment in several ways. Some had been appointed to jobs created especially for them; others were given "quick" appointments to get them on the payroll and short-circuit competitive hiring procedures. Almost all were appointed without providing an opportunity for other qualified applicants to compete for the positions. As a result of this investigation, the U.S. Civil Service ordered GSA to disband the referral unit and fire or suspend some 8 high-ranking employees who operated the unit.

South Vietnam aid

Since 1967 Congress has approved a total of $155 million in aid to South Vietnam's public safety program. Revelations in 1970 showed that a major part of the program involved the use of torture and mutilation as enforcement methods. Even war veterans pleading for better services were arrested and subjected to this experience.

Despite a formal agreement to end public safety support to South Vietnam, our government continued to provide funds under the guise of technical assistance. This practice was a subterfuge to carry out the same repressive projects of the past. For this reason, I attached a provision to the foreign aid bill which barred U.S. aid for the Vietnamese police and prison system.

White House fund

During hearings on the White House budget, I also discovered misuse of funds. In the past, Congressional courtesy permitted routine approval of the President's "special projects" fund at the rate of $1.5 million a year. While reviewing the account vouchers, I found instances of payments for illegal activities. In one case, convicted Watergate conspirator E. Howard Hunt apparently had been paid from this fund while involved in the so-called "plumbers" activities, including his participation in the Ellsberg break-in.

This evidence repudiated an earlier statement by White House aides who said the money had been spent only for drug prevention and financial studies. When these same officials refused to answer questions on the plumbers and other secret activities financed under the account, I was successful in having the special funds struck from the budget. I firmly believe that government officials who refuse to explain how funds are spent abuse their authority and public trust.

ECONOMIC STRATEGY

As the cost of living continues to soar with supermarket prices up 22% for the year, there is little doubt that the administration's Phase IV program has been disastrous for the American consumer, particularly the elderly. Now, there is the prospect of a Phase V under a remodeled cost of living council, minus mandatory controls.

A year ago, President Nixon promised to effectively check the rising cost of food. Today's figures prove the hollowness of that pledge. The administration has shown an anti-consumer bias in its practice of exporting U.S. grain at cut-rate prices.

The U.S.-Soviet grain deal alone cost the American taxpayer $379 million in subsidies and an estimated $1 billion in higher food prices. Despite rising food demands since 1971, the administration still pursued a detrimental policy of paying growers $4 billion not to farm 60 million acres of available land.

What all of these economic phases lack is a total strategy which strikes a balance between efforts to reduce the U.S. trade deficit and our need to keep down food prices. In a letter to the President I and other Congressmen urged that he meet with Congressional leaders of both parties to discuss U.S. trade policy and its effect on domestic prices. Hopefully, he will agree to this cooperative approach as a way to develop a balanced and long-range economic plan and avoid past administration mistakes such as the U.S.-Soviet wheat deal. An essential part of this plan is the adoption of income tax reform to close off corporation loopholes and the monitoring of food, health and fuel prices.

Two years ago I proposed emergency legislation to close the glaring loopholes in our federal tax system. Known as the "Tax Reform Act," this measure is needed even more this year to curb inflation and restore confidence in our tax structure.

BILINGUAL COURTS

In recent years we have seen significant advances in the area of bilingual rights. In January of this year the Supreme Court ruled that under the Civil Rights Act schools had to provide education to non-English-speaking children.

Now, there is a move in Congress to secure courtroom rights for millions of Americans who speak little or no English. A 1970 U.S. Civil Rights report documented the severe legal handicaps and unfair treatment facing language minorities in this country. Many, because of language and cultural differences, have been unable to participate fully in our courtrooms. This denial violates our constitutional safeguards and commonsense notion of justice. Basic fairness requires that a person must thoroughly understand all that is taking place in the courtroom if he is to receive equal justice under the law.

As a remedy, I introduced a Bilingual Courts Act reforming our federal court system. The bill provides that judicial districts having 5% or 50,000 non-English-speaking citizens, whichever figure is less, be designated bilingual. Each bilingual district would have qualified interpreters and simultaneous translation services. In cases involving indigents, the court would absorb the costs.

I am hopeful that Congress will reaffirm its commitment to bilingual reform and end the inequalities in our present court system.

MICHAEL FROME TESTIFIES ON ALEXANDRIA WATERFRONT

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1974

Mr. REUSS. Mr. Speaker, Mr. Michael Frome, conservation editor of Field & Stream, on April 30, 1974, gave testimony before the House District of Columbia Committee on legislation affecting the Alexandria waterfront that will be of interest to many Members.

He proposes that the waterfront be protected by establishment of a Potomac Heritage Gateway National Recreation Area "designed to commemorate the bicentennial of the founding of the United States, acknowledge the unique and integral historic role played by the city of Alexandria, and serve in respectful memory of George Washington."

Mr. Frome's testimony, giving the details of this exciting proposal, follows:

STATEMENT OF MICHAEL FROME

The legislation under consideration, HR 14043, is designed to dispose of United States lands along the waterfront of Alexandria, Virginia. I oppose the legislation on a variety of grounds, but above all on the principle that such federal property is far too valuable for public use to be disposed of for private profit. If this dangerous precedent is accepted in this instance, it may then be applied to public lands anywhere in America.

This particular issue was debated on the floor of the House on September 11, 1972, with reference to a previous bill, HR 15550, written with exactly the same purpose on the Alexandria waterfront. "I know of no other time in my experience in this body," declared Earl Cabell, of Texas, who then served on the House District Committee, "where land owned or claimed by the U.S. Government was ceded to another jurisdiction where they could then in turn develop that at a profit or even sell or lease this land to a private operator for private purposes." Other members of the House stressed the same point. "This bill is a giveaway to private interests. It is a travesty on the public interest. It ignores the need to protect the Potomac from activities that will further pollute it." So stated Representative John Moss, of California. And from Representative John Dingell, of Michigan: "This is not a bill to clarify title or to clear up ambiguities. This is a giveaway pure and simple. We would not be considering this bill today in the House of Representatives were it not a fact that there are many millions of dollars of real property at stake." It is little wonder the House so overwhelmingly (213–38) rejected HR 15550.

HR 14043 merits the same fate. It should be rejected by the District Committee before it is rejected by the House. The wrapping on the outside may glitter this time, but the substance of the package on the inside is as tawdry as before. It is equally unacceptable.

Speaking at the 100th anniversary celebration of Yellowstone National Park, held in 1972, Secretary of the Interior Rogers C. B. Morton declared as follows:

"One of the great social needs of America in the years ahead will be to provide refreshing recreational opportunities to the city dweller. We can no longer accept the premise that parks are where you find them; we must identify—and create—parks where people need them."

I endorse wholeheartedly this concept enunciated by the Secretary and can think of no more fitting place to apply it in practice than on the Alexandria waterfront. On October 5, 1973, Secretary Morton demonstrated a serious desire to proceed in this direction. On that date he publicly asked the Department of Justice to seek a court injunction in order to block development of a private facility—specifically a new warehouse of the Robinson Terminal Warehouse Corporation, a subsidiary of the Washington Post—from infringing on federal lands on the Potomac River waterfront.

This injunction was granted in court and the Washington Post was restrained from causing further environmental degradation. I endorse the action taken by the Secretary and his accompanying statement recognizing that "Much sentiment has been expressed in recent years for park and recreational uses of the area." Especially gratifying was his reaffirmation of public policy that "The Department of the Interior has urged for many years that park and recreation facilities be developed along this area of the Potomac River."

Now, at Interior's initiative, the Justice Department is proceeding with litigation to clarify the title issue. I understand the case is expected to go to trial in September, with a decision possible in January, 1975. It strikes me that until litigation runs its course, H.R. 14043 is premature, to say the least.

The Alexandria waterfront is the single most valuable undeveloped asset today in the Washington metropolitan area. Its greatest value, however, is not to be found through commercial exploitation but through preservation and historic restoration. This will best be done through solidification of federal title in the waterfront lands. Therefore, I invite and urge the City of Alexandria to join in working for a great new park, complete with footpaths and cycling trails. Certainly it would make a magnificent foreground to that city and contribute much to the quality of life.

My experience in land use leads me to believe strongly that public open space and recreational purposes would be far more desirable than private purposes. Open space is one cherished commodity that simply cannot be manufactured. Once it runs out it is gone forever. Should the land in question be lost to private development, the people of the community will pay an ever growing price in congestion, pollution of air and water, increased taxation for public utilities, and, of course, all these diminishing the quality of life.

Environmentalists have drafted legislation, which is now under study at the Interior Department and among concerned members of Congress, intended to resolve the waterfront issue. It would create a national park area at Alexandria designed to commemorate the bicentennial of the founding of the United States, acknowledge the unique and integral historic role played by the City of Alexandria, and serve in respectful memory of George Washington. I propose that we call this park the Potomac Heritage Gateway National Recreation Area. This concept offers many practical advantages. For one, the President and the Department of the Interior have plainly declared their goal of bringing federal parks into urban areas. It enables us to protect the Potomac heritage—in line with the broader legislation sponsored by Representative Gilbert Gude, of Maryland, a member of this subcommittee. Furthermore, as the Washington Metropolitan Area grows, it becomes apparent that a comprehensive trails network for biking and hiking is not only a major recreational asset, but a viable transportation route. Many people, given a safe and direct trial, would use bicycles for commuting, as they do in some of the capitals of Europe.

All factors considered, this is a national issue of consequence. Much time has been lost, but if we chart our course now we may get the project completed by 1976, the bicentennial of the Nation's independence. People are saving and restoring what they can of historic ports everywhere in America. The National Park Service has done a magnificent job at Salem Maritime National Historic Site in Massachusetts. Why not at Alexandria? The South Street Seaport Museum, along the East River in downtown New York City, encompasses five square blocks of cobbled streets and old red buildings which are now being restored for use. It is one of the most worthy endeavors of the Bicentennial. Why not in Alexandria?

In conclusion, perhaps the issues regarding the Alexandria waterfront, including park potentials and interstate aspects of the Potomac River, should properly be heard before the House Interior Committee. We may be appearing before that Committee before long. But if the hearings and studies conducted by the District Committee have stirred a sense of awareness and responsibility, they have served a constructive purpose.

WOMEN AND THE JUDICIARY: UNDOING "THE LAW OF THE CREATOR"

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Ms. ABZUG. Mr. Speaker, our country has long been blighted by sex discrimination, which continues to pervade our political and social institutions and our daily life. Much of it results from traditional stereotyped attitudes about the proper roles of men and women in our society. But these discriminatory attitudes do not rest only on tradition. They are perpetuated by sex bias that is imbedded in our laws and in the institutions which make and enforce our laws.

Ms. Doris L. Sassower, a prominent New York attorney, has written a very perceptive article about this problem of sex bias in the law. That article, in the February 1974 issue of Judicature, is entitled "Women and the Judiciary: Undoing 'The Law of the Creator.'" It points out that the courts, which have long perpetuated sex bias, have only a miniscule number of women. However, her article prognosticates that this pattern will change as the 12,000 women now attending law school move into, and begin to affect, the legal structure.

I believe her article contains much useful information and insight on this problem of sex bias in the law, and will be helpful to both Members of Congress and the public. I therefore include the text of the article at this point in the RECORD:

WOMEN AND THE JUDICIARY: UNDOING "THE LAW OF THE CREATOR"

(By Doris L. Sassower)

Long before talk of an Equal Rights Amendment, the judiciary defined the rights of women. Women's inequality in society has been reinforced by courts constituted so as to be unrepresentative of women and unresponsive to their needs.

The premise upon which most of the judicial decisions in this country concerning women's rights have been built was refined to perfection in *Bradwell v. Illinois*.[1] Decided in 1873, it was one of the first cases by the United States Supreme Court to uphold the constitutionality of state discrimination against women.

By more than coincidence, the case involved the application of a woman for a license to practice law. Only a woman of courage, prepared to accept the slings and arrows of the outrageous fortune besetting unconventional women, would have made so bold a challenge in that day and age. Myra Bradwell, however, was such a woman, and she wanted to be a lawyer. The Supreme Court sustained the denial of Bradwell's application by an Illinois Court, and Mr. Justice Bradley's memorable concurring opinion epitomized the thinking of our highest court. This was how he dismissed the contention that the Fourteenth Amendment conferred upon women the right to pursue any legitimate employment, including the practice of law:

"It certainly cannot be affirmed, as an historical fact, that this [the right to pursue any lawful occupation] has ever been established as one of the fundamental privileges and immunities of the sex. On the contrary, the civil law, as well as nature herself, has always recognized a wide difference in the respective spheres and destinies of man and woman. Man is, or should be, woman's protector and defender. The natural and proper timidity and delicacy which belongs to the female sex evidently unfits it for many of the occupations of civil life. . . . The paramount destiny and mission of woman are to fulfill the noble and benign offices of wife and mother. This is the law of the Creator".[2]

And so, judicial fiat, purportedly resting on divine intent, denied women the constitutional rights which our democracy granted all "persons." This led to the less than divine conclusion that, in fact, women were not persons under our Constitution. The principle of women as legal inferiors eventually became so deeply embedded in our case law as to defy elimination without amending the Constitution itself. A year after *Bradwell*, the Supreme Court in *Minor v. Happersett*,[3] denied women the right to vote under the Fourteenth Amendment. The struggle that ultimately led to passage of the Nineteenth Amendment was necessary to overturn that decision.

"PROTECTIVE" DISCRIMINATION

Although women were finally permitted to practice law (an event which, it turned out, did not provoke the wrath of the Almighty), and won their fight for the vote early in the twentieth century, echoes of *Bradwell* continue to reverberate in the judicial decisions of our land. Women are still subject to statutory disability and regulation in areas which touch almost every field of civil and criminal law. Much of this discrimination is sanctioned by established case law.[4]

The so-called protective labor laws constitute one area in which courts have upheld legislated inequality. Ostensibly designed to protect women from exploitation by employers through adverse working conditions, these laws have been used to protect women out of jobs, advancement and overtime pay.

The Supreme Court, in a number of cases starting with *Muller v. Oregon*[5] in 1908, sustained the constitutionality of state laws regulating the employment of women (but not men) as to maximum hours and weights to be carried, minimum wages, prohibition of night work, and in 1948, in the case of *Goesaert v. Clary*,[6] the prohibition of licensing of women (with certain exceptions) as bartenders. Apparently, the Supreme Court did not favor the idea of women at the bar—in more ways than one.

Women are also underrepresented in the jury box. Their participation in these vital bodies is severely limited by statute. In 15 states, including New York, women are entitled to automatic jury exemption on the basis of their sex alone. In Florida, women are exempt unless they have registered with the clerk of the court their desire to be placed on the jury list. In 1961, in *Hoyt v. Florida*[7] the Court reiterated the "woman's place is in the home" theme which kept alive statutes limiting women's participation as citizens in the jural process.

These laws and judicial decisions upholding them do more than treat women separately as a class. They treat women as *second* class in both their rights and their responsibilities as citizens. It is no easy task to alter ingrained cultural patterns of discrimination. But there are indications of late that judicial attitudes are changing. The most significant action is the Supreme Court's landmark decision on the controversial abortion issue,[8] which at long last gives women the right of control, not only of their bodies, but of their lives and destinies. Continuing what may be an emerging trend, the Supreme Court has agreed to review conflicting circuit court opinions whether mandatory maternity leave requirements are an unconstitutional denial of equal protection.[9]

SUSPECT CLASSIFICATION

Two other recent decisions offer further encouragement, but neither constitutes the long-awaited clear-cut precedent categorizing as "suspect" classifications based on sex. The unanimous decision in the 1971 case of *Reed* v. *Reed*[10] invalidated an Idaho statute which gave automatic preference to males when equally related relatives sought to administer an intestate estate. Yet, the effect of the decision was limited to prohibiting arbitrary discrimination against women, without holding that all discrimination against women is presumptively arbitrary.

More meaningful is the Court's 1973 decision in *Frontiero* v. *Richardson*,[11] in which four of the Justices (Brennan, Douglas, Marshall and White) moved past *Reed*, stating that "classifications based upon sex, like classifications based upon race, alienage, or national origin are inherently suspect, and must therefore be subjected to strict judicial scrutiny." The eight-one ruling in this case held unconstitutional a federal law requiring female members of the armed services to prove they were providing more than half of support of a spouse claiming medical and other military fringe benefits. Spouses of male service members were automatically entitled to such benefits under applicable law.

Unfortunately, the views of the four justices were not a majority opinion; four other justices concurred in the decision, but solely on the basis of the due process clause of the Fifth Amendment. Three of these members of the court explicitly refused to address

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Footnotes at end of article.

themselves to the suspect classification argument prior to conclusion of all state ratification procedures concerning the Equal Rights Amendment. Women may thus have to wait for a majority decision for as long as six years—the remaining time allowed for ratification.

In other women's rights cases the high court has considered recently, women have fared still less favorably. In 1972, the Supreme Court affirmed without opinion the decision in *Forbush* v. *Wallace*.[12] which upheld the denial of a driver's license upon application of a married woman in her maiden name. Rejected by implication was the contention that the Alabama state law requiring a married woman to take her husband's surname violated a constitutional right under the Fourteenth Amendment.

IMPERATIVE AMENDMENT

Just as the Nineteenth Amendment was needed to destroy the barriers to women's right to vote, so the Equal Rights Amendment remains an imperative—to establish equality on a solid basis, and put an end to the discriminatory practices and judicial interpretations which have perpetuated women's subordinate role.[13]

What other measures are needed? Probably the slowest course would be to wait for recognition of the rights of women to become part of the mental outlook of our judiciary. In the area of sex discrimination, the past and present performance of American judges—who are 99 per cent male—can, in the words of a recent law review commentary, "be succintly described as ranging from poor to abominable." [14]

Clearly needed is a substantial increase in the number of women lawyers and judges. When I addressed the National Conference of Bar Presidents in 1969.[15] I reported facts showing that at last count there were not many more than 8,000 women lawyers, and that out of roughly 10,000 judges in the United States, fewer than 200 were women, of whom the majority were concentrated in the lower courts.

Despite the fact that women outnumber blacks in the legal profession more than two to one, and more have been in it longer, by 1970 black judges already exceeded female judges, both in absolute numbers and relative to their proportion in the population, and had already achieved that which is still denied women: a seat on the U.S. Supreme Court. One might conclude that sexism is more deeply rooted than racism. But it is undoubtedly true that the head start the blacks' movement had over today's feminist movement has contributed to their success in that regard.

TOKENS

President Nixon had an unprecedented four opportunities to make the first appointment of a woman to the Court, but failed to do so.[16] Forty years after the first woman judge, Florence Allen, was appointed to a circuit court, there is still no increase in the number of women on that bench. Judge Shirley Hufstedler is the only woman presently sitting on a federal circuit court. Nixon's judicial appointments of women barely qualify as tokens. No wonder the talent pool of women candidates for the Supreme Court could be characterized as "small." [17] It is high time that federal and state executives recognize that the dearth of "qualified" candidates for appellate positions results from their failure to make significant appointments of women to the lower courts.

The habit of passing over women for judgeships is longstanding. In New York, when 125 new judicial vacancies for the city and state were created by the legislature in 1968, it was not seen as scandalous that women should fill only two of these posts.[18] More recently, an unprecedented three vacancies occurred on the court of appeals, the state's highest court, which has not had a woman judge since its inception in 1848. A major effort to correct this omission met with failure, despite backing by the governor.[19]

The fastest way for women to solve the problems of inadequate representation, it would seem, would be for them to become politicized. By sheer force of numbers, they could—if they put their votes to it—secure control of the judiciary, as well as the other branches of government, for in most states, as in New York, judges are popularly elected. This may well occur through the efforts of mobilized women organized in groups such as the National Women's Political Caucus and local political caucuses of women in each state.

But revision of methods of judicial selection is under active consideration at the present time. Changing the rules of the game, as women are waking up to their political potential, may be seen as less than cricket by some feminists, but women must ultimately benefit from what benefits society as a whole.

Students of the subject realize that many of the problems in our law and our courts derive from the method by which judges are chosen.

The elective system all too frequently makes judgeships the prizes in a contest of popularity or service to the party. The system of executive appointment suffers likewise from flaws inherent in its political nature, since expediency is no less a consideration to the appointive power, who generally must rely on the political leaders.

Screening panels represent a desirable innovation in the judicial process,[20] as does a restricted appointive system. The Missouri plan provides for non-partisan nominating commissions, mandatory appointment from among the nominees, and subsequent review of retention by the voters based on the candidate's record.

This system, while certainly a significant improvement, may have its own built-in defects. There is no assurance that either screening panels or Missouri plan commissions would themselves be immune from political or other considerations irrelevant to qualifications. In this context, sex may be a relevant factor, not in lieu of, but along with other qualifications. That may be the advantage offered women by screening panels which consciously embrace a cross-section of the populace. But if equality of representation is to be achieved in the here rather than the herafter, the catching-up process requires planned acceleration, goals and timetables.

Analogy might be drawn from the terms of a conciliation agreement recently signed by the New York Telephone Company requiring adherence to a rigid percentage formula calling for placement of women in managerial positions for 1973 as follows: 57 per cent of vacancies in the first level of management, 46 per cent in middle management, and 20 per cent on the highest level. These stipulations are intended, according to the attorney general's office, "to correct a system of hiring and promotion which previously restricted women to inferior positions within the company." [21]

Apply such an approach to the three levels of the judiciary in the state and federal system and women would more likely feel that there is justice for them in the courts.

EQUAL OPPORTUNITY

Yet the most attractive system of judicial selection is the one used in most of the free world nations: a non-political professional judiciary is chosen after competitive qualifying examination, advancement is predicated on promotions determined by experience and proven ability.[22] In the long run, such a method of selection would assure equality of opportunity on the bench for all equally meritorious segments of society.

True, women in law, as in other professions such as medicine, dentistry and engineering, still comprise a pitifully small percentage.[23] The major cause of this situation has been the prejudice that legislatively and judicially denied women the free choice of a career at the bar. This prejudice as been evident in the unmasked hostility of law schools which refused them admission or subjected them to arbitrary quotas; law firms which refused to hire them or degraded them with inferior, lower-paying positions; and brethren who refused to admit those who had overcome the initial hurdles into the organized associations of the bar, and humiliated even those women who had attained the pinnacle of the profession.[24] Florence Allen, the only woman ever to attain a chief judgeship of a United States circuit court, recounts in her autobiography, *To Do Justly*, that because of her sex she was unable to gain acceptance even from her junior colleagues on the bench.

Women lawyers have reached a turning point in the new thrust for women's equality. Their tribe is increasing with a vigor that may produce in this decade women lawyers in numbers exceeding all expectations. Enrollment figures recently released by the American Bar Association show more than 12,000 women attending law school for 1972–73, a seven-fold increase over a decade ago, more than double that of 1970. First-year women law students, more than 5,000 this year, demonstrate a dramatic upturn, an increase of 27 per cent over the figure of just two years ago. Something new, too, are feminist law firms, formed by women for the specific purpose of undertaking sex discrimination cases, and which give women a kind of representation they have sorely lacked in the past.

Old attitudes, unlike old soldiers, sometimes neither die nor fade away. Judges, law deans and bar presidents are still prone to speak of "a man who . . ." in describing the person needed for a particular job. My own New York City Bar Association, one of the most sensitive to women's rights since its formation of a Special Committee on Sex and Law which gives concentrated attention to matters of sex distinctions in the law, was until quite recently still addressing its new members as "Dear Sir:."

VESTIGIAL BIAS

It is because of such subtle, often unconscious, vestigal bias that women lawyers have brought suits against—

Discriminatory employers, as they did in New York City, against 10 major law firms whose hiring and recruitment practices contravened fair employment laws;

A State Board of Examiners for discriminatory administration of the state bar examination;

A metropolitan bar association for discriminatory membership rules which excluded members of the female sex.

It was to serve notice that such blatant discrimination was intolerable in a profession dedicated to the principle of equal justice for all that in 1971, as head of the National Legal Task Force of the Professional Women's Caucus, I filed charges under Federal Executive Order #11375, against all law schools in the country within the purview thereof for discriminatory practices and policies in faculty hiring, student admissions and financial aid.[25]

There are encouraging signs that the profession has begun to respond. The major organizations of the bar have formed special committees to deal with the problems presented. In August 1972, I addressed the House of Delegates of the American Bar Association, a privilege accorded a woman nondelegate only once before in the 96-year his-

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Footnotes at end of article.

tory of the Association. I spoke in support of a resolution of the Section of Individual Rights and Responsibilities which called for affirmative action by law schools and law firms to end discrimination against women students and women lawyers. This resolution had already been voted down by the ABA's Board of Governors, but it was adopted overwhelmingly by the House and is now official ABA policy.[26] Similar resolutions have been adopted by the Association of American Law Schools which, under threat of deaccreditation to violators, has succeeded in barring recruitment at member law schools.

Congress' new Higher Education Act of 1972 explicitly authorizes, effective July 1973, termination of federal aid to federally funded graduate and professional schools, including law schools, in event of discriminatory admissions. The new Equal Employment Opportunity Act of 1972 at last gives muscle to the Equal Employment Opportunities Commission, which can now file suit in district court on behalf of an individual, or class of persons similarly situated, to compel compliance with prohibitions against sex discrimination.

These new laws are milestones of progress. But there remains a long distance to travel. The guideposts to our destination are: passage of the Equal Rights Amendment, more women on the bench, and greater sensitivity by judges and legislators to the problems of sex discrimination. With such continued effort, "the law of the Creator" may yet be redefined to conform with the perceptions of 1974, rather than those of a hundred years earlier. Justice in our courts requires no less.

FOOTNOTES

[1] 83 U.S. (16 Wall.) 130 (1873).

[2] *Id.* at 140–142.

[3] 88 U.S. (21 Wall.) 162 (1874).

[4] For chapter and verse, see L. Kanowitz Women and the Law: The Unfinished Revolution, (1971), *reviewed*, Sassower, 2 Human Rights 199 (1972).

[5] 208 U.S. 412 (1908).

[6] 335 U.S. 464 (1948).

[7] 368 U.S. 57 (1961). *But see* concurring opinion of Mr. Justice William O. Douglas, in Alexander v. Louisiana, 405 U.S. 625 (1972) arguing against the constitutionality of exempting women as a class from jury service.

[8] Roe v. Wade, 410 U.S. 113 (1973); Doe v. Bolton, 410 U.S. 959 (1973).

[9] Cohen v. Chesterfield County School Bd., 474 F. 2d 395 (C.A. 4th Cir. 1973) cert. granted. 411 U.S. 947 (1973) jointly with Cleveland Bd. of Educ. v. La Fleur, 465 F. 2d 1184 (1972).

[10] 404 U.S. 71 (1971).

[11] 411 U.S. 677 (1973.).

[12] 341 F. Supp. 217 (1971).

[13] The case for the Equal Rights Amendment is comprehensively stated in Brown, Emerson, Falk, and Freedman. *The Equal Rights Amendment: A Constitutional Basis for Equal Rights for Women,* 80 Yale L.J. 871 (1971). Further useful analysis is provided by the Committee on Civil Rights and the Special Committee on Sex and Law, N.Y. City Bar. Assoc., Report on the Equal Rights Amendment (1972).

[14] J. Johnston & C. Knapp. Sex Discrimination By Law: A Study in Judicial Perspective, 46 N.Y.U.L. Rev. 675 (1971).

[15] Address by Doris I. Sassower, National Conference of Bar Presidents, Chicago, Illinois, January 25, 1969, in 115 Cong. Rec. 2934 (1969).

[16] For an unsubdued journalistic reaction to this failure, see *The Court Nominations . . . an Insult to Women,* The Michigan Daily, Oct. 23, 1971, editorial page.

[17] *President Bypasses Women; Talent Pool Small.* New York Times, Oct. 22, 1971, at 1.

[18] The complaint was presented by the writer to the National Conference of Bar Presidents and reported in a news dispatch at the time. Further details concerning this incredible event appear in Sassower. *The Legal Profession and Women's Rights,* 25 Rutgers L. Rev. 54 (1970).

[19] *Governor Pushes Woman for Court,* New York Times, Mar. 25, 1972, at 25, col. 3. The denouement may be derived from an article entitled *G.O.P. Chooses 3 For Appeals Court-Nominates All-Male Slate Despite Governor's Plea; State Democrats Name Three Men for Appeals Bench, With a Women Running Fourth,* New York Times, April 4, 1972, at 34, col. 1–8.

[20] Screening panels may serve a purpose even where their recommendations are, in effect, advisory only. *See* Sassower, *Judicial Panels: An Exercise in Futility?* New York Law Journal, Oct. 22, 1971, at 1.

[21] *Telephone Company Agrees to Pact on Women's Jobs,* New York Law Journal, Apr. 24, 1973, at 1.

[22] The only other known proponent of the continental method is Hon. Aron Steuer, a senior justice of the Appellate Division, First Department, whose views were eloquently stated in an unpublished speech entitled, "On a Method of Selection of Judges," presented April 12, 1973 at the Association of the Bar of the City of New York.

[23] For the specifics, *see* Sassower, *Women in the Professions,* Testimony Before the New York City Commission on Human Rights, published by the Professional Women's Caucus, reprinted in Women's Role in Contemporary Society (1972).

[24] Various discriminatory practices by the legal profession against women are described in Sassower, *Women in the Law: The Second Hundred Years,* 57, A.B.A.J. 329 (1971).

[25] *Law Schools Charged With Sex Bias,* Milwaukee Journal, Apr. 18, 1971: *Sex and the Law,* San Francisco Chronicle, May 17, 1971: Ms. Sassower 1. American Law Schools, Pro Se, Feb. 1972.

[26] Transcript of the proceedings of the A.B.A. House of Delegates, 4th session, August 17, 1972.

This article was based on an address presented to a Law Day Convocation at Akron University Law School, May 3, 1973.

SAL VEDER—PULITZER PRIZE WINNER FOR PHOTOGRAPHY

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. WALDIE. Mr. Speaker, today the names of the 1974 Pulitzer Prize winners were made known. I am delighted and proud that an old friend of mine, Sal Veder of the Associated Press' San Francisco Bureau, has been awarded this year's Pulitzer Award for feature photography.

Sal Veder's prize-winning photo shows the greeting given Lt. Col. Robert L. Stirm, a Vietnam prisoner of war, as he was met by his family at Travis Air Force Base on March 17, 1974.

The photo is perhaps the most moving of all the pictures taken during those many greeting as the POWs returned to their families.

It is a photo that will always come to mind when the emotions and the history of that occasion are recalled by all of us.

Mr. Speaker, Sal Veder richly deserves this, the highest award in journalism.

He has been with A.P. for the past 13 years covering many significant news events including the war in Southeast Asia, recovery of a number of space flights and the 1972 Winter Olympics.

Sal Veder has been a resident of Martinez, Calif., for a number of years. He has been an active participant in community affairs and, Mr. Speaker, he is a real gentleman, a true friend.

Again, I am delighted for and I am proud of Sal Veder—Pulitzer Prize winner.

CAB WORKS AGAINST THE PUBLIC INTEREST

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. LEGGETT. Mr. Speaker, the U.S. Government includes a number of independent regulatory agencies which have been set up to represent the public interest. Unfortunately, it is becoming increasingly evident that a number of these agencies consistently act in the interests of the "regulated" industries and against the public interest.

One of the worst offenders is the Civil Aeronautics Board, Instead of setting maximum fares and minimum standards required to justify the fares, the CAB sets minimum fares and maximum service which can be provided at a given fare. The results of this anti-American people policy are, predictably:

First, the most inefficient and incompetent airlines are able to stay in business;

Second, many airlines make astronomical and undeserved profits; and

Third, the public pays inflated prices for inferior service.

A year ago I addressed the subject of how the CAB prevents the American people from receiving the low cost air charter vacations available in Europe, and which the American charter lines are eager to provide if they were allowed to do so. Today I turn to the CAB's disastrous interference with the scheduled airlines.

The CAB uses a basic price formula of $19.25 per passenger plus 4.95 cents per passenger-mile. Airlines are not permitted to charge below this rate on interstate flights.

Because of the great length of my home State of California, it is possible to operate there a large variety of flights over varying distances entirely within the State, and thus exempt from CAB regulation. One airline, Pacific Southwest Airlines, operates modern jets entirely within the State, provides better service than the interstate airlines at half the CAB rates, and makes a handsome profit while doing so.

Writing in the Washington Post, on April 14, John T. Harding incisively and conclusively demonstrates that the CAB is keeping fares artificially high and acting counter to the public interest by doing so. I insert his article in the Record at this point:

Why Are Airline Fares Lower in California

(By John T. Harding)

(Mr. Harding is a physicist who works for the Federal Government.)

Recent articles in the Washington Post have dealt with the increasing cost of traveling by air. This week the CAB granted its airlines a 6% surcharge to compensate for rising fuel costs; in July short haul fares will rise dramatically. A comparison of CAB regulated fares and California intrastate fares (which are regulated by the California Public Utility Commission) suggests that short haul fares are already substantially higher that they need to be.

Upon moving to Washington from Southern California five years ago, I discovered that it cost over twice as much per mile to travel by air in the Northeast as it did in California. In fact, it costs more per mile to travel by bus here than by air in California. Fares have risen in both regions over the past years, but the aforementioned relationships are still valid.

Reporting on its four year passenger fare investigation, the CAB claims that its carriers' short-haul fares are not high enough, that long-haul passengers are in effect subsidizing the short-haul passenger.

CAB carrier costs are summarized in a "cost based" formula: \$19.25 + 4.95¢/mile. Now for the first time, a basis exists for comparing costs of CAB and intrastate carriers. Previously whenever fares in high density markets were cited as being unnecessarily high the airlines responded that they were subsidizing low density markets.

The CAB has decreed that cross-subsidization of markets is unacceptable and has obviously concluded that costs depend on distance alone and are independent of traffic density. The table attached compares intrastate fares wtih CAB costs on the basis of distance.

The intrastate fares shown are those currently in effect on Pacific Southwest Airlines, the dominant intrastate carrier in the California corridor. Since PSA is strictly a short-haul airline (all routes under 500 miles) and has never failed to make a profit on its airline operations, it is inescapable that PSA's costs are about half as great, at every distance from 65 to 480 miles, as those claimed for CAB carriers.

Why should a person be able to fly from Los Angeles to Fresno for \$15, yet pay twice as much to fly the same distance from Washington to New York? Surely major trunk carriers are not paying twice as much for Boeing 727 aircraft as PSA, or twice the interest rate on their bank loans.

Apparently operating costs are several times greater for CAB carriers than for California intrastate carriers. Yet a review of those circumstances over which the airlines have no control would make it appear that operations are intrinsically more difficult in California than in the Northeast, for example. Since this conclusion is at odds with conventional wisdom, consider the following information:

Myth: Northeast corridor airports are more congested than those in California.

Fact: Los Angeles International airport in fiscal 1972 produced 32% more flight operations and 7% more passenger enplanements than the busiest New York airport.

Myth: The airspace around the Northeast corridor cities is more congested.

Fact: No less than five airports in the Los Angeles area each experiences more total aircraft operations than any airport in the New York area. If all airports in the metropolitan areas are included, Los Angeles regional airports produce twice the number of aircraft operations as those in the New York area.

Myth: Northeast corridor airports experience unusually poor weather conditions.

Fact: The Los Angeles area experiences over twice as much "Instrument Flying Rule" weather conditions as New York, Washington or Boston.

Myth: CAB airlines are subject to more stringent safety requirements than intrastate airlines.

Fact: Safety regulations are imposed by the FAA and are identical for all commercial passenger-carrying airlines. PSA and Air California have flown 15 billion revenue passenger miles without a single passenger fatality, a safety record that few CAB airlines can match.

Myth: CAB airlines provide a higher quality of service than the intrastate carriers.

Fact: PSA and Air Cal presently command 80% of the Los Angeles-San Francisco market, despite the fact that their fares are no lower than the intrastate fares of their numerous CAB competitors, United, TWA, Western, Continental and Air West. These airlines compete on the basis of service and it is clear that 80% of the passengers find the intrastate airlines superior with respect to punctuality and service. By comparison, travel on the Eastern shuttle is spartan.

Lest anyone conclude that this low cost service in California is a small scale phenomenon which is not relevant to the Northeast, the following statistics should be noted:

The California air corridor is the most heavily travelled in the world. In fiscal 1972 there were 5.5 million origin-destination air passengers between the Los Angeles and San Francisco metropolitan areas, as compared to 2.0 million between New York and Boston and 1.7 million between New York and Washington. The number of passenger miles flown by PSA alone exceeds the sum total to all origin-destination air traffic within the Northeast corridor (including every airline and every city between Boston and Richmond).

In 1973 PSA transported 6.4 million revenue passengers—a total of 1.9 billion revenue passenger miles. That is more passenger miles than any CAB local service carrier except Allegheny and more passengers than Continental, and almost as many as Braniff, National or Northwest.

Finally, it is irresistible to point out that had PSA collected \$19.25 per passenger and 4.95¢ per passenger mile in 1973, its airline revenues would have totalled \$218 million instead of an actual \$95 million. The difference of \$123 million is the amount those lucky 6 million Californians saved by not having the CAB regulate air travel within California.

From the foregoing I conclude that there is no intrinsic reason why air fares cannot be as low here as they are in California. Comparing the CAB cost formula and the PSA fare structure, one is forced to conclude that the CAB carriers are annually incurring at least four billion dollars of expenses which are unnecessary to the providing of safe, dependable high quality air transportation. That is a staggering cost to pay for regulation!

The CAB's primary concern is to see that none of its proteges fail financially. Consequently, fares are set high enough that even the most egregiously inefficient airline does not suffer the bankruptcy it deserves.

By contrast, the California Public Utilities Commission has been concerned primarily with the public interest. Traditionally it has regulated fare increases but not decreases, and has not inhibited entry or exit of airlines in the California market. Consequently, any number of intrastate airlines which could not meet the prices set by the most efficient carriers have had to terminate service.

The net result has not been chaos as predicted by the CAB, but a highly dependable, safe and inexpensive air travel system within California. This could not have occurred without some regulation, but the objectives of the regulation have had a profound impact on who is benefited.

Airline stockholders should be very grateful to the CAB. The public must look elsewhere for their interests to be served.

City pair	Distance (miles)	Intrastate fare [1]	CAB cost [1]
Stockton-San Francisco	65	\$7.64	\$22.47
Los Angeles-San Diego	101	7.64	24.25
Fresno-San Francisco	164	10.32	27.37
Fresno-Los Angeles	213	15.05	29.79
Los Angeles-San Francisco	347	16.43	36.43
San Diego-Sacramento	480	24.31	43.01

[1] Exclusive of 8-percent tax and security charge.

COMMUNITY INVOLVEMENT: KEY TO SUCCESSFUL CELEBRATION OF CINCO DE MAYO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ANDERSON of California. Mr. Speaker, for those of us in southern California, Cinco de Mayo is an especially significant holiday. For the observance of this Mexican holiday is not only a time to reflect upon our appreciation of past heroic deeds of our southern neighbors, but also a time to be more aware of the numerous contributions of those people in the development of our Nation.

Much has been written about the importance of the victory in the small town of Puebla on May 5, 1862, when a small, courageous band of ill-equipped and outnumbered Mexican patriots dedicated their lives to fight for the preservation of their national freedom.

While it is significant that much valuable time was gained for the Mexican government of President Benito Juarez resisting the foreign domination of the French armies of Napoleon III, it is more important to realize what can be accomplished through the combined efforts of dedicated individuals striving for a common goal.

Therefore, it is very gratifying for me to know that the observance of this important Mexican holiday is continuing to surpass previous celebrations. This year in Los Angeles many thousands of people, including several communities in the Harbor area, attended the colorful fiesta welcoming the Chief of the Federal District of Mexico City, Octavis Senties.

In Compton, the first city in the United States to recognize Cinco de Mayo as an official city and school holiday, they commemorated this 3-day fiesta with assemblies, plays, dancing and a parade.

In the harbor area the Association of Mexican American Educators selected this significant day for their annual scholarship fund-raising dance.

Also, I am pleased to note that the city of Gardena held their very first official celebration this year. Therefore, it is gratifying to know that their fiesta was a tremendous success befitting the countless hours of preparation put into this gala affair.

Naturally, much of the success should be attributed to the community leaders who helped organize this fiesta: Joe

Prieto, general chairman; Cruz and Helen Barajas, public relations; George Castro, publicity; Kathy Martinez, art exhibit director; Claudia Ortiz and Mario Cordero, theater; Ann Ramirez, dance coordinator; Mary Almaraz, decoration; Louise Alvarado, booths chairman; and Al Ortiz, master of ceremonies.

However, the key to this and any function is total community involvement. And, indeed there was community involvement with the preparation of this event by numerous dedicated individuals, including all of the city officials and the municipal activity and its staff. Countless hours were spent in rehersals; making hand-sewn costumes; building, painting, and operating booths; advertising and clean-up operations all culminating into a joyous community event. The high point of the day was the crowning of Gardenia's Cinco de Mayo queen, Corine Chavez. The community involvement can be symbolized by the unveiling of an art mural comprised of the individual contribution of the numerous members of the Gardena Teen Post.

Mr. Speaker, the Cinco de Mayo is indeed a day of celebration. I take pride in joining with the millions of Mexican Americans in observing this important holiday. May it always serve as a means of rededicating ourselves to our common ideals of freedom while facilitating an opportunity for fellowship by community involvement.

The greatness of America remains the amalgamation of numerous ethnic groups wtihout the loss of cultural identification.

POLITICAL POSTURING?

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. GOLDWATER. Mr. Speaker, there appeared on the editorial page of the April 30 edition of the Wall Street Journal a commentary by Mr. Albert R. Hunt entitled "Liberal Gamesmanship in Congress." This article is important both for what it says and for what it implies, particularly for some of my political associates. Mr. Albert points out that there are several major proposals currently being recommended to the Congress and the country that may not be as beneficial as the proponents would like us to believe. He flatly states that some of the proponents are taking contradictory and counterproductive positions on the same issue. His strong implication is that the fallacies of these proposals are crying for challenges and responses.

The message this article has for the Republican Party is clear and basic. Our party cannot continue to concede political leadership and default the control of major issues and problems. And, we cannot give in to the temptation to assume public positions on an issue or proposal simply because of apparent political expediency. The Watergate controversy has caused many of my colleagues to retreat to positions of passiveness and meekness that they wish they could describe as positions of intelligent, low profile and the quiet approach. Because of my deep concern for what I see happening to some of my colleagues and to our Nation, I commend Mr. Hunt's article to you for your consideration:

[From the Wall Street Journal, April 30, 1974]

LIBERAL GAMESMANSHIP IN CONGRESS

(By Albert R. Hunt)

WASHINGTON.—No one, Henry Kissinger has said, possesses more of a penchant to work against their own self-interest than the French. But then, maybe the Secretary of State doesn't know congressional liberals very well.

Recently numerous Capitol Hill liberals have almost been tripping over one another to push plans that may have political appeal but which, on closer examination, seem clerly counterproductive to their own expressed interests.

Two excellent examples surfaced last week. In one, liberals are seeking to extend some wage and price controls beyond tonight's scheduled expiration, and in the other they're proposing an across-the-board personal tax cut. The Senate will vote tomorrow on continuing controls and the tax cut measure probably will be taken up next week.

Prospects for quick congressional clearance of either measure are doubtful. But the posturing of liberals on these two issues offers little hope to anyone expecting clear-cut and rational alternatives to the Nixon administration economic policies that have clearly failed to control inflation while producing a sharp drop in the first quarter gross national product.

"The liberals are hypocritical on these issues," laments a labor lobbyist who's fighting any controls measure and would like any tax cut to include some tax reform as well. "They're admittedly playing politics and I'm not sure it's even good politics."

DOING SOMETHING

The last-minute effort to extend controls, following lopsided votes in both the House and Senate Banking Committees to end controls tonight, came after the Easter recess, when some Congressmen apparently received an earful of complaints about rising prices. Their solution was to come back to Washington and at least appear to be doing something about the problem.

Yet many of these same lawmakers have been the harshest critics of the current controls, agreeing with organized labor's somewhat justifiable charge that the burden has fallen disproportionately on workers. Liberal Republican Sen. Jacob Javits of New York, for example, criticizes the "abuses and mishandling" in the administration of wage-price controls over the past year. The recent decline in workers' real purchasing power offers solid support for such complaints.

In view of their distaste with the way the program has been run, what new controls formulas have these legislators discovered?

Under their proposal, pushed primarily by Senators Edmund Muskie (D., Me.), and Adlai Stevenson (D., Ill.) controls in any economic sector could be reimposed if the President makes three findings: one, that there is serious inflation generally; two, that inflation in that particular sector would lead to "serious hardship and deprivation," and, three, that the need for controls outweighs potentially adverse effects on supply.

If this seems vague and general, it is. Even some supporters acknowledge that it pretty much boils down to giving another blank check to the same people who supposedly have been doing such a bad job for the past year.

When asked what confidence he has this new program would be administered any better, Sen. Muskie simply replies that this is "irrelevant . . . our job is to give him [the President] a tool we think he ought to have and he ought to use."

Sen. Muskie has fathered a new definition of relevancy. Even if controls are needed to stop raging inflation and even if it's desirable to have a more orderly decontrol process, the notion that a President should again be given sweeping powers to affect people's lives with little regard as to how that power will be utilized isn't a very encouraging sign in the age of Watergate.

In the same vein, moreover, many sponsors of this move have rather eloquently decried Executive usurpation of Legislative prerogatives. But when Congress' response is to duck responsibility repeatedly by turning over broad grants of power to the Executive, these complaints ring rather hollow. There's no doubt that it would be far tougher and more politically perilous for lawmakers to try to legislate a specific controls program. But it at least would show a semblance of Legislative responsibility sorely lacking at the moment.

Actually, the primary short-run effect of this latest effort may well be to cause anticipatory wage and price hikes and thus worsen an already bad inflation. "Businessmen and unions will be encouraged to grab everything they can while the getting is good, so they will be in a good position if controls are reimposed," worries a top Treasury official.

All of which lends credence to Senate GOP Whip Robert Griffin's charge that the Democrats (with some Republican help) are playing "pure, unadulterated politics." If these legislators really believe in controls, "they should put their program into effect," the Michigan Republican says, but instead they want to "give broad unlimited authority to the President so that they [can] criticize him later."

(Lest anyone think the Democrats have a monopoly on such games, if the resurrection of controls fails, be prepared in a few months for some Republican officeholder to criticize Congress for failing to give the President the necessary tools to combat inflation. That individual will be a leading contender for any "Hypocrite of the Year" award.)

Similar gamesmanship is evident on the tax cut issue. Ten days ago, the Washington offices of Democratic Senators Edward Kennedy of Massachusetts and Walter Mondale of Minnesota proudly heralded a joint tax cut proposal. At the time, Sen. Kennedy was in Moscow and Sen. Mondale in Paris, but such geographic inconveniences didn't halt the press release bandwagon.

The Kennedy-Mondale proposal, intended to spur the economy out of any recession, would raise the personal income tax exemption to $825 a year from $750, or give taxpayers the option of taking a $190 tax credit instead. (A credit is taken off of tax liability and thus is more valuable than a deduction, which is subtracted from taxable income.) This will be offered in the Senate as an amendment to a minor tariff measure next week, and if passed, would provide a $5.9 billion tax cut, retroactive to January.

Apart from arguments made by the administration and others that this would be inflationary, it's questionable whether this is the sort of tax cut two staunch liberals ought to be pushing. A $75 increase in the personal exemption, after all, is worth $52.50 to someone in the 70% tax bracket, but only $10.50 to a taxpayer in the 14% bracket. While it's true, as the Senators note, that more than 81% of the benefits would go to persons making less than $15,000 a year, the converse is that almost one-fifth would go to individuals making more than $15,000.

To be sure, the alternative, a tax-credit, would favor less well-off taxpayers. But some Senate insiders believe there's a good chance this new concept will be stripped away in favor of an increase in the personal exemption.

WHAT'S POLITICALLY PALATABLE

Further, from the liberals' vantage point, it should seem more desirable to cut tax rates for lower- and some middle-income taxpayers instead of taking this blanket, across-the-board route. Maybe so, answer supporters of the Kennedy-Mondale proposal, but that's not as politically palatable as the more easily understood increase in the personal exemption.

But an even greater concern to these liberals, it would seem, ought to be that a tax cut, by itself, sharply diminishes prospects this year for any significant tax revision, supposedly one of their prime political goals.

In the real world of politics, the stick of loophole-closing almost invariably has to be accompanied by the carrot of personal tax cuts.

That is why some strong advocates of tax revision fear the liberals could be scoring political points now at the expense of more far-reaching achievements later. "What bothers us is that it's easy to vote tax relief, but the hard thing is to vote for substantial tax reform," says Robert Brandon, head of Ralph Nader's tax reform research group. "Certainly, reform should be quid-pro-quo for relief." (Several liberal lawmakers, such as Wisconsin's Gaylord Nelson in the Senate and California's James Corman in the House, take precisely this position.)

As with controls, of course, it's a lot more difficult and less politically appealing to hammer out revenue-raising tax changes to accompany the more popular personal reductions. But, to paraphrase President Nixon, politicians shouldn't always take the easy way out.

With one shocking revelation piling upon another, it's understandable why the Nixon administration is in such disrepute today. But when Congress chooses cheap and careless politics over filling the leadership void, it's no wonder that it's held in equally low esteem.

NIXON IMPEACHED BY NIXON

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. LEGGETT. Mr. Speaker, the very incriminating evidence contained in the recently released transcripts should not cause us to lose sight of the fact that President Nixon had previously admitted to a number of highly impeachable offenses.

I have discussed two of these offenses, and the airtight case we would have for impeachment even if there were no tapes and no John Dean, in an article I wrote for the May 1974 issue of the Progressive magazine. I insert the article in the RECORD at this point:

NIXON'S CASE AGAINST NIXON

(By ROBERT L. LEGGETT)

Since the release of the recent Watergate indictments, public attention has focused on the Grand Jury's sealed report to Judge John Sirica, which is now in the hands of the House Judiciary Committee, on the tapes to which the Grand Jury has listened, and on the apparent contradiction between two of President Nixon's statements concerning his awareness of "hush money" paid to the Watergate conspirators. If the tapes and other evidence show that the President, in discussing the possibility of paying a million dollars in hush money, did not reject the proposal on moral or legal grounds, what remains of his ability to govern will be destroyed immediately and completely.

But the evidence of the tapes is not necessary for his impeachment. Neither is the testimony of John Dean. Without the tapes, without further testimony or investigation, we have even stronger evidence against Nixon than the Justice Department had against Spiro Agnew: I believe Nixon has *publicly confessed* to at least one impeachable high crime and at least one impeachable high misdemeanor.

I. OBSTRUCTION OF CRIMINAL INVESTIGATION

On May 22, 1973, President Nixon issued a statement which read in part, "Within a few days [after the Watergate burglary] . . . the name of Mr. Hunt had surfaced in connection with Watergate, and I was alerted to the fact that he had previously been a member of the Special Investigations Unit [the "Plumbers"] in the White House . . . I instructed Mr. Haldeman and Mr. Ehrlichman to ensure that the investigation of the break-in not expose . . . the activities of the White House Investigations Unit."

Thus, according to Nixon, he knew shortly after the burglary that F. Howard Hunt was a member of the Plumbers, that Hunt was involved in the Watergate burglary, and that the Plumbers were, therefore, prime targets for the FBI investigation. But instead of allowing this investigation to proceed, Nixon by his own admission attempted to kill it. This is an open-and-shut case of deliberate obstruction of a criminal investigation, punishable under Federal law by up to five years' imprisonment and a $5,000 fine, and clearly an impeachable high crime.

If the attempt at obstruction had succeeded, the entire series of Watergate-related scandals might have been swept under the rug. H. R. Haldeman, John Ehrlichman, and Dean attempted to carry out the President's instructions by persuading FBI Director L. Patrick Gray that the investigation should be dropped. They claimed that vital, secret CIA operations in Mexico would be compromised if the FBI investigated the "Mexican laundry" through which funds had passed on their way from the Committee to Re-elect the President to the Watergate burglars. The obstruction failed when the CIA refused to cooperate, pointing out it had no operations in Mexico that could be endangered.

Since there can be no dispute of the facts, the intent, or the law, Nixon pleads the extenuating circumstance of overriding national security considerations. In the course of his May 22 confession, he sought to justify his high crime by saying, "I was concerned that the Watergate activity might well lead to an inquiry into the activities of the Special Investigations Unit itself. In this area, I felt it was important to avoid disclosure of the details of the national security matters with which the group was concerned. I knew that once the existence of the group became known, it would lead inexorably to a discussion of these matters, some of which remain, even today, highly sensitive."

But the Plumbers had no legitimate claim to special treatment. They were not a legitimate national security agency in terms of: (1) their charter—they had no Congressional authorization as a national security or police agency, and the President has no power to grant such authority on his own; (2) their funding—on at least one occasion (the Ellsberg psychiatrist's break-in), the Plumbers operated not on government funds, but on Republican campaign money, and illegal milk money at that, and (3) their behavior—on at least one occasion (Hunt's forgery of cables designed to implicate President Kennedy in the Diem assassination), the Plumbers attempted falsely to discredit the Government of the United States and a former President of the United States. So even if national security organizations had the power to set themselves above the law, which they do not, the Plumbers were disqualified because of their lack of legal authority, their private partisan funding, and their partisan behavior.

Moreover, we must remember that the investigation Nixon attempted to obstruct was being conducted not by the newspapers but by the FBI. It is not credible to claim the FBI cannot be trusted with national security information; it is positively zany to claim that information given to the likes of Hunt and the Watergate burglars—most of whom didn't even have security clearances—would be compromised by allowing the FBI access to it.

II. VIOLATION OF UNITED STATES CONSTITUTION AND OF OATH OF OFFICE

Let us turn once again to President Nixon's May 22 statement: "On June 5, 1970, I met with the Director of the FBI, the Director of the CIA, the Director of the Defense Intelligence Agency, and the Director of the National Security Agency. We discussed the urgent need for better intelligence operations. I appointed Director Hoover as chairman of an interagency committee to prepare recommendations. On June 25, the committee submitted a report which included specific options for expanded intelligence operations, and on July 23 the agencies were notified by memorandum of the options approved. After reconsideration, however, prompted by the opposition of J. Edgar Hoover, the agencies were notified five days later, on July 28, that the approval had been rescinded. The options . . . approved had included . . . authorization for surreptitious entry—breaking and entering, in effect—on specified categories of targets in specified situations related to national security."

So we have a confession from President Nixon that he ordered breaking and entering.

His personal representative on the interagency committee was a member of the White House staff, Tom Charles Huston, who—together with the Orange County conservatives and former Joe McCarthy enthusiasts who were running the White House—was convinced that dissident individuals and groups were major threats to national security. It was Huston who drafted a proposal based on the majority recommendations of the interagency committee and submitted it for Nixon's approval. The proposal, highly classified at the time, was published in the course of the Senate Watergate Committee hearings. It recommended that "present restrictions on covert coverage should be relaxed on selected targets of . . . internal security interest." "Covert coverage" refers to opening of first class mail without a search warrant, which is punishable by $100 fine and one year imprisonment for each piece of mail opened. Huston made certain Nixon was aware of the lawlessness of the proposal, explicitly stating the "covert coverage is illegal and there are serious risks involved."

Next, Huston proposed what he referred to as "surreptitious entry." He suggested that "present restrictions should be modified to permit selective use of this technique against . . . . urgent security targets." Again, he laid it on the line for the President to make the decision: "Use of this technique is clearly illegal: it amounts to burglary. It is also highly risky and could result in great embarrassment if exposed."

Fully aware he was ordering the performance of illegal acts, Nixon approved the Huston plan, and on July 15 Huston informed the directors of the various intelligence agencies that "restrictions on covert coverage are to be relaxed . . . Restraints on the use of surreptitious entry are to be removed."

So we have a President who approved burglary and mail violation. Fortunately, we had an FBI director who did not. To his credit, J. Edgar Hoover flatly refused to participate in the plan on the grounds that it was both illegal and unnecessary. Implementation of the proposal was therefore suspended—not because Nixon shared Hoover's scruples, which he did not, but because the plan as formulated could not be carried out without Hoover's active cooperation, since it was the FBI that was to do the actual spying.

Nixon claims he withdrew his approval completely and permanently. Huston disagrees, contending in public statements that the plan was never officially canceled. The President has produced no written record of cancellation to support his position. But even if he is correct he is not vindicated. There is strong evidence that the Huston plan submerged in July 1970 only to reappear a year later, with the Plumbers replacing the FBI as its striking arm. Consider the Plumbers' burglary of the office of Dr. Lewis Fielding, Daniel Ellsberg's psychiatrist: This operation against this target, conducted in 1971, matches to perfection the operations and targets discussed by Huston in his various memoranda.

Discussing the Ellsberg burglary on May 22, Nixon said, "I did impress upon Mr. Krogh the vital importance to the national security of his assignment. I did not authorize and had no knowledge of any illegal means to be used to achieve this goal. However, because of the emphasis I put on the crucial importance of protecting the national security, I can understand how highly motivated individuals could have felt justified in engaging in specific activities that I would have disapproved had they been brought to my attention."

Indeed, Nixon could understand how Egil Krogh could have felt justified in burglary: The President had specifically authorized it a year earlier for just this type of situation. Krogh had no reason in 1971 to believe the President had changed his mind, and we have no reason to believe so today. But suppose we assume Nixon did in fact disapprove of burglary in 1971, and that his aides, Ehrlichman, Krogh, and David R. Young, somehow did not associate their planned burglary with Nixon's views on Hustonian burglary; further, suppose we somehow reject James Madison's claim that the President is "subject . . . to impeachment himself, if he suffers [his subordinates] to perpetrate with impunity high crimes or misdemeanors against the United States, or neglects to superintend their conduct, so as to check their excesses."

Even if we thus strain credibility beyond all reason, the hard fact remains that President Nixon ordered his subordinates to go out and violate the law.

The Constitution unequivocally instructs the President to "take care that the laws be faithfully executed." The Presidential oath of office—the only oath specified in the Constitution—includes the pledge to "preserve, protect, and defend the Constitution of the United States." Thus, by his very approval of the Huston plan, Nixon committed an impeachable high misdemeanor.

It seems clear to me that a President is impeachable for violation of the Constitution and of his oath of office, and that arguments to the contrary are transparently untenable. I believe a substantial majority of my colleagues will come to the same view, if they have not already done so. Approval of the Huston plan, like obstruction of the FBI investigation of the Plumbers, constitutes an open-and-shut case for impeachment in which the facts, the law, and the intent are beyond question.

As with the obstruction of justice charge, Nixon's only defense can be that of extenuating circumstances. It can reasonably be argued that there are circumstances in which extreme and immediate danger to the national security justifies actions which otherwise would be violations of the law. But this argument cannot defend approval of the Huston plan. There was no overriding internal security crisis. Of all the agencies participating in the creation of the Huston plan, only the FBI has a legitimate internal security mission, and only the FBI had extensive experience in internal security matters. It is therefore significant that FBI Director Hoover rejected the Huston plan as not only illegal but also unnecessary; the soundness of his judgment has been confirmed by the fact that, although the plan was never implemented, we have suffered no perceptible loss of internal security.

Moreover, even if there had been an internal security crisis, there was no reason why the Administration could not have sought legislation providing for burglary on court order in domestic security cases. That President Nixon decided instead to go outside the law suggests he felt he could not convince Congress of the need for this legislation. In any case, his action was illegal and in no way justifiable by the circumstances.

Nixon has asserted he has "inherent powers" to conduct burglary without court order. In the course of his August 22, 1973 press conference, immediately after conceding that a violation of oath of office was impeachable, he said, "I would . . . refer you to the recent decision of the Supreme Court or at least an opinion that even last year which indicates inherent power in the Presidency to protect the national security in cases like this."

The White House Counsel's office has informed me that the decision or opinion in question was a 1972 case, *U.S.* v. *U.S. District Court for the Eastern District of Michigan.* Examination of this decision, in which the Supreme Court ruled unanimously that the Government did not have the right to conduct domestic security wiretaps without prior court order, reveals no support for the President's claim that it "indicates inherent power in the Presidency" to violate the law in the name of national security. On the contrary, the decision, as well as the concurring opinions by Justices William O. Douglas and Byron White, flatly denies the President's claim. In the words of the majority opinion by Justice Lewis Powell, "The freedoms of the Fourth Amendment cannot properly be guaranteed if domestic security surveillances are conducted solely within the discretion of the Executive Branch without the detached judgment of a neutral magistrate. Resort to appropriate warrant procedure would not frustrate the legitimate purposes of domestic security searches."

I continue to be amazed that a President would represent a Supreme Court decision as saying one thing when it so clearly says the opposite. On February 5 I wrote to President Nixon and asked for the specific quotation from the decision or opinion which supports his position. I have received no answer.

A final argument in the President's behalf is that the offenses to which he has confessed, while technically impeachable, are not sufficiently serious to warrant impeachment. True, they lack the stark impact of murder or bank robbery, but they are many times more serious and are many times more threatening to the nation. Both offenses involve willful attempts to impose a secret police system upon the people of the United States. Such an effort, when directed from the nation's highest office, constitutes a frontal attack on the essence of the American experiment. If there is one single element that dominates the Constitution of the United States and the debates that produced it, it is the insistence that the powers of the Government over the people be strictly limited to those specified by law. For a Chief Executive, on the basis of self-conferred "inherent power" to violate the law, to attempt to establish one secret police force, actually to establish a second, and to seek to obstruct the lawful investigation of its illegality, are crimes against the American people which make murder and robbery seem almost trivial.

I am not suggesting the House Judiciary Committee should drop its impeachment investigation and bring an impeachment resolution to the floor immediately. But I do say such a move would, on the basis of the facts and the law, now lead to impeachment by the House and conviction by the Senate.

The President has submitted an income tax return including a fraudulently backdated deed which saved him nearly a quarter of a million dollars; he has lied to Congress about bombing Cambodia in 1970, and he bombed it illegally in 1973; he has raised the subject of an attractive position in the Government with a judge who was at the time hearing a case in which Nixon was vitally interested; he has raised milk price supports under highly suspicious conditions, and his role in the payment of hush money to the Watergate conspirators is even more suspicious. It is desirable that these and all other accusations be investigated thoroughly to determine whether they provide grounds for impeachment. But this investigation is necessary only in the senses that justice must be served and that the American people have a right to the whole truth. It is not necessary to the decision of whether Nixon should be impeached, convicted, and removed from office. He has already given us the evidence to decide that.

TRIBUTE TO JOE RADISICH: A WINNING COMBINATION FOR MARY STAR OF THE SEA HIGH SCHOOL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. ANDERSON of California. Mr. Speaker, on Thursday, May 9, Mary Star of the Sea High School will conduct its spring sports banquet to honor the athletes and coaching staff of this fine school in San Pedro, Calif.

Normally this would not be such an unusual event as it occurs in numerous communities throughout America during this time of the year. However, what is unusual about this event is that it is the first such banquet held at Mary Star High School in 10 years.

Furthermore, it is remarkable that after this period of inactivity, the basketball team was able to win a berth in the California Interscholastic Federation playoffs this year.

Much of the success of this revitalization of the athletic program can be attributed to the efforts of the new athletic director and head football coach, Joe Radisich.

For Joe, the school, and the community, his being selected as the athletic director is a double treat. As a product of this harbor community, Joe has a knowledge and feel for the community. Furthermore, his own accomplishments give him the skills and attitude essential to rebuild the athletic program of Mary Star to its former esteem.

Joe Radisich was born 36 years ago

in San Pedro; here he was raised and educated. His love and talents for sports made it natural for him to star in football at both San Pedro High School and Los Angeles Harbor College.

After an unfortunate head injury, while training for the Pittsburgh Steelers, halted his aspiration in professional football, he combined his love for sports and youth by turning to coaching.

His record as a coach has been remarkable for a man of his age. In 1966, he was instrumental in forming the first Pop Warner football program in San Pedro, where he developed winning teams for the next 3 years.

Joe Radisich seems to possess a Midas touch when it comes to turning losing teams into champions. As assistant coach at Fermin Lasuen High School in San Pedro, he contributed to its having one of the finest football programs in the Harbor area. In 1971, as assistant coach at St. John Bosco High School in Lynwood, Calif., he turned this losing team into a conference champion which reached the CIF finals.

And again in 1972, as an assistant at Daniel Murphy High School in Los Angeles, he turned the previous year's record of 2 to 7 to an 8 to 2 winning team which also reached the CIF playoffs.

Needless to say, our community in San Pedro is confident that he will be able to instill his belief for excellence into Mary Star becoming again a rising star in sports in the Harbor area.

In addition to his desire to build strong, competitive teams, he stresses sportsmanship, and scholastic excellence. From each of the preceding schools he has built both champion teams and outstanding athletes; some of which have later become collegian stars, as well as well-known professional athletes.

Mr. Speaker, I am confident that his wife, Frances, and his children, Joe, Jr., and Kathy, are as proud of him as we are in San Pedro and in the Harbor area. I am sure with the assistance of his outstanding staff: Bob Bradarich, San Jose State; Mike Donatelli, Long Beach State; Ken Potter, Santa Ana College; Jeff Pedersen, USC; Mark Pesusich, Long Beach State; Tom Elliott, San Jose State; Frank Carbone, Long Beach State; and Tom Schmidt, Long Beach State, that his past achievements are merely a prologue to further accomplishments.

NATIONAL SECURITIES MARKET BOARD

HON. W. S. (BILL) STUCKEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. STUCKEY. Mr. Speaker, the Subcommittee on Commerce and Finance is currently marking up H.R. 5050 which provides, among other things, for the establishment of a national securities market system—an electronic linkup of the stock exchanges with the over-the-counter market. This will be accomplished by a composite quotation and transactional tape which will allow investors to buy and sell at the best possible prices throughout the system.

Although Congress and the Securities and Exchange Commission appear committed to seeing the implementation of the central market concept, there is as yet no consensus within either the industry or Congress as to how the national securities market system should develop, who should or should not participate, and how it should be regulated. All these are extremely important questions, and the way in which Congress answers them will have a significant impact on the viability of the securities industry, the corporations raising capital through the equity markets, and the public investors who directly or indirectly commit their funds to the growth of America's publicly owned companies.

One of the answers, which I submitted to the subcommittee several weeks ago in the form of a discussion proposal, is to create a self-regulatory body, the National Securities Market Board. By delegating to the Board regulatory authority over key elements of the national market system—composite quotation and transactional tape, trading rules, reporting and surveillance activities, and commission rates—both industry and the public would be assured of maximum involvement in developing, operating, and regulating the system.

The Board would also introduce a greater degree of flexibility into the system's regulatory framework. Subject to SEC and congressional oversight, the Board would be in a position to react quickly and in the public interest to day-to-day management and regulatory problems while also being in a position to evaluate the system and anticipate problems without waiting on Congress for enabling legislation. There is much talk about the "evolution" of the national market system, but no one really knows what this evolution will entail. It would seem that a self-regulatory body for the system would be in a unique position to guide the system's evolution.

A third advantage is the clear delineation of regulatory responsibility for the national market system. The Board would not add another regulatory layer; rather it would prevent the occurrence of either overlapping self-regulatory responsibilities or a void of self-regulatory authority. My bill would accomplish this by providing that the exchanges and the National Association of Securities Dealers would continue to perform those self-regulatory functions not performed by the Board.

Before briefly summarizing the bill's provisions, it should be pointed out that I am introducing this proposal in bill form in order to facilitate the solicitation of comments. If the bill is offered, I would consider it as an amendment to title II of H.R. 5050. It should also be pointed out that I am not necessarily wedded to its language, nor do I think it is perfect. On the contrary, even if the bill receives favorable comment, I anticipate that numerous changes will be recommended. In fact, I welcome as much input as possible.

In responding to the subcommittee's request for comment and review, I would hope that interested parties would focus on the need for a national securities market board and the areas of the system over which the Board should be granted jurisdiction in order to insure that the system operates in the public interest and smoothly, with an eye toward future needs. I think that once consensus is reached on these major substantive points, other problems, such as how many Board members and how they should be elected, may be dealt with in a more satisfactory manner.

We are fast approaching the implementation of key features of the national securities market system. I would hope that if there is no consensus on other matters, there would at least be agreement on the need to stop haggling over who should have veto power and who should receive special privileges and begin to work toward designing the system before it designs itself to the greater detriment of the industry, listed corporations, public investors, and the economy.

EXPLANATION

To draw up the Board's constitution and rules, my bill provides for the creation of a National Market Board Authority within 120 days of enactment of H.R. 5050. The SEC is to appoint 15 members to the Authority who will be representative of the exchanges, the NASD, the likely participants in the national securities market system—such as information processors, marketmakers, and specialists—the likely users, public investors, members of the SEC staff, and other persons the SEC deems necessary and appropriate.

Once the Authority is established, it would have 1 year within which to draw up a constitution and rules for the creation and operation of the Board. These would be filed with the SEC which would approve or modify the constitution and rules after providing to interested persons an opportunity to make oral presentation of their views or written submissions. This should be accomplished within 120 days of the filing, or a longer period if the SEC determines that to be appropriate.

Among other things, the constitution would provide for the election of members to the Board by the potential users of, participants in, and members of the national market system, and it would provide for the fair and equitable representation of such users, participants, members, and the investing public on the Board.

Subsection (d) of the amendment gives the Board authority to regulate the national securities market system including the authority to:

First. Establish critera for the securities to be traded within the system;

Second. Establish, run, and regulate the consolidated transactional reporting system and the composite quotation system;

Third. Establish rules to insure the fair and equitable treatment of the participants in, users of, and members of the system; within this grant of authority would fall regulatory requirements to be met by brokers and dealers, marketmakers, specialists, information processors, and others which are necessary to protect the public;

Fourth. Establish membership criteria which would exclude banks, insurance companies or investment companies or any of their affiliates or subsidiaries; and

Fifth. Establish minimum rates of commission if the Board determines that they are necessary in the public interest or to insure fair dealing in securities.

Once the rules and constitution of the Board are approved by the SEC, the National Securities Market Authority would be dissolved and the Board would assume those self-regulatory functions now performed by the exchanges and the NASD which fall within the Board's justification. The SEC would have the same authority over the Board that it now has over the exchanges and the NASD.

WASHINGTON, ADAMS, JEFFERSON, HAMILTON, AND FRANKLIN WOULD HAVE BEEN UNANIMOUS FOR IMPEACHMENT

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1974

Mr. LEGGETT. Mr. Speaker, a recent article by William Randolph Hearst, Jr., has dramatically demonstrated why the Symbionese Liberation Army chose to kidnap his niece instead of Mr. Hearst himself. Those self-styled urban guerrillas may not be very bright, but evidently they had the sense to realize that 3 months cooped up in a small hideout with Mr. Hearst would be one of the most cruel and unusual punishments imaginable.

Consider his recent article entitled "Impeachment and Politics," which I insert in the RECORD at the conclusion of my remarks. His contention is that the impeachment-trial process cannot now function as intended by the framers of the Constitution because the Senate is no longer free of politics. According to Mr. Hearst's version of history, the original Constitution provided for election of Senators by State legislators so that Senators would be isolated from politics, so that they would be statesmen such as Washington, Adams, Jefferson, Hamilton, and Franklin. Mr. Hearst appears to feel that Mr. Nixon faces removal from office today only because the Senate has been corrupted from politics.

In the unlikely event that Mr. Hearst may be listening, I suggest to him that in a democracy politics and statemanship are not incompatible but complimentary, and that Washington, Adams, Jefferson, and the rest were masters of both. I further suggest that when these gentlemen wrote the Constitution, they fully intended it to be obeyed, they fully intended the impeachment provision to be enforced upon a President who disobeyed it, and if they were alive today every one of them would vote to impeach Mr. Nixon for his flagrant and odious violations of the Constitution he swore to protect.

Apparently Mr. Hearst intends to elaborate his views of the Founding Fathers in a later article. In fact, he instructs his readers to "watch for it."

I cannot wait.

The article follows:

IMPEACHMENT AND POLITICS—I

(By William Randolph Hearst, Jr.)

NEW YORK.—The Constitution of the United States, now the classic formula for truly democratic government, was the creation of 55 patriots who assembled in Philadelphia in 1787 and took only a little over four months to agree on its provisions. George Washington was presiding officer at the historic convention.

What has been astonishing students of government ever since is the visionary genius of the 55 delegates. William Gladstone, Great Britain's great Prime Minister and statesman, was typical when he said exactly 100 years later that he considered the Constitution to be the most remarkable political advance ever accomplished at one time by the human intellect.

The patriots who assembled in Philadelphia after the War of Independence obviously were inspired by the freedom ideals of their hard-won war. Those ideals still thunder in the grandly eloquent—almost biblical—preamble to their finished work, as follows:

"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

Underlying the seven remarkable articles which follow, in which all the basic powers and duties of our federal government are spelled out, was something more than inspiration. There also was a very real fear. It was a fear which has to be understood if the greatness of what was accomplished in Philadelphia in 1787 is to be comprehended fully—and if the impeachment process dominating today's news is to be seen in proper perspective.

That fear was the possibility that some day, somehow, this country might again become subject to another all-powerful king. The spectre of George III and the royal injustices which had caused the English colonies of America to revolt haunted the men at Philadelphia. They were determined to prevent any future dictatorship here.

Out of this fear was conceived the notion of a system which automatically would work against the concentration of too much power, especially in a leader. The notion was translated into our present government apparatus of there fundamental divisions—the executive, the legislative and the judiciary—each with specific powers to restrain excesses by the others.

Thus the President can both propose new laws for enactment by congress and veto others enacted against his wishes. Congress can override his veto if enough voting strength can be mustered. And the courts rule on the validity of all legislation, always subject to correction by constitutional amendments approved by the people themselves.

This system of checks and balances has served its purpose well for almost 200 years. It has done so, to a considerable degree, because of the punitive measures agreed upon by the far-seeing authors of our national constitution. And the most remarkable of these was the wholly-innovative device of impeachment, seldom used but always available as a final resort.

Article II, Section IV of the Constitution sets forth the device in deceptively simple language. It declares:

"The President, Vice President, and all civil officers of the United States, shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors."

The procedures to be followed are as specific as the grounds for them were left vague. The House of Representatives, first, must decide by majority vote to adopt a bill of charges against an accused official. By adopting such a bill, or indictment, the House impeaches the defendant—meaning it considers that person suspect enough to merit a trial on fitness to hold office.

When an official is impeached in this fashion by the House—and impeachment is synonymous with indictment, not conviction or ouster—the case goes to the Senate. Sitting as both judge and jury, the Senate then must rule whether to find the defendant guilty or innocent of the charges. A two-thirds vote is required to convict.

All this may be elemental to legalists familiar with details of the Constitution, but my mail indicates that many Americans still do not fully understand it. And what they seem to understand least is the quite extraordinary nature of the impeachment process itself, and the reasons for it.

The key is politics. Those astute men at Philadelphia who had just gone through a bitterly divisive war realized that future differences of political opinion could endanger the country when its leadership became challenged unreasonably. So they did everything possible in an almost impossible quandary to minimize that danger.

Widely read articles on impeachment have overstressed the similarities between the impeachment process and the normal judicial system. The similarities are there, but impeachment is NOT by any means the same as a court proceeding. It is something quite unique.

Impeachments, first of all, are exempted from the constitutional requirement of trial by jury. Jury trials require a unanimity which politics makes impossible in either house of Congress. In the case of a Senate finding of guilt following a House impeachment, or indictment, the defendant is simply and automatically removed from office. He has no appeal from the dismissal but subsequent civil court action is required to exact further penalties.

Delegates to the Philadelphia Convention gave the whole matter deep thought. They considered, for example, turning impeachment charges over to the Supreme Court for resolution. This was rejected, primarily on the grounds that the judges were so few in number the court could be corrupted.

Also voted down on similar grounds was a proposal by Alexander Hamilton to leave impeachment decisions to a special court made up of the chief justices of the 13 original states. An entirely extra-judicial procedure ultimately was seen as vital, yet one where politics would be minimal.

The solution already has been described, but not explained. Recognizing that political interests were bound to be involved in charges against the nation's highest officials, the authors of the Constitution left it to a purely political body to make them—namely the lower house of Congress directly elected by and responsible to the people.

As an intended decisive safeguard that politics would not triumph over justice, however, it was agreed that the non-elected members of our original Senate should be the body for deciding if the charges were valid. It was successfully argued that the Senate would be large and diverse enough to wash out prejudice one way or another—especially with the two-thirds vote provision.

The main point was something else, As envisioned and created by the men in Philadelphia, the U.S. Senate was to be something far different than it is now. Its members—two from each of the 13 states—were selected not by public vote but were designated by the various state legislatures. They were supposed to be the worthiest, most responsible and distinguished citizens available—essentially above the turmoil and combat of the political arena.

Recapturing the Philadelphia vision is vital to understanding. The ultimate tribunal in impeachment cases was to be 26 of the nation's most notable men, responsible only to their proven high conscience and unconcerned with public pressures. Men like Washington, Adams, Jefferson, Hamilton, Benjamin Franklin and the others who drew up the Constitution itself.

It was one noble vision of 1787 which hasn't worked out as intended. Even before the 17th Amendment providing for election of senators by direct popular vote was ratified in 1913, senators had long since proven that playing politics is all but irresistible to anybody engaged in the operations of government.

How this happened, and is happening right now, will be discussed in a second column on impeachment here next Sunday. Watch for it.

SENATE—*Wednesday, May 8, 1974*

The Senate met at 11:30 a.m. and was called to order by Hon. William D. Hathaway, a Senator from the State of Maine.

PRAYER

The Chaplain, the Rev. Edward L. R. Elson, D.D., offered the following prayer:

O God, whose word declares, "Except the Lord build the house, they labor in vain that build it," we thank Thee for the revelation of Thyself in the law of Sinai and the person of Jesus. We thank Thee for Founding Fathers who built this Republic upon the sure foundation of Thy word. May we never be diverted from Thy precepts or allow the law of God to be diluted or compromised by the word of man. Keep us so committed to truth that we may never be trapped by falsehood, so dedicated to Thy word that no unworthy prompting may divert us from doing Thy will. In our prayer may we come to know Thy will, in our work help us to do Thy will, and in all things so to comport ourselves as to be worthy of Thy blessing.

In the name of Him who came to be servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The second assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., May 8, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. William D. Hathaway, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. HATHAWAY thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed without amendment the following Senate bills:

S. 245. An act for the relief of Kamal Antoine Chalaby;

S. 428. An act for the relief of Ernest Edward Scofield (Ernesto Espino); and

S. 3304. An act to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1715. An act for the relief of Cpl. Paul C. Amedeo, U.S. Marine Corps Reserve;

H.R. 1961. An act for the relief of Mildred Christine Ford;

H.R. 2208. An act for the relief of Raymond W. Suchy, second lieutenant, U.S. Army, retired;

H.R. 2950. An act for the relief of Mrs. Gertrude Berkley;

H.R. 3203. An act for the relief of Nepty Masauo Jones;

H.R. 3532. An act for the relief of Donald L. Tyndall, Bruce Edward Tyndall, Kimberly Fay Tyndall, and Lisa Michele Tyndall;

H.R. 5011. An act for the relief of James Lennon;

H.R. 5477. An act for the relief of Charito Fernandez Bautista;

H.R. 6191. An act to amend the Tariff Schedules of the United States to provide that certain forms of zinc be admitted free of duty;

H.R. 8322. An act for the relief of William L. Cameron, Jr.;

H.R. 11013. An act to designate certain lands in the Farallon National Wildlife Refuge, Calif., as wilderness; to add certain lands to the Point Reyes National Seashore; and for other purposes;

H.R. 11251. An act to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as fuel;

H.R. 11392. An act for the relief of Raymond Monroe;

H.R. 11452. An act to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes;

H.R. 12035. An act to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts;

H.R. 13261. An act to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes;

H.R. 13342. An act to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement;

H.R. 13871. An act to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes;

H.R. 14291. An act to amend the Northwest Atlantic Fisheries Act of 1950 to permit U.S. participation in international enforcement of fish conservation in additional geographic areas, pursuant to the international convention for the Northwest Atlantic Fisheries, 1949, and for other purposes; and

H.R. 14354. An act to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes.

The message further announced that the House had passed the bill (S. 3072) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes, with an amendment in which it requests the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 1715. An act for the relief of Cpl. Paul C. Amedeo, U.S. Marine Corps Reserve;

H.R. 1961. An act for the relief of Mildred Christine Ford;

H.R. 2208. An act for the relief of Raymond W. Suchy, second lieutenant, U.S. Army, retired;

H.R. 2950. An act for the relief of Mrs. Gertrude Berkley;

H.R. 3203. An act for the relief of Nepty Masauo Jones;

H.R. 3532. An act for the relief of Donald L. Tyndall, Bruce Edward Tyndall, Kimberly Fay Tyndall, and Lisa Michele Tyndall.

H.R. 5011. An act for the relief of James Lennon;

H.R. 5477. An act for the relief of Charito Fernandez Bautista;

H.R. 8322. An act for the relief of William L. Cameron, Jr.; and

H.R. 11392. An act for the relief of Raymond Monroe. Referred to the Committee on the Judiciary.

H.R. 6191. An act to amend the Tariff Schedules of the United States to provide that certain forms of zinc be admitted free of duty;

H.R. 11251. An act to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as fuel;

H.R. 11452. An act to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes; and

H.R. 12035. An act to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts. Referred to the Committee on Finance.

H.R. 11013. An act to designate certain lands in the Farallon National Wildlife Refuge, Calif., as wilderness; to add certain lands to the Point Reyes National Seashore; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

H.R. 13261. An act to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes. Referred to the Committee on Foreign Relations.

H.R. 13342. An act to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement; and

H.R. 13871. An act to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes. Referred to the Committee on Labor and Public Welfare.

H.R. 14291. An act to amend the Northwest Atlantic Fisheries Act of 1950 to permit U.S. participation in international enforcement of fish conservation in additional geographic areas, pursuant to the international convention for the Northwest Atlantic Fisheries, 1949, and for other purposes. Referred to the Committee on Commerce.

H.R. 14354. An act to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes. Referred to the Committee on Agriculture and Forestry.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communciated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HATHAWAY) laid before the Senate sundry messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, May 7, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 782, 783, and 784.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL ASSISTANT SECRETARIES OF AGRICULTURE

The Senate proceeded to consider the bill (S. 3031) to provide for two additional Assistant Secretaries of Agriculture; to increase the compensation of certain officials of the Department of Agriculture; to provide for an additional member of the Board of Directors, Commodity Credit Corporation; and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That (a) section 5313 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(22) Deputy Secretary of Agriculture.".

(b) Section 5314 of such title 5 is amended by striking out paragraph (3).

(c) The Acts listed in paragraphs (1) and (2) of this subsection are amended by striking out the words "Under Secretary of Agriculture" wherever they appear and by inserting in lieu thereof the words "Deputy Secretary of Agriculture":

(1) The Act of March 26, 1934 (48 Stat. 467; 7 U.S.C. 2210).

(2) The Act of June 5, 1939 (53 Stat. 809; 7 U.S.C. 2211).

(d) The officer occupying the position of Under Secretary of Agriculture, on the date of enactment of this Act, may assume the duties of the Deputy Secretary of Agriculture. The individual assuming such duties shall not be required to be reappointed by reason of the enactment of this Act.

SEC. 2. There shall be hereafter in the Department of Agriculture, in addition to the Assistant Secretaries now provided for by law, two additional Assistant Secretaries of Agriculture who shall be appointed by the President, by and with the advice and consent of the Senate, shall be responsible for such duties as the Secretary of Agriculture shall prescribe, and shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture.

SEC. 3. (a) Section 5315 of title 5 of the United States Code is amended by striking out "(4)" at the end of paragraph (11) and by inserting in lieu thereof "(6)".

(b) Section 5316 of such title 5 is amended as follows:

(1) By striking out paragraph (23).

(2) By striking out paragraph (55).

(3) By striking out paragraph (63) and inserting in lieu thereof:

"(63) Administrator, Animal and Plant Health Inspection Service, Department of Agriculture.".

(c) Section 3 of Reorganization Plan Numbered 2 of 1953 (67 Stat. 633) is hereby repealed.

SEC. 4. Section 9(a) of the Commodity Credit Corporation Charter Act, as amended (62 Stat. 1072, as amended, 15 U.S.C. 714g (a)), is amended by striking out the third sentence and inserting in lieu thereof: "The Board shall consist of seven members (in addition to the Secretary), who shall be appointed by the President by and with the advice and consent of the Senate.".

SEC. 5. (a) Except as otherwise provided in this section, this Act shall take effect on its date of enactment.

(b) Subsection (b)(1) and subsection (c) of section 3 of this Act shall take effect upon appointment of a Presidential appointee to fill the successor position created by section two of this Act.

(c) Subsection (b)(2) of section 3 of this Act shall take effect upon appointment of a Presidential appointee to fill the successor position created by section 2 of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to change the title of the Under Secretary of Agriculture to the Deputy Secretary of Agriculture; to provide for two additional Assistant Secretaries of Agriculture; and for other purposes."

PURCHASE, SALE, AND EXCHANGE OF CERTAIN LANDS ON THE SPOKANE INDIAN RESERVATION

The bill (H.R. 5035) to amend Public Law 90–335 (82 Stat. 174) relating to the purchase, sale, and exchange of certain lands on the Spokane Indian Reservation, was considered, ordered to a third reading, read the third time, and passed.

CERTAIN MINERALS HELD IN TRUST FOR CHIPPEWA CREE TRIBE OF ROCKY BOY'S RESERVATION, MONT.

The bill (H.R. 5525) to declare that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Mont., was considered, ordered to a third reading, read the third time, and passed.

FIRE PREVENTION AND CONTROL ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1769.

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1769) to reduce the burden on interstate commerce caused by avoidable fires and fire losses, and for other purposes, which were to strike out all after the enacting clause, and insert:

SECTION 1. This Act may be cited as the "Fire Prevention and Control Act of 1974".

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) the United States today has the highest per capita rate of death and property loss from fire of all the major industrialized nations in the world;

(2) the losses of life and property resulting from fire which are now being experienced in the United States are entirely unacceptable;

(3) while fire prevention and control is and should remain a State and local responsibility, the Federal Government can be of invaluable assistance in attaining significant reduction in fire losses;

(4) the firefighting and civil defense programs in each locality can both benefit from closer cooperation;

(5) there is a need for professional training and education primarily oriented toward improving the effectiveness of fire departments, developing leadership for fire prevention, and reducing firefighter injuries;

(6) the state-of-the-art in fighting and in protecting persons and property from combustion hazards, requires additional research and development in the area of fire safety;

(7) there is a need for a national fire data collection, analysis, and dissemination system to establish priorities for research and action;

(8) the number of specialized medical centers for the treatment of burns which are properly equipped and staffed to save lives and rehabilitate the victims of fires is severely limited in the United States;

(9) the Federal Government's role in fire research and development, information collection and dissemination, and education needs to be further strengthened in order that the effectiveness of the Nation's dedicated firefighting forces may be increased.

DECLARATION OF POLICY

SEC. 3. It is therefore and hereby declared that the policy of the United States shall be to—

(1) reduce the Nation's losses caused by fire through better efforts to prevent fires from starting and by improving the efforts and means for suppressing fires;

(2) supplement rather than supplant existing programs of research, training, and education, and to encourage new and improved programs and activities by State and local governments;

(3) place the responsibility for the Federal share of this fire reduction effort on the Secretary of Commerce of the United States;

(4) encourage increasing cooperation between the Nation's firefighting and civil defense forces at all levels;

(5) carry out an enhanced public education effort aimed at improving the understanding by every citizen of the methods and techniques of fire prevention, fire rescue, and firefighting;

(6) develop and provide for the widest possible use of new approaches, techniques, and improvements in fire prevention and control;

(7) establish a United States Fire Academy to provide training and education beyond the basic training level;

(8) establish an integrated and comprehensive fire data system; and

(9) direct the National Institutes of Health to conduct an intensified program of research into the treatment of burn and smoke injuries and the rehabilitation of victims of fires.

TITLE I

NATIONAL BUREAU OF FIRE SAFETY

SEC. 101. There is hereby established within the Department of Commerce a National Bureau of Fire Safety, hereinafter referred to as the "Bureau".

SEC. 102. The Bureau shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall serve subject to the provisions of section 5316 of title 5, United States Code.

SEC. 103. (a) It shall be the function of the Bureau, under the general direction of the Secretary of Commerce, hereinafter referred to as the "Secretary", and in cooperation and coordination with State and local governments and the private sector, to improve the Nation's efforts in fire prevention and control through public education, advanced technology, training, and education, improved statistics, and other relevant efforts.

(b) The Director shall insure that results and advances arising from the work of the Bureau are disseminated and shall encourage their use, where applicable, to further fire safety activities and to improve the effectiveness of fire-fighting and prevention activities.

PUBLIC EDUCATION

SEC. 104. The Director shall undertake, in collaboration with existing public and private organizations, including Civil Defense organizations, a continuing and extensive program of public education in fire prevention and fire safety which shall include specialized information aimed at those particularly vulnerable to fire hazards such as the young and the elderly, and shall sponsor and encourage research into new methods of public education in fire prevention.

FIRE TECHNOLOGY

SEC. 105. (a) The Director shall conduct a program of continuing development, testing, and evaluation of equipment for use by the Nation's fire, rescue, and civil defense services with the aim of making available improved suppression, protective, auxiliary, and warning devices incorporating the latest technology. In the conduct of this program, the standardization, compatibility, and interchangeability of fire equipment shall be given strong attention. Such development, testing, and evaluation activities shall include—

(1) safer, less cumbersome articles of protective clothing including helmets, boots, and coats;

(2) breathing apparatus with the necessary duration of service, reliability, low weight, and ease of operation for practical use;

(3) safe and reliable auxiliary equipment for use in firefighting such as fire location detectors, visual and audio communications equipment, and new types of mobile equipment;

(4) special clothing and equipment needed for brush and forest fires, oil and gasoline fires, aircraft fires and crash rescue, fires occurring aboard waterborne vessels, and other special firefighting situations;

(5) fire detectors for residential use having high sensitivity and reliability and low cost and maintenance to insure wide acceptance and use;

(6) in-place fire prevention systems of increased reliability and effectiveness;

(7) methods of testing fire alarms and fire protection devices and systems on a noninterference basis;

(8) the development of purchase specifications, standards, and acceptance and validation test procedures for all such equipment and devices;

(9) operation tests, demonstration projects, and fire investigations in support of the activities set forth in this section;

(10) such other development, testing, and evaluation activities deemed necessary to accomplishing the purposes of this section.

(b) The Director shall not engage in the manufacture or sale of any such equipment or device except as may be necessary to develop, test, and evaluate it.

(c) The Director shall perform studies of the operations and management aspects of fire departments and services using quantitative techniques including operations research, management economics, cost effectiveness studies, and such other techniques as are found applicable and useful. Such studies shall include, but not be limited to, the optimum location of fire stations, the manner of responding to alarms, the operation of citywide and regional fire dispatch centers, the effectiveness, frequency, and methods of building inspections, and firefighting under conditions of civil disturbance. In the conduct and support of such studies the Director is authorized to perform operational tests, demonstration projects, and fire investigations.

(d) The Director shall conduct research on problems concerning productivity measurement of fire department personnel, analysis of job categories and skills required under varying conditions, reduction of injuries to fire service personnel, the most effective fire prevention efforts by fire service personnel.

(e) In conducting the program under this section, the Director shall take full advantage of the applicable technological developments which have been made in other departments and agencies of the Federal Government, in State and local governments, and in business and industry.

FIRE DATA

SEC. 106. (a) The Director shall operate directly or through contracts an integrated, comprehensive national fire data program based on the collection, analysis, publication, and dissemination of fire information related to the prevention, occurrence, control, and results of fires of all types. The program shall be designed to provide an accurate national picture of the fire problem, identify major problem areas and assist in setting priorities, determine possible solutions to problems, and monitor progress of programs to reduce fire losses. To carry out these functions, the program shall include—

(1) information on the frequency, causes, spread, and extinguishment of fires;

(2) information on the number of injuries and deaths resulting from fires including the maximum available information on the specific causes and nature of such injuries and deaths, and information on property losses;

(3) information on the occupational hazards of firemen including the causes of death and injury to firemen arising directly and indirectly from firefighting activities;

(4) information on all types of fire prevention activities including inspection practices;

(5) technical information related to building construction, fire properties of materials, and other similar information;

(6) information on fire prevention and control laws, systems, methods, techniques, and administrative structures used in foreign nations;

(7) information on the causes, behavior, and best method of control of other types of fires, including, but not limited to, forest fires, brush fires, fires underground, oil blowout fires, and waterborne fires; and

(8) such other information and data as is judged useful and applicable.

(b) In the conduct of the comprehensive fire data and information program the Director is authorized to develop standardized data reporting methods and to encourage and assist State, local, and other agencies, public and private, in developing and reporting information.

(c) In the conduct of the comprehensive fire data and information program the Director is authorized to make full use of existing data gathering and analysis organizations, both public and private.

(d) The Director shall insure dissemination of such fire data to the maximum extent, and shall make the data available in appropriate form to Federal agencies, State and local governments, private organizations, industry, and business, and other interested persons.

FIRE TRAINING AND EDUCATION

SEC. 107. (a) There is hereby established within the Department of Commerce, as part of the Bureau, a United States Fire Academy (hereinafter referred to as the "Academy") which shall have the mission of advancing the professional development of fire service personnel, civil defense personnel, and related fire safety personnel.

(b) The Academy shall be headed by a Superintendent who shall be appointed by the Secretary and who shall be responsible to the Director of the Bureau.

(c) The Academy shall consist of such buildings and facilities and have such teaching staff and other personnel as the Superintendent determines to be necessary or appropriate for purposes of this section. The Superintendent shall have authority to enter into such contracts and take such other actions as may be necessary in carrying out the preceding sentence.

Sec. 108. The Academy shall be located on such site or sites as the Secretary selects subject to the following provisions:

(a) The Secretary is authorized to appoint a Site Selection Board consisting of the Academy Superintendent and two other members to survey the most suitable sites for the location of the Academy and make recommendations to the Secretary.

(b) The Site Selection Board and the Secretary, in making their recommendations and final selection, shall give consideration to the training and facility needs of the Academy, the accessibility and travel distance to the site from all parts of the country, environmental effects, the possibility of using a surplus Government facility, and such other factors as are deemed important and relevant.

Sec. 109. In furtherance of the mission of the Academy, the Superintendent is authorized to—

(a) conduct courses and programs of training and education in—

(1) the techniques of fire prevention, fire inspection, firefighting, and fire and arson investigation for members of the firefighting forces of the Nation;

(2) the tactics and command of firefighting for present and future fire chiefs and commanders of subordinate fire units;

(3) the administration and management of fire departments and fire services;

(4) the tactical training of personnel in the specialized field of aircraft fire control and crash rescue and the field of fires occuring aboard waterborne vessels;

(5) such other subjects including civil defense related subjects and fields of study as are deemed necessary or desirable; and

(6) the training of present and future instructors in all of the above subjects;

(b) develop and administer a program of correspondence courses to advance the knowledge and skills of fire service personnel;

(c) encourage new and existing programs of education and training by local fire units and departments, State and local governments, and private institutions by supplementing and supporting—

(1) vocational training in the techniques of fire prevention, fire inspection, firefighting, and fire and arson investigations;

(2) the establishment of fire training courses and programs at junior colleges; and

(3) the support and encouragement of the number of four-year degree programs in fire engineering at colleges and universities found necessary by the Superintendent to provide an adequate number of graduates;

(d) provide stipends to students attending courses and programs approved by the Academy at universities and colleges in amounts up to 75 per centum of the cost of attendance;

(e) provide assistance to State and local fire service training programs through grants, contracts, or otherwise; and

(f) encourage and assist in the inclusion of fire prevention and detection technology and practices in the education and professional practice of architects, builders, city planners, and others engaged in design and planning affected by fire safety problems.

Sec. 110. The Superintendent shall conduct a continuing study of the needs and contents of the educational and training programs needed at the Academy and elsewhere to educate, train, and maintain the Nation's fire forces. He shall coordinate these studies with appropriate officials of the Civil Defense Staff College.

Sec. 111. The Superintendent shall establish a Committee on Fire Training and Education which shall inquire into and make recommendations regarding the desirability of establishing a mechanism for accreditation of fire training and education programs and courses, and the role which the Academy should play if such programs are recommended. The Committee shall consist of the Superintendent as Chairman and eighteen other members appointed by the Superintendent from among individuals and organizations possessing special knowledge and experience in the field of fire training and education or in related fields. The Committee shall submit to the Superintendent for transmission to the Secretary within one year after its appointment a full and complete report of its findings and recommendations; and upon the submission of such report the Committee shall cease to exist. Each appointed member of the Committee shall be reimbursed for any expenses actually incurred by him in the performance of his duties as such.

Sec. 112. The Superintendent shall admit to the courses and programs of the Academy individuals who are members of the firefighting, rescue, and civil defense forces of the Nation and such other individuals, including candidates for membership in these forces, as he determines can benefit from attendance. Students shall be admitted from any State in the Nation (as defined in section 401) with due regard to the adequate representation in the student body of all geographic sections of the country. In selecting students the Superintendent shall seek nominations and advice from fire departments, civil defense organizations, and other organizations who wish to send students to the Academy.

Sec. 113. The Superintendent may establish fees and other charges for attendance at courses and programs offered by the Academy.

Sec. 114. The Superintendent is authorized to provide stipends to students attending Academy courses and programs in amounts up to 75 per centum of the cost of attendance as established by the Superintendent.

Sec. 115. The Superintendent is authorized to provide scholarships to students attending full time at a fire engineering program of a two-year junior college or the last two years of a four-year engineering program at college or university.

Sec. 116. The Superintendent is authorized to make, or to enter into contracts to make, payments to institutions of higher education for loans, not to exceed $2,500 per academic year for any individual, to individuals enrolled on a full-time basis in undergraduate or graduate programs in fire research or engineering recognized by the Superintendent. Loans under this paragraph shall be made on such terms and conditions as the Superintendent and each institution involved may jointly determine.

Sec. 117. The Superintendent is authorized to conduct short courses, seminars, workshops, conferences, and similar education and training activities in all parts and localities of the United States.

Sec. 118. The Secretary shall appoint a Board of Visitors to the United States Fire Academy. The function of the Board of Visitors shall be to review annually the program of the Academy and make comments and recommendations to the Secretary regarding the operation of the Academy and any improvements therein which the Board of Visitors deems desirable. The Board of Visitors shall consist of eight individuals designated by the Secretary including persons who are representatives of the fire service community or who otherwise possess special knowledge and experience in fire prevention or fire training or in related fields or who are active in the field of education generally. Of the members first designated three shall be designated to serve for terms of one year, three for terms of two years, and two for terms of three years. Persons designated thereafter shall serve for terms of three years, except that if a member of the Board of Visitors dies or resigns, a successor shall be designated for the unexpired portion of the term. Each member of the Board shall be reimbursed for any expenses actually incurred by him in the performance of his duties as such.

Sec. 119. (a) Each fire district or department that engages in the fighting of a fire on Federal property may file a report with the Bureau setting forth—

(1) the amount of losses and expenses incurred by such district or department as a result of fighting such fire;

(2) the total cost of operation for such district or department during the year in which the report is filed and during the preceding year; and

(3) the estimated total cost of operation for such district or department during the year following that year in which the report is filed.

(b) Upon receipt of a report filed under subsection (a), the Director shall pay to each such district or department a sum which shall represent the cost to such district or department of fighting such fire, less a pro rata share of the payment in lieu of taxes for fire protection services, if any, for the period between the beginning of the annual payment period until the time of the fire, as determined by the Director.

(c) In each instance where the Director makes payment under subsection (b), the President shall take such steps as are necessary to insure that the Federal department or agency having jurisdiction over the Federal property where the fire occurred shall reimburse the Director within 30 days for the amount paid to the fire district or department. Such payments shall be credited to the appropriation from which the Director made payment to the first district or department and shall remain available until expended.

Sec. 120. For the purpose of this title there is authorized to be appropriated not to exceed $2,000,000 for the fiscal year ending June 30, 1975, and such sums as may be appropriated for the fiscal year ending June 30, 1974.

TITLE II

FIRE RESEARCH CENTER

Sec. 201. (a) There is hereby established within the Department of Commerce a Fire Research Center (hereinafter referred to as the "Center") which shall have the mission of performing and supporting basic and applied research on all aspects of fire with the aim of providing scientific and technical knowledge applicable to the prevention and reduction of fires.

(b) The Center shall conduct directly or through contracts or grants a program of basic and applied fire research aimed at arriving at an understanding of the fundamental processes underlying all aspects of fire. Such program shall include scientific and field investigations of—

(1) the physics and chemistry of combustion processes;

(2) the dynamics of flame ignition, flame spread, and flame extinguishment;

(3) the composition of combustion products developed by various sources and under various environmental conditions;

(4) the early stages of fires in buildings and other structures, structural subsystems, and structural components and all other types of fires, including, but not limited to forest fires, fires underground, oil blowout fires, brush fires, and waterborne fires with the aim of improving early detection capability;

(5) the behavior of fire involving all types of buildings and other structures and their contents (including mobile homes and high-rise buildings, construction materials, floor and wall coverings, coatings, furnishings, and other combustible materials); and all other types of fires (including forest fires, fires underground, oil blowout fires, brush fires, and waterborne fires):

(6) the unique aspects of fire hazards aris-

ing from the transportation and use in industrial and professional practices of combustible gases, fluids, and materials;

(7) design concepts for providing increased fire safety consistent with habitability, comfort, and human impace, in buildings and other structures; and

(8) such other aspects of the fire process as are deemed useful for pursuing the mission of the fire research program.

(c) The Center shall conduct directly or through contracts or grants research into the biological, physiological, and psychological factors affecting the human victims of fires and the performance of the individual members of fire protection forces. Such research shall include—

(1) the biological and physiological effects of toxic substances encountered in fires;

(2) the trauma, cardiac conditions, and other hazards resulting from exposure to fires;

(3) the development of simple, reliable tests for the determination of the cause of death from fires;

(4) improved methods of providing first aid to the victims of fires;

(5) the psychological and motivational characteristics of persons who engage in arson, and the prediction and cure of such behavior;

(6) the conditions of stress encountered by firefighters, their effects, and their alleviation or reduction;

(7) such other biological, physiological, and psychological effects of fire as may have significance for purposes of this section.

SEC. 202. The Director shall insure that the results and advances arising from the work of the Center are disseminated and encourage the incorporation of these results and advances into the relevant building codes, fire codes, model codes, and other relevant codes, test methods, and standards. The Director is authorized to encourage and assist in the development and adoption of uniform codes, test methods, and standards aimed at reducing fire losses and costs of fire protection.

SEC. 203. For the purposes of this title there is authorized to be appropriated not to exceed $3,500,000 for the fiscal year ending June 30, 1975.

SEC. 204. Title I of the Fire Research and Safety Act of 1968 (Act of March 1, 1968, 82 Stat. 34; 15 U.S.C. 278f and 278g) is hereby repealed, and sections 201 and 202 of this Act are inserted as sections 16 and 17 of the Act of March 3, 1901 (15 U.S.C. 278f and 278g).

TITLE III

VICTIMS OF FIRE

SEC. 301. (a) The Secretary of Health, Education, and Welfare is authorized and directed to establish, within the National Institutes of Health and in cooperation with the Secretary, an expanded program of research on burns, treatment of burn injuries, and rehabilitation of victims of fires. The National Institutes of Health shall—

(1) sponsor and encourage the establishment throughout the Nation of twenty-five additional burn centers, which shall comprise separate hospital facilities providing specialized burn treatment and including research and teaching programs, and twenty-five additional burn units, which shall comprise specialized facilities in general hospitals used only for burn victims;

(2) provide training and continuing support of specialists to staff the new burn centers and burn units;

(3) sponsor and encourage the establishment in general hospitals of ninety burn programs, which comprise staffs of burn injury specialists;

(4) provide special training in emergency care for burn victims;

(5) augment sponsorship of research on burns and burn treatment;

(6) administer and support a systematic program of research concerning smoke inhalation injuries; and

(7) sponsor and support other research and training programs in the treatment and rehabilitation of burn injury victims.

TITLE IV

ADMINISTRATIVE AND RELATED PROVISIONS

SEC. 401. For purposes of this Act the terms "State" and "United States" include the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, American Samoa, and the Trust Territory of the Pacific Islands.

SEC. 402. For purposes of this Act, the term "fire department" means (and the terms "fire prevention", "fire fighting", and "fire control" relate to activities conducted by) any organization consisting of personnel, apparatus, and equipment under the direction of a chief officer for the principal purpose of protecting property and maintaining the public's safety and welfare from the inherent dangers of fire. The personnel of any such organization may be salaried, volunteer, or a combination thereof; and the location of the organization and its responsibility for extinguishment and suppression of fire shall include (but not be limited to) a city, town, borough, parish, county, fire district, fire protection district, or rural fire district.

SEC. 403. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the recipient that are pertinent to its activities under this Act for the purpose of audit or to determine whether a proposed activity is in the public interest.

SEC. 404. All property rights with respect to inventions or discoveries made in the course of or under contract with any Government agency pursuant to this Act shall be subject to the basic policies set forth in the President's Statement of Government Patent Policy issued August 23, 1971, or such revisions of that Statement of Policy as may subsequently be promulgated and published in the Federal Register.

SEC. 405. Any of the activities carried out under the provisions of titles I and II and section 301 of title III of this Act may be carried out directly or through contracts or grants.

And amend the title so as to read: "An Act to enhance the public health and safety by reducing the human and material losses resulting from fires through better fire prevention and control, and for other purposes."

Mr. MANSFIELD. Mr. President, I move that the Senate disagree to the amendments of the House and agree to the conference asked by the House, and that the Chair be authorized to appoint conferees on behalf of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. MAGNUSON, Mr. PASTORE, Mr. MOSS, Mr. STEVENS, and Mr. BEALL conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to consider executive business.

U.S. AIR FORCE

The ACTING PRESIDENT pro tempore. The clerk will state the first nomination.

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Air Force.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that those nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered and confirmed en bloc.

U.S. ARMY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I make the same request for those nominations.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered and confirmed en bloc.

U.S. NAVY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, the same request.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. MARINE CORPS

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Marine Corps.

Mr. MANSFIELD. Mr. President, the same request.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

The ACTING PRESIDENT pro tempore. Without objection, they will be considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESS BY SENATOR MOSS TO DUQUESNE UNIVERSITY LAW ALUMNI ASSOCIATION

Mr. MANSFIELD. Mr. President, on April 30, our distinguished colleague from Utah, Mr. Moss, addressed the Duquesne University Law Alumni Association on the subject of impeachment procedures in the Senate. He prefaced his remarks with this observation:

> It is improper and at odds with, in Hamilton's phrase, "the delicacy and magnitude of our trust," for Senators to issue judgment on the President before the orderly presentation of evidence to a Senate assembled as a court for the trial of an impeachment.
>
> Because it does seem increasingly likely that the Constitutional processes which have been going forward in the House will bring to the Senate the impeachment of the President, it is proper, indeed it is our duty, to give careful, advance consideration to the procedures which would govern the conduct of an impeachment trial.

I believe that the Senator from Utah's remarks will be of keen interest to the rest of the Members of the Senate. I ask unanimous consent that the following excerpts from his address be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD as follows:

EXCERPTS

The impeachment process in the Senate officially begins with notification by the House. In the case of Andrew Johnson, the Senate received two members of Congress, John Bingham and Thaddeus Stevens, who delivered the following message:

"By order of the House of Representatives we appear at the bar of the Senate, and in the name of the House of Representatives, and of all the people of the United States, we do impeach Andrew Johnson, President of the United States, of high crimes and misdemeanors in office; and we do further inform the Senate that the House of Representatives will in due time exhibit particular articles of impeachment against him, and make good the same; and in their name we do demand that the Senate take order for the appearance of the said Andrew Johnson to answer to said impeachment."

The subsequent events leading up to and including the beginning of the trial of President Johnson is of interest because of the light they shed on some of the unresolved conflicts concerning the conduct of impeachment trials.

After receiving the House message the Senate created a select committee to consider it and report back to the Senate. That was on a Tuesday. Acting with a speed uncharacteristic of congressional committees today, the select committee reported back on Friday, submitting a report prescribing rules of proceeding for the Senate "when sitting as a high court of impeachment". The Senate, acting with like speed, adopted the rules on Monday, March 2, 1868.

On Wednesday, March 4, the House managers. Bingham and Stevens, exhibited the articles of impeachment to the Senate, which set the next day for the start of the trial and requested the attendance of the Chief Justice. On March 5, the Chief Justice entered the Senate Chamber in his robes, accompanied by Justice Nelson, Senior Associate Justice of the Supreme Court. He had Justice Nelson administer to him the oath the Senate rules provided be administered to Senators, although the rules had not provided for an oath by the Chief Justice.

He then administered the oath, to "do impartial justice according to the Constitution and laws" in the trial of the impeachment, to the Senators.

The next day the Chief Justice took the position that the Senate, sitting as a court of impeachment, would have to re-adopt its rules of March 2, because it was now not sitting in a legislative capacity. The Senate did so.

Those rules with one addition made in 1935 have remained unchanged since their adoption and are still in effect as the "Senate rules of procedure and practice when sitting for impeachment trials".

The rules provide for the necessary housekeeping details: informing the House of the Senate's readiness to proceed; silence in the Senate chamber; and so forth. The rules also govern the parliamentary issues which arise in such a proceeding: time limits on debated questions and motions; when roll-call votes must be taken; suspension of other business of the Senate. Finally, the rules set forth the manner of conducting the trial; the powers and duties of the presiding officer; the powers of the Senate; the admission of counsel for the parties; motions, examination of witnesses; questions from and testimony by Senators.

The rules vary in important respects from the usual rules of procedure in civil and criminal trials.

For example, there is no requirement that a Senator be disqualified for bias or interest. In the Johnson impeachment trial, Senator Wade, the President pro tem, who would have succeeded to the Presidency had President Johnson been convicted, voted, and voted for conviction. Senator Patterson, who was President Johnson's son-in-law, voted for acquittal. Senator Sprague, who was Chief Justice Chase's son-in-law, took part and voted for conviction.

The person impeached, referred to as the respondent, is not required to be present, but may appear solely by counsel as President Johnson did. On the other hand, not just the managers from the House, who act as the prosecutors, but the entire House of Representatives is privileged to attend and sit in the Senate chamber.

Oral testimony may be presented before the full Senate, or (and this was the 1935 addition to the rules) it may be taken before a committee of twelve Senators.

Senators act as both judge and jury. They have power to rule on admissibility of evidence including, of course, relevancy, and may question the witnesses. The rules provide, however, that Senators may only put questions to a witness in writing and through the presiding officer, the Chief Justice.

The role of the Chief Justice is the least clearly defined of all the variables in the impeachment process. The part taken by Chief Justice Chase in the Johnson impeachment, however, created a precedent for strong and active participation by the Chief Justice. At one point, the Senate was debating the question of how much time to allow the president to answer the Articles of Impeachment, and it was decided that the Senate retire to deliberate the question in private. The Chief Justice accompanied the Senators to their conference room, leaving no doubt that he felt his presence was required at every point of the Senate's considerations.

On another occasion, although the relevant rule of proceeding said merely that the presiding officer could "submit to the Senate, without a division, all questions of evidence and incidental questions", the Chief Justice ruled that certain evidence was competent, subject to a contrary ruling by the Senate. Senator Drake objected that the Chief Justice had to submit all initial rulings to the Senate.

The Chief Justice maintained that the duty to rule in the first instance was his, subject to the decision of the Senate. On a procedural question to consider this ruling there was a tie, and Chase proceeded to break it by voting to sustain his ruling, asserting the power belonging to the Vice President as presiding officer of the Senate to vote in the case of a tie.

The matter was resolved in favor of the Chief Justice on both questions. A motion to declare his tie-breaking vote "without authority" was defeated, and the rules were amended to provide that the presiding officer may rule on all evidentiary questions, subject to a request by some members of the Senate that a formal vote be taken thereupon.

Thereafter Chief Justice Chase ruled on all questions of evidence, and was overruled by the Senate 17 times.

Testimony is taken in open session, but deliberations before the final vote on the articles are in closed session. The final vote is then taken in open session, with the question put to each Senator individually on each article of impeachment. Obviously, the Senate in 1868 did not have to decide on whether television coverage was permissable or desirable. That must be resolved by this Senate in the event of trial.

Of course, a two-thirds vote by those present and voting is necessary to find the respondent guilty. A lesser vote or a final adjournment of the Senate as a court of impeachment without voting on an article, automatically acts as a judgment of acquittal as to that article. Of the eleven articles of impeachment against President Johnson, only three were voted upon, and the President was acquitted on all three. The Senate then adjourned without consideration of the rest of the articles.

The system, as I hope this summary of it has shown, has by no means been perfected. Vague and uncertain spots appear throughout. To name just one, the applicability of the various safeguards of the Bill of Rights may well become a vexing problem. It would be clearly incongruous to apply some of these safeguards to the impeachment process: The ban on double jeopardy, for example, is inapposite because of the express language of the basic impeachment clause, which provides that "the party convicted shall nevertheless be liable and subject to indictment, trial, judgment, and punishment, according to law." What, however, of the privilege against self-incrimination? What would be the proper action as a result of its invocation?

Hamilton eloquently pointed out the danger that all such questions arising out of an impeachment proceeding might be resolved by factional self-interest rather than the search for justice. Writing in the *Federalist*, number 65, he said:

"A well-constituted court for the trial of impeachment is an object not more to be desired than difficult to be obtained in a government wholly elective. The subjects of its jurisdiction are those offenses which proceed from the misconduct of public men, or, in other words, from the abuse or violation of some public trust. They are of a nature which may with peculiar propriety be denominated political, as they relate chiefly to injuries done immediately to the society itself. The prosecution of them, for this reason, will seldom fail to agitate the passions of the whole community, and to divide it into parties more or less friendly or inimical to the accused. In many cases it will connect itself with the pre-existing factions, and will enlist all their animosities, partialities, influence, and interest on one side or on the other; and in such cases there will always be the greatest danger that the decision will be regulated more by the comparative strength of parties than by the real demonstrations of innocence or guilt."

If the impeachment of President Nixon should reach the Senate, it will bring with it some hard questions. The long, hard struggle toward liberty and justice for all, toward the rule of law, toward a government that derives its just powers from the consent of the governed, will never be more clearly on the line than then, when each senator will have to undertake to answer those questions, for himself and for the Nation.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan desire recognition?

Mr. GRIFFIN. No, Mr. President.

TRANSCRIPTS OF TAPES SUBMITTED BY THE PRESIDENT: PUBLIC TRANSCRIPTS—IV

Appendix 8. Meeting: The President, Haldleman, Ehrlichman, Dean and Mitchell, EOB Office, March 22, 1973. (1:57–3:43 pm):

P. Well, John how are you? It is good to see you.

M. Mr. President, I am just great—how are you?

P. You're a big Wall Street lawyer—you do have to admit you're rich—

M. Not in front of all these people who help collect taxes. But I can report that the firm is doing quite well.

P. Are they?

E. There isn't any reason why it shouldn't.

M. I would agree.

E. (first part not audible) Eastland is going to postpone any further hearings on Gray for two weeks and allow things to cool off a little bit. He thinks Gray is dead on the Floor.

P. He's probably right—poor guy.

H. Gray, the symbol of wisdom today and future counsel for tomorrow.

D. Maybe someone will shoot him.

Laughter.

P. How's that?

H. He said yes he thinks John Dean did lie to the FBI when he said he wasn't sure whether Howard Hunt had an office in the White House.

D. I said I had to check it out—what happened is that the agent asked if he could see the office. It occurred right after an interview and I said I would have to check that out. And now it has been interpreted that I was lying to the FBI about the fact that he had an office or didn't have an office here.

H. Which wasn't the question—

D. Which wasn't the question—right.

H. But the headline for tonight will be "Gray Says Dean Lies."

P. Gray apparently didn't know what the testimony was—

D. He never really sought to find out the facts on the question.

P. Or the question, perhaps was put in a way that—that he misunderstood the question.

H. (something inaudible)

M. Another factor—those agents may not have reported it exactly.

D. That's right.

H. Gray says it is a matter of the FBI interview with Dean on (inaudible)—Dean said I will have to check it out when asked if Hunt had a White House office—he wasn't asked that—he was asked if they could see the White House office Hunt had, and Dean said I will have to check that. So then they say did Dean lie to the agents and perhaps to Gray? Looking back I would have to say that you were absolutely correct.

D. It's such an irrelevant point even—that is the funny thing.

P. As a matter of fact though—(inaudible)

D. They are working on it right now and we should have it in the next hour.

H. Wasn't Gray responsible for (inaudible)

D. Well, (inaudible) has it right now. I just talked to him. He would like to sit down and have the Senator talk to you right now because Byrd has indicated that he would like to have all the records of all the conversations we have had since the hearings started. It seems to me you had called me—you had initiated the calls—to report on the hearings.

P. Well—what's that all about?

D. He's a very down man right now—I might say.

H. (Inaudible) Did you check—

D. They are trying to find it over there right now. They are trying to find a copy of the transcript.

H. (Inaudible)

D. In fact that is a good point for Ziegler to say—that is what it reminds me of too.

H. (Inaudible)

P. Well he may be feeling sorry for himself (inaudible).

D. He sounds down—he realized after our conversation he sounded down—and I said, well I will talk to you later Pat and I needed conversion. He sort of paused and said, "boy I'm tired—keep the faith."

H. (Inaudible) Has he been coached?

D. I don't think so—Dick Moore is talking with him right now to get his feeling.

P. What did Dick have to say? He won't be able to get a solution.

D. (Inaudible) on the specifics.

H. Here they go—they all get on the wire right quick.

D. They got material—what they wanted—the information they wanted was in the office.

P. It was in the office?

D. To this day I don't really know where Hunt's safe was hidden.

H. I don't think there was one—was there?

H. John has been with Ziegler this morning.

D. Yeah, I left them to come over here.

P. You did. What are they working on?

D. They are trying to get all the facts right now. The transcripts, the hearings, and the frame up.

P. Is that true that (inaudible) or the Grand Jury? (Inaudible)

D. In about fifteen or twenty minutes I will shoot back over there and (inaudible)

P. How long will it take?

D. About fifteen minutes.

H. John had this (inaudible) he had lunch with Howard Baker's Administrative Assistant at the Administrative Assistant's request.

P. The same one who called Colson?

H. I don't know that it was the same one Bill had suggested. This fellow wanted to get guidance from Timmons as to what the President was expecting out of the hearings and he was talking about this executive privilege business and where we were going to stand on that. He expressed the personal view that the President could waive executive privilege. He did not think Ervin would accept the written interrogatories and that they would probably go to the subpoena.

P. (Inaudible.)

H. Nothing was raised about Baker being concerned that he didn't have contact—nothing on the earlier request was raised at all. He did say that Baker was a little pissed off at Kleindienst because he had not met with him at all. He had one meeting scheduled—on Wednesday—and Kleindienst cancelled it. And it has not been rescheduled—so Baker has had no communication with Kleindienst. The day it was scheduled was the day you had your press conference and announced that under executive privilege neither Dean nor anyone else could go up which caught Baker unawares. This (inaudible).

P. Well, then.

M. Plus the fact that they have impeachment and all Weicker does is (inaudible).

H. Oh yeah—

P. Don't get worried—but find John a lawyer right quick.

H. Well he is objecting to the agreement that Ervin made with Kleindienst—he is going to demand that they subpoena the Attorney General and the Director of the FBI to produce all the files, and materials they have on it.

D. I talked to Kleindienst last night—he raised that, and said he is working it out with Weicker but that Weicker was now dissatisfied with the hearings and so he thinks the views of the Chairman of the Senate Minority will bear the consequences.

P. (Inaudible.) In a letter to (inaudible).

P. It is Baker's idea—he wanted to talk with Kleindienst and didn't want to talk to anybody else. That's the way we left it.

D. I think that Kleindienst ought to be aware of the fact that Baker is distressed that he hasn't made a greater effort to see him.

P. You tell him that will you?

D. I will.

P. Follow through—

E. Could I suggest that you call Kleindienst? You had the other conversation with him. Could you call him and say that you have a rumor that Baker is unhappy?

P. Oh yes, I will call him and tell him that.

H. I don't think he (Baker) is standing on his tippy-toes.

E. Well, with all the publicity Baker is not going to be in any position to talk with anybody in the White House.

P. He doesn't want to talk with anyone, he doesn't want to collaborate.

H. He wants to cooperate—this guy Abrams says he wants to be helpful, he wants to work things out. He told the President he wanted to do that through the Attorney General.

P. That's right but he said he didn't want to talk with anybody but Kleindienst.

D. Does Kleindienst know that?

P. Yes, of course.

H. Yes he told the President—the President then called Kleindienst and told him.

P. Were you there?

H. Yes.

M. What are they going to collaborate on?

P. Oh, I suppose on such matters as whether Gray wants the FBI (Inaudible)

E. Well, again, . . .

P. Ok, all done.

H. Well, again I go back to the fact that Baker says Kleindienst cancelled their meeting. He should be called—

P. OK—you do it. I would think Kleindienst—

H. (something about broadcast)

M. Well that's another thing . . .

M. Well let's suppose—(inaudible)—do you think you can get anything accomplished with Sam Irvin?

H. Yeah, but we needn't be concerned about Baker's (inaudible) with Irvin.

P. Well let's talk about Gray—the problem with him is I think he is a little bit stupid.

P. Frankly, I think too maybe Kleindienst doesn't help him any.

D. He has up to this point. John Ehrlichman talked to Kleindienst last night and asked whether he had been giving Gray guidance.

H. The trouble is Dick has been giving him guidance to bear down—something like this comes along and Gray overreacts—almost spasm reaction. We had to really lay on Gray not to give them access to the FBI files. This is literally the opposite of what Kleindienst told him.

P. You shouldn't have even needed that. It should have been second nature. He should have known you never turn over raw files to a full committee.

E. I talked to Dick Saturday night and he was beside himself with the failure of Gray to follow any advice. He said, "Hell we covered this situation carefully. We had a real session on it."

P. Well, Ok. I'll help.

H. Well what words of wisdom do we have from this august body at this point?

E. Our Brother Mitchell brings us some knowledge on executive privilege which I believe—

M. (Inaudible)

P. I wish Byrd would come out and state—I believe it would be well worthwhile to—

M. Well there certainly could be stronger people in Washington.

P. There may be some.

Telephone Call taken by the President.

Hello.

Oh Dick, I wanted to tell you on Baker that his Administrative Assistant was talking to Timmons and they (inaudible) there has not been any move to have any discussion (inaudible). Well, I just wanted to tell you that the point is nobody here can talk to Senator Baker with any justification at all.

Really, uh, uh.

Today?

Well, the point is we are counting on you to be the man there Dick and I want to keep everybody else out of it, so—and I told Baker—if you want to talk with someone here—who would like to talk with—he said you. I said fine, he is running down here—

Yeah.

How about this—why don't you get him on the telephone—and get him down there. It is sort of a line with Baker saying he doesn't have any contact with the White House. Well, of course, he didn't want that—that is his fault—not our fault. We have to accept that would not be the right thing—on the other hand, it is essential for you to give him guidance. I get it, he wanted everybody to come back in public session.

Yeah.

Yeah. No way, etc.

Well, we will keep in touch with you, Dick—basically (inaudible) that would be the best way—in terms of what (inaudible) and in our guidelines but then I think you really have to be our Baker handholder too. That's a hell of a tough job—you have to have him move in with you to do it, huh? Yeah, yeah—the way, yeah, yeah, I understand. Postponed—right, right, yeah.

Yeah, yeah.

Right,

Yeah.

(Inaudible.)

Yeah, some of these open—I understand you were as shocked as I was that some of the raw files had already been made available to the Committee.

Did he?

Oh, he said so, huh?

Yeah.

Well, do what you can.

Incidentally, with Weicker did you work that thing out with him? He said he had written a letter you know—yeah. Why don't you talk to him? Weah, I expected that, Yeah—Yeah. Right. You don't—you never have done that before. No—that is for the birds, right, you were doing it to try to get him cleared. All right, let's leave it this way—you will handle Baker now—you will babysit him starting like in about ten minutes? All right.

(End of telephone conversation.)

P. He says he has called Baker a dozen times—he is either busy or out of town—but he says he will try. He talked with Weicker for an hour on the phone. Well, anyway, he says he has the picture now. I thought Kleindienst—

H. I would guess

P. Oh, yes, he said he talked with him for an hour—I talked to Kleindienst—maybe it's not Kleindienst, maybe its Baker.

H. I would guess that is right. I have always said—they are always down here bitching about nobody calling them—nobody giving them anything and all that.

P. Yet his Administrative Assistant called Colson—or that is what Colson informed me.

H. That is a casual pitch.

D. They were looking for some—Baker was looking for some such room—sort of link with the White House.

P. It's got to be Kleindienst. Go ahead on executive privilege. How would you handle it?

M. All I have worked out was—in the form—what we discussed—

P. Well, I guess under the situation with the statement that we have, we are in a position to negotiate with the Committee on the how, but we are not in a position to cross the bridge and just to say Hunt and Liddy will go down—say this one will go down and testify in open—in a public session—and to say the White House staff will not. But you've got a lot of other things

M. Oh, no.

P. Incidentally, that is what I told Baker too. We begin with that proposition and see what is there and what we can get by with.

M. On executive privilege, Mr. President, they already have something waived. (Inaudible) The point being is that this seems to be the only way to be involved. I would lay out the formula with Sam Ervin or negotiate it through Baker—or however else we can do it. And I would also put together a damn good PR team thing. The facts can be produced—what about this—what about the President's team? The team is important.

E. OK, I have written it. I can see that Chapin, for instance, could figure, without in any way bringing in the name of the President; so I am going to discuss right now with Baker that—

P. Not Baker.

E. Who else would you talk to? I've got a report here and I think I see where the danger points are and where they aren't. I would want to observe obviously any questions that may be asked. I can pinpoint some people now that really wouldn't make any difference.

H. John, you admit you are seeing danger points. If you send any one member of the White House up to testify it is no danger point for him but if some other one can't because it is a danger point then what you are saying is that the President was involved.

E. I didn't say danger from the sense of their being provocative—

M. Well, gentlemen for the sake of discussion (inaudible) the normal procedure for the Segretti matter and the like based on the evaluation of the FBI made (inaudible) or whether it is based on the Grand Jury and the trial transcript or whatever the record could have been available to me—investigation of the past memorandum would indict him.

(Inaudible) (two memorandum that the courts have public records.)

P. We tried that move, John—

M. Well, I did too—before Mr. President. But now that the indictment has come out (inaudible) has the feeling that they have the documentation back of it. Now that the bag has come out.

D. I think the proof is in the pudding, so to speak—it is how this document is written and until I sit down and write that document. I have done part of it so to speak. I have done the Segretti thing and I am relatively satisfied that we don't have any major problems there. As I go to part A—to the Watergate—I haven't written—I haven't gone through the exercise yet in a real effort to write such a report, and I really can't say until I do it where we are and I certainly think it is something that should be done though.

P. What do you say on the Watergate (inaudible).

D. We can't be complete if we don't know, all we know is what, its what—

P. It is a negative in setting forth general information involving questions. Your consideration—your analysis, et cetera. You have found this, that. Rather than going into every news story and every charge, et cetera, et cetera. This, this, this—put it down—I don't know but—

D. I don't think I can do it until I sit down this evening and start drafting.

H. I think you ought to hole up for the weekend and do that and get it done.

P. Sure.

H. Give it your full attention and get it done.

P. I think you need—why don't you do this? Why don't you go up to Camp David?

D. I might do it, I might do it.

P. Completely away from the phone. Just go up there and (inaudible) I want a written report.

E. That would be my scenario. He presents it to you at your request. You then publish—(inaudible)

E. I know that but I don't care.

H. You are not dealing with the defendants on trial. You are only dealing with White House involvement. You are not dealing with the campaign.

D. That's where I personally . . .

P. You could write it in a way that you say this report was not comment on et cetera, et cetera, but, "I have reviewed the record, Mr. President and without at all compromising the right of defendants and so forth, some of whom are on appeal, here are the facts with regard to members of the White House staff et cetera, et cetera, that you have asked me about. I have checked the FBI records; I have read the Grand Jury transcripts—et cetera, et cetera.

E. As a matter of fact you could say, "I will not summarize some of the FBI reports on this stuff because it is my understanding that you may wish to publish this." Or you may allude to it in that way without saying that fact. Just say that I do not summarize all the FBI documents and so forth.

D. It is my understanding that all the FBI reports have been turned over to the Ervin Committee.

H. Not everything. He has only seen half of them.

D. Another vehicle might be, take the report I write and give it to Ervin and Baker under the same terms that they got the FBI reports. You could say, "Now, this has innuendo in it—and from this the press might assume things that shouldn't be assumed, but I want you to know everything we know." And publicly state that, "I have turned over a Dean Report to your Committee." Then begin to say that, "You see that various people have various ingredients which may be of assistance in testifying. But it is not worth their coming up here to be able to repeat in some forum where is here in this report in some forum where they are going to be treated like they are in a circus. But I am also willing, based on this document, to set some ground rules for how we can have these people appear before the Committee."

H. In case of that the Committee would issue a warrant on our phone calls. Bully!

P. That's right.

H. That is all I know about the damn thing is that the Secret Service at some point has been bugged.

D. And that could go on forever with you on that tack. I could draw these things like this Staff into this report and have Kleindienst come get it and give it to Ervin in confidence—I am not talking about documents you see. I am talking about something we can spread as facts. You see you could even write a novel with the facts.

P. Inaudible

D. Inaudible

P. Inaudible

E. My thought is——

P. In other words, rather than fighting it, we are not fighting the Committee, of course—we are fighting the situation thing.

E. And I am looking to the future, assuming that some corner of this thing comes unstuck, you are then in a position to say, "Look, that document I published is the document I relied on, that is, the report I relied on."

P. This is all we knew.

H. That is all the stuff we could find out——

E. And now this new development is a surprise to me—I am going to fire A, B, C and D, now.

D. John, let me just raise this. If you make the document public the first thing that happens is the press starts asking Ziegler about it, expecting the document every day. "Well, why did Ehrlichman receive the call? How did they happen to pick out Ehrlichman? What did he do with the information after he got it?" Keep in mind every item, there will be a full day of quizzing. It will keep up day after day after day.

M. (Inaudible) I think there should be a concerted judgment about when and under what circumstances this is put out.

P. Another thing, let me say, that while Ziegler should be in on this stuff, I think Ziegler should (inaudible).

D. Well, you have said you are going to cooperate with the proper investigation.

P. But I am not going to comment on it while it is improper.

D. Well, why not put ourselves in a framework where you are way out above it? You are cooperating with the Committee, turn over the report, and no further comment.

P. I think you could get off of having Ziegler have to comment—I was trying to pull Ziegler off that for my own sake, too. We will give the Committee full cooperation, but we are not going to comment while the matter is being considered by the Committee—unless the Committee does this and that—

H. As John says for that reason don't publish the complete report. Only hand it over to the proper legislative committees.

P. Well, then we just turn it over to them. Can we get anything else out to the public? Putting out a statement to Republicans—we got a report from the White House?

E. I just got a report which bears out the—

H. Ron can make the statement.

E. Another way to do this would for you to have a meeting with Ervin and Baker.

P. Yeah. We have thought of that and decided against it.

E. Well we would have a reason for the meeting. This meeting would be for the purpose of turning over the document and discussing ground rules and before you did that you would have to have it all agreed in advance as to what the ground rules would be—namely, you've got quid pro quo here because you could come to Baker or to the Committee directly and say, "look, I will turn over the Dean report to you, providing we can agree on how witnesses will be treated up there." You could even screw executive privilege.

P. John—for example, if you were talking about executive privilege this really gets down to specifics. What you do about executive privilege. What about Colson—does he go or not?

D. I think Colson has to go.

P. He has to go?

D. Oh, yes.

H. Everybody goes under John's plan including Ehrlichman and me—everybody except John Dean, who doesn't go because he's got the client/lawyer privilege.

M. I think you and John could be negotiated out.

P. Should we negotiate it now?

M. I think the Court would show that a very simple thought, involvement with the (inaudible).

D. Well the trouble is—one of our arguments—

H. Let us go John—I don't see any argument against our going if you are going to let anybody go.

D. That's right.

H. You've got less to hurdle with us than you have with some of the others. Sure if you get the big fish out there in front of the television cameras I think you fellows would be tough. I think Strachan wouldn't get them nearly as excited as John and me going out there.

P. Strachan and Chapin.

H. Well, Chapin wouldn't have to go before them.

H. If you could do it in Executive Session.

D. Then we would have no reason not to go—

H. Then why hold us back?

P. These Executive Session things always appeal to me—Now of course you could always say (inaudible).

D. Maybe we could invite the Committee down to the Roosevelt Room or Blair House.

H. Maintain informality.

H. I don't know what Hunt will do

P. Would Executive Session help?

E. Well, Executive Session I suspect would at this point (inaudible). I really think these guys are concerned about this Mexican standoff and I think they will all—I do think that Ervin's crack on television about arresting people who cross the line about (inaudible) crossing the line—litigation.

M. In addition to that you have a long—really lengthy.

P. This thing could go on for a hell of a long time.

H. Sure it is going to be a long time.

D. Better take it on the counsel thing.

H. That's what he doesn't want.

D. I know, but—

H. Someone like Dwight Chapin—that's the easy one—you did that with someone who had no contact.

P. As bright as he is (inaudible). As long as Dean—they didn't test it. We asked them to. They didn't bite that one very fast did they John?

H. Chapin is the guy to ask on. You try to go to a federal judge on Chapin and that will be a good Court opinion. He is a former employee. He had no policy role, he had no major contact with the President.

M. (inaudible).

P. Chapin?

M. He is no longer employed.

H. He is the object of a subpoena. He's been called to testify at the Gray hearings, and what not. But he knows he's done nothing.

M. They could get him up there and—

E. Well, the precedent on this frightens me.

P. We have a precedent problem. In the case of a present White House employee there will not be a precedent problem.

M. In the case of a present one it does not—

P. Then they would have to go in front of the cameras and show how it would not become an important first.

E. Of course we have the anomoly of Clark Mollenhoff running up and trying to give testimony in a civil service ceremony here now—saying, "ask me a question—ask me a question. This is a Kangaroo Court." The guy running the hearing is telling him to sit down and shut up, and what is happening here is that the government is asserting the executive privilege.

M. No, they are not. That is not executive privilege.

E. It is the closest thing to it. The point is, who's privilege is it to assert? What do you do with a Chapin? I think—I don't know what you to think this is the reason I called you—to figure out a scenario but I assume that immediately a subpoena issued, that on behalf of the President you would immediately go over to the Committee saying that the Executive asserts privilege.

P. Let me ask this. This question is for John Ehrlichman and Dean. You were the two that felt the strongest on executive privilege thing. If I am not mistaken, you thought we ought to draw a line here. Have you changed your mind now?

D. No, I think it is a terrific statement. It puts you just where you should be. There is enough flexibility in it.

P. Well, all John Mitchell is arguing then, is that now we use flexibility in order to get off the coverup line.

E. And as I told him, I am so convinced that we are right on the statement that I have never gone beyond that. He argues that we are being hurt badly by the way it is being handled. And I told him, let's see—

H. I think that is a valid evaluation on the individual point, but that is where you look like you are covering up right there. That is the only active step that you have taken to cover up the Watergate all along was that.

P. Even though we have offered to cooperate?

H. On legal grounds, precedence, tradition, constitutional grounds and all that stuff you are just fine, but to the guy who is sitting at home who watches John Chancellor say that the President is covering this up by this historic review blanket of the widest exercise of executive privilege in American history and all that—he says "what the hell's he covering up, if's he's got no problem why doesn't he let them go talk."

M. And it relates to the Watergate—it doesn't relate to Henry Kissinger—foreign affairs or anything. The President and all that business they don't know what the hell you are talking about.

P. Maybe we shouldn't have made the statement.

H. We should have because it puts you in a much better position. They were over here. That is what Ervin wanted. He wanted all of us up there with unlimited, total, wide open. The statement in a sense puts us over here. Now you move back to about here and you probably can get away with that.

E. You can get away with it in the Watergate context. You said executive privilege and then you applied it in the first instance to Gray. I wouldn't change that, and that is exactly right. At the same time you are in a position to say, "Oh, now there is this other case and what I regarded there consistent with my statement is so, and so, and so."

H. It is very clear—that the questions once properly asked don't have any bearing on these people's relation to the President. Which they don't. The President had nothing to do with it.

M. I don't know.

E. There again, it would be hard to get proof. You are right and we are going to need some of that for our campaign. The argument will be that the President has backed off his rock solid position on executive privilege and is now letting Chapin, Colson, Haldeman and everybody testify.

P. (inaudible).

E. They are saying that there are PR problems.

P. People don't think so—Several—That's right.

H. They don't think—they think you clamped down an iron curtain and won't let anybody out of here ever. It was my understanding—I talked to you or maybe someone else—that the Committee's operating rules do not permit witnesses to have Counsel.

D. That is Grand Jury. I have never heard that about the Committee.

H. About the Committee?

D. No—not the Committee.

P. On the contrary the committees—ever since the days I was there they have always allowed counsel.

D. I can't imagine their not allowing counsel.

P. No sir, committees allow counsel.

H. It seems to me if we are going to do this that it becomes important to any White House staff members who testify that they should not only have private counsel, personal counsel, but that the President's Counsel should be there because you are under oath, as his waiver of executive privilege and the President's Counsel should be there to enforce the limitation and the witness should not have to be in the position of saying, "That is one I can't answer because it is outside the grounds."

E. You are appealing that someone should do it then for us?

P. How would it be with the Executive Session thing?

H. They would probably have television at that. What do you do when something comes up that is top secret?

P. How do you handle that PR wise?

M. You handle that only with the Executive Session. Otherwise you come up with another Roman holiday like we have had with Kleindienst and Gray. A fact-finding operation is there to get the facts and not to put on a political circus as they have in the past.

D. If there were no cameras up there, there would be no reason to have the Executive Session because—

H. Well then you come back to arguing for an open session with no television cameras

P. (Inaudible). I forgot about the formal session. It is a formal session.

E. I think that is the least personal—

D. That is correct we have said—no debate and there shouldn't be.

M. Well that won't wash.

E. Yeah, I probably think it would.

P. We ought to see about it.

D. I think it is arguable. They are interested in eliciting information and I think (inaudible)

H. Is there an executive session of a Senate Committee where other Senators can come in, where any Senator has the privilege of submitting questions? Senator Kennedy would want to sit there I am sure.

P. He can't ask questions.

H. He can't?

D. Not unless (inaudible).

P. All the members (inaudible) but we shall see. But it is normal practice that no one can ask questions but members of the Committee.

H. But Teddy could still sit there in the audience and then go out to the TV camera and say (inaudible) look this is what is being said, et cetera.

P. Oh, well we are going to have that.

D. I think if he did that he would be terribly criticized.

H. I was just thinking in the membership of the Committee. We are in reasonably good shape and that the people we have on the Committee are not as bad as some Senators who would turn the use of TV afterwards for their own purposes.

P. Not as spectacular.

M. (inaudible) Could I point out (inaudible).

D. (Inaudible).

H. When do they start hearings now?

D. (Inaudible).

P. The topic—here—we have plenty of time for those hearings, but what Bob is concerned about the PR. We don't have much time.

D. PR is going to start being better right away with the termination of the Gray hearings for ten weeks that will let some steam out of that—

P. The PR. What I meant is, and anyway that the main thing is to do the right thing. Don't rush too fast with the PR but it takes time to write, et cetera. John has to have time to write this report. Do we broach this whether we have a report or not? (Inaudible voice and answer).

P. Let me ask you this: On the broaching of that, should we get Kleindienst to be the broacher?

(Inaudible)

P. The point is, who else? I can't.

D. That's right. Kleindienst in his conversations with Ervin and Baker—Ervin indicated that he would like to talk with Kleindienst about the executive privilege question. Maybe it is now time to get that channel re-opened again.

M. Let me make this suggestion.

H. Write it out both chapter and verse—some exhibits. You are gonna—

M. Let me something first. I think one of you mentioned having a meeting with the Committee. It might be well say you want to discuss the executive privilege point with the Chairman. But don't discuss it with the Chairman until you get up there. At least this advises them that the discussion of the matter is available.

E. And then ask him not to take a Committee move on the subject either until—

H. Until he has talked to them, or the Committee has talked about it.

P. Would this be the time (inaudible)—

P. Who is going to talk to him?

E. Who is going to be there?

M. Kleindienst talks to—

P. In other words to Baker and Ervin. The conversation could occur like tomorrow. We have to move in this direction, regardless of the report. We have to move to start the negotiation.

M. Well, I think there is too much lead time. It will get into the press before the Committee meeting. What is Wally Johnson's status?

D. That's funny—because he is still here regardless of the fact that he has been announced apparently. I gather he will be in with the Attorney General. I was thinking maybe to preserve my Counsel role with Ervin and Baker that I ought to be present with Kleindienst.

P. I agree, and the four of us sit down and talk about executive privilege—we won't get into any of the substance.

P. The thing about your being there with Kleindienst they might be skeptical—

D. I must say they were pretty good when they were dealing with me as Counsel—that is one of the reasons I am not one of the—(inaudible)

M. I think it would be appropriate for your Counsel to be present.

D. That's right.

P. Alright. Now that that is done let's get down to the questions—

D. I think that possible Kleindienst ought to call today and let Ervin and Baker know that he would like to meet with them early next week to talk about executive privilege and indicate that I would be present to see if we can find—

P. A formula for them to get all the information that they desire.

D. That's right.

H. This would be an unpublicized meeting.

D. Unpublicized.

P. That seems to me to be a sensible way.

H. I wouldn't say early in the week I think he better say Monday so you can get them before they change.

P. (Inaudible) What is your position on Dean having to testify?

H. He might.

P. We would have to draw a line there, wouldn't we John?

M. I would agree wholeheartedly (inaudible) To have your Counsel testify would be a mistake.

H. Even if Dean would have to, it would be a mistake (inaudible)

P. Well on the Dean thing—you simply say well that is out. Dean has made this report and here is everything Dean knows.

E. I think John on Monday you could say to Ervin if the question comes up, "I know the President's mind on this and he is adamant about my testifying as such. At the same time he has always indicated that the fruits of my investigation should be available to you." And just leave it at that for the time being.

D. One issue that may come up as the hearings to along is the fact that the focus on this book is that Dean knew—as you all know I was all over this thing like a wet blanket. I was everywhere—everywhere they look they are going to find Dean.

P. Sure.

H. Well, I don't think that is bad.

E. I don't either. You were supposed to be.

P. You were our investigator. You were directed by the President to get me all the facts. Second, as White House Counsel you were on it to assist people in the Executive Branch who were being questioned. Say you were there for the purpose of getting information. That was your job.

D. That's right.

P. But the main point certainly is that Dean had absolutely no operational activity. The wonderful thing about your position is that as far as they are concerned—your position has never never been as operative.

H. That is true—that even in the private sessions then—you volunteered to give them a statement on the whole question of your recommendation of Liddy which is the only point of possible kind of substantive culpability that you could have and now you can satisfy all of those actions—that is if you want to.

P. At the President's direction you have never done anything operational, you have always acted as Counsel. We've got to keep our eye on the Dean thing—just give them some of it—not all of it. I don't suppose they say John—no—we won't take it. (inaudible) Just take the heat of being—on the other hand you've got Chapin going and you've got Colson going.

H. No, he doesn't.

P. You've got (inaudible) and inaudible going.

M. You can't keep them out of all these sessions, Bob. I will get back to (inaudible) on the basis of Chapin's talk to Segretti last week.

D. They can subpoena any of us. There is no doubt about that. If they don't serve it here because they can't get in. They can serve you at home somewhere. They can always find you.

H. We move to Camp David and hide! They can't get in there.

P. Well, go ahead.

D. The question is once you are served and you decline—then you have a defense situation. Now I would say that it would get very difficult to believe that they will go to contempt on people who are present White House employees.

P. They would on a Colson wouldn't they?

D. That would be a good test case for them to go on. The other thing though is they could subpoena Colson to come up there and Colson could then say, "Well, I decline to testify on the grounds that I think it is privileged communication, or privileged activity." Again you get a little fuzzier.

M. If they ask some unusual questions—

D. Yes, that's right.

D. Then it will get much fuzzier as to whether or not they would cite him for contempt or not.

P. Suppose the Judge tomorrow orders the move when he opens up the Grand Jury and says I want them to call Haldeman/Ehrlichman and everybody else they didn't call before.

D. They would send them all down.

P. Then do you still go on this with the Ervin Committee—the point is—if the Grand Jury decides to go into this thing, what do you think of that?

E. I think you say, "Based on what I know about this case, I can see no reason why I should be concerned about what the Grand Jury process is about." That's all.

P. Then they would have to do both—appear before the Grand Jury and the Committee?

D. Sure.

E. You have to bottom your defense, your position on the report. And the report says nobody was involved, and you have to stay consistent with that.

M. Theoretically, I think you will find the Grand Jury is not about to get mixed up with that sort of thing.

H. (Inaudible) Well, there is danger in a Grand Jury.

D. Well, there are no rules.

P. Well, Grand Juries are not really very fair sometimes—

D. That's right.

M. (Inaudible)

H. What would happen? Would Silbert be the prosecutor on this?

D. Unless the court appointed a special prosecutor.

H. Which he could do.

P. We better see tomorrow about that—but—if that is the case who is to move now on the first one? Who is to call Kleindienst?

D. I am to follow through with Kleindienst, Sir. I am going to call him and tell him to call Baker first and then Ervin and tell them that you would like to meet with them on Monday to discuss and to explore—a formula for providing the information they need that in a way that does not cause a conflict with general policies on executive privilege.

P. Yet meets their need for information. Right?

D. Right.

P. They have requested that kind of a talk already, haven't they?

D. Yes.

M. You will sit down with Dick, Mr. President?

P. Yes, yes. I don't want you to talk about this report with anyone.

D. Well, we are going out over the weekend (inaudible).

H. Also write out a thing for Kleindienst so that—

P. I think you can talk to Kleindienst. I think you can do most of the talking. You can do it.

D. I don't think we ought to read anything in this first session but I think we ought to let them know that we are thinking about reaching some sort of—

P. Saying, "What would you think here?"

H. Stay loose.

P. We want to see what can be worthwhile with regard to this—we will talk about informal sessions. Has Ervin's position been he insists on formal sessions? Is that his position?

D. Well, we don't know. We have never really discussed it.

H. His response to your position—naturally that is what you have now—that is Ervin's response—that written stuff isn't any good, "I want the body, we really can't ask a piece of paper questions." Now, what we are saying is that . . .

P. The written thing was in which?

E. That was a Ziegler (inaudible) I believe, not a statement.

H. But it is a general thing. That was in your press conference. You, they will provide written—I think you said it—

P. I may have said it.

H. I think you did in the press conference and Ervin's response is to that. Your statement could have been, "these people will be happy to provide written answers to appropriate questions."

P. Are you sure it wasn't in a statement?

E. No, I am sure we used informal—

D. It came up the third time when I responded to Eastland's invitation to furnish information, and you said we would furnish written information and then it was repeated after that—that we would be happy to supply information in writing.

H. Then Ervin responded—he specifically rejected that only on the grounds that you can't ask questions of a piece of paper. So we are giving him that opportunity. He hasn't said that the processes of the Senate require that those questions be answered in (inaudible).

P. What is the argument that you give John to people as to why Executive Session rather than an open session?

D. Well, I——

P. You can't really give—you can't really attack the Committee's guidance. What do you say?

D. Well, I think what I would do is to talk a little about the position in our mind—with the position he took so vocally in the Gravell case.

P. That's right.

D. Where he came out and said that a Legislative Aide could not be called to question for advice they give their Senator or Congressman. He just went on and at great length cited executive privilege, etc.

P. He will say this is not advice to the President. Go ahead.

D. Then I will say that these are men who do advise the President and we have to draw the line.

P. And that's the principle involved and to have that principle discussed in open session forum is the kind of thing where you have to go off to the Bench where the Jury doesn't hear it.

D. Well——

H. I don't think, John or Dick, if they're in a Monday meeting should tip their hand and offer to appear in Executive Session and get them on to the Executive Session wicket.

D. No, no, I agree.

H. We should openly indicate a willingness to listen to ideas as to what would be done and an open-mindedness to try to work something out. If that is going to become the issue it seems to me that that is an issue we could win publicly where we may not be able to win it with the Senate.

E. Where if we go in with the idea of expressing the President's concern about the protection of his people is expected.

P. I am also concerned about frankly having matters of seniority debated publicly. That is a matter that ought to be debated privately.

D. That's right.

P. And the fact that it is raised does not indicate guilt. That is part of his argument for Gravell, too. That fact that it is raised does not indicate guilt. That is what we are really talking about here. But having it in public session, those——

D. I will work out a complete negotiating scenario and have thought it through before I go up.

H. Your objective in that meeting is simply for you to indicate to them a willingness to discuss. It is not to have a proposal for them to accept or reject.

D. I agree. The scenario is for myself and for Dick (inaudible)—it is a record for the future.

P. It is the record for the future. Maybe you can tell Ervin on the mountaintop that this is a good way to set up a procedure for the future. You know what I mean, where future cases of this sort are involved. We are making a lot of history here, Senator.

M. And the Senator can be a great part of it.

P. A lot of history. We are setting a stirring precedent. The President, after all, let's find out what the President did know, talk about the Hiss Case.

D. Ervin away from his staff is not very much and I think he might just give up the store himself right there and lock himself in. You know I have dealt with him for a number of years and have seen that happen. I have reached accord with him on legislation—

H. If he holds out for anything you may get an answer from him—(inaudible)

P. Suppose now he just takes the adamant line—nothing?

D. Doesn't sound like Richardson's information—sounds like him sitting and saying nothing.

P. Well, if he just says, "we are going to have public sessions, it's got to be that or else."

E. Then we say, "Maybe we have a law suit Senator and it is going to be a long while before legislative hearings and what not."

P. If you want your hearings—then that is the other thing. The other point is would it not be helpful to get Baker enlisted in some way in advance. If that could be done not begging him. Could we put Kleindienst to that thing?

M. On the second step—not on the opening step.

P. Even on the opening step the problem that I have here is that if Baker sits there and just parrotts Ervin's adamant statement—"Hell no, there can't be anything except public sessions," you have nothing to do.

M. You know how these Senators act—Baker will lay the whole thing out on the table.

P. Yes, I guess you are right. Baker, on the other hand, Kleindienst should at least call and say look Howard, "Why don't you try to work something out here?"

H. Baker could in effect say—we want to work something out—what can you give us?

P. You can't be tough. Right now, Howard is just going for a law suit.

H. Give us a hand and try to open this up. Baker could find that much there, to be positive this time around.

D. Don't lock yourself in—we will have another session or so on it.

P. Yeah, the other point is if they insist (inaudible) it becomes essential, then that this be forgotten and then have a law suit.

E. You say well then ok, why don't we now discuss are we going to go legally and perhaps we can at least agree on what apparent legal issues there are, so instead of being three years it will only be a year and a half.

H. Get it settled before this Administration moves, or gets kicked out.

D. They know it is many months, who they are going after and under the circumstances that they know they have a tough law suit ahead of them. They have to hire counsel. It is going to cost money to freeze it on their side; they don't have money. They don't have Department of Justice to handle their case; they have to bring in special counsel who probably know nothing about executive privilege, will have to be educated. Get the Library of Congress clanking away getting all the precedence out and the like.

H. We've got all that.

D. It is a major operation for them to bring in. They have to get a resolution of the Senate to do it—

E. Of course Ervin is a Constitutional expert himself. Any Constitutional expert might want to do that.

P. Yeah. Have you considered any other possibilities? John, you are the one who is supposed to know the bodies.

D. That's right. I think we have had a good go-round on the things now.

P. Do you think we want to go this route now? Let it hang out so to speak?

D. Well, it isn't really that—

H. It's a limited hang out.

D. It is a limited hang out. It's not an absolute hang out.

P. But some of the questions look big hanging out publicly or privately.

D. What it is doing, Mr. President, is getting you up above and away from it. That is the most important thing.

P. Oh, I know. I suggested that the other day and they all came down negative on it. Now what has changed their minds?

D. Lack of candidate or a body.

H. Laughter.

M. (Inaudible) We went down every alley.

P. I feel that at a very minimum we've got to have this statement. Let's look at it. I don't know what it—where in the hell is it—If it opens up doors, it opens up doors—you know.

H. John says he is sorry he sent those burglars in there—and that helps a lot.

P. That's right.

E. You are very welcome, sir.

(Laughter)

H. Just glad the others didn't get caught.

P. Yeah, the ones he sent to Muskie and all the rest; Jackson; and Hubert, etc.

E. I get a little chill sitting over there now thinking of those people.

P. Yeah. I would hate to be those fellows at the moment.

P. Incidentally, we don't plan to have a press briefing today do we?

E. We hadn't planned it—it wouldn't hurt.

H. Well, I have a meeting upstairs with John at 3:30—with (inaudible).

E. All right he is going to top our press tomorrow.

P. Let's let it go.

E. OK.

P. OK suppose you take care of it now and I won't come over there. If you get any more soundings let me hear Friday. It would be my thought then that I would tend to break it off at 4:30 or 5:00 p.m.

M. 4:00 p.m. will be the minimum—I have to get to New York.

P. Yeah, then its done. Yeah, I understand. Bob—what time is my take-off scheduled for Florida? Are you ready?

H. Yes, sir.

P. Well we won't rush.

E. It is 3:16—how about 15 or 20 minutes from now?

Appendix 9. Meeting: The President, Haldeman, Ehrlichman and Ziegler, EOB Office, March 27, 1973. (11:10 am–1:30 pm):

P. I don't believe that I should go out on national television tonight or tomorrow and go out on the Watergate Commission and then come on the next day on national television on Vietnam. I don't like the feel of that. I don't think you—can be ready by that time? My view is to get the Vietnam thing out of the way, and then get this right as you could. In other words, that gives you time.

E. The picture of the Congress having an inquiry going on and the Grand Jury in session, the Judicial branch—

P. Right.

E. It seems to me it gives you a good opening for you to step in and say there doesn't seem to be anybody except me in position with all this. I have talked with the Chief Justice of the United States; I have talked with Senator Ervin, Senator Baker and I, after that consultation, have posed this three-branch—

P. For an inquiry to start with the proposition of Ervin and Baker, where you don't come a cropper right there at the beginning on whether you can get the three branches. What's the view of the three-branch, John?

E. Well, I am not sure you could get it either.

P. What,—well, that's it. Suppose you couldn't. Then I still think that it is good possibly that I—but we've got to have somebody other than me that could broker it. The problem you've got to recognize is that Haldeman can't, you can't, and Dean can't. Mainly because you possibly could, but its also the (unintelligible) about the whole White House. What we might have to do—I hate to assign this to anybody, but I might have to use Rogers on this to be the broker.

E. Yep.

P. Rogers can be a good broker at times. I don't know whether you could get a—

(Knocking on door—)

P. Oh, hi. How are you?

Z. Thought we would just check in.

P. Sure, sure. Right, right. In position, right—

Z. We have the patient rehabilitation veto today and the (unintelligible) to Thieu in South Vietnam, preparations—.

P. Right.

Z. I talked to Dean and to Moore this morning in terms of whether or not we say anything (unintelligible) the Grand Jury.

P. Right.

Z. And Dean's feeling is that we should not today.

P. That is my feeling.

Z. And Moore's feeling is that we should not today, and I concur in that.

P. Yeah. My view is today, unless you've got something more to say, I would simply say I have nothing to add to what (unintelligible) I think that would be better, just get out there and act like your usual cocky, confident self.

Z. Then if I am asked a question about whether or not Dean would appear before the Grand Jury, if I am asked that question—

P. Yeah.

Z. How should I handle that?

P. That's tough.

Z. I could—Two options: One would be to say that (unintelligible); the other would be to say the (unintelligible).

P. (unintelligible) Well, if you say (unintelligible) permission—What do you think, John? You tell him. Well, it is easier to get out of it if you say well that is not a matter (unintelligible).

Z. I am inclined to think that today my best position is just to say that this was discussed yesterday. We are willing to cooperate.

P. Why don't you say, "We have indicated cooperation and when we see the form of the request, or whatever it is—"

Z. "These matters must proceed in an orderly manner and I am not going to get up here and comment on the possibility of—"

P. "of future action" (unintelligible)

E. The other thing you might do is—this would put our friend John Dean III in a tough spot—say, "while there have been some accusations against him, he's really in the poorest position to defend himself of anybody in the government."

(Material unrelated to Presidential actions deleted)

E. I don't know whether it would add anything, really, from our standpoint to say this, but the point is here that the poor guy is under disability to step out and defend himself because of his position. Because he is Counsel to the President, and that in a way—

P. That helps—

E. inhibits him. Well, —

P. But (unintelligible) for Ron to get into that?

E. Well, but it is in the saying, would he appear before a Grand Jury?

P. Why don't we just say, "well, this is a matter that is not before us." Point out that he is Counsel to the President, Counsel to the White House—use the White House. Say, "He is the White House Counsel and, therefore, his appearance before any judicial group, therefore, is on a different basis from anybody else, "which is basically what I—you know when I flatly said Dean would not appear but others would. You know, I did say that, and of course—

E. It was on a different basis. And at the same time, a man in any position ought to be given a chance to defend himself from these groundless charges.

P. "Mr. Dean certainly wants the opportunity to defend himself against these charges. He would welcome the opportunity and what we have to do is to work out a procedure which will allow him to do so consistent with his unique position of being a top member of the President's staff but also the Counsel. There is a lawyer, Counsel—not lawyer, Counsel—but the responsibility of the Counsel for confidentiality."

Z. Could you apply that to the Grand Jury?

E. Absolutely. The Grand Jury is one of those occasions where a man in his situation can defend himself.

P. Yes. The Grand Jury. Actually if called, we are not going to refuse for anybody called before the Grand Jury to go, are we, John?

E. I can't imagine (unintelligible)

P. Well, if called, he will be cooperative, consistent with his responsibilities as Counsel. How do we say that?

E. He will cooperate.

P. He will fully cooperate.

E. Better check that with Dean. I know he's got certain misgivings on this.

Z. He did this morning.

P. Yeah. Well, then, don't say that.

E. Well, I think you can pose the dilemma without saying flatly what you are going to do.

P. Yeah. We—But maybe you just don't want to. You better not try to break into it, Ron.

Z. You get into posing the dilemma—

P. Then they are going to break into questions. I would simply stall them off today. Say that is not before us at this time, but let me emphasize, as the President has indicated, there will be complete cooperation consistent with the responsibilities that everybody has on the separation of powers. Fair enough? And, of course, consistent with Mr. Dean's other responsibilities as a Counsel. See? How about just saying it that way? Well, John, do you have doubts?

E. No. But if Ziegler opens, Ziegler has to answer something. About the only thing that occurred to me when I read this thing yesterday was somehow or another, he should be introducing the fact that Dean is going to get a chance to clear his name.

P. Yeah.

E. Eventually there is going to be an opportunity for that in some forum, at some time, in some way. But maybe you get into——

P. I don't think this is the day to do it.

Z. I think that is right. Give them more than a day to see how we approach the whole matter (unintelligble—RZ exit).

(Material unrelated to Presidential actions deleted.)

E. On the FBI, we will start moving some names to you. I hope you will look into that guy that (unintelligble) mentioned—we are trying to get a resume and some background.

P. A judge with a prosecuting background might be a hell of a good thing. I have decided when we move on it, it must be simultaneous. Gray comes in and says, "I am sorry, I can't get confirmed. I don't want to be confirmed in a way in which there is any division. There must be unanimous support for whoever is, and support for and trust in, the Director of the FBI. As a result of the hearings to date, it is obvious that I am not going to get that kind of support in the Senate, even though I believe that I may be confirmed under the circumstances, I respectfully request that you withdraw my name." We withdraw his name and send somebody else down. That is a very sound basis. I am thinking of doing that. I would hope next week right after (unintelligible).

E. Ah, what would you think of doing that simultaneously with the appointment of a Commission. We could make it in the same announcement. Could say, "here is a fine man who has been unfortunately splattered by this thing. It is a case study in how bystanders can get splashed by this sort of thing. It's not a fight where he came in."

P. You think, also, John, or at least you probably gave somebody the idea, that we should get Kleindienst out, too, at this point?

E. Yeah, yeah.

P. How do we do that?

E. Well, I am going to see him today, and Bob's going to talk to him, and we will hit him from two directions.

P. Get Kleindienst to resign?

E. Oh, no, no. Get him out front.

P. Oh, I thought you said get him out of the office.

E. Oh, no. I hadn't talked about that. That's Bill Rogers.

P. Oh, I am sorry, John.

E. No. We talked this morning about getting him out front.

P. I am afraid its (unintelligible) of canning him right away. Let's see. Let's see about that. Maybe we can. Well, what have you got to report. John and I have just started on (unintelligible).

H. All I have is Dean's report. I did not talk to Mitchell, because this thing changed what you might want from Mitchell. He had a long conversation again today with Paul O'Brien. Everybody has been talking (unintelligible) this, that, and all that. Of course, O'Brien is very distressed with Mitchell. The more he thinks about it, the more O'Brien comes down to Mitchell could cut this whole thing off, if he would just step forward and cut it off. He said the fact of the matter is as far as Gray could determine, Mitchell did sign off on it. And if that's what it is, the empire will crack.

E. You said, "Gray."

P. What's that? I am sorry.

H. O'Brien, not Gray. As far as O'Brien can determine Mitchell did sign off and Dean believes that to be the case also. Dean doesn't think he can prove it, and apparently O'Brien can't either, but they both think that.

P. That's my—

H. And the more O'Brien thinks about it, the more it bothers him with all he knows, to see all the people getting whacked around in order to keep the thing from focusing on John Mitchell, when inevitably it is going to end up doing that anyway and all these other people are going to be so badly hurt they are not going to be able to get out from under. And that's one view.

Now, to go back on the Magruder situation as O'Brien reports it, having spent several hours with Magruder, yesterday afternoon, O'Brien and Parkinson. Jeb believes, or professes to believe, and O'Brien is inclined to think that he really does believe, that the whole Liddy plan, the whole super-security operation, super-intelligence operation was put together by the White House, by Haldeman, Dean and others. Liddy, Dean cooked the whole thing up at Haldeman's instructions. The whole idea was the need for a super-intelligence operation. Now there is some semblance of, some validity to the point, that I did talk, not with Dean, but with Mitchell, about the need for intelligence activity and—.

P. And Dean recommended Liddy?

H. Yes. But not for intelligence. Dean recommended Liddy as the General Counsel.

P. Yeah, but this is where Magruder might come—well, go ahead.

H. That Mitchell bought the idea that was cooked up at the White House for a super-intelligence operation, and that this was all set and an accomplished fact in December of 1971, before Liddy was hired by the Committee. But then Liddy was hired by the Committee to carry it out and that that's why Dean sent Liddy over to the Committee. Then there was a hiatus. There were these meetings in Mitchell's office where Liddy unveiled his plan. And the first plan he unveiled, nobody bought. They all laughed at it. It was so bizarre. So he went back to the drawing board and came back with a second plan and the second plan didn't get bought either—that was at the second meeting—and everything just kind of lingered around then. It was sort of hanging fire. Liddy was pushing to get something done. He wanted to get moving on his plans. And at that point he went to Colson and said, "Nobody will approve any of this, and, you know, we should be getting going on it." And Colson then got into the act in pushing to get moving with the Colson phone call to Magruder saying, "Well, at least listen to these guys." Then the final step was—all of this was rattling around in January—the final step was when Gordon Strachan called Magruder and said Haldeman told him to get this going. "The President wants it done and there is to be no more arguing about it." This meaning the intelligence activity, the Liddy program. Magruder told Mitchell this, that Strachan had told him to get it going on Haldeman's orders on the President's orders and Mitchell signed off on it. He said, "OK, if they say to do it, go ahead."

P. Was that this bugging?

H. The whole thing, including the bugging. The bugging was implicit in the second plan. He doesn't seem to be sure whether it was implicit or explicit.

P. Well, anyway—

H. He doesn't think that particular bug implicit, but that the process of bugging was implicit and, as I didn't realize it, nor did (untelligible), but it was also in the Sandwedge going way back—the early plan. That, incidentally, is a potential source of fascinating problems in that it involved Mike Acree, who is now the Customs Commissioner or something. Joe Woods, a few other people.

P. Nothing happened?

H. It wasn't done, activated, but these—At some point, according to Magruder, after this was then signed off and put under way Mitchell called Liddy into his office and read him the riot act on the poor quality of (unintelligible). That's basically the scenario or summary of what Magruder told the lawyer. Dean's theory is that both Mitchell and Magruder both realize that they now have their ass in this thing, and that they are trying to untangle it. Not necessarily working together again, but they are. In the process of that they are mixing apples and oranges for their own protection. And that they are remembering various things in connection with others, like Liddy and Hunt.

(Material not related to Presidential actions deleted.)

H. He says for example, Magruder doesn't realize how little Dean told Liddy. He thinks that Dean sent Liddy in (unintelligible) Liddy (unintelligible) frankly to satisfy Dean. His screaming to Liddy was that he was General Counsel over there and also take as a side activity the political intelligence because we do need information on demonstrators and stuff like that. That they are not doing anything about, but he never got into any setting up an elaborate intelligence apparatus.

P. OK.

H. Dean says that as a matter of fact, in contrast to Magruder's opinion, at the first meeting where a Liddy plan was presented, everybody at the meeting laughed at the plan on the basis that it was just so bizarre that it was absurd and completely funny.

P. Yeah.

H. The second meeting, Dean came into the meeting late. He was not there during most of the presentation, but when he came in he could see that they were still on the same plan of orbit and he says in effect, I got Mitchell off the hook because I took the initiative in saying, "You know it is an impossible proposal and we can't, we shouldn't even be discussing this in the Attorney General's office," and all that Mitchell agreed, and then that is when Dean came over and told me that he had just seen this wrap-up on it, and that it was impossible; that they shouldn't be doing it; that we shouldn't be involved in it and we ought to drop the whole thing. Then as Dean said, "I saw a problem there and I thought they had turned it off and in any event I wanted to stay ten miles away from it, and did." He said the problem from then on, starting somewhere in early January probably, was that Liddy was never really given any guidance after that. Mitchell was in the midst of the ITT and all that stuff, and didn't focus on it, and Magruder was running around with other things and didn't pay much attention, and Liddy was kind of bouncing around loose there.

E. Well, now, how do you square that with the allocation of money to it?

H. Well that presumably was the subject in focus by somebody.

Who signed off on that?

E. Magruder, possibly Mitchell, possibly Stans, certainly—

P. I don't know that they can say that the allocation of money for this super-intelligence operation, I don't think I ever—that's what Magruder said—

E. Someone was paid to focus on—

H. Yeah, someone focused and agreed that there had to be some intelligence and that it would take some money and that Liddy should get it.

E. And against the background of the two plans being presented and rejected, the logical question that would arise is, well, what are you going to do with the money? You don't have an approved plan?

H. Yeah.

E. So that doesn't put anything together.

P. Well, it doesn't hang together, but it could in the sense of the campaign—

H. Well, what he thinks, he thinks that Mitchell did sign off on it.

P. My guess is Mitchell could just say, "Look," he says, "this, that and the other thing," and he says, "alright go ahead but there was no plan of this."

H. Except if you support Dean's opinion (unintelligible).

P. So—

H. Now O'Brien says that Magruder's objective in holding at the moment is a meeting with Mitchell and me. And that what he has told the lawyers, that will be a shot across the bough and tear down the meeting place. O'Brien doesn't really believe Jeb, but he's not sure. O'Brien is shook a little bit himself as he hears all this. But he does see very definitely and holds also to the theory of mixing of apples and oranges. He's convinced that Jeb is linking together things that don't necessarily fit together in order to help with (unintelligible). And, again, he's very disappointed in Mitchell. He feels that Mitchell is the guy that is letting people down. O'Brien made the suggestion that if we wanted to force some of this to a head, there is one thing you might consider is that O'Brien and Parkinson, who are getting a little shaken now themselves, are retained by the Committee. That is by Frank Dale. He is the Chairman of the Committee.

P. Does that still exist?

H. Yes. They are——

P. They aren't involved in the damn thing are they? O'Brien and Parkinson?

H. Yes.

P. They ran this all from the beginning?

H. Oh, no.

P. Well, that is what I thought.

H. But they are involved in the post-discovery, post-June 17th.

P. (expletive removed)! (unintelligible).

H. O'Brien says, "Everything with the Committee—what you might want to consider is the possibility is to waive our retainer, waive our privileges and instruct us to report to the President all of the facts as they are known to us as to what really went on at the Committee to Re-Elect the President."

P. For me to sit down and talk to them and go through——

H. I don't know. He doesn't mean necessarily personally talk to you, but he means talk to Dean or whoever you designate as your man to be working on this. Now, other facts. Hunt is at the Grand Jury today. We don't know how far he is going to go. The danger area for him is on the money, that he was given money. He is reported by O'Brien, who has been talking to his lawyer, Bitman, not to be as desperate today as he was yesterday but to still be on the brink, or at least shaky. What's made him shaky is that he's seen McCord bouncing out there and probably walking out scot free.

P. Scot free and a hero.

H. And he doesn't like that. He figures here's my turn. And that he may go——

P. That's the way I would think all of them would feel.

H. And that he may decide to go with as much as is necessary to get himself into that same position, but probably would only go with as much as is necessary. There isn't a feeling on his part of a desire to get people, but a desire to take care of himself. And that he might be willing to do what he had to do to take care of himself, but he would probably do it on a gradual basis and he may in fact be doing it right now at the Grand Jury. He feels, in summary, that on both Hunt and Magruder questions we're not really in the crunch that we were last night. He is not as concerned as he was when he talked with you last night. We are now going with Silbert——

P. Who's that?

H. The U.S. Attorney is going to Sirica seeking immunity for Liddy so Liddy can be a witness. Liddy's lawyer will argue against immunity, for he does not want it. Dean's judgment is that (unintelligble) will probably fail. Sirica will grant it. Sirica's clear disposition——

P. If he doesn't talk, then he gets contempt. Is that it?

H. Liddy, if he gets immunity, his intention, as of now at least, is to refuse to talk. And then he would be in contempt. The contempt is civil contempt and it only runs for the duration of the Grand Jury which is limited. And as long as he is in jail anyway, it doesn't make a hell of a lot of difference to him.

P. I will almost bet that is what Liddy will do.

H. Well that's what Dean will also bet. Dean has asked through O'Brien-Maurolis for Liddy to provide a private statement saying that Dean knew nothing in advance on the Watergate, which Liddy knows to be the case. To his knowledge, Dean knew nothing about it. Dean would like to have that statement in his pocket and has asked Liddy for such a statement. Dean feels that he would want to give it. O'Brien raised the question whether Dean actually had no knowledge of what was going on in the intelligence area between the time of the meetings in Mitchell's office, when he said don't do anything, and the time of the Watergate discovery. And I put that very question to Dean, and he said, "Absolutely nothing."

P. I would—the reason I would totally agree—that I would believe Dean there (unintelligible) he would be lying to us about that. But I would believe for another reason—that he thought it was a stupid damn idea.

E. There just isn't a scintilla of hint that Dean knew about this. Dean was pretty good all through that period of time in sharing things, and he was tracking with a number of us on—

P. Well you know the thing the reason that (unintelligible) thought—and this incidentally covers Colson—and I don't know whether—I know that most everybody except Bob, and perhaps you, think Colson knew all about it. But I was talking to Colson, remember exclusively about—and maybe that was the point—exclusively about issues. You know, how are we going to do this and that and the other thing. (unintelligible) mainly, the labor bill, how do we get this, how do we get aid to the Catholic schools.

H. Getting that aid to Catholic schools, you know, was a—Colson's fight was with (unintelligible).

P. Right. That was what it is. But in all those talks he had plenty of opportunity. He was always coming to me with ideas, but Colson in that entire period, John, didn't mention it. I think he would have said, "Look we've gotten some information," but he never said they were. Haldeman, in this whole period, Haldeman I am sure—Bob and you, he talked to both of you about the campaign. Never a word. I mean maybe all of you knew but didn't tell me, but I can't believe that Colson—well—

H. Maybe Colson is capable of—if he knew anything out of that, but not telling you what we were at least—

P. Well, at least, nothing of that sort because as a matter of fact I didn't even know—I didn't know frankly that the Ellsberg thing, etc.—electronically thing—you know what I mean?

E. (unintelligible).

P. And I guess there you deliberately didn't want me——

E. Well, sir, I didn't know. I didn't know what this crowd were up to until afterwards.

P. Right.

E. And I told you, afterwards we stopped it from happening again.

P. Right.

E. In that setting——

P. That was in the national security?

E. That was in the national security leak thing. But the interesting thing about Colson, corroborative of what you say, is that when I got a phone call from Secret Service saying there had been this burglary—the first guy I called was Colson.

P. Yeah.

E. And his response, as I recall it, was one of total surprise and he could have said then, "Oh, those jerks, they shouldn't have; Or, "I knew about it earlier"; Or, referred to it by saying, 'It would have been a meaningful leak," but he didn't. He was totally nonplussed, the same as the rest of us.

P. Well, the thing is too, that I know they talk about this business of Magruder's, saying that Haldeman had ordered, the President had ordered, etc., of all people who was surprised on the 17th of June—I was in Florida—was me. Were you there?

E. No, I was here.

P. Who was there?

E. I called Colson, Haldeman and Ziegler and alerted them to this.

P. And I read the paper. What in the name of (expletive removed) is this? I just couldn't believe it. So you know what I mean—I believe in playing politics hard, but I am also smart. What I can't understand is how Mitchell would ever approve.

H. That's the thing I can't understand here.

P. Well, Magruder I can understand doing things. He is not a very bright fellow. I mean he is bright, but not—he doesn't think through to the end. But, Mitchell knows enough not to do something like that.

H. Yeah, but I will tell you what could have happened very easy there. Mitchell was Attorney General. He was using, legally, and sometimes officially he was using his great, great capacity to pull irons out of (unintelligible) everyday and you get into a mine center and you get used to that.

P. Could be. Could be.

H. You don't regard it with the same kind of feeling that—

P. Yeah. Could be. Could be. Well, anyway.

H. Dean says—he says—I did see Liddy roughly five or six times during that period of January 5 to June, and it was always on campaign legal matters. You know.

P. Well, I know. Dean—remember you always told me Dean made all these studies of it and—

H. I believe that. He said at one of those meetings I went to, I said to Liddy something about how is it going? He said he started to say I am having a hell of a time getting Magruder going on this operation and Dean said, "I told you, Gordon, that is something I know nothing about and don't want to know anything about, as a matter of fact."

P. That's right.

E. That was prior to June of 1972. Right?

H. Right. Yeah. Here's another factor, now that we know he is following up that point. He said as a matter of fact, the reason I called him on June 19—I said, "Now wait a minute. You called Liddy on June 19?" He said, "Yes. The reason I did, because Kleindienst told me that Liddy had come to see him on the 18th at Burning Tree. That was the day after the discovery on Sunday, we, ah—the purpose of that was to tell Kleindienst he had to get his men out of jail and all that. Kleindienst said I wish that damn Liddy would quit talking to me about this stuff. At that time, Liddy told Kleindienst that Mitchell had ordered it.

P. Oh.

H. That's true. You know though, Liddy was using that as his means for trying to get to the (unintelligible)

P. You know Mitchell could be telling the truth and Liddy could be too. Liddy just assumed he had abstract approval. Mitchell could say, "I know I never approved this damn plan. You've got to figure the lines of defenses that everybody's going to take here. That's Mitchell's. Right? What's Haldeman's line of defense? Haldeman's line of defense, "I never approved anything of the sort. I just"—you know that—What's Ehrlichman's? There is no doubt he knows nothing about it. The earlier thing—yes. We did have an operation for leaks, etc. What would you say if they said, "Did you ever do any wiretapping?" That is a question they will ask. Were you aware of any wiretapping?

E. Yes.

P. You would say, "Yes." Then, "Why did you do it? You would say it was ordered on a national security basis.

E. National security. We had a series of very serious national security leaks.

P. As you were saying on the——

E. Let me go back and pick up this business about tapes. I think—I have done some checking and I want to get the feel for what I would say if this Hunt thing slopped over on me.

P. Incidentally, my view is—I don't know Hunt—I don't think Hunt will do that.

E. I don't think he will either, because——

P. You don't think he is going to have to take a fall for (unintelligible) any burglary? If he does——

E. The, the line of response would be this as I see it. Starting back in the days when I was Counsel to the President, we were very concerned with our national security leaks and we undertook at that time a whole series of steps to try and determine the source of the leaks. Some of this involved national security taps duly and properly authorized and conducted. We had three very serious breeches. After I left the office of Counsel, I continued to follow this.

P. Yeah. At your request.

E. We had three very serious breeches. One was the whole Szulc group; one was the Pentagon Papers and the other was the Pakistan-India situation; but there were leaks all through there and so we had an active and on-going White House job using the resources of the Bureau, the Agency and the various departmental security arms with White House supervision. In this particular instance, Hunt became involved because at the time of the Pentagon Papers break we had dual concerns. We had concern about the relationship of this particular leak to other security leaks that we had across the government—Rand, etc.—and so we moved very vigorously on the whole cast of characters in the Pentagon Papers thing. Some of our findings have never come out. It was an effort to relate that incident to the other national security breeches we had, and also to find out as much as we could about this. We put a number of people into this that we had at work on other things. One was Hunt and he in turn used Liddy. I didn't know—and this is fact—I checked this two or three ways. I didn't know what they were doing about this operation in Los Angeles until after it occurred and they came to me and told me that it had been done and that it was unsuccessful and that they were intending to make a re-entry to secure papers that they were after. I said no, and stopped it at that time. Young and Krogh operated that, the whole operation. From the beginning as a matter of fact with the Szulc leaks and so on and they laid it out perfectly. And Krogh is very frank in saying, "I authorized this operation in Los Angeles, no two ways about it." He said, "If I am asked, that's what I will say and I will resign and leave the Department of Transportation and get out of town." He said, "I thought at the time we were doing the right thing and——"

P. Should he?

E. I don't think he will have to. Number one, I don't think Hunt will strike him. If he did, I would put the national security tent over this whole operation.

P. I sure would.

E. And say there are a lot of things that went on in the national interest where they involved taps, they involved entry, they involved interrogation, they involved a lot of things and I don't propose to open that up to (unintelligible) just hard line it.

P. I think this is what you have to do there. But I want to get that one out. O.K. Go ahead.

H. All right, now. One information idea in talking with Dean that he proposed last night—he says he still thinks it is possible and has a good possible approach—he has been trying to take it apart. He says the approach, as he sees it, is that the President says here's what's been charged about the White House and about the Committee to Re-Elect the President. He puts it all in perspective in terms of political, you know, this kind of stuff goes on, this is all (unintelligible) about.

P. Yeah.

H. But we are now at a point where fact and fiction are becoming badly confused. We are involved in an intense political situation with the press, with the Senate Committee, you know, and others are prejudging this case—(unintelligible) then Weicker and others who are.

P. Various people will—defendants that are guilty, known to be guilty, are making charges.

H. Right.

P. Which should, of course, be—

E. The FBI is being falsely charged with inadequate investigation activity and duplicity and so forth.

P. (unintelligible) Justice.

E. The Department and the U.S. Attorney's office are being—

P. They're (unintelligible) questionable.

H. Now, no man is above the law and that is a basic principle we must operate on, but under these circumstances there's no possibility of a fair hearing and every man is entitled to the protection of the law and the public is entitled to the facts in this matter. But the people who are in charge and are involved are entitled to fair treatment. People who are involved, well wasn't any (unintelligible) in being involved. So, I've created a super panel which will have the cooperation of all investigative agencies. All the people who have been charged in this matter have volunteered to submit their entire—their facts—to this panel.

P. Be questioned by it.

H. And be questioned by it. They've agreed to waive their right to trial by jury.

P. What (unintelligible)

H. And the panel is empowered to act to remove anybody that it sees fit because of involvement, to level fines and to impose criminal sanctions. The defendants in the Watergate trial, the men who have already been—can also submit any information that they want.

P. Right.

H. Anyone who does not submit to the proceedings of this committee under these conditions—

P. Resign.

H. Will be faced with the fact that all information developed by the committee and all other sources will be turned over to the Justice Department for criminal prosecution. There will be no judgment until all the facts are received by the commission and then the commission will make public all of its findings and the reasons for all actions taken. They will proceed in secret and their decisions will be final and not subject to appeal. And the people appearing before them will voluntarily submit to that. What (unintelligible) is appeal.

P. How's that (unintelligible).

H. I don't know.

E. That's—that sounds like a little bit simpler than that—than what I originally thought he had in mind. He says—

P. Wonder if the President has the power to set up such a thing. Can he do that sort of thing? You know, that's the whole point. I don't think so.

E. Executive process.

H. By voluntary—

E. You get the (unintelligible) away. Yeah but it isn't—it isn't that guy. It's the fellow who doesn't submit who in effect is being denied due process.

P. You're right.

H. The information on him will be turned over to the criminal—might be he'd be subpoenaed.

P. No then you see you sort of condemned him by—

E. Negative inference.

P. Negative inference.

H. We're all condemned by negative inference right now.

E. I appreciate that, but that's—

P. You're not condemned in a court.

E. It's a little different. Well, I—that isn't, that isn't a salient point at all in this thing.

H. He feels that there are a lot of advantages on this and two major internal ones. It will take the panel a long time to get set up, get its processes worked out, get its hearings done and make its findings and then you'll probably be past the '74 elections which'll be desirable.

Secondly, the President maintains the ultimate stroke on it, because he always has the option on January 19 to pardon anybody who (unintelligible) a pardon. So the potential ultimate penalty anybody would get hit in this process could be about two years. His view would be to put—you need to get someone on the panel who knows politics.

E. Former Governor, or something like that.

H. But if you would want Earl Warren, he'll do it but it's not (unintelligible). What could that matter to the people. I said what do you do about Ervin. Well, you call Ervin down. You tell him the plans and explain why you're doing it, that justice is not being carried out now, there's finger pointing and a lot of problems. And you ask him to hold his hearings in abeyance until the panel serves its purpose.

P. And what if Ervin would say, well I'll hold my hearings in abeyance on Watergate, but not on other things. I'm guessing here.

P. That's their problem.

H. Then you ask,—

P. Oh, that's not theirs.

H. Then, I said, what if I asked Ervin to serve on the panel. He said he thought that was a pretty good idea. He said he probably wouldn't do it, but it'd still give him an awkward stand on a sticky position. The only other idea he comes up with is he said, "One thing you might want to consider is the President calling Mitchell in for a one-on-one talk. The President now has all the facts on this—(unintelligible) tell us. But I, Dean, don't know the facts on Mitchell." He said, "I think that Mitchell would not pull any punches with the President and if the President—that would be a way to find out what Mitchell's true perception of what did happen."

P. And that's probably the only way.

H. Supposing——

P. Suppose now, the fact that (unintelligible) took my time. Suppose you call Mitchell and say to him, will you—what do you learn—for what. And Mitchell says, "Yes, I did it." Then what do we say?

H. It's greater knowledge than we possess right now—if he would only confess.

E. I was just going to say, maybe if Rogers said it to him—

P. Mitchell?

H. Bill thinks—

P. Mitchell? Mitchell despises him.

H. Yeah, I know he does. That's all it is—I didn't call Mitchell because I need (unintelligible) but we should go ahead with Magruder, I think.

E. Right now?

P. Oh, I agree.

H. (unintelligible)

P. (unintelligible)

E. I say any idea of a meeting between you and Mitchell ought to wait until the Magruder, Haldeman, Mitchell meeting.

P. Oh, really?

E. And see what transpires there. Maybe the idea that Magruder says he (unintelligible)

P. What about the other way around. How about me getting Mitchell in and say, look (unintelligible) you've go to tell us what the score is, John. You have to face up to where we are. What do we say? How do we handle (unintelligible)

H. My guess is Mitchell would turn on you. I think Mitchell would say, "Mr. President, if it will serve any useful purpose for you I would come—"

P. Isn't it just as well for me to call and ask him to meet with Magruder? Or what do you think, John? I have not really had from Mitchell but I have had from Haldeman, I have had from Ehrlichman, I have had from Colson cold, flat denials. I have asked each of you to tell me, and also Dean. Now the President, therefore, has not lied on this thing. I don't think that yet has been charged. Liability has been charged, but they haven't charged the President with any offense. They are (unintelligible) in trying to protect his people who are lying. But I don't—doesn't anybody suggest that I (unintelligible) this whole damn thing?

H. As of now it is all saying that you are being ill-served by (unintelligible).

P. By my people. But I don't know about Mitchell. I never asked him.

H. (unintelligible). It can't hurt anything. (unintelligible)

P. I should get Mitchell down rather than ask him, don't you think?

H. Yeah.

P. What I've go to do is think in terms of my own plans. I will spend my day today on this, but I will have to clear the deck for tomorrow (unintelligible)

E. You could say, considering legislative legal insurance, they tell me that according to the information they have, they need some assurances where you are concerned.

P. Here is what Magruder is saying.

E. Magruder is saying—

P. I think I will tell him here is what Magruder is saying. I don't know really know what he is saying about the White House, but I understand he is saying that you signed off on it. Is that what Magruder is saying?

H. If Magruder goes public on this, then you know—

P. Incidentally, if Magruder does that, let's see what it does to Magruder.

E. It depends on how he does it. If he does it under immunity, it doesn't do anything to him.

P. All right—except ruin him.

H. Well, yeah. It ruins him in a way he becomes a folk hero to the guys—

P. He becomes an immediate hero with the media. You know, in terms of—I know how these things work.

E. Mike Wallace will get him and he will go on "Sixty Minutes," and he will come across as the All American Boy who was doing, who was just doing—who was serving his President, his Attorney General and they misled him.

P. Yeah.

E. And he can do it.

P. So—

H. And look at the alternative that he now sees. It is either that or he goes to jail on perjury.

P. How are they going to prove it?

E. With other witnesses, not through his own mouth.

P. What other witnesses?

H. Beats me. I don't know how they can prove perjury.

P. Hunt?

H. He has to be a great big gamble because he knows—let's assume—he knows he did perjure himself and if you know that you are guilty, you have to be pretty concerned about someone's ability to prove it.

P. That's right.

E. And Liddy and McCord, and Sloan and that little thing in McCord's letter about Sloan has to worry him.

H. If it's about Sloan. That's another thought. It may be about Barker.

E. Is he (unintelligible).

H. And it is more likely because Barker worked for him.

E. I see. Well—

H. Barker said he couldn't remember who he delivered the tape reports to.

(Material unrelated to Presidential actions deleted.)

P. Well, what is Mitchell's option though? You mean to say—let's see what he could do. Does Mitchell come in and say, "My memory was faulty. I lied?"

E. No. He can't say that. He says—ah, ah—

P. "That without intending to, I may have been responsible for this, and I regret it very much but I did not realize what they were up to. They were—we were—talking about apples and oranges." That's what I think he would say. Don't you agree?

H. I think so. He authorized apples and they bought oranges. Yeah.

P. Mitchell, you see, is never going to go in and admit perjury. I mean he may say he forgot about Hunt/Liddy and all the rest, but he is never going to do that.

H. They won't give him that convenience, I wouldn't think, unless they figure they are going to get you. He is as high up as they've got.

E. He's the big Enchilada.

H. And he's the one the magazines zeroed in on this weekend.

P. They did? What grounds?

H. Yeah. (unintelligble) has a quote that they maybe have a big fish on the hook.

P. I think Mitchell should come down.

E. To see you, me, Magruder.

P. Yeah. We'll have him come down at 5:30. (unintelligible) I would like to talk with him. You, Magruder and he and Dean—no, no.

H. Well, Magruder said he would be happy to have Dean sit in. It's my view, I don't think we want Dean to sit in.

P. (unintelligible).

H. I don't think so.

P. Magruder has got to know—I just don't—my own feelings is, Bob,—the reason I raise the question of Magruder is what stroke have you got with Magruder? I guess we've got none.

E. I think the stroke Bob has with him is in the confrontation to say, "Jeb, you know that just plain isn't so," and just stare him down on some of this stuff and it is a golden opportunity to do that. And I think you will only have this one opportunity to do it.

P. (unintelligible) said it isn't so before.

E. That's all the better, and in his present frame of mind I am sure he will rationalize himself into a fable that hangs together. But if he knows that you are going to righteously and indignantly deny it, ah—

P. Say that he is trying to lie to save his own skin.

E. It'll bend—it'll bend him.

H. Well, but I can make a personal point of view in the other direction, and say, "Jeb, for God's sake don't get yourself screwed up by—solving one lie with a second. You've got a problem. You ain't going to make it better by making it worse.

P. Hero for the moment, but in the minds of—

H. Well, then you've got Magruder facing all—

P. Let me tell you something—let me tell you something. I have been wanting to tell you this for some time. (unintelligible) always dealing with foreigners. Good causes are destroyed. Chambers is a case in point. Chambers told the truth, but he was an informer, obviously because he informed against Hiss. First of all, it wouldn't have made any difference whether the informer (unintelligible). First of all he was an (unintelligible) Hiss was destroyed because he lied—perjury. Chambers was destroyed because he was an informer, but Chambers knew he was going to be destroyed. Now, they've got to know that this whole business of McCord going down this road and so forth. I don't know the (unintelligible)

E. McCord is a strange bird.

P. Trying to get out. I have never met him. Ever meet him?

E. Nope. But Dean—

P. Tell me about him.

H. Let's go another one. So you persuade Magruder that his present approach is (a) not true; I think you can probably persuade him of that; and (b) not desirable to take. So he then says, in despair, "Heck, what do I do? Here's McCord out here accusing me." "McCord has flatly accused me of perjury—He's flatly accused Dean of complicity." Dean is going to go, and Magruder knows of the fact that Dean wasn't involved, so he knows that when Dean goes down, Dean can testify as an honest man.

P. Is Dean going to finger Magruder?

H. No, sir.

P. There's the other point.

H. Dean will not finger Magruder but Dean can't either—likewise he can't defend Magruder.

P. Well—

H. Dean won't consider (unintelligible) Magruder. But Magruder then says, "Look, if Dean goes down to the Grand Jury and clears himself, with no evidence against him except McCord's statement, which won't hold hold up, and it isn't true. Now, I go down to the Grand Jury, because obviously they are going to call me back, and I go to defend myself against McCord's statement which I know is true. Now I have a little tougher problem than Dean has. You're saying to me, 'Don't make up a new lie to cover the old lie.' What would you recommend that I do? Stay with the old lie and hope I would come out, or clean myself up and go to jail?"

P. What would you advise him to do?

H. I would advise him to go down and clean it up.

P. And say I lied?

H. I would advise him to seek immunity and do it.

P. Do you think he can get immunity?

H. Absolutely.

P. Then what would he say?

E. He would say, "I thought I was helping. It is obvious that there is no profit in this route. I did it on my own motive. Nobody asked me to do it. I just did it because I thought it was the best thing to do. Everybody stands on it. I was wrong to do it." That's basically it.

H. Magruder's viewpoint that to be ruined that way which isn't really being ruined is infinitely preferable to going to jail. Going to jail for Jeb will be a very, very, very difficult job.

E. (Unintelligible) he says he is a very unusual person. The question now is whether the U.S. Attorney will grant immunity under the circumstances.

H. Well he would if he thought he was going to get Mitchell.

E. Yeah, that's right.

H. The interesting thing would be to watch Mitchell's face at the time I recommend to Magruder that he go in and ask for immunity and confess.

P. John, what about this Commission?

E. The first step on that it seems to me is to sell Bill Rogers on the idea, if it's a good idea.

P. But the other thing first is to talk with Bill Rogers and see whether he comes up with a decent committee.

E. Well I would say first we've got to be convinced that it is a good idea. If the President's satisfied that it is a good idea, then we get Bill Rogers to—

P. Well you see to make it is—the problem that we've got here as everybody there felt at the time (unintelligible)—

E. There's glory in this for Bill. This is his idea.

H. You see you are saying Bill would publicly be the father of this.

E. Bill would be the father of this. He would go to Ervin and say I am terribly concerned about this whole business.

P. He would be the broker?

H. He came to the President and said this is what you must do.

P. Go to Warren?

E. He would go to Ervin and say I see this impasse developing between the Grand Jury and (unintelligible).

P. Might go to Judge Sirica?

E. I don't think he would. He's not really smart.

H. I know that, but why not see him? That's fine.

E. Either that or go to Burger (unintelligible) somebody in the Judicial branch and have them designate two senior judges from around the country who have retired—trial judge types. And just designate them at random. It takes it out of our hands. Ah, they represent the judicial and—

P. And not have Warren?

E. And not have Warren. No.

P. Warren is so old, you see.

E. He scares me to death.

H. Then you'd have to ask the Speaker—

P. The Warren thing.

H. and the Majority Leader—

P. No, I don't think the Congress.

E. No. They've already done that. I think you are off the hook on that.

H. You mean invite Ervin and Baker?

E. You invite Ervin and Baker and they decline. Then that is the whole story of the Congress.

P. Then just have the two senior judges.

E. The senior judges and—

P. Why don't we have a panel of senior judges rather than try to get—you talk about the former Attorney General and so forth—

H. I would take your senior judges.

P. You see, if we had the Chief Justice and a panel of three senior judges, or four—maybe Clark/

E. Maybe Clark as the Chairman.

H. Yeah.

P. Clark is a Democrat and a former Attorney General. He'd be the Chairman. A panel of three I think would make a lot of sense. Now they have to have a staff. How do we finance that? The Justice Department?

E. Of course (unintelligible). He's got an office over here in the Federal Building.

P. They would hire legal counsel—

E. What that does is tend to rob Ervin and the Grand Jury with yet a third investigatory group. It seems to me though, if it is just senior judges, you miss the genius of the fact that it's got to be executive, legislative and judicial.

P. Speaking of—why do that?

H. Executive is what's on top.

E. Executive in a sense that you have citizen members. You know, the public is represented. The government, the whole question of integrity—

P. By this (unintelligible) you forget Congress if you get just Judges. I think a panel of judges isn't all that bad either. A good standing panel of three judges.

E. I don't think it sells, though. That's the real trouble. Then you look like you are dragging a red herring across the trail. You have to have some kind of rationale—

H. Bill, last night, had some ideas on too—

P. Prominent Americans???

H. But then it has a reason for being and a reason for pre-empting.

P. What about making Clark chairman?

H. He could be called both an executive and judicial type, and then have two senior judges plus Ervin and Baker. There's a panel.

P. Well, anyway, let's (unintelligible).

E. I think in principle, though, getting a line around this whole subject is terribly important at this point rather than just bleeding this every day for hours at a time.

H. Sending down people to the Grand Jury—

P. Oh, I understand. I understand that. My point is, John, I don't think—people say, you have to get it out tonight for example. It isn't going to be done tonight or tomorrow night. We can't get it done that fast.

H. I don't think you want to anyway. I think you want to end the war and freeze food prices first and then do this.

P. I wish it were Friday.

H. Friday is the time to do it.

P. Good, that means we better get going today. Alright. Who talks to—should John Ehrlichman and you talk to Bill Rogers, or is that a waste of time?

H. As of now John should not, as Bill is very concerned about not talking to people about it. I already have, and I think I should.

P. Alright. Fine. You get Bill to come over. Say you want to talk to him first and that I want to talk to him. Fair enough? But you will say he comes over to see me. The second point is to call Mitchell. Maybe you better make these calls on this phone so I will know what the hell my schedule is this afternoon.

E. I am going to meet with Kleindienst—

P. Yeah.

E. On these other subjects.

P. Alright. What do we want Kleindienst to do?

E. We want to raise this thought with him in a hypothetical way.

P (Characterization deleted). The only thing I would say on Kleindienst at the moment is tell him we are going to have to break with Gray who is killing us. We need to know what Gray's going to do. Can we handle it that way?

E. How are we run the Bureau—

P. Who runs it, etc. etc. I don't know what Kleindienst knows or believes about this damn business. I once said to John or to Kleindienst, you know the man they are really after is John Mitchell. He said, "Oh, no, they are not after John Mitchell." I said, "Did you ever talk to him about it?" He said, "Oh, no." He has never discussed the damn thing with Mitchell. I wonder—

H. Well, damn it, he talked to Weicker. Now Weicker is out today with another statement.

P. What did he say today?

H. He has absolute proof that it goes to the White House staff and he is not going to name names until he gets his evidence in hand but something will turn up eventually.

P. Well, what—Kleindienst—well, raise that with him again.

E. Well Weicker (unintelligible)

H. He ought to say, "Well, I talked with the Senator and he told me he didn't have any. Now he is back out in the press again. I don't undertsand that."

P. Well, who is Weicker. Who does he think he is talking about?

H. I have no idea. I don't know. I don't know who it can be.

P. Maybe it's this—ah—has Magruder talked to Weicker?

H. I don't think so.

P. Where is Weicker getting this?

H. Porter talked to everybody he can, including Mary McGrory.

P. McCord at the present time only fingers—his present finger is pointed only at two people, Dean and Magruder, so far.

E. And of all people McCord would be in a position, I think, to involve Mitchell. He spent all that time with Mitchell and Martha.

P. But the question is whether McCord has got anything on the White House staff.

E. No, no. Hell, nothing.

P. Have you talked to McCord? I do think Kleindienst has got to take up the leading oar on this business of Weicker right away.

E. Right, Again.

P. Again—he got him in today—

E. Did Weicker have much to do with Gray?

H. Yes. He's a friend of Gray.

E. Might have come from Gray. I don't know.

H. Weicker has very much to do with Gray. Weicker is Gray's sponsor. Weicker was against the White House before they sunk Gray and Weicker has issued a very vicious statement about us. This doesn't reach to the President but it sure gets to those sons-of-bitches around him, and I think he almost uses the words sons-of-bitches. It's as close to it as he could get. Those terrible people around him, evil men.

P. Have you thought about Colson?

H. That's what Dean thinks.

P. Dean thinks Weicker is talking about Colson?

H. Yeah, I think he does. He thinks it is Chuck.

P. Do you think Gray would talk to Weicker? John, has Gray ever talked with Colson?

E. Not to my knowledge—

H. I don't think he has.

P. John, you would have no problems to talk to Pat Gray and ask him what the hell Weicker is up to. Do you mind?

E. Not at all.

P. I think you should. "We can't understand what you are doing here on this. If there is anybody, the President wants to know."

H. Why the hell does he tell the newspapers instead of (unintelligible)?

P. And ask him, as the Director of the FBI, to ask Weicker what it is. He, as the Director of the FBI, is supposed to get all the information he can now. If there is anybody, the President wants the information. Let's try to get to Weicker through Gray. Do you mind trying that? I would like you to try that very soon, like one o'clock.

E. Right away.

P. You go find out about Weicker. What time do you get to see Kleindienst?

E. I don't know. They were setting it up when I came over here.

P. All right. We're going to set up a meeting with Magruder—not right now. Mitchell first. Get him first.

H. Mitchell? All right.

P. You know John, let me add, there is one thing here that Kleindienst might look into. I was pointing out that (unintelligible)—Of course, you have to change Gray. You know that. Kleindienst, I think you have to ride with that a while. I don't think you can just kick the Attorney General out like that, you know. He was going to go anyway at a certain time, so he can go. Beyond that the point is to say that members of the White House staff who are indicted, etc., they would have to take a leave of absence—suspended—leave of absence. Say that you and Bob would have to in the event you were named. I think they have to mention cutting off at the pass some place here and I believe—put it this way, (unintelligible) the spectacle of their just taking the whole damn White House staff up. There is someplace where you've got to cut them off.

H. Once you establish it, that you are following that route, if they were smart they would just start naming everybody just so you'd have no choice.

P. There is no way except that, Bob.

E. What I am getting at here and, maybe that isn't the way to do it, I don't know, is to insulate you, number one.

H. Well, that doesn't bother these people.

E. To make you appear to be ahead of the power curve and also to have some symbolic act of absolution after the thing is over, by being able to take them all back on. And say, "Alright, we have been through the whole thing. They fired the worst they had, but didn't make the case. I am taking this fellow back and reinstating him with full status." So obviously that is the reason. I can see the practical problem you would be faced with: you've got an awful lot of guys around here who like to—

H. Hold each other off, you know.

P. That isn't the problem. The problem is not the fact that we can't run the shop. We can run the shop, maybe not as well, but we can run it. But on the other hand, you say—like—let's—suit yourself—let's use Haldeman, because Haldeman could really beat these charges. Say Haldeman wanted to leave then—

H. (Telephone rings) (Haldeman answers telephone) Hi, John: Any chance of your coming down? That's ok. Ah, could you come down first thing in the morning? Tonight? Which would you rather come? Yeah, Yeah. Ok. Well, this is to see me and also the other fellow. Good. Check out a couple things again. You mean that Commission thing. Yeah, what's your feeling on that?

H. She goes a little far on this thing about your baiting Marquis Childs and all that sort of thing. And not necessary. Just set up the Commission and let them report out their findings with the idea that criminal law and prosecution will evolve. It is a blue ribbon, four star grand jury. That's really what it is. Ah, one other thing that—delay in your coming down would be bad. Did he tell you that Jeb wants to meet with you? Oh, he is. Ok. That's the—I thought, well—the last I heard he wanted to get together with the two of us and now it is the next thing we are going to take a stab at down here. If he is there, you will have covered that ground with him. Ervin? Full Committee. No, no. That's a weak reed. Nothing. Yes. Well, we'd be glad to do it. There has been specific follow up on specific items, but he does. If you call and say, "Call somebody and say this," he calls somebody and says exactly that and calls back says, "Well, I didn't get any answer and that is the end of that." There is no initiative and there's no stuff beyond the vegetable. But Dean says we aren't getting that either. I'll—do you think I should talk to Kleindienst? You do? Ok, ok. On any of the Committee and indeed the Grand Jury. Ah, what will you do, have the office call what time you will be here? Ok. Right. Thanks. Yes, sir. Sure, Sure. Ok.

H. Magruder is with him right now.

P. What did he say about a meeting?

H. He is coming down the first thing in the morning.

P. Don't wait. What I meant is, I would like to get a report on his conversation with Magruder. Would you call him back on that?

H. Sure.

P. Do it this afternoon.

H. (unintelligible). It's worth a try, though.

P. Keep trying. It is now one o'clock, so probably—

H. Secretary of State, please. Yes, please.

(Telephone rings.)

P. Will he do it—what did he say?

E. The only thing he knew was that Kleindienst had reported to him briefly that he had a very amicable meeting with Weicker, but he didn't go into any of the details of the meeting. I suggested to him that he talk with Kleindienst first to find out what Weicker had said to Kleindienst before he, Gray, contacted him.

P. I don't want to—

E. Then I suggested to him—

(Telephone rings.)

H. Bill—could you come over this afternoon to meet with the President? What's your time? We ought to get together for a few minutes ahead of—give you some background on what we have done. What's the earliest convenient time for you? Two o'clock? Is that alright? Is it? Ok. Make it that you have an appointment with the President.

H. Wait a second.

P. Bob, I've got Mrs. Boggs at 3:00, so make it 1:30 so that I see him at 2:30.

H. How about 1:30? Good. With me, because the President is tied up for a few minutes at three and we could go over at 3:15 I think I would say with the President. Yeah, and just drop in my office on the way. I think your record ought to be a meeting with the President. Ok.

E. So Gray is going to do this. He is going to check with Weicker and then I left it with him that he either report through me if it were appropriate, or if not, to you direct, so that—

P. Is he going to call Weicker in?

H. He is going to Weicker?

E. He is going to see Weicker.

P. That's good.

H. Yep.

E. Today. I don't know where Weicker lives but mostly he (unintelligible) here—

P. What the hell makes Weicker tick?

E. Nobody's been able to figure that out.

H. He sure must be mad at one of us. I don't know who or why.

P. I am anxious to get his report. You know what I mean. I don't know.

E. I don't know of any specific spies of his down here at all. I have heard that he is just establishing his independence at this point against the upcoming Committee hearings.

H. Undoubtedly he's meeting with Jeb Magruder.

E. Oh, really?

H. He could have done it.

E. How about that?

H. That isn't why he's been at Weicker's office too. He says he could come down later.

P. He says at the market house?

H. I think he said market house. I don't know. I think—

E. I know what he means!

P. I really think I should not try to do that speech Thursday night. There are more important things.

H. No, sir!

E. That's the most important thing, that you keep the momentum of the business going—

P. I know, I know. I just meant though—I am just thinking—having this long seance with Mitchell tomorrow is going to be very difficult. Well, I will get it done. I will try to do—At least let's not have this difficult a schedule on Thursday. Keep one day of personal preparation. Although I feel pretty well.

(Material unrelated to Presidential actions deleted.)

P. Anybody else that you can think of to mull over this plan? Rogers is coming in at three. Well—

E. I will see Kleindienst. That's settled—

P. You'll see Kleindienst? When?

E. This afternoon at three o'clock.

P. Three o'clock, and then I think, when—huh?

H. Should I also see Kleindienst? Should I, or should John be the only one?

P. John, you do it.

H. That's what Mitchell was asking. Mitchell is very distressed that Kleindienst isn't stepping up to his job as the contact with the Committee, getting Baker programed and all that (A), and (B) that he isn't getting—see Dean got turned off by the Grand Jury. Dean is not getting the information from Silbert on those things said at the Grand Jury. And Mitchell finds that absolutely incompetent and says it is Kleindienst's responsibility. He is supposed to be sending us—

P. Ask Kleindienst, John, put it on the basis that you're not asking nor in effect is the White House asking; that John Mitchell says you've got to have this information from the Grand Jury at this time and you owe it to him. Put it right on that basis, now, so that everybody can't then say the White House raised hell about this, because we are not raising hell. Kleindienst shouldn't—where are you going to see him, there or here?

E. In my office.

P. Have a session with him about how much you want to tell him about everything.

E. Ah—

P. I think you've got to say, "Look, Dick, let me tell you, Dean was not involved—had no prior knowledge—Haldeman had no prior knowledge; you, Ehrlichman, had none; and Colson had none. Now unless—all the papers writing about the President's men and if you have any information to the contrary you want to know. You've got to know it but you've got to say too that there is serious question here being raised about Mitchell. Right? That's about it isn't it?

E. See Magruder is playing—the game is interesting here. McCord is throwing off on Magruder and Dean. Why he picked Dean, I don't know.

P. Why did he pick Dean to separate? Dean was in the news I guess.

E. Now wait a minute. Alright, not as much as Magruder. Magruder, too. What is shocking to me is his blowing off against the one fair guy you wouldn't think he would cut up, against Haldeman.

H. Yeah. Yeah, because he had thought—

P. He didn't pick Strachan. Nobody would care about Strachan—

E. But they care a hell of a lot about Haldeman.

P. And then Magruder was made by Haldeman.

E. Yeah.

P. And he also knows it's not true.

E. Oh, —

P. I can't figure it out.

E. Well, I wouldn't be surprised if McCord has been led by Committee counsel. You see all the stuff about—

P. Dash.

E. Yeah. All the stuff about Dean comes in the LA Times story. It doesn't come in the McCord letter.

P. Yeah.

E. And Dean is the logical target of the Committee.

P. Bob, how do you analyze Magruder tossing it off to you rather than to Mitchell? That startled you, didn't it?

H. Well, he hits Mitchell too. He is just trying to wrap me because he wants to get you in. I think my view is that what Magruder was doing here was firing a threat to the President and intends to say it—I don't think he intends to use that so much as he intended—he is trying to get people shook up.

P. He isn't asking to see me is he?

E. Oh, no. He is trying to get a line around you for his own protection.

H. In other words, if all Magruder is going to do is take the dive himself, then we are not going to hear about it. If he makes us worry that he is going to get Mitchell and you and me—

P. John, do you see any way though, any way, that Magruder can stick to his story? No.

E. Yes, because he's an ingenious—

P. Stick to his story?

E. He is an ingenious witness. I think, I am told, if he is really as good as they say he is as a witness, it is possible that he could get away with it. Ah, it's arguable.

P. It's his word against McCord.

E. And he is flowing with the stream, you see. He is saying the things they want him to say.

P. No, no, no. I don't mean if he says—

E. Oh if he sticks to his old story—I see, I see. I thought you meant the story he is laying out here.

P. Oh, no no. This story. They would take that in a minute.

E. I tell you I am to the point now where I don't think this thing is going to hold together, and my hunch is that anybody who tries to stick with a story that is not susceptible to corroboration is going to be in serious difficulty.

P. So, what do you feel then?

E. Well, that is why I said I thought he ought to move to a real and immune confession of perjury if he can do it. There's too many cross-currents in this thing now.

P. Yeah. This is my view. If Magruder is going to lie about it, you know, I am sure he checked it out. If Magruder is going to say then—then what the hell is in it for him.

H/E. Immunity.

P. Well, if he gets immunity—do we have—can't the U.S.—Who grants immunity? The judges?

E. Sirica grants immunity in the Grand Jury proceedings; Ervin grants it in Congressional proceedings; the Attorney General can grant it in anything.

P. Could the Attorney General Grant it in the Congressional?

E. No, but what he does there is informally work out with the Congress the pendency of Justice Department action.

(Material unrelated to Presidential actions deleted.)

P. This is a bad rap here. We are not going to allow it. Our real problem is Mitchell. Now what about this? What are you going to do about it? He knows damn well Mitchell is right. Of course, we ought to know—can't the Attorney General call Silbert, or is that too dangerous for him?

E. Well he doesn't have to do that—Henry Petersen follows that thing on a daily basis.

P. Henry Petersen?

E. Henry can let Dick know, and that's all there is to it.

P. Alright. You just tell Dick. You see the problem is, there, that Dick thinks I am—if he says he has furnished the Grand Jury things to the White House that there is a problem.

E. It's a tender problem. I think what he has to do—

P. No you could say this. Our need—our interest here—you could say is whether there are any White House people involved here and we will move on them.

E. That's right. And the President wants to know.

P. That is the purpose. Not to protect anybody, but to find out what the hell they are saying.

E. Absolutely. That is the only basis on which to go.

P. What have you today? Get every day so that we can move one step ahead here. We want to move. We are not going to wait until a Grand Jury drags them up there.

E. Ok, I will let you know as soon as that is done.

P. I wonder if we aren't in a position to talk with Rogers and so forth, and get all the evidence in.

E. Judge Sirica. That's, in effect, what you would do if you sent everybody down to the Grand Jury. I think the Judge does not have—

P. You don't think sending them to the Grand Jury is a viable option?

E. This idea doesn't appeal to me.

P. I am just thinking. I know picking out these commissions are so difficult, so (unintelligible) as the good doctor says.

E. Well, think about it in these terms. If you came out Friday and said, "Ok, I will get this thing cleared up, so I am going to send every man jack of the White House down to the Grand Jury to hang. Sure. Sure. You lay it out, directly or indirectly. I have talked to the Judge and he assures me it will be done very expeditiously and, ah—

P. What I was thinking, you see, as an alternative—the Judge has now come out as a white knight here. The judge is—and incidentally, we can say in a sense that the Judge has given a sentence of 55 years to somebody who had no former offense and so forth and so on—but the reason Sirica is doing this is much deeper, is because he thinks there is a cover.

H. Sure.

P. I don't think you can hold that against the Judge. You know, I mean—I do in a way, but you know—

E. He is the proprietor of the Court Room and he tries to conduct trial, to get publicity. That's what it is.

P. Yeah. Another alternative that I thought of, rather than try to set up another procedure, call the Judge in and say, "Judge, we will carry out this investigation by sending them all down here and you can question them. I want everybody here and I want to get to the bottom of this thing. You will have my total backing." Now that is another way to do it.

E. That's ok, as long as you then get out front.

P. Well, I—

E. The thing that I get over and over and this conversation with the Judge—"

P. Yeah. Well, that's what I mean. That's what I would say.

E. The thing that I get over and over and over again from just ordinary folks—

P. Right.

E. "Why doesn't the President," so and so and so and so.

P. "Say something what's he done on it?"

E. Yeah. So symbolically you've got to do something.

P. That's right. Do something so that I am out front on this every—they don't think the President is involved but they don't think he is doing enough.

E. That's it. That's it.

P. No matter how often we say we will cooperate—as you know we have done—and on and on and on—

E. They don't believe that at all—it is not getting through. Ziegler is not sufficiently credible on this.

P. That's right.

E. In a sense, because—

P. What about the Judge business? Let's look at it that way, rather than the Commission.

E. Well, then what you have done is you have said, "I will send John Dean; I will send Haldeman; I will send everybody to the Grand Jury. No immunity, just send them down there to testify. Let it all come out.

P. What's that mean to the Grand Jury?

E. (unintelligible)

P. No, I mean I'm not going to—

H. On the Grand Jury strategy, do you say, "I am waiving executive privilege?"

E. I think you do.

P. Yeah.

H. I think you do.

P. Now Colson disagrees with that one, doesn't he?

H. He says you're nuts.

P. No. I can say, consistent with that—when you say executive hearings, you mean—

H. You instructed us to be as forthcoming as we can—

P. All the facts that have to do with any of this thing, this thing here, there is no—I consider no—

H. But you don't specifically say you are giving up executive privilege.

P. No privilege will be claimed unless it is absolutely necessary, or something like that. We will work out something.

E. That will be the following question, the minute that you say that.

P. For me to say that on all matters that relate to this particular matter, "Yes, that is what I would say executive privilege is waived on." I think you've got to say that, Bob.

E. You could say this. You could say I have never had a communication with anybody on my staff about this burglary—

P. Therefore—

E. Or about Segretti, prior to—

P. Segretti, Segretti is not in this court so that is no problem.

E. Well—then alright—

P. I have never had any—

E. Since I had no communication with anybody on the White House staff about this burglary or about the circumstances leading up to it, there is no occasion for executive privilege in this matter.

P. With regard to this, I want you to get to the bottom of it. So there will be no executive privilege on that. On other matters—

H. And that takes you up to the June 17th. What do you do after June 17th?

P. Use the executive privilege on that.

E. Yeah, but there would be questions like, "Did you ever discuss with the President, Mr. Haldeman, the matter of executive clemency for any of these defendants."

P. Both of them say no.

H. Or the payment of money. The payment of—

P. Haldeman and Colson would both say no, there's no question.

H. Since you want to waive privilege so that we can say no, rather than invoking it—

P. You can say that.

H. I think you've got to say that because basically their situation—Well, Colson will be very disturbed by that and he must have a reason why he would.

P. Well, why don't you get (unintelligible) in so that I can hear it clearly and I will know. What is it, Bob, as you recall at the moment, and then I will let you go. Colson says don't give anything away that you don't have to, but you don't have to, but you don't know what the hell is going to happen to you if you go in and lie.

H. His thing is don't do any line to break your privilege, because if you get into (unintelligible) you may want it.

P. But don't use my privilege. Why don't we just say, "With regard to this (unintelligible)?

H. And then get a John Dean problem. What about all your lawyer/client privilege?

P. Lawyer/client with me—

H. Yeah.

P. Well, that's fine. I said that is a matter that has to be decided upon.

H. No lawyer/client with other members of the staff. Only pertains to his role as your (unintelligible) our role as your agents.

P. Well, I think we can work something out. John, consider for a moment the play—not for the big thing—incidentally I should put this down—or I would just say "The place that this should be—"

E. You see the argument that could be made.

P. I know the Judge is tough and all that sort of thing. The argument could be made. There is an honest judge. He will get the facts. The argument could also be made by (unintelligible). When criminal charges are involved, the proper place for those to be considered is not in a kangaroo court of this Congress that drags on and on and on, but before a Grand Jury. And indictments, indictments would be heard before a Criminal Court. Under the circumstances (unintelligible)—

E. Ervin's answer to that will be the President is trying to fight this battle on his battleground and it is obvious he wants his FBI, his Justice Department, his prosecutor—

P. But not his Judge. You see the one strong point is—Rogers had raised, not in this connection but with Bob—is that the Judge out of this is the big white knight now. He is as clean as a hound's tooth. He is as clean as anybody you can find.

H. You ask the Judge or direct the Judge or request the Judge—You can't direct a Judge.

P. No.

H. Request the judge and highly recommend to the Judge that he appoint a special prosecutor.

P. That's right.

H. The President's Justice Department, therefore, the President's FBI, the President's Special Prosecutor—

P. Let me say the same thing is going to happen before a Commission in the long run. Let's face it. They'll have special prosecutors who will want to make a name for themselves. Everybody wants to make a name for themselves in this (unintelligible). They'll drag it on and on and on. The idea that a Commission might go through the '74 election, etc.—my view is I can't have this (unintelligible) I think the damn thing is going to come out anyway, and I think you better cut the losses now and just better get it over much sooner and frankly sharper. Let's just say, "Well Judge, let's go."

H. How come all the rush now? You're not committed to this route. You are not necessarily forced to come out now Magruder can stay with his own position if he wants to.

P. Of (unintelligible).

E. Anybody would say—

P. What I meant is, John, if you called the Judge in and say, "Look Judge, you recognize that—while we've never met—that I would strongly recommend a special prosecutor," if he doesn't have confidence in the present prosecutor, "but you can pick anybody you want. Now have at it. That I will—"

E. I think that is something to talk to Kleindienst about. I'll talk to him.

P. You talk to him and Bob I think you should talk to Rogers about his.

E. Special Prosecutors, as Rogers points out, is a slam at the Justice Department, which is already in trouble.

P. It needs to be slammed. The Judge, in other words the idea of killing—

H. It's the popular route—

P. The idea, the President gets the Judge and says, "Now you are an honest judge. You are doing your job. Those special prosecutors have nothing to hide here. Alright, let's go.

E. I don't think the Judge appoints him. I think the Attorney General appoints him, as a matter of fact.

P. Well we can say, "if you want a Special Prosecutor, the Attorney General will appoint one. Kleindienst says he is a good friend of Sirica's, or whatever, so—

E. Yeah. He could work it out.

P. "He will appoint a special prosecutor if you request one."

H. Well, would it be acceptable to you even though he told you he wanted one? So that you get it out of the—

P. I am inclined to think that—I feel that that kind of a move—of course if he names (unintelligible) we could do that right tomorrow.

E. Uh, huh. Well, would you want to on television tomorrow?

P. No, but the way I would do the television—I am not planning to do this before—at 9:00 o'clock, on prime time. I would do this in the Oval Room; no make up at all. In other words, that's enough right there. What the hell, I could say I have done this, I have—I want to get to the bottom of this and what have you (unintelligible) Ok, John? Alright.

E. Surely nothing troubles me.

(Materials unrelated to Presidential actions deleted.)

P. Well you have plenty to do at this point. Inform me as soon as you get something from Gray on Weicker? Inform me as soon as you've got something on Kleindienst. Alright?

E. Yep.

P. I would have a real workshed with him. Just say, "Mitchell is just damn disappointed," and he will listen and he will jump up and down and shout. But what the hell, I am always kind. But you just say I want to level with you.

Appendix 10. Telephone conversation: Ehrlichman and Kleindienst, March 28, 1973:

E. The President wanted me to cover with you. Are you on an outside Line?

K. I'm at my parents' house.

E. Oh, fine, OK, so it's a direct line? Number one, he wanted me to ask you those two things that I did yesterday about the grand jury and about Baker. He had me call Pat Gray and have Pat contact Lowell Weicker to ask Weicker about this second story that he put out yesterday to the effect that he had information about White House involvement. And Weicker told Gray that he was talking there about political sabotage and not about the Watergate.

K. About the Segretti case?

E. Yeah, and that he was quite vague with Pat as to what he had.

K. I called him also, you know, after I talked to the President on Monday.

E. Well, the President's feeling is that it wouldn't be too bad for you in your press conferences in the next couple of days to take a swing at that and just say we contacted the Senator because we continue to exercise diligence in this thing and we're determined to track down every lead and it turns out he doesn't have anything.

K. I would really at this delicate point question the advisability of provoking, you know, a confrontation with Weicker. He's essentially with us, he and Baker get along good.

E. Is he?

K. Baker has had a long talk with him and told him to shut up and said he would and I talked with him on Sunday after he said he didn't have anything but he's kind of an excitable kid and we just might not want to alienate him and I think that if he finds himself in a direct word battle with the White House and me and loses face about it I think in the long run we might need that guy's vote.

E. I see. You don't think that this is evidence of alienation to the point of no return then?

K. No. You mean by Lowell?

E. Yeah.

K. No I don't. He's pretty disenchanted with the whole concept of it. Connecticut politician—

E. Well, use your own judgment on it, Richard.

K. On TV I guess 7 or 8 times this Sunday when I finished my testimony before my appropriations committee all three networks I referred to the letter that I sent to Sirica and I also emphasized and repeatedly said (a) the President wants this investigated, let the chips fall where they will but secondly that if anybody has any information we not only want it we expect to get it so we can investigate it and if necessary indict other people and that anybody who withholds information like that is obstructing justice. But I did not refer to Weicker. And my judgment right now is not to do so.

E. OK, OK.

K. If he gets to that point, the hell with him.

E. Well, our uneducated and uninformed impression was that he was trying to develop an attack line here on the White House or the President.

K. If that . . . if we would conclude that that is what he's up to that he is completely alienated then I say we've got to take him on.

E. Well, keep track of that and you'll be talking to Baker and you get a feel of it. OK, now, the President said for me to say this to you. That the best information he had and has is that neither Dean nor Haldeman nor Colson nor I nor anybody in the White House had any prior knowledge of this burglary. He said that he's counting on you to provide him with any information to the contrary if it ever turns up and you just contact him direct. Now as far as the Committee to re-elect is concerned he said that serious questions are being raised with regard to Mitchell and he would likewise want you to communicate to him any evidence or inferences from evidence on that subject.

K. With respect to them, unless something develops with these 7 people who were convicted all those people testified under oath before a grand jury and their testimony was not contradictory and until something comes along I think this fellow McCord if he has something besides his own testimony in addition to that to refute the sworn testimony, then you'd have to do it. The comment that I made yesterday about McCord was that it takes——

E. Take him for what he is.

K. He's facing a long jail sentence and he has all kinds of motives to say all kinds of things but I also pointed out that most of the people, well, these people who were involved were interviewed by the FBI and they testified under oath before a grand jury to the contrary of what McCord is saying. But I understand the President's direction.

E. He's concerned about Mitchell.

K. So am I.

E. And he would want to have a private communication from you if you are possessed of any information that you think he ought to have with regard to John.

K. Now he ought to think about John—McCord or Liddy or Hunt or any of these 7, you know, testify under oath specifically to their knowledge they have a basis for saying so that Mitchell or any of these guys knew about it; we have a very serious problem. Possible perjury, possibility of going back to the grand jury, they have a grand jury determine when anyone should be indicted. When you talk about Mitchell and me that really creates the highest conflict of interest. And we want to give some thought to having in such an event having a special prosecutor.

E. What is the procedure for that?

K. Well, I don't know. I think that the President could appoint somebody as a special prosecutor to direct the FBI to cooperate with him, giving them an opportunity to hire some attorneys, you know, on his staff and then just have complete authority to have his own investigation and if there's evidence that comes out that there were acts of criminal behavior have them presented to a grand jury then proceed with it.

E. Could you have somebody brief out how that's done? Just so we know? And the question would be whether the President or Sirica or you or you know who actually does it?

K. Well it wouldn't be the judge. The judge has no jurisdiction. I think it would be the President.

E. OK.

K. But it has its own problems that by doing that you in effect say publicly well OK the Department of Justice and the Attorney General the U.S. Attorney and the FBI all corrupt. I've now found that out and have got to get myself a new—

E. Of course we've resisted that' right straight through.

K. I think that we have to do it in the event that it appears that Mitchell himself is going to be involved in any further litigation because all the men who are doing this who have worked for him been appointed and I think if it came down to him that that's what I would seriously start thinking about, recommending.

E. Also this business of the grant of immunity to witnesses before the grand jury, is that peculiarly in the province of the court?

K. No, that's the Department of Justice.

E. That is?

K. In almost every criminal case of any consequence when we convict somebody the next thing to do is haul them back in before a grand jury to find out what they know. You have to do it in this case—always going to do it. Quite a limitation posed on us John is that—who couldn't cut it (inaudible). But you have two really distinct situations here. You have the Watergate inquiry by Senater Ervin, that's the political side of it. And then you have the obligation imposed upon us to investigate criminal conduct. Two separate distinct operations. They're getting all fuzzed up.

E. What progress are they making right now, have you had a reading on it?

K. Well, the last time I talked to Henry Monday because of Sirica's sentencing procedures it got a little boxed up. Sirica is really lousing this thing up. I don't know. I'm going to talk to Petersen this morning and I'll call you back .

E. OK, great, that's all I had on my list.

K. Thanks, John.

E. Now, he said that there was a possibility he'd like to see you in San Clemente Saturday morning first thing. So you might just keep that in the back of your mind. Don't rearrange any of your schedules or anything but I'll let you know if that materializes. We'd send a chopper up to LA for you. Thank you.

K. OK.

Appendix 11. Meeting: The President, Ehrlichman and Ziegler, Oval Office, March 30, 1973. (12:02–12:18 p.m.):

Someone left the room after having a picture taken.

E. We have, I think, a useful statement that has been cleared by Dean and Mitchell and is directed with the cover-up charge.

P. Do you want me to read it?

Z. I think you probably better.

P. I can read it (unintelligible) discuss and so forth. Or do you want to read it?

Z. No, well it's not a statement, Mr. President, it's some talking points for me.

P. Yeah—O.K.

E. The brackets at the top go to the end.

P. Could we say—could we add one thing here? Say this for the last. Every—I've called for an investigation on the White House staff—is that? And—every—every. This is a statement of the President?

Z. No—no—I would make it.

P. Yeah—yeah—the President called for—fine. Every member of the White House staff who has been mentioned (unintelligible) mentioned as a—has submitted a sworn affidavit to me denying any knowledge of.

E. Any prior knowledge.

P. Any knowledge of or participation in. Could we say this?

E. No—I wouldn't.

P. Why? Not true? Too defensive?

E. Well, number one—it's defensive—it's self-serving. Number two—then that establishes the existence of a piece of paper that becomes a focal point for a subpoena and all that kind of thing.

P. (Unintelligible) something.

(Long pause.)

P. Members of the White House staff would welcome an opportunity—Are we going too far and urging the Grand Jury to do it?

E. Well—that's—we were farther over and we've come back to welcome. I don't know. Maybe that's still too strong.

Z. We should tell the President about the framework which will be giving this. There's a leak out of the Committee—

P. Oh.

Z. For the Re-Election of the President and the suggestion that you have waived the—the restriction on—on Dean being

E. The Dean thing. See, we cleared it with Mitchell, we cleared it with Magruder and with Dean's lawyer.

E. And Dean thinks it was Magruder that leaked it.

P. Members of the White House staff. Well, (pause) I don't know whether you can say "would welcome the opportunity". Why don't you say, members of the White House staff will, will appear before the Grand Jury in person at any time the Jury feels it's relevant and furnish any information regarding that individual's alleged knowledge. You see what I mean? I don't think you say would welcome. Will appear—will appear before the Grand Jury if the Jury feels it is relevant. Furnish any information of an individual's alleged knowledge. (pause) Have you got it in hand?

Z. Well, except for that it is only for me, as a talking piece.

P. Yeah. Have you had it? If the Grand Jury feels it's relevant, members of the White House staff, by direction of the President, will—will appear before the Grand Jury. I think that's a little better than the idea that members of the White House staff would welcome. Don't you think so John?

Z. By direction of the President.

E. Right.

P. By direction of the President will appear before the Grand Jury and furnish any information regarding that individual's alleged. I like that a little better.

E. OK.

(pause)

P. I would say it is not the objective of the White House however to draw a curtain down over this matter, to cover up this matter, cover up this matter, and to withhold any information.

(Long pause.)

P. Why don't we say that we admit there are, of course, other informal ways that could be used. We are ready—we are ready to—say—we are ready to discuss those procedures with the Committee. No, and we are ready to cooperate with the Committee to work out the procedure—to work out a proper procedure—be proper to work out a proper procedure. How's that, John? Is that all right?

E. That's all right. You want to say, we continue to be ready?

P. No—just say, we are ready—let's—that's a little.

E. All right.

P. We are ready—we are ready to work out—to work out—that's right. Let them see that we are backing down a bit.

E. All right.

P. Ready to work.

Z. And then who should we get to say this?

P. We get.

Z. Well, John?

E. Well, now, you've given Kleindienst the franchise.

P. Yep.

E. You—we've got to get word to him which we were going to do Saturday. That we were going to shift courses.

Z. Let's say.

P. We are ready—we are ready—we'll say the—let's leave it with the Timmons' office.

E. Well why say it?

P. Yeah—just say it—well with members—the appropriate members of the staff.

E. Why not say this? This is going to be done without publicity.

P. Yeah.

E. And.

P. No—it's going to be done informally without publicity—by whatever.

E. Period.

P. This will be done informally.

Z. We can do it but we just have one problem to dwell on. If you give the name, like, if you say,

P. Yeah.

Z. Well Timmons' office would be.

P. That's right. Then they go after him.

Z. Prepared to do that. Then—no—then you do solidify your point, you see.

E. Yeah, but the problem is that there's always—there's already a lot of complaint on the Committee, and particularly with Baker, that there's too many people running this show.

P. That's right.

E. And if we introduce Timmons or we introduce somebody else.

P. Yeah. don't give them a name. The—the, why don't you just say the President will name a—no.

E. You could go this far.

P. Yeah.

E. You could say we've been in touch with the Committee.

P. Yeah. Yes.

Z. Have you?

E. And—yeah—I've talked to Baker.

P. We have been—we have been in communication with members of the—no—well, then you see—you've only been in touch with one member.

Z. When we're dealing with.

E. Well, why don't you say communications have been opened and will proceed.

P. Communications have been opened with members of the Committee. What members? That's—I'm not going to discuss that. I can't go into that. Communications have been opened with the Committee—why don't you say with the Committee—Committee—communications are handled with the Committee to—for the purpose of working out a proper, informal procedure.

Z. And that has taken place?

E. Yeah—I talked to Baker yesterday.

P. That's right. Well, we've had lots of talks with him. He talked to Baker at length, Ervin's gone. Is that all right, John?

Z. If I could say, John is—has.

E. You see, we got an Attorney General problem.

P. We got—we got Kleindienst.

E. Let's not force this.

Z. All right.

E. If you want to, you can say, well I may have something more to say about this later.

P. That's fine. Damn well. Just say, I'm not going to discuss it because these are informal negotiations at this point—informal discussions are taking place at this point.

Z. Right.

P. As soon as something is formalized we will let you know.

Z. Good.

P. That's really true and say if something is worked out we will let you know. The, some informal discussions have already taken place. That's right—some informal discussions. I'm not going to go into the.

Z. All right—I've got it.

P. How's that?

(Pause.)

P. Oh, it'll be a little long.

(Pause.)

P. Within the framework of our judicial system. You might say of our system. Don't you think so?

E. Read the phrase.

P. Yeah. It is our position today and in the past that if these charges are to be tested it should be done within the legitimate framework of our judicial system. Don't you think so?

E. That takes it out of the Congress, then.

Z. But the legislative.

P. Yeah—well then—just say system. And you don't—and then you're not using the last—the bracketed thing at all?

E. The bracket at the top goes at the end where he says,

Z. Not going to apply it specifically. But he's referring to the bracket at the end.

E. No—no—we're not going to use that.

P. You're not going to use that?

E. No—It's got a lot of problems associated with it.

P. Yeah—because you're taking the Committee on.

E. Yeah—well we worked with a lot of different variations of that and just decided really it was better to leave it out.

Z. Give the Committee—And give the Committee back into the start there by saying.

P. I question. (pause) I don't know. Well, anyway, it's all right. Do you think it helps some?

E. I think it does. And I think. Ron's going to get some questions—Ron's going to get up there—well Ron, you're not going to apply this to specific instances. What are you trying to say to us? And he again could come back and say, what I am saying to you is that the mistake that people are making—there's a mistaken impression that the White House is trying to cover up in this matter—is just a mistake.

P. Listen—I'd almost start this thing—I just want to lay to rest what I think is a—what is a—I'm not making any charges of how it happened. I want to lay to rest a massive misapprehension that has been created in the press, created in the country with regard to the White House position on the Watergate matter. The aftermath. That is, because of—because of our—and that is—we are attempting, the position is to withhold information and to cover up—this is totally true—you could say this is totally untrue. I think I'd start right out that—massive misapprehension and so forth and so on.

Z. Cover up and withhold information.

P. Cover up withhold information.

Z. And then bang into it.

E. Mm huh.

Z. Part of the case is built on the fact that fellows love this room, and your press of course—is no place to work this out.

P. Yeah—yeah. That's it exactly.

E. And our refusal to—our refusal to try this case in the newspapers.

P. Yeah.

E. Has led to.

P. Yeah—Yeah—now—I'd say our—now—a part of that, I must say, due to the fact—our refusal to try the case in the newspapers—and the position of maintaining the constitutional—the President's necessity of maintaining the constitutional separation of powers. But as the President, I'd say, as the President made crystal clear in his press conference on August 2, the purpose of his insistence on the separation of powers is not to cover up. There will be total and complete cooperation with the agencies of government to get at the facts. And the facts can be obtained and still maintain the principle of separation of powers—and all the facts can be obtained. Something like that.

E. That's in there I think pretty good. (dishes or walking around)

P. You don't want to make a sworn statement, huh?

E. I would just as soon not—I think we are better off not, oh, doing up a stream. Look at the—

P. The only position that I am concerned about is this. I wonder if you could take whatever Ron says and—

E. We're going to hypo it—we're going to get it around.

P. Get it to the Congress.

E. Right.

P. Get it to George Bush.

E. Right. I'm going to see the guys that are going to do that and I'll do it now.

P. All right, fine. If you could work on that between now and three o'clock I think it would be very helpful.

E. I shall.

P. Fine—you work on it and I'll take off.

Appendix 12. Press Briefing: Ziegler, March 30, 1973:

(Excerpt from Ziegler's Press Briefing.)

* * * * *

With regard to the Grand Jury, the President reiterates his instructions that any member of the White House staff who is called by the Grand Jury will appear before the Grand Jury to answer questions regarding that individual's alleged knowledge or possible involvement in the Watergate matter.

This is a re-statement of a policy which has been in effect. If the Grand Jury calls any member of the White House staff, that person, by direction of the President, will appear to testify regarding that individual's alleged knowledge of possible involvement in the Watergate matter.

* * * * *

Appendix 13. Telephone conversation: The President and Ehrlichman, April 8, 1973. (7:33–7:37 a.m.):

P. Oh, John. Hi.

E. I just wanted to post you on the Dean meeting. It went fine. He is going to wait until after he'd had a chance to talk with Mitchell and to pass the word to Magruder through his lawyers that he is going to appear at the Grand Jury. His feeling is that Liddy has pulled the plug on Magruder, and that (unintelligible) he thinks he knows it now. And he says that there's no love lost there, and that that was Liddy's motive in communicating informally.

P. Uh, huh.

E. At the same time, he said there isn't anything that he, Dean, knows or could say that would in any way harm John Mitchell.

P. But, it would harm Magruder.

E. Right. And his feeling is that Sirica would not listen to a plea of immunity at a (unintelligible) I should say. And that (unintelligible) from him. He would be much better off to go in there and have an informal talk and that's what he wants to do.

P. Right.

E. So obviously we didn't tell him not to, but we did say that it is important that the other people knew what he was doing.

P. Well, Mitchell, of course, was going to be put to the prod on this one.

E. That's right.

P. Mitchell has got to decide whether he's going to tell John Dean, "Look here, I don't think you ought to say a word or you've got to go down and lie." Well, John is not going to lie.

E. He says John Mitchell is sort of living in a dream world right now. He thinks this is all going to go away.

P. He thinks that?

E. Yeah.

P. John Dean thinks that John Mitchell is living in a dream world?

E. Yeah. He thinks that that's Mitchell's frame of mind on all of this. For instance, he hasn't bothered to obtain counsel. He hasn't really done much about preparing himself or anything of this kind. So—

P. But what does Dean think about it?

E. Well, Dean says it isn't going to go away. It's right on top of us and that the smartest thing that he, Dean, could do is go down there and appear cooperative.

P. Right.

E. So, he'll be around all day tomorrow and we'll see how this unfolds during the day.

P. What does he –Do you have any feeling about the Magruder thing as to what he ought to do?

E. Yes. And he said, "Well, the thing that I didn't understand was that Magruder was the target of the long Liddy discussion" . . . and there wasn't anything that he, Dean, could add.

P. No, no, no, no. But what about the theory of your idea that Magruder ought to come in and say, look my recollection has been refreshed and so forth.

E. Well, yeah, but he said that he's satisfied that they are not really after Magruder on perjury. They are after him—

P. On Watergate.

E. They are after somebody as the instigator of the plot.

P. I see.

E. And that, cleaning up the—

P. What does he think Magruder will do? Whether Magruder will——

E. Well, nobody knows.

P. Magruder could be the loose (unintelligible) of the whole plan.

E. He's entirely vulnerable and nobody knows.

P. Uh, huh.

E. But Dean's very strong feeling is that this is a time when you just have to let it flow. And that's his . . .

P. I tend to agree with him, you know. Do you?

E. Yes, I do. I do.

P. Basically, Mitchell must say—go in and hard-line it, John, etc. We cannot, we can't claim privilege for Dean on this kind of a matter, can we?

E. I don't believe on acts prior to the investigation, no.

P. That's right, and that's what they're asking for and Dean says, look, I'll be very careful, etc., but . . . So, where do we go from there then? Then, he pulls the plug on Magruder, but then the point that John Mitchell has got to be concerned about is that Magruder pulled the plug on him.

E. Well, that's right. That's right. That's correct.

P. But the next question, John, they are going to ask Magruder is, "Who told you? Did you clear this with anybody? Who gave the final approval?"

E. Yeah. Uh, huh. Obviously.

P. I don't think, strangely enough . . . If he's going to pull the plug, he's going to pull it on Mitchell rather than on Haldeman.

E. Well, that's right . . . and . . . and that's the reason that we felt that not only out of fairness, but also in order to make sure that nobody felt that the White House is buying them . . . that John ought to talk to these fellows and let them know what it is that he's intending to do.

P. When does he have to decide this?

E. Well, he has to get in touch with them tonight.

P. Uh, huh.

E. And he thought that he would probably see them tomorrow night.

P. Uh, huh.

E. You see, they prepare their case at night and work the jury during the day.

P. So—he'll tell them that tomorrow night I'll talk to you and . . . tonight, he says—what's he going to say tonight?

E. Well, he just says, give me an appointment tomorrow night.

P. So . . . he'll go over and see them.

E. Yeah.

P. Right.

E. I think he has to do that.

P. That's right.

E. All right, sir?

P. But he's got to let it off pretty hard with Mitchell . . . he hasn't got any choice on it, that he will not testify to anything after the fact. And that he'll not testify except . . . and then he'll be damn careful he's protective about it. Is that what he's going to say? We don't want Mitchell, you know, popping off.

E. Well, he's going to just say to John that he certainly is not going to look for. . . . But then, he, Dean, doesn't really know anything that jeopardizes John. Which is true.

P. Now, who is going to talk to Magruder?

E. Ah, Dean's lawyer is going to talk to Magruder's lawyer and. . . .

P. What the hell is he going to tell him, though?

E. He'll tell him that John has been invited to come down for an informal conference and that he is going to have to go.

P. That's right. So what does that do to Magruder?

E. Well, that undoubtedly unplugs him but . . . but it also alerts him in the most orderly kind of way.

P. Right.

E. And, . . .

P. But John Dean says Magruder can't get off by going in and confessing to the perjury.

E. No, no, he says that's not really what they're after.

P. They want to convict him for Watergate.

E. Right.

P. Well, if he confesses perjury, he's going to be convicted for Watergate, right?

E. Both.

P. They'll get him for both?

E. Yeah.

P. Under the (unintelligible) version of the law.

E. Well, I'm afraid that if he comes down and testifies, I would guess what he will try to do is plead some sort of a constitutional protection, Fifth Amendment, or something.

P. Yeah. That's what I would think. He had better plead the Fifth Amendment. I don't think he's got any other choice.

E. It doesn't sound like it to me.

P. Right. OK, you'll let me know tomorrow . . . after Ervin.

E. I'll let you know after Shultz.

P. Yeah. Yeah. Ok.

E. Bye.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESS BY SENATOR McINTYRE BEFORE ELECTRONIC INDUSTRIES ASSOCIATION GOVERNMENT/INDUSTRY SYMPOSIUM

Mr. MANSFIELD. Mr. President, the distinguished Senator from New Hampshire (Mr. McINTYRE) is chairman of the Subcommittee on Research and Development of the Committee on Armed Services. He has been doing an outstanding job in scrutinizing this enormously complex and far-reaching field. This area has needed the full-time attention of Congress for so long, and the leadership is being provided by Senator McIntyre.

Last week Senator McIntyre addressed the Electronic Industries Association, and I commend his remarks to the Senate. I ask unanimous consent that the text of his remarks be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, a follows:

Speech by U.S. Senator Thomas J. McIntyre

Next week the Senate's Subcommittee on Military Research and Development, which I chair, will report its recommendations to the full Senate Armed Services Committee. My work on this Subcommittee has consumed more of my time and effort than any other responsibility I have had in the Senate because the size and complexity of our military R&D effort exceeds one's grasp, however ambitious one's reach. This year the Pentagon has requested 9.3 billion dollars for R&D spread over 3,000 individual programs and projects. You in industry know better than anyone how specialized these technologies are and how intricate the larger or higher-risk systems can be. But most of you only have to deal with a few of these programs. Our Subcommittee has the responsibility for reviewing all of them. So I feel sometimes as if we are wrestling with a greased octopus.

But at least I have been wrestling for six years as Chairman of the Subcommittee and a total of ten years on the full Armed Services Committee. And even a country lawyer like me should have learned something in that time—by osmosis if nothing else.

Technology's importance to our military security was evident to me when I became Chairman six years ago and my experience since has only intensified my appreciation. The axiom that superior military technology can give a nation a decisive advantage over its adversaries was true in the 14th Century when the English long bow made the armored knight obsolete. It is true today with ECM technology and Smart Bombs. And it will be true tomorrow whenever a nation can harness the laser to its military purposes. So to insure a technological edge, my Subcommittee will have recommended during these six years more money for military R&D than any previous six year period in the history of our Republic.

But I have also learned during these years that technology, while critical, is not sufficient to guarantee our national security. We relearned in Vietnam that the ability to wage war depends as much on our Nation's belief in the rightness of our cause as it does on the sophistication of our weapons. I have become more aware that our national security depends on the total health of the Nation. It depends, for example, on the confidence that our Government commands with the American people and with our allies and potential adversaries abroad.

It also depends on our economic health. The Senate Armed Services Committee itself said last year: "Over the long run a sound economy is as important to national security as conventional measures of military might." The double digit inflation we are experiencing saps every element of our national strength, including our military posture.

Paradoxically, the very inflation that diminishes the buying power of the defense dollar has, among its many other causes, the vastly expensive and inherently non-productive character of military weapons. Oh Yes, I am aware that the military budget represents a diminishing percentage of both gross national product and Federal spending, but I am also aware that this is the largest military budget in the history of our country, except one, and by far the largest peacetime budget ever.

So our national security, whether broadly or narrowly defined, will increasingly depend on how well we manage our defense dollar.

Tonight I want to express my conviction that our ability to manage our defense budget effectively depends heavily on our learning to exercise greater selectivity in our military R&D.

This selectivity in R&D is necessary because a program once initiated becomes most difficult to stop or substantially alter. It picks up momentum with each step in the R&D cycle. A service, or elements within a service, develop vested interest in programs deriving from R&D beginnings. So do you in industry. So do we in Congress.

In the realities of Washington politics, decisions are often forfeited to willful advocates who organize their every day for the purpose of perpetuating their program. So R&D programs, even in their early stages, therefore, acquire a force and power far beyond the pure merits of the case.

Such bureaucratic momentum has produced some of the saddest cases in recent R&D history: the MBT–70 tank and Cheyenne Helicopter which drowned due to excessive sophistication and cost; the duplication of the heavy lift helicopter efforts; the attempt to push the surface effect ship into a concurrency unjustified by its technological progress.

This momentum moves programs into the more expensive stages of the development cycle perhaps even to procurement with a power unrelated to the program's merits. For example, DOD's request for a third of a billion dollars this year for ballistic missile defense is in part due to the potency of five billion dollars of R&D investment in the Safeguard program—a potency which makes the decision to complete the deployment at the Grand Forks site irresistible whatever its military justification. The momentum of the Cheyenne Helicopter cost the taxpayer 400 million dollars before it could be cancelled.

Such momentum gives some R&D programs amazing resilience, so that DOD comes back again and again even after Congress has clearly said No. For example, the Armed Services Committee explicitly opposed the development of a light area defense capability in 1970. Yet, last year, my Subcommittee had to fight the battle all over again by zeroing such a request. Congress has decisively opposed R&D for destabilizing accuracy for our strategic missiles, in '71 the Senate, by votes of 66 to 17 and 68 to 12, and in '72 by insisting on the deletion of such a request in the post SALT supplemental. Yet this year we are once again facing the same issue in a set of R&D requests for silo-kill accuracy.

R&D programs gain momentum because each step in the R&D progression flows indistinguishably into the next so that clear decisions are avoided.

Let me explain this for a moment. My Subcommitee warmly supports the maintenance of a rich technology base in research and exploratory development, socalled 6.1 and 6.2 money.

When DOD identifies a possible application of a technology and recommends moving it to advanced development we are told that such a step is only "tentative," "exploratory" and "inexpensive."

When the programs move to engineering development, we are told that laboratory development has reached its limits and we must now find out whether in practice it is possible to integrate the component technology into a system. We are assured we are only trying to develop an option but not making a commitment to production.

When the program moves towards production we are told that we should protect the schedule for deployment in case such a decision is made, and that we must, therefore, fund long-lead time money and sometimes expensive pre-production copies. Nevertheless, we are told that the decision to deploy is still before us.

But—as a practical matter—by the time we come to the decision to deploy, that decision has already become an accomplished fact. We are told that we have now invested millions, perhaps hundreds of millions of dollars in the program—great sums which the taxpayer would lose if we cancelled out.

So in this way an R&D program acquires a life of its own that can preempt a decision.

And this is precisely why we need to exercise greater discipline especially in the critical middle stages of the R&D cycle. This selectivity is also required by the enormous cost of weapons development itself. For example, the American taxpayer will pay more than two billion dollars to develop the Trident I (C–4) missile. That will buy us just R&D for just one component of just one system of just one arm of just our strategic forces. Now this is a system which I feel we very much need. But in order to pay for its development we can't afford to spend our R&D dollars on uncompetitive programs.

But it is not only a question of dollars, however well spent, that is at stake. We need a greater selectivity in R&D because the development of certain military capabilities, even when not deployed, can set national policy which must be addressed at the outset. For example, in 1969, my Subcommittee zeroed a DOD request for money to develop offensive biological warfare materials because R&D by itself would have implied national policy that biological warfare was somehow an acceptable form of civilized warfare. Similarly last year my Subcommittee zeroed an Army request for R&D for light area defense because an R&D program by itself would have been, in our judgment, destabilizing to the strategic balance.

This year's request for silo-kill accuracy/yield development is in the same class because it would, even in R&D, drastically alter longstanding strategic policy.

We cannot say in such cases, "It's only R&D." President Eisenhower warned us in his farewell address of the "danger that policy could by itself become the captive of a scientific, technological elite." Such would be the case if we let basic policy be set by forfeit.

So the momentum, resilience, cost and policy implications of R&D programs require that we execute a greater selectivity. We need to identify those critical programs and technology and fund them and defend them and stabilize them. And we need to identify those marginal, uncompetitive or duplicate programs by requiring progressively more intense discrimination and competition in the middle and late stages in the development cycle. I am well aware that R&D by its very nature is the least predictable part of weapons acquisition. But however difficult, greater selectivity should be our goal.

Most public debate centers on the question of more R&D or less R&D. I am arguing for better R&D. More efficient. More selective.

But if we are going to exercise this kind of selectivity we are going to need better principles of selection. For example, DOD witnesses repeatedly tell my Subcommittee that the Soviets are superior to us in a broad range of technologies. Now I am sure that in some instances this unfortunately is the case.

But I for one get weary and skeptical of the uncritical litany which somehow judges our technology in the worst possible light and theirs in the best.

For example, in our perennial inquiry into our tank R&D I have been told that the Soviet tank was superior to ours. I was delighted to learn that my skepticism was justified when we recently pitted one of their captured tanks from the Middle East war against one of our tanks in the field. Ours beat the hell out of theirs.

And our Navy habitually counts the Soviet diesel submarine as an important part of the formidable Russian submarine fleet, as if they somehow equate with ours. So this year I have been asking each Navy witness if they would like to have some diesel submarines in our own fleet. "Oh No," they say. "They're too noisy." "They're old technology."

So let's not forget or discount the quality of our own military technology, a technology that has been richly funded and represents the premier product of American engineering, scientific and industrial talent.

Their subs are not as quiet;

Their missiles not as accurate;

Their warheads not as efficient;

Their computers not as advanced;

Their ASW not as effective;

Their sub-launch missiles are not MIRVed;

Their bombers are not truly intercontinental.

I could go on, but you could extend the list better than I.

My point is simply that to assume in every case that the Soviets are better than us is as uncritical as to assume as we once did that American "know-how" is in every case better. What we need to do is discriminate realistically, to identify real gaps or advantages so we can allocate our R&D monies accordingly.

Another rationale which is unworkable as a principle of selection is what I call "The Fallacy of the Isolated If."

In this case, the DOD witnesses concentrate on a marginal, hypothetical threat that their particular R&D program can meet and they seem to ignore the vast array of parallel military capabilities which we have or are developing.

For example, the Navy strategic Cruise missile program has been justified this year to my Subcommittee on the grounds that it would provide us with an ultimate deterrent that could penetrate Soviet defense if our other strategic forces had failed to accomplish their mission. But what an if! This ignores the layers of redundant strategic forces which we already have and it assumes a set of inconceivable hypotheses such as:

If the Soviets achieve an ASW breakthrough, the character of which we cannot now anticipate;

And if they could afford to deploy this ASW force to both detect and kill our strategic missile fleet;

If they could do this even though our Trident fleet will compound the ASW problem tenfold;

If they can successfully complete their testing of MIRV technology;

If they can develop enough accuracy for those warheads;

If they can solve the tactical problems posed by the nuclear effects produced by their own attacks on our Minutemen;

And if they are willing to risk that we really won't launch on warning;

And if they abbrogate the ABM Treaty by building a modern ABM system;

And if they could, therefore, intercept any of our retaliating missiles which had escaped their attacks;

And if they could, develop a depressed trajectory sub-launched missile even though there is no present evidence they are;

And if they could successfully attack our SAC bases with such a missile;

And if they could attack all three elements of our Triad simultaneously even though this is logically impossible given the disparity of flight time for their ICBMs and sub-launched missiles;

And if they could intercept our strategic bombers which had escaped their attack, despite our remarkable penetration capabilities;

And if they could intercept our MIRVed Trident missiles;

And if they were mad enough to believe they could do all of this, then if we wish to insure that we could penetrate their remaining air defenses we should build strategic sub-launched Cruise missiles.

But why that particular if. What if the Soviets could devise defense against a Cruise missile. Then why not add another if, and another, and another, and another.

My point here is not to prejudge the Cruise missile program but show the inadequacy of this justification.

This Fallacy of the Isolated if is at the heart of DOD's flirtation with the bugaboo Soviet first strike. Secretary Schelsinger, to his credit, has repeatedly stated that a first strike is not obtainable by either side. But his own pre-occupation with a possible Soviet counter force capability implicitly ignores the deterrent of our sub and bomber forces.

There is an equally indiscriminate Fallacy recurrently offered by the other side of the political spectrum which you could call the Fallacy of the only if. One distinguished Senatorial colleague of mine justified his opposition to a strategic weapons system a few years ago by suggesting we should launch our Minutemen on warning if we perceived a Soviet missile attack. I shudder at the simplicity of this hair-trigger approach.

So none of these rationales which we hear so often before the Subcommittee provide us with useful principles of selection and I think we all need to work harder at developing a more pragmatic criteria.

I certainly could not offer a definitive set of such conceptual tools. But I know from my experience on the Subcommittee that we must be particularly sensitive to duplication. We must take every effort to develop new systems in an evolutionary rather than revolutionary way. We should develop a system only if it can stand in competition for procurement money. We should focus our R&D energies on the essential components of our defense rather than countering hypothetical marginal threats. At the heart of this selectivity there must be a confidence in the basic validity of our own judgment about what is enough and in the quality of our own rich technology judiciously applied.

The application of these principles of selection should in the first instance be the responsibility of DOD. And I am told that throughout his career Secretary Schlesinger has been a strong advocate of precisely this kind of discipline at the R&D process. He understands that a prudent Republic would fund the most promising young technologies and then exercise greater and greater discipline as they move through the development cycle toward weapons acquisition.

And there is ample evidence that the Secretary this year has been making substantial efforts to exercise such leadership within the Department. I congratulate him and offer him my support for his efforts. The restraint he has insisted upon in the surface effect ship, SAM–D, and Trident programs are encouraging.

But I am sure he has found it remarkable that some R&D programs have such momentum and force, far beyond the merits of their case, that even the Secretary of Defense finds it difficult to bring them to heel.

Last year in the midst of delicate negotiations with the Navy on the pacing of the Trident program he told me he would support a compromise proposal of mine that would have reduced concurrency but given Navy its first Trident on its accelerated schedule. Schlesinger agreed with me. This is he said he would support it "If Navy would." Well, Navy didn't as you all know. And we were forced to take the issue to the Floor of the Senate. But this year the Secretary, having been in his position longer and presumably having a firmer grip on the Department, modified Navy's Trident program by directing it to a pace and variety similar to the compromise I advanced last year.

So I am encouraged that Secretary Schlesinger, gives his long understanding for the need of selectivity in R&D and given more time on the job will continue to exercise the kind of discipline within the Department that is necessary.

But in other respects the Secretary's own budget request in R&D seems to run counter to the idea of greater selectivity. His emphasis on wide variety of strategic options in my view reflects an unwillingness to judge priorities and to face up to some hard choices at the R&D stage. In fact he specifically declined to state priorities in response to my formal request. The assumption that we can afford or restrain a whole smorgasbord of strategic initiatives ignores the reality of bureaucratic momentum that makes most R&D efforts virtually tantamount to a decision to acquire a weapons system.

Whatever successes or limitations Secretary Schlesinger may have in assuring greater discipline in R&D, Congress also has a Constitutional responsibility for this.

This is not because Congress' judgment is better than DOD's. We have no special wisdom. Congress can be just as eccentric and capricious and self-interested as DOD and its associated industries.

But we do have a responsibility under the Constitution to exercise an independent judgment in R&D, and the Founding Fathers were right to insure that there was a check and balance between the Executive and Congressional branches of government.

And we are generalists. Except for the President, no officer of the government, even the Secretary of Defense, or those in OMB, have quite the mix of general responsibilities that the Constitution assigns to Congress.

We have all the advantages and disadvantages of that approach. You all know the definition of a "Specialist:" A person who learns more and more about less and less until he knows everything about nothing at all. Well, a generalist is a person who knows less and less about more and more until he knows nothing about everything.

Still a generalist can contribute the essential discipline of balancing priorities that are very difficult to judge from a narrower perspective.

But if Congress is going to meet its responsibility it is going to have to shape up itself. We are going to have to make the committee system work even better than it has. I am proud of the hard work, the spirit of fairness and non-partisanship that the R&D Subcommittee has displayed over the years. I only wish that some of the interested critics of the Defense Department would join us on the Armed Services Committee and engage in the year-round responsibility necessary in carrying out the Committee's assignment.

Congress must also revitalize its center if it is going to be constructive and responsible in its work on the Defense budget. The "glamorous" Senate debates on the Floor have been typically characterized by a great deal of polarized passion for a few days. What we need is more hard homework throughout the year and a recognition that real discrimination and balance is rarely found at either of the political poles.

I am encouraged that Congress is moving in this direction. Last year's debate on the pacing of the Trident was led by the center of the Senate, and although the vote followed familiar lines in some respects there were signs of a fresh recognition that decisions on defense matters should not be conditioned political reflexes.

Let me sum up. The cost of R&D, the momentum which programs develop, the policy set by some R&D programs require a greater selectivity in military R&D. To do this we need better principles of selection than the indiscriminate exaggeration of Soviet technologies or a concentration on an isolated hypothesis. Both DOD and the Congress have a Constitutional role to play and Congress must revitalize its center and do its homework if we are to meet our responsibilities.

But this case for greater selectivity in R&D, however important generally, is supremely critical when applied to strategic weapons.

The arms race has, in fact, become an R&D race—a vast proliferating chess game played in a room with cloudy mirrors with the future of the Planet Earth at stake.

It becomes a game of futures because of the uncertainties of long lead times. Since neither side can rely on speculation about the other's intent in an R&D program, each R&D effort triggers a set of countering R&D programs designed as hedges for a variety of contingencies. And yet each of these programs can set new bureaucratic forces in motion and implicitly set new policy. So while the traditional arms race was linear in its growth, the R&D arms race expands geometrically.

The preoccupation with the R&D arms race has obscured how thoroughly secure the strategic balance is now and for the practical future. My Subcommitte has probed into every possible Soviet degradation of our strategic force and have been assured in detail from Secretary Schlesinger to the most talented program specialist that there can be no doubt whatever that our deterrent is secure; that our second strike capability is secure; that our ability to respond flexibly against large numbers and a wide variety of Soviet military targets is secure. And yet, this truth is now obscured by the alarmists.

The anxieties of the R&D arms race have also enable opponents of SALT to rewrite the history of our successes at SALT I. They have repeated the myth that somehow the Soviets out-foxed us in Geneva enough times that it has become cliche, however unsupported by the facts. Let us remember that Soviet momentum in deploying more missiles has been stopped. The insane ABM race has been halted. The problems posed by the Soviets' strategic arms buildup were not solved at Geneva but they were diminished. And there is no question that for the period for which the interim agreement is valid that our qualitative lead more than balances their margin in numbers. But above all SALT I demonstrated to our adversaries and ourselves that we do indeed have a common interest in limiting an arms race and that explicit, nationally verifiable agreements can be drawn which define and guarantee this mutual interest.

The anxieties generated by proponents of an R&D arms race also tend to obscure the validity of this Administration's continuing to seek secure SALT agreements at SALT II. There is no question in my mind that the Nixon Administration's greatest achievement and deepest tap root of public support was derived directly from having recognized that this Nation wants a secure end to the arms race. There is a danger that the achievements at SALT I and the hopes for SALT II might be discredited through forfeit in a period when our President is pre-occupied, our Secretary of State doesn't have enough hours in a day, and our Secretary of Defense gives mere lip service in support of SALT. The faint, ambiguous signals from the Administration are further weakened by the irony of having its most powerful Congressional ally in national defense debates now the most vocal critic of SALT.

I admit that my Party is at fault here. The vitality of the broad center of our Party on defense matters has been eroded in recent years by internal divisions and timidity. But there are neither valid policy grounds nor a national constituency substantially to the right or to the left of the broad center symbolized by SALT. There certainly are no valid policy grounds or national constituency for a return to the Cold War. Our responsibility as the loyal opposition which controls Congress is ill served by suggesting that the President would seek a "quick fix" at SALT to counter his domestic problems.

SALT is a matter above Party politics. And it is both right and politic that the loyal opposition express our support and confidence to our negotiators. They also deserve our best judgment in Congress especially in exercising a greater selectivity in R&D programs so that the opportunity for a secure agreement is maximized. It is a question of balance and discrimination. We are like the fisherman who having hooked a fish will lose it if he gives the line too much slack, but will also lose it if he pulls the line so tight that it breaks.

There must be no question that we will develop, and if necessary, deploy whatever is necessary to show the Soviets that they will never be able to achieve a real military advantage that would erode the strategic balance. Yet we must also avoid programs which give ambiguous signals about our own intent—signals which would strengthen the hand of Soviet hawks, and thereby fuel the R&D arms race.

In sum, we must do in R&D what former President William Howard Taft used to tell his Yale law students: "Don't write so that you can be understood, write so that you cannot be misunderstood."

So tonight I earnestly solicit your support. As leaders of the defense industry you have a special responsibility to insure that we strike a proper balance in R&D so our aspirations for a secure SALT agreement will not be misunderstood.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. HATHAWAY) laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONTRACTS NEGOTIATED BY THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on contracts, negotiated by the Administration, for the period July 1, 1973 through December 31, 1973 (with an accompanying report). Referred to the Committee on Aeronautical and Space Sciences.

SUPPLEMENTARY REPORT ON MILITARY USE OF HERBICIDES IN VIETNAM

A letter from the Secretary of Defense, transmitting, pursuant to law, part B, Supplementary Report of the National Academy of Sciences report on the ecological and physiological effects of the military use of herbicides in Vietnam (with an accompanying report). Referred to the Committee on Armed Services.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting a report entitled "More Competition Needed in the Federal Procurement of Automatic Data Processing Equipment", General Services Administration, dated May 7, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGOVERN, from the Committee on Agriculture and Forestry, without amendment:

S. 3458. A bill to amend the Agriculture and Consumer Protection Act of 1973 and the Food Stamp Act of 1964 (Rept. No. 93-829); and

S. 3459. A bill to amend the National School Lunch and Child Nutrition Acts to increase the level of Federal assistance for child nutrition programs, and for other purposes (Rept. No. 93-830).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. McGEE, from the Committee on Post Office and Civil Service:

Hayes Robertson, of Illinois, to be a Governor of the U.S. Postal Service.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Bert C. Hurn, of Missouri, to be U.S. attorney for the western district of Missouri; and

Lawrence A. Carpenter, of Texas, to be a member of the Board of Parole.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BURDICK:

S. 3455. A bill to authorize the Devils Lake Sioux Tribe of the Fort Totten Reservation to consolidate its land holdings in North Dakota, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. CRANSTON:

S. 3456. A bill to provide emergency mortgage relief for middle-income families. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. ROTH:

S. 3457. A bill amending the Internal Revenue Code of 1954 to provide for an inflation adjustment in the rates of tax and the standard and personal exemption deductions, and for other purposes. Referred to the Committee on Finance.

By Mr. McGOVERN (for himself, Mr. Young, Mr. Abourezk, Mr. Brooke, Mr. Burdick, Mr. Case, Mr. Clark, Mr. Cranston, Mr. Dole, Mr. Eagleton, Mr. Fannin, Mr. Hart, Mr. Huddleston, Mr. Humphrey, Mr. Jackson, Mr. Javits, Mr. Kennedy, Mr. McGee, Mr. Magnuson, Mr. Mansfield, Mr. Mathias, Mr. Metcalf, Mr. Mondale, Mr. Pastore, Mr. Pell, Mr. Ribicoff, Mr. Schweiker, Mr. Sparkman, Mr. Talmadge, Mr. Tunney, and Mr. Williams):

S. 3458. A bill to amend the Agriculture and Consumer Protection Act of 1973 and the Food Stamp Act of 1964, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. McGOVERN (for himself, Mr. Case, Mr. Clark, Mr. Dole, Mr. Eagleton, Mr. Hart, Mr. Huddleston, Mr. Humphrey, Mr. Javits, Mr. Kennedy, Mr. Mathias, Mr. Mondale, Mr. Talmadge, and Mr. Williams):

S. 3459. A bill to amend the National School Lunch and Child Nutrition Acts to increase the level of Federal assistance for child nutrition programs, and for other purposes. Referred to the Committee on Agriculture and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 3456. A bill to provide emergency mortgage relief for middle income families. Referred to the Committee on Banking, Housing and Urban Affairs.

THE MIDDLE INCOME MORTGAGE CREDIT RELIEF ACT

Mr. CRANSTON. Mr. President, the May 5 real estate section of the Los Angeles Times featured several articles on new housing developments in southern California. In one development homes ranged in price from $38,950 to $50,450; in another, between $61,900 and $70,650; and in a third, between $62,000 and $83,000. These prices for new homes are not peculiar to southern California. Last Saturday's Washington Post reported that in the Washington area homes priced at $75,000 and over are selling well.

That is good news for some homebuilders aiming at a special market. But for the vast majority of Americans, homebuyers and homebuilders alike, the housing news is dismal.

In mid-1973, conventional mortgage interest rates averaged 8.5 percent. Today they peak at 9 percent or better. In January 1974, Secretary Lynn announced a reduction in the FHA–VA rate to 8¼ percent in the hope that FHA would "lead a little" in the downturn in rates. In 3 months, the FHA rate was back to 8½ percent, and if the market rate keeps on rising, so will the FHA rate.

The housing industry and the homebuyer of average means are always the first, foremost, and full-fledged victims of tight money and high interest rates.

As a result of high financing costs, a large backlog of completed but unsold houses has developed. Inflation is gobbling up the average person's spendable income—it is also fueling the surge in housing prices. In February 1973, the median sales price of a new home was $29.700. Last February, the same house sold for $34,900.

The average wage earner is being clobbered by double-digit inflation. But the Federal Reserve Board's battle against inflation is taking its toll too: mortgage credit for the ordinary borrower has become either unavailable or too costly, or both.

Today, I am introducing legislation to restore the average family's home buying purchasing power. I am introducing this measure also to infuse vitality into the homebuilding industry whose strength is being sapped by the Federal Reserve's tight money policies.

Unemployment in the construction industry has been running between 8 and 9 percent nationally. Last month, another 70,000 construction workers lost their jobs.

In my State of California, one out of six carpenters is out of work.

In March, housing starts fell 36 percent below their level in 1973. Total starts for 1974 are projected at 1.6 million units—1 million units short of the number required to meet our national housing goal of 26 million units by 1978.

Housing is particularly vulnerable to changes in credit conditions and monetary policies. Yet we seem to tolerate the "boom and bust" cycles in housing as inevitable. I believe we can no longer afford this view. The Nation's economic health is too precarious.

The Middle Income Mortgage Credit Relief Act, which I introduce today, is not offered as a substitute for fundamental reform. It will not prevent a reoccurrence of our present mortgage money crisis. But it can lessen the consequences.

The Middle Income Mortgage Credit Relief Act is activated when the HUD Secretary determines that a substantial number of middle income families are unable to obtain mortgage credit at reasonable rates and that the national economy and our national housing goals are adversely affected as a result. The actions authorized by my bill cease when the Secretary determines that this crisis situation no longer exists.

The Secretary of Housing and Urban Development is given responsibility to trigger the special relief under my proposal. Thus, the mortgages involved are FHA insured—but not exclusively. Both the Veterans' Administration and the Farmers Home Administration can take full advantage of this program.

My bill does not set a dollar definition of "middle income." Rather, it limits assistance by setting a maximum mortgage amount of $30,000. Generally speaking, families with incomes ranging between $8,000 and $14,000 can afford housing priced around $30,000 and under.

With every 1-percent increase on a $30,000 mortgage, approximately 3.5 million families no longer qualify for the mortgage loan. My proposal will reverse the flow of mortgage credit back to middle income families by making mortgage loans available at a true 7 percent interest rate. I say a true 7 percent rate because no points, discounts, or other similar charges can be paid by the seller or buyer.

The program would work as follows. The Government National Mortgage Association—GNMA—a part of HUD, would be directed by the HUD Secretary to make commitments to purchase and purchase mortgages originated by lenders at a 7-percent rate. The total worth of mortgages that can be purchased by GNMA is limited to $6 billion, per year. The total value of GNMA owned mortgages will not be reflected in the budget on the theory that these mortgages represent a financial asset of the Federal Government and not outlays.

What is reflected in the budget are congressional appropriations required to make up the difference between the net yield on mortgages purchased by GNMA—the interest rate on the mortgages after expenses—and the cost of money borrowed from the U.S. Treasury—money that finances GNMA's purchase of mortgages.

If money loaned to GNMA costs, for example, 7.5 percent and the return to GNMA is at a rate of 6.5 percent, congressional appropriations would have to make up the difference of 1 percent.

If GNMA purchased up to $6 billion in mortgages and the difference between GNMA's return and the cost of money borrowed were 1 percent, Congress would need to appropriate $60 million to make up the 1 percent differential. This appropriation would be required for the length of time GNMA held the mortgages. The average life of a mortgage is 10 years.

The true cost of the program will, of course, depend on several factors: The duration of GNMA's special buying authority; the volume of mortgages originated; the cost of Treasury money; and the length of time GNMA held the mortgages.

If interest rates fall and GNMA mortgages become attractive to investors, GNMA would sell them, canceling the need for congressional appropriations.

The benefits of the program are potentially great. If GNMA purchases mortgages up to its full authority of $6 billion, 200,000 families could obtain 7 percent, $30,000 loans. Substantially more families would be helped if the houses were lower in price.

It is generally accepted that each dollar of Government assistance for housing triggers private investment of between $15 and $20 for construction and land improvement.

This total investment creates a demand for housing related goods and services. Jobs are generated, and with them, income tax revenues. Real estate taxes are generated from new housing sold.

I expect that another spin-off of this program will be to bring business back to the FHA. I think that is good. And I am hopeful that with improved processing procedures, FHA will be able to handle the stepped up volume.

The Middle Income Mortgage Credit Relief Act is an emergency measure for middle-income families. I believe it will restore a sense among people of average means that the Government has not overlooked their housing needs.

This authority is needed today. I believe it valuable to have ready as a means of smoothing out future "boom and bust" swings in homebuilding and home financing that are so harmful to housing producers, home buyers, and the economy at large.

But the mortgage money crisis now facing us must not divert our attention from the housing needs of low- and moderate-income families that persist without relief through the fluctuations of credit and interest rates. The housing needs of the poor, the elderly and handicapped, the families with special needs, the wage earner whose income is too small to pay for decent housing—all these rely upon the programs authorized in the Senate-passed Housing and Community Development Act of 1974. I hope that the House Banking and Currency Committee will act swiftly on its companion bill.

Mr. President, I ask unanimous consent that the text of the Middle Income Mortgage Credit Relief Act be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3456

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Middle Income "Mortgage Credit Relief Act".

Sec. 2. Title III of the National Housing Act is amended by redesignating sections 307 through 312, and any cross references thereto, as sections 308 through 313, respectively, and by inserting after section 306 a new section 307 as follows:

"MIDDLE INCOME HOUSING FUND

"Sec. 307. (a) (1) Whenever the Secretary determines that a substantial number of middle income families are unable to obtain mortgage credit at reasonable rates due to high interest rates or reduced availability of mortgage credit and that the inability to obtain such credit is causing or threatening to cause a significant reduction in the volume of residential home construction and thereby adversely affect the economy and delay the orderly achievement of the national housing goals contained in title XVI of the Housing and Urban Development Act of 1968, the Secretary shall direct the Association to begin making commitments to purchase and to purchase mortgages in accordance with the provisions of this section.

"(2) The Secretary may direct the Association to terminate its activities under this section whenever he determines that the conditions which gave rise to his determination under paragraph (1) are no longer present.

"(3) Not later than 60 days following the enactment of the Mortgage Credit Relief Act, the Secretary shall issue regulations to carry out the purposes of this section. Such regulations shall be published in the Federal Register and shall include the specific criteria to be used by the Secretary in making the determinations required under paragraphs (1) and (2).

"(b) There is hereby established within the Association a Middle Income Housing Fund (hereinafter referred to as the 'Fund') which shall be used to carry out the purposes of this section. Whenever the Secretary issues a directive under subsection (a) (1), the Association shall make commitments to purchase and purchase mortgages insured under the National Housing Act or title V of the Housing Act of 1949, or which are guaranteed under chapter 37 of title 38, United States Code. A mortgage may be purchased under this section only if—

"(1) such mortgage was executed to finance the acquisition of the principal residence of the mortgagor;

"(2) such mortgage involves a principal amount not to exceed $30,000;

"(3) such mortgage involves an interest rate not in excess of 7 per centum per annum; and

"(4) no points, discounts, or similar charges were assessed against the prospective buyer or seller in connection with the mortgage.

"(c) The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section. The proceeds from the issuance of such obligations shall be deposited in the Fund. Each such obligation shall mature at such time and be redeemable at the option of the Association in such manner as may be determined by the Association, and shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Association issued under this section, and for such purposes the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Association's obligations hereunder.

"(d) The Association shall not permit the aggregate outstanding amount of mortgages held by the fund under this section to increase by more than $6,000,000,000 in any single fiscal year.

"(e) At least 75 per centum of the aggregate principal amount of home mortgages purchased under this section in any fiscal year shall involve residences upon which construction has been completed within 12 months preceding the date of purchase.

"(f) The Association is authorized to—

"(1) establish and charge a fee for making commitments to purchase under this section;

"(2) purchase mortgages at a price not greater than 101 per centum of the unpaid principal at the time of purchase with adjustments for interest and any comparable items;

"(3) contract with mortgagees or other persons to service mortgages purchased under this section;

"(4) sell such mortgages at any time at a price not less than the unpaid principal at the time of sale;

"(5) deposit the proceeds derived from the sale of such mortgages into the Fund; and

"(6) invest any excess amounts in the Fund in obligations of the United States.

"(g) There are hereby authorized to be appropriated to the Fund such sums as may be necessary to reimburse the Association for any net losses incurred in carrying out the functions under this section.

"(h) With the exception of any amounts appropriated pursuant to subsection (g), the receipts and disbursements of the Fund shall not be included in the totals of the budget of the United States Government and shall be exempt from any annual expenditure and net lending (budget outlays) limitations imposed on the budget of the United States Government."

By Mr. ROTH:

S. 3457. A bill amending the Internal Revenue Code of 1954 to provide for an inflation adjustment in the rates of tax and the standard and personal exemption deductions, and for other purposes. Referred to the Committee on Finance.

Mr. ROTH. Mr. President, I am today introducing legislation which would reduce in the future the personal income tax by the rate of inflation. The legislation would amend the Internal Revenue Code of 1954 to provide for an inflation adjustment in the tax rates and standard and personal exemption deductions.

Under this legislation, which is modeled after a system that was recently inaugurated in Canada, the personal income tax will be adjusted to reflect the increase in the rate of inflation, as measured by the Consumer Price Index.

For example, if inflation is determined to be 10 percent in 1974, the $750 personal exemption would automatically be increased to $825 in 1975. Similarly, the tax brackets would increase from $500 to $550, from $1000 to $1100, from $1500 to $1650, et cetera.

My proposal will correct the fault in our present tax system which actually penalizes people receiving cost-of-living wage increases. Under existing law, even if an individual is fortunate enough to receive a cost-of-living wage increase, he will merely be pushed into a higher tax bracket. One of the ironies of our present system is that cost-of-living increases to help pay for the increased costs of food and clothing are swallowed up by higher taxes.

Despite the predictable political pledges not to raise taxes the Federal Government has subjected each and every consumer with a hidden tax—an inflation tax. This inflation tax is one that none of us can really see, but one that we all can feel.

This hidden tax is a result of the effect that inflation has on a tax system which is based on a progressive tax rate. Under this progressive rate system, a person must pay a greater percentage of his income in taxes as his income increases. Although this system appears to be conceptually sound and fair, it has no way of determining whether an individual's increased income is real, or simply the result of inflation.

For example, a 7 percent cost of living wage increase, combined with an inflation rate of 7 percent, will not increase an individual's purchasing power. Yet, the wage increase could push the individual into a higher tax bracket, and he will end up paying for his raise.

My proposal will provide at least partial relief from inflation. It will insure that a person will no longer be forced to pay more taxes simply because inflation has pushed him or her into a higher tax bracket.

For the elderly person on a fixed income, this proposal would result in a tax reduction each year that prices rise.

This proposal will also reduce the amount of inflated revenues that the Federal Government collects and spends each year.

As inflation continues to rise, the inflation adjustment would provide tax relief for the American taxpayers and reduce the amount of revenues collected by the Federal Government.

The Government would then be faced

with some hard choices—either reduce the amount of Federal spending in order to reduce inflation, refuse to reduce Federal spending and suffer through inflationary budget deficits, or enact a tax increase.

Perhaps such a system will finally break the Federal Government of its habit of throwing money at every single problem our society encounters. If we adopt this proposal this year, the Federal budget in the future can be planned accordingly. Rather than relying on increased revenues every year, Congress will be forced to vote for every spending and tax increase.

This legislation, which is similar to proposals endorsed by the distinguished economist Milton Friedman, represents a major policy change for the Congress. The pros and cons of this proposal, and the various other indexing proposals should be studied and debated to the fullest extent. The Senate Finance Committee, of which I am a member, will be considering tax reform proposals this year, and I urge my fellow committee members to study this proposal carefully.

Inflation is a very serious problem, and I do not believe that we can sit back and ignore its disruptive impact on the American economy. We cannot continue to spend, spend, spend, and then cut taxes every election year.

We have to face up to the problem of inflation and deal with it directly. This proposal would force the Congress to come to grips with inflation, and I urge all of my distinguished colleagues to consider it carefully.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 411

At the request of Mr. McGee, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 411, to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S. 3403

At the request of Mr. Dole, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 3403, a bill to amend the act of August 31, 1922, to prevent the introduction and spread of diseases and parasites harmful to honeybees.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 302

At the request of Mr. Brooke, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of Senate Resolution 302, relating to the "river blindness" rehabilitation program for the Sahelian countries of Africa.

STANDBY ENERGY EMERGENCY AUTHORITIES ACT—AMENDMENTS

AMENDMENT NO. 1268

(Ordered to be printed and to lie on the table.)

Mr. ABOUREZK submitted an amendment intended to be proposed by him to the bill (S. 3267) to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes.

AMENDMENTS NOS. 1269 THROUGH 1273

(Ordered to be printed, and to lie on the table.)

Mr. GURNEY submitted five amendments, intended to be proposed by him, to S. 3267, supra.

AMENDMENT NO. 1274

(Ordered to lie on the table, and to be printed.)

TOWARD A NATIONAL ENERGY POLICY: ANNUAL REPORT BY PRESIDENT REQUIRED

Mr. HUMPHREY. Mr. President, during the past several weeks we have been informed that the energy crisis has subsided to the level of a mere problem The oil embargo has been lifted. All is well. While it may be tempting to hope that the energy problem in all its manifestations has been solved, such a belief, I submit, is dangerous and misguided. The energy crisis has been alleviated somewhat, but it will not be solved alone by the flow of oil from the Middle East.

In my recent remarks to the Democratic Governors' Conference, I spoke of the shortages and scarcities which have grown in the past several years through private greed and Government shortsightedness. The ability to reform human frailties may be beyond the scope of this or any other Congress, but there is certainly something which we can do about the laws that govern the actions of private industry and there is certainly something which we must do about Government shortsightedness.

To the average American the energy crisis appeared to materialize out of thin air, but nothing can be farther from the truth. The energy crisis had been in the making for a long time. Apparently, Federal officials were unaware of, or unabe to respond to, the impending crisis until it was too late to plan effectively to deal with it. All Americans suffered as a result.

One of the primary causes of poor Government planning in the energy crisis was lack of relevant knowledge. The 18th century essayist Dr. Samuel Johnson described knowledge as being of two kinds:

> We know a subject ourselves, or we know where we can find information upon it.

Applying these criteria, we must conclude that prior to the onset of the "crisis" the Federal Government was regrettably ignorant about energy. Not only were the decisionmakers poorly informed on the subject, but the Federal Government had no centralized energy information-gathering agency. Data was scattered throughout various agencies. This state of affairs, which still exists to a lesser degree, made it virtually impossible to develop a comprehensive energy policy. If we continue to operate without a clearly defined energy policy, we will probably muddle through in a manner similar to that of the past year.

Accordingly, we in the Congress must assure that this country develops a coordinated and comprehensive energy policy. One of the first steps toward this goal, in my opinion, is for the Federal Energy Administration to obtain and provide reliable energy information for Congress and the general public. It makes little difference how many departments or agencies are created to coordinate energy policy if, in fact, we do not provide them with the basic working tools to perform their task. And the basis for a comprehensive energy policy is knowledge.

An important step in providing this knowledge is taken under provisions of section 122, energy information reports, of the standby energy emergency authority bill, S. 3267. This section will establish an information system to enable the Congress, the Chief Executive, agencies of the Federal Government, and the public to keep fully informed about developments in the field of energy.

For the first time, energy information will be collected and coordinated by a single agency of the Federal Government. No longer will we be compelled to suffer the spectacle of a congressional investigating committee trying to coax reluctant representatives of the oil industry into revealing their plans for the development of the Nation's natural resources. To the contrary, knowledge made available through the energy information reports will allow the duly elected representatives of the people to effectively question private industry about actions which affect the common good.

The energy information reports are an essential tool in establishing a national energy policy based on facts rather than rhetoric. They will provide the knowledge necessary for long-term planning. They will grant the public sufficient knowledge to judge the actions of their Government. For these reasons I heartly endorse the present provisions of section 122.

There is, however, an area in which section 122 of the standby energy emergency authority bill could be strengthened. This section presently requires the Administrator of the Federal Energy Administration to submit periodic reports to the Congress and the public on the production, distribution, and consumption of energy resources. To further strengthen the reporting requirements of this act, my amendment would require the President to submit an annual energy report to the Congress based on the knowledge provided by the Federal Energy Administration and all other relevant Federal agencies.

This amendment is similar to a provision of Senate Joint Resolution 198, which I introduced on March 27, 1974. My joint resolution would create a Joint Committee on Energy to coordinate energy information and provide a basis on which a congressional energy policy could be formulated. To assist the joint committee in its task, the President would be required to submit to Congress an annual energy report.

My purpose in offering an energy report amendment to S. 3267 is to assure that the Executive utilizes the knowledge provided by the provisions in section 122 and uses it Government-wide. It is not enough simply to make the information available. Knowledge must be used to be effective. The White House ought to propose a comprehensive national energy policy based upon such knowledge for all to see and evaluate. The bits and pieces of dozens of agency reports are not enough.

My amendment requires the President to submit to the Congress no later than February 15 of each year an annual energy report. The report must specify the status of energy resources both domestic and imported and include information about energy consumption, utilization, allocation, and control. It must survey current research and development efforts, and long-term needs and demands. And it should assess energy-related tariff and tax measures.

The President is also asked to make recommendations on energy policy, that is, to state for the review of Congress and the people an integrated, comprehensive policy. In effect, this amendment requires the President to formulate an energy policy. It places the focus for energy decisions squarely on the shoulders of the Chief Executive rather than allowing energy questions to be settled piecemeal by various department heads. It requires the Executive to develop a comprehensive view of the energy issue. As with the President's Economic Report, an annual energy report should clarify objectives and establish priorities for the executive branch in the field of energy.

The annual energy report, however, should not be construed as lessening the responsibility of the Congress in formulating energy policy. The Congress must not leave such momentous decisions solely to the President, nor should it simply vote "yes" or "no" on the President's recommendations. Congress, in my opinion, must become even more active in formulating energy policy. The efforts of Congress, however, will be enhanced by knowing the objectives and the priorities of the President.

Meeting our energy needs in the years ahead will require the concerted efforts of the executive and legislative branches of Government. Requiring the President to coordinate the thinking on a national energy policy in the executive branch is a constructive step toward meeting our future needs. For this reason, I ask my colleagues to give favorable consideration to my amendment to require the President to submit an annual energy report to the Congress.

Mr. President, I ask unanimous consent that the text of this amendment be included in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT No. 1274

On page 158, between lines 9 and 10 add the following new subsection (j):

(j) It shall be the duty of the President of the United States to utilize the information resources available through the Administrator and such other sources as the President may deem appropriate, to prepare an annual energy report. The President shall submit such a report to the Congress within thirty days of the convening of each session of Congress, but no later than February 15 of each year. Such report should specify the status of energy resources both domestic and imported and include information about energy consumption, utilization, allocation, control, research and development efforts, long-term needs and demands, and tariff and tax measures. The President shall also include in the report such recommendations on energy policy as he deems appropriate.

AMENDMENT NO. 1275

(Ordered to be printed, and to lie on the table.)

THE ROLE OF FEDERAL REGULATORY AGENCIES IN ENERGY CONSERVATION

Mr. HUMPHREY. Mr. President, I introduce an amendment to S. 3267, the effect would be to replace section 111, subsection (b) with a new subsection. The language which I propose is very similar to the existing language of the bill. However, my amendment reflects several significant changes with respect to the promotion of energy conservation under the authority of the Civil Aeronautics Board, the Federal Maritime Commission, and the Interstate Commerce Commission. Very briefly, the wording of my amendment makes two basic changes in this subsection.

First, rather than reporting to Congress the need for "additional regulatory authority," my amendment would require the three designated regulatory commissions to recommend the "legislative actions or administrative measures" needed to increase the energy efficiency within their areas of responsibility. Therefore, the emphasis would be placed upon action by the Congress rather than expanded authority by the regulatory agencies.

Second, my amendment would not prejudge the necessity for new regulatory powers by the commissions in order to conserve fuel. The current wording of section 111, subsection (b) calls for a report on the need for "additional regulatory authority" when in fact a restriction of authority may be needed to achieve energy conservation in the transportation sector. My amendment calls for a report on the need of legislation or administrative action which may include recommendations for an expansion or the restriction of the regulatory authority of these agencies for the conservation of energy.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT

On page 123, section 111, strike subsection (b) and insert the following new subsection:

(b) Within 45 days after the date of enactment of this act, the Civil Aeronautics Board, the Federal Maritime Commission, and the Interstate Commerce Commission shall report separately to the appropriate committees of the Congress legislative actions or administrative measures they recommend to increase the energy efficiency within their subsectors of the transportation sector during the period beginning on the date of enactment of this Act and ending on June 30, 1975, while continuing to provide for public convenience and necessity.

Each such report shall identify with specificity:

(1) the type of legislative action or administrative measure needed; including actions to increase or diminish regulatory authority when such action is deemed desirable;

(2) the reasons why such actions or measures are needed;

(3) the probable impact upon fuel conservation of such actions or measures;

(4) the probable effect on the public interest of such actions or measures;

(5) the competitive impact, if any, which might result from such actions and measures.

Each report shall further make recommendations with respect to changes in any existing fuel allocation programs which are deemed necessary to conserve fuel while providing for the public interest.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1262

At the request of Mr. Javits, the Senator from Maryland (Mr. Beall) was added as a cosponsor of amendment No. 1262 to S. 1539, to amend and extend certain acts relating to elementary and secondary education programs, and for other purposes.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. MANSFIELD. Mr. President, I ask unanimous consent, on behalf of the distinguished Senator from West Virginia (Mr. Robert C. Byrd), to have an announcement printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Robert C. Byrd. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Laurence C. Beard, of Oklahoma, to be U.S. marshal for the Eastern District of Oklahoma for the term of 4 years (reappointment).

Robert E. Hauberg, of Mississippi, to be U.S. attorney for the Southern District of Mississippi for the term of 4 years (reappointment).

Paul J. Henon, of Virginia, to be an Examiner in Chief, U.S. Patent Office, vice Philip E. Managan, resigned.

Keith S. Snyder, of North Carolina, to be U.S. attorney for the Western District of North Carolina for the term of 4 years (reappointment).

Max E. Wilson, of North Carolina, to be U.S. Marshal for the Western District of North Carolina for the term of 4 years, vice Seibert W. Lockman, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, May 15, 1974, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record a notice of hearing by the distinguished Senator from West Virginia (Mr. Robert C. Byrd).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, May 15, 1974, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

D. Dortch Warriner, of Virginia, to be U.S. district judge for the Eastern District of Virginia, vice Oren R. Lewis, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

ADDITIONAL STATEMENTS

HARRY S TRUMAN

Mr. McCLELLAN. Mr. President, on this day—May 8, 1974—we observe the 90th anniversary of the birth of a great American, Harry S Truman.

I first knew Harry Truman as a friend and colleague when we served together in the Senate prior to his election to the Vice Presidency—an office which he entered in 1945. Four months later when he was thrust into the Presidency by the sudden death of President Roosevelt, I joined in the great surge of admiration and respect engendered for this man who, in assuming overnight the leadership of a nation at war, captured the hearts and unstinting support of the American people.

Harry Truman was a man of deep loyalties and firm convictions—of clear-cut objectives and unyielding determination. To him, family and country came first. Those rash enough to attack either provoked the full force of his protective indignation and swift retaliation. His administration is identified with historic and momentous events. In a time of national crisis, he met awesome responsibility with irrevocable decision—and did not look back.

Endowed with what has been described as "the common touch," President Truman related to all our citizens and we took personal pride in his uncompromising attitudes, his reputation as a fighter, and his moral strength and courage. His uncanny political acumen when he was confronted with what appeared to be insurmountable odds was nothing less than miraculous. The polls had indicated that Harry Truman could not win election in 1948, but he did. His decisive victory in the face of predicted defeat dramatically emphasized the fact that "only the people liked him."

In this context I ask unanimous consent to have printed in the RECORD a poem composed by Mrs. K. F. Long, Sr., of Norphlet, Ark., for this special date. It is, indeed, a most appropriate tribute to a man who contributed so nobly and so lastingly to the country which he cherished and which he served as military officer, U.S. Senator, Vice President, and, finally, with great honor and distinction, as President. I heartily concur in the sentiments expressed by Mrs. Long.

HARRY S TRUMAN

(By Gladys B. Long)

The tired old warrior waged his last battle
And lost—
Not graciously
He had not known defeat
But when it was certain he could not win
He folded his frail tent
Checked his armaments with his Commander—
Reserving nothing for himself—
Yet, to a grateful nation
He bequeathed a heritage—untarnished—
A continuing democracy.

BUSING AND RACIAL BALANCE

Mr. BARTLETT. Mr. President, the Oklahoma House of Representatives recently passed a resolution which quite succinctly puts into perspective the whole problem of forced busing.

The resolution is just another instance of the people voicing their opposition to the Federal Government's illogical intrusion into schoolbusing.

Mr. President, this body cannot long continue to ignore the overwhelming sentiment of the American people in opposition to forced busing. Numerous bills which would stop forced busing are gathering dust in committee.

We are supposed to be a government representative of the people, yet the wishes of the people are being ignored.

Mr. President, I ask unanimous consent that the resolution enacted by the Oklahoma House of Representatives be printed in full in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

[STATE OF OKLAHOMA]

RESOLUTION

A concurrent resolution memorializing Congress to permit the various States to have some control over busing to achieve racial balance; and directing distribution

Whereas, forced busing of school children to achieve racial balance is creating havoc in much of Oklahoma's school system; and

Whereas, such busing is causing greater tension between the races, rather than bringing them closer together as intended; and

Whereas, forced busing is reducing the neighborhood school's effectiveness, destroying natural loyalties of students for their schools, as well as drastically lowering the quality of education; and

Whereas, our present energy shortage is worsened severely by the millions of extra gallons of gas and oil wasted on forced busing; and

Whereas, busing for the sole purpose of attempting to achieve racial balance is resulting in the closing of needed neighborhood schools in many Oklahoma cities; and

Whereas, forced busing has greatly increased the flight from city public schools to private schools and suburban public schools, thus further reducing the quality of and support for public schools.

Now, therefore, be it resolved by the House of Representatives of the 2nd session of the 34th Oklahoma Legislature, the Senate concurring therein:

That all members of the Oklahoma Delegation in the United States Congress be urged to support legislation now under consideration in the United States Congress which would permit the various states to have some control over busing to achieve racial balance because it has proved unworkable and harmful to the educational system and the school children of the State of Oklahoma.

That duly authenticated copies of this Resolution be distributed to:

1. The Honorable Richard M. Nixon, President of the United States; and
2. All members of the Oklahoma Congressional Delegation.

Adopted by the House of Representatives the 29th day of April, 1974.

JOHN GRINER

Mr. BURDICK. Mr. President, the death of John Griner, president emeritus of the American Federation of Government Employees, came as a shock to me, as I know it did for many of my colleagues.

I knew John since his election to AFGE in 1962. Then, the union had 80,000 members. When he retired in 1972, the rosters had grown to 300,000 and AFGE had taken its place as a powerful force for good government through enlightened treatment of Federal employees.

A direct, plain speaking Georgian, John sometimes caused tense moments on Capitol Hill. But his talents were many and a handshake given at strategic moments often won the day for Government workers.

The forces for progressive Government employment practices lost a real battler when John Griner died and many of us in Congress lost a good friend. All will miss him.

THE "RIVER BLINDNESS" PROBLEM IN WEST AFRICA

Mr. BROOKE. Mr. President, on April 2, 1974, I, along with several of my colleagues, introduced a resolution calling for a "river blindness" rehabilitation program for the Sahelian countries of Africa. I am pleased that an additional 10 Senators have joined us in sponsoring this measure. The resolution has been referred to the Senate Foreign Relations Committee where I hope it will receive immediate attention and be reported to the floor for the consideration by the Senate as a whole.

There are some hopeful indications that greater attention is being given to this aspect of the tragic situation in West Africa. Perhaps the major one is the recent announcement that the World Bank, the World Health Organization, the Food and Agriculture Organization, and the United Nations development program will join in a cooperative endeavor to control the disease of "river blindness" in the Volta River basin of West Africa. This is a needed initiative that commands the support of all interested parties.

While I recognize the merits of the control approach in combating "river blindness," I am still convinced that emphasis should also be given to rehabilitating those already the victims of this disease. Hence, I hope that the Agency for International Development will proceed with a detailed examination of how best the United States can promote the needed rehabilitation program even though the resolution on this subject has yet to be voted on by the Senate.

I ask unanimous consent that both the news release from the World Bank Group entitled "First Year Costs Funded For Control of River Blindness," and the report of The American Council of Voluntary Agencies For Foreign Service entitled "Sahelian Drought Disaster Situation Report No. 3," be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

First Year Costs Funded for Control of River Blindness

After months of preparation, a unique effort in international cooperation—the first in which the World Bank is directly approaching development through disease control—is now underway. (That cooperation directly involves four specialized agencies of the United Nations as well as numerous countries on their own.) Its objective is to control a disease that affects an estimated one million people in the Volta River basin of West Africa—onchocerciasis, or river blindness.

The Bank's Executive Directors have approved a $750,000 contribution by the Bank Group to an advance fund to cover the first year costs of the control program. The Onchocerciasis 1974 Fund Agreement actually became effective on March 1 with the signatures of the United States and the United Kingdom. Canada and the Netherlands signed earlier. France signed on March 10 and Germany is expected to sign shortly.

The fund includes commitments totaling about $7.5 million. This will enable control and planning operations to begin immediately. The overall control program will cost more than $120 million over a 20-year period, however. The cost for the first six-year phase is about $40 million, and efforts are now underway to raise that sum.

The Bank has been asked to administer the fund and to take the lead in raising the money. The World Health Organization (WHO) is the executing agency. The United Nations Development Programme (UNDP), which has been involved for some time in the control effort, is assisting with planning and financing; the Food and Agriculture Organization (FAO) is also involved.

The control program, based on experience with a pilot project funded by France and the European Development Fund, has been endorsed by all seven countries concerned—Upper Volta, Mali, Niger, Ivory Coast, Dahomey, Togo and Ghana.

Although river blindness occurs in other parts of Africa, the Yemen and in Central and South America (about 20 million people in the world are infected), the largest endemic areas are in tropical Africa, mainly in the northern savanna belt; the Volta river basin is one of the worst of these areas. Of the estimated one million people suffering from the disease in the zone to be covered by the control program, as many as 60,000 may be blind. Approximate numbers for each country are: Upper Volta, 410,000; Ghana, Ivory Coast and Mali, 150,000 each; Dahomey, 120,000; Togo, 50,000; Niger, less than 10,000.

In many villages along the Red, the White and Black Volta rivers, large percentages of the population are either totally blind or suffering various stages of blindness. Most are men, usually in their most productive years—30's and 40's. Other symptoms include discolored or thick skin, intense itching, distended groins.

In addition to causing human misery, river blindness is also a major obstacle to development. The heaviest economic costs in the Volta river basin—and the most important benefits that would result from control of the disease—are associated with the retreat of population from heavily infested river valleys containing some of the most fertile land in the area. The phenomenon of retreating population, especially in Upper Volta, appears to have been under way since the turns of this century.

As a result, there is now an excessive concentration of population in the less fertile uplands. Over-cropping has reduced yields in the overpopulated uplands, while an estimated 65,000 square kilometers in the valleys have been lost to agriculture. If river blindness can be controlled, there is a reasonable expectation that most of this abandoned land can be brought back into cultivation.

River blindness is a parasitic disease caused by a thread-like worm that lives and grows in the fatty tissues of the human body. The worm is deposited in the body by a female black fly that breeds in fast-moving streams and rivers. The fly requires blood meals in order to lay its eggs. And, in the process of biting man to get blood, the fly can, at the same time, deposit an infectious parasite into the body. These invaders multiply within the body, as a person living in an endemic area is constantly being reinfected. In some of the worst infected areas, a single man may suffer as many as 13,000 fly bites daily.

Although there has been extensive research into the causes and possible cures of the disease, medical treatment continues to raise problems. None of the remedies presently available appears to be suitable for mass campaigns and the most effective drugs involve considerable risks for the patients treated.

Current plans for controlling the disease, therefore, rely mainly on attacking the breeding places of the black fly in an effort to kill the larvae. This is done by applying insecticides to the hundreds of breeding sites that have been identified throughout the Volta basin.

Control operations against the black fly have been undertaken in many parts of Africa, including Nigeria and Kenya, and much has been learned about the fly's breeding and biting habits, its flight range (up to 100 miles), its astounding role in the bizarre cycle (fly-parasite-man) that provokes such havoc in the Volta basin. None of the previous control operations has been on a large enough scale, however, to have had a major impact on the disease.

The current effort is designed to have such an impact in West Africa. The objective: To control the disease and help develop areas now controlled by the fly.

The Bank Group's involvement dates back to March 1972, when Robert S. McNamara, Bank President, after returning from a visit to Upper Volta where he saw the consequences of the disease first-hand, proposed to the Executive Directors that the Bank explore the possibility of supporting control efforts. Subsequently, he met with the Directors General of WHO and FAO and the Administrator of UNDP, and agreed to set up a Steering Committee for Onchocerciasis Control. Mare Bazin, a division chief in the Bank's West Africa region, was named the Bank's representative on the committee. It eventually recommended that the Bank should take the lead in mobilizing funds on an international basis for financing the first phase of the program.

For the past years or so other Bank staff members have been deeply involved in the other agencies and the governments involved: E. Peter Wright, County Programs Director in Western Africa, has headed the Bank team; Georges R. Delaume, of the Legal Department, has helped formulate the Fund Agreement and other legal documents; and Dennis Graff, loan officer in Western Africa, has worked on coordination and other aspects of the program.

Sahelian Drought Disaster: Situation Report No. 3

I. THE RECURRING SAHELIAN DISASTER

Due to the late and inadequate rainfall in the six Sahelian countries and the resulting poor crop harvest for 1973, emergency operations of the United Nations are continuing through 1974.

Although mass starvation was reportedly averted in 1973 as a result of the efforts of the countries themselves and the donor community, the UN Special Sahelian Office declares that "emergency help now and through September 1974, at least will be necessary if the Sahel is to survive . . ." the recurring drought conditions. At the same time, medium and long term recovery and rehabilitation projects proposed for this desert zone, devastated by years of drought, must also be maintained.

The UN Sahelian Newsletter of January 1974, reported that "although in certain areas rainfall has been greater in 1973 than in preceding years, overall rains have been below average. Crop output has been less than expected, and as the six governments recently told the 17th Session of the Conference of FAO . . . in Rome, the total needs in cereals may exceed one million tons in 1974. It is for this reason that the emergency measures taken by the UN organizations and coordinated by FAO, through the intermediary of its Office for Sahelian Relief Operations, must have top priority through the end of 1974."

UNICEF foresees substantial need for special assistance in basic high protein foods, nutrition supplements, drugs and health supplies for children and pregnant and nursing mothers. This assistance will be required throughout the year with a peak demand during the period of soudure, the critical months before the next crop is harvested in November 1974.

In a recent New York Times article, a Fulani herdsman used the word "soudure" to describe the devastated drought conditions which has come to be "expected" and "accepted". The word carries the connotation of fingers welded together so that one is helpless to feed himself. "It is synonymous with the annual ritual of suffering that begins in late spring after food supplies are exhausted and grazing lands disappear, and it lasts through the summer rains that renew the pastures and bring a single harvest of millet, sorghum and peanuts in the fall."

Present conditions in the inland West African states of Chad, Mali, Niger and Mauritania on the coast have been described by David Ottaway of the Washington Post as grim and worsening. Food stocks which were available last year have been exhausted and the animals that provided milk and meat last year are now dead. Ottaway reports that for the first time, the drought has also reached crisis proportions in the nothern regions of Nigeria and Cameroon. Quoting U.S. AID officials, Ottaway also notes that Senegal and Upper Volta were in "somewhat better straits than last year in terms of rains and crops, but Senegal has lost 50% of its major foreign exchange earner, the peanut crop."

Secretary-General of the UN Kurt Waldheim and FAO Director General A. H. Boerma have launched a joint appeal for food and money to meet the 1974 emergency. They requested a minimum of 450,000 tons of food grains; 60,000 tons of protective foods and $30 million for transport and other needs such as health programs and the purchase, storage and supply of seeds.

Noting that "the worst is definitely not over," after returning from an inspection of the drought stricken areas, UN Secretary-General Waldheim said that transportation and distribution of relief supplies was the major problem now. According to a N.Y. Times report (3/8/74), the Secretary-General said that he had seen piles of food in the capitals that had not eb shipped to afflicted areas in the north because not enough trucks were available. He added that he had been prevented from flying to two of the most seriously affected areas because of sandstorms and because airstrips were destroyed by heavy cargo planes that had delivered relief supplies.

Fermino Spencer, Director of AID Office of Central and West African Regional Affairs, predicted that if emergency attention were not given to water supplies, livestock, health care and the elimination of transportation bottlenecks, then the long-term efforts themselves could not survive.

II. ETHIOPIAN DISASTER

The Sahelian countries seemingly are part of "the climatic tragedy which stretches at the same line of latitude around the earth" and which now has spread into Ethiopia.

AID Disaster Memorandum noted that six provinces of Ethiopia; Tigre, Wollo, portions of Shoa, Begemdir, Eritrea and Harraghe, are severely affected. The memorandum included the results of a survey conducted by the Imperial Ethiopian Government (IEG) in eastern and southern Ethiopia which revealed mass starvation and malnutrition among the population where over two million now depend partially on the IEG for their survival.

AID reported that the National Relief Committee, established by the IEG, developed the following measures for meeting the emergency and long term effects of the disaster: 1) Establish 21 medium and long-range rehabilitation programs with a cost value of $1.0 million; 2) Purchase and transport grain to stricken areas at estimated cost of $7.8 million; 3) Designate funds for insecticides for the protection of food crops, worth $486,000; 4) Establish an interest free loan program for the purchase of seeds and oxen (draft animals) in the drought area.

Relief and recovery operations have been designated in three phases: 1) Short-term—provide water, clothing, medical aid to the drought victims; establish an effective transportation system and construct storage facilities; 2) Medium-term—replenish seed stocks and replace farm animals; and 3) Long-term—establish food for work projects in the areas of irrigation, road construction, resettlement and reforestation.

In addition, a team of the International Bank for Reconstruction and Development has assessed the rehabilitation/development needs from $12 to $15 million.

III. INTERNATIONAL RESPONSE

FAO Sahelian Zone Trust Fund; recent donations to the Fund included $660,000 from Sweden; $44,000 from the Australian FFHC and $1,500 from the Canadian Hunger Foundation. According to an FAO press release of 2/13/74, cash contributions now total approximately $1.7 million, while food commitments have reached about 500,000 tons.

The International Development Association, an affiliate of the World Bank, as of November 15, 1973 approved six development credits totalling $14 million to help finance a project for drought relief of the Sahelian countries of Western Africa. The individual credits will go to the Republic of Chad for $2 million; Republic of Mali for $2.5 million; Republic of Mauritania $2.5 million; Republic of Niger $2 million; Republic of Senegal for $3 million; and Republic of Upper Volta for $2 million. The project aims at helping people in drought affected areas to reestablish their self-sufficiency through the redevelopment and improvement of their farms and herds.

The United Nations Development Programme pledged a total of $8.7 million in support of the Office of the Sahelian Relief Operation (OSRO) established by the FAO. In addition to these funds, the UNDP has committed $500,000 for seed purchases and together with UNICEF has agreed to support a water resources development program amounting to $3.7 million.

UNICEF The total emergency relief assistance proposed by UNICEF to be delivered to the Sahelian zone in 1974 (subject to receipt of special contributions) is $7.3 million, including $280,000 for child feeding; $1.0 million for child health supplies; $5.6 million for distribution of food and child health services and $424,000 for support costs. Another $4.1 million has been estimated for UNICEF rehabilitation assistance in 1974 and 1975. As reported in the January, 1974 edition of the UN Sahelian Newsletter, UNICEF has provided $205,000 worth of rehydration fluids, bulk drugs and vaccines.

World Council of Churches made an appeal to its 267 member churches and their related agencies for $3.5 million to assist development programs in the drought stricken zone.

League of Red Cross Societies The Algerian Red Crescent has distributed relief goods to nomads during the last three years who have moved from Mali and Niger into southern Algeria. Additional aid, particularly cereals, milk powder and protein rich foods is needed to continue relief efforts.

International Development Research Centre (Ottawa, Canada) As of February 15, 1974 it was reported that the IDRC had provided a grant of $141,200 to the Ministry of Rural Economy in the Government of Niger to support an experiment in establishing woodlots near 70 villages from which the villagers may cut their firewood.

IV. U.S. RESPONSE

A. Federal Government

The U.S. has contributed $1 million to the FAO Sahelian Zone Trust Fund. U.S. assistance to the Sahel thus far has amounted to more than $129 million, including over 500,000 metric tons of food grains and its transport, other medical and relief supplies. For fiscal year 1974 $2,550,000 in non-food aid has been made available to meet emergency needs in the Sahelian drought stricken countries. Food for FY74 has been estimated at $230,000 metric tons with a cash value of $48 million.

The Agency for International Development (AID) recently announced a new rehabilitation and recovery program in the six Sahelian countries. An initial allocation of $20 million was made for the new quickly-implemented recovery type activities. Maurice Williams, the President's Special Relief Coordinator for Sub-Sahara Africa explained in AID newsletter of February 4, that the purpose of the new recovery program is to assist each country to expand its capacity to cope with existing emergency conditions and to provide a base for long-term development that will reduce the ravages of the drought . . . The program will concentrate on four major economic areas: food storage and transport; range management and irrigation; agricultural production; and health.

B. *Voluntary agencies (ACVAFS members)*

CARE has recently signed an agreement with the Government of Chad to work in that country. The agency is sending a survey team there to determine what program will be developed. It is also working to deepen 600 wells in addition to the 100 already completed with a project cost of $200,000. CARE is also surveying prospects in Niger and has sent carbohydrate disaster relief supplies.

Catholic Relief Services-USCC: CRS cash contributions to the Sahel have amounted to $1.1 million so far, with 40 percent of this amount distributed to Senegal; 40 percent to Upper Volta and 20 percent for remaining programs, e.g. $20,000 to Caritas/Niger.

Church World Service: In response to an emergency request, CWS supplied ten treadle sewing machines, sewing materials and up to 12,000 blankets. Also, CWS purchased 15,000 pounds of milk powder for shipment to Niger. Funds for the purchase have come from CROP who has received $15,300 for the Sahel emergency.

Lutheran World Relief: The date palm pest eradication program valued at $40,000 and the seed distribution project with an estimated cost of $96,000 are now underway in the Sahelian zone.

Medical Assistance Program sent $3,000 to Upper Volta and $2,000 to Mali for famine relief to be administered by the Christian and Missionary Alliance.

Mennonite Central Committee recently purchased twenty five tons of shelled peanuts in the area for Chad drought relief. The peanuts will be distributed through food-for-work projects in northern Chad. Mennonite Central Committee also plans to initiate a program to purchase food grains from southern Chad where the harvest was relatively good for redistribution in the north where drought and famine continue severe. Transportation, including the renting and purchasing of vehicles to haul food and medical supplies has been initiated. Total value of relief effort is $173,000 including the value of donations of breakfast mix, powdered milk, vitamins and antibiotics.

Longer term projects including water conservation projects such as small dams, catchment basements and wells are being planned for the Abeche area in eastern Chad. An irrigation project for the rice growing areas along the Chari River is planned. A technical advisor is being recruited to assist the director of the Societe Chretienne Evangelique du Tchad, a rural development program of the Protestant Churches. Estimated 1974 cost for these projects is approximately $64,000.

Near East Foundation has completed a livestock survey in Mali and is now in the process of scheduling a technician to spend about six weeks in the Sahel area to investigate specific services and help that the Foundation can contribute to one or more of the countries affected by the drought.

World Relief Commission. Since last November, approximately $40,000 has been sent to Upper Volta, Senegal, Niger and Chad for well digging and grain purchases. World Relief Commission has received certification from the Upper Volta Government to do emergency relief and rehabilitation work.

American Council of Voluntary Agencies for Foreign Service. At the 30th Annual Meeting of the American Council of Voluntary Agencies held on January 24, the Board of Directors authorized the establishment of an Ad Hoc Committee on the Sahel. The organizing meeting of the Committee was held on January 25, 1974. Pastor Ove Nielsen was elected Chairman.

Arnold Zandstra represented the Technical Assistance Information Clearing House of the ACVAFS on the second phase of an NGO Program Identification Mission to the Sahel. The Mission, which was sponsored by the Interstate Committee for Drought Control in the Sahel, was to identify local partners and work out proposals for NGO support of medium and long term rehabilitation programs in the Sahel.

Mr. Zandstra was born in Hammond, Indiana and grew up on his family's farm where he gained considerable experience in the practical aspects of farming, including gaining specific skills in planting and harvesting crops, supervision of farm help, managing a beef feeder operation, mechanical work, welding and application of chemicals.

Mr. Zandstra spent two years as a Peace Corps volunteer in Niger where he worked on construction, irrigation, well-digging, and semi-arid tropical agricultural projects in conjunction with work of the Near East

Foundation and USAID. After returning to the United States and working on his advanced degree Mr. Zandstra returned to Niger and West Africa in 1973 to see what progress has been made in the area and re-establish contact with the various projects. Mr. Arnold Zandstra's services for this mission were made available to the Council through the generosity of a member agency, Christian Reformed World Relief Committee.

C. Other U.S. private efforts

American National Red Cross has sent an additional $20,000 to the League of Red Cross Societies for Red Cross famine relief operations in the drought stricken areas of Africa.

Project Relief is cooperating with Oxfam America in sponsoring a Day of Fast on Wednesday, May 1st in U.S. high schools and colleges.

Africare received a grant of $250,000 from Lilly Endowment, Inc. (Indianapolis) to fund a large-scale well construction program assisting drought stricken rural villages, and a program to emphasize the development of small-scale vegetable gardens.

United Federation of Teachers is raising funds for the Famine Relief Fund of the African-American Labor Center to be used for food, medicines and supplies in the Sahel.

V. VOLUNTARY AGENCY REPRESENTATIVES IN THE SAHEL

In response to a Council request, the following brief biographical sketches of member agencies' field representatives in the Sahel were received. These may be of interest to readers. It is such representatives as these who administer, distribute, coordinate, etc., the relief and rehabilitative activities.

American ORT Federation

George Little was born in Nassawadox, Virginia on December 3, 1937. He served in the Peace Corps from 1964–1966 in Morocco where he was responsible for four medical labs serving the rural area twice the size of Belgium. Mr. Little received a B.A. degree from Portland State College in Oregon and a Master's in Public Health from the University of Hawaii in 1969, under a U.S. Public Health Service traineeship. Specializing in administration of medical and public health programs, he served as Director of Comprehensive Health Planning Commission in Radford, Virginia before joining American Ort Federation in November, 1973. Presently, Mr. Little is administrator of the American Ort Mother/Child Health Program in Niger.

Catholic Relief Services

Cameroon

Patrick A. Lyons of Foxborough, Mass. is a four year veteran of the U.S. Navy. He obtained his B.A. degree from Boston University in 1963 and his Master of Arts degree there in 1964. In 1969, Mr. Lyons joined CRS for overseas duty in Senegal and later that year was transferred to Gambia where he served until 1971 when he became Program Director of the CRS Program in Cameroon where he is currently stationed.

Senegal

Raymond K. Panczyk of Ozone Park, Queens, N.Y. graduated from Manhattan College in New York in 1955 where he received his B.S. degree in psychology. He then joined the U.S. Air Force serving four years and held the rank of 1st lieutenant. Upon his return from the service, he resumed his studies at Fordham University and received a Masters degree in psychology. Before joining CRS, he worked as placement officer for Fordham University. In 1961, Mr. Panczyk was assigned by CRS to Morocco where he distributed U.S. Government surplus foods and other relief materials. Following this, he was assigned to CRS programs in Ethiopia, Ghana, Malagasy and currently, since 1971, he is Program Director in Senegal. In 1973, he also became Area Advisor for five African countries in connection with the Sahelian Drought Program of CRS .

Upper Volta

W. Thomas Kelly is a native of Little Rock, Arkansas. He is a graduate of the University of Arkansas and holds an M.A. degree from the Thunderbird Graduate School of International Management in Phoenix, Arizona. Mr. Kelly came to work for CRS in 1971 as Assistant in the CRS/Senegal Program until 1972 when he was transferred to Upper Volta where he is currently Program Director.

Edward Seligman of San Francisco, Calif. is in *Upper Volta* where he is a Project Supervisor for CRS. A graduate of Middlesex High School in Concord, Mass., Mr. Seligman holds a B.A. degree from Yale University in New Haven, Conn. Before joining CRS, he was a Peace Corps Volunteer in Upper Volta for four years, during which time he built five dams, and 22 wells as well as supervised the construction of two schools and a warehouse.

Richard J. Adam of Belchertown, Mass. is a Program Assistant for CRS in *Upper Volta*. He holds a B.S. degree in accounting from Western New England College in Springfield. Before joining CRS, Mr. Adam served two years as a Peace Corps Volunteer in Gambia.

Lutheran World Relief

Harold Ottemoeller was born and raised in Grand Island, Neb. He attended the Lutheran Concordia Seminary in St. Louis, Mo. In 1948 he left the United States for Nigeria where he was a missionary. During the Nigeria-Biafra War in 1969, he was in charge of the first seed distribution program and again in 1971. Presently, he is directing the Lutheran World Relief seed distribution program in the Sahelian countries. He is stationed in Jos, Nigeria.

Steve Ottemoeller was born in Eket, Nigeria, where his father Harold Ottemoeller was a missionary. He completed high school in Hillsboro, Ore., and returned to Nigeria for a short while. On his return to the U.S. in 1972, Steve completed a course in advanced heavy equipment operation and maintenance at the West Coast Training Service, Inc. in Portland, Oregon, so he could help his father who was then involved in dam construction in Nigeria. In 1973, he joined Lutheran World Relief to assist his father in the two-year Sahelian seed distribution program and is currently stationed in Niger.

Dan Ottemoeller lived in Hillsboro, Oregon until 1962, when his parents went to Africa and became houseparents for the Lutheran Mission in Nigeria. His family returned to the U.S. in 1965. After graduating from high school in 1973, Dan joined his uncle, Harold Ottemoeller, in the Lutheran World Relief seed distribution project.

Dave Ingold was born in Akron, Ohio. When he was six years old, he went with his family to Nigeria where his father became Field Secretary of the Church of the Brethren Mission. He completed his primary and high school education at Hillcrest School, Jos, Nigeria, graduating in 1972. After graduation, he became a driver training instructor as part of the Mission public health program. At the request of Harold Ottemoeller, he has joined the Lutheran World Relief seed distribution project and is working in Niamey, Niger. He is engaged to Cheryl Ottemoeller who is currently secretary of the Sahelian program, based in Jos, Nigeria.

Mennonite Central Committee

Stephen Penner is the official representative of the Mennonite Central Committee in *Chad*. Mr. Penner joined MCC as a teacher in 1971. After spending a year in Belgium for French language training, he was transferred to Mulungwishi, Zaire, where he taught English and a variety of other subjects in the Methodist secondary school there. He also provided leadership for a number of small agriculture projects attached to this school. In November 1973, he was transferred to Chad at MCC's Representative in that country. Mr. Penner was born and raised in California and graduated from Pacific College, Fresno, California, with a degree in English. He is 25 years old.

CITIZEN'S ENERGY CONFERENCE

Mr. JACKSON. Mr. President, on February 16–18, 1974, more than 1,000 people from throughout the Nation met at the Shoreham Hotel in Washington, D.C., for a Citizen's Energy Conference. The conference was called to look into the structure of the oil industry, national policy options, the impact of the crisis on specific constituencies, and legislative proposals and local organizing strategies.

A wide variety of issues was discussed including unemployment, clean air, mass transit, alternate energy sources, taxation, inflation, strip-mining, nuclear power, and utility rates.

Organizers of the conference included Msgr. Geno Baroni, Center for Urban Ethnic Affairs; Jerry Berman, Center for Community Change; Richard Boone, Robert F. Kennedy Memorial; Bob Gallamore, Common Cause; Jim Hamilton, National Council of Churches; Hilton Hannah, Amalgamated Meat Cutters, AFL–CIO; William Lucy, American Federation of State, County, and Municipal Employees, AFL–CIO; and Rafe Pomerance, Urban Environmental Conference.

Sponsors included Agribusiness Accountability Project; Americans for Democratic Action; American Friends Service; American Lung Associates; American Public Health Association; Center for New Corporate Priorities; the Children's Foundation Clergy and Laity Concerned; Communities in Action Together Conservation Federation; Consumer Federation of America; Council on Economic Priorities; D.C. Lawyers' Guild; Energy Policy Project; Environmental Action Foundation; Environmental Policy Center; League of Women Voters of the United States; Medical Committee for Human Rights; NAACP Legal Defense and Education Fund, Inc.; National Association of Social Workers; National Council of Negro Women; National Council of Senior Citizens; National Student Association; National Student Lobby; National Urban League; Natural Resources Defense Council; PUSH; Project on Corporate Responsibility; Sierra Club; Unitarian Universalist Association; and the United Mine Workers.

U.S. Congressman RONALD DELLUMS, of California, gave the keynote address in which he defined the shortage, the conflicts it raises, and the need for action. He was followed by the conference chairman, Rt. Rev. Paul Moore, Jr., Bishop, Episcopal Diocese of New York.

The first day included speeches by Walter Heller, regents professor of economics, University of Minnesota. Professor Heller presented a documentation of the inflationary economic effects of the crisis and offered long- and short-term solutions. Barry Commoner of the Scientists' Institute for Public Information told of his concept of energy resources use in this country in terms of private profits and human needs.

Thoughts on the impact of the energy crisis on people—who they are, what the issues are, where and how to focus attention and action—were given by Dorothy Height, president of the National Council of Negro Women.

Charles Hayes, vice president of the Meatcutters and Butcher Workmen, spoke on the economic impact of the crisis on labor, minorities, and the poor.

Mr. Hayes was followed by Joel Schatz, from the Center for Applied Energetics and consultant to the State of Oregon. Mr. Schatz viewed energy as its affects society. He offered a view of the dynamics of the energy industry, its uses and costs as key factors in inflation and controls leading to conservation and environmental and human needs.

A panel discussion entitled, "The Politics of Energy—the energy companies, who they are, what their role is, and the Government's role," closed out the first day's session. The moderator of this panel was Dave Freeman of the Energy Policy Project. He focused on options for change in the energy industry. Martin Lobel, an antitrust lawyer, commented on the character and structure of the oil industry. Dave Schwartz from the Federal Power Commission spoke on the character and marketing structure of the natural gas industry. Author Christopher Rand discussed overseas oil operations. Vic Reinemer of the Senate Government Operations Committee described the process of energy decision making.

The second session opened with John Hampton of the National Tenants Organization discussing strategy for public action. Ralph Nader followed with his views on "What Citizens Can Do."

Several panel discussions followed. The first was on the energy industry. Alan McGowan from the Scientist Institute for Public Information was the moderator. Martin Lobel detailed noncompetitive characteristics of the energy industry and the uses of anti-trust laws. Charles Porter, a former Congressman from Oregon, discussed public ownership of the oil and gas industry. Kay McKeough of the Senate Commerce Committee gave a presentation of alternatives and presented several bills pending in Congress.

Another speaker noting alternatives to the structure of the energy industry was Geoff Faux of the Exploratory Project for Economic Alternatives. An additional alternative approach—municipal-owned utilities as opposed to the privately owned utilities—was offered by Alex Radin of the American Public Power Association.

The topic of the second panel was meeting human needs. John Kramer, a professor at Georgetown Law School, was the moderator of this panel. Panelists included Dorothy Newman of the Washington Center for Metropolitan Studies. She gave statistical data on the impact of the energy crisis on people's real fuel needs. Bill Lynch, from the National Council on Public Service Employment, gave statistics on unemployment and argued for specific legislation and for more public service. Public interest lawyer Tersh Boasberg spoke of source of money for the poor for fuel use. Brownie Carson, Housing Insulation in Maine, and John Hampton, National Tenant Organization, presented a picture of the impact of the energy crisis on housing.

The next panel discussion suggested areas for citizens action. Bert DeLeeuw of the Movement for Economic Justice was moderator. Panelists included Richard Harmon of the Industrial Areas Foundation; Wade Rathke, from the Arkansas Community Organization for Reform Now; Maggie Kuhn of the Grey Panthers, a senior citizens group; and Bill Hill from the Fraternal Association of Steel Haulers.

The final panel gave a legislative overview. The moderator was Jack Moskowitz of Common Cause. He spoke on tax policies toward the oil companies. A discussion of the long-range view of energy production considerations now being affected by legislative and industry efforts was offered by Joe Browler of the Environmental Policy Center. Leonard Lesser of the Center for the Community Change, spoke of human needs, legislation, and the energy crisis.

The conference concluded with a summary and prospectus by Barbara William of the Coalition for Human Needs and Budget Proprietaries and conference cochairperson.

The Citizen's Energy Conference was a most important step toward the development of a continuing national discussion of the energy crisis. I congratulate the organizers and sponsors of and the participants in the Citizen's Energy Conference and commend them for their contribution to a national dialog on the energy crisis.

Mr. President, I ask unanimous consent that a February 18, 1974, article on the conference in the Washington Post be printed in the RECORD, along with a February 17, 1974, article from the Washington Star-News; a March 22, 1974, article from the Los Angeles Times; an article from the Christian Science Monitor; and an article from the publication Energy.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ENERGY HARDSHIP MAY COME, NATIONAL CONFERENCE TOLD

(By Adam Shaw)

Washington-area households, businesses and institutions have been reasonably successful so far in implementing energy-conserving measures, largely because of an unseasonably warm winter, according to a study released yesterday by the Washington Center for Metropolitan Studies, a local nonprofit research group.

But should the coming summer be long and hot and the ensuing winter long and cold, the study warned, "a much more heroic conservation effort (will be required) in order to escape severe dislocations of life and work."

The energy question also brought together nearly 1,000 people yesterday at the Shoreham Hotel, representing widely diverse civic, environmental, labor and church groups from around the nation. They discussed "A Crisis of Power," which they said meant not only an energy shortage but also a crisis caused by those in power.

The Washington-area study, made by Colin Waters, a former member of the United Planning Organization, was compiled by "interviewing key officials and executives responsible for energy concerns throughout the metropolitan area," as well as private citizens and businessmen. It does not attempt to be a comprehensive survey, its author said, but rather a "first look" at the energy problem in the area.

The study reports that while energy saving measures such as the trend toward smaller cars, the lowering of thermostats, and car pooling have been successful so far, they will no longer be effective in the future unless "the balancing act" kind of "relationship that exists between the production and distribution of . . . energy" is somehow solved.

Hints of possible future hardship, the study said, are drops in sales notably in businesses dependent on customers using automobiles, such as real estate, suburban supermarkets, restaurants and tourist-related operations.

"Now is the time to begin laying careful plans for the management of the area's energy needs over the long haul," the study said, and not to be lulled into a false sense of security by a warm winter more or less easily survived.

The emphasis on long-term planning was also a recurring theme at the Citizens Energy Conference at the Shoreham, which included groups as diverse as the Sierra Club, the League of Women Voters, the Fraternal Association of Steel Haulers and the Grey Panthers, a senior citizens' action group.

Wade Rathke, organizer of an Arkansas civic group called ACORN that has campaigned against the Arkansas Power and Light company, said he came to tell people how his group succeeded in mobilizing support from the legislature, and also to learn how other groups were faring.

"The issue now is simply keeping people working and keeping them warm," and Rathke, whose group took on the utility firm over the issues of rates and pollution. "But the issues we must all look to are not to just put things on paper, but to get people mobilized and working to see the energy crisis is not just waiting in line at gas pumps, but that it will affect our whole lives."

William J. Hill, the burly president of the Fraternal Association of Steel Haulers, said, "my purpose here is to help get more people involved to get the price of petroleum products rolled back."

The three-day conference was attended by persons who ranged from little old women in tennis shoes and bearded activists to pinstripe-suited lawyers. It was scheduled to be held at one of the area's universities but had to be moved to the Shoreham, costing the organizers about $25,000, they said. All the universities were closed on weekends to conserve fuel.

[From the Christian Science Monitor]

FED-UP CONSUMERS ORGANIZE ENERGY-CRISIS COUNTERATTACK

(By Monty Hoyt)

WASHINGTON.—Fed up with shortages of gasoline and home heating oil, dismayed over rising oil company profits and spiraling utility rates, and abandoned, they say, by a government that has forgotten about them, U.S. consumers are organizing to make their voices heard.

One of the widest cross sections of American public interest ever assembled has just met in Washington for a citizens' energy conference to discuss alternative courses of action.

"The energy crisis is really touching everybody," says Bert DeLeeuw, coordinator of the Movement for Economic Justice, one of 137 sponsoring organizations for Citizen's Forum.

"What we are trying to do is build a movement of organized people—something that goes beyond the narrower interests of the earlier civil rights movement, the peace movement, welfare rights groups, or tenants' rights organizations.

"The energy crisis and its sub-effects—fuel shortages, rising prices, utility rate hikes and the like—are issues that can pull everybody together," he states.

FLOW OF INFORMATION

Another conference organizer told The Monitor, "There is confusion of the . . . facts behind the energy crisis. Already the crisis is being used as an excuse for reversing recent gains for environmental protection and social and economic justice. There is a real need for citizens to get informed about the causes of the crisis and to find ways to gain access for citizen participation in energy policy decisions," says Barbara Williams, executive director for the Coalition for Human Needs and Budget Priorities.

More than 1,100 delegates have returned home without a grand-scale national strategy. That was not the purpose, conference sponsors say. But a flow of information from local organizations through a national clearinghouse and back out to the various interest groups has begun.

DIVERSE ACTIONS

"How many groups can afford to send delegations to Washington to try to influence Congress? It's not on their turf and it's not from a position of strength. It's our hope this citizen movement will keep people at home, broadening out, applying pressure in board rooms, city halls, and commission hearings at the local level where they can deliver a real punch," one coordinator states.

The actions being planned at the grass-roots level are nearly as diverse as the groups represented here:

"We have advocated that the oil industry ought to be nationalized," says Hilton E. Hanna, international vice-president of the Amalgamated Meat Cutters. "But more immediately, oil depletion allowances should be ended and there should be a rollback in gasoline prices."

MILITANCY PLANNED

"We're concerned that corporations are using the energy crisis to ease off on affirmative action [programs for improving the job status of women and minorities]," says Judy Lightfoot, chairman of the National Organization of Women. "At times of crisis, minorities and women lose the most ground. We plan to be extremely militant to see that this doesn't happen."

"We're outraged—at the excess profits of the oil companies," says Maggie Kuhn of the Gray Panthers (a national senior citizens organization).

"We're getting militant because we're suffering," says Joseph Davis, another Gray Panther. "The elderly and other people on fixed incomes are the hardest hit by inflation and the energy crisis. It becomes difficult even to afford fuel and groceries."

The many disparate groups have agreed to "keep heating things up" at the local level: Some will be applying pressure to city halls, the congressional delegations, and other elected officials for relief against runaway energy prices and oil company profits; some will be demonstrating against utility companies and testifying at rate-hike hearings; some will take aim at the oil companies themselves.

"The energy shortage could result in some communities getting tax reform," says Lionell Castillo, city comptroller of Houston. "There's no reason why energy company properties should not be yielding higher revenues for cities."

MEDIA ONSLAUGHT

Other groups will be seeking public service time on television and radio to counteract the current multimillion-dollar advertising campaign of the energy industry:

"This media onslaught by the oil companies has been the most massive industrial propaganda campaign in our history," says Frank Greer of Public Interest Communications. "The public has been the victim of the one-way communications systems in our country. One of our greatest needs now is for citizens to begin responding to media to this biased view of things."

[From the Washington Star-News, Feb. 17, 1974]

ONE MILLION JOB LOSS SEEN

(By John C. White)

A two-day conference to explore citizen input into the nation's energy policies began yesterday with economist Walter Heller predicting an increase in unemployment this year of "at least 2 percent or around 2 million" workers.

About 700 people representing social activist groups, churches, consumers and environmental groups are attending the conference at the Shoreham Hotel designed to also examine the origins and impact of the current energy crisis.

Heller, professor of economics at the University of Minnesota and a former chairman of the Council of Economic Advisers, also predicted that inflation will continue and that the United States will experience a "fairly mild recession".

He said the nation could expect a drop in producton output for the next couple of fiscal quarters. A recession is conventionally defined as a decline in gross national product for two or more consecutive quarters.

Heller suggested an increase in the exemptions under the federal income tax as short-term relief for inflation. In the long run, Heller said, the government should order a rollback of wholesale crude oil prices rather than an excess-profits tax on the oil industry.

Barbara Williams, the conference vice chairman, said the goal of the conference is two-fold: "We must find ways to increase the chances for citizen participation in energy policy decisions and we must find and share the information we need in order to decide wisely."

Another of yesterday's opening speakers, Rep. Ronald Dellums, D-Calif., linked the oil shortage with United States military involvement in Southeast Asia.

A frequent critic of U.S. military decisions, Dellums said that the energy shortage is the "last major economic legacy of the over-all distortions brought about by 10 years of direct United * * *.

Dellums, who is a member of the House Armed Forces Subcommittee, said that 65,000 barrels of fuel a day are diverted for military use in Southeast Asia.

One of the strongest critics of the oil companies to speak yesterday was Barry Commoner, environmentalist and chairman of the board of Scientists Institute for Public Information.

"The oil companies have created an energy crisis just as though it were another campaign of full page advertisements or television spectaculars—and with the same goals in mind: more profit," Commoner said.

Commoner, who said he did not believe there is a true gasoline shortage, suggested the nationalization of the oil industry. "The nation needs oil, but it doesn't need the oil companies," Commoner said. He added that oil industry workers "can have good jobs working for a publicly owned agency—the TVA proved that."

Finally, Joel Schatz, an energy consultant to Oregon, called for a uniform tax levied on the potential energy content of all energy sources at the place of extraction and an extraction tax placed on the removal of raw materials.

Schatz said that this would have the effect of increasing the "net" energy available to the consumer. He also said that some of this revenue could be used to aid the lower-income people who are hardest hit by increased gasoline prices.

[From the Los Angeles Times, Mar. 22, 1974]

CITIZEN'S GROUPS FIND CAUSE—ENERGY CRISIS

(By Jacques Leslie)

WASHINGTON.—"You don't have to know what the whole octopus looks like to start chopping at a few tentacles."

Armed with that philosophy, Wade Rathke, 25-year-old chief organizer of the Arkansas Community Organization for Reform Now, has stepped into the middle of the complicated, confusing energy field and gotten results.

Organized less than four year ago, ACORN, an Arkansas public interest group representing 4,700 low-and middle-income families, decided last September to fight construction of a 2,800-megawatt power plant proposed by the Arkansas Power & Light Co.

Questioning the need for the plant and citing probable crop damage because of sulfur emissions from the plant, ACORN protested to state agencies, organized a partial consumer energy boycott, and appealed to the power company's stockholders, including several private universities.

As a result, Rathke estimates that ACORN now stands a better than even chance of preventing the plant from being built. And if it is constructed, environmental safeguards not originally planned probably will be included.

Given the tremendous demand for new energy sources, "one would have thought our position would be extremely unpopular." Rathke said.

Using similar methods, hundreds of other public interest groups across the country are trying to emulate ACORN's success. They are devoting much of their resources to lobbying and educating the public on the energy problem. Representing widely divergent interests, the groups seem united only in the assumption that in their drive to end fuel shortages neither the oil industry nor the government is protecting the public interest.

The public interest, however, is not always easy to define. And the already apparent disagreement on methods and goals among the groups reflects that. Consequently, local and state groups with limited goals seem to have had more impact so far than national ones.

"We're a long way from a national strategy." Rathke said. "If we knew what the solution was to the whole thing, we'd say it."

Public interest groups involved in the energy field range from established organizations such as the Sierra Club and Common Cause to a two-month-old San Francisco group called Electricity and Gas for People, which was formed to fight a rate increase requested by Pacific Gas & Electric Co. Most public interest groups in the energy field appear to operate on a local level.

A listing of a fraction of the organizations sponsoring a recent citizens' energy conference in Washington suggests the diversity of the groups: Americans for Democratic Action, American Lung Assn., Concerned Citizens of the Delaware Valley, Fraternal Assn. of Steel Haulers, Friends of the Earth, National Consumers Congress, National Welfare Rights Organization, United Presbyterian Church, War Tax Resistance, World Federalists.

"Everyone's self-interest is hit with the energy issue," said Jim Goodell, one of the conference coordinators. "Workers are laid off. Environmentalists see their gains of the last few years being rolled back. Consumers have to pay more. Poor folks are hit harder than anyone else.

"The civil rights movement, by comparison, only directly affected people who were being discriminated against. Some others became interested essentially because they were good people."

Though the citizen's energy conference drew minimal national publicity, it attracted more than 1,000 people representing about 200 groups. Organizers managed to raise $25,000 in a month and a half before the conference began.

"The energy crisis is so amorphous an issue," said John Franzen, a conference coordinator. "It's not like the Vietnam war, which was relatively clearcut and simple. Energy includes not only the oil companies and oil prices and gasoline lines, but also international relations, coal, nuclear energy, alternate fuels and alternate life-styles.

"I can't imagine some vast organization putting together a movement on energy. What is needed is all these groups looking out for their concerns but looking at them in terms of energy."

Typical of groups which have done exactly that is the Chicago-based Industrial Areas Foundation, organized five years ago by the late Saul Alinsky and now run by Dick Harmon. The foundation is training teachers and clergy in several cities in the Eastern United States to lead citizens' action groups against corporations and government.

"Running through what we do is the sense that American citizens and consumers are powerless, are ready to do something but don't know what to do and are looking for handles," Harmon said. "A good handle from our point of view is training citizen leaders on how to conduct these rights.

"People are getting a tremendous economic education, courtesy of the oil companies, the banks and Nixon. Everybody is talking money."

Some radical groups think the energy issue can be used to build political coalitions. "We welcome the energy crisis in the sense that it's the kind of issue that's going to show people they have a common program," said Bert DeLeeuw of the Washington-based Movement for Economic Justice, which focuses on building local coalition groups to gain power on economic issues. "The energy crisis points out what a maldistribution of resources there is in this country."

A San Francisco group called Public Interest Communications has produced television, radio and newspaper advertisements "designed to answer the propaganda we've been getting from the oil and utility companies," said Roger Hickey, PIC's broadcast coordinator.

PIC is a nonprofit advertising agency which previously made ads for groups with causes such as opposition to the Vietnam war and support for the United Farm Workers Union. PIC financed the ads in its latest campaign with more than $6,000 solicited from foundations and individuals and received help from professional ad men.

Arguing that its television and radio ads should be shown under the broadcast industry's "fairness doctrine," PIC representatives will offer them to networks and local stations.

A recent decision by the Federal Communications Commission gives strength to PIC's argument. In litigation brought by another public interest group, the Washington-based Media Access Project, the FCC denied that broadcasters must run ads to counter those sponsored by the Georgia Power Co. advocating a utility rate increase. The Media Access Project is now involved in other kinds of litigation to challenging energy companies' advertising practices.

Despite the success of some of these groups, it is doubtful that an "energy movement" comparable to the antiwar and civil rights movements of the past will emerge, since public interest groups do not agree on solutions.

One subject of conflict is fuel pricing. Typically, organizations representing poor people and consumers favor a rollback in the price or crude oil because they believe their constituents will suffer unduly from high prices. On the other hand, most environmentalists oppose a rollback because high prices discourage energy consumption and promote development of alternate sources.

On the national level, groups such as Common Cause and Ralph Nader's organizations are developing energy lobbying arms. Common Cause plans to concentrate on monitoring activities of the proposed Federal Energy Administration.

Public interest groups have not yet had any major impact on energy policy at the national level. Spokesmen for Sen. Alan Cranston (D–Calif.) and Sen. John V. Tunney (D–Calif.) both say public interest groups have exerted little pressure so far in formulating energy legislation.

While Federal Energy Office Director William E. Simon has organized advisory committees, two of which represent environmental and consumer interests, the committees so far have met only two or three times each.

"There is a little early restlessness," said Lee White, a representative of the Consumer Federation of America, on the FEO consumer committee. "If we think we're being used, I think the whole damn crowd is going to quit."

One of the few groups organized specifically to deal with energy is the Energy Policy Project of the Ford Foundation. It began in September, 1972, with a $3.5 million Ford grant.

"Our purpose is to pull together all the pieces of the energy puzzle and lay out the policy options to the country," said the project's director, David Freeman, a former White House energy adviser.

Citizens Guide to Energy—No More Messiahs

(By Charley Lerrigo)

Washington, D.C.—"In a way, the Federal Energy Office doesn't exist," the government worker said, calmly.

It was an unsettling remark, because the people to whom it was made, participants in a Citizen's Energy Conference here Feb. 16–18, were mostly persons dedicated to making the government and big business accountable to America. How can you fight something that isn't really there?

Those who came, more than 1,100 individuals from 137 organizations and 45 states, had been called to examine the "energy crisis" as a crisis of power. Most of them shared an analysis that this time the great American rip-off was making the most middle class American angry, that the poor were hurting even more, that the Nixon Administration was clearly favoring corporate energy, and that a change in life style was being called for. But how to go about all that?

One approach, mightily stressed during the three days, was to push for legislative reform and control, to try to make the government rectify the inequities. The FEO was one obvious target. The workshop session on the FEO illustrated the difficulty of adopting that approach.

What the FEO worker who said his agency wasn't a reality meant, was that "every one I know on my level is on the payroll of another government agency." Simon himself is still a deputy secretary of the treasury.

Even Ralph Nader's people are having difficulty finding out what's happening inside the FEO. "I can't get guidelines from the FEO on conflicts of interest," complained Nader worker Gary DeLoss. "I can't get biographies on any but a few of the workers. There are no organizational charts and no telephone directories for the Office."

What that means, he explained, is that "Simon is really a czar. He winds up making unilateral decisions."

ACCOUNTABILITY WANTED

There is a widespread desire in the halls of Congress to build accountability into the FEO, it was reported. S. 2776 would turn the FEO into the Federal Energy Administration (FEA), an agency supposedly set up for 18 months. Dan Dreyfus of the Senate Interior Committee, however, told the workshop that "it's clear the Administration views Simons' office as an ongoing thing." Dreyfus said he didn't know anyone who would be "offended" by S. 2776.

Yet, the issue of consumer access to the new FEA was posed as an unanswered question. One of the citizens' advisory groups structured into the current FEO will have its third meeting this March—and has funds to meet only four times a year. In the new FEA, the citizens' and industry advisory groups will meet separately (a provision the Nader group would like to see changed). Given the numerous interlocks private industry already has with government, it does not look too good for the consumer voice.

What the members of Congress are faced with, though, is the prospect of either a supersize FEA accountable on paper, or continued formulation of the country's energy policy by the White House. "Congress had never been more confused," conference delegates were told, "and more receptive to public opinion. . . . " What the delegates were also told was that, public opinion or not, Congress is going to take some kind of action. By November, the word was.

It's not just Congress that is on the hook. Federal regulatory agencies also need to be exposed to the public eye. One of the more interesting bills reported on during the citizens' energy gathering was that of Sen. Warren G. Magnuson (D. Wash.). His bill, S. 2506, would create a national oil-gas corporation and give major benefits to the independent oil producers—a good slap in the face of the oil majors. Yet his bill would also put more energy policy in the hands of the Federal Power Commission.

The FPC has already demonstrated which side it is coming down on. In 1961, after the commission had approved a $4 billion rate increase for natural gas distributors, it was discovered that FPC chairman John Nassikas had misreported an FPC staff survey to justify the increase (*AR*, Jan. 21, 1974). The discrepancy between the FPC commissioner's report and the actual staff survey was uncovered with the help of a public, natural gas producing network. Unfortunately, FPC staff member David Schwarz reported that opposition between producers and distributors of natural gas has "completely evaporated." It seems that the distributors and producers, who once counterbalanced each other to consumer benefit, are now exchanging some functions.

INDUSTRY ALLY

"The FPC used to be an agency which regulated in the public interest," complained Schwarz. "Since 1968, they have gone downhill. Now they want to deregulate the industry . . . And they are not being simplistic. They think they are serving the public by protecting private industry."

The Magnuson bill, and other calls for nationalization of the energy companies, also came under attack from a more common criticism. As Geoffrey Faux, a local organizer from Maine, put it, "I don't want to exchange Exxon for Nixxon." The distrust of legislative and administrative remedies suggested another approach.

Martin Lobel, noted Washington attorney, argued for the breaking up of the oil majors by anti-trust suits—the judicial route to reform. But Lobel could only smile when Faux pointed out that Standard Oil had been broken up by the government once before.

Now, the branch of the old Standard Oil goes by the name Exxon.

"What can I say?" Lobel commented later. "You just have to keep at it."

It was that way at the conference: A lot of solutions, some of them contradictory. Economist Walter Heller told the people that an excess profits tax was not the way to stop the oil crisis, and that the price roll back being posed was the best of possible solutions. A little later, Ralph Nader charged that Sen. Jackson's proposed price roll back was a "phony" (as it could be changed later).

Joel Schatz, energy consultant to the state of Oregon, came forth with his theory of "Cosmic Economics" arguing that the best way to slow down the wasting of energy resources is to push the prices still higher (with appropriate checks so that the energy companies do not simply get higher profits). Christopher Rand, former oil executive now writing a book on big oil, argued as effectively that the oil majors are more concerned with control of volume than of price.

(Five days after the conference closed, some of the nation's major oil companies announced they were reducing their imports of crude oil because they were unhappy with FEO directives to sell surplus crude to companies with less reserves.)

Conference leaders spoke glowingly of the "human energy" being created at the three-day gathering, hailed it as "the only energy source we do control," and Ralph Nader declared that the movement generated by the whole issue "will be larger than the antiwar movement." But as the day approached when the people had to return to their own projects, the talk shifted to an assessment like that of the Movement for Economic Justice's Bert DeLeeuw: "One of the realities that we must face is that we just don't have the number of troops we need."

There was not the kind of unity which could have led to a single action agenda. Hulbert James of the National Council of Churches said the conference leaders had been unable to agree, beforehand, on any single strategy. The conference announcement had made that clear. The days in Washington would be primarily educational (share your strategies, learn new information), and inspirational (know ye that we are not alone). Those delegates interviewed said they had been strengthened by their time together, and undoubtedly some liaisons between the various groups were made.

NO SINGLE SOLUTION

If the conference demonstrated anything, it was that a solution to the energy crisis is not going to be found in any one arena. Rep. Ron Dellums (D. Calif), who opened the sessions, asserted that the key strategic issue *is* coalition. He got his biggest applause when he declared, "The ultimate question is whether you and I have the courage and conviction, not to find alternative sources of energy, but an alternative way to live." It's an all fronts battle ahead, and no single group, whether it concentrates on the price of oil, the human cost of the crisis, or the assault on the environment, is sufficient unto itself.

"There will be no more black and white messiahs," conference vice chairperson Barbara Williams told the faithful. "You are going to have to be the messiahs. You are going to have to be the experts. . . ."

"Unless you deal with the psychology of powerlessness and the reality of power," she admonished, "we'll have to have another conference next spring—on the 'food crisis.'" Those who want to wait around until all the "facts" are in on the energy crisis may do well to make their reservations for next spring.

EDUCATIONAL BENEFITS FOR VETERANS

Mr. BUCKLEY. Mr. President, on April 10 the Subcommittee on Readjustment, Education, and Employment, of the Senate Committee on Veterans' Affairs conducted hearings on educational benefits to veterans. I had the privilege of presenting testimony to that subcommittee. I would like to take this opportunity to share my statement with my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JAMES L. BUCKLEY

Mr. Chairman: I have reviewed the present laws outlining the benefits now available to veterans, and I find them inadequate. The veterans of Vietnam served as faithfully as those of the Second World War and the Korean War, and have earned in every way the same expression of national gratitude in terms of veterans' benefits. Congress is just beginning to come to grips with the realities of the civilian readjustment facing the Vietnam veteran. Recent activity on the part of the Senate Committee on Veterans' Affairs does brighten the outlook for realistic reforms in the entire approach toward correcting inequities and deficiencies in present policies.

The developments in legislation concerning veterans education benefits this year are of utmost concern to millions of American veterans, their families, and all of the men and women still on active duty with our nation's armed forces. They are anxiously waiting, and many are actively working, for Congress to establish adequate and equitable standards of compensation for the sacrifices they made while serving in our country's armed forces. This subject is important to all Americans, and it is of special importance to the veterans living in New York State, who make up 10 percent of this nation's 30 million veterans.

Mr. Chairman, you are now considering a number of bills dealing with educational assistance programs. The only real issue before us is the form that the increases in educational benefits should take. There is no dispute over the fact that veterans have found that their educational benefits must be supplemented by income from outside sources, and when those outside sources are not available, veterans have been unable to use the benefits at all. The need for additional funds is even more critical if the veteran has dependents. There can no longer be any question that the average veteran is priced out of private institutions, and even priced out of many state-supported schools where significant tuitions are being charged.

These conditions are particularly prevalent in New York, New Jersey, Pennsylvania, Ohio and Indiana, and 28 percent of our veterans are living within their jurisdictions. Not only is the cost of living generally higher in these states than in most, but in these states the tuition in public institutions averages above $750 per school year.

One of the most important proposals to come before this committee is contained in S. 2789 sponsored by Senator McGovern and Senator Dole and co-sponsored by 37 other Senators. It would augment the educational benefits by providing for the payment of tuition. Under this provision, the Veterans Administration would pay for the balance of a veteran's tuition costs up to a maximum of $1000, after the veteran pays the first $400. The V.A., therefore would not pay more than $600 to a veteran for tuition costs he would incur during a normal school year.

Approval for a program of tuition payment would remove a great source of frustration for many veterans around the country who want to pursue their education, and it would allow a somewhat greater use of private schools. It would point veterans legislation in the right direction once again, and it would eliminate the likelihood that such an expense in Congressional time and effort will be needed on this subject in the next Congress. The veterans themselves can ill afford and should not be expected to wage this same difficult fight every two years. I urge, therefore, adoption of this proposal as a giant step toward raising benefits to a level comparable to that enjoyed by veterans of past wars.

Another proposal, sponsored by the Chairman of this committee that I hope you will act upon promptly is the one that would establish a low-cost educational loan program. This would provide a much-needed alternative to those veterans who wish to attend higher-cost public and private institutions when no other Federal grants or loans are available, and in those cases where the tuition payment program would not be adequate to cover the higher costs of private education. The loan program would be of special value to many veterans attending schools in New York City, and in other areas where the cost of living is extremely high.

Finally, I wish to record my support of the proposal that would extend the eligibility period to ten years. I also wish to call your attention to the amendment I have introduced to HR 12628 that would extend the period of eligibility by an additional two years beyond that where rotating shifts, prolonged illness, or a similar handicap, has prevented a veteran from completing his education within the allotted time. Although it is generally recognized that totally inadequate subsistence benefits for veterans have created insurmountable difficulties for the veteran of recent years in attempting to complete his education within the allotted eight years, no acknowledgement has been given to the veteran who suffered additional hardship because of unexpected debilitating illness or working hours beyond his control. Not only will my amendment correct this situation, but it will encourage policemen, firemen, and other public safety officers who are veterans to pursue education under the GI Bill which will promote professionalism in their chosen vocations. If accepted, this amendment would provide 12 years in hardship cases.

Mr. Chairman, I have carefully considered the arguments in opposition to the proposals now under discussion, and I cannot dismiss lightly Administration claims that the proposed programs would be inflationary, but return on investment and budgetary constraints must receive a balanced consideration. You will recall, Mr. Chairman, that shortly before he resigned as Secretary of Housing and Urban Development, Mr. Romney stated that after having reviewed Federal efforts to improve the conditions of our cities at a cost of more than $100 billion, he could find little if anything that had actually been accomplished despite the huge expenditures. In far too many well-documented cases, the net effect of Federal programs has been to make a bad situation worse.

This has not been the factual experience with veterans educational benefits. The Veterans Administration aptly described the World War II G.I. Bill as the "best investment in American History." According to the Internal Revenue Service, the government's profit from the $14 billion invested was $62.5 billion in increased tax revenues. The G.I. Bill afforded colleges the opportunity to develop resources to the extent that a college education is now available for the average American. The economic and social contributions made by the veterans educated under this program cannot be measured.

Mr. Chairman, there are areas in the legislative proposals before you which do require a revival of fiscal responsibility. Those areas which encourage costly administrative changes may divert money away from the veteran's pockets. History has made it apparent that investments in federal bureaucracy don't pay off. I am, therefore, strongly opposed to additional financing for a Vietnam Veterans Administration within the

Veterans Administration or additional financing for any programs, methods or special committees which will channel precious money and man-hours into projects of relatively little value to the individual veteran.

Mr. Chairman, it is incumbent upon all Senators and Congressmen to monitor carefully the administrative practices of the V.A. as far as attitudes and methods are concerned. My mail indicates that mismanagement has occurred to the extent that a veteran can expect to wait anywhere from 7 weeks to 7 months to receive his subsistence checks. Abuses also occurred on the part of schools and students following World War II, as a result of inadequate safeguards and because the government reimbursed the student for books, fees and supplies as well as the tuition payment. We should be prepared to correct such abuses through persuasion or legislation.

In any event, the cost of the programs I have recommended is far from outrageous. There is a debt that in all equity, the country owes our Vietnam veterans. It is one that must be honored. I am grateful to have this opportunitv to congratulate this committee for its leadership in revitalizing veterans benefits. I urge you to give fair and adequate consideration to these proposals. They will go a long way in restoring education benefits that our Vietnam veterans have a right to expect.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. McGEE. Mr. President, editorial comment continues to pour into my office urging the Senate to reverse House action earlier this year defeating the Fourth Replenishment to the International Development Association.

In the past weeks, I have had numerous editorials printed in the RECORD. Editorial comment in support of IDA has come from every State in the Union; from metropolitan newspapers to small rural community newspapers; from writers of liberal ideological persuasions to writers of conservative ideological persuasions.

Today, I am having printed in the RECORD editorials from the following newspapers: San Jose, Calif., News; Hackensack, N.J., Record; Hartford, Conn., Times; Monroe, La., News-Star; Hartford, Conn., Courant; Terre Haute, Ind., Tribune; Norfolk, Va., Virginian-Pilot; St. Petersburg, Fla., Times; San Bernardino, Calif., Sun; Green Bay, Wis., Press-Gazette; Denver, Colo., Post; and the Great Falls, Mont., Tribune.

I would hope that my colleagues would heed the message contained in this editorial comment from around the Nation. It represents what the people of this country feel regarding the International Development Association. In essence, a vote in favor of IDA is a vote to prevent massive starvation in the world's less developed nations. A vote against IDA is a vote in favor of human suffering and death.

I ask unanimous consent that the editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the San Jose (Calif.) News, Apr. 13, 1974]

UNITED STATES AND WORLD BANK

The Senate Foreign Relations Committee will be voting soon on whether to continue American support of the World Bank's International Development Assn.

Last January, you may remember, the House of Representatives unexpectedly defeated legislation to continue American support. The Senate vote is an opportunity to correct what we think was a serious mistake.

At stake is a carefully negotiated new program to provide $4.5 billion in long-term loans to the poorest nations of the world. Under the plan, the United States is to provide one-third of the total—$1.5 billion—over a four-year period. That would represent the smallest share ever borne by the United States in the history of the program, which is a recognition by the other rich nations of the world of the need to share the burden of development aid.

Congressional rejection of the new replenishment would do two things: It would jeopardize the entire funding program, by eliminating the largest single share. And it would risk terminating the whole IDA program at the end of June, when existing funds are fully allocated.

Termination of IDA at this time would critically compound the financial crisis forced on the poor nations by the recent increases in oil prices.

Now, there are not a few who argue that the oil price problem is the right reason for ending the American commitment to IDA. Some members of Congress have said the IDA money will simply find its way to the oil producers to pay for the inflated oil bills of the poor nations.

That certainly is a risk. We think the appropriate response, however, is not to compound the crisis by withdrawing the desperately needed IDA funds, but to reinforce international efforts to win help from the oil rich nation.

[From the Hackensack (N.J.) Record, Apr. 23, 1974]

CUTTING OUT THE HAVE-NOTS

In a surprising and ill-advised display of neo-isolationism, the House of Representatives has voted down a Nixon Administration proposal to authorize a United States contribution of $1.5 billion to the World Bank's $4.5 billion development fund over the next four years. Unless it is reversed, the action will severely cripple international efforts to improve agriculture and develop sources of energy in the world's poorest countries.

It will also curtail programs designed to improve education, road construction, sewerage, and water supply in the underdeveloped nations.

Why did the lawmakers turn their backs on the have-nots? One factor seems to have been the opposition of Rep. George H. Mahon, the frail, 73-year-old Texas Democrat who heads the House Appropriations Committee. He said the United States' share was too large. And the action is being read as further evidence that the presidency has been weakened by Watergate. Democrats divided almost evenly on the measure, 111 against and 108 for, but Republicans rejected it overwhelming, 137–47. To its credit, the New Jersey delegation supported it, 10–4, with both Bergen congressmen, Republican William B. Widnall and Democrat Henry Helstoski, in favor.

But too many members of both parties, now that Mr. Nixon's internationalist influence is muted, appear to be misreading the lessons of Vietnam as a mandate to curtail overseas involvement of all sorts. Stiffening resistance to foreign aid, evident for several years, is accelerating in reaction to the President's cutbacks in spending for domestic programs.

Rep. Robert A. Roe of Wayne, the only New Jersey Democrat to oppose the measure, is one of those persuaded by this thinking. "Enough is enough with these foreign spending programs," he declared. "The President is impounding funds for domestic programs as too inflationary. Well, this is inflationary too. Our own people are out of work and can't get mortgage loans at any interest rate."

This reasoning is faulty. No program should be cut simply in retaliation for another unrelated action. And determination to avoid future tragic intrustions into the internal affairs of other nations must not be confused with our responsibility as the world's wealthiest nation to make some effort to help others climb out of the morass of ignorance and poverty.

Those persuaded by Mr. Mahon's argument that the United States is being asked to shoulder too large a share of the World Bank development chose the wrong time to take their stand. The figure had been set through negotiation with 24 other contributor nations. No compromise was possible on the floor of the House: the choice was all or nothing.

Secretary of State Henry Kissinger and Treasury Secretary George P. Shultz are mounting an effort to save the program, probably by pushing the bill through the Senate to provide momentum for another try in the House.

Individual citizens can help by letting Mr. Roe and other misguided opponents know that the United States must continue to play a role of world leadership consistent with its place as a world economic leader.

SAVING THE SAHEL

Besides being the richest and most powerful of nations, the United States is traditionally the most generous; as the Canadian on the phonograph record says, Americans have seldom hesitated to help other countries in trouble. Any natural disaster that threatened the lives of tens of thousands of people and the livelihoods of millions more would be viewed in this country as an unimaginably awful event, and we would do anything we could to prevent it.

What, then, are we to make of the American response to the drought and famine that have been devastating six countries in the sub-Saharan West African region known as the Sahel for the last six years? While most Americans enjoy three square meals a day, with between-meals snacks, more than a million inhabitants of these countries—Senegal, Mauritania, Niger, Chad, Upper Volta, and Mali—have died or are dying of starvation, malnutrition, and related diseases. And only recently has the American public begun to notice any of this, to say nothing of making any effort to prevent it.

Arresting mass starvation, to be sure, is not so simple as dropping a few thousand planeloads of American grain on strategically located African outposts. Food distribution techniques in these countries are often primitive—though they have improved greatly since the famine began—and the six governments may need technical assistance in such areas as water-resource management nearly as much as they need food. Nor is the United States the only nation that has neglected these countries. For example, France, which formerly held them as colonies, has been incredibly stingy with aid.

Nevertheless, there is no question that the United States can and should do more than it has done. Its billion-dollar-a-year Food for Peace program, which is designed specifically to get food to countries that need it, contributes only $60 million to the sub-Saharan countries, despite a universal recognition that they are the ones that need it most. By contrast, South Vietnam and Cambodia get almost half the Food for Peace aid, and even such non-starving countries as Israel and Portugal get more food than the nations of the Sahel.

In South Vietnam's case, the Food for Peace aid is in the form of "loans" that do not have to be repaid; it is common knowledge in Washington that the money the Thieu government saves by not buying food is channeled into military spending. Congress, incidentally, has no say at all in the distribution of Food for Peace funds; that decision is made by the President's Office of Management and Budget. Not that Congress's record in this department is anything to be proud of. The House of Representatives' misguided, vindictive decision last January to cut off funds to the World Bank's development program—money that would have gone, in part, to technical assistance for the Sahel—is only now being reconsidered by the Senate.

In an article last week about starvation in the sub-Sahara, The Record's Lena Sherrod quoted Elliot Skinner, former United States ambassador to Upper Volta, as saying. "Black people in this country have the right to insist that their hard-earned tax dollars be used to help our people in Africa." He is wrong, of course, for black people are not the only ones who ought to be insisting it. The government's appalling neglect of this long-standing, increasingly desperate situation should trouble every American.

[From the Hartford (Conn.) Times,
Apr. 8, 1974]

An Hour To Help the Needy

The United States Senate has an opportunity this month to undo the damage done by the House, by authorizing our country's participation in the replenishment of loan funds in the International Development Bank.

IDA, sometimes called the "soft loan window" of the World Bank, makes long term loans available to developing nations that cannot afford more conventional interest-bearing loans. Without IDA money, key growth of schools, roads and transportation and basic industry would be impossible in nations representing a fourth of mankind. They would be sentenced to become ever poorer.

The United States has historically put up 40 per cent of the funds available for lending; in this fourth round of replenishing the fund, as other industrial nations become more prosperous, our share has been reduced to 33 per cent.

The loan funds are especially important this year, for the beneficiary nations are hard-hit by the rising cost of food and energy. They are precisely the nations that must import food or oil, or both, and the nations whose exports have not benefitted proportionately from world inflation.

They will one hopes, receive some help from the oil-producing nations' lending programs being spearheaded by the Shah of Iran; but that is not going to be nearly enough. There is a real danger that stable and progressive governments will be overwhelmed by popular resentment if they are unable to maintain modest growth without impoverishing their peoples; only continued generosity by the developed nations will make that possible.

The House of Representatives, in a mood that reflected the turning inward of the American people in this post-Vietnam period, turned the re-funding bill down. The Senate can resurrect the bill, and can then persuade the House to reverse itself.

Treasury Secretary Shultz, in testimony before the Senate Foreign Relations Committee, estimated the proposed American contribution to be about $1.80 a year from each American—less than an hour's wages at the proposed minimum wage, far less than an hour's earnings for most Americans.

That comtribution, as Secretary Shultz put it, "can make the difference between survival and starvation" for the developing nations. It is their hour of need; our hour of work is hardly too much.

[From the Monroe (La.) News-Star,
Mar. 26, 1974]

Two Dire Warnings

When the Arabs imposed the oil embargo and the energy crisis hit the United States with fearful impact, there was an immediate outcry against the nation's leaders: Why didn't they anticipate the crisis? Why weren't the American people warned about the fuel shortage? Why wasn't something done about it before now?

We now know, of course, that a good many people in and out of government had indeed warned about the impending fuel shortage. Some of them made sensible recommendations for dealing with it.

The warnings went unheeded. So, when the Arabs turned off the oil spigots, the country was caught napping. It is just now emerging from the first after affects of the shock of long gasoline lines and a short supply of heating oil. Shortages of products made by petro-chemicals are the direct result of the fuel pinch and are expected to be with us for some time.

There's no way of knowing what impact the warnings about two grave situations in the world today is having in Washington because of its obsession with Watergate. One concerns the pollution of the sea. The other concerns the prospect of famine within the next 12 months.

Neither the problems in the several oceans nor the vast reaches of Africa, South Asia, and the Central American-Caribbean area lend themselves to quick solutions by the U.S. Congress or the White House. But inasmuch as what affects those areas affects all of us, Washington needs to be impressed with the dangers that lie ahead.

The warning about the sea comes from the best known oceanographer and explorer of the sea, Jacques Cousteau. He declares that "in ten years there will not be any fish remaining to take out of the ocean."

Overstating the case for shock value?

Not at all, says the famous Frenchman. "I could not be more realistic. I am not an alarmist. But I know that the rate with which the oceans are being depleted and befouled by man that, we can no longer harvest the sea as we have. We keep taking out and putting nothing back.

"It is a fact that if an area of the ocean no larger in size than Switzerland were famed and cultivated like the land, there would be more fish and other sea life than there is now."

Cousteau, author of 31 books and producer of 65 films on a variety of undersea fauna, has stressed over and over again his concern and urged several governments, including the United States, to pass measures to protect the environment. He says he finds a "lot of sympathy and concern but very little action on the part of politicians. But I won't give up."

Only a few years ago British author-statesman C. P. Snow warned Americans it might not be long before they began to view global famine on their living room television set. The time is apparently near.

Normally restrained experts and world economy are starting to predict bankruptcy, social breakdown and starvation for as many as one billion people by the late this year or early 1975.

Some 30 countries, they say, could be affected. The "oil crisis" and the "food crisis" are fast becoming joined into one total energy problem.

So many things have happened so fast there is a fear that even if the "rich bloc" of the United States, the Soviet Union, Europe, Japan and the Mideast oil states were to begin political steps now to forge a Marshall Plan—type response—and there is little sign yet that this will happen—it might not come in time.

Some elements in the impending crisis include a $10 billion increase in the cost of energy, mostly oil, for the poor two-thirds of the world; low-credit deals for surplus American food have come to a standstill; the World Bank's soft-loan subsidiary, the International Development Association (IDA), is on the endangered list; the earth's population will reach four billion by the end of the year, and five billion in little more than another decade. In the poor countries no satisfactory method of birth control has been found. The poor populations will likely double in the next 24 years.

The situation is by no means hopeless, but the leadership of the United States will be essential if the ravages of runaway population, drought, flood, and fuel scarcity are going to be curbed at all.

[From the Hartford (Conn.) Courant,
Apr. 16, 1974]

A Sound Approach to Foreign Aid

There was no hint beforehand that the address Henry A. Kissinger was to make at a special session of the United Nations' General Assembly would be a major policy statement. Yet that's what it turned out to be and the American secretary of state once again scored for his sound approach to foreign aid.

Typical of Mr. Kissinger, he stressed the positive—without being naive about the pitfalls of economic assistance. He rightly pledged that the United States would make a major effort to help developing countries but he cautioned them against any use of "the politics of pressure and threats." He also warned commodity producers against banding together to raise prices as the members of the Organization of Petroleum Exporting Countries have done.

His reasoning strikes us as particularly apt, touching as it did so forcefully on the interdependence of today's world. As he told the delegates: "Large price increases coupled with production restrictions involved potential disaster. Global inflation followed by global recession from which no nation could escape." Then, in the most telling point of all, Mr. Kissinger concluded that "no nation or bloc of nations can unilaterally determine the shape of the world."

That strongly suggests that America once again is ready to exert its good-neighbor role. And that's just what the secretary of state promised. To help meet increased food needs, he pledged that the United States will increase its aid to developing countries from $285 million to $675 million this year to raise agricultural production. In addition, to assist the poorest nations, he urged that America make a further contribution to the World Bank.

Last January, Congress killed a $1.5 billion measure to help underwrite the international finance organization. That move struck us at the time as most shortsighted. Now the lawmakers have another opportunity by adopting Mr. Kissinger's proposal. He at least is charitable—without being foolish about it.

[From the Terre Haute (Ind.) Tribune & Star, Apr. 12, 1974]

World Aid Reconsidered

Last January the House of Representatives voted against continued United States support of the International Development Association. Many astute observers saw this not merely as a backward step, but as a scandalous abdication of affluent America's responsibility toward the poorest nations of the world.

Happily, the Senate can do something about this. If it votes strongly in favor of continuing U.S. participation in the World Bank's IDA program, as it should, the House may be prompted to reverse its earlier action.

The arguments against such a reversal, and in favor of what the House did last January, are not persuasive. Primarily it is asserted that the IDA money, including our share of 1.5 billion dollars over a four-year period, would just go to pay inflated prices for oil the poor countries must have.

Some risk of that exists, but there is a better way to deal with it than by withholding IDA funds. Instead, a vigorous and sustained effort should be made to get the oil exporting nations to pledge aid. Iran already has pledged a billion dollars, and a good total response from the Arab powers is not out of the question.

In any case, one gets back to the question of rich America's moral obligation to help countries staggering under a burden of poverty. Measured against our total resources, the commitment involve in the new IDA plan does not seem large. The Senate ought to accept that commitment with a strong vote and thus encourage the House to reconsider.

[From the Norfolk (Va.) Virginian-Pilot, Apr. 17, 1974]

DANGER—HUNGER AHEAD

While Americans complain about sharply rising food costs, much of the globe is facing the bleak likelihood of famine.

A monstrous tragedy is in the making and the chances seem less than even that it will be averted. Robert McNamara, who heads the World Bank, foresees "millions of people dying" of hunger unless the rich nations rush aid to the poor. Some "800 million [persons] live on, in our terms, 30 cents a day," Mr. McNamara said not long ago on "Meet the Press," "and are barely on the margin of life."

Drought is parching the sub-Sahara region of Africa, touching off migrations in pursuit of food and water. The crisis this week toppled the Government of Niger. Hunger and thirst have been mitigated by substantial relief assistance from the United States and elsewhere, but the disaster is continuing.

Meanwhile, India, Bangladesh, and Pakistan are imperiled by fertilizer shortages resulting from Arab oil-production cutbacks and soaring oil prices. The fertilizer shortfall portends a drastic falloff in grain production. International grain reserves have almost vanished. Dr. Normal E. Borlaug, father of the Green Revolution precipitated by his development of high-yield strains of wheat and rice, warns that "the world has got to the point where there has to be a sitting down together to decide what to do."

This month representatives of most of the world's nations did sit down together in an attempt to do something. Keynoting the special United Nations General Assembly session on raw materials, U.N. Secretary General Kurt Waldheim listed six related global problems—mass poverty, overpopulation, food shortages, depletion of energy resources, ballooning military expenditures, and inflation.

Of overpopulation he said: "It is anticipated that this special session will meet for three weeks. In that time the number of human beings on this planet will increase by four million."

Of food he said: "Never in recent decades have world reserves been so frighteningly low. The production of enough food to feed . . . people all over the world—let alone transport and distribute it—almost certainly represents the largest single pressure on our natural resources."

There is little ground for optimism. Food riots and death by starvation on a massive scale are ahead. Some 27 days' supply of reserve grains is on hand—in contrast to the usual two or three months' reserve.

While the rich nations have a surfeit of everything, or almost everything, and moderate their population growth rates, the burgeoning populations of poor countries have less than they require. Now the high cost of petroleum has exacerbated the problem of inequitable distribution of natural resources among the mass of mankind.

The hungry will direct many of their petitions for food to this country and Canada. Their pleas will test our generosity.

[From the St. Petersburg (Fla.) Times, Apr. 21, 1974]

AN OMINOUS FAMINE

Marquis Childs—The ominous shape of things to come is clear enough. The worst mass famine in recorded history is scarcely a year away. Already in large areas of Africa starving humans and animals litter the desert. This is merely a curtain raiser for the thousands, perhaps hundreds of thousands, who will die as the drought continues.

No one argues that the United States, having bartered away a large part of the grain surplus in a dubious deal with the Soviet Union, leaving the pipe line all but empty, can avert this catastrophe. At the very least, however, this country, still the richest and best able to survive the oil crisis, should join with other developed nations to do the minimum.

That minimum is to vote the funds for the consortium to finance the International Development Association, the soft-loan window of the World Bank.

The House in January by a stunning vote of 248 to 155 turned down money for IDA. Without the $1.5-billion spread over four years from the United States the "replenishment" for IDA, agreed to by 25 nations after lengthy negotiation, falls apart and IDA will be out of business.

The effort of those in Congress who see IDA as a last ditch means to help some 40 nations weather the oil-fertilizer pinch is to get a bill passed by a sizable majority in the Senate. This new measure would then go to the House with some hope of overcoming the die-hard opposition.

[From the San Bernardino (Calif.) Sun, Apr. 5, 1974]

THE HAVES AND HAVE NOTS

A world food shortage is on the horizon like a gathering storm. It will make the oil shortage look like a zephyr on a summer day.

So say the gloom and doomsayers.

An imposing array of scientists and "futurists" say they're right.

Several factors are working in that direction. It has been a bad year weatherwise. The giant U.S. surpluses, once the world's ace-in-the-hole for famine years, is no more. It was sold down the river to Russia.

The nations newly moving into relative prosperity—Japan, Brazil and the Arab countries chief among them—are seeking and paying the price for meat. It takes roughly 10 pounds of plant protein to produce a pound of meat protein.

Thus the prosperous nations are squandering the poor nations' grain in order to enjoy their juicy meats.

Another factor is that the United States and most of its citizens do not realize that we are the Arabs of the food world. The food is here. We can and do produce it, and we can take a bow for that.

But we can also sell or keep it, use it to reward friends and punish enemies, or use it judiciously as the leading edge of a world plan to keep starvation from everybody's door.

The Overseas Development Council, a Washington "think tank" led by former Cabinet officers, leading industrialists and labor leaders, says the 40 poorest nations face virtual economic collapse and famine.

Instead of talking leadership to forestall the catastrophe, the United States is "dragging our feet," says the Rev. Theodore M. Hesburgh, chairman of the council and president of Notre Dame University.

He says these 40 nations need an additional $15 billion to pay for increased food, fertilizer and fuel costs. That's roughly double the foreign aid now going to the developing world from the developed world. Yet, Father Hesburgh said. Congress recently killed a proposal for increased aid through the World Bank.

Another factor is a conception some Americans have of foreign aid as a handout to ungratefuls who are all too apt to bite the hand that feeds them; and secondly as a way to reward friends and influence policy. Nor are we above sending out military friends guns and blandly labeling them butter.

Few of us understand "bonedeep" that we are six per cent of the world's population consuming 33 per cent of its resources and energy. From our viewpoint of the expanding frontier and expanding technology, it was just good old American knowhow to go into primitive countries and organize the harvesting of their raw materials. After all, we gave them jobs in our mines and factories, didn't we?

But as the developing nations grow more able to handle their own resources, they look with hostile eyes at profits flowing away. They soon persuade themselves it's a ripoff.

The Arabs are pretty much proof of that.

What can and should the Americans do about this threatened famine?

First, the citizen should understand and support "foreign aid." The days under the Marshall Plan, when the United States looked as though it was trying to give itself away, show up in retrospect as a period of prosperity. The bread we cast upon the waters came back in the form of purchase orders on our economy.

Second, our government should assume leadership in and through the U.N. to prevent this world catastrophe from occurring. Every "have" nation should share in the action.

That includes the Communist world.

It would give us a good chance to throw their own—never carried out—motto at them:

"From each according to his ability; to each according to his need."

[From the Green Bay (Wis.) Press-Gazette, Mar. 26, 1974]

THE FINAL THREAT

Former Secretary of Defense Robert McNamara, now head of the World Bank, points to the deeply disturbing situations in many poor countries due to the energy crisis.

For many people it isn't putting off an automobile trip, taking a few less snowmobile rides or wearing an extra sweater in the oil-heated house. For them, the difference is between expanding industry to match growing populations. For some it is survival.

If the oil problem is bad enough, McNamara says, "The 1973 current account surplus of the developed nations would turn into a deficit of $41 billion, and the 1973 current account deficit of the developing nations would double to $23 billion. Such deficits threaten the stability of the economies of the oil-consuming nations throughout the world. Individual nations may seek to finance the deficits by unilateral beggar-my-neighbor policies of drastic exchange rate adjustments and severe trade restrictions."

A nation like India finds it will have to pay an extra billion dollars for oil. According to McNamara, the 100 poorest countries in the world, containing two billion people, will also have to come up with another $1 billion, for fertilizer.

So what are the developed countries doing in the face of crisis? Europe, to a large extent led by France, is seeking to make its own deals for oil with the Middle East. While Secretary of State Henry Kissinger correctly criticized Europe, the United States rejects more help to the poor nations.

American development assistance in 1949 was 2.78 per cent of our gross national product. Now, it is only .22 per cent. The House of Representatives in January, apparently in annoyance with the Arab oil embargo, turned down more help for McNamara's International Development Association whose funds go only to the very poor nations.

It may not be accidental, McNamara points out, that in recent years most wars took place in poorer regions of the world. If things get bad enough, will what Helmut Schmidt, minister of finance of West Germany, calls "the irrational use of force" be turned loose once again?

[From the Denver (Colo.) Post, Apr. 12, 1974]

CAN UNITED STATES SPURN THE POOR?

We Americans have become acutely aware in recent months that food prices are rising rapidly; what is less well known is that the world probably is entering an era of food scarcity whose severity and duration cannot accurately be estimated.

Vastly increased food prices will, of course, be a source of concern here in the United States. Yet few Americans are apt to starve because of them.

However, this is a development of crucial importance to a great proportion of the globe's population. In the poorer countries, human lives by the hundreds of thousands, perhaps even millions, are at stake.

In fact, a recently-published study by the Overseas Development Council states flatly that the imminent world food crisis "will make the energy crisis look like a picnic."

The report adds that the food shortage comes at a time when no adequate response is being made to the pressing problems of poverty and hunger that still afflict the majority of mankind. In fact, it says, the number of people who live in misery is probably increasing.

So far, the response of the United States to world poverty has been fragmented and parochial. Instead of the single "development community" that existed in the post-World War II era, there now are many autonomous, but sometimes overlapping groups with an active or potential interest in overseas aid and development.

Such a dissipation of effort, coupled with sluggish interest on the part of the government, was one of the reasons the existing drouth in the Sahel region of sub-Saharan Africa reached crisis proportions so quickly.

Rapidly decreasing official U.S. concern with the ills of less favored parts of the world was underscored recently when the Congress defaulted on a prior commitment to help fund the work of the International Development Association (IDA), whose low-interest loans go only to the world's poorest nations. Earlier, the United States fell from 14th place among the 16 rich donor countries in terms of relative wealth devoted to development assistance.

The present U.S. mood of disenchantment with foreign aid programs stems largely from previous projects that were all too obviously mishandled.

And yet we cannot turn our backs on massive human suffering. Or on the daily misery facing three-quarters of the world's growing population.

[From the Great Falls (Mont.) Tribune, Mar. 26, 1974]

UNMITIGATED DISASTER

Robert McNamara, president of the World Bank and Secretary of Defense in the President Kennedy and President Johnson administrations, is appealing to the conscience of America to help prevent starvation and economic chaos in many undeveloped nations.

In the nationally televised, "Meet the Press" program Sunday, McNamara repeated his stand that it was an "unmitigated disaster" for the House of Representatives to reject a proposal for U.S. participation in the replenishment of International Development Association funds.

U.S. contributions to programs designed to boost standards in the poor nations has declined from 2.29 per cent of our gross national product in 1949 to but .22 per cent today, administration officials have been explaining.

McNamara called attention to the miserable conditions under which hundreds of millions of persons in undeveloped nations struggle just to sustain life. He said Iran is contributing far more per capita to help undeveloped nations than the U.S.

McNamara isn't being an alarmist when he declares there is a danger of widespread starvation in many areas of the world in the coming year. He said thouasnds of people starved to death in Africa last year.

In a column on this page Sunday, James Reston said McNamara has been running around the world trying to persuade the rich nations to calculate the consequences of the coming world disaster.

The United States, which clearly has been the most generous nation in history as far as helping needy nations and those facing disaster, can not afford to default on its obligations in the current crisis facing undeveloped nations.

METRIC SYSTEM

Mr. PELL. Mr. President, the House of Representatives yesterday failed to approve legislation that would provide for an orderly and planned conversion to the metric system of measurement, an action which I much regret.

It should be made clear, that the action of the House did not halt the process of metric conversion. It does mean, however, that without a coordinated plan, metric conversion in the United States will be more disruptive, more confusing and more costly.

Conversion to the metric system in the United States is inevitable. Indeed, conversion to the metric system is underway right now in many industries, government agencies, and in many school systems. The question therefore is not whether the United States will convert to the metric system—we will; the question is whether we will do so in the most efficient and least costly way.

The metric conversion legislation which passed the Senate in 1972 and which I introduced, and the bill considered yesterday by the House, did not compel conversion to metric measurements. The legislation basically would establish a national policy that metric should be the principal system of measurements, and would provide for the drafting of a comprehensive plan to coordinate the voluntary efforts of industry and government toward that goal.

The action of the House yesterday means we may have costly and chaotic conversion instead of coordinated, comprehensive conversion to metric measurements.

I have been urging conversion to the metric system now for more than 10 years. I introduced the legislation which resulted in the Commerce Department's comprehensive study recommending conversion, and I have introduced legislation, currently before the Senate Commerce Committee, providing for conversion. During these years, I have seen a very basic change in the nature of the debate over metric conversion.

For years, the question was whether we should convert. Now there is almost universal agreement not only that we should convert to metric measurement, but that we are converting.

The debate now is on how the conversion process should take place. That is real progress. I can not believe that with governments, school systems and industry vigorously moving toward metric conversion that the Congress will fail to provide the coordination necessary for an efficient, orderly, conversion.

Indeed, unless we want to take the unthinkable and impractical course of prohibiting the use of metric measurements, we must inevitably face up to the need for a planned conversion that will assure us the greatest advantages, and the fewest inconveniences, in the rapidly advancing changeover to metric measurements.

OUR IMPERILED CONSTITUTIONAL RIGHT OF PRIVACY

Mr. BROOKE. Mr. President, last week I spoke at the Boston College Law School alumni dinner on the subject of our imperiled right of privacy. In these troubled times no thoughtful person can escape the conclusion that there are powerful forces working against the privacy of the individual American citizen. I believe that these unwarranted invasions of privacy pose a greater threat to freedom in America than any other crisis that we now confront. If freedom, indeed democracy, is to survive, we must zealously safeguard the constitutional rights of all our citizens.

Mr. President, I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

LIBERTY AND PRIVACY: INSEPARABLE ALLIES

(By Senator EDWARD W. BROOKE)

"Liberty lies in the hearts of men and women; when it dies there, no constitution, no law, no court can save it . . . while it lies there, it needs no constitution, no law, no court to save it."

I think the time has come for all of us who cherish liberty to ponder carefully these eloquent words of Judge Learned Hand.

But I fear that liberty is moribund in the hearts of many Americans. And to those of us who love the law, such a malaise should arouse us not just to concern but to action! We must revise, reshape and revitalize our laws to make them consistent with our oath of allegiance to the Constitution.

Examining the troubled condition of American society, no thoughtful person can escape the conclusion that there are powerful forces working against the privacy of the individual American citizen. These forces work in ways which threaten our basic liberties. Indeed, evidence from private and public sources alike indicates an assault upon what has come to be called the right to privacy. This assault flourishes in—if it is not produced by—the atmosphere which is associated with the word Watergate.

Watergate is both a sign and a symbol of the steadily encroaching power of the State over its citizens. Watergate represents an encroachment furthered and defended on the basis of the need for national security and order.

Such encroachments must not continue!

If our freedom, indeed, our democracy is to survive, our right of privacy must be preserved.

The privacy crisis poses a more serious threat to democracy than other crises such as the energy crisis, the population crisis and the food crisis, which have been more widely publicized and the immediate effects of which are more visible. The lack of attention to and concern about the privacy crisis stems from the fact that both order and national security are in themselves legitimate concerns of Government. But, when these concerns are abused to cover self-interest, they become insidious pretexts for keeping secret—operations which, if known, would be repudiated by the American people.

Such, in fact, appears to have happened as the seemingly endless incidents of deception, dishonesty and defiance connected with the Watergate investigation have come to light.

The severity of the privacy crisis stems in part from the paradoxical attitude of many of our fellow citizens who give lip service to freedom in the abstract, but who seem unwilling to be vigilant in safeguarding these liberties.

The acquiescence of most Americans to all types of restrictions upon personal privacy in the name of national security and law-and-order is underscored in Lou Harris' recent book, "The Anguish of Change." In it Harris describes how many Americans have come to accept as a matter of course governmental interference with personal liberties.

His surveys show enormous inconsistencies between the protestations of freedom in principle among Americans and their willingness to sacrifice freedom in specific instances.

According to the surveys, the public would willingly violate eleven of the eighteen basic guarantees set forth in the Bill of Rights. For example,

Although by 91 per cent to 5 per cent, almost all Americans believed "every citizen has the right to express any opinion he wants to," a majority of 67 per cent to 22 per cent also favored outlawing "organizations which preach the violent overthrow of the government."

By 66 per cent to 23 per cent, a majority believed in the right to "hold a meeting on any subject a citizen pleases," but by 48 per cent to 37 cent, the public also believed that attendance at campus protest meetings ought to be grounds for an expulsion of a college student."

By a lopsided 73 per cent to 19 per cent the majority agreed in principle to the right of a citizen to, "print any point of view he wants," but a 52 per cent to 35 per cent majority favored "banning newspapers which preach revolution."

A 63 per cent to 29 per cent majority also wanted to give "authorities the right to censor films, TV shows and the theater for obscenity," and a 57 per cent to 32 per cent majority also favored giving authorities the right to "censor TV, radio, newspaper," and the theater for unpatriotic or revolutionary content.

And by a 48 per cent to 37 per cent plurality those polled disagreed with the statement in the Declaration of Independence that "when a government abuses the rights of its citizens, they have the right to overthrow it."

Harris concludes that while 90 per cent of the people interviewed support freedom in theory, few unfortunately support freedom in practice.

Such attitudes must be challenged and changed.

In the words of Thomas Paine:

"He that would make his own liberty secure must guard even his enemy from oppression; for if he violates this duty he establishes a precedent that will reach himself."

Recently a significant blow was delivered against the dangerous concept of using national security as a pretext for infringing upon individual liberties. Egil "Bud" Krogh, convicted and sentenced for participation in the Ellsburg break-in, rejected the use of misguided notions of national security for his defense. Bud Krogh said that: "The rights of the individual cannot be sacrificed to the mere assertion of national security," for it "strikes at the hearts of what American Government was set up to protect: the rights of the individual."

I submit that it is encumbent upon us who are in a position of leadership with respect to the law, to change the climate of public and private opinion which imperils the preservation of the liberties of every American citizen.

I commend the President's position in his February 23rd address on the "American Right of Privacy" as well as his remarks in the State of the Union address in January indicating that his Administration has come, though belatedly, to recognize the gravity of this matter. I also welcome his action in rescinding the Executive Order which threatened the confidentiality of individual tax returns.

But, there still is much more to be done!

And the appointment of another "blue ribbon" panel to study privacy will not suffice. For we have had our studies, and held our hearings. Now we must legislate and enforce the laws.

For Watergate-type invasions of privacy, the laws are already on the books. But they must be obeyed and enforced.

For computer-caused invasions of privacy there are no laws on the books. Here we must enact legislation to safeguard the constitutional rights of our citizens from cybernetic invasions.

Congress, in introducing computer data legislation has made some progress towards protecting individual privacy. And, I anticipate further legislation aimed at such areas of abuse, potential and actual, as police surveillance, credit data misuse, and the erosion of the confidentiality of news sources, tax returns, and other personal freedoms.

The need for effective legislation is especially urgent in the area of computer data banks. I believe the data collecting systems utilized by the federal government and private industry present the gravest threat of all to individual privacy in this country.

Data banks are collecting an enormous amount of information about millions of American citizens. Senator Sam Ervin, Chairman of the Senate Subcommittee on Constitutional Rights, estimates that in the federal government alone, there are 1000 different major personal computerized data banks.

The Federal Bureau of Investigation maintains more than 190 million criminal and civil files on American citizens. And millions of additional files are kept by other federal agencies.

The amount of information the government can collect on individuals is virtually unlimited. Harvard Law School Professor Arthur Miller, in his book "The Assault on Privacy," suggests that it will soon be technically feasible to store a 20-page dossier on every single American. And these dossiers would comprise in total a tape less than 5,000 feet long.

Despite the existence of this data and the unlimited possibilities of its future misuses no comprehensive legislation protecting citizens against potential abuse exists. In effect, the nature, use and distribution of all this information is uncontrolled.

The possibility of inaccurate, incomplete, unjustified, or improperly disseminated information threatens immeasurably the privacy of every citizen.

The most threatening example of potential abuse is perhaps the Federal Bureau of Investigation's National Crime Information Center. The F.B.I.'s data bank is fed by a computerized network designed to receive and store information from all 50 states through 40,000 federal, state, and local agencies.

This depository of information will likely contain the names and records of all those individuals arrested for any cause. And, since an estimated 50,000,000 Americans now have arrest records, implications of such a data bank are obvious.

Since the master computer is not required to show if an arrest led to indictment or trial, let alone to conviction, the records of many innocent individuals may end up in these files.

The danger of having arrest records centrally available for checking by government and private employers is inculculable.

And, more than arrest records can be fed into the computer. Raw materials, not evaluated for accuracy, could be supplied to the data bank.

We must not allow such potential for infringements of privacy to go uncontested!

History reminds us of the tragedy and inadequacy of the sole reliance of citizens upon the virtue and restraint of those who hold power and have access to data regarding individuals.

Societies in which freedom is valued have sought institutionalized legal safeguards to check arbitrary invasions of individual privacy and to secure personal privacy.

In Congress, a first step has been taken to protect our personal privacy while also recognizing the legitimate concerns of criminal justice agencies.

The Criminal Justice Information Control and Protection of Privacy Act of 1974, Senate 2963, of which I am a co-sponsor would:

First, impose certain restrictions upon the type of information which can be collected and disseminated by law enforcement agencies on the federal, state and local levels; and secondly, place limitations upon the interchange of such information among such agencies and outside the criminal justice community and otherwise protect the privacy and reputation of persons about whom the agencies have collected information.

The passage of this legislation would mark a good beginning. But, its fate is as much in your hands as mine.

I feel so strongly about protecting the right of privacy of all Americans that I shall be sending to every member of the Massachusetts Bar a copy of the remarks of Senator Ervin when he introduced Senate 2963; the Protection of Privacy Act, together with a copy of my remarks tonight. Fred Fisher, the President of the Massachusetts Bar Association has been kind enough to offer me the mailing list of the Bar Association.

But this mailing alone will serve little purpose, unless the members of the Massachusetts Bar respond to the urgent questions and problems outlined, either individually or jointly, by pressing for more legislative action in the Massachusetts General Court and in the United States Congress.

I hope that the members of the Bar will share with their fellow attorneys throughout the country their concern as well as their suggested remedies. Such action can spur the American Bar Association to greater vigilance in safeguarding our cherished liberties.

The impact of concerted and ceaseless efforts to oppose unwarranted invasions of privacy should not be underestimated.

The courageous leadership of our own State government is a splendid example for the nation. May I commend Governor Sargent, and the General Court of Massachusetts for consistently opposing the federal information programs which were deemed unconstitutional infringements upon the privacy of the Commonwealth's citizens.

In 1973 the Bay State refused to join the F.B.I.'s Computerized Criminal History data bank until the F.B.I. adopted proper privacy safeguards. Also, in 1973 Massachusetts refused to allow the White House Special Action Office for Drug Abuse Prevention to collect individual identifying information on all Massachusetts patients in federally funded drug treatment clinics.

In both instances in face of federal punitive action, the Commonwealth refused to yield. And, twice the Commonwealth succeeded.

I hope that Massachusetts will continue to provide exemplary leadership by continuing the process of educating and inspiring the people of the Commonwealth, and the citizens of the nation to protect and cherish their imperiled liberties.

The results of our inaction and the continued acquiescence of the American people are too tragic to ponder.

In "Cancer Ward", his powerful indictment of the Soviet system, Alexander Solzhenitsyn portrays a society in which the right to individual privacy is subverted and destroyed by the State. He wrote:

"As every man goes through life, he fills in a number of forms for the record, each containing a number of questions . . . There are thus hundreds of little threads radiating from each man, millions of threads in all. If these threads were suddenly to become visible . . . people would lose all ability to move."

It has been said that a dictatorship of dossiers and data banks, is no less a dictatorship than one of hobnail boots and truncheons.

Discerning a balance between freedom and order is the burden of every age as it confronts its tensions and challenges. For a society in which the privacy of the citizen is only grist for official data is indeed Orwell's "1984." and we are but a decade from there.

In the end, good may emanate from the anguish and distress of recent events. Our consciousness of the potential dangers which beset our most personal liberties may be aroused. And through this consciousness there can be a reassertion of public morality, the intangible ideals and values which give purpose, integrity, and trust to our national life. Herein lies the ultimate protection of our liberties.

And herein lies your challenge and mine. Let us together meet this challenge without hesitation or trepidation.

Thank you.

PERSPECTIVE ON AGING

Mr. PELL. Mr. President, I would like to commend to my fellow Senators an excellent article, which recently appeared in "Perspective on Aging—A Publication of the National Council on Aging." The article is by Dr. Louis Lowy, Ph. D., who is a professor of social work at Boston University, and a nationally recognized authority on the social situation of elderly persons in America today.

I would like to point out a significant part of this article which relates specifically to the status and image of older people in this Nation today. Dr. Lowy correctly notes that this Nation does not highly value the attributes which the elderly possess, nor does it consider elderly persons to be a resource of information and wisdom, which they most surely are.

I believe that Dr. Lowy accurately assesses the senior center as an institution in its own rights, which can provide the elderly with an important base of operations in the community at large. I know that senior centers will soon play an important role in communities throughout this Nation, and deserve our full support as they start up and seek funding. The first step toward support is understanding, and I strongly recommend this article to my colleagues.

Mr. President, I ask unanimous consent that the article, "The Senior Center—A Major Community Facility Today and Tomorrow" from the March–April edition of "Perspective on Aging" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SENIOR CENTER—A MAJOR COMMUNITY FACILITY TODAY AND TOMORROW

(By Louis Lowy, Ph. D.)

THREE QUESTIONS TO THINK ABOUT

Senior Centers are a relatively new response to a large complex of conditions in which older people find themselves today. Senior Centers tomorrow ought to become a major community facility which helps shape conditions in our society for the old and the young. How can we get from today to tomorrow? Three questions come to mind which I will deal with briefly.

What are the conditions in which older people find themselves today?

It has to be recognized that there are at least five variables which differentiate older people:

Older people vary from age group to age group. Some are late middle-aged, between 50–60; others are people in their "late maturity," between 60 and 70; and others are 70 and older;

Socioeconomic backgrounds vary and have influence upon the way older people's needs are expressed;

Personalities vary and are revealed in the way older people respond to and adjust to aging;

Ethnicity varies and with it the subcultural values held toward aging; and

The communities in which older people live, including rural and urban communities, have different values and resources and these differences affect the needs of older people. We also have to keep in mind that the needs of the aged today will not be the same as the needs of the aged of tomorrow. Conditions and values change in our society, and the aged themselves will reflect these changes.

Throughout life man strikes a balance between his losses and his gains. During the later years, however, people are faced with an increase of losses and a decrease of gains. The "margin of safety" for the older person becomes considerably reduced. Older persons, at least those beyond age 65, face loss of income and work, loss of roles and status, loss of physical health and loss of friends and relatives.

The gains which an older person can utilize are those of experience and wisdom, new roles such as grandparents and, perhaps the greatest gain of all, the realization of having lived and endured through difficult times. Older people can become the symbol of man's endurance and man's ability to prevail in the face of vicissitudes.

But our society is still youth- work- and achievement-oriented, and the older person's gains are not highly valued. Prestige is measured by a person's income, work, health and marital status and since older people generally can't compete with the young in these considered prestige areas, they face loss of status and role deprivation. Consequently, many older people respond to these conditions by withdrawing from intergenerational activity.

In seeking to discover the universal needs of older people, Dr. Leo Simmons, an anthropologist at Yale University, studied 71 existing cultures and found five universal needs that pertain to all older populations. These are:

To live as long as possible;

To participate meaningfully in life;

To have rest from the "humdrum" tasks of life;

To hold on to prerogatives acquired earlier; and

To depart from life in dignity with the prospect of a pleasant life hereafter.

We have to move toward a balance which recognizes the strengths of older people. This requires group validation—that is, the acceptance by younger people of older people in their own right. Group validation in a society is accomplished through society's institutions. In summary, all older people, regardless of the variables mentioned have three universal needs:

Material and physical security;

Social and psychological security; and

Group security, a sense of being linked with the community, with the young and the old.

To meet the first need is the function of our pension programs, insurance policies, social security and health programs. The second and third needs can only be met through provision of services at the community level. The Senior Center can be one of those institutions. It can become a major social institution for the elderly which is rightfully theirs, as much as all other age groups can claim social institutions as their own.

What is the concept of the senior center today?

The Senior Center of yesterday was a recreational facility primarily meeting the needs of recreation and socialization. From these beginnings it moved toward becoming a community facility with additional services of counselling, information and referral. Today it is a community facility which not only provides a series of services, but also establishes links to other existing community institutions such as nursing homes, hospitals, clinics, schools, and employment agencies. It accomplishes this through exchange of personnel, through provision of its own personnel and through the training of others. It is a facility which offers a series of health, welfare, educational and recreational services to older people in the community. It is open at least five days a week and it attempts not only to make these services available but to bring older people and the services together. Older people themselves are engaged in planning, directing, and carrying out such activities.

Some specific services of the Senior Center today can be categorized into four groupings:

1. Direct services to older people.
2. Services offered to and through other institutions.
3. Community action with and on behalf of older people.
4. Training, consultation and research activity.

The type, nature, quantity, and quality of these services will vary from Center to Center. Not all such services are contained in one Center nor must they be. Needs of communities vary, their responses vary, and these elements must be balanced with the time, energy, money, and staff necessary to establish a Center. Following are some examples of the kinds of services under each of the categories.

1. Direct Services—Building centered and/or controlled:

Information and referral.

Health information and health care.

Nutrition education.

Housing application clinic.

Directory of services.

Relocation services.

Employment opportunity information.

Part-time work opportunity information.

Retirement preparation services.

ACTION—volunteer jobs information.

Medicare Alert information.

Foster Grandparents program management.

Green Thumb projects.

Meals-on-Wheels programs.

Friendly visiting.

Homemaker services.

Consumer information.

Recreation.

Informal education.

Community service projects (citizenship projects).

Personal counselling (casework).

Group work (small group approach).

And many others.

2. Services Offered to and through Other Institutions—such as hospitals, housing projects, nursing homes, and rehabilitation centers:

Bring together existing institutions for the delivery of appropriate services.

Establish Golden Age Councils.

Set up and arrange for home-care programs with hospitals, housing projects, and other institutions.

3. Community Action:

Planning for community projects and programs.

Planning to coordinate facilities and making them accessible to older people near places where they reside.

Identifying new needs and new problems.

Representing the interests of older people as a group (e.g. at public hearings) through advocacy.

Setting up a legislative information service.

4. Training, Consultation, Research: For Aged and Non-Aged:

Training younger volunteers for a variety of functions.

Training home aides.

Training personnel in social work, education, and nursing.

Training older people as volunteers and parttime personnel.

Consultation to community institutions related to needs and problems of the elderly.

Serving as centers for research, applied and basic.

There are few, if any, Centers which have such a fully developed array of services. Some have emphasized recreation, others informal education, and some, information and referral services. In 1963, the Welfare Administration of the Department of Health, Education and Welfare, developed a definition of Senior Centers which included at least three of any of the following five services—recreation, adult education, health services, counselling services, and information and referral services. These suggestions served as a framework for the community in canvassing the needs of older people and in developing priorities based on the needs.

What is the concept of tomorrow's senior center?

While we give our energy and attention to today's Senior Center, we should have a vision of tomorrow's Senior Center as well. A Senior Center should serve as a community facility to provide services on a coordinated, continuous, and comprehensive basis and thereby reduce fragmentation to a minimum. Such a Center would be able to deliver services where they are needed and when they are needed.

Since services and people have to be brought together, it is essential to develop not only adequate services per se, but also an adequate delivery system so that older people, especially those in the low-income group, can take advantage of them. This requires existing health and social welfare agencies and institutions under public and voluntary auspices to join in a common effort to create a "mobile service center for older adults." This Senior Center of tomorrow will combine the aforementioned services and deliver them to older people wherever they reside—in their own homes, in rooming and lodging homes, in housing developments designed for older people exclusively, in nursing homes, or in institutions for older people. The crucial aspect is that such services must be delivered in such a way that older people can take advantage of them according to their needs and state of health at the time they need the services. This could mean a twenty-four hour, seven days-a-week operation. In many other countries, this is indeed the case.

Such a Mobile Service Center would require that personnel of a variety of disciplines—social workers, nurses, physicians, clergymen, and adult educators—develop a team-approach in order to reach out to older people wherever they live. Older adults also should be involved as team-members. Indeed, they may be able to perform important functions in the delivery of services since they know of their own needs and are likely as well to know of the needs of their peers.

Human service workers have to assume a liaison function to bring together the various disciplines so that an effective team-approach can be developed to avoid the pitfalls of jurisdictional disputes. They will be required to work individually and with other professionals in order to bring services and people together. Old-line agency and professional boundaries will have to give way to a concept of integrated services. Many older people suffer from loneliness and social isolation. Golden age clubs—while eminently worthwhile for those who are more gregarious—are not the answer for all, as our national experience has demonstrated. Social workers and others have to work painstakingly to assist older people in forming small group contacts and relationships (as has been demonstrated in the South End of Boston under the aegis of the United South End Settlements, Inc.) to counteract the isolation in which many find themselves. Efforts have to be made to assist older people in finding their way through the cold, anonymous world of modern bureaucratic structures to avail themselves of the increasing services made possible by federal and state legislative programs. A Mobile Service Center can assist immeasurably, since its staff would be sensitive to such problems. A service such as this could also develop programs which would bring young and old together in common efforts such as learning a skill or serving others. How else can the young develop a positive image of the elderly and close the gulf that exists between the generations? Attitudes towards aging and the aged will only change for the better when those who are young can be exposed to those who are old in common endeavors and pursuits.

A Senior Center must become a core-institution (in the sociological sense of the term) which is truly identified and visible as an indigenous facility of the elderly. Children have their schools, young and middle-aged adults have their institutions, whether in the world of work or in the world of leisure. Somehow, older people have become excluded from most of them and their world has become identified as the Nursing Home and the Old Folks' Home. The Senior Center can indeed become a community institution for all the older people whether "needy" or not. It is identified with well-ness and not with debility. This can be enhanced by linking it with younger people through joint projects which have meaning to old and young. Youth would work with the elderly on their own "home ground" and they in turn could reciprocate by working with young people on their "home ground." Thus a base for identity would be established and intergenerational communication would be facilitated. This may lead to opportunities to develop new roles and a new status for the elderly simply by being aged in their own right. A Center can become a springboard for learning new roles such as making a contribution in new service roles such as home-health aides, foster grandparents, friendly visitors, and tutors to children, to name a few. Needed by our society, such roles can raise the status of the elderly on their own terms and would lead to the establishment of new relationships with the community. Instead of isolation and alienation, a sense of belonging would result because older people have a stake in the community again, which would be manifested to them by community acceptance.

The uniqueness of the Senior Multipurpose Center lies in its ability to facilitate, coordinate, and simplify the various essential services needed. Some day, every community will have a Senior Center as every community has a school. It will be part of the "normal" line of community institutions. It will be as natural for older people to use the Senior Center as it is for children to go to their school and for the middle-aged person to go to work and use his work affiliation as a means of identity. For this reason, we must be willing today to expand our imagination and to explore new goals and new directions. The first important step is to establish these goals and a commitment to move towards achieving them. The strategy of projection ultimately is the strategy of combining in a realistic way that which will be, that which may be, and that which we want to be.

NATIONAL HISTORIC PRESERVATION WEEK—PART III

Mr. BEALL. Mr. President, this is the third statement I have made in a series designed to coincide with National Historic Preservation Week. On Monday, I began a discussion on the Historic Structures Tax Act (S. 2347) which I introduced on August 3, 1973. This legislation was referred to the Senate Finance Committee which has to date, scheduled no action. In the interim, I am pleased to note that 13 of my colleagues have joined in cosponsoring this legislation. In addition, this legislation has received the endorsement of various State and local agencies, historical societies, and other organizations seeking to preserve our Nation's historical treasures.

Following the introduction of S. 2347, I received a large number of letters from governmental agencies; national, State, and local historical organizations; and interested individuals. A recurring theme which appeared in various forms throughout most of these letters was summed up in a quote by the late Dr. Henry Nelson Snyder, who said that:

> An institution which tends to forget its past will soon have a past not worth remembering.

In a letter to the chairman of the Senate Finance Committee, Mrs. Elinor Stearns, assistant to the administrator of the Octagon—a National Historical Landmark administered by the American Institute of Architects Foundation, Inc.—stated:

> To what extent, and under what conditions, we can hope to protect our environment and architectural heritage in a meaningful and adaptive manner is up to specula-

tion. Yet, what is real is our unique opportunity to do something constructive NOW before the wrecking ball takes its toll—and along with it, tangible and material symbols of our past with which we are able to identify.

This is not to say that all "old" buildings are viable and must be preserved but, rather, that those buildings which are potentially adaptive—as so many are—should be treated in such a manner as to encourage preservation, and not destruction. S. 2347 provides such incentive.

As long as this bill sits in your committee, you too are contributing to the waste of our environment and to the destruction of our precious heritage. If Congress has not the ability, motivation, or foresight to protect our heritage, who indeed does?

I was pleased to note that the Land Use Planning Committee and the Regional Open Space Technical Advisory Committee of the Metropolitan Washington Council of Governments approved a resolution of support for the Historic Structures Tax Act.

Mr. President, I ask unanimous consent that the text of this resolution along with the selected letters I have received from national and State preservation organizations, various State and local officials, and so forth, be printed in the RECORD at the conclusion of my remarks and I would once again urge the Senate Finance Committee to expedite consideration of this important legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTION IN SUPPORT OF THE HISTORICAL STRUCTURES TAX ACT OF 1973

Whereas, one of the most attractive features of the Washington Metropolitan Area is its large number of sites of historic significance, its architectural diversity, and its impressive open space system; and

Whereas, the Metropolitan Washington Council of Governments has through its development policies and planning program recognized the importance of these elements as a valuable resource of the area worthy of promotion and protection; and

Whereas, the Historical Structures Tax Act of 1973 (S. 2347) introduced in the Senate by Senator Beall of Maryland and the Environmental Protection Act of 1973 (H.R. 5584) introduced in the House by Representative Conable of New York are designed to achieve, by amending the Internal Revenue Code, the following three objectives:

1. Encourage the preservation of historical building sites and structures certified by the Secretary of the Interior, as listed on the National Register of Historic Places, or within a district listed on the National Register, or on the inventory maintained by state and local jurisdictions,
2. Encourage the rehabilitation, rather than the demolition, of existing structures for compatible and where possible profitable reuse,
3. Encourage charitable transfers of property for use as parks, open spaces, or other conservation purposes; and

Whereas, these objectives will serve to support COG in its effort to preserve the character and improve the quality of life within the Washington Metropolitan Area

Now, therefore, be it resolved, by the Regional Open Space Technical Advisory Committee and the Land Use Policy Committee of the Metropolitan Washington Council of Governments that the Committee support Congressional efforts aimed at promoting the principles of historic preservation and open space conservation and urges a thorough consideration of S. 2347 and H.R. 5584 by the Congress in the light of these principles.

NATIONAL TRUST FOR
HISTORIC PRESERVATION,
Washington, D.C., November 28, 1973.
Honorable J. GLENN BEALL, Jr.,
U.S. Senate.

DEAR SENATOR BEALL: I have been most pleased and encouraged to receive a copy of your recent letter to Gordon Gray and to read the details of your Historic Structures Tax Act.

Much of the recent history of the kind of demolition that is homogenizing urban scenes throughout the nation can be attributed to tax treatment that has favored destruction over rehabilitation. Your proposal is one that would go far toward rectifying this inequality and encourage a more logical and sensitive attitude toward the preservation of landmark structures. I compliment you on initiating such a sound and imaginative program.

Gordon Gray wrote you that he has now relinquished the chairmanship of the National Trust for Historic Preservation. His contributions to national historic preservation in terms of leadership, legislation, and dedicated personal interest have been nothing short of spectacular. As I embark on my new assignment as his successor, I do so with great confidence that our efforts at the National Trust will be supplemented by legislative assistance from persons such as you, who perceive that the ultimate benefits of urban preservation must really grow from solutions to the fundamental problems of practical rehabilitation.

I shall look forward with keen interest to news of your scheduled hearings, and to meeting you. I am a native of your state and was born and brought up in Hagerstown. In addition, I had the pleasure of working with your father when I was Deputy Under-Secretary of State in the late 1940's and early 50's.

Sincerely,
CARLISLE H. HUMELSINE, *Chairman.*

NATIONAL TRUST FOR
HISTORIC PRESERVATION,
Washington, D.C., November 7, 1973.
Hon. J. GLENN BEALL, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BEALL: The National Trust for Historic Preservation is most pleased to know of your support for amending the Internal Revenue Code by the provisions contained in S. 2347, the Historical Structures Tax Act of 1973.

The National Trust was pleased to have worked with the Tax Policy Advisory Committee of the Council on Environmental Quality when it was conducting its 1970–71 study of the effect of federal tax policy on our environment. We are pleased to note that the provisions of S. 2347 are identical to those sections of H.R. 5584 which relate to historic structures.

We support the provisions of S. 2347 and urge the prompt scheduling of hearings before the Senate Finance Committee.

The enactment of this legislation would be among the most significant contributions to the conservation of our worthy man-built environment during our nation's Bicentennial era.

Sincerely,
JAMES BIDDLE, *President.*

INSTITUTE OF EARLY AMERICAN
HISTORY AND CULTURE,
Williamsburg, Va., October 16, 1973.
Hon. J. GLENN BEALL, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BEALL: I am very grateful to you for your letter of October 5, calling attention to S. 2347, the Historical Structures Tax Act of 1973, which you have recently introduced. I have also read your more detailed statement from the Congressional Record and the full text of the proposed act. The legislation you have proposed is in my judgment extremely desirable and most appropriate in this period of the Bicentennial.

That part of the legislation that would encourage owners to preserve and, if necessary, rehabilitate historical structures through tax advantages has, I think, a number of very desirable features. Among them I would include the following:

1. It would, as I understand it, encourage private owners to preserve their historic buildings, thereby making possible the preservation of individual buildings of historic importance that are not so situated so as to be conveniently included among the properties administered by an organized historical restoration, historical society, or the like. This is extremely important in situations where a valuable historical building is located in some isolation from similar structures.
2. The legislation would, moreover, by encouraging more restoration activity by private individuals, take some of the burden off restorations, museums, historical societies, or state and federal agencies who are already hard pressed to preserve and maintain the historic properties currently under their jurisdiction.
3. The additional amount of preservation that would result from the bill would be accomplished at very small cost to the federal government.
4. To me an important—and relatively hidden—benefit of the legislation is the extent to which it would encourage the preservation of buildings that would then be occupied and used as residences or for appropriate business activity. As much as we need organized restoration and preservation activity, in which the buildings are used only for exhibition to the public, this approach works best for sites of major importance or for large clusters of buildings. The men responsible for administering such properties are themselves the first to admit, moreover, that they must work very hard to prevent such buildings from becoming museums that convey very little sense of having been lived in and from seeming frozen and lifeless. Buildings preserved by persons who would continue to use them (which your legislation would encourage) would have the advantage of giving these historic properties that sense of life, vitality, and continuity with the past that is, I think, the highest goal of historic preservation.

I very much hope that the legislation will be favorably acted on in this session of Congress. If there is anything further that I can do to support it, I should be happy to do so.

Sincerely,
THAD W. TATE, *Director*

SUBCOMMITTEE ON LEGISLATION,
COMMITTEE ON HISTORIC RESOURCES/AIA,
Washington, D.C., October 29, 1973.
Senator J. GLENN BEALL, Jr.,
U.S. Senate,
Committee on Finance,
Washington, D.C.

DEAR SENATOR BEALL: I am writing in response to your letter of October 5, 1973, on the Historic Structures Tax Act of 1973. As a member of the National American Institute of Architects Committee on Historic Resources and Chairman of the Subcommittee on Legislation I would like to confirm the AIA endorsement of this legislation.

With respect to both preservation and appearance problems in our environment, there is no better way for renewing our declining communities than private economic incentive, particularly when meshed with orderly, planned government action. Specifically, our present income tax laws encourage real estate ownership and investment. Pending legislation, such as S 2347, may add preservation incentives. Real estate taxes are currently encouraging continued community deterioration. Real estate tax now rises when existing buildings are preserved, improved or even well-maintained—this should be replaced by escalating taxes for deterioration, possibly boosted by assessments and fines. Our local governments should make negligence unprofitable. There could be no quicker way for improving some of the country's worst neighborhoods, stabilizing declining areas, and protecting those that are still good.

Sincerely yours,

Donald B. Myer,
AIA, Chairman.

Organization of
American Historians,
Bloomington, Ind., November 1, 1973.

Senator J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: Thank you for informing this office of the proposed Historical Structures Tax Act. The objectives are in harmony with those of the Organization of American Historians, the largest organization of historians specializing in American history, and I see no reason to believe that the the tax power could not be used effectively for these objectives as it has been for many others.

I am bringing your letter to the attention of the chairman of our Committee on Historic Sites, Dr. Clement M. Silvestro, the Director of the Chicago Historical Society. The Committee serves as liaison between the OAH and local and federal agencies interested in historic sites. You may wish to call upon Dr. Silvestro for assistance.

With best wishes.

Sincerely yours,

Richard S. Kirkendall,
Executive Secretary.

Agricultural History Society,
Washington, D.C., December 28, 1973.

Hon. J. Glenn Beall, Jr.
U.S. Senate
Washington, D.C.

Dear Senator Beall: The Agricultural History Society is pleased to learn of S. 2347, The Historical Structures Tax Act of 1973. We believe that this legislation would be of benefit in the preservation of historical buildings. At the same time, we believe that its provisions should be extended only to those structures certified by the Secretary of the Interior.

It is our hope that this Act would encourage the development of Living Historical Farms. These farms, depicting agriculture as it was at a particular time in a particular area, are a rather new development in the historical and museum field. Legislation which would encourage their development, as we believe your bill would, is most desirable.

We hope that your bill will become law.

Sincerely,

Wayne D. Rasmussen,
Executive Secretary.

Maryland Bicentennial Commission for the Commemoration
of the American Revolution,
November 6, 1973.

Senator J. Glenn Beall, Jr.
Old Senate Office Building
Washington, D.C.

Dear Senator Beall: May I thank you and congratulate you on introducing S. 2347, the Historical Structures Tax Act of 1973. It is certainly worthy of consideration by the Congress and I feel it will be well received.

As Chairman of the Maryland Bicentennial Commission, I see every day the importance of the preservation of historic buildings and it is only during our time that these buildings can be saved. Certainly when we celebrate our Tricentennial they will all be gone unless we do our job and do it now.

Again, I commend you for your well thought out proposal and I wish you every success.

Sincerely,

Louise Gore,
Chairman.

Maryland Historical Trust,
Annapolis, Md., November 14, 1973.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: Thank you for your letter and supporting materials of October 5th, concerning Senate Bill 2347, the Historical Structure Tax Act of 1973.

Your letter and copies of the bill will be sent to our trustees and our county committees for comment and support. I will gather these comments from those concerned and forward them on to you. Should you need expert witnesses and testimony in this area, I would suggest Mr. Brice M. Clagett of Covington and Burling, chairman of the Maryland Historical Trust.

Thank you again for involving the Trust in these important preservation matters. Your continued support and concern in this area is most welcome and greatly appreciated. Please feel free to call upon this office at any time. If we may be of further service, we would be pleased to help.

Sincerely,

Arthur C. Townsend, *Director.*

Maryland Environmental Trust,
Baltimore, Md., October 30, 1973.

Hon. J. Glenn Beall, Jr.
U.S. Senate,
Old Senate Office Building,
Washington, D.C.

Dear Senator Beall: I note with great interest and approval your introduction of the Historic Structures Tax Act of 1973. As one of our volunteer Trustees, Mr. K. King Burnett of Salisbury, has noted in his October 24 letter to you, we are keenly interested in this proposal as we are presently seeking to develop a conservation easement program in Maryland.

I have enclosed, for your interest, the draft of a booklet on easements which we hope to publish this fall. Our goal is to encourage gifts of easements to charitable organizations or to governmental instrumentalities as a means to preserve ecologically valuable areas in the State.

We have found that the federal income tax deduction, available to donors of easements, is a powerful incentive encouraging easement gifts. However, the fact that the restriction on the land must be perpetual in order to qualify for the deduction has, to some extent, discouraged otherwise interested persons. Your proposed amendment to § 170(f)(3) of the Internal Revenue Code to provide for the deductibility of the value of the easement where its duration is not less than thirty (30) years is an excellent proposal and would be a meaningful improvement to the existing law. I am quite sure that this change, if enacted, would substantially increase the incentives to donate interests in land to preserve open space.

The Environmental Trust applauds your sponsorship of this bill and we urge you to press for its passage If we can be of any assistance in this regard we would welcome the opportunity to provide it.

Sincerely,

Paul Allen.

House of Delegates,
January 4, 1974.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Glenn: I read with interest your letter of December 5, 1973 and statement before the Congress pertaining to Senate Bill 2347, the Historical Structures Tax Act of 1973.

It appears that this proposal has a great deal of merit since it goes a long way in preserving our history, stimulating our communities and providing for more open space.

I certainly hope that you are successful in this endeavor.

Sincerely,

John Hanson Briscoe.

Anne Arundel County,
Annapolis, Md., October 15, 1973.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: The Anne Arundel County Department of Recreation and Parks has reviewed Senate Bill 2347 and feels this legislation may have a measurable impact upon our Parks, Open Space and other related areas. We certainly have a very strong interest in the preservation of historical buildings since our County, because of its early settlement, is so richly endowed with these types of structures.

We generally endorse the bill, because of these reasons, for we feel that the positive aspects will more than offset some unattractive features, such as a loss of revenue, etc.

I will confer with the Office of Finance and the Office of Budget concerning any thoughts they may have and possibly may have additional comments in the future.

Sincerely,

John A. Makell, Jr., *Director.*

Department of Housing
and Community Development,
Baltimore, Md., October 26, 1973.

Subject: Historic Structure Tax Act of 1973,
S. 2347.

Senator J. Glenn Beall, Jr.,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Beall: In reference to the subject legislation discussed in your letter of October 5, 1973, I am very pleased to learn that you have introduced a bill designed to encourage the preservation of National Register approved structures and the rehabilitation of older structures through certain tax credits. As you know, one of our primary objectives in many renewal areas in Baltimore is the rehabilitation of existing buildings. Rehabilitation preserves the architectural quality and variety of the City and also preserves community structure, a less tangible but very important aspect of rehabilitation as opposed to large-scale demolition.

S. 2347 is a very positive step to encourage private rehabilitation which is so necessary to the substantial renewal of the City. In view of the current low level of renewal program funding, I believe the tax provisions of the subject bill can provide a significant boost to the rehabilitation efforts of individual property owners. The provisions relative to the write-off of rehabilitation expenses for income-producing structures listed on the National Register is an excellent means of supporting preservation of the City's architectural character as well as promoting private investment in these notable structures.

Section 202 will provide a reasonable deterrent to the demolition of important structures and hopefully suggest the utilization of these structures for practical purposes. Finally, it appears that the provisions of Title IV will offer a more flexible mechanism than currently exists for charitable contributions of property. This is a key preservation tool which, I believe, would prove very beneficial to the private contributor and the public.

After passage of the legislation, I would urge that the changes in tax regulations enacted by this bill be compiled in a publication which can be made available to affected property owners. Publicity of these changes will encourage a much wider utilization of these benefits.

The use of the country's tax laws as recommended in S. 2347 will serve many taxpayers well. I fully support the objectives and provisions of the bill and wish you success in the passage of this legislation.

Sincerely,

R. C. Embry, Jr.,
Commissioner.

Charles County Planning Commission,
La Plata, Md., October 23, 1973.

Hon. J. Glenn Beall, Jr.,
U.S. Senate.
Washington, D.C.

Dear Senator Beall: This letter is written in reply to your letter of October 5, 1973 concerning legislation relative to historical site preservation.

I believe that the proposed legislation would enable and encourage owners to preserve rather than demolish the heritage of our forefathers. The Counties of Southern Maryland are richly endowed with historic and archeological areas which could very well disappear from our landscape with the pressures as they are today in this twentieth century. Furthermore, I find that your proposed legislation will accomplish not only the objectives of the President and the Congress but the policies and goals of numerous historical societies of Southern Maryland.

With kindest regards, I am,

Respectfully,

James E. Redmond,
Director of Planning.

Frederick County Planning and Zoning Commission,
Frederick, Md., October 24, 1973.

Hon. J. Glenn Beall, Jr.,
Russell Building,
Washington, D.C.

Dear Senator Beall: Thank you for the copy of the Congressional Record giving your presentation and the analysis of S. 2347, the Historic Structures Tax Act of 1973.

This is certainly important and needed legislation that will assist both the public and private sector in implementing local long-range and historic preservation plans. I hope to bring the bill to the attention of fellow professionals and through our newsletter, County people interested in historic preservation and conservation of open space.

In reading the analysis, much mention was made of preserving structures in urban areas. While this is most important, I hope that when the bill is passed and implemented that administrators, etc., will take note that many noteworthy historic structures are located in rural areas and by their remoteness often neglected or forgotten until someone notices that they are gone.

Again, thank you, and if I can be of any assistance please call upon me.

Respectfully yours,

Lawrence W. Johnson, *Director.*

Prince George's County,
Upper Marlboro, Md., October 24, 1973.

Hon. J. Glenn Beall, Jr.
U.S. Senate,
Washington, D.C.

Dear Senator Beall: I was pleased to receive your letter of October 5 pertaining to the proposed Historical Structure Tax legislation that you have introduced. It is my personal opinion that constructive use of our tax system to achieve desirable social objectives is essential. Unfortunately, our tax laws too often permit and, in fact, encourage effects that are inconsistent with national goals and objectives. In short, I wholeheartedly endorse the principles and general approach outlined in the bill you have sponsored.

I believe you will be interested in knowing that the Prince George's County Council also has before it legislation that would utilize its taxing authority to preserve historic site and structures, unique natural areas, private open space, flood plains and conservation areas, and proposed parklands. The mechanism under consideration is a tax credit which would be provided by the County to property owners who are willing to grant scenic easements for the preservation of such areas. A copy of the bill is enclosed for your information.

The opportunity to review S. 2347 is appreciated. We shall watch its progress through Congress with great interest.

Sincerely,

John J. Garrity, *Chairman.*

The Board of Education of Somerset County,
Princess Anne, Md., October 30, 1973.

Hon. J. Glenn Beall, Jr.
U.S. Senator,
Washington, D.C.

Dear Senator Beall: I feel sure that many people on the Eastern Shore of Maryland share with me a sense of gratification for your sponsorship of Senate Bill 2347.

We have many historical structures on the Eastern Shore which served as locale for early historical movements. Unfortunately, they are fast disappearing because of the financial sources available to persons and organizations interested in preserving such structures.

I hope that the members of the Finance Committee will share your views and present a favorable report.

Thank you for your continued interest in the affairs of your Maryland constituents.

Sincerely,

George F. Carrington,
Assistant Superintendent.

St. Mary's City Commission,
St. Mary's City, Md., October 23, 1973.

Senator J. Glenn Beall, Jr.
U.S. Senate, Congress of the United States,
Washington, D.C.

Dear Senator Beall: I want to thank you for your kind letter of 5 October concerning your introduction of S. 2347, The Historical Structures Tax Act of 1973, and enclosing the related and very interesting excerpt from The Congressional Record. We have looked this over and are convinced it can be a very helpful and important piece of legislation for preservation or conservation projects.

For the St. Mary's City Commission, in its efforts to preserve and develop Maryland's original settlement and first capital, this legislation can be of very significant assistance particularly in obtaining scenic easements along the shores of St. Mary's River. The very great scenic qualities of this beautiful river can most likely be saved only through largely charitable grantings of scenic easements.

Your great interest in this matter is greatly appreciated. We send you our thanks. We strongly support this legislation.

With best wishes, I am

Sincerely yours,

Robert E. Hogaboom, *Chairman.*

City of New Carrollton,
New Carrollton, Md., November 1, 1973.

Hon. J. Glenn Beall,
Senate Office Building,
Washington, D.C.

Dear Senator Beall: I apologize for the delay in commenting on your letter of October 5, 1973 regarding S. 2347, the Historical Structures Tax Act of 1973, which you introduced in the Senate in August of this year.

My delay in responding to your letter in no way should be taken as a lack of interest in this very vital piece of legislation. Indeed, I am very concerned with any legislation that can "re-invigorate our communities and make additional open spaces available for the use of our people." The legislation such as you propose is indeed commendable and you have my full support in your objectives. I heartily endorse the recommendations delineated in the Congressional Record of August 3, 1973 and will keep my fingers crossed that the Congress will see fit to enact this needed legislation.

I hope that you will keep me informed of the status of this bill as it moves through committee.

With warm personal regards, I am

Very sincerely yours,

Jordan L. Harding, *Mayor.*

STATE AGENCY ALLOCATIONS

Mr. McCLELLAN. Mr. President, the staff members of some Senators have made inquiry concerning the allocation of money to State agencies under my proposed amendment to title I of the Elementary and Secondary Education Act.

I would like to state for the Record that my amendment would retain completely the Senate committee's formula for allocation of funds to State agencies under title I.

Those allocations are to aid handicapped children, migrant children, and institutionalized neglected and delinquent children. My amendment will not change any part of the committee's formula for money to those groups.

Under the Senate formula, and in existing law, State agencies receive 50 percent of their average per pupil expenditure in Federal money for title I. My amendment retains this same provision.

The following table, based upon computerized estimates by the Congressional Reference Service, shows the distribution of ESEA Title I formula funds according to S. 1539 and the McClellan amendment. This table aptly illustrates that the significant differences between S. 1539 and the McClellan amendment are in the LEA grant program—part A—and in the repeal by the McClellan amendment of part B—special incentive grants—and part C—high concentration urban-rural grants. State agency grant funds for the handicapped, migrant, and institutionalized neglected and delinquent children are the same under both S. 1539 and the McClellan amendment.

The money used to fund part B and part C grant programs will not be lost. Instead, under the McClellan amendment, it will go back into the money available for LEA grant programs—part A—thereby increasing the amount available for LEA grants.

Mr. President, I ask unanimous consent that the table be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Distribution of ESEA Title I Formula Funds According to S. 1539 and McClellan Amendment

Total Appropriations Level, $1,885,000,000 under S. 1539[1]; $1,885,000,000 under McClellan Amendment[2]. (President's FY–75 Budget Request).

Set Aside BIA, Trust Territories, and Outlying Areas, 3 percent under S. 1539; 3 percent under McClellan Amendment.

State Agency Grant Programs, $188,200,000 under S. 1539; $188,200,000 under McClellan Amendment.

LEA Grant Program (Part A) $1,554,000,000, $1,620,000,000.

State Administration, $19,000,000 under S. 1539; $19,500,000 under McClellan Amendment. (The greater of either $150,000 or 1% of the sum of each State's LEA and State Agency Grants).

Special Incentive Grants (Part B), $25,700,000. Program terminated thereby increasing the amount available for LEA grants.

High Concentration Urban-Rural Grants (Part C), $73,100,000. Program terminated thereby increasing the amount available for LEA grants.

PRISONER OR TRAINEE?

Mr. PERCY. Mr. President, Mr. Benjamin Ronis, associate editor of the Constructor, a monthly magazine published by the Associated General Contractors of America, has sent me the April issue of that magazine. In that issue, Mr. Ronis has written a very perceptive and timely article outlining the history of prison labor, and the ways prison labor has been used in England and in this country to the benefit of not only the prisoners, but also to the society to which they return.

I am especially interested in this article because I believe it makes a strong case for S. 2161, the "Work Your Way Out of Prison" legislation which I have introduced. I am hopeful that this legislation will enjoy the support of forward-looking labor and business organizations, such as those mentioned in Mr. Ronis' article.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRISONER OR TRAINEE?

Up to within the last 50 years, prison labor in private enterprises was an accepted phenomenon, both inside and outside the walls. Society and the legal system condoned the various mechanisms that allowed private business to obtain prison labor at little or no cost. Although all kinds of businesses used prison labor, from garment making to dairy farming, probably the one that received the greatest publicity in its use and treatment of prison labor was road building. The tales of abuse connected with the chain gangs building roads became the subject of many a folk-ballad and even a crusading movie of the 1930's. The abuse of prisoners was unconscionable, and many advocated abolition of these practices.

The growth of the union labor movement and more enlightened attitudes toward the care of persons incarcerated for violations of the law combined to hasten the demise of the chain gang system. By the 1930's prison industries were prohibited by law from competing with private enterprise, and the practice of allowing inmate labor to be sold to the highest bidder forbidden. At the Federal level legislation was first enacted which prohibited the hiring or contracting out of the labor of any prisoners in any Federal penal institution. Executive Order 325–A, issued in 1905, requires all Federal government contracts to prohibit the use of prison labor in the fulfillment of these contracts.

Soon most states enacted statutes following the Federal example. Today the revulsion against outside use of prison labor has become so great that prohibitions against its use are routinely inserted in legislation authorizing the construction of public projects. In 1958, Public Law 85–767, authorizing Federal aid to highway construction prohibited the use of offender labor except those on probation or parole on any Federal-aid highway project. Similarly, in 1970, Public Law 91–258, granting Federal assistance to airport development, disallowed the use of convict labor completely on any of the projects under its jurisdiction.

While these worthy prohibitions curbed or abolished the specific abuses rampant at the time of their adoption, today these same restrictions seriously hamper the efforts of the correctional system to provide offenders with training and employment opportunities. In recent years revised public and professional expectations of the penal system have brought about a change in the goals of imprisonment.

Tradition required penal institutions merely to hold prisoners until the completion of their terms of confinement. Now both the public and correctional officials expect some degree of rehabilitation to take place. The prisoner is supposed to be prepared to reenter society with the capability to find his place without further involvement with the law. Tradition required probation and parole to provide merely some form of nominal supervision. Today it is expected that the experience of probation and parole will provide the released offender with positive assistance in making the adjustments to reenter society.

But these new standards for upgrading the behavior of recently released offenders requires that they have skills and training needed to compete for employment opportunities. It is now clear that skills must be taught to offenders either during their incarceration or the period of probation and parole.

In 1970, President Nixon by executive order authorized the Law Enforcement Assistance Administration [LEAA] to formulate for the first time national standards for crime reduction and recidivism. LEAA Administrator Jerris Leonard appointed the National Advisory Commission on National Criminal Justice Standards.

Before delving further into the recommendations of the Commission, a look at the experience of the British building industry in this respect may offer some reassurance of its merits. In the United Kingdom an agreement was reached recently covering official cooperation between the government, trade unions, and private construction contractors for a large scale training effort.

On June 1, 1973, Lord Colville, Minister of State, Home Office, and Sir Kirby Laing, chairman of the National Joint Council for the Building Industry [NJCBI] signed an agreement on prisoner training in the construction trades. The NJCBI is the British equivalent of the AGC. Under the terms of the agreement, training received while in prisons or borstals (juvenile correctional facilities) will be officially recognized by both construction employers and trade unions. The Council has also agreed to recognize the certificate of achievement which each trainee receives while in prison or borstal as counting toward the normal time required to serve an apprenticeship in the building trades. The NJCBI and the British Prison Department have also agreed to set up joint local advisory councils to take an interest in the training of people selected for building courses and their employment in the trade upon their release from prison or borstal. The agreement is an important step forward in the treatment and training of people in custody and their resettlement in the community. At present about 1,300 people trained in courses which cover brickwork, carpentry, painting and decoration, plastering, plumbing, electrical installation and general installation and general building operations.

Syllabuses follow the recommendations of the Construction Industry Training Board and practical work is available on the actual sites where new Prison Department structures are being built.

For some time British building trades unions have recognized these courses of instruction and practical work. They accept as members discharged prisoners and borstal trainees who have reached an appropriate standard of skill, and they help in their resettlement in jobs in the construction industry. More than 700 people have already been accepted for membership in unions and found jobs in this way. But until now there was not any official agreement that involved the contractor groups, the construction labor unions, and the government.

During this same period however, the U.S. construction industry has not been idle. Over the past three years a number of similar voluntary efforts along the same lines have been promoted here.

LEARNING TRADES

One of these training projects is the Gulf Coast Trade Center at New Waverly, Texas. Here in an old Civilian Conservation Corps camp deep in a national forest, 100 young men from age 14 to 19 are learning construction skills. The trades taught are those of electrician, plumber, carpenter, painter, operating engineer, and construction laborer.

The young men are screened out of hundreds of referrals from juvenile courts and County Detention Centers in a 13-county area around Houston, Texas. The camp has facilities for 200, but the program has only enough funding to accommodate 100 trainees. While the training program is an alternate to detention, the judges and court officers do not make it mandatory, according to John Driscoll, the program director at Gulf Coast, Mike Buzbe, is the Trade Center's deputy director, an old hand at apprentice programs, from the AFL-CIO Building Trades Dept. Instructors at the Center are all furnished by the various construction unions, although paid by the center. As a result the entire program is accredited by the construction unions. The whole period of trade training can be applied toward the completion of a full union apprentice program if the trainee desires to do so after leaving the Center.

Gulf Coast Trade Center is funded by three agencies; the Law Enforcement Assistance Administration, (LEAA), the Model Cities program, and the Texas Criminal Justice Council. Mr. Driscoll estimated that about 85% of those enrolled complete courses lasting anywhere from six months to one year. Of those that complete this initial training, the center has been able to place about 80% with local contractors, where they can then complete the full apprentice programs for journeyman classification. These youngsters also receive academic training which is applicable toward a high school diploma so that those desiring to go on to college may acquire the necessary credits.

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[1] Computerized total estimate of S. 1539 is accurate within 1.67 percent of total appropriations level.

[2] Computerized total estimate of the McClellan Amendment is accurate within .05 percent of the total appropriations level.

Elsewhere in the U.S. are similar apprentice programs involving juvenile offenders. A joint venture between the Operating Engineers, Carpenters, Painters, Plasterers, and Bricklayers' Unions operates a school for these construction trades called "Operation Outreach." Funded by the Job Corps, these unions are contracting to take a certain number of technically delinquent youngsters from 16–19 years of age and teach them construction skills.

Asked to comment on the oft-mentioned complaint that the construction industry is perhaps being asked to absorb a greater amount of these offenders than the professions, Mr. Driscoll commented, "The construction trades normally require a great deal less academic background than the professions such as law, medicine, and engineering do. However, we have seen young men come out of here and use the money earned on a construction job to pay their way through law and medical school. So in a way construction is helping these professions as well as the youngsters."

FLOYD RIDDICK'S "SENATE PROCEDURE"

Mr. METCALF. Mr. President, recently delivered to our desks on the Senate floor and yesterday delivered to our offices is the latest volume on Senate Procedure. This 1974 revision by the Parliamentarian of the U.S. Senate, Floyd M. Riddick, is the latest compendium of Senate precedents and Senate proceedings compiled by our Parliamentarian. I hope that every Senator will place his office copy in a convenient location for ready reference. This latest revision of Senate Procedures not only contains all the precedents that have been established since the last edition but lucidly sets forth the various and complicated procedures under which we operate.

Floyd M. Riddick, our Senate Parliamentarian is recognized as one of the leading experts on parliamentary procedure in the world today. His experience, his pragmatic knowledge of how to make a legislative body function and his scholarship combine to make this most recent edition of Senate Procedure an indispensable volume for every Senator, for every student of congressional operations and for every researcher into the various Senatorial votes.

The organization of the book is designed for practical use and the index is comprehensive.

I congratulate Dr. Riddick on his contribution to our Senate activities and suggest that the Senate is fortunate to have a man of "Doc" Riddick's erudition and understanding to help us in our parliamentary activities.

THE PRESIDENCY

Mr. HANSEN. Mr. President, the nationally recognized and honored columnist, William S. White, has some comments on the Presidency which deserve wide attention.

I ask unanimous consent that his column from the May 4, 1974, Washington Post, be printed in the Record:

There being no objection, the article was ordered to be printed in the Record, as follows:

The Presidency Has Been Twice Stained

(By William S. White)

To any man not blinded by passion against or for President Nixon these are sad days in Washington.

The disclosure of the White House transcripts may or may not lead to his impeachment (indictment) by the House of Representatives and his trial by the Senate. What is to happen to Richard Nixon personally, however, is not and never was the great and somber issue.

At stake is not a man who happens transitorily to be President but rather the health and vitality of an enduring institution called the presidency of the United States.

No matter what one thinks of the substance of these papers on the question of Mr. Nixon's innocence or guilt of any impeachable offense there can be no doubt that in their publication the institution of the presidency has been twice stained, in unrelated ways.

The nature of many of the conversations recorded is repellent especially to those who have tried to defend an institution from all harm.

The aura—almost one might say the odor—arising from these transcripts at the very least ill serves the dignity of the office and immensely serves all those who so long and so bitterly have sought to belittle all our institutions and our whole political system. The junior-grade cynics, the one-book skeptics are having a field day. This, then, describes the first of these two stains that have been cast upon the presidency.

The second is far more profound and, unlike the first, is one of those damned spots that can never be rubbed out. This is the sheer fact that the President has breached two centuries of tradition that his office has a right and duty to maintain the confidentiality of its files, its papers and its in-house conversations.

Grant that he had been under implacable pressure to "let it all hang out," to use of the charming expressions of our time. Grant that his adversaries had him between a rock and a hard place. Concede all that and the fact yet remains that he should never, never have set the precedent that he has now set.

This precedent is that from now on any President who falls into wide disfavor, justly or not, can be forced to lay open his private papers to any congressional committee, howevery fairly or however unfairly motivated.

Men say reassuringly that this situation is a unique one and that there is no need to worry that a time will come when another President may be forced to present himself naked to the country. Maybe they are right—but then again maybe they are wrong. This columnist asserts that from this day forward, the central constitutional principle of a wise and right separation of powers as between the Executive Branch and Congress is compromised. And this is tragedy. The presidency has been forever weakened, potentially so beyond rational argument otherwise.

ALL CHANNEL RADIO BILL

Mr. MOSS. Mr. President, recently, the Senate Communications Subcommittee, under the able chairmanship of Senator Pastore, held particularly fruitful hearings on S. 585 a bill to provide that all radios costing less than $15 be manufactured with equipment to receive both AM and FM stations. The bill was supported by both commercial and noncommercial broadcasters who presented a particularly well coordinated and persuasive case for its passage.

On April 25, the closing day of the hearings, the Los Angeles Times carried an editorial entitled, "Realizing Radio's Potential" which summarizes very well some of the reasons why the bill should be enacted. I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Realizing Radio's Potential

Scarcely a decade ago Congress authorized the Federal Communications Commission to impose restrictions on television manufacturers. The result that almost every television set in the United States today is capable of receiving ultra-high-frequency stations as well as the very-high-frequency channels.

Now, a similar proposal is pending in Congress to force radio manufacturers to take steps so that all radios, including car radios but excluding the cheapest sets, will be equipped to receive FM stations as well as the standard-broadcast AM stations.

It is regrettable that such a constructive step cannot be achieved without government intervention. But there appears no alternative.

The point in both cases has been to assure maximum utilization of and maximum competition between the limited number of broadcast channels. Admittedly, the situation was more critical for television because the number of regular VHF channels is so restricted. In radio there is a wider band, with more stations operating. But the full utilization will remain constricted until FM as well as AM is standard on every radio.

A particular target of this new legislation is the car radio. About 90% of home radios costing $15 or more already include FM. But only about 12% of the car radios now in service, and only about 28% of the car radios presently being sold, include FM.

There is no great cost factor in the proposal. The additional manufacturing cost for a car radio including monaural FM is less than $7 a set, according to a study conducted by a reputable research firm.

A special argument in favor of extending the FM audience is the fact that most of the nation's educational and public-service radio stations are FM. There presently are 4,402 AM radio stations, including two dozen noncommercial stations. There are 3,174 FM radio stations, including 655 noncommercial stations, among them a number in the Los Angeles area operated by universities or supported by listeners.

The communications subcommittee of the Senate Commerce Committee will conclude hearings today on this legislation, S. 585. It merits approval. It is the only way to assure prompt and effective use of the communications potential of radio in the nation.

SENATE PRAYER BREAKFAST MESSAGE OF THE HONORABLE HERMAN E. TALMADGE

Mr. PERCY. Mr. President, this morning, at the Senate prayer breakfast, our distinguished colleague Senator Herman Talmadge, presented a very moving message. He discussed very frankly the troubled times that have fallen upon our Nation, a period in which one crisis seems to overlap another, which results in poll after poll revealing "widespread pessimism . . . dismay . . . distrust . . . and even anger and cynicism about the way their Government is being run and the affairs of their country handled."

He discussed the trials and tribulations that beset our Nation at the time of our Founding Fathers and the crucial role that faith in God and recognition of a Supreme Being has played in governing the affairs of all men, particularly throughout American history.

As we face up to the problems, challenges, and opportunities of our time, let us not forget that as a nation and as a people we have agreed "In God We Trust." HERMAN TALMADGE's inspiring message, as concisely drawn as the Gettysburg Address, will be of interest to our colleagues in both the Senate and the House, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the prayer message was ordered to be printed in the RECORD, as follows:

SENATE PRAYER BREAKFAST

(By Herman E. Talmadge)

My friends, we meet this morning at a time when it seems to me that the American people are disconcerted and troubled by the times which have fallen upon our nation.

It is almost as though our country has been cursed by bad fortune in the past decade or so.

The terrible war in Vietnam pitted the people against the government and the government against the people, and neighbor against neighbor.

It has been said, and I believe it is true, that the American people were never so divided since the War Between the States a hundred years ago.

Finally, an end came to our involvement in that war, and the promise of a new day appeared on the horizon.

And yet, even while the American people went about nursing emotional wounds caused by the war, and started trying to pick up the pieces and put things back together again, their hopes for a new day—free of discord and strife and full of progress for all—have been dimmed by economic instability and dissension in our government.

So, instead of rejoicing throughout the land because of the end of the war in Vietnam, we find that we have gone from one crisis to another.

Poll after poll reveals widespread pessimism . . . dismay . . . distrust . . . and even anger and cynicism about the way their government is being run and the affairs of their country handled.

When only about half of the American people say they are satisfied with the way the future looks to them, something is badly wrong.

When people regard government as an object of distrust and even fear, it indicates to me that those of us in positions of leadership—leaders in government at every level—have a great deal of fence mending to do.

This of course is not the first time the United States has faced a crisis in either our fiscal affairs or in government.

Trial and tribulation have been constant companions in the growth and prosperity of the American republic that we now enjoy.

It has been true from the time that the Founding Fathers labored over the organization of a new nation, and on down through history—through wars, depression, and internal strife.

But, we outlasted these crises and finally put them behind us, and went on to bigger and better things.

So long as we adhere to the fundamental principles that inspired our nation in the first place, and which have been handed down and protected through the ages, I am confident that we will continue to survive and, as in the past, move forward to a better life and a stronger country for the benefit of the American people.

Difficult times and travail were no strangers to the Apostle Paul. He knew them well all his life.

In his constant quest for righteousness and perfection in the eye of God, Paul never imagined that he was able to attain these noteworthy goals.

But, as he said in his Epistle to the Philippians:

"This one thing I do, forgetting those things which are behind, and reaching forth unto those things which are before, I press toward the mark . . ." (Philippians 3: 13)

I find reading the 23rd Psalm, so well known to all of us, very appropriate and comforting in this time in which we now live.

This is probably one of the most powerful psalms ever written by David.

In its approach to life, it reflects a positive position—a position of hope and faith.

Henry Ward Beecher said the 23rd psalm is the nightingale of all psalms . . . and nightingales sing sweetest when night is the darkest.

In speaking of the 23rd psalm, recall the first line:

"The Lord is my Shepherd."

We might ask ourselves this question: We all know the psalm, of course, but how many of us know the shepherd?

It is my view that no nation or any other people are more bound to Divine Providence which has guided our affairs since the first permanent colonists settled at Jamestown in 1607, than the United States or the American people.

Faith in God and recognition of a Supreme Being which governs the affairs of all men are as much a part of the history of the American nation as the Boston Tea Party or the signing of the Declaration of Independence.

George Washington put it well in his first inaugural address on April 30, 1789:

"No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of man more than those of the United States. Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of Providential agency."

And Washington went on to say, "He has been pleased to favor the American people. . . ."

Every President after Washington also recognized God in their inaugural addresses, as well as the need for His guidance.

Thomas Jefferson, the statesman and President, acknowledging and paying tribute to the benefits to be derived from Divine Providence said, "With all these blessings, what more is necessary to make up a happy and prosperous people?"

Lincoln, directing our nation in one of its most trying periods, called for "intelligence, patriotism, Christianity and firm reliance on Him who has never forsaken this favored land."

These Presidents reflected the faith of the Founding Fathers.

During the Constitutional Convention in 1787 in Philadelphia, Benjamin Franklin pleaded with the delegates that each day's session be opened by prayer.

Wise old Dr. Franklin quoted the psalm: "Except the Lord build the house, they labor in vain that build it."

"All of us must have observed frequent instances of a superintending providence in our favor. To that kind providence we owe this happy opportunity of consulting in peace the means of establishing our future national felicity. And, have we now forgotten that powerful friend? Or, do we imagine that we no longer need his assistance?" Franklin told the delegates.

The fact is, the American people have leaned on Divine Providence from the time they first landed on these shores, and the need is no less today . . . and it will not be lessened by tomorrow.

It is often said that out of adversity comes renewed strength and a revitalized spirit.

It is also true, I believe, that patience and humility in bad times are far more desirable and valuable than comfort and devotion when things are going well.

If we follow the teachings of the Gospel according to Saint Matthew, we will take one day at a time, and each day do the very best we know how.

At the same time, we need to recognize and have faith that God's concern for us far exceeds whatever concern we may have for ourselves.

In the words of Martin Luther, "A mighty fortress is our God, a bulwark never failing . . ."

I would like to leave you this morning with this thought expressed in the Sermon on the Mount:

"Therefore I say unto you, Take no thought for your life, what ye shall eat, or what ye shall drink; nor yet for your body, what ye shall put on. Is not the life more than meat, and the body than raiment? . . . .

"Seek ye first the kingdom of God, and His righteousness; and all these things shall be added unto you.

"Take therefore no thought for the morrow: for the morrow shall take thought for the things of itself. Sufficient unto the day is the evil thereof."

A TRIBUTE TO THE VERY REVEREND MICHAEL M. ZEMBRZUSKI

Mr. HUMPHREY. Mr. President, the Very Reverend Michael M. Zembrzuski came to America in 1951 with $36 in his pocket, and a dream.

The dream was to inspire the Polish-American Community of the United States to build an American Jasna Gora—a sister shrine to the Shrine of Jasna Gora, located in the city of Czestochowa, Poland, and which, for centuries, has been the spiritual capital of the Polish people and the Polish nation.

The Shrine of Jasna Gora in Poland has always been an obstacle in the path of complete domination and suppression of the Polish people. Thirty million of the 32 million population of Poland are devout Roman Catholics.

In 1966 an event occurred in the United States that received national and international recognition and acclaim.

A large segment of the Polish-American community in the United States had rallied round the Reverend Michael M. Zembrzuski, with money and support, and on Sunday, October 16, 1966, the American Jasna Gora—the National Shrine of Our Lady of Czestochowa—was dedicated as the Shrine of Poland's Millennium of Christianity (966–1966) and as a monument to Christianity on the free soil of America by John Cardinal Krol, in the presence of the President of the United States and his family, dignitaries, and more than 135,000 people.

This accomplishment astounded the Polish Government, and served notice upon them that the ties that had traditionally linked Poland to the United States since the days of George Washington and the Revolution had been strongly reinforced and reaffirmed.

More than 600,000 people come to the

Shrine annually, to pray and to enjoy or participate in a full calendar of religious, civic, cultural, and ecumenical events.

The shrine is a place for spiritual fulfillment and human renewal; but it is also a repository of Polish culture and tradition that a proud and loyal group of ethnic Americans want to preserve for themselves and their children, and to share with their fellow Americans.

In a country that was founded under God, and looks to God for guidance and inspiration, the National Shrine of Our Lady of Czestochowa is proof that the religious freedoms which our forefathers sought and established are still alive and flourishing today.

The Very Reverend Michael M. Zembrzuski, OSP, who is 65 years old, celebrated his 40th anniversary as a priest and his 40th anniversary of service to people of all faiths on March 30, 1974.

Mr. President, it is most appropriate that in honor of Polish Constitution Day, which is observed each year on May 3, that we recognize Fr. Zembrzuski's great contribution to the great mosaic of American culture and heritage.

INFLATION

Mr. HANSEN. Mr. President, it is rather ominous and disturbing that there is talk of indexing as a means of combating inflation.

Obviously, the trouble with this approach like all the legislative attempts to stay or circumvent laws of supply and demand is that it does not treat everyone fairly. There are always some imbalances in the overall economic situation at any time, and it is impossible to devise a system that covers everyone and everything fairly and equitably.

Painful though it may be, the wisdom of Federal commitment to a balanced budget cannot be denied.

I respectfully direct my colleagues' attention to the article, "Climate for Indexing?" written by Hobart Rowen. In light of the current debate on anti-inflationary measures, those of us on either side of the indexing questions should find Mr. Rowen's article of interest.

Mr. President, I ask unanimous consent that the article, "Climate for Indexing?" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Climate for Indexing?

(By Hobart Rowen)

Milton Friedman, as I wrote a few weeks ago, has stimulated a lively controversy by suggesting that the way to beat inflation is to use a system of wage and price escalators.

This is sometimes called "indexing," and would be modeled on what is said to be a successful, long-time experience in Brazil.

Most economists who have expressed a public opinion on using escalators to compensate for inflation are against the idea, arguing that it will make matters worse.

But the steady upward march of prices creating the worst inflation in this country since the first World War—gives the idea of indexing at least some surface credence.

One uncontestable fact is that some segments of the public right now get the benefit of indexing, while others do not. Thus, some 4 million members whose leaders were far-sighted enough to get cost-of-living clauses written into their contracts get a measure of protection against inflation.

But since such contracts are still the exception rather than the rule, COL escalators simply become part of higher costs that everyone else has to pay. To take one example, auto workers get a COL adjustment under their contract. That leads to higher prices for cars that must be paid by purchasers whose wages were not similarly "indexed."

Critics of the Friedman proposal range in ideology all the way from liberal economists Arthur M. Okun and Robert R. Nathan to conservatives like Chicago banker Gayland Freeman and retiring Treasury Secretary George Shultz.

Nathan says that indexing "could become a real rat race, with everyone carrying around his own portable computer to check the figures to see he gets his fair share."

Shultz not only agrees that all increased costs "would be built in automatically," but protests that the Brazilian experience isn't applicable to this country in the first place.

It is true that there are great differences between their system and ours. One major one—not noted by Friedman—is that the indexing system there is designed to protect the value of capital investment rather than wages.

Thus, the Brazilian government establishes in advance what the upper limit of wage advances can be, and that is all the collective bargaining process is allowed to work out.

Those who are familiar with what has actually taken place in Brazil say the Government will typically establish 15 per cent as the anticipated rate of inflation, and thus assume a major political commitment to do no worse than that.

Having gone that far, according to a U.S. government source, the Brazilian Government has had to establish controls to give the appearance of success. The result has been black markets, with actual rises in prices under the indexing system perhaps double the officially stated increase.

Says Chicago banker Freeman: "The figures that the Minister of Finance puts out are suspect."

It is easy enough to put aside the notion of emulating Brazil, which is a dictatorship under the Army's thumb. The achievement, under indexing, of a GNP increasing by annual rates of 10 per cent for six years in a row (if the figures are believable) is hardly enough to compensate for a non-democratic form of Government.

But the idea of distributing the burden of inflation more equitably doesn't have to be associated with the anti-social character of the Brazilian Government. David R. Shelton, a Washington attorney, who once raised the question of indexing U.S. savings bonds, says in a letter:

"I have always wondered why our Federal government has been so solicitous to grant cost of living pension increases to retired bureaucrats. . . . and so determined to effectually confiscate the life savings of those little people suckered into putting everything they can accumulate into Series E bonds."

Another correspondent, Harold Robinson of the Agency for International Development, points out that escalator adjustments for inflation have been used in Israel, Bolivia, and Colombia, as well as Brazil.

Shultz' basic argument is that acceptance of indexing would be admission that the "extraordinary 10 per cent rate of inflation" that we've had for a year is "something we are willing to live with."

"I think it is more credible to say 'No, we're not going to have that here in this country' " Shultz said in an interview.

It appears to me that there are three alternatives to the indexing idea:

First, we can continue as we're going with the anti-inflation responsibility saddled on the Federal Reserve Board. The hope would be that with a mild recession, high interest rates, and no worse than 6 per cent unemployment, inflation could be checked.

Second, an even tougher kind of austerity could be enforced, with unemployment pushed to 9 or 10 per cent to break the inflationary cycle.

Third, there is Nathan's proposal for "a year or two of tough but flexible and fair controls to break the spiral."

Inasmuch as all signs point to continuing inflation despite the Fed's efforts; and because no one is ready to advocate a depression; and because even Nathan admits that current support is about zero for controls, the demand for escalators—whether the solution is sensible or not—will grow. The climate is right.

THE RICHES OF OUR BEING

Mr. MOSS. Mr. President, recently several energy authorities have indicated that our energy crisis may be a blessing in disguise. It has made each of us more aware that our energy supplies are limited. We have become aware that the wasteful use of the world's natural resources is unacceptable. As a result, conservation measures have been encouraged. Certain aspects of our lifestyles have changed.

To some this has created alarm. However, if we can place our energy situation in proper perspective, we need not panic. In fact, an awareness of the real meaning of life may occur by slowing down a little. The reckless abandon with which Americans have pursued all aspects of life in recent decades certainly has not enhanced the "riches of our being."

On May 15, 1974, the Common Carrier section of Salt Lake Tribune carried an article by Mr. Ted J. Parkinson entitled "New Golden Age for Man—Thanks to Nation's Energy Crisis." Mr. Parkinson teaches conservation and natural history for the Brigham Young University, Salt Lake City Center and is a park naturalist at Yellowstone National Park during the summer.

Common Carrier is an important source of opinion on public issues and appears as a regular column in the Salt Lake Tribune. The Common Carrier board of lay editors represent a cross-section of the Intermountain Area.

Mr. President, because of the appropriateness and thought-provoking nature of Mr. Parkinson's article to our present energy problems I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

New Golden Age for Man—Thanks to Nation's Energy Crisis

(By Ted J. Parkinson)

The present energy crisis is the best thing which could happen for us at this time. Now we can plainly see that our world is finite; our resources are limited; and we have been guilty of extravagant waste for no good reason.

For a long time, most of us have believed that happiness depended on what I call "The Riches Of Having," that happiness is possessing more and more things, that there are not enough things to go round and that we must compete to get everything first, or at least second or third.

Skillful psychologists, "depth researchers," created advertising campaigns which persuaded us that we could gain a sense of identity, purpose, creativity, self-realization, and even sexual pleasure just by the buying of things. As a result, we have been buying billions of dollars worth of things every year, not because we really needed them, but because we were persuaded that was the best way to cope with guilt feelings, fears, hostilities, anxieties, loneliness, inner tensions and worries.

HIGHEST STANDARDS

So, now we have the highest standard of living in the world, the longest roads, the most autos, radios, TVs, stereos, automatic dishwashers, vacuums, and electrical gadgets of all kinds, and millions of American women have closets full of clothes, "and not a thing to wear." Monarchs of past ages would have given half their kingdoms for some of the things which even our poorest people take for granted. In getting our possessions which we quickly throw away, we have used up nearly half of some of the most important resources of the earth. In getting our possessions to soon throw away, we are consuming 50 times as much energy as did our grandparents, but we are still not happy or satisfied.

Half the hospital beds in the United States are for mental problems of one kind or another. We have the highest per-capita consumption of pep pills, tranquilizers, wake-up pills, sleeping pills, and headache pills. Addiction to alcohol and other narcotics is increasing. Crime and vandalism, suicides and runaways are increasing. All these symptoms of a sick society indicated that there is something wrong with our way of life that an even higher standard of living and more and more possessions would not cure.

CAN'T BE MET

We are like a narcotic addict who has to quit but doesn't want to. Our mania for consumption in the United States has put so heavy a drain on our natural resources that our demand for more goods cannot be met within the United States, but must be filled by huge imports from other countries. Our rate of consumption is certainly not for the rest of the world to aim for. Our rate of consumption and waste can only take place when 6 percent of the world's population is allowed to consume nearly 50 percent of the world's production of vital resources.

Allowed is the right word as the Arabs have reminded us. Mania is the right word, too. A while ago one prominent U.S. Senator said we should go over there and teach them a lesson because we have to have that oil. In the first place, it is their oil; it is not ours to take. In the second place we don't have the money to buy a lot more oil because our national balance of trade is in poor shape. In the third place, the Arabs don't have to trade oil for our depreciated dollars faster than they can spend those inflated dollars. In the place, as good businessmen, the Arabs should not sell all their oil at once. They should plan to have oil to sell in 50, or a 100, or 200 years—and so should we.

MUST IMPORT

Oil is just one of many non-renewable resources which we must import in huge quantities if we are to continue present extravagant and criminally wasteful ways. We have used up 40 percent or 50 percent of the world's resources in just a few generations. The rest of the world will be increasingly reluctant to let the U.S. squander the rest of their resources. The non-renewable, resources are limited. Some are almost gone. Some others will be gone in a generation or two at our present rate of waste.

The so-called underdeveloped countries want to follow our example because they do not realize that it is a horrible example. It is time for us to about-face and lead the world in a new direction. We see exhaustion of resources, widespread pollution, and social disintegration because we have been looking for happiness in the wrong direction. Now we are rediscovering the old secrets rediscovered by Confucius, Krishna, Buddha, and Jesus Christ. Happiness does not depend on increasing possession. Happiness is a state of mind which comes from living in harmony with our basic nature. Man's basic nature is to cooperate, that is, to love. How good we feel when we do a favor for someone. We are part of each other. There is only one race of mankind, only one earth, with limited resources, and it belongs to our children, too. There is enough for us and our children, too, if we start using our resources wisely.

A NETWORK

Civilization is a network and an accumulation of knowledge, understanding, honor, honesty, trust, loyalty, courage, cooperation, and goodwill which has been built up through the ages. We are just the bridge between the generations. All the good from the past has been freely given to us. We may find great joy in passing it along, added upon. As a very wise man said in Proverbs 20:7—"The just man walketh in his integrity, and his children are blessed after him." Happiness is a by-product of beneficial human relations from the past, through the present, into the future.

We can make some changes in our way of life and still enjoy all the advantages and opportunities of this marvelous age and pass on a better world for coming generations, whose world we are living in.

For example, we must greatly reduce our consumption of energy. Thanks to the Arabs—and our own major oil companies—we are solving that problem much sooner than we would otherwise have done. By eliminating half the horses under the hoods of our cars, and by driving them more years and more miles, and by developing and using a good system of public transportation, we could eliminate the present energy crisis.

We are reducing air travel and air freight because the jet planes use 60 times as much energy to transport a ton of freight as does a train or a ship. We are wasting so much energy because most of our buildings are not insulated properly. By converting our waste newspapers into fireproof cellulose and putting at least 10 inches of it into our attics and roof, we could save 50 percent on our heating and air conditioning bills.

More and more of us are abolishing physical and psychological obsolescence. Things are to use as long as possible, not just to keep up with the Joneses. If more of us used everything as long as possible, we would eliminate the energy and resources crisis and reduce pollution, too.

MUST REDUCE

We must greatly reduce air and water pollution. Some people, in some places, have solved one or another of the problems of pollution by stopping the use of air and water as a place to dump the pollutant byproducts of our so-called highest standard of living. Poisoned air and poisoned water are poor trade-offs for more possessions to consume which don't really make us happy anyway. But it does take time to build the pollution control equipment, install it, and train the operators. We are developing the collective will to insist that this be done for all pollutants everywhere as it is now being done for some pollutants in some places.

Never has any people consumed and thrown away so much waste, and yet possessed so little. We have been obsessed with all the gadgets and products available. We have been like grown-up children with poorly chosen toys, throwing them away because they gave no real satisfaction and getting some more of the same or later models, to throw away for the same reason. As for solid waste, we will abolish the term, and the waste. Waste is a resource out of place. Solid waste, including garbage and sewage has been found to be so valuable that it should be made a public utility. Salt Lake City and County could reduce taxes by millions of dollars by reclaiming and recycling everything, as some communities are already doing.

LIVE IN MEANS

By making these changes in our way of life, we will be able to live within our reasonable energy and resource means without spoiling any more the heritage of our children. Anthropologists have observed that many many primitive tribes work only a few hours a day to make what for them is a good living. They have much leisure time to enjoy pleasant human relations, conversation, games, dancing, art, and music. Necessity is now forcing us to do the same. Fortunately, not everyone will want to do this at once. But hundreds of people every week are dropping part way out of the old rat-race by working fewer hours to make a living and then taking more hours every week to enjoy pleasant human relations by being the bridge between the generations as well as each other, to read, study, learn and expand awareness all their lives. In the long run this is the only way to solve the coming unemployment problems, and what a pleasant way it is!

This is what I call "The Riches of Our Being." Real joy, real happiness comes from linking in to the great stream of civilization by adding to the good. One great psychiatrist said. "Half the world is dying for lack of love —and the other half is dying because they will not give love." More of us are learning. We have noticed that the Volunteer Service Section of the newspapers is expanding. Membership in service organizations is increasing.

This is expanding awareness. We are not only part of mankind; in a way we are mankind, past, present, and future. Necessity is forcing us to relearn the old lessons faster. The Arabs, and our own major oil companies are helping to initiate the Golden Age for Mankind.

TELEVISION OF AN IMPEACHMENT TRIAL

Mr. HANSEN. Mr. President, as the possibility of the President having to stand trial before the Senate of the United States is debated, the collateral issue of the advisability of televising that proceeding if and when it might occur, arises.

Thus, it seems appropriate to reflect upon the objections to such a televising made by Mr. Paul A. Porter, a Washington attorney and former Chairman of the Federal Communications Commission.

Mr. President, I respectfully request that Mr. Porter's article, "Impeding the Process of Justice," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMPEDING THE PROCESS OF JUSTICE

(By Paul A. Porter)

I respectfully dissent from the position of the Post that the impeachment trial of the President in the Senate, if the House votes a bill, should be televised. I agree with Professor Barron's conclusion that "televising the national torment of a President's impeachment would be unwise." This in spite of

Dean George Reedy's contention that "the presidency belongs to the people . . . and they have the right to be present at least as spectators.

This writer was present at the creation of national television and Chairman of the F.C.C. when the initial allocation of frequencies was made. Through the succeeding years, I have watched the fantastic development of this media with admiration for its growth and an awe bordering on terror for its impact. As a lawyer interested in the basic elements of due process and the right to a fair trial, it is submitted that televising the Senate proceedings could raise serious impediments to the process whether intended or not. I will not particularize the obvious.

A trial before the Senate presided over by the Chief Justice will indeed be a historic and momentous proceeding as George Reedy described. With the Chief Justice presiding, the managers for the House will have the burden of presenting their case presumably in accordance with evidentiary standards as if in court and counsel for the respondent will hopefully have the right to test that case by cross-examination and then produce probative evidence on the President's behalf as in the traditional adversary proceeding. The hundred members of the Senate will be sitting as jurors in the conventional sense. Hopefully this will be a carefully constructed, orderly procedure devoid of histrionics and sensationalism. The issues are too grave and fundamental to be exposed to such televised techniques of a Perry Mason or a Mr. Distict Attorney which give a superficial image of our processes of justice. In short, it could indeed be a dull event for a national television audience.

This is not a new phenomenon. In the early days of television, the famous Kefauver hearings were covered on live television. This prompted the late Judge Thurman Arnold to write a penetrating and provocative essay in the June, 1951, issue of the Atlantic Monthly entitled "Mob Justice and Television." Some of Judge Arnold's points seem appropriate today. A few of these are summarized:

"Trials in our courts of justice are public but the audience is so limited that the ordinary housewife can't see the show because, as we go to press, cameras are banned. I suggest that if this rule can't be changed, all the judge had to do is to hold a trial like that of Alger Hiss in the Yankee Stadium. . . .

". . . This kind of presentation [television] makes the problems of government simple enough to be understood by readers of comic strips. It eliminates the bores who are unable to discuss a public issue as a matter of black and white. When ex-Mayor O'Dwyer was testifying about the problem of crime from his vast experience as a prosecutor and a mayor, I am informed the stations were flooded with calls to get him off and put Virginia Hill back on. . . .

"The thing which I believe is overlooked by those who argue that television is a legitimate extension of our traditional public hearings is this. The reason that a criminal trial is public is not to obtain the maximum publicity for judges or prosecutors. It was not intended to make a *cause celebre* out of criminal prosecutions. It is for the protection of the accused against star-chamber methods, and for the protection of the public against secret deals and alliances. Finally, Judge Arnold reached this conclusion which seems relevant to the current discussion as to whether the Senate impeachment hearings, if convened, should be televised:

"The vice of this television proceeding is not in the way this particular committee conducted it but in the proceeding itself. Any tribunal which takes on the trappings and aspects of a judicial hearing, particularly where there is compulsory examination of witnesses, must conform to our judicial traditions, or sooner or later it will develop into a monstrosity that demands reform. Those traditions are:—

"1. It must be public and at the same time not a device for publicity.

"2. It must protect the innocent even at the cost of letting the guilty escape.

"Television has no place in such a picture. For witnesses it is an ordeal not unlike the third degree. On those who sit as judges it imposes the demoralizing necessity of also being actors. For the accused it offers no protection whatever. Former Federal Judge Rifkind recently said that our judicial procedure, 'forged through the generations to the single end that issues shall be impartially determined on relevant evidence alone, works fairly well in all cases but one—the celebrated cause. As soon as the *cause celebre* comes in, the judges and lawyers no longer enjoy a monopoly. They have a partner in the enterprise, and that partner is the press.' I would add that when television is utilized in investigations or trials, *causes celebres* will increase like guinea pigs and still another partner will be added—to wit, the mob."

The hidden agenda item in all your deliberations, of course, is the growing concern over the possibilities of impeachment and a Senate trial involving the President. One of America's most respected newspapermen, James Reston, has pronounced that such events of government should be closed to television because it might turn the trial into a nightmare; Senator Buckley and others fear a three-ring circus.

My conviction, Mr. Chairman, is that the public's presence via the television camera will preserve decorum and dignity but certainly if this trial occurs, the American people will require a first-person, unabridged view of so historic an event without having it strained and filtered through the eyes and ears of even the most responsible newspapers. Much of the confusion over the impeachment and subsequent trial of Andrew Johnson exist today because print journalists alone, no matter how skilled cannot preserve the essence and dynamics of such complex procedures. None of us here today can know whether such a trial will take place, but I can assure you that neither history nor the American public will accept surrogate witnesses to so momentous an event . . .

What you need is a plan of action, not just a removal of restrictions. Of all the more than 30 resolutions over the past 30 years from Senator Pepper to Representative Pepper, the most stimulating and potentially productive plan is S.R. 136, proposed by Senator Byrd of West Virginia. Simply stated, it suggests "a full and complete study and investigation with respect to the broadcasting and telecasting (including closed-circuit telecasting) of the proceedings of the Senate." I trust that the Senator will consider it a friendly if unofficial amendment if I add the phrase—and House of Representatives.

The wired Congress, if I may use that as shorthand for putting cameras and microphones in both chambers, and all hearing rooms, and connecting them by coaxial cable to every office, dining room, lobby and a videotape center will be expensive but will cost far less than building a modern destroyer or celebrating the bicentennial. Operating it will be less expensive than running a destroyer or an atomic submarine per year. Senator Byrd's resolution needs to be costed out and studied—now. Such a survey could be accomplished with an economy of time and funds. . . .

Now, Mr. Chairman, you will ask, "But how does wiring the Congress ultimately reach the nation? Live or delayed coverage will still be subject to the gatekeeper function of the commercial networks and even of public broadcasting." That is true, although the performance of public television and radio during the Watergate hearings was a major breakthrough in prime time coverage.

My proposal is not only to make the wired Congress available to all networks, but to leap over all those gatekeepers with their varied values and priorities and deliver the signal direct to 200 American communities. If telephone company long line and microwave distribution is too expensive, synchronous satellites made possible by this nation's maximum, costly effort in the space program will this year and in the next three years make it possible to spray television signals into every time zone simultaneously. . . .

One may ask: Why will these local broadcasters relay them to regional audiences if the networks won't? My response is—for the same series of reasons that cause some 500 different newspapers to send correspondents to Washington. These editors know that political reporting from the nation's Capitol is like regional accents and customs—different for various communities.

Debates on farm subsidies will find their audiences in Kansas, Iowa and Louisiana, while New York and Massachusetts would be more attentive to the hearings on mass transportation and urban blight. . . .

To sum up, take Senator Byrd's proposal of June 1973 seriously, combining it with Senator Pastore's proposal to commemorate our 200th birthday by opening Congress to the nation. A study on costs and feasibility would take less than six months, a decision to go could be possible in time for 1976.

SUPPORT FOR AN ECONOMIC MONITORING AGENCY

Mr. MUSKIE. Mr. President, I would like to bring to the attention of the Senate two recent comments by administration officials, Secretary Shultz and Dr. Dunlop, endorsing the concept of an economic monitoring agency to keep tabs on the inflationary dangers we face in the months ahead.

Legislation implementing this concept will be before the Senate Thursday, in the form of the Cost of Living Act which the Senate has already approved as an amendment to S. 2986. The Cost of Living Act, which I proposed last week with the cosponsorship of Senators STEVENSON, JOHNSTON, and a number of others, originally contained authority to impose standby controls. The standby control provisions were deleted by the Senate in debate last week, but the remainder of the measure—containing economic monitoring authority and provisions to allow enforcement of decontrol commitments—was approved as an amendment to S. 2986.

Secretary Shultz, in a press conference yesterday, gave a clear endorsement to the Cost of Living Act as it was approved by the Senate. According to the Associated Press wire report summary of his remarks, he said:

> The Administration supports legislation now before the Senate to turn the Cost of Living Council into an inflation-monitoring agency with power to enforce price restraining commitments given by big business and to watch over wages and prices in the economy.

And in a speech of May 6, Dr. Dunlop gave a detailed justification for the concept embodied in our proposal. He said:

> There is need for a central focus—a continuing Cost of Living Council, or similar type of organization—to work within the federal government and in cooperation with private sector institutions to explore, to stimulate and to induce necessary changes.

Mr. President, I ask unanimous consent that the AP wire report of Secretary Shultz's press conference, and a copy of the remarks made by Dr. Dunlop, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SHULTZ

(By R. Gregory Nokes)

WASHINGTON.—Americans cannot expect any relief from record high interest rates until progress is made in the fight against inflation, says outgoing Treasury Secretary George P. Shultz.

But Shultz, whose last day in office will be Wednesday, says interest rates may just about have reached their peak.

Shultz commented after the interest rate for Government short-term borrowing—in the form of Treasury Bills—hit a record 9.036 per cent Monday.

Shultz said interest rates, especially long-term rates, are being kept high by inflation and will not decline until progress is made in controlling inflation.

He indicated he agrees with policies of the Federal Reserve Board to moderate the growth of the Nation's money supply and keep a tight rein on the supply of credit, actions that are designed to restrain inflation but that also help push interest rates upward.

Meanwhile, Labor Secretary Peter J. Brennan said Monday he does not see "on the horizon any immediate solution" to the inflation problem.

After meeting with President Nixon at the White House, Brennan told newsmen: "I don't think there is any clear program" within the administration to quickly curb inflation.

Shultz, 53, will leave the Nixon administration Wednesday when William E. Simon is sworn in as his successor at a White House ceremony.

The last member of the original Nixon Cabinet still with the administration, he has been Secretary of Labor, Director of the Office of Management and Budget, and, since 1972, Secretary of the Treasury.

He told newsmen at a reception that, after careers in education and government, he expects to make his third—and probably last—career in business.

He said he has not yet made a final decision on what business to enter, but said he has received a number of good offers, job offers have included proposals from oil companies, but Shultz did not say whether these were the ones he was considering.

He said he wants a job that will allow him flexibility to continue some university work. He was Dean of the University of Chicago Graduate School of Business when he joined the administration as Nixon's first Secretary of Labor in 1969.

He also made these other points:

The administration supports legislation now before the Senate to turn the Cost of Living Council into an inflation-monitoring agency with power to enforce price restraining commitments given by big business and to watch over wages and prices in the economy.

Simon is the logical choice to emerge as the administration's top economic adviser, although he acknowledged there was no reason the position had to go to the Deputy Treasury Secretary.

In addition to his other offices, Shultz has held the rank of the Assistant to the President for Economic Affairs, a title that will not go to Simon, at least at the beginning.

TOWARD A LESS INFLATIONARY ECONOMY

(By John T. Dunlop)

Although the economy is performing surprisingly well in real terms, everyone knows inflation is a baffling persistent problem. It appears to be intractable here and abroad. Our CPI was up 10.2 percent in the period March 1973 to March 1974. The GNP deflator was up at a 10.8 percent rate in the first quarter of 1974. Inflation in the CPI in Japan was 26.3 percent in the past year and 13.2 percent in Great Britain.

The tendency of all forecasters has been seriously to underestimate inflation while showing a better record of estimates for output and employment. For instance, early in the year the forecasts for the GNP deflator in the first quarter were in the 7 and 8 percent range; the first quarter was in fact at the annual rate of 10.8 percent. While forecasts for the rest of 1974 typically show a marked reduction in this rate of inflation, it is my view that these estimates, derived from a combination of econometric models and hunch in varying proportions, still have a tendency to underestimate the extent of inflation in the second half of the year. A number of forecasters have again revised these estimates upwards recently.

I wish to propose for our discussion the nagging question of why these inflation rates, and at the same time pose the inescapable enigma of the private and public policies that are appropriate to constrain such inflation over the long term.

As an example of one view of inflation, the April 1974 Monthly Economic Letter of the First National City Bank argued against any Federal concern with monitoring private actions or government influence in particular markets as a means to constrain inflation. It held that "Inflation has little to do with the structure of private markets, which change only slowly. Rather, [inflation] depends on the relation between two growing aggregates, the level of monetary demand and the level of physical supply. When money demands grows faster than real output, the price level ultimately rises."

These views are a mirrored image of the perspective of Milton Friedman: ". . . inflation is made in Washington, in that stately and impressive Grecian temple on Constitution Avenue that houses the Board of Governors of the Federal Reserve System. Prices have been rising at faster and faster rates because William McChesney Martin and the other distinguished men who govern the system have decreed that they shall." (Newsweek, January 20, 1969, p. 78) The names and the inflation rates are different today, but the theory is unchanged.

Let it be clear that I have no doubts that monetary policy is a major tool which can restrain or stimulate the economy; indeed, monetary policy and fiscal policy are generally considered to be the major tools. But I reject the absolutism and exclusivity of this and similar analyses of inflation and its antidote, particularly for the long term.

The experience of recent years, in my view, supports the realistic judgment that monetary and fiscal policies are not sufficient tools by themselves to restrain effectively the types of inflation we have had, or that the authorities in charge of these policies—in the executive or legislative branch of government—are contrained in the extent they can use them. For the present purpose it matters little whether monetary and fiscal tools are inherently inadequate to deal with contemporary inflations or that the users are inhibited by practical considerations in their applications of these classical measures. The simple fact is that monetary and fiscal tools are not enough, and we must get to the task of developing other measures even though their contribution might be less immediate or powerful.

Another school of thought stresses that inflation is derived, or at least made more virulent, by monopoly power of certain business enterprises and labor organizations. The appropriate relief to this alleged cause of inflation is seen to be more vigorous prosecution of the antitrust laws. Organized consumer groups in the past year have often stressed this view to me, urging a greater role for the Federal Trade Commission and the Justice Department. I readily agree that a more competitive economy in some sectors is desirable. But such policies involve endless litigation and uncertainty and, accordingly, are not likely to make much of an impact on inflation. Further, the contributions of collective bargaining are not likely to be set aside by the American community in favor of extension of the antitrust laws to industrial relations. In the present setting, it has been the competitive sectors of the economy that have shown the greatest inflation.

While not neglecting the contribution of other policy tools, I would like to stress the need for a whole series of structural changes in the economy and in their relations to government in order to constrain inflation over the long pull. These structural changes take time to develop; some are major institutional changes, while others are more modest adjustments.

There is need for a central focus—a continuing Cost of Living Council, or similar type of organization—to work within the Federal Government and in cooperation with private sector institutions to explore, to stimulate and to induce necessary changes. These activities are not to be confused with jawboning or preachments. They involve, rather, seeking to get government and private groups to change their internal decision-making processes, their habits of mind and thought patterns, and their responses to their outside worlds. Such changes cannot be achieved by fiat or regulation, but must emerge from persuasion and hard experience as a series of new consensuses, both within the society and within separate economic groups and institutions.

I should like to set forth a number of examples of the type of structural changes that need to be made in government, in the government's relationships with various groups, in labor-management relations, and in business, all with the objective of creating a less inflationary economy.

GOVERNMENT

1. The single most important structural change needed in government to restrain inflation is a reorganization in the Congress to formulate coherent tax and expenditure policies and thereby to work more cooperatively with any administration toward a viable fiscal policy to constrain inflation. Many public spirited members of the Congress of both parties have been working on this matter for many years and some progress has been made, but we have a long way to go. We simply cannot constrain inflation in this country until the Congress gets its fiscal house in order.

2. There is a need for change in outdated, outmoded Federal policies which contribute to inflation in specific industries. We have a golden opportunity now to rid ourselves for the long term of the restrictive agricultural policies of the past 30 years that were engenered particularly by the depression of the 1930's. The Cost of Living Council in 1972 and 1973, somewhat belatedly perhaps, took the leadership in pushing for the elimination of many of these restrictive practices—planting restrictions, import restrictions, some provisions of marketing orders, and the like. The extent to which agriculture has been largely transformed to expansionist policies, in my view, is not fully appreciated. Yet, it is extremely important to maintain these changes in order to constrain inflation for the future, to rebuild stockpiles to provide a degree of cushion from worldwide price and crop fluctuations in the future, and to provide further counters for our foreign policy. Regrettably, there are already signs that the restrictive practices of the

past are returning. Agriculture is but one illustration of areas where government policies to encourage supply, or to stop inhibiting supply, are essential to restrain price increases.

3. The involvement of government in various sectors of our economy also dictates a reevaluation of existing private policies. In the health care area the government has come to be the largest purveyor of funds and now is seriously considering new injections of dollars and demand in the form of national health insurance. Its interventions, including Medicaid and Medicare, essentially have provided for cost passthrough and reimbursement, with the inevitable consequences of unnecessary services, inefficiencies and, consequently, more inflation. It is essential that the government's involvement in the health care field be modified to restrain inflation by requiring that prospective budgeting procedures replace automatic cost reinbursement. That was the purpose and design of our Phase IV health regulations.

GOVERNMENT RELATIONS TO SPECIAL PROBLEMS AREAS

4. The relationship of government to particular problem areas in our society warrants increased attention. For example, despite some commendable innovations in the last half dozen years, the fate of the housing industry and its fluctuations from year to year depend very largely upon general monetary policy and interest rates. There are enormous costs of instability and inefficiencies in home building which grow out of the frequent and unpredictable changes in monetary policies. A significant area for institutional and structural change is to develop ways of providing for less violent fluctuations in housing through variable mortgage and deposit interest rates, as in some other countries, or other devices to provide a flow of funds more stable for housing with consequent greater efficiency and lower costs of housing production.

5. Another of the major problems of the society where the government has a role is the interface between work and school, particularly in the age group 16–21. Reported unemployment rates of 17.0 percent for 16 and 17 year olds and 11.4 percent for 18 and 19 year olds, compared to 4.9 percent for all age groups in 1973, may alternatively be viewed as a failure of the labor market, as it usually is, or as a failure in the educational system. No amount of general economic policy is likely to make much of a contribution to this problem and attempts to do so will likely contribute to inflation. Rather, there is a definite need for considerable restructuring of the local arrangements made to bring young people of this age group into contact with the labor market, and for labor market feedback, in turn, into the educational system.

Incidentally, to include these youth in our national unemployment figures, as we conventionally now compute them, whether or not the person has previously held a job, is also to provide a most unsatisfactory and inflationary indicator for general economic problems.

6. One of the areas of policy most likely to affect long-term inflation prospects has to do with the impact of the rest of the world upon the United States through variations in imports, exports and exchange rates. I am convinced that the major lesson of the inflation of 1973 is the reality that we live in a vastly more interdependent world in primary commodities and manufactured goods than ever before. One needs to be very careful not to promote autarky, by restricting unduly either imports or exports. But, at the same time, the United States can no longer afford to be the market of last resort, as in the case of ferrous scrap—the only country to export ferrous scrap, with the consequence that our steel prices must bear the full impact of the residual decisions of all other countries.

Neither is it realistic for a domestic energy program to be entirely dependent on price policies of other oil producing countries where those policies have been used for political purposes. A world in which primary producing countries decide to raise, in cartel fashion, the prices of many other primary products is a very different one than we have previously experienced. Thus, the time has come to equip ourselves with trade policies to deal with these new conditions.

LABOR-MANAGEMENT RELATIONS

7. Today, an opportunity exists as never before for the development of imaginative machinery for the settlement of disputes over the provisions of new collective bargaining agreements in a number of industries. Basic steel and railroads have reflected this atmosphere. Yet, a good deal of further constructive work can be done in other sectors, such as paper, maritime, retail food, construction, newspapers, and the like. The many industries which conduct local or regional negotiations, with the associated whipsawing and escalation of settlements, is one of the principal ways in which collective bargaining creates inflationary pressures. Dispute settling machineries which deal with these questions, and at the same time direct the attention of the parties to their fundamental long-run problems of technological change, productivity and manpower, can be enormously constructive.

8. Within the labor area, one of the most important structural problems for the future relates to the continued growth in fringe benefits relative to the pay package. There is no doubt that following 1940 it was appropriate to develop a variety of private pension, health and welfare, and other fringe benefit plans. But the question needs to be raised whether these tendencies have not now been excessive as one considers the costs of private pension plans and as one recognizes that the tax system tends to encourage parties to put money into fringes rather than into wages where it might very well better serve the interests of workers and members. Simply stated, when funds put into the pay envelope are taxed at 30 percent or more, while monies placed into certain fringes are tax free, the tax system is biasing the bargaining processes in an inflationary manner.

9. Various structural changes are required in collective bargaining that vary from industry to industry. One illustration may be sufficient. In the construction industry it is imperative that the owners set up a more viable working relationship with the contractors in order to strengthen the management side in collective bargaining. This has never been easy to do, since the contractors feel that the owners will interfere unduly in the bargaining process and seek to eliminate "contracting out." Yet, in the absence of such working relationships, owners often tip the scales in favor of the union side by encouraging particular contractors to work through a strike or to work overtime or by setting completion schedules and volumes of construction in an area which can have only inflationary consequences. In the same way, the jurisdictions of local unions or the group involved at the bargaining table may be inappropriate to represent the best long-run interests of the members in the area. International unions have a more general and long-term perspective than local negotiators and, thereby, should have larger role.

BUSINESS PRACTICES

10. One of the most significant areas of business decision-making has to do with the timing of investment decisions. The present inflationary period has been made very much worse by company decisions not to expand capacity substantially in such industries as steel, fertilizer, paper, cement, oil refining, and the like. The fraction of Gross National Product expended on net new plant and equipment investment has been lower for many years in the United States than among our industrialized competitors. The present purpose is to second guess those decisions. It is essential, rather, to explore ways in various industries to achieve a smoother flow of investment outlays over the future. This is a most difficult matter in the framework of the American legal system. Nonetheless, a more public discussion of these issues, a government-business discussion of the capacity needs of various industries, and an exploration of the means of financing such expansion seem to me necessary in the American economy of the future.

It may very well be that in several industries, such as basic steel, the prices that would be required to attract new capital to the industry may be so high, and the inflationary consequences of such prices may be so high, and the inflationary consequences of such prices may be so great for the economy as a whole, that other means of financing modernization of capacity, such as various forms of tax and accelerated amortization and depreciation arrangements, may be preferred to constrain inflation. These issues require urgent and quantitative review.

11. There are occasions, also, when government and the business community can work cooperatively to solve problems which contribute to inflation. In the economy at most times, and particularly when operations are near capacity, there are various bottlenecks, areas of shortages and problems of efficiency and distribution within and among various sectors. At the present time special problems relating to railroad flat car availability, the production of steel for drag lines, the distribution of fertilizer, the production and distribution of roof bolts for underground coal mines, and the supply of ferrous scrap are illustrative. There is a role for the government in assisting to isolate and eliminate such inflationary bottlenecks by providing data, by bringing together representatives of sectors to make a contribution to the resolution of the problem, and by other nonmandatory means.

Both the Cost of Living Council and the National Commission on Productivity have been active in solving these problems, but both may be eliminated by Congressional inaction. The continued identification of a changing agenda of such problems and work with the sectors on these problems can make a contribution to expansion of output and supply without the imposition of mandatory controls and can reduce pressures which lead to Congressional demands for the reimposition of mandatory controls.

12. In the achievement of public objectives, the energy area is bound to be one that will remain for many years at the center of public concerns. In a whole host of ways it should be possible to encourage the generation of capacity and distribution in the energy field so as to minimize the impact upon price and inflation. In this field as in all stabilization matters, there is involved the delicate balancing of prices high enough to generate adequate supply but not so high that they represent an undue burden to consumers and an unnecessary impetus to inflation.

The Administration has proposed for the post controls period the establishment of a small Cabinet-level agency to work on some of these changes without the authority to impose mandatory wage and price controls in order to develop a less inflationary economy. These illustrations can be multiplied many times. Tomorrow and next year there will be new and different opportunities.

These activities are not to replace fiscal and monetary policy, nor are they to provide an excuse for less diligent macroeconomic policies to restrain inflation. These monitoring activities, designed to promote inflation-restraining structural changes, are to be supplementary and supportive. In some circumstances, however, they may be decisive. Dr. Arthur Okun has well made this point, although one need not accept his precise numbers: "Let me replay fiscal and monetary policy with perfect hindsight over the last two years and I don't think I could save you more than a couple of points on the rate of inflation. Let me replay agricultural policy and energy policy, however, and I'll give you five points." (New York Times, April 28, 1974, F, p. 24.)

One of the difficulties with the structural change policies here proposed lies in the failure of the discpline of economics itself. Since the 1930's the preoccupation of the core of economics has been with macroeconomic issues and models of the total economy. This area has attracted the best of the younger generation and is the center of attention in the journals and in scholarly writings. Even this body of contemporary theory is not very adequate in analyzing inflation. Abba Lerner stresses this point in the current Economic Literature in discussing Keynesian economics: "A new ball game has been established in which only direct influence on the wage unit by an incomes policy, as a kind of splint on the fractured price mechanism, can restore a free economy working at a satisfactory level of employment."

But this attention to macroeconomics has not helped the making of economic policy very much, in my view, or assisted in the concerns over individual sectors which now require attention. The academic and career field of industrial organization which treats market structures and pricing decisions, or the related fields of labor market analysis, have languished. The result is that, despite a greatly enlarged economics profession, there do not exist many first-rate specialists in microeconomic analysis equal to the challenge before us. There are only a few specialists in the academic world, in business or in government with working knowledge of the institutional structures and the operation of various industries and markets. This intellectual limitation has been a serious impediment in the generation of ideas to deal with sectoral and structural problems that are central to any operating concern with contemporary inflation.

The deficiency is even more serious since economists are not well trained, or adjusted, to pay attention to processes by which institutions change or are changed in this society. They know far too little about the ways in which managements, labor organizations, other producer groups and government agencies in fact operate and respond to various economic and political pressures or opportunities. They specialize in predicting results on the basis of varying inputs with the institutions and market structures unchanged. But a major area for anti-inflation policy concerns the understanding and inducing of such changes.

A new breed of analysts and public policy makers is required, with more emphasis on understanding private decision-making, more emphasis upon detailed data, more concentration on problem sectors, and more resort to persuasion and cooperation. The government is deeply involved in private decision making, like it or not, and the government has many counters to play, apart from any mandatory wage and price controls, and our interest groups are ordinarily sufficiently willing to participate to warrant a major effort to develop less inflationary policies for all.

CONGRESS MUST ACT TO PROTECT THE FREE FLOW OF IDEAS

Mr. HUMPHREY. Mr. President, the Senate will act soon on important legislation, S. 411, to extend postal rate adjustments, which can, in a very real sense, have a bearing on the survival of many publications which provide invaluable educational, cultural, scientific, and informational value to our citizens.

As my colleagues are aware, the U.S. Postal Service last year petitioned the Postal Rate Commission for rate increases in all classes of mail, averaging around 25 percent overall.

The Cost of Living Council approved rate increases, which became effective on March 2 of this year. A valid controversy has arisen over the effects these increases will have, especially on those specialized publications with a limited circulations.

In response to this concern, I joined with Senator NELSON and with Senators KENNEDY and GOLDWATER in sponsoring legislation which would ease the burden on second-class publications, threatened with extinction in the face of rapidly rising costs, of which postal rates are a substantial factor.

However, while these proposals addressed a great need, in my opinion they did not reach far enough in assuring our citizens of access to informational services. Therefore, on March 28, 1973, I introduced S. 1404, the Educational and Cultural Postal Amendments of 1973. My bill also sought to relieve the imminently unhealthy situation faced by libraries and others who benefit from the special or book rate fourth-class rates which apply to books, records, and films, and the fourth-class library rates on educational materials of similar nature.

I am pleased to note that the committee-reported bill S. 411, includes provision for extension of the phasing of these rates, as well as those in other classes.

Specifically, the bill before the Senate would extend to 8 years—from the 5 years authorized under current law—the period for profitmaking publications to adjust to increased rates. The period for nonprofit mailers would be extended from 10 years—the period under current law—to 16 years.

The 8-year phasing would apply specifically to: Second-class regular, special, or book-rate fourth class, and controlled circulation publications.

The longer extension of the phasing-in period would apply to: Preferred second-class, nonprofit third-class, and fourth-class library rates.

The thrust of this legislation is consonant with the provisions of the Postal Reorganization Act of 1970, which provides that the impact of rate increases be phased for those classes of mail which formerly received reduced or preferential rates by law or practice.

Mr. President, on March 20, 1974, I communicated to Senator McGEE, distinguished chairman of the committee, my view of the necessity for action to ease the impact of these large-scale increases on the educational, scientific, cultural, and political life of the country. Let me at this time reiterate my view that—

> Failure to act on this legislation will have an adverse impact on the accessibility of informational services on which a large percentage of the citizens of Minnesota and the Nation depend. The principle of freedom of speech, cherished as a foundation of our democracy, can only be enhanced and amplified by positive efforts to assure reasonable postage rates which apply to these materials and make their dissemination possible.

I hope that my colleagues on both sides of the aisle will support this important legislation.

SENATOR RANDOLPH COMMENDS KAISER ALUMINUM'S RAVENWOOD, W. VA., FABRICATION PLANT FOR ITS SEVENTH CONSECUTIVE WINNING OF THE KAISER CUP—THE CORPORATION'S TOP SAFETY AWARD

Mr. RANDOLPH. Mr. President, a significant ceremony is taking place in Ravenswood, W. Va. For 7 consecutive years, Kaiser Aluminum's Ravenswood fabrication plant is the recipient of the Kaiser Cup, the corporation's top safety award. The presentation is being made today by Ira Davidson, vice president and general manager of fabricated products for Kaiser.

Kaiser Aluminum & Chemical Corp. employs 26,200 employees at 120 facilities located in 36 States and possessions and in 18 foreign countries.

The Ravenswood award, therefore, is particularly important when viewed in an overall perspective. Competing with all other major domestic plants, Ravenswood fabrication's 2,300 employees completed 1973 with just 4 lost-time accidents while completing 4,726,347 man-hours of work. The Ravenswood employees are approximately 8.5 times safer at work than off the job.

Warren L. Cooper, works manager; Jack Hopper, fabrication operations manager; and others in the Kaiser operation are deserving of special commendation for providing the direction whereby such an outstanding safety record could be achieved. But the most credit must go directly to the employees at the Kaiser plant. Without their devotion, commitment, individual effort, and responsibility, this sustained excellence would not have been possible.

I recall so vividly an evening in 1958 in the gymnasium of the high school at Ravenswood when Henry Kaiser, the dynamic founder of the industrial complex bearing his name, was speaking at a dinner honoring the firm for locating a large aluminum plant in that area.

He said:

> We did not come here because of your valley for there are valleys as wide. We did not make the decision to build here because of your (Ohio) river for there are rivers just as deep. We are here because of your people, who have pledged that they will work with us to make this undertaking a success.

How true Mr. Kaiser's words were. The Ravenswood employees are just what Mr. Kaiser had envisioned—dedicated workers with a strong desire to perform well and bring credit upon the corporation for whom they toil.

The Kaiser management is equally proud of their fine and unequalled record. Cornell C. Maier, president and chief executive officer of the corporation, said in announcing the award that it—

Recognizes Ravenswood Fabrication's program and record in 1973 as the most outstanding in the Corporation.

He added that such an event in this very important area of Kaiser operations is rare, indeed, and for that reason is even more noteworthy.

The achievement of an outstanding safety record in such a large plant is indicative of personal desires among employes to help each other. It is this team cooperation and individual excellence that is deserving of special commendation and I am happy to add my congratulations to all of them for another year of unexcelled success.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. MANSFIELD. Mr. President, in accordance with the statement made by the leadership, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 758, S. 3267.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3267) to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes, which was reported from the Committee on Interior and Insular Affairs with an amendment.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the bill.

Thereupon, the Senate proceeded to consider the bill, which had been reported by the Committee on Interior and Insular Affairs with an amendment, to strike out all after the enacting clause and insert:

That this Act, including the following table of contents, may be cited as the "Standby Energy Emergency Authorities Act".

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TITLE I—STANDBY ENERGY EMERGENCY AUTHORITIES

SEC. 101. FINDINGS AND PURPOSES.

(a) The Congress hereby determines that—

(1) current energy shortages have the potential to create severe economic dislocations and hardships;

(2) such shortages and dislocations could jeopardize the normal flow of interstate and foreign commerce;

(3) disruptions in the availability of imported energy supplies, particularly petroleum products, pose a serious risk to national security, economic well-being, and the health and welfare of the Americans people;

(4) because of the diversity of conditions, climate, and available fuel mix in different areas of the Nation, governmental responsibility for developing and enforcing energy emergency authorities lies not only with the Federal Government, but with the States and with the local governments;

(5) the protection and fostering of competition and the prevention of anticompetitive practices and effects are vital during periods of energy shortages.

(b) The purposes of this Act are to grant specific temporary standby authority to impose end-use rationing and to reduce demand by regulating public and private consumption of energy, subject to congressional review and right of approval or disapproval, and to authorize certain other specific temporary emergency actions to be exercised, to assure that the essential needs of the United States for fuels will be met in a manner which, to the fullest extent practicable: (1) is consistent with existing national commitments to protect and improve the environment; (2) minimizes any adverse impact on employment; (3) provides for equitable treatment of all sectors of the economy; (4) maintains vital services necessary to health, safety, and public welfare; and (5) insures against anticompetitive practices and effects and preserves, enhances and facilitates competition in the development, production, transportation, distribution, and marketing of energy resources.

(c) Prior to exercising any of the authorities contained in—

Section 103, End-Use Rationing
Section 104, Energy Conservation Plans
Section 106, Materials Allocation
Section 107, Federal Actions to Increase Available Domestic Petroleum Supplies, and
Section 112, Antitrust Provisions

of this Act, the President must first make a finding that national or regional energy shortage conditions exist which constitute an energy emergency and which require the exercise of the standby energy emergency authorities provided for in this Act. The President's finding shall be transmitted to the Congress and shall be limited to the implementation of those authorities, plans or programs which he determines are necessary to balance the Nation's energy demands with available supplies.

SEC. 102. DEFINITIONS.

For purposes of this Act:

(1) The term "State" means a State, the District of Columbia, Puerto Rico, or an territory or possession of the United States.

(2) The term "petroleum product" means crude oil, residual fuel oil, or an refined petroleum product (as defined in the Emergency Petroleum Allocation Act of 1973).

(3) The term "United States" when used in the geographical sense means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

(4) The term "Administrator" means the Administrator of the Federal Energy Administration established by H.R. 11793, Ninety-third Congress (popularly known as the Federal Energy Administration Act of 1974) if H.R. 11793 is enacted; except that until such Administrator takes office, such term means an officer of the United States designated by the President.

SEC. 103. END-USE RATIONING.

Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(h)(1) The President may promulgate a rule which shall be deemed a part of the regulation under subsection (a) and which shall provide, consistent with the objectives of subsection (b), for the establishment of a program for the rationing and ordering of priorities among classes of end-users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment to end-users of such products of rights, and evidences of such rights, entitling them to obtain such products in precedence to other classes of end-users not similarly entitled.

"(2) The rule under paragraph (1) of this subsection shall take effect only if the President finds that, without such rule, all other practicable and authorized methods to limit energy demand will not achieve the objectives of subsection (b) of this section and of the Standby Energy Emergency Authorities Act.

"(3) The President shall, by order, in furtherance of the rule authorized pursuant to paragraph (1) of this subsection and consistent with the attainment of the objectives in subsection (b) of this section, cause such adjustments in the allocations made pursuant to the regulation under subsection (a) as may be necessary to carry out the purposes of this subsection.

"(4) The President shall provide for procedures by which any end-user of crude oil, residual fuel oil or refined petroleum products for which priorities and entitlements are established under paragraph (1) of this subsection may petition for review and reclassification or modification of any determination made under such paragraph with respect to his rationing priority or entitlement. Such procedures may include procedures with respect to such local boards as may be authorized to carry out functions under this subsection pursuant to section 120 of the Standby Energy Emergency Authorities Act.

"(5) No rule or order under this section may impose any tax or user fee, or provide for a credit or deduction in computing any tax.

"(6) At such time as he finds that it is necessary to put a rule under paragraph (1) of this subsection into effect, the President shall transmit such rule to each House of Congress and such rule shall take effect in the same manner as an energy conservation plan prescribed under section 104 of the Standby Energy Emergency Authorities Act and shall be deemed an energy conservation plan for purposes of section 104(c), notwithstanding the provisions of section 104(a)(1)(B). Such a rule may be amended as provided in section 104(a)(4) of such Act."

SEC. 104. ENERGY CONSERVATION PLANS.

(a)(1)(A) Pursuant to the provisions of this section, the Administrator may promulgate, by regulation, one or more energy conservation plans in accord with this section which shall be designed (together with actions taken and proposed to be taken under other authority of this or other Acts) to result in a reduction of energy consumption to a level which can be supplied by available energy resources. For purposes of this section, the term "energy conservation plan" means a plan for transportation controls (including but not limited to highway speed limits) or such other reasonable restrictions on the public or private use of energy (including limitations on energy consumption of businesses) which are necessary to reduce energy consumption.

(B) No energy conservation plan may impose rationing or any tax or user fee, or provide for a credit or deduction in computing any tax.

(2) An energy conservation plan shall become effective as provided in subsection (b). Such a plan shall apply in each State, except as otherwise provided in an exemption granted pursuant to such plan in cases where a comparable State or local program is in effect, or where the Administrator finds special circumstances exist.

(3) An energy conservation plan may not deal with more than one logically consistent subject matter.

(4) An amendment to an energy conservation plan, unless the Administrator determines such an amendment does not have significant substantive effect, shall be transmitted to Congress and shall be effective only in accordance with subsection (b), except that such an amendment may take effect immediately or on a date stated in such an amendment if the Administrator determines that a delay of 15 calendar days of continuous session of the Congress after the date on which such an amendment is transmitted to the Congress would seriously impair the operation of the plan or be inconsistent with the purposes of this Act, but if either House of the Congress, before the end of the first period of 15 calendar days of continuous session after the date of submission of such an amendment, passes a resolution stating in substance that such House does not favor such an amendment, such amendment shall cease to be effective on the date of passage of such resolution. Any amendment which the Administrator determines does not have significant substantive effect and any rescission of a plan may be made effective in accordance with section 553 of title 5, United States Code.

(5) Subject to subsection (b)(3), an energy conservation plan shall remain in effect for a period specified in the plan unless earlier rescinded by the Administrator, but shall terminate in any event no later than 6 months after such plan first takes effect or June 30, 1975, whichever first occurs.

(b)(1) For purposes of this subsection, the term "energy conservation plan" includes an amendment to an energy conservation plan which has significant substantive effect.

(2) The Administrator shall transmit any energy conservation plan (bearing an identification number) to each House of Congress on the date on which it is promulgated.

(3)(A) Except as provided in subparagraph (B), if an energy conservation plan is transmitted to the Congress such plan shall take effect at the end of the first period of 15 calendar days of continuous session of Congress after the date on which such plan is transmitted to it unless, between the date of transmittal and the end of the 15-day period, either House passes a resolution stating in substance that such House does not favor such plan.

(ii) Any energy conservation plan described in subparagraph (A) may be implemented prior to the expiration of the 15-calendar-day period after the date on which such plan is transmitted, if each House of Congress approves a resolution affirmatively stating in substance that such House does not object to the implementation of such plan.

(4) For the purpose of paragraph (3) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(3) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 15-day period.

(5) Under provisions contained in an energy conservation plan, a provision of the plan may take effect at a time later than the date on which such plan otherwise takes effect.

(c)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress described in subparagraph (A) or (B).

(A) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not object to the implementation of energy conservation plan numbered ——— submitted to the Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank space being appropriately filled; but does not include a resolution which specified more than one energy conservation plan.

(B) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not favor the energy conservation plan numbered ——— transmitted to Congress on ——— 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one energy conservation plan.

(3) A resolution once introduced with respect to an energy conservation plan shall immediately be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(B) If the committee to which a resolution with respect to an energy conservation plan has been referred has not reported it at the end of 5 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such energy conservation plan which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highy privileged (except that it may not be made after the committee has reported a resolution with respect to the same energy conservation plan), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same plan.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which the resolution was agreed to or disagreed to; except that it shall be in order to substitute a resolution disapproving a plan for a resolution not to object to such plan, or a resolution not to object to a plan for a resolution disapproving such plan.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of their business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to an energy conservation plan, then it shall not be in order to consider in that House any other resolution with respect to the same plan.

(d)(1) Any energy conservation plan or rationing rule, which the Administrator submits to the Congress pursuant to subsection (b) of this section shall state any findings of fact on which the action is based, and shall contain a specific statement explaining the rationale for such plan or rule.

(2) To the greatest extent practicable, any energy conservation plan or rationing rule which the Administrator submits to the Congress pursuant to subsection (b) of this section shall also be accompanied by an evaluation prepared by the Administrator of the potential economic impacts, if any, of the proposed plan or rule. Such evaluation shall include an analysis of the effect, if any, of such plan or rule on—

(A) the fiscal integrity of State and local government;

(B) vital industrial sectors of the economy;

(C) employment, by industrial and trade sector, as well as on a national, regional, State, and local basis;

(D) the economic vitality of regional, State, and local areas;

(E) the availability and price of consumer goods and services;

(F) the gross national product;

(G) competition in all sectors of industry;

(H) small business; and

(I) the supply and availability of energy resources for use as fuel or as feedstock for industry.

SEC. 105. COAL CONVERSION AND ALLOCATION.

(a) The Administrator shall, to the extent practicable and consistent with the objectives of this Act, by order, after balancing on a plant-by-plant basis the environmental effects of use of coal against the need to fulfill the purposes of this Act, prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment of this Act, has the capability and necessary plant equipment to burn coal. Any installation to which such an order applies shall be permitted to continue to use coal or coal byproducts as provided in the Clean Air Act, as amended. To the extent coal supplies are limited to less than the aggregate amount of coal supplies which may be necessary to satisfy the requirements of those installations which can be expected to use coal (including installations to which orders may apply under this subsection), the Administrator shall prohibit the use of natural gas and petroleum products for those installations where the use of coal will have the least adverse environmental impact. A prohibition on use of natural gas and petroleum products under this subsection shall be contingent upon the availability of coal, coal transportation facilities, and the maintenance of reliability of service in a given service area. The Administrator shall require that fossil-fuel-fired electric powerplants in the early planning process, other than combustion gas turbine and combined cycle units, be designed and constructed so as to be capable of using coal or coal byproducts as a primary energy source instead of or in addition to other fossil fuels. No fossil-fuel-fired electric powerplant may be required under this section to be so designed and constructed, if (1) to do so would result in an impairment of reliability or adequacy of service, or (2) if an adequate and reliable supply of coal is not available and is not expected to be available. In considering whether to impose a design and construction requirement under this subsection, the Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner or operator to recover any capital investment made as a result of the conversion requirements of this section.

(b) The Administrator may, by rule, prescribe a system for allocation of coal to users thereof in order to attain the objectives specified in this section.

Sec. 106. Materials Allocation.

(a) Beginning 60 days after the date of enactment of this Act, the Administrator may, by rule or order, require the allocation of, or the performance under contracts or orders (other than contracts of employment) relating to, supplies of materials and equipment if he makes the findings required by subsection (c) of this section.

(b) Not later than 30 days after the date of enactment of this Act the Administrator shall report to the Congress with respect to the manner in which the authorities contained in subsection (a) will be administered. This report shall include but not be limited to the manner in which allocations will be made, the procedure for requests and appeals, the criteria for determining priorities as between competing requests, and the office or agency which will administer such authorities.

(c) The authority granted in this section may not be used to control the general distribution of any supplies of materials and equipment in the marketplace unless the Administrator finds that—

(1) such supplies are scarce, critical, and essential to maintain or further exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, and

(2) maintenance or furtherance of exploration, production, refining, and required transportation of energy supplies and the construction and maintenance of energy facilities during the agency shortage cannot reasonably be accomplished without exercising the authority specified in subsection (a) of this section.

Sec. 107. Federal Actions To Increase Available Domestic Petroleum Supplies.

(a) The Administrator may, by rule or order, until June 30, 1975, require the following measures to supplement domestic energy supplies:

(1) the production of designated existing domestic oilfields, at their maximum efficient rate of production, which is the maximum rate at which production may be sustained without detriment to the ultimate recovery of oil and gas under sound engineering and economic principles. Such fields are to be designated by the Secretary of the Interior, after consultation with the appropriate State regulatory agency. Data to determine the maximum efficient rate of production shall be supplied to the Secretary of the Interior by the State regulatory agency which determines the maximum efficient rate of production and by the operators who have drilled wells in, or are producing oil and gas from such fields;

(2) if necessary to meet defense and national security needs, production of certain designated existing domestic oilfields on Federal lands at rates in excess of their currently assigned maximum efficient rates. Fields to be so designated, by the Secretary of the Interior or the Secretary of the Navy as to the Federal lands or as to Federal interests in lands under their respective jurisdiction, shall be those fields where the types and quality of reservoirs are such as to permit production at rates in excess of the currently assigned sustainable maximum efficient rate for periods of ninety days or more without excessive risk of losses in recovery; and

(3) the adjustment of processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(b) Nothing in this section shall be construed to authorize the production from any naval petroleum reserve now subject to the provisions of chapter 641 of title 10, United States Code.

Sec. 108. Other Amendments to the Emergency Petroleum Allocation Act of 1973.

(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 (as amended by section 103 of this Act) is further amended by adding at the end of such section the following new subsection:

(i) If any provision of the regulation under subsection (a) provides that any allocation of residual fuel oil or refined petroleum products is to be based on use of such a product or amounts of such product supplied during a historical period, the regulation shall contain provisions designed to assure that the historical period can be adjusted (or other adjustments in allocations can be made) in order to reflect regional disparities in use, population growth or unusual factors influencing use (including unusual changes in climatic conditions), of such oil or product in the historical period. This subsection shall take effect 30 days after the date of enactment of the Standby Energy Emergency Authorities Act. Adjustments for such purposes shall take effect no later than 6 months after the date of enactment of this subsection. Adjustments to reflect population growth shall be based upon the most current figures available from the United States Bureau of the Census.

(b) Section 4(g)(1) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "February 28, 1975" in each case the term appears and inserting in each case "June 30, 1975".

(c) Section 4(b)(1)(G) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(G) allocation of residual fuel oil and refined petroleum products in such amounts and in such manner as may be necessary for the maintenance of exploration for, and production or extraction of—

"(i) fuels, and

"(ii) minerals essential to the requirements of the United States,

and for required transportation related thereto,".

(d) The Administrator shall, within 30 days from the date of the enactment of this Act, report to the Congress with respect to shortages of petrochemical feedstocks, of steps taken to alleviate any such shortages, the unemployment impact resulting from such shortages, and any legislative recommendations which he deems necessary to alleviate such shortages.

Sec. 19. Protection of Franchised Dealers.

(a) As used in this section:

(1) The term "distributor" means a person engaged in the sale, consignment, or distribution of petroleum products to wholesale or retail outlets whether or not it owns, leases, or in any way controls such outlets.

(2) The term "franchise" means any agreement or contract between a refiner or a distributor and a retailer or between a refiner and distributor, under which such retailer or distributor is granted authority to use a trademark, trade name, service mark, or other identifying symbol or name owned by such refiner or distributor, or any agreement or contract between such parties under which such retailer or distributor is granted authority to occupy premises owned, leased, or in any way controlled by a party to such agreement or contract, for the purpose of engaging in the distribution or sale of petroleum products for purposes other than resale.

(3) The term "refiner" means a person engaged in the refining or importing of petroleum products.

(4) The term "retailer" means a person engaged in the sale of any refined petroleum product for purposes other than resale within any State, either under a franchise or independent of any franchise, or who was so engaged at any time after the start of the base period.

(b)(1) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless he furnishes prior notification pursuant to this paragraph to each distributor or retailer affected thereby. Such notification shall be in writing and sent to such distributor or retailer by certified mail not less than 90 days prior to the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, not renew, or to terminate together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy or remedies available to such distributor or retailer under this section together with a summary of the applicable provisions of this section.

(2) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless the retailer or distributor whose franchise is terminated failed to comply substantially with any essential and reasonable requirement of such franchise or failed to act in good faith in carrying out the terms of such franchise, or unless such refiner or distributor withdraws entirely from the sale of refined petroleum products in commerce for sale other than resale in the United States.

(c)(1) If a refiner or distributor engages in conduct prohibited under subsection (b) of this section, a retailer or a distributor may maintain a suit against such refiner or distributor. A retailer may maintain such suit against a distributor or a refiner whose actions affect commerce and whose products with respect to conduct prohibited under paragraph (1) or (2) of subsection (b) of this section, he sells or has sold, directly or indirectly, under a franchise. A distributor may maintain such suit against a refiner whose actions affect commerce and whose products he purchases or has purchased or whose products he distributes or has distributed to retailers.

(2) The court shall grant such equitable relief as is necessary to remedy the effects or conduct prohibited under subsection (b) of this section which it finds to exist including declaratory judgment and mandatory or prohibitive injunctive relief. The court may grant interim equitable relief and actual and punitive damages (except for actions for a failure to renew) where indicated, in suits under this section, and may, unless such suit is frivolous, direct that costs, including reasonable attorney and expert witness fees, be paid by the defendant. In this case of actions for a failure to renew, damages shall be limited to actual damages including the value of the dealer's equity.

(3) A suit under this section may be brought in the district court of the United States for any judicial district in which the distributor or the refiner against whom such suit is maintained resides, is found, or is doing business, without regard to the amount in controversy.

(d) The provisions of this section expire at midnight, June 30, 1975, but such expiration shall not affect any pending action or pending proceeding, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight, June 30, 1975, except that no suit under this section, which is based upon an act committed prior to midnight, June 30, 1975, shall be maintained unless commenced within 3 years after such act.

SEC. 110. PROHIBITIONS ON UNREASONABLE ACTIONS.

(a) Action taken under authority of this Act, the Emergency Petroleum Allocation Act of 1973, or other Federal law resulting in the allocation of petroleum products and electrical energy among classes of users or resulting in restrictions on use of petroleum products and electrical energy, shall be equitable, shall not be arbitrary or capricious, and shall not unreasonably discriminate among classes of users, unless the Administrator determines such a policy would be inconsistent with the purposes of this Act and publishes his finding in the Federal Register, allocations shall contain provisions designed to foster reciprocal and nondiscriminatory treatment by foreign countries of United States citizens engaged in commerce.

(b) To the maximum extent practicable, any restriction on the use of energy shall be designed to be carried out in such manner so as to be fair and to create a reasonable distribution of the burden of such restriction on all sectors of the economy, without imposing an unreasonably disproportionate share of such burden on any specific industry, business or commercial enterprise, or on any individual segment thereof and shall give due consideration to the needs of commercial, retail, and service establishments whose normal function is to supply goods and services of an essential convenience nature during times of day other than conventional daytime working hours.

SEC. 111. REGULATED CARRIERS.

(a) The Interstate Commerce Commission shall, by expedited proceedings, adopt appropriate rules under the Interstate Commerce Act which eliminate restrictions on the operating authority of any motor common carrier of property which require excessive travel between points with respect to which such motor common carrier has regularly performed service under authority issued by the Commission. Such rules shall assure continuation of essential service to communities served by any such motor common carrier.

(b) Within 45 days after the date of enactment of this Act, the Civil Aeronautics Board, the Federal Maritime Commission, and the Interstate Commerce Commission shall report separately to the appropriate committees of the Congress on the need for additional regulatory authority in order to conserve fuel during the period beginning on the date of enactment of this Act and ending on June 30, 1975, while continuing to provide for the public convenience and necessity. Each such report shall identify with specificity—

(1) the type of regulatory authority needed;

(2) the reasons why such authority is needed;

(3) the probable impact on fuel conservation of such authority;

(4) the probable effect on the public convenience and necessity of such authority; and

(5) the competitive impact, if any, of such authority.

Each such report shall further make recommendations with respect to changes in any existing fuel allocation programs which are deemed necessary to provide for the public convenience and necessity during such period.

SEC. 112. ANTITRUST PROVISIONS.

(a) Except as specifically provided in subsection (i), no provision of this Act shall be deemed to convey to any person subject to this Act any immunity from civil and criminal liability or to create defenses to actions, under the antitrust laws.

(b) As used in this section, the term "antitrust laws" means—

(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C., 12 et seq.), as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

(c)(1) To achieve the purposes of this Act, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. Any such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act of 1972 (5 U.S.C. App. I), whether or not such Act or any of its provisions expires or terminates during the term of this Act or of such committees, and in all cases shall be chaired by a regular full-time Federal employee and shall include representatives of the public. The meetings of such committees shall be open to the public.

(2) A representative of the Federal Government shall be in attendance at all meetings of any advisory committee established pursuant to this section. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

(3) A full and complete verbatim transcript shall be kept of all advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b) (1) and (b)(3) of title 5, United States Code.

(d) The Administrator, subject to the approval of the Attorney General and the Federal Trade Commission, shall promulgate, by rule, standards, and procedures by which persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil, or any refined petroleum product may develop and implement voluntary agreements and plans of action to carry out such agreements which the Administrator determines are necessary to accomplish the objectives stated in section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(e) The standards and procedures under subsection (d) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

(1) Such agreements and plans of action shall be developed by meetings of committees, councils, or other interested segments of the petroleum industry and of groups which include representatives of the public, of industrial, municipal, and private consumers, and shall in all cases be chaired by a regular full-time Federal employee;

(2) Meetings held to develop a voluntary agreement or a plan of action under this subsection shall permit attendance by interested persons and shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission and to the public in the affected community;

(3) Interested persons shall be afforded an opportunity to present, in writing and orally, data, views, and arguments at such meetings;

(4) A full and complete verbatim transcript shall be kept of any meeting, conference, or communication held to develop, implement, or carry out a voluntary agreement or a plan of action under this subsection and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be available for public inspection and copying, subject to provisions of sections 552 (b)(1) and (b)(3) of title 5, United States Code.

(f) The Federal Trade Commission may exempt types or classes of meetings, conferences, or communications from the requirements of subsections (c)(3) and (e)(4), provided such meetings, conferences, or communications are ministerial in nature and are for the sole purpose of implementing or carrying out a voluntary agreement or plan of action authorized pursuant to this section. Such ministerial meeting, conference, or communication may take place in accordance with such requirements as the Federal Trade Commission may prescribe by rule. Such persons participating in such meeting, conference, or communication shall cause a record to be made specifying the date such meeting, conference, or communication took place and the persons involved, and summarizing the subject matter discussed. Such record shall be filed with the Federal Trade Commission and the Attorney General, where it shall be made available for public inspection and copying.

(g)(1) The Attorney General and the Federal Trade Commission shall participate from the beginning in the development, implementation, and carrying out of voluntary agreements and plans of action authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this Act. Each shall have the right to review, amend, modify, disapprove, or prospectively revoke, on its own motion or upon the request of any interested person, any plan of action or voluntary agreement at any time, and, if revoked, thereby withdraw prospectively the immunity which may be conferred by subsection (i) of this section.

(2) Any voluntary agreement or plan of action entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented, where it shall be made available for public inspection and copying.

(h)(1) The Attorney General and the Federal Trade Commission shall monitor the development, implementation, and carrying out of plans of action and voluntary agreements authorized under this section to assure the protection and fostering of competition and the prevention of anticompetitive practices and effects.

(2) The Attorney General and the Federal Trade Commission shall promulgate joint regulations concerning the maintenance of necessary and appropriate documents, minutes, transcripts, and other records related to the development, implementation, or carrying out of plans of action or voluntary agreements authorized pursuant to this Act.

(3) Persons developing, implementing, or carrying out plans of action or voluntary agreements authorized pursuant to this Act shall maintain those records required by such joint regulations. The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

(4) The Federal Trade Commission and the Attorney General may each prescribe such rules and regulations as may be necessary or appropriate to carry out their responsibilities under this Act. They may both utilize for such purposes and for purposes of enforcement, any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by any other provision of law, including the antitrust laws; and wherever such provision of law refers to "the purposes of this Act" or like terms, the reference shall be understood to be this Act.

(i) There shall be available as a defense to any civil or criminal action brought under the antitrust laws in respect of actions taken in good faith to develop and implement a voluntary agreement or plan of action to carry out a voluntary agreement by persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil, or any refined petroleum product that—

(1) such action was—

(A) authorized and approved pursuant to this section, and

(B) undertaken and carried out solely to achieve the purposes of this section and in compliance with the terms and conditions of this section, and the rules promulgated hereunder; and

(2) such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder.

(j) No provision of this Act shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred: (1) prior to the enactment of this Act, (2) outside the scope and purpose or not in compliance with the terms and conditions of this Act and this section, or (3) subsequent to its expiration or repeal.

(k) Effective on the date of enactment of this Act, this section shall apply in lieu of section 6(c) of the Emergency Petroleum Allocation Act of 1973. All actions taken and any authority or immunity granted under such section 6(c) shall be hereafter taken or granted, as the case may be, pursuant to this section.

(l) The provisions of section 708 of the Defense Production Act of 1950, as amended, shall not apply to any action authorized to be taken under this Act or the Emergency Petroleum Allocation Act of 1973.

(m) The Attorney General and the Federal Trade Commission shall each submit to the Congress and to the President, at least once every 6 months, a report on the impact on competition and on small business of actions authorized by this section.

(n) The authority granted by this section (including any immunity under subsection (i)) shall terminate on June 30, 1975.

(o) The exercise of authority provided in section 111 shall not have as a principal purpose or effect the substantial lessening of competition among carriers affected. Actions taken pursuant to that subsection shall be taken only after providing from the beginning an adequate opportunity for participation by the Federal Trade Commission and the Assistant Attorney General in charge of the Antitrust Division, who shall propose any alternative which would avoid or overcome, to the greatest extent practicable, any anticompetitive effects while achieving the purposes of this Act.

SEC. 113. EXPORTS.

(a) The Administrator is authorized by rule or order, to restrict exports of coal, natural gas, petroleum products, and petrochemical feedstocks, and of supplies of materials and equipment which he determines to be necessary to maintain or further exploration, production, refining, and required transportation of domestic energy supplies and for the construction and maintenance of energy facilities within the United States, under such terms and conditions as he determines to be appropriate and necessary to carry out the purpose of this Act.

(b) In the administration of the restrictions under subsection (a) of this section, the Administrator may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase "and to reduce the serious inflationary impact of abnormal foreign demand" in section 3(2)(A) of such Act), impose such restrictions on exports of coal, natural gas, petroleum products, and petrochemical feedstocks, and of supplies of materials and equipment which the Administrator determines to be necessary to maintain or further exploration, production, refining, and required transportation of domestic energy supplies and for the construction and maintenance of energy facilities within the United States, as the Administrator determines to be appropriate and necessary to carry out the purposes of this Act.

(c) Rules or orders of the Administrator under subsection (a) of this section and actions by the Secretary of Commerce pursuant to subsection (b) of this section shall take into account the historical trading relations of the United States with Canada and Mexico.

SEC. 114. EMPLOYMENT IMPACT AND UNEMPLOYMENT ASSISTANCE.

(a) The President shall take into consideration and shall minimize, to the fullest extent practicable, any adverse impact of actions taken pursuant to this Act upon employment. All agencies of Government shall cooperate fully under their existing statutory authority to minimize any such adverse impact.

(b)(1) The Secretary of Labor shall make grants, in accordance with regulations prescribed by him, to States to provide cash benefits to any individual who is unemployed as a result of disruptions, dislocations, or shortages of energy supplies and resources, and who is not eligible for unemployment assistance or who has exhausted his rights to such assistance (within the meaning of paragraph (4)(B)).

(2) Regulations of the Secretary of Labor under paragraph (1) may require that States enter into agreements as a condition of receiving a grant under this subsection, and such regulations—

(A) shall provide that—

(i) a benefit under this subsection shall be available to any individual who is unemployed as a result of disruptions, dislocations, or shortages of energy supplies and resources and who is not eligible for unemployment assistance (without regard to whether such unemployment commenced before or after the date of enactment of this Act).

(ii) a benefit provided to such an individual shall be available to such individual for any week of unemployment which begins after the date on which this Act is enacted and before July 1, 1975, in which such individual is unemployed;

(iii) the amount of a benefit with respect to a week of unemployment shall be equal to—

(I) in the case of an individual who has exhausted his eligibility for unemployment assistance, the amount of the weekly unemployment compensation payment for which he has most recently eligible; or

(II) in the case of any other individual, an amount which shall be set by the State in which the individual was last employed at a level which shall take into account the benefit levels provided by State law for persons covered by the State's unemployment compensation program, but which shall not be less than the minimum weekly amount, nor more than the maximum weekly amount, under the unemployment compensation law of the State; and

(B) may provide that individuals eligible for a benefit under this subsection have been employed for up to 1 month in the 52-week period preceding the filing of a claim for benefits under this subsection.

(3) Unemployment resulting from disruptions, dislocations, or shortages of energy supplies and resources shall be defined in regulations of the Secretary of Labor. Such regulations shall provide that such unemployment includes unemployment clearly attributable to such disruptions, dislocations or shortages, fuel allocations, fuel pricing, consumer buying decisions influenced by such disruptions, dislocations, or shortages, and governmental action associated with such disruptions, dislocations, or shortages. The determination as to whether an individual is unemployed as a result of such disruptions, dislocations, or shortages (within the meaning of such regulations) shall be made by the State in which the individual was last employed in accordance with such industry, business, or employer certification process or such other determination procedure (or combination thereof) as the Secretary of Labor shall, consistent with the purposes of paragraph (1) of this subsection, determine as most appropriate to minimize administrative costs, appeals, or other delay,.in paying to individuals the cash allowances provided under this section.

(4) For purposes of this subsection—

(A) an individual shall be considered unemployed in any week if he is—

(i) not working,

(ii) able to work, and

(iii) available for work,

within the meaning of the State unemployment compensation law in effect in the State in which such individual was last employed, and provided that he would not be subject to disqualification under that law for such week, if he were eligible for benefits under such law;

(B)(1) the phrase "not eligible" for unemployment assistance means not eligible for compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act

(45 U.S.C. 351 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada; and

(ii) the phrase "exhausted his rights to such assistance" means exhausted all rights to regular, additional, and extended compensation under all State unemployment compensation laws and chapter 85 of title 5, United States Code, and has no further rights to regular, additional, or extended compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada.

(c) On or before the sixtieth day following the date of enactment of this Act, the President shall report to the Congress concerning the present and prospective impact of energy shortages upon employment. Such report shall contain an assessment of the adequacy of existing programs in meeting the needs of adversely affected workers and shall include legislative recommendations which the President deems appropriate to meet such needs, including revisions in the unemployment insurance laws.

SEC. 115. USE OF CARPOOLS.

(a) The Secretary of Transportation shall encourage the creation and expansion of the use of carpools as a viable component of our nationwide transportation system. It is the intent of this section to maximize the level of carpool participation in the United States.

(b) The Secretary of Transportation is directed to establish within the Department of Transportation an "Office of Carpool Promotion" whose purpose and responsibilities shall include—

(1) responding to any and all requests for information and technical assistance on carpooling and carpooling systems from units of State and local governments and private groups and employees;

(2) promoting greater participation in carpooling through public information and the preparation of such materials for use by State and local governments;

(3) encouraging and promoting private organizations to organize and operate carpool systems for employees;

(4) promoting the cooperation and sharing of responsibilities between separate, yet proximately close, units of government in coordinating the operations of carpool systems; and

(5) promoting other such measures that the Secretary determines appropriate to achieve the goal of this subsection.

(c) The Secretary of Transportation shall encourage and promote the use of incentives such as special parking privileges, special roadway lanes, toll adjustments, and other incentives as may be found beneficial and administratively feasible to the furtherance of carpool ridership, and consistent with the obligations of the State and local agencies which provide transportation services.

(d) The Secretary of Transportation shall allocate the funds appropriated pursuant to the authorization of subsection (f) according to the following distribution between the Federal and State or local units of government:

(1) The initial planning process—up to 100 percent Federal.

(2) The systems design process—up to 100 percent Federal.

(3) The initial startup and operation of a given system—60 percent Federal and 40 percent State or local with the Federal portion not to exceed 1 year.

(e) Within 12 months of the date of enactment of this Act, the Secretary of Transportation shall make a report to Congress of all his activities and expenditures pursuant to this section. Such report shall include any recommendations as to future legislation concerning carpooling.

(f) The sum of $5,000,000 is authorized to be appropriated for the conduct of programs designed to achieve the goals of this section, such authorization to remain available for 2 years.

(g) For purposes of this section, the terms "local governments" and "local units of government" include any metropolitan transportation organization designated as being responsible for carrying out section 134 of title 23, United States Code.

(h) As an example to the rest of our Nation's automobile users, the President of the United States shall take such action as is necessary to require all agencies of Government, where practical, to use economy model vehicles.

(i) (1) The President shall take action to require that no Federal official or employee in the executive branch below the level of Cabinet officer be furnished a limousine for individual use. The provisions of this subsection shall not apply to limousines furnished for use by officers or employees of the Federal Bureau of Investigation, or to those persons whose assignments necessitate transportation by limousines because of diplomatic assignment by the Secretary of State.

(2) For purposes of this subsection, the term "limousine" means a type 6 vehicle as defined in the Interim Federal Specifications issued by the General Services Administration, December 1, 1973.

(3) (A) The President shall take action to insure the enforcement of 31 U.S.C. 638a.

(B) No funds shall be expended under authority of this or any other Act for the purpose of furnishing a chauffeur in a vehicle operated in violation of section 638a of title 31, United States Code, or this Act.

SEC. 116. ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW.

(a) (1) Subject to paragraphs (2), (3), and (4) of this subsection, the provisions of subchapter II of chapter 5 of title 5, United States Code, shall apply to any rule, regulation, or order under this title or under section 4(h) of the Emergency Petroleum Allocation Act of 1973; except that this subsection shall not apply to any rule, regulation, or order issued under the Emergency Petroleum Allocation Act of 1973 (as amended by this title) other than section 4(h) thereof, nor to any rule under section 111 of this title.

(2) Notice of all proposed substantive rules and orders of general applicability described in paragraph (1) shall be given by publication of such proposed rule or order in the Federal Register. In each case, a minimum of 10 days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be waived where the President finds that strict compliance would seriously impair the operation of the program to which such rule or order relates and such findings are set out in detail in such rule or order. In addition, public notice of all rules or orders promulgated by officers of a State or political subdivision thereof or to State or local boards pursuant to this Act shall to the maximum extent practicable be achieved by publication of such rules or orders in a sufficient number of newspapers of statewide circulation calculated to receive widest possible notice.

(3) In addition to the requirements of paragraph (2), unless the President determines that a rule or order described in paragraph (1) is not likely to have a substantial impact on the Nation's economy or upon a significant segment thereof, an opportunity for oral presentation of views, data, and argument shall be afforded. To the maximum extent practicable, such opportunity shall be afforded prior to the implementation of such rule or order, but in all cases such opportunity shall be afforded no later than 45 days after the implementation of any such rule or order. A transcript shall be kept of any oral presentation.

(4) Any officer or agency authorized to issue rules or orders described in paragraph (1) shall provide for the making of such adjustments, consistent with the other purposes of this Act or the Emergency Petroleum Allocation Act of 1973 (as the case may be), as may be necessary to prevent special hardships, inequity, or an unfair distribution of burdens and shall in rules prescribed by it establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or an exception to or exemption from, such rules and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the officer or agency and may obtain judicial review in accordance with subsection (b) or other applicable law when such denial becomes final. The officer or agency shall in rules prescribed by it, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

(b) (1) Judicial review of administrative rulemaking of general and national applicability done under this title may be obtained only by filing a petition for review in the United States Court of Appeals for the District of Columbia within thirty days from the date of promulgation of any such rule or regulation, and judicial review of administrative rulemaking of general, but less than national, applicability done under this title may be obtained only by filing a petition for review in the United States Court of Appeals for the appropriate circuit within thirty days from the date of promulgation of any such rule or regulation, the appropriate circuit being defined as the circuit which contains the area or the greater part of the area within which the rule or regulation is to have effect.

(2) Notwithstanding the amount in controversy, the district courts of the United States shall have exclusive original jurisdiction of all other cases or controversies arising under this title, or under regulations or orders issued thereunder, except any actions taken by the Civil Aeronautics Board, the Interstate Commerce Commission, the Federal Power Commission, or the Federal Maritime Commission, or any actions taken to implement or enforce any rule or order by any officer of a State or political subdivision thereof or State or local board which has been delegated authority under section 120 of this Act except that nothing in this section affects the power of any court of competent jurisdiction to consider, hear, and determine in any proceeding before it any issue raised by way of defense (other than a defense based on the constitutionality of this title or the validity of action taken by any agency under this title). If in any such proceeding an issue by way of defense is raised based on the constitutionality of this Act or the validity of agency action under this title, the case shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 39 of title 28, United States Code.

(3) This subsection shall not apply to any rule, regulation, or order issued under the Emergency Petroleum Allocation Act of 1973 or to any rule under section 111 of this title.

(4) The finding required by section 4(h) (2) of the Emergency Petroleum Allocation Act of 1973 shall not be judicially reviewable under this subsection or under any other provision of law.

(c) The Administrator may by rule prescribe procedures for State or local boards which carry out functions under this Act or the Emergency Petroleum Allocation Act of 1973. Such procedures shall apply to such boards in lieu of subsection (a), and shall require that prior to taking any action, such boards shall take steps reasonably calculated to provide notice to persons who may be affected by the action, and shall afford an opportunity for presentation of views (including oral presentation of views where practicable) at least 10 days before taking the action. Such boards shall be of balanced composition reflecting the makeup of the community as a whole.

(d) In addition to the requirements of section 552 of title 5, United States Code, any agency authorized by this title of the Emergency Petroleum Allocation Act of 1973 to issue rules or orders shall make available to the public all internal rules and guidelines which may form the basis, in whole or in part, for any rule or order with such modifications as are necessary to insure confidentiality protected under such section 552. Such agency shall, upon written request of a petitioner filed after any grant or denial of a request for exception or exemption from rules or orders, furnish the petitioner with a written opinion setting forth applicable facts and the legal basis in support of such grant or denial. Such opinions shall be made available to the petitioner and the public within 30 days of such request and with such modifications as are necessary to insure confidentiality of information protected under such section 552.

SEC. 117. PROHIBITED ACTS.

It shall be unlawful for any person to violate any provision of title I of this Act (other than provisions of this Act which make amendments to the Emergency Petroleum Allocation Act of 1973 and section 111) or to violate any rule, regulation (including an energy conservation plan), or order issued pursuant to any such provision.

SEC. 118. ENFORCEMENT.

(a) Whoever violates any provision of section 117 shall be subject to a civil penalty of not more than $2,500 for each violation.

(b) Whoever willfully violates any provision of section 117 shall be fined not more than $5,000 for each violation.

(c) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of an applicable order or regulation issued pursuant to this Act. Any person who knowingly and willfully violates this subsection after having been subjected to a civil penalty for a prior violation of the same provision of any order or regulation issued pursuant to this Act shall be fined not more than $50,000 or imprisoned not more than 6 months, or both.

(d) Whenever it appears to any person authorized by the Administrator to exercise authority under this Act that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of section 117, such person may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is prohibited by section 117.

(e) Any person suffering legal wrong because of any act or practice arising out of any violation of section 117 may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment or writ of injunction. Nothing in this subsection shall authorize any person to recover damages.

SEC. 119. SMALL BUSINESS INFORMATION.

In order to achieve the purposes of this Act—

(1) the Small Business Administration (A) shall to the maximum extent possible provide small business enterprises with full information concerning the provisions of the programs provided for in this Act which particularly affect such enterprises, and the activities of the various departments and agencies under such provisions, and (B) shall, as a part of its annual report, provide to the Congress a summary of the actions taken under programs provided for in this Act which have particularly affected such enterprises;

(2) to the extent feasible, Federal and other governmental bodies shall seek the views of small business in connection with adopting rules and regulations under the programs provided for in this Act and in administering such programs; and

(3) in administering the programs provided for in this Act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small business enterprises.

SEC. 120. DELEGATION OF AUTHORITY AND EFFECT ON STATE LAW.

(a) The Administrator may delegate any of his functions under the Emergency Peroleum Allocation Act of 1973 or this Act to any officer or employee of the agency which he heads as he deems appropriate. The Administrator may delegate any of his functions relative to implementation and enforcement of the Emergency Petroleum Allocation Act of 1973 or this Act to officers of a State or political subdivision thereof or to State or local boards of balanced composition reflecting the makeup of the community as a whole. Such officers or boards shall be designated and established in accordance with regulations which the Administration shall promulgate under this Act. Section 5(b) of the Emergency Petroleum Allocation Act of 1973 is repealed effective on the effective date of the transfer of functions under such Act to the Administrator pursuant to subsection (c) of this section.

(b) No State law or State program in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation, order, or energy conservation plan issued pursuant to this Act except insofar as such State law or State program is inconsistent with the provisions of this Act, or such a regulation, order, or plan.

(c) Effective on the date on which the Administrator of the Federal Energy Administration (established by H.R. 11793, Ninety-third Congress) first takes office, all functions, powers, and duties of the President under the Emergency Petroleum Allocation Act of 1973 (as amended by this Act), and of any officer, department, agency, or State (or officer thereof) under such Act (other than functions vested by section 6 of such Act in the Federal Trade Commission, the Attorney General, or the Antitrust Division of the Department of Justice), are transferred to the Administrator. All personnel, property, records, obligations, and commitments used primarily with respect to functions transferred under the preceding sentence shall be transferred to the Administrator.

SEC. 121. GRANTS TO STATES.

Any funds authorized to be appropriated under section 125(b) shall be available for the purpose of making grants to States to which the Administrator has delegated authority under section 120 of this Act, or for the administration of appropriate State or local energy conservation programs which are the basis of an exemption made pursuant to section 104(a)(2) of this Act from a Federal energy conservation plan which has taken effect under section 104 of this Act. The Administrator shall make such grants upon such terms and conditions as he may prescribe by rule.

SEC. 122. ENERGY INFORMATION REPORTS.

(a) For the purpose of assuring that the Administrator, the Congress, the States, and the public have access to and are able to obtain reliable energy information throughout the duration of this Act, the Administrator, in addition to and not in limitation of any other authority is authorized to request, acquire, and collect such energy information as he determines to be necessary to assist in the formulation of energy policy or to carry out the purposes of this Act or the Emergency Petroleum Allocation Act of 1973.

(b) In carrying out the provisions of subsection (a) the Administrator shall have the power to—

(1) require, by rule, any person who is engaged in the production, processing, refining, transportation by pipeline or distribution (other than at the retail level) of energy resources to submit reports;

(2) sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents;

(3) require of any person, by general or special order, answers in writing to interrogatories, requests for report, or other information; and such answers or submissions shall be made within such reasonable period and under oath or otherwise as the Administrator may determine; and

(4) to administer oaths.

(c) For the purpose of verifying the accuracy of any energy information requested, acquired, or collected by the Administrator, officers or employees duly designated by him upon presenting appropriate credentials and a written notice to the owner, operator, or at reasonable times and in a reasonable manner, any facility or business premises, to inventory and sample any stock of energy resources therein, and to examine and copy records, reports, and documents relating to energy information.

(d)(1) The Administrator shall exercise the authorities granted to him under subsection (b) to develop within 30 days after the date of enactment of this Act, as full and accurate a measure as is reasonably practicable of—

(A) domestic reserves and production;

(B) imports; and

(C) inventories;

of petroleum products, natural gas, and coal.

(2) for Each calendar quarter beginning with the first complete calendar quarter following the date of enactment of this Act, the Administrator shall develop and publish quarterly reports containing the following:

(A) Report of petroleum product, natural gas, and coal imports; relating to country of origin, arrival point, quantity received, geographic distribution within the United States.

(B) Report of crude oil activity; relating capacity of producers' allocations to refiners, and fuels to be made.

(C) Report of inventories, nationally, and by region and State—

(i) for various refined petroleum products, relating refiners, refineries, suppliers to refiners, share of market, and allocation fractions;

(ii) for various refined petroleum products, previous quarter deliveries and anticipated 3-month available supplies;

(iii) for refinery yields of the various refined petroleum products, percent of activity, and type of refinery;

(iv) with respect to the summary of anticipated monthly supply of refined petroleum products, amount of set aside for assignment by the State, anticipated State requirements, excess or shortfall of supply, and allocation fraction of base year; and

(v) with respect to liquefied petroleum gas by State and owner: quantities stored, and existing capacities, and previous priorities on types, inventories of suppliers, and changes in supplier inventories.

(3) In developing the energy information called for in this section, the Administrator may, if he determines that it would not be practicable to do otherwise, use the statistical method of "sampling".

(e) In order to avoid or minimize duplicative reporting, the Administrator may request and acquire energy information from any other department or agency of Federal Government, except that any such department or agency shall refuse to supply such information if its disclosure to the Administrator would otherwise be prohibited by law.

(f) Any person required to submit energy information to the Administrator under this section may at the time he submits such information request the Administrator to declare such information, in whole or in part, to be confidential and to not disclose such information except as permitted under subsection (d)(2). The Administrator shall, within 10 days after receipt of such request, initiate and (except where good cause is stated) complete within 30 days thereafter, an administrative proceeding affording an opportunity for hearing under sections 556 and 557 of title 5, United States Code, to determine whether such information concerns or relates to trade secrets or other matter referred to in section 1905 of title 18, United States Code, within the meaning of such section 1905.

(g)(1) Information determined by the Administrator to concern or relate to trade secrets or other matter referred to in section 1905 of title 18, United States Code, shall be kept confidential and not be disclosed except that disclosure may be made (A) to other officers or employees concerned with carrying out this Act and the Emergency Petroleum Allocation Act of 1973 concerned with the formulation of energy policy, (B) when relevant, in any proceeding under this Act or the Emergency Petroleum Allocation Act of 1973, or (C) to the committees of Congress upon request of the chairman of any such committee.

(2) Such information when disclosed in a proceeding under this Act or the Emergency Petroleum Allocation Act of 1973 shall be disclosed by the Administrator in a manner which preserves confidentiality to the extent practicable without impairing the proceeding and such information when submitted to the committees of Congress upon request shall not be disclosed except by authority of the committee.

(3) Paragraph (2) of this subsection shall govern disclosure of such information by committees of the Congress and is enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such shall be considered as a part of the rules of each House, respectively, or of that House to which it specifically applies, and such rule shall supersede other rules only to the extent that they are inconsistent therewith, and

(B) with full recognition of the constitutional right of either House to change such rule (so far as it relates to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(h) As used in this section—

(1) the term "Federal agency" shall have the meaning of the term "executive agency" as defined in section 105 of title 5, United States Code;

(2) the term "energy information" includes all information in whatever form on mineral fuel reserves, exploration, extraction, and natural energy resources (to include petrochemical feedstocks) wherever located; production, distribution, and consumption wherever carried on; and includes matters such as corporate structure and proprietary relationships, costs, prices, capital investment and assets and other matters directly related thereto, whenever they exist; and

(3) the term "person" means any natural person, corporation, partnership, association, consortium, or any entity organized for a common business purpose; wherever situated, domiciled or doing business, who directly or through other persons subject to their control do business in any part of the United States, its territories and possessions or the District of Columbia.

(i) Information obtained by the Administrator under authority of this Act shall be available to the public in accordance with the provisions of section 552 of title 5, United States Code.

Sec. 123. Intrastate Gas.

Nothing in this Act shall expand the authority of the Federal Power Commission with respect to sales of non-jurisdictional natural gas.

Sec. 124. Expiration.

The authority under this title to prescribe any rule or order to take other action under this title, or to enforce any such rule or order, shall expire at midnight, June 30, 1975, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight, June 30, 1975.

Sec. 125. Authorizations of Appropriations.

(a) There are authorized to be appropriated to the Administrator to carry out his functions under this Act and under other laws, and to make grants to States under section 121, $75,000,000 for the fiscal year ending June 30, 1974, $75,000,000 for the fiscal year ending June 30, 1975.

(b) For the purpose of making payments under grants to States under section 121, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(c) For the purpose of making payments under grants to States under section 114, there is authorized to be appropriated $500,000,000 for the fiscal year ending June 30, 1974.

Sec. 126. Severability.

If any provision of this Act, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Sec. 127. Contingency Plans.

(a) In order to fully inform the Congress and the public with respect to the exercise of authorities under sections 103 and 104 of this Act, the Administration shall, to the maximum extent practical, develop contingency plans in the nature of descriptive analyses of:

(1) the manner of implementation and operation of any such authority;

(2) the anticipated benefits and impacts of the provision of any plan;

(3) the role of State and local government;

(4) the procedures for appeal and review; and

(5) the Federal officers or employees who will administer any plan.

(b) Any contingency plans which describe the exercise of any authority under section 103 or 104 of this Act shall be transmitted to the Congress not later than the date on which any plan or rule relating to such contingency plan is transmitted to the Congress pursuant to the provisions of such sections.

TITLE II—STUDIES AND REPORTS

Sec. 201. Agency Studies.

The following studies shall be conducted, with reports on their results submitted to the Congress:

(1) Within 60 days after the date of enactment of this Act:

(A) The Administrator shall conduct a review of all rulings and regulations issued pursuant to the Economic Stabilization Act to determine if such rulings and regulations contributed to or are contributing to the shortage of fuels and of materials associated with the production of energy supplies.

(B) The President shall undertake a comprehensive survey of all Federal departments and agencies to identify and recommend to the Congress specific proposals to significantly increase energy supply or to reduce energy demand through conservation programs.

(C) All independent regulatory commissions shall undertake a survey of all activities over which they have jurisdiction to identify and recommend to the Congress and to the President specific proposals to significantly increase energy supply or to reduce energy demand through conservation programs.

(D) The Secretary of the Treasury and the Director of the Cost of Living Council shall recommend to the Congress specific incentives to increase energy supply, reduce demand, to encourage private industry and individual persons to subscribe to the goals of this Act. This study shall also include an analysis of the price-elasticity of demand for gasoline.

(E) The Administrator shall report to the Congress concerning the present and prospective impact of energy shortage upon employment. Such report shall contain an assessment of the adequacy of existing programs in meeting the needs of adversely affected workers, together with legislative recommendations appropriate to meet such needs, including revisions in the unemployment insurance laws.

(F) The Secretary of the Interior and the Secretary of Commerce are directed to prepare a comprehensive report of (1) United States exports of petroleum products and other energy sources, and (2) foreign investment in production of petroleum products and other energy sources to determine the consistency or lack thereof of the Nation's trade policy and foreign investment policy with domestic energy conservation efforts. Such report shall include recommendations for legislation.

(2) Within 6 months after the date of enactment of this Act:

(A) The Administrator shall develop and submit to the Congress a plan for providing incentives for the increased use of public transportation and Federal subsidies for maintained or reduced fares and additional expenses incurred because of increased service for the duration of the Act.

(B) The Administrator shall recommend to the Congress actions to be taken regarding the problem of the siting of energy producing facilities.

(C) The Administrator shall conduct a study of the further development of the hydroelectric power resources of the Nation, including an assessment of present and proposed projects already authorized by Congress and the potential of other hydroelectric power resources, including tidal power and geothermal steam.

(D) The Administrator shall prepare and submit to Congress a plan for encouraging the conversion of coal to crude oil and other liquid and gaseous hydrocarbons.

(E) The Secretary of the Interior shall study methods for accelerating leases of energy resources on public lands including oil and gas leasing onshore and offshore, and geothermal energy leasing.

SEC. 202. REPORT OF THE PRESIDENT TO CONGRESS.

The President shall report to the Congress every sixty days beginning June 1, 1974, on the implementation and administration of this Act and the Emergency Petroleum Allocation Act of 1973, together with an assessment of the results attained thereby. Each report shall include specific information, nationally and by region and State, concerning staffing and other administrative arrangements taken to carry out programs under these Acts and may include such recommendations as he deems necessary for amending or extending the authorities granted in this Act or in the Emergency Petroleum Allocation Act of 1973.

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 12:10 p.m., and that at that time the distinguished Senator from Washington (Mr. JACKSON) be recognized to explain the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senate will stand in recess until 10 minutes after 12.

Whereupon, at 11:50 a.m., the Senate took a recess until 12:10 p.m., and then reassembled when called to order by the Presiding Officer (Mr. ABOUREZK).

Mr. MANSFIELD. Mr. President, will the Senator yield to me, without losing his right to the floor?

Mr. JACKSON. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistance legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that the following members of the professional staff of the Committee on Interior and Insular Affairs be permitted the privilege of the floor during the consideration of S. 3267: William Van Ness, Grenville Gorside, James Barnes, Lucille Langlois, Arlon Tussing, Steve Quarles, Richard Grundy, and Lorraine Maestas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Interior and Insular Affairs and of my personal staff be permitted the privilege of the floor during the debate and votes on S. 3267: Harrison Loesch, David Stang, Fred Craft, Roma Skeen, Joseph Jenckes, and Margaret Lane.

The PRESIDING OFFICER. Without objection, it is so ordered.

BACKGROUND OF S. 3267

Mr. JACKSON. Mr. President, for the past 2 years, the country has been faced with both chronic and spot fuel shortages. The imposition of the Arab oil embargo in October of 1973 seriously aggravated this energy crunch. As surprising as it may seem, the Federal Government had no contingency plans and very little authority to deal with such conditions. In an attempt to cope with these fuel shortages and their attendant impacts, S. 2589, the National Emergency Petroleum Act, was introduced in the Senate on October 18, 1973, to provide emergency authorities for the President to manage the impending energy crisis. Although urgently needed and requested by the administration, this bill was vetoed by President Nixon on March 4, 1974.

NEED AND PURPOSE

Since that time, the Arab embargo has been lifted, but unconstrained demand for energy so far outstrips supply that we can expect continued fuel shortages for some years to come.

To prepare the country to deal with this problem, S. 3267, the Standby Energy Emergency Authorities Act, was introduced on March 28, 1974. This bill is similar to S. 2589. It differs in that it does not include provisions for petroleum pricing authority or for amendments to the Clean Air Act. The purpose of S. 3267 is to provide standby emergency authorities and contingency plans for minimizing the extent of fuel shortages and their adverse impacts.

Mr. President, we have as a national goal the development of capability for energy self-sufficiency. This does not mean an end to all fuel imports—rather, it means limiting our dependency to levels which will permit us to maintain essential public services, economic growth, and a satisfactory standard of living in the event these imports should not be available to us.

Yet, even with the full implementation of a massive energy R. & D. effort as outlined in S. 1283, passed by the Senate on December 7, 1973, and echoed in Project Independence, we cannot attain the capability for self-sufficiency before 1985. U.S. domestic oil production peaked in 1970 and has been declining ever since. Natural gas reserves reached their peak in 1965 and production is now estimated to have peaked in 1973. Expansion of oil and gas production and our domestic coal industries are severely limited by serious supply constraints. According to the FEO and the trade journals, these industries are plagued by shortages of roofbolts, casing pipe, drilling rigs, and even manpower. Research in the development of synthetic fuels has been woefully neglected and commercial development of such technologies is still a number of years away. Similarly, the development of nuclear power has been fraught with a number of unexpected delays and difficulties.

For some years to come, then, we will necessarily be dependent on foreign imports of oil for at least 17 percent of our national energy and 36 percent of our petroleum requirement needs. Since unconstrained demand for energy is growing at an annual rate of 4 percent, without stringent conservation measures we can expect that percentage to increase significantly.

THE OUTLOOK FOR FUTURE SHORTAGES

We must therefore accept the fact that we will be faced with a chronic shortage of domestically produced energy in the next decade, and we may be subject at times to severe curtailments or disruptions in our energy supplies. Such disruptions could come from a number of sources in addition to the producing nations of the Mideast. Our energy system at this point in time, as we discovered over the past year, has very little safety margin, and any disruption—whatever the source—can be expected to have major repercussions on price, the economy, lifestyles, and our national security.

Indeed there is the very real danger that, even without the curtailment of imports or other supply disruptions, the implementation of one or more of the authorities contained in this bill will be needed and needed soon.

We are faced with the probability of a 4- to 6-percent shortage of gasoline during the coming summer, according to Federal Energy Office estimates. The estimated shortfall according to oil industry representatives will be 5 percent. To avoid this shortage, a continued conservation effort by government, industry, and the public is necessary. However, despite the urging of Dr. John Sawhill, Administrator of FEO, there is no indication that the required effort will be undertaken or achieved. In fact, Americans are abandoning the voluntary conservation measures they adopted during the recent embargo and are started back toward their old habits. Dr. Sawhill has reported that there are as many people on the road now as there were in September.

Not only that but highway speeds are up. According to a recent Associated Press survey, the average speed on most highways is now 65–70 miles per hour, since gasoline has become more available. The use of electricity is increasing. The use of public transportation is done, and the push for carpools appears to be falling.

So bleak is the outlook that Mr. William L. Henry, the executive vice president of Gulf Oil, recently called on the administration to implement its proposed gasoline rationing plan now in order to avert serious shortages at the height of the summer vacation season. To the best of my knowledge, even during the height of the embargo, no industry representative judged it necessary to call for such a rationing program.

ALTERNATIVES TO ACUTE SHORTAGES

But the only alternative to rationing at this point is a vigorous policy of energy conservation. There is substantial question concerning the adequacy of existing voluntary conservation measures to provide the energy savings which are needed. The President has told Americans that the "crisis is over" and they obviously believe him because they are once again consuming energy at pre-embargo rates. As Mr. Henry said in his call for rationing, the average motorist does not realize that there is a shortage of gasoline right now. "People think it is over."

Mr. President, although in the foreseeable future we will continue to be dependent on foreign sources of energy, we must not allow this dependency to make us vulnerable to foreign political machinations. The Government must be prepared, at a moment's notice, to assess the magnitude of a fuel supply disruption, and act at once to minimize its impact on the economy. Although we did manage to muddle through this last embargo without a major catastrophe, largely due to good fortune and a mild winter, certain sectors of the economy did suffer considerably. The next time, however, we may not be so fortunate. We certainly cannot afford to risk that possibility.

The Nation must, in effect, develop a program of contingency planning and emergency preparedness for the management of our energy system. We can only do so by congressional enactment of a set of standby authorities and by requiring the development of contingency plans that can be implemented without delay should any serious disruption occur in our energy system. S. 3267 provides the statutory authority for the establishment of such measures. The bill also requires contingency plans for rationing and energy conservation, which will remain in the near term our only really effective means to deal with energy shortages. This measure provides authority for the short-term rapid acceleration of domestic production and for the priority allocation of materials to energy suppliers to relieve the numerous supply constraints now being experienced. The bill authorizes emergency unemployment assistance to deal with the massive unemployment now being experienced and which would result from future reduction in available energy.

Mr. President, until we have the capability for energy self-sufficiency, we must have the ready capability to cope with energy shortages. Our energy shortage planning must have the kind of flexibility provided for in S. 3267.

I might add, Mr. President, that the House has already acted on part of this legislation. On Wednesday, May 1, the House passed H.R. 14368, the Energy Supply and Environmental Coordination Act of 1974, which includes the coal conversion, energy information, and clean air provisions which were in S. 2589 and S. 3267 as introduced. Action on the other provisions of the Senate bill, contained in H.R. 13834, is awaiting a rule from the Rules Committee: The bill was reported by the House Interstate and Foreign Commerce Committee in conjunction with H.R. 14368.

I therefore would strongly urge that the Senate also act with all deliberate speed and pass S. 3267.

Mr. President, I ask unanimous consent that various articles from the Washington Post and from trade journals that discuss this matter be inserted in the Record here at the end of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Oil and Gas Journal, Apr. 15, 1974]

Boom Climate Restricted by Field Shortages

(Shortage of tubular goods is one of the hottest topics of conversation when independent oil operators get together these days. The scarcity of drill pipe, tubing, casing, and other basic producing equipment also is limiting activity of some majors and threatens to slow down drilling. W. T. Slick, Jr., senior vice-president of Exxon Co. U.S.A., told the North Texas Oil & Gas Association that his company is having trouble filling its steel needs for the first half of 1974. *"Unless supplies improve later in the year,"* he declared, *"we expect to fall 20% short of our 1974 drilling target."*)

Independent oilmen operating in North Texas acknowledge that higher crude-oil prices have revived interest in exploration and production that could approach boom proportions if physical restraints didn't persist.

Shortages of drilling rigs, tubular goods, and wellhead equipment are limiting the activity and restricting oil and gas production.

Oilmen attending sessions of the North Texas Oil & Gas Association in Wichita Falls, however, expressed more individual concern over prospects of a compulsory price rollback, new production taxes, or phaseout of percentage depletion than over the shortages. The stimulus for renewed operations in this established oil country, they all agree, is a price of $8.50–10/bbl for "stripper" and "new" oil.

A rollback to $5.25/bbl for all oil, operators insist, would deflate expansion plans almost overnight and force operators to reassess every venture. Oilmen assert the high price is an incentive to work over older producing wells, put in new and more efficient equipment, drill more development wells to increase production and invest in wildcat exploration to establish new reserves.

Wildcatting is featuring drilling for gas on the eastern and southeastern fringes of the region in the Fort Worth basin and also on the southwestern edge of the area. Some interesting wildcats, however, have established oil production in other areas condemned by earlier dry holes which weren't drilled deep enough or for some other reason missed the pay.

Much of the activity involves stimulating established production by new infield wells, workovers, and in some cases modern equipment. Secondary recovery projects have dotted the region for 25–80 years and are continuing. Mobil is the first to announce a tertiary project, a chemical pilot flood on 20 acres in the Clara area of West Burkburnett field launched in November. The area was drilled in 1919–20 with primary production in the Gunsite sand at 1,700 ft holding until 1944 when a low-tension waterflood project was undertaken. Initial recovery was estimated at 15% of oil in place and secondary at 32%. Mobil engineers hope to recover an additional 20% by tertiary methods.

Much of the North Texas developments are being plagued by shortages. Operators report they can usually count on waiting 6 months before getting a rig—the only chance of quicker action is when another operator waives his turn for some reason. Operators wanting to buy complete new rigs face a 2-year backlog at the plants. They also have to wait in-line for some well-head equipment and well services.

Business is excellent in North Texas for the service industry. Supply salesmen report many operators are upgrading with quality equipment to cut maintenance costs and invest for longer life. Since this area features much shallow production, there is a brisk demand for used casing and tubing; and it brings a higher price than new oil-country steel goods.

Costs of everything the operator buys is rising, but most North Texans don't complain about this or the shortage of rigs. They can pay higher costs and believe the shortages will be overcome in time if only politicians won't tamper wtih crude prices or percentage depletion.

Ad valorem tax. The North Texas meeting paid special attention to local ad valorem tax problems which could be rather touchy this year. The various taxing jurisdictions, especially local school districts, are under pressure to raise more revenues. The talk of high oil prices and big operator profits is causing the tax assessors to review oil-property values. This puts the lease operator, who faces rising costs and an uncertain future on price of his crude, in a tight spot.

The association's tax committee devoted a long session discussing ways to present representative economic data on prices and costs so a uniform assessment procedure can be set up for taxing oil leases. Discussions later were held at lunch with officials of taxing jurisdictions from over the region.

Threats of punitive congressional legislation also hung heavy over the 2-day North Texas meeting.

C. John Miller, president of Independent Petroleum Association of America, warned the North Texans that the possibility of continued price controls, higher taxes, and complete federal utility-type regulation of the industry pose the worst threat in oil's history. "The issue is whether our energy producing industries for the next decade or more will remain in private hands or be run by the federal Government," Miller said. "If the private petroleum-producing industry generally, and the independent segment especially, are to survive and prosper, we have our work cut out for us."

A similar stark political and economic outlook was pictured by the banquet speaker, W. T. Slick, Jr., senior vice-president of Exxon Co. U.S.A., Houston. "The threat to petroleum private enterprise," he said, "is sufficiently serious to concern every operator—large or small."

[From the Washington Post, Apr. 27, 1974]

Energy Conservation Continuation Is Urged

(By Tim O'Brien)

The Federal Energy Office yesterday called on the nation to renew fuel conservation efforts during the summer months, recommending strategies ranging from less air conditioning to fewer neckties.

John S. Sawhill, the new energy director, said the American people will have to renew their commitment to energy conservation "or face the prospect of spot shortages this summer."

He recommended that air conditioning thermostats be set at 78 to 80 degrees, a temperature range that he described as "reasonably comfortable and energy-efficient." If a homeowner keeps his air conditioning thermostat 6 degrees higher than last year, Sawhill said, cooling costs should drop about 15 per cent.

The new recommendations came after growing reports that the nation is returning to its pre-embargo wasteful ways. The Associated Press, for example, found in a survey that auto traffic is climbing toward pre-embargo levels, mass transit use is falling off and the rate of electricity conservation is declining.

Sawhill asked Americans to:

Run air conditioners only on "really hot days."

Turn off cooling equipment when rooms will be unoccupied for several hours, and clean air conditioning filters at least once a month.

Use heat-generating dishwashers, clothes dryers and irons in the cooler hours of the early morning.

Wear sports clothes and avoid tight collars and neckties.

In addition, Sawhill urged states to enforce strictly the 55-mile-per-hour speed limit, and he asked motorists to honor it.

Citing the lower speed limit as a major factor, Sawhill said the highway death toll dropped 25 per cent in March compared with the same month last year. March was the first month that all states enforced the speed limit.

He urged drivers to practice other fuel-saving habits—regular engine tune-ups, car pooling, slower acceleration and less driving. At worst, Sawhill, said, the gasoline shortage will be 4 to 6 per cent of anticipated demand this summer, but with proper conservation it could be reduced to almost zero.

A panel of the National Association of Insurance Commissioners concurred yesterday that the 55 m.p.h. limit helped reduce accidents and fatalities, but said the savings to insurance companies have been eaten up by inflation and rising serious accidents involving small cars. As a result, insurance rates will probabaly not go down.

In another announcement, Sawhill said American consumers were gouged of $116 million dollars during the winter energy crisis. In testimony before Congress Thursday he had put the figure at about $100 million.

Sawhill said individual refunds will be made to customers who were overcharged for propane. Those overcharged for other fuels—gasoline, home heating oil and diesel oil—will get no personal refunds, but the offending dealers and companies will be forced to reduce prices to compensate for their illegal profits, he said.

Either through refunds or price decreases, he said, about $22 million has been returned to consumers, while another $34 million of fuel overcharges is under challenge. The overcharges were uncovered in joint FEO and Internal Revenue Service investigations.

[From the Washington Post, Apr. 26, 1974]

AMERICANS SAID TO DROP ENERGY-SAVING MEASURES

(By Craig Ammerman)

Americans are abandoning the strict conservation measures they imposed on themselves at the height of the energy crisis.

A nationwide Associated Press survey finds that automobile traffic in most areas of the country is approaching pre-embargo levels. It also shows that toll road receipts are climbing, mass transit use is slipping and the rate of electricity conservation is falling.

"There are as many people on the road now as there were in September," before the Arab oil embargo brought the winter energy crisis, said federal energy chief John C. Sawhill. The AP survey showed that in recent weeks police in many states have written many more speeding tickets as motorists press down on the gas pedal.

The end of the embargo on March 18 apparently started Americans back toward their old habits.

A spokesman for Florida Power & Light Co., the state's largest utility, said its customers used 6 per cent less electricity than they normally would have between early December and late February.

But that figure fell to 3 per cent in March and a spokesman said "figures the week the Arab oil embargo was lifted indicate customers used noticeably more electricity than any other week in March."

A similar pattern was repeated in many states, Utilities and state agencies noted, however, that Americans still are not using the amount of electricity they would under normal growth patterns.

And in other areas the survey showed that Americans have not returned all the way to pre-embargo days. Here are some examples:

Public transportation revenues in Boston ranged from 1 to 9 per cent above 1973 levels between Jan. 18 and March 8. But in the three succeeding weeks revenue fell 1.5 per cent, 2.3 per cent and 3.3 per cent below last year's. The Atlanta transportation Authority said February use of its system was 7.2 per cent above a year earlier; in March it was up 2 per cent. Seattle officials said bus riders averaged 840,000 a week at the height of the embargo; they now average 740,000, still 100,000 above a year earlier.

A survey last week on the Milwaukee Freeway showed 85 per cent of 295 cars checked were going 63.5 miles per hour or faster. On Jan. 30, 85 per cent were driving 60.7 m.p.h. or faster. In May 1973, before the nationwide speed limit was lowered to 55 m.p.h., 86 per cent were going 73.5 m.p.h. or faster.

The take on Connecticut toll roads was $31,549 on Sunday, Feb. 3, 55 per cent below a year earlier. On Sunday, April 14 it was $82,671, 3 per cent below the comparable date in 1973. A state official said traffic on a typical Monday on the Garden State Parkway had increased from 300,000 cars in mid-February to 500,000 last week.

The New England Power Pool said in December that consumers in the six-state region were using 12 per cent less electricity than projected levels. That fell to 8 per cent by April 11. A spokesman for the public utilities commission in Washington state said voluntary conservation of power has dropped from 7 per cent at the height of the embargo to between 2.5 and 3 per cent now.

The push for car pools appears from the AP survey to have been a miserable failure in most areas. A group of scientists at the Opinion Research Center in Chicago, who have conducted weekly energy surveys for a year, said they found no tendency by consumers to switch away from the single-passenger auto trip.

The higher prices for gasoline do not seem to be keeping people off the roads. But the price rises, coupled with lower speed limits, may be responsible for the continued strong business being done by Amtrak and the airlines.

Amtrak, which reported that its February business was 55 per cent above the previous year, said its March traffic on the busy New York-Washington corridor was at an all-time high, totaling 739,666 persons. Amtrak said that was 11 per cent above February.

Most airports across the country, particularly those served by the smaller, feeder airlines, reported passenger volume up despite a reduction in the number of flights. The Los Angeles International Airport said passenger volume was up 5.3 per cent in March and that the percentage of seats filled on each of its flights had increased from 48.4 per cent in 1973 to 61 per cent in March.

Energy officials in several states said many businessmen who once drove intermediate distances were now flying because of lower auto speed limits and higher gasoline prices.

Citizens contacted at random across the country by the AP were divided on energy conservation. About half said higher prices for gasoline and electricity, and a belief that energy conservation was the right thing, were causing them to continue conserving. The remaining half were divided in two categories: those who felt their conservation wouldn't make a difference and those who said the energy crisis was contrived by the oil companies and the government therefore saw no reason to conserve.

The Chicago scientists said of their weekly surveys: "The general picture that emerges is that while a majority of the public consider the energy shortage an important problem, only about 25 per cent feel it is the most important problem facing the country today.

"Clearly, the public believes that fuel shortages are not inevitable in the future and will most likely be solved within four or five years."

[From the Washington Post, May 7, 1974]

SPEEDOMETERS ARE CREEPING BACK UP

(By Louise Cook)

Two months after the 55 mile-per-hour speed limit went into effect on a nationwide basis, an Associated Press survey shows Americans have slowed down a little but are still driving faster than the law allows.

The AP sent reporters in the 48 contiguous states to drive on the highways on May 1, keeping at the legal limit of 55 m.p.h. to see what other motorists were doing. The AP also checked on the number of speeding tickets issued before and after the limit was lowered, and on traffic accidents.

Among the conclusions:

Americans in all but a handful of states, including Wyoming, Wisconsin, Idaho, Delaware and Oklahoma, are ignoring the 55 m.p.h. limit, whizzing by a driver who travels at the legal speed.

The average speed on most highways is 65 to 70, below the speeds people used to travel at when the legal limit was 70 or 75.

Police are giving out more tickets. Only one AP reporter—in Indiana—saw a patrol car actually pull over a speeding vehicle. But authorities cite statistics to show that they are enforcing the law stringently. The Kansas Highway Patrol said 6,091 arrests for speeding were made during the week ended April 15, up from 2,352 arrests in the same week of 1973.

The highways are safer. The National Safety Council says traffic deaths in March were down 25 per cent from a year earlier; Ohio officials say 107 persons died in traffic accidents on March and April weekends this year, compared to 193 persons last year; North Dakota authorities said there have been only 31 fatalities so far this year, compared to 52 last year.

Speeds are creeping up as gasoline availability increases. Gov. John D. Vanderhoof of Colorado said he sees "more people exceeding the speed limits than there were a couple of months ago. All they have to do is increase gas consumption by 4 or 5 per cent and we're right back in the same jam."

Drivers think the lower speed limit can be enjoyable, but agree that it gets boring over long distances in monotonous country. They also said there was a tendency to let the speedometer creep up to match the flow of traffic.

Congress passed legislation late last year giving states until March 4 to lower the speed limit to 55 m.p.h. as a conservation measure or face the loss of federal funds. All 50 states complied.

[From the Washington Post, Apr. 26, 1974]

OIL LEADER URGES RATIONING NOW

(By William Hines)

A high ranking oil company executive says the Nixon Administration should put its standby gasoline-rationing plan into effect without delay to avert possibly serious shortages at the height of the summer vacation season.

William L. Henry, executive vice president of Gulf Oil Corp., said, "Some form of rationing to keep (gasoline) prices depressed" seems to him to be highly desirable. Henry said a plan, announced late last year but mothballed to date, appears to be an equitable solution to the problem.

The standby rationing proposal—for which billions of gas coupons already have been printed—would guarantee each licensed motorist a set amount of fuel and would allow the individual driver to sell his coupons for whatever the market would bring if he decided not to use them.

President Nixon has characterized himself as unalterably opposed to rationing and did not allow the Federal Energy Office to institute it during the winter fuel crisis. As far as is known, there is no serious consideration being given to starting rationing now.

But Henry, like many, familiar with the petroleum picture, says there will be a serious pinch this summer unless Americans continue to observe energy conservation measures as they did last winter. Public opinion surveys indicate that most Americans think the crisis is over now that the Arabs have called off their crude-oil embargo.

This is not the case by any means, Henry said. The average motorist will have to use about 5 per cent less gasoline this year than last year in order to avoid a serious pinch. Any resulting shortage from overuse of gasoline, he said, could be made up—if at all—only through purchases from Europe at sky-high prices.

Henry and Gulf's planning chief, Peter Holloway, said any gasoline procured abroad to meet excessive demand here would have an equivalent value close to 80 cents a gallon retail.

If demand can be held to levels not exceeding available supply, Henry and Holloway added, the price of motor fuel at the gas pump this summer should not rise appreciably above the 55–60-cent mark that is common at service stations today.

According, to Henry, the United States, in any event, will experience a severe balance-of-payments drain this year because of increased prices it will have to pay for foreign crude oil. At $10 a barrel at the wellhead, every 1 million barrels a day bought abroad represents an outward flow of $3.5 billion a year.

The total foreign exchange now available to the United States, Henry said, is about $14 billion.

While there probably will be no more "panic buying" of foreign crude at prices of $16 a barrel or more, Henry said, he does not look for any substantial drop in oil prices that would justify a rollback on the amounts charged for gasoline at the pump.

A difference of $1 in the price of a barrel of crude oil represents 2½ cents in the price of a gallon of gasoline at retail, Henry said.

The average motorist does not realize that there is a shortage of gasoline right now, the Gulf executive went on.

"People think it's over," he said, "but the evidence is right there in front of their eyes. Any time you see a sign at a gas station that says, 'Open for Business—$4 maximum' there's got to be a shortage. That dealer is saying to his customers, 'I've got just so much gasoline to sell and I've got to parcel it out this way.' "

Gasoline allocations under the Federal Energy Office are considerably better in hand now than earlier this year when near chaos reigned, Henry indicated. But he emphasized that there is no end in sight of chronic shortages.

One of the big problems is refinery capacity, which Henry said will not be expanded until the refiner can be assured a supply of crude oil. A refinery built at today's price can cost as much as three-quarters of a billion dollars and takes three years to construct, he said.

The North Coast Alaskan oilfields, which will be an assured supply of crude, will not be delivering petroleum to the lower 48 states before about 1978 or '79, Henry added. And even when this new supply is available, it chiefly will benefit the West Coast, he said.

While agreeing with federal energy officials that families can plan vacations this summer, Henry said, "they will have to be different kinds of vacations." Less driving from place to place will be essential, and the owners of big recreational vehicles will feel a special pinch, he added.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Abourezk). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, nearly 2 months ago the Senate was approaching the end of its consideration of S. 2589, the Energy Emergency Act. That bill had been drafted and amended with the goal of alleviating to the greatest possible extent the serious energy shortages which faced the Nation last winter. By the time most of the winter had passed and the crisis had been successfully met by the efforts of both the Federal Energy Office and the American public, the Senate was getting around to voting for the second time on a conference report on S. 2589. It was then that I informed my colleagues in this body that we have reached the final round on the Energy Emergency Act.

I rise today to concede that my assessment of just when the Energy Emergency Act would give up the ghost was a little premature. In spite of failing of agreement in the House before Christmas, being rejected by the Senate in January, and suffering a Presidential veto subsequently sustained by the Senate in March, this legislation refuses to die. The Standby Energy Emergency Authorities Act, S. 3267, is for all practical purposes the reincarnation of S. 2589 without most of the few desirable features of its predecessor. Its provisions constitute a piecemeal approach to the symptoms of our energy problems. Solutions to those problems are neglected. The minority views contained in the Interior Committee report on S. 3267 point out a number of the bill's shortcomings.

Virtually all the authorities in the bill are vested in the Administrator of FEA instead of in the President. Surely by now all of us are aware that energy issues are so broad as to fall within the jurisdiction of numerous agencies and departments; it logically follows that the appropriate seat of responsibility is at the Presidential level. From that point the fullest possible efforts of the entire administration can be directed and coordinated. Further, it is ridiculous to hold the President responsible—as does S. 3267—for implementation of authority which is held by the Administrator of FEA.

The bill contains mandatory congressional review—including veto authority—over every rationing and conservation plan, and limits the life of any such plan to 6 months. These stipulations would not only delay implementation of perhaps critical programs for at least 15 days, but also would invite foot dragging and noncompliance with any unpalatable program in light of expectation that it would expire within 6 months. It is provisions such as these that both limit the flexibility of the administration in meeting our energy problems and demonstrate the unwillingness of the Congress to assume the responsibility of providing means to meet those problems.

Section 105 of the bill provides the authority to direct conversion to coal of powerplants using natural gas and petroleum products. I believe all of us would support the conservation of both oil and natural gas. Such a provision, however, is absolutely useless unless accompanied by authorization of suspension of air quality requirements when conversion to coal is required. This section as written places the Administrator of FEA in the position of requiring an action that is in violation of requirements of the Clean Air Act. Section 105 is so inadequate as to be ineffectual.

In authorizing production beyond maximum efficient rate of production, S. 3267 invites not only energy waste but also an unconstitutional taking of property. Simply because a leaseholder's well is located on Federal lands is no legal justification for requiring him to diminish his property rights by producing beyond MER. I urge that this section be deleted.

The section of S. 3267 dealing with protection of franchised dealers would, in effect, lessen competition and overburden the consumer. By stipulating that no refiner or distributor may terminate the franchise of a retailer or distributor except under very limited circumstances, the bill would lock refiners, retailers, and distributors into their current situations, building inefficiencies into the system at substantial cost to the consumer.

Such a situation could result in a disincentive to accept new franchises, to improve or even maintain the level of services or to lower prices by existing franchises. This is merely another example of how S. 3267 fails to address the issue of finding solutions to our energy problems.

Another warmed-over provision from S. 2589 included in this bill legislates special benefits for those unemployed as a result of energy shortages. It would be nearly impossible to determine just who was out of work specifically because of energy shortages, and efforts to make those determinations undoubtedly would involve inequities and discrimination. It is a dangerous precedent to establish a special cause-effect relationship as the basis of eligibility for any unemployment compensation program. Additionally, congressional jurisdiction over unemployment compensation programs lies within the Finance Committee, not with the Interior Committee which concocted the scheme contained in S. 3267. For all these reasons I recommend adoption of the proposed administration bill, which provides for overall expansion of benefits through the existing systems for unemployed individuals.

Two sections of the bill are completely unnecessary because they duplicate provisions of existing legislation. The Emergency Highway Conservation Act provides sufficient authority for the Secretary of Transportation to direct a national carpool effort. Second, a much more equitable and workable energy data reporting section has been adopted in H.R. 11793, the Federal Energy Administration Act of 1974. Consequently, both sections 115 and 122 of S. 3267 should be deleted.

I would point out that these convictions regarding the Standby Energy Emergency Authorities Act are not only mine and for the most part those of the other minority members of the Interior Committee, but also represent the opinion of the Administrator of the Federal Energy Office, Mr. John Sawhill. For the Record I would like to read his letter to the Chairman outlining FEO's position on this bill:

Federal Energy Office,
Washington, D.C., May 4, 1974.

Hon. Henry M. Jackson,
Chairman, Committee on Interior and Insular Affairs, Washington, D.C.

Dear Senator Jackson: Last November and December the Administration and Congress worked feverishly to work out a compromise energy bill which would give the President the authority he needed to deal with the then all-encompassing energy crisis. Today, however, the situation has changed—the oil embargo has been lifted, and the American people have once again shown their amazing capacity to withstand adversity. Our present needs necessitate consideration of the several legislative proposals submitted by the Administration focusing on specifically identified problems associated with our longer-range goal of energy self-sufficiency, rather than an omnibus bill which seeks to provide immediate interim remedies.

Now that the "Standby Energy Emergency Authorities Act," S. 3267, has been reported out of the Senate Interior and Insular Affairs Committee, it is necessary to express FEO's opposition. S. 3267, as reported, like its predecessor, aims at the symptoms of the present shortage instead of the solutions, and contains many extraneous provisions which would defeat the declared purposes of the legislation.

First, the Act purportedly attempts to authorize appropriate actions necessary to meet emergency situations. Nevertheless, it contains provisions inconsistent with this goal. Although the FEA will play a key role, by vesting emergency authority in the Administrator of FEA, the bill severely restricts the President's ability to deal with energy problems in a flexible, comprehensive, and effective manner. While an energy emergency might result in a situation requiring an immediate response, the Act delays the implementation of emergency rationing and conservation plans for 15 days.

The automatic termination of all conservation plans, six months after implementation without regard to the current situation is not in the national interest.

Next, S. 3267 is said to provide for the conservation of energy. However, it would permit production of oil fields for defense purposes beyond the rate of production that would insure maximum recovery of oil in accordance with sound engineering and economic principles. The Administration supports utilization of existing petroleum reserves held for defense purposes in lieu of, and certainly prior to, production of other oil in a wasteful manner. While the promotion of carpooling is worthwhile, the Emergency Highway Conservation Act already provides sufficient authority and funding.

Another stated purpose of this Act is to insure competition. Although there well may be a need to protect franchised dealers, this legislation would result in the opposite of that which it seeks to accomplish, "locking in" many individual dealers to their present situations which could result in gross inefficiencies in the marketplace, leading to less competition, a decrease in services and an increase in costs and prices.

This legislation proposes to assist those unemployed by the current energy shortage, but does so in the form of a scheme which would result in a program almost impossible to administer with the end result being gross inequities for the unemployed. This Administration is committed to providing assistance to those who are unemployed. We believe, however, that the proper way to deal with unemployment is not through the inclusion of an energy related unemployment provision in S. 3267, but rather by strengthening and expanding our existing unemployment program through the enactment of the Administration's proposed legislation.

The Committee bill contains authority requested by the Administration to require certain plants to use coal rather than fuels in short supply, but instead of coupling this with provisions which would coordinate such actions with the Clean Air Act as proposed by the Administration, the Clean Air Act provisions have been eliminated from the bill by the Committee so that the Committee bill is patently incomplete in this respect. Obviously, we need early hearings on the package of Clean Air Act Amendments submitted to the Congress by the Administration on March 22, 1974.

We note with approval that the Committee determined that the new mandatory petroleum price provisions of the original bill (Section 128) should be deleted, including the elimination of the stripper well exemptions, but we have also noted "Additional Views" in the Committee Report indicate that an effort may be made to amend the bill on the Senate floor to restore that provision.

I, therefore, wish to reiterate the position enunciated by William Simon in his letter of April 6, 1974, to you that the Administration is opposed to the deleted section of the bill. By repealing the stripper well exemption which was enacted last fall, the bill, with Section 128, would cause the complete closing of many such operations due to unprofitability. Practically all are owned by independent operators, and while no one stripper well produces much, their combined output adds considerably to the nation's total supply.

By adding new pricing provisions to the Emergency Petroleum Allocation Act which was enacted last fall, Section 128 would have acted against our national needs for increased exploration, development and production of petroleum as was previously explained to the Committee on April 4, 1974.

Finally, the information reporting section of S. 3267 (Section 122) is included according to the Committee's explanatory language, in recognition of "the need for adequate energy information in formulating and implementing national energy policy." The Committee Report recites that an alternative to the language of Section 122 is the language for the same purpose in the bill to create the Federal Energy Administration, but that language was not then available to the Committee. At this time, of course, both bodies of the Congress have now approved the Conference Report on the FEA bill.

In view of final Congressional action on the FEA bill, we support deletion of Section 122 in favor of the single energy informaion reporting provision of that bill. This would be consistent with the stated intent of the Committee and would avoid duplication, confusion and conflict between Section 122 and the FEA law.

The Office of Management and Budget advises that there is no objection to the submission of this letter from the standpoint of the President's program.

Sincerely,

John C. Sawhill,
Administrator.

I certainly agree with what Mr. Sawhill has said. He has thoroughly studied the matter and has the responsibility for carrying the program through.

Mr. President, there remains one major aspect of S. 3267 to be addressed. Section 128, the petroleum price control authority provision, was deleted without prejudice during Interior Committee markup. The chairman, however, indicated he would reintroduce it or a similar provision as a floor amendment, as stated in Mr. Sawhill's letter.

In anticipation of such an amendment, I have these comments to offer.

As contained in S. 3267 as introduced, section 128 would:

Specify "equitable ceiling prices" for all first sales or exchanges of crude oil and crude petroleum produced in or imported into the United States;

Require price adjustment for U.S. income tax savings;

Limit cost passthroughs on imported petroleum to exclude considering transportation costs, posted prices or opportunity costs;

Require proportionate allocation of cost increases among petroleum products;

Require every establishment or change in ceiling prices to be justified by an extensive statement and analysis to be transmitted to Congress; and

Repeal the stripper well exemption.

That provision or any similar provision is completely unnecessary, because ample authority now exists in the Emergency Petroleum Allocation Act of 1973 to control prices for all petroleum products. Legislating such a rigid and detailed system in an attempt to fine-tune the energy economy would be a perilous task which would require an ability to sense the impact of any action on the smallest segment of the marketplace not only today, but for months to come. Who among us can claim to have that ability?

With respect to the repeal of the stripper well exemption in particular, such an action could have grave impact on the U.S. energy balance. The exemption aims to delay the shutdown of marginal oil wells—a majority of which are owned by independent operators—by providing an incentive to the producer to extend the productive life of the well. Stripper production accounts for approximately 13 percent of the Nation's daily crude oil production.

Anything less than an incentive to continue production from these wells would work a hardship on American consumers, the independent oil producers, and small inland refineries which depend upon the maintenance of a nearby supply from stripper wells. William Simon, at the time Administrator of the FEO, wrote on April 6 regarding the necessity of maintaining the stripper well exemption. I ask unanimous consent that the letter be reprinted at this point in the Record.

There being no objection, the letter

was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY OFFICE,
Washington, D.C., Apr. 6, 1974.
Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: The question continues to arise concerning the wisdom of the "stripper well" exemption in the Emergency Petroleum Allocation Act. This communication reflects my present concerns about the future of that provision.

As you know, Congress has approved, on two occasions, legislation containing an exemption from price controls of all crude oil produced from stripper wells. The Alaskan Pipeline bill was the first vehicle for such an exemption, and was closely followed by the enactment of the Emergency Petroleum Allocation Act which contains a similar exclusion.

FEO regulations currently exempt from price controls crude oil produced from a lease whose average daily production for the preceding calendar year does not exceed 10 barrels per well. The aim of this provision is to delay the shutdown of a marginal well by providing an incentive to the producer to extend the productive life of the well. The added revenues to the producer may also help finance additional exploration and development.

It is significant to note that the majority of stripper wells are owned by the independent segment of the domestic petroleum producing industry. This is the same portion of the industry which drills approximately 85 percent of the exploratory crude oil and natural gas wells in the United States. Thus, the exemption is vital in order to generate the additional revenues necessary to ensure a continuation of this high percentage of domestic exploration by the independent producer.

Today, there are an estimated 360,000 stripper wells operating in the United States, producing an average of 3.5 barrels of crude daily. Stripper production accounts for approximately 13 percent of the Nation's daily crude oil production. Approximately 5.1 billion barrels of the Nation's proven recoverable reserves of approximately 33 billion barrels (this includes the North Slope's 10 billion barrels) underlie what are presently stripper wells. Since all producing wells eventually become stripper wells, any step preventing their premature abandonment will significantly contribute to this Nation's proven reserves. For example, the stripper well exemption is enabling continued production from some little known oil producing areas, such as the State of New York which has approximately 5,500 wells currently in production. It should also be noted that the maximization of stripper production has significant economic advantages; the wells are already drilled, the tubular goods in place, and there remains no risk of encountering a dry hole.

Recent reports have indicated that the stripper well exemption is paying additional dividends. Due to the higher prices for stripper oil, remedial work in stripper areas has significantly increased. The results of proper maintenance and, in some cases, complete workovers could add another 200,000 barrels per day or more to U.S. crude supplies. It is imperative that this level of production be maintained. We are also encouraged by reports that drilling rig activity has increased 36 percent over the comparable time period of last year.

In some midwestern states, such as Kansas, production from stripper wells constitutes a very large portion of the state's total crude supply. Anything less than an incentive to continue production from these wells would work a hardship on small inland refineries dependent upon the maintenance of a nearby supply.

Because of the time lag inherent in making available to the consumer alternate sources of energy, it is vital that we extend the production already in existence. For these reasons, I strongly recommend the continuation of the stripper well exemption and oppose elimination of it. We should not put in jeopardy such a significant percentage of U.S. crude supplies because of a failure to recognize the higher costs associated with the production of that oil.

Sincerely yours,

WILLIAM E. SIMON,
Administrator.

Mr. FANNIN. Mr. President, these and other concerns regarding price control measures are reflected in another letter from Mr. Simon after he became Secretary of the Treasury.

In concluding his letter, the Secretary said:

> To summarize, a legislatively directed price ceiling on domestic crude oil prices or a repeal of the stripper well exemption could:
>
> (1) cause further export of U.S. capital;
> (2) decrease U.S. refinery expansion;
> (3) decrease U.S. stripper well production;
> (4) decrease U.S. national gas production;
> (5) slow down development of synthetic fuels;
> (6) reduce current production levels;
> (7) increase U.S. balance of trade deficit;
> (8) aggravate the world monetary situation; and
> (9) deter U.S. efforts to achieve energy self-sufficiency.
>
> For these reasons I respectfully seek your support in avoiding floor amendments which would either impose price controls or repeal the existing stripper well exemption.

These reasons are all-important. I add my request to that of Secretary Simon.

Mr. President, the Senate once again sits in consideration of an energy emergency bill, this time the warmed-over Standby Energy Emergency Authorities Act. Senators have succeeded in defeating the basics of this bill in the form of S. 2589 several times. I would point out that the situation in the United States has changed since S. 2589 was first conceived. We no longer need rigid authorities to see us through a crisis situation. What we need is to allow the administration and the industry the flexibility to meet the long-range energy needs of the American public. Those needs call for consideration of the specific legislative proposals already submitted by the administration, most of which are at this time undergoing committee action. Those needs do not call for extensive and all-encompassing legislation of a punitive nature.

This time I shall not be so optimistic as to predict that this is the final round on the energy emergency bill concept. Should an emergency bill come around again, I would hope that it would be a more reasonable and carefully constructed one than S. 3267.

Since it does not appear that such a constructive effort will be possible, I urge my colleagues to save themselves and the rest of us a lot of time by simply voting to defeat this bill.

Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor during the debate and voting on this legislation: James Nolan McKean, Steven Hickok, Jackee Schafer, Dr. William Schneider, Mike Hathaway, Ed Rochelle, and Ron Frank.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, it daily becomes more apparent that S. 3267, instead of a constructive effort to improve our energy outlook, is a concerted effort to continue demagoguing and searching for scapegoats, designed to keep its proponents in full public view.

The opening statements of those Senators participating in the April 4 hearings on S. 3267 shed light on the thrust of the bill. I recommend them to my colleagues as both invaluable and enlightening as we consider this legislation

I ask unanimous consent that their statements be printed in the RECORD.

There being no objection, the statements were ordered to be printed in RECORD, as follows:

STATEMENT OF SENATOR JACKSON

The purpose of today's hearing is two-fold: first, to receive a report from the Administration on compliance with and enforcement of the oil price control provisions of the Petroleum Allocation Act; second, to determine whether the Administration supports adoption of the new price control authority proposal in Section 128 of S. 3267, the Standby Energy Emergency Authorities Act.

These hearings are being conducted jointly with the Investigations Subcommittee. The Subcommittee is currently conducting an investigation into oil pricing practices which is relevant to the legislation now before the Interior Committee.

There is an increasing number of reports that some brokers, importers and oil companies are engaging in pricing practices which, if not illegal, are clearly not in the best interest of the consumer. Inflated corporate transfer pricing arrangements, repurchase agreements between brokers, and excessive cost pass-throughs are but a few of the practices which have come to our attention.

Earlier this week, the New York Times reported that officials in FEO believe that some foreign affiliates of U.S. oil companies are over-charging their parent companies and passing these over-charges on to American consumers.

This practice enables the companies to receive huge profits from their affiliates—profits which are forbidden under the Petroleum Allocation Act. The story in the Times states that officials of FEO believe that more than $100 million of overcharges may be involved.

The FEO has under way a number of audits and investigations into these practices. This morning we will receive a report on compliance and enforcement from Mr. William Walker, General Counsel of FEO, and Mr. Charles Owens, Deputy Assistant Administrator for Policy, Planning and Regulation.

My letter of April 2 to Mr. Simon indicated the scope of today's hearings. The specific subjects include:

The extent to which domestic oil companies are evading petroleum price controls by taking profits from foreign affiliates and subsidiaries and reporting these profits as "costs";

The use of dummy corporations, sham third-party purchases and fictional brokerage transactions to cover profits and drive up costs;

The use of computerized brokerage transactions which cloak the identity of buyers and sellers and make the tracing of transactions difficult, if not impossible; and

The need for new legal authority, increased penalties, staffing, and funding to insure compliance.

Later today, testimony will be received on an oil pricing inquiry the Investigations Subcommittee has under way. One facet of the Subcommittee's investigation has dealt with attempts to obtain the costs of product derived from foreign affiliates, subsidiaries and other related corporations. Obviously, if we were able to ascertain costs, we could determine whether the Allocation Act is being violated in such brokerage sales.

In one case, the Subcommittee requested voluntarily, and then by subpoena, the cost records of a brokerage company and its foreign affiliate which sold or traded 79 million gallons of gasoline. That company told Subcommittee staff that it was unable to provide us with such information. I understood that now they may be willing to do so. We hope to obtain all of the facts on this matter today. Specifically, we want to see if there is true arm's-length dealing between affiliates.

Statement of Senator Fannin

Mr. Chairman, I regret that we once again seem to be headed down that deadend path attempting to punish the energy industry at the very time we most need to work with this industry to solve our problems.

Why is it that we have to keep taking a negative approach? I just cannot understand it.

Why can't we start trying to bring about more production so that we can help consumers and the energy-reliant businesses which have had trouble?

Mr. Chairman, I regret that you have not been more flexible in your negotiations with the Administration regarding the redrafting of the Energy Emergency Act. You say you want to go forward with legislation, and so do I, but because of your inflexibility regarding the unemployment provisions of the bill, the pricing provision, the stripper well provision, the data reporting provision, and the protection of franchised dealers provision, the negotiations were unsuccessfully concluded and we are faced with a bill full of infirmities. It now appears that instead of moving forward with responsible legislation, this committee is off on another exercise of demagoguery and a continued search for scapegoats.

Let me focus briefly on the pricing provision. The Senate sent the precursor of this bill, S. 2589, back to conference because of the absurdity of the price rebate provision. The Senate sustained a presidential veto of a later conference version of the bill because a large number of senators felt that the price rollback provision and many other provisions were totally lacking in merit. Yet the Chairman insists upon beating this dead horse over and over again. He has a psychological aversion to the marketplace and constantly refers to it as an outmoded, nineteenth century institution.

Mr. Chairman, it's the marketplace that has made America great, and to continue to tinker with it in the case of oil price regulation is self-defeating.

I am confident that the Administration witnesses today will verify that existing legal mechanisms provide them all the opportunity they need to regulate prices, that their objective is to return to a free market situation in energy, and that the stripper well exemption passed two times by the Congress is viable and need not be repealed. Additionally, I anticipate that the Administration will highlight many of the other infirmities of the warmed-over Energy Emergency Bill.

The Chairman. The Chair will just observe that if this is demagoguery, then the FEO is involved in demagoguery, because they are investigating the very thing we are talking about.

Senator Fannin. They are doing a job which could be done without cluttering up their activities by this legislation.

The Chairman. So you think that the American people are not entitled to know whether the law is being violated and whether skullduggery is going on? That should be withheld, should it?

Senator Fannin. I think the FEO is going forward with investigation and you admit they are, and so——

The Chairman. Is that demagoguery?

Senator Fannin. It certainly is not because they are going forward with it on an objective basis, to try to help solve the problem.

The Chairman. Is it demagoguery for the Congress to find out whether the law is being complied with, Senator?

Senator Fannin. It is demagoguery for us to use this means of——

The Chairman. What means do you suggest, Senator?

Senator Fannin. The means I suggest is letting the Administration go forward with what they are doing at the present time. You have stated that they have already started an investigation, it has been publicized that they have information that is being made available to the public, and I feel that they will do their job if we let them do it.

The Chairman. Well, I will let the public decide whether we are embarked on something that is negative and whether it is demagoguery. I think as the facts come out here, some people might regret that statement.

Senator Fannin. I do not think that will be.

The Chairman. Well, I say we have got the Investigating Committee aspect of this. The Senator may not know some of the things that we are looking into. And this is a joint meeting, I just call to the Senator's attention.

Statement of Senator Hansen

Mr. Chairman, first of all, let me say that I think a closer examination of the record possibly than has been the case for some of us to make will disclose that the profits of the multinational oil companies to which the distinguished Senator from Ohio alluded have come not from a exploitation of a situation in the United States, they have not come out of the pockets of American consumers here, but rather have come from sales of their products abroad.

A very small part, as a matter of fact, of the oil that is produced in the Middle East—I should not say a very small part, but a small part—comes to the United States of America. Most of the profit that has resulted in what some characterize as exorbitant profits of the major oil companies results from their sales to other countries, not to sales in America.

Mr. Chairman, there are all sorts of witnesses who could be heard, whose advice I think we should consider. I want to call to the attention of everyone present here this morning what Dr. Stauffer, Research Associate for the Center for Middle Eastern Studies, Harvard University, had to say earlier this year. I quote from Dr. Stauffer:

"Thus far our equipment for controlling and monitoring prices has been imperfect at best. The more areas we try to become involved in, the more likely we are to create all sorts of complex, hidden costs and disruptions. So precedent of this sort I would regard as ultimately being undesirable and possibly dangerous."

I quote from the Energy Economics Division of the Chase Manhattan Bank. They say: "Clearly in terms of the world's current and future needs for petroleum, the industry's earnings are possibly not excessive. On the contrary, they are still subnormal. Unless they can be improved in the years ahead, the world is faced with the prospect of a devastating shortage of petroleum, so there is no way of avoiding the costs. They must be paid if there is to be enough petroleum."

Because my distinguished colleague, the Senator from Oregon, has just arrived, I will remove these books (indicating) very shortly but I thought it might be helpful for people to know that S. Res. 45, the National Fuels and Energy Study, we have had 75 days of hearings. These are the volumes of the testimony that was part of those 75 days of hearings. And it is part of the reason, I am sure, that the distinguished Senator from Louisiana, the Chairman of the Finance Committee, had this to say recently when he was interviewed downtown.

The question asked by Jim Collins was, "There have been suggestions by some Democratic Senators that a single Senate Committee or a joint committee be established to deal with all facts of energy. Do you favor that approach?"

And Senator Long of Louisiana, the Chairman of the Finance Committee, said: "No, I do not. I do not think there is enough expertise in any one committee to deal with all of the facts of the energy problem. Frankly, without meaning to be personal, the Senate Interior Committee appointed a Subcommittee on Energy over two years ago"—I think the Senator misspoke himself, he should have said three—"and I have not seen one piece of legislation recommended by that committee which would increase domestic production of energy."

"If they have suggestions in the tax area, or on import policy, let them make them and I will drop everything to schedule a Finance Committee hearing right away. What they have showed me on excess profits so far indicates a frightening lack of knowledge and expertise. They did not even want the help of the expert staffs we have on the Finance Committee and Joint Committee on Internal Revenue Taxation."

Mr. Chairman, although I do not agree with your logic, I admire your persistence in the re-introduction of the Energy Emergency Act. I note that Secretary Simon in testifying yesterday said, as he and the President have said before, that they want "only a limited power to deal with emergency shortages and called on Congress to concentrate instead on helping the nation become self-sufficient in energy."

Mr. Chairman, you may have noticed a Wall Street Journal editorial of a few days ago that expressed some views that I heartily endorse and would like to repeat in summary:

To achieve the objectives of Project Independence by 1980 and get this country from over the barrel of dependence on Middle Eastern oil or the high price and blackmail of any foreign source, we need to do only one thing, and the Wall Street Journal said it in a few words, and I quote: "To achieve the objectives of Project Independence the government has to do only one thing—get out of the way."

The editorial observed that the energy industries do not need an economic hand by government, the subsidies, tariffs, or federal corporations, and certainly not price rollbacks or more price ceilings. The Washington Star-News in an editorial last evening also urged Congress to let things alone.

The concluding paragraph of this editorial, which warned that the energy dilemma is not over, said, and I quote: "Congress should resist the political impulse toward hasty price control devices that could imperil the accelerating drive for new domestic oil supplies. What we now have is some mild relief, not a solution."

Mr. Chairman, I plan to support Secretary Simon, the President, and the Washington Star-News in resisting the political impulse toward hasty price control devices that could and most certainly will imperil the accelerating drive for new domestic oil supplies.

Section 128 of this bill, Petroleum Price Control Authority, not only repeals the stripper well amendment that was enacted in two separate laws, but it goes a long way toward attempting to repeal the law of supply and demand.

One of the major causes of the energy mess we are now in is the well head price control of natural gas. And if anything should be repealed, it should be the Supreme Court decision of 1954, that said that the Natural Gas Act should include Federal regulation of natural gas sold in interstate commerce at the well head.

Another interesting article in the Star-News last evening was about Canadian crude oil and natural gas prices. It said the disputed price of Canadian crude at the well head had been set at $6.50 a barrel. That is about the average, I believe, of the present price of U.S. crude with stripper well oil and new oil which is about 25 percent of our domestic production, added in, selling at a higher price and the old oil at $5.25.

The article also said that the Canadian government was using the revenues from export sales to the United States—they add on, incidentally, the Canadians do, a $6.90 export tax on the $6.50 well head price—to reduce the price of imports in Canada's eastern provinces.

Moreover, the article continued, the Canadian government is committed to pricing natural gas at its commodity value, that is, its true relationship to the new high prices for oil, rather than on the cost of production basis the Federal Power Commission has used to keep natural gas priced at artificially low levels. So we can expect the Canadian natural gas we are using to rise in price proportionately with the oil price rise.

For those who believe that government actions should replace the marketplace, Section 128 of this bill does not go far enough in protecting the American consumer. It should also apply to Canadian oil and perhaps the Committee on Commerce could put Canadian gas under FPC regulation.

I must say the Chairman is persistent and I believe there are those of us who were able to sustain the President's veto have our work cut out for us once more. It may still appear to some that this bill makes good politics; it is becoming increasingly apparent that it is poor economics.

Thank you, Mr. Chairman.

Statement of Senator Buckley

Frankly, I think it is time that the Congress emerged from its economic fairyland and started to deal with the real world. Our experience with wage and price controls and with the regulation of natural gas should have taught us by now that the best way to create shortages and economic havoc is to barge forward in blind disregard of elementary economic laws that experience has proven time and again will not yield to acts of Congress, however well intended. If international oil companies are rigging prices in violation of the law, let them be prosecuted; but let us not react with ill-conceived bills that will prove nonproductive.

Mr. Chairman, I respectfully suggest that we are pursuing a blind alley with the consideration of this latest proposal for arbitrary controls on petroleum prices. If it is nevertheless the decision of the committee to continue with its consideration, I hope that we will not have once again purely perfunctory hearings on a matter of such great importance. I refer specifically to the hearings on the rollback provisions of the vetoed Energy Emergency Bill, in which the unanimous recommendation of the panel of expert economists summoned to testify was totally ignored. Too much is at stake for us to substitute preconception for economic experience and fact.

I hope Section 128 will be allowed to have a most thorough scrutiny by witnesses competent to examine all of its ramifications.

Statement of Senator McClure

Just a very brief comment because two things emerge from the discussions that were preliminary to this hearing, one of which was the understanding that was conveyed by public statements that there would be no attempt to reimpose a price rollback. And then examination of Section 128 of the proposed bill would indicate that it is even more of a price rollback than was in the Conference Report which was vetoed by the President and sustained by the Congress.

Unless you assume the President is going to exercise authority to establish ceilings that are above current levels, in which event Section 128 emerges not as any attempt to regulate price but simply to put the oldest pricing upon the Administration, I think either of those two results is unacceptable excursion into partisan politics at a time when we ought to be addressing ourselves to fundamental problems.

There are some serious charges that have been levied against various segments of the energy industry with respect to pricing policies. On Monday of this week this Committee Print was first made available to us, it was suggested that we have a hearing today with regard to Section 128. At that time, I asked the Chairman what witnesses would be called that might shed light upon those charges. I look forward to the testimony which will be elicited this morning from the Administration and the other witness who is on the witness list with regard to the charges that have been made, and I hope that the charges can be either substantiated or laid to rest, because this hearing could have a constructive effect if indeed it does shed any light upon the charges which have been made.

Mr. Chairman, I do not wish to obstruct this hearing in any way, shape or form, but I do not want anyone to assume that because those of us who are concerned about this matter have taken some time to make an opening statement. But if there has been any waste of the time of this committee, it has been because there are some people who are slow learners. But this Congress is not about to stand still for actions in law that would destroy the efforts to increase supplies to protect the American consumers by the lowest possible prices in the marketplace, by making available the energy that keeps the wheels of industry going so that our men and women have jobs.

I think if there is any message that ought to come, it ought to be let us abandon these efforts to find a scapegoat and let us get on with the job of finding answers to the problems.

Thank you very much, Mr. Chairman.

Statement of Senator Bartlett

Mr. Chairman, I found the last several months quite frustrating from the point of view of this committee and other committees of the Congress, dealing with the basic problem of shortages. It is very apparent that we have had a short position in energy for a long time. This was foreseeable and it was foreseen and so advised the Congress. This committee has been concerned with the matter for three years plus, but it has not seen fit to either introduce or to recommend approaches or bills to deal with the supply side to increase the supplies other than the long term of research and development which is long in the future, and there has been a position taken on the stripper well amendment which has very definitely opened up a small element of free enterprise which this bill would close and eliminate.

There has been very little progress made in this area. It is discouraging because this bill, would discourage domestic production. The introduction of the rollback provision before reduced the amount of activity taking place at a time when it is most urgent for the industry to increase the activity and the major companies for that matter in this country, and along comes this bill which has a ceiling on the price and requires the ceiling be set.

If the ceiling is so good, then why haven't we seen fit to see the answer to a teacher crisis which we had several years ago with a ceiling on salaries? Would that produce more teachers? I do not believe so. Why is it the Banking Committee has seen fit not to continue the Economic Stabilization Act? Is this, Mr. Chairman, not because the experience has been that ceilings, price controls, have led to additional shortages, have not increased the supply?

This bill, in my opinion, would make us more reliant upon higher foreign prices and would encourage the further exportation of our industrial growing capacity which was exported nearly four years up to the 70's, in order to obtain cheap foreign oil. And to do it again at this time and to encourage the development of foreign production upon which we would have to be more reliant and higher prices, makes no sense to me.

It also seems odd that much of the information contained in this bill includes the energy information, pricing, taxation, unemployment impact, Emergency Allocation Act, oversight, and trust aspects, which are either in other bills or which are the property of other committees. But when it comes to suggestions that we take action in the area of natural gas, which I have made several times, I have been given the answer that it is not the property of this committee, it would not be the proper function.

We have not even seen fit in this committee to make recommendations and yet I would add I am of the opinion that the staff of this committee has more knowledge on natural gas than we do.

It seems in Congress every committee has a subcommittee on energy, but none of them, including this committee, is sufficiently engaged in how we get from here to there, including the shortages, to a period of sufficiency. And until we decide that in addition to investigation of the energy industry that we also need to engage ourselves in how do we increase our supply, and then how do we also intelligently reduce our use.

This bill, Mr. Chairman, as a means of conservation discusses the very wasteful use of energy. I certainly believe in conservation. I have practiced that and I made a number of recommendations, economy car and others, over a year ago. But I certainly am strongly opposed to violating the maximum efficient rate of production of wells for the purpose of increasing production. And then it is particularly notable that we want to wastefully use oil from wells which would cause economic loss and the loss of oil at a time that we do not want to increase the production from Elk Hills, which could be produced at mer's or way below mer's and still increase the production.

So it seems to me we are being quite inconsistent with the commitment that Congress has made to conservation. We do believe in usurping our natural resources.

Mr. Chairman, I have been frustrated and I am hoping that we can change our direction and approach the problem more directly and more for the benefit short term and long term of the American citizen and consumer.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HANSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, although I do not agree with the chairman's logic, I admire his persistence in the reintroduction of the Energy Emergency Act.

I note that Secretary Simon in testifying recently said, as he and the President have said before, that they wanted only limited power to deal with emergency shortages and called on Congress to concentrate instead on helping the Nation become self-sufficient in energy.

Some of my colleagues may have noticed a Wall Street Journal editorial a few days ago that expressed some views that I heartily endorse and would like to repeat here in summary.

To achieve the objectives of Project Independence by 1980 and get this country from over the barrel of dependence on Middle East oil or the supply and price blackmail of any foreign source, we need to do only one thing and the Wall Street Journal said it in a few words:

> To achieve the objectives of Project Independence, the Government has to do only one thing, get out of the way.

The editorial observed that the energy industries do not need economic activism by Government; the subsidies, tariffs, or Federal corporations and certainly not price rollbacks or more price ceilings.

The Washington Star-News in an editorial also urged Congress to let things alone.

The concluding paragraph of that editorial which warned that the energy dilemma is not over said:

> Furthermore, Congress should resist the political impulse toward hasty price control devices that could imperil the accelerating drive for new domestic oil supplies. What we have now is some mild relief not a solution.

Mr. President, I plan to support Secretary Simon, the President and the Washington Star-News in resisting the political impulse toward hasty price control devices that could, and most certainly will, imperil the accelerating drive for new domestic oil supplies.

Section 128 of the original bill was deleted. That section, which will probably be offered as an amendment not only repeals the stripper well amendment that was enacted in two separate laws but it goes a long way toward attempting to repeal the law of supply and demand.

One of the major causes of the energy mess we are in is the wellhead price control of natural gas and if anything should be repealed it should be the Supreme Court decision of 1954 that said the Natural Gas Act should include Federal regulation of natural gas sold in interstate commerce at the wellhead.

Another interesting article in the Star-News recently was about Canadian crude oil and natural gas prices. It said the disputed price of Canadian crude at the wellhead had been set at $6.70 per barrel. That is about the average, I believe, of the present price of U.S. crude with stripper well oil and new oil, about 25 percent of production, selling at a higher price and "old" oil at $5.25.

The article also said that the Canadian Government was using the revenues from export sales to the United States to reduce the price of imports in Canada's Eastern provinces. The Canadians add on a $4 export tax making the price at the U.S. border $10.70, about the same as the OPEC price.

Moreover, the article continued, the Canadian Government is committed to pricing natural gas at its "commodity value," that is, its true relationship to the new, high prices for oil, rather than on the cost of production basis the Federal Power Commission has used to keep U.S. natural gas priced at artificially low levels. So we can expect the Canadian natural gas we are using to rise in price proportionally with the oil price rise. It is already considerably higher than U.S. gas.

For those who believe that Government action should replace the market place, Section 128 of this bill would not go far enough in protecting the American consumer. It should also apply to Canadian oil, and perhaps the Committee on Commerce could put Canadian gas under FPC regulation.

I must say the chairman of the Interior and Insular Affairs Committee is persistent and I believe those of us who succeeded in sustaining the President's veto of the other Energy Emergency Act because of price rollbacks again have our work cut out for us.

It may still appeal to some that this bill makes good politics; it is becoming increasingly apparent that it is poor economics.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, although the letter from William E. Simon, former Administrator of the Federal Energy Office—and he now has been elevated to a different task—dated May 6, 1974, has been made a part of the Record, I think it might be constructive if we would read the letter so that we can emphasize the points he makes in his letter. The letter written by him, dated May 6, 1974, is addressed to the chairman of the committee, the Senator from Washington (Mr. Jackson). I want to read the letter in its entirety. It states:

> It is expected that S. 3267, the Standby Energy Emergency Authorities Act, will soon be debated on the Senate floor. There are several provisions of that bill as reported which are of concern to the administration. John C. Sawhill has written you regarding this bill.
>
> I would, however, like to mention specifically two important matters relating to S. 3267. Your additional views in the committee's report on the bill indicate that you intend to offer an amendment imposing price controls on crude oil. Senator Haskell's views indicate his intention to support repeal of the stripper well exemption. I urge reconsideration of these proposals, for I feel both of these measures, if enacted, would be detrimental to a new strong U.S. effort to attain self-sufficiency in energy.
>
> Legislatively imposed low prices for crude oil would act as a disincentive for domestic energy companies to invest in U.S. oil exploration and downstream activities, and given the current foreign prices, there would be an incentive for American companies to make investments abroad in order to earn the needed returns on capital investments.
>
> A result would be to hinder the construction of much-needed refinery capacity. As of January 1974, domestic refinery capacity of about 14 million barrels per day lagged behind total demand for defined products of over 17 million barrels per day.
>
> A further result would be to place in immediate jeopardy further recovery of crude oil by operators of stripper wells. In 1973, about 13 percent of domestic crude oil production resulted from stripper wells, which produce 10 barrels per day or less. Economic incentives have contributed to the leveling-off of the decline in domestic crude production and such incentives will continue to provide operators with the impetus to continue to obtain at least 1.1 million barrels per day from stripper wells.
>
> Gas production and the development of synthetic fuels for the future would decline under legislatively-imposed price controls. Further, lower crude oil prices result in a decreased level of exploration and when domestic drilling declines, much needed natural gas found in association with crude oil is unavailable. Moreover, the price of crude oil must be sufficient to stimulate investment in large scale, long-term replacement supplies in the form of synthetics, such as gasified coal.
>
> Attempts to measure the actual relationship between price on the one hand and supply and demand on the other is still a very imprecise science. Domestic oil production does suffer most from low crude oil prices and efforts to continue sound conservation are also hampered. Ultimately, the American consumer pays the price. Increased domestic production employed in conjunction with sound energy conservation will reduce foreign oil imports and the consequent burden on the balance of payments and the nation's security.
>
> Since 1970, U.S. oil imports have grown considerably. In that year, FOB imports of oil were 3.6 million barrels per day and cost $2.9 billion. By 1973, imports had reached 6.7 million barrels per day and cost the nation $8.1 billion. The increased prices for foreign (i.e., OPEC) oil might bring the 1974 FOB U.S. oil import bill, for 6.7 million barrels per day, to $23.2 billion.
>
> Last month, for example, the U.S. balance of trade returned to a deficit position. U.S. exports lagged U.S. imports by $171.3 million, largely due to increased costs of oil imported. The best means of reversing this deficit is to produce more domestic energy. Artificially lowering oil prices will result in an increase of both our oil imports and our balance of trade deficit. Should such imbalances significantly increase, the world monetary impact could become severe. This cycle must be avoided.
>
> American exports of capital goods and farm products will not be able to entirely compensate for the increase in the cost of oil imports. In the long run, the American consumer will suffer more from great increases in the oil import costs than he would under higher domestic prices. If existing oil prices are legislatively rolled back, or ceilings are imposed on oil prices, the absence of a price designed to insure sufficient domestic oil exploration might keep domestic production from staying at the existing level of

production or growing to the necessary level by 1980.

A greater level of domestic production will reduce the nation's level of dependence on oil from foreign sources, and move the U.S. toward Project Independence's goal of self-sufficiency in energy. Reliance on domestic energy can keep the U.S. from being placed in a position where potentially hostile suppliers can endanger our economic security and circumscribe our latitude in foreign policy. Further, increased U.S. imports may strengthen the power of the OPEC cartel. It also potentially places the U.S. directly in competition with the other OECD countries for scarce energy supplies.

To summarize, a legislatively directed price ceiling on domestic crude oil prices or a repeal of the stripper well exemption could:

(1) cause further export of U.S. capital;

(2) decrease U.S. refinery expansion;

(3) decrease U.S. stripper well production;

(4) decrease U.S. natural gas production;

(5) slow down development of synthetic fuels;

(6) reduce current production levels;

(7) increase U.S. balance of trade deficit;

(8) aggravate the world monetary situation; and

(9) deter U.S. efforts to achieve energy self-sufficiency.

For these reasons I respectfully seek your support in avoiding floor amendments which would either impose price controls or repeal the existing stripper well exemption.

With warmest regards,

WILLIAM E. SIMON.

That is the end of the quotation and the end of the letter.

I think Secretary Simon makes a very powerful argument and an unassailable case against the kind of amendments which may be offered on the floor to the pending legislation. I urge my colleagues' attention to the arguments so logically set forth by Secretary Simon.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, we hear so much today about the excess profits of oil companies, and we are all concerned. I should like to try to determine what has actually happened and what are the facts involved.

An article which recently appeared in Fortune magazine explores the current hullabaloo about oil company profits.

Among the points made by author Carol J. Loomis is that 1972 median oil company profit return was 9.4 percent—and that year is termed "pretty grim." Even after profits began to climb toward a healthy percentage, "a main reason that the oil companies were never prosecuted as an oligopoly may have been the obvious one. They simply never earned what an oligopoly would be expected to." In addition, recent price increases for crude oil are attributed to "one overwhelming circumstance: the great pull exerted on domestic prices by foreign crude."

The article points out that in light of the need for vastly stepped up domestic exploration and development of crude oil, "the arguments for allowing price to work its incentive are very persuasive."

Mr. President, I commend this article to the Senate in its consideration of S. 3267 and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Fortune, April 1974]

OIL COMPANY PROFITS

(By Carol J. Loomis)

New York theatergoers settling down nightly to enjoy the much-acclaimed production of Eugene O'Neill's *A Moon for the Misbegotten* probably do not expect to find in that decades-old play a reminder of today's energy crisis. But there it is, opening the second act. "Down with all tyrants!" bellows the character called Phil Hogan. And then: "God damn Standard Oil!"

The audiences love it; invariably there is laughter, and sometimes applause. For Hogan's curses, though aimed at a company that has long since been chopped up by the antitrust laws, catch the mood of a lot of Americans in 1974. Their sudden fury at the oil companies, reflected also in hundreds of editorials and cartoons, and in a whole string of congressional inquiries, is centered on the industry's profits. It seems obvious to many people that those profits are indecently large.

There is at least no question about their largeness. In 1973, the year in which the U.S. began to run short of fuel, the net profits of the twenty-four largest U.S. oil companies showed a median increase of 53 percent over 1972. And the increases are still coming along. This month, with the gas shortage likely to be still critical, the industry will begin to report first-quarter results apt to compare handsomely with those of 1973. Profits will be up even though the industry, for lack of crude oil, is producing smaller quantities of gasoline, heating oil, and other finished products than it did last year. In other words, as one U.S. Senator put it recently, the industry is "selling less but making more."

Which still leaves unanswered the question whether the profits are indecent. How, in fact, should one think about those profits? Do they constitute an impossible, unconscionable windfall—a crime, for which a fitting punishment might be heavy taxation of the oil companies, or their dismemberment, or even nationalization? Or should we view the profits as a rather extraordinary piece of good news—as a sign that the industry will, after all, have the means to help the country move toward self-sufficiency in energy?

There are no definitive answers to these questions—or, rather, each answer has a certain validity to it. To better appreciate this paradoxical state of affairs, it will pay to get a perspective on the trend of oil-industry profits in recent years, and also on the reasons for their recent explosion.

THOSE BORING YEARS

It is worth recalling that not too long ago—indeed, as recently as 1972—the industry's profits were capable of exciting little but boredom. Oil-company executives have talked a lot about those boring years recently, laboring to make the case that today's fancy profits, if they are to be judged fairly, must be considered together with the poor profits that went before. Sometimes, in these descriptions, the industry has come out sounding like a long-run disaster. That would be overstating the case; still, it is clear that, by some critical measures, profits were a bit below par.

That is certainly true so far as the major part of the industry—"Big Oil," as the cartoonists now label it—is concerned. FORTUNE's annual report on the 500 largest industrial corporations always includes figures showing return on stockholders' equity, the most meaningful profit indicator; and these figures show the oil industry to have been typically a just-below-average performer. In seven out of the ten years ending in 1972, the median return for the twenty to twenty-five petroleum-refining companies in the 500 was below the median for the entire 500. In the other three years, the petroleum group was above the average. In most years, the difference between the two medians was not enough to talk about. Even in 1972, a year the industry tends to describe as pretty grim, the median for the whole 500 was 10.3 percent, the median for oil fairly close behind at 9.4 percent. The best return in the industry that year was Ashland Oil's 13.5 percent, the worst, Occidental Petroleum's 1.3 percent.

If these profits figures do not suggest a disaster, they *do* suggest plainly that the industry was at least competitive. It was not extracting anything like monopoly profits from the public in the years through 1972. Competition appears to have forced oil companies to pass along to the consumer, through lower prices, the tax benefits provided by the depletion allowance. Had the industry somehow managed to keep these special benefits for itself, its returns would inevitably have been higher than the industrial average.

A MODEST RETURN OFFSHORE

Some other conspicuous details support the notion of a competitive industry. Gasoline-price wars, which plagued the industry through 1972, and even to a small extent in 1973, were certainly conspicuous and worked to chip away more or less continually at the industry's refining and marketing margins. Another critical detail concerns returns on offshore drilling, which appear to have been very low. For example, Walter J. Mead, professor of economics at the University of California, Santa Barbara, has analyzed the success of oil companies in exploiting the relatively large offshore leases that they obtained in 1954 and 1955, and has concluded that the companies making the winning bids will manage to earn only about 7.5 percent, *before* taxes, on their investment.

Finally, and setting statistics aside for a moment, it is just obvious that one of the fabled figures in the folklore of business, the southwestern oil tycoon, became a good deal less visible in the 1960's. The Clint Murchisons and H. L. Hunts, who had built up great fortunes in the 1950's and before, seemed to have no successors.

Not everyone agrees that the oil business has been competitive. Some who have studied it object that the industry is known to engage regularly and matter-of-factly in a raft of practices that would suggest collusion and might seem to render competition impossible. The oil companies seem at times to have almost a patent on the joint venture; they have combined with each other to form foreign production and marketing companies, to bid at lease sales, and to own pipelines. The major international companies have, of course, collectively bargained with the Arabs, but in this case it would seem to be obvious that getting together is no guarantee of success. "If we are a cartel, as many people claim," says one oil executive, "we are either a noble or a stupid cartel."

There are still other practices that the industry's critics view as anticompetitive, however. The companies swap oil back and forth like bubble-gum cards. And for many years, the companies lobbied successfully for a system of import controls that kept low-priced foreign oil from entering the U.S. Over the years, critics have found in all these practices justification for calling the oil companies—or, sometimes, just the majors among them—an oligopoly. The Federal Trade Commission, in fact, last year charged the industry's eight largest companies with being just that, launching a major suit to cut them in size.

But the Department of Justice has never attacked the industry on any such grounds. In part, no doubt, the department was inhibited by the fact that the antitrust laws it administers are well suited to the pursuit of monopolies, but much less so of oligopolies. The political clout of the oil industry has long been recognized as formidable, and that, too, may have helped to fend off the Antitrust Division. In addition, the oil companies now seem to have a well-defined foreign-policy role. Recent congressional hearings have made it clear that both Justice and the State Department were consulted before the oil companies began to bargain collectively with the Arabs, and that both supported the companies in this role.

But when all is said and done, a main reason that the oil companies were never prosecuted as an oligopoly may have been the obvious one. They simply never earned what an oligopoly would be expected to.

BUYERS WITH THE JITTERS

The oil industry's negotiations with the Arabs, which led in early 1971 to the Tehran Agreement and to increased tax and royalty payments by the companies, were a dramatic sign of change in the business. But the drama did not at first extend to the companies' operating results; the industry had been for many years in a buyers' market and through 1972 it stayed there. In 1973, however, it made a complete turn, moving into a sellers' market of enormous strength.

Three circumstances, in particular, brought about the shift. First, demand for petroleum products was fortified in 1973 by the great worldwide economic boom. Second, the increased demand impinged on a supply situation that was uncomfortably tight, in part because U.S. production of crude oil had in 1970 stopped climbing and begun to drop. Third, the supply outlook had become further clouded by the posture of the main Arab producing countries. New "participation" agreements, signed with the international oil companies operating in their lands, forcibly conveyed an intention to tighten Arab control over the flow of oil.

The agreements, effective January 1, 1973, in Saudi Arabia, Kuwait, Abu Dhabi, and Qatar, made these countries partners in the production of their own oil. Each country got an initial partnership interest of 25 percent, with this share scheduled to rise to 51 percent by 1982. The companies (or their affiliates, such as Aramco in Saudi Arabia) kept the reciprocal interest—i.e., 75 per cent to begin with, 49 percent eventually. From the countries' new share of output, specified portions of oil were to be sold back to the companies. For this "buy-back" oil, the companies were to pay a relatively high price—a price higher than the cost to them (which is mainly royalties and taxes paid to the countries) of the "equity" oil they were still getting directly.

All this left the internationals aware that they had lost some ground in the Mideast and also apprehensive about future demands the Arabs might make. In addition, a case of the jitters overtook their major customers, who saw in these events a reason to be anxious about their future supply of oil. Among these customers were a good many large crude-short U.S. oil companies. Beginning in May, when the U.S. lifted the oil-import controls that had been around for nearly two decades, these companies joined the great army of buyers who were roaming the world trying to tie up a long-term supply of crude.

All these circumstances—strong demand, tight supply, and anxious buyers—had some predictable effects. First of all, the market price of foreign crude oil began to rise, and up with it went the revenues of the internationals. In some important producing countries—Venezuela, for example—the rising market price was closely matched by increases in the royalties and taxes due the government; there the companies gained very little in profits per barrel. In the Mideast, there was also some escalation of "posted" prices, on which royalties and taxes are calculated, to reflect the devaluation of the U.S. dollar. But this escalation did not keep up with the rise in market prices—at least, it did not for a good while. And so the companies operating in the Mideast began to make more on each barrel of oil sold.

THE BONANZA THAT DIDN'T LAST

Consider, for example, the trend of prices in one major grade of oil, Saudi, Arabian light. At the beginning of 1973, its market price was probably running just under $2 a barrel (the figure must be estimated, for the oil companies do not reveal it); at that price, the companies would have had a profit of about 35 cents per barrel. But by late summer the market price was more like $2.85; and that level implied a profit on equity and buy-back oil combined of about 80 cents a barrel. Had a company like Exxon, which then had a claim on three million barrels per day in the Mideast, managed to make this full difference of 45 cents per barrel, the addition to profits every day it did so would have amounted to $1.35 million!

Although the company could not have made that much for very many days, it almost certainly made a lot. To some extent, however, the additional profits did not show up in the Mideast. That is, much of Exxon's oil was being transferred to its own affiliates at prices that lagged behind the actual rise in market price. This technicality gave the affiliates what was in effect "cheap" crude and thus tended to increase their profits. It is also true that at least some of Exxon's oil would have been going to customers on long-term contracts, and on these the full market price probably could not be realized. Nevertheless, it is clear that in this period Exxon and other oil companies were doing extraordinarily well on Mideast crude.

It was too good to last. By September, each of the four countries that had only recently signed new agreements had told the oil companies of their intention to renegotiate. They also proclaimed their determination to capture a much greater part of the market price for themselves, and their unwillingness to let the oil companies maintain their recent level of profits on Arab oil. In mid-October, with no new agreements yet negotiated and market prices still rising, the countries unilaterally raised their posted prices. The oil companies' royalty and tax costs were thus pushed nearer the market price, and the profits per barrel were reduced.

By how much were they reduced? This turns out to be a question involving some very special and bizarre considerations. Another message from the Arabs in the early fall had concerned that buy-back oil, which was then passing from the host countries to the companies, and from them into the market. The price of this oil, the Arabs said, must be renegotiated upward, to take into account the sizable increase in market prices. Furthermore, said the Arabs, the adjustment of the buy-back prices could not await the conclusion of negotiations; it would have to taks effect immediately.

This Arab demand, on which negotiations soon began, left the oil companies faced with a remarkable situation. Buy-back oil was still coming to them, but at a price that was completely up in the air. What, then, should they do about figuring current profits? If these were to be stated accurately, they must reflect the increased cost of buy-back crude. But what would this cost be?

The five U.S. companies most affected by these problems — Exxon, Mobil, Texaco. Standard of California, and Gulf—do not all seem to have solved them in exactly the same way. Generally, however, they made efforts to judge how the negotiations might eventually turn out, and, sometime in the third quarter, began to assume—and to accrue on their books—higher costs for buy-back oil (trying, meanwhile, to recover these estimated costs in the market). The third- and fourth-quarter reports of these companies, then, reflect a large component of "judgment." Since their judgments may have varied considerably, their reported 1973 earnings gains may not have been at all comparable.

None of these companies is the least bit interested in revealing the assumptions they have made about these costs. To reveal the figures they are accruing would presumably suggest what they might be willing to settle for in the negotiations—which, last month, were still going on. However, a piece of information released by Exxon at a press conference this January indicates that it, at least, was estimating the new costs to be rather high. Seeking to defend the company from charges that it had somehow encouraged price rises in order to profit from them, J. K. Jamieson, the company's chairman, said that average profits per barrel of Mideast crude had declined from 32 cents in 1972 to 25 cents in 1973. Considering the favorable trend in profitability of this oil during the first two-thirds of the year, there is no way to reconcile these numbers unless one assumes that, in the last third, the company took a very bearish view of the buy-back negotiations.

A HAPPY SWIM DOWNSTREAM

Jamieson's figures might also be eyed from another perspective. Exxon reported that its 1973 Eastern Hemisphere profits (which of course included its Mideast-crude results) rose by $454 million, or a sensational 83 percent. How, in the face of that lower profit per barrel of crude, can the company have done so well?

The answer appears to have several parts. First, the devaluation of the dollar last year had the effect, for most companies operating outside the U.S., of increasing the translated value of foreign profits. After some rather complex adjustments, Exxon figured its gain to have been about $150 million, most of that attributable to European operations.

More important to Exxon, as to the other international oil companies, the sellers' market of 1973 gave a large lift to profit margins in the so-called "downstream" operations—i.e., refining and marketing. In Europe these operations had for years made almost no money. In 1973, despite price controls in most countries, a great firming of product prices turned these operations into very decent moneymakers.

A LITTLE HELP FROM ACCOUNTING

Aside from the firming in the marketplace, accounting breaks may also have benefited downstream operations. The integrated oil companies are, of course, constantly, making intracompany transfers of oil and refined products, and they have a considerable ability to shift profits where they want them. Tax considerations have traditionally encouraged the companies to keep profits concentrated in their producing affiliates rather than in their refining and marketing subsidiaries, and that circumstance may help to explain why the profitability of these subsidiaries had in the past run so low.

But, in 1973, with the Arabs increasingly agitated about the profits being made on *their* oil, the companies had an incentive to minimize their showing in the Mideast; and that may explain, to some extent, why the downstream operations suddenly began to do better. As we have seen, some of the crude that Exxon's downstream subsidiaries were getting came at below-market prices. The impact of these bookkeeping transactions should not be exaggerated, however. The main point about those European refining and marketing operations last year is that a buoyant market propelled them into a very respectable profit position.

A somewhat different process was unfolding in the Western Hemisphere. In the biggest market, the U.S., the output of refined products was up strongly, and this increase naturally helped profits. For some companies, it also helped margins. But others found that the extraordinarily high rates at which their refineries were operating created strains that worked, ultimately, to hold down margins.

Price controls were clearly a restraining influence on profits. Refiners were allowed to pass through their costs on all purchased crude, but toward the end of the year they were allowed to do this only once a month. This created a lag that had a bad effect on profits. On the other hand, both refining and marketing operations were enormously helped by the general absence of price wars, which may be said to have been replaced by wars between citizens trying to get gas.

On balance, it is probably fair to say that 1973 was a good year for downstream operations in the U.S. It was, for example, a great year for Clark Oil & Refining, a Milwaukee company that has almost no crude output of its own, but instead makes—or, in a bad year, doesn't make—its money almost entirely from refining and marketing. Last year its profits rose 266 percent over 1972.

THE CRUDE FACTS OF LIFE

Meanwhile, the prospects of domestic crude producers were being sharply transformed last year. At the beginning of the year, average U.S. crude prices at the wellhead were $3.40 a barrel; at the end of December, they were $6.50. This rise, it should be noted, took place in a price-controlled environment, and under the eyes of government officials desperately anxious to hold down petroleum prices. They were unable to do so because of one overwhelming circumstance: the great pull exerted on domestic prices by foreign crude.

This drama in oil, versions of which were played out in many other industries during 1973, had a certain economic inevitability to it. A two-tier system, in which foreign oil sells at a much higher price than domestic oil, is almost impossible to maintain—or, as Washington's price controllers are fond of saying, it is "destabilizing." For one thing, domestic producers, unless prevented from doing so, tend to export their oil. Or they may simply leave it in the ground, waiting for a better deal.

The problems of 1973 were not very well perceived as the year began. Average prices for crude imports were then only $3.34 a barrel, or a few cents below average U.S. prices. The U.S. was still stubbornly hanging on to its import controls, determined as in the past to hold down supply and keep domestic prices up. But the market equation was at that very moment shifting, from oversupply to undersupply. By May, a shortage of U.S. crude had forced the government to abandon the import controls.

And by August, the Cost of Living Council was looking at a price situation that was rather obviously destabilizing. U.S. crude prices had been allowed to rise to an average of $3.86 a barrel. But import prices had sailed past that. Saudi Arabian light, for example, was coming into the U.S. in sizable amounts at around $4.35.

With a mandate to hold down prices, but recognizing that something would have to give, COLC reacted by creating a two-tier system of its own. First of all, it designated part of U.S. production "new oil" and decontrolled its price. New oil was to mean any output of crude in a given property in excess of the output a year earlier. If, for example, crude production from Property A was 11,000 barrels per day in September, 1973, and this contrasted with 10,000 barrels in September, 1972, the incremental 1,000 barrels were deemed to be "new."

Furthermore, in an effort to sweeten the pot for anyone trying to expand output, an equivalent amount of "old oil" from the property was treated as new. So, in the case of Property A, a total of 2,000 barrels would escape price controls. COLC also allowed certain rises in the ceiling price on old oil, and by November the average U.S. price for old oil had gone up to $4.25. That same month Congress added a wrinkle of its own, decontrolling the production from "stripper" wells—i.e., those producing ten or less barrels a day.

The August changes had their expected and hoped-for effects. The price of new oil jumped to, and began to follow, or even sometimes lead, the level of import prices. Drilling activity also jumped. In short, the COLC's strategy of bringing out new supply seemed to be working.

But unfortunately for another part of that strategy, foreign prices kept right on rising, kicked up in part by the celebrated Arab actions of October: a cutback in production, plus the embargo on shipments to the U.S. By the end of November, the average import price was above $6 but the weighted average of domestic crude was only about $4.70—even though one-quarter of U.S. production was now decontrolled. Once again, the two-tier system looked to be in trouble. So, on December 19, the COLC made the big move: it raised the ceiling price of old oil by a whole dollar, to an average of $5.25.

But even this bonanza for the crude producers failed to restore stability to the U.S. price structure. Foreign crude prices had by now acquired a momentum that seemed unstoppable. By the end of the year, foreign imports were averaging $9.50 a barrel, far above the weighted average of U.S. prices, at $6.50. And so 1973 ended with COLC still in trouble on the oil front.

"IT WASN'T THE AMERICANS WE WERE ROOKING"

It also ended with the oil companies' profit returns looking no longer "just-below-average." The petroleum-refining companies in the Fortune 500 had a median return on equity in 1973 of 13.9 percent, and that result seems likely to place the group in the top third of all industries in this year's 500 (to be published next month).

Behind the industry's 1973 profits are some anatomical details that deserve a little summarizing. For those companies operating mainly in the U.S., the improved downstream results were very important, and crude operations too got more profitable as the year wore on. But the key developments in crude came too late in the year to have a really large impact on 1973 profits. In companies with large foreign operations, the profit growth abroad during 1973 invariably outstripped the growth at home. For example, Exxon's U.S. profit gain was only 16 percent, far below that 83 percent in the Eastern Hemisphere. The devaluation of the dollar was clearly one reason for the general superiority of foreign operations; looser price controls abroad may have been another.

Nevertheless, considering the hostility that the companies have been facing in the U.S., it was a convenient time for them to be making bigger profits abroad than at home. It is possible that the oil companies' accounting departments even contributed some to the outcome. Certainly, the international companies have wasted no opportunity in the last few months to stress the fact that their big gains came from foreign soil. An informal summary of their line would be: "It wasn't the American people we were rooking, it was those guys overseas."

Now that strategy seems about to backfire. For the big story of 1974 is likely to concern the profits coming from U.S. crude. The essential fact about the oil industry today is that it is possessed of a huge inventory of low-cost oil that is now salable at prices that once were beyond the industry's dreams.

This inventory is mainly in the ground, of course, and its size—i.e., the size of the industry's oil reserves—is currently a matter of some dispute. Many critics of the industry believe it has understated those reserves, and thus deliberately added to the crisis atmosphere surrounding the supply of energy. The industry denies following any such strategy. And if there is understatement, some companies say, the Securities and Exchange Commission clearly deserves part of the blame; for the commission has traditionally warned companies not to be overexuberant in stating their reserves (though the commission claims it has also warned against underexuberance).

A $1,000 BILLION INVENTORY GAIN

In any case, there is a lot of oil down there. At the start of 1973, proved reserves, which may be thought of as the oil ready for use, amounted in the U.S. to 36.3 billion barrels. That does not allow for oil lifted since then or for new reserves "proved up." But assuming 36.3 billion barrels of reserves and a continuation of last year's production rate of around 3.3 billion barrels, there is just about an eleven-year inventory in the ground. And much of this—though nobody knows quite how much—is in the hands of major U.S. companies.

Now, as an article in the March FORTUNE ("Profits Aren't As Good As They Look") stressed, inventory profits often give a misleading picture. In appraising them, it is necessary to remember that the inventory which has just been sold at inflated prices must also be replaced at inflated prices, and this may hurt future profits. But inventory profits are still money in the bank, especially so for an industry with an *eleven-year* inventory.

The truth of that statement may be appreciated by an examination of a few economic facts. As recently as last summer, it will be recalled, the industry was pulling some of its domestic oil out of the ground and selling it, presumably at a profit, for an average of $3.86 a barrel. Last month, with the price of new oil at about $10 (and applicable to 29 percent of U.S. production), the weighted average price of domestic oil was $6.63. So figure a gain of about $2.75 a barrel. Applying that to last year's figure of 36.3 billion barrels in the ground gives you—or, rather, gives the U.S. oil industry—just about $100 billion. Not bad.

Furthermore, a lot of that $2.75 per barrel can be brought straight down to profits, for the additional costs that go with the additional revenues are not very large. Clearly, for example, it costs no more to "lift" a $6.63 barrel of oil than it does a $3.86 barrel. Essentially, the only additional cost to the companies is the increased royalty due the landowner from whose property the oil is taken (and from whom the oil company leases the right to drill). Royalties are commonly one-eighth of the wellhead price of oil produced onshore, and one-sixth offshore (where the "landowner" is usually the U.S. government). Thus, for example, a one-sixth royalty on $3.86 oil is about 65 cents; and on $6.63 oil it's $1.10.

Except for income taxes and certain state taxes, the royalty differential is the only part of the $2.75 that isn't pure gravy for the companies. And income taxes are held down by the depletion allowance, which shelters up to 22 percent of gross income from the taxes. (The depletion allowance cannot exceed half the profits on a property; thus the full 22 percent is taken only when the producer has at least a 44 percent margin.) A rise in the wellhead price, therefore, actually increases the benefit provided by the depletion allowance.

Allowing for everything, that added $2.75 in revenue translates into perhaps $1.40 in net profit. Or, to deal in the magnitudes the oil industry does, the added profit would be $140 million for every 100 million barrels.

Exxon, the largest domestic producer, lifted about 325 million barrels of oil in the U.S. last year, and even such non-majors as Sun Oil and Union Oil did between 95 million and 110 million apiece. So it is clear that, if these gains were brought down quickly to earnings, they would have an astounding impact. But, in fact, the speed at which these are realized will be governed by many considerations, among them the companies' policies in accounting for inventory—which are generally conservative in the U.S.

In addition, the profits coming in from domestic crude this year will be offset to some extent by costs the industry will incur to acquire new inventory. These costs are way up—which should not, of course, be surprising because high prices normally imply higher costs. Still, bids on offshore leases have been running very high, hitting a record $37,000 per acre in one recent instance. And a government lease sale of oil-shale lands in January drew bids that left much of the industry gasping.

STILL LEANING ON "JUDGMENT"

There are still other negatives bearing on oil profits in 1974, among them two circumstances that last year worked generally in the industry's favor. In the U.S., refinery operating rates have recently been way down because of the shortage of crude; the effect on earnings is clearly adverse. For the international companies, the strength of the dollar is also an unfavorable factor; if it remains strong, the translated value of foreign profits in the companies' 1974 reports will be reduced accordingly.

Nor should it be forgotten that the internationals are still negotiating with the Arabs, and still do not know the price of buy-back oil. Worse still, the uncertainty has been extended to the *amount* of buy-back oil there is to be. Doubts on this matter have arisen because it is now clear the Arabs are after a much larger "participation" than the 25 percent called for in last year's agreements.

A settlement recently worked out between Kuwait and two companies, Gulf and British Petroleum, calls for that country to get a 60 percent participation, retroactively effective to January 1, 1974. The settlement may set the pattern for others. Then, again, it may not; the Kuwaiti national assembly has not yet ratified the deal, and talk of a 100 percent take-over persists in that country and others, including Saudi Arabia. In any case, the Kuwaiti negotiations did not settle the question of how much buy-back oil Gulf and B.P. were to get, or at what price. Those points were still being debated last month.

In sum, the international companies confront even more uncertainties in 1974 than they did last year. Some of the companies were recently expressing a fervent hope that matters would be settled by the time their first-quarter reports are due. If they are not, look for these reports once again to be floating on "judgment."

AND IF THE ARABS TAKE IT ALL

The questions about Arab intentions make it hard to get a line on 1974 earnings prospects and, for that matter, on long-term prospects. The international oil companies must consider at least the possibility that they will emerge sooner or later with no direct stake in Mideast crude production.

There is a school of thought that says the companies could continue to do just fine in any such situation. The Arabs, so the argument goes, would still need the companies' expertise and would secure it by providing them with oil. Thus supplied with product, but deprived of profits on production, the companies would compensate by forcing up their margins on refining and marketing. Indeed, they have already done this to an extent, and many people seem to think more gains are possible.

An opposing argument holds that there is simply no substitute for direct access to rich resources of crude, and that nothing the companies could do would ever quite make up for this loss. "I have no doubt," says John Lichtblau, a well-known consultant to the petroleum industry, "that the companies can build up their downstream margins, but you have to remember that refining is a business that competitors can enter fairly easily. All it takes is money. The big plus that the internationals have had up to now has been access to huge amounts of low-cost crude. That was something special, and it's going."

Perhaps the thought to be drawn from this argument is that almost anybody could be right; there is just no way to gauge what is going to happen. Support for *that* uncertain conclusion came recently from an Exxon executive who was asked what one word might best describe the company's attitude toward its Mideast problems. Was management scared? Apprehensive? Optimistic? He said he thought twelve different executives might give twelve different answers. His own candidate: "concerned."

Arab intentions are not the only large uncertainty hanging over the oil companies' profits in 1974 and beyond. Congress appears bent on doing something about the industry's profits, but it cannot seem to decide what. Its record thus far includes discarding the idea of an excess-profits tax at the corporate level, failing to override the President's veto of a price roll back on "new" crude, and sitting on the Administration's proposal of a windfall-profits tax on all crude. As of mid-March, the House Ways and Means Committee seemed to have settled on some sort of attack on the depletion allowance; but that proposal, too, may encounter roadblocks.

Given this enormous uncertainty, plus those coming out of the Mideast, most Wall Street analysts are not rushing to make earnings forecasts for the year. For that matter, some oil companies—Mobil is one—say they cannot even begin to make profit plans internally. This leaves very unsettled the question of where the industry will rank at the end of *this* year in the 500 standings. But it may be said with near-certainty that profits will be up, perhaps by a good bit, and that is clearly more than can be said for most other industries. There seems a strong possibility, then, that oil is on its way to a rank near the top in the industry standings.

REVERSING GEORGE MCGOVERN

Which all gets back to the question of whether such profits are indecent. The main argument for saying they are turns on the problem of income redistribution. Every 1-cent rise in the price of a gallon of gasoline costs U.S. consumers close to $1 billion annually, and delivers a corresponding amount to assorted representatives of the petroleum industry—e.g., the Arabs, the U.S. landowner, the service station, the oil companies. This shift in income seems, in general, to be from the poor to the rich. And so it might seem to create a prima facie case for holding down oil prices—and, by extension, for holding down oil profits to "decent" levels.

Economist Arthur Okun, for one, has strenuously protested proposals that oil prices be allowed to seek their natural level—i.e., the "market-clearing" level at which supply and demand would balance and, of course, the oil companies would be cleaning up. To go that route, Okun says, would leave the country stuck with "a reverse McGovern plan." George McGovern proposed during the 1972 presidential campaign to extract $50 billion in additional taxes from the rich and distribute it to the poor. Decontrol of oil prices, Okun says, could shift $50 billion to the rich! (Okun's $50 billion, it should be mentioned, is only his rough estimate of what the additional oil bill for the economy might be this year given free market prices; the figure cannot be known for certain.)

The income-redistribution problem should not be overstated. The ultimate beneficiaries of a rise in the oil companies' profits are their stockholders; and though these include some people named Rockefeller, Getty, and Mellon, they also include a lot of pension funds, educational institutions, and plain, ordinary investors. Still, the redistribution problem is real, and it has been getting a lot of attention from economists lately. Some seem to have concluded that it must ultimately be solved outside the framework of oil prices.

DOES THE INDUSTRY NEED THE G.N.P.?

Arrayed against the critics of the oil industry are those who see its profits as the means by which the country is to be provided with ample new supplies of fuel. The oil industry, of course, has been protesting for months that it needs hefty profits now as never before. These are absolutely essential, the industry says, if it is to play the major role asked of it in carrying the U.S. toward self-sufficiency in energy.

The industry cites a need to generate tremendous amounts of capital, often turning for support to a well-publicized forecast made by the energy-economics division of the Chase Manhattan Bank. Coming up with a number that about equals the size of the U.S. gross national product, the forecast says that by 1985 the free-world oil industry will have to generate, in one way or another, $1.35 *trillion* to meet its financial needs.

The "free-world oil industry," however, turns out to include a lot more than private companies. It includes, for example, the national oil company of Saudi Arabia, whose ability to raise the necessary capital for just about *anything* need not be called into question. The $1.35-trillion figure also includes more than capital expenditures, taking in such items as dividends, debt repayment, and additions to working capital.

The most pertinent line of inquiry would appear to concern the capital expenditures to be needed by the U.S. companies included in Chase's survey. As it happens, Chase has not made a forecast for these companies. However, their capital expenditures during the last ten years totaled around $115 billion, and there is some reason to think that rate of expenditure will be more than doubled, and perhaps tripled in the next decade. Ironically, of course, the enlarged role that the Arabs have been taking in the production of their oil is tending to reduce the capital needs of these companies.

Whatever figures one uses, it is surely clear that the industry will need a large supply of capital and will require some handsome profits to get it. At the moment, the returns are indeed handsome and are doing their considerable bit to build up retained earnings. Eventually, they should also provide the underpinnings for some oil-company trips to the equity market.

Good returns will also facilitate the industry's borrowing, which in the last seven or eight years has been quite heavy. Even so, most of the large oil companies have debt ratios of 20 percent or less, which for a capital-intensive industry is not much. The logic of the situation points to further heavy borrowing, and one might suppose that the oil companies would be out there supporting the view that they are not heavily leveraged. But some oilmen, at least, seem more anxious to portray themselves as all borrowed up and therefore in great need of the equity provided by their rising profits.

Reacting recently to a suggestion that Exxon's debt ratio of under 20 percent was moderate, Chairman Jamieson quickly pro-

> tested: "Oh, yes, but don't forget about our off-balance-sheet financing. With that, we go up to 45 percent." That comment, referring to tanker leases, among other items, is notable for having been volunteered. There may never have been another company that so eagerly owned up to its off-balance-sheet financing.
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> An equally crucial question in the debate about windfall profits concerns the elasticity of short-term supply. If supply does not respond to a rising price in the short term, then William Simon and his colleagues at the Federal Energy Office are better able to argue against a totally freed price. The FEO does in fact assume that, in the short run, i.e., the next two or three years, only the Arabs have a capability to provide the oil Americans want. In effect, then, the Arabs have a lock on our price structure. With prices being set from abroad, Simon believes it is just fanciful to talk as though the classical market mechanism can work.
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> And yet here again it turns out that the critical details are lacking. The article on page 104 argues that supply can in fact be raised rapidly and substantially if U.S. producers have the price incentives—that, in fact, our domestic supply of oil can be raised by 40 percent within three years (which is more than six times the gain the FEO is projecting). As long as that scenario seems a possibility, the arguments for allowing price to work its incentive are very persuasive.

Mr. FANNIN. Mr. President. I should like to cover a few of the highlights in the article:

> It is worth recalling that not too long ago—indeed, as recently as 1972—the industry's profits were capable of exciting little but boredom. Oil-company executives have talked a lot about those boring years recently, laboring to make the case that today's fancy profits, if they are to be judged fairly, must be considered together with the poor profits that went before. Sometimes, in these descriptions, the industry has come out sounding like a long-run disaster. That would be overstating the case; still, it is clear that, by some critical measures, profits were a bit below par.
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> That is certainly true so far as the major part of the industry—"Big Oil," as the cartoonists now label it—is concerned. FORTUNE's annual report on the 500 largest industrial corporations always includes figures showing return on stockholders' equity, the most meaningful profit indicator; and these figures show the oil industry to have been typically a just-below-average performer. In seven out of the ten years ending in 1972, the median return for the twenty to twenty-five petroleum-refining companies in the 500 was below the median for the entire 500. In the other three years, the petroleum group was above the average. In most years, the difference between the two medians was not enough to talk about. Even in 1972, a year the industry tends to describe as pretty grim, the median for the whole 500 was 10.3 percent, the median for oil fairly close behind at 9.4 percent. The best return in the industry that year was Ashland Oil's 13.5 percent, the worst, Occidental Petroleum's 1.3 percent.
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> If these profit figures do not suggest a disaster, they *do* suggest plainly that the industry was at least competitive. It was not extracting anything like monopoly profits from the public in the years through 1972. Competition appears to have forced oil companies to pass along to the consumer, through lower prices, the tax benefits provided by the depletion allowance. Had the industry somehow managed to keep these special benefits for itself, its returns would inevitably have been higher than the industrial average.

Mr. President, we all want to solve the energy problem. We know that it is going to take a great incentive to do so. The oil companies are not going to take the risks involved unless there is a chance for a reasonable return.

The Chase Manhattan Bank has issued figures stating that the companies should have up to 18-percent profits if they are going to be able to reinvest the amount needed to produce the energy required to make our country self-sufficient in the 1980's. This is a tremendous profit, as far as some are concerned; but if that money is plowed back into exploration and development, it is a completely different situation.

The Chase Manhattan Bank estimates that it will require about $1.4 trillion to accomplish what is needed. They say that $650 billion of the $1.4 trillion should come from industry profits. Certainly that will not be possible if the profits are taxed away. But the matter that I think is in the minds of many people is whether the consumers of the country are being overcharged.

Behind the industry's 1973 profits are some details that deserve a little summarizing. For those companies operating mainly in the United States, improved downstream activities were very important, and crude operation, too, became more profitable as the year wore on. But many developments in crude came too late in the year to have any really large impact on the 1972 profit figures, and increased profits abroad during 1973 invariably outstripped growth at home. For example, Exxon's domestic gain was only 16 percent, far below the 83 percent in the Eastern Hemisphere. The devaluation of the dollar was a factor, and loosened price controls abroad may have been another.

Mr. President, what I am attempting to illustrate is that there are many factors that must be taken into consideration in arriving at a decision on this legislation. Just what is needed? What will best benefit the people of this Nation? Will we be able to get the incentives for development that are needed, and still satisfy the American people that they are not being charged too much at the service station?

We have to consider that there are great risks in drilling superdeep gas wells, and this is one of the problems that I think must be considered when we are determining whether to cut off the depletion allowance or continue to attack excess profits.

Mr. President, I call to the attention of my colleagues an article entitled "The Risks in Drilling Superdeep Gas Wells," which appeared in the May 4 issue of Business Week. It tells the story of the efforts of one company—Lone Star Producing Co.—to find natural gas in Oklahoma's Anadarko Basin. As the article indicates, this one company spent $6 million and drilled 6 miles down into the earth—in one single well—in an attempt to find natural gas to supply American consumers. And what did they find? A deposit of liquid sulfur under such tremendous pressures that it began eating away at the drill and forced Lone Star to give up its hopes of superdeep gas production.

I suggest to my colleagues that this is just one instance in which the U.S. energy industry is taking extreme investment risks in order to increase the Nation's energy supplies. At this point it would seem patently ridiculous to penalize them for their efforts, as S. 3267 would do. I read from the article:

> For oilmen who had just set a record, the people at Lone Star Producing Co. were unusually somber. The company had just drilled 31,441 ft.—a scant 239 ft. short of 6 mi.—into Oklahoma's Anadarko Basin looking for gas. Instead, the bit tapped into liquid sulfur under tremendous pressure, and hydrogen sulfide began eating away at the expensive high-tensile-steel drill string. For nearly three days, the crew fought back, often wearing gas masks to protect themselves from the lethal gas. Then, suddenly, "the steel just fell apart at 15,000 ft.," says one Lone Star man, "and we couldn't control the great pressures below." The crew quickly plugged the hole at 14,000 ft., dashing all hopes of superdeep production and forcing Lone Star to face the bitter truth that record-breaking Bertha Rogers No. 1 was a $6-million flop.
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> That near disaster last month highlights the hazards of superdeep drilling. Yet, with gas prices at record levels, the number of wells being sunk 20,000 ft. or more in the U.S. is limited only by the steel (Bertha Rogers swallowed enough to erect a 14-story building), rigs, and crews available to drill them. Last year, according to *Petroleum Engineer*, producers completed 74 wells below 20,000 ft., up from 49 in 1972 and 57 in 1971. So far this year, some 30 or more have been drilled.
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> DRY WELLS
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> With an average cost of $2-million and a success ratio of less than 46%, these deep wells are often cited by oilmen as glaring examples of the big investments they are making to find more oil and gas. "This is what the politicians and the people need to know—the extreme risks in this industry," says Robert A. Hefner III, an independent from Oklahoma City.
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> More than anyone else, the 39-year-old Hefner is credited with pioneering superdeep drilling in Western Oklahoma and the Texas Panhandle. In the past 15 years, his company, GHK Corp., and Gasanadarko, Ltd., have been involved in about four dozen deep-hole ventures in the Basin. Most were dry. Sometimes even the successful holes did not pay off, says Hefner, because the price of gas was too low. "Actually, the only real payoff Bob has had is in selling some of his acreage," says one acquaintance.
>
> It was on some of Hefner's 250,000 acres that Lone Star spudded Bertha Rogers in November, 1972, about 80 mi. west of Oklahoma City. The new drilling site was just 19 mi. from the previous record-setting hole, a 30,050-ft. well named Baden No. 1 that cost Lone Star $5.5-million—and was dry.
>
> But the company approached Bertha Rogers hopefully, and until the very end, things looked good.

Mr. President, this illustrates exactly what has happened in many instances. The article goes on to say:

> At 27,506 ft., the crew manning Loffland Bros.' towering superdeep rig was 70 days ahead of the Baden schedule. Juggling drilling tools and carefully controlling special drilling fluids, they were getting an impressive 267 ft. per bit.
>
> DISAPPOINTMENT
>
> Then disaster hit. At first, when the company became tight-lipped about what was going on, some observers suspected that Lone Star had hit a bonanza. But the silence actually reflected concern over the safety of the crew. When the hole was finally plugged, Lone Star announced its costly record. Some of the money may be recovered from pro-

duction at lesser depths, but there is little chance that Bertha Rogers will ever pay off, and Lone Star's minor partners—Natural Gas Pipeline Co. of America, Michigan, Wisconsin Pipeline Line Co., and Oklahoma Natural Gas Co.—will have to look elsewhere for gas.

Lone Star, for one, says it will try superdeep drilling again. "Several more wells as deep or deeper than Bertha Rogers No. 1 will be needed before the Anadarko Basin becomes a mature, commercial field, and we'll drill some of them," says one official. But as Hefner notes: "The disappointment is that Bertha Rogers didn't produce at a time when the nation needs new gas."

Mr. President, this is one of the big problems that we have today. Many Members of Congress do not understand the tremendous risk that is involved. They do not understand these people who have been in the business for years, who have drilled about 75 percent of the oil wells that have been drilled in the world.

Mr. President, an article recently published in Barron's pointed out that—

> In the "lower 48" states, folks have been fretting in service station queues and business activity was faltering for lack of oil, yet here at Prudhoe Bay there are 9.5 billion barrels of the stuff, waiting to be pumped . . . for five years, while the energy crisis was building, the petroleum industry has been barred from access to North Slope oil. . . .

It was largely concern for the environment that prompted the extended delay of Alaskan development.

There is a parallel here, however. Alaskan oil is finally beginning to be developed. Now S. 3267 and similar pieces of punitive legislation in the Congress are threatening to make it so difficult and expensive to find and produce oil that we may be denied significant amounts of domestic production from all over the United States—not just Alaska. I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Alaska's North Slope: Oil Men Are Getting Ready To TAP Its Riches

(By David A. Loehwing)

PRUDHOE BAY, ALASKA.—Life is relatively simple here. The issues are clear-cut. For two months of the year, in summer, mosquitoes are all-important. One must get away from them or go mad, like the caribou, which often are driven to suicidal frenzies. The rest of the time what counts is the cold. Right now, it's 42 degrees below zero outside, which is seasonably mild because there's no wind. When that's blowing, the wind-chill factor sends the effective temperature down to 100–110 below, which is dangerous. Steel shatters like glass at a hammer blow. Human flesh freezes in minutes. A telephone lineman had to be flown to the hospital in Anchorage the other day because he ignored a telltale patch of dead-white skin. The wind also causes whiteouts which swirl the snow around until the horizon disappears and people become disoriented. You lurch about drunkenly, unable to find the ground with your pack-boots.

When the skies are clear, though, they're crystal-clear, and judgments tend to get simplistic. Take the energy crisis, for example. In the "lower 48" states, folks have been fretting in service station queues and business activity was faltering for lack of oil, yet here at Prudhoe Bay there are 9.5 billion barrels of the stuff, waiting to be pumped. And that is only a small fraction of Alaska's presumed reserves—in any case, enough to make the U.S. independent of the Arabs for decades to come. Nevertheless, for five years, while the energy crisis was building, the petroleum industry has been barred from access to North Slope oil by concern for the environment.

HOSTILE AND DESOLATE

To anyone who makes the three-hour flight from Anchorage to Prudhoe Bay, the incongruity of that thought is mind-blowing. What environment? This has got to be the most hostile, desolate, God-forsaken place on earth. The North Slope is a table-flat desert of ice, as vast and as arid as the Sahara, hidden away from the sight of man by a sawtoothed range of mountains so bleak and forbidding that flying over it is a terrifying experience. The jagged peaks are like granite pickets, waiting to impale the tiny plane. Worrying about the ecology here seems akin to demanding a halt to interstellar exploration for fear of littering outer space.

Whatever the merits of their case, the frustrations of the gasoline shortage drove the Friends of the Earth back into their burrows, and the oil companies have won permission to siphon off North Slope crude. The only practical way to do that is to build a pipeline, and work on the TAP (trans-Alaska pipeline) is due to get under way this spring. About 750 men already are here, building an electric generating station and setting up base camps. Heavy construction machinery will be sent by sea; when it arrives, work will start in earnest on construction of a road from the Yukon to Prudhoe Bay. Some 6,000 men are scheduled to be on the job by summer.

The pipeline will wend its way south from Prudhoe Bay, through two seemingly impassable mountain ranges, to the ice-free port of Valdez, whence the oil will be tankered to refineries in Washington and California. According to the present schedule, oil will begin to flow by the third or fourth quarter of 1977, but the line won't achieve full capacity until about 1980. About that time, work should be afoot on a second pipe to carry natural gas. Alaskan Arctic Gas Pipeline Co., a consortium of 27 energy companies, last month filed an application for permission to build such a line through Canada at an estimated cost of $8 billion. It would haul gas from the MacKenzie Delta, as well as from Prudhoe Bay.

COST HAS SOARED

Until that job gets underway TAP will achieve the dubious distinction of being the costliest privately-financed construction project in history. The current official estimate by Alyeska Pipeline Service Co. is $4.5 billion, but a spokesman says the figure "is not set in concrete, by any means," suggesting that it could go higher. In the five years since the line was first planned, there has been a five-fold escalation of the cost estimate; the tab was first placed at $900 million. The figures aren't precisely comparable, however, since the lower one was for a line capable of flowing 600,000 barrels per day, while the $4.5 billion would finance a flow of two million b/d. Boosting output is chiefly a matter of adding pumping stations.

From the viewpoint of the financial community, the TAP is a project of no small significance. One way or the other, Wall Street undoubtedly will be called upon to finance a goodly part of it—mainly through loans to its oil company sponsors, which, if it is successful in transporting the North Slope's huge petroleum resources to market at reasonable cost, stand to make a lot of money. Meanwhile, the many concerns now being tapped to do the job, or to provide services and materials for the pipeline builders, also will hit pay dirt.

Brimming with investment implications though it may be, the pipeline project offers relatively few hand-holds for purchase. The company organized to build and operate the line, Alyeska Pipeline Service Co., is wholly owned by seven oil companies. Moreover, its functions are strictly managerial; it won't share in the profits which its efforts will make possible. The only contractor named so far, Bechtel Corp. of San Francisco, also is privately-held. It will oversee both the laying the pipe and the construction of the highway. Fluor Corp., the Los Angeles-based petroleum engineering firm, expects to be the prime contractor—although no award has been formally announced—on the port installations at Valdez and the pumping stations. The job will add a few hundred millions to Fluor's backlog, currently over $2 billion. Fluor already is selling at a heady 33 times earnings.

SUBMITTED BIDS

"Everyone who is anyone in pipeline construction is angling for a piece of the TAP job," says Dennis Waldock, analyst at the Anchorage member firm of Foster & Marshall. He has compiled a list of publicly-owned companies which reportedly have submitted bids. It includes: Morrison-Knudson, Williams Cos. (in combination with Brown & Root, a Halliburton subsidiary), J. Ray McDermott, Raymond International, Santa Fe International, Sedco, Banister Continental and Reading & Bates.

Mr. Waldock also lists the following concerns expected to be active on the North Slope. Contract drillers: Parker Drilling, Rowan, Reading & Bates. Oil well tools and services: Dresser Industries, Schlumberger, Halliburton, Rucker, Smith International, Borg-Warner, Cameron Iron Works, Baker Oil Tools, Hughes Tool. Geophysical surveys: Texas Instruments, Dresser, Bendix, Viatech, Digicon. Engineering services: Core Laboratories. Oil and gas processing equipment: Combustion Engineering, Alaska Interstate and Ralph M. Parsons (which recently signed a $400 million contract with Arco to build processing facilties in Alaska). Airlines and air freight: Wien Air Alaska, Alaska Airlines, Alaska International Airline.

One of those companies, Alaska Interstate, made the Big Board's most-active list last week, plunging eight points in three sessions to drop 40% of its value. The company reported a 1973 loss of $1.7 million, which put it in non-compliance with bank credit agreements. It said the banks agreed to a waiver until June 29, by which time it hopes to negotiate a new agreement; in the interim the company must limit its borrowings to the $30.1 million now outstanding and pay a higher interest rate on that sum. The earnings deficit came as a surprise to stockholders, since for the nine months through September 30, Alaska Interstate had reported net of $2.9 million, or 87 cents per share. No explanation of the sudden plunge has been forthcoming from management. The firm's chief activity in Alaska is operation of a gas pipeline in the Anchorage area.

LINE-UP MAY CHANGE

Cast in the role of supporting dwarfs to Alyeska's Snow White are the following seven oil companies, with the proportions in which each now contributes to the pipeline's cost: Standard of Ohio, 28.08%; Atlantic Richfield, 28.08%; Exxon, 25.52%; Mobil, 8.68%; Phillips Petroleum, 3.32%; Union Oil, 3.32%; Amerada Hess, 3%. Once the TAP is built, each of the seven will have access to it in the same proportions. In the initial phase, for example, when the line is carrying 600,000 b/d, Mobil will have the right to use 8.68% of that capacity, transporting 52,080 b/d. The firm may, of course, sell any pipeline space it doesn't need to any of the score of other companies that hold North Slope leases.

The line-up is likely to change before the pipe is completed; companies are known to be negotiating among themselves for larger or smaller shares. Also, it should be noted that British Petroleum, Ltd., is a major participant via its 25% interest in Sohio, a holding which will grow to 54% when the pipeline is flowing 600,000 b/d.

The extent of a company's participation in the pipeline, it should be noted, too, doesn't have much bearing on the benefits it ultimately will derive. The all-important question is: How much oil will be found under the tundra on which each firm holds leases? On that score, Sohio claims to be far out in front. Studies by independent consultants, confirmed by its own experts, show its properties hold "more than half" of all the oil reserves in the Prudhoe Bay pool. (A British Petroleum spokesman says the actual figure is 55%.)

Atlantic Richfield and Exxon share the bulk of the remainder, according to Sohio, while something less than 10% is apt to be allotted to other firms. The latter are in two groups, one consisting of Mobil, Phillips and Standard of California, and the other—known collectively as PLAGHM, comprises Placid, Louisiana Land, Amerada Hess, Getty, Hunt and Marathon.

NATURAL GAS RESERVES

Natural gas reserves are another story. Part of the gas is mixed with the oil, and separation plants are being built at Prudhoe Bay to skim it off. Until a gas pipeline is built, it is to be reinjected into the wells. This procedure virtually guarantees that a gas pipeline will be built, since otherwise the reinjected gas eventually will block the flow of oil. The bulk of the North Slope's 36 trillion cubic feet of natural gas, however, is found in a "cap" overlying portions of the oil pool. Geophysical studies show that Arco and Exxon properties contain the bulk of it; Sohio's share will be much smaller.

The Prudhoe Bay field has been "unitized," which means that it will be exploited systematically, as though owned by one company, rather than compelling every firm with leases to move in its own drilling rigs and set up its own gathering system. British Petroleum-Alaska, as operator for Sohio, is doing all the drilling in the western half of the field, Atlantic Richfield in the eastern half. The unitization agreement has not yet been signed by the 11 companies involved, but BP and Arco are proceeding with development as though it had been; a steering committee decides where wells will be drilled, to what depth, and the like. Eventually, as the oil comes out of the main feed line, it will be split up among the companies on the basis of how much equity each has in the total reservoir, as determined by geologists.

To date, 66 production wells have been drilled in the Prudhoe Bay field, 50 by BP-Alaska and 16 by Arco. By the time the TAP is ready to go into production in 1977, it is estimated that 72 wells will be needed on each side of the field to bring production up to the stipulated 600,000 b/d. To reach the 1.5 million b/d production of which the field (as now delineated) is thought capable, another 200 wells will have to be sunk—perhaps as many as 600 altogether.

ARCO CREWS

BP-Alaska has been working steadily on its drilling program, but Arco halted its crews several years ago; it will start up again this summer. Under the extreme climatic conditions of the North Slope, wells—which go to the depths of 8–10,000 feet—cost up to $4 million each to sink. Hence, Arco officials explain, they have sought to time their drilling program to coincide with the pipeline's progress.

In order for the pipeline to reach its third-stage capacity of two million, b/d wells capable of suppling another 500,000 b/d must be drilled in areas lying beyond the main Prudhoe Bay field. Seven or eight wildcat wells currently are being drilled—or at least permits have been granted for them—and activity is expected to pick up substantially this summer. "Back in 1969, there were at least 25 rigs up here," recalls a Sohio official, "but when the pipeline permit was blocked, most of them moved over into Canada. New ones will be coming in on the barges as soon as the ice breaks up this summer."

Once the pipeline is completed, companies that discover oil outside the Prudhoe Bay field will have to lay their own gathering lines, but they need have no fears about getting the crude to market. The pipeline will operate as a common carrier, and their product will move on an equal basis with that of the line's owners, at rates fixed by the ICC on the basis of a 7% return on investment.

PIPELINE RATES

How high the rates will run depends, of course, on how much the pipeline costs. In 1969, when Alyeska officials were lobbying for TAP and against a plan to link Prudhoe Bay up to the proposed trans-Canada pipeline, they estimated the cost of delivering oil to California ports via TAP and tanker at $1.50 per barrel. That estimate, which included $1 for TAP and 50 cents for tanker transport, compared with one of $2.80 per bbl. for the trans-Canada solution. However, it was based on a pipeline flow of two million b/d and an estimate of $1.5 billion to build the line up to that capacity.

Given the escalation in the estimated cost of the pipeline to $4.5 billion, does it follow that the tab for transporting a barrel of oil from Prudhoe Bay to Valdez will jump to $3? Not necessarily. Officials say they are now going on the assumption of a "ballpark" price of $2 per bbl., plus something over 50 cents for tanker transport to San Pedro. On the assumption that world crude prices remain at the astronomical levels currently being charged in the Persian Gulf, such a rate makes TAP an economically viable project. However, if crude should ever again drop to pre-embargo levels, it would seem dubious at best.

There is a distinct possibility, on the other hand, that the $4.5-billion cost figure is a public relations estimate, designed to impress environmentalists and government officials. The State of Alaska still has not granted an overall construction permit for TAP, and even after it does, Alyeska must apply for over 7,000 other permits and licenses, mostly from the Fish and Game Commission, which will review plans for each stream crossing. Since the state's royalty of 12½% is on the wellhead price of the oil, figured after deduction of the cost of transporting it to market, it will be very much in the state's interest not to push the pipeline's cost higher by unreasonable ecological demands.

"LOT OF DUPLICATION"

Alyeska officials are evasive about the components of the $4.5 billion figure, saying it was not meant to be made public, but was given out only because Arco needed an up-to-date estimate for an SEC filing. "There's a lot of duplication and some contingency amounts in there," says a spokesman. Beyond generalities about inflation, however, the company offers no explanation for the cost escalation. Observers are left to draw the conclusion, as most have, that it is because of the complete re-engineering of the project that has been necessary to overcome the objections of environmentalists.

If the builders do everything they say they will to preserve the North Slope's ecology, there can be no doubt that the cost will be heavy. And to see that they do, the Department of Interior has appointed General Andrew Rollins of the U.S. Army Corps of Engineers as "authorized officer" to perform continuous, on-the-spot inspections. Says the head of one firm that is bidding on part of the highway job: "If I know him—and I do—you won't be able to blow your nose up there unless you've got a certified, government-inspected handkerchief."

What makes the construction of TAP so difficult is that for about half of its 789-mile length, from the Yukon River north, it must traverse permafrost—ground which is permanently frozen, much of it to a depth of 1,000 feet. It is kept from thawing in summer by the tundra, a carpet of moss, grass and lichens about 18 inches thick, which acts as insulation. Heavy trucks and tractors cannot operate in the Arctic without scarring the tundra and causing deep erosion of the permafrost.

MUST BUILD HIGHWAY

Thus, the first task of the pipeline builders is to lay a highway north from the Yukon to Prudhoe Bay, over which men and machines can be moved. (South of the Yukon, the line will follow the route of the present Alaskan Highway.) It will be a virtual dike of travel, five feet thick, to keep the permafrost underneath from thawing. Gravel is plentifully available in Arctic riverbeds. Nor is there any trouble about keeping it snow-free; the 50-odd miles of road at Prudhoe are constantly swept clear by the wind. Nevertheless, the estimated cost of the road is $400,000 per mile, or a total of $150 million.

The next problem is to prevent erosion of the permafrost by the pipeline itself. North Slope oil comes out of the ground (naturally, no need for pumps) at a temperature of about 170° and will go through the pipeline at 140°, its warmth maintained by friction. If it should cool it won't flow, and heating stations will be placed at intervals to get it moving again if the line must be shut down for any length of time.

But, of course, where the pipe is buried, it will melt the surrounding permafrost. If the permafrost happens to be rock or gravel, as it will be for roughly half the distance, that won't matter, but where it is "ice-rich," burying the pipe would result in deep erosion.

The solution is to run the pipe aboveground in such places. It will be mounted on steel pilings, or "bents," to hold it above the tundra. Alyeska officials say more steel will be required for that purpose than for the pipe itself, and in view of the current shortage, they are not sure adequate quantities will be obtainable. The 48-inch pipe, all covered with epoxy, was purchased in Japan in 1969 at a cost of $125 million and is piled up at Prudhoe and at stations along the right-of-way. It has been lying there for nearly five years.

Another hazard is earthquakes, which ecologists fear might rupture the pipeline and spill crude oil all over the landscape. To avoid such an accident, Alyeska will lay the pipe in a zig-zag pattern, allowing it to "stretch" horizontally. Special welding techniques also have been developed, and the pipe itself, with walls ½-inch thick, is made of a ductile steel, capable of bending or wrinkling without cracking. Tests have shown it able to withstand tremors of greater intensity than ever have been recorded in Alaska.

Where Alyeska appears to be going to ridiculous lengths to satisfy the ecologists is in its arrangements to accommodate the caribou. About 400,000 of the beasts migrate north to the Arctic region in summer, using the same passes through which the pipeline will traverse the Brooks Mountains. Where the line is buried, it won't bother them, but fears have been raised that long stretches of raised pipe would prove a barrier. Hence, the pipeline builders will provide caribou crossings by dipping the line under the tundra at intervals. To keep it from thawing the permafrost, refrigeration stations will be set up at those points and the ground around the pipe will be artificially frozen.

Mr. FANNIN. I would like to just cover a few of the highlights, because I think this is important. We have been talking for a long time about Alaskan North Slope oil. If we had taken action instead of just talking about it 5 or more years ago, at least 2 million additional barrels of oil a day would be coming into this country. Here we are talking about the shortage that may exist, and the Administrator of the FEO has stated that we may have a shortage of 4 to 6 percent this coming summer. That, of course, would have been alleviated if we had 2 million barrels a day coming from Alaska.

What has happened? The delay has been very costly to us, not only from the standpoint of product shortages but also with respect to the cost involved. I should like to read from Barron's article illustrating the tremendous increase in price being paid by the Alaska Pipeline Service Co.:

> Until that job gets underway TAP will achieve the dubious distinction of being the costliest privately-financed construction project in history. The current official estimate by Alyeska Pipeline Service Co. is $4.5 billion, but a spokesman says the figure "is not set in concrete, by any means," suggesting that it could go higher. In the five years since the line was first planned, there has been a five-fold escalation of the cost estimate; the tab was first placed at $900 million. The figures aren't precisely comparable, however, since the lower one was for a line capable of flowing 600,000 barrels per day, while the $4.5 billion would finance a flow of two million b/d. Boosting output is chiefly a matter of adding pumping stations.
>
> From the viewpoint of the financial community, the TAP is a project of no small significance. One way or the other, Wall Street undoubtedly will be called upon to finance a goodly part of it—mainly through loans to its oil company sponsors, which, if it is successful in transporting the North Slope's huge petroleum resources to market at reasonable cost, stand to make a lot of money. Meanwhile, the money concerns now being tapped to do the job, or to provide services and materials for the pipeline builders, also will hit pay dirt.

However, many of them have gone bankrupt or gone out of business.

Continuing reading:

> Brimming with investment implications though it may be, the pipeline project offers relatively few hand-holds for purchase. The company organized to build and operate the line, Alyeska Pipeline Service Co., is wholly owned by seven oil companies. Moreover, its functions are strictly managerial; it won't share in the profits which its efforts will make possible. The only contractor named so far, Bechtel Corp. of San Francisco, also is privately held. It will oversee both the laying of the pipe and the construction of the highway. Fluor Corp., the Los Angeles-based petroleum engineering firm, expects to be the prime contractor—although no award has been formally announced—on the port installations at Valdez and the pumping stations. The job will add a few hundred millions to Fluor's backlog, currently over $2 billion. Fluor already is selling at a heady 33 times earnings.

This illustrates that this long delay has been tremendously costly both from the standpoint of not having the product and also from the standpoint of not being able to build the line at the original estimated cost.

One of the great problems we have is natural gas. This problem, as has been brought out many times, is due to 1954 court decisions when the Federal Power Commission started regulating the price of natural gas in interstate commerce. It has resulted in a shortage of gas which we never expected to take place. Gas reserves have been greatly affected.

I should like to read further from the article as to just what is in store, so far as natural gas is concerned.

> Natural gas reserves are another story. Part of the gas is mixed with the oil, and separation plants are being built at Prudhoe Bay to skim it off. Until a gas pipeline is built, it is to be reinjected into the wells. This procedure virtually guarantees that a gas pipeline will be built, since otherwise the reinjected gas eventually will block the flow of oil. The bulk of the North Slope's 26 trillion cubic feet of natural gas, however, is found in a "cap" overlying portions of the oil pool. Geophysical studies show that Arco and Exxon properties contain the bulk of it; Sohio's share will be much smaller.
>
> The Prudhoe Bay field has been "unitized," which means that it will be exploited systematically, as though owned by one company, rather than compelling every firm with leases to move in its own drilling rigs and set up its own gathering system. British Petroleum-Alaska, as operator for Sohio, is doing all the drilling in the western half of the field, Atlantic Richfield in the eastern half.

Mr. METCALF. Mr. President, will the distinguished Senator from Colorado yield for a brief colloquy?

Mr. HASKELL. I am glad to yield.

Mr. METCALF. Mr. President, the Federal Energy Office mandatory fuel allocation regulations which went into effect in mid-January gave our Nation's schools the place of high importance which they deserve and I am very pleased about that.

The Senator from Colorado knows that a general purpose of the act and the mandatory Petroleum Allocation Act is to protect the public welfare and maintain all essential public services. Both he and the Senator from Washington, Mr. JACKSON, have long been champions of equal educational opportunities for all Americans. In this connection, I ask the Senator about the intent of this measure with regard to education. It is my impression that this bill is not intended to result in a forced closing of schools, and that the educational process and schools will continue with a minimum of disruption and be given the high priority to which they are entitled in the public interest.

It is my understanding also that the Senate record on passage of the Emergency Petroleum Act insures that education will be treated as a vital public service whenever priorities are established under section 4 of the Emergency Petroleum Allocation Act.

Would the able Senator from Colorado, the floor manager of the bill, concur in this analysis?

Mr. HASKELL. I would most certainly concur with the statement of the distinguished Senator from Montana. I concur with his analysis of the intention of the bill before us. It is the intention of the Interior Committee that education be considered a vital public service.

Mr. METCALF. I thank the Senator from Colorado very much.

Mr. McCLURE. Mr. President, will the Senator from Montana yield?

Mr. METCALF. I yield.

Mr. McCLURE. The distinguished Senator from Montana has raised a very good question which needs to be affirmed for the record so that there will be no question about it. As the educators and the parents of this country are concerned about their young people in the schools, it is well for this record to amply and completely affirm the intention of the members of the committee that dealt with this question as to our understanding of the regulations issued by the FEO with respect to priorities for education.

With that in mind, it is well to look at the allocation act which Congress has enacted in which the priorities were established. In section (b) of that section establishing priorities, it says, "maintenance of all public services."

Certainly the schools are a part of public services, for it is consistent with both the regulations issued by the FEO and the allocation act itself that our schools should have whatever fuels are reasonably necessary to conduct their activities. Certainly there are some things that schools, like the rest of us, can do to conserve on the use of energy, and we would expect and hope that they would do that. But, whatever is necessary, I am certain it would be the intention of at least the Senator from Idaho and certain of the Members of the Senate with whom I have discussed this matter, that the schools should have the necessary priority to give them the fuel which they need.

Mr. METCALF. It comes as no surprise to this Senator that the Senator from Idaho has expressed his concern and interest in the continuation of education and educational facilities under any allocation of energy provisions. I am delighted to have his assurances. This means a continuation of public services for education at every level.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. FANNIN. I concur with my distinguished colleagues who have expressed themselves on this subject, and I commend the distinguished Senator from Montana for bringing this question to the attention of the Senate. I agree with him that this matter should be examined very carefully. We want to make proof positive that it is protected. I feel that it will be protected. I assure him that, I will work toward that end. I am sure that with his support and the support that has been expressed here today, we can accomplish that objective.

Mr. METCALF. I thank the Senator from Arizona.

This has been a most useful colloquy, to assure everybody in America that every Member of the Senate—minority and majority alike—is concerned about the continuation of educational activities in the assignment of fuel allocations, so that the boys and girls of America will have equal opportunity in every State.

Mr. HASKELL. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. HASKELL. Mr. President, I join the Senator from Arizona in commending the Senator from Montana for raising this very important point.

I should merely like to stress again that it is the understanding of this Senator that the entire committee that reported this bill to the floor was unanimous in considering education a vital public service which should go on without interruption.

Mr. METCALF. I thank the Senator from Colorado and the Senator from Arizona.

Mr. FANNIN. I again commend the distinguished Senator from Montana for bringing this subject to our attention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR RANDOLPH URGES ENACTMENT OF STANDBY AUTHORITY TO COPE WITH ANTICIPATED NEW ENERGY SUPPLY SHORTAGES

Mr. RANDOLPH. Mr. President, I still am convinced that the United States is faced with a deepening energy crisis and preventive steps are needed to assure that the livelihoods of millions of citizens will not be unreasonably harmed by future shortages.

On November 7, 1973, President Nixon made a major address to the American people on the energy emergency facing our country as a result of the Arab oil embargo. On the next day a special message was sent to the Congress proposing that "the administration and the Congress join forces and together, in a bipartisan spirit, work to enact an emergency energy bill."

In that same message the President pledged the full cooperation of his administration. It was his expressed hope that—

> By pushing forward together, we can have new emergency legislation on the books before the Congress recesses in December.

The events that followed, which ended in a Presidential veto of S. 2589, the Energy Emergency Act, are a matter of public record.

Mr. President, I still believe President Nixon was wrong in vetoing the Energy Emergency Act.

The American consumer has been subjected to energy shortages, to threatened strikes, and in many instances, unemployment.

After being called on to institute a voluntary energy conservation action by lowering thermostats, by driving slower, by carpooling, and by many other self-motivated conservation initiatives, the American people are now being told that they are going to have to pay more and that they also are not going to be assured of the minimum supply that rationing can provide.

Mr. President, the issues addressed in the Standby Energy Emergency Authorities Act have been before the Senate for several months. The legislation has been carefully developed and was, in part, previously debated by this body as S. 2589.

While the earlier measure was not enacted, Members of the Senate have had ample opportunity to examine the issues carefully and consider their effectiveness in coping with the long-term energy crisis facing our country as well as its impact on other programs.

Mr. President, I am satisfied that this measure, S. 3267, achieves its purposes in a practical way. This legislation is needed.

There is no question that the Standby Energy Emergency Authorities Act is complex and that its ramifications are widespread The numerous individual issues addressed in this bill have been reviewed for many months by the various committees of the Senate which have jurisdiction over these matters.

The earlier legislation as well as S. 3267, the Standby Energy Emergency Authorities Act, are responsive, in my judgment, to the needs indicated earlier by the President. There are a few substantive deficiencies but these are overwhelmingly offset by the other vitally needed provisions.

EDUCATIONAL USES

A general purpose of this act and the Mandatory Petroleum Allocation Act is to protect the public welfare and maintain all essential public services. It is not intended that this measure result in a forced closing of schools. Rather, the educational process will be enabled to continue with a minimum of disruption.

The December 13 fuel allocation regulations proposed by the Federal Energy Office give our Nation's schools the place of high importance which they deserve.

It is my understanding that educational uses of petroleum products will continue to be treated as a vital public service whenever priorities are established under section 4 of the Emergency Petroleum Allocation Act, as amended by this bill.

HANDICAPPED CITIZENS

It is my understanding and that of my colleagues that an intent of this legislation is to insure that handicapped Americans be given special consideration in the allocation of energy supplies.

Such special provision for these individuals was made during World War II, and appropriate measures should be taken to provide for their special needs during our present crisis.

It is intended in this legislation that during the promulgation of the regulations by the Federal Energy Administration would give to the handicapped person who needs to drive a specially designed vehicle to and from his place of employment. For such citizens are unable to use public transportation due to their physical disability.

I certainly believe that handicapped citizens in need of medical and therapeutic services likewise should be given a priority.

These are just some of the basic necessities that many of our very young and elderly handicapped need if they are to support themselves by remaining employed.

We intend that careful thought be given to the requirements of this population group so that we not add further to their hardship.

MATERIALS ALLOCATION

Because the United States is faced with a deepening energy crisis, extraordinary steps are going to be needed to assure millions of American citizens of steady energy supplies.

A real constraint today on petroleum supplies is shortages of tubular goods, of drilling rigs, and of the many other materials that are needed by this high technology industry.

The Federal Government has been encouraging electric utilities to convert to the use of coal. Yet this energy industry has been having difficulty securing an adequate supply of mine roof bolts—usually a 90-cent item.

Thus it is appropriate that the pending measure authorize the FEA Administrator to take such action as may be necessary to allocate the limited available supplies of materials to the production of energy supplies. These vital provisions of this legislation will be effective in assuring such material supplies are committed to the development of new energy supplies.

Mr. President, this is a very complex—though carefully developed—measure intended to alleviate the impact of the energy shortage our country is now enduring and is expected to face in the future. This legislation was proposed several months ago at the outset of the emergency stemming from the Middle East oil embargo. I deeply regret that it was not enacted then. Much has already been unnecessarily sacrificed to date and much more will be lost if we equivocate today.

UNEMPLOYMENT COMPENSATION

I call attention to another feature of the legislation—unemployment compensation—which can do much to alleviate personal hardship inflicted on our citizens by energy shortages.

During the recent oil embargo, there were daily news stories of layoffs of workers from our industries. For example, thousands lost their jobs in the automobile industry and others were laid off as stocks of unsold cars continued to mount. Throughout our economy unemployment continued to mount.

This measure provides standby Federal assistance to ease the human side of future energy shortages. It authorizes Federal grants to the States to provide compensation payments to individuals who have become unemployed as a result of the energy crisis. These unemployment funds will be available to many persons who would not otherwise be eligible for such payments or to those persons who may have exhausted their eligibility.

The measure also directs the President to report to the Congress within 60 days on the existing and prospective impact of energy shortages on employment. This report also must assess the adequacy of existing unemployment compensation programs, including such legislative recommendations as the President feels are necessary.

Mr. President, in addressing the future energy problems we must not become so engrossed in the physical shortages of fuel supplies that we lose sight of the individual needs of our people. This provision will enable many Americans to survive through personal trials imposed on them during difficult periods of energy supply shortages.

STRIPPER WELL PRODUCTION

Mr. President, as reported S. 3267 does not repeal the stripper well price control exemption contained in the Mandatory Petroleum Allocation Act.

This desirable policy which stimulates domestic production is a concern of many of my colleagues in this Chamber—production from the so-called stripper wells as well as secondary and tertiary recovery. There are some 4,000 persons in this category—not all of them are companies.

Many of these citizens are small business people. They account for approximately 75 to 80 percent of domestic drilling activities to explore and find new reserves of oil and natural gas.

Such incentives are needed if these individuals, who play a vital role in U.S. energy supplies, are going to continue their exploration and development activities.

Mr. President, my feelings on the urgency for action on this legislation are well known. I have discussed various aspects of the bill during these Senate remarks. I have explored several topics besides gasoline rationing and other energy-saving features of the bill.

I am aware, Mr. President, that there is some confusion and uncertainty about the extent and possible duration of the energy crisis. There is no doubt, however, that an energy crisis still exists.

Because shortages of our energy supplies still occur we must enact legislation to adjust to these shortages.

This legislation provides standby energy emergency authorities and is so titled. It is intended to furnish us with the vital backup mechanisms needed to accommodate our economy and our way of life to anticipate shortages, in equitable ways and with minimum economic disruption.

The bill has been developed over several months. Further delay on its enactment would ignore the fact that the United States must develop the means to cope with a long-term energy crisis.

The present untenable situation should not be allowed to continue. The necessary backup authority for the Federal Energy Administration is contained in the Standby Energy Emergency Authorities Act.

Mr. President, the several authorizations and mandatory provisions in this vital legislation which I have mentioned, and others, are needed to cope with the continuing energy crisis facing our country and all of our citizenry.

AMENDMENT NO. 1265

Mr. DOLE. Mr. President, I call up my amendment No. 1265.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 118, between lines 21 and 22, insert the following new section:

SEC. 108A. Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end of such section the following new subsection:

"(j)(1) Upon a finding that there are significant shortages and dislocations in the distribution of petrochemical feedstocks and petrochemicals, the Administrator is authorized to compel, by rule or order on a national, regional, or case-by-case basis, consistent with paragraph (2) of this subsection, the allocation of such feedstocks and such petrochemicals in amounts specified in (or determined in a manner prescribed by) such rule or order.

"(2) Any rule or order for allocation of petrochemical feedstocks and petrochemicals promulgated or issued under this act or under any other Federal law shall be consistent with the objectives of subsection (b) and to the maximum extent practicable, shall contribute to the—

"(A) preservation of an economically sound and competitive petrochemical industry and for the preservation of the competitive viability of all processors, distributors, and users of petrochemical feedstocks and petrochemicals; and further the

"(B) equitable distribution of petrochemical feedstocks and petrochemicals among all regions and areas of the United States and among all sectors of the petrochemical industry, including processors, distributors, and users thereof.

"(3) For purposes of this subsection—

"(A) the term 'petrochemical feedstocks' means petroleum oils and natural gas liquids which are processed or otherwise converted into petrochemicals; and

"(B) the term 'petrochemicals' means derivatives of petroleum oils and natural gas liquids used for nonfuel purposes.".

PETROCHEMICAL ALLOCATION PROGRAM

Mr. DOLE. Mr. President, the energy crisis has had an especially severe impact on the firms and industries which use petrochemicals. Of all the actions taken to deal with the energy shortage, we have probably been the least successful in dealing with the problems stemming from the tight supply of petrochemicals. And the crisis still exists for many sectors of the economy which depend on petrochemicals as raw materials.

I offer an amendment to the Standby Energy Emergency Authority Act to authorize the fair allocation of petrochemicals in short supply which I believe would permit the Federal Energy Administration to deal more effectively with the petrochemical shortage.

IMPACT OF ENERGY CRISIS

As we all know, the shortage of petroleum has had widespread repercussions throughout the economy. Almost no sector has escaped the problems arising from the lack of fuel or petroleum products.

The supply of petrochemicals is directly dependent on the availability of crude oil and natural gas and, therefore, the users of petrochemicals have suffered directly from the energy crisis. And they are still having problems, even though the oil embargo has been lifted.

MANY INDUSTRIES AFFECTED

Users of petrochemicals represent a vital part of our economy, both in the type of their products and the size of their revenue and employment. The difficulties they have are felt throughout the entire country. Most of the major petrochemicals are listed under section 23 of the Federal Energy Administration Act and these include organic chemicals, cyclic intermediates, plastics and resins, synthetic fibers, elastomers, organic dyes, organic pigments, detergents, surface active agents, carbon black, and ammonia.

A wide variety of industries are dependent upon these compounds as basic raw materials. Many of these industries have been forced to slow down or curtail production because of an inadequate supply of raw materials and they are continuing to experience shortages in the supply of petrochemicals. These problems can only result in continued and increased unemployment and loss of revenues.

There are many examples. The textile industry, third largest employer in this Nation, is experiencing shortages in raw materials for manmade fibers of approximately 15 percent.

The plastics industry, one of the high-growth industries of recent years, is experiencing material shortages ranging from 15 to 75 percent, with an accompanying unemployment rate of 15 to 20 percent. I can personally speak for the plastic processors in Kansas. Some of them have been forced to lay off more than 50 percent of their employees. From my contacts with them, I know they are continuing to have supply problems.

The independent plastic processors—about 6,500 in number—have been especially hard hit. This is because they are generally low on the list for receiving a supply of materials from the major petrochemical producers when stocks are tight.

On March 4 of this year, I introduced the plastic feedstocks allocation bill, which would require the mandatory allocation of plastic materials in short supply. Since that time, I have received telephone calls, telegrams, and letters from plastics processors all over the country, expressing support for this measure and urging its passage. These contacts indicate that the shortage of petrochemicals still exists and is nationwide.

Similar shortages are being experienced in the pharmaceutical industry, fertilizer industry, and in the production of medical devices, which are heavily dependent on petrochemicals. As you can see from the industries I have named, the users of petrochemicals having trouble today are responsible, either directly or indirectly, for most goods and services enjoyed by this Nation.

MAJOR LOOPHOLE

The amendment I am offering would close what I consider to be a major loophole in the Emergency Petroleum Allocation Act. It would give the Administrator the authority he now lacks to take action where necessary, to alleviate the material supply distortions that are so evident in those industries heavily reliant on petrochemical supplies.

FAILURE OF OTHER APPROACHES

This is not to say that no action has been taken to improve the supply of petrochemicals. The Federal Energy Office has undertaken the allocation of petrochemical feedstocks. The mandatory allocation program gave the petrochemical industry a high-priority status on feedstocks to help build up dwindling stocks and increase production and sales. However, this action did not include guarantees of increased supplies to those industries that depend upon petrochemicals as raw materials. So, while the production of petrochemicals may have been assured by the high allocation of the feedstocks, no assurance was given that these petrochemicals would become available on a fair and equitable basis to all segments of the economy dependent upon them as a basic raw material.

It was assumed that increasing the supply of feedstocks to the petrochemical industry would result in greater supplies of materials for the users of petrochemicals. Today, nearly 4 months since the mandatory allocation program began, many petrochemical users still do not have adequate supplies and we can see that the original assumption was false.

The Cost of Living Council, when it was in existence, took pricing actions to encourage petrochemical production and requested that the major companies producing petrochemicals provide copies of their own voluntary allocation programs.

The efforts of the FEO and the CLC undoubtedly have had a beneficial effect on easing the shortage. However, the problem continues to exist and informal contacts with the FEO indicate that the shortage situation has not changed appreciably in the last 2 months.

ACTIONS PROPOSED

The efforts undertaken up to now have lacked the positive action necessary to provide meaningful assistance and I believe the authority Congress has provided fails to close the gap of inaction on the petrochemical shortage. The Federal Energy Administration Act requires that the Administrator of FEA will report to the Congress on the impact of the petrochemical shortage. This report is good and necessary. We need better information in order to cope with the problem. However, information in itself does nothing to resolve the inequities in petrochemical distribution that exist. My amendment provides authority to deal directly with the problem.

Mr. President, the Emergency Petroleum Allocation Act provided a clear mandate—no one segment of the economy should be asked to bear an unfair burden during the energy crisis. This amendment would only authorize the fairness and equity that was the original mandate of Congress by providing for the Equitable Allocation of Petrochemicals in short supply.

Mr. President, I ask unanimous consent that the distinguished Senator from Pennsylvania (Mr. Schweiker) be made a cosponsor of the amendment along with the distinguished Senator from Indiana (Mr. Bayh) and the distinguished minority leader (Mr. Hugh Scott).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, it is my understanding that this amendment will be acted upon some time later this week. It has been called to the attention of the distinguished chairman of the committee (Mr. Jackson) that it is permissive in nature. I think it may be acceptable to the committee.

Mr. President, I ask unanimous consent that further consideration of the amendment be set aside and that I be permitted to call up my amendment No. 1266.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1266

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

At the end of the bill add the following new section:

Sec. . Section 2 of the Emergency Highway Energy Conservation Act is amended by inserting at the end thereof a new subsection as follows:

"(g) Notwithstanding the provisions of subsection (b), after the sixtieth day after the date of enactment of this subsection, the Secretary of Transportation shall not approve any project under section 106 of title 23 of the United States Code in any State which has (1) a maximum speed limit on any public highway within its jurisdiction in excess of sixty miles per hour, and (2) a speed limit for all types of motor vehicles other than sixty miles per hour on any portion of any public highway within its jurisdiction of four or more traffic lanes, the opposing lanes of which are physically separated by means other than striping, which portion of highway had a speed limit for all types of motor vehicles of sixty miles, or more, per hour on November 1, 1973, and (3) a speed limit on any other portion of a public highway within its jurisdiction which is not uniformly applicable to all types of motor vehicles using such portion of highway, if on November 1, 1973, such portion of highway had a speed limit which was uniformly applicable to all types of motor vehicles using it. A lower speed limit may be established for any vehicle operating under a special permit because of any weight or dimension of such vehicle, including any load thereon. Clauses (2) and (3) of this section shall not apply to any portion of a highway during such time that the condition of the highway, weather, an accident, or other condition creates a temporary hazard to the safety of traffic on such portion of a highway.".

Sec. 2. Subsection (d) of section 2 of the Emergency Highway Energy Conservation Act is amended by striking out "reduction in speed limits to conserve fuel" and inserting in lieu thereof "change in speed limits pursuant to this section".

NATIONAL SPEED LIMIT INCREASE

Mr. DOLE. Mr. President, last fall when the Arab embargo was at its height, a law was passed to set a national speed limit of 55 miles per hour. This action was taken to conserve precious gasoline at a time when we did not really know how long the embargo would last or how serious the situation would become. So the law was passed, and I believe everyone agrees that it has saved fuel, into the growing demand for fuel—and as an additional benefit has saved many lives which might otherwise have been taken in speed-related accidents.

These points are all to the good and should not be ignored or minimized. But there is another side to the coin, and I believe it deserves consideration.

EMBARGO ENDED

In the first place, times and circumstances have changed somewhat. The Arab embargo has been lifted, and most of our supply problems are considerably eased. The prices for this imported oil have not declined significantly, but that is another matter which must be dealt with on a broad front. But the point is that the embargo is ended. We are not in a crisis situation with supplies, and measures—such as the 55-miles-per-hour limit—which were appropriate to that crisis may require reconsideration now.

NEGATIVE IMPACT

In the second place, some of these measures have impacts which are definitely on the negative side. It may be only a matter of inconvenience in some cases, but in others it may amount to real and serious economic damage.

And I think this is a very important concern in Kansas and many other parts of the country. In Washington, D.C., or in New York City, a 55-miles-per-hour limit may mean very little to the average person in terms of his actual highway travel. People in the major urban areas simply do not get out on the highway as often; and when they do, it is usually for relatively short trips, since cities and major urban centers are so close together. And when greater distances have to be covered, there is also a great number of alternative sources of transportation, such as buses, railroads, and airlines available in our major urban areas.

AUTOMOBILES ESSENTIAL IN KANSAS

But in Kansas the automobile is almost indispensable, and the distances are great. It is some 209 miles between Kansas City and Wichita. Almost exactly the same distance from New York City, you will find Boston and Washington, D.C. With Philadelphia, Wilmington, New Haven, and Providence and tens of millions of people in between.

But in Kansas we do not have the choice of traveling by Metroliner or air shuttle. When most Kansans need to go somewhere, they must use their cars. And I believe that under the present circumstances, requiring the Kansas motorist to go only 55 miles per hour is inappropriate and not absolutely essential to the Nation's welfare.

PROBLEM IN TRUCKING INDUSTRY

There is the additional factor that the 55-mile-limit is having an extremely serious impact on the American trucking industry. Time is money to this industry and the new speed limit has cost the Nation's truckers a great deal in lengthened trip times and reduced loads per month, while they have faced even higher fuel prices and reduced fuel mileage.

Truckers are frustrated by this situation, and they have threatened to take out their frustrations by staging another nationwide strike on May 13. I believe such an action would be wrong and would be against their interests and those of the entire country. But the situation is there, and I feel every appropriate effort should be made to provide them some relief.

AMENDMENT TO SET 60 M.P.H. LIMIT

Therefore, I am calling up an amendment to raise the limit to 60. I believe such an increase is justifiable in light of the current fuel supplies. It is consistent with the need to continue some conservation efforts. And it would help make the daily travel requirements of most motorists much more enjoyable and agreeable.

As I have traveled around Kansas visiting with many people, I have come to feel that they consider 60 miles per hour a better and more acceptable speed. It is not that much more costly in terms of fuel use than 55 miles per hour, but it is a limit which people seem better able to live with and abide by than the present one.

I think the American people, whether Kansans, Californians, New Yorkers, or whatever, would come to consider 60 miles an hour a better and more acceptable speed. It is not that much more costly in terms of fuel consumption than a 55-miles-an-hour limit, but it is a rate of speed that people would be able to live with and abide by more readily than the present limit.

As I said, one important factor is that the truckers, in their conversations, and in the hearings, and in discussions with many Members of Congress, have indicated a particular concern about the 55-mile-an-hour speed limit. They indicate that their trucks are geared to operate more efficiently at around 60 miles an hour.

DANGER TO KANSAS BEEF INDUSTRY

As I said, a truck strike would be against the best interests of the entire economy, but of particular concern to me is the Kansas beef industry. Perhaps no other business sector depends on trucks so totally as the beef industry, and it was dealt a devastating blow by the first strike. Many beef processors, feedlots, and cattlemen would be ruined and forced to go out of business by another strike. This prospect is already having a grave impact in Kansas where the billion-dollar beef industry is the largest single component of our economy.

Cattle sales are up, and prices are down. And if the strike should come to pass it will mean increased beef prices at the supermarket and eventually another round of shortages.

But the truckers' problems cannot be dealt with to the exclusion of other travelers' interests. We could not have a higher speed limit for trucks and a lower one for cars. They must be dealt with together, so I am proposing a uniform 60-miles-per-hour limit for everyone.

So Mr. President, I offer this amendment for consideration and will welcome the cosponsorship and support of my colleagues.

I have called the amendment up. I understand there is opposition to it and that those opposed will have the opportunity to speak.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. DOLE. I yield to my distinguished former chairman, the Senator from West Virginia.

Mr. RANDOLPH. The Senator from Kansas was a valued member of the Committee on Public Works. I wish I could agree with him on at least one amendment he is offering during consideration of this measure, but I shall, of course, strongly oppose this amendment.

I was out of the Chamber a while ago, but I wanted to make sure what the thinking was with reference to this amendment, which would raise the uniform 55-mile speed limit to 60 miles an hour. I would like to have him clarify that for me further, for this is a matter of great concern to me as we attempt to conserve our fuel supplies.

Mr. DOLE. I was aware of the Senator from West Virginia's interest in the amendment and, of course, I would protect that interest, as the distinguished Senator knows.

I underscored two areas of concern. First of all, the oil embargo has been lifted. We are not in the same crisis condition as we were some months ago. It is my understanding from the Congressional Research Service that an increase in the speed limit from 55 to 60 miles an hour would increase gas consumption about 3 percent. It would raise consumption about 8⅓ million gallons, or from slightly more than 290 million gallons a day to about 300 million gallons a day.

I also pointed out my very frank and candid visits with people in the State of Kansas who find 55 miles an hour rather difficult to cope with. They think they might be able to accept 60 miles an hour; although, some may be fudging a bit and may be driving 58 or 59 miles an hour.

The Senator from Kansas pointed out that this is one of the main contentions of some of the truckers I have visited in discussions about another truck strike. This is one of the issues they have been raising since last December. They say trucks operate more efficiently and effectively around 60 miles an hour.

I recognize all the good things that have come from the reduced speed limit. It has brought about a saving in fuel. It has reduced the number of deaths and injuries on the highway, and I think for that the public should be commended. At the same time, I think we could maintain that safety record and increase fuel consumption by only a small amount by this very modest increase in the speed limit.

Mr. President, I also ask unanimous consent that the distinguished Senator from Nebraska (Mr. CURTIS) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I appreciate the clarification and the information provided by the Senator from Kansas. I hope he will permit the RECORD to show that there are certain occasions which cause a Member of this body to be elsewhere other than in this forum. I shall have one of those on Friday in my native town in West Virginia. Frankly, it is not subject to change except by an emergency which would make it necessary to vacate that commitment. It is a commitment that I wish very much to honor.

I agree with the Senator that there are elements pro and con. What is the time the Senator is thinking about with reference to considering the amendment which would affect me on Friday?

Mr. DOLE. Let me say to my distinguished friend that I would agree to have it taken up Monday or some time next week. I certainly want to protect the rights of my former chairman.

Perhaps the Senator could make it there and back if we raised the speed limit to 60 miles an hour but, in any event, we could take it up Monday or Tuesday of next week. However, I want my interests shown in the RECORD. I think it would be helpful to have the Senator from West Virginia's interests shown in the RECORD. We could take it up at any time we can agree on.

Mr. RANDOLPH. I appreciate the cooperation and understanding of the very knowledgeable Senator in this area. It is a very important bill. Of course, Monday is agreeable to me. Tuesday is agreeable to me. I would, frankly, like to do it today if it were possible, but I understand it cannot be handled at this time.

I hope what I have said indicates that I desire to come to grips, as I know the Senator does, with the subject matter.

Having the Senator's indication that it could be disposed of Monday or Tuesday of next week is most satisfactory to the Senator from West Virginia.

Mr. DOLE. I thank the Senator from West Virginia, and I yield the floor.

The PRESIDING OFFICER. The question is on the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that any further consideration of the amendment be postponed until Monday next.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I have three amendments. They are not matters that will rock this bill, but they are important to us because they deal with the issue of residual fuel oil, and I had understood that they were acceptable to the majority. The minority is considering them. It would be possible, if the minority has no objection—and I really do not see why they should—to see if they could be acted on today.

I will take only a few minutes—I understand we will be on this bill until 3 p.m.—to describe them. By then we may have heard from the minority. If not, I shall ask that action be deferred.

In the first place, I offer three amendments to the pending bill. Primarily, they deal with a unique and very severe problem which obtains with respect to the entire east coast of the United States, and most heavily impacts on the Northeast. They deal with prices and with the availability of what is called residual fuel, the kind of fuel oil used by utilities and large buildings.

The residual fuel problem is rooted in the fact that our domestic refineries produce a minimum amount of residual fuel, and practically all the residual fuel used in the United States is consumed in the East. For example, of the 187 million barrels used in 1972 for heating purposes, 155 million barrels, or 83 percent, were used in Petroleum Allocation District I—

the east coast. Of these, 148 million barrels, or 79.4 percent of the total national demand, were consumed in New England and the Mid-Atlantic States.

On a national level, more than 86 percent of all the residual fuel used in 1972 was imported, and over 98 percent of that imported product was consumed on the east coast. So we have a unique situation, for the reasons I have stated.

Second, the price of residual fuel oil has increased more than any other petroleum product since the energy crisis began. Prices have gone up an average of 250 to 300 percent. Oil that was selling for 12 to 14 cents a gallon last year is now selling for 30 to 40 cents a gallon.

The economic effects are clear. Utility bills have skyrocketed, with some owners of all-electric homes paying more than $250 a month to heat their homes; apartment owners are faced with the choice of massive rent increases or, where that is impossible, the abandonment of their properties.

Interestingly enough, the domestic refineries could of course, produce this type of oil, and the production could be increased in this particular area by up to 25 percent. But the difficulty is that any increase would naturally result in a decrease of other petroleum products. This is a difficult trade-off. But we cannot let this continue because it is highly discriminatory and unfair, because the Northeast is bearing the heaviest burden.

So I have tried by this series of amendments to see what could be done about it. Something can be done about it, but a legislative impetus is necessary. That is the reason for these amendments.

The amendments are as follows: The first amendment would give to the Federal Energy Administrator the authority to require such increased production of residual fuel oil if national needs demand such action and if the relative benefits would outweigh the disadvantages. It does not mandate increased domestic residual fuel production. So we at least give them the authority to deal with it in whole or in part if the national-interest criteria commend themselves to the Federal Energy Administration.

The next amendment would require a report by the Administrator, within 30 days, on the impact of residual fuel shortages, price disparities, and suggested actions to deal with the impacts.

We may be confronted with a disaster situation next winter both as to price and supply. At least, we ought to have the best facts which the Administrator can get, and also his best thinking on the subject so that he may act quickly.

The third amendment deals with the more general problem of the efficiency and conservation of energy use. The amendment would require, via a rulemaking by the Federal Power Commission, a finding as to what the utilities are doing, especially with respect to conservation practices, and with respect to the rate structures. In other words, are the utilities still continuing their very much expanded uses, which encourage nonconservation as contrasted with other conservation practices? We call for a report in 6 months.

As I have said, this is not entirely what we want, but at least it is an attempt to do something to control a very difficult situation, which, as I say, results in serious discrimination against the Northeast. Many owners of property simply cannot maintain their properties and will abandon them if this condition continues, in addition to making the rest of the country pay for it, which is a very, very tough situation. These amendments are designed to try to do something about it.

Mr. President, may I ask the distinguished majority leader a question in order to know how to proceed? With the majority leader's permission, may I suggest the absence of a quorum for a few minutes, to have a talk with the Senator from Arizona (Mr. Fannin)?

Mr. MANSFIELD. Yes, indeed. However, I remind the Senator that we have another bill scheduled at 3 o'clock.

Mr. BARTLETT. Mr. President, I should like to advise the distinguished majority leader that I wish to make an opening statement.

Mr. MANSFIELD. Why does not the Senator obtain recognition now and let the question be discussed?

The PRESIDING OFFICE (Mr. William L. Scott). Does the Senator from New York yield the floor at this time?

Mr. JAVITS. I do not have to do that. I have sent my amendments to the desk.

The PRESIDING OFFICER. The Chair will state that the amendments are not in order at this time. The Dole amendment is the pending amendment.

Mr. HASKELL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HASKELL. Mr. President, I ask unanimous consent that it be in order at any time when S. 3267 is before the Senate, between now and next Monday, to call up and act on other amendments, even though the amendment offered by the distinguished Senator from Kansas (Mr. Dole), amendment No. 1265 is the pending question.

Mr. FANNIN. Mr. President, we have notified several Senators that they may make their opening statements today. I hope that we may abide by that understanding, if the distinguished Senator from New York will permit us to do so.

Mr. JAVITS. Of course; I am through if there is no other problem.

Mr. FANNIN. I have not had a chance to examine the amendments. I understand that they are not objectionable, but I would appreciate it if the Senator from New York would permit the Senator from Oklahoma to make his opening statement; then we will carry the amendments over until another day before they are acted on.

Mr. MANSFIELD. Mr. President, has the Chair acted on the request of the distinguished Senator from Colorado?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Colorado?

Mr. FANNIN. With the understanding, as I have just said, that the Senator from Oklahoma will be permitted to go forward at this time with his opening statement.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. FANNIN. I yield.

Mr. JAVITS. Do I correctly understand that the Senator from Arizona does not want me to submit my amendments at this time?

Mr. FANNIN. I may say to the Senator from New York that I have not had a chance to see them. I have no objection to their being offered. I thought the Senator wanted them to be considered.

Mr. JAVITS. I shall offer them.

The PRESIDING OFFICER. The question is on agreeing to the request of the Senator from Colorado. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I send these amendments to the desk and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Is the Senator offering them for consideration at this time?

Mr. JAVITS. I am, yes.

Mr. FANNIN. Mr. President, I object to that.

Mr. MANSFIELD. I thought the Senator was just sending them to the desk.

Mr. JAVITS. Mr. President, I withdraw that, and I ask unanimous consent that they may be printed and because of the time limitations upon us, that my complete remarks, together with a statement of the problem by the National Realty Committee, be printed at this point in the Record.

There being no objection, the remarks and statement were ordered to be printed in the Record, as follows:

JAVITS STATEMENT ON RESIDUAL FUEL AMENDMENTS

Mr. President, I offer three amendments to the pending bill which I believe are critical if this legislation is fully to address itself to all of the emergency energy problems being faced by the Nation in general and the Northeast in particular.

None of these amendments would in any way give any preferential treatment to the Northeast; but they recognize that a severe problem exists along the entire East Coast with regard to the availability and the price of residual fuel. This is a problem that has not been moderated by the end of the Arab oil embargo or the restoration of pre-embargo production levels by some of the Arab countries. It is a problem that plagues utilities and thus all utility customers, apartment owners, school districts and municipal governments. It is an emergency that merits immediate consideration by the federal government but that has thus far been shunted aside and treated as a problem of local concern only.

The residual fuel problem is rooted in the fact that our domestic refineries produce a minimum amount of residual fuel, and that practically all the residual fuel used in the United States is consumed in the Northeast. Out of a total of 187 million barrels used in 1972 for heating purposes, 155 million barrels, or 83% were used in Petroleum Allocation District I (the East Coast). Of these, 148 million barrels, or 79.4% of the total national demand, were consumed in New England and the Mid-Atlantic states.

On a national level, over 86% of all the residual fuel used in 1972 was imported and over 98% of that imported product was consumed on the East Coast. Thus the East Coast, and the Northeast in particular, is uniquely dependent on imported residual fuel. No other area of the country depends so heavily on this type of fuel, and no other region of the country is thus experiencing the severe adverse effects of this almost total dependence.

The price of residual fuel oil has increased more than any other petroleum product since the crisis began. Prices have gone up an average of 250 to 300%. Oil that was selling for 12 to 14 cents per gallon last year is now selling for 30 to 40 cents per gallon.

The economic effects are clear. Utility bills have skyrocketed, with some owners of all electric homes paying more than $250 per month to heat their homes; apartment owners are faced with the choice of massive rent increases or, where that is impossible, abandonment of their properties.

Of course, domestic refineries could be mandated to increase their residual oil production—it has been estimated that production could be increased on the average from 6% to 8%, which although only a small part of refinery production, is a 25% increase in domestic production—but any increase of domestic residual fuel production requires a corresponding decrease in the domestic production of other fuels.

Because of this unavoidable trade off, my first amendment only gives to the Federal Energy Administration the authority to require such increased production of residual fuel oil if national needs demand such action and the relative benefits would outweigh the disadvantages. It does not mandate increased domestic residual fuel production.

Section 4(b) of the Emergency Petroleum Allocation Act of 1973 already requires equitable distribution of residual fuel oil at equitable prices among all regions and areas of the country. My amendment confers on FEA the power to insure that no one region is bearing the brunt of the energy crisis, either in terms of allocation or price, but it is not mandated to exercise the power.

The second amendment requires a report by the Administrator, within 30 days, on the impact of residual fuel shortages and price disparities and suggested actions to deal with these impacts. Such a study is necessary if we are to avoid disaster next winter in the regions that now depend so heavily on imported residual fuel. We must begin to deal with this problem immediately rather than wait for a crisis again to be upon us, as it surely will next winter if no action is taken. This report will call on the Administrator to make an in depth study of the potential harm that could result if prices continue to escalate or if shortages reappear; and to seek ways to anticipate these adverse effects befor they jeopardize major segments of the economy—and even health—of the Northeast.

The third amendment deals with the more general problem of the efficiency of energy use. The issue of conservation of energy by utilities is inextricably tied to the residual fuel problem in the Northeast, but it also deals with it in a way that avoids any possible disadvantages to other petroleum product users.

The amendment is almost identical to section 10 of the National Fuels and Energy Conservation Act of 1973, which passed the Senate last December 10 but as yet has received no action in the House.

This section is too important to the needs of utility users—practically all citizens—to be left at best to future action this year and at worst to die with the end of this Congress. Moreover, it properly and rightfully belongs in this emergency energy act since it deals with the problem of conservation which urgently needs study and action.

The amendment requires the Federal Power Commission to conduct a rulemaking study into utility and conservation practices and rate structures as they relate to conservation. It would require electric and gas utilities to submit a public report on their efforts, plans and policies. Electricity and gas conservation is essential if we are effectively to deal with both the residual fuel problem and the more general but no less urgent problem of utility fuel consumption generally.

The bill before the Senate calls for reports on several aspects of energy conservation and supply, but it omits any study of energy conservation by utilities. Since the Senate has already voted its approval of this provision, there is no reason not to begin the process now.

The amendment will require only one report. Annual reports are more properly left to the Energy Conservation Act, which hopefully will be enacted this year. But at least the conservation effort will have begun and only by requiring that it begins now is there any chance that the ideas, findings and impetus which are generated by the call for a report can be put into practice this coming Winter.

I submit these three amendments as a package which I hope the Chairman will accept.

STATEMENT BY ALBERT A. WALSH, PRESIDENT, NATIONAL REALTY COMMITTEE

I. THE PROBLEM

A. Introduction

The astronomical rise in the price of imported residual fuel oil has turned an already-existing housing problem into a catastrophe for the Northeast region of the United States.

The drastic and uncontrolled fuel oil price increase has resulted in a fantastic rise in the cost of heating residential and commercial buildings. (It has also greatly increased the cost of electricity for such buildings.) Property owners must either attempt to absorb the increased heating costs or pass the costs along to tenants in the form of higher rents. Neither of these alternatives is satisfactory. It would be financially disastrous for most property owners—particularly owners of multifamily, low or moderate income residential properties, who operate on small returns on their capital investments—to attempt to absorb the cost increases. The cost increases are so substantial that properties that previously generated small profits would now produce significant deficits.

Raising rents is also no answer. Many buildings are owner occupied. Others are leased under long-term leases that do not provide for rent increases because of increased costs. Owners of residential buildings that house low or moderate income tenants are, as a practical matter, unable to raise rents. Such tenants are, for the most part, hard pressed to meet existing rents. The percentage increase in rent for these tenants that would be required to cover the increased heating costs would be substantial. It would be unreasonable to expect that owners would have much success collecting such an increase from the tenants.

It is obvious, then, that the burden of the increased cost of heating oil falls on the property owner. Many owners will have to choose between operating at a loss and simply walking away from the property.

This is precisely where the problem of rampant price increases has led: to property owners walking away from their buildings. Building abandonments have plagued many cities during the past decade, particularly those in the Northeast. This has led to a spreading of slum areas and to serious social problems. To the great misfortune of the cities affected, building abandonments have been accelerated by the phenomenal increase in heating costs. The rise in heating costs will undoubtedly turn thousands of buildings—particularly in the inner cities—into losing propositions. Immediate action is required to stop the wholesale abandonment of buildings.

B. Dependence on imported residual fuel oil

The Northeast is heavily dependent on residual fuel oil for heating its residential and commercial buildings. The most recent data available shows that of the 187,111,000 barrels of residual fuel oil used for heating purposes in the United States in 1972, 155,546,000 barrels, or 83.1 percent, were used in P.A.D. I. Of these, 148,635,000 barrels, or 79.4 percent of the national total, were consumed in New England and the Mid-Atlantic states alone.[*]

The root of the present problem is not simply the dependence of the Northeast on residual fuel oil in general. It is the dependence of the Northeast on *imported* residual fuel oil in particular. Of the 686,554,000 barrels of residual fuel oil that were consumed for all purposes in P.A.D. I in 1972, over 588,000,000 barrels, or more than 86 percent were imported. Moreover, of all the residual fuel oil imported into the United States in 1972, more than 98.6 percent was consumed in P.A.D. I. This means that all other regions of the country are able to satisfy their needs for residual fuel oil from domestic sources. Only the Northeast is unable to meet its needs from domestic sources (principally because of the lack of refining capacity in this region). Only the Northeast is dependent on imported supplies.

C. Increases in the price

In January 1973, number 6 residual fuel oil sold in the New York City area at prices averaging between 13 cents and 16 cents per gallon. In May 1973, the New York City Housing Authority purchased residual fuel oil at a contract price of 13.6 cents per gallon. In Philadelphia in May 1973 residual fuel oil prices averaged between 12 cents and 14 cents per gallon. As late as August 1973, number 6 oil was selling at prices averaging between 12 cents and 14 cents per gallon in Boston.

By January and February 1974, however, the impact of the drastic price increases in imported residual fuel oil was apparent. On January 16, 1974, the New York City Housing Authority had to pay a contract price of 32.5 cents per gallon for number 6 oil, an increase of 239 percent over the price paid in May 1973. In February, the average of residual fuel oil prices in New York City fluctuated between 27.63 cents and 43.14 cents per gallon, the latter figure representing a 270 percent price increase in just one year. In Philadelphia, the average price had risen above 35.5 cents per gallon in February 1974, a 296 percent increase over the price a year earlier. In Boston, the price on February 1, 1974, was 25.7 cents per gallon, an increase of 209 percent over the price on August 1, 1973, only six month earlier.

These prices illustrate the tremendous jump in the price of imported number 6 oil. This fuel is not subject to United States price controls at either the producer or refiner levels because it is produced and refined abroad. It is in the Northeast, where more than 98 percent of the nation's imported residual fuel oil is consumed, where the impact of these prices has been, and will continue to be, uniquely felt, unless prompt and effective legislative action is taken.

The PRESIDING OFFICER. Without objection, the amendments will be received and printed, and will lie on the table.

Mr. FANNIN. Mr. President, I thank

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[*] The source for these statistics, and for those in the succeeding paragraph is a report entitled "Mineral Industry Surveys," prepared by the Bureau of Mines, Department of the Interior, dated October 10, 1973. The Bureau of Mines estimates that consumption figures for 1973 will not be available until the summer of 1974.

the Senator from New York. I had not understood what he intended.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Ron Frank, David Russell, and Laverne Phillips of my staff be accorded the privileges of the floor during the debate, voting, and consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I make the same request on behalf of Gary Klein, that he have the privilege of the floor during my consideration, debate, and voting of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I would like to emphasize that this bill will not do one thing to solve our energy supply problems. In fact the bill contains much that would be counterproductive and if the price control amendment is to be offered by the distinguished chairman of the Interior and Insular Affairs Committee is adopted, this bill would further exacerbate our energy problems rather than solve them.

Mr. President, S. 3267 is being considered in an entirely different situation than was its predecessor S. 2589. We no longer have an Arab embargo.

The Senate should take this opportunity to focus its attention on legislation before Congress that would increase the amounts of energy available to the consumers and for the benefit of the citizens, of the United States. Instead we keep voting on measures that are defensive in nature rather than aggressive toward the solution of the problem, the shortage of energy.

Actually, S. 3267 defeats the sponsor's declared purpose of authorizing actions appropriate and necessary in an emergency situation.

In an emergency, the President must be able to act quickly without encumbrance. And there must be direction from a single focal point, the President who has additional authorities that are necessary to cope with a true emergency situation. Unfortunately, most of the authorities in S. 3267 are vested in the FEA Administrator and not the President.

In the critical areas of rationing and conservation measures the requirement for congressional review of the Administrator's plans prior to implementation would unnecessarily delay, possibly critical, initiation of those plans.

The automatic 6-month termination of these plans can only serve to discourage serious participation by all parties including the citizens of our country.

Section 100, which purports to increase competition in the retail market structure, would actually decrease such competition by locking in existing franchise retailers regardless of their inefficiency or inability to compete effectively. New entries into the market would be discouraged and therefore this provision would decrease competition rather than increase competition.

Section 114, which is intended to benefit the unemployed, would be most difficult to administer and would work to the disadvantage of those for whom the benefits are intended. The best way to cope with the unemployment problem is to strengthen, where needed, our existing programs; not to set the precedent of providing for unemployment compensation for a specific cause and effect relationship as a basis for eligibility.

This bill does provide for the much needed authority to direct powerplants to use coal if they can, but the act does not provide for the necessary complimentary relaxation of the Clean Air Act standards to allow these conversions to be implemented within the law.

There are two sections, section 115 and section 122, that are totally unnecessary because they are a duplication of previously adopted legislation. Section 115, which provides for additional involvement in carpooling efforts, is already a part of the Emergency Highway Conservation Act.

I might state that I introduced a resolution to that effect about a year ago.

Section 122, which provides the authority to obtain various energy data, is already a part of the Federal Energy Administration Act of 1974.

Mr. President, Congress and the honorable chairman of the Interior and Insular Affairs Committee have long recognized the value of our natural resources such as air, water, and minerals, to name a few.

This bill, S. 3267, purports to recognize the importance of conservation of our energy resources. However, subsection (A)(2) of section 107 is not consistent with the long recognized principals to which Congress has adhered.

If the authority under this section were implemented, physical losses of oil and gas would be caused. Our natural resources would be wasted needlessly.

Only as a last resort in the interest of our national security after all other nonwasteful alternatives have been exhausted would wasting our resources be justified.

It is interesting to note that the Naval Reserves, which could be produced without waste, are specifically excluded from the provisions designed to provide an increase in the available domestic petroleum supplies to meet critical energy needs. Why should we waste oil and gas by producing domestic fields above their maximum efficient rate when we could produce oil from the Naval Reserves without loss of ultimate recovery?

If the provisions of subsection (A)(2) of section 107 were implemented, economic losses would occur. The reserves of oil and gas that would be lost by producing at rates above the maximum efficient rate are the assets of individual owners and companies. Royalty owners and working interest owners of these minerals would be sacrificing future income. This diminution of property rights would be unconstitutional.

Also, in this subsection the term "excessive risk of losses and recovery" is indeterminable. Losses that are not excessive in today's economic climate might be extremely excessive in a future economic climate and with the benefit of future technology.

For instance, currently we recover about one-third of the oil from a producing reservoir; two-thirds of the oil is not being recovered under the existing economic climate. Virtually 100 percent of the oil in place can be, and hopefully some day will be, recovered as improvements in technology are made and if adequate economic incentives prevail.

We should not jeopardize the possibility of recovering these additional reserves by gutting an existing field for our short-term needs, with the possible exception as a last resort, for national security purposes.

It would be far more reasonable to produce the Naval Reserve fields to meet critical needs before we knowingly waste the petroleum reserves of other domestic oil fields.

The distinguished Senator from Washington (Mr. JACKSON) has said that he will introduce an amendment to require that price controls be exerted over petroleum. Price controls would only further breed shortages. The consumer deserves more of an energy program than just spreading around shortages. The consumer deserves governmental policies that will increase supplies.

The past history of price regulation of interstate gas is being ignored by those who support petroleum price controls. The disaster of the Economic Stabilization Act and the resulting inequities and shortages that it caused are also being ignored. It seems to me that we should learn by your mistakes.

Instead we are ignoring history by saying on one hand that the free market is the best mechanism ultimately to increase supplies and conserve our energy by reducing demand, but then advocating price controls in legislation. All price controls will do is distort the marketplace and further complicate our problems.

I will have much more to say about the proposed amendment on price controls when it is called to the floor for debate.

I might tell my distinguished friend the floor manager of the bill at the present time that I know he will be offering an amendment dealing with the stripper well provisions of the law, and I hope that my argument will be better than my ability on the tennis court in that engagement, but that I look forward to a full discussion of the merits of the stripper well amendment that is presently in the law.

Mr. HASKELL. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

Mr. HASKELL. I would like to observe that if the Senator's arguments are as good as his performance on the tennis court, they will be irresistible.

Mr. BARTLETT. I appreciate the comment of my friend.

It is time, Mr. President, that this body engage itself in a debate on all the issues surrounding the energy crisis.

With such a debate we might—I say might—adopt a commitment to energy self-sufficiency.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. BARTLETT). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, are the three Javits amendments now pending?

Mr. JAVITS. Mr. President—Mr. President——

Mr. MANSFIELD. I have asked the question.

The PRESIDING OFFICER. No, not at the moment.

Mr. MANSFIELD. They are not pending at the moment?

Mr. JAVITS. I will call them up then, Mr. President.

Mr. President, I call up my amendments and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. MANSFIELD. Ask that they be considered as read.

Mr. JAVITS. Mr. President, I ask unanimous consent that the amendments en bloc be considered as read, and I am ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc of the Senator from New York (Mr. JAVITS).

The amendments en bloc were agreed to.

The texts of the amendments agreed to en bloc are as follows:

On page 118, line 22, insert the following subsection (e): "The Administrator shall, within 30 days of the enactment of this Act, report to the Congress with respect to extraordinary regional shortages or price disparities in residual fuel, steps taken to alleviate such shortages or eliminate the price disparities, the effects of such shortages or price disparities on individual, commercial and individual consumers, on housing, and on the local economy, and any legislative recommendations which he deems necessary to alleviate such shortages or remedy the adverse effects of the price disparities."

On page 163, line 10, insert the following section:

SEC. 202. UTILITY ENERGY CONSERVATION REPORTS

(a) Within six months from the date of enactment of this Act, the Federal Power Commission shall by rule on the record after opportunity for a public hearing promulgate regulations requiring electric and gas public utilities to submit to the Commission a report on energy conservation policies. The Commission shall make such reports readily available for public inspection.

(b) Each such report shall include—

(1) an indication of the problems the utility is encountering in implementing an energy conservation program, such as regulatory or rate restrictions;

(2) a description of the utility's research effort directed toward the conservation of energy;

(3) an evaluation of the role of the utility's wholesale and retail rate structures in achieving conservation of energy;

(4) disclosure of system inefficiencies, including energy loss during transmission; and

(5) such other relevant information as the Commission may require.

(c) Within 60 days after receipt of such reports, the Commission shall develop and submit to the Congress a plan for utility energy conservation together with its recommendations for legislation.

On page 116, line 17, after the word "produce", insert the following: "residual fuel oil and"

On page 116, line 18, after the word "national" insert the following: "and regional".

Mr. JAVITS. Mr. President, I thank my colleagues very much for their courtesy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test, and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HÉBERT, Mr. PRICE of Illinois, Mr. FISHER, Mr. BENNETT, Mr. STRATTON, Mr. BRAY, Mr. ARENDS, Mr. BOB WILSON, and Mr. GUBSER were appointed managers of the conference on the part of the House.

EDUCATION BILLS—ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, as long as the individuals whom I wanted to see in the Chamber are here, and for whom the quorum call was made, I ask unanimous consent that the Senate proceed to the consideration of H.R. 69, the education bill, and that all after the enacting clause on the House bill be stricken, and that the text of S. 1539, as reported, be substituted therefor and be considered as original text for the purpose of amendment.

Mr. ALLEN. Mr. President, does this——

Mr. DOMINICK. Mr. President, a parliamentary inquiry.

Mr. ALLEN. Mr. President, reserving the right to object——

Mr. DOMINICK. Mr. President, a parliamentary inquiry——

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, as I understand the request——

Mr. DOMINICK. Mr. President, will the Senator from Alabama yield to me for a parliamentary inquiry?

Mr. ALLEN. Yes, provided I do not lose my right to the floor.

Mr. DOMINICK. Mr. President, I just wanted to know if that was the unanimous-consent request?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. The Senator from Colorado is correct.

Mr. DOMINICK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Then, Mr. President, I move that the Senate proceed to the consideration—first, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 735, S. 1539, a bill to amend and extend certain acts relating to elementary and secondary education programs, and for other purposes.

Mr. ALLEN. Mr. President, reserving the right to object, the distinguished be brought up and that certain action be taken beyond that to add the provisions of the Senate bill—substitute them for the provisions of the House bill.

Would not the distinguished majority leader be willing to bring up H.R. 69 without any further agreement beyond the actual bringing it up and putting it before the Senate, rather than bringing up the Senate bill? Would that not be the best course to pursue?

Mr. MANSFIELD. I would ask the advice of the manager of the bill and the ranking Republican leader. If it is acceptable to them, then it would be to me. If it is not, then whatever——

Mr. PELL. Mr. President, my own view would be that it would be best to proceed with the Senate bill so that we could proceed with the text on which your committee worked. But what would be the view of the ranking minority member?

Mr. JAVITS. Mr. President, I must concur that this represents an enormous labor here and for us to run it down the drain with a series of amendments hardly seems fair to the men who labored for weeks under the gifted leadership of the distinguished Senator from Rhode Island (Mr. PELL.).

Mr. ALLEN. The question this Senator is asking is, would it not be possible to bring up the House bill so that when the Senate completed action on that, all that would remain would be a conference rather than to bring up the Senate bill and send it over to the House?

Mr. JAVITS. If the Senator will yield, for myself I would say that if the Senate has the will to pass the Senate bill in whatever way it amends it, that will be its will. We would like to see what the Senate does with it, like everyone else, when it comes to substituting it for the House bill. So if that all that is being done here is a formality, that is one thing, but if it is more a formality than a substance—to wit, a piece of work that we have not worked on, making it the basis for action by the Senate—that would junk everything the committee has done. So, substantially, that would be unfair.

Mr. ALLEN. Would not——

Mr. JAVITS. If I may continue—I do not frankly see what the opponents would gain by this particular tactic because if the Vice President is in the Chair, as he will be, we know that the administration is more favorable to parts of the House bill and he will undoubtedly break any tie, if there is one, that way. That is the only real advantage except for the fact that the work of the committee will be thrown in the ashcan if we take up the House bill.

So for all these reasons, one, I really think the distinguished majority leader is taking the fair course; and, second, I do not see what the opponents gain by this objection.

Mr. ALLEN. In answer to what the Senator has said, naturally he would like to bring up the bill that is in accordance with his wishes. It has his provisions in it regarding title I funds, impacted aid funds, and anti—or lack of anti-busing provisions; whereas those provisions are in the House bill. So that is the very meat of the bill, as to which bill comes before the Senate at this time. That is the big issue before the Senate. Of course, the Senator from New York would like to have his bill considered, but I think that is something for the Senate itself to decide.

Mr. PELL. Mr. President, it would seem to me that the orderly way, the way we always do it, is when the committee has striven hard. Senators can see the results of its labor in the foot-high volumes of hearings in front of them. So unless we come to some conclusion that the Senate should work its will on this committee's work, we junk those hearings and the work we have done and then go straight to the House bill, which would not seem a very normal or orderly procedure.

Mr. ALLEN. May I inspire of the Senator, were the House bill pending before the Senate, would it not be in order to move to substitute the provisions of the Senate bill and still have a vehicle when the House bill is before the Senate? It would save the time of the House and the Senate as well.

Mr. PELL. Speaking as the chairman of the subcommittee involved, I would still prefer to work from our text, on which we labored. This would be my request to the majority leader.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. McCLELLAN. The Senator from Rhode Island said something about working on this. How long has the Senate worked on this particular bill?

Mr. PELL. About a year or a year and a half.

Mr. McCLELLAN. I thank the Senator.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. JAVITS. The Senator said this was "his' bill—to wit, my own bill. This is a tipoff on the debate on this bill. It is not my bill. It is the bill that the subcommittee, with the very gifted leadership of Senator PELL, reported. Every member of the minority, on a rollcall vote, voted to report it. The committee report, on page 572, lists minority contributions to the bill.

Mr. President, we are going to let the Senate judge that issue. If that is going to be the issue in this debate, unworthy of the cause, which is an enormous cause for our people, we will let the Senate judge that. But I hope that the Senator will respect my colleagues enough not to make us feel that this is some private foray of mine as ranking minority member, which it distinctly is not.

Mr. ALLEN. The distinguished Senator objected to the reference by the Senator from Alabama to the fact that this was "his" bill. It is a bill that the Senator is espousing. The Senator from Alabama did not indicate that it was written by the distinguished Senator from New York; but it is a bill that the Senator from New York is pushing, that he seeks to get before the Senate at this time, that he advocates. So it seems that it was not unfair for the Senator from Alabama to say that it was the bill of the Senator from New York.

Mr. JAVITS. I thank the Senator.

Mr. ALLEN. I assume that the Senator is not disavowing his interest in the bill.

Mr. JAVITS. I thank the Senator for that explanation. It makes it much clearer.

The PRESIDING OFFICER. The Chair observes that the distinguished majority leader has asked unanimous consent that S. 1539 be the order of business. This has already been set as the order of business.

Mr. MANSIELD. It has already been agreed to.

Mr. ALLEN. I reserve the right to object, Mr. President. That is why I am on my feet.

The PRESIDING OFFICER. The Chair observes that this has already been set as a matter of business—an order from yesterday.

Mr. ALLEN. The order was entered on yesterday?

The PRESIDING OFICER. Yes.

Mr. ALLEN. Very well. The Senator from Alabama, as the Chair knows, was not in the Senate on yesterday, but was in Alabama.

Mr. MANSIELD. Mr. President, I ask unanimous consent that the order be vitiated, and I repeat my unanimous-consent request.

The PRESIDING OFFICER. Without objection, the order will be vitiated.

Mr. ALLEN. Mr. President, I object to the order vitiating the agreement.

The PRESIDING OFFICER. The Chair observes that the distinguished majority leader can call up S. 1539, if he so desires.

Mr. MANSFIELD. I was endeavoring to do that on a unanimous-consent basis.

Mr. ALLEN. I would rather that the bill be called up under the unanimous-consent agreement of yesterday, rather than for that agreemet to be vitiated and a new request made.

Mr. MANSFIELD. I appreciate that.

EDUCATION AMENDMENTS OF 1974

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 1539. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1539) to amend and extend certain acts, relating to elementary and secondary education programs and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That this Act, with the following table of contents, may be cited as the "Education Amendments of 1974".

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Sec. 2. General provisions.
(a) General definitions.
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Sec. 5. Policy of the United States with respect to museums as educational institutions.

TITLE I—AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1963

Sec. 101. Amendments to title I of the Elementary and Secondary Education Act of 1965—special educational programs and projects for educationally deprived children.
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Sec. 801. Prohibition against assignment or transportation of students to overcome racial imbalance.
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Sec. 806. Application of proviso of section 407(a) of the Civil Rights Act of 1964 to the entire United States.

GENERAL PROVISIONS

SEC. 2. (a) As used in this Act—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare;

(2) the term "Assistant Secretary" means the Assistant Secretary of Health, Education, and Welfare for Education; and

(3) the term "Commissioner" means the Commissioner of Education;

unless the context of such use requires another meaning.

(b) Unless otherwise specified, the redesignation of a title, part, section, subsection, or other designation by any amendment in this Act shall include the redesignation of all references to such title, part, section, subsection, or other designation in any Act or regulation, however styled.

(c) (1) Unless otherwise specified, each provision of this Act and each amendment made by this Act shall be effective on and after the sixtieth day after the enactment of this Act.

(2) In any case where the effective date for an amendment made by this Act is expressly stated to be effective after June 30, 1973, or on July 1, 1973, such amendment shall be deemed to have been enacted on June 30, 1973.

(d) If any provision of, or any amendment made by, this Act is held invalid by reason of being inconsistent with the Constitution, all provisions of this Act and amendments made by this Act which are separable from such invalid provision or amendment shall remain in effect. If any such provision or amendment is held invalid in one or more applications of such provision or amendment, such provision or amendment shall remain in effect in all valid applications which are separable from any such application.

NATIONAL POLICY WITH RESPECT TO EQUAL EDUCATIONAL OPPORTUNITY

SEC. 3. Recognizing that the Nation's economic, political, and social security require a well-educated citizenry, the Congress (1) reaffirms, as a matter of high priority, the Nation's goal of equal educational opportunity, and (2) declares it to be the policy of the United States of America that every citizen is entitled to an education to meet his or her full potential without financial barriers and limited only by the desire to learn and ability to absorb such education.

WHITE HOUSE CONFERENCE ON EDUCATION

SEC. 4. (a) The President is authorized to call and conduct a White House Conference on Education in 1977 (hereafter in this section referred to as the "Conference") in order to stimulate a national assessment of the condition, needs, and goals of education and to obtain from a broadly representative group of citizens a report of findings and recommendations with respect to such assessment.

(b) (1) In carrying out the provisions of this section, participants in conferences and other activities at local, State, and Federal levels are authorized to consider all matters relevant to the purposes of the Conference set forth in subsection (a), but shall give special consideration to the following:

(A) The implementation of the policy set forth in section 3.

(B) The means by which educational systems are financed.

(C) Preschool education (including child care and nutrition programs), with special attention to the needs of disadvantaged children.

(D) The adequacy of primary education in providing all children with the fundamental skills of communication (reading, writing, spelling, and other elements of effective oral and written expression) and mathematics.

(E) The effectiveness of secondary education in preparing students for careers, as well as for postsecondary education.

(F) The place of occupational education (including education in proprietary schools) in the educational structure and the role of vocational and technical education in assuring that the Nation's requirements for skilled manpower are met.

(G) The structure and needs of postsecondary education, including methods of providing adequate levels of student assistance and institutional support.

(H) The adequacy of education at all levels in meeting the special educational needs of such individuals as handicapped persons, economically disadvantaged, racially or culturally isolated children, those who need bilingual instruction, and gifted and talented children.

(2) Participants in conference activities at the State and local levels are authorized to narrow the scope of their deliberations to the educational problems which they consider to be most critical in their respective areas, but shall be encouraged by the National Conference Committee (established pursuant to subsection (c)) to consider such problems in the context of the total educational structure.

(c) (1) There is established a National Conference Committee (hereafter in this section referred to as the "Committee"), composed of not more than thirty-five members (of whom not more than twelve shall be educators) who are broadly representative of the public interest in education. The members of the Committee shall be appointed by the President, who shall, from among such members, designate a Chairman and a Vice Chairman.

(2) (A) The Committee shall provide guidance and planning for the Conference and shall make a final report (and such interim reports as may be desirable) of the results, findings, and recommendations of the Conference to the President and to the Congress not later than December 1, 1977.

(B) The Committee is authorized to provide such assistance as may be necessary for State and local conference activities in preparation for the National Conference.

(3) The Commissioner shall support the activities of the Committee by providing technical assistance, advice, and consultation.

(4) Members of the Committee shall serve without compensation, but may receive travel expenses (including per diem in lieu of subsistence) as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently, while employed in the business of the Committee away from their homes or regular places of business.

(5) The Committee is authorized to appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, a Conference Director and such professional, technical, and clerical personnel as may be necessary to assist in carrying out its functions under this section.

(d) (1) From the sums appropriated pursuant to subsection (e) the Commissioner is authorized to make a grant to each State, upon application of the Governor thereof, in order to assist in meeting the costs of that State's participation in the Conference program (including the conduct of conferences at the State and local levels).

(2) Grants made pursuant to paragraph (1) shall be made only with the approval of the Chairman of the Committee.

(3) Funds appropriated for the purposes of this subsection shall be apportioned among the States by the Commissioner in accordance with their respective needs for assistance under this subsection, except that no State shall be apportioned more than $75,000 nor less than $25,000.

(e) There are authorized to be appropriated, without fiscal year limitations, $10,000,000 to carry out the purposes of this section; and sums so appropriated shall remain available for expenditure until June 30, 1978.

(f) For the purposes of this section, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

POLICY OF THE UNITED STATES WITH RESPECT TO MUSEUMS AS EDUCATIONAL INSTITUTIONS

SEC. 5. The Congress, recognizing—

(1) that museums serve as sources for schools in providing education for children,

(2) that museums provide educational services of various kinds for educational agencies and institutions and institutions of higher education, and

(3) that the expense of the educational services provided by museums is seldom borne by the educational agencies and institutions taking advantage of the museums' resources, declares that it is the policy of the United States that museums be considered educational institutions and that the cost of their educational services be more frequently borne by educational agencies and institutions benefiting from those services.

TITLE I—AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

AMENDMENTS TO TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965—SPECIAL EDUCATIONAL PROGRAMS AND PROJECTS FOR EDUCATIONALLY DEPRIVED CHILDREN

SEC. 101. (a) (1) Section 102 of title I of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"DURATION OF ASSISTANCE

"SEC. 102. During the period beginning July 1, 1973, and ending June 30, 1978, the Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for grants made on the basis of entitlements created under this title.".

(2) (A) Such title I is amended by striking out section 103 and inserting in lieu thereof the following:

"GRANTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 103. (a) Subject to section 144, the maximum amount to which any local educational agency in any State shall be entitled under this section for any fiscal year in the period set forth in section 102 shall be equal to—

"(1) the number of children determined with respect to such agency in accordance with subsection (b); multiplied by

"(2) the Federal percentage of the average per pupil expenditure determined with respect to such agency pursuant to subsection (c).

"(b) (1) The number of children determined for the purposes of clause (1) of subsection (a) with respect to any local educational agency for any fiscal year shall be the number of children in the school district of such agency who are—

"(A) in families having a low annual income, as defined in paragraph (2); or

"(B) living in institutions for neglected or delinquent children or being supported in foster homes with public funds.

In determining the number of children under clause (B) in the preceding sentence, children in institutions operated by the United States, and children counted for the purpose of a grant to a State agency under this title shall not be included.

"(2) (A) For the purpose of this section, the term 'children in families having a low annual income' means (i) children in families determined pursuant to subparagraph (B) and (ii) children in families determined pursuant to subparagraph (C).

"(B) (i) The Commissioner shall determine with respect to each local educational agency the number of children in families having an annual income which, in 1970, did not exceed the low-income level for 1969 living in the school district of such agency.

"(ii) For the purposes of division (i) the low-income level with respect to a family shall be determined, considering the characteristics of such family (such characteristics being the size of the family, the sex of the head of the family, and whether the residence of the family is on a farm), in accordance with the following table:

"Size of family	Nonfarm		Farm	
	Male head	Female head	Male head	Female head
2 persons	$2,394	$2,320	$2,017	$1,931
Head under 65 years	2,473	2,373	2,100	1,984
Head 65 years and over	2,217	2,202	1,883	1,661
3 persons	2,937	2,830	2,485	2,395
4 persons	3,745	3,725	3,197	3,159
5 persons	4,418	4,377	3,770	3,761
6 persons	4,962	4,917	4,245	4,205
7 or more persons	6,116	5,952	5,185	5,129

"(C) The Commissioner shall determine with respect to each local educational agency for each fiscal year the number of children in families who, during the calendar year ending prior to the beginning of such fiscal year, received payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act.

"(3) (A) In any case where the Commissioner determines that satisfactory data with respect to a local educational agency are not available for the purpose of determining a number of children under paragraph (1), the number of children determined with respect to such agency for the purposes of paragraph (1) shall be determined on the basis of the number of children for all such agencies in the county or counties in which the school district of such agency is located. In which case, the number of children determined with respect to one or more counties shall be allocated, for the purposes of paragraph (1) among the local educational agencies with school districts located in such county or counties upon such equitable basis as may be determined by the State educational agency, in accordance with basic criteria prescribed by the Commissioner.

"(B) In any case where—

"(i) two or more local educational agencies serve in whole or in part, the same geographical area; or

"(ii) a local educational agency provides free public education for a substantial number of children who reside in the school district of another local educational agency,

the State educational agency may allocate the number of children determined under this subsection among such agencies in such a manner as will best achieve the purposes of this subsection.

"(4) No local educational agency shall be entitled to a grant under this section for any fiscal year unless the number of children determined with respect to such agency under this subsection is at least ten.

"(5) (A) (i) For the purposes of this subsection, the Commissioner shall determine the number of children from families having an annual income of less than the low-income level for any county in any State on the basis of the most recent satisfactory data available from the Department of Commerce. At any time such data for a county are available in the Department of Commerce, such data shall be used in making calculations under this subsection.

"(ii) (I) When requested by the Commissioner, the Secretary of Commerce shall make a special estimate of the number of children from families having an annual income of less than the low-income level in each county or school district. The Commissioner is authorized to pay the cost of making any such special estimate.

"(II) The Secretary of Commerce shall give consideration to any request from the chief executive of any State for the collection of additional census information for the purposes of this subsection.

"(B) For the purposes of this subsection, the Secretary of Health, Education, and Welfare shall determine the number of children from families receiving an annual income in excess of the low-income level for any county from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act and the number of children living in institutions for neglected or delinquent children or being supported in foster homes with public funds, on the basis of the caseload data for the month of January of the preceding fiscal year, or to the extent that such data are not available to him before April 1 of the calendar year in which the determination is made, then on the basis of the most recent data available to him at the time of such determination. For the purposes of this subsection, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

"(c) (1) For the purposes of clause (1) of subsection (b), the Federal percentage of the average per pupil expenditure for a local educational agency shall be, for any fiscal year ending prior to July 1, 1978—

"(A) 50 per centum of the average per pupil expenditure of all the local educational agencies in the State in which the school district of such agency is located; or

"(B) 50 per centum of the average per pupil expenditure of all the local educational agencies in all the States;

whichever is greater.

"(2) (A) For the purposes of paragraph (1), the average per pupil expenditure of a local educational agency shall be (i) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made of such agency, plus any direct current expenditures by the State for the operation of such agency, divided by (ii) the aggregate number of children in average daily membership in the schools of such agency for whom such agency provided free public education during such preceding year. For the purposes of clause (i) in the preceding sentence, all such current expenditures shall be included without regard for the sources of funds from which such expenditures are made.

"(B) If satisfactory data for the purposes of subparagraph (A) are not available for any fiscal year with respect to any local educational agency, then data for the most recent fiscal year for which satisfactory data are available shall be used for the purposes of such subparagraph.

"(d) (1) For the purposes of this section, the term 'State' does not include Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(2) For the purposes of this section, except subsection (c) (2), the term 'children' includes all children aged five through seventeen, inclusive.

"GRANTS TO STATE AGENCIES

"SEC. 104. (a) For each fiscal year in the period during which the Commissioner makes payments pursuant to section 102, the Commissioner shall make payments to State agencies on the basis of entitlements created under this section.

"(b) (1) Each State agency which is directly responsible for providing free public education for handicapped children shall be entitled to receive a grant under this section for each fiscal year in an amount determined in accordance with paragraph (2).

"(2) The amount of the grant to which a State agency shall be entitled under this section shall be equal to—

"(A) the number of children in average daily attendance as determined by the Commissioner, at schools for handicapped children operated or supported by such State agency, including children in school receiving special education for handicapped children under contract (or other arrangement) with such State agency, in the most recent fiscal year for which satisfactory data are available;

multiplied by—

"(B) the Federal percentage of the average per pupil expenditure determined with respect to the local educational agencies in that State under section 103(c).

"(c) (1) Each State educational agency shall be entitled to receive a grant under this section for each fiscal year for the provision of educational programs for migratory children of migratory agricultural workers in accordance with section 141(c). The amount of such grant shall be determined in accordance with paragraph (2).

"(2) The amount of the grant to which a State agency shall be entitled for any fiscal year under this subsection shall be equal to—

"(A) the sum of—

"(i) the estimated number of migratory children of migratory agricultural workers aged five to seventeen, inclusive, who reside in the State full time, and

"(ii) the full-time equivalent of such children who reside in the State part time, as determined by the Commissioner in accordance with regulations;

multiplied by—

"(B) the Federal percentage of the average per pupil expenditure determined with respect to the local educational agencies in that State under section 103(c).

"(d) (1) Each State agency which is directly responsible for providing free public education for children in institutions for neglected and delinquent children or for children in correctional institutions for adults shall be entitled to a grant under this section for each fiscal year. The amount of such grant shall be determined in accordance with paragraph (2).

"(2) The amount of the grant to which a State agency shall be entitled under this subsection for any fiscal year shall be equal to—

"(A) the number of children for whom such agency has direct responsibility for providing free public education and who are in institutions for neglected and delinquent children or in correctional institutions for adults (including children for whom such agency provides free public education under a contract or other arrangement between the agency and another agency or school);

multiplied by—

"(B) the Federal percentage of the average per pupil expenditure determined with respect to the local educational agencies in that State under section 103(c).

"(e) Grants made to State agencies under this section shall be used by such agencies only for programs and projects which are designed to meet the special educational needs of the children on behalf of whom such agency is entitled to such grants. Such programs and projects may include, where necessary, the acquisition of equipment and the construction of school facilities.

"ASSISTANCE TO JURISDICTIONS EXCLUDED FROM THE DEFINITION OF 'STATE' UNDER SECTION 103(e)

"SEC. 105. (a) The jurisdictions to which this section applies are the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(b) Each jurisdiction to which this section applies shall, for each fiscal year ending prior to June 30, 1978, be entitled to a grant in an amount equal to the amount determined by the Commissioner, in accordance with criteria established by regulation, needed by that jurisdiction to provide special educational programs and projects for educationally deprived children in that jurisdiction, except that the aggregate of the amounts to which all such jurisdictions are so entitled for any fiscal year shall not exceed an amount equal to 2 per centum of the aggregate of the amounts to which all local educational agencies are entitled under section 103 for that fiscal year. If the aggregate of the amounts, determined by the Commissioner pursuant to the preceding sentence, to be so needed for any fiscal year exceeds an amount equal to such 2 per centum limitation, entitlement of each such jurisdiction shall be reduced proportionately until such aggregate does not exceed such 2 per centum limitation.

"(c) The provisions of this title, except when expressly provided otherwise, shall be applicable to the jurisdictions to which this section applies.

"CHILDREN ON RESERVATIONS SERVICED BY SCHOOLS OPERATED BY THE DEPARTMENT OF THE INTERIOR

"SEC. 106. (a) The Commissioner is authorized for each fiscal year ending prior to July 1, 1977, to make payments to the Secretary of the Interior for the purposes set forth in subsection (b). Such payments may be made only for the purpose of carrying out an agreement meeting the requirements of subsection (c). The amount of such payment for any fiscal year shall not exceed 1 per centum of the aggregate of the amounts paid to local educational agencies for grants under section 103.

"(b) Payments made to the Secretary of the Interior under this section shall be solely for special programs and projects designed to meet the special educational needs of educationally deprived Indian children—

"(1) on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior; and

"(2) who are in attendance at the schools of local educational agencies under special contracts with the Department of the Interior respecting out-of-State Indian children.

"(c) The agreement between the Commissioner and the Secretary of the Interior, required by subsection (a), shall—

"(1) provide that payments received by the Secretary of the Interior will be used solely for the purposes set forth in subsection (b);

"(2) provide that the Secretary of the Interior will, from funds appropriated to the Department of the Interior, provide such administrative and supervisory services as may be necessary to conduct the programs and projects assisted under this section;

"(3) provide that the Commissioner shall exercise, with respect to such payments, such authority as a State educational agency has with respect to grants under this title to local educational agencies; and

"(4) contain such terms and assurances as the Commissioner determines will best achieve the purposes of this section.".

(B) Section 121(b) of such title I is amended—

(i) by inserting "(1)" after "(b)";

(ii) by striking out "$1" and inserting in lieu thereof "$1.50";

(iii) by striking out "clauses (2), (5), (6), and (7) of section 301(a)" and inserting in lieu thereof "sections 103 and 104"; and

(iv) by inserting at the end thereof the following new paragraph:

"(2) (A) The aggregate of the amounts to which the States are entitled under this part for any fiscal year shall not exceed $75,000,000. If, for any fiscal year, such amounts, without the limitation in the preceding sentence, exceed $75,000,000, each of the entitlements created under this part shall be reduced ratably until such amounts do not exceed such limitation.

"(B) Entitlements created under this part shall be considered only with respect to appropriations for this title in excess of $1,396,975,000 for any fiscal year.".

(C) Section 131 of such title I is amended to read as follows:

"ELIGIBILITY AND MAXIMUM AMOUNT OF SPECIAL GRANTS

"SEC. 131. (a) Each local educational agency in a State which is eligible for a grant under part A for any fiscal year shall be entitled to an additional grant for that fiscal year if it meets the requirements of subsection (b). The amount of such grant shall be determined in accordance with subsection (c).

"(b) (1) A local educational agency shall be entitled to a grant under this part for any fiscal year if the school district of such agency is located in a county in which—

"(A) the number of children described in paragraph (2) in the school district of such agency for such year amounts to at least 200 per centum of the average number of such children in all counties in the State in which such agency is located for that fiscal year; or

"(B) the number of children so described in the such county for such year is 10,000 and amounts to 5 per centum of the total number of children in such county.

"(2) For the purposes of paragraph (1), the children counted with respect to a local educational agency shall be these children in the such county who are—

"(A) in families having an annual income of $3,000 or less; or

"(B) in families receiving an annual income in excess of $3,000 from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; or

"(C) living in institutions for neglected or delinquent children or being supported in foster homes with public funds.

In determining the number of children under clause (C) in the preceding sentence, children in institutions operated by the United States and children counted for the purpose of a grant to a State agency under section 104 shall not be included.

"(3) (A) Determinations with respect to numbers of children in any county under paragraph (2) shall be made by the Commissioner on the basis of the most recent satisfactory data available to him.

"(B) (i) The number of children determined with respect to one or more counties shall be allocated, for the purposes of paragraph (2) among the local educational agencies with school districts located in such county or counties by the Commissioner.

"(ii) In any case where—

"(I) two or more local educational agencies serve, in whole or in part, the same geographical area; or

"(II) a local educational agency provides free public education for a substantial number of children who reside in the school district of another local educational agency.

the Commissioner may allocate the number of children determined under this subsection among such agencies in such a manner as will best achieve the purposes of this subsection.

"(C) (i) For the purposes of paragraph (2), the Commissioner shall determine the number of children from families having an annual income of $3,000 or less on the basis of the most recent satisfactory data available from the Department of Commerce. At any time such data for a county are available in the Department of Commerce, such data shall be used in making calculations under this subsection.

"(ii) For the purposes of this subsection, the Secretary of Health, Education, and Welfare shall determine the number of children from families receiving an annual income in excess of $3,000 from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act and the number of children living in institutions for neglected or delinquent children or being supported in foster homes with public funds, on the basis of the caseload data for the month of January of the preceding fiscal year, or to the extent that such data are not available to him before April 1 of the calendar year in which the determination is made, then on the basis of the most recent data available to him at the time of such determination. For the purposes of this subsection, the Secretary shall consider all children who are in correctoinal instittuions to be living in institutions for delinquent children.

"(c) (1) The amount of the grant to which a local educational agency shall be entitled for any fiscal year shall be—

"(A) the number of children determined with respect to such agency under subsection (b);

multiplied by—

"(B) 50 per centum of the average per pupil expenditure of all the local educational agencies in the State in which such agency is located.

"(2) The provisions of subsection (d) (2) of section 103 shall apply to this subsection.

"(d) Entitlements created under this part shall be considered only with respect to appropriations for this title in excess of $1,396,975,000 for any fiscal year.

"(e) For the purposes of this section, the term 'State' means the fifty States and the District of Columbia; and the term 'children' includes all children aged five through seventeen, inclusive."

(D) (i) Section 141(a) of such title I is amended by redesignating the second clause (12) thereof as clause (13).

(ii) Section 141(c) (1) (C) of such title I is amended by striking out "(2) through (12)" and inserting in lieu thereof "(2) through (13)".

(iii) Section 141 of such title I is amended by inserting at the end thereof the following new subsection:

"(d) Each State agency desiring to receive a grant under section 104(a) or 104(c) shall make application therefor at such time, containing such information, and in such form as the Commissioner shall prescribe by regulation. Such applications shall provide that programs and projects carried out thereunder will be consistent with the appropriate objectives of clauses (1) (B) and (2) through (13) of subsection (a), and of section 142.".

(iv) Section 142(a) (1) of such title I is amended by striking out "103(a) (5)" and inserting in lieu thereof "104".

(v) Section 143(b) (1) of such title I is amended by striking out "103" and inserting in lieu thereof "103, 104, 105".

(E) Section 144 of such title I is amended to read as follows:

"ALLOCATIONS OF APPROPRIATIONS

"SEC. 144. (a) Sums appropriated for any fiscal year ending prior to July 1, 1978, shall be made available to the States and allocated as follows:

"(1) Each local educational agency shall be allocated, on the basis of its unsatisfied entitlements under section 103, an amount equal to the amount it received from the appropriation for this title for the fiscal year 1974.

"(2) Each State agency shall be allocated, on the basis of its entitlement under section 104, an amount equal to the maximum amount it is entitled as computed under such section.

"(3) Each agency eligible for a grant under sections 105 and 106 shall be allocated such sums as the Commissioner determines appropriate.

"(4) Fifteen per centum of the difference between $1,396,975,000 and the amount appropriated for this title for that year shall be allocated on the basis of entitlements created under section 131, ratably reduced.

"(5) An amount equal to 1 per centum of the amounts allocated under paragraphs (1), (2), and (4) to agencies in each State shall be allocated to the State educational agency of that State for the purposes of section 143(b), except that no State shall be allocated less than the minimum amount provided for in section 143(b) (2).

"(b) Any sums appropriated to carry out this title for any fiscal year which remain after allocations under subsection (a) shall be made to State educational agencies and local educational agencies in accordance with entitlements created under sections 103, 121, and 143(b) (to the extent that such entitlements are unsatisfied) ratably reduced, except that in making such ratable reduction, the amount allocated among local educational agencies on the basis of computations of children determined pursuant to section 103(b) (2) (C) shall not in the aggregate constitute more than 40 per centum of the total amounts allocated on the basis of computations of children determined under section 103.

"(c) In the event that funds become available for making payments under this title for any fiscal year after allocations have been made under subsections (a) and (b) for that year, the amount reduced under subsection (b) shall be increased on the same basis as they were reduced.

"(d) In order to permit the most effective use of all appropriations made to carry out this title, the Commissioner shall set dates by which—

"(1) State educational agencies must certify to him the amounts for which the applications of educational agencies have been or will be approved by the State, and

"(2) State educational agencies referred to in section 104 must file applications.

If the maximum grant a local educational agency or an agency referred to in section 104 would receive (after any ratable reduction which may have been required under subsections (a) and (b)) is more than an amount which the State educational agency determines, in accordance with regulations prescribed by the Commissioner, such agency will use, the excess amount shall be made available first to educational agencies in that State. Determinations of the educational agencies to which such excess amount shall be made available shall be made by the State educational agency in furtherance of the purposes of this title in accordance with criteria prescribed by the Commissioner which are designed to assure that such excess amounts will be made available to other eligible educational agencies with the greatest need, for the purpose of, where appropriate, redressing inequities inherent in, or mitigating hardships caused by, the application of the provisions of section 103 as a result of such factors as population shifts and changing economic circumstances. In the event excess amounts remain after carrying out the preceding two sentences of this section, such excess amounts shall be distributed among the other States as the Commissioner shall prescribe for use by local educational agencies in such States for the purposes of this title in such manner as the respective State educational agencies shall prescribe.".

(3) Section 141 of such title I is amended by adding at the end thereof the following new subsections:

"(e) (1) If local educational agency is prohibited by law from complying with clause (2) of subsection (a), the Commissioner may waive such requirement with respect to such agency and shall arrange for the provision of services to the children to whom such clause applies through arrangements which shall be subject to the requirements of such clause (2).

"(2) If the Commissioner determines that a local educational agency has substantially failed to comply with clause (2) of subsection (a), he shall arrange for the provision of services to the children to whom such clause applies through arrangements which shall be subject to the requirements of such clause (2).

"(3) When the Commissioner arranges for services pursuant to this subsection, he shall, after consultation with the appropriate public and nonpublic school officials, pay the cost of such services from the appropriate allocation or allocations under this title.

"(f) The Commissioner shall not take action under subsection (e) with respect to any State or local educational agency without first affording such agency and other interested parties notice and an opportunity for a hearing. Such notice shall be given not less than sixty days prior to any final action of the Commissioner under such subsection. If the Commissioner determines that the provisions of subsection (e) apply to a substantial number of children who are in attendance at private schools, he shall proceed as required under such subsection. If the local educational agency or the State educational agency of the State in which such local educational agency is located is dissatisfied with the action of the Commissioner under subsection (e), either such agency or both shall qualify for judicial review of the Commissioner's action. If any State or local educational agency desires judicial review under subsection (e) of this subsection, such State or local educational agency shall, within sixty days after such action, file with the United States Court of Appeals for the circuit in which such State is located a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.".

(4) Section 141(a)(1)(A) of such title I is amended by adding at the end thereof the following: "(and at the discretion of the local educational agency, in any school of such agency not located in such a school attendance area, at which the proportion of children in actual average daily attendance from low-income families is substantially the same as the proportion of such children in such an area of that agency)".

(b) The amendments made by subsection (a) shall be effective on and after July 1, 1974.

SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS

SEC. 102. (a)(1) Section 201(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out all that follows "to be appropriated" and inserting in lieu thereof the following "$220,000,000 for the fiscal year ending June 30, 1974, and for each of the succeeding fiscal years ending prior to July 1, 1978.".

(2) The third sentence of section 202(a)(1) of such Act is amended by striking out "July 1, 1973," and inserting in lieu thereof "July 1, 1978,".

(3) Section 204(b) of such Act is amended by striking out "July 1, 1973," and inserting in lieu thereof "July 1, 1978,".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

SUPPLEMENTARY EDUCATIONAL CENTERS AND SERVICES; GUIDANCE, COUNSELING, AND TESTING

SEC. 103. (a)(1) Section 301(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out "the fiscal year ending June 30, 1973" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1978'".

(2) Section 302(a)(1) of such Act is amended by striking out "July 1, 1973," and inserting in lieu thereof "July 1, 1978,".

(3) Section 305(c) of such Act is amended by striking out "July 1, 1973," and inserting in lieu thereof "July 1, 1978,".

(b) Section 307 of such Act is amended by adding at the end thereof the following new subsection:

"(g) The Commissioner shall not take action under subsection (f) with respect to any State or local educational agency without first affording such agency and other interested parties notice and an opportunity for a hearing. Such notice shall be given not less than sixty days prior to any final action of the Commissioner under such subsection. If the Commissioner determines that the provisions of subsection (f) apply to a substantial number of children who are in attendance at private schools, he shall proceed as required under such subsection. If the local educational agency or the State educational agency of the State in which such local educational agency is located is dissatisfied with the action of the Commissioner under subsection (f), either such agency or both shall qualify for judicial review of the Commissioner's action. If any State or local educational agency desires judicial review under subsection (f) of this subsection, such State or local educational agency shall, within sixty days after such action, file with the United States Court of Appeals for the circuit in which such State is located a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. The court shall have jurisdiction to affirm the action of the Commissioner or set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.".

(c) The amendments made by this section shall be effective on and after July 1, 1973.

STRENGTHENING STATE AND LOCAL EDUCATIONAL AGENCIES

SEC. 104. (a)(1) Section 501(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out "the fiscal year ending June 30, 1973" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1978".

(2) Section 521(b) of such Act is amended by striking out "the fiscal year ending June 30, 1973" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1978".

(3) Section 531(b) of such Act is amended by striking out "the fiscal year ending June 30, 1973" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1978".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

BILINGUAL EDUCATIONAL PROGRAMS

SEC. 105. (a)(1) Title VII of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"TITLE VII—BILINGUAL EDUCATION

"SHORT TITLE

"SEC. 701. This title may be cited as the 'Bilingual Education Act'.

"POLICY; APPROPRIATIONS

"SEC. 702. (a) Recognizing—

"(1) that there are large numbers of children of limited English-speaking ability;

"(2) that many of such children have a cultural heritage which differs from that of English-speaking persons;

"(3) that a primary means by which a child learns is through the use of such child's language and cultural heritage;

"(4) that, therefore, large numbers of children of limited English-speaking ability have educational needs which can be met by the use of bilingual educational methods and techniques; and

"(5) that, in addition, all children benefit through the fullest utilization of multiple language and cultural resources,

the Congress declares it to be the policy of the United States, in order to establish equal educational opportunity for all children (A) to encourage the establishment and operation, where appropriate, of educational programs using bilingual educational practices, techniques, and methods, and (B) for that purpose, to provide financial assistance to local educational agencies, and to State educational agencies for certain purposes, in order to enable such local educational agencies to develop and carry out such programs in elementary and secondary schools, including activities at the preschool level, which are designed to meet the educational needs of such children; and to demonstrate effective ways of providing, for children of limited English-speaking ability, instruction designed to enable them, while using their native language, to achieve competence in the English language.

"(b) Except as is otherwise provided in this title, for the purpose of carrying out the provisions of this title, there are authorized to be appropriated $135,000,000 for the fiscal year ending June 30, 1974; $145,000,000 for the fiscal year ending June 30, 1975; $155,000,000 for the fiscal year ending June 30, 1976; and $175,000,000 for the fiscal years ending June 30, 1977, and June 30, 1978; and there is further authorized to be appropriated for such purpose for each such fiscal year such additional sums as the Congress may determine. From the sums so appropriated for any fiscal year—

"(1) the Commissioner shall reserve 50 per centum of that part thereof which is in excess of $35,000,000 but does not exceed $60,000,000 for training activities carried out under clauses (1) and (3) of subsection (a) of section 721, and shall reserve for such activities 33⅓ per centum of that part thereof which is in excess of $60,000,000; and

"(2) the Commissioner shall reserve from the amount not reserved pursuant to clause (1) of this subsection such amounts as may be necessary, but not in excess of 10 per centum thereof, for the purposes of sections 732 and 743.

"DEFINITIONS; REGULATIONS

"SEC. 703. (a) The following definitions shall apply to the terms used in this title:

"(1) The term 'limited English-speaking ability', when used with reference to an individual, means—

"(A) individuals who were not born in the United States and whose native language is a language other than English; and

"(B) individuals who come from environments where a language other than English is dominant, as further defined by the Commissioner by regulation;

and, by reason thereof, have difficulty speaking and understanding instruction in the English language.

"(2) The term 'native language', when used with reference to an individual of limited English-speaking ability, means the language normally used by such individuals, or in the case of a child, the language normally used by the parents of the child or in the environment from which the child comes.

"(3) The term 'low-income' when used with respect to a family means an annual income for such a family which does not exceed the low annual income determined pursuant to section 103 of title I of the Elementary and Secondary Education Act of 1965.

"(4) (A) The term 'program of bilingual education' means a full-time program of instruction, designed for children of limited English-speaking ability in elementary or secondary school, in which, with respect to the years of study to which such program is applicable—

"(i) there is instruction given both in the native language of the children of limited English-speaking ability and in English and given with appreciation for the cultural heritage of such children, and, with respect to elementary school instruction, such instruction shall, to the maximum extent feasible, be in all courses or subjects of study which are required of a child in elementary school by, or pursuant to, the law of the State;

"(ii) both the native language of the child of limited English-speaking ability and English are studied, including speaking, reading, and writing;

"(iii) there is study of the history and culture of the nation, territory, or geographical area with which the native language of the child of limited English-speaking ability is associated and of the history and culture of the United States; and

"(iv) the requirements in subparagraphs (B) through (E) of this paragraph and established pursuant to subsection (b) of this section are met.

"(B) A program of bilingual education shall make provision for the voluntary enrollment to a limited degree therein, on a regular full-time basis, of children whose language is English, in order that they may learn the language and cultural heritage of the children of limited English-speaking ability for whom the particular program of bilingual education is designed. In determining eligibility to participate in such bilingual education programs, priority shall be given to the children whose language is other than English. In no event shall the primary purpose of the program be to teach a foreign language to English-speaking children.

"(C) In such courses or subjects of study as art, music, and physical education, a program of bilingual education shall make provision for the participation of children of limited English-speaking ability in regular classes.

"(D) Children enrolled in a program of bilingual education shall, if graded classes are used, be placed, to the extent practicable, in classes with children of approximately the same age and level of educational attainment. If children of significantly varying ages or levels of educational attainment are placed in the same class, the program of bilingual education shall seek to insure that each child is provided with instruction which is appropriate for his or her level of educational attainment.

"(E) An application for a program of bilingual education shall be developed (i) in open consultation with parents of children of limited English-speaking ability, teachers, and, where applicable, secondary school students, including public hearings at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereon, and (ii) with the full participation of a committee composed of, and selected by, such parents and teachers, and in the case of secondary schools, representation of secondary school students. A substantial number of the members of such committee shall be parents of children of limited English-speaking ability.

"(5) The term 'Bureau' means the Bureau of Bilingual Education established under this title.

"(6) The term 'Director' means the Director of the Bureau of Bilingual Education.

"(7) The term 'Council' means the National Advisory Council on Bilingual Education.

"(b) The Commissioner, after receiving recommendations from State and local educational agencies and groups and organizations involved in bilingual education, shall establish and publish, with respect to programs of bilingual education, suggested model guidelines containing recommendations to State and local educational agencies with respect to pupil-teacher ratios, teacher qualifications, and other factors affecting the quality of instruction offered in such programs. In carrying out programs under part A of this title, State and local educational agencies shall consult with the Commissioner in order to achieve maximum voluntary conformity with such guidelines.

"(c) In prescribing regulations under this section, the Commissioner shall consult with State and local educational agencies, appropriate organizations representing parents and children of limited English-speaking ability, and appropriate groups and organizations representing teachers and educators involved in bilingual education.

"Part A—Financial Assistance for Bilingual Education Programs

"BILINGUAL EDUCATION PROGRAMS

"Sec. 721. (a) Funds available for grants under this part shall be used for—

"(1) the establishment, operation, and improvement programs of bilingual education, including auxiliary and supplementary training programs for personnel preparing to participate in, or personnel participating in, the conduct of such programs;

"(2) auxiliary and supplementary community and educational activities designed to facilitate and expand the implementation of a program described in clause (1), including such activities as (A) adult education programs related to the purposes of this title, particularly for parents of children participating in programs of bilingual education, and carried out, where appropriate, in coordination with programs assisted under the Adult Education Act, and (B) preschool programs preparatory and supplementary to bilingual education programs;

"(3) the establishment, operation, and improvement of training programs for personnel preparing to participate in, or personnel participating in, the conduct of programs of bilingual education; and

"(4) planning, and providing technical assistance for, and taking other steps leading to the development of, such programs.

"(b) (1) A grant may be made under this section only upon application therefor by one or more local educational agencies (or, in the case of a training activity described in clause (3) of subsection (a) of this section, by eligible applicants as defined in section 723). Such application shall—

"(A) include a description of the activities set forth in one or more of the clauses of subsection (a) which the applicant desires to carry out; and

"(B) provide evidence that the activities so described will make substantial progress toward making programs of bilingual education available to the children having need thereof in the area served by the applicant.

"(2) An applicant for a grant under this part may be approved only if—

"(A) the provision of assistance proposed in the application is consistent with criteria established by the Commissioner, after consultation with the State educational agency, for the purpose of achieving an equitable distribution of assistance under this part within the State in which the applicant is located, which criteria shall be developed by him taking into consideration (i) the geographic distribution of children of limited English-speaking ability, (ii) the relative need of persons in different geographic areas within the State for the kinds of services and activities described in subsection (a), (iii) with respect to grants to carry out programs described in clauses (1) and (2) of subsection (a) of section 721, the relative ability of particular local educational agencies within the State to provide such services and activities, and (iv) with respect to such grants, the relative numbers of persons from low-income families;

"(B) in the case of applications from local educational agencies to carry out programs of bilingual education under clause (1) of subsection (a) of section 721, the Commissioner determines that not less than 15 per centum of the amounts paid to the applicant for the purposes of such programs shall be expended for auxiliary and supplementary training programs in accordance with the provisions of such clause and section 723;

"(C) the Commissioner determines (i) that the program will use the most qualified available personnel and the best resources and will substantially increase the educational opportunities for children of limited English-speaking ability in the area to be served by the applicant, and (ii) that, to the extent consistent with the number of children enrolled in nonprofit, nonpublic schools in the area to be served whose educational needs are of the type which the program is intended to meet, provision has been made for participation of such children; and

"(D) the State educational agency has been notified of the application and been given the opportunity to offer recommendations thereon to the applicant and to the Commissioner.

"(3) (A) If for any fiscal year the Commissioner determines with respect to any State that—

"(i) the State educational agency of such State has developed high-quality leadership capabilities for the coordination and provision of, and technical assistance with respect to, programs of bilingual education in operation by local educational agencies in such State, or, with assistance under section 743, will for such fiscal year develop and maintain such capability;

"(ii) there is in effect at the beginning of such fiscal year for such State a statute enacted under the constitution of such State designed to provide, or a decision of the highest court of such State, or of a court of the United States with respect to such State, requiring equal educational opportunity for children of limited English-speaking ability through programs of bilingual education;

"(iii) the local educational agencies in such State operate programs of bilingual education serving a substantial number of children of limited English-speaking ability in such State;

"(iv) the expenditures for such fiscal year from State revenues specifically for programs of bilingual education operated by local educational agencies in such State constitute not less than 15 per centum in the first year for which a State receives payments under this paragraph, 20 per centum in the second such year, and 25 per centum in each succeeding such year, of the total expenditures for such programs in such State; and

"(v) local educational agencies in such State will be paid under this part, in the aggregate, amounts at least equal to the aggregate of the amounts paid to such local educational agencies from appropriations for the fiscal year 1973 pursuant to section 703 of this title as in effect on June 30, 1973;

the Commissioner shall, upon application from the State educational agency of such State, make provision for the submission and approval of a State program for the coordination by such State educational agency of, and the provision by such State agency of technical assistance to, programs of bilingual education in such State assisted under this part. Such State program shall contain such provisions, agreements, and assurances as the Commissioner shall, by regulation, determine necessary and proper to achieve the purposes of this title. If the law of a State gives the chief State school officer of the State authority to issue and enforce such a regulation, a regulation issued by the chief State school officer of the State which is designed to provide equal educational opportunity for children of limited English-speaking ability through programs of bilingual education shall satisfy the requirements of clause (ii) in the preceding sentence.

"(B) Except as is provided in the second sentence of this subparagraph, the Commissioner shall pay for each fiscal year to each State educational agency which has had a State program submitted and approved under subparagraph (A) such sums as may be necessary for the proper and efficient conduct of such State program. The amount paid by the Commissioner to any State educational agency under the preceding sentence for any fiscal year shall not exceed an amount which, when added to any amount which such State receives pursuant to section 743, equals 5 per centum of the aggregate of the amounts paid under this part to local educational agencies in the State of such State educational agency. For the purpose of this paragraph there are authorized to be appropriated such sums as may be necessary for any fiscal year.

"(c) In funding programs of bilingual education under this part, not more than 10 per centum of the first $35,000,000 obligated from sums appropriated under subsection (b) of section 702, and not more than 15 per centum of amounts obligated in excess of $35,000,000 from sums so appropriated, may be paid, in the aggregate, in any fiscal year to programs at the elementary school level where graded classes are not used and to programs at the secondary school level.

"(d) In determining the distribution of funds under this title, the Commissioner shall provide an equitable distribution of such funds in all areas of the United States while giving priority to States within such areas having the greatest need for programs assisted under this title.

"(e) Notwithstanding any other provision of this title, the Commissioner is authorized to accept and approve applications from the Commonwealth of Puerto Rico for programs and projects for children of Puerto Rican ancestry who—

"(1) live in Puerto Rico; but

"(2) are of limited Spanish-speaking ability;

which are designed to teach such children, using bilingual education methods, practices, and techniques.

"INDIAN CHILDREN IN SCHOOLS

"Sec. 722. (a) For the purpose of carrying out programs under this part for individuals serviced by elementary and secondary schools operated predominantly for Indian children, a nonprofit institution or organization of the Indian tribe concerned which operates any such school and which is approved by the Commissioner for the purposes of this section may be considered to be a local educational agency as such term is used in this title.

"(b) From the sums appropriated pursuant to section 702(b), the Commissioner is authorized to make payments to the Secretary of the Interior to carry out programs of bilingual education for children on reservations serviced by elementary and secondary schools for Indian children operated or funded by the Department of the Interior. The terms upon which payments for such purpose may be made to the Secretary of the Inerior shall be determined pursuant to such criteria as the Commissioner determines will best carry out the policy of section 702(a).

"(c) The Secretary of the Interior shall prepare and, not later than November 1 of each year, shall submit to the Congress and the President an annual report detailing a review and evaluation of the use, during the preceding fiscal year, of all funds paid to him by the Commissioner under subsection (b) of this section, including complete fiscal reports, a description of the personnel and information paid for in whole or in part with such funds, the allocation of such funds, and the status of all programs funded from such payments. Nothing in this subsection shall be construed to relieve the Director of any authority or obligation under this part.

"(d) The Secretary of the Interior shall, together with the information required in the preceding subsection, submit to the Congress and the President, an assessment of the needs of Indian children with respect to the purposes of this title in schools operated or funded by the Department of the Interior, including those State educational agencies and local educational agencies receiving assistance under the Johnson-O'Malley Act (25 U.S.C. 452 et seq., as amended) and an assessment of the extent to which such needs are being met by funds provided to such schools for educational purposes through the Secretary of the Interior.

"TRAINING

"Sec. 723. (a) (1) In carrying out the provisions of clauses (1) and (3) of subsection (a) of section 721, with respect to training, the Commissioner shall, through grants to, and contracts with, eligible applicants, as defined in subsection (b), provide for—

"(A) (i) training, carried out in coordination with any other programs training auxiliary educational personnel, designed (I) to prepare personnel to participate in, or for personnel participating in, the conduct of programs of bilingual education, including programs emphasizing opportunities for career development, advancement, and lateral mobility, (II) to train teachers, administrators, paraprofessionals, teacher aides, and parents, and (III) to train persons to teach and counsel such persons, and (ii) special training programs designed (I) to meet individual needs, and (II) to encourage reform, innovation, and improvement in applicable education curricula in graduate education, in the structure of the academic profession, and in recruitment and retention of higher education and graduate school faculties, as related to bilingual education;

"(B) the operation of short-term training institutes designed to improve the skills of participants in programs of bilingual education in order to facilitate their effectiveness in carrying out responsibilities in connection with such programs; and

"(C) fellowships for study leading to an advanced degree for persons planning to pursue a career in bilingual education with preference in the award of such fellowships to persons whose native language is other than English.

Not less than two hundred fellowships nor more than five hundred fellowships shall be awarded pursuant to clause (C) of this paragraph in any fiscal year, except that the Commissioner may award less than two hundred fellowships in any such year upon a certification by him, published in the Federal Register and submitted to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate, that two hundred fellowships could not properly be awarded because applications from two hundred qualified applicants were not submitted for such fellowships.

"(2) The Commissioner shall include in the terms of any arrangement described in paragraph (1) of subsection (a) of this section provisions for the payment, to persons participating in training programs so described, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine, which shall be consistent with prevailing practices under comparable federally supported programs.

"(3) In making grants or contracts under this section, the Commissioner shall give priority to eligible applicants with demonstrated competence and experience in the field of bilingual education. Funds provided under grants or contracts for training activities described in this section to or with a State educational agency, separately or jointly, shall in no event exceed in the aggregate in any fiscal year 10 per centum of the total amount of funds obligated for training activities pursuant to clauses (1) and (3) of subsection (a) of section 721 in such year.

"(4) An application for a grant or contract for pre-service or in-service training activities described in division (I) of clause (i) and division (I) of clause (ii) of subparagraph (A) and in subparagraph (B) of paragraph (1) of subsection (a) of this section shall be considered an application for a program of bilingual education for the purposes of subparagraph (E) of paragraph (4) of subsection (a) of section 703.

"(b) For the purposes of this section, the term 'eligible applicants' means—

"(1) institutions of higher education (including junior colleges and community colleges) which apply, after consultation with, or jointly with, one or more local educational agencies;

"(2) local educational agencies; and

"(3) State educational agencies.

"PART B—ADMINISTRATION

"BUREAU OF BILINGUAL EDUCATION

"Sec. 731. (a) There shall be, in the Office of Education, a Bureau of Bilingual Education through which the Commissioner shall carry out his functions relating to bilingual education.

"(b) (1) The Bureau shall be headed by a Director of Bilingual Education, appointed by the Commissioner, to whom the Commissioner shall delegate all of his delegable functions relating to bilingual education. The Director shall be placed in grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code.

"(2) The Bureau shall be divided into such branches, units, and offices as the Director determines to be appropriate in order to enable him to carry out his functions and responsibilities effectively.

"(3) In order to assist the Director in carrying out his functions and responsibilities, there are hereby established in the Division two positions which shall be placed in grade 17 of the General Schedule set forth in section 5332 of title 5, United States Code, and one of which shall be filled by a Deputy Director who shall act as Director in the event of the absence or disability of the Director or of a vacancy in the office of the Director.

"(4) The positions created by this subsection shall be in addition to the number of positions (A) placed in the appropriate grades under section 5108 of title 5, United States Code, or (B) otherwise placed in the Office of Education.

"(c) The Director, in consultation with the Council, shall prepare and, not later than November 1 of each year, shall submit, through the Commissioner, to the Congress and the President an annual report on the condition of bilingual education in the Nation and the administration and operation of this title and of other programs for persons of limited English-speaking ability. Such report shall include—

"(1) a national assessment of the educational needs of children and other persons with limited English-speaking ability and of the extent to which such needs are being met from Federal, State, and local efforts, including (A) not later than July 1, 1976, the results of a survey of the number of such children and persons in the States, and (B) a plan, to be carried out during the five-year period beginning on such date, for extending programs of bilingual education and bilingual vocational and adult education programs to all such preschool and elementary school children and other persons of limited English-speaking ability, including (i) a phased plan for the training of the necessary teachers and other educational personnel necessary for such purpose, and (ii) detailed cost estimates of the expenditures necessary in each fiscal year for such purpose, and of the share of such cost which may reasonably be expected to be borne by State and local government, private institutions, foundations, and the Federal Government;

"(2) a report on and an evaluation of the activities carried out under this title during the preceding fiscal year and the extent to which each of such activities achieves the policy set forth in section 702(a);

"(3) a statement of the activities intended to be carried out during the succeeding fiscal year, including an estimate of the cost of such activities;

"(4) an assessment of the number of teachers and other educational personnel needed to carry out programs of bilingual education under this title and those carried out under other programs for persons of limited English-speaking ability and a statement describing the activities carried out thereunder designed to prepare teachers and other educational personnel needed to carry out programs of bilingual education in the States and a statement describing the activities carried out under this title designed to prepare teachers and other educational personnel for such programs; and

"(5) a description of the personnel, the functions of such personnel, and information available at the regional offices of the Department of Health, Education, and Welfare dealing with bilingual programs within that region.

"(d) If any report to be submitted pursuant to subsection (c) of this section, or subsection (c) of section 732, is submitted, prior to submission to the Congress, for review by the Office of Management and Budget or any other Federal department or agency or official thereof and if any such review process delays the submission of such report to the Congress beyond the date established for such submission by this section or section 732(c), the Director shall immediately on such date submit, through the Commissioner, to the Congress the report in exactly the form it was submitted to such review process.

"NATIONAL ADVISORY COUNCIL ON BILINGUAL EDUCATION

"SEC. 732. (a) Subject to part D of the General Education Provisions Act, there shall be a National Advisory Council on Bilingual Education composed of fifteen members appointed by the Secretary, one of whom he shall designate as Chairman. At least eight of the members of the Council shall be persons experienced in dealing with the educational problems of children and other persons who are of limited English-speaking ability, at least one of whom shall be representative of persons serving on boards of education operating programs of bilingual education. At least three members shall be experienced in the training of teachers in programs of bilingual education. At least two members shall be persons with general experience in the field of elementary and secondary education. At least two members shall be classroom teachers of demonstrated teaching abilities using bilingual methods and techniques. The members of the Council shall be appointed in such a way as to be generally representative of the significant segments of the population of persons of limited English-speaking ability and the geographic areas in which they reside.

"(b) The Council shall meet at the call of the Chairman, but, notwithstanding the provisions of section 446(a) of the General Education Provisions Act, not less often than four times in each year.

"(c) The Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration and operation of this title, including the development of criteria for approval of applications, and plans under this title, and the administration and operation of other programs for persons of limited English-speaking ability. The Council shall prepare and, not later than November 1 of each year, submit a report to the Congress and the President on the condition of bilingual education in the Nation and on the administration and operation of this title, including those items specified in section 731(c), and the administration and operation of other programs for persons of limited English-speaking ability.

"(d) The Commissioner shall procure temporary and intermittent services of such personnel as are necessary for the conduct of the functions of the Council, in accordance with section 445 of the General Education Provisions Act, and shall make available to the Council such staff information, and other assistance as it may require to carry out its activities effectively.

"PART C—SUPPORTIVE SERVICES AND ACTIVITIES

"ADMINISTRATION

"SEC. 741. (a) The provisions of this part shall be administered by the Assistant Secretary, in consultation with—

"(1) the Commissioner, through the Bureau of Bilingual Education; and

"(2) the Director of the National Institute of Education, notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act;

in accordance with regulations.

"(b) The Assistant Secretary shall, in accordance with clauses (1) and (2) of subsection (a), develop and promulgate regulations for this part and then delegate his functions under this part, as may be appropriate under the terms of sections 742 and 743.

"RESEARCH AND DEMONSTRATION PROJECTS

"SEC. 742. (a) The National Institute of Education shall, in accordance with the provisions of section 405 of the General Education Provisions Act, cary out a program of research in the field of bilingual education in order to enhance the effectiveness of bilingual education programs carried out under this title and the authorities set forth in subsection (c) of section 731.

"(b) In order to test the effectiveness of research findings by the National Institute of Education and to demonstrate new or innovative practices, techniques, and methods for use in such bilingual education programs, the Director and the Commissioner are authorized to make contracts with public and private educational agencies, institutions, organizations for such purpose.

"(c) In carrying out their responsibilities under this section, the Commissioner and the Director shall, through contracts with appropriate public and private agencies, institutions, and organizations—

"(1) undertake studies to determine the basic educational needs and language acquisition characteristics of, and the most effective conditions for, educating children of limited English-speaking ability;

"(2) develop models (including model bilingual and bicultural curricula) for such bilingual education programs and for other activities for which funds may be used under subsection (a) of section 721.

"(3) develop a suggested model State statute or statutes designed to promote equal educational opportunity for children of limited English-speaking ability through bilingual education practices, techniques, and methods;

"(4) develop, publish, and disseminate instructional materials and equipment suitable for use in bilingual education programs; and

"(5) establish and operate a Center for Bilingual Education designed to serve as a national clearinghouse of information for bilingual education, which shall collect, analyze, and disseminate information about bilingual education and such bilingual education and related programs.

"(d) In carrying out their responsibilities under this section, the Commissioner and the Director shall provide for periodic consultation with representatives of State and local educational agencies and appropriate groups and organizations involved in bilingual education.

"(e) There is authorized to be appropriated for each fiscal year prior to July 1, 1978, $5,000,000 to carry out the provisions of this section. In any such year in which appropriations made pursuant to the preceding sentence of this subsection do not amount to at least $5,000,000, not to exceed 5 per centum of the funds appropriated for the use of the National Institute of Education, but in no event less than $3,000,000, shall be available to carry out the provisions of this section.

"LEADERSHIP CAPABILITIES FOR STATE EDUCATIONAL AGENCIES

"SEC. 743. The Commissioner and the Director are authorized to make contracts with State educational agencies for the development in such agencies of leadership capabilities in the field of bilingual education, in order that such agencies may be able to assist local educational agencies in providing bilingual educational opportunities for children of limited English-speaking ability.".

(2)(A) The amendment made by this subsection shall be effective upon the date of enactment of this Act, except that the provisions of part A of title VII of the Elementary and Secondary Education Act of 1965 (as amended by subsection (a) of this section) shall become effective on July 1, 1975, and the provisions of title VII of the Elementary and Secondary Education Act of 1965 in effect immediately prior to the date of enactment of this Act shall remain in effect through June 30, 1975, to the extent not inconsistent with the amendment made by this section.

(B) The National Advisory Council on Bilingual Education, for which provision is made in section 732 of such Act, shall be appointed within ninety days after the enactment of this Act.

(b)(1) Section 703(a) of title VII of such Act is amended by adding at the end thereof the following:

"(8) The term 'other programs for persons of limited English-speaking ability' when used in sections 731 and 732 means the program authorized by section 708(c) of the Emergency School Aid Act and the programs carried out in coordination with the provisions of this title pursuant to setcion 122 (a)(4)(C) and part J of the Vocational Education Act of 1963, and section 306 (a)(11) of the Adult Education Act, and programs and projects serving areas with high concentrations of persons of limited English-speaking ability pursuant to section

6(b)(4) of the Library Services and Construction Act.".

(2) The amendments made by this section shall be effective on and after July 1, 1974.

DROPOUT PREVENTION PROJECTS

SEC. 106. (a) Section 807(c) of the Elementary and Secondary Education Act of 1965 is amended by striking out "the fiscal year ending June 30, 1973" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1978".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

SCHOOL NUTRITION AND HEALTH SERVICES

SEC. 107. (a) Section 808(d) of the Elementary and Secondary Education Act of 1965 is amended by striking out "the fiscal year ending June 30, 1973" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1977".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

CORRECTION EDUCATION SERVICES

SEC 108. (a) Section 809 of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"(c) For the purpose of carrying out this section, there is authorized to be appropriated $500,000 for the fiscal year ending June 30, 1974, and for each of the succeeding fiscal years ending prior to July 1, 1978."

(b) The amendments made by this section shall be effective on and after July 1, 1973.

IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN

SEC. 109. (a) Section 810(g) of the Elementary and Secondary Education Act of 1965 is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "succeeding fiscal years ending prior to July 1, 1978".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

ETHNIC HERITAGE STUDIES CENTERS

SEC. 110. (a)(1) Section 907 of the Elementary and Secondary Education Act of 1965 is amended by striking out "the fiscal year ending June 30, 1973" and inserting in lieu thereof "each of the fiscal years ending prior to July 1, 1978".

(2) The amendments made by this section shall be effective on and after July 1, 1973.

(b) Section 903 of such Act is amended by—

(1) striking out "elementary and secondary schools and institutions of higher education" in clause (1) of such section, and inserting in lieu thereof "elementary or secondary schools or institutions of higher education";

(2) striking out "elementary and secondary schools and institutions of higher education" in clause (2) of such section and inserting in lieu thereof "elementary or secondary schools or institutions of higher education";

(3) inserting the word "or" after clause (1) of such section; and

(4) inserting the word "or" at the end of clause (2) of such section.

TITLE II—AMENDMENTS TO PUBLIC LAWS 815 AND 874 OF THE EIGHTY-FIRST CONGRESS

DURATION OF PAYMENTS UNDER PUBLIC LAW 815, EIGHTY-FIRST CONGRESS

SEC. 201. (a)(1) The first sentence of section 3 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1978".

(2) Section 15(15) of such Act is amended by striking out "1968–1969" and inserting in lieu thereof "1973–1974".

(b) Section 16(a) of such Act is amended—

(1) in clause (1)(A) thereof, by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1978"; and

(2) in clause (1)(B) thereof, by inserting after "seriously damaged" the following ", prior to July 1, 1978".

(c) The amendments made by this section shall be effective on and after July 1, 1973.

DURATION OF PAYMENTS UNDER TITLE I OF PUBLIC LAW 874, EIGHTY-FIRST CONGRESS EXCEPT SECTION 3 THEREOF

SEC. 202. (a)(1) Section 2(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1978".

(2) Section 4(a) of such Act is amended, in that part thereof which precedes clause (1), by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1978".

(3) Section 7(a) of such Act is amended—

(A) in clause (1)(A), by striking out "July 1, 1973," and inserting in lieu thereof "July 1, 1978,"; and

(B) in clause (1)(B), by inserting after "seriously damaged" the following: "prior to July 1, 1978".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

AMENDMENTS TO SECTIONS 3, 5, AND 7 OF PUBLIC LAW 874, EIGHTY-FIRST CONGRESS

SEC. 203. (a)(1) Section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended to read as follows:

"CHILDREN RESIDING ON, OR WHOSE PARENTS ARE EMPLOYED ON, FEDERAL PROPERTY

"Children of Persons Who Reside and Work on Federal Property

"SEC. 3. (a) For the purpose of computing the amount to which a local educational agency is entitled under this section for any fiscal year ending prior to July 1, 1978, the Commissioner shall determine the number of children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such fiscal year, and who, while in attendance at such schools, resided on Federal property and—

"(1) did so with a parent employed on Federal property situated (A) in whole or in part in the county in which the school district of such agency is located, or (B) if not in such county, in whole or in part in the same State as the school district of such agency; or

"(2) had a parent who was on active duty in the uniformed services (as defined in section 101 of title 37, United States Code).

In making a determination under this subsection, the Commissioner shall determine the number of children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such year, and who, while in attendance at such schools, resided on Indian lands, as defined under clause (A) of section 401(1).

"Children of Persons Who Reside or Work on Federal Property

"(b) For the purpose of computing the amount to which a local educational agency is entitled under this section for any fiscal year ending prior to July 1, 1978, the Commissioner shall, in addition to any determination made with respect to such agency under subsection (a), determine the number of children (other than children with respect to whom a determination is made for such fiscal year under subsection (a)) who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such fiscal year, and who, while in attendance at such schools, either—

"(1) resided on Federal property, or

"(2) resided with a parent employed on Federal property situated (A) in whole or in part in the county in which the school district of such agency is located, or (B) if not in such county, in whole or in part in the same State as the school district of such agency, or

"(3) had a parent who was on active duty in the uniformed services (as defined in section 101 of title 37, United States Code).

For such purpose, with respect to a local educational agency, in the case of any fiscal year ending prior to July 1, 1978, the Commissioner shall also determine the number of children (other than children to whom subsection (a) or the preceding sentence applies) who were in average daily attendance at the schools of such agency and for whom such agency provided free public education, during such fiscal year, and who, while in attendance at such schools resided with a parent who was, at any time during the three-year period immediately preceding the beginning of the fiscal year for which the determination is made, a refugee who meets the requirements of clauses (A) and (B) of section 2(b)(3) of the Migration and Refugee Assistance Act of 1962, except that the Commissioner shall not include in his determination under this sentence for any fiscal year any child with respect to whose education a payment was made under section 2(b)(4) of such Act.

"Eligibility for Payments

"(c)(1) Except as is provided in paragraph (2), no local educational agency shall be entitled to receive a payment for any fiscal year with respect to a number of children determined under subsection (a) and subsection (b), unless the number of children so determined with respect to such agency amounts to—

"(A) at least four hundred such children; or

"(B) a number of such children which equals at least 3 per centum of the total number of children who were in average daily attendance, during such year, at the schools of such agency and for whom such agency provided free public education;

whichever is the lesser.

"(2)(A)(i) Clause (B) of paragraph (1) shall not operate to make any local educational agency eligible for a payment under this section for any fiscal year unless the number of children with respect to whom determination was made under subsections (a) and (b) respecting such agency for that fiscal year is at least ten.

"(ii) If a local educational agency is eligible for a payment for any fiscal year by the operation of clause (B) of paragraph (1), it shall continue to be so eligible for the two succeeding fiscal years even if such agency fails to meet the requirement of such clause (B) during such succeeding fiscal years, except that the number of children determined for the second such succeeding fiscal year with respect to such agency for the purpose of any clause in paragraph (1) of subsection (d) shall not exceed 50 per centum of the number of children determined with respect to such agency for the purpose of that clause for the last fiscal year during which such agency was so eligible.

"(iii) If the Commissioner determines with respect to any local educational agency for any fiscal year that—

"(I) such agency does not meet the requirement of clause (B) of paragraph (1); and

"(II) the application of such requirement, because of exceptional circumstances, would defeat the purposes of this title;

the Commissioner is authorized to waive such requirement with respect to such agency.

"(B) No local educational agency shall be entitled to receive a payment for any fiscal year with respect to a number of children determined under the second sentence of subsection (b) unless the number of children so determined constitutes at least 20 per centum of the total number of children who were in average daily attendance at the schools of such agency and for whom such agency, during such fiscal year, provided free public education.

"Amount of Payments

"(d) (1) Except as is provided in paragraph (2), the amount to which a local educational agency shall be entitled under this section for any fiscal year shall be—

"(A) in the case of any local educational agency with respect to which the number of children determined for such fiscal year under subsection (a) amounts to at least 25 per centum of the total number of children who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education, an amount equal to 100 per centum of the local contribution rate multiplied by the number of children determined under such subsection plus the sum of the products obtained with respect to such agency under such clauses (B) (iii), (B) (iv), and (B) (v); and

"(B) in any other case, an amount equal to the sum of—

"(i) the product obtained by multiplying 100 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clause (2) of subsection (a),

"(ii) the product obtained by multiplying 90 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clause (1) of subsection (a),

"(iii) the product obtained by multiplying 50 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clause (3) of subsection (b),

"(iv) the product obtained by multiplying 45 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clauses (1) and (2) (A) of subsection (b), and

"(v) the product obtained by multiplying 30 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clause (2) (B) of subsection (b).

"(2) (A) Not later than December 1 during each fiscal year beginning after June 30, 1977, the Commissioner shall, except as is provided in clause (iii) in the third sentence of this subparagraph, determine the total number of children with respect to whom determinations are made under subsection (b) for all local educational agencies making application for payments under this section which meet the eligibility requirements set forth in subsection (c). The Commissioner shall determine the percentage which such number constitutes of the total number of children who were in average daily attendance at the schools of such agencies during such fiscal year and for whom such agencies provided free public education. In calculating the products under clauses (B) (iii), (B) (iv), and (B) (v) of paragraph (1), with respect to any local educational agency for any fiscal year, the Commissioner shall reduce the number of children with respect to whom a determination is made under subsection (b) by a number of equal to one-half of the number which the percentage determined under the preceding sentence constitutes of the total number of children with respect to whom such a determination is made and who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education, except that—

"(i) such percentage shall not exceed 4 per centum;

"(ii) the number reduced shall not exceed three hundred; and

"(iii) this subparagraph shall not apply to any local educational agency (I) with respect to which the number of children determined under subsection (b) for any fiscal year amounts to at least 10 per centum of the total number of children who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education, or (II) during any fiscal year in which such agency receives more than 25 per centum of the funds for its current expenditures from payments under this section.

In determining the total number of children who were in average daily attendance at the schools of an agency during any fiscal year under clause (iii) (I) in the preceding sentence, the number of children in such schools with respect to whom a determination is made under subsection (a) for such year shall not be considered.

"(B) If the Commissioner determines that—

"(i) the amount computed under paragraph (1), as is otherwise provided in this subsection with respect to any local educational agency for any fiscal year, together with the funds available to such agency from State and local sources and from other sections of this title, is less than the amount necessary to enable such agency to provide a level of education equivalent to that maintained in the school districts of the State which are generally comparable to the school district of such agency;

"(ii) such agency is making a reasonable tax effort and exercising due diligence in availing itself of State and other financial assistance;

"(iii) not less than 50 per centum of the total number of children who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education were, during such fiscal year, determined under either subsections (a) or clause (1) of subsection (b), or both; and

"(iv) the eligibility of such agency under State law for State aid with respect to free public education of children residing on Federal property, and the amount of such aid, are determined on a basis no less favorable to such agency than the basis used in determining the eligibility of local educational agencies for State aid, and the amount thereof, with respect to the free public education of other children in the State;

the Commissioner is authorized, to increase the amount computed under paragraph (1) with respect to such agency for such fiscal year to the extent necessary to enable such agency to provide a level of education equivalent to that maintained in such comparable school districts. The Commissioner shall not, under the preceding sentence, increase the amount computed under paragraph (1) with respect to any local educational agency for any fiscal year to an amount which exceeds the product of—

"(I) the amount the Commissioner determines to be the cost per pupil of providing a level of education maintained in such comparable school districts during such fiscal year,

multiplied by—

"(II) the number of children determined with respect to such agency for such year under either subsection (a) or clause (1) of subsection (b), or both,

minus the amount of State aid which the Commissioner determines to be available with respect to such children for the fiscal year for which the computation is being made.

"(3) (A) Except as is provided in subparagraph (B), in order to compute the local contribution rate for a local educational agency for any fiscal year, the Commissioner, after consulting with the State educational agency of the State in which the local educational agency is located and with the local educational agency, shall determine which school districts within such State are generally comparable to the school district of the local educational agency for which the computation is being made. The local contribution rate for such agency shall be the quotient of—

"(i) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, which the local educational agencies of such comparable school districts derived from local sources,

divided by—

"(ii) the aggregate number of children in average daily attendance for whom such agency provided free public education during such second preceding fiscal year.

"(B) (i) The local contribution rate for a local educational agency in any State shall not be less than—

"(I) 50 per centum of the average per pupil expenditures in such State, or

"(II) 50 per centum of such expenditures in all the States,

whichever is greater, except that clause (II) shall not operate in such a manner as to make the local contribution rate for any local educational agency exceed an amount equal to the average per pupil expenditure in such State.

"(ii) If the current expenditures in those school districts which the Commissioner has determined to be generally comparable to the school district of the local educational agency for which a computation is made under subparagraph (A) are not reasonably comparable because of unusual geographical factors which affect the current expenditures necessary to maintain, in the school district of such agency, a level of education equivalent to that maintained in such other school districts, the Commissioner is authorized to increase the local contribution rate for such agency by such an amount which he determines will compensate such agency for the increase in current expenditures necessitated by such unusual geographical factors.

"(iii) The local contribution rate for any local educational agency in—

"(I) Puerto Rico, Wake Island, Guam, American Samoa, or the Virgin Islands, or

"(II) any State in which a substantial proportion of the land is in unorganized territory, or

"(III) any State in which there is only one local education agency.

shall be determined for any fiscal year by the Commissioner in accordance with policies and principles which will best achieve the purposes of this section and which are consistent with the policies and principles provided in this paragraph for determining local contribution rates in States where it is possible to determine generally comparable school districts.

"(C) For the purposes of this paragraph—

"(i) the term 'State' does not include Puerto Rico, Wake Island, Guam, American Samoa, or the Virgin Islands; and

"(ii) the 'average per pupil expenditure' in a State shall be (I) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made of all local educational agencies in the State, divided by (II) the aggregate number of children in average daily attendance for whom such agencies provide free public education during such second preceding fiscal year.

"Adjustments for Decreases in Federal Activities

"(e) Whenever the Commissioner determines that—

"(1) for any fiscal year, the number of children determined with respect to any local educational agency under subsections (a) and (b) is less than 90 per centum of the number so determined with respect to such agency during the preceding fiscal year;

"(2) there has been a decrease or cessation of Federal activities within the State in which such agency is located; and

"(3) such decrease or cessation has resulted in a substantial decrease in the number of children determined under subsections (a) and (b) with respect to such agency for such fiscal year;

the amount to which such agency is entitled for such fiscal year and for any of the three succeeding fiscal years shall not be less than 90 per centum of the amount to which such agency was so entitled for the preceding fiscal year. That part of any entitlement of any local educational agency which is in excess of the amount which such entitlement would be without the operation of the preceding sentence shall be deemed to be attributable to determinations of children with respect to such agency under subsection (b)(2)(A).

"Determinations on the Basis of Estimates

"(f) Determinations with respect to a number of children by the Commissioner under this section for any fiscal year shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimate, to deprive any local educational agency of its entitlement to any payment (or the amount thereof) under this section to which such agency would be entitled had such determination been made on the basis of accurate data.".

(2) Section 5 of such Act is amended to read as follows:

"PAYMENTS

"Applications

"SEC. 5. (a)(1) Any local educational agency desiring to receive the payments to which it is entitled for any fiscal year under section 2, 3, or 4 shall submit an application therefor through the State educational agency of the State in which such agency is located to the Commissioner. Such applications shall be submitted at such time, in such form, and containing such information as the Commissioner may reasonably require to enable him to carry out his functions under this title and shall give adequate assurance that the applicant will submit such reports as the Commissioner may reasonably require to determine whether such agency is entitled to a payment under any of such sections and the amount of such payment.

"(2)(A) Applications submitted under paragraph (1) for payments on the basis of children determined under section 3(a) or 3(b) who reside, or reside with a parent employed, on Indian lands shall set forth adequate assurance that Indian children will participate on an equitable basis in the school program of the local educational agency.

"(B) For the purposes of this paragraph, the term 'Indian lands' means that property included within the definition of Federal property under clause (A) of section 401(1).

"Payments by the Commissioner

"(b) The Commissioner shall pay to each local educational agency, making application pursuant to subsection (a), the amount to which it is entitled under section 2, 3, or 4. Sums appropriated, for any fiscal year, to enable the Commissioner to make payments pursuant to this title shall, notwithstanding any other provision of law unless enacted in express limitation of this subsection, remain available for obligation and payments with respect to amounts due local educational agencies under this title for such fiscal year, until the end of the fiscal year succeeding the fiscal year for which such sums are appropriated.

"Adjustments Where Necessitated by Appropriations

"(c) If the sums appropriated for any fiscal year for making payments on the basis of entitlements established under sections 2, 3, and 4 for that year are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies are entitled to receive under such sections for such year, the Commissioner shall allocate such sums among local educational agencies and make payments to such agencies as follows:

"(1) He shall first allocate to each local educational agency which is entitled to a payment under section 2 and section 3 an amount equal to 25 per centum of the amount to which it is entitled as computed under section 2 or section 3(d), as the case may be, for such fiscal year.

"(2) From that part of such sums which remains after the allocation required by paragraph (1) for any fiscal year, he shall allocate an additional amount—

"(A) to each local educational agency described in clause (A) of section 3(d)(1) which equals 60 per centum of the amount to which such agency is entitled, as computed under section 3(d), for such fiscal year;

"(B) to each local educational agency with respect to which a number of children is determined under clause (2) of section 3(a) which equals 60 per centum of the amount to which such agency is entitled on the basis of determining such children, as computed under section 3(d), for such fiscal year;

"(C) to each local educational agency with respect to which a number of children is determined under clause (1) of section 3(a) which equals 54 per centum of the amount to which such agency is entitled on the basis of determining such children, as computed under section 3(d), for such fiscal year;

"(D) to each local educational agency with respect to which a number of children is determined under clause (3) of section 3 (b) which equals 30 per centum of the amount to which such agency is entitled on the basis of determining such children, as computed under section 3(d), for such fiscal year;

"(E) to each local educational agency with respect to which a number of children determined under clause (2)(A) of section 3(b) which equals 27 per centum of the amount to which such agency is entitled on the basis of determining such children, as computed under section 3(d) for such fiscal year;

"(F) to each local educational agency with respect to which a number of children is determined under clause (2)(B) of section 3(b) which equals 18 per centum of the amount to which such agency is entitled on the basis of determining such children, as computed under section 3(d), for such fiscal year; and

"(G) to each local educational agency with respect to the amount to which such agency is entitled under section 2 that proportion of its entitlement, unsatisfied after allocations under paragraph (1), which bears the same ratio to the total of the unsatisfied entitlements under sections 2 and 3, remaining after allocations under paragraph (1), as the sums appropriated for payments under this section, remaining after allocations under paragraph (1), bears to the amount necessary to satisfy the total of such unsatisfied entitlements.

"(3) Any sums remaining after allocations are made pursuant to paragraph (2) for any fiscal year shall be allocated by the Commissioner among local educational agencies which have unsatisfied entitlements established under sections 2, 3, and 4 in proportion to the degree to which such entitlements are unsatisfied for that fiscal year, after allocations are made pursuant to paragraphs (1) and (2).

No allocation may be made pursuant to paragraph (2) or (3) and no payment may be paid on the basis of any such allocation unless allocations are made pursuant to paragraph (1) and payments are made on the basis of such allocations. No allocation may be made pursuant to any clause of paragraph (2) and no payment may be made on the basis of any such allocation unless allocations are made pursuant to all of the clauses of such paragraph and payments are made on the basis of such allocations.

"Treatment of Payments by the States in Determining Eligibility for, and the Amount of, State Aid

"(d)(1) No payments may be made under this title for any fiscal year to any local educational agency in any State (A) if that State has taken into consideration payments under this title in determining—

"(i) the eligibility of any local educational agency in that State for State aid for free public education of children; or

"(ii) the amount of such aid with respect to any such agency;

during that fiscal year or the preceding fiscal year, or (B) if such State makes such aid available to local educational agencies in such a manner as to result in less State aid to any local educational agency which is eligible for payments under this title than such agency would receive if such agency were not so eligible.

"(2) Notwithstanding clauses (A)(ii) and (B) of paragraph (1), if a State has in effect a program of State aid for free public education for any fiscal year, which program was adopted after June 30, 1972, and is designed to equalize expenditures for free public education among the local educational agencies of that State, payments under this title for any fiscal year may be taken into consideration by such State in determining the relative—

"(A) financial resources available to local educational agencies in that State; and

"(B) financial need of such agencies for the provision of free public education for children served by such agency.

The term 'equalize expenditures' shall not be construed in any manner adverse to a program of State aid for free public education which provides for taking into consideration the additional cost of providing free public education for particular groups of categories of pupils in meeting the special educational needs of such children as handicapped children, economically disadvantaged, those who need bilingual education, and gifted and talented children.

"(3) The term 'State aid' and 'equalize expenditures' as used in this subsection shall be defined by the Commissioner by regulation.".

(3) Section 7(c) of such Act is amended by striking out the second sentence thereof and inserting in lieu thereof the following: "Pending such appropriation, the Commissioner is authorized to expand (without regard for subsections (a) and (e) of section 3679 of the Revised Statutes (31 U.S.C. 665)) from any funds appropriated to the Office of Education and at that time available to the Commissioner, such sums as may be necessary for providing immediate assistance under this section. Expenditures pursuant to the preceding sentence shall—

"(1) be reported by the Commissioner to

the Committees on Appropriations and Education and Labor of the House of Representatives and the Committees on Appropritions and Labor and Public Welfare of the Senate within thirty days of the expenditure;

"(2) be reimbursed from the appropriations authorized by the first sentence of this subsection.

The report required to the Committees on Appropriations by clause (1) in the preceding sentence shall constitute a budget estimate within the meaning of section 201(a) (5) of the Act of June 10, 1921 (31 U.S.C. 11(a)(5)).".

(b)(1) The amendments made by subsection (a) shall be effective on, and with respect to, appropriations for fiscal years beginning on and after, July 1, 1974.

(2)(A)(i) Notwithstanding any other provision of law unless enacted in express limitation of this subparagraph—

(I) in the case of any local educational agency which is entitled to a payment under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) for the fiscal year ending June 30, 1973, which constituted an amount equal to not less than 10 per centum of the current expenditures of such agency for such fiscal year, the amount paid to such agency pursuant to such Act of September 30, 1950, for any fiscal year ending prior to July 1, 1978, on the basis of the entitlement of that agency under such section 3, shall not be less than 90 per centum of the amount paid to such agency on the basis of such entitlement for the preceding fiscal year; and

(II) in the case of any other local educational agency, the amount so paid during any fiscal year ending prior to July 1, 1978, shall not be less than 80 per centum of the amount so paid for the preceding fiscal year.

In the case of any local educational agency which is eligible prior to July 1, 1975, for a payment under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) by reason of the 3 per centum requirement in clause (B) of section 3(c) (2) of such Act, as in effect prior to the effective date of the amendment made by paragraph (1) of subsection (a), but which fails to meet such requirement in any fiscal year ending prior to July 1, 1977, such agency shall continue to be eligible for a payment under such section 3 as then in effect for the two succeeding fiscal years, but the payment under such section during the second of such succeeding fiscal years shall not exceed 50 per centum of the amount of the payment such agency was entitled to receive during the most recent fiscal year in which it was so eligible by reason of such clause (B).

(ii) Funds appropriated for any fiscal year for making payments to local educational agencies pursuant to the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), which are increased by reason of the provisions of division (i) shall, to the extent of any such increase, be separate from funds appropriated for such fiscal year for payments pursuant to title I of such Act which are not so increased. If, for any fiscal year, a law making appropriations for payments pursuant to such title I is enacted and such law makes no express provision for payments increased by division (i)—

(I) all funds so appropriated shall be allocated and paid in accordance with section 5 of such Act of September 30, 1950, and without regard for the provisions of division (i); and

(II) not later than fifteen days after the enactment of such law, the Commissioner shall submit a report to the Committees on Appropriations and on Education and Labor of the House of Representatives and the Committees on Appropriations and Labor and Public Welfare of the Senate, which report shall contain a statement detailing the dollar amounts necessary to satisfy the requirements of division (i) and constitute a budget estimate within the meaning of section 201(a)(5) of the Act of June 10, 1921 (31 U.S.C. 11(a)(5)).

(B) In the case of any local educational agency which experiences a decrease in the number of children determined by the Commissioner of Education under section 3 of the Act of September 1950 (Public Law 874, Eighty-first Congress) of 10 per centum or more of such number—

(i) during the fiscal year ending June 30, 1974, or the fiscal year ending June 30, 1975; or

(ii) during the period beginning July 1, 1973, and ending June 30, 1975;

as the result of a decrease in, or cessation of, Federal activities affecting miltiary installations in the United States announced after April 16, 1973, the amount of the payment to which such agency shall be entitled under title I of such Act, as computed under section 3 of such Act, for any fiscal year ending prior to July 1, 1978, shall not be less than 90 per centum of the amount to which the agency was so entitled during the preceding fiscal year. The provisions of this subparagraph shall be effective on and after July 1, 1973, and with respect to appropriations for the fiscal year ending June 30, 1974, and succeeding fiscal years, and such provisions shall be deemed to have been enacted before the beginning of the fiscal year ending June 30, 1974. Nothing in this subparagraph shall be construed to decrease the amount of the payment to which any local educational agency is entitled for any fiscal year on the basis of entitlements created under section 3 of such Act of September 30, 1950.

DURATION OF PAYMENTS UNDER PUBLIC LAW 874, EIGHTY-FIRST CONGRESS, FOR THE EDUCATION OF INDIAN CHILDREN

Sec. 204. (a) Section 303(a)(1) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as added by the Indian Education Act, is amended by striking out "July 1, 1975" and inserting in lieu thereof "July 1, 1978,".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

TITLE III—ADULT EDUCATION

DEFINITION OF "COMMUNITY SCHOOL PROGRAM"

Sec. 301. Section 303 of the Adult Education Act is amended by (1) redesignating subsections (e), (f), (g), (h), and (i), and all references thereto, as subsections (f), (g), (h), (i), and (j), respectively, and (2) inserting after subsection (d) the following new subsection:

"(e) The term 'community school program' is a program in which a public building, including but not limited to public elementary or secondary school, is used as a community center operated in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, cultural, and other community services for the community that center serves in accordance with the needs, interests, and concerns of that community.".

DECREASE IN MAXIMUM AMOUNT TO BE RESERVED FOR SPECIAL PROJECTS

Sec. 302. Section 304 of the Adult Education Act is amended by striking out "20 per centum" and inserting in lieu thereof "15 per centum".

NEW STATE PLAN REQUIREMENTS

Sec. 303. (a) Section 306 of the Adult Education Act is amended by redesignating clauses (6), (7), (8), and (9), and all references thereto, as clauses (8), (9), (10), and (11), respectively, and by inserting after clause (5) of such section the following new clauses:

"(6) provide for cooperation with manpower development and training programs and occupational education programs;

"(7) provide that such agency will make available not to exceed 25 per centum of the State's allotment for programs of equivalency for a certificate of graduation from a secondary school;".

(b) Section 306(a)(1) of the Adult Education Act is amended by inserting after "adult population" the following: ", including institutionalized persons".

SPECIAL PROJECTS

Sec. 304. Section 309(b) of the Adult Education Act is amended by—

(1) inserting immediately before "local" the following: "State educational agencies,";

(2) adding at the end thereof the following new sentence: "Whenever the Commissioner makes grants to local educational agencies or other public and private nonprofit agencies, he shall establish procedures under which the appropriate State educational agencies will be given reasonable opportunity to offer recommendations to the grant recipient and to submit comments to the Commissioner."; and

(3) inserting after the words "television stations" the following: "and agencies conducting community school programs".

NATIONAL CLEARINGHOUSE ON ADULT EDUCATION

Sec. 305. The Adult Education Act is amended by inserting immediately after section 309 thereof the following new subsection:

"NATIONAL CLEARINGHOUSE ON ADULT EDUCATION

"Sec. 309A. The Commissioner shall establish or designate an existing agency as a National Clearinghouse on Adult Education, which shall obtain and disseminate to the public information pertaining to the education of adults and adult education programs, together with ways of coordinating adult education programs with manpower and other education programs. The Commissioner is authorized to enter into contracts with public agencies or private organizations to operate the clearinghouse established or designated under this section.".

STATE ADVISORY COUNCILS

Sec. 306. The Adult Education Act is amended by inserting immediately after section 310 thereof the following new section:

"STATE ADVISORY COUNCILS

"Sec. 310A. (a) Any State which receives assistance under this title may establish and maintain a State advisory council which shall be appointed by the Governor or, in the case of a State in which members of the State board which governs the State education agencies are elected (including election by the State legislature), by such board.

"(b)(1) Such a State advisory council shall include as members persons who, by reason of experience or training, are knowledgeable in the field of adult education or who are officials of the State educational agency or local educational agencies of that State persons who are or have received adult educational services, and persons who are representative of the general public.

"(2) Such a State advisory council, in accordance with regulations prescribed by the Commissioner, shall—

"(A) advise the State educational agency on the development of, and policy matters arising in, the administration of the State plan approved pursuant to section 306;

"(B) advise with respect to long-range planning and studies to evaluate adult education programs, services, and activities assisted under this Act; and

"(C) prepare and submit to the State educational agency, and to the National Advisory Council for Adult Education established pursuant to section 310, an annual report of its recommendations, accompanied by such additional comments of the State educational agency as that agency deems appropriate.

"(c) Upon the appointment of any such advisory council the appointing authority under subsection (a) of this section shall inform the Commissioner of the establishment of, and membership of, its State advisory council. The Commissioner shall, upon receiving such information, certify that each such council is in compliance with the membership requirements set forth in subsection (b)(1) of this section.

"(d) Each such State advisory council shall meet within thirty days after certification has been accepted by the Commissioner under subsection (c) of this section and select from among its membership a chairman. The time, place, and manner of subsequent meetings shall be provided by the rules of the State advisory council, except that such rules shall provide that each such council meet at least four times each year, including at least one meeting at which the public is given the opportunity to express views concerning adult education.

"(e) Each such State advisory council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section.".

EXTENSION OF AUTHORIZATIONS OF APPROPRIATIONS; TECHNICAL AMENDMENTS

SEC. 307. (a) Section 313(a) of the Adult Education Act is amended by—

(1) striking out "section 310" and inserting in lieu thereof "sections 310 and 314";

(2) by striking out the word "and" after "June 30, 1971,"; and

(3) by inserting after "June 30, 1973," the following: "$150,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975, $175,000,000 for the fiscal year ending June 30, 1976, and $200,000,000 for each of the fiscal years ending June 30, 1977, and June 30, 1978,".

(b) Section 314(d) of such Act, as added by section 431 of Public Law 92–318, is amended by striking out "two" and inserting after "years" the following: "ending prior to July 1, 1978".

AMENDMENTS RELATING TO BILINGUAL EDUCATION

SEC. 308. (a) Section 306(a) of the Adult Education Act is amended by striking out "and" at the end of clause (10) of such section, by redesignating clause (11), and all references thereto, as clause (12), and by adding after clause (10) the following new clause:

"(11) provide that special emphasis be given to the needs of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965), by providing bilingual adult education programs in which instruction is given in both the native language of such person and in English, carried out in coordination with programs of bilingual education assisted under such title VII and bilingual vocational education programs under the Vocational Education Act of 1963; and"

(b)(1) Section 309(b)(1) of such Act is amended by inserting a comma and "including methods for educating persons of limited English-speaking ability" immediately after "methods".

(2) Section 309(b)(2) of such Act is amended by inserting a comma and "including education for persons of limited English-speaking ability" immediately after "education".

(3) Section 311(b) of such Act is amended by inserting a comma and "including education for persons of limited English-speaking ability in which instruction is given in both the native language of such person and in English" immediately after "adult education".

EFFECTIVE DATES

SEC. 309. The amendments made by this title shall be effective on the date of enactment of this Act, except that—

(1) the amendments made by section 307 shall be effective on and after July 1, 1973; and

(2) the amendments made by sections 302, 303, and 308 shall be effective on, and with respect to appropriations for fiscal years beginning after, June 30, 1974.

TITLE IV—CONSOLIDATION, SIMPLIFICATION, AND IMPROVEMENT OF THE ADMINISTRATION OF EDUCATION PROGRAMS

SIMPLIFIED STATE APPLICATION

SEC. 401. (a)(1) Section 421 of the General Education Provisions Act, and all references thereto, is redesignated as section 421A; and such Act is amended by inserting after the heading of part C of such Act the following new section:

"APPLICABILITY

"SEC. 421. The provisions of this part shall apply to any program for which the Commissioner has administrative responsibility, as specified by law or by delegation of authority pursuant to law.".

(2) Section 434 of such Act is amended by striking out subsection (b) thereof and inserting in lieu thereof the following:

"(b)(1)(A) In the case of any State which applies, contracts, or submits a plan, for participation in any applicable program in which Federal funds are made available for assistance to local educational agencies through, or under the supervision of, the State educational agency of that State, such State shall submit to, and maintain on file with, the Commissioner a general application meeting the requirements of this subsection. Such general application shall be in the form of a contractual agreement which (i) provides for the submission by the State and approval by the Commissioner of an annual program plan with respect to the particular programs in which the State desires to participate and (ii) provides assurances—

"(I) that the State will, through its State educational agency, provide for such methods of administration as are necessary for the proper and efficient administration of the programs to which the general application applies;

"(II) that the State will make provision for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under any applicable program;

"(III) that the State will make provision for making such reports as the Commissioner may require to carry out his functions;

"(IV) that the State will follow such policies and use such methods and practices of administration as will insure that non-Federal funds will not be supplanted by Federal funds; and

"(V) that the State will submit to, and have approved by, the Commissioner an annual program plan in accordance with subparagraph (A).

"(B) The annual program plan submitted by any State for any fiscal year with respect to any program to which this paragraph applies shall—

"(i) be prepared and administered in a manner consistent with specific State plan requirements of the appropriate applicable statutes affecting the program for which the annual program plan is applicable;

"(ii) set forth a long-range program plan for the use of Federal funds under such program;

"(iii) set forth a statement describing the purposes for which Federal funds will be expended during the fiscal year for which the annual program plan is submitted; and

"(iv) comply in all other respects with the specific requirements of the appropriate applicable statutes.

"(C) In carrying out the Commissioner's functions under clauses (ii)(III) and (ii)(V) of subparagraph (A), the Commissioner shall require, as part of each State's annual program plan submitted under subparagraph (B), that each State make a report on the uses of Federal funds in that State under the programs to which this subsection applies. Such report shall—

"(i) describe the manner in which, and the purpose for which, such Federal funds were expended in that State during the preceding two fiscal years;

"(ii) describe the policies and procedures used, during such fiscal years, by the State educational agency in making such Federal funds available to local educational agencies;

"(iii) include a statistical report on the children served or affected by programs, projects, or activities assisted with such Federal funds, during such second preceding fiscal year, and the manner in which such children were served or affected;

"(iv) with respect to such second preceding fiscal year, include a compilation of reports from the local educational agencies in that State which—

"(I) sets forth the amount of such Federal funds received by each such agency and the purposes for which such funds were expended, and

"(II) includes such data as may be necessary to make the report described in clause (iii); and

"(v) be made reasonably available to the public.

"(2) In accordance with determinations and regulations of the Commissioner, the requirements of paragraph (1) shall be in lieu of comparable requirements for State plans in applicable statutes authorizing appropriations for programs to which paragraph (1) applies.

"(3) In the case of any application for assistance under any applicable program to which paragraph (1) does not apply and with respect to which the Commissioner determines that this section would simplify the administration of an applicable program, each such application shall be submitted to the Commissioner at such time, in such manner, and containing such information as the Commissioner shall prescribe by regulation and, as a precondition for approval, shall—

"(A) provide for such methods of administration as are necessary for the proper and efficient administration of the program or project for which application is made;

"(B) make provision for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under the application; and

"(C) provide for making such reports as the Commissioner may require to carry out his functions.

"(c)(1) Whenever the Commissioner, after reasonable notice and an opportunity for hearing, finds that there has been a failure, by any recipient of funds under any applicable program, to comply substantially with the terms to which such recipient has agreed in order to receive such funds, the Commissioner shall notify such recipient that further payments will not be made to such recipient under that program until he is satisfied that such recipient no longer fails to comply with such terms. Until the Commissioner is so satisfied, no further payments shall be made to such recipient.

"(2) The terms of any application for funds under any applicable program shall constitute a contractual agreement between the Commissioner and the applicant. Such agreement shall be specifically enforceable by the Commissioner in any court of the United States. Nothing in this paragraph shall be construed (A) to deprive either the Commissioner or any applicant of any remedy otherwise available to the Commissioner or to an applicant, or (B) to enlarge the authority of the Commissioner to make or enforce requirements or conditions for which provision is not otherwise made by law.

"(3) If the Commissioner finds that the enforcement of paragraph (1) would defeat the purposes of the program involved and that enforcement of the terms to which the applicant agreed under paragraph (2) would more nearly accomplish such purposes, he shall use the enforcement procedure in paragraph (2) in lieu of withholding payments under paragraph (1).

"(d) (1) (A) If any State has submitted an application for funds under any applicable program under which appropriations for such program are, by the applicable statute, allotted or apportioned among the States or under which the State (or local educational agencies in that State) is entitled to a portion of an appropriation therefor and the Commissioner disapproves such application, or if the Commissioner withholds payments to a State under paragraph (1) of subsection (c), that State shall be entitled to judicial review of the actions of the Commissioner in accordance with the provisions of this paragraph.

"(B) (i) If any State, under circumstances qualifying for judicial review under this paragraph, desires judicial review of the Commissioner's action, such State may, within sixty days of such action, file with the United States Court of Appeals for the circuit in which such State is located a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based the action brought under this division, as provided in section 2112 of title 28, United States Code.

"(ii) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(iii) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(2) (A) In the case of any applicable program under which local educational agencies receive Federal funds through State educational agencies, actions of such State agencies with respect to the approval of applications of local educational agencies and with respect to State administration of such program shall be subject to administrative review by the Commissioner. The Commissioner shall, by regulation, establish procedures for administrative review of State educational agency actions to which the preceding sentence applies.

"(B) Any local educational agency which is dissatisfied with an administrative review under subparagraph (A) shall qualify for, and be entitled to, judicial review under subparagraph (B) of paragraph (1) in the same manner as if such agency were a State.

"(3) Any person or agency who is aggrieved by any action or failure of action by the Commissioner (or by any person or agency acting for the Commissioner) under any applicable program shall be entitled to an administrative review by the Commissioner of such action or failure of action. The Commissioner shall, by regulation, establish procedures for administrative review in order to carry out the terms of the preceding sentence.

"(e) For the purposes of this section, the term 'application' includes—

"(1) an application for a grant;

"(2) an offer to make a contract;

"(3) a State plan for the administration of an applicable program;

"(4) State assurances with respect to the administration of such a program; and

"(5) any other methods for seeking Federal funds from the Commissioner of Education;

under which an agency, institution, organization, or other organized entity may become the recipient of Federal funds."

(b) (1) The amendments made by subsection (a) shall be effective on and after July 1, 1974.

(2) Nothing in the amendment made by subsection (a) shall be construed to affect the applicability of chapter 5 of title 5, United States Code, to the Office of Education or actions by the Commissioner.

CONSOLIDATION AND SIMPLICATION OF STATE-ADMINISTERED EDUCATION PROGRAMS

SEC. 402. (a) (1) It is the purpose of this section to consolidate and simplify the administration of the programs authorized by—

(A) title II of the Elementary and Secondary Education Act of 1965;

(B) title III of such Act, except section 306 thereof;

(C) title V of such Act;

(D) title III of the National Defense Education Act of 1958;

(E) title V of such Act; and

(F) subpart 2 of part B of the Education Professions Development Act.

(2) The Elementary and Secondary Education Act of 1965 is amended by inserting after title V of the following new title:

"TITLE VI—ASSISTANCE TO THE STATES FOR SUPPLEMENTAL, AUXILIARY, AND SUPPORTIVE EDUCATIONAL SERVICES

"STATEMENT OF PURPOSE

"SEC. 601. (a) It is the purpose of this title to make financial assistance available to the States in order to enable them with such assistance and with other resources available to the States to provide supplemental, auxiliary, and supportive educational services for children who are in attendance at the elementary and secondary schools in the States.

"(b) In order to achieve the purpose set forth in subsection (a), the Commissioner shall, during the period beginning July 1, 1974, and ending June 30, 1978, carry out a program of financial assistance to the States in accordance with the provisions of this title.

"GRANTS TO STATES

"SEC. 602. (a) (1) Each State shall be entitled, under this title for any fiscal year ending prior to July 1, 1978, to the sum of—

"(A) an amount which equals the amount expended in that State from appropriations for the fiscal year 1972 for title II of this Act;

"(B) an amount which equals the amount expended in that State from appropriations for the fiscal year 1969 for title III of this Act;

"(C) an amount which equals the amount expended in that State from appropriations for the fiscal year 1969 for title V of the National Defense Education Act of 1958; and

"(D) an amount which equals the amount expended in that State from appropriations for the fiscal year 1972 for part A of title III of the National Defense Education Act of 1958.

"(2) (A) In addition to the entitlements created under paragraph (1) and except as is provided otherwise in this title, the amount to which a State shall be entitled under this title and the General Education Provisions Act for any fiscal year shall, subject to subparagraph (C), be equal to the sum of amounts determined under the following divisions:

"(i) The Commissioner shall determine with respect to that State the product of $20 multiplied by the number of children who are in attendance at elementary and secondary schools in the State.

"(ii) The Commissioner shall determine with respect to that State the product of—

"(I) 10 per centum of the average per pupil expenditure in that State,

multiplied by—

"(II) the number of children in that State who are aged five to seventeen, inclusive, and are in families having an annual income which does not exceed $3,000.

"(iii) The Commissioner shall determine with respect to that State an amount which bears the same ratio to $200,000,000 as the product of—

"(I) the number of children counted in that State under division (i),

multiplied by—

"(II) that State's allotment ratio,

bears to the corresponding products for all the States, which allotment ratio shall be 100 per centum less the product of—

"(α) 50 per centum,

multiplied by—

"(β) the quotient obtained by dividing the income per child in such State by the income per child for all the States,

except that the allotment ratio shall, in no case, be less than 40 per centum nor more than 60 per centum.

"(B) (i) The Commissioner shall make determinations under division (i) subparagraph (A) on basis of the most recent satisfactory data available to him.

"(ii) The Commissioner shall make determinations under division (ii) of subparagraph (A), relating to the number of children from families having an annual income of less than $3,000, on the basis of the most recent satisfactory data available to him from the Department of Commerce.

"(iii) (I) For the purposes of division (iii) of subparagraph (A), the Commissioner shall promulgate allotment ratios between July 1 and August 31 of each even-numbered year beginning with calendar year 1974 on the basis of the average of the incomes per child for the States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Each such promulgation shall be conclusive for each of the two fiscal years beginning after such promulgation.

"(II) For the purposes of division (iii) of subparagraph (A) and subdivision (I) of this division, the term 'income per child' for any State means the total personal income for the State divided by the number of children counted under division (i) of subparagraph (A).

"(C) If the aggregate of the products determined with respect to all States for any fiscal year under either division (i) or (ii) of subparagraph (A) of paragraph (2) is in excess of $200,000,000 the products of all of the States determined under such division shall be reduced ratably until such aggregate does not exceed such amount.

"(b) In addition to the amount of the grant to which each State is entitled under subsection (a) for any fiscal year, each State shall be entitled to a grant for the purposes of section 604 for that fiscal year. The amount of such grant shall be equal to 10 per centum of the amount to which such State is entitled under subsection (a) or $1,000,000, whichever is greater.

"(c) (1) For the purposes of subsections (a) and (b), the term 'State' means the fifty States and the District of Columbia.

"(2) The Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall each be entitled for any fiscal year to a grant for the purposes of this title, the amount of which grant for any fiscal year shall be the amount which the Commissioner determines to be needed by the children and State educational agencies in such jurisdiction for that fiscal year. The aggregate of the amounts to which the jurisdictions subject to this subsection shall be entitled for any fiscal year shall not exceed 3 per centum of the aggregate of the amounts to which the States are entitled under subsections (a) and (b) for that fiscal year. Ninety per centum of the amount granted to each jurisdiction under this paragraph shall be deemed to be available to such jurisdiction on the basis of an entitlement established by subsection (a); and 10 per centum thereof shall be deemed to be available thereto on the basis of an entitlement created under subsection (b).

"USES OF FEDERAL FUNDS BY LOCAL EDUCATIONAL AGENCIES

"SEC. 603. (a) Funds appropriated for the purposes of this title for any fiscal year on the basis of entitlements established by section 602(a) shall be available to the States for grants to local educational agencies for the purposes set forth in subsection (b), and in the amounts for which provision is made in subsection (c), in accordance with agreements between the States and the Commissioner meeting the requirements of section 605 and of section 434 of the General Education Provisions Act.

"(b) Except as is provided in section 604, the purposes for which funds appropriated for the purposes of this title may be used are as follows:

"(1) The provision of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in elementary and secondary schools.

"(2) The development, establishment, and operation of exemplary elementary and secondary school educational programs.

"(3) The establishment and maintenance of programs of testing, guidance, and counseling for children in elementary and secondary schools.

"(4) The provision of instructional equipment (including laboratory and other special equipment, including audiovisual materials and equipment suitable for use in providing education in academic subjects) for use by children and teachers in elementary and secondary schools.

"(5) Programs conducted by local educational agencies to provide in-service training for persons for teaching in elementary and secondary schools.

"(c)(1) Funds available to a State under this title based upon entitlements established under section 602(a)(1) shall be expended by that State in any fiscal year ending prior to July 1, 1978, so that—

"(A) each State shall make available for expenditure for the purpose of clause (1) of subsection (b) an amount which at least equals the amount expended in that State from appropriations for the fiscal year 1972 for title II of this Act;

"(B) each State shall make available for expenditure for the purpose of clause (2) of subsection (b) an amount which at least equals the amount expended in that State from appropriations for the fiscal year 1969 for title III of this Act, of which amount not less than 15 per centum shall be expended for special projects for handicapped children;

"(C) each State shall make available for expenditure for the purpose of clause (3) of subsection (b) an amount which at least equals the amount expended in that State from appropriations for the fiscal year 1969 for title V of the National Defense Education Act of 1958; and

"(D) each State shall make available for expenditure to pay not more than 50 per centum of the cost of projects for the purpose of clause (4) of subsection (b) an amount which at least equals the amount expended in that State from appropriations for the fiscal year 1972 for part A of title III (other than expenditures for section 303(a)(5)) of the National Defense Education Act of 1958.

"(2) Fifty per centum of the funds available to a State under this title, in excess of the amounts required for entitlements under section 602(a)(1), shall be expended by that State in any such year for the purposes set forth in subsection (b) in such amounts, determined by the State educational agency of that State, as will best meet the needs of the children of that State with respect to such purposes. The remainder of the funds available to a State under this title in excess of the amounts required for entitlements under section 602(a)(1) shall be expended by that State in any such year for the purposes set forth in subsection (b) for each such purpose in an amount which bears the same ratio to such remainder as the amount described for each purpose in section 602(a)(1) bears to the aggregate of the amounts to which reference is made in such section 602(a)(1).

"USES OF FUNDS BY STATE EDUCATIONAL AGENCIES

"SEC. 604. (a) Funds appropriated for the purposes of this title for any fiscal year on the basis of entitlement established by section 602(b) shall be available to the States, in accordance with agreements between the States and the Commissioner meeting the requirements of section 605 and of section 434 of the General Education Provisions Act, for the following purposes:

"(1) Strengthening the leadership resources of State and local educational agencies and the establishment and improvement of programs and projects designed to identify the educational needs of children in elementary and secondary schools and to devise educational programs to meet those needs.

"(2) The expansion and improvement of supervisory and related services in academic subjects in elementary and secondary schools.

"(3) The proper and efficient administration of the activities conducted with such funds as may be available under this title for the purposes set forth in section 603.

"(b) Funds available to a State for the purposes set forth in subsection (a) shall be used by such State for such purposes in such amounts, determined by the State educational agency of such State, as will best achieve the purposes of this section, except that no State shall use an amount for the purpose set forth in clause (3) of subsection (a) which exceeds 5 per centum of the amount expended by that State from the funds available to that State under this title for the purposes set forth in section 603.

"AGREEMENTS WITH STATES

"SEC. 605. (a) Any State, having in effect for any fiscal year an application under section 434 of the General Education Provisions Act, which desires to receive a grant under this title shall come into an agreement with the Commissioner respecting the participation of that State in the program authorized by this title. Each such agreement shall provide that—

"(1) the State will insure that all children in the elementary and secondary schools in the State receive the materials and services described in clauses (1) through (5) of section 603(b) to the extent that such children have a need for such materials and services; and

"(2) the Commissioner will receive and review an annual program plan developed by the State which will carry out the provision to which the State has agreed pursuant to clause (1).

"(b) If, for any fiscal year, a State submits to the Commissioner an offer of an agreement meeting the appropriate requirements for such fiscal year of subsection (a), the Commissioner shall accept such offer and adhere to, and comply with, such Federal obligations as may arise out of such agreement, including obligations imposed by, or under the provisions of, this title and the General Education Provisions Act relevant to such agreement.

"(c)(1) The Commissioner shall make available and pay to each State with which he has come into an agreement under this section for each fiscal year an amount equal to the amount expended by that State in carrying out such an agreement except that, with respect to the requirement of clause (1) of subsection (a), such amount shall not exceed the amount to which that State is entitled, as determined under section 602(a).

"(2) The Commissioner shall pay to each such State the amount to which such State is entitled as determined under section 602(b).".

"PARTICIPATION OF CHILDREN IN NONPUBLIC SCHOOLS

"SEC. 608. (a) Each local educational agency which receive funds under this title for the purposes set forth in section 603(a) shall insure that, to the extent consistent with the number of children in the school district of such agency who (1) are enrolled in private nonprofit elementary and secondary schools, which are free from discrimination on the basis of race, color, or national origin, and (2) are in need of the materials, equipment, or services for which such funds are expended, such agency will, after consultation with the appropriate private school officials, provide, on an equitable basis, for the benefit of such children, such materials, equipment, or services.

"(b) The control and supervision of, and title to, all materials, equipment, or services made available for the benefit of children in private nonprofit schools under this section shall be, and remain in, a public agency.

"(c)(1) In any State which has an agreement with the Commissioner under this title and in which no State agency is authorized by law to provide, or in which there is a substantial failure to provide, such materials, equipment, and services as are authorized by this title for children enrolled in any one or more private nonprofit elementary or secondary schools, described in clause (1) of subsection (a), of such State in the area or areas served pursuant to such agreement, the Commissioner shall arrange for the provision, on an equitable basis, of such materials, equipment, and services and shall pay the costs thereof for any fiscal year out of that State's entitlement. The Commissioner may arrange for making such materials, equipment, and services available through contracts with institutions of higher education, or other competent nonprofit institutions or organizations.

"(d) The Commissioner shall not take action under subsection (c) with respect to any State educational agency without first affording such agency and other interested parties notice and an opportunity for a hearing. Such notice shall be given not less than sixty days prior to any final action of the Commissioner under such subsection. If the Commissioner determines that the provisions of subsection (c) apply to a substantial number of children who are in attendance at private schools, he shall proceed as required under such subsection. If the State educational agency is dissatisfied with the action of the Commissioner under subsection (c), such agency shall qualify for judicial review of the Commissioner's action. If any State educational agency desires judicial review under subsection (c) or this subsection, such agency shall, within sixty days after such action, file with the United States Court of Appeals for the circuit in which such State is located a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.".

(3) (A) Unless the sums appropriated for title VI of the Elementary and Secondary Education Act of 1965 for any fiscal year ending after June 30, 1974, are made available for expenditure prior to the beginning of such fiscal year and exceed the aggregate of the amounts for which provision is made in subparagraph (B), the aggregate of the amounts appropriated under any authority for the purposes set forth in sections 603 and 604 of such Act for any such fiscal year shall be allotted among and used by the States as provided in subparagraph (B).

(B) (i) (I) Of the sums appropriated for any fiscal year to which subparagraph (A) applies, the following amounts shall be allotted among the States and used by the States in accordance with title II of the Elementary and Secondary Education Act of 1965:

State	*Amount in dollars*
Alabama	$1,559,868
Alaska	146,845
Arizona	811,810
Arkansas	831,315
California	8,352,777
Colorado	983,010
Connecticut	1,284,204
Delaware	248,627
Florida	2,689,633
Georgia	2,045,131
Hawaii	340,947
Idaho	333,536
Illinois	4,781,990
Indiana	2,316,188
Iowa	1,240,758
Kansas	955,697
Kentucky	1,410,076
Louisiana	1,738,766
Maine	433,632
Maryland	1,735,071
Massachusetts	2,351,453
Michigan	4,093,188
Minnesota	1,755,966
Mississippi	1,060,825
Missouri	1,976,916
Montana	327,988
Nebraska	647,824
Nevada	211,283
New Hampshire	315,917
New Jersey	3,003,713
New Mexico	517,827
New York	7,284,263
North Carolina	2,211,270
North Dakota	209,760
Ohio	4,712,726
Oklahoma	1,069,711
Oregon	892,645
Pennsylvania	4,887,781
Rhode Island	374,697
South Carolina	1,203,411
South Dakota	312,248
Tennessee	1,674,463
Texas	5,017,276
Utah	522,001
Vermont	195,898
Virginia	2,002,655
Washington	1,470,947
West Virginia	739,358
Wisconsin	2,009,729
Wyoming	153,316
District of Columbia	274,960

(II) In addition to the sums allocated pursuant to subdivision (I), the Commissioner shall allot an amount equal to 3 per centum of the amount allotted under such subdivision to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands in accordance with their respective needs for assistance under such title II.

(ii) (I) Of the sums appropriated for any fiscal year to which subparagraph (A) applies, the following amounts shall be allotted among the States and used by the States in accordance with title III of the Elementary and Secondary Education Act of 1965:

State	*Amount in dollars*
Alabama	$2,450,833
Alaska	539,280
Arizona	1,426,527
Arkansas	1,484,304
California	12,666,220
Colorado	1,671,536
Connecticut	2,120,290
Delaware	681,242
Florida	4,339,859
Georgia	3,169,830
Hawaii	809,635
Idaho	787,801
Illinois	7,245,331
Indiana	3,560,128
Iowa	2,029,559
Kansas	1,665,216
Kentucky	2,269,689
Louisiana	2,645,135
Maine	938,850
Maryland	2,730,929
Massachusetts	3,743,053
Michigan	6,030,437
Minnesota	2,709,065
Mississippi	1,727,477
Missouri	3,147,632
Montana	778,530
Nebraska	1,229,514
Nevada	638,257
New Hampshire	783,053
New Jersey	4,690,277
New Mexico	1,002,884
New York	11,323,850
North Carolina	3,447,794
North Dakota	731,894
Ohio	7,048,099
Oklahoma	1,834,481
Oregon	1,575,712
Pennsylvania	7,538,447
Rhode Island	885,682
South Carolina	1,934,924
South Dakota	759,490
Tennessee	2,687,034
Texas	7,444,141
Utah	1,018,491
Vermont	614,785
Virginia	3,157,350
Washington	2,374,519
West Virginia	1,368,764
Wisconsin	3,089,459
Wyoming	552,612
District of Columbia	760,659

(II) In addition to the sums allocated pursuant to subdivision (I) the Commissioner shall allot an amount equal to 3 per centum of the amount allotted under such subdivision to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands in accordance with their respective needs for assistance under such title III.

(iii) (I) Of the sums appropriated for any fiscal year to which subparagraph (A) applies, the following amounts shall be allotted among the States and used by the States in accordance with part A of title V of the Elementary and Secondary Education Act of 1965:

State	*Amount in dollars*
Alabama	$568,444
Alaska	271,973
Arizona	411,396
Arkansas	415,491
California	1,994,554
Colorado	$447,338
Connecticut	510,571
Delaware	293,161
Florida	805,628
Georgia	670,321
Hawaii	312,543
Idaho	310,987
Illinois	1,244,899
Indiana	727,227
Iowa	501,450
Kansas	441,600
Kentucky	536,997
Louisiana	606,002
Maine	332,001
Maryland	605,226
Massachusetts	734,630
Michigan	1,100,292
Minnesota	609,613
Mississippi	463,675
Missouri	656,000
Montana	309,822
Nebraska	376,969
Nevada	285,321
New Hampshire	307,288
New Jersey	871,566
New Mexico	349,677
New York	1,770,229
North Carolina	705,200
North Dakota	302,426
Ohio	1,230,358
Oklahoma	465,540
Oregon	428,367
Pennsylvania	1,267,109
Rhode Island	319,628
South Carolina	493,609
South Dakota	306,518
Tennessee	592,502
Texas	1,294,296
Utah	350,553
Vermont	282,091
Virginia	661,403
Washington	549,776
West Virginia	396,185
Wisconsin	662,888
Wyoming	273,151
District of Columbia	298,689

(II) in addition to the sums allocated pursuant to subdivision (I), the Commissioner shall allot an amount equal to 3 per centum of the amount allotted under such subdivision to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands in accordance with their respective needs for assistance under such title V.

(iv) (I) Of the sums appropriated for any fiscal year to which subparagraph (A) applies, the following amounts shall be allotted among the States and used by the States in accordance with part A of title III of the National Defense Education Act of 1958:

State	*Amount in dollars*
Alabama	$1,101,809
Alaska	79,031
Arizona	502,557
Arkansas	580,253
California	3,685,803
Colorado	556,321
Connecticut	495,980
Delaware	123,984
Florida	1,440,346
Georgia	1,306,359
Hawaii	179,881
Idaho	223,805
Illinois	2,143,425
Indiana	1,283,029
Iowa	701,525
Kansas	527,751
Kentucky	928,648
Louisiana	1,213,089
Maine	273,553
Maryland	860,960
Massachusetts	1,034,596
Michigan	2,147,259
Minnesota	1,015,956
Mississippi	757,492
Missouri	1,090,434
Montana	211,545
Nebraska	364,475

Nevada	95,336
New Hampshire	177,672
New Jersey	1,268,818
New Mexico	369,760
New York	2,707,972
North Carolina	1,439,956
North Dakota	199,767
Ohio	2,538,891
Oklahoma	646,748
Oregon	487,492
Pennsylvania	2,484,003
Rhode Island	178,224
South Carolina	859,307
South Dakota	208,617
Tennessee	1,094,698
Texas	3,087,180
Utah	362,341
Vermont	117,957
Virginia	1,171,767
Washington	750,381
West Virginia	491,519
Wisconsin	1,154,598
Wyoming	93,351
District of Columbia	98,154

(II) In addition to the sums allocated pursuant to subdivision (I), the Commissioner shall allot an amount equal to 3 per centum of the amount allotted under such subdivision to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands in accordance with their respective needs for assistance under such title III.

(C) If the sums appropriated for title VI of the Elementary and Secondary Education Act of 1965 for any fiscal year exceed the aggregate of the amounts for which provision is made in subparagraph (B) and are available for expenditure prior to the beginning of any fiscal year no funds may be appropriated under any authority listed in paragraph (1) for that fiscal year.

(4) The allotment ratios promulgated pursuant to section 602(a)(2)(B)(iii) of the Elementary and Secondary Education Act of 1965 for the year 1974 shall apply to section 602(a)(2)(A)(iii) of such Act for the fiscal year ending June 30, 1974.

(b) The amendments made by, and the provisions of, subsection (a) shall be effective on and after the date of the enactment of this Act.

CONSOLIDATION OF CERTAIN FEDERALLY OPERATED EDUCATION PROGRAMS

SEC. 403. (a)(1) The Act of July 26, 1954 (Public Law 531, Eighty-third Congress) is amended by striking out all after the enacting clause and inserting in lieu thereof the following: "That this Act may be cited as the 'Special Projects Act'.

"PURPOSE

"SEC. 2. It is the purpose of this Act to authorize the Commissioner of Education (hereinafter referred to as the 'Commissioner') to carry out special projects—

"(1) to experiment with new educational and administrative methods, techniques, and practices;

"(2) to meet special or unique education needs or problems; and

"(3) to place special emphasis on national education priorities.

"CONTRACTING AUTHORITY

"SEC. 3. (a) The Commissioner is authorized, during the period beginning July 1, 1975, and ending June 30, 1978, to make contracts with public and private agencies, organizations, associations, institutions, and with individuals in order to carry out the purposes of this Act as set forth in section 2.

"(b) In exercising his authority under this section, the Commissioner shall comply with such priorities and preferences as may be expressly provided by law, with respect to this section.

"APPROPRIATIONS

"SEC. 4. (a) (1) In order to enable the Commissioner to make contracts under section 3, there is authorized, subject to subsection (b), to be appropriated to the Office of Education $200,000,000 for the fiscal year ending June 30, 1976, and each of the two succeeding fiscal years.

"(2) Sums appropriated pursuant to paragraph (1) shall, notwithstanding any other provisions of law, unless enacted in express limitation of this paragraph, remain available until expended.

"(b) (1) Not later than February 1 of each year, the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a plan in accordance with which the Commissioner has determined to expend funds to be appropriated for the fiscal year beginning July 1, of that year. Such plan shall be accompanied by a report describing each contract made or intended to be made during the current fiscal year under the authority of this Act involving an expenditure in excess of $100,000.

"(2) (A) The funds appropriated pursuant to subsection (a) for any fiscal year shall be expended in accordance with the plan submitted for that year pursuant to paragraph (1), unless prior to sixty days after the submission of such plan, either the Committee on Education and Labor of the House of Representatives or the Committee on Labor and Public Welfare of the Senate adopts a resolution disapproving such plan.

"(B) If either or both such committees adopts a resolution of disapproval as provided in subparagraph (A), the Commissioner shall, not later than fifteen days after the adoption of any such resolution, submit a new plan in accordance with paragraph (1) and subparagraph (A).".

(2) The title of such Act of July 24, 1954, is amended to read as follows: "An Act to authorize special projects, surveys, and studies by the Office of Education.".

(b) (1) In carrying out his functions under section 3 of the Special Projects Act, the Commissioner shall—

(A) give priority to applications proposing projects meeting the requirements of the provisions of law repealed by paragraph (3) of subsection (c); and

(B) reserve not less than 50 per centum of the sums appropriated pursuant to section 4 of such Act for the purposes preferred in paragraph (3) of this subsection and apportioned in accordance with paragraph (2) of this subsection.

With respect to the funds to which this paragraph applies, the Commissioner's authority under such section 3 shall include authority to make grants as well as contracts.

(2) Except as is otherwise provided with respect to section 410, the Commissioner shall apportion an amount for each of the purposes set forth in paragrapph (3) which bears the same ratio to the sums reserved pursuant to clause (B) of paragraph (1) as the amount permitted to be expended for each such purpose bears to the aggregate of the amounts permitted to be expended for all such purposes.

(3) The sums reserved pursuant to clause (B) of paragraph (1) shall be expended for programs otherwise authorized by an applicable statute and described in the following subparagraphs:

Education for the Use of the Metric System of Measurement

(A) A program to encourage educational agencies and institutions to prepare students to use the metric system of measurement, as provided in section 404.

Gifted and Talented Children

(B) A program for the education of gifted and talented children through grants to the States for such purpose, as provided in section 405 (except subsection (f) thereof).

Community Schools

(C) A program of grants to local educational agencies to assist them in planning, establishing, expanding, and operating community education programs, as provided in section 406.

Career Education

(D) A program to assess, and to encourage establishment and operation of, career education programs, as provided in section 407.

Consumers' Education

(E) A program of grants and contracts designed to provide consumer education to the public, as provided in section 811 of the Elementary and Secondary Education Act of 1965.

Women's Equity in Education

(F) A program of grants and contracts designed to provide educational equity for women in the United States, as provided in section 409.

Arts in Education Programs

(G) A program of grants and contracts designed to assist and encourage the use of the arts in elementary and secondary school programs as provided in section 410.

(4) No appropriation may be made for any fiscal year for the purposes of section 811 of the Elementary and Secondary Education Act of 1965 or sections 404, 405, 406, 407, and 409 of this Act during which funds are available for the purposes of such sections under the provision of this subsection.

(c) (1) The amendments made by subsection (a) and the provisions of subsection (b) shall be effective on and after July 1, 1975.

(2) Effective July 1, 1975, title III of the Elementary and Secondary Education Act of 1965 is amended—

(i) by striking out section 305(d);

(ii) by striking out section 306;

(iii) by striking out section 307(c); and

(iv) in the first sentence of section 301 (b), by adding before the period at the end thereof the following: "and $508,250,000 for each of the succeeding fiscal years ending prior to July 1, 1978".

(3) (A) Effective July 1, 1975, the Higher Education Act of 1965 is amended by striking out all of title V except subpart 1 of part B and subsection (b) of section 501; and such subsection (b) is amended to read as follows:

"(b) For the purpose of carrying out subpart 1 of part B, there is authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1975.".

(B) Effective July 1, 1975, sections 807, 808, and 809, of the Elementary and Secondary Education Action Act of 1965, are repealed.

(4) If the Commissioner determines that a priority required by clause (A) of paragraph (1) would not be appropriate for any fiscal year, he shall submit a certification of such determination to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate. If, within ninety days after the submission of such a certification neither of such committees adopts a resolution disapproving of such determination, the provisions of such clause (A) shall not apply to the extent such determination is evidenced by such certification.

EDUCATION FOR THE USE OF THE METRIC SYSTEM OF MEASUREMENT

SEC. 404. (a) (1) The Congress hereby finds that—

(A) the metric system of measurement is in general use in industrially developed nations and its use is increasing;

(B) increased use of such metric system in the United States is inevitable, and such a metric system will become the dominant system of weights and measures in the United States; and

(C) there is no existing program designed to teach children to use such metric system and such a program is necessary if the American people are to adapt to the use of the metric system of weights and measures.

(2) It is the policy of the United States to encourage educational agencies and institutions to prepare students to use the metric system of measurement with ease and facility as a part of the regular education program.

(3) For the purposes of this title, the term "metric system of measurement" means the International System of Units as established by the General Conference of Weights and Measures in 1960 and interpreted or modified for the United States by the Secretary of Commerce.

(b)(1) The Commissioner shall carry out a program of grants and contracts in order to encourage educational agencies and institutions to prepare students to use the metric system of measurement.

(2) The Commissioner is authorized to make grants to, and contracts with, institutions of higher education. State and local education agencies, and other public and private nonprofit agencies, organizations, and institutions to develop and carry out the policy set forth in subsection (a).

(c)(1) Financial assistance under this title may be made available only upon application to the Commission. Any such application shall be submitted at such time, in such form, and containing such information as the Commissioner shall prescribe by regulation and shall be approved only if it—

(A) provides that the activities and services for which assistance is sought will be administered by, or under the suspension of, the applicant;

(B) describes a program which holds promise of making a substantial contribution toward attaining the purposes of this section;

(C) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application; and

(D) contains such other provisions as the Commissioner determines necessary in order to accomplish the purposes of this title.

(2) An application from a local educational agency under this section may be approved only if the State educational agency of the State in which such local agency is located has been notified of the application and has been given a reasonable opportunity to offer recommendations with respect to the approval thereof.

(d) For the purpose of carrying out this section, the Commissioner is authorized to expend $10,000,000 for each of the fiscal years ending prior to July 1, 1978.

GIFTED AND TALENTED CHILDREN

SEC. 405. (a) The Commissioner shall designate an administrative unit within the Office of Education to adiminster the programs and projects authorized by this section and to coordinate all programs for gifted and talented children and youth administered by the Office.

(b) The Commissioner shall establish or designate a National Clearinghouse on Gifted and Talented Children and Youth (hereafter in this section referred to as the "clearinghouse"). The clearinghouse shall obtain and disseminate to the public information pertaining to the education of gifted and talented children and youth. The Commissioner is authorized to contract with public or private agencies or organzations to establish and operate the clearinghouse.

(c)(1) The Commissioner shall make grants to State educational agencies and local educational agencies, in accordance with the provisions of this subsection, in order to assist them in the planning, development, operation, and improvement of programs and projects designed to meet the special educational needs of gifted and talented children at the preschool and elementary and secondary schools levels.

(2)(A) Any State educational agency or local educational agency desiring to receive a grant under this subsection shall submit an application therefor to the Commissioner at such time, in such manner, and containing such information as the Commissioner determines to be necessary to carry out his functions under this section. Such application shall—

(i) provide satisfactory assurance that funds paid to the applicant will be expended solely to plan, establish, and operate programs and projects which—

(I) are designed to identify and to meet the special educational and related needs of gifted and talented children, and

(II) are of sufficient size, scope, and quality as to hold reasonable promise of making substantial progress toward meeting those needs;

(ii) set forth such policies and procedures as are necessary for (I) acquiring and disseminating information derived from educational research, demonstration and pilot projects, new educational practices and techniques, and (II) the evaluation of the effectiveness of the program or project in achieving its purpose; and

(iii) provide satisfactory assurance that, to the extent consistent with the number of gifted and talented children in the area to be served by the applicant who are enrolled in nonpublic elementary and secondary schools, provision will be made for the participation of such children.

(B) The Commissioner shall not approve an application under this subsection from a local educational agency unless such application has been submitted to the State educational agency of the State in which the applicant is located and such State agency has had an opportunity to make recommendations with respect to approval thereof.

(3) Funds available under an application under this subsection may be used for the acquisition of instructional equipment to the extent such equipment is necessary to enhance the quality or the effectiveness of the program or project for which application is made.

(4) A State educational agency receiving assistance may carry out its functions under an approved application under this subsection directly or through local educational agencies.

(d) The Commissioner is authorized to make grants to State educational agencies to assist them in establishing and maintaining, directly or through grants to institutions of higher education, a program for training personnel engaged or preparing to engage in educating gifted and talented children or as supervisors of such personnel.

(e) The Commissioner is authorized to make grants to institutions of higher education and other appropriate non-profit institutions or agencies to provide training to leadership personnel for the education of gifted and talented children and youth. Such leadership personnel may include, but are not limited to, teacher trainers, school administrators, supervisors, researchers, and State consultants. Grants under this section may be used for internships, with local, State, or Federal agencies or other public or private agencies or institutions.

(f) Notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act, the National Institute of Education shall, in accordance with the terms and conditions of section 405 of such Act, carry out a program of research and related activities relating to the education of gifted and talented children. As used in the preceding sentence the term "research and related activities" means research, research training, surveys, or demonstrations in the field of education of gifted and talented children and youth, or the dissemination of information derived therefrom, or all of such activities, including (but without limitation) experimental and model schools.

(g) In addition to the other authority of the Commissioner under this section, the Commissioner is authorized to make contracts with public and private agencies and organizations for the establishment and operation of model projects for the identification and education of gifted and talented children, including such activities as career education, bilingual education, and programs of education for handicapped children and for educationally disadvantaged children. The total of the amounts expended for projects authorized under this subsection shall not exceed 15 per centum of the total of the amounts expended under this section for any fiscal year.

(h) For the purpose of carrying out the provisions of this section (except subsection (f)), the Commissioner is authorized to expend not to exceed $12,250,000 for each fiscal year ending prior to July 1, 1978.

COMMUNITY SCHOOLS

Sec. 406. (a) This section may be cited as the "Community Schools Act".

(b) In recognition of the fact that the school, as the prime educational institution of the community, is most effective when the school involves the people of that community in a program designed to fulfill their education needs, and that community education promotes a more efficient use of school facilities through an extension of school buildings and equipment, it is the purpose of this section to provide educational, recreational, cultural, and other community services, in accordance with the needs, interests, and concerns of the community, through the establishment of the community education program as a center for such activities in cooperation with other community groups.

(c) For purposes of this section and subparagraph (C) of section 403(b)(3), a "community education program" is a program in which a public elementary or secondary school or other appropriate public building is used as a community center operated in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, cultural, and other community services for the community that center serves in accordance with the needs, interests, and concerns of that community. Nothing in this section shall be construed to prohibit any applicant under this section from carrying out any activity with funds derived from other sources than those from this section.

(d)(1) In order to carry out the purposes and provisions of this section, the Commissioner is authorized to make grants to local educational agencies to assist them in planning, establishing, expanding, and operating community education programs.

(2) Any local educational agency desiring to receive a grant under this section for any fiscal year shall make application therefor to the Commissioner at such times, in such manner, and in such form as the Commissioner shall prescribe by regulation. The Commissioner shall not approve any such application unless the State educational agency of the State in which the applicant is located has been given an opportunity to

review, and make comment on, such application.

(e) The Commissioner is authorized to make grants to institutions of higher education to develop and establish, or to expand, programs which will train persons to plan and operate community education programs.

(f)(1) The Commissioner shall establish or designate a National Clearinghouse on Community Education Programs (hereinafter in this section referred to as the "clearinghouse"). The purpose of the clearinghouse shall be the gathering and dissemination of information received from community education programs, including but not limited to information regarding new programs, methods to encourage community participation, and ways of coordinating community education programs with other community services. The Commissioner is authorized to contract with public or private agencies or organizations to establish and operate the clearinghouse.

(2) The Commissioner shall make available to each community education program such technical assistance and information as the program may require, and such technical assistance shall be coordinated with the national clearinghouse.

(g)(1) There is established, subject to part D of the General Education Provisions Act, in the Office of the Commissioner, a Community Education Advisory Council (referred to in this section as the "Advisory Council") to be composed of eleven members. The members of the Advisory Council shall be appointed by the Secretary.

(2) A substantial number of the members of the Advisory Council shall be persons experienced in the operation of community education programs and the training of such persons. Further, the Council shall include representatives from various disciplines in providing services in community school programs.

(3) Appointments to the Advisory Council shall be completed within three months after enactment of this section.

(4) The Commissioner shall make available to the Advisory Council such staff, information, and other assistance as it may require to carry out its activities.

(5) The Advisory Council shall advise the Commissioner on policy matters relating to the interests of community schools.

(6) In the fiscal year ending June 30, 1975, the Advisory Council shall be responsible for advising the Commissioner regarding the establishment of policy guidelines and regulations for the operation and administration of this section. In addition, the Council shall create a system for evaluation of the programs. The Council shall present to Congress a complete and thorough evaluation of the programs and operation of this section for each fiscal year ending after June 30, 1975.

(h) In approving applications under this section the Commissioner shall insure that there is an equitable geographical distribution of community education programs throughout the United States in both urban and rural areas.

(i) The Commissioner is authorized to expend (1) for the purpose of subsection (d), $15,000,000 for each fiscal year ending prior to July 1, 1978; and (2) for the purposes of subsection (1), $2,000,000 for each fiscal year ending prior to July 1, 1978.

CAREER EDUCATION

SEC. 407. (a) It is the sense of Congress that—

(1) every child should, by the time he has completed secondary school, be prepared for gainful or maximum employment and for full participation in our society according to his or her ability;

(2) it is the obligation of each local educational agency to provide that preparation for all children (including its handicapped children and all other children who are educationally disadvantaged) within its school district; and

(3) each State and local educational agency should carry out a program of career education which provides every child the widest variety of career education options which are designed to prepare each child for maximum employment and participation in our society according to his or her ability.

(b) It is the purpose of this section to assist in achieving the policies set forth in subsection (a) by—

(1) developing information on the needs for career education for all children;

(2) promoting a national dialogue on career education designed to encourage each State and local educational agency to determine and adopt the approach to career education best suited to the needs of the children served by them;

(3) assessing the status of career education programs and practices;

(4) providing for the demonstration of the best of the current career education programs and practices by the development and testing of exemplary programs and practices using various theories, concepts, and approaches with respect to career education;

(5) providing for the training and retraining of persons for conducting career education programs; and

(6) developing State and local plans for implementing career education programs designed to insure that every child has the opportunity to gain the knowledge and skills necessary for gainful or maximum employment and for full participation in our society according to his or her ability.

(c)(1) In order to carry out the policies, purposes, and provisions of this section, there is established in the Office of Education an Office of Career Education (hereafter in this section referred to as the "Office"). The Office shall be headed by a Director who shall be placed in, and compensated at the rate prescribed for, grade 16 of the General Schedule set forth in section 5332 of title 5, United States Code. The position created by this paragraph shall be in addition (A) to the number of positions placed in grade 16 under section 5108 of title 5, United States Code or (B) otherwise placed in the Office of Education.

(2) The Commissioner shall delegate his functions under this section to the Director of the Office.

(d) For the purposes of this section, the term "career education" means an education process designed—

(1) to increase the relationship between schools and society as a whole;

(2) to provide opportunities for counseling, guidance and career development for all children;

(3) to relate the subject matter of the curricula of schools to the needs of persons to functions in society;

(4) to extend the concept of the education process beyond the school into the area of employment and the community;

(5) to foster flexibility in attitudes, skills, and knowledge in order to enable persons to cope with accelerating change and obsolescence;

(6) to make education more relevant to employment and functioning in society; and

(7) to eliminate any distinction between education for vocational purposes and general or academic education.

(e) The Commissioner shall conduct a survey and assessment of the current status of career education programs, projects, curriculums, and materials in the United States and submit to the Congress, not later than November 1, 1975, a report on such survey and assessment. Such report shall include recommendations of the advisory council created under subsection (g) for new legislation designed to accomplish the policies and purposes set forth in subsections (a) and (b). In exercising his authority under clauses (ii)(III) and (ii)(V) of section 434 (b)(1)(A) of the General Education Provisions Act, for any fiscal year, the Commissioner shall require State educational agencies and local educational agencies to report on their efforts to prepare students for gainful or maximum employment.

(f)(1) During the period beginning with the enactment of this section and ending June 30, 1978, the Commissioner is authorized to make grants to State and local educational agencies, institutions of higher education, and other nonprofit agencies and organizations to support projects to demonstrate the most effective methods and techniques in career education and to develop exemplary career education models (including models in which handicapped children receive appropriate career education either by participation in regular or modified programs with nonhandicapped children or where necessary in specially designed programs for handicapped children whose handicaps are of such severity that they cannot benefit from regular or modified programs). Grants made under this subsection shall be consistent with the policies set forth in subsection (a) of this subsection.

(2) During the period beginning one year after the enactment of this section and ending June 30, 1977, the Commissioner is authorized to make grants to State educational agencies to enable them to develop State plans for the development and implementation of career education programs in the local educational agencies of the States. Such plans shall be designed to carry out the policies and purposes set forth in subsections (a) and (b).

(g)(1) Subject to part D of the General Education Provisions Act and within ninety days after the enactment of this section, there is established a National Advisory Council for Career Education which shall be composed of—

(A) the Assistant Secretary of Education, the Commissioner of Education, the Director of the Office of Career Education, the Director of the National Institute of Education, the Director of the National Center for Education Statistics, the Director of the National Science Foundation, the Chairman of the National Foundation for the Arts, the Chairman of the National Foundation for the Humanities, the Chairman of the National Advisory Council for Vocational Education, all of whom shall serve in a nonvoting ex officio capacity; and

(B) not less than twelve public members broadly representative of the fields of education, the arts, the humanities, the sciences, community services, business and industry, and the general public, a majority of whom shall be engaged in education or education-related professions.

(2) The public members shall be appointed by the Secretary. The Secretary shall select the Chairman from among the public members. The members shall serve for terms of three years with not more than four seats rotating in any one year. The Commissioner shall provide such staff and funds for the Council as deemed necessary and such staff and funds shall be in addition to those provided elsewhere in this title.

(3) The duties of the Council shall be to advise the Commissioner on the implementation of this section and carry out such advisory functions as it deems appropriate, including reviewing the operation of this section and all other programs of the Division of Education pertaining to the development and implementation of career education, evaluating their effectiveness in meeting the needs of career education throughout the United States, and in determining the need for further legislative remedy in order that all citizens may benefit from the purposes of career education as prescribed in this section.

(4) The Council with the assistance of the Commissioner shall conduct a survey and assessment of the current status of career education programs, projects, curricula, and materials in the United States and submit to Congress, not later than November 1, 1975, a report on such survey and assessment. Such report shall include recommendations of the advisory council for new legislation designed to accomplish the policies and purposes set forth in subsections (a) and (b).

(h) For the purpose of carrying out the provisions of this section, the Commissioner is authorized to expend not to exceed $15,000,000 for each fiscal year ending prior to July 1, 1978.

CONSUMERS' EDUCATION

Sec. 408. (a) (1) Section 811(a) of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"Sec. 811. (a) (1) There shall be within the Office of Education an Office of Consumers' Education (hereafter in this section referred to as the 'Office') which shall be headed by a Director of Consumers' Education (hereafter in this section referred to as the 'Director') who, subject to the management of the Commissioner, shall have responsibility for carrying out the provisions of this section.

"(2) The Director shall be placed in, and compensated at, the rate provided for grade 17 of the General Schedule set forth in section 5332 of title 5, United States Code, and shall be in addition to the number of positions assigned to grade 17 under section 5108 of such title 5.

"(3) The Director shall be appointed by the Commissioner in accordance with the provisions of title 5 of the United States Code relating to appointments to the competitive service.".

(2) Such section 811(b) of such Act is amended, in clause (ii) in the second sentence of paragraph (1) (C), by striking out "paragraph (2)" and inserting in lieu thereof "subparagraph (B)".

(3) Section 811(d) of such Act is amended to read as follows:

"(d) For the purpose of carrying out this section, the Commissioner is authorized to expend not to exceed $15,000,000 for each fiscal year ending prior to July 1, 1978.".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

WOMEN'S EDUCATIONAL EQUITY

Sec. 409. (a) This section may be cited as the "Women's Educational Equity Act of 1974".

(b) (1) The Congress hereby finds and declares that educational programs in the United States (including its possessions), as presently conducted, are frequently inequitable as such programs relate to women and limit the full participation of all individuals in American society.

(2) It is the purpose of this section to provide educational equity for women in the United States.

(c) As used in this section, the term "Council" means the Advisory Council on Women's Educational Programs.

(d) (1) The Commissioner is authorized to make grants to, and enter into contracts with, public agencies and private nonprofit organizations and with individuals for activities designed to carry out the purposes of this section at all levels of education, including preschool, elementary and secondary education, higher education, and adult education. These activities shall include—

(A) the development, evaluation, and dissemination of curricula, textbooks, and other educational materials related to educational equity;

(B) preservice and inservice training for educational personnel with special emphasis on programs and activities designated to provide educational equity;

(C) research, development, and educational activities designed to advance educational equity;

(D) guidance and counseling activities, including the development of nondiscriminatory tests, designed to assure educational equity;

(E) educational activities to increase opportunities for adult women, including continuing educational activities and programs for underemployed and unemployed women;

(F) the expansion and improvement of educational programs and activities for women in vocational education, career education, physical education and educational administration.

(2) A grant may be made and a contract may be entered into under this section only upon application to the Commissioner, at such time, in such form, and containing or accompanied by such information as the Commissioner may prescribe. Each such application shall—

(A) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant;

(B) describe a program for carrying out one of the purposes set forth in subsection (a) which holds promise of making a substantial contribution toward attaining such purposes; and

(C) set forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application.

(3) The Commissioner shall approve applicants and amendments thereto which meet the requirements of paragraph (2).

(4) Nothing in this section shall be construed as prohibiting men from participating in any programs or activities assisted under this section.

(e) In addition to the authority of the Commissioner under subsection (d), the Commissioner shall carry out a program of small grants, not to exceed $15,000 each, in order to support innovative approaches to achieving the purpose of this section; and for that purpose the Commissioner is authorized to make grants to public and private nonprofit agencies and to individuals.

(f) (1) There is established in the Office of Education an Advisory Council on Women's Educational Programs. The Council shall be composed of—

(A) seventeen individuals, some of whom shall be students, who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals broadly representative of the general public who, by virtue of their knowledge or experience, are versed in the role and status of women in American society;

(B) the Chairman of the Civil Rights Commission;

(C) the Director of the Women's Bureau of the Department of Labor;

(D) the Director of the Women's Action Program of the Department of Health, Education, and Welfare; and

(E) the Chairman of the National Citizens Advisory Council on the Status of Women.

The Council shall elect its own Chairman.

(2) The term of office of each member of the Council appointed under clause (A) of paragraph (1) shall be three years, except that—

(A) the members first appointed under such clause shall serve as designated by the President, six for a term of one year, five for a term of two years, and six for a term of three years; and

(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(3) The Council shall—

(A) advise the Commissioner with respect to general policy matters relating to the administration of this section;

(B) advise and make recommendations to the Assistant Secretary concerning the improvement of educational equity for women;

(C) make recommendations to the Commissioner with respect to the allocation of any funds pursuant to this section, including criteria developed to insure an appropriate geographical distribution of approved programs and projects throughout the Nation; and

(D) develop criteria for the establishment of program priorities.

(4) From the sums available for the purposes of this section, the Commissioner is authorized and directed to conduct a national, comprehensive review of sex discrimination in education, to be submitted to the Council not later than a year after the date of enactment of this section. The Council shall review the report of the Commissioner and shall make such recommendations, including recommendations for additional legislation, as it deems advisable.

(5) The provisions of part D of the General Education Provisions Act shall apply with respect to the Council established under this subsection.

(f) The Commissioner is directed, at the end of each fiscal year, to submit to the President and the Congress and to the Council a report setting forth the programs and activities assisted under this section, and to provide for the distribution of this report to all interested groups and individuals, including the Congress, from funds authorized under this section. After receiving the report from the Commissioner, the Council shall evaluate the programs and projects assisted under this section and include such evaluation in its annual report.

(h) For the purpose of carrying out this section, the Commissioner is authorized to expend not to exceed $30,000,000 for each fiscal year prior to July 1, 1978.

ELEMENTARY AND SECONDARY SCHOOL EDUCATION IN THE ARTS

Sec. 410. The Commissioner shall, during the period beginning on June 30, 1974 and ending on June 30, 1978, through arrangements made with the John F. Kennedy Center for the Performing Arts, carrying out a program of grants and contracts to encourage and assist State and local educational agencies to establish and conduct programs in which the arts are an integral part of elementary and secondary school programs. Not less than $750,000 shall be available for the purposes of this section during any fiscal year during the period for which provision is made in the preceding sentence.

EFFECTIVE DATE

Sec. 411. Except where otherwise specified in this title, the amendments made by, and the provisions of, this title shall be effective on and after the date of enactment of this Act.

TITLE V—MISCELLANEOUS

PART A—MISCELLANEOUS AMENDMENTS RELATING TO THE IMPROVEMENT OF THE ADMINISTRATION OF EDUCATION PROGRAMS

NATIONAL CENTER FOR EDUCATION STATISTICS

Sec. 501. (a) (1) Part A of the General Education Provisions Act is amended by adding at the end thereof the following new section:

"NATIONAL CENTER FOR EDUCATION STATISTICS

"Sec. 406. (a) There is established a National Center for Education Statistics (hereafter in this section referred to as the 'Center') which shall consist of a National Board for Education Statistics (hereafter in this section referred to as the 'Board') and a Director of the Center.

"(b) The purpose of the Center shall be to collect and disseminate statistics and other data related to education in the United States and in other nations. The Center shall—

"(1) collect, collate, and, from time to time, report full and complete statistics on the conditions of education in the United States;

"(2) conduct and publish reports on specialized analyses of the meaning and significance of such statistics;

"(3) assist State and local educational agencies in improving and automating their statistical and data collection activities; and

"(4) review and report on educational activities in foreign countries.

"(c) (1) (A) The National Board for Education Statistics shall be composed of six members appointed by the President, by and with the advice and consent of the Senate, and such ex officio members as are listed in subparagraph (B). Not more than three of the appointed members may be members of the same political party.

"(B) The ex officio members of the Board shall be the following officials, or their delegates:

"(i) The Assistant Secretary, as provided in subparagraph (D).

"(ii) The Director of the National Center for Educational Statistics.

"(iii) The Commissioner of Education.

"(iv) The Director of the National Institute of Education.

"(v) The Librarian of Congress.

"(vi) The Comptroller General of the United States.

"(vii) The Director of the Census.

"(viii) The Commissioner of Labor Statistics.

"(ix) The Director of the National Science Foundation.

"(x) The Chairman of the National Foundation on the Humanities.

"(xi) The Chairman of the National Foundation on the Arts.

"(C) Appointed members of the Board shall serve for terms of three years, as determined by the President, except that in the case of the initial appointed members of the Board, they shall serve for shorter terms to the extent necessary that the terms of office of no more than two members expire in the same calendar year.

"(D) The Assistant Secretary shall serve as the nonvoting presiding officer of the Board.

"(2) (A) The Board shall meet at the call of the presiding officer, except that it shall meet—

"(i) at least four times during each calendar year; and

"(ii) in addition, whenever three voting members request in writing that the presiding officer call a meeting.

"(B) Nine voting members of the Board shall constitute a quorum of the Board.

"(3) (A) The Board shall establish general policies for the operation of the Center and shall be responsible for establishing standards to insure that statistics and analyses disseminated by the Center are of high quality and are not subject to political influence.

"(B) The Board shall, not later than November 1 of each year, submit to the Congress an annual report which—

"(i) contains a description of the activities of the Center during the then current fiscal year and a projection of its activities during the succeeding fiscal year;

"(ii) sets forth estimates of the cost of the projected activities for such succeeding fiscal year; and

"(iii) includes a statistical report on the condition of education in the United States during the two preceding fiscal years and a projection, for the three succeeding fiscal years, of estimated statistics related to education in the United States.

"(C) The Board shall develop and enforce standards designed to protect the confidentiality of persons in the collection, reporting, and publication of data under this section. This subparagraph shall not be construed to protect the confidentiality of information about institutions, organizations, and agencies receiving grants from or having contracts with the Federal Government.

"(d) (1) The Director of the Center shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate specified for level V of the Executive Schedule under section 5316 of title 5, United States Code. The Director shall perform such duties and exercise such powers and authorities as the Board may prescribe.

"(2) There shall be a Deputy Director of the Center who shall be appointed by the Director of the Center in accordance with the provisions of title 5, United States Code, relating to appointments in the competitive service. The Deputy Director shall be placed in, and compensated at the rate specified for, grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code. The Deputy Director shall act for the Director during the absence or disability of the Director and exercise such powers and authorities as the Director may prescribe. The position created by this paragraph shall be in addition to the number of positions placed in grade 18 of such General Schedule under section 5108 of the United States Code.

"(e) In order to carry out the objectives of the Center, the Director, subject to policies established by the Board, is authorized, either directly or by grant or contract, to carry out the purposes set forth in subsection (b); and for that purpose the Director is authorized to make grants to, and contracts with public and private institutions, agencies, organizations and individuals, except that no grant may be made to an institution agency or organization other than a non-profit institution agency or organization.

"(f) (1) (A) The Center is authorized transcripts or copies of tables and other records of the Office of Education, the Center, and the National Institute of Education, and to make special statistical compilations and surveys for, State or local officials, public and private organizations, or individuals. The Center shall furnish such special statistical compilations and surveys as the Committees on Labor and Public Welfare and on Appropriations of the Senate and the Committees on Education and Labor and on Appropriations of the House of Representatives may request. Such statistical compilations and surveys, other than those carried out pursuant to the preceding sentence, shall be made subject to the payment of the actual or estimated cost of such work. In the case of nonprofit organizations or agencies, the Director may engage in joint statistical projects, the cost of which shall be shared equitably as determined by the Director, provided that the purposes are otherwise authorized by law.

"(B) All moneys received in payment for work or services enumerated under subparagraph (A) shall be deposited in a separate account which may be used to pay directly the costs of such work or services, to repay appropriations which initially bore all or part of such costs, or to refund excess sums when necessary.

"(2) (A) The Center shall, in accordance with regulations published for the purposes of this paragraph, conduct, at least one time every three years, a survey of school-aged children of the United States. Such survey shall be designed—

"(i) to determine the number of children of such ages in the States and the status of their education;

"(ii) to determine the general characteristics of such children which affect their educational achievement and their educational needs; and

"(iii) to provide information to the Congress to enable the Congress to assess the financial needs of elementary and secondary school systems.

"(B) The Center shall publish, at least annually, a report on the survey conducted pursuant to subparagraph (A). Such report shall be submitted to the Congress not later than July 1 of each year, and shall contain those statistics necessary to determine impact and effectiveness of Federal education programs for purposes of program and legislative planning.

"(C) The Center shall participate with other Federal agencies having a need for educational data in forming a consortium for the purpose of providing direct joint access with such agencies to all educational data received by the Center through automated data processing. The Library of Congress, General Accounting Office, and the Committees on Labor and Public Welfare and Appropriations of the Senate and the Committees on Education and Labor and Appropriations of the House of Representatives shall, for the purposes of this subparagraph be considered Federal agencies.

"(D) The Center shall, in accordance with regulations published for the purpose of this paragraph, provide all interested parties, including public and private agencies and individuals direct access to data collected by the Center for purposes of research and acquiring statistical information.

"(3) The Commissioner and the National Institute of Education are directed to cooperate with the Center and make such records and data available to the Center as may be necessary to enable the Center to carry out its functions under this subsection.

"(g) (1) The amount available for grants and contracts by the Director under subsection (e) shall not exceed $20,000,000 for the fiscal year ending June 30, 1974, $31,600,000 for the fiscal year ending June 30, 1975, $44,600,000 for the fiscal year ending June 30, 1976, and $71,800,000 for the fiscal year ending June 30, 1977.

"(2) Sums appropriated for activities and expenses of the Center which are not limited by paragraph (1) of this subsection shall be appropriated apart from appropriations which are not so limited, as separate line items.".

(2) Section 401 of the General Education Provisions Act is amended to read as follows:

"THE EDUCATION DIVISION

"Sec. 401. (a) There shall be, within the Department of Health, Education, and Welfare, an Education Division, composed of the agencies listed in subsection (b), which shall be headed by the Assistant Secretary.

"(b) The Education Division shall be composed of the following agencies:

"(1) The Office of Education.

"(2) The National Institute of Education.

"(3) The National Center for Education Statistics.".

(3) Subsection (a) of section 403 of the General Education Provisions Act is amended to read as follows:

"Sec. 403. (a) There shall be an Office of Education (hereinafter in this section referred to as the 'Office') which shall be the primary agency of the Federal Government responsible for the administration of programs of financial assistance to educational agencies, institutions, and organizations. The Office shall have such responsibilities and authorities as may be vested in the Commissioner by law or delegated to the Commissioner in accordance with law.".

(4) The General Education Provisions Act is amended by striking out section 427.

(5) The National Center for Education Statistics shall conduct the survey required by section 731(c)(1)(A) of title VII of the Elementary and Secondary Education Act of 1965.

(b) (1) The amendments made by subsection (a) shall be effective on the tenth day after the enactment of this Act.

(2) (A) All functions and authority vested in the Commissioner of Education which, immediately prior to the date upon which the amendments made by subsection (a) become effective, are related to the collection, analysis, and dissemination of statistics about, and reports on the conditions of, education in the Nation as determined by the Assistant Secretary are transferred, on such date to the National Center for Education Statistics established under section 406 of the General Education Provisions Act.

(B) The functions and authority of the Commissioner of Education under section 427 prior to the date upon which the amendments made by subsection (a) become effective, together with all funds deposited in any account under such section, are transferred, on such date to the National Center for Education Statistics.

(c) The National Center for Education Statistics is authorized and directed to furnish not later than one year after the date of enactment of this Act to the Committee on Labor and Public Welfare of the Senate and to the Committee on Education and Labor of the House of Representatives the following data:

(1) the kind of Federal property for which the Commissioner makes determinations under sections 3(a) and 3(b) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress);

(2) the location of such property and the residence for school purposes of children who are counted under such sections 3(a) and 3(b);

(3) the number of parents who are counted under such sections 3(a) and 3(b) who are civilians and the number of such parents who are on active duty in the uniformed services;

(4) the number of children who reside on, or reside with parents on property which is part of a low-rent housing project assisted under the United States Housing Act of 1937, section 516 of the Housing Act of 1949, or part B of title III of the Economic Opportunity Act of 1964; and

(5) an estimate of the economic impact to the area served by the local educational agency by the presence of Federal property the basis of which is an entitlement for financial assistance under such sections 3(a) and 3(b). Each category of data required under this section shall be prepared for each school district of a local educational agency which received payments under the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) for the fiscal year ending June 30, 1973.

(d) (1) The National Center for Education Statistics is authorized and directed to conduct a thorough study of the manner in which the relative measure of poverty for use in the financial assistance program authorized by title I of the Elementary and Secondary Education Act of 1965 may be more accurately and currently developed. The study of the relative measure of poverty required by this subsection shall be adjusted for regional, climatic, metropolitan, urban, suburban, and rural differences and for family size and head of household differences. The study required by this subsection shall consider—

(A) the availability of data more current than the decennial census including data collected by any agency of the Federal Government which are relevant except that data so collected shall not disclose the name of any individual or any other information customarily held confidential by that agency, but shall include aggregate information to the extent possible;

(B) the availability and usefulness of cost of living data;

(C) the availability and usefulness of cost of housing data;

(D) the availability and usefulness of labor market and job availability data;

(E) the availability and usefulness of data with respect to prevailing wage rates, unemployment rates, and income distribution; and

(F) the availability of data with respect to eligibility criteria for aid to families with dependent children under a State plan approved under title IV of the Social Security Act.

(2) The National Center for Education Statistics as authorized and directed to prepare and submit to the Congress not later than one year after the effective date of this Act a report of the study conducted under this subsection including recommendations with respect to the availability of data designed to improve the relative measure of poverty for the program of financial assistance authorized by title I of the Elementary and Secondary Education Act of 1965. Whenever the Center determines that data specified in paragraph (1) of this subsection are not available or that it is impractical to obtain data for each relevant area or category, the report shall contain an explanation of the reasons therefor.

(e) Section 731(c)(1)(A) of title VII of the Elementary and Secondary Education Act of 1965, as amended by section 105 of this Act, is amended by inserting "conducted by the National Center for Education Statistics" after "a survey".

AMENDMENTS TO PART B OF THE GENERAL EDUCATION PROVISIONS ACT, RELATING TO APPROPRIATIONS AND EVALUATIONS

SEC. 502. (a) (1) Part B of the General Education Provisions Act is amended—

(A) by striking out sections 411 and 413;

(B) by redesignating sections 412, 414, and 415, and all references thereto, as sections 411, 412, and 413, respectively;

(C) by redesignating section 417 as section 419;

(D) by inserting after the heading thereof the following:

"Subpart 1—Appropriations"; and

(E) by inserting after section 413, as so redesignated in clause (B), the following:

"CONTINGENT EXTENSION OF PROGRAMS

"SEC. 414. (a) Unless the Congress in the regular session which ends prior to the beginning of the terminal fiscal year—

"(1) of the authorization of appropriations for an applicable program; or

"(2) of the duration of an applicable program; either—

"(A) has passed or has formally rejected legislation which would have the effect of extending the authorization or duration (as the case may be) of that program; or

"(B) by action of either the House of Representatives or the Senate, approves a resolution stating that the provisions of this section shall no longer apply to such program; such authorization or duration is hereby automatically extended for one additional fiscal year. The amount appropriated for such additional year shall not exceed the amount which the Congress could, under the terms of the law for which the appropriation is made, have appropriated for such program during such terminal year.

"(b) (1) For the purposes of clause (A) of subsection (a), the Congress shall not have been deemed to have passed legislation unless such legislation becomes law.

"(2) In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations which are necessary for the continuation of an applicable program, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which that part of subsection (a) which follows clause (B) thereof is in operation.

"Subpart 2—Planning and Evaluation of Federal Education Activities

"PROGRAM PLANNING AND EVALUATIONS BY THE ASSISTANT SECRETARY

"SEC. 416. The Assistant Secretary is authorized, by grant or contract or directly—

"(1) to carry out planning activities for, and evaluations of applicable programs; and

"(2) with funds appropriated expressly for such purpose, to conduct analyses of related educational issues.

The amount appropriated for the purposes of this subsection for any fiscal year shall not exceed $25,000,000.

"ANNUAL EVALUATION REPORTS

"SEC. 417. (a) (1) Not later than November 1 of each year, the Secretary shall transmit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate an annual evaluation report which evaluates the effectiveness of applicable programs in achieving their legislated purposes together with recommendations relating to such programs for the improvement of such programs which will result in greater effectiveness in achieving such purposes.

"In the case of any evaluation report evaluating specific programs and projects, such report shall—

"(1) set forth goals and specific objectives in qualitative and quantitative terms for all programs and projects assisted under the applicable program concerned and relate those goals and objectives to the purposes of such program;

"(2) contain information on the progress being made during the previous fiscal year toward the achievement of such goals and objectives;

"(3) describe the cost and benefits of the applicable program being evaluated during the previous fiscal year and identify which sectors of the public receive the benefits of such program and bear the costs of such program;

"(4) contain plans for implementing corrective action and recommendations for new or amended legislation where warranted;

"(5) contains a listing identifying the principal analyses and studies supporting the major conclusions and recommendations in the report; and

"(6) be prepared in concise summary form with necessary detailed data and appendices.

"(b) Each evaluation report submitted pursuant to subsection (a) shall contain: (1) a brief description of each contract or grant for evaluation of any program conducted under section 416, any part of the performance of which occurred during the preceding year, (2) the name of the firm or individual who is to carry out the evaluation, and (3) the amount to be paid under the contract or grant.

"RENEWAL EVALUATION REPORTS

"SEC. 418. (a) In the case of any applicable program for which—

"(1) the authorization of appropriations expires; or

"(2) the time during which payments or grants are to be made expires;

not later than one year prior to the date of such expiration, the Assistant Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a comprehensive evaluation report on such program.

"(b) Any comprehensive evaluation report submitted pursuant to subsection (a) shall contain—

"(1) a history of the program concerned including—

"(A) a history of authorizations of appropriations, budget requests, appropriations, and expenditures for such programs;

"(B) a history of legislative recommendations with respect to such program made by the President and the disposition of such recommendations, and

"(C) a history of legislative changes made in applicable statutes with respect to such program;

"(2) assuming a continuation of such program, recommendations for improvements (including legislative changes and funding levels) in such program with a view toward achieving the legislative purposes of such program;

"(3) a compilation and summary of all evaluations of such program; and

"(4) a recommendation with respect to whether such program should be continued, and the date of its expiration, and the reasons for such recommendation.".

(2) Any reference in any law, regulation, guideline, or other document, however styled, to sections 411, 413, and 417 of the General Education Provisions Act on the date of the enactment of this Act shall be deemed to be a reference to the appropriate section of subpart 2 of part B of the General Education Provisions Act which contains the comparable provision.

(b) The amendments made by, and provisions of, subsection (a) shall be effective on the date of the enactment of this Act.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

Sec. 503. (a)(1) The General Education Provisions Act is amended by adding after section 406 the following new section:

"FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

"Sec. 407. (a) There shall be, in the Education Division, a Federal Interagency Committee on Education (hereafter in this section referred to as the 'Committee') which shall be composed of—

"(1) the Assistant Secretary, who shall be Chairman of the Committee;

"(2) the Commissioner;

"(3) the Director of the National Institute of Education;

"(4) the Director of the National Center for Education Statistics;

"(5) such other officers of the Department of Health, Education, and Welfare as the Secretary may designate; and

"(6) one representative of each of the following departments and agencies:

"(A) the Department of State,

"(B) the Department of Defense,

"(C) the Department of Agriculture,

"(D) the Department of Labor,

"(E) the Department of Housing and Urban Development,

"(F) the Department of Commerce,

"(G) the Department of the Interior,

"(H) the Department of Justice,

"(I) the National Science Foundation,

"(J) the Atomic Energy Commission,

"(K) the National Endowment for the Arts,

"(L) the National Endowment for the Humanities,

"(M) the National Aeronautics and Space Administration.

In addition, the President may, by Executive order, appoint or designate the heads of such other departments or agencies as he deems appropriate to be members of the Committee.

"(b) The Director of the Office of Management and Budget and the Chairman of the Council of Economic Advisors to the President are authorized to appoint nonparticipating observers to the Committee.

"(c)(1) The Committee shall advise the heads of departments and agencies with respect to their functions which relate to, or affect, education and encourage them to coordinate such functions.

"(2) The Committee shall collect education-related data and other information from the departments and agencies of the Federal Government and make such data and other information available to the National Center for Education Statistics.

"(c) The Assistant Secretary shall provide the Committee with such professional, technical, and clerical staff as may be necessary to enable the Committee to carry out its functions under this section.".

(2) Executive Orders Numbered 1118 (October 16, 1964, 29 F.R. 14399) and 11761 (January 17, 1974) relating to the coordination of Federal education activities and all orders amendatory thereto, having been superseded by section 407 of the General Educational Provisions Act, shall have no effect after the enactment of this Act.

(b) Except as otherwise provided in this section, the amendments made by subsection (a) shall be effective on the tenth day after the enactment of this Act.

GENERAL PROVISIONS TO OFFICERS IN THE EDUCATION DIVISION

Sec. 504. (a)(1) The General Education Provisions Act is amended by adding after section 407 the following new sections:

"RULES FOR EDUCATION OFFICERS OF THE UNITED STATES

"Sec. 408. (a) For the purposes of this section, the term 'education officer of the United States' means any person appointed by the President pursuant to this part, except members of commissions, councils, and boards.

"(b) Each education officer of the United States shall serve at the pleasure of the President.

"(c) No education officer of the United States shall engage in any other business, vocation, or employment while serving in the position to which he is appointed; nor may he, except with the express approval of the President in writing, hold any office in, or act in any capacity for, or have any financial interest in, any organization, agency, or institution to which an agency in the Education Division makes a grant or with any such agency makes a contract or any other financial arrangement.

"(d) No person shall hold, or act for, more than one position as an education officer of the United States at any one time.

"GENERAL AUTHORITY OF ADMINISTRATIVE HEADS OF EDUCATION AGENCIES

"Sec. 409. (a) Each administrative head of an education agency, in order to carry out functions otherwise vested in him by law, is, subject to limitations as may otherwise be imposed by law, authorized—

"(1) to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of operation of the agency of which he is head;

"(2) in accordance with those provisions of title 5, United States Code, relating to the appointment and compensation of personnel and subject to such limitations as are imposed in this part, to appoint and compensate such personnel as may be necessary to enable such agency to carry out its functions;

"(3) to accept unconditional gifts or donations of services, money, or property (real, personal, or mixed; tangible or intangible);

"(4) without regard for section 3648 of the Revised Statutes of the United States (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary for the conduct of such agency;

"(5) with funds expressly appropriated for such purpose, to construct such facilities as may be necessary to carry out functions vested in him or in the agency of which he is head, and to acquire and dispose of property; and

"(6) to use the services of other Federal agencies and reimburse such agencies for such services.

"(b) Any administrative head of an education agency is, subject to any other limitations on delegations of authority provided by law, authorized to delegate any of his functions under this section to an officer or employee of that agency.

"(c) For the purposes of this section, the term 'administrative head of an education agency' means the Commissioner, the Director of the National Institute of Education, and the Director of the National Center for Education Statistics. To the extent that the Assistant Secretary is directly responsible for the administration of a program, he shall, for such purposes be considered within the meaning of such term."

(2)(A) The General Education Provision Act is amended—

(i) in section 402(b), by striking out the second sentence thereof;

(ii) in section 403, by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The Office shall be headed by the Commisioner of Education who shall be appointed by the President, by and with the advice and consent of the Senate.

"(c)(1) There shall be in the Office an Executive Deputy Commissioner of Education (in this subsection referred to as the 'Executive Deputy Commissioner') who shall be appointed by the President and shall, subject to the direction of the Commissioner, be responsible for broad delegated responsibility to act for the Commissioner on major aspects of the Office. The Executive Deputy Commissioner shall act for the Commissioner during the absence or disability of the Commissioner.

"(2) The Executive Deputy Commissioner shall be placed in, and compensated at the rate specified for, grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code."; and

(iii) in section 405—

(I) by striking out that part of the first sentence of subsection (d)(1) which follows "Senate" and inserting in lieu thereof a period, and

(II) by striking out subsection (f).

(B) Section 416 of such Act, as enacted by section 502 of this Act, is amended by inserting "(a)" after "Sec. 416." and by adding at the end thereof the following:

"(b) In order to enable the Assistant Secretary to carry out his functions under subsection (a), the Assistant Secretary shall for such purpose be deemed to be an administrative head of an education agency with respect to the authority vested therein by clauses (1), (2), (4), and (6) of section 409.".

(b) The amendments made by this section shall be effective on the tenth day after the date of enactment of this Act.

REGIONAL OFFICES; ORGANIZATION; DELEGATIONS OF AUTHORITY

Sec. 505. (a)(1) Section 403 of the General Education Provisions Act is amended by adding at the end thereof the following:

"(d)(1) The Office shall, consistent with such organization thereof which is provided in law, be divided into bureaus, and such bureaus shall be divided into divisions, as the Commissioner determines appropriate.

"(2) Except as is otherwise provided by law, bureaus of the Office shall be headed by Deputy Commissioners, and divisions of such bureaus shall be headed by Directors. Deputy Commissioners, subject to this subsection, shall be placed in, and compensated at the rate specified for, grade 18 of the General Schedule as set forth in section 5332 of title 5, United States Code, and Directors, subject to this subsection, shall be placed in, and compensated at the rate specified for, grade 17 of such General Schedule.

"(A) There shall be regional offices of the Office of Education established in such places as the Commissioner, after consultation with the Assistant Secretary, shall determine. Such regional offices shall carry out such functions as are specified in subparagraph (B).

"(B) The regional offices shall serve as centers for the dissemination of information about the activities of the agencies in the Education Division and provide technical assistance to State and local educational agencies, institutions of higher education, and other educational agencies, institutions, and organizations and to individuals and other groups having an interest in Federal education activities.

"(C) The Commissioner shall not delegate to any employee in any regional office any function which was not carried out, in accordance with regulations effective prior to June 1, 1973, by employees in such offices unless the delegation of such function to employees in regional offices is expressly authorized by law enacted after the enactment of the Education Amendments of 1974.

"(3) The Commissioner shall submit to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than November 1 of each year a report on the personnel needs and assignments of the Office. Such report shall include a description (A) of the manner in which the Office is organized and the personnel of the Office are assigned to the various functions of that agency and (B) of personnel needs of that agency in order to enable it to carry out its functions, as authorized by law.".

(2) The Secretary of Health, Education, and Welfare shall delegate his functions respecting the administration of programs administered in the Office of Education to the Assistant Secretary of Health, Education, and Welfare for Education.

(b) The provisions of the amendments made by subsection (a) shall be effective on the tenth day after the date of enactment of this Act, except that the provisions of limitation set forth in section 403(d)(2)(C) of such Act shall have effect on the date of such enactment, and shall be retroactive to June 1, 1973.

AMENDMENTS TO SECTION 431 OF THE GENERAL EDUCATION PROVISIONS ACT RELATING TO RULES, REGULATIONS, AND OTHER REQUIREMENTS OF GENERAL APPLICABILITY

SEC. 506. Section 431(b) of the General Education Provisions Act is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following:

"(2)(A) During the thirty-day period prior to the date upon which such standard, rule, regulation, or general requirement is to be effective, the Commissioner shall offer any interested party an opportunity to make comment upon, and take exception to, such standard, rule, regulation, or general requirement and shall reconsider any such standard, rule, regulation, or general requirement upon which comment is made or to which exception is taken.

"(B) If the Commissioner determines that the thirty-day requirement in paragraph (1) will cause undue delay in the implementation of a regulation, thereby causing extreme hardship for the intended beneficiaries of an applicable program, he shall notify the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate. If both such committees agree with the determination of the Commissioner, the Commissioner may waive such requirement with respect to such regulation.".

AMENDMENTS TO SECTION 400 OF THE GENERAL EDUCATION PROVISIONS ACT: CONFORMING AND CLARIFYING AMENDMENTS; UNIFORM DEFINITIONS; LIMITATIONS ON AUTHORIZATIONS OF APPROPRIATIONS

SEC. 507. (a)(1) Section 400 of the General Education Provisions Act is amended to read as follows:

"GENERAL PROVISIONS

"SEC. 400. (a) This title may be cited as the 'General Education Provisions Act'.

"(b) Unless otherwise specified, the following definitions shall apply to the terms used in any applicable statute:

"(1) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(2) The term 'Assistant Secretary' means the Assistant Secretary of Health, Education, and Welfare created under section 402.

"(3) The term 'Commissioner' means the Commissioner of Education for which provision is made under section 403.

"(4) The term 'Education Division' means the Education Division established under section 401.

"(5) The term 'Office of Education' means the agency established under section 403.

"(6) The term 'National Institute of Education' means the agency established under section 405.

"(7) The term 'National Center for Education Statistics' means the agency established under section 406.

"(8) The term 'construction' means (A) erection of new or expansion of existing structures and the acquisition and installation of necessary equipment therefor; or (B) acquisition of existing structures; or (C) remodeling or alteration of existing structures; or (D) any combination of any two or more of the activities described in clauses (A), (B), and (C).

"(9) The term 'elementary school' means a day or residential school which provides elementary education, as determined under State law.

"(10) The term 'equipment' includes machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the functioning of a particular facility, as a facility for the provision of educational service, including such items as instructional equipment and necessary furniture; printed, published, and audio-visual instructional materials; and books, periodicals, documents; and other related materials.

"(11) The term 'free public education' means education which is provided at public expense, under public supervision, direction, and control, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

"(12) The term 'gifted and talented children' means children who, in accordance with objective criteria established by the Commissioner by regulation, have outstanding intellectual ability, or creative talent, the development of which requires special educational activities or services not ordinarily provided by local educational agencies.

"(13) The term 'handicapped' when applied to a person means a person who is mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, or crippled; and the term 'handicapped children' means children who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or have other health impairments, who by reason thereof require special education and services.

"(14) The term 'institution of higher education' means an educational institution in a State which—

"(A) admits, as regular students, only individuals having a certificate of graduation (or the recognized equivalent thereof) from a secondary school;

"(B) is legally authorized within such State to provide a program of postsecondary education;

"(C) provides an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree;

"(D) is a public or other nonprofit institution; and

"(E) is accredited by a nationally recognized accrediting agency or association, as determined by the Commissioner.

For the purposes of clause (E), the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authorities as to the quality of education or training offered in institutions of higher education.

"(15) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction, or to perform a service function for free public education in elementary or secondary schools in a school district or other local political subdivision of a State, or such combination of school districts or other local political subdivisions of a State as are recognized in a State as an administrative agency for the provision of free public education in elementary or secondary schools.

"(16) The term 'nonprofit' as applied to a school, agency, organization, or institution means an educational school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(17) The term 'parent' includes a legal guardian of, or other person standing in loco parentis with, a child.

"(18) The term 'school or department of divinity' means an institution or department or a branch of an institution, the educational program of which is designed or intended for the education of students—

"(A) to prepare them to become ministers of religion or to enter upon some other religious vocation (or to provide continuing training for any such vocation); or

"(B) to prepare them to teach theological subjects.

"(19) The term 'secondary school' means a school which provides secondary education as determined under State law, except that such term shall not include instruction beyond grade 12.

"(20) The term 'State' includes the several States of the Union, and the District of Columbia.

"(21) The term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of free public education in elementary and secondary schools, or, if there is no such officer or agency, an office or agency designated by the Governor or by State law.

"(c)(1) Except where otherwise specified, the provisions of this title shall apply to any program for which an administrative head of an education agency (as defined in section 409) has administrative responsibility, as provided by law or by delegation of authority, pursuant to law.

"(2)(A) For the purposes of this title—

"(i) the term 'applicable program' means any program to which this title is, under the terms of paragraph (1) applicable; and

"(ii) the term 'applicable statute' means (I) the Act, or the title, part, or section of an Act, as the case may be which authorizes the appropriation for an applicable program, (II) this title, and (III) any other statute which, under its terms, expressly controls the administration of an applicable program.

"(B) The Civil Rights Act of 1964 (A) shall not be considered, for the purposes of this title, an applicable statute, but (B) shall have full force and effect on the basis of the terms of that Act with respect to the administration of any applicable program.

"(C) No Act making appropriations to carry out an applicable program shall be considered an applicable statute.

"(D) Nothing in this Act shall be construed to affect the applicability of section 3679 of the Revised Statutes or the Budget and Accounting Act, 1921, unless a provision of that section or Act is inconsistent with this Act.

"(3) In the case of any provision in this title which limits the applicability of other provisions of law to the contrary unless such other provision of law is enacted in express and specific limitation thereof, the form of an enactment expressly and specifically limiting any such provision shall be as follows: 'This ——— is enacted as a limitation on ——— of the General Education Provisions Act'; the first blank is to be filed with the section, part, title, or Act, as the case may be, which creates the limitation; and the second blank is to be filled with the section number on which the limitation is imposed.

"(d) No authority vested in the Assistant Secretary or in any agency or officer, council, commission, or board in the Education Division shall be transferred to any other agency or any official in any other agency except by a statute which expressly limits the effect of this section.

"(e)(1) Subject to paragraph (2) of this subsection and subsection (f), there are authorized to be appropriated for any fiscal year ending prior to July 1, 1977, such sums as may be necessary to carry out the provisions of this title. Except as may be otherwise authorized in this title, there shall be no expenditure of funds for any activity authorized by this title except from appropriations pursuant to the preceding sentence.

"(2) Of the sums appropriated pursuant to paragraph (1)—

"(i) not to exceed $1,500,000 for the fiscal year ending June 30, 1974, $3,600,000 for the fiscal year ending June 30, 1975, $4,500,000 for the fiscal year ending June 30, 1976, and $5,500,000 for the fiscal year ending June 30, 1977, shall be for salaries and expenses for the operation of the office of the Assistant Secretary;

"(ii) not to exceed $90,000,000 for the fiscal year ending June 30, 1974, $127,300,000 for the fiscal year ending June 30, 1975, $156,400,000 for the fiscal year ending June 30, 1976, and $195,500,000 for the fiscal year ending June 30, 1977, shall be for salaries and expenses for the administration of the Office of Education;

"(iii) not to exceed $7,500,000 for the fiscal year ending June 30, 1974, $13,000,000 for the fiscal year ending June 30, 1975, $16,000,000 for the fiscal year ending June 30, 1976, and $21,000,000 for the fiscal year ending June 30, 1977, shall be for salaries and expenses for the National Institute of Education; and

"(iv) not to exceed $5,000,000 for the fiscal year ending June 30, 1974, $10,000,000 for the fiscal year ending June 30, 1975, and $14,000,000 for the fiscal year ending June 30, 1976 and for the succeeding fiscal year, shall be for salaries and expenses for the National Center for Education Statistics.

"(f)(1)(A) The aggregate of the appropriations to the agencies in the Education Division and to the office of the Assistant Secretary for any fiscal year shall not exceed the limitations set forth for that fiscal year in subparagraph (B).

"(B)(i) Except as is provided in division (ii), the appropriations to which subparagraph (A) applies—

"(I) shall not exceed $7,500,000,000 for the fiscal year ending June 30, 1975, $8,000,000,000 for the fiscal year ending June 30, 1976, and $9,000,000,000 for the fiscal year ending June 30, 1977; and

"(II) except as is provided in division (iii), shall not exceed such amount as may be authorized by the law and limited by this division.

"(ii) The limitations set forth in division (i) shall not apply—

"(I) to uncontrollable expenditures under obligations created under part B of title IV of the Higher Education Act of 1965, parts C and D of title VII of such Act, and the Emergency Insured Student Loan Act of 1969;

"(II) to any other expenditure under an obligation determined by the Commissioner pursuant to, or in accordance with, law to be an uncontrollable expenditure of the Office of Education.

"(iii) For the purpose of section 414, the limitations set forth in clause (I) of division (i) and in paragraph (2) shall, with respect to the fiscal year ending June 30, 1977, be deemed to be authorizations of appropriations.

"(2)(A) The sums appropriated to which paragraph (1) applies for any fiscal year ending prior to July 1, 1978, shall be subject to the following limitations:

"(i) In the case of the title I of the Elementary and Secondary Education Act of 1965, the limitation shall be $2,500,000,000 for the fiscal year ending June 30, 1974 and for the succeeding fiscal year, $3,000,000,000 for the fiscal year ending June 30, 1976, $3,500,000,000 for the fiscal year ending June 30, 1977, and $4,000,000,000 for the fiscal year ending June 30, 1978.

"(ii) In the case of title VI of such Act, the limitation shall be $400,000,000 for the fiscal year ending June 30, 1975, $500,000,000 for the fiscal year ending June 30, 1976, $750,000,000 for the fiscal year ending June 30, 1977, and $1,000,000,000 for the fiscal year ending June 30, 1978; but in no event shall the appropriation for such title VI be less than the aggregate of—

"(I) the amounts to which each State is entitled under the provisions of paragraph (3) of section 402(a) of the Education Amendments of 1974; or

"(II) the amounts to which each State is entitled under section 602(a)(1) and section 602(b) of the Elementary and Secondary Education Act of 1965:

whichever is greater, when determined with respect to each State.

"(iii) In the case of title I of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), the limitation shall be $750,000,000 for the fiscal year ending June 30, 1974, and for the succeeding fiscal year, $800,000,000 for the fiscal year ending June 30, 1976, $900,000,000 for the fiscal year ending June 30, 1977, and $1,000,000,000 for the fiscal year ending June 30, 1978.

"(B) If the aggregate of the entitlements created under title VI of the Elementary and Secondary Education Act of 1965 exceeds the appropriation for such title VI for any fiscal year ending prior to July 1, 1978, each of the entitlements created thereunder shall be reduced ratably until such aggregate does not exceed such appropriation, except that the amount to which the entitlement of any State for any such fiscal year is reduced—

"(i) with respect to entitlements created under section 602(a), shall not be less than $1,000,000;

"(ii) with respect to entitlements created under section 602(b), shall not be less than—

"(I) $1,000,000, or

"(II) 10 per centum of the amount to which such State is entitled under section 602(a) (after any reductions necessitated by operation of this paragraph),

whichever is greater; and

"(ii) with respect to entitlements created under both sections 602(a) and 602(b) shall not be less than the minimum amount for which provision is made for such State in clause (ii) of subparagraph (A).".

(2) The limitation set forth in clause (iii) of section 400(f)(2)(A) of the General Education Provisions Act shall not apply for any fiscal year to entitlements created under the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) which are increased by reason of section 203(b)(2)(A)(i) of this Act, to the extent of such increases.

(3) Section 605(c)(1) of the Elementary and Secondary Education Act of 1965, as added by section 402(a)(2) of this Act, is amended in clause (A) thereof by striking out "section 602(a)," and inserting in lieu thereof the following: "section 602(a), but shall not be less than the minimum amounts for which provision is made with respect to such State in section 400(f)(2)(B) of the General Education Provisions Act".

(4) Section 406(g) of the Act as added by section 501 of this Act is amended by striking out "paragraph (1)" and inserting in lieu thereof "section 400(e)(2) or paragraph (1)".

(b) The amendment made by subsection (a) and the provisions thereof shall be effective on and after the tenth day after the enactment of this Act.

BUREAU OF LIBRARIES AND LEARNING RESOURCES

Sec. 508. (a) There is established, in the Office of Education, a Bureau of Libraries and Learning Resources (hereafter in this section referred to as the "Bureau"), through which the Commissioner administers all programs in the Office of Education related to assistance for, and encouragement of, libraries and information centers and education technology.

(b)(1) The Bureau shall be headed by a Deputy Commissioner, to whom the Commissioner shall delegate his delegable functions with respect to the programs administered through the Bureau, and who shall be placed in, and compensated at the rate provided for grade 17 of the General Schedule set forth in section 5332 of title 5, United States Code.

(2) In addition to the position created in paragraph (1), there shall be two positions in the Bureau which shall be placed in, and compensated at the rate provided for, grade 16 of such General Schedule.

(3) The positions created by paragraphs (1) and (2) shall be in addition to the number of positions placed in such grades of the General Schedule under section 5108 of title 5, United States Code, and shall be without prejudice against the Office of Education with respect to the number of positions, subject to such section 5108 assigned to the Office of Education.

(4) The number of positions placed in grades 15 and below of such General Schedule assigned to the Bureau and solely under the direction and supervision of the person holding the position created by paragraph (1) shall not be less than sixty.

AUDITS AND RECORDKEEPING

Sec. 509. (a) Section 434(a) of the General Education Provisions Act is amended to read as follows:

"Sec. 434. (a)(1) Each recipient of Federal funds under any applicable program through any grant, subgrant, contract, subcontract, loan, or other arrangement entered into (other than by formal advertising) shall keep such records as the Assistant Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such funds are given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Assistant Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after the completion of the project or undertaking to which reference is made in paragraph (1), have access, for the purpose of audit and examination, to any books, documents, papers, and records of such recipients which, in the opinion of the Comptroller General, after consultation with the Assistant Secretary, may be related, or pertinent to, the grants, subgrants, contracts, subcontracts, loans, or other arrangements to which reference is made in paragraph (1)."

AMENDMENTS RELATING TO ADVISORY COUNCILS

SEC. 510. (a) (1) Section 447(b) of the General Education Provisions Act is amended by striking out "each statutory advisory council" and inserting in lieu thereof "each advisory council which is subject to the operation of this part".

(b) Section 445 of such Act is amended by adding at the end thereof the following new subsection:

"(d) No employee of an advisory council, appointed and compensated pursuant to this section, shall be compensated at a rate in excess of that which such employee would receive if such employee were appointed subject to the appropriate provisions of title 5, United States Code, regarding appointments to, and compensation with respect to, the competitive service, except that—

"(1) executive directors of Presidential advisory councils shall be compensated at the rate specified for employees placed in grade 18 of the General Schedule set forth in section 5332 of such title 5;

"(2) executive directors of all other statutory advisory councils shall be compensated at the rate provided for employees in grade 15 of such General Schedule; and

"(3) in accordance with regulations promulgated by the Assistant Secretary, other employees of advisory councils shall be compensated at such rates as may be necessary to enable such advisory councils to accomplish their purposes.".

(2) Such section 445 is amended by striking out "Commissioner" where it appears and inserting in lieu thereof "Assistant Secretary."

(3) No provision of any law establishing, authorizing the establishment of, or controlling the operation of, an advisory council which is not consistent with the provisions of part D of the General Education Provisions Act shall apply to any advisory council to which such part D applies.

AVAILABILITY AND APPORTIONMENTS OF APPROPRIATIONS

SEC. 511. (a) Section 412(b) of the General Education Provisions Act, as redesignated by section 502 of this Act, is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1978".

(b) Section 412 of such Act is amended by adding at the end thereof the following new subsections:

"(c) The Commissioner shall, not later than fifteen days after the enactment of any law making an appropriation for any applicable program, submit, in accordance with section 3679(d)(2) of the Revised Statutes, such information as is required pursuant to the second sentence of such section 3679(d)(2), including a spending plan which apportions such appropriation as provided therein. If after the period allowed for action by the Director of the Office of Management and Budget under the fourth sentence of such section 3679(d)(2), the Commissioner has not received notice of the apportionment required under such fourth sentence, the Commissioner shall consider such appropriation apportioned in the manner provided in such spending plan and proceed to obligate such appropriation as so apportioned. Not later than thirty days after the enactment of a law to which reference is made in the first sentence of this subsection, the Commissioner shall submit to the Committees on Education and Labor and Appropriations of the House of Representatives and the Committees on Labor and Public Welfare and Appropriations of the Senate copies of the spending plan in effect with respect to such law.

"(d) If any funds appropriated to carry out any applicable program are not obligated pursuant to a spending plan submitted as provided in subsection (c) and become available for obligation after the institution of a judicial proceeding seeking the release of such funds, then such funds shall be available for obligation and expenditure until the end of the fiscal year which begins after the termination of such judicial proceeding."

SCHEDULE FOR PROMULGATION OF REGULATIONS

SEC. 512. (a) Section 431 of the General Education Provisions Act is amended by adding at the end thereof the following new subsection:

"(d) Not later than thirty days after the enactment of any Act affecting the administration of any applicable program, the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a schedule in accordance with which the Commissioner has planned to promulgate rules, regulations, and guidelines implementing such Act. Such schedule shall provide that all such rules, regulations, and guidelines shall be promulgated within one hundred and eighty days after the submission of such schedule to such committees. Except as is provided in the following sentence, all such rules, regulations, and guidelines shall be promulgated in accordance with such schedule. If the Commissioner finds that, due to circumstances unforseen at the time of the submission of any such schedule, he cannot comply with a schedule submitted pursuant to this subsection, he shall notify such committees of such finding and submit a new schedule. If both such committees notify the Commissioner of their approval of such new schedule, such rules, regulations, and guidelines shall be promulgated in accordance with such new schedule.".

(b) The amendment made by subsection (a) shall be effective on the date of enactment of this Act and shall be effective with respect to the provisions of this Act.

PART B—AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965

COMMUNITY SERVICE AND CONTINUING EDUCATION AMENDMENTS

SEC. 521. (a) Section 101 of the Higher Education Act of 1965 is amended by adding after the word "health" a comma and the following: "labor management relations".

(b) Section 111 of such Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Advisory Council shall continue to exist through June 1975.".

DEVELOPING INSTITUTIONS AMENDMENT

SEC. 522. Section 302(a)(2) of the Higher Education Act of 1965 is amended by adding at the end thereof the following new sentence: "The Commissioner is authorized to waive three years of the requirements set forth in clause (C) of paragraph (1) in the case of applications for grants under this title by institutions located in or near communities with large numbers of Spanish-speaking people if the Commissioner determines such action will increase higher education for Spanish-speaking people.".

BILINGUAL EDUCATION AMENDMENTS

SEC. 523. (a)(1) Clause (B) of section 417B(b)(3) of the Higher Education Act of 1965 is amended by inserting "(i)" after the word "who" and by inserting before the semicolon at the end thereof a comma and the following: "or (ii) by reason of limited English-speaking ability, are in need of bilingual educational teaching, guidance, and counseling in order to enable them to pursue a post-secondary education".

(2) Section 417B of such Act is amended by adding at the end thereof the following new subsection:

"(d) Funds appropriated for the purposes of clause (3) of subsection (b) shall be available for training persons to provide the services described in clause (3)(ii) of such subsection.".

(b) The amendments made by this section shall be effective upon the enactment of this Act.

VETERANS COST OF INSTRUCTION PAYMENTS AMENDMENTS

SEC. 524. (a)(1) Paragraph (1) of section 420(a) of the Higher Education Act of 1965 is amended to read as follows:

"(1) During the period beginning July 1, 1972, and ending June 30, 1975, each institution of higher education shall be entitled to a payment under, and in accordance with, this section during any fiscal year if—

"(A) the number of persons who are veterans receiving vocational rehabilitation under chapter 31 of title 38, United States Code, or veterans receiving educational assistance under chapter 34 of such title, and who are in attendance as undergraduate students at such institution during any academic year, equals at least—

"(i) 110 per centum of the number of such recipients who were in attendance at such institution during the preceding academic year, or

"(ii) 10 per centum of the total number of undergraduate students in attendance at such institution during such academic year; and

"(B) the number of such persons is at least 25.".

(2) Section 420(d) of such Act is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following new paragraph:

"(2) The maximum amount of payments to any institution of higher education, or any branch thereof which is located in a community which is different from that in which the parent institution thereof is located, in any fiscal year, shall be $135,000. In making payments under this section for any fiscal year, the Commissioner shall apportion the appropriation for making such payments, from funds which become available as a result of the limitation on payments set forth in the preceding sentence, in such a manner as will result in the receipt by each institution which is eligible for a payment under this section of first $9,000 (or the amount of its entitlement for that fiscal year, whichever is less) and then additional amounts up to the limitation set forth in the preceding sentence.".

(3) Section 420(e) of such Act is amended by striking out the matter preceding the word "except" and inserting in lieu thereof the following: "No less than 75 per centum of the amounts paid to any institution under subsection (d) in any fiscal year shall be used to implement the requirement of clause (B)(i) of paragraph (1) of subsection (c), and, to the extent that such funds remain after implementing such requirement, funds limited by such 75 per centum requirement shall

be used for implementing the requirements of clauses (B) (ii), (iii), and (iv) of such paragraph (1),".

TEACHERS CORPS AMENDMENTS

Sec. 525. (a) (1) Section 511 of the Higher Education Act of 1965 is amended—

(A) by inserting after "teacher preparation" in the matter preceding paragraph (1) the following: "and to encourage institutions of higher education and local educational agencies to improve programs of training and retraining for educational personnel";

(B) by striking out the word "and" at the end of paragraph (3);

(C) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a comma and the word "and";

(D) by inserting after paragraph (4) the following new paragraph:

"(5) supporting demonstration projects for retraining experienced educational personnel serving in local educational agencies.".

(2) Section 513(a) of such Act is amended—

(A) by striking out the word "two" the first time it appears in paragraph (1) of such section and by inserting in lieu thereof "five";

(B) by inserting in paragraph (1) after "experienced teachers" a comma and the following: "supportive and auxiliary personnel including non-professional personnel";

(C) by inserting in paragraph (3) the word "primarily" before "in areas";

(D) by striking out "teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program carried out under the guidance of an experienced teacher" and inserting in lieu thereof the following: "Teacher Corps programs each of which shall include teacher-intern teams led by experienced teachers and may include other school personnel including non-professional personnel, who shall be afforded time by the local educational agency for a training program carried out";

(E) by striking out in paragraph (7) the words "clause (1)" and inserting in lieu thereof the following: "this subpart".

(3) Section 513(b) of such Act is amended by striking out "for teacher-interns while teaching" and inserting in lieu thereof "for Teacher Corps members while serving".

(4) Section 513(c) of such Act is amended—

(A) by striking out "3 per centum" in paragraph (2) and inserting in lieu thereof "5 per centum";

(B) by inserting in paragraph (2) "the Virgin Islands and" the following: "Guam, American Samoa, and the Trust Territory of the Pacific Islands".

(5) Section 513 of such Act is amended by adding at the end thereof the following new subsections:

"(e) The Commissioner is authorized to expend a sum not in excess of 10 per centum of the amount appropriated pursuant to the provisions of section 511(b) of this subpart in any fiscal year, for the purpose of planning the Teacher Corps program, monitoring, and evaluating Teacher Corps projects, disseminating information relating to Teacher Corps projects, and furnishing technical assistance to Teacher Corps projects. Such purposes may be carried out directly by personnel of the Teacher Corps, or through contracts or other arrangements with qualified persons or organizations.

"(f) Notwithstanding any other provision of law, the Commissioner shall develop and promulgate specific funding criteria based on the provisions of this subpart to assist potential grantees and contractors in developing proposals for Teacher Corps projects, and to assist the Commissioner in selecting proposals to be supported under this subpart.".

(6) Section 514(a) (2) of such Act is amended to read as follows:

"(2) Teacher-interns, experienced teachers, administrators, and other school personnel including non-professional personnel shall be compensated at such rates as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs or local projects.".

(b) The amendments made by subsection (a) shall be effective on and after July 1, 1974.

COMMUNITY COLLEGE AND OCCUPATIONAL EDUCATION AMENDMENT

Sec. 526. Section 1001(a) (1) is amended by striking out "1974" and inserting in lieu thereof "1975".

(b) The amendments made by subsection (a) shall be effective with respect to payments made after September 1, 1973.

Part C—Other Miscellaneous Provisions

AMENDMENTS TO THE LIBRARY SERVICES AND CONSTRUCTION ACT AND THE VOCATIONAL EDUCATION ACT OF 1963 RELATING TO BILINGUAL EDUCATION AND VOCATIONAL TRAINING

Sec. 531. (a) (1) Section 102 of the Vocational Education Act of 1963 is amended by redesignating subsection (c), and all references thereto, as subsection (d), and by adding after subsection (b) thereof the following new subsection:

"(c) There are authorized to be appropriated $40,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, for the purpose of carrying out section 122(a) (4) (C). Nothing in this subsection shall be construed to affect the availability for such purpose of appropriations made pursuant to subsection (a).".

(2) Clause (D) of section 104(a) (1) of such Act is amended by inserting before the comma at the end thereof the following: "and of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965)".

(3) Clause (A) (vii) of section 104(b) (1) of such Act is amended by inserting before the comma at the end thereof the following: "(including students who are persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965))".

(4) Section 120 of such Act is amended by adding at the end thereof the following new paragraphs:

"(14) The term 'vocational training' means training or retraining which is conducted as part of a program designed to prepare individuals for gainful employment as semiskilled or skilled workers or technicians or subprofessionals in recognized occupations and in new and emerging occupations, but excluding any program to prepare individuals for employment in occupations which the Commissioner determines, and specifies by regulation, to be generally considered professional which requires a baccalaureate or higher degree; such term includes guidance and counseling (either individually or through group instruction) in connection with such training or for the purpose of facilitating occupational choices; instruction related to the occupation or occupations to which the students are in training or instruction necessary for students to benefit from such training; the training of persons engaged as, or preparing to become, instructors in a vocational training program; travel of students and vocational training personnel while engaged in a training program; and the acquisition, maintenance, and repair of instructional supplies, aids, and equipment, but such term does not include the construction, acquisition, or initial equipment of buildings or the acquisition or rental of land.

"(15) The term 'postsecondary educational institution' means an institution legally authorized to provide postsecondary education within a State for persons sixteen years of age or older, who have graduated from or left elementary or secondary school.".

(5) (A) Clause (4) of section 122(a) of such Act is amended by adding at the end thereof the following:

"(C) vocational education for students of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965) carried out in coordination with bilingual education programs under such title VII and bilingual adult education programs under section 306(a) (11) of the Adult Education Act;".

(b) Section 122(c) of such Act is amended, in paragraph (3), by inserting "(A)" after "(3)" and by adding at the end thereof the following new subparagraph:

"(B) At least 5 per centum of the allotment of funds appropriated under section 102(a) for any fiscal year beginning after June 30, 1974, to each State which the Commissioner finds has areas of high concentration of persons of limited English-speaking ability shall be used only for the purpose set forth in paragraph (4) (C) of subsection (a).".

(6) Section 123(a) of such Act is amended by redesignating clauses (17) and (18) thereof, and all references thereto, as clauses (18) and (19), respectively, and by inserting after clause (16) thereof the following new clause:

"(17) provides that grants made from sums appropriated under section 102(c) shall be allocated within the State among local educational agencies serving areas with high concentrations of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965);".

(7) Section 191 of such Act, and all references thereto, is redesignated as section 189.

(8) Title I of such Act is amended by adding at the end thereof the following new part:

"Part J—Bilingual Vocational Training

"Subpart 1—General Provisions

"STATEMENT OF FINDINGS

"Sec. 191. The Congress hereby finds that one of the most acute problems in the United States is that which involves millions of citizens, both children and adults, whose efforts to profit from vocational training is severely restricted by their limited English-speaking ability because they come from environments where the dominant language is *other than* English; that such persons are therefore unable to help to fill the critical need for more and better trained personnel in vital occupational categories; and that such persons are unable to make their maximum contribution to the Nation's economy and must, in fact, suffer the hardships of unemployment or underemployment. The Congress further finds that there is a critical shortage of instructors possessing both the job knowledge and skills and the dual language capabilities required for adequate vocational instruction of such language-handicapped persons, and a corresponding shortage of instructional materials and of instructional methods and techniques suitable for such instruction.

"GENERAL RESPONSIBILITIES OF THE COMMISSIONER

"Sec. 192. (a) The Commissioner and the Secretary of Labor together shall—

"(1) develop and disseminate accurate information on the status of bilingual vocational training in all parts of the United States;

"(2) evaluate the impact of such bilingual vocational training on the shortages of well-trained personnel, the unemployment or underemployment of persons with limited English-speaking ability, and the ability of such persons to contribute fully to the economy of the United States; and

"(3) report their findings annually to the President and the Congress.

"(b) The Commissioner shall consult with the Secretary of Labor with respect to the administration of this part. Regulations and guidelines promulgated by the Commissioner to carry out subpart 2 of this part shall be consistent with those promulgated by the Secretary of Labor pursuant to section 301 (b) of the Comprehensive Employment and Training Act of 1973 and shall be approved by the Secretary of Labor before issuance.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 193. There are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1975; $60,000,000 for the fiscal year ending June 30, 1976; and $80,000,000 for the fiscal year ending June 30, 1977, to carry out the provisions of subparts 2, 3, and 4, of this part, except that 65 per centum of such amounts shall be available only for grants and contracts under subpart 2 of this part, 25 per centum shall be available only for grants and contracts under subpart 3 of this part, and 10 per centum shall be available only for grants and contracts under subpart 4 of this part.

"Subpart 2—Bilingual Vocational Training Programs

"AUTHORIZATION OF GRANTS

"Sec. 194. (a) From the sums made available for grants under this part pursuant to section 193, the Commissioner is authorized to make grants to and enter into contracts with appropriate State agencies, local educational agencies, postsecondary educational institutions, private nonprofit vocational training institutions, and to other nonprofit organizations especially created to serve a group whose language as normally used is other than English in supplying training in recognized occupations and new and emerging occupations, and to enter into contracts with private for-profit agencies and organizations, to assist them in conducting bilingual vocational training programs for persons of all ages in all communities of the United States which are designed to insure that vocational training programs are available to all individuals who desire and need such bilingual vocational training.

"(b) The Secretary shall pay to each applicant which has an application approved under this part an amount equal to the total sums expanded by the applicant for the purposes set forth in that application.

"USE OF FEDERAL FUNDS

"Sec. 195. Grants and contracts under this part may be used, in accordance with applications approved under section 199B, for—

"(1) bilingual vocational training programs for persons who have completed or left elementary or secondary school and who are available for training by a postsecondary educational institution;

"(2) bilingual vocational training programs for persons who have already entered the labor market and who desire or need training or retraining to achieve year-round employment, adjust to changing manpower needs, expand their range of skills, or advance in employment; and

"(3) training allowances for participants in bilingual vocational training programs subject to the same conditions and limitations as are set forth in section 111 of the Comprehensive Employment and Training Act of 1973.

"Subpart 3—Instructor Training Programs

"AUTHORIZATION OF GRANTS

"Sec. 196. (a) From the sums made available for grants and conrtcats under this part pursuant to section 193, the Commissioner is authorized to make grants to and enter into contracts with States, or educational institutions, either public or private, to assist them in conducting training for instructors of bilingual vocational training programs, and whenever the Commission determines that it will contribute to carrying out the purposes of this part, to make grants to, and enter into contracts with, States or educational institutions, either public or private, to assist them in conducting training for instructors in bilingual vocational training programs.

"(b) The Commissioner shall pay to each applicant which has an application approved under this part an amount equal to the total sums expended by the applicant for purposes set forth in that application.

"USE OF FEDERAL FUNDS

"Sec. 197. Grants and contracts under this subpart may be used, in accordance with applications approved under section 199B, for—

"(1) providing preservice training designed to prepare persons to participate in bilingual vocational training or vocational education programs as instructors, aides, or other ancillary personnel such as counselors, and inservice and development programs designed to enable such personnel to continue to improve their qualifications while participating in such programs; and

"(2) fellowships or traineeships for persons engaged in such preservice or inservice training.

"Subpart 4—Development of Instructional Materials, Methods, and Techniques

"AUTHORIZATION OF GRANTS

"Sec. 198. (a) From the sums made available for grants and contracts under this part pursuant to section 193, the Commissioner is authorized to make grants and enter into contracts with States, public and private educational institutions, and to other appropriate non-profit organizations, and to enter into contracts with private for-profit individuals and organizations, to assist them in developing instructional material, methods, or techniques for bilingual vocational training.

"(b) The Commissioner shall pay to each applicant which has an application approved under this part an amount equal to the total sums expended by the applicant for the purposes set forth in that application.

"USE OF FEDERAL FUNDS

"Sec. 199. Grants and contracts under this part may be used, in accordance with applications approved under section 199B, for—

"(1) research in blingual vocational training;

"(2) training programs designed to familiarize State agencies and training institutions with research findings and successful pilot and demonstration projects in bilingual vocational training;

"(3) experimental, development, and pilot programs and projects designed to test the effectiveness of research findings; and

"(4) other demonstration and dissemination projects.

"Subpart 5—Applications for Assistance

"APPLICATIONS

"Sec. 199A. (a) A grant or contract for assistance under this part may be made only upon application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary. Each such application shall—

"(1) provide that the activities and services for which assistance under this part is sought will be administered by or under the supervision of the applicant;

"(2) (A) in the case of assistance under subpart 2, set forth a program for carrying out the purposes described in section 195,

"(B) in the case of assistance under subpart 3, set forth a program for carrying out the purposes described in section 197, and

"(C) in the case of assistance under subpart 4, set forth a program for carrying out the purposes described in section 199;

"(3) (A) in the case of assistance under subpart 2, set forth a program of such size, scope, and design as will make a substantial contribution toward carrying out the purposes of this part;

"(4) in the case of assistance under subpart 3—

"(A) describe the capabilities of the applicant institution, including a listing of the vocational training or vocational education courses offered by that institution, together with appropriate accreditation by regional or national associations, if any, and approval by appropriate State agencies of the courses offered,

"(B) set forth the qualifications of the principal staff who will be responsible for the training program, and

"(C) contain a statement of the minimum qualifications of the persons to be enrolled in the training program, a description of the selection process for such persons, and the amounts of the fellowships or traineeships, if any, to be granted to persons so enrolled; and

"(5) in the case of assistance under subpart 4, set forth the qualifications of the staff who will be responsible for the program for which assistance is sought.

"(b) No grant or contract may be made under subpart 2 directly to a local educational agency or a postsecondary educational institution or a private vocational training institution or any other eligible agency or organization unless that agency, institution, or organization has submitted the application to the State board established under part B of this title, or in the case of a State that does not have such a board, the similar State agency, for comment and includes the comment of that board or agency with the application.

"APPLICATION APPROVAL BY THE COMMISSIONER

"Sec. 199B. (a) The Commissioner may approve an application for assistance under this part only if—

"(1) the application meets the requirements set forth in subsection (a) of the previous section;

"(2) in the case of an application submitted for assistance under subpart 2 to an agency, institution, or organization other than the State board established under part B of this title, the requirement of subsection (b) of the previous section is met;

"(3) in the case of an application submitted for assistance under subpart 3—

"(A) the Commissioner determines that bilingual vocational training or vocational education programs requiring the services of the persons to be trained have been or will be actually conducted in any State being served and that enrollees will be selected from or for such programs;

"(B) the Commissioner determines that the applicant institution actually has an ongoing vocational training program in the field for which persons are being trained; and that the applicant institution can provide instructors with adequate language capabilities in the language other than English to be used in the bilingual vocational training program for which the persons are being trained; and

"(4) in the case of an application submitted for assistance under subpart 2 or subpart 3, the Commissioner determines that the program is consistent with criteria established by him, where feasible, after consultation with the State board established under part B of this title, for achieving equitable distribution of assistance under the appropriate subpart within that State.

"(b) An amendment to an application shall, except as the Secretary may otherwise provide, be subject to approval in the same manner as the original application.".

(b) Clause (4) of section 6(b) of the Library Services and Construction Act is amended by inserting before the period at the end thereof a comma and the following: "and to programs and projects which serve areas with high concentrations of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965, as amended)".

(c) The amendments made by this section shall be effective on and after July 1, 1974.

AMENDMENTS TO THE EMERGENCY SCHOOL AID ACT

SEC. 532. (a)(1) Section 704(a) of the Emergency School Aid Act (title VII of Public Law 92–318) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "for the period ending June 30, 1976".

(2) With respect to the fiscal year ending June 30, 1976, the authorization level for the Emergency School Aid Act shall, for the purposes of section 414 of the General Education Provisions Act, be equal to the amount appropriated for the purposes of the Emergency School Aid Act for the fiscal year ending June 30, 1976.

(b)(1)(A) Section 704(b)(1) of the Emergency School Aid Act is amended by striking out "5 per centum" and inserting in lieu thereof "4 per centum".

(B) Section 704(b)(2) of such Act is amended by striking out "13 per centum" and inserting in lieu thereof "15 per centum".

(C) Section 705(a)(3) of such Act is amended by striking out "8 per centum" and inserting in lieu thereof "10 per centum".

(D) Section 713 of such Act is amended by striking out "1 per centum" and inserting in lieu thereof "2 per centum".

(2) The amendments made by this section shall be effective with respect to appropriations made for the purpose of the Emergency School Aid Act for fiscal years beginning after the enactment of this Act.

(c) Section 708(b) of the Emergency School Aid Act is amended by striking out "706(a)" both times it appears and inserting in lieu thereof "706" in each instance.

(d) Section 709(a)(3) of the Emergency School Aid Act is repealed.

AMENDMENTS RELATING TO INDIAN EDUCATION

SEC. 533. (a) Section 810(f) of the Elementary and Secondary Education Act of 1965 is amended by inserting after the third sentence the following new sentence: "The Commissioner shall not approve an application for a grant under subsection (b), (c), or (d) unless he is satisfied that such an application, to the extent consistent with the number of eligible children in the area to be served who are enrolled or employed in private nonprofit elementary and secondary schools whose needs are of the type which the program is intended to meet, makes provision for the participation of such children on an equitable basis.".

(b) Section 303(b) of the Act of September 30, 1950 (Public Law 874, Eighty first Congress), is amended by striking out "5 per centum" and inserting in lieu thereof "10 per centum".

(c) Part B of the Indian Education Act is amended by adding at the end thereof the following new sections:

"SPECIAL EDUCATIONAL TRAINING PROGRAMS FOR TEACHERS OF INDIAN CHILDREN

"SEC. 422. (a) The Commissioner is authorized to make grants to and enter into contracts with institutions of higher education for the purpose of preparing individuals for teaching or administering special programs and projects designed to meet the special educational needs of Indian children and to provide in-service training for persons teaching in such programs. In carrying out his responsibilities under this section, the Commissioner is authorized to award fellowships and traineeships to individuals and to make grants to and to enter into contracts with institutions of higher education for cost of education allowances. In awarding fellowships and traineeships under this section, the Commissioner shall give preference to Indians.

"(b) In the case of traineeships and fellowships, the Commissioner is authorized to grant stipends to, and allowances for dependents of, persons receiving traineeships and fellowships.

"(c) There is authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, and for each of the three succeeding fiscal years to carry out the provisions of this section.

"FELLOWSHIPS FOR INDIAN STUDENTS

"SEC. 423. (a) During the fiscal year ending June 30, 1975, and each of the four succeeding fiscal years, the Commissioner is authorized to award not to exceed two hundred fellowships to be used for study in graduate and professional programs at institutions of higher learning. Such fellowships shall be awarded to Indian students in order to enable them to pursue a course of study of not less than three, nor more than four, academic years leading toward a professional or graduate degree in engineering, medicine, law, business, forestry and related fields. In addition to the fellowships authorized to be awarded in the first sentence of this subsection, the Commissioner is authorized to award a number of fellowships equal to the number previously awarded during any fiscal year under this subsection but vacated prior to the end of the period during which they were awarded, except that each fellowship so awarded shall be only for a period of study not in excess of the remainder of the period of time for which the fellowship it replaces was awarded, as the Commissioner may determine.

"(b) The Commissioner shall pay to persons awarded fellowships under this subsection such stipends (including such allowances for subsistence of such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(c) The Commissioner shall pay to the institution of higher education at which the holder of a fellowship under this subsection is pursuing a course of study, in lieu of tuition charged such holder, such amounts as the Commissioner may determine to cover the cost of education for the holder of such a fellowship.".

(d) The amendments made by this section shall be effective on and after July 1, 1974.

ASSISTANCE TO STATES FOR STATE EQUALIZATION PLANS

SEC. 534. (a)(1) Any State desiring to develop a plan for a program of financial assistance to local educational agencies in that State to assist such agencies in the provision of free public education may, upon application therefor, be reimbursed for the development of such a plan in accordance with the provisions of this section. Each plan developed pursuant to this section shall be submitted to the Commissioner not later than July 1, 1977, and shall, subject to the provisions of this section, be consistent with the guidelines developed pursuant to paragraph (3). Such plan shall be designed to implement a program of State aid for free public education—

(A) which is consistent with such standards as may be required by the fourteenth article of amendment to the Constitution;

(B) which takes into consideration the extent to which local educational agencies serve areas of high concentrations of children from low-income families and heavily urbanized areas; and

(C) the primary purpose of which is to achieve equality of educational opportunity for all children in attendance at the schools of the local educational agencies of the State.

(2) The Commissioner shall develop guidelines defining the principles set forth in clauses (A), (B), and (C) of paragraph (1). Not later than April 1, 1975, the Commissioner shall publish such guidelines in the Federal Register and submit such guidelines to the President of the Senate and Speaker of the House of Representatives.

(3) During the sixty-day period following such publication, the Commissioner shall provide interested parties with an opportunity to present views and make recommendations with respect to such guidelines. Not later than July 1, 1975, the Commissioner shall (A) republish such guidelines in the Federal Register, together with any amendments thereto as may be merited and (B) publish in the Federal Register a summary of the views and recommendations presented by interested parties under the preceding sentence, together with the comments of the Commissioner respecting such views and recommendations.

(4)(A) The guidelines published in accordance with paragraph (3), together with any amendments, shall, not later than July 1, 1975, be submitted to the President of the Senate and the Speaker of the House of Representatives. If either the Senate or the House of Representatives adopts, prior to December 1, 1975, a resolution of disapproval of such guidelines, the Commissioner shall, within fifteen days after the adoption of such resolution, publish new guidelines. Such new guidelines shall take into consideration such views and policies as may be made in connection with such resolution and shall become effective on December 1, 1975.

(B) A resolution of disapproval under this paragraph may be in the form of a resolution of either the Senate or the House of Representatives or such resolution may be in the form of a concurrent resolution of both Houses. If such a resolution of disapproval is in the form of a concurrent resolution, the new guidelines published in accordance with the second sentence of subparagraph (A) of this paragraph shall be consistent with such policies as may be established by such concurrent resolution.

(C) If each of the Houses adopts a separate resolution with respect to guidelines submitted in accordance with this paragraph for any year and in connection therewith makes policy statements which differ substantially, then such differences may be resolved by the adoption of a concurrent resolution by both Houses. Any such concurrent resolution shall be deemed to be adopted in accordance with subparagraph (B).

(b) Any State developing a plan pursuant to this section may reject any guidelines developed and published under subsection (a) of this section if such State, as a provision of its plan, states the reasons for each such rejection.

(c)(1) Each State that develops a plan under this section shall be reimbursed for the reasonable amounts expended by the State in the development of such a plan based upon the ratio of the population of that State to the population of all States except that no State shall receive less than $100,000 and no State shall receive more than $1,000,000.

(2) For the purposes of this section the term "State" means the fifty States.

STUDY OF ATHLETIC INJURIES

SEC. 535. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary') shall make a full and complete investigation and study to determine—

(1) the number of athletic injuries to, and deaths of, male and female students occurring in athletic competition between schools, in any practice session for such competition, and in any other school-related athletic activities for the twelve-month period beginning sixty days after the date of enactment of this Act;

(2) the number of athletic injuries and deaths occurring (for the twelve-month period under clause (1)) at each school with an athletic trainer or other medical or health professional personnel trained to prevent or treat such injuries and at each school without such personnel.

(b) Within fifty days after the date of enactment of this Act, the Secretary shall request each school to maintain appropriate records to enable it to compile information under subsection (a) and shall request such school to submit such information to the Secretary immediately after the twelve-month period beginning sixty days after the date of enactment of this Act. Not later than eighteen months after the date of enactment of this Act, the Secretary shall make a report to the Congress on the study required by subsection (a), together with such recommendations as he may deem appropriate. In such report, all information required under each paragraph of subsection (a) shall be stated separately for the two groups of schools under clauses (1) and (2) of subsection (c), except that the information shall also be stated separately (and shall be excluded from the group under clause (2)) for institutions of higher education which provide either of the two-year programs described in section 801(E)(3) of the Elementary and Secondary Education Act of 1965.

(c) For the purposes of this section, the term "school" means (1) any secondary school or (2) any institution of higher education, as defined in section 801 of the Elementary and Secondary Education Act of 1965.

(d) There is authorized to be appropriated the sum of $75,000 to carry out the provisions of this section.

TITLE VI—EDUCATION OF THE HANDICAPPED

SHORT TITLE

Sec. 601. This title may be cited as the "Education of the Handicapped Amendments of 1973".

BUREAU FOR THE EDUCATION AND TRAINING OF THE HANDICAPPED

Sec. 602. (a) Section 603 of the Education of the Handicapped Act is amended by inserting "(a)" after "Sec. 603." and by adding at the end thereof the following new subsection:

"(b)(1) The Bureau established under subsection (a) shall be headed by a Deputy Commissioner of Education who shall be appointed by the Commissioner in the competitive service and who shall report directly to the Commissioner, be compensated at the rate specified for, and placed in, grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code.

"(2) In addition to such Deputy Commissioner, there shall be placed in such Bureau five positions for persons to assist the Deputy Commissioner in carrying out his duties, and such positions shall be placed in grade 16 of the General Schedule set forth in section 5332 of title 5, United States Code."

(b)(1) The positions created by subsection (b) of section 603 of the Education of the Handicapped Act shall be in addition to the number of positions placed in the appropriate grades under section 5108 of title 5, United States Code, and such positions shall be in addition to, and without prejudice against, the number of positions otherwise placed in the Office of Education under such section 5108 or under other law.

(2) The amendments made by subsection (a) shall become effective upon the enactment of this Act.

ADVISORY COMMITTEE

Sec. 603. (a) Section 604(b) of the Education of the Handicapped Act is amended by adding at the end thereof the following new sentence: "The Advisory Committee shall continue to exist until July 1, 1978.".

(b) Section 604 of such Act is amended by adding at the end thereof the following new subsection:

"(c) There are authorized to be appropriated for the purposes of this section $100,000 for the fiscal year ending June 30, 1974, and for each of the four succeeding fiscal years.".

GRANTS TO THE STATES

Sec. 604. (a) Section 611(a) of the Education of the Handicapped Act is amended by inserting before the period the following: "in order to provide full educational opportunity to all handicapped children".

(b) Subsection (b) of section 611 of the Education of the Handicapped Act is amended to read as follows:

"(b) For the purpose of making grants under this part, there are authorized to be appropriated $65,000,000 for the fiscal year ending June 30, 1974, $80,000,000 for the fiscal year ending June 30, 1975, $100,000,000 for the fiscal year ending June 30, 1976, $110,000,000 for the fiscal year ending June 30, 1977, and $120,000,000 for the fiscal year ending June 30, 1978.".

(c) The amendment made by subsection (b) shall become effective and shall be deemed to have been enacted on July 1, 1973.

ADDITIONAL STATE PLAN REQUIREMENT

Sec. 605. (a)(1) Section 612(a)(2) of the Education of the Handicapped Act is amended by striking out "$200,000" and inserting in lieu thereof "$300,000".

(2) Section 612(a) of such Act is amended by inserting at the end thereof the following new paragraph:

"(3) Effective after June 30, 1973, no State shall, in any fiscal year, be required to expend amounts allotted pursuant to this section to carry out the provisions of paragraph (1) of section 613(b) unless that State receives an amount greater than the amount allotted to that State for the fiscal year ending June 30, 1973.".

(b) Section 613(a)(1) of such Act is amended by striking out "$100,000" and inserting in lieu thereof "$200,000".

(c)(1) Section 613 of such Act is amended by redesignating subsections (b), (c), and (d) of such section, and all references thereto, as subsections (c), (d), and (e), respectively, and by inserting after subsection (a) the following:

"(b)(1) Any State which desires to receive a grant under this part for any fiscal year beginning after June 30, 1975, shall submit to the Commissioner for approval by December 31, 1974, through its State educational agency an amendment to the State plan required under subsection (a), setting forth in detail the policies and procedures which the State will undertake in order to assure that—

"(A) all children residing in the State who are handicapped regardless of the severity of their handicap and who are in need of special education and related services are identified, located, and evaluated, including a practical method of determining which children are currently receiving needed special education and related services and which children are not currently receiving needed special education and related services;

"(B) the policies and procedures will be established in accordance with detailed criteria prescribed by the Commissioner to protect the confidentiality of such data and information by the State;

"(C) there is established (i) a goal of providing full educational opportunity to all handicapped children, (ii) a detailed timetable for accomplishing such a goal, and (iii) a description of the kind and number of facilities, personnel, and services necessary throughout the State to meet such a goal; and

"(D) the amendment submitted by the State pursuant to this subsection shall be available to parents and other members of the general public at least thirty days prior to the date of submission of the amendment to the Commissioner.

For the purpose of this part, any amendment to the State plan required by this subsection and approved by the Commissioner shall be considered, after June 30, 1975, as a required portion of the State plan.

"(2) The requirement of paragraph (1) of this subsection shall not be effective with respect to any fiscal year in which the aggregate of the amounts allotted to the States for this part for that fiscal year is less than $45,000,000.".

(2) Section 613(e)(1) of such Act (as redesignated by this section) is amended by striking out "subsection (c)" and inserting in lieu thereof "subsection (d)".

(d) The amendment made by subsections (a)(1) and (b) of this section shall be effective in any fiscal year for which the aggregate of the amounts allotted to the States for that fiscal year for carrying out part B of the Education of the Handicapped Act is $45,000,000 or more.

CENTERS AND SERVICES

Sec. 606. (a) Section 626 of the Education of the Handicapped Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 626. For the purpose of carrying out this part, there are authorized to be appropriated $37,000,000 for the fiscal year ending June 30, 1974, $53,000,000 for the fiscal year ending June 30, 1975, $70,000,000 for the fiscal year ending June 30, 1976, $77,000,000 for the fiscal year ending June 30, 1977, and $85,000,000 for the fiscal year ending June 30, 1978.".

(b) The amendment made by subsection (a) shall become effective and shall be deemed to have been enacted on July 1, 1973.

PERSONNEL TRAINING

Sec. 607. (a) Section 636 of the Education of the Handicapped Act is amended by striking out that part thereof which follows "this part", and inserting in lieu thereof "$40,500,000 for the fiscal year ending June 30, 1974, $45,500,000 for the fiscal year ending June 30, 1975, $50,500,000 for the fiscal year ending June 30, 1976, $55,000,000 for the fiscal year ending June 30, 1977, and $60,000,000 for the fiscal year ending June 30, 1978.".

(b) The amendment made by subsection (a) shall become effective, and shall be deemed to have been enacted July 1, 1973.

RESEARCH

Sec. 608. (a) Section 644 of the Education of the Handicapped Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 644. For the purpose of carrying out this part, there are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1974, $14,000,000 for the fiscal year ending June 30, 1975, $18,000,000 for the fiscal year ending June 3, 1976, $20,000,000 for the fiscal year ending June 30, 1977, and $25,000,000 for the fiscal year ending June 30, 1978.".

(b) The amendment made by subsection (a) shall become effective, and shall be deemed to have been enacted on July 1, 1973.

INSTRUCTIONAL MEDIA

SEC. 609. (a) (1) That part of section 652 (b) of the Education of the Handicapped Act which precedes clause (1) is amended by inserting "(either directly or by grants or contracts)" after "authorized".

(2) Section 654 of such Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 654. For the purposes of carrying out this part there are hereby authorized to be appropriated not to exceed $15,000,000 for the fiscal year ending June 30, 1974, $18,000,000 for the fiscal year ending June 30, 1975, and $22,000,000 for the fiscal year ending June 30, 1976, and for each succeeding fiscal year thereafter.".

(b) The amendments made by subsection (a) shall become effective, and shall be deemed to have been enacted on July 1, 1973.

SPECIFIC LEARNING DISABILITIES

SEC. 610. (a) Section 661(c) of the Education of the Handicapped Act is amended by striking out $12,000,000" and all that follows down to but not including the period at the end of such section and inserting in lieu thereof the following: "$5,000,000 for the fiscal year ending June 30, 1974, $7,500,000 for the fiscal year ending June 30, 1975, $15,000,000 for the fiscal year ending June 30, 1976, $20,000,000 for the fiscal year ending June 30, 1977, and $25,000,000 for the fiscal year ending June 30, 1978.".

(b) The amendments made by section (a) shall become effective, and shall be deemed to have been enacted on July 1, 1973.

TITLE VII—NATIONAL READING IMPROVEMENT PROGRAM

STATEMENT OF PURPOSE

SEC. 701. It is the purpose of this title—

(1) to provide financial assistance to encourage State and local educational agencies to undertake demonstration projects to strengthen reading instruction programs in the elementary grades;

(2) to provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading demonstration programs; and

(3) to develop a means by which measurable objectives for reading demonstration programs can be established and progress toward such objectives assessed.

READING IMPROVEMENT DEMONSTRATION PROJECTS

SEC. 702. (a) The Commissioner is authorized to contract with either State educational agencies or local educational agencies, or both, for the carrying out by such agencies, in schools having large numbers or a high percentage of children with reading deficiencies, of demonstration projects involving the use of innovative methods, systems, materials, or programs which show promise of overcoming such reading deficiencies.

(b) No contract may be entered into under this section, unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall set forth a reading program which provides for—

(1) diagnostic testing designed to identify elementary schoolchildren with reading deficiencies, including the identification of conditions which, without appropriate other treatment, can be expected to impede or prevent children from learning to read;

(2) planning for and establishing comprehensive reading programs;

(3) reading instruction for pupils whose reading achievement is less than that which would normally be expected for pupils of comparable ages and in comparable grades of school;

(4) preservice training programs for teaching personnel including teacher-aides and other ancillary educational personnel, and inservice training and development programs, where feasible, designed to enable such personnel to improve their ability to teach students to read;

(5) participation of the school faculty, school board members, administration, and student body in reading-related activities which stimulate an interest in reading and are conducive to the improvement of reading skills;

(6) parent participation in development and implementation of the program for which assistance is sought;

(7) school board participation in the development of State programs;

(8) periodic testing on a sufficiently frequent basis to measure accurately reading achievement;

(9) publication of test results on reading achievement by grade level, and where appropriate, by school, without identification of achievement of individual children;

(10) availability of test results on reading achievement on an individual basis to parents or guardians of any child being so tested;

(11) participation on an equitable basis by children enrolled in nonprofit private elementary schools in the area to be served (after consultation with the appropriate private school officials) to an extent consistent with the number of such children whose educational needs are of the kind the program is intended to meet;

(12) the use of bilingual education methods and techniques to the extent consistent with the number of elementary school-age children in the area served by a reading program who are of limited English-speaking ability; and

(13) appropriate involvement of leaders of the cultural and educational resources of the area to be served, including institutions of higher education, nonprofit private schools, public and private nonprofit agencies such as libraries, museums, educational radio and television, and other cultural and education resources of the community.

(c) Each such applicant, in addition to meeting the requirements of subsection (b), shall provide assurances that—

(1) appropriate measures have been taken by the agency to analyze the reasons why elementary school children are not reading at the appropriate grade level; and

(2) the agency will develop a plan setting forth specific objectives which shall include the goals of having the children in project schools reading at the appropriate grade level at the end of grade three.

(d) An application from a local educational agency under this section may be approved only if the State educational agency of the State in which such local agency is located has been notified of the application and has been given a reasonable opportunity to offer recommendations with respect to the approval thereof.

(e) The Commissioner, in selecting projects under this section shall, to the extent feasible, attempt to secure an equitable distribution among urban and rural areas.

(f) (1) The Commissioner shall reserve not to exceed 3 per centum of the sums appropriated pursuant to section 712(a) for carrying out the provisions of this section for each fiscal year. From the sums reserved pursuant to this subsection, the Commissioner is authorized to make grants, on such terms and conditions as he deems necessary (exclusive of the requirement of subsection (d)), to State and local educational agencies to pay the Federal share of the cost of establishing and maintaining programs for the purchase of inexpensive books for distribution to individual elementary schoolchildren by gift, loan, or sale at a nominal price.

(2) For the purpose of this subsection the Federal share shall not exceed 50 per centum in any fiscal year except that, whenever the Commissioner determines that a State or local educational agency desiring to participate in the program under this subsection has insufficient resources and is unlikely to obtain sufficient resources to participate in such a program he may increase such Federal share to not to exceed 90 per centum of the cost of any such program.

SPECIAL EMPHASIS PROJECTS

SEC. 703. (a) The Commissioner is authorized to contract with local educational agencies for special emphasis projects to determine the effectiveness of intensive instruction by reading specialists and reading teachers. Each such project should provide for—

(1) the teaching of reading by a reading specialist for all children in the first and second grades of an elementary school and the teaching of reading by a reading specialist for elementary school children in grades three through six who have reading problems; and

(2) an intensive vacation reading program for elementary school children who are found to be reading below the appropriate grade level or who are experiencing problems in learning to read.

(b) No contract may be entered into under this section unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall provide assurances that—

(1) the provisions of section 702(b) are met; and

(2) the State educational agency has certified that individuals employed as reading specialists and reading teachers meet the requirements of section 703 (e) and (f).

(c) No contract may be entered into under this section unless the project has been approved by the State educational agency.

(d) The Commissioner is authorized to enter into at least one arrangement with a local educational agency for a districtwide project conducted in all schools of such agencies. In selecting the districtwide project, the Commissioner shall give the priority to an application from a local educational agency if the Commissioner finds that—

(1) the local educational agency will give credit for any course to be developed for reading teachers or reading specialists under section 704 and will encourage participation by the teachers of such agency in the training;

(2) the local public educational television station will present any course to be developed under this section at an hour convenient for the viewing by elementary school teachers and, if possible, at a time convenient for such teachers to take the course, as a group, at the elementary school where they teach; and

(3) the local educational agency will make arrangements with the appropriate officials of institutions of higher education to obtain academic credit for the completion of such a course.

(e) In any project assisted under this section a reading teacher may be used in lieu of a reading specialist, if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of a reading specialist and if such reading teacher is enrolled or will enroll in a program to become a reading specialist. A regular elementary teacher may be used in lieu of a reading teacher if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of the reading teacher, and if such regular elementary teacher is enrolled or will enroll in a program to become a reading teacher.

(f) For the purpose of this section and section 604 the term—

(1) "reading specialist" means an individual who has a master's degree, with a major or specialty in reading, from an accredited institution of higher education and has successfully completed three years of teaching experience, which includes reading instruction, and

(2) "reading teacher" means an individual, with a bachelor's degree, who has successfully completed a minimum of twelve credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education, and has successfully completed two years of teaching experience, which includes reading instruction.

READING TRAINING ON PUBLIC TELEVISION

SEC. 704. (a) The Commissioner is authorized, through grants or contracts, to enter into contractual arrangements with institutions of higher education, public or private agencies or organizations, and individuals for—

(1) the preparation, production, and distribution for use on public educational television stations of courses for elementary school teachers who are or intend to become reading teachers or reading specialists; and

(2) the preparation and distribution of study course material to be used in conjunction with any such course.

(b) In carrying out the provisions of this section the Commissioner shall consult with recognized authorities in the field of reading, specialists in the utilization of the communications media for educational purposes, and with the State and local educational agencies participating in demonstration projects under this title.

GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION

SEC. 705. The Commissioner is authorized to make grants to institutions of higher education, or combinations of such institutions, upon application therefor, to assist such institution or institutions—

(1) in planning and implementing programs to strengthen and improve graduate and undergraduate instruction in the teaching of reading, including inservice training programs; and

(2) in planning, developing, and implementing cooperative programs with State and local educational agencies which show promise as effective measures for solving reading problems.

ESTABLISHMENT OF THE OFFICE FOR THE IMPROVEMENT OF READING PROGRAMS

SEC. 706. (a) There is established, in the Office of Education, an Office for the Improvement of Reading Programs which shall be responsible for—

(1) the administration of the programs authorized by this title;

(2) those programs presently administered under other provisions of law as the Commission determines to be appropriate; and

(3) the coordination of education programs as provided in the following subsection.

(b) The Commissioner is authorized in accordance with the criteria and procedures established by regulation, to facilitate, at the State and local levels, coordination of the furnishing of services under—

(1) titles, I, II, III, V, and VI of the Elementary and Secondary Education Act of 1965;

(2) section 222(a)(1) and (2) of the Economic Opportunity Act of 1964;

(3) the Adult Education Act;

(4) the Emergency School Aid Act;

(5) the Higher Education Act of 1965; and

(6) section 405 of the General Education Provisions Act.

which are related to the purposes of this title.

ESTABLISHMENT OF THE READING IMPROVEMENT LABORATORY

SEC. 707. (a) Notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act, the Director of the National Institute of Education is authorized and directed to designate an existing facility or establish a new facility to be known as the Reading Improvement Laboratory.

(b) The Director of the National Institute of Education, through the Institute and the Laboratory shall conduct or support research, demonstrations, and pilot projects in the field of reading and language development, including, but not limited to, the following—

(1) basic research in the reading, language, and communication process;

(2) the most effective methods for the teaching of reading;

(3) methods for the measuring of reading ability and achievement;

(4) the development of model undergraduate and graduate courses in reading for personnel preparing to engage in elementary teaching or for elementary teachers who are or intend to become reading teachers or reading specialists;

(5) the development of techniques for the diagnosis and correction of reading disabilities;

(6) the development of model reading programs for elementary school children generally and special model reading programs for elementary school children who are educationally disadvantaged or handicapped;

(7) the use and evaluation of educational technology in reading; and

(8) the evaluation of educational materials prepared for the teaching of reading.

STATE CERTIFICATION AGENCIES

SEC. 708. (a) The Commissioner shall carry out a program for making grants to State agencies responsible for certifying elementary and secondary education teachers to institute or upgrade reading certification requirements in the State to assure better preparation of teachers in the field of reading instruction.

(b) For the purpose of carrying out the provisions of this section more effectively, the Commissioner is authorized, upon request, to provide advice, counsel, and technical assistance to State accrediting agencies.

EVALUATION

SEC. 709. The Commissioner shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than March 31, in each fiscal year ending prior to July 1, 1978. Each such report shall—

(1) contain a statement of specific and detailed objectives for the program assisted under the provisions of this title, and relate such objectives to the objectives of the Elementary and Secondary Education Act of 1965;

(2) include a statement of the effectiveness of the program in meeting the stated objectives, measured through the end of the preceding fiscal year;

(3) make recommendations with respect to any changes or additional legislation deemed necessary or desirable in carrying out the program;

(4) contain a list identifying the principal analyses and studies supporting the major conclusions and recommendations contained in the report; and

(5) contain an annual evaluation plan for the program through the ensuing fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921.

ESTABLISHMENT OF THE PRESIDENTIAL AWARD FOR READING ACHIEVEMENT

SEC. 710. (a) In order to motivate and encourage elementary school children to improve their reading skills and to foster competence for excellence in reading among elementary schools, there is hereby established the Presidential Reading Achievement Award. Each such award shall consist of—

(1) an emblem to be presented to elementary school children for achievement in reading as determined pursuant to regulations established by the Commissioner, and

(2) a pennant, flag, or other appropriate recognition for elementary schools achieving reading excellence as determined pursuant to regulations established by the Commissioner.

(b) The reading awards authorized by this section shall be of such design and material and bear such description as the President may prescribe.

DEFINITIONS

SEC. 711. As used in this title—

(1) "Laboratory" means the Reading Improvement Laboratory established under this title; and

(2) "Institute" means the National Institute of Education.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 712. (a) There are authorized to be appropriated to carry out the provisions of section 702, relating to reading improvement demonstration projects, $75,000,000 for the fiscal year ending June 30, 1975, $80,000,000 for the fiscal year ending June 30, 1976, and $85,000,000 each for the fiscal years ending June 30, 1977, and June 30, 1978.

(b) There are authorized to be appropriated to carry out the provisions of section 703, relating to reading special emphasis projects, $25,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 each for the fiscal years ending June 30, 1977, and June 30, 1978.

(c) There are authorized to be appropriated for the purpose of carrying out section 704, relating to reading training on public television, $1,500,000 for the fiscal year ending June 30, 1975, sums appropriated pursuant to this section shall remain available for obligation and expenditure through the succeeding fiscal year.

(d) There are authorized to be appropriated to carry out the provisions of section 705, relating to grants for institutions of higher education, $35,000,000 for the fiscal year ending June 30, 1975, $40,000,000 for the fiscal year ending June 30, 1976, and $45,000,000 each for the fiscal years ending June 30, 1977, and June 30, 1978.

(e) There are authorized to be appropriated to carry out the provisions of section 707, relating to the Reading Improvement Laboratory, $10,000,000. Notwithstanding any other provision of law unless enacted in express limitation of this section, sums appropriated pursuant to this subsection shall remain available until expended.

(f) There are authorized to be appropriated to carry out the provisions of section 708, relating to State certification in the field of reading instruction, $2,500,000 for each of the fiscal years ending prior to July 1, 1978.

(g) There are authorized to be appropriated to carry out the provisions of section 710, relating to reading achievement awards, $10,000 for administrative expenses for each of the fiscal years ending prior to July 1, 1978.

TITLE VIII—GENERAL PROVISIONS RELATING TO THE ASSIGNMENT OR TRANSPORTATION OF STUDENTS

PROHIBITION AGAINST ASSIGNMENT OR TRANSPORTATION OF STUDENTS TO OVERCOME RACIAL IMBALANCE

SEC. 801. No provision of this Act shall be construed to require the assignment or transportation of students or teachers in order to overcome racial imbalance.

PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

SEC. 802. (a) No funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system, except on the express written voluntary request of appropriate local school officials. No such funds shall be made available for transportation when the time or distance is so great as to risk the health of the children or significantly impinge on the educational process of such children, or where the educational opportunities available at the school to which it is proposed that any such student be transported will be substantially inferior to those opportunities offered at the school to which such student would otherwise be assigned under a nondiscriminatory system of school assignments based on geographic zones established without discrimination on account of race, religion, color, or national origin.

(b) No officer, agent, or employee of the Department of Health, Education, and Welfare (including the Office of Education), the Department of Justice, or any other Federal agency shall, by rule, regulation, order, guideline, or otherwise, (1) urge, persuade, induce, or require any local education agency, or any private nonprofit agency, institution, or organization to use any funds derived from any State or local sources for any purpose, unless constitutionally required, for which Federal funds appropriated to carry out any applicable program may not be used, as provided in this section, or (2) condition the receipt of Federal funds under any Federal program upon any action by any State or local public officer or employee which would be prohibited by clause (1) on the part of a Federal officer or employee. No officer, agent, or employee of the Department of Health, Education, and Welfare (including the Office of Education) or any other Federal agency shall urge, persuade, induce, or require any local education agency to undertake transportation of any student where the time or distance of travel is so great as to risk the health of the child or significantly impinge on his or her educational process; or where the educational opportunities available at the school to which it is proposed that such student be transported will be substantially inferior to those offered at the school to which such student would otherwise be assigned under a nondiscriminatory system of school assignments based on geographic zones established without discrimination on account of race, religion, color, or national origin.

(c) An applicable program means a program to which the General Education Provisions Act applies.

PROVISION RELATING TO COURT APPEALS

SEC. 803. Notwithstanding any other law or provision of law, in the case of any order on the part of any United States district court which requires the transfer or transportation of any student or students from any school attendance area prescribed by competent State or local authority for the purposes of achieving a balance among students with respect to race, sex, religion, or socioeconomic status, the effectiveness of such order shall be postponed until all appeals in connection with such order have been exhausted or, in the event no appeals are taken, until the time for such appeals has expired. This section shall expire at midnight on June 30, 1978.

PROVISION AUTHORIZING INTERVENTION IN COURT ORDERS

SEC. 804. A parent or guardian of a child, or parents or guardians of children similarly situated, transported to a public school in accordance with a court order, may seek to reopen or intervene in the further implementation of such court order, currently in effect, if the time or distance of travel is so great as to risk the health of the student or significantly impinge on his or her educational process.

PROVISION REQUIRING THAT RULES OF EVIDENCE BE UNIFORM

SEC. 805. The rules of evidence required to prove that State or local authorities are practicing racial discrimination in assigning students to public schools shall be uniform throughout the United States.

APPLICATION OF PROVISO OF SECTION 407(a) OF THE CIVIL RIGHTS ACT OF 1964 TO THE ENTIRE UNITED STATES

SEC. 806. The proviso of section 407(a) of the Civil Rights Act of 1964 providing in substance that no court or official seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance, or otherwise enlarge the existing power of the court to insure compliance with constitutional standards shall apply to all public school pupils and to every public school system, public school and public school board, as defined by title IV, under all circumstances and conditions and at all times in every State, district, territory, Commonwealth, or possession of the United States, regardless of whether the residence of such public school pupils or the principal offices of such public school system, public school or public school board is situated in the northern, eastern, western, or southern part of the United States.

Mr. PELL addressed the Chair.

Mr. JAVITS. Mr. President, before the Senator starts, can we get some assistants on the floor? Perhaps the Senator wishes some, also.

Mr. PELL. I was about to do that.

Mr. President, I ask unanimous consent that during the consideration of this bill, the following members of the staff be allowed unlimited access to the floor: Stephen J. Wexler, Richard D. Smith, Jean S. Frohlicher, Roy Millenson, David Dunn, Nik Edes, Lisa Walker, John Adair, Nick Maravell, Patria Forsythe, George Lawless, A. Sidney Johnson III, Ms. Ellen Hoffman, Bertram Carp, Kay Millerson, Pat Shakow, and Charles Warren.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that during the consideration of this bill, the following staff members have the privilege of the floor: Emon Mahoney, Michael Gaffney, Eve Chesbro, and Doug Seidman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. PELL. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that during the consideration of this bill, John I. Brooks and Joanne O'Neal have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, the pending measure is the result of a year and a half of work by the Subcommittee on Education of the Senate Committee on Labor and Public Welfare, and by the full committee as well. During those months, we conducted 18 days of hearings, coupled with executive sessions, staff studies, and consultation with the administration, seeking to bring before the Senate a comprehensive, omnibus education bill.

While most people speak of this proposed legislation as an elementary and secondary education bill, only title I of the bill's eight titles deals with extension and amendment of the existing Elementary and Secondary Education Act. Title II of S. 1539 extends and amends Public Laws 815 and 874, commonly known as the impact aid program. Title III extends and revises the adult education program. Title IV proposes three consolidations of existing programs—an administrative consolidation, designed to eliminate much unnecessary paperwork from applications for Federal education programs; a consolidation of State formula grant programs; and a consolidation of a number of narrow, categorical discretionary authorities into a single program. Title V contains administrative, "housekeeping" amendments and establishes a National Center for Education Statistics to provide a nonpartisan source of education data. Title VI extends programs for education of the handicapped. Title VII establishes a new national reading improvement program. Title VIII reaffirms the language concerning student assignment and transportation adopted by the Congress in the Education Amendments of 1972.

I would now like to turn to some of the more important points in the bill now before the Senate, points that will probably occupy us while we debate the measure.

Title I of the Elementary and Secondary Education Act is the largest single program of aid to our schools. The availability of new 1970 census data required the committee to rewrite the formula for distribution of funds under this title.

The proposed new title I formula consists of two parts. We have provided for a base year of 1974 for each local educational agency. Under this base year concept, no school district would receive less in future years than it did under the 1974 Appropriations Act. This base year will provide some continuity for local school officials. With passage of S. 1539, they will have a basic amount they can expect to receive, and will therefore be able to plan programs and hire teachers without substantial fluctuations in title I funds from year to year.

Funds appropriated above the base year would be distributed on a new formula. In fiscal year 1975, based on the President's budget request, such "new money" would amount to more than $158 million.

The census data used in the new formula would be the 1970 "poverty" level, often called the "Orshansky" level. This definition takes into account the size of the family, the sex of the family head, and farm/nonfarm residence. Thus, an urban family of seven could be counted under title I even though the father earned more than $6,000 in 1969. This flexibility is more reflective of actual poverty than the arbitrary $2,000 cut-off contained in existing law.

In addition, the formula would count all children in families receiving aid to families with dependent children, regardless of the level. These are the children most likely to have been missed by the census; they are also most likely found in urban areas, so their inclusion in the title I count would provide additional benefits to financially overburdened cities.

On the amounts available from appropriations for local educational agency grants, 60 percent would be paid on the basis of a district's relative number of census children and 40 percent on the basis of its children on AFDC. This would assure a constant ratio between the two formula factors, and would guarantee that in the future AFDC will not overwhelm the formula, as occurred under existing law when the shift to the 1970 census took place.

The Federal payment level remains at 50 percent of the State or national average per pupil expenditure, whichever is higher. This factor recognizes the higher costs of education in States like Alaska and New York, and provides higher Federal payments to reflect those costs. At the same time, it raises low-expenditure States to the national average expenditure, thereby providing a measure of equalization.

Another education issue which has been the subject of much discussion in the past has been the question of consolidation of existing categorical grant programs. I often think that when an administration can think of nothing new to propose in education, it falls back on reorganizing and consolidating existing programs. All too often this consolidation has been set before the Congress as a partisan issue. The committee does not view it as such. Indeed, we first consolidated programs in 1970.

The committee recognizes that certain programs which were necessary at the time of their establishment may have outlived their usefulness. Therefore, we have included in the bill consolidations affecting approximately 20 programs. I ask unanimous consent to have printed in the RECORD at this point a table which clearly sets forth what the consolidation language of the bill proposes to do.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THREE CONSOLIDATIONS

I. ADMINISTRATIVE

A. Programs Whose Paperwork Is Consolidated (All Elementary and Secondary State Plan Programs)

1. ESEA Title I—Aid to Disadvantaged
2. ESEA Title II—Library Assistance
3. ESEA Title III—Innovative Programs
4. NDEA Title III—Equipment
5. Adult Education
6. Vocational Education

B. Changed From Many State Plans to One State Plan

1. Long-range Plan Filed
2. Single Program Plan Updated Yearly

C. No Money Involved

II. CONSOLIDATION OF STATE FORMULA PROGRAMS

A. Consolidated Programs

1. Title II ESEA (Textbooks and Library Resources)
2. Title III ESEA, 85% State Share (Supplementary Centers and Services)
3. Title V ESEA (Strengthening State Educational Agencies)
4. Title III NDEA (Equipment)
5. Title V–B–2 EPDA (Attracting and Qualifying Teachers)

B. Consolidated Into a Single Program

1. Hold Harmless for Programs Consolidated at Most Recent Appropriations Level
2. When Appropriations Exceed Existing Levels, 50% of the New Money Could Be Used at the Discretion of the State Agency for Any of the Purposes Consolidated
3. 50% Would Be Spent By the States in the Same Ratios as Spent Under Existing Law
4. 15% Set Aside of Title III ESEA for Handicapped Remains

C. New Eligibility Formula Applies to Funds Appropriated Over Existing Levels, Based on Three Factors:

1. Number of Children in the State, Multiplied by $20
2. State Average Per Pupil Expenditure, Multiplied By the Number of Children in Families With Incomes Below $3,000
3. The Relative Wealth of the State

D. Authorization: Existing Levels (Approximately $340 Million), Plus $600 Million for Additional Consolidated Programs Under the New Formula

III. COMMISSIONER'S DISCRETION—"SPECIAL PROJECTS ACT"

A. Consolidated Programs (Remaining OE Discretionary Programs)

1. Cooperative Research Act
2. Dropout Prevention
3. Health and Nutrition
4. Consumer Education
5. Correction Education
6. 15% Set Aside of Title III ESEA (Innovative Programs)
7. Education Professions Development Act

B. New Discretionary Fund—"Special Projects Act"

1. Old Programs and Purposes Cease to Exist, But Are Given Priority in Funding

C. Congressional Oversight and Control

1. Authorizing Committee Approval of:

(a) Yearly Spending Plan, Including Report on All Contracts Over $100,000

(b) Commissioner's Proposal to End Priority Status for Old Programs Consolidated

D. Money to Be Determined By Programs Included

E. Set Aside of 50% of Funds for New Categorical Programs As Follows:

AUTHORIZATION OF FUNDS

[Dollar amounts in millions]

Section and subject	Fiscal year 1974 amount	Fiscal years 1975 through 1978	
		Amount	Percent
404: Metric education		$10	5
405: Gifted and talented		12.25	6.125
406: Community schools:			
LEA		15	7.5
Higher education		2	1
407: Career education		15	7.5
408: Consumers' education	$15	15	7.5
409: Women's educational equity		30	15
410: Arts education		.75	.375
Total	15	100	50
Total authorization for "Special Projects Act" for each fiscal year		$200	50

Mr. PELL. Mr. President, for good reason, however, we rejected the administration's blanket consolidation proposal. Bitter experience has taught us that when this administration talks about consolidation, it is really talking about cutting out programs and cutting services to people.

We saw this happen in the important area of high school guidance and counseling and in the President's so-called Better Schools Act, which, when read in conjunction with the budget proposal, showed consolidated programs receiving less than they would have if left alone.

I think we must remember that each of these separate education programs was created and exists to meet a need that our local school systems could not meet because of costs. That is why, for example, Congress established programs specifically for innovation, for guidance and counseling, and for modern textbooks and laboratory equipment.

To throw all of the Federal funds for these programs into one big pot, as proposed by the President, would mean that the weakest—those who need help the most—would be crowded out or pushed to the end of the line—would get nothing out of the pot. We in Congress must not let this happen.

In considering the legislation, the committee believed that a number of areas not now receiving Federal assistance deserved such support on a pilot and demonstration basis. Such programs included education for the metric system of measurements; gifted and talented; community schools; career education; consumers' education and women's educational equity. These new programs were included in the consolidation of discretionary programs. However, since they are new programs, they are provided guaranteed support for the period of the bill, to act as an "incubator" for these programs in their beginning years of operation. Once they are established, ongoing programs, they will be folded into the discretionary consolidation with the other programs already included in it.

When the legislation was being drafted, it was the clear intention of the committee that we would no longer authorize legislation which could be summarily ignored by the administration. Therefore, we have attempted to insure that established programs will be carried out by the administration. This has been done by the creation of various offices, so that the newly established programs will not be given short shrift. They will each have an entity responsible for carrying out this program.

For example, we have established an Office of the Gifted and Talented, a Bureau of Bilingual Education, a Bureau of Libraries and Learning Resources, and Offices on Reading Improvement and on Career Education within the Office of Education. Therefore, what the President has termed a "bureaucratic nightmare" is really the congressional means of insuring that the programs it enacts are carried out.

In addition to the new programs established as part of the discretionary consolidation, the bill authorizes an extensive bilingual education program and a national reading improvement program. These are programs which are not funded on a State formula basis. They grow out of our recognition of need for Federal support and our understanding that a massive program on a State-by-State basis might be counterproductive. Under all of these programs, local educational agencies will deal directly with the Federal Government, with a requirement that the Commissioner distribute funds equitably among applicants. There is no State-by-State allocation, and, therefore, no requirement that these applications be funded through State departments of education.

This does not reflect a committee bias against these State departments. They provide a meaningful input into the administration of many Federal education programs. However, demonstration projects have always been funded directly from the Office of Education to the local school district. The committee bill, departing from past practice, does, however, give State departments the right to comment on pending applications, a role they have not previously had.

Many of the programs included in the bill are funded on an open-ended formula basis. For example, under the committee's title I formula, nearly 16 million children are counted in establishing school districts' entitlements under part A. The total authorization for the title has been calculated to exceed $9 billion, substantially in excess of existing appropriations levels of approximately $1.8 billion. Obviously, some sort of limitation on title I appropriations is necessary to avoid vastly overpromising the assistance available.

In addition, the administration was unable to estimate precisely the effects of the committee's impact aid reforms. The committee's extrapolation from existing data indicates that entitlements would exceed $1.2 billion annually, far above existing appropriations levels for impact aid.

Therefore, the committee adopted limitations on appropriations for programs whose authorization levels are otherwise uncontrollable. For title I ESEA, a limitation of $2.5 billion was imposed for fiscal year 1975, rising to $3 billion in 1976, $3.5 billion in 1977, and $4 billion in 1978. These levels should give the program ample room to grow within realistic ceilings.

For Public Law 874, the impact aid program for school operations, the committee set limitations of $750 million for fiscal year 1975, $800 million for 1976, $900 million in 1977, and $1 billion for 1978. Since the appropriation for this program in fiscal year 1974 was only $574.4 million, these levels will allow increases due to inflation or other factors, without creating false hopes in the minds of potential recipients of impact aid funds.

Mr. President, my opening statement has been a short précis of what the Education Amendments of 1974 seek to accomplish. There is an in-depth explanation in the report which we hope will answer whatever questions may arise as to the effect of the bill.

I believe that this proposed legislation deserves the full support of the Senate. We on the subcommittee recognize that there are certain portions of the bill which do not please everyone. What we have sought to do is strike a balance between urban and rural, North and South, advantaged and disadvantaged. It is my hope that this bill can be enacted as reported so that we will have the widest possible latitude during the conference between the House and the Senate.

Mr. President, I ask unanimous consent that various letters received in support of the bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

International Union, United
Automobile, Aerospace & Agriculture Implement Workers of
America—UAW,
Washington, D.C. May 7, 1974.

Dear Senator: On behalf of the UAW, I urge most strongly that you support S. 1539, the legislation to extend and amend the Elementary and Secondary Education Act, as reported by the Labor and Public Welfare Committee.

S. 1539 is the product of careful consideration by the Committee. In our judgment, it is a good bill which deserves your enthusiastic support.

We are particularly pleased with the Committee's revisions in the formula for distribution of funds under Title I of ESEA—a formula which seems to us to be fair for school systems generally. The S. 1539 formula would assure continued funding for existing Title I activities and still take into consideration population shifts which have taken place since the current formula was developed.

The UAW urges that you support S. 1539, as reported, to extend the vitally important programs authorized under the Elementary and Secondary Education Act. We hope you will oppose all weakening amendments, including any attempt to write into the bill language which would restrict the courts in dealing with unconstitutional segregation and discrimination.

Sincerely,

Jack Beidler,
Legislative Director.

American Federation of Teachers,
Washington, D.C., April 30, 1974.

Dear Senator: The American Federation of Teachers, AFL–CIO, strongly supports S–1539, the extension of the Elementary and Secondary Education Act, Impact Aid programs, Adult Education and other education programs, as unanimously reported by the Labor and Public Welfare Committee. This bill represents a major step toward meeting the Federal Government's responsibility in the area of education.

We especially urge your support for the Committee Title I distribution formula. The problem of drafting a new Title I formula is a difficult and complex matter. We have seen many tables purporting to represent state allotments under various new formulas. All of them, save the committee version, are based upon estimates of data that do not presently exist.

In addition, the committee formula is the only proposal that both guarantees continued funding for existing Title I programs and allows the population changes that have occurred since the Title I program was first enacted to be reflected in Title I aid.

We also strongly support the committee provision on grant consolidation. We recognize the need for a consolidation that will allow states and local education agencies to receive federal grants with a minimum of red tape. We are concerned, however, that administrative consolidation not be used as a budget-cutting device. The committee provision assures that consolidation will not result in the loss of vitally needed funds for our nation's schools.

Finally, it is our understanding that amendments will be offered to restrict the ability of the courts to order school desegregation and to allow the reopening of school desegregation cases long since settled. We hope you will vote against these amendments. The committee bill contains a provision that allows transportation of students only to improve the quality of education. The provision forbids busing to achieve a numerical racial balance, busing that endangers the health and safety of children, and prohibits busing to sub-standard schools. We feel these are reasonable limitations on pupil transportation. Further amendments would effectively prevent any remedy for segregated schools. We urge your support for the committee provision.

S–1539 is a good bill. It will extend and update many of the Federal programs that are so vital to our nation's elementary and secondary schools. We urge your support for this vital piece of legislation.

Respectfully yours,

Carl J. Megel,
Director of Legislation.

American Federation of Labor
and Congress of Industrial
Organizations,
Washington, D.C., May 1, 1974.

Hon. Claiborne Pell,
U.S. Senate,
Washington, D.C.

Dear Senator Pell: The AFL–CIO strongly supports S. 1539, amending and extending the nation's elementary and secondary education programs. As reported by the Senate Labor and Public Welfare Committee, this bill is vital to the operations of our country's school system.

The AFL–CIO fully supports the committee's action revising and updating the ESEA Title I formula. The committee has dealt with a difficult and complex problem in an equitable fashion. This new formula represents the only approach we have seen that both guarantees the funding of ongoing Title I programs and makes provision for the shifts in population that have taken place since the program was originally enacted.

We also strongly support the committee's action on grant consolidation. Needed administrative program consolidation must not be used as a budget-cutting device. The committee's action insures that consolidation will not result in a net loss of education funds for local school districts.

The AFL–CIO also supports the provisions in S. 1539 dealing with the controversial issue of busing. The bill limits the transportation and assignment of students and teachers without violating the Constitution or illegally restricting the jurisdiction of the courts. It seeks to permit transportation to improve the quality of educational opportunity without requiring such transportation to overcome racial imbalance.

We urge you to oppose Senate adoption of the Esch amendment. This amendment raises serious Constitutional questions by restricting the courts to transportation remedies limited to the closest or next closest school to the student's place of residence. In addition, it permits the reopening of school desegregation cases long since resolved.

Twenty years have passed since the historic Brown decision. The AFL–CIO calls upon the Senate to resist unconstitutional amendments severely limiting the remedies required by that widely-hailed court decision.

The AFL–CIO, in summary, urges you to support S. 1539 as reported by the committee and without crippling amendments.

Sincerely,

Andrew J. Biemiller,
Director.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Helms). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOMINICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, today we begin consideration of S. 1539, the Elementary and Secondary Education Amendments of 1974. This bill would modify and extend the Elementary and Secondary Education Act of 1965.

This is by far the most comprehensive education bill the Senate has ever considered, and as the ranking minority member of the Education Subcommittee, I am extremely gratified to have played a major role in formulating this although there are a number of provisions which I do not think wise.

Of course, any bill which addresses the needs of some 50 million school children enrolled in elementary and secondary schools cannot totally satisfy everyone. I will speak to what I feel are some positive points in this bill, but I will also comment on those parts which in good conscience I cannot wholeheartedly endorse.

THE NATIONAL READING IMPROVEMENT PROGRAM

One of my deepest concerns in my 12 years in the Senate has been the reading problem which affects so many of our young school children. I have always felt that reading is the key to a good education.

In March of 1973, Senator BEALL and I introduced S. 1318, the Elementary School Reading Emphasis Act of 1973, to improve the instruction of reading in the elementary grades and to make reading a major priority in our schools.

Listening to the facts during the hearings on that bill, I became thoroughly convinced that some action had to be taken to insure that every schoolchild in America suffering from a reading deficiency should be given the help necessary to make him a good reader. The facts were simply overwhelming. For instance, 90 percent of the annual 700,000 elementary and secondary school dropouts are classified as poor readers. A Harris poll reports that 11 million Americans cannot read well enough to obtain a driver's license. Studies have shown that currently 7 to 10 million schoolchildren are severely deficient in reading and require special reading assistance. In large urban areas, witnesses before the committee testified, it is not unusual to find 40 to 50 percent of the schoolchildren reading below grade level.

It is obvious that reading is fundamental to a proper education. If our children cannot read, how can they be expected to learn geography, math, or any other subject? Therefore, I was very pleased when many of the provisions of S. 1318 were incorporated into S. 1539 in title VII, the national reading improvement program. The program is authorized to receive over $170 million by fiscal year 1978 to help the States and local educational agencies to eliminate reading deficiencies.

Funds would be available to the Commissioner of Education to contract for reading demonstration projects which would utilize trained reading specialists to supplement normal classroom instruction in schools having large numbers or a high concentration of children with reading difficulties. These projects would stress local initiative by involving parents, teachers, students, and administrators in the planning stages. No single approach to reading instruction is mandated to the localities, and bilingual methods are encouraged where appropriate.

Special emphasis projects would be started to provide schoolwide instruction by reading specialists and to provide vacation reading programs to prevent the loss over the summer of any reading progress made during the academic year.

Grants would be made to institutions of higher learning for improved graduate and undergraduate training of reading instructors. The use of television will be encouraged as a means of training needed reading specialists.

In order to coordinate all Federal reading efforts, title VII would create the Office for the improvement of reading programs in the Office of Education. In addition, $10 million is authorized for the establishment of a Reading Improvement Laboratory under the direction of the National Institute of Education to conduct the research necessary to improve reading instruction. In addition, States would be given funds in order to upgrade their standards for reading certification requirements.

I cannot stress enough the importance of this reading program to the education of our youth and to their eventual success in adult life.

I would interpolate here, Mr. President, by saying I was told, and I hope it is not true, that one of Colorado's high schools graduated a class in which 80 percent of its students could not read or write, at the national average level. I cannot believe that is true, and I have not been able to verify it, but assuming it is true, even to the extent of 30 percent, it is just ridiculous for anybody to be graduating from high school who was incapable of reading and inadequate in writing.

SPECIAL INCENTIVE GRANTS TO THE STATES

Some States consistently contribute a relatively large part of their tax effort to financing education, and I have always felt that the Federal Government should recognize the burden which the citizens of those States carry by providing extra grants to those areas. This is why I originally sponsored part B of title I, special incentive grants to the States.

Due to rises in the cost of living since 1967 when part B became effective, and due to the increasing costs of education, I felt that it was necessary to include in the committee bill an increase in the amount given to the States in order to preserve the original intent of the incentive grants.

Since 1967, the consumer price index has risen over 34 percent, and thus the States are effectively receiving less incentive now to finance their education than they did in the past. The Office of Education reports that total public expenditures on elementary and secondary education have risen over 57 percent since 1967, and the national average per-pupil expenditure has risen 54 percent. This means that the costs of education have increased more than 50 percent while the buying power of a 1967 dollar has decreased about 30 percent.

I have included a measure in the current bill which will increase the basis for awarding incentive grants to compensate for the increasing costs that all States are facing.

I want to express my thanks to Roy Millenson, our counsel, who brought this to my attention. With his aid and effort, we got the committee to agree to it.

At present, grants are given to those States who exceed the national effort index in their financing of elementary and secondary education. For each one-hundredth of a percent by which a State surpasses the national effort index, it may receive a maximum of $1 per eligible title I student, but no State may receive more than 15 percent of the funds available. Last year, approximately $18 million were appropriated to part B.

Under S. 1539, the basis for the grant would be increased from $1 to $1.50 for each eligible title I child. This 50 percent increase should offset the rising costs and restore an adequate incentive to States.

BILINGUAL EDUCATION

Mr. President, my commitment to providing a quality education to all children regardless of their national origin has always led me to work for educational programs which would serve the special needs of those children of limited English-speaking ability. No child should be denied a proper education due to his cultural background, and that is why I have continued to work during this session of Congress on the many aspects of bilingual education contained in S. 1539.

Bilingual education fosters an equal facility for a child to use English as well as his native language. It also encourages self-esteem and pride in his cultural origin. In addition, the Supreme Court has found that programs, such as bilingual education are necessary to insure equal educational opportunity to students whose native language is other than English.

In Lau against Nichols, the Court found that "where inability to speak and understand the English language excludes national origin-minority group children from effective participation in the educational program offered by a school district, the district must take affirmative steps to rectify the language deficiency in order to open its instructional program to these students."

This can be done, obviously, either by special training in the language which is being taught or by bilingual education, which is far more readily accessible to most people.

The provisions of S. 1539 certainly represent a major Federal effort to help State and local educational agencies meet the special educational needs of the millions of bilingual students who might otherwise be deprived of the opportunity to benefit adequately from their schooling. Many approaches to providing bilingual education are set forth in this bill.

Federal coordination of bilingual education will be increased with the establishment of the Bureau of Bilingual Education, and demonstration projects will provide a comprehensive range of support activities. An expanded program for the training of bilingual counselors, paraprofessors, teachers and administrators has been formulated, and the National Institute of Education has been mandated to conduct relevant bilingual and bicultural research.

While most of these activities are concentrated on the elementary grades, there are also special provisions for preschool, secondary and post-secondary students. For example, I introduced into the committee bill an amendment which would add a new part J, entitled "Bilingual Vocational Training," to the Vocational Education Act.

This bilingual vocational training is designed to give necessary vocational skills to persons of limited English-speaking ability who have left school. It is envisioned that the participants in these programs will be encouraged to make full use of their cultural experiences rather than suppress them.

The problem of inadequate vocational training for groups of limited English-speaking ability is highlighted by low income, high dropout rates, and high unemployment rates. In the Southwest, for example, the median income of Spanish-speaking families is nearly $3,000 below the national average. The dropout rate in the Southwest is 40 percent for Spanish-speaking youths, and this situation has resulted in a high rate of unemployment. Similar conditions exist in other parts of the country for other groups hampered by their limitations in speaking English.

My amendment applies specifically to dropouts and secondary school graduates who are unemployed or underemployed. The authorizations would increase from $40 million in fiscal year 1975 to $80 million over a 3-year period.

Sixty-five percent of the funding is allotted for grants and contracts to State and local educational agencies, post-secondary and private vocational training institutions, and other nonprofit agencies to provide bilingual vocational training. One quarter of the funds are reserved for the training of teachers and ancillary personnel, such as counselors, and 10 percent will be devoted to the development of instructional materials and methods.

Mr. President, I am confident that with the passage of these various bilingual programs many Americans will receive the type of education that will benefit them the most and greatly increase their contributions to society in general.

Mr. President, insofar as bilingual training and education refers to Spanish-speaking people, I have consulted with the people in SER and have asked them what they think about it. SER has spent a great deal of time and effort, and has been very successful in training Spanish-speaking people for jobs. SER is highly enthusiastic about this project. SER has done outstanding work itself, and is considered expert in this area.

Although I have been speaking about programs in the bill that I think are quite good, I must express some reservations, as I mentioned earlier, about certain sections of the bill.

THE PROPOSED CONSOLIDATION

As I have stated in my additional views to the committee report, and as is also stated in the supplemental views of the minority members, the so-called State program consolidation contained in section 402 is virtually no consolidation at all. The intent of consolidation is to allow the local educational agencies more flexibility in allocating Federal funds in order to suit the particular needs of their school district.

Currently, many districts are forced to spend the money for which they are eligible in areas which do not represent their greatest need, while they are not able to obtain additional money in their areas of greatest priority. By consolidating several categorical programs, a school district could determine its own spending priorities.

Section 402 of the current bill, however, would allow only 50 percent of the dollars above 100 percent of the dollars appropriated in specified prior years for each of the programs to be consolidated. At a minimum, it would seem preferable to consolidate all of the dollars above the 100 percent appropriation level so as to achieve a more adequate consolidation plan and to avoid further complications in the grantmaking process.

MORE BUREAUCRACIES

A letter from Secretary Weinberger to the chairman of the Labor and Public Welfare Committee has protested the creation of at least 14 new bureaucracies within the Government. I feel that the Secretary has made a valid observation.

At a time when the Federal Government is already cumbersome, it is difficult for many people to comprehend the need for more administrative structures. I would have to support the Secretary's contention that we should be attempting to streamline the education bureaucracy rather than expand it. The Federal bureaucracy is already exerting what I believe to be too great a control over the activities of local schools, and increasing the size of the bureaucracy is only inviting more Federal control at the expense of local initiative. The key to improving our educational system does not rest in the heart of a highly centralized Washington office, but rather in the dedicated and hard-working initiative of thousands of local school districts across the country.

THE BUSING OF SCHOOLCHILDREN

Mr. President, the last title of this bill, title VIII, addresses itself to the problems faced by many communities who are implementing plans to achieve racial desegregation. A large component of these plans involve the busing of schoolchildren considerable distances from their homes and certainly far from their neighborhood school. Title VIII, for the most part, is simply a restatement of law that has already been enacted. It will provide no relief to any school district whose entire educational process is being disrupted by forced busing. I believe it is time for the Senate to take some action in specifying the guidelines that should be used to bring about integrated school systems.

I have always taken a strong public position against forced busing of schoolchildren to achieve desegregation. I believe that education should take place in neighborhood schools where family and community involvement can be emphasized. After all, education has always been, both traditionally and constitutionally, a matter of local concern. Assigning children to schools on the basis of race, whether to achieve segregation or integration, seems equally discriminatory to the fundamental rights of all Americans.

Court-ordered busing is a poor substitute for confronting the problem of equal education for American youth. A recent Gallup poll shows the intensity with which the American people oppose the transportation of their children. Of a list of possible remedies to achieve economic and racial integration in public schools, only 5 percent of those polled selected busing as an appropriate way to bring about integration. Given this finding that 95 percent of the American people do not support busing, it is not surprising that Supreme Court Justice Lewis Powell has termed busing "the single most disruptive element in education today."

Mr. President, I believe that forced busing takes away from the American people the basic right to control the education of their children. Parents no longer dictate policy but the courts. The real issue should be upgrading the quality of education. Studies indicate that the academic achievement of students involved in forced busing has not increased as a result of their attending schools outside of their neighborhood. In fact, there are definite indications that busing has strained racial tensions by creating bitterness and polarization in many communities. Only by encouraging local school districts to chart their own course can the American Government hope to develop the kind of grassroots initiative that is necessary for improving the quality of our Nation's schools.

Mr. President, departing from my prepared speech, I want to add one more thing, and that is on the title I formula. We have been, for a period of years, trying to determine how we are going to allocate the money under title I between the States. I am concerned that under the title I formula in S. 1539, the States which are growing rapidly like my own are being penalized, and those States which are losing title I children from their school districts are, in effect, being held harmless from any decrease in the amount of money they will receive in future years.

This does not make sense to me. I have not proposed any particular program by way of a printed amendment, but I understand that the Senator from Arkansas (Mr. McCLELLAN) is thinking of one, and I am sure that we will have a very solid discussion, which may become heated at times, over this particular issue as well as on the busing issue, which I am sure will also be heated.

I want to state at this time the admiration I have for the chairman of the committee. This has been a very difficult bill. He has been very cooperative with all Members, and I sincerely appreciate it.

Mr. PELL. Mr. President, I thank my colleague very much.

Mr. JAVITS. Mr. President, I rise in support of the pending bill, Education Amendments of 1974, S. 1539. The Committee on Labor and Public Welfare, worked diligently over many months to produce this measure whose eight titles cover the spectrum of elementary and secondary education programs as well as adult education, administration and organization of the Federal education establishment, and some miscellaneous programs in other education fields.

This bill enjoyed the support of all the minority members of the committee, as is indicated in the Supplemental Views signed by these members commencing on page 571 of the report. This is also a bipartisan measure composed of provisions contributed by minority members as well as those of the majority; these minority contributions are spelled out in the Supplemental Views on page 572 of the report.

I would be remiss if I did not point out that much credit for this measure must go to our Education Subcommittee chairman, Mr. Pell, without whose patience and diligence this legislation would not have been developed; the chairman of the full committee, Mr. Williams, who in addition to furnishing leadership also was responsible for key provisions in the bill; and my colleague, the ranking minority member of the Education Subcommittee, Mr. Dominick, who has contributed much to the bill now before us.

Mr. President, as the report discusses the bill in detail it serves no constructive purpose for me to reiterate here what is so well described throughout the report. However, there are several particular provisions to which I should like to make special reference.

TITLE I, ESEA

The principal program of Federal support for elementary and secondary education is title I of the Elementary and Secondary Education Act—ESEA—for which $1.8 billion was appropriated for the current fiscal year. Title I contains three parts. Part A, the basic grant program, provides funds for State educational agency facilities for handicapped, delinquent and migratory labor children and for State administration. But this is only a very minor part of part A. Close to 85 percent of title I–A funds go to local educational agencies—LEA's—channeled through the States, for programs for disadvantaged children.

Last year there were in effect four formulas for title I–A, as follows: First, the formula prescribed by the authorizing legislation which stipulates that no locality will receive less than it received in 1967. This 100-percent, hold-harmless provision was added to the authorizing law in 1967. Second, the first continuing resolution, Public Law 93–52, adopted July 1, provided a 100-percent State hold-harmless based on fiscal year 1972 allocations. Third, the second continuing resolution, Public Law 93–124, adopted October 16, 1973, provided for a 90-percent, State hold-harmless against fiscal year 1972 and added a 90- to 115-percent local hold-harmless against fiscal year 1973. Finally, the Labor-HEW appropriation bill, adopted December 18, 1973, provided a 100- to 120-percent, State hold-harmless against fiscal year 1973 and a 90-percent, local hold-harmless against fiscal yar 1973.

Clearly, it was deemed incumbent upon the Congress to adopt a new formula in the authorizing legislation which would not be subject to a round of changes each year and which would stand up against shifting statistics of population and AFDC coverage, statistics which alter allocations because they are not always accurate or up to date. The principal example of this is the shift from the 1960 to the 1970 census. School districts must have some basis on which to make plans, by which they may let contracts for teachers, for equipment, and for services, and an unstable title I allocation, subject to late funding since its inception in 1965, makes this impossible.

Hence, the committee, by a unanimous rollcall vote and, after much debate, adopted the formula at hand.

Like most hotly debated propositions a compromise resulted. And, like most compromises, the final result was not entirely to my liking. But, I believe it is a fair and equitable compromise under the circumstances and therefore, I support it. I should like to have retained the present law in terms of the benefits to my own State of New York, for New York State will receive 18.6 percent less funds under the S. 1539 title I–A formula than it would under present law without floors or ceilings. Of course, on the other hand, other States benefit by the S. 1539 formula. Arkansas, for example, gets 94.7 percent more than it would under present law. But that is the nature of a compromise and I hope that it will not only be sustained here in the Senate, but also in conference.

Naturally, I should like to see a bigger share of these funds for New York State, which ranks 38th in the country in the percent of revenue for public elementary and secondary schools from the Federal Government. As a matter of fact, 15 States receive more than twice the Federal share received by New York. I say this not to stimulate any State rivalry, but rather to clarify the position of New York and other industrial States relative to Federal education funds. I ask unanimous consent that there be included in my remarks at this point a chart from the National Education Association publication, Ranking of the States, 1973, of "Estimated Percent of Federal Revenue for Public Elementary and Secondary Schools from the Federal Government."

There being no objection, the chart was ordered to be printed in the Record, as follows:

G–10—Estimated percent of revenue for public elementary and secondary schools from the Federal Government, 1972–73

1. Mississippi	26.9
2. New Mexico	18.2
3. Alabama	17.6
4. South Carolina	17.3
5. Alaska	15.9
6. Kentucky	15.8
7. North Carolina	15.6
8. Arkansas	15.3
9. Louisiana	14.7
10. Tennessee	13.1
11. Idaho	12.7
12. South Dakota	12.7
13. West Virginia	12.4
14. Georgia	12.3
15. North Dakota	11.7
16. Florida	10.8
17. Texas	10.7
18. Oklahoma	10.4
19. Virginia	10.4
20. Maine	9.3
21. Utah	9.1
22. Rhode Island	8.9
23. Washington	8.7
24. Montana	8.5
25. Missouri	8.3
26. Hawaii	8.0
27. Kansas	8.0
28. Wyoming	7.9
29. Colorado	7.7
30. Arizona	7.4
31. Delaware	7.3
32. Maryland	6.9
33. California	6.8
34. Nebraska	6.7
35. Pennsylvania	6.3
36. Illinois	6.2
37. Vermont	6.1
38. New York	6.0
39. Nevada	5.9
40. Ohio	5.7
41. Massachusetts	5.2
42. Indiana	5.0
43. New Jersey	4.7
44. Minnesota	4.5
45. Oregon	4.5
46. New Hampshire	4.1
47. Michigan	3.8
48. Wisconsin	3.8
49. Iowa	3.7
50. Connecticut	3.1
United States	7.7

Mr. JAVITS. Mr. President, the fact that the formula for part A of title I occupies center stage in terms of order of magnitude should not be permitted to overshadow the changes made to parts B and C of title I, both of which are continued. Part B, known as the State incentive grant program, provides funds—with an appropriation limit of $75 million—to States based on their education effort. It benefits those States where the ratio of educational expenditures to total income exceeds the national effort ratio. This part, which is known in our committee as the Dominick amendment after the senior Senator from Colorado who sponsored its original inclusion in the law, has been updated in recognition of inflation. It benefits low-income as well as high-income States. For example, major beneficiaries, it is estimated, for fiscal year 1975 will include Louisiana, the highest concentrations of poverty children—has also been strengthened Maine, Michigan, New Jersey, Oregon, Washington, Wisconsin, and Wyoming.

Part C—special grants for areas with and I invite the attention of my colleagues to the detailed description of this provision—complete with charts—by our subcommittee chairman, Mr. PELL, on April 25, found on pages 11848–50 of the CONGRESSIONAL RECORD of that day. This provision benefits all types of communities throughout all parts of the Nation.

I stress these two latter parts, B and C, not only because they had their origins in law through amendments by my colleagues of the minority, but because the House bill seeks to delete them and it is my understanding that an effort may be undertaken in the Senate to do likewise. I hope my colleagues will examine these provisions most carefully before considering such a move.

ADULT EDUCATION

As the author of the Adult Education Act, now law, I am particularly pleased that this statute is being both extended and expanded. Among the new provisions are those stipulating that up to 25 percent of the funds appropriated may be used for high school equivalency programs, providing new emphasis for programs for adults in institutions and to adult programs in community schools, and establishing a National Clearinghouse on Adult Education.

There are some 57 million adult Americans over 16, not enrolled in school, who have not completed their secondary education. These adults are the forgotten millions of American education. We can be no less concerned with their education than we are with the education of our children. As we seek to make available broader and better educational programs for our youth, we cannot falter in our responsibility toward those adults who, through no fault of their own, were unable to obtain the minimum of a high school education. The completion of a secondary education is the minimum level of educational attainment deemed acceptable in today's complex and demanding society.

NEW PROGRAMS

Title IV of S. 1539 contains three broad consolidations—administrative, State formula programs, and discretionary programs. I should like to refer now specifically to the latter of these consolidations, that of programs administered by the Commissioner of Education wherein funds are distributed at his discretion under the statute rather than by a fixed statutory allocation formula. These programs do not individually involve enough funds to warrant the traditional State allocation formula or do not lend themselves to that design.

This consolidation of discretionary programs, authorized at $200 million and found in section 403 of the bill, is known as the Special Project Act. It contains a unique provision for the following seven new categorical programs; metric education (section 404); gifted and talented children (section 405); community schools (section 406); career education (section 407); consumers education (section 408); women's educational equity (section 409); and arts education (section 410). A 50-percent set-aside is provided for these programs which, for an incubator period of 4 years, would remain inside the shelter of this set-aside. After this period, when the programs will have had an opportunity to become established and prove their worth, they would be moved from the set-aside incubator shelter to the consolidated area with the other established programs consolidated into the Special Projects Act. This device gives the Congress an opportunity to establish new areas of priority from time to time and also assures that the advantages of consolidation will not be eroded by the continuing establishment and perpetuation of additional new and separate categorical programs.

GIFTED AND TALENTED CHILDREN

Among the new programs to which I have referred is that one contained in section 405 for gifted and talented children who, it has been observed, are perhaps the most neglected minority in American education today. This untapped reservoir of talent is not confined to one group in our country or any one type of neighborhood but includes youngsters from every variety of background.

Systematic efforts must be made to identify, nurture, and cultivate the demonstrated and potential talent existing in every walk of American life. In addition to society's obligation to provide every individual with access to self-fulfillment, a society has a very real obligation to itself to assure its own health and survival and the continuing development of its greatest resource—the capabilities of its people. This is the object of the programs contained in section 405 for grants for education programs for the gifted and talented, for training of personnel for their education, and for a National Clearinghouse on the Gifted and Talented as well as for additional needed research in the area of education of gifted and talented children.

BUSING

The Education Amendments of 1972—Public Law 92-318—has been described as the most significant higher education law since the Morrill Act, the land-grant college law enacted in the last century during the administration of President Lincoln. Yet, newspapers, all throughout the country headlined its passage in the Senate with announcements that "Busing Bill Passes Senate" because that measure included as one of its nine titles a title dealing with the busing of schoolchildren. I hope that this will not be the fate of the well-crafted education bill now before us.

Some 40 percent of our schoolchildren travel by schoolbus every day. Less than 5 percent of this 40 percent travel in buses for purposes of integration or racial balance. That means that less than 3 percent of all schoolchildren are so involved. Yet, the Senate once again may involve itself on this issue in days of debate, more than any other section of the bill.

I hope that we can preserve some perspective on this subject and that in seeking to resolve the busing issue the Constitution will not be under assault or amendments offered which would be counter to its provisions. In the essay by Charles Lamb, "Recipe for Roast Pig," we are told of a primitive tribe which burned down a hut to roast a pig. Let us not risk putting the torch to this bill to resolve the busing question.

I shall discuss this issue later as we consider the amendments.

CONCLUSION

The committee bill is a good bill. It merits passage. I support it, as did my minority colleagues in the committee, and urge its passage.

Mr. WILLIAMS. Mr. President, one of the great and most important principles upon which this Nation was founded is the need to advance the education of the American people. Every one of our leaders since the establishment of the United States has stressed education as a vital national priority. Today, we are beginning Senate debate on S. 1539, the Education Amendments of 1974, a bill which is specifically tailored to continue and strengthen the Federal commitment to this country's educational system.

S. 1539 relates primarily to elementary and secondary education programs operated through the Education Division of the Department of Health, Education, and Welfare. These provisions have been written based upon 18 days of hearings held by the Labor and Public Welfare Committee on this and related bills before it. It is the product of more than a year of hard work by every member of the committee after having considered the concerns and views of innumerable individuals, agencies, and organizations who expressed an interest in these programs.

Mr. President, I believe the committee has developed a bill which approaches Federal educational assistance in various different ways combining specificity, flexibility, and responsiveness to the Nation's needs. Thus, let me briefly take some time to summarize major features of S. 1539 for my colleagues.

The bill extends and revises title I of the existing Elementary and Secondary Education Act. Since its inception in 1965, this program has grown to become the major program of Federal aid for elementary and secondary schools. The largest share of funds under this program is provided to local school districts for planning and operating special programs for educationally deprived children. While most of these local efforts have been directed at improving basic reading, writing, and math skills, the title I funds have also been successfully and flexibly used for social science programs to meet health, psychological, and cultural activities as well as for and nutritional needs of children to help them in educational attaiment.

The important change in title I made by the committee relates to the formula for distribution of funds to local education agencies. We have revised this formula to assure that no LEA will receive less for programs for the educationally deprived than it received for that purpose in fiscal year 1974. Of the amounts appropriated above that level, 60 percent will be distributed to LEA's on the basis of their relative number of Orshansky poverty-level children—according to the 1970 census—and 40 percent on their relative share of the total number of children from families receiving AFDC payments.

The purpose of this formula is severalfold. First, the "base year" concept is adopted to assure a measure of stability for local educators in planning title I programs. The use of the 60-percent Orshansky poverty count and 40-percent AFDC count has been adopted to reflect the most flexible and fair poverty standard which is currently available combined with an updating mechanism to reflect shifts in the population of educationally deprived children. It is my view, therefore, that this important formula change should meet the many problems which have surrounded the title I formula in the past year and will meet the needs of children in every State of this Nation.

In addition to this formula change the committee has also increased the rate of payment for part B of title I which provides special incentive grants to States which exceed the national expenditure effort for education. Also, we have revised the payment formula for part C of title I—special grants to schools serving areas with the highest concentration of children from low-income families—to assure that funds will be more effectively distributed by requiring higher concentration levels.

Finally, with respect to title I, the committee has continued full support of the provisions which provide support for State educational programs for handicapped children, neglected and delinquent children, and migrant children. These programs in present law are required to be fully funded before local school district allocations are made.

I believe that the importance of this program for these target groups has been demonstrated over and over since its inception. These programs have provided impetus to the development of educational programs in institutions for the retarded and emotionally disturbed where none had been available and have shown that even the most severely handicapped child can learn—even if only simple skills such as feeding himself, or other care. In all cases, the State agency programs for the handicapped have affirmed the fact that the individuals receiving these services have the capacity to grow, learn, and develop.

For neglected and delinquent children in State-operated institutions, a wide variety of approaches have been used such as group therapy, reward techniques, and early release. And for migrant children, special services are provided to make up for frequently interrupted schooling, to stress bilingual instruction for those with limited English-speaking ability, and to give vocational and prevocational training so that migrant children will be exposed to other occupational pursuits. Thus, without these important initiatives, hundreds of thousands of our young people with special problems would not be receiving these special services.

Mr. President, another important feature of S. 1539 is the extension of the impact aid program. While we have been told that this Federal assistance is excessive and in some instances unnecessary, I think that we can all attest to the fact of the true impact of the "Federal presence" in various areas of our States. Thus, the committee has chosen to continue this program although we have decided to revise the eligibility rates to more accurately reflect congressionally established payment levels in previously passed appropriations acts. These appropriations levels—and thus the levels set in the bill—have realistically differentiated among the extent of the impact of various types of federally connected children. In addition to this reform, the committee continues to count "public housing children" as federally connected, but alters the current requirement for separate funding by providing that such children would be treated the same as other "B" category students in this program.

Mr. President, there has been a good deal of discussion in the last few years about the need to consolidate and simplify some of our Federal educational programs. There can be no question that we all wish to eliminate as much Federal redtape as possible while at the same time assuring that Federal education dollars are spent for the particular and vital purposes for which they are intended. To respond to this problem, the committee has adopted three separate and significant consolidations in certain program areas.

The first consolidation involves certain administrative requirements and provides for a simplified single State application for Federal funds administered through the State educational agency. Programs covered by this general application would include title I—Education of the Disadvantaged—title II—Textbooks and Library Resources—title III—Innovation—title III of the National Defense Education Act—Equipment—the Adult Education Act, and the Vocational Education Act. When a State wants to participate in a particular program, it submits a single annual program plan which specifies the manner in which Federal funds will be expended for that program in accordance with the authorizing language as well as make a report on the manner in which Federal funds have been expended during the preceding 2 fiscal years.

The second consolidation includes title II—Textbooks and Library Resources—the State share of title III—Innovation—title III of NDEA—Equipment—and title V–B–2 of EPDA—Attracting and Qualifying Teachers. Under the bill, these programs are merged into a single program to assist States in providing supplemental, auxiliary, and supportive services for schoolchildren. This new consolidated program would not go into effect until the appropriations level reaches at least the fiscal year 1972 amount for each of the individual programs being consolidated, and until they have been forward funded. At that time, 50 percent of additional appropriations would be available to States to be spent in their discretion for any of the purposes for which the consolidated program permits.

The third consolidation in the bill is called the Special Projects Act and involves discretionary programs now administered by the Commissioner of Education. These include the Cooperative Research Act, dropout prevention, health and nutrition, correction education, the 15-percent, Commissioner's set-aside from the title III—Innovation—program, and teacher training—other than Teacher's Corps—programs under EPDA.

Under this consolidated program, the Commissioner would be authorized to make contracts for almost any area of educational demonstration and innovation. Limitations on this authority are that authorizing committees would be given the opportunity to disapprove the Commissioner's plans for spending the discretionary funds before appropriations for the consolidated program could be made. And 50 percent of appropriated amounts would be required to be spent on new categorical programs authorized in the bill. These programs include education for the use of the metric system, education of gifted and talented children, consumer's education, career education, and women's educational equity. In addition, included in these new categorical programs is the important initiative providing support for the development of community schools which Senator CHURCH and I have sponsored in the Senate.

Community school programs and community education expands the concept of the traditional school—a learning center primarily for young people in kindergarten through 12th grade, operating 6 hours a day, 5 days a week—into a community development center providing opportunities to all segments of the population. These schools work in partnership with other groups in the community to offer recreational, educational, social, cultural, and a variety of other services. This is a concept which began in Flint, Mich., in the 1930's with the support of the C. S. Mott Foundation and since that time some 3,600 community schools have been developed in 600 school districts across the country. Unfortunately, many of these programs have struggled because of inadequate funding and numerous communities have not launched community education programs because there have been no sources of funds to sustain such an operation. Thus, the creation of this federally supported effort would encourage continued expansion and development of these exciting endeavors.

Mr. President, these are only some of the important features of S. 1539. In addition, the bill includes a strengthening of the National Center for Education Statistics and authorization for the President to convene a White House Conference on Education in 1977. Also included is the incorporation of the extension of the Education for the Handicapped Act which passed the Senate in the last session as S. 896. The extension is being incorporated into this bill because similar provisions were added to the House version of the Elementary and Secondary Act amendments. Of special note in these provisions, are further State planning requirements which are designed to move the States closer to fulfilling their obligations to seek out, identify, and serve the educational needs of handicapped children. Specifically, these sections mandate that each State establish a goal for providing full educational opportunity for all handicapped children and that they set forth detailed plans of the policies and procedures which will be undertaken to assure that all handicapped children residing in the State are identified, located, and evaluated. Additionally, it is required that the States provide assurances that they have established a goal for providing full training and educational opportunities for all handicapped children together with a timetable for accomplishing this goal and a description of additional facilities, personnel, and services necessary to meet such goal on a statewide basis.

I should point out, also, that the legislation incorporates major new thrusts to improve bilingual education placing greater emphasis on teacher training and the training of other educational personnel participating in bilingual programs. And the bill authorizes a national reading program which includes reading improvement demonstration projects, special emphasis projects, reading training on public television, and grants for institutions of higher education related to reading programs.

Finally, the bill addresses itself forthrightly and sensibly to the problem of school desegregation. It extends through fiscal year 1976, the period during which the existing authorization of $1 billion may be fully appropriated under the Emergency School Aid Act. This proposed extension is because it was the committee's feeling that the purpose of the legislation has not yet been fulfilled despite the administration's sudden announcement that the "emergency" is now over. I am convinced that many of the efforts undertaken through this nationwide program have been successful in dealing with the human problems arising from desegregation or reduction of racial isolation and should be continued for the near future.

In addition to this program, the committee also felt it wise to continue the operation of the provisions in existing law relating to the assignment or transportation of students to overcome racial imbalance. All of these existing provisions are left unchanged with the exception of the so-called Broomfield amendment relating to courts appeals. The expiration of this section has been changed from January 1, 1974, to June 30, 1978.

It is my hope that all of these provisions relating to school desegregation will be adopted as they have been reported from the committee—without change. To do otherwise will, I think, reopen some painful wounds which have been well on the way to being healed and which have worked for the past 2 years.

Much of this success has been due to the patience, understanding, and sense of justice of the American people and we should permit that spirit of basic unity to continue.

Mr. President, during the past weeks, there has been some criticism of the Senate bill by the President and members of his administration. Indeed, after a meeting with the President in February, of Health, Education, and Welfare quoted him as accusing the Labor and Public Welfare Committee of acting "irresponsibly" on education legislation. I would have been surprised by this unwarranted attack, but unfortunately, it is the kind of rhetoric—having little relationship to reality—that has characterized this administration for the past 5 years.

I have no hesitation in saying that the measure before us now represents an amalgam of the best thinking in the country on education matters. It builds upon the experience gained in a decade of Federal aid to education by retaining those features which have proved their value, changing those requiring change, and incorporating new ideas where they are needed. The legislation is an excellent effort which has the enthusiastic bipartisan support of all the members of the Labor Committee.

As the President said in his state of the Union message:

> One goal on which all Americans agree is that our children should have the very best education this great Nation can provide.

That, Mr. President, is the goal which S. 1539 seeks to achieve.

Mr. BEALL. Mr. President, at this time I want to address myself to title VII, the national reading improvement program.

This title combines S. 1318, which I introduced and S. 2069, which was introduced by Senator EAGLETON and would authorize a 4-year, $469 million accelerated attack on what I have labeled the "Achilles' Heel" of American education—the large number or high concentration of children in some schools with severe reading difficulties.

The education-limiting and career-crippling handicap of the inability to read is so big and its solution so important that it demands a concentrated attack, and I believe that the reading improvement program can and will make a substantial difference.

The reading effort authorizes two types of demonstration projects, the reading improvement demonstration projects and the special emphasis projects. Under the former, Federal assistance would be available for projects conceived by States or local education agencies. Under the special emphasis projects, Federal assistance would be available for school districts to carry out a specific demonstration designed to determine the effectiveness of intensive instruction by reading specialists and the reading teachers—the regular classroom teacher with upgraded skills.

Reading emphasis projects must provide for:

First, instruction for all students in grades one and two by a reading specialist for one period daily and similar instruction for students in grades three through six who are experiencing reading difficulties; and

Second, an intensive vacation reading program for elementary children who are having reading problems.

Other provisions of the reading program would:

First, authorize the development of a course and a study guide in reading to be shown over public television for use by teachers and parents;

Second, provide grants to institutes of higher education to strengthen and improve undergraduate and graduate instruction in the teaching of reading;

Third, direct the National Institute of Education to accelerate research in reading and to establish a reading improvement laboratory.

Fourth, provide grants to States for the review and upgrading of State certification requirements;

Fifth, create a Presidential Award for Reading Achievement to motivate elementary pupils to develop better reading skills, and

Sixth, establish an Office for Improvement of Reading in the Office of Education.

Cosponsoring S. 1318 with me were Senators DOMINICK, DOMENICI, MONTOYA, and PASTORE. I am grateful for their help and support on this measure.

The alarming statistics reveal the magnitude of the reading problem. It is estimated:

That some 18½ million adults are functional illiterates;

That some 7 million elementary and secondary children are in severe need of special reading assistance;

That in large urban areas, 40 to 50 percent of its children are reading below grade level;

That 90 percent of the 700,000 students who drop out of school annually are classified as poor readers; and

That massive reading difficulties revealed in those statistics have been confirmed by surveys of teachers and principals alike.

The Office of Education in 1969 surveyed 33,000 title I elementary schools in over 9,200 school districts across the country. Two hundred and sixteen thousand teachers were asked to supply data on approximately 6 million pupils in grades 2, 4, and 6. These teachers judged reading the greatest area of need and they estimated that approximately 2.5 million pupils, or 48 percent of the enrollment in these grades, showed evidence of a critical need for compensatory programs in reading. This data indicated that 22 percent of the urban schools had 70 to 100 percent of their pupils reading 1 year below grade level.

Similarly, a survey of principals representing elementary school populations of approximately 20 million and a secondary school population of 17.8 million was taken seeking their estimate of the reading problem. These responses were analyzed by Carol Ann Dwyer of the Education Testing Services, Berkeley, Calif., and she found that the principals identified some 4.7 million pupils with reading problems in the elementary grades, and 2.7 million in the secondary grades.

Alarmingly, 37 percent of the elementary pupils and 46 percent of the secondary pupils with reading problems were reported to be receiving no special assistance in the instruction of reading.

The Department of Education in my State last year released the results of its survey of 11,000 citizens on the most important goal for Maryland schools. The survey found that "the people of Maryland believe that the mastering of reading skills is the most important education goal for the schools of the State."

Over and over again, parents, the general public, and the press across the Nation have expressed concern with poor student performance in the fundamental reading areas.

After I introduced this measure, an individual from Texas sent me a copy of the Dallas Morning News of June 24, 1973, which did a story on "Illiterate Graduates Face Literate World." I want to read into the Record the first two paragraphs from this article:

> At commencement exercises throughout the city recently, anywhere from 500 to 1,000 of Dallas' 9,000 graduating seniors, according to official estimates, walked across stages to be handed diplomas they could not read.
>
> Barely able to read, many will wind up with poor jobs or no jobs at all.
>
> Still in school, youngsters who are either unable to read at all or read only at the most elementary level can be found in almost every one of Dallas' 43 secondary schools.
>
> Dallas School Superintendent Nolan Estes has estimated more than 20,000 of the public school system's 70,000 secondary students read at least two or more years below grade level.

On May 4 the Washington Post headline read "Reading Tests Show Widespread Illiteracy." The Post was reporting on a new Government report showing that about 1 million American youths between the ages of 12 and 17 are unable to read as well as the average fourth grader and can thus be called illiterate. Dr. Holloway, director of the right to read program, called this report "alarming and discouraging." I ask unanimous consent that this article be printed at the end of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Reading Tests Show Widespread Illiteracy

(By Eric Wentworth)

About one million American youths 12 to 17 cannot read as well as the average fourth grader and can thus be called illiterate, according to a new government report.

Reading test scores were worse among blacks than whites, boys than girls, and youngsters from low-income families with less-educated parents than those from more fortunate backgrounds, the report showed.

The report, released by the National Center for Health Statistics, provided new evidence that the United States has a serious literacy problem despite the more than $40 billion spent yearly on public school operations.

The report's findings were based on brief literacy tests administered to a selected sample of 6,768 youths from 1966 through 1970.

The tests were part of the national center's health examination survey, a major quest for data on Americans' physical and mental health. Later reports will explore links between illiteracy and health problems.

The sampled pupils were asked to read seven short paragraphs of 40 to 50 words and answer three multiple-choice questions on each. They were considered literate if they could give correct answers for four of the paragraphs.

One paragraph read: "It was spring. The young boy breathed the warm air, threw off his shoes, and began to run. His arms swung. His feet hit sharply and evenly against the ground. At last he felt free." The questions concerned the season of the year, what the boy was doing, and how he felt.

The 12-to-17-year-olds whose scores fell below what could be expected from the average child beginning fourth grade were considered illiterate. Fourth-graders are normally 9 years old.

After analyzing the test results, survey officials estimated that 4.8 per cent of the nation's nearly 23 million youths in the 12–17 age bracket, extending all the way through high school grade levels, can be termed illiterate. That would amount to about 1 million young Americans.

More specifically, the report showed:

Among black youths as a whole, the illiteracy rate is 15 per cent. For white youths, it is 3.2 per cent.

For males of both races, the rate is 6.7 per cent, while for females it is 2.8 per cent.

For black males alone, the rate is a dramatic 20.5 per cent, or one in five. On the other hand for white females alone, it is 1.7 per cent, or less than one in 50.

The report also showed, as might be expected, that illiteracy rates are highest among youths whose families rank at the poverty level, and decline as income levels rise, still, at least some youths from families with $15,000-plus income flunk the literacy test.

Similarly, young people are most often illiterate when their parents have had little education, according to the report's findings. Among black youths from families headed by someone who had no formal education at all, for example, more than 50 per cent are illiterate.

On the other hand, some illiteracy is also found among the offspring of white college-educated parents.

"Alarming and discouraging" was how Ruth Love Holloway, director of the U.S. Office of Education's "right to read" program, viewed the report.

OE's "Right to read" program, first announced in 1969 by the late James E. Allen, Jr. who was then U.S. education commissioner, has been sponsoring a number of innovative reading programs and disseminates information about those that prove successful.

Mr. BEALL. Mr. President, this kind of frustration, as I pointed out when I introduced the bill last March, resulted in a lawsuit by a teenager in California who is suing the San Francisco school district and the State of California for $1 million for graduating him from high school without learning to read. I ask unanimous consent that articles on this case be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. This concern is evidenced by the suggestion of Dr. Kenneth Clark that all subjects be suspended in the ghetto school for a year and that all such time be spent on bringing the children's reading up to grade level.

Mr. President, I am convinced that the disenchantment in our schools, to a large degree, has to do with the inadequate performance in the reading area. This is not to say that schools do not do a good job with the large majority of our young people. They do, but a technological society like ours where only 5 percent of the jobs are unskilled cannot tolerate massive reading problems such as I have just described. Welfare rolls, to mention one social cost, will increase unless we do a better pob of teaching such youngsters to read.

The President has recognized the importance of reading by establishing the "right-to-read" program, which is charged with the responsibility of eliminating functional illiteracy by 1980. Under the able direction of Dr. Ruth Holloway, the right-to-read program is doing some extremely interesting and constructive work.

I will now proceed to discuss the special emphasis projects in some detail.

READING PROBLEMS—A PREVENTIVE APPROACH

The primary focus of the entire bill, as well as the special emphasis projects, is preventive. I believe that it is essential that we not only focus on reading problems, but also that we zero-in on the elementary years. I believe that prevention is more effective both in terms of education results and cost effectiveness than subsequent remedial efforts.

The special emphasis projects thus call for the teaching of reading to all elementary children in grades 1 through 2 by reading specialists. This is the real preventive aspect of the program and it is aimed at preventing reading problems from developing. It is designed to get all children off to a good start in reading.

In title I schools we know that reading retardation becomes greater with each successive year. I have talked with many teachers about the reading problem and, almost without exception, they advise me that it becomes increasingly more difficult, some say almost impossible, to remedy reading difficulties the longer we wait.

For grades 3 and above, the reading specialist would only be utilized for those children who are not reading at grade level or who are experiencing reading problems.

Also, an important responsibility of a reading specialist would be to administer or supervise the administering of the necessary diagnostic and screening tests to identify pupils who, for whatever reason, are having problems in reading.

VACATION READING OPTION

At the first sign that a child is falling behind in reading, there would be made available the option of attending a summer or vacation intensified reading program, again employing reading specialists.

Mr. President, the Nation through the Elementary and Secondary Education Act and other programs, has attempted to improve the education of disadvantaged youngsters.

Certainly that act has helped to identify and spotlight the massive education deficiencies of some of our schools. Unfortunately, we have not achieved the results to date that we have hoped for, although we have learned a great deal from our experiences. For example, we have found that we cannot spread the money among all of our schools and expect results; instead, we have found that better results are achieved when we concentrate such resources.

Also, districts that have emphasized academic programs have in general had better results. As a recent title I evaluation noted:

> Apparently there has been an over-allocation of supporting services and an under-allocation of academic services in Title I since the program's inception.

Headstart is another program which I strongly support. Interestingly enough, both in title I and the Headstart program "gains" that were produced often disappear. A study by Mr. Donald Hayes, of Cornell University, and Judith Grether, of the Urban Institute, indicated that the reading deficiency of disadvantaged children may be traced in part to the adverse impact of the summer vacation period.

These researchers found:

> Much of the difference between white and nonwhite can be traced to differential progress in reading and word knowledge during nonschool periods . . . put another way, the four summers between second and sixth grades produce a reading differential almost equal to the effects of five academic years. Month for month in 1965–66 the ghetto students were progressing at a rate 16 times as great during school as out of school. The upper-middle class student progressed at 3.5—4 times the rate *in* school as *out*. Students in all sets appear to learn while in school—it is when they are out of school that the important differentials appear. While *in* school the relatively rich white school children do barely better than the ghetto schoolchildren (1.3 times as much progress per month in 1965–66) but during the summer the relatively rich whites progress 6 times the rate of nonwhites.

This study, while certainly not conclusive, does add support to the summer school component of my proposal. Perhaps the study may help to explain the "loss" during summer vacation periods of "gains" realized in some of our compensatory education programs.

In the last Congress during hearings on equal educational opportunities, in a response to a question about my reading proposal, Mr. James F. O'Neil, of the State Board of Education for the State of Michigan responded:

> I particularly believe that the proposal to provide summer reading programs would be important, for this reason. Again, this latest study indicates that in the opinion of the report, that many children in the low socioeconomic areas, lose more than others during the summer months, because of the social and economic advantages and the motivation in the homes. Therefore, it would seem that having funds for the summer program would be particularly important to overcome such a slippage as that and to determine, if this is occurring, whether such programs would prevent it. That particular aspect is something I would wholeheartedly support.

For elementary grades 3 and above, reading would be taught by a specialist only for those children who are not performing at grade level. Also, these children would continue to have available the summer school program.

The special emphasis projects then seek to prevent reading problems from developing, to identify them immediately when they do, and to provide for prompt remediation once such problems are identified.

At this point, I want to strongly emphasize that this proposal is not meant to, nor will it, minimize or downgrade the role of the regular elementary classroom teachers in reading. The reading specialists employed in this program will serve to introduce specialization and intensification of reading instruction to all children in project schools, but the classroom teacher will continue to carry out his or her reading responsibilities, although obviously there would be coordination between the classroom teacher and the reading specialist.

SPECIALIZATION IN READING

Admittedly, specialization in reading for all children at the elementary grade level is new, but specialization itself at the elementary level is not new. At the elementary level, specialists are often employed to teach music, art, and physical education. Unlike in some of these other areas utilizing specialists, the reading specialist will not supplant the classroom teachers' reading role.

All reading instruction would not be the responsibility of the specialist. The regular classroom teacher will continue his or her important responsibilities, but the reading specialist will supplement and intensify that effort.

Indeed, this proposal envisions substantial upgrading of elementary teachers in reading, particularly in grades 1 through 3. That is why I have included the training program to make this possible.

Mr. President, schools in a number of States, such as California, Michigan, Wisconsin, and Missouri have been utilizing reading specialists with considerable success. Dr. Kiesling, of the Urban Institute, writing in the November 1972 issue of "Education and Urban Society," examines various hypotheses for effective programs for disadvantaged children. He found that—

> Minutes of instruction, especially those by the trained reading specialists, were constructively related to reading gains.

Continuing, he argues that in situations where the present system is failing, such as in many of our core cities:

> It might be efficient to substitute specialist's instruction for relatively large amounts of self-contained classroom instruction.

In his concluding comments, Dr. Kiesling says:

> It is widely believed, mostly on the basis of the reports of large national surveys, that compensatory education has failed. The findings of this study, which demonstrated modest average success and the possibility of very respectable gains in reading if diagnostic reading specialists are used for instruction, stand in partial contradiction to this.

Dr. Kiesling also cited what he called increasing evidence from research in compensatory education tending to support his findings. In discussing this literature Dr. Kiesling states:

> Guszak (1970) discusses research which he feels gives rise to a reasonable hunch that instruction by diagnostic reading teachers is effective for disadvantaged pupils. Bissell (1970) has shown convincingly, in a careful analysis of the findings of many well-designed compensatory education research projects, that better learning rates are associated with the degree of external organization and sequencing of the child's learning experiences, hierarchical organization of objectives, directive teacher role and the nature and amount of program supervision and personnel training. These attributes are precisely those that are present with instruction by trained specialists especially so when the program is planned such that the regular classroom teacher and paraprofessionals are well coordinated to the specialists' activity.

From the discussion it is clear that the reading specialist's ability and leadership is critical to the success of this program. The reading specialist's role will be both challenging and difficult.

The reading specialist will be introducing specialization in the reading area for all elementary students as he or she provides instruction to all children in grades 1 and 2, and to all children who are reading below the appropriate grade level in grades 3 through 6.

In addition, reading specialists will be teaching those children who participate in the summer intensive reading program.

But, the reading specialist's responsibilities extend beyond the teaching function, as important as this is. The reading specialist, as envisioned in this proposal, is expected to provide strong leadership for and coordination of the reading program at his or her school. The reading specialist will also administer or supervise the administering of diagnostic testing and screening.

Further, the reading specialist will be a resource person, helping the elementary classroom teachers grow and improve their instruction of reading in the regular class and will help develop additional reading specialists. For those schools who will participate in the public television reading courses for teachers, authorized by the reading title, the reading specialist is expected to lead followup discussions after the media presentation of the course within the school. Finally, the reading specialist is expected to, in effect, be a salesman for reading, helping to instill in the faculty and students the overriding importance of this subject and a burning desire on the part of the teacher and student alike to improve the reading performance of that school.

I have included a definition of "reading specialist" and "reading teacher" in the bill. Experts with whom I consulted cautioned me that the intent of the program could be frustrated if qualified individuals were not attracted, particularly in view of the importance of the specialist in this program. On the other hand, if I made the requirements too strict, there may not be adequate numbers of reading specialists.

A "reading specialist" is defined as an individual who has a master's degree, with a major or speciality in reading, from an accredited institution of higher education and has successfully completed 3 years of teaching experience which includes reading instruction.

This is essentially the definition of the International Reading Association, a professional organization active in the upgrading of reading instruction.

The term "reading teacher" means an individual with a bachelor degree, who has successfully completed a minimum of 12 credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education and has successfully completed 2 years of teaching experience, which includes reading instruction.

Realizing that there may not be adequate reading teachers or specialists, I have provided sufficient flexibility in the definitions so as to allow a reading teacher to be utilized in lieu of a reading specialist and a regular teacher for a reading teacher, provided such teacher is enrolled or will enroll in classes to meet the higher requirements. I would emphasize, however, that these definitions are only for the purposes of this program.

It is clear that the legislation envisions a major upgrading of professional qualifications in the reading area, particularly in project schools. The bill also will encourage institutions of higher education to give greater emphasis to reading in the preparation of elementary teachers and reading specialists. The goal is to have all elementary teachers in project schools become reading teachers. To accomplish such a goal, it is obvious that a massive retraining effort will be necessary. Some school systems are recognizing this need and an effort is already underway.

For example, the Baltimore city school system found it necessary to give all 8,000 teachers some additional training in the reading area.

As unbelievable as it sounds, it was possible until very recently for teachers to teach reading without a single college course in reading or reading methods. For example, in my State of Maryland, prior to 1972, the only requirement was one single course in language arts. This in general seems to have been the case in most States in the country, for as a study, "The Information Base for Reading" by the Educational Testing Service of Berkeley, Calif., observed:

> In 1960, as in 1970, the most frequent requirement for certification as a regular elementary teacher or secondary teacher was one course in reading and/or language arts.

The Library of Congress at my request, completed a survey of the 50 States to determine their requirements for the regular elementary teacher and the reading specialist. I ask unanimous consent that this chart be included at the end of my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

50 STATE SURVEY BY THE LIBRARY OF CONGRESS AT THE REQUEST OF SENATOR J. GLENN BEALL, JR. (R-MD.) ON THE CERTIFICATION REQUIREMENTS IN THE METHODS OF READING INSTRUCTION FOR PUBLIC SCHOOL TEACHERS IN SELECTED STATES

State	Regular elementary school teachers				Reading specialists at the elementary school level			
	Number of course hours (credit)	Type(s) of course(s)	Percent meeting present requirements	Changes in requirements in the past 5 years	Number of course hours (credit)[1]	Type(s) of course(s)	Percent meeting present requirements	Changes in requirements in the past 5 years
Alabama	0	NA[2]	NA	None		NA	NA	None.
Alaska	"3 courses"	Techniques, diagnosis, prescription.	50	1971-no specific requirement in the methods of reading instruction previously.	M.A	Techniques, diagnosis, prescription, materials.	[1] NS	None.
Arizona	3 s.h	Methods	100	None	15 s.h	Methods, remedial, practicum or internship.	100	1971—Course sequence mandated.
Arkansas	3 s.h	NS[3]	NS	1972—none before	M.A	Methods, remedial, laboratory practice.	NS	None.
California	"1 course"	Methods to include phonics.	100	1971—Inclusion of phonics not previously specified.	NS	Sertification based upon recommendation by local educational agency and passage of examination; or observation by a panel appointed by the State educational agency.	100	None.
Colorado	0	NA	NA	None	NS	NA	NA	None.
Connecticut	6 s.h	Methods (3) children's literature (3).	NS	1972—None before	M.A	Methods, remedial, practicum, children's literature.	NS	None.
Delaware	3 s.h	Methods	100	None	15 s.h (grad).	Methods, remedial, practucum	100	None.
Florida	2 s.h	Methods	NS	None	21–33 s.h	Foundations, methods, remedial, children's literature.	NS	None.
Georgia	5 q.h.[4]	Methods	90	None	25 q.h	Methods, remedial	100	None.
Hawaii	0	NA	NA	None		NA	NA	None.
Idaho	0	NA	NA	None		NA	NA	None.
Illinois	2 s.h	Methods	90	None	32 s.h	NS	100	None.
Indiana	6 s.h	Developmental and corrective reading.	NS	1970—none before	30 s.h	Foundations, diagnosis, laboratory practicum.	100	None.
Iowa	3 s.h	Methods	80	None	M.A. plus 4 years of experience.	Approved program basis	100	1970.
Kansas	0	NA	NA	None	12 s.h. (graduate).	Foundations, remedial, practicum.	80	1971—requirements specified.
Kentucky	6 s.h	NS	NS	1972—none before	12 s.h graduate).	do	NS	Do.
Louisiana	3 s.h	NS	25	1971—none before		NA	NA	None.
Maine	0	NA[5]	NA	None	12 s.h	Remedial	100	Do.
Maryland	3 s.h	Methods	8–85	1972—none before	12 s.h	Foundations, remedial, practicum.	85	Do.
Massachusetts	0	NA	NA	None	18 s.h	NS	"Most"	Do.
Michigan	0	NA	NA	do	12 s.h. plus 4 years of experience.	Methods, diagnosis, treatment of difficulties.	87	Do.
Minnesota	0	NA	NA	do	"6 courses"	Developmental reading, remedial, practicum.	NS	Do.
Mississippi	6 s.h	Methods	99	do	15 s.h	Developmental reading	99	Do.
Missouri	4–5 s.h	Methods	20	None	NS	Methods, remedial, psychological testing, practicum.	90	1970—Psychologica testing requirement added.
Montana	0	NA	NA	None		NA	NA	None.
Nebraska	0	NA	NA	None		NA	NA	None.
Nevada	2 s.h	Methods	100	None	M.A	NS	100	None.
New Hampshire	0	NA	NA	1970—from specific requirements to approved program basis.	M.A	NS	95	1970—from specific requirements to approved program basis.
New Jersey	"1 course"	Methods	100	None	24 X.h	Methods, practicum psychological testing.	NS	1971—requirement raised from 19 to 24 s.h.
New Mexcio	3 s.h	Methods, remedial.	85	None	10 s.h. (for elementary-reading teachers).	Foundations, remedial, practicum.	70	None.
New York	6 s.h	NS	70	1972—none before		NA	NA	None.
North Carolina	0	NA	NA	None	18–30 s.h	Methods, remedial, practicum	NS	None.
North Dakota	0	NA	NA	None	"8 courses" (graduate).	Foundations, remedial, practicum.	100	None.
Ohio	3 q.h	Methods	100	None	18 q.h	Foundations, developmental, remedical, practicum.	100	1972—none before
Oklahoma	3 s.h	Methods and materials.	100	None	12 s.h	Foundations, remedial, practicum.	100	None.
Oregon	6 q.h	Methods	75	1972—minimum specified	15 q.h	Methods, remedial, practicum	90	1972—minimum specified.

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	Regular elementary school teachers				Reading specialists at the elementary school level			
State	Number of course hours (credit)	Type(s) of course(s)	Percent meeting present requirements	Changes in requirements in the past 5 years	Number of course hours (credit)[1]	Type(s) of course(s)	Percent meeting present requirements	Changes in requirements in the past 5 years
Pennsylvania	NS	NA	NA	1969—3 s.h. required previously.	NS	NS	NS	1969—general guidelines outlined.
Rhode Island	3 s.h	Methods	NS	None		NA	NA	None.
South Carolina	3 s.h	Methods	NS	None	12 s.h	Methods, remedial, practicum	NS	None.
South Dakota	0	NA	NA	None		NA	NA	None.
Tennessee	3 s.h	Methods	NS	None		NA	NA	None.
Texas	"1 course"	Methods	100	None	6 s.h	Methods, diagnosis	100	None.
Utah	0	NA	NA	None		NA	NA	None.
Vermont[6]	NA	NA	NA	NA	NA	NA	NA	NA.
Virginia	3 s.h	Methods	NS	None	M.A	Foundations, remedial, practicum.	NS	1972—none before.
Washington	"1 course"	Methods	100	None	20 q.h	NS	100	None.
West Virginia	2–3 s.h	Methods	33	None	27 s.h	Foundations, remedial, clinical experience.	100	None.
Wisconsin	"1 course"	Methods	60	1973—requirement made mandatory.	M.A. or 30 s.h	Advanced methods, measurement, remedial, supervision, intership.	100	1972—none before.
Wyoming	8 s.h.[5]	Methods	95	None	6 s.h. (additional to standard requirement).	Remedial	95	None.

[1] Where this space is left blank (—), no separate certification for specialized reading teachers at the elementary school level exists.

[2] NA—Not applicable.

[3] NS—Not specified (if in a "Number of course Hours" column, a requirement exists but the number of hours is not specific; in other columns, NS indicates that the data is unavailable).

[4] s.h.—semester (credit) hours; q.h.—quarter (credit) hours.

[5] 8 s.h. of courses in the methods of teaching elementary skills, including reading.

[6] Due to staff limitations, the State of Vermont has declined to answer all inquiries related to this study (see attached note).

Mr. BEALL. Mr. President, Professors Roeder, Eller, and Beal of State University College, Fredonia, N.Y., had the following to say with respect to the preparation of teachers to teach reading:

To the already voluminous number of reasons suggested for Johnny's inability to learn to read, the authors would like to suggest one more—perhaps Johnny is experiencing difficulty in learning to read because many of his teachers have not been adequately prepared to teach reading. In fact, the majority of Johnny's teachers have no doubt spent more time in college gymnasiums learning to play volleyball and similar games than they have spent in college classes learning how to teach reading. . . . Unfortunately, when a neophyte teacher is graduated from an accredited institution and awarded state certification, it is often assumed that he possesses at least a minimal undertanding of how to teach reading. Nothing could be more remote from reality! . . . As a matter of fact, one of the authors received his baccalaureate degree in elementary education from an institution which required such courses as: Industrial Arts (3 hrs.), Music Methods (6 hrs.), Arts and Crafts for Classroom Teachers (6 hrs.), Physical Education (2 hrs.), and Marriage and Family Relations (3 hrs.). Consequently, when he embarked upon his professional career, he was prepared to teach his fifth graders how to swim, sing, make puppets, build birdhouses, play volleyball, settle family arguments, and weave baskets. Unfortunately, he was not prepared to teach his students how to analyze words, comprehend printed materials or critically evaluate textbook selections. Somehow, his alma matter had let him down; it had disregarded the most important R—Reading. Although he had fulfilled all the requirements for graduation and state certification, he—and his contemporaries—were never required to complete a course in the teaching of reading.

Mr. President, there are three sections of the reading title designed to improve and upgrade the teaching of reading in the country.

First, section 705, "Grants for institutions of higher education." This section authorizes grants to institutions of higher education for the purpose of planning and implementing programs to strengthen and improve graduate and undergraduate instruction in the teaching of reading and the cooperative programs with State and local educational agencies.

Second, section 708 authorizes grants to States to strengthen existing certification requirements. Hopefully, this will result in an increase in the course requirements in reading for future elementary teachers so that such graduates will meet the requirements of a reading teacher.

TELEVISION TEACHER TRAINING

Section 704 authorizes the Commissioner of Education to make arrangements for the preparation and production for viewing on public television of reading courses for elementary teachers and reading specialists. In addition, a study course guide would be prepared for use in conjunction with the television instruction.

The great potential of television for educational purposes has been demonstrated by such shows as Sesame Street and Electric Co. Also, college courses have been successfully offered over television. My State of Maryland is doing some imaginative and innovative work in this area.

One frequent difficulty with many of the television courses is the times at which such courses are offered. Sunrise is obviously not the best hour for our citizens. I have tried to draft this bill, not only to tap the best available talent to produce the courses, but equally important to encourage the offering of such courses at hours that are convenient to the teachers.

This provision envisions the outstanding reading experts in the country combining their talents with experts in the utilization of the communication media for educational purposes to produce first-rate courses that may be used by any interested school system.

While I want to see the courses available to all reading emphasis projects and schools and school systems everywhere, the legislation requires that the Commissioner give priority in selecting the urban districtwide project to applicants which can show—

First, that the State and local educational agencies will give credit for the television courses and encourage participation by the district's teachers;

Second, that the local television station will offer such courses at hours convenient to the teachers. It is hoped that the time of the viewing will enable all the elementary teachers to view the program as a group so as to enable follow-up discussion led by the reading specialists; and

Third, that the local educational agency will make arrangements with the colleges and universities so that academic credit will be given for the completion of such courses.

CENTER FOR READING IMPROVEMENT

Despite the importance of reading, this importance has not been adequately reflected in educational research and development. Accordingly, this part of my proposal would require the Director of the new National Institute of Education to establish a Center for Reading Improvement. $10 million would be authorized for the purposes of this section and these sums would remain available until expended.

The educational centers and labs previously funded under the Cooperative Research Act have been transferred to the National Institute of Education.

The Institute has been evaluating the present educational laboratories and center programs. I have examined some of the programs of the centers and labs and I must say that none of their work, in my judgment, compares with the importance of reading for our society. I believe that reading certainly should at least have one center or lab that is devoting full time to this problem.

Thus, under section 705 of my proposal, the Director of the National Institute of Education, through the Institute and the Center for Reading Improvement, would conduct or support research and demonstration in the field of reading, including, but not limited to the following areas:

First. Basic research in the reading process. The case for accelerated research and development efforts in the reading area is made by the massive reading problems facing the country. We certainly need to learn more about the reading process and how children learn to read. This is an exceedingly complex and difficult area, but its difficulty is exceeded only by its importance. So, I hope that basic research in the reading process will be pursued.

Second. The most effective method or methods for the teaching of reading. The debate on how to teach reading in the country has been going on for over a century with the proponents of the phonetic and look-see approach enjoying popularity at different times. Until educational research resolves this question, it would seem prudent that we make certain that our teachers know the main alternatives and techniques and when and how to employ special techniques of instruction.

Third. Improved methods for the testing of reading ability and achievement. There is a need to improve our techniques for testing reading ability and achievement. There is already some interesting work going on as evidenced by the Education Commission on the States' national assessment of educational processes, and also the work in my State on criterion-reference tests.

Fourth. Development of model college courses in reading for personnel preparing to engage in elementary teaching or for elementary teachers who are or intend to become reading teachers or reading specialists.

Fifth. The development of techniques for the diagnosis and correction of reading disabilities. Throughout the last decade surveys both among those training to become teachers and those in teaching, have indicated that both groups believe that inadequate preparation was given in diagnosing and correcting reading problems of pupils.

The educational literature during this same period also emphasized the need for this approach. But as the Education Testing Service observed:

> In spite of such widespread exhortations, the requirement for teachers' education and certification have shown no subsequent change according to the surveys in 1960 and 1970.

Sixth. The development of model reading programs for elementary schoolchildren generally, and special model reading programs for elementary schoolchildren who are educationally disadvantaged, or handicapped.

During the 1950's there was considerable concern with respect to teaching of science in high schools. As a result, a study was undertaken by the National Science Foundation and a model textbook for physics was developed. It is my understanding that this was very well accepted and has been credited with substantial upgrading of the instruction of physics in the United States. I believe we should attempt a similar effort with respect to the development of a reading curriculum for pupils in the early elementary grades.

Seventh. The use and evaluation of education technology in reading, and

Eighth. The evaluation of educational materials in reading. P. Kenneth Komoski, president of the Education Product Information Exchange Institute, indicated a conservative estimate of the education material being marketed to the schools is over 200,000 items and that this production has increased twenty-fold in the last two decades. There are also numerous materials specifically on the teaching of reading, providing teachers with many options and alternatives in the selection of teaching materials. Mr. Komoski points out that less than 10 percent of the education materials have been field tested and only approximately 1 percent have been subjected to learner-verification techniques.

PRESIDENTIAL READING AWARDS

Finally, my proposal would establish Presidential awards for reading achievement. There will be two types of awards, one for elementary students and one for elementary schools.

The student award would consist of an emblem to be presented to elementary students for achievement in reading, as defined by the Commissioner of Education.

The school award would be a pennant, or other appropriate recognition, for schools achieving reading excellence, as defined by the Commissioner, The student and school awards will be of such design and material as the President prescribes.

I would hope that the President, before deciding on the design and material for the award, would consult with the education community and provide both the education community and the public with an opportunity to make suggestions for the award. Perhaps, it would be worth considering a national competition for the design of such awards, but I have not specified this in the statute itself.

Mr. President, in 1955 President Eisenhower was presented with evidence regarding the physical fitness of American youth. The President was told that 58 percent of the American children failed on one or more of six basic tests for muscular strength and flexibility as compared to only 9 percent of the Western European children.

As a result, President Eisenhower established what is now the President's Council on Youth Fitness and Sports. School fitness programs were developed for our youth, including a screening test for young children to identify those most in need of help. A seven-part test was devised and standards were set for each item for each age group. The program was adopted by schools all over the country.

The President's Council on Physical Fitness has said that physical fitness of our youth has improved substantially. Since 1961, there has been a 33-percent gain in the proportion of children passing the physical fitness test from 60 to 80 percent.

In general, after 5 years of using the test, the performance of our youth has improved in all fitness areas.

Similarly, competition among schools in athletics fosters competition and excellence in sports. In addition, it tends to elevate the importance of athletics in the minds of students. I believe that the Presidential student awards envisioned will encourage interest and motivate elementary students in reading. Also, the school competition would underscore the importance of academic excellence in this the most important subject area at the elementary level.

This program will follow the successful physical fitness program and the only costs involved are some administrative expenses.

CONCLUSION

Mr. President, the reading proposals recommended to the Senate are the result of considerable study and good hearings. It addresses what I regard as the Achilles' heel of education, the massive reading problem of schools having large numbers or high concentrations of children reading below grade level.

It places a priority on the early elementary years through the use of reading specialists to intensify and supplement the regular classroom reading instruction. In effect, it gives the students a double dose of reading to prevent the educational-limiting and career-crippling handicap of the inability to read.

Mr. William Raspberry, in his column in the February 19 Washington Post, commented on the suggestion that subjects be suspended in ghetto schools for a year to concentrate on raising reading performance, as follows:

> Since you can only play at teaching history to children who can't read, why not stop playing and teach them to read?

Mr. President, I can assure you that this bill aims at preventing such playing and contemplates a serious and concentrated attack on the reading problem. Its goal is "to teach them to read." In fact, it adopts the ambitious goal of having all children in reading emphasis project schools reading at grade level by the end of the third grade.

While this proposal will not be a panacea for all of the reading problems, I believe there is considerable evidence that this approach can and will make a substantial difference. The reading problem is so big and its solution is so important that I hope my colleagues will join me in enacting the reading improvement title of the pending measure. Its enactment will be a giant step toward preventing or reducing reading problems. A society where technology and education are so important and where only approximately 5 percent of the jobs are unskilled cannot allow the dangerous conditions to continue where massive numbers of children lack the ability to read which affects both their capacity to learn and to earn.

I had the pleasure of serving on the National Commission on the Financing of Postsecondary Education. This Commission has issued its report and recommendations, which, in general were well received. This commission studied the ways and means to provide the opportunity for the financing of higher and technical education for all students. But, it will do us little good to guarantee that financial barriers will not prevent students from postsecondary education and training if the students are not capable because of educational deficiencies, the most important of which is reading, to take advantage of these opportunities.

For, Mr. President, equal opportunities begin early. The reading title's significance may be more important than the report of the Postsecondary Education Commission, as important as that is. This comment is not meant to detract from that report which I believe will be most important in determining future higher education policies in the country; but this proposal, after all, seeks to make the opportunity for higher education or technical education possible by not only reaffirming that children have the right to read, but also helping to assure that they will, in fact, be able to read.

Mr. President, I ask unanimous consent that title VII of the bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

TITLE VII—NATIONAL READING IMPROVEMENT PROGRAM

STATEMENT OF PURPOSE

Sec. 701. It is the purpose of this title—

(1) to provide financial assistance to encourage State and local educational agencies to undertake demonstration projects to strengthen reading instruction programs in the elementary grades;

(2) to provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading demonstration programs; and

(3) to develop a means by which measureable objectives for reading demonstration programs can be established and progress toward such objectives assessed.

READING IMPROVEMENT DEMONSTRATION PROJECTS

Sec. 702. (a) The Commissioner is authorized to contract with either State educational agencies or local educational agencies, or both, for the carrying out by such agencies, in schools having large numbers or a high percentage of children with reading deficiencies, of demonstration projects involving the use of innovative methods, systems, materials, or programs which show promise of overcoming such reading deficiencies.

(b) No contract may be entered into under this section, unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall set forth a reading program which provides for—

(1) diagnostic testing designed to identify elementary school children with reading deficiencies, including the identification of conditions which, without appropriate other treatment, can be expected to impede or prevent children from learning to read;

(2) planning for and establishing comprehensive reading programs;

(3) reading instruction for pupils whose reading achievement is less than that which would normally be expected for pupils of comparable ages and in comparable grades of school;

(4) preservice training programs for teaching personnel including teacher-aides and other ancillary educational personnel, and inservice training and development programs, where feasible, designed to enable such personnel to improve their ability to teach students to read;

(5) participation of the school faculty, school board members, administration, and student body in reading-related activities which stimulate an interest in reading and are conducive to the improvement of reading skills;

(6) parent participation in development and implementation of the program for which assistance is sought;

(7) school board participation in the development of State programs;

(8) periodic testing on a sufficiently frequent basis to measure accurately reading achievement;

(9) publication of test results on reading achievement by grade level, and where appropriate, by school, without identification of achievement of individual children;

(10) availability of test results on reading achievement on an individual basis to parents or guardians of any children being so tested;

(11) participation on an equitable basis by children enrolled in nonprofit private elementary schools in the area to be served (after consultation with the appropriate private school officials) to an extent consistent with the number of such children whose educational needs are of the kind the program is intended to meet;

(12) the use of bilingual education methods and techniques to the extent consistent with the number of elementary school-age children in the area served by a reading program who are of limited English-speaking ability; and

(13) appropriate involvement of leaders of the cultural and educational resources of the area to be served, including institutions of higher education, nonprofit private schools, public and private nonprofit agencies such as libraries, museums, educational radio and television, and other cultural and education resources of the community.

(c) Each such applicant, in addition to meeting the requirements of subsection (b), shall provide assurances that—

(1) appropriate measures have been taken by the agency to analyze the reasons why elementary school children are not reading at the appropriate grade level; and

(2) the agency will develop a plan setting forth specific objectives which shall include the goals of having the children in project schools reading at the appropriate grade level at the end of grade three.

(d) An application from a local educational agency under this section may be approved only if the State educational agency of the State in which such local agency is located has been notified of the application and has been given a reasonable opportunity to offer recommendations with respect to the approval thereof.

(e) The Commissioner, in selecting projects under this section shall, to the extent feasible, attempt to secure an equitable distribution among urban and rural areas.

(f)(1) The Commissioner shall reserve not to exceed 3 per centum of the sums appropriated pursuant to section 712(a) for carrying out the provisions of this section for each fiscal year. From the sums reserved pursuant to this subsection, the Commissioner is authorized to make grants, on such terms and conditions as he deems necessary (exclusive of the requirement of subsection (d)), to State and local educational agencies to pay the Federal share of the cost of establishing and maintaining programs for the purchase of inexpensive books for distribution to individual elementary school children by gift, loan, or sale at a nominal price.

(2) For the purpose of this subsection the Federal share shall not exceed 50 per centum in any fiscal year except that, whenever the Commissioner determines that a State or local educational agency desiring to participate in the program under this subsection has insufficient resources and is unlikely to obtain sufficient resources to participate in such a program he may increase such Federal share to not to exceed 90 per centum of the cost of any such program.

SPECIAL EMPHASIS PROJECTS

Sec. 703. (a) The Commissioner is authorized to contract with local educational agencies for special emphasis projects to determine the effectiveness of intensive instruction by reading specialists and reading teachers. Each such project should provide for—

(1) the teaching of reading by a reading specialist for all children in the first and second grades of an elementary school and the teaching of reading by a reading specialist for elementary school children in grades three through six who have reading problems; and

(2) an intensive vacation reading program for elementary school children who are found to be reading below the appropriate grade level or who are experiencing problems in learning to read.

(b) No contract may be entered into under this section unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall provide assurances that—

(1) the provisions of section 702(b) are met; and

(2) the State educational agency has certified that individuals employed as reading specialists and reading teachers meet the requirements of section 703 (e) and (f).

(c) No contract may be entered into under this section unless the project has been approved by the State educational agency.

(d) The Commissioner is authorized to enter into at least one arrangement with a local educational agency for a districtwide project conducted in all schools of such agencies. In selecting the districtwide project, the Commissioner shall give priority to an application from a local educational agency if the Commissioner finds that—

(1) the local educational agency will give credit for any course to be developed for reading teachers or reading specialists under section 704 and will encourage participation by the teachers of such agency in the training;

(2) the local public educational television station will present any course to be developed under this section at an hour convenient for the viewing by elementary school teachers and, if possible, at a time convenient for such teachers to take the course, as a group, at the elementary school where they teach; and

(3) the local educational agency will make arrangements with the appropriate officials of institutions of higher education to obtain academic credit for the completion of such a course.

(e) In any project assisted under this section a reading teacher may be used in lieu of a reading specialist, if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of a reading specialist and if such reading teacher is enrolled or will enroll in a program to become a reading specialist. A regular elementary teacher may be used in lieu of a reading teacher if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of the reading teacher, and if such regular elementary teacher is enrolled or will enroll in a program to become a reading teacher.

(f) For the purpose of this section and section 604 the term—

(1) "reading specialist" means an individual who has a master's degree, with a major or speciality in reading, from an accredited institution of higher education and has successfully completed three years of teaching experience, which includes reading instruction, and

(2) "reading teacher" means an individual, with a bachelor's degree, who has successfully completed a minimum of twelve credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education, and has successfully completed two years of teaching experience, which includes reading instruction.

READING TRAINING ON PUBLIC TELEVISION

SEC. 704. (a) The Commissioner is authorized, through grants or contracts, to enter into contractual arrangements with institutions of higher education, public or private agencies or organizations, and individuals for—

(1) the preparation, production, and distribution, for use on public educational television stations of courses for elementary school teachers who are or intend to become reading teachers or reading specialists; and

(2) the preparation and distribution of study course material to be used in conjunction with any such course.

(b) In carrying out the provisions of this section the Commissioner shall consult with recognized authorities in the field of reading, specialists in the utilization of the communications media for educational purposes, and with the State and local educational agencies participating in demonstration projects under this title.

GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION

SEC. 705. The Commissioner is authorized to make grants to institutions of higher education, or combinations of such institutions, upon application therefor, to assist such institution or institutions—

(1) in planning and implementing programs to strengthen and improve graduate and undergraduate instruction in the teaching of reading, including inservice training programs; and

(2) in planning, developing, and implementing cooperative programs with State and local educational agencies which show promise as effective measures for solving reading problems.

ESTABLISHMENT OF THE OFFICE FOR THE IMPROVEMENT OF READING PROGRAMS

SEC. 706. (a) There is established, in the Office of Education, an Office for the Improvement of Reading Programs which shall be responsible for—

(1) the administration of the programs authorized by this title;

(2) those programs presently administered under other provisions of law as the Commission determines to be appropriate; and

(3) the coordination of education programs as provided in the following subsection.

(b) The Commissioner is authorized in accordance with the criteria and procedures established by regulation, to facilitate, at the State and local levels, coordination of the furnishing of services under—

(1) titles I, II, III, V, and VI of the Elementary and Secondary Education Act of 1965;

(2) section 222(a) (1) and (2) of the Economic Opportunity Act of 1964;

(3) the Adult Education Act;

(4) the Emergency School Aid Act;

(5) the Higher Education Act of 1965; and

(6) section 405 of the General Education Provisions Act.

which are related to the purposes of this title.

ESTABLISHMENT OF THE READING IMPROVEMENT LABORATORY

SEC. 707. (a) Notwithstanding the second sentence of section 405(b) (1) of the General Education Provisions Act, the Director of the National Institute of Education is authorized and directed to designate an existing facility or establish a new facility to be known as the Reading Improvement Laboratory.

(b) The Director of the National Institute of Education, through the Institute and the Laboratory shall conduct or support research, demonstrations, and pilot projects in the field of reading and language development, including, but not limited to, the following—

(1) basic research in the reading, language, and communication process;

(2) the most effective methods for the teaching of reading;

(3) methods for the measuring of reading ability and achievement;

(4) the development of model undergraduate courses in reading for personnel preparing to engage in elementary teaching or for elementary teachers who are or intend to become reading teachers or reading specialists;

(5) the development of techniques for the diagnosis and correction of reading disabilities;

(6) the development of model reading programs for elementary school children generally and special model reading programs for elementary school children who are educationally disadvantaged or handicapped;

(7) the use and evaluation of educational technology in reading; and

(8) the evaluation of educational materials prepared for the teaching of reading.

STATE CERTIFICATION AGENCIES

SEC. 708. (a) The Commissioner shall carry out a program for making grants to State agencies responsible for certifying elementary and secondary education teachers to institute or upgrade reading certification requirements in the State to assure better preparation of teachers in the field of reading instruction.

(b) For the purpose of carrying out the provisions of this section more effectively, the Commissioner is authorized, upon request, to provide advice, counsel, and technical assistance to State accrediting agencies.

EVALUATION

SEC. 709. The Commissioner shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than March 31, in each fiscal year ending prior to July 1, 1978. Each such report shall—

(1) contain a statement of specific and detailed objectives for the program assisted under the provisions of this title, and relate such objectives to the objectives of the Elementary and Secondary Education Act of 1965;

(2) include a statement of the effectiveness of the program in meeting the stated objectives, measured through the end of the preceding fiscal year;

(3) make recommendations with respect to any changes or additional legislation deemed necessary or desirable in carrying out the program;

(4) contain a list identifying the principal analyses and studies supporting the major conclusions and recommendations contained in the report; and

(5) contain an annual evaluation plan for the program through the ensuing fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(d) of the Budget and Accounting Act, 1921.

ESTABLISHMENT OF THE PRESIDENTIAL AWARD FOR READING ACHIEVEMENT

SEC. 710. (a) In order to motivate and encourage elementary school children to improve their reading skills and to foster competence for excellence in reading among elementary schools, there is hereby established the Presidential Reading Achievement Award. Each such award shall consist of—

(1) an emblem to be presented to elementary school children for achievement in reading as determined pursuant to regulations established by the Commissioner, and

(2) a pennant, flag, or other appropriate recognition for elementary schools achieving reading excellence as determined pursuant to regulations established by the Commissioner.

(b) The reading awards authorized by this section shall be of such design and material and bear such description as the President may prescribe.

DEFINITIONS

SEC. 711. As used in this title—

(1) "Laboratory" means the Reading Improvement Laboratory established under this title; and

(2) "Institute" means the National Institute of Education.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 712. (a) There are authorized to be appropriated to carry out the provisions of section 702, relating to reading improvement demonstration projects, $75,000,000 for the fiscal year ending June 30, 1975, $80,000,000 for the fiscal year ending June 30, 1976, and $85,000,000 each for the fiscal years ending June 30, 1977, and June 30, 1978.

(b) There are authorized to be appropriated to carry out the provisions of section 703, relating to reading special emphasis projects, $25,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 each for the fiscal years ending June 30, 1977, and June 30, 1978.

(c) There are authorized to be appropriated for the purpose of carrying out section 704, relating to reading training on public television, $1,500,000 for the fiscal year ending June 30, 1975, sums appropriated pursuant to this section shall remain available for obligation and expenditure through the succeeding fiscal year.

(d) There are authorized to be appropriated to carry out the provisions of section 705, relating to grants for institutions of higher education, $35,000,000 for the fiscal year ending June 30, 1975, $40,000,000 for the fiscal year ending June 30, 1976, and $45,000,000 each for the fiscal years ending June 30, 1977, and June 30, 1978.

(e) There are authorized to be appropriated to carry out the provisions of section 707, relating to the Reading Improvement Laboratory, $10,000,000. Notwithstanding any other provision of law unless enacted in express limitation of this section, sums appropriated pursuant to this subsection shall remain available until expended.

(f) There are authorized to be appropriated to carry out the provisions of section 708, relating to State certification in the field of reading instruction, $2,500,000 for each of the fiscal years ending prior to July 1, 1978.

(g) There are authorized to be appropriated to carry out the provisions of section 710, relating to reading achievement awards, $10,000 for administrative expenses for each of the fiscal years ending prior to July 1, 1978.

EXHIBIT 1

PETER DOE SEEN AS FORERUNNER OF MORE SCHOOL FRAUD SUITS

The case of Peter Doe, the 18-year-old who is suing the San Francisco public schools for a million dollars for graduating him from high school with only fifth-grade reading ability, won't blaze new trails in the annals of constitutional law, his attorney told a recent conference in Washington on *Fraud in the Schools.*

Unlike most recent educational reform cases which have been based upon broad constitutional principles, the Peter Doe case hinges on "very traditional, very conventional legal theories of negligence, tort liability," explained the plaintiff's lawyer, Susanne Martinez of the Youth Law Center in San Francisco.

"What I think is different about the kind of case we are talking about today . . . is that this kind of case offers a unique opportunity to focus on not merely the outside kind of elements which make up the educational system, but the very process of education itself," Martinez told the conference of legal experts, educators and government officials.

"It is not a First Amendment case. It is not an access to education case. It is not a civil rights action. It is an action which looks to the product of education and says that the system has somehow failed and that the system should be held accountable for it."

PETER DOE'S STORY

In a brief summary of *Peter Doe* v. *San Francisco Unified School District*, Martinez explained that the case involves an 18-year-old, white, middle-income young man who graduated from high school in San Francisco in 1972. He attended elementary school, junior and senior high school in San Francisco, was never held back a grade, and his grade point average upon graduation was slightly higher than C. He was never a discipline problem and had a regular attendance record. He was given periodic state required tests, and test scores were placed in his records which in almost every case indicated his performance was in the bottom quartile of the school. When his mother—a college graduate—made specific inquiry about the boy's progress in reading, she was assured on several occasions that his performance was average. After graduation, Peter Doe was tested by two reading specialists who concluded independently that he had a fifth-grade reading ability. Thereafter he was placed under a private reading tutor, and gained an estimated two grade levels in reading ability within about seven or eight months.

WHAT IS THE COMPLAINT?

The complaint filed on behalf of Peter Doe boils down to four major counts, Martinez explained. The first is a count of common law negligence, contending that the school district by "various acts and omissions" failed to carry out the duty it owed to the plaintiff, that reasonable care was not exercised and that the plaintiff was damaged as a result.

The second count is a common law action based upon misrepresentation, contending that the school district misrepresented the young man's abiilties and progress to his parents, and that they were thus unable to seek help for him.

Other causes of action are lumped under statutory claims. In California, a state agency can be held liable for its failure to carry out a statutory duty. In this case, for example, state law imposes certain duties on the school district to give parents information and to establish certain standards of basic skills to be met before students are given a diploma.

The last cause of action is based upon a constitutional claim that the young man has a constitutional right to education (since struck down by the U.S. Supreme Court in the *Rodriguez* decision) and that he was denied these rights.

THE FIRST OF MANY FOR MANY PETER DOES?

"I think it's very important to look at this case and consider the facts involved . . . (it is) perhaps the first of what would be undoubtedly a series of cases of this type brought on different factual allegations, sometimes brought on different legal theories, sometimes brought for different kinds of relief," Martinez said. "Peter Doe is simply a forerunner of an effort on the part of parents and citizens to bring to focus through the judicial system attention upon the fact that the schools . . . have failed in some way to provide the Peter Does of this country with the kind of education to which they are entitled.

"I think that we all have to recognize that Peter Doe is certainly not an exceptional case. He is one of thousands and probably hundreds of thousands of children who are in schools in this country who are passed through the school systems from year to year and to whom the state has never provided that kind of education (for) which we would hope. . ."

THE LOYAL OPPOSITION

Probate Judge Haskell J. Freedman of Middlesex County, Mass., assumed the conference role of "loyal opposition" to the theory behind the pending suit. Freedman, former general counsel to the Massachusetts Teacher Association, complimented Miss Martinez and her associates for their "imaginative and creative thinking in drafting a bill of complaint," and conceded that the suit and questions involved are "provocative." On the whole, though, Freedman predicted little chance of success and added "If asked, I would advise against bringing the suit."

NO PENALTY FOR VIOLATIONS?

"I do not question that the references to the California Education Code in the complaint are correct. Obviously, they are. But I did note that the complaint does not allege any pertinent sections of the California Education Code that provide any penalty for violations of the sections quoted," Freedman observed.

POSSIBLE DEFENSE

Freedman suggested several legal defenses which might be used. One is the defense of laches, "a legal doctrine by which one who might otherwise be entitled to relief may be denied relief because the person waited too long before bringing the action." Another defense would be that the charge is vague, Freedman said. "Does the California Constitution or its Educational Code define education? Does either set forth educational standards of performance by pupils in precise terms that a teacher knows in advance his or her legal responsibility and the penalty for failure?" Another defense would be that the schools alone do not educate. "The parents, the child's playmates, his environment, all bear upon his learning ability and capacity to absorb . . ."

Another defense would be to raise the question about whether or not the schools make a difference, said Freedman, pointing to the writings of Jencks, Coleman, Pettigrew and Armor summarized by Geoffrey Hodgson in a recent issue of *Atlantic Monthly*. Contributory negligence might also be one defense since Peter Doe or his parents might themselves have contributed to the fact that he cannot read adequately. The doctrines of sovereign immunity and separation of powers were also cited by Freedman as possible defenses against the charge.

"The answer to Peter Doe's situation, in my opinion, is not to be found in the courts, but in the several legislatures of the states," Freedman concluded.

LEGAL ACCOUNTABILITY IS DIFFERENT

"There is always agitation and ferment in the educational world and that is good, and now the principle of accountability is a topic on everyone's tongue, but the discussion has all taken place in the educational world and they are talking about educational accountability, which I suggest is a different concept from legal accountability. I know of no comparable discussion of the legal accountability of the teaching profession in current legal literature . . ."

BUT WHAT WOULD HAPPEN IF—

"Assuming the plaintiffs prevail, then I would anticipate, first, a plethora of similar suits across the nation. If there are about 40 million students that attend the public schools of America and if we conservatively estimate that probably five percent are having an unsatisfactory—which is a euphemistic word—experience, then one might anticipate two million parents bringing suits claiming damages.

"It would require a political revolution in the field of public school education . . . It would cost potentially billions of dollars. It would open Pandora's box and once opened it would not be closed, and it would substantially—very substantially—improve the economic status of the American lawyer."

FINAL RESOLUTION YEARS AWAY

The final outcome of the Peter Doe case, which has roused considerable interest among educational lawyers throughout the country, could be more than two years away, Martinez told one participant. An amended complaint is being prepared, and when that is served the defendants will have 30 days to answer.

"They will probably file what is called a demurrer in California, which challenges our right to bring the action, and I expect that the case will go up on appeal and the outcome of the case, given the time lag in California cases, could be two years away or even more," she said.

HOW TO GET IT

The man who arranged the conference was Stuart A. Sandow of Syracuse University's Educational Policy Research Center, who accurately forecast a case of fraud against the schools as early as November, 1970. Co-sponsors with EPRC were George Washington University's Institute for Educational Leadership and the Lawyers Committee for Civil Rights Under Law. Copies of the 130 page publication, *Suing the Schools for Fraud: Issues and Legal Strategies,* including the conference transcript, may be ordered for $2.50 each from EPRC Publications, Educational Policy Research Center, 1206 Harrison Street, Syracuse, New York 13210.

USC OFFERS WORKSHOPS ON EXCEPTIONAL PRESCHOOLERS

The University of Southern California is offering a special two-week workshop for school psychologists and special education consultants June 4–15 on assessment and program planning for prechool handicapped children. For information, write Dr. Elizabeth Neumann, University Affiliated Project, Children's Hospital, 4560 Sunset Boulevard, Los Angeles, California 90027.

"PETER DOE" CANNOT READ—SCHOOL SUED

(By David Holmstrom)

SAN FRANCISCO.—"Peter N. Doe" graduated from a San Francisco high school last year with a B-minus average—but could only read at a fifth-grade level.

When his mother discovered his plight, despite assurances by school officials that he was attaining the proper reading level, she decided to sue the school district for $1 million.

Her unique decision has sent a shock wave of questions across the United States, about educational quality and how much legal responsibility schools and teachers have for instilling in students a skill as basic as reading.

Suzanne Martinez, the San Francisco attorney for "Peter N. Doe" said the national attention on the suit has "led to a lot of different strategies being developed in other states including possible class-action suits and challenges to teacher certification and other procedures of state educational systems."

LEGAL BASIS EXPLAINED

"The case in San Francisco," said Mrs. Martinez, "derives its legal basis from questions of negligence, misrepresentation, and several statutory claims." Since the suit was filed late last year but not yet served on the San Francisco school district, the school district has voluntarily said it will set goals for students and possibly would not issue diplomas if a student is unable to read at the proper level.

Stephen D. Sugarman, a University of California law professor, said teachers should not take lightly such suits by "individual consumers who have already bought the product and are not happy about it."

Responding to Professor Sugarman at the National Education Association (NEA) conference in Portland, Ore., Judge Haskell C. Freedman from Middlesex, Mass., said such malpractice suits attempt to make "scapegoats" out of teachers and school boards. "Teachers have little voice in financing equipping, or organizing schools," he said, "there is no constitutional right of literacy, and the child himself might be guilty of contributory negligence."

But in the case of "Peter N. Doe" from a white, middle-class family there was no disciplinary problem, and the young man had a normal attendance record. According to Mrs. Martinez, the young man's college-educated mother has placed the boy under a tutor and within six months his reading ability had jumped nearly two years. His response to tutoring also establishes his ability to learn.

"With the age of accountability," said Mrs. Charleselta Alston, director of the San Francisco Adult Literacy Center, Inc., "teachers can no longer blame parents, the environment, or the socioeconomic status of the family for nonteaching."

FICTITIOUS NAME USED

"Thousands of persons leave school nonreading," she said, "and the schools no longer can afford to take fresh minds, turn them off, and ultimately destroy them, and then become angry and defensive at the public who criticizes them."

The lawsuit was filed under the fictitious name of "Peter N. Doe" to spare the litigant "public stigma and humiliation." Mrs. Martinez said the young man is not working now and that within four to six months, the case will reach the courts.

Assessing the possible outcome and the educational ramifications, Mrs. Martinez said, "naturally many parents are thinking if this famiy can do it [sue] then so can we, and such litigation possibly could bankrupt whole schools systems. We are in the process now of scaling down the damages to around $5,000 and asking for recovery of at least the cost of tutoring."

The suit contends that "Peter N. Doe" graduated "unqualified for employment other than the most demeaning unskilled, low-paid, manual labor" and that the law required the educational system to insure that he met certain requirements before receiving a diploma.

Earlier, in May of 1972, the family of "Peter N. Doe" had first filed a claim against the school district which the district denied.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

PROGRAM

Mr. MANSFIELD. Mr. President, is it correct to state, that an order has been entered into and agreed to by the Senate that when it adjourns tonight, it will adjourn until 9:30 a.m. tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, is it correct to state, based on the statements made by the acting majority leader, that at 10 a.m. tomorrow, the Senator will proceed to the consideration of S. 411, a bill relating to the Postal Service?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Mr. President, there is a time agreement on that bill. Yea-and-nay votes may be expected.

Following disposition of S. 411 tomorrow, the Senate will then resume consideration of S. 2986, a bill to authorize appropriations for carrying out the provisions under the International Policy Act.

Those two bills will probably consume most of tomorrow.

Yea-and-nay votes will occur on both bills.

I would, therefore, urge the Senate to be prepared for action tomorrow on the basis of what was said yesterday and what has been said today.

ADJOURNMENT TO 9:30 A.M.

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and, at 4:01 p.m., the Senate adjourned until tomorrow, Thursday, May 9, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 8, 1974:

THE JUDICIARY

H. Curtis Meanor, of New Jersey, to be U.S. district judge for the district of New Jersey vice John J. Kitchen, deceased.

DEPARTMENT OF JUSTICE

Robert E. Hauberg, of Mississippi, to be U.S. attorney for the southern district of Mississippi for the term of 4 years. (Reappointment)

Norwood Carlton Tilley, Jr., of North Carolina, to be U.S. attorney for the middle district of North Carolina for the term of 4 years vice William L. Osteen, resigned.

IN THE MARINE CORPS

The following-named (Navy enlisted scientific education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Clements, Francis B.
Jelken, Jurden J.

The following-named (Naval Reserve Officer Trainaing Corps) graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Mauch, Samuel, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 8, 1974:

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10, of the United States Code:

To be brigadier general

Col. Robinson Risner, [redacted] FR, Regular Air Force.

Col. Garth B. Dettinger, [redacted] FR, Regular Air Force, medical.

Col. Thomas M. Groome, Jr., [redacted] FR, Regular Air Force, chaplain.

Col. Norman C. Gaddis, [redacted] FR, Regular Air Force.

Col. Howard R. Unger, [redacted] FR, Regular Air Force, medical.

Col. William J. Holton, [redacted] FR, Regular Air Force.

Col. George W. Rutter, [redacted] FR, Regular Air Force.

Col. Charles F. G. Kuyk, Jr., [redacted] FR, Regular Air Force.

Col. Donald R. Klang, [redacted] FR, Regular Air Force.

Col. Howard M. Estes, Jr., [redacted] FR, Regular Air Force.

Col. Howard W. Leaf, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Bruce K. Brown, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Robert A. Foster, [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. Stuart H. Sherman, Jr., [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. Richard B. Collins, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Kermit Q. Vandenbos, [redacted] FR Regular Air Force, medical.

Col. William R. Coleman, [redacted] FR, Regular Air Force.

Col. Alonzo J. Walter, Jr., [redacted] FR, Regular Air Force.

Col. Don H. Payne, [redacted] FR, Regular Air Force.

Col. Edwin A. Coy, [redacted] FR, Regular Air Force.

Col. James B. Currie, [redacted] FR, Regular Air Force.

Col. William L. Nicholson III, [redacted] FR, Regular Air Force.

Col. Hans H. Driessnack, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Paul A. Kauttu, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. William B. Maxson, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Robert B. Tanguy, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Harold E. Gross, [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. Thomas G. Bee [redacted] FR, Regular Air Force.

Col. Francis A. Humphreys, Jr., [redacted] FR, Regular Air Force.

Col. Albert L. Melton, [redacted] FR, Regular Air Force.

Col. William W. Dunn, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. John E. Ralph, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. George A. Edwards, Jr., [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. John H. Jacobsmeyer, Jr., [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. William G. MacLaren, Jr., [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Gerald E. Cooke, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Frank M. Drew, [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. Jerome F. O'Malley, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Fred A. Haeffner, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Harry A. Morris, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Robert T. Herres, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Melvin G. Bowling, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. William R. Usher, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Sidney L. Davis, [redacted]FR, Regular Air Force.

Col. John W. Collens III, [redacted]FR, Regular Air Force.

Col. Charles B. Knudson, [redacted]FR, Regular Air Force.

Col. Jack W. Waters, [redacted]FR, Regular Air Force.

Col. William C. Branan, [redacted]FR, Regular Air Force.

Col. Elwood A. Kees, Jr., [redacted]FR, Regular Air Force.

Col. Doyle E. Larson, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Michael E. DeArmond, [redacted]FR, Regular Air Force.

Col. David L. Gray, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. John W. Hepfer, [redacted]FR, Regular Air Force.

Col. Warren C. Moore, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Dewey K. K. Lowe, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Martin C. Fulcher, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. James H. Ahmann, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Claire M. Garrecht, [redacted]FR, Regular Air Force nurse.

Col. Robert W. Bazley, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. James W. Wold, [redacted]FR (major Regular Air Force), U.S. Air Force.

Col. Len C. Russell, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. George D. Miller, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. James A. Abrahamson, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Dan A. Brooksher, [redacted]FR, Regular Air Force.

Col. Van C. Doubleday, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Bobby W. Presley, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Maj. Gen. Walter T. Galligan, 107–18–2660FR (brigadier general, Regular Air Force), U.S. Air Force, for appointment in the Regular Air Force to the grade of major general, under the provisions of chapter 835, title 10 of the United States Code.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Walter T. Galligan, [redacted]FR (brigadier general, Regular Air Force) U.S. Air Force.

The following officer for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. John T. Guice, [redacted]FG, Air National Guard.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. George Edward Pickett, [redacted], Army of the United States (major general, U.S. Army).

The following-named officers to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Phillip Buford Davidson, Jr., [redacted], Army of the United States (major general, U.S. Army).

Lt. Gen. George Marion Seignious II, [redacted], Army of the United States (major general, U.S. Army).

Lt. Gen. Robert Clinton Taber, [redacted], Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. John Daniel McLaughlin, [redacted], Army of the United States (major general, U.S. Army).

IN THE NAVY

Adm. Worth H. Bagley, U.S. Navy, for appointment as Vice Chief of Naval Operations pursuant to title 10, United States Code, section 5085, in the grade of admiral.

Vice Adm. Damon W. Cooper, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Harry D. Train II, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general:

John R. DeBarr
Herbert J. Blaha
Philip D. Shutler
Richard E. Carey
George W. Smith
John H. Miller
Harold A. Hatch
Edward J. Bronars
Warren R. Johnson
Paul X. Kelley

In the Air Force

Air Force nominations beginning Bobby M. Jones, to be first lieutenant, and ending George D. MacDonald, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 1974.

Air Force nominations beginning Robert A. Ain, Jr., to be second lieutenant, and ending Charles M. Westenhoff, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 11, 1974.

In the Army

The nomination of Sally Ann McCandless for appointment in the Regular Army of the United States in the grade of captain, which nomination was received by the Senate and appeared in the Congressional Record on April 22, 1974.

In the Navy

Navy nominations beginning Alfredo Lionel Abeyta, to be commander, and ending Charles William Zimmerman, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 1974.

In the Marine Corps

Marine Corps nominations beginning Michael Capoot, to be second lieutenant, and ending Frederick L. Thielke, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 2, 1974.

Marine Corps nominations beginning George K. VanNess, to be second lieutenant, and ending William T. Motley, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 1974.

Marine Corps nominations beginning Kenneth D. Dunn, to be second lieutenant, and ending Emmett T. Washington, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 22, 1974.

HOUSE OF REPRESENTATIVES—*Wednesday, May 8, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is in His holy temple; let all the Earth keep silence before Him.—Habakkuk 2:20.

On this high hill of our Nation's life and before this high altar of our Nation's faith we pause in reverence before Thee—the God of the universe and the Father of all men. As we face the searching challenge of another day may the thoughts in our minds, the words on our lips, and the work of our hands be acceptable unto Thee, O Lord, our strength and our redeemer.

We commend our Nation to Thee. May the walls which separate man from man and group from group be done away and may the common vision of a life together in peace be the dream of every citizen and the desire of every individual. Free us from private and public corruption and so guide us in the exercise of our responsibilities that we may ever be true to Thee, true to our country, and true to ourselves.

With courage and in faith we offer this our morning prayer in the spirit of Him who is the pioneer of life. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 12565. An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes; and

H.R. 14013. An act making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12565) entitled "An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. THURMOND, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14013) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLELLAN, Mr. MAGNUSON, Mr. STENNIS, Mr. PASTORE, Mr. BIBLE, Mr. ROBERT C. BYRD, Mr. MCGEE, Mr. MANSFIELD, Mr. PROXMIRE, Mr. MONTOYA, Mr. INOUYE, Mr. HOLLINGS, Mr. BAYH, Mr. YOUNG, Mr. HRUSKA, Mr. COTTON, Mr. CASE, Mr. FONG, Mr. BROOKE, Mr. HATFIELD, Mr. STEVENS, Mr. MATHIAS, Mr. SCHWEIKER, and Mr. BELLMON to be conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3203. An act to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes;

S. 3371. An act to amend the Forest Pest Control Act of June 25, 1947;

S. 3373. An act relating to the sale and distribution of the Congressional Record; and

S. Con. Res. 83. Concurrent resolution authorizing the printing of additional copies of Senate hearings entitled "Surgeon General's Report by the Scientific Advisory Committee on Television and Social Behavior."

PERSONAL EXPLANATION

(Mr. HOWARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOWARD. Mr. Speaker, on Wednesday and Thursday of last week, May 1 and 2, I was absent from the House because of a death in my family. Had I been present and voting those 2 days, I would have voted in favor of H.R. 9293—Coast Guard amendments, House Resolutions 1083 through 1089—committee elections, H.R. 12993, broadcast license renewals which passed the House by a vote of 379 to 14, and H.R. 14368, energy supply and coordination, which was also passed by an overwhelming majority of 349 to 43.

On Thursday, the House took up the question of authorizations for the national cancer program, and the establishment of a National Institute on Aging, H.R. 13053 and H.R. 6175. Both of these have been areas of deep concern to me, and I would have voted in favor of passage for these two important bills.

CALL OF THE HOUSE

Mr. MILLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. YOUNG of Texas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 212]

Alexander
Andrews, N.C.
Baker
Blackburn
Blatnik
Burke, Calif.
Carey, N.Y.
Carney, Ohio
Cederberg
Chamberlain
Clay
Conyers
Dellums
Diggs
Dorn
Drinan
Dulski
Esch
Flowers
Fraser
Frelinghuysen
Gray
Gubser
Haley
Hansen, Wash.
Harsha
Hébert
Heckler, Mass.
Helstoski
Hogan
Holifield
Hutchinson
Johnson, Pa.
Kemp
Leggett
Lujan
Macdonald
Madden
Maraziti
Moorhead, Pa.
Morgan
Nelsen
Nix
Patman
Pepper
Pickle
Powell, Ohio
Quie
Reid
Rhodes
Robison, N.Y.
Rodino
Roncallo, N.Y.
Rooney, N.Y.
Rose
Rousselot
Runnels
Sisk
Steed
Stokes
Stubblefield
Teague
Udall
Widnall
Williams

The SPEAKER. On this rollcall, 368 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON H.R. 12565, AUTHORIZING APPROPRIATIONS FOR MILITARY PROCUREMENT FOR FISCAL YEAR 1974

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to a conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and appoints the following conferees: Messrs. HÉBERT, PRICE of Illinois, FISHER, BENNETT, STRATTON, BRAY, ARENDS, BOB WILSON, and GUBSER.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT, FRIDAY, MAY 10, TO FILE A REPORT ON H.R. 14592, AUTHORIZING APPROPRIATIONS FOR MILITARY PROCUREMENT FOR FISCAL YEAR 1975

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have until midnight, Friday, May 1, 1974, to file a report on H.R. 14592, to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the selected reserve of each reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CHANGING RULES OF HOUSE TO REQUIRE ESTIMATES OF COST OF LEGISLATION TO NONPUBLIC SECTOR

(Mr. BROWN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Michigan. Mr. Speaker, I am today reintroducing a resolution with 37 additional sponsors which would change the Rules of the House of Representatives to require most committees of the House to include in their report of a bill an estimate of the cost of that measure to the nonpublic sector of the economy—or really, to the consumer—since we all know that when we require a particular segment of the economy or industry to do or refrain from doing a particular act, the cost will be passed on to the consumer, in one form or another, to the extent market conditions permit.

The change I am recommending is both simple and, in my opinion, necessary to complete the "reform" we began when the Rules of the House were changed in 1971, as a result of recommendations made in the Legislative Reorganization Act of 1970, to require committees to submit an estimate of the cost of a bill to the public treasury. Those public costs are only half the story. Clearly, increases in the cost to the consumer of goods and services occasioned by legislative mandate represent an indirect tax on the consumer, and should be identified and quantified, whether by the taking of testimony or otherwise, to the extent possible. The resolution I am reintroducing today would require committees to make that effort.

I will be reintroducing this measure again in 2 weeks, and I ask that those of my colleagues who have not already joined with me, give serious thought to so doing.

Thank you, Mr. Speaker.

PROVIDING FOR CONSIDERATION OF H.R. 8193, ENERGY TRANSPORTATION SECURITY ACT OF 1974

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1094 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1094

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8193) to require that a percentage of United States oil imports be carried on United States-flag vessels. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California (Mr. DEL CLAWSON) pending which I yield myself such time as I may require.

Mr. Speaker, House Resolution 1094 provides for an open rule with 1 hour of general debate on H.R. 8193, the Energy Transportation Security Act of 1974.

H.R. 8193 amends the Merchant Marine Act of 1936 to provide that the appropriate agency shall take such steps as may be necessary and practicable to assure that at least 20 percent of the gross tonnage of all petroleum and petroleum products imported into the United States on ocean vessels shall be transported on privately owned U.S.-flag commercial vessels to the extent such vessels are available. The quantity required so as to be carried shall be at least 25 percent after June 30, 1975, and at least 30 percent after June 30, 1977.

The Committee on Merchant Marine and Fisheries estimates that there will be no new costs to the Federal Government as a result of the enactment of the bill.

Mr. Speaker, I urge the adoption of House Resolution 1094 in order that we may disscuss and debate H.R. 8193.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as explained, House Resolution 1094 provides for the consideration of H.R. 8193, the Energy Transportation Security Act of 1974, under an open rule with 1 hour of general debate.

The purpose of H.R. 8193 is to require that 20 percent of all liquid petroleum products imported into the United States on ocean vessels be transported in U.S.-flag commercial vessels to the extent such vessels are available at fair and reasonable rates. The requirement would be increased to 25 percent in 1975 and 30 percent in 1977 if the U.S. tonnage is adequate to carry that quantity. The bill would cover not only petroleum products being shipped directly to the United States but also petroleum products being shipped from one foreign country to another for refining when the United States is the ultimate destination.

The committee report contains letters from the Defense Department, the Interior Department, the State Department, the Treasury, and the Commerce Department all opposing this bill. These letters make several arguments against the bill, including the following: First. The bill would increase the cost of fuel to American consumers because U.S. ships cost more to own and operate than foreign ships. Second. The bill is inconsistent with the free-trade treaties of the United States, and might invite retaliation by other nations. Third. In order for a foreign refinery to sell oil products to the United States, it would have to obtain a portion of its feedstocks by means of U.S.-flagships. The result could be the denial of otherwise available foreign oil supplies, thus worsening the energy shortage.

Mr. Speaker, since the rule is open with 1 hour debate and no waiver of points of order, I know of no objection to the adoption of the rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Speaker, I have no quarrel with the rule, and I am going to support the rule. It is an open rule and an appropriate one.

As far as considering the bill is concerned. I am going to take a few moments now to talk about one aspect of the bill, because under general debate time is going to be very limited on our side and there will not be an opportunity to comment on what I think is a very important aspect of the legislation.

On its face the bill is a very simple one. It specifies that 20 percent next year, rising to 30 percent in several years thereafter, of all the petroleum that comes into the United States must come in American-flag vessels.

Mr. Speaker, I certainly support the intention of the committee to encourage a U.S.-flag merchant marine, but I must say that I do not understand how this bill is going to operate. How is the rule going to be applied? Will all companies that import oil into this country be treated equally? What about companies that get all of their oil in foreign-flagships from foreign countries? There are some refineries on the west coast of this country that import all their oil, for example, from Indonesia, and Indonesia already has a requirement that it must come in Indonesian ships. If this law is not applied to those refineries, who makes up the deficit so that everybody imports 20 percent?

Mr. Speaker, these are questions that have not been answered in the bill. Do oil companies that have enough capacity to carry the 20 to 30 percent now—and there are some of those—will they be treated the same way as oil companies that do not have any ships? Mr. Speaker, it seems to me that the committee should have considered that.

Mr. Speaker, the gentleman from California (Mr. ANDERSON) will offer an amendment a little later to exempt these smaller refineries in order to allow them to continue in business, because the bill will put them out of business. I would submit that if small refineries are going to go out of business because of this bill, a lot of larger refineries are going to be adversely affected by it.

The bill gives the Secretary of Commerce the power to set fair and reasonable rates in the worldwide shipping market. Since the bill applies not only to oil shipments from a foreign country to the United States, but also applies to oil shipments between two foreign countries, if that oil is ultimately destined for the United States, we are giving the Secretary of Commerce the power in this bill to set rates in the international oil transport market. How on earth do we police shipments of oil from the Persian Gulf to refineries in Rotterdam? Are we going to have people in Rotterdam checking on the shipments?

Mr. Speaker, the committee report says that there is no cost to the Government in this bill. Where are the bureaucrats going to come from to make the calculation, to see in every port of the world whether ships are coming in with oil that is ultimately destined for the United States? What dislocations are going to result if the Secretary of Commerce sets rates in international oil transport that are higher than the world market rate, or lower than the world market rate?

Mr. Speaker, again, we do not have any answers to these questions. The committee simply established in its bill a ratemaking and brokering power within the Commerce Department, a sort of international ICC, without having any idea how it would be used and without giving any instruction to the Secretary of Commerce as to how to use it.

Mr. Speaker, our committee labored for months on the merits and demerits of cargo preference, its cost, and its probable impact on the maritime industry. Yet at the heart of this bill is a brand-new regulatory authority for the Secretary of Commerce. The committee simply assumed that requiring the Secretary to set fair and reasonable rates would solve all our problems. I cannot see how such a complex regulatory power can be dispensed so summarily.

Mr. Speaker, in short, I think the bill is a bad one and delegates too much power to the executive branch without any controls by the Congress, and I would suggest that it be defeated.

Mr. DEL CLAWSON. Mr. Speaker, I have no further requests for time.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 8053, VOTER REGISTRATION ACT

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 929 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 929

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8053) to amend title 13, United States Code, to establish within the Bureau of the Census a Voter Registration Administration for the purpose of administering a voter registration program through the Postal Service. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on House Administration now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. It shall also be in order to consider the text of the bill H.R. 11713 if offered as an amendment in the nature of a substitute for said committee substitute, notwithstanding the provisions of clause 7, Rule XVI. At the conclusion of the consideration of H.R. 8053 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 929 provides for consideration of H.R. 8053, which, as reported by our Committee on House Administration, would establish within the Bureau of the Census a Voter Registration Administration to administer a voter registration program through the Postal Service. The resolution provides an open rule with 2 hours of general debate, with the time being equally divided and controlled by the chairman and the ranking minority member of the committee.

After general debate, the bill would be read for amendment under the 5-minute rule, at which time it would be in order to consider the amendment in the nature of a substitute recommended by the Committee on House Administration, now printed in H.R. 8053 as an original bill. The resolution also makes in order, as a substitute for H.R. 8053, the text of the bill H.R. 11713.

At the conclusion of such consideration, the Committee would rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the Committee amendment in the nature of a substitute. The previous question would then be considered as ordered on the bill and amendments thereto to final passage, without any intervening motion except one motion to recommit with or without instructions.

Mr. Speaker, the need for this legislation arises from the disturbing trend of declining voter participation in our national elections over a period of years. For example, voter participation in Presidential elections was 64 percent of the voting age population in 1969. Voter participation in such elections fell to 62.9 percent in 1964, to 61.8 percent in 1968, and to a startling low of approximately 55 percent in 1972. In European democracies, on the other hand, the level of participation in the electoral process has averaged nearly 84 percent of the voting age population during the same period.

The Committee on House Administration concluded from the evidence adduced at its hearings on this problem that the major causes for the declining voter participation were the difficulties and the barriers to voter registration.

To encourage greater numbers of U.S. citizens to register and vote in Federal elections, H.R. 8053 provides for a simplified, convenient and uniform system of registration, descriptively called the post card system. The proposed Voter Registration Administration would distribute through the Postal Service registration forms to postal addresses and residences at least once every 2 years.

The registration applicant would complete the registration form and return it to the appropriate State or local election official, who will verify the registration application and inform the applicant as to whether his registration has been accepted or rejected.

While presenting substantial safeguards to protect against fraud, the proposed post card registration system would also simplify registration procedures and encourage increased voter participation in the electoral process.

The proposed legislation would authorize the appropriation of not more than $50 million to carry out its provisions.

Mr. Speaker, I urge the adoption of House Resolution 929 in order that H.R. 8053 may be considered.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am opposed to this bill and the rule which makes it in order. Although the bill attempts to simplify procedures for registration and to facilitate participation in the political process, it will wreak havoc with election administration procedures, cause chaos in the political process and may reduce overall voter turnout.

H.R. 8053, the "post card registration bill," would establish a Voter Registration Administration in the General Accounting Office. Between 120 and 60 days prior to the close of registration, registration forms would be delivered to every household in the United States; the forms would be available also in post offices and other public places. Citizens could register to vote in Federal elections by filling out and mailing these cards to local registration officials.

State election officials have testified that this act would not benefit the poor, minorities, and other groups and that the act might well reduce overall voter registration.

The bill would create an administrative nightmare. Many of the post cards would be illegible and incomplete. By creating dual registration systems, many voters, understandably confused, would fail to register. Consequently, most State and local election officials, fearing that the bill will cause breakdowns in the election administration process, oppose its passage, and have said they will not adopt this system for State and local elections.

Mr. Speaker, H.R. 8053 would establish yet another Federal bureaucracy. It has been estimated that the cost could run between $100,000,000 and $300,000,000 per year.

But most important, this bill would provide unparalleled opportunity for fraud in voter registration on a national scale.

Present voter registration systems in most States require the personal appearance of the potential voter before a voter registrar. Short of an indepth investigation of every potential voter, it seems to me that this face-to-face confrontation is the best available procedure to verify a potential voter's qualifications to vote.

This current procedure establishes, at the very least, that there is an actual person who can offer identification—not a fictitious name on a post card. Although registration books may be closed 30 days before an election, particularly in populous areas, this simply is not time enough to check each card for veracity before the election.

We must not go back to the days when our vote rolls contained the names of dead people and whole rosters of characters purporting to reside in vacant lots.

The nightmare—for State governments, the Federal Government, and for political parties—that this legislation would cause is almost incalculable.

Mr. Speaker, in closing, let me repeat my opposition to this bill and to the rule which makes it in order.

Mr. QUILLEN. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I suppose some will ask: Who could possibly oppose a bill that is entitled the "Voter Registration Act"? After all, registering to vote in this country is as American as apple pie. Yet, as I read in the record of these hearings the very impressive and knowledgeable opposition to this bill, there are some rotten apples in this particular pie.

I would ask my colleagues to very carefully examine this pie before they bite into it or risk the just desserts of some very acute indigestion.

When one weighs the quality and quantity of the testimony that was presented against this bill it is remarkable to me that it even came out of the subcommittee, let alone the full committee.

I have been informed that, after twice refusing to report the bill, the subcommittee finally did report it to the full committee on a 6 to 4 vote without recommendation. Further, that the full committee then reported the bill by a vote of 15 to 10, after spending only about an hour discussing amendments to the bill rather than the substantive provisions of the bill.

CALL OF THE HOUSE

Mr. WYLIE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HOLIFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 213]

Adams
Alexander
Andrews, N.C.
Baker
Bingham
Blackburn
Blatnik
Bolling
Burke, Calif.
Carey, N.Y.
Carney, Ohio
Conyers
Crane
Derwinski
Diggs
Dorn
Drinan
Esch
Flowers
Gray
Griffiths
Gubser
Haley
Hansen, Wash.
Harsha
Hébert
Helstoski
Johnson, Pa.
Kastenmeier
Lujan
McEwen
Macdonald
Madden
Martin, Nebr.
Meeds
Moorhead, Pa.
Morgan
Nelsen
Nichols
Nix
O'Hara
Patman
Pickle
Reid
Roncallo, N.Y.
Rooney, N.Y.
Sisk
Steiger, Ariz.
Stokes
Stubblefield
Symington
Thompson, N.J.
Williams

The SPEAKER. On this rollcall 380 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 8053, VOTER REGISTRATION ACT

Mr. QUILLEN. Mr. Speaker, I yield the gentleman from Illinois (Mr. ANDERSON) 3 additional minutes.

The SPEAKER. The gentleman is recognized for a total of 8 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, for the benefit of those Members who were not here earlier, this rule should be defeated. After twice refusing to report the bill, the subcommittee finally reported the bill without recommendation. The full committee, which reported this bill by a vote of only 15 to 10, spent literally not more than an hour, not in considering the substantive merits or demerits of the legislation itself, but rather certain proposed amendments to the bill.

When we review the hearing record, and the legislative history of this bill, any fairminded observer, I feel, is going to conclude that it is a mockery of the legislative process that this bill is even before us on the floor of this Chamber today.

Who testified against it? Political scientists, State and local election officials, the National Municipal League, the Association of Secretaries of State, the National Association of Counties, the American Civil Liberties Union, and the American Conservative Union, to name just a few.

Now, I suppose that some of my moderate friends here might conclude when the ACU and the ACLU are both lined up against a bill, it cannot be all that bad.

But when you consider that this bill is also opposed by those who are the most in the know about voter registration, State and local election officials, Secretaries of State, the national, city, and county leaders and associations, the people who are closest to the voters and work on a regular basis with voter registration, if there is a problem, then we had better—expletive deleted—well take a close look at this particular bill.

I ask the Members to listen, if they will, to this excerpt from a letter that I have just received from the county clerk from my own city of Rockford, Ill.—and incidentally, he is a Democratic county clerk:

> The passage of this bill would be detrimental to the voter registration records which I am responsible for in Winnebago County, outside the city limits of Rockford. It would create "an administrative nightmare" . . . It is a waste of the taxpayers' money, which I think could be better spent on hiring deputy registrars to go house-to-house and register people.

That is the end of the quotation of the Democratic county clerk from Winnebago County, Ill. It would indeed, even after the most cursory examination of this legislation, produce literally administrative chaos for local election officials.

Mr. Speaker, the post card registration device is an invitation to a nightmare of errors, and the RSVP on these post cards will come in time to stand for "registration system of vexing problems." That is what those initials will mean, and the incidence of unintelligible post cards will make the White House transcripts look intelligible by contrast. Indeed—and it is there in the record for those who have taken time to read it—previous experience with post card registration and address changes in various cities around the country and in various States indicate that from one-tenth to fully one-third of the post cards returned to State and local officials will be illegible or will be incomplete.

Mr. Speaker, there is the additional point—and I think my colleague on the committee, Mr. QUILLEN, mentioned this earlier—that it would cause administrative chaos in that it would force many States to maintain dual systems of registration, one for State and local elections and one for national elections. This, in turn, would necessitate two sets of records and ballots, thereby not only throwing election officials into a state of confusion and turmoil, but most importantly—most importantly, I reiterate—mislead and confound the voters who wish to register under both these systems.

Mr. Speaker, conceivably, some of my colleagues may have little sympathy for the extra work and the problems that this legislation would cause local officials, but I think it is important to emphasize that putting the voters of this country on a two-track registration system is going to result in some of those voters being sidetracked at the polls. Yet, some Members would stand here, those who support this legislation, and try to convince us that this bill is as American as apple pie, and that it is designed to add to the registration rolls of this country. As I said before some of the Members came into the Chamber, this is a pie that is filled with some rotten apples, and we ought to look at it pretty closely before we adopt the rule and vote on legislation that is going to give us a bad case of indigestion.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Mr. Speaker, I am pleased to yield to my friend from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, is it not true that many officials who have the responsibility for handling registration throughout this country have said that this is going to mislead—this procedure of post card registration is going to drastically mislead thousands of voters who may send in a post card and think that does it. Yet, they will not be eligible to vote in local and other elections? Also, it creates tremendous confusion among the voters, the very people that these advocates of the bill say they want to help; is that not true?

Mr. ANDERSON of Illinois. The gentleman is absolutely correct. He is, fortunately, one of those who has read the record that was produced before the subcommittee.

Mr. Speaker, this bill is going to be totally counterproductive as far as the very laudible objective of increasing voter registration in this country is concerned.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. ANDERSON of Illinois. I yield to the gentleman from California.

Mr. ROUSSELOT. So, Mr. Speaker, as to all these Members who say here today that this is going to increase the number of voters and people eligible to vote, as far as that is concerned, that is just pure "malarky." It is going to create more confusion and make it more difficult for people to be registered to vote; is that not true?

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman for his contribution. I would suggest again that his argument is sound.

Mr. Speaker, I could point out how ludicrous it is, in this era of decentralization, when we are talking about returning decisionmaking authority to local officials, to inject a costly new Federal bureaucracy into a matter which is fully capable of being handled in adequate fashion by local officials.

Again I wish to say it is not going to increase voter registration, it is not going to increase the turnout among voters in this country, it is not going to accomplish the design of the legislation. This is not the way to accomplish an otherwise clearly laudable objective.

Mr. Speaker, I would suggest, rather than to spend the time of this House for an hour or 2 hours this afternoon to consider legislation which is so wholly lacking in any merit, that we could do nothing better than to reject the rulemaking this bill in order.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, I concur with the distinguished gentleman from Illinois. I think the House has many, many more important things to do than to waste its time considering this piece of legislation.

I think I have heard from nearly every election official in my State, both Democratic and Republican. They are all unanimously opposed to this bill.

Mr. Speaker, in addition, there is one further problem which the gentleman from Illinois has not mentioned. That concerns the condition which the U.S. mail system is in today. I think the election would be over before the registration forms would ever get to the voters.

Mr. MATSUNAGA. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I wish to say this to the Members: I know that this bill is not all good, but I doubt if any of us could draft anything which would be as bad as that which the gentleman from Illinois portrays.

I might remind the Members that the gentleman once took the floor and offered a substitute to a bill that was duly considered by our committee, and it became law. And, incidentally it was the seed and the genesis of Watergate. This was considered, and we now find that all of those who have made a reputation of being for election reform believe election reform to be only reform which follows whatever recipes they have concocted.

Mr. Speaker, any time we open up registration we are effecting the greatest reform that could possibly come about in an election.

There is a State in these United States which is exempted from this bill. Why? It has no registration at all. They have the highest percentage of registration, and I defy the Members to find there any widespread fraud or dual registration or dual voting. Considering every State in the Union which has this, five of them, none have found any dual registration. There were seven errors in the State of Maryland, there are six counties which are covered, and of the seven errors they were dual addresses and were corrected. One had registered twice because he had forgotten that he had registered once. What is wrong with saying to a person, "All you do is sign your name and your address and take a self-administered oath that you are telling the truth?"

Mr. Speaker, we have a fine provided in this bill, a big, heavy penalty for fraudulency. Of the voters who registered in 1972, some 89 percent of the registered voters marched to the polls. Out of the 40 percent who were not registered, over 60 percent of them said it was because they could not get to registration places.

As far as the State of Missouri is concerned, I might tell the Members that if any of us reads the post card that is put out by the State of Missouri for registration, we would have to admit that it was written and designed in such a way that it could not work. I will read it to the Members when we get into general debate.

If any Member present in this room says that card was designed to make the law work, that Member does not know what he is talking about.

In this letter that was sent out to the colleagues, they put their finger right on the issue. All we are saying is this: The opponents are afraid of the everyday citizens. They said that the people who were not registered are illiterate—partially illiterate, working men and women, families of the poor. These are the people who are not registered—whom they do not want registered. They express the fear that they will register Democratic. I am told that States have registrars who go out and register. Oh, I know all about that. I was a county commissioner. Registrars registered all the Democrats first if they are Democratic officials, and I am sure that in a Republican county they register all the Republicans they can get. I have had experience in this field. This is not just supposition and smart cliches to pass around for political and newspaper purposes.

Mr. Speaker, I made it a rule in my life 43 years ago never to read a political editorial for 3 weeks before each election. It usually confuses the issue when it appears in a partisan paper for either party. My people have thought that was pretty good; they have elected and reelected me for 43 years.

I tell you, I was against this legislation when it was first proposed to me, because I believed all of these things about fraud. Then I went into an investigation on it and I contacted State after State in the Union about it. Oh, sure, some election officers do not want you playing with their little private preserve; they do not want you fooling around with the system they administer. But when you get into the States that have post card law, they say it is good. As a Maryland election official of 7 years' experience with post card registration, I want to respectfully counter the positions of my colleagues which they have taken and to specifically challenge the objections that they have raised.

Why? He outlines his reasons and I will put it in the RECORD. Every objection you have raised, my friends, every criticism that has been made of this piece of legislation is answered by the only man who in this debate is qualified to speak, from the only teacher—experience.

Mr. MATSUNAGA. Mr. Speaker, this matter being such a controversial matter, I think we ought to adopt the rule and go into the Committee of the Whole and debate the issue thoroughly.

I yield 3 minutes to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO of Wyoming. Mr. Speaker, I have seldom heard such forensic excellence as was displayed by my good friend from Illinois (Mr. ANDERSON) and so little of which was applicable to the issues of this bill.

It is not all that bad. Before you vote down the rule let us accept the basic fact that as legislators we have the right to discuss the pros and cons of an idea that had enough impetus to get through the other body and which was asked for by thousands upon thousands of our fellow citizens and by county clerks and registers of deeds throughout America.

Let me tell you about Wyoming. The senior Senator of my State is pretty much the author of this concept. We have 130,000 to 140,000 eligible voters who vote, and we have 80,000 to 85,000 eligible voters in my highly conservative Republican State who go nowhere near the polls on election day. Today we are having an explosion there with thousands of workers from nearly every State in the Union, practically, in mobile homes and trailers and they set up in the waddies and onto any habitable area, often some 70 or 80 miles from the nearest county courthouse. These new Wyoming citizens can only vote if they take a day off from work, which means a loss of much wages to them, in order for them to travel that distance to a county clerk to register and then be eligible to vote. In some instances, in Sweetwater County, Wyo.——

Mr. YOUNG of Illinois. Will the gentleman yield?

Mr. RONCALIO of Wyoming. I will be glad to yield if you will be able to get me a couple of more minutes.

Forty or fifty miles to Green River, Wyo., and back to their jobs is where they have to go.

Take Gillette, Wyo. Many of you have been reading about the Gillette syndrome and the problems there which involve not so much travel as an inconvenience and the denial of the right to vote—the God-given franchise as free citizens to vote.

If we had mobile registration units in the States, and they are not denied by statute, but apparently they are not permitted, either, and some feel that long litigation only will ultimately result in their use, there could be less need for this legislation, but we do not have mobile registration units.

So in short we are denying the right to treat all of the people in the State alike, without discrimination due to inadequate schools, and where they are denied the right to take part in the political processes by making voter registration as inconvenient as possible, which has always been, regrettably, all too truthfully the tradition in America, to discourage registration and thus frustrate the practice of true democracy.

This is why I feel we should give the rule a chance, vote for the rule and consider the legislation, and then after the Members have heard the pros and cons on the merits they can decide whether in their opinion it is unwise legislation or not, or should be amended, and I would respect the right of any Member to vote against the final product if they so choose.

Mr. YOUNG of Illinois. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from Wyoming so that the gentleman may reply to the inquiry of the gentleman from Illinois.

Mr. YOUNG of Illinois. Mr. Speaker, if the gentleman will yield, Is my understanding correct that the secretary of state in Wyoming is the chief registration officer of that State?

Mr. RONCALIO of Wyoming. She is, she is in charge of certifying the votes and supervising elections. Her name is Thyra Thomson. She is the widow of one of our former members, who was elected to the Senate in 1960 but who died before he was to be sworn into office.

Mr. YOUNG of Illinois. Does she favor this "post card" registration legislation?

Mr. RONCALIO of Wyoming. She is indubitably opposed to this bill, and pretty obviously for the same reasons mentioned here by my good friend from Illinois (Mr. Anderson).

Mr. GROSS. Mr. Speaker, if the gentleman will yield, Do not the people of Wyoming go to town once in a while, or do they eat mutton 7 days a week?

Mr. RONCALIO of Wyoming. I will let that question go.

The SPEAKER. The time of the gentleman has again expired.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Speaker, I thank the gentleman from Tennessee for yielding me this time.

I oppose the passage of this resolution, and wish to associate myself with the remarks of the gentleman from Tennessee (Mr. Quillen) and the gentleman from Illinois (Mr. Anderson).

This is a bad bill, in my judgment, and does not even deserve further debate.

An editorial appearing in the Citizen-Journal, a Scripps-Howard newspaper which circulates in my district, on May 9, 1974, following the passage of the Senate post card registration bill, said it much more succinctly and better than I can.

I might add that I read newspaper editorials, if the gentleman from Pennsylvania please, and I find some of them to be pretty good. The one to which I refer is entitled "The lazy-voter bill" and reads as follows:

> Passage of a postcard registration bill by the Senate this month was a triumph of expediency over common sense.
>
> As Sen. Sam J. Ervin Jr. points out, the postcard plan would encourage "people who don't exist or are sleeping in cemeteries" to vote in national elections.
>
> It would cost millions of dollars to set up and supervise each year.
>
> And it would force registrars to maintain two sets of books—one for state and local elections, the other for congressional and presidential elections.
>
> That's because the postcard plan would apply only to federal elections since Congress has no power over how states register voters for their own elections.
>
> Basically, though, the bill has doubtful value because it assumes that voters too lazy to register (except by postcard) will be ambitious enough to vote on Election Day.
>
> More likely they'll stay home, as they do now.
>
> Good intentions to the contrary, this is one election reform the President would be justified in vetoing if it somehow slips through the House later this year.

Mr. Speaker, I oppose adoption of the resolution.

Mr. QUILLEN. Mr. Speaker, I yield 6 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, in discussing the rule, I would like to trace the legislative history of the bill H.R. 8053. It was introduced by Mr. Dent on May 22, 1973, as a companion measure to the Senate passed bill, S. 352. The Senate bill, introduced by Senator McGee, was reported out of the Senate Post Office and Civil Service Committee on March 27, 1973. It bypassed the Senate Rules and Administration Committee, the normal path for election bills, and was passed by the Senate on May 9, 1973, by a vote of 57 to 37.

H.R. 8053 was referred to the House Administration Committee. The Subcommittee on Elections held hearings in June and July last summer. Most of the testimony was unfavorable, and solid opposition developed in the subcommittee. Some of that testimony which was particularly devastating appears in the Congressional Record of July 19 on pages 25042 and 25043 and in the Record of July 20 on pages 25264 and 25265. Recapitulation of this testimony appears in the minority section of the committee report. On September 6, after completion of the hearings, the Elections Subcommittee laid the bill on the table by voice vote. Support from the principal proponents, the big labor organizations, helped to move the bill off the table and out of the subcommittee by a 6-to-4 straight party vote, on October 16.

Because of a point of order, H.R. 8053 was called from the subcommittee and presented to the full committee by a vote of 12 to 11. There was no recommendation by the subcommittee. After an hours' discussion on the amendments, the bill was voted out of the committee 15 to 10.

It was not presented to the Rules Committee until February 26 when the rule was granted on an 8-to-5 party line vote. Floor action was scheduled twice, March 6 and 20, but was postponed both times. The rumored reason for the postponements was that the proponents had not found enough votes. After 2 more months of promotion and heavy salesmanship, H.R. 8053 now comes to the floor.

Suffice it now for me to say that this bill passed the committee back in November, laid around for several months, finally got to the Committee on Rules in February, has been scheduled twice and pulled off, and quite obviously is a highly controversial bill which is subject to a great deal of legitimate criticism.

I hope the Members of this House understand what the bill really is. It is based on good purpose and high motivation. We all want to increase registration. We want to improve registration systems, but the Members of the House should know what is really in the bill so that they can vote intelligently on whether they want to pass the rule or not.

Mr. Speaker, I am not going to take a position on this rule. The committee was nice enough to make the rule an open one and made my bill, H.R. 11713, in order as a substitute. That bill, contrary to H.R. 8053, allows the States to make their own improvements, rather than mandating something from above. We in Washington are not so smart that we should impose our systems on the States.

Further, it will provide for real reform that has the best opportunity to increase registration and voter participation. If you really want to increase participation in our election processes, and want to help voters who have had the greatest difficulty in becoming registered, I urge you to support my bill, H.R. 11715.

As has been said here before, the Postcard Registration bill will not increase registration. It may, in fact, decrease registration and prove to be counterproductive. It will be a nightmare for the States and for the local districts that have to administer it. It will cause confusion and disenfranchisement. It opens up a brand new potential for widespread fraud. Even greater than fraud, it opens up a whole new spectrum of dirty tricks in which anyone may indulge.

It establishes a new Federal bureaucracy in charge of elections. Worse, it shifts the responsibility from State and local election officials, who know what the local problems are and know how to solve them, to the Federal Government, which usually does not know very much at all about local problems.

Perhaps even worst of all, it is contrary to many State laws and contrary to the Constitution of at least one State, and, therefore, will force dual registration systems on a number of States.

The testimony before the subcommittee, I think, covers this point very well.

Finally, nobody has talked about the costs, and I am surprised that the gentleman from Iowa (Mr. Gross) has not mentioned it. This bill restricts the cost to $50 million, and yet a GAO study on a similar bill introduced in the Senate a couple of years ago indicated that to do the job right would give us a biennial cost of $140 million.

So it seems to me that there are very few things right with this bill. Those Members who wanted to scratch this bad bill early might want to vote accordingly on the rule.

Mr. Speaker, I yield back the remainder of my time.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, the reason I take this time to speak briefly on this legislation is our Committee on Post Office and Civil Service conducted extensive hearings on this subject across the country. My colleague, the gentleman from California (Mr. Wilson), who is the chairman of the subcommittee, and I held hearings with our colleague, the gentleman from Arizona (Mr. Udall), who favors the bill. But the testimony, not only from those people who have the responsibility of managing the registration process in this country—and they put on extensive drives each year to get people to register—but also substantial numbers of elected officials very effectively brought out the tremendous deficiencies in this legislation we are considering by this rule. That is why I rise to oppose the rule. I do not think that we have adequately considered the full ramifications of what we do if this legislation goes into effect.

Mr. Speaker, I should like to quote from an election official of the State of New York. I do not think anybody can accuse the State of New York of trying to prevent people from registering. They carry on aggressive campaigns to register people. I should now like to quote from that registrar official from the State of New York that testified before our subcommittee:

> I point out to you, that under New York State election law, in September of each year, we must conduct a mail check of every regis-

> tered voter in our county to ascertain if the voter still resides at that address stated on this form. Many of these post cards are returned, by the Postal authorities, marked "undeliverable" and marked "moved" or "unknown at this address" and yet we determine at a later date that the voter had not in fact moved, and that he still resides at exactly the same address indicated on his card. If we, as election officials, were to rely on the report received from the Post Office Department and were to follow the exact dictates of the election law of the State of New York, many voters would be disenfranchised on election eve.

Mr. Speaker, my great concern with this law is not only the great confusion that will come, as pointed out very eloquently by the gentleman from Illinois and others, but also the fact that we will be disenfranchising many voters who think that they will be registered.

I ask the Members to support the effort to turn down this rule and send the measure back to the committee to make sure they bring in a better piece of legislation.

Mr. MATSUNAGA. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts, the distinguished majority leader (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I am happy to favor this legislation. I strongly believe we should make it as easy as possible for the people of America to register to vote.

In other nations of the world where we traveled and visited, we found they could not understand that in a Presidential election in the United States only 50 or 52, or 53 percent of the eligible voters of America cast their votes on election day, and they cannot believe there are so many hundreds of thousands of people who are eligible to vote who are not even registered.

We make it hard for the American person to register in so many States along the line. In Massachusetts we have a law where a policeman visits every home in the early part of the year, and every person over the age of 18 is listed, and it says beside his name on a public document that he is a registered voter or not a registered voter. When a person is running for public office, it is very easy to get hold of one of these books and find out how a person is registered; then, of course, the process is to write and tell him that he is not a registered voter because of the listing that has taken place. It is a public document in that city.

We have registration of every type in Massachusetts. We have trucks that go to the shopping centers and we have the roving caravans going from community to community to try to encourage people to register, but there are at least three States that have this law already. They have found no difficulty with it.

I would say, Yes, I have found registrars of voters and clerks who are opposed to this because they think it means more work for them. I do not think that is fair.

This is a question of campaign reform. We have heard so much about campaign reform. Campaign reform is voter registration and make no mistake about it. This, in my opinion, is worthwhile legislation, and I am amazed at the opposition coming from the other side of the aisle.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, the gentleman spoke of the methods of registration in foreign countries. Do they use this post card system in Taiwan and could the gentleman tell us how the cards are addressed in Chinese?

Mr. O'NEILL. I did not ask the members of parliament how it was done, but it was interesting that they had municipal elections while we were there, and for the gentleman's information, I understand there were no Mainlanders who were running, they were all Taiwanese.

Mr. GROSS. Do they use this system in Hong Kong?

Mr. O'NEILL. I did not check on that either, but we did come back with what the State Department thought was very worthwhile information, but I am sure that is not parochial enough for the gentleman from Iowa to appreciate it.

Mr. GROSS. How many hundreds of millions will that information cost the average citizen of this country, the information brought back to the State Department?

Mr. O'NEILL. I cannot judge that information.

The SPEAKER. The time of the gentleman has expired.

Mr. MATSUNAGA. I yield 1 additional minute to the gentleman.

Mr. O'NEILL. Mr. Speaker, I must say at this time, I regret the fact that the gentleman from Iowa is leaving the Congress. I feel there is a place in Congress for Members who are so far to the right as he is. He gives to this House a bit of inspiration and is one of the most diligent and conscientious workers in the House, a man of strong personal conviction. I believe he has served a useful purpose along the line, and I am sorry to see him go. Yet, rare is the occasion when I agree with him.

Mr. GROSS. I would not mind taking a junket to the right, but I am not going to take it to the left.

Mr. O'NEILL. Well, that would be almost impossible.

I have to congratulate the committee who traveled with me. They worked hard and industriously, and I believe we accomplished a lot of good for the country.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I hope that this rule will be defeated. I do not see any really good reason for bringing this type of bill up, particularly when it has been said we are going to have a campaign reform bill. I would hope we will, but I do not know whether we are or not. At least it is rumored that we will.

Believe me, H.R. 8053 is not campaign reform. This bill is a license to steal, if I ever saw a license to steal. This is a clear invitation to fraud and there is nobody I know that can possibly doubt it, particularly when the people who are in charge of voter registration and for making sure that votes are counted properly, are against this type of bill. It can be nothing that is good for the electoral system.

It is obvious to me that this type of legislation would be a clear invitation for people to register in one particular State and then register in another particular State and perhaps to vote absentee in one and then in person in another. All sorts of things can be devised for that reason.

Now, Mr. Speaker, in the past history of this country we have had instances of bad voting fraud. That fraud has come about by the laws which were made. It seems to me it would be better for the interests of the country in electing people who are really the choice of the people to tighten up on some of the laws, instead of loosening them as this measure would. I certainly see no useful purpose to be served in any republic where we have elections and people are elected because they were better able to defraud the public in an election than those who were running on the other side. I am afraid this is exactly the situation that would occur. It would be very simple for a person to register in the names of people who were dead or who have moved from the State and in other ways. Then, on election day, they could just go down and vote for these individuals.

Actually, what we really want to do is to make it possible for everybody to vote. Then we ought to do away with voter registration completely, just open up the polls and say anybody who walks in, a warm body, can come in and he can have the ballot and he can cast his vote. I would say we would have a lot of people voting that probably would not be qualified to vote under the laws of any State right now; but if we really want to open it up, that is the way to do it.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Pennsylvania.

Mr. DENT. Is the gentleman sponsoring that?

Mr. RHODES. No. I said that was the way to do it and I said that it was so absurd that even the gentleman from Pennsylvania would not want to adopt it; but I guess I am wrong.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from California.

Mr. HOSMER. Another possibility would be to make people, as they vote, submit to some harmless vegetable dye being stamped on the hand so as to eliminate fraud by repetitive voting.

The SPEAKER. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. We are all aware of the home rule vote yesterday in the District of Columbia. Considering that only 37 percent of the registered voters in the District took trouble to vote on this important home rule issue and considering that a similar situation existed in several States where primary elections were held yesterday, would the gentleman not agree that the real problem is voter apathy, not difficulty in voter registration?

Mr. RHODES. Mr. Speaker, I think the gentleman from North Carolina is absolutely right. It is very easy to register in most States, but certainly it is not very easy to get people to the polls. It is not very easy to get the people of the Republic as interested in elections as they should be, and this is one of the very weak spots that we have in our body politics. The Republic is only as good as the composite interest of the citizens of that Republic. Unless we are able to do more to get people who are registered to vote, then the days of the Republic certainly may well be numbered. I think the people of both parties would be well advised to go to work on that particular problem.

Mr. QUILLEN. Mr. Speaker, I urge the defeat of this rule. If we want to protect the ballot box and prevent a fraud box, then we should vote against this rule and against the bill.

Mr. MATSUNAGA. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. YOUNG).

Mr. YOUNG of Georgia. Mr. Speaker, I would just like to address myself to a statement made by our distinguished colleague from California, that New York does not make it difficult for people to register.

I happened to live in New York in 1958 and went from working in the yard one day, sweaty and in a sweatshirt, because it was the last day to register. I went to the high school around the corner and was told that I had to have my high school diploma or go all the way downtown to lower Manhattan to take a literacy test.

I said, "Is there not some test I can take here?" They said no, the only place they give it is in lower Manhattan.

Mr. Speaker, I was not aware of the location of my high school diploma, so I found an honorary degree and brought it back in time to register to vote. But when working in a sweatshirt and blue jeans and tennis shoes, going in to register to vote anywhere in this country, you have a hard time. It is not just a racial thing. I think people in power, including those in my own district, black election officials, are reluctant to let these people register because anybody in power always wants to stay in power.

Mr. Speaker, I think if we really want to have an open democratic process, we ought to adopt this rule and vote for this bill and give every American the right to vote with no trouble.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Georgia. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I suspect that in 1958 the gentleman might have had some trouble in registering in Georgia. But I would like to say that since 1958, New York has liberalized its registry requirements and changed its entire procedures, as have most of the States. There has been a serious effort to get people registered in this country on a State level. I think for us to foreclose this effort at this time by moving into Federal intrusion of power is a serious mistake.

Mr. YOUNG of Georgia. Mr. Speaker, in 1966, even after the Voting Rights Act was passed by this Congress, it was very hard to register voters in Mayor Daley's Chicago. In the one day assigned for registration in neighborhoods there was a 30-inch snowfall and we could not get another day to register for another 6 months.

Mr. MATSUNAGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is highly evident here that there is great interest in this bill, and to defeat the bill by voting down the rule, I think, would be a great disservice to the country. We ought to adopt the rule and go into the Committee of the Whole with 2 hours of general debate, argue the pros and cons of the measure, and then go to vote on the bill itself.

Mr. GUDE. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. Mr. Speaker, I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Speaker, I want to support the gentleman in asking that we not defeat this rule. Initially I had great skepticism about this legislation, so I have investigated the proposal carefully. We should not dismiss it out of hand. We have had experience in Maryland with post card registration. It has not only worked well in my own native Montgomery County, but in Baltimore, where one would anticipate many of the problems that have been raised about fraud and illegibility of cards. In both jurisdictions they actually have had a better experience with post card registration than with the previous system.

One aspect which I feel is particularly important and should be discussed in debate on this bill is the fact that mail registration has fraud protections in it that the traditional in-person registration never had. One is the requirement that notification of registration be sent by nonforwardable first class mail; this is an immediate check on a fictitious address; both the Maryland system and H.R. 8053 have this provision.

We should give these and other aspects of this proposal full consideration, particularly since this bill does present the opportunity to increase the number of citizens who can be entered on the voting rolls. I urge the adoption of this rule in order that we may fully debate this proposal.

Mr. MATSUNAGA. Mr. Speaker, as the gentleman's voice comes to me from the opposite side of the aisle, it appears to come as a ray of beautiful sunshine, as if from the State of Hawaii, I might say.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, I would just like to ask the Members to vote for the rule.

We do not want another situation such as occurred just 2 years ago when, after the efforts of the committee and after more than 2½ years of study under an able Member of Congress from the State of Virginia, we brought the bill to this floor and a substitute was offered, and that was the substitute which is better known as "Watergate."

There are some things concerning this bill that we should consider on the floor, and I would suggest that the Members vote for the rule, and if we do, I will say, in the stage vernacular, "You ain't heard nothing yet."

Mr. SIKES. Mr. Speaker, there is a good reason for stronger efforts to encourage voters to participate in elections. There has been a decline in voter participation and this does not bode well for the future of our country. More voter interest nearly always means better government.

The post card registration proposal seems to be a simple, direct and easy way to encourage additional people to qualify to participate in national elections. Unfortunately it is not that at all. The proposal although cloaked in good intentions is probably completely unmanageable and in operation would open frightening potential for fraud. It could well create an administrative nightmare for State and local officials.

An improvement in State registration methods is desirable, but postcard registration will not accomplish what is needed. No one can estimate the cost or the confusion which would follow.

Under the proposed legislation postcards would be mailed to each household. Receipt of the card would cause confusion for the registered voter who would not know whether or not he should return the card. There would be similar confusion between State and Federal election systems. Incoming cards would require checking at considerable cost to avoid double registrations. Despite the best of intentions, there would be double listings and this would add to the confusion and cost of all aspects of campaigning and elections. Change of address cards would further complicate the problem.

There is no convincing evidence that post card registration can serve the desired purpose. It can bring about voter confusion, administrative chaos, and higher cost of elections. None of these are desirable.

Mr. BEVILL. Mr. Speaker, I rise in opposition to H.R. 8053, a bill which would establish a National Voter Registration Administration. The administration would be responsible for implementing a system of postcard voter registration for Federal elections.

I believe the establishment of a national voter registration system would do more harm than good. It would also be a brash intrusion into the rights of the States.

Any reform in voter registration procedures should be left to the States. Control of the electoral process should remain at the local level.

Mr. Speaker, what we need at this time is less Federal bureaucracy, not more. In the period between 1950–70, the Federal budget increased 79 percent and the number of employees of the Federal Government increased nearly 25 percent. The number of major independent agencies increased by 55 percent.

The Comptroller General estimates that establishing a national voter registration system would cost between $230 and $525 million. And, of course, maintaining such a system would be very costly.

State and local governments already have the machinery set up and operating with personnel trained in the methods of election administration. Thus, such a national system would duplicate the existing State systems, while providing no assures that the new system would bring about the desired increase in registration figures.

One of the major arguments given by those favoring this bill is that in recent years there has been a decline in voter turnout. I feel that lack of interest, rather than registration problems, is responsible for the decrease in voter turnout.

Mr. Speaker, a study by the Census Bureau after the 1968 election found that 53 per cent of the nonregistered respondents declared that the lack of interest in the election or in politics in general was the reason for not registering and not voting.

The possibility of fraud and misuse of registration information is also much greater when a single list is maintained at one central location.

Also, Mr. Speaker, such a national registration system could be very confusing to the voters. Each voter would have to comply with two registration procedures—one for Federal elections and another for State and local elections. Confusion could also increase at the polls in the determination of which persons were entitled to vote in all elections, which in Federal elections, and which in State and local elections.

Conceivably, the end result might be less, not more, voter participation.

Voting in this country has always been considered a great privilege. Asking a citizen to comply with local and State registration laws is not such a great burden, in my judgment. Most States have improved and modernized their registration systems, making it easy for any citizen to register.

There is no real need for such legislation and I urge my colleagues to vote against this legislation, H.R. 8053.

Mr. MICHEL. Mr. Speaker, the proposed post card registration would impinge on the authority of the individual States.

It would create an unnecessary bureaucracy.

It would waste tax dollars.

And most importantly it would open the door to widespread fraud that would endanger our entire electoral system.

With all these flaws—this bill would not accomplish the alleged purpose of increased voter participation.

Individual States already have machinery for registration. The post card system would mean duplication—and it would confuse voters as to their registration status. State procedures would be required for State and local elections—even if this bill were enacted. The States now operate with safeguards to prevent duplicate registration—and the voting of deceased citizens.

This form of registration by post card is fraught with danger. It requires little imagination to envision how easily post card registration could be manipulated into a massive fraud. This proposal sounds like the dream of a turn-of-the century ward heeler. Ten cents a vote for the price of a stamp—is exactly what could happen with this bill.

We should also consider what the mailing of all these post cards at once to every American household would do to our embattled postal system.

Ignoring the evidence of how wasteful, dangerous, and unnecesary this proposal is—post card registration would not achieve what its sponsors claim it would.

There is proof that reducing registration redtape does not increase voter participation. In North Dakota—where registration is handled on election day—the percentage of voters in 1972 was still lower than in previous elections. Simplifications alone will not make citizens go to the polls, and it is probable that the poor minorities, and foreign speaking Americans would not be aided by the bill but the groups most likely to be victimized by those who would capitalize on the fraud potential of post card registration.

Bills like this one have not increased voter confidence in Congress. It is time for Congress to stop drafting and approving simplistic laws that solve nothing and cost millions of dollars. This is not the year to hand voters a post card that will cost them $110 million.

Mr. Speaker, I would urge defeat of the rule and then we need not waste the time to debate a very, very bad piece of legislation.

Mr. YOUNG of Florida. Mr. Speaker, I rise in strong opposition to H.R. 8053, the Voter Registration Act. This bill would establish a Voter Registration Administration in the Office of Federal Elections of the GAO, for the purpose of administering a post card voter registration program. While this seems a well-intentioned and appealing plan to simplify procedures for registration and facilitate participation in the political process, if passed and implemented H.R. 8053 would have disastrous results.

The motive behind H.R. 8053 is an effort to stem the continued decline of voter participation in Federal elections. Turnout has dropped from 64 percent in 1960, to only 55 percent in the 1972 Presidential elections. This compares unfavorably with average turnouts in the upper 70 percentages for other Western democracies. I should note, however, that the low percentage of participation for the Nation as a whole is belied by such high averages as a 69-percent registration in my own Sixth Congressional District of Florida. Proponents of post card registration feel that registration requirements make it difficult for some people to vote, and the use of simplified post card registration would increase registration and voter turnout.

Testimony before the Subcommittee on Elections, however, failed to substantiate this belief. In contrast, evidence was presented that post card registration might actually disenfranchise many citizens who would normally be eligible to vote. Several State and local election officials expressed their fear that H.R. 8053 would also reduce overall voter turnout. Past experience with address changes by post cards indicates that up to one-third of the post cards will be either illegible or incomplete—so that when election day arrives, people who sent in such post cards could find themselves unregistered and not eligible to vote. In addition, post card registration is necessarily dependent upon the U.S. Postal Service, which can be both inefficient and unreliable.

Post card registration would also deal a fatal blow to many successful State and local registration programs, since H.R. 8053 offers incentives to registration officials to eliminate all State and local registration activity and wait for post card forms. Yet testimony before the subcommittee revealed that the door-to-door canvassing activities of local officials is consistently more successful in registering voters than mail registration. Eminent political scientists also agreed that face-to-face registration is much more effective than an impersonal mail-in form.

The possibilities for confusion under a post card registration system are innumerable. If a State did not adopt the system for all its elections, voters would be forced to comply with two separate registration procedures, one for Federal elections and one for State and local elections. Election officials would have to determine which individuals were eligible to vote in which elections, and many registrants would be partially disenfranchised because they believed one registration made them eligible for all elections.

Perhaps the greatest threat posed by H.R. 8053 is the opportunity which it presents for voting frauds. It is now customary for a person who wishes to register to vote to appear in person before the registrar—this establishes that it is an actual person registering, who can offer identification—and not a fictitious identity. Post card registration, on the other hand, would make it easy for a single individual to register several different times with little chance of detection. This is reminiscent of turn-of-the-century elections in which dead men voted and each vacant lot had at least 30 persons residing at that address.

Once a person is registered by mail, H.R. 8053 is very vague on where he must vote, or even whether he must vote at one single polling place. Conceivably an individual could utilize his notification of registration, which is all he needs as evidence of his right to vote, to cast his ballot at several different polling places.

With post card registration, an individual, real or fictitious, could register by mail and vote by absentee ballot—never once setting foot in the physical location involved. Post card registration in combination with absentee balloting presents unparalleled opportunities for fraud.

The effects of such voting fraud go far beyond the distortion of election results. More fundamentally, for each fraudulent vote that is cast, a genuine vote on the other side is canceled out and an honest citizen is effectively disenfranchised. This makes a mockery of participation in our political process.

Mr. Speaker, the defects of H.R. 8053 are both innumerable and frightening. Estimates of the cost of post card registration range from $50 million to $500 million per election. The legal ramifications and effect on State criminal law are so complex that even the Department of Justice is uncertain as to the ultimate consequences. The traditional role of the States in supervising elections is arbitrarily preempted by a "Big Brother" Federal election agency, and in certain cases, State law will be violated by provisions of H.R. 8053.

Perhaps the best indication of how bad this bill really is can be found in the testimony of the many State and local election officials who strongly opposed H.R. 8053. The National Association of Secretaries of State expressed their formal opposition to the bill, and a poll of the individual Secretaries of State found 30 opposed to H.R. 8053, only 3 in favor, and 8 feeling that other alternatives would be better than post cards.

In my own State of Florida, the director of the division of elections has formally advised me of her opposition to H.R. 8053, and many local registrars from the State have written urging me to vote against the bill. These are the experts speaking—the ones who have the special training and long experience to speak with authority on voter registration and voter fraud. Their objections to H.R. 8053 can be summarized as follows: First, it will lead to election fraud; second, it will not increase voter registration or turnout, but will probably reduce them both; third, it will conflict with State registration systems, lead to dual systems, and result in confusion and disenfranchisement of voters.

These are compelling arguments, and my own examination of the hearing record and the legislation bear them out. I oppose H.R. 8053 and urge my colleagues to vote down this ill-conceived and disastrous legislation.

Mr. BURKE of Florida. Mr. Speaker, passage of H.R. 8053 will be an invitation to massive vote frauds and vote stealing.

Mr. Speaker, I am shocked that anyone would honestly think that this bill H.R. 8053 which is scheduled to come before us today is anything but an invitation to commit fraud. Throughout our history there have been many cases where elections have been won or lost because of fraudulent voting. The fact that phony names and addresses have been used to register, or that the registration of dead persons has been used to vote is common knowledge. I ask how many people would be required to investigate and determine the legality of the thousands of cards mailed in to the registrars who are charged with responsibility of preserving the legality of voting and prohibiting the voting by all but legally authorized voters.

Mr. Speaker, we in the Congress should be concerned with having honest elections and with the prosecution of illegal voters. In fact, if we are going to make an honest appraisal of elections then, we would have to admit that it is not a lack of registered voters that exists, but instead it is voter apathy that is our Nation's greatest problem.

Mr. Speaker, I seldom vote against a rule, but in this instance such a vote is an indication of the possible fate of H.R. 8053. I honestly feel that if the American people fully understood this bill and its possible serious consequences that they would be up-in-arms at this attempt by some in our society to usurp their honest demand for honest elections. They should be up-in-arms by this attempt to substitute this monstrosity in the name of honest elections.

Freedom in our right to elect our officials is one thing, but phonyism in the name of either liberalism or honesty will certainly not raise the esteem of the public in our actions as their elected representatives. The great majority of those that know the possibility of fraudulent elections best; namely, those responsible for registration of the voters, and the conduct of elections, are strongly opposed to H.R. 8053. They know, that if the Congress is stupid enough to pass this bill that voting rolls will be ballooned not only by election corrupters and vote stealers, but that even the prankster will be able to get into the act. Under H.R. 8053 all a person has to do will be to send in a post card to get his name on the voter rolls. The phony argument behind this idea is that many persons who would like to vote are prevented from doing so by stringent registration laws. Actually this is no longer true. The truth is many do not take the time. Few today are prevented but uninterested citizens do not register or take the time to inform themselves of the issue. It seems strange to me therefore, that the Senate, which passed an identical bill and those of some of my collegues here, are willing to invite massive corruption of our elective processes in order to help make it easier for those that are uninterested or unconcerned.

Mr. Speaker, I sincerely feel that my colleagues will exercise more judgment in the vote than did the Senate when they passed this bill. I urge the defeat of H.R. 8053.

Mr. BURLISON of Missouri. Mr. Speaker, I am going to vote for this rule. This, however, should not be interpreted as my position on the merits of the voter registration bill. There are arguments to be made in its favor, the most prominent one being that not enough of our citizens vote and that we should make it as easy as possible for them to do so, while at the same time adequately guarding against fraud. On the other hand, I have serious reservations about the bill, primarily stemming from the cost to the Federal Government and the added work load and confusion which must be faced by the State and county election and registration officials.

I am voting for the rule because I think the legislation has enough merit to warrant a full and complete and open debate and be subject to amendments at the will of the House. I intend to carefully listen to the debate and will probably direct some questions to those handling the legislation before finally arriving at a decision on the substantive legislation.

Mr. LAGOMARSINO. Mr. Speaker, one of the finest newspapers in my congressional district, the March 19 Ventura County Star-Free Press, recently commented editorially on the post card registration bill. The editorial sets forth objections to the legislation which I feel every Member should have in mind when he votes on the bill:

NOT TOO EARLY TO FORGET THIS ONE

> One of the proposals kicking around Congress right now would provide for voter registration by postcard. It seems to us a good candidate for the file-and-forget drawer.
>
> This is a predictably partisan proposal: Democrats for, Republicans against. In general, Republicans oppose any attempt to make voting easier, which is not surprising, since they are outnumbered in party registration.
>
> Opponents of the proposal see all sorts of potential evils from forged registrations to a new bureaucracy to process the postcards. President Nixon shares these fears, and is expected to veto the bill, which has already passed the Senate, if it gets by the House. Well, the House should save him the trouble.
>
> We don't buy all the visions of registered corpses and phantom voters conjured up by the bill's opponents, and the hassle over which party would benefit seems irrelevant.
>
> But it's simply not that difficult to register to vote, the way things are now. Anybody who won't put out the little effort it takes to get registered probably won't bother to vote, anyhow—certainly not to vote very intelligently.
>
> If voting by mail is the next step—and in the way of things, it may well be—then this isn't too early to forget the whole notion.

Mr. ICHORD. Mr. Speaker, I rise today in opposition to the passage of H.R. 8053, the Voter Registration Act. I share the concern of this body that something must be done to increase voter participation in Federal elections. Indeed, we are witnessing a continuing decline in voter turnout, dropping from 64 percent in 1960 to 55 percent in 1972. But after careful study of H.R. 8053, I am sincerely convinced that this legislation will only be counterproductive to that goal.

It seems whenever a problem arises in our society, the stock answer is the establishment of another Federal bureaucracy—in the case of H.R. 8053 a Voter Registration Administration—rather than strengthening laws which would assist the States in carrying out functions properly within their purview. In testimony before the House Subcommittee on Elections there was no testimony offered to demonstrate that national mail registration of voters would increase either voter registration or voter turnout. To the contrary, numerous registration officials in my own State of Missouri stated that in their professional estimation, H.R. 8053 would actually disenfranchise many eligible voters through the confusion of dual registration systems for Federal and State and local elections; through illegal, incomplete, or outdated postcards which do not meet the requirements for registration; and through the existing inefficiency and unreliability of the U.S. mails in getting the cards to all eligible voters.

While the arguments against postcard registration have been amply and well-stated elsewhere in both the committee report and during the hearings, I think we should also profit from the benefit of past experience and realize that the formation of additional bureaucracy and redtape, not to mention the concomitant expenses, will not be a panacea to the problem of low voter turnout. In Missouri we already have registration by mail in 111 of the 115 counties in the State. Missouri's voter registration system is being expanded and modernized every year, and it is my considered opinion and that of election officials in my State that local control and oversight over voter registration is the only effective way to thoroughly, efficiently, and equitably register the voters of this Nation. We must also realize that while failure to register was the reason given 38 percent of the time for not voting in 1972, 43 percent of those failing to register stated that they did not do so because of a lack of interest. This type of voter apathy will not be overcome by a postcard sent through the mails, but can only be combatted by effective, door-to-door canvassing and voter education programs accomplished on the local level. Indeed, in 1972 only 4.94 percent of America's eligible voters were prevented from voting because of registration problems, assuming that those unable to register would have voted if registered.

Mr. Speaker, H.R. 8053 is an administrative nightmare. It increases the potential for election fraud through dirty tricks and the potential for multiple registrations, will cost anywhere from $30 to $125 million, increases the potential for lawsuits against county clerks and boards of election commissioners, and offers no guarantee of increasing either voter registration and voter turnout. While it is certainly Congress' mandate to attempt to register every eligible voter in America, I strongly believe our good intentions would be better met through other means than the Post Card Registration Act now pending before the House. One example of an effective and simple improvement in voter registration would be to provide for Federal block grants to improve and expand State registration systems and election administration. H.R. 11713, the Voter Registration and Election Administration Assistance Act, is a fine legislative measure which would accomplish this end providing Federal grant assistance to States to supplement but not replace existing State and local financing of programs to encourage voter registration, education, and participation. The bill also directs the Comptroller General to selectively audit the use of the grants and to disseminate to the Chief Election Officers of the States a summary of the types of programs he found to be most effective and those found to be least effective. I commend this bill to my colleagues and would hope that they will join me in supporting passage of H.R. 11713 as a substitute for H.R. 8053, the Post Card Registration Act. Another example of a simple improvement in voter registration, offered by James F. Dowd, deputy secretary of State of Missouri in testimony before the Subcommittee on Elections of the Committee in House Administration, would be to require the Post Office to notify State registrars automatically of any change of address. These and other alternatives exist for improving voter registration in this Nation, and I would hope that the Members of this body would support such alternatives to the passage of H.R. 8053 which in my estimation would not only confuse and complicate but potentially worsen the problem of voter participation in Federal elections.

At this point, Mr. Speaker, I would like to submit portions of some of the correspondence that I have received expressing opposition to H.R. 8053. First. From the Executive Committee of the National Association of Secretaries of State, chaired by the Honorable James C. Kirkpatrick, Secretary of State for Missouri, January 1974:

> Whereas, as presently drafted, H.R. 8053, in the opinion of the Executive Committee of the National Association of Secretaries of State, will not achieve its desired effect, but will, in fact, have the contrary effect, by confusing voters, eliminating existing safeguards against fraud, complicating election procedures, disenfranchising voters, and tremendously increasing administrative costs, now, therefore be it
>
> *Resolved*, That the Executive Committee of the National Association of Secretaries of State hereby express its total and complete opposition to the present draft of H.R. 8053, for the reasons stated above.

Second. From the Kansas City, Missouri Board of Election Commissioners, September 4, 1973:

> The Board commends the United States Senate for its deep interest in promoting voter participation in the electoral process by the citizens of the United States, but views with serious alarm the very real potential for major vote fraud which almost certainly would be opened up by the adoption of the proposed Voter Registration Act . . . in its present form, or any similar form. . . . This Board is convinced that in the polling places under its jurisdiction, a tremendous amount of confusion would result from such a dual registration record and the resulting necessity for the judge of elections to determine which lists contained the name of each prospective voter and from such information to determine which ballot each prospective voter would be entitled to vote. It has been the unvarying experience of this Board and of its members that major confusion at the polling place invariably results in diminished voter turnout.

Third. From Eleanor Koch Rehm, Clerk of the County Court and Ex-Officio Registration Officer, Jefferson County, Hillsboro, Mo., June 7, 1973:

> I have read the bill, and feel that it is poorly drafted, will cause dual registrations, and cause nothing but confusion to the voter and those persons in charge of county and city registration.
>
> Jefferson County has had registration of voters under Chapter 114 since 1961; and I have worked very closely and diligently to see that no abuses occur. If this bill passes, I hesitate to think the chaos it might bring.

Fourth. From the Honorable Secretary of State of Louisiana, Wade O. Martin, Jr., November 21, 1973:

> This bill has been officially and vigorously opposed by the nation's state and county election administrators. We know that its passage would cause such confusion and chaos that the whole process for electing both federal and state officials could collapse.
>
> Some of the many dangers in this bill are that it would: (1) obviously be unconstitutional; (2) create chaos by annoying and confusing millions of presently properly registered voters; (3) be a virtual invitation to a sharp increase in fraud; (4) result in loss of millions of dollars in present registration and voting equipment; (5) cause millions of Americans to lose confidence in our entire election process and decrease, rather than increase, the number of votes cast in nationwide elections; (6) necessitate maintenance of at least two sets of voter registration records, greatly increasing present state registrars' personnel and millions of additional taxes; (7) place in serious legal jeopardy the process of electing President and Vice President."

Fifth. From Ruth I. Davis, Barton County Clerk, Lamar, Mo., November 29, 1973:

> It has come to our attention that the National Post Card Voter Registration Act, House Bill 8053 is out of committee and is gaining support in the House. As the local office dealing directly with voter registration, we must ask that you vote against this bill.
>
> Understanding that the bill was designed to alleviate voter burden we feel it would create far more problems than it would remedy. The potential for fraud is great, thus eliminating the major asset of voter registration. The cost would be staggering and the confusion unbelievable. This would create a dual registration, dangerous for our state registration procedure.
>
> As we are sure you are aware under Missouri's new voter registration law many counties are registering all of their residents for the first time. Barton County is one of these that have never before had registration. We are now struggling against ignorance and confusion in convincing our people that they must register and cannot vote without doing so. In two months we have approximately ⅕ of our eligible voters registered. Should Post Card Registration become a reality it would be impossible to complete registration because the general assumption would be that one registration is sufficient.
>
> The bill would make it necessary for the counties to maintain two sets of poll books, one for the federal elections and one for state. Election day would prove disastrous for judges and clerks trying to explain to people that they were not registered for that election. Administrative costs would more than double with the passage of this legislation.
>
> National Post Card Registration is a utopian dream of voter involvement and a nightmare of administration. The practicality of the situation demands this bill's defeat.

Sixth. From Henry E. Bailey, clerk of the county court, Pulaski County, Waynesvile, Mo., November 28, 1973:

> It has come to my attention that House Bill 8053, the National Post Card Voter Registration Act, is out of Committee.
>
> As official in charge of registration and elections in Pulaski County, I would like

to express my opposition to this bill for the following reasons:

1. In Missouri a voter must be registered to vote in any election; he will appear at the polls thinking he is registered for all elections, when in fact he will only be registered for some;

2. Post card registration will not provide the complete information required by Missouri law;

3. Registration by mail will cause confusion about correct voting precinct;

4. Post card registration opens the door to double registration in more than one precinct;

5. Post card registration for some elections and not for others presents a problem in identifying which election a voter is qualified to vote in;

6. Missouri voters are already allowed to register if a resident of the state for a minimum of thirty days and may register by mail if sick, disabled, absent from county or because of reasons of employment are prevented from appearing at place of registration, providing such registration is notarized; and

7. Citizens arriving after deadline for registering are allowed to vote a presidential ballot and all military and their families who are Missouri residents are allowed to vote military ballots without being registered, under present laws.

I hope that you will see that this bill is unnecessary, unworkable and will cause confusion to the voter and election judges, and that you will use your influence to defeat HR 8053.

Seventh. From Emmett Reed, Clerk of the County Court, Franklin County, Union, Mo., November 29, 1973:

I am in receipt of a bit of disturbing news in the form of a letter from our Secretary of State on HR 8053. I had heard of this bill allowing post card registration for federal elections. It will be most confusing since we presently have a flock of registration binders in each county in Missouri and as I understand it would be necessary to duplicate the entire process. There would be chaos on election day if this were true. It would be much more expensive as well. True, I would like to see a new set of fair and equitable election laws which could be operable in each and every state.

Eighth. From Dale L. Mitchell, Second Vice President of Missouri County Clerk's Association and County Clerk of Howell County, West Plains, Mo., November 28, 1973:

It has been called to my attention that HR 8058. The National Post Card Voter Registration Act, has already passed the Senate. It is my opinion that this bill will create considerable confusion from this dual registration system.

Under this dual registration, a voter must not only be registered in his country for local and state elections, he must also be registered for federal elections. As a result, when a voter appears at the polls believing he is registered for all elections having completed and returned a registration post card, he will actually only be registered to vote for the President, Congressmen and Senators.

Therefore, I would appreciate your careful consideration in opposing this bill in the event that it comes before the House for a vote.

Ninth. From the Honorable James C. Kirkpatrick, Secretary of State for Missouri, November 26, 1973:

The House Administration Committee has reported out H.R. 8053, the National Post Card Voter Registration Act. The bill has already passed the Senate (as Senator McGee's S. 352).

We are writing to you, and have asked other Secretaries of State to write their Congressmen, expressing our deep concern that this bill, if passed, may indirectly disenfranchise voters throughout the country.

We oppose the bill because it will require an unnecessary dual registration system. A voter must not only be registered in his county for local and state elections, he must also register for federal elections. The problem will become evident when a voter appears at the polls thinking he is registered for all elections, having completed and returned a registration post card. This will be especially true in 74 counties now registering for the first time. He in fact will only be registered to vote for President, Congressmen and Senators.

We are not opposed to registration by mail which we now have in 111 of Missouri's counties. Our concern lies in our belief that H.R. 8053 is administratively unworkable. We support a system of federal block grants, as proposed in the "Kennedy bill (S. 573) that will assist the states in reforming their election systems, not cause greater problems.

Tenth. From Murry E. Glascock, Boone County Clerk, Columbia, Mo., December 26, 1973:

I have been studying the progress of H.R. 8053, the National Post Card Voter Registration Act. As this bill is currently in the House, having gained Senate approval, and appears to be looked upon favorably, I urge you to give this bill further consideration.

The passage of this act would create a dual registration system in Missouri and a situation in which many residents would be unsure of their voter registration status and of their eligibility to vote in any given election. A person who had only registered through Post Card Registration would be qualified to vote for President and Federal Representatives and Senators and would not be registered to vote in any Missouri local election. Many people would find this out only on the day they went to the polls to vote in a local election and thus would be denied their vote.

I would also like to mention that all counties in Missouri, with the exceptions of St. Louis and Jasckson counties, have absentee voter registration. With this, any resident may register to vote through mail and need not appear in person to become a registered voter in Missouri.

I am sure you can see the confusion and problems sure to arise in Missouri if this bill is passed. Perhaps S. 572, the "Kennedy Bill" would be a good alternative to this problem.

Eleventh. Paul F. Dow, Executive Director of the Missouri Association of Counties located in Jefferson City, Mo., expressed his association's opposition to H.R. 8053 in a recent visit to my office.

Twelfth. From James F. Dowd III, Deputy Secretary of State for Missouri, July 19, 1973:

For Missouri, this legislation comes at an extremely inappropriate time. Our new voter registration bill in Missouri will require us to engage in an extension program to encourage Missourians to register. If at the same time as we are urging them to take this action, they can pick up a post card at the post office that will tell them they can register to vote by merely mailing it in, we know many of them will do only this. Even if the receipt that they receive advises them that this registration qualifies them for only federal elections, we know some of them will misunderstand. In effect, we will be having two registration drives in Missouri, and confusion can only be the winner in that race.

We do not suggest, however, that the Missouri situation is sufficient cause for unfavorable action on this bill. It is our serious and considered suggestion that confusion will result in every state.

We have no argument with mail registration, assuming adequate safeguards are provided to protect against fraud. Nor are we opposed to changes in our election system.

What we do oppose, and do so because it will confuse the voter and result in his disenfranchisement for state elections, is two registration systems running side by side.

Mr. Speaker, the above sampling of correspondence was brought to my attention by men and women directly charged with the responsibility of insuring honest, equitable electoral procedures and who have the benefit of practical experience and expertise in judging the effect of H.R. 8053 on their ability to carry out this responsibility. I have inserted these remarks along with my own on the Post Card Registration Act in the hope that my colleagues will join with me in the defeat of this undaubtedly well-intentioned but ill-advised legislation.

Mr. DICKINSON. Mr. Speaker, I would like to emphasize the opposition to this legislation that has been expressed by local election officials throughout the country. The Committee on House Administration held extensive hearings on this measure. We received testimony from local election officials, members of boards of registrars, and Secretaries of State. The vast majority of all of these officials expressed vehement opposition to this bill. A poll of the Secretaries of State revealed that only three were in favor of the bill, while 30 opposed it.

These officials, who are involved in the actual day-to-day workings of the election process, I submit, presented to us the most valuable testimony concerning the inherent faults of voter registration by post card. They recognize the administrative problems from firsthand knowledge. Some of the administrative problems frequently testified to by these witnesses are as follows:

First. Illegibility. There will be many illegible and incomplete post cards. Previous experience with post card registration in the cities of Los Angeles and Philadelphia, and the States of Washington, Hawaii, and Montana, indicate that from one-tenth to one-third of the post cards returned will either be illegible or incomplete, resulting in mass confusion on the part of the electorate and officials alike on election day as to who are qualified voters.

Second. Dual registration. Almost every State and local official that testified before the Subcommittee on Elections stated that post card registration would result in dual registration systems. As a result, two sets of records would have to be maintained. It would be necessary to have separate ballots and voting machines: One set for Federal elections and one set for State and local elections. There would be additional costs, additional clerks needed, and more room needed for expansion of registration books. This would entail an expense of many millions of dollars.

Third. Duplicate registration. People do not always follow instructions, sometimes signing their names in full and sometimes using names by which they are usually called or initials. What happens when an individual is registered in a precinct as William E. Smith and the clerk receives a postcard from the same address with W. E. Smith, W. Eldridge Smith, or Bill Smith? If two similar names turn up from the same address, is it father and son, a relative residing at the same address or the same person? State and local registration officials will have to check out every apparent duplication. This process will be further complicated in some localities where there are thousands of Smiths and hundreds of William and W. E. Smiths. Furthermore, some apartment buildings which carry a single street address may have many people with the same name in them. For instance, the Hennepin County Auditor says that there are some high rise apartment buildings with literally dozens of Carl Andersons in them in the city of Minneapolis.

Fourth. Inadequacy of mail addresses. There is no way to identify by the post office address of the registrant what voting precinct or even what town he lives in. In parts of most States a zip code and address might include four to five towns and villages, and a greater number of precincts. Rural delivery route addresses which are designated by route numbers also include large numbers of voting precincts. Registration by post card would provide no method of determining what precinct these people should vote in.

Fifth. Dirty tricks. Under post card registration, pranksters, juvenile delinquents, and other malicious individuals could obtain thousands of post cards and raise havoc with the registration system by filling out these post cards with fictitious names and addresses. Clerks would be forced to spend days and weeks sorting out the genuine applications from the fake ones.

Sixth. Election day difficulties. Few people are aware of the intricacies and complexities of the election administration processes. Hundreds of small but separate tasks must be performed correctly and in sequence or order to conduct a proper election. Each of these tasks, if neglected or if improperly performed as scheduled, may lead to a serious election day disorder.

Mr. Speaker, I would submit that the last thing this country needs is a law which would facilitate the registration of persons not qualified to vote and who may not even exist. This is exactly what this bill does. There is an urgent need to establish public confidence and trust in the electoral process. We will not move in that direction by enacting laws which undermine State safeguards against fraudulent registration and voting.

Mr. CLEVELAND. Mr. Speaker, once in a while—though fortunately not too often—a piece of legislation comes along whose sole distinction lies in the fact that it is so incomparably bad. Because of this uniqueness, it becomes a subject of some fascination and remains afloat as a curiosity, a conversation piece. And while we contemplate its infirmities it takes on a certain malaign momentum of its own and comes to the floor as a bill we are actually expected to vote on.

This is the case with the post card registration bill. Therefore I shall depart from my customary practice of supporting a rule even when it clears the way for consideration of legislation I intend to oppose. Normally my position is that elementary wisdom will prevail through the normal functioning of the system. Moreover, one can hope to redeem questionable legislation by amendments.

But the very fact that this bill is about to reach the floor demonstrates that the system, fallible like all human institutions, has somehow slipped a cog. And I see no point in trying to amend a bill that is beyond redemption.

The legislation is proposed in the interests of enlarging participation in the electoral process. That it would not do the job intended is hardly a distinguishing characteristic. We often pass legislation with poor prospects for performance. But seldom have we confronted a bill whose fatal flaws have been documented as extensively on the record as in the case of this bill.

Civil rights advocates, outside experts on the election process and State and local election officials have testified overwhelmingly that it will produce precisely the opposite of the intended result. At staggering cost, in a distortion of federalism, the Congress would dump on local election officials across the country a totally unmanageable burden that would disrupt the system, confuse the voters and probably result in the disfranchisement of many already registered.

Finally, it would open up startling prospects for fraud, benefiting the tombstone, vacant lot and vote-early-vote-often set.

This bill was unleashed by the Committee on House Administration by a straight party-line vote. I hope it does not receive the same treatment on the floor today. For one thing, in that event it just might pass. And I would not like to see some of my friends on the other side of the aisle saddled with the responsibility. I very much doubt that all those local election officials and Secretaries of State who have registered their opposition with the committee are members of the minority party nationally.

Mr. Speaker, I am not privileged to serve on the Elections Subcommittee of the Committee on House Administration. But as a member of the full committee I have exercised my prerogatives to participate in its deliberations on election reform. On this basis, I can say that the postcard registration bill runs directly counter to the reform objectives we are trying to set for elections in this country: honest elections.

This is a bad bill and it should be resoundingly defeated, so much so that I urge colleagues to join me in defeating the rule. It is just not worth consideration beyond that.

Mr. DRINAN. Mr. Speaker, the number of Americans who participate in elections is appallingly low—too low in fact for a government based on consent of the people. This pattern of voting participation is especially deficient when compared to voter turnout in other Western democracies.

The Voter Registration Act is designed to expand the size of the electorate. As a cosponsor of early bills authorizing post card registration, I wholeheartedly support the act now before us. It is predicated on the belief that a truly representative government must be based on widespread participation by the governed.

Many reasons have been suggested why Americans do not vote in greater numbers. While there are a great number of differing views, it is instructive to examine studies of the problem for guidance.

According to the U.S. Census Bureau, approximately 50 million persons did not vote in the 1972 Presidential elections. The National Movement for the Student Vote commissioned a study to determine why those Americans failed to cast ballots. The results of that study are extremely revealing.

First, it found that about 75 percent—37 million people—who did not vote could not do so because they were not registered. Second, it found that a profile of the nonregistered voter may accurately be described as "working class, less advantaged, and poor." Furthermore, blacks, the Spanish speaking, and American Indians were disproportionately represented among the nonregistered.

Third, and most important, the study found that registration procedures were largely responsible for the failure of these 37 million Americans to vote:

> For most of the potential voters, however, the road to registration, as we have indicated, is an obstacle course, with roadblocks all along the way and one barrier reinforcing another.

In comparing the registration statistics of States with stringent registration procedures to those with more lenient methods, the study found that only 62 percent of eligible voters were registered in the second group. There should be little disputing the conclusion that less stringent procedures would result in greater participation. To use the words of the study:

> One theme comes through loud and clear in the attitudes and views of the non-registered voters: Make registration easier.

In the study, the survey also asked voters, both registered and nonregistered, of their preferences for different registration systems. Of the four plans presented to them, post card registration received the strongest support:

> This program was a clear first choice for all voters, and was strongly supported by 7 out of 10 of the nonregistered voters.

With respect to the effectiveness of registration by mail, the study found that it would result in a substantial increase in the size of the electorate:

> There is strong evidence that the adoption of Postcard Registration could increase the levels of voter registration up to the 80% mark.

In my judgment that is a very important prognostication as to the effect of the proposed Voter Registration Act.

It should be kept in mind that passage of this bill would not preclude the States from adopting other methods for registering voters. It is not intended to foreclose other reforms. Section 12(b) makes that absolutely clear.

It may be, for example, that door-to-door registration, as authorized in California, is an extremely effective way of registering voters. States are free to do so if they deem it a more effective method of registration. Post card registration is not intended to be a mutually exclusive system.

For too long now we have allowed overly restrictive registration procedures to burden the right to vote. Racial minorities, the poor, the working class, and the highly mobile are particularly affected by these barriers. It is time to sweep them away.

Mr. GUNTER. Mr. Speaker, I believe the House in the current climate of these distressing times faces a singular hour of responsibility. The legislation approved 57 to 37 by the Senate and favorably reported by the House Committee on Administration as H.R. 8053 by a vote of 15 to 10, would inaugurate a system of nationwide post card voter registration. It is designed to remove many of the mechanical and artificial obstacles which presently exist in the present electoral system to the full participation of millions of American citizens in the democratic process.

But I believe the significance of this legislation is far broader than any mere mechanical achievement, given the current atmosphere of disillusionment with Government and the erosion of confidence and faith in our electoral processes. As we seek to find ways to painfully rebuild a shattered public faith, emphasis on such matters as reform of campaign financing, correction of abuses by elected officials, personal financial disclosure laws, and establishing new standards of political conduct by candidates addresses only part of the current need.

Were all those reforms affecting elected officials and candidates enacted and fully implemented, it would yet remain necessary to round out the genuine reform desperately needed by seeking to address also the quality and extent of participation by citizens themselves in the processes of their own Government.

That is why positive and meaningful means to encourage and make possible a new level of participation by all of our citizens is now required. For I believe, as does my colleague in the Senate from Florida, LAWTON CHILES, that—

> Reform of the voter registration process can be "a vital step toward reestablishing some measure of confidence and faith in our electoral process . . . By encouraging full voter participation in every way possible we are helping to restore a feeling of trust the people must have in their system of government if it is to be effective.

I would go even further. I believe some such action is now a prerequisite to the restoration of faith.

I must acknowledge at the outset that most of the active communications I have had from responsible local and State officials in Florida connected with voter registration has been in opposition to the voter registration proposal. The secretary of State of Florida, in fact, who is primarily responsible for supervising elections, actively opposes this legislation. There has been, regrettably, little expression of organized opinion—from those who have communicated with me, at least—who recognize the need for this legislation. In this instance, I regret that after the most careful consideration and having genuine appreciation for the truly fine job done by voter registration and elections officials in my State of Florida, I find I am unable in good conscience to join in the effort to defeat this legislation, though I am fully conscious that my position is perhaps an unpopular one.

While I fully understand the objections of the Florida secretary of state to what he believes will be added burdens on his administratvie duties if post card registration passes, my own position must be dictated by a broader view. I am a legislator, with special responsibility in the U.S. House of Representatives to take the overall view and strive to respond to genuine and widespread need demonstrated conclusively, in my judgment, for the legislation before us.

While I believe voter registration officials in Florida do a superb job, the legislation addresses a very real national problem—and to some extent a problem even in Florida, notwithstanding the best and most conscientious administrative efforts of Florida elections officials.

In the last election there remained an estimated 2 million unregistered voters in the State of Florida. Nationally nearly 40 million Americans were unable to qualify to cast ballots on election day. Sufficient evidence has been accumulated in the record during the lengthy consideration given in both the House and Senate by now to persuasively indicate, in my view, that millions of Americans remain unregistered, not because they are uninterested in making the conscientious effort to do so, but because the artificial mechanical hurdles constructed for purely bureaucratic reasons in practice make it effectively impossible or extremely difficult to do so.

They are not unregistered because of disinterest or indifference, as Senator LLOYD BENTSEN, of Texas, which has had post card registration for 30 years, has pointed out. In his words—

> Rather, they are senior citizens with reduced physical ability to get to registration centers; ranchers who may have to travel 100 miles to register; workers who may be unable to register because 76 per cent of the country's voting jurisdictions have no Saturday or evening registration in nonelection months—these are the citizens who must gain access to the voting booth.

A Gallup poll in 1969 established that—

> It was not a lack of interest, but rather the residency and other registration qualifications that proved to be the greatest barrier to wider voter participation in our nation.' And in 1972, the League of Women Voters published the result of a similar study, concluding: "Millions of American citizens fail to vote not because they are disinterested but because they are disenfranchised by the present election system."

While approximately 73 percent of registered voters cast ballots in our last national election, only about 56 percent of citizens over 18 in our country were registered to enable them to vote. By comparison, 85 percent of the eligible French citizenry voted in their most recent national election last Sunday.

The two principal objections raised to the legislation under consideration are that it would make possible widespread election fraud and that it would establish a vast new administrative bureaucracy. The evidence, I have concluded after careful consideration, not only does not support either of these contentions but points to the exact opposite conclusion.

Quite simply, no basis exists for the assertion that post card legislation could or would lead to widespread fraud. In Texas, after 30 years experience, the initial concerns similarly expressed in that State when the system was first adopted have not been borne out. As Texas Secretary of State Mark White has observed:

> Experience has shown that to the contrary the mail system of voter registration has been unusually free of abuse and has been particularly helpful in alleviating the paperwork burden of the voter registrars in this State.

He continued:

> It should be pointed out, that the tough penalties imposed by the Texas statutes upon anyone who fraudulently applies for registration have apparently been effective in preventing abuse of the system. As the chief election officer of Texas, I can recommend the voter registration by mail system as it has been adopted in this State.

Similarly, David Dinkins, president of the board of elections for New York City, dealing with one of the most complex administrative problems in terms of election mechanics, testified that post card registration would simplify the registration process in that city—not burden it. He further testified to his conviction that such a system would make it easier, not more difficult, to detect fraud. As Mr. White observed of the Texas experience, 30 years of experience has shown mail registration was no more susceptible to fraud "than any other registration system."

The penalties for fraud in the pending House legislation are severe, and on top of already existing criminal penalties for violation. Adequate means for verification without placing any undue burden on the existing system seem to me to clearly exist. The fact also remains, in any event, that experience has shown fraud when it is committed occurs not at the time of registration, but at the time of actual voting.

In terms of cost, the evidence available seems to make clear that the cost of post card registration may actually prove lower than the total cost now incurred in order to promote voter participation through such a variety of means as maintaining mobile registration vehicles, after-hours registration, expensive advertising campaigns, and the like. In New York City, as one example, an estimated $8 per voter is expended in an effort to help citizens overcome the many obstacles and hurdles to registration. No such expense is contemplated in connection with the far simpler post card registration system.

In terms of workability, no bureaucratic monstrosity such as has been imagined in the nightmares of some persons has materialized in areas where post card registration has been adopted, such as Texas, North Dakota, Minnesota, and most recently, Maryland. As a Maryland administrator has recently reported:

> In Maryland, registration-by-mail has been in operation since January 1, 1974. Here again the state and local officials report no administrative problems, and voter registration is up substantially over last year. In one suburban county, it is five-fold what it was under traditional in-person registration system—1500 registrations monthly compared to 300 per month in the previous year. In the City of Baltimore, the record is similar—2400 new voters a month since mail registration was inaugurated, compared to a monthly average of 500 the year before."

The present existing machinery for conducting voter registration, with State and local control, would remain and be fully utilized. I believe the burdens of both administration and voter verification on registrars would actually be lessened, not heightened.

In short, I believe the multitudinous fears expressed are without foundation and that the evidence does not support any basis for such fears in reality and actual experience.

For all these and additional reasons, I support H.R. 8053.

I believe in addition, finally, that the need served by increasing citizen involvement and participation through this legislation also is far deeper. I believe maximum participation by citizens and making it possible is as much a part of "Government in the sunshine" as opening committee room doors and requiring public officials to operate in the full light of day. Not until the citizens of our country fully participate in the processes of their own government will we have full "Government in the sunshine."

In our free and democratic society, we should fear least of all when the people vote. We should fear most when they do not or cannot. I believe this legislation is a step forward in the rebuilding and restoration of the faith of our people in the process of their own institutions and in themselves.

Mrs. HOLT. Mr. Speaker, I rise to express my opposition to H.R. 8053, the Postcard Voter Registration Act.

This bill is both ill-conceived and unnecessary. In listening to the arguments of the proponents of this measure I have failed to learn one compelling reason to support this legislation. The assumption that a mail registration system, a new bureaucratic agency, and the expenditure of millions of taxpayers' dollars for mailing and processing registration forms will increase citizen participation in the electoral process has not been substantiated.

I am prepared to support any reasonable efforts to increase voter participation, because our form of government is dependent on public support and trust. But is there any valid reason to believe that low voter turnout is due to our State registration systems? I do not think so. The public is apathetic, because it sees corruption in government; because it sees unresponsive government; and because they feel that their vote cannot change this. Recent public opinion polls should be a matter of great concern for us all—only 30 percent of the American people feel that Congress is doing a good job.

Are we going to change this by mailing out several hundred million postcards each year? I think the time has come to stop treating the symptoms of problems and begin to treat the true causes. If we truly desire increased voter participation, then let us give the people a reason to come out and vote. Let us prove to them that Congress is a responsible body which does have the capacity to act quickly and effectively on those problems which are of concern to them. Let us prove to them that they can make a difference; they can change the course of government if they so desire.

Mr. Speaker, let us reject the bill before us today, and then begin to squarely face the real reasons for public apathy.

Mr. GAYDOS. Mr. Speaker, I deeply regret that House Resolution 929 was defeated. Passage of this resolution would have brought to the floor for debate H.R. 8053, the Voter Registration Act. I voted in favor of House Resolution 929 and would have voted in favor of H.R. 8053, had the rule been adopted.

The steady decline in voter participation in national elections since 1960 is ample testimony that something is amiss in the electoral process. Whereas, 64 percent of the voting age population particicated in the 1960 election, only 55 percent cast their vote in the 1972 election.

While some individuals and groups have attributed this decline to voter apathy, evidence submitted by numerous expert witnesses at the committee hearings established that the major causes for lack of voter participation are the restrictive registration and voting requirements of the various States which have effectively disenfranchised a substantial percentage of the potential voters. When we consider the fact that while approximately 9 out of 10 registered Americans vote, only 6 out of 10 voting age Americans actually vote, it is evident that any success in enabling more people to register to vote should mean substantially more people actually voting in national elections.

The purpose of this bill is not to replace any existing State registration procedures, nor to change any State eligibility requirements, but rather to provide an alternative method whereby an individual may submit the necessary information concerning his voting qualifications to the appropriate State official by mail instead of being required to make a personal appearance at the registration office. Since presently three-fourths of the States do not provide for Saturday or evening registration during nonelection months, while other States do not provide for additional registration hours during the election period nor provide for more than a single registration site, many individuals who find it inconvenient or impossible to register to vote in person could now register by the simple process of submitting the necessary information by mail to the proper registration office.

The bill creates the Voter Registration Administration within the General Accounting Office, and empowers such Administration to do the following:

First, to prepare the registration forms which will include such information as is necessary to qualify one as a voter under State law as well as other information deemed appropriate by the Administration to establish the positive identification and qualifications of a voter.

Second, to contract with the Postal Service for the distribution of these registration forms throughout the country to the postal addresses and residences at least once every 2 years, between 60 and 120 days prior to the close of the State's registration for the next Federal election.

The registration forms will also be available at any post office or postal station and be distributed by the military departments at military installations. Distribution of the registration forms may also be made through other Federal agencies or departments or through State officials.

Third, to determine the cost to the States for the processing of the required registration forms and to reimburse the States for the fair and reasonable costs for Federal elections.

Fourth, to reimburse a State which adopts the post card method of registration for all elections—including elections to State offices—in an amount up to 30 percent of the payment which the administration makes to the State for the cost of processing registration forms for Federal elections.

Fifth, to provide to any State which makes such a request, assistance in preventing fraudulent registration or voting within the State.

Sixth, to promulgate regulations to carry out the provisions of the bill, such rules may exclude a State from the provisions of the act if that State does not require a qualified voter to register before the date of the Federal election, such as currently exists in North Dakota and certain jurisdictions in Minnesota.

The completed registration cards are to be mailed by the prospective voter to the appropriate State official, not to the Voter Registration Administration. The State official receiving such registration post card is required to notify the sender as to whether or not he is accepted as a qualified voter or rejected as unqualified. The notification form indicating acceptance which is returned to the applicant is prima facie evidence that the individual is a qualified and registered elector to vote in any Federal election.

Concern has been expressed by some that the use of post card registration may lead to fraud. The State of Texas, however, has for 30 years allowed registration to vote by filling out a coupon clipped from a newspaper and sending it to the county clerk. According to the secretary of state of Texas, Mark White:

> Experience has shown that to the contrary, the mail system of voter registration has been unusually free of abuse and has been particularly helpful in alleviating the paper work burden of the voter registrars in this State. It should be pointed out that the tough penalties imposed by the Texas statutes upon anyone who fraudulently applies for registration have apparently been effective in preventing abuse of this system.

Furthermore, the numerous witnesses who testified at the committee hearings contended that where fraud does exist in the election process, it generally does not occur at the registration level, but rather at the voting booths and ballot boxes.

Finally, to further discourage any attempted fraud, the current bill provides for criminal penalties of fines up to $10,000 or imprisonment up to 5 years, or both, for anyone who knowingly or willfully gives false information for the purpose of establishing his eligibility to register, or conspires with another to encourage any person's false registration to vote, or pays or offers to pay, or accepts or offers to accept payment either for registration to vote or for voting or registering to vote with the intention of voting more than once, or votes more than once in the same Federal election. The bill further provides that any person who deprives or attempts to deprive any other person of his right under this bill shall be subject to the same criminal penalties.

It must be borne in mind that these severe penalties are in addition to the present State and local provisions which still remain in effect.

The imposition of Federal penalties should certainly be a substantial deterrent to any attempts at fraud, particularly since these provisions will be enforced by the resources and expertise of Federal law enforcement agencies. The bill authorizes either the Voter Registration Administration or State officials to request the U.S. Attorney General to bring action in such cases.

The bill clearly provides that it shall not be construed to restrict any state from granting less restrictive registration or voting practices or more expanded registration or voting opportunities than those prescribed by this bill. There are many individuals who propose that we obtain a greater voter turnout by such means as fining eligible voters who do not vote—as in Australia. I am not about to support such a proposal. I do strongly support, however, an attempt to eliminate the various obstacles which discourage many otherwise qualified voters from registering and voting in Federal elections. Such is the intent of the bill before us.

I urge my colleagues to give it their full support.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. MATSUNAGA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 197, nays 204, not voting 32, as follows:

[Roll No. 214]

YEAS—197

Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bennett
Bergland
Biester
Bingham
Boland
Bolling
Brademas
Brasco
Breckinridge
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Clark
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Dingell
Donohue
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Flynt
Foley
Ford
Fraser
Frenzel
Fulton
Gaydos
Giaimo
Gibbons
Gonzalez
Grasso
Green, Pa.
Griffiths
Gude
Gunter
Hamilton
Hanley
Hanna
Harrington
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Hicks
Holifield
Holtzman
Howard
Hungate
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
Kluczynski
Koch
Kyros
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McFall
McKay
McSpadden
Macdonald
Madden
Mahon
Maraziti
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Obey
O'Hara
O'Neill
Owens
Patten
Pepper
Perkins
Pike
Podell
Price, Ill.
Pritchard
Randall
Rangel
Rees
Reid
Reuss
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Slack
Smith, Iowa
Staggers
Stanton, James V.
Stark
Stratton
Studds
Sullivan
Thompson, N.J.
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Whalen
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki

NAYS—204

Abdnor
Anderson, Ill.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bell
Bevill
Biaggi
Boggs
Bowen
Bray
Breaux
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Findley
Fish
Fisher
Forsythe
Fountain
Frelinghuysen
Frey
Froehlich
Fuqua
Gettys
Gilman
Ginn
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gubser
Guyer
Hammerschmidt
Hanrahan
Hansen, Idaho
Hastings
Hébert
Henderson
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lott
McClory
McCollister
McDade
McEwen
McKinney
Madigan
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Minshall, Ohio
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Myers
Nelsen
Nichols
O'Brien
Parris
Passman
Pettis
Peyser
Powell, Ohio
Preyer
Price, Tex.
Quie
Quillen
Railsback
Regula
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rooney, Pa.
Rousselot
Ruppe
Ruth
Sandman
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Sikes
Skubitz
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Towell, Nev.
Treen
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Young, Fla.
Young, Ill.
Young, S.C.
Zion
Zwach

NOT VOTING—32

Alexander
Andrews, N.C.
Blackburn
Blatnik
Carey, N.Y.
Carney, Ohio
Chisholm
Diggs
Dorn
Flowers
Gray
Haley
Hansen, Wash.
Harsha
Helstoski
Johnson, Pa.
Kastenmeier
Lujan
Mathias, Calif.
Morgan
Nix
Patman
Pickle
Poage
Rarick
Roncallo, N.Y.
Rooney, N.Y.
Sisk
Stokes
Stubblefield
Symington
Williams

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Morgan for, with Mr. Haley against.

Mr. Nix for, with Mr. Rarick against.

Mr. Rooney of New York for, with Mr. Blackburn against.

Mr. Diggs for, with Mr. Johnson of Pennsylvania against.

Mr. Stubblefield for, with Mr. Roncallo of New York against.

Mr. Carney of Ohio for, with Mr. Williams against.

Mrs. Chisholm for, with Mr. Flowers against.

Until further notice:

Mr. Stokes with Mr. Sisk.

Mr. Pickle with Mr. Carey of New York.

Mr. Alexander with Mr. Dorn.

Mr. Helstoski with Mr. Kastenmeier.

Mr. Symington with Mr. Patman.

Mrs. Hansen of Washington with Mr. Blatnik.

Mr. Gray with Mr. Andrews of North Carolina.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just rejected.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

HELP THE STATES REGISTER VOTES

Mr. RANDALL. Mr. Speaker, I voted for the resolution or the rule which would have brought H.R. 8053, the Voter Registration Act, to the floor for debate. Because of the defeat of that resolution I take this time to make some comment which I would have made during general debate if the rule had been adopted.

For years, I have supported every open rule that is proposed because if the bill is meritorious the only way to enact it is to bring it to the floor for debate and a vote. On the other hand, if the bill is defective and contains more bad than good, it has always been my judgment the proper way and the best way to defeat such a bill is to discuss its demerits in general debate and vote it down rather than to defeat a rule which prevents any debate or discussion on the bill.

When I referred to my support of rules proposed for adoption I referred to "open" rules. I oppose without exception a closed rule because I believe the membership of the House should have the right to work its will on all legislation through the process of amendment. Amendment usually improves a measure which is defective or deficient and sometimes enough to merit support on final passage by the majority of the membership.

H.R. 8053 was one of those bills that I hoped we might be able to debate. I had hoped we might be able to adopt the substitute which would have been offered by the gentleman from Minnesota (Mr. FRENZEL). This substitute would have provided a bloc grant to the States to improve their elections and registration machinery to be administered by the States' chief election officers.

Mr. Speaker, I take this time to have it abundantly understood that by voting for the resolution I am not therefore in favor of the principle of post card registration of voters at the Federal level. I shall do my best to try to enumerate the reasons for my opposition at this time.

First, where there is no direct face to face contact between the registrant and the registrar, there is a ready potential for fraud. The post card system would contain no safeguards to prevent wholesale and widespread fraud. All that is needed is for someone to affix a name and address to a post card. Anyone who wished to perpetrate fraud to keep a record of that name and address and thereafter at the proper time present himself at the polls impersonating the registrant that he had fraudulently registered.

In some of the big cities in the East and even in the Middle West, this practice was known as "grave yard registration." For some reason, it was thought less criminal if the fraudulent registrant used the name and address of someone who had at least lived at sometime in the past at an address which had actually existed rather than to imagine a person who had never existed at an address that was nonexistent.

In this context, I am reminded of the story about two workers of a well-organized political machine who would visit a cemetery to copy names off of the tombstones. The story is that it was late one afternoon, the sexton was about to close the gates of the cemetery, the two workers with pad in hand had been copying names from different markers. One of the workers was writing slower than the other. He was observed by his companion to be down on his knees trying to make out the name on a tombstone that because of its age had been badly eroded by the weather. His companion called to him:

> Come on, let's go—we have to get out of here.

His fellow worker replied:

> Let me tell you something—just because this fellow's name is not as easy to read as some of those you have been copying is no reason to leave this poor fellow off the rolls. He has just as much right to vote as anybody else in this cemetery.

Well, Mr. Speaker, fraud is only one of the objectionable features of the Post Card Voter Registration Act. Another bad feature is that it would create a dual registration system. The national post card system paid for by the Federal Government would be confusing in local elections. It would cost too much, and it might very well be contrary to the State law of many States. Such dual systems would not only lead to confusion but to disenfranchisement of the voters. It should be remembered that a voter properly registered under the post card system would not thereby automatically be registered under the State system. For example, a person would present himself to vote in a local election because he had been registered by Federal post card. Notwithstanding, he would be denied the right to vote for State and local officials.

Of course, the voter who assumes he is registered by the Federal post card and may thus vote in all elections when denied the vote in local elections is embittered. There is enough loss of confidence in Government at the present time without lowering confidence any more. Think of the disenchantment of the voter who is not permitted to vote because of his Federal post card registration is good only for President, Vice President, U.S. Senator and U.S. Representative. He is told he must leave the precinct place and is told that because his registration does not conform to State law, he is not entitled to vote for State, county city, or school officials. The only way this can be avoided would be to somehow force the States to conform to the Federal standards.

Not only would there be bitterness, there would also be a lot of confusion, frustration and wasted resources. H.R. 8053 would permit an army of untrained workers to get their hands on some post cards and register anybody they chose. In other words, registration would be in the hands of people who did not even know the precinct lines. When I mention there would be some confusion, that is quite an understatement.

Mr. Speaker, there could be some additional and quite horrible consequences that I doubt have been envisioned. Take, for example, the case of where voting machines are used and where a post card registrant presents himself. He may understand that he may not vote for State, county, or local officials, but suppose he is intent on voting on a school bond issue, or some kind of popular referendum that provides for some worthwhile public works project. If the precinct officials should fail to lock the machine against a post card registrant voting on such a bond issue, then this failure simply through negligence or carelessness of election officials could very well invalidate the entire bond election or referendum because of the invalid votes of post card registered voters.

The foregoing should be enough to show there ought to be some congressional mandate to register every person who wants to vote. It is estimated that about 38 million Americans were unregistered in 1972. The Federal Government can and should try to improve the registration machinery of the States. That is why it was hoped that I would have a chance under the process of amendment to support the substitute proposal of the gentleman from Minnesota (Mr. FRENZEL). It would provide that the same money offered under H.R. 8053 would be given directly to the States for improved registration efforts. All State and local officials approved this procedure. The National Secretaries of State Associations have endorsed this kind of assistance to the States.

No, the post card registration system is not the best answer or the right answer. Financial assistance should be provided to be administered by State and local officials. Why not provide the same amount of money authorized in H.R. 8053, but with funds given directly to the States for improved or new registration efforts.

I voted for the rule in the hope that we could amend H.R. 8053 and thereby provide some assistance to the States. Those who are for the post card registration system are well intentioned but they fail to understand that it could create chaos and raise havoc in several States and actually result in disenfranchisement of many honest, interested persons. Of course, we are all for greater voter participation by greater voter registration, but there is a right way and there is a wrong way. H.R. 8053 without its substitute for bloc grants to the States to improve their registration machinery is the wrong way.

"FRIENDS OF OMAR BURLESON DAY"—ANSON, TEX.

(Mr. CASEY of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CASEY of Texas. Mr. Speaker, I would like to bring to the attention of our colleagues an honor recently bestowed on a Member of this body by his constituents that I think is not only noteworthy, but that brings credit to the entire Congress.

My good friend and fellow Texan, Mr. OMAR BURLESON, and his lovely and charming wife, Ruth, were honored a few days ago in their hometown of Anson, Tex. Thousands of his constituents practically overflowed the courthouse square to attend this event.

It was not a campaign rally. In fact, Mr. BURLESON has no campaign. Apparently everyone in his district supports him, since he does not even have an opponent.

I was among several Texas colleagues who had the privilege of attending this "Friends of OMAR BURLESON Day," and I truly do not believe any Member of Congress has ever been paid higher tribute by those he represents than Mr. BURLESON was on April 20, 1974.

His district is a large one in geographic area. The 33 counties that make up his district cover several thousand square miles of west Texas, an area that is noted as the home for honest, hardworking people.

They choose their public servants by the same measure.

Those who came to honor OMAR BURLESON did not make their judgment in haste. While his youthful bearing might seem to belie the fact, he has represented the 17th Congressional District for 28 years.

I will not attempt to even summarize the tributes paid Mr. BURLESON on his day of honor.

But I hope that every Member of this body will one day have the opportunity to visit Anson, Tex. It is not a large town, but it is a wonderful town that is made so by the people who live there.

When you visit Anson, Tex., go to the north steps of the Jones County Courthouse. There you will find a bronze bust displaying the rugged features of a leader of west Texas in which its citizens have special pride.

That bust is not of some hero of a bygone era.

It was erected and dedicated on April 20, 1974, to a living hero and one who continues to grow in stature among those who know him best, both in the west Texas ranching country and in the Halls of Congress: OMAR BURLESON.

Mr. Speaker, I know that my colleagues today join me in saying to Mr. BURLESON that the recognition paid him by his constituents is not only commendable, but well-earned, and that the sentiments expressed in his hometown are shared by each of us here today.

ENERGY TRANSPORTATION SECURITY ACT OF 1974

Mrs. SULLIVAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8193) to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels.

The SPEAKER. The question is on the motion offered by the gentlewoman from Missouri.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8193, with Mr. HICKS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentlewoman from Missouri (Mrs. SULLIVAN) will be recognized for 30 minutes and the gentleman from New York (Mr. GROVER) will be recognized for 30 minutes.

The chair recognizes the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 8193, which would reduce the nearly complete dependence of the United States on foreign-flag vessels for its oil imports by requiring that a percentage of certain liquid petroleum products be imported on U.S.-flag vessels. Specifically, the bill would require that 20 percent of our petroleum imports go on U.S.-flag vessels at fair and reasonable rates, with this percentage escalating to 25 percent after June 30, 1975, and 30 percent after June 30, 1977, providing there is adequate existing U.S.-flag tonnage.

I would like to outline briefly what motivated the Committee to report out this important legislation and the benefits that are expected to flow from the enactment of this bill.

First, passage of H.R. 8193 is essential to U.S. security in order to maintain the tanker capability to move our petroleum requiremnts.

Second, it will result in a substantial balance of payments benefit to the United States at a time when this is of utmost importance.

Third, it will provide many additional new jobs for American workers that would otherwise be lost to foreign labor.

Fourth, it will result in a cost monitoring system for the first time for petroleum ocean transportation costs.

Fifth, it will provide additional badly needed protection for our marine environment.

Sixth, it will probably not increase consumer cost, or if there is an increase, it will be negligible.

The primary reason for supporting this bill is to reduce our dependence on foreign-flag petroleum transportation and shift some of this capacity to U.S.-flag vessels. At one time, the U.S.-flag tanker fleet transported virtually all our waterborne petroleum requirements from the Gulf area oilfields to the Northeast consuming regions. However, the source of consumed U.S. oil has shifted from U.S. to foreign production and U.S.-flag tanker capacity has increasingly declined in its ability to meet our changing requirements. In 1970, only about 1 percent of our consumed oil come from the Middle East. Testimony at the committee hearings indicated that by 1985 about 27 percent of oil used by the United States will come from the Middle East. We are at present carrying only about 4 percent of our oil import requirements on U.S.-flag vessels.

Unfortunately, to date, our national energy policy seems to have been pegged to following the national oil companies to wherever they could find the greatest profits. We have followed them to diminishing production of crude oil in the United States. We have followed them to declining U.S. refining capacity. We have followed them to a widely growing dependence on imported oil at a time when they were denouncing such dependence. We have followed them to the inconvenience of waiting in long gas lines. We have followed them to staggering rises in the price of heating oil and gasoline. We have followed them to skyrocketing profits for these multinational companies which can only be viewed as unconscionable. And we have followed them into transporting oil and petroleum products almost exclusively in foreign-flag vessels.

At the present time, the United States is dependent both on foreign produced oil and its ocean transportation in foreign-flag tankers. Such a dual dependency on foreign interests cannot be construed as beneficial to the economic commercial and national security interests of the United States. Unfortunately, we will remain dependent on foreign energy sources for some years to come but we can reduce our reliance on foreign-flag interests for transporting our vital petroleum supplies. The passage of H.R. 8193 will move us toward this reduction.

The multinational oil companies, and some of the governmental agencies, have argued that imposition of this import quota requirement by the United States will result in retaliation by the other trading nations of the world. This is an old argument that has been made since the Cargo Preference Statute of 1954, which imposed a 50-percent U.S.-flag vessel requirement on government-impelled cargoes. In all these years, the same parties have been forecasting this doleful result, always without substance or accuracy. In fact, the so-called less developed nations of the world and the energy producing nations, far from sitting back and reacting in a retaliatory way, have seized the initiative and are busily engaged in putting together their own vessel capability in order to carry substantial shares of bilateral trade in their own vessels. The committee report, on pages 6 and 7, sets out the activities of these energy producing and lesser developed nations in this regard and I commend these pages to my colleagues' attention.

I would just like to mention that the Arab oil producing nations have formed the Arab Maritime Petroleum Transportation Co. for the express purpose of assembling a substantial tanker fleet capable of lifting some percentage of the exports from their oil fields. It is perfectly obvious from the trend in the world today that the worn-out retaliation argument is groundless and that the so-called emerging nations of the world are embarked upon aggressive programs to garner a larger share of all aspects of the commerce of the world including transportation in their own flag vessels. Too long has the United States sat back helping everybody in the world and doing nothing to help itself. The facts indicate that at the present time we have very little U.S.-flag tanker capability and that only about 5 percent of the oil imported into the United States comes in U.S.-flag vessels. This heavy reliance on foreign-flag capability to transport our energy requirements must and can be shifted to a greater U.S.-flag capability. H.R. 8193 would effect this change.

I am particularly concerned with another important benefit that will result from enactment of this legislation—that is the beneficial impact on our balance of payments. The Assistant Secretary of Commerce in his testimony noted that for every 90,000 dwt tanker under the U.S. flag that replaces a foreign-flag ship, a $41 million balance of payment advantage will be realized over the life of the ship. For 265,000 dwt tankers, this benefit rises to $114 million over the life of the ship. It has been estimated that at the 30 percent U.S.-flag penetration into the domestic oil shipping market, the contribution in terms of balance of payments over the life of the ships built to meet this goal would be in the neighborhood of $11 billion.

Because of our dependence on foreign source oil, probably little can be done to stem the outflow of dollars with respect to payment for the petroleum itself, but this is not true with respect to dollar outflows for tanker transportation. Obviously, H.R. 8193 would contribute considerably to the balance-of-payments saving in the years ahead.

A significant benefit from passing this legislation would be its impact on domestic employment. One witness estimated that each new tanker would produce 246 new jobs in shipbuilding, ship repair, and support industries, in addition to 55 new jobs for seamen for each year the vessel was in operation. Thus, each U.S.-flag ship built in U.S. yards and operated with U.S. crews provides about 300 new jobs per year. Applying these figures to the 30 percent oil import level, it was concluded that H.R. 8193 will provide 10,500 jobs per year by 1975, 22,500 jobs per year by 1980, and 30,900 jobs per year by 1985. I submit that at a time of rising unemployment in the United States and some feeling that we are on the brink of a recession, we cannot afford to ignore possibilities for U.S. work and employment of the magnitude provided by H.R. 8193.

A collateral benefit of H.R. 8193 is that for the first time it will provide a cost monitoring system for the ocean costs of transporting petroleum. Because the multinational oil companies have been operating in a shroud of almost complete secrecy, no one on the outside has been able to determine the shipping, refining, and distribution costs of these giant corporate complexes and no one knows for sure whether there is any relation between the ocean transportation prices charged the American consumer and the existing foreign-flag ocean transportation costs incurred by these same companies. In testimony, one of the oil companies inadvertently supported this thesis. Since the bill under consideration requires that certain percentages of our oil imports be carried in U.S.-flag tankers "at fair and reasonable rates" and this allocation and carriage will be administered and monitored by the Department of Commerce, we will know the ocean transportation costs of these American vessels. It is quite possible that these U.S.-flag costs, monitored by the Government, will, for the first time, shed some light on the actual foreign-flag ocean transportation costs, which might lead to some interesting conclusions with respect to the relationship of these foreign-flag ocean transportation costs to the price charged the American energy consumer.

Another benefit of passing this legislation will be the additional protection it affords our marine environment. A tremendous increase in oil imports and in tankers plying our waters is projected in the coming years. This increase in tanker traffic naturally can result in increased potential harm to our marine environment. This is especially so if the preponderance of these vessels is of foreign registry. U.S.-flag vessels are generally subject to more stringent vessel and manning standards than are foreign vessels and the U.S. Government has more leverage with respect to specifying and enforcing antipollution standards on U.S. vessels than on foreign vessels. In this connection, a report of the Maritime Administration, on March 13, 1974, entitled "Environmental Improvement of the Maritime Administration Tanker Construction Program" indicated that enactment of legislation such as H.R. 8193 could make possible higher environmental standards on U.S. vessels without putting the U.S. merchant fleet at a competitive disadvantage.

Before closing I would like to discuss the cost issue which has been used by the opponents of the bill as a main arguing point. They contend that enactment of H.R. 8193 will result in a tremendous cost increase to the consumer. The facts do not bear this out. In the dissenting views, it is stated that this added cost could amount to "well over $1 for every barrel of oil imported by tanker." Nowhere in the record have we been able to find any evidence to support this assertion and the record indicates an optimum cost increase of 45 cents a barrel, or about 1 cent a gallon, that would be passed on to the American consumer.

I cannot take the time here, but I refer my colleagues to the section of the committee report entitled "Consumer Benefits," pages 23 through 28, for a thorough discussion of this cost problem. I would, however, like to refer to one facet of this discussion which I find fascinating. As I mentioned earlier, the gigantic operations of these great oil companies are shrouded in secrecy, so no one knows how they juggle the operations, pricing, and profits between shipping, refining, and distribution. However, due to the tax advantages accruing to the oil companies with respect to their foreign-flag tanker operations, it seems highly likely that they charge themselves as high a price as possible for the shipment of this oil on the foreign-flag vessels. This, of course, would create a larger profit in shipping where, as I mentioned, there are tax advantages and smaller profit in operations subject to U.S. taxes, such as refining and marketing. It is not possible to put your finger on this transfer pricing of shipping since so little is known how these corporate giants operate, but in this connection, the Treasury Department testified:

> I do not presently have detailed data concerning the amount of U.S. taxes paid by the U.S. owners of foreign-flag tankers on the income from the operation of these tankers.

In the course of our extensive hearings on H.R. 8193, we had comprehensive testimony from all parties from each end of the spectrum concerning this cost increase. All these estimates fell within a range of from an increased cost of about one cent a gallon to a savings to the consumer of about one cent a gallon. It seemed clear, however, that all of these estimates went back to the basic data coming from the government agencies. For this reason, your committee accepted the latest figures from the Maritime Administration concerning this matter, which we have received within the last several weeks. These figures are set out on page 28 of the report. The Maritime Administration estimated that the average increased cost resulting from the use of U.S.-flag vessels for 20 percent of our oil imports in the year 1974 would be .35 cents per gallon, and if this amount is averaged over all our imports for that year, the cost would be .07 cents per gallon. On the basis of Maritime administrative costs and the weight of evidence from the other witnesses supporting this, your committee concluded that if in fact any cost increase should result from the use of U.S.-flag tankers over foreign-flag tankers, it would be negligible, especially when considered in context of the skyrocketing retail prices of fuel products over the last 6 months.

This bogus cost increase issue has been pushed from the beginning by the big oil companies. It seems almost incongruous that such an assertion should be stated by giant corporations which have experienced profits out of the misery of this energy crisis which are nothing short of obscene. The newspapers have been peppered the last several weeks with articles concerning the oil company profits and one article indicates that the organization of petroleum exporting companies recently concluded a 2-day study in Vienna of ways to get a bigger share of these profits. In an article just the other day, it was indicated that one of the largest oil companies posted an after tax earnings figure which was 150 percent over the comparable period a year ago. Another oil giant posted profits 87 percent over the figure in the same period a year ago, and it was reported that in general the other major oil companies have reported their profits for the past quarter increasing from 39 percent to 123 percent. It would seem that ocean transportation costs are the only phase of their operations which concern them with respect to cost to the consumer.

In closing, Mr. Chairman, I would like to say that I think the benefits which will accrue to the Nation from enactment of H.R. 8193 are clear. Obviously, the majority of the committee has concluded that this is a worthwhile and necessary piece of legislation and the facts of the situation and the record evidence of our comprehensive hearings supports this conclusion. I feel confident that our colleagues will support us in voting for passage of H.R. 8193, and in doing so, strengthen our own Merchant Marine, keep the United States strong on the oceans around the world, and assure the United States of adequate tanker service for the import of oil, by having more tankers sailing under the U.S. flag, rather than under the flags of foreign countries. It is time we look to our own interests.

Mr. KAZEN. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I will be happy to yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I thank the gentlewoman for yielding.

I agree with the thrust of the gentlewoman's argument. However, a situation in my district has just been called to my attention concerning a small refinery which has a contract with a foreign government for its supply of crude, and in that contract it specifically states that the crude shall be transported in ships belonging to that particular country.

If this bill were to affect that small refinery, he would be cut off and out of business completely.

Mr. Chairman, I will ask the gentlewoman: Does this bill in any way protect that small refiner?

Mrs. SULLIVAN. Yes, it does.

Mr. KAZEN. In what way?

Mrs. SULLIVAN. Mr. Chairman, I would like to say that the Secretary of Commerce will have the authority to grant exemptions in cases where a refiner has a contract with a foreign country to the effect that the oil must be carried in that country's ships.

The so-called Eckhardt amendment would establish categories for situations such as these small refiners and a person or entity put in this category would have all the protection of the Administrative Procedures Act, including the right of appeal.

Mr. KAZEN. Mr. Chairman, I thank the gentlewoman.

This is my only concern. Otherwise I agree with the thrust of the arguments presented by the gentlewoman on this bill.

Mrs. SULLIVAN. Mr. Chairman, those interests the gentleman is speaking about are being protected under this bill.

Mr. ECKHARDT. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, in connection with the question asked by the gentleman from Texas, it is provided in the bill that "with respect to the percentage of petroleum and petroleum products required to be imported on U.S.-flag commercial vessels, the Secretary of Commerce may by rule establish reasonable classifications of persons and imports subject thereto, and persons in the same classification shall be treated in substantially the same manner * * *" et cetera.

Now, if the situation which the gentleman raises would militate unfairly against small refineries because those refineries do not have the ordinary average mix that the larger refineries would have, the Secretary could provide that their carriage in foreign vessels could be greater than those in another classification. The result would be, of course, to ultimately average out the total carriage to 20 percent, but they could be treated in accordance with the problems related to the small refinery, provided, of course, that all similarly situated classifications were treated the same.

Mr. KAZEN. Mr. Chairman, if the gentlewoman will yield further, I will say that this is all well and good, but suppose that it just does not work out that way for the small refineries, and they will be cut off from their source.

If the Secretary of Commerce does not in his discretion see fit to do this, then the ultimate result would be the closing up of our small refineries, which is something we can ill afford at this time.

Mr. Chairman, I would like to see something in this bill that would by law clearly protect the small refineries, with some kind of a provision to take care of them in circumstances over which they have no control, because of the source of their oil being in the hands of somebody else and the source of transportation being in the hands of somebody else and not in theirs.

Mr. ECKHARDT. Mr. Chairman, will the gentlewoman yield to me at this point?

Mrs. SULLIVAN. I will be glad to yield to the gentleman.

Mr. ECKHARDT. The point is that if we get a blanket exemption on the basis of size and refining, we would remove from the coverage of the bill a very substantial amount of the total oil in the United States. It is necessary to provide some degree of flexibility. That is what we attempted to do here in this bill. Someone has to be trusted. A blanket exemption absolutely eliminating a large bracket of the oil carriage would create a loophole that the magnitude of which would be impossible to anticipate.

Mr. DU PONT. Will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman.

Mr. DU PONT. We did debate that, if the gentleman from Texas will listen for a moment; we did debate that in the committee. The other gentleman, Mr. ECKHARDT, is quite correct. We will have to put a loophole in the bill to protect you, and the gentleman from California (Mr. ANDERSON) will offer an amendment to do that. But otherwise—make no mistake about it—you are at the whim of the Secretary of Commerce.

Mr. KYROS. Will the gentlewoman yield?

Mrs. SULLIVAN. I will be glad to yield to the gentleman.

Mr. KYROS. Actually, the bill provides a regulatory framework especially because of the Eckhardt amendment under which the Secretary's judgment will be under control and for the first time, I say to the gentleman from Texas, the small refiner is actually protected more than he is now where he is entirely at the mercy of multinational corporations and by the foreign oil producers.

In addition to that, this legislation would provide a cost-monitoring system and we will have for the first time a handle on the ocean transportation costs, which is a small portion of the actual price of oil to the American consumer; but we will know better than ever before what are "fair and reasonable rates" for U.S.-flag tankers so that with cost-monitoring the small refiner is in a better position than ever before to survive.

Mrs. SULLIVAN. I thank the gentleman.

Mr. GROVER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I strongly endorse H.R. 8193, the Energy Transportation Security Act of 1974, and I urge my colleagues on both sides of the aisle to support the 220 cosponsors in its passage. Enactment of this legislation is entirely justified from the standpoint of our national security and as a corollary to Project Independence. It will have a beneficial impact upon our ability to monitor a significant element in the cost of imported petroleum—that is, transportation charges. Some Members have stated opposition to this bill. Their opposition is largely based upon arguments of the State Department and the Federal Energy Office, which I consider to be gross distortions of fact.

Mr. Chairman, the national security of this country is dependent upon a proper balance of economic and military considerations. The total dependence of the United States upon foreign ships for the movement of essential energy supplies undermines our economic and military security.

The Soviet Union is rapidly approaching the point where its sea power is capable of closing the vital passages or straits which the tankers of the world must transit to supply Europe, Japan, and the United States. The opening of Suez will make this task infinitely simpler giving the Soviet Mediterranean fleet rapid access to the Persian Gulf, Indian Ocean, and Straits of the Malaysian Peninsula.

Virtually all the petroleum we import from the Middle East—and let us not kid ourselves, we are dependent on that oil—moves on ships which owe no allegiance to the United States.

According to their own lobbyist, the oil industry imports our petroleum on ships flying the Liberian flag 42 percent of the time, some 8 percent is carried on U.S.-flag vessels mostly from Caribbean countries, and a variety of foreign ships carry the balance.

We are told that the so-called "effective-control fleet"—U.S.-owned Liberian-flag ships—can be relied upon in any emergency, but note that only half our imports are carried on U.S. or Liberian ships. No assurance is given that the Scandinavian, British, French, or other ships will continue to be made available to us in a crisis. Can we rely upon them in a showdown?

The effective-control ships employ European crews. Will they take orders from their American owners if confronted by Soviet naval forces or even strong diplomatic pressure against their own nation? The oil industry would have us believe their loyalty is to us. I say that is so questionable we cannot take the chance.

It is appalling that the State Department and even the Department of Defense continue to pay lip service to the discredited effective-control theory. It flies in the face of accepted international law. The International Convention on the High Seas clearly states that only the government whose flag flies on a ship may direct that ship. The theory of effective control, however, assumes that Liberia will permit the United States to exercise this right in time of emergency.

Liberia, on the other hand, during the recent Middle East crisis, decreed that ships flying its flag could not trade with Israel. It could have included the United States in that edict if it chose to, and what would we have done? Our Navy doesn't have enough ships to go out and seize the tankers and still keep track of the Soviet fleet.

It is time to label this for what it is—a dangerous myth and a fraud. The legislation we are now considering will enable the United States to reverse this dependence on foreign tankers and minimize the ability of the Soviet Union to engage in economic blackmail in the Middle East.

We are now embarked upon a national effort to minimize our dependence upon foreign energy supplies—Project Independence. This will not occur in a few years. Unless demand is severely curtailed, we will continue to import a growing volume of oil for another decade before the trend is reversed. Transportation is the vital link in this chain. No matter how improved our relations with the Arab countries may be, we cannot guarantee the delivery of this oil if we do not control enough of the ships to give us leverage in a crisis. I am not ready to concede that the Soviet Union has had a change of heart and will never again attempt to subvert our efforts to achieve peace in the Middle East by whatever means available.

Finally, Mr. Chairman, with regard to the question of national security, I would urge all of my colleagues to read the article on the Soviet sea challenge placed in the CONGRESSIONAL RECORD on May 6 by the distinguished gentleman from Iowa (Mr. GROSS). This article by Vice Adm. George C. Dyer expresses far better than I can the fantastic progress that the Soviet Union has made over the past 15 years.

There is no question but that the Soviet Union is determined to become a sea power equal to none. Those who claim that our security is only threatened by the Arabs turning off the flow of oil do not understand sea power. They do not understand that the Soviet Navy is a weapon that can be used as a scalpel in a diplomatic confrontation that may be far more effective than the bludgeon which the Arabs have attempted to wield during the past 6 months.

Returning, Mr. Chairman, to the economic aspects of this legislation, I would like to lay to rest another myth that has been widely circulated—that is that by enacting this legislation we would be undermining the Merchant Marine Act of 1970, a statute which was enacted to accomplish the very same purpose that we are addressing today. The Merchant Marine Act of 1970 indeed addressed the question of building tankers, and tankers have been built under the auspices of that legislation. We assumed, however—it now appears naively—that those who are in a position to determine what ships will carry our oil would take advantage of the Merchant Marine Act of 1970. The oil industry is dominated by a handful of companies, and they alone decide what ships will carry oil to the United States. I cannot build a tanker, file a tariff, and hold myself out to carry oil to the public.

Oil is carried on ships that are either owned by the person who owns the oil or are chartered by the person who owns the oil. This is not a common carrier business where vessel owners compete in

As I indicated in my supplementary remarks in the committee report on this legislation, those who dominate the oil industry have undertaken to build only a handful of ships notwithstanding the construction subsidies made available under the Merchant Marine Act of 1970. Indeed, when the oil industry's lobbyist was questioned during the committee hearings concerning the degree of participation by his clients he stated that he could only testify with certainty that two ships were actually under construction under the Merchant Marine Act of 1970 by members of the Federation of American-Controlled Shipping. That statement appears on page 600 of the transcript. Yet to listen to the members of that organization, one would believe that they were eager supporters of the Merchant Marine Act of 1970. Their performance hardly warrants any reliance upon their insistence that we give the 1970 act a chance to work.

Their support for the 1970 act is further qualified by their insistence that it must be amended in a variety of respects to be truly effective. All of these proposed amendments, curiously enough, deal with operating subsidy, which we have been assured by the Assistant Secretary of Commerce for Maritime Affairs is unjustified for very large crude carriers. As I have stated before, the unwillingness of those who control our oil imports to participate in the shipbuilding program authorized in 1970 is due to factors totally unrelated to any difficulties in the 1970 act or to the presence or absence of operating subsidies.

If the international picture today were identical to that which prevailed in 1970, some reasonable argument might be made that we could afford to wait and allow the 1970 act to produce a fleet at the relatively low pace now experienced, but the situation has changed. The last 6 months have demonstrated clearly that stronger measures are required to insure a more rapid buildup of our petroleum sealift capability. The Merchant Marine Act of 1970 will continue to play a vital role in the expansion of our merchant marine. Construction subsidies to equalize the cost of building tankers in the United States versus cheaper foreign yards will be available. We have used the carrot and the oil industry has turned its collective head the other way. It is now time to use the stick.

The most emotional issue that confronts us today with regard to almost any piece of legislation is the cost to the consumer. I have noted the remarks in the CONGRESSIONAL RECORD of the gentleman from Delaware (Mr. DU PONT), where he has set forth correspondence from the Federal Energy Office asserting that H.R. 8193 would increase the petroleum costs to the U.S. consumer. The same argument was made, of course, before the committee in our hearings. The more compelling testimony, however, before the committee indicated that there is a strong likelihood of a reduction in cost to the U.S. consumer. Perhaps it is difficult for us to envision that the use of allegedly more expensive U.S. ships could produce a reduction in cost. If, however, we begin with the proposition that the cheaper foreign ships now being used are actually being priced at an exorbitantly high rate, this apparent conflict is resolved. The fact of the matter is—and this has been conceded by representatives of the oil industry testifying before our committee—that a pricing system for the transportation of oil is employed which has no bearing upon the actual cost to the oil company.

The U.S. subsidiary which imports the oil pays the foreign transportation subsidiary on the basis of a scale of rates established in London by tanker brokers, and this scale moves up and down with supply and demand on the tanker market. Unfortunately, we have very little knowledge of the financial impact of this pricing system on the consumer, since no oil company has been willing to divulge what it actually costs to transport the oil versus what is charged for this service. Given the fact that the foreign subsidiary that is being paid for this service operates in a tax-free climate, it is reasonable to conclude that from the standpoint of maximizing profits the oil industry would attempt to have its foreign transportation subsidiary earn as much as possible regardless of actual costs of providing the service.

The impact of H.R. 8193 on this pricing system will simply be that for the first time there will be a means of monitoring the cost structure in the oil transportation industry. The bill requires that U.S.-flag vessels be utilized only to the extent that they are available at reasonable cost. In making these determinations, the Secretary of Commerce will, of necessity, be required to develop data regarding foreign-flag costs of transportation. At the present time, we have no means whatsoever of penetrating this pricing system. The estimates of increased cost to the consumer vary from no cost—indeed, a net reduction—up to about 1 cent a gallon.

Assuming the worst—that there is a 1-cent-a-gallon increase in cost to the consumer—how does that increased cost stack up in relation to the costs that we have experienced over the past 6 months—costs which have produced no economic benefit whatsoever to the American economy? Gasoline has risen from 30-some cents a gallon to 50 or 60 cents a gallon. Further increases of 2 to 3 cents a gallon are announced almost daily. It is difficult to comprehend the sanguine attitude of the Federal Energy Office, which assures us on the one hand that the current increases are needed in order to give the oil industry sufficient profits, while at the same time FEO assures us that this legislation, with its demonstrable benefits to the economy as a whole, is evil.

It is interesting to note that on the same page where the gentleman from Delaware concludes his attack on this bill in the May 6 CONGRESSIONAL RECORD, page E2766, there appears an article dealing with oil companies profits—increases varying from 76 to 718 percent. The crocodile tears over the impact of the open market as in the liner trades.

this legislation on the consumer would be laughable if the situation were not so serious.

Mr. Chairman, this legislation is in the national interest and the people's interest. It may not be in the interest of the oil industry, although I think in the long run it truly is. This is not partisan legislation, and I urge my colleagues not to view it in a partisan light. I urge the passage of H.R. 8193.

Mrs. SULLIVAN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. CLARK).

Mr. CLARK. Mr. Chairman, I rise to join the chairman of the Merchant Marine and Fisheries Committee in strong support of H.R. 8193.

The chairman of the full committee has concisely stated the reasons why most members of the Merchant Marine and Fisheries Committee strongly support the proposed legislation. I wish to go on record as being in complete agreement with, and strongly support, her statement.

The bill, as you know, was not unanimously reported, and before I address myself to its merits, permit me to comment on the dissenting views contained in the committee report. These dissenting views are, of course, rife with factual inaccuracies. Aside from this, however, these five members have stated that, "the committee chose to duck all the tough decisions," and abdicated fundamental policy determinations to the executive branch. It is also stated that the committee majority avoided all the tough issues in the bill itself. The facts are that my subcommittee held 15 days of hearings, at which we heard every witness who came forward. In addition, 2 days of mark-up sessions were held. Of these 17 sessions concerning H.R. 8193, two of the dissenting members attended only six meetings, one attended only two, and two of the dissenters saw fit to appear at only one of the 17 meetings. Under these circumstances, I do not see how any of them are in a position to know the facts with respect to the proposed legislation; much less criticize the efforts of the majority of the members.

I think it is important to recognize that the real opponents of this vital legislation are the multinational oil companies. At the present time, a number of committees of the Congress are attempting to formulate a national energy policy that is not dominated by the oil industry. Our committee has concentrated on the ocean transportation of our oil imports. The result of our work is the Energy Transportation Security Act of 1974, that is before you today.

Throughout the months of hearings my subcommittee held on the bill, these multinational oil companies and those dominated by them, demonstrated a lack of cooperation with my subcommittee. In all fairness, however, it should be noted that one major oil company, the Gulf Oil Corp., although opposed to the proposed legislation, made a good faith effort to cooperate with my subcommittee.

I wish I could inform you of the real reasons why these multinational oil companies so strongly oppose the bill. Certainly, it is not a concern for the American consumer. During the period of the hearings alone, the price of gasoline has gone up about 50 percent. I don't have to inform my colleagues in the House of what the price of gasoline and fuel oil is today. At the same time, the profits of these multinational oil companies have skyrocketed.

After careful consideration of the entire record, I have concluded that all the other objections raised by the multinational oil companies have about as much weight as their concern for the American consumer.

The multinational oil companies say that they agree that the United States can no longer be dependent upon foreign-flag tankers for over 95 percent of our oil imports. They take the position that they are in full agreement with your Committee's concern, but rather than the proposed legislation they insist that a viable U.S.-flag tanker fleet should be constructed under the provisions of the Merchant Marine Act of 1970.

Substantial progress has been made under that act. However, with respect to our ever-increasing imports of foreign oil, it is very doubtful to me if the 1970 act would ever be successful so long as the multinational oil companies control the transportation of the vast preponderence of these oil imports. The purpose of H.R. 8193 is to supplement and reinforce the Merchant Marine Act of 1970.

While paying substantial lip service to the 1970 act, the record of the multinational oil companies with respect to that act is, in general, not very impressive.

Three and one-half years after the enactment of the Merchant Marine Act of 1970, only one multinational oil company has contracted to build two tankers under its provisions. This is the Gulf Oil Corp., the only member of the oil industry that made any attempt to cooperate with my subcommittee.

It is clear that the United States cannot afford to be dependent upon both foreign oil and foreign vessels to import that oil. The multinational oil companies assure us that there is no need for concern in this regard because we have the so-called "effective U.S. controlled" fleet readily available for emergency requirements. These are foreign-flag vessels, indirectly owned by the multinational oil companies who have entered into agreements with the U.S. Government to make them available in the event of a national emergency.

When the doctrine of "effective U.S. control" was first established over a generation ago, virtually all our petroleum needs were met by domestic production. For our waterborne oil transportation needs, we relied almost exclusively on a fleet of U.S.-flag tankers. At that time, the "effective U.S. control" fleet of foreign-flag tankers represented a surplus transportation capacity to be called upon—surplus to a U.S.-flag fleet carrying our vital requirements.

Today, we are faced with a radically different situation. Imports have increased dramatically. Since U.S. vessels carry only a tiny part of our oil imports, an increasing percentage of our vital petroleum requirements are carried in foreign-flag vessels that are manned by foreign crews.

Although there may have been good reason for the doctrine of "effective U.S. control" a generation ago, it is a concept that has limited utility today. Complete U.S. reliance on this foreign-flag fleet today presents a clear and present danger to the national security of the United States. The interests of the multinational oil companies which control it are not always in accord with the best interests of the United States. This foreign-flag fleet generally consists of vessels too large for our ports and is committed to other trades. Additionally, the doctrine of effective U.S. control has never been tested and has already created serious questions of international law as to the requisitioning authority of the United States. Your committee has concluded that this foreign-flag fleet cannot, and should not, be relied on by the United States for emergency ocean-borne transportation requirements of petroleum and petroleum products.

In summary, the need for the bill is clear. Over 95 percent of our oil imports are now carried in foreign-flag tankers, owned by foreign corporations and manned by men from all over the world. Recent events in the Middle East have demonstrated that we cannot rely on the multinational oil companies to put the best interests of the United States first. Additionally, the use of foreign-flag tankers by these companies presents a clear and present danger to the United States.

There is no longer any doubt that the United States requires a certain degree of self-sufficiency with respect to the ocean transportation of our vital oil imports. This is what H.R. 8193 is all about. It would insure that at least a minimal percentage of our increasing dependence on oil imports would be carried in U.S.-flag vessels that are crewed by Americans.

I strongly urge the House to support H.R. 8193, the Energy Transportation Security Act of 1974.

Mr. GROVER. Mr. Chairman, I yield 3 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Chairman, first let me commend my subcommittee chairman, the gentleman from Pennsylvania (Mr. CLARK), and the full committee chairman, the gentlewoman from Missouri (Mrs. SULLIVAN) for their fine work, as well as the ranking minority member for the fine work which has been done on this bill.

There have been charges made that this bill will cause some international retaliation against the United States, but there is no basis for that claim. Many of the world's trading and maritime nations have enacted similar legislation and similar provisions. No one has ever retaliated against these nations and no one has stopped trading with these nations who have acted to strengthen their security and economy.

Significantly, no one has protested vigorously against the enactment of cargo preference measures by other countries. The multinational oil companies, who have been the leading opponents of the Energy Transportation Security Act, were silent when Venezuela, a leading supplier of America's oil imports, enacted its law which leads to an eventual 50-percent carriage requirement for its ships. Nor have they protested such action by France, which guarantees the French fleet the equivalent of two-thirds of her oil imports; nor have they protested such action by Japan, which has a policy of carrying at least 50 percent of her imports on her ships; nor have they protested the Arab Maritime Petroleum Transport Co. This company, which is already building and buying tankers, has been formed by seven Arab oil exporting nations. These countries are planning to carry 40 percent or more of their oil exports on their tankers. Nor has there been a protest against Spain, Chile, Peru, Ecuador, England, or any other nation that carries a significant portion of its oil trade on its own vessels.

What the multinational oil companies are trying to do is to keep for themselves and their foreign-flag ships that portion of our oil trade that would be carried by U.S.-flag ships.

I urge my colleagues to support this legislation. I would like to remind them and I challenge anyone to show me where the American flagships have been involved in collisions that have spoiled our waters and our shores. I can cite numerous instances this past year where those ships involved in collisions were foreign flagships.

I urge Members to consider the fact we are dealing with a bill that would provide us wth a source of transportation to become independent of those countries that could use the blockade, such as they did in the past, in their export, of oil.

Again, Mr. Chairman, I urge my colleagues to support this legislation.

Mr. GROVER. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, I am opposed to the bill on three basic grounds:

First, we can agree that a strong U.S. merchant marine is an asset to our Nation. But the question in regard to this bill is not one of strengthening our merchant marine. If it were we could simply expand our existing subsidy programs, the Merchant Marine Acts of 1936 and 1970, which provide construction and operating subsidies to make the U.S. merchant marine competitive on a worldwide basis. This bill, rather than reinforcing these programs, proposes to further aid the American merchant marine by banning foreign competition in the oil shipping industry. Such a strategy runs counter to our entire history of support of free trade and international competition.

Second, the bill will be expensive for the American consumer. The cost of his gasoline will rise a penny a gallon due to higher U.S. shipping costs. Indirect costs, due to inflation induced in the ship construction industry and the captive market that the bill will create for American-flag tankers, will amount to millions of dollars. Banning competition in any industry invariably results in price increases. Shipping is no exception to the rule. The bill will also have an exaggerated regional impact. The New England and Middle Atlantic States and Hawaii are particularly vulnerable, since nearly all of their fuel is imported, and their fuel costs will rise disproportionately to the rest of the country. In addition, the bill will encourage oil shortages due to the restriction of tanker availability at a time when oil is critically short for everyone.

Third, the legislation violates at least 30 treaties between the United States and foreign governments and plainly invites retaliatory action by oil exporting nations and other shipping powers. For the first time in our history, we are applying flag preferences to privately owned cargoes, which not only violates our long-standing commitment to the principle of freedom of the seas, but also endangers the very merchant marine we are trying to protect by suggesting to foreign governments that they may do likewise.

I would also note that every agency of the executive branch of our Government that was asked to comment on the bill strongly opposed it: Commerce, Defense, Treasury, Interior, and State. It was also opposed by the Federal Energy Office on the grounds that it would restrict importers' flexibility and mean some crude and products would not be brought into the country.

On its face the bill is simple: 20 to 30 percent of all the petroleum products flowing into the United States must be shipped in American-flag vessels. But, how will this rule be applied? Will all importing companies be treated identically, or will large oil companies be treated differently from small ones? What do we do about regions of the country which are heavily dependent upon imported oil as compared to those which are not; are their suppliers to be treated differently? Do oil companies that have enough capacity to carry 30 percent of their cargoes on their own ships receive different treatment than those who do not? These are all questions that the Merchant Marine Committee blithely leaves to the Secretary of Commerce.

It seems to me that the committee should have considered them. Because of the complexity of the oil business, the impact of this bill is going to be different among different classes of importers. The gentleman from California (Mr. ANDERSON), a member of our committee, has pointed out that small refineries may have to bear an unequal burden in meeting the requirements of this bill. He testified that this bill will put 17 independent refiners in his district out of business. I suspect this may apply to many other petroleum importers, too.

Further, the bill gives the Secretary of Commerce the power to set fair and reasonable rates in the worldwide shipping market. Since the bill applies not only to oil shipments from foreign ports directly to the United States, but also to oil shipped between two foreign points if its ultimate destination is the United States, the Secretary of Commerce is being given the power to set rates for the international transport of oil. How can we police, or the Secretary set rates for, shipments of oil from the Persian Gulf to Rotterdam's refineries? What dislocations may this produce in international commerce? What dislocations will result if the Secretary sets rates that are higher than the world rates or lower? The committee did not consider these questions, nor did it in any way instruct the Secretary how to carry out his responsibilities. The committee simply established a ratemaking and brokering power within the Commerce Department—a sort of international ICC—without having any idea how it would be used, and without instructing the Secretary how to use it.

Our committee labored for months over the merits and demerits of cargo preference, its costs, and probable impact on the maritime industry. Yet at the heart of this bill is a new regulatory authority for the Secretary of Commerce. The committee simply assumed that requiring the Secretary to set fair and reasonable rates would solve all the problems. I cannot see how such complex regulatory powers can be dispersed so summarily.

I do not believe the committee intended to do so, but in an enthusiastic though ill-conceived effort to help the American Merchant Marine it has by legislative accident fathered a bastard International Commerce Commission.

If ever there were a bill requiring further work by its drafting committee, this is it. Without further consideration, this bill will have created a whole new regulatory commission in a single phrase. Brevity in drafting has its merits, but not when it is used to abdicate the responsibility of Congress to the executive branch.

In summary, there are two procedural defects in the committee bill. First, it gives total discretion to the Secretary of Commerce to implement the bill's purpose without any guidance, whatsoever. Second, major issues of policy were not only avoided in the legislation, they were not even considered in committee. I think the Congress has been accused of passing the buck for too many years. H.R. 8193 continues that unfortunate trend by passing international regulatory power to the Secretary of Commerce without a word of guidance or instruction.

Finally, I would remind the committee that not only is this legislation poorly drafted, but it is unnecessary. All of the objectives of this bill can be achieved through the Merchant Marine Act of 1970's construction subsidy program which has been very successful to date.

Mr. Chairman, I feel as I come to the rostrum today a little bit like Alice in Wonderland. I sat here in December and heard the oil rollback price provision debated in the House of Representatives. I voted for the rollback. I am sure most of my colleagues did, too, because it did pass. I am sure they sent press releases back home saying how they were going to save the American consumer a penny a gallon on the cost of oil, and that is just about what that bill would have done.

Yet here today I heard the ranking minority member, and yesterday the chairman before the Rules Committee, state, "What is a penny a gallon to consumers, compared to the enormous profits the oil companies are making?"

I would say that the difference is that the profits are going to oil companies and the penny a gallon is coming out of the consumer's pocket.

Maybe this bill will, indeed, result to the United States of America as a whole an economic benefit due to taxes paid and so forth, as the majority contends; but make no mistake that to the American consumer it is going to cost more money.

Now, we are undertaking a first today. When Congress undertakes a first it sometimes makes a serious mistake and that is what we are about to do. For the first time in the history of the United States of America we are about to apply a flag preference to private cargo. At no other time have we ever done this. At no other time have we ever violated the principle of free trade for private cargoes to international customers. I think it would be a tragic mistake.

The bill violates on its face some 33 treaties that guarantee to other nations that we will treat their ships as we treat our ships. This legislation plainly does not do that. Not only does it undermine treaties, not only does it undermine the concept of freedom of the seas, but it also endangers the very merchant marine that we are trying to protect.

What happens when another nation enacts a cargo preference law that results in a loss of business for the American Merchant Marine?

I would predict that after all the Arab countries and after all the other countries have their cargo preference laws, that this bill is going to induce we will have a net loss in cargo and we would be far better off without this legislation.

Now, the gentleman from New York referred to the letter in the Record at page E2765 on May 6, a letter from Deputy Secretary Rush of the State Department. The State Department points out all the factors that I have been pointing out. It points out that this would be injurious to our international trade. It points out that our treaties will be violated and it points out that we are simply asking for trouble from other nations.

Now, the majority states in its report that many nations have flag preference laws. They state that Bolivia has a 30-percent flagship preference requirement. Bolivia is a landlocked country. I do not know where their ships are coming from or how they are getting over the mountains; but it does not surprise me that they have a law like that.

They say Spain has such a law, and that is true. They say France has such a law, and that is true; but in the committee report listing the eight major maritime nations in the world, not a single one of those maritime nations has a flag preference law.

Mr. Chairman, we would be doing a great disservice to our country if we passed this today.

Finally, I would like to close with a question for the majority. This bill, as we all recognize, not only applies to our trade, to imports from other countries to the United States, but it also applies to shipment from one foreign country to another foreign country that are ultimately destined for the United States. I would say to the majority, how on earth do we police that? How many bureaucrats do we situate in Rotterdam and in Hong Kong and in Japan, in the Barbados and in the other nations where oil is being refined? How many people do we put there? How many Navy ships do we assign to see if oil that comes from the Persian Gulf to Rotterdam refineries is ultimately destined to the United States?

Mr. Chairman, I suggest that this is an impossible task, and I further suggest that it is an affront to the other nations of the world to suggest that a shipment of oil going from Saudi Arabia to Rotterdam is somehow subject to an American flag preference law.

As a member of the Foreign Affairs Committee, I think I look at this perhaps with a somewhat different perspective than members of the Merchant Marine Committee, but the fact of the matter is that I think we are making a very serious international mistake.

Mrs. SULLIVAN. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. Anderson).

Mr. ANDERSON of California. Mr. Chairman, certainly the committee's efforts to increase employment opportunities for American seamen, curb the outflow of U.S. currency, and reduce our dependence on foreign ships for the transport of imported oil are commendable and I endorse such objectives—but not at the risk of putting the small, independent refiners out of business.

And since H.R. 8193, as reported, would not assure the degree of freedom needed by the small refiners to compete with the major oil companies, I will offer an amendment to exempt those refineries which have a total refinery capacity of 30,000 barrels per day or less. This would represent an exemption for only 1.4 percent of the oil imported into our country.

Historically, as you know, the small refiners are dependent on two sources for their product: imported oil purchased directly from the major oil companies or a foreign government, and the excess, higher-priced, "new" oil owned by the major companies.

COST OF DOMESTIC OIL

Because the price of "new" domestic oil is uncontrolled, the majors can sell it to the independents for $2 to $3 a barrel higher than the "old" oil which they keep for themselves. As a result, the major oil companies have the power to price the small refiners out of business, unless the independents can import oil at competitive prices.

DEPENDENCE ON IMPORTED OIL

Thus, the small, independent refiners, which represent only 6 percent of our total refining capacity, are forced to rely more heavily on imported oil than the major companies. For example, the majors import about 10 percent of their product, while the small independents, in 1973, imported about 41 percent of their product.

HIGHER SHIPPING COSTS

In addition, the major oil companies own foreign subsidiaries who, in turn, own the foreign-flag tankers, and thus enjoy tremendous flexibility in the assignment of costs and prices to various operations. Because the price of shipping is nothing more than an internal entry on the company books, the majors are free to juggle shipping costs to maximize profits. In fact, seven major oil companies—Gulf, Exxon, Standard Oil of California, Texas, Mobil, Shell, and BP—own well in excess of 50 percent of the world's tanker fleet, and control an additional portion of the world tanker fleet by means of long-term charters. Therefore, they can import their own foreign production at cost, while independent refiner-importers must pay the higher market price.

The small refiners, however, do not own shipping lines, and must depend on short-term, higher priced contracts for the shipment of oil, again, increasing their costs, and effectively limiting their ability to compete with the major oil companies.

SUMMARY

Thus, the small refiners are already in trouble on all fronts—

Paying higher prices for imported oil than the majors;

Paying higher shipping costs than the majors; and

Paying higher prices for domestic oil than the majors.

While increasing the shipping costs for the major oil companies would have little effect on their operation, increased shipping costs for the small independents—who rely heavily on imported oil—would further jeopardize their already precarious economic status, thus threatening to eliminate one of the only true vestiges of competition remaining in the oil industry.

Thus, for the sake of competition, for the sake of preserving the small businessman, let us exempt the small refiner so that they can continue to provide at least a degree of competition in the oil industry.

Mr. GROVER. Mr. Chairman, I yield 3 minutes to the gentleman from Washington (Mr. Pritchard).

Mr. PRITCHARD. Mr. Chairman, I would like to discuss several points that have been brought up by the opposition to this bill.

First, this bill does not set up an international ICC that would attempt to impose regulations on foreign operations. It does give the Secretary of Commerce authority to require that the necessary amounts of imports be carried on American ships. But the regulations which would enforce the 20-percent requirement are directed against the importers located within the territorial confines of this country. It is these importers only who must meet the regulations.

In no way does this bill infringe on the sovereignty of other nations.

By putting a small degree of regulatory authority in the Secretary of Commerce, it does infringe on the independence and the quasi-sovereignty of the multinational oil companies.

Mr. Chairman, I think this is right. We can no longer afford to leave U.S. oil policy at the discretion of the oil companies.

Second, the opponents of this bill charge that the bill will result in a 1-cent-per-gallon increase in the cost of gasoline.

Now, I think we ought to get this point pretty straight in our minds. Everybody has been talking about the increased cost of 1 additional cent. This is just not true.

First of all, this bill affects 20 percent of the 25 percent that we have. We import about 25 percent of our oil into this country, and this bill affects 20 percent of that amount.

Now, if the opponent of the bill, the gentleman from Delaware (Mr. DU PONT) would figure that out, he would find that it does not work out to 1 cent; it works out to one-sixteenth, by the gentleman's figures. And if we take the Maritime Administration figures, which I would rather take, the Administration says that it would cost one-half cent on that shipped, that is one thirty-second of a cent on all oil. That is a far cry from 1 penny.

Mr. Chairman, we all know that the price that they charge has been what the market will bear, not what the cost is. In a captive market where the oil companies carry their own oil in their own foreign flag ships, this price has been high.

Finally, the opponents of the bill have charged that the bill is unworkable because the ships cannot be built in the required time. But the bill is not mandatory. If the ships are not available, the quota will be waived. The bill provides the necessary incentive to build to meet the quota, and that is what is important.

Mr. Chairman, I believe this is a good bill, and I urge the Members to vote for it.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, the gentleman says that this does not affect maritime commerce. However, is it not true that under this bill the Secretary has the power to set the tanker rate for the shipment of oil from the Persian Gulf to Rotterdam, if the oil is to be refined in Rotterdam and shipped to the United States?

Mr. PRITCHARD. Mr. Chairman, if it is an American importer, who is living within the confines of the United States and that oil is designated for America, I believe that the Secretary should have some control. In that case, the gentleman is correct, and that is exactly what we wish to do.

Mr. DU PONT. Mr. Chairman, if the gentleman will yield further, let us take the case of Shell Oil, for example, flying under the Dutch flag, with a shipment of oil being transported from the Persian Gulf to the Rotterdam refineries.

The gentleman says that we are going to require that 30 percent of the oil on that route.

Mr. PRITCHARD. We start with 20 percent.

Mr. DU PONT. All right. The gentleman says that 20 percent of that oil must be regulated by the Secretary of Commerce of the United States.

Mr. PRITCHARD. Mr. Chairman, that is not what this bill says. It does not say that 20 percent must be carried on that imported to the United States by Shell. It says that the Secretary of Commerce shall see that 20 percent of the oil coming in from overseas will be carried on American ships, and that means he has the flexibility—admittedly, I hope—to work this out.

Mr. Chairman, I think it is only right that the Secretary should have this flexibility.

Mr. GROVER. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in strong opposition to H.R. 8193. At a time when this Congress is desperately groping for ways to put the brakes on rising energy prices, this bill would only further accelerate the upward spiral. During a period when the credibility of Government is at an alltime low, when far too many citizens have cynically resigned themselves to the belief that Government is dominated by the special interests and run by the few to the detriment of the many, this bill would dramatically signal that special privilege seekers are still at the helm. And while we struggle to find means of coping with a floundering economy which seems unwilling to yield to any curative prescription, this bill would impose still another interference with the market mechanism of the very kind that has gotten us to the present sorry state of affairs.

Mr. Speaker, in the few moments I have this afternoon I cannot hope to address myself to all of the tenuous justifications that have been so laboriously contrived to support this mischievous proposal. My able colleague from Delaware (Mr. DU PONT) and others have spoken on the question of national security, the alleged environmental benefits, the balance of payments savings and the other punative advantages of this bill. I concur wholeheartedly in their statements and hope that my colleagues will weigh them carefully.

But I cannot refrain from addressing myself to the consumer cost impact of this cargo preference legislation, because I frankly think that the Committee on Merchant Marine and Fisheries has seriously mislead this House about the consequences.

In its report to the House, the committee stated and I quote:

> Your committee concluded that the use of U.S. flag tankers—could well result in decreased costs for the American consumer—In the event that there was a cost increase, even the highest estimates of the opponents of this legislation indicate that the increase will not exceed one cent a gallon on imported oil—if any cost increase should, in fact, result—it would be deminimis.

Mr. Chairman, this is nonsense on its face. If American consumers are going to benefit, that is, absorb less transportation cost in the price of fuels they purchase, why do we need this legislation in the first place? I fully realize that the market does not seem to be working very well in many instances at present; I also know, however, that the international tanker market is one place where competition not only thrives but is exuberant. If a U.S.-flag tanker could save consumers money they would be carrying the traffic at this very moment. There would be absolutely no need for this Merchant Marine Security and Protection Act.

Mr. Chairman, the cold, hard fact is that our shipbuilding and merchant marine industries are the most costly and inefficient in the world. That is why we have $500 million per year subsidy program; that is why a ship for foreign registry has not been built in U.S. shipyards in ages; that is why only 5 percent of our ocean borne imports are currently carried on U.S.-flag tankers; that is why U.S. shipowners are given generous tax breaks to reinvest in U.S.-built vessels; that is why our coastal trade must be protected with a ban on foreign flag carriage; that is why we have imposed cargo preference requirements on Government-sponsored exports.

Now in light of this record, something that all of us are fully familiar with, how can the committee contend that the costs would be deminimis? Or worse still, how can the committee suggest that this bill will result in "decreased costs for the American consumer"?

Let me suggest that this committee has chosen to heed some very poor advice on this question of costs. When I noted the clear suggestion in the committee report that this measure may actually save consumers' money, I was so startled that I searched diligently to find the basis for this logic-defying conclusion. The answer is apparently on pages 24 through 28 in which the report details at great length, and with apparent approval, the study submitted by Mr. Stanley Ruttenberg.

I do not care whether Mr. Ruttenberg was a former Assistant Secretary of Labor, or that he has his own consulting firm, or that it is a major source of economic advice to Mr. Meany and the other AFL–CIO chieftains. The fact is his study would get a failing mark in any sophomore economics class.

Mr. Ruttenberg alleges that by the elimination of foreign shipping subsidiaries and the potential they hold for shifting profits and then sheltering them from U.S. income taxes by means of excess foreign tax credits, consumers would realize a benefit of 53 cents per barrel.

Apparently, the gentleman has never heard of section 482 of the Internal Revenue Code which requires strict arms-length transactions in cases of intracorporate transfer pricing, and allows the IRS to reallocate profits if these rules are not observed. If section 482 is being enforced, Mr. Ruttenberg's 53 cents per barrel savings is totally illusory; if it is not, he presents not one shred of evidence to prove this.

Moreover, even if Mr. Ruttenberg's assumption that the major oil companies shield profits from domestic refining and marketing operations by shifting them upstream to foreign shipping subsidiaries is granted, his alleged consumer benefits are still phantom savings. If integrated, international petroleum companies can arbitrarily shift profits upstream to foreign shipping subsidiaries to shelter them from U.S. taxation, then they can just as easily shift them back one step further to foreign production subsidiaries. That is where the excess credit originates in the first place.

So much for the penny a gallon consumer saving that Mr. Ruttenberg would squeeze out of petroleum company profits by forcing them to operate through domestic rather than foreign shipping subsidiaries.

The Ruttenberg analysis also suggests a consumer benefit of from 6 cents to 29 cents a barrel due to the fact that oil companies operating U.S.-flag ships could not shelter shipping profits behind excess foreign tax credits. Well, in the first place that money would go to the U.S. Treasury to pay for defense, education, and so forth. The consumer is not going to realize a penny of that alleged savings at the gas pump.

Moreover, according to Mr. Ruttenberg's own assumptions, the Treasury will not gain much revenue either—certainly not 29 cents per barrel. That is simply because if the IRS is so lax as to allow oil companies to shift and then shelter domestic refining and marketing profits behind excess foreign tax credits, could they not do likewise in the case of the new domestic shipping profits that would result from a switch to U.S.-flag carriage? What is good for the goose is good for the gander, it has been said.

Finally, Mr. Ruttenberg advised the committee that the 22,500 new shipyard and maritime jobs this bill would create each year will result in a consumer benefit of 14 cents per barrel. Again, how giving a job to a shipyard worker, which I am all for, would benefit the average consumer when he pays his heating bill is more than a little perplexing to me.

Furthermore, the plain fact is that this bill is not going to create new jobs de novo; it will merely shift skilled construction workers from one type of activity to another. We may have more tanker construction, but we will also have fewer skilled workers available, at least for the next 4 or 5 years, for construction of offshore drilling and production platforms, nontanker vessels, LNG ships and other construction activities which draw on the same skilled labor pool.

So long as the operating engineers and the other unions maintain a stranglehold on entrance into the skilled trades, the effect of the artificial demand for tanker construction which would be created by this bill will be the bidding-up of already stratospheric construction wages still farther; and that means higher tangible costs to the consumer at the gasoline pump, rather than theoretical benefits from increased shipyard employment.

At bottom, you cannot induce a net increase in U.S. jobs and income by subsidizing an inefficient industry. Any economist worth his salt will attest to that; it is unfortunate that someone did not so inform Mr. Ruttenberg before he perpetrated his scholarly hoax on the committee.

Mr. Chairman, it is clear that there will be no consumer savings from this bill. The only, and the inevitable, result of this bill will be increased transportation costs and higher petroleum prices. And those increases will not be deminimis either. They will be in the range of at least 1 to 2 cents per gallon.

I would remind my colleagues here on the right side of the aisle that not too long ago we engaged in a titantic struggle over what was called the "price rollback" provision of the special energy bill. Considering all the heated rhetoric in behalf of the consumer generated by that measure, there can be little question that many Members of this body thought the stakes were high indeed. Yet as my colleagues will further recall, no one, including Senator JACKSON himself, ever proposed that the rollback would reduce gasoline prices by more than 1 to 2 cents per gallon. No, Senator JACKSON and his allies merely insisted that each cent per gallon increase in the cost of gas will cost American consumers $1 billion per year. What really confuses me, gentlemen, is how what just 1 month ago was an urgent billion dollar consumer interest can now be dismissed as deminimis.

Mr. Chairman, let me make two concluding points. The first is that we are not going to have any superports constructed until at least 1978 or 1979, and that we are not going to have all that we need—six to eight—until at least 1985. That simply means that the cargo quota mandated by this bill is not going to be carried by efficient VLCC's in the 250,000 and up deadweight tons class for the next 5 to 7 years. Instead, it is going to be carried in 30,000 to 60,000 deadweight ton class ships—the only ones which can use our current port facilities.

In light of that, do my colleagues realize what the cost differential—for operation and amortization—between a foreign-flag and U.S.-flag tanker in say the 30,000 deadweight ton class actually is? Well it is 65 percent, and I challenge this committee to provide figures which show otherwise. Unless you heavily subsidize both the construction and operating costs on every one of those vessels, the consumer cost of mandatory U.S.-flag carriage is going to be hundreds of millions, if not billions of dollars each year; and if you do subsidize them, taxpayers are going to have to pick up the same tab. That is the long and short of it, and I hope that my colleagues will not forget when the vote recurs on this bill that a "yea" vote is a vote for significantly higher gasoline and heating oil prices for the next 10 years.

My second point, Mr. Chairman, is that the consumers are not going to be forced to pay merely the current cost differential between U.S.- and foreign-flag carriage alone.

The cost will be much greater than that, let me assure you. The reason is a matter of elementary economics: Give an industry a protected, guaranteed market and you will get inefficiencies and higher costs; artificially create an enormous expansion of demand for U.S. tanker construction that cannot be handled by U.S. shipyards and you will get inflated construction costs; reserve 30 percent of the market for a fleet that cannot handle that volume and you will get a sellers market in transportation services and premium tanker rates to be borne eventually by consumers.

Moreover, if other countries emulate the United States and establish their own cargo quotas, a very real possibility, the inefficiencies and increased costs that inevitably accompany captive markets will be spread worldwide. In the process, the currently highly flexible and efficient world tanker industry will become compartmentalized, rigid and significantly more costly on a per barrel basis.

Mr. Chairman, when you add all of this up—the huge direct cost differential, the induced market inefficiencies both here and abroad, and the artificial imbalances in supply and demand, you are going to get at least a $1 per barrel increase in the cost of landing Middle Eastern oil at U.S. ports—maybe even $1.50. And if imported oil rises by that magnitude, then domestic oil is going to rise by the same amount because the price of imported oil is going to determine the price of oil in U.S. markets from now until we pass out of the petroleum age.

Mr. Chairman, by 1980 this Nation will be consuming at least 24 million barrels per day of combined imported and domestic oil. If, for the reasons I have mentioned, we create an unnecessary $1 per barrel increase in the price of all petroleum consumed in the United States, the cost is going to be enormous. I will not even mention the figure because it is so staggering. Suffice it to say that those 24 million barrels a day projected for 1980 equal 8.7 billion barrels per year of U.S. oil consumption. I will leave it to my colleagues to do the multiplication. And I will also trust that the good sense of my colleagues will lead to a rejection of this mischievous piece of legislation when the final rollcall is taken.

Mr. GROVER. Mr. Chairman, I yield 3 minutes to the gentleman from Maine (Mr. KYROS).

Mr. KYROS. Mr. Chairman, I rise to join my colleagues on both sides of the aisle in strong support of H.R. 8193.

The primary benefit of the legislation will be to halt our dangerously increasing dependence on foreign-flag vessels, owned by foreign companies, and manned by foreign nationals. Until recent years, nearly all our vital oil requirements were carried on U.S.-flag vessels, since they were moving from one U.S. port to another and were required by law to be carried on U.S. vessels.

That situation is changing dramatically. Only 4 percent of our increasing oil imports are carried on American ships. Recent events demonstrate the need for a secure American tanker capability. For example, if one source of oil is embargoed, we need a U.S.-flag tanker capability unequivocably under our control to carry oil to us from alternative sources. Enactment of the bill would create a U.S. nucleus fleet capable of carrying 20 percent of our oil import requirements in the near future, and up to 30 percent thereafter.

Mr. Chairman, the reservation of a certain proportion or type of cargo for national fleets is a common phenomenon. Bolivia requires that 30 percent of its oceanborne trade be carried in its vessels; 50 percent of all Chilean imports and exports must be carried on Chilean vessels; 40 percent of Morocco's imports move on Moroccan ships; 30 percent of the exports and imports of the United Arab Republic move on its own vessels. With respect to oil, France guarantees the French fleet two-thirds of her imports, Japan's policy is to carry at least 50 percent of imports; Venezuela requires 50 percent of exports to be carried on national vessels. Ecuador, Chile, Spain, and Peru require 100 percent.

Members of the Organization of Arab Petroleum Exporting countries have already formed the Arab Maritime Company for Oil Transportation. Nigeria, Kuwait and other oil producers are actively planning to operate their own flag fleets. The United States is rapidly approaching the point where if we do not reserve some portion of our energy import cargoes to American shipping, as Congressman SARBANES pointed out in the hearings, we will "end up being the chump in the business."

The Merchant Marine Act of 1970—Public Law 91-469—recognized the need to build and operate a bulk cargo fleet to carry raw materials and petroleum. That act represented broad recognition of the vital importance of creating a tanker fleet for our national security and commerce.

Substantial progress has been made under the Merchant Marine Act of 1970. Over 30 new tankers have been contracted for under its provisions. However, with respect to our ever-increasing imports of foreign oil, it is very doubtful if the 1970 act would ever be successful so long as the multinational oil companies control the transportation of the vast preponderence of these oil imports.

While paying substantial lip service to the 1970 act, the multinational oil companies have refused to let the charters necessary to construct U.S.-flag vessels, and have persisted in building, registering, and manning their vessels in foreign countries. Three and one-half years after the enactment of the Merchant Marine Act of 1970, only one multinational oil company has contracted to build under its provisions. The contract is for two tankers.

The purpose of H.R. 8193 is to supplement and reinforce the Merchant Marine Act of 1970, to assure that the congressional objectives expressed in that act are attained, and to provide the United States with a tanker fleet capable of meeting the needs of its security and commerce.

I strongly urge the House to support H.R. 8193, the Energy Transportation Security Act of 1974.

Mrs. SULLIVAN. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING. Mr. Chairman, I rise in support of the bill, H.R. 8193, the Energy Transportation Security Act of 1974.

Mr. Chairman, the recent so-called Arab oil boycott effectively dramatized how vulnerable the United States has become when cut off from foreign oil. This, however, is only half of the problem. Equally dangerous is our reliance on foreign vessels to import this oil that has become so vital to our economy and national security.

As you know, at the present time, almost all of these oil imports are transported by foreign-flag tankers, owned by foreign corporations and manned by foreign seamen from all over the world. This is an intolerable situation. The United States must have some degree of self-sufficiency with respect to the ocean transportation of our oil imports. This, the bill would provide.

There is no question that the proposed legislation is needed and needed now. As has been mentioned, the oil producing nations have generally embarked upon a crash program of expanding their sphere of influence to include marine transportation. Should the United States remain at its present incapacity to transport oil imports, we would be at a double disadvantage. The appropriate Government agencies would not be in a position of strength to negotiate with the oil-producing nations to insure that the United States retains the right to carry some of our oil imports.

Additionally, having a modest U.S.-flag tanker fleet under our direct control would permit us to immediately shift to other sources of supply if one or more of the oil producing countries should again embargo exports to the United States.

Mr. Chairman, our committee has spent 7 months perfecting the Energy Transportation Security Act of 1974. I think it is a sound piece of legislation. In addition to providing some tanker capability to lift our oil imports, it would: First, result in a substantial balance-of-payments benefit to the United States at a time when this is of utmost importance; second, provide many additional jobs for American workers that would otherwise be lost to foreign labor; third, result in a so-called cost monitoring system for the first time with respect to the ocean transportation cost of our petroleum imports; and fourth, provide additional badly needed protection for our marine environment. In my opinion, any additional cost that could result from the proposed legislation would be de minimis, and more than offset by its advantages.

Mr. Chairman, I strongly urge the House to support H.R. 8193.

Mr. Chairman, I am deeply disturbed by the dissenting views contained in the report on the bill. Comprehensive hearings were held on H.R. 8193, and a substantial amount of information developed on the subject. Admittedly, such information is susceptible to more than one conclusion, but I am at a loss to explain some of the conclusions contained in the dissenting views. The reasons why they believe H.R. 8193 should be rejected are enumerated on page 57 of the committee report. These are more in the nature of conclusions unsupported by the record rather than reasons, and I would like to comment on them in the order presented.

The first is that: "It would, as the majority concludes, saddle consumers with added costs, with estimates ranging to well over $1 for every barrel of oil imported by tankers." There is absolutely nothing in the hearing record to substantiate this flat assertion, nor does the majority make any such conclusion. There are 42 gallons in a barrel, so that the asserted figure of over a dollar a barrel would be about 2½ cents a gallon.

As pointed out on pages 23 through 28 of the committee report, the highest cost estimate, submitted by the American Petroleum Institute for the Oil Industry, was about 1 cent a gallon. Your committee carefully studied this figure and concluded that about two-thirds of it was based upon highly speculative so-called market oriented factors. Indeed, one witness for the American Petroleum Institute admitted that these market oriented factors were just estimates.

No testimony was received by your committee that the overall cost of the bill would be as high as that stated in the dissenting views. Indeed, although opposed to the bill, the Maritime Administration estimated that any increased cost at the gasoline pump could be no more than two-tenths of a cent per gallon. Additionally, as pointed out in the committee report on pages 24 through 27, there is reason to believe that the bill could end up reducing the cost to the American consumer because the multinational oil companies may be substantially inflating the price of foreign-flag ocean transportation in order to avoid U.S. taxes on repatriated foreign income.

The next assertion in the dissenting views is that: "It would create a captive market as well as an artificial imbalance between U.S.-flag tanker supply and demand, thereby generating additional inflationary pressures." The multinational oil companies advanced this argument at every turn, but there is nothing in the hearing record to substantiate this claim. The bill specifically provides that it would apply only to the extent U.S.-flag vessels are available at fair and reasonable rates. In the discussion of this point, they go on to make the very unfair comparison of the bill with the Cargo Preference Act of 1954. That act generally reserves 50 percent of so-called Public Law 480 cargoes to U.S.-flag vessels.

Historically, Public Law 480 cargoes have been bulk grain cargoes. The 50-

percent premium mentioned in the dissenting views generally resulted from the use of old, inefficient U.S.-flag bulk vessels for the movement of these cargoes. The U.S.-flag tankers to be constructed and operated under the bill would be the most modern and efficient vessels in the world, so that it is patently unfair to compare cost experience under the Cargo Preference Act of 1954 with the proposed Energy Transportation Security Act of 1974.

The dissenting views go on to conclude that: "It would put consumers in those regions of the country heavily dependent upon imported oil—New England, Middle Atlantic, the west coast and Hawaii—in the unfair position of having to bear a disproportionate share of the added costs." This is nonsense. First of all, it is doubtful if the bill would result in any increased ocean transportation cost. If there was any such increase, it would be well under 1 cent a gallon, and would generally be rolled into the total cost of the finished products without regard to region. The only way this assertion could occur is if the multinational oil companies deliberately over charged one section of the United States at the expense of another.

Now that wage and price controls have lapsed, these oil companies are free to charge whatever they can get away with and the enactment of H.R. 8193 will have no bearing on that decision. From what I read in the papers about record prices and profits, these oil companies have been getting away with murder. If these multinational oil companies wish to penalize certain areas of the United States because of the bill, then there is nothing to stop them except further legislative activity by the Congress. Should the occasion arise, this your committee is willing to undertake.

The next conclusion in the dissenting views is that: "It could intensify the energy shortage by impeding the importation of badly needed crude oil and petroleum products and yet do nothing to guarantee the uninterrupted flow of oil from overseas sources." H.R. 8193 clearly applies only to the extent U.S.-flag vessels are available, and could not impede the shipment of crude oil and petroleum products to the United States.

At the present time, the United States is dangerously dependent on both foreign oil and foreign vessels to import that oil. The bill would reduce our dependence on foreign shipping to import petroleum and petroleum products. Your committee concluded that the "intensify the energy shortage" argument in the dissenting views was just another scare tactic employed by the multinational oil companies in opposition to the bill.

The next conclusion in the dissenting views is that: "It would cause the United States to violate more than 30 treaties and would invite retaliation by our trading partners." What specific treaties are referred to? Your committee requested the Department of State for a legal brief on this very question, and it was not forthcoming. These matters are covered in detail at page 41 in the committee report.

However, the second conclusion to the effect that the bill would invite retaliation by our trading partners is extremely serious, but not for the reasons given in the dissenting views. The cold truth is that if we do not enact such legislation now, the United States will be unable to bargain from a position of strength in future negotiations with the energy producing countries and effectively be precluded from lifting any of our oil imports.

Members of the Organization of Arab Petroleum Exporting countries have already formed the Arab Maritime Company for Oil Transportation. Nigeria, Kuwait, and other oil producers are actively planning to operate their own flag fleets. The United States is rapidly approaching the point where if we do not reserve some portion of our energy import cargoes to American shipping, as Congressman SARBANES pointed out in the hearings, we will "end up being the chump in the business." Ironically, there is reason to believe that the major opponents of the bill, the multinational oil companies, are actively assisting the oil producing nations in their maritime endeavors.

Finally, the dissenting views take the position that: "It would establish the far-reaching precedent of subjecting privately owned commercial cargoes in U.S. foreign commerce to allocation on the basis of flag, a concept readily extendable to other imports as well as our agricultural exports." Where were my dissenting colleagues and the multinational oil companies when the United States entered into the historic so-called Russian Maritime Agreement: a bilateral shipping agreement giving preferences for the national carriers of the two countries for fixed percentages of trade between the two countries?

Where were the opponents to H.R. 8193 when the UNCTAD Code of Liner Conferences voted that 40 percent of the cargo must be carried by the national flag lines of each of the two trading partners in a trade, with 20 percent left to so-called third-flag carriers? In view of what is going on in the real world today, H.R. 8193 is an absolute necessity if we are to be assured of being able to carry any of our desperately needed oil imports in our own vessels.

Regrettably, the dissenting views go on to attack your committee for ducking all the tough decisions, abdicating congressional responsibility, and other allegations of a personal nature. As this is not borne out by the hearing record or committee report, I would rather not comment on this further.

Mr. Chairman, permit me to make one further observation with respect to the dissenting views where they recommend as an alternative to H.R. 8193 that tankers be constructed under the Merchant Marine Act of 1970. This is the basic argument of the multinational oil companies who are the major opponents of the bill.

While paying substantial lip service to the 1970 act, the record of the multinational oil companies with respect to that act is, in general, not very impressive. With some exceptions, they have refused to let the charters necessary to construct U.S.-flag vessels, and have persisted in building, registering, and manning their vessels in foreign countries, They have been unswerving in the pursuit of foreign tax and cost advantages, even though subsidies have been available under the 1970 act intended to create parity between the United States and foreign costs of constructing and operating vessels.

The dissenting members make much of the large number of tanker construction subsidy applications that have been filed under the Merchant Marine Act of 1970. There is no fee for applying for construction subsidy, so that the meaningful figure is the number of vessels that have been contracted for.

Three and one-half years after the enactment of that act, only one multinational oil company, the Gulf Oil Corp., has contracted to build two tankers under its provisions. With respect to our oil imports, it is doubtful to me if the 1970 act would ever be successful so long as these multinational oil companies control the transportation of the vast preponderence of these imports, and for reasons known to them alone, insist on using foreign-flag tankers. As discussed in the committee report, these companies could be using foreign-flag tankers to repatriate tax free income, but we are not sure.

Mr. Chairman, that concludes my remarks with respect to the dissenting views contained in the committee report. I have examined their objections in depth, and found them to be without weight. I strongly urge the House to support H.R. 8193, the Energy Transportation Security Act of 1974, so that we may be assured that at least a minimum percentage of our vital oil imports will be transported in U.S.-flag vessels.

Mr. Chairman, I yield back the remainder of my time.

Mrs. SULLIVAN. Mr. Chairman, I yield 3 minutes to the gentleman from New New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I should like to take this opportunity to congratulate the chairman of the full committee, the gentlewoman from Missouri (Mrs. SULLIVAN) and the gentleman from Pennsylvania (Mr. CLARK), chairman of the subcommittee, as well as the ranking minority member, my colleague, the gentleman from New York (Mr. GROVER) for the tremendous contributions that they have made in formalizing the hearings, in bringing this legislation to the floor and for ultimate passage here in the Congress today.

I must support the statements made by the gentleman from Missouri, and particularly those made by my colleague, the gentleman from New York, his arguments in favor of national defense, this is a national defense bill essential to our national security in an era of fourth dimensional warfare for the carriage of our strategic commodities.

I must also support his contention that this is definitely an environmental bill, because when the U.S. tanker fleet is setting the standard for construction on a worldwide basis in conformity with the U.S. position taken at the Intergovernmental Maritime Consultation Conference, in London last year, and the U.S. input at the Law of the Sea Conference, this is definitely an environmental legislation, and further that its greatest impact will be to assist the American consumer.

I also must support the contention of my colleague, the gentleman from Washington (Mr. PRITCHARD) that the impact on the consumer is absolutely minimal, and that once the Department of Commerce and the Maritime Administration get into the true cost factors on the transportation of a barrel of oil, when we analyze it in the perspective of very large crude carriers, the cost impact per barrel of oil certainly becomes totally minimal and we will be able to analyze the complete cost structure and I think in the long run actually save the consumer money.

Mr. YOUNG of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from South Carolina.

Mr. YOUNG of South Carolina. I thank the gentleman for yielding. The gentleman tells us now that actually the gasoline and crude oil would be cheaper under this bill than the way that it is being hauled at the present time?

Mr. MURPHY of New York. Yes; as I just said, the transportation of crude product and, of course, refined product, will move in very large carriers. Many of these carriers will be built in U.S. yards. The incremental cost, in cost increase, will be lower than it is at the present time, but the true cost factors developed by the Maritime Administration, as well as the Department of Commerce, may well bring a cost saving at the gas pump to the American consumer.

Mr. YOUNG of South Carolina. Then the gentleman is saying that the cost of the American merchant marine on these ships will be cheaper than the ships carrying foreign flags?

Mr. MURPHY of New York. The cost of operating a foreign-flag vessel versus the cost of operating an American-flag vessel, when they both are very large carriers, actually has no differential.

We have not established those cost differentials at this time. It will be the responsibility of the Department of Commerce to do that. But when we put in that monitoring system, when we analyze the costs of ocean transportation, the actual cost to our consumers at the pump will be lower after the enactment of this legislation.

Mr. Chairman, I strongly support H.R. 8193, a bill that would end the almost complete dependence of the United States on foreign-flag vessels for our oil imports.

Perhaps the most forceful argument in opposition to the proposed legislation was that it would result in increased transportation costs that would have to be passed on to the American consumer.

Your committee is well aware that due to our high standard of living, to construct tankers in this country and have them operated by American crews under the U.S. flag is more expensive than comparable foreign-built, foreign-flag vessels. However, as tank vessels get larger, their productivity increases and the cost difference between comparable American and foreign-flag vessels decreases appreciably. To date, however, American-flag tankers are still more expensive to construct and operate so that in the normal course of events their transportation costs will be higher than comparable foreign-flag vessels. In this regard, a number of witnesses testified with respect to the possible cost impact on the American consumer that could result from the proposed legislation.

As pointed out on pages 23 through 28 of the committee report, the highest cost estimate, submitted by the American Petroleum Institute for the Oil Industry, was about 1 cent a gallon. Your committee carefully studied this figure and concluded that about two-thirds of it was based upon highly speculative so-called "market oriented factors." Indeed, one witness for the American Petroleum Institute admitted that these "market oriented factors" were just estimates.

Although opposed to the bill, the Maritime Administration estimated that any increased cost at the gasoline pump could be no more than two-tenths of a cent per gallon.

Additionally, as pointed out in the committee report on pages 24 through 27, there is reason to believe that the bill could end up reducing the cost to the American consumer because the multinational oil companies may be substantially inflating the price of foreign-flag ocean transportation in order to avoid U.S. taxes on repatriated foreign income.

In this regard, H.R. 8193 will provide for the first time a cost monitoring system. Because the multinational oil companies operate in almost complete secrecy, no one but these giant companies know for sure whether there is any relation between the ocean transportation price charged the American consumer, and the foreign-flag ocean transportation cost incurred by these same companies. Testimony received at the committee's hearings indicated that the multinational oil companies price their transportation in a manner unrelated to actual cost which results in overpayment by the American consumer. This hypothesis received inadvertent support from the responses of the oil companies themselves.

H.R. 8193 requires that certain percentages of our oil imports be carried in U.S.-flag tankers at fair and reasonable rates. In these circumstances, we will know the ocean transportation cost of these American vessels. It is quite possible that these U.S.-flag costs will demonstrate that the foreign-flag ocean transportation costs now charged the American energy consumer to be highly inflated.

In addition to providing desperately needed U.S.-flag tanker capability to lift our oil imports, H.R. 8193 would: First, result in a substantial balance-of-payments benefit to the United States at a time when this is of utmost importance; second, provide many additional jobs for American workers that would otherwise be lost to foreign labor; and third, provide additional badly needed protection for our marine environment. In my opinion, any additional cost that could result from the proposed legislation would be de minimis, and more than offset by its advantages.

I strongly urge the House to support H.R. 8193, the Energy Transportation Security Act of 1974.

Mr LEGGETT. Mr. Chairman, 100 years ago Lord Palmerston said:

> We have no eternal allies and we have no perpetual enemies. Our interests are eternal and perpetual.

This is the fundamental principle underlying the conduct of all nations, regardless of how governments attempt to dress it in the fig leaves of ideological rhetoric.

We saw this principle confirmed in the most unequivocal terms last fall, when the free and democratic nation of Israel was in urgent need of military supplies if it was to survive. We sent them the supplies they needed, both because we believed in them and because we knew the economic retaliation by Israel's enemies could cause us considerable inconvenience but not catastrophe. But Japan and the Democratic nations of Western Europe, while equally sympathetic to Israel's cause, flatly refused to cooperate with us because an Arab oil embargo would have been intolerable for them. We were not even allowed to use airfields we ourselves had built.

My purpose today is not to criticize our allies who did not stand with us when the chips were down. They acted in their own interests, and if we had been in their place we might well have done the same. My purpose is to point out that Lord Palmerston was right:

> If we can possibly avoid it, we must not allow our security to depend on our alliances, which may disappear on the first breeze.

We have seen the havoc that can be wrought by the previously docile Arab nations getting together and using their portion of our petroleum sources for political purposes. Now I ask you, what will happen if our entire ability to transport imported oil is left in the hands of the oil producers, or of third parties? I suggest this would create a major and needless insecurity.

This is the insecure situation in which we find ourselves today. Only 4 percent of our oil imports are carried in American ships. In the absence of the pending legislation, this problem will not improve. Moreover, it will probably get worse. The OPEC nations have already ordered four large tankers, and as we all know they have the cash to order 40 or 400 if they choose to do so. I am not being overly dramatic when I say that in a decade we could find ourselves in a situation in which an Arab boycott would not only deprive us of Middle East oil but of our ability to import all foreign oil. It would not be necessary for the Arab nations to own every tanker in the world; by threatening an oil boycott they could also stop all tankers controlled by nations dependent on Arab crude from bringing oil to the United States.

This bill will require that 20 percent of the oil imported into the United States be transported in American-flag vessels, increasing to 30 percent by 1977.

In this way, we will provide a guaranteed market and will assure the development of a substantial U.S.-flag international tanker capability.

The national security benefits are unquestionable. So are the macroeconomic benefits: The balance-of-payments improvement will be about $12 billion over the life of the ships. That ain't hay.

But it is reasonable to ask, "How will this bill affect the consumer?" After all, it is protectionism. It provides a market for American tankers that our high-salaried shipping industry was unable to create on its own. Will not this increase the cost of oil to the consumer?

The higher cost of American-flag shipping will, if taken out of context, increase the cost of gasoline by almost exactly 1 cent per gallon at the pump.

However, this cost will be more than offset by a number of factors.

First, we will be able to keep tighter control on the enormous profits of the oil industry. If oil is shipped in foreign tankers, a multinational oil colossus can pay their foreign shipping subsidiaries inflated fees, pass this so-called "cost" on to the consumer, and we will be none the wiser. But if U.S.-flag ships are used, we can require disclosure of the pertinent information and take the appropriate action.

Second, we will recover substantial sums in corporate and personal taxes.

In combination, the benefit of these two factors is well above the 1 cent per gallon penalty.

Another problem with any protectionist measure is the possibility of retaliatory protectionism on the part of other nations.

In practice, this cannot materialize because most of the other nations of the world are already further along this road than this bill would take the United States; Morocco requires 40 percent, Japan requires 50 percent, Venezuela also requires 50 percent, France requires 67 percent, and Ecuador, Chile, Spain, and Peru require 100 percent.

So retaliation is not a problem.

One final advantage of this bill is the fact that it will require a larger proportion of the tankers operating near our shores to come under American environmental regulations regarding release of polluting oil into the water. And I take this occasion to point out that I expect to see these regulations observed and enforced to the letter.

In summary, Mr. Chairman, the Energy Transportation Security Act is not only good for the shipping industry; it is good for our balance of payments, good for the environment, and good for you and I when we pull up to the gas pump. I urge its support.

Mr. **RHODES**. Mr. Chairman, I wonder whether the House can possibly justify the so-called Energy Transportation Security Act of 1974, H.R. 8193, to the people of this Nation.

It is estimated that this bill would increase the cost of petroleum products $22 billion over the next 10 years, with the consumer picking up the tab.

It would wreck a sound and sensible shipbuilding program that is restoring vigor to the American merchant marine.

It would break treaties with 30 nations, and invite the most vicious retaliatory measures.

It would jeopardize our oil supplies because of redtape, difficulty of administration, and the possibility of work stoppages on our tankers.

This bill is another case of good intentions gone awry. It is the wrong bill at the wrong time. The American taxpayer can well question its motivation, and the lack of concern over rising fuel costs that this bill incorporates.

The Federal Energy Office opposes this bill. It predicts flatly that if it passes, petroleum supplies will be reduced due to the unavailability of U.S. ships. Since 45 percent of our imports are refined products, any reduction in shipping flexibility endangers delivery. The waiver provision involves red tape and would discourage foreign shippers. The Energy Office states:

> The potential for shortages this summer and next winter would be increased.

Do we want legislation that may help restore lines at the gas stations?

We already have a good program to increase the U.S. tanker fleet. The Merchant Marine Act of 1970 has resulted in the ordering of 30 tankers, including 9 very large crude carriers. Almost $1.7 billion worth of tankers, totaling 5 million deadweight tons, are under constructions in U.S. shipyards. This federally subsidized approach is the sensible way to build up our tanker capacity. A forced-draft tanker building program, which this legislation would encourage, would inevitably add to the cost of the tankers, and the cost of petroleum products they carry.

We are having the greatest shipbuilding boom in peacetime history. The shipbuilding industry does not need this legislation—and due to repercussions in international trade circles, I feel in the long term it would be damaging to the shipbuilding industry.

One question we have to ask is: Do we want to allow almost a third of our petroleum imports to become captive to whatever price U.S. tanker firms want to charge? This is precisely what this legislation would do by 1977. Instead of allowing importers to pick the most reasonable shipping from the world's tanker fleet, it simply holds nearly a third of our oil imports for whatever ransom U.S. shippers demand. This will mean maximum rates, maximum shipping costs—and maximum price increases to the consumer—the taxpayer—who it appears will bear the brunt of this legislation's fiscal impact.

We have treaties of friendship, commerce, and navigation with more than 30 countries. This legislation, by establishing preference for privately owned cargo, will violate those treaties. This would be the first time such preference for commercial cargoes was ever enacted. It is a blatant attempt to exploit the energy crisis by hitch-hiking the name energy and the idea of security onto a measure that would do damage to our energy supplies and endanger our security.

If it can be done with oil, then the next step is to put preference restrictions on grains and the 35 other basic commodities that we import to a large degree. Any moves in this direction would invite massive retaliatory measures by other countries—and ultimately endanger our entire strategic import structure.

Higher energy costs would put a squeeze on U.S. plants. It is conceivable that in such instances as petrochemicals, plants might flee abroad to get dependable, reasonable supplies of petroleum products.

I especially object to the security portion of the labeling of this bill. Federal agencies concur that this measure would jeopardize our petroleum supplies, not make them more secure. The volatility of the U.S. maritime labor force has been convincingly demonstrated. We could face a cutoff of one-third of our imported oil and refined products imports by a labor dispute. This is not security.

Basically this legislation violates a consistent U.S. policy of encouraging free international trade and calling for free movement of goods in international markets. If we increase the costs of bringing in materials, we up the cost of U.S. finished products, and we lessen our competitive position in world markets. This bill would impose extra shipping costs on American industry. Its accomplishments would not in any way justify those costs.

We should not enact this measure in haste, for later repentance. This legislation has really no administrative machinery. It poses a nightmare for whatever hapless agency, or the importers themselves—whoever is charged with computing the tonnage involved.

In commenting on this concept, the Journal of Commerce states—

> Congress as a whole recognized that the entire thrust of the bill would be to raise the delivered price of oil in this country, which was precisely what the country didn't want. It recognized this even before the big oil crunch Arab producers forced on the world last year.

The Journal is talking about the sporadic attempts over the past 15 years to get this kind of legislation through the
Commenting further on this bill, the
Congress.

Commenting further on this bill, the Journal states:

> How could a bill so unpalatable to the nation at large be made to look like a Christmas present? . . . somebody on the subcommittee had a brilliant idea. Considering public feeling about oil prices, why not eliminate from the title of the bill all references to "cargo preference?" Why not entitle it "The Energy Transportation Security Act of 1974"? After all, everyone is in favor of energy and security. What else do they want?

I know that many of my colleagues have had extensive correspondence from various interests pushing this legislation. I am hopeful that we can exercise commonsense and not enhance the already deleterious reputation Congress has for legislation that must undergo costly and extensive repairs in later years.

This is not legislation that Congress can be proud of. It does more damage than good. It is costly to the taxpayers. It should not be passed.

Mr. **ADDABBO**. Mr. Chairman, I rise in support of the Energy Transportation Security Act to require that at least a fifth of all U.S. petroleum imports be transported on U.S.-flag vessels.

I believe that such a requirement is not only a worthwhile means of enhancing this Nation's merchant marine, but is a vital part of maintaining our national security.

It was not many months ago when this Nation was threatened by the oil producing nations. We have learned simply that this Nation cannot depend any longer on foreign-flag vessels for its oil imports. This bill, when passed into law, will insure our people that an important increase of all petroleum products coming into the Nation will be carried on U.S ships, and that will be very important, indeed, should an energy crunch come again in years to come.

We have also learned that by increasing the percentage of imports brought in on American ships we can save Americans money. I do not know how petroleum users in your section of the country react to high fuel oil prices and the high cost of gasoline, but in New York, our consumers want to pay less, not more.

By passing this bill, the Nation's consumers will save at least a penny per gallon on imported oil while we at the same time, provide thousands of jobs for American workers.

I think the time has come for the Congress to begin to seriously consider the effects our decisions have on the day-to-day life of Americans.

I have a great interest in seeing that our Nation establish close working ties with other nations, and that we help those nations less fortunate than ourselves.

But the time has come for us to take care of our own needs before we begin to help others. I believe that this bill should be passed overwhelmingly because it ends this Nation's dangerous dependency on foreign ships, because it will mean a price break for the Nation's consumers and because it will create badly needed jobs.

Our people have suffered mightily in the last year. When the price of petroleum products nearly doubles, when the cost of living index continues to rise without relief, when the economy becomes so weak that hard-working men and women are thrown out of work, it becomes time for the Congress to act decisively.

This bill will not solve all our inflation problems; it will not end the plethora of problems that surround our economy. But, in its own way, it will mark a significant shift in American policy. It is time to help our people and this bill will do it. I urge you to support this bill.

Mr. WAGGONNER. Mr. Chairman, opponents of this legislation argue that it will result in retaliation by other nations of the world against the United States. This claim is totally unfounded. The precedent for reserving all or part of a nation's trade for its flag vessels has been set time and time again by some of the world's leading trading and maritime nations. Many of these nations have specific laws or policies relating to the carriage of oil. Japan, which is almost 100-percent dependent on oil imports, has the policy of carrying at least 50 percent of these imports on its vessels. Venezuela, a leading exporter of oil, has legislation providing for an eventual 50-percent carriage of its oil on its own vessels; so does Ecuador. France guarantees the French fleet the equivalent of two-thirds of her oil imports. Spain, Chile, and Peru require 100-percent oil carriage for their vessels. England carriers about 30 percent of its oil.

Even more threatening to the United States is that the Arab oil exporting nations are beginning to develop their own tanker fleet to participate in their oil export trade. The same nations which cut off the supply of their oil to the United States have formed the Arab Maritime Petroleum Transport Co. This company, which has already ordered four supertankers, will give the Arab nations control over transportation of oil. Unless the United States has its own tanker fleet capable of carrying a portion of our oil imports and able to shift to alternate sources of supply, we will be even more dependent on the Arab nations who have already shown the willingness to blackmail this country.

These developments, and the lack of action on the part of this country, not only threaten our security and weaken our economy, but clearly illustrate how far the United States has fallen from its position of prominence in ocean transportation. While the United States carries virtually none of its oil imports and only around 5 percent of its total export-import trade, Russian, in 1970, carried 56 percent of its trade; Japan, 47 percent; France, 38 percent; and Spain 37 percent.

When Congress passed the Jones Act in 1920 it did so to strengthen the security and economy of the United States by eliminating foreign flag shipping from our domestic trade. The United States, like other nations, recognized that overriding national interests make such transportation laws necessary. Thus, the domestic oil produced in the State of Louisiana, for example, is carried only on U.S.-flag tankers to other parts of the country.

For the same overriding consideration—that the national interest demands U.S.-flag transportation—this legislation should be enacted so the people of the United States will be guaranteed the delivery of oil on reliable and secure U.S.-flag vessels.

Mr. ROONEY of Pennsylvania. Mr. Chairman, the American-flag tanker fleet has long been a victim of multinational oil company practices designed to prevent the U.S. fleet from transporting a significant share of U.S. oil imports.

The integrated oil companies control the cargoes, and because they do they are able to allot oil cargoes to any shipping company or foreign-flag fleet they choose.

Rather than use U.S.-flag vessels, these oil companies have deliberately turned to foreign-flag vessels registered in Liberia and Panama. By so doing, the oil companies avoid U.S. tax laws and operating laws, and at the same time dodge all U.S. control or monitoring of the charges levied by the tankers.

The net result is severe injury to the independent U.S. tanker operator. U.S. built and manned vessels, which pay U.S. taxes and wages, cannot compete with oil company runaway flag vessels that employ low-wage crews and pay no taxes.

Unless action is taken quickly, the independent U.S. tanker fleet could be faced with the same fate as U.S. independent gas stations. Both independent shippers and gas stations can be whipsawed by the major oil companies, on whom they are dependent for their supplies. Many independent gas stations have been put out of business by this method.

By assuring the U.S. independent tanker industry a fair percentage of U.S. oil imports, H.R. 8193 would end the economic hold of the major oil companies over the U.S. independent tanker industry. In the process, the legislation would create a more competitive U.S. oil import shipping market and could lead to reduced shipping costs on all oil imports.

Mr. BIAGGI. Mr. Chairman, I rise to urge my colleagues to support H.R. 8193, The Energy Transportation Security Act of 1974. This is a critically important measure, particularly in light of the continuing energy crisis which faces our Nation.

This bill would require that at least 20 percent of all petroleum and petroleum products imported into the United States be carried in privately owned U.S.-flag vessels. This minimum would be increased to 25 percent after June 30, 1975, and to 30 percent after June 30, 1977, provided the Secretary of Commerce finds U.S. tonnage adequate to carry such quantity. This last sentence is important. I and the members of the Merchant Marine and Fisheries Committee which sponsored this bill would impose no unrealistic requirements on U.S. importers that would harm their capacity to do business. The 20-percent requirement we are proposing to begin with at the start of this bill would not apply unless U.S. vessels are available at fair and reasonable rates.

The initial purpose of this bill is clear—it is to reduce the nearly complete dependence of the United States on foreign-flag vessels for its oil imports. This will aid us in becoming independent of foreign powers who not only control our supplies of oil, but often our transportation capacity as well.

But it is also a purpose of this bill—and an important one—to strengthen our merchant marine, which badly needs assistance. It will represent a major step toward the realization of our goal of a U.S. merchant marine capable of carrying a significant portion of the Nation's commerce while at the same time serving as an auxiliary to the U.S. military, a requirement we must not overlook.

In the past, the U.S. tanker fleet has been the victim of multinational oil company practices designated to hinder the growth of a strong U.S. fleet. Because the major oil companies control the cargo on which U.S. tankers depend, the oil companies have been able to allot their cargo to the foreign vessels of their runaway flag subsidiaries, particularly those registered in Liberia and Panama.

As a result, the United States is today almost totally dependent on foreign-flag tankers for our imported oil needs. These foreign-flag vessels cannot be depended on in an emergency since they are manned by foreign crews that have no obligation to the United States. The recent oil crisis and the actions of foreign oil subsidiaries such as Aramco demonstrate that if U.S. oil companies control U.S. oil import shipping, they can be easily subjected to Arab coercion that may leave the United States without adequate tanker service.

At the same time, the oil companies' use of runaway foreign-flag vessels compounds the economic costs of imported oil. It denies the United States the balance-of-payments benefits of U.S. ships. It causes the loss of thousands of potential U.S. jobs in U.S. shipyards and aboard U.S.-flag vessels. These shipboard jobs are of vital importance at a time when U.S. oceangoing employment is at its lowest level in modern history. Finally, foreign-flag vessels pay practically no U.S. taxes and provide no wages to Americans, while U.S.-flag vessels do.

In short, the continued use of foreign-flag ships to carry U.S. oil imports is clearly not in the Nation's best interests. Passage of H.R. 8193 would end the U.S. dependence on the foreign-flag vessels of U.S. oil companies and would lead instead to the development of a healthy U.S. tanker fleet able to safely and dependably carry a major portion of the Nation's vital energy imports. I urge all my colleagues to support this important legislation now.

Mr. HOGAN. Mr. Chairman, I support H.R. 8193, the Energy Transportation Security Act, and I urge my colleagues to do likewise.

I am the cosponsor of legislation introduced in the first session of this Congress, H.R. 9576, which accomplishes the same purposes as set forth in this bill before us. My bill would require that 20 percent of oil imports into the United States be carried by American-flag vessels. This requirement would be limited to the extent that such vessels are available at fair and reasonable rates.

The United States is currently in double jeopardy because of our dependence on both foreign sources of supply and foreign-flag vessels to import oil to meet our constantly increasing needs. It is becoming increasingly apparent that we will be maintaining our dependence on foreign sources of oil for our energy requirements, but is it necessary to maintain our overwhelming dependence on foreign-flag vessels for the transportation of these petroleum imports? At the present time only about 4 percent of our oil imports are carried on U.S.-flag vessels. The recent Arab oil embargo underlines the necessity that in the event of an embargo in any part of the world, it is essential that a U.S.-flag fleet be available to seek alternative sources of petroleum and to carry petroleum from such sources to the United States.

Other benefits of this bill will be an improvement in our balance-of-payments situation by as much as one-fourth of the $2 billion now spent for oil import transportation costs and the provision of at least 45,000 new jobs created by this legislation.

Mr. Chairman, I feel this bill will provide this Nation with incentives to build a stronger and more competitive American merchant marine.

Mrs. SULLIVAN. Mr. Chairman, I would just like to sum up this matter by saying that the United States cannot afford to have its position on the high seas further eroded. Therefore, we must make it possible for more ships to sail under the U.S. flag carrying our commodities, and this bill will give us the opportunity to do so.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 8193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 901(b) (1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241), shall be further amended by striking the colon after the words "in such manner as will insure a fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographical areas," inserting a period, and adding the following: "The appropriate agency or agencies shall also take such steps as may be necessary and practicable to assure that at least 20 per centum of the gross tonnage of all petroleum and petroleum products imported into the United States on ocean vessels, including movements (i) directly from original point of production and (ii) from such original point to intermediate points for transshipment or refinement and ultimate delivery into the United States, shall be transported on privately owned United States-flag commercial vessels to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels, in such manner as will insure fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographical areas: *Provided*, That the quantity required so to be carried in United States-flag commercial vessels shall be at least 25 per centum after June 30, 1975, and at least 30 per centum after June 30, 1977, if the Secretary of Commerce shall on December 31 preceding each such date determine that United States tonnage existing or on order and scheduled to be delivered by such date would be adequate to carry such quantity.".

Mrs. SULLIVAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment:

1. On page 2, lines 3 and 4, strike the words "all petroleum and petroleum products" and insert the following words in lieu thereof: "all liquid petroleum and liquid petroleum products carried in bulk referred to as crude oil, unfinished fuels, gasoline, kerosene, aviation fuels, naphtha, cracking stocks, distillate heating oil, diesel oil and residual oils."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment:

2. On page 2, line 24, strike the word "quantity" and insert the following words in lieu thereof: "quantity: *And provided further*, That with respect to the percentage of petroleum and petroleum product required to be imported on United States flag commercial vessels, the Secretary of Commerce may by rule establish reasonable classifications of persons and imports subject thereto, and persons in the same classification shall be treated in substantially the same manner; any person alleging that he is incorrectly classified under such rule, or that there is no reasonable basis in fact for such classification, or that he is by any agency action thereunder treated differently from other persons in the same classification, may obtain agency review of such incorrect classification or agency action pursuant to the provisions of Title V United States Code, Section 554, with review to the United States Court of Appeals for the District of Columbia. The scope of such review shall be in accordance with Title V United States Code, Section 706, including the contention that the action of the agency was unsupported by substantial evidence:"

Mr. KETCHUM. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 215]

Alexander
Anderson, Ill.
Andrews, N.C.
Blackburn
Blatnik
Breaux
Carey, N.Y.
Carney, Ohio
Conyers
Diggs
Dorn
Edwards, Calif.
Esch
Flowers
Haley
Hanna
Hansen, Wash.
Harsha
Hawkins
Hébert
Helstoski
Holifield
Jarman
Johnson, Colo.
Johnson, Pa.
Lujan
Madigan
Martin, Nebr.
Mathis, Ga.
Mitchell, Md.
Morgan
Nix
Patman
Pickle
Rangel
Rees
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rose
Satterfield
Sisk
Stanton, James V.
Steiger, Ariz.
Stokes
Stubblefield
Taylor, Mo.
Teague
Vigorito
Widnall
Williams

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Hicks, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8193, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 382 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time the Committee found itself without a quorum, the question was about to be taken on the second Committee amendment.

The question is on the Committee amendment.

The Committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment, and I am informed by the parliamentarian it is proper to offer it at this time.

The Clerk read as follows:

> Amendment offered by Mr. ANDERSON of California: On page 3, line 17, after the word "evidence:" insert the following: *Provided further*, That the provisions of this section shall not apply to refineries whose total refinery capacity (including the refinery capacity of any person who controls, is controlled by, or is under common control with such refiner) does not exceed 30,000 barrels per day:".

Mr. ANDERSON of California. Mr. Chairman, this amendment is designed to exempt the small, independent refiner from the provisions of this act. It is designed to permit him the freedom, and the flexibility he needs to stay in business, and to continue to compete with the major oil companies.

Otherwise—if the small refiner is required to import his product on U.S. ships—he will be hit particularly hard and cannot remain competitive, thus, yielding even more of the market to the already domineering major oil companies.

First, while this amendment is necessary to preserve the small refiners, it will not affect the intent of the bill since only 1.4 percent of the imported oil is destined for a small refiner. Thus, we are talking about an exemption for only 1.4 percent of the oil coming into this country—an exemption of only 1.4 percent of all the imported oil in order to preserve the 93 small refiners in this country.

Second, while we are talking about a very small percent of our imports, this amount represents a large percentage of the oil processed by the small refiners. In fact, 41 percent of the oil refined by the small independents is imported oil.

Thus, while the total amount of imported oil that goes to small refiners is "a drop in the bucket," compared to the amount of oil we import, it makes up a large percentage—41 percent—of the small refiners product.

And, why do they import oil? They import oil because the domestic oil—owned by the majors—is both scarce and expensive, so they shop around, trying to get the best price.

But, not only are the small independents reliant on imported oil for their product, they are also at the mercy of unstable tanker rates, since the small refiners do not own a tanker fleet, as do the majors. As a result, the small refiners negotiate short-range, spot-charter tankers which are more costly than the long-term contracts used by the majors. For example, a spot-charter rate from Saudi Arabia to Philadelphia, last year, was $4.10 per barrel—in shipping costs alone—whereas, the long-term rate was only $1.09 per barrel.

Thus, Mr. Chairman, the small refiners must be exempted from the provisions of this act because—

They are dependent on foreign oil for their product;

They do not own a tanker fleet to carry their cargo; and

Higher shipping costs would effectively price them out of the market.

Finally, as you know, much was said during the energy crisis that the majors were using the crisis to put the little guy out of business. Now, ask yourself, why aren't the major oil companies really working to kill this bill? Ask yourself who gets hurt by this bill—the big oil companies—who own their own fleets, and in addition are not dependent on foreign oil? Or, the little guys who have to import in order to compete, and have no fleet to juggle?

For the sake of competition, let us exempt 1.4 percent of the imported oil destined to the small independent refiners and allow them the freedom and flexibility they need to stay in business.

I ask for an "aye" vote on this amendment which would preserve the remaining vestige of competition in the oil industry—the small independent refinery.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. ANDERSON) and I urge my colleagues to also support the amendment because I believe the gentleman's amendment is absolutely necessary in order to prevent chaos with regard to these small refineries.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. ANDERSON). I commend the gentleman for offering his amendment. I think it is highly necessary for the small refinery's survival.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I know that the gentleman from California has been very concerned about the problems of the small refinery that is solved by this amendment. I compliment the gentleman from California on his effort. I rise in support of the Anderson amendment.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. ANDERSON).

Mr. Chairman, Mr. ANDERSON is an excellent and valuable member of the Merchant Marine and Fisheries Committee, so it is with great reluctance that I oppose his amendment. Mr. ANDERSON offered this amendment in subcommittee, where it was defeated 11 to 5; and offered it again in full committee, where it was defeated by a vote of 20 to 6.

One of the principal reasons for opposing the Anderson amendment is the feeling by our committee members that such an amendment would weaken the bill and go a long way toward the possible gutting of the legislation. If we exempt the small refiner, then the petrochemical interests and the electric interests, and so on down the line, will all want to be similarly exempted. It was the committee's feeling that the so-called Eckhardt amendment provided the small refiner with adequate administrative protection.

It is true the small refiner would not receive an outright exemption from the provisions of H.R. 8193 as would be provided by the Anderson amendment, but the Eckhardt amendment which was adopted by the committee would give the Secretary of Commerce in administering this bill the power to put small refiners in a specific category and exempt them if the facts were warranted.

The Eckhardt amendment would also also provide any small refiner put in this category by the Secretary of Commerce the opportunity to question the reasonableness of the category, his placement in that category, and any discriminatory or disparate treatment which he might receive in that category. In addition, this person would have available to him all the procedural safeguards of the Administrative Procedure Act, including the right of review to the U.S. Court of Appeals for the District of Columbia in accordance with all rights set out in section 706 of the APA.

The committee members recognize the problem confronting the small refiner but believe that the problem arose not from H.R. 8193 but from the predatory tendencies of the oil companies and the general way in which the oil industry operates. The small refiner may well find himself jeopardized just as has the small independent retailer during the energy crisis but this is due to the way this particular industry operates and not because of the thrust of H.R. 8193. At any rate, the committee believed such protections were available through the Eckhardt amendment.

For the reasons I have just mentioned. I would urge all my colleagues to vote in opposition to the Anderson amendment.

Mr. GROVER. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment offered by the gentleman from California (Mr. ANDERSON).

Mr. Chairman, we did labor with sympathy over the problem posed by the gentleman from California (Mr. ANDERSON) and I believe that we did make extensive legislative history in our consideration of the Eckhardt amendment, and its application to situations similar to those in the district of the gentleman from California. We did build into this legislation a classification system in an effort to provide a quick remedy for small refiners who find themselves in a bind, in a bind which might come in the event of certain foreign import commitments and certain contractual situations in which they might find themselves.

I might point out that the very final language in section 1 of the proposed legislation goes quite far in an effort to give this administrative and judicial relief in that it expands the normal consideration of what is appealable beyond the normal statutory language of "arbitrary and capricious" action of the agency to action of the agency which is "unsupported by substantial evidence." I think the effort of the committee to provide relief in this area and the extensive legislative history would be quite influential in providing that relief, should a small refinery require it.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. GROVER. I yield to the gentleman from California.

Mr. ANDERSON of California. I thank the gentleman for yielding.

The gentleman referred to this as a problem exclusive to my area. I should like to point out to him that this is a national problem—involving 95 small refiners in 25 States. I have received numerous letters from independent refiners throughout the country—from Indiana, from Oklahoma, from Wyoming, from California, from Florida—all of which depend heavily upon imported oil. Many of these small refiners are saying that the Eckhardt amendment is "confusing," "not specific enough," "will lead to chaos," and so on.

I want the gentleman to be aware that it is not just a problem in my district; it is a problem with all small refineries throughout the Nation.

Mr. GROVER. I am quite aware of that.

Mr. ANDERSON of California. Second, the Eckhardt amendment does not take care of the small refiners problems. In fact, one letter says, "Please exempt us from the provisions of the Eckhardt amendment."

Mr. GROVER. I think the effort of the committee has paved the way for administrative and judicial relief, and we have made legislative history which I think will have a very important influence upon the agency with these guidelines.

Mr. Chairman, I yield back the remainder of my time.

Mr. ECKHARDT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not believe there is anyone on the committee who does not understand that the problem the gentleman from California raises is one for which we have sympathy, but it cannot be solved in the way that is provided here. I think certainly the debate on this issue will indicate that a company under contract should be treated differently from another. But the Anderson amendment addresses something entirely different from that addressed by the bill.

The bill says that at least 20 percent of the oil transported shall be transported in American bottoms. It does not say that any refinery shall receive any particular percentage of oil in either American or non-American bottoms. It does not address, and it does not limit, and it does not direct the activity of a refinery. This may come into the matter at some later time through the administrative process.

What we have done is provided that separate categories can be made for any refinery of any size, but that the classification must be equal and uniform.

If we pass this amendment, what happens to refineries producing, say, 35,000 barrels a day? Do we take care of their problem? Is their problem not the same as those producing under 30,000? We simply have to delegate authority with respect to this subject matter.

Congress, I think, in the debate on this amendment has clearly indicated its decision and its desire that the problem addressed by Mr. ANDERSON's amendment be taken into account, but we simply cannot anticipate it in this manner. We cannot provide for it in a bill which nearly limits the total amount of oil shipped in non-American bottoms. We simply cannot anticipate regulation with respect to the refinery itself, other than to say that they must be properly classified, fairly classified, and shall have due process to resist or oppose the classification given them.

Mr. Chairman, I urge that the committee oppose the Anderson amendment.

Mr. DU PONT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am an opponent of this bill and I want to address myself specifically to the concerns of the gentleman from California. I have argued against the bill on the basis that it violates 30 of our treaties, on the basis that it is against the principles of international law, and that it is going to invoke retaliation by other nations and other nations are indeed going to be putting preference laws similar to this into effect.

The gentleman from California (Mr. ANDERSON) has pointed out 17 refineries in his district are suffering from these preference laws and that indeed if we pass this legislation those refineries are going to go out of business.

The second argument that is in issue on this bill is cost, and the committee majority assures us that this is a beneficial bill for the consumer of the United States, that it is beneficial for him as the taxpayer, and that it is beneficial for him at the gas pump, and that there is no harm to him from it. If there is no harm to come from it, then how come it is going to put 17 oil refineries out of business? That is the question I ask. How come the refineries in the State of the gentleman from California (Mr. ANDERSON) are going to go under if this is such a healthy bill for the United States of America?

I have in my hand the remarks of the gentleman from California when he introduced his amendment in the committee. He says there are 17 oil refineries in his district, 14 in the State of the gentleman from Texas (Mr. ECKHARDT), and two in the State of Washington, and eight in the State of Louisiana, and one in the State of Georgia, all of whom import oil and all of whom are going to have problems under this bill because they cannot import oil from suppliers who have flag preferences.

So I would say to the committee that the bill is not what it seems. It is indeed a violation of international law. It is indeed going to cost not only the American taxpayer but also put out of business some 20 refineries in this country.

I would say I very strongly support the amendment offered by the gentleman from California because I do not think at a time when we need every drop of oil we can get our hands on that this Congress ought to be passing legislation which is choking off oil coming into this country. So I think it is a good amendment. I urge support of the amendment and later on defeat of the bill.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, the gentleman is implying I would take action against the refineries in my district and put them out of business. This bill does not in anywise direct any refinery that it may not use 100-percent foreign transported oil. There is nothing in this bill that says that. If the gentleman can show me that I would like to see it.

Mr. DU PONT. The gentleman is correct. If the Secretary of Commerce, grants an exemption.

Mr. ECKHARDT. No. If the gentleman will yield further, the Secretary need do absolutely nothing, and if this bill goes into effect it will not in any way dictate to a refinery that it use 20 percent or any other percent of oil transported in American-flag ships.

Mr. DU PONT. The fact is that the gentleman's refineries that are getting oil from Indonesia are not going to be able to continue to get oil from Indonesia unless the Secretary of Commerce grants an exemption.

Mr. ECKHARDT. If the gentleman will yield further, that is simply a misreading of the bill. The bill does not say any refinery may not receive 100-percent oil from Indonesia. The Secretary does not need to do anything.

Mr. DU PONT. I say the gentleman himself is indeed misreading the bill very seriously. The bill says that 20 percent of the oil from whatever geographical region shall come in under American-flag ships, and that is what is going to put the refineries out of business.

Mr. PRITCHARD. Mr. Chairman, I rise in opposition to the amendment. I will not take 5 minutes.

The problem Mr. ANDERSON has discussed of the refineries, the California refineries are getting their oil from Indonesia. Indonesia has a rule that says that all oil must be carried in their own ships. This exactly points up why we must have some muscle on the American side. It would give the Secretary of Commerce some negotiating basis to go to that oil company in Indonesia and say, "Look, you can't enforce that type of rule and continue to ship to America unless we have some quid pro quo."

I think it is imperative that we have this bill.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from Texas.

Mr. KAZEN. The answer is that they must have the right to ship to America. We can ship anywhere else. Our refineries will dry up otherwise and that is exactly what will occur.

Mr. PRITCHARD. Mr. Chairman, there are two things he can do. He can negotiate and if he is not successful in negotiating he can grant exemption. This way we can at least negotiate. Otherwise, we have no chance of carrying that oil.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. Certainly, I yield to the gentleman.

Mr. BIAGGI. Is it not a fact that the fear that it would initiate a reaction from other countries is without basis, in the light of the existing circumstances? Other countries now make the same requirement. They compel a certain percentage of oil to be carried on their ships.

Mr. PRITCHARD. Some do, that is correct.

Mr. BIAGGI. Some countries do up to 100 percent. The fact is that America at long last is waking up trying to protect its own Merchant Marine, trying to protect its own employment situation, as well as to gain a measure of national security.

Mr. PRITCHARD. I agree, there is no reason for America to take a back seat. I agree with the gentleman.

Mr. STUDDS. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I merely want to correct in this brief time I have the point that Mr. du Pont was attempting to make here. The bill provides simply that—

> The appropriate agency or agencies shall also take such steps as may be necessary and practicable to assure that at least 20 percentum of the gross tonnage . . .

That is of all of the oil shipped—be shipped in American bottoms. It does not say in any place that that must be 20 percent of the oil shipped to any refinery which is carried in American bottoms. All of it could be shipped from Indonesia, depending on what rules were made by the agency.

The only thing we are attempting to do here is create a situation in which there is strong American administrative pressure to finally result in 20 percent of our petroleum products being shipped in American bottoms. That is all the bill does. It does not deny to any existing refinery a drop of Indonesian oil. The refinery may continue under its contracts as they now exist.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I will be happy to yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, as I read the bill, it also requires that 20 percent of the oil be carried in American-flag bottoms by geographical regions.

I would agree with the gentleman that one of Mr. Anderson's refineries may be able to get 100 percent of its oil from Indonesia, but if it does, that 20 percent will have to be made up by some other west coast refinery.

The fact of the matter is that somebody is going to get caught in the door when it is slammed shut.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, on lines 15 through 17 it simply says that the manner of providing for these percentages will insure fair and reasonable participation of U.S.-flag commercial vessels in such cargoes by geographical regions. That does not say anything about refineries.

Mr. DENT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just want to counter one of the important statements here that there will be retaliation because of the fact we are giving flag preference. Flag preference has been given by every shipping nation in the world that has anything to ship itself and even all its imports.

Try and buy anything from Japan. As long as they have the bottom that is not filled, they are going to use Japanese bottoms. When we gave India that wheat not too many years ago, some 10 years ago, India would not even take it unless we would ship it in Indian bottoms.

The Russians just gave us a lesson in international etiquette when they bought—or rather were given the gift of—our wheat. The whole fight was over whether it was going to be shipped in Russian bottoms.

Mr. Chairman, I sat 5 days on a freighter in Porto Bello; offshore for 5 days while they used their port facility priorities for flag ships and would not move out of the berth until a Venezuelan flagship came over the horizon. They kept our ship out there until the day before New Years, and we had to pay double the wages under our contract with the port.

The Venezuelans say that 50 percent of the oil must be shipped in Venezuelan bottoms when they are available. When are we going to learn one simple thing? Trade of any kind is a commerical venture. Sentiment goes out the window, and those weakly lilies in this House whom I have watched for 20 years get up here and talk about retaliation—from whom?

Italy did not care about retaliation last week when it declared an absolute embargo on all imports because of the fact that their money is being devalued. It was because their people were out of work. Any nation in the world except for this one would do such a thing. Will some of the Members tell me something? Where do they think the $480 billion debt came from?

Mr. KUYKENDALL. Mr. Chairman, will the gentleman yield?

Mr. DENT. Mr. Chairman, I yield to the gentleman from Tennessee.

Mr. KUYKENDALL. Mr. Chairman, I have one question. This has to do with this whole narrow outlook of shipping on American bottoms. Can the gentleman explain to me why it is that all of the liquefied natural gas produced in Alaska must be exported to Japan, and we do not get a dime from it? Can the gentleman explain why?

Mr. DENT. No, I cannot explain to the gentleman why the Japanese have been able to buy it. The last standing timber of any size is in Alaska, and every sawmill, is owned by Japan. American home builders do not have enough lumber to start even the modest housing starts they are trying to start.

Three thousand acres of valuable Kansas State soybean fields were sold for $9 million, an offer even the Godfather would not make in his best day. That is $9 million, $3,000 per acre. There is not a Kansas soybean farmer who can earn that much off an acre, or the interest on it.

Let me tell the Members something, and tell them plainly. I stood on this floor, and I can show the Members the record, where 11 years ago I said that within 10 years the American dollar would be devalued. I told the Members less than 15 years ago exactly what was going to happen to the American dollar. I told them what was going to happen to the American steel industry.

We have reached the point where we are more dependent upon other nations for more things than any nation on the face of the earth, and this Congress is responsible for it, and nobody else—the Congress of the United States. It has been given authority over trade, trade relations, tariffs and customs, and we have given it away. Now, we are going to give more away.

If we do not try to build an American Merchant Marine somehow—yes, in 1970 we passed a subsidy bill. What good is the subsidy bill if the oil cannot be shipped and is not directed to the American bottoms?

Mr. RONCALIO of Wyoming. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Anderson amendment which would exempt the small independent refiners from the provisions of this act.

The committee bill does not provide the flexibility needed by these small businessmen to compete with the major oil companies.

The reason for this is twofold: The small independents rely heavily on imports for their product—the majors do not. The small guys do not have a tanker fleet to transport the oil—the major oil companies do.

Thus, to require the small refiners to import using U.S.-flag vessels would place an unreasonable and expensive burden on these small independent businessmen.

Presently, only 1.4 percent of all the oil we import into this country goes to a small refiner—only 1.4 percent. But this mere drop-in-the-bucket represents a large percentage—41 percent to be exact—of the product refined by the small independents.

So, while this exemption does not alter the intent of the bill, it is extremely important to the small refiners.

But, more importantly, it is important to the consumer, as it is the small refiner who represents the only vestige of competition in the oil industry. To require him to import on U.S. tankers could put him out of business, thus yielding an even greater portion of the market to the major oil companies.

Therefore, I support the Anderson amendment and I urge my colleagues to join with me in supporting this amendment.

Mr. KETCHUM. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. Anderson).

I have 5 of those 17 refineries located in my district, and I can understand what their problem is. I compliment the gentleman from California for introducing this amendment, because I believe that amendment will relieve them.

However, let me at the outset point out that I really subscribe to the arguments which have been made by the gentleman from Delaware (Mr. du Pont) in regard to the entire bill. All that this amendment will do is to make the bill slightly less bad.

I think during the arguments we have heard here today we are finding that we are kidding ourselves. If the Members will look at page 6 of the committee report, they will find that the report lists the flag vessels, and if we will go down to No. 5, we will find that the country of Liberia has 833 flag tankers.

Now, if there is anybody within the sound of my voice who believes that every one of those tankers belongs to Liberia, he has been dreaming.

During the period of time that I spent in Japan, an American corporation, National Bulk Carriers, was building tankers and other types of ships in Kure, Japan. I was always invited to the commissioning or to the launching of these ships, and, believe me, by the time they got through playing the national anthems of the various countries which were involved, the ship was almost ready to be scrapped.

They started out first playing the national anthem of Japan, because, after all, that is where it was built. Then they played the anthem of the United States, because, after all, it was National Bulk Carriers that built the ship and supplied the money, American dollars. Then, last but not least, they played the national anthem of the country of Liberia, because the ship was being licensed under the flag of Liberia.

Now, what happens to the ship after that? It is leased back to American oil companies for their use, because of a taxation program which this Congress imposed.

Mr. Chairman, I agree totally with the gentleman who preceded me in the well and who so dynamically pointed out that Congress is at fault.

I also remind the Members of this Congress that they also passed the labor laws in this country.

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know that the committee is anxious to act on this legislation, but I have a question that concerns me very much. That is the question of added costs to the consumer and the increment to the value of oil in this country, because of this legislation.

Now, as the Members know, present oil policies have provided for what we call a weighted price or a price that is averaged between the cost of imported oil and the cost of domestic oil. For every penny we add to the cost of imported oil, we increase the value of the other 80 percent of oil we use produced in America, and that increment is passed on to the consumer.

So what here might appear to be a very small, modest additional expense for the use of American vessels can multiply into an enormous cost to the consumer.

While there is a need for increased American shipping, I think we ought to have some idea as to how this is going to effect the price of all the other domestic oil and gasoline which the consumer so desperately needs.

I understand there is evidence that this legislation can raise the price of gaholine a penny a gallon. I am not sure, and I do not know, but I think that the cost to the American consumer for oil and gasoline and petroleum products is reaching the critical breaking point and anything that adds to the cost of the end product to the consumer is going to be very harmful to the farmer, the businessman, and the industrialist and to everyone in this country. There is also no need to increase the profits of the American oil industry which can boost its price as the foreign oil goes up.

Mr. KYROS. Will the gentleman yield?

Mr. VANIK. I yield to the gentleman.

Mr. KYROS. Actually in this bill it says fair and reasonable rates will be required and for the first time we will have an insight into the costs, which we have never seen before, of ocean transportation. Therefore it will bring about an approach where we can look all the way back to the crude oil price at the well and therefore it will have a controlling effect.

Mr. VANIK. I do not believe that the legislation provides an adequate safeguard. I fear that this bill will multiply the cost of oil and gas to the American consumer and increase the value of the 80 percent supplied from domestic sources and increase the value of the oil reserves in this country. I am afraid what we are talking about is perhaps an additional cost to the consumer which could extend to the billions. I just don't believe the American people want to pay a penny more per gallon of gas in order to provide for further utilization of American ships for which they have already provided multibillion-dollar subsidies.

Mr. DU PONT. Will the gentleman yield?

Mr. VANIK. I yield to the gentleman.

Mr. DU PONT. The best estimate we were able to produce in the committee on the cost to the consumer is indeed about a penny a gallon. That is about the same amount that we were going to save him when we rolled back the oil price last December in the House of Representatives. It points out in the report that it will be costing a penny a gallon, but that will be made up a little bit in the tax costs to the companies and revenue to the assisting companies. That is true and it is correct, but it does not help the consumer. He will pick up another penny a gallon, and I agree with the gentleman that this is a funny time to be asking the consumer to pay more for gasoline.

Mr. GROSS. Will the gentleman yield?

Mr. VANIK. I yield to the gentleman.

Mr. GROSS. I have supported almost every ship construction subsidy bill and almost every ship operating subsidy bill, but I believe I have come to the end of the line today, for whatever that may be worth. I share the fear of the gentleman from Ohio as well as that of the gentleman from Delaware that the cost of this is going to be taken right out of the hides of the American consumers through increased prices for petroleum products, and therefore I am opposed to it.

Mr. PRITCHARD. Will the gentleman yield?

Mr. VANIK. I yield to the gentleman.

Mr. PRITCHARD. I thank the gentleman.

I think once again we had better make it very clear when we talk about 1 cent a gallon that that is the price of the oil being imported. Actually the Maritime Administration's estimate—and I think they are the most trustworthy in this whole debate—was half a cent. This is 20 percent on the 25 percent of our total oil which we bring in, so we are talking about 5 percent in that increase, if it is half a cent, that being one-thirty-second of a cent.

Mr. VANIK. I do not share the gentleman's feelings.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Anderson).

The question was taken; and on a division (demanded by Mr. Anderson of California) there were—ayes 70, noes 62.

RECORDED VOTE

Mrs. SULLIVAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 227, noes 176, not voting 30, as follows:

[Roll No. 216]

AYES—227

Abdnor
Anderson, Calif.
Anderson, Ill.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Beard
Bell
Bennett
Bergland
Boland
Bowen
Bray
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burleson, Tex.
Butler
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Corman
Coughlin
Crane
Culver
Daniel, Dan
Danielson
Davis, Wis.
de la Garza
Denholm
Dennis
Derwinski
Devine
Dickinson

Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evans, Colo.
Findley
Fish
Fisher
Flynt
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fuqua
Goldwater
Gonzalez
Goodling
Gray
Gross
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Horton
Hosmer
Huber
Hudnut
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Kastenmeier
Kazen
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Lent
Litton
Lott
McClory
McCollister
McCormack
McFall
McKay
McKinney
McSpadden
Madigan
Mahon
Mallary
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mezvinsky
Michel
Milford
Miller
Minshall, Ohio
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Mosher
Myers
Nelsen
Nichols
Obey
O'Brien
Owens
Parris
Pettis
Poage
Powell, Ohio
Preyer
Price, Tex.
Quie
Quillen
Railsback
Rarick
Rees
Regula
Reuss
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Roush
Rousselot
Roy
Roybal
Ruth
Ryan
Sarasin
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Smith, Iowa
Smith, N.Y.
Spence
Stanton, J. William
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Udall
Van Deerlin
Vander Jagt
Vanik
Wampler
Ware
White
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wydler
Wylie
Wyman
Yates
Young, Ill.
Young, S.C.
Young, Tex.
Zion
Zwach

NOES—176

Abzug
Adams
Addabbo
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bauman
Bevill
Biaggi
Bingham
Boggs
Bolling
Brademas
Brasco
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Byron
Chappell
Chisholm
Clark
Clay
Cochran
Collins, Ill.
Conyers
Cotter
Cronin
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Delaney
Dellenback
Dellums
Dent
Dingell
Donohue
Downing
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Evins, Tenn.
Fascell
Flood
Foley
Ford
Froehlich
Fulton
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Hanley
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Holt
Holtzman
Howard
Hungate
Hunt
Ichord
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kemp
Kluczynski
Koch
Kyros
Landrum
Latta
Leggett
Lehman
Long, La.
Long, Md.
Luken
McCloskey
McDade
McEwen
Macdonald
Madden
Mann
Mazzoli
Meeds
Melcher
Metcalfe
Mills
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
O'Hara
O'Neill
Passman
Patten
Pepper
Perkins
Peyser
Pike
Podell

Price, Ill.
Pritchard
Randall
Rangel
Riegle
Rinaldo
Rodino
Roe
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Ruppe
St Germain
Sandman
Sarbanes
Seiberling
Shoup
Slack
Snyder
Staggers
Stanton, James V.
Stark
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Tiernan
Traxler
Ullman
Vander Veen
Veysey
Waggonner
Waldie
Walsh
Whalen
Whitehurst
Wilson, Charles H., Calif.
Wolff
Wyatt
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki

NOT VOTING—30

Alexander
Andrews, N.C.
Biester
Blackburn
Blatnik
Carey, N.Y.
Carney, Ohio
Diggs
Dorn
Flowers
Haley
Hébert
Helstoski
Johnson, Pa.
Lujan
Morgan
Nix
Patman
Pickle
Reid
Roncallo, N.Y.
Rooney, N.Y.
Runnels
Stokes
Stubblefield
Taylor, Mo.
Teague
Vigorito
Widnall
Williams

So the amendment was agreed to.

The result of the vote was announced as above recorded.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the third committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, after line 17, insert:

SEC. 2. This Act may be cited as "The Energy Transportation Security Act of 1974".

The committee amendment was agreed to.

The CHAIRMAN. Are there additional amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8193) to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels, pursuant to House Resolution 1094, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DU PONT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DU PONT moves to recommit the bill H.R. 8193 to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

RECORDED VOTE

Mr. DU PONT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 266, noes 136, not voting 31, as follows:

[Roll No. 217]

AYES—266

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Badillo
Bafalis
Baker
Barrett
Bauman
Bennett
Bergland
Bevill
Biaggi
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Byron
Casey, Tex.
Cederberg
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cohen
Collins, Ill.
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Dickinson
Dingell
Donohue
Downing
Duncan
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Evins, Tenn.
Fascell
Flood
Foley
Ford
Fountain
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gunter
Guyer
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Henderson
Hicks
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hungate
Hunt
Ichord
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
King
Kluczynski
Koch
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Luken
McCormack
McDade
McEwen
McFall
McKinney
McSpadden
Macdonald
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Milford
Mills
Minish
Mink
Minshall, Ohio
Mitehell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nichols
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Peyser
Pike
Podell
Price, Ill.
Pritchard
Randall
Rangel
Rarick
Rees
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, N.Y.
Snyder
Staggers
Stanton, James V.
Stark
Steele
Steelman
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Thompson, N.J.
Thornton
Tiernan
Towell, Nev.
Traxler

Udall
Ullman
Van Deerlin
Vander Veen
Veysey
Waggonner
Waldie
Walsh
White
Whitehurst
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NOES—136

Anderson, Ill.
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Beard
Bell
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Burleson, Tex.
Butler
Camp
Carter
Chamberlain
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conable
Crane
Culver
Davis, Wis.
Dennis
Derwinski
Devine
Drinan
Dulski
du Pont
Erlenborn
Esch
Eshleman
Evans, Colo.
Findley
Fish
Fisher
Flynt
Forsythe
Fraser
Frelinghuysen
Frenzel
Frey
Goldwater
Grasso
Gross
Gubser
Hamilton
Hammerschmidt
Harrington
Hastings
Heinz
Hillis
Hosmer
Hudnut
Hutchinson
Jarman
Johnson, Colo.
Kastenmeier
Ketchum
Kuykendall
Lagomarsino
Landgrebe
Litton
McClory
McCloskey
McCollister
McKay
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mayne
Mezvinsky
Michel
Miller
Mizell
Moorhead, Calif.
Mosher
Myers
Nelsen
Obey
O'Brien
Pettis
Poage
Powell, Ohio
Preyer
Price, Tex.
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Robinson, Va.
Robison, N.Y.
Rousselot
Ruppe
Ruth
Schneebeli
Sebelius
Shriver
Smith, Iowa
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, N.C.
Thomson, Wis.
Thone
Treen
Vander Jagt
Vanik
Wampler
Ware
Whalen
Whitten
Wiggins
Winn
Wylie
Wyman
Yates
Young, Ill.
Young, S.C.
Zion
Zwach

NOT VOTING—31

Alexander
Andrews, N.C.
Biester
Blackburn
Blatnik
Carey, N.Y.
Carney, Ohio
Diggs
Dorn
Flowers
Gude
Haley
Helstoski
Johnson, Pa.
Lujan
Madden
Morgan
Nix
Patman
Pickle
Reid
Roncallo, N.Y.
Rooney, N.Y.
Runnels
Stokes
Stubblefield
Taylor, Mo.
Teague
Vigorito
Widnall
Williams

So the bill was passed.

The Clerk announced the following pairs:

Mr. Morgan with Mr. Andrews of North Carolina.

Mr. Rooney of New York with Mr. Helstoski.

Mr. Stubblefield with Mr. Reid.

Mr. Carey of New York with Mr. Patman.

Mr. Diggs with Mr. Blatnik.

Mr. Carney of Ohio with Mr. Biester.

Mr. Nix with Mr. Lujan.

Mr. Haley with Mr. Blackburn.

Mr. Flowers with Mr. Johnson of Pennsylvania.

Mr. Pickle with Mr. Roncallo of New York.

Mr. Stokes with Mr. Vigorito.

Mr. Alexander with Mr. Taylor of Missouri.

Mr. Dorn with Mr. Widnall.

Mr. Teague with Mr. Gude.

Mr. Madden with Mr. Runnels.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

FURTHER LEGISLATIVE PROGRAM

(Mr. GROSS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I have taken this time for the purpose of asking anyone who can enlighten the remaining Members in the House as to the legislative program for tomorrow.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I will be delighted to yield to the Speaker.

Mr. ALBERT. Mr. Speaker, of course, as the gentleman from Iowa I am sure knows, we had intended to have two bills for today and the remainder of the week, but one of those bills was summarily cut off. Therefore we have no bill for tomorrow.

On tomorrow we will have only minor unanimous-consent matters.

Mr. GROSS. I thank the Speaker.

TESTIMONY OF CONGRESSMAN JAMES A. BURKE BEFORE SUBCOMMITTEE ON DOMESTIC MARKETING AND CONSUMER RELATIONS

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to take this opportunity to bring to the attention of the Members of the House the fact that I am including in the RECORD today my testimony before the Subcommittee on Domestic Marketing and Consumer Relations of the Committee on Agriculture of the House of Representatives, chaired by the gentleman from Pennsylvania, the Honorable JOSEPH P. VIGORITO.

The substance of this legislation is to provide that the Department of Agriculture will furnish seeds upon request to the people of the United States for the development of gardens throughout the Nation and thereby help fight the problem of high prices and also return the people to the soil.

Mr. Speaker, at the subcommittee meeting yesterday I pointed out several things, including just a little item like tomatoes.

I exhibited some tomatoes there that cost 63 cents for just three of them. Today potatoes are priced at $4.65 a peck. Spinach was 49 cents for 10 ounces; stringbeans were 49 cents for 10 ounces.

Mr. Speaker, these prices are spiraling every week; they are getting higher and higher until the average family is just completely confused and unable to buy the necessary nutritious food to feed its members.

I hope that the Committee on Agriculture will act in an expeditious way to get this legislation moving, because it will only cost the Federal Government $6 million, and it will produce some $380 million to $400 million in food.

Mr. Speaker, my testimony is included as follows:

TESTIMONY OF CONGREESMEN JAMES A. BURKE

Mr. Chairman, before getting into the substance of my legislative proposal, I want to commend you and your Subcommittee for holding these hearings. I know full well how busy the Agriculture Committee is with the pressure on you to finish your scheduled work in the few remaining months of this Congress. I have also been around here long enough to know how long most legislative proposals have to wait before they are granted the privilege of full Subcommittee hearings and the attention of the Members of that Subcommittee.

Consequently, I take a good deal of encouragement from the fact that there is enough interest in this proposal by Members of this Subcommittee to at least grant it the benefit of a hearing. I do not think I would be sticking my neck out too far if I were to assure you that your sense of priorities is not misplaced in holding these hearings on H.R. 9468.

I filed H.R. 9468 last July 23rd, 1973, after failing by a very close division vote (132 ayes to 151 nays) to get an amendment to last year's farm bill adopted. Both the amendment and the bill were proposed at a time when it was becoming increasingly apparent that this Nation was entering an era of critical shortages. National attention was being focused on the fact that this great Nation of ours, a land of such fabled abundance and abundant generosity over the years, was not immune from the historic problems which have faced nations since the beginning of time: namely, shortages of the essential critical necessities of life. I need go no further than to refer to last year's critical shortages in food and energy, shortages which continue right through this week of your Committee's hearings. Nothing, in my opinion, has alleviated the problem. The only difference is the newspapers, in their struggle for headlines, have begun to look elsewhere for news and, for the time being, have ignored food and energy shortages. But they will undoubtedly return to them at some future date after an event occurs which dramatizes the situation anew for the American public.

But, I do not have to remind Members of this Committee about shortages and rising food and fuel prices and how one shortage has interacted with the other. The Agriculture Committee spends its time living with these problems full time. When you come right down to it, I really offered my original amendment, and subsequently filed H.R. 9468 together with other Congressmen representing large metropolitan East Coast cities such as Providence, Philadelphia, Hartford, in addition to the Boston Metropolitan Area, primarily to indicate to the Congress and the Agriculture Committee that the day has long since passed when agriculture, and food specifically, was purely a matter of concern to rural farming interests in the Nation or to the Agriculture Committee in the Congress. I was trying to underline the need for growing involvement by all American citizens, whether urban or rural whether from large metropolitan communities or small towns, in the intelligent development, utilization, and conservation of this Nation's natural resources, in which category I include the produce of our soil, our food, and natural fibers. The fact is agriculture is just too important to our whole National existence to be relegated to the backyard compost heap of National concern—a matter of concern solely for those who live in farmhouses as opposed to city tenements.

Now, I am not claiming credit for creating a national awareness in the past few years of the fact that agriculture has two sides: the production side and the consumer side. In recent years, Members of Congress are well aware that while not too many trees grow in Brooklyn, it is important to the people of Brooklyn and Boston that their interests as consumers be protected even though the bulk of the Nation's produce, and trees, too, grow many miles away. Across the land, in the past few years, consumer interest groups and consumer activism has become the order of the day and the farm industry has not been spared the legitimate attention of this movement. This Subcommittee on Domestic Marketing and Consumer Relations hardly needs to be reminded by me of the sometimes strident interest taken by consumer groups across the Nation in the stewardship of the farming sector of our economy over this Nation's agricultural needs, particularly in terms of the prices charged for the end product.

But, important as all of this is, my bill is not more of the same, not more emphasis on the diversity of interest and views between producers and consumers. H.R. 9468, insofar as it has a philosophy, would tend to break down these artificial barriers between consumer and producer by bringing the city that much closer to the country, figuratively speaking, by literally involving consumers in the production of food on however limited a scale. Thus, H.R. 9468, while on the surface a very simple, short, and succinct bill some ten lines long, which would authorize the Secretary of Agriculture to distribute seeds and plants for use in home gardens, is a bill which I feel has far-reaching significance.

As a matter of fact, there has been altogether too much emphasis on the measure as a cost-saving measure. The traditional response of those opposed to the measure, most of them in the Department of Agriculture, is that the bill exaggerates the difficulties poor families would have in affording packages of seeds. Quite apart from the fact that I feel the Department of Agriculture is exaggerating how inexpensive seeds are these days and how much of a sacrifice it would be for families to divert food stamp money any given week to invest in seeds for future savings in food purchases, I think the Department misses the whole point. The reason for this, I feel, is that the Department just simply is not used to thinking of itself as any more than a representative of the production side of agriculture and has grown used to treating the consumer side as foreigners or outsiders in their little kingdom. I am amazed at the Department's summary dismissal of this proposal as unnecessary. I am amazed that a Department which spends millions of dollars a year on all kinds of publications to remind the American people of the contribution of agriculture to the economy could be so deaf to the public relations impact of this proposal. A Department which spends millions of dollars on publication advising homeowners and home gardeners of a thousand different ways to "make it grow better," a Department which spends money sending exhibitions and demonstrations around the country and the world singing the praises of American agriculture—this same department now rejects out of hand a modest proposal which would cost very little to send seeds and small plantings upon request into homes across the Nation. The fact is, I do not think Cecil B. DeMille could have thought of a more dramatic way to bring it home, as it were, to every American homeowner or apartment dweller the need to be involved in the miracle and the hard work and the long hours that is really at the backbone of the American agricultural success story.

After all, what were the World War I and World War II victory gardens but an effort by our shrewd leaders of those days to involve each and every American in the production of agriculture so that they would better appreciate not only the work which went into it, but its scarcity. What better way to teach someone the value of something than to get him involved in its production and enjoyment? To be sure, there were fears of a food shortage during those wars and statistically, I suppose the victory gardens did supplement what was being grown on the farms and diverted to our troops overseas.

Perhaps, too, the victory gardens were a dry-run preparation for the possibility that at some point during either war, this country would have to be totally reliant on what it was able to grow at home. But when you come right down to it, the victory garden was designed as a morale booster, or to put it another way, an attempt to get every American into the spirit of things.

What better call could be sounded today in the midst of obvious scarcity, at a time when each American has to be re-educated out of the luxury of endless abundance and limitless waste into the new reality of scarce natural resources? For we have learned that peacetime can be a time of shortages, as well as wartime, and this message should not be lost on any American.

The youth of the country, with their instinctive way of seeing through things have seen through the waste and packaged sameness of our modern urban living and across the land there has been a renewed interest in nature and living things. The return-to-the-soil movement is not something my bill would create but would capitalize on and bring home to those who are not free to pack up and return to the soil some of the same appreciation and self-reliance that the youth are after when they indicate their preference to live off their own efforts and find out for themselves what a continuous source of wonder the earth's products can be.

I certainly do not expect anyone from the Agriculture Department will testify here today that this bill should be opposed on the grounds that it will pose a threat to farmers' future livelihood. I do not think that anyone will argue that homeowners and gardeners planting gardens and window boxes across the country will cause American agriculture sales to go into a tailspin. The average American does not have the kind of land or time available to him to even begin to approach self-sufficiency in his food requirements. All my bill is trying to do is to stimulate the American public, to educate the American public, to include the American public in a national effort to realize the importance of an adequate supply of food and to take steps to conserve, as well as more fully appreciate, what we have on our table.

When I look back on my early life, a boy born and bred in the teeming tenements of the City of Boston, I do not think any experience can compare with the time I spent during different summers trying my hand at a backyard garden, waiting for that first tomato to appear. I do not think anything ever tasted as good before or since as that first tomato each summer, that I, myself, had grown. I am convinced that today's youth want to experience more of this and I am also becoming more convinced that all generations could stand to experience more of this.

For some people, this will be more than just an enriching experience. With the prices in the food markets today rising as they are, it could well mean the difference between a nutritious meal with fresh vegetables or some premixed package formula with all its artificial additives.

I really cannot overemphasize to those concerned with the future of America's agriculture industry that the experience of the past few months has underscored for all to see the tremendous gap of understanding between the urban consumer and America's farming interests. It is as if they were speaking two different languages and could not begin to understand the other's point of view. No one wants to look forward to a future of boycotts on the one hand or wholesale destruction of products and livestock on the other hand, just so one group can spite the other in times of shortages. If any of you here today are concerned about developments in the recent past and wonder where it should all end up should things get tight again, then I feel you should be interested in exploring the potential of legislation such as I have proposed for bridging the gap between city and town, farmer and laborer, consumer and producer.

Obviously, I cannot promise a miracle. I am also aware that it is customary to mock and ridicule proposals that aim at changing people's attitudes as visionary and hopelessly idealistic, but I think this bill, with its curious mixture of idealism and practically, common sense and imagination, is the sort of approach we should be exploring in Congress today. As they say, sometimes, it is the little things that count. I just cannot resist concluding on the note that the seed we plant here today may well take root and grow into something more than any of us would have dreamed of.

By way of an appendix and just to reassure those concerned about being too far out in front or too high in the clouds, I hope you will permit me to include in the record at this point the report of a Gallup survey conducted last year which indicates the extent to which home gardening and agriculture has been renewed in this country. I honestly believe that Congress must stop resisting such developments and give the lead. Even without government assistance, the survey indicates that there could be an increase of three million household vegetable gardens across the Nation from the present 27 million households figure. Four out of 10 American households last year grew some of their own food.

[From the CONGRESSIONAL RECORD, July 20, 1973]

RISING PRICES AND THE GROWING NUMBER OF GARDENERS

(By George Gallup)

("A nationwide Gallup survey conducted in late spring reveals that the number of vegetable gardens in the United States could increase by as many as 3 million over 27 million households with a garden last year.")

PRINCETON, N.J.—Soaring food prices, coupled with the increasing interest in a "return to nature," have apparently served to swell the number of American households that have planted a vegetable garden this year. In fact, a nationwide Gallup survey conducted in late spring reveals that the number of vegetable gardens in the United States could increase by as many as 3 million over 27 million households with a garden last year.

The survey found that nearly four in ten U.S. households (27 million) grew some of their own food in 1972.

The fact that many Americans may be turning to growing their own food as a way to offset rising food costs can, in part, be documented by Gallup surveys over the past six months, which have shown the high cost of living, and particularly food costs, dominating the U.S. public's list of top domestic concerns.

As reported recently, six out of every 10 persons name inflation and high prices as the most important problem facing America. And the public's median estimate of what a family of four needs per week to make ends meet is at a record high of $149 with the median food expenditure also at a record $37 per week.

Present vegetable gardeners are apparently succeeding in lowering their food costs. The survey reported today found that gardeners regard "a saving in food costs" as their main reason for gardening.

There is also a strong suggestion from this survey that many Americans, particularly young adults between 18–29, are turning to gardening as a way to "return to nature."

Also reflecting the desire on the part of many Americans to return to nature or to at least escape the crowded conditions of the urban areas, are the survey findings indicating that two-thirds (66 per cent) of the U.S. population regards "a sizable piece of land up to one acre" as a "very" or "fairly" important criterion for the selection of a new home. More than half (54 per cent) regard "a vegetable garden" as important, and a large majority (68 per cent) of city dwellers say they would prefer to live in a suburban area, small town, rural area or farm. This is shown in the table below:

Persons Who Live in Cities Would Prefer to Live . . .

	Percent
In a city	30
Suburban area	24
Small town	20
Rural area	9
Farm	15
Don't know	2

Following are other highlights of the survey:

Reflecting the economic aspects of vegetable gardening, the survey found that nearly half of the nation's non-gardeners would have a vegetable garden, if it could be proven that by doing so, they could save between $200–$300 per year.

Considerable interest exists among U.S. adults in "community gardening" (where a person with little or no land can travel a short distance and garden a plot of land) a fast-growing phenomenon that is spreading across the nation. For example, more than half of those respondents (59 per cent) who said that they were interested in gardening, but did not have the land, indicated they would be interested in using a "community garden."

TRIBUTE TO ANGEL SAGAZ, SPANISH DIPLOMAT

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, in the death of Senor Angel Sagaz the Government of Spain has lost an outstanding public servant, the United States has lost a man who understood our Nation and our people, and I have lost a personal friend.

Senor Sagaz, the Spanish Ambassador to the United States, died on Monday of this week. A career diplomat, he had served as Ambassador to this country a little more than 2 years. But his relationship to the United States started long before February 1972. He was first secretary at the Spanish Embassy here from 1953 until 1956. Later, as third minister of the Spanish Foreign Mission, he took part in negotiating the trade agreement and air accord between the United States and Spain.

The highlights of his notable career are set forth in an article appearing in the Washington Post, which I append as part of my remarks.

Mr. Speaker, Ambassador Sagaz and I enjoyed a unique personal relationship. We had a common heritage in our Spanish ancestry. We found it easy to work together on matters of mutual concern. I miss him and pay heartfelt tribute to a man who was my friend, a man who served his country well and who on many occasions served our country well. Spain has lost a loyal citizen, the world a great diplomat and we have lost a friend.

The article follows:

ANGEL SAGAZ DIES; SPANISH DIPLOMAT

Angel Sagaz, 61, the Spanish ambassador to the United States, died Monday at the Hospital Nacional El Neveral in Jaen, Spain.

He had flown there from Washington April 18 after spending a week at Walter Reed Hospital, where he was under treatment for cancer.

Mr. Sagaz, a career diplomat, was named ambassador to this country in February, 1972, after serving as his country's ambassador to Cairo for six years.

He had long had contact with the United States, serving as first secretary at the Spanish Embassy here from 1953 until 1956, when he was named Spanish counselor at the United Nations General Assembly.

In 1961, as third minister of the Spanish Foreign Ministry, Mr. Sagaz took part in the negotiations of the trade agreement and air accord between the United States and Spain.

A year later, when he again was a member of the Spanish delegation to the U.N. General Assembly, he accompanied the late Ambassador Adlai Stevenson on a U.N. mission to Spain.

In 1963, Mr. Sagaz accompanied the Chief Justice of the United States on a trip to Spain and later was part of the official Spanish delegation that attended the funeral here of President Kennedy.

Mr. Sagaz was named general director of relations with the United States at the Spanish Ministry of Foreign Relations in 1964, when he also was a member again of Spain's delegation to the U.N.

When he was named ambassador to Cairo in 1966, he also served as ambassador to the neighboring states of the Yemen Arab Republic, the Republic of Sudan and the Somali Democratic Republic.

During his assignment to Egypt, Mr. Saga worked with American officials in Cairo to protect United States interests after Spain acted as this country's protecting power when the U.S. severed diplomatic relations with the United Arab Republic following the Arab-Israeli war.

During that war, he also assisted the Jewish communities in Egypt and more than 1,500 persons were evacuated through his negotiations.

In 1970, Mr. Sagaz represented Spain in the UNESCO General Conference of Cairo to save the monuments of Philas Island.

Born in Madrid, Mr. Sagaz graduated from Spain's School of Diplomacy there in 1943. In addition to his diplomatic posts in Washington, Egypt and with the United Nations, Mr. Sagaz had served in Finland, Sweden and Canada during his 31-year career.

He held numerous decorations from Spain, Sweden, Portugual and the Holy See.

He is survived by his wife, Ursula Zinsel Sagaz, whom he married in Washington in 1956, and five sons, Jose, Gabriel, Juan Carlos, Manuel and Santiago.

TRUTH AND THE PRESIDENCY

(Mr. HUNGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUNGATE. Mr. Speaker, at the time the Special Prosecutor's legislation was under consideration my colleagues on this side of the aisle showed considerable respect for the views of the Washington Post, so I would respectfully call to their attention an editorial in that paper today, which is as follows:

TRUTH AND THE PRESIDENCY

"Good evening. I want to talk to you tonight from my heart . . ." Thus the President of the United States, on April 30 of last year, alerted the American people that he was about to level with them on Watergate, going on to speak of how the office he held was, in his view, "a sacred trust" and one of which he was "determined to be worthy." It was a very moving affair, and it also was—as we now know—fake. Evidently a lot of people think that reading the edited transcripts of presidential conversations of that period, which were made public by the White House last week, represents the ultimate experience in disillusionment and disgust. But we can go them one better—or perhaps we should say one worse. If you have a masochistic streak and a hardy constitution, we recommend that you read those transcripts of private conversations against the concurrent public statements the President was making—and continues to make—to you. The only word that comes to mind is one that is usually "deleted" or "unintelligible' where presidents are concerned, or at the very least "inaudible." It is *lies*—systematically, willfully and repeatedly told by the President of the United States.

We are aware that it is in the age-old tradition of politics to exaggerate and to put the brightest possible construction on the most dismal and damaging of events. But Mr. Nixon's stark misstatement of facts with which he was wholly familiar is in another order of things, and it persists. What is so odd about the public response to this phenomenon is that our preoccupation with our new-found legal and constitutional lore has all but blinded us to the implications of what Mr. Nixon has done. After all—one can presumably argue—he wasn't *under oath* in all those television addresses "*from* the heart," so how is that either an indictable crime or an impeachable offense? Indeed, the nation as a whole has become so immersed in these aspects of the degradation of the presidency that somehow it is considered "all right" for Mr. Nixon to take the airwaves, stare the nation in the eye, invoke the sacred trust of the highest office in the land—and then say things he knows to be utterly false.

How many times has Mr. Nixon told you now that on March 21 of 1973, upon learning for the first time of the involvement of members of his administration in the Watergate burglary and cover-up, he ordered the bearer of the news, John Dean, to prepare him a full written report of the facts and that John Dean never did so? It was, he informed us last May 22, a key part of "an intensive effort of my own to get the facts and to get the facts out." Well, as the transcripts of the period show, March 21 was not the first time Mr. Nixon learned of his aides' involvement, and the subsequent efforts he made could hardly be called fact-finding missions. The so-called Dean report, as planned and discussed by the President and Mr. Dean and Messrs. Haldeman, Ehrlichman and Mitchell was to be a cooked up, incomplete document which the participants in the meeting all but wrote in advance of Mr. Dean's sojourn in Camp David. As the ineffable Mr. Ehrlichman put it at one of these planning sessions, "You have to bottom your defense, your position on the report. And the report says nobody was involved, and you have to stay consistent with that." How did he know what the unwritten report would say?

In fact, the transcripts of the period suggest that anything but an "intensive effort" to "get the facts and get the facts out" was under way. "What the hell does one disclose that isn't going to blow something?" Mr. Nixon asks at one point, and the substance of his remarks has mainly to do with coverup and what is called "damage limitation" in the world of arms control. He and his colleagues move easily and habitually back and forth between the hard practical language involved in figuring out who will be thrown over the side to save the others and the weird parody language of the public statements they will subsequently make. As in:

Ehrlichman: And I am looking to the future, assuming that some corner of this thing comes unstuck, you are then in a position to say, Look, that document I published [the so-called "Dean Report"] is the document I relied on, that is, the report I relied on.

President: This is all we knew.

Haldeman: That is all the stuff we could find out—

Ehrlichman: And now this new development is a surprise to me—I am going to fire A, B, C, and D, now.

And again:

Ehrlichman: You could say this. You could say I have never had a communication with anybody on my staff about this burglary—

President: Therefore—

Ehrlichman: Or about Segretti, prior to—

President: Segretti, Segretti is not in this court so that is no problem.

Ehrlichman: Well—then alright—

President: I had never had any—

Ehrlichman: Since I had no communication with anybody on the White House Staff about this burglary or about the circumstances leading up to it, there is no occasion for executive privilege in this matter.

President: With regard to this, I want you to get to the bottom of it. So there will be no executive privilege on that. On other matters—

Haldeman: And that takes you up to the June 17th. What do you do after June 17th?

President: Use the executive privilege on that.

These were not truth-seeking sessions or anything remotely like them. They were coaching classes. They were script writing sessions. They were dress rehearsals for further deception.

Speaking of his March 21, 1973, conversation with Mr. Dean, the President last August solemnly informed the public that Mr. Dean on that occasion had told him that "funds had been raised for payments to the defendants, with the knowledge and approval of persons both on the White House staff and at the re-election committee. But I was only told that the money had been used for attorneys' fees and family support, not that it had been paid to procure silence from the recipients."

Early this March, however, when the tape of that conversation seemed likely to become public, the President, equally solemnly informed the people of the reverse. On that same day and in that same conversation, he now said, Mr. Dean "told me that payments had been made to the defendants for the purpose of keeping them quiet, not simply for their defense." Questioned about this revelation a short while later, the President explained that what Mr. Dean had really done was to "allege" that hush money payments had been made, so that the President could hardly be sure enough of the allegation to refer it to the Justice Department. But now, as the transcripts tell us, Mr. Nixon did not receive the information as an "allegation" at all; he accepted it as a fact and repeatedly suggested that Mr. Dean had better make sure the next installment got out in time to keep the menacing Howard Hunt quiet.

There are throughout these transcripts, even in their edited incompleteness, endless examples of this sort of presidential duplicity in dealing with the public, and his very description of what they say *now* that *they have been published* continues to vary sharply from the evidence of our eyes. How are we to account for this? What depths of cynicism must a public man draw on to be able to issue printed material and simultaneously to say it contains something it does not? Maybe Mr. Nixon himself believes that anything not said under oath, anything that does not qualify technically as an indictable crime or an impeachable offense in the narrowest construction of that phrase, can be perpetrated by him with impunity. Maybe he thinks the public is too dumb to notice or too insensitive to care or too trusting of a man who holds the office he holds to question his public utterances—especially when he looks us in the eye and says, in effect, Trust me—I am your President.

It is that trust—that reservoir of respect for the office and that unwillingness to believe that a President would systematically deceive—that Mr. Nixon has so exploited and abused. He continues to do so. As a consequence, whatever his personal political fate turns out to be in the next several months, we will be picking up the wreckage of the American presidency for years to come.

SOUTH AFRICAN COAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. HECHLER) is recognized for 30 minutes.

(Mr. HECHLER of West Virginia asked and was given permission to revise and extend his remarks, and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, I am shocked to report to the House that American coal companies are importing coal from the Republic of South Africa. Furthermore, it is outrageous to learn that arrangements are under way to increase these American coal imports from South Africa.

All this is taking place at the very same time that we are exporting nearly 10 percent of our total coal production—52 million tons in 1973 of a total domestic production of 595 million tons. Blacks are discriminated against under the apartheid policy in South Africa, where men work in the mines under conditions similar to slave labor, the wages are low, miners are virtually conscripted, and the safety conditions are atrocious. It is outrageous that coal mined under these inhuman conditions is being imported into this country, threatening American coal miners in their jobs, supporting a racist policy, and all being done only because it fattens pocketbooks of the American coal industry.

The Southern Co., which supplies electric power to much of Alabama, Georgia, Mississippi, and Florida has contracted to buy 500,000 tons of South African coal in 1974. The Southern Co. also plans to buy 750,000 tons of coal in 1974, and larger quantities are reportedly being set aside for delivery later. The coal shipments from South Africa will be shipped to Mobile, Ala., and then shipped by barge to generating stations at Pensacola and Panama City, Fla. I might add that these locations are less than 200 miles from American coal mines, as contrasted to the 9,000 miles' distance from South Africa.

CONSOLIDATION COAL CO. INTERESTS

The other day, I was leafing through some of the junk mail which comes into every congressional office and I ran across a magazine entitled "South African Scope" for April 1974. Naturally, I took an interest in seeing an article entitled "Coal—Source of Cheap Power," with the subhead "This important mineral could earn South Africa $111 million a year in foreign exchange by 1980." Buried in the article is this paragraph:

> The Transvaal Coal Owners Association recently signed a $45 million contract with the United States for the supply of two million tons of coal. The coal will be shipped to the U.S. during the next three years. The two mining houses which control the coal mines—Anglo American Corporation and General Mining—have been swamped with inquiries from abroad during recent months. Companies want South African coal and are prepared to pay attractive prices. One company, Consolidated (sic) Coal Company of Pittsburgh, is negotiating to acquire a coal deposit for itself and, failing this, is prepared to acquire a large share in an existing South African coal company.

The article also states that:

> South African coal is probably cheaper at the pithead than anywhere else in the world. The average price of South African coal at the pithead, mined conventionally, is $1.93 per ton compared with over $7 in the U.S.

Why is South African coal so cheap? Out of a total population of about 21.5 million, some 15 million are black Africans and about 5 million are whites of European descent. The blacks do the work, and the Europeans are generally the overlords. In elections for the South African Parliament, blacks are disenfranchised, as slaves in this country were prior to passage of the 13th amendment to the Constitution. They have no voice, therefore, in the formulation of labor legislation, including wage levels, or laws to protect the health and safety of coal miners.

BLACK MINERS ARE CONSCRIPTED

According to Tom Bethell, research director of the United Mine Workers of America:

> All black workers must carry a passbook containing data about their tribal origins, their designated "homeland", their employment and tax records, and their current work assignments. These passbooks are inspected monthly—more often if the police feel like it. An unemployed black forfeits his right to live in the community where he works and must return to his "homeland" (in quotes, because he may never have seen it—may have been born where he worked) within 72 hours or face deportation. Black workers may not refuse jobs which are offered to them. In mining, they are often conscripted; again, they have no right to refuse this work.
>
> "Through regulations and laws the government of South Africa maintains a wide gap between the pay scales of black and white workers."

The ratio of wages in mining between whites and blacks is 20 to 1. On an average, black coal miners earn less than $66 per month.

DISCRIMINATION AGAINST BLACK WORKERS

Black workers do not have any role in collective bargaining under the terms of South Africa's 1956 Industrial Conciliation Act and related laws. Although black workers are nominally permitted to join unions, the unions which include black members may not register with the government and only registered unions may participate in labor negotiations. In effect, therefore, this makes black membership in unions meaningless. According to a 1972 statement by South Africa's Minister of Labor to a visiting labor delegation from Great Britain:

> The black worker is still too immature to be able to fit himself into the legal framework of the trade union movement and wage negotiation procedures.

According to Mr. Bethell's research:

> Restrictions in mining are even more severe. There is a white miners' union but blacks are not permitted to join it. They are not allowed to organize unions of their own. In mining as in other industries, blacks are not allowed to hold any job in which whites would be subordinate to them. They have no opportunities for advancement and, because of these restrictions, they have no communication with management at all—unless management chooses to initiate it. At the same time, they are housed in compounds away from their families for long periods of time and have no control over their living or working conditions. The best they can hope for is to wind up working for a "benevolent" company. Collective bargaining agreements covering the mines generally exclude the lowest-paid (i.e. black) workers from sick pay, unemployment benefits, etc.
>
> ### STRIKES AND VIOLENCE
>
> Not surprisingly, there has been violence in the mining communities in recent years. A surprisingly peaceful wildcat strike in 1971, involving more than 13,000 workers, resulted in some small improvements in working conditions. But in September, 1973, rioting broke out at the Western Deep Levels gold mine and police opened fire on the demonstrators, killing 11 men and wounding 16. The government sealed off the area and would not permit visitors from the British Trades Union Congress to inspect the mine. Violence broke out again at the mine on April 14 of this year, and 3 miners were killed; 30 were injured. Three days later, on April 17, 7 more miners were killed and 40 were wounded.
>
> Reliable statistics on coal mine safety in South Africa are hard to come by. The country's safety laws are patterned after those of Great Britain and the United States, at least to a considerable degree, but enforcement is a question mark. The Chamber of Mines exercises great influence over the inspection process and the selection of inspectors; the Chamber, in turn, is an industry-controlled association in which company engineers are the dominant group.
>
> ### COAL MINE DISASTERS
>
> The worst coal mine disaster in modern times took place in South Africa in 1960, when a massive roof fall (covering more than a square mile) killed 437 miners, most of them black. Although investigations suggested gross negligence on the part of the operating company, no effort was apparently made to prosecute. Twelve years later, when a methane/coal-dust explosion killed 427 miners in neighboring Rhodesia in June, 1972, investigations showed that the company had been systematically ignoring the presence of methane and had done no rock-dusting at all, justifying this by explaining that South African procedures were being followed. Again, no effort has been made to prosecute the company.
>
> More than 250 coal miners have been killed in about a dozen methane explosions in South African mines since 1941. We don't have total fatality figures or frequency statistics for recent years; according to the Miners International Federation, 10 coal miners were killed in an explosion in January of this year. MIF also says that the South African gold mining industry had a staggering total of 546 fatal accidents in 1971.
>
> ### MINING COMPANY POLICIES
>
> Control of South African coal production rests primarily with two companies, General Mining and Finance Corporation and Anglo-American Corporation of South Africa. Anglo-American is engaged in joint ventures with American Metal Climax (AMAX) and through interlocks with other corporations, it has worldwide ties. It has a U.S. banking interlock through Morgan Guaranty Trust, Newmont Mining, a significant stockholder in Continental Oil (Consol parent company), is also active in various kinds of mining in South Africa.
>
> Both Newmont and Amax have come in for heavy criticism recently with respect to their policies in Namibia, an area of southwest Africa claimed by South Africa. The United Nations in 1966 acted to free Namibia from South African control, arguing that the area was entitled to independence on the basis of its previous status as a British-controlled territory, but South Africa has refused to relinquish control; by continuing their investments in Namibia, Newmont and Amax among others have in effect been assisting the South African government.
>
> ### NATURE OF SOUTH AFRICAN COAL
>
> South African coal is uniformly low in sulfur (generally about .7 per cent) and in the high range in Btu's. It is not ideal for steel production but as a utility fuel it should be compatible with most U.S. boilers. Obviously, its principal attraction is that it offers the utility industry a cheap way to get around sulfur-emissions regulations without making any additional commitment to research on scrubbers and other sulfur control systems. However, continued importation of South African coal poses a direct and serious threat to any effort to increase and stabilize U.S. production; threatens U.S. miners with loss of jobs, especially where mines producing high-sulfur coal are concerned; and lends increased U.S. financial support to the extremely reactionary apartheid policies of the South African government at a time when the labor movement should be pressing hard for withdrawal of all such support.
>
> South African coal production and exports have increased significantly in the past 5–6 years and an industry which was previously confined almost entirely to domestic consumption is now very much a part of the world coal trade. Production for the first 9 months of 1973 was 46.7 million metric tons (approximately 42 million U.S. tons), up more than 7 per cent from the same period in 1972. (If South Africa were a U.S. coal-producing state, it would rank 4th, about equal with Illinois.)
>
> Total exports were about 1.1 million metric tons for these 9 months, a gain of about 13 per cent over the previous year.
>
> ### GROWTH IN SOUTH AFRICAN EXPORTS
>
> During World War II, South Africa became a significant exporter of coal, with record exports of 3.8 million metric tons in 1945. For more than 20 years after that, however, exports generally declined and were not a major factor in the country's economy. This situation changed in 1969 when South African coal companies negotiated a small contract (23,000 tons) with a West German utility. Shipments to West Germany jumped to nearly 300,000 tons the following year and have continued to increase since then.
>
> A long-term contract was negotiated in 1972 calling for delivery of about 400,000 metric tons annually to a power station being built in Wilhelmshaven on the German coast, with deliveries beginning in 1976 and continuing for 5 years.
>
> The industry negotiated a major long-term contract with Japan in March, 1971 involving an initial commitment for about 30 million tons over a 13-year period. Deliveries are to begin in 1976.
>
> To handle this increased volume of export traffic, the South African government has undertaken a massive expansion of rail and port facilities, constructing a 135-mile-long electrified rail system from the coalfields to the port of Richards Bay, which is being overhauled and modernized to handle super-colliers. The government estimates that the port will need to process upwards of 5 million tons a year to make a profit. To help reach this goal, super-colliers capable of handling 150,000 tons apiece (compared to the 30,000–50,000 typical of older ships) will be available beginning in 1976, and still bigger ships with 250,000-ton capacities will begin serving the port around 1980.
>
> Richards Bay is roughly 7,000 miles from European ports, 9,000–10,000 miles from U.S. ports, and 10,000 miles from Japan. Despite high transportation costs, it appears likely that South African coal will be competing successfully on the world market for the foreseeable future unless there is a very sharp and sustained drop in price levels elsewhere.
>
> ### PRICES OF SOUTH AFRICAN COAL
>
> Prices of South African coal f.o.b. mine are among the lowest in the world, averaging about $1.95 in 1972 compared to about $7.65 in the U.S. Although increased capital investment costs are likely to bring about an increase in 1974 (the South Africans have successfully renegotiated their Japanese contracts to allow for cost increases), prices overall are expected to remain as comparatively low as they were in 1972. Increased use of strip mining accounts for part of this price structure. The principal reason for it, however, is that the black South African labor force is conscripted, works without benefit of union protection or collective bargaining agreements, and is paid rock-bottom wages.

Mr. Speaker, while eastern powerplants continue to search for coal supplies, the coal industry is stepping up coal exports to Japan and Europe.

National Coal Association figures showing that coal exports in January and February of 1974 jumped 32.3 percent over 1973. Instead of helping the Nation meet the energy crisis, the coal bosses are rushing to grab the huge prices dangled by foreign buyers.

This once again points up the need for Government restrictions on coal exports—this coal is the best the Nation produces—low in sulfur, high in Btu's. This coal could be burned in powerplants here at home without causing air polution. But the industry would rather cry about the need to roll back the Clean Air Act while raking in the profits from shipping our low-sulfur coal abroad.

The National Coal Association's "Foreign News Notes" listed a 55.8-percent increase in 1974 coal exports to Japan over the same period in 1973.

I am outraged that Americans are being forced to buy coal from the racist nation of South Africa and pay the extra shipping cost in order to protect the profits of American coal operators.

GENERAL LEAVE

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the subject of the importation of South African coal into the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

SELECT COMMITTEE ON COMMITTEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Mizell) is recognized for 5 minutes.

Mr. MIZELL. Mr. Speaker, I am now well into my third term as a representative of the citizens of North Carolina's Fifth Congressional District in the U.S. House of Representatives.

During these years I have been honored to work in the Halls of Congress I have observed closely the functioning of this time-honored institution.

Last year I supported the House resolution which established the bipartisan Select Committee on Committees. Our 10 colleagues appointed to this committee have labored hard to study, consider, and prepare legislation to reform the operation of the House of Representatives.

I have made every effort to review the proposal which has been unanimously agreed upon and am hopeful this comprehensive response to our call for reform on January 31, 1973, when we established the Select Committee on Committees will be scheduled for debate so that the House can work its will.

It has been since the 1946 Reorganization Act that we have had a thorough study of committee jurisdiction and committee assignment responsibilities. Therefore, one might look upon the current proposal as just a good opportunity to begin again.

However, the recommendations which I hope will be before us are far more serious and provide greater opportunity for reform of the House of Representatives.

It is my intention to vote for the Committee Reform Amendments of 1974 as reported from the Select Committee on Committees if these recommendations are not drastically altered during the course of debate.

However, I do intend to support an amendment of this committee offering to reinstate the Internal Security Committee.

There are many outstanding reasons to embrace the proposals; however, there is none greater than the opportunity to make the House and its committees more deliberative, responsive, and efficient.

I like particularly the recommendation for continuous review and the early organization of the House. Both of these recommendations would serve well new Members as well as returning Members. We could anticipate and prepare for our work and move forward promptly on the people's problems requiring resolution.

The emphasis placed on oversight will give Congress a monitoring device so that workable programs can be continued and no longer relevant or programs not working can be ended at a savings to taxpayers.

As a Republican I cannot address myself to reform without mentioning that the Select Committee on Committees carefully considered a bipartisan provision for at least one-third minority staffing which I hope will be retained when the rules are adopted by the 94th Congress.

I can endorse the basic objectives of the Select Committee's recommendations as outlined on pages 18 to 21 of their report 93-916, part II.

I am enthused at the prospect of a new Congress in 1975 and the opportunities which are provided by the Committee Reform Amendments of 1974 which should enable the House of Representatives to meet its legislative, oversight, and governmental function more efficiently and effectively.

ABORTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Hogan) is recognized for 10 minutes.

Mr. HOGAN. Mr. Speaker, I am sure that most of our colleagues are well aware of my opposition to abortion. I must admit I have received much criticism, and sometimes outright hostility, from a wide spectrum of citizens because of my convictions in this regard, but when the true facts of what abortion is becomes widely known, I am confident that eventually the Supreme Court decisions will be reversed.

I have found some encouragement from a surprising source: Marquis Childs, a well-known syndicated columnist generally of a liberal persuasion. In his April 15 column, sent to me from the Louisville, Ky., Times, he describes how abortion is going to be a prominent issue in the fall elections. He cites by way of example the recent election of Mr. Luken, our colleague from Ohio. Mr. Luken was elected by a 4-percent margin. When polled by independent pollsters, something like 2 percent of the voters cited the candidate's position on abortion as the most important factor in deciding their vote, and another 2 percent cited it as one of the three most important factors. The last is not mentioned in the article, but I know it for a fact. A great number of Republican voters stayed home, because they were unhappy with the GOP candidate's stand on abortion.

I disagree with the next to last paragraph in this article, however, though otherwise I agree with it. Mr. Childs implies that right-to-life leaders do not expect passage of a human life amendment. On the contrary, I, for one, am confident of victory. It may be the work of a generation—no one has said it will be easy. But we are prepared to spend a generation winning back the right of unborn babies to live, if a generation is what it takes. I know of some instances where babies are alive today who would have been aborted except for our efforts. That is success enough to reward our labors.

I submit this article to the Record for my colleagues' perusal so they can awaken to the importance of this issue in the upcoming elections:

Abortion To Be a Prominent Issue in Fall Elections

(By Marquis Childs)

Washington.—It is not all Nixon-Watergate in this election year. Churning half submerged are issues that have a high emotional voltage and at the top of the list is abortion.

While it got little national attention, abortion may have had as much to do with the outcome in the Cincinnati election when Thomas A. Luken, a Democrat, defeated Willis D. Gradison Jr., Republican for a seat that had been safely in the Republican column for 40 years, as the President's plight and the Watergate horrors.

The Greater Cincinnati Right to Life Committee put it squarely up to both candidates as that fiercely fought contest came down to the wire. The question put to both candidates was:

If elected to Congress will you vote for the Hogan-Buckley right to life amendment?

Luken, a Roman Catholic answered yes. Gradison replied that while he was against abortion he was opposed to the amendment. In response to "potent religious pressures," as Gradison put it, this would enforce my views on others. It would be "another step toward a police state in America."

From then on abortion was a hot issue. Gradison brought Sen. James Buckley into the district to campaign for him. But Buckley's stand was considered by many Catholics and by others in the religious opposition to be equivocal or at least not as strong as those against any form of legal abortion.

Luken won by 4,100 votes, getting 52 per cent of the total cast. He had pledged to vote for a discharge petition to take the anti-abortion amendment out of committee so that it could come to the floor of the House of Representatives.

That is the goal of Right to Life lobbies throughout the country. In this way they hope to put every member of the House on record.

This bitter controversy will be replayed in November since Gradison intends to run against Luken in the fall. It promises to come up in many congressional districts particularly where there is a large Catholic vote.

In Michigan, where President Nixon has sharpened a contest for another vacant seat long held by the GOP, abortion will not be an issue. That is because both candidates, James A. Sparling, the Republican, and the Democrat, Bob Traxler, have both declared in favor of the amendment to the Constitution that would prohibit lawful abortion.

This is against the background of a fierce contest that brought abortion into consciousness of Michigan voters throughout the state. A state constitutional amendment outlawing legal abortion was put on the ballot in the November election of 1972. At the start the polls showed that more than 50 percent of the voters opposed the amendment.

But then the Right to Life organization began an intensive campaign. For three weeks it flooded the media with highly emotional propaganda. Full-page ads equated abortion with murder.

The vote in November was 56 percent for the amendment. It was a triumph for the forces, preponderantly Roman Catholic, that had swung the electorate against abortion in a remarkably short time.

On January 22, 1973, the Supreme Court held in a lengthy decision written by Justice

Harry A. Blackmun that any law prohibiting abortion would be a violation of the right of a woman to make her own choice up to three months of pregnancy.

The 7-to-2 decision by a Nixon appointee to the court stirred a storm of protest. Demonstrations were held in many cities. The proposed amendment to the Constitution supported by the Right to Life lobbies would undo the court's decision.

Four cardinals of the Roman Catholic Church appeared before a congressional committee to voice their backing for the amendment. Mail inspired by Right to Life is pouring into the Capitol. Not for many years has an issue stirred such depths of feeling.

When they talk candidly in private, those at the top in Right to Life doubt that the amendment requiring under the Constitution a vote of ratification by three-fourths of the state legislatures will be adopted.

In the meantime the right to abortion is being chipped away and particularly for the poor. For the rich it has never been a problem.

ART PETACQUE WINS PULITZER PRIZE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues an article in the May 7 Chicago Sun-Times regarding two Sun-Times newsmen, Art Petacque and Hugh Hough, who were awarded on Monday a Pulitzer Prize for general local reporting in 1973.

It is with a sense of personal pride that I call this event to the attention of my colleagues for I have known Art Petacque, of the Chicago Sun-Times for over 30 years.

Art's father was a dear and old friend who served as a Chicago police lieutenant on the Northwest Side of Chicago. I know that his father's career in law enforcement played a role in inspiring Art Petacque to become, first, a police reporter, and thereafter, to gain award-winning recognition as a top all-around reporter who is outstanding in police and investigative work.

Art has had a long and colorful career as a crime reporter for the Chicago Sun-Times. He is dedicated and conscientious—and has worked long and hard to bring to the attention of the readers all of the facts in his reporting.

The Pulitzer Prize is another milestone in his career as a distinguished journalist.

The article from the Sun-Times follows:

PETACQUE-HOUGH SERIES ON PERCY SLAYING WINS PULITZER FOR SUN-TIMES

Sun-Times newsmen Art Petacque and Hugh Hough were awarded a Pulitzer Prize on Monday for general local reporting in 1973.

Petacque and Hough collaborated on a series of stories revealing evidence pointing to convict Francis L. Hohimer as the slayer in the 1966 murder of Valerie Percy, daughter of Sen. Charles Percy (R-Ill.)

The prize to the two veteran Sun-Times newsmen was the only Pulitzer awarded to newsmen in Chicago this year.

The Pultizer awards are the top achievements for Petacque and Hough in their award-winning careers. They also are the fourth Pultizers won in the last five years by this newspaper. Previous winners were Ron Powers in 1973 for his television columns; Jack Dykinga in 1972 for his photos inside a mental institution, and Tom Fitzpatrick in 1970 for his account of a radical group's rampage through the streets of Chicago.

Petacque and Hough, who have teamed up on many major stories, had been involved in the coverage of the murder case ever since 19-year-old Valerie Percy was found fatally stabbed and bludgeoned in her bedroom of the family's 17-room Kenilworth mansion on Sept. 18, 1966.

The murder occurred while her father, Sen. Charles H. Percy, was in the midst of his first successful campaign for the Senate seat.

In the ensuing years, the Percy murder case has remained one of the nation's most celebrated unsolved crimes. Police have interviewed more than 14,000 persons, spent an estimated $300,000, and pursued well over 1,000 leads.

As a result of the painstaking investigation by Petacque and Hough, police now are convinced they know how and by whom Valerie Percy was murdered.

The long-dormant case was reopened after a dying crime syndicate gangster, Leo Rugendorf, contacted Petacque in March, 1972. Rugendorf, a "fence" for jewels stolen by a home-invasion gang led by Francis Hohimer, 46, said Hohimer had admitted participating in the murder of the Percy girl.

"They'll get me for the Valerie Percy murder," Rugendorf quoted Hohimer as telling him. "The girl woke up, and I hit her on the top of the head with a pistol." Authorities described Hohimer's gang as a syndicate-backed band of thieves that operated throughout the country from 1965 to 1967, specializing in robbing the homes of the wealthy.

Asked who might be able to corroborate that story, Rugendorf named Hohimer's brother, Harold W. (Wayne) Hohimer, 38. But the brother couldn't be located until November, 1973, when he told The Sun-Times that Francis Hohimer, his brother, was guilty.

Reporters Hough and Petacque, accompanied by Harold Hohimer, confronted Francis Hohimer in an Iowa prison, where he is serving sentences totaling 30 years for 1967 home-invasion robberies in Indianapolis and Denver.

Hohimer denied the allegations of his brother and Rugendorf, and offered an elaborate alibi in which he contended the actual killer of Miss Percy was Frederick Malchow, a home-invasion robber who died in a 1967 Pennsylvania jailbreak.

Hohimer went on to tell the reporters that after the Percy slaying, two other gang members accompanied Malchow, whose clothes were stained with blood, to Hohimer's North Side apartment, where Hohimer burned the garments in an incinerator and gave Malchow a change of clothing.

But a key witness cited Hohimer in connection with the bloody clothing incident—his former wife—denied that the clothes-burning and the visit by the three men ever occurred.

Petacque and Hough broke the story in The Sun-Times on Sunday, Nov. 25, 1973. Subsequently, the reporters located witnesses who said Hohimer told of "casing" the Percy home shortly before the murder. The reporters also established that a phone call was made some time before the murder from one of the 12 extensions at the Percy home to the Chicago business number of Rugendorf—a call apparently made by a member of the burglary gang during a "casing" expedition.

They also reported that Hohimer's common-law wife, located in New Jersey, identified a glove found outside the Percy home after the murder as the type that Hohimer wore. Material in the glove, long regarded as a key clue in the case, matched fibers found at the point of entry to the Percy home.

Because Malchow is dead and key items of physical evidence remain lacking, some authorities fear they are grappling with what one investigator termed "an unprosecutable case." However, the evidence gathered by Petacque and Hough is in the hands of the state's attorney. And William Hanhardt, commander of the Chicago Police Department's burglary division, declared:

"Malchow and Hohimer are the ones. They're responsible. I have no doubt about it."

Petacque, 49, is a native Chicagoan who attended Austin High School and the University of Illinois. He joined The Sun-Times in 1943 as a copyboy and three months later became a police reporter. Over the years, he has earned the reputation as one of the country's top all-around reporters, along with his award-winning recognition for his police and investigative work.

In recent years, he broke stories dealing with the Justice Department's investigation into tavern shakedowns by Chicago policemen, and the existence of a coterie of Ku Klux Klansmen in the ranks of the police department.

He has won five Stick-of-Type awards from the Chicago Newspaper Guild; three awards from the Illinois Associated Press Editors Assn., and the 1964 Jacob Scher Award from the Chicago chapter of Women in Communications.

Hough, 50, a native of Sandwich, Ill., joined The Sun-Times in 1952, shortly after his graduation from the University of Illinois, where he was editor of the Daily Illini, the student newspaper.

He is a reporter-rewriteman, a job in which he so excels that he was the subject of the cover story in the March issue of Quill, the magazine published by the Society of Professional Journalists, Sigma Delta Chi.

In 1969, Petacque and Hough jointly received the Marshall Field Award, highest honor bestowed on its employes by The Sun-Times, for outstanding general reporting and writing.

THE FUTURE OF MILITARY MEDICINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, generally the phrase "Armed Forces" or "Military Establishment" conjures up visions of military hardware—airplanes and tanks, trucks and guns—and it also brings to the mind's eye formations of soldiers and sailors and airmen. What we do not so easily envision is all the enormous support that is required to enable these forces to accomplish their jobs. This ranges from the task of providing food and transportation and clothing, down to recruiting and training and it also includes health care. Military medicine is an exact, demanding task. It is medicine that involves extraordinary difficulty, requiring great skill that may be practiced in the most adverse and dangerous situations.

There was a time when human illness was taken as the hand of fate. Medicine was little known and generally ineffective. In that kind of environment, military medicine was practically nonexistent. Soldiers who were sick or wounded might get care, or might not, and even if they did medical science was so poor that luck might have had as much to do with survival as medicine. It was only in the 19th century, just over 100 years ago, that any real effort was ever made to organize a system of military medical care, beyond the sketchy arrangements that might be made on a battlefield.

But times have changed, and today military medical care is a proud and exact science. Our Armed Forces have the highest quality of medical care available anywhere in the world. In combat situations, our soldiers, sailors, and airmen have available the finest of care, within minutes of the combat zone.

Some of this instant care is possible, because of new technology that allows hospitals to be made transportable almost anywhere, on a few minutes' notice. And some of it is due to advanced evacuation techniques that bring sick and injured soldiers to hospital care almost instantly. But the chief ingredient in lifesaving is good physicians.

It is not possible to have effective military forces without good people; and it is not possible to have effective military medical care without good physicians. Yet today there is real reason to worry about the future availability and competence of good physicians to serve the enormous needs of our Military Establishment.

We have approved new pay legislation that will help eliminate some of the income gap between civilian and military doctors. We have enacted laws that provide scholarships and internships to physicians, in exchange for service in the military forces. We have done all of this in recognition of the fact that there is a shortage of doctors, and that the military must compete along with everyone else for competent medical people.

But the military forces face a dilemma. Much of the care that their physicians provide in peacetime is not to soldiers and sailors and airmen at all: it is to dependents and retirees. Faced with a shortage of physicians, the Department of Defense may be tempted to eliminate much of the demand for military physicians by cutting off dependent and retired care in military facilities. While that might sound tempting, it would be a terrible mistake.

Judging from a quick survey of military medical facilities in my part of Texas, I would say that just about half the inpatient and outpatient workload in military medical facilities consists of providing care for the wives and children of servicemen, or providing services to retirees. The temptation is to say that if this is so, the demand for military physicians could be cut in half by channeling those people into civilian medical facilities. But that is not the answer.

In my area at least, there are simply not enough civilian physicians and hospitals to accommodate the patient load that is represented by our large military retiree and dependent population. San Antonio would be dozens of physicians short and hundreds of hospital beds shy of being able to care for the people who are now seen in military facilities. So cutting these people off military care would severely strain civilian doctors and institutions. And at the same time it would empty hundreds of military hospital beds, leaving these expensive facilities idle, while at the same time requiring the Government to spend large amounts of money for alternate care and facilities.

But there is more to this than I have said.

At the outset, I pointed out that good care is impossible without good physicians. If the Department of Defense should eliminate dependents and retirees from use of military facilities, those physicians left in the military system would be left with a limited kind of practice, one that would severely limit their professional development—and thereby not only cripple them as doctors, but create no incentive for them to remain in military service. Presently, military physicians see many kinds of patients, and this enables them to test their skills and renew and upgrade those skills every day. But if these doctors were restricted to caring for the minor ills and ailments that are characteristic of the extraordinarily healthy military community, they would have little practice—with the consequence being rusty skills and poor professional development. In an emergency, the last thing an injured soldier or airman needs is a doctor whose last meaningful practice was as a civilian intern.

So here in a few short words is the dilemma that confronts the future of military medicine. The question is whether the Armed Forces, confronted with difficult problems in attracting and retaining competent physicians, will solve the problem, or compound it by simply cutting off one of the key sources of training and practice available to those physicians; namely, care of dependents and retirees.

I recognize that this is a complex problem, and not one that might seem terribly urgent, weighed against all the threats and emergencies that this Nation confronts. Yet if the wrong decisions are made, the time could come when our military forces are left without one of their most precious assets—the physicians who can care effectively for those who are sick and wounded. This is a problem of which we must be aware; one which we should understand requires sound planning, wise foresight and patience to resolve—not a dilemma that can be pushed aside and forgotten.

POSH BUSINESS CONVENTION VACATION AT TAXPAYER EXPENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, during its present consideration of tax reform legislation, the Ways and Means Committee is considering limiting or disallowing tax deductions for attending business conventions abroad. The demand for this reform arose largely as a result of a blatant misuse of the business convention tax deduction privilege by the American Bar Association.

In 1971, the ABA held a two-part convention. The first part—for 3 days in New York City—attracted about 6,000 persons. The second part of the convention was held in London and attracted 5,300 lawyers—and about 7,000 members of their families—nearly twice as many people as the New York convention. Almost the entire trip to London was tax deductible as an "ordinary and necessary" expense of being a lawyer.

The amendments being discussed in the Ways and Means Committee would block the type of abuse which occurred in the ABA's 1971 London convention.

Perhaps as a result of past criticism, this year's American Bar Association's convention will be held in the West—the Far West, in Honolulu, from August 12 to 16. Generally, this convention will be tax deductible. One cannot complain too much about the location of this convention; it is being held in one of the United States. It does not hurt the balance of payments. But, it is interesting to note the type of activities that all the rest of us will be subsidizing through the Treasury.

During this business convention, the lawyers will have a luncheon with anthor James Michener. There will be innumerable receptions, Hawaiian entertainment, a gala at the Royal Hawaiian Hotel, and for this lawyer audience, Henry Fonda will be appearing in his new, one-man production, "Clarence Darrow."

This tax deductible business convention is advertised in the American Bar Journal in a beautiful color display, including a young lady in a bikini writing "Aloha" in the sands of Waikiki. But, the best part is on the next page—there the Journal provides the address from which one can get information on how to extend this trip further west—into the Far East. After or before the convention, one is enticed on to vacation in Fiji, New Zealand, Malaysia, and points east. Presumably, a lawyer could take a tax-deductible trip to Hawaii from New York—and then, since half the trip has already been subsidized by the rest of the taxpayers of the Nation, he can go on to explore the Orient, spending his American dollars overseas.

I think that the Ways and Means Committee should include an amendment in the business convention provision which would disallow all deductibility for the expenses of a business convention which is then extended onward to an overseas vacation. In other words, the tax deductibility of a business convention in San Juan or Honolulu would be permitted, but if the taxpayer then continues on to vacation in Rio or Tahiti, I believe that the tax break obtained by attending the convention should be disallowed. A business convention can serve a useful purpose—but it should not be used to subsidize the launching of a jet-set worldwide trip.

Second, the committee is considering permitting tax deductions for business conventions overseas when the taxpayer is a member of a truly international organization. I believe that this statute must be very carefully drawn to avoid loopholes.

While we are meeting here today, there are a number of people meeting in Paris in a convention on how to avoid taxes—and presumably, the Americans at that meeting will be deducting the cost of this convention from their Federal taxes. This is the ultimate insult to the American taxpayers.

Following is the full text of an advertisement which appeared in the May, 1974, issue of the Journal of Taxation:

> Tax Havens and Anti-Avoidance Laws Seminar sponsored by The Institute for International Learning Portfolio & Fund Guide International and Tax Haven Review. May 6, 7, 8, Hotel Meridien, Paris, France. For further information write to: Seminar Services, Inc., P.O. Box 204, South Orange, N.J. 07079.

Obviously, any amendment which we draft should prevent one from joining frivolous and unnecessary "international organizations."

IMPEACHMENT TELEVISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, in its lead editorial this morning, the San Diego Union makes a persuasive case for permitting live television coverage of impeachment proceedings on the floor of the House of Representatives.

The Union differentiates—correctly, in my view—between an impeachment action in Congress and a courtroom proceeding. In the latter circumstance, the presence of cameras might well interfere with the right to a free trial, as the Union points out.

But an impeachment is different.

On this point, the Union says—

> To consider removing a President from office means that Congress is faced with undoing the results of a national election. This places impeachment squarely in the framework of our political process, making it an altogether public matter.

The San Diego Union is the largest newspaper serving my congressional district. The paper often sees matters of public policy in a different light than I. But on this issue there is no disagreement.

Mr. Speaker, I believe many of our colleagues will also be interested in the editorial in question, which follows:

[From the San Diego Union, May 8, 1974]

IMPEACHMENT COVERAGE—LIVE TV POSES CHALLENGE

The procedure for impeachment of a President outlined in our Constitution has obvious parallels with the judicial process. The House of Representatives is cast in the role of a grand jury. If it finds grounds for impeachment, the President stands trial before the U.S. Senate, which would be constituted as a court with senators as judges and the Chief Justice of the United States of America presiding. It is the judicial nature of an impeachment action which raises the grave question of whether live television coverage of the proceedings is appropriate.

The House Judiciary Committee has already decided to permit television coverage of the public portion of its impeachment hearings. The question will arise again if the impeachment issue reaches the floor of the House, and again if the case goes to the Senate. It has long been accepted that the intrusion of cameras of any kind in a courtroom is inconsistent with a fair trial. Are impeachment proceedings against a President any different?

We believe they are. For all the parallels with the judicial process, impeachment transcends any civil or criminal case before a court. To consider removing a President from office means that Congress is faced with undoing the results of a national election. This places impeachment squarely in the framework of our poiltical process, making it an altogether public matter.

There is no discounting the risk that the presence of live television cameras in the Judiciary Committee hearing room will be an invitation to posturing and theatrics by some committee members, witnesses or their counselors. The temptation for "playing to the gallery" runs high if the gallery is millions of Americans glued to TV screens.

There is another side of the coin, however. While members of Congress will be sitting in judgment on impeachment questions, televised proceedings mean that the American people will be a jury deciding whether their elected representatives are providing a fair and judicious review of evidence and acting with strict attention to legalities in settling the impeachment issue.

The "gallery" will be the final judge of whether Congress acts responsibly in what could evolve into one of the gravest decisions ever made in its chambers. If some individuals try to make a circus out of the Judiciary Committee hearings or any proceedings that follow, they must answer to the public and to history.

Electronic communications have made it possible for the public proceedings in the impeachment inquiry to be public in the fullest sense of the word. For fairness and justice to prevail under the eye of the camera will be a challenge, but it is one that must be accepted.

MATERNAL AND CHILD HEALTH PROGRAMS NEED THE HELP OF CONGRESS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I want to bring to our colleagues' attention the need for additional funds for maternal and child health programs. Full and sufficient funding in the fiscal year 1975 appropriations bill to implement title V of the Social Security Act (P.L. 93–53) and particularly the hold-harmless provisions of that maternal and child health program is urgently needed. This program which provides comprehensive health care is of vital concern to more than a million mothers and children across the country and is in danger of having its funding severely reduced by HEW in fiscal year 1975.

In 1972 and again in 1973 the Congress had to take the initiative to assure the continuation of the maternal and child health projects because the Department of HEW had not taken the appropriate steps to assure a smooth transition for funding of maternal and child health services from project grants to formula grants.

Section 516 adopted by the Congress last year provided supplemental authority for increased funding for maternal and child health so that States which were planning to begin to develop their program of projects and expand their basic maternal and child health activity might do so, while at the same time project grants could continue to provide service in areas where other health resources are not available. Congress had to provide the leadership in securing a supplemental appropriation under the authority of section 516 for fiscal year 1974 last year—an appropriation which HEW refused to request.

Now HEW has estimated that for fiscal year 1975 $36,203,000 will be needed to implement section 516 of Public Law 93–53. This section mandates that no State shall receive less in funds for fiscal year 1975 and in subsequent years than it did in fiscal year 1973 for both projects and formula funds and also assures that States maintain services to populations already receiving services under the project grants.

I understand that HEW has requested in the budget for section 516 $7 million to alleviate the shortfalls experienced by some States; $10.4 million will be available for this section from released impounded funds. In addition—and most important to note—HEW plans to transfer $18 million from the basic maternal and child health allotment authorized by section 503 to section 516. Such action is in direct violation of the intent and spirit of the law. Secretary Weinberger should be requesting $18 million from the Appropriations Committee—instead of transferring this money from one section of title V to another section.

With ELIZABETH HOLTZMAN and 41 other Members of the House, I have sent the following letter to HEW Secretary Weinberger to indicate the strong commitment of the Congress to full funding of maternal and child health services and to voice our strong opposition to any plans by HEW to cut this money from these programs in violation of the law.

That letter uses the figure of $18 million which is being transferred from section 503 to section 516. To fully implement section 516, $19 million would be needed, in addition to the $7 million requested and the $10.4 million in released funds, to reach the $36 million figure.

In July 1974, each State health department will be required to have:

A program of maternity and infant care projects;

A program of children and youth projects;

A program of family planning projects;

A program of dental care projects; and

A program of newborn care projects.

No State has all of these. There are only 8 newborn care projects and 17 dental.

It is estimated that 162 new projects will be needed to meet this mandate. At an approximate initial cost of $500,000 each, $81 million will be needed—in addition to what HEW has requested for section 503. Another $10 million will be needed for section 504, crippled children's services.

Last year we fought the successful fight to keep the existing children and youth and maternal and infant care programs. That fight will be lost through an administrative device if we do not provide the full funding for these programs.

Over 1 million mothers and children from low-income families—and others who have not yet been reached by these projects but will be with adequate funding—look to you and your subcommittee to save these comprehensive care programs which with a team of trained professionals have prevented illnesses, increased well child visits, reduced hospitalization, reduced infant mortality, and assured a large population of needy persons that someone does care and will help.

Last year when some directors of these programs visited Dr. Cavanaugh at the White House to plead with the administration for support, Dr. Cavanaugh reportedly said that in the history of the country the Federal dollar has never been so well spent in health care as it has been with the title V programs—but, he said, nonetheless the administration will refuse to support direct Federal funding of the projects in need areas.

The administration has done more than refuse to support the projects—it has done much to reorganize the maternal and child health service out of existence. It is of utmost importance that your subcommittee have some oversight of HEW actions in this area and assure that sufficient funds be appropriated and then used as they should be so that the poor in cities and rural areas will not have to rely on the already overcrowded hospital outpatient departments—which deliver treatment that is light years away from what we have seen can be done in total health care delivery given by these title V programs.

I urge our colleagues to write to Chairman Daniel Flood of the House Labor/HEW Appropriations Subcommittee, who is currently holding hearings on the fiscal year 1975 appropriations to support full funding for these maternal and child health programs.

The letter to Secretary Weinberger follows:

House of Representatives,
Washington, D.C., May 7, 1974.

Secretary Caspar Weinberger,
Department of Health, Education, and Welfare, Washington, D.C.

Dear Mr. Secretary: In 1973 the Congress enacted Section 516 to Title V of the Social Security Act (PL 93-53) to ensure a smooth transition for funding of Maternal and Child Health Services from project grants to formula grants.

HEW has recently calculated that approximately $36 million will be needed to implement Section 516 in FY 75. It is our understanding that in addition to earmarking $7 million for Section 516 in the budget for FY 75, HEW is committing $18 million from Section 503 of Title V to Section 516.

We are most distressed that you are planning to transfer $18 million from Section 503—which earmarks 90% of the FY 75 funds for Maternal and Child Health Services—to Section 516. This is not only robbing Peter to pay Paul, but a clear violation of the intent and spirit of the law as enacted by the Congress.

The undersigned urge that the full appropriation authorized under PL 93-53 be requested by the Administration so that existing maternal and child health programs can be maintained. Because this program is of vital concern to over a million mothers and children across the country, we would appreciate your letting us know as soon as possible the Department's intention regarding FY 75 funding for Section 516.

The following Members have authorized us to append their names to this letter.

Sincerely,

Edward Koch, Elizabeth Holtzman, Joseph Addabbo, Herman Badillo, Mario Biaggi, George Brown of California, Hugh Carey, William Clay.

John Conyers, Frank Denholm, Charles Diggs, Don Edwards of California, Joshua Eilberg, Dante Fascell, Don Fraser, Richard Fulton, Henry Gonzalez, Gilbert Gude, Michael Harrington.

Ken Hechler, Henry Helstoski, Jack Kemp, William Lehman, Mike McCormack, Parren Mitchell, Joe Moakley, John Murphy, Morgan Murphy, Wayne Owens, Claude Pepper, Bertram Podell, Don Riegle.

Robert Roe, Benjamin Rosenthal, Edward Roybal, Paul Sarbanes, Pat Schroeder, James Stanton, Fortney H. Stark, Gerry Studds, Robert Tiernan, Antonio Won Pat, Andrew Young.

PULITZER PRIZE FOR WILLIAM SHERMAN

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, it is with considerable pride and pleasure that I am announcing to the House that William Sherman, a gifted investigative reporter and a member of the Daily News staff, received the Pulitzer Prize for investigative local reporting. The articles for which the prize was given consisted of a series which appeared in the Daily News describing very vividly the abuses of the medicaid system in New York. I know Bill Sherman and have worked with him on this issue. He is not only a superb investigator; he is also an extraordinarily gifted writer.

I was delighted to place the series of articles in the Congressional Record during the months of February and March of 1973. And so there was an extra special pleasure for me in seeing those articles and their author, Bill Sherman, honored with the Pulitzer Prize as well as the awards of Sigma Delta Chi, New York Women's Press Club, Newspaper Guild, and the George Polk Memorial.

The Daily News must also be congratulated for its sagacity in having on its staff such a superb reporter and for using its pages for such gutsy articles. The Daily News has indeed, for a long time, demonstrated its concern for getting to the heart of corruption in our society both in the governmental as well as the private sector. I am inserting at this point the editorial which appears in today's Daily News lauding Bill Sherman:

Pardon Our Pride

A gifted and enterprising member of The News staff, William Sherman, has received the coveted Pulitzer Prize for investigative local reporting as the result of his exhaustive expose of medicaid fraud and abuses.

The series already had won the Sigma Delta Chi, New York Women's Press Club, Newspaper Guild and George Polk Memorial award, achieving a rare and deserved sweep in its field.

Our pride in Sherman's outstanding effort is doubled by the fact that, as a result of his articles, $1 million in medicaid overpayments were recovered and tighter controls that will save millions of dollars more were established.

That is journalistic endeavor "in the public interest" at its best.

FINANCIAL STATEMENT

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, while the House Committee on Standards of Official Conduct requires an annual partial disclosure of the financial holdings of Members of the House, I have long felt that citizens are entitled to a more comprehensive disclosure so that they can judge for themselves if officials are subject to conflicts of interest which would prevent or deter them from performing their official duties in an objective manner.

Thus, once again, besides providing the committee with the necessary material—which, if they know where to look, the public and press can review—I am also inserting in our public Record, at this point, a statement of my wife's and my own financial holdings.

This statement is more complete than required even for the House committee's statement and, of course, is more public.

I am pleased that a growing number of other Members of the House are also taking these additional steps. I hope that this will soon be a universal practice.

The statement follows:

Financial statement of Gilbert Gude and Jane Callaghan Gude, his wife, May 8 1974

ASSETS	
Cash, checking and savings accounts	$4,655
First National Bank of Maryland, (stock—120 shares)	2,880
American Finance System Debenture Bonds	2,970
A.T. & T.	2,494
Part ownership of A. Gude Sons Co., Inc. (family landscape nursery and florist firm)	2,182,232
Residence	93,820
Part ownership, unimproved lots, Woodland Beach, Anne Arundel County, Md.	2,000
Life insurance, cash value	7,787
Household furnishings, personal belongings	32,500
Two automobiles	3,600
Total	2,334,948
LIABILITIES	
Accounts payable	2,500
Mortgage, residence	16,174
Notes, personal	4,000
Total	22,674
Net worth	2,312,274

Taxable income in 1973 was $253,539, on which we paid Federal taxes of $133,439. The only substantial change from my disclosure a year ago results from a court-ordered payment for property condemned by Montgomery County for its own use. The property was owned by A. Gude Sons Co. This landscape-florist nursery business is a family firm that has been in Washington area since 1886. The condemnation, plus a smaller sale of land by the company, gave me as an owner of a third of the business, a capital gain of $402,421.50, half of which is taxable income under Federal law.

THE PRESIDENT, CONGRESS, AND THE COURTS

(Mr. MOORHEAD of Pennsylvania asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I introduce today a most important commentary for the Members of this body.

Raoul Berger, the Charles Warren Senior Fellow in American Legal History, Harvard University Law School, has prepared for the upcoming May issue of the Yale Law Journal an article entitled "The President, Congress, and the Courts." Mr. Berger and the Yale Law Journal have most kindly consented to the advance publication of this important treatise in the Congressional Record so as to apprise the Members of Congress of its timely contents.

Raoul Berger is, as my colleagues know, a prominent legal scholar in the area of executive-legislative matters. His two-part article in the UCLA Law Review (12 UCLA Law Review 1044 1965) is considered by many to be the definitive commentary on executive privilege. Mr. Berger has recently published "Executive Privilege: A Constitutional Myth," an exhaustive discourse on this subject. This new publication follows two earlier books, "Congress v. the Supreme Court" and "Impeachment." These three books—in essence a trilogy—constitute what Garry Wills, reviewing the latest volume in the New York Times, called "one of the scholarly landmarks of our time."

The present article, which follows, deals specifically with the historical basis of impeachment and carefully dissects each of the related issues facing this Congress. In view of the conflicting claims as to the proper grounds for impeachment and the legal basis for demanding or withholding evidentiary material from the Congress, I strongly urge each Member of this body to give Mr. Berger's article careful scrutiny:

[From the Yale Law Journal, May 6, 1974]

THE PRESIDENT, CONGRESS, AND THE COURTS

(Yale Law Journal, 1974, reprinted with permission)

(By Raoul Berger†)

I. SUBPOENAING THE PRESIDENT: JEFFERSON V. MARSHALL IN THE BURR CASE

We do not think that the President is exalted above legal process . . . and if the President possesses information of any nature which might tend to serve the cause of Aaron Burr, a subpoena should issue to him, notwithstanding his elevated station. Alexander McRae, of counsel for President Jefferson[1]

Chief Justice Marshall's rulings on President Jefferson's claim of right to withhold information in the trial of Aaron Burr have been a source of perennial debate. Eminent writers have drawn demonstrably erroneous deductions from the record. For example, Edward Corwin stated that Jefferson "refuse[d] to respond to Chief Justice Marshall's subpoena,"[2] a statement recently repeated by Circuit Judge George MacKinnon.[3] More recently still, Irwin S. Rhodes, on the basis of "newly discovered" evidence,[4] has charged that Chief Judge John J. Sirica, "by asserting the right of the court to order presidential submission and to review and revise the president's judgment in the exercise of executive privilege," laid claim to "a power that Chief Justice Marshall disavowed." In following him, Rhodes states, the Court of Appeals, which "limited or opposed the absolute character of presidential privilege departed from the rulings of Chief Justice Marshall . . . ."[5] And he concludes that insofar as the courts "depart from precedent under assertions of perpetuating it, the law as well as history is not well served."[6]

This is a ringing condemnation, and I may be indulged for being equally blunt: The courts were right and Rhodes is wrong. With the "tapes" issue threatening to boil up anew in consequence of President Nixon's refusal to furnish further information to Special Prosecutor Leon Jaworski, and the even more serious limits set by the President on "cooperation" with the impeachment investigation by the House Judiciary Committee,[7] the issue posed by Rhodes is of greatest importance. It is high time that the issue be removed from the realm of opinion, that the Burr record be permitted to speak for itself, and that the several Marshall pronouncements be set out so that one may judge where the truth lies.

As Rhodes remarks, "the proceedings were in four stages: commitment during the grand jury inquiry, trial and acquittal on a charge of treason, trial and acquittal on a charge of misdemeanor, commitment to the United States Circuit Court of Ohio on a misdemeanor charge."[8] The "new" evidence upon which Rhodes relies comes from the fourth stage; and he notices that Marshall recognized that if Burr could prove the relevancy of the material withheld and if the proceedings were a prosecution in chief [instead of commitment proceedings], he might discontinue the case.[9]

Apparently Rhodes did not realize that this statement demolished his argument.

In the preliminary first stage proceedings, Burr sought to procure a letter of October 21, 1807 180[6], written by General Wilkinson to Jefferson, by means of a subpoena calling both for Jefferson's attendance and production of the letter,[10] though Burr repeatedly stated that he was content merely to obtain the letter.[11] Alexander McRae, of counsel for Jefferson, "admitted that the President might be summoned to attend,"[12] an admission to which Marshall later adverted,[13] but George Hay, the United States Attorney, disputed issuance of a subpoena duces tecum.[14] Because Marshall fully appreciated the importance of the personal summons, he was not content to rest on the concession of counsel but rendered a written opinion on June 13, 1807, in which he concluded that "any person charged with a crime in the courts of the United States, has a right before, as well as after indictment, to the process of the Court, to compel the attendance of his witnesses."[15]

Turning to the subpoena duces tecum Marshall stated: "In the provisions of the Constitution and of the statute which give to the accused a right to the compulsory process of the Court there is no exception whatever." Likening the President to the Governor of a State, he observed that "it is not known ever to have been doubted, that the Chief Magistrate of a State might be served with a subpoena *ad testificandum*." He added that "it has never been alledged [*sic*]" that in England "a subpoena might not be directed" to members of the "cabinet council," who, instead of the King, he correctly noted, were the analogue of the American executive.[16] Marshall could "perceive no legal objection to issuing a subpoena *duces tecum*, to any person whatever, provided the case be such as to justify the process."[17] If the papers "may be important in the evidence—if they may be safely read at the trial—would it not be a blot in the page which records the judicial proceedings of this country, that, in a case of such serious import as this, the accused should be denied the use of them?"[18]

Marshall then addressed the argument that "the letter contains matter which ought not to be disclosed;" he said. "There is certainly nothing before the Court, which shows, that the letter in question contains any matter, the disclosure of which, would endanger the public safety. If it does contain any matter which it would be imprudent to disclose, which it is not the wish of the Executive to disclose, such matter, if it is not immediately and essentially applicable to the point, will of course, be suppressed."[19] As further developments indicate, Marshall was not to waver from this view. Should Burr be found guilty, he added, all concerned "should certainly regret that a paper which the accused believed to be essential to his defence . . . had been withheld from him;" and "it would justly tarnish the reputation of the Court which had given its sanction to its being withheld." Sounding a personal note, Marshall went on to say that he would feel "self-reproach" were he to "declare on the information now possessed, that the accused is not entitled to the letter in question, if it should be really important to him."[20]

In sum, Marshall made the touchstone of nondisclosure danger to the public safety, not "confidentiality," as President Nixon urges; and even such matter would be sheltered only if it were not "essentially applicable" to the defense. He regarded a judicial sanction to withhold such "essential" information as a "blot" which would "tarnish the reputation of the Court."

Corwin's statement that Jefferson "refuse[d] to respond to Chief Justice Marshall's subpoena" is also inaccurate. On June 12 Jefferson wrote to Hay that he had delivered the papers to the Attorney General and instructed the War Department to review its files with a view to compliance with the subpoena.[21] In a second letter to Hay on June 17, Jefferson wrote that "the receipt of these papers [by Hay] has, I presume, so far anticipated, and others this day forwarded will have substantially fulfilled the object of a subpoena . . ."[22] When Jefferson learned that the Attorney General did not have the Wilkinson letter subpoenaed by Burr, he wrote Hay on June 23 that "[N]o researches shall be spared to recover this letter, & if recovered, it shall immediately be sent on to you."[23] Hay advised the court that "[W]hen we receive general Wilkinson's letter, the return will be completed."[24] This is hardly a "refusal" to comply with the subpoena. Apparently the letter had been "put in the hands of the clerk."[25]

The treason trial commenced on August 3 and on September 1 Burr was acquitted.[26] On September 2 the misdemeanor proceedings commenced and on September 3 Burr called

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Footnotes at end of article.

for a second letter from Wilkinson to Jefferson, dated November 12, 1806.[27] Hay replied that the letter contained "several strictures upon certain characters in the Western country . . . . Would it no be better, to trust the Court with the selection of such parts, as it might deem necessary to the defence of the accused?" Luther Martin objected to a "secret tribunal," whereupon Hay proposed to "submit those letters to the inspection of either Mr. Randolph, or Mr. Botts, or Mr. Wickham [Burr counsel]; the man so selected, to pledge himself upon honour, not to divulge the confidential contents. If there was any difference of opinion as to what were confidential passages, the Court were to decide." [28] Burr's counsel insisted that Burr too should see the letter and demanded production in "public." [29] This is worlds apart from the Nixon claim of blanket "confidentiality," of a right to withhold from court as well as counsel. Instead, Hay left the final determination to the court.

What were the "strictures" Jefferson's counsel were so zealous to shield? Rhodes, who apparently consulted true copies of the letter in the archives, states that Wilkinson referred to the "complicity of Governor Claiborne of Louisiana and his secretary, Cowles Meade, in the [Burr] conspiracy. Claiborne was a trusted appointee of Jefferson, who was adamant that the charges against Claiborne and his aide not be made public." [30] Since Wilkinson was to testify against Burr, this attemped suppression is not the most glorious chapter in Jefferson's history. A subpoena issued on September 4 and Hay promptly made a return with a copy of the letter:

> excepting such parts thereof as are, in my opinion, not material for the purposes of justice, for the defence of the accused, or pertinent to the issue. . . . The accuracy of this opinion, I am willing to refer to the judgment of the Court, by submitting the original letter for its inspection.[31]

Earlier, on June 12, Jefferson had devolved on Hay "the exercise of that discretion, which it would be my right and duty to exercise by withholding . . . any parts of the letter, which are not directly material for the purposes of justice." [32] Neither Jefferson nor Hay invoked an absolute claim of right to withhold information from the court. They restricted themselves to matters irrelevant to the cause and Hay was willing to leave the judgment on relevancy to the Court.[33] Burr's counsel, Botts, then moved that the "prosecution should stand, and be continued until that letter shall be in the possession of your Clerk." [34]

On this state of facts Marshall delivered a second opinion on September 4. Rhodes asserts that rather than review "the withheld data *in camera* or otherwise and weighing relevant interests," Marshall "repeatedly sidestepped or ignored suggestions by one or the other of the parties to examine the letter and determine the validity of the president's assertion." [35] Rhodes bases his argument on Marshall's statement, "I never ought to have heard it at all, and which I must treat as though I have never heard. I cannot, therefore, speak from any knowledge I have of the letter." [36] The reason for this statement, which escaped Rhodes, was in Marshall's own words that "it is impossible that either the Court or the attorney [for the President] can know in what manner it is meant to be used: I must, therefore, consider declaration made upon that subject, as though they had not been made." [37] In other words Marshall sought to determine a broad issue of law, divorced from his premature and incomplete knowledge of the facts, which he broadly hinted did not really demand nondisclosure.[38] Marshall emphasized that only the defendant knew what was essential to his case and refused to take from him the right of making that decision.

Marshall phrased the issue in broadest terms: "If then the executive possesses a paper which is really believed by the accused to be material to his defence, ought it to be withheld?" [39]

> That the President . . . might be subpoenaed and examined as a witness, and called upon to produce any paper which is in his possession, is not controverted, indeed that has once been decided. . . . I can very readily conceive, that the President might receive a letter which it would be very improper to require for public exhibition, because of the manifest inconvenience of the exposure. There ought, in such a case, to be an extremely strong occasion for its demand [40] . . . I do think that a privilege does exist with respect to a private letter of the President ['which might relate to public concern' [41]]
>
> . . . Now, it is a very serious question, when such letters may be supposed to contain something very material to the defence of any individual, that he should not be able to avail himself of the advantage of it. . . . [P]erhaps the Court ought to consider . . . the reasons which induced the President to refuse the paper as a governing principle to induce them to refuse its exhibition, except as it shall be made to appear absolutely necessary in the defence.[42]

Burr had filed an affidavit that the letter "may be material" to his defense and Marshall held that since "no sufficient reason is adduced, except in the affidavit of the accused . . . the Court must suppose that the paper ought to be produced; and if that is refused, the Court must take the proper means of ordering the continuance of the case until it is produced." [43] He concluded that "I do not think that the accused ought to be prohibited from seeing the letter." [44] Thus, although Marshall attached great weight to presidential representations that a document should be withheld, he reaffirmed what he had earlier held: that the needs of the accused were primary.

For the purpose of weighing presidential claims against those needs, Marshall had said in his September 4 opinion that the President himself, not his delegate, must "judge as to his motives for withholding the letter." [45] To meet this requirement, Hay had sent an express letter to Jefferson at Monticello on September 5, and on September 9 he read into the record a certificate from Jefferson (to which was annexed a copy of the Wilkinson November 12 letter) in which Jefferson recited that he had deleted passages "in no wise material to the purposes of justice, on the charges of treason or misdemeanor . . . [T]hey are on subjects irrelevant to any issue which can arise out of those charges, and could contribute nothing towards his acquittal or conviction." [46] That is all that the reports of the trial contain on the subject.[47] Nothing appears in Carpenter's report to indicate what was done with the letter; it was not read into the record. Dumas Malone, biographer of Jefferson, concluded that "[t]he document was accepted without comment". Thus there was an assertion and a recognition of a degree of executive privilege";[48] and Judge MacKinnon likewise states that Marshall "accepted" the deletions, that they "were not contested." [49]

Such statements overlook the mechanics of litigation. The letter had been subpoenaed by Burr; thus it would be his counsel who would introduce it in evidence. There is no mention of an offer in evidence of the letter by anyone. Earlier, Luther Martin, answering an objection ("if this evidence [a letter] came, what would be done with it?"), replied, "The answer is obvious; that it must be retained by the court till it is wanted," [50] at which point it could be called for by counsel for the purpose of introduction in evidence. Throughout, Burr had insisted, and was again to insist, on production of the whole letter, and there is nothing to show that at this stage he had withdrawn his objections to deletions.[51] As Marshall stated at another juncture, "the Court are bound to hear the evidence; if there are any objections made, it will hear them, and decide upon their force." [52] Of an offer of the letter, or of rulings by Marshall there is not a trace.

Malone and Judge MacKinnon would transform Jefferson's compliance with Marshall's requirement of a personal claim of privilege, as a preliminary to Marshall's balancing of that claim against Burr's needs, into Marshall's silent withdrawal of the two careful opinions he had delivered. It is violent presumption that Marshall, without apparent reason, suddenly overruled his opinions sub silentio, that he no longer felt that a denial of a needed document to the accused would be a "blot" on American judicial proceedings, "tarnish the reputation of the Court," and fill Marshall himself with "self-reproach." Views so deeply felt, so often repeated, are not lightly abandoned. Stronger evidence than Jefferson's mere compliance with Marshall's requirement of a personal presidential claim of privilege is needed to prove that Marshall silently jettisoned his two decisions.[53] There is none.

Instead, the gloss which Malone and Judge MacKinnon put upon Hay's production of the letter is further rebutted by subsequent developments in the case: the Rhodes "discovery." On September 15 Burr was found not guilty on the misdemeanor charges.[54] Proceedings for the commitment of Burr for trial in another district where Burr was present when some overt act occurred then began.[55] On September 29 Wilkinson testified that the November 12 letter had been submitted to the grand jury; the presidential mantle of secrecy had been rent. Wickham called for the letter, but Hay stated that Chief Justice Marshall had remarked that "he could not think of requiring from General Wilkinson the exhibition of those parts of the letter which the president was unwilling to disclose." [56] Rhodes quotes this statement [57] but fails to take into account the implications of further developments. When Wickham, urging that the letter had been laid before the grand jury, renewed the demand, Marshall again emphasized relevancy:

> [A]fter such a certificate from the president . . . as has been received, I cannot direct the production of those parts of the letter, without a sufficient evidence of their being relevant to the present prosecution.[58]

The implication that if the deleted portions were shown to be "relevant" their production would be "directed" repels the inference that Marshall had earlier "accepted" the deletions.

After further argument Marshall "determined that the correct course, was to leave the accused all the advantages which he might derive from the parts actually produced; and to allow him all the advantages of supposing that the omitted parts related to any particular point. The accused may avail himself as much of them, as if they were actually produced." [59] When Hay objected to Wickham's deduction that defendant's suppositions should be received as evidence in place of Jefferson's deletions, Marshall responded:

> It is certainly fair to supply the omitted parts by suppositions. . . . If this were a trial in chief, I should perhaps think myself

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Footnotes at end of article.

> bound to continue the cause, on account of the withholding the parts of this paper; and I certainly cannot exclude the inferences which gentlemen may draw from the omissions.[60]

This was the last word spoken by Marshall on the subject; it reaffirmed the earlier opinions that the needs of the accused would override presidential reasons for withholding. In this less formal commitment proceeding, Marshall permitted Burr to fill the place of the deleted parts by suppositions that would be given the force of evidence.

As Rhodes summarized:

> The chief justice placed considerable emphasis on the president's assertion of irrelevancy of the parts withheld, stating that in order to make further demand for the letter Burr must give "sufficient evidence" of relevancy. He recognized that if Burr could prove the relevancy of the material withheld and if the proceedings were a prosecution in chief, he might discontinue the case, but in the absence of that proof and circumstances he refused further steps than allowing Burr to make the most favorable inference of the omitted part.[61]

That allowance made the letter superfluous. Against this background Mr. Rhodes' deduction, that "[i]t is eminently clear that President Jefferson['s] . . . claim to an exclusive exercise of executive privilege, unreviewed and unreviewable by the courts, was upheld by Chief Justice Marshall," [62] boggles the mind.

No more tenable is Rhodes' view that the misdemeanor trial "concluded without a definitive ruling on the president's right to withhold the letter." [63] In his September 4 opinion, a reaffirmation of the principles enunciated in the June 13 opinion, Marshall laid down the rules of law that should guide counsel and firmly indicated that presidential nondisclosure claims must yield to the real needs of the accused.

Before applying these rules to the facts, he required a personal claim of privilege by Jefferson. This was not the only time that Marshall delineated the applicable legal principles for the future guidance of counsel. In an opinion rendered on September 14 respecting the admissibility of certain testimony, Marshall laid down the governing rules and added, "Gentlemen well know how to apply these principles. Should any difficulty occur in applying them, the particular cases will be brought before the Court and decided." [64] The fact that Marshall had no occasion at the fourth stage commitment hearing to apply the law to the facts, because Burr could be richly content to substitute his "suppositions" for the deleted letter, does not render the opinions of June 13 and September 4 any less the law of the case.[65]

The heart of Marshall's opinions was therefore justly summarized by the Court of Appeals in the "tapes" case: "The court was to show respect for the President's reason . . . but the ultimate decision remained with the Court." [66] If the courts are the "ultimate interpreters" of the Constitution and can therefore constrain Congress to operate within constitutional bounds,[67] they are no less empowered to measure presidential claims of constitution power. The "mystique" of the President stops at the courthouse doors.

II. MUST IMPEACHMENT PRECEDE INDICTMENT?

A great debate has been raging about whether the President or Vice President must be impeached before he can be indicted. It turns on the provisions of Article I, § 3 of the Constitution:

"Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification . . . but the Party convicted shall nevertheless be liable and subject to Indictment, Trial. . . ." [68]

Let us begin with the words themselves; "nevertheless" is defined as "notwithstanding or in spite of." Consequently § 3 must be understood to mean that an indictment may be filed "in spite of" a prior removal or impeachment. It does violence to language to twist this into a requirement that an impeachment must precede indictment. The implication of "shall nevertheless be liable" to indictment is that the given party is already liable, that the words are merely designed to preserve existing criminal liability rather than to qualify it.[69] It would be unreasonable to attribute to the Framers an intention to insulate officers from criminal liability by mere appointment to office; like all men they are responsible under the law. Thus Solicitor General Robert H. Bork concluded in a brief designed to demonstrate that Vice President Spiro Agnew could be indicted before he was impeached: "[A] civil officer could be both impeached and criminally punished even absent the Article I, Section 3 proviso." [70]

Since Article II, § 4, provides without discrimination for the impeachment of the "President, Vice President and all civil officers." [71] Mr. Bork's statement should be equally applicable to the President.

Furthermore, after impeachment and removal the President is returned to the body of the citizenry.[72] No special dispensation is required to allow prosecution of a citizen; nor is there a scrap of evidence that the Framers were minded to clothe an ex-President in any immunity whatsoever. On the contrary, immunity was denied to him as President. It follows that the President is criminally triable while in office, because no special provision is required for trial of an ex-President. An interpretation of the saving clause that makes the President triable only *after* removal from office would therefore reduce the clause to "mere surplusage." [73] unless we adopt an alternative—that it was designed solely to foreclose the argument of double jeopardy.

Solicitor General Bork justly concluded, as did Justice Story 140 years ago,[74] that the "sole purpose" of the Article I, § 3 "indictment" proviso "is to preclude the argument that the doctrine of double jeopardy saves the offender from the second trial." [75] That danger arose from the English practice, wherein criminal punishment and removal were wedded in one proceeding; hence it was the part of caution to ward off an inference that a prior impeachment would constitute a bar to indictment. With Solicitor General Bork, I would conclude that the "nevertheless . . . subject to indictment" clause was not designed "to establish the sequence of the two processes, but solely to establish [that a prior conviction upon impeachment] does not raise a double jeopardy defense in a criminal trial." [76] So viewed, the "nevertheless" clause seeks to *preserve* the right to a subsequent criminal prosecution, not to prescribe that it must be preceded by impeachment. Justice Miller's statement in *Langford v. United States* that "the ministers personally, like our President, may be impeached; or if the wrong amounts to a crime, they may be indicted" [77] likewise rebuts insistence that indictment must follow after impeachment.

This conclusion is further buttressed by other factors. "The only explicit immunity in the Constitution," said Solicitor General Bork, "is the limited immunity granted Congressmen" [78] in Article I, § 6, which provides:

> The Senators and Representatives . . . shall in all cases, except treason, felony or breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same.

In the words of Mr. Bork:

> Since the Framers knew how to, and did, spell out immunity, the natural inference is that no immunity exists where none is mentioned.[79]

The Supreme Court has employed that principle of construction.[80] Not only is this the "natural inference," but we have the testimony of Charles Pinckney, one of the most active participants in the Constitutional Convention, who, in explaining the Constitution to the South Carolina Ratification Convention, stated that no immunity for the President was intended. Speaking in the Senate in 1800, Pinckney said that "it never was intended to give Congress . . . any but specified [privileges], and those very limited privileges indeed." [81] and addressing himself to certain privileges under discussion, he stated, "No privilege of this kind was intended for your Executive, nor any except which I have mentioned for your Legislature. The Convention . . . well knew that . . . no subject had been more abused than privilege. They therefore determined to set the example, in merely limiting privilege to what was necessary, and no more." [82] James Wilson, considered by Washington "to be one of the strongest men in the Convention," [83] assured the Pennsylvania Ratification Convention that "not a *single privilege* is annexed to his [the President's] character." [84] Remarks such as these were a response to the pervasive distrust of executive power.[85] Nothing in the prior English practice, with which the Framers were familiar,[86] suggests a requirement that impeachment had to precede indictment. On several occasions the Parliament preferred to refer the case to the courts; and one of the most learned lawyers in Parliament, Sir John Maynard, said of the charges against Sir Adam Blair: "I would not go before the Lords, when the law is clear, and may be tried by juries." [87] Constitutional history therefore confirms the inference properly drawn from the face of the Constitution that no immunity was given to the President.

By a feat of legerdemain Mr. Bork would read the President out of this history. He recognizes that the impeachment debate"related almost exclusively to the Presidency" and that "the impeachment clause was expanded to cover the Vice President and other civil officers only toward the very end of the Convention." [88] Mr. Bork's view presents the anomaly that the history of the impeachment provision, framed entirely in the context of the President, refers only to the "Vice President and all civil officers," who were virtually unmentioned and were added as a last-minute afterthought. Thus a provision the "sole purpose" of which was to forfend the double jeopardy argument, which was not designed "to establish the sequence" of impeachment or indictment, and which is accompanied by an "immunity" provision limited to Congress (without immunity for felonies) so that "the natural inference is that no immunity exists where none is intended," suddenly is found to establish precisely that "sequence" and to confer exactly that "unnatural" immunity on the President. When we emerge from Bork's elaborate argument that the President must be impeached before he is indicted, it adds up to a claim of immunity from criminal prosecution that was denied him. On what grounds is this analytical somersault justified?

Mr. Bork first states that the Framers' "remarks strongly suggest an understanding that the President, as Chief Executive, would not be subject to the ordinary criminal process. . . . For example . . . Gouverneur Morris observed that the Supreme Court would 'try the President after the trial of the impeachment.' " [89] That this is ill-considered shorthand emerges from the reference to a trial by the Supreme Court, which can only hear an appeal. Bork also cites Hamilton for the assertion that "the Framers' discussion assumed that impeachment would precede criminal trial." [90] Hamilton's

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Footnotes at end of article.

participation in the Convention was sporadic and had little, if any, influence.[91] At the close of the Convention he handed Madison a plan in which he proposed that the President be impeached and removed and "be afterwards tried and punished." [92] So far as the records show, it was not considered by the Convention. The Framers were fastidious draftsmen, keenly alive to the weight of every word.[93]

They employed neither "after" nor "afterwards"; [94] and it is not for us to supply a word thus omitted, to convert "nevertheless" (in spite of) into "afterward," that is, to transform a nonsequential provision into a prescribed sequence. Nor can the mistaken Morris-Hamilton versions of the provision be read to create the very immunity that the Framers intentionally withheld from the President when they squarely faced the issue. The § 3 proviso must be read together with the immunity provision; if possible both should be given effect.[95] Above all, we "cannot rightly prefer" a meaning "which will defeat rather than effectuate the Constitutional purpose." [96]

If, however, the remarks of Morris and Hamilton are to override this withholding of immunity, they no less demand that the "Vice President and all civil officers" likewise first be impeached and then indicted. Mr. Bork's anticipatory answer was that "[i]t is, of course, significant that such remarks referred only to the President, not to the Vice President and other civil officers." [97] How could it be otherwise when the President was the sole object of discussion? There was no allusion to impeachment of the others until the end when the "Vice President and all civil officers" were casually added to the impeachment provision without discussion.[98] As Bork himself has stated, "[N]one of the general debates addressed or considered the particular nature of the powers [or immunities] of the Vice President or other civil officers." [99] How then could the Framers consider the denial to them of an immunity allegedly granted to the President? The fact is that all the history cited by Mr. Bork to establish the prior indictability of the Vice President had reference to the President alone and establishes *his* prior indictability.

After his bow to history, Mr. Bork turns to the structure of the Constitution, wherein he finds "embedded" reasons for drawing the distinction between the President and the others.[100] No such distinction was, of course, drawn by the Founders; it is the product of presidential counsel 185 years after the event. In a nutshell, Bork rings the changes on "the singular importance of the President." [101] The crucial nature of the President's executive responsibilities, on which Mr. Bork lays such great store, played no role in the impeachment debate. Instead, opponents of impeachment urged that it would invade the President's "independence" and violate the separation of powers,[102] a central principle from which the Framers proceeded. They felt necessity for a curb on presidential transgressions, however, overcame this "independence" argument; despite the "crucial nature" of his powers, the Framers gave Congress power to oust him for various noncriminal offenses.[103] They made no move to interfere with the normal criminal process that applied to every person; on the contrary, they withheld from him an immunity from criminal prosecution that, but for felonies, they expressly conferred upon Congress.

"This limited grant of immunity" to Congress, Bork explains, "demonstrates a recognition that, although the functions of the legislature are not lightly to be interfered with, the public interest in the expeditious and even-handed administration of the criminal law outweighs the cost imposed by the incapacity of a single legislator. Such incapacity does not seriously impair the functioning of Congress." [104] A very different conclusion needs to be drawn from the fact that "a limited grant of immunity" was conferred upon members of Congress, whereas none whatever was given to the President: The President was not nearly as "important" in the eyes of the Framers as he is in those of Bork. "There is little doubt," said the Supreme Court, "that the instigation of criminal charges against the critical or disfavored legislators by the executive in a judicial forum ['the judges were often lackeys of the Stuart monarchs' [105]] was the chief fear prompting the long struggle for parliamentary privilege in England." [106] Both the "speech and debate" clause and the "immunity from arrest" clause were "consciously" drawn by the Framers "from this common historical background," [107] which bespeaks fear of rather than special solicitude for executive power. Moreover, the Founders had observed that the most powerful ministers could be condemned to death without endangering the continuity of government, indeed, in the case of the Earl of Strafford, conducing to the preservation of liberty.[108] It is no answer to point to the invulnerability of the King because first, as Gouverneur Morris pointed out, "[the first Magistrate] is not the King but the prime-Minister," [109] and second, as James Iredell emphasized, the President, unlike the King, was made triable.[110]

A kindred speculation is that "[t]he Framers could not have contemplated prosecution of an incumbent President because they vested in him complete power over execution of the laws, which includes, of course, the power to control prosecution." [111] When President Nixon acted on this premise and discharged Special Prosecutor Archibald Cox, who was engaged, among other things, in investigating whether the President was implicated in the Watergate coverup and other criminal acts, a storm of outrage swept over the White House.[112] It is reasonable to infer that the Framers never intended to permit the President to shield himself from criminal indictment by the control given him over such prosecutions. Next Mr. Bork argues that the presidential pardoning power extends to a pardon for himself, thus rendering criminal conviction ineffectual.[113] Such a pardon after conviction would be an even greater affront to the nation than Nixon's discharge of Cox to impede his own prosecution. The "pardon" provision must be read in harmony with the "immunity" provision; it was not designed to confer an immunity intentionally withheld.[114] Constitutional construction should not depart from common sense; [115] it should not proceed from horribles that the nation would reject and that would have even more greatly affronted the Founders.

Like Solicitor General Bork, Professor Alexander Bickel declares that the Article I, § 3 provision "does not remotely say that impeachment must precede indictment" and like him he considers that the "case of the President . . . is unique." He does not base this on the "original intention" but on the premise that "[i]n the presidency is embodied the continuity and indestructibility of the state." [116] He would thereby import into our system the monarchical notion that the continuity of the state was embodied in the crown: *"L'Etat c'est moi."* [117] But by the eighteenth century, Parliament had prevailed in its struggle with the King; and the downfalls of Charles I and James II had shown that the indestructibility of a King was not synonymous with the "indestructibility of the state." For Blackstone the "sovereign power" meant "the making of the laws"; it had come to rest in Parliament, "this being the place where that absolute despotic power, which must in all governments reside somewhere, is entrusted by the constitution of these kingdoms." [118] Therefore, if we are to look to the history the Founders had before them, the Parliament rather than the King was the repository of sovereignty, the symbol of "continuity." Among the revolutionary changes made by the Founders was to establish that sovereignty resided in the people and that the officers of government were merely their servants and agents. [119] In the words of Gouverneur Morris, "[T]he people are the King." [120] Presidents come and go but the people remain. The consensus of the Founders was that the President's main function was to execute the laws, that as commander in chief he was merely the "first General." [121] Such functionaries are expendable rather than indispensable; thus the view of the President taken by the Framers is incompatible with the proposition that in him the Framers "embodied the continuity and indestructibility of the state." The fact that they made him removable from office alone suggests that a hiatus in his office was not thought to threaten that "indestructibility." This also emerges from Hamilton's statement about the King: There is "no punishment to which he can be subjected without involving the crisis of a national revolution," [122] implying thereby that removal or indictment of the President could have no calamitous effect.

The nation has also survived a number of presidential deaths and assassinations without impairment of the presidency or the "indestructibility of the state." It is a mistake, I suggest, to identify the "continuity" of the presidency with that of a given President. Whatever befalls a President, the state and the presidency are "indestructible." [123] The fact is that a Vice President is immediately available to assume executive functions without skipping a beat; and if he is unavailable there is a row of statutory successors. William Henry Harrison died and was succeeded by John Tyler, James A. Garfield by Chester A. Arthur, Warren G. Harding by Calvin Coolidge, and Franklin D. Roosevelt by Harry Truman. Upon assassination, Lincoln was succeeded by Andrew Johnson, William McKinley by Theodore Roosevelt, and John F. Kennedy by Lyndon B. Johnson. One may hazard that Tyler was an improvement on Harrison; certainly Theodore Roosevelt was an improvement on McKinley, as was Coolidge on Harding; Truman was at least an adequate substitute for an ailing and sinking Franklin Roosevelt. That is not a bad list to pit against the unfortunate succession of Andrew Johnson to the chair of Abraham Lincoln. A senseless assassination creates a shock for which the nation is utterly unprepared, in contrast to a removal on impeachment or conviction on indictment of a President in whom the nation has lost confidence.

Obviously, Professor Bickel states, "the presidency cannot be conducted from jail, nor can it be effectively carried on while an incumbent is defending himself in a criminal trial." [124] The second proposition is by no means obvious; Andrew Johnson did not personally participate in his impeachment and he continued to perform the duties of his office.[125] A President equally may entrust his defense in a criminal trial to his counsel. If he feels constrained to be present, that is no more disturbing to the performance of his duties than his parallel presence at an impeachment trial; in either case the effect on his functioning is the same. While it is true that the presidency "cannot be conducted from jail," it is unrealistic to postulate that a convicted President could not be released on bail pending appeal. Moreover, the attempt of a convicted President to hang on to his office would present a spectacle that the nation would find intolerable. A storm of public outrage such as would make the "firestorm" after the Cox discharge seem like a sputtering candle could sweep him from office. If the President lacked the sensitivity to resign,[126] an impeachment could speedily follow; the most partisan congressman would hardly summon the hardihood to reject the

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verdict of the people. The test of the availability of criminal process, I suggest, should not turn on hypotheticals that strain credulity. "[O]f what value," said Macaulay, "is a theory which is true only on a supposition in the highest degree extravagant?"[127]

There is a last practical consideration, which Solicitor General Bork summarized in the context of "civil officers":

> [I]f Article I, Section 3, clause 7, were read to mean that no one not convicted upon impeachment could be tried criminally, the failure of the House to vote an impeachment, or the failure of the impeachment in the Senate, would confer upon the civil officer accused complete and—were the statute of limitations permitted to run—permanent immunity from criminal prosecution however plain his guilt.[128]

That would be no less true of the President. No great stretch of the imagination is required to conceive that partisanship in Congress may defeat an impeachment of the President in the House or conviction by two-thirds of the Senate. Suppose that Special Prosecutor Leon Jaworski were convinced that he had evidence that would establish the President's guilt. Although a partisan one-third of the Senate might differ, can it be reasonable that he should be barred from prosecution because an impeachment fell prey to partisanship?

A mistake against which we must be ever vigilant is to read our own predilections back into the minds of the Framers.[129] One of the most eminent of the Founders, James Iredell, later a Justice of the Supreme Court, cautioned:

> We are too apt, in estimating a law passed at a remote period, to combine, in our consideration, all the subsequent events which have had an influence upon it, instead of confining ourselves (which we ought to do) to the existing circumstances at the time of its passing.[130]

These are not merely the yearnings of a legalistic "strict constructionist"; they are a canon of historiography. The task of the historian. Ranke taught, is to establish the facts of history *wie es eigentlich gewesen war;* the search must be for what actually happened and, if we find it, not to substitute for what should have happened. As in the task of construing any document, the primary function is to ascertain the intention of the draftsmen. When that intention is discovered, what Iredell said becomes of prime importance: "The people have chosen to be governed under such and such principles. They have not chosen to be governed, or promised to submit upon any other."[131]

It is easier, however, to preach such vigilance than to practice it, as I can testify from personal experience in the very context of the distinction here under discussion. Influenced by the difficulty of giving the words "high crimes and misdemeanors" a narrow construction in the case of the President and a broad one for judges, I initially concluded that they must be given a single meaning. But I was led to alter my view upon consideration of the fact that judges were added to the impeachment provision at the last minute with no reference either to judges or to governing standards. From this and other data I reasoned that stricter standards of conduct might be required of a judge, that is, that the range of impeachable offenses might be broader.[132] Whatever the validity of that reasoning, it cannot be invoked, for the president, who was the subject of the debates and the constitutional restrictions: a broader application of those restrictions to judges does not warrant a total immunity from criminal prosecution for the President. Sensible, however, of the "difficulties involved in adoption of the view that impeachment of judges requires a less restricted reading of those words [high crimes and misdemeanors] than does that of the President," I suggested that "[p]erhaps a better solution is to take a more hospitable approach to removal of judges *by judges* for infractions of good behavior . . . ,"[133] indicating thereby that I entertained some doubts about my change of position.

The problem of giving two meanings to the same words in the very same context has continued to trouble me, the more so as I examined the difficulties which Mr. Bork's analysis engendered, his attempt to render utterances exclusively directed at the President applicable solely to "the Vice President and all civil officers," who were not mentioned. My thinking has reverted to my initial view, additionally influenced by the statement of the Supreme Court in *Atlantic Cleaners & Dryers v. United States:* "[T]here is a natural presumption that identical words used in different parts of the same act are intended to have the same meaning. . . ."[134] Here the presumption is fortified by the fact that the words are used not in different parts of the Constitution but in one place, in the very same context; and Mr. Bork seeks to give them a different meaning with respect to whom they apply. No trace of an intention to give them that dual meaning is to be found in the history of the provision. That is not to say that the presumption is irrebuttable,[135] but that the rebuttal cannot rest on factors that were not before the Framers, on an image of the presidency which is a product of our times and which they emphatically did not share.

Such distinctions represent but another attempt to revise the Constitution under the guise of euphemisms, derived from an exalted notion of the presidency which is far removed from the egalitarian sentiments of the Founders.[136] When the subpoena to Jefferson issued, Albert Beveridge, who had scoured the newspapers of the time, comments "For the first time, most Republicans approved of the opinion of John Marshall. In the fanatical politics of the time there was enough honest adherence to the American ideal, that all men are equal in the eyes of the law, to justify the calling of a President, even Thomas Jefferson, before a court of justice."[137] It is we who have surrounded the President with a mystique that has contributed heavily to an "imperial presidency."[138] When we forget that the President is "but a man . . . but a citizen"[139] we are on the road that has unfailingly led to Caesarism. It was because the Founders had learned this lesson from history that presidential powers were enumerated and limited, and that immunity from arrest was altogether withheld.

III. IMPEACHMENT: MR. ST. CLAIR'S "INSTANT HISTORY"

> If the House "be found incompetent to one of the greatest [causes] . . . it is impossible that this form of trial should not, in the end, vanish out of the constitution. For we must not deceive ourselves: whatever does not stand with credit cannot stand long. And if the constitution should be deprived . . . of this resource, it is virtually deprived of everything else, that is valuable in it. For this process is the cement which binds the whole together . . . here it is that we provide for that, which is the substantial excellence of our constitution . . . by which . . . no man in no circumstance, can escape the account, which he owes to the laws of this country."[140]

When a client proclaims that he will "fight like hell" to balk impeachment it may be expected that his lawyer will follow suit. Not surprisingly, therefore, James St. Clair, chief defense counsel for President Nixon, has favored the House Judiciary Committee with a lengthy memorandum that purports to prove by recourse to history that the President may only be impeached for an indictable crime.[141] That standard would virtually nullify impeachment for the nonindictable offenses which were the chief concern of the Founders and which the evidence plainly shows they considered impeachable. Despite its issuance from the august precincts of the White House, the memorandum is but "lawyer's history," a pastiche of selected snippets and half-truths, exhibiting a resolute disregard of adverse facts, and simply designed to serve the best interests of a client rather than faithfully to represent history as it actually was.

Although defense lawyers are notoriously not the best source of constitutional history,[142] such pseudohistory cannot be ignored because, as J. R. Wiggins said of a similar submission by the then Deputy Attorney General William P. Rogers on the issue of executive privilege, "Unless historians bestire themselves . . . the lawyers' summary that has placed 170 years of history squarely behind the assertion of unlimited executive power to withhold information threatens to get incorporated into that collection of fixed beliefs and settled opinions that governs the conduct of affairs. History thereafter may become what lawyers mistakenly said it was therefore."[143] "Legal history," said Justice Frankfurter, "still has its claims."[144]

In the present controversial atmosphere it is all too easy to say "a plague on both your houses" and evenhandedly to attribute partisan readings of history to one and all. My study, however, of the meaning of "high crimes and misdemeanors," the central issue of impeachment, was undertaken in 1968–1970, submitted to the Southern California Law Review in mid-summer of 1970, and published in 1971,[145] long before Watergate surfaced and before there was any thought that President Nixon might be impeachable. Composed in the quiet of a university, uninfluenced by fees or hopes of preferment, my study may or may not be mistaken, but it can hardly be dismissed as biased, simply because there then was no occasion whatsoever for partisan bias.

A. Indictable offenses

Let us begin in midstream with the Nixon-St. Clair thesis that impeachment is available only for an indictable crime. Former Attorney General Elliot L. Richardson recently stated, "It seems clear to me as a matter of commonsense that impeachable offenses cannot be limited to matters defined in the U.S. Penal Code."[146] Common sense is buttressed by the historical record. Mr. St. Clair, quoting the Supreme Court, recognizes that under federal law there are no crimes except as declared by statute: "The legislative authority of the Union must first make an act a crime, affix a punishment to it. . . ."[147] That is what the Act of 1790 did for treason and bribery;[148] but with the exception of a handful of statutes, such as those that make "high misdemeanors" of privateering against friendly nations,[149] launching military expeditions against them from American soil,[150] practicing law by a federal judge,[151] conspiring or counseling to insurrection or riot,[152] there are no indictable "high misdemeanors." Consequently, the offenses the Founders particularly had in mind would be unimpeachable. Consider "subversion of the Constitution"—usurpation of power, the very offense that prompted the addition of the words "high crimes and misdemeanors." George Mason said in the Federal Convention:

> Treason as defined in the Constitution will not reach many great and dangerous offenses. Hastings is not guilty of Treason. Attempts to subvert the Constitution may not be Treason as above defined. . . . It is the more necessary to extend the power of impeachments.[153]

Under Mr. St. Clair's interpretation the manifest intention of the Framers to reach such subversion would be frustrated by the lack of an indictable crime, for no federal

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statute has made it a crime. So too, other categories of "high crimes and misdemeanors," under the English practice upon which our impeachment provisions were modeled and which were mentioned by the Founders, such as "abuse of power," "betrayal of trust," and "neglect of duty," would also fall by the wayside. Yet Madison stated that protection against presidential "negligence" was indispensable, that perversion of the office "into a scheme of . . . oppression," that is, "abuse of power," should be impeachable.[154] Madison, C. C. Pinckney, and Gouverneur Morris referred to "betrayal of trust"; [155] Edward Rutledge spoke of "abuse of trust," as did Hamilton in *The Federalist*.[156]

Madison, the leading architect of the Constitution, furnished three illustrations of impeachable offenses that have never been made indictable crimes: (1) In the Virginia Ratification Convention he stated that "if the President be connected, in any suspicious manner with any person, and there be grounds to believe that he will shelter him," he may be impeached.[157] (2) In the First Congress—that "almost adjourned session of the Convention"—he said that the President would be impeachable if he "neglects to superintend [his subordinates'] conduct, so as to check their excesses" [158] (3) There too he stated that "the wanton removal of meritorious officers" would be impeachable.[159] To this day all of these categories of "high crimes and misdemeanors" have not been made indictable crimes, reflecting a continuing judgment by Congress, which has the "sole" jurisdiction of impeachment, that indictable crimes are not a prerequisite to impeachment, as four convictions by the Senate for nonindictable offenses confirm.[160]

One hundred and forty years ago Justice Story pointed out that only treason and bribery were made indictable offenses by statute and that insistence on indictable crimes would enable impeachable offenders to escape scot-free and render the impeachment provisions "a complete nullity." [161] The absurdity of Mr. St. Clair's analysis is pointed up by his incongruous juxtaposition of the 1790 treason and bribery statutes. "Any person" could be indicted under the "treason" Act whereas the "bribery" Act was specifically directed against judges who had accepted bribes.[162] Even today it is open to question whether the bribery statute embraces the President.[163] Judicial bribery was not mentioned in the Convention, but Gouverneur Morris emphasized that the President "may be bribed," and he instanced that "Charles II was bribed by Louis XIV" [164] and that therefore the President ought to be impeachable. Notwithstanding that the President was the only mentioned object of constitutional impeachment for "bribery," he would be unimpeachable on Mr. St. Clair's reasoning because the penal "bribery" statute was confined to judges.

Nor can we take seriously Mr. St. Clair's argument that "high crimes and misdemeanors" must involve criminal "offenses of such a serious nature [as] to be akin to treason and bribery." [165] Treason and bribery are rank unequals. Treason is the arch offense—betrayal of the state to the enemy—whereas acceptance of so much as $50 as a bribe for favorable official action suffices to constitute bribery. Who would maintain that acceptance of such a petty bribe is more heinous than presidential usurpation or abuse of power?

It remains to add two Founders' statements that repel the equation of an impeachable offense with an indictable crime. After adverting to impeachment in the North Carolina Ratification Convention, James Iredell stated that "the person convicted is *further liable* to a trial at common law, and may receive such common-law [criminal] punishment as belongs to a description of such offenses, *if it be punishable by that law*." [166] In other words, an offense may be impeachable although it is not criminally punishable. Similar recognition is evidenced by George Nicholas' distinction in the Virginia Ratification Convention between disqualification from office and "further punishment if [the President] has committed such high crimes as are punishable at common law." [167] This clearly implies that some "high crimes" are not thus punishable and nevertheless impeachable. Finally, there is Hamilton's statement in *The Federalist* No. 65 that an impeachment proceeding "can never be tied down by such strict rules . . . as in common [criminal] cases [which] serve to limit the discretion of the courts in favor of personal security," [168] an analysis which Department of Justice lawyers concede "cuts against the argument that 'high crimes and misdemeanors' should be limited to criminal offenses." [169] We can hardly prefer Mr. St. Clair to Hamilton, Madison, *et al.* as an expounder of the Framers' intention. That Mr. St. Clair can maintain against this background that we should *"uphold the intent of the drafters* of the Constitution that impeachable offenses be limited to criminal violations" [170] only illustrates to what lengths advocacy will go.

B. High crimes and misdemeanors

Mr. St. Clair belabors the fact that in England, where removal from office and criminal punishment were united in one and the same proceeding, impeachment was criminal in nature,[171] a fact no one would dispute, albeit the crime, as we shall see, was of a peculiar sort. He totally ignores the impact of a momentous departure from the prior English practice, embodied in Article I, § 3(7), the separation between removal and criminal proceedings:

> Judgment in Cases of Impeachment shall not extend further than to removal . . . and disqualification to hold and enjoy any Office . . . but the Party convicted shall nevertheless be liable . . . to Indictment . . . and Punishment, according to Law.[172]

In other words, if criminal law covered the offense, it would be indictable. Thus removal was to be a prophylactic measure, to remove an unfit from office; criminal punishment was left to a separate proceeding. As Justice Story stated in 1830, impeachment "is not so much designed to punish an offender as to secure the state against gross official misdemeanors. . . . [I]t simply divests him of his political capacity," [173] it removes and disqualifies him from office. Thus, in place of the combined English removal and criminal proceedings the Framers divorced the two, with consequences that James Wilson immediately perceived:

> Impeachments . . . come out . . . within the sphere of ordinary [*i.e.*, criminal] jurisprudence. They are founded on different principles; are governed by different maxims, and are directed to different objects; for this reason, the trial and punishment of an offense on impeachment, is no bar to a trial of the same offense at common law.[174]

When Mr. St. Clair emphasizes the criminal nature of impeachment in England, he overlooks that there it was part and parcel of a criminal proceeding. The separation of the two in our Constitution demands a construction of impeachment in noncriminal terms lest it fall afoul of other constitutional provisions.

First there is double jeopardy. Were impeachment criminal in nature, as Mr. St. Clair repeatedly stresses, a conviction or acquittal on impeachment would bar a criminal indictment and a prior conviction or acquittal on indictment would bar an impeachment, for no man can be tried twice for the same offense.[175] Both Wilson and Story were aware of the play of double jeopardy in the constitutional provision.[176] The Framers meant to have both impeachment and indictment available, not to put Congress to a choice between either one or the other. Mr. St. Clair says not a word of the impact on double jeopardy of the separation of removal from indictment, a matter set forth for Mr. St. Clair in my book, *Impeachment: The Constitutional Problems*, which he quotes when it fits his needs.[177] Another example of selective history in this same focus in his citation of the Article III, § 3(3) provision that "trial of all crimes except . . . impeachment shall be by jury" in order to demonstrate that impeachment was limited to "criminal matters." [178] He ignores the fact, which I had also pointed out, that, with this exception before them, the draftsmen of the Sixth Amendment omitted it and extended trial by jury to "all criminal proceedings." Presumably they felt no need to exempt impeachment from the Sixth Amendment because they did not consider it a criminal prosecution. If impeachment be indeed criminal in nature, as Mr. St. Clair maintains, it must be tried by jury, not by the Senate, because "all criminal proceedings" means *all*, particularly after the omission of the prior exception, and second, because the Bill of Rights modifies all prior provisions of the Constitution that are in conflict with it.[179]

Constitutional analysis need not depart from common sense; [180] the fact that the criteria of what were impeachable crimes in England were employed by the Framers to identify causes for removal from office does not serve to make removal criminal, as a familiar example will make clear. Suppose that Jones runs a red light at 80 miles an hour and crashes into Smith, severely injuring Smith and destroying his car.

Such reckless driving constitutes a criminal offense, but that does not convert a civil suit to recover damages on those facts into a criminal proceeding. The difference was appreciated by Solicitor General Bork, who pointed out that "just as an individual may be both criminally prosecuted and deported for the same offense . . . a civil officer could be both impeached and criminally punished. . . ." [181] Deportation, the Supreme Court held, "is not punishment for a crime. . . . It is but a method of enforcing the return to his country of an alien who has not complied with the conditions" laid down for his residence,[182] exactly as impeachment is designed solely to remove an unfit officer for the good of the state. That criminal prosecution may also be had on the same grounds does not render either deportation or removal by impeachment criminal. Solicitor General Bork justly concluded that "conviction of impeachment under our Constitution has no criminal consequences," whereas "impeachment in England was designed to accomplish punishment as well as removal." [183] Without criminal penalties such as fine or imprisonment, and limited to removal of an unfit, officer, impeachment cannot be criminal in nature.[184]

But, Mr. St. Clair argues, such terms as "convicted" and the like "are all terms limited in context to criminal matters." [185] This terminology was taken into account by me in 1970, and I suggested that the Framers, engaged in an immense task—the drafting of a written Constitution for a new nation in the short space of fourteen weeks—could not at each step undertake "to coin a fresh and different vocabulary." That would have involved an insuperable labor.[186] As the Department of Justice lawyers recognize, quoting Professor John Pomeroy's mid-19th century treatise, "The word is borrowed, the procedure is imitated, and no more; the object and end of the process are far different." [187] To give this borrowed terminology conclusive effect on the issue of criminality is to invite the application of double jeopardy and trial by jury rather than by the Senate, as well as to disregard all of the statements by the Founders that clearly demonstrate their in-

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tention to make nonindictable offenses impeachable, an intention that courts normally strive to effectuate. Were these conflicting pulls between terminology and "original intention" and the like to be posed to a court, it would attempt to balance them not, like Mr. St. Clair's selective history, to avoid the inescapable task of weighing heavily countervailing factors.

More than a little confusion has resulted from the fact that the Constitution employs the words "high crimes and misdemeanors." The starting point is that "high crimes and misdemeanors" and ordinary "crimes and misdemeanors" are altogether different in meaning and origin. "High crimes and misdemeanors," which the historical evidence shows meant "high crimes and *high* misdemeanors," referred to offenses against the state, as the companion words "treason, bribery" indicate. Such offenses were triable by Parliament under the *Lex Parliamentaria* or law of Parliament. When the words were first employed in 1386 there was no such ordinary crime as "misdemeanor"; lesser crimes were then punishable as "trespasses." "Misdemeanors" supplanted "trespasses" early in the 16th century, and, as Fitzjames Stephen pointed out, they were proceedings for wrongs against the individual and were triable in the courts rather than in Parliament.[188] It is safe to say that "high crimes and misdemeanors" were words of art peculiar to parliamentary impeachment[189] and had no relation to ordinary "crimes and misdemeanors" that were triable by the courts. "High misdemeanors," it may be added, never entered the criminal law administered by the English courts, nor were ordinary "misdemeanors" a criterion for impeachments.[190]

In the main, Mr. St. Clair accepts this analysis. He states that "high crimes and misdemeanors" "was *the standard phrase*" used in *"parliamentary impeachments,"* "a unitary phrase *meaning crimes against the state, as opposed to those against individuals."*[191] He agrees that the word "high" modifies both "crimes and misdemeanors," and "refers to official conduct, conduct relating to one's function with respect to the State."[192] But he repeatedly skitters from "high misdemeanor" to "misdemeanor"; he cites, for example, Blackstone's distinction between "crimes" and "smaller faults and omissions . . . termed misdemeanors," notwithstanding that Blackstone, as Mr. St. Clair notices, differentiated "high misdemeanors" as "high offenses against the King and government."[193] The Framers well understood that "high misdemeanors" had a "technical meaning too limited";[194] and intellectual honesty demands an end to such verbal play on "misdemeanor," an end to shifts from historical meaning to "its present day context," whereunder "the purpose of inclusion of the *word 'misdemeanor' is to include* lesser *criminal* offenses that are not felonies."[195] For the Framers undeniably borrowed "high misdemeanor" from the law of Parliament; they did not borrow "misdemeanor" from the "criminal" law of the courts. To glide from *their* meaning to the "modern context" and to a view that "misdemeanor" "include[s] lesser *criminal* offenses" is to revise the Constitution, the very thing Mr. St. Clair should most fear, lest it lead to the unbridled discretion not long since attributed to Congress by Vice President Gerald Ford and former Attorney General Kleindienst.[196]

C. Mr. St. Clair's theories

Mr. St. Clair does not attempt to deal with the constitutional separation between impeachment and indictment, the consequent problems of double jeopardy, trial by jury of "all criminal prosecutions," or the longstanding dichotomy between parliamentary trials of political "high misdemeanors" and court trials of criminal "misdemeanors," but comes up with spin out some far-fetched theories. He begins with the American "commitment to two central and interrelated ideas. The first is the theory of limited government and the second is the mechanism of separation of powers."[197]

Both President Nixon and Mr. St. Clair disregard the fact that the Framers adopted impeachment as *a breach* in the separation of powers. In the Federal Convention Rufus King dwelt on the "primitive axiom that the three great departments of Govts. should be separate & independent. . . . Would this be the case if the Executive should be impeachable? . . . [It] would be destructive of his independence and of the principles of the Constitution."[198] Charles Pinckney likewise urged that it would "effectually destroy his independence."[199] But such views were decisively rejected by a vote of 8 to 2, because, as George Mason stressed, [N]o point is of more importance than that the right of impeachment should be continued." Madison "thought it indispensable that some provision should be made for defending the Community against the incapacity, negligence or perfidy of the chief Magistrate." Impeachment was favored by Edmund Randolph because the "Executive will have great opportunity of abusing his power."[200] It was precisely to effectuate the limits on executive power embodied in the Constitution that impeachment was adopted. As Elias Boudinot, for years President of the Continental Congress, said in the First Congress, impeachment is an "exception to a principle," the separation of powers.[201] Commenting on Hamilton's statement that impeachments were regarded "as a bridle in the hands of the legislative body upon the executive servants . . . ."[202] Department of Justice lawyers state that Hamilton was "justifying the exceptions to the separation of powers found in the American provisions relating to impeachment."[203] The extraordinary spectacle now presented by presidential attempts to define the jurisdiction of the House Judiciary Committee and to limit its access to White House documents based on an invocation of the separation of powers stands history on its head. This invasion of the House's "sole" power to impeach, expressed in the Constitution, is more grotesque when it is compared to Mr. Nixon's strenuous claims of inviolable "confidentiality" of which the Constitution contains not a trace.

Mr. St. Clair muddies the waters when he cites James Iredell's 1786 statement that the North Carolina Constitution was not designed to fashion a legislative "despotism" but to "guard against the abuse of unlimited power."[204] First, in 1788 the Framers accomplished that purpose by a careful grant to Congress of enumerated and limited powers. And second, that Iredell himself believed that impeachment for nonindictable offenses was not identifiable with legislative "despotism" is evident in his reference to "impeachment for concealing important intelligence from the Senate" respecting foreign relations.[205] Mr. St. Clair himself quotes Madison's statement that "the executive magistracy is carefully limited," whereas the "legislative department derives a superiority . . . , its constitutional powers being at once more extensive, and less susceptible of precise limits."[206] In republican government," said Madison, "the legislative authority necessarily predominates."[207] What we are witnessing is a presidential effort to abort the accountability to Congress that the Founders designed in the impeachment process. This process does not endow Congress with unlimited power, for it must act within the confines of "high crimes and misdemeanors."[208] It is Mr. St. Clair who, however, would confer illimitable power on the President by making him unaccountable in an impeachment proceeding except on terms that the President lays down. As well may a banker under suspicion dictate the terms of investigation to a bank examiner.

One of Mr. St. Clair's mistakes is to postulate two unpalatable alternatives: at one pole indictable crimes, at the other unlimited congressional discretion.[209] But there is a median possibility which in fact was the choice of the Framers: Impeachment would be both limited and noncriminal. In noticing that "high crimes and misdemeanors" had a "technical meaning too limited," the Framers exhibited awareness that the words had a "limited" content defined by the English practice at the adoption of the Constitution. As we have seen, they repeatedly referred to the established categories, namely, subversion of the Constitution, abuse of power, neglect of duty—all nonindictable and *limited* offenses.[210] To be sure, these are broad categories, but no more so than many standards employed by the law, such as restraint of trade, the care of an ordinary prudent man, or due process itself.

The English categories expressed the evils at which the Framers squarely aimed; Mr. St. Clair's attempts to explain them away are a grasping at straws. Consider his argument based on the rejection of "maladministration" as an impeachable offense in favor of "high crimes and misdemeanors" in an effort to show that "impeachment was designed to deal exclusively with indictable criminal conduct." "Thus," he states, the Framers "manifested their intention to narrow the scope of impeachable offenses."[211] Without doubt the phrase "high crimes and misdemeanors" is narrower than "maladministration," which might include minor examples of mismanagement. But rejection of "maladministration" does not spell a "narrowing" of "high crimes and misdemeanors"; we need to look to "high crimes and misdemeanors" itself for the content the phrase had in both parliamentary practice and the eyes of the Framers. Each of the categories recognized by the Founders, such as "abuse of power" and "neglect of duty," was a category at English law of "high crimes and misdemeanors" and each represents a form of maladministration, that is, "improper management of public affairs." Thus "maladministration" within the parameters of "high crimes and misdemeanors" undoubtedly was to be impeachable. For this we have Madison's testimony. Referring to displacement "from office [of] a man whose merits require that he should be continued in it" (wanton discharge), Madison stated that the President "will be impeachable by this House, before the Senate, for such an act of maladministration."[212]

Equally without merit is Mr. St. Clair's assertion that "[t]he Convention rejected all noncriminal definitions of impeachable offenses. . . . Terms like 'malpractice,' 'neglect of duty' . . . and 'misconduct' were all considered and discarded."[213]

In fact, however, "malpractice" and "neglect of duty" were considered and "agreed to" at an early stage;[214] later, when the issue was whether the President should be impeachable, Franklin urged that impeachment was needed when the President's "misconduct should deserve it."[215] This was not put to a vote and it was not "rejected." Instead, the Framers adopted "high crimes and misdemeanors," which *included* "neglect of duty" and serious "misconduct" in office, as the Framers were well aware. Since the generic "high crimes and misdemeanors" embraced those particulars, there was no need to spell them out; an omission to do so cannot therefore be twisted into a "rejection" of the particulars.

Next Mr. St. Clair scoffs at the Framers' comments on impeachable categories because they antedated the Convention's decision on the "nature of the executive branch." Hence there was "no clear concept of who would be impeached."[216] But by July 20, the date of the early remarks, it had

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been settled, in Madison's words, that "the Executive Magistracy . . . was to be administered by a single man." [217] The later discussions avouched by Mr. St. Clair merely have reference to the several methods of electing the President; they did not alter impeachability of that "single man." [218] By his own admission, the last discussion of the subject on September 8 was Madison's admonition that provision must be made for "great and dangerous offenses," such as the nonindictable subversion of the Constitution, which led directly to the adoption of the phrase "high crimes and misdemeanors." [219] Moreover, when the Founders referred to the earlier categories in the several Ratification Conventions, they clearly demonstrated their satisfaction with the noncriminal content of "high crimes and misdemeanors"; and, as we have seen, Madison listed still other nonindictable offenses in the First Congress.

To illustrate "the opposition of the Framers to the abuse in the English tradition," Mr. St. Clair points to their proscription of bills of attainder, corruption of blood, and narrow definition of treason.[220] These examples demonstrate, however, that the Framers well knew how to reject undesirable practices. The fact that they defined treason narrowly and left "high crimes and misdemeanors" untouched indicates that they were content to follow English practice in "high crimes and misdemeanors," [221] as their references to the several categories confirm. Mr. St. Clair further argues that the treason and attainder examples "express the deep commitment to due process which permeates the Constitution. This due process would be emasculated if the impeachment process were not limited to indictable offenses." [222]

Since it is the intention of the Framers that Mr. St. Clair purports to seek, we must view due process as they did. For them due process merely demanded conformity with the procedure required by the law of the land. Hamilton gave, as an example, "due process of law, that is by indictment or presentment of good and lawful men, and trial and conviction in consequence." [223] Charges filed by the House and trial by the Senate under the ascertainable law were all that due process required in the eyes of the Framers.

Still another of Mr. St. Clair's contributions to history is his dismissal of the "impeachments between 1621 and 1715 [which] had as their main purpose the achievement of parliamentary supremacy." Indeed, "some individuals were impeached merely because they . . . were favorites of the King and hence rivals of the Parliament in settling State policy." [224] Shades of the dissolute Duke of Buckingham! His "boundless influence over both James I and Charles I," said Professor Chafee, "was one of the greatest calamities which ever hit the English throne," and he, Macauley stated, illustrates why "favorites have always been highly odious." [225] Such impeachments, according to Mr. St. Clair, "distorted" the process in order to achieve "parliamentary supremacy," which he labels an "abuse." [226] This is a hair raising description of a process that halted the tide of monarchial absolutism which was sweeping over Europe. Mr. St. Clair's conclusion that this aspect of impeachment was opposed by the Framers as "an abuse in the English tradition" [227] reveals unfamiliarity with the fact that for them that parliamentary struggle was the cradle of liberty.[228] In truth, their expressions of distrust of "favorites," their hatred of Stuart absolutism [229] which had engendered the great English impeachments, their abiding faith in the legislature [230] which led the Framers to give it a "bridle" on the executive, their repeated references to impeachable offenses such as subversion of the Constitution, abuse of power, and even to the giving of "bad advice" by Ministers to the Crown [231] that emerged from this struggle for parliamentary supremacy, demonstrate that the Framers, far from regarding these as "abuses" and "distortions" to be repudiated, adopted them en bloc in order to save the nascent democracy from executive usurpations and excesses. Mr. St. Clair's reading of history underlines anew the wisdom of Pope's injunction—"Drink deep, or taste not the Pierian spring."

D. Selectivity: Other examples

Let me close with a few additional examples of discriminatory selectivity which a lawyer employs to acquit a client but which hardly comport with the duty of one who professes to give a faithful historical account. After alluding to treason and bribery, Mr. St. Clair states, "Other crimes for which impeachments were brought included the misappropriation of government funds, participation in various plots against the government . . . and voicing religious beliefs prohibited by the laws." By the First Amendment, he continues, the Constitution "specifically rejected the English precedents of impeaching individuals for their religious beliefs." [232] From this one might conclude that he had exhausted the roster of impeachable offenses. Where is mention of subversion of the Constitution, abuse of power, betrayal of trust, and neglect of duty, which were impeachable offenses in England, and to which the Founders adverted?

Again, Mr. St. Clair quotes Erskine May for the proposition that "impeachments are reserved for extraordinary crimes and extraordinary offenders," [233] but he neglects to add May's statement that "[i]mpeachments by the Commons, for high crimes and misdemeanors beyond the reach of the [criminal] law . . . might still be regarded as an ultimate safeguard of public liberty." [234] Throughout, Mr. St. Clair plays a tattoo on the fact that impeachment was a proceeding "for great men and great causes." [235] Would he read out of the Constitution the express provision for impeachment of "all civil officers" who are not "great men"? Is not the President a "great man" by any standard? Then too, "great offenses" for the Founders were the impeachable offenses that they enumerated, for which we cannot now substitute a new version supplied by defense counsel.

Consider finally Mr. St. Clair's selection from Edmund Burke at the trial of Warren Hastings:

> We say, then, not only that he governed arbitrarily, but corruptly . . . that is to say, that he was a giver and receiver of bribes. . . . In short, money is the beginning, the middle, and the end of every kind of act done by Mr. Hastings.[236]

The emphasis on "money" is apt to overshadow that Hastings was charged with governing "arbitrarily," the classic impeachable offense, and that Burke's accusations reached far deeper than "bribery." In his opening statement before the Lords he stated,

"It is by this tribunal that statesmen who *abuse their power* . . . are tried . . . not upon the niceties of a narrow [criminal] jurisprudence, but upon the enlarged and solid principles of morality." [237]

Observe that Burke, the hero of the Founders for his defense of the American revolt, emphasized that "abuse of power" was not to be tried by the narrow principles of criminal law. And he concluded, "I impeach Warren Hastings of high crimes and misdemeanors. I impeach him in the name of the Commons . . . whose *trust* he has betrayed. . . ." [238] To ignore these statements while concentrating attention on "bribery" is to deal in halftruths and to stray from candor.

Enough has been set out to expose Mr. St. Clair's cavalier treatment of history; and though it is tempting to invoke the Latin maxim, so often applied by the courts—false in one thing, false in everything—I prefer rather to forego analysis of the rest of the 61-page St. Clair memorandum in order to spare the reader a needlessly wearisome and tedious journey. Against this background it is sheer effrontery to say, as does St. Clair. "[a]ny analysis that broadly construes the power to impeach and convict can be reached only by reading Constitutional authorities selectively, by lifting specific historical precedents out of their precise historical context, by disregarding the plain meaning and accepted definition of technical, legal terms—in short, by placing a subjective gloss on the history of impeachment that results in permitting the Congress to do whatever it deems most politic." [239]

In conclusion, Mr. St. Clair has resolutely closed his eyes to adverse facts throughout, to the impact of the American separation of removal on impeachment from criminal trial by jury of "all criminal prosecutions" if, as he argues, the removal proceeding must be regarded as criminal in nature. "Historical reconstruction," said a distinguished English historian, Sir Herbert Butterfield, "must at least account for the evidence that is discrepant, and must explain how the rejected testimony came to exist." [240] Judges too require lawyers to meet the arguments of opposing counsel. When Mr. St. Clair neglects to do so and wraps himself in the cloak of pseudo-history, he lays himself open to the suspicion that he is not so much engaged in honest reconstruction of history as in propaganda whose sole purpose is to influence public opinion in favor of a client who is under grave suspicion. An "acquittal so obtained," said Macaulay, "cannot be pleaded in bar of the judgment of history." [241]

FOOTNOTES

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[1] 1 T. Carpenter, The Trail of Colonel Aaron Burr 75 (1807). McRae's co-counsel, William Wirt, who served as Attorney General of the United States for twelve consecutive years, stated that "if the production of this letter would not compromit [*sic*] the safety of the United States, and it can be proved to be material to Mr. Burr, he has a right to demand it. Nay, in such a case, I will admit his right to summon the President . . . ." *Id.* at 82. His associate, George Hay, the United States Attorney, stated, "I never had the idea of clothing the President . . . with those attributes of divinity. . . . That high officer is but a man; he is but a citizen; and, if the knows anything in any case, civil or criminal, which might affect the life, liberty or property of his fellow-citizens . . . it is his duty to . . . go before a Court, and declare what he knows. And what would be the process, in case he failed to attend? Why, the common means would be, for the Court to issue an attachment to force him. . . ." *Id.* at 90–91.

Later Wirt, arguing in Cheroke Nation v. Georgia, 30 U.S. (5 Pet.) I (1831), stated: "Shall we be asked . . . how this Court will enforce its injunction. . . . I answer, it will be time enough to meet that question when it shall arise. . . . In a land of laws, the presumption is that the decision of the Courts will be respected; and, in case they should not, it is a poor government indeed in which there does not exist power to enforce respect.

"What is the value of that government in which the decrees of its Courts can be mocked at and defied with impunity? . . . It is no government at all. . . . [This Court is not] to anticipate that the President will not do his duty."

[2] C. Warren, History of the Supreme Court 207–08 (1922). Although this was uttered against a background of veiled presidential threats not to enforce a decree against Georgia, the reasoning extends to a subpoena against the President. *Id* at 205.

E. Corwin. The Presidents Office and Powers 139 (3d ed. 1948). Compare the statement by Dumas Malone at p. 1119 *infra*.

[3] Nixon v. Sirica, 487 F.2d 700, 748 (D.C. Cir. 1973) (dissenting opinion) ("the President, through his attorney, refused to disclose certain passages").

[4] Rhodes, *What Really Happened to the Jefferson Subpoenas*, 60 A.B.A.J. 52 (1974). He alleges that the courts relied on the "incomplete record." They "failed to uncover the complete contemporaneous reporting of the case taken in shorthand by Thomas Carpenter . . ." and to consult the archives wherein he located a copy "of the controversial letter of General Wilkinson to President Jefferson. . . ." *Id.*

[5] *Id.*

[6] *Id.* at 54.

[7] N.Y. Times, Feb. 15, 1974, at 1, col. 8; Wall St. J., Feb. 20, 1974, at 7, col 2.

[8] Rhodes, *supra note* 4, at 52.

[9] *Id.* at 54. On the preponderant role of "relevancy," see note 33 *infra*.

[10] 1 T. Carpenter, *supra* note 1, at 65, 124.

[11] *Id.* at 62, 64, 70; 2 *id.* at 4.

[12] 1 *id.* at 77, 84. While Jefferson wrote that personal attendance might hale him to all parts of the vast hinterland, he stated that if Burr should "suppose there are any facts within the knowledge of the Heads of departments or of myself . . . we shall be ready to give him the benefit of it, by way of deposition . . . ," a plea of inconvenience rather than of lack of jurisdiction. 9 Jefferson Writings 57 (P. Ford ed. 1898) [hereinafter cited as Ford]. Compare this with Rhodes' statement that Jefferson wrote Hay on June 17 "denying the right to demand his personal attendance." Rhodes, *supra* note 4, at 53. No such representation was ever made to the court. To the contrary, his counsel professed readiness to have him appear. *See* note 1 *supra*.

[13] "We observed that Mr. Hay admitted, that the President might be subpoenaed." 1 T. Carpenter, *supra* note 1, at 70.

[14] *Id.* at 84, 127.

[15] *Id.* at 127.

[16] *Id.* at 127–28. Marshall rejected the reservation in the law of evidence for the King—which was based on the ground that it was "incompatible with his dignity to appear under the process of the court"—because the "principle of the English constitution that the king can do no wrong" was inapplicable to our government whereunder "the President . . . may be impeached and may be removed from office." *Id.*

[17] *Id.* at 129.

[18] *Id.* at 130.

[19] *Id.* at 133.

[20] *Id.* at 134.

[21] Ford, *supra* note 12, at 55–56.

[22] *Id.* at 56.

[23] *Id.* at 61.

[24] 1 D. Robertson, Trial of Aaron Burr 256 (1808). Like the Carpenter report, the Robertson report is a stenographic record of the trial.

[25] 3 T. Carpenter, *supra* note 1, at 14. Rhodes, *supra* note 4, at 53, states that "a copy of the letter of October 21, which had been lost [was] submitted."

[26] 2 T. Carpenter, *supra* note 1, at 3; 3 *id.* at 3.

[27] 3 *id.* at 9, 20, 21.

[28] *Id.* at 20.

[29] *Id.* Robertson reports that Martin also claimed the right to hear the Wilkinson letter "publicly," 2 D. Robertson, *supra* note 24, at 502, and that Hay said, "I wish the court to look at the letter and say whether it does not contain what ought not to be submitted to public inspection." *Id.* at 509. It "cannot be right," said Hay, that Burr "shall have . . . access to the letter, merely for the purpose of making it public." 3 T. Carpenter, *supra* note 1, at 25. In his opinion of September 4, Marshall took account of this dispute; he said,

> With respect to the secrecy of these parts which it is stated are improper to give out to the world, the Court will take any order that may be necessary. I do not think that the accused ought to be prohibited from seeing the letter; but . . . I will order that no copy of it be taken for public exhibition; and that no use shall be made of it but what is necessarily attached to the case . . . [I]f it is necessary to debate it in public, those who take notes may be instructed not to insert any part of the arguments on that subject.

Id. at 38.

[30] Rhodes, *supra* note 4, at 52, 53.

[31] 3 T. Carpenter, *supra* note 1, at 27–28.

[32] 1 *id.* at 10 (second series of pagination).

[33] Throughout, "relevancy" was the touchstone. *See* 42 pp. 1114, 1118. Text accompanies notes 32–33, pp. 1120–21, 1116 *infra*, and note 37 *infra*.

[34] 3 T. Carpenter, *supra* note 1, at 30.

[35] Rhodes, *supra*, note 4, at 54. There is, however, no evidence that Burr's counsel at any point suggested that "relevancy" be left to Marshall.

[36] *Id.*

[37] 3. T. Carpenter, *supra* note 1, at 37, Marshall subsequently repeated that "it was impossible for him to determine, even if he saw the letter, how much of it was relevant to the present case, because he could not anticipate what ground of defence would be taken by the accused." *Id.* at 279–80.

[38] It is extremely probable that the letter, or the parts of the letter called for . . . is [*sic*] of infinitely less importance, if it should be looked into, then gentlemen suppose; and that the objections . . . would vanish at its production; because it is probable, that, if it was produced and read, very much of the suspicions now entertained, would be wiped away . . . *Id.* at 36.

[39] *Id.* at 36.

[40] Robertson reports this as follows: "The occasion for demanding it ought, in such a case, to be very strong, and to be fully shown to the court before its production could be insisted on." 2. D. Robertson, *supra* note 24, at 535–36.

[41] 3 T. Carpenter, *supra* note 1, at 37.

[42] *Id.* at 36–37. The challenge to the sufficiency of Burr's allegation that the letter "may be material" was thus met by Marshall:

> [I]f a paper be in the possession of the opposite party, what statement of its contents or applicancy can be expected from the person who claims its production, he not knowing its contents? . . . It has always been thought sufficient to describe the paper, and identify its general nature and authenticity. . . . *Id* at 35.

[43] *Id.* at 36–37.

[44] *Id.* at 38.

[45] *Id.* at 37; Rhodes, *supra* note 4, at 53. Robertson reports, "The propriety of withholding it must be decided by himself, not by another for him." 2 D. Robertson, *supra* note 24, at 536.

[46] 3 T. Carpenter, *supra* note 1, at 46.

[47] United States v. Burr, 25 F. Cas. 187, 192–93 (No. 14,694) (C.C. Va. 1807), which purports to draw on the Carpenter and Robertson reports, states that Hay "presented a certificate from the President. . . ." Neither report contains such language. Robertson does not even record the express letter to Hay from Jefferson. 2 D. Robertson, *supra* note 24, at 537.

[48] N.Y. Times, Nov. 26, 1973, at 30, col. 5.

[49] Nixon v. Sirica, 487 F. 2d 700, 748 (D.C. Cir. 1973) (dissenting opinion).

[50] 1 D. Robertson, *supra*, note 24 at 169. Compare Burr's statement on September 3: "A letter has been demanded from the President . . . which has been often promised, but never produced. I wish to know if that letter is in Court, and whether it cannot be put into the hands of the clerk." 3 T. Carpenter, *supra* note 1, at 14.

[51] *See, e.g.*, 3 T. Carpenter, *supra* note 1, at 30, *quoting* Botts. Rhodes states that on "September 16, Burr reasserted his demand for the November 12 letter, saying that 'the court ought to make no question how to proceed on it,' undoubtedly referring to his prior motion to continue the case." Rhodes, *supra* note 4, at 54. Marshall had earlier stated that he would follow that course. *See* p. 1118 *supra*. Burr continued to demand the entire letter. *See* p. 1120 *infra*.

[52] 2 T. Carpenter, *supra* note 1, at 125.

[53] Note Marshall's remark on September 4: "[I]ndeed that has once been decided." *See* p. 1117 *supra*. Later he stated in another context, "I have already decided this question." 3 T. Carpenter, *supra* note 1, at 284.

[54] 3 T. Carpenter, *supra* note 1, at 110.

[55] Rhodes adverts to Marshall's ruling "that to constitute treason by acts of war the principal must be physically present at the place of committing the acts, in this case at Blannerhasset Island, a requirement the testimony could not meet." Rhodes, *supra* note 4, at 54.

[56] 3 T. Carpenter, *supra* note 1, at 254.

[57] Rhodes, *supra* note 4, at 54.

[58] 3 T. Carpenter, *supra* note 1 at 280–81.

[59] *Id.* at 281–82.

[60] *Id.* at 284.

[61] Rhodes, *supra* note 4, at 54.

[62] *Id.*

[63] *Id.* at 53.

[64] 3 T. Carpenter, *supra* note 1, at 103.

[65] *See* p. 1118 and note 53 *supra*.

[66] Nixon v. Sirica, 487 F.2d 700, 710 (D.C. Cir. 1973).

[67] *See* Powell v. McCormack, 395 U.S. 486, 521 (1969).

[68] U.S. Const. art. I, § 3. It is reported that Special Prosecutor Leon Jaworski advised the grand jury not to indict President Nixon: "It was researched at the time and the conclusion was that legal doubt on the question was so substantial that a move to indict a sitting President would touch off a legal battle of gigantic proportions." N.Y. Times, Mar. 12, 1974, at 24, col. 1.

When I first studied Article I, § 3, I was engrossed in the *separation* of the removal on impeachment from the indictment and unwittingly wrote that "[r]emoval would enable the government to replace an unfit person with a proper person, leaving 'punishment' to a later and separate proceeding . . . ." R. Berger, Impeachment: The Constitutional Problems 79 (1973). At that time the problem whether impeachment *must* precede indictment had never crossed my mind; since then my incautious words have been read to endorse that view. Nixon v. Sirica, 487 F.2d 700, 757 (D.C. Cir. 1973) (MacKinnon, J., dissenting); Brief for Appellant at 20, Nixon v. Sirica, *supra*. I hereby repudiate such endorsement, for study of the problem has convinced me that § 3 has no such requirement.

[69] *See* discussion of double jeopardy at pp. 1124–25 *infra*.

[70] "[N]o officer of the law may set that law at defiance with impunity. All the officers of government, from the highest to the lowest . . . are bound to obey it." U.S. v. Lee 106 U.S. 196, 220 (1882) see note 84 infra.

[71] Memorandum for the United States at 10 n.**, Application of Spiro T. Agnew, Civil No. 73–965 (D. Md.) (memorandum filed Oct. 5, 1973, concerning the Vice President's claim of constitutional immunity, prepared by Solicitor General Robert H. Bork) [hereinafter cited as Bork].

[72] As Chief Justice Marshall stated, he "is elected from the mass of the people" and "return to the mass of the people." 1 D. Robertson, *supra* note 24, at 181.

[73] Cohens v. Virginia, 19 U.S. (6 Wheat.) 264, 394 (1821). Chief Justice Marshall added, "This cannot, therefore, be the true construction of the article."

[74] 1 J. Story, Commentaries of the Constitution of the United States § 782 (5th ed. 1905).

[75] Bork, *supra* note 71, at 8.

[76] *Id.* at 10. Mr. Bork properly points out

that "impeachment and the criminal process serve different ends so that the outcome of one has no legal effect upon the outcome of the other," a conclusion justly rested on James Wilson:

> Impeachments . . . come not . . . within the sphere of ordinary jurisprudence. They are founded on different principles; are governed by different maxims, and are directed to different objects; for this reason, the trial and punishment of an offense in the impeachment, is no bar to a trial of the same offense at common [criminal] law.

Bork, *supra* note 71, at 8–9, *citing* 1 J. Wilson, Works 324 (R. McCloskey ed. 1967).

Bork, at 11, also cases in state courts that reached a similar conclusion under constitutional provisions modeled on Article I, § 3, such as Commonwealth v. Rowe, 112 Ky. 482, 66 S.W. 29 (1902); State v. Jefferson, 90 N.J.L. 507, 101 A. 569 (Ct. Err. & App. 1917). In addition, Bork, at 16n., points to United States v. Kerner (involving an indictment and conviction of Circuit Judge Otto Kerner prior to impeachment) then pending in the 7th Circuit and since decided in favor of the Department of Justice position that such a judge is a subject of indictment and conviction prior to impeachment and removal. N.Y. Times, Feb. 21, 1974, at 6, col. 1. To this may be added that Justice William Rehnquist, then Assistant Attorney General, Office of Legal Counsel, advised Attorney General John Mitchell that the United States could prosecute Justice Abe Fortas without waiting on impeachment. Keeffe, *Explorations in the Wonderland of Impeachment,* 59 A.B.A.J. 885, 886 (1973).

[77] 101 U.S. 341, 343 (1879).

[78] Bork, *supra* note 71, at 4.

[79] *Id.* at 5.

[80] *See, e.g.,* T.I.M.E., Inc. v. United States, 359 U.S. 464, 471 (1959): "We find it impossible to impute to Congress an intention to give such a right to shippers under the Motor Carriers Act when the very sections which established that right in Part I [for railroads] were wholly omitted in the Motor Carriers Act."

[81] 10 Annals of Cong. 72 (1800).

[82] *Id.* at 74. In the course of his remarks, Pinckney addressed himself to the questions "why the Constitution should have been so attentive to each branch of Congress . . . and have shown so little to the President . . . in this respect. Why should the individual members of either branch . . . have more privileges than him [*sic*]." *Id.* Thus the withholding of presidential immunity was no oversight; it was intentional. The explanation lies in history cited by the Supreme Court. *See infra.*

[83] M. Farrand, The Framing of the Constitution 21 (1913).

[84] 2 J. Elliot, Debates in the Several State Conventions on the Adoption of the Federal Constitution 480 (1836). In his Lectures of 1791, James Wilson, a Justice of the Supreme Court, rephrased this as follows: "[T]he most powerful magistrates should be amendable to the law . . . No one should be secure while he violates the constitution and the laws." 1 J. Wilson, *supra* note 76 at 425.

[85] R. Berger, Executive Privilege: A Constitutional Myth 49–50, 52–53 (1974). Hamilton was constrained to rebut attacks upon grants to the President by those who, "[c]alculating upon the aversion of the people to monarchy," portrayed the President "as the full-grown progeny of that detested parent." The Federalist No. 68, at 448 (Mod. Lib. ed. 1937) (A. Hamilton).

[86] R. Berger, *supra* note 68, at 328 (*See* pages cited under heading "Founders."). *Compare id.* at 70, *with id.* at 89; *and see id.* at 171 n.217.

[87] *Id.* at 49.

[88] Bork, *supra* note 70, at 6–7.

[89] Bork, *supra* note 71, at 6, *citing* 2 M. Farrand, The Records of the Federal Convention of 1787, at 500 (1911) [hereinafter cited as Farrand].

[90] Bork, *supra* note 71, at 17. Another citation by Bork, at 6, is to 2 Farrand 64–69, 626. Nothing relevant to the impeachment-indictment sequence is contained in those pages.

[91] J. Miller, Alexander Hamilton: Portrait in Paradox 174–76, 178 (1959).

[92] 3 Farrand, *supra* note 89, at 617, 625.

[93] Compare their rejection of "high misdemeanor" because it has a "technical meaning too limited" and the substitution of "high crimes and misdemeanors" for maladministration." R. Berger, *supra* note 68, at 74. As was said by Chief Justice Taney: "[N]o word was unnecessarily used, or needlessly added . . . . Every word appears to have been weighed with the utmost deliberation, and its force and effect to have been fully understood." Holmes v. Jennison, 39 U.S. (14 Pet.) 540, 571 (1840).

[94] *Compare* Hamilton's suggestion that on impeachment the President be suspended until judgment, 3 Farrand, *supra* note 89, at 617, 625, *with* the rejection of such a motion made by Morris and Rutledge, 2 Farrand 612. When Hamilton stated in The Federalist No. 69, *supra* note 85, at 446, that "[t]he President would be liable [in impeachment] and would afterwards be liable to [criminal] prosecution," he was referring to his own plan rather than a faithful rendition of Article I, § 3.

[95] For the appropriate rule of construction, *see, e.g.,* United States v. Menasche, 348 U.S. 528, 538–39 (1955); *cf.* Fisher v. District of Columbia, 164 F.2d 707, 708–09 (D.C. Cir. 1948).

[96] United States v. Classic, 313 U.S. 299, 316 (1941).

[97] Bork, *supra* note 71, at 6.

[98] R. Berger, *supra* note 68, at 146–47.

[99] Bork 7.

[100] *Id.*

[101] *Id.* at 18.

[102] Rufus King referred "to the primitive axiom that the three great departments of Govts. should be separate and independent," and asked, "Would this be the case if the Executive should be impeachable?" 2 Farrand, *supra* note 89, at 66. Charles Pinckney stated that impeachment by the Legislature would give it "a rod over the Executive and by that means effectually destroy his independence." *Id.*

[103] George Mason, expressing the view that prevailed. "No point is of more importance than that the right of impeachment should be continued." *Id.* at 65. Edmund Randolph stated, "The Executive will have great opportunity for abusing his power." *Id.* at 67. *See also* the remarks of James Madison and Elbridge Gerry. *Id.* at 66. The vote was 8 to 2 in favor of retaining the impeachment power. *Id.* at 69. For a discussion of noncriminal offenses, see R. Berger, *supra* note 68, at 53–93.

[104] Bork, *supra* note 71, at 16.

[105] United States v. Johnson, 383 U.S. 169, 181 (1966).

[106] *Id.* at 182. *See also id.* at 178.

[107] K. Bradshaw & D. Pring, Parliament and Congress 95 (1972).

[108] R. Berger, *supra* note 68, at 30–33, 39.

[109] 2 Farrand, *supra* note 89, at 69.

[110] 4 J. Elliot, *supra* note 84, at 109.

[111] Bork, *supra* note 71, at 20.

[112] The discharge was held illegal by District Judge Gerhard Gesell. Nader v. Bork, 366 F. Supp. 104 (D.D.C. 1973).

[113] Bork, *supra* note 71, at 20.

[114] In *Ex parte* Grossman, 267 U.S. 87, 121 (1925), the Court said that the pardoning power "is a check entrusted to the executive for special cases. To exercise it to the extent of destroying the deterrent effect of judicial punishment would be to pervert it; but whoever is to make it useful must have full discretion to exercise it. Our Constitution confers this discretion on the highest officer in the nation in confidence that he will not abuse it." An abuse "would suggest a resort to impeachment . . . ."

[115] A respected scholar and judge, Herbert F. Goodrich, stated that "[i]f a legal rule fails to satisfy the untechnical requirements of ordinary common sense the premises behind the rule had better be carefully examined." Gavin v. Hudson & Manhattan Co., 185 F.2d 104, 105–06 (3d Cir. 1950).

[116] Bickel, *The Constitutional Tangle,* The New Republic, Oct. 6, 1973, at 14, 15.

[117] Gibbon says of Rome that "the obsequious civilians unanimously pronounced that the republic is contained in the person of its chief." 4 E. Gibbon, The History of the Decline and Fall of the Roman Empire 509 (Nottingham Soc'y ed. undated). A current illustration is furnished by the statement of Emperor Haile Selassie of Ethiopia on March 11, 1974, albeit with recognition of the winds of change: "[W]hile the monarchy was a durable institution needed to hold Ethiopia together, its once overwhelming political power was not 'eternal' and could be varied according to the requirements and exigencies of the times." N.Y. Times, Mar. 12, 1974, at 13, col. 1.

[118] 1 W. Blackstone, Commentaries on the Law of England 49, (1765).

[119] R. Berger, Congress v. The Supreme Court 174–75 (1969). *See also* G. Wood, The Creation of the American Republic, 1776–1787, at 362, 377, 382, 530 (1969).

[120] 2 Farrand, *supra* note 89, at 69.

[121] R. Berger, *supra* note 85, 51–52, 61–63.

[122] The Federalist No. 69, *supra* note 85, at 446.

[123] In the words of Arthur Schlesinger, Jr.: "The Presidency, though its wings could be clipped for a time, was an exceedingly tough institution. . . . It had endured many challenges and survived many vicissitudes. It was nonsense to suppose that its fate as an institution was bound up with the fate of the particular man who happened to be President at any time." A. Schlesinger, Jr., The Imperial Presidency 405 (1973).

[124] *See* Bickel, *supra* note 116, at 15.

[125] The Framers rejected suspension prior to conviction. *See* note 94 *supra.*

[126] Vice President Spiro Agnew resigned after indictment and before trial, explaining in part that the welfare of the nation would thereby be served. N.Y. Times, Oct. 11, 1973, at 35, col. 3.

[127] 2 T. Macaulay, Critical and Historical Essays 128 (1890).

[128] Bork, *supra* note 70, at 9–10.

[129] Compare Justice Sutherland on "sovereignty" in United States v. Curtiss-Wright Export Corp., 299 U.S. 304 (1936), *discussed in* Berger, *The Presidential Monopoly of Foreign Relations,* 71 Mich. L. Rev. 1, 26–33 (1972).

[130] Ware v. Hylton, 3 U.S. (3 Dall.) 199, 267 (1796), *See* R. Berger, *supra* note 119, at 22–23.

[131] 2 G. McRee, Life and Correspondence of James Iredell 146 (1857–1858).

[132] R. Berger, *supra* note 68, at 91–93.

[133] *Id.* at 93.

[134] 286 U.S. 427, 433 (1932).

[135] The Court stated.

> Where the subject matter [impeachment] to which the words refer is not the same in the several places where they are used, or the conditions are different, or the scope of the legislative power exercised in one case is broader than that exercised in another, the meaning may well vary to meet the purposes of the law, to be arrived at by a consideration of the language in which those purposes are expressed, and of the circumstances under which the language was employed.

[136] *See* note 1 *supra,* Herbert Butterfield, who has considered the problems of historiograpy in his penetrating study, *George III and the Historians* (rev. ed. 1969), remarked that "it is often necessary to know a great

deal of history before one is equipped for the interpreting of historical documents." *Id.* at 18. This is more essential with respect to a constitution. *See* p. 1134 *supra.*

[137] 3 A. Beveridge, Life of John Marshall 450 (1919).

[138] *See* A. Schlesinger, Jr., *supra* note 123, at ix.

[139] 1 T. Carpenter, *supra* note 1, at 90.

[140] 7 E. Burke, Works 14 (1839) (Burke's opening statement at the trial of Warren Hastings).

[141] J. St. Clair, An Analysis of the Constitutional Standard for Presidential Impeachment, issued in late February 1974 [hereinafter cited as St. Clair]. The memorandum consists of six pages of summary and a body of 61 pages.

[142] The value of such "history" is illuminated by the citation, St. Clair at 42–43, of the argument of Luther Martin on behalf of Justice Samuel Chase in 1805. Martin, a heavy drinker, appeared in 1810 before Justice Chase on circuit in Baltimore, somewhat more inebriated than usual. Chase complained, "I am surprised that you can so prostitute your talents." Martin replied, "Sir, I never prostituted my talents except when I defended you and Col. Burr;" and turning to the jury he added confidentially, "[A] couple of the greatest rascals in the world." P. Clarkson & R. Jett, Luther Martin of Maryland 280 (1970).

[143] Wiggins, *Lawyers as Judges of History,* 75 Proceedings Mass. Hist. Soc'y 84, 104 (196).

[144] FPC v. Natural Gas Pipeline Co., 315 U.S. 575, 609 (1942) (concurring opinion).

[145] Berger, *Impeachment for High Crimes and Misdemeanors,* 44 S. Cal. L. Rev. 359 (1971)

[146] Harv. L. Record, Mar. 15, 1974, at 9.

[147] St. Clair, *supra* note 141, at 17, *quoting* United States v. Hudson & Goodwin, 11 U.S. (7 Cranch) 32 (1812).

[148] Act of Apr. 30, 1790, ch. 9, §§ 1, 21, 1 Stat. 112, 117.

Professor Jefferson Fordham states that "treason is defined as a crime by the Constitution in the judicial article with the element of sanction left to the Congress." Fordham, Book Review, 47 S. Cal. Rev. 673, 676 (1974). The Supreme Court held that, to constitute a crime, it is necessary to "affix a punishment to proscribed conduct." United States v. Hudson & Goodwin, 11 U.S. (7 Cranch) 32(1812). Had Congress elected not to "affix a punishment," treason would not have constituted a "crime"; no one could have been prosecuted for treason. By the Act of 1790, treason was made a crime; it will hardly be maintained that prior thereto treasonable acts were indictable. An unpunishable "crime" is like "a grin without a cat."

Since, as Fordham recognized, "the definition appears to be intended for all purposes, including impeachment," 47 S. Cal. L. Rev. at 676, it cannot be *assumed* that impeachment for treason was criminal in nature. The fact that George Mason emphasized that "treason" as defined would not reach "subversion of the Constitution" and suggested "maladministration" which, to say the least, comprehended *some* acts of noncriminal nature, alone argues against such an assumption. *See* 2 Farrand, *supra note* 89, at 550, *cited in* R. Berger, *supra* note 68, at 86. The substitution of "high crimes and misdemeanors" for Mason's "maladministration" indicates that the association of "high crimes and misdemeanors" with "treason" was not thought to render "high crimes and misdemeanors" criminal for impeachment purposes.

[149] Act of June 14, 1797, ch. 12 § 1, 1 Stat. 520.

[150] Act of June 5, 1794, ch. 50, § 5, 1 Stat. 384.

[151] 28 U.S.C. § 454 (1970).

[152] Act of June 5, 1794, ch. 50, § 1, 1 Stat. 381–82.

[153] R. Berger, *supra* note 68, at 86. Chapter 2 of my book incorporates the article cited in note 145 *supra.*

[154] R. Berger, *supra* note 68, at 89.

[155] *Id.*

[156] The Federalist No. 65, *supra* note 85, at 423.

[157] R. Berger, *supra* note 68,, at 89.

[158] I. Annals of Cong., 372–73 (1789) (page running head "History of Congress").

[159] I. Annals of Cong., 498 (1789) (page running head "History of Congress").

[160] R. Berger, *supra* note 68, at 57 n. 15.

[161] *Id.* at 77, *See* I. J. Story, Commentaries on the Constitution of the United States §§ 796, 5th ed. 1905. An earlier work, W. Rawle, A View of the Constitution, 273 (2d ed. 1829), had come to the same conclusion.

[162] *See* note 148 *supra.*

[163] Members of Congress and officers of the United States were added by the Act of Feb. 26, 1853, ch. 81, § 6, 10 Stat. 171. Today, 18 U.S.C. § 201 (1970) covers "public official[s]," defined as "member[s] of Congress . . . or an officer or employee or person acting for or on behalf of the United States, or any department." Under the prior Act, an "officer of the United States" was deemed one "appointed by the President . . . or the head of some executive department." United States v. Van Wert, 195 F. 974, 976 (N.D. Iowa 1912); *cf.* United States v. Germaine, 99 U.S. 508, 510 (1878); and under the maxim *noscitur et sociis* the words "employee or person" might similarly exclude the President.

[164] R. Berger, *supra* note 68, at 89.

[165] St. Clair, *supra* note 141, at 34.

[166] R. Berger, *supra* note 68, at 75 n.111 (emphasis added).

[167] *Id.* at 79. *See* note 184 *infra* for Hamilton's similar statement.

[168] The Federalist No. 65, *supra* note 85, at 425–26.

[169] Office of Legal Counsel, Dep't of Justice, Legal Aspects of Impeachment: An Overview, February 1974, at 14 [hereinafter cited as Justice Dep't Memorandum].

[170] St. Clair, *supra* note 141, at 38–39 (emphasis in original).

[171] *Id.* at 7, 10, 12, 13, 20, 26, 38. "To further reinforce the criminal nature of the process," says St. Clair, *id.* at 26–27, "an early draft provided that an impeachment was to be tried before the Supreme Court," as if the Court was to hear no civil cases. By the same reasoning, the subsequent transfer of the trial to the Senate should mark the offense as noncriminal.

[172] U.S. Const. art. I, § 3.

[173] R. Berger, *supra* note 68, at 79. *See* note 184 *infra.*

[174] *Id.* at 80.

[175] *Id.* at 80–81.

[176] *Id.;* 1 J. Story, *supra* note 161, § 782; *See* J. Wilson, *supra* note 76.

[177] St. Clair, *supra* note 141, at 3.

[178] *Id.* at 37–38.

[179] R. Berger, *supra* note 68, at 81–82.

[180] *See* note 115 *supra.*

[181] Bork, *supra* note 71, at 10n.**.

[182] R. Berger, *supra* note 68, at 81.

[183] Bork, *supra* note 71, at 10n.**.

[184] Hamilton distinguished between "their removal from office" and *"their actual punishment* in cases which would admit of it." The Federalist No. 70, *supra* note 85, at 461 (emphasis added). He thus recognized, as did Iredell and Nicholas, that *some* impeachable offenses could not be punished criminally. *See* p. 1141 *supra.*

[185] St. Clair, *supra* note 141, at 38.

[186] R. Berger, *supra* note 68, at 85.

[187] Justice Dept. Memorandum, *supra* note 169, Appendix 1 at 24. *Compare* pp. 1143–44 *supro*

[188] J. Stevens, The Criminal Law of England 60 (1863) *cited in* R. Berger, *supra* note 68, at 61.

[189] Justice Frankfurter stated, "Words of art bring their art with them. They bear the meaning of their habitat . . . whether it be loaded with recondite connotations of feudalism." Frankfurter, *Some Reflections on the Reading of Statutes,* 47 Colum. L. Rev. 527, 537 (1947). For the meaning of "high crimes and misdemeanors," *see* pp. 1139–40 *supra.*

[190] R. Berger, *supra* note. 68, at 61–63.

[191] St. Clair, *supra note* 141, at 19 (emphasis in original).

[192] *Id.* at 25, 33. His explanation of "high" is rested on "modern usage," citing to the House Judiciary Comm., 93d Cong., 1st Sess., Impeachment: Selected Materials 622 (Comm. Print 1973). The citation to page 622 is to a reprint of my 1971 article, at which point I was tracing the centuries-long development, culminating in Blackstone!

[193] St. Clair, *supra* note 141, at 21–22, 23. He neglected to notice Blackstone's statement in his discussion of "Misprisions . . . generally denominated *contempts* or *high misdemeanors;* of which 1. The first and principal is the *mal-administration* of such high officers, as are in public trust and employment. This is usually punished by the method of parliamentary impeachment. . . . " 4 W. Blackstone, *supra* note 118, at 121 (emphasis in original). Contempts were punished by the respective tribunals against whom contemptuous conduct was proven, the courts or the Parliament. I recall no case in which Parliament turned to a court for punishment of a contempt against itself.

[194] R. Berger, *supra* note 68, at 86.

[195] St. Clair, *supra* note 141, at 34 (emphasis in original). It is beside the point to say that "in *common parlance* a misdemeanor is considered a crime by lawyers, judges, defendants, and the general public," *id.* at 33, first, because a "high misdemeanor" is quite different from a "misdemeanor," and second, because the test of such a "technical" common law term is not present "common parlance" but what it meant to the Framers.

> The language of the Constitution cannot be interpreted safely except by reference to the common law and British institutions as they were when the instrument was framed and adopted. The statesmen and lawyers of the Convention who submitted it to the ratification of the Conventions of the Thirteen States, were born and brought up in the atmosphere of the common law and thought and spoke in its vocabulary. . . . [T]hey expressed [their conclusions] in terms of the common law, confident that they could be shortly and easily understood.

Ex parte Grossman, 267 U.S. 87, 108 (1925); *cf.* United States v. Barnett, 376 U.S. 681, 688 (1964).

To import "high" by resort to history as a special species of crime and then to argue that the words "high crimes and misdemeanors" . . . are so clear and unequivocal in and of themselves" that it is not "necessary to look beyond the words," St. Clair, *supra* note 141, at 32, 38, indicates that the right hand knew not what the left was doing. This maneuver was designed to invoke the "plain meaning" rule, which once shut off extrinsic evidence, but which has been badly battered in the last fifty years. Wirtz v. Bottle Blowers Ass'n, 389 U.S. 463, 468 (1968); United States v. American Trucking Ass'ns. 310 U.S. 534, 543–44 (1940); Boston Sand & Gravel Co. v. United States, 278 U.S. 41, 48 (1928) (Holmes, J.).

[196] *See* R. Berger, *supra* note 68, at 53; Wash. Star-News, Apr. 11, 1973, at A2, col. 1.

[197] St. Clair, *supra* note 141, at 2.

[198] *Id.* 2 Farrand, *supra* note 89, at 66–67.

[199] Particularly disconcerting is St. Clair's non sequitur that that President "was, while President, unindictable by ordinary criminal process. This, of course, is why some members of the Constitutional Convention, Mr. Pinckney, for example, thought impeachment was wholly unnecessary." St. Clair, *supra* note 141, at 10. Pinckney explained to the Senate in 1800 that congressmen were given specific and very limited privileges (immunity from arrest) and none were given to the President. 10 Annals of Cong. 72, 74 (1800). This ill comports with an attribution to him of presidential unindictability.

[200] 2 Farrand, *supra* note 89, at 69, 65, 67; R. Berger, *supra* note 68, at 89.

[201] R. Berger, *supra* note 68, at 118 n. 73.

[202] The Federalist No. 65, *supra* note 85, at 425.

[203] Justice Dep't Memorandum, *supra* note 169, Appendix 1 at 23.

[204] St. Clair, *supra* note 141, at 4.

[205] R. Berger, *supra* note 68, at 79.

[206] St. Clair 5.

[207] R. Berger, *supra* note 68, at 100.

[208] *Id.* at 86.90.

[209] St. Clair 14.

[210] R. Berger, *supra* note 68, at 70, 89.

[211] St. Clair, *supra* note 141, at 30–31, 32. He argues that Gouverneur Morris' argument for retention of Mason's proposed "maladministration" on the ground that "it will not be put in force and can do no harm—an election of every four years willl prevent maladministration," 3 Farrand, *supra* note 89, at 550, "expressed the will of the Convention," St. Clair 31, notwithstanding that the Convention then proceeded to reject Morris' plea for "maladministration" and substituted "high crimes and misdemeanors." Such analysis is sloppy.

[212] 1 Annals of Cong. 517 (1789) (page running head "History of Congress").

[213] St. Clair, *supra* note 141, at 31.

[214] 1 Farrand, *supra* note 89, at 88.

[215] 2 *id.* at 65.

[216] St. Clair 27–30.

[217] 2 Farrand 66.

[218] St. Clair, 28–29.

[219] *Id.* at 30–31.

[220] *Id.* at 14, 16–17, 40.

[221] A striking example of the Founders' assumption that English law would be applicable unless barred is exhibited by the First Congress' prohibition of resort to "benefit of clergy" as an exemption from capital punishment, an exemption first afforded by the common law to the clergy and then to such of the laity as could read. R. Berger, *supra* note 68, at 76.

St. Clair also argues that because the "pardon power is explicitly excluded for impeachment convictions" it "can only be understood as a reaction to and rejection of the English political impeachments." The exclusion proves exactly the contrary: The fact that a pardon *can not* save one convicted on impeachment shows an intention to *preserve* impeachments of whatever nature. The exception for pardons derived from English history and practice, when the pardon of the Earl of Danby by Charles II, after his impeachment, blew up a storm. As a result, the Act of Settlement fashioned a partial bar to such pardons; and a remark by George Nicholas in the Virginia Ratification Convention shows that the Founders were aware of this history: "Few ministers will ever run the risk of being impeached, when they know the King cannot protect them by a pardon." R. Berger, *supra* note 68, at 45, 55 n.7, 101.

[222] St. Clair, *supra* note 141, at 17.

[223] 4 A. Hamilton, Works 237 (Lodge ed. 1904). The "due process" of the Fifth Amendment, said Charles Curtis, incontrovertibly "meant a procedural due process, which could be easily ascertained from almost any law book." Curtis, *Review and Majority Rule,* in Supreme Court & Supreme Law 177 (E. Cahn ed. 1954). The shift to "substantive" due process began in the late 19th century. R. McCloskey, The American Supreme Court 128–32 (1960); Hamilton, *The Path of Due Process of Law,* in The Constitution Reconsidered 167 (C. Read ed. 1938).

[224] St. Clair 12–13, 15.

[225] R. Berger, supra note 68, at 72.

[226] St. Clair, *supra* note 141, at 13, 16.

[227] *Id.* at 16.

[228] "The privileges of the House of Commons, for which the people had fought in the seventeenth century . . . [they] held to be synonymous with their liberty. . . ." J. Clive, Macaulay 124–25 (1973).

[229] R. Berger, *supra* note 68, at 5 n.9, 99 n.215, 101 n.228.

[230] Justice Brandeis referred to the deep-seated conviction of the English and American people that they "must look to representative assemblies for the protection of their liberties." Myers v. United States, 272 U.S. 52, 294–95 (1926) (dissenting opinion). The constitutional provision for impeachment is one piece of evidence for that view.

[231] R. Berger, *supra* note 68, at 71–72, 71 n.91, 89.

[232] St. Clair, *supra* note 141, at 12.

[233] *Id.* at 9.

[234] T. E. May, Parliamentary Practice 39 (17th ed. 1964).

[235] *See, e.g.,* St. Clair 9.

[236] *Id.* at 14.

[237] 7 E. Burke, *supra* note 140, at 11, 14.

[238] *Id.* at 267.

[239] St. Clair 60.

[240] H. Butterfield, *supra* note 136, at 225.

[241] T. Macaulay, *supra* note 127, at 516.

NUCLEAR POWER

(Mr. OBEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OBEY. Mr. Speaker, I think most of us know about the problems associated with the construction and operation of nuclear powerplants. Two of the best articles I have read on this subject were published recently in the Washington Star-News.

Those articles, which appear below, clearly chronicle a list of problems which have and continue to plague the nuclear power industry—malfunctioning and defective equipment, cost overruns, design flaws, almost incessant safety problems, and incredibly lax security precautions to prevent the theft of plutonium, the fuel used in and produced by the breeder reactor.

They also point out that in spite of all the suggestions which have been made for disposing of the voluminous radioactive wastes which nuclear powerplants will generate—like shooting the debris into space, dropping it into the ocean, or leaving it on a polar ice cap—the fact remains that we still have not yet solved the problem of how to safely get rid of them.

Mr. Speaker, nuclear energy will supply part of our future energy needs to be sure. As one scientist is quoted as saying, the nuclear genie is out of the bottle. But reading these articles makes it clear just how foolish we would be to try to solve our future energy problems by relying primarily on nuclear fission, to the exclusion of other power sources such as solar power or geothermal power or fusion.

I think it would be hard for anyone who reads these articles to come away with a different conclusion:

Troubled Wave of the Future

(By John Fialka)

A plague of malfunctions, defective equipment and recurrent safety problems reduced the nation's nuclear power production last winter to less than half of its rated capacity.

In January, during the darkest month of the energy crisis, nuclear power plants were able to deliver only 47 percent of their power. As many as 17 of the nation's 38 operating nuclear plants were shut down at the same time during the month, 11 of them for unscheduled repairs.

According to statistics from an industry trade publication, Nucleonics Week, the nation's electric power consumers did not fare much better in December when 54 percent of maximum nuclear power was available.

Sometimes the Atomic Energy Commission, which does not keep track of the day-to-day output of nuclear plants, takes a kind of statistical "peek" at the industry. In one such study, on Dec. 10, the AEC found more than a third of the plants shut down. This time, seven of them were having "unscheduled outages," an industry euphemism for repairs.

The atomic power industry claims to be the wave of the nation's energy future. It has repeatedly stressed its capability to deliver the cheapest and most dependable source of power. What is it that would force it to its knees in a time of unprecedented demand for power from sources that do not depend on oil?

In many cases they are "generic problems," design flaws that shut down numbers of plants at once. As a result, nuclear plants, which were designed and sold to operate 80 percent of the time, have had a hard time trying to keep up with their oil and coal-fired ancestors, which operate 70 percent of the time.

The problems can be solved, the industry argues, through "fine tuning." But a survey of plant shutdowns points to problems of generic origin that show up in plant after plant. Consider, for example, three nuclear plants in New England, where the energy crisis seemed to hit harder than anywhere else.

At Millstone No. 1, a nuclear power plant run by Northeast Utilities Inc., at Waterford, Conn., the problems began one day in September 1972 when plant technicians discovered that their giant new machine was sucking a massive dose of corrosive seawater into their reactor's core.

That is not supposed to happen. The seawater is supposed to cool off distilled water used to generate steam in the plant's condenser unit. The two types of water were in different sets of pipes.

But the condenser was leaking. No amount of fine tuning would solve the problem. The supply of chemical demineralizer to be used to prevent such salt water intrusions ran out. Plant employes even stuffed Millstone's water intake with sawdust, but the damage was done.

It took a major overhaul to replace the reactor's corroded innards. Then, last July, when Millstone I was getting up a head of steam again, the plant's manufacturer, General Electric, notified the utility that the repaired reactor probably contained part of a batch of defective control rods.

Control rods are critical safety items, because they are the primary means for shutting down the reactor. General Electric admitted that the rods might not work up to their design capability because some of their components were assembled upside down.

The control rod problem was traced to eight other GE plants, including Vermont Yankee Nuclear Power Corp.'s plant at Vernon, Vt.

But Vermont Yankee was shut down for another problem. There were strange vibrations inside its reactor. They were cracking the metal boxes that hold the fuel and radioactive waste products.

The vibrations were ultimately traced to a faulty design that was also plaguing two other GE-built nuclear plants. While the massive steel head was removed from the Vermont Yankee reactor for work related to the vibration problem, technicians testing the control rods created a third problem.

They accidentally started a chain reaction by pulling out two control rods at the same time. This is, as one engineer put it, "something like starting a fire while you are inside repairing the fireplace."

The AEC thoroughly investigated the incident and fined Vermont Yankee $15,000, only the second fine in the AEC's regulatory history. An interlock device, designed to prevent such an incident from happening, had been disconnected.

The operator, according to the AEC report, also knew that pulling two rods at the same time would endanger the men in the plant. The man "could not explain" how he overlooked the fact that one rod was sticking out when he pulled out the second one, the report adds.

Meanwhile, in Massachusetts, executives of the Boston Edison Co. were wondering what to do with their nuclear plant, Pilgrim I, which had the vibration problem as well as the control rod problem.

For a while in December, Pilgrim struggled at 50 percent power while the executives, state officials and others debated what to do. The AEC finally put an end to the debate, ordering Pilgrim to shut down for repairs on Dec. 28.

That decision was made by L. Manning Muntzing, director of regulation for the AEC, who recently explained his philosophy for coping with such problems to a reporter:

"When you have valves that don't work and pumps that don't pump and when there are vibrations in a plant you have to take down the plant. The fact that we are finding these things more often than not is what we find particularly disturbing."

In an age when rockets are sent to the moon and when man can create electricity from the same nuclear fire that devastated Hiroshima, you would not think that a little thing, like a valve, would prove to be a stumbling block to the nuclear power industry.

There are days, however, when Muntzing does little besides worry about valves. The AEC has traced defective valves to all 10 of the major valve manufacturers in the U.S. and has found them in all 38 functioning nuclear power plants.

The problem seems to be accelerating. During the late 1960s, the AEC would find two defective valves per plant per year. During 1972 the rate jumped to an "average" of 8.1 per plant.

Good plumbing is essential to the safety of a nuclear power plant. The cooling systems, vast networks of valves, carry the heat out of the nuclear reactor and shoot water into it during emergency conditions to keep it from overheating.

Moreover, good plumbing keeps other safety equipment from being flooded. (This maxim was proven in June 1972 at a nuclear plant operated by Commonwealth Edison Co. at Cordova, Ill., when plant workers found the auxiliary power system and backup coolant pumps under 15 feet of water from a leaking pipe joint.)

But Muntzing's problems go well beyond leaky valves. Inspectors who work for utility companies that operate nuclear plants seem to have chronic trouble spotting leaky valves and other defective equipment. When they do, sometimes they authorize repair work that violates AEC regulations.

According to one AEC study of 850 "abnormal occurrences" experienced by nuclear plant operators during the 18 months ending last June, "many" were the result of sloppy inspection programs or of design flaws.

Another study revealed that 41 percent of all AEC inspections at nuclear plants turn up evidence of noncompliance with AEC regulations. Nearly half of the noncompliance comes under the heading of a failure to have an adequate inspection program.

The AEC study is quick to point out that so far there have been no serious nuclear accidents inside plants (although faulty operation of a steam valve killed two workers at the Virginia Electric & Power Company's plant at Surry, Va.). Also no plant problem to date has injured anybody outside the plant.

Some critics of the nuclear industry and at least one inspector, however, have had framed the words of a 1969 AEC inspection report, written after the author viewed a series of minor safety problems in one plant:

"None of these situations represented a threat to the health and safety of the public. The absence of more serious effects is largely the result of good luck."

Muntzing is not the most popular man in the nuclear power industry, which accuses him and his inspectors of asking for too much redesigning and backfitting of safety equipment.

The industry has appealed to the five-member commission which runs the AEC and the commission, in turn, has been cutting Muntzing's budget requests.

During the past two fiscal years, the commission has lopped $3.2 and then $8.5 million off of budget requests from the regulatory side.

According to Muntzing, the cuts will slow the development of equipment standards and delay plans to extend inspections to reactor manufacturers. "We did not cut the number of inspectors going into the nuclear plants," he added. "They're the first line of defense."

While Muntzing and many plant managers have been having their problems, the salesmen for the companies that sell nuclear plants have not been idle.

Last year they sold 39 new nuclear plants in the U.S., a record sales year. Some utilities began ordering six at a time.

And Project Independence, the government's goal to achieve energy self-sufficiency by 1980, might trigger the greatest sales boom of all time. There are 54 plants under construction and 109 on order. Federal Energy Office Administrator William E. Simon said he wants all of these and at least 20 more in place and running by 1980.

Several industry officials commented at the time that, because it takes 8 to 10 years to build a plant, Simon's goal was impossible.

Later, however, some of them seemed to catch Simon's zeal. John W. Simpson, president of the Westinghouse subsidiary that is now the sales leader in nuclear plants, recently acknowledged that "if it is the national will," the industry could probably deliver 400,000 megawatts, or double Simon's goal, by 1985.

(Currently the nation's 38 plants, when they are all running, have the capacity to deliver about 25,000 megawatts, or about 5 percent of the nation's electricity.)

If the energy crisis is used to accelerate the nation's commitment to nuclear power, the anatomy of the nation's electrical system will change markedly. For instance, under current plans the Washington area eventually will have four plants operating nearby, two owned by Baltimore Gas and Electric Co. at Calvert Cliffs, near Lusby, Md., and two run by the Potomac Electric Power Co. at Douglas Point in Charles County, Md.

Within fifteen years, however, according to one study, there could be as many as 45 nuclear power plans operating within 120 miles of the Baltimore-Washington area.

In the debate over how fast to accelerate nuclear development, experts with long experience in building and running nuclear power plants appear to be deeply divided.

Milton Shaw, former director of reactor development of the AEC, dates from the early Fifties when the most common type of U.S. reactors, the light water reactor, was first developed to drive nuclear submarines.

He takes a middle ground. "Sure there are problems, inefficiencies that are inexcusable in a harsh sense, but don't damn the technology. Why does the Navy have over 120 nuclear power plants that are running and running well?" he asks.

Shaw believes the answer is that the Navy has the power to impose standards on manufactures who make parts. Until the AEC gets and uses such powers, he asserts, policing the industry with safety inspections "is like pushing something with a noodle."

Recently, a select committee appointed by Britain's House of Commons took a harsher stance. It issued a report saying that England should not accelerate its power development with American-made light water reactors until their safety is proven "beyond all reasonable doubt."

And a study prepared in 1972 for the state of California by the nation's most prestigious technological "think tank," the Rand Corp., urged the state take another look at power demand calculations that would require a large nuclear plant every two miles along the state's coast line by the year 2020.

The Rand report noted that companies selling light water reactors quickly jumped from making rather small plants to massive 1,000 megawatt plants with very little operating experience at that size.

"Combine these difficulties with increasing reports of poor quality control and documented carelessness in manufacture, operation, and maintenance of these complex nuclear systems, and with potentially catastrophic consequences in case of accident and one can question whether California should proceed with its nuclear future as currently planned. Or rather would it not be more prudent to employ a 'go-slow' policy on future nuclear plans?" the report asked.

Everyone associated with the development of nuclear power plants would agree with the Rand Corporation's conclusion that a serious accident would have "potentially catastrophic consequences." But just what the consequences would be and the degree of probability of such an accident are the subjects of a great, on-going debate.

The debate centers around what would happen if the coolant water in a massive reactor suddenly leaked out through a pipe break or a faulty valve. Companies like Westinghouse have programmed such accidents on computers and have concluded that backup, emergency cooling systems would shoot a slug of water into the reactor to keep it from melting down.

Various environmental groups, including a small group of scientists called the Union of Concerned Scientists, have countered, arguing that the massive steam buildup in an overheated reactor would blow the water right back out and the melting would continue.

Back in 1963, the AEC decided to settle the question by building a model of the kind of large nuclear power plants then on the drawing boards, putting it into operation in a remote Idaho desert, and deliberately creating a leaky or broken pipe situation to put safety equipment to the supreme test.

The project was called LOFT, for Loss of Fluid Test, and, although private utility companies have complained about construction delays, LOFT probably holds the record.

The AEC has experienced repeated design problems, and had difficulty getting valves and pumps that meet quality standards, according to recent AEC testimony before Congress. LOFT is not scheduled to begin testing until sometime in 1975, according to an agency spokesman. By that time, many of the plants it was designed to simulate will already be in operation.

According to several studies on the subject, if backup coolant systems fail, the core of a modern reactor will soon become a molten ball of as much as 100 tons of uranium, steel-alloy and other metals.

Once the heat cracks the outer shell of the reactor, the lethal radioactive gases it contains, including isotopes of xenon, krypton and iodine will be released. The runaway chain reaction would also begin splitting hydrogen out of the remaining water in the plant's cooling system.

Engineers have thought of ways to counter part of this situation. Spray systems designed to knock out the most prevalent gases, iodine isotopes, are located on the ceiling of modern nuclear reactor buildings.

And devices known as flame recombiners are being installed to turn the hydrogen back into water as quickly as the dying reactor produces it, thus, hopefully, preventing an explosion.

The great concrete dome over U.S. nuclear plants is designed to keep the resulting pressure and lethal gases from breaking into the atmosphere.

Nuclear engineers, however, have yet to think of a way of keeping the molten heart of the plant from melting its way through the building's thick cement foundation into the ground.

Sometimes nuclear physicists exhibit a kind of cynical humor. They call the probable activity of the molten core the "China Syndrome." Exactly how far down it will burn its way into the ground is a matter of conjecture, but once it leaves the containment it will take a massive chunk of radioactive material into the environment.

The AEC has made two studies of the probable results of such a disaster and is working on a third.

The first one, known as WASH-740, or the Brookhaven Report, was prepared in 1957. It assumed that an explosion inside a nuclear plant, built without a dome, would create a radioactive cloud that would move through the sky slowly, trapped by temperature inversions that are fairly common at night.

The result of the explosion at the theoretical plant, located 30 miles from a major city, would cause as many as 3,400 deaths and 43,000 injuries and as much as $7 billion in property daamge, the report concluded. The radiation could prove harmful to people as far as 205 miles away.

In 1965, the AEC decided to update WASH-740 with a new study. This one involves a reactor with a dome. The hypothetical accident, seen in 1965, killed as many as 45,000 people and caused property damage running to $17 billion.

At almost every press conference involving Dr. Dixy Lee Ray, chairman of the AEC, she is asked about one study or the other, sometimes both.

Her standard answer is that both studies are far-fetched, involving assumptions of equipment failures that could not occur. The AEC, she has revealed, has commissioned a third study, being prepared by Dr. Norman Rasmussen, a professor of nuclear engineering at Massachusetts Institute of Technology.

The Rasmussen study, Dr. Ray predicts, will show that the chances of such an accident happening to a given reactor are about one in a million. Even if there are 100 nuclear plants, she argues, the spectre of a WASH-740 type accident will be less likely than the failure of a large dam or a plane crash into a crowded stadium.

While the speculations go on over how many billion dollars of damage would result from a nuclear accident insurance companies and owners of nuclear power plants have not had to worry about paying damages of such a magnitude.

The nation's taxpayers have spared them from that anxiety. In 1957, acting on the rationale that the government would have to lead the way in attracting private money to the nuclear industry, Congress decreed that no nuclear accident could result in more than $560 million worth of damage claims.

The law, called the Price-Anderson Act, makes the government liable for most of that amount with some contribution from plant owners.

The law would have expired years ago, but Congress voted again, in 1965, to extend it because there still were not any private insurance companies or groups of private insurance companies willing to gamble that much financial exposure on the probabilities of a nuclear accident.

Congress will face the question again, for the law is set to expire in 1977. According to a recent report by the House-Senate Joint Committee on Atomic Energy, the highest offer from a pool of private insurance companies so far is a maximum of $125 million worth of coverage per accident.

But the question of insurance coverage is like many others in the expanding business of nuclear power. None of them seem to lend themselves to easy answers.

Recently Herbert S. Denenberg, the peripatetic former insurance commissioner for Pennsylvania, came up with an easy answer in one of his guides for consumers. It is one that the nuclear industry will probably consider flip and that industry critics would readily agree with.

"It may be," wrote Denenberg, "that nobody but God could write the policy we need on nuclear power plants."

A NEW WORLD OF ENERGY

(By John Fialka)

If America's current energy policy works out, a brave new world of energy production will emerge during the 1980s to rescue the nation from the grasp of the energy crisis.

It will be a new world, for the device it will be built around, the breeder reactor, is the first energy-producing device in world history that shows the promise of producing more fuel than it consumes.

But it certainly will have to be a brave world, because two aspects of a breeder-powered electrical system pose dangers of a magnitude that have never been squarely faced by civilized societies:

Breeders will be fueled primarily with plutonium, one of the most poisonous substances known to man and one of the basic ingredients of the atomic bomb. Thousands of truckloads of plutonium fuel cores will be moving throughout the nation, making the theft of bomb-grade materials a danger that must be constantly guarded against.

Radioactive waste products from breeder reactors will greatly accelerate a buildup of nuclear debris that will remain lethal for thousands of years—a storage problem that the U.S. has yet to solve after many attempts.

For all those drawbacks, however, the Atomic Energy Commission and Congress' Joint Committee on Atomic Energy believe the breeder's economics are so tempting that the risks must be assumed.

The strongest economic arguments behind the breeder reflect many of the assumptions behind plans to expand nuclear power in general. Nuclear power is promoted as the least costly way to meet the energy crisis for these basic economic reasons:

It is believed to be cheaper than any other fuel. According to AEC statistics, an operating atomic power plant produces power at lower costs than the cheapest alternative fuel—coal.

Because the U.S. has substantial uranium deposits and can manufacture plutonium, nuclear power should be "insensitive" to worldwide inflationary forces that are driving up the costs of oil, natural gas and coal, according to the AEC.

Although it has a thermal pollution problem—heating up rivers—nuclear power does not present the gross air pollution problems and the strip mining problems associated with coal.

Summing up these economic bonuses from nuclear plants of all kinds, plus others associated specifically with the breeder, the AEC recently announced that using any other type of power would cost the nation $50 billion more for electricity by the year 2020.

Driven by such projections, the AEC and the Joint Committee, which has championed breeder development, have already spent $1.3 billion on breeder research and plan to spend $5.5 billion more, making it by far the most expensive part of the nation's energy research and development effort.

But the breeder has also bred some high-caliber critics, including an international group of scientists who say that it, like the SST, must be stopped. Consumer advocate Ralph Nader calls the breeder "maniacal."

What is this device that has generated such compelling interest?

Basically, it is a hopped-up nuclear reactor, somewhat similar to those now generating about 5 percent of the country's electricity.

The fuel core is different. In a current nuclear reactor the fuel core is made of mostly uranium 238, a rather stable isotope that is only slightly "enriched" with around 3 percent of an unstable or fissionable material such as uranium-235 or plutonium, both of which can be bomb material.

The breeder's core will contain a much larger percentage of plutonium which will make the chain reaction much faster and hotter.

The heat in a current nuclear reactor is usually carried off by water.

The heat from a breeder reactor is carried off by pipes full of molten sodium, a liquid metal that will operate at about 1,000 degrees to transfer the heat from the reactor to a heat exchanger where it creates steam in an adjoining water system.

But the most elemental difference is in the production of plutonium, which will make the chain reaction produce plutonium. For every 10 atoms of uranium-235 that split, six atoms of plutonium are created.

The splitting, or fission, releases heat and neutrons, some of which slam into other uranium-235 atoms, splitting them, and some of which are "captured" by the U-238 atoms, creating plutonium.

The current reactor, thus, does "breed" plutonium, but not fast enough to catch up with the rate at which the nuclear fuel is destroying itself.

The breeder, on the other hand, can produce 14 atoms of plutonium for every 10 atoms of fissionable material that split.

In a sense it is alchemy, a perpetual motion machine. It produces power, enough new fuel to replenish itself and extra fuel to supply to other reactors.

The dream of a breeder power system has burned in scientists' heads since the late 1940s. In 1956 the Navy powered a nuclear submarine, the NSS Sea Wolf, with a liquid sodium cooled breeder.

Getting down to the nuts and bolts of building a commercial-sized breeder power plant, however, will take a long time and has absorbed a lot of money.

To build a breeder one needs a facility that will test the metals and other components that will be used to make it. The

AEC, which dotes on acronyms, calls this the FFTF (fast flux test facility) and originally planned to build it at Richland, Wash., for $87 million.

But there were problems. The original completion date was to have been last year, but now it is scheduled to be finished by 1978. The cost has now soared to $420 million, a phenomenon that now has the AEC restudying the whole breeder project, using cost-benefit analysis.

Even at five times the original price, however, the agency probably will find the benefits alluring. Recently a panel of nuclear experts presented the AEC with a report that stated that "if and when we have a good breeder, the breeder industry will have to be started only once. . . ."

Once enough breeders are started to satisfy current electrical demands, they noted, they will produce enough fuel to keep up with expanding demands for electricity.

Following the FFTF, the first commercial-sized LMFBR (liquid metal fast breeder reactor) will be constructed near Oak Ridge, Tenn., as a joint venture by the AEC and a consortium of U.S. corporations that build and run nuclear plants. Called Demo 1 it is supposed to be running by 1982.

After learning from Demo 1, private industry, according to the AEC's scenario, will begin building breeder-powered electrical generating facilities in the late 1980s.

One of the main arguments for the breeder rests on the assumption that the U.S. will one day run out of uranium ore if it decides to go without Demo 1 or its progeny.

Currently, the production of uranium-235 requires an enormous amount of ore and considerable effort. The process is known as gaseous diffusion and is carried on in three AEC plants that consume daily about half as much electricity as the city of New York.

The process leaves vast quantities of uranium-238 as waste material. The breeder can make its fuel directly from the U-238, thus short-circuiting the fuel-making process and extending U.S. uranium supplies far into the future.

But experts still argue about all of these assumptions. No one is sure how much uranium there is. And recent experiments indicate that science may soon be able to produce uranium-235 with laser beams, making the breeder unnecessary.

And the panel of experts that recently told the AEC that a breeder-powered electrical system could keep up with expanding demands for electricity, also argued with the plans for Demo 1.

The problem they saw was that Demo 1 will not breed fast enough. It will make enough plutonium to replenish its fuel every sixty years, they pointed out.

The panel, headed by Hans Bethe, professor of physics at Cornell University, concluded that "a reactor of such low performance is not a useful breeder at all."

That conclusion appears in the second draft of the Bethe panel's report, but not the third draft, which the AEC had published. According to Dixy Lee Ray, chairman of the AEC, there was "some argument" among the scientists, but they finally agreed with the AEC that Demo 1 was meant to be a testing device for components, its breeding rate could be modified later, she explained.

Since receiving the report from the Bethe panel, the AEC has learned of another potential problem from a panel of visiting Russian nuclear experts.

Last October, the Russian version of Demo 1, which is already operating as a power station at Shevchenko on the Caspian Sea, had an explosion.

Water from the device's steam generating system leaked into the pipes containing liquid sodium, causing an explosion that broke two heavy steel pipes. There were no injuries, the Russians reported.

Because the AEC is having serious problems with leaky valves and water pipes in U.S. nuclear plants, it could appreciate the potential danger of leaking liquid sodium.

Last year it established the LSFF (liquid sodium fire facility) at Hanford, Wash., to test the fire extinguishing system that will have to be built into Demo 1 and other breeder facilities.

Liquid sodium can be nasty stuff, the crew at LSFF learned. It explodes when it hits water and it burns when it reaches the air.

Assuming that a leaky valve would dribble liquid sodium on the concrete floor of a plant, the AEC crews did that. Not only did it burn, it reacted with the water in the concrete, creating hydrogen and making the fire a lot hotter than originally planned. It also turned the cement floor into powder.

The result, according to one AEC engineer, is that all the sodium pipes in Demo I will have steel "collection basins" installed under them.

Catch basin and all, Demo 1 probably has a solid future ahead of it. President Nixon gave it a considerable push in 1971 when he said, "Our best hope today for meeting the nation's growing demand for economical, clean energy lies with the fast breeder reactor."

The President has since mentioned that development of fusion, or a reactor that could harness the thermonuclear power of the hydrogen bomb, might make a generation of breeders unnecessary.

But Demo 1 has strong friends in Congress, including Reps. Chet Holifield, D-Calif., and Craig Hosmer, R-Calif. They are among the most powerful members of the Joint Committee on Atomic Energy and they have nursed the breeder concept—and helped get money for it—for years.

What would a generation of breeder reactors be like?

Last fall an international group of nuclear scientists concluded that the breeder reactor was the "most dangerous piece of technology" to pursue in the quest for cheap, plentiful power.

The group, a working panel of the Pugwash Conference of Science and World Affairs, was led by Dr. Hannes Alfven, winner of the Nobel Prize for his research in nuclear physics. He believes that, while the new machine will work, the responsibilities it will place on man and society will be overwhelming.

The dream of cheap, automatically expanding nuclear power "can happen in a kind of technological paradise," Alfven recently explained. "However, the real world we live in is very far from a technological paradise."

Presumably, the nation has always kept a very close watch on its stores of plutonium. Thomas A. Nemzek, director of the AEC division that runs the breeder program, says "every precaution" will be taken to guard against theft of plutonium when it begins moving around the nation in great quantities.

In the fall of 1972, however, investigators from the U.S. General Accounting Office found that three plants which process bomb-grade materials were protected by a security effort reminiscent of the Keystone Kops

Private companies that handle plutonium and other materials are required by the AEC to develop their own security systems, with AEC approval.

In the first plant they visited, the GAO investigators found the guards were carrying .38-caliber revolvers that they'd never been trained to use.

The investigators concluded that the guards might never need to use their weapons, however, because a thief could enter the plant, unseen, from at least 10 weak points in the fence surrounding the plant.

Once inside the thief could have proceeded to a storehouse of bomb-grade materials without being spotted by a guardpost and, if he had no tools, could have gained entry by pulling a flimsy cover off of a vent.

If the thief had had a pencil, however, according to the GAO study, he could simply have gone in through the storehouse's doors after using the pencil to depress a lever that actuated the building's alarm system. Carrying the bomb material away would have been no problem because it was stored in containers resembling gallon paint cans.

In the second plant, the GAO investigators found the materials in a vault protected by a window grill that they removed by hand in 15 seconds. The vault was inside a building that was guarded, but could have been entered by a thief who had the ingenuity to remove a plasterboard patch covering a hole.

The GAO sleuths looked carefully for alarm systems, found none on the bomb materials vault, but did discover alarms on doorways leading into a non-radioactive refuse storage area.

Out of curiosity, they opened the doors, setting off the alarms. "Although we waited for about 30 minutes," they reported later, "no one responded."

The third plant bristled with well-trained guards and ultrasonic detection devices. However, the GAO inspectors managed to find a hole under one fence and grew curious about the plant's arrangement with local police.

Every hour, according to the security plan, the plant's guards would call local police. If the call did not come, the police were instructed to send a cruiser to the plant.

The GAO team stopped the call pattern for one hour. Sure enough, after fifteen minutes the police called and said they were sending a cruiser to the plant. The cruiser, however, wound up at another facility, 14 miles away.

What would a thief do with a container of plutonium or uranium-235? This is a matter of considerable dispute among the men who have designed atomic bombs for the United States.

Dr. George Kistiakowsky, the man who designed the trigger mechanism for the nation's first atomic bomb, believes the thief would have to have the resources of a small country behind him to solve the "complex" technological problems of bomb manufacture.

Dr. Theodore B. Taylor, who designed some of the nation's more advanced A-bombs, believes that a thief could build a "crude but effective" bomb in his basement if he read enough publicly available material on how to do it.

Taylor, now the head of a Washington consulting firm, recently has written some hair-raising scenarios of how a group of terrorists could use stolen weapons material to subjugate an entire city.

"I have carved out for myself a job," Taylor recently explained to a reporter. "And that is to do anything I can to bring as high a state of security for these things as is humanly possible."

Under fire from the GAO and prodded by Taylor, the AEC has been rethinking its security policies.

A year ago, just before the GAO report was made public, the agency announced new regulations to beef up its scrutiny of plant security forces. And, according to AEC sources, the AEC has begun to consider forming a federal nuclear police force.

According to one authoritative source, a man who has had charge of maintaining security for U.S. atomic weapons facilities, the AEC can and probably will do a lot more to improve security measures before large quantities of plutonium begin moving.

"There will always be a risk, however, even with a federal force," he cautions. "You can't expect the kind of perfection Taylor expects.

"The risk will be there," he added, "but it will be acceptable."

Just what kind of risks the U.S. will have to accept with the other major problem—the problem of nuclear waste disposal—is a question that is still in the "research and developmeint stage," according to the AEC.

The breeder reactor will not cause this problem. There are already, according to Dr. Frank K. Pittman, director of AEC's waste management division, over 90 million gallons of nuclear waste now in storage tanks. Most of the waste stems from atomic weapons manufacturing.

The problem is already critical because the wastes are not going to sit around in stainless steel tanks forever. There have been at least 15 cases of leaks.

Until some point in 1972, the AEC was convinced that the best permanent disposal site would be in a salt mine near Lyons, Kansas.

Radioactive waste will have to be secured for tens of thousands of years because some of the radioactive elements it contains will remain "hot" for that long.

Storage in the salt beds looked perfect. They had been geologically stable for thousands of years. They were dry and could be made impenetrable.

AEC experts were ready to begin disposal operations in 1972, despite a political uproar over the matter in Kansas, until somebody pointed out that the area was perforated with hundreds of old gas and oil well drill holes, many of which were uncharted.

Now, according to chairman Dixy Lee Ray, the AEC is planning to store its wastes above ground, in a kind of mausoleum facility, until some way is found to dispose of them permanently or to make use of them.

Each breeder plant, according to the AEC, will contribute about 8 tons of waste a year "All the high-level waste generated at commercial spent fuel processing plant by the year 2000 would fill no more than 80,000 canisters," to be stored in the mausoleum, according to an AEC "fact sheet."

Critics of the nuclear industry have attacked the mausoleum idea. "The Egyptians built the pyramids and placed an eternal curse on it," said Anthony Z. Roisman, a Washington attorney. "They were broken into before a hundred years. We have something that is cursed for more than a thousand years. Governments just haven't remained stable that long."

Although the AEC claims that its nuclear mausoleum could be built on as few as a hundred acres, the agency is clearly not satisfied with the idea on a long-term basis.

According to a report issued last August, it is actively considering the following ideas:

Shooting the debris into space. This idea, officially known as "Extraterrestrial Disposal," has been weighed for several years. Firing waste-loaded rockets into solar orbit and storing waste canisters on the moon are among the options being considered. The AEC could also fire it into outer space, according to the report.

Among the drawbacks to this approach would be its cost—about $2,000 for each 2.2 pounds of waste—and the chance that a rocket may misfire and return to earth. If the misfiring problem could be overcome, the report notes the cost of space-disposed waste could be tacked on to electricity bills as a 10 percent surcharge.

Leaving it on a polar ice cap. The AEC is evaluating massive ice sheets in Greenland and Antarctica for this method. The waste canister would be left on or near the surface. Because they are literally boiling hot with radioactivity, they would eventually melt down through a mile or more of ice to bedrock, where, hopefully, they would remain untouched forever.

Dropping it in the ocean. If some way could be found to assure that seawater would not penetrate the canisters, the study notes that they could be placed miles below the surface in sediment-filled trenches. The seawater would keep them cool. The problem with ocean disposal, as with ice disposal, is that nobody knows what happens to objects at such depths.

Dropping it down a deep well where it would boil itself dry. The cavity at the bottom of the well would become molten from the heat and fill itself up with radioactive lava.

"Transmutation" or changing the waste to something less harmful. This could be done, according to the report, but it would require the invention of a controlled fusion device. If the AEC knew how to do that, some experts believe they would not need the breeder in the first place.

It is often frustrating to try to explain the future of nuclear power. The "new math" of plutonium breeding is fascinating to the experts, but people keep wondering about the wastes and about safety.

"Look, we already live in a radioactive world," AEC Chairman Dixie Lee Ray snapped recently, after fielding a number of reporters' questions about the waste problem.

Perhaps what the experts are trying to say is that, in terms of nuclear development, the hour is already late. The problems of the brave new world are, to some extent, upon us.

As one nuclear physicist put it in an interview: "The genie is well out of the bottle and there's no way to turn around and put him back in."

VINYL CHLORIDE

(Mr. OBEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OBEY. Mr. Speaker, over the past few months a great deal has appeared in the press about the discovery that vinyl chloride is a severe health hazard to thousands of workers in this country, and for all we know, to millions of others of us who use products made of polyvinyl chloride—baby bottles, phonograph records, car tops, floor tiling, drugs, pesticide sprays, and countless other things.

What we have discovered in particular is that contact with vinyl chloride over a long period of time has caused a rare and incurable form of liver cancer in workers at several vinyl chloride plants in this country.

Dr. Irving Selikoff, director of the Environmental Sciences Laboratory at the Mt. Sinai School of Medicine, testified recently that there has been evidence for 25 years that vinyl chloride may be harmful. Yet for years, the Federal standard for vinyl chloride in the workplace was 500 parts per million—10 times higher than what most industrial users had adopted themselves.

In light of the serious threat posed by vinyl chloride to workers, the Department of Labor last March published an emergency health standard for vinyl chloride of 50 parts per million.

At that time I criticized that decision for a number of reasons. It was a level more lenient, for example, than those already in existence in at least seven chemical plants. It was also opposed by the National Institute of Occupational Safety and Health—NIOSH—the Government agency that does the basic research on occupational health hazards and makes recommendations to OSHA on standards which ought to be set to control those hazards. Moreover, NIOSH had said that no level of exposure of vinyl chloride was safe for workers.

As the following article from the New Republic points out, the Labor Department justified its 50 parts per million standard on research by an Italian scientist, Cesare Maltoni, who admitted at Labor Department hearings that his experiments may not have used enough test animals to get conclusive results.

The position of NIOSH was considerably strengthened 2 weeks ago when the Manufacturing Chemists Association reported that mice have, in fact, developed this rare liver cancer—angiosarcoma—when exposed to vinyl chloride at an exposure level of 50 parts per million.

That study obviously gives increased credibility to the original NIOSH recommendation that workers should not be exposed to vinyl chloride unless they are wearing air supplied respirators. Even more, it makes it vital that OSHA change its original emergency standard for vinyl chloride of 50 parts per million. We are told that a change will be made shortly. As far as thousands of chemical workers in this country are concerned, it can come none too soon.

Mr. Speaker, I ask that the New Republic article appear below, as well as an article from the New York Times on the Chemists Association study and a Washington Post story:

[From the New York Times, Apr. 16, 1974]

MICE EXPOSED TO VINYL CHLORIDE GET LIVER CANCER

(By Jane E. Brody)

An industry-sponsored study of vinyl chloride has indicated that when mice are exposed to the amount of the chemical that workers are currently permitted to inhale, the animals develop a rare fatal cancer of the liver that has been found in 12 vinyl chloride workers.

Vinyl chloride, an explosive gas, used to make polyvinyl chloride, the basis for much of modern plastics. Some 6,500 workers are involved in the vinyl chloride-polyvinyl chloride industry. In addition, vinyl chloride has been used as a propellant in some aerosol consumer products, including hair sprays and pesticides.

The industry's laboratory finding, presented yesterday to a private briefing for Government and industry officials, raises questions about the safety of the current Federal emergency occupational standard of 50 parts of vinyl chloride per one million parts of air.

At this level of exposure for seven hours a day over seven months, several mice in the study, sponsored by the Manufacturing Chemists Association are reported to have developed the liver cancer called angiosarcoma.

In a previous study, Prof. Cesare Maltoni of the Cancer Institute in Bologna, Italy, found the cancer in rats at levels of 250 parts per million and higher.

Professor Maltoni's studies to date have shown no adverse effects at 50 parts per million, and it was partly for this reason that the U.S. Department of Labor's Occupational Safety and Health Administration chose 50 parts per million for the emergency standard.

DEVELOPED SPONTANEOUSLY

John O'Neill, chief of health standards development at the agency, said yesterday that the emergency standard would remain until "we have looked closely at the data and seen how good it is." He noted that mice sometimes develop angiosarcoma of the liver spontaneously.

Mr. O'Neill said that the agency expected to publish in the Federal Register next week a proposed permanent standard for vinyl chloride that would more closely reflect the judgment of its scientific advisers, the National Institute for Occupational Safety and Health. They and other scientists have said that there can be no safe level established for exposure to a cancer-causing agent, and that workers should not be exposed to any detachable levels of vinyl chloride.

The hair sprays in question, manufactured by Clairol and Bonat, Inc., are being recalled from store shelves. The Environmental Protection Agency is expected to release today the brand names of vinyl chloride.

The environmental agency studying what to do about the more than 300 million pounds of vinyl chloride that escape into the environment each year in the process of plastics manufacturing.

Vinyl chloride had been used as an industrial chemical for more than 30 years in this country with relatively little concern about its possible toxic effects.

In January, the B. F. Goodrich Company announced that four workers in its polyvinyl chloride plant in Louisville, Ky., had developed liver cancer. There are seven cases known at the Louisville plant and five elsewhere. The announcement led to an industry-wide search for the possible effects of the chemical. Mass medical examinations were given at one plant in Niagara Falls.

The latest study, supported by the chemists association and conducted by Bio-test Laboratories, Inc., in Northbrook, Ill., was begun last summer, before the Goodrich announcement, in response to early reports of Professor Maltoni's findings.

[From the New Republic, May 4, 1974]

CANCER IN A SPRAY CAN

(By Barbara Newman)

In late January, the B. F. Goodrich Company informed the National Institute of Occupational Safety and Health (NIOSH) that four of its employees engaged in the manufacture of polyvinyl chloride (PVC), one of the most common plastics, had died within the last six years of an extremely rare liver cancer, angiosarcoma. The workers had average exposures of 19 years to vinyl chloride, the gas that is used to produce the powdery chemical, PVC, which is the basis of the plastic industry. Then three more cases were found at Goodrich. While angiosarcoma is so rare that a check of death certificates at the American Cancer Society revealed that only one of 78,000 deaths result from it, estimates are that one out of 20 deaths among vinyl chloride workers will be caused by this rare liver cancer.

On the heels of the Goodrich news, several other companies searched their death records, and after a superficial investigation found 13 angiosarcoma cases, including fatalities at a Goodyear Tire and Rubber facility in Niagara Falls, at Union Carbide in South Charleston, West Virginia and Firestone Tire and Rubber in Pottstown, Pennsylvania. The figures are misleading because industry does not routinely study employees' deaths to determine if contact with industrial chemicals may have been involved. Moreover, diseases like angiosarcoma are so rare that they are often misdiagnosed. As Dr. John Creech, the physician at B. F. Goodrich in Louisville, says, "Most doctors . . . attribute the cause of death as something else." Dr. Marcus Key, the director of NIOSH, admits that without Dr. Creech's voluntary disclosure, "it is entirely possible that the significance of the tumors would not have been realized for several years."

Because 10,000 new and untested chemicals are each year put on the workplace, additional occupational cancers may yet be identified. Every year in the United States, there are more than 665,000 new cases of cancer and about 385,000 cancer deaths. The World Health Organization in 1964 estimated that 75 percent or 85 percent of all human cancers result from environmental causes. More recently, the director of the National Institutes of Health stated that there is no doubt that industrial and agricultural technologies are the major contributors to most known environmental carcinogens. The direct and indirect cost of cancer, including loss of earnings during illness and during the balance of normal life expectancy, have been estimated at $15 billion for 1971, yet serious attention has not been given to identifying carcinogenic hazards in industry.

Dr. Irving Selikoff of New York's Mount Sinai Hospital has done much landmark research linking the inhalation of asbestos fiber with cancer and now says that the vinyl chloride illnesses will proliferate because the cancer victims that we are not seeing began work 20 years ago. According to Selikoff, "It takes 20 years or so for this cancer to become evident. There weren't that many people working with VC [two decades ago]. Many new workers joined the industry in the 1950s and 1960s and the cases of cancer and other disease that will be found among them will become evident in the 1980s and 1990s unless, of course, we find ways by research to prevent the cancers that are being incubated now within these people. Unfortunately such research is not being done."

A month ago Selikoff took his staff up to the Goodyear facility at Niagara Falls and set up an improvised hospital in the local union hall. Working 12–15 hours a day, 401 workers participated in perhaps the most massive medical examination in the history of occupational health. Selikoff is now studying his findings but has already concluded that there is evidence of other PVC related liver disease, lung disease, and diseases of the skin, bones, hands and feet. PVC not only affects the liver to produce cancer but injures other tissues that it might touch.

Government research of occupational health has been very limited. The total budget for the National Institute of Occupational Safety and Health, the federal agency charged with research to protect worker safety, is under $30 million. The NIOSH staff has only a few epidemiologist.

For years scientists and industry have known that vinyl chloride was a potential health hazard. Despite the warnings of liver damage from exposure to VC levels as high as 500 parts per million parts of air (ppm), the US government regulated VC at precisely this unsafe limit, 10 times higher than that which many companies voluntarily set for themselves. In 1961, for example, Dow Chemical voluntarily lowered the average exposure to 50 ppm for its workers. Fifty ppm is too high because there is no certain, safe exposure level for a carcinogen. But 50 is the level at which the Labor Department's Occupational Safety and Health Administration (OSHA) set an emergency standard for vinyl chloride in early April. The OSHA action disregarded the petition of the Industrial Union Department (IUD) of the AFL–CIO and the recommendation of NIOSH that an emergency standard for VC be set at zero exposure. It also disregarded the advice of many cancer experts who in 1970 reported to the surgeon general that "no level of exposure to a chemical carcinogen should be considered toxologically insignificant for man. For carcinogenic agents a safe level for man cannot be established by application of our present knowledge."

Some of those who accept that advice view the Labor Department's action as a sellout to industry. One who holds this view is Shelton Samuels, the head of the IUD: ". . . It's just cheaper to let workers die than to spend millions of dollars to control toxicity. The worker subsidizes the cost of production with his life." The cost to industry of complying with a zero standard would be in the millions of dollars, mostly for engineering costs, but also for new equipment such as safety suits with respirators. *Business Week* recently quoted Walter B. Connolly, Jr., labor counsel of Firestone Tire and Rubber Company, which operates two PVC plants, as saying, "Improvements in work practices will probably require a 100 percent increase in the work force." Lower productivity erodes profits.

The rationale the Labor Department uses to justify its emergency VC standard of 50 ppm is that the only conclusive experiments done correlating vinyl chloride and cancer (by Italian scientist Cesare Maltoni) showed tumors at 500 and 250 ppm but not at 50 ppm. Associate Assistant Secretary of Labor, Alexander Reis, who is in charge of standards for OSHA, says that the department could have been sued if it had promulgated a zero standard without conclusive scientific justification. But according to Vernon Rose, the director of the Office of Standards at NIOSH, bio-statistical extrapolations of Maltoni's experiments show that angiosarcoma *would* be expected to develop at an exposure level of 55 ppm. In the letter of transmittal to OSHA in which NIOSH recommended zero exposure as a VC standard, the agency noted that while Maltoni found no liver tumors at 50 ppm, "There is the possibility that tumors might have been produced if a larger number of animals had been exposed at that concentration." Late last week the Manufacturing Chemists Association (MCA), the trade group for the chemical industry, announced preliminary results of tests of animal exposures to VC. The MCA found angiosarcomas in mice exposed to 50 ppm. The Labor Department promises it will promulgate a permanent standard at zero ppm by June. Even if a permanent standard is promulgated at zero exposure, it could be as ineffective as the standards regulating 14 occupational carcinogens set earlier this year—if, that is, the standards lack any monitoring provisions or allowance for medical surveillance of the workers.

In addition to the 6500 workers involved in VC or PVC production, there are also thousands of workers engaged in the fabrication of products with PVC resin. One of the Rubber Workers locals is conducting tests on levels in fabricating plants and has come up with extremely high readings; levels ranging between 200 and 1000 ppm. There is no evidence yet on the extent of danger vinyl chloride poses to millions of Americans who have come to use plastic products as a way of life—from phonograph records to auto seats, cosmetics and baby bottles and pacifiers. Dr. Selikoff believes consumers may be endangered as well as VC workers. Vinyl chloride has for years been used as a propellant in aerosol consumer products—paint, hairsprays, perticides. Ralph Nader's Health Research Group has petitioned the Environmental Protection Agency, the Food and Drug Administration and the Consumer Product Safety Commission to ban the use of all vinyl chloride in aerosol products. To date, the petitions have been met with no action.

The Food and Drug Administration says it needs new authority to require manufacturers to list ingredients. FDA does not normally do any product testing. It has to depend on industry data and honesty. Honesty isn't always corporate policy: in response to the Health Research Group petition, the FDA stated that it informally polled cosmetic manufacturers to learn how much vinyl chloride was used in hairspray and the answer was none. The cosmetic company Clairol admitted that it manufactured "Miss Clairol" and "Summer Blonde" for four years with a propellant that was 25 percent vinyl chloride, but the company said it stopped the manufacture in mid-1973 and "reformulated" the products. (According to Clairol, after one minute of spray from these products, the air level in the breathing zone of the user could reach 200 ppm.) But in a letter to the Health Research Group in late March, Clairol said it did not "consider there to be grounds for recalling the small amount of product that is now in the field."

Then two weeks ago the FDA telegrammed Clairol asking for voluntary recall of these sprays from retail shelves, and Clairol readily agreed. All the cans of these products on store shelves contained vinyl chloride in the propellant because Clairol had not had a production run since last summer. While the company said it had reformulated the product since then and left the clear impression that only a small number of the cans left on retail shelves contained VC, the FDA was at first taken in. Furthermore, while Clairol originally maintained that only these two products still contained VC, the FDA announced that VC was also used in four additional Clairol products, all professional hair products.

The FDA also announced that another company producing aerosol hairspray, Bonat, was also voluntarily withdrawing 13 products containing vinyl chloride from retail stores. That agency said that on information received from "industry" sources, an aerosol drug may contain vinyl chloride, but the FDA refused to release any information until the manufacturer "informs the FDA that this is so." It did turn out to be so and the FDA announced that Quick Aide medicated room vaporizer was being recalled. All of a sudden the FDA "discovered" 30 other aerosol products manufactured by Shield Chemical Company, including deodorants and first aid sprays that contain vinyl chloride. Now the FDA says all the products it regulates that contain vinyl chloride are being recalled.

The FDA has throughout assured the public that only a few products contain VC and at levels that are harmless. Dr. Joseph Wagoner, head of field studies for NIOSH, says that he doesn't buy the FDA statement that levels in hairspray at this time are free of any potential of inducing cancer. Wagoner will shortly announce a sizable research contract to investigate the possible carcinogenic effect on cosmetologists from products they have been using that contain vinyl chloride.

The action of the EPA, which regulates aerosol pesticides, has been even more dismal. Three weeks ago, the EPA finally responded to the Health Research Group petition, but in an unsatisfactory manner. Instead of recalling the 41 pesticides produced by 23 companies that contain vinyl chloride, the EPA merely asked the manufacturers' permission to release the brand names. Among the 41 products using vinyl chloride that are currently registered are sprays for restaurants, for dogs and cats, and for the household. (Five more were produced until recently, but the manufacturers voluntarily stopped using vinyl chloride.) Glenn E. Schweitzer, the director of the EPA's office of toxic substances and chairman of its study group on vinyl chloride, said that there currently is not sufficient evidence to warrant recalling these products. Yet Schweitzer said that one EPA study of vinyl chloride exposure resulting from the use of a household disinfectant spray indicated that if sprayed for 30 seconds in a typical bathroom, levels of vinyl chloride in the air would reach 400 ppm. Schweitzer insists that the usual exposure of humans to pesticides is too small to constitute an imminent health hazard.

On April 17 the EPA released a list of brand names of 20 aerosol pesticides that manufacturers or distributors had agreed to reveal. Despite this "sweeping regulatory action" the agency still refuses to force a recall. Manufacturers and distributors of 21 other products had various reasons for refusing to divulge brand names—including protection of "trade secrets." The EPA accepts such excuses because it says the agency currently finds no evidence of an imminent health hazard.

So consumers continue to use aerosol products containing this cancer-causing agent.

[From the Washington Post, May 5, 1974]

Vinyl Chloride and Cancer

(By John Saar)

Before it was identified earlier this year as the carcinogenic killer of 12 industrial workers, vinyl chloride was accepted as a cheap and almost innocous gas with a variety of uses. Pressurized into consumer-sale aerosol cans, it served as the propellant for insecticides and hairsprays; as the base ingredient in a common plastic—polyvinyl chloride (PVC)—it is omnipresent of everyday life as bottles, pipes, wrapping, car upholstery, phonograph records and sundry other products.

With dramatic speed over these last few months, our understanding of the apparently compliant slave gas has been unpleasantly changed. Unmasked by an Italian research chemist, it now stands convicted in the deaths by a rare and invariably fatal liver cancer of the 12 plastics workers in the last 13 years.

Now—in the words of one researcher—it "casts a long shadow" over the lives of many thousands of workers in second-echelon, plastic-using industries. And if the lethal qualities of vinyl chloride have been overlooked by the manufacturers, just how justified is the consumers' reliance on that most commonly used artificial material—plastic?

The already proven relationship between vinyl chloride and angiosarcoma—a liver cancer which generally kills an average of only 21 persons a year in the United States—is the latest of the chemical time bombs to threaten our industrial workers and, if the forebodings of some researchers are borne out, it may be worst.

That suspicion is under high priority investigation by at least seven governmental and medical research groups—an effort one involved expert in environmental health calls "unprecedented in both scope and intensity."

"POTENT CARCINOGEN

"Vinyl chloride," added Dr. Irving Selikoff, a professor of medicine at the Mount Sinai School of Medicine, New York and director of the Environmental Sciences Laboratory there, "is a very potent carcinogen in the center of our great chemical process industry and a product used throughout society and industry."

Dr. Joseph A. Wagoner, working 15-hour days to direct another key investigation for the National Institute for Occupational Safety and Health (NIOSH), calls vinyl chloride "one of, if not the most potent carcinogens."

With the dangers of vinyl chloride established in the grimmest fashion by death certificates, researches are pressing with unusual urgency for some answers to a whole spectrum of far-reaching question. They want to know exactly what the health risks are for approximately 6,500 people who work in 37 plants where vinyl chloride is polymerized into polyvinylchloride.

Beyond that, there is an urgent need to establish the hazards, if any, for the tens of thousands of other workers who fashion the raw PVC into products and for the public at large which uses them.

Other agencies engaged in active research are the National Institute for Environmental Health, the Environmental Protection Agency, the National Cancer Institute, Environmental Protection Administration for the City of New York and the Center for Disease Control, Atlanta.

The investigations are far from complete, but under the gun of a continuing health hazard of uncertain proportions, scientists will discuss their interim findings at an international conference May 10 organized by the New York Academy of Sciences.

That link is now just about as certain as the relationship between the tubercle bacillus and the etiology of tuberculosis, according to Sellikoff: "I don't think there's any doubt of a firm, strong association between angiosarcoma and vinyl chloride exposure," he said.

PROBLEMS FOUND

Experts here expect reports from American and European scientist to further substantiate the link between vinyl chloride and angiosarcoma and to predict a potential death exposed workers.

Two months ago, Dr. Selikoff took a 50-strong team of medical personnel to the Niagara Falls, N.Y., plant where 400 men make polyvinyl chloride for Goodyear. He is unwilling yet to detail results of the mass clinical screening conducted there, but commented: "We have found problems there. We have found vinyl chloride-associated disease."

The vinyl chloride hazard has been exposed at a quickening pace over the last few months as animal researchers found that mice and rats dosed with the chemical developed angiosarcoma and medical researchers found evidence of the same rare tumor among plastics workers.

As the evidence hardened, government agencies have drastically changed legislation regarding vinyl chloride. Some of the pressure for changes stemmed from the alarming results of internal research programs. More in the form of petitions, dozens of phone calls and disclosure actions came from the feisty goading of a Ralph Nader-funded Health Research Group (HRG).

In mid-January, B. F. Goodrich announced the death of three long-term employees at the Louisville polyvinyl chloride plant with the significant addendum that the company was investigating whether the deaths "were related to occupational causes."

Since then, 94 consumer products containing vinyl chloride have been either voluntarily withdrawn by manufacturers or banned from sale by the EPA and FDA. These included 41 aerosol pesticides for household use, 26 home and professional hairsprays, 13 deodorants and antiperspirants.

The radical change in attitude toward the colorless gas is reflected in Department of Labor regulations on the exposure of industrial workers. Previous regulations limiting workers to 500 parts per million were based on avoiding combustible concentrations and toxic levels sufficient to cause dizziness and nausea. A new emergency standard limiting exposure to 50 parts per million is now in force and the Occupational and Safety Health Administration (OSHA) plans to seek a permanent standard of no measurable level.

Though their studies are incomplete, the researchers are sure enough about vinyl chloride to express a uniform consternation at the idea of workers being exposed to levels as relatively low as 50 ppm. "I don't think it's adequate," said Selikoff. "It would be foolhardy to say this lower level is safe. If cancer occurs at higher levels, it will occur at lower levels, though less frequently."

"IT'S HEARTBREAKING!"

The perception of vinyl chloride as dangerous in *any* amount leads to a depressing comparison with the levels accepted as reasonable by the chemical industry as late as January this year. Vinyl chloride readings declared by the companies themselves ranged in ordinary production from 20–100 ppm. But occasional very high readings were admitted. The plastics division of Uniroyal at Painesville, Ohio, for instance, told NIOSH researchers that workers scaling the vessels in which PVC is made were briefly exposed to levels as high as 1,600 ppm. When told that, Selikoff exclaimed, "It's heartbreaking!"

With responsibility for governing vinyl chloride use falling between the overlapping jurisdictions of several federal agencies—all adjusting at differing speeds to new knowledge on the gas—some important gaps still exist.

Vinyl chloride production is estimated at 7 billion pounds a year and it is still being transported by rail and highway under dangerously outdated hazard rules. On April 14 a freight train derailed and dumped a tank car of vinyl chloride on a Philadelphia expressway. Dr. Wagoner broke from his work in Cincinnati to place telephone calls to the Pennsylvania Poison Center and the Penn Central Railway. Neither knew they were dealing with a proven cancer-causing agent. In the past three years, eight spillage incidents have been reported.

The Health Research Group, partially responsible for persuading the EPA to ban sales of inside insecticides, is now pushing the agency to seize all outdoor vinyl chloride aerosols with the logical argument that on present knowledge any further consumer exposure is intolerable.

EMERGENCY REVISION

The recent history of vinyl chloride shows a fascinating helter-skelter pattern of scientific initiative and governmental response as society staged a hurried retreat from a chemical regarded as relatively benign since it was first manufactured in 1939.

Jan. 26, Dr. Joseph A. Wagoner, director of NIOSH's field investigation division begins, with "a sense of national urgency," an epidemiological study of four long-established PVC manufacturing plants. At this time the research is going full-force, occupying 18 out of 32 people on his staff. One branch has shut down work on every other project to handle the vinyl chloride emergency.

In mid-February, Italian scientist Prof. Cesare Maltoni told a hurriedly assembled OSHA hearing that two out of 67 rats subjected to daily dosages of vinyl chloride developed angiosarcomas. At a very high level of 6,000 parts per million, 11 out of 72 rats developed the rare tumors. However, the bombshell in Maltoni's findings that led to an immediate emergency revision of the industrial atmospheric levels then standing at 500 ppm was the statement that some rats developed the tumors at 250 ppm.

Feb. 14, EPA forms a task force under Glenn Schweitzer to assess overall health and environmental risks associated with vinyl chloride and PVC. On April 10, he directs EPA's 10 regional offices to test the water, air and solid waste emissions from at least one plant using vinyl chloride to make PVC.

Feb. 21, the HRG petitioned the FDA to ban and name cosmetics employing vinyl chloride as a propellant on the basis of "well-documented carcinogenicity." A similar petition went to EPA Administrator Russell Train, calling for suspension of vinyl chloride products regulated by the EPA.

March 23. Responding to the HRG petition on pesticides, the EPA states they have no listing of products containing vinyl chloride and are sending a warning letter to all 35,000 pesticide manufacturers suggesting the substitution of another gas.

March 26, The Health Research Group—unsuccessful in persuading Clairol to withdraw vinyl chloride-powered hairsprays from the market—takes the dispute to the FDA in a letter to the administrator Dr. Alexander N. Schmidt. The substance of the HRG's case was Clairol's admission that users of the sprays were exposed to 200 ppm for a one-minute duration. The HRG director, Dr. Sidney M. Wolfe, reproved the FDA: "Whereas this inaction by the FDA must be welcome and financially beneficial to Bristol-Myers and its Clairol subsidiary, it may be fatal for many unsuspecting citizens of this country."

April 3. The FDA announces action to end the use of vinyl chloride in products under its control. The order concerns three manufacturers and about 50 products. Calling the hazard to hair-spray users "extremely remote," Clairol Inc. nevertheless announces the recall of 100,000 cans of Summer Blonde and Miss Clairol aerosol hair sprays.

April 5, In response to a March 11 recommendation from NIOSH that the acceptable industrial level should be zero, the Department of Labor announces an interim emergency level of 50 ppm.

April 17, the EPA identifies 20 products containing vinyl chloride, leaves 21 more unnamed pending manufacturers' approval of their publication.

April 19, EPA administrator Russell Train hears the result of some crucial experimentation by his own people. Under test, pesticides on public sale raised the vinyl chloride concentration in a small room such as a bathroom to 400 ppm in a 30-second burst. Without light or ventilation, the researchers reported to their chief, the concentration of gas diminished by only 1 percent in a four-day period.

April 24, Citing those tests and the easy availability of substitute gases, Train signs an order banning all vinyl chloride products for indoor uses. The EPA administrator was doubtless also aware of some preliminary findings in a long-term study by the Manufacturing Chemists Association which disclosed tumors in mice at levels of only 50 ppm. The names of seven of the vinyl chloride products regulated by the EPA still have not been released.

GLOOMY PREDICTION

The possible significance of the 12 deaths currently associated with vinyl chloride-induced angiosarcoma for the 6,500 work force drew a gloomy prognostication from Dr. Selikoff: "Twelve deaths may not sound like many, but put it in this perspective. In the early 1950s there were maybe 1,000 workers in PVC plants. In the normal course of events something like 100–150 would have died. Twelve deaths out of 100–150 suggests a rate of 12 percent."

Selikoff's study of Goodyear's vinyl chloride operation included a trace on 98 per cent of all employes with five or more years service. To the company's discovery of one angiosarcoma death, Selikoff's workers added the names of two others whose causes of death were misdiagnosed on death certificates. Researchers interviewed family doctors and hospital pathology departments and studied original pathology slides to verify the true cause of death as angiosarcoma.

Misdiagnosis owing to the rarity of the particular strain of cancer is also troubling Wagoner's NIOSH researchers: "Out of the 12 deaths so far confirmed, 33 per cent were misdiagnosed. One was classified as cirrhosis and another as a benign liver tumor." (The National Cancer Institute has taken the unprecedented action of opening a national registry of all angiosarcoma cases.)

Though Wagoner's primary concern is with the safety of industrial workers, the three questions he is trying to answer encompass far broader ramifications.

"We want to assess the magnitude of the risk—how many other cases are there? And secondly, whether other organs of the body are affected by vinyl chloride. I would suspect we should be looking at the lung as a target organ."

Wagoner's third area of investigation is the potential vulnerability of other industrial workers, and finally, the consumers. "We want to know how widespread exposure to vinyl chloride is in the making of PVC and in the variety of uses of PVC."

CASTING THE NET WIDE

So far, Wagoner's "walk-through" survey teams of doctors, engineers, biostatisticians and epidemiologists have studied and microfilmed personnel records at four plants. They have examined conditions under which vinyl chloride has been used and the likely exposure by leakage of the workers.

But the prime objective is a comprehensive study of mortality among workers at the plants. From a search of the microfilmed personnel records, the NIOSH researchers are establishing how many of the plants' past and present employees are dead, and what they died from. The net is cast wide to examine all fatalities because the Goodrich Company's own screening program at the Louisville plant disclosed 20 cases of liver abnormalities in addition to previously undiagnosed angiosarcoma in two workers.

From the autopsies of former workers who died in non-related accidents, the researchers hope to understand the range of conditions vinyl chloride may produce other than liver malignancy.

Cooperation by all peripherally involved in the NIOSH study has been excellent, Wagoner says. The Ohio State motor vehicle registry which is able to provide an initial check on whether former employes of an Ohio plant are alive has cut the response time from three months to three hours, and police scout cars have been offered to ferry materials.

The pressure is constant. "Everyone wants results," says Wagoner. "We are looking for long-term carcinogenic results, but at the moment we have more questions than answers."

When properly cured and aged, finished PVC is thought not to exude vinyl chloride fumes. This belief is being tested by NIOSH in experiments involving the placing of PVC pellets in closed chambers and measurement with sensitive devices. The extent of consumer hazard will depend on the as yet unknown frequency with which vinyl chloride "leaches" out of a host of everyday products.

NIOSH is now placing a contract for the full investigation of "leaching." Wagoner will say only, "We don't know what the full spectrum of disease is, but there are concerns for the consumer."

At the National Cancer Institute, where another major vinyl chloride, research program is under way, and an angiosarcoma patient is undergoing chemotherapy and study Dr. Umberto Saffiotti associate director of carconogenesis, considers the gas "a major potential hazard," and "a serious problem for consumers."

While the exposure of an individual consumer is lower than a vinyl chloride worker, an infinitely greater number of people are involved, he points out: "There may be millions of people involved and an incidence at a much lower rate in a large population may still be a substantial number of cancer cases."

HRG director Wolfe sees the known angiosarcoma deaths as the start of a series of cases and the best reason for reducing consumer exposure to vinyl chloride immediately.

"We are now seeing people who got really high doses. In the next few years we may see beauticians exposed to doses not quite so high through hair sprays. A very few years later we may see consumers who just happened to be heavy aerosol users."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. HELSTOSKI (at the request of Mr. O'NEILL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GUYER), and to revise and extend their remarks and include extraneous matter:)

Mr. MIZELL, for 5 minutes, today.

Mr. HOGAN, for 10 minutes, today.

(The following Members (at the request of Mr. LUKEN), to revise and extend their remarks, and to include extraneous matter to:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. VAN DEERLIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. BENNETT, to revise and extend his remarks and include extraneous matter.

Mr. MOORHEAD of Pennsylvania, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $2,246.75.

Mr. OBEY, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $785.

Mr. OBEY, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $735.

Mr. RANDALL, and to include extraneous material, immediately following the vote on House Resolution 929, the rule on the voter post card registration bill, today.

(The following Members (at the request of Mr. GUYER), and to include extraneous matter:)

Mr. CONTE in two instances.

Mr. FREY.

Mr. BIESTER in two instances.

Mr. WYDLER in two instances.

Mr. STEIGER of Wisconsin in two instances.

Mr. SYMMS.

Mr. WYMAN in two instances.

Mr. GILMAN.

Mr. MARTIN of Nebraska.

Mr. GUYER.

Mr. DELLENBACK.

Mr. MILLER in four instances.

Mr. VEYSEY in two instances.

Mr. CRANE in five instances.

Mr. DERWINSKI in two instances.

Mr. KUYKENDALL.

Mr. ESCH in three instances.

Mr. GOLDWATER.

Mr. WHITEHURST.

Mr. LAGOMARSINO.

Mr. SHRIVER.

Mr. MARTIN of North Carolina.

Mr. GROVER.

(The following Members (at the request of Mr. LUKEN), and to include extraneous matter:)

Mr. RIEGLE in two instances.

Mr. ROONEY of New York.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. HUNGATE.

Mr. DOMINICK V. DANIELS in two instances.

Mr. SARBANES in five instances.

Mr. REES in five instances.

Mr. SISK.

Mr. JONES of Tennessee.

Mr. FRASER in five instances.

Mr. BURKE of Massachusetts.

Mr. ROE in three instances.

Mr. VAN DEERLIN.

Mr. HARRINGTON.

Mr. ROSTENKOWSKI in two instances.

Mr. WALDIE in two instances.

Mr. ROY.

Mr. MCKAY.

Mr. BRINKLEY.

Mr. ANDERSON of California in two instances.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3203. An act to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes; to the Committee on Education on Labor.

S. 3371. An act to amend the Forest Pest Control Act of June 25, 1947; to the Committee on Agriculture.

S. 3373. An act relating to the sale and distribution of the Congressional Record; to the Committee on House Administration.

S. Con. Res. 83. Concurrent resolution authorizing the printing of additional copies of Senate hearings entitled "Surgeon General's Report by the Scientific Advisory Committee on Television and Social Behavior"; to the Committee on House Administration.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to an enrolled bills of the Senate of the following titles:

S. 245. An act for the relief of Kamal Antoine Chalaby;

S. 428. An act for the relief of Edward Scofield (Ernesto Espino); and

S. 3304. An act to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on May 7, 1974, present to the President, for his approval, bills of the House of the following title:

H.R. 5759. For the relief of Morena Stolsmark;

H.R. 6116. For the relief of Gloria Go; and

H.R. 11793. To reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions.

ADJOURNMENT

Mr. LUKEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Thursday, May 9, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2291. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act [8 U.S.C. 1182(d)(6)]; to the Committee on the Judiciary.

2292. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend chapter 83 of title 5, United States Code, to establish time limitations in applying for Civil Service Retirement benefits, and for other purposes; to the Committee on Post Office and Civil Service.

2293. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend the Social Security Act to change the effective date of section 1862(c) to coincide with the effective date of a national health insurance law; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. GRIFFITHS: Committee on Ways and Means. H.R. 12281. A bill to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper (Rept. No. 93–1031). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 14667. A bill to amend the Internal Revenue Code of 1954 to provide a limited exclusion of capital gains realized by taxpayers other than corporations on securities; to the Committee on Ways and Means.

H.R. 14668. A bill to amend the Internal Revenue Code of 1954 to provide for more equitable taxation of transfers of capital during life at death; to the Committee on Ways and Means.

By Mr. BURKE of Florida:

H.R. 14669. A bill to provide for the issuance of a commemorative postage stamp in honor of the yachting industry; to the Committee on Post Office and Civil Service.

By Mr. CARTER (for himself, Mr. Rogers, Mrs. Burke of California, Mr. Brown of California, Mr. Cohen, Mr. du Pont, Mr. Esch, Mr. Hanna, Mr. Harrington, Mr. Hicks, Ms. Holtzman, Mr. Horton, Mr. Hudnut, Mr. Jones of North Carolina, Mr. Mazzoli, Mr. Melcher, Mr. Nix, Mr. Podell, Mr. Preyer, Mr. Roncalio of Wyoming, Mr. Stark, Mr. Symington, Mr. Vander Veen, Mr. Winn, and Mr. Yatron):

H.R. 14670. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COUGHLIN:

H.R. 14671. A bill to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows; to the Committee on Veterans' Affairs.

By Mr. DELLENBACK:

H.R. 14672. A bill to amend the Internal Revenue Code of 1954 to provide for annual adjustments in the amount of personal exemptions and the amount of the standard deduction to reflect increases in the cost of living; to the Committee on Ways and Means.

By Mr. DELLENBACK (for himself, Mr. Quie, Mr. Brademas, Mr. Erlenborn, Mr. Esch, Mr. Kemp, and Mr. Biaggi):

H.R. 14673. A bill to amend the Higher Education Act of 1965 in order to provide authority to assist training of disadvantaged students for the legal profession; to the Committee on Education and Labor.

By Mr. DULSKI (by request):

H.R. 14674. A bill to amend subsection (e) of the act of August 25, 1958 (Public Law 85–745, 72 Stat. 838), as amended, to provide that the widow of each former President shall receive an annual monetary allowance that is equal to 55 percent of the annual allowance authorized for former Presidents; to the Committee on Post Office and Civil Service.

H.R. 14675. A bill to amend chapter 83 of title 5, United States Code, to establish time limitations in applying for civil service retirement benefits, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. EILBERG:

H.R. 14676. A bill to provide for the payment of certain court costs in civil rights actions brought in U.S. courts by prisoners; to the Committee on the Judiciary.

By Mr. FREY (for himself and Mr. O'Brien):

H.R. 14677. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. GUYER:

H.R. 14678. A bill to amend the Internal Revenue Code of 1954 to exempt the holding of any private foundation in certain public utilities from the tax on excess business holdings; to the Committee on Ways and Means.

By Mr. LEHMAN (for himself, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Drinan, Mr. Esch, Mr. Murphy of New York, Mr. Murtha, Mr. Riegle, and Mr. Roe):

H.R. 14679. A bill to amend the Internal Revenue Code of 1954 to provide that certain interest forfeited by reason of premature cancellation of certain savings deposits shall not be included in gross income, and for other purposes; to the Committee on Ways and Means.

By Mr. ROBISON of New York (for himself, Mr. Hanley, and Mr. Mitchell of New York):

H.R. 14680. A bill to exempt certain highway projects in the State of New York from the application of the National Environmental Policy Act of 1969; to the Committee on Public Works.

By Mr. ROY (for himself, Mr. Kyros, Mr. Preyer, Mr. Symington, Mr. Hastings, Mr. Heinz, and Mr. Hudnut):

H.R. 14681. A bill to amend the Public Health Service Act, to revise the programs of student assistance, to revise the National Health Service Corps program, to establish a system for the regulation of postgraduate training programs for physicians, to provide assistance for the development and expansion of training programs for nurse clinicians, pharmacist clinicians, community and public health personnel, and health administrators, to provide assistance for projects to improve the training provided by undergraduate schools of nursing, pharmacy, and allied health to provide assistance for the development and operation of area health education systems, to establish a loan guarantee and interest subsidy program for undergraduate students of nursing, pharmacy, and the allied health professions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SEIBERLING:

H.R. 14682. A bill to incorporate the Army and Navy Union of the United States of America; to the Committee on the Judiciary.

By Mr. SEIBERLING (for himself, Ms. Burke of California, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Stark, and Mr. Stokes):

H.R. 14683. A bill to protect the constitutional rights of professional athletes; to the Committee on the Judiciary.

By Mr. STEELMAN (for himself, Mr. Steele, Mr. Fraser, Mrs. Collins of Illinois, Mr. Hudnut, Mr. Fish, Mr. Cleveland, Mr. Young of Illinois, Mr. Froehlich, Mr. Coughlin, and Mr. Symington):

H.R. 14684. A bill to amend the Public Health Service Act to provide for the making of grants to assist in the establishment and initial operation of agencies and expanding the services available in existing agencies which will provide home health services, and to provide grants to public and private agencies to train professional and paraprofessional personnel to provide home health services; to the Committee on Interstate and Foreign Commerce.

By Mr. STUCKEY:

H.R. 14685. A bill to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITTEN:

H.R. 14686. A bill to authorize the restoration of public roads to and from county seats; to the Committee on Public Works.

By Mr. YOUNG of Florida:

H.R. 14687. A bill to amend title II of the Water Pollution Control Act Amendments of 1972 (Public Law 92–500); to the Committee on Public Works.

By Mr. CARTER:

H.R. 14688. A bill to require the establishment of an agricultural service center in each county of a State as a part of the implementation of any plan for the establishment of such centers on a nationwide basis; to the Committee on Agriculture.

By Mr. CRONIN (for himself, Mr. O'Neill, Mr. Boland, Mr. Burke of Massachusetts, Mr. Conte, Mr. Donohue, Mr. Drinan, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Macdonald, Mr. Moakley, and Mr. Studds):

H.R. 14689. A bill to provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Mass., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ESCH:

H.R. 14690. A bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH (for himself, Mr. Burgener, Mr. Coughlin, Mr. du Pont, Mr. de Lugo, Mr. Fraser, Mr. Heinz, Mr. Huber, Mr. Hunt, Mr. McCormack, Mr. McKinney, Mr. Meeds, Mr. Mitchell of New York, Mr. Riegle, Mr. Robison of New York, Mr. Roe, Mr. Sandman, Mr. Stark, Mr. Tiernan, Mr. Towell of Nevada, Mr. Van Deerlin, Mr. Vander Jagt, Mr. Bob Wilson, and Mr. Boland):

M.R. 14691. A bill to extend and improve the Nation's unemployment programs and for other purposes; to the Committee on Ways and Means.

By Mr. FAUNTROY (for himself, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Eilberg, Mr. Fraser, Mr. Harrington, Mr. McKinney, Mr. Riegle, Mrs. Schroeder, Mr. Seiberling, Mr. Stark, and Mr. Young of Georgia):

H.R. 14692. A bill to establish an urban homesteading program to refurbish abandoned real estate in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. FREY:

H.R. 14693. A bill to authorize the Secretary of Transportation to make grants to any State for the study of drawbridges within the State and for the implementation of recommendations for the more efficient movement of motor vehicle traffic on and watercraft traffic under drawbridges within the State; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 14694. A bill to amend titles 10 and 37, United States Code, to provide career incentives for certain professionally trained officers of the armed forces, to establish separate optometry services in the armed forces, and for other purposes; to the Committee on Armed Services.

By Mr. LENT:

H.R. 14695. A bill to amend section 5 of the act entitled "An act to incorporate the American Legion" to change the requirements for membership in the American Legion; to the Committee on the Judiciary.

By Mr. MATHIS of Georgia:

H.R. 14696. A bill to amend the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

H.R. 14697. A bill to amend title 23, United States Code, to insure that no State will be apportioned less than 80 percent of its tax contribution to the highway trust fund; to the Committee on Public Works.

By Mr. PREYER:

H.R. 14698. A bill to provide for the development of a national health policy and to assist and facilitate the development of necessary health care resources; to the Committee on Interstate and Foreign Commerce.

H.R. 14699. A bill to amend the Social Security Act to provide for medical, hospital, and dental care through a system of voluntary health insurance including protection against the catastrophic expenses of illness, financed in whole for low-income groups through issuance of certificates, and in part for all other persons through allowance of tax credits; and to provide effective utilization of available financial resources, health manpower, and facilities; to the Committee on Ways and Means.

By Mr. RARICK (for himself, Mr. Froehlich, and Mr. Hammerschmidt):

H.R. 14700. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. RARICK (for himself, Mr. St Germain, Mr. Roncalio of Wyoming, Mr. Johnson of Colorado, Mr. Wyatt, Mr. Mitchell of New York, Mrs. Grasso, Mr. Kyros, Mr. Abdnor, and Mr. Price of Texas):

H.R. 14701. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 14702. A bill to amend title 10 of the United States Code in order to count, for purposes of nonregular retirement pay, service before World War II in certain State militia units which were racially segregated; to the Committee on Armed Services.

By Mr. RANGEL (for himself, Ms. Abzug, Mr. Badillo, Mr. Biaggi, Mr. Bingham, Mr. Brasco, Mr. Brown of California, Ms. Burke of California, Mr. Burke of Massachusetts, Mr. Carney of Ohio, Ms. Chisholm, Mr. Cleveland, Ms. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Diggs, Mr. Edwards of California, Mr. Eilberg, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Ms. Holtzman, and Mr. Metcalfe):

H.R. 14703. A bill to authorize grants to States for the establishment of vision screening programs for public school students; to the Committee on Education and Labor.

By Mr. RANGEL (for himself, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murphy of New York, Mr. Podell, Mr. Riegle, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Sarbanes, Mr. Stark, Mr. Tiernan, Mr. Vander Veen, Mr. Charles H. Wilson of California, and Mr. Young of Georgia):

H.R. 14704. A bill to authorize grants to States for the establishment of vision screening programs for public school students; to the Committee on Education and Labor.

By Mr. THOMPSON of New Jersey (for himself, Mr. Barrett, Mr. Biester, and Mr. Vander Veen):

H.R. 14705. A bill to provide for the establishment of an American folklife center in the Library of Congress and for other purposes; to the Committee on House Administration.

By Mr. VEYSEY:

H.R. 14706. A bill to direct the Secretary of the Treasury to determine if bounties, grants, or export subsidies are paid by foreign countries with respect to dairy products imported into the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.J. Res. 1008. Joint resolution to prevent the abandonment of railroad lines; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H.J. Res. 1009. Joint resolution designating the promises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. KUYKENDALL:

H.J. Res. 1010. Joint resolution to designate the third week of September of each year as National Medical Assistants' Week; to the Committee on the Judiciary.

By Mr. RANGEL:

H. Con. Res. 490. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. THOMPSON of New Jersey:

H. Con. Res. 491. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment in the Soviet Union of a Lithuanian seaman who unsuccessfully sought asylum aboard a U.S. Coast Guard ship; to the Committee on Foreign Affairs.

By Mr. BROWN of Michigan (for himself, Mr. Derwinski, Mr. Bafalis, Mr. Hosmer, Mr. Forsythe, Mr. Devine, Mr. Fish, Mr. Vander Veen, Mr. Hinshaw, Mr. Lagomarsino, Mr. Madigan, Mr. Cederberg, Mr. Cleveland, Mr. Collier, Mr. Mayne, Mr. Huber, Mr. Treen, Mr. Landgrebe, Mr. Crane, Mr. McKay, Mr. Michel, Mr. Mitchell of New York, Mr. Vander, Jagt, Mr. Waggonner, and Mr. Henderson):

H. Res. 1096. Resolution amending Rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the costs, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

By Mr. BROWN of Michigan (for himself, Mr. Byron, Mr. Miller, Mr. Frenzel, Mr. Steelman, Mr. Kemp, Mr. Gunter, Mr. Riegle, Mr. Gross, Mr. Froehlich, Mr. O'Brien, Mr. Charles Wilson of Texas, Mr. Heinz, Mr. Butler, and Mr. Murtha):

H. Res. 1097. Resolution amending rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the costs, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

472. By the SPEAKER: Memorial of the Legislature of the State of Tennessee, relative to U.S. sovereignty and jurisdiction over the Panama Canal; to the Committee on Foreign Affairs.

473. Also, memorial of the Senate of the State of Maryland, relative to mandatory allocation of asphalt cement; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LEHMAN:

H.R. 14707. A bill for the relief of Joseph Hoffman; to the Committee on the Judiciary.

By Mr. MARAZITI:

H.R. 14708. A bill for the relief of Miss Leonor Young; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

ADDRESS OF CARL ALBERT

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. JONES of Tennessee. Mr. Speaker, Memphis, Tenn., is the world capital of the cotton trade. Our cotton merchandising firms reach out from the Midsouth to all the points on the globe developing markets for the various growths of U.S. cotton.

Headquartered in Memphis is the principal trade representative for the cotton industry, the American Cotton Shippers Association. Its members handle over 70 percent of the domestic crop and 80 percent of the export market for U.S. cotton. The ACSA is comprised of 500 firms who are members of 5 federated associations, located in 16 States throughout the Cotton Belt; the Arkansas-Missouri Cotton Trade Association, Atlantic Cotton Association, Southern Cotton Association, Texas Cotton Association, and the Western Cotton Shippers Association.

Meeting in San Francisco last week to celebrate their 50th anniversary, the association was honored by the attendance of 1,000 guests from every important cotton market in the United States and the principal foreign markets. The keynote address was delivered by the Speaker of the House, the Honorable Carl Albert of Oklahoma. I insert Speaker Albert's address in the record:

Address of Carl Albert

For half a century, your great Association has played a vitally important role in the American economy. Today the agricultural segment of the most magnificently productive of all the world's economic systems, offers a sharp contrast to the days of the Depression which came along when your Association was a fledgling. Nowadays, half the world is busy bidding up the prices of the food and fiber produced by our American cornucopia. But in those grim Depression years, instead of shortages and rising prices, there was glut, with producers getting prices that did not return to them their costs of production.

As an example, back in 1933 (a year no one here is under any obligation to admit was other than his year of birth), the Agricultural Adjustment Administration asked several million cotton producers to do something that badly upset them—they asked them to destroy the fruits of their labor. Southern cotton-growers were preparing in that long-ago summer to harvest a bumper crop from some forty million acres. This meant that at least sixteen million bales would be added to the huge carry-over from prior seasons. Although it was too late to check planting, the AAA sent out twenty-two thousand agents, mainly volunteers, to persuade farmers to plow up about a fourth of their acreage, in return for cash payments ranging from six to twenty dollars an acre, no mean sums in those days. The crop-limitation evangelists returned to AAA offices with agreements from growers to take more than ten million acres out of tillage.

Some of the livestock were violently anti-New Deal, however. Newspapers reported that the Southern mule, trained to walk between rows, stubbornly refused to trample growing cotton as he pulled behind him the plow of destruction. His master who had seemed at first more tractable, instead showed himself so reluctant early next season to sign up for crop-limitation (because he was hoping to reap the benefit of rising prices) that Congress had to pass the Bankhead Cotton-Control Act of 1934, which laid a heavy tax on all fiber brought to the gin in excess of a grower's assigned quota.

Today, the tide has turned. With a surging demand for cotton at fair prices, the industry stands in an auspicious position. I have it on good authority that there is a real chance to recapture markets lost in the past to synthetics. Cutbacks in polyester production have already taken place.

Even before the energy crisis reduced the supply of petrochemicals for man-made fibers, the synthetics industry had nearly reached full capacity. It requires only a fifth as much energy to produce one pound of man-made fiber. Cotton flammability cost the industry almost all of the children's sleepwear market after the issuance of last year's Federal regulations. This problem has now been entirely overcome; all-cotton woven cloth can be made fire-retardant by a new chemical process and yet retain its cotton absorbency, strength and color-acceptance. Because of polyester shortages, we may soon see a blend of sixty percent cotton and forty percent polyester, instead of the fifty-fifty blend now found in most permanent press fabrics.

In a significant beginning on the road back to an adequate supply, the Agriculture Department estimates that 14.6 million acres will be planted with cotton this year. The cotton marketing mechanism, which your Association so well represents, is a marvel of efficiency and enterprise.

The world's (and history's) largest and best-organized endeavor for the production of food and fiber, our American agriculture, did not merely survive the Great Depression. It battled its way out of it, enlisting the Federal government in the cause, and succeeded more quickly and on a greater scale than many European and domestic critics thought humanly possible. In the same way, we shall overcome the present discontents that afflict the body politic of the world's greatest constitutional system. What other democratic system could have endured the turmoil of the past decade? What other system of government could continue with the effective performance of its responsibilities, under the pressures now borne by ours?

American citizenship under our Constitution is and will remain a glorious personal possession, the fulfillment of the dreams and struggles of men for centuries. Our Constitution, guaranteeing priceless freedoms to our citizens, sets forth a concept of liberty that has been an inspiration to those seeking freedom throughout the world. The stability of our system of government, functioning under this Constitution, is a mighty fortress which cannot be shaken by the tremors of the present.

Despite the enlargement of Presidential powers during wartime, it was a wartime Democratic President, Woodrow Wilson, who said: "Liberty has never come from the government. Liberty has always come from the subjects of it. The history of liberty is a history of the limitation of governmental power, not the increase of it. When we resist, therefore, the concentration of power, we are resisting the processes of death, because concentration of power is what always precedes the destruction of human liberties." And James Madison, "The Father of the Constitution" as he is called, warned us long ago that, "The accumulation of all powers, legislative, executive, and judicial in the same hands, whether of one, few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny."

Our Constitutional system has lasted almost two hundred years; under it we have become the world's most powerful and economically successful nation. If we need something to buck us up nowadays, we should remember that, at the beginning of our Federal government, there was fear that the system enjoined by the Constitution might not survive. As the time for the first Congressional elections under the Constitution drew near, George Washington anxiously wrote to a friend: "As the period is now rapidly approaching which must decide the fate of the new Constitution, as to the manner of its being carried into execution and probably as to its usefulness, it is not wonderful that we should all feel an unusual degree of anxiety on the occasion. I must acknowledge that my fears have been greatly alarmed, but still I am not without hopes. . . . There will, however, be no room for the advocates of the Constitution to relax in their exertions; for if they should be lulled into security . . . the consequences which you so justly dread may be realized."

It is necessary today, just as it was when Washington thus expressed his concern, that those who prize the blessings of freedom permit no relaxation in their efforts in defense of the Constitution of the United States. I can assure you that Congress will perform its Constitutional responsibilities in our present difficulties so that the American people's confidence in their government will be restored.

Our Constitution's separation of powers, and its checks and balances upon the exercise of their powers by the separate branches, were called by the 51st *Federalist Paper* "the interior structure of the government (whose) several constituent parts may, by their mutual relations, be the means of keeping each other in their proper places." This magnificent piece of Constitutional engineering is working at this very moment under a full head of steam.

We have legislated internal reforms of the Congress to help it do its Constitutional work better. In its dealings with the executive branch, Congress has gradually lost some of its effectiveness in budgetary matters. By this summer Congress will have adopted a new system that will do much to give renewed vigor to our Constitution's separation of powers and checks and balances upon the exercise of those powers. Under the present system, Congress could only react with a sense of helplessness when the executive branch sent up its proposed budget each January. The budget the White House shipped to us this year breaks the $300 billion barrier, lifts the Federal debt above the half-trillion mark, increases Federal spending $36 billion above the amount first estimated for the year, requires $30 billion to pay interest costs on the public debt, and contains, locked in its maw, the fourteenth budget deficit in the past fifteen years.

In passing the new Budget and Impoundment Act, we had to ask ourselves whether the executive branch was to be allowed to decree what would and what would not be spent. The answer was that Congressional stewardship of the Federal government is impossible without control by Congress of Federal spending. The new system will give Congress, for the first time, its own office of the budget. The House and Senate will set spending levels and have, at last, a comprehensive concept of expenditures in relation to revenues. This reform lays the foundation on which future Congresses may erect additional bulwarks against the excesses of executive power. The new arrangement is a basic step in preserving the stability of our system of government by strengthening the Constitutional separation of powers. Congress, our democratic system's only national public forum, will then indeed and at last be able to assert its rightful place as an equal branch of the Federal government.

Congress must have its own tools, and a variety of them, to cope with instability and slowdown for more than five years. Our shaky economy is of overriding concern to Congress, our people, and worldwide, and with good reasons:

Inflation is the worst in almost a quarter of a century;

Decline in first quarter production is the worst in 16 years;

The Gross National Product declined at an annual rate of 5.8% during the first quarter of this year;

Buying power of American workers is 4.7% below a year ago; and

The prime bank interest rate is the highest in history.

These somber statistics describe an economy which has been pulled out of recognizable shape over the past five years by the forces of alternating recession and inflationary expansion.

Now we are once again entering a period where two familiar economic concerns loom before us: a downturn of uncertain depth and duration, and an inflation rate of unquestionable seriousness.

Three years ago we could have combatted these problems with potent, innovative alternatives. Today our alternatives for bettering the economy are significantly reduced because mistakes of the past have left our economy shell-shocked and weary. Current problems cannot be isolated from past mistakes. Had it not been for the stringent budget policies and tightened money markets that triggered a full scale recession in 1970, our economy would have been stronger today. Had it not been for a senseless delay of more than a year in invoking wage and price controls, our economic health would have been better today. Had the economy not been overstimulated in 1972 and controls disastrously dropped early in 1973, inflation would not be the major problem it is today. Had not poorly administered self-destructing controls been used as an erratic compensation for Phase III failures, our economy's outlook would be brighter today.

These multiple mistakes, steadily stabbing at the economy, have drained it of its vitality. How could the economy remain healthy after being dipped in an acid bath of full-scale recession, followed by the shock of a rocky voyage through no control, control, decontrol, recontrol, and no control again, all in less than three years? Mismanaged economic policy over the past five years has transformed the American economy from a sturdy, resilient vehicle of general prosperity into a fragile assortment of conflicting interests, vulnerable to collapse under each new pressure. After such a nightmare, I cannot blame both business and labor for crying out against government intervention. The American people demand and deserve a return to stability, a stability conceived in confidence and nurtured by the strong and steady hand of consistency. The key to economic stability lies in sensible policies, steadily executed and candidly explained. The American people deserve no less.

As of midnight April 30, when authority for wage and price controls expired, the burden for our return to economic stability to a great extent lies with the business community of this nation. Business working with labor must strive to unshackle the American people from the cancerous inflation that has ravaged the economy. Inflation will not die of old age; business must fight this disease vigorously with long-range prudent policies that thoughtfully and rationally balance the economic scales.

The next few months will be crucial to our prosperity. Double figure inflation continues with a vengeance. The Gross National Product's decline in the last quarter indicates an increasing downturn of the economy.

However, most economists expect some abatement in inflation during the last quarter of this year and predict improvement of the Gross National Product performance during the coming quarter. Housing is poised for a recovery if interest rates can be reduced. With gasoline supplies already approximating those of last year, auto sales are expected to revive to just under 10 million units for the year.

The climate is favorable for an upturn in the economy and a return to stability if business, labor and government work together for the cumulative benefit of our nation.

Today I challenge every businessman in America to realize the enormous responsibility they now have to return stability and prosperity to the economy of this nation. The next few months will document fully the degree of seriousness and good faith put forth by American business during this hour of testing.

Not only do Americans seek stability in the economy but they seek it in their government. For 187 years the Constitution of the United States has supported the world's most powerful and successful nation. Despite all our troubles, we have much to be thankful for, especially in the Constitutionally-protected freedoms we enjoy. Wrote Emerson, "We think our civilization is near its meridian, but we are yet only at the cock-crowing and the morning star. Our country's highest ideal, equality under the law, is civilization's highest ideal. The United States was the first country to revolt successfully against colonial rule, and, as the first new nation, it has been an inspiration to all of the many countries which have followed in its steps toward their own independence.

The greatest German writer of all time, Goethe, wrote:

> "America, thou farest better
> Than our own continent, the old one;
> Thou hast no crumbling castles,
> No basalt wreckage.
> Thou are not shaken in this hour of life
> By useless memories and futile strife."

As Goethe understood, our new United States had no ancient historical sites, relics, and memories, but it also had no tyrannical feudal system to overthrow, either. It was a new country, but a free country (once we got rid of the British), a country whose two-hundredth anniversary we shall soon be celebrating.

Baedeker, the famous editor of travel guides of years ago, advised any European planning to visit the United States in the late nineteenth or early twentieth century that he "should, from the outset, reconcile himself to the absence of deference, or servility, on the part of those he considers his social inferiors."

Whether they liked what they saw or not, most foreign observers did not doubt that America was a democratic society. Different American occupations brought differences in prestige, but neither the occupations nor the prestige implied any fundamental difference in the value of individuals. Even hostile visitors confirmed the judgment that in America sharp class differences were absent, since many of these visitors found the arrogance of American workers intolerable and hurried back to Europe where they belonged.

The United States is one of the youngest of the great civilization of the world, but it is one of the oldest and most continuous of the world's social systems. France had its revolution shortly after ours but a series of catastrophes in three successive wars wiped out much of the staying power of the ruling class and brought about a chronic instability of regimes alleviated only by the one-man rule of the late General Charles DeGaulle.

Germany had a frustrated social revolution in 1919 and a Fascist one in 1933 for which it has had to pay heavily in social chaos. After several abortive attempts, Russia's communist revolution in 1917 changed the basis of power from Czar to Commissar. Modern China had one revolution in 1911 and, after a protracted civil war, a Communist revolution in 1948-49, that led inevitably to dictatorship. India, after winning its freedom by a revolution of passive resistance, launched a mixed economy with socialist elements. Of the Latin American nations, Brazil and Argentina are typical in having broken away from European rule by revolutions which were followed by internal revolts and military coups. Even in Britain, where a capitalist system has lasted longer than anywhere except in the United States, the pressures toward a socialist economy and society have been stronger than anything in the American experience.

Ours has been a system of remarkable stability, well able to survive transitory but major problems—a traumatic civil war, two world wars, depression, riots, and troubles of all kinds. In the United States, national administrations, whether Federalist or Jeffersonian, Whig or Jacksonian, Republican or Democratic, have in the past stayed within roughly the same broad framework of beliefs and values. We in Congress intend to keep it that way.

The Constitution is the nourishing spring of our nation's faith, the bedrock of our freedoms, the great treasure which we must preserve, protect and defend, as the only conceivable basis for our stable system of government. Woodrow Wilson wisely cautioned us that democracy and its government flourish only as they are nurtured from their roots. "A people shall be saved," he said, "by the power that sleeps in its own deep bosom or by none. The flower does not bear the root, but the root the flower."

BILL TO EXTEND AID TO DISADVANTAGED LAW STUDENTS

HON. JOHN DELLENBACK

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. DELLENBACK. Mr. Speaker, today I am pleased to introduce a bill to amend the Higher Education Act to provide opportunities for legal education for those with disadvantaged backgrounds. Joining me in cosponsoring this proposal, which was recommended by the administration, are Representatives QUIE, BRADEMAS, ERLENBORN, ESCH, KEMP and BIAGGI.

Actually, this legislation is designed to allow the continuation of a successful program that has been in existence for 6 years and which has already received an appropriation for the coming year. The program is known as CLEO—Council on Legal Education Opportunity.

CLEO has received support from several foundations and private corporations in addition to grants, beginning in 1971, from the Office of Economic Opportunity. The program is under the joint sponsorship of the American Bar Association, the American Association of Law Schools, the National Bar Association and the Law School Admission Council.

Originally under OEO, the program was then transferred to HEW. An amendment to continue this program within HEW was made to part D of title IX—Graduate Programs—of the Higher Education Act as part of the Education Amendments of 1972. The problem with that provision is that it is tied to requirements meant for other Federal graduate fellowships, including the required payment of sizable institutional stipends. Under the existing law, the $750,000 appropriation already available will support only 31 students rather than approximately 200 if the program is allowed to operate as it has in the past. My bill will allow the program to function much as it has so successfully done up to now.

Mr. Speaker, this bill has the support of the organizations and individuals involved in the CLEO program. I commend the administration for calling our attention to the need for this legislation and for its support. Because prospective program participants are already being contacted about participating in the program this summer, it is very important that our committee act as expeditiously as possible in approving changes to the authorizing legislation.

PENSION INCREASE FOR DISABLED VETERANS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. YOUNG of Florida. Mr. Speaker, today the House unanimously passed H.R. 14117, a bill to provide increases in the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation for their families. This is a much-needed cost-of-living increase for our disabled veterans and their dependents, and I hope that House-Senate differences in the legislation can be speedily resolved and the measure enacted into law without delay.

We are all well aware of the harsh impact which inflation has on those living on a fixed income. The cost of living index has risen almost 13 percent since the 1972 compensation increase for disabled veterans—but even more unfortunate is the fact that the cost of such essentials as food and health care have increased at double that rate. Therefore, I am especially happy that the Veterans' Affairs Committee provided rate increases larger than the increase in the cost of living, because this is a more accurate reflection of the needs of disabled veterans and their families.

Briefly, H.R. 14117 provides assistance in the following manner:

Increases the basic rates of disability compensation from 10.7 to 18 percent depending on the degree of severity of the disability;

Provides a 15 percent increase in the allowance to dependents of severely disabled—50 percent or more—veterans;

Increases the dependency and indemnity compensation rates—DIC—by 17 percent, across the board; and

Extends the presumption of service-connection to those veterans who served between the end of World War II and the beginning of the Korean War.

Mr. Speaker, of the 29 million living veterans in America, over 2 million have been disabled in the military service of their country. Those who have died of such disabilities have left nearly 375,000 survivors who look to a grateful Nation for assistance. While we can never fully repay these men and their families for their service and sacrifices, we can assure that the value of the benefits which they receive from veterans programs keeps pace with the cost of living. H.R. 14117 provides this assurance, and I am happy to join with my House colleagues in this unanimous expression of the continued gratitude of America to her veterans.

POST OFFICE VERSUS MA BELL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. LAGOMARSINO. Mr. Speaker, I insert the attached article "Post Office versus Ma Bell," a comparison of public and private industry to be printed in the RECORD:

POST OFFICE VERSUS MA BELL

(NOTE.—This is a reprint of the Weekly Staff Letter for March 28, 1974, issued by David L. Babson & Co. Inc., investment counsel, Boston, Massachusetts.)

One of the most disturbing proposals we've heard lately is the Senate bill to create a federally operated oil enterprise. Its sponsors claim that it would stimulate competition and serve as a yardstick for measuring the petroleum industry's performance. Naturally, it would be subsidized by taxpayers with cheap capital and exemption from tax and royalty payments.

Some Congressmen and editorial writers want to take a bigger immediate step and nationalize the oil companies right away. And several politicians here in Massachusetts have been making noises about the "need" to take over electric utilities as well.

This latest outbreak of governmentalitis—along with the current leap in postal rates—reminded us of a Staff Letter first written in 1964 and reissued in 1967. Titled "Government vs. Private Operation—A Striking Contrast," it compared the operating results of the nation's two communications giants—the U.S. Postal Service and the privately run Bell Telephone System. So we decided to reprint the Letter this week—the only changes being to bring the figures up to date.

It has become the fashion—especially among politicians, union bosses and businessmen—to call more and more on the government for action. The extent to which its share of the economy has mushroomed over the years is shown in Table I.

Note that the public share of employment has been raising almost as fast since 1947 as it did during New Deal days. Also observe that 16.2% of all workers (one out of six) are now on public payrolls compared with 6.4% (one out of 16) in 1929.

The table also shows that the public sector now accounts for close to one-third of total economic activity against less than one-tenth in 1929. Our federal government is the biggest employer, borrower, lender and spender in the world. One out of nearly every three dollars of personal and business income now goes to a tax collector somewhere.

Particularly disturbing is the fact that this speed-up in public spending has been taking place during a period of record economic prosperity. In the past decade, non-defense outlays in the federal budget have shot up by $129 billion, or nearly 200%, while those of state and local entities have also tripled with a rise of $122 billion.

Just in the past four years, total federal expenditures have jumped $78 billion, or by nearly two-fifths. The entire rise in spending has been for non-defense activities. It seems incredible, but this increase in civilian outlays is nearly 10 times as much as the U.S. government paid out for all purposes in any year prior to World War II.

Moreover, Washington is constantly pressing, or being urged, into new fields—education, health care, credit, housing. Problems that are essentially local in nature—such as mass transit, traffic, urban decay—are now being passed on to federal bureaus. So the public sectors grows and grows.

A question that puzzles us is why anyone should think that such spheres of activity can be conducted more effectively under public than private management. Does anyone conceive that federal administrators have greater talents than private business managers or local civic leaders?

A good illustration of the striking differences in public vs. private management is afforded by a comparison of the two giants of the communications field—the U.S. Postal Service and the Bell Telephone System. It is interesting to observe now these two organizations have affected us as consumers and taxpayers over the years. As a starting point, let's take a look at the trend of postal rates since the early 'Thirties. The first class rate for a one-ounce letter has risen as follows:

[In cents]

	Regular mail	Air mail
1974	10	13
1971	8	11
1968	6	10
1963	5	8
1958	4	7
1957	3	6
1947	3	5
1933	3	6
1932	2	5

In recent years, various public commissions, Congressional committees and the White House have investigated and criticized the "inflationary" pricing policies of private business. Yet it is a matter of record that during the past 10 years the Post Office has hiked its rates 65%-100%. Now let's see how prices of the privately-operated telephone system have fared over the past four decades. The rates for three-minute toll calls between Boston and other major cities are shown in Table II.

In addition to the rate drops shown in the table, Bell recently introduced a 35¢ rate for one-minute, coast-to-coast calls made after 10 p.m. While toll charges have declined substantially over the years, the cost of local telephone service has been trending upward. But even here, the rise since 1932 has been less than half that of the consumer price index and only one-quarter as much as the increase in postal charges for regular mail.

Thus, it's obvious that as consumers we have fared much better pricewise with the privately-operated organization than with the publicly-run one. This is largely a reflection of the degree to which each of the two systems has been able to lift its efficiency or "productivity." Despite some improvement in recent years, the public operation again makes an unfavorable comparison (see Table III). Note that over the past 43 years the postal service has managed to increase the number of pieces of mail handled per employe by 56%, but the Bell System takes care of 2.7 times as many conversations per worker as it did then.

Quality of service is, of course, much harder to measure than cost. But even without benefit of statistics, it is apparent that postal service has been going downhill for years despite the sharp increase in its rates. In the early part of the period under review we received two daily postal deliveries at home, four at the office. Now we are supposed to get one at home and two at the office. Despite fast planes and express highways, business mail from New York frequently fails to arrive here until the second day—even though it is less than an hour's flight and a five-hour train or truck trip. In contrast, a phone connection to almost any station in the country takes but a few seconds—a fraction of the time it did 40 years ago.

Now what effect have these two systems had upon us as taxpayers? Table IV shows the postal deficit and the taxes paid by the Bell Telephone companies, both annually and on a cumulative basis. Public operation makes a strikingly poor showing here. Even though as consumers we pay much higher postal rates than ever before we are even worse off as taxpayers. We now contribute $1.4 billion a year to make up the deficit between postal receipts and expenses, or 20 times as much as when the letter rate was only two cents.

TABLE I—FEDERAL, STATE AND LOCAL GOVERNMENT ACTIVITY

	Employment (millions)	Percent of total employment	Expenditures (billions)	Percent of total economy
1973	13.7	16.2	$407	31.6
1967	11.4	15.3	243	30.6
1963	9.2	13.6	167	28.3
1955	6.9	11.1	98	24.5
1947	5.5	9.6	42	18.3
1940	4.2	8.8	18	18.4
1929	3.1	6.4	10	9.8

In contrast, note that while the Post Office has drained off $23 billion from our tax revenues since 1932, the Bell Companies have, over the same period, put $54 billion into public coffers through tax payments. And this figure does not include the federal excise taxes paid by Bell customers—$18 billion in the past 20 years.

Moreover, the Bell Companies have millions of stockholders—American Telephone itself has three million, including colleges, churches and other institutions as well as individuals. Last year's dividend payments came to $1.7 billion vs. $248 million in 1950 and $39 million in 1930. In the past two decades, these disbursements have created $4 billion of federal income taxes to help finance the postal deficit.

Altogether, the contrast in the results of these two organizations is startling. If the government ever gets into the oil business and runs it like the Post Office, today's gasoline prices will be remembered as wistfully as the 10% income tax and the 2¢ stamp.

TABLE II.—STATION-TO-STATION TOLL RATES[1] FROM BOSTON

Year	New York		Chicago		San Francisco	
	Day	Night	Day	Night	Day	Night
1974	$0.80	$0.55	$1.15	$0.65	$1.45	$0.85
1967	.75	.55	1.40	.70	7.75	1.00
1963	.75	.55	1.50	1.20	2.25	1.75
1955	.75	.55	1.60	1.30	2.50	2.00
1947	.75	.45	1.65	1.25	2.50	2.00
1939	.80	.50	2.50	1.50	6.75	4.50
1932	1.00	.60	3.25	1.75	9.50	5.75
Percent decline 1932–74	20	8	65	63	85	85

[1] Excludes Federal excise taxes.

TABLE III

	Number of employees (thousands)		Volume handled		Volume per employe (1980 equals 100)	
	PO	Bell Cos.	(billions)[1]	(millions)[2]	PO	Bell Cos.
1973	701.1	798.9	89.7	432.0	156	269
1966	675.4	650.8	75.6	295.7	136	225
1963	587.2	571.4	67.9	251.4	140	218
1962	588.5	563.9	66.5	242.4	137	214
1961	582.4	566.6	64.9	226.4	135	189
1957	521.2	640.9	59.1	188.3	137	146
1950	500.6	523.3	45.1	140.8	109	134
1940	353.2	275.3	27.7	79.3	95	141
1930	339.5	318.1	27.9	64.0	100	100
Percent increase 1930-73	107	151	222	575	56	169

[1] Pieces of mail

[2] Daily number conservations.

TABLE IV

[In millions of dollars]

	Deficit of Post Office Department		Taxes paid by Bell Companies	
	Annual	Cumulative from 1932	Annual	Cumulative from 1932
1973	1,390	22,703	4,350	54,454
1966	943	12,843	2,718	30,045
1963	819	10,454	2,246	22,301
1961	826	8,860	1,972	17,952
1958	891	6,832	1,483	12,442
1950	545	2,233	499	4,472
1940	41	687	185	1,000
1935	66	428	94	352

HON. JOHN RHODES SUPPORTS STRENGTHENING THE HOUSE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, the distinguished Republican leader, JOHN RHODES of Arizona, released an incisive and thoughtful statement yesterday on the report of the select committee. It deserves the careful attention of all Members and I am pleased to make it available to my colleagues:

JOHN RHODES SUPPORTS STRENGTHENING THE HOUSE

Reform of the House Committee structure is essential if Congress is to revitalize itself. The present committee system was devised in 1946. Since that time, there has been little change and virtually no improvement.

It was with this realization in mind that the Select Committee on Committees was established over one year ago. That bipartisan committee, under the able leadership of Chairman Richard Bolling of Missouri and Vice-Chairman Dave Martin of Nebraska, spent fourteen months receiving testimony from House Members, academic witnesses and many outside interest groups.

The result was, in my judgement, a monumental work, most of which I approve. With the exception of Congressional budget reform, I can think of no other single item that Congress needs to enact in order to become a responsive institution of government once again.

Unfortunately, recent indications have given rise to the fear that the important recommendations of the Bolling Committee report may never reach the House Floor for a vote. The Democratic Caucus is scheduled to meet on Thursday. Its vote may very well determine the ultimate fate of this necessary reform package.

The House Republican Policy Committee is on record in support of the objective of the Bolling Committee report. Individual Members can and will differ on particular aspects of the report. But the overall objective is enthusiastically endorsed. At the very least, the Members of the House have a right to expect the chance to vote on the amendments on the House Floor.

In my view, it would be a grave miscarriage of leadership responsibility to deny the committee reform amendments access to the House Floor. It is my hope that the Members of the majority party recognize the essential nature of committee reform, and act in a way that places the interests of the entire Congress over the interests of a powerful few Members.

Progress is never possible in an atmosphere where change is prohibited. With only a 30% approval rating, it is obvious that this Congress must act positively to regain the confidence of the American people. The importance of meaningful committee reform must not be ignored by this Congress.

EMBROIDERY INDUSTRY OBSERVES 100TH ANNIVERSARY

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. DOMINICK V. DANIELS. Mr. Speaker, one of the most interesting and useful industries in Hudson County, N.J., is the embroidery industry. This industry employs thousands of people in northern New Jersey, and maintains over 500 embroidery manufacturing plants in New Jersey making it the largest embroidery center in the western world. This year we are observing the 100th anniversary of the establishment of this industry in the United States.

Realizing the size and importance of the industry Hon. Brendan T. Byrne, Governor of the State of New Jersey, officially proclaimed 1974 as Embroideries and Laces Year in recognition of the machine-made embroidery industry in the United States. The proclamation was presented by the Governor to Leonard LaVerghetta, president of the Schiffli Lace and Embroidery Manufacturers Association, Union City, N.J., during a ceremony held in the Governor's office at the Trenton Capitol.

Governor Byrne in turn was presented with a framed set of embroidered Apollo Astronaut emblems—the same emblems worn by the astronauts on the space shots—by Seymour Schwartzberg, the president of the Schiffli Embroidery Manufacturers Promotion Fund.

The resolution follows:

PROCLAMATION

Whereas, Man has been engaged in the honorable art of beautifully embellishing textiles for apparel and home furnishings for thousands of years; and

Whereas, creative embroideries and laces have brought color, interest and beauty to the life we know; and

Whereas, the Schiffli Lace and Embroidery industry, concentrated in northern New Jersey is one of the Nation's oldest craft industries; and

Whereas, the lace and embroidery industry is one of the largest industries in northern Hudson and eastern Bergen Counties, employing thousands of people; and

Whereas, there are more than 500 embroidery manufacturing plants in New Jersey making it the largest embroidery center in the Western World; and

Whereas, the machine made embroidery industry was started in the United States one hundred years ago; and

Whereas, the size, role, history and importance of the embroidery industry should be brought to the attention of the residents of New Jersey;

Now, therefore, I, Brendan Byrne, Governor of the State of New Jersey, do hereby proclaim 1974 as "Embroideries and Laces Year" in New Jersey.

YOUNG AMERICA! LEAD THE WAY

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. BRINKLEY. Mr. Speaker, last week as part of its observance of Law Day 1974, the Columbus, Ga., Lawyers Club, of which I am a member, sponsored an area high school essay writing contest. The winner of this contest, selected from more than 50 competitors, was Miss Linda A. High, a student at Pacelli High School.

Linda's winning essay is just excellent and I was most impressed with the mature perspective and insight which it contains—in fact it was reprinted as a guest editorial in the May 1, 1974, edition of the Columbus Enquirer.

Mr. Speaker, Linda's essay is one well worth repeating and, at this time, I highly commend it to the attention of our colleagues.

The essay reads:

YOUNG AMERICA! LEAD THE WAY

(By Miss Linda A. High)

Between the America of yesterday and the America of tomorrow stands our generation. To us has fallen the duty of preserving the faith, honor, strength, and glory of America. This duty cannot be fulfilled in one day: It requires a day-to-day exercise—a program consisting of six basic steps.

First, we must accept our responsibilities as citizens. People who exercise their rights are the foundation of our country. They form the power group who leads the country toward tomorrow by accepting responsibilities today. They fulfill an obligation to themselves, their community, and their country.

Second, we must become doers. The doers know what is happening in their own backyard as well as across the nation. They oppose anti-democratic matters and speak out against wrong and injustice. They grasp opportunities to move forward instead of "letting George do it."

Third, we must think. Thinkers are always important because they allow nothing to slip by without fully understanding it. Their attitude is that nothing can be ignored. They share their ideas with others but do not force others to accept their ideas.

Fourth, we must become well-informed. An informed people listen to and read about significant news for analyzation. By keeping up with events through the communication media, they learn how and why the government systems work effectively. They see what needs to be done for the country.

Fifth, we must assume that nothing is too big or complex for us to endeavor. Establishing a positive attitude lays the groundwork for expanding ideas. Through determination and hard work, anything can be accomplished.

Sixth, we must always be prepared for anything. If we faithfully follow steps one through five, then we have achieved step six.

After successfully completing this exercise program for becoming informed citizens, the youth are ready to accept the challenges in today's society. They must accept the challenge of preserving democracy instituted by yesterday's generation. They must accept the challenge of maintaining world peace fulfilled by today's generation. They must accept the challenge of striving toward technological advances to be accomplished by future generations. By determining to accept these challenges and by getting involved in the workings of the community, the youth learn the value of law in their lives and can appreciate its service to the society.

Young America, stand up and lead the way to establishing a better place in which God and man can live!

THE RELATIONSHIP OF ANIMALS TO MAN

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. WHITEHURST. Mr. Speaker, a marvelous article on the relationship of animals to man and how animals are regarded by mankind appeared in the May 6, 1974 edition of the Christian Science Monitor. It articulates seven categories in this relationship and goes on to pose important questions that need answers on what manner of stewardship man will give wild animals based on his past record. The author, John B. Cobb, says that man must begin regarding animals in a new fashion if the harmony and balance of nature is to be preserved. I insert the article at this point in the Record. The article follows:

Men and Animals

(John B. Cobb, Jr.)

For the first time, in the history of our planet, one species—human—has secured its foothold in our worldwide ecosystem by threatening the position of all its creature-competitors.

Animals can now survive only on our sufferance.

Before our eyes the last wilderness areas are disappearing and the ocean depths are being mapped for human exploitation. In the entire evolutionary history of the globe this dominance of the planet by a single form of life is unprecedented, not just in ecological terms, but in moral and spiritual terms as well.

Since man, the species in question, has won his way chiefly by intelligence and adaptability, one has the right to hope that he will respond to this novel situation in novel ways. However, this must mean more than just expanding game preserves and protecting wilderness areas. It must mean deep fundamental change of attitude toward all created things.

This means we need to understand the depth of the change required. We need to look with fresh eyes at the categories man has established for beasts, birds, fish, insects, as well as the images we have conjured up about them.

First there is the category, "live stock." This means a living form of human wealth to be slaughtered or disposed of entirely for the economic benefit of the human master. For centuries these animals have been bred—or the wry euphemison "domesticated"—for their humanly exploitable qualities, not for their intelligence or capacity to survive independently.

Second, there are "the resources of the ocean," especially fish and whales. Here, too, creatures are viewed as sources of food and other human needs. The chief problem is whether international agreements can control both pollution and the increasingly efficient forms of exploiting these resources so that they can survive for another generation.

Third, there is "game." This once suggested a source of food, but now it means chiefly "killing for sport." It once suggested matching wit and skill against dangerous competitors. Now the competition is primarily between individual hunters who want to match their skills with ever more bizarre equipment.

Fourth, there are "predators." These are the species that feed upon game and occasionally upon livestock. Here the element of competition remains, but it is now a competition between survival of animal species and the pleasure and wealth of human beings. Predators are trapped, poisoned, or hunted down in planes.

Fifth, there are "specimens." These may be kept in zoos for the observation of curious humans or in laboratories for study, medical experimentation, and dissection.

Sixth, there are "vermin." These are the rodents or insects that are best able to survive alongside of us because of their rapid reproduction rate and ability to adjust in some cases even to urban environments. Toward vermin the human goal is extermination.

Seventh, there are "pets." Here at last there is a contact between our species and others that allows a moment of tenderness. But this tenderness is bought by the four-footed at the price of total dependence upon humans. Further, as human population presses upon the limits of food production, pets will be the first to go.

In our situation none of these dominant ways of understanding animals entails respect for their integrity or inherent value. The relationship is determined by the relation of the animals to us and the effect has become ruthlessly and one-sidedly destructive.

Fortunately, many people are reacting against this human arrogance in relation to other aspects of life. New images are appearing. From the Orient we are learning conceptions of our species as one part of a natural system that includes many other species in harmonious interaction. From our own tradition we are rediscovering St. Francis' sense of brotherhood with wolves and birds. Albert Schweitzer's message of reverence for all life has a new resonance. We can be moved by the songs of whales and watch movies that present apes and dolphins as equal or superior to ourselves. We begin to think that other species have claims upon us, natural rights that we should learn to respect.

Now that human beings hold the destiny of the biosphere in their power, we are for the first time required to ask what matrix of living forms is to be desired. We recognize that continuing our present policies must lead to a highly simplified biosphere in which large animals only will survive, under controlled conditions. Monocultures of hybrid grains will replace the profusion of plants of the past. Is this biologically simplified future what we want?

Few who face that question honestly are pleased by the prospect. There is value in diversity. Life systems are more durable when they are complex. Even if this were not so, there is an irreducible value in the richness and beauty of a complex world of myriads of strange creatures. This mysterious wealth will be lost forever if we continue to rationalize and simplify for short-term human purposes.

Some of us also see that the human perspective on the world is not the ultimate perspective. We dimly sense that in an inclusive vision each species has its worth and its place. For us to annihilate it is a desecration.

A new way of looking at animals must be part of a deeper and broader change in human thinking. It is part of a shift from a purely human ethic to an ecological one; from concepts of economic and population growth to ideals of stability, harmony, and balance; from the prizing of conquest and mastery to the prizing of restraint and generosity. We must learn to respect and enjoy differences rather than seek to make over others in our own image or relapse into an indifferent relativism. Without this larger context a changed attitude toward living creatures would bear no practical fruit and would only heighten our suffering as we watch the juggernaut of "progress" run roughshod over all.

But as part of a total change that is already occurring among sensitive people, new views of animals can contribute to a new self-understanding, a new vision of reality, a new life style, a new economics, a new legal system—to the new world, in short, apart from. which we may not bequeath to our descendants any world at all.

THE OAKLAND TRIBUNE SPEAKS OUT ON THE TAPES AND MR. NIXON

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. WALDIE. Mr. Speaker, in the past few days there has been a literal torrent of opinion regarding the decision of President Nixon to not comply with the demands for taped conversation that took place in the White House made by the House Judiciary Committee.

It is no secret that I view the President's noncompliance as an act of contempt. I have been outspoken in my belief that the President must fully comply with the Judiciary Committee's subpena and that there is no constitutional right for him to determine what the committee may or may not review or to limit the nature of the committee's inquiry in any way.

Apparently, Mr. Speaker, many around the Nation and in my home State of California share that view. My mail and telephone messages, now in excess of 1,000, are running approximately 10-to-1 against the President's decision to again refuse to turn over unedited tapes to the committee.

Mr. Speaker, the editor and publisher of the Oakland Tribune, Joseph W. Knowland, summed up the feeling of many Americans, including those who have supported the President over many years, in a front page editorial on April 30, 1974. It is too bad the President has decided to continue his long policy of evasion and concealment of truth.

The editorial, in the form of a letter to the President, follows:

TRIBUNE EDITORIAL

(By Joseph W. Knowland)

Dear Mr. President:

Last night you offered an alternate solution to the destructive confrontation being threatened by Congress.

In an effort to appease the hungry politicians seeking your hide, and yet to bare your soul honestly to the concerned public, you offered us edited transcripts of selected presidential tapes.

You need not prove to me your honesty, because I do not question it. I do not believe you had any pre-knowledge of the Watergate incident.

But I do question your sin of omission—your failure to use the full power and responsibility of your office to reveal to us, the electorate, the truth as soon as it has become known to you.

Each time we have searched for the truth, you have created roadblocks—red tape—all in the guise of "national security" cloaked by presidential "confidentiality," as though it were not in the best interest of the public to let the public know the truth . . . a sort of "ignorance-is-bliss" philosophy; or "what you don't know won't hurt you."

This presidential cloak of secrecy has resulted in public suspicion, which in turn has widened the credibility gap; "What is he hiding, and why? Is he telling us only half-truths?"

Mr. President, which is more important at this time in our country's history, when the very pillars of our democracy are being shaken:

The executive privilege of presidential confidentiality, or the American public's respect for and faith in the office of the President of the United States?

Now is the time to reflect on our country's history as well as its future.

Truth is the foundation of all knowledge; freedom, the birthright of all mankind. The search for truth and spirit of freedom—these are the pillars of democracy. The suppression of truth and restriction of freedom—these are the seeds of anarchy.

In short, Mr. President, I recommend that you release to Congress the unedited tapes relating to Watergate.

Perhaps then the United States Congress will set this political issue to rest and proceed to solve the more important problems facing our country today, such as inflation and lawlessness.

THE SCHOOL LUNCH VOTE

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. McKAY. Mr. Speaker, the House voted on May 7 to provide funding for the school lunch program, and I found myself among the few who opposed the measure. Mr. Speaker, like other opponents of this legislation, I did not oppose the intent of the bill; I doubt if there are a dozen Members in the House who would vote against a legitimate appropriation for the school lunch program.

But this was not such a measure. This legislation funnels money from tariff receipts which clearly were intended for another important purpose, bypassing both the Appropriations Committee and the Agriculture Committee. There is no question that we should provide the funding required for school lunch programs, but it should go through regular congressional channels.

Besides the procedural conflicts, the legislation weakens the program supported by the diverted tariff receipts. Section 32 of the Agricultural Adjustment Act provides that 30 percent of the import duties are set aside primarily to promote production of perishable commodities by purchase of surpluses. The practice of diverting these funds has weakened this fund by nearly two-thirds, jeopardizing food production in the future. Mr. Speaker if the Nation runs out of food no amount of Federal relief is going to help. Section 32 funds are essential in maintaining our production.

There is no question about Congress supporting school lunch funding. The Congress has acted repeatedly to support school lunch programs from general funds and I would readily vote to do so again. But I could not vote in support of this most recent measure which skirts conventional funding channels and weakens America's agricultural production potential.

WATERGATE ISSUES

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. GOLDWATER. Mr. Speaker, I recently received copies of two editorials from the Daily Chronicle in Santa Paula, Calif. I want to commend the publisher, Mr. C. E. Phillips, for helping to lend some perspective to the serious national problems we face today regarding the Watergate issue.

The editorials give attention to a side of the issue that many people seem to want to ignore, and I present these for my colleagues attention:

LESSON FROM MITCHELL-STANS TRIAL

Have we become a nation which has abandoned the American human tradition that a man is innocent until proven guilty? The trial of John W. Mitchell and Maurice Stans is a case in point.

Had a poll been taken during the trial with the question: "Do you think Mitchell and (or) Stans are guilty?" the majority would have said "yes". This view of public opinion is made on the strength of those who asked us, "How long will these men be in jail?" When the answer was, "But they haven't been found guilty yet", it was not what they wanted.

In the American system of justice, 12 men and women sat in the jury box for 10 weeks listening to testimony and weighing the evidence presented in great detail by government attorneys and the defense rebuttal of the charges in the indictments. The jury unanimously found the two former cabinet officers "not guilty" on all 18 charges.

Shouldn't this verdict suggest to some congressmen and others in public life who have made up their minds and sound off on the Watergate affair that just maybe a man isn't guilty until all the evidence is in and impartially considered? Shouldn't this suggest to everyone that opinions have little value in justice unless backed up with all the facts and prejudice has been eliminated?

Another point, John W. Dean's testimony against Mitchell and Stans was not believed by the jurors. In effect, they said he did not tell the truth. But it was Dean, you will remember, who made the original Watergate coverup charges against President Nixon and who was the star witness before Ervin's Senate Watergate Investigating Committee last summer.

Dean has admitted to criminal actions while on the White House staff. And yet this is the kind of man who has influenced a major political crisis in the nation and released a virus which has infected men and encourages them to pass judgment on their fellow men based on hearsay.

If there is a lesson in the Mitchell-Stans trial (and we believe there is) then it is that we should all be careful in forming firm convictions and prejudging without knowledge of what we are saying.

WHO'S NEXT?

The Watergate prosecutions have produced a strange backlash. It is fear—fear on the part of ordinary citizens that what is done to the bigwigs can all the more readily be done to small fry like themselves. When men like President Nixon, his former vice president, when top attorneys like his assistants can be hauled before committees, denounced and ruined, before even a fair trial has taken place—what will happen to lesser individuals who offend by any job or title the powerful Democrats who do these things to them?

On a recent trip we talked to a taxi driver; a restaurant owner; to a plumber; to a woman with a small business of her own—and all voiced similar statements. The housewife said she had read in school about the French Revolution, how after the takeover the government was run by Committees like the Watergate one and where both high and low persons were brought to be "judged" and then sent to the guillotine. They didn't have a chance, she said, "and neither does any Republican today."

The taxi driver said he had unusual agony over his income tax. What if some local "committee" of those liberals (we won't try to reproduce the original language) could haul him up and denounce him for some nickels he didn't report ten years ago? He'd lose his license, be kicked out of the union, his kids would starve.

The restaurant owner said he was going to get out of business. "It's a laugh," he said, "that Kennedy, Erwin, and that bunch have got Nixon and his guys pegged for prison. Morals? Character? Don't make me gag. Somebody ought to get up and say what they know about them others. They wanta get the country back. Then watch out! They'll be after you an' me. I thought this was the land of the fair trial—not no more!—what's goin' on in Washington today is like in the USSR. I've had enough."

While many across the nation may be thinking like those we talked to, the majority aren't so cynical. Nevertheless, the Watergate prosecutions have produced a strange backlash. Where it will lead is anyone's guess.

H. I. MAJOR: A DEDICATED CIVIL SERVANT

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. SHRIVER. Mr. Speaker, I wish to take this opportunity to pay tribute to Mr. Howard I. Major, district director of the Immigration and Naturalization Service in Kansas City, Mo., who will conclude his Federal service on Friday, May 10, 1974.

Mr. Major will retire after nearly 39 years of outstanding service within this agency. A native Kansan, he entered on duty in 1935 with Immigration and Naturalization in a clerical position at Winnipeg, Manitoba. He has filled a number of responsible positions within the service throughout his career. Mr. Major has served continuously as District Director at Kansas City since May 16, 1960.

Mr. Major has been a dedicated civil servant who has performed his duties with efficiency, fairness, and compassion. He has been quick to respond in my efforts to assist constituents on immigration and naturalization problems.

I congratulate him on a job well done, and wish for him continued happiness and good health in the years ahead.

A PROPOSAL OF SAINTHOOD FOR SISTER MIRIAM TERESA DEMJANOVICH OF NEW JERSEY DURING AMERICA'S BICENTENNIAL OBSERVANCE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. ROE. Mr. Speaker, at the request of the Honorable John C. Sciranka, distinguished editor of New Jersey's highly prestigious Slovak news publication of the Slovak Catholic Sokol, the Falcon, I am pleased to call to the attention of you and our colleagues here in the Congress a specially featured news item of worldwide spiritual significance relating to the proposal of a New Jersey priest, Father Charles McTague, submitted to Pope Paul for the canonization of six American saints during America's Bicentennial Observance in 1976.

Members of my district and the State of New Jersey are particularly proud of the nomination of Sister Miriam Teresa Demjanovich who was born in New Jersey in 1901 and died 47 years ago on May 8, 1927, at the young age of 26 years. It is indeed my privilege and honor to join in a special salute to her today on the anniversary of her death.

The news article that appears in the Falcon is as follows:

NEW JERSEY PRIEST ASKS POPE FOR SIX AMERICAN SAINTS INCLUDING SISTER MIRIAM TERESA DEMJANOVICH

The following outstanding story was released by N.C.W.C. News Service from Washington, D.C.:

A priest from Montclair, N.J., has proposed that Pope Paul VI canonize "at least six North American saints" during the 1976 observance of the United States bicentennial.

And in a telegram to the Pope—copies of which have gone to all the bishops of the country—he invited the Pope to come to St. Peter Claver Church, Montclair, N.J., to elevate the six to sainthood.

Father Charles McTague, administrator of the small predominantly black parish, admits that it's not likely that the Pope would come to St. Peter's. But he said it's the only church he has the authority to invite the Pontiff to.

However, he said that if such a ceremony were held in Sacred Heart Cathedral in nearby Newark, it would have "half a million people in Branch Brook Park listening to the ceremony over loudspeakers." The park is next to the cathedral.

Father McTague's main interest, however, is in promoting the canonization of the six: Pierre Toussaint, Mother Elizabeth Seton, Father Junipero Serra, Bishop John Neumann, Mother Katherine Drexel, Kateri Tekekwitha and Sister Miriam Teresa Demjanovich.

Father McTague's list of candidates for sainthood represents the diversity of American Catholic culture.

Pierre Toussaint, a black and a native of Haiti, died in New York in 1853 after years of working with orphans and helping needy seminarians and missionaries there.

Mother Elizabeth Bayley Seton, a New York native and convert to Catholicism after her husband died, founded the Sisters of Charity in the U.S. at Emmitsburg, Md. She died in 1821 and was beatified—declared "blessed"—in 1963.

Father Junipero Serra, an early Spanish missionary to North America, died in 1784 after founding the major Franciscan missions in California.

Blessed John Nepomucene Neumann was a native of Bohemia and fourth bishop of Philadelphia (1852–1860). In 1963 he became the first American bishop to be beatified.

Mother Katherine Drexel, a Philadelphia native, founded the Sisters of the Blessed Sacrament to minister to American blacks and Indians. She died in 1955 at the age of 96.

Kateri Tekakvitha was martyred in 1680 at the age of 24. Born in New York, she is the first North American Indian candidate for canonization.

Sister Miriam Teresa Demjanovich (1901–1927) was born in Bayonne, N.J., of Byzantine-Ruthenian Rite parents, but she lived the later part of her life in a Latin-rite parish and died as a member of the Latin-rite Sisters of Charity. Proponents of her cause consider her a tangible link uniting Catholics of all rites in a strong bond of charity.

In his telegram to Pope Paul, Father McTague said the list of candidates for sainthood would "represent north, east, south and west, Anglo-Saxon, Germanic, Spanish, Slavic and Negro.

"We suggest Pierre Toussaint to represent the blacks," he said. "It was a teacher and student of this parish who discovered his grave."

The "teacher and student" is Father McTague himself, who found the neglected gravesite in old St. Patrick's churchyard on Mot St. in New York when he was a seminarian in 1940. Even since he has promoted the cause of the Haitian slave turned benefactor of the New York's poor.

* * *

Editor John C. Sciranka thanked Father McTague for this noble gesture and assured him of our continued cooperation for the realization of this sacred cause. May 8 is the 47th anniversary of her blessed death. Please remember her cause in your prayers.

Her parents were born in Bardejov, Slovakia.

Mr. Speaker, I appreciate the opportunity to seek this national recognition of Father McTague's noble efforts and know you will want to join with me in commemorating the standards of excellence and spiritual quality of life that have exemplified the lifetime of the six American saints as nominated for this most blessed and spiritual beatification by the Holy See.

POLITICAL ASYLUM

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. GUNTER. Mr. Speaker, my very good friend, Gwendolyn S. Cherry, who is a State Representative from the 106th District of Florida, sent to me a copy of a memorial which was passed unanimously by the Florida House of Representatives. I believe it draws attention to a very important subject, that being that a uniform policy for granting political asylum in the United States is needed.

Mrs. Cherry, who serves her constituents in Miami very well, was the author of this memorial resolution and I commend it to my colleagues for their consideration and their action by this body:

MEMORIAL RESOLUTION

A memorial to the Congress of the United States requesting the institution of a uniform policy with regard to the granting of political asylum.

Whereas, the United States of America has long been a home for persons of all nations, of all colors, of all creeds, and of all political persuasions, and

Whereas, this fact has for generations applied particularly to those persons suffering persecution in their homeland for their beliefs, both philosophical and political, and

Whereas, the "Golden Door" of America has liberally granted a protective political asylum to those persons who are, in words carved into our own Statute of Liberty, "yearning to breathe free", and

Whereas, the granting of political asylum, however, has often suffered from arbitrary standards applied in an irrational and discriminatory manner, and

Whereas, this fact has caused concern and frustration, both on the part of friends of our nation in other lands and on the part of residents and citizens of the United States who have loved ones and friends remaining in foreign lands, and

Whereas, a uniform policy establishing standard criteria for the granting of political asylum would significantly ease this problem and help America retain its reputation as a home for the persecuted of the world, now, therefore, be it

Resolved, by the Legislature of the State of Florida:

That the Congress of the United States is respectfully requested to institute a uniform policy and to establish uniform standards with regard to the granting of political asylum. Be it further

Resolved, That copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

DANIELS HAILS AMERICANIZATION DAY PARADE IN JERSEY CITY, N.J.

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. DOMINICK V. DANIELS. Mr. Speaker, there is no greater day each year in Jersey City than the annual Americanization Day Parade sponsored jointly by the city of Jersey City and the Clinton E. Fisk Post No. 132 of the Veterans of Foreign Wars.

For many years I have attended their observance at Jersey City's Pershing Field and I am proud to take a small part in the ceremonies as the Congressman representing Hudson County's largest city.

It is traditional for Jersey City and Hudson County officialdom to turn out on Americanization Day and this year the event was graced with the presence of Dr. Paul T. Jordan, Jersey City's chief executive who served as grand marshal and other notables.

Mr. Speaker, the main speaker this year was the Department Commander of the New Jersey Veterans of Foreign Wars, Donald L. Scott. His remarks were so much on point that I insert them at the conclusion of my statement for the edification of my distinguished colleagues.

Commander Scott's speech follows:

COMMANDER SCOTT'S SPEECH

> It is indeed my pleasure to be here in Jersey City with all you people who have turned out today to help us celebrate the 43rd Annual Loyalty Day—Americanism Day Parade. Loyalty day . . . just what do these two words mean? . . Loyalty Day . . . a day we proclaim our loyalty to our country. A day we rededicate our love for a nation. A nation which believes in the freedom of speech, the freedom of religion. the freedom of the press, and the freedom from want and fear.
>
> One must wonder with all of this going for us, why would anyone want to tear it down or destroy it?
>
> Oh, we are not perfect. We have our problems. We have areas for improvement in local, state and national government. But in spite of these faults, this is still the greatest democracy God has ever let be created.
>
> Many of your friends and relatives fought for what we have today and yes, many died for it. Some of them believed in its worth long before our time. In fact, almost 200 years ago. In two more years we will celebrate our 200th Anniversary. To survive this long has taken many wars and conflicts and lives and suffering. But we must be doing something right.
>
> In 1917 William Tyler Page wrote the "American Creed" . . . and I believe it sort of sums up our appearance here today.
>
> THE AMERICAN CREED
>
> I believe in the United States of America as a Government of the people, by the people, for the people, whose just powers are derived from the consent of the governed: A Democracy in a Republic; a sovereign nation of many sovereign states; a perfect union, one and inseparable, established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes. I therefore believe it is my duty to my country to love it; to support its constitution; to obey its laws; to respect its flag; and to defend it against all enemies.
>
> Do you know what I see when I see Old Glory? Do you know what I see when I see the Stars and Stripes?
>
> I see George Washington crossing the Delaware.
>
> I see the Rough Riders on San Juan Hill.
>
> I see Lincoln giving his Gettysburg Address.
>
> I see the Doughboys in Verdun and Argonne.
>
> I see the Marines on Iwo Jima.
>
> I see the GI's on the Hills and fields and jungles of Korea and Vietnam.
>
> And because I can see all of this, I can look out on this field today and I can still see and salute the Star Spangled Banner!
>
> Thank you and God bless you.

A SUBSTANTIAL TAX CUT FAVORED

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. GAYDOS. Mr. Speaker, I favor the "substantial" tax cut proposed by several other Members of this House and of the Senate to help the American people who are hard hit by spiraling inflation.

I favor this cut not only for the reason given but also in the belief that this Government for far too long a time has been preying on the earnings and savings of the public.

Taxes are too high now. They have been too high for years. And the effects on the economic well-being of the people have been evident for all thinking persons to see. Inflation has been with us for a decade. Now it threatens to run wild.

Not only does inflation menace the Nation, but the soaring Federal debt has come to hang as a cloud over the lives of generations yet unborn. It is not scare talk to say that, unless something is done soon, the free and progressive American society may collapse in time under the load of its economic irresponsibilities.

I have been for a sizable tax reduction since I entered Congress back in 1969. Indeed, tax relief was one of the issues upon which I first campaigned in my heavily industrialized district. I can assure you that the vast majority of the working people and most of the small and large business interests in my section of the country are united on the need for lower taxes.

It ought to be asked repeatedly where this Government received the authority to take money from the people which is not essential to the conduct of internal affairs and the national security of the country. I am amazed at times when I consider how blissfully we have come to speak of taxes as an economic regulator and not in accordance with their constitutional purposes.

Have we become, without fully realizing it, a socialistic, planned-economy nation? If so, then we should admit as much to our constituents and cease our pretensions about free enterprise and, indeed, freedom itself and instead proclaim the standards of a regimented, tax-controlled state. However, I do not think we have come this far yet and for one good reason. The people, who still hold the basic sovereignty of this country, have not given up. They remain committted to a free society. All the politics of economic manipulation have not changed the vast majority of them.

During the years of rising taxes and rising debt we have heard the supposed economic experts extol the virtues of using the taxing power and the money supply to counter what would be the natural workings of the economy and assure, as they say, continuing prosperity. But I ask if this kind of patch-work program can succeed in the long run. I think we are now facing the results of it in a nation more endangered than ever before by inflation, more burdened with debt than all the rest of the world combined, and with an economic future so clouded that no economist can forecast for certain what lies ahead, even for the balance of this year.

Perhaps the greatest lesson to be learned by this generation is that the basic laws of economics on supply and demand, interest rates, and productivity cannot be tampered with for long. Nor can they be suspended or curtailed. We can only postpone the fury from violating them. But we sometime must pay the piper. Such a time may now be upon us, a time demanding action by this Congress in defiance, if necessary, of all the administration's excuses and rationales for keeping the tax burden unchanged.

I agree completely with Senators MANSFIELD, KENNEDY, and MONDALE and the others in Congress who are pushing for substantial tax reductions. Taxes need not be cut to stimulate the ailing economy. They need to be cut also in the interest of getting us back to that free society which was once our pride and under whose concepts our nation grew to unrivaled greatness. We need to cut taxes, and we need to reduce Government spending—to eliminate the scandalous waste which is contained in the current budget and which has been the condition here in Washington for too long.

THE 26TH ANNIVERSARY OF ISRAEL'S INDEPENDENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. BIAGGI. Mr. Speaker, it is my pleasure to join with millions of Jews both in the United States and throughout the world in celebrating the 26th anniversary of the creation of the nation of Israel. It is a tribute to the untiring efforts of the Israeli people that they have been able to survive these 26 tumultuous years as a free state.

Yet as we celebrate this important event, it is tarnished somewhat by the continued unrest which continues to prevail in the Middle Eastern sector of the world. In fact, for the quarter century in which Israel has been a free state, she has been forced to fend off constant threats to her security, including two major wars fought on her soil, against her stronger Arab neighbors.

Despite these adversities, Israel

through a sense of solidarity and perseverance among her people has developed into a strong, and vibrant nation. There are many whose genius and dedication has contributed to the present day State of Israel. No one man played a more influential role in the creation and early development of Israel than David Ben-Gurion, whose death this year plunged Israel and the world into mourning.

As we take this opportunity to commemorate this occasion, let us renew our efforts at finding the just and viable peace which has eluded Israel for so long. The brave people of Israel have worked hard and long toward the common goal of developing the nation into a respectable world power. Yet they are now weary of the bloodshed and anguish which has tormented them, and threatened the security of their beloved nation.

Israel's second generation of citizens are emerging today ready to contribute to the continuing growth of Israel. Let us fervently hope that theirs can be a generation of peace. There is no greater challenge before us.

HOW DOES YOUR GARDEN GROW?

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, may I take this opportunity to bring to the attention of the U.S. Congress a prediction of sharp vegetable price hikes this summer from Mr. Guy Paris, assistant director of markets for the Massachusetts State Department of Agriculture. This bad news is springing up all over the country in addition to the prediction that this Nation can be facing real food shortages in the years ahead. What is the U.S. Department of Agriculture doing? The answer is very little. The American people are away ahead of them.

The need for this Nation to provide seeds upon the request of Americans throughout the country can be brought about by legislation I filed. A bill that was heard yesterday by the Subcommittee on Agriculture, headed by its distinguished chairman the Honorable JOSEPH VIGORITO of Pennsylvania. The need for this legislation is now. Let us return America to the soil, let us fight high prices, let us keep America healthy by producing good healthy nutritious food.

Let us promote the general welfare, particularly as it applies to the young people in our urban areas. Let the slogan be "How Does Your Garden Grow?"

I include an article that appeared in the Boston Herald American today:

SHARP VEGETABLE PRICE HIKES SEEN

A prediction that the price of fresh vegetables will probably be up from 15 to 30 percent in Massachusetts this summer was made yesterday by Guy Paris, assistant director of markets for the state Agriculture Dept.

James Cassidy, chief market investigator of the department, had more bad news for the consumer when he reported about one-third of the state's apple crop may have been lost because of frost.

Paris said lettuce, tomatoes and potatoes will show the greatest increases, but corn also will be more expensive.

"I think salads will be the highest, Boston lettuce, chicory and escarole," he said. "Tomatoes will be more than 29 cents a pound and they could go as high as 39 and 49 cents a pound. Last summer they were 23 cents.

"Boston lettuce will be about 39 cents a head retail. It was 29 cents a head last year. Corn, I have a feeling will be higher than $1 a dozen. It could be close to $2 a dozen at the beginning of the season. Last year it averaged between 79 and 89 cents a dozen," Paris said.

He also predicted that as California potatoes become available they will sell for from 25 to 30 cents a pound. He said the only time he could see any easing in potato prices will be in September when local farmers and Maine farmers begin getting in their crops.

"For what you get, fresh vegetables will still be a good buy," he said. "There will be times when supply will exceed the demand, and prices will be low. People should buy them then and put them up in jars or freeze them," he said.

Paris said the main thing is supply and demand. He said the fuel emergency also is involved, and it may cause more people to stay home this summer.

"If they stay home, there will be more cookouts with more salads, and this could cause the demand to continue high and the prices too," he said.

Paris also said the production of beans and peas is about the same as last year, which means the prices will be about the same. He said if the weather remains all right the consumer won't be paying much more for cucumbers, yellow squash and zucchini.

Cassidy said most of the damage to the apples was in the Nashoba Valley on May 1 and last Sunday.

"We've come to the conclusion that we're talking about a one million bushel crop loss," Cassidy said. "That's about a third of the crop, as we see it now. That translates to $3 million or $4 million to the farmer.

"Delicious apples look extremely hard hit," he said. "There's not much damage done to the Mackintosh. We've lost a good percentage of our Delicious apples in Middlesex and Worcester counties."

Cassidy said the apples were in a delicate bud stage when the frost hit and they were about two weeks ahead of normal because of the hot weather last month.

"Pollination is another factor that is worrying me," he said. "Bees will not work in this type of cold, cloudy weather. They need warm, sunny days."

Cassidy said the state's apple crop is worth about $10 million annually, but the department will not be able to assess the exact extent of the crop loss until the small apples appear on the trees in early June.

GROUP PRACTICE TAKES POSITION ON NATIONAL HEALTH INSURANCE

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. ROY. Mr. Speaker, I recently received the position statement of the American Association of Medical Clinics on national health insurance. When I read it I was pleased to learn that this organization of physicians and dentists in group practice with whom I have been working closely for some time now has taken a very forthright stance on this very vital domestic issue.

As the national organization of physicians and dentists in all forms of group practice, the American Association of Medical Clinics is well known as a dynamic leader in the health care field.

Long recognized as a prestigious organization of high professional standards, the American Association of Medical Clinics has been innovative in improving the delivery of ambulatory health care to the American public for over a quarter century.

Its membership includes groups ranging from the large multiple specialty referral centers with involvement in research and education to the smaller multiple and single specialty groups oriented toward providing quality health care to their communities. These include groups whose practice is on a fee-for-service basis, those who provide care on a totally prepaid basis and groups with a combination of the two payment mechanism.

For the benefit of my colleagues, I would like the American Association of Medical Clinics statement included in the RECORD:

AMERICAN ASSOCIATION OF MEDICAL CLINICS POSITION STATEMENT ON NATIONAL HEALTH INSURANCE

PREAMBLE

The American Association of Medical Clinics believes that every American has a right to quality health care. This care should be available, accessible and acceptable. We believe that everyone, regardless of financial resources, should have the ability to obtain the full range of needed health services at reasonable prices.

The AAMC believes very strongly in maintaining the free enterprise system—freedom for the practitioner to choose the mode in which he will practice and freedom for the patient to choose the manner in which he wants his health care provided and by whom. These principles can best be met by maintaining control of the health care delivery system in the private sector with appropriate input from providers, payors and the public. We feel that a cooperative alliance among providers, payors, government and the public is the best means for quality assurance and cost containment in the health care delivery system.

Furthermore, the AAMC feels strongly that group practice is the more efficient and effective means of delivering health care. Its cost containment incentives coupled with quality control initiatives must be recognized in the health care marketplace.

Accordingly, the AAMC supports the inclusion of the following basic principles into any National Health Insurance Program.

ADMINISTRATION

We feel that any National Health Insurance Program should be administered through a Cabinet Level Department of Health. This level of authority and responsibility is essential to deal effectively with the myriad health problems in this country. We support a National Health Advisory Council in the White House to set overall policy and guidelines for program operation.

Day-to-day administration of any National Health Insurance Program should be carried out at the State level. Local and regional differences require local decision-making machinery for effective and relevant administration.

We feel that both regulatory and policy-making bodies should consist of a majority of persons whose principal professional activity is in the health care field. Consumer representation is appropriate at all levels in an advisory capacity.

We support State and local regulation of private health insurance carriers to include mandated uniform benefit packages established by National guidelines.

BENEFIT PACKAGE

We support the concept that any National Health Insurance Program should include both basic and catastrophic benefits.

The basic benefits should include at least: (a) full hospitalization coverage for physical illness and injury with appropriate utilization control; (b) all physician services, wherever rendered, subject to appropriate peer and utilization review; (c) out-patient prescription drugs with moderate patient cost-sharing; (d) mental health care with basic in-hospital treatment and some provision for post-institutional management; (e) extended non-acute institutional care upon order of a physician without the requirement of a prior hospital stay; (f) home health care on physician prescription, subject to appropriate utilization controls; (g) preventive services to include preventive dental care for children up to age 12 years with appropriate phasing-in of other dental care for all ages, well-child care up to age six years and eye exams by physicians or optometrists; (h) family planning; (i) periodic health testing, when ordered by a physician; (j) necessary rehabilitation services; and (k) patient education services when ordered by a physician.

Catastrophic benefits should supplement the basic program so that no individual or family is subjected to the possibility of financial ruin due to illness or injury.

ELIGIBILITY

Any National Health Insurance Program should be universal in coverage by providing the opportunity for equal participation by all persons, regardless of age, economic or health status.

Persons classed as categorically poor should be fully subsidized. Partial subsidies should be provided for the medically indigent, decreasing as the ability to pay increases. Persons with high health risks should be covered through a "pool insurance arrangement" with partial subsidy from general tax revenues, if necessary.

FINANCING

We believe that funding for National Health Insurance should come from two sources—mandatory employer-employee contributions and general tax funds.

Employer and employee contributions should be the primary means of purchasing qualified private health insurance coverage for the majority of the population. General tax revenues should be administered through a separate National Health Insurance trust fund for the payment of health insurance premiums on behalf of the poor and the medically indigent.

Reimbursement to all providers, institutions and practitioners, should be on the basis of assured payment. Institutional payment should be on the basis of prospective budgets. Practitioner fees should be determined by the "usual-customary-reasonable" method with peer review at the local level.

A system of co-payments should be utilized in order to contain program costs and as a means to preclude overutilization of services.

QUALITY CONTROL

National guidelines on health care services may be appropriate; however, we feel that they should be used only as guidelines. Standards of care for use in peer review and quality assurance should be established and administered at the local level by physicians and other health care providers.

MODIFICATION OF CURRENT HEALTH DELIVERY SYSTEM

We support the inclusion of all current Governmental health insurance programs beginning with provisions for immediate National Health Insurance coverage for Medicare, Medicaid and Maternal and Child Care beneficiaries. We also support the ultimate phasing-in of all other Governmental health programs such as CHAMPUS, Veterans Administration, Federal Employees Health Benefits Program, and Indian Health Service into a comprehensive and uniform health insurance system.

We feel strongly that any National Health Insurance Program should include appropriate incentives for the use of ambulatory care and preventive health services in lieu of more expensive individual institutional services consistent with the medical needs of the patient.

Incentives should also be provided to encourage better distribution of services to medically underserved areas, and to foster the development of alternatives designed to improve access, cost and quality, and achieve a better system of organization for more efficient delivery.

Mr. Speaker, I personally wish the American Association of Medical Clinics every success in their endeavors and look forward to my continued working relationship with them.

THE QUESTIONS ANSWERED

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. KUYKENDALL. Mr. Speaker, columnist James J. Kilpatrick in the Washington Star-News of today, addresses himself to some of the vital questions of the ongoing Watergate controversy and comes up with answers that ought to be of interest to any thinking person.

I compliment Mr. Kilpatrick and commend this column to your attention:

THE QUESTIONS ANSWERED

(By James J. Kilpatrick)

When it was announced a week ago that the White House would release transcripts of certain presidential tapes, I voiced a sure prediction: Someone is going to say, "The transcripts raise more questions than they answer."

Sure enough, the next voice on the television screen was the voice of Carl Stern of NBC. He was saying, "The transcripts raise more questions than they answer." Nonsense. The transcripts do raise certain new questions, having to do with the transcripts themselves, but this monumental publication answers more Watergate questions than most Americans will ever want to ask.

What were the big questions? Let me grapple with two or three.

Did the President know in advance about the bugging and burglary of Democratic national headquarters? The answer is, he did not know. In the whole of these 1,308 pages there is not a line, a hint, or a breath of a suggestion of any such foreknowledge.

Did Mr. Nixon know of the ensuing cover-up? He did not know. By early March of 1973 he had inklings, but it was not until 10:12 o'clock on the morning of March 21 that he began to get the whole story.

Do the transcripts tell us how and why Watergate happened? Yes, they do. This wretched business happened because Gordon Liddy was strong and persistent; because John Mitchell was weak and preoccupied; because Charles Colson was vain and presumptuous; because Jeb Magruder was obedient and inexperienced. The subsequent coverup resulted out of the misguided loyalty and bad judgment of John Dean, John Ehrlichman and H. R. Haldeman. They kept their knowledge from the President.

Did Mr. Nixon act wisely and responsibly once he heard the story? The answer is yes and no. He acted humanly.

Let me dwell on this last point especially. The President's critics are stuffed like sausages with wisdom, virtue, and morality. For the past week they have been clucking and sighing.

Mr. Nixon, they say, did not react instantly with public cries of shame and remonstrance; the President did not leap from the Oval Office and cry for guards to haul his aides away in chains. The President resisted—and still resists—full disclosure of his words and acts.

Very well. Let me suggest an analogy from everyday life. The parents of a 16-year-old girl suspect something is wrong. They are concerned and anxious, but no one likes unpleasantness. They avoid direct confrontation. Then one day in March she faces them: "You have to know," she says, "I'm pregnant."

To listen to the sausage moralists, you would suppose that the girl's parents should react with instant sermons on chastity; they should cry reproaches; they should hurl her into the street.

This is not the way the world is. The probabilities are 99 in 100 that the girl's parents would respond with questions. They would try to think what to do next. They would discuss options: Forced marriage? Abortion? Have the child in secret? It might be a long while before someone said of abortion, "but that would be wrong."

They would be concerned with salvaging whatever might be salvaged of their daughter's reputation and future. The girl's father might keep saying, "I am just trying to think . . . I want to get all of this in my mind if I can."

The transcripts are enormously, painfully embarrassing to the President. They provide an opportunity for his critics in politics and the media to pluck him like a live chicken. He says and does things that are less than admirable. Every deletion—and there are many deletions—is certain to provoke new suspicions.

One is reminded, ironically, of poor old Job, who was scorned by his friends and smitten by his enemies. "How long will ye vex my soul," he asked, "and break me in pieces with words?" Job was convinced he had acted rightly, and that the record would show it: "Oh that my words were now written! Oh that they were printed in a book!"

Well, Mr. Nixon's book is now written, not by his adversaries but by himself, and my own impression is that he emerges from its pages in pretty good shape.

SANFORD MASSIEN TO RECEIVE B'NAI BRITH "MAN OF THE YEAR" AWARD

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. REES. Mr. Speaker, it is with great pleasure that I take this opportunity to pay tribute to one of my constituents. On June 1, 1974, Sanford Massien will receive the 1973 B'nai Brith "Man of the Year" award. It is a fitting tribute for a man whose whole career has been dedicated to the welfare of others.

Sanford Massien, born in Cleveland, Ohio, in 1921, received his formal education in Los Angeles. After completing his tour of duty with the U.S. Navy, and being honorably discharged, Mr. Massien became a hospital administrator, having become familiar with hospital administration at the U.S. Naval Hospital Corps School. While in the Navy, Mr. Massien met and later married his lovely wife Sandy. They have two children, Jeff and Bonnie.

In addition to a long and outstanding affiliation with the B'nai Brith, Mr. Massien is a former president of a City of Hope Chapter, Beverly Drivers, a member of the Friars Club, a member of the Attorney General's Advisory Council, a recipient of the B'nai Brith Akiba Award, and one of the founders of the Physicians Support Group of the Medical School of the Technion Institute in Israel. In 1968, Mr. Massien also received a nomination to the American College of Hospital Administrators.

As a member of the Hollywood Wilshire Lodge 11-11 B'nai B'rith for the past 27 years, Mr. Massien has personified the high standards set by this group. His laudable record is ample proof of a career of service to the community and his fellow man. Sanford Massien will receive the "Man of the Year" award for 1973, but it is indicative of his many years of dedication and work for the welfare of others.

FLORIDA LEGISLATURE CALLS ON CONGRESS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. YOUNG of Florida. Mr. Speaker, one of the long-standing veterans problems facing the Congress has been the need to provide for additional national cemeteries so that the current severe shortage of space is alleviated. Last year we passed the National Cemeteries Act, transferring responsibility for all national cemeteries from the Department of Defense to the Veterans Administration and directing the VA to submit a report to the Congress on the development of the new National Cemetery System.

The need for new national cemeteries in Florida has long been critical, and I have introduced legislation to provide for national cemeteries in the central west coast area. As further evidence of the continued importance of this need, I have just received a copy of House Memorial No. 2277, approved by the Florida Legislature during its regular session 1974, requesting the U.S. Congress and the Veterans Administration to provide cemeteries for veterans in central and south Florida. The text of the memorial follows:

HOUSE MEMORIAL NO. 2277

(A memorial requesting the United States Congress and the Veterans Administration to provide cemeteries for veterans in central and south Florida)

Whereas, the people of Florida sincerely appreciate the sacrifices of Florida veterans in times of war and peace, and

Whereas, veterans are entitled to a final resting place provided by the country they so selflessly defended, and

Whereas, it is proper for the state to participate in the selection of a location for a veterans' cemetery, Now, therefore, be it

Resolved by the Legislature of the State of Florida:

It is the intent of the legislature to provide for, encourage, and promote the welfare and dignity of veterans. In this regard the United States Congress and the Veterans Administration are requested to provide cemeteries for military veterans to be located in central and south Florida; be it further

Resolved, That a copy of this memorial shall be spread upon the journals of the House of Representatives and Senate of the State of Florida and copies shall be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

REV. MICHAEL ZEMBRZUSKI AND THE SHRINE OF OUR LADY OF CZESTOCHOWA

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. BIESTER. Mr. Speaker, I would like to call the attention of our colleagues to the Very Reverend Michael M. Zembrzuski—a man who came to the United States in 1951 with $36 in his pocket and a dream.

The dream was to inspire the Polish-American community of the United States to build an American Jasna Gora, a sister to the Shrine of Jasna Gora located in the city of Czestochowa, Poland. For centuries, the shrine has been the spiritual capitol of the Polish people and the Polish Nation.

The Shrine of Jasna Gora in Poland has always been an inspiration to the Polish people, the overwhelming majority of whom are devout Roman Catholics.

In 1966 a miracle occurred in the United States that received national and international attention and acclaim.

A large segment of the Polish-American community in the United States had rallied around the Reverend Michael Zembrzuski with money and support. On October 16, 1966, the American Jasna Gora—the National Shrine of Our Lady of Czestochowa—was dedicated as the Shrine of Poland's Millennium of Christianity—966 to 1966—and as a monument to Christianity on the free soil of America by John Cardinal Krol, in the presence of the President of the United States, Lyndon Johnson, and more than 135,000 people.

This event served to reinforce and reaffirm the traditional links between the Polish and American people which have existed since the days of George Washington and the American Revolution.

Annually more than 600,000 people come to Doylestown, Pa., to visit the shrine—to pray and to enjoy or participate in a full calendar of religious, civic, cultural, and ecumenical events. The shrine is a place for spiritual fulfillment and human renewment, but it is also a repository of Polish culture and tradition that a proud and loyal segment of American society wants to preserve for itself, its children and to share with all Americans.

In a country which was founded under God and looks to God for guidance and inspiration, the National Shrine of Our Lady of Czestochowa is proof that the religious freedoms which our Pilgrim Fathers sought and established are still alive and flourishing today.

The Very Reverend Michael M. Zembrzuski, O.S.P., who is 65 years old, celebrated his 40th annivesary as a priest and his 40th anniversary of service to people of all faiths on March 30, 1974.

Mr. Speaker, it is most appropriate with Polish Constitution Day a recent memory that we recognize Father Zembrzuski's great contribution to the fabric of American culture and heritage.

A TRIBUTE IN MEMORIAM TO PATROLMAN GEORGE A. FREES

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. GROVER. Mr. Speaker, the House of Representatives last week passed legislation which acknowledges the courageous and faithful service of our men in blue by providing survivors' benefits where a policeman's life is lost in the line of duty.

This legislation was long overdue and although his survivors may not benefit from it, it was my memory of the tragic loss of the George A. Frees family that impelled me to support the legislation with enthusiasm.

This week, hundreds of people will gather at the Colonie Hill in Hauppauge, L.I., New York, to do homage to the first of Suffolk County's 1,000 man police department to give his life in performance of his duty.

Mr. Speaker, I submit for the RECORD the comments of Chic Pizzurro, president of the Patrolman George A. Frees Memorial Fund:

A TRIBUTE IN MEMORIAM TO PATROLMAN GEORGE A. FREES

On a cold drab day, April 6, 1971, a call was put in about a disturbance in Amityville.

A patrol car with two police officers answered the call. They were Ptl. George A. Frees and Ptl. William Staub.

When they approached the driveway a shotgun blast went through the windshield and hit Ptl. Frees in the neck killing him instantly. A second shot was fired wounding Ptl. Staub and in spite of his wound he called for assistance. The cars responding were then also fired upon.

Ptl. George A. Frees died in the line of duty, becoming the first patrol officer in Suffolk County to be slain in the twelve years of its existence.

The citizens of Suffolk County joined together to assist with the problems of Mrs. Frees and her three children. With the help of the news media, and the radio stations, a memorial fund was created to aid not only the Frees family but all the widows and children of other police officers who are slain or permanently disabled in the line of duty.

One can see that whenever a dreadful event like this takes place, citizens from all walks of life rally and help in the spirit and the good nature that we Americans seem to possess.

The Patrolman George A. Frees Memorial Fund is unique because it is the first of its kind in the nation.

We the members of the fund, feel it is an honor and our duty to assist any widowed police family of Suffolk County that may need help.

On this day, May 10, 1974, we hope to God that all police officers who watch over us live a long life of happiness with their families.

AND FIRST IN THE POCKETS OF THEIR COUNTRYMEN

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. BRASCO. Mr. Speaker, many of the Nation's banks are now charging a prime interest rate of 11 percent. Those who have not yet reached that point will do so in the next few days. These are the highest interest rates ever charged in the history of our Nation, and I believe they constitute a potential national disaster of such significant magnitude as to command both congressional attention and action.

The banks of the Nation are, along with the major oil companies, making more pure profit off the sweat and work of the average American than any other group or institutions doing business for profit. Because of their activity and interest policies, we are fast arriving at conditions of economic upheaval in a number of areas of endeavor.

Housing can be immediately singled out as an area of prime concern. Today millions of Americans can no longer afford a decent home, and this situation is particularly acute and discernible in my home district of New York. New homes under $20,000 in price are a thing of the past. Real estate people and builders inform me that shortly homes under $35,000 that are new will become unknown.

A few authorities I have spoken to even predict that soon, in many parts of the country, no one will be able to find a home for under $40,000. I am informed that just such a situation has almost been brought into being already in the Washington area.

The banks and the interest rates they are demanding are directly to blame for this outrageous state of affairs. Certainly these institutions are not in money for their health and are entitled to make a profit. But the same thing can be stated to them that was said to the major oil companies—not at the price of driving segments of the Nation over the brink of economic ruin and dislocation. It has become my reluctant conclusion that these people at the top of the banking industry are simply practicing an old-fashion form of criminality known as usury.

If the average person who must have a decent home for his family is simply unable to go into a bank and obtain a mortgage at other than extortion-type terms, then the American promise of so many years that every family can look forward to owning their own home has gone a-glimmering. And this is now the case in many places.

Further, this is the interest rate the major banking institutions are charging their supposedly best customers and largest borrowers. If such powers are paying these rates, then obviously the consumers and smaller businesses who in turn obtain money or do business with the prime borrowers are being charged a much higher rate of interest at the end of the borrowing chain. Finance companies, for example, which borrow large quantities of bank capital, turn around and pass such charges plus a profit and service charge on to their customers.

Banks are virtually totally dominant in the money-lending field, and the smaller institutions in every corner of the land take their cue from the activities and policies of larger banking institutions. Such institutions are the ones leading the way to new heights of interest. And as a direct result, the entire Nation is feeling the pinch, particularly the little man and woman at the bottom of the economic pecking order.

Many homeowners are finding that escalator clauses in their mortgage contracts are being enforced, sending their interest rates and monthly payments soaring. Millions of people are being forced to pay vast sums in interest out in a thousand different ways. A golden stream of profit pours into the banking institutions of the country, which they in turn first pocket and then lend out again at even higher rates.

Congress should and must act, because this is one of the worst elements in the inflationary equation. Combined with a total absence of any kind of price controls, the economy and prices people pay for necessity are bound to continue their rise, only faster. The steel industry's action in raising prices across the board for that basic product is only the first indicator of what we can expect.

A moratorium on interst rates is a viable, constructive first step that we can and should consider here. The Nation needs immediate relief from this situation which I believe is totally out of hand. There is no reason why a group of very wealthy bankers at the top should have such power over the lives, incomes, and destinies of so many millions of Americans.

PRESIDENT AND THE LAW

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. RIEGLE. Mr. Speaker, I insert the following editorial from today's New York Times for the interest of my colleagues:

PRESIDENT AND THE LAW

Although he was educated in the law, President Nixon seems to have difficulty comprehending that the problems that now engulf him are problems neither of politics nor of public relations, but of law. There are well-established legal rules of procedure that are followed regardless of the identity of the individuals involved in a particular case.

These rules, no less than the law itself or the Constitution, cannot be waved aside by cries of "national security" or "executive privilege" or by impatient slogans such as "one year of Watergate is enough." Neither will they yield to the outright defiance that President Nixon announced yesterday through his counsel, James D. St. Clair.

The President's response to the several subpoenas that have been served upon him have never been those of a lawyer cooperating in the settlement of serious issues or even those of an ordinary citizen respectful of the law. On the contrary, Mr. Nixon seems always in search of the one big fix, the public relations coup that will extricate him from legal issues in which, in reality, he is inextricably involved.

He has had his only success in fending off two subpoenas issued by the Senate Watergate Committee. But in dealing with the subpoena from the House Judiciary Committee, the President is not dealing with just an ordinary Congressional committee. In its impeachment inquiry, the Judiciary Committee is exercising a rarely invoked but awesome power of Congress to stand guard against Presidential attempts to subvert the Government by grave misconduct. This power has unique constitutional status, and no court is going to stand in the way of its exercise by Congress.

Nevertheless, when the Judiciary Committee last month subpoenaed tapes and documents, Mr. Nixon responded with a publicity campaign built around a huge mass of edited transcripts. This publicity campaign was carried forward by a televised address by the President to the nation and two follow-up speeches, a one-sided summary of the evidence by his own counsel, and a round of appearances by Presidential aides on television interview shows.

This whole effort was a broad-brush appeal to those who read as they run or who watch only a few moments of television news. This media was apparently the President's last throw of the dice. Whether it has failed or not in public relations terms, Mr. Nixon is apparently determined to stand fast. But these public relations maneuvers have nothing to do with the law. One of the fundamental rules of law is that a judge or jury is entitled to the best evidence available. The tapes themselves are obviously better evidence than transcripts edited by the person under inquiry.

Public relations is concerned with general impressions; the laws deal in provable specfic facts and carefully restricted inference from those facts. Mr. Nixon keeps trying to create impressions in the public mind and thereby influence the atmosphere in which the House committee and the courts do their work. But the work itself remains a matter of law. Regardless of atmospherics, the law turns on evidence of deeds done and words spoken. Images are no substitute for evidence, and publicity is no match for the law. That is why the courts and the Judiciary Committee move inexorably forward and the President slowly but steadily retreats.

In a nation governed by law, Mr. Nixon cannot possibily win a confrontation on the ground on which he has chosen to stand and fight.

HISC—A "UNIQUE ORGANIZATION"

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. ASHBROOK. Mr. Speaker, during the decade of which I have been a member of both the House Committee on Internal Security and its predecessor, the Committee on Un-American Activities, I do not recall that the committee has received such overwhelming endorsements as those which have been pouring into the offices of the House Members since the ad hoc Select Committee on Committees first proposed the abolition of HISC.

As ranking minority member, I am very grateful for these generous expressions of support, and while I cannot speak for the Chairman, DICK ICHORD, I feel sure that he must be most pleased, reflecting as does such support, on his role as the committee's pilot in the turbulent atmosphere which inevitably seems to engulf security activities.

I believe it is not an understatement to say that, in the field of internal security, the oft-alluded-to "silent majority" is becoming a vocal majority. Today I place in the RECORD the resolution concerning HISC passed in April at the 83d Continental Congress of the National Society Daughters of the American Revolution in which HISC is referred to as a "unique organization":

HOUSE COMMITTEE ON INTERNAL SECURITY

Whereas the purpose of the House Committee on Internal Security is to conduct investigations concerning organizations or groups which advocate the overthrow of the government of the United States or any of its subdivisions by force, violence, terrorism or other unlawful means; and

Whereas the House Committee on Internal Security has served this Nation well, and is a unique organization, supplying to Congress accurate and up-to-date information available from no other source; and

Whereas the threat of subversion remains a present danger, and always will as long as power is the reality that controls relationships in foreign affairs; and

Whereas the continued existence of this Committee is in jeopardy because of a proposal to dissolve the Committee and turn its duties over to a more general committee;

Resolved, That the National Society, Daughters of the American Revolution inform the public of the vital function performed by the House Committee on Internal Security in an effort to protect this Nation.

Second, from another staunch committee ally, I offer an article from the American Legion's Missouri Legionnaire, Show Me, of February 1974, written by Jack Sanders, Department Americanism Chairman:

ABOLISHMENT OF HOUSE COMMITTEE ON INTERNAL SECURITY

For years—ever since it was the Dies Committee—the Communist Party has been trying to abolish the House Committee on Un-American Activities, now known as the House Committee on Internal Security.

You will remember that in San Francisco in May of 1960, during House Committee on Un-American Activities hearings into Communist activity and infiltration in Northern California, misbehavior of witnesses and spectators occurred. There was mob rioting in the rotunda outside the hearing room and mass picketing of City Hall where the hearings were held. The fracas was filmed by TV cameras. It was so bad that the Committee later used the TV films to illustrate the tactics of disruption in a film entitled, "Operation Abolition." You will also remember that more recently in Chicago more civil commotion occurred which involved lawyers trying to disrupt the hearing and demanding abolition of the Committee.

An odd coincidence now is that the views of Missouri Congressman Richard Bolling (D), Kansas City, perfectly coincides with the well-known wishes of the Communist Party, and its activists and radicals, for abolishment of the Committee. This may come about soon if Congressman Bolling has his way. Bolling, one of the few Congressmen who recently voted against funding for the committee, is now Chairman of a Select Committee on Committees, which is weeding out inactive or unproductive committees. Apparently the Internal Security Committee is one he feels falls into that category.

The House Committee on Internal Security is headed by popular Missouri Congressman: Richard Ichord (D), who has also long been a dedicated Legionnaire. Dick Ichord holds a distinction of being a chartering member of his own American Legion post. He is a skillful debater and a fearless champion of American principles and ideals.

As Americanism Chairman, I felt responsible to find out why Congressman Bolling would abolish the House Committee on Internal Security, so I addressed him. He replied: "While Congressman Richard Ichord is a responsible Chairman, I feel that the legitimate function of this Committee is with the House Judiciary Committee which in my view can effectively do the job that needs to be done in terms of dealing with the revolutionaries and subversives in this country." Such a move could mean death for internal security, if the Judiciary Committee is as overburdened as it is indicated it is, or if there happens to be no one with any particular interest in pursuing internal security.

Upon the prodding of my advisors, I again addressed Bolling to ask him why he felt the Judiciary Committee could do a better job. He merely replied: "Based on my 25 years in the House of Representatives, it is my view that the House Judiciary Committee is the legitimate and best vehicle for achieving our common goal." Since he apparently realized this comment was only a repeat of what he had said earlier, with no evidence of why he thought the Judiciary Committee could do a better job, he added a pen notation on this letter. "Perhaps we had better have a talk about it sometime when I am in K.C. Then you could discuss my detailed views with Dick Ichord and see what you thought then." This appears to be a fence-mending comment, indicating influence of the American Legion of insufficient importance to outline his ideas in writing where they could be published and contested, placing him in a position of having to defend them. Also, one wonders just how much time Bolling is actually in Kansas City, since he spends his "vacations" in St. Barthelemy Island in the French West Indies.

William Hecht, who handles Internal Security Committee matters for Ichord, was reported by the Kansas City Star as saying Ichord will not sit still for putting internal security under the Judiciary Committee. The comment also was that Ichord said his ego does not require the committee chairmanship, and that his family would be happy to have some other person do the work. The assignment has brought "considerable harassment which has been unpleasant." This would indicate to the writer that Dick Ichord is sacrificing an easier public life and perhaps richer rewards, for work he considers vital.

While "liberal" newspapers such as the Kansas City Star give him little in affirmative reviews, Ichord's committee, under difficult pressure, conducted hearings into subversive influences in riots, looting and burning in 1968. It conducted the all-important investigations of the Students For A Democratic Society (of which Hayden, husband of Jane Fonda, was a founder), the Black Panthers, and revolutionary parties and organizations. Ichord went before the House on many occasions to warn Congressmen and the country of Communist leadership and participation in "peace" demonstrations across the country.

In the Congressional Record of March 13, 1972, Ichord placed the context of his speech to the House covering demonstrations planned and the background of the NPAC (National Peace Action Coalition) and the PCPJ (Peoples Coalition for Peace and Justice), and named hundreds of individuals, organizations, and their affiliations. Our Americanism Commission purchased several hundred reprints of this Congressional Record article and mailed them to the Social Studies Departments of high schools in Missouri.

The Internal Security Committee approved the Jane Fonda Bill, which was drafted after Fonda and former Attorney General Ramsey Clark made controversial statements in Hanoi during the Vietnam War. However, the bill was not passed by the House. Later, Ichord's Committee proposed fines and prison terms for persons who willfully travel in restricted areas. This bill is stalled in the House Rules Committee.

Lately, the Internal Security Committee has conducted a study of revolutionary forces in prisons. The American Legion Firing Line publication of November 1973 devoted two pages to the highlights of this investigation and its findings. This is highly recommended reading for all Legonnaires.

I would recommend, as an act of Americanism to help safeguard our Country, in preventing the abolishment of the House Committee on Internal Security, that every Legionnaire write or telephone his Congressman, urging him to vote against abolishment of this Committee. Also, it would be good to drop a card or letter to Congressman Richard Bolling, in care of the Rayburn House Office Building, Washington, D.C. 20515.

AMERICAN BAR ASSOCIATION: SECTION OF INSURANCE, NEGLIGENCE, AND COMPENSATION LAW

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, in view of the efforts being made in some quarters to federalize the workmen's compensation program, I list below a resolution on this subject as approved by the American Bar Association House of Delegates in February 1974:

AMERICAN BAR ASSOCIATION: SECTION OF INSURANCE, NEGLIGENCE, AND COMPENSATION LAW

Resolved, That the American Bar Association reaffirms its position that our Workmen's Compensation systems remain the responsibility of the several states, opposing federal legislation that would infringe upon state systems, and that the states be given every encouragement to effect any necessary improvements in their own statutes;

Resolved, That the American Bar Association supports the creation by each state of an advisory commission, charged with the responsibility of studying the Report of the National Commission on State Workmen's Compensation Laws and recommending to its governor and legislature such changes as are essential to modernize that state's Workmen's Compensation Law and the administration thereof;

Resolved, That the American Bar Association supports the proposition that all state Workmen's Compensation Laws be reevaluated, commencing on July 1, 1975 (the date established by the National Commission on

State Workmen's Compensation Laws), by a committee of Workmen's Compensation experts appointed by the President of the United States or the Congress.

PROTECTING FARMLAND UNDER THE LAND USE PLANNING ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. UDALL. Mr. Speaker, the Subcommittee on the Environment recently concluded 3 days of additional hearings on the Land Use Planning Act of 1974, H.R. 10294. I think these hearings were helpful and provided a good forum for additional dialog on this legislation. I am hopeful that some of the fears and misunderstandings concerning the provisions of this bill were answered as a result of these hearings.

One criticism of this legislation made by sincere individuals representing agricultural interests is that this act will be detrimental to agriculture, to the farmers of this country. This allegation disturbs me very much and as the sponsor of this bill I want to assure the Members of the House that this is simply not the case. On the contrary, the act encourages the States in their planning to take into account the significance and importance of agricultural, grazing and forest lands within their borders.

Although the States are left to develop their own substantive policies, planning must focus on our renewable resource lands on which we depend for future food and fiber production. Indeed, the intent of section 412(a)(3) of the bill is to assure that participating States do take measures to protect these renewable resource lands from development which would cause a reduction or loss of long range productivity.

The simple fact is that prime agricultural land is fast becoming a scarce commodity in this Nation under the constant pressure of urban sprawl and fast-buck developments. With the corresponding rise in property taxes that often accompanies such developments, farmers simply cannot afford to remain on the land and farm. For this reason, the Land Use Planning Act would also require States to look at their tax structures.

The question is, can we afford, in the face of increasing national and international food shortages, to let this kind of irrational nonplanning go on—to allow thousands of acres of farm and forest land to be consumed monthly?

This point was eloquently made by Gov. Thomas P. Salmon of Vermont in his testimony during the recent hearings. Governor Salmon's State is primarily rural and agricultural but is vulnerable to developmental pressures because of its proximity to large population centers; his experiences are worthy of our attention. Governor Salmon stated:

> All of us in this room know that these United States of America today represent a mobile society. Despite inflation, discretionary income is up, and I suggest to you that there is discernible evidence in this country today of a back to the land movement, if you will, which in my view will place tremendous pressures on rural States, such as Vermont, and all States in this Union that are located within a stone's throw of major population areas.
>
> And we have also learned this, Mr. Chairman. We have learned that when the competition in the market place comes down to competition between the farmer and the forester and the developer, the developer usually wins because he will pay the long price, and regrettably that has become in this country in very large respects the bottom line. Recent statements of our own Senator George Aiken attest to this.
>
> Senator Humphrey pointed out that the next potential major natural disaster that this planet may face is the scarcity of food, and yet while reasonable men would agree with this principle we sit back idly in this country and we permit every month of every year thousands of tillable acres of land to be converted to nonagricultural uses. Unless we develop a mechanism, Mr. Chairman, in the States with some aid and assistance from the Federal Government to deal with this problem, we have got trouble, and that trouble is spelled with a capital T."

The State of New York has had similar problems and has reacted with what seems to be a sensible program of land use planning to save farmland. A recent article in Farmland News by Alvin S. Fick is an excellent description and analysis of the New York experience and I submit it for the Members' attention. The article follows:

NEW YORK MOVES TO SAVE FARMLAND AT THE LOCAL LEVEL

(By Alvin S. Fick)

As population increases, preservation of good farmland for its unique qualities essential to the production of crops assumes more importance. New York state's agricultural districting law has moved into this relatively unguarded breach, providing the means for guidance of the direction of growth and the preservation of open land.

Under the law, which went into effect in June 1971, the decision to protect and preserve viable farmland is a local one which reflects the wishes of the landowners.

There is widespread activity across the state in the formation of districts. "Agriculturalness and ruralness are rather fragile," one Northeastern agriculture spokesman said, "Once gone they seldom return . . . Agricultural districts can provide the occasion for rural people to rededicate themselves to the reasons why they are rural, and to make this rededication a matter of public record."

Since New York's farmer attitudes differ little from those of their Midwestern counterparts, one finds a common ground of sentiment concerning the family farm revealed in a letter written to New York's Environmental Conservation Department by the West family of Cloverlands Farm, Willsboro, N.Y.:

"As owners and operators of a 300-cow dairy, 1,000 acres (owned and rented land) family farm located within the boundaries of one of these proposed districts, we would like to state the following reasons for our active support of the formation of Agricultural Districts within Essex County: . . . As the fourth and fifth generations to own and operate our family farm which dates back to the 1830's, and with three young men who wish to continue in the West tradition of dairy farming, we are very anxious to avail ourselves of every means that will enable our sons to continue on in the business of farming. We feel an Agricultural District would facilitate in ensuring our sons, and others like them in the county, their right to remain on the land."

Economic stresses are the largest factor in the conversion of farmland to industrial, commercial or residential purposes. As development surrounds the few farmers holding on in a growing area, such elements as taxes and assessments, change rapidly, bringing to bear pressures or presenting tempting offers which the owners cannot resist. It is the supreme irony that these pressures are the greatest around the larger urban areas where open space is most needed and in shortest supply.

During a public hearing in Washington County preliminary to the formation of an agricultural district there, farmer Anthony Turi spoke as follows:

"I am not a native of Cambidge, having come to the area from a part of New Jersey that has seen a rapid change from a semi-rural environment to a highly developed urban area. Most farmers in the area were forced out of farming, primarily because of high taxes brought about by the demands for more services and schools. Some of the farmers attempted to continue farming, but soon found it was impossible and sold out to builders and developers. Others prolonged the inevitable by selling a few building lots annually."

Although many people do not think of New York as an agricultural state, it ranks 14th in the nation in terms of total value of farm production—$1.1 billion in 1971—and farming is the state's largest single industry. In every state where similar statistics abound, farming is the hub of an industrial complex which employs thousands of people in support firms involved in processing, packaging, selling and transportation, as well as in direct services and goods to the farmer.

Food on the table is the most obvious connection the average citizen has with farming, but he is also tied to the land which nourishes him by an intricate economic web. Less easy to measure than dollars on a graph but no less important is the effect on the environment of millions of acres of open land. In announcing formation of New York's first agricultural district, Commissioner Henry L. Diamond, whose Department of Environmental Conservation administers the new program, said, "Healthy and productive farmland leads to a healthy and productive environment."

The dual role of farming in the production of food essential to the support of life and the preservation of open space buffers is well understood. For aesthetic, psychological and health reasons we need the visual relief from cellular urban living. The cleansing effect on our atmosphere of millions of acres of green open space is incalculable.

Under New York's law, landowners benefit from a mandate that policies of state agencies and local governments must encourage maintenance of viable farming within the districts, and shall not unduly restrict agricultural practices. A limitation is placed on the power of service districts to impose assessments and levies. The exercise of eminent domain is curtailed through a process of public accountablility. In addition, farmers in the districts are helped to resist pressures from land speculation through tax relief based on an agricultural assessment ceiling which may be applied to land committed to agricultural use for five years.

Farmers whose land is on the fringe of suburbs may choose to decline making the annual commitment to agricultural purposes in order to preserve their speculative options.

Inquiries concerning its districting program received by New York's Department of Environmental Conservation from state agencies across the nation indicate the groundswell interest in methods of preserving good farmland. In New York, six basic steps are involved in the creation of an agricultural district:

1. Landowner submission of application to county legislative body.

2. Referral by county legislative body to

agricultural advisory committee and county planning board.

3. Public hearing held by county legislative body.
4. Decision by county legislative body.
5. Certification by Department of Environmental Conservation.
6. Final county action.

If no agricultural districting advisory committee exists, one must be formed preliminary to the formation of a district. The committee is made up of four active farmers, four agribusinessmen residing within the county, and a member of the county leigslative body who acts as chairman of the committee. Certification by Environmental Conservation encompasses determinations made by the Agricultural Resources Commission and the Office of Planning Services. Care is thus taken to assure that the area to be districted consists primarily of viable agricultural land, and affirms that districting of the area is not incompatible with state comprehensive plans and objectives.

The fact that the formation of agricultural districts in New York is strictly a locally initiated decision has instilled confidence in the program and generated widespread interest among rural residents. Speaking editorially in *The Conservationist* magazine, Robert Hall stated, ". . . saving farmland from development for non-farming purposes is socially desirable, environmentally necessary, and essential to the production of feed for our growing population . . . In the final analysis, it is the control of land use which is the heart of the problem. In the metropolitan areas, planning and zoning—the tools of land use control—have come to be accepted as a necessity. It is in the rural areas, where such tools are increasingly needed, that the strongest opposition exists.

"This isn't hard to understand. The self-reliance, independence and individualism of the countryman, the product of his way of life, are admirable qualities. It is paradoxical that they should also become obstacles to a remedy called for by the threat to that way of life."

One of the protections built into the districting law serves to relieve concern for what may seem to the farmer to be restrictive arrangements which modify his traditional independence. Each district must be reviewed every eight years, and perhaps revised, depending on changes within the county.

Farmer acceptance of these assurances is reflected in the formation of more than 110 districts. Largest of these is one encompassing 58,146 acres in Montgomery County. One area includes the second largest muckland in the United States (only the Florida Everglades is larger), famous for its onions, celery, lettuce, potatoes, corn, spinach, radishes and pumpkins—$20 million in annual agricultural output. Many others are at various stages in the 6-step formation procedure. In addition, the Cooperative Extension Service estimates that landowners in more than 200 towns are considering the formation of agricultural districts.

Speaking out at a public hearing, Chester Hardt, 141st District Assemblyman, said, "The time has come for all of us to recognize that urban penetration cannot be allowed to continue unchecked, with arrogant disregard for our precious land resources. We have to begin to promote the essential concept of the compatibility of both urban and agricultural growth, realize the basic interdependence of the two, and work towards a realistic compromise between farming and non-farming interests." These precepts apply to the larger farming areas as well as to the more populous states where the urban-rural problem is more acute.

The city dweller tends to equate the rural in visions of rolling green hills and fields, of bosky dells and wooded slopes, perhaps all too infrequently recognizing that the countryside also is the source of the food which nourishes him and his family. As much as the farmer needs a thriving populace as a market, even more do those teeming millions need him and the land under his stewardship.

FOUR YEARS AFTER KENT STATE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. RANGEL. Mr. Speaker, it is now 4 years, almost to the day, since four college students were shot to death and nine others wounded by Ohio National Guardsmen on the campus of Kent State University. On May 14, 1970, two students were shot dead by Mississippi highway patrolmen at Jackson State College.

As a member of the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee that is presently looking into the matter, I have pressed for a full investigation to answer the unanswered questions.

Peter Davies, author of "The Truth About Kent State: A Challenge to the American Conscience" has written an article which recently appeared in the New York Times. After reading the article I decided to insert it in the Congressional Record for the information of my colleagues.

Four Years After Kent State, Unanswered Questions

(By Peter Davies)

Unlike previous anniversaries of the May 4, 1970, shootings at Kent State University, today's scheduled ceremony on the campus takes place in the aftermath of Federal grand jury indictments of eight Ohio National Guardsmen and a unanimous United States Supreme Court decision that the parents of the four dead students, as well as the nine wounded, have the right to sue Ohio officials and Guard officers for having violated the students' civil rights.

It is the first anniversary that is not marred by clouds of cover-up and injustice. But what do the eight indictments mean in terms of over-all responsibility for what happened at Kent State four years ago?

None of the guardsmen alleged by the grand jury to have "willfully" assaulted and intimidated the students held ranks higher than that of sergeant, and none are accused of having ordered the shooting or of firing the first shot that triggered the thirteen-second volley of fatal gunfire.

Was there an order to fire? Who bears ultimate responsibility for issuing live ammunition to the hundred or so soldiers sent out to break up a lawful rally? Was the shooting the result of some kind of decision reached at the state, or even the national level, in the context of a natural White House desire to put a lid on campus demonstrations against President Nixon's decision to support the South Vietnamese invasion of Cambodia?

These questions, and more of a specific nature, have not been answered sequently, the indictment of eight low-ranking guardsmen calls to mind the Watergate burglars and how their indictments and convictions left such an abundance of haunting questions that were not answered until James W. McCord Jr. wrote his famous letter and John Dean appeared before the Senate Watergate Committee.

It is possible that when the trial of the eight gets under way some light will be shed on why no officers were indicted, and why Sylvester T. Del Corso, former Adjutant General of the Ohio National Guard, has recently refused to comment on the question of who authorized the loading of M–1 rifles.

Beyond the part played by the Guard, there are other curious aspects of the case yet to be fully investigated, either by the Justice Department or Congressman Don Edward's civil rights subcommittee of the House Judiciary Committee. To what extent, for instance, was the administrative hierarchy of Kent State University informed of a possible decision to suppress the demonstration by force? Why did Dr. Robert I. White and Dr. Robert E. Matson, the university's president and vice president at the time, go to lunch in the town of Kent immediately after a meeting with Assistant Adjt. General Robert H. Canterbury, at which it was decided that the noon rally on May 4, 1970, would be dispersed by troops equipped for combat? Instead of being on the campus, they were at the restaurant when word came of the shootings.

In 1970, Frank Haas, a guardsman, was intensely questioned by Federal agents when it was discovered that his .45-caliber pistol had been fired, even though he was six miles away from the campus at the time his weapon was used by another guardsman. He was able to satisfy the F.B.I. that it certainly was not possible for him to have used the weapon, but why was this vital fact kept secret? It was not until last October that it was learned publicly, by The Akron Beacon Journal, that someone had fired Frank Haas's .45 on May 4, 1970. Inevitably, this stunning disclosure directed attention to an odd statement in the Justice Department's summary of the F.B.I. report on the Kent State killings: "The F.B.I. is currently in possession of four spent .45 cartridges which came from a weapon not belonging to any person who admitted he fired. The F.B.I. recently obtained all .45's of persons who claimed they did not fire, and is checking them against spent cartridges."

The American people still have not been informed of the result of this check, even though eight guardsmen have been indicted.

As for the eight guardsmen, I wonder to what degree their lawyers are going to feel free to solely represent the interests of their clients at the expense of the interests of former state officials.

Gov. John J. Gilligan of Ohio recently overruled his attorney general and ordered the state to pay the legal expenses of the indicted guardsmen. It is difficult to see how their lawyers, depending upon the state for their fees, can disregard the high stakes involved when it comes to the responsibility for what happened at Kent State.

The local coverup of 1970 was effectively conducted by James A. Rhodes, then Governor of Ohio, and the National Guard officers, Major General Del Corso and Brigadier General Canterbury. This was nationally sustained by the 1971–72 decisions of former United States Attorneys General John N. Mitchell and Richard G. Kleindienst, against permitting a Federal grand jury to hear the case.

The local cover-up was evident in the selection of Seabury Ford as one of the state's special prosecutors for the Ohio grand jury in Portage County, which exonerated the guardsmen and indicted 25 students on various counts. Mr. Ford. once a member of the same guard unit involved in the shootings, told a newsman that the guardsmen "should have shot all the troublemakers."

When Elliot L. Richardson, as Attorney General, reopened the investigation of the Kent State incident last year, it culminated in the indictments. Nevertheless, the burning question on this fourth anniversary is a remarkable reflection of the same question left unanswered by the trial of the Watergate burglars: Who set the wheels in motion that led to the crime and why?

THE CRISIS OF FEAST TO FAMINE: WILL BREADLINES REPLACE THE GASLINES? AMERICA'S BAKERS ANALYZE THE WHEAT SUPPLY SITUATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. ROE. Mr. Speaker, the exporting of wheat, particularly since the Russian wheat deal, has been a crucial matter of deep concern to all of us and there is no question that the ever-spiraling prices of basic food staples, and particularly wheat, which has long been considered a staff of life, must be curtailed.

In your opening statement to our second session of Congress, Mr. Speaker, you stated:

> The administration kept wheat export subsidies at artificially high levels in July and August 1972 even while massive wheat sales to Russia were being consummated . . . The Department of Agriculture took millions of acres of wheatland out of production at the same time that they were negotiating the huge Russian wheat deal . . . Members of the House are now hard at work on legislation to assure that should further grain sales be arranged, the abuses we have experienced in the past will not be repeated.

Legislation is indeed needed now. Our congressional efforts with the administration which I have participated in over the past 2 years to recognize the seriousness of this growing problem and take administrative action to resolve same have gone by the wayside. In the absence of definitive action by the administration, as you know, I have introduced considerable legislation seeking a legislative remedy to the continuing shortages crises that are delving into many of our country's critical materials supplies and causing foreign invasion of our Nation's economic security. My most recent legislative action dealing specifically with the wheat situation was to join with Congressman TIERNAN of Rhode Island and others in a bill establishing a National Wheat Council and providing for a wheat export marketing stamps program to regulate the price of wheat in order to stabilize food prices—(my bill H.R. 13679).

Mr. Speaker, my purpose in addressing the Congress today is to advise you of my recent meeting with Mr. Walter Kosenski, president of New Jersey Bakers Board of Trade and Mr. John L. Csenge, vice president-sales marketing of Drake Bakeries, and other representatives of the American Bakers Association in which they expressed their deep concern for the need to halt the export of wheat and work toward restoring America's confidence in having a plentiful supply of wheat in the storage bins of our own country. I hereby submit for consideration by the Members of Congress the following analysis of the wheat supply situation by the American Bakers Association entitled, "Meat, Heat and Now the Wheat Crunch":

MEAT, HEAT AND NOW THE WHEAT CRUNCH

(An analysis of the wheat supply situation by the American Bakers Association, February 15, 1974)

WE'RE RUNNING OUT OF WHEAT!

The U.S. is running out of wheat! Impossible! We produce three times more wheat than we consume. But here are the USDA's own figures through February 3, 1974. Read 'em and weep American consumers—

U.S. wheat supply and demand situation

[Wheat (1973–74 Crop Year)]

	Millions of bushels
Supply (as of Feb. 3, 1974):[1]	
Carryover July 1, 1973	438
Crop 1973	1,711
Imports	1
Total supply	2,150
Domestic disappearance (as of Feb. 3, 1974):[1]	
Food	532
Seed	80
Feed	160
	772
Balance left for export	1,378
Exports (as of Feb. 3, 1974):	
Exports shipped[1]	814.7
Exports unshipped[1]	514.2
Estimated wheat exports as flour and other products	50.0
Total destined for export	1,378.9
Carryover July 1, 1974 (deficit)	(0.9)

[1] Statistical Reporting Service U.S.D.A.

Unless the government takes immediate action there could be no bread on our tables for up to four weeks this spring.

No hamburger buns.

No rolls for hot dogs at the ballgames.

No bakery snacks for children.

No birthday cakes.

And no pizza.

These are the USDA's own figures. We are not alone in reaching this conclusion with their figures. Frederick Uhlmann, head of the Chicago Board of Trade, also projects a zero total carryover. Yet USDA clings to the official fiction of a 178 million bushel carryover.

FROM SURPLUS TO DEFICIT—THE EXPORT BINGE

At the end of the 1971–72 crop year, the U.S. had a wheat carryover of 863 million bushels, and at the end of the 1972–73 crop year it was 438 million bushels. Yet today we are projecting the smallest wheat carryover in 25 years. How did we get here from there?

The answer begins with the Soviet wheat deal in the summer of 1972, when before officials in USDA realized what was happening, Soviet buyers snapped up over 400 million bushels of wheat at about $1.65 a bushel. The Russian sale, by itself, was not large enough to create a wheat shortage. But it set off a chain reaction around the world, generating orders from many nations seeking available American wheat. During the crop year ending June 30, 1973, every one of the top 12 foreign destinations for American wheat took more grain than the previous year. With wheat in the vanguard, our agricultural exports increased over 90 percent to $17.7 billion.

Exports continued at a record pace into the current crop year. As a result, our seemingly inexhaustible store of wheat vanished in just 18 months.

Let's analyze the USDA figures a little further. There are five different classes of wheat.

Hard Red Winter—The basic bread wheat.

Soft Red Winter—Used in cakes and snack foods.

White—Used in cakes and snack foods.

Durum—Used in pasta products such as spaghetti, macaroni, and noodles.

Hard Red Spring—Used in rolls and also as a bread wheat blend.

Here is the USDA's latest supply projection for each class:

Hard Red Winter[1]	−23.0
Soft Red Winter	6.3
White	9.2
Durum	2.8
Hard Red Spring	67.4
Total[2]	62.7

[1] In millions of bushels as of February 1, 1974.

[2] Exports of flour and other products will amount to an estimated 50 million bushels, leaving an insignificant carryover.

We calculate the necessary carryover for the second quarter of 1974 at 250 to 300 million bushels. This will provide an adequate amount for production processes and the transportation pipeline from farmer, to miller, to baker.

The huge prospective deficit for hard red winter is especially ominous. It means we face the real possibility of a bread blackout. That 23 million bushels would produce over 1.2 billions pounds of bread—enough to feed the entire country for more than a month.

$7 BILLION IN ADDED COSTS TO CONSUMERS

In 1972, Americans paid $125 billion for food. In 1973, our total food bill jumped $14 billion to $139 billion. Gary L. Seevers, the agricultural expert on the Council of Economic Advisers, has estimated that "perhaps half of the acceleration in food prices could be attributed to factors associated with the worldwide boom in export demand." Thus the export binge has cost the American consumer $7 billion from his frayed pocket in 1973.

THE USDA'S "NO WIN" POLICY FOR AMERICAN CONSUMERS

Despite the stark, overwhelming evidence of an impending wheat shortage USDA has no idea how much wheat will be needed to assure an adequate domestic supply until the new crop is harvested late this spring and summer. Moreover, USDA maintains it has no responsibility to assure an adequate domestic supply of wheat. USDA believes its only responsibility is to provide a free and open market for buyers and sellers. This may be classic theory but in reality, it means individual American buyers must bid against the state monopolies of Russia, China and other countries, some of whom can buy on generous American credit terms as the Soviet Union did in 1972. It's an exciting game—but the American consumer loses most of the time. The USDA policy amounts to nothing more than Russian roulette with the American grain supply.

The USDA believes American consumers are the richest in the world and should compete with other countries for the commodities they want without favor from their own government. The disastrous results of this policy are plain for all to see.

THE USDA ANSWER—FIRST DENY IT—THEN BLAME SOMEONE ELSE—THEN HOPE ANOTHER COUNTRY WILL BAIL US OUT

Over the past months the USDA has employed three strategies to deal with the growing wheat shortage. First, it attempted to cover-up the problem with a blizzard of press releases denying any shortage. When this became untenable because its own figures revealed the magnitude of the problem, the Department attempted to deny responsibility and shift the blame to millers and bakers.

Secretary Butz advises us we can avoid higher wheat prices later by contracting for our requirements now. The trouble with this idea is that it would force us to trade our bakers' hats for a gambling license. It would commit us to high bread prices for the next five months, or ruin in the marketplace if wheat prices drop.

Cost of Living Council regulations require bakers to reduce their prices when ingredient costs go down. So if one baker can buy flour cheaper than any other, the economics of the marketplace, reinforced by COLC regulations, requires all of them to reduce their bread prices. Thus the risk of extended forward purchasing is too great for most bakers to assume. They simply can't afford to buy flour many months in advance.

Secretary Butz should also recognize that a baker's contract is no guarantee of flour delivery later this year. If all the wheat has been exported by April, there will be none to fulfill his contract in May.

Now the Department is falling back on voluntary schemes to increase domestic supply and reduce exports—such as removing wheat import quotas, encouraging early sale by Canadian and European wheat agencies and negotiating stretch-outs in American export sales. But no one knows whether these devices will leave an adequate domestic supply for the remainder of the crop year.

Our analysis of the USDA's latest strategy leads us to believe that it too will rail. *First,* removal of import quotas is unlikely to generate substantial additional imports. The USDA acknowledged this in recent testimony before the Tariff Commission. *Second,* so long as American prices are less than Canadian and European wheat prices, which they presently are, there is no reason for other nations to shift their purchases. There is a growing suspicion among knowledgeable observers that the Canadians and the Europeans will hold their unsold wheat until the American supply is exhausted, so they can sell it for whatever the traffic will bear, like the Middle East oil sheiks. If this occurs, dollar a loaf bread could look cheap.

Third, there is no evidence the export stretch-out strategy is paying off. Actual exports are continuing at a high level. The announced Soviet deferral was relatively small, and has been offset by other sales and shipments. If the Department knows how many bushels can be saved for domestic use by this method over the next five months, it has an obligation to come forward and tell the American people. For if it cannot, then the American economy will truly have been burned far worse than Secretary of the Treasury George Shultz knew last September, when he acknowledged that we had gotten "burned" in the Soviet wheat deal.

(Rubbing salt in our wounds, the Russians have now indicated they might sell us back some of our own wheat, to ease the shortage USDA created, but not at the price we sold it to them, at the going market price—a gigantic profit for the Soviet Union!)

Nothing could more perfectly illustrate the folly of USDA's unlimited export policy. Only through gross mismanagement could the United States, which produces nearly three times more wheat than we consume, reach a position where we are dependent on the good will of foreign governments for the maintenance of our wheat supply.

President Nixon has established a national goal of energy independence by 1980. We believe it is just as important that the United States be independent of foreign nations for our supply of basic foods which we produce in abundance. All our mechanical energy will be of little value if our people lack essential food energy in their diet.

Wheat is the largest single source of human energy, accounting for more than 15 percent of our requirements. In contrast, beef supplies only half of wheat's energy contribution—(7.4%). Paradoxically, while the Food and Drug Administration has just acted to make bread more nutritious by increasing its B vitamin and calcium content, the USDA is following a policy which threatens to remove bread from our stores. Thus, the Federal Government gives with one hand, and takes away with the other.

WHAT'S THE ANSWER?

There is no easy answer to the wheat shortage. The ABA does not favor an embargo on foreign wheat shipments. We believe wheat farmers should receive a fair price for their crop. We support the commodity export program and recognize its importance to our balance of payments. All we ask is that USDA leave a little for the home folks.

We believe President Nixon started the proper policy for our country last June 13, when he said, "In allocating the products of America's farms between markets abroad and those in the United States, we must put the American consumer first." But this is precisely opposite of what the USDA is doing.

To carry out the President's policy, we recommend as a first necessary step, USDA should determine the minimum wheat supply necessary for domestic consumption during the second quarter of 1974. It should also prepare a plan to assure that supply. This is basic to any intelligent solution.

Then every effort should be made to avoid interference with existing private contracts. Delivery of foreign purchases should be delayed whenever possible into the new crop year. The USDA has attempted to obtain such delays. But we do not know whether these efforts have achieved significant savings of U.S. wheat. It is now time to lift this effort out of the Agriculture bureaucracy and assign it high priority in the White House. The Director of the Council on International Economic Policy should be given responsibility for securing firm agreements from other governments to delay their shipments until after July 1.

Third, the government should review planned concessional sales and donations under the PL 480 program to determine which ones could be postponed without causing undue hardship in foreign lands.

Finally, if these methods do not yield the necessary assured domestic supply, the Secretarys of Commerce and Agriculture should move under the Export Administration Act of 1969, to establish an export licensing system. This should be combined with an immediate announcement that 1973–74 U.S. wheat is "sold out" and that no additional export licenses will be granted for sale of such wheat. This would allow most existing contracts to be filled, but permit the government to adjust actual shipments as necessary to provide an adequate wheat supply for American consumers.

We believe a combination of these actions will succeed in keeping bread on the American table this spring. But obviously, these are emergency measures. They should not be repeated year after year. In the future we must have better planning and a long range policy for allocation of our wheat between domestic needs and foreign markets.

Unless USDA acts, and acts quickly, there may be a bread shortage or no bread in America this spring and summer. People may have to stand in line for a loaf of bread, at much higher prices, the way they now wait in line to buy gasoline.

Bread shortages and empty bakery shelves can be avoided. If there is enough wheat there will be enough bread. But the Agriculture Department gives us nothing but words. We can't bake words and Americans can't eat words. Inaction now will mean breadlines later.

OIL MONEY AND THE POOR

HON. HENRY B. GONZALEZ
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1974

Mr. GONZALEZ. Mr. Speaker, everyone in this country realizes the awesome impact of oil price increases imposed by the Organization of Petroleum Exporting Countries on our own economy. Less well recognized is how much the poor countries have been and will be affected by the oil price hikes. We hear much about what the exporting countries might do in behalf of the poor, but one litmus test of their real intentions is what the Arab nations are doing for their truly desperate Moslem brothers in the sub-Sahara regions of Africa where mass starvation is not merely a threat but a daily fact. Here is a region where the wealthy Moslem countries might well show their concern for the fate of the poor and helpless.

But as a recent article in the New York Times points out, little or nothing has been forthcoming from the oil wealthy states to relieve the extraordinary and terrifying disaster that has overtaken the Sahel area of Africa. If the Arab nations have done so little for their Moslem brothers, I can only wonder how sincere they are in their proclamations of willingness to help other poor countries meet the extraordinary demands placed on them by the OPEC increases in petroleum prices.

The article follows:

[From the New York Times, Apr. 3, 1974]

OIL BILLIONS FOR THE FEW—SAND FOR THE STARVING

(By Chester L. Cooper)

WASHINGTON.—By the grace of Allah, a few Middle Eastern nations have become rich beyond even the wildest dreams of the fabled potentates of ancient Araby. Through little effort of their own, 55 million people—or, more accurately, their leaders—of Saudi Arabia, Kuwait, Iran, Iraq, Abu Dhabi, Qatar and Libya "earned' '$16 billion in 1973 and are expected to "earn" almost $65 billion this year. The spice trade was but salt and pepper compared with commerce in black gold.

The roll of the dice and the leaders' greed have combined to raise havoc with the energy-intensive, interdependent economies of Western Europe, Japan and the United States and to jeopardize the development prospects of scores of countries in Africa, Latin America and Asia. Because of quantum jumps in oil prices, worldwide inflation is sharply accelerating. International monetary arrangements, chronically fragile in the most stable of times, are under severe stress. The specter of a worldwide depression is becoming all too real.

Meanwhile, life goes on, at least for some—the lucky ones whose only urgent need is oil. But millions of Africans are facing another, more terrifying crisis. They are dying of thirst and hunger. Unknown thousands have perished over the last year and scores of thousands have fled from baked fields and destroyed herds to rot slowly away in unfamiliar, frightening cities.

On his return recently from the sub-Sahara region of Africa, Secretary-General Waldheim of the United Nations was aghast at what he had witnessed. "Peoples and countries could disappear from the face of the map," he said. "This region has not seen such a disaster in two centuries."

The international community, or rather a part of it has not remained unconcerned. Approximately $350 million in aid—food, money and services (not including airlifts)—have been contributed to the stricken countries of Senegal, Mali, Mauritania, Chad, Niger and Upper Volta. Of this, the United States, despite domestic problems, has contributed more than a third. The European

Economic Community, racked by balance-of-payment problems and inflation, has contributed slightly less than a third.

The United Nations and its subsidiaries, not including the Food and Agriculture Organization, has given approximately 7 per cent. The F.A.O. has provided separate assistance, largely from American and European contributions. France, West Germany, Canada, China, Nigeria and the Soviet Union have made up the remainder.

On rereading the roster of contributors, one has the feeling that it must be incomplete. Are there not some countries missing? Some of the very rich perhaps? Some Moslem countries, since most of the stricken people south of the Sahara are also Moslems? Some fellow African countries, possibly? We had better review the official data.

Strictly speaking, three countries were overlooked: Libya contributed $760,000—from the $2.2 billion it collected in oil revenues last year. Kuwait contributed $300,000—from the $2.130 billion of its oil earnings in 1973. But what of Saudi Arabia, which earned twice as much as Libya? Not a dollar in 1973, and only $2 million so far this year.

And Iraq, which earned as much as Kuwait? Not a penny. Abu Dhabi, which earned over $7 billion, or about $23,000 for every one of its inhabitants? Nothing. And Qatar, which earned almost $400 million, or about $2,600 per capita? Zero. Bahrain? Zero. Algeria? Another zero And what of Iran, with almost $4 billion in oil revenues in 1973 and $15 billion projected for this year? A further zero.

Altogether, then, the Middle Eastern oil-exporting nations have contributed less than 1 per cent of the total aid to the starving people south of the Sahara.

This is not to say that they remained entirely aloof. Not at all. They raised the price of oil, not only for the rich industrial countries but for the desperately poor ones as well. As a consequence, virtually all of the American financial assistance to the stricken countries of sub-Sahara Africa will be absorbed by the increased cost of their oil imports—a "contribution" by the oil exporters to the needy that should not go unnoticed.

To be sure, the Arab League, with all deliberate speed, has been discussing easing the borrowing terms and doubling to about $400 million, the capital of the Arab Bank for Economic Development in Africa. And there has been talk of preferential oil prices for some of the developing countries and some desultory discussion of eventually doing something about the famine. But, meanwhile, by the grace of Allah, the oil flows out and the billions flow in. And life goes on, for some.

FINANCIAL DISCLOSURE STATEMENT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. GILMAN. Mr. Speaker, I am pleased to join my colleagues in the New York State Delegation to Congress, in providing data concerning my financial status for 1973. Financial disclosure by public officials is a matter of growing public concern in the interest of assuring the integrity of those who hold positions of public trust.

Recognizing this concern, Congress, from time to time, has addressed itself to the issue of financial disclosure. In 1968, the House adopted rule 44, requiring the disclosure and filing of those interests of a Member and of his principal assistants, which might conceivably involve, or appear to involve, any conflict of interest. Closely related to personal financial disclosure is the Federal Election Campaign Act of 1971 which imposed limitations on campaign communications and media spending and established a series of recordkeeping and disclosure requirements furthering the objectives of deterring potential conflicts of interest and minimizing the influence of special interests.

In the present Congress, campaign spending and financing is again an issue of concern, as we continue to seek appropriate means by which to assure equal access to elected public office and to eliminate the high costs of campaign financing which have made aspiring public officials vulnerable to special interests.

I am committed to the objective of eliminating such conflicts of interest, as a cosponsor of the Anderson-Udall "Clean Elections Act of 1973."

Full public disclosure by Members of Congress of their finances is not required by law; House Members being required only to file with the House Committee on Official Standards of Conduct a form listing business interests. I am, therefore, taking this opportunity to further disclose the following of my financial interests, aside from the annual salary I receive as a Member, in recognition that the public confidence entrusted to me in public office imposes a responsibility to make public pertinent information concerning my personal assets and liabilities:

FINANCIAL STATEMENT

1. My sources of income, apart from my Congressional salary: $410.00[1] from the "26th Club," an account for unrestricted, nonpolitical contributions for the reimbursement of travel expenses beyond those officially allowed by the Congress.

2. The identity of my creditors for all unsecured indebtedness: Empire National Bank, Middletown, New York.

3. The sources of all reimbursements for expenditures other than from the U.S. Government: $410.00 from the 26th Club for transportation (previously noted in item No. 1).

4. Identity of all stocks, bonds and other securities owned outright or beneficially:

(a) Mortgagee on Hare Premises and Diakopolos Premises in the City of Middletown, New York.

(b) 25 shares of Equitable Gas Company, held in trust for my children.

5. Identity of all business entities and foundations in which a position is maintained as a director, officer, partner, or in which service is performed in an advisory of managerial capacity: I am on leave from the law firm of Gilman, Gilman & Goldstein, Esqs., of Middletown, New York. I have not practiced law since becoming a Member of Congress and I do not receive any income from that firm. My wife, Jane Prizant Gilman, continues to be an active, practicing partner in that firm.

6. In 1973, my total income tax liability (State and Federal) was $10,490.16 of which $2061.00 was paid to the State of New York. Federal taxes in the amount of $9,027.16 were withheld, including an overpayment of $598, leaving a net Federal tax payment of $8,429.00. Of a total income of $39,132.08[2] in 1973, 26.8 percent was paid in State and Federal taxes.

Additionally, during 1973, I incurred expenses incidental to my office in the total amount of $10,641.27 of which only $7,728.40 was reimbursed.

Mr. Speaker, in addition to this data, I would add that although I made approximately 50 trips to the 26th Congressional District in New York during 1973 and appeared before more than 100 groups, I received no honorariums.

ONE HUNDRED AND TWENTY-FIVE MEMBERS FROM 48 STATES HAVE COSPONSORED RARICK'S BILL TO ALLOW A TAX DEDUCTION FOR ADOPTION EXPENSES

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. RARICK. Mr. Speaker, today I reintroduced legislation which would allow taxpayers a personal income tax deduction for expenses incurred in the adoption of a child.

A total of 125 Members, representing 48 of the 50 States—with the exception of Delaware and Vermont—have joined me in cosponsoring this much needed legislation.

I am encouraged by this widespread, bipartisan support that this bill (H.R. 1858) has generated in the House.

Existing law allows a tax deduction for certain medical expenses connected with the birth of a child. It is only right that the Congress act to extend similar tax advantages to those people who seek to provide a home and family for children through legal adoption.

Adoption expenses could run as high as $1,000 or more for an adoption arranged through a private agency and $800 for an independent adoption. Even through a public agency which does not charge for their services, attorney fees could cost adoptive parents $450 or more.

Adoption expenses consist of legal fees, social agency costs which may include medical care of the natural mother and infant, court costs, and the costs of making the necessary social studies to insure that the child is placed in the correct home.

The general range of adoption expenses parallels the cost of medical costs of childbirth. While birth expenses are usually covered by some form of insurance or are tax deductable, adoption expenses are not.

Since many middle- and low-income families who may want to adopt a baby are unable to afford to pay these high expenses, thousands of children remain homeless.

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[1] Income of the 26th Club was included in gross income for tax purposes with offsetting business expense deductions.

[2] While a Member's authorized annual salary is $42,500, the first-year income of a Member is $38,722.08 based on payments from January 3rd to November 30th, 1973. The payment of salary for December, since it was not paid until January 1st, 1974, will be reported as 1974 income.

The Child Welfare League of America estimates that there are approximately 190,000 children in foster homes and institutions who have not been placed in permanent homes.

Adoption costs are one of the big factors in determining whether or not a child continues as a ward of the State or finds a welcome home and family environment.

At the present time, these thousands of children who are in public institutions and foster homes represent a financial drain on society. They must be supported through public funds or charity.

My proposal would help ease this financial responsibility of the taxpayer, while at the same time offering homes to homeless children.

I originally introduced the adoption bill in the 92d Congress and again early in the first session of this Congress with 57 cosponsors.

I am greatly encouraged by the wide range of support this bill has received in this Congress.

The cosponsors represent a cross section of the country, conservatives and liberals, Republicans and Democrats, whites and blacks. The diversity of the congressional backers indicates to me that there is an increased awareness on the part of Congress of the need to help ease the plight of orphaned and homeless children in this country.

With this broad base of support, I feel certain that the Committee on Ways and Means will be inclined to act favorably on this legislation.

There is nothing more valuable to a child than parents who love him and will help him establish roots and a sense of belonging. Our society owes this much to our children.

I insert a complete list of cosponsors of H.R. 1858 and a copy of the bill following my remarks:

COSPONSORS OF ADOPTION TAX CREDIT BILL

Alabama: John Buchanan, Tom Bevill.

Alaska: Don Young.

Arizona: Sam Steiger, John Rhodes.

Arkansas: Bill Alexander.

California: Phil Burton, John Rousselot, Pete Stark, George Brown, Del Clawson, Willian Ketchum, B. F. Sisk, Ronald Dellums, Alphonzo Bell, Mrs. Yvonne Burke, George Danielson, Carlos Moorhead.

Colorado: Jim Johnson.

Connecticut: Mrs. Ella Grasso.

Florida: Bill Chappell, Don Fuqua, Louis Frey, William Lehman.

Georgia: Dawson Mathis, John Flynt, Robert Stephens.

Hawaii: Spark Matsunaga.

Idaho: Steve Symms.

Illinois: Robert Hanrahan, Morgan Murphy, Tom Railsback, Robert Michel, Melvin Price.

Indiana: William Hudnut.

Iowa: Neal Smith, H. R. Gross.

Kansas: Larry Winn.

Kentucky: Romano Mazzoli.

Louisiana: John Rarick, David Treen, John Breaux, Gillis Long, Mrs. Lindy Boggs, Otto Passman, Joe Waggonner.

Maine: Peter Kyros.

Maryland: Lawrence Hogan, Mrs. Marjorie Holt, Robert Bauman, Goodloe Byron.

Massachusetts: James Burke, Harold Donohue, Robert Drinan, Paul Cronin.

Michigan: Robert Huber, Donald Riegle.

Minnesota: Bob Bergland, John Zwach.

Mississippi: David Bowen, G. V. Montgomery.

Missouri: Gene Taylor, Bill Burlison.

Montana: John Melcher.

Nebraska: Charles Thone.

Nevada: David Towell.

New Hampshire: James Cleveland.

New Jersey: Henry Helstoski, John Hunt.

New Mexico: Manual Lujan, Harold Runnels.

New York: Thaddeus Dulski, Hamilton Fish, Frank Horton, Jack Kemp, Otis Pike, Bertram Podell, Charles Rangel, Angello Roncallo, Lester Wolff.

North Carolina: David Henderson, Wilmer Mizell, Walter Jones, Charles Rose.

North Dakota: Mark Andrews.

Ohio: Wayne Hays, William Minshall, Donald Clancy, Tennyson Guyer, Walter Powell.

Oklahoma: Happy Camp.

Oregon: Wendell Wyatt.

Pennsylvania: Daniel Flood, John Ware, Lawrence Williams.

Rhode Island: Fernand St Germain.

South Carolina: Mendel Davis, Edward Young, James Mann.

South Dakota: Frank Denholm, James Abdnor.

Tennessee: Ed Jones, John Duncan, Richard Fulton, LaMar Baker, Joe Evins, James Quillen.

Texas: Omar Burleson, Miss Barbara Jordan, James Collins, Olin Teague, Henry Gonzales, Robert Price.

Utah: Gunn McKay.

Virginia: Tom Downing, Kenneth Robinson, David Satterfield.

Washington: Floyd Hicks, Mike McCormack, Mrs. Julia Butler Hansen, Thomas Foley.

West Virginia: Ken Hechler.

Wisconsin: Harold Froehlich.

Wyoming: Teno Roncalio.

Guam: Antonio Won Pat.

H.R. 1858

A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 219 as section 220 and by inserting after section 218 the following new section:

"SEC. 219. Adoption expenses.

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction the amount of any adoption expenses (as defined in subsection (b)) paid by the taxpayer during the taxable year.

"(b) DEFINITION.—As used in this section, the term 'adoption expenses' means expenses which pertain to the legal adoption of a child by the taxpayer, and which are incurred in accordance with applicable State or Federal laws, including social or adoption agency fees, court costs, attorneys' fees, and other necessary costs and fees in connection with the adoption of the child.

"(c) EXPENSES OTHERWISE ALLOWABLE AS DEDUCTION.—No amount which is allowable as a deduction under any other provision of this part shall be allowed as a deduction under this section."

(b) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out

"Sec. 219. Cross references."

and inserting in lieu thereof

"Sec. 219. Adoption expenses.

"Sec. 220. Cross references.".

SEC. 2. The amendments made by this Act shall apply only with respect to taxable years beginning after December 31, 1972.

REPRESENTATIVE LEHMAN SPEAKS ON FEDERAL DIRECTORS IN EDUCATION

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. ANDREWS of North Carolina. Mr. Speaker, recently my colleague on the Education and Labor Committee, Mr. LEHMAN, was invited to speak before a joint session of the Florida House and Senate Education Committees on Federal directions in several areas of education.

I am inserting the text of his remarks for the attention and interest of my colleagues:

SPEECH BY REPRESENTATIVE LEHMAN

It's a great pleasure and honor for me to be here this evening, and I appreciate very much this opportunity to explain some of the directions Congress is taking in the areas of community education, bilingual education, consolidation of educational programs, and the guaranteed student loan program.

I would like to begin with community education, as this is a subject that interests me greatly, and is one in which I have seen some personal success in promoting at the Federal level.

As you may know, both the House and Senate versions of the omnibus education bill include provisions for community education funding by the Federal government. H.R. 69, the House version, contains the "Community Education Development Act," which I authored.

The first year of the program is devoted to planning at both the State and Federal level. $1 million is authorized for planning grants to the states so that the states will have concrete understanding of how the program can best be administered. At the Federal level, a National Advisory Council on Community Education would be established, with responsibility for establishing guidelines and regulations for the program.

Beginning with Fiscal 1976, $12.5 million is authorized for grants to the states on the basis of population for allocation to the local educational agencies for the establishment, expansion and improvement of community education programs, on a matching grant basis. $15 million is authorized for this purpose for FY 77. The state educational agencies would determine how to allocate the funds to the local educational agencies within the state.

Federal assistance is limited, however, to those local educational agencies receiving Title I funds, to determine whether community involvement in education proves beneficial to those students who are educationally disadvantaged.

A program of assistance to the State educational agencies is also established. In both FY 76 and FY 77, $2.1 million is authorized to strengthen the States' resources in the area of community education. No state could receive more than $40,000 in each year. Further, and this is important for Florida, if the Commissioner of Education determines that the State's resources are already adequate in this field, these funds may be used for allocation to the local school districts.

$2 million is authorized for FY 76 and 77 for the purpose of training grants, to be awarded by the Commissioner of Education to institutions of higher education.

$200,000 is authorized for a national clearinghouse on community education for FY 76, and each succeeding fiscal year, for the collection and dissemination of information on programs in community education around the nation.

The chief difference between the House and Senate bill is that the Senate bill provides for a system of grants to be made by the Commissioner of Education directly to the local educational agencies, with no provision for matching grants. The bill does provide that the Commissioner shall not approve any application unless the State educational agency has been given an opportunity to review and comment on such application, however.

What is left out of the Senate version is, briefly this: (1) $1 million in planning grants to the states; and (2) $4.2 million for strengthening state resources in community education.

I prefer grants going through the State Departments of Education, because I believe this mechanism assures greater coordination among all the various agencies of the State government. This is to be desired in a program such as this, where various kinds of expertise are useful, and perhaps necessary.

Since the passage of H.R. 69 by the House, and the probability that the Senate version will reach the Senate floor for action in the near future, consolidation has become a matter of considerable interest to a variety of groups, including state legislatures.

In return for the President's promise to forward-fund education programs, and in response to complaints of burdensome and duplicative paperwork, the House, in H.R. 69, passed a consolidation plan, which, incidentally, the President finds acceptable. Briefly, the House consolidation plan would merge Title II of ESEA on libraries, Title III of NDEA on equipment, as well as guidance and counselling, into a new category entitled "Library and Instructional Resources," for which $395 million is authorized.

The secondary category, "Support and Innovation," would consolidate Title III of ESEA, on innovative programs, Title V of ESEA, strengthening state departments of education, Dropout prevention and School Health and Nutrition. The authorization for this category is $350 million.

As a result of this consolidation, there would be but one allocation to a state instead of 8, 1 state plan instead of 5, 2 grants to local educational agencies instead of 8, and 1 application from a local educational agency instead of 8.

In order for this consolidation to occur, the amounts appropriated for the new categories would have to at least equal the aggregate amounts previously appropriated for the several categorical programs.

In addition, 95% of the funds received by the State under these two categories would have to be passed along to the local educational agencies.

The Senate bill, on the other hand, which the President has not found acceptable, contains three consolidations.

First, it would consolidate and simplify the paperwork necessary for receipt of federal funds. Each state desiring to participate in programs for which federal funds for school districts are made available through the state department of education, would file a single general application. Programs covered by such a general application would include Titles I, II, and III or ESEA, Title III of NDEA on equipment, adult education and vocational education.

Second, the Senate bill would consolidate several programs into a new category entitled "Assistance to the States for Supplemental, Auxiliary and Supportive Educational Services." This would include Titles II, III and V of ESEA, Title III of NDEA, and guidance and counselling.

Third, the Senate bill would consolidate most of the discretionary programs at the elementary and secondary level administered by the Commissioner of Education. This new consolidated program would be called the Special Projects Act, and $220 million is authorized for it for FY 76, and each of the two succeeding fiscal years.

Bilingual education is another area that has received nationwide attention since the Supreme Court's recent *Lau v Nichols* decision, in which the Court held that the failure of the San Francisco school system to provide special programs designed to rectify the English language deficiency of students of Chinese ancestry who do not understand or speak English, and the failure to provide equal access for these students to the school district's instructional programs, is a violation of Title VI of the 1964 Civil Rights Act.

Questions which were left unanswered by the Court were (1) what is the appropriate remedy and (2) at what point does the duty to provide bilingual instruction arise. The Court remanded the case for the development of an appropriate remedy.

On the Federal level, bilingual education funds are provided for by Title VII of the Elementary and Secondary Education Act. Funds are available, on a project grant basis, for programs in schools having high concentrations of low income children.

For FY 74, the appropriation for this program is $53 million. In FY 73, the last year for which figures are available, 111,000 children participated in the 217 projects funded by the Act, through the FY 73 appropriation of $35 million.

80% of these projects served Spanish groups only. Altogether, the 217 projects served a total of 24 language groups.

While the Office of Education estimates that there are 5 million children with English speaking deficiencies, it figures there are only 1.8 to 2.5 million children falling with the mandate of the Lau decision.

H.R. 69 makes several changes in the bilingual education program.

First, it expands the eligibility of schools which can be funded under Title VIII to include those which do not have high concentrations of children from low income families. However, these schools would only become eligible after a finding that the needs of the students in schools with such high concentrations have been met. Criteria for determining this would be developed by the Office of Education.

Second, the Commissioner of Education is authorized to make grants to public or nonprofit agencies for the purpose of operating research and demonstration projects, and programs designed to provide pre-service and in-service training for bilingual teachers. In this regard, it is significant to note that the National Education Association estimates that at least 84,500 Spanish-speaking teachers are needed. Obviously, there is also a need for teachers with a second language proficiency in other languages as well.

Recently, the General Education Subcommittee held several days of oversight hearings on bilingual education. Mr. Frank Carlucci, Undersecretary of Health, Education and Welfare, appeared before the Subcommittee at that time. In his statement to the Subcommittee, he pointed out that under the Lau decision, local education agencies are obligated to develop affirmative action programs for dealing with the bilingual problem, where it exists.

Mr. Carlucci also made plain the Administration's position on what should be the Federal role in bilingual education. According to Mr. Carlucci, it should be one of research, testing, and dissemination of educational approaches, curriculum development and teacher training. He was quite adamant in stating his position that a proper Federal role does NOT include the financial support for the actual provision of educational services. Where a local educational agency is fiscally unable to provide the special educational services, Mr. Carlucci suggests that the State shoulder the additional burden.

Mr. Carlucci made three recommendations:

First, an increase of $35 million for Title VII, to allow the Federal government to allocate more funds for training, selected projects and curriculum development, and leaving for later the development of a long term approach to the problem.

Second, he recommended a budget amendment increasing funds available to the National Institute of Education in the amount of $4.5 million for research in bilingual education.

Third, he recommended an increase of $5 million above the FY 75 budget request to provide technical assistance to school districts seeking to come into compliance with the Lau decision.

What is clear out of all of this is that vastly greater Federal funds are going to be necessary. In FY 73, an average of $310 in Federal project grant funds was spent on each child participating in a bilingual education program supported by Title VII.

Even taking the Office of Education's low estimate of 1.8 million children in need of such special services, the Federal Government would have to provide $558 million, more than half a billion dollars, to provide the same kind of program to all of these children, assuming that the average cost per child remains at $310.

Frankly, I think it's doubtful that you will see such Federal support. In light of the Administration's unwillingness to go beyond the "demonstration project" kind of program with Title VII, State governments are going to have to contribute as well.

Lastly, I will address myself to the guaranteed student loan program. This has been an area of particular concern to the Special Education Subcommittee, of which I am a member, which has jurisdiction over higher education matters, as well as students, parents and lending institutions.

Lenders are faced with problems trying to convince loan applicants that they can't make commitments until other forms are processed; the inability of a lender to make a loan commitment to a student without worrying about learning later that only a portion of it can be subsidized; and the work and costs of collecting interest on non-subsidized loans while the student is in school.

Parents and students have equally trying problems. Often when they seek loans in July and August, they face an application process which often delays receipt of funds until well past the time tuition is due.

Too often, after learning they do not meet the test for eligibility, students and parents discover that the lending institution is unwilling to make them even an unsubsidized loan.

Last year saw a sizable decrease in both the number of students who received guaranteed loans, and the volume of loans. Many have blamed the needs analysis requirement.

Prior to 1972, any student whose adjusted family income was below $15,000 could qualify for interest subsidies. After the effective date of the 1972 amendments, students whose adjusted family incomes were greater than $15,000 could also qualify for interest benefits. Regardless of income, however, each student had to submit to a needs analysis conducted by the college. The college then made a recommendation to the lending institution as to the size of the loan needed by the student to meet his or her financial needs. Both the bank and the college were given substantial flexibility in the size of the recommendation.

But the Congress' attempts to broaden the eligibility for student loans has backfired. It seems that once the bank and college have determined through the needs analysis that the student doesn't need a subsidized loan, the student ends up with no loan at all.

In the meantime, the default rate in guaranteed student loans has also increased from 4.3% in FY 72 to an estimated 7.2% at the end of this fiscal year. The House appropriations Committee has approved $30.785 million to pay for increased defaults.

The House and Senate have sent legislation to the President easing the requirments that students would have to meet in order to get a guaranteed student loan. According to the bill, a student whose adjusted family income is less than $15,000 a year, and who is seeking a loan no greater than $2,000, would not have to submit to a needs analysis. Need would be presumed.

Looking at the President's budget request for 1975, the President has asked for an additional $825 million for Basic Opportunity Grants, and an additional $31 million for subsidies on guaranteed loans and default payments.

On the other hand, the President has recommended a decrease of $210 million in supplementary opportunity grants and a decrease of $20 million in college work/study programs.

Under this request, BOG grants would be available to all students. The average grant would be $800, with the maximum grant $1400.

The basic thrust of the Administration's budget request is toward increased assistance to students, rather than institutions.

A problem which will probably be receiving more and more attention as an increasing number of states pass legislation whereby the age of majority is 18, is who is actually financially responsible for the student's education, and can we look at the parents' financial situation to determine whether or not the student should receive assistance.

As one witness at our hearings testified, "It is the student and not the parent who has the primary responsibility to repay the loan which has been borrowed for educational purposes. Given this fact, it seems incongruous to have the amount of that loan based on parental resources."

We will be hearing this more and more, as students apply for loans who are, in a real sense, emancipated and therefore not legally dependent on their parents' income.

I'd also like to say a brief word about Title I funds under H.R. 69. Florida's allocation increases to $56,173,000 under H.R. 69, from $25,295,000 in actual FY 74 allocations. That's an increase of close to $31 million, and doubles this year's allocation.

TRANSCRIPTS OF PRESIDENTIAL CONVERSATIONS

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. RIEGLE. Mr. Speaker, I am inserting in today's RECORD two important newspaper editorials. One comes from the Wall Street Journal of May 7, 1974, the other from the Flint Journal of May 5, 1974. Both editorials bear on the edited transcripts of Presidential conversations, and are especially relevant at this time.

[From the Flint Journal, May 5, 1974]

Tapes Ruin Image Nixon Sought

One month ago, The Flint Journal called for the resignation of President Richard M. Nixon as the "only decent and clean way out" of what we saw as an impossible situation.

It is only right that we do as most people are doing today: Reassess our position in the light of the release by the President of transcripts covering most of the tapes sought by the House Judiciary Committee.

In doing so, it should be borne in mind that our decision to urge him to resign was not based upon any determination by The Journal that the President had either unlawfully engaged in covering up criminal acts or that there was criminal fraud involved in his underpayment of nearly a half-million dollars in his income tax.

The decision was "based upon recognition that the President's reputation is now so seriously stained that his continuation in office presents a burden no longer tolerable to the overwhelming majority of the people."

The Journal concluded that President Nixon no longer could meet the test of the "essential need of the people for faith in their elected leader."

While avoiding making a determination on whether he obstructed justice or had foreknowledge of criminal acts, we believe the release of the transcripts must have a strong bearing on how the people feel about the man in the White House.

First, there is the fact that again, in a familiar pattern, President Nixon waited until the eleventh hour before responding to strong pressures and then fell short of doing what he said he would do.

(This from the man who repeatedly has accused his opponents of "dragging out" the Watergate investigation for political purposes.)

Once again, he did not respond directly to the House committee, but in a too-carefully staged television appeal asked the public to trust him implicitly and to keep him in office because he is essential to our foreign policy.

(This from the man who time and again has accused his opponents of conducting a "trial by press and television" rather than rightfully letting the law take its course without outside pressures.)

How do these transcripts affect the willingness of the people to respond to leadership from the President in these times of stress?

It is probable that some of the "warts and blemishes" on the tapes of which the President spoke will damage him in the eyes of some of his most loyal supporters. The language is often coarse, the descriptions brutal. But those who eavesdrop (and in essence that is what is being done as the result of the President's approval of pervasive bugging of his own offices) should expect and accept that. Insiders will be aware that Nixon is no worse in this than was President Lyndon B. Johnson, who at least was more imaginative and colorful in his use of scatologic words and obscenities.

It is the President's contention, however, that a study of the tapes will reveal that he righteously rejected proposals to cover up the Watergate offenses.

Again without trying to set what criminal guilt might be involved, surely these quotations from the tapes on the "blackmailers" do not bear out the impression he seeks to make:

"Nixon: let me put it frankly. I wonder if that doesn't have to be continued? Let me put it this way: Let us suppose you get the million bucks and you get the proper way to handle it. You could handle that side?

"Dean: Uh-huh.

"Nixon: It would seem to me that would be worthwhile."

Another time:

"Nixon: First it is going to take a million dollars to take care of the jackasses who are in jail. That can be arranged."

Another time:

"Dean: You have to wash the money. You can get $100,000 out of the bank and it all comes in serialized bills.

"Nixon: I understand."

What comes through clearly from these and similar conversations is a President willing to part with large sums of money to buy time against witnesses "blowing the whistle," but unwilling to offer clemency to them because it would not be politically feasible.

There are other revealing portions in the sea of words, but one in particular should hold meaning from the viewpoint of the trust people can put in Nixon. Quoting from the tapes:

"Dean: . . . When I say this is a growing cancer, I say it for reasons like this. Bud Krogh, in his testimony before the grand jury, was forced to perjure himself. He is haunted by it. Bud said, 'I have not had a pleasant day on my job.' He said, 'I told my wife all about this. The curtain may ring down one of these days, and I may have to face the music, which I am perfectly willing to do.'

"Nixon: What did he perjure himself on, John?

"Dean: Did he know the Cubans. He did.

"Nixon: He said he didn't?

"Dean: That is right. They didn't press him hard.

"Nixon: He might be able to. . . . I am just trying to think. Perjury is an awful hard rap to prove. If he could just say that I . . . well, go ahead."

It is not what is in these conversations as much as what is lacking that will alienate Richard Nixon even more with a vast number of citizens and make his position as the leading citizen of a still moral nation more untenable.

Where is the indignation over the very idea of blackmail? Where is the instant resolution to "cut out the cancer" of which Dean speaks, not because it might grow but just because it exists? Where is the horror of an honest lawyer over the very idea of perjury rather than contemplation of legal niceties which make it a rap that can be beaten? Where is any spark of compassion for a faithful servant haunted by a crime committed to help his leader?

This is a different picture of President Nixon than most of his followers have clung to. This is not the "law and order" man who promised to fight crime of all kinds. This is not the Quaker moralist whose eulogy of his former chief, Dwight D. Eisenhower, dwelt upon leadership which swells from great moral fiber and innate honesty. This is not the campaigner posing as the inspirational leader who could "bring us together."

No, this is a political creature, caught in a web spun of too great ambition, too self-centered motivation and a grandiose self-image of the indispensable man bedeviled by evil conspirators seeking to thwart his great accomplishments.

After the tax revelations, we became convinced that the foundations upon which President Nixon stood had dwindled so greatly he could no longer successfully serve as the nation's leader.

How much more true it is one month later that his one remaining saving act of grace is to voluntarily leave the White House to his successor.

[From The Wall Street Journal, May 7, 1974]

The Imaginary Men

In our first comments on the presidential tapes we remarked that it helps to separate two questions: The general propriety of the conversations, and evidence of impeachable offenses. We have tended to emphasize the latter, and will return to it shortly. But today we would like to lay aside impeachment and other legal issues, and simply address what the conversations tell us about Richard Nixon, his administration and American politics.

This is of course what the rest of the press and the nation at large have been discussing all along, and we should perhaps apologize for the quirk of mind that led us to believe the question on the table was whether to impeach the President. In any event, having said so many times over the last year that even without a case for impeachment Watergate will have done enormous harm to the American Republic, we can scarcely disagree with the widespread conclusion that the tapes reveal a flawed mentality.

If the case for criminal complicity does fail, for that matter, it will be only on the narrowest of grounds. The President's attorney will be arguing: Yes the President talked about paying blackmail, yes his words say several times he thought paying the money was the only immediate answer, yes someone might construe that as approval, but no that isn't what he meant, and no his words were not directly connected to the actual payoffs. Even if all this is true, what a defense for a President of the United States to offer.

More broadly, the tapes reveals a whole litany of presidential failings: A casual attitude toward lawbreaking by his subordinates. In particular a casual attitude toward perjury, indeed remarks that some lawyers construe as subornation of perjury. A reach for public deception, in particular a willingness to invoke national security and executive privilege for expedient reasons. A disinclination to probe and question his top subordinates on such questions as moving large monies or "deep sixing" documents. And above all, a general disposition to concentrate almost entirely on the question, what can we get away with? at the expense of the question, what would be right?

Some things can of course be said in exoneration. The President apparently didn't know much before March 21, and part of his reaction was perhaps confusion. The President is not a district attorney, and at least up to a point is entitled to assume that prosecutors will do their job without his help on each fact. There are points, as in sending a message to John Mitchell not to refuse testimony to protect the President, at which he shows a concern with getting the story to law enforcement authorities.

Yet even on a sympathetic reading, the record must be that faced with a mounting crisis, Mr. Nixon reacted deplorably. He was willing to consider patently wrong courses of action. He was willing to trip along, and even conceivably over, the line of outright illegality. He coupled any moves to expose crimes with moves to limit and contain the exposures. And finally, he chose and protected all of the aides whose personalities are so brutally revealed in these conversations.

A preoccupation with image rather than reality, it seems to us, is the characteristic that runs through both the conversations and the faults they reveal. In conversation after conversation, it becomes impossible to tell whether the participants are trying to recall events or concoct a story. One gets the feeling they did not distinguish between the two in their own minds, that to them there was no reality, only the image they could paint.

And always there was a concern not with the meaning of events but with their "PR." When in a conversation with Assistant Attorney General Henry Petersen it became apparent that eventually Mr. Haldeman and Mr. Ehrlichman would have to go, the questions on the President's mind were: Can one go without the other? Should it be before the Magruder testimony or after? Should it be before Dean goes or after?

We come back to a point we have made many times. The inhospitality of the Nixon White House to men of vision, intellect or stature. It is quite impossible to imagine these conversations going on as they did if they had included, to pick two men no longer in the White House at the time. Arthur Burns or Daniel P. Moynihan. To understand why such men were so few there, observe that Leonard Garment, who did see the extent of the danger the moment he learned of it, was treated as an object of faint ridicule.

This is ultimately the President's doing and the President's failing. He has accomplished much and promised more, but he filled his inner world with imaginary men. Empty men committed the type of blunder you would expect of them, and the President himself proved too empty to limit the damage. For this he has paid with his reputation and may yet pay with his job, and to the office and nation he sought to protect and restore, his legacy is further grief and further cynicism.

MELVIN LAIRD—PART II

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, yesterday I inserted into the RECORD the first part of an article by syndicated columnist Nick Thimmesch about Melvin Laird. The second part of that piece tells about Mel Laird's life, detailing his political career and giving an excellent view of the man he calls the Master Back-Room Dealer in Waiting. The article follows:

MELVIN LAIRD

Who would think that under that warhead dome was a mind conditioned by Wisconsin's old-fashioned Bob LaFollette progressivism? Its attribute are a skepticism about meddling in other nation's affairs, and the old business of walking softly and carrying a big stick.

Both sides of Laird's family were rooted in central Wisconsin, and state politics. His father, a Presbyterian minister, had taken a church in Omaha, Nebr., where Melvin R. Laird, Jr., was born, September 1, 1922. But the following year the Lairds were back in Marshfield, Wisc., the ancestral home. Laird's granfather, W. Duncan Connor, was Republican county chairman and once served as lieutenant governor. Laird's mother was delegate to Republican National conventions, talked all the time about politics, and later served on the Board of Regents of the University of Wisconsin. When Laird's father left the ministry to take over his wife's family lumber business, he also got into politics, and was elected to the State Senate.

Wood County is dairying, cheesemaking, farming and pulpwood country. It's the kind of area where neighbors bring hot coffee and donuts when there's a death in the family. Nobody's too rich and only the nearby Menominee Indians are really poor; the rest may not have too much but they don't consider themselves poor. Laird mixed with them all.

"When I was 18, my father thought of running for legislature, and I encouraged him." Laird recalls. "I went out and made speeches for him." The Marshfield News-Herald noted that young Laird, while having no vote of his own, "has done more than any voter in the 24th Senatorial district, including Wood, Clark, and Taylor Counties, to push the candidacy of his father."

His father was elected; Mel Laird went off to college, and then joined his two older brothers in the Navy. In 1943, Connor Laird, five years older than Mel, was lost at sea in a minesweeper disaster in the Pacific. A year later, Ensign Melvin Laird, 22, put to sea on the U.S.S. Maddox, a destroyer.

On Jan. 21, 1945, after combat duty near the Philippines, Luzon and the China Coast, the Maddox was crash-dived by a Japanese kamikaze plane. Eight men were killed and two score wounded, including Ensign Laird, hit by bomb fragments in back and shoulder. On Feb. 15th, Laird's mother wrote the Navy urging that Melvin be sent home immediately because she had already lost one son in the war. Laird remained with the Maddox, which took more kamikaze attacks, was in on the liberation of the Philippines, and got back to the States after V-J Day. Laird was awarded the Purple Heart and other decorations. You can't learn any of this from Laird; he won't talk about it.

He was still in the Navy when his father died unexpectedly March 19, 1946. The preceding October, Laird had married Barbara Masters, whom he met at Carleton College, five years before. Shortly after his father's funeral, Laird announced he would come home after his discharge that summer and run for his father's seat. He was 23. The announcement carried weight. The Lairds and the Connors (his mother's maiden name) were prominent in the area, not only in politics, but in Presbyterianism and in business. Laird, a Scottish name, means "Lord," and though they were hardly aristorcartic, the Lairds were leaders in central Wisconsin.

His newspaper ads showed a serious, slim, balding young man stating that he was running for his father's unexpired term, that he served with Halsey's Third Fleet in World War II, that he was a promoter of "Good Government—honest, efficient, economical and representative," and that he was trained in economics and political science.

Toward the end of that summer campaign, Sen. Robert M. LaFollette, Jr., was supposed to be the principal speaker at the Eagles picnic at the Stevens Point fairgrounds, but he didn't show up. Laird filled in and told the crowd of 5,000: "We cannot be secure in peace if men of a certain complexion, of certain racial antecedents, and of certain religious beliefs, flatter themselves with the illusion of a superiority that justifies them in oppressing other men. We can be secure only if we take to heart the great principles upon which this country was founded, that all men are created equal."

(The Third Regiment band then played a concert, then the WLS National Barn Dance was held. A county judge named Joseph R. McCarthy was soon to upset LaFollette in the Senate primary.)

"I was running in the primary against a veteran Republican who had already served in the legislature," Laird recalls. "He called me the kid. But my father left me a good name, and I beat him. I was unopposed in the general election.

"When I got down to Madison, the older men in the legislature did everything they could to help me. I was the youngest person ever to serve in the Wisconsin legislature."

In early 1947, when the legislature convened, Laird looked like a man in his thirties as he posed woodenly with the only Progressive Party member in the state senate. Within a few weeks, Laird authored a reform bill (which passed) requiring legislators to file affidavits for travel expenses; the practice had been to collect trip money whether they traveled home or not. Next, Laird announced opposition to a state bonus for World War II Veterans, thus joining a drive by the Wisconsin unit of the quite liberal American Veterans' Committee.

Next, Laird was eulogized in the progressive Madison Capital Times this way:

"In contrast to the crop of young Republicans who have more moss on their backs than their reactionary leaders. State Sen. Melvin R. Laird, Jr., Marshfield, is a left of center youngster who has already established a reputation for integrity, intelligence and fairness."

Laird became a kind of whiz kid in the

legislature, sponsoring bills for: compulsory health insurance providing benefits for persons who lost time due to illness; expanding mental health programs; outlawing monopoly practices in the building industry; and cutting the expenses again for state legislators. He also published the "Laird Report" on the state tax system which became a textbook for anyone studying Wisconsin's taxes.

He met a young Democratic state Senator, Gaylord Nelson, in 1948, and they immediately became friends. "Mel was the most formidable senator on the Republican side," Nelson says. "But we'd go to dinner at night and then to my apartment to argue politics. He's tougher than hell, but fair. He was generally middle-of-the-road, but on health matters he was ahead of us. He loves it."

By 1952, Laird was for Taft, seeing in him an appealing sort of dynamic conservatist. So at age 30, Laird was a Taft delegate and also a candidate for U.S. Congress. Faced with the charge that he opposed unions, Laird quickly associated himself with a Bill of Rights for the Working Men which allowed for the union shop. He wasn't about to go the Right-to-Work route.

Laird won his congressional seat easily, and the following eight elections as well, although the Seventh District gradually became Democratic. He generally voted conservative on fiscal matters, pushed weapons spending, but championed enough health and welfare issues to keep himself centrist.

Always a stout defender of Wisconsin cheese, Laird attacked cheese imports and insisted that more cheese be included in school lunch programs. "Mel Laird is Dairyland's Best Friend in Washington," so the political ad read. Sensitive, too, to his duck-hunting constituents, he demanded that the Department of the Interior up the goose quota from 14,000 to 25,000, and when the feds used explosions and loud noises to frighten geese away, Laird protested mightily. Drew Pearson roasted him once for fighting to get $800,000 for the Menominee Indians of his district when Laird showed no enthusiasm for spending money on anti-drug programs, then considered far-out.

He polished and polished his political skills. He was forever photographed with Wisconsin folk—examining hungry deer, the handclasps at Kiwanis, the beaming smiles with the ladies from the League of Women Voters, the stout men at the Republican dinners.

In 1966, Laird's opponent was Norman L. Myhra, 41, who had lost both hands in World War II. Myhra hit hard at Laird in the campaign, and his personal criticism became harsh. Laird got 64 percent of the vote. Myhra, who had been a state senator, needed a job and sounded out Senator Gaylord Nelson about the postmastership at Stevens' Point.

"Mel heard about it and called me," Nelson remembers, "and said if I wanted to appoint him, go ahead. He said he always felt for the guy who worked in the political vineyard." Myhra is still postmaster.

Because his noggin looks like a warhead, because his eyes squint and stare like a pol about to make a deal, because he is a backroom operator, Laird's mind, creativity and even his humanity are usually hidden from view.

His name appears on few bills, but the senior bureaucrats at the Department of Health, Education, and Welfare and at the National Institutes of Health, know Laird as a legislative man who had a lot to do with where the big money was going to go. He did it from the House Appropriations Committee which he was named to in 1953 when he was only 30, and that's something in a crusty old Congress. His two sub-committees, Defense and H.E.W., accounted for appropriations amounting to up to two-thirds of the federal budget.

As ranking minority member of the H.E.W. subcommittee, Laird was a steady, ardent backer of health research. He was the man controlling the levers. Honors: recipient of the 15th Annual Albert Lasker Medical Research Award: Presidential Citation of the American Public Health Association: "Man of the Year" by the American Cancer Society, the National Association for Mental Health, the National Research Foundation to Prevent Blindness and the American Association of Medical Colleges and Universities. A list to warm a do-gooder's heart.

Moreover, in 1957, Laird introduced the very first revenue sharing bill in the Congress. It was beaten of course, but he put it in every year, and the sophisticated bill he offered in 1966 formed the model for the first revenue sharing act passed (1972). He won his revenue-sharing argument in part when the Health Planning and Services Act was passed in 1966, consolidating a batch of categorical aid programs, and thus giving local health units more leeway in administration. Laird forever lamented that there were over 500 bureaus in Washington handing out aid, with great overlapping and waste.

His name seldom appeared in the learned journals, but he had a practicing politician's knowledge of what was going on in the departments at universities, and today he numbers many friends on faculties. That's one reason he urged the military brass to speak on campuses, even during the protest period.

While the intelligentsia frolicked in the Kennedy administration, Laird quietly sought out scholars who differed with conventional liberalism. In 1964, he served as editor of "The Conservative Papers," and the principal contributor on foreign policy was Henry Kissinger. Laird's second Doubleday book was "Republican Papers" (1968), a problem-solving approach to domestic affairs. Among the contributors were Pat Moynihan, then Congressman Charles Goodell, Paul McCracken, Milton Friedman, and a number of Republican congressmen described as progressives.

It is downright difficult to find telling criticism of Laird the Congressional leader. Liberal outfits like the National Committee for an Effective Congress and the Democratic Study Group, usually lamented his views, but saluted his ability. At worse, he was reputed to be steely and shrewd . . . (with) . . . enormous energy and organizational skill," a man who "cultivated the image of a 'pragmatic liberal.'" The Conservative Human Events suspects Laird is a pragmatic liberal.

On Capitol Hill and in party circles, Laird was always dependable. He dispensed beer and cheese from his hideaway office on the Hill, wheeling-and-dealing, and lifting spirits of Democratic and Republican colleagues alike. He served on the G.O.P.'s highest policymaking body, the Republican Coordinating Committee, and was Chairman of the House Republican Conference. He has always been a sort of Chairman of the Board, rather than a President.

Though Laird always argued that it's best to keep our nuclear guard up against the Soviets, his reservations about committing U.S. forces to war date back to the Kennedy years. He delights in telling how in the fall of 1961, he sat in a Chicago hotel room with Adam Yarmolinsky (then in the Pentagon) and Sen. Henry Jackson and citizen Charles Percy. The way Laird tells it (and Percy verifies), Yarmolinsky launched into a passionate essay on the case for Green Berets fighting Communists in jungles. Sen. Jackson was all for it, too. Laird maintained that land war in Asia was no good for the U.S., that superiority in nuclear weaponry and sea power were keys to successful national security.

In the years following, Laird came down hard on the Johnson administration's conduct of the war, and said it was far too protective of the Soviets who were supplying Hanoi. When Nixon got into the 1968 campaign, Laird was recruited for his expertise on H.E.W. as much as defense. He privately urged Nixon to de-Americanize the war, but publicly, Laird accused the Johnson administration with planning a unilateral withdrawal of U.S. troops. Shortly before the election, Laird circulated a story to newsmen that LBJ was being urged to dramatically reduce the war on election eve to help Hubert Humphrey. Naturally, Nixon issued a statement that he couldn't believe such a charge. Wily Laird, the political fighter.

With Nixon the winner, Laird wanted to return to the Congressional seat he had won for the ninth consecutive time (by 64 percent of vote). He was asked to help recruit Sen. Jackson as Defense Secretary, and thought Jackson was signed on. But 24 hours before Nixon's scheduled announcement, Jackson demurred, and Nixon pressed the job on Laird. For months, Laird told visitors, "I didn't want this job in the first place."

The Viet Nam war was raging full force when the Nixon administration took office. Laird was more tuned to the feeling the American public now held on the war, than he was to the plans Nixon and Kissinger were making to negotiate our way with Hanoi, Moscow and Peking. His political urge was to get the hell out fast, but he realized that first, the South Vietnamese would have to be armed to the teeth and tested in battle, while American forces were gradually withdrawn.

Laird's job was to beat down the generals on troop withdrawals, and simultaneously fend off anti-war moves in Congress. He accomplished this by listening to all manner of argument and griping—at the Pentagon and on the Hill—once sitting through a three-day marathon with the Joint Chiefs of Staff over the withdrawal of only 7,000 men. How many cigars, scotches and Manhattans, how many bear-hugs and jokes? How many nights on the narrow bed, fresh sheets by U.S. Navy, in the small room adjacent to his Pentagon office? But the troop withdrawals were announced regularly by Nixon, and the money flowed from Congress to President Thieu's military. And Henry Kissinger kept going to Paris.

He and Kissinger developed a respect for each other's skills, particularly in bending men's wills. Laird usually looked to the immediate impact of an action, while Kissinger pondered the grand design.

When North Korea shot down a U.S. Navy plane in early 1969, Laird opposed the Kissinger view that a retaliatory air-strike would give the administration a new option. Kissinger saw the opportunity for new signals to Peking, Hanoi, and Moscow. Laird thought of the bloody mess if North Korea got into the war. Nixon chose restraint.

When Gen. Earle K. Wheeler, Chairman of the Joint Chiefs, and Kissinger insisted on using American troops in the Cambodian invasion of 1970, Nixon went with them. Laird had recommended that only South Vietnamese troops be employed. In losing, Laird says he reminded Kissinger that, "Next year, when you want to do Laos, Henry, we're going to set some limits. Let's have the South do it alone then." And that's the way it happened in 1971, when the Laotian "incursion" was pulled off with mixed success.

Laird was never against bombing if it were to stop the enemy, but when it was for diplomatic "signaling," as the May 8, 1972, decision to bomb Hanoi (and mine Haiphong) was, well, Laird set his jaw and went along. He liked to let it out that South Vietnam could take care of itself, and he told friends, privately, which therefore meant publicly, that the deal the North Vietnamese offered in October was good enough. Thus, he opposed the Christmas bombing (which Kissinger urged on Nixon) and losing that one, put a big "X" on the calendar marking Jan. 20, 1973—Nixon's second inauguration. "I'm leaving exactly at noon that day," he told me in December, 1972. But he didn't because Viet Nam dragged on some more.

When he said goodbye to Congress, Laird being a man of Congress, was extravagantly praised. "The finest Secretary of Defense ever," exuded Chairman F. Edward Hébert of the House Armed Services Committee. Most Pentagon watchers agreed that Laird was a good one, better than McNamara.

His three, four-year goals—Vietnamization, ending the draft and developing a new weapons system—were fairly well met. He got the controversial ABM, two nuclear carriers, the B–1 bomber and a new submarine program. He cut the military forces by 1.3 million, severed 300,000 civilian employees and canceled contracts involving 2 million workers. Higher pay for the voluntary Army ate up the savings so the Defense Budget wasn't reduced.

He didn't scrap McNamara's Office Systems Analysis, but he gave the brass more say in the procurement program. He urged young officers to speak on campuses instead of audiences of Reserve Officer Associations and other "choirloft" organizations. He made POWs a political issue.

Civil libertarians bum-rapped him for the Army's spying effort on anti-war and civil rights leaders. When Detroit burned in 1967, in the nation's worst urban riot that year, President Johnson sent Cyrus Vance to find out why there was such chaos in Detroit. Vance came back recommending that the Army develop manuals on every riot-prone city so that fire and police-stations, hospitals, utilities and local troublemakers could be identified and located in emergencies. Attorney General Ramsey Clark and Defense Secretary Clark Clifford approved the plan.

Like many government programs, it continued on its own momentum. When its absurdities were revealed (like putting Sen. Adlai Stevenson's name in a file) in late 1970, civil libertarians screamed without bothering to check the program's origins. Laird appointed a civilian dominated board to oversee military intelligence operations, and to report directly to him instead of the Joint Chiefs of Staff. Even Sen. Sam Ervin, ever vigilant, admits that Laird cleaned up most of the objectionable activities by military intelligence agents.

Laird says one of his worst days at the Pentagon was when a swatch of H.R. (Bob) Haldeman's resignation forms for top staffers were delivered to his office. "It was humiliating for some men to be asked to sign one, after months or years of hard work," Laird told me, "so I called in some of the fellows for a cup of coffee. I told them it would be best to fill them out, and I would then put them all away in a drawer and let the White House come get them."

He was shrewd enough to rule that requests from other government departments, including the White House, be routed through his alter-ego, Carl Wallace (who even looks a little like Laird). If, say, a fanciful administrator wanted the services of the Navy Band, he had to contend with Wallace. And when David Young, of the National Security Council staff (on loan to John Ehrlichman for plumbing duty) asked the Pentagon to send all its files on one Daniel Ellsberg, well, he was stopped cold. G. Gordon Liddy got the same treatment.

The big head was restless, and instead of sitting alone in the huge, ornamented Secretary of Defense's office—as McNamara did like some computerized monk—Laird wandered the halls, striking up conversations with military and civilian alike. He did his defense work, all right, but he couldn't resist his old calling either. He phoned and consoled widows; helped an amputee get into medical school; went to the wedding of the daughter of his black chauffeur; braved campuses.

If Laird does a little time in purgatory, it will be because of his sins of expediency at Defense. He authorized a "separate reporting system" on secret air-strikes in Cambodia—a deception. To keep Congress off the administration's back, he exerted his collegial skills to the point of misleading old fans. He fuzzed arguments to get the A.B.M. and the MIRV. He apparently won his fight with the Brass over Vietnamization by getting Congress to give them these weapons, plus the Trident sub and the B–1. Perhaps the Lord will ultimately understand, but Congressman Otis Pike—who respects Laird—didn't, and indicated he would not vote for him if he were nominated for Vice-President.

Through the worst of it, Laird kept his sense of humor. "God, isn't there any good news around here?" he cried out one day, startling his secretary. "Oh, hell," he said, "If there were, the President would talk about it himself. He leaves the bad news for me." Laird wasn't cheering anyone, Mr. Nixon included, when he left office, in early 1973.

To get his paycheck as senior counsellor for national and international affairs for Readers Digest Laird will travel and maintain contacts with the Digest's world network of enterprises. He will also author an occasional piece. He made his debut in February with, "Let's Not Fool Ourselves About U.S.-Soviet Detente," led in by "A sobering warning from a man who has been studying American-Soviet relations for a quarter of a century." Laird's bottom line advice: "Until we get them (reassuring actions and answers from Moscow), let's not delude ourselves about detente."

Laird takes a hand at editing pieces, too, and makes editorial suggestions. "The Digest is big," he says. "We're going into movies with Huck Finn. We have records, and tapes and books, and 14 editions of the magazine. 700,000 circulation just in Australia. I'll be visiting Europe and Australia this summer."

So Laird has been living with the crinkled old elephant for 33 years. He's always hoped for a centrist path for America. The record of his work and writings shows that. But he's still waiting for it to be fully realized by his Republicans.

"The way the 1972 election went, I thought we had it," he told me one morning in late March. "Now it's put aside by Watergate. We were never Camelot, but we would have been something solid. It's a shame.

"This year will be as bad as 1964, and it will be really bad on incumbents. Voters want them out. But 1976 will be a snap-back year for Republicans. Nobody should look at that presidency seriously until 1975 when the dust is settled. Rockefeller can't really move until then, either, though I think the conservatives will buy Nelson now.

"Jerry Ford might be the kind of leader that the country would respond to in 1976. He's forthright, and he can't be looked at in any way but honest.

"I'm going to try and enjoy myself now for a while. Read some good books and travel. But it's hard to stay out, for someone like me who's been kicking around and running for office as long as I have. I like to sit around and talk with people. I did it a few weeks back at a church dinner in Wisconsin. I like to take the Metroliner to New York so I can talk with people on the train. I like those barber shops."

We got up because he had a lunch date at Paul Young's with a longtime friend from Wisconsin, Claude Jasper. As we walked, people hurried by and nobody recognized Laird. He could have been a Main Street tourist.

"The President is going to give me the Freedom Medal tomorrow night," he said. "That will be a nice gathering. My son, John (26) won't be there, though. He's teaching school out in the center city part of Los Angeles. Mostly black and Chicano kids. God, that's something. He really has a fascinating experience. It's the greatest thing in the world to have experiences like that."

POST CARD REGISTRATION BILL

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, this afternoon the ill-conceived post card registration bill bit the dust, deservedly. While my preference would have been to defeat the bill itself, rather than just to defeat the rule providing for its consideration by the House; it is probably good that it happened this way so as to make it a little bit easier for Members who knew it to be bad legislation—but who knew the pressures that were around and about to pass it any way—to help with the funeral.

Few areas of the country can boast of being clear of all vote fraud. It has not been very many years since we had our own problems in North Carolina with fairly significant abuses with absentee ballots. We cannot forget the allegations, some of them substantiated, of fraud in elections in diverse areas of the country. I believe the tide has been turned on the most blatant forms of fraud since the time years ago when one noted urban politician said that the best man to find on election day was the one with a full beard because you could vote him fully bearded, mutton-chopped, mustached, and finally clean shaven. But, fraud is always to be guarded against.

The postcard voter registration bill would have opened a whole new area for fraud—and a whole new area of activity for those who could collect large numbers of the forms. If one thinks it would be impossible, it should be asked why credit card companies are reluctant to mail their cards through the postal facilities of the Nation's Capital.

Had the rule to the post card registration bill been adopted, I would have been on the floor to offer an amendment to the bill which would have authorized—but not required—the States to require that the post card forms be signed by the prospective voter before a notary. In that way, someone would have to identify the registrant. The amendment would have prohibited notaries from charging fees for this service, and the notary, as a State official, would be legally required to seal the form only after being sure whose signature he was witnessing. This would have presented no financial impediment to registration and would have significantly impeded fraud. But, nothing could make this proposal completely fraud-free.

I hope that if in the future further thought is given to this type of legislation, the Congress will be very careful to build in safeguards against fraud. To do otherwise would be to dilute the votes of those who really exist and really vote.

RIGHT TO LIFE AMENDMENT MAKES THE ROUNDS

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. HOGAN. Mr. Speaker, the pro-life movement is sweeping across the country in the wake of the Supreme Court's January 22, 1973, decision which legalized abortion. It has been associated by many as a Catholic movement, however, it is far more encompassing than that.

The national syndicated columnist, Nick Thimmesch, has a recent article which illustrates the far-reaching support that is behind the pro-life movement. I wish to insert the article in the Record at this point:

Right-to-Life Amendment Makes the Rounds

(By Nick Thimmesch)

Washington.—One issue which many political observers thought would go away when the Supreme Court ruled on it 15 months ago is abortion-on-demand. Abortion keeps popping up as an issue, and the pro-life movement is stronger than ever.

Right-to-Life organizations have expanded across the country, stimulated largely by that Jan. 22, 1973, Supreme Court decision which liberalized abortion and made pro-abortionists shout with joy, in seeming victory.

Political analysts who poked over the remains of the special election in Cincinnati awhile back were surprised to find that one factor which helped elect Thomas Luken was a drive by the Right-to-Life organization on his behalf. Luken had simply taken a stronger anti-abortion view than his opponent.

Similarly, the Right-to-Lifers have pursued candidates for state legislatures, particularly in Missouri and Illinois, to get them on the record as pro-life.

The big push, however, is in Washington where an amendment authored by Sen. James Buckley (Cons.-N.Y.) which would guarantee due process (therefore no deprivation of life) to any "human being" (a term biologists might ascribe to the fetus) is having its hearing in the Senate.

The Right-to-Lifers themselves acknowledge that the hearings, conducted by Sen. Birch Bayh (D-Ind.), have been fair and that their viewpoint has been expressed. There is some lament that the media focused on the appearance of four Roman Catholic cardinals who testified on behalf of the amendment and tended to ignore the pro-life testimony of Protestant and Jewish clergy, thus seemingly making anti-abortion a Catholic issue.

Actually, all but two of the co-sponsors of the Buckley amendment are Protestants. Indeed, the co-sponsors can't be labeled. They include a liberal Democratic Protestant, Sen. Harold Hughes of Iowa, and a conservative Republican Protestant, Sen. Wallace Bennett of Utah. And Sen. Edward Kennedy (D-Mass.) for some reason is not a co-sponsor.

While the Senate version gets a fair hearing under a Protestant, Bayh, the House version has been bottled up by Rep. Peter Rodino (D-N.J.), a Roman Catholic. Actually, Rodino sent the House amendment by Rep. Lawrence Hogan (R-Md.) to subcommittee No. 5 where Rep. Don Edwards (D-Calif.), who is pro-abortion, is chairman. Edwards won't let the Hogan amendment onto the House floor. A discharge petition has netted 80 some signatures, but 218 are needed.

The durability of the Right-to-Life movement, and the persistence of its activists, annoys many pro-abortionists who are coming to realize that the Supreme Court ruling didn't settle this issue at all.

Recently, Harper's Magazine published an article, "Enemies of Abortion," in which the writer, Marion K. Sanders, savaged the pro-life movement, laying all of its inspiration, direction and support on the Roman Catholic hierarchy.

Besides including a number of factual errors, the article so grossly mispresented the pro-life movement that it had the odd effect of giving encouragement to pro-lifers because to be attacked unfairly shows the opposition must be worried.

Contrary to what Marion Sanders wrote, there is no official link between the National Right to Life Committee, Inc. and the Roman Catholic Church. True, many Right-to-Lifers are Catholics, but the organization includes many Protestants and some Jews. Indeed, the new executive secretary of the national organization, Ray L. White of Salt Lake City, Utah, is a Mormon.

One of the most effective Right-to-Life speakers is a Methodist, Dr. Mildred Jefferson, M.D., a black woman. Yet another is Dr. Paul Ramsey, a leading Protestant thinker on ethics, from Princeton Theological Seminary.

The Right-to-Life movement is primarily concerned with the current abortion binge but also focuses on positive euthanasia, sterilization, medical experimentation, psychosurgery and other activities which threaten the sanctity of life.

Their upcoming national convention, scheduled for June in Washington, will address itself to all these questions, and those who dismiss this organization as a bunch of sign-waving zealots ought to drop around and become educated.

TERRIFIC WASTE OF ENERGY VIA THROWAWAY CONTAINERS

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. ESCH. Mr. Speaker, it was estimated recently that packaging of beer and soft drinks in approximately 60 billion throwaway containers in 1972 resulted in the waste of 211.5 trillion British Thermal Units of energy. That amount of energy would be the equivalent of enough electricity to supply the electrical needs of 9.1 million Americans; enough energy to heat 2 million, three-bedroom homes with gas; and enough gasoline—1.69 billion gallons—to operate 1,690,000 automobiles averaging 10 miles per gallon for a driving year of 10,000 miles.

When all of us should be making efforts to conserve energy, it seems to me only sensible that we begin a careful review of the throwaway container situation. For that reason, I am today introducing legislation to ban shipment and sale of nonreturnable beverage containers in interstate commerce and to ban all flip top cans. Passage of such legislation would not only assist us in saving energy, it would also be a major step in the battle against litter which imposes a considerable cost burden on States and local communities.

Hearings on this legislation could result in some real eye-opening testimony. For example, according to Environmental Action, throwaway containers made up only 5 percent of the soft drink market in 1965. By 1973 the percentage of throwaway cans and bottles jumped to 65 percent of the domestic soft drink market. The shift from refillable to throwaway containers has resulted in more litter in parks and urban areas; increased the burden on solid waste facilities; increased the amount of energy used for container packaging and increased the costs of throwaway container products.

More than 18 months ago, Oregon enacted mandatory deposit laws and the State's Governor, Tom McCall, says it has been a "rip-roaring success." Vermont too has passed such a law and similar provisions are being considered by a number of other States and local communities. The value of refillable beverage containers is being felt in an increasing number of communities with positive environmental and economic results.

I hope my colleagues will study this legislation carefully and conclude as I have that the energy aspects of this legislation make this a most timely piece of legislation. The bill could also bring relief to consumers by lowering prices and help us clean up America by reducing litter.

The administration now supports the idea of a Federal law banning throwaway bottles and cans, according to John R. Quarles, Jr., deputy administrator of the Environmental Protection Agency. Mr. Quarles, in testimony Tuesday before a Senate subcommittee, expressed the same reservations I have voiced about rushing into nonreturnable containers without an adequate phase-over period. We should recognize that use of nonreturnable containers grew over a period of years and to call a halt to their use in just 6 months on a nationwide basis could be disruptive.

For that reason, I am introducing legislation that would provide for a 3-year phase-in of the ban on throwaway bottles and cans and thus ease the economic impact on the consumer, manufacturers and retailers. It also will set a definite target date for accomplishment of the ban resulting in a much-needed savings on energy use and a cleaner environment. I hope many Members of the House will recognize the need for this legislation and join in supporting the ban on throwaways.

"A FINE KETTLE OF ( )"

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. ROBISON of New York. Mr. Speaker, like all of the rest of us here, I spent most of last weekend wading—word by laborious word—through my copy of the "White House Transcripts."

I found this a fascinating, if time-consuming, task—but one also unleavened by humor, since the mood of the participants in the Oval Room conversations was one only very occasionally other than grim.

No conclusions as to my conclusions should be drawn from my so stating, but the point of these remarks is to note that my own increasingly grim mood was, at about that point, brightened considerably by leaving the transcripts long enough to read one of the weekend efforts of John McKelway, familiarly known as "The Rambler," to those of us who subscribe to the "Star-News" here locally. Mr. McKelway's column, entitled "A Fine Kettle of ( )" made me feel a good deal better—for awhile—as I hope it will my colleagues:

A FINE KETTLE OF ( )

(By John McKelway)

Following is the transcript of one tape recording of a conversation concerning Overalls as edited and made public by Mrs. Murphy . . .

Mrs. M.—Hi. Sit down. So now maybe somebody can tell me who the hell threw the overalls in the chowder?

Cook A.—Well, we can certainly say—put it out—that you would be the last person to do that to the chowder. With so much ahead. You wouldn't take the chance.

Cook B.—Uh huh. But there was the meeting back there when you heard we were going—

Mrs. M.—When I decided to have chowder. But I didn't say what was going in the chowder. I stayed away from that one. So we get overalls. Overalls chowder! (expletive deleted).

Cook A.—I got a call from the waiter. He thinks they think he's about to leave. To go over and jump the ship. He's soft. He's started to think maybe he did put the overalls in.

Cook B.—He had plenty of time. Coming from the kitchen into the dining room. He may have had this thing on his mind. He says he sipped the chowder and it tasted like overalls.

Mrs. M.—Did he say right there—out loud—that this stuff tasted like overalls?

Cook A.—Not there. Not there in the dining room. He just came in the kitchen and said he thought there were overalls in the chowder.

Cook A.—I saw Cook B when I came back from dumping the trash. I didn't know anything about this waiter business.

Mrs. M.—Who?

Cook A.—The waiter. B told me—

Cook B.—Uh huh.

Cook A.—He told me that the waiter thought there were overalls in the chowder but by then he was back in the dining room where it was all breaking loose. Like somebody had a big live fish right there on the table.

Cook B.—That's when we called you.

Mrs. M.—And I had hoped for a generation of peace in this boardinghouse and somebody puts (unintelligible) overalls in the chowder. Now they'll go to the health department and who do we know over there who could tell us what the waiter may have told them?

Cook A.—All we know is that they've got wind of it. He'll say he's innocent at first but we don't know how long before he cracks and brings us into the thing. We can get up an answer for that.

Mrs. M.—It could be over in a week. They could forget it. Do the networks know?

Cook B.—They're doing a special on chowder and could just bring in the overalls as a tickler.

Mrs. M.—Well, so long as we can say we never saw the overalls. Did anybody see the overalls? I'm ready now to admit the chowder tasted like overalls but that doesn't mean—it doesn't follow—the overalls were in there. Will the waiter tell them that?

Cook A.—He'll never get in that position—I mean wearing the overalls and getting in the chowder. They'll never think that through. He's such a, well, an unintelligible anyway.

Mrs. M.—Yeah.

Cook B.—Uh huh.

Mrs. M.—All right. Forget the chowder tonight. Go with the stew. Put it out and see if they'll swallow that.

PROBLEMS OF VIETNAM VETERANS

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. WYDLER. Mr. Speaker, the problems of the Vietnam veterans are serious ones. Although similar to the problems faced by the veterans in the past wars, the Vietnam conflict being divisive in our Nation seems to have aggravated what is always a difficult adjustment period.

Recently there was held on Long Island a Collegiate Veterans Forum and this was held on Vietnam Veterans Day, March 29, 1974. The schools participating in this forum were the State University of New York at Farmingdale, State University of New York at Stony Brook, C. W. Post College, College at Old Westbury, Southampton College, Hofstra University, New York Institute of Technology, Adelphi University, Nassau County Community College, Suffolk County Community College, and Dowling College. The meeting itself was held at the State University of New York Agricultural and Technical College at Farmingdale.

As a Member of Congress, I attended this meeting and was welcomed by the chairman of the committee, Mr. William Brown as follows:

Dear Congressman: On behalf of the 6½ million Vietnam Era Veterans we thank you for coming today.

The Vietnam Era Veteran is faced by many problems ranging from inadequate educational benefits to an unemployment rate that is still rising.

We do not plan to solve any problems today; however, we do hope that this is the first step towards correcting our present adverse situation.

Our legislators, the ones who are concerned with our plight that is, are with us today—let our presence here today demonstrate that the Vietnam Era Veteran and their supporter are not complacent and won't be satisfied until the Vietnam Era Veteran receives equitable treatment.

Following are the major problems presented at the meeting:

PROBLEMS AND POTENTIALS OF VIETNAM ERA VETERANS

EDUCATION AND TRAINING: THE GI BILL

1. The present G.I. Bill discriminates against the veterans who need the most readjustment assistance: minority veterans (50% less G.I. Bill participation than nonminority veterans); veterans in states with high-cost public education (35–60% less G.I. Bill participation than veterans in states with free or low-cost tuition); and veterans with dependents (250% less G.I. Bill participation than single veterans).

2. The World War II G.I. Bill paid the equivalent of $3,804 (today's buying power) for tuition, books and fees, and provided a monthly subsistence allowance. The Vietnam Era Veteran has $1,896 per nine-month school year, or $340 a month less "buying power" than did the World War II veteran. The World War II GI Bill enabled program of his choice. Today's GI Bill discriminates against all veterans except single veterans in states with readily accessible low-cost public and community colleges.

VETERANS UNEMPLOYMENT AND UNDEREMPLOYMENT

1. Vietnam Era Veterans unemployment statistics are now equal to nonveterans. However, many of the employed veterans are in deadend, nonproductive jobs just to exist.

2. 70% of the veterans placed through the Veterans Employment Service were employed in jobs paying less than $2.05 an hour.

3. There has been much attention devoted to the problems of Vietnam veterans—lack of skills, unemployability, alienation, drug abuse, violence—but there has been no recognition and little utilization of the tangible and intangible skills and assets of the vast majority of Vietnam Veterans: team work, discipline, maturity and training.

VETERANS' PSYCHOLOGICAL READJUSTMENT

1. The Veterans Administration has no authority to assist veterans with psychological readjustment problems unless the problems are so severe that they require hospitalization. According to the Veterans Administration the consequences of the VA's inability to provide "preventive mental health care assistance" to Vietnam era veterans includes "major social and economic cost to society stemming from the failure of these veterans to make effective readjustments, as well as personal adverse psychological effects on the veterans and their families who served their country during a long and difficult conflict."

2. A joint VA-Department of Defense study of enlisted Army veterans discharged in September 1971 reported that six months after discharge: one in five was unemployed, one in five had been arrested, and one in six married veterans was divorced or separated from his wife.

VETERANS DRUG ABUSE

1. According to a Department of Defense report, 20% of the Army enlisted men in Vietnam during 1971 were addicted to heroin. Of those confirmed drug positive less than

ten percent were using heroin six months after their discharge from the service. Even though most Vietnam veterans were able to refrain from continued heroin use without professional help or rehabilitation, the stigma of drug abuse is still attached to veterans.

2. Veterans still abuse drugs, mainly barbiturates and amphetamines. Drugs that were readily available in Vietnam to cope with pain, fatigue, or stress are being used by veterans in an illicit therapeutic manner to cope with readjustment problems that are the Nation's responsibility to solve.

VETERANS' LESS THAN HONORABLE DISCHARGES

1. There are over 180,000 Vietnam Era Veterans with less than honorable discharges. In most cases these discharges preclude benefits and entail severe stigma for the remainder of the veterans life. Many of these discharges were issued with little regard for individual rights for such offenses as drug use, homosexuality, subversion, and "unfitness".

The present appeal system takes over a year to review a discharge and upgrades less than one in fifty.

DISABLED VETS

1. Many of America's most severely disabled veterans are destined to spend the remainder of their lives as social outcasts, subsisting on their disability compensation. The Veteran Administration's efforts to help veterans find a meaningful and productive life in society (apart from monetary compensation) are minimal at best. Over one-half of the seriously disabled Vietnam veterans are unemployed.

OTHER AREAS AFFECTING VETERANS

1. Veterans and Families.
2. Veterans in Prison.
3. Veterans Organizations and Their Relation to the Vietnam Veteran.
4. Vietnam Era Organizations and Self Help Projects.
5. Veterans and the Watergate Affair.
6. Veterans and Society.
7. Veterans and the Military.

FEDERAL PROBLEMS

1. Initially increase Vietnam Era Veteran benefits to a point comparable to the present cost of living standards.
2. Increase Federal Employment opportunities for the Vietnam Era Veteran.
3. Increase Disability payments and benefits to accurately match present living standards.
4. To provide that each disability case be reviewed without predetermined bias and/or policies.
5. The term of eligibility for educational benefits for the Vietnam Era Veteran should begin at the time his education begins.
6. Formation of Vietnam Era Veterans Affairs Council composed of Vietnam Era Veterans who will act as ombudsmen for complaints of Federal V.A. benefits.
7. Formation of Vietnam Era Veterans Affairs Council units in all V.A. hospitals and counseling offices of Vietnam Era Veterans.
8. Appointment of Non-political Administrators for the Veterans Administrators for the Veterans Administration.
9. Adequate pay for qualified V.A. hospital staff and administrators. No Political Appointees.
10. Relegate educational and disability pay disbursements to Regional offices instead of one main agency.
11. Review of "Bad Paper" discharges by Qualified Vietnam Era Veterans.
12. Improved CONTACT Division in dealing with Veteran problems.
13. Vietnam Era Veterans with service connected drug problems should be given funding for a rehabilitation program of their choice.
14. Inclusion of these Goals in the Congressional Record as a permanent record of our grievance.
15. Immediate Congressional Investigation of the Veterans Administration.
16. In conclusion I'd like to move that this forum request the resignation of Donald Johnson of the Veterans Administration.

LOCAL COUNTY/TOWNSHIPS

1. Increase awarding of County and Town Jobs to Vietnam Era Veterans instead of Politically-favored individuals.
2. Formation of Vietnam Era Veterans Career/Job Placement Centers—composed of Vietnam Era Veterans.
3. Exemption of Disabled Vietnam Era Veterans from Jury Duty, sales tax, and admissions fees to public County and Locally Sponsored Athletic and Cultural Events and Parks.
4. Exemption of 75% Disabled V.N.E.R.A. Veterans from county/local taxes.
5. Exclusion of any "Duplicate Benefit" clauses in benefits for Disabled Veterans having 30% or more disability.
6. Expanded locally-funded work-study programs on and off campus, with relaxed restrictions on total work hours allowed.
7. A county-sponsored outreach program whereby each returning Vietnam Era Veteran shall receive a mailed packet enumerating all benefits available through "local" auspices. This outreach packet must include an offer making county-sponsored counseling available.
8. A county-sponsored program whereby Vietnam Era circuit-advisors will visit campuses and prominent public places on a regularly scheduled basis. The piece-meal program now in effect is lacking.
9. Veteran preference and free or decreased tuitions and fees at locally funded or sponsored institutions of remedial, vocational or higher learning.
10. Free admission for all veterans to the Nassau Veterans' Memorial Coliseum.

MARY LASKER HONORED

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. CONTE. Mr. Speaker, last week I had the great honor to be a guest at the ceremony at which the Government of France recognized the extraordinary contributions in so many fields of human welfare of Mrs. Mary Lasker by naming her an Officer of the National Order of the Legion of Honor.

I would like to share with my colleagues my pride as an American, and as a friend, in the generosity of spirit and untiring and far-reaching work of this gracious and great lady. The depth and range of her concerns are illustrated by the following two pieces, an article on her efforts to beautify this country that appeared in the New York Times of Sunday, April 28, 1974, and the comments of His Excellency, Ambassador Jacques Kosciusko-Morizet, in conferring the Legion of Honor:

[From the New York Times, Apr. 28, 1974]

MARY LASKER: STILL DETERMINED TO BEAUTIFY THE CITY AND NATION

(By Enid Nemy)

Mary Lasker, a soft-spoken philanthropist who thinks in grand terms, over the years has contributed hundreds of thousands of daffodils, azaleas, tulips, chrysanthemums, flowering shrubs and trees to the city. She has also watched a good portion of them wilt and disappear, through indifference, neglect and inadequate supervision.

She is, she said, a "frustrated" citizen.

Frustrated she may be, but the woman who has been called "Primavera in an asphalt desert" hasn't given up the battle to beautify the city and the nation. It isn't her only concern—her front-line effort is reserved for medical research ("You have to be alive to enjoy flowers")—but Mrs. Lasker's reserves are formidable.

"What I've done has really been an act of despair on my part," she said, sitting in a tree-framed, flower-filled room of her East side townhouse. "It's not adequate or sufficient."

It never will be adequate or sufficient unless governments—city, state, and Federal—find a dynamic person to act as a catalyst and step in with "big" plans, she added, leafing through one of her many fat leather-bound albums illustrating plantings throughout the country.

Mrs. Lasker, the widow of the Chicago advertising magnate, Albert D. Lasker, and a top-notch button-holer and lobbyist for a dazzling number of causes, has put herself out of the running for that particular job.

"I'm too busy doing something about the matter of surviving," she said. ". . . I'm very good on what we don't know in medicine . . . it's not the will of God, it's the dumbness of man, and the lack of enterprise and money that's the problem."

A small part of the problem is being helped by the Albert and Mary Lasker Foundation, which she and her husband established in 1942. Half of Mr. Lasker's residual estate, estimated in excess of $11-million, was willed to the foundation after his death of cancer in 1952.

The foundation supports medical research, presents anual awards in basic research and clinical studies, and gives awards for outstanding medical reporting.

Mrs. Lasker's priorities have remained constant since her marriage to her late husband in 1940 (an earlier marriage, to Paul Reinhardt, an art dealer, ended in 1934).

During their courtship, Mr. Lasker asked her what she wanted to do most in life.

"I want to push the idea of health insurance, and promote research in cancer, tuberculosis and other major diseases," she said.

Friends are still apt to relate a story about the early days of the marriage when Mrs. Lasker was asked by her husband what would make her happy.

"Just fill the house with fresh flowers every day," she said. He did.

A veteran of countless boards and committees involved in medical, charitable and beautification work, Mrs. Lasker is on none of the committees for the country's bicentennial.

"I don't want to be," she said emphatically, but as Agatha Christie would put it, her "little gray cells" have been at work. Mrs. Lasker, herself, probably wouldn't admit to gray cells; she disapproves of depressing colors. Her 7½-story house, facing the East River, is a landscape of impressionist paintings, crystal, silver, inscribed photographs, all of it set in a snowstorm of white, white and more white—walls, carpets, furniture.

The cells, no matter the color, have come up with a practical idea for a national anniversary tribute. Practical, in Mrs. Lasker's vocabulary, means permanent and beautiful.

"I'm not against learned tracts and giving parties . . . banquets, tableaux, charades and parades," she said, looking at once doubtful but amenable to accepting another point of view. "But I think we should do something to permanently improve our country."

The bright blue eyes shadowed a little, but nothing could dim the pink and white complexion, as she continued: "It's hard to get through to politicians."

"Politicians," she elaborated, "don't understand that people are lonely, depressed and deprived for lack of oxygen and pleasure in green leaves and flowers in big cities."

Some of her current suggestions include planting the highway entrances to New York, including the Major Deegan Parkway, the West Side Highway and the Harlem River Drive, planting daffodils, azaleas and flowering cherries and pears in the parks, and planting trees "all over."

"It's a simple thought to celebrate—and people feel so resentful by the coldness, the steeliness of cities."

Mrs. Lasker's simple thoughts are rarely inexpensive but, she suggested, taken in the context of city and industrial budgets, the cost would not be prohibitive.

"It would take about $12-million to plant all of Manhattan with trees . . . we'd need about $90,000 to $100,000," she estimated. "That's nothing for a city with a budget of $10- to $12-billion . . . and maybe the corporations would give big gifts to see the city planted. It makes sense financially, it would help real estate values."

She hoped, too, that public-spirited, wealthy individuals would contribute but, she said, with a voice of experience, she would not do the asking.

"My husband always said don't try to raise money from other people—get it from government—and give what you can yourself. If you get private funds, you are constantly in the position of exchanging money with friends—you know, 'I supported your interest, now you support mine.'"

However, she added, hastily, there was no reason why individuals couldn't plant ivy around trees, or telephone the Parks Commissioner with indications of interest, or offers of help, no matter how small.

About six years ago, Mrs. Lasker gave Central Park 300,000 daffodils and planted 10,000 daffodils and 350 cherry trees along the West Side Highway. Some of the flowers were cut too quickly and many of the trees were left unpruned and untended.

"The Wagner Administration was receptive to the plantings we did," she reflected. "The Lindsay Administration was unwilling to continue . . . they thought I should not only give the flowers but help with the maintenance."

The tribulations—and Mrs. Lasker still looks a little forlorn and peeved about them—didn't permanently damage her spirit. The 73-year-old woman who left Watertown, Wis., more than half a century ago for Radcliffe, Oxford and New York, can still remember the trees, flowers and fresh air of her hometown. Her own childhood, with a mother who loved and founded parks, enables her now to make excuses for less fortunate children.

"They shouldn't do that," she will say as she comes across a photograph of youngsters walking over the daffodils in Central Park. "But it is lovely to walk in flowers."

Mrs. Lasker said that she had already asked Mayor Beame to plant the city streets. "He said he didn't have the money . . . he can't do everything he'd like to do."

But she has contributed 20,000 tulips to Park Avenue this year, in honor of Mrs. Enid Haupt, a well-known amateur horticulturist (who herself planted 150 cherry trees on Park Avenue and around various churches and hospitals). And she joined her stepchildren in giving hundreds of azaleas, 10,000 daffodils and 300 cherry trees to United Nations Park, in memory of her husband.

Despite her love of flowers, Mrs. Lasker admits that her own skill at gardening leaves something to be desired.

"I'm a planner," she said.

Was she not also a power—one of the most powerful women in the country?

"Powerful? I don't know." She thought for a moment "No, if I were really powerful, I'd have gotten more done."

REMARKS OF HIS EXCELLENCY, AMBASSADOR JACQUES KOSCIUSKO-MORIZET, MAY 1, 1974

Dear Mrs. Lasker, distinguished friends, I would not dare introduce you, Mrs. Lasker, not only because all of us here tonight are your friends, but also because everybody in the United States as well as in Paris, knows you.

Your generosity and your extraordinary devotion have no limits, nor do they have borders.

Your contribution, your marvelous contribution, and your prominent role in the fight against cancer (not forgetting all the other fields of medical research) is invaluable. Thousands and thousands of people owe you and your husband, owe the "Albert and Mary Lasker Foundation", not only their gratitude, but, very often, their very lives.

In addition to this gigantic task, you have taken the time to dedicate yourself to the arts. You own one of the most beautiful and tasteful collections of 19th Century French paintings.

But again, inspired by your deep altruistic spirit, you did not limit yourself to being only a very fine art amateur. In this field you have sponsored, encouraged or helped so many activities, so many people, so many times that even you, I am sure could not keep the entire record.

There is no need to say how we appreciate the splendid and so generous action you have undertaken for Versailles and the Versailles Foundation.

Dear Mrs. Lasker, if I wanted to enumerate all the achievements you are responsible for, here or in France, I could not do so, because, if I did we would never have dinner tonight.

So, among all your qualities and all your high merits, let me emphasize only one, the one which sums them all: that is, your concern for people, your concern for a better world, and your concern for a better understanding among people: as Montaigne and, before him, the Latin author Terence said: "Nothing of what is human is alien to you". That is so true and that is so unfrequent. And those of your friends who gave us the pleasure of being here tonight (as well as those—and they are thousands—who are not here) know that.

Mrs. Lasker, the honor which is bestowed upon you today is the recognition by the government of France for your outstanding services not only to my country but also to the citizens of the world.

For this, please accept the gratitude of my government as well as the gratitude of all the people who are so indebted to you.

Mary Lasker, au nom du Président de la République et en vertu des pouvoirs qui nous sont conférés, nous vous faisons Officier de l'Ordre National de la Légion d'Honneur.

WANTS GOVERNMENT OFF THEIR BACKS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. SYMMS. Mr. Speaker, the American people are really beginning to feel the crunch of big government. I am receiving more and more mail from my constituents who want the Government off their backs and out of their pockets. For many people, the recent shortages, caused by wage-price controls primarily, and the creation of more regulatory bureaucracies such as the FEO have been the final straw. Recently I received an outstanding letter from John Church, president of the Lewiston, Idaho, Chamber of Commerce. Mr. Church articulates in a very direct manner the feelings of many people toward "big brother." Mr. Church's letter is as follows:

GREATER LEWISTON
CHAMBER OF COMMERCE,
Lewiston, Idaho, March 25, 1974.

Hon. STEVEN D. SYMMS,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR STEVE: The Economic Stabilization Act, empowering the President to impose wage, price, salary, and rent controls, expires April 30, 1974.

The Nixon Administration has asked that its control authority be extended, in amended form, through December 30, 1975, and Senate Bill 3032 has been introduced to retain mandatory controls over enumerated industries.

The Senate Banking Committee has completed hearings and is now drafting its bill. The House Banking Committee is currently holding hearings.

I urge you to vote against any legislation aimed at extending the authority of the President to impose wage, price, salary, and rent controls under the Economic Stabilization Act beyond April 30, 1974.

It is clear that wage and price controls have not in any way "stabilized" the economy as the Act was intended to do. I offer the following comments in support of this statement.

With respect to wages, the guidelines imposed by the Cost of Living Council for wage increases was a maximum increase of 5.5 percent per year. However, from the information I have read in various publications, it is becoming clear that the labor unions are going to press, and receive, average wage increases above the guidelines due to the rapid rise in prices and the increased corporate profits during 1973. In the February 2, 1974, issue of Business Week, excerpts of which are enclosed, it was stated that settlements in 1972 averaged 8.5 percent for wages and benefits. It was also stated that Cost of Living Council Chairman John T. Dunlop has been quoted as saying he wouldn't be surprised if bargaining this year resulted in gains above 8.5 percent. And the statement was made that "Predictions of 10 percent to 12 percent this year are becoming common."

Business Week's March 9, 1974, issue revealed its estimate that U. S. corporations will have made more than $70 billion after taxes during 1973, which amounts to 27 percent more than the $55.4 billion recorded in 1972. This is the biggest percentage increase since 1955 and the largest dollar increase in U. S. business history.

That same issue revealed Business Week's survey of 1,200 companies with total sales of $261.5 billion in the fourth quarter, which is an increase of 22 percent over the fourth quarter of 1972. The profits of these same companies increased 23 percent and totaled $15.3 billion. In looking at the entire year 1973, these companies had a 19 percent increase in sales and a 25 percent increase in profits.

The shortages in this country are atrocious and uncalled for. With price ceilings imposed upon the American manufacturer, production has been curtailed. Capital expenditures have been curtailed. Accordingly, the product manufactured is in short supply.

The effect of price ceilings upon the small retailer or small individual manufacturer is frightening. More and more of these types of businesses are ceasing business because of rising costs of material, labor, "stabilized" prices, and little or no profit. Because of the lack of volume enjoyed by major manufacturers and large corporate business, the incentive to continue to "wait and see" what the government is coming up with next is lost.

In fact, I would venture to guess that the mood for incentive in American business today is lost. Prices are higher than ever in the history of the country. Wages are higher than ever in the history of the country. Shortages are in complete abundance and are curtailing business production worse than ever before. And the Nixon Administration continues to call for economy in government at the same time it is seeking the most gigantic federal budget in the history of the republic.

To buy a gallon of gasoline, if it is available, would have purchased three loaves of bread two years ago. The price of meat has skyrocketed to such proportions that the American consumer has been forced to substitute nutrition for economy.

Commencing on February 28, 1973, when the prime rate of interest was 6¼%, the Federal Reserve System's favorite economic indicator changed no less than 16 times to a high of 10 percent. This compares with only four changes in 1972, which saw a high of only 6%. Already in 1974, the prime rate has changed five times, as recent as March 22, when the prime went from 8¾ percent to 9 percent.

And the price of gold has recently soared from $90 to $160 an ounce.

And Wall Street has reacted to all of this with such furor that the small investor is hoarding investment income allowing institutional investors to control the Dow Jones averages, which have dropped considerably.

The American consumer during 1973, and currently in 1974, is faced with one of the most unpredictable, uncertain, and confusing economies that has been seen since Paul Revere told us the British were coming. It was fine to dump the tea into Boston harbor to protest controls, but this country now hasn't even got the tea. It is even surprising to note that the environmentalists let us keep the harbor.

Take John Doe, upright American Vietnam veteran home from the war taking his wife and three children to church every Sunday, saying the pledge of allegience before retiring for the evening, registered voter, and supporter of free enterprise, free society, and the beloved Constitution of the United States which protects him from all evil. He's a boxboy in a local grocery store, receiving some Veteran's benefit assistance from Uncle, but loves to fish, hunt, and go camping in foothills that are not controlled by the government and reserved only for backpackers who don't smoke.

Question: Under the current economy of shortages, high prices, and high interest rates, where is John Doe going to get his camper trailer, fishing rod, and rifle? How does a boxboy who fought his heart out for two years in a jungle and can't return as President of General Motors going to pay for said items? And, finally, can John Doe afford to walk the hallowed halls of Chase Manhattan to pay 12 percent on a loan that he may or may not get, and may or may not be able to pay back?

Furthermore, John Doe, who has eaten C rations, for the duration of his government controlled draft program, may want to dine occasionally on New York steak. Yet he must limit himself to the staples and "low-priced" meat products while telling his family to "keep the faith, baby".

It is high time politicians stopped worrying about politics and protocol. That was fine at the Philadelphia Convention, but the politicians now have stopped wearing white wigs. Congress must devote itself to looking around the country instead of the stone buildings and themselves. The political implications of wage and price controls be damned! The economic stabilization of the country be cheered!

The American people and the American businessman are tired of being raped by government control. It is time to recognize that there is nothing wrong with a little concept that has been around for years—a little thing called supply and demand. You see, the concept of supply and demand has something controlling it that no other economic indicator has—a big thing called the American people.

Yours very truly,

John A. Church, *President*.

TREE HILL

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. BENNETT. Mr. Speaker, in Jacksonville there is a beautiful wooded hill which has been untouched by the surrounding increasing population. It is wild and unmolested, protected, by wooded streams, from heavy intrusion. Although some funds have been raised from local contributions for the project, they have not been sufficient to achieve protection of this land. There is in existence the Federal aid in fish and wildlife restoration program providing up to 75 percent reimbursement to State agencies, but so far that course of action has not resulted in a solution. To make it work the State must make application and share in the funding. I sincerely hope that this course of procedure or some other course may yet protect this area.

Mr. Speaker, I have been asked to have included in the Record the following resolution of the Duval County School Board on this subject:

Resolution

Whereas, there exists a natural sanctuary of approximately 41 acres located in the Arlington area between Lone Star Road and the Arlington Expressway; and

Whereas, this natural sanctuary provides a highly desirable living laboratory for the training of young people in environmental education; and

Whereas, the number of acres of such natural sanctuaries is rapidly being diminished by the encroachment of construction for housing and industry; and

Whereas, a highly dedicated group of private citizens have formed a foundation to hopefully purchase and develop the 41 acres described above and have been incorporated into an organization founded in 1970 named PATH; and

Whereas, the voluntary corporation called PATH has been able through the donation of generous private citizens and officials of industry to raise the necessary amount to hold an option on the area known as Tree Hill, which option expires in January, 1975; and

Whereas, the PATH organization is seeking through all channels the necessary funding to raise $500,000 for the purchase of Tree Hill; and

Whereas, the Duval County School Board in accordance with mandates of the State Legislature and by choice have incorporated into the curriculum of the Duval County schools environmental education; and

Whereas, Tree Hill provides an ideal location for field trips for the firsthand study of nature as it has existed for hundreds of years; and

Whereas, the Attorney for the Duval County School Board has ruled that public funds available for the operation of Duval County schools cannot be utilized to contribute to the purchase of Tree Hill;

Now, therefore be it resolved, that the Duval County School Board hereby petitions the City Council of the Consolidated City of Jacksonville, the State Legislative Delegation from Duval County, and the Senators and Representatives of the Congress of the United States representing Duval County, to either approve from appropriated funds or to appropriate the necessary funds for the purchase of Tree Hill in the interest of the children of the Duval County schools and the citizens and taxpayers of Duval County.

WEST FARMS VILLAGE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. BIAGGI. Mr. Speaker, as Americans view New York City, many would find it hard to believe that this great sprawling urban mass was at one time, a cluster of small almost rural villages. Within my home borough of the Bronx, there still exists one of these original villages, called West Farms. While it is far from the village it was 300 years ago, the community spirit and solidarity which marked the early days of this village still exist today.

A dedicated group of civic minded citizens in the late 1950's formed the Civil War Memorial Committee to try and restore a memorial constructed to honor these residents of West Farms who died in the Civil War. From this, they have branched out and now are involved in an extensive restoration of the famous West Farms Soldiers Cemetery, one of the oldest cemeteries of its kind in the United States.

Mr. Speaker, the history of West Farms Village is a fascinating and enlightening one. At this point in the Record, I would like to insert an article printed in the Westchester Historian which describes the history of West Farms. The article was written by the president of the Civil War Memorial Committee, Mr. Bert Sack and I invite my colleagues to read over this excellent narrative describing the West Farms Village from its early days to the present.

The article follows:

West Farms Village

(By Bert Sack)

"From little acorns mighty oaks grow" and from little villages great cities grow. The vast borough of the Bronx was once a cluster of small villages which, when knit together, became the Bronx. In the beginning, however, it was all part of Westchester County.

Jonas Bronck was a Dane of some means, who, living in Holland heard of the fine farmland in New York City and anxious to escape religious oppression, came over in 1636. He bought a piece of land extending from the Harlem River to the Bronx River and settled about where present Willis Avenue Bridge connects the Bronx with the rest of the city. At that time New York City was confined to Manhattan Island. The land to the north was Westchester.

Bronck built himself a fine house of stone and tile. Since land was very verdant, and wood was plentiful in that heavily wooded area, he built a dam and a sawmill at about 182nd Street and the Bronx River. Many of West Farm's first houses were built of wood sawed by his mill. The Bronx was not as dangerous as the West, but the Indians did burn Bronck's mill, which was rebuilt a few years later.

In our time we have seen great land booms in Florida and California. The same thing occurred in the Bronx in its early years. Wealthy landowners from New York City, learning of the beautiful country by the Bronx River, bought large parcels of land and built fine manors. A roster of these settlers looks like a map of the Bronx for many Bronx streets bear the names of the owners of those estates.

Land was very cheap and some individual tracts were vast. For instance, Thomas Pell was granted right to all lands from Larchmont to the Bronx River and he erected a village on the site of Westchester Village. This later became the County seat of Westchester. In the 1640's the family of Throggmorton settled on the neck of land jutting into the Sound, now Throgg's Neck. Later after trouble with Indians. Throggmorton moved to a new settlement in New Jersey called New Ark, the site of that other great metropolis.

The Dutch raided the Village of Westchester on March 3, 1656, and changed the name to Osidorp. Later, the English returned and changed the name back to Westchester Village.

On March 3, 1663, Edward Jessup, a Quaker from Fairfield, Connecticut, and John Richardson from Stamford, bought a tract of land from the Indians which extended west to the Bronx River, north to a large lake in Bronx Park and west to Pungay Creek. The Indians called this Uinna-hnng. Jessup called it West Farms to distinguish it from the settlement of Westchester Village. The land extended from the west side of the Bronx River to a chestnut tree south of Jonas Bronck's dam, south to the East River and west to Sackwrahung Brook.

In the division of the land, Jessup took the east part (Hunts Point) and Richardson took the land west to Barretto Street. A woman brought about the most important development of this land. Jessup's wife, who after the death of her husband, married Mr. R. Beecham, and deeded all her former husband's property to her son-in-law, Thomas Hunt, Jr. In 1681 Hunt married Martha Richardson. The land was mapped out and divided into twelve parcels, and then changed hands many times as new settlers arrived in the Village.

Among the early roads was an Indian Lane extending along the Bronx River to Hunts Point, and around the site of Lafayette Avenue and West Farms Road. As the village grew, new roads were laid out; one of the earliest in 1704 when Kingsbridge Road (now 182nd Street) was opened. West Farms Road ran to Hunts Point, following the old Indian trail and Morris Park Avenue in 1716.

The industry of West Farms was diversified. There were the paint mills, crockery mills, saw mills, and carpet mills. William Richardson set up two mills on the Bronx River in 1680. In 1734, Stephen De Lancey bought the mills east of Boston Post Road, which south of Tremont Avenue did not exist prior to 1825. The paint mill south of Tremont Avenue and Boston Post Road was the largest and most successful enterprise of the village.

In the days of virgin country and crystal clear waters, the waters of the Bronx River were said to have certain properties beneficial to the washing of wool; so carpet mills came to West Farms. In 1836, Alexander Smith brought his paisley looms to West Farms and established his first mill on the Bronx River. During the Civil War, after the mill burned down, he took his mill to Yonkers.

In 1844, the Mitchell Brothers sold their carpet mill to Alexander Smith who had originated a new process of tufting carpets. Their original loom may be seen in the National Museum in Washington, D.C.

About 1845 there was a tremendous flood in the Brnox River which wrecked dams and caused great damage to the mills. It is said that most of the small stones, now seen in the lower part of the river, were washed down stream in this flood. Though flood and fires struck the carpet mills, they were rebuilt each time and the precious looms saved.

James Sloane (W. & J. Sloane of today) had had a carpet mill here, and bags from a flour mill in the village were used to mend clothes during the Civil War.

West Farms was the stopping place for stage coaches from Danbury and Mamaroneck. An inn near 182nd Street, where the passengers rested before continuing to the city, later became Planters Inn and still later, Johnson's Inn. West Farms was divided into two villages, the Mill Village and the Stage Village, but later they merged into one.

In 1790 Lewis Morris built an arched bridge across the Harlem River, and a road sixty-six feet wide through Morrisania, West Farms and Westchester. The road followed present Third Avenue to 163rd Street, up Spring Hill to Union Avenue and 170th Street. To this point Morris had no trouble about right of way, since all this land belonged to him. From here, he had to buy land to 174th Street for his road. From there it ran northeast to Bryant Avenue, to Tremont Avenue, to West Farms Square where it joined West Farms Road. In 1798, a new road was opened to Eastchester. The new section of the Boston Post Road from 174th Street to West Farms Road was opened in 1825.

The early settlers in the village were "God Fearing," folk who formed congregations and churches. One pioneer church was the West Farms Presbyterian Church. Reverend Isaac Lewis, a missionary from New Rochelle, assisted in the establishment of the new church, in a meeting in Wray's Hall. In 1814 the first subscription for funds for the church, led by Stephen Hunt, brought in $236.

A parcel of land was acquired by the Church about 200 feet west of the Boston Post Road on Samuels Street (now 180th Street). The church was built on the westerly section with a graveyard surrounding it. The easterly part of the land was purchased by John Butler as a private burial ground and it remained in the Butler family until 1955, when it was taken over by the City of New York. Mr. Butler hired Alfred Petit to parcel out his cemetery into private plots. Many old families, the Bathgates, Hunts, Leggetts, Sherwoods and others, are represented by the names on the tombstones.

Across the street from the church, where now stands the Beck Memorial Church, and a gas station, there were wagon and carriage sheds. Here, also was a Potter's field where strangers, Indians, and slaves were buried. When 180th Street was widened, many old graves were exposed. Among them was that of Capt. William Raspberry, killed in the battle of Cedar Creek, whose remains were moved to the Butler cemetery.

The Church had hard sledding for many years and at first only four regular members. In 1815 the church was built, but was not painted until 1821. The minister's salary was $500 per year, with the diocese of Westchester contributing $250, the Missionary Society $125, and the Church contributing the balance of $125.

During the 1820's the church borrowed $1,000 from the trustees of the Town of Westchester Diocese. In 1830 the elders of Westchester demanded repayment of the loan plus $300 interest. The trustees of the West Farms Presbyterian Church immediately resigned in a body. However two teachers of the church's Sunday School went to New York City to visit the church elder and receiving a letter from him, collected the needed sum and saved the church. They were Miss Ann MacGregor and Miss Nancy Leggett. Miss MacGregor's grave is in the West Farms Cemetery.

But the church had other problems. Among the attendants at the services in 1864 was a black man, possibly a slave. Some members of the church objected to his presence so they left the church to found a new congregation and a new church, the First Dutch Reformed Church of West Farms. They purchased land at 179th Street and Boston Post Road. Not wishing to bury their dead in the West Farms Presbyterian Church cemetery, they sought land for their own burial grounds.

The Hedger-Edwards family owned a large piece of land and a farm near 173rd Street and Boston Post Road. Their family cemetery was at 174th Street and Boone Avenue. This cemetery, which held the remains of some Civil War soldiers, has disappeared. The bodies were removed when the streets were laid out.

Another church, which also had its birth in Wray's Hall, was the Catholic parish of St. Thomas Aquinas. This church was founded in 1878 by Father McGill. Until then the nearest Catholic church was St. Augustine's at Franklin Avenue and Jefferson Place. Later, property was purchased at 176th Street and Southern Boulevard.

In 1844, the West Farms Episcopal Church was formed by Margaret Hunt. Rev. Washington Rodman was its first pastor and was instrumental in the founding of the Home for Incurables, now known as St. Barnabas Hospital. The land on which this institution stands was donated by the Lorrilard family and was the site of their mansion.

As the village grew, transportation became a problem. There were stage coaches which came through on their way from Danbury to Nassau Street and Printing House Square in New York. Soon there were lines to Fordham. Then a new form of travel became available. In 1875 a horse car line was begun from 161st Street to West Farms. It was jokingly called Huckleberry Line because it was said travel was so slow the passenger could pick berries as they went along. Later there were other lines. The Boston Post Road line was known as the Green Line and the Third Avenue line as the Yellow Line.

Along the old Boston Post Road route can still be seen the 10th milestone at 168th Street and Boston Post Road. The others have disappeared. The 11th stone stood about where the car barn bus garages are at 174th Street, and the 12th stone was at the Bronx Zoo.

Among the fraternal organizations in West Farms in 1852 were the Putnam Lodge of the I.O.O.F. and the Marion Lodge of the Masons. The Masons' Lily Lodge, an offshoot of the Marion Lodge, is still an active Lodge in the Bronx.

In 1846, the village of West Farms was formed and included Fordham and Morrisania. In 1874 West Farms was annexed to New York City and separated from the village of Morrisania. In 1897 the Borough of the Bronx was formed, and in 1823 the County of the Bronx was established.

The Civil War brought excitement to the village which had its share of advocates for both sides. When the draft riots in Westchester Square were stopped by the arrival of militia, the draft rioters marched upon the village of West Farms. Their object was to destroy the rolls of names for the draft board. The village was alerted in time and the rolls hidden. The rioters wrecked the draft office and spent their anger on the railroad, tearing up tracks as far as Yonkers.

Opposite Wray's Hall in West Farm Square was a flag pole around which were held many patriotic demonstrations, parades and political speeches during this period. West Farms furnished several companies of men to the 6th New York Heavy Artillery. Among the Civil War Veterans buried in West Farms Cemetery are Samuel Pierce, whose family owned much of the land where Public School No. 6 now stands; Pvt. John P. Dodge, a member of the family now in the manufacture of telephone cable; and Seaman August Weiking, who not only served in the Army but served in the Navy on the ship *Merrimac* before it fell into Confederate hands. Some Civil War Veterans originally buried on Hart's Island were removed to West Farms Cemetery in 1916. A small marker, surrounded by an iron fence, still marks the plot where originally interred on Hart's Island.

As the city grew after the Civil War, the gradual deterioration of old villages came bringing new streets and erasing many old estates. The carpet mills had moved to Yonkers and the flour mills of the Lydigs, Paint City, and the other mills had disappeared. Little is left of that quaint, busy village of yesteryear. But there is one spot which still remains a glorious reminder of the village's past glory, the old West Farms Soldiers Cemetery. Veterans of four of this nation's wars, 1812, 1865, 1898 and 1917, are interred here.

When the Civil War ended, the Boys in Blue organized their veterans organization, the Grand Army of the Republic. The two posts best remembered in the Bronx and West Farms were the Vanderbilt Post and the Oliver Hilden Post, 96 G.A.R.

For many years the G.A.R. paraded up Washington Avenue in honor of their comrades. And there were wagons loaded with potted plants to decorate the graves of those who had died in the conflict. Each year they held a memorial service at the West Farms Soldiers Cemetery. Gradually the task was handed over to sons and daughters. Finally services were discontinued.

Then in 1958 when a new group of dedicated patriotic citizens formed to resume services and to care for and improve the cemetery, the city took over the old Butler family cemetery property and erected a high wire fence which helped to keep out vandals. Until then the cemetery had been vandalized and became a dumping ground for neighborhood refuse. The statue of the Civil War soldier, erected by a citizens committee in 1909 was so badly mutilated that the city removed it. The new group, calling themselves the Civil War Memorial Committee was headed by Bert Sack, descendant of two Civil War Veterans, and W.W.I veteran. The committee repaired the statue and, on Nevember 18, 1959, the statue was rededicated. The committee holds annual Memorial services each May and many prominent Bronxites participate. With the cooperation of the city, the Committee has erected a sign, planted bulbs, trees and flowers, some donated by interested citizens and has erected new stones.

We hope that this cemetery with its memories of the old Village of West Farms will never again fall to such depths.

PROGRESSIVE MOOD OF MODERN-DAY POLAND

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. ROSTENKOWSKI. Mr. Speaker, in a recent edition of the Boston Herald American there appeared a very well done article about Poland which was written by Phyllis Battelle, a syndicated columnist with King Features.

In my opinion, Phyllis Battelle not only accurately describes the progressive mood of modern-day Poland, but more important, in her brief article she has managed to capture the resolute spirit of the Polish people.

I hope that my colleagues will find this article both enjoyable and interesting:

[From the Boston Herald American]

Leaving Russia for Poland Like Bursting Into Spring

(By Phyllis Battelle)

Warsaw.—Crossing the border from the U.S.S.R. into Poland is like bursting suddenly out of winter into spring!

The Poles have been under Communist control for 30 years. But never has the Kremlin succeeded in suppressing their wit, courage, friendliness or devout religious (90 percent Catholic) faith.

In Warsaw the girls are slim and dressed as smartly as New York secretaries. The men are clean-shaven, quick to laugh. The people will accept such benefits of a Socialist society as free health care and low-rent state owned apartments—but don't try to muzzle their artists, collectivize their farms, restrict their travel, close their western-oriented night clubs or limit their liberal life styles.

"You as tourists, like we as citizens, can freely go anywhere in Poland without any restrictions," says the director of Orbis, the country's tourist organization, proudly. "And don't worry about language. Our people must learn one western language (as well as Russian) in elementary school. Most choose to speak English."

The city of Warsaw, itself, is a beautiful monument to the courage of its people. "Warsaw must be completely razed to the ground," Hitler cabled his generals on Sept. 1, 1939. Methodically, Nazi troops carried out the order, burning and dynamiting to rubble 84 percent of the buildings.

In two months, they destroyed what it had taken more than 700 years to build.

The Gestapo exterminated 6 million Poles, and deported 2 million more to labor camps in Germany.

When the army of liberation entered Warsaw in April, 1945, they found only scavenging rats on a dead landscape.

But some millions of Poles had survived. And gradually they returned to the lunar landscape which was their martyred city. Hidden in milk cans under the rubble of Warsaw University, architectural documents were found which showed the survivors how to reconstruct Warsaw—to literally raise it from the grace and make it look "like old" again. And that is what these people did in the 1950s. With unprecedented energy and care, they made an entire city of beautiful replicas of their ancient churches, palaces and homes.

Today, one of the most charming areas in the world must be "Old Town"—a quaint, cobblestoned, 1200-acre site of homes and shops and churches, in the center of Warsaw but surrounded by walls made of bricks rescued from the devastation. The townhouses along the area's narrow roads are owned exclusively by the original re-builders of Warsaw. They will be handed down from generation to generation. "Old Town" is the reward and the pride of the Varsovans who came back and reconstructed a city.

So unlike the Soviet Union, Poland refuses to dwell on its unhappy past. And its people refuse to be docile, standing by and taking orders. Much more attuned to a democratic way of life, it seems, the citizens respect private ownership; 80 percent of the land still is privately owned, mostly by farmers. Cooperative apartments are a popular investment for citizens who can afford them, as are private villas in the suburbs. The city has an extraordinarily large number of coffee houses, candlelit supper clubs with jazz groups playing for dancing, restaurants featuring Chinese, French and Russian food, as well as Polish.

The American influence is strong. I saw two baby carriages plastered with Donald Duck decals.

Taxis are plentiful, cheap and operated by English-speaking drivers. I asked one what were the problems of city life in Warsaw, and he said, "Crime." What kind of crime? "Oh, like you, we have all kinds," he said cheerfully.

Our hotel is the new Orbis-Forum, a modern, 34-story, glass-walled addition to the chain of Intercontinental Hotels. It has a luxurious bustle about it, and among its western-style accoutrements are soft toilet tissue, thick bathtowels, lush carpeting, quick service, shops and a beauty salon—where I had an excellent shampoo and set in 50 minutes, for $1.20.

Warsaw abounds with shops which sell the country's tourist bargains in lace, cut-glass, wool tapestries, amber and coral jewelry. And there are 17 theatres which offer a wide variety of entertainment—from Poland's beloved Chopin (whose body is buried in Paris, but whose heart is preserved in a museum here), to satiric political reviews. And if a U.S. visitor ever should be homesick, he can drop in on an Edward Albee play or any of the many cinemas which feature American movies.

It is a unique city, in a country that is Communist without seeming to show it. Its people appear more friendly toward Americans than do most of the western European countries. And the sense of humor is delicious . . .

"In Poland," says a guide drolly, "When you go to the salt mines, you will find they are excellent tourist attractions and health resorts!"

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 29

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. HARRINGTON. Mr. Speaker, a year ago the concept of a Federal Oil and

Gas Corporation rarely received mention in the national media. Within a relatively short period of time, however, the Corporation has come to be recognized as a serious legislative proposal. The Los Angeles Times, one of the Nation's most respectable newspapers, has cited the Corporation as a major proposal to reform our Nation's system of energy development. Such recognition of the Corporation idea indicates a growing public awareness and acceptance of the concept, and I would like to insert the Times article into the Record for the information of my colleagues:

Proposals To Change the System

(By Donald Bremner)

Some critics of the petroleum industry think something must, be wrong with the system to have brought such fuel shortages and higher prices as this country has had recently.

Rejecting arguments by oil spokesmen that the industry has done an impressive job of supplying the ravenous U.S. appetite despite obstacles, these critics offer a variety of remedies, ranging from better statistics to a complete shakeup of the industry.

With oil and energy certain to be among the most controversial issues facing it this year, Congress will consider critics' proposals for:

Information reporting. Oil companies now voluntarily submit reports on their output and stocks to the Bureau of Mines on a monthly and annual basis. These are not published for months, however, and government officials have relied mainly on weekly surveys by the industry-supported American Petroleum Institute. But government energy officials say they need complete up-to-date figures from every producer and refiner.

A national energy information system would be set up under a bill sponsored by Sens. Henry Jackson (D-Wash.) and Gaylord Nelson (D-Wis.). A census-like Bureau of Energy Information in the Department of Commerce would collect and coordinate information on energy resources, production and supplies from the public domain and private industry.

Competitive secrets and national security would be safeguarded by a system of three libraries—public, confidential, and secret—giving the public access to the bulk of the data while protecting legitimate secrets. Hearings on the bill are set for this week.

Federal chartering, Sen. Jackson, chairman of the Senate Interior Committee and an influential voice in energy matters, contends that the oil industry is "the most important industry in the United States ... it has more impact on life, style, jobs, the environment than any other." Like utilities, he says, oil companies should be chartered and regulated. His bill would require at least the large international companies to obtain charters and comply with regulations yet to be specified. Under his proposal, a federal representative would sit on each firm's board of directors to influence decisions on public questions, particularly overseas negotiations and activities.

Public corporation. Most of the nation's oil and gas reserves are on public lands, only a small fraction of which have been leased to private companies. Sen. Adlai Stevenson III (D-Ill.) and eight other senators sponsored a bill to create a federal oil and gas corporation to explore and develop these resources and distribute the fuels in competition with the existing industry. Independents would have first choice, and the public corporation could get into the pipeline business if necessary to supply them. Any profits would go to the U.S. Treasury. The corporation, generally comparable to the TVA, would be controlled by a board appointed by the President and confirmed by the Senate.

Breaking up majors. Several bills have been introduced to break up the vertical integration of the big oil companies and have production, refining and distribution conducted as separate businesses, all in the name of promoting more competition and reducing discriminatory practices. One of the mildest bills, by Sen. Floyd Haskell (D-Colo.), would require the oil companies to divest themselves only of their cross-country pipelines. Separate bills by Sen. Frank Moss (D-Utah), Sen. James Abourezk (D-S.D.), and Rep. Ben Blackburn (R-Ga.), would require the big oil companies to sell all but one phase of their operations.

Passage of one of the complete divestiture bills would mean a shakeup comparable to the breakup of Standard Oil at the turn of the century.

Other proposals, while not changing the industry's structure, would change its profits. A "windfall profits" tax lost another round last week, and may be dead for now. But there could be more support for a suggestion by President Nixon to change traditional oil industry tax shelters by abolishing the depletion allowance on overseas oil operations, and reducing the amount of foreign income-tax credits the companies can use to offset U.S. earnings.

REVIVING COMMONSENSE INSTEAD OF OEO

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. SCHERLE. Mr. Speaker, in the May 11, 1974, issue of Human Events, Howard Phillips, the former Director of OEO, makes some highly pertinent remarks concerning hapless legislation to prevent the demise of an experiment run amuck—namely OEO. He correctly points to the falacies inherent in OEO's original conception, faults which would be perpetuated and compounded by H.R. 14449. Since its inception, OEO has funded projects having nothing to do with reducing poverty in America. Rather, many of them have fostered a negative political bent aimed at wrenching our Nation apart. I echo the cogent sentiments of Mr. Phillips that we must learn from our mistakes, particularly those made in the "Great Society." His article follows for the benefit of my colleagues, who, I hope, will joint with me in defeating this nonsensical piece of legislation:

H.R. 14449 Would Rebuild OEO

(By Howard Phillips)

With only eight of its 37 members recorded in opposition, the liberal House Committee on Education and Labor has reported out legislation to preserve and extend the ill-conceived "War on Poverty." Rejecting even the very limited compromise efforts of Rep. Albert Quie (R.-Minn.), the "save OEO" lobby insisted on, and won, committee approval to move the guts of the Office of Economic Opportunity, virtually intact, to the Department of Health, Education and Welfare, where it might continue and expand, less vulnerable to public oversight and criticism, as part of the vast HEW apparatus, than in the more exposed environment of OEO.

Although many members of the "save OEO" coalition prefer a continuation of the War on Poverty in a separate agency, H.R. 14449, the HEW transfer approach, is now on the front burner.

The legislation, if approved in its present form by the full membership of the House of Representatives, would establish a Community Action Administration within HEW, manned by the very LBJ and SDS liberals who comprise much of the present staff at the Office of Economic Opportunity. Furthermore, it would assure guaranteed annual income to the more than 185,000 poverty professionals who staff nearly 1,000 locally based, federally funded community action politico-bureaucracies now located in virtually every congressional district in America.

The bill does not just shift OEO to HEW; it increases its power. Specific language in the bill would confirm the influence of private, issue-oriented, liberal groups like the National Council of Churches, the League of Women Voters, the AFL–CIO, and the United Auto Workers, to secure "broadening of the resource base." In addition, the full range of other "private nonprofit" agencies and organizations would be eligible for HEW support to push their favorite causes.

With similar authority at OEO, present and past OEO grantees have included such groups as the Center for the Study of Public Policy (Cambridge, Mass.), the Planned Parenthood Federation of America, the Population Council, the National Sharecroppers Fund, the Children's Foundation, National Civil Service League, National Student Association, the Brookings Institution, Rural Housing Alliance, Change, Inc., the National Council of Senior Citizens, the National Congress of American Indians, the Urban Institute, the National Urban Coalition, and the Southern Christian Leadership Foundation, all charter members of the Liberal Establishment, active in behalf of causes against which the President and most members of Congress have campaigned.

The bill provides for 51-member governing boards of CAAs under prevailing rules which permit such political action groups as Welfare Rights and Gray Panthers (elderly activists) to represent the "private sector," while other seats are turned over to local poverty representatives (usually chosen by well-organized handfuls of political movers and shakers) and designees of local officials (often middle-level, special interest-oriented bureaucrats).

Further control by activist organizations is fostered by language which says the "Director [of the HEW-OEO unit] shall require community action agencies to establish procedures under which . . . representative groups of the poor which feel themselves inadequately represented . . . may petition for adequate representation."

"Representative groups of the poor" have, in the past, been interpreted to include Black Panthers, youth gangs, and ad hoc cadres of Marxist power-seekers.

To remove all doubt about where control of jobs and dollars shall repose, the law would read: "The powers of every community action agency governing board shall include the power to appoint persons to senior staff positions, to determine major personnel, fiscal and program policies, to approve over-all program plans and priorities, and . . . approve proposals for financial assistance."

In addition to community action, the bill would transfer the present legal services program to HEW, without reform. It would also establish in HEW a "Community Food and Nutrition Program" which would authorize

Hearst-like free food distribution by HEW "without regard to the requirements of such laws for local or state administration or financial participation."

(In 1972, Nixon officials Frank Carlucci and Leonard Garment, acting in response to the President's instructions, used OEO funds to buy off American Indian Movement leaders who were directing the occupation of the Bureau of Indian Affairs.)

An "Environmental Action" program is provided, *à la* the New Deal, for such activities as leaf-raking and federally funded garbage disposal. Other authorized activities include "Senior Opportunities and Services," "Rural Housing Development and Rehabilitation," "Neighborhood Centers" (focal points for consumer protection, "child development," legal services, and the like, at street corner locations throughout America), "Design and Planning Assistance Programs" (free services to private organizations "not otherwise able to afford" their own architects), "Consumer Action and Cooperative Programs" ("to develop means of enforcing consumer rights and educating low-income persons with respect to such rights, procedures, grievances, views and concerns), "Technical Assistance and Training," "Special Assistance" (a grab-bag section which authorizes the director to fund any private organization to aid those "not being effectively served by other programs").

The extent to which almost any quasi-political, private group with friends in bureaucratic high places can have their paragovernmental activities paid by the taxpayer is clear in the section which reads:

"Notwithstanding any other provision of this title, the director is authorized to provide financial assistance in rural areas to public or private nonprofit agencies for any project for which assistance to community action agencies is authorized, if he determines that it is not feasible to establish a community action agency within a reasonable period of time."

Unmindful of past abuses involving human sterilization and abortion of life-capable, unborn boys and girls, the new law would require "that family planning services, including the dissemination of family planning information and *medical assistance and supplies* [emphasis added], are made available to all low-income individuals who meet the criteria for eligibility."

The bill also gives the federal poverty director authority to intrude into the affairs of any elementary or secondary school in America with funding for "special, remedial and other noncurricular educational assistance."

Does fighting poverty justify such an unusual grant of power to a single bureaucratic official? And what about the "rural loan" provision which would give the poverty chief power to make $3,500, 15-year loans to rural families which fail to qualify for other federal loans? Such authority could be a potent patronage weapon in any political campaign.

One of OEO's most left-wing programs has been the SDS-dominated migrant and seasonal farm worker system of grants which too often go to private, leftist-dominated nonprofit groups, which have sought to unionize and politicize farm workers to their own brand of leftist politics, including the Atzlan philosophy of carrying out a new Chicano nation in the Southwest. This program, which has been delegated to the Department of Labor, would be made permanent under the HEW transfer bill.

Furthermore, as elsewhere in the bill, language is included in the migrant section on which expansion of the legal services program, under diverse authorities, would be advanced.

In Title III of the bill, there is even a section authorizing 15-year business loans in amounts as high as $50,000 to be made by the administrator of the Small Business Administration (SBA). The two alternative criteria for receiving funds are ownership by low-income individuals or location in high poverty areas.

Consideration of other factors like business competence or prospects for success is not required, although the SBA administrator would be authorized "to provide financial assistance to public or private organizations to pay all or part of the costs of projects designed to provide technical and management assistance" to loan recipients.

What incredible opportunities for corruption and waste! Will we never learn from the mistakes of the past?

The Day Care provisions in the new OEO bill authorize federal funding of labor unions and private employers for such purposes as "renovation and alteration of physical facilities" to provide day care.

To guarantee that no President would ever again have the opportunity to hold poverty bureaucrats accountable to his authority, the bill says "all federal personnel, employed on the effective date of this Act under authorization and appropriation of the Economic Opportunity Act of 1964, as amended, shall be transferred to, and to the extent feasible, assigned to related functions and organization units . . . without loss of salary, rank, or other benefits, including the right to representation and to existing collective bargaining agreements."

Still more liberal patronage is provided by authorization of the director to establish an unlimited number of "advisory committees" whose members can be compensated for their services at rates approaching $140 per day, plus expenses.

Nor are benefits under the act limited to those whom the public normally think of as poor. Any Harvard graduate who can't get a job "commensurate with his health, age, education and ability" qualifies for all the services and grants appropriated to fight "poverty."

The favored bureaucratic strategem for keeping the money flowing to favored organizations is kept alive by the bill's statutory implementation of the philosophy: "Once funded, forever funded," requiring incredible legalistic exertions before the government can terminate or deny refunding to a program that has once received a grant.

Programs advanced under the bill also include "Headstart," "Follow Through," research, demonstration, and evaluation, Indian projects, and health staff projects.

In its "community economic development" section, which assigns powers to the Department of Commerce, the proposed law establishes its own system of racial and ethnic quotas, with special programs not for citizens regardless of race, color, sex, or creed but for "minority groups" and "low-income whites," asserting that minorities "include, but are not limited to, Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos and Aleuts." Such categorizations constitute the worst kind of racism and classism.

There is much more in the 171–page bill which is worthy of denunciation than considerations of space permit us to discuss here, but the reader, I am sure, gets the general idea.

Why does the Liberal Establishment need public financing, when under legislation of this sort, it is free to subsidize itself virtually without limit, and without any need for balance or procedural accountability?

Yet there are moderates and even persons who call themselves conservatives who are pushing this legislation. In some cases, support has been purchased with cold cash; in other cases it derives from desires to curry political favor with liberal elements; in still other instances it is simply the result of not knowing any better. But, whatever the cause, it would be most unfortunate for the country if this legislation were adopted. Once done, it would be virtually impossible to put a halt to it, since, unlike the Economic Opportunity Act, under which OEO has functioned, HEW has a permanent statutory base.

Moreover, it now seems politically unlikely that conservatives will soon again be in a position to improve OEO or HEW legislatively. However bad our situation now seems, it shall probably get worse before it improves. It is, therefore, now or maybe never to erode the massive political power, authority, and resources which the Establishment Left gains from the OEO politico-bureaucratic network.

To do the job, the Nixon Administration should take the gloves off and end the official cover-up of OEO abuse which now characterizes OEO programs, as they have in the past. One of the left's most effective arguments in wooing naive moderates to the OEO cause is that there are no "new" horror stories about OEO; that all its problems occurred long ago and that community action is now a tamed institution.

While there has certainly been far less press coverage of OEO abuses than in the past and while some power-manipulative techniques are less blatant and overtly outrageous, there has been no change in the political objectives or impact of many activist groups and leaders subsidized through the OEO programs.

Since problems are "local," the national press usually overlooks them; there is virtually no investigative reporting of the sort which media personnel gave to Watergate; and OEO's in-house investigative responsibilities lie with persons who seem ideologically committed to sparing the program embarrassment. Worse, the Administration is apparently unwilling to confront the present director, Alvin Arnett, and hold him to account, for fear of press repercussions.

If the President cared enough, he could restore OEO's inspection capability and release present evidence of wrongful and criminal OEO activity to the public. There is more than enough in the live OEO files to match, page for page, the most titillating excerpts from the Watergate tapes.

The Administration could also serve its cause by cracking down on the violations of the federal anti-lobbying act represented in the use of OEO funds, directly and indirectly, to help the "save OEO" lobby campaign. Those programs which are using federally supported travel funds, personnel and equipment to lobby should be prosecuted. In addition, OEO-funded publications should be gotten out of the lobbying business.

Legislators should think twice before launching this new OEO-Titanic at HEW. Whether it's called ADVO, CAP, Community Action, or whatever, a rose by any other name still smells the same, and so does a cow pasture.

If the goal is to help the poor, why subsidize a powerful political network of "nonprofit organizations" and federal bureaucrats whose salaries eat up 80 per cent of the program's money?

The American taxpayer still has enough sense to support men and women who vote against such nonsense, and to turn out of office incumbents who pander to special interest bureaucracies. His voice is not very loud in Washington, but it will be heard at the polls in November.

IMPEACHMENTS IN THE UNITED STATES

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1974

Mr. HUNGATE. Mr. Speaker, this continuation of an article by Timothy Walthall in the New England Law Review contains comments which may prove helpful to our consideration of impeachment:

IMPEACHMENTS IN THE UNITED STATES

One might expect that were there ambiguity in the phrase as written, it would have been easily settled in the first few impeachments. Several problems unique to impeachments have hampered such a resolution. To begin with, there have been too few impeachments: twelve in 186 years. Of these nine were of federal judges and one each were of a President, a Senator and a Cabinet officer. There have been only four convictions, two of which were not defended.

Worse in terms of setting standards of impeachability, the Senate does not vote separately on the issues of impeachability and guilt. On each impeachment, the sole question submitted to the Senate is whether the respondent was "guilty as charged." Hence, an acquittal might be based on two altogether different grounds: (1) the charges preferred by the House are not impeachable offenses or (2) the charges brought, though impeachable, were not proved. Thus, since this separate question has never been determined by a vote of the Senate, each impeachment must hear anew pleas that the respondent may be impeached only where he may be indicted.

The result of all this is that acquittals are of diminished value as precedent of the intermixture of fact and law in the decisions. As Simpson put it: "he has studied impeachments in vain who does not know that an acquittal under such circumstances decides no legal principle." So we are left with the four convictions: Pickering, Humphreys, Archibald and Ritter. But Pickering and Humphreys did not defend themselves. This somewhat dilutes the authority of these removals on the principal that an issue not contested is an issue not decided.

Thus it is *Ritter and Archibald* which form the core of impeachment law. Ritter's conviction rested on a seventh article which essentially incorporated by reference six articles of which he was acquitted. That seventh article read in part:

> The reasonable and probable consequence of the actions . . . of Halsted Ritter . . . as an individual and as a judge, is to bring his court into scandal and disrepute, to the prejudice of his court and public confidence in the administration of justice therein, and to the prejudice of public respect for and confidence in the federal judiciary, and render him unfit to serve as a judge.

Ritter's conviction would indicate that, although the managers could not prove that Ritter had broken the law, what they had shown at trial was sufficient to disqualify him as a judge.

Several aspects of *Ritter* are significant. First, this is precisely how the constitutional plan of impeachment was meant to work. Judges are removable for abuses of their authority, which may not be reached by the criminal law. Second, it shows that judges will be held to a higher standard of behavior, as well they should given their position in the community. As one commentator has put it, "Ritter should not be feared but welcomed as notice from the Senate to the judiciary that they will require compliance with the highest standards of ethical behavior."

Most important for the purposes at hand is that Ritter was convicted for conduct which was definitely not criminal.

However, the generally recognized watershed of the law of impeachment is the *Archibald* case. There, not one of the articles preferred by the House contained an indictable offense. Respondent was accused of trying to commercialize his potentiality as a judge by securing "business favors and concessions." This was conduct, as Brown points out, which would have been blameless if done by a private citizen, but worse than a crime when done by a judge.

Thus, it must be concluded from analysis of these various sources that impeachment will be for serious noncriminal conduct as well as for criminal breaches. In the constitutional scheme it is the House of Representatives who make the initial determination as to what is impeachable. The managers of the House have not once failed to bring at least one nonindictable charge on impeachment. However, the Senate may disregard the House's determination and vote according to their own criteria. Though theoretically a President may be impeached for less than criminal offenses; though this is supported by the weight of English authority, most Constitutional commentators and the American precedents; as a practical matter Congress will not remove a President for less than an indictable offense. This fact could hardly be more clearly demonstrated than it was in the Johnson impeachment.

THE IMPEACHMENT OF ANDREW JOHNSON

When (then) Solicitor General Robert Bork asserted on October 5, 1973 that "impeachment trials, as that of President Johnson reminds us, may sometimes be influenced by political passions . . . that would . . . be vigorously excluded from a criminal trial," he was playing upon a popular myth of the Johnson impeachment. Until recently Johnson had been regarded as a stubborn patriot, perhaps not as able as Lincoln, whose only crime was to urge a humane policy for reconstructing the South. Against him, so the story goes, were pitted a gang of partisan "Radical Republicans" in Congress, bent only on punishing the South and achieving congressional superiority over the President. In line with this, the seven Republican recusants who saved Johnson are pictured as martyrs who voted with their consciences and against political bias.

Revisionist historians have persuasively argued that Johnson was not so innocent a victim and that Congress was not so anxious to remove him as had been supposed.

At the close of the Civil War, Andrew Johnson and the "rump" Republican Congress held markedly different views as to how to reconstruct the embittered and war-torn South. Johnson favored Lincoln's conciliatory attitude toward the former rebel states. The quicker past troubles could be forgotten, the better for the country, so he thought. The Republicans were preeminently concerned with preserving the rights of Southern loyalists and the new-freed slaves. They saw a dangerous flaw in Johnson's approach: the renewed dominance of the pre-civil war aristocracy and other former Rebels.

Whatever the merits of these opposed points of view, it is clear that Andrew Johnson sabotaged the Republican effort and did not adequately substitute a program of his own for Southern reconstruction. The result was catastrophic, and we still suffer today from the wounds inflicted upon the nation by his short stint in office.

Rather than seeking to accommodate Congress' programs with his own, Johnson arrogated to himself the responsibility of restoring the civil government in the South. He claimed this as a right under his inherent war powers as commander-in-chief. He appointed and removed the military governors at will, without Senate confirmation; he authorized state constitutional conventions and provisional legislatures; set the prerequisites by which Southerners could be fully restored to the Union. All without as much as a nod of assent from Congress. As Les Benedict puts it:

> "He had set back the work of reconstruction . . . and ensured that Southerners would resist the process instead of cooperating. To a large degree, the failure of reconstruction could be blamed alone on President Johnson's abuse of his discretionary powers."

Worse, he embarked upon frustrating Congress' Reconstruction program by every means available to him. He ignored the so-called Test Oath Act, whereby appointees in the South were required to take an oath that they had never aided the rebellion. This law was designed to prevent former Rebels from quickly regaining power in the South and trampling over the rights of Southern Blacks and loyalists.

Johnson and his Attorney General James Speed conspired to minimize the enforcement of the Confiscation Act, and the Freedmen's Bureau, designed primarily to enfranchise the freed slaves and charitable organizations who would use the land for schools and orphanages. Instead the land was returned to its former rebel owners, turning Negroes in the South into a dispossessed and homeless class of indigents at the mercy of the full fury of the embittered Southern land-owning class. Furthermore, Johnson steadfastly opposed black suffrage and other efforts by Congress to guarantee equality before the law for Southern Blacks.

The republicans first tried to compromise; then hesitantly resisted; and finally in 1867 shucked Johnson's reconstruction program as a failure. Congress authorized the military commanders in the South to supervise a reconstruction program guided by their legislation. Johnson further obstructed the Republican effort through his control of the military governors. He ordered them to enforce the law in such a way as to frustrate it and removed those commanders who would not do so. Finally Johnson set to work using patronage appointments in an effort to defeat the re-election of the radicals. Johnson's interference on behalf of the South was so blatant that many congressmen feared a *coup-d'etat* by the President.

The French Correspondent and future statesman, Georges Clemenceau, described this deadly waltz:

> "[T]he radicals are limiting themselves . . . to binding Andrew Johnson firmly with good brand new laws. At each session they add a shackle to his bonds . . . and then when he is well bound up, fastened and caught in an inextricable net of laws and decrees. . . . they tie him to the stake of the Constitution and take a good look at him, feeling quite sure he cannot move this time."
>
> "But then . . . Sampson summons all his strength and bursts his . . . bonds . . ., and the [radicals] flee in disorder to the capitol to set to work making new laws . . ., which will break in their turn at the first test.

In 1867 the Republicans passed the Tenure of Office Act, which read in part:

> "[E]very person holding any civil office to which he has been appointed [with the advice and consent of the Senate] is, and shall be entitled to hold such office until a successor shall have been in like manner appointed and duly qualified, except as herein otherwise provided: *Provided*, that the Secretaries of

State, . . . of War . . . shall hold their offices respectively for and during the term of the President by whom they may have been appointed and for one month thereafter, subject to removal by and with the advice and consent of the Senate.

* * * * *

"SEC. 2. . . . That when any officer appointed as aforesaid . . . shall, *during a recess of the Senate* be shown, by evidence satisfactory to the President, guilty of misconduct in office, or crime, or for any reason shall become incapable or legally disqualified to perform it's duties, in such cases, *and in no other*, the President may suspend such officer [and appoint an *ad interim* replacement and in such case it shall be the duty of the President, within twenty days after the first day of such meeting of the Senate, to report to the Senate such suspension, with the evidence and reason for his action in the case . . . [I]f the Senate shall concur . . . and consent to the removal . . ., they shall so certify to the President, who may thereupon remove such officer, and, by and with the advice and consent of the Senate appoint another person . . . But if the Senate shall refuse . . . such officer . . . shall forthwith resume the functions of his office. . . ." (emphasis added).

The act was designed as a clear-cut regulation of the President's removal power. Johnson considered it unconstitutional and vetoed it; but Congress overrode his veto and the act became law on March 2, 1867.

Edwin M. Stanton had been appointed Secretary of War by Abraham Lincoln in January 1862. In the building crisis between President and Congress, Stanton was torn between conflicting loyalties. He disagreed with Johnson's policies, but was persuaded to remain in office by Republicans who saw him as a buffer between the President and the Army. When Congress began to restrict Johnson's power over reconstruction politics the President needed a Secretary of War who would execute the law the way Johnson wanted it.

Stanton would not have been Johnson's first choice in any event. On August 5, 1867, during the recess of Congress, he discharged Stanton and appointed Ulysses Grant Secretary of War *ad interim*. When Congress reconvened, Johnson, in seeming compliance with the Tenure Act, sent it a message detailing his reasons for firing Stanton. His reasons were that differences between him and Stanton had become irreconcilable and that a President should not be responsible for the acts of cabinet ministers beyond his control. Significantly, however, Johnson did not agree that Stanton was not covered by the Tenure of Office Act.

On January 13, 1968, the Senate rejected Johnson's reasons and voted to reinstate Stanton. On January 14, Grant handed the keys back to Stanton. Johnson was incensed. Notwithstanding an almost certain knowledge that his act would appear as a clear-cut violation of the law, Johnson on February 21, 1868 removed Stanton and replaced him with a "nondescript Adjutant General of the Army," Lorenzo Thomas. Congress was appalled by the President's disregard for the law. Now the Congressmen were fuming. That same day, the House of Representatives dug up an old impeachment resolution and passed it with the vote of every Republican member of that body.

The articles exhibited against Andrew Johnson accused him of violating the Tenure of Office Act by removing Stanton and appointing Thomas. However, the tenth and eleventh articles went further. Article ten read in part that on August 18, 1866:

"The President, with intent to set aside the rightful authority of Congress and bring it into contempt, delivered certain scandalous harangues, and therein uttered loud threats and bitter menaces against Congress and the laws of the United States enacted by Congress, thereby bringing the Office of the President into disgrace . . ."

In this the managers made the classic accusation of impeachment: that the President had rendered himself unfit for his office by his actions. The eleventh article charged that Johnson had said that:

"The 39th Congress was a Congress of only part of the states and not a Constitutional Congress, intending thereby to deny its Constitutional competency to enact laws or propose [constitutional] Amendments . . ."

This was prefatory to yet another accusation that Johnson had violated the Tenure Act and other laws of Congress. The idea was that Johnson had attempted to discredit the validity of all laws passed by Congress to justify his own unlawfulness. It was also an accusation that Johnson had failed to faithfully execute the laws. If we call this "maladministration" it becomes another word familiar in the content of impeachment.

As might be expected the battle before the Senate was not waged over Johnson's fitness to hold office but whether he had in fact broken the law. In the last analysis, it was a case of first impression for construction of the Tenure of Office Act. Johnson's attorneys argued (1) that their client could be removed only for a serious crime, directly subversive of the fundamental principles of government or the public interest; (2) that the Tenure Act was unconstitutional because the Constitution gave the President an inherent and absolute power of removal; (3) that Johnson had not in fact removed Stanton, but had only attempted it; (4) that Stanton was no covered by the Tenure Act, his tenure having expired with Lincoln's death; and finally (5) that Johnson was only "testing" the constitutionality of the Tenure Act in the only way that it could be tested and in doing so he had at most made a mistake.

The managers countered that (1) the Senate was not bound by rules of Nisi Prius and that it could remove government officers without averring any legal grounds at all; (2) that the President had no right to further exercise his judgement as to the constitutionality of a law after his veto had been overridden; (3) that the Senate was not convened to quibble over the technical sufficiency of the charges made; (4) that Johnson had waived his right to insist that Stanton was not covered by the Tenure Act by failing to assert such in his message to the Senate after the removal; (5) that to allow such "tests" and "mistakes" would substitute the will of the President for the action of the law-making power which was tantamount to government by one man.

On Saturday May 16, the Senate voted on articles "eleven, one and two"—nineteen for acquittal, thirty-five for conviction. Seven Republicans had voted with twelve Democrats for acquittal. It was not enough to meet the stiff two-thirds requirement for conviction. Thereafter the Senate adjourned *sine die*, and the drama was ended.

If ever a President deserved impeachment, it was Andrew Johnson. As has been seen, in pursuing his own reconstruction policy, he ignored some congressional enactments, violated the spirit of others, and in the end flagrantly violated the letter of still another. His lame excuse that he was merely testing the constitutionality of the Tenure of Office Act, having already exercised his veto power, seems to have come to Johnson (or his attorneys) only as an afterthought. As President he was not content with faithful execution of the law, or expression of his disapproval by veto provided for him under the Constitution. Johnson had shirked those responsibilities paramount to the exercise of the power vested in him by his electors: obedience to the law and the Constitution.

Even by the strict criterion of indictability, it is difficult to see why Johnson should have escaped conviction. From the opinions submitted by certain of the Senators, it is evidence that all save Charles Sumner decided the matter on its narrow legal issues. The six Republican recusants who filed opinions all asserted impeachment would lie only for transgressions of positive law. Each showed that he had been persuaded by one argument or another of the President's counsel.

The result was that the Johnson impeachment was clouded with every sort of legal pettifoggery imaginable at a Nisi Prius trial. In the heat of battle the Senators had lost sight of the legitimate objective of the impeachment trial: ascertaining Andrew Johnson's fitness to remain President.

The evidence is strong that Johnson was no more acquitted for lack of proof that he broke the law than he had been impeached for mere violation of the Tenure of Office Act. Rather it would seem that the Senators were using legal justifications for decisions based on other considerations.

Most obvious of those other reasons was the character of Johnson's would-be successor, Benjamin Wade. Johnson of course had no Vice President and, as President pro tempore of the Senate Wade was next in line. But Wade harboured "agrarian sympathies" and favored high tariffs and "soft money" which aroused powerful interests against him. Republicans feared that a Wade administration would hopelessly divide their party on these issues. These fears were exacerbated by an anti-Republican reaction gaining strength among the voters in 1867. Added to this were Johnson's extra-legal assurances to wavering Republicans of good behavior for the rest of his term and actual cessation of interference while impeachment progressed.

Unspoken behind the above considerations is yet a more general factor militating against the removal of any President: the power of the Presidency itself. Impeachment does not claim the niceties of the political "game" it is often made out to be. It is, in the end, a crude exercise of raw power. Andrew Johnson was particularly vulnerable to impeachment. As Senator from Tennessee he had been the only Southern Senator to oppose secession.

When the South did secede and after Lincoln was killed, Johnson stood alone as a President without a political constituency. As a Democrat from the South, he did not share many of the fundamental goals of a Congress dominated by northern Republicans. Worse, though he followed as nearly as he could Lincoln's plan for reconstruction of the South, he was "temporamentally flawed" for such an onerous task. He had not Lincoln's roots in the north and the Republican party; nor his ability to compromise and leadership; nor Lincoln's sensitivity to powerful political stimuli. It is a tribute to the immense power of the Presidency that Andrew Johnson was not removed from that office in 1867.

The picture that emerges from all of this is quite contrary to the commonly held view. It was not the recusants, but their Republican colleagues who risked their political lives to vote with their consciences. It was not the radicals, but the recusants who appear to have strained the law to acquit Johnson for whatever motives they may have had.

That the Senators' real motives were not wholly judicial is of little significance. That they were obscured by a legal veneer is unfortunate. It served only to depricate any value the proceedings might have had as precedent. As it is, Johnson's acquittal leaves us with two rather dubious principles:

1. The President could refuse to execute any law he believed unconstitutional; and

2. He could replace Senate approved appointees with his own choices without confirmation in the Senate. I would suggest that these positions would be untenable if advanced today.

OBJECTIONS

Johnson's impeachment brings to mind the numerous objections to the process that have been voiced over the years. These objections may be divided into four categories:

1. objections to it's logistical problems: it is too slow and expensive; too narrow and unavailable;

2. criticisms of the qualifications of Congress: the House can't investigate them properly and the Senate can't try them judiciously;

3. that it conflicts with other provisions of the Constitution; and

4. that it has been circumscribed by developments since its adoption and is now obsolete.

1. That impeachments are laborious and time consuming is obvious. Some authors have further contended that impeachment is too narrow as it only entertains "serious matter" and is unavailable for lesser offenses and disability.

I should first point out that these remarks have been made in the context of judicial impeachments and are better addressed to that genre of removals. When the President is on trial these drawbacks become mere inconveniences dwarfed by the magnitude of the proceedings.

But the cumbersome and unavailable nature of impeachments serves a purpose: it shields the President from malicious or ill-founded prosecutions. In the design of the Constitution impeachment reflects a delicate balance between two fundamental and competing interests: the need to somehow limit the use of executive power and at the same time to insure the independence of the executive. If it were any more accessible it might too easily lend itself to abuse and destroy the independence of the executive. As to disability, the twenty-fifth amendment has removed the necessity of impeachments.

Lastly, the impeachment process is not beyond legislative repairs designed to streamline and modernize it.

2. It has been said that impeachment places too much power in the Senate; that the independence of the other branches are too threatened by the power of impeachment. To this I give you Justice Story's question: To whom else should we entrust such an awesome power? Certainly not to the Supreme Court as it is appointed by the President and is too small and corruptible. In this the size of the Senate is a decided advantage. Recall by the electorate is destabilizing and unreliable.

In this connection it should also be noted that no man may be tried by the Senate and removed until he has been accused in the House of Representatives. So the power of executive removal is shared with the House. Furthermore, if impeachment fulfills a legislative rather than a judicial function, Congress is the most logical choice anyway.

The power of impeachment must, as a matter of course, lessen the independence of the executive; that is its primary purpose. This fear was expressed at the adopting convention but was subordinated to the interest in limiting presidential power. Furthermore, if the President is operating within the proper bounds of the Constitution he will not be hampered by the prospect of impeachment. Impeachment therefore is a recognized exception to the separation of powers, and will not yield to the objection that it is a violation thereof.

Some contend that the partisan nature of impeachment makes it a dangerous and unusable weapon. As Theodore Dwight opined, "it is the weakness of a political tribunal that . . . it labors under the imputation of faction." But this criticism goes to the nature of our governmental system, not to impeachment as a part of it. If we have incompetent or malevolent men running our government none of its processes will work. Abuse of the impeachment power is only incidental.

Of concern also is the fact that the major investigatory bodies of the government—the F.B.I. and the I.R.S.—are under the control of the President who is the target of the investigation. The House is not equipped with the staff or the resources to compete with the executive branch. This is a serious problem not so much with impeachment as with the distribution of functions between the branches of government. I would only point out in passing that the resources necessary are not out of reach of Congress under the Constitution. Congress could undoubtedly appropriate itself the money necessary for a thorough investigation under the necessary and proper clause (Art. I, sec. 8, cl. 18).

3. It has been argued that impeachment, particularly in its broad definition, conflicts with other provisions of the Constitution. Specifically, the prohibition of Attainder and *ex post facto* laws. (Art. I. sec. 9, cl. 3); the due process requirements of the fifth and fourteenth amendments; and specific guarantees in the Bill of Rights, such as the self-incrimination provision of the Fifth amendment.

To begin with impeachment, no matter how broadly defined, is not Attainder. The practices grew up along side of one another and have different histories, procedures, and uses. The most obvious difference, observed in American impeachments, is the necessity of a trial. Requiring a trial as a prerequisite for removal goes about as far as possible in this area to insure fairness in determining a man's fitness to hold office. The two-thirds majority requirement may also serve to distinguish impeachment. The same is generally true regarding *ex post facto* law, the main difference here again being the requirement of a trial. The due process and the Bill of Rights arguments proceed from the assumption that impeachment is in essence judicial. The specific guarantees of the Bill of Rights and Due process would assume their due importance if the impeached officer stood to lose his life, liberty or property. Here again it should be realized that he only may lose a political office bestowed upon him by the grace of a sovereign people.

4. Finally, it is true that the efficiency of impeachment has been diminished by passage of the 22nd and 24th amendments. But it should not be concluded that these provisions have made impeachment obsolete. The twenty-second amendment will limit the length of time an unfit President may serve, thus reducing the incentive to remove him by impeachment; the 24th amendment partially delegates the power to remove an incapable President to the Vice-President *and* either (1) a majority of the cabinet or (2) a majority of some body designated by Congress for the purpose. However, it should be remembered that the power of impeachment still exists in such cases. Furthermore, these amendments do not abrogate impeachment in its most critical use. That is where a President, by abuse of his authority, begins to impinge upon the liberties of the people.

ALTERNATIVES AND RECOMMENDATIONS

Impeachment never looks so good as when it is compared to what might replace it. The framers kicked around and ultimately rejected a number of variations from impeachment in its present form. Hamilton suggested the President be impeached by a tribunal composed of the chief judge of the Superior Court of each state. John Dickinson of Delaware proposed that the chief executive should be removed by Congress upon the request of a majority of the state legislatures. A resolution by Governor Randolf of Virginia gave jurisdiction of impeachments to the national Judiciary. Under this plan presumably impeachments might have begun at the district court level. The Report of the Committee of Detail given on August 6, 1787 provided for a trial of impeachments of the House of Representatives in the Supreme Court. Madison too favored some tribunal including the Supreme Court to try impeachments.

In this area too, much emphasis has been on the judiciary. The only serious alternative to presidential impeachment is presented by the English Parliamentary system. By a majority vote of "no confidence" in both Houses a prime minister may be required to resign. Though simple, this method is not attuned to the American concept of an independent executive.

Alhough no one has proposed an alternative method of removing the President, alternatives to judicial impeachment may indirectly affect executive removal by relieving some of the burden upon Congress. In addition, procedures adopted to streamline judicial impeachments should undoubtedly be referred to in executive impeachment. Discussion of impeaching judges usually begin from the premise that it is unrealistic to expect Congress to supervise federal district court judges by impeachment. The question then becomes whether impeachment is the exclusive means of removal under the Constitution.

Potts has offered a fairly representative proposal whereby only the President and his Cabinet would be amenable to impeachment. Lesser administrative officers would be removable through administrative hearings. Potts would create a special tribunal to try impeachments of the members of the judiciary. Under his plan, panels of judges from the circuit courts of Appeal would try the District judges and the Supreme Court would try the Appeal court judges. Potts then suggests that a special panel of district judges try the Supreme Court Justices.

Potts feels this would not require a constitutional amendment. He argues the framers did not intend impeachment as the only means of removal of federal judges. He suggests that this method could be enacted under the Necessary and Proper clause (art. I, sec. 8, cl. 18) pursuant to the judicial tenure clause (art. III, sec. 1, cl. 1) which prescribes that the tenure of federal judges shall be during good behavior.

Legislative proposals on the subject are scarce and have not fared well in Congress. In 1936, Senator McAdoo of California introduced a bill providing for a court composed of ten court of Appeals judges, one from each circuit, and the chief justice of the District of Columbia district court of Appeals as the presiding judge. The Court would have the power to remove district court judges for misbehavior under the judicial tenure clause (art. II, sec. 1) by *quo warranto* proceedings instituted by the Attorney General. In this same vein, a bill introduced in 1969 provided for a panel of five judges from the courts of Appeals to recommend removal of federal judges.

Preble Stolz and Philip Kurland have cited the opinions of justices Black and Douglas in the case of *Chandler v. Judicial council of the Tenth Circuit* in support of the exclusivity of the impeachment remedy. Stolz proposes avoiding the exclusivity problem by modernizing the impeachment mechanism. He enumerates four attributes of an ideal system of impeachment: (1) one free from partisanship; (2) confidential; (3) permanently staffed; and (4) procedurally fair. Stolz feels these objectives could be achieved without the necessity of a constitutional amendment by a few changes in the Rules of the House and Senate.

Stolz recommends the creation of a standing bipartisan committee on Judicial Fitness in the House of Representatives. This committee would be permanently staffed to avoid the characterization of *ad hoc* that has attached to other committee staffs investigating impeachment. The staff would investigate complaints and draw up articles in appropriate cases. The Judicial committee would vote on the articles and the accused would be afforded an opportunity to appear and answer the charges in an executive session of the committee.

If the articles were brought before the Senate, that body would select a master to hear the evidence and present findings of fact and conclusions of law in a report to the full Senate. The Senate could then vote on this report.

Something akin to Stolz's proposals are almost a necessity if the federal judiciary is to be supervised. As regards the President, a House Committee on Judicial Fitness could, with a minimum of effort, extend itself to cover the rare instances of executive impeachment. Such a committee would also meet two major objections to impeachment: that the House is not equipped for the investigations of impeachments, and the charge of bias. However, Stolz's recommendation that the Senate vote on a master's report rather than hear the evidence themselves would deprive the President of a full hearing before the Senate provided for him in the Constitution.

As to impeachment of the President, I would not recommend a constitutional amendment deleting or replacing the age-old mechanism. Nor would I recommend any comprehensive law of impeachment. A cunning executive would find just that excess not prohibited under the hypothetical statute. The language must remain as broad as the mischief it seeks to prevent. However, I do recommend promulgation of some enactment outlining impeachable offenses for our "civil officers" with a view toward putting them on notice that they may be impeached for less than criminal misconduct. This would go far toward satisfying any complaints as to the due process or *ex post facto* clause requirements.

I would also advocate the adoption of set rules of procedure and evidence. This would save the time of debating and adopting such rules during difficult periods. If Congress is to continue to effectively supervise the behavior of the judiciary, establishment of some alternative removal procedure for minor federal judges and lesser officers is inevitable. I would follow Stolz's lead and set up a permanently staffed committee on Judicial Fitness empowered to investigate the conduct of the President. However, I would not endorse his proposal to allow the Senate to vote on the report of a master.

I feel that serious constitutional rights are affected, and such a change should come by constitutional amendment. Plans such as that proposed by Potts could also be explored, ever mindful of the constitutional problems they raise.

Any certainty and availability lent to the law of impeachment by such enactments might also make impeachment more approachable by a timid Congress. This would be the greatest service that any such legislation might render. For no matter how well designed the device may be in theory, it would be better not to have been created at all than to be so designed and never used.

CONCLUSION

Though an impeachment is often compared to an indictment, like all analogies it is incomplete. We find impeachment to be not a criminal prosecution, but a general inquiry into the fitness of a man to hold office. Theoretically a man need not commit a crime to be impeached; but in practice the legislators have most often preferred to wait for a manifest violation of law. The only instance of presidential impeachment was submerged in a quagmire of legal technicalities, focused upon the sole question of whether the President had committed a crime. It has been one aim of this note to urge that when things have reached the point of impeachment such inquiries should become subservient to the more important interests of the state and its citizens.

The legislators are compelled by no law to impeach a man; even one they deem unworthy. The danger always exists that myopic legislators, failing to grasp the constitutional importance of a President's actions, may allow our liberties to be eroded by a failure to impeach. Fortunately, in the past the Congress has felt a moral compulsion to impeach which has demonstrated that impeachment is still an effective removal mechanism.

We have also seen that hardly a viable alternative exists given the peculiar history and circumstances of this country. However, certain supportive measures may be taken to strengthen the bond of impeachment and make it more accessible as a check on the Executive.

It was pointed out in passing that two aspects of impeachment are central to its understanding. First that impeachment is a legislative, not a judicial, determination. As such it should be evaluated under a somewhat different set of rules. Second, that impeachment will lie for non-indictable offenses.

In view of recent events in Chile, Greece and many other places thoughout the world, few words need be wasted in pointing out that confidence in the rule of civil democratic governments has been considerably eroded in the past decade. In the United States, impeachment has long serviced a necessary political reality: the need for an effective check upon the action of the executive. It has often been the failure to come to grips with this reality that has been the ruin of these democracies.

In this sense, impeachment should be as dear to liberty in this country as the Bill of Rights and the Fourteenth Amendment. It is fundamental to the right of a people to govern themselves. For in this connection it should not be forgotten that the supreme act of a sovereign people is the removal of an unfit ruler.